



Association of Mutual Funds in India

35P/ MEM-COR/72/ 2021-22

December 02, 2021

Dear Members

Sub: SEBI Circular dated Oct. 27, 2021 on Guiding Principles for bringing uniformity in Benchmarks of Mutual Fund Schemes

This has reference to SEBI circular dated October 27, 2021 on Guiding Principles for bringing uniformity in Benchmarks of Mutual Fund Schemes, wherein SEBI had stipulated that AMFI shall publish the list of benchmark indices intended to be used by the AMCs as 1st tier benchmarks within a month from the date of the circular.

We had accordingly published the same on AMFI website and circulated the list to all AMCs, using the list of Benchmarks indices recommended for the aforesaid purpose by the joint Working Group constituted by SEBI, comprising of few fund managers and representatives from CRISIL, NSE (IISL) and BSE (AIPL).

It was subsequently brought to our attention by some of our members that the aforesaid list of Indices does not cover some of the existing schemes/indices especially in respect certain sectoral and thematic funds. We have also been receiving certain queries with regard to hybrid/thematic schemes & FoFs which will need to be reviewed in consultation with AMFI Equity CIOs' Committee and AMFI Valuation Committee.

While AMFI Valuation Committee has reviewed the Tier 1 benchmark indices pertaining to debt schemes, the committee has suggested that the equity indices / any query on equity indices be reviewed by the committee of equity CIOs.

We have accordingly referred the matter to sub-committee of Equity CIOs, to review the list of Tier 1 benchmark indices for all equity-oriented schemes including Thematic / Sectoral Funds as also look into the suggestions / queries received from various AMCs and come with final recommendations on

an urgent basis, so that AMFI could publish an updated list of indices which is more broad based and that could align with the extended applicability date.

As such, wherever the list AMFI published list Tier 1 indices does not cover any specific scheme /category or if there is some clarification required about the appropriate benchmark in the list, the AMC may continue using the existing benchmark as specified in the respective Scheme Information Documents for the time being, till such time as AMFI comes out with an updated list of indices that can be used by the AMCs as 1st tier benchmarks, to avoid any confusion / inconvenience or disruption. (We have kept SEBI informed of the above approach informally)

With best regards,

B. M. Kini
Dy. Chief Executive