

ANNEXURE 1: CATEGORIZATION OF MUTUAL FUND SCHEMES⁴⁶⁸

Annexure 1A – Methodology for Portfolio Overlapping

1. Weightage of each scrip in a scheme shall be calculated as: Investment made in a particular scrip (ISIN) wise as percentage of AUM of the scheme.
2. Portfolio overlap shall be computed at the level of individual ISINs. Only common scrips held by both schemes shall be considered for overlap calculation, scrips not common to both schemes shall be assigned a weightage of zero.
3. For each common scrip, the minimum weightage between the two schemes shall be considered.
4. The overall portfolio overlap between the two schemes shall be the sum of such minimum weightages of all common scrips as indicated in the illustrative table below:

Scrips	Weightage of Scrip in Scheme A	Weightage of Scrip in Scheme B	Overlap
Scrip P	10%	25%	10%
Scrip Q	15%	30%	15%
Scrip R	20%	10%	10%
Scrip S	10%	-	0
Scrip X	-	25%	0
Scrip Y	25%	10%	10%
Scrip Z	20%	-	0
Total	100%	100%	45%

5. Accordingly, portfolio overlap shall be calculated using the following formula:

$$\text{Portfolio Overlap (\%)} = \sum_{i=1}^n \min(w_{iA}, w_{iB}) \times 100$$

w_{iA} - represents the weightage of the i^{th} common security (ISIN) in Scheme A

w_{iB} - represents the weightage of the i^{th} common security (ISIN) in Scheme B

w_i - $\frac{\text{Market value of security } i}{\text{Total AUM of the scheme}}$

⁴⁶⁸ SEBI Circular No. HO/24/13/15(2)/2026-IMD-RAC4/1/5764/2026 dated February 26, 2026