



**ASSET
MANAGEMENT**

BAJAJ FINSERV ARBITRAGE FUND

An open ended scheme investing in arbitrage opportunities

NFO Period: 8th to 13th September, 2023

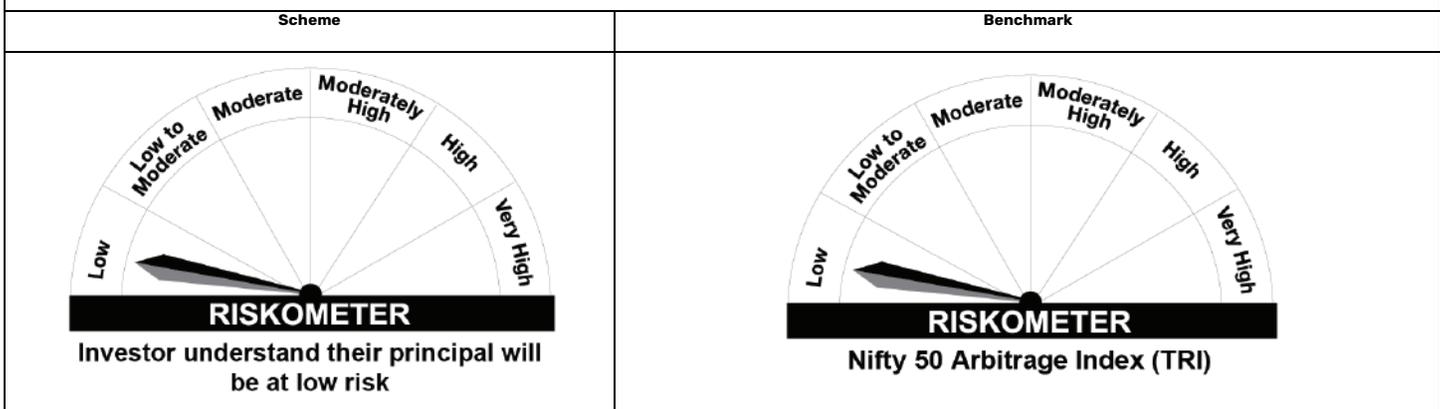
Key Information Memorandum of Bajaj Finserv Arbitrage Fund An open ended scheme investing in arbitrage opportunities

This product is suitable for investors who are seeking*:

- Short term income generation
- income through arbitrage opportunities in the cash and derivatives segments of the equity markets

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

Riskometer



Offer of units of Rs. 10/- each (subject to applicable load) during the new fund offer and continuous offer or units at NAV based prices

| | |
|------------------------------|--|
| New Fund Offer opening date: | September 08, 2023 |
| New Fund Offer closing date: | September 13, 2023 |
| Scheme re-opening date: | Within five business days of allotment date. |

| 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 |

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.

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 KIM is dated August 14, 2023

| Investment Objective | <p>The investment objective of the Scheme is to seek to generate returns by investing in arbitrage opportunities in the cash and derivatives segments of the equity markets and by investing balance in debt and money market instruments.</p> <p>However, there is no assurance that the investment objective of the Scheme will be achieved.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|-------------|------------------------|--|--------------|---------|---------|--|------|-----|-----------|---|-----|----|-----------------|-----------------------------------|-----|----|-----------|-------------|------------------------|--|--------------|---------|---------|--|-----|----|------|---|------|-----|-----------------|-----------------------------------|-----|----|-----------|
| Scheme Code | BFAM/O/E/ARB/23/05/0005 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Asset Allocation pattern of the scheme | <p>The asset allocation pattern for the scheme under normal circumstance is detailed in the table below:</p> <table border="1" data-bbox="326 282 1268 461"> <thead> <tr> <th rowspan="2">Instruments</th> <th colspan="2">Indicative allocations</th> <th rowspan="2">Risk profile</th> </tr> <tr> <th>Maximum</th> <th>Minimum</th> </tr> </thead> <tbody> <tr> <td>Equity and Equity related instruments including derivatives and stock options⁵</td> <td>100%</td> <td>65%</td> <td>Very High</td> </tr> <tr> <td>Debt & Money Market instruments including the margin money deployed in derivative transactions (including units of liquid schemes of Bajaj Finserv Mutual Fund)**</td> <td>35%</td> <td>0%</td> <td>Low to moderate</td> </tr> <tr> <td>Non-convertible preference shares</td> <td>10%</td> <td>0%</td> <td>Very High</td> </tr> </tbody> </table> <p>§: The exposure to derivative shown in the above asset allocation table is exposure taken against the underlying equity investments i.e. in case the scheme shall have a long position in a security and a corresponding short position in the same security, then the exposure for the purpose of asset allocation will be counted only for the long position. The intent is to avoid double counting of exposure and not to take additional asset allocation with the use of derivative. If suitable arbitrage opportunities are not available in the opinion of the Investment manager, the Scheme may hedge the equity portfolio by using derivatives or may invest in short term debt / money market instruments.</p> <p>The notional value of exposure in equity derivatives would be reckoned for equity securities exposure. The notional value of exposure in debt derivatives would be reckoned for debt and money market securities exposure.</p> <p>Note: (i) **Debt securities / instruments are deemed to include securitized debt and investment in securitized debt will not exceed 50% of the debt portion of the scheme.</p> <p>(ii) The asset allocation as given under normal circumstances is indicative and may vary according to circumstances at the sole discretion of the Fund Manager. Review and rebalancing will be conducted when the asset allocation falls outside the range indicated above, within a reasonable period of time.</p> <p>Under defensive circumstances, the asset allocation may be as follows:</p> <table border="1" data-bbox="326 836 1268 1015"> <thead> <tr> <th rowspan="2">Instruments</th> <th colspan="2">Indicative allocations</th> <th rowspan="2">Risk profile</th> </tr> <tr> <th>Maximum</th> <th>Minimum</th> </tr> </thead> <tbody> <tr> <td>Equity and Equity related instruments including derivatives and stock options⁵</td> <td>65%</td> <td>0%</td> <td>High</td> </tr> <tr> <td>Debt & Money Market instruments including the margin money deployed in derivative transactions (including units of liquid schemes of Bajaj Mutual Fund)**</td> <td>100%</td> <td>35%</td> <td>Low to Moderate</td> </tr> <tr> <td>Non-convertible preference shares</td> <td>10%</td> <td>0%</td> <td>Very High</td> </tr> </tbody> </table> <p>§: The exposure to derivative shown in the above asset allocation table is exposure taken against the underlying equity investments i.e. in case the scheme shall have a long position in a security and a corresponding short position in the same security, then the exposure for the purpose of asset allocation will be counted only for the long position. 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Review and rebalancing will be conducted when the asset allocation falls outside the range indicated above, within a reasonable period of time.</p> <p>Defensive circumstances are when the arbitrage opportunities in the market place are negligible or returns are lower than alternative investment opportunities as per allocation pattern. The allocation under defensive considerations will be made keeping in view the interest of the unitholders.</p> <p>Investment in Equity Derivatives shall be upto 50% of Equity assets of the scheme for non-hedging purpose. Investment in Fixed Income Derivatives shall be upto 10% of Fixed Income assets of the scheme for non-hedging purpose. *Securitized debt up to 40% of debt portfolio Investment in ADR/GDR/Foreign Securities and Overseas ETFs shall be upto 35% of net assets in accordance with the guidelines stipulated by SEBI and RBI from time to time. Investment in ADR/GDR/Foreign Securities and Overseas ETFs would be as per SEBI Circular dated September 26, 2007, SEBI Circular dated April 8, 2008, SEBI Circular dated November 5, 2020 and SEBI Circular dated June 03, 2021 as may be amended from time to time. The Scheme may invest up to US \$ 30 million in ADR/GDR/foreign securities. As per SEBI Circular dated November 5, 2020 Mutual Funds can make overseas investments subject to a maximum of US \$ 1 billion per Mutual Fund within the overall industry limit of US \$ 7 billion. The overall ceiling for investment in overseas ETFs that invest in securities is US\$ 1 billion subject to a maximum of US\$ 300 million per mutual fund. The Scheme may invest up to US \$ 20 million in overseas ETFs.</p> <p>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.</p> <p>The gross exposure of the scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the scheme or as permitted by extant SEBI regulation.</p> <p>The scheme may invest in other schemes under the same AMC or any other Mutual Fund without charging any fees, provided the aggregate inter scheme investment made by all the schemes under the same management or in schemes under management of any other asset management company shall not exceed 5% of the Net Asset Value of the Fund. No investment management fees shall be charged for investing in other schemes of the Fund or in the schemes of any other mutual fund.</p> <p>The scheme will not invest in instruments having special features as stated in SEBI circular no. SEBI/HO/IMD/DF4/CIR/P/2021/032 dated March 10, 2021, SEBI/HO/IMD/DF4/CIR/P/2021/034 dated March 22, 2021 as amended from time to time. The scheme will not invest in Credit Default Swaps.</p> <p>The scheme will not invest in REITS and InvITS. The scheme will not invest in credit enhancements and structured obligation instruments.</p> <p>The cumulative gross exposure through equity, derivatives, debt, money market instruments, units of mutual fund schemes, securitized debt, equity derivatives, fixed income derivatives, ADR/GDR/Foreign securities and Overseas ETFs, repo transactions in corporate debt securities and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme.</p> | Instruments | Indicative allocations | | Risk profile | Maximum | Minimum | Equity and Equity related instruments including derivatives and stock options ⁵ | 100% | 65% | Very High | Debt & Money Market instruments including the margin money deployed in derivative transactions (including units of liquid schemes of Bajaj Finserv Mutual Fund)** | 35% | 0% | Low to moderate | Non-convertible preference shares | 10% | 0% | Very High | Instruments | Indicative allocations | | Risk profile | Maximum | Minimum | Equity and Equity related instruments including derivatives and stock options ⁵ | 65% | 0% | High | Debt & Money Market instruments including the margin money deployed in derivative transactions (including units of liquid schemes of Bajaj Mutual Fund)** | 100% | 35% | Low to Moderate | Non-convertible preference shares | 10% | 0% | Very High |
| Instruments | Indicative allocations | | Risk profile | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Maximum | Minimum | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equity and Equity related instruments including derivatives and stock options ⁵ | 100% | 65% | Very High | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Debt & Money Market instruments including the margin money deployed in derivative transactions (including units of liquid schemes of Bajaj Finserv Mutual Fund)** | 35% | 0% | Low to moderate | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non-convertible preference shares | 10% | 0% | Very High | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Instruments | Indicative allocations | | Risk profile | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Maximum | Minimum | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equity and Equity related instruments including derivatives and stock options ⁵ | 65% | 0% | High | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Debt & Money Market instruments including the margin money deployed in derivative transactions (including units of liquid schemes of Bajaj Mutual Fund)** | 100% | 35% | Low to Moderate | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non-convertible preference shares | 10% | 0% | Very High | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | <p>In accordance with SEBI Circular dated March 30, 2022, in the event of asset allocation falling outside the limits specified in the asset allocation table mentioned above, due to passive breaches, the fund manager will review and rebalance the same within 30 business days from the date of such deviation. In case the portfolio is not rebalanced within the period of 30 business days, justification in writing for the same including efforts taken to rebalance the portfolio shall be placed before the Investment Committee. The Investment Committee, if so desires, can extend the timelines upto 60 business days from the date of completion of mandated rebalancing period.</p> <p>In case the scheme is not rebalanced within the aforementioned mandate plus extended timelines:</p> <ol style="list-style-type: none"> The AMC shall not be permitted to launch any new scheme till the time the portfolio is rebalanced. The AMC shall not levy any exit load, (if any), on the investor exiting the Scheme. <p>In case the AUM of the deviated portfolio is more than 10% of the AUM of the main portfolio of the scheme.</p> <ol style="list-style-type: none"> The AMC shall immediately communicate the same to the investors of the scheme after the expiry of the mandated rebalancing period (i.e. 30 Business Days) through SMS and email/ letter including details of portfolio not rebalanced. The AMC shall also immediately communicate to the investors through SMS and email/letter when the portfolio is rebalanced. The AMC shall disclose scheme wise deviation of the portfolio (beyond aforesaid 10% limit) from the mandated asset allocation beyond 30 business days, on the AMC's website i.e. www.bajajamc.com. <p>The AMC shall also disclose any deviation from the mandated asset allocation to investors along with periodic portfolio disclosures as specified by SEBI from the date of lapse of mandated plus extended rebalancing timelines.</p> <p>Pursuant to SEBI circular No. SEBI/HO/IMD/DF2/CIR/P/2016/42 dated March 18, 2016, the Scheme may deploy NFO proceeds in Triparty repo on Government securities or treasury bills (TREPS) before the closure of NFO period. However, the AMC shall not charge any investment management and advisory fees on funds deployed in TREPS during the NFO period</p> <p>At the time of building up the portfolio post NFO, the Fund Manager may deploy the funds in units of liquid mutual fund schemes to the extent permitted under SEBI (Mutual Funds) Regulations, 1996, in case suitable debt / money market instruments are not available or the Fund Manager is of the view that the risk-reward is not in the best interest of the unit holders.</p> <p>All of the Scheme's assets will be invested in transferable securities. The corpus of the Scheme shall not in any manner be used in option trading, short selling or carry forward transactions as stipulated in SEBI Regulations and amended from time to time.</p> <p>Pending deployment of the funds in securities in terms of investment objective of the Scheme, the AMC may park the funds of the Scheme in short term deposits of the Scheduled Commercial Banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007 and September 20, 2019, as may be amended from time to time.</p> <p>Short term defensive consideration: When the Fund Manager/s believes market or economic conditions are unfavourable for investors, the scheme may invest up to 100% of its assets in a temporary defensive manner by holding all or a substantial portion of its assets in cash, cash equivalents or other high quality short-term investments. Temporary defensive investments generally may include permitted money market instruments, TREPS/reverse repo, etc. Such changes in the investment pattern will be for short term and defensive considerations only which would be rebalanced to either of the above asset allocations within 30 calendar days from the date of deviation and in accordance with SEBI circular dated March 04, 2021 and any other circulars issued there under, from time to time.</p> |
| Investment Strategy of the Scheme | <p>The Fund Manager will identify and take advantage of market neutral arbitrage opportunities by executing deals simultaneously in both markets. In compliance with SEBI guidelines, the Scheme will not engage in short selling in the cash market at any time.</p> <p>The debt component of the Scheme will be invested in debt securities and money market instruments, with the primary aim of generating income while minimizing interest rate risk.</p> <p>Some of the arbitrage strategies that may be employed by the fund manager include:</p> <p>Cash-Future Arbitrage: For example, let's say the price of XYZ stock in the spot market is Rs 100, while the price of the same stock in the futures market is Rs 105. After adjusting for taxes and other costs, the Scheme will buy the stock in the spot market for Rs 100 and simultaneously sell the same stock in the futures market for Rs 105, earning the cost of carry between the stock and its futures.</p> <p>Rolling over of the Futures Transaction: This strategy involves unwinding the short position in the current month's futures and simultaneously selling futures of the subsequent month, while holding onto the spot position. For example, if the fund manager anticipates a change in market conditions, they may choose to unwind their current month's futures position and roll it over to the subsequent month.</p> <p>Dividend Arbitrage: For example, prior to a dividend declaration, the stock futures/options market may provide a profitable opportunity. Typically, the stock price declines by the dividend amount when the stock goes ex-dividend. The fund manager may take advantage of this by buying the stock in the spot market and selling the same stock in the futures market.</p> <p>Buy-back Arbitrage: This strategy involves taking advantage of the price differential between the buy-back price and the traded price when a company announces a buy-back of its own shares. For example, if a company announces a buy-back at Rs 100 per share, while the current market price is Rs 95, its futures price is likely to be higher in anticipation of the buy back price. Here, the fund manager may choose to buy the stock at Rs 95 and sell its futures price at say Rs 100 to capture the high arbitrage opportunity.</p> <p>Nifty Spot-Nifty Futures: This strategy involves exploiting the difference in pricing between the Nifty and Nifty futures. For example, if the Nifty is currently at 20,000 and the Nifty futures are at 21,050, the fund manager may choose to buy the Nifty futures and sell the portfolio comprising of index stocks, earning the difference between the two.</p> <p>Buy Option: This strategy involves actively managing the options component to take advantage of market volatility. For example, if the fund manager believes that a stock's price will increase, they may choose to buy a call option on that stock.</p> <p>It's important to note that the above strategies are just examples and the fund manager may adopt other strategies as well, depending on market conditions and regulatory compliance. Additionally, the provision for trading in derivatives is an enabling provision and it is not binding on the Scheme to undertake trading on a day-to-day basis.</p> <p>Considering the inherent characteristics of the Scheme, equity positions would have to built-up gradually and also sold off gradually. This would necessarily entail having large cash position before the portfolio is fully invested and during periods when equity positions are being sold off to book profits/losses or to meet redemption needs. Investors may note that securities which endeavor to provide higher returns typically, display higher volatility. Accordingly, the investment portfolio of the Scheme would reflect moderate to high volatility in its equity and equity related investments and low to moderate volatility in its debt and money market investments.</p> |
| Risk Profile of the Scheme | <ol style="list-style-type: none"> Risks associated with investing in equities: <ul style="list-style-type: none"> Investors may note that AMC/Fund Manager's investment decisions may not be always profitable, as actual market movements may be at variance with anticipated trends. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of these investments. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. The inability of the Scheme to make intended securities purchases due to settlement problems could cause the Scheme to miss certain investment opportunities. Similarly, the inability to sell securities held in the Scheme portfolio would result at times, in potential losses to the Scheme, should there be a subsequent decline in the value of securities held in the Scheme portfolio. The value of the Scheme's investments may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. Consequently, the NAV of the Units of the Scheme may fluctuate and can go up or down. The Mutual Fund may not be able to sell securities, which can lead to temporary illiquidity. There are risks inherent in securities lending, including the risk of failure of the other party, in this case the approved intermediary to comply with the terms of the agreement. Such failure can result in a possible loss of rights to be collateral, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of corporate benefits accruing thereon. |

- Investors may note that dividend is due only when declared and there is no assurance that a company (even though it may have a track record of payment of dividend in the past) may continue paying dividend in future. As such, the scheme is vulnerable to instances where investments in securities may not earn dividend or where lesser dividend is declared by a company in subsequent years in which investments are made by scheme. As the profitability of companies are likely to vary and have a material bearing on their ability to declare and pay dividend, the performance of the scheme may be adversely affected due to such factors.
 - While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges. The liquidity of the Scheme's investments is inherently restricted by trading volumes in the securities in which it invests.
 - Fund manager endeavors to generate returns based on certain past statistical trend. The performance of the scheme may get affected if there is a change in the said trend. There can be no assurance that such historical trends would continue.
 - In case of abnormal circumstances, it will be difficult to complete the square off transaction due to liquidity being poor in stock futures/spot market. However, the scheme will aim to take exposure only into liquid stocks where there will be minimal risk to square off the transaction.
 - Changes in Government policy in general and changes in tax benefits applicable to mutual funds may impact the returns to investors in the Scheme or business prospects of the Company in any particular sector.
 - Investments in equity and equity related securities involve a certain degree of risk and Investors should not invest in the equity scheme unless they can afford to take the risk of losing their investment.
2. Risks associated with investing in fixed income:
- Market Risk:** The NAV of the scheme, to the extent invested in Debt and Money Market securities, will be affected by changes in the general level of interest rates. The NAV of the scheme is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates.
 - Liquidity Risk:** Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the scheme and may lead to the scheme incurring losses till the security is finally sold. The liquidity of a bond may change, depending on market conditions leading to changes in the liquidity premium attached to the price of the bond. At the time of selling the security, the security can become illiquid, leading to loss in value of the portfolio.
 - Price Risk:** Government securities where a fixed return is offered run price-risk like any other fixed income security. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates. The new level of interest rate is determined by the rates at which government raises new money and/or the price levels at which the market is already dealing in existing securities. This risk is not unique to Government Securities. It exists for all fixed income securities. However, Government Securities are unique in the sense that their credit risk generally remains zero. Therefore, their prices are influenced only by movement in interest rates in the financial system.
 - Settlement risk:** The inability of the scheme to make intended securities purchases due to settlement problems could cause the scheme to miss certain investment opportunities. By the same rationale, the inability to sell securities held in the scheme's portfolio due to the extraneous factors that may impact liquidity would result, at times, in potential losses in case of a subsequent decline in the value of securities held in the scheme's portfolio.
 - Regulatory Risk:** Changes in government policy in general and changes in tax benefits applicable to Mutual Funds may impact the returns to investors in the scheme.
 - Reinvestment Risk:** This risk refers to the interest rate levels at which cash flows received from the securities in the scheme are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.
 - Credit Risk:** Investments in Debt Securities are subject to the risk of an issuer's inability to meet interest and principal payments on its obligations and market perception of the creditworthiness of the issuer.
 - Risks associated with investment in unlisted securities:** Subject to applicable Regulations, the scheme can invest in unlisted securities. These securities are subject to greater price fluctuations, less liquidity and greater risk than the listed securities. Except for any security of an associate or group company, the scheme has the power to invest in securities which are not listed on a stock exchange ("unlisted Securities") which in general are subject to greater price fluctuations, less liquidity and greater risk than those which are traded in the open market. Unlisted securities may lack a liquid secondary market and there can be no assurance that the Scheme will realise their investments in unlisted securities at a fair value.
 - Different types of fixed income securities in which the scheme would invest as given in the Scheme Information Document carry different levels and types of risk.** Accordingly, the scheme risk may increase or decrease depending upon its investment pattern. e.g. corporate bonds carry a higher level of risk than Government securities. Further even among corporate bonds, bonds, which are AAA rated, are comparatively less risky than bonds, which are AA rated. AA rated corporate bonds are comparatively less risky when compared with A rated corporate bonds.
 - The AMC may, considering the overall level of risk of the portfolio, invest in lower rated securities offering higher yields as well as zero coupon securities that offer attractive yields. This may increase the absolute level of risk of the portfolio.
 - As zero coupon securities does not provide periodic interest payments to the holder of the security, these securities are more sensitive to changes in interest rates. Therefore, the interest rate risk of zero coupon securities is higher. The AMC may choose to invest in zero coupon securities that offer attractive yields. This may increase the risk of the portfolio.
 - The scheme at times may receive large number of redemption requests leading to an asset-liability mismatch and therefore requiring the AMC to make a distress sale of the securities leading to realignment of the portfolio and consequently resulting in investment in lower yield instruments.
 - Basis Risk:** Basis risk arises due to a difference in the price movement of the derivative vis-à-vis that of the security being hedged.
 - Spread Risk:** In a floating rate security the coupon is expressed in terms of a spread or mark up over the benchmark rate. In the life of the security, this spread may move adversely leading to loss in value of the portfolio. The yield of the underlying benchmark might not change, but the spread of the security over the underlying benchmark might increase leading to loss in value of the security.
 - Counterparty Risk:** This is the risk of failure of counterparty to a transaction to deliver securities against consideration received or to pay consideration against securities delivered, in full or in part or as per the agreed specification. There could be losses to the Scheme in case of a counterparty default.
 - Duration Risk:** Duration risk refers to the movement in price of the underlying invested money market / debt instruments due to movement/change in interest rates over different durations of maturity of instruments. In a portfolio of debt assets, the duration risk is measured by the average duration of the portfolio. Duration, expressed in years, is used as a measure of the sensitivity of the fixed income instrument to a change in interest rates. Usually, individual duration of fixed income instruments in the portfolio is calculated and the portfolio duration is weighted average of such individual instrument duration. A longer portfolio duration is associated with greater price fluctuations. A rise in interest rates could normally lead to decrease in prices and generally negatively affects portfolios having longer duration vis-a-vis portfolios having shorter duration. A fall in interest rate generally benefits portfolio having longer duration. A longer duration portfolio is also generally associated with greater volatility vis-a-vis a shorter duration portfolio.
 - Sovereign Risk:** Sovereign risk is the likelihood that a Government will default on its loan obligation by failing to meet its principal payments or interest. It comes in different forms and may result in losses to investors in addition to negative political consequences. The Central Government of a country is the issuer of the local currency in that country. The Government (Central / State) raises money to meet its capital and revenue expenditure by issuing debt or discounted securities. Since payment of interest and principal amount has a sovereign status implying no default, such securities are known as securities with sovereign credit. For domestic borrowers and lenders, the credit risk on such sovereign credit is minimal, even lower than a security with "AAA" rating and hence commands a yield, which is lower than a yield on "AAA" security.

Plans and Options

Plans
Bajaj Finserv Arbitrage Fund – Direct Plan
Bajaj Finserv Arbitrage Fund – Regular Plan

Options

Growth Option
Income Distribution cum Capital Withdrawal (IDCW) option with Payout of Income Distribution cum Capital Withdrawal sub-option, Reinvestment of Income Distribution cum Capital Withdrawal sub-option and Transfer of Income Distribution cum Capital Withdrawal sub-option.

The Scheme will have a common portfolio across various Plans/Options/Sub-options.

Investors are requested to note that Growth and IDCW Option (Payout, Reinvestment and Transfer) under Regular and Direct Plans will have different NAVs. These NAVs will be separately declared.

Default Plan would be as mentioned below:

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

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|---|---|
| | <p>In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Direct Plan. The AMC shall endeavour on best efforts basis to obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor. In case the correct code is received within 30 calendar days, the AMC shall reprocess the transaction under Regular Plan from the date of application without any exit load.</p> <p>Bajaj Finserv Arbitrage Fund – Direct Plan is only for investors who purchase /subscribe units in a Scheme directly with the Fund.</p> <p>Default option will be Growth Option.</p> <p>Default sub-option will be Reinvestment of Income Distribution cum capital withdrawal sub-option</p> |
| Where will the Scheme Invest? | <ol style="list-style-type: none"> 1 Equity and equity related instruments including Indian Depository Receipts (IDRs) and warrants carrying the right to obtain equity shares. 2 Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills). 3 Securities guaranteed by the Central, State and local Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills). 4 Debt securities issued by domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee. 5 Corporate debt securities (of both public and private sector undertakings) 6 Securities issued by banks (both public and private sector) including term deposit with the banks as permitted by SEBI/RBI from time to time, subject to approval from SEBI / RBI as required and development financial institutions. 7 Money market instruments, as permitted by SEBI/ RBI. 8 Securitized Debt. 9 The non-convertible part of convertible securities. 10 Derivative instruments like Stock/Index Futures, Stock/Index Options, Interest Rate Future, Interest Rate Swap, Forward Rate Agreement and such other derivative instruments permitted by SEBI. 11 ADRs/GDRs/Foreign Securities as permitted by Reserve Bank of India and Securities and Exchange Board of India. 12 Units of Mutual Fund Schemes/Exchange Traded Funds. 13 Cash & cash equivalents. 14 Preference shares. 15 Repo transactions in corporate debt securities. 16 Any other domestic fixed income securities as permitted by SEBI/ RBI subject to requisite approvals from SEBI/RBI, if needed. <p>Subject to the Regulations, the securities mentioned above could be listed, unlisted, privately placed, secured, unsecured and of varying maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights issue or negotiated deals. Further, the scheme intend to participate in securities lending as permitted under the regulations. Investment in overseas securities shall be made in accordance with the requirements stipulated by SEBI and RBI from time to time. The Scheme may also enter into repurchase and reverse repurchase in various securities as per the guidelines and regulations applicable to such transactions.</p> <p>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 issued by SEBI vide its circular dated April 16, 2007, August 16, 2019 and September 20, 2019 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.</p> |
| Applicable NAV (after the scheme opens for subscription / purchase and repurchase / sale) | <p>Cut off timing for subscriptions/ redemptions/ switches:</p> <p>In case of Subscription/Switch-in for any amount:</p> <ul style="list-style-type: none"> • In respect of valid applications received upto 3.00 p.m. on a Business Day at the official point of acceptance of transactions and where the funds for the entire amount of subscription/purchase as per the application/Switch-in request, are available for utilization before the cut-off time i.e. 3.00 p.m. - the closing NAV of the day shall be applicable. • In respect of valid applications received after 3.00 p.m. on a Business Day at the official point of acceptance of transactions and where the funds for the entire amount of subscription/purchase as per the application/Switch-in request, are available for utilization either on the same day or before the cut-off time of the next business day - the closing NAV of the next Business Day shall be applicable. • Irrespective of the time of receipt of application at the official point of acceptance of transactions, where the funds for the entire amount are available for utilization before the cut-off time on any subsequent Business Day - the closing NAV of such subsequent Business Day shall be applicable. <p>In case of investments through Systematic Investment Plan (SIP), Systematic Transfer Plans (STP), Other STP methods as may be offered by the AMC, IDCW Transfer, Trigger etc. the units would be allotted as per the closing NAV of the day on which the funds are available for utilization irrespective of the instalment date of the SIP, STP or record date of IDCW etc.</p> <p>Since different payment modes have different settlement cycles including electronic transactions (as per arrangements with Payment Aggregators/Banks/Exchanges etc), it may happen that the investor's account is debited, but the money is not credited within cut-off time on the same date to the Scheme's bank account, leading to a gap/delay in Unit allotment. Investors are therefore urged to use the most efficient electronic payment modes to avoid delays in realization of funds and consequently in Unit allotment.</p> <p>Redemptions including switch-outs: In respect of valid applications received upto 3.00 pm on a business day by the Mutual Fund, same day's closing NAV shall be applicable. In respect of valid applications received after the cut off time by the Mutual Fund, the closing NAV of the next business day shall be applicable.</p> |
| Minimum Application Amount | <p>During NFO: Minimum application amount (lumpsum) - Rs. 500 and in multiples of Re. 1. Systematic Investment Plan (SIP):</p> <ul style="list-style-type: none"> • From Rs. 500 upto Rs. 1,000: minimum 60 instalments. • Above Rs. 1,000: minimum 6 instalments. <p>During ongoing offer: Fresh subscription - Rs. 500/- and in multiples of Re. 1/- Minimum additional application amount - Rs. 100/- and in multiples of Re. 1/- Systematic Investment Plan (SIP):</p> <ul style="list-style-type: none"> • From Rs. 500 upto Rs. 1,000: minimum 60 instalments. • Above Rs. 1,000: minimum 6 instalments. <p>Minimum amount for switch-in - Rs. 500 and in multiples of Re. 1.</p> <p>Two-Factor Authentication will be applicable for subscription as well as redemption transactions in the units of Mutual Fund.</p> <p>For more information, please refer SAI.</p> |
| Minimum redemption / Switch Out amount | Rs. 500 and in multiples of Re. 0.01/- or the account balance of the investor whichever is less |
| Despatch of Repurchase (Redemption) Request | The redemption proceeds shall be dispatched to the unit holders within three working days from the receipt of the redemption request |
| Benchmark Index | Nifty 50 Arbitrage Index (TRI) |
| Income Distribution cum Capital Withdrawal (IDCW) Policy | <p>The Scheme may declare IDCW subject to the availability of distributable surplus and approval from Trustees. IDCW would become payable to the unitholders whose names appear on the register of unitholders on the record date as fixed for the scheme. The IDCW declared will be paid net of tax deducted at source, wherever applicable. There is no assurance or guarantee to the Unit holders as to the rate of IDCW distribution nor that the IDCW will be paid regularly. If the Fund declares IDCW, the NAV of the Scheme would stand reduced by the amount of IDCW paid. All the IDCW payments shall be in accordance and compliance with SEBI, Stock Exchange Guidelines, as applicable from time to time.</p> <p>IDCW is the amount that can be distributed out of equalisation reserve which is part of the sale price that represents realised gains. Any IDCW upto Rs. 100/- shall be compulsorily reinvested in the same option under the scheme at prevailing NAV on record date.</p> <p>IDCW will not be available under the Growth option. Growth option is suitable for investors who are seeking capital appreciation and not seeking periodic income through IDCW. In case IDCW payout option, payment shall be made to the bank account of the investors. In case of IDCW reinvestment, the IDCW declared shall be invested back into the scheme as per the applicable NAV. The scheme also permits IDCW Transfer where the IDCW amount would be transferred to the scheme as selected by the investor. Investment in IDCW transfer would be made as per the applicable NAV.</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>The Trustee reserves the right to declare IDCW under the IDCW option of the scheme depending on the net distributable surplus available under the scheme. It should however be noted that actual distribution of IDCW and the frequency of distribution would depend, inter-alia, on the availability of distributable surplus and would be entirely at the discretion of the Trustees.</p> <p>Equalisation Reserve: When units are sold and sale price (NAV) is higher than face value of the unit, a portion of sale price that represents realized gains is credited to an Equalization Reserve Account and which can be used to pay IDCW. IDCW can be distributed out of investors capital (Equalization Reserve), which is part of sale price that represents realized gains.</p> | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|-------------|-----------------------|---|-----------|--------------|------------|----------------|---------------------------------|---|---|---|---|-----------------------------------|---|--|--|--|-----------------------------|--|------------------|--|-----------|---|------------|
| Name of the Fund Manager | Mr. Nimesh Chandan (Equity portion) Mr. Siddharth Chaudhary (Debt portion) | | | | | | | | | | | | | | | | | | | | | | | | |
| Name of the Trustee Company | Bajaj Finserv Mutual Fund Trustee Limited | | | | | | | | | | | | | | | | | | | | | | | | |
| Performance of the Scheme | This Scheme is a new scheme and does not have any performance track record | | | | | | | | | | | | | | | | | | | | | | | | |
| Portfolio Holdings and fund allocation towards various sectors | This Scheme is a new scheme and does not have any portfolio holding and fund allocation towards various sectors | | | | | | | | | | | | | | | | | | | | | | | | |
| Portfolio Turnover Ratio | <p>Portfolio Turnover is defined as the lower of purchases and sales after reducing all subscriptions and redemptions and derivative transactions there from and calculated as a percentage of the average assets under management of the scheme during a specified period of time.</p> <p>The AMC's portfolio management style is conducive to a low portfolio turnover rate. However, the AMC will aim to take advantage of the opportunities that present themselves from time to time because of the inefficiencies in the securities markets. The AMC will endeavour to balance the increased cost on account of higher portfolio turnover with the benefits derived there from.</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| Expenses of the Scheme | <p>i. Load Structure (for NFO period and Continuous Offer)</p> <p>Entry load – not applicable Exit load – 0.25% of applicable NAV if redeemed/switched out within 15 days from the date of allotment. Nil if redeemed/switched out after 15 days from the date of allotment.</p> <p>The Scheme will not levy exit load in case the timelines for rebalancing portfolio as stated in SEBI Circular dated March 30, 2022 is not complied with.</p> <p>ii. Expenses</p> <p>New Fund Offer (NFO) Expenses</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 charged to the scheme.</p> <p>Annual Scheme Recurring Expenses</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>Limits specified by SEBI in SEBI MF Regulations for scheme recurring expenses:</p> <ol style="list-style-type: none"> on the first Rs. 500 crore of the Scheme's daily net assets – upto 2.25%; on the next Rs. 250 crore of the Scheme's daily net assets – upto 2.00%; on the next Rs. 1,250 crore of the Scheme's daily net assets – upto exceed 1.75%; on the next Rs. 3,000 crore of the Scheme's daily net assets – upto exceed 1.60%; on the next Rs. 5,000 crore of the Scheme's daily net assets – upto exceed 1.50%; on the next Rs. 40,000 crore of the Scheme's daily net assets – Total Expense Ratio reduction of 0.05% for every increase of Rs. 5,000 crores of daily net assets or part thereof; on balance of the assets – upto 1.05%. <p>In addition to the recurring expense mentioned above, additional expenses of 0.05% of daily net assets of the scheme shall be chargeable.</p> <p>Annual scheme recurring expenses for the scheme:</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>% of daily net assets</th> </tr> </thead> <tbody> <tr> <td>Investment Management and Advisory Fees</td> <td rowspan="15">Upto 2.25</td> </tr> <tr> <td>Trustee Fees</td> </tr> <tr> <td>Audit Fees</td> </tr> <tr> <td>Custodian Fees</td> </tr> <tr> <td>Registrar & Transfer Agent Fees</td> </tr> <tr> <td>Marketing & Selling expenses including agent commission</td> </tr> <tr> <td>Cost related to investor communications</td> </tr> <tr> <td>Cost of fund transfer from location to location</td> </tr> <tr> <td>Cost of providing account statements and Income Distribution cum capital withdrawal redemption cheques and warrants</td> </tr> <tr> <td>Costs of Statutory Advertisements</td> </tr> <tr> <td>Cost towards Investor Education & Awareness (at least 2 bps)^a</td> </tr> <tr> <td>Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades respectively^a</td> </tr> <tr> <td>Goods & Services Tax on expenses other than Investment and Advisory Fees</td> </tr> <tr> <td>Goods & Services Tax on brokerage and transaction cost</td> </tr> <tr> <td>Other Expenses^a</td> </tr> <tr> <td>Maximum Total Expense Ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a)</td> <td>Upto 2.25</td> </tr> <tr> <td>Additional expenses under regulation 52 (6A) (c)</td> <td>Upto 0.05</td> </tr> <tr> <td>Additional expenses for gross new inflows from specified cities</td> <td>Upto 0.30*</td> </tr> </tbody> </table> <p>^aSEBI 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.</p> <p>^aAs permitted under the Regulation 52 of SEBI (MF) Regulations, 1996 and pursuant to SEBI Circular September 13, 2012, SEBI Circular dated February 02, 2018, SEBI Circular dated October 22, 2018, SEBI (Mutual Funds) Second Amendment Regulations, 2012 and SEBI (Mutual Funds) (Fourth Amendment) Regulations 2018.</p> <p>^aIn terms of SEBI Circular No. CIR/IMD/DF/21/2012 dated September 13, 2012, the AMC / Mutual Fund shall annually set apart at least 2 basis points (i.e. 0.02%) on daily net assets of the scheme within the maximum limit of Total Expense Ratio as per Regulation 52 of the SEBI (MF) Regulations for investor education and awareness initiatives.</p> | Particulars | % of daily net assets | Investment Management and Advisory Fees | Upto 2.25 | Trustee Fees | Audit Fees | Custodian Fees | Registrar & Transfer Agent Fees | Marketing & Selling expenses including agent commission | Cost related to investor communications | Cost of fund transfer from location to location | Cost of providing account statements and Income Distribution cum capital withdrawal redemption cheques and warrants | Costs of Statutory Advertisements | Cost towards Investor Education & Awareness (at least 2 bps) ^a | Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades respectively ^a | Goods & Services Tax on expenses other than Investment and Advisory Fees | Goods & Services Tax on brokerage and transaction cost | Other Expenses ^a | Maximum Total Expense Ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a) | Upto 2.25 | Additional expenses under regulation 52 (6A) (c) | Upto 0.05 | Additional expenses for gross new inflows from specified cities | Upto 0.30* |
| Particulars | % of daily net assets | | | | | | | | | | | | | | | | | | | | | | | | |
| Investment Management and Advisory Fees | Upto 2.25 | | | | | | | | | | | | | | | | | | | | | | | | |
| Trustee Fees | | | | | | | | | | | | | | | | | | | | | | | | | |
| Audit Fees | | | | | | | | | | | | | | | | | | | | | | | | | |
| Custodian Fees | | | | | | | | | | | | | | | | | | | | | | | | | |
| Registrar & Transfer Agent Fees | | | | | | | | | | | | | | | | | | | | | | | | | |
| Marketing & Selling expenses including agent commission | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cost related to investor communications | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cost of fund transfer from location to location | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cost of providing account statements and Income Distribution cum capital withdrawal redemption cheques and warrants | | | | | | | | | | | | | | | | | | | | | | | | | |
| Costs of Statutory Advertisements | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cost towards Investor Education & Awareness (at least 2 bps) ^a | | | | | | | | | | | | | | | | | | | | | | | | | |
| Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades respectively ^a | | | | | | | | | | | | | | | | | | | | | | | | | |
| Goods & Services Tax on expenses other than Investment and Advisory Fees | | | | | | | | | | | | | | | | | | | | | | | | | |
| Goods & Services Tax on brokerage and transaction cost | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other Expenses ^a | | | | | | | | | | | | | | | | | | | | | | | | | |
| Maximum Total Expense Ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a) | Upto 2.25 | | | | | | | | | | | | | | | | | | | | | | | | |
| Additional expenses under regulation 52 (6A) (c) | Upto 0.05 | | | | | | | | | | | | | | | | | | | | | | | | |
| Additional expenses for gross new inflows from specified cities | Upto 0.30* | | | | | | | | | | | | | | | | | | | | | | | | |

%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.

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 Circular dated October 22, 2018 and various guidelines specified by SEBI as amended from time to time, with reference to charging of fees and expenses. Accordingly:

- 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.
- 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.
- 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.
- No pass back, either directly or indirectly, shall be given by the Fund / the AMC / Distributors to the investors.

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

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 www.bajajamc.com. 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.

Actual expenses for the previous financial year
Not applicable in case of new scheme

Transaction Charges

Pursuant to SEBI Circular No. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011 the transaction charge per subscription of Rs.10,000/- and above may be charged in the following manner:

- The existing investors may be charged Rs. 100/- as transaction charge per subscription of Rs.10,000/- and above;
 - 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.

However, the option to charge "transaction charges" is at the discretion of the distributors. Investors may note that distributors can opt to receive transaction charges based on "type of the scheme". Accordingly, the transaction charges would be deducted from the subscription amounts, as applicable.

Transaction charges shall also be deducted on purchases/subscriptions received through non-demat mode from the investors investing through a valid ARN holder i.e. AMFI Registered Distributor (provided the distributor has opted-in to receive the transaction charges) in respect of transactions routed through Stock Exchange(s) platform viz. NSE Mutual Fund Platform and BSE Mutual Fund Platform.

The aforesaid transaction charge shall be deducted by the AMC from the subscription amount and paid to the distributor, as the case may be and the balance amount shall be invested subject to deduction of GST.

Transaction Charges shall not be deducted if:

- Purchase/Subscription made directly with the fund through any mode (i.e. not through any distributor/agent).
- Purchase/ subscription made in demat mode through stock Exchange, irrespective of investment amount

| | |
|--|---|
| Tax treatment for the Investors (unitholders) | Investor are advised to refer to the paragraph on "Taxation" in the Statement of Additional Information and also independently refer to their tax advisor. |
| Waiver of Load for Direct Applications | Pursuant to SEBI circular No. SEBI/IMD/CIR No. 4/ 168230/09 dated June 30, 2009, no entry load shall be charged for all the mutual fund schemes. Therefore, the procedure for the waiver of load for direct application is no longer applicable. |
| Daily Net Asset Value (NAV) Publication | <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>NAV will be calculated upto three 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>The first NAV shall be calculated and disclosed within 5 business days of allotment.</p> |
| For Investor Grievances please contact | <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@kfinfintech.com Website - www.kfinfintech.com</p> <p>Investor Service Officer: Mr. Sameer Nesarikar Bajaj Finserv Asset Management Limited, 8th Floor, E-Core, Solitaire Business Park (formerly Marvel Edge), Viman Nagar, Pune - 411014 Tel No: 020 67672500 Fax No: 020 67672550 Email: service@bajajamc.com</p> |
| Treatment of Financial Transactions Received through Suspended Distributor | <p>Pursuant to AMFI Best Practices Guidelines Circular dated September 24, 2019, regarding provisions pertaining to treatment of subscription /switch/ SIP/ STP transactions received through distributors whose AMFI Registration Number (ARN) has been suspended temporarily or terminated permanently by Association of Mutual Funds in India (AMFI):</p> <ol style="list-style-type: none"> During the period of suspension, no commission shall be accrued or payable to the distributor whose ARN is suspended. Accordingly, during the period of suspension, commission on the business canvassed prior to the date of suspension shall stand forfeited, irrespective of whether the suspended distributor is the main AMFI Registration Number ("ARN") holder or a sub-distributor. All subscription and switch transactions, including SIP/ STP registered prior to the date of suspension and fresh SIP / STP registrations received under the ARN code of a suspended distributor during the period of suspension, shall be processed under "Direct Plan" and shall be continued under Direct Plan perpetually*. A suitable intimation in this regard shall be sent to the investor informing them of the suspension of the Distributor. <p>*Note: In case the AMC receives a written request / instruction from the unitholder/s to shift the investments back to Regular Plan under the ARN of the distributor post the revocation of ARN suspension, the same would be honoured.</p> <ol style="list-style-type: none"> All subscription and switch transactions including SIP/ STP transactions received through the stock exchange platforms through a distributor whose ARN is suspended shall be rejected. In case where the ARN of a distributor has been permanently terminated, the unitholder would have the following options: <ul style="list-style-type: none"> - switch their existing investments under the Regular Plan to Direct Plan (Investors may be liable to bear capital gains taxes and exit load, if any, which may arise at the time of switch from Regular Plan to Direct Plan); or - continue their existing investments under the Regular Plan under ARN of another distributor of their choice. |
| Unitholders' Information | <ol style="list-style-type: none"> 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. <p>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.</p> <p>Each CAS issued to the investors shall also provide the total purchase value / cost of investment in each scheme.</p> <p>Further, CAS issued for the half-year (September/ March) shall also provide:</p> <ol 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. <p>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.</p> <p>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.</p> <p>CAS for investors having Demat account:</p> <ol 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. <p>The dispatch of CAS by the depositories would constitute compliance with the requirement under Regulation 36(4) of SEBI (Mutual Funds) Regulations.</p> <p>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> <p>Annual Report</p> <p>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:</p> <ul style="list-style-type: none"> • 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.

Portfolio Disclosure:

Portfolio shall be disclosed (i) on a fortnightly basis (i.e. as on 15th and as on the last day of the month), within 5 days from end of the fortnight and (ii) as on the last day of the month/half-year i.e. March 31 and September 30 within 10 days from the close of each month/half-year respectively. Portfolio shall be disclosed on AMC website www.bajajamc.com 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.

Unaudited financial results:

Within one month from the end of each half year (i.e. on 31st March and on 30th September), the AMC/MF shall upload scheme unaudited financial results. The AMC shall also publish an advertisement stating that unaudited financial results have been uploaded on its website in one English daily newspaper having nationwide circulation and in one regional newspaper having circulation in the region where the head office of the AMC/Mutual Fund is situated.

Risk-o-meter

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 www.bajajamc.com and that of AMFI (www.amfiindia.com) within 10 days from the close of each month.

Scheme Summary Document

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).

Comparison with other Equity Schemes

Not applicable as this is the first scheme being launched by the Mutual Fund.

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
CEO

Place: Pune
Date: August 14, 2023

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9. INVESTMENT & PAYMENT DETAILS* The name of the first/ sole applicant must be pre-printed on the cheque. (Please refer instruction no. 7)

| Scheme Name | Plan | Option |
|------------------------------|--|---|
| Bajaj Finserv Arbitrage Fund | <input type="checkbox"/> Regular Plan <input type="checkbox"/> Direct Plan | <input type="checkbox"/> Growth (Default) <input type="checkbox"/> IDCW Payout <input type="checkbox"/> IDCW Reinvestment (Default for IDCW) |

| Payment Type (Please ✓) | <input type="checkbox"/> Non-Third Party | <input type="checkbox"/> Third Party Payment (Please fill third party declaration form) |
|---|--|---|
| Mode of Payment | <input type="checkbox"/> Lumpsum | <input type="checkbox"/> SIP* |
| Amount (INR) | | |
| Mode of Payment (Please ✓) <input type="checkbox"/> Cheque / DD <input type="checkbox"/> NEFT / RTGS | Cheque / DD No. / UTR No. | Cheque / DD No. / UTR No. |
| Drawn on Bank and A/c no | | |
| Date | | |

Cheque/DD should be drawn in favour of scheme name "Bajaj Finserv Arbitrage Fund"

*If you wish to register SIP, kindly fill the relevant SIP Registration & OTM Debit Mandate Form.

Reason for investment House Children's Education Children's Marriage Car Retirement Others (please specify) _____

Investment horizon Please (✓) anyone 5 Years 10 Years 15 Years 20 Years 25 Years

10. UNIT HOLDING OPTION **PHYSICAL MODE (Default)** **DEMAT MODE*** (Please refer instruction no. 8)

*Demat Account details are mandatory if the investor wishes to hold the units in Demat Mode. Please ensure that the sequence of names as given in the order of the applicants matches as per the Depository Details. In case of any ambiguity or validation failure with the depository details, AMC will allot units in the Physical Mode.

| | | | | | | | |
|--|----|---------------------|--|---|----|---------------------|--|
| National Securities Depository Limited | | | | Central Depository Services (India) Limited | | | |
| DP Name | | | | DP Name | | | |
| DP ID | IN | Beneficiary A/c No. | | DP ID | IN | Beneficiary A/c No. | |
| | | | | | | | |

Enclosures - Please (✓) Client Masters List (CML) Transaction cum Holding Statement Delivery Instruction Slip (DIS)

11. FATCA AND CRS DETAILS FOR INDIVIDUALS (Including Sole Proprietor) (Please refer instruction no. 9)

Non-Individual investors should mandatorily fill separate FATCA and Ultimate Beneficial Ownership (UBO) Form. The below information is required for all applicants/guardian

| Particulars | Place/City of Birth | Country of Birth | Country of Citizenship / Nationality |
|----------------------------|---------------------|------------------|--|
| First Applicant / Guardian | | | <input type="checkbox"/> Indian <input type="checkbox"/> U.S. <input type="checkbox"/> Others (Please specify) _____ |
| Second Applicant | | | <input type="checkbox"/> Indian <input type="checkbox"/> U.S. <input type="checkbox"/> Others (Please specify) _____ |
| Third Applicant | | | <input type="checkbox"/> Indian <input type="checkbox"/> U.S. <input type="checkbox"/> Others (Please specify) _____ |

Are you a tax resident (i.e., are you assessed for Tax) in any other country outside India? Yes No [Please tick (✓)]

If 'YES' please fill for ALL countries (other than India) in which you are a Resident for tax purpose i.e. where you are a Citizen/Resident/Green Card Holder/Tax Resident in the respective countries.

| Particulars | Country of Tax Residency | Tax Identification Number or Functional Equivalent | Identification Type (TIN or other please specify) | If TIN is not available please tick (✓) the reason A, B or C (as defined below) |
|----------------------------|--------------------------|--|---|--|
| First Applicant / Guardian | | | | Reason: A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> |
| Second Applicant | | | | Reason: A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> |
| Third Applicant | | | | Reason: A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> |

Reason A ⇒ The country where the Account Holder is liable to pay tax does not issue Tax Identification Numbers to its residents.

Reason B ⇒ No TIN required (Select this reason only if the authorities of the respective country of tax residence do not require the TIN to be collected)

Reason C ⇒ Others, please state the reason thereof: _____

| | | |
|--|---|---|
| *Address Type of Sole/1st Holder: <input type="checkbox"/> Residential <input type="checkbox"/> Registered Office <input type="checkbox"/> Business | *Address Type of 2nd Holder: <input type="checkbox"/> Residential <input type="checkbox"/> Registered Office <input type="checkbox"/> Business | *Address Type of 3rd Holder: <input type="checkbox"/> Residential <input type="checkbox"/> Registered Office <input type="checkbox"/> Business |
|--|---|---|

*If the address type is not ticked the default will be considered as residential.

12. NOMINATION DETAILS* (To be filled in by individuals singly or jointly. Mandatory only for Investors who opt to hold units in Non-Demat) (Please refer instruction no. 10)

I/We do hereby nominate the person(s) more particularly described here under to receive the Units held in my/our Folio in the event of my/our death. (Please fill the nominee details in the table given below)

I/We hereby confirm that I/We do not wish to appoint any nominee(s) for my mutual fund units held in my/our mutual fund folio. I/We understand the implications/issues involved in non-appointment of any nominee(s) and am/are further aware that in case of my demise/death of all the unit holders in the folio, my/our legal heir(s) would need to submit all the requisite documents issued by the Court or such other competent authority, as may be required by the Mutual Fund/AMC for settlement of death claim/transmission of units in favour of the legal heir(s), based on the value of the units held in the mutual fund folio.

If you do not wish to nominate (Opt Out of Nomination), it is mandatory to sign as per the mode of holding in signature space provided below i.e. in Nomination Details section

| Name and PAN of Nominee(s) | Relationship with Applicant | Date of Birth | Guardian Name | Guardian's relationship with nominee | Signature of Nominee/ Guardian of Nominee (Optional) | Proportion (%) in which the units will be shared by each Nominee (should aggregate to 100%) |
|----------------------------|-----------------------------|---------------|---------------|--------------------------------------|--|---|
| | | | | | | |
| Nominee 1 | | DD/MM/YYYY | | | | |
| Nominee 2 | | DD/MM/YYYY | | | | |
| Nominee 3 | | DD/MM/YYYY | | | | |

Signature(s) All Unit holders to mandatorily sign irrespective of the mode of holding.

Sign of 1st Applicant / Guardian

Sign of 2nd Applicant

Sign of 3rd Applicant

13. CONFIRMATION CLAUSE

I/We hereby confirm to have read, understood and agree to the privacy policy available on www.bajajamc.com. I/We accord my/our consent to the AMC/Fund for collecting, receiving, possessing, storing, dealing, handling or disclosure of my/our personal data and hereby authorise to disclose it to the third party or another body corporate or any person acting under a contract with the AMC or the Fund.

14. DECLARATION AND SIGNATURES

(Please refer instruction no. 11)

I/We hereby confirm and declare as under:- I/We have read and understood the contents of the Statement of Additional Information of Bajaj Finserv Mutual Fund and the Scheme Information Document(s)/Key Information memorandum of Bajaj Finserv Arbitrage Fund and Addenda thereto, issued from time to time and the Instructions. I/We, hereby apply to the Trustee of Bajaj Finserv Mutual Fund for allotment of units of the Scheme(s) of Bajaj Finserv Mutual Fund, as indicated above and agree to abide by the terms, conditions, rules and regulations of the relevant Scheme(s). I/We have neither received nor been induced by any rebate or gifts, directly or indirectly in making this investment. I/We declare that I am/We are authorised to make this investment and the amount invested in the Scheme is through legitimate sources only and is not designed for the purpose of contravention or evasion of any Act, Regulation, Rule, Notification, Directions or any other applicable laws enacted by the Government of India or any Statutory Authority. The ARN holder has disclosed to me/us all the commissions (in the form of trail commission or any other mode), payable to him for the different competing Schemes of various Mutual Funds from amongst which the Scheme(s) is/are being recommended to me/us. I/We declare that the information given in this application form is correct, complete and truly stated. In the event of my/our not fulfilling the KYC process to the satisfaction of the AMC/Bajaj Finserv Mutual Fund, I/We hereby authorise the AMC/Bajaj Finserv Mutual Fund to redeem the units against the funds invested by me/us at the applicable NAV as on the date of such redemption. I/We agree that Bajaj Finserv Mutual Fund can debit from my Folio Transaction Charges as applicable. I/We agree to notify Bajaj Finserv Asset Management Limited immediately in the event the information in the self-certification changes. For investors investing in Direct Plan: I/We hereby agree that the AMC has not recommended or advised me/us regarding the suitability or appropriateness of the product/scheme/plan. Applicable to Micro Investors: I/We hereby declare that I/We do not have any existing Micro investments which together with the current application will result in aggregate investments exceeding Rs. 50,000 in a year. Applicable to NRIs: I/We confirm that I am/We are Non-Resident(s) of Indian Nationality/Origin and I/We hereby confirm that the funds for subscription have been remitted from abroad through normal banking channels or from funds in my/our Non-Resident External / Ordinary Account / FCNR Account (s). FATCA and CRS Declaration: I/We hereby acknowledge and confirm that the information provided in this form is true and correct to the best of my/our knowledge and belief. In case any of the above specified information is found to be false or untrue or misleading or misrepresenting, I/We shall be liable for it. I/We also undertake to keep you informed in writing about any changes/modification to the above information in future and also undertake to provide any other additional information as may be required at your end. I/We hereby authorise you to disclose, share, remit in any form, mode or manner, all/any of the information provided by me/us, including all changes, updates to such information as and when provided by me/us to Mutual Fund, its Sponsor, Asset Management Company, trustees, their employees ("the Authorised Parties") or any Indian or foreign governmental or statutory or judicial authorities/agencies including but not limited to the Financial Intelligence Unit-India (FIU-IND), the tax /revenue authorities and other investigation agencies without any obligation of advising me/us of the same.

Please ✓ if the EUIN space is left blank: I / We hereby confirm that the EUIN box has been intentionally left blank by me/us as this is an "execution-only" transaction without any interaction or advice by the employee/relationship manager/sales person of the above distributor or notwithstanding the advice of in-appropriateness, if any, provided by the employee/relationship manager/sales person of the distributor and the distributor has not charged any advisory fees on this transaction.

Signature(s) should be as it appears in the Folio / on the Application Form and in the same order. In case the mode of holding is joint, all Unit holders are required to sign.

Sign of 1st Applicant / Guardian / Authorised Signatory / POA

Sign of 2nd Applicant / Authorised Signatory / POA

Sign of 3rd Applicant / Authorised Signatory / POA

Points to remember

| Please ensure that: | Documents | Individuals | Companies | Societies | Partnership Firms | Investments through PoA | Trust | NRI | FII(s)/ FPI | Sole Proprietor | Minor | HUF |
|---|--|-------------|-----------|-----------|-------------------|-------------------------|-------|-----|-------------|-----------------|-------|-----|
| 1. Your Application Form is complete in all respects & signed by all applicants. | Resolution / Authorisation to invest | | ✓ | ✓ | ✓ | | ✓ | | ✓ | | | |
| 2. Name, Address and Contact Details are mentioned in full. Email id & Mobile number should be provided along with the declaration whether it belongs to Self or a Family member. | HUF / Trust Deed | | | | | | ✓ | | | | | ✓ |
| 3. Bank Account Details are entered completely and correctly. IFSC Code & 9 digit MICR Code of your Bank is mentioned in the Application Form. | Bye - Laws | | | ✓ | | | | | | | | |
| 4. Permanent Account Number (PAN) Mandatory for all Investors (Indian & NRI) Irrespective of the Investment amount. | Partnership Deed | | | | ✓ | | | | | | | |
| 5. Know Your Client (KYC) Mandatory for irrespective of the amount of investment (please refer the guideline 4(e) for more information) | SEBI Registration / Designated Depository Participant Registration Certificate 2 | | | | | | | | ✓ | | | |
| 6. Your Investment Cheque / DD is drawn in favour of < Scheme Name > dated and signed. For e.g "Bajaj Finserv Arbitrage Fund" | Proof of Date of birth | | | | | | | | | | ✓ | |
| 7. Application Number is mentioned on the reverse of the cheque. | Notarised Power of Attorney | | | | | ✓ | | | | | | |
| 8. A cancelled Cheque leaf of your Bank is enclosed in case your investment cheque is not from the bank account that you have furnished in the Application Form. | Foreign Inward Remittance Certificate, in case payment is made by DD from NRE / FCNR a/c, where applicable | | | | | | | ✓ | | | | |
| 9. Documents as listed are submitted along with the Application form (as applicable to your specific case) | KYC Acknowledgement | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Demat Account Details (Client Master List Copy)3 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| | FATCA CRS/UBO Declaration | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

1. Self attestation is mandatory 2. Copy of SEBI registration certificate (for FII) or Designated Depository Participant registration certificate (for FPI) should be provided 3. In case Units are applied in Electronic (Demat) mode.

GENERAL GUIDELINES FOR NFO APPLICATION FORM

- Please read the Scheme Information Document/Key Information Memorandum of Bajaj Finserv Arbitrage Fund carefully before investing.
 - Please furnish all information marked as 'MANDATORY'. In the absence of any mandatory information, the application would be rejected.
 - The application form should be completed in ENGLISH and in BLOCK LETTERS.
 - All cheques, demand drafts and pay orders should be crossed "Account Payee only" and made in favour of "Scheme Name" – Bajaj Finserv Arbitrage Fund.
 - If the Scheme name on the application form and on the payment instrument are different, the application may be processed and units allotted at applicable NAV of the scheme mentioned in the application / transaction slip duly signed by investor(s).
 - Any over-writing / changes made while filling the form must be authenticated by canceling the original entry, re-entering correct details and ensuring that all applicants counter-sign against each correction.
 - Investors must write the application form number / folio number / PAN number on the reverse of the cheque / demand draft.
- FATCA Declaration: Individual investors, please fill in FATCA / CRS annexure and attach along with Application form. Non-Individual investors, please fill in UBO form along with FATCA / CRS annexure and attach along with Application form available on our website.
 - In case of new individual investors who are not KYC compliant, please fill the CKYC form issued by Central KYC Registry (CKYC) appended in the form and also available on our website.
 - In case of new non-individual investors, please fill the KYC application form issued by KYC Registration Agency available on our website <https://www.bajajamc.com>
 - In case of existing individual and non individual investors who are KYC compliant, please provide the KYC acknowledgement issued by the KYC Registration Agency.
 - Please strike off sections that are not applicable.
 - This application form can be used during the New Fund Offer period and on an ongoing basis once the scheme reopens for ongoing sale and repurchase till the stock lasts.

INSTRUCTIONS FOR NFO APPLICATION FORM

1. DISTRIBUTOR INFORMATION

- Commission (if any) shall be paid directly by the investor to the AMFI registered Distributors based on the investors' assessment of various factors including the service rendered by the distributor.
- Please mention 'DIRECT' in case the application is not routed through any distributor.
- Pursuant to SEBI circular dated September 13, 2012, mutual funds have created a unique identity number of the employee/ relationship manager/ sales person of the distributor interacting with the investor for the sale of mutual fund products, in addition to the AMFI Registration Number (ARN) of the distributor. This Employee Unique Identification Number is referred as "EUIIN". EUIIN aims to assist in tackling the problem of mis-selling even if the employee/relationship manager/sales person leaves the employment of the distributor or his/her sub broker. Quoting of EUIIN is mandatory in case of advisory transactions.
- Distributors are advised to ensure that the sub broker affixes his/her ARN code in the column "Sub broker ARN code" separately provided, in addition to the current practice of affixing the internal code issued by the main ARN holder in the "Sub broker code (as allotted by ARN holder)" column and the EUIIN of the Sales Person (if any) in the "EUIIN" column.
- Distributor are advised to ensure that they fill in the RIA/PMRN code, in case they are a Registered Investment Advisor / Portfolio Manager.
- Investors are requested to note that EUIIN is applicable for transactions such as Purchases, Switches, Registrations of SIP / STP and EUIIN is not applicable for transactions such as Instalments under SIP/STP / SWP, Redemption, SWP Registration.
- Investors are requested to note that EUIIN is largely applicable to sales persons of non individual ARN holders only (whether acting in the capacity of the main distributor or sub broker). Further, EUIIN will not be applicable for overseas distributors who comply with the requirements as per AMFI circular.

2. TRANSACTION CHARGES

In terms of SEBI circular, Cir/ IMD/ DF/13/ 2011 dated August 22, 2011, the distributors of mutual fund products are allowed to be paid transaction charges for purchase transactions :

- @ Rs. 100/- per subscription of Rs. 10,000/- and above in respect of existing unitholders; and
- @ Rs. 150/- for subscription of Rs. 10,000/- and above in respect of a first time investor in mutual funds.

In case of SIPs, the transaction charge if any, shall be applicable only if the total commitment through SIPs aggregates to Rs. 10,000/- and above and shall be recovered in 4 instalments. The transaction charge shall be deducted from the subscription amount and paid to the distributor; and the balance shall be invested in the Scheme. The transaction charges and the net investment amount and the number of units allotted will be clearly mentioned in the Account Statement issued by the Mutual Fund.

There shall be no transaction charges on

- 'Direct' investments;
- subscription below Rs. 10,000/- and
- switch (including STP) and redemption (including SWP) transactions.

Distributors shall be able to choose to opt out of charging the transaction charge.

However, the 'opt out' shall be at distributor level and not investor level i.e. a distributor shall not charge one investor and choose not to charge another investor.

3. EXISTING INVESTORS OF BAJAJ FINSERV MUTUAL FUND

If you are an existing investor please mention your existing folio number, so the unit will be allotted in the same folio. If it left blank, then new folio number will be generated.

4. SOLE/ FIRST APPLICANT'S DETAILS

- Please furnish names of all applicants. The name of the Sole /First Applicant should be mentioned in the same manner in which it appears in the Income Tax PAN card. Please note the following:
 - In case the applicant is a Non individual Investor (including HUF), then Legal Entity Identifier (LEI) Number is mandatory to be mentioned in the space provided. As per the RBI circular No. RBI/2020-21/82 – DPSS.CO.OD No.901/06.24.001/2020-21 dated January 05, 2021, it is mandatory for all Non-individuals to obtain Legal Entity Identifier (LEI) and quote the same for any transactions beyond Rs.50 crore routed through RTGS / NEFT w.e.f 1st April'21. Further, the Contact person's name to be stated in the space provided (Name of (Guardian/Contact Person)
 - In case the applicant is a minor, the Guardian's name should be stated in the space provided (Name of Guardian / Contact Person). It is mandatory to provide the minor's date of birth in the space provided.
 - In case the application is being made on behalf of a minor, he / she shall be the Sole Holder/Beneficiary. There shall be no joint account with a minor unitholder.

b. Please indicate the tax status of the sole/1 applicant at the time of investment. The abbreviations used in this section are:

NRI: Non-Resident Indian Individual, PIO: Person of Indian Origin, FI: Foreign Institutional Investor, NGO: Non Government Organization, AOP: Association of Persons, BOI: Body of Individuals, HUF : Hindu Undivided Family.

c. Where the investment is on behalf of a Minor by the Guardian:

- The Minor shall be the first and sole holder in the account.
- No Joint holders are allowed. In case an investor provides joint holder details, these shall be ignored.

- Guardian should be either a natural guardian (i.e. father or mother) or a court appointed legal guardian.
- Guardian should mention the relationship with Minor and date of birth of the Minor on the application form.
- A document evidencing the relationship and date of birth of the Minor should be submitted along with the application form. Photo copy of any one of the following documents can be submitted a) Birth certificate of the minor or b) school leaving certificate/ mark sheet of Higher Secondary board of respective states, ICSE, CBSE etc. c) Passport of the minor d) Any other suitable proof evidencing the relationship.
- Where the guardian is not a natural guardian (father or mother) and is a court appointed legal guardian, suitable supporting documentary evidence should be provided.
- Payment for investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor or from the joint account of the minor with parent or legal guardian.
- If the mandatory details and/or documents are not provided, the application is liable to be rejected without any information to the applicant.

d. Politically Exposed Person (PEP)

- PEP are defined as individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments, senior politicians, senior Government/ judicial/ military officers, senior executives of state owned corporations, important political party officials, etc.
- Domestic PEPs: Individuals who are or have been entrusted domestically with prominent public functions within India, for example Heads of State or of Governments, senior government, judicial or military officials, senior executives of state-owned corporations.
- Family members are individuals who are related to PEP either directly or through marriage or similar forms of partnership.

e. KYC Requirements and details:

Please furnish PAN & KYC details for each applicant/unit holder, including the Guardian and/or Power Of Attorney (POA) holders as explained in the below points.

• PAN

It is mandatory for all investors (including guardians, joint holders, NRIs and power of attorney holders) to provide their Income Tax Permanent Account Number (PAN) and also submit a photo copy of the PAN card at the time of purchase of Units except for investors who are exempted from PAN requirement, please refer to KYC Form for exemption of PAN requirement.

• KNOW YOUR CUSTOMER (KYC)

- Individual client who has registered under Central KYC Records Registry (CKYCR) has to fill the 14 digit KYC Identification Number (KIN) in application form as per AMFI circular 135/BP/68/2016-17. To download Common KYC Application Form, please visit our website <https://www.bajajamc.com>
- In accordance with the aforesaid SEBI circulars and AMFI best practice guidelines for implementation of CKYC norms with effect from February 1, 2017:
- Individual investors who have never done KYC process under KRA regime i.e. a new investor who is new to KRA system and whose KYC is not registered or verified in the KRA system shall be required to provide KYC details in the CKYC Form to the Mutual Fund/ AMC.
- Individual investor who fills old KRA KYC Form, should provide additional / missing information using Supplementary KYC Form or CKYC Form.
- Details of investors shall be uploaded on the system of CKYCR and a 14 digit unique KYC Identifier ("KIN") will be generated for such customer.
- New investors, who have completed CKYC process & have obtained KIN may quote their KIN in the application form instead of submitting CKYC Form/ Supplementary KYC Form.
- AMC/ Mutual Fund shall use the KIN of the investor to download the KYC information from CKYCR system and update its records.
- If the PAN of investor is not updated on CKYCR system, the investor should submit self certified copy of PAN card to the Mutual Fund/ AMC.

In accordance with AMFI circular - 35P/MEM-COR/54/2019-20 dated February 28, 2020, it is mandatory, KYC to be verified by KYC Registration Agency before processing redemption. Further, investor requested to complete KYC process before placing redemption request.

The CKYC Form and Supplementary KYC Form are available at Investor Service Centre (ISC) of Bajaj Finserv Mutual Fund and on website <https://www.bajajamc.com> The AMC reserves the right to reject transaction application in case the investor(s) fails to submit information and/or documentation as mentioned above. In the event of non compliance of KYC requirements, the Trustee / AMC reserves the right to freeze the folio of the investor(s).

• Micro Investment

With effect from October 30, 2012, where the aggregate of the lump sum investment (fresh purchase & additional purchase) and Micro SIP instalments by an investor in a financial year i.e April to March does not exceed ₹50,000/- it shall be exempt from the requirement of PAN. However, requirements of Know Your Customer (KYC) shall be mandatory. Accordingly, investors seeking the above exemption for PAN still need to submit the KYC Acknowledgement, irrespective of the amount of investment. This exemption will be available only to Micro investment made by the individuals being Indian citizens (including NRIs, Joint holders, minors acting through guardian and sole proprietary firms), PIOs, HUFs, QFIs and other categories of investors will not be eligible for this exemption.

f. Contact Information

- Please furnish the full postal address of the Sole/ First Applicant with PIN/Postal Code and complete contact details. (P.O. Box address is not sufficient).
- As per SEBI letter SEBI/HO/IMD/DoF4/OW/P/2018/0000019378/1 dated July 9, 2018 and AMFI Best Practice Guidelines Circular No. 77 / 2018-19 the first/sole holder's own email address and mobile number should be provided for speed and ease of communication in a convenient and cost-effective manner, and to help prevent fraudulent transactions. **Individual investors must declare whether the primary email address and mobile number being provided belongs to Self or a Family member and tick the relevant code in the application form. The email id/ contact details mentioned on the application form should be the same as the ones provided in the KRA. If found different, the details mentioned on KRA records will be updated in the folio. Investor will need to update the email id / mobile number with the KRA incase of any change.**
- Please note that all communication i.e. Account statement, Annual Report, News Letters will be sent via e-mail, if the e-mail id of the investor is provided in the application form. The Account statement will be encrypted with a password before sending the same to the registered email id. Should the unitholder face any difficulty in accessing/opening the Account Statements/ documents sent via email, the unitholder may call/write to the AMC/Registrar and ask for a physical copy.
- Overseas address is mandatory for NRI/FII investors.

5. BANK DETAILS

- Please furnish complete Bank Account Details of the Sole/First Applicant. This is a mandatory requirement and applications not carrying bank account details shall be rejected. Bank details redemption proceeds.
- Please provide your complete Core Banking Account Number, (if applicable), in your Bank Mandate in the Application Form. In case you are not aware of the Core Banking Account Number, kindly check the same with your bankers.
- Please attach a original cancelled cheque leaf if your investment instrument is not from the same bank account mentioned in the Application form.
- Bajaj Finserv Mutual Fund will endeavour to remit the Redemption through electronic mode, wherever sufficient bank account details of the unit holder are available.

6. MODE OF HOLDING

Please select mode of holding, if option left blank then default option of Joint will be considered.

7. INVESTMENT/PAYMENT DETAILS**Plans:**

The AMC has introduced a separate plan for direct investments (i.e. investments not routed through an AMFI Registration Number (ARN) Holder ("Distributor") (hereinafter referred to as "Direct Plan").

- There shall be 2 Plans available for subscription under the Schemes viz., Regular Plan and Direct Plan.
- Investors subscribing under Direct Plan of the Schemes should indicate the Scheme/Plan name in the application form as "Scheme Name - Direct Plan" e.g. "Bajaj Finserv Arbitrage Fund Direct Plan". Investors should also indicate "Direct" in the ARN column of the application form. However, in case Distributor code is mentioned in the application form, but "Direct Plan" is indicated against the Scheme name, the Distributor code will be ignored and the application will be processed under Direct Plan.
- Please note, where application is received for Regular Plan without Distributor code or "Direct" mentioned in the ARN Column, the application will be processed under Direct Plan.
- Please indicate the Plan under which you wish to invest. Also indicate your choice for IDCW payout or re-investment. If any information is left blank, the default option will be available.
- Payment may be made only by Cheque or Bank Draft or Electronic Fund Transfer. Cheque/Draft should be drawn in favour of the "Scheme name" - "Bajaj Finserv Arbitrage Fund" and crossed "Account Payee only".
- Please refer to Scheme Information Document, Statement of Additional Information and Key Information Memorandum of the scheme for the Minimum amount criteria of the scheme.
- Please note that third party payments shall not be accepted.
- Third Party Payment" shall mean payment made through an instrument issued from an account other than that of the beneficiary investor. In case of payment instruments issued from a joint bank account, the first named applicant/investor must be one of the joint holders of the bank account from which the payment instrument is issued. 'Related person/s' means such persons as may be specified by the AMC from time to time. Exceptions: MF will accept subscriptions to schemes of Bajaj Finserv MF accompanied by Third- Party Payment Instruments only in the following exceptional cases:
 - Payment by Employer on behalf of employee under Systematic Investment Plans or lumpsum/ one time subscription, through Payroll deductions or deductions out of expense reimbursements.
 - Custodian on behalf of a Foreign Portfolio Investors (FPIs) or a client.
 - Payment by an AMC to an empanelled Distributor on account of commission/incentive etc. in the form of the Mutual Fund units of the schemes managed by such AMC through SIP or lump sum/ one-time subscription, subject to compliance with SEBI Regulations and Guidelines issued by AMFI, from time to time.
 - Payment by a Corporate to its Agent/Distributor/Dealer (similar arrangement with Principal- agent relationship), on account of commission or incentive payable for sale of its goods/services, in the form of the Mutual Fund Units through SIP or lump sum/one-time subscription, subject to compliance with SEBI Regulations and Guidelines issued by AMFI, from time to time.
 - Payment by registered Stock brokers of recognized stock exchanges for their clients having demat accounts. The investors making an application under the above mentioned exceptional cases are required to comply with the following, without which their applications for subscriptions for units will be rejected / not processed.
- Mandatory KYC compliance of the investor and the person making the payment, in order to determine the identity of the investor and the person issuing the payment instrument.
- Submit a separate, prescribed, 'Third Party Payment Declaration Form' from the beneficiary applicant/s and the person making the payment i.e., the Third Party, giving details of the bank account from which the payment is made and the relationship of the Third Party with the beneficiary. (The declaration form is available at <https://www.bajajamc.com>)

- Submit a cancelled cheque leaf or copy of bank statement /pass book mentioning bank account number, account holders' name and address or such other document as the AMC may require for verifying the source of funds to ascertain that funds have been remitted from the drawer's account only.

For identifying Third Party Payments, investors are required to comply with the requirements specified below :

a. Payment by Cheque: An investor at the time of his/her purchase must provide the details of pay-in bank account (i.e. account from which a subscription payment is made) and pay-out bank account (i.e. account into which redemption are to be paid). Identification of third party cheques by the AMC / Registrars will be on the basis of either matching of pay-in bank account details with registered/pay-out bank account details or by matching the bank account number/name/signature of the first named investor with the name/account number/signature available on the cheque. If the name/bank account number is not pre-printed on the cheque and signature on the cheque does not match with signature on the application, then the first named applicant/investor should submit any one of the following documents:

- a copy of the bank passbook or a statement of bank account having the name and address of the account holder and account number.
 - a letter* (in original) from the bank on the bank's letterhead certifying that the investor maintains an account with the bank, along with information like bank account number, bank branch, account type, the MICR code of the branch & IFSC Code (where available). In respect of (ii) above, it should be certified by the bank manager with his/her full signature, name, employee code, bank seal and contact number. Investors should note that where the bank account numbers have changed on account of the implementation of core banking system at their banks, any related communication from the bank towards a change in bank account number should accompany the application form for subscription of units.
- b. Payment by Prefunded Instrument:**
- If the subscription is settled with pre-funded instruments such as Pay Order, Demand Draft, Banker 's cheque, etc., a certificate (in original) from the Issuing banker must accompany the purchase application, stating the Account holder's name and the Account number which has been debited for issue of the instrument. The account number mentioned in the Certificate should be a registered bank account or the first named unitholder should be one of the account holders to the bank account debited for issue of such instruments.
 - A pre-funded instrument issued against cash shall not be accepted, except in case of payment made by Parents/Grandparents/related persons on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding `50,000/-. This also should be accompanied by a certificate from the banker giving name, address and PAN of the person who has procured the payment instrument. The Certificate(s) mentioned in (i) and (ii) above should be duly certified by the bank manager with his/her full signature, name, employee code, bank seal and contact number.

c. Payment by RTGS, NEFT, ECS, Bank transfer, etc:

A copy of the instruction to the bank stating the account number debited must accompany the purchase application. The account number mentioned on the transfer Instruction copy should be a registered bank account or the first named unitholder should be one of the account holders to the bank account. The above broadly covers the various modes of payment for mutual fund subscriptions. The above list is only indicative not exhaustive and any other mode of payment as introduced from time to time will also be covered accordingly. In case the application for subscription does not comply with the above provisions, the AMC / Registrars retains the Sole and absolute discretion to reject/not process such application and refund the subscription money and shall not be liable for any such rejection.

d. Lumpsum Investment

If you are from a city where there is no designated Investor Service Centre of Bajaj Finserv MF you may make a payment by a Demand Draft for the investment amount. Please enter the cheque or DD amount, DD Charges (if applicable) and the investment amount. The AMC shall bear the DD Charges incurred by an applicant as per demand draft charges prescribed by State Bank of India. The AMC shall, however, not refund any DD charges to the investor under any circumstances.

NRI investors

NRI Investors and FPIs- NRIs and PIOs may purchase units of the scheme(s) on a repatriation and non-repatriation basis, while FPIs (erstwhile known as FIIs) may purchase units only on a repatriation basis and subject to applicable laws. They shall attach a copy of the cheque used for payment or a Foreign Inward Remittance Certificate (FIRC) or an Account Debit Certificate from the bankers along with the application form to enable the AMC to ascertain the repatriation status of the amount invested. The account type shall be clearly ticked as NRE or NRO or FCNR, to enable the AMC determine the repatriation status of the investment amount. The AMC and the Registrar may rely on the repatriation status of the investment purely based on the details provided in the application form.

Repatriation basis-

NRIs and PIOs may pay their subscription amounts by way of Demand draft, cheques drawn on Non-Resident External (NRE) Accounts or Indian Rupee drafts payable at par at any of the centres where the AMC has a designated ISC and purchased out of funds held in NRE Accounts / FCNR (B) Accounts. FPIs may pay their subscription amounts either by way of inward remittance through normal banking channels or out of funds held in NRE Accounts / FCNR (B) maintained in accordance with Foreign Exchange Management (Deposit) Regulations, 2016.

Non-Repatriation basis

Non-Repatriation basis - NRIs and PIOs may pay their subscription amounts by way of inward remittance through normal banking channels or out of funds held in NRE/FCNR (B) / NRO account maintained in accordance with Foreign Exchange Management (Deposit) Regulations, 2016.

e. Systematic Investment Plan (SIP)

Please read Scheme Information Document, Statement of Additional Information and Key Information Memorandum of Bajaj Finserv Arbitrage Fund for the applicability/ availability of Special Features in Bajaj Finserv Arbitrage Fund.

- In case the investor opts for Normal SIPs the payment details of first instalment needs to be provided.
- If you wish to register SIP, kindly fill the relevant SIP Registration & OTM Debit Mandate Form.

8. UNIT HOLDING OPTION (Demat / Non - Demat Mode)

a. Investors can hold units in demat / non-demmat mode. In case demat account details are not provided or details of DP ID / BO ID, provided are incorrect or demat account is not activated or not in active status, the units would be allotted in non-demmat mode.

b. Statement of Accounts would be sent to Investors who are allotted units in non-demat mode.

c. Units held in dematerialized form are freely transferable with effect from October 01, 2011, except units held in Equity Link Savings Scheme during the lock-in period.

9. FOREIGN ACCOUNT TAX COMPLIANCE (FATCA) FATCA & CRS TERMS & CONDITIONS:

Details under FATCA & CRS: The Central Board of Direct Taxes has notified Rules 114F to 114H, as part of the Income- tax Rules, 1962, which Rules require Indian financial institutions such as the Bank to seek additional personal, tax and beneficial owner information and certain certifications and documentation from all our account holders. In relevant cases, information will have to be reported to tax authorities / appointed agencies. Towards compliance, we may also be required to provide information to any institutions such as withholding agents for the purpose of ensuring appropriate

withholding from the account or any proceeds in relation thereto. Should there be any change in any information provided by you, please ensure you advise us promptly, i.e., within 30 days. Please note that you may receive more than one request for information if you have multiple relationships with Bajaj Finserv Mutual Fund or its group entities. Therefore, it is important that you respond to our request, even if you believe you have already supplied any previously requested information.

FATCA & CRS INSTRUCTIONS: If you have any questions about your tax residency, please contact your tax advisor. If you are a US citizen or resident or greencard holder, please

include United States in the foreign country information field along with your US Tax Identification Number.

It is mandatory to supply a TIN or functional equivalent if the country in which you are tax resident issues such identifiers. If no TIN is yet available or has not yet been issued, please provide an explanation and attach this to the form.

SEBI issued its circular no. CIR/MIRSD/2/2015 dated August 26, 2015 inter alia advising intermediaries to take necessary steps to ensure compliance with the requirements specified in the rules and guidelines specified by the Government of India. AMFI also issued its best practices guidelines circular no. 135/BP/63/2015-16 dated September 18, 2015 on this matter. The AMC and the Mutual Fund are required to adhere to various requirements inter alia including submission of various information / details relating to the investors in the schemes of the mutual fund, to authorities, as specified under the applicable laws. Accordingly, the following aspects need to be adhered to :

- All investors will have to mandatorily provide the information and declarations pertaining to FATCA/CRS for all new accounts opened, failing which the application / transaction request shall be liable to be rejected.

Investors are requested to provide all the necessary information / declarations to facilitate compliance, considering India's commitment to implement CRS and FATCA under the relevant international treaties. Please consult your professional tax advisor for further guidance on your tax residency, if required. In case customer has the following India pertaining to a foreign country and yet declares self to be non-tax resident in the respective country, customer to provide relevant Curing Documents as mentioned below:

| FATCA & CRS Indicia observed (ticked) | Documentation required for Cure of FATCA/ CRS Indicia |
|--|---|
| U.S. place of birth | <ol style="list-style-type: none"> Self-certification that the account holder is neither a citizen of United States of America nor a resident for tax purposes; Non-US passport or any non-US government issued document evidencing nationality or citizenship; AND Any one of the following documents: Certified Copy of "Certificate of Loss of Nationality or Reasonable explanation of why the customer does not have such a certificate despite renouncing US citizenship; or Reason the customer did not obtain U.S. citizenship at birth |
| Residence/ mailing address in a country other than India | <ol style="list-style-type: none"> Self-certification that the account holder is neither a citizen of United States of America nor a tax resident of any country other than India; and Documentary evidence |
| Telephone number in a country other than India | <p>If no Indian telephone number is provided</p> <ol style="list-style-type: none"> Self-certification that the account holder is neither a citizen of United States of America nor a tax resident of any country other than India; and Documentary evidence <p>If Indian telephone number is provided along with a foreign country telephone number</p> <ol style="list-style-type: none"> Self-certification that the account holder is neither a citizen of United States of America nor a tax resident for tax purposes of any country other than India; OR Documentary evidence |
| Telephone number in a country other than India | <ol style="list-style-type: none"> Self-certification that the account holder is neither a citizen of United States of America nor a tax resident of any country other than India; and Documentary evidence |

10. NOMINATION DETAILS

- The nomination can be made only by individuals applying for/holding units on their own behalf singly or jointly.
- Non-individuals including a Society, Trust, Body Corporate, Partnership Firm, Karta of Hindu undivided family, a Power of Attorney holder and/or Guardian of Minor unitholder cannot nominate.
- Nomination is not allowed in a folio of a Minor unitholder.
- If the units are held jointly (i.e., in case of multiple unitholders in the folio), all joint holders need to sign the Nomination Form (even if the mode of holding/operation is on "Anyone or Survivor" basis).
- A minor may be nominated. In that event, the name and address of the Guardian of the minor nominee needs to be provided.
- Nomination can also be in favour of the Central Government, State Government, a local authority, any person designated by virtue of his office or a religious or charitable trust.
- The Nominee shall not be a trust (other than a religious or charitable trust), society, body corporate, partnership firm, Karta of Hindu Undivided Family, or a Power of Attorney holder.
- A Non-Resident Indian may be nominated subject to the applicable exchange control regulations.
- Multiple Nominees: Nomination can be made in favour of multiple nominees, subject to a maximum of three nominees. In case of multiple nominees, the percentage of the allocation/share should be in whole numbers without any decimals, adding upto a total of 100%. If the total percentage of allocation amongst multiple nominees does not add up to 100%, the nomination request shall be treated as invalid and rejected. If the percentage of allocation/ share for each of the nominee is not mentioned, the allocation /claim settlement shall be made equally amongst all the nominees.
- Every new nomination for a folio/account shall overwrite the existing nomination, if any.
- Nomination made by a unit holder shall be applicable for units held in all the schemes under the respective folio / account.
- Nomination shall stand rescinded upon the transfer of units.
- Death of Nominee/s: In the event of the nominee(s) pre-deceasing the unitholder(s), the unitholder/s is/are advised to make a fresh nomination soon after the demise of the nominee. The nomination will automatically stand cancelled in the event of the nominee(s) pre-deceasing the unitholder(s). In case of multiple nominations, if any of the nominee is deceased at the time of death claim settlement, the said nominee's share will be distributed equally amongst the surviving nominees.
- Transmission of units in favour of a Nominee shall be valid discharge by the asset management company/ Mutual Fund / Trustees against the legal heir(s).
- The nomination will be registered only when this form is completed in all respects to the satisfaction of the AMC.
- In respect of folios/accounts where the Nomination has been registered, the AMC will not entertain any request for transmission / claim settlement from any person other than the registered nominee(s), unless so directed by any competent court.

11. DECLARATION AND SIGNATURES

- Please tick the box provided for EUIN declaration in this section in case the ARN is mentioned in the distributor section and the EUIN is left blank.
- All signatures should be hand written in English or any Indian language. Thumb impressions should be from the left hand for males and the right hand for females and in both cases must be attested by a Judicial Magistrate or a Notary Public.
- If the application form is signed by a Power of Attorney (PoA) holder, the form should be accompanied by a notarised photocopy of the PoA. Alternatively, the original PoA may be submitted, which will be returned after verification. If the PoA is not submitted with the application, the Application Form will be rejected. The POA should contain the signature of the investor (POA Donor) and the POA holder.
- In case of corporates or any non-individual investors, a list of authorised signatories should be submitted along with Application form or in case of any change in the authorised signatory list, the AMC / Registrar must be notified within 7 days.
- In case of application under POA or by a Non- Individual (i.e. Company, trust, society, partnership firm etc.) the relevant POA or the resolution should specifically provide for/ authorize the POA holder/ authorized signatory to make application/ invest moneys on behalf of the investor.

12. GO GREEN INITIATIVE IN MUTUAL FUNDS

- With respect to the recent directives issued by SEBI via Gazette Notification SEBI/LAD-NRO/ GN/2018/14 & Circular SEBI / HO / IMD / DF2 / CIR / P/2018/92 regarding Go Green Initiative in Mutual Funds regarding disclosing and providing information to investors through digital platform as a green initiative measure.
- In line with above initiative, Bajaj Finserv Mutual Fund has adopted 'Go Green Initiative for Mutual Funds' and accordingly, the scheme Annual Reports /Abridged Summary will be hosted on our website <https://www.bajajamc.com> in downloadable format . Further, wherever email ids are registered in our records, the scheme Annual Reports / Abridged Summary will be sent via email.
- If you do not opt-in to receive a physical copy of the scheme Annual Report/ Abridged Summary, you can view the same on our website or alternatively contact our registered office to get a physical copy of the Annual Report/Abridged Summary.

SIP REGISTRATION & OTM DEBIT MANDATE FORM



| | | | | | |
|---|---------------------------------|------------------|---|-------|-------------------------------------|
| Broker Code/ ARN / RIA** / PMRN** Code | Sub Broker /Agent's ARN Code | Bank Branch Code | Internal Code for Sub - Agent / Employee | EUIN* | ISC Date Timestamp Reference No. |
| | | | | | |

** By mentioning RIA/PMRN code, I/We authorize you to share with the Investment Adviser / Portfolio Manager the details of my/our transactions in the scheme(s) of Bajaj Finserv Mutual Fund. (Please ✓ if applicable) *In case the EUIN box has been left blank, please refer the point related to EUIN in the Declaration & Signatures section overleaf. Commission "if any applicable" shall be paid directly by the investor to the AMFI registered distributor, based on the investor's assessment of various factors, including the service rendered by the distributor.
Please Note: All field marked with asterisk (*) to be mandatorily filled.

1. UNIT HOLDER INFORMATION

Existing Folio Number Existing UMRN

Name of Sole / 1st Applicant Mr. / Ms. / M/s.

2. SIP INVESTMENT & PAYMENT DETAILS

Scheme - Bajaj Finserv Arbitrage Fund Growth (Default) IDCW Payout IDCW Reinvestment (Default for IDCW)

Please tick (✓) Regular Plan Direct Plan

SIP Frequency Daily Weekly (Any day from Monday to Friday) Fortnightly (1st & 16th of each month) Monthly Quarterly

SIP Date* SIP Start SIP End OR Perpetual SIP (Default) (*You may select any date from 1st to 28th of the month. In case no date is selected, 10th would be the default SIP Date; For weekly SIP, Tuesday will be the default day)

SIP Amount (₹ in figures) (₹ in words)

SIP Top Up Facility (Optional) (✓ to avail facility) Fixed* OR Variable* (Please fill the applicable section below) SIP Top Up Frequency Half Yearly OR Yearly*

*In case of Quarterly SIP, only Yearly frequency is available under SIP Top Up Facility.

*Fixed Top Up Amount: ₹ OR *Variable Top Up Percentage: 5% 10% 15% 20% Others (Multiple of 5% only)

* The Fixed TOP UP amount shall be for minimum ₹ 500/- and in multiples of Rs. 1/- thereafter. *If the Variable Top Up percentage is not selected, the default shall be 5%.

SIP Top Up Cap Amount*: ₹ OR SIP Top Up Cap Month (*Investor has to choose only one option either CAP amount or CAP month - year, In case of multiple selection, Top Up Cap amount will be considered as a default selection)

First Instalment Details

First SIP Transaction via Cheque No. Cheque Dated Amount (₹) In Figures

Mandatory Enclosure (if 1st Instalment is not by cheque) Blank cancelled cheque Copy of cheque

The name of the first/ sole applicant must be pre-printed on the cheque.

3. DECLARATION(S) & SIGNATURE(S) should be as it appears in the Folio / on the Application Form and in the same order. In case the mode of holding is joint, all Unit holders are required to sign.

I/We hereby authorise Bajaj Finserv Mutual Fund and their authorised service provider to debit the above bank account by NACH/ Auto Debit Clearing for collection of SIP payments. I/We understand that the information provided by me/us may be shared with third parties for facilitating transaction processing through NACH/ Auto Debit Clearing or for compliance with any legal or regulatory requirements. I/We hereby declare that the particulars given above are correct and complete and express my/our willingness to make payments referred above through participation in NACH/ Auto Debit. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I/We will not hold Bajaj Finserv AMC/MF or their appointed service providers or representatives responsible. I/We will also inform, about any changes in my bank account immediately. I/We undertake to keep sufficient funds in the funding account on the date of execution of standing instruction. I/We have read and agreed to the terms and conditions mentioned overleaf. The ARN holder has disclosed to me/us all the commissions (in the form of trail commission or any other mode), payable to him for the different competing Schemes of various Mutual Funds from amongst which the Scheme is being recommended to me/us.
*I / We acknowledge that the RIA has entered into an agreement with the AMC / MF for accepting transaction feeds under the code. I / We hereby indemnify, defend and hold harmless the AMC / MF against any regulatory action, damage or liability that they may suffer, incur or become subject to in connection therewith or arising from sharing, disclosing and transferring of the aforesaid information."
For Micro SIP only: I hereby declare that I do not have any existing Micro SIPs which together with the current application in rolling 12 month period or in financial year i.e. April to March will result in aggregate investments exceeding ₹ 50,000 in a year.

Sign of 1st Applicant / Authorised Signatory / POA

Sign of 2nd Applicant / Authorised Signatory / POA

Sign of 3rd Applicant / Authorised Signatory / POA

4. OTM DEBIT MANDATE FORM (Applicable for Lumpsum additional purchases as well as SIP Registrations)

UMRN Bank use Date

Sponsor Bank Code Bank use CREATE MODIFY CANCEL

Utility Code Bank use I/We hereby authorize Bajaj Finserv Mutual Fund

To Debit (tick ✓) SB CA CC SB-NRE SB-NRO Other Bank A/c

With Bank Name of customers bank IFSC / MICR

An Amount Of Rupees ₹

DEBIT TYPE Fixed Amount Maximum Amount FREQUENCY Mthly Qtly H-Yrly Yrly As & when presented

Reference 1 Folio No. Reference 2 Scheme Name

I agree for the debit of mandate processing charges by the bank whom I am authorizing to debit my account as per latest schedule of charges of the bank. 2. This is to confirm that the declaration has been carefully read, understood & made by me/us. I am authorizing the user entity/Corporate to debit my account, based on the instructions as agreed and signed by me. 3. I have understood that I am authorized to cancel/amend this mandate by appropriately communicating the cancellation / amendment request to the user entity / corporate or the bank where I have authorized the debit.

PERIOD

From

To

Or Until Cancelled

Signature Of Primary Account Holder Signature Of Joint Account Holder Signature Of Joint Account Holder

Phone No. 1. Name Of Primary Account Holder 2. Name Of Joint Account Holder 3. Name Of Joint Account Holder

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

TOLL FREE NUMBER: 1800 309 3900 | EMAIL: service@bajajamc.com | WEBSITE: https://www.bajajamc.com

Instructions for Systematic Investment Plan(SIP)

Please read Scheme Information Document along with Statement of Additional Information and addendum issued from time to time before filling this form. The Unitholders of the Scheme can benefit by investing specific amounts periodically, for a continuous period. At the time of registration, the SIP allows the investors to invest fixed equal amounts subject to minimum of ₹ 500/- and multiples of ₹ 1/- every day/week/fortnight/month/quarter for purchasing additional Units of the Scheme at NAV based prices. Investors can enrol themselves for SIP in the Scheme by ticking appropriate box on the application form or by subsequently making a written request to that effect to the Registrar & Transfer Agent. Minimum number of instalments for daily/weekly/fortnightly/monthly/quarterly frequency will be 6 for SIP amount from ₹500 upto ₹ 1000 and will be 6 for SIP amount above ₹ 1000. Investors can choose any date of his/her preference to register -any frequency available under the SIP facility. In case the date chosen for SIP falls on a Non-Business Day or on a date which is not available in a particular month, the SIP will be processed on the immediate next Business Day.

Investors can subscribe to SIP by using OTM. The cheques/Demand Draft should be in favour of the scheme and crossed "Account Payee Only", and the cheques must be payable at the centre where the applications are submitted to the Investor Service Centre. In case of fresh/additional purchases, if the name of the Scheme on the application form/transaction slip differs from the name on the Cheque/Demand Draft, then the AMC will allot units under the Scheme mentioned on the application form/transaction slip.

Further, Investors/ unitholders subscribing for SIP are required to submit SIP request by filling SIP application form at least 21 working days prior to the date of first debit date and SIP start date shall not be beyond 100 days from the date of submission of request for SIP's.

A fresh Account Statement / Transaction Confirmation will be mailed to the Unitholder, indicating the new balance to his/her credit in the Account. An investor will have the right to discontinue the SIP, subject to giving 15 business days prior notice in writing or by filling SIP cancellation form to the subsequent SIP date.

New Investor: Please fill NFO Application Form along with SIP Registration & OTM Debit Mandate Form. If the investor fails to mention the scheme name in the SIP Registration Form, then the Fund reserves the right to register the SIP as per the scheme name available in the NFO application. In case of any ambiguity in the form, Fund reserves the right to reject the SIP request.

Existing Investor: Please fill SIP Registration & OTM Debit Mandate Form and mention the existing folio number. If the investor fails to mention the scheme name in the SIP Registration Form, then the Fund reserves the right to register the SIP in the existing scheme (Eligible for SIP) available in the investor's Folio. In case Multiple Schemes are available in the folio then Fund reserves the right to reject the SIP request.

- In case SIP date is not selected, then the SIP will be registered on 10th (default date) of each Month/Quarter, as applicable. Investors can choose any day of the week from Monday to Friday to register under weekly frequency. In case Day is not specified by the investor transaction will be processed on Tuesday. For Fortnightly frequency, the transaction will be processed on 1st and 16th day of each month, as applicable. Further if multiple SIP dates are opted for or if the selection is not clear, then the SIP will be registered for 10th of each Month/Quarter, as applicable.

- If the Investor has not mentioned the SIP start Month, SIP would commence from the next applicable month, subject to completion of 21 business days time from the receipt of SIP request.

- In case the SIP 'End period' is incorrect or not mentioned by the investor in the SIP form, then SIP Period will be considered perpetual till further instructions are received from the investor.

- After three consecutive SIP transaction failures for a Particular Scheme, the SIP for the scheme shall get auto-terminated.

Micro Systematic Investment Plan (Micro SIP)/PAN Exempt Investments:

In line with SEBI letter no. OW/16541/2012 dated July 24, 2012 addressed to AMFI, Investments in the mutual fund schemes including investments through Systematic Investment Plans (SIPs) up to ₹ 50,000/- per investor per year shall be exempted from the requirement of PAN.

The maximum installment amount in case of Micro SIP shall be as follows :

1. ₹ 4,000 /-per month for Monthly frequency.

2. ₹ 12,000/- per quarter for Quarterly frequency.

Accordingly, for considering the investments made by an investor up to ₹ 50,000/-, an aggregate of all investments including SIPs made by an investor in rolling 12 months period, shall be considered and such investors shall be exempted from the requirement of PAN. However, requirements of Know Your Customer (KYC) shall be mandatory and investors seeking the above exemption of PAN will need to submit the PAN Exempt KYC Reference No (PEKRN) / KYC Identification No. (KIN) acknowledgement issued by KRA / (Central KYC Registry) along with the application form.

This exemption is applicable only for individuals including NRIs, minors acting through guardian, Sole proprietorship firms and joint holders*. Other categories of investors e.g. PIOs, HUFs, QFIs, non - individuals, etc. are not eligible for such exemption.

* In case of joint holders, first holder must not possess a PAN.

Investors are requested to note that, in case where a lump sum investment is made during the financial year and subsequently a fresh SIP mandate request is given where the total investments for that financial year exceeds ₹ 50,000/-, such SIP application shall be rejected.

In case where a SIP mandate is submitted during the financial year and subsequently a fresh lumpsum investment is being made provided where the total investments for that financial year exceeds ₹ 50,000/-, such lump sum application will be rejected.

Redemptions if any, in the Micro Investment folio, shall not be considered for calculating the exemption limit for such financial year. Consolidation of folio shall be allowed only if the PEKRN in all folios is same along with other investor details.

The first SIP cheque/draft could be of any Business Day but subsequent Auto Debit mandate/ cheques should be for any date from 1st to 28th of a month and there should be a minimum gap of at least 21 business days between the 1st SIP transaction and the 2nd SIP. However, subsequent cheques/ Auto Debit transaction date should have a gap of 21business days or a quarter depending upon the frequency chosen. In case the criteria is not met, the SIP would start on the same date from the next month. Units shall be allotted as per the realisation date. Investors can also start a SIP directly without any initial investment, however he has to submit the application for enrolment of SIP on any working day but the subsequent installment date of SIP shall be any date from 1st to 28th of a month with a minimum gap criteria of 21 business days between the submission of application form and the 1st SIP.

In case an investor intends to continue his SIP forever; he can opt for perpetual SIP which will not have an end date. In the event if the investors want to discontinue the SIP, a

written communication will be required from the investors to discontinue the same at least 15 business days before the next SIP due date. If the SIP end date is not filled, the SIP Auto Debit will be considered perpetual till further instructions are received from the investor.

SIP Top Up Facility:

- Investors can opt for SIP Top Up facility with Fixed Top Up option or Variable Top Up option, wherein the amount of the SIP can be increased at fixed intervals. In case the investor opts for both options, the Variable Top Up option shall be triggered. And the default Variable Top Up percentage shall be 5%.
- The Fixed TOP UP amount shall be for minimum ₹ 500/- and in multiples of ₹ 1/- thereafter.
- Variable Top Up would be available at 5%, 10%, 15% and 20% and such other denominations (over and above 5%, 10%, 15% and 20%) as opted by the investor in multiples of 5%.
- The frequency is fixed i.e. either at Yearly and Half Yearly basis. In case the SIP Top Up facility is not opted by ticking the appropriate box and frequency is not selected, the SIP Top Up may not be registered.
- In case of Quarterly SIP, only the Yearly frequency is available under SIP Top Up.
- SIP Top Up facility shall also be available only for the existing investors who have already registered for SIP facility without Top Up option.

Please view below illustration for Fixed Top Up:

- SIP Tenure: 07 Jan 2023 to 07 Dec 2027
- Monthly SIP Instalment: ₹ 2000/-
- TopUp Amount: ₹ 1000/-
- TopUp Frequency: Yearly

| Instalment No(s) | From Date | To Date | Monthly SIP Instalment | Top Up Amount (₹) | SIP Amount with Top Up (₹) |
|------------------|-----------|----------|------------------------|-------------------|----------------------------|
| 1 to 12 | 7-Jan-23 | 7-Dec-23 | 2000 | N.A | 2000 |
| 13 to 24 | 7-Jan-24 | 7-Dec-24 | 2000 | 1000 | 3000 |
| 25 to 36 | 7-Jan-25 | 7-Dec-25 | 3000 | 1000 | 4000 |
| 37 to 48 | 7-Jan-26 | 7-Dec-26 | 4000 | 1000 | 5000 |
| 49 to 60 | 7-Jan-27 | 7-Dec-27 | 5000 | 1000 | 6000 |

Please view below illustration for Variable Top Up:

- SIP Tenure: 07 Jan 2023 to 07 Dec 2027
- Monthly SIP Instalment: ₹ 2000/-
- TopUp percentage: 10%
- TopUp Frequency: Yearly

| Instalment No(s) | From Date | To Date | Monthly SIP Instalment Amount (₹) | Top Up Amount (10%) (₹) | Top Up round off Amount (₹) | SIP Amount with Top Up (₹) |
|------------------|-----------|----------|-----------------------------------|-------------------------|-----------------------------|----------------------------|
| 1 to 12 | 7-Jan-23 | 7-Dec-23 | 2000 | N.A | N.A | 2000 |
| 13 to 24 | 7-Jan-24 | 7-Dec-24 | 2000 | 200 | 200 | 2200 |
| 25 to 36 | 7-Jan-25 | 7-Dec-25 | 2200 | 220 | 220 | 2420 |
| 37 to 48 | 7-Jan-26 | 7-Dec-26 | 2420 | 242 | 240 | 2660 |
| 49 to 60 | 7-Jan-27 | 7-Dec-27 | 2660 | 266 | 270 | 2930 |

Top Up Cap Amount and Top Up Month-year:

Top Up Cap Amount: Investor has an option to freeze the Top Up amount once it reaches a fixed predefined amount. The fixed pre-defined amount should be lower than or equal to the maximum amount mentioned by the investor in the bank mandate. In case of difference between the Cap amount and the maximum amount mentioned on Bank mandate, then amount which is lower of the two amounts shall be considered as the default amount of SIP Cap amount.

Top Up Cap Month - Year: It is the date from which Top Up amount will cease and last SIP instalment including Top Up amount will remain constant from Cap date till the end of SIP tenure.

Investor shall have flexibility to choose either Top Up Cap amount or Top Up Cap month - year. In case of multiple selection, Top Up Cap amount will be considered as a default selection. Top Up Cap is applicable for Fixed Top Up option as well as Variable Top Up option.

ASBA APPLICATION FORM



BAJAJ FINSERV ARBITRAGE FUND - APPLICATION SUPPORTED BY BLOCKED AMOUNT (ASBA)

Offer of Units of Rs. 10/- each during the New Fund Offer NFO Start Date : 08th September 2023; NFO Closure Date: 13th September 2023 APPLICATION NO.

| BROKER/AGENT INFORMATION FOR OFFICE USE ONLY | | | | | | |
|--|-------------------------|------------------------|------|----------------|-------------------------------|---------------------|
| Broker Stamp & ARN Code | Broker Stamp & ARN Code | Employee Unique ID No. | SCSB | SCSB IFSC Code | Syndicate Member Stamp & Code | SCSB Branch Sr. No. |
| | | | | | | |

I/We confirm that the EUIN box is intentionally left blank by me/us as this is an "execution-only" transaction without any interaction or advice by the distributor personnel concerned.
Commission shall be paid directly by the investor to the AMFI registered Distributors based on the investors' assessment of various factors including the service rendered by the distributor

Sole / First Applicant's Signature Mandatory

DECLARATION
Having read and understood the contents of the Scheme Information Document and Statement of Additional Information, Key Information Memorandum and Instructions, I / We, hereby apply to the Trustee of Bajaj Finserv Mutual Fund for Units of the Scheme mentioned below and agree to abide by the terms and conditions, rules and regulations of the Scheme. I / We have neither received nor been induced by any rebate or gifts, directly or indirectly in making this investment. I / We declare that the amount invested in the Scheme is through legitimate sources only and is not designed for the purpose of contravention or evasion of any Act, Regulation, Rule, Notification, Directions or any other applicable laws enacted by the Government of India or any Statutory Authority. The ARN holder has disclosed to me/us all the commissions (in the form of trail commission or any other mode), payable to him for the different competing Schemes of various Mutual Funds from amongst which the Scheme is being recommended to me/us. Applicable to NRIs only: I/We confirm that I am/We are Non-Resident(s) of Indian Nationality / Origin and I/We hereby confirm that the funds for subscription have been remitted from abroad through normal banking channels or from funds in my / our Non-Resident External / Ordinary Account/FCNR Account(s).

TRANSACTION CHARGES (Please refer instruction and tick any one)
Applicable for transactions routed through a distributor who has 'opted in' for transaction charges.
 I am a First Time Investor in Mutual Fund Industry. (Rs 150 will be deducted.) I am an Existing Investor in Mutual Fund Industry. (Rs 100 will be deducted.)

APPLICANT'S DETAILS
Name of First Applicant (as available in Demat Account) _____
Name of Second Applicant (as available in Demat Account) _____
Name of Third Applicant (as available in Demat Account) _____
Mode of Holding: Single Joint (default) Either or Survivor Folio No. _____

DEPOSITORY ACCOUNT DETAILS: [mandatory] [Refer Instruction k]
Depository Name [Please ✓ tick] National Securities Depository Ltd Central Depository Services [India] Limited
Depository Participant Name _____
DP-ID _____
Beneficiary Account Number _____

INVESTMENT DETAILS [Default plan/option/sub option will be applied in case of no information, ambiguity or discrepancy in scheme details]
Scheme - Bajaj Finserv Arbitrage Fund Growth (Default)
Please tick (✓) Regular Plan Direct Plan IDCW Payout IDCW Reinvestment (Default for IDCW)

BANK ACCOUNT FOR BLOCKING OF FUNDS [Refer Instruction d] [Bank Account should be in the name of First Applicant only]
Bank Account Number _____
Bank Name & Branch Address _____
Total Amount to be blocked (₹) _____

UNDERTAKING BY ASBA INVESTOR
1) I/We hereby under take that I/We am/are an ASBA Investor as per the applicable provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulation 2009 ('SEBI Regulation') as amended from time to time. 2) In accordance with ASBA process provided in the SEBI Regulations and as disclosed in this application, I/We authorize (a) the SCSB to do all necessary acts including blocking of application money towards the Subscription of Units of the Scheme, to the extent mentioned above in the "SCSB/ASBA Account details" or unblocking of funds in the bank account maintained with the SCSB specified in this application form, transfer of funds to the Bank account of the Scheme/Bajaj Finserv Mutual Fund on receipt of instructions from its Registrar and Transfer Agent after the allotment of the Units entitling me/us to receive Units on such transfer of funds, etc. (b) Registrar and Transfer Agent to issue instruction to the SCSB to remove the block on the funds in the bank account specified in the application, upon allotment of Units and to transfer the requisite money to the Scheme's account / Bank account of Bajaj Finserv Mutual Fund. 3) In case the amount available in the bank account specified in the application is insufficient for blocking the amount equivalent to the application money towards the Subscription of Units, the SCSB shall reject the application. 4) If the DP ID, Beneficiary Account No. or PAN furnished by me/us in the application is incorrect or incomplete or not matching with the depository records, the application shall be rejected and the Bajaj Finserv Mutual Fund or Bajaj Finserv Asset Management Limited or SCSBs shall not be liable for losses, if any. All future communication in connection with NFO should be addressed to the SCSB/RTA/AMC quoting the full name of the Sole/First Applicant, NFO Application Number, ASBA Application Number, Depository Account details [if it has been provided], Amount applied for and the account number from where NFO amount was blocked.

CONTACT DETAILS OF 1ST APPLICANT
Tel. No. (with STD code) _____ Mobile _____
Email ID _____

| PAN SIGNATURE | Sole / First Applicant / Guardian | Second Applicant | Third Applicant |
|---------------|-----------------------------------|------------------|-----------------|
| | | | |
| | PAN MANDATORY | PAN MANDATORY | PAN MANDATORY |

ACKNOWLEDGMENT FOR SCSB
Plan/Option _____ ASBA Application No.: _____ Date DD / MM / YYYY
Received from 1st Applicant _____ PAN _____
Depository Name [Please ✓ tick] National Securities Depository Ltd Central Depository Services [India] Limited
Depository Participant Name _____
DP-ID _____
Beneficiary Account Number _____
SCSB ACCOUNT DETAILS: Bank A/c No. _____ Bank Name & Branch _____

ACKNOWLEDGMENT FOR INVESTOR
Plan/Option _____ ASBA Application No.: _____ Date DD / MM / YYYY
Received from Mr./Ms./Mrs./M/s.: _____ SCSB Account details _____ Total Amount to be Blocked _____ SCSB Stamp, Signature _____
Address: _____ A/c No. _____ Rs. in figures _____ Date & time of receipt _____
Bank Name _____ Rs. in words _____
Branch Name _____

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

TOLL FREE NUMBER: 1800 309 3900 | EMAIL: service@bajajamc.com | WEBSITE: https://www.bajajamc.com

Version: 25-08-23

Application Supported by Blocked Amount (ASBA)

ASBA provides an alternative mode of payment whereby the application money remains in the investor's account till allotment of units. ASBA process facilitates investors to apply through Self Certified Syndicate Banks (SCSBs), in which the investors have their bank accounts. SCSBs are those banks which satisfy the conditions laid by SEBI. SCSBs would accept the applications, verify the application, block the fund to the extent of investment amount, unblock once the allotment is finalized and debit the investor's account.

Instructions and Terms and Conditions

Please read Scheme Information Document (SID), Statement of Additional Information (SAI), Key Information Memorandum (KIM), all relevant Addenda available with Bajaj Finserv Mutual Fund offices and instructions carefully before filling up the application form. Investors are deemed to have read, understood and accepted the terms subject to which these offers are being made and bind themselves to the terms upon signing the application form

- a. This application form may be used by both resident and non-resident investors. For more details, please read the Scheme Information Document, Statement of Additional Information, Key Information Memorandum, Notice and addenda issued in this reference.
- b. ASBA facility is currently available only to those investors who wish to hold the units in dematerialized form.
- c. An ASBA investor shall submit a duly filled up ASBA Application form, physically or electronically to the SCSB with whom the investors holds the bank account which is to be blocked
 - i. In case of ASBA application in physical mode, the investor shall submit the ASBA form at the bank branch of SCSB, which is designated for the purpose and the investor must be holding a bank account with such SCSB.
 - ii. In case of ASBA application in electronic form, the investor shall submit the ASBA form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for subscribing to units of Mutual Fund schemes authorising to block the subscription money in a bank account.
- d. The Bank Account Number in the form should necessarily be of the first applicant only. In case where the bank account is jointly held, the first applicant should be one of the joint holders.
- e. ASBA application form will not be accepted by any of the offices of Bajaj Finserv Mutual Fund or its Registrar & Transfer Agent, i. e KFin Technologies Limited (Formerly KFin Technologies Private Limited).
- f. Investors shall ensure that the bank account details mentioned in the ASBA application form is correct and the funds are available in the account for the SCSB to block the amount.
- g. Upon submission of an ASBA form with the SCSB, investor shall be deemed to have agreed to block the entire subscription amount specified and authorized the designated branch to block such amount in the Bank account.
- h. The SCSBs shall block the subscription money based on the authorization given by the account holder in the ASBA application form. The subscription money shall remain blocked in the Bank account till allotment of units under the scheme or till rejection of the application, as the case may be.
- i. The SCSBs may at any time before the closure of the NFO reject the ASBA application and inform the investor accordingly.
- j. During processing of the application by the RTA, if the applications is found to be incomplete or incorrect, the SCSB will be informed on the same who will then unblock the investor account with appropriate remarks in the investor account
- k. The names of the applicants, the manner of holding, the mode of holding in the application form should be exactly matching with the information available in the demat account. In case of any mismatch, incorrect or incomplete information, the application may be rejected by the SCSB or the Registrar & Transfer Agent.
- l. All investor related details for allotment of units such as names of the applicants, manner of holding, mode of holding, bank account, etc will be updated as per the demat account.
- m. The investors should check their demat account for allotment of units within 5 working days of the NFO closure. No physical account statement will be sent to the investors by Bajaj Finserv Mutual Fund or its registrar, KFin Technologies Limited (Formerly KFin Technologies Private Limited).
- n. All grievances relating to the ASBA facility may be addressed to the AMC / RTA to the issue, with a copy to the SCSB, giving full details such as name, address of the applicants, subscription amount blocked on application, bank account number and the designated branch or the collection centre of the SCSB where the ASBA form was submitted by the investor.
- o. On the closure date of the NFO, the ASBA form should be submitted to the SCSBs before the 3.00 p.m. or such other time as may be decided by respective SCSBs.
 - p. Bajaj Finserv Mutual Fund or its Registrar, KFin Technologies Limited (Formerly KFin Technologies Private Limited) shall not be liable for any negligence or mistake committed by the SCSBs.
 - q. Further, Investors may please note that the Fund/ AMC and its empanelled brokers has not given and shall not give any indicative portfolio and indicative yield in any communication, in any manner whatsoever. Investors are advised not to rely on any communication regarding indicative yield/ portfolio with regard to the scheme.
 - r. Transaction Charges:
 - i. SEBI has allowed mutual funds to deduct transaction charge per subscription of Rs. 10,000 and above and be paid to the distributors. Transaction Charge shall be deducted only for transaction routed through such distributors who have opted to receive such charges as follows: (i) Rs. 150/- with respect to transactions from a first time mutual fund investor; (ii) Rs. 100/- with respect to transactions from an existing investor. Units will be issued against the balance amount. Please note that transaction charge shall not be deducted for subscription received 'DIRECTLY', i.e. not routed through any distributor and transactions other than purchase, viz. switch, systematic transfer into any scheme, etc.
 - ii. Please tick the appropriate box as applicable to you. Please tick the first box only if you are a first time ever mutual fund investor, i.e. you are investing in a scheme of mutual fund for the first time. However, even if an applicant ticks as new investor, the mutual fund reserves a right to check with investments in other mutual funds to ascertain new or existing investors.
 - iii. If no option is ticked, it is deemed that the applicant is an existing investor in the mutual fund industry.
 - s. Note on EUIN: Investors should mention the EUIN of the person who has advised the investor. If left blank, the fund will assume following declaration by the investor "I/We hereby confirm that the EUIN box has been intentionally left blank by me/us as this is an "execution-only" transaction without any interaction or advice by the employee/relationship manager/sales person of the above distributor or notwithstanding the advice of in-appropriateness, if any, provided by the employee/relationship manager/sales person of the distributor and the distributor has not charged any advisory fees on this transaction.
 - T. Grounds for rejection of ASBA applications ASBA application forms can be rejected by the AMC/Registrar/SCSBs, on the following technical grounds:
 1. Applications by persons not competent to contract under the Indian Contract Act, 1872, including but not limited to minors, insane persons etc.
 2. Mode of ASBA i.e. either Physical ASBA or Electronic ASBA, not selected or ticked.
 3. ASBA Application Form without the stamp of the SCSB.
 4. Application by any person outside India if not in compliance with applicable foreign and Indian laws.
 5. Bank account details not given/incorrect details given.
 6. Duly certified Power of Attorney, if applicable, not submitted alongwith the ASBA application form.
 7. No corresponding records available with the Depositories matching the parameters namely (a) Names of the ASBA applicants (including the order of names of joint holders) (b) DP ID (c) Beneficiary account number or any other relevant details pertaining to the Depository Account.
 8. Insufficient funds in the investor's account.
 9. Application accepted by SCSB and not uploaded on/with the Exchange / Registrar.

Details of Ultimate Beneficial Owner including Additional FATCA & CRS Information



(Only for Non Individuals)

Please Note: All field marked with asterisk (*) to be mandatorily filled.

Please tick the applicable tax resident declaration:

Name of the entity

Type of address given at KRA Residential or Business Residential Business Registered Office

*Address of tax residence would be taken as available in KRA database. In case of any change, please approach KRA & notify the changes"

PAN Date of Incorporation

City of Incorporation Country of Incorporation

Entity Constitution Type Partnership Firm Private Limited Company Public Limited Company Society AOP / BOI Trust Liquidator

(Please 3 as appropriate)

Limited Liability Partnership Artificial Juridical Person Others

1. Is "Entity" a tax resident of any country other than India Yes No (If yes, please provide country/ies in which the entity is a resident for tax purposes and the associated Tax ID number below.)

| Country | Tax Identification Number* | Identification Type (TIN or Other, please specify) |
|---------|----------------------------|--|
| | | |
| | | |
| | | |

*In case Tax Identification Number is not available, kindly provide its functional equivalent.

In case TIN or its functional equivalent is not available, please provide Company Identification number or Global Entity Identification Number or GIIN, etc.

In case the Entity's Country of Incorporation / Tax residence is U.S. but Entity is not a Specified U.S. Person, mention Entity's exemption code here

ADDITIONAL KYC INFORMATION

Gross Annual Income (₹) Below 1 Lac 1 - 5 Lacs 5-10 Lacs 10 - 25 Lacs >25 Lacs - 1 Crore 1 Crore

OR

Net - worth* (for Non-Individual) ₹ as on (Not older than 1 year)

Politically Exposed Person (PEP) Status (Also applicable for authorised signatories/ Promoters/ Karta/ Trustee/ Whole time Directors) PEP Related to PEP Not Applicable

Is the entity involved in any of the mentioned services: Foreign exchange/ Money changer Gaming/ Gambling/ Lottery (Casinos, betting syndicates)
(Please tick as appropriate) Money lending/ Pawning Not applicable

PEP are defined as individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or of Governments, senior politicians, senior Government/judicial/military officers, senior executives of state owned corporations, important political party officials, etc.

FATCA & CRS Declaration (Please consult your professional tax advisor for further guidance on FATCA & CRS classification)

PART A (to be filled by Financial Institutions or Direct Reporting NFEs)

| | |
|---|--|
| We are a Financial institution ⁵ <input type="checkbox"/> | GIIN <input type="text"/> |
| OR | Note: If you do not have a GIIN but you are sponsored by another entity, please provide your sponsor's GIIN above and indicate your sponsor's name below |
| Direct reporting NFE ⁶ (please tick as appropriate) <input type="checkbox"/> | Name of sponsoring entity <input type="text"/> |
| GIIN not available (please tick as applicable) If the entity is a financial institution, <input type="checkbox"/> | <input type="checkbox"/> Applied for <input type="checkbox"/> Not required to apply for - please specify 2 digits sub-category ⁷ <input type="text"/> <input type="text"/> <input type="checkbox"/> Not obtained - Non-participating FI |

PART B (please fill any one as appropriate "to be filled by NFEs other than Direct Reporting NFEs")

| | | |
|---|---|--|
| 1 | Is the Entity a publicly traded company (that is, a company whose shares are regularly traded on an established securities market) <input type="checkbox"/> No | Yes <input type="checkbox"/> (If yes, please specify any one stock exchange on which the stock is regularly traded) Name of stock exchange <input type="text"/> |
| 2 | Is the Entity a related entity of a publicly traded company (a company whose shares are regularly traded on an established securities market) <input type="checkbox"/> No | Yes <input type="checkbox"/> (If yes, please specify name of the listed company and one stock exchange on which the stock is regularly traded) Name of listed company <input type="text"/> Nature of relation: <input type="checkbox"/> Subsidiary of the Listed Company or <input type="checkbox"/> Controlled by a Listed Company Nature of stock exchange <input type="text"/> |
| 3 | Is the Entity an active NFE <input type="checkbox"/> No | Yes <input type="checkbox"/> Nature of Business <input type="text"/> Please specify the sub-category of Active NFE <input type="text"/> <input type="text"/> (Mention code-refer 2c of Part C) |
| 4 | Is the Entity a passive NFE <input type="checkbox"/> No | Yes <input type="checkbox"/> Nature of Business <input type="text"/> |

¹Refer 2a of Part C | ²Refer 2b of Part C | ³Refer 2c of Part C | ⁴Refer 3(ii) of Part C | ⁵Refer 1 of Part C | ⁶Refer 3(vii) of Part C | ⁷Refer 1A of Part C

UBO Declaration (Mandatory for all entities except, a Publicly Traded Company or a related entity of Publicly Traded Company)

Category (Please tick application category) Unlisted Company Partnership Firm Limited Liability Partnership Company Unincorporated association / body of individuals Private Trust
 Public Charitable Trust Religious Trust Others

Please list below the details of controlling person(s), confirming ALL countries of tax residency / permanent residency / citizenship and ALL Tax Identification Numbers for EACH controlling person(s).
 (Please attach additional sheets if necessary)

Owner-documented FFI's should provide FFI Owner Reporting Statement and Auditor's Letter with required details as mentioned in Form W8 BEN E (Refer 3(vi) of part C)

| Details | UBO1 | UBO2 | UBO3 |
|---|---|---|---|
| Name | | | |
| PAN / Any Other Identification Number | | | |
| UBO Code (Refer 3(iv) (A) of Part C) | | | |
| Country of Tax residency* | | | |
| Tax ID No. % | | | |
| Tax ID Type | | | |
| Address | _____ _____ Zip <input type="text"/> <input type="text"/> State _____ Country _____ Contact detail _____ | _____ _____ Zip <input type="text"/> <input type="text"/> State _____ Country _____ Contact detail _____ | _____ _____ Zip <input type="text"/> <input type="text"/> State _____ Country _____ Contact detail _____ |
| Address Type | <input type="checkbox"/> Residence <input type="checkbox"/> Registered Office <input type="checkbox"/> Business | <input type="checkbox"/> Residence <input type="checkbox"/> Registered Office <input type="checkbox"/> Business | <input type="checkbox"/> Residence <input type="checkbox"/> Registered Office <input type="checkbox"/> Business |
| City of Birth | | | |
| Country of Birth | | | |
| Occupation Type | <input type="checkbox"/> Service <input type="checkbox"/> Business <input type="checkbox"/> Others | <input type="checkbox"/> Service <input type="checkbox"/> Business <input type="checkbox"/> Others | <input type="checkbox"/> Service <input type="checkbox"/> Business <input type="checkbox"/> Others |
| Nationality | | | |
| Father's Name (Mandatory if PAN is not available) | | | |
| Gender | <input type="checkbox"/> Male <input type="checkbox"/> Female <input type="checkbox"/> Others | <input type="checkbox"/> Male <input type="checkbox"/> Female <input type="checkbox"/> Others | <input type="checkbox"/> Male <input type="checkbox"/> Female <input type="checkbox"/> Others |
| Date of Birth | <input type="text"/> <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> | <input type="text"/> <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> | <input type="text"/> <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> |
| Percentage of Holding (%)^ | | | |

Additional details to be filled by controlling persons with tax residency / permanent residency / citizenship / Green Card in any country other than India:

*To include US, where controlling person is a US citizen or green card holder

%In case Tax Identification Number is not available, kindly provide functional equivalent

^Attach valid documentary proof like Shareholding pattern duly self attested by Authorized Signatory / Company Secretary

FATCA - CRS Terms and Conditions

The Central Board of Direct Taxes has notified Rules 114F to 114H, as part of the Income-tax Rules, 1962, which Rules require Indian financial institutions such as the Bank to seek additional personal, tax and beneficial owner information and certain certifications and documentation from all our account holders. In relevant cases, information will have to be reported to tax authorities/ appointed agencies. Towards compliance, we may also be required to provide information to any institutions such as withholding agents for the purpose of ensuring appropriate withholding from the account or any proceeds in relation thereto. Should there be any change in any information provided by you, please ensure you advise us promptly, i.e., within 30 days. Please note that you may receive more than one request for information if you have multiple relationships with Bajaj Finserv Mutual Fund or its group entities. Therefore, it is important that you respond to our request, even if you believe you have already supplied any previously requested information. If you have any questions about your tax residency, please contact your tax advisor. If any controlling person of the entity is a US citizen or resident or green card holder, please include United States in the foreign country information field along with the USTax Identification Number. \$It is mandatory to supply a TIN or functional equivalent if the country in which you are tax resident issues such identifiers. If no TIN is yet available or has not yet been issued, please provide an explanation and attach this to the form.

CERTIFICATION

I / We have understood the information requirements of this Form (read along with the FATCA & CRS Instructions) and hereby confirm that the information provided by me / us on this Form is true, correct, and complete. I / We also confirm that I / We have read and understood the FATCA & CRS Terms and Conditions below and hereby accept the same.

Name

Designation

| | | |
|----------------------|----------------------|----------------------|
| Signature with stamp | Signature with stamp | Signature with stamp |
|----------------------|----------------------|----------------------|

Date / /

Place

PART C FATCA Instructions & Definitions

1. Institution (FI) - The term FI means any financial institution that is a Depository Institution, Custodial Institution, Investment Entity or Specified Insurance company, as defined.
 - Depository institution: is an entity that accepts deposits in the ordinary course of banking or similar business.
 - Custodial institution is an entity that holds as a substantial portion of its business, holds financial assets for the account of others and where its income attributable to holding financial assets and related financial services equals or exceeds 20 percent of the entity's gross income during the shorter of
 - (i) The three financial years preceding the year in which determination is made; or
 - (ii) The period during which the entity has been in existence, whichever is less.
 - Investment entity is any entity:
 - That primarily conducts a business or operates for or on behalf of a customer for any of the following activities or operations for or on behalf of a customer
 - (i) Trading in money market instruments (cheques, bills, certificates of deposit, derivatives, etc.); foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading; or
 - (ii) Individual and collective portfolio management, or
 - (iii) Investing, administering or managing funds, money or financial asset or money on behalf of other persons;
 - or
 - The gross income of which is primarily attributable to investing, reinvesting, or trading in financial assets, if the entity is managed by another entity that is a depository institution, a custodial institution, a specified insurance company, or an investment entity described above.

An entity is treated as primarily conducting as a business one or more of the 3 activities described above, or an entity's gross income is primarily attributable to investing, reinvesting, or trading in financial assets of the entity's gross income attributable to the relevant activities equals or exceeds 50 percent of the entity's gross income during the shorter of:

 - (i) The three-year period ending on 31 March of the year preceding the year in which the determination is made;
 - or
 - (ii) The period during which the entity has been in existence.

The term "Investment Entity" does not include an entity that is an active non-financial entity as per codes 03, 04, 05 and 06-refer point 2c.)
- Specified Insurance Company: Entity that is an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract.
- FI not required to apply for GIIN:
 - A. Reasons why FI not required to apply for GIIN:

| Code | Sub-category |
|------|---|
| 01 | Governmental Entity, International Organization or Central Bank |
| 02 | Treaty Qualified Retirement Fund; a Broad Participation Retirement Fund; a Narrow Participation Retirement Fund; or a Pension Fund of a Governmental Entity, International Organization or Central Bank |
| 03 | Non-public fund of the armed forces, an employees' state insurance fund, a gratuity fund or a provident fund |
| 04 | Entity is an Indian FI solely because it is an investment entity |
| 05 | Qualified credit card issuer |
| 06 | Investment Advisors, Investment Managers & Executing Brokers |
| 07 | Exempt collective investment vehicle |
| 08 | Trustee of an Indian Trust |
| 09 | FI with a local client base |
| 10 | Non-registering local banks |
| 11 | FFI with only Low-Value Accounts |
| 12 | Sponsored investment entity and controlled foreign corporation |
| 13 | Sponsored, Closely Held Investment Vehicle |
| 14 | Owner Documented FFI |

2. Non-financial entity (NFE)-Foreign entity that is not a financial institution

Types of NFEs that are regarded as excluded NFE are:

- a. Publicly traded company (listed company)

A company is publicly traded if its stock are regularly traded on one or more established securities markets

(Established securities market means an exchange that is officially recognized and supervised by a governmental authority in which the securities market is located and that has a meaningful annual value of shares traded on the exchange)

- b. Related entity of a publicly traded company

The NFE is a related entity of an entity of which is regularly traded on an established securities market

- c. Active NFE: (is any one of the following):

Code Sub-category

- 01 Less than 50 percent of the NFE's gross income for the preceding financial year is passive income and less than 50 percent of the assets held by the NFE during the preceding financial year are assets that produce or are held for the production of passive income;
- 02 The NFE is a Governmental Entity, an International Organization, a Central Bank, or an entity wholly owned by one or more of the foregoing;
- 03 Substantially all of the activities of the NFE consist of holding (in whole or in part) the outstanding

stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a Financial Institution, except that an entity shall not qualify for this status if the entity functions as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes;

- 04 The NFE is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a Financial Institution, provided that the NFE shall not qualify for this exception after the date that is 24 months after the date of the initial organization of the NFE;
- 05 The NFE was not a Financial Institution in the past five years, and is in the process of liquidating its assets or is reorganizing with the intent to continue or recommence operations in a business other than that of a Financial Institution;
- 06 The NFE primarily engages in financing and hedging transactions with, or for, Related Entities that are not Financial Institutions, and does not provide financing or hedging services to any Entity that is not a Related Entity, provided that the group of any such Related Entities is primarily engaged in a business other than that of a Financial Institution;
- 07 Any NFE that fulfil all of the following requirements:
 - It is established and operated in India exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in India and it is a professional organization, business league, chamber of commerce, labor organization, agricultural or horticultural organization, civic league or an organization operated exclusively for the promotion of social welfare;
 - It is exempt from income tax in India;
 - It has no shareholders or members who have a proprietary or beneficial interest in its income or assets;

The applicable laws of the NFE's country or territory of residence or the NFE's formation documents do not permit any income or assets of the NFE to be distributed to, or applied for the benefit of, a private person or non-charitable Entity other than pursuant to the conduct of the NFE's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the NFE has purchased; and The applicable laws of the NFE's country or territory of residence or the NFE's formation documents require that, upon the NFE's liquidation or dissolution, all of its assets be distributed to a governmental entity or other non-profit organization, or escheat to the government of the NFE's country or territory of residence or any political subdivision thereof.

Explanation.- For the purpose of this sub-clause, the following shall be treated as fulfilling the criteria provided in the said sub-clause, namely:

- (I) an Investor Protection Fund referred to in clause (23EA);
- (II) a Credit Guarantee Fund Trust for Small Industries referred to in clause 23EB; and
- (III) an Investor Protection Fund referred to in clause (23EC), of section 10 of the Act;

3. Other definitions

- (i) Related entity

An entity is a 'related entity' of another entity if either entity controls the other entity, or the two entities are under common control For this purpose, control includes direct or indirect ownership of more than 50% of the votes and value in an entity.

- (ii) Passive NFE

The term passive NFE means

- (i) any non-financial entity which is not an active non-financial entity including a publicly traded corporation or related entity of a publicly traded company; or
- (ii) an investment entity defined in clause (b) of these instructions
- (iii) a withholding foreign partnership or withholding foreign trust; (Note: Foreign persons having controlling interest in a passive NFE are liable to be reported for tax information compliance purposes)

- (iii) Passive income

The term passive income includes income by way of:

- (1) Dividends,
- (2) Interest
- (3) Income equivalent to interest,
- (4) Rents and royalties, other than rents and royalties derived in the active conduct of a business conducted, at least in part, by employees of the NFE
- (5) Annuities
- (6) The excess of gains over losses from the sale or exchange of financial assets that gives rise to passive income
- (7) The excess of gains over losses from transactions (including futures, forwards, options and similar transactions) in any financial assets,
- (8) The excess of foreign currency gains over foreign currency losses
- (9) Net income from swaps
- (10) Amounts received under cash value insurance contracts

But passive income will not include, in case of a non-financial entity that regularly acts as a dealer in financial assets, any income from any transaction entered into in the ordinary course of such dealer's business as such a dealer.

- (iv) Controlling persons

Controlling persons are natural persons who exercise control over an entity and includes a beneficial owner under sub-rule (3) of rule 9 of the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005. In the case of a trust, the controlling person means the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust. In the case of a legal arrangement other than a trust, controlling person means persons in equivalent or similar

positions.

Pursuant to guidelines on identification of Beneficial Ownership issued vide SEBI circular no. CIR/MIRSD/2/2013 dated January 24, 2013, persons (other than Individuals) are required to provide details of Beneficial Owner(s) ('BO'). Accordingly, the Beneficial Owner means 'Natural Person', who, whether acting alone or together, or through one or more juridical person, exercises control through ownership or who ultimately has a controlling ownership interest of / entitlements to:

- i. More than 25% of shares or capital or profits of the juridical person, where the juridical person is a company;
- ii. More than 15% of the capital or profits of the juridical person, where the juridical person is a partnership; or
- iii. More than 15% of the property or capital or profits of the juridical person, where the juridical person is an unincorporated association or body of individuals.

Where the client is a trust, the financial institution shall identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the identity of the settler of the trust, the trustee, the protector, the beneficiaries with 15% or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

Where no natural person is identified the identity of the relevant natural person who holds the position of senior managing official.

(A) Controlling Person Type:

| Code | Sub-category |
|------|---|
| 01 | CPof legal person-ownership |
| 02 | CPof legal person-other means |
| 03 | CPof legal person-senior managing official |
| 04 | CPof legal arrangement-trust-settlor |
| 05 | CPof legal arrangement--trust-trustee |
| 06 | CPof legal arrangement--trust-protector |
| 07 | CPof legal arrangement--trust-beneficiary |
| 08 | CPof legal arrangement--trust-other |
| 09 | CPof legal arrangement-Other-settlor equivalent |
| 10 | CPof legal arrangement-Other-trustee equivalent |
| 11 | CPof legal arrangement-Other-protector equivalent |
| 12 | CPof legal arrangement-Other-beneficiary equivalent |
| 13 | CPof legal arrangement-Other-other equivalent |
| 14 | Unknown |

(v) Specified U.S. person-AU.S person other than the following:

- (i) a corporation the stock of which is regularly traded on one or more established securities markets;
- (ii) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i);
- (iii) the United States or any wholly owned agency or instrumentality thereof;
- (iv) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing;
- (v) any organization exempt from taxation under section 501(a) of the U.S. Internal Revenue Code or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code;
- (vi) any bank as defined in section 581 of the U.S. Internal Revenue Code;
- (vii) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code;

- (viii) any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C.80a-64)
- (x) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code:
- (x) any trust that is exempt from tax under section 6640 of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code:
- (xi) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State;
- (xii) a broker as defined in section 60450 of the U.S. Internal Revenue Code; or
- (xiii) any tax-exempt trust under a plan that is described in section 403(b) or section 457(g) of the U.S. Internal Revenue Code.

(vi) Owner documented FFI

An FFI meets the following requirements:

- (a) The FFI is an FFI solely because it is an investment entity;
- (b) The FFI is not owned by or to any FFI that is a depository institution, custodial institution, or specified insurance company;
- (c) The FFI does not maintain a financial account for any non participating FFI;
- (d) The FFI provides the designated withholding agent with all of the documentation and agrees to notify the withholding agent if there is a change in circumstances; and
- (e) The designated withholding agent agrees to report to the IRS (or, in the case of a reporting Model 1 IGA, to the relevant foreign government or agency thereof) all of the information described in or (as appropriate) with respect to any specified U.S. persons and (2). Notwithstanding the previous sentence, the designated withholding agent is not required to report information with respect to an indirect owner of the FFI that holds its interest through a participating FFI, a deemed-compliant FFI (other than an owner-documented FFI), an entity that is a U.S. person, an exempt beneficial owner, or an excepted NFE.

(vii) Direct reporting NFE

A direct reporting NFFE means a NFFE that elects to report information about its direct or indirect substantial U.S. owners to the IRS.

(viii) Exemption code for U.S. persons

| Code | Sub-category |
|------|---|
| A | An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37) |
| B | The United States or any of its agencies or instrumentalities |
| C | A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities |
| D | A corporation the stock of which is regularly traded on one or more established securities markets, as described in Reg. section 1.1472-1(c)(1)(1) |
| E | A corporation that is a member of the same expanded affiliated group as a corporation described in Reg. section 1.1472-1(c)(1)(1) |
| F | A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state |
| G | A real estate investment trust |
| H | A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940 |
| I | A common trust fund as defined in section 584(a) |
| J | A bank as defined in section 581 |
| K | A broker |
| L | A trust exempt from tax under section 664 or described in section 4947(a)(1) |
| M | A tax exempt trust under a section 403(b) plan or section 457(g) plan |