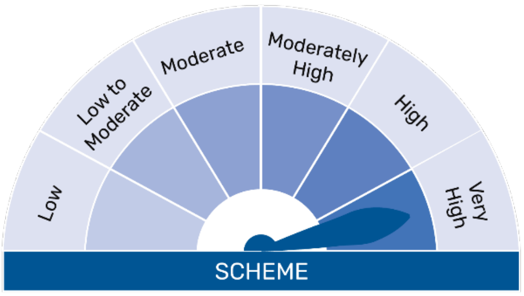
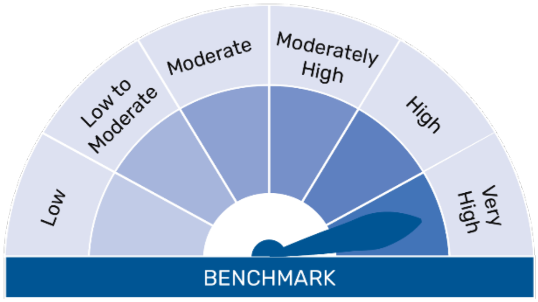
SCHEME INFORMATION DOCUMENT

<u>SECTION I</u>

Bajaj Finserv Multi Asset Allocation Fund (Consolidated Std. Obs. 1)
An open ended scheme investing in equity and equity related instruments, debt & debt derivatives and money market instruments, Gold ETFs, Silver ETFs, exchange traded commodity derivatives and in units of REITs and InvITs

<table>
<tr><td colspan="2">This product is suitable for investors who are seeking*:
Income generation from fixed income instruments
Wealth creation/Capital appreciation over long term from investments in equity and equity related securities, Gold ETFs, Silver ETFs, exchange traded commodity derivatives (ETCD) and in units of REITs & InvITs.
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them</td></tr>
<tr><td colspan="2">Riskometer (Consolidated Std. Obs. 3)</td></tr>
<tr><td>Scheme</td><td>Benchmark</td></tr>
<tr><td>

Investors understand that their principal will be at very high risk</td><td>

65% Nifty 50 TRI + 25% NIFTY Short Duration Debt Index + 10% Domestic Prices of Gold</td></tr>
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Continuous offer of units at NAV based prices

Name of Mutual Fund	Name of Asset Management Company	Name of Trustee Company
Bajaj Finserv Mutual Fund	Bajaj Finserv Asset Management Limited	Bajaj Finserv Mutual Fund Trustee Limited
Address: 8th floor, E-core, Solitaire Business Park, Viman Nagar, Pune – 411014	Address: S. No. 208/1B, Lohagaon, Viman Nagar, Pune – 411014 (registered office) 8th floor, E-core, Solitaire Business Park, Viman Nagar, Pune – 411014 (corporate office)	Address: S. No. 208/1B, Lohagaon, Viman Nagar, Pune – 411014 (registered office) 8th floor, E-core, Solitaire Business Park, Viman Nagar, Pune – 411014 (corporate office)
www.bajajamc.com	www.bajajamc.com	www.bajajamc.com

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date and circulars issued thereunder filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.

The Scheme Information Document sets forth concisely the information about the scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this Scheme Information Document after the date of this Document from the Mutual Fund / Investor Service Centres / Website / Distributors or Brokers.

The investors are advised to refer to the Statement of Additional Information (SAI) for details of Bajaj Finserv Mutual Fund, Standard Risk Factors, Special Considerations, Tax and Legal issues and general information on www.bajajamc.com.

SAI is incorporated by reference (is legally a part of the Scheme Information Document). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website.

The Scheme Information Document (Section I and II) should be read in conjunction with the SAI and not in isolation.

This Scheme Information Document is dated June 26, 2024.

Part I. HIGHLIGHTS/SUMMARY OF THE SCHEME

Sr. No.	Title	Description
I.	**Name of the scheme**	Bajaj Finserv Multi Asset Allocation Fund (BFMAAF)
II.	**Category of the Scheme**	Multi Asset Allocation Fund
III.	**Scheme type**	An open ended scheme investing in equity and equity related instruments, debt & debt derivatives and money market instruments, Gold ETFs, Silver ETFs, exchange traded commodity derivatives and in units of REITs and InvITs
IV.	**Scheme code**	BFAM/O/H /MAA/24/04/0010 (Consolidated Std. Obs. 7)
V.	**Investment objective**	To generate income from fixed income instruments and generate capital appreciation for investors by investing in equity and equity related securities including derivatives, Gold ETFs, Silver ETFs, exchange traded commodity derivatives and in units of REITs & InvITs. However, there is no assurance that the investment objective of the Scheme will be achieved. (Consolidated Std. Obs. 5)
VI.	**Liquidity/listing details**	The scheme is an open ended equity scheme. Being an open ended scheme, the scheme is open for repurchase/redemption on all business days. Redemption proceeds shall be dispatched within three working days from the date of redemption request. The scheme is not listed on any of the stock exchanges. The AMC, at its discretion, can undertake listing on any of the stock exchange.
VII.	**Benchmark (Total Return Index)** Std. obs. 9	65% Nifty 50 TRI + 25% NIFTY Short Duration Debt Index + 10% Domestic Prices of Gold The composition of the aforesaid benchmark is such that, it is most suited for comparing performance of the Scheme. The Trustee reserves the right to change the benchmark for the evaluation of the performance of the Scheme from time to time, keeping in mind the investment objective of the Scheme and the appropriateness of the benchmark, subject to the compliance with Regulations/ circulars issued by SEBI and AMFI in this regard from time to time.
VIII.	**NAV disclosure** Std. obs. 17 (a)	(Consolidated Std. Obs. 40) NAV shall be calculated and disclosed on all business days, except under special circumstances. NAV shall be disclosed on AMC website (www.bajajamc.com) and on AMFI website (www.amfiindia.com). NAV shall be available on all centers for acceptance of transactions. NAV shall also be made available at all Investor Service Centres and the Toll free number of the AMC i.e. 18003093900. (Consolidated Std. Obs. 41) NAV will be calculated upto four decimal places and shall be disclosed before 11.00 p.m. on all business days (09.00 a.m. of the following calendar day, in case of Scheme's exposure to Exchange

		Traded Commodity Derivatives - ETCDs). In case NAV is not uploaded within the stipulated time on any business day, explanation shall be provided to AMFI for non adherence of time limit. If the NAV is not available before the commencement of business hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons for the delay and explaining when the Mutual Fund would be able to publish the NAV.
IX.	**Applicable timelines**	• Redemption proceeds shall be dispatched within three working days from the date of redemption request. In case of delay beyond three working days, the AMC is liable to pay interest to the investors at the rate of 15% per annum. • IDCW payments shall be dispatched/transferred to the investors within seven working days from the IDCW record date. In case the AMC fails to make IDCW payment within seven working days, the AMC shall be liable to pay interest to investors at 15% per annum. The interest on delayed payment would be computed from the record date for IDCW. • Physical dispatch of redemption/IDCW proceeds shall be carried out only in exceptional circumstances and the AMC shall be required to maintain records along with reasons for all such physical dispatches.
X.	**Plans and Options** Plans/Options and sub options under the Scheme	**Plans:** Bajaj Finserv Multi Asset Allocation Fund – Direct Plan Bajaj Finserv Multi Asset Allocation Fund – Regular Plan **Options:** Growth Option Income Distribution cum Capital Withdrawal (IDCW) option with Payout of Income Distribution cum Capital Withdrawal sub-option, Reinvestment of Income Distribution cum Capital Withdrawal sub-option and Transfer of Income Distribution cum Capital Withdrawal sub-option. The Scheme will have a common portfolio across various Plans/Options/Sub-options. Investors are requested to note that Growth and IDCW Option (Payout, Reinvestment and Transfer) under Regular and Direct Plans will have different NAVs. These NAVs will be separately declared. Default Plan would be as mentioned below:

ARN Code mentioned/not mentioned by investor	Plan mentioned by investor	Default Plan
Not mentioned	Not mentioned	Direct Plan
Not mentioned	Direct Plan	Direct Plan
Not mentioned	Regular Plan	Direct Plan

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<tr><td>Mentioned</td><td>Direct Plan</td><td>Direct Plan</td></tr>
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<tr><td>Direct</td><td>Regular Plan</td><td>Direct Plan</td></tr>
<tr><td>Mentioned</td><td>Regular Plan</td><td>Regular Plan</td></tr>
<tr><td>Mentioned</td><td>Not mentioned</td><td>Regular Plan</td></tr>
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In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Direct Plan. The AMC shall endeavour on best effort basis to obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor. In case the correct code is received within 30 calendar days, the AMC shall reprocess the transaction under Regular Plan from the date of application without any exit load.
Bajaj Finserv Multi Asset Allocation Fund - Direct Plan is only for investors who purchase /subscribe units in a Scheme directly with the Fund.
Default option will be Growth Option.
Default sub-option will be Reinvestment of Income Distribution cum capital withdrawal sub-option.
For detailed disclosure on default plans and options, kindly refer SAI.
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<td>XI.</td>
<td>Load Structure

(Consolidated Std. Obs. 47)

Std. obs. 16</td>
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Entry Load - not applicable
Exit Load: For each purchase of units through Lumpsum / switch-in / Systematic Investment Plan (SIP) and Systematic Transfer Plan (STP), exit load will be as follows:

if units are redeemed / switched out within 1 year from the date of allotment:

if up to 30% of units allotted are redeemed/switched out – Nil
any redemption / switch-out of units in excess of 30% of units allotted - 1% of applicable NAV.

If units purchased or switched in from another scheme of the Fund are redeemed or switched out after 1 year from the date of allotment, no exit load is payable.

The Scheme will not levy exit load in case the timelines for rebalancing portfolio as stated in SEBI Master Circular for Mutual Funds dated May 19, 2023 is not complied with.
The Trustee / AMC reserves the right to change the load structure any time in the future if they so deem fit on a prospective basis. The investor is requested to check the prevailing load structure of the scheme before investing.
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XII.	**Minimum Application Amount/switch in**	**Fresh Purchase (lumpsum):** Rs. 500/- and in multiples of Re. 1/- thereafter **Systematic Investment Plan (SIP):** Rs. 500 and above: minimum 6 instalments. **Minimum amount for switch-in:** Rs. 500 and in multiples of Re. 1. Two-Factor Authentication will be applicable for subscription as well as redemption transactions in the units of Mutual Fund. For more information, please refer SAI.
XIII.	**Minimum Additional Purchase Amount**	Rs. 100/- and in multiples of Re. 1/- thereafter.
XIV.	**Minimum Redemption/switch out amount**	Rs. 500 and in multiples of Re. 0.01/- or the account balance of the investor whichever is less.
XV.	**Segregated portfolio/side pocketing disclosure**	The AMC may create a segregated portfolio of debt and money market instruments in a mutual fund scheme in case of a credit event and to deal with liquidity risk. (Consolidated Std. Obs. 53) In this regard, the term ‘segregated portfolio’ shall mean a portfolio comprising of debt or money market instrument affected by a credit event, that has been segregated in a mutual fund scheme and the term ‘main portfolio’ shall mean the scheme portfolio excluding the segregated portfolio. The term ‘total portfolio’ shall mean the scheme portfolio including the securities affected by the credit event. A segregated portfolio may be created in a mutual fund scheme in case of a credit event at issuer level i.e. downgrade in credit rating by a SEBI registered Credit Rating Agency (CRA), as under: a) Downgrade of a debt or money market instrument to ‘below investment grade’, or b) Subsequent downgrades of the said instruments from ‘below investment grade’, or c) Similar such downgrades of a loan rating. In case of difference in rating by multiple CRAs, the most conservative rating shall be considered. Creation of segregated portfolio shall be based on issuer level credit events as detailed above and implemented at the ISIN level. The AMC may also create a segregated portfolio of unrated debt and money market instruments of an issuer that does not have any outstanding rated debt or money market instruments in case of ‘actual default’ of either the interest or principal amount.' For Details, kindly refer SAI

XVI.	**Swing pricing disclosure**	Not Applicable
XVII.	**Stock lending/short selling**	The Scheme may engage in Stock lending/short selling in accordance with the framework relating to Short Selling and securities lending and borrowing specified by SEBI. For Details, kindly refer SAI
XVIII.	**How to Apply and other details** (Consolidated Std. Obs. 35)	Investors can obtain application form / Key Information Memorandum (KIM) from Bajaj Finserv AMC branch offices, Investor services centers and RTA's (Kfin) branch office. Investors can also download application form / Key Information Memorandum (KIM) from our website (www.bajajamc.com) Please refer to the SAI and Application form for the instructions.
XIX.	**Investor services**	• Contact details for general service requests: You may call on Toll Free: 1800-309-3900 (Monday to Friday 9:00 am to 6:00 pm) or write us on email id: service@bajajamc.com or raise a service ticket on our website at link: https://bajajfinservasset.my.site.com/Web2Case/s/ • Contact details for complaint resolution: **Ms. Priya Singh** **Investor Relations Officer** Tel No: 020 67672500 Fax No: 020 67672550 Email: service@bajajamc.com
XX.	**Specific attribute of the scheme (such as lock in, duration in case of target maturity scheme/close ended schemes) (as applicable)**	Not Applicable
XXI.	**Special product/facility available during ongoing basis**	**Systematic Investment Plan (SIP)** Investors can undertake investing on a specified periodic basis and aim to take advantage from rupee cost averaging through SIP in the scheme. The following SIP frequency will be available to the investors: Daily Weekly Fortnightly Monthly Quarterly The applicability of the minimum amount of instalment mentioned is at the time of registration only. In case SIP date falls on a non-business day or on a day that is not available in the particular month, the instalment would be processed on next business day.

		Investors can subscribe for SIP by using NACH facilities offered by the Banks. The cheque for investment in the scheme should be in favor of "Bajaj Finserv Multi Asset Allocation Fund" and crossed "Account Payee Only", and the cheques must be payable at the center where the applications are submitted to the Investor Service Centre. In case of fresh/additional subscription, if the name of the scheme on the application form/transaction slip differs with the name on the Cheque/Demand Draft, then the AMC would allot units under the scheme mentioned on the application form/ transaction slip. In case of fresh/additional subscription, if the scheme name is not mentioned on the application form/transaction slip, then the units will be allotted under the scheme mentioned on the Cheque/Demand Draft. The option that would be considered in such cases if not specified by the customer would be the default option of the Scheme. However, in case additional subscription is under the same scheme as fresh subscription, then the AMC reserves the right to allot units in the option under which units were allotted at the time of fresh subscription. Investors/ unitholders can enroll themselves for SIP by clicking the appropriate box in the application form and filling up the relevant SIP form specifying the amount, period, and SIP date. The detailed terms and conditions are mentioned in the SIP Auto Debit Form. SIP through post-dated cheques will not be accepted. Where the mandate form and the SIP registration form are submitted together, debits for the SIP may happen only on successful registration of the mandate by the Unit holder(s) bank. The Fund / AMC would present the SIP transactions without waiting for the confirmation of the successful registration from the Unit holder(s)' bank. In case the onetime mandate is successfully registered, new SIP registration will take upto five business days. The first debit may happen any time thereafter, based on the dates opted by the Unit holder(s). In case of ISIP, URN Registration must be done by investor within 7 calendar days. The URN will be expired after 7 calendar days. A fresh Account Statement / Transaction Confirmation would be mailed to the investor indicating the new balance in the Account. An investor would have the right to discontinue the SIP, subject to giving 21 business days prior notice to the subsequent date of SIP instalment.

		<u>Terms and conditions</u> <u>New Investor</u> - If the investor fails to mention the scheme name in the SIP Mandate Form, then the AMC reserves the right to register the SIP as per the scheme name available in the main application. <u>Existing Investor</u> - If the investor fails to mention the scheme name in the SIP Mandate Form, then the AMC reserves the right to register the SIP in the current scheme. For Weekly SIP, Tuesday will be the default day and incase of Fortnightly SIP 1st and 16th of the month will be the default option. If the investor has not mentioned the SIP start Month, SIP will start from the next applicable month, subject to completion of 21 working days lead time from the receipt of SIP request. In case the SIP 'End period' is incorrect or not mentioned by the Investor in the SIP form, then the default end period would be 40 years from the start date until further instructions are received from investor. **<u>SIP TOP UP Facility:</u>** Investors can opt for SIP TOP UP facility with Fixed Top Up option or Variable Top Up option wherein the amount of the SIP could be increased at fixed intervals. In case the investor opts for both options, the Variable Top Up option would be triggered. The Fixed TOP UP amount shall be for minimum Rs. 500/- and in multiples of Rs. 1/- thereafter. Variable TOP UP would be available in at 5%, 10% and 15% and such other denominations (over and above 5%, 10% and 15%) as opted by the investor in multiples of 5%. An investor can also TOP UP the SIP in amount terms by keeping minimum top up of Rs. 500. The frequency is fixed at Yearly and Half Yearly basis. In case the TOP UP facility is not opted by ticking the appropriate box and frequency is not selected, the TOP UP facility may not be registered. In case of Quarterly SIP, only the Yearly frequency is available under SIP TOP UP. SIP Top-Up facility shall be available to all the investors. **<u>Top-Up Cap amount or Top-Up Cap month-year:</u>** Top-Up Cap amount: Investor has an option to freeze the SIP Top-Up amount once it reaches a fixed predefined amount. The fixed pre-defined amount should be same as the maximum amount mentioned by the investor in the bank mandate. In case of difference between the Cap amount and the maximum amount mentioned on Bank mandate, then amount which is lower of the two amounts shall be considered as the default amount of SIP Cap amount. Top-Up Cap month-year: It is the date from which SIP Top-Up

		amount would cease and last SIP instalment including Top-Up amount would remain constant from Cap date till the end of SIP tenure. Investor shall have flexibility to choose either Top-Up Cap amount or Top-Up Cap month- year. In case of multiple selection, Top-Up Cap amount would be considered as default selection. All the investors of the scheme subscribing the facility under SIP Variable Top - Up feature are hereby requested to select either Top - Up Cap amount or Top - Up Cap month - year. In case of no selection, the SIP Variable Top - Up amount would be capped at a default amount of Rs. 10 lakhs. Under the said facility, SIP amount would remain constant from Top - Up Cap date/ amount till the end of SIP Tenure. **<u>Micro Systematic Investment Plan (Micro SIP):</u>** Micro SIP/PAN Exempt Investments In line with SEBI letter no. OW/16541/2012 dated July 24, 2012 addressed to AMFI, Investments in the mutual fund schemes including investments through Systematic Investment Plans (SIPs) up to Rs. 50,000/- per investor per year shall be exempted from the requirement of PAN. The investor will have the facility of investing by Micro SIP under the current SIP facility. The Minimum Investment amount per instalment would be as per applicable minimum investment amount of the scheme. The total investment under Micro SIP cannot exceed Rs. 50,000/-. Micro Investment: If the investment amount (fresh subscription & additional subscription) and Micro SIP instalments by an investor in a financial year i.e April to March does not exceed Rs. 50,000/-, it shall be exempt from the requirement of PAN. However, requirements of Know Your Customer (KYC) shall be mandatory. Accordingly, investors seeking the above exemption for PAN need to submit the KYC Acknowledgement, irrespective of the amount of investment. This exemption will be available only to Micro investment made by the individuals being Indian citizens (including NRIs, Joint holders, minors acting through guardian and sole proprietary firms). PIOs, HUFs, QFIs and other categories of investors would not be eligible for availing this exemption. SIP Top-Up facility shall not be available in case of Micro-SIP. **<u>Mode of Payment for SIP:</u>** In case of SIP with payment mode as Standing Instruction / NACH, Investors are required to submit a cancelled cheque or a photocopy of a cheque of the bank account, as applicable for which the debit

		mandate is provided. Investors are requested to note that holding of units through Demat Option is also available. The units would be allotted based on the applicable NAV and would be credited to investors' Demat account on T + 2 days basis upon realization of funds. The investors shall note that for holding the units in demat form, the provisions laid down in the SID and SEBI Regulations, procedural requirements as laid by the Depositories (NSDL/CDSL) shall be applicable. In case the investor wishes to convert the units held in non-demat mode to demat mode or vice versa at a later date, such request along with the necessary form should be submitted to their Depository Participant(s). Units held in demat form would be freely transferable, subject to the applicable regulations and the guidelines as may be amended from time to time. Investors/unitholders subscribing for SIP are required to submit SIP request at least 21 business days prior to the date of first debit date and SIP start date shall not be beyond 100 days from the date of submission of request for SIP. **Facility of National Automated Clearing House (NACH) Platform in Systematic Investment Plan (SIP):** In addition to existing facility available for payments through Standing Instructions for investments in SIP, the NACH facility can also be used by the investors to make payment of SIP instalments. NACH is a centralized system launched by National Payments Corporation of India (NPCI) with an aim to consolidate multiple Electronic Clearing Service (ECS) mandates. This facility would enable the investors of the scheme to make SIP investments through NACH by filling up the SIP Registration cum mandate form. A Unique number will be allotted to every mandate registered under NACH called as Unique Mandate Reference Number ("UMRN") which can be used for SIP transactions. The NACH facility shall be available subject to terms and conditions contained in the Easy Pay Debit Mandate Form and as prescribed by NPCI from time to time. **SIP cancellation:** The AMC will endeavour to have the cancellation of registered SIP mandate within 10 calendar days from the date of receipt of the cancellation request from the investor. The existing instructions/mandate would continue till the date that when it is confirmed the SIP has been cancelled. **Systematic Withdrawal Plan** Investors under the scheme can enrol for the Systematic Withdrawal Plan (SWP) facility. The SWP allows the Investors to

		withdraw a specified sum of money at pre-determined intervals from the investments undertaken in the scheme. SWP is suitable for investors seeking a regular inflow of funds for their needs. It is also suited to retirees or individuals who wish to invest lump-sum and withdraw from the investment over a period of time. At the time of registration for SWP, an investor can choose any amount for withdrawal under the respective frequencies. An investor may avail this facility by submitting an application form for SWP.

	Frequency			
Particulars	**Monthly**	**Quarterly**	**Half-Yearly**	**Yearly**
SWP Transaction Dates	Any date of every month (between 1^{st} & 28^{th})	Any date of every Quarter (between 1^{st} & 28^{th})	Any date of every half -year (between 1^{st} & 28^{th})	Any date of every year (between 1^{st} & 28^{th})
Minimum no. of instalments and Minimum amount of instalment	2 instalments of Rs. 1000/- each and in multiples of Re. 1/- thereafter	2 instalments of Rs. 1000/- each and in multiples of Re. 1/- thereafter	2 instalments of Rs. 1000/- each and in multiples of Re. 1/- thereafter	2 instalments of Rs. 1000/- each and in multiples of Re. 1/- thereafter

Monthly, Quarterly, Half Yearly and Annual frequencies are available under this facility. Minimum number of instalments for all the frequencies will be 2 installments. Investors can choose any date as preference for SWP withdrawal to register under any frequency available. In case the date chosen for SWP falls on a Non-Business Day or on a date which is not available in a particular month, the SWP will be processed on the next Business Day.

In case none of the frequencies have been opted then Monthly frequency shall be considered as the default frequency and where no withdrawal date has been opted by the investor, 10^{th} business day of the month shall be considered as the default SWP date.

The amount thus withdrawn by SWP would be equated into units at Applicable NAV based prices and the number of units so arrived at would be redeemed and subtracted from the units balance held by the investor.

SWP may be terminated by a written notice submitted by the Investor of the Scheme atleast 7 business days before the processing of next instalment. SWP would automatically terminate if all units are redeemed from the folio or upon the receipt of notification of death or incapacity of the Investor by the Mutual

Fund/AMC.

SWP shall be subject to applicable exit load imposed by the Scheme.

Registration/cancellation of SWP request would be processed within 5 working days from the date of receipt of the said request.

Systematic Transfer Plan (STP)

Systematic Transfer Plan (STP) is an option wherein investors of the source scheme can opt to transfer a fixed amount at periodic intervals to the designated target scheme. Bajaj Finserv Multi Asset Allocation Fund can be a target scheme for investment from other scheme(s) to this Scheme and also a source scheme for investment from this scheme to other scheme(s).

The amount transferred under STP from source scheme to target scheme shall be done by redeeming units of source scheme at Applicable NAV, subject to exit load, if any; and subscribing to the units of target scheme at Applicable NAV as on specified date(s) as given below:

Frequency for STP and number of instalments

Minimum amount for STP – Rs. 500 and in multiples of Re. 1. Minimum no. of instalments 6 for all frequencies.

Particulars	Frequency	Default
Daily Option	All business day	-
Weekly Option	Any day from Monday to Friday	Tuesday
Monthly & Quarterly Option	Any Date of every month	10^{th} of the month

In case the STP date falls on a non-business day or on a day which is not available in a particular month, the STP will be processed on the next business day. In case of nil balance in the source scheme, STP for that particular due date would not get processed. STP would cease to be active upon 3 consecutive unsuccessful transactions or if all units are pledged or upon receipt of intimation of death of the investor. All requests for registering or discontinuing STP shall be subject to an advance notice of 5 working days. The provision of minimum redemption amount specified in the SID of the source scheme and minimum application amount in the target scheme would not be applicable for STP.

Inter-Scheme Switching Facility

Bajaj Finserv Mutual Fund provides the investors the flexibility to switch their investments (subject to provisions as regards minimum

		application amount referred above) from any other scheme(s)/plans managed by Bajaj Finserv Mutual Fund, as per the features of the respective scheme to this scheme. This facility will be useful to unitholders who wish to alter the allocation of their investment among scheme(s) / plan(s) of the Mutual Fund in order to meet their changed investment needs. The switch will be effected by way of a redemption of units from the Source scheme(s) / plan(s) as per the applicable NAV and cut off and investment of the proceeds will be made in the target Scheme(s)/Plan(s). The Switch must comply with the Redemption rules of the Source Scheme/Plan and the issue rules of the Target Scheme/ Plan (for e.g. as to the minimum number of Units that may be redeemed or issued, Exit Load etc). The price at which the units will be switched out of the respective Scheme/Plans will be based on the Redemption Price, and the proceeds will be invested in the Scheme / Plan at the applicable NAV. **Application/ Transaction through Fax /Email mode** Subject to the investor fulfilling certain terms and conditions as stipulated by the AMC from time to time, the AMC, Mutual Fund, or representative of the AMC, Mutual Fund ("the Recipient") may (at its sole discretion and without being obliged in any manner to do so and without being responsible and/ or liable in any manner whatsoever) accept and process any application, supporting documents and / or instructions submitted by an Investor / Unit holder by facsimile/email ("Fax/Email Submission") and the investor / Unit holder voluntarily and with full knowledge takes and assumes any and all risk associated therewith. The Recipient shall have no obligation to check or verify the authenticity or accuracy of Fax/Email Submission purporting to have been sent by the investor and may act thereon as if same has been duly given by the investor. In all cases, the investor will have to submit the original documents/ instruction to the AMC/ Mutual Fund. The original transaction instructions shall clearly bear on every page the statement "**Originals for records**". Further, any failure to do so on part of the investor might result in duplication in processing of transaction and the AMC shall not be held liable as such. The investor acknowledges that the Fax/Email submission is not a secure means of giving instructions / transactions requests and that the investor is aware of the risks involved including those arising out of such transmission being inaccurate, imperfect, ineffective, illegible, having a lack of quality or clarity, garbled, altered, distorted, not timely etc. The investor's request to the Recipient to act on the Fax/Email submission is for the investor's convenience and the Recipient is not

		obliged or bound to act on the same. The investor authorizes the recipient to accept and act on any Fax Submission which the Recipient believes in good faith to be given by the investor and the Recipient may at its discretion treat any such transaction as if the same was given to the Recipient under the investor's original signature. The investor accepts that the Fax/ Email submission shall not be considered until acknowledged as a valid transaction request in the Scheme in line with SEBI regulations. The Recipient will also not be liable in case where the transaction sent or purported to be sent is not processed on account of the fact that it was not received by the Recipient. In case there is any difference between the particulars mentioned in the Fax/ Email submission received as against the original document which may be received thereafter, the Recipient shall not be liable for any consequences arising therefrom. The investor agrees that the Recipient may adopt additional security measures including signature verification, telephone call backs or a combination of the same, which may be recorded and the investor consents to such recording and agrees to co-operate with the Recipient to enable confirmation of such transaction requests. In consideration of the Recipient from time to time accepting and at its sole discretion (including but not limited to the AMC extending / discontinuing such facilities from time to time) acting on any Fax/Email submission request received / purporting to be received from the investor, the investor agrees to indemnify and keep indemnified the AMC, Directors, employees, agents, representatives of the AMC, Mutual Fund and Trustees from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs and expenses of whatever nature (whether actual or contingent) directly or indirectly suffered or incurred, sustained by or threatened against the indemnified parties whatsoever arising from or in connection with or any way relating to the indemnified parties in good faith accepting and acting on Fax/ Email submission requests including relying upon such transaction requests purporting to come from the investor even though it may not come from the Investor. The AMC reserves the right to modify the terms and conditions or to discontinue the facility at any point of time. **Stock Exchange Infrastructure Facility** The investors can subscribe to / switch / redeem the units of the Scheme under "Growth" option platform of National Stock Exchange ("MFSS", "NMFII") and "BSEStAR MF" platform of BSE Ltd. Please contact any of the Investor Service Centres (ISCs) of the Mutual Fund to understand the detailed process of transacting

		through this facility. **Transactions Through MF Utility ("MFU")** Bajaj Finserv Asset Management Limited has entered into an agreement with MF Utilities India Private Limited ("MFUI") a "Category II - Registrar to an Issue" under SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, for usage of MF Utility ("MFU") - a shared services initiative of various asset management companies, which acts as a transaction aggregator for transacting in multiple schemes of various mutual funds with a single form and a single payment instrument. Accordingly, all the authorized Points of Service ("POS") and website/mobile applications of MFUI shall be eligible to be considered as Official Point of Acceptance ("OPAT") for all financial and nonfinancial transactions in the schemes of Bajaj Finserv Mutual Fund either physically or electronically. The list of POS of MFUI is published on the website of MFUI at www.mfuindia.com. Applicability of NAV shall be based on time stamping as evidenced by confirmation slips given by POS of MFUI and also the realization of funds in the Bank account of the Fund (and NOT the time of realization of funds in the Bank account of MFUI) within the applicable cut-off timing. The uniform cut-off time as prescribed by SEBI and mentioned in the SID/KIM shall be applicable for applications received through such facilities. Investors are requested to note that MFUI will allot a Common Account Number ("CAN") i.e. a single reference number for all investments in the mutual fund industry for transacting in multiple schemes of various mutual funds through MFU and to map existing folios, if any. Investors can create a CAN by submitting the CAN Registration Form and necessary documents at the POS. The AMC and/or its Registrar and Transfer Agent shall provide necessary details to MFUI, as may be needed, for providing the required services to investors / distributors through MFU. Investors are requested to visit the website of Bajaj Finserv Mutual Fund (www.bajajamc.com) or MFUI (www.mfuindia.com) to download the relevant forms. For any queries or clarifications related to MFU, please contact the Customer Care of MFUI, on 022 6134 4316 (during the business hours, on all days, except Saturday, Sunday and public holidays). The Fund reserves the right to introduce, change, modify or withdraw the facility available at any point of time and to restrict the number/type of schemes being offered through this facility. **Online transactions through KFIN** Online website for KFIN - Registrar and Transfer Agent ("RTA") for Bajaj Finserv Mutual Fund has built an online website mfs.kfintech.com wherein investors / unit holders can transact in

		the schemes of Bajaj Finserv Mutual Fund by opening an account on RTA Website/portal/mobile app ("Online Facility"). The transactions in the scheme of Bajaj Finserv Mutual Fund through this online facility be allowed as may be facilitated by RTA on its website. RTA online Website/portal/mobile app/server be considered as OPAT. Investors/ unitholders please note that only KYC complied investor/unitholders or KYC process to be completed before transaction submission allowed to use this online facility/portal/mobile app. For the purpose of determining the applicability of NAV, time of transaction would be the time when request for purchase/sale/switch of units is received in the servers of AMC/RTA. **Online Transactions through website of Bajaj Finserv Mutual Fund** Facility of online transactions is available on the official website of Bajaj Finserv Mutual Fund i.e. www.bajajamc.com. Consequent to this, the said website is declared to be an "OPAT" for applications for subscriptions, redemptions, switches and other facilities. The uniform cut-off time as prescribed by SEBI and as mentioned in the SID shall be applicable for applications received on the website. However, investors should note that transactions on the website shall be subject to the eligibility of the investors, any terms & conditions as stipulated by Bajaj Finserv Mutual Fund/Bajaj Finserv Asset Management Limited from time to time and any law for the time being in force. The AMC reserves the right to modify the terms and conditions or to discontinue the facility at any point of time. **Online Transactions through WhatsApp Facility for schemes of Bajaj Finserv Mutual Fund** Investors can avail WhatsApp Facility ("facility") for financial transactions (Lumpsum and Systematic Investment Plan) in the schemes of Bajaj Finserv Mutual Fund. Investors can avail this facility by initiating message saying 'Hi' on following WhatsApp number through their WhatsApp number: Sr. No. | WhatsApp Number | Description 1. | +91 9145665151 | Bajaj Finserv MF (for Distributor initiated transactions for investors) 2. | +91 8007736666 | Bajaj Finserv MF (for Investor) Switch, Systematic Transfer Plan (STP), Systematic Withdrawal Plan (SWP), and Redemption type of transactions are also acceptable under such WhatsApp facility through distributors only through WhatsApp number - +91 9145665151. The transaction requests will be enabled after appropriate verification of the investor as per applicable laws and regulations.

		The transactions through this facility shall be subject to such monetary limits, operating guidelines, terms & conditions as may be prescribed by Bajaj Finserv Asset Management Limited and/or concerned regulatory authorities governing this mode of transactions, from time to time. **OFFICIAL POINT OF ACCEPTANCE FOR MFCentral** As per the SEBI Master Circular for Mutual Funds dated May 19, 2023, to comply with the requirements of RTA inter-operable Platform for enhancing investors' experience in Mutual Fund transactions / service requests, the QRTA's, Kfin Technologies Private Limited (Kfintech) and Computer Age Management Services Limited (CAMS) have jointly developed MFCentral - A digital platform for Mutual Fund investors. MFCentral is created with an intent to be a one stop portal / mobile app for all Mutual fund investments and service related needs that significantly reduces the need for submission of physical documents by enabling various digital / physical services to Mutual fund investors across fund houses subject to applicable T&Cs of the Platform. MFCentral will be enabling various features and services in a phased manner. MFCentral may be accessed using https://mfcentral.com and a Mobile App in future with a view to comply with all provisions of the aforesaid circular and to increase digital penetration of Mutual funds, Bajaj Finserv Mutual Fund ("the Fund") designates MFCentral as its Official point of acceptance (ISC –Investor Service Center). Any registered user of MFCentral, requiring submission of physical document as per the requirements of MFCentral, may do so at any of the designated Investor Service centers or collection centers of Kfintech or CAMS. The AMC reserves the right to modify the terms and conditions or to discontinue the facility at any point of time. **Empower Platform:** Transactions on this platform will be permitted only to employees of the organizations that have been onboarded on Empower platform through the Link - https://empowerapp.bajajamc.com/
XXII.	**Weblink**	The Total Expense Ratio is available to the investors on the website of the AMC at link: https://www.bajajamc.com/downloads?ter=. The scheme factsheet is available to the investors on the website of the AMC at link: https://www.bajajamc.com/downloads?factsheet.
XXIII.	**Requirement of minimum investors in the scheme**	The Scheme shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme. However, if such limit is breached during the NFO of the Scheme, the Fund will endeavour to ensure that within a period of three months or the end of the succeeding calendar quarter from the close of the NFO of the Scheme, whichever is earlier, the Scheme complies with these two conditions. In case the Scheme

		does not have a minimum of 20 investors in the stipulated period, the provisions of Regulation 39(2)(c) of the SEBI (MF) Regulations would become applicable automatically without any reference from SEBI and accordingly the Scheme shall be wound up and the units would be redeemed at applicable NAV. The two conditions mentioned above shall also be complied within each subsequent calendar quarter thereafter, on an average basis, as specified by SEBI. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days' notice to redeem his exposure over the 25 % limit. Failure on the part of the said investor to redeem his exposure over the 25 % limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period. The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

(Consolidated Std. Obs. 55)

It is confirmed that:

(i) The Scheme Information Document submitted to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.

(ii) All legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.

(iii) The disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the Scheme.

(iv) The intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

(v) The contents of the Scheme Information Document including figures, data, yields etc. have been checked and are factually correct

(vi) A confirmation that the AMC has complied with the compliance checklist applicable for Scheme Information Documents and other than cited deviations/ that there are no deviations from the regulations

(vii) Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.

(viii) The Trustees have ensured that the Bajaj Finserv Multi Asset Allocation Fund approved by them is a new product offered by Bajaj Finserv Mutual Fund and is not a minor modification of any existing scheme/fund/product

For Bajaj Finserv Asset Management Limited
(Investment Manager to Bajaj Finserv Mutual Fund)

Sd/-
Harish Iyer
Compliance Officer

Date: June 26, 2024
Place: Pune

Part II. INFORMATION ABOUT THE SCHEME

A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

Std. obs. 14

Instruments	Indicative allocations (% of total assets)	
	Minimum	Maximum
Equity & Equity Related Instruments	35%	80%
Debt securities (including securitized debt & debt derivatives) and Money Market Instruments* including Units of Debt oriented mutual fund schemes	10%	55%
Gold ETFs, Silver ETFs, Exchange Traded Commodity Derivatives (ETCDs) & any other mode of investment in commodities as permitted by SEBI from time to time.	10%	55%
Units issued by REITs and InvITs	0%	10%

*Money market instruments will include commercial papers, commercial bills, Triparty REPO, Reverse Repo and equivalent and any other like instruments as specified by SEBI and Reserve Bank of India from time to time.

Investment in Equity Derivatives shall be upto 50% of Equity assets of the scheme for non-hedging purpose. (Consolidated Std. Obs. 20)
Investment in Fixed Income Derivatives shall be upto 10% of Fixed Income assets of the scheme for non-hedging purpose. (Consolidated Std. Obs. 20)

Investment in Securitised Debt will be upto 50% of debt portfolio.
Std. obs. 4
Invest in stock lending shall be upto 20% of net assets. Further, the Scheme shall not deploy more than 5% of the Scheme's net assets in securities lending through a single intermediary. These limits shall be applicable at the time of participating in the securities lending by the Scheme. The scheme will invest in non-convertible preference shares upto 10% of net assets.
The gross exposure of the scheme to repo transactions in corporate debt securities (including listed AA and above rated corporate debt securities and Commercial Papers (CPs) and Certificate of Deposits (CDs)) shall not be more than 10% of the net assets of the scheme or as permitted by extant SEBI regulation.

Investment in Foreign Securities and Overseas ETFs shall be upto 20% of net assets in accordance with the guidelines stipulated by SEBI and RBI from time to time. (Consolidated Std. Obs. 15)
Investment in Foreign Securities / Overseas ETFs would be as per SEBI Master Circular for Mutual Funds dated May 19, 2023 as may be amended from time to time. The Scheme may invest up to US $ 100 million in foreign securities. As per SEBI Master Circular for Mutual Funds dated May 19, 2023, Mutual Funds can make overseas investments subject to a maximum of US $ 1 billion per Mutual Fund within the overall industry limit of US $ 7 billion. The overall ceiling for investment in overseas ETFs that invest in securities is US$ 1 billion subject to a maximum of US$ 300 million per mutual fund. The Scheme may invest up to US $ 30 million in Overseas ETFs. (Consolidated Std. Obs. 16)

The scheme may invest upto 30% of the net assets of the Scheme in Exchange Traded Commodity Derivatives (ETCDs) in India, except in commodity derivatives on 'Sensitive Commodities', in accordance with SEBI Master Circular for Mutual Funds dated May 19, 2023.

The Scheme may undertake (i) repo/reverse repo transactions in Corporate Debt Securities; (ii) Short Selling and such other transactions in accordance with guidelines issued by SEBI from time to time. In addition to the instruments stated in the table above, the Scheme may enter into repos/reverse repos as may be permitted by RBI. From time to time, the Scheme may hold cash. A part of the net assets may be invested in the Tri-party Repos (TREPS) on Government securities or treasury bills or repo or in an alternative investment as may be provided by RBI to meet the liquidity requirements, subject to approval, if any.

The scheme may invest in other schemes under the same AMC or any other Mutual Fund without charging any fees, provided the aggregate inter scheme investment made by all the schemes under the same management or in schemes under management of any other asset management company shall not exceed 5% of the Net Asset Value of the Fund. No investment management fees shall be charged for investing in other schemes of the Fund or in the schemes of any other mutual fund.

The scheme will invest upto 10% of net assets in instruments having special features as stated in SEBI Master Circular for Mutual Funds dated May 19, 2023 as amended from time to time.

Indicative Table (Actual instrument/percentages may vary subject to applicable SEBI circulars)

Sl. no	Type of Instrument	Percentage of exposure	Circular references
1.	Securities Lending	Upto 20% of net assets of scheme	SEBI Master Circular for Mutual Funds dated May 19, 2023
2.	Equity Derivatives for non-hedging purposes	Upto 50% of equity assets of the scheme	
3.	Fixed Income Derivatives for non- hedging purposes	Upto 10% of Fixed Income assets of the scheme	
4.	Securitized Debt	Upto 50% of the debt portfolio of the scheme	
5.	Overseas Securities	Upto 20% of net assets of the scheme	
6.	ReITs and InvITs	Upto 10% of net assets of the scheme	
7.	AT1 and AT2 Bonds (Instruments with special features)	Upto 10% of the net assets of the scheme	
8.	Any other instrument • repo transactions in corporate debt securities	Upto 10% of net assets of the scheme	
9.	Non-convertible preference shares	Upto 10% of net assets	
10.	Exchange Traded Commodity Derivatives	upto 30% of the net assets	

(Consolidated Std. Obs. 18)

The scheme will not invest in following securities:

Sr. No.	Securities
1.	Fund of Funds scheme.
2.	Credit Default Swaps
3.	The scheme will not invest in credit enhancements and structured obligation instruments.
4.	Foreign securitized debt

The cumulative gross exposure through equity, debt, money market instruments, units of mutual fund schemes, securitised debt, Gold ETFs, Silver ETFs, Exchange Traded Commodity Derivatives (ETCDs), units issued by REITs and InvITs, equity derivatives, fixed income derivatives, Foreign securities/ Overseas ETFs, repo transactions in corporate debt securities, special features instrument and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme in accordance with SEBI Master Circular for Mutual Funds dated May 19, 2023. (Consolidated Std. Obs. 17)

Pursuant to SEBI Master Circular for Mutual Funds dated May 19, 2023, the Scheme may deploy NFO proceeds in Triparty repo on Government securities or treasury bills (TREPS) before the closure of NFO period. However, the AMC shall not charge any investment management and advisory fees on funds deployed in TREPS during the NFO period.

At the time of building up the portfolio post NFO, the Fund Manager may deploy the funds in units of liquid mutual fund schemes to the extent permitted under SEBI (Mutual Funds) Regulations, 1996, in case suitable debt / money market instruments are not available or the Fund Manager is of the view that the risk-reward is not in the best interest of the unit holders.

All of the Scheme's assets will be invested in transferable securities. The corpus of the Scheme shall not in any manner be used in option trading, short selling or carry forward transactions as stipulated in SEBI Regulations and amended from time to time.

Pending deployment of the funds in securities in terms of investment objective of the Scheme, the AMC may park the funds of the Scheme in short term deposits of the Scheduled Commercial Banks, subject to the guidelines mentioned in SEBI Master Circular for Mutual Funds dated May 19, 2023, as may be amended from time to time.

(Consolidated Std. Obs. 24)
In accordance with SEBI Master Circular for Mutual Funds dated May 19, 2023, in the event of asset allocation falling outside the limits specified in the asset allocation table mentioned above, due to passive breaches, the fund manager will review and rebalance the same within 30 business days from the date of such deviation. In case the portfolio is not rebalanced within the period of 30 business days, justification in writing for the same including efforts taken to rebalance the portfolio shall be placed before the Investment Committee. The Investment Committee, if so desires, can extend the timelines upto 60 business days from the date of completion of mandated rebalancing period. (Consolidated Std. Obs. 22)

In case the scheme is not rebalanced within the aforementioned mandate plus extended timelines:

a. The AMC shall not be permitted to launch any new scheme till the time the portfolio is rebalanced.
b. The AMC shall not levy any exit load, (if any), on the investor exiting the Scheme.

In case the AUM of the deviated portfolio is more than 10% of the AUM of the main portfolio of the scheme.

i. The AMC shall immediately communicate the same to the investors of the scheme after the expiry of the mandated rebalancing period (i.e. 30 Business Days) through SMS and email/ letter including details of portfolio not rebalanced.
ii. The AMC shall also immediately communicate to the investors through SMS and email/letter when the portfolio is rebalanced.
iii. The AMC shall disclose scheme wise deviation of the portfolio (beyond aforesaid 10% limit) from the mandated asset allocation beyond 30 business days, on the AMC 's website i.e. www.bajajamc.com.

The AMC shall also disclose any deviation from the mandated asset allocation to investors along with periodic portfolio disclosures as specified by SEBI from the date of lapse of mandated plus extended rebalancing timelines.

(Consolidated Std. Obs. 24)
Short term defensive consideration: When the Fund Manager/s believes market or economic conditions are unfavourable for investors, minimum and maximum asset allocation can be altered for a short-term period on defensive considerations as per clause 1.14.1.2 of SEBI Master Circular for Mutual Funds dated May 19, 2023. Such changes in the investment pattern would be rebalanced to the above asset allocations within 30 calendar days from the date of deviation. (Consolidated Std. Obs. 23)

B. WHERE WILL THE SCHEME INVEST?

Std. obs. 15

(Consolidated Std. Obs. 29)

1) Equity and equity related instruments including Indian Depository Receipts (IDRs) and warrants carrying the right to obtain equity shares.
2) Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
3) Securities guaranteed by the Central, State and local Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
4) Debt securities issued by domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee.
5) Corporate debt securities (of both public and private sector undertakings)
6) Securities issued by banks (both public and private sector) including term deposit with the banks as permitted by SEBI/RBI from time to time, subject to approval from SEBI /RBI as required and development financial institutions.
7) Money market instruments, as permitted by SEBI/ RBI.
8) Securitized Debt.
9) The non-convertible part of convertible securities.
10) Derivative instruments like Stock/Index Futures, Stock/Index Options, Interest Rate Future, Interest Rate Swap, Forward Rate Agreement and such other derivative instruments permitted by SEBI.
11) Foreign Securities as permitted by Reserve Bank of India and Securities and Exchange Board of India.
12) Units of Mutual Fund Schemes/Exchange Traded Funds.
13) Gold ETFs, Silver ETFs, Exchange Traded Commodity Derivatives (ETCDs) & any other mode of investment in commodities as permitted by SEBI from time to time.
14) Cash & cash equivalents.
15) Non-convertible preference shares
16) Repo transactions in corporate debt securities.
17) Units of REITs & InvITs.
18) Special features instrument
19) Any other domestic fixed income securities as permitted by SEBI/ RBI subject to requisite approvals from SEBI/RBI, if needed.

Subject to the Regulations, the securities mentioned above could be listed, unlisted, privately placed, secured, unsecured and of varying maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights issue or negotiated deals. Further, the scheme intend to participate in securities lending as permitted under the regulations. Investment in overseas securities shall be made in accordance with the requirements stipulated by SEBI and RBI from time to time. The Scheme may also enter into repurchase and reverse repurchase in various securities as per the guidelines and regulations applicable to such transactions.

Pending deployment of funds of the scheme in securities in terms of the investment objective of the scheme, the AMC may park the funds of the scheme in short term deposits of scheduled commercial banks, subject to the guidelines mentioned in SEBI Master Circular for Mutual Funds dated May 19, 2023 as amended from time to time. The AMC shall not charge any investment management and advisory fees for parking of funds in such short term deposits of scheduled commercial banks for the scheme.

C. WHAT ARE THE INVESTMENT STRATEGIES?

Std. obs. 7

(Consolidated Std. Obs. 27)

The investment strategy aims to generate income and capital appreciation by investing across equity and equity related instruments including equity derivatives, debt & debt derivatives and money market instruments, Gold ETFs, Silver ETFs, ETCDs and in units of REITs & InvITs. The portfolio will manage the fund within the ambit of its in-house fund philosophy – INQUBE.

The Scheme may invest in various derivative instruments which are permissible under the applicable regulations. Derivatives will be used for the purpose of hedging, and portfolio balancing, or such other purpose as may be permitted under the regulations and Guidelines from time to time. Such investments shall be subject to the investment objective and strategy of the Scheme and the internal limits if any, as laid down from time to time. These include but are not limited to futures (both stock and index) and options (stock and index). Derivatives are financial contracts of pre-determined fixed duration, whose values are derived from the value of an underlying primary financial instrument such as interest rates, exchange rates, commodities and equities.

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.
(Consolidated Std. Obs. 28)

The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.

In pursuance of Investment Objective of the Scheme, the Scheme may use derivatives to generate income through arbitrage opportunities such as Index/Stock Spot vs Index/Stock Futures or Index Futures vs Stock Futures or Future of same stock with different expiry months or underlying shares etc. The Scheme may also use corporate action or event driven strategy where there is a potential opportunity for arbitrage in cash or derivative market such as dividend arbitrage or buy-back arbitrage or merger etc.

The scheme's equity portfolio will seek to invest in dividend-yielding opportunities to provide investors with relatively low-risk, cash-generating prospects for the portfolio and to allow for the growth opportunities in the play out over the period. The security selection will emphasize on criteria such as dividend track record, payout ratios, growth in cash flow generation, and other growth metrics such as ROCE, ROE etc. However, the fund manager retains the discretion to pursue investment opportunities regardless of the style, with the aim of optimizing the risk-reward trade-off for the portfolio from time to time.

The scheme's allocation to equity, debt, and commodities will be dynamic, guided by internal models considering factors such as valuation levels, macroeconomic conditions, and capitalization rates. The scheme may invest in Exchange Traded Commodity Derivatives (ETCD) or ETFs with commodity underlying assets, as well as other permissible instruments linked to commodity prices.

The scheme may also invest in overseas financial assets for diversification purposes, subject to SEBI/RBI regulations.

The research framework incorporates data, behavioral and market sentiment fundamental insights to guide cross-asset and cross-market allocation decisions. Stock selection is driven by a macro narrative considering factors such as valuation, liquidity, risk appetite, and the impact of time on these dimensions.

The scheme's investment strategy may be reviewed and modified as deemed necessary in the best interest of unit holders and market conditions.

The portfolio construction emphasizes broad diversification, ongoing review of market parameters, and focus on investment-grade debt securities. The scheme maintains a focus on credit quality, liquidity, and interest rate outlook for debt investments. Risk control measures and rigorous credit evaluation are incorporated to mitigate risks.

The fund shall pursue its investment strategy within the contours of the inhouse proprietary fund management philosophy called **'INQUBE'**.

INQUBE Investment Philosophy:

The **INQUBE** fund management philosophy is based on first principles understanding of the market dynamics. The process at its core emanates from the studied realisation that fund alpha is an outcome of three edges namely the **In**formation edge, the **Qu**antitative edge and the **Be**havioural edge of the investment team. At its core, the INQUBE investment philosophy borrows from human nature and behavioral finance as a knowledge discipline.

To realise the edge at the stock ideas hunting stage, the process shall involve a simultaneous application of top-down and bottom-up research to identify potential investments. It also involves evaluating business cycles and trends, such as momentum and trend reversal patterns, in order to identify potential investment opportunities and the stage of growth such potential ideas may be at.

At the ideas analysis stage, the process involves analysing the business, management and valuation to guide the stock selection process. While undertaking the allocation decisions, the business shall be filtered on account of its size, quality, valuation, growth outlook, and risk; to measure and structure the allocation.

The AMC/Sponsors/Trustee do not guarantee that the investment objective of the Scheme will be achieved. No guaranteed returns are being offered under the Scheme.

D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

Std. obs. 9

The Scheme benchmark would be 65% Nifty 50 TRI + 25% NIFTY Short Duration Debt Index + 10% Domestic Prices of Gold. The components of the benchmark are based on the AMFI Circular on Benchmark for Multi Asset Allocation Fund.

The composition of the benchmark is in line with the intended asset allocation of the fund across the asset class in which the scheme intends to participate over a period of time. The composition of the benchmark is most suited for comparing performance of the Scheme.

The Trustee reserves the right to change the benchmark for the evaluation of the performance of the

Scheme from time to time, keeping in mind the investment objective of the Scheme and the appropriateness of the benchmark, subject to the compliance with Regulations/ circulars issued by SEBI and AMFI in this regard from time to time.

E. WHO MANAGES THE SCHEME?

Std. obs. 10

(Consolidated Std. Obs. 33)

Equity and Debt portion:

Name of Fund Manager, Age and Qualifications	Work experience	Other schemes managed
Mr. Nimesh Chandan 46 years B.Com, MMS (Finance) (Managing the scheme since inception.)	Mr. Nimesh has over 23 years of experience in the Indian Capital Markets. He has spent 17 years in Fund Management- managing and advising domestic and international investors, retail as well as institutional. Prior to joining Bajaj Finserv Asset Management Ltd, he has worked with Canara Robeco Asset Management as Head Investments, Equities (Domestic and Offshore). He has also worked with other asset management companies including Birla Sunlife Asset Management, SBI Asset Management and ICICI Prudential Asset Management.	• Bajaj Finserv Liquid Fund* • Bajaj Finserv Overnight Fund* • Bajaj Finserv Money Market Fund* • Bajaj Finserv Banking and PSU Fund* • Bajaj Finserv Flexi Cap Fund (equity portion)# • Bajaj Finserv Balanced Advantage Fund (equity portion)# • Bajaj Finserv Large and Mid Cap Fund (equity portion)#

*Jointly with Mr. Siddharth Chaudhary #Jointly with Mr. Sorbh Gupta

Equity portion:

Name of Fund Manager, Age and Educational qualifications	Work experience	Other schemes managed
Mr. Sorbh Gupta 44 years CA, CFA, BCOM (Managing the scheme since inception.)	Mr. Sorbh has over 16 years of experience in the Indian Capital Markets. Since November 2022, he was appointed as Senior Fund Manager – Equity at Bajaj Finserv Asset Management Limited. Prior to joining Bajaj Finserv Asset Management Limited he was associated with Quantum Asset Management Company Private Ltd. He has also worked with other financial Companies such as Siddhesh Capital Markets Pvt. Ltd. & Pranav Securities Pvt. Ltd.	• Bajaj Finserv Flexi Cap Fund (equity portion)# • Bajaj Finserv Balanced Advantage Fund (equity portion) # • Bajaj Finserv Large and Mid Cap Fund (equity portion) # • Bajaj Finserv Nifty 50 ETF$ • Bajaj Finserv Nifty Bank ETF$

#Jointly with Mr. Nimesh Chandan $Jointly with Mr. Ilesh Savla

Debt portion:

Name of Fund Manager, Age and Qualifications	Work experience	Other schemes managed
Mr. Siddharth Chaudhary 42 years B. Com, PGPSM from UTI Institute of Capital Markets (Managing the scheme since inception.)	Mr. Chaudhary joined the Company in July 2022 as Senior Fund Manager – Fixed Income. Prior to this he was associated with Sundaram Asset Management Co. Ltd from April 2019 - July 2022 as Head Fixed Income – Institutional Business, from April 2017 – March 2019 as Senior Fund Manager – Fixed Income, from August 2010 – March 2017 as Fund Manager – Fixed Income. During June 2006 – September 2010 he was working as Senior Manager, Treasury Dept in Indian Bank.	• Bajaj Finserv Liquid Fund* • Bajaj Finserv Overnight Fund* • Bajaj Finserv Money Market Fund* • Bajaj Finserv Banking and PSU Fund* • Bajaj Finserv Flexi Cap Fund (Debt portion) • Bajaj Finserv Arbitrage Fund (Debt portion) • Bajaj Finserv Balanced Advantage Fund (Debt portion) • Bajaj Finserv Large and Mid Cap Fund (Debt portion) • Bajaj Finserv Nifty 1D Rate Liquid ETF

*Jointly with Mr. Nimesh Chandan

Commodity investments portion:

Name of Fund Manager, Age and Qualifications	Work experience	Other schemes managed
Mr. Vinay Bafna 34 Years MBA (Finance) (Managing the scheme since inception.)	Mr. Vinay Bafna has been associated with the AMC as Research Analyst. Prior to joining the AMC, he was associated with ICICI Securities Limited as Research Analyst, tracking metals & commodities, pharma. He has over 10 years of work experience in researching different commodities market and sectors such as metals & commodities, pharma, IT, hospitality and supporting ERP used by global commodity clients.	None

F. HOW IS THE SCHEME DIFFERENT FROM EXISTING SCHEMES OF THE MUTUAL FUND?

Name of the Scheme	Category of Scheme
Bajaj Finserv Liquid Fund	Liquid Fund
Bajaj Finserv Overnight Fund	Overnight Fund
Bajaj Finserv Money Market Fund	Money Market Fund
Bajaj Finserv Banking and PSU Fund	Banking and PSU Fund
Bajaj Finserv Flexi Cap Fund	Flexi Cap Fund
Bajaj Finserv Arbitrage Fund	Arbitrage Fund

Name of the Scheme	Category of Scheme
Bajaj Finserv Balanced Advantage Fund	Balanced Advantage Fund
Bajaj Finserv Nifty 50 ETF	Exchange Traded Fund
Bajaj Finserv Nifty Bank ETF	Exchange Traded Fund
Bajaj Finserv Large and Mid Cap Fund	Large and Mid Cap Fund
Bajaj Finserv Nifty 1D Rate Liquid ETF	Exchange Traded Fund

The investors can refer to the detailed comparative table of the existing schemes on the website of the Company at link: https://www.bajajamc.com/sid-disclosure.

G. HOW HAS THE SCHEME PERFORMED (if applicable)

This scheme is a new scheme launched on June 3, 2024, and does not have any performance track record.

H. ADDITIONAL SCHEME RELATED DISCLOSURES

i. **Scheme's portfolio holdings (top 10 holdings by issuer and fund allocation towards various sectors to be provided through a functional website link that contains detailed description.):** Not Applicable as scheme is launched on June 3, 2024.

ii. **Disclosure of name and exposure to Top 7 issuers, stocks, groups and sectors as a percentage of NAV of the scheme in case of debt and equity ETFs/index funds through a functional website link that contains detailed description:** Not Applicable

iii. **Functional website link for Portfolio Disclosure:** Portfolio shall be disclosed as on last day of the month/half year within 10 days from the end of month/half year. Portfolio shall be disclosed on AMC website https://www.bajajamc.com/downloads?portfolio\ and on AMFI website www.amfiindia.com. Portfolio shall be disclosed in a user-friendly and downloadable spreadsheet format.

iv. **Portfolio Turnover Rate particularly for equity oriented schemes shall also be disclosed:**

Not Applicable (Since this scheme is a new scheme launched on June 3, 2024, the said ratio is not applicable).

v. **Aggregate investment in the Scheme by** (as on May 31, 2024)**:**

Sr. No.	Category of Persons	Net Value		Market Value (in Rs.)
1.	Concerned scheme's Fund Manager(s)	Units	NAV per unit	
Not Applicable as scheme is launched on June 3, 2024.				

The above disclosures are not applicable since this scheme is a new scheme and does not contain any details.

For any other disclosure w.r.t investments by key personnel and AMC directors including regulatory provisions in this regard, kindly refer SAI.

vi. **Investments of AMC in the Scheme:** Std. obs. 1

Subject to the SEBI MF Regulations, the sponsors & Investment Companies managed by them, their associate companies, subsidiaries of the sponsors, the funds managed by associates and/or the AMC may acquire a substantial portion of the scheme. Accordingly, redemption of units held by such funds, associates and sponsors may have an adverse impact on the units of the scheme because the timing of such redemption may impact the ability of other unit holders to redeem their units.

AMC shall invest in the scheme based on the risk associated with the scheme as specified in SEBI Master Circular for Mutual Funds dated May 19, 2023 read with AMFI Best Practice Guidelines Circular 135/BP/100/2022-23 dated April 26, 2022 and any other circulars issued there under, from time to time.

In addition to investments as mandated above, the AMC may invest in the Scheme subject to the SEBI (MF) Regulations. Under the Regulations, the AMC is not permitted to charge any investment management and advisory services fee on its own investment in the Scheme.

(Consolidated Std. Obs. 58)
The Scheme may invest in other schemes managed by the AMC or in the schemes of any other Mutual Funds, provided it is in conformity to the investment objective of the Scheme and in terms of the prevailing Regulations. As per the Regulations, no investment management fees will be charged for such investments.

The investors can refer to the investments made by the AMC in the scheme on the website of the Company at link: https://www.bajajamc.com/downloads?statutory-disclosures=.

Part III - OTHER DETAILS

A. COMPUTATION OF NAV

The NAV of the units of the scheme would be computed by dividing the net assets of the scheme by the number of outstanding units on the valuation date. The AMC shall value the investments according to the valuation norms, as specified in the SEBI MF Regulations. All expenses and incomes accrued up to the valuation date shall be considered for computation of NAV. The NAV of the Scheme would be calculated upto four decimal places and would be declared on each business day.

NAV of units under the scheme shall be calculated as shown below:

NAV (Rs.) =

Market or Fair Value of Scheme's investments + Current Assets - Current Liabilities and Provision
____

No. of units outstanding under the scheme

Illustration on Computation of NAV: If the net assets of the Scheme are Rs. 10,55,55,000.00 and units outstanding are 1,00,00,000 then the NAV per unit will be computed as follows: 10,55,55,000.00 / 1,00,00,000 = Rs. 10.5555 per unit (upto four decimal). (Consolidated Std. Obs. 42)

- **Methodology of calculating the sale price**

The price or NAV a unitholder is charged while investing in an open-ended scheme is called sale / subscription price. Pursuant to clause 10.4.1.a of the SEBI Master circular, no entry load will be charged by the Scheme to the unitholders.

Therefore, Sale / Subscription price = Applicable NAV

- **Methodology of calculating the repurchase price**

Repurchase or redemption price is the price or NAV at which an open-ended scheme purchases or redeems its units from the Unitholders. It may include exit load, if applicable. The exit load, if any, shall be charged as a percentage of Net Assets Value (NAV) i.e. applicable load as a percentage of NAV will be deducted from the "Applicable NAV" to calculate the repurchase price.

Therefore, Repurchase / Redemption Price = Applicable NAV *(1 – Exit Load, if any)

For example, If the Applicable NAV of the Scheme is Rs. 10 and the Exit Load applicable at the time of investment is 1% if redeemed before completion of 1 year from the date of allotment of units and the Unitholder redeems units before completion of 1 year, then the repurchase/redemption price will be:

= Rs. 10*(1-0.01)
= Rs. 9.90

The Redemption /Repurchase Price will not be lower than 95% of the NAV. (Consolidated Std. Obs. 47)

Std. obs. 17(b)

For other details such as policies w.r.t computation of NAV, rounding off, investment in foreign securities, procedure in case of delay in disclosure of NAV etc. refer to SAI.

B. NEW FUND OFFER (NFO) EXPENSES

These are the expenses incurred for the purpose of new fund offer of the scheme including marketing, advertising, communication, registrar expenses, statutory expenses, printing expenses, stationery expenses, bank charges, exchange related charges, service provider related charges etc. As required in SEBI Regulations, all NFO expenses will be borne only by the AMC and not by the scheme.

C. ANNUAL SCHEME RECURRING EXPENSES

These are the fees and expenses for operating the scheme. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc. as given in the table below:

Limits specified by SEBI in SEBI MF Regulations for scheme recurring expenses:

a. on the first Rs. 500 crore of the Scheme's daily net assets - upto 2.25%;
b. on the next Rs. 250 crore of the Scheme's daily net assets – upto 2.00%;
c. on the next Rs. 1,250 crore of the Scheme's daily net assets – upto exceed 1.75%;
d. on the next Rs. 3,000 crore of the Scheme's daily net assets – upto exceed 1.60%;
e. on the next Rs. 5,000 crore of the Scheme's daily net assets – upto exceed 1.50%;
f. on the next Rs. 40,000 crore of the Scheme's daily net assets - Total Expense Ratio reduction of 0.05% for every increase of Rs. 5,000 crores of daily net assets or part thereof;
g. on balance of the assets – upto 1.05%.

In addition to the recurring expense mentioned above, additional expenses of 0.05% of daily net assets of the scheme shall be chargeable.

Expense Head	**% p.a. of daily Net Assets* (Estimated p.a.)**
Investment Management & Advisory Fee	Up to 2.25
Audit fees/fees and expenses of trustees	
Custodial Fees	
Registrar & Transfer Agent Fees including cost of providing account statements / IDCW / redemption cheques/ warrants	
Marketing & Selling Expenses including Agents Commission and statutory advertisement	
Costs related to investor communications	
Costs of fund transfer from location to location	
Cost towards investor education & awareness[&]	
Brokerage & transaction cost pertaining to distribution of units[%]	
Goods & Services Tax on expenses other than investment and advisory fees	
Goods & Services Tax on brokerage and transaction cost	
Other Expenses (to be specified as per Reg 52 of SEBI MF Regulations)[#]	
Maximum Total expenses ratio (TER) permissible under Regulation 52 (6) (c)	**Upto 2.25**

Expense Head	% p.a. of daily Net Assets* (Estimated p.a.)
Additional expenses under Regulations 52(6A)(c)	Upto 0.05
Additional expenses for gross new inflows from specified cities (Consolidated Std. Obs. 46)	Upto 0.30*

*SEBI vide letter no. SEBI/HO/IMD/IMD-SEC3/P/OW/2023/5823/1 dated February 24, 2023 and AMFI vide letter no. 35P/MEM-COR/85/2022-23 dated March 02, 2023 has advised AMCs to keep B-30 incentive in abeyance till AMCs put in place effective controls. Accordingly, applicability of this expense ratio will be subject to any further communication issued by SEBI / AMFI in this regard.
[#]As permitted under the Regulation 52 of SEBI (MF) Regulations, 1996 and pursuant to SEBI Master Circular for Mutual Funds dated May 19, 2023.

[&]In terms of SEBI Master Circular for Mutual Funds dated May 19, 2023, the AMC / Mutual Fund shall annually set apart at least 2 basis points (i.e. 0.02%) on daily net assets of the scheme within the maximum limit of Total Expense Ratio as per Regulation 52 of the SEBI (MF) Regulations for investor education and awareness initiatives.

[%]Brokerage and transaction costs incurred for the execution of trades and included in the cost of investment, not exceeding 0.12% of the value of trades of cash market transactions and 0.05% of the value of trades of derivative market transactions. It is hereby clarified that the brokerage and transaction costs incurred for the execution of trades may be capitalized to the extent of 0.12% of the value of trades of cash market transactions and 0.05% of the value of trades of derivative market transactions. Any payment towards brokerage and transaction costs (including Goods & Services Tax, if any) incurred for the execution of trades, over and above the said 0.12% for cash market transactions and 0.05% of the value of trades of derivative market transactions may be charged to the scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under Regulation 52 of the SEBI (MF) Regulations.

Illustration in returns between Regular and Direct Plan

(Consolidated Std. Obs. 44)

Particulars	**Regular Plan**	**Direct Plan**
Amount invested at the beginning of the year (Rs,)	10,000	10,000
Returns before Expenses (Rs.)	1,500	1,500
Expenses other than Distribution Expenses (Rs.)	150	150
Distribution Expenses (Rs.)	50	-
Returns after Expenses at the end of the year (Rs.)	1,300	1,350
Returns (%)	13.00%	13.50%

The expense of 30 bps shall be charged if the new inflows from retail investors from B30 cities as specified from time to time are at least -
(i) 30% of gross new inflows from retail investors in the scheme, or; (ii) 15% of the average assets under management (year to date) of the scheme, whichever is higher:
Provided that if inflows from retail investors from B30 cities is less than the higher of subclause (i) or sub-clause (ii), such expenses on daily net assets of the scheme shall be charged on proportionate basis.

Provided further that expenses charged under this clause shall be utilized for distribution expenses incurred for bringing inflows from retail investors from B30 cities.

Provided further that amount incurred as expense on account of inflows from retail investors from B30 cities shall be credited back to the scheme in case the said inflows are redeemed within a period of one year from the date of investment.

In case inflows from retail investors from beyond top 30 cities is less than the higher of (i) or (ii) above, additional TER on daily net assets of the scheme shall be charged as follows:

$$\frac{\text{Daily net assets X 30 basis points X new inflows from individuals beyond top 30 cities}}{\text{365* X Higher of (i) or (ii) above}}$$

* 366, wherever applicable.

For the above purposes, 'B30 cities' shall be beyond Top 30 cities as at the end of previous financial year as communicated by AMFI. Retail investors would mean individual investors from whom inflows into the scheme would amount upto Rs. 2,00,000/- per transaction.

Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc and no commission for distribution of units will be paid / charged under Direct Plan. All fees and expenses charged in a Direct Plan (in percentage terms) under various heads including the investment and advisory fee shall not exceed the fees and expenses charged under such heads in other than Direct Plan.

The AMC shall adhere provisions of SEBI Master Circular for Mutual Funds dated May 19, 2023 and various guidelines specified by SEBI as amended from time to time, with reference to charging of fees and expenses. Accordingly:

a. All scheme related expenses including commission paid to distributors, shall be paid from the scheme only within the regulatory limits and not from the books of the AMC, its associates, sponsor, trustee or any other entity through any route. Provided that, such expenses that are not specifically covered in terms of Regulation 52 (4) can be paid out of AMC books at actual or not exceeding 2 bps of the Scheme AUM, whichever is lower.
b. The Mutual Fund shall adopt full trail model of commission in the scheme, without payment of any upfront commission or upfronting of any trail commission, directly or indirectly, in cash or kind, through sponsorships, or any other route.
c. All fees and expenses charged in a Direct Plan (in percentage terms) under various heads including the investment and advisory fee shall not exceed the fees and expenses charged under such heads in Regular Plan.
d. No pass back, either directly or indirectly, shall be given by the Fund / the AMC / Distributors to the investors.

<u>Disclosure on Goods & Services Tax:</u>

Goods & Services Tax on investment management and advisory fees shall be in addition to the above expense.

Further, with respect to Goods & Services Tax on other than management and advisory fees:
- Goods & Services Tax on other than investment and advisory fees, if any, shall be borne by the scheme within the maximum limit of TER as per regulation 52 of the Regulations.
- Goods & Services Tax on exit load, if any, shall be paid out of the exit load proceeds and exit load net of Goods & Services Tax, if any, shall be credited to the scheme.
- Goods & Services Tax on brokerage and transaction cost paid for asset purchases, if any, shall be within the limit prescribed under regulation 52 of the Regulations.

For the actual current expenses being charged to the scheme, investors should refer to the website of the mutual fund at link: https://bajajamc.com/downloads?ter=. Any change proposed to the current expense ratio will be updated on the website at least three working days prior to the change.

As per the Regulations, the total recurring expenses that can be charged to the scheme shall be subject to the applicable guidelines. The total recurring expenses of the scheme will however be limited to the ceilings as prescribed under Regulation 52(6) of the Regulations.

D. LOAD STRUCTURE

Std. obs. 16

(Consolidated Std. Obs. 47)

Exit Load is an amount which is paid by the investor to redeem the units from the scheme. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website link: https://www.bajajamc.com/sid-disclosure or may call at toll free no. 18003093900 or your distributor.

Type of Load	Load chargeable (as %age of NAV)
Entry	Not applicable
Exit*	For each purchase of units through Lumpsum / switch-in / Systematic Investment Plan (SIP) and Systematic Transfer Plan (STP), exit load will be as follows: ➢ if units are redeemed / switched out within 1 year from the date of allotment: • if up to 30% of units allotted are redeemed/switched out – Nil • any redemption / switch-out of units in excess of 30% of units allotted – 1% of applicable NAV. ➢ If units purchased or switched in from another scheme of the Fund are redeemed or switched out after 1 year from the date of allotment, no exit load is payable.

* The load on other types of transaction could be Income Distribution cum Capital Withdrawal reinvestment, Switch in/out, SIP/SWP/STP (as applicable)

In accordance with the requirements specified by the SEBI Master Circular for Mutual Funds dated May 19, 2023, no entry load will be charged for subscription /additional subscription /switches accepted by the Mutual Fund. Similarly, no entry load will be charged with respect to applications for registrations under the SIP/STP accepted by the Mutual Fund. For the purpose of charging of exit load, units would be considered on First in First out (FIFO) basis. Any imposition or enhancement of exit load shall be applicable only on prospective investments.

In case of redemption/switch undertaken in excess of 25% holding of an investor on account of compliance with the requirements of SEBI Master Circular for Mutual Funds dated May 19, 2023 shall not be subject to exit load imposed in the scheme.

The upfront commission on investment made by the investor, if any, shall be paid to the ARN Holder (AMFI registered distributor) directly by the investor, based on the investor's assessment of various factors including service rendered by the ARN Holder.

Exit load (if any) charged to the unitholders by the Mutual Fund on redemption (including switch-out) of units shall be credited to the respective scheme net of Goods & Services Tax.
Goods & Services Tax on exit load, if any, shall be paid out of the exit load proceeds.

No exit load would be charged for switch transaction from this scheme to any another equity scheme of Bajaj Finserv Mutual Fund. Further, switches of following kind within the scheme would not attract any exit load:

(i) switch from Direct Plan to Regular Plan;
(ii) switch from Regular Plan to Direct Plan where the investment in Regular Plan is without a Distributor (ARN) code;
(iii) within different Options (Income Distribution cum capital withdrawal /growth) of the same Plan (Direct/Regular) of the scheme.

Load on bonus/ re-investment of Income Distribution cum capital withdrawal units: In terms of SEBI Master Circular for Mutual Funds dated May 19, 2023, no entry and exit load shall be charged on bonus units or units allotted on reinvestment of Income Distribution cum capital withdrawal.

The Trustee / AMC reserves the right to change the load structure any time in future if they so deem fit on a prospective basis. The investor is requested to check the prevailing load structure of the scheme before investing.

In case of changes to load structure, the AMC would endeavour to do the following:

1. An addendum would be attached to the SID and Key Information Memorandum (KIM). The same may be circulated to brokers/distributors so that the same can be attached to all SID and abridged SID in stock. Further the addendum would be sent along with a newsletter to unitholders immediately after the changes.
2. Arrangement would be made to display the changes in the SID in the form of a notice in all the official points of acceptance of transactions and distributor's/broker's office.
3. The introduction of the exit load along with the details may be stamped in the acknowledgement slip issued to the investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such load.
4. A public notice shall be provided on the website in case of changes undertaken to the exit load.

The AMC/Trustee reserves the right to change / modify the Load structure of the Scheme, subject to maximum limits as prescribed under the Regulations. However, the Redemption /Repurchase Price will not be lower than 95% of the NAV. (Consolidated Std. Obs. 47)

Std. obs. 17(b)

Section II

I. Introduction

A. Definitions/interpretation:

The investors may refer to the website of the Company at link: https://www.bajajamc.com/sid-disclosure for definition of terms used in this Scheme Information Document.

B. Risk factors:

Std. obs. 2 (Consolidated Std. Obs. 8)

Scheme specific risk factors:

- Bajaj Finserv Multi Asset Allocation Fund would be investing in Equity & Equity related Securities, Debt & Money Market Instruments, Gold ETFs, Silver ETFs and Exchange Traded Commodity Derivatives (ETCDs), in units of REITs & InvITs and such other asset classes permitted by SEBI from time to time. Different asset class carry different types of risk as mentioned in the Scheme Information Document. Accordingly, the scheme's risk may increase or decrease depending upon the investment pattern.

1. Risks associated with investing in equities:

- Investors may note that AMC/Fund Manager's investment decisions may not be always profitable, as actual market movements may be at variance with anticipated trends. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of these investments. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. The inability of the Scheme to make intended securities purchases due to settlement problems could cause the Scheme to miss certain investment opportunities. Similarly, the inability to sell securities held in the Scheme portfolio would result at times, in potential losses to the Scheme, should there be a subsequent decline in the value of securities held in the Scheme portfolio.
- The value of the Scheme's investments may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. Consequently, the NAV of the Units of the Scheme may fluctuate and can go up or down.
- The Mutual Fund may not be able to sell securities, which can lead to temporary illiquidity. There are risks inherent in securities lending, including the risk of failure of the other party, in this case the approved intermediary to comply with the terms of the agreement. Such failure can result in a possible loss of rights to be collateral, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of corporate benefits accruing thereon.
- Investors may note that dividend is due only when declared and there is no assurance that a company (even though it may have a track record of payment of dividend in the past) may continue paying dividend in future. As such, the scheme is vulnerable to instances where investments in securities may not earn dividend or where lesser dividend is declared by a company in subsequent years in which investments are made by scheme. As the profitability of companies are likely to vary and have a material bearing on their ability to declare and pay dividend, the performance of the scheme may be adversely affected due to such factors.

- While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges. The liquidity of the Scheme's investments is inherently restricted by trading volumes in the securities in which it invests.
- Fund manager endeavors to generate returns based on certain past statistical trend. The performance of the scheme may get affected if there is a change in the said trend. There can be no assurance that such historical trends would continue.
- In case of abnormal circumstances, it will be difficult to complete the square off transaction due to liquidity being poor in stock futures/spot market. However, the scheme will aim to take exposure only into liquid stocks where there will be minimal risk to square off the transaction.
- Changes in Government policy in general and changes in tax benefits applicable to mutual funds may impact the returns to investors in the Scheme or business prospects of the Company in any particular sector.
- Investments in equity and equity related securities involve a certain degree of risk and Investors should not invest in the equity scheme unless they can afford to take the risk of losing their investment.

2. <u>Risks associated with investing in fixed income:</u>

- **Market Risk**: The NAV of the scheme, to the extent invested in Debt and Money Market securities, will be affected by changes in the general level of interest rates. The NAV of the scheme is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates.
- **Liquidity Risk**: Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the scheme and may lead to the scheme incurring losses till the security is finally sold. The liquidity of a bond may change, depending on market conditions leading to changes in the liquidity premium attached to the price of the bond. At the time of selling the security, the security can become illiquid, leading to loss in value of the portfolio.
- **Price Risk**: Government securities where a fixed return is offered run price-risk like any other fixed income security. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates. The new level of interest rate is determined by the rates at which government raises new money and/or the price levels at which the market is already dealing in existing securities. This risk is not unique to Government Securities. It exists for all fixed income securities. However, Government Securities are unique in the sense that their credit risk generally remains zero. Therefore, their prices are influenced only by movement in interest rates in the financial system.
- **Settlement risk**: The inability of the scheme to make intended securities purchases due to settlement problems could cause the scheme to miss certain investment opportunities. By the same rationale, the inability to sell securities held in the scheme's portfolio due to the extraneous factors that may impact liquidity would result, at times, in potential losses in case of a subsequent decline in the value of securities held in the scheme's portfolio.
- **Regulatory Risk**: Changes in government policy in general and changes in tax benefits applicable to Mutual Funds may impact the returns to investors in the scheme.
- **Reinvestment Risk**: This risk refers to the interest rate levels at which cash flows received from the securities in the scheme are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.

- **Credit Risk**: Investments in Debt Securities are subject to the risk of an issuer's inability to meet interest and principal payments on its obligations and market perception of the creditworthiness of the issuer.
- **Risks associated with investment in unlisted securities**: Subject to applicable Regulations, the scheme can invest in unlisted securities. These securities are subject to greater price fluctuations, less liquidity and greater risk than the listed securities. Except for any security of an associate or group company, the scheme has the power to invest in securities which are not listed on a stock exchange ("unlisted Securities") which in general are subject to greater price fluctuations, less liquidity and greater risk than those which are traded in the open market. Unlisted securities may lack a liquid secondary market and there can be no assurance that the Scheme will realise their investments in unlisted securities at a fair value.
- Different types of fixed income securities in which the scheme would invest as given in the Scheme Information Document carry different levels and types of risk. Accordingly, the scheme risk may increase or decrease depending upon its investment pattern. e.g. corporate bonds carry a higher level of risk than Government securities. Further even among corporate bonds, bonds, which are AAA rated, are comparatively less risky than bonds, which are AA rated. AA rated corporate bonds are comparatively less risky when compared with A rated corporate bonds.
- The AMC may, considering the overall level of risk of the portfolio, invest in lower rated securities offering higher yields as well as zero coupon securities that offer attractive yields. This may increase the absolute level of risk of the portfolio.
- As zero coupon securities does not provide periodic interest payments to the holder of the security, these securities are more sensitive to changes in interest rates. Therefore, the interest rate risk of zero coupon securities is higher. The AMC may choose to invest in zero coupon securities that offer attractive yields. This may increase the risk of the portfolio.
- The scheme at times may receive large number of redemption requests leading to an asset-liability mismatch and therefore requiring the AMC to make a distress sale of the securities leading to realignment of the portfolio and consequently resulting in investment in lower yield instruments.
- **Basis Risk**: Basis risk arises due to a difference in the price movement of the derivative vis-à-vis that of the security being hedged.
- **Spread Risk**: In a floating rate security the coupon is expressed in terms of a spread or mark up over the benchmark rate. In the life of the security, this spread may move adversely leading to loss in value of the portfolio. The yield of the underlying benchmark might not change, but the spread of the security over the underlying benchmark might increase leading to loss in value of the security.
- **Counterparty Risk**: This is the risk of failure of counterparty to a transaction to deliver securities against consideration received or to pay consideration against securities delivered, in full or in part or as per the agreed specification. There could be losses to the Scheme in case of a counterparty default.
- **Duration Risk**: Duration risk refers to the movement in price of the underlying invested money market / debt instruments due to movement/change in interest rates over different durations of maturity of instruments. In a portfolio of debt assets, the duration risk is measured by the average duration of the portfolio. Duration, expressed in years, is used as a measure of the sensitivity of the fixed income instrument to a change in interest rates. Usually, individual duration of fixed income instruments in the portfolio is calculated and the portfolio duration is weighted average of such individual instrument duration. A longer portfolio duration is associated with greater price fluctuations. A rise in interest rates could normally lead to decrease in prices and generally negatively affects portfolios having longer duration vis-a-vis portfolios having shorter duration. A fall in interest rate generally benefits portfolio having longer duration. A longer duration portfolio is also generally associated with greater volatility vis-a-vis a shorter duration portfolio.

- **Sovereign Risk**: Sovereign risk is the likelihood that a Government will default on its loan obligation by failing to meet its principal payments or interest. It comes in different forms and may result in losses to investors in addition to negative political consequences. The Central Government of a country is the issuer of the local currency in that country. The Government (Central / State) raises money to meet its capital and revenue expenditure by issuing debt or discounted securities. Since payment of interest and principal amount has a sovereign status implying no default, such securities are known as securities with sovereign credit. For domestic borrowers and lenders, the credit risk on such sovereign credit is minimal, even lower than a security with "AAA" rating and hence commands a yield, which is lower than a yield on "AAA" security.

3. **Risks associated with investing in foreign securities:** Std. obs. 3

(Consolidated Std. Obs. 11)

It is AMC's belief that the investment in overseas securities / Overseas ETFs offers new investment and portfolio diversification opportunities into multi-market and multi-currency products. However, such investments also entail additional risks. Such investment opportunities may be pursued by the AMC provided they are considered appropriate in terms of the overall investment objective of the scheme. Since the scheme would invest only partially in overseas securities/ Overseas ETFs, there may not be readily available and widely accepted benchmarks to measure performance of the scheme. To manage risks associated with foreign currency and interest rate exposure, the scheme may use derivatives for efficient portfolio management including hedging and in accordance with conditions as may be stipulated by SEBI/RBI from time to time.

To the extent that the assets of the Scheme will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by the changes in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital also may be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of the other restrictions on investment.

Offshore investments will be made subject to any/all approvals, conditions thereof as may be stipulated by SEBI/RBI and provided such investments do not result in expenses to the scheme in excess of the ceiling on expenses prescribed by and consistent with costs and expenses attendant to international investing. The scheme may, where necessary, appoint other intermediaries of repute as advisors, custodian/sub-custodians etc. for managing and administering such investments. The appointment of such intermediaries shall be in accordance with the applicable requirements of SEBI and within the permissible ceilings of expenses. The fees and expenses would illustratively include, besides the investment management fees, custody fees and costs, fees of appointed advisors and sub-managers, transaction costs, and overseas regulatory costs.

Keeping in mind the investment limit in foreign securities currently applicable to Mutual Fund under SEBI Master Circular for Mutual Funds dated May 19, 2023, if overall limit for the Mutual Fund in overseas securities reaches USD 1 billion or the overall limit for Mutual Fund Industry in overseas securities reaches USD 7 billion, then Mutual Fund will not be able to invest in overseas securities / will not be able to do incremental overseas investment, unless such limit is increased or further directions is received from SEBI or RBI in this regard. It may be noted that the cap of USD 1 billion will be monitored and enforced at the Mutual Fund level and not at the individual scheme level.

4. **Risks associated with investing in derivatives:** Std. obs. 5

(Consolidated Std. Obs. 28)

The scheme may use various derivative products as permitted by the Regulations. Use of derivatives requires an understanding of not only the underlying instrument but also of the derivative itself. Other risks include the risk of mis-pricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

The scheme may use derivatives instruments like Stock /Index Futures or other derivative instruments for the purpose of hedging and portfolio balancing, as permitted under the Regulations and guidelines. Usage of derivatives will expose the scheme to certain risks inherent to such derivatives. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. No assurance can be given that the fund manager will be able to identify or execute such strategies. Derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value.

The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. The specific risk factors arising out of a derivative strategy used by the Fund Manager may be as below:

- Lack of opportunity available in the market.
- **Valuation Risk**: The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
- **Execution Risk**: The prices which are seen on the screen need not be the same at which execution will take place.
- **Basis Risk**: This risk arises when the derivative instrument used to hedge the underlying asset does not match the movement of the underlying asset being hedged.
- Stock Exchanges could increase the initial margin, variation margin or other forms of margin on derivative contracts, impose one sided margins or insist that margins be placed in cash. All of these might force positions to be unwound at a loss and might materially impact returns.
- **Operational / Systemic Risk**: This is the risk arising due to failure of operational processes followed by the exchanges and Over The Counter (OTC) participants for the derivatives trading.
- **Exposure Risk**: An exposure to derivatives in excess of the hedging requirements can lead to losses. An exposure to derivatives can also limit the profits from a plain investment transaction.
- **Implied Volatility**: The estimated volatility of an underlying security's price and derivatives price.
- Systemic Risk: The risk inherent in the capital market due to macro-economic factors like Inflation, GDP, Global events.
- **Counterparty Risk**: Counterparty risk is the risk that losses will be incurred due to the default by the counterparty for OTC derivatives.
- **Credit Risk**: The Credit Risk is the risk that the counter party will default in its obligations and is generally small as in a derivative transaction there is generally no exchange of the principal amount.

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.
(Consolidated Std. Obs. 28)

5. Risk factors associated with investing in Preference Shares

Credit Risk - Investments in Preference Shares are subject to the risk of an issuer's inability to meet IDCW and redemption by the issuer. Further, for non-cumulative preference shares, issuer also has an option to not pay IDCW on preference shares in case of inadequate profits in any year.

Liquidity Risk - Preference shares lack a well-developed secondary market, which may restrict the selling ability of the Scheme(s) and may lead to the Scheme(s) incurring losses till the security is finally sold.

Unsecured in nature - Preference shares are unsecured in nature and rank lower than secured and unsecured debt in hierarchy of payments in case of liquidation. Thus, there is significant risk of capital erosion in case the company goes into liquidation.

Market Risk – The schemes will be vulnerable to movements in the prices of securities invested by the schemes which could have a material bearing on the overall returns from the schemes.

6. Risks associated with investing in securitised debt:

The scheme may invest in domestic securitized debt such as asset backed securities (ABS) or mortgage backed securities (MBS). Asset Backed Securities (ABS) are securitized debts where the underlying assets are receivables arising from various loans including automobile loans, personal loans, loans against consumer durables, etc. Mortgage backed securities (MBS) are securitized debts where the underlying assets are receivables arising from loans backed by mortgage of residential / commercial properties. ABS/MBS instruments reflect the undivided interest in the underlying pool of assets and do not represent the obligation of the issuer of ABS/MBS or the originator of the underlying receivables. The ABS/MBS holders have a limited recourse to the extent of credit enhancement provided. If the delinquencies and credit losses in the underlying pool exceed the credit enhancement provided, ABS/MBS holders will suffer credit losses. ABS/MBS are also normally exposed to a higher level of reinvestment risk as compared to the normal corporate or sovereign debt.

Different types of Securitised Debts in which the scheme would invest carry different levels and types of risks. Accordingly, the scheme's risk may increase or decrease depending upon its investments in Securitised Debts. e.g. AAA securitised bonds will have low Credit Risk than a AA securitised bond. Credit Risk on Securitised Bonds may also depend upon the Originator, if the Bonds are issued with Recourse to Originator. A Bond with Recourse will have a lower Credit Risk than a Bond without Recourse. Underlying Assets in Securitised Debt may be the Receivables from Auto Finance, Credit Cards, Home Loans or any such receipts. Credit risk relating to these types of receivables depends upon various factors including macro-economic factors of these industries and economies. To be more specific, factors like nature and adequacy of property mortgaged against these borrowings, loan agreement, mortgage deed in case of Home Loan, adequacy of documentation in case of Auto Finance and Home Loan, capacity of borrower to meet its obligation on borrowings in case of Credit Cards and intentions of the borrower influence the risks relating to the assets (borrowings) underlying the Securitised Debts. Holders of Securitised Assets may have Low Credit Risk with Diversified Retail Base on Underlying Assets, especially when Securitised Assets are created by High Credit Rated Tranches. Risk profiles of Planned Amortisation Class Tranches (PAC), Principal Only Class Tranches (PO) and Interest Only Class Tranches (IO) will also differ, depending upon the interest rate movement and Speed of Pre-payments. A change in market interest rates/prepayments may not change the absolute amount of receivables for the investors, but affects the reinvestment of the periodic cashflows that the investor receives in the securitised paper.

Presently, secondary market for securitised papers is not very liquid. There is no assurance that a deep secondary market will develop for such securities. This could limit the ability of the investor to resell them. Even if a secondary market develops and sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.

Securitised transactions are normally backed by pool of receivables and credit enhancement as stipulated by the rating agency, which differ from issue to issue. The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the underlying receivables and there is no obligation of either the Issuer or the Seller or the originator, or the parent or any affiliate of the Seller, Issuer and Originator. No financial recourse is available to the Certificate Holders against the Investors' Representative. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall. On persistent default of an Obligor to repay his obligation, the Seller may repossess and sell the underlying Asset. However, many factors may affect, delay or prevent the repossession of such Asset or the length of time required to realize the sale proceeds on such sales. In addition, the price at which such Asset may be sold may be lower than the amount due from that Obligor.

At present in Indian market, following types of loans are securitised:

- Auto Loans (cars / commercial vehicles /two wheelers)
- Residential Mortgages or Housing Loans
- Consumer Durable Loans
- Personal Loans
- Corporates Loans

The main risks pertaining to each of the asset classes above are described below:

- **Auto Loans (cars / commercial vehicles /two wheelers)**

The underlying assets (cars etc) are susceptible to depreciation in value whereas the loans are given at high loan to value ratios. Thus, after a few months, the value of asset becomes lower than the loan outstanding. The borrowers, therefore, may sometimes tend to default on loans and allow the vehicle to be repossessed. These loans are also subject to model risk. i.e. if a particular automobile model does not become popular, loans given for financing that model have a much higher likelihood of turning bad. In such cases, loss on sale of repossession vehicles is higher than usual.

Commercial vehicle loans are susceptible to the cyclicality in the economy. In a downturn in economy, freight rates drop leading to higher defaults in commercial vehicle loans. Further, the second hand prices of these vehicles also decline in such economic environment.

- **Housing Loans**

Housing loans in India have shown very low default rates historically. However, in recent years, loans have been given at high loan to value ratios and to a much younger borrower class. The loans have not yet gone through the full economic cycle and have not yet seen a period of declining property prices. Thus, the performance of these housing loans is yet to be tested and it need not conform to the historical experience of low default rates.

- **Consumer Durable Loans**

The underlying security for such loans is easily transferable without the bank's knowledge and hence repossession is difficult. The underlying security for such loans is also susceptible to quick depreciation in value. This gives the borrowers a high incentive to default.

- **Personal Loans**

These are unsecured loans. In case of a default, the bank has no security to fall back on. The lender has no control over how the borrower has used the borrowed money. Further, all the above categories of loans have the following common risks:

All the above loans are retail, relatively small value loans. There is a possibility that the borrower takes different loans using the same income proof and thus the income is not sufficient to meet the debt service obligations of all these loans.

In India, there is insufficiency of ready comprehensive and complete database regarding past credit record of borrowers. Thus, loans may be given to borrowers with poor credit record. In retail loans, the risks due to frauds are high.

- **Corporate Loans**

These are loans given to single or multiple corporates. The receivables from a pool of loans to corporate are assigned to a trust that issues Pass Through Certificates (PTC) in turn. The credit risk in such PTCs is on the underlying pool of loans to corporates. The credit risk of the underlying loans to the corporates would in turn depend on economic cycles.

The rating agencies define margins, over collateralization and guarantees to bring risk in line with similar AAA rated securities. The factors typically analyzed for any pool are as follows:

a. Assets securitized and Size of the loan: This indicates the kind of assets financed with the loan and the average ticket size of the loan. A very low ticket size might mean more costs in originating and servicing of the assets.

b. Diversification: Diversification across geographical boundaries and ticket sizes might result in lower delinquency.

c. Loan to Value Ratio: Indicates how much % value of the asset is financed by borrower's own equity. The lower this value the better it is. This suggests that where the borrowers own contribution of the asset cost is high; the chances of default are lower.

d. Average seasoning of the pool: This indicates whether borrowers have already displayed repayment discipline. The higher the number, the more superior it is. The other main risks pertaining to Securitized debt are as follows:

- **Prepayment Risk**: This arises when the borrower pays off the loan sooner than expected. When interest rates decline, borrowers tend to pay off high interest loans with money borrowed at a lower interest rate, which shortens the average maturity of ABSs. However, there is some prepayment risk even if interest rates rise, such as when an owner pays off a mortgage when the house is sold or an auto loan is paid off when the car is sold.

• **Reinvestment Risk**: Since prepayment risk increases when interest rates decline, this also introduces reinvestment risk, which is the risk that the principal can only be reinvested at a lower rate.

7. Risks associated with short selling and securities lending: Std. obs. 6

Purchasing a security entails the risk of the security price going down. Short selling of securities (i.e. sale of securities without owning them) entails the risk of the security price going up there by decreasing the profitability of the short position. Short selling is subject to risks related to fluctuations in market price, and settlement/liquidity risks. If required by the Regulations, short selling may entail margin money to be deposited with the clearing house and daily mark to market of the prices and margins. This may impact fund pricing and may induce liquidity risks if the fund is not able to provide adequate margins to the clearing house. Failure to meet margin requirements may result in penalties being imposed by the exchanges and clearing house.

Engaging in securities lending is subject to risks related to fluctuations in collateral value and settlement/liquidity and counter party risks. The risks in lending portfolio securities, as with other extensions of credit, consist of the failure of another party, in this case the approved intermediary, to comply with the terms of agreement entered into between the lender of securities i.e. the scheme and the approved intermediary. Such failure to comply can result in the possible loss of rights in the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary. The Mutual Fund may not be able to sell such lent securities and this can lead to temporary illiquidity and in turn cannot protect from the falling market price of the said security.

8. Risks associated with segregated portfolio

- **Liquidity risk** – A segregated portfolio is created when a credit event / default occurs at an issuer level in the scheme. This may reduce the liquidity of the security issued by the said issuer, as demand for this security may reduce. This is also further accentuated by the lack of secondary market liquidity for corporate papers in India. As per SEBI norms, the scheme is to be closed for redemption and subscriptions until the segregated portfolio is created, running the risk of investors being unable to redeem their investments. However, it may be noted that, the proposed segregated portfolio is required to be formed within one day from the occurrence of the credit event.

  Investors may note that no redemption and subscription shall be allowed in the segregated portfolio. However, in order to facilitate exit to unit holders in segregated portfolio, AMC shall list the units of the segregated portfolio on a recognized stock exchange within 10 working days of creation of segregated portfolio and also enable transfer of such units on receipt of transfer requests. For the units listed on the exchange, it is possible that the market price at which the units are traded may be at a discount to the NAV of such Units. There is no assurance that an active secondary market will develop for units of segregated portfolio listed on the stock exchange. This could limit the ability of the investors to resell them. There may be possibility that the security comprising the segregated portfolio may not realize any value.

- **Valuation risk** - The valuation of the securities in the segregated portfolio is required to be carried out in line with the applicable SEBI guidelines. However, it may be difficult to ascertain the fair value of the securities due to absence of an active secondary market and difficulty to price in qualitative factors.

9. Risks associated with Securities Lending & Borrowing (SLB)

Securities lending is lending of securities through an approved intermediary to a borrower under an agreement for a specified period with the condition that the borrower will return equivalent securities of the same type or class at the end of the specified period along with the corporate benefits accruing on the securities borrowed.

The risks in security lending consist of the failure of intermediary / counterparty, to comply with the terms of agreement entered into between the lender of securities i.e. the scheme and the intermediary / counterparty. Such failure to comply can result in the possible loss of rights in the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary. The scheme may not be able to sell lent out securities, which can lead to temporary illiquidity & loss of opportunity.

10. Risks associated with Repo Transactions in Corporate Debt Securities

Lending transactions:

The scheme may be exposed to counter party risk in case of repo lending transactions in the event of the counterparty failing to honour the repurchase agreement. However, in repo lending transactions, the collateral may be sold and a loss is realized only if the sale price is less than the repo amount. The risk may be further mitigated through over-collateralization (the value of the collateral being more than the repo amount). Further, the liquidation of underlying securities in case of counterparty default would depend on liquidity of the securities and market conditions at that time. It is endeavoured to mitigate the risk by following an appropriate counterparty selection process, which include their credit profile evaluation and over-collateralization to cushion the impact of market risk on sale of underlying security.

Collateral risk also arises when the market value of the securities is inadequate to meet the repo obligations or there is downward migration in rating of collateral. Further if the rating of collateral goes below the minimum required rating during the term of repo or collateral becomes ineligible for any reason, counterparty will be expected to substitute the collateral. In case of failure to do so, the AMC / Scheme will explore the option for early termination of the trade.

Borrowing transactions:

In the event of the scheme being unable to pay back the money to the counterparty as contracted, the counter party may dispose of the assets (as they have sufficient margin). This risk is normally mitigated by better cash flow planning to take care of such repayments. Further, there is also a Credit Risk that the Counterparty may fail to return the security or Interest received on due date. It is endeavoured to mitigate the risk by following an appropriate counterparty selection process, which include their credit profile evaluation.

11. Risk Factors Associated with Investments in REITs and InvITs

Market Risk:

REITs and InvITs are volatile and prone to price fluctuations on a daily basis owing to market movements. Investors may note that AMC/Fund Manager's investment decisions may not always be profitable, as actual market movements may be at variance with the anticipated trends. The NAV of the scheme is vulnerable to movements in the prices of securities invested by the scheme, due to various market related factors like changes in the general market conditions, factors and forces affecting capital market, level of interest rates, trading volumes, settlement periods and transfer procedures. The scheme will undertake active portfolio management as per the investment objective to reduce the market risk.

Liquidity Risk:

This refers to the ease with which REIT/InvIT units can be sold. There is no assurance that an active secondary market will develop or be maintained. Hence there would be time when trading in the units could be infrequent. The subsequent valuation of illiquid units may reflect a discount from the market price of comparable securities for which a liquid market exists.

As the liquidity of the investments made by the scheme could, at times, be restricted by trading volumes and settlement periods, the time taken by the Mutual Fund for liquidating the investments in the scheme may be high in the event of immediate redemption requirement. Investment in such securities may lead to increase in the scheme portfolio risk. The Fund will try to maintain a proper asset-liability match to ensure redemption payments are made on time and not affected by illiquidity of the underlying units.

Reinvestment Risk:

Investments in REITs & InvITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower returns. However, the reinvestment risk will be limited as the proceeds are expected to be a small portion of the portfolio value.

Risk of lower than expected distributions:

The distributions by the REIT or InvIT will be based on the net cash flows available for distribution. The amount of cash available for distribution principally depends upon the amount of cash that the REIT/INVIT receives as dividends or the interest and principal payments from portfolio assets. The cash flows generated by portfolio assets from operations may fluctuate based on, among other things:

- success and economic viability of tenants and off-takers
- economic cycles and risks inherent in the business which may negatively impact
- valuations, returns and profitability of portfolio assets
- force majeure events related such as earthquakes, floods etc. rendering the portfolio assets inoperable
- debt service requirements and other liabilities of the portfolio assets
- fluctuations in the working capital needs of the portfolio assets
- ability of portfolio assets to borrow funds and access capital markets
- changes in applicable laws and regulations, which may restrict the payment of dividends by portfolio assets
- amount and timing of capital expenditures on portfolio assets
- insurance policies may not provide adequate protection against various risks associated with operations of the REIT/InvIT such as fire, natural disasters, accidents
- taxation and other regulatory factors

12. Risk associated with Interest Rate Future (IRF):

An Interest Rate Futures is an agreement to buy or sell a debt instruments at a specified future date at a price that is fixed today. Interest Rate Futures are Exchange Traded and are cash settled. Hedging using Interest Rate Futures can be perfect or imperfect. Perfect hedging means hedging the underlying using IRF contract of same underlying.

a) Market risk: Derivatives carry the risk of adverse changes in the market price.
b) Price Risk- The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
c) Liquidity risk – This occurs where the derivatives cannot be sold (unwound) at prices that reflect the underlying assets, rates and indices.
d) Model Risk - The risk of mispricing or improper valuation of derivatives.
e) Basis Risk – This risk arises when the instrument used as a hedge does not match the movement in the instrument/ underlying asset being hedged. The risks may be inter-related also; for e.g. interest rate movements can affect equity prices, which could influence specific issuer/industry assets. Correlation weakening and consequent risk of regulatory breach: SEBI Regulations mandates minimum correlation criterion of 0.9 (calculated on a 90-day basis) between the portfolio being hedged and the derivative instrument used for hedging. In cases where the correlation falls below 0.9, a rebalancing period of 5 working days has been permitted. Inability to satisfy this requirement to restore the correlation level to the stipulated level, within the stipulated period, due to difficulties in rebalancing would lead to a lapse of the exemption in gross exposure computation. The entire derivative exposure would then need to be included in gross exposure, which may result in gross exposure in excess of 100% of net asset value.

13. Risks associated with investing in Tri-party Repo (TREPS) through CCIL

The Mutual Fund is a member of securities segment and Tri-party Repo trade settlement of the Clearing Corporation of India Limited (CCIL). All transactions of the Mutual Fund in government securities and in Tri-party Repo trades are settled centrally through the infrastructure and settlement systems provided by CCIL; thus reducing the settlement and counterparty risks considerably for transactions in the said segments. The members are required to contribute an amount as communicated by CCIL from time to time to the default fund maintained by CCIL as a part of the default waterfall (a loss mitigating measure of CCIL in case of default by any member in settling transactions routed through CCIL). CCIL shall maintain two separate Default Funds in respect of its Securities Segment, one with a view to meet losses arising out of any default by its members from outright and repo trades and the other for meeting losses arising out of any default by its members from Triparty Repo trades. The Mutual Fund is exposed to the extent of its contribution to the default fund of CCIL at any given point in time i.e. in the event that the default waterfall is triggered and the contribution of the Mutual Fund is called upon to absorb settlement/default losses of another member by CCIL, the Scheme may lose an amount equivalent to its contribution to the default fund. Further, it may be noted that CCIL periodically prescribes a list of securities eligible for contributions as collateral by members. Presently, all Central Government securities and Treasury bills are accepted as collateral by CCIL. The risk factors may undergo change in case the CCIL notifies securities other than Government of India securities as eligible for contribution as collateral.

14. Performance Risk:

Performance risk refers to the risk of a scheme being unable to generate returns matching / above the returns of the scheme's benchmark. It would also mean the scheme underperforming against its peer set of other mutual fund schemes having similar portfolios, scheme classification, objective, benchmark and asset allocation. These risks could arise due to a variety of market and economic activities, government policies, global economic changes, currency fluctuations, tax policies, political changes, corporate actions and investors' behaviour.

15. Risks associated with 'Right to limit redemptions'

Subject to the approval of Board of Directors of the AMC and Trustee Company and immediate intimation to SEBI, a restriction on redemptions may be imposed by the Scheme under certain exceptional circumstances, which the AMC / Trustee believe that may lead to a systemic crisis or event that constrict liquidity of most securities or the efficient functioning of markets. Please refer to the paragraph "Right to Limit Redemptions" for further details including the procedure to be followed while imposing restriction on redemptions.

16. Risks Factors associated with transaction in Units through stock exchange(s)

In respect of transaction in units of the Scheme through stock exchange platform(s), allotment and redemption of Units on any Business Day will depend upon the order processing / settlement by the stock exchange(s) and their respective clearing corporations on which the Fund has no control.

17. Risk Factor associated with investing in special features instrument:

Tier I and Tier II Bonds are unsecured and the RBI prescribes certain restrictions in relation to the terms of these Bonds:

Tier I and Tier II bonds are unsecured in nature. The claims of the Bondholders shall (i) be subordinated to the claims of all depositors and general creditors of the Bank; (ii) neither be secured nor covered by any guarantee of the Issuer or its related entity or other arrangement that legally or economically enhances the seniority of the claim vis-a-vis creditors of the Bank; (iii) Unless the terms of any subsequent issuance of bonds/debentures by the Bank specifies that the claims of such subsequent bond holders are senior or subordinate to the Bonds issued under the Disclosure Document or unless the RBI specifies otherwise in its guidelines, the claims of the Bondholders shall be pari passu with claims of holders of such subsequent debentures/bond issuances of the Bank; (iv) rank pari passu without preference amongst themselves and other subordinated debt eligible for inclusion in Tier 1 / Tier 2 Capital as the case may be. The Bonds are not redeemable at the option of the Bondholders or without the prior consent of RBI.

The Bonds (including all claims, demands on the Bonds and interest thereon, whether accrued or contingent) are issued subject to loss absorbency features applicable for non-equity capital instruments issued in terms of Basel III Guidelines including in compliance with the requirements of Annex 5 thereof and are subject to certain loss absorbency features as described in bond prospectus and required of Tier 1 / Tier 2 instruments at the Point of Non Viability as provided for in Annex 16 of the aforesaid Basel III Guidelines as amended from time to time.

The Bonds are essentially non-equity regulatory instruments, forming part of a Bank's capital, governed by Reserve Bank of India (RBI) guidelines and issued under the issuance and listing framework given under Chapter VI of the SEBI (Issue and Listing of Non1Convertible Redeemable Preference Shares) Regulations, 2013 ("NCRPS Regulations"). These instruments have certain unique features which, inter-alia, grant the issuer (i.e. banks, in consultation with RBI) a discretion in terms of writing down the principal/ interest, to skip interest payments, to make an early recall etc. without commensurate right for investors to legal recourse, even if such actions of the issuer might resulting potential loss to investors. Payment of coupon on the Bonds is subject to the terms of Information Memorandum, including Coupon

Discretion, IDCW Stopper Clause, Loss Absorption as contained in the Information Memorandum. The Bonds are subject to loss absorption features as per the guidelines prescribed by RBI.

There may be no active market for the Bonds on the platform of the Stock Exchanges. As a result, the liquidity and market prices of the Bonds may fail to develop and may accordingly be adversely affected:

There is no assurance that a trading market for the Bonds will exist and no assurance as to the liquidity of any trading market. Although an application will be made to list the Bonds on the NSE and/or BSE, there can be no assurance that an active market for the Bonds will develop, and if such a market were to develop, there is no obligation on the issuer to maintain such a market. The liquidity and market prices of the Bonds can be expected to vary with changes in market and economic conditions, financial condition and prospects and other factors that generally influence market price of such instruments. Such fluctuations may significantly affect the liquidity and market price of the Bonds, which may trade at a discount to the price at which one purchases these Bonds.

Issuer is not required to and will not create or maintain a Debenture Redemption Reserve (DRR) for the Bonds issued under this Disclosure Document:

As per the Companies (Share Capital and Debentures) Rules, 2014, as amended, no Debenture Redemption Reserve is required to be created by Banking Companies issuing debentures.

There is no assurance that the Tier I / Tier II bonds will not be downgraded:

The Rating agencies, which rate the Bonds, have a slightly different rating methodology for Tier I and Tier II bonds. In the event of deterioration of the financial health of the Issuer or due to other reasons, the rating of the Bonds may be downgraded whilst the ratings of other bonds issued by the issuer may remain constant. In such a scenario, for Tier I and Tier II Bond holders may incur losses on their investment.

18. Risk associated with investing in units of Gold ETFs

The Scheme may invest in Gold ETFs and thus the NAV of the Scheme will react to Gold price movements. Several factors that may affect the price of gold are as follows:

- Global gold supplies and demand, which is influenced by factors such as forward selling by gold producers, purchases made by gold producers to unwind gold hedge positions, central bank purchases and sales, and productions and cost levels in major gold producing countries.
- Investors' expectations with respect to the rate of inflation.
- Currency exchange rates.
- Interest rates.
- Investment and trading activities of hedge funds and commodity funds.
- Global or regional political, economic or financial events and situations.
- Changes in indirect taxes or any other levies.

In addition, there is no assurance that gold will maintain its long-term value in terms of purchasing power in the future. In the event that the price of gold declines, the value of investment in units in which the Scheme has invested will, in general, decline proportionately.

To the extent the Scheme's assets are invested in Gold ETFs the risks associated with the underlying Gold ETFs, will also be applicable. Some of them are explained below:

- **Currency Risk:** The formula for determining NAV of the units of Gold ETFs is based on the imported (landed) value of gold. Landed value of gold held by Gold ETFs is computed by multiplying international market price by US dollar value. The value of gold or NAV, therefore will depend upon the conversion value of US dollar into Indian rupee and attracts all the risks attached to such conversion.

- **Regulatory Risk:** Any changes in trading regulations by the stock exchange(s) or SEBI may affect the ability of Authorised Participant of Gold ETFs to arbitrage resulting into wider premium/ discount to NAV. Any changes in the regulations relating to import and export of gold or gold jewellery (including customs duty, sales tax and any such other statutory levies) may affect the ability of the underlying Gold ETFs to buy / sell gold against the purchase and redemption requests received.

- Units of Gold ETFs may be acquired from the stock exchanges where the price quoted may be at variance with the underlying NAV, resulting in higher acquisition costs.

Tracking Error Risk: "Tracking Error" i.e. the annualised standard deviation of the difference in daily returns between physical Gold and the NAV of Gold ETF may arise including but not limited to the following reasons:

(i) Expenditure incurred by the Scheme.
(ii) Securities trading may halt temporarily due to circuit filters.
(iii) Disinvestments to meet redemptions, recurring expenses, etc.
(iv) Execution of large buy / sell orders
(v) Transaction cost (including taxes and insurance premium) and recurring expenses
(vi) Realisation of Unit holders' funds
(vii) Accounting for indirect taxes including tax reclaims
(viii) Available funds may not be invested at all times as the Scheme may keep a portion of the funds in cash to meet Redemptions, for corporate actions or otherwise.
(ix) SEBI Regulations (if any) may impose restrictions on the investment and/or disinvestment activities of the Scheme. Such restrictions are typically outside the control of the AMC and may cause or exacerbate the Tracking Error

Taxation: For the valuation of gold by the underlying scheme, indirect taxes like customs duty, VAT etc. may impact the price of gold.

Hence any change in the rates of indirect taxation may affect the valuation of the gold ETF.

Liquidity Risk: The underlying gold ETF has to sell gold only to bullion bankers/traders who are authorized to buy gold. Though there are adequate number of players (commercial or bullion bankers) to whom the underlying ETFs can sell gold, it may have to resort to distress sale of gold if there is no or low demand for gold to meet its cash needs of redemption or expenses.

Risks associated with handling, storing and safekeeping of physical Gold: There is a risk that part or all of the underlying scheme's Gold could be lost, damaged or stolen. Access to the underlying scheme's Gold could also be restricted by natural events or human actions. Any of these actions may have adverse impact on the operations of the Scheme and consequently on investment in units.

Market Trading Risks:

- Although units of Gold ETFs are listed on recognised stock exchange(s), there can be no assurance that an active secondary market will be developed or be maintained.
- Trading in units of Gold ETFs on the Exchange may be halted because of market conditions or for reasons that in view of the Exchange Authorities or SEBI, trading in units of Gold ETFs is not advisable. In addition, trading in units of Gold ETFs is subject to trading halts caused by extraordinary market volatility and pursuant to the Exchange and SEBI 'circuit filter' rules. There can be no assurance that the requirements of the Exchange necessary to maintain the listing of units of Gold ETFs will continue to be met or will remain unchanged.
- Any changes in trading regulations by the Stock Exchange(s) or SEBI may affect the ability of market maker to arbitrage resulting into wider premium/ discount to NAV.
- The units of Gold ETFs may trade above or below their NAV. The NAV of Gold ETFs will fluctuate with changes in the market value of that scheme's holdings. The trading prices of units of Gold ETFs will fluctuate in accordance with changes in their NAV as well as market supply and demand for the units of Gold ETF.
- Gold ETFs may provide for the creation and redemption of units in Creation Unit Size directly with the concerned Mutual Fund and therefore, it is expected that large discounts or premiums to the NAV of the units of Gold ETFs will not sustain due to arbitrage opportunity available.

19. <u>Risk associated with investments in Silver ETF:</u>

Market Liquidity: Trading in Silver ETF on the Exchange may be halted because of market conditions or for reasons that in the view of the market authorities or SEBI, trading in Silver ETF is not advisable. In addition, trading in Silver ETF is subject to trading halts caused by extraordinary market volatility and pursuant to Stock Exchange(s) and SEBI 'circuit filter' rules. There can be no assurance that the requirements of the market necessary to maintain the listing of Silver ETF will continue to be met or will remain unchanged.
The returns from silver may underperform returns from the various general securities markets or different asset classes other than silver. Different types of securities tend to go through cycles of out-performance and underperformance in comparison to the general securities markets.

The scheme may invest in units of Silver ETFs that may trade above or below their NAV. The NAV of the underlying Scheme will fluctuate with changes in the market value of the holdings. The trading prices will fluctuate in accordance with changes in their NAV as well as market supply and demand. However, given that units of Silver ETFs can be created and redeemed in Creation Units, it is expected that large discounts or premiums to the NAV will not sustain due to arbitrage opportunity available. The value of Silver ETFs Units could decrease if unanticipated operational or trading problems arise.

In case of investment in Silver ETFs, the scheme can subscribe to the units of Silver ETFs according to the value equivalent to unit creation size as applicable. If subscriptions received are not adequate enough to invest in creation unit size, the subscriptions may be deployed in debt and money market instruments which will have a different return profile compared to gold returns profile.

In addition to recurring expenses of the Scheme, the Unit holders shall also bear the applicable expenses of Underlying ETF. Further, the tracking error of the underlying ETF may result in returns deviating from the actual returns that could be generated by holding physical assets. However, under normal circumstances, such tracking errors are not expected to exceed 2% per annum. However, this may vary when the markets are very volatile.

Investments in ETF, which is a commodity-based ETF, will have all the risks associated with investments in underlying commodity (Silver) as mentioned below.

Several factors that may affect the price of Silver are as follows:

- Global Silver supplies and demand, which is influenced by factors such as forward selling by silver producers, purchases made by Silver producers to unwind Silver hedge positions, government regulations, productions and cost levels in major Silver producing countries.
- **Macro-economic indicators** - Price volatility in Silver as a commodity will be much higher because of the industrial use of it. Global or regional political, economic or financial events and situations may also impact the price and demand / supply of the commodity.
- **Currency exchange rates** - The formula for deriving the NAV of the units of the ETFs is based on the imported (landed) value of the silver, which is computed by multiplying international market price by US Dollar value. Hence the value of NAV or silver will depend upon the conversion value and attracts all the risk associated with such conversion.
- **Regulatory risk** – Restriction on movement/trade of silver that may be imposed by RBI. Trade and restrictions on import/export of silver or silver jewellery, etc may also impact prices and demand/supply.
- Investment and trading activities of hedge funds and commodity funds;
- In addition, investors should be aware that there is no assurance that Silver will maintain its long-term value. In the event that the price of silver declines, the value of investment in units is expected to decline proportionately.

20. <u>Risk Factors associated with Investments in Exchange Traded Commodity Derivatives (ETCDs):</u>

Commodity risks: The Scheme may invest in commodity markets and may therefore have investment exposure to the commodity markets and one or more sectors of the commodity markets, which may subject the Scheme to greater volatility than investments in traditional securities, such as stocks and bonds. Volatility in the commodity markets may be caused by changes in overall market movements, domestic and foreign political and economic events and policies, war, acts of terrorism, changes in domestic or foreign interest rates and/or investor expectations concerning interest rates, 15 domestic and foreign inflation rates, investment and trading activities of mutual funds, hedge funds and commodities funds, and factors such as drought, floods, weather, livestock disease, embargoes, tariffs and other regulatory developments, or supply and demand disruptions. Because the Scheme's performance is linked to the performance of volatile commodities, investors should be willing to assume the risks of potentially significant fluctuations in the value of the Scheme's shares.

The AMC within the regulatory guidelines and room given in Scheme information document, may use derivative on commodities (like Futures and Options). The use of derivatives may affect the performance of the scheme.

- **Systemic risks**: which may be witnessed while trading in Indian Commodities Market are Liquidity risk, Price risk in terms of volatility, Exchange Risk and counterparty risks.

- **Liquidity Risk**: While ETCDs that are listed on an exchange carry lower liquidity risk, the ability to sell these contracts is limited by the overall trading volume on the exchanges. The liquidity of the Schemes' investments is inherently restricted by trading volumes of the ETCD contracts in which it invests. Additionally, change in margin requirements or intervention by government agencies to reduce overall volatility in the underlying commodity could lead to adverse impact on the liquidity of the ETCD.

- **Price risk**: ETCDs are leveraged instruments hence, a small price movement in the underlying security could have a large impact on their value. Also, the market for ETCDs is nascent in India hence, arbitrages can occur between the price of the physical commodity and the ETCD, due to a variety of reasons such as technical issues and volatile movement in prices. This can result in mispricing and improper valuation of investment decisions as it can be difficult to ascertain the amount of the arbitrage.

- **Settlement risk**: ETCDs can be settled either through the exchange or physically. The inability to sell ETCDs held in the Schemes' portfolio in the exchanges due to the extraneous factors may impact liquidity and would result in losses, at times, in case of adverse price movement. Wherein the underlying commodity is physically delivered in order to settle the derivative contract, such settlement could get impacted due to various issues, such as logistics, Government policy for trading in such commodities.

If the Commodities futures position passes its last square off date or the 'Intention' is missed to be provided before the Delivery Intention period, the buyer or the seller will be allocated delivery of the commodity. Thus, there emerges a risk of holding goods in physical form at the warehouses. Though the commodity is inclusive of insurance cost, there is a small deductible in each claim which is not payable by the Insurance company.

C. Risk mitigation strategies:

(Consolidated Std. Obs. 9)

The Fund by utilizing a holistic risk management strategy will endeavor to manage risks associated with investing in debt and equity markets. The risk control process involves identifying & measuring the risk through various risk measurement tools.

The Fund has identified following risks of investing in equity and debt and designed risk management strategies, which are embedded in the investment process to manage such risks.

Risk associated with Debt Investment

Risk Description	Risk Mitigants/management strategy
Market Risk As with all debt securities, changes in interest rates may affect the scheme's Net Asset Value as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of long-term securities generally fluctuate more in response to interest rate changes than do short-term securities. Indian debt markets can be volatile leading to the possibility of	In a rising interest rates scenario, the Fund Manager will endeavour to increase investment in money market securities whereas if the interest rates are expected to fall, the allocation to debt securities with longer maturity will be increased thereby mitigating risk to that extent.

Risk Description	Risk Mitigants/management strategy
price movements up or down in fixed income securities and thereby to possible movements in the NAV.	
Liquidity or Marketability Risk This refers to the ease with which a security can be sold at or near to its valuation Yield-To- Maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is today characteristic of the Indian fixed income market.	The scheme may invest in government securities, corporate bonds and money market instruments. While the liquidity risk for government securities, money market instruments and short maturity corporate bonds may be low, it may be high in case of medium to long maturity corporate bonds. Liquidity risk is today characteristic of the Indian fixed income market. The fund will however, endeavor to minimise liquidity risk by investing in securities having a liquid market.
Credit Risk Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security). Because of this risk corporate debentures are sold at a higher yield above those offered on Government Securities which are sovereign obligations and free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk.	A traditional SWOT analysis will be used for identifying company specific risks. Management's past track record will also be studied. In order to assess financial risk, a detailed assessment of the issuer's financial statements will be undertaken to review its ability to undergo stress on cash flows and asset quality. A detailed evaluation of accounting policies, off balance sheet exposures, notes, auditors' comments and disclosure standards will also be made to assess the overall financial risk of the potential borrower. In case of securitized debt instruments, the fund will ensure that these instruments are sufficiently backed by assets.
Reinvestment Risk This risk refers to the interest rate levels at which cash flows received from the securities in the scheme are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.	Reinvestment risks will be limited to the extent of coupons received on debt instruments, which will be a very small portion of the portfolio value.
Derivatives Risk As and when the scheme trades in the derivatives market, there are risk factors and issues concerning the use of derivatives that Investors should understand. Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the	The fund has provision for using derivative instruments for portfolio balancing and hedging purposes. Interest Rate Swaps will be done with approved counter parties under pre approved ISDA agreements. Mark to Market of swaps, netting off of cash flow and default provision clauses will be provided as per international best practice on a reciprocal basis. Interest rate swaps and other derivative instruments will be used as per local (RBI and SEBI) regulatory guidelines.

Risk Description	Risk Mitigants/management strategy
ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.	
Currency Risk The Scheme may invest in Foreign Securities as permitted by the concerned regulatory authorities in India. Since the assets may be invested in securities denominated in foreign currency, the INR equivalent of the net assets, distributions and income may be adversely affected by changes / fluctuations in the value of the foreign currencies relative to the INR.	The scheme subject to applicable regulations shall have the option to enter into forward contracts for the purposes of hedging against the foreign exchange fluctuations. The Schemes may employ various measures (as permitted by SEBI/RBI) including but not restricted to currency hedging (such as currency options and forward currency exchange contracts, currency futures, written call options and purchased put options on currencies and currency swaps), to manage foreign exchange movements arising out of investment in foreign securities.

Risks associated with Equity investment

Risk Description	Risk Mitigants/management strategy
Market Risk The scheme is vulnerable to movements in the prices of securities invested by the scheme, which could have a material bearing on the overall returns from the scheme. The value of the scheme's investments, may be affected generally by factors affecting securities markets, such as price and volume, volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets.	Market risk is a risk which is inherent to an equity scheme. The scheme may use derivatives for hedging purpose.
Liquidity risk The liquidity of the scheme's investments is inherently restricted by trading volumes in the securities in which it invests.	The fund seeks to control such risk by investing in such stocks having strong fundamentals, sound financial strength and superior quality of management and highly liquid papers. The fund will try to maintain a proper asset-liability match to ensure redemption payments are made on time and not affected by illiquidity of the underlying stocks.

Risk Description	Risk Mitigants/management strategy
Derivatives Risk As and when the scheme trades in the derivatives market there are risk factors and issues concerning the use of derivatives that Investors should understand. Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mis-pricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.	The fund has provision for using derivative instruments for portfolio balancing and hedging purposes. Investments in derivative instruments will be used as per local (RBI and SEBI) regulatory guidelines. The fund will endeavor to maintain adequate controls to monitor the derivatives transactions entered into.
Liquidity Risk In case of Arbitrage trades, under abnormal circumstances it will be difficult to square off the transaction due to liquidity being poor in the underlying stock, stock futures or options market.	The fund will aim at taking exposure only into liquid stocks / derivatives where there will be minimal risk to square off the transaction.
Currency Risk The Scheme may invest in Foreign Securities as permitted by the concerned regulatory authorities in India. Since the assets may be invested in securities denominated in foreign currency, the INR equivalent of the net assets, distributions and income may be adversely affected by changes / fluctuations in the value of the foreign currencies relative to the INR.	The scheme subject to applicable regulations shall have the option to enter into forward contracts for the purposes of hedging against the foreign exchange fluctuations. The Schemes may employ various measures (as permitted by SEBI/RBI) including but not restricted to currency hedging (such as currency options and forward currency exchange contracts, currency futures, written call options and purchased put options on currencies and currency swaps), to manage foreign exchange movements arising out of investment in foreign securities.

Risks associated with units of Gold / Silver ETFs

Risk Description	Risk Mitigants/management strategy
Price risk	The investments will follow the underlying price of Gold / Silver and therefore the level of portfolio volatility would be same as that of the underlying Gold / Silver prices. The Fund Manager will ensure

	that the portfolio allocation to the securities is as per the allocation allowed by the Scheme Information Document.
Liquidity risk	Gold / Silver is a globally traded commodity and thereby deemed to be liquid. There are also designated authorized participants who facilitate liquidity on the exchange
Tracking Error Risk	Tracking Error in a Gold/Silver ETF is expected to be lower than that of an equity ETF. The authorized participants endeavour to minimize the Tracking Error of ETFs.

Risk associated with investment in Exchange Traded Commodity Derivatives (ETCDs)

Risk Description	**Risk Mitigants/management strategy**
Risk associated with investment in ETCDs	Investment in commodity has an inherent market risk in terms of volatility, which can be mitigated generally through hedging via commodity derivatives. For this purpose, SEBI has allowed participation in ETCDs only which are likely to have enough liquidity in the market. The settlement risk shall be mitigated by ensuring that the trade positions do not fall in delivery mode. However, as mutual fund schemes participating in ETCDs may hold the underlying goods in case of physical settlement of contracts, such goods shall be disposed of from the books of the Scheme, at the earliest, not exceeding the timeline prescribed under the Regulations.

II. Information about the scheme:

A. Where will the scheme invest –

Std. obs. 15

(Consolidated Std. Obs. 29)

The corpus of the Scheme shall be invested in accordance with the investment objective in any (but not exclusively) of the following securities:

1) Equity and equity related instruments including Indian Depository Receipts (IDRs) and warrants carrying the right to obtain equity shares.
2) Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).

   Repo

   As per Section 45U (c) of RBI Act, 1934, "repo" means an instrument for borrowing funds by selling securities with an agreement to repurchase the securities on a mutually agreed future date at an agreed price which includes interest for the funds borrowed.

   Reverse repo

   As per Section 45U (c) of RBI Act, 1934, "reverse repo" means an instrument for lending funds by purchasing securities with an agreement to resell the securities on a mutually agreed future date at an agreed price which includes interest for the funds lent.

   Triparty Repo

   According to Repurchase Transactions (Repo) (Reserve Bank) Directions, 2018, triparty repo means a repo contract where a third entity (apart from the borrower and lender), called a Triparty Agent, acts as an intermediary between the two parties to the repo to facilitate services like collateral selection, payment and settlement, custody, and management during the life of the transaction.

3) Securities guaranteed by the Central, State and local Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
4) Debt securities issued by domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee.
5) Corporate debt securities (of both public and private sector undertakings)
6) Securities issued by banks (both public and private sector) including term deposit with the banks as permitted by SEBI/RBI from time to time, subject to approval from SEBI /RBI as required and development financial institutions.
7) Money market instruments, as permitted by SEBI/ RBI.
8) Securitized Debt.
9) The non-convertible part of convertible securities.
10) Derivative instruments like Stock/Index Futures, Stock/Index Options, Interest Rate Future, Interest Rate Swap, Forward Rate Agreement and such other derivative instruments permitted by SEBI.
11) Foreign Securities as permitted by Reserve Bank of India and Securities and Exchange Board of India.
12) Units of Mutual Fund Schemes/Exchange Traded Funds.
13) Gold ETFs, Silver ETFs, Exchange Traded Commodity Derivatives (ETCDs) & any other mode of investment in commodities as permitted by SEBI from time to time.

14) Cash & cash equivalents.
15) Non-convertible preference shares
16) Repo transactions in corporate debt securities.
17) Units of REITs & InvITs.
18) Special features instrument
19) Any other domestic fixed income securities as permitted by SEBI/ RBI subject to requisite approvals from SEBI/RBI, if needed.

Subject to the Regulations, the securities mentioned above could be listed, unlisted, privately placed, secured, unsecured and of varying maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights issue or negotiated deals. Further, the scheme intend to participate in securities lending as permitted under the regulations. Investment in overseas securities shall be made in accordance with the requirements stipulated by SEBI and RBI from time to time. The Scheme may also enter into repurchase and reverse repurchase in various securities as per the guidelines and regulations applicable to such transactions.

Pending deployment of funds of the scheme in securities in terms of the investment objective of the scheme, the AMC may park the funds of the scheme in short term deposits of scheduled commercial banks, subject to the guidelines mentioned in SEBI Master Circular for Mutual Funds dated May 19, 2023 as amended from time to time. The AMC shall not charge any investment management and advisory fees for parking of funds in such short term deposits of scheduled commercial banks for the scheme.

Debt Markets in India: Std. obs. 12

What is a Debt Instrument?

A Debt Instrument is a borrowing obligation which the borrower has to service for mutually agreed period and rate of Interest.

There are a huge variety of Debt or Fixed income instruments, as they are usually called. The sheer variety in these instruments mean that they can be classified on the basis of any of these features.

List of Features (list is indicative)

- Face Value: Stated value of the paper /Principal Amount
- Coupon: Zero, fixed or floating
- Frequency: Semi-annual; annual, sometimes quarterly or Monthly
- Maturity: Bullet, staggered
- Redemption: Face Value; premium or discount
- Options: Call/Put Issue Price: Par (Face Value) or premium or discount.

List of Debt Market Instruments: The Indian Debt market comprises of the Money Market and Debt Market. Money market instruments are Commercial Papers (CPs), Certificates of Deposit (CDs), Treasury bills (T-bills), Repos, Inter-bank Call money deposit, Reverse Repo and TREPS etc. Money market instruments have a tenor of less than one year while debt market instruments typically have a tenor of more than one year. Debt market in India comprises mainly of two segments viz., the Government securities market and the corporate securities market.

Government securities include central, state and quasi govt issues. The main instruments in this market are dated securities (Fixed or Floating) and Treasury bills (Discounted Papers). These securities are generally issued through auctions on the basis of 'uniform price' method or 'Multiple price' method.

Corporate Debt segment on the other hand includes bonds/debentures issued by private corporates, public sector units (PSUs), public financial institutions (PFIs) and development financial institutions (DFIs). These instruments carry a variety of ratings based on the credit profile evaluated by rating agency and are priced accordingly. These bonds too can be Fixed or Floating.

Debt derivatives market comprises mainly of Forward Rate Agreements, Interest rate Futures, Interest rate Swap. Banks and corporates are major players here and of late Mutual Funds have also started hedging their exposures through these products.

The following table gives approximate yields prevailing during the month of June 03, 2024 on some of the instruments. These yields are indicative and do not indicate yields that may be obtained in future as interest rates keep changing consequent to changes in macro-economic conditions and RBI policy Issuer.

Instrument	**Yield level (% per annum)**
G-Sec 5 year	7.02%
G-Sec 10 year	7.00%
CP's 3 months	7.18%
CD's 3 months	7.14%
CP's 1 year	7.70%
CD's 1 year	7.65%
PSU	
Corporate Debentures AAA 3 year	7.70%
Corporate Debentures AAA 5 year	7.64%
NBFC	
Corporate Debentures AAA 3 year	8.15%
Corporate Debentures AAA 5 year	8.05%

B. What are the investment restrictions? Std. obs. 11

Pursuant to the Regulations and amendments thereto and subject to the investment pattern of the scheme, following investment restrictions are applicable:

1. The Scheme shall not invest more than 10% of debt portfolio in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the Act. Such investment limit may be extended to 12% of the debt portfolio of the scheme with the prior approval of the Board of Trustees and the Board of directors of the asset management company.

   Further, the scheme shall not invest more than:

   a. 10% of the debt portfolio in debt and money market securities rated AAA; or
   b. 8% of the debt portfolio in debt and money market securities rated AA; or
   c. 6% of the debt portfolio in debt and money market securities rated A and below

   issued by a single issuer.

   The above investment limits may be extended by up to 2% of the debt portfolio of the scheme with prior approval of the Board of Trustees and Board of Directors of the AMC, subject to compliance with the overall 12% limit.
   Provided that such limit shall not be applicable for investments in Government Securities, Treasury Bills and Tri-party Repos on Government securities or treasury bills

Provided further that investment within such limit can be made in mortgaged backed securitised debt which are rated not below investment grade by a credit rating agency registered with the Board.

2. A mutual fund scheme shall not invest in unlisted debt instruments including commercial papers (CPs), other than (a) government securities, (b) other money market instruments and (c) derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. which are used by mutual funds for hedging.

   However, mutual fund scheme may invest in unlisted Non-Convertible Debentures (NCDs) not exceeding 10% of the debt portfolio, as per respective investment limits and timelines mentioned in SEBI Master Circular for Mutual Funds dated May 19, 2023, of the debt portfolio of the scheme subject to the condition that such unlisted NCDs have a simple structure (i.e. with fixed and uniform coupon, fixed maturity period, without any options, fully paid up upfront, without any credit enhancements or structured obligations) and are rated and secured with coupon payment frequency on monthly basis. For the above purposes, listed debt instruments shall include listed and to be listed debt instruments.

3. The Scheme shall not invest more than 5% of its net assets in unrated debt and money market instruments, other than government securities, treasury bills, derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. All such investments shall be made with the prior approval of the Board of Trustees and the Board of AMC.

   Investments should only be made in such instruments, including bills re-discounting, usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in SEBI (Mutual Fund) Regulations, 1996 and various circulars issued thereunder.

4. The Fund under all its Schemes shall not own more than 10% of any company's paid up capital carrying voting rights.

   Provided that investment in the AMC or the trustee company of a mutual fund shall be governed by clause (a), of sub-regulation (1) of regulation 7B of SEBI MF Regulations.

5. Transfer of investments from one scheme to another scheme in the same Mutual Fund is permitted provided:
   - Such transfers are done at the prevailing market price for quoted instruments on spot basis (spot basis shall have the same meaning as specified by a Stock Exchange for spot transactions); and
   - The securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

   The AMC shall comply with the guidelines mentioned in SEBI Master Circular for Mutual Funds dated May 19, 2023 and such other guidelines as may be notified from time to time. (Consolidated Std. Obs. 30)

6. The Scheme may invest in other schemes under the same AMC or any other Mutual Fund without charging any fees, provided the aggregate inter-scheme investment made by all the schemes under the same management or in schemes under management of any other asset management company shall not exceed 5% of the Net Asset Value of the Fund. No investment management fees shall be charged for investing in other schemes of the Fund or in the schemes of any other mutual fund.

7. The Mutual Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities:

   Provided further that the Mutual Fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by SEBI.

   Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the RBI in this regard.

8. The Fund shall get the securities purchased transferred in the name of the Fund on account of the concerned Scheme, wherever investments are intended to be of a long-term nature.

9. Pending deployment of funds of the scheme in terms of the Investment Objective, the Mutual Fund may invest them in Short Term Deposits of Scheduled Commercial Banks in accordance with SEBI

Master Circular for Mutual Funds dated May 19, 2023. Following guidelines shall be followed for parking of funds in Short Term Deposits of Scheduled Commercial Banks pending deployment:

a. “Short Term” for such parking of funds by mutual funds shall be treated as a period not exceeding 91 days.
b. Such short term deposits shall be held in the name of the concerned scheme.
c. No mutual fund scheme shall park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, it may be raised to 20% with prior approval of the trustees. Also, parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the mutual fund in short term deposits.
d. No mutual fund scheme shall park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
e. Trustees/Asset Management Companies (AMCs) shall ensure that no funds of a scheme are parked in short term deposit (STD) of a bank which has invested in that scheme. Trustees/AMCs shall also ensure that the bank in which a scheme has STD does not invest in the said scheme until the scheme has STD with such bank.

   The above conditions are not applicable to term deposits placed as margins for trading in cash and derivative market.
f. Asset Management Company (AMC) shall not be permitted to charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.

10. No mutual fund Scheme shall make any investments in:
    a. any unlisted security of an associate or group company of the Sponsor; or
    b. any security issued by way of private placement by an associate or group company of the Sponsor; or
    c. the listed securities of group companies of the Sponsor which is in excess of 25% of its net assets.
11. The scheme shall not invest in Fund of Funds scheme.
12. All investments by a mutual fund scheme in equity shares and equity related instruments shall only be made provided such securities are listed or to be listed.
13. No mutual fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any company.
14. No loans for any purpose can be advanced by the scheme.
15. The Fund shall not borrow except to meet temporary liquidity needs of the Fund for the purpose of repurchase/ redemption of units or payment of interest or IDCW to the unit holders. Such borrowings shall not exceed more than 20% of the net assets of the individual scheme and the duration of the borrowing shall not exceed a period of 6 months.
16. If any company invests more than 5% of the NAV of any of the scheme, investment made by that or any other schemes of the Mutual Fund in that Company or its subsidiaries will be disclosed in accordance with the SEBI (MF) Regulations.

17. The Mutual Fund having an aggregate of securities which are worth Rs.10 crores or more, as on the latest balance sheet date, shall subject to such instructions as may be issued from time to time by the Board, settle their transactions only through dematerialised securities. Further all transactions in government securities shall be in dematerialised form.
18. The Scheme will comply with provisions specified in SEBI Master Circular for Mutual Funds dated May 19, 2023 related to overall exposure limits applicable for derivative transactions as stated below:
    i. The cumulative gross exposure across all asset classes should not exceed 100% of the net assets of the Scheme.

ii. The total exposure related to option premium paid must not exceed 20% of the net assets of the Scheme.

iii. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. (Consolidated Std. Obs. 14)

iv. Mutual Fund shall not write options or purchase instruments with embedded written options.

v. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:

- Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
- Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1.
- Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
- The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.

Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in Point 19(i) above.

vi. Mutual Funds may enter into plain vanilla interest rate swaps for hedging purposes. The counterparty in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme. However, if the Mutual Fund is transacting in interest rate swaps through an electronic trading platform offered by the Clearing Corporation of India Ltd. (CCIL) and CCIL is the central counterparty for such transactions guaranteeing settlement, the single counterparty limit of 10% shall not be applicable.

vii. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.

Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows:

Position Exposure	**Position Exposure**
Long Future	Futures Price * Lot Size * Number of Contracts
Short Future	Futures Price * Lot Size * Number of Contracts
Option Bought	option Premium Paid * Lot Size * Number of Contracts

viii. Exposure limit for participating in Interest Rate Futures - In addition to the existing provisions of SEBI Master Circular for Mutual Funds dated May 19, 2023, the following are prescribed:

- To reduce interest rate risk in a debt portfolio, mutual fund may hedge the portfolio or part of the portfolio (including one or more securities) on weighted average modified duration basis by using Interest Rate Futures (IRFs). The maximum extent of short position that may be taken in IRFs to hedge interest rate risk of the portfolio or part of the portfolio, is as per the formula given below:

(Portfolio Modified Duration * Market Value of the Portfolio)

(Futures Modified Duration * Future Price/ PAR)

- In case the IRF used for hedging the interest rate risk has different underlying security(s) than the existing position being hedged, it would result in imperfect hedging.
- Imperfect hedging using IRFs may be considered to be exempted from the gross exposure, upto maximum of 20% of the net assets of the scheme, subject to the following:
  - Exposure to IRFs is created only for hedging the interest rate risk based on the weighted average modified duration of the bond portfolio or part of the portfolio.
  - Mutual Funds are permitted to resort to imperfect hedging without it being considered under the gross exposure limits if and only if the correlation between the portfolio or part of the portfolio (excluding the hedged portions, if any) and the IRF is atleast 0.9 at the time of initiation of hedge. In case of any subsequent deviation from the correlation criteria, the same may be rebalanced within 5 working days and if not rebalanced within the timeline, the derivative positions created for hedging shall be considered under the gross exposure computed in terms of Para 3 of SEBI Master Circular for Mutual Funds dated May 19, 2023. The correlation should be calculated for a period of last 90 days.

Explanation: If the fund manager intends to do imperfect hedging upto 15% of the portfolio using IRFs on weighted average modified duration basis, either of the following conditions need to be complied with:

i. The correlation for past 90 days between the portfolio and the IRF is at least 0.9 or

ii. The correlation for past 90 days between the part of the portfolio (excluding the hedged portions, if any) i.e. at least 15% of the net asset of the scheme (including one or more securities) and the IRF is at least 0.9.

- At no point of time, the net modified duration of part of the portfolio being hedged should be negative.
- The portion of imperfect hedging in excess of 20% of the net assets of the scheme should be considered as creating exposure and shall be included in the computation of gross exposure in terms of Para 3 of SEBI Master Circular for Mutual Funds dated May 19, 2023.
- The basic characteristics of the scheme should not be affected by hedging the portfolio or part of the portfolio (including one or more securities) based on the weighted average modified duration.
- The interest rate hedging of the portfolio should be in the interest of the investors.

19. The scheme can write call options under a covered strategy for constituent stocks of NIFTY 50 and BSE SENSEX subject to the following:
    a. The total notional value (taking into account strike price as well as premium value) of call options written by a scheme shall not exceed 15% of the total market value of equity shares held in that scheme.
    b. The total number of shares underlying the call options written shall not exceed 30% of the unencumbered shares of a particular company held in the scheme. The unencumbered shares in a scheme shall mean shares that are not part of Securities Lending and Borrowing Mechanism (SLBM), margin or any other kind of encumbrances.
    c. At all points of time the scheme shall comply with the provisions at points (a) and (b) above. In case of any passive breach of the requirement at paragraph (a) above, the scheme shall have 7 trading days to rebalance the portfolio. During the rebalancing period, no additional call options can be written in the scheme.
    d. In case a scheme needs to sell securities on which a call option is written under a covered call strategy, it must ensure compliance with paragraphs (a) and (b) above while selling the securities.

e. In no case, a scheme shall write a call option without holding the underlying equity shares. A call option can be written only on shares which are not hedged using other derivative contracts.
f. The premium received shall be within the requirements prescribed in terms of SEBI Master Circular for Mutual Funds dated May 19, 2023i.e. the total gross exposure related to option premium paid and received must not exceed 20% of the net assets of the scheme.
g. The exposure on account of the call option written under the covered call strategy shall not be considered as exposure in terms of paragraph 3 of SEBI Master Circular for Mutual Funds dated May 19, 2023.
h. The call option written shall be marked to market daily and the respective gains or losses factored into the daily NAV of the scheme until the position is closed or expired.

20. The Scheme may invest in the units of REITs and InvITs subject to the following:
    a. No mutual fund under all its schemes shall own more than 10% of units issued by a single issuer of REIT and InvIT; and
    b. The scheme shall not invest-
       i. more than 10% of its NAV in the units of REIT and InvIT; and
       ii. more than 5% of its NAV in the units of REIT and InvIT issued by a single issuer.

    Provided that the limits mentioned in sub-clauses (i) and (ii) above shall not be applicable for investments in case of index fund or sector or industry specific scheme pertaining to REIT and InvIT.
21. Conditions for undertaking repo in corporate debt securities:
    i. The scheme shall not lend/borrow more than 10% of its net assets in repo against corporate debt securities.
    ii. The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt, derivatives and any other permitted assets shall not exceed 100% of the net assets of the scheme.
    iii. The scheme shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.
    iv. The exposure limit/investment restrictions prescribed under the Seventh Schedule of the Regulations and circulars issued there under (wherever applicable) shall be applicable to repo transactions in corporate debt securities.
    v. Counterparty selection & credit rating:
       The AMC follows an issuer selection and approval process for fixed income investments and the same shall be used for selection of counterparties for repo in corporate debt securities. Repo transactions shall be carried out with only those counterparties who have a credit rating of 'AA and above' (Long term rating) or 'A1+' (Short term rating) provided by any credit rating agency as accredited by SEBI from time to time.
    vi. Tenor of Repo:
       Tenor of repo shall not exceed 6 months. There shall be no restriction/limitation on the tenor of collateral.
    vii. Applicable haircut:
       The AMC would be guided by the parameters for applying haircut as may be specified by RBI and/or SEBI for undertaking repo in corporate debt securities, from time to time.

22. The scheme may invest in certain debt instruments with special features viz. subordination to equity (absorbs losses before equity capital) and /or convertible to equity upon trigger of a pre-specified event for loss absorption. Additional Tier I bonds and Tier 2 bonds issued under Basel III framework are some instruments which may have above referred special features. The debt instruments having such special features as referred above, which otherwise are Non-Convertible Debentures, may be treated as debt instruments until converted to equity:

i. no Mutual Fund under all its schemes shall own more than 10% of such instruments issued by a single issuer

ii. The scheme shall not invest:

- more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and
- more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer.

23. Participation of mutual funds in ETCDs shall be subject to the following investment limits:

- The scheme may invest in ETCDs upto 30% of the net asset value of the scheme.
- The Scheme shall not have net short positions in ETCDs on any particular good, considering its positions in physical goods as well as ETCDs, at any point of time. The Scheme shall not invest in physical goods except in 'gold' through Gold ETFs. However, if the Scheme participate in ETCDs, the Scheme may hold the underlying goods in case of physical settlement of contracts. In such cases, the Mutual Fund shall dispose of such goods from the books of the Scheme, at the earliest, not exceeding 180 days from the date of holding of physical goods.

The following exposures shall not be considered in the cumulative gross exposure of the Scheme:

- Short position in Exchange Traded Commodity Derivatives (ETCDs) not exceeding the holding of the underlying goods received in physical settlement of ETCD contracts.
- Short position in ETCDs not exceeding the long position in ETCDs on the same goods.

24. The Scheme's total exposure in a particular sector (excluding investments in Bank CDs, TREPS, Government Securities, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the Scheme;

Provided that an additional exposure to financial services sector (over and above the limit of 25%) not exceeding 10% of the net assets of the Scheme shall be allowed by way of increase in exposure to Housing Finance Companies (HFCs) only. Further, an additional exposure of 5% of the net assets of the scheme has been allowed for investments in securitized debt instruments based on retail housing loan portfolio/ an affordable housing loan portfolio.

Provided further that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NHB) and the total Investment/exposure in HFCs shall not exceed 20% of the net assets of the Scheme. (Consolidated Std. Obs. 31)

25. The Scheme's total exposure in a group (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the Scheme. Such investment limit may be extended to 25% of the net assets of the Scheme with the prior approval of the Board of Trustee.

The investments by the Scheme in debt and money market instruments of group companies of both the Sponsors and the AMC shall not exceed 10% of the net assets of the scheme. Such investment limit may be extended to 15% of the net assets of the scheme with the prior approval of the Board of Trustees.

For this purpose, a group means a group as defined under regulation 2 (mm) of the Regulations and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates.

The AMC/Trustee may alter these above stated restrictions from time to time to the extent the Regulations change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments for mutual funds to achieve its respective investment objective.

All investment restrictions shall be applicable at the time of making investment.

There are no internal norms vis-à-vis limiting exposure to a particular scrip or sector, etc. apart from the aforementioned investment restrictions.

C. Fundamental Attributes

Std. obs. 8

(Consolidated Std. Obs. 59)

Following are the Fundamental Attributes of the scheme, in terms of Clause 1.14 of SEBI Master Circular for Mutual Funds dated May 19, 2023:

(i) Type of a scheme: Please refer to point no. III of 'Part I. Highlights/Summary of the Scheme'.
(ii) Investment Objective: Please refer to point no. V of 'Part I. Highlights/Summary of the Scheme' and point no. A of 'Part II. Information about the Scheme'.
(iii) Terms of Issue

- **Liquidity provisions such as listing, repurchase, redemption –** Being an open ended Scheme under which sale and repurchase of Units will be made on continuous basis by the Mutual Fund, the Units of the Scheme are generally not proposed to be listed on any stock exchange. However, the AMC may at its sole discretion, list the Units under the Scheme on one or more stock exchanges at a later date, if deemed necessary. For details on repurchase, redemption, please refer section 'Other Scheme Specific Disclosures'.
- **Aggregate fees and expenses charged to the scheme –** The provisions in respect of fees and expenses are as indicated in this SID. Please refer to section "Part III - Other Details".
- **Any safety net or guarantee provided –** This scheme is not a guaranteed or an assured return scheme.

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations and Clause 1.14.1.4 of SEBI Master Circular for Mutual Funds dated May 19, 2023 the Trustees shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:

- SEBI has reviewed and provided its comments on the proposal;
- A written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- The Unitholders are given an option for a period of atleast 30 calendar days to exit at the prevailing Net Asset Value without any exit load.

D. Index methodology (for index funds, ETFs and FOFs having one underlying domestic ETF):
Not Applicable

E. Principles of incentive structure for market makers (for ETFs):
Not Applicable

F. Floors and ceiling within a range of 5% of the intended allocation against each sub class of asset, as per clause 13.6.2 of SEBI master circular for mutual funds dated May 19, 2023 (only for close ended debt schemes):

Not Applicable

G. Other Scheme Specific Disclosures:

Listing and transfer of units	The scheme is an open ended equity scheme and is not listed on any of the stock exchanges. The AMC, at its discretion, can undertake listing on any of the stock exchange. The units of the scheme can be transferred in demat form or in such form as may be permitted under SEBI Regulations, as amended from time to time. Additions/ deletion of names will not be allowed under any folio of the scheme. This however will not apply in case of death of unitholder (in respect of joint holdings) as this would be treated as transmission of units and not transfer.
Dematerialization of units (Consolidated Std. Obs. 57(b))	The Applicants intending to hold units in Demat mode would be required to have a beneficiary account with a Depository Participant of the NSDL/CDSL and would be required to mention in the application form DP's Name, DP ID No. and Beneficiary Account No. with the DP at the time of purchasing Units during the NFO. The Units allotted will be credited to the DP account of the investor as per the details provided in the application form. The statement of holding of the beneficiary account holder for units held in Demat mode would be sent by the respective DPs periodically. It may be noted that trading and settlement in the units of the scheme over the stock exchange(s) (where the units are listed/ will be listed) will be permitted only in electronic form. However, the Trustee / AMC reserves the right to change the dematerialization / rematerialization process in accordance with the procedural requirements laid down by the Depositories, viz. NSDL/ CDSL and/or in accordance with the provisions laid under the Depositories Act, 1996. All units will rank pari passu among units within the same option in the scheme concerned as to assets, earnings and the receipt of IDCW distributions, if any, as may be declared by the Trustee.
Dividend Policy (IDCW)	The Scheme may declare IDCW subject to the availability of distributable surplus and approval from Trustees. IDCW would become payable to the unitholders whose names appear on the register of unitholders on the record date as fixed for the scheme. The IDCW declared will be paid net of tax deducted at source, wherever applicable. There is no assurance or guarantee to the Unit holders as to the rate of IDCW distribution nor that the IDCW will be paid regularly. If the Fund declares IDCW, the NAV of the Scheme would stand reduced by the amount of IDCW paid. All the IDCW payments shall be in accordance and compliance with

	SEBI, Stock Exchange Guidelines, as applicable from time to time. IDCW is the amount that can be distributed out of equalisation reserve which is part of the sale price that represents realised gains. Any IDCW upto Rs. 100/- shall be compulsorily reinvested in the same option under the scheme at prevailing NAV on record date.
Allotment (Detailed procedure) Std. obs. 18 (Consolidated Std. Obs. 60)	• All Applicants whose investments towards subscription of units in the scheme have realised would receive a full and firm allotment of units, provided the applications are complete in all respects and are found to be in order. • Applicants under the Scheme will have an option to hold the Units either in physical form (i.e. account statement) or in demat form. • For allotment undertaken in demat form, the account statement shall be sent by the depository / depository participant and not by the AMC. For those investors who have provided an e-mail address, the AMC would send the account statement by e-mail instead of physical statement. The investor may request for an account statement by contacting us at any of the service centers and the AMC shall provide the account statement to the investor within five business days from the receipt of such request. • Consolidated Account Statement (CAS) for each calendar month would be issued to the investors on or before fifteenth day of the succeeding month. Further, CAS would be sent by email to the email id of the first unitholder as per KYC records. • In case for any reason if any particular folio of an investor is not included in the CAS, the AMC would issue an account statement to the investors on a monthly basis pursuant to any financial transaction in such folio on or before fifteenth day of succeeding month. • The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 Business Days of receipt of valid application/transaction to the unitholders to their registered e-mail address and/ or mobile number. • In case of a specific request received from the unitholder, the AMC shall provide the account statement to such unitholder within 5 business days from the receipt of such request. • In the case of joint holding in a folio, the first named unitholder shall receive the CAS/account statement. The holding pattern must be the same across all folios across all the Mutual Funds for the unitholder(s) to receive CAS. • In case no transactions have taken place in a folio during the period of six months ended September 30 and March 31, CAS detailing holdings across all schemes across all mutual funds shall be emailed at the registered email address of the unitholders on half yearly basis, on or before twenty first day

	of succeeding month, unless a specific request is made to receive the same in physical form. • Each CAS issued to the investors shall also provide the total purchase value / cost of investment in each scheme. • Further, CAS issued for the half-year (September/ March) shall also provide: o The amount of actual commission paid by the Mutual Fund to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme. The term 'commission' here refers to all direct monetary payments and other payments made in the form of gifts / rewards, trips, event sponsorships etc. by AMCs/MFs to distributors. o The scheme's average Total Expense Ratio (in percentage terms) along with the break up between Investment and Advisory fees, commission paid to the distributor and other expenses for the period for each scheme's applicable plan where the concerned investor has actually invested in. • This CAS on a half year basis shall be issued to all MF investors excluding those investors who do not have any holdings in mutual fund schemes and where no commission against their investment has been paid to distributors during the concerned half year period. • In case of the units are held in dematerialized (demat) form, the statement of holding of the beneficiary account holder will be sent by the respective Depository Participant periodically. • CAS for investors having Demat account: o Investors having mutual fund investments and holding securities in demat account shall receive a single CAS from the Depository. o CAS shall be done on the basis of Permanent Account Number (PAN). In case of multiple holding, it shall be PAN of the first holder and pattern of holding. The CAS shall be generated on a monthly basis. o If there is any transaction in any of the demat accounts of the investor or in any of his mutual fund folios, depositories shall send the CAS within fifteen days from the month end. In case, there is no transaction in any of the mutual fund folios and demat accounts, CAS with holding details shall be sent to the investor on half yearly basis. o In case an investor has multiple accounts across two depositories, the depository with whom the account has been opened earlier will be the default depository for the purpose of sending CAS to such investor. • The dispatch of CAS by the depositories would constitute compliance with the requirement under Regulation 36(4) of SEBI (Mutual Funds) Regulations. • The asset management company shall issue units in dematerialized form to a unit holder in a scheme within two

	working days of the receipt of request from the unit holder.
Who can invest This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.	The following persons are eligible and may apply for subscription to the units of the scheme (subject, wherever relevant, to subscription of units of Mutual Fund being permitted under relevant statutory regulations): • Resident adult individual either singly or jointly (not exceeding three) • Minor through parent/lawful guardian • Companies, Bodies Corporate, Public Sector Undertakings, association of persons or bodies of individuals and societies registered under the Societies Registration Act, 1860 (so long as the subscription of units is permitted under their respective constitutions) • Religious and Charitable Trusts under the provisions of Section 11(5)(xii) of the Income Tax Act, 1961 read with Rule 17C of Income-tax Rules, 1962 • Partnership Firms • Karta of Hindu Undivided Family (HUF) • Banks and Financial Institutions • Non-resident Indians (NRI)/Persons of Indian Origin (PIO) residing abroad on full repatriation basis or on non repatriation basis • Army, Air Force, Navy and other para-military funds • Scientific and Industrial Research Organizations • Mutual fund Schemes, as per applicable regulations • Foreign Portfolio Investor subject to the applicable regulations • Any other category of investor who may be notified by Trustees from time to time by display on the website of the AMC. Every investor, depending on any of the above category under which he/she/ it/they fall are required to provide relevant documents alongwith the application form as may be prescribed by AMC.
Who cannot invest	The following persons are not eligible to invest in the scheme and apply for subscription to the units of the scheme: • A person who falls within the definition of the term “U.S. Person” under ‘Regulation S’ promulgated under the Securities Act of 1933 of the United States, as amended, and corporations or other entities organised under the laws of the U.S. are not eligible to invest in the schemes and apply for subscription to the units of the schemes, except for lump sum subscription, systematic transactions and switch transactions requests received from NRI/PIO who at the time

	of such investment, are present in India and submit a physical transaction request along with such documents as may be prescribed by the AMC. The AMC shall accept such investments subject to the applicable laws and such other terms and conditions as may be notified by the AMC. The investor shall be responsible for complying with all the applicable laws for such investments. • A person who is resident of Canada • Such other individuals/institutions/body corporate etc., as may be decided by the AMC from time to time The AMC reserves the right to put the transaction requests on hold/reject the transaction request/reverse allotted units, as the case may be, as and when identified by the AMC, which are not in compliance with the terms and conditions notified in this regard. Investors are requested to note that the AMC shall not be liable for any loss or expenses incurred in respect of those transaction requests/allotted units which have been kept on hold or rejected or reversed.
How to Apply and other details (Consolidated Std. Obs. 35) (Consolidated Std. Obs. 61) Std. obs. 19	Investor can obtain application form / Key Information Memorandum (KIM) from Bajaj Finserv AMC branch offices, Investor services centers and RTA's (Kfin) branch office. Investors can also download application form / Key Information Memorandum (KIM) from our website (www.bajajamc.com) Please refer to the SAI and Application form for the instructions. For the details pertaining to list of official points of acceptance of AMC and RTA, Investors are requested to visit the website of the Company at link: https://www.bajajamc.com/sid-disclosure KFIN Technologies Limited SEBI Registration - INR000000221 Address – Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, R. R. District, Telangana India - 500 032 Contact no. – 040-67162222/ 040-79611000 Email – service.bajajmf@kfintech.com Website – www.kfintech.com It is mandatory for applicants to mention their bank account numbers in their applications for subscription or redemption of units of the Scheme. If the investor fails to provide the bank mandate, the request for redemption would be considered as not valid and the scheme retains the right to withhold the redemption until a proper bank mandate is furnished. Any provision with respect to penal interest in such cases will not be applicable.

The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.	This is not applicable for the scheme.
Restrictions, if any, on the right to freely retain or dispose of units being offered.	The units of the scheme can be transferred in demat form or in such form as may be permitted under SEBI Regulations, as amended from time to time. Additions/ deletion of names will not be allowed under any folio of the scheme. This however will not apply in case of death of unitholder (in respect of joint holdings) as this would be treated as transmission of units and not transfer.
Cut off timing for subscriptions/ redemptions/ switches This is the time before which your application (complete in all respects) should reach the official points of acceptance.	Cut off timing for subscriptions/ redemptions/ switches: In case of Subscription/Switch-in for any amount: • In respect of valid applications received upto 3.00 p.m. on a Business Day at the official point of acceptance of transactions and where the funds for the entire amount of subscription/purchase as per the application/Switch-in request, are available for utilization before the cut-off time i.e. 3.00 p.m. - the closing NAV of the day shall be applicable. • In respect of valid applications received after 3.00 p.m. on a Business Day at the official point of acceptance of transactions and where the funds for the entire amount of subscription/purchase as per the application/Switch-in request, are available for utilization either on the same day or before the cut-off time of the next business day - the closing NAV of the next Business Day shall be applicable. • Irrespective of the time of receipt of application at the official point of acceptance of transactions, where the funds for the entire amount are available for utilization before the cut-off time on any subsequent Business Day - the closing NAV of such subsequent Business Day shall be applicable. In case of investments through Systematic Investment Plan (SIP), Systematic Transfer Plans (STP), Other STP methods as may be offered by the AMC, IDCW Transfer, Trigger etc. the units would be allotted as per the closing NAV of the day on which the funds are available for utilization irrespective of the instalment date of the SIP, STP or record date of IDCW etc. Since different payment modes have different settlement cycles including electronic transactions (as per arrangements with Payment Aggregators/Banks/Exchanges etc), it may happen that the investor's account is debited, but the money is not credited within cut-off time on the same date to the Scheme's bank account, leading to a gap/delay in Unit allotment. Investors are therefore urged to use the most efficient electronic payment modes to avoid delays in realization of funds and consequently

	in Unit allotment. **Redemptions including switch-outs:** In respect of valid applications received upto 3.00 pm on a business day by the Mutual Fund, same day's closing NAV shall be applicable. In respect of valid applications received after the cut off time by the Mutual Fund, the closing NAV of the next business day shall be applicable.
Minimum amount for purchase/redemption/switches (mention the provisions for ETFs, as may be applicable, for direct subscription/redemption with AMC.)	**Fresh Purchase (lumpsum):** Rs. 500/- and in multiples of Re. 1/- thereafter **Systematic Investment Plan (SIP):** Rs. 500 and above: minimum 6 instalments. **Minimum amount for switch-in:** Rs. 500 and in multiples of Re. 1. **Minimum Redemption/switch out amount:** Rs. 500 and in multiples of Re. 0.01/- or the account balance of the investor, whichever is less. Two-Factor Authentication will be applicable for subscription as well as redemption transactions in the units of Mutual Fund. Minimum application amount will not be applicable for investments made in the scheme pursuant to SEBI Master Circular for Mutual Funds dated May 19, 2023, on alignment of interest of designated employees of the AMC with the unitholders of mutual fund schemes. For more information, please refer SAI.

Accounts Statements (Consolidated Std. Obs. 60) Std. obs. 18	The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form). A Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds (including transaction charges paid to the distributor) and holding at the end of the month shall be sent to the Unit holders in whose folio(s) transaction(s) have taken place during the month by mail or email on or before 15th of the succeeding month. Half-yearly CAS shall be issued at the end of every six months (i.e. September/ March) on or before 21st day of succeeding month, to all investors providing the prescribed details across all schemes of mutual funds and securities held in dematerialized form across demat accounts, if applicable For further details, refer SAI.
Dividend/ IDCW	The Scheme may declare IDCW subject to the availability of distributable surplus and approval from Trustees. IDCW would become payable to the unitholders whose names appear on the register of unitholders on the record date as fixed for the scheme. The IDCW declared will be paid net of tax deducted at source, wherever applicable. There is no assurance or guarantee to the Unit holders as to the rate of IDCW distribution nor that the IDCW will be paid regularly. If the Fund declares IDCW, the NAV of the Scheme would stand reduced by the amount of IDCW paid. All the IDCW payments shall be in accordance and compliance with SEBI, Stock Exchange Guidelines, as applicable from time to time. IDCW is the amount that can be distributed out of equalisation reserve which is part of the sale price that represents realised gains. Any IDCW upto Rs. 100/- shall be compulsorily reinvested in the same option under the scheme at prevailing NAV on record date. IDCW will not be available under the Growth option. Growth option is suitable for investors who are seeking capital appreciation and not seeking periodic income through IDCW. In case IDCW payout option, payment shall be made to the bank account of the investors. In the case of IDCW reinvestment, the IDCW declared shall be invested back into the scheme as per the applicable NAV. The scheme also permits IDCW Transfer where the IDCW amount would be transferred to the scheme as selected by the investor. Investment in IDCW transfer would be made as per the applicable NAV.

	IDCW payments shall be dispatched/transferred to the investors within seven working days from the IDCW record date. In case the AMC fails to make IDCW payment within seven working days, the AMC shall be liable to pay interest to investors at 15% per annum. The interest on delayed payment would be computed from the record date for IDCW. Physical dispatch of IDCW payments shall be carried out only in exceptional circumstances and the AMC shall be required to maintain records along with reasons for all such physical dispatches. The Trustee reserves the right to declare IDCW under the IDCW option of the scheme depending on the net distributable surplus available under the scheme. It should however be noted that the actual distribution of IDCW and the frequency of distribution would depend, inter-alia, on the availability of distributable surplus and would be entirely at the discretion of the Trustees. **Equalisation Reserve:** When units are sold and the sale price (NAV) is higher than face value of the unit, a portion of sale price that represents realized gains is credited to an Equalization Reserve Account and which can be used to pay IDCW. IDCW can be distributed out of investors capital (Equalization Reserve), which is part of sale price that represents realized gains.
Redemption	The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase. For list of exceptional circumstances refer para 14.1.3 of SEBI Master Circular for Mutual Funds dated May 19, 2023.
Bank Mandate (Consolidated Std. Obs. 61) Std. obs. 19	**Bank Mandate Requirement** For all fresh subscription transactions made by means of a cheque, if cheque provided alongwith fresh subscription/new folio creation does not belong to the bank mandate opted in the application form, any one of the following documents needs to be submitted. 1) Original cancelled cheque having the First Holder Name printed on the cheque. 2) Original bank statement reflecting the First Holder Name, bank account number and bank name as specified in the application. 3) Photocopy of the bank statement duly attested by the bank manager with designation, employee number and bank seal. 4) Photocopy of the bank passbook duly attested by the bank manager with designation, employee number and bank seal. 5) Photocopy of the bank statement/passbook/cheque duly attested by the AMC officials after verification of original bank

	statement/passbook shown by the investor or their representative. 6) Confirmation by the bank manager with seal, designation and employee number on the bank's letter head confirming the name of investor, account type, bank branch, MICR and IFSC code of the bank branch. The letter should not be older than 3 months. This condition is also applicable to all subscription transactions made by means of a Demand Draft. In case the application is not accompanied by the aforesaid documents, the AMC reserves the right to reject the application, also the AMC will not be liable in case the redemption/IDCW proceeds are credited to wrong account in absence of above documents. In case the bank account details are not mentioned or found to be incomplete or invalid in a subscription application, then the AMC may consider the account details as appearing in the investment amount cheque and the same shall be updated under the folio as the payout bank account for the payment of redemption/IDCW amount etc. The aforementioned updation of bank account shall however be subject to compliance with the third party investment guidelines issued by Association of Mutual Funds in India (AMFI) from time to time. The AMC reserves the right to call for any additional documents as may be required, for processing of such transactions with missing/incomplete/invalid bank account details. The AMC also reserves the right to reject such applications.
Delay in payment of redemption / repurchase proceeds/dividend	Redemption shall be processed by the AMC within three working days of the receipt of redemption request. In case of delay beyond three working days, the AMC is liable to pay interest to the investors at 15% per annum. IDCW payments shall be dispatched/transferred to the investors within seven working days from the IDCW record date. In case the AMC fails to make IDCW payment within seven working days, the AMC shall be liable to pay interest to investors at 15% per annum. The interest on delayed payment would be computed from the record date for IDCW. Physical dispatch of IDCW/ redemption payments shall be carried out only in exceptional circumstances and the AMC shall be required to maintain records along with reasons for all such physical dispatches.
Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount (Consolidated Std. Obs. 52)	In accordance with No SEBI/HO/IMD/DF2/CIR/P/2016/37 dated February 25, 2016, the unclaimed Redemption amount and Income Distribution cum capital withdrawal amount may be deployed by the Mutual Fund in call money market or money market Instruments as well as in a separate plan or liquid

	scheme/overnight scheme / money market mutual fund scheme floated by mutual funds. Investors who claim these amounts during a period of three years from the due date shall be paid initial unclaimed amount along with the income earned on its deployment. Investors who claim these amounts after 3 years, shall be paid initial unclaimed amount along with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for the purpose of investor education. AMC shall play a proactive role in tracing the rightful owner of the unclaimed amounts considering the steps suggested by regulator vide the referred circular. Further, AMC shall not charge any exit load in this plan and TER (Total Expense Ratio) of such plan shall be capped at 50 bps.
Disclosure w.r.t investment by minors (Consolidated Std. Obs. 37)	Payment for investment by means of Cheque, Demand Draft or any other mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian only, else the transaction is liable to get rejected. However, irrespective of the source of payment for subscription, all redemption proceeds shall be credited only in the verified bank account of the minor, i.e. the account the minor may hold with the parent/ legal guardian after completing all KYC formalities. For systematic transactions in a minor's folio, AMC would register standing instructions till the date of the minor attaining majority, though the instructions may be for a period beyond that date. Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new account. No further transactions shall be allowed till the status of the minor is changed to major.
Risk-o-meter (Consolidated Std. Obs. 38)	AMC shall disclose risk-o-meter of the scheme and benchmark while disclosing the performance of scheme vis-à-vis benchmark and shall send the details of the scheme portfolio while communicating the monthly and half-yearly statement of scheme portfolio by email. Any change in risk-o-meter shall be communicated by way of addendum and by way of an e-mail or SMS to unitholders of the scheme. Risk-o-meter shall be evaluated on a monthly basis and AMC shall disclose the Risk-o-meter along with portfolio disclosure for the scheme on the AMC website at link: https://www.bajajamc.com/downloads?portfolio and that of AMFI (www.amfiindia.com) within 10 days from the close of each month.
Scheme Summary Document (Consolidated Std. Obs. 38)	The AMC will provide on its website a standalone scheme document for all the Schemes which contains all the details of the Scheme including but not limited to Scheme features, Fund Manager details, investment details, investment objective,

	expense ratios, portfolio details, etc. Scheme summary document will be uploaded on the websites of AMC, AMFI and stock exchanges in 3 data formats i.e. PDF, Spreadsheet and a machine readable format).
Minimum balance to be maintained and consequences of non maintenance (Consolidated Std. Obs. 36)	There is no minimum balance to be maintained in the scheme and accordingly there are no consequences on the investors for failure to maintain minimum balance in the scheme.
Option to hold units in Demat form (Consolidated Std. Obs. 57(a))	Investor has an option to subscribe units of the scheme in demat form in accordance with the provisions of the Scheme Information Document and in terms of the guidelines as laid by the Depositories (NSDL/CDSL) from time to time. In case, the investor desires to hold units in a Demat/Remat form at a later date, the request for conversion of units held in non-demat form into Demat form or vice-versa should be submitted along with a Demat/Remat Request Form to the Depository Participants. Units held in demat form would be transferable subject to the provisions of the Scheme Information Document and in accordance with provisions of Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as may be amended from time to time.
Nomination Facility	• As per SEBI Master Circular for Mutual Funds dated May 19, 2023 and SEBI Circular dated December 27, 2023, Investors subscribing to mutual fund units shall have choice of providing nomination as per the prescribed format or opting out of nomination through a signed declaration. The folios of all existing individual unitholders holding units solely or joint mode that have not complied with the above requirement were supposed to be frozen for debits with effect from June 30, 2024. • However, pursuant to SEBI Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024, non-submission of 'choice of nomination' shall not result in freezing of mutual fund folios. • All new investors/unitholders shall continue to be required to mandatorily provide the 'Choice of Nomination' for Mutual Fund Folios (except for jointly held Mutual Fund Folios). • All existing investors/ unitholders are encouraged, in their own interest, to provide 'choice of nomination' for ensuring smooth transmission of securities held by them as well as to prevent accumulation of unclaimed assets in securities

	market. For more information, please refer SAI.

Know Your Customer (KYC) norms:
(Applicable with effect from April 01, 2024)

As per the SEBI Circular No. SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 dated October 12, 2023, as amended from time to time, as a part of risk management framework, the KYC Registration Agencies (KRAs) shall verify the following attributes of records of all clients within 2 days of receipt of KYC records:

- PAN
- Name
- Address
- Mobile number
- Email id

If KRA is unable to verify the above attributes, such investors shall not be allowed to transact further until the attributes are verified. Investors should ensure that they provide their valid contact details [Email id / Mobile Number] to KRAs.

KYC STATUS	**Investments in Existing Mutual Fund**	**Investments in New Mutual Fund**	**Remediation**
KYC VALIDATED - **Existing records prior to April 01, 2024**	No Impact	No Impact	Not Required
KYC Registered	No Impact	Allowed, Fresh set of KYC documents to be submitted every time, investing in a new Mutual Fund	Investor can do a re-kyc using Aadhaar as OVD (Officially Valid Document) to remediate the status to KYC VALIDATED for seamless transactions in securities market
KYC On-Hold / KYC Rejected	Transactions will not be allowed	Transactions will not be allowed	Investor should ensure to do the following to change the status to Registered: 1. to complete PAN Aadhaar Seeding; 2. update email id / mobile and validate; 3. re-submit the pending documents to KRA; Investors are suggested to do a re-kyc using Aadhaar as OVD (Officially Valid Document) to remediate the status to KYC VALIDATED for seamless transactions in securities market.

SEBI vide its email dated May 14, 2024, has reviewed the status of validation of KYC records by KRAs and decided the following:

1. NRI's provisions with respect to portability of KYC Records have been relaxed for one year i.e. till April 30, 2025.
2. Transaction Validation by either one of the attributes namely Mobile or Email is considered valid for transaction of all investors (including NRIs).
3. The existing clients, as on March 31, 2024, in whose respect KYC attributes cannot be verified by the KRAs shall be allowed to exit (sale / redemption, etc.) from existing investment in securities market subject to adequate due diligence by intermediaries.

As per SEBI Circular No. SEBI/HO/MIRSD/SECFATF/P/CIR/2024/41 dated May 14, 2024, records of Investors whose attributes are verified by KRAs with official database and PAN-AADHAAR linkages are verified shall be considered as Validated Records.

III. Other Details

A. In case of Fund of Funds Scheme, Details of Benchmark, Investment Objective, Investment Strategy, TER, AUM, Year wise performance, Top 10 Holding/ link to Top 10 holding of the underlying fund should be provided:

Not Applicable

B. Periodic Disclosures such as Half yearly disclosures, half yearly results, annual report

Portfolio Disclosure:

Portfolio shall be disclosed as on last day of the month/half year within 10 days from the end of month/half year. Portfolio shall be disclosed on AMC website at link: https://www.bajajamc.com/downloads?portfolio and on AMFI website www.amfiindia.com. Portfolio shall be disclosed in a user-friendly and downloadable spreadsheet format. Portfolio shall also be sent by e-mail to all unitholders by the AMC/Mutual Fund. The Mutual Fund shall publish an advertisement disclosing uploading of half year scheme portfolio on its website, in one English daily newspaper and in one Hindi daily newspaper having nationwide circulation. Physical copy of the scheme portfolio shall be provided to unitholders on receipt of specific request from the unitholder, without charging any cost.

Half Yearly Financial Results:

The Mutual Fund shall within one month from the close of each half year, that is on March 31 and on September 30, host a soft copy of its unaudited financial results on the AMC website www.bajajamc.com and shall publish an advertisement disclosing the hosting of financial results on the AMC website, in atleast one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the mutual fund is situated. The unaudited financial results would be displayed on AMC website www.bajajamc.com and AMFI website www.amfiindia.com.

Annual Report:

Scheme wise Annual Report or an abridged summary thereof shall be mailed to all unitholders within four months from the date of closure of the relevant financial year i.e. 31st March each year as under:

- by email to the unitholders whose email address is available with the Mutual Fund.

- in physical form to the unitholders whose email address is not available with the Fund and/or to those Unit holders who have opted / requested for the same.

An advertisement shall also be published in all India edition of at least two daily newspapers, one each in English and Hindi, disclosing the hosting of the scheme wise annual report on the website of the AMC www.bajajamc.com and AMFI website www.amfiindia.com. The physical copy of the scheme wise annual report or abridged summary shall be made available to the investors at the registered office of the AMC.

The AMC shall also provide a physical copy of abridged summary of the annual report without charging any cost, on specific request received from the unitholder. A copy of scheme wise annual report shall also be made available to unitholders on payment of nominal fees.

Std. obs. 17 (a)

C. Transparency/NAV Disclosure (Details with reference to information given in Section I):

(Consolidated Std. Obs. 40)

The NAV will be calculated and disclosed at the close of every Business Day. NAV will be determined on every Business Day except in special circumstances. NAV shall be calculated for upto four decimal places. NAV of the scheme shall be:

(Consolidated Std. Obs. 41)

- Prominently disclosed by the AMC under a separate head on the AMC's website (www.bajajamc.com) by 11.00 p.m. on every business day.
- On the website of AMFI (www.amfiindia.com) by 11.00 p.m. on every business day, and
- Shall be made available at all Investor Service Centres of the AMC and the toll free number of the AMC i.e. 18003093900.

In case of any delay, the reasons for such delay would be explained to AMFI by the next day. If the NAVs are not available before commencement of business hours on the following day due to any reason, the AMC shall issue a press release providing reasons and explaining when the Mutual Fund would be able to publish the NAVs.

D. Transaction charges and stamp duty:

- **Transaction Charges:**

Pursuant to SEBI Master Circular for Mutual Funds dated May 19, 2023, the transaction charge per subscription of Rs.10,000/- and above may be charged in the following manner:

i. The existing investors may be charged Rs. 100/- as transaction charge per subscription of Rs.10,000/- and above;
ii. A first time investor may be charged Rs.150/- as transaction charge per subscription of Rs.10,000/- and above.

There shall be no transaction charge on subscription below Rs. 10,000/- and on transactions other than purchases/ subscriptions relating to new inflows.

In case of investment through SIP, transaction charges shall be deducted only if the total commitment through SIP amounts to Rs. 10,000/- and above. The transaction charges in such cases shall be deducted in 4 equal instalments.

- **<u>Stamp Duty:</u>**

Applicability of Stamp Duty on Mutual Fund Transactions Unitholders are requested to note that, pursuant to Notification No. S.O. 1226(E) and G.S.R. 226(E) dated March 30, 2020 issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019, a stamp duty @0.005% of the transaction value would be levied on applicable mutual fund transactions, with effect from July 1, 2020. Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase/switch in transactions (including IDCW reinvestment) to the unitholders would be reduced to that extent.

For more details, please refer to SAI.

E. Associate Transactions:

Please refer to Statement of Additional Information (SAI)

F. Taxation:

For details on taxation please refer to the clause on Taxation in the SAI apart from the following:

Particulars	Resident Investors	Non-resident investors	Registered Mutual Fund
Tax on Dividend (Income from unit of Mutual funds)			
TDS*	10% (if income from units of Mutual fund exceeds INR 5,000 in a financial year)	20%[2] + applicable surcharge + 4% Cess[4]	Nil
Tax rates	<u>Individual/ HUF</u> Income tax rate applicable to the Unit holders as per their income slabs + applicable Surcharge + 4% Cess[3] <u>Domestic Company:</u> 30% + Surcharge as applicable + 4% Cess[3] 25%[4] +Surcharge as applicable + 4% Cess[3] 22%[5] + 10% Surcharge[5] + 4% Cess[3]	20%	Nil
Capital Gains[2 6]:			
Long Term (period of holding more than 12 months)	10% without indexation[7] + applicable Surcharge + 4% Cess[3]	10% without indexation and foreign currency fluctuation benefit + applicable surcharge + 4% Cess	Nil
Short Term (period of holding less than or equal to 12 months)	15% + applicable surcharge + 4% Cess	15% + applicable surcharge + 4% Cess	Nil

[1]Equity Oriented Funds will also attract Securities Transaction Tax at applicable rates.

[2]Section 196A of the Act (read with amendment under Finance Act 2023) provides that a person responsible for paying to a non-resident (other than FPI) any income in respect of units of mutual fund shall withhold taxes at the rate of 20% (plus applicable surcharge and cess) or rate provided in the relevant DTAA. whichever is lower, provided the payee furnishes a tax residency certificate and such other information and documents as may be prescribed to claim treaty benefit.

As per the provisions of section 196D of the Act which is specifically applicable in case of FPI/FII, the withholding tax rate of 20% (plus applicable surcharge and cess) on any income in respect of securities referred to in section 115AD(1)(a) credited/paid to FII shall apply. The proviso to section 196D(1) of the Act grants relevant tax treaty benefits at the time of withholding tax on income with respect to securities of FPIs, subject to furnishing of tax residency certificate and such other documents as may be required. As per section 196D(2) of the Act, no TDS shall be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD of the Act.

[3]Health and education Cess shall be applicable at 4% on aggregate of base tax and surcharge.

[4]In case of domestic company, the rate of income-tax shall be 25% if its total turnover or gross receipts in the financial year 2021-22 does not exceed Rs. 400 crores.

[5]In case of domestic company whose income is chargeable to tax under section 115BAB or section 115BAA of the Income-Tax Act, 1961, tax rate @ 22% shall be applicable, subject to conditions mentioned therein. The tax computed in case of domestic companies whose income is chargeable to tax under section 115BAA or section 115BAB shall be increased by a surcharge at the rate of 10%.

[6]Short term/ long term capital gain tax will be deducted at the time of redemption of units in case of non-resident investors only (other than FPI). However, as per section 196A of the Act the withholding tax of 20% (plus applicable surcharge and cess) is applicable on any income in respect of units of mutual fund in case of non-residents.

[7]Section 112A provides that long term capital gains arising from transfer of a long term capital asset being a unit of an equity oriented fund shall be taxed at 10% (without indexation and foreign currency fluctuation benefit) of such capital gains exceeding one lakh rupees. The concessional rate of 10% shall be available only if STT has been paid on transfer in case of units of equity-oriented mutual funds.

*Section 206AB would apply on any sum or income or amount paid, or payable or credited, by a person to a specified person, as defined. The TDS rate in this section is higher of the followings rates:
• twice the rate specified in the relevant provision of the Act; or
• twice the rate or rates in force; or
• the rate of five per cent.

'Specified person' means a person (excluding non-residents who do not have a permanent establishment in India) who has not filed income-tax return under section 139(1) for the preceding year and aggregate of TDS and TCS in his case is INR 50,000 or more in the said year.

As per provisions of section 206AA of the Act, the payer would be obliged to withhold tax at penal rates of TDS in case of payments to investors who have not furnished their PAN to the payer. The penal rate of TDS higher of 20% or rate specified under the relevant provisions of the Act or rate in force (including surcharge and health and education cess), as may be applicable.

The provisions of this section shall not apply to a non-resident subject to furnishing of necessary documents as may be prescribed. In case, both provisions i.e section 206AB and 206AA triggers, TDS shall be deducted at higher of the rates under such provisions.

G. Rights of Unitholders:

Please refer to SAI for details.

H. List of official points of acceptance:

The details pertaining to official points of acceptance of AMC and RTA are available on the website of the Company at link: https://www.bajajamc.com/sid-disclosure

I. Penalties, Pending Litigation or Proceedings, Findings of Inspections or Investigations For Which Action May Have Been Taken Or Is In The Process Of Being Taken By Any Regulatory Authority

There have been no penalties or pending litigation on the AMC in the last financial year since incorporation. The investors may refer to the details on the website of the Company at link: https://www.bajajamc.com/sid-disclosure

Std. obs. 20 (Consolidated Std. Obs. 48)

Notwithstanding anything contained in the Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines thereunder shall be applicable. (Consolidated Std. Obs. 63)

Std. obs. 22

For Bajaj Finserv Asset Management Limited

Sd/-
Ganesh Mohan
CEO

Place: Pune
Date: June 26, 2024