



# Association of Mutual Funds in India

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135/BP/ 88 /2020-21

July 30, 2020

To,  
All AMFI Members

Dear Members,

## **AMFI Best Practices Guidelines Circular No. 88 / 2020 -21** **Additional Disclosures in Monthly Factsheet**

Please refer to AMFI Best Practice Guidelines circular no. 61/2015-16 dated September 14, 2015 regarding revision in standardized disclosure of information in monthly factsheets and AMFI Best Practices Guidelines Circular No. 72/ 2018-19 dated June 26, 2018 regarding disclosure of Total Expense Ratio (TER) in monthly factsheets.

AMFI has received suggestions that the Duration and Average Maturity of a scheme's portfolio etc. should be disclosed separately in the fact sheets for better clarity and improved disclosure. It has also been brought to the attention of AMFI that while some fund houses are disclosing the Macaulay Duration, Modified Duration, Average Maturity and Yield to Maturity (YTM) separately in the monthly fact sheets, some are disclosing Modified Duration, Average Maturity and YTM. Hence, there is a need for uniformity in this regard across the industry.

It has therefore been decided in consultation with AMFI Valuation Committee and the approval of AMFI Board that the following disclosures shall be made in the monthly Fact Sheets as a best practice for being adopted uniformly by all AMFI Members to improve the standard of disclosures as an investor friendly measure:

1. Macaulay Duration, Modified Duration, Average Maturity and Yield to Maturity shall be disclosed separately.
2. For PTCs, the weighted average maturity shall be disclosed.
3. For remaining papers, the maturity to be taken basis the valuation provided by the security valuation agencies.
4. Exposure to Perpetual Bonds/AT1 Bonds/Tier II Bonds shall be clearly indicated against the name of Bond under Basel II or Basel III.
5. For Floating Rate Bonds, the maturity should be the contracted maturity while computing maturity and for interest rate risk purposes, the duration could be computed based on the next interest reset date.
6. For bonds which have intermediate redemption structure, the maturity to be computed based on the weighted average maturity.

Members are requested to adopt the above Best Practice guidelines effective from August 1, 2020.

Members are also requested to confirm having noted the contents of this circular for compliance and to place the circular before their Trustees for information at their next meeting.

With best regards,

  
**N. S. Venkatesh**  
Chief Executive