



**FINSERV**

**KEY INFORMATION MEMORANDUM**

**Bajaj Finserv Nifty Bank ETF**

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	
Scheme	Benchmark
<p>Investors understand that their principal will be at very high risk</p>	<p>Nifty Bank TRI</p>

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 <sup>th</sup> floor, E-core, Solitaire Business Park, Viman Nagar, Pune – 411014	Address: S. No. 208/1B, Lohagaon, Viman Nagar, Pune – 411014 (registered office) 8 <sup>th</sup> 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 <sup>th</sup> floor, E-core, Solitaire Business Park, Viman Nagar, Pune – 411014 (corporate office)
<a href="http://www.bajajamc.com">www.bajajamc.com</a>	<a href="http://www.bajajamc.com">www.bajajamc.com</a>	<a href="http://www.bajajamc.com">www.bajajamc.com</a>

This Key Information Memorandum (KIM) sets forth the information, which a prospective investor ought to know before investing. **For further details of the scheme/Mutual Fund, due diligence certificate by the AMC, Key Personnel, investors' rights & services, risk factors, penalties & pending litigations etc. investors should, before investment, refer to the Scheme Information Document and Statement of Additional Information available free of cost at any of the Investor Service Centres or distributors or from the website [www.bajajamc.com](http://www.bajajamc.com).**

**The Scheme particulars have been prepared in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations 1996, as amended till date, and filed with Securities and Exchange Board of India (SEBI). The units being offered for public subscription have not been approved or disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of this KIM.**

This Key Information Memorandum is dated September 25, 2024

<b>Investment Objective</b>	<p>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.</p> <p>However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved</p>
<b>Scheme code</b>	BFAM/O/O/EET/23/12/0009

Asset Allocation Pattern of the scheme	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*	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. 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.

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.

**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	Clause 12.11 of SEBI Master Circular for Mutual Funds dated June 27, 2024
2.	Equity Derivatives for non- hedging	Upto 20% of total assets of the	Clause 12.25 of SEBI Master Circular for Mutual

	purposes	scheme	Funds dated June 27, 2024
3.	Fixed Income Derivatives for non-hedging purposes	0%	
4.	Securitized Debt	0%	Clause 12.15 of SEBI Master Circular for Mutual Funds dated June 27, 2024
5.	Overseas Securities	0%	Clause 12.19 of SEBI Master Circular for Mutual Funds dated June 27, 2024
6.	REITs and InvITs	0%	Clause 12.21 of SEBI Master Circular for Mutual Funds dated June 27, 2024
7.	AT1 and AT2 Bonds (Instruments with special features)	0%	Clause 12.2 of SEBI Master Circular for Mutual Funds dated June 27, 2024
8.	Units of mutual fund schemes of Bajaj Finserv AMC or in the Scheme of other mutual funds	5% of the net asset value of the Mutual Fund	Clause 4 of Seventh Schedule of SEBI Mutual Fund Regulations
9.	Any other instrument <ul style="list-style-type: none"> <li>repo transactions in corporate debt securities</li> </ul>	Upto 5% of total assets of the scheme	Clause 12.18 of SEBI Master Circular for Mutual Funds dated June 27, 2024

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 June 27, 2024, 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.

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.

The Scheme would adhere with the requirements stipulated in SEBI Master Circular for Mutual Funds dated June 27, 2024 and other SEBI Guidelines/Circulars issued from time to time.

#### **Portfolio Concentration Norms**

SEBI Master Circular for Mutual Funds dated June 27, 2024 specifies following portfolio concentration norms to be adopted by ETF:

- a. The index shall have a minimum of 10 stocks as its constituents.
- b. 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](http://www.bajajamc.com).

#### **Change in Investment Pattern**

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 June 27, 2024, 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 June 27, 2024, 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.

	<p><b>II. Tracking Error:</b></p> <p>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.</p> <p><b>III. Tracking Difference:</b></p> <p>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.</p>
<p><b>Investment Strategy</b></p>	<p>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 &amp; money market instruments permitted by SEBI / RBI to meet the liquidity and expenses of the scheme.</p>
<p><b>Risk Profile of the Scheme</b></p>	<p><b>Scheme specific risk factors:</b></p> <p><b>1. <u>Scheme Specific Risk Factors for Bajaj Finserv Nifty Bank ETF</u></b></p> <p>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.</p> <p>Passive Investments</p> <p>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.</p> <p><b>2. <u>Risks associated with investing in equities:</u></b></p> <p>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.</p> <p>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.</p>



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 June 27, 2024 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.

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.

	<ul style="list-style-type: none"> <li>• <b>Credit risk:</b> 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</li> <li>• <b>Liquidity risk:</b> 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</li> </ul> <p>For details on risk factors and risk mitigation measures, please refer SID.</p>
<b>Plans/Options</b>	<p>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</p>
<b>Applicable NAV (after the scheme opens for subscriptions and redemptions )</b>	<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>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>

<b>Minimum Amount/ Number of Units</b>	<p><b>Fresh Purchase (lumpsum):</b></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 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>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>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><b>Minimum Redemption:</b> 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 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>
<b>Despatch of Redemption Request</b>	Within three working days of the receipt of the redemption request at the authorised centre of the Bajaj Finserv Mutual Fund.
<b>Benchmark Index</b>	Nifty Bank TRI
<b>Dividend Policy</b>	The scheme will not declare Dividend.
<b>Name of the Fund Manager</b>	Mr. Sorbh Gupta and Mr. Ilesh Savla
<b>Name of the Trustee Company</b>	Bajaj Finserv Mutual Fund Trustee Limited

<b>Performance of the scheme:</b>	<p>The performance of the scheme as on August 31, 2024, is as follows:</p> <table border="1" data-bbox="507 264 1420 638"> <thead> <tr> <th rowspan="2">Absolute Return</th> <th colspan="2">Scheme Returns %</th> <th colspan="2">Benchmark Returns (%)</th> </tr> <tr> <th>Regular</th> <th>Direct</th> <th>Regular</th> <th>Direct</th> </tr> </thead> <tbody> <tr> <td>Returns for the last 1 year</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Returns for the last 3 years</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Returns for the last 5 years</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Returns since inception</td> <td>13.9%</td> <td>-</td> <td>14.01%</td> <td>-</td> </tr> </tbody> </table> <p><b>Notes:</b></p> <ul style="list-style-type: none"> <li>• Past performance may or may not be sustained in future.</li> <li>• Benchmark: Nifty Bank TRI</li> <li>• Inception Date: January 19, 2024</li> <li>• Returns less than 1 year period are absolute.</li> </ul>	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	13.9%	-	14.01%	-
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	13.9%	-	14.01%	-																										
<b>Additional Scheme Related Disclosures</b>	<p>i. <b>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.):</b> Investors can refer to the scheme’s latest portfolio from the website <a href="http://www.bajajamc.com">www.bajajamc.com</a>.</p> <p>ii. <b>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:</b> Investors can refer to this data on AMC website at link: <a href="https://www.bajajamc.com/mutual-fund/etf/bajaj-finserv-nifty-bank-etf#top_holding_section">https://www.bajajamc.com/mutual-fund/etf/bajaj-finserv-nifty-bank-etf#top_holding_section</a>.</p> <p>iii. <b>Portfolio Turnover Rate:</b> The scheme has not completed 1 year. Hence, this disclosure is not applicable.</p>																													
<b>Expenses of the Scheme</b>	<p><b>New Fund Offer Period:</b></p> <p>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.</p>																													

## Load Structure

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 June 27, 2024, 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 June 27, 2024 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 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](http://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 June 27, 2024, 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



	<p>distributor's/broker's office.</p> <p>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.</p> <p>4. A public notice shall be provided on the website in case of changes undertaken to the exit load.</p>																					
<b>Recurring expenses</b>	<p><b>Annual Scheme Recurring Expenses</b></p> <p>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:</p> <p>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:</p> <p>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)</p> <table border="1"> <thead> <tr> <th>Expense Head</th> <th>% p.a. of daily Net Assets* (Estimated p.a.)</th> </tr> </thead> <tbody> <tr> <td>Investment Management &amp; Advisory Fee</td> <td rowspan="13">Up to 1.00</td> </tr> <tr> <td>Audit fees/fees and expenses of trustees</td> </tr> <tr> <td>Custodial Fees</td> </tr> <tr> <td>Registrar &amp; Transfer Agent Fees including cost of providing account statements / IDCW / redemption cheques/ warrants</td> </tr> <tr> <td>Marketing &amp; Selling Expenses including Agents Commission and statutory advertisement</td> </tr> <tr> <td>Costs related to investor communications</td> </tr> <tr> <td>Costs of fund transfer from location to location</td> </tr> <tr> <td>Cost towards investor education &amp; awareness<sup>&amp;</sup></td> </tr> <tr> <td>Brokerage &amp; transaction cost pertaining to distribution of units<sup>%</sup></td> </tr> <tr> <td>Goods &amp; Services Tax on expenses other than investment and advisory fees</td> </tr> <tr> <td>Goods &amp; Services Tax on brokerage and transaction cost</td> </tr> <tr> <td>Other Expenses (to be specified as per Reg 52 of SEBI MF Regulations)<sup>#</sup></td> </tr> <tr> <td><b>Maximum Total expenses ratio (TER) permissible under Regulation 52 (6) (c)</b></td> <td><b>Upto 1.00</b></td> </tr> <tr> <td>Additional expenses under Regulations 52(6A)(c)</td> <td>0.00</td> </tr> <tr> <td>Additional expenses for gross new inflows from specified cities</td> <td>Upto 0.30*</td> </tr> </tbody> </table>	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 <sup>&amp;</sup>	Brokerage & transaction cost pertaining to distribution of units <sup>%</sup>	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) <sup>#</sup>	<b>Maximum Total expenses ratio (TER) permissible under Regulation 52 (6) (c)</b>	<b>Upto 1.00</b>	Additional expenses under Regulations 52(6A)(c)	0.00	Additional expenses for gross new inflows from specified cities	Upto 0.30*
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 <sup>&amp;</sup>																						
Brokerage & transaction cost pertaining to distribution of units <sup>%</sup>																						
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) <sup>#</sup>																						
<b>Maximum Total expenses ratio (TER) permissible under Regulation 52 (6) (c)</b>		<b>Upto 1.00</b>																				
Additional expenses under Regulations 52(6A)(c)	0.00																					
Additional expenses for gross new inflows from specified cities	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 June 27, 2024.

&In terms of SEBI Master Circular for Mutual Funds dated June 27, 2024, 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**

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	-
<b>Returns after Expenses at the end of the year (Rs.)</b>	<b>1,300</b>	<b>1,350</b>
<b>Returns (%)</b>	<b>13.00%</b>	<b>13.50%</b>

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

higher of subclause (i) or sub- clause (ii), such expenses on daily net assets of the scheme shall be charged on proportionate basis.

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

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

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

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.

The AMC shall adhere provisions of SEBI Master Circular for Mutual Funds dated June 27, 2024 and various guidelines specified by SEBI as amended from time to time, with reference to charging of fees and expenses. Accordingly:

- a. All scheme related expenses including commission paid to distributors, shall be paid from the scheme only within the regulatory limits and not from the books of the AMC, its associates, sponsor, trustee or any other entity through any route. Provided that, such expenses that are not specifically covered in terms of Regulation 52 (4) can be paid out of AMC books at actual or not exceeding 2 bps of the Scheme AUM, whichever is lower.
- b. The Mutual Fund shall adopt full trail model of commission in the scheme, without payment of any upfront commission or upfronting of any trail commission, directly or indirectly, in cash or kind, through sponsorships, or any other route.
- c. All fees and expenses charged in a Direct Plan (in percentage terms) under various heads including the investment and advisory fee shall not exceed the fees and expenses charged under such heads in Regular

	<p>Plan.</p> <p>d. No pass back, either directly or indirectly, shall be given by the Fund / the AMC / Distributors to the investors.</p> <p><b><u>Disclosure on Goods &amp; Services Tax:</u></b></p> <p>Goods &amp; Services Tax on investment management and advisory fees shall be in addition to the above expense.</p> <p>Further, with respect to Goods &amp; Services Tax on other than management and advisory fees:</p> <ul style="list-style-type: none"> <li>• Goods &amp; 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.</li> <li>• Goods &amp; Services Tax on exit load, if any, shall be paid out of the exit load proceeds and exit load net of Goods &amp; Services Tax, if any, shall be credited to the scheme.</li> <li>• Goods &amp; 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.</li> </ul> <p>For the actual current expenses being charged to the scheme, investors should refer to the website of the mutual fund at link: <a href="https://bajajamc.com/downloads?ter=">https://bajajamc.com/downloads?ter=</a>. Any change proposed to the current expense ratio will be updated on the website at least three working days prior to the change.</p> <p>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.</p> <p>Total Expense Ratio (TER) accrual rate as on August 31, 2024 (inclusive of GST and Additional TER, if any):</p> <p>Regular Plan: 0.13%</p>
<b>No. of Folios and AUM (as on August 31, 2024)</b>	Folios – 3,892.00 AUM – Rs. 334.13 crore
<b>Tax treatment for the Investors (Unitholders)</b>	Investor will be advised to refer to the details in the Statement of Additional Information and also independently refer to his tax advisor.

<p><b>Daily Net Asset Value (NAV) Publication</b></p>	<p>NAV shall be calculated and disclosed on all business days except under special circumstances. NAV shall be disclosed on AMC website (<a href="http://www.bajajamc.com">www.bajajamc.com</a>) and on AMFI website (<a href="http://www.amfiindia.com">www.amfiindia.com</a>). 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>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>
<p><b>For Investor Grievances please contact</b></p>	<ul style="list-style-type: none"> <li>• Name and Address of Registrar: KFIN Technologies Limited SEBI Registration - INR000000221 Address – Selenium Building, Tower-B, Plot No. 31 &amp; 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, R. R. District, Telangana India - 500 032 Contact no. – 040-67162222/ 040-79611000 Website – <a href="http://www.kfintech.com">www.kfintech.com</a></li> <li>• 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: <a href="mailto:service@bajajamc.com">service@bajajamc.com</a> or raise a service ticket on our website at link: <a href="https://bajajinservasset.my.site.com/Web2Case/s/">https://bajajinservasset.my.site.com/Web2Case/s/</a></li> <li>• Contact details for complaint resolution: <b>Ms. Priya Singh</b> <b>Investor Relations Officer</b> Tel No: 020 67672500 Fax No: 020 67672550 Email: <a href="mailto:service@bajajamc.com">service@bajajamc.com</a></li> </ul>
<p><b>Unitholders’ Information</b></p>	<p>The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number.</p>

A Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds (including transaction charges paid to the distributor) and holding at the end of the month shall be sent to the Unit holders in whose folio(s) transaction(s) have taken place during the month by mail or email on or before 15th of the succeeding month.

Half-yearly CAS shall be issued at the end of every six months (i.e. September/ March) on or before 21st day of succeeding month, to all investors providing the prescribed details across all schemes of mutual funds and securities held in dematerialized form across demat accounts, if applicable

For further details, refer SAI.

**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](http://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](http://www.bajajamc.com) and shall publish an advertisement disclosing the hosting of financial results on the AMC website, in atleast one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the mutual fund is situated. The unaudited financial results would be displayed on AMC website [www.bajajamc.com](http://www.bajajamc.com) and AMFI website [www.amfiindia.com](http://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.

	<p>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 <a href="http://www.bajajamc.com">www.bajajamc.com</a> and AMFI website <a href="http://www.amfiindia.com">www.amfiindia.com</a>. 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.</p> <p>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.</p>
--	--

Please refer to the Statement of Additional Information and Scheme Information Document for any further details.

Note: The Trustees have ensured that the Scheme approved by them is a new product offered by Bajaj Finserv Mutual Fund and is not a minor modification of an existing scheme / fund / product.

**For Bajaj Finserv Asset Management Limited**

Sd/-  
**Ganesh Mohan**  
**Chief Executive Officer**

Place: Pune  
Date: September 25, 2024