BNP PARIBAS
MUTUAL FUND

BNP PARIBAS ASSET MANAGEMENT INDIA PRIVATE LIMITED

VALUATION POLICY

INDEX

A. INTRODUCTION:

The Securities and Exchange Board of India (SEBI) has outlined investment valuation norms and accounting policies under SEBI (Mutual Funds) Regulations, 1996 (the Regulations) as amended from time to time. The Investment Valuation Norms are prescribed in the Eighth Schedule of the Regulations (regulation 47) and circulars issued by SEBI from time to time.Further, SEBI has amended Regulation 47 and the Eight Schedule vide a gazette notification dated February 21, 2012 and has introduced overriding guiding principles in the form of "Principles of Fair Valuation".

The amended regulation requires that Mutual Funds shall follow principles of fair valuation to minimize the difference in valuation of mutual fund assets relative to market values and also to enable fair treatment across all classes of investors i.e. existing investors as well as investors seeking to subscribe or redeem units.

It further prescribes that the valuation of investments shall be based on the principles of fair valuation i.e. the valuation shall be reflective of the realizable value of securities / assets. The valuation shall be done in good faith and in a true and fair manner through appropriate valuation policies and procedures as approved by the Board of the asset management company. The valuation policies and procedures approved by the Board of asset management company should seek to address conflict of interest.

The amendment also states that 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.

This Policy reflects the guiding principles to ensure fair valuation of all securities under the Schemes to comply with the amended Regulation 47 and the Eight Schedule relating to valuation of investments on February 21, 2012 and February 28, 2012.

B. SCOPE:

The following are covered within the scope of this policy:

(a) Defining valuation procedures / methodologies for various types of securities;

(b) Valuation of securities / assets in the event of an inter scheme transfer;

(c) Review of valuation policies and procedures and reporting to the various stakeholders;

(d) Recording of deviations from established policies and procedures and rationale for same;

(e) Dealing with Conflict of Interests (including potential conflict of interest) which has / may have a bearing on valuation of securities;

(f) Valuation of securities / assets during exceptional events.

C. PERIODIC REVIEW

The Valuation Committee shall review the valuation methodologies at least annually in terms of its appropriateness and accuracy in determining the fair value of each and every security.

The Valuation Committee shall update the Board of Directors of AMC and Trustee Company, at least annually, in terms of the effectiveness of the methodologies and deviations or incorrect valuations.

Further, the Valuation Policy shall also be reviewed by Independent Auditors at least once a Financial Year to ensure the appropriateness of the Valuation Methodologies and to suggest alternative methods, if any.

D. EXCEPTIONAL EVENTS

Following types of events could be classified as Exceptional events where current market information may not be available / sufficient for valuation of securities. Given the exceptional nature of the following events and the lack of clarity on how it would impact the markets, it is not possible to define a standard methodology to be adopted for fair valuation of securities for such events.

a. Major policy announcements by the Central Bank, the Government or the Regulator;
b. Natural disasters or public disturbances that force the markets to close unexpectedly or functions abnormally;
c. Absence of trading in a specific security or similar securities;
d. Significant volatility in the capital markets;
e. Closure of the stock market of a particular security;
f. Events which lead to lack of availability of accurate or sufficient information to value the securities.
g. Significant illiquidity in fixed income markets.
h. Events like Sovereign bankruptcy, corporate bankruptcy, disruptive political scenario that may impact the markets.

The above list is illustrative and not exhaustive.

E. ESCALATION PROCESS:

- Valuation Committee shall be responsible for monitoring Exceptional events and recommending appropriate valuation methods. Necessary guidance may be sought from the Boards of AMC.

- Any deviation from the disclosed valuation policy, principles and procedures in order to value the security at fair value; will be appropriately reported to the Boards of the asset management company, the Boards of Trustees and appropriate disclosures to investors.

F. REVIEW - PREVENTION & DETECTION OF INCORRECT VALUATION:

The AMC has put in place policies and procedures to prevent and detect incorrect valuation like ensuring adherence to the policy along with basic checks and balances in normal course and conducting a periodic review (including Independent Audit) at least annually in terms of its appropriateness and accuracy in determining the fair value of each and every security.

G. RECORD KEEPING

All the documents which forms the basis of valuation shall be preserved in accordance with the norms prescribed by the SEBI regulations and guidelines.

H. DISCLOSURE OF THE POLICY

The Valuation Policy approved by the AMC Board shall be disclosed in Statement of Additional Information (SAI), website of the AMC and other documents as prescribed by the Regulations and guidelines.

I. VALUATION METHODOLOGIES

- The valuation of investment shall be based on the guiding principles of fair valuation.
- The methodologies for valuing different type of securities are mentioned in Annexure I
- Where it is observed that Valuation methodology mentioned in Annexure I, does not lead to fair valuation of securities, Valuation Committee may on a prospective basis deviate from the defined methodology and adopt such alternate procedures / methods in conformance with the guiding principles of fair valuation in good faith to arrive at the true and fair estimation of the realizable value of the security. The rationale for any such deviations would be recorded in writing and placed before the Board of Directors of the AMC and the Trustee.
- 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 Directors of BNP Paribas Asset Management India Private Limited (AMC).
- Valuation price of the Security; arrived as per the policy; shall be applied consistently across the portfolios. In other words; any particular security shall be valued at same price across all the portfolios and it cannot have different prices for valuation on a particular day.
- In case there are multiple / dual credit ratings for the same company, the lowest among the same shall be considered for valuation purpose; provided the structures of the instruments under consideration are similar.

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ANNEXURE - 1

VALUATION METHODOLOGIES

Asset Class	Traded / Not Traded / Thinly Traded/ Listed / Unlisted	Valuation Methodology
Debt & Money Market instruments (including Bills Rediscounting Deposit Scheme) other than Treasury Bills, Government Securities CBLO, Reverse Repo, Fixed Deposits	For Securities with residual maturity <= 60 Days:	The valuation shall be done on the basis of Straight Line Amortization as long as their valuation remains within ± 0.10% band of the price derived from the reference rate for each bucket. (Reference Rate = Benchmark Yield ± Spread (if any). Benchmark Yield is the average of yields provided by CRISIL / ICRA). In case of amortized value falling outside the above band, the YTM of the asset will have to be adjusted in order to bring the price to ±0.10% band of the price derived from the reference rate for each bucket. **Determination of Spread:** In case on a particular valuation day, traded yield (purchase yield on allotment date in case of primary deals) has been considered for valuation, the difference between the traded / purchase yield and the benchmark yield will be fixed as the spread for the purpose of valuation without any cap on the illiquidity premium/discount. Note:The spread so fixed can be changed to reflect the changes in the market or any change in the credit rating or the credit profile of the issuer with the approval of Valuation Committee. **Note: Valuation of securities with Put/Call Options:** In line with the SEBI circular, the option embedded securities would be valued as follows: <u>Securities with call option:</u> 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. <u>Securities with Put option:</u> 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 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 instruments. <u>Securities with both Put and Call option on the same day:</u> The securities with both Put and Call option on the same day would be deemed to mature on the Put/Call day and would be valued accordingly. The securities having Put and Call Options on the same day but at different prices would not be treated as maturity date of the instrument and would be valued at Put and Call dates. Lower of the best of Put and worst of Call would be taken as the price for valuation **The price derived above shall then be used for valuation on Straight Line Amortization and reference price comparison as stipulated above.**
	For Securities with residual maturity > 60 Days : **Traded / Non Traded**	Valued basis average of security level prices received from external agencies (CRISIL and ICRA). New securities (residual maturity of more than 60 days) purchased for which valuation price is not provided by both the external agencies on the date of purchase, the same shall be valued based on the Weighted average Yield of own trades. Note : In case of bonds where option triggered is different from different valuation agencies (Eg: In

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Asset Class	Traded / Not Traded / Thinly Traded/ Listed / Unlisted	Valuation Methodology
		CRISIL valuation, option triggered is Call while in ICRA valuation, option triggered is Maturity), aggregate price will be lower of the two prices instead of the average of two prices
	Primary Market Deals	For existing securities, to be valued similar to Secondary Market deals. For new securities, to be valued at cost until allotment.
Treasury Bills, Government Securities, State Development Loans, Cash Management Bills	For Securities with residual maturity <= 60 Days: **Traded**	Weighted average YTM at which they are traded / reported on NDS OM. A security will qualify as traded security if, there are at least two trades and aggregate volume of Rs.10 Crores face value or more. Note: If the security does not qualify as above, own traded yield (including inter-scheme) for buy/sell transaction may be considered; provided that there is at least one trade of not less than Rs.5 Crs.
	Not Traded	Straight Line Amortization as long as their valuation remains within $\pm$ 0.10% band of the price derived from the reference rate for each bucket. (Reference Rate = Benchmark Yield $\pm$ Spread (if any). Benchmark Yield is the average of yields provided by CRISIL / ICRA). In case of amortized value falling outside the above band, the YTM of the asset will have to be adjusted in order to bring the price to $\pm$0.10% band of the price derived from the reference rate for each bucket. ***Determination of Spread:*** In case on a particular valuation day, traded yield (purchase yield on allotment date in case of primary deals) has been considered for valuation, the difference between the traded / purchase yield and the benchmark yield will be fixed as the spread for the purpose of valuation. Note:The spread so fixed can be changed to reflect the changes in the market with the approval of Valuation Committee.
	For Securities with residual maturity > 60 Days : **Traded / Non Traded**	Valued basis average of security level prices received from CRISIL and ICRA.
Bank Fixed Deposits, CBLO/ Reverse Repo,	-	Valued at cost plus accruals / amortization
Equity, Normal Preference shares and Cumulative Convertible Preference Share	Traded	Traded Securities are to be valued at the last quoted closing price on the primary Stock Exchange (NSE). If a security is not traded on NSE on a particular valuation day, the close price at which it is traded on BSE shall be considered.
	Not Traded / Thinly Traded	1. **Thinly Traded:** Any security which does not have trading volume of 50,000 scrip's and trading amount of Rs 5,00,000/- during a period of thirty days shall be categorized as thinly traded scrip 2. **Non Traded:** If the equity securities are not traded on NSE and BSE for a period of thirty days prior to the valuation date, the scrip must be treated as `non-traded' scrip. 3. If the security is not traded either on NSE and BSE, the earliest previous day's close price shall be used, provided such day is not more than thirty days prior to the valuation date. 4. **Other Cases:** A. **Equity Shares:**

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<table>
<tr><th>Asset Class</th><th>Traded / Not Traded / Thinly Traded/ Listed / Unlisted</th><th>Valuation Methodology</th></tr>
<tr><td></td><td></td><td>Based on the latest available Balance Sheet, net worth shall be calculated as follows:

a) Net Worth per share = [Share Capital+ Reserves (excluding Revaluation Reserves) – Misc. expenditure and Debit Balance in P&L A/c] Divided by No. of Paid up Shares.
b) Average capitalization rate (P/E ratio) for the industry based upon either BSE or NSE data (which should be followed consistently and changes, if any noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalization rate (P/E ratio). Earnings per share (EPS) of the latest audited annual accounts will be considered for this purpose.
c) Note: Management to evaluate impact on valuation of thinly traded/non traded equity investments if there are qualification in the auditors report
d) The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 10% for ill-liquidity so as to arrive at the fair value per share.
e) In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalized earning.
f) In case where the latest balance sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero.
g) 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 by the procedure above and the proportion which it bears to the total net assets of the scheme to which it belongs would be compared on the date of valuation.

B. Preference share:
Non traded preference shares should be valued in good faith depending upon the type of the preference Share and after considering illiquidity discount, if any.</td></tr>
<tr><td>Equity</td><td>Unlisted</td><td>These guidelines are similar to the guidelines issued by SEBI for non traded / thinly traded securities mentioned above except the following:

a. Computation of Net worth per share as lower of (i) and (ii):
(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 / Number of Paid up Shares

ii) 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 / {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.

a) Average capitalisation rate (P/E ratio) for the industry based upon either BSE or NSE data (which should be followed consistently and changes, if any, noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P/E shall be taken as capitalisation rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose.

b) The value as per the Net Worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 15 per cent for illiquidity so as to arrive at</td></tr>
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		the fair value per share. c) 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 valuation methodology shall be subject to the following conditions: a. All calculations shall be based on audited accounts. *Management to evaluate impact on valuation of thinly traded/non traded equity investments if there are qualification in the auditors report* b. If the latest Balance Sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero. c. If the Net Worth of the company is negative, the share would be marked down to zero. d. In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning. e. In case an individual security accounts for more than 5 per cent 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 per cent of the total assets of the scheme, it shall be valued in accordance with the procedure as mentioned above on the date of valuation.
Application Money for Primary Market Issue		Application money should be valued at cost up to allotment. Equity securities allotted and proposed to be listed, but not listed, are to be valued at cost till listing.
Qualified Institutional Placement (QIP) / Follow on Public Offer		Valued at Bid price or Market price, whichever is lesser.
Rights Entitlements	Traded	If the rights are traded, then the traded price will be considered for valuation.
	Non Traded/Unlisted/Thinly Traded	**Thinly Traded:** Any security which does not have trading volume of 50,000 scrip's and trading amount of Rs 5,00,000/- during a period of thirty days shall be categorized as thinly traded scrip **Non Traded:** If the equity securities are not traded on NSE and BSE for a period of thirty days prior to the valuation date, the scrip must be treated as `non-traded' scrip. Valuations of non-traded/thinly traded/Unlisted rights entitlement, SEBI Regulations have explained this with the help of following formula: $V_r = n/m * (P_{ex} – P_{of})$ Where V_r = Value of Rights n = Number of rights offered m = Number of original shares held P_{ex} = Ex-right price P_{of} = Rights offer price **The following issues while valuing the rights entitlements have to be addressed:** i) In case original shares on which the right entitlement accrues are not traded on the Stock Exchange, right entitlement should be valued at zero ii) When rights are not treated pari passu with the existing shares such as, restrictions with regard to dividend etc., suitable adjustment should be made by way of a discount to the value of rights at the last dividend announced rate.

Asset Class	Traded / Not Traded / Thinly Traded/ Listed / Unlisted	Valuation Methodology
		iii) Where right entitlements are not subscribed to but are to be renounced, and where renouncements are being traded, the right entitlements have to be valued at traded renunciation value. iv) Where right entitlements are not traded and it is decided not to subscribe the rights, the right entitlements have to be valued at zero. v) 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.
Suspended Security	-	In case trading in an equity security is suspended for trading on the stock exchange 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.
Partly Paid-up Equity Shares:	Traded	If the partly paid-up equity shares are traded in market separately then the same shall be valued at traded price (like any other equity instrument).
	Non - traded	Non traded partly paid-up equity shares shall be valued at Underlying Equity price as reduced by the balance call money payable or zero, whichever is higher.
Shares tendered for Buyback		**On tendering the shares for buyback:** Valued normally at the NSE/BSE closing price. **Acceptance of offer:** On receipt of the information from the custodian / company, the quantity accepted would be removed from the holding at the buyback price.
Valuation of Shares on Merger, De-merger and Other Corporate Action Events:	-	**Merger:** **On merger following possibilities arise which influence valuation, these are:** • **Shares held of a continued entity, which is traded:** At traded prices of continued entity. • **Shares held of discontinued entity :** Price of continued entity based on the conversion ratio. • **Shares of a new entity:** Valuation of merged entity will be arrived at by considering the closing price of the pre-merged entities adjusted for conversion ratio. • **Shares of merged entity is not traded:** Valuation of merged entity will be arrived at by summation of previous day's value of the respective companies prior to merger, divided by the entitled quantity of the merged entity upto a period of 30 days in cases where the identity of the entities getting merged is lost. In case shares of merged entity are not traded for more than 30 days, then AMC shall provide the fair valuation of the same. **De-merger:** **On de-merger following possibilities arise which influence valuation, these are:** • Both the shares are traded immediately on de-merger: In this case both the shares are valued at respective traded prices. • Shares of only one company continued to be traded on de-merger:

<table>
<tr><th>Asset Class</th><th>Traded / Not Traded / Thinly Traded/ Listed / Unlisted</th><th>Valuation Methodology</th></tr>
<tr><td></td><td></td><td>In such a scenario, the shares of Non Traded/Unlisted would be fairly valued in good faith by valuation committee on case to case basis. Traded share shall be valued at traded price.

• <u>Both the shares are not traded on de-merger:</u>

Shares of de-merged companies are to be valued equal to the pre de-merger value up to a period of 30 days from the date of de-merger. The market price of the shares of the de-merged company one day prior to ex-date can be bifurcated over the de-merged shares. The market value of the shares can be bifurcated in the ratio of cost of shares.

In case shares of both the companies are not traded for more than 30 days, then the AMC shall provide the fair valuation for the same.

<u>Other corporate action event:</u>
In case of any other type of capital corporate action event, the same shall be valued at fair price on case to case basis as may be determined by the Valuation Committee.</td></tr>
<tr><td>Valuation of Warrants</td><td>Traded</td><td>If the warrants are traded, the traded price will be considered for valuation.</td></tr>
<tr><td></td><td>Non Traded</td><td>In respect of warrants to subscribe for shares attached to instruments, the warrants can be valued at the value of the share which would be obtained on exercise of the warrant as reduced by the amount which would be payable on exercise of the warrant.; If the amount payable on exercise of the warrants is higher than the value of the share, the value of the warrants should be taken as zero.

Value of Warrant =Max [(Price of Underlying Security - Exercise Price), 0]

An illiquidity discount, as appropriate shall be taken into account for valuation.</td></tr>
<tr><td>Stock and Index Derivatives</td><td>-</td><td>• <u>Equity / Index Options Derivatives</u>
(i) Market values of traded open option contracts shall be determined with respect to the exchange on which contracted originally, i.e., traded option contracted on the National Stock Exchange (NSE) would be valued at the closing price on the NSE. The price of the same option series on the Bombay Stock Exchange (BSE) cannot be considered for the purpose of valuation, unless the option itself has been contracted on the BSE. Thus; traded option shall be valued at the closing price provided by the respective Stock Exchanges.

(ii) When a security is not traded on the respective stock exchange on the date of valuation, then the settlement price / any other derived price provided by the respective stock exchange shall be considered for valuation.

• <u>Equity / Index Futures Derivatives</u>

(i) Market values of traded futures contracts shall be determined with respect to the exchange on which contracted originally, i.e., traded futures position contracted on the National Stock Exchange (NSE) would be valued at the closing price on the NSE. The price of the same futures contract on the Bombay Stock Exchange (BSE) cannot be considered for the purpose of valuation, unless the futures contract itself has been contracted on the BSE. Thus; traded futures contracts shall be valued at the closing price provided by the respective</td></tr>
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Asset Class	Traded / Not Traded / Thinly Traded/ Listed / Unlisted	Valuation Methodology
		Stock Exchanges. (ii) When a security is not traded on the respective stock exchange on the date of valuation, then the settlement price / any other derived price provided by the respective stock exchange shall be considered for valuation. However, the contacts which are going to expire on valuation date shall be valued at Settlement prices only.
Interest Rate Swap (IRS)		Interest Rate Swap with residual maturity period of more than 60 days shall be valued at net present value on the basis of expected future cash flows. Future cash flows for IRS contract will be computed daily based as per terms of contract and discounted by suitable overnight interest swaps rates (OIS) available on Reuters/ Bloomberg/ any other provider as approved by valuation Committee. IRS with residual maturity of upto 60 days are considered for amortisation.
Investment Grade and Non Performing or Non Investment Grade and Non Performing Securities		All Non- Performing Asset shall be valued in accordance with the Guidelines for identification and provisioning for Non Performing Assets (Debt Securities) issued by SEBI.
Convertible Debentures / Bond	-	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 non-convertible 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 are, 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 equity shares. 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 Board 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

Asset Class	Traded / Not Traded / Thinly Traded/ Listed / Unlisted	Valuation Methodology
		b) Arrive at the market value of the shares on the date of valuation by reducing the amount of last paid dividend. 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 Board 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.
Mutual Fund Unit (MFU) and ETFs	Listed & Traded	At the closing traded price as on the valuation date
	Unlisted & Listed but not Traded	At the NAV on the valuation date.
Inter Scheme Transfer	Equity and related securities	IST in Equity and related securities is restricted.
	Debt and related Securities	All inter-scheme transactions shall be undertaken on a fair value basis at the time of IST, with adequate rationale for both schemes. The fair value will be determined based on the prices received from independent agencies. It may be noted that, the traded price and the end of day valuation price can be different since end of the day valuation shall be as per the Valuation Methodology specified for that particular security in this policy.
Foreign Securities (Equities/ADRs/GDRs)		• Foreign Securities shall be valued based on the last quoted closing price at 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. 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. • 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. • Due to difference in time zones of different markets, in case the closing prices of securities are not available within a given time frame to enable the AMC to upload the NAV for a Valuation Day, the AMC may use the previous day price or the last available traded price as may be

Asset Class	Traded / Not Traded / Thinly Traded/ Listed / Unlisted	Valuation Methodology
		warranted / for the purpose of valuation. • On valuation date, all assets and liabilities in foreign currency shall be valued in Indian Rupees at the RBI reference rate as at the close of banking hours on the relevant business day in India. For Currencies where RBI reference rate is not available, Bloomberg / Reuters 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. 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 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).