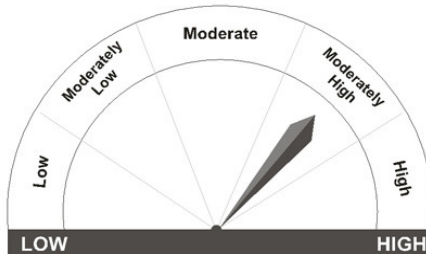


KEY INFORMATION MEMORANDUM

**ESCORTS INCOME BOND
(AN OPEN ENDED INCOME 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 current income • To invest predominantly in a well diversified portfolio of Fixed Income Securities with moderate risk levels 	 <p style="text-align: center;">Investors understand that their principal will be at moderately high risk.</p>

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

Name of Mutual Fund : ESCORTS MUTUAL FUND

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

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

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

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**.

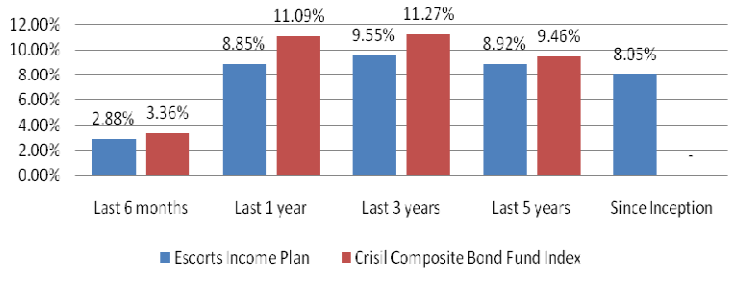
Investment Objective	The investment objective of the Scheme is to generate current income by investing predominantly in well diversified portfolio of Fixed Income Securities with moderate risk levels. This income may be complemented by possible Capital Appreciation.	
Asset Allocation Pattern of the scheme	Types of Instruments	Normal Allocation (% of Net Assets)
	Money market Securities #	0 - 25
	Fixed Income Securities #	40 - 90
	Equity & Equity Related Instruments, Units etc.	0 - 25
Investment Strategy of the Scheme	# = Aggregate investment in Money Market and Fixed Income Securities will always be 75% or more as the maximum investment in Equity Shares and equity related instruments, Units etc. would be 25%. Investments in Central / State Government securities shall be between 40% to 75%. The likely investment in corporate / PSU and financial institution papers shall be between 10% to 50% depending upon the availability of the instruments at a particular time. In Debt instruments the investment shall be made in the securities issued by State or Central Government or having their guarantee or rated not below the investment grade i.e. AAA to BBB or equivalent, by a rating agency. The portfolio shall be well diversified as far as possible across all sectors without overweighing a particular sector. The scheme shall not be investing more than 5%-6% of the Net Assets in a single security.	
Risk Profile of the Scheme	Mutual Fund investments are subject to market risks. Please read the SID carefully for details on risk factors before investment. Scheme specific risk factors are summarized below: 1. The inability to sell the money market or debt securities held in the Scheme's portfolio due to the absence of a well developed and liquid secondary market for such securities may result, at times, in losses to the Scheme, in case of a subsequent decline in the value of such securities. 2. The liquidity of the debt investments is inherently restricted by trading volumes and settlement periods. In the event of an inordinately large number of redemption requests, or of a restructuring of the scheme's portfolio of investments, these periods may become insignificant.	
	3. The debt securities are subject to risk of an issuer's inability to meet principal and interest payments on its debt obligations and market perception of the creditworthiness of the issuer Due to this risk, corporate debentures are sold at a higher yield above those offered government securities, which are sovereign obligations and free of credit risks.	
Risk Mitigation	<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.																																				
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) <p>• Default Options</p> <p>In case the investor does not select suitable alternative, defaults applicable shall be as follows:</p> <p>Default Plan - Direct Default Option – Growth Default Dividend Payout Option – Re-invest</p> <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 1010 1365 1381"> <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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ESCORTS INCOME BOND

<p>Applicable NAV (after the scheme opens for repurchase and sale)</p>	<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>														
<p>Minimum Application Amount/ Number of Units</p>	<p>Purchase Rs. 1,000/- and in multiples of Rs. 1/- thereafter.</p>	<p>Additional Purchase Rs. 1,000/- and in multiples of Rs. 1/- thereafter.</p>	<p>Repurchase Rs. 1,000/-.</p>														
<p>Despatch of Repurchase (Redemption) Request</p>	<p>Within 10 working days of the receipt of the redemption request at the authorised centre of Escorts Mutual Fund.</p>																
<p>Benchmark Index</p>	<p>CRISIL Composite Bond Fund Index</p>																
<p>Dividend Policy</p>	<p>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.</p>																
<p>Fund Manager</p>	<p>Name</p>	<p>Tenure for scheme management</p>															
	<p>Ms. Pushpa Rai – Debt</p>	<p>Since February 2017</p>															
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<p>Top 10 holdings of scheme Portfolio</p>	<table border="1"> <thead> <tr> <th>Security Name</th> <th>Weightage (%)</th> </tr> </thead> <tbody> <tr> <td>8.23% GOI FCI 2027</td> <td>24.06</td> </tr> <tr> <td>7.16% GOI 2023</td> <td>12.31</td> </tr> <tr> <td>11.52% India Infoline Housing Fin. Limited</td> <td>7.98</td> </tr> <tr> <td>9.40% Blue Dart Express Ltd.</td> <td>7.77</td> </tr> <tr> <td>9.50% Reliance Home Fin.Ltd.</td> <td>7.72</td> </tr> <tr> <td>12% India Infoline Finance Ltd.</td> <td>7.16</td> </tr> </tbody> </table>			Security Name	Weightage (%)	8.23% GOI FCI 2027	24.06	7.16% GOI 2023	12.31	11.52% India Infoline Housing Fin. Limited	7.98	9.40% Blue Dart Express Ltd.	7.77	9.50% Reliance Home Fin.Ltd.	7.72	12% India Infoline Finance Ltd.	7.16
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ESCORTS INCOME BOND

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<p>Website link for latest monthly Portfolio scheme</p>	<p>http://www.escortsmutual.com/downloads.aspx?Cat=Portfolio</p>																		
<p>Portfolio turnover ratio</p>	<p>Portfolio Turnover Ratio as on 31.03.2017 : Not Applicable for Debt Schemes</p>																		
<p>Performance of the scheme</p>	<p style="text-align: center;">EIB V/s Crisil Composite Bond Fund Index</p>  <table border="1"> <caption>EIB V/s Crisil Composite Bond Fund Index Performance Data</caption> <thead> <tr> <th>Period</th> <th>Escorts Income Plan (%)</th> <th>Crisil Composite Bond Fund Index (%)</th> </tr> </thead> <tbody> <tr> <td>Last 6 months</td> <td>2.88%</td> <td>3.36%</td> </tr> <tr> <td>Last 1 year</td> <td>8.85%</td> <td>11.09%</td> </tr> <tr> <td>Last 3 years</td> <td>9.55%</td> <td>11.27%</td> </tr> <tr> <td>Last 5 years</td> <td>8.52%</td> <td>9.46%</td> </tr> <tr> <td>Since Inception</td> <td>8.05%</td> <td>-</td> </tr> </tbody> </table> <p>No. of folios (as on 31.03.2017) - 215 Assets under Management (as on 31.03.2017) – Rs. 1.32 Crores</p>	Period	Escorts Income Plan (%)	Crisil Composite Bond Fund Index (%)	Last 6 months	2.88%	3.36%	Last 1 year	8.85%	11.09%	Last 3 years	9.55%	11.27%	Last 5 years	8.52%	9.46%	Since Inception	8.05%	-
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<p>Expenses of the Scheme</p>	<p>Continuous Offer</p>																		
<p>(i) Load Structure</p>	<p>Entry load : Nil Exit load : 1% if redemption < = 1 year of allotment Actual expenses for the previous financial year 2016-17 (unaudited) : Rs. 0.012 Crores</p>																		
<p>(ii) Recurring expenses</p>	<p>First Rs. 100 crores : 2.25% Next Rs. 300 crores : 2.00% Next Rs. 300 crores : 1.75% Balance : 1.50%</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>taken place during the month on or before 10th of the succeeding month shall be sent by mail or e-mail.</p> <ul style="list-style-type: none"> - 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/ 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. - 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
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	<p>will automatically become applicable and shall be incorporated in the SID/SAI/KIM wherever applicable.</p> <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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