

Samco Asset Management Private Limited

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NOTICE CUM ADDENDUM No. 02/2022

The Unit Holders of SAMCO Flexi Cap Fund are requested to note that *in order to ensure that disclosures are true, clear, and complete*, Securities and Exchange Board of India (SEBI) vide email dated February 03, 2022 has advised SAMCO Mutual Fund to:

- a. Incorporate the clauses pertaining to Hexashield Framework in investment strategy section of the SID of SAMCO Flexi Cap Fund;
- b. To change the tagline of Mutual Fund to avoid dissonance with regulatory parlance;
- c. Rectify the incorrect disclosures done on SAMCO Mutual Fund's website w.r.t. asset allocation mentioned in the scheme information document ("SID") of SAMCO Flexi Cap Fund.

Accordingly, we hereby share the new tag line "**Hexashield Tested Investments**". Further, as per the asset allocation table, the scheme shall invest 65% to 100% in Indian Equity, 0 to 35% in Foreign Securities and 0 to 35% in Tri-party Repo (TREPS) through CCIL. Since the scheme shall also invest upto 35% in TREPS instruments, the reference of the word "pure equity scheme" was duly removed from the website as per the direction received from SEBI.

This notice seeks to incorporate the following Hexashield framework in investment strategy section of the SID, Key Information Memorandum cum Application form ("KIM") of the SAMCO Flexi Cap Fund and Statement of Additional Information ("SAI") of Samco Mutual Fund and other relevant documents/materials as applicable.

"SAMCO's proprietary HexaShield Investment framework

SAMCO's HexaShield framework is a strategy to put to work money with businesses that can endure and survive in a variety of stressful situations and

generate superior long-term risk adjusted returns. It relies on understanding the resilience of companies based on SAMCO's HexaShield framework tests and evaluates every company and institution on 6 most important facets of risks and stress. These tests are meant to measure every company's ability to maintain enough buffer to stay afloat under adverse economic scenarios. The HexaShield tests are also designed to understand if these companies can generate high cash returns on capital employed in a variety of economic conditions including degrowth, recession, etc. This rigorous scientific and statistical process helps get an understanding of risks, reduces room for bias and beliefs, inculcates discipline and enhances the probability of success. Companies that pass the criteria often exhibit 2 characteristics - they survive as a going during economic distress and operate as true compounding machines in normal economic cycles.

The 6 facets of testing that are followed in our HexaShield framework are:

1. Competitive Strength and Pricing Power
2. Balance Sheet and Insolvency
3. Re-investment and Growth
4. Corporate Governance and Leadership
5. Cash Flow
6. Regulatory

The HexaShield tested framework puts businesses through simulated pressure scenarios to filter out the businesses that stand tall and emanate excellence despite any adversity. It observes if companies pass the test on various fundamental factors and only the ones that cross the benchmark percentage hurdle in all 6 pillars will be eligible to be a part of the investment universe. The companies which fail to cross the benchmark level on even a single pillar will fail the test. Samco Mutual Fund endeavors to invest in only the most capital efficient companies. Samco's HexaShield tested framework defines and quantifies the definition of a high-quality business. The investable universe is restricted to a limited set of businesses that passes the criteria and construct a portfolio that scores highly under the HexaShield Framework.”

This addendum forms an integral part of the SAI of SAMCO Mutual Fund, investment strategy section of SID and KIM of SAMCO Flexi Cap Fund. All the other terms and conditions of the aforesaid document read with the addenda issued from time to time will remain unchanged.

On account of additional disclosure as above and as directed by SEBI, unitholders (as on record date of 4th February 2022 End of Business) under the scheme are hereby given an option to redeem units at the prevailing Net Asset Value without any exit load, within the 15 days exit period starting from 09th February 2022 till

24th February 2022 (both days inclusive). The normal redemption process (both physical and online) may be used for this purpose and submitted at any Investor Service Centers/online. Further, interest at the rate of 15% p.a. shall be paid to exiting unit holder from the date of closure of NFO till date of payment of amount. This interest shall be paid by the Asset Management Company (i. e. SAMCO Asset Management Private Limited) to the unit holder. Unitholders who do not exercise the exit option on or before 24th February 2022 would deemed to have consented to the proposed modification. Kindly note that an offer to exit is merely optional and is not compulsory.

For Samco Asset Management Private Limited
(Investment Manager for Samco Mutual Fund)

Place: Mumbai
Date: February 09, 2022

Sd/-
C. Balasubramanian
Company Secretary & Compliance
Officer

**MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ
ALL SCHEME RELATED DOCUMENTS CAREFULLY**