NFO DISTRIBUTOR COMMISSION STRUCTURE



Introducing

Carnelian Small Cap Fund

(An open-ended equity scheme predominantly investing in small cap stocks)

NFO PERIOD

16th Oct – 30th Oct 2026

- Governance-first screening framework (CLEAR)
- Focus on quality, growth, & reasonable valuation
- Strong emphasis on risk filtration

Carnelian Small Cap Fund

This product is suitable for investors who are seeking*

- Capital appreciation over the long term
- Investment in equity and equity-related instruments of small cap companies

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Scheme Risk-o-meter — The risk of the scheme is Very High

Benchmark Risk-o-meter — Nifty Smallcap 250 TRI (as per AMFI Tier I Benchmark) — The risk of the benchmark is Very High

The above product labelling assigned during the New Fund Offer (NFO) is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made. | Once ₹5,000 crore AUM ia achieved, fresh subscriptions (including switch-ins and STPs, but excluding SIPs) shall be suspended as prescribed in SID, with re-opening at the AMC's discretion.

Carnelian Mutual Fund | MF/094/26/20

Mutual fund investments are subject to market risks, read all scheme related documents carefully.

*During the NFO period, if realised subscriptions reaches ₹5,000 crore at the end of any Business Day, the NFO shall close from the subsequent 3rd Business Day or the end of the NFO period, whichever is earlier, subject to regulatory limit of minimum NFO period of 3 working days. Upon reaching an AUM of ₹5,000 crore, as and when deemed fit, the AMC may reopen the Scheme for subscriptions, subject to requisite approvals. Unitholders shall be informed through an addendum on www.carnelianmf.com.

NFO DISTRIBUTOR COMMISSION STRUCTURE

Carnelian Small Cap Fund

Open Ended Equity Scheme | High-conviction small cap portfolio

We are delighted to announce the launch of **Carnelian Small Cap Fund**, our 1st equity fund, with New Fund Offer (NFO) dates* as **16th to 30th October 2026** and the fund shall reopen for subscription from November 11, 2026. This launch is as much yours as ours. Small-cap investing is as much about capacity as it is about ideas. To stay true to this approach, we have set a limit of ₹5,000 crore on the assets managed under the Scheme. Once this limit is reached during NFO or during on-going basis@, the Scheme will stop accepting further lumpsum subscriptions, switch-ins and STPs, however, investments through SIPs, registered during NFO period and on an ongoing basis after the closure of the NFO period shall be accepted by the Scheme, in accordance with the SID and any addenda thereto.

We value your partnership in bringing this fund to investors with a long-term investment outlook. The slab-wise commission structure for this NFO is set out below. Please read it together with the Terms & Conditions.

Annualised Trail Commission Structure – Regular Plan | NFO Period: 16th – 30th Oct 2026

NFO Amount Mobilization Slabs	Year 1,2,3			Year 4 & onwards		
	Year 1,2,3 Trail (ex GST)	GST on Year 1,2,3 Trail	Total (Incl. GST)	Year 4 & Onwards Trail (ex-GST)	GST on Year 4 & Onwards Trail	Total (Incl. GST)
≥ Rs. 1 Cr and above	1.25%	0.23%	1.48%	1.00%	0.18%	1.18%
≥ Rs. 25 Lakhs to < Rs. 1 Cr	1.20%	0.22%	1.42%	0.95%	0.17%	1.12%
≥ Rs. 10 Lakhs to < Rs. 25 Lakhs	1.15%	0.21%	1.36%	0.90%	0.16%	1.06%
Upto < Rs. 10 Lakhs	1.00%	0.18%	1.18%	0.70%	0.13%	0.83%

Exit Load: 1% if unit are redeemed / switched out on before completion of 365 days from the date of allotment. Nil if redeemed / switched out after completion of 365 days from the date of allotment of units.

PLAN
Regular Plan only

BASIS
Daily Average Assets, Annualised Trail commission will be paid on the monthly basis

SLAB
Total NFO amount mobilised by the distributor

***During the NFO period, if realised subscriptions reaches ₹5,000 crore at the end of any Business Day, the NFO shall close from the subsequent 3rd Business Day or the end of the NFO period, whichever is earlier, subject to regulatory limit of minimum NFO period of 3 working days.
@Upon reaching an AUM of ₹5,000 crore, as and when deemed fit, the AMC may reopen the Scheme for subscriptions, subject to requisite approvals. Unitholders shall be informed through an addendum on www.carnelianmf.com.

For Distributors' use only; not for circulation to investors.

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

Terms & Conditions

Carnelian Small Cap Fund NFO — (Open Ended Equity Fund). Read Terms & Conditions together with commission structure applicable for Regular Plan

GENERAL

1. **Eligibility.** This brokerage structure is applicable solely to distributors empanelled with Carnelian Investment Managers Private Limited ("the AMC") who hold a valid ARN, are AMFI/NISM-certified and KYD-compliant and are eligible to distribute mutual fund schemes under applicable regulations.
2. **Scheme documents.** Please read the Scheme Information Document (SID), Key Information Memorandum (KIM), Statement of Additional Information (SAI) and addenda, if any, for scheme details, including Exit Load. All transactions are subject to these documents, which are binding on the distributor.
3. **Applicability.** This commission structure applies to the Regular Plan of Carnelian Small Cap Fund ("the Scheme") only, and to valid applications received and accepted during the NFO period of the Scheme, subject to any modification approved by the AMC and permitted by regulators. No commission is payable on the subscription garnered under Direct Plan.
4. **Trail-only commission.** No upfront commission is payable. All commission is paid as trail only, calculated on 'Daily Average Assets' on an annualised basis and paid monthly in arrears.
5. **Regulatory basis and expense ratio.** Commission will be payable in accordance with the SEBI (Mutual Funds) Regulations, 2026 and applicable AMFI guidelines in force from time to time, SEBI Master Circular dated March 20, 2026 for mutual fund including Paragraph 11.5and AMFI Best Practices Guidelines Circular No. 123/2025–26 dated 12th March 2026, effective 1st April 2026. The structure is based on the Scheme's present expense ratio and shall always comply with SEBI limits on scheme expenses; any change in the expense ratio or in fund-related expense regulations may entail a revision of the structure.
6. **Confidentiality.** This communication is for private circulation to only registered Mutual Fund Distributors empanelled with the AMC and must not be circulated to investors or prospective investors.

NFO SLABS & TRANSACTIONS

7. **Slab determination.** The applicable NFO Amount Mobilization Slab is determined solely on the aggregate fresh mobilisation achieved at the ARN level in the Scheme during the NFO period, and the corresponding rate applies to the entire amount so mobilised. Only successful and accepted transactions are considered; rejected, reversed, cancelled, dishonoured or otherwise ineligible transactions are excluded.
8. **Trail years.** Trail years are counted from the date of allotment of units. The trail outlined as First Year will be paid from the date of allotment of the units till the end of 1st year from the date of allotment, provided the Assets remain invested in the fund. Similarly, the Second-Year trail will be paid from the beginning of the second year from the date of allotment of the units till the end of the 2nd year, provided the Assets remain invested in the fund. The Third Year onwards trail will be paid from the beginning of the 3rd year from the date of the allotment till such time that the Assets, to which the trail relates to, remain invested in the fund. The '4th Year Onwards' rate continues to apply thereafter, subject to these Terms & Conditions.
9. **Lump-sum and systematic transactions.** This structure applies to lump-sum and systematic (SIP/STP) transactions procured during the NFO period. For SIPs/STPs, the commission rate is determined on the instalment/transaction date and not on the registration date.
10. **Switches.** For a switch into the Scheme during the NFO period, the distributor is eligible for the lower of the commission rates applicable to the switch-out scheme (its last applicable rate) and the Scheme. This does not apply where the source scheme is a Liquid Fund and the investment in it was not made by way of a switch from other schemes within the preceding 30 calendar days (fresh investments qualify irrespective of holding period); in such cases the Scheme's commission applies. Only fresh mobilisation and such exempt Liquid Fund switches count towards slab computation.
11. **Split applications.** The AMC reserves the right not to pay commission/incentive on assets mobilised through multiple or split applications from the same investor where such arrangement is made with an intention to earn commission/incentive otherwise not available on the investment.
12. **Additional incentives.** Additional incentives for onboarding eligible new individual investors from B-30 cities, and women investors from both T-30 and B-30 locations, shall be paid strictly in accordance with SEBI Circular No. HO/(83)/2025-IMD-POD-1/I/152/2025 dated 27th November 2025, as amended from time to time (T-30 refers to the Top 30 cities as per AMFI; B-30 to all cities beyond). The incentive is 1% of the first lump-sum application (maximum Rs. 2,000) provided the investor remains invested for at least one year or, for SIPs, 1% of the total investment made in the first year (maximum Rs. 2,000). It applies to new inflows from new PANs of resident individual investors under the Regular Plan (excluding PAN updates on existing folios, PANs added through zero-balance folios created before the circular, and investments in the name of a minor), is in addition to the trail commission, and is paid after one year from the date of allotment based on the amount then available.

Terms & Conditions

PAYOUT, TAXES & GST

13. **Mode and threshold of payment.** Commission is paid exclusively through electronic modes; no cheque payments are issued. If the total commission payable to a distributor for a month (including commission for other schemes of the AMC) is less than Rs. 100/-, it is accrued and carried forward to subsequent months for payout.

14. **Queries.** Queries on commission computation and payment must be raised within 30 days from the end of the month or from the date of payment, whichever is later. Queries after this period may not be entertained by the AMC and its RTA.

15. **Taxes.** The trail rates are per annum and exclusive of GST. Applicable taxes and levies, including tax deducted at source under prevailing law, will be deducted at the time of payment, and any tax levied in future by the Government will apply to all commission and incentive payments.

16. **GST – registered distributors.** Base commission (exclusive of GST) is paid monthly to both registered and unregistered distributors. The GST component is paid only to GST-registered distributors on submission of a valid tax invoice, raised in the name of Carnelian Mutual Fund with the mandatory details (name, address, place of supply and GSTIN) communicated by the AMC/RTA, and uploaded on the RTA's distributor portal. Invoices should be submitted on or before the 15th of each month for payout by the 25th, subject to validation; invoices received later are paid in the following month. The invoice value must match the brokerage and the GST computed on it by the RTA (against the RTA reference number), using a single invoice or multiple invoices sharing that reference number.

17. **GST – unregistered distributors.** Only the base commission (exclusive of GST) is paid; no GST invoice or summary submission is required.

18. **GST compliance.** Distributors are solely responsible for compliance with all applicable GST laws, including issuing GST-compliant invoices, uploading invoice details on the GSTN portal and timely filing of returns. GST paid will be reconciled periodically against GSTR-2B, and any shortfall will be recovered from future brokerage. The AMC/Mutual Fund is not liable for any GSTN mismatch arising from a distributor's omission, and may withhold or claw back commission for non-/incorrect submission of GST details, or for any liability, tax, interest, penalty or excess GST paid arising from non-compliance.

REGULATORY & COMPLIANCE

19. **Code of conduct.** Distributors shall adhere to all applicable SEBI regulations/circulars and the AMFI Code of Conduct and guidelines, as amended from time to time, and shall not pass on or rebate commission to investors in any form, or offer them gifts or inducements. The AMC may take disciplinary action, and reserves the right to suspend, withhold and/or forfeit commission, on account of non-adherence to regulatory guidelines or the code of conduct, mis-selling, or any other reason it may deem fit.

20. **Own investments.** No commission, incentive or other compensation is payable on a distributor's own investments, in terms of SEBI circular dated 28th November 2002 and AMFI's subsequent circulars.

21. **Documentation.** In terms of SEBI/AMFI circulars/guidelines, distributors shall submit all account opening and transaction documentation, including Know Your Client, Power of Attorney and Account Opening Form, in respect of investors.

22. **Disclosure of commissions.** In accordance with clause 4(d) of SEBI Circular No. SEBI/IMD/CIR No. 4/168230/09 dated 30th June 2009, distributors shall disclose to investors all commissions (in the form of trail commission or any other mode) payable to them for the different competing schemes of various mutual funds from amongst which the Scheme is being recommended.

23. **Withholding, clawback and indemnity.** Any commission or incentive computed or paid is subject to withholding, clawback or recovery (including adjustment against future payouts) in case of audit observations, regulatory directions, non-compliance, misrepresentation or breach of applicable laws, and the distributor shall indemnify the AMC against any resulting losses, penalties or liabilities.

RIGHTS OF THE AMC & ACCEPTANCE

24. **Right to change.** The AMC reserves the right to change, modify, amend, withdraw, withhold or discontinue this commission structure and/or any incentive at its sole discretion, without prior intimation and without assigning reasons, including in cases of regulatory change, change in industry practice or any other circumstances, and the distributor shall not dispute the same. The AMC, its employees and Trustees shall not be liable for any loss arising from such change.

25. **Final and binding.** The decision of the AMC on the eligibility, computation and payment of commission and incentive shall be final and binding on the distributor.

26. **Acceptance.** Sourcing of business in the Scheme after receipt of this communication shall be deemed acceptance of these Terms & Conditions.

For further details, please visit www.carnelianmf.in or AMFI's website www.amfiindia.com.