QUANTUM MUTUAL FUND

Policy on Availment of Intra Day Borrowing Facility

1. Objective

The objective of the intraday borrowing facility is to address temporary liquidity mismatches arising due to differences in settlement timings, timing of cash inflows and outflows, and other operational settlement requirements, while ensuring that the interests of unitholders remain protected.

2. Scope

This Policy applies to all schemes of Quantum Mutual Fund that may avail intraday borrowing facilities.

Intraday borrowings may be availed for the following purposes:-

- All Unitholder pay-outs such as redemptions, IDCW payouts, interest payouts etc.
- Pay-in with respect to investments made by the scheme.
- Mark-to-market obligations and foreign exchange settlements.
- Repayment of existing borrowings.

3. Limits

3.1 Intraday Borrowing Against Guaranteed Receivables

Intraday borrowings may be availed against guaranteed receivables, including inflows from RBI, clearing corporations, subscription inflows received in scheme bank accounts.

3.2 Intraday Borrowing Against Non-Guaranteed Receivables

Intraday borrowings may also be availed against non-guaranteed receivables sighted during the day which are expected to be received by the scheme by end of the day, including maturity proceeds or secondary market settlements from NCDs, CPs, CDs, OTC swaps etc.

3.3 Borrowing for Unitholder Pay-outs

Intraday borrowing in addition to the receivables mentioned in 3.1 & 3.2 above may be availed solely for the purpose and as permitted under Regulation 42(1) of the SEBI (Mutual Funds) Regulations, 2026.

4. Approval and Monitoring

The Intra Day Borrowing shall be made with the approval of the Fund Manager.

The Operations and Investment teams shall monitor the following whenever the borrowing is availed:

- Scheme-wise outstanding borrowing,
- Purpose and utilization of borrowing.
- Expected and actual receipt of repayment sources.
- Conversion into overnight borrowing if any

The Conversion of Intra Day Borrowing to Overnight will be intimated to CEO, CIO, Risk Officer and Compliance Officer.

The AMC shall maintain scheme-wise records detailing the underlying liquidity mismatch and the expected source and timeline of repayment for the borrowing.

5. Conversion to Overnight Borrowing

The AMC shall be responsible for ensuring that intraday borrowings are repaid by the end of the day. If, due to any exceptional circumstance, intraday borrowing is converted into overnight borrowing, such borrowing shall be within the regulatory limits and for purposes permitted under Regulation 42(1) of the SEBI (Mutual Funds) Regulations, 2026 i.e for the purpose of repurchase or redemption of units or payment of interest or Income Distribution cum Capital Withdrawal payout to the unitholders or for settlement of trades by equity oriented index funds and equity oriented exchange traded funds on account of under execution of sell trades on the stock exchange. Such borrowing should not exceed 20% of the net assets of the scheme; and duration of such borrowing is not exceeded by more than six months.

6. Cost

Any cost of intraday borrowing, if any , shall be borne by the AMC. Any loss or cost incurred due to unforeseen events or delay in receiving funds from expected receivables shall also be borne by the AMC. Such costs shall not be charged to the scheme.

7. Disclosure

The Policy shall be made available on the website of the AMC.