



CIRCULAR

SEBI/HO/IMD/DF3/CIR/P/2020/172

September 11, 2020

All Mutual Funds (MFs)/  
Asset Management Companies (AMCs)/  
Trustee Companies/ Board of Trustees of Mutual Funds/  
Association of Mutual Funds in India (AMFI)

Sir / Madam,

**Subject: Asset Allocation of Multi Cap Funds**

1. SEBI vide circular no. SEBI/HO/IMD/DF3/CIR/P/2017/114 dated October 06, 2017, has issued guidelines regarding categorization and rationalization of Mutual Fund Schemes.
2. In this regard, in order to diversify the underlying investments of Multi Cap Funds across the large, mid and small cap companies and be true to label, it has been decided to partially modify the scheme characteristics of Multi Cap Fund at sr. no. 1 of point A of Annexure of the aforesaid circular as under:

*Minimum investment in equity & equity related instruments -75% of total assets in the following manner:*

- *Minimum investment in equity & equity related instruments of large cap companies - 25% of total assets*
- *Minimum investment in equity & equity related instruments of mid cap companies - 25% of total assets*
- *Minimum investment in equity & equity related instruments of small cap companies - 25% of total assets*



**भारतीय प्रतिभूति और विनिमय बोर्ड**  
**Securities and Exchange Board of India**

- 2.1. All the existing Multi Cap Funds shall ensure compliance with the above provisions within one month from the date of publishing the next list of stocks by AMFI, i.e. January 2021.
3. All other conditions specified in aforesaid circular dated October 06, 2017 shall remain unchanged.
4. This circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with Regulation 77 of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

**Deena Venu Sarangadharan**

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