



FINSERV

SCHEME INFORMATION DOCUMENT

SECTION I

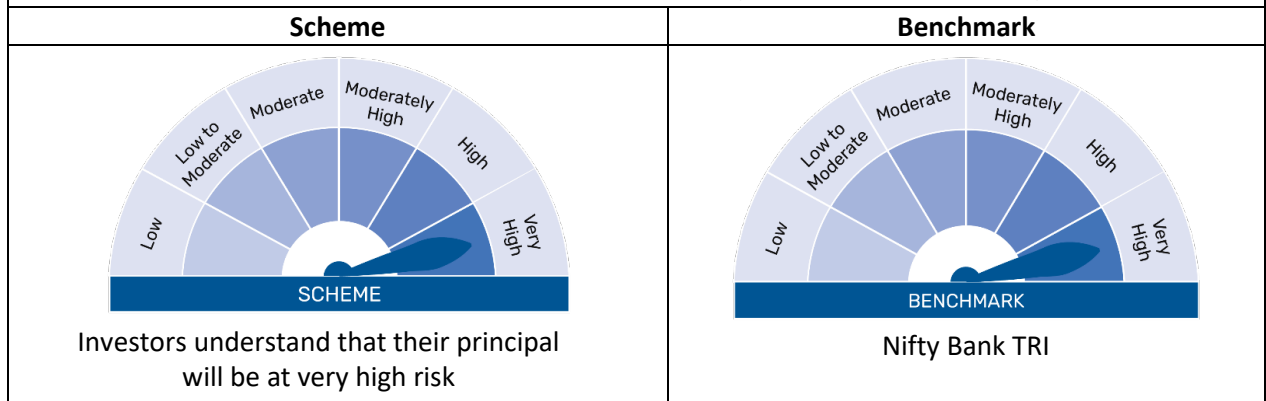
Bajaj Finserv Nifty Bank ETF (Consolidated Std. Obs. 1)
 An open ended exchange traded fund tracking Nifty Bank Index

This product is suitable for investors who are seeking*:

- Wealth creation over long term
- An exchange traded fund that seeks to provide returns that correspond to the returns provided by Nifty Bank Index, subject to tracking error

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

Riskometer (Consolidated Std. Obs. 3)



Continuous offer of units at NAV based prices

The units of the Scheme are listed on National Stock Exchange of India Ltd. (NSE) and BSE Limited (BSE).

SCRIP CODES	
BSE:	NSE:
544093	BANKBETF

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: 8 th floor, E-core, Solitaire Business Park, Viman Nagar, Pune – 411014	Address: S. No. 208/1B, Lohagaon, Viman Nagar, Pune – 411014 (registered office) 8 th floor, E-core, Solitaire Business Park, Viman Nagar, Pune – 411014 (corporate office)	Address: S. No. 208/1B, Lohagaon, Viman Nagar, Pune – 411014 (registered office) 8 th 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.

Disclaimer of National Stock Exchange of India Limited:

As required, a copy of this Scheme Information Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref No.: NSE/LIST/5619 dated November 10, 2023 permission to the Mutual Fund to use the Exchange's name in this Scheme Information Document as one of the stock exchanges on which the Mutual Fund's Units are proposed to be listed subject to, the Mutual Fund fulfilling the various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Scheme Information Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document; nor does it warrant that the Mutual Fund's Units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its Sponsors, its management or any scheme of the Mutual Fund.

Every person who desires to apply for or otherwise acquire any Units of the Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer of BSE Limited:

"BSE Ltd. ("the Exchange") has given vide its letter no. LO/IPO/AH/MF/IP/060/2023-24 dated November 13, 2023 permission to use the Exchange's name in this SID as one of the Stock Exchanges on which this Mutual Fund's Units are proposed to be listed. The Exchange has scrutinized this SID for its limited internal purpose of deciding on the matter of granting the aforesaid permission to. The Exchange does not in any manner:-

- warrant, certify or endorse the correctness or completeness of any of the contents of this SID; or
- warrant that this scheme's units will be listed or will continue to be listed on the Exchange; or
- take any responsibility for the financial or other soundness of this Mutual Fund, its promoters, its management or any scheme or project of this Mutual Fund;

and it should not for any reason be deemed or construed that this SID has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any unit of this Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

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The Product(s) are not sponsored, endorsed, sold or promoted by NSE INDICES LIMITED (formerly known as India Index Services & Products Limited ("IISL")). NSE INDICES LIMITED does not make any representation or warranty, express or implied, to the owners of the Product(s) or any member of the public regarding the advisability of investing in securities generally or in the Product(s) particularly or the ability of the Nifty Bank Index to track general stock market performance in India. The relationship of NSE INDICES LIMITED to the Issuer is only in respect of the licensing of the Indices and certain trademarks and trade names associated with such Indices which is determined, composed and calculated by NSE INDICES LIMITED without regard to the Issuer or the Product(s). NSE INDICES LIMITED does not have any obligation to take the needs of the Issuer or the owners of the Product(s) into consideration in determining, composing or calculating the Nifty Bank Index. NSE INDICES LIMITED is not responsible for or has participated in the determination of the timing of, prices at, or quantities of the Product(s) to be issued or in the determination or calculation of the equation by which the Product(s) is to be converted into cash. NSE INDICES LIMITED has no obligation or liability in connection with the administration, marketing or trading of the Product(s).

NSE INDICES LIMITED do not guarantee the accuracy and/or the completeness of the Nifty Bank or any data included therein and NSE INDICES LIMITED shall have not have any responsibility or liability for any errors, omissions, or interruptions therein. NSE INDICES LIMITED does not make any warranty, express or implied, as to results to be obtained by the Issuer, owners of the product(s), or any other person or entity from the use of the Nifty Bank or any data included therein. NSE INDICES LIMITED makes no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the index or any data included therein. Without limiting any of the foregoing, NSE INDICES LIMITED expressly disclaim any and all liability for any claims, damages or losses arising out of or related to the Products, including any and all direct, special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

An investor, by subscribing or purchasing an interest in the Product(s), will be regarded as having acknowledged, understood and accepted the disclaimer referred to in Clauses above and will be bound by it.

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Part I. HIGHLIGHTS/SUMMARY OF THE SCHEME

Sr. No.	Title	Description
I.	Name of the scheme	Bajaj Finserv Nifty Bank ETF
II.	Category of the Scheme	Exchange Traded Fund
III.	Symbol & BSE Scrip code of the Scheme	NSE: BANKBETF BSE: 544093
IV.	Scheme type	An open ended exchange traded fund tracking Nifty Bank Index
V.	Scheme code	BFAM/O/O/EET/23/12/0009 (Consolidated Std. Obs. 7)
VI.	Investment objective	The investment objective of the Scheme is to provide returns that are corresponding with the performance of the Nifty Bank Index, subject to tracking errors.
	Do's 8	However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved (Consolidated Std. Obs. 5)
VII.	Liquidity/listing details	<p>Through Stock Exchanges:</p> <p>The Scheme is listed on BSE Limited and National Stock Exchange of India Limited (NSE). Buying or selling of units of the Scheme by investors can be done on all the Trading Days of the stock exchanges. The minimum number of units that can be bought or sold is 1 (one) unit.</p> <p>Directly with the Fund:</p> <p>All direct transactions in units of the Scheme by Authorised Participants / Market Makers/ large Investors or other eligible investors with the AMC/the Fund shall be at intraday NAV based on the actual execution price of the underlying portfolio.</p> <p>Investors can place order for subscription / redemption directly with AMC, provided the transaction amount is greater than Rs. 25 Cr. However, this limit is not applicable to Market Makers.</p> <p>Investors can also directly approach AMC for redemption of units for transaction of upto Rs. 25 Crore under the following criteria:</p> <p>Traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7 continuous trading days, or</p> <p>No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or</p> <p>Total bid size on the exchange is less than half of creation units size daily, averaged over a period of 7 consecutive trading days.</p> <p>Investors will not be charged any exit load in above scenarios.</p>

		<p>In case of the above scenarios, applications received from investors for redemption up to 3.00 p.m. on any trading day, shall be processed by the AMC at the closing NAV of the day</p> <p>The subscription & redemption of units would be based on the portfolio deposit & cash component as defined by the Fund for that respective business day. The Fund may allow cash purchases/cash redemption of the units of the Scheme or by depositing basket of securities comprising the underlying index in Creation Unit Size by Market Maker/Authorised Participant/Investors.</p> <p>Purchase/redemption request shall be made by such investors to the Fund whereupon the Fund shall arrange to buy/sell the underlying portfolio of securities on behalf of the investor. In case of shares bought and sold by the AMC on behalf of the investor, entire proceeds of portfolio deposit and other cost and charges related to the purchase and sale of basket of underlying securities for servicing the subscription or redemption transaction would be borne by the investor.</p> <p>Investors, other than Authorised Participants/Market Makers, can sell units in less than Creation Unit Size of the Scheme directly to the Mutual Fund without any exit load in the certain cases. Kindly refer to the section “Loads” for more details.</p> <p>The threshold of Rs. 25 crores for direct transaction in the units of the Scheme with the AMC. Investors can therefore transact in the units of the Scheme directly with the AMC in the respective creation unit size as applicable in the SID.</p> <p>The Fund may allow purchases of units of the Scheme in ‘Creation Unit’ size or multiples thereof in exchange of the Portfolio Deposit/equivalent amount of Cash and Cash Component by Investors/Authorised Participants.</p> <p>Redemption (Sale)/Switch-out The Fund will redeem units only if the redemption amount is greater than Rs. 25 Cr. In other circumstances, investors can redeem directly with stock exchanges.</p> <p>Purchase/redemption request shall be made by such investors to the Fund whereupon the Fund shall arrange to buy/sell the underlying portfolio of securities on behalf of the investor. In case of shares bought and sold by the AMC on behalf of the investor, entire proceeds of portfolio deposit and other cost and charges related to the purchase and sale of basket of underlying securities</p>
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		<p>for servicing the subscription or redemption transaction would be borne by the investor.</p> <p>For more details on Loads, please refer section on 'Loads'.</p> <p>The Scheme is listed on NSE and BSE Ltd. Units of the Scheme may also be listed on such other stock exchange(s) as may be decided from time to time. The trading will be as per the normal settlement cycle.</p>
VIII.	<p>Benchmark (Total Return Index)</p> <p>Std. obs. 9</p>	<p>Nifty Bank TRI Do's 7</p> <p>The corpus of Bajaj Finserv Nifty Bank ETF will be invested predominantly in stocks constituting Nifty Bank TRI and subject to tracking errors, the Scheme would endeavour to attain returns comparable to Nifty Bank TRI. This would be done by investing in all the stocks comprising Nifty Bank TRI in approximately the same weightage that they represent in Nifty Bank TRI. In view of the same, performance of the Scheme will be benchmarked with Nifty Bank TRI.</p>
IX.	<p>NAV disclosure</p> <p>Std. obs. 17 (a)</p>	<p>(Consolidated Std. Obs. 40)</p> <p>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 available on Toll Free numbers i.e. 18003093900.</p> <p>(Consolidated Std. Obs. 41)</p> <p>NAV will be calculated upto four decimal places and shall be disclosed before 11.00 p.m. on all business days. In case NAV is not uploaded within the stipulated timing of 11.00 p.m. 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.</p> <p>Indicative NAV (iNAV):</p> <p>Indicative NAV (iNAV) is the per unit NAV based on the current market value of Scheme's portfolio during the trading hours of the ETF. iNAVs shall be disclosed on Stock Exchange (s), where the units of the ETF are listed, on continuous basis during the trading hours and updated within a maximum time lag of 15 seconds from underlying market. iNAV will not have any bearing on the creation or redemption of units directly with the Fund by the Market Makers / Large Investors.</p>

X.	Applicable timelines	<ul style="list-style-type: none"> 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. 	
XI.	Plans and Options Plans/Options and sub options under the Scheme	Currently, there are no plans/ options under the Scheme. However, the Trustees reserve the right to introduce/ alter/ extinguish any of the option under the Scheme at a later date. For any change in plans/ options offered under the Scheme, the AMC shall publish a notice-cum-addendum for the information of the investors	
XII.	Load Structure (Consolidated Std. Obs. 47) <table border="1" data-bbox="316 1178 507 1234"> <tr> <td>Std. obs. 16</td> </tr> </table>	Std. obs. 16	Entry Load - not applicable Exit Load: Nil There will be no exit load for units sold through the secondary market on the stock exchange. Investors shall note that the brokerage on sales of the units of the scheme on the stock exchanges shall be borne by the investors. Large Investors can redeem units directly with the fund at Applicable NAV based prices if the redemption amount is greater than Rs. 25 cr. Currently there is no exit load applicable for the said transactions. However, the Trustees reserve right to introduce exit load at later date.
Std. obs. 16			
XIII.	Minimum Application Amount/switch in	<p>On an On-going Basis:</p> <p>On Exchange: Investors can buy/sell units of the Scheme in round lot of 1 unit and in multiples thereof.</p> <p>Directly with the Mutual Fund: Any order placed for redemption or subscription directly with the AMC must be of greater than Rs. 25 Cr.</p> <p>All direct transactions in units of the Scheme by Market Maker / Authorised Participant or large investors with the AMC/the Fund shall be at intraday NAV based on the actual execution price of the underlying portfolio.</p> <p>The aforesaid threshold shall not be applicable for Market Maker / Authorised Participant and shall be periodically reviewed.</p>	

		<p>An investor can buy / sell units on a continuous basis in the normal market segment of National Stock Exchange of India Limited (NSE)/ BSE Limited during the trading hours like any other publicly traded stock at prices which are quoted on NSE/BSE. These prices may be close to the actual NAV of the Scheme. There is no minimum investment, although units are to be purchased in lots of 1 unit.</p> <p>The threshold of Rs. 25 crore for direct transaction in the units of the Scheme with the AMC. Investors can therefore transact in the units of the Scheme directly with the AMC in the respective creation unit size as applicable in the SID.</p>
XIV.	Minimum Additional Purchase Amount	1 unit and in multiples thereof.
XV.	Minimum Redemption/switch out amount	1 unit and in multiples thereof.
XVI.	Segregated portfolio/side pocketing disclosure	<p>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.</p> <p style="text-align: right;">(Consolidated Std. Obs. 53)</p> <p>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.</p> <p>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:</p> <ol style="list-style-type: none"> 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. <p>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.</p> <p>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.'</p> <p>For Details, kindly refer SAI</p>
XVII.	Swing pricing disclosure	Not Applicable

XVIII.	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
XIX.	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.
XX.	Investor services	<ul style="list-style-type: none"> • 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
XXI.	Specific attribute of the scheme (such as lock in, duration in case of target maturity scheme/close ended schemes) (as applicable)	Not Applicable
XXII.	Special product/facility available during ongoing basis	Not Applicable
XXIII.	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 .
XXIV.	Requirement of minimum investors in the scheme	As the Scheme is exchange traded fund, the provisions of minimum number of Investors and maximum holding of the Investors are not applicable as per SEBI guidelines.

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 Nifty Bank ETF 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)**

Date: June 26, 2024

Place: Pune

**Sd/-
Harish Iyer
Compliance Officer**

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
Securities of companies constituting Nifty Bank Index (the Underlying Index)	95%	100%
Debt and money market instruments* (Consolidated std. obs. 21)	0%	5%

*Debt and money market instruments will include Government securities, Treasury Bills, Cash Management Bills, CBLO, Repo, Reverse Repo, TREPS, Certificate of Deposits (CDs), Commercial Paper (CPs) and any other securities / instruments as may be permitted by SEBI and RBI from time to time.

The net assets of the scheme will be invested in stocks constituting the Nifty Bank Index. This would be done by investing in all the stocks comprising the Nifty Bank Index in the same weightage that they represent in the Nifty Bank Index. Exposure in Equity Derivatives - up to 20% of total assets (Consolidated std. obs. 20). Exposure to equity derivatives of the index or its constituent stocks may be undertaken when equity shares of the underlying index are unavailable or not available in sufficient quantities, subject to rebalancing period as mentioned in the section 'Change in Investment Pattern'. A small portion of the net assets will be invested in debt & money market instruments permitted by SEBI / RBI to meet the liquidity requirements of the scheme and for meeting margin money requirement for Nifty Bank index futures and/or futures of stocks belonging to the Nifty Bank Index.

Do's 23

Do's 19

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.

Gross Exposure to Repo of Corporate Debt Securities - up to 5% of total assets. The Scheme may engage in short selling of securities in accordance with the applicable guidelines / regulations.

The Scheme may invest in other scheme(s) under the same AMC or any other mutual fund without charging any fees, provided that aggregate inter-scheme investment made by all Schemes under the same AMC or in Schemes under the management of any other asset management shall not exceed 5% of the net asset value of the Mutual Fund. Further, the Scheme shall not invest in any fund of funds scheme.

Do's 20

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 20% of total assets of the scheme	
3.	Fixed Income Derivatives for non-hedging purposes	0%	
4.	Securitized Debt	0%	
5.	Overseas Securities	0%	
6.	REITs and InvITs	0%	
7.	AT1 and AT2 Bonds	0%	

Sl. no	Type of Instrument	Percentage of exposure	Circular references
	(Instruments with special features)		
8.	Any other instrument • repo transactions in corporate debt securities	Upto 5% of total assets of the scheme	

(Consolidated Std. Obs. 18)

The scheme will not invest in following securities:

Sr. No.	Securities
1.	Investment in Debt Derivatives
2.	ADR / GDR / Foreign Securities
3.	Securitized Debt
4.	Credit Default Swaps
5.	Structured obligations
6.	REITs and InvITs
7.	Corporate Debt Securities
8.	Credit Enhancements
9.	Commodity Derivatives
10.	Foreign Securitized debt
11.	Unrated debt instruments

The scheme will not invest in instruments having special features as stated in SEBI Master Circular for Mutual Funds dated May 19, 2023, as amended from time to time.

The Scheme will not make any investment in Debt Derivatives, ADR / GDR / Foreign Securities / Securitized Debt / Credit Default Swaps / structured obligations / REITs and InvITs / corporate debt securities / Credit Enhancements / Commodity Derivatives / Foreign Securitized debt / unrated debt instruments.

(Consolidated std. obs. 18)

Don't 2

The cumulative gross exposure through equity, derivatives, debt & Money Market instruments, repo transactions and such other securities/assets as may be permitted by the Board from time to time, subject to regulatory approvals if any, should not exceed 100% of the net assets of the scheme. (Consolidated Std. Obs. 17)

Do's 14

The Scheme would adhere with the requirements stipulated in SEBI Master Circular for Mutual Funds dated May 19, 2023 and other SEBI Guidelines/Circulars issued from time to time. (Consolidated Std. Obs. 40)

Portfolio Concentration Norms

Do's 4

SEBI Master Circular for Mutual Funds dated May 19, 2023, specifies following portfolio concentration norms to be adopted by ETF:

- The index shall have a minimum of 10 stocks as its constituents.
- For a sectoral/ thematic Index, no single stock shall have more than 35% weight in the index. For other than sectoral/ thematic indices, no single stock shall have more than 25% weight in the index.

- c. The weightage of the top three constituents of the index, cumulatively shall not be more than 65% of the Index.
- d. The individual constituent of the index shall have a trading frequency greater than or equal to 80% and an average impact cost of 1% or less over previous six months.

The underlying Fund i.e. Bajaj Finserv Nifty Bank ETF shall comply with the aforesaid portfolio concentration norms. Further, the Fund shall evaluate and ensure compliance to aforesaid norms at the end of every calendar quarter. The updated constituents of the underlying index have also been made available on the website of the Fund i.e. www.bajajamc.com.

Change in Investment Pattern

(Consolidated std. obs. 22, 23 & 24)

Do's 12

The Scheme, in general, will hold all the securities that comprise the underlying Index in the same proportion as the index.

Expectation is that, over a period of time, the tracking error of the Scheme relative to the performance of the Underlying Index will be relatively low. The AMC would monitor the tracking error of the Scheme on an ongoing basis and would seek to minimize tracking error to the maximum extent possible. Under normal market circumstances, such tracking error is not expected to exceed by 2% p.a. However, in case of events like, Income Distribution cum capital withdrawal issuance by constituent members, rights issuance by constituent members, corporate action, and market volatility during rebalancing of the portfolio following the rebalancing of the Underlying Basket, etc. or in abnormal market circumstances, the tracking error may exceed the above limits. Since the scheme is an exchange traded fund, it will endeavor that at no point of time the scheme will deviate from the index. In the event of the asset allocation falling outside the limits specified in the asset allocation table, the Fund Manager will rebalance the same within 7 calendar days.

In the interest of investors, the AMC reserves the right to change the above asset allocation pattern due to corporate action activity undertaken in the underlying securities. In the event of involuntary corporate action, the fund shall dispose the security not forming part of the Underlying index within 7 calendar days from the date of allotment/ listing.

Portfolio Rebalancing

As per SEBI Master Circular for Mutual Funds dated May 19, 2023, as amended from time to time, in case of change in constituents of the index due to periodic review, the portfolio of the scheme will be rebalanced within 7 calendar days.

Any transactions undertaken in the scheme portfolio of the Fund in order to meet the redemption and subscription obligations shall be done while ensuring that post such transactions replication of the portfolio with the index is maintained at all points of time.

Rebalancing of deviation due to short term defensive consideration

In the event of the asset allocation falling outside the limits specified in the asset allocation table, the Fund Manager will rebalance the same within 7 days. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. Any alteration in the investment pattern will be for short-term defensive consideration as per SEBI Master Circular for Mutual Funds dated May 19, 2023, the intention being at all times to protect the interests of the Unit Holders.

Disclosure Norms:

I. Portfolio:

- A. The Fund shall disclose the following on monthly basis:
- i. Name and exposure to top 7 issuers and stocks respectively as a percentage of NAV of the scheme
 - ii. Name and exposure to top 7 groups as a percentage of NAV of the scheme.
 - iii. Name and exposure to top 4 sectors as a percentage of NAV of the scheme.
- B. Change in constituents of the index, if any, shall be disclosed on the AMC website on the day of change.

II. Tracking Error:

The Fund shall disclose the tracking error based on past one year rolling data, on a daily basis, on the website of AMC and AMFI.

III. Tracking Difference:

The annualized difference of daily returns between the index and the NAV of the Fund shall be disclosed on the website of the AMC and AMFI, on a monthly basis, for tenures 1 year, 3 year, 5 year, 10 year and since the date of allotment of units.

B. WHERE WILL THE SCHEME INVEST?

Std. obs. 15

(Consolidated Std. Obs. 29)

The corpus of the Scheme will be invested in equity and equity related products & in debt and money market instruments. Subject to the Regulations, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities / instruments:

1. Equity and Equity related instruments belonging to Nifty Bank index.
2. Equity Derivatives
3. Debt securities and money market instruments including G-Sec/T-Bills/Cash Management Bills and CBLO/Repo/Reverse Repo
4. Certificate of Deposits (CDs).
5. Commercial Paper (CPs).
6. Any other securities / instruments as may be permitted by SEBI from time to time, subject to regulatory approvals if any.

Do's 37

The securities mentioned above could be listed, privately placed, secured, unsecured and of any maturity. The securities may be acquired through secondary market operations, private placement, rights offers or negotiated deals.

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.

Do's 13

The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.

The Scheme may participate in securities lending as permitted under the Regulations, from time to time.

C. WHAT ARE THE INVESTMENT STRATEGIES?

Std. obs. 7

(Consolidated Std. Obs. 27)

The Scheme will be managed passively with investments in stocks in a proportion to the weights of these stocks in the Nifty Bank Index. The investment strategy would revolve around reducing the tracking error to the least possible through rebalancing of the portfolio, considering the change in weights of stocks in the index as well as the incremental collections/redemptions from the Scheme. The Scheme may invest in debt & money market instruments permitted by SEBI / RBI to meet the liquidity and expenses of the scheme.

D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

Std. obs. 9

The Scheme benchmark would be Nifty Bank TRI.

Nifty Bank TRI

The same has been chosen as the Scheme will invest in stocks which are constituents of Nifty Bank TRI. Thus, the composition of the aforesaid benchmark is such that it is most suited for comparing the performance of the Scheme.

In accordance with the investment objective and tracking error definition, the Scheme performance will be compared with the total returns of Nifty Bank TRI.

Constituents and Impact cost of Nifty Bank Index:

Do's 21

Sr. no.	Company Name	Weights (%) as on May 31, 2024	Impact cost as on May 31, 2024
1	HDFC Bank Ltd.	29.40%	0.02
2	ICICI Bank Ltd.	23.30%	0.03
3	AXIS Bank Ltd.	9.80%	0.03
4	State Bank of India	9.70%	0.03
5	Kotak Mahindra Bank Ltd.	8.20%	0.02
6	INDUSIND Bank Ltd.	6.20%	0.03
7	Bank of Baroda	3.20%	0.05
8	Punjab National Bank	2.50%	0.05
9	AU Small Finance Bank Ltd.	2.40%	0.05
10	Federal Bank Ltd.	2.30%	0.04
11	IDFC First Bank Ltd.	2.00%	0.05
12	Bandhan Bank Ltd.	1.00%	0.04

Investment Process

The Scheme will track the underlying Index and is a passively managed scheme. The investment decisions will be determined as per the Underlying Index. In case of any change in the index due to corporate actions or change in the constituents of the Underlying Index, relevant investment decisions will be determined considering the composition of the underlying Index.

The Investment decision of the Fund will be carried out by the Fund Manager of the scheme.

Creation of Units:

'Creation Unit' is a fixed number of Units of the Scheme, which is exchanged for a predefined basket of shares underlying the index called the "Portfolio Deposit" and a "Cash Component". The facility of creating / redeeming units in Creation Unit size is available to the Authorised Participants / Market Makers.

The number of units that investors can create / redeem in exchange of the Portfolio Deposit and Cash Component, is 50,000 Units and in multiples thereof. The Portfolio Deposit and Cash Component are defined as follows:-

- a. **Portfolio Deposit:** This is a pre-defined basket of securities that represent the Underlying Index and will be defined and announced by the Fund on allotment date and on all Business Days thereafter. Portfolio Deposit can change from time to time. The Portfolio Deposit may vary on account of market movements and other related factors.
- b. **Cash Component for subscription/ redemption in Creation Unit:** The Cash Component represents the difference between the applicable net asset value of a Creation Unit and the market value of the Portfolio Deposit. This difference may include accrued IDCW, accrued annual charges including management fees and residual cash in the Scheme. In addition, the Cash Component may include transaction cost as charged by the Custodian/Depository Participant, equalization of IDCW, effect of rounding-off of number of shares in portfolio Deposit and other incidental expenses for Creating Units. The Cash Component will vary from time to time and will be computed and announced by the AMC on its website every Business Day.

Tracking Error

The extent to which the NAV of the scheme moves in a manner inconsistent with the movements of the total returns of the Nifty Bank Index on any given day or over any given period of time arising from any cause or reason whatsoever including but not limited to differences in the weightage of the investments in the securities and the weightage to such securities in the Nifty Bank Index and the time lags in deployment or realization of funds under the Scheme as compared to the movement of or within the Nifty Bank Index as well as the market liquidity, cost of trading, management and other expenses.

Tracking errors may result from a variety of factors including but not limited to:

- Any delay experienced in the purchase or sale of shares due to illiquidity of the market, settlement and realization of sale proceeds and / or the registration of any securities transferred and / or any delays in receiving cash Income Distribution cum capital withdrawal and resulting delays in reinvesting them.
- The Nifty Bank Index reflect the prices of securities at close of business hours. However, the Fund may buy or sell the securities at different points of time during the trading session at the then prevailing prices which may not correspond to the closing prices on the NSE.

- NSE Indices Limited undertakes periodic reviews of the securities that are represented in the Nifty Bank Index and from time to time may exclude existing securities or include new ones. In such an event, the Fund will endeavour to reallocate its portfolio but the available investment/ disinvestment opportunities may not permit precise mirroring of the Nifty Bank Index in a short period of time.
- The charging of expenses to the Fund including investment management fees and custodian fees.
- The potential for trades to fail which may result in the Scheme not having acquired shares at a price necessary to track the index.
- The holding of a cash position and accrued income prior to distribution and accrued expenses.
- Disinvestments to meet redemptions, recurring expenses, Income Distribution cum capital withdrawal payouts etc.

Note on Exchange Traded Funds (ETFs)

ETFs are innovative products that provide exposure to an index or a basket of securities that trade on the exchange like a single stock. ETFs tracks the performance of an index with the ability to buy/sell on an intra-day basis. ETFs are usually passively managed funds wherein subscription/redemption of units work on the concept of exchange with underlying securities.

ETFs have all the benefits of indexing such as diversification, low cost and transparency. As ETFs are listed on the exchange, costs of distribution are much lower and the reach is wider. These savings in cost are passed on to the investors in the form of lower costs. Furthermore, exchange traded mechanism helps reduce minimal collection, disbursement and other processing charges. The structure of ETFs is such that it protects long-term investors from inflows and outflows of short-term investor. This is because the fund does not bear extra transaction cost when buying/selling due to frequent subscriptions and redemptions.

Tracking Error of ETFs is likely to be low as compared to a normal index fund. Due to the Creation/Redemption of units through the in-kind mechanism the mutual fund can keep lesser funds in cash. Also, time lag between buying/selling units and the underlying shares is much lower.

ETFs are highly flexible and can be used as a tool for gaining instant exposure to the equity markets, equitising cash or for arbitraging between the cash and futures market.

Benefits of ETFs

- a. Can be easily bought / sold like any other stock on the exchange through terminals spread across the country.
- b. Can be bought / sold anytime during market hours at prices that are expected to be close to actual NAV of the Scheme. Thus, investor invests at real-time prices as opposed to end of day prices.
- c. Minimum investment for an ETF is one unit.
- d. Protects long-term investors from the inflows and outflows of short-term investors.
- e. Flexible as it can be used as a tool for gaining instant exposure to the equity markets.
- f. An investor can get a consolidated view of his investments without adding too many different account statements as the units issued would be in demat form

Risks of ETFs

- (i) **Absence of Prior Active Market:** Although the units of ETFs are listed on the Stock Exchange for trading, there can be no assurance that an active secondary market will develop or be maintained.
- (ii) **Lack of Market Liquidity:** Trading in units of ETFs on the Stock Exchange on which it is listed may be halted because of market conditions or for reasons that, in the view of the concerned Stock Exchange or Market Regulator, trading in the ETF Units is inadvisable. In addition, trading in the units of ETFs is subject to trading halts caused by extraordinary market volatility pursuant to 'circuit filter' rules. There

can be no assurance that the requirements of the concerned Stock Exchange necessary to maintain the listing of the units of ETFs will continue to be met or will remain unchanged.

- (iii) Units of Exchange Traded Funds May Trade at Prices Other than NAV: Units of ETFs may trade above or below their NAV. The NAV of Units of ETFs may fluctuate with changes in the market value of a Scheme's holdings. The trading prices of units of ETF will fluctuate in accordance with changes in their NAVs as well as market supply and demand. However, given that ETFs can be created/ redeemed in Creation Units, directly with the fund, large discounts or premiums to the NAVs will not sustain due to arbitrage possibility available.

E. WHO MANAGES THE SCHEME?

Std. obs. 10

(Consolidated Std. Obs. 33)

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.	<ul style="list-style-type: none"> • 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 Multi Asset Allocation Fund (equity portion)#

#Jointly with Mr. Nimesh Chandan

§Jointly with Mr. Ilesh Savla

Name of Fund Manager, Age and Qualifications	Work experience	Other schemes managed
Mr. Ilesh Savla 46 years MBA (Finance) (Managing the scheme since inception.)	Mr. Savla joined Bajaj Finserv Asset Management Limited (Bajaj Finserv AMC) in April 2023. Mr. Savla has over 24 years of work experience across various functions in Equity Dealing and Sales Trading / Dealing profile. Prior to Bajaj Finserv, Mr. Savla was associated with Reliance Nippon Life Insurance, Equirus Securities and Maybank KimEng Securities.	<ul style="list-style-type: none"> • Bajaj Finserv Arbitrage Fund (Equity Portion) • Bajaj Finserv Nifty 50 ETF[§]

§Jointly with Mr. Sorbh Gupta

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

Name of the Scheme	Category of Scheme
Bajaj Finserv Flexi Cap Fund	Flexi Cap Fund
Bajaj Finserv Arbitrage Fund	Arbitrage Fund
Bajaj Finserv Balanced Advantage Fund	Balanced Advantage Fund
Bajaj Finserv Nifty 50 ETF	Exchange Traded Fund
Bajaj Finserv Large and Mid Cap Fund	Large and Mid Cap Fund
Bajaj Finserv Multi Asset Allocation Fund	Multi Asset Allocation 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

The performance of the scheme as on May 31, 2024, is as follows:

Absolute Return	Scheme Returns %		Benchmark Returns (%)	
	Regular	Direct	Regular	Direct
Returns for the last 1 year	-	-	-	-
Returns for the last 3 years	-	-	-	-
Returns for the last 5 years	-	-	-	-
Returns since inception	8.67%	-	8.70%	-

Notes:

- Past performance may or may not be sustained in future.
- Benchmark: Nifty Bank TRI
- Inception Date: January 19, 2024
- Returns less than 1 year period are absolute.

H. ADDITIONAL SCHEME RELATED DISCLOSURES

- 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.):** Investors can refer to the scheme's latest portfolio from the website www.bajajamc.com.
- 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:** Investors can refer to this data on AMC website at link: https://www.bajajamc.com/mutual-fund/etf/bajaj-finserv-nifty-bank-etf#top_holding_section.
- 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.
- Portfolio Turnover Rate:** The scheme has not completed 1 year. Hence, this disclosure 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.)
		Units	NAV per unit	
1.	Scheme Fund Manager	656	49.1531	32,244.43

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

(Consolidated Std. Obs. 58)

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.

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.

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

If the net assets of the Scheme are Rs. 10,55,55,555 and units outstanding are 1,00,00,000 then the NAV per unit will be computed as follows: $10,55,55,555 / 1,00,00,000 = \text{Rs. } 10.5555$ per unit. (rounded off to four decimals) (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:

$$\begin{aligned} &= \text{Rs. } 10 * (1 - 0.01) \\ &= \text{Rs. } 9.90 \end{aligned}$$

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:

The AMC has estimated that upto 1.00% of the daily net assets of the Scheme will be charged to the scheme as expenses. As per the Regulations, the maximum recurring expenses including investment management and advisory fee that can be charged to the Scheme shall be subject to a percentage limit of daily net assets as in the table below:

The recurring expenses of operating the Scheme on an annual basis, which shall be charged to the Scheme,

are estimated to be as follows (each as a percentage per annum of the daily net assets)

Expense Head	% p.a. of daily Net Assets* (Estimated p.a.)
Investment Management & Advisory Fee	Up to 1.00
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)	
Additional expenses under Regulations 52(6A)(c)	0.00
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 1 basis points (i.e. 0.01%) 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

Do's 15

(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 subclause (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:

Daily net assets X 30 basis points X new inflows from individuals beyond top 30 cities
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.

Do's 18

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:

Don't 7

- 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.

Disclosure on Goods & Services Tax:

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	Nil

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 accepted by the Mutual Fund.

In case of redemption/switch-out 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.

There will be no exit load for units sold through the secondary market on the NSE/BSE. Investors shall note that the brokerage on sales of the units of the scheme on the stock exchanges shall be borne by the

investors.

Authorized Participant and Investor can redeem units directly with the fund at Applicable NAV based prices. Currently there is no exit load applicable for the said transactions.

However, during the process of creation/redemption there may be transaction costs and/or other incidental expenses (forming part of the Cash Component), which are liable to be borne by the investors/Authorized Participants.

- Investors can directly approach the AMC for redemption of units of the Scheme, for transaction upto INR 25 Cr. without any exit load, in case of the following scenarios:
- Traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7 continuous trading days, or
- No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or
- Total bid size on the exchange is less than half of creation unit size daily, averaged over a period of 7 consecutive trading days.

Under these circumstances, investors, as specified above and can redeem units of the Scheme directly with the the Fund/the AMC without any exit load. The Fund/the AMC will track the aforesaid liquidity criteria and display it on its website viz., www.bajajamc.com if the same is triggered, no exit load would be applicable in such cases.

The investor is requested to check the prevailing load structure of the Scheme before investing. Any imposition or enhancement in the load shall be applicable on prospective investments only. Units issued on reinvestment of IDCW shall not be subject to entry and exit load.

Subject to the Regulations, the Trustee reserves the right to modify/alter the load structure on the Units subscribed/redeemed on any Business Day. At the time of changing the load structure, the AMC / Mutual Fund may adopt the following procedure:

- (i) The addendum detailing the changes will be attached to Scheme Information Documents and key information memorandum. The addendum will be circulated to all the distributors/brokers so that the same can be attached to all Scheme Information Documents and key information memoranda already in stock.
- (ii) Arrangements will be made to display the addendum in the Scheme Information Document in the form of a notice in all the investor service centres and distributors/brokers office.
- (iii) The introduction of the exit load along with the details will be stamped in the acknowledgement slip issued to the investors on submission of the application form and will also be disclosed in the statement of accounts issued after the introduction of such load.
- (iv) A public notice shall be provided on the website of the AMC in respect of such changes.

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.

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 point of acceptance of transactions and distributor's/broker's office.
3. The introduction of the exit load alongwith 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.

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:

1. Scheme Specific Risk Factors for Bajaj Finserv Nifty Bank ETF

The Scheme is subject to the principal risks described below. Some or all of these risks may adversely affect Scheme's NAV, trading price, yield, total return and/or its ability to meet its objectives.

Passive Investments

The Scheme is not actively managed. The Scheme may be affected by a general decline in the Indian markets relating to its Underlying Index. The Scheme invests in the securities included in its Underlying Index regardless of their investment merit. The AMC does not attempt to individually select stocks or to take defensive positions in declining markets.

2. Risks associated with investing in equities:

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 Schemes' investments is inherently restricted by trading volumes in the securities in which it invests.

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 Governments, 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.

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's to make intended securities purchases due to settlement problems could cause the Scheme to miss certain investment opportunities.

The scheme will also be vulnerable to movements in the prices of securities invested by the scheme which again could have a material bearing on the overall returns from the scheme.

Market Risk

The Scheme's NAV will react to the stock market movements. The Investor could lose money over short periods due to fluctuation in the Scheme's NAV in response to factors such as economic and

political developments, changes in interest rates and perceived trends in stock prices and market movements, and over longer periods during market downturns.

Market Trading Risks

- **Absence of Prior Active Market:** Although units of the Scheme are listed on the Exchange, there can be no assurance that an active secondary market will develop or be maintained.
- **Lack of Market Liquidity:** Trading in units of the Scheme 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 units of the Scheme is not advisable. In addition, trading in units of the Scheme is subject to trading halts caused by extraordinary market volatility and pursuant to NSE/BSE and SEBI “circuit filter” rules. There can be no assurance that the requirements of the Market necessary to maintain the listing of units of the Scheme will continue to be met or will remain unchanged.
- **Units of the Scheme may trade at Prices other than NAV:** Units of the Scheme may trade above or below its NAV. The NAV of the Scheme will fluctuate with changes in the market value of Scheme’s holdings. The trading prices of units of the Scheme will fluctuate in accordance with changes in their NAVs as well as market supply and demand of units of the Scheme. However, given that units can be created and redeemed directly with the Fund if the subscription / redemption amount is greater than Rs. 25 cr., it is expected that large discounts or premiums to the NAVs of the Scheme will not sustain due to arbitrage possibility available.
- **Regulatory Risk:** 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. Although, the units are listed on NSE/BSE, the AMC and the Trustees will not be liable for delay in listing of Units of the Scheme on the stock exchanges / or due to connectivity problems with the depositories due to the occurrence of any event beyond their control.
- **Settlement Risk:** In certain cases, settlement 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 as in certain cases, settlement periods may be extended significantly by unforeseen circumstances. Similarly, the inability to sell securities held in the Scheme portfolio may result, at times, in potential losses to the Scheme, and there can be a subsequent decline in the value of the securities held in the respective Scheme’s portfolio.
- **Right to Limit Redemptions:** The Trustee, in the general interest of the Unit holders of the Scheme offered in this Document and keeping in view the unforeseen circumstances / unusual market conditions, may limit the total number of Units which can be redeemed on any Business Day. The same shall be in accordance with SEBI Master Circular for Mutual Funds dated May 19, 2023 with respect to Restriction on redemption in Mutual Funds.
- **Portfolio Concentration Risk:** To the extent that the Scheme may concentrate its investments in the securities of certain companies/ sectors, the Scheme will therefore be subject to the risks associated with such concentration. In addition, the Scheme may be exposed to higher levels of volatility and risk than would generally be the case in a more diverse fund portfolio of equity securities. Such risks may impact the Scheme to the extent that it invests in particular companies/sectors even in cases where the investment objective is more generic.
- **Volatility Risk** The equity markets and derivative markets are volatile and the value of securities, derivative contracts and other instruments correlated with the equity markets may fluctuate dramatically from day to day. This volatility may cause the value of investment in the Scheme to decrease.

- **Redemption Risk** All direct transactions in units of the Scheme by MMs/Aps or other eligible investors with the AMC/the Fund shall be at intra-day NAV based on the actual execution price of the underlying portfolio. Any order placed for redemption or subscription directly with the AMC must be of greater than Rs. 25 Cr. The aforesaid threshold shall not be applicable for Aps/MMs and shall be periodically reviewed. Investors can transact in the units of the Scheme directly with the AMC if the subscription amount is more than Rs. 25 Cr. In the respective creation unit size.
- **Passive Investments** – The Scheme is not actively managed. The Scheme may be affected by a general decline in the Indian markets relating to its Underlying Index. The Scheme invests in the securities included in its Underlying Index regardless of their investment merit. The AMC does not attempt to individually select stocks or to take defensive positions in declining markets.
- **Tracking Error and Tracking Difference Risk** – The AMC would monitor the tracking error of the Scheme on an ongoing basis and would seek to minimize tracking error to the maximum extent possible. Under normal circumstances, the AMC will endeavour that the tracking error of the Scheme does not exceed 2% per annum. However, this may vary due to various reasons mentioned below or any other reasons that may arise and particularly when the markets are very volatile.

(Consolidated std. obs. 10)

Factors such as the fees and expenses of the Scheme, Corporate Actions, Cash balance, changes to the Underlying Index and regulatory policies may affect AMC's ability to achieve close correlation with the Underlying Index of respective Scheme. The Scheme' returns may therefore deviate from those of their Underlying Index. "Tracking Error" is defined as the standard deviation of the difference between daily returns of the index and the NAV of the respective Scheme. Tracking Difference" is the annualized difference of daily returns between the Index and the NAV of the scheme (difference between fund return and the index return). Tracking Error and Tracking difference may arise including but not limited to the following reasons:

- Expenditure incurred by the Scheme.
- The funds may not be invested at all times as it may keep a portion of the funds in cash to meet redemptions or for corporate actions of securities in the index.
- Any delay experienced in the purchase or sale of shares due to illiquidity of the market, settlement and realization of sale proceeds and the registration of any securities transferred and any delays in receiving cash and scrip dividends and resulting delays in reinvesting them
- The underlying index reflects the prices of securities at close of business hours. However, the Fund may buy or sell the securities at different points of time during the trading session at the then prevailing prices which may not correspond to the closing prices on the exchange.
- The potential for trades to fail which may result in the Scheme not having acquired shares at a price necessary to track the index.
- The holding of a cash position and accrued income prior to distribution and accrued expenses.
- Disinvestments to meet redemptions, recurring expenses, dividend payouts etc.
- Securities trading may halt temporarily due to circuit filters.
- Corporate actions such as rights, merger, change in constituents etc.
- Rounding off quantity of shares underlying the index.
- Index providers undertake a periodical review of the scrips that comprise the Underlying Index and may either remove or include new scrips. In such an event, the Scheme will endeavour to reallocate its portfolio but the available investment opportunity may not permit absolute mirroring immediately.

3. Risks associated with investing in fixed income:

- **Interest Rate risk:** This risk is associated with movements in interest rate, which depend on various factors such as government borrowing, inflation, economic performance etc. The values of investments will appreciate/depreciate if the interest rates fall/rise.
- **Credit risk:** This risk arises due to any uncertainty in counterparty's ability or willingness to meet its contractual obligations. This risk pertains to the risk of default of payment of principal and interest
- **Liquidity risk:** The liquidity of a security may change depending on market conditions leading to changes in the liquidity premium linked to the price of the security. At the time of selling the security, the security can become illiquid leading to loss in the value of the portfolio

4. Risks associated with investing in foreign securities Std. obs. 3 (Consolidated Std. Obs. 11)

The Scheme will not invest in ADR/GDR/Foreign securities.

5. Risks associated with investing in derivatives Do's 26 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 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. 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. 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.

6. Risks associated with investing in securitised debt:

The Scheme will not invest in Securitized Debt.

7. Risks associated with 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 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.

10. 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.

11. Risk associated with investing in companies forming part of Nifty Index:

The scheme tracks benchmark index which comprises of stocks forming part of Nifty Bank TRI. The scheme being passively managed invests in stocks of the underlying index. In addition, the scheme may be subject to following sector specific risks including but not limited to:

1. Composition of NIFTY BANK includes companies with highest float adjusted market capitalization. The Index broadly covers major sectors. However, few subsectors/industries may not be part of Nifty Bank index. The scheme being passively managed will invest in index constituents.
2. Since, the composition is based on market capitalization, there may be possibility that certain sector(s) have significant concentration. Scheme being passively managed will invest in index constituents.

Apart from the risk factors mentioned above, the scheme is exposed to certain specific risks, which are as mentioned below –

- (i) Performance of the underlying Index will have a direct bearing on the performance of the Scheme. In the event when the index is dissolved or is withdrawn, the Trustee reserves a right to modify the Scheme so as to track a different and suitable index and appropriate intimation will be sent to the unitholders of the Scheme.
- (ii) Tracking errors are inherent in any ETF and such errors may cause the Scheme to generate returns which are not in line with the performance of the Index or one or more securities covered by / included in the Index.
- (iii) In case of investments in derivative instruments, the risk/ reward would be the same as investments in portfolio of shares representing an index. However, there may be a cost attached to buying an index future. Further, there could be an element of settlement risk, which could be different from the risk in settling physical shares and there is a risk attached to the liquidity and the depth of the index futures market as it is relatively new market for Index and also it is relatively less popular as compared to the Index.
- (iv) In the event of the index mentioned above, is dissolved or is withdrawn by NSE Indices Limited (NSE Indices) or is not published due to any reason whatsoever, the Trustee reserves the right to modify the Scheme so as track a different and suitable index or to suspend tracking the Nifty till such time it is dissolved/ withdrawn or not published and appropriate intimation will be sent to the Unitholders of the Scheme. In such a case, the investment pattern will be modified suitably to match the composition of the securities that are included in the new index to be tracked and the Scheme will be subject to tracking errors during the intervening period.

C. Risk mitigation strategies:

Do's 16

(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
<p>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 price movements up or down in fixed income securities and thereby to possible movements in the NAV.</p>	<p>The Scheme may invest primarily in money market instruments having a residual maturity upto 91 days thereby mitigating the price volatility due to interest rate changes generally associated with long-term securities</p>
<p>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).</p>	<p>The Scheme may invest in money market instruments having relatively shorter maturity. While the liquidity risk for short maturity securities may be low, it may be high in case of medium to long maturity securities.</p>
<p>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).</p>	<p>Management 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.</p>

Risks associated with Equity investment

Risk Description	Risk Mitigants/management strategy
<p>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.</p>	<p>Market risk is inherent to an equity scheme. Being a passively managed scheme, it will invest in the securities included in its Underlying Index.</p>
<p>Liquidity risk The liquidity of the scheme's investments is inherently restricted by trading volumes in the securities in which it invests.</p>	<p>As such the liquidity of stocks that the scheme invests into could be relatively low. The fund will try to maintain a proper asset-liability match to ensure redemption / Maturity payments are made</p>

	on time and not affected by illiquidity of the underlying stocks.
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.
Tracking Error risk (Volatility/ Concentration risk): The performance of the Scheme may not be commensurate with the performance of their underlying Index viz. Nifty Bank TRI on any given day or over any given period.	Over a short to medium period, scheme may carry the risk of variance between portfolio composition and Benchmark. The objective of the Scheme is to track the performance of the Underlying Index over the same period, subject to tracking error. The Scheme would endeavor to maintain a low tracking error by actively aligning the portfolio in line with the index.

II. Information about the scheme:

A. Where will the scheme invest –

Std. obs. 15

(Consolidated Std. Obs. 29)

The corpus of the Scheme will be invested in equity and equity related products & in debt and money market instruments. Subject to the Regulations, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities / instruments:

1. Equity and Equity related instruments belonging to Nifty Bank index.
2. Equity Derivatives
3. Debt securities and money market instruments including G-Sec/T-Bills/Cash Management Bills and CBLO/Repo/Reverse Repo

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.

4. Certificate of Deposits (CDs).
5. Commercial Paper (CPs).

6. Any other securities / instruments as may be permitted by SEBI from time to time, subject to regulatory approvals if any.

Do's 37

The securities mentioned above could be listed, privately placed, secured, unsecured and of any maturity. The securities may be acquired through secondary market operations, private placement, rights offers or negotiated deals.

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.

Do's 13

The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.

The Scheme may participate in securities lending as permitted under the Regulations, from time to time.

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 TREPS.

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. 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)

3. 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.
4. 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.
5. 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.
6. 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.
7. The scheme shall not invest in Fund of Funds scheme.
8. 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.
9. No mutual fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any company.

10. No loans for any purpose can be advanced by the scheme.
11. Being an index tracking scheme, the upper ceiling on investments may be in accordance with the weightage of the scrips in the representative sectoral index (Nifty Bank Index).
12. All investments by the Scheme in equity shares and equity related instruments shall only be made provided such securities are listed or to be listed.
13. 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.
14. 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.
15. 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.

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** – the Scheme is listed on NSE and BSE.
- **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 at least 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):

ABOUT THE UNDERLYING INDEX NIFTY BANK

Do's 29

Do's 1

The Nifty Bank Index comprises of the most liquid and large Indian Banking stocks. It provides investors and market intermediaries a benchmark that captures the capital market performance of the Indian banks. The Index comprises of maximum 12 companies listed on National Stock Exchange of India (NSE).

Criteria for Selection of constituent stocks:

Eligibility Criteria for Selection of Constituent Stocks:

1. Companies should form part of Nifty 500 at the time of review. In case, the number of eligible stocks representing a particular sector within Nifty 500 falls below 10, then deficit number of stocks shall be selected from the universe of stocks ranked within top 800 based on both average daily turnover and average daily full market capitalisation based on previous six months period data used for index rebalancing of Nifty 500.
2. Companies should form a part of the Banking sector.
3. The company's trading frequency should be at least 90% in the last six months.
4. The company should have a listing history of 6 months. A company which comes out with an IPO will be eligible for inclusion in the index, if it fulfills the normal eligibility criteria for the index for a 3 month period instead of a 6 month period.
5. Companies that are allowed to trade in F&O segment are only eligible to be constituent of the index.
6. Final selection of 12 companies shall be done based on the free-float market capitalization of the companies.

7. Weightage of each stock in the index is calculated based on its free-float market capitalization such that no single stock shall be more than 33% and weightage of top 3 stocks cumulatively shall not be more than 62% at the time of rebalancing

Index Re-Balancing:

Index is re-balanced on semi-annual basis. The cut-off date is January 31 and July 31 of each year, i.e. For semi-annual review of indices, average data for six months ending the cut-off date is considered. Four weeks prior notice is given to market from the date of change.

E. Principles of incentive structure for market makers (for ETFs):

The broad principles on which the AMC would determine the compensation would include the trading volume, generating liquidity in the market, bid-ask spread in units of ETFs, expense ratio of the ETFs and such other information as may be required to formalize performance based incentive structure.

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	<p>The Units of the Scheme are listed on the National Stock Exchange of India Limited (NSE) and / or BSE Limited (BSE).</p> <p>The Units can be purchased / sold during the trading hours like any other publicly traded stock, until the date of suspension of trading by stock exchange(s) where the Scheme will be listed.</p> <p>The Mutual Fund may at its sole discretion list the Units of the Scheme on any other recognized Stock Exchange(s) at a later date.</p> <p>The AMC/Trustee reserves the right to delist the Units of the Scheme from a particular stock exchange provided the Units are listed on atleast one stock exchange.</p> <p>The price of the Units in the market will depend on demand and supply at that point of time.</p> <p>The Units of the Scheme are available only in dematerialized (electronic) form. Investors intending to invest in Units of the ETF will be required to have a beneficiary account with a Depository Participant (DP) of NSDL/ CDSL and will 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 directly from the fund in Creation Unit Size.</p> <p>The Units of the Scheme will be issued, traded and settled</p>
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	<p>compulsorily in dematerialized (electronic) form.</p> <p>The Units allotted will be credited to the Demat account of the unitholder as per the details provided in the application form. Units held in demat form are freely transferable.</p>
<p>Dematerialization of units (Consolidated Std. Obs. 57(b))</p>	<ol style="list-style-type: none"> 1. Units of the Scheme will be available only in the Dematerialized form. 2. The applicant under the Scheme will be required to have a beneficiary account with a Depository Participant of NSDL/CDSL and will be required to indicate in the application the DP's name, DP ID Number and its beneficiary account number with DP. 3. The units of the Scheme are to be issued/ repurchased and traded compulsorily in dematerialized form, no request for rematerialisation of units of the Scheme will be accepted. 4. Applications without relevant details of their depository account are liable to be rejected.
<p>Allotment (Detailed procedure)</p> <div style="border: 1px solid black; width: fit-content; padding: 2px; margin: 10px auto;">Std. obs. 18</div> <p>(Consolidated Std. Obs. 60)</p>	<ul style="list-style-type: none"> • 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. • 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.

	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ 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. ○ 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: <ul style="list-style-type: none"> ○ Investors having mutual fund investments and holding securities in demat account shall receive a single CAS from the Depository. ○ 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. ○ 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. ○ 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.
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	<ul style="list-style-type: none"> • 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.
<p>Who can invest</p> <p>This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.</p>	<p>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):</p> <ul style="list-style-type: none"> • 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 • Schemes managed by Employee Provident Fund Organisation, India. • Recognised Provident Funds, approved gratuity funds and approved superannuation funds under the Income Tax Act, 1961. • Any other category of investor who may be notified by Trustees from time to time by display on the website of the AMC. <p>Every investor, depending on any of the above category under which he/she/ it/they fall are required to provide relevant documents along with the application form as may be prescribed by AMC.</p>
<p>Who cannot invest</p>	<p>The following persons are not eligible to invest in the scheme and apply for subscription to the units of the scheme:</p>

	<ul style="list-style-type: none"> • 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 <p>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.</p>
<p>How to Apply and other details (Consolidated Std. Obs. 35)</p>	<p>Investor can obtain application form / Key Information Memorandum (KIM) from Bajaj Finserv AMC branch offices, Investor services centers and RTA’s (Kfin) branch office.</p> <p>Investors can also download application form / Key Information Memorandum (KIM) from our website (www.bajajamc.com)</p> <p>Please refer to the SAI and Application form for the instructions.</p> <p>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</p> <p>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</p>

<p>(Consolidated Std. Obs. 61)</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 10px auto;">Std. obs. 19</div>	<p>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.</p>
<p>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.</p>	<p>This is not applicable for the scheme.</p>
<p>Restrictions, if any, on the right to freely retain or dispose of units being offered.</p>	<p>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.</p> <p>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.</p>
<p>Cut off timing for subscriptions/ redemptions/ switches</p> <p>This is the time before which your application (complete in all respects) should reach the official points of acceptance.</p>	<p>Cut off timing for subscriptions/ redemptions/ switches (Switch-out):</p> <p>The Scheme is Exchange Traded fund (ETF) and the units of the Scheme will be listed on the stock exchanges. In the interest of the investors/ unitholders, the operational processes of the Scheme with respect to all the provisions of “Uniform cut-off timings for applicability of Net Asset Value (NAV)” issued by SEBI from time to time shall stand modified.</p> <p>Cut-Off Timing for Subscriptions/ Redemptions/ Switches (Switch-out) for the Scheme:</p> <p>The Fund may allow subscription/redemption/switches (Switch-out) in ‘Creation Unit’ Size and in multiples thereof by Market Maker based on the Portfolio Deposit/equivalent amount of cash and Cash Component as defined by the Fund for that respective Business Day. The Cut-off time for receipt of valid application for subscriptions/ redemptions/ switches (Switch-out) is 3.00 p.m. on any business day.</p> <p>Note: For the purpose of this section, the terms ‘Cash’ means RTGS, NEFT or transfer Cheque. In order to enhance liquidity in units of ETFs on stock exchange platform, it has been decided that direct transaction with AMC shall be facilitated for investors only for transactions above a specified threshold. In this regard, to begin with any order placed for redemption or subscription directly with the AMC must be of greater than INR 25 Cr. The</p>

	<p>aforesaid threshold shall not be applicable for MMs and shall be periodically reviewed.</p>
<p>Minimum amount for purchase/redemption/switches (mention the provisions for ETFs, as may be applicable, for direct subscription/redemption with AMC.)</p>	<p>Fresh Purchase (lumpsum):</p> <p>On Stock Exchange(s): Investor can buy / sell units of the Scheme in round lot of 1 unit and in multiples thereof.</p> <p>Directly with the Mutual Fund: Market Maker can buy/sell units of the Scheme in Creation Unit Size viz. 50,000 units and in multiples thereof.</p> <p>An investor can buy / sell units on a continuous basis in the normal market segment of National Stock Exchange of India Limited (NSE)/ BSE Limited during the trading hours like any other publicly traded stock at prices which are quoted on NSE/BSE. These prices may be close to the actual NAV of the Scheme. There is no minimum investment, although units are to be purchased in lots of 1 unit.</p> <p>All direct transactions in units of the Scheme by MMs or other eligible investors with the AMC/the Fund shall be at intra-day NAV based on the actual execution price of the underlying portfolio.</p> <p>Any order placed for redemption or subscription directly with the AMC must be of greater than INR 25 Cr. The aforesaid threshold shall not be applicable for MMs and shall be periodically reviewed.</p> <p>An investor can buy/ sell units on a continuous basis in the normal market segment of National Stock Exchange of India Limited (NSE)/ BSE Limited or any other stock exchange where the Scheme will be listed, during the trading hours like any other publicly traded stock at prices which are quoted on the stock exchanges. These prices may be close to the actual NAV of the Scheme. There is no minimum investment, although units are to be purchased in lots of 1 (one) unit.</p> <p>The threshold of Rs. 25 crores for direct transaction in the units of the Scheme with the AMC. Investors can therefore transact in the units of the Scheme directly with the AMC in the respective creation unit size as applicable in the SID.</p> <p>Minimum Redemption: 1 unit and in multiples thereof.</p> <p>Large Investors can redeem units directly with the fund at Applicable NAV based prices if the redemption amount is greater</p>

	<p>than Rs. 25 cr.</p> <p>During ongoing offer switch into the scheme is not applicable.</p> <p>Two-Factor Authentication will be applicable for subscription as well as redemption transactions in the units of Mutual Fund.</p>
<p>Accounts Statements</p> <p>(Consolidated Std. Obs. 60)</p> <p>Std. obs. 18</p>	<p>For allotment undertaken in demat form, the account statement shall be sent by the depository / depository participant and not by the AMC. For NFO allotment in demat form, the AMC shall issue units in dematerialized form to a unit holder within two working days of the receipt of request from the investor.</p> <p>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.</p>
<p>Redemption</p>	<p>The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase.</p> <p>For list of exceptional circumstances refer para 14.1.3 of SEBI Master Circular for Mutual Funds dated May 19, 2023.</p>
<p>Bank Mandate</p> <p>(Consolidated Std. Obs. 61)</p> <p>Std. obs. 19</p>	<p><u>Bank Mandate Requirement</u></p> <p>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.</p> <ol style="list-style-type: none"> 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

	<p>code of the bank branch. The letter should not be older than 3 months.</p> <p>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.</p> <p>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.</p> <p>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.</p>
<p>Delay in payment of redemption / repurchase proceeds/dividend</p>	<p>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.</p> <p>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.</p> <p>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.</p>
<p>Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount (Consolidated Std. Obs. 52)</p>	<p>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,</p>

	<p>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.</p>
<p>Disclosure w.r.t investment by minors (Consolidated Std. Obs. 37)</p>	<p>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.</p> <p>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.</p>
<p>Risk-o-meter (Consolidated Std. Obs. 38)</p>	<p>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.</p>
<p>Scheme Summary Document (Consolidated Std. Obs. 38)</p>	<p>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).</p>

<p>Minimum balance to be maintained and consequences of non maintenance</p> <p>(Consolidated Std. Obs. 36)</p>	<p>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.</p>
<p>Option to hold units in Demat form</p> <p>(Consolidated Std. Obs. 57(a))</p>	<p>The Units of the Scheme are available only in dematerialized (electronic) form. Investors intending to invest in Units of the ETF will be required to have a beneficiary account with a Depository Participant (DP) of NSDL/ CDSL and will 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 directly from the fund in Creation Unit Size.</p> <p>The Units of the Scheme will be issued, traded and settled compulsorily in dematerialized (electronic) form.</p> <p>The Units allotted will be credited to the Demat account of the unitholder as per the details provided in the application form. Units held in demat form are freely transferable.</p>
<p>Nomination Facility</p>	<ul style="list-style-type: none"> • 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. <p>For more information, please refer SAI.</p>
<p>Ongoing Offer Period</p> <p>This is the date from which the scheme will reopen for subscriptions/redemptions after the</p>	<p>Directly with the Fund:</p> <p>a. Subscription (Purchase)</p> <p>The Fund may allow purchases of units of the Scheme in 'Creation</p>

<p>closure of the NFO period.</p>	<p>Unit' size or multiples thereof in exchange of the Portfolio Deposit/equivalent amount of cash and Cash Component by Market Maker/Authorised Participants.</p> <p>b. Redemption (Sale)/Switch-out The Fund will redeem units only in Creation Unit size or in multiples thereof, in exchange of the Portfolio Deposit/equivalent amount of Cash and Cash Component. Note: For the aforesaid purpose, the terms 'Cash' means RTGS, NEFT or transfer Cheque. The subscription & redemption of units would be based on the portfolio deposit & cash component as defined by the fund for the respective business day. Market Maker can sell units in less than Creation Unit Size of the Scheme directly to the Mutual Fund without any exit load in certain cases. Kindly refer to section on "Loads" for more details.</p> <p>On Stock Exchange: The units of the Scheme are listed on NSE/BSE to provide liquidity through secondary market. The Scheme may also be listed on any other exchanges subsequently. All categories of Investors may purchase the units through secondary market on any Trading Day at the prevailing price (plus transaction handling charges) on the stock exchange)</p> <p>The threshold of Rs. 25 crore for direct transaction (subscription and redemption) in the units of the Scheme with the AMC. Investors can therefore transact in the units of the Scheme directly with the AMC in the respective creation unit size as applicable in the SID.</p>
<p>Ongoing price for subscription (purchase) (from other schemes/plans of the mutual fund) by investors. This is the price you need to pay for subscription.</p>	<p>The Authorized Participant(s)/ Market Maker(s) can subscribe/redeem the units of the Scheme directly with the Fund only in creation unit size and in multiples thereof. The subscription & redemption of units would be based on the portfolio deposit & cash component as defined by the Fund for the respective business day. The Fund may allow cash purchases/cash redemption of the units of the Scheme in Creation Unit Size by Market Maker (s)/Authorized Participant(s).</p> <p>Purchase/redemption request shall be made by Market Maker to the Fund whereupon the Fund shall arrange to buy/sell the underlying portfolio of securities on behalf of the investor. In case of shares bought and sold by the AMC on behalf of the investor, entire proceeds of portfolio deposit and other cost and charges related to the purchase and sale of basket of underlying securities for servicing the subscription or redemption transaction would be borne by the investor.</p> <p>The units are listed on the BSE & NSE to provide liquidity through secondary market. It may also list on any other exchanges</p>

subsequently. All categories of Investors may purchase the units through secondary market on any trading day. The AMC will appoint market makers/Authorized Participant(s) to provide liquidity in secondary market on an ongoing basis. The Authorized Participant(s)/Market Makers envisage to offer daily two-way quote on exchange.

The AMC will not extend credit facility to the Authorized Participants. Authorized participants or Market Makers will get the NAV as and when they bring the Portfolio Deposit/ equivalent amount of cash and Cash Component. There is no exit load currently. However, transaction charges payable to Custodian/ Depository Participants, and other incidental charges relating to conversion of units into basket of securities may be deducted from redemption proceeds. The charges will be notified on www.bajajamc.com from time to time. Investors other than Market Maker may redeem units at the market price plus transaction handling charges on stock exchange.

For more details on Loads refer section on 'Loads'.

Example: An investor invests Rs 20,000/- and the current NAV is Rs. 20/- then the purchase price will be Rs. 20/- and the investor receives $20000/20 = 1000$ units.

Directly with the Fund:

a. Subscription (Purchase)

The Fund may allow purchases of units of the Scheme in 'Creation Unit' size or multiples thereof in exchange of the Portfolio Deposit/equivalent amount of cash and Cash Component by Market Maker.

b. Redemption (Sale)/Switch-out

The Fund will redeem units only in Creation Unit size or in multiples thereof, in exchange of the Portfolio Deposit/equivalent amount of Cash and Cash Component.

Note: For the aforesaid purpose, the terms 'Cash' means RTGS, NEFT or transfer Cheque. The subscription & redemption of units would be based on the portfolio deposit & cash component as defined by the fund for the respective business day.

Investors can sell units in less than Creation Unit Size of the Scheme directly to the Mutual Fund in the following cases:

- if the traded price of the ETF units is at a discount of more than 3% to the NAV for continuous 30 days;
- if discount of bid price to applicable NAV is more than 3% over a period of 7 consecutive trading days;
- if no quotes are available on exchange for 3 consecutive trading days;

	<ul style="list-style-type: none"> • when the total bid size on the exchange(s) is less than half creation unit size daily, averaged over a period of 7 consecutive trading days. <p>Under these circumstances, investors, as specified above, can redeem units of the Scheme directly with the fund house without any payment of exit load. In case of redemptions by NRIs, requisite TDS will be deducted from the respective redemption proceeds.</p> <p>The aforesaid criteria for the direct redemption with the fund house are also available at the website of the AMC at www.bajajamc.com. The mutual fund will track aforesaid liquidity criteria and display it on its website viz., www.bajajamc.com if the same is triggered, no exit load would be applicable in such cases.</p> <p>On Stock Exchange:</p> <p>The units of the Scheme are listed on NSE and BSE to provide liquidity through secondary market. The Scheme may also be listed on any other exchanges subsequently. All categories of Investors may purchase the units through secondary market on any Trading Day at the prevailing price (plus transaction handling charges) on the stock exchanges.</p>
<p>Ongoing price for redemption (sale) / switch outs (to other schemes/plans of the Mutual Fund) by investors. This is the price you will receive for redemptions/switch outs.</p>	<p>The Redemption Price of the Units will be based on the Applicable NAV subject to the prevalent exit load provisions. The Redemption Price of the Units will be computed as follows:</p> <p>Redemption Price = Applicable NAV * (1 – Exit Load, if any).</p> <p>Applicable exit load shall be subject to the tenure of investment of the investor in the scheme vis-à-vis the exit load structure applicable when investor had invested in the scheme.</p> <p>Example: An investor invests on April 1, 2021 when the applicable exit load for the scheme was 2% if redeemed within 1 year, else nil.</p> <p>Scenario 1) In case investor redeems before April 1, 2022, then applicable exit load would be 2%. Now suppose the same investor decides to redeem his 1000 units. The prevailing NAV is Rs 25/- . Hence, the sale or redemption price per unit becomes Rs. 24.50/- i.e. $25 \times (1 - 2\%)$. The investor therefore gets $1000 \times 24.50 = \text{Rs. } 24,500/-$. Scenario</p> <p>2) In case investor redeems on or after April 1, 2022, then applicable exit load would be nil. Now suppose the same investor decides to redeem his 1000 units. The prevailing NAV is Rs 30/- . Hence, the sale or redemption price per unit will be Rs. 30/- i.e. $30 \times (1 - 0)$. The investor therefore gets $1000 \times 30 = \text{Rs. } 30,000/-$.</p>

<p>(Consolidated Std. obs. 47)</p> <p style="border: 1px solid black; padding: 2px; display: inline-block;">Std. obs. 17(b)</p>	<p>Directly with the Fund:</p> <p>a. Subscription (Purchase) The Fund may allow purchases of units of the Scheme in 'Creation Unit' size or multiples thereof in exchange of the Portfolio Deposit/equivalent amount of cash and Cash Component by Market Maker</p> <p>b. Redemption (Sale)/Switch-out - The Fund will redeem units only in Creation Unit size or in multiples thereof, in exchange of the Portfolio Deposit/equivalent amount of Cash and Cash Component.</p> <p>Note: For the aforesaid purpose, the terms 'Cash' means RTGS, NEFT or transfer Cheque.</p> <p>The subscription & redemption of units would be based on the portfolio deposit & cash component as defined by the fund for the respective business day.</p> <p>Market Maker can sell units in less than Creation Unit Size of the Scheme directly to the Mutual Fund without any exit load in certain cases. Kindly refer to section on "Loads" for more details.</p> <p>On Stock Exchange: The units of the Scheme are listed on NSE/BSE to provide liquidity through secondary market. The Scheme may also be listed on any other exchanges subsequently. All categories of Investors may purchase the units through secondary market on any Trading Day at the prevailing price (plus transaction handling charges) on the stock exchanges.</p> <p>As required under the Regulations, the Fund will ensure that the Redemption Price is not lower than 95% of the NAV provided that the difference between the Redemption Price and Purchase Price of the Units shall not exceed the permissible limit of 5% of the Purchase Price.</p>
<p>Settlement of Purchase / Sale on stock exchange(s)</p>	<p>Buying/ Selling units of the Scheme on the stock exchange is similar to buying / selling any other listed securities. If an investor has bought units, the investor has to pay the purchase amount to the broker / subbroker such that the amount paid is realized before funds pay-in day of the settlement cycle on the exchange. If an investor has sold units, the investor has to deliver the units to the broker/ sub-broker before the securities pay-in day of the settlement cycle on the exchange. The units (in case of units bought) and the funds (in the case of units sold) are paid out to the broker on the payout day of the settlement cycle on the exchange. The trading member would pay the money or units to the investor in accordance with the time prescribed by the stock exchange regulation. If an investor has bought units, he/she should give standing instructions for 'Delivery-In' to his/her DP for accepting units in his/her beneficiary account. An investor should give the details of his/her beneficiary account and the DP-ID of</p>

	<p>his/her DP to his/her trading member. The trading member will transfer the units directly to his/her beneficiary account on receipt of the same from exchange's clearing corporation.</p> <p>An investor who has sold units should instruct his/her Depository Participant (DP) to give 'Delivery Out' instructions to transfer the units from his/her beneficiary account to the Pool Account of his/her trading member through whom he/she has sold the units. The details of the Pool Account of investor's trading member to which the units are to be transferred, unit quantity, etc. should be mentioned in the delivery out instructions given by him/her to the DP. The instructions should be given well before the prescribed securities pay-in day. SEBI has advised that the delivery out instructions should be given atleast 24 hours prior to the cut off time for the prescribed securities pay in to avoid any rejection of instructions due to data entry errors, network problems, etc.</p> <p>All investors including Authorized Participants, Investors and other investors may sell their units in the stock exchange(s) on which these units are listed on all the Trading Days of the stock exchange. The Mutual Fund will repurchase units from Authorized Participants and Investors on any Business Day provided the units offered for repurchase is not less than the Creation Unit Size and multiples thereafter.</p>
<p>Creation/Redemption of Units directly from the Fund</p>	<p>The Authorised Participants and Market Maker can directly buy/sell with the funds in Creation Unit Size as follows:-</p> <p>Directly with the Fund:</p> <p>Subscription (Purchase) The Fund may allow purchases of units of the Scheme in 'Creation Unit' size or multiples thereof in exchange of the Portfolio Deposit/equivalent amount of cash and Cash Component by Market Maker.</p> <p>Redemption (Sale)/Switch-out The Fund will redeem units only in Creation Unit size or in multiples thereof, in exchange of the Portfolio Deposit/equivalent amount of Cash and Cash Component. Note: For the purpose of this section, the terms 'Cash' means RTGS, NEFT or transfer Cheque.</p> <p>Note: Units of the Scheme if less than Creation Unit cannot be purchased/ redeemed directly with the Fund except for certain circumstances as listed in this document. In case of redemptions by NRIs, requisite TDS will be deducted from the respective redemption proceeds.</p> <p>All direct transactions in units of the Scheme by MMs or other eligible investors with the AMC/the Fund shall be at intra-day NAV based on the actual execution price of the underlying portfolio.</p> <p>Any order placed for redemption or subscription directly with the</p>

	<p>AMC must be of greater than Rs. 25 Cr. The aforesaid threshold shall not be applicable for MM and shall be periodically reviewed.</p> <p>The threshold of Rs. 25 crore for direct transaction in the units of the Scheme with the AMC. Investors can therefore transact in the units of the Scheme directly with the AMC in the respective creation unit size as applicable in the SID.</p>
<p>Procedure for Purchasing in Creation Unit Size</p>	<p>Creation of Units</p> <p>The requisite securities constituting the Portfolio Deposit have to be transferred to the DP account of the respective Scheme on the day of receipt of the application, while the Cash Component, as applicable on that business day; has to be paid to the Fund. On confirmation of the receipt of Portfolio Deposit/ equivalent amount of cash by the Custodian/AMC, the AMC will credit the equivalent number of units of the Scheme into the investor's DP account.</p> <p>In case of cash subscription of units of the Scheme in 'Creation Unit' Size, the purchase request for creation of units shall be made by such investor to the Fund/AMC where upon the Fund/AMC will arrange to buy the underlying portfolio of securities on behalf of the investor. The cost of purchase of securities including brokerage charges, transaction handling charges and all other incidental costs/profits/losses arising out of market movement during the purchase of securities shall be borne by the investor.</p> <p>The AMC may at its discretion create "Creation Unit" prior to receipt of all or a portion of the relevant Portfolio Deposit or equivalent amount in cash and Cash Component.</p> <p>The Portfolio Deposit and Cash Component for units of the Scheme may change from time to time due to changes in the Underlying Index on account of corporate actions and changes to the index constituents.</p> <p>The creation request can be made to the AMC/ Fund in a duly filled application form. Application Forms for Creation of units can be obtained from the office of AMC.</p> <p>Note: For the aforesaid purpose, the terms 'Cash' means RTGS, NEFT or transfer Cheque</p>
<p>Procedure for Redeeming in Creation Unit Size</p>	<p>Redemption of Units:</p> <p>The requisite number of units of the Scheme equivalent to the Creation Unit lot size has to be transferred to the DP account of the respective Scheme, while the Cash Component, as applicable on that business day to be paid to the Scheme. On confirmation of the receipt of unit of the Scheme by the Custodian/AMC, the AMC shall extinguish the units and credit the Portfolio Deposit to</p>

	<p>the investor's DP account and pay the Cash Component, as applicable.</p> <p>The Fund may allow cash redemption of the units of the Scheme in Creation Unit Size. Redemption request shall be made by such investor to the Fund before the stipulated cut-off time whereupon the Fund shall arrange to sell the underlying portfolio of securities on behalf of the investor. Accordingly, the cost of sale of securities including brokerage charges, transaction handling charges and any other incidental costs/profits/losses arising out of market movement during the sale of securities shall be borne by investor. Payment will then be made to the Investor net of all the above mentioned charges.</p> <p>The Portfolio Deposit and Cash Component for the units of the Scheme may change from time to time due to changes in the Underlying Index on account of corporate actions and changes to the index constituents. Note: For the aforesaid purpose, the terms 'Cash' means RTGS, NEFT or transfer Cheque.</p> <p>Any order placed for redemption or subscription directly with the AMC must be of greater than INR 25 Cr. The aforesaid threshold shall not be applicable for MMs and shall be periodically reviewed.</p> <p>Investors can directly approach the AMC for redemption of units of the Scheme, for transaction upto INR 25 Cr. without any exit load, in case of the following scenarios:</p> <ul style="list-style-type: none"> i. Traded price (closing price) of the Scheme units is at discount of more than 1% to the day end NAV for 7 continuous trading days, or ii. No quotes for the Scheme are available on stock exchange(s) for 3 consecutive trading days, or iii. Total bid size on the exchange is less than half of creation units' size daily, averaged over a period of 7 consecutive trading days. <p>In case of the above scenarios, applications received from investors for redemption up to 3.00 p.m. on any trading day, shall be processed by the AMC at the closing NAV of the day.</p> <p>The threshold of Rs. 25 crore for direct transaction in the units of the Scheme with the AMC. Investors can therefore transact in the units of the Scheme directly with the AMC in the respective creation unit size as applicable in the SID.</p>
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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	<p>Investor should ensure to do the following to change the status to Registered:</p> <ol style="list-style-type: none"> 1. to complete PAN Aadhaar Seeding; 2. update email id / mobile and validate; 3. re-submit the pending documents to KRA; <p>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.</p>

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 at least 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.

• **Stamp Duty:**

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 Gains² 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

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

²Section 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.

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

⁴In 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.

⁵In 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%.

⁶Short 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.

⁷Section 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