



QUANTUM MUTUAL FUND

Profit with Process

India's 1st Direct to Investor Mutual Fund

Investment Manager: Quantum Asset Management Company Private Limited

505 Regent Chambers, 5th floor, Nariman Point, Mumbai - 400 021, India Toll Free No.: 1800-209-3863/1800-22-3863; Toll Free Fax No.: 1800-22-3864
Email: CustomerCare@QuantumAMC.com; Website: www.QuantumMF.com CIN: U65990MH2005PTC156152

Notice Cum Addendum

ADDENDUM NO 2/ 2018

Change in the Asset Allocation of Quantum Equity Fund of Funds, Quantum Gold Fund & Quantum Nifty ETF and Delete "Growth Option" in Scheme Information Document of Quantum Nifty ETF

NOTICE IS HEREBY GIVEN THAT the Board of Directors of Quantum Trustee Company Private Limited has approved the following changes to the Scheme Information Document and Key Information Memorandum of Quantum Equity Fund of Funds, Quantum Gold Fund and Quantum Nifty ETF

I. Change in Asset Allocation - Quantum Equity Fund of Funds, Quantum Gold Fund and Quantum Nifty ETF

SEBI vide its circular SEBI/HO/IMD/DF3/CIR/P/2017/114 dated October 6, 2017 advised Mutual Funds to categorize and rationalize its schemes to bring the desired uniformity in practice across Mutual Funds and to standardize the scheme categories and characteristics of each category.

To align the Scheme Characteristics of following schemes of Quantum Mutual Fund in accordance with the SEBI Circular, Asset Allocation of such scheme is proposed to be changed as follows with effect from February 21, 2018

A. Quantum Equity Fund of Funds - An Open Ended Fund of Funds scheme investing in Diversified Equity Schemes of Mutual Funds:

Particulars	Existing				Proposed			
Asset Allocation	Instruments	Minimum	Maximum	Risk Profile	Instruments	Minimum	Maximum	Risk Profile
	Open Ended Diversified Equity Schemes of mutual funds registered with SEBI	90%	100%	High	Open Ended Diversified Equity Schemes of mutual funds registered with SEBI	95%	100%	High
	Money Market Instruments	0%	10%	Low to Medium	Money Market Instruments, and Liquid Schemes of Mutual Funds	0%	5%	Low

B. Quantum Gold Fund - An Open Ended Scheme Tracking / Replicating Gold:

Particulars	Existing				Proposed			
Asset Allocation	Types of Instruments	Minimum	Maximum	Risk Profile	Types of Instruments	Minimum	Maximum	Risk Profile
	Physical Gold	90%	100%	Medium to High	Physical Gold	95%	100%	Medium to High
	Money Market Instruments, Short Term Corporate Debt Securities, CBLO and Units of Debt & Liquid Scheme of Mutual Fund	0%	10%	Low	Money Market Instruments	0%	5%	Low

C. Quantum Nifty ETF - An Open Ended Scheme Replicating / Tracking Nifty 50 Index :

Particulars	Existing				Proposed			
Asset Allocation	Instruments	Minimum	Maximum	Risk Profile	Instruments	Minimum	Maximum	Risk Profile
	Securities Covered by Nifty 50 Index	90%	100%	High	Securities Covered by Nifty 50 Index	95%	100%	High
	Money Market Instruments, other short term debt instruments as permitted under SEBI (Mutual Funds) Regulations, 1996 and Liquid Scheme of Mutual Funds	0%	10%	Low	Money Market Instruments	0%	5%	Low

II. Delete the Term "Growth Option" from Scheme Information Document of Quantum Nifty ETF, to bring clarity and then declare dividend from time to time in Quantum Nifty ETF

Quantum Nifty ETF is a passively managed scheme which tracks Nifty 50 Index (Nifty -50) by replicating its portfolio by investing in the securities in the same proportion of Nifty -50. Each units of the Scheme in terms of value will be approximately 1/10th of prevailing Nifty -50 and therefore the NAV of each unit should also be approximately 1/10th of prevailing Nifty -50.

The Scheme receives dividends from underlying securities from time to time which is invested in the underlying securities after meeting expenses of the Scheme. The dividends yield of Nifty -50 historically around 1.50% whereas the expense ratio of the Scheme is 0.25%. The net income generated from the dividend over the expense since inception of the Scheme has resulted in increase in the NAV of the Scheme by more than 8.16% of the prevailing 1/10th of Nifty as on December 31, 2017. Therefore, it was proposed to declare dividend under the Scheme from time to time to keep NAV of the Scheme approximately 1/10th of prevailing Nifty -50 which will facilitate unit holders to trade at fair price on the stock exchange.

Quantum Nifty ETF does not have separate plan / option like Growth / Dividend as the scheme is Exchange Traded Fund. The Scheme Information Document has enabling provision for declaration of dividend however in the Scheme Information Document investment option is prescribed as Growth. The scheme has not yet declared any dividend till date. Therefore, to bring clarity in the Scheme Information Document the term "Growth Option" is to be deleted with effect from February 21, 2018 which will then enable the scheme to declare dividend from time to time to keep NAV of the Scheme approximately 1/10th of prevailing Nifty -50 which will facilitate unit holders to trade at fair price on the stock exchange.

All other features and terms and conditions of the respective Schemes shall remain unchanged.

The proposed changes in Asset Allocation of Quantum Equity Fund of Funds, Quantum Gold Fund and Quantum Nifty ETF and deletion of "Growth Option" in Scheme Information Document of Quantum Nifty ETF, is considered to be a change in the fundamental attribute, in terms of regulation 18(15A) of SEBI (Mutual Funds) Regulations. In accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 ("SEBI Regulations") and pursuant to no objection letter issued by SEBI IMD/DF3/OW/P/2017/32920/1 dated December 26, 2017, each Unit Holder of Quantum Equity Fund of Funds, Quantum Gold Fund and Quantum Nifty ETF, as on the close of business hours on the record date, being January 12, 2018, is provided with an option to exit his / her / its investment in Quantum Equity Fund of Funds, Quantum Gold Fund and Quantum Nifty ETF at the prevailing NAV without any exit load, for a period of 30 days from January 22, 2018 up to close of business hours on February 20, 2018 (both days inclusive) ("Exit Option Period"), if they disapprove the aforesaid Proposed Asset Allocation of Quantum Equity Fund of Funds, Quantum Gold Fund and Quantum Nifty ETF and deletion of "Growth Option" from the Scheme Information Document of Quantum Nifty ETF.

Quantum Nifty ETF and Quantum Gold Fund are no load schemes and listed and traded on Stock Exchange. Unit holders wishing to exit pursuant to the aforesaid change can sell their units directly on the exchange and receive their sale proceeds as per the mechanism of the exchange. Additionally unit holders can also redeem their units directly with Quantum Mutual Fund through their Depository Participant. The detail process in this regard is provided in the Exit Option Letter.

Unit Holders of Quantum Equity Fund of Funds who are desirous of redeeming their units pursuant to the aforesaid changes may exercise the exit option on or before February 20, 2018 by submitting normal redemption request through physical mode at the nearest Investor Service Center of the Mutual Fund as mentioned in the Exhibit 1 of the written notice dated January 15, 2018 that is being separately sent to each unit holder or through Electronic mode as defined in the Scheme Information Document (SID) and Key Information Memorandum (KIM) of Quantum Equity Fund of Funds and Statement of Additional Information (SAI) of Quantum Mutual Fund. The unit holders, who hold their units in dematerialised form, need to submit the redemption request with their depository participant during exit option period. All transaction requests received after February 20, 2018, will be subject to exit load, as may be prevailing at that time in Quantum Equity Fund of Funds.

Unit Holders who have registered for Systematic Investment / Transfer facilities in Quantum Equity Fund of Funds and do not wish to continue their future investment into Quantum Equity Fund of Funds, must apply for cancellation of their systematic Investment / Transfer facilities registrations.

As regards investors who redeem their investments during the exit option, the tax consequences as set forth in the Statement of Additional Information of Quantum Mutual Fund and Scheme Information Document of Quantum Equity Fund of Funds, Quantum Gold Fund and Quantum Nifty ETF would apply.

If you have no objection to the proposed changes, no action needs to be taken by you. Please note that Unit Holders who do not exercise the exit option within the Exit Option Period would be deemed to have no-objection to the proposed changes. Unit Holders who have pledged their units will not have the option to exit unless a release of the pledge is obtained and appropriately communicated to the Mutual Fund / Registrar prior to applying for redemption. In case a lien is marked on the units held by you or your units have been frozen/locked pursuant to an order of a Government Authority or a Court, redemption can be executed only after the lien/order is vacated/revoked prior to February 20, 2018. The offer to exit is merely an option and not compulsory. We would like the Unit Holders to remain invested in Quantum Equity Fund of Funds, Quantum Gold Fund and Quantum Nifty ETF.

This addendum forms an integral part of the Scheme Information Document and Key Information Memorandum of the Schemes and Statement of Additional Information of Quantum Mutual Fund as amended from time to time.

For Quantum Asset Management Company Private Limited

(Investment Manager - Quantum Mutual Fund)

Sd/-

Jimmy A Patel

Managing Director and Chief Executive Officer

DIN: 00109211

Place: Mumbai

Date: January 17, 2018

Mutual fund investments are subject to market risks read all scheme related documents carefully.