

Soft Dollar Policy

When the Broker provides Quantum Asset Management Company Private Limited – Investment Manager to Quantum Mutual Fund (“AMC”) with services or products other than transaction execution, or pays for those services or products for the AMC such as free research, hardware software or non –research – related- services, etc. in recognition of trade execution business done with that broker in the expectation of such business, the AMC is said to have acquired those services or products with “Soft - Dollars.”

SEBI Master Circular dated June 27,2024 state that arrangement between the AMCs and Brokers should be limited only benefits (like free research report etc.) that are in the interest of investors and the same should be suitably disclosed.

Generally, brokers provide in the normal course of business the following services in addition to transaction execution service and generally do not provide pure execution services:

- (i) Research
- (ii) Arranging conferences and meetings for all their clients and wherein the representatives of all their clients are invited by broker to attend such conferences and meetings.
- (iii) sales coverage; i.e. having designated sales staff to attend to queries from the Firm or arranging meetings for the Firm’s research staff with the broker’s analysts

The commission paid to the broker is one composite percentage figure and is not split in to two parts, one representing the cost for execution and the other part representing the cost for research and other services.

It is the Firm’s policy that all brokers must first be approved by the Investment Committee and then must provide satisfactory execution services on an ongoing basis in order to receive any of the Firm’s brokerage business. To the extent that these requirements are met, the Firm may also use the other services (mentioned above) provided by the broker.

In order to fulfill its duty to schemes of seeking

- (i) Best execution;
- (ii) Minimizing transaction costs; and
- (iii) Using scheme brokerage to benefit the schemes.

The following procedure is put in place.

1. The Firm does not commit to any particular level of trading with a broker in order to be eligible to receive the research services in addition to the execution services. Therefore, the Firm is free to consider a number of brokers based on who will provide best execution and research.
2. The Firm will select brokers that can provide best execution. In evaluating the broker's capability to provide best execution, the Firm should consider the broker's financial responsibility, the broker's responsiveness to the Firm, the commission rate or spread involved, and the range of services offered by the broker.
3. The Firm conducts an ongoing evaluation of the quality of execution and other services provided by the various brokers being used by the Firm based on inputs received from the Firm's dealer, research team and its back-office team.
4. The brokerage commission paid by the AMC to broker as permitted in the SEBI (Mutual Funds) Regulations, 1996.

The Firm shall ensure that Soft Dollar arrangement as allowed under the SEBI Circular will be used for the benefit of schemes and in the interest of investors.

Dated January 16, 2026