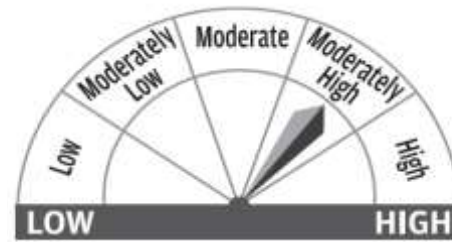


**SCHEME INFORMATION DOCUMENT**
**BNP PARIBAS BALANCED FUND  
(An open ended balanced scheme)**

This product is suitable for investors who are seeking\*:

- Wealth creation in long term.
- Investment primarily in equity & equity-related securities and the rest in debt securities & money market instruments to generate income and capital appreciation

**Riskometer for the Scheme**


Investors understand that their principal will be at moderately high risk.

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

Offer of units of Rs. 10 each during the New Fund Offer period and continuous offer for units at NAV based prices

Name of Mutual Fund	: <b>BNP Paribas Mutual Fund</b>
Name of Asset Management Company	: <b>BNP Paribas Asset Management India Private Limited</b> (CIN: U65991MH2003PTC142972)
Name of Trustee Company	: <b>BNP Paribas Trustee India Private Limited</b> (CIN: U65991MH2003PTC142971)
Addresses of the entities	: BNP Paribas House, 1, North Avenue, Maker Maxity, Bandra Kurla Complex, Bandra (E), Mumbai – 400051. India
Website of the entity	: <b><a href="http://www.bnpparibasmf.in">www.bnpparibasmf.in</a></b>

New Fund Offer Opens on: <b>Friday, March 17, 2017</b>
New Fund Offer Closes on: <b>Friday, March 31, 2017</b>
Scheme re-opens on: <u>Within 5 business days from date of allotment</u>

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

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

**The investors are advised to refer to the Statement of Additional Information (SAI) for details of BNP Paribas Mutual Fund, tax and legal issues and general information on [www.bnpparibasmf.in](http://www.bnpparibasmf.in).**

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

**The Scheme Information Document should be read in conjunction with the SAI and not in isolation. This Scheme Information Document is dated February 27, 2017.**

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**HIGHLIGHTS/SUMMARY OF THE SCHEME**

<b>Name of the Scheme</b>	BNP Paribas Balanced Fund
<b>Type of the Scheme</b>	An open ended balanced scheme
<b>Investment objective</b>	<p>The Scheme seeks to generate income and capital appreciation by investing in a diversified portfolio of equity and equity related instruments and fixed income instruments.</p> <p>However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/indicate any returns.</p>
<b>Liquidity</b>	<p>Being an open ended scheme, the Mutual Fund shall provide for purchase/switch-in/redemption/switch-out of units of the scheme, not later than 5 business days from the date of allotment on an on-going basis. The units may be purchased / switched in or redeemed / switched out on every business day at NAV based prices on an ongoing basis, subject to provisions of exit load, if any.</p> <p>The AMC reserves the right to reject further subscription / application for units of the scheme on an on-going basis, depending on the prevailing market conditions and to protect the interest of the investors. Such change will be notified to the investors by display of notice at various investor service centres of AMC and its website. The prevailing SEBI Regulations in the matter shall be complied with from time to time.</p>
<b>Benchmark</b>	CRISIL Balanced Fund Index
<b>Transparency / NAV Disclosure</b>	<p>The AMC will calculate and disclose the first NAV(s) of the scheme not later than 5 Business days from the date of allotment.</p> <p>The AMC shall declare the Net Asset Value (NAV) of the scheme on every business day on AMFI's website (<a href="http://www.amfiindia.com">www.amfiindia.com</a>) by 9.00 p.m. and also on its website (<a href="http://www.bnpparibasmf.in">www.bnpparibasmf.in</a>). The NAV shall be calculated for all business days. In case of any delay, the reasons for such delay would be explained to AMFI and SEBI in writing and the number of such instances would also be reported to SEBI on bi-monthly basis. If the NAVs are not available before the commencement of business hours of the following day due to any reason, the Mutual Fund shall issue a press release providing reasons and explaining when the Mutual Fund would be able to publish the NAVs.</p> <p>The NAV of the scheme shall be published at least in two daily newspapers having circulation all over India.</p> <p>The AMC shall disclose portfolio (along with ISIN) as on the last day of the month for all the schemes on its website on or before the tenth day of the succeeding month. The AMC shall also publish complete statement of scheme portfolio within one month from the close of each half year (i.e. 31st March and 30th September), by way of an advertisement, in atleast one English daily newspaper having nationwide circulation and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated. The AMC shall within one month from the close of each half year, i.e. 31st March &amp; 30th September, host a copy of its unaudited financial results on its website.</p>
<b>Loads</b>	<p>Entry Load : Nil</p> <p>Exit Load:</p> <ul style="list-style-type: none"> <li>• 1.00%, if redeemed or switched-out upto 1 year from the date of allotment of units.</li> <li>• Nil, if redeemed or switched-out after 1 year from the date of allotment of units.</li> </ul> <p>The above load shall also be applicable for switches between the schemes of the</p>

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	<p>Fund and all Systematic Investment Plans, Systematic Transfer Plans, Systematic Withdrawal Plans. No load will be charged on dividend re-investment and bonus units.</p> <p>Switch of investments from Regular Plan to Direct Plan under the same Scheme/Plan shall be subject to applicable exit load, unless the investments were made directly i.e. without any distributor code. However, any subsequent switch-out or redemption of such investments from Direct Plan will not be subject to any exit load. No exit load shall be levied for switch-out from Direct Plan to Regular Plan. However, any subsequent switch-out or redemption of such investment from Regular Plan shall be subject to exit load based on the date of switch in of investment into the Regular Plan.</p> <p>In accordance with the requirements specified by the SEBI circular no. SEBI/ IMD/ CIR No. 4/ 168230/09 dated June 30, 2009 no entry load will be charged for purchase/additional purchase/ switch-in accepted by the Fund. The upfront commission on investment made by the investor, if any, shall be paid to the ARN Holder directly by the investor, based on the investor's assessment of various factors including service rendered by the ARN Holder. The exit load charged, if any shall be credited to the scheme.</p>
<p><b>Transaction charges</b></p> <p>(For Lumpsum Purchases and SIP Investments routed through distributor / agent)</p>	<p>Pursuant to SEBI Circular No. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011, the AMC shall deduct transaction charges as per the following details from the subscription amount in case the investor invests through distributor / agent. The amount so deducted shall be paid to the distributor/agent of the investor (in case they have "opted in") and the balance shall be invested. In accordance with SEBI circular no. CIR/IMD/DF/21/2012 dated September 13, 2012, the distributors shall have an option either to opt in or opt out of levying transaction charge based on type of the product.</p> <ol style="list-style-type: none"> <li>1. <b>First time investor in Mutual Fund (across all the Mutual Funds):</b> Transaction charge of Rs. 150/- for subscription of Rs. 10,000 and above shall be deducted.</li> <li>2. <b>Existing investor in Mutual Funds (across all the Mutual Funds):</b> Transaction charge of Rs. 100/- per subscription of Rs. 10,000 and above shall be deducted.</li> <li>3. <b>For SIP</b> - The transaction charges in case of investments through SIP shall be deducted only if the total commitment (i.e. amount per SIP installment x No. of installments) amounts to Rs. 10,000/- and above. The transaction charges shall be deducted in 3-4 installments.</li> <li>4. Transaction charges shall not be deducted for:             <ol style="list-style-type: none"> <li>(i) purchases /subscriptions for an amount less than Rs. 10,000/-</li> <li>(ii) transaction other than purchases/ subscriptions relating to new inflows such as Switch/ Systematic Transfer Plan (STP), Systematic Withdrawal Plan (SWP) etc.</li> <li>(iii) purchases/ subscriptions made directly with the Fund (i.e. not through any distributor/agent).</li> <li>(iv) transactions through stock exchange.</li> </ol> </li> <li>5. The statement of account shall reflect the net investment as gross subscription less transaction charge and the number of units allotted against the net investment.</li> <li>6. As per SEBI circular no. SEBI/ IMD/ CIR No. 4/ 168230/09 dated June 30, 2009, the upfront commission to distributors shall be paid by the investor directly to the distributor by a separate cheque based on the investor's assessment of various factors including service rendered by the distributor.</li> </ol>
<p><b>Special facilities available</b></p>	<ol style="list-style-type: none"> <li>1. Systematic Investment Plan (SIP)</li> <li>2. Systematic Transfer Plan (STP)</li> <li>3. Systematic Withdrawal Plan (SWP)</li> </ol>

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	<p>4. Transactions through Stock Exchange Platform</p> <p>5. Online Transaction facility</p>
<b>Minimum Application Amount during NFO and Ongoing offer period</b>	<p><b>Lumpsum investment:</b> Rs. 5,000 and in multiples of Re. 1 thereafter.</p> <p><b>SIP:</b> Rs. 500 and in multiples of Re. 1 thereafter.</p> <p>The AMC reserves the right to change the minimum application amount from time to time.</p>
<b>Minimum Additional Application Amount during Ongoing offer period</b>	<p>Rs. 1,000 and in multiples of Re. 1 thereafter.</p>
<b>Plans &amp; Options</b>	<p>The Scheme offers following two plans:</p> <ul style="list-style-type: none"> <li>– BNP Paribas Balanced Fund - Regular Plan</li> <li>– BNP Paribas Balanced Fund - Direct Plan</li> </ul> <p>Each plan has the following options:</p> <ul style="list-style-type: none"> <li>• Growth Option</li> <li>• Dividend Option</li> </ul> <p>The above dividend option shall have dividend payout and dividend reinvestment facilities. There shall be a single portfolio under the scheme.</p>
<b>Option to hold units in dematerialized (demat) form</b>	<p>Pursuant to SEBI Circular no. CIR/IMD/DF/9/2011 dated May 19, 2011; the unit holders of the scheme shall be provided an option to hold units in demat form in addition to physical form. The following shall be applicable:</p> <ol style="list-style-type: none"> <li>1. The unit holder opting to hold units in demat form must provide their demat account details in the specified section of the application form. Such unit holder should have a beneficiary account with the depository participant (DP) (registered with NSDL / CDSL) and shall be required to indicate in the application form the name of the DP, DP ID Number and the beneficiary account number. The unit holder must mandatorily provide latest client investor master or demat account statement along with the application form.</li> <li>2. Units held in demat form are transferable (except for Equity Linked Savings Scheme) in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996 as may be amended from time to time. Transfer can be made only in favor of transferees who are capable of holding units and having a valid demat account.</li> <li>3. In case, the unit holder desires to hold the units in a demat/rematerialized form at a later date, the request for conversion of units held in non-demat form into Demat (electronic) form or vice-versa should be submitted alongwith a demat/remat request form to the DP directly and not to the AMC or the Registrar and Transfer Agent (RTA) of the Fund. The AMC shall then issue units in the desired form within two working days of the receipt of valid documents from the respective DP. The credit of the converted units shall be reflected in the transaction statement provided by the DP to its client. Similarly, request for redemption or any other non – financial request shall be submitted directly to the DP and not to the AMC/ RTA of the Fund.</li> <li>4. For the units held in demat form investors will receive an account statement from their respective DPs not from AMC / RTA of the Fund.</li> <li>5. Units will be credited in the demat account only based on fund realization.</li> <li>6. The facility of availing the units in demat / remat form is available subject to such processes, operating guidelines and terms &amp; conditions as may be prescribed by the DPs and the depositories from time to time.</li> <li>7. Presently, the option to hold units in demat form shall not be available for</li> </ol>

	<p>systematic transactions like Systematic Transfer Plan (STP), Systematic Withdrawal Plan (SWP) etc. Such investors shall be mandatorily allotted units in physical form.</p> <p>8. Pursuant to SEBI circular no. CIR/IMD/DF/9/2011 dated May 19, 2011 and AMFI communication no. 35P/MEM-COR/35/11-12 dated December 23, 2011 an option to hold units in demat form shall be available for SIP transactions. However, the units will be allotted based on the applicable NAV as per the SID and will be credited to investors demat account on weekly basis upon realization of funds. For e.g. units will be credited to investors demat account every Monday (or immediate next business day in case Monday happens to be a non-business day) for realization status received in last week from Monday to Friday. If an investor has opted to hold units in demat form for SIP transactions, he will be able to redeem / transfer only those units which are credited to his demat account till the date of submission of redemption / transfer request. Accordingly, redemption / transfer request shall be liable to be rejected in case of non - availability of sufficient units in the investor's demat account as on date of submission of redemption / transfer request.</p>
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## I. INTRODUCTION

### A. RISK FACTORS

#### Standard Risk Factors

- (i) Investments in mutual fund units involves investment risks such as market risk, credit & default risk, liquidity risk, trading volumes, settlement risk, including the possible loss of principal.
- (ii) As the price/ value/ interest rates of the securities in which the scheme invests fluctuate, the value of your investment in the scheme may go up or down. The various factors which impact the value of the scheme's investments include, but are not limited to, fluctuations in the stock markets, bond markets, fluctuations in interest rates, prevailing political and economic environment, changes in government policy, factors specific to the companies and issuer of the securities, tax laws, liquidity of the underlying instruments, settlement periods, trading volumes etc.
- (iii) Past performance of the Sponsor/ AMC/ Mutual Fund does not guarantee future performance of the scheme.
- (iv) BNP Paribas Balanced Fund is the name of the scheme and does not in any manner indicate either the quality of the scheme or its future prospects and returns.
- (v) The sponsor / associates are not responsible or liable for any loss resulting from the operation of the scheme beyond the initial contribution of Rs. 1,00,000/- (Rupees One lakh only) to the corpus of the Mutual Fund made by it towards setting up the Fund.
- (vi) The present scheme is not a guaranteed or assured return scheme.

#### Scheme Specific Risk Factors

##### Market Risk:

All mutual funds and securities investments are subject to market risk and there can be no assurance / guarantee that the scheme's objectives will be achieved. The securities that the scheme invests in would be exposed to price changes on a day-to-day basis. These price changes may occur due to instrument-specific factors as well as general macroeconomic conditions.

Markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market or economic developments. The scheme may be subject to price volatility due to factors such as interest sensitivity, market perception, and creditworthiness of issuer and market liquidity.



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Different parts of the market can react differently to these developments. The value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.

- **Risks associated with investing in equities:**

The risks associated with investments in equities and similar instruments include significant fluctuations in prices. The impact of fluctuations is likely to be accentuated for short-term investments. The risk that the performance of one or more companies declines or stagnates may have a negative impact on the performance of the Scheme as a whole at any given time.

Stock markets are volatile and can decline significantly in response to political, regulatory, economic, market and stock-specific developments etc. Different parts of the market can react differently to these developments. The stock-specific volatility may also change over a period of time as the characteristic of the stock undergoes a change in terms of market-cap category.

The Scheme may hold such securities for only a very short time, which could tend to increase the costs. The Scheme may invest in growth stocks which may be more volatile than the market in general and may react differently to economic, political and market developments and to specific information about the issuer. Growth stocks traditionally show higher volatility than other stocks, especially over short periods. These stocks may also be more expensive in relation to their profits than the market in general. Consequently, growth stocks may react with more volatility to variations in profit growth.

The Fund Manager may temporarily adopt a more defensive approach if it considers that the equity market or economy is experiencing excessive volatility, a persistent general decline, or other unfavourable conditions. In such circumstances, the Scheme may be unable to achieve or pursue its investment objective.

The Scheme may invest in companies making an initial public offering. In such cases there is a risk that the price of the newly floated share is more volatile due to factors such as the absence of previous trading, unseasonal transactions and the limited number of securities available for trading.

- **Risks associated with investing in fixed income securities:**

1. **Credit and Counterparty risk:** Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security or honor its contractual obligations).

Counterparty risk refers to the counterparty's inability to honor its commitments (payment, delivery, repayment, etc.) and to risk of default. This risk relates to the quality of the counterparty to which the scheme has exposures. Losses can occur in particular for the settlement/delivery of financial instruments or the conclusion of financial derivatives contracts.

The value of a fixed income security will fluctuate depending upon the changes in the perceived level of credit and counterparty risk as well as any actual event of default.

If the credit rating of an issue, issuer or counterparty is downgraded this may cause the value of the related debt securities in which the scheme has invested to fall.

The severity of the risk varies depending on the quality of the securities in the scheme. To the extent that the scheme invests in high-yield bonds, this presents a higher than average risk. There are different types of debentures available in the market. Some of them could be more risky. Lower-quality debt securities and certain types of securities involve greater risk of default or price changes due to changes in the credit quality of the issuer. They are not in the first rank of debts in case of default. The value of lower-quality debt securities and certain types of other securities can be more volatile due to increased sensitivity to adverse issuer, political, regulatory, market or economic developments.

## 2. Liquidity Risk:

The liquidity of the scheme's investment is inherently restricted by trading volumes in the securities in which the scheme invests.

A lower level of liquidity affecting an individual security or an entire market at the same time, may have an adverse bearing on the value of the scheme's assets. More importantly, this may affect the Fund's ability to sell particular securities quickly enough to minimise impact cost, as and when necessary to meet requirements of liquidity or to sell securities in response to triggers such as a specific economic/corporate event.

Trading volumes, settlement periods and transfer procedures may restrict the liquidity of a few or all of the investments and may affect the liquidity of the investments of the scheme.

The scheme may be unable to implement purchase or sale decisions when the markets turn illiquid, missing some investment opportunities or limiting ability to face redemptions. The lack of liquidity could also lead to the risk that the sale price of a security could be substantially lower than the fair value of the security.

**Treatment and disposal of illiquid securities/NPAs at the time of closure of the scheme:** Such securities will be valued in good faith in accordance with the Valuation Policy. Further SEBI Regulations / provisions (vide SEBI Circular - MFD/CIR/05/432/2002 dated June 20, 2002) shall apply for such securities. Accordingly any amount realized by the mutual fund after the winding up of the schemes from such NPAs and illiquid securities, if substantial and realized within two years shall be distributed back to the investors. In case the amount is not substantial or it is realized after two years, it may be transferred to the Investor Education Fund maintained as specified in SEBI circular MFD/CIR/9/120/2000 dated November 24, 2000. The decision as to the determination of substantial amount shall be taken by the Trustees of Mutual Fund after considering the relevant factors

## 3. Interest Rate Risk & Re-investment Risk:

The value of an investment may be affected by interest rate fluctuations. Interest rates may be influenced by several elements or events, such as monetary policy, the discount rate, inflation, etc.

The value of debt and fixed income securities held by the Scheme generally will vary inversely with the changes in prevailing interest rates. In general, price of debt and fixed income securities go up when interest rates fall, and vice versa.

Securities of any issuer that has higher duration could be more risky in terms of price movements relative to those with lower duration. Thus any impact of interest rate changes would be higher on securities with higher duration irrespective of the status of the issuer of the security.

The investments made by the Scheme are subject to 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.

## 4. Sovereign risk:

The Central Government of India is the issuer of the local currency debt in India. The Government 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 least probability of a default, such securities are known as securities with sovereign credit. It also implies that the credit risk on such Government securities is even lower than that on non-government securities with "AAA" rating and hence yields on government securities are even lower than yields on non-government securities with "AAA" rating.



- **Concentration Risk:**

The scheme may pursue only a limited degree of diversification. It may invest a greater proportion of assets in the securities of very few issuers (within the limits permitted by regulation) or be concentrated on a few market sectors. This could have implications on the performance of the scheme. The scheme may be more sensitive to economic, business, political or other changes and this may lead to sizeable fluctuation in the Net Asset Value of the scheme

- **Risk associated with investments in derivatives:**

The scheme may use various derivative instruments and techniques, permitted within SEBI Regulation from time to time only for portfolio balancing and hedging purpose, which may increase the volatility of scheme's performance. Usage of derivatives will expose the scheme to certain risks inherent to such derivatives.

Derivative products are specialized instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies. The risks associated with the use of derivatives are different from or possibly greater than the risks associated with investing directly in securities and other traditional investments.

The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. There is a possibility that a loss may be sustained by the Scheme as a result of the failure of another party (usually referred to as the "counterparty") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, interest rates and indices. Even a small price movement in the underlying instrument could have a large impact on their value. This could increase the volatility of the Scheme's performance.

In case of hedge, it is possible that derivative positions may not be perfectly in line with the underlying assets they are hedging. As a consequence the derivative cannot be expected to perfectly hedge the risk of the underlying assets. This also increases the volatility of the Scheme's performance.

Some of the risks inherent to derivatives investments include:

1. **Price Risk:** Despite the risk mitigation provided by various derivative instruments, there remains an inherent price risk which may result in losses exceeding actual underlying.
2. **Default Risk:** This is the risk that losses will be incurred due to default by counter party. This is also known as credit risk or counterparty risk.
3. **Basis Risk:** This risk arises when the derivative instrument used to hedge the underlying asset does not match the movement of the underlying being hedged for e.g. mismatch between the maturity date of the futures and the actual selling date of the asset.
4. **Limitations on upside:** Derivatives when used as hedging tool can also limit the profits from a genuine investment transaction.
5. **Liquidity risk:** This risk pertains to how saleable a security is in the market. All securities/instruments irrespective of whether they are equity, bonds or derivatives may be exposed to liquidity risk (when the sellers outnumber buyers) which may impact returns while exiting opportunities.

- **Risks associated with investing in securitised debt:**

The scheme may invest in domestic securitized debt such as asset backed securities (ABS) or mortgage backed securities (MBS). ABS means securitized debts wherein the underlying assets are receivables arising from personal loans, automobile loans, etc. MBS means securitized debts wherein the underlying

assets are receivables arising from loans backed by mortgage of properties which can be residential or commercial in nature. ABS / MBS instruments reflect the undivided interest in the underlying of assets and do not represent the obligation of the issuer of ABS / MBS or the originator of the underlying receivables. The ABS / MBS holders have a limited recourse to the extent of credit enhancement provided. Securitized debt may suffer credit losses in the event of the delinquencies and credit losses in the underlying pool exceeding the credit enhancement provided. As compared to the normal corporate or sovereign debt, securitized debt is normally exposed to a higher level of reinvestment risk.

**Pass through Certificate (PTC)** (Pay through or other Participation Certificates) represents beneficial interest in an underlying pool of cash flows. These cash flows represent dues against single or multiple loans originated by the sellers of these loans. These loans are given by banks or financial institutions to corporates. PTCs may be backed, but not exclusively, by receivables of personal loans, car loans, two wheeler loans and other assets subject to applicable regulations.

#### **How the risk profile of securitized debt fits into the risk appetite of the scheme**

Securitized debt is a form of conversion of normally non-tradable loans to transferable securities. This is done by assigning the loans to a special purpose vehicle (a trust), which in turn issues Pass-Through-Certificates (PTCs). These PTCs are transferable securities with fixed income like characteristics. The risk of investing in securitized debt is similar to investing in debt securities. In addition, securitized debt may also carry prepayment risk and has a relatively higher liquidity risk (the same are explained in the sections that follow). However, if the fund manager evaluates that the additional risks are suitably compensated by the higher returns, he may invest in securitized debt up to the limits specified in the asset allocation table. The investment shall be in securitized instruments that are top rated (AAA/ A1+) or its equivalent, by a recognised credit rating agency for the retail pool, and for single loan securitization, limits will be assigned as per the internal credit policy of the Fund.

#### **Policy relating to originators**

The originator is the person who has initially given the loan. The originator is also usually responsible for servicing the loan (i.e. collecting the interest and principal payments). An analysis of the originator is especially important in case of retail loans as this affects the credit quality and servicing of the PTC. Originators may be: Banks, Non Banking Finance Companies, Housing Finance Companies, etc. The fund manager's evaluation will be based on the track record of the originator, delinquencies in the pool and the seasoning of the pool. Other factors that will be considered are loan type, size of the loan, average original maturity of the pool, Loan to Value Ratio, geographical distribution, liquid facility, default rate distribution, credit enhancement facility and structure of the pool.

#### **Risk associated with each kind of originator:**

- (a) **Prepayment risk:** MBS and ABS are subject to prepayment risk. When the underlying loans are paid off by the borrower prior to their respective due dates, this is known as a prepayment. It could be triggered on account of various factors particularly in periods of declining interest rates. The possibility of such prepayment may require the scheme to reinvest the proceeds of such investments in securities offering lower yields, thereby reducing the scheme's interest income.
- (b) **Interest rate risk:** MBS carry interest rate risk. Home loan borrowers are provided the facility of refinancing their loans at the prevailing interest rates. A lowering of interest rates could induce a borrower to pay his loan off earlier than the scheduled tenure, whereas if the interest rates move upward, the borrower would tend to hold on to his loan for a longer period, thus increasing the maturity of the bond. The maturity of the bond could therefore shorten or lengthen, depending on the prevailing interest rates.
- (c) **Credit risk / default risk:** MBS and ABS also carry credit or default risk. MBS and structures carry built-in credit enhancement in different forms. However, any delinquencies would result in reduction of the principal amount if the amount available in the credit enhancement facility is not enough to cover the shortfall. Historically, housing loans have had lower default rates than other forms of credit.
- (d) **Price risk / liquidity risk:** MBS and ABS are subject to prepayment risk. Limited volumes of trading in securitized paper in secondary market could restrict or affect the ability of the scheme to re-sell them. Thus these trades may take place at a discount, depending on the prevailing interest rates.

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In case of securitization involving single loans or a small pool of loans, the credit risk of the underlying borrower is analyzed. In case of diversified pools of loans, the overall characteristic of the loans is analyzed to assess the credit risk. Securitization transactions may include some risk mitigants (to reduce credit risk). These may include interest subvention (difference in interest rates on the underlying loans and the PTC serving as margin against defaults), overcollateralization (issue of PTCs of lesser value than the underlying loans, thus even if some loans default, the PTC continues to remain protected), presence of an equity / subordinate tranche (issue of PTCs of differing seniority when it comes to repayment - the senior tranches get paid before the junior tranche) and / or guarantees.

**Level of diversification with respect to the underlying assets and risk mitigation measures for less diversified investments:**

Currently, the following parameters are used while evaluating investment decision relating to a pool securitization transaction. These parameters may be revised the from time to time.

Characteristics/ Type of Pool	Mortgage Loan	Commercial Vehicle and Construction Equipment	Car	Two wheelers	Micro Finance Pools *	Personal Loans *	Single Sell Downs	Others
Approximate Average maturity (in Months)	Up to 10 yrs	Up to 3 yrs	Up to 3 yrs	Up to 3 yrs	NA	NA	Refer to Note a	Refer to Note b
Collateral margin (including cash, guarantees, excess interest spread, subordinate tranche)	>10%	>10%	>10%	>10%	NA	NA		
Average Loan to Value Ratio	<90%	<80%	<80%	<80%	NA	NA		
Average seasoning of the Pool	>3 mths	>3 mths	>3 mths	>3 mths	NA	NA		
Maximum single exposure range	<1%	<1%	<1%	<1%	NA	NA		
Average single exposure range %	<1%	<1%	<1%	<1%	NA	NA		

**Notes**

- In case of securitization involving single loans or a small pool of loans, the credit risk of the borrower is analyzed. The investment limits applicable to the underlying borrower are applied to the single loan sell-down.
- Other investments will be decided on a case-to-case basis.

**Minimum retention period of the debt by originator prior to securitization**

Issuance of securitized debt is governed by the Reserve Bank of India. RBI norms cover the "true sale" criteria including credit enhancement and liquidity enhancements. In addition, RBI has proposed minimum holding period of between nine and twelve months for assets before they can be securitized. The minimum holding period depends on the tenure of the securitization transaction. The Scheme will invest in securitized debt that is in compliance with the regulations.

**Minimum retention percentage by originator of debts to be securitized**

RBI norms cover the "true sale" criteria including credit enhancement and liquidity enhancements, including maximum exposure by the originator in the PTCs. In addition, RBI has proposed minimum retention requirement of between five and ten percent of the book value of the loans by the originator. The minimum retention requirement depends on the tenure and structure of the securitization transaction. The Scheme will invest in securitized debt that is in compliance with the regulations.

**Mechanism to tackle conflict of interest when the mutual fund invests in securitised debt of an originator and the originator in turn invests makes investments in that particular scheme of the fund**

The key risk in securitized debt relates to the underlying borrowers and not the originator. In a securitization transaction, the originator is the seller of the debt(s) and the scheme is the buyer. However, the originator is also usually responsible for servicing the loan (i.e. collecting the interest and principal payments). As the originators may also invest in the scheme, the fund manager shall ensure that the investment decision is based on parameters as set by the Investment Committee (IC) of the AMC and IC shall review the same at regular interval.

**The resources and mechanism of individual risk assessment with the AMC for monitoring investments in securitised debt**

The fund management team including the credit analyst has the experience to analyze securitized debt. In addition, credit research agencies provide analysis of individual instruments and pools. On an on-going basis (typically monthly) the servicer provides reports regarding the performance of the pool. These reports would form the base for ongoing evaluation where applicable. In addition, rating reports indicating rating changes would be monitored for changes in rating agency opinion of the credit risk.

- **Risks associated with investing in liquid funds:**

To the extent of the investments in liquid mutual funds, the risks associated with investing in liquid funds like market risk, credit & default risk, liquidity risk, redemption risk including the possible loss of principal; etc. will exist.

- **Risks related to arbitrage strategy**

In case of a large redemption, the scheme may need to reverse the spot-futures transaction before the date of futures' settlement. This eventuality may lead to the basis risk. While reversing the spot-futures transaction on the Futures & Options settlement day on the Exchange, there could be a risk of volume-weighted-average-price of the market being different from the price at which the actual reversal is processed. This may result in basis risk.

On the date of expiry, when the arbitrage is to be unwound, it is not necessary for the stock price and its future contract to coincide. There could be a discrepancy in their prices even a minute before the market closes. Thus, there is a possibility that the arbitrage strategy gets unwound at different prices.

- **Other Risks:**

- **Risk associated with inflation:** Over time, yields of short-term investments may not keep pace with inflation, leading to a reduction in an investment's purchasing power.
- **Legal risk:** The scheme may be affected by the actions of government and regulatory bodies. Legislation could be imposed retrospectively or may be issued in the form of internal regulations which the public may not be aware of. Legislation (including legislation relating to tax) or regulation may be introduced which inhibits the scheme from pursuing their strategies or which renders an existing strategy less profitable than anticipated. Such actions may take any form, for example nationalization of any institution or restrictions on investment strategies in any given market sector or changing requirements and imposed without prior warning by any regulator.
- **Taxation risk:** The value of an investment may be affected by the application of tax laws, including withholding tax, or changes in government or economic or monetary policy from time to time. As such, no guarantee can be given that the financial objectives will actually be achieved. The tax information described in this Scheme Information Document (SID) is as available under the prevailing taxation laws. This could be changed at any moment by regulation. Further, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the scheme will endure indefinitely.

- **Valuation risk:** This risk relates to the fact that markets, in specific situations and due to lack of volumes of transactions, do not enable an accurate assessment of the fair value of invested assets. In such cases, valuation risk represents the possibility that, when a financial instrument matures or is sold in the market, the amount received is less than anticipated, incurring a loss to the portfolio and therefore impacting negatively the NAV of the scheme.
- **Operational Risk:** Operational risk addresses the risk of trading and back office or administration issues that may result in a loss to the Scheme. This could be the result of oversight, ineffective securities processing procedures, computer systems problems or human error. There could also be risk associated with grouping of orders. For instance, at the time of placing the trades, the fund manager shall group orders on behalf of all schemes managed by him, provided it is unlikely to be detrimental overall for any of the schemes whose orders have been included. However, such grouping may have a detrimental effect to the scheme compared to the execution of an individual order for the scheme.
- **Risk factors associated with processing of transaction in case of investors investing in mutual fund units through Stock Exchange Mechanism:** The trading mechanism introduced by the stock exchange(s) is configured to accept and process transactions for mutual fund units in both Physical and Demat Form. The allotment and/or redemption of Units through NSE and/or BSE or any other recognized stock exchange(s), on any Business Day will depend upon the modalities of processing viz. collection of application form, order processing / settlement, etc. upon which the Fund and the AMC have no control. Moreover, transactions conducted through the stock exchange mechanism shall be governed by the operating guidelines and directives issued by respective recognized stock exchange(s) upon which the Fund and the AMC have no control. Accordingly, there could be negative impacts to the investors such as delay or failure in allotment / redemption of Units. The Fund and the AMC are not responsible for the negative impacts.

## **B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME.**

The scheme shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the scheme. However, if such limit is breached during the NFO of the scheme, the Fund will endeavour to ensure that within a period of three months or the end of the succeeding calendar quarter from the close of the NFO of the Scheme, whichever is earlier, the scheme complies with these two conditions. In case the scheme does not have a minimum of 20 investors in the stipulated period, the provisions of Regulation 39(2)(c) of the Regulations would become applicable automatically without any reference from SEBI and accordingly the scheme shall be wound up and the units would be redeemed at applicable NAV. The two conditions mentioned above shall also be complied within each subsequent calendar quarter thereafter, on an average basis, as specified by SEBI. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days notice to redeem his exposure over the 25 % limit. Failure on the part of the said investor to redeem his exposure over the 25% limit within the aforesaid 15 days would lead to automatic redemption by the scheme on the applicable Net Asset Value on the 15th day of the notice period. The scheme shall adhere to the requirements prescribed by SEBI from time to time in this regard.

## **C. SPECIAL CONSIDERATIONS**

1. From time to time, the sponsor, their affiliates, associates, subsidiaries, the Mutual Fund and the AMC may invest directly or indirectly in the Scheme. These entities may acquire a substantial portion of the Scheme's units and collectively constitute a major investor in the Scheme.
2. Redemption by the Unitholder due to change in the fundamental attributes of the Scheme or due to any other reasons or winding-up of the Scheme for reasons mentioned in this Document may entail tax consequences. The Trustee, AMC, Mutual Fund, their directors, officers or their employees shall not be liable for any such tax consequences that may arise.
3. Investment decisions made by the AMC may not always be profitable.



4. The tax benefits described in this Scheme Information Document are as available under the prevailing taxation laws. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Schemes will endure indefinitely.
5. Investors should study this SID carefully in its entirety and should not construe the contents hereof as advice relating to legal, taxation, investment or any other matters. Investors are advised to consult their legal, tax, investment and other professional advisors to determine possible legal, tax, financial or other considerations of subscribing to or redeeming units, before making a decision to invest / redeem units.
6. Neither this SID nor the Units have been registered in any jurisdiction. The distribution of this SID in certain jurisdictions may be restricted or totally prohibited to registration requirements and accordingly, persons who come into possession of this SID are required to inform themselves about and to observe any such restrictions.
7. No person has been authorised to issue any advertisement or to give any information, either oral or written to make any representations other than that contained in this SID. Any communication in connection with this offering not authorised by the Mutual Fund / Trustee / AMC and any information or representations not contained herein must not be relied upon as having been authorised by the Mutual Fund / Trustee / AMC.
8. As the liquidity of the investments made by the Scheme(s) could, at times, be restricted by trading volumes and settlement periods, the time taken by the Mutual Fund for Redemption of Units may be significant in the event of an inordinately large number of Redemption requests or of a restructuring of the Scheme(s). In view of the above, the Trustee has the right, in its sole discretion, to limit Redemptions (including suspending Redemptions) under certain circumstances, as described under the sections titled "Right to Limit / Withhold Redemptions."

**9. Compliance with Foreign Accounts Tax Compliance Act ("FATCA") and Common Reporting Standards (CRS) requirements:**

**FATCA and CRS requirements may require disclosure regarding your investment in the units of the Scheme.**

Investors are further informed that the AMC / the 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/third parties including the U.S Internal Revenue Service ('IRS') or the Indian tax authorities, for the purpose of onward transmission to the U.S. Internal Revenue Service or such other authority as specified under the applicable laws from time to time. The information disclosed may include (but is not limited to) the identity of investors and their direct or indirect beneficiaries, beneficial owners and controlling persons, their residential status / details. Accordingly, Investors are requested to provide all the necessary information / declarations and to comply with any reasonable request from the AMC/ the Fund to allow the AMC/ the Fund to comply with such information reporting requirements.

**FATCA DISCLOSURE - Foreign Account Tax Compliance Act**

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("FATCA") impose a new reporting regime and, potentially, a 30% withholding tax with respect to certain payments to and by certain non-U.S. financial institutions ("**foreign financial institutions**", or "**FFIs**" (as defined by FATCA)). The AMC/Mutual Fund will be classified as an FFI.

The United States and India have entered into an intergovernmental agreement (the "**IGA**") with respect to FATCA. Pursuant to the IGA, the AMC/Mutual Fund expects not to be subject to withholding under FATCA on any payments it receives. Further, the AMC/Mutual Fund expects not to be required to withhold under FATCA from payments it makes. Under the IGA the AMC/Mutual Fund may be required to report certain information in respect of its investors to third parties, including the U.S Internal Revenue Service ('IRS') or the Indian tax authorities, for the purpose of onward transmission to the U.S. Internal Revenue Service. The information disclosed may include (but is not limited to) the identity of investors and their direct or indirect beneficiaries, beneficial owners and controlling persons. An investor will therefore be required to comply with any reasonable request from the AMC/Mutual Fund for such information, to allow the AMC/Mutual Fund to comply with such information reporting requirements. Prospective investors should refer to the SAI/SID for further information.

**TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230 AND SUCH OTHER APPLICABLE LAWS, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER**



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**FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES OR ANY OTHER AUTHORITY THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR**

**D. Definitions:**

<b>“AMC” or Asset Management Company” or “Investment Manager”</b>	BNP Paribas Asset Management India Private Limited, a company incorporated under the provisions of the Companies Act, 1956 and approved by SEBI to act as the Asset Management Company for the Scheme of the Mutual Fund.
<b>“Application Supported by Blocked Amount” or “ASBA”</b>	ASBA is an application containing an authorization to a Self Certified Syndicate Bank (SCSB) to block the application money in the bank account maintained with the SCSB, for subscribing to a NFO. Presently, this facility is available for investors holding demat account.
<b>“ASBA Application Form”</b>	The form used by an applicant to make a NFO application through ASBA process, which will be considered as the application for allotment. The form should be submitted by the SCSB to the RTA / AMC.
<b>“Business Day”/“Working day”</b>	A day other than: <ol style="list-style-type: none"> <li>1. Saturday and Sunday;</li> <li>2. A day on which the banks (including Reserve Bank of India, Banks in Mumbai) are closed for business / clearing;</li> <li>3. A day on which the Stock Exchange, Mumbai and / or the National Stock Exchange of India Limited are closed;</li> <li>4. A day which is a public and / or bank holiday at the Investor Service Centre where the application is received</li> <li>5. A day on which sale and redemption/ repurchase of units is suspended by the Trustee / AMC.</li> <li>6. A book closure period as may be announced by the Trustee / AMC.</li> <li>7. A day on which normal business cannot be transacted due to storms, floods, bandhs, strikes, unforeseen events / happenings or such other events as the Trustee / AMC may specify from time to time.</li> </ol> <p>The Trustee / AMC reserves the right to declare any day as a business day/ working day or otherwise at any or all investor Service Centres.</p>
<b>“Credit Rating Agency”</b>	A credit rating agency registered with Securities and Exchange Board of India under SEBI (Credit Rating Agencies) Regulations, 1999 as amended from time to time.
<b>“Custodian”</b>	The Hongkong and Shanghai Banking Corporation Limited (HSBC) Mumbai, registered under the SEBI (Custodian of Securities) Regulations, 1996, currently acting as Custodian to the Scheme or any other custodian approved by the Trustees.
<b>“Date of Application”</b>	The date of receipt of a valid application complete in all respect for subscription of units of this scheme by BNP Paribas Mutual Fund at its various offices/branches/the designated centers of the Registrar or SCSBs.
<b>“Distributor”</b>	Such persons/firms/ companies/ corporates who fulfill the criteria laid down by SEBI / AMFI from time to time and empanelled by the AMC to distribute / sell /market the schemes of the Fund.
<b>“Equity related instruments”</b>	Equity related instruments would include convertible debentures, equity warrants, preference shares etc; such other instruments as may be declared / notified by a Regulatory Authority to be Equity related instruments and rights or interests in such instruments.
<b>“Foreign Portfolio Investor” or “FPI”</b>	Foreign Portfolio Investor as defined under Regulation 2(1)(h) of Security Exchange Board of India (Foreign Portfolio Investors) Regulations 2014, as amended from time to time.

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<b>“Investor Service Centres” or “ISCs”</b>	Designated branches or service centres or representative offices of Registrar and Transfer Agent or its associates or such other centres / offices as may be designated by the Trustee / AMC from time to time.
<b>“Investment Management Agreement” or “IMA”</b>	The agreement dated February 15, 2011 entered into between BNP Paribas Trustee India Private Limited and BNP Paribas Asset Management India Private Limited, as amended from time to time.
<b>“Market Capitalisation”</b>	Market value of a listed company, which is calculated by multiplying its current market price by number of its shares outstanding
<b>“Mutual Fund” or “the Fund”</b>	BNP Paribas Mutual Fund, a trust set up under the provisions of the Indian Trusts Act, 1882 and registered with SEBI under the SEBI (Mutual Fund) Regulations, 1996 vide Registration No. MF/049/04/01 dated October 20, 2010.
<b>“NAV”</b>	Net Asset Value per Unit of the scheme, calculated in the manner described in this SID or as may be prescribed by the SEBI Regulations from time to time.
<b>“New Fund Offer” / “NFO”</b>	Offer for subscription of units of BNP Paribas Balanced Fund during the NFO Period as described hereinafter.
<b>“New Fund Offer Period”</b>	The date / period during which the initial subscription of units of the scheme mentioned below can be made.
<b>“RBI”</b>	Reserve Bank of India, established under the Reserve Bank of India Act, 1934.
<b>“Register of Unitholders”</b>	Register of unitholders for the purposes of dividend declaration shall mean the Statement of Beneficiary Position as may be received from the Depositories on the record date and the records of unitholders maintained by the Registrar and Transfer Agent in case of units not held in electronic (demat) form.
<b>“Registrar and Transfer Agent” or “RTA”</b>	Sundaram BNP Paribas Fund Services Limited, Chennai, registered under the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, currently acting as registrar and transfer agent to the scheme, or any other registrar and transfer agent appointed by the Mutual Fund acting through the AMC from time to time.
<b>“Sale/Subscription”</b>	Sale of units to the unit holder upon subscription by the investor / applicant under the scheme during the NFO and ongoing offer period.
<b>“Scheme”</b>	BNP Paribas Balanced Fund
<b>“Scheme Information Document” or “SID”</b>	This document issued by the Mutual Fund offering the units of the scheme for subscription. SID has to be read in conjunction with SAI.
<b>“SEBI”</b>	Securities and Exchange Board of India, established under the Securities and Exchange Board of India Act, 1992.
<b>“SEBI Regulations” or “Regulations”</b>	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, read with various amendments, circulars and guidelines issued from time to time.
<b>“Self Certified Syndicate Banks or SCSB”</b>	The list of banks that have been notified by SEBI to act as a SCSB for the ASBA process as provided on <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> .
<b>“Sponsor” or “Settlor”</b>	BNP Paribas Investment Partners Asia Limited
<b>“Trust Deed”</b>	The Trust Deed dated February 14, 2011 made by and between BNP Paribas Investment Partners Asia Limited and BNP Paribas Trustee India Private Limited establishing the Mutual Fund, as amended from time to time.
<b>“Trustee”</b>	BNP Paribas Trustee India Private Limited incorporated under the provisions of the Companies Act, 1956 and approved by SEBI to act as the Trustee to the scheme of the Mutual Fund.
<b>“Unit”</b>	The interest of the unit holder, which consists of, each Unit representing one undivided share in the net assets of the Scheme.
<b>“Unit holder” or “investor”</b>	A person holding Unit(s) in the Scheme of the Mutual Fund.

**Interpretation**

For all purposes of this SID, except as otherwise expressly provided or unless the context otherwise requires:

- All references to the masculine shall include the feminine and all references, to the singular shall include the plural and vice-versa.
- All references to “Euros” refer to the currency of some Member States of the European Union, Dollars” or”\$” refer to United States, “HKD” refers to Hong Kong Dollars and “Re”/”Rs.” refers to Indian Rupee(s). A “crore” means “ten million” and a “lakh” means a “hundred thousand”.

Words and Expressions used and not defined in this SID shall have the same meaning as in the SEBI Regulations.

**E. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY**

The AMC shall confirm that a Due Diligence Certificate duly signed by the Compliance Officer of the AMC has been submitted to SEBI, which reads as follows:

It is confirmed that:

- (i) the draft Scheme Information Document forwarded to SEBI is in accordance with SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
- (ii) all legal requirements connected with the launching of the scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
- (iii) the disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the proposed scheme.
- (iv) the intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

Place: Mumbai  
Date: September 23, 2015

Signed: sd/-  
Name: Jyothi Krishnan  
Designation: Compliance Officer

## SCHEME INFORMATION DOCUMENT

### INFORMATION ABOUT THE SCHEME

#### A. TYPE OF SCHEME

BNP Paribas Balanced Fund is an open ended balanced scheme.

#### B. WHAT IS THE INVESTMENT OBJECTIVE OF THE SCHEME?

The Scheme seeks to generate income and capital appreciation by investing in a diversified portfolio of equity and equity related instruments and fixed income instruments.

However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/indicate any returns.

#### C. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

The asset allocation of the scheme under normal circumstances would be:

Instruments	Indicative allocations (% of total assets)		Risk Profile
	Minimum	Maximum	
Equity and equity related instruments*	30	60	Medium to High
Net Equity Arbitrage Exposure*	5	10	Medium to High
Debt and Money market instruments and/or units of liquid fund\$*	30	60	Low

Alternate asset allocation when very few opportunities are available or no opportunities are available, the asset allocation is expected to be as follows:

Instruments	Indicative allocations (% of total assets)		Risk Profile
	Minimum	Maximum	
Equity and equity related instruments*	30	60	Medium to High
Debt and Money market instruments and/or units of liquid fund\$*	40	70	Low

\$Debt instruments may include securitised debt up to 10% of the net assets. It may be noted that the AMC has to adhere to the asset allocation pattern indicated in the Scheme Information Document under normal circumstances.

\* Includes investments in derivatives (gross exposure shall not exceed 50% of the asset allocation stipulated above for the relevant instrument category).

The cumulative gross exposure through debt and money market instruments, equity & equity related instruments, and derivative instruments will not exceed 100% of the net assets of the Scheme. The scheme will not invest in foreign equities including ADR/GDR and foreign debt securities including foreign securitised debt. The scheme will not indulge in short selling and securities lending and borrowing.

The Scheme will not participate in Credit Default Swaps (CDS) for Corporate Bonds.

The Scheme may enter into repos/reverse repos as may be permitted by RBI other than repo in corporate debt securities. From time to time, the Scheme may hold cash. A part of the net assets may be invested in the Collateralised Borrowing & Lending Obligations (CBLO) or repo or in an alternative investment as may be provided by RBI.

It may be noted that AMC has to adhere to the asset allocation pattern indicated in the Scheme Information Document under normal circumstances.

## SCHEME INFORMATION DOCUMENT

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According to SEBI circulars (reference no. SEBI/IMD/CIR No. 1/ 91171/07 dated April 16, 2007, SEBI/IMD/CIR No. 8/107311/07 dated October 26, 2007 and SEBI/IMD/CIR No. 7/129592/08 dated June 23, 2008), pending deployment of funds of the Scheme in securities in terms of investment objective of the Scheme, the Mutual Fund may invest the funds of the Scheme in short term deposits of scheduled commercial banks subject to restrictions laid down under the SEBI Regulations from time to time.

### **Portfolio rebalancing**

The scheme shall rebalance the portfolio in case of any deviation to the either of above asset allocations. Such rebalancing shall be done within 30 days from the date of occurrence of deviation. In the event of the scheme not being rebalanced within the aforesaid period, justification for the same shall be placed before Investment Committee of the AMC and reasons for the same shall be recorded in writing. Investment Committee shall then decide on the course of action and may suggest rebalancing of the portfolio. However, at all times the AMC shall ensure that the portfolio would adhere to the overall investment objective of the scheme.

### **Change in investment pattern**

Subject to the SEBI Regulations, the asset allocation pattern indicated above may change from time to time, depending on liquidity considerations or on account of high levels of repurchase or redemptions relative to scheme size, or upon considerations that optimise returns of the scheme through investment opportunities or upon various defensive considerations including market conditions, market opportunities, applicable regulations and political and economic factors. Asset Allocation proportions may vary substantially depending upon the perception of the AMC the intention being at all times to seek to protect the interests of the unit holders. Such changes in the investment pattern will be for short term and only for defensive considerations. In addition, as part of the investment process, the Investment Committee of the AMC will conduct a periodic review of the asset allocation and may suggest rebalancing of the portfolio.

## **D. WHERE WILL THE SCHEME INVEST?**

Subject to SEBI Regulations and other prevailing laws as applicable, the net assets of the Scheme can be invested in any (but not exclusively) of the following securities:

1. Equities & equity related instruments including convertible bonds and debentures, rights and warrants, options, futures and other equity related derivatives of companies.
2. Debt & money market instruments including bonds, debentures, treasury bills, commercial paper of public sector undertakings and private sector corporate entities, reverse repurchase obligation in government securities and treasury bills (the scheme presently doesn't intend to invest in reverse repurchase agreement in corporate debt securities), certificate of deposit of scheduled commercial banks and development financial institutions, bills of exchange / promissory notes of corporate entities, government securities etc. as may be permitted by SEBI / RBI.
3. Debt Securities of the Government of India, state and local governments, government agencies, statutory bodies, public sector undertakings, scheduled commercial banks, non-banking finance companies, development financial institutions, corporate entities & trusts.
4. Securitised debt including Pass Through, Pay Through, Asset Backed Securities, Mortgaged Backed Securities or other Participatory Certificates representing interest in a pool of assets. The scheme will not invest in foreign securities including foreign securitised debt and ADR/GDR.
5. Debt derivative instruments like Interest Rate Swaps, Forward Rate Agreements and such other derivative instruments permitted by SEBI/RBI. However, the Scheme will not participate in Credit Default Swaps (CDS) for Corporate Bonds.
6. Any other like instruments including units of mutual funds as may be permitted by RBI / SEBI / such other regulatory authority from time to time.

In terms of SEBI circular having reference no. SEBI/IMD/CIR No. 1/ 91171 /07 dated April 16, 2007, pending deployment of funds of the Scheme in securities in terms of the investment objective of the scheme, the Mutual Fund can invest the funds of the scheme in short term deposits of scheduled commercial banks, after complying with the provisions of aforesaid circular.



**SCHEME INFORMATION DOCUMENT**

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated and of any maturity. The securities may be acquired through initial public offerings (IPOs), follow on offers, secondary market operations and private placement, rights offers or negotiated deals.

**Comparison of existing open ended equity schemes of the Fund**

Name of the Scheme	Investment Objective	Asset Allocation				Product Differentiation	Number of folios as on 31-Jan-17	AUM as on 31-Jan-17 (Rs. in crores)
		Type of Instruments	Allocation (as % of Net Assets)					
			Normal	Min	Max			
<b>BNP Paribas Equity Fund</b>	The investment objective of the Scheme is to generate long-term capital growth from a diversified and actively managed portfolio of equity and equity related securities.	Equities and Equity Related Securities	95		100	Medium to High	53,409	1,192.15
		Debt Instruments and Money Market Instruments (including cash and money at call)	5		35	Low to Medium		
<b>BNP Paribas Dividend Yield Fund</b>	To generate long term capital growth from an actively managed portfolio of equity and equity related securities primarily being high dividend yield stocks. High dividend yield stocks are defined as stocks of companies that have a dividend yield in excess of 0.5%, at the time of investment.	Equities and Equity Related Securities of companies that are high dividend yield stocks	75	65	100	High	12,110	282.06
		Equities and Equity Related Securities of companies instruments that are not high dividend yield stocks	20	0	35	High		
		Debt Instruments and Money Market instruments (including money at call)	5	0	35	Low		
<b>BNP Paribas Long Term Equity Fund [Equity Liquid Savings Scheme having 3 year lock-in period]</b>	The investment objective of the Scheme is to generate long-term capital growth from a diversified and actively managed portfolio of equity and equity related securities along with income tax rebate, as may be prevalent from time to time.	Equities and Equity Related Securities of companies	95	80	100	High	63,845	486.65
		Debt Instruments and Money Market instruments (including money at call)	5	0	20	Low		
<b>BNP Paribas Mid Cap Fund</b>	To seek to generate long-term capital appreciation by investing primarily in companies with high growth opportunities in the middle and small capitalization segment, defined as 'Future Leaders'.	Equity and equity related securities of companies categorised as Future Leaders	65		100	Medium to High	56,960	700.11
		Equity and Equity related securities of Companies other than Future Leaders	0		35	Medium to High		
		Debt Instruments and Money Market instruments (including money at call)	0		35	Low to Medium		



**SCHEME INFORMATION DOCUMENT**

Name of the Scheme	Investment Objective	Asset Allocation	Product Differentiation	Number of folios as on 31-Jan-17	AUM as on 31-Jan-17 (Rs. in crores)																																
<b>BNP Paribas Enhanced Arbitrage Fund</b>	The primary investment objective of the scheme is to generate income and capital appreciation by investing in a diversified portfolio of equity and equity related instruments, including use of equity derivatives strategies and arbitrage opportunities with exposure in debt and fixed income instruments.	<table border="1" data-bbox="488 338 983 786"> <thead> <tr> <th rowspan="2">Type of Instruments</th> <th colspan="2">Allocation (as % of Net Assets)</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Min</th> <th>Max</th> </tr> </thead> <tbody> <tr> <td>Equities, equity related instruments (unhedged)*</td> <td>0</td> <td>10</td> <td>Medium to High</td> </tr> <tr> <td>Equities, equity related instruments and derivatives including index futures, stock futures, index options, &amp; stock options, etc. as partly hedged / arbitrage exposure*</td> <td>65</td> <td>90</td> <td>Medium to High</td> </tr> <tr> <td>Debt Securities and Money market instruments with maturity upto 91 days only and/or units of liquid fund\$</td> <td>10</td> <td>35</td> <td>Low</td> </tr> </tbody> </table> <p data-bbox="488 790 983 1227">           *Equity allocation is measured as the gross exposure to equities, equity related instruments and derivatives. The Scheme will enter into derivatives transactions for arbitrage/partial hedging. The derivative positions will be hedged against corresponding positions in either equity or derivative markets depending on the strategies involved. On the total portfolio level the Scheme does not intend to take a net short exposure to equity markets. Unhedged positions in the portfolio (investments in equity shares without corresponding exposure to equity derivative) shall not exceed 10% of the net assets.            \$Debt instruments may include securitized debt up to 10% of the net assets. Includes investments in derivatives.         </p>	Type of Instruments	Allocation (as % of Net Assets)		Risk Profile	Min	Max	Equities, equity related instruments (unhedged)*	0	10	Medium to High	Equities, equity related instruments and derivatives including index futures, stock futures, index options, & stock options, etc. as partly hedged / arbitrage exposure*	65	90	Medium to High	Debt Securities and Money market instruments with maturity upto 91 days only and/or units of liquid fund\$	10	35	Low	The scheme will invest in mix of arbitrage, long equity, index futures and debt and money market instruments. The scheme also aims to manage risk through active selection within the specified asset allocation range. The aim is to improve risk adjusted returns through diversification across these instruments and asset classes.	1,098	108.29														
Type of Instruments	Allocation (as % of Net Assets)			Risk Profile																																	
	Min	Max																																			
Equities, equity related instruments (unhedged)*	0	10	Medium to High																																		
Equities, equity related instruments and derivatives including index futures, stock futures, index options, & stock options, etc. as partly hedged / arbitrage exposure*	65	90	Medium to High																																		
Debt Securities and Money market instruments with maturity upto 91 days only and/or units of liquid fund\$	10	35	Low																																		
<b>BNP Paribas Balanced Fund</b>	The Scheme seeks to generate income and capital appreciation by investing in a diversified portfolio of equity and equity related instruments and fixed income instruments	<p data-bbox="488 1249 983 1279">Under normal circumstances:</p> <table border="1" data-bbox="488 1279 983 1576"> <thead> <tr> <th rowspan="2">Instruments</th> <th colspan="2">Allocation (% of total assets)</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Min</th> <th>Max</th> </tr> </thead> <tbody> <tr> <td>Equity and equity related instruments</td> <td>30</td> <td>60</td> <td>Medium to High</td> </tr> <tr> <td>Net Equity Arbitrage Exposure</td> <td>5</td> <td>10</td> <td>Medium to High</td> </tr> <tr> <td>Debt and Money market instruments and/or units of liquid fund</td> <td>30</td> <td>60</td> <td>Low</td> </tr> </tbody> </table> <p data-bbox="488 1603 983 1704">           Alternate asset allocation when very few opportunities are available or no opportunities are available, the asset allocation is expected to be as follows:         </p> <table border="1" data-bbox="488 1704 983 1962"> <thead> <tr> <th rowspan="2">Instruments</th> <th colspan="2">Allocation (% of total assets)</th> <th rowspan="2">Allocation (% of total assets)</th> </tr> <tr> <th>Min</th> <th>Min</th> </tr> </thead> <tbody> <tr> <td>Equity and equity related instruments</td> <td>30</td> <td>60</td> <td>Medium to High</td> </tr> <tr> <td>Debt and Money market instruments and/or units of liquid fund</td> <td>40</td> <td>70</td> <td>Low</td> </tr> </tbody> </table>	Instruments	Allocation (% of total assets)		Risk Profile	Min	Max	Equity and equity related instruments	30	60	Medium to High	Net Equity Arbitrage Exposure	5	10	Medium to High	Debt and Money market instruments and/or units of liquid fund	30	60	Low	Instruments	Allocation (% of total assets)		Allocation (% of total assets)	Min	Min	Equity and equity related instruments	30	60	Medium to High	Debt and Money market instruments and/or units of liquid fund	40	70	Low	The funds strategy seeks to generate income and capital appreciation by taking advantage of diversification by investing in a mix of asset classes comprising equity & equity related instruments and fixed income securities including money market instruments.  BNP Paribas Balanced Fund is the first balanced scheme of BNP Paribas Mutual Fund investing in Equity, equity related instruments and fixed income instruments.	NA	NA
Instruments	Allocation (% of total assets)			Risk Profile																																	
	Min	Max																																			
Equity and equity related instruments	30	60	Medium to High																																		
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	Min	Min																																			
Equity and equity related instruments	30	60	Medium to High																																		
Debt and Money market instruments and/or units of liquid fund	40	70	Low																																		

**For further details on asset allocation and investment pattern and investment strategy of each of the above schemes, please refer to the Scheme Information Document of the respective scheme.**

**E. WHAT ARE THE INVESTMENT STRATEGIES?**

The funds strategy seeks to generate income and capital appreciation by taking advantage of diversification by investing in a mix of asset classes comprising equity & equity related instruments and fixed income securities including money market instruments. It also aims to manage risk through active selection within the specified asset allocation range. The aim is to improve risk adjusted returns through diversification across these asset classes.

The equity portion of the portfolio will aim to provide long-term capital growth through a diversified and actively managed portfolio of equity and equity related securities. In case of using equity strategy the Scheme will follow a bottom-up approach for stock-picking and choose companies across sectors and the Scheme will primarily focus on companies that have demonstrated characteristics such as market leadership, strong financials and quality management, and have the potential to create wealth for their shareholders by delivering steady performance through the ups and downs of the market. The focus would be to build a diversified portfolio of both value and growth companies, all companies selected will be analysed taking into account the business fundamentals, the company's financial strength, industry structure, management quality, future earnings expectations and sensitivity of earnings.

The debt portion of the portfolio will be actively managed based on the AMC's view on interest rates. The price of fixed income instruments varies with changes in interest rates. As interest rates decline, the value of fixed income securities rise and as interest rates rise, their value declines. The AMC forms views on the likely direction of interest rates and the portfolio is structured consistent with these views. Individual instruments are bought and sold based on the conformity with the interest rate view and the instrument specific factors (credit risk, exposure). By actively managing the portfolio, the Scheme attempts to achieve its objective through both interest yield and capital appreciation. As such, the Scheme may not invest solely based on the best available yields in the market at all points of time.

**Risk control measures**

Since investing requires disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process. Subject to the stated investment objective, since this is a relatively concentrated investment strategy, the Investment Manager will aim to diversify by gaining broad exposure to different industries and companies while allocating and choosing securities, in order to reduce risk.

For investments in fixed income instruments, a credit evaluation of each investment opportunity will be undertaken to manage credit risk. The AMC will utilise ratings of recognised rating agencies as an input in the decision making process. The fund manager shall follow the asset allocation pattern in SID under normal circumstances and residual cash may be invested in the collateralised borrowing & lending obligations (CBLO) / repo market, units of mutual fund which seeks to ensure liquidity in the scheme under normal circumstances. There can however be no guarantee against liquidity risk within the Scheme.

The AMC may also implement certain internal control procedures / risk & exposure limits etc. for controlling risks which may be varied from time to time. The Scheme may utilise derivative instruments for hedging & portfolio balancing purposes. All Interest Rate Swaps will be undertaken with approved counter parties under pre-approved International Swaps and Derivatives Association (ISDA) agreements. The scheme may also use various derivatives and hedging products from time to time, as would be available and permitted by SEBI/RBI for the purpose of hedging and portfolio rebalancing.

The above risk control measures shall be implemented by the AMC on best effort basis however there can be no guarantee that such measures can completely mitigate the risks involved in Scheme.

**Portfolio turnover**

Portfolio turnover is defined as lesser of purchases and sales as a percentage of the average corpus of the Scheme during a specified period of time. Portfolio turnover would depend upon the market conditions such as volatility of the market and inflows/outflows in the scheme. The Scheme is an open ended Scheme with

subscriptions and redemptions expected on a daily basis. Hence, it will be difficult to estimate the portfolio turnover with any reasonable amount of accuracy.

### **Position of debt & money market in India**

The Indian debt market is today one of the largest in Asia and includes securities issued by the Government (Central & State Governments), public sector undertakings, other government bodies, financial institutions, banks and corporates. Government and public sector enterprises are the predominant borrowers in the markets. The major players in the Indian debt markets today are banks, financial institutions, mutual funds, insurance companies, primary dealers, trusts, pension funds and corporates. The Indian debt market is the largest segment of the Indian financial markets. The debt market comprises broadly two segments, viz. Government Securities market or G-Sec market and corporate debt market. The latter is further classified as market for PSU bonds and private sector bonds.

The G-Sec market is the oldest and the largest component of the Indian debt market in terms of market capitalization, outstanding securities and trading volumes. The G-Sec market plays a vital role in the Indian economy as it provides the benchmark for determining the level of interest rates in the country through the yields on the Government Securities which are referred to as the risk-free rate of return in any economy. Over the years, there have been new products introduced by the RBI like zero coupon bonds, floating rate bonds, inflation indexed bonds, etc.

The corporate bond market, in the sense of private corporate sector raising debt through public issuance in capital market, is only an insignificant part of the Indian Debt Market. A large part of the issuance in the non-Government debt market is currently on private placement basis.

The money markets in India essentially consist of the call money market (i.e. market for overnight and term money between banks and institutions), repo transactions (temporary sale with an agreement to buy back the securities at a future date at a specified price), commercial papers (CPs, short term unsecured promissory notes, generally issued by corporates), certificate of deposits (CDs, issued by banks) and Treasury Bills (issued by RBI). In a predominantly institutional market, the key money market players are banks, financial institutions, insurance companies, mutual funds, primary dealers and corporates. In money market, activity levels of the Government and nongovernment debt vary from time to time. Instruments that comprise a major portion of money market activity include but not limited to:

- Overnight Call
- Collateralised Borrowing & Lending Obligations (CBLO)
- Repo/Reverse Repo Agreement
- Treasury Bills
- Government securities
- Commercial Paper
- Certificate of Deposit

Apart from these, there are some other options available for short tenure investments that include MIBOR linked debentures with periodic exit options and other such instruments. Though not strictly classified as money market instruments, PSU / DFI / corporate paper with a residual maturity of < 1 year, are actively traded and offer a viable investment option. The market has evolved in past 2-3 years in terms of risk premia attached to different class of issuers. Bank CDs have clearly emerged as popular asset class with increased acceptability in secondary market. PSU banks trade the tightest on the back of comfort from majority government holding. Highly rated manufacturing companies also command premium on account of limited supply. However, there has been increased activity in papers issued by private/foreign banks/NBFCs/companies in high-growth sector due to higher yields offered by them. Even though companies across these sectors might have been rated on a same scale, the difference in the yield on the papers for similar maturities reflects the perception of their respective credit profiles.

**SCHEME INFORMATION DOCUMENT**

<b>Instruments</b>	<b>Current yield as on 22 Feb 2017</b>
CBLO	5.80%-6.00%
Repo	5.90%-6.10%
3M T-Bill	6.05%-6.15%
1 Y T-Bill	6.20%-6.30%
10 Y G Sec	6.85%-6.95%
3M PSU Bank CD	6.20%-6.30%
3M NBFC CP	6.80%-7.00%
1 Y PSU Bank CD	6.60%-6.70%
1 Y NBFC CP	7.30%-7.50%
1Y Manufacturing Company CP	6.75%-6.85%
5 Y AAA Institutional Bond	7.35%-7.45%
10 Y AAA Institutional Bond	7.60%-7.70%

These yields are indicative and do not indicate yields that may be obtained in future as interest rates keep changing consequent to changes in macro-economic conditions and RBI policy. The price and yield on various debt instruments fluctuate from time to time depending upon the macro economic situation, inflation rate, overall liquidity position, foreign exchange scenario etc. Also, the price and yield vary according to maturity profile, credit risk etc.

**Strategies involving Derivatives**

The scheme intends to use derivatives for the purposes, which may be permitted by the Regulations from time to time. Presently derivatives can be used only for hedging & portfolio balancing. SEBI has vide its Circular SEBI/MFD/CIR No.03/158/03 dated June 10, 2003, specified the guidelines pertaining to trading by Mutual Fund in Exchange Traded Derivatives. Accordingly, the scheme may use derivative instruments viz. Interest Rate Swaps, Forward Rate Agreements, Options or such other derivative instruments as may be introduced from time to time as permitted under the SEBI Regulations and guidelines for hedging and portfolio rebalancing.

The following information provides a basic idea as to the nature of the derivative instruments proposed to be used by the scheme and the benefits and risks attached therewith.

**Interest Rate Swaps (IRS) and Forward Rate Agreements (FRA)**
**Why invest in IRS & FRA**

Bond markets in India are not very liquid. Investors run the risk of illiquidity in such markets. Investing for short-term periods for liquidity purposes has its own risks. Investors can benefit if the Fund remains in call market for the liquidity and at the same time take advantage of fixed rate by entering into a swap. It adds certainty to the returns without sacrificing liquidity.

**IRS**

All swaps are financial contracts, which involve exchange (swap) of a set of payments owned by one party for another set of payments owned by another party, usually through an intermediary (market maker). An IRS can be defined as a contract between two parties (counter parties) to exchange, on particular dates in the future, one series of cash flows, (fixed interest) for another series of cashflows (variable or floating interest) in the same currency and on the same principal for an agreed period of time. The exchange of cashflows need not occur on the same date.

**FRA**

A FRA is an agreement between two counter parties to pay or to receive the difference between an agreed fixed rate (the FRA rate) and the interest rate prevailing on a stipulated future date, based on a notional amount, for an agreed period. In short, in a FRA, interest rate is fixed now for a future period. The special feature of FRA is that the only payment is the difference between the FRA rate and the reference rate and hence is single settlement contracts. As in the case of IRS, notional amounts are not exchanged. However,

there is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party to comply with the terms of the contract. To the extent that settlements of contracts are not guaranteed by an exchange or clearing corporation, hence, there is the risk of counterparty to a deal defaulting in payment.

**Illustrations****Basic Structure of a Swap**

Assume that the scheme has a Rs. 20 crore floating rate investment linked to MIBOR (Mumbai Inter Bank Offered Rate). Hence, the scheme is currently running an interest rate risk and stands to lose if the interest rate moves down. To hedge this interest rate risk, the scheme can enter into a 6 month MIBOR swap. Through this swap, the Scheme will receive a fixed predetermined rate (assume 12%) and pays the "benchmark rate" (MIBOR), which is fixed by the National Stock Exchange of India Limited (NSE) or any other agency such as Reuters. This swap would effectively lock-in the rate of 12% for the next 6 months, eliminating the daily interest rate risk. This usually is routed through an intermediary who runs a book and matches deals between various counterparties.

The steps will be as follows -

- Assuming the swap is for Rs. 20 crore June 1, 2010 to December 1, 2010. The Scheme is a fixed rate receiver at 12% and the counterparty is a floating rate receiver at the overnight rate on a compounded basis (say NSE MIBOR).
- On June 1, 2010 the Scheme and the counterparty will exchange only a contract of having entered this swap. This documentation would be as per International Swap Dealers Association (ISDA).
- On a daily basis, the benchmark rate fixed by NSE will be tracked by them.
- On December 1, 2010 they will calculate the following -
  - The Scheme is entitled to receive interest on Rs. 20 crore at 12% for 184 days i.e. Rs.1.21 crore, (this amount is known at the time the swap was concluded) and will pay the compounded benchmark rate.
  - The counterparty is entitled to receive daily compounded call rate for 184 days and pay 12% fixed.
  - On December 1, 2010, if the total interest on the daily overnight compounded benchmark rate is higher than Rs.1.21 crore, the Scheme will pay the difference to the counterparty. If the daily compounded benchmark rate is lower, then the counterparty will pay the Scheme the difference.
  - Effectively the Scheme earns interest at the rate of 12% p.a. for six months without lending money for 6 months fixed, while the counterparty pays interest @ 12% p.a. for 6 months on Rs. 20 crore, without borrowing for 6 months fixed.

The above example illustrates the benefits and risks of using derivatives for hedging and optimizing the investment portfolio. Swaps have their own drawbacks like credit risk, settlement risk. However, these risks are substantially reduced as the amount involved is interest streams and not principal.

**Arbitrage strategies**

The arbitrage strategies the fund may adopt could be as under. The list is not exhaustive and the fund could use similar strategies and any other strategies as available in the markets that are permitted by regulator.

**Index / Stock spot - Index / Stock Futures:** The pricing of the futures is derived from underlying Nifty spot or the underlying stock. It is the cost of carry that binds the value of the futures to the underlying portfolio. When the two go out of sync, there are opportunities. The cost of carry binds the futures price to the price of the underlying asset. The price of the futures at any given instance should typically be more than the level of Nifty at that point. Theoretically, the fair value of the futures is equal to the price of the underlying plus the cost of carry i.e. the interest rate prevailing for an equivalent credit risk, in this case is the Clearing Corporation of the Exchange. Cash and carry trades at times provide higher than the prevailing interest rates. There is an opportunity to exploit by selling the overpriced futures and buying the underlying portfolio. It may also happen that the Index / Stock Future may be at a discount. In such cases, the Scheme may buy the future and sell the stock after borrowing the same. The Scheme shall enter into a combination of the transactions simultaneously. If the Scheme has to unwind the positions prior to the expiry on account of redemptions or any other reason, the returns would depend on the spread between the spot and futures price at which the position is unwound. If the price differential between the spot and futures position of the subsequent month



## SCHEME INFORMATION DOCUMENT

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maturity is attractive near the expiry date, then the scheme may rollover the futures position and continue with the position in the spot market.

Rollover means unwinding the short position in the futures of the near month and simultaneously shorting the futures of the subsequent month. The Scheme shall endeavor to deploy its assets through transactions in the above pattern, which may involve Index Futures with Stock Futures or Futures of the same stock with different expiry months.

**Cash Future Arbitrage:** This strategy is employed when the price of the future is trading at a premium to the price of its underlying in spot market. The Scheme shall buy the stock in spot market and endeavor to simultaneously sell the future at a premium on a quantity neutral basis.

Buying the stock in spot market and selling the futures results into a hedge where the Scheme has locked in a spread and is not affected by the price movement of cash market and futures market. The arbitrage position can be continued till expiry of the future contracts. The future contracts are settled based on the last half an hour's weighted average trade of the spot market. Thus there is a convergence between the spot price and the futures market on expiry. This convergence helps the Scheme to generate the arbitrage return locked in earlier.

On or before the date of expiry, if the price differential between the spot and futures position of the subsequent month maturity still remains attractive, the scheme may rollover the futures position and hold onto the position in the spot market. In case such an opportunity is not available, the scheme would liquidate the spot position and settle the futures position simultaneously. Rolling over of the futures transaction means unwinding the short position in the futures of the current month and simultaneously shorting futures of the subsequent month maturity, and holding onto the spot position.

### **Corporate Action / Event Driven Strategies:**

- (i) **Dividend Arbitrage:** At the time of declaration of dividend, the stock futures / options market can provide a profitable opportunity. Generally, the stock prices decline by the dividend amount when the stock becomes ex-dividend.
- (ii) **Buy-Back/ Open offers Arbitrage:** Companies that are targets for buy-backs/ open offers, provide opportunities depending on the difference between the traded price and the buy-back open offer price. The scheme will take a long position in a stock for which the buy-back/ open offer price is expected to be higher than the traded price. Depending on the probability of the open offer and acceptance of shares, the scheme may take a certain short position in the future of the same stock.
- (iii) **Merger Arbitrage:** When the Company announces any merger, amalgamation, hive off, de-merger, etc, there could be opportunities due to price differential in the cash and the derivative market.
- (iv) **Delisting Arbitrage:** When a company intends to delist from the stock exchanges, it goes for a Reverse Book Building process and offers an exit price to all existing shareholders. The scheme can take a long position in a stock in case the traded price is below the expected exit price.

### **Illustration for Equity Derivatives**

The Scheme will use various derivative and hedging products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio.

SEBI vide its circular no. MFD/CIR/011/061/2000 dated February 1, 2000 and such other circulars issued from time to time have permitted all mutual funds to participate in derivatives trading subject to observance of guidelines issued by SEBI in this behalf. Pursuant to this, mutual funds may use various derivative and hedging products from time to time, as would be available and permitted by SEBI.

Accordingly, the Scheme(s) may use derivative instruments like futures & options stock indices, future & options on individual securities or such other derivative instruments as may be introduced from time to time as permitted under the SEBI Regulations.



## SCHEME INFORMATION DOCUMENT

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The following information provides a basic idea as to the nature of the derivative instruments proposed to be used by the Fund and the benefits and risks attached therewith. Please note that the examples have been given for illustration purposes only.

### Index Futures Benefits

Investment in stock index futures can give exposure to the index without directly buying the individual stocks. Appreciation in index stocks can be effectively captured through investment in Stock Index Futures. The Fund can sell futures to hedge against market movements effectively without actually selling the stocks it holds. The stock index futures are instruments designed to give exposure to the equity market indices. The Bombay Stock Exchange and the National Stock Exchange trade in index futures of 1, 2 and 3-month maturities. The pricing of an index future is the function of the underlying index and interest rates.

#### Illustration

Spot Index: 1790

1 month Nifty Future Price on day 1: 1800. Fund buys 100 lots. Each lot has a nominal value equivalent to 200 Units of the underlying index.

#### Situation 1:

Let us say that on the date of settlement, the future price = closing spot price = 1810

Profits for the Fund =  $(1810 - 1800) * 100 \text{ lots} * 200 = \text{Rs } 200,000$

#### Situation 2:

Let us say that on the date of settlement, the future price = Closing spot price = 1795

Loss for the Fund =  $(1795 - 1800) * 100 \text{ lots} * 200 = (\text{Rs } 100,000)$

The net impact for the Fund will be in terms of the difference between the closing price of the index and cost price (ignoring margins for the sake of simplicity). Thus, it is clear from the example that the profit or loss for the Fund will be the difference of the closing price (which can be higher or lower than the purchase price) and the purchase price.

### Buying Options

#### Benefits of buying a call option

Buying a call option on a stock or index gives the owner the right, but not the obligation, to buy the underlying stock / index at the designated strike price. Here the downside risks are limited to the premium paid to purchase the option.

#### Illustration

If the Fund buys a 1 month call option on Reliance at a strike price of Rs. 500, the current market price being say Rs.505. The Fund will have to pay a premium of say Rs. 25 to buy this call. If the stock price goes below Rs. 500 during the tenure of the call, the Fund avoids the loss it would have incurred had it straightaway bought the stock instead of the call option. The Fund gives up the premium of Rs. 25 that has to be paid in order to protect the Fund from this probable downside. If the stock goes above Rs. 500, it can exercise its right and own Reliance at a cost price of Rs. 500, thereby participating in the upside of the stock.

Benefits of buying a put option: Buying a put option on a stock originally held by the buyer gives him / her right, but not the obligation, to sell the underlying stock at the designated strike price. Here the downside risks are limited to the premium paid to purchase the option.

#### Illustration

If the Fund owns Reliance and also buys a three-month put option on Reliance at a strike of Rs. 500, the current market price being say Rs.505. The Fund will have to pay a premium of say Rs. 35 to buy this put. If the stock price goes below Rs. 500 during the tenure of the put, the Fund can still exercise the put and sell the stock at Rs. 500, avoiding therefore any downside on the stock below Rs. 500. The Fund gives up the fixed premium of Rs. 35 that has to be paid in order to protect the Fund from this probable downside. If the stock goes above Rs. 500, say to Rs. 515, it will not exercise its option. The Fund will participate in the upside of the stock, since it can now sell the stock at the prevailing market price of Rs. 515.

## SCHEME INFORMATION DOCUMENT

### F. FUNDAMENTAL ATTRIBUTES

Following are the fundamental attributes of the scheme, in terms of Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996:

- (i) Type of a scheme - An open ended balanced scheme.
- (ii) Investment Objective
  - Main Objective –As stated in Section II of the SID.
  - Investment Pattern - As stated in Section II of the SID.
- (iii) Terms of Issue
  - Liquidity provisions such as listing, repurchase, redemption as indicated in this SID.
  - Aggregate fees and expenses charged to the scheme as indicated in this SID.
  - The scheme does not guarantee any assured returns.

In accordance with Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996 the Trustees shall ensure that no change in the fundamental attributes of the Scheme or the trust or fee and expenses payable or any other change which would modify the Scheme and affect the interests of Unit holders is carried out unless:

- (i) A written communication about the proposed change is sent to each unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- (ii) The unit holders are given an option for a period of 30 days to exit at the prevailing Net Asset Value without any exit load.

### G. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

**CRISIL Balanced Fund Index:** CRISIL Balanced Fund Index has been developed by CRISIL, an independent reputed credit rating agency. The Index History is calculated from the base date of 31st March, 2002. The CRISIL Balanced Fund Index consists of tracking the returns on the constituents in both the Equity and the Non-Equity sector of the market. The CRISIL Balanced Fund Index is designed to track the performance of an equity-oriented hybrid portfolio having a blend of the CNX Nifty Index (65%) and CRISIL Composite Bond Fund Index (35%).

Hence in our opinion, this benchmark index is appropriate for analysing and capturing market movements and for determining the corresponding effect on a portfolio investing in the above-mentioned instruments.

The Trustees reserve the right to change the benchmark if due to a change in market conditions, a different index appears to be providing a more appropriate basis for comparison of fund performance or if the indicated benchmark ceases to exist or undergoes a substantial change.

### H. WHO MANAGES THE SCHEME?

**Mr. Karthikraj Lakshmanan (Equity Portfolio) & Mr. Mayank Prakash (Fixed Income Portfolio)** would be the designated Fund Managers for the Scheme

Name & Designation	Age	Educational Qualification	Previous Work Experience	Period
Mr. Karthikraj Lakshmanan, Sr. Fund Manager (Equity)	35 years	<ul style="list-style-type: none"> <li>• B.Com,</li> <li>• PGDBM (from SPJIMR, Mumbai),</li> <li>• CA,</li> <li>• Cleared CFA Level 3 (US CFAI)</li> </ul>	Senior Fund Manager – BNP Paribas Asset Management India Private Limited	October 06, 2016 onwards
			Senior Portfolio Manager (Portfolio Management Services) – BNP Paribas Asset Management India Private Limited	July 14, 2008 - October 05, 2016
			Research Analyst – Equities (PMS) – BNP Paribas Asset Management India Private Limited	January 2011 – March 31, 2011
			Senior Research Analyst - ICICI Prudential Asset Management Company Limited	March 09, 2007 - July 10, 2008
			Business Analyst - Goldman Sachs Services Pvt. Ltd.	April 03, 2006 - March 06, 2007

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Name & Designation	Age	Educational Qualification	Previous Work Experience	Period
Mr. Mayank Prakash, Fund Manager	37 years	ACA and MBA from Kanpur University	Fund Manager – BNP Paribas Asset Management India Private Limited	August 2015 onwards
			Fund Manager – Kotak Mahindra Asset Management Co. Ltd.	February 2011 – August 2015
			Dealer – Fixed Income	February 2007 – February 2011
			Investment Operations	September 2005 – January 2007

Schemes Jointly Managed by Mr. Karthikraj Lakshmanan & Mr. Mayank Prakash:

- BNP Enhanced Arbitrage Fund

Mr. Karthikraj Lakshmanan also manages the following other Schemes of the Fund:

- BNP Paribas Equity Fund^
- BNP Paribas Dividend Yield Fund^
- BNP Paribas Midcap Fund^
- BNP Paribas Long Term Equity Fund^
- BNP Paribas Monthly Income Plan (Equity Portion)^

*^jointly with Mr. Abhijeet Dey*

Mr. Mayank Prakash also manages the following other Schemes of the Fund:

- BNP Paribas Short Term Income Fund\*
- BNP Paribas Overnight Fund\*

*\*jointly with Mr. Puneet Pal*

## I. WHAT ARE THE INVESTMENT RESTRICTIONS?

Pursuant to the SEBI Regulations, the following investment restrictions are applicable to the scheme:

- 1) The scheme shall not invest more than 10 per cent of its NAV in the equity shares or equity related instruments of any company.
- 2) The Mutual Fund under all its schemes should not own more than 10 per cent of any company's paid up capital carrying voting rights.
- 3) Being an open ended scheme, the scheme shall not invest more than 5% of its NAV in the unlisted equity shares or equity related instruments.
- 4) Issuer level exposure limits: A mutual fund scheme shall not invest more than 10% of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the Act.

Such investment limit may be extended to 12% of the NAV of the scheme with the prior approval of the Trustees or Board of AMC or a Committee constituted in this behalf. Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and collateralized borrowing and lending obligations:

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

Sector level exposure limits: The Mutual Fund/AMC shall ensure that total exposure of the Scheme in a particular sector (excluding investments in Bank CDs, CBLO, G-Secs, TBills, short term deposits of scheduled commercial banks and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 25% of the net assets of the scheme;

Provided that an additional exposure to financial services sector (over and above the limit of 25%) not exceeding 15% of the net assets of the scheme shall be allowed by way of increase in exposure to Housing Finance Companies (HFCs) only;

Provided further that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NHB) and the total investment/ exposure in HFCs shall not exceed 25% of the net assets of the Scheme.

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

*For this purpose, a group means a group as defined under regulation 2 (mm) of SEBI (Mutual Funds) Regulations, 1996 and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates.*

For the purpose of identifying sector, AMFI sector definitions shall be referred to. For unlisted / non traded securities, where sector classification does not exist, AMC will have the discretion to decide the classification as per their best judgment.

- 5) Transfer of investments from one scheme to another scheme in the same Mutual Fund, shall be allowed only if,-
  - (i) such transfers are done at the prevailing market price for quoted instruments on spot basis.  
Explanation: "Spot basis" shall have the same meaning as specified by stock exchange for spot transactions.
  - (ii) the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.
- 6) A scheme may invest in another scheme under the same AMC or any other mutual fund without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of the mutual fund.
- 7) The Mutual Fund will buy and sell securities on the basis of deliveries and shall in all cases of purchase, take delivery of relevant securities and in all cases of sale, deliver the securities.  
Provided that a mutual fund may enter into derivatives transactions in a recognised stock exchange, subject to the framework specified by SEBI.
- 8) The Mutual Fund shall get the securities purchased or transferred in the name of the Mutual Fund on account of the concerned scheme, wherever investments are intended to be of a long term nature.
- 9) In terms of SEBI circular no. SEBI/IMD/CIR No. 1/ 91171 /07 dated April 16, 2007, pending deployment of funds of the scheme in securities in terms of the investment objective of the scheme, a Mutual Fund may invest the funds of the scheme in short term deposits of scheduled commercial banks, after complying with the provisions of aforesaid circular. The following provisions shall be complied with:
  - a. Short Term" for parking of funds by Mutual Fund shall be treated as a period not exceeding 91 days.
  - b. Such short term deposits shall be held in the name of the concerned scheme.
  - c. No mutual fund scheme shall park more than 15% of the net assets in Short term deposit(s) of all the scheduled commercial banks put together. However, it may be raised to 20% with prior approval of the trustees. Also, parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the mutual fund in short term deposits.
  - d. No mutual fund scheme shall park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
  - e. Trustees shall ensure that no funds of a scheme may be parked in short term deposit of a bank which has invested in that scheme.
  - f. AMC shall not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.
- 10) A scheme shall not make any investments in:
  - a. any unlisted security of an associate or group company of the sponsor; or
  - b. any security issued by way of private placement by an associate or group company of the sponsor; or
  - c. the listed securities of group companies of the sponsor which is in excess of 25% of the net assets.
- 11) The Mutual Fund/AMC shall make investment out of the NFO proceeds only on or after the closure of the NFO period. However, in terms of SEBI circular SEBI/HO/IMD/DF2/CIR/P/ 2016/42 dated March 18, 2016, the Mutual Fund/ AMC can however deploy the NFO proceeds in CBLO before the closure of NFO period. However, AMC shall not charge any investment management and advisory fees on funds deployed in CBLO during the NFO period. The appreciation received from investment in CBLO shall be passed on to investors. Further, in case the minimum subscription amount is not garnered by the Scheme during the

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NFO period, the interest earned upon investment of NFO proceeds in CBLO shall be returned to investors, in proportion of their investments, along-with the refund of the subscription amount.

- 12) The scheme shall not make any investment in any fund of funds scheme.
- 13) The Scheme will not participate in Credit Default Swaps (CDS) for corporate bonds and repo in corporate debt securities.
- 14) Save as otherwise expressly provided under SEBI Regulations, the mutual fund shall not advance any loans for any purpose.
- 15) The Scheme shall not invest in unrated debt instruments. For this purpose, unrated debt securities shall exclude instruments such as CBLO, Reverse Repo, short term deposit and such instruments to which rating is not applicable.
- 16) The mutual fund having an aggregate of securities, which are worth Rs.10 crore or more, as on the latest balance sheet date, shall subject to such instructions as may be issued from time to time by the Board, settle their transactions entered on or after January 15, 1998 only through dematerialised securities.
- 17) The mutual fund shall not borrow except to meet temporary liquidity needs of the mutual fund for the purpose of repurchase, redemption of units or payment of interest or dividend to the unit holders. Provided that the mutual fund shall not borrow more than 20% of the net asset of the scheme and the duration of such a borrowing shall not exceed a period of six months.
- 18) SEBI has permitted Mutual Funds to participate in derivatives trading subject to observance of guidelines issued by it in this behalf. Accordingly, Mutual Funds may use various derivative products from time to time, as would be available and permitted by SEBI. The Mutual Fund would comply with the provisions of SEBI Circular Ref. No. DNP/DF/11/2010 dated August 18, 2010 and such other amendments issued by SEBI from time to time while trading in derivatives. Presently, the position limits for trading in derivatives by Mutual Fund specified by SEBI vide its circular Ref. No. DNP/DF/11/2010 dated August 18, 2010, circular Ref. No. DNP/DF/11/2010 dated August 18, 2010 and September 22, 2006 are as follows:

The position limits for Mutual Funds and its schemes shall be under:

- (i) Position limit for Mutual Funds in index options contracts:
  - The Mutual Fund position limit in all index options contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in index options, whichever is higher, per Stock Exchange.
  - This limit would be applicable on open positions in all options contracts on a particular underlying index.
- (ii) Position limit for Mutual Funds in index futures contracts:
  - The Mutual Fund position limit in all index futures contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in index futures, whichever is higher, per Stock Exchange.
  - This limit would be applicable on open positions in all futures contracts on a particular underlying index.
- (iii) Additional position limit for hedging:

In addition to the position limits at point (i) and (ii) above, Mutual Funds may take exposure in equity index derivatives subject to the following limits:

  - Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Mutual Fund's holding of stocks.
  - Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Mutual Fund's holding of cash, government securities, T-Bills and similar instruments.
- (iv) Position limit for Mutual Funds for stock based derivative contracts:
  - The combined futures and options position limit shall be 20% of the applicable Market Wide Position Limit (MWPL)
  - The MWPL and client level position limits however, would remain the same as prescribed.



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## (v) Position limit for each scheme of a Mutual Fund:

The scheme-wise position limit requirements shall be:

- For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of a mutual fund shall not exceed the higher of:
  - 1% of the free float market capitalization (in terms of number of shares). Or
  - 5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).
- This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.
- For index based contracts, Mutual Funds shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index

## 19) Pursuant to the SEBI Circular dated August 18, 2010 the following norms for investment in derivatives shall be applicable.

1. The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme.
2. The scheme shall not write options or purchase instruments with embedded written options.
3. The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme.
4. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
5. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:
  - (i) Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
  - (ii) Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in point 1 above.
  - (iii) Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
  - (iv) The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.
6. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1 above.
7. Definition of Exposure in case of Derivative Positions:

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

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

The scheme shall comply with the requirements stated in SEBI circular no. Cir/IMD/DF/11/2010 dated August 18, 2010 as amended from time to time.

All investment restrictions shall be applicable at the time of making investment. Apart from the investment restrictions prescribed under the SEBI Regulations, internal risk parameters for limiting exposure to a particular scrip or sector may be prescribed from time to time to respond to the dynamic market conditions and market opportunities. The AMC / Trustee may alter the above investment restrictions from time to time to the extent that changes in the SEBI Regulations may allow and as deemed fit in the general interest of the unit holders.



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**J. HOW HAS THE SCHEME PERFORMED?**

This Scheme is a new Scheme and does not have any performance track record.

**K. OTHERS**
**Investment by the AMC in the scheme**

The AMC may invest in the scheme in the NFO Period or thereafter at any time during the continuous offer period subject to the SEBI Regulations & circulars issued by SEBI and to the extent permitted by its Board of Directors from time to time. As per the existing SEBI Regulations, the AMC will not charge investment management and advisory fee on the investment made by it in the Scheme. As per SEBI (Mutual Funds) Amendment Regulations, 2014 notified on May 6, 2014, the sponsor or asset management company shall invest not less than one percent of the amount which would be raised in the new fund offer or fifty lakh rupees, whichever is less, in the growth option of the scheme and such investment shall not be redeemed unless the scheme is wound up.

**III. UNITS AND OFFER**

This section provides details you need to know for investing in the scheme.

**A. NEW FUND OFFER (NFO)**

<b>New Fund Offer Period</b> This is the period during which a new scheme sells its units to the investors	<b>New Fund Offer Opens on: <u>Friday, March 17, 2017</u></b> <b>New Fund Offer Closes on: <u>Friday, March 31, 2017</u></b> The Trustee reserves the right of extension / early closure of the NFO Period of the Scheme, subject to the condition that the subscription list shall not be kept open for more than 15 days.
<b>New Fund Offer Price</b> This is the price per unit that the investors have to pay to invest during the NFO	The NFO Price of units of the scheme will be Rs.10 per Unit.
<b>Minimum Amount for Application during the NFO</b>	A minimum of Rs. 5,000 per application and in multiples of Rs.1 thereafter during NFO period.
<b>Minimum Target Amount</b> This is the minimum amount required to operate the Scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return. However, if the AMC fails to refund the amount within 5 business days, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of 5 business days from the date of closure of subscription period.	The Mutual Fund seeks to raise a minimum subscription amount of Rs. 20 crore during its NFO period of the Scheme and would retain any excess subscription collected.

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<b>Maximum Amount to be raised(if any)</b> (This is the maximum amount which can be collected during the NFO period, as decided by the AMC)	There is no maximum target for the size of the scheme and therefore, subject to the applications being in accordance with the terms of this offer, full and firm allotment will be made to all the applicants, subject to the collection of the minimum target amount.																												
<b>Plans/ Options Offered</b>	<p>The scheme offers following plans:</p> <ul style="list-style-type: none"> <li>– BNP Paribas Balanced Fund – Regular Plan</li> <li>– BNP Paribas Balanced Fund - Direct Plan</li> </ul> <p>Each plan has two options:</p> <ol style="list-style-type: none"> <li>1. Growth option</li> <li>2. Dividend option</li> </ol> <p>The above dividend option shall have dividend payout and dividend reinvestment facilities.</p> <p>There shall be a single portfolio under the scheme.</p> <ul style="list-style-type: none"> <li>• <b>Growth Option</b> The scheme will not declare any dividend under this option. The income attributable to units under this option will continue to remain invested in the option and will be reflected in the Net Asset Value of Units under this option.</li> <li>• <b>Dividend Option</b> Under Dividend Option, the dividend, if any, shall be declared by Trustees from time to time. The NAV of the unit holders in any of the dividend option will stand reduced by the amount of dividend declared. The NAV of the Growth Option will remain unaffected.</li> </ul> <p>It may be noted that the declaration of dividend will be subject to the availability of distributable surplus as computed in accordance with the SEBI Regulations and discretion of the Trustees/ AMC. The Trustees / AMC reserve the right to declare the dividend in addition to the above stated frequency. In case of such additional dividend declaration, if any, the dividend policy shall be ensured. There is no assurance or guarantee to unit holders as to the rate of dividend distribution nor will that dividend be paid regularly. The AMC may announce a book closure period for the purpose of making the dividend payment. Dividend, if declared, will be paid to the unit holders appearing in the register of unit holder on the Record Date. To the extent the entire net income and realised gains are not distributed, the same will remain invested in the option and will be reflected in the NAV.</p> <p><b>Default Plan:</b> The following matrix shall apply for default plan:</p> <table border="1" data-bbox="469 1675 1385 2020"> <thead> <tr> <th>Scenarios</th> <th>Broker Code mentioned by the investor in application form</th> <th>Plan mentioned by the investor in application form</th> <th>Default Plan to apply</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Not mentioned</td> <td>Not mentioned</td> <td>Direct Plan</td> </tr> <tr> <td>2</td> <td>Not mentioned</td> <td>Direct</td> <td>Direct Plan</td> </tr> <tr> <td>3</td> <td>Not mentioned</td> <td>Regular Plan</td> <td>Direct Plan</td> </tr> <tr> <td>4</td> <td>Mentioned</td> <td>Direct</td> <td>Direct Plan</td> </tr> <tr> <td>5</td> <td>Direct</td> <td>Not Mentioned</td> <td>Direct Plan</td> </tr> <tr> <td>6</td> <td>Direct</td> <td>Regular Plan</td> <td>Direct Plan</td> </tr> </tbody> </table>	Scenarios	Broker Code mentioned by the investor in application form	Plan mentioned by the investor in application form	Default Plan to apply	1	Not mentioned	Not mentioned	Direct Plan	2	Not mentioned	Direct	Direct Plan	3	Not mentioned	Regular Plan	Direct Plan	4	Mentioned	Direct	Direct Plan	5	Direct	Not Mentioned	Direct Plan	6	Direct	Regular Plan	Direct Plan
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6	Direct	Regular Plan	Direct Plan																										

	7	Mentioned	Regular Plan	Regular Plan
	8	Mentioned	Not Mentioned	Regular Plan
	<p>Direct Plan shall be the default plan if the investor doesn't indicate any plan and distributor code in the application form or incase of any ambiguity.</p> <p>In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall endeavor to obtain the correct ARN code, within 30 calendar days of the receipt of the application form, from the investor/ distributor. In case, the correct code is not received within 30 calendar days (remediation period), the AMC shall re-process the transaction under Direct Plan from the date of application without any exit load, subject to following exceptions/ conditions:</p> <ol style="list-style-type: none"> <li>1. Such re-processing <b>shall not</b> be carried out in case of already redeemed units. i.e. re-processing shall only be carried out for balance units as maybe available after 30 calendar days.</li> <li>2. Any subsequent switch-out or STP (transfer out) request for units allotted under wrong/ invalid/ incomplete ARN codes <b>shall not</b> be processed unless:             <ol style="list-style-type: none"> <li>a. Such switch or STP request is for 'switching-in' to direct plan of target scheme / same scheme, as maybe applicable or</li> <li>b. Correct ARN code is provided and verified by AMC/Mutual Fund, to its satisfaction, prior to processing of such switch request or registration of STP request.</li> </ol> </li> <li>3. In case of SIP transaction, the above time period for remediation shall be applicable from first installment/registration only. In case correct ARN code is not provided within 30 calendar days of such first installment, re-processing shall be carried out and subsequent SIP triggers shall happen in Direct Plan.</li> <li>4. Notwithstanding any of the clauses as above, re-processing <b>shall not</b> be carried out, for units allotted under wrong/ invalid/ incomplete ARN codes under Dividend option, in case any dividend has been declared during the aforesaid remediation period of 30 calendar days.</li> <li>5. Subject to above, once the units are re-processed under Direct Plan, no submission of correct ARN code shall be accepted by AMC for such re-processed units.</li> <li>6. Investors are requested to note that pursuant to such re-processing, the number of units to the credit of such investors may change and AMC / Mutual Fund/ Trustees /Sponsors shall not be liable for any loss that may occur to investors/distributors or any scheme of Mutual Fund consequent to such re-processing.</li> <li>7. <b>Investors are strongly advised to provide the correct ARN codes in case they wish to subscribe to units of the Scheme under Regular Plan.</b></li> </ol> <p><b>Default Option/Facility:</b> In case no option is indicated in the application form, then Growth option shall be considered as default option. Further, under dividend option, reinvestment facility shall be the default facility.</p> <p>Investors may also opt to simultaneously invest in any / all option(s) of the Scheme subject to minimum subscription requirements under such option(s)/ Scheme.</p>			
<b>Dividend Policy</b>	<p>Dividends if declared will be paid to the Unit holders appearing in the Register of Unit holder at the close of business hours on the Record Date and for units held in demat form, the names appearing in the beneficial owners master with the Depository as on the record date. To the extent the entire net</p>			

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	<p>income and realised gains are not distributed, the same will remain invested in the Option and will be reflected in the NAV. There is no assurance or guarantee to Unit holders as to the rate of dividend distribution nor will that dividend be paid regularly. The Dividends shall be declared subject to the availability of distributable surplus under the Option. The AMC may announce a book closure period for the purpose of making the dividend payment.</p> <p>Under the Dividend Re-investment facility, the dividend due and payable to the Unit holders will be compulsorily and without any further act by the Unit holders, reinvested in the Schemes (under the respective Dividend Options) by crediting Units to Unit holders account, at a price based on the ex-dividend Net Asset Value per Unit.</p> <p>The NAV of the Unit holders in any of the Dividend Option will stand reduced by the amount of dividend declared. The NAV of the Growth Option will remain unaffected.</p>
<b>Allotment</b>	<p>All applicants including applications received through ASBA on or before the date of closure of the NFO of the scheme will receive full and firm allotment of Units, provided the applications are complete in all respects and are found to be in order, subject to the collection of the minimum target amount. All allotments will be provisional, subject to realisation of payment instrument and subject to the AMC having been reasonably satisfied about receipt of clear funds. Allotment to NRIs/FIIs will be subject to RBI approval, if required.</p> <p>The Trustee / AMC retain the sole and absolute discretion to reject any application. The process of allotment of units will be completed within 5 business days from the date of closure of the NFO Period. For investors holding units under dematerialised mode, the statement of account shall be sent by the Depository Participant in accordance with SEBI (Depositories and Participants) Regulations, 1996.</p> <p>The AMC shall send confirmation specifying the number of units allotted to the applicant by way of an email and/or SMS's to the applicant's registered email address and/or mobile number as soon as possible but not later than five working days from the date of closure of the NFO Period (NFO) and / or from date of receipt of the request from the unit holder.</p> <p>The AMC / Trustee may require or obtain verification of identity or such other details regarding any Subscription or related information from the investor/unit holders as may be required under any law, which may result in delay in dealing with the applications, units, benefits, distribution, etc.</p>
<b>Refund</b>	<p>If application is rejected, full amount will be refunded within 5 business days of closure of NFO. If refunded later than 5 business days, interest @15% p.a. for delay period will be paid and charged to the AMC. The AMC will endeavour to refund the proceeds on the best effort basis either through electronic mode or physical mode. Refund by physical mode may include refund orders that will be marked "A/c payee only" and will be in favour of and be despatched to the sole / first Applicant, by registered post.</p> <p>In accordance with the SEBI Regulations, if the Scheme fails to collect the minimum target amount, the Mutual Fund and the AMC shall be liable to refund the money to the applicants under the scheme.</p> <p>In addition to the above, refund of subscription amount to applicants whose applications are invalid for any reason whatsoever, will commence after the allotment process is completed.</p>

**Who can invest**

This is an indicative list and you are requested to consult your financial advisor to ascertain whether the scheme is suitable to your risk profile

The following persons are eligible and may apply for subscription to the Units of the Scheme (subject, wherever relevant, to purchase of units of mutual funds being permitted under relevant statutory regulations and their respective constitutions):

1. Resident adult individuals either singly or jointly (not exceeding three) or on an anyone or survivor basis;
2. Minors through parent / legal guardian;
3. Karta of Hindu Undivided Family (HUF);
4. Partnership Firms & Limited Liability Partnerships (LLPs);;
5. Companies, Bodies Corporate, Public Sector Undertakings, Association of Persons or Bodies of Individuals (whether incorporated or not) and Societies registered under the Societies Registration Act, 1860;
6. Banks & Financial Institutions;
7. Mutual Funds / Alternative Investment Funds registered with SEBI;
8. Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) and Private trusts authorised to invest in mutual fund schemes under their trust deeds & applicable statutory law;
9. Non-resident Indians (NRIs)/Persons of Indian Origin residing abroad (PIO) either on repatriation basis or non-repatriation basis;
10. Foreign Institutional investors (FIIs) on repatriation basis;
11. Foreign Portfolio Investors (FPIs) as registered with SEBI;
12. Army, Air Force, Navy and other paramilitary units and bodies created by such institutions;
13. Scientific and Industrial Research Organisations;
14. Multilateral Funding Agencies approved by the Government of India/Reserve Bank of India;
15. Schemes of BNP Paribas Mutual Fund subject to the conditions and limits prescribed by the SEBI Regulations;
16. Non-Government Provident / Pension / Gratuity Funds as and when permitted to invest.
17. Trustee, AMC, Sponsor and their associates may subscribe to Units under this Scheme;
18. Such other individuals/institutions/body corporate etc, as may be decided by the AMC from time to time, so long as wherever applicable they are in conformity with the SEBI Regulations.

The list given above is indicative and the applicable law, if any, shall supersede the list. The Trustee, reserves the right to recover from an investor any loss caused to the Scheme on account of dishonour of cheques issued by the investor for purchase of Units of this Scheme. Prospective investors are advised to satisfy themselves that they are not prohibited by any law governing such entity and any Indian law from investing in the Scheme(s) and are authorized to purchase units of mutual funds as per their respective constitutions, charter documents, corporate / other authorizations and relevant statutory provisions.

The Mutual Fund reserves the right to include / exclude new / existing categories of investors to invest in the Scheme from time to time, subject to the SEBI Regulations and other prevailing statutory regulations, if any.

**Who cannot invest?**

The AMC reserves the right to reject any application irrespective of the category of investor without stating any reason for such rejection.

It should be noted that the following persons cannot invest in the Scheme:

1. Any person who is a foreign national.



2. Overseas Corporate Bodies (OCBs) shall not be allowed to invest in the Scheme. These would be firms and societies, which are held directly or indirectly but ultimately to the extent of at least 60% by NRIs and trusts in which at least 60% of the beneficial interest is similarly held irrevocably by such persons (OCBs).

3. Non-Resident Indians residing in the United States of America and Canada. *(Kindly note that units of the Scheme are not being offered in US and Canada)*

4. Individual investors defined as US persons which shall include the following:

- Designation of the unitholder as a US citizen or resident; or
- Unitholder with a US place of birth; or
- Unitholder with a current US residence address or US mailing address (including a US post office box); or
- Unitholder with a current US telephone number (regardless of whether such number is the only telephone number associated with the account holder); or
- Unitholder with a current power of attorney or signatory authority granted to a person with a US address as above;

(i) Accordingly, no fresh purchases in the Scheme would be allowed to be made by US persons.

(ii) In case AMC / Fund subsequently identifies, that the subscription amount has been received from US person then the AMC/BNP Paribas Mutual Fund at its sole discretion shall reject the application at the applicable NAV (at the time of investment) without any load, within 10 working days of identification of their status as US person.

(iii) If an existing unit holder(s) subsequently becomes a US person, then such unit holder(s) will not be able to purchase any additional Units in any of the Schemes of BNP Paribas Mutual Fund. In case the AMC / Fund subsequently identifies, that the subscription amount has been received from US person, either through its own source or through intimation from the investor, then the AMC/ Fund at its sole discretion shall redeem all the existing investment at the applicable NAV on date of redemption, subject to exit load, if any, within 10 working days of identification of such change. It is further clarified that the provisions in clause (ii) and (iii) as above shall, mutadis mutandis, also be applicable for investments received from Non-Resident Indians residing in Canada.

5. NRIs residing in Non-Compliant Countries and Territories (NCCTs) as determined by the Financial Action Task Force (FATF), from time to time.

6. Religious and charitable trusts, wakfs or other public trusts that have not received necessary approvals and a private trust that is not authorised to invest in Mutual Fund schemes under its trust deed. The Mutual Fund will not be responsible for or any adverse consequences as a result of an investment by a public or a private trust if it is ineligible to make such investments.

7. Investors are requested to note that the Fund/AMC and its Group companies (in India and outside India) are required to and may take any action to meet their obligations pertaining to (i) laws or international guidance and internal policies or procedures, (ii) any demand or request from authorities or reporting, disclosure or other obligations under laws, and (iii) laws requiring us to verify the identity of our customers relating to or in connection with the detection, investigation and prevention of money laundering and other financial crimes in accordance with the laws, regulations and requests of public and regulatory authorities operating in various jurisdictions which relate to money laundering and other financial crimes.

Accordingly, the Fund/AMC may take, and may instruct (or be instructed by) any of its Group Companies to take, any action which it or such other member, in its sole and absolute discretion, considers appropriate to take in accordance with all such laws, regulations and requests. Such action may include but is not limited to (a) combining investor information with other related information in the possession of the BNP Paribas Group, and/or (b) making further enquiries as to the status of a person or entity, whether they are subject to a sanctions regime, or confirming investor's identity and status (c) share information on a confidential basis with such Group offices whether located in India or overseas in relation to prevention of money laundering and other financial crimes.

Further, the Fund/AMC shall restrict investments from investors, in case such investor and/or its/their Related Parties<sup>(1)</sup> who are subject to sanctions, or have any of their addresses or residing in major sanctioned countries and such other sensitive countries. The AMC/the Fund may also seek additional information/perform additional due diligence for such investor (and/or its/their Related Parties) having any of their addresses or residing in any of the sensitive countries. Considering the above obligations, the Fund and/or AMC shall be entitled to:

- (a) (i) reject any application/transaction, prevent further transactions\* by a unit holder; (ii) to mandatorily redeem the units held by the unit holder at the applicable NAV prevalent at the time of such redemption and/or (iii) reject the transaction/redemption/freeze or seize Unit holder's account. \*(including Systematic Investment Plans, Systematic Transfer Plans and Dividend Transfer Plans)/additional purchases/switches in any Schemes of BNP Paribas Mutual Fund. In case AMC/the Fund subsequently identifies, that the subscription amount or any existing SIP subscription has been received from investors (i.e. NRIs/PIOs/OCIs/FPIs) residing and/or having place of business in such countries, either through its own source or through intimation from the investor, then the AMC/the Fund at its sole discretion may take any necessary action enumerated in point (i) till (iii) as above including cancelling any such existing SIP instruction. Also, if an existing Unit Holder(s) subsequently becomes a resident/citizen/establishes a place of business in such countries, then such Unit Holder(s) may not be able to purchase any additional Units in any of the Schemes of BNP Paribas Mutual Fund.
- (b) Seek additional information/perform additional due diligence on subscriptions (including fresh or existing SIP applications) received from investors. Accordingly, the AMC shall (i) scrutinize and verify the identity of the investor (including its/their Related Parties), unit holder, person making the payment on behalf of the investor and the source of the funds invested, to be invested in the Fund; (ii) ask for the required additional information to substantiate that the source of investments is genuine; (iii) In case of any existing SIP in any scheme of BNP Paribas Mutual Fund, the AMC reserves the right to take necessary actions in line with point (i) and (ii) in this para. In case AMC is not satisfied with the details provided available, the AMC/Mutual Fund at its sole discretion shall reserve the right to reject the application/ transaction received and/or force redeem the investments at the applicable NAV (at the time of investment) without any load and/or cancel the fresh or existing SIP instruction and/or reject the SIP subscription amount and/or freeze or seize Unit holder's account/transaction.

BNP Paribas Mutual Fund/AMC reserves the right to make changes as required to the above provisions at a later date.

<sup>(1)</sup>Related Parties would include but not limited to any joint holder, any legal

**SCHEME INFORMATION DOCUMENT**

	<p><i>representative, beneficial owners for an entity, any senior representative(s) of the investor who is/are in a position to respond on behalf of the entity and/or responsible for managing affairs of the entity for eg. MD, Director, CEO, CFO, COO, President, Treasurer, Legal or Compliance Representative, or other authorized representative.</i></p> <p>8. Any other person determined by the AMC or the Trustee as not being eligible to invest in the Scheme</p> <p>The Fund reserves the right to include / exclude new / existing categories of investors to invest in the Schemes from time to time, subject to SEBI Regulations and other prevailing statutory regulations, if any. As Units may not be held by any person in breach of the SEBI Regulations, any law or requirements of any governmental, statutory authority including, without limitation, exchange control regulations, the Mutual Fund / Trustee / AMC may mandatorily redeem all the Units of any Unitholder where the Units are held by a Unitholder in breach of the same.</p> <p>The Mutual Fund / Trustee / AMC may redeem Units of any Unitholder in the event it is found that the Unitholder has submitted information either in the application or otherwise that is false, misleading or incomplete.</p> <p><b>Note:</b></p> <ol style="list-style-type: none"> <li>1. RBI has vide Schedule 5 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, granted a general permission to NRIs / Persons of Indian Origin residing abroad (PIOs) and FIIs for purchasing/ redeeming Units of the mutual fund subject to conditions stipulated therein.</li> <li>2. Returned cheques are liable not to be presented again for collection, and the accompanying application forms are liable to be rejected. In case the returned cheques are presented again, the necessary charges are liable to be debited to the investor.</li> </ol> <p>No request for withdrawal of application made during the NFO Period will be allowed.</p>
<p><b>Where can you submit the filled up applications</b></p>	<p>The list of the official points of acceptance of transactions during NFO is given in the inside back cover of the SID.</p> <p>The lists of SCSBs are hosted on SEBI's website. In addition to the above, all the applicants can participate in the NFO through the ASBA process. ASBA applicants should note that the ASBA process involves application procedures that are different from the procedure applicable to applicants other than the ASBA applicants. Applicants applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process.</p> <p>Notwithstanding any of the above conditions, any application may be accepted or rejected at the sole and absolute discretion of the Trustee.</p>
<p><b>How to Apply</b></p>	<p>Please refer to the SAI and Application form for the instructions.</p> <p>SEBI circular No. CIR/IMD/DF/21/2012 dated September 13, 2012 read with SEBI Circular No. CIR/IMD/DF/10/2014 dated May 22, 2014 permits cash investments in mutual funds upto the extent of Rs. 50,000/- per investor, per mutual fund, per financial year subject to <b>subject to</b> (i) compliance with Prevention of Money Laundering Act, 2002 and Rules framed there under; the SEBI Circular(s) on Anti Money Laundering (AML) and other applicable AML rules, regulations and guidelines and (ii) sufficient systems and procedures in place. However, the Fund, currently,</p>

	<p>does not permit cash investments in the Scheme.</p> <p>ASBA applicants shall submit an Application Form to the SCSB authorizing blocking of funds that are available in the bank account specified in the Application Form only. The acknowledgement for receiving the application by the designated Branches of the SCSBs does not guarantee that the Mutual Fund units shall be allotted either by the SCSB or the Mutual Fund. The application shall be further processed by the Registrar &amp; Transfer Agent appointed by the Mutual Fund and units shall be allotted after deducting the blocked amount, only if the application is complete in all respect to the Mutual Fund / Registrar &amp; Transfer Agent. Presently, ASBA facility is available for investors holding demat account.</p> <p>The ASBA Applicant's shall specify the bank account number in the ASBA Application Form and the SCSB shall block an amount equivalent to the Application Amount in the bank account specified in the ASBA Application Form. The SCSB shall keep the application amount in the relevant bank account blocked until withdrawal / rejection of the application or receipt of instructions from the Registrar to unblock the application amount. In the event of withdrawal or rejection of the Application Form or for unsuccessful form, the Registrar shall give instructions to the SCSB to unblock the application money in the relevant bank account. The SCSB will then unblock the application money within one day of receipt of such instruction. The application amount shall remain blocked in the ASBA account until scrutiny of the documents by the registrar of the Mutual Fund and consequent transfer of the application amount to the account of the Mutual Fund, or until withdrawal / failure of the NFO or until rejection of the ASBA Bid, as the case may be. The SCSB shall submit the ASBA form to the RTA / AMC for records.</p>
<b>Listing</b>	<p>At present, the Units of the Scheme are not proposed to be listed on any stock exchange. However, the AMC / Trustee may at their sole discretion list the Units under the Scheme on one or more stock exchanges at a later date.</p>
<b>Special Products/facilities available during the NFO</b>	<p><b>Switching Options</b></p> <p>During the NFO Period of the Scheme, unit holders of the Fund have the option to switch-in, all or part of their investment from all the open ended existing schemes of the Fund and Fixed Term Funds / Series (on maturity date) during the NFO period of the Scheme. The switch-out will be effected at the applicable NAV of the respective (switch-out) Scheme (subject to applicable cut-off time and applicable load), on the day of acceptance of the switching request. The switch-in will be effected at the NFO Price. Switch request will be subject to applicable exit load of the relevant scheme. All switch requests during the NFO Period of the Scheme will have to be submitted at the Official Points of Acceptance of transactions. Switch requests received at any other centres are liable to be rejected.</p> <p>A switch by NRI / FII unit holders will be subject to relevant laws, rules, and regulations at the time of switch.</p> <p><b>Systematic Investment Plan (SIP)</b></p> <ul style="list-style-type: none"> <li>(i) Under SIP the investor can invest for a continuous period of time invest a fixed amount at regular intervals for purchasing additional Units of the Scheme at the Applicable NAV, subject to applicable load.</li> <li>(ii) SIP offers investors the following three facilities: <ul style="list-style-type: none"> <li>Weekly Systematic Investment Facility (WSIF)</li> <li>Monthly Systematic Investment Facility (MSIF)</li> <li>Quarterly Systematic Investment Facility (QSIF)</li> </ul> </li> </ul>

Frequency	SIP Date	Minimum * investment required
WSIF	Any day of the week from Monday to Friday	Rs. 500/- and in multiples of Re.1/- thereafter on a weekly basis by providing in advance a minimum of 6 post-dated cheques
MSIF	Any date of the month except 29th, 30th or 31 <sup>st</sup>	Rs. 500/- and in multiples of Re.1/- thereafter on a monthly basis by providing for a minimum of 6 installments.
QSIF	Any date of the month for each quarter (i.e. January, April, July, October) except 29th, 30th or 31 <sup>st</sup>	Rs. 500/- and in multiples of Re.1/- thereafter on a quarterly basis by (i.e., January, April, July, October) providing for a minimum of 6 installments.

For investments through SIP during NFO, the first WSIF / MSIF / QSIF installment will commence after 30 days from the closure of NFO period.

In case the date falls on a non-business day or falls during a book closure period, the immediate next business day will be considered for the purpose of determining the applicability of NAV subject to the realization of cheques. Units will be allotted on the above applicable dates.

- (iii) Top-Up SIP facility: ‘Top-Up SIP’ facility is an optional, add-on, feature of ‘Top-Up SIP’ to enhance current SIP facility available under the designated schemes of the Fund. This feature enables the investors to enhance/ increase SIP installment at pre-defined intervals by a fixed amount, thus, providing the investors a simplified method of aligning SIP installments amounts with increase in earnings over the tenure of SIP

The terms and conditions for availing the ‘Top-Up SIP’ shall be as follows:

1. Frequency for Top-Up SIP
  - a. For Monthly SIP:
    - i. Half Yearly Top-Up SIP: Under this option, the amount of investment through SIP installment shall be increased by amount chosen / designated by Investor post every 6th (sixth) SIP installment.
    - ii. Yearly Top-Up SIP: Under this option, the amount of investment through SIP installment shall be increased by amount chosen / designated by Investor post every 12th (twelfth) SIP installment.
  2. For Quarterly SIP:
    - i. Yearly Top-Up SIP: Under this option, the amount of investment through SIP installment shall be increased by amount chosen / designated by Investor post every 4th (fourth) SIP installment. In case the investor who has registered under Quarterly SIP opts for Half Yearly Top-Up SIP, the same shall be registered and processed as Yearly Top-Up SIP.
3. Minimum Top-Up SIP Amount: ₹ 500 and in multiples of ₹ 500 thereafter.
4. Default Top-Up SIP Frequency and amount: In case the investor fails to specify either the frequency or amount for Top-Up SIP, the same shall be deemed as Yearly Top-Up SIP and ₹ 500 respectively and the application form shall be processed accordingly. In case the investor fails to specify both, i.e. the frequency for Top- Up SIP and amount for



- Top-Up SIP, the application form may be processed as conventional SIP, subject to it being complete in all other aspects.
5. Top-Up SIP shall be available for SIP Investments through NACH / ECS (Debit Clearing) only. Top-Up SIP shall not be available under SIP facility availed by Investors through Standing Instructions / PDCs or investing through Channel Partners or through Stock Exchange Platforms.
  6. Top-Up SIP facility shall not be available under Weekly SIP option.
  7. Top-Up SIP facility can be availed by the investors only at the time of registration of SIP or renewal of SIP.
  8. Investors should note that for modification of any of the details of Top-Up SIP details, the existing SIP with Top-Up facility shall be required to be cancelled and investor would be required to enroll a fresh SIP with modified Top-Up facility details.

To Illustrate: The calculation and advantages of Top-Up SIP

Conventional SIP	Top-Up SIP
a. Fixed SIP Installment amount: ₹ 1,000/-	By providing/choosing the following additional details, an investor can opt for Top-Up SIP:
b. SIP Period: 01-Sep-2015 till 30-Sept-18 (3 years)	Example:
c. SIP date: 1st of every month (36 installments)	(i) Top-Up SIP Amount: ₹ 500/- (ii) Top-Up SIP Frequency: Every 6 months

The impact on the total invested value under both cases can be as explained below:

SIP Tenure	Total Invested Value (in ₹)	
	Conventional SIP	Top-Up SIP
First 6 installments	6,000	6,000
Next 6 Installments	6,000	9,000
Next 6 Installments	6,000	12,000
Next 6 Installments	6,000	15,000
Next 6 Installments	6,000	18,000
Next 6 Installments	6,000	21,000
<b>Total Amount Invested after 3 years</b>	<b>36,000</b>	<b>81,000</b>

*The above investment simulation is purely for illustrative purposes only and shall not be deemed as guarantee/promise of minimum returns or to depict performance of any mutual fund scheme.*

- (iv) The provisions of load as applicable to the normal investments as on the date of enrollment will be applicable to fresh SIP investments.
- (v) Separate SIP enrolment forms are required to be filled for WSIF, MSIF and QSIF.
- (vi) The cheques should be drawn in favour of the Scheme i.e. 'BNP Paribas Balanced Fund' and crossed "A/c Payee Only" and must be payable at the locations where applications are submitted at the Official Points of Acceptance of transactions. Unit holders must write the SIP Enrolment Form number, if any, on the reverse of the cheques accompanying the SIP Enrolment Forms. Outstation cheques will not be accepted and applications accompanied by such cheques are liable to be rejected. No cash, money orders or postal orders will be accepted.
- (vii) Returned cheque(s) will not be presented again for collection. In case of bouncing of cheque / no credit receipt for SIP for 3 consecutive times, such SIP application shall be rejected.
- (viii) Investors have the right to discontinue the SIP facility at any time by

	<p>sending a written request to any of the Official Points of Acceptance of transactions. Such notice should be received at least 14 days prior to the due date of the next cheque. On receipt of such request, the SIP facility will be terminated and the remaining unutilized post-dated cheque(s) will be returned to the investor.</p> <p>(ix) The enrolment period of SIP will be as per the instruction given by the investor. In case it is instructed to continue SIP “Till instruction to discontinue the SIP is submitted” investors will have to submit SIP cancellation request to discontinue the SIP. In case, of any ambiguity in enrolment period or if the end date of SIP is not mentioned, the default period for SIP will be 5 years.</p> <p>(x) In case investor has not selected any frequency or in case of any ambiguity, monthly frequency shall be considered as default option. Similarly, 7th day shall be considered as default execution date. In case of any ambiguity in the enrolment form, the SIP enrolment request shall be liable to be rejected.</p> <p>(xi) For minor application, AMC will register standing instructions till the date of the minor attaining majority, though the instructions may be for a period beyond that date. Prior to minor attaining majority, AMC shall send advance notice to the registered correspondence address advising the guardian and the minor to submit an application form along with prescribed documents to change the status of the account to “major”. The account shall be frozen for operation by the guardian on the day the minor attains the age of majority and no fresh transactions shall be permitted till the documents for changing the status are received.</p> <p>(xii) Change in debit bank account details for SIP transactions: <b>(i)</b> Investors are requested to note that in case they wish to change their bank account details for any of their ongoing SIP, the following documents should be submitted at least 30 days in advance of the next SIP debit date: (a) A request letter to change the existing bank account details for SIP transaction mentioning old and new bank account details and details of ongoing SIP transaction. (b) New SIP Auto Debit Facility Form with new bank account details. <b>(ii)</b> For Investors who have availed Standing Instructions facility with HDFC Bank Ltd and wish to change their bank account details for any of their ongoing SIP, the following documents should be submitted at least 30 days in advance of the next SIP debit date: (a) A request letter to discontinue such ongoing SIP transaction. (b) New SIP Auto Debit Facility Form with new bank account details</p> <p>(xiii) The Trustee / AMC reserve the right to change / modify the terms of the SIP from time to time on prospective basis.</p> <p><b>Transactions through Stock Exchange Platform</b>        In terms of SEBI Circular SEBI/IMD/CIR No. 11/183204/2009 dated November 13, 2009, units of the scheme can be transacted on Mutual Fund Service System (MFSS) platform of National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Platform for Allotment and Redemption of Mutual Fund units (BSE StAR MF). The following requirements should be noted:</p> <p>(i) The transaction can be executed through all the registered stock brokers of the NSE / BSE who are also registered with AMFI and are empanelled as distributors with AMC. Accordingly, offices of such stock brokers will be considered as ‘Official Points of Acceptance’ of the Fund.</p> <p>(ii) Transaction for this purpose shall mean purchase (including</p>
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- registration of SIP) and redemption. Switching of units will not be permitted through this platform.
- (iii) Time stamping as evidenced by confirmation slip given by NSE/BSE will be considered as sufficient compliance required under SEBI Circular SEBI/IMD/CIR No.11/78450/06 dated October 11, 2006 on time stamping requirement.
  - (iv) The KYC performed by depository participant will be considered as compliance with applicable requirements of SEBI Regulations read with various amendments issued thereafter by SEBI and AMFI from time to time.
  - (v) Mutual fund Distributors shall not handle Pay-out and Pay-in of funds as well as units on behalf of investor. Pay-in will be directly received by recognised Clearing Corporation and Pay-out will be directly made to investor's account. In the same manner, units shall be credited and debited directly from the demat account of investors.
  - (vi) In case of payment of redemption proceeds to the Clearing Corporation by the Fund/ its Registrar, it shall be treated as valid discharge for the Fund/AMC of its obligation of payment of redemption proceeds to investor. Similarly, in case of purchase of units, crediting units into Clearing Corporation's Pool account shall discharge the Fund/ AMC of its obligation/ to allot units to investor.
  - (vii) Further, the AMC has entered into an agreement with NSE and BSE for the purpose of enabling subscription and redemption of the units of the various schemes registered with it, through their Stock Exchange Platform viz., NMF II and BSE StAR MF System respectively in physical (non-demat mode). These platform(s) enable investors to subscribe and redeem units of the scheme through a holder of valid and subsisting ARN Number issued by the Association of Mutual Funds of India (AMFI), as a registered mutual fund distributor and permitted by concerned recognized stock exchange.
  - (viii) This facility of transacting in mutual fund scheme through stock exchange infrastructure is available subject to such limits, operating guidelines, terms and conditions as may be prescribed by the respective Stock Exchanges from time to time.

**Online transaction facility**

Investor can avail this facility through Internet Personal Identification Number (I-PIN) or without I-Pin. Transacting online through I-PIN will enable the investors to purchase/subscribe, sell/redeem, switch units and place certain non-financial transactions requests. Transacting online without I-PIN will offer only purchase / subscription facility. Such purchase / subscription facility shall be available only upon validation of certain mandatory fields like folio number, permanent account number etc. The time of receipt of application as evidenced on Registrar's server will be considered as sufficient compliance with time stamping requirement stated under SEBI Circular no. SEBI/IMD/CIR No.11/78450/06 dated October 11, 2006 read with clarifications notified from time to time. The investors should have a valid folio number (KRA-KYC validated) and the net banking facility or Visa / Mastercard enabled Debit Card with any of the select banks to avail the Invest Online Facility.

This facility of online transaction is available subject to provisions stated in SAI, SID & KIM of the scheme, operating guidelines, terms and conditions as may be prescribed by AMC from time to time.

	<p><b>Appointment of MF Utilities India Private Limited:</b>  The AMC has entered into an Agreement with MF Utilities India Private Limited ('MFUI'), a "Category II – Registrar to an Issue" under SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, for usage of MF Utility ('MFU') - a shared services initiative of various Asset Management Companies under the aegis of Association of Mutual Funds in India ("AMFI"), which acts as a transaction aggregation portal for transacting in multiple Schemes of various Mutual Funds with a single form/transaction request and a single payment instrument/instruction. Accordingly, all financial and non-financial transactions pertaining to the Schemes of BNP Paribas Mutual Fund can also be submitted through MFU either electronically or physically through the authorized Points of Service ('POS') of MFUI. The list of POS of MFUI is published on the website of MFUI at <a href="http://www.mfuindia.com">www.mfuindia.com</a> and may be updated from time to time. For any queries or clarifications related to MFU, please contact the Customer Care of MFUI on 1800-266-1415 (during the business hours on all days except Sunday and Public Holidays) or send an email to <a href="mailto:connect@mfuindia.com">connect@mfuindia.com</a>.</p>
<p><b>The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the Scheme or the AMC) involved in the same.</b></p>	<p>Not Applicable</p>
<p><b>Restrictions, if any, on the right to freely retain or dispose of units being offered</b></p>	<p><b>Restriction of Repurchase/Redemption (including switch-out) facility under the Scheme:</b>  In terms of SEBI circular SEBI/HO/IMD/DF2/CIR/P/2016/ 57 dated May 31, 2016. the repurchase/redemption (including switch-out) of units of the Scheme may be restricted under any of the following circumstances:</p> <ul style="list-style-type: none"> <li>• <b>Liquidity issues</b> - When market, at large, becomes illiquid affecting almost all securities rather than any issuer specific security.</li> <li>• <b>Market failures, exchange closures:</b> when markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies</li> <li>• <b>Operational issues:</b> when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out)</li> </ul> <p>Further, such restriction on redemption (including switch-out) may be imposed for a specified period of time not exceeding 10 working days in any 90 days period.</p> <p>Restriction of repurchase/redemption facility under the Scheme shall be made applicable only after the approval from the Board of Directors of the AMC and the Trustees. The approval from the AMC Board and the Trustees giving details of circumstances and justification for the proposed action shall also be informed to SEBI immediately.</p> <p>Further, where such restriction of repurchase/redemption facility under the Scheme is imposed, the Trustee / AMC may, in the interest of the Unit holders of the Scheme, keeping in view the unforeseen circumstances / unsure conditions, limit the total amount of redemption which may be redeemed on any business day as the Trustee / AMC may decide in any particular case, provided:</p>

- No redemption requests upto Rs. 2 lakh shall be subject to such restriction.
- Where redemption requests are above Rs. 2 lakh, AMC's shall redeem the first Rs. 2 lakh without such restriction and remaining part over and above Rs. 2 lakh shall be subject to such restriction.

Subject to provisions of aforesaid SEBI circular dated May 31, 2016 and SEBI (Mutual Funds) Regulations, 1996, Trustee / AMC reserves the right to determine the operational procedure concerning such restriction on redemption and the same shall be notified to the investors by display of public notice at various investor service centres of AMC and its website ([www.bnpparibasmf.in](http://www.bnpparibasmf.in)).

The AMC / Trustee reserve the right to change / modify the aforesaid provisions pertaining to Restriction of Repurchase/Redemption (including switch-out) facility under the Scheme.

**Freezing / Seizure of Accounts:**

Investors may note that under the following circumstances the Trustee / AMC may at its sole discretion (and without being responsible and/or liable in any manner whatsoever) freeze/seize a unit holder's account (or deal with the same in the manner the Trustee / AMC is directed and/or ordered) under a Scheme:

- Under any requirement of any law or regulations for the time being in force.
- Under the direction and/or order (including interim orders) of any regulatory/statutory authority or any judicial authority or any quasi-judicial authority or such other competent authority having the powers to give direction and/or order.

**Suspension of Sale of the Units:**

The Sale of units of the Scheme may be suspended temporarily or indefinitely under any of the following circumstances:

- During the period of book closure, if any
- Stock markets stop functioning or trading is restricted
- Periods of extreme volatility in the stock markets, which in the opinion of the Investment Manager is prejudicial to the interest of the unit holders.
- A complete breakdown or dislocation of business in the major financial markets
- Natural calamities
- Declaration of war or occurrence of insurrection, civic commotion or any other serious or sustained financial, political or industrial emergency or disturbance
- SEBI, by orders, so direct

The Trustee / AMC reserves the right in its sole discretion to withdraw the facility of sale of the units of the Scheme [including any one Plan/Option of the Scheme], temporarily or indefinitely, if AMC views that changing the size of the corpus may prove detrimental to the existing unit holders of the Scheme. In the above eventualities, the time limits indicated, for processing of requests for subscription of units will not be applicable.



**B. ONGOING OFFER DETAILS**

<b>Ongoing Offer Period.</b>	The ongoing offer shall commence within 5 business days from the date of allotment.	
<b>Ongoing price for subscription (purchase) /switch-in (from other schemes/plans of the Mutual Fund) by investors.</b> This is the price you need to pay for purchase / switch-in.	At the applicable NAV	
<b>Ongoing price for redemption (sale)/ switch outs (to other schemes/plans of the Mutual Fund) by investors.</b> This is the price you will receive for redemptions /switch outs. Example: If the applicable NAV is Rs.10, exit load is 2% then redemption price will be: Rs. 10* (1-0.02) = Rs. 9.80.	At the applicable NAV subject to applicable exit load, if any.	
<b>Cut off timing for Subscriptions / redemptions/swiches</b>  (This is the time before which your application (complete in all respects) should reach the official points of acceptance).	<b>• Investment Amount less than Rs. 2 lakh</b>	
	<b>Subscriptions and Switch-ins</b>	<b>Applicable NAV</b>
	Receipt of valid application up to 3 p.m. on a Business Day.	The NAV of the business day on which the application is received.
	Receipt of valid application after 3 p.m. on a Business Day	The NAV of the next business day on which the application is received.
	<b>• Investment Amount equal to or more than Rs. 2 lakh</b>	
	<b>Subscriptions and Switch-ins*</b>	<b>Applicable NAV</b>
	In respect of valid application received up to 3.00 p.m. on a Business Day and funds for the entire amount of subscription/purchase/switch-in as per application/request are credited to the bank account of the Scheme before cut-off time i.e. available for utilization before the cut-off time.	The NAV of the day on which the funds are available for utilization.
In respect of valid application is received after 3.00 p.m. on a Business Day and funds for the entire amount of subscription/purchase/ switch-in as per application/request are credited to the bank account of the Scheme after cut-off time i.e. available for utilization after the cut-off time.	The NAV of the subsequent day on which the funds are available for utilization.	
Irrespective of the time of receipt of application, where the funds for the entire amount of subscription/purchase/ switch-in as per application/request are credited to the bank account of the Scheme before cutoff	The NAV of such subsequent Business Day on which the funds are available for utilization.	

	time on any subsequent Business Day i.e. available for utilization before the cut-off time on any subsequent Business Day.							
	*In case of Switch transactions, funds will be made available for utilization in the switch-in scheme based on redemption payout cycle of the switch-out scheme.							
	<table border="1"> <thead> <tr> <th data-bbox="469 409 1037 443"><b>Redemptions and Switch-outs</b></th> <th data-bbox="1037 409 1444 443"><b>Applicable NAV</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="469 443 1037 510">Receipt of valid application up to 3 p.m. on a Business Day</td> <td data-bbox="1037 443 1444 510">The NAV of the day on which the application is received.</td> </tr> <tr> <td data-bbox="469 510 1037 618">Receipt of valid application after 3 p.m. on a Business Day</td> <td data-bbox="1037 510 1444 618">The NAV of the next Business Day on which the application is received.</td> </tr> </tbody> </table>	<b>Redemptions and Switch-outs</b>	<b>Applicable NAV</b>	Receipt of valid application up to 3 p.m. on a Business Day	The NAV of the day on which the application is received.	Receipt of valid application after 3 p.m. on a Business Day	The NAV of the next Business Day on which the application is received.	
<b>Redemptions and Switch-outs</b>	<b>Applicable NAV</b>							
Receipt of valid application up to 3 p.m. on a Business Day	The NAV of the day on which the application is received.							
Receipt of valid application after 3 p.m. on a Business Day	The NAV of the next Business Day on which the application is received.							
	<p>Please note the following provisions with respect to applicability of NAV for the subscription / switch ins with an amount equal to or more than Rs. 2 lakh for receipt of the closing NAV of the same business day:</p> <ol style="list-style-type: none"> <li>1. Valid application for subscription/switch-ins is received before the applicable cut-off time, i.e. 3 p.m.</li> <li>2. Funds for the entire amount of subscription/switch-ins as per the application are credited to the bank account of the Scheme before the cut-off time i.e. 3 p.m.</li> <li>3. The funds are available for utilization before the cut-off time without availing any credit facility whether intra-day or otherwise, by the Scheme.</li> </ol> <p>Further pursuant to AMFI circular no. 135/BP/35/2012-13 dated February 18, 2013, following provisions shall be applicable for determining NAV applicability, for the transactions received on the same day (as per time stamping rule):</p> <ol style="list-style-type: none"> <li>a. All purchases, additional purchases, excluding switches, systematic transactions and triggered transactions received under all non-liquid schemes of the Fund shall be aggregated and closing NAV of the day on which funds are available for utilization will be applied where the aggregated amount of the investment is Rs. 2 lac and above. In case the funds are received under the Scheme on separate days and are available for utilization on different Business days before the cut off time, then the applicable NAV shall be the Business day on which the cleared funds are available for the respective amount.</li> <li>b. The aggregation shall be done on the basis of investor/s PAN. In case of joint holding, transactions with similar holding structures to be aggregated, similar to the principle applied for compilation of Consolidated Account Statement (CAS).</li> <li>c. The transactions shall be aggregated at Scheme level irrespective of the plan/option in which the transaction is received. Such aggregation shall be done irrespective of the number of folios under which the investor has invested or through direct/through distributor route.</li> <li>d. The transactions in the name of minor received through guardian will not be aggregated with the transaction in the name of same guardian. Further, transactions of two minors received through same guardian shall not be aggregated.</li> </ol>							
<p><b>Where can the applications for purchase/ redemption/ switches be submitted?</b></p>	<p>The applications for purchase/ redemption/ switches can be submitted at any of the official points of acceptance of transactions of AMC &amp; SBFS. The list of official points of acceptance of transactions of both AMC &amp; SBFS is provided on the back page of this SID and also available on website of the AMC, <a href="http://www.bnpparibasmf.in">www.bnpparibasmf.in</a></p> <p>This facility of online transaction is available subject to provisions stated in SAI,</p>							

**SCHEME INFORMATION DOCUMENT**

	<p>SID &amp; KIM of the Scheme, operating guidelines, terms and conditions as may be prescribed by AMC from time to time.</p> <p><b>REGISTRAR AND TRANSFER AGENT :</b>  <b>Sundaram BNP Paribas Fund Services Limited</b>  SEBI Registration No. INR 000004066,  Unit: BNP Paribas Mutual Fund,  (Corporate Office) No. 23, Cathedral Garden Road, Nungambakkam, Chennai-600034; Toll Free Telephone No : 1800 102 2595;  Email Id : cs.bnppmf@sundarambnpparibasfs</p>													
<b>Minimum amount for purchase/ redemption/ switches</b>	<b>Purchase</b>	Lumpsum investment: Rs. 5,000 and in multiples of Re. 1 thereafter. Systematic Investment Plan: Rs. 500 and in multiples of Re. 1 thereafter.												
	<b>Additional Purchase</b>	Rs. 1,000 and in multiples of Re.1 thereafter												
	<b>Redemption / Switch Out</b>	Rs. 1,000 and in multiples of Re. 1 thereafter or a minimum of 100 units (unless redemption request is for all units)												
	There is no upper limit on the amount for application. The Trustee / AMC reserves the right to change the minimum amount for application and the additional amount for application from time to time in the Scheme and these could be different under different plan(s) / option(s).													
<b>Minimum balance to be maintained and consequences of non-maintenance</b>	Not Applicable													
<b>Special Products/facilities available</b>  The following facilities are currently available to unitholders of BNP Paribas Mutual Fund Schemes. The AMC reserves the right to modify/amend any of the terms and conditions of these facilities on a prospective basis.	<p><b>SYSTEMATIC INVESTMENT PLAN (SIP)</b></p> <ol style="list-style-type: none"> <li>Under SIP the investor can invest for a continuous period of time invest a fixed amount at regular intervals for purchasing additional units of the Scheme at the applicable NAV, subject to applicable load.</li> <li>SIP offers investors the following three facilities:  Weekly Systematic Investment Facility (WSIF):  Monthly Systematic Investment Facility (MSIF):  Quarterly Systematic Investment Facility (QSIF):</li> </ol> <table border="1" data-bbox="472 1357 1455 1765"> <thead> <tr> <th>Frequency</th> <th>SIP Date</th> <th>Minimum investment required</th> </tr> </thead> <tbody> <tr> <td>WSIF</td> <td>Any day of the week from Monday to Friday</td> <td>Rs. 500/- and in multiples of Re.1/- thereafter on a weekly basis by providing in advance a minimum of 6 post-dated cheques</td> </tr> <tr> <td>MSIF</td> <td>Any date of the month except 29th, 30th or 31<sup>st</sup></td> <td>Rs. 500/- and in multiples of Re.1/- thereafter on a monthly basis by providing for a minimum of 6 installments.</td> </tr> <tr> <td>QSIF</td> <td>Any date of the month for each quarter (i.e. January, \ April, July, October) except 29th, 30th or 31<sup>st</sup></td> <td>Rs. 500/- and in multiples of Re.1/- thereafter on a quarterly basis by (i.e., January, April, July, October) providing for a minimum of 6 installments.</td> </tr> </tbody> </table> <p>In case the date falls on a non-business day or falls during a book closure period, the immediate next business day will be considered for the purpose of determining the applicability of NAV subject to the realization of cheques. Units will be allotted on the above applicable dates.</p> <ol style="list-style-type: none"> <li>Top-Up SIP facility: ‘Top-Up SIP’ facility is an optional, add-on, feature of ‘Top-Up SIP’ to enhance current SIP facility available under the designated schemes of the Fund. This feature enables the investors to enhance/ increase SIP installment at pre-defined intervals by a fixed amount, thus, providing the</li> </ol>		Frequency	SIP Date	Minimum investment required	WSIF	Any day of the week from Monday to Friday	Rs. 500/- and in multiples of Re.1/- thereafter on a weekly basis by providing in advance a minimum of 6 post-dated cheques	MSIF	Any date of the month except 29th, 30th or 31 <sup>st</sup>	Rs. 500/- and in multiples of Re.1/- thereafter on a monthly basis by providing for a minimum of 6 installments.	QSIF	Any date of the month for each quarter (i.e. January, \ April, July, October) except 29th, 30th or 31 <sup>st</sup>	Rs. 500/- and in multiples of Re.1/- thereafter on a quarterly basis by (i.e., January, April, July, October) providing for a minimum of 6 installments.
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QSIF	Any date of the month for each quarter (i.e. January, \ April, July, October) except 29th, 30th or 31 <sup>st</sup>	Rs. 500/- and in multiples of Re.1/- thereafter on a quarterly basis by (i.e., January, April, July, October) providing for a minimum of 6 installments.												

investors a simplified method of aligning SIP installments amounts with increase in earnings over the tenure of SIP

The terms and conditions for availing the 'Top-Up SIP' shall be as follows:

4. Frequency for Top-Up SIP
  - a. For Monthly SIP:
    - i. Half Yearly Top-Up SIP: Under this option, the amount of investment through SIP installment shall be increased by amount chosen / designated by Investor post every 6th (sixth) SIP installment.
    - ii. Yearly Top-Up SIP: Under this option, the amount of investment through SIP installment shall be increased by amount chosen / designated by Investor post every 12th (twelfth) SIP installment.
  - b. For Quarterly SIP:
    - i. Yearly Top-Up SIP: Under this option, the amount of investment through SIP installment shall be increased by amount chosen / designated by Investor post every 4th (fourth) SIP installment. In case the investor who has registered under Quarterly SIP opts for Half Yearly Top-Up SIP, the same shall be registered and processed as Yearly Top-Up SIP.
  - c. Minimum Top-Up SIP Amount: ` 500 and in multiples of ` 500 thereafter.
  - d. Default Top-Up SIP Frequency and amount: In case the investor fails to specify either the frequency or amount for Top-Up SIP, the same shall be deemed as Yearly Top-Up SIP and ` 500 respectively and the application form shall be processed accordingly. In case the investor fails to specify both, i.e. the frequency for Top-Up SIP and amount for Top-Up SIP, the application form may be processed as conventional SIP, subject to it being complete in all other aspects.
  - e. Top-Up SIP shall be available for SIP Investments through NACH / ECS (Debit Clearing) only. Top-Up SIP shall not be available under SIP facility availed by Investors through Standing Instructions / PDCs or investing through Channel Partners or through Stock Exchange Platforms.
  - f. Top-Up SIP facility shall not be available under Weekly SIP option.
  - g. Top-Up SIP facility can be availed by the investors only at the time of registration of SIP or renewal of SIP.
  - h. Investors should note that for modification of any of the details of Top-Up SIP details, the existing SIP with Top-Up facility shall be required to be cancelled and investor would be required to enroll a fresh SIP with modified Top-Up facility details.

To Illustrate: The calculation and advantages of Top-Up SIP

Conventional SIP	Top-Up SIP
a. Fixed SIP Installment amount: ₹ 1,000/-	By providing/choosing the following additional details, an investor can opt for Top-Up SIP: Example: (i) Top-Up SIP Amount: ₹ 500/- (ii) Top-Up SIP Frequency: Every 6 months
b. SIP Period: 01-Sep-2015 till 30-Sept-18 (3 years)	
c. SIP date: 1st of every month (36 installments)	

The impact on the total invested value under both cases can be as explained below:

SIP Tenure	Total Invested Value (in ₹)	
	Conventional SIP	Top-Up SIP
First 6 installments	6,000	6,000
Next 6 Installments	6,000	9,000
Next 6 Installments	6,000	12,000
Next 6 Installments	6,000	15,000
Next 6 Installments	6,000	18,000
Next 6 Installments	6,000	21,000

<b>Total Amount Invested after 3 years</b>	<b>36,000</b>	<b>81,000</b>
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*The above investment simulation is purely for illustrative purposes only and shall not be deemed as guarantee/promise of minimum returns or to depict performance of any mutual fund scheme.*

5. The provisions of entry and exit load as applicable to the normal investments as on the date of enrollment will be applicable to fresh SIP investments.
6. Separate SIP Enrolment Forms are required to be filled for WSIF, MSIF and QSIF.
7. The cheques should be drawn in favour of the Scheme i.e. BNP Paribas Balanced Fund and crossed "A/c Payee Only" and must be payable at the locations where applications are submitted at the Official Points of Acceptance of transactions. Unit holders must write the SIP Enrolment Form number, if any, on the reverse of the cheques accompanying the SIP Enrolment Forms. Outstation cheques will not be accepted and applications accompanied by such cheques are liable to be rejected. No cash, money orders or postal orders will be accepted.
8. Returned cheque(s) will not be presented again for collection. In case of bouncing of cheque / no credit receipt for SIP for 3 consecutive times, such SIP application shall be rejected.
9. Investors have the right to discontinue the SIP facility at any time by sending a written request to any of the Official Points of Acceptance of transactions. Such notice should be received at least 14 days prior to the due date of the next cheque. On receipt of such request, the SIP facility will be terminated and the remaining unutilized post-dated cheque(s) will be returned to the investor.
10. The enrolment period of SIP will be as per the instruction given by the investor. In case it is instructed to continue SIP "Till instruction to discontinue the SIP is submitted". Investors will have to submit SIP cancellation request to discontinue the SIP. In case of any ambiguity in enrolment period or if the end date of SIP is not mentioned, the default period for SIP will be 5 years.
11. In case investor has not selected any frequency or in case of any ambiguity, monthly frequency shall be considered as default option. Similarly, 7th day shall be considered as default execution date. In case of any ambiguity in the enrolment form, the SIP enrolment request shall be liable to be rejected.
12. In case of minor application, AMC will register standing instructions till the date of the minor attaining majority, though the instructions may be for a period beyond that date. Prior to minor attaining majority, AMC shall send advance notice to the registered correspondence address advising the guardian and the minor to submit an application form along with prescribed documents to change the status of the account to "major". The account shall be frozen for operation by the guardian on the day the minor attains the age of majority and no fresh transactions shall be permitted till the documents for changing the status are received.
13. Change in debit bank account details for SIP transactions: (i) Investors are requested to note that in case they wish to change their bank account details for any of their ongoing SIP, the following documents should be submitted at least 30 days in advance of the next SIP debit date: (a) A request letter to change the existing bank account details for SIP transaction mentioning old and new bank account details and details of ongoing SIP transaction. (b) New SIP Auto Debit Facility Form with new bank account details. (ii) For Investors who have availed Standing Instructions facility with HDFC Bank Ltd and wish to change their bank account details for any of their ongoing SIP, the following documents should be submitted at least 30 days in advance of the next SIP debit date: (a) A request letter to discontinue such ongoing SIP transaction. (b) New SIP Auto Debit Facility Form with new bank



account details

**14. Change of Scheme request in ongoing SIP:**

- Investor shall have to provide the Change of Scheme in ongoing SIP request in a pre-specified format. The same shall also be made available on website of the Fund ([www.bnpparibasmf.in](http://www.bnpparibasmf.in)). Request received in other than the pre-specified format will be rejected.
- Change of Scheme shall be available only for ongoing Monthly SIP registrations without Top-Up facility.
- Based on the said request, the SIP in old scheme shall cease and new SIP shall be registered in the new scheme for the balance months based on the details provided by the investor.
- Investors should note that a minimum of six SIP installments must be completed in the old scheme for enabling this feature.
- The Change of Scheme request shall be processed provided criteria like minimum no of installments, amount, etc. are being met as applicable for any new SIP registration and the same shall be registered within 30 days from the date of receipt of the valid request.
- Further, Investors can Change the Scheme in an ongoing SIP at any time, provided the minimum of six installments are completed in the old Scheme.
- Transaction charges, if any, shall also be levied under the new scheme.
- In case of Change of Scheme request is rejected, the old scheme SIP shall continue for the Investor.

15. The Trustee / AMC reserve the right to change / modify the terms of the SIP from time to time on prospective basis.

**TRANSACTIONS THROUGH STOCK EXCHANGE PLATFORM**

In terms of SEBI Circular SEBI/IMD/CIR No. 11/183204/2009 dated November 13, 2009, units of the scheme can be transacted on Mutual Fund Service System (MFSS) platform of National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Platform for Allotment and Redemption of Mutual Fund units (BSE StAR MF). The following requirements should be noted:

1. The transaction can be executed through all the registered stock brokers of the NSE / BSE who are also registered with AMFI and are empanelled as distributors with AMC. Accordingly, offices of such stock brokers will be considered as 'Official Points of Acceptance' of the Fund.
2. Transaction for this purpose shall mean purchase (including registration of SIP) and redemption. Switching of units will not be permitted through this platform.
3. Time stamping as evidenced by confirmation slip given by NSE/BSE will be considered as sufficient compliance required under SEBI Circular SEBI/IMD/CIR No.11/78450/06 dated October 11, 2006 on time stamping requirement.
4. The KYC performed by depository participant will be considered as compliance with applicable requirements of SEBI Regulations read with various amendments issued thereafter by SEBI and AMFI from time to time.
5. Mutual fund Distributors shall not handle Pay-out and Pay-in of funds as well as units on behalf of investor. Pay-in will be directly received by recognised Clearing Corporation and Pay-out will be directly made to investor's account. In the same manner, units shall be credited and debited directly from the demat account of investors.
6. In case of payment of redemption proceeds to the Clearing Corporation by the Fund/ its Registrar, it shall be treated as valid discharge for the Fund/AMC of its obligation of payment of redemption proceeds to investor. Similarly, in

case of purchase of units, crediting units into Clearing Corporation's Pool account shall discharge the Fund/ AMC of its obligation/ to allot units to investor.

7. Further, the AMC has entered into an agreement with NSE and BSE for the purpose of enabling subscription and redemption of the units of the various schemes registered with it, through their Stock Exchange Platform viz., NMF II and BSE StAR MF System respectively in physical (non-demat mode). These platform(s) enable investors to subscribe and redeem units of the scheme through a holder of valid and subsisting ARN Number issued by the Association of Mutual Funds of India (AMFI), as a registered mutual fund distributor and permitted by concerned recognized stock exchange.
8. This facility of transacting in mutual fund scheme through stock exchange infrastructure is available subject to such limits, operating guidelines, terms and conditions as may be prescribed by the respective Stock Exchanges from time to time.

### SYSTEMATIC TRANSFER PLAN (STP)

STP is a facility provided to the investors during ongoing period of the scheme wherein investors can opt to transfer a fixed amount or capital appreciation amount at regular intervals from this scheme to all open ended schemes of the Fund which is available for investment at that time.

#### 1. Facilities available:

STP offers unit holders the following two facilities:

- a. **Fixed Systematic Transfer Facility (FSTF)** where investor can issue a standing instruction to transfer sums at Daily\* / Weekly/ Fortnightly/ Monthly/ Quarterly (calendar quarter) intervals to plans / options within select schemes of the Fund.

*\*Daily STP shall be available for 'Transfer into' BNP Paribas Balanced Fund. For the purpose of Daily STP following are the eligible Transferor Scheme(s): BNP Paribas Overnight Fund (an open ended liquid scheme), BNP Paribas Money Plus Fund (an open ended income scheme) and BNP Paribas Short Term Income Fund (an open ended income scheme).*

- b. **Capital Appreciation Systematic Transfer Facility (CASTF)** where the investor can issue a standing instruction to transfer the entire capital appreciation from Transferor Scheme at Weekly/ Fortnightly/ Monthly/ Quarterly intervals to designated Scheme(s) of the Fund.

Both the facilities will offer transfers at weekly, fortnightly, monthly and quarterly intervals. Unit holder is free to opt for any of the above facilities and also choose the frequency of such transfers.

#### 2. Date of transfer / minimum amount of transfer:

FSTF / CASTF	Date of transfer	Minimum amount of transfer
Daily (No CASTF)	Daily Interval (all Business Days)^	Rs. 1000 and in multiples of Re. 1 thereafter
Weekly	Transfer on 1st, 7th, 15th and 25th of a month	Rs. 1000 and in multiples of Re. 1 thereafter.
Fortnightly	Transfer on 1st & 15th of a month	Rs. 1000 and in multiples of Re. 1 thereafter.
Monthly	Transfer on 1st or 7th or	Rs. 1000 and in multiples of

	15th or 25th of a month	Re. 1 thereafter.
Quarterly	Transfer on 1st or 7th or 15th or 25th of the first month of a quarter (i.e. January, April, July, October)	Rs. 1000 and in multiples of Re. 1 thereafter.

^ Investors should note that in case of Daily STP, the commencement date for transfers shall be the 15th working day from the date of receipt of a valid request and thereafter, transfers shall be effected on all business days at NAV based prices, subject to applicable load. In the event of an intervening non-business day, Daily STP triggers will not take place and consequently the total number of Daily STP installments opted by the investor will be adjusted to that extent i.e., For e.g. if the investor has opted for 50 installments and if 8 non-business days happen to occur in the intervening period, then only 42 Daily STP installments shall be triggered.

3. An investor has to maintain minimum balance of Rs. 6,000 in the opted Transferor scheme at the time of enrolment of STP. If the minimum balance represented by clear units is not available, the application will be liable to be rejected.
4. An investor will have to opt for a minimum of 20 installments under Daily STP option. An investor will have to opt for a minimum of 6 installments under Weekly, Fortnightly, Monthly option and 2 installments for Quarterly STP, otherwise the STP enrolment request shall be liable to be rejected.
5. An investor has to clearly specify the name & the option of the Transferor & Transferee scheme in the enrolment form. If the same is not stated or in case of any ambiguity STP enrolment request shall be liable to be rejected. In absence of information, the default option for Transferee scheme shall be growth option.
6. Load structure of the Transferor Scheme & Transferee Schemes as on the date of enrolment of STP shall be applicable.
7. In case the Weekly /Fortnightly / Monthly / Quarterly STP execution dates fall on non – business day, the next business day will be considered as date of transfer.
8. An investor has to select any one facility i.e. FSTF or CASTF. In case, investor doesn't select any facility or in case of any ambiguity, the STP enrolment request shall be rejected. However, in case investor has selected any one of the facility but has not selected frequency and / or date or in case of any ambiguity, by default, monthly frequency & 7th day shall be considered as frequency & execution date.
9. In FSTF, in case there is no minimum amount (as specified above) available in the unit holder's account for transfer into Transferee Scheme, the transfer shall not be executed and the request of unit holder will stand withdrawn with immediate effect.  
**For Daily STP:** If the outstanding balance in "Transferor Scheme" does not cover any of the intermittent Daily STP installment amount, all outstanding units will be liquidated and Daily STP effected for such outstanding balance and Daily STP terminated for subsequent installments. However, if the outstanding balance in "Transferor Scheme" does not cover the last installment under the Daily STP, no transfer shall be effected and Daily STP shall be terminated without effecting the last installment under Daily STP.
10. In CASTF, if there is no minimum appreciation amount in the transferor scheme for the consecutive three installments, the STP request of the unitholder will stand withdrawn with immediate effect. The capital appreciation, if any, will be calculated from the enrolment date of the CASTF under the folio, till the first transfer date [e.g. if the unit holder has been allotted units on the 23rd of September and the date of enrolment for monthly

CASTF is the 1st of November and the unit holder has opted for 15th of every month as the transfer date, capital appreciation, if any, will be calculated from the 1st of November to the 15th of November (first transfer date). Subsequent capital appreciation, if any, will be the capital appreciation between the previous CASTF date (where transfer has been processed) and the next CASTF date].

11. A request for STP will be treated as a request for redemption from the transferor scheme and subscription into the selected transferee scheme(s), at the applicable NAV, subject to load and statutory levy, if any.
12. In case of minor applicant, the guardian can opt for STP only till the date of minor attaining majority. AMC shall suspend the standing instruction of STP enrollment from the date of minor attaining majority by giving adequate prior notice. Further, once the minor attains majority, the guardian will not be able undertake any financial and non-financial transactions including fresh registration of Systematic Transfer Plan (STP) and the folio shall be frozen for the further operation till the time requisite documents for changing the status from minor to major is submitted to the Fund.
13. STP will be automatically terminated if all units are liquidated or withdrawn from the Transferor Scheme or pledged or upon receipt of intimation of death of unit holder. A request for STP will be treated as a request for redemption from/ subscription into the respective option(s)/ plan(s) of the scheme(s), at the applicable NAV, subject to applicable load. In case the transfer dates fall on a non –business day, the next business day will be considered for this purpose.
14. The provision of ‘Minimum redemption amount’ specified in the SID of Transferor Scheme and ‘Minimum application amount’ specified in the SIDs of the Transferee Schemes will not be applicable for STP.
15. STP Enrolment Form complete in all respects must reach at least 14 working days in advance of STP date at any of the Official Points of Transactions.
16. Investors could choose to terminate the STP by giving a written notice at least 7 business days in advance to the Official Points of Transactions. In case of Daily STP, termination shall be effected from 8th Business Day of receipt of valid request.
17. Investors should note that more than one STP (i.e. daily / weekly / fortnightly / monthly or quarterly STP) can be registered under same Plan / Option of the Transferor Scheme.
18. The Trustee / AMC reserve the right to change / modify the terms of the STP or withdraw this facility from time to time.

#### **SYSTEMATIC WITHDRAWAL PLAN (SWP)**

1. SWP is a facility wherein the investors can opt to withdraw (i.e. redeem from the Scheme) a fixed or a variable amount from their investment accounts at periodic intervals.
2. SWP offers unit holders the following two facilities:
  - **Fixed Systematic Withdrawal Facility (FSWF)** where the investor issues a standing instruction to withdraw sums at Monthly / Quarterly (calendar quarter) intervals.
  - **Capital Appreciation Systematic Withdrawal Facility (CASWF)** where the investor issues a standing instruction to withdraw the entire capital appreciation from the Scheme at Monthly / Quarterly intervals.
3. FSWF / CASWF Monthly withdrawal on 1st of the month and Quarterly Withdrawal on 1st of the first month of a Quarter (i.e., 1st of January, April, July, October)
4. Withdrawal must be for a minimum amount of Rs. 1,000/- or in multiples of Re.1/- thereafter in Monthly FSWF/ CASWF and Rs. 3,000/- and in multiples

- of Re.1/- thereafter in Quarterly FSWF/ CASWF. An investor will have to opt for a minimum of 6 transactions under Monthly FSWF/ CASWF and 2 transactions under Quarterly FSWF/ CASWF.
5. In FSWF, if the net asset value of the Units outstanding on the withdrawal date is insufficient to process the withdrawal request, then the Mutual Fund will redeem all Units outstanding and the SWP request will stand withdrawn for further processing.
  6. In CASWF, if there is no minimum appreciation amount on the withdrawal date, then the Mutual Fund shall process the withdrawal request for that date and the SWP request of the unit holder will stand withdrawn for further processing. The capital appreciation, if any, will be calculated from the enrolment date of the CASWF under the folio, till the withdrawal date (i.e. the 1st of a month in the Monthly CASWF and 1st of the first month of Quarter in a quarterly CASWF). Subsequent capital appreciation, if any, will be the capital appreciation between the previous CASWF date and the next CASWF date.
  7. If the withdrawal date under FSWF / CASWF falls on a non-business day, the next business day will be considered for this purpose.
  8. A request for SWP will be treated as a request for redemption from the Scheme, at the applicable NAV, subject to applicable load, if any.
  9. Unit holders may change the amount of withdrawal, at any time by giving the ISC a written notice at least 7 business days prior to the next withdrawal date. However, the AMC at its sole discretion retains the right to close an account if the outstanding balance, based on the Net Asset Value (NAV), falls below minimum balance.
  10. SWP may terminate on receipt of a notice from the Unit holder. It will terminate automatically if all units are liquidated or withdrawn from the folio or pledged or upon receipt of notification of death of the first named Unit holder.
  11. The Trustee / AMC reserve the right to change / modify the terms of the SWP or withdraw this facility from time to time. The specified load structure will be in force till further notice. This load structure is subject to change and may be imposed / modified prospectively from time to time, as may be decided by the Trustee / AMC from time to time.

#### **SWITCHING OPTIONS:**

On an on-going basis, the Unitholders have the option to switch all or part of their investment from the Scheme to any of the other schemes offered by the Mutual Fund, which is available for investment at that time, subject to applicable Load structure of the respective schemes. Unitholders also have the option of switching into the Scheme from any other schemes or switching between various Options of the Scheme. To effect a switch, a Unitholder must provide clear instructions. A request for a switch may be specified either in terms of a rupee amount or in terms of the number of Units of the Scheme from which the switch is sought. Where a request for a switch is for both, amount and number of Units, the amount requested will be considered as the definitive request. Such instructions may be provided in writing and lodged on at any of the Investor Service Centres / Designated Collection Centres. The switch will be affected by redeeming Units from the Plan(s) / Option(s) of the Scheme in which the Units are held and investing the net proceeds in the other Plan(s) / Option(s) of the Scheme, subject to the minimum balance, minimum application amount and Subscription / Redemption criteria applicable for the respective Scheme(s). A request for switch will be treated as a request for Redemption from / Subscription into the respective options / Plans of the Schemes, at the Applicable NAV, subject to applicable Load, if any.

A switch by NRI / FII Unit holders will be subject to relevant laws, rules, and regulations at the time of switch. The AMC / Trustees reserves the right to charge



different (including zero) Load on Applicable NAV on switchover as compared to the redemption / repurchase as the case maybe.

**DIVIDEND TRANSFER PLAN:**

Dividend Transfer Plan (DTP) facility is available under designated schemes of the Fund. DTP is a facility wherein the unit holder(s) of BNP Paribas Balanced Fund ("Source Scheme") can opt to automatically invest the dividend (as reduced by the amount of applicable statutory levy) declared under Source Scheme into the eligible "Target Scheme(s)" of the Fund. The following are the terms and conditions with respect to availing DTP facility:

1. DTP facility is available only for units held / to be held in non-demat mode in the Source and the Target Scheme(s)
2. DTP facility is available to unit holder(s) only under the Dividend Option of the Source Scheme.
3. Unit holder(s) enrolment under the DTP facility will automatically override any previous instructions for 'Dividend Payout' or 'Dividend Reinvestment' facility in the Source Scheme.
4. **For the purpose of DTP following are the eligible Target Scheme(s):** All open ended schemes offered by the Fund (except BNP Paribas Long Term Equity Fund and BNP Paribas Overnight Fund).
5. The enrolment for DTP facility should be for all units under the respective Dividend Option of the Source Scheme. Instructions for part Dividend Transfer and part Dividend Payout / Reinvestment will not be accepted. The dividend amount will be invested in the Target Scheme(s) under the same folio. Accordingly, the unit holder(s) details and mode of holding in the Target Scheme(s) will be same as in the Source Scheme.
6. The enrolment to avail of DTP facility has to be specified for each Scheme/Plan/Option separately and not at the folio level.
7. Unit holders who wish to transfer dividend to the Direct Plan of the Target Scheme(s) will have to indicate "Direct Plan" in the DTP enrolment form. Unit holders should also indicate "Direct" in the ARN column of the DTP enrolment form. However, in case Distributor code is mentioned in the DTP enrolment form, but "Direct Plan" is indicated against the Target Scheme name, the Distributor code will not be considered and the application will be processed under Direct Plan. Further, where application is received without Distributor code or "Direct" mentioned in the ARN Column, the application will be processed under Direct Plan. Direct Plan shall be the default plan if the unitholder doesn't indicate any plan in the DTP enrolment form or in case of any ambiguity
8. In case, the unit holder fails to indicate option/ sub-options for the Target Scheme, then

<b>Default Option</b>	Growth Option
<b>Default Facility</b>	Monthly Reinvestment

9. Under DTP, dividend declared (as reduced by the amount of applicable statutory levy) in the Source scheme will be automatically invested into the Target Scheme(s), as opted by the unit holder, on the immediate next Business Day after the Record Date at the applicable NAV of the Target Scheme(s) and accordingly equivalent units will be allotted in the Target Scheme(s).
10. Investors are also requested to note that if the amount of dividend eligible under DTP is equal to or less than INR 250/-, then the dividend would be compulsorily reinvested in the source scheme.
11. There will be no entry and/or exit load with respect to units invested through DTP. However, subsequent switch-outs/ redemption from the Target Scheme(s) shall be subject to applicable exit load. The Trustee reserves the right to change the load structure under the DTP facility at any time in future on a prospective basis.

12. The provision for 'Minimum Application Amount' specified for the respective Target Scheme(s) will not be applicable under DTP.
13. Unitholders who wish to enroll for DTP facility are required to fill DTP Enrolment Form available with the ISCs, distributors/agents and also available on the website [www.bnpparibasmf.in](http://www.bnpparibasmf.in)
14. The request for enrolment for DTP must be submitted at least 10 days prior to the Record Date for the dividend. In case of the condition not being met, the enrolment would be considered valid from the immediately succeeding Record Date of the dividend, provided the difference between the date of receipt of a valid application for enrolment under DTP and the next Record Date for dividend is not less than 10 days.
15. Unit holders will have the right to discontinue/cancel the DTP facility at any time by submitting the DTP cancellation form at the investor service centre. Request for cancellation of DTP will be registered within 10 days of a valid request received. Any dividend declared between the time of submission of cancellation form at investor service centre and cancellation of DTP will be transferred to the target scheme.
16. At the time of discontinuation of DTP facility, the unit holders should indicate their choice of option i.e. dividend re-investment or dividend payout. In the event the unit holder does not indicate his choice of dividend option, the dividend, if any, shall be reinvested or paid out as per the instructions prior to enrolment of DTP in the Source Scheme
17. The dividend amount transferred under DTP would be treated as switch-in / subscription transaction in the target scheme(s) and will be liable to comply with the PAN and KYC provisions as may be applicable.
18. The AMC reserves the right to change/ modify the terms and conditions of the DTP including eligible schemes without assigning any reason thereof. If DTP facility is withdrawn from any source scheme or target scheme, all unit holders who have applied for DTP will be converted into dividend re-investment or dividend payout option as per the instructions prior to enrolment of DTP in the Source Scheme.

#### **ONLINE TRANSACTION FACILITY**

Investor can avail this facility through Internet Personal Identification Number (I-PIN) or without I-Pin. Transacting online through I-PIN will enable the investors to purchase/subscribe, sell/redeem, switch units and place certain non-financial transactions requests. Transacting online without I-PIN will offer only purchase / subscription facility. Such purchase / subscription facility shall be available only upon validation of certain mandatory fields like folio number, permanent account number etc. The existing investors of the Fund can also avail of iSIP facility being made available under Online Transaction Facility on website of the Fund. Existing investors of the Fund can also avail of transaction facility through Mobile application facility with I-PIN. Transacting through Mobile application with I-PIN will enable the investors to purchase/subscribe, sell/ redeem, switch units and place certain non-financial transactions requests. For Online and/or mobile application transactions, the time of receipt of application as evidenced on Registrar's server will be considered as sufficient compliance with time stamping requirement stated under SEBI Circular no. SEBI/IMD/CIR No.11/78450/06 dated October 11, 2006 read with clarifications notified from time to time. The investors should have a valid folio number (KRA-KYC validated) and the net banking facility or Visa / Mastercard enabled Debit Card with any of the select banks (as per list available on our website) to avail the Invest Online Facility. This facility of online transaction (including iSIP facility) and Mobile Application is available subject to provisions stated in SAI, SID & KIM of the scheme, operating guidelines, terms and conditions as may be prescribed by AMC from time to time.

**APPOINTMENT OF MF UTILITIES INDIA PRIVATE LIMITED:**

The AMC has entered into an Agreement with MF Utilities India Private Limited ('MFUI'), a "Category II – Registrar to an Issue" under SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, for usage of MF Utility ('MFU') - a shared services initiative of various Asset Management Companies under the aegis of Association of Mutual Funds in India ("AMFI"), which acts as a transaction aggregation portal for transacting in multiple Schemes of various Mutual Funds with a single form/transaction request and a single payment instrument/instruction. Accordingly, all financial and non-financial transactions pertaining to the Schemes of BNP Paribas Mutual Fund can also be submitted through MFU either electronically or physically through the authorized Points of Service ('POS') of MFUI. The list of POS of MFUI is published on the website of MFUI at [www.mfuindia.com](http://www.mfuindia.com) and may be updated from time to time. For any queries or clarifications related to MFU, please contact the Customer Care of MFUI on 1800-266-1415 (during the business hours on all days except Sunday and Public Holidays) or send an email to [connect@mfuindia.com](mailto:connect@mfuindia.com).

**SWITCH ON CALL FACILITY:**

- This Facility is presently extended to the following type of Individual investors/ Unit holder: Existing Individual investors with "single" holding; Individual investors with joint holders where the mode of operation is "Either or Survivor" or "Anyone or Survivor"; and Guardian acting on behalf of Minor.
- This Facility is not extended to the following type of Individual investors: NRI, NRO; and in the case of joint holders where the mode of operation is "Joint".
- This Facility shall not be available to Non-Individual investors.
- Switches shall be allowed in all open ended schemes (excluding open ended liquid schemes) only where the units are available. To avail this Facility, Unit holders are advised to call the Number 1800 102 2595 and submit a request for transaction before 2:30 pm on all Business Days. If any call is received after this cut-off time of 2.30 pm, the same will be considered as transaction for the next Business Day. All that the Unit holder needs to do is to provide to our customer service representative the Folio Number, Scheme Name, Transaction Type and Amount.
- The customer service representative will register the transaction by checking the answers to the following verification questions: • PAN • Bank details. • Address (The above verification parameters can be changed on time to time based on the requirement of the AMC)
- Once the transaction is registered, a validation (out bound) call will be made to the registered contact number of the Unit holder.
- On completion of validation, the transaction will be registered and post completion of the transaction, Unit holder will receive a Statement of Account as per guidelines in this regard. This Facility can be availed from 9 am to 6 pm on all Business Days. The actual time stamp will be the start time of the incoming call (and not the validation call time). In case if there are 2 incoming calls due to incomplete first call, then, the incoming call time of the second call will be considered for the purpose of Time Stamping. In case, the Unit holder wants to change the units or amount after the inbound call (or during the validation out bound call), the said transaction will be cancelled. The Unit holder will be requested to call again to register a fresh transaction. Time stamping for the new transaction will be based on the fresh incoming call time - with the same Time stamping logic mentioned above.
- The customer service staff will make 3 attempts to reach the Unit holder for

	<p>validation. Despite 3 attempts if it is not successful, transaction would be rejected. NAV would be allotted based on the realization/utilisation of funds, wherever applicable, as per the prevailing SEBI regulations/circulars issued and amended from time to time.</p> <ul style="list-style-type: none"> <li>• The Unit holder agrees and confirms that the AMC has the right to ask the Unit holder for an oral or written confirmation of any transaction request using the Facility and/or any additional information regarding the Account of the Unit holder. If for any reason, the AMC is not satisfied with the replies of the Unit holder, the AMC has at its sole discretion the right of refusing access to the Facility without assigning any reasons to the Unit holder.</li> <li>• The Unit holder agrees that it shall be his/her sole responsibility to ensure protection and confidentiality of the above verification information and any disclosures thereof shall be entirely at the Unit holder's risk. The Unit holder agrees and acknowledges that any transaction, undertaken using the Unit holder's verification information shall be deemed to be that of the Unit holder. The Unit holder shall take responsibility for all the transactions conducted by using the Facility and will abide by the record of transactions generated by the AMC. The Unit holder shall check his/her account records carefully and promptly. If the Unit holder believes that there has been a mistake in any transaction using the Facility, or that unauthorised transaction has been effected, the Unit holder shall notify AMC immediately. If the Unit holder defaults in intimating the alleged discrepancies in the statement within a period of thirty days of receipt of the statements, he waives all his rights to raise the same in favour of the AMC, unless the discrepancy/error is apparent on the face of it.</li> <li>• It is clarified that the Facility is only with a view to accommodate/facilitate the Unit holder and offered at the sole discretion of the AMC. The AMC is not bound and/or obliged in any ways to give access to Facility to Unit holder. The Unit holder agrees and confirms that the AMC may at its sole discretion suspend the Facility in whole or in part at any time without prior notice if (i) the Unit holder does not comply with any of the terms and conditions or any modifications thereof, (ii) the AMC has the reason to believe that such processing is not in the interest of the Unit holder or is contrary to any regulations/SID/or any amendments thereto and (iii) otherwise at the sole discretion of the AMC in cases amongst when the markets are volatile or when there are major disturbances in the market, economy, country, etc.</li> <li>• <u>Indemnities in favour of the AMC:</u> The Unit holder shall not hold the AMC liable for the following: a) For any transaction using the Facility carried out in good faith by the AMC on instructions of the Unit holder. b) For the unauthorized usage/unauthorised transactions conducted by using the Facility. c) For any loss or damage incurred or suffered by the Unit holder due to any error, defect, failure or interruption in the provision of the Facility arising from or caused by technical reasons such as telephone lines not functioning, call drop, issues with voice transmission, loss/limitations of connectivity etc., or for any reason(s) beyond the reasonable control of the AMC. d) For any negligence/mistake or misconduct by the Unit holder and/or for any breach or non-compliance by the Unit holder of the rules/terms and conditions stated herein. e) For accepting instructions given by any one of the Unit holder in case of joint account/s having mode of operations as "Either or Survivor" or "anyone or survivor". f) For not verifying the identity of the person giving the telephone instructions in the unit holder name. g) For not carrying out any such instructions where the AMC has reason to believe (which decision of the AMC the Unit holder shall not question or dispute) that the instructions given are not genuine or are otherwise improper, unclear, vague or raise a doubt.</li> </ul> <p>The AMC/Mutual Fund reserves the right to modify the terms and conditions of</p>
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	<p>the Facility from time to time as may be deemed expedient or necessary. The Unit holder agrees that use of the Facility will be deemed acceptance of the terms and conditions for availing such Facility and the Unit holder will unequivocally be bound by these terms and conditions.</p>
<p><b>Account Statements</b>  The Account Statement shall not be construed as a proof of title and is only a computer generated statement indicating the details of transactions under the Scheme and is a non-transferable document.</p> <p>The Account Statement will be issued in lieu of Unit Certificates. Normally no Unit certificates will be issued. However, if the applicant so desires, the AMC shall issue a non-transferable Unit certificate to the applicant within 5 business days of the receipt of request for the certificate. Unit certificate if issued must be duly discharged by the Unit holder(s) and surrendered alongwith the request for Redemption / Switch or any other transaction of Units covered therein.</p> <p>Units held, either in form of account statement or Unit Certificates, are nontransferable. The Trustee reserves the right to make the units transferable at a later date subject to SEBI Regulations issued from time to time</p>	<p>Pursuant to amendment to Regulation 36 of SEBI Regulations read with SEBI circular no. Cir/ IMD/ DF/16/ 2011 dated September 8, 2011, the following shall be applicable with respect to dispatch of account statement:</p> <ol style="list-style-type: none"> <li>The AMC shall issue a Consolidated Account Statement (CAS) for each calendar month on or before tenth day of succeeding month detailing all the transactions and holding at the end of the month including transaction charges paid to the distributor, across all the schemes of all mutual funds in whose folios transaction has taken place during that month. Accordingly, for all the transactions from the month, the CAS shall be issued on or before 10th day succeeding month. CAS is a statement reflecting holdings / transactions across all the mutual funds by the investor. Further, in terms of SEBI circular SEBI/HO/IMD/DF2/CIR/P/2016/89 dated September 20, 2016, each CAS issued to the investors shall also provide the total purchase value / cost of investment in each scheme.  Provided that the AMC shall issue a CAS every half year (September / March) on or before tenth day of succeeding month, detailing holding at the end of the six month, across all schemes of all mutual funds to all such investors in whose folios no transaction has taken place during that period. The half yearly consolidated account statement will be sent by e-mail to the Unitholders whose e-mail address is available, unless a specific request is made to receive in physical. Further, in terms of SEBI circular SEBI/HO/IMD/DF2/CIR/P/2016/89 dated September 20, 2016, CAS issued for the half-year (ended September/ March) shall also provide: <ul style="list-style-type: none"> <li>The amount of actual commission paid by AMC/Mutual Fund to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each 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. Further, a mention shall be made in such CAS indicating that the commission disclosed is gross commission and does not exclude costs incurred by distributors such as service tax (wherever applicable, as per existing rates), operating expenses, etc.</li> <li>The Scheme's average Total Expense Ratio (in percentage terms) for the half-year period for each Scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in.</li> <li>Such half-yearly CAS shall be issued to all investors, excluding those investors who do not have any holdings in Schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period.</li> </ul> </li> <li>Further, the AMC shall send confirmation specifying the number of units allotted to the applicant by way of an email and/or SMS's to the applicant's registered email address and/or mobile number as soon as possible but not later than five working days from the date of closure of the NFO Period (NFO) and / or from date of receipt of the request from the unit holder.</li> <li>In case of a specific request received from the unit holder, the AMC shall provide the account statement to the investor within 5 business days from the receipt of such request.</li> <li>In case the folio / account have more than one registered holder, the first named unit holder / guardian (in case of minor) shall receive the CAS.</li> <li>CAS shall not be issued to the investor who has not updated their Permanent Account Number (PAN) in their respective folios. <b>The unit holders are</b></li> </ol>



- requested to ensure that the PAN details are updated in all their folio(s).**
6. For this purpose, common investors across mutual funds shall be identified by their PAN.
  7. The statement of holding of the beneficiary account holder for units held in demat shall be sent by the respective DPs periodically.
  8. Further, in accordance with SEBI circular CIR/MRD/DP/31/2014 dated November 12, 2014, investors are requested to note that a single consolidated view of all the investments of an investor in Mutual Funds and securities held in demat form with the depositories is being enabled.
  9. Consolidation of account statement shall be done on the basis of PAN and for PANs which are common between depositories and AMCs, the depositories shall send the CAS. In other cases, (i.e. PANs with no demat account and only MF units holding), the AMC/ RTA shall continue to send the CAS to their unitholders in compliance with Regulations 36(4) of the SEBI (Mutual Funds) Regulations, 1996 and guidelines issued thereunder.
  10. Accordingly, the AMC / RTA shall provide the data with respect to common PANs to the depositories within three days from the month end. The depositories shall then consolidate and dispatch the CAS within ten days from the month end. AMC /RTA shall be responsible for the authenticity of the information provided through CAS in respect of Mutual Fund investments and timely sharing of information with depositories.
  11. The depositories and the AMC/RTA shall ensure data integrity and confidentiality in respect of shared information. The depositories shall utilize the shared data only for the purpose of providing CAS and shall not share the same with their depository participants.

**No Account statements will be issued to investors opted to hold units in electronic (demat) mode, since the statement of account furnished by depository participant periodically will contain the details of transactions**

The word 'transaction' for the issuance of CAS shall include purchase, redemption, switch, dividend payout, dividend reinvestment, SIP, SWP, STP and bonus transactions, as applicable.

The consolidated account statement will be sent by ordinary post / courier / email. The account statements shall be non-transferable. The consolidated account statement shall not be construed as a proof of title and is only a computer printed statement indicating the details of transactions under the Scheme.

The Mutual Fund / Trustee / AMC reserves the right to reverse the transaction of crediting Units in the unitholder's account, in the event of non realisation of any cheque or other instrument remitted by the investor.

The unitholders, who hold units in physical form, may request for an account statement at any time during the tenor of the scheme by writing to the AMC / RTA. Unitholders are requested to provide their e-mail ids for receipt of all correspondences including account statements using e-mail as the mode of communication. Unitholders whose e-mail id is available in the database of BNP Paribas Mutual Fund, electronic mail (e-mail) shall be the default mode of communication for those investors. In case, email address is not available, the AMC shall send all the communication in physical copies at the address available in the records of the AMC. In case the unitholder submits a request to receive any communication in physical mode then AMC shall provide the same within five working days from the date of receipt of request. If the Unitholder experiences any difficulty in accessing the electronically delivered account statement, the

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	<p>Unitholder shall promptly inform the Mutual Fund to enable the Mutual Fund to make the delivery through alternate means. Failure to inform the Mutual Fund of such difficulty within 24 hours after receiving the e-mail will serve as a confirmation regarding the acceptance by the Unitholder of the account statement.</p>
<b>Dividend</b>	<p>The dividend pay orders shall be dispatched to the unitholders within 30 days of the date of declaration of the dividend. In the event of failure of dispatch of dividend within the stipulated 30 day period, the AMC shall be liable to pay interest @ 15 per cent per annum to the unit holders for the period of such delay.</p>
<b>Redemption</b>	<p>As per the SEBI Regulations, the Mutual Fund shall despatch redemption proceeds within 10 business days of receiving a valid redemption / repurchase request. A penal interest of 15% per annum or such other rate as may be prescribed by SEBI from time to time, will be paid in case the redemption proceeds are not despatched within 10 business days of the date of valid redemption request.</p> <p>In case an investor has purchased units on more than one business day (either during the NFO Period or through subsequent purchases) the units purchased first (i.e. those units which have been held for the longest period of time), will be deemed to have been redeemed first i.e. on a first-in-first-out basis.</p> <p>However, where Units under a Scheme are held under both Regular Plan and Direct Plan and the redemption / Switch request pertains to the Direct Plan, the same must clearly be mentioned on the request (along with the folio number), failing which the request would be processed from the Regular Plan. However, where Units under the requested Option are held only under one Plan, the request would be processed under such Plan.</p> <p>The Redemption would be permitted to the extent of clear credit balance in the Unit holder's account. The Redemption request can be made by specifying the rupee amount or by specifying the number of Units to be redeemed. If a Redemption request is for both, a specified rupee amount and a specified number of Units, the specified number of Units will be considered the definitive request. If only the Redemption amount is specified by the Unit holder, the AMC will divide the Redemption amount so specified by the Redemption Price to arrive at the number of Units. The request for Redemption of Units could also be in fractions, upto three decimal places. However, in case of units held in electronic (demat) mode, the redemption request can be given only in number of Units. Also Switch transactions are currently not available in case of units held in electronic (demat) mode. The minimum amount of Redemption may be changed in future by the AMC. If the balance in the account of the Unit holder does not cover the amount Redemption request, then the Mutual Fund is authorised to close the account of the Unit holder and send the entire such (lesser) balance to the Unit holder. It may, however, be noted that in the event of death of the unitholder, the nominee / legal heir (as the case may be), subject to production of requisite documentary evidence, will be able to redeem the investment.</p>
<b>Delay in payment of redemption/repurchase or dividend proceeds</b>	<p>The AMC shall be liable to pay interest to the unitholders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum).</p>
<b>Bank Account Details</b>	<p>As per the directives issued by SEBI, it is mandatory for applicants to mention their bank account numbers in their applications for purchase. If the Unitholder fails to provide the Bank mandate in the purchase application, the request for purchase would be rejected.</p> <p>If a change of bank mandate is submitted along with the redemption request, then only the redemption request will be processed as per specified service standard and last registered bank account information will be used for payments to Unit holders. For the change of bank mandate, investors are requested to submit the specified form separately.</p>

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<b>Registration of multiple bank accounts</b>	<p>Unitholders can also register multiple bank accounts in his folio. The “Change of Bank Mandate &amp; Registration of Multiple Bank Account Form” shall be used by the unitholders for change in existing bank mandate or for registration of multiple bank account details for all investments held in the specified folio (existing or new). Individuals and HUF investors can register up to 5 bank accounts and non-individuals can register upto 10 bank accounts by filling up the Multiple Bank Registration Form. AMC / RTA shall adopt the same process of verification for the above registration as is applicable for change of bank mandate.</p>
<b>Transfer of Units</b>	<p>Units of the Scheme held in physical (non-demat) form shall be nontransferable. However, if a person becomes a holder of the Units consequent to operation of law or upon enforcement of a pledge, the Mutual Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the Units. Similarly, in cases of transfers taking place consequent to death, insolvency etc., the transferee's name will be recorded by the Mutual Fund subject to production of satisfactory evidence. Further, in accordance with SEBI Circular No. CIR/IMD/DF/10/2010 dated August 18, 2010 on transferability of mutual fund units, investors/unitholders of the schemes of BNP Paribas Mutual Fund are requested to note that units held in electronic (demat) form shall be transferable under the depository system and will be subject to the transmission facility in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996 as may be amended from time to time.</p>

**C.PERIODIC DISCLOSURES**

<b>Net Asset Value</b>  <p>This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.</p>	<p>The AMC will disclose the first NAV(s) of the scheme not later than 5 business days from the date of allotment of the Scheme. Thereafter, the NAV of the Scheme shall be uploaded on AMFI’s website (<a href="http://www.amfiindia.com">www.amfiindia.com</a>) by 9.00 p.m. on the all the business days and also on website of Mutual Fund (<a href="http://www.bnpparibasmf.in">www.bnpparibasmf.in</a>). In case of any delay, the reasons for such delay would be explained to AMFI and SEBI in writing and the number of such instances would also be reported to SEBI on bi- monthly basis. If the NAVs are not available before the commencement of business hours of the following day due to any reason, the Mutual Fund shall issue a press release providing reasons and explaining when the Mutual Fund would be able to publish the NAVs.</p> <p>The NAV shall be calculated for all business days and shall be published at least in two daily newspapers having circulation all over India.</p>
<b>Portfolio Disclosures</b> <p>This is the list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.</p>	<p><b>Half Yearly Portfolio Disclosure:</b> The AMC shall also publish complete statement of scheme portfolio within one month from the close of each half year (that is on 31st March and on 30th September) in atleast one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the mutual fund is situated.</p> <p><b>Monthly Portfolio Disclosure:</b> The AMC shall disclose portfolio (along with ISIN) as on the last day of the month for all the schemes on its website on or before the tenth day of the succeeding month. The same can be located on website at <a href="http://bnpparibasmf.in/Downloads/index.aspx">http://bnpparibasmf.in/Downloads/index.aspx</a></p>
<b>Half Yearly Results</b>	<p>The Mutual Fund /AMC shall within one month from the close of each half year, that is on 31st March and on 30th September, host a soft copy of its unaudited financial results on their website. The Mutual Fund and /AMC shall publish an advertisement disclosing the hosting of such financial results on their website, in atleast one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the Mutual Fund is situated.</p>

<b>Annual Report</b>	<p>Scheme wise annual report or an abridged summary thereof shall be mailed to all unit holders within four months from the date of closure of the relevant accounts year i.e. 31st March each year. The provisions of SEBI Circular no.IMD/CIR No.8/132968/2008 dated July 24, 2008 and SEBI circular no. Cir/ IMD/ DF/ 16 / 2011 dated September 08, 2011 shall be complied with.</p> <p>In accordance with SEBI Circular No. Cir/ IMD/ DF/16/ 2011 dated September 8, 2011, in order to bring cost effectiveness in printing and dispatching the annual reports or abridged summary thereof, the following shall be applicable:</p> <ol style="list-style-type: none"> <li>1. In case the unit holder has provided the email address, the AMC shall send the scheme annual reports or abridged summary <b>only via email</b>.</li> <li>2. In case email address is not available, the AMC shall send the physical copies of these reports at the address available in the records of the AMC.</li> <li>3. In case of any request from the unit holder for physical copies notwithstanding their registration of email addresses, AMC shall provide the same within five working days from the date of receipt of request.</li> <li>4. The AMC shall display the link of the scheme annual reports or abridged summary prominently on its website www.bnpparibasmf.in and make the physical copies available to the investors at the registered office at all times.</li> </ol>																																											
<b>Associate Transactions</b>	Please refer to Statement of Additional Information (SAI).																																											
<b>Taxation</b>  The information is provided for general information only as per Finance Act 2016 and Finance Bill, 2017. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the scheme.	<p><b>I. For equity oriented scheme:</b></p> <table border="1" data-bbox="472 920 1447 1200"> <thead> <tr> <th></th> <th>Resident investors</th> <th>Mutual Fund</th> </tr> </thead> <tbody> <tr> <td><b>Equity Fund</b></td> <td></td> <td></td> </tr> <tr> <td>Tax on Dividend received on units from the scheme.</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td><b>Capital Gains*</b></td> <td></td> <td></td> </tr> <tr> <td>Long term</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Short Term</td> <td>15%</td> <td>Nil</td> </tr> </tbody> </table> <p>The above mentioned tax rates should be increased by applicable surcharge.  Business Income* (where the units are held as stock in trade by the investors):</p> <table border="1" data-bbox="472 1267 1447 1301"> <tr> <td>Tax</td> <td>30%**</td> <td>Nil</td> </tr> </table> <p>*The above mentioned tax rates should be increased by applicable surcharge.</p> <p><b>For Corporate Investors:</b></p> <table border="1" data-bbox="472 1402 1447 1547"> <thead> <tr> <th>Income</th> <th>Surcharge</th> </tr> </thead> <tbody> <tr> <td>Rs. 10,000,000 or less</td> <td>Nil</td> </tr> <tr> <td>Income exceeding Rs. 10,000,000 but upto Rs. 100,000,000</td> <td>7%</td> </tr> <tr> <td>Income exceeding Rs.100,000,000</td> <td>12%</td> </tr> </tbody> </table> <p><b>For Non Corporate Investors (individuals, Hindu undivided family, Association of persons, Body of individuals and artificial juridical persons):</b></p> <table border="1" data-bbox="472 1648 1447 1827"> <thead> <tr> <th>Income</th> <th>Surcharge (w.e.f 1 April 2017)</th> </tr> </thead> <tbody> <tr> <td>Less than Rs. Rs. 5,000,000</td> <td>Nil</td> </tr> <tr> <td>Income exceeding Rs. 5,000,000 but upto Rs. 10,000,000</td> <td>10%</td> </tr> <tr> <td>Income exceeding Rs. 10,000,000</td> <td>15%</td> </tr> </tbody> </table> <p><b>For Non Corporate Investors (co-operative society, local authority and partnership firm including Limited Liability Partnership):</b></p> <table border="1" data-bbox="472 1928 1447 2033"> <thead> <tr> <th>Income</th> <th>Surcharge</th> </tr> </thead> <tbody> <tr> <td>Rs. 10,000,000 or less</td> <td>Nil</td> </tr> <tr> <td>Income exceeding Rs. 10,000,000</td> <td>12%</td> </tr> </tbody> </table>		Resident investors	Mutual Fund	<b>Equity Fund</b>			Tax on Dividend received on units from the scheme.	Nil	Nil	<b>Capital Gains*</b>			Long term	Nil	Nil	Short Term	15%	Nil	Tax	30%**	Nil	Income	Surcharge	Rs. 10,000,000 or less	Nil	Income exceeding Rs. 10,000,000 but upto Rs. 100,000,000	7%	Income exceeding Rs.100,000,000	12%	Income	Surcharge (w.e.f 1 April 2017)	Less than Rs. Rs. 5,000,000	Nil	Income exceeding Rs. 5,000,000 but upto Rs. 10,000,000	10%	Income exceeding Rs. 10,000,000	15%	Income	Surcharge	Rs. 10,000,000 or less	Nil	Income exceeding Rs. 10,000,000	12%
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Further, an additional surcharge of 3% by way of education cess shall be charged in all cases on amount of tax inclusive of surcharge, if any.

The scheme will also attract Securities Transaction Tax (STT) at applicable rates.

\*\*progressive tax rates for individuals, HUF and co-operative society and Companies whose annual turnover for FY 2015-16 is less than Rs. 50 crores, the tax rate for FY 2017-18 will be 25%.

Companies set up and registered on or after 1 March 2016 engaged solely in the business of manufacture or production of article or a thing may at their option be taxable at 25 percent provided they do not claim specified or deductions.

## II. For other than equity oriented scheme:

	Resident investors	Mutual Fund
Tax on Dividend	Nil	<b>(grossing up of income distribution tax)</b> 1. 38.453% on income distributed to any individual or a Hindu Undivided family. 2. 49.440% on income distributed to any other person.
<b>Capital Gains*</b> Long term	With Indexation: 20%	Nil
Short Term	30%**	Nil

**Business Income\*** (where the units are held as stock in trade by the investors):

Tax	30%**	Nil
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\*The above mentioned tax rates should be increased by applicable surcharge.

### For Corporate Investors:

Income	Surcharge
Rs.10,000,00 or less	Nil
Income exceeding Rs.10,000,000 but upto ₹ 100,000,000	7%
Income exceeding Rs. 100,000,000	12%

### For Non Corporate Investors (individuals, Hindu undivided family, Association of persons, Body of individuals and artificial juridical persons):

Income	Surcharge
Rs. 10,000,000 or less	Nil
Income exceeding Rs. 5,000,000 but upto Rs. 10,000,000	10%
Income exceeding Rs. 10,000,000	15%

### For Non Corporate Investors (co-operative society, local authority and partnership firm including Limited Liability Partnership):

Income	Surcharge
Rs. 10,000,000 or less	Nil
Income exceeding Rs. 10,000,000	12%

Further, an additional surcharge of 3% by way of education cess shall be charged in all cases on amount of tax inclusive of surcharge, if any.

\*\* progressive tax rates for individuals, HUF and co-operative society and Companies whose annual turnover for FY 2015-16 is less than Rs. 50 crores, the tax rate for FY 2017-18 will be 25%.

Companies set up and registered on or after 1 March 2016 engaged solely in the business of manufacture or production of article or a thing may at their option be taxable at 25 percent provided they do not claim specified or deductions.



	<p>Note 1: An equity oriented fund has been defined as a scheme of a Mutual Fund where the investible funds are invested in equity shares of domestic companies to the extent of more than 65 per cent of the total proceeds of such fund. The percentage of equity shareholding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.</p> <p>In circumstances where Scheme will invest in debt / money market instruments due to unavailability of suitable arbitrage opportunities in cash and derivatives segments of equity markets, then the investment manager may choose to have a lower equity exposure (which is subject to 30 days' rebalancing period requirement explained under the Asset Allocation Section of this document). In such a case, the fund may not be regarded as equity oriented as per extant Income Tax laws and consequently may not enjoy its tax advantage available to an equity oriented fund (STT etc) and may be subject to taxation applicable to a fund other than equity oriented fund in that particular financial year. Further, the tax treatment of fund as "Equity Oriented Fund / Other than Equity Oriented Fund" is determined only after the close of financial year. Hence, the investors who exit the fund or redeem their units during the financial year may not be able to know the tax treatment of his earnings till the end of the financial year. In view of the individual nature of the tax consequences, each investor is advised to consult his / her own professional tax advisors.</p> <p>For taxation risk information, please refer to Section I (A) (scheme Specific Risk Factors) of the SID.</p> <p>For details on taxation please refer to the clause on taxation in the SAI.</p>
<b>Investor Services</b>	<p>All investor grievance / complaints and related correspondence may be addressed to:</p> <p><b>Mr. Allwyn Monteiro</b>        BNP Paribas Asset Management India Private Limited        1, North Avenue, Maker Maxity, Bandra Kurla Complex, Bandra (E), Mumbai - 400051        Phone: Toll Free No.1800-102-2595 / +91-22-33704000 Fax: 91 - 22- 3370 4294        E-mail: customer.care@bnpparibasmf.in.</p>

#### D. COMPUTATION OF NAV

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

$$\text{NAV per Unit (Rs.)} = \frac{\text{Market or Fair Value of the Plan's Investments} + \text{Current Assets} - \text{Current Liabilities and Provisions}}{\text{No. of Units outstanding under the Plan}}$$

Separate NAVs will be calculated and announced for each of the options under the scheme.

The NAVs will be rounded off up to 4 decimal places for the Scheme. The units will be allotted up to 3 decimal places. NAVs of the growth option and dividend option will be different after the declaration of the first dividend.

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**IV. FEES AND EXPENSES**

This section outlines the expenses that will be charged to the scheme and also about the transaction charges, if any, to be borne by the investors. The information provided under this Section seeks to assist the investor in understanding the expense structure of the Scheme and types of different fees / expenses and their percentage the investor is likely to incur on purchasing and selling the Units of the Scheme.

**A. NEW FUND OFFER (NFO) EXPENSES**

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationary, bank charges etc. The NFO Expenses shall be borne by the AMC.

The entire amount subscribed by the investor subject to deduction of transaction charges, if any, in the scheme during the New Fund Offer will be available to the scheme for investments.

**B. ANNUAL SCHEME RECURRING EXPENSES**

The AMC has estimated the annual recurring expenses under the Scheme as per the table below:

<b>Particulars</b>	<b>% of daily Net Assets</b>
Investment Management & Advisory Fee	Upto 2.50%
Trustee fee	
Audit fees	
Custodian Fees	
Registrar & Transfer Agent Fees	
Marketing & Selling Expenses including Agents Commission	
Costs related to investor communications	
Costs of fund transfer from location to location	
Cost of providing account statements and dividend redemption cheques and warrants	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 2 bps)	
Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades respectively@	
Service tax on expenses other than investment management and advisory fees	
Service tax on brokerage and transaction cost	
Other Expenses	
Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i)	Upto 2.50%
Additional expenses under regulation 52 (6A) (c)	Upto 0.20%
Additional expenses for gross new inflows from specified cities	Upto 0.30%

In case where the exposure of Scheme is predominantly towards fixed income securities, the following annual recurring expenses shall apply:

<b>Particulars</b>	<b>% of daily Net Assets</b>
Investment Management & Advisory Fee	Upto 2.25%
Trustee fee	
Audit fees	
Custodian Fees	
Registrar & Transfer Agent Fees	
Marketing & Selling Expenses including Agents Commission	
Costs related to investor communications	
Costs of fund transfer from location to location	
Cost of providing account statements and dividend redemption cheques and warrants	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 2 bps)	
Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades respectively@	

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Service tax on expenses other than investment management and advisory fees	
Service tax on brokerage and transaction cost	
Other Expenses	
Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i)	Upto 2.25%
Additional expenses under regulation 52 (6A) (c)	Upto 0.20%
Additional expenses for gross new inflows from specified cities	Upto 0.30%

**Further, the BNP Paribas Balanced Fund - Direct Plan shall have a lower expense ratio excluding distribution expenses, commission etc. since no commission shall be paid from this plan.**

As per Regulation 52(6)(c)(i) of SEBI Regulations, the total expenses of the scheme, including Investment Management and Advisory Fees, shall be subject to following limits as specified below:

- (i) On the first Rs. 100 crore of the daily net assets 2.50%^;
- (ii) On the next Rs. 300 crore of the daily net assets 2.25%^;
- (iii) On the next Rs. 300 crore of the daily net assets 2.00%^;
- (iv) On the balance of the assets 1.75%^

*^In case where the exposure of Scheme is predominantly towards fixed income securities, the recurring expenses shall be lesser by at least 0.25% of the daily net assets.*

Further, the following costs or expenses shall be charged to the Scheme:

- (a) expenses not exceeding 0.30 per cent of daily net assets, if the new inflows from beyond top 15 cities are at least -
  - (i) 30 per cent of gross new inflows in the scheme, or;
  - (ii) 15 per cent of the average assets under management (year to date) of the scheme, whichever is higher:

Provided that if inflows from such cities is less than the higher of sub-clause (i) or sub-clause (ii), such expenses on daily net assets of the scheme shall be charged on proportionate basis.

The top 15 cities shall mean top 15 cities based on Association of Mutual Funds in India (AMFI) data on 'AUM by Geography – Consolidated Data for Mutual Fund Industry' as at the end of the previous financial year.

Provided further that expenses charged under this clause shall be utilised for distribution expenses incurred for bringing inflows from such cities.

The said additional expenses on account of inflows from beyond top 15 cities so charged shall be clawed back in the respective schemes, in case the said inflow is redeemed within a period of 1 year from the date of investment.

- (b) additional expenses under Regulation 52(6A) (c) at 0.20%;
- (c) The AMC may charge service tax on investment management and advisory service fees ('AMC Fees') which shall be borne by the Scheme in addition to the total expense ratio mentioned in table above;
- (d) @Brokerage and transaction costs which are incurred for the purpose of execution of trade and is included in the cost of investment shall not exceed 0.12 per cent in case of cash market transactions and 0.05 per cent in case of derivatives transactions.

It is clarified that the brokerage and transaction cost incurred for the purpose of execution of trade may be capitalized to the extent of 12bps and 5bps for cash market transactions and derivatives transactions respectively. Any payment towards brokerage and transaction cost, over and above the said 12 bps and 5bps for cash market transactions and derivatives transactions respectively may be charged to the scheme within the maximum limit of TER as prescribed under regulation 52 of the SEBI (Mutual Funds) Regulations, 1996. Any expenditure in excess of the said prescribed limit (including brokerage and transaction cost, if any) shall be borne by the AMC or by the trustee or sponsors.

The total fungible expense charged to the scheme shall be the maximum limit of TER as prescribed under regulation 52 and additional expenses prescribed under 52 (6A) (c) i.e. upto 2.70% of the daily net assets of

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the scheme and 2.45% of the daily net assets of the scheme in case where exposure of Scheme is predominantly towards fixed income securities.

Investors should note that the total recurring expenses of the scheme excluding issue or redemption expenses, whether initially borne by the Mutual Fund or by the AMC, but including the investment management and advisory fee, shall not exceed the limits as prescribed under Regulation 52 of the SEBI Regulations. Subject to the SEBI Regulations, expenses over and above the prescribed ceiling will be borne by the AMC.

For the actual current expenses being charged, the investor should refer to the website of the mutual fund. The mutual fund would update the current expense ratios on the website within two working days mentioning the effective date of the change.

These estimates have been made in good faith as per the information available to the Investment Manager based on past experience and are subject to change inter-se. Types of expenses charged shall be as per SEBI (Mutual Funds) Regulations, 1996.

### An Illustration of impact of expense ratio on Scheme's returns:

If an investor A invests in a regular plan of a Scheme with an expense of 2% p.a. and an investor B invests in Direct Plan of the same scheme with an expense of 1% p.a. Assuming the gross return of this fund is 10% for that given year, investor A will make a return of 8% (post expense) for that year, whereas investor B will make 9% return for same period.

Also, please take a look at below illustration which shows impact of different expense ratio assumed on initial investment of Rs. 10,000 invested over period of 10 years with an average annualized gain of 10% p.a.

Value at End of Year	Assuming 10% p.a. gain (without any expense ratio)	Assuming 10% p.a. gain				
		with an average expense of 0.5% p.a.	with an average expense of 1.00% p.a.	with an average expense of 1.50% p.a.	with an average expense of 2.00% p.a.	with an average expense of 2.50% p.a.
0*	10000.00	10000.00	10000.00	10000.00	10000.00	10000.00
1	11000.00	10950.00	10900.00	10850.00	10800.00	10750.00
2	12100.00	11990.25	11881.00	11772.25	11664.00	11556.25
3	13310.00	13129.32	12950.29	12772.89	12597.12	12422.97
4	14641.00	14376.61	14115.82	13858.59	13604.89	13354.69
5	16105.10	15742.39	15386.24	15036.57	14693.28	14356.29
6	17715.61	17237.91	16771.00	16314.68	15868.74	15433.02
7	19487.17	18875.52	18280.39	17701.42	17138.24	16590.49
8	21435.89	20668.69	19925.63	19206.04	18509.30	17834.78
9	23579.48	22632.22	21718.93	20838.56	19990.05	19172.39
10	25937.42	24782.28	23673.64	22609.83	21589.25	20610.32

\*initial investment amount

### C. LOAD STRUCTURE

Load is an amount which is paid by the investor to subscribe to the units or to redeem the units from the scheme. (This amount is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses.) Load amounts are variable and are subject to change from time to time. For the current applicable structure please refer to the website of the AMC ([www.bnpparibasmf.in](http://www.bnpparibasmf.in)) or may call your distributor.

Entry Load: Nil

Exit Load:

- 1.00%, if redeemed or switched-out upto 1 year from the date of allotment of units.
- Nil, if redeemed or switched-out after 1 year from the date of allotment of units.

The above load shall also be applicable for switches between the schemes of the Fund and all Systematic Investment Plans, Systematic Transfer Plans, Systematic Withdrawal Plans. No load will be charged on dividend re-investment units and bonus units.

Switch of investments from Regular Plan to Direct Plan under the same Scheme/Plan shall be subject to applicable exit load, unless the investments were made directly i.e. without any distributor code. However,

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any subsequent switch-out or redemption of such investments from Direct Plan will not be subject to any exit load. No exit load shall be levied for switch-out from Direct Plan to Regular Plan. However, any subsequent switch-out or redemption of such investment from Regular Plan shall be subject to exit load based on the date of switch in of investment into the Regular Plan.

In accordance with the requirements specified by the SEBI circular no. SEBI/ IMD/ CIR No. 4/ 168230/09 dated June 30, 2009 no entry load will be charged for purchase/additional purchase/ switch-in accepted by the Fund. The upfront commission on investment made by the investor, if any, shall be paid to the ARN Holder directly by the investor, based on the investor's assessment of various factors including service rendered by the ARN Holder. The exit load charged, if any shall be credited to the scheme.

The exit load charged, if any shall be credited to the scheme.

Subject to the SEBI Regulations, the AMC / Trustee reserve the right to modify / alter the load structure on the Units subscribed / redeemed on any business day under each Plan(s) / Option(s) from time to time. **Such changes will be applicable for prospective investments.** At the time of changing the load structure, the AMC shall take the following steps:

- The addendum detailing the changes shall be attached to SID and Key Information Memorandum. The addendum will be circulated to all the distributors so that the same can be attached to all SIDs and Key Information Memorandum already in stock.
- Arrangements shall be made to display the changes/modifications in the SID in the form of a notice in all the ISCs' and distributors' offices.
- The introduction of the load along with the details shall be stamped in the acknowledgement slip issued to the investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such load.
- A public notice shall be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated.
- Any other measures which the Mutual Fund may feel necessary.

All loads for the Scheme shall be maintained in a separate account and may be utilized towards meeting the selling and distribution expenses.

**The investor is requested to check the prevailing load structure of the scheme before investing. For any change in load structure AMC will issue an addendum and display it on the website/investor Service Centres.**

**Unitholder Transaction Expenses and Load:** In accordance with SEBI Regulations, the repurchase price shall not be lower than 93% of the NAV and the sale price shall not be higher than 107% of the NAV and the difference between the repurchase price and sale price shall not exceed 7% on the sale price.

Note: Where as a result of a Redemption/ Switch arising out of excess holding by an investor beyond 25% of the net assets of the schemes in the manner envisaged under SEBI Circular dated December 12, 2003 ref SEBI/IMD/CIR No. 10/ 22701/03 read with Circular dated June 14, 2005 ref SEBI/IMD/CIR No. 1/ 42529/05, such Redemption / Switch will not be subject to Exit load.

### D. TRANSACTION CHARGES

Pursuant to SEBI Circular No. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011, the AMC/the Fund shall deduct transaction charges as per the following details from the subscription amount. The amount so deducted shall be paid to the distributor/agent of the investor (in case they have "opted in") and the balance shall be invested. In accordance with SEBI circular no. CIR/IMD/DF/21/2012 dated September 13, 2012, the distributors shall have an option either to opt in or opt out of levying transaction charge based on type of the product.

1. **First time investor in Mutual Fund (across all the Mutual Funds):** Transaction charge of Rs. 150/- for subscription of Rs. 10,000 and above shall be deducted.



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2. **Existing investor in Mutual Funds (across all the Mutual Funds):** Transaction charge of Rs. 100/- per subscription of Rs. 10,000 and above shall be deducted.
3. **For SIP** - The transaction charges in case of investments through SIP shall be deducted only if the total commitment (i.e. amount per SIP installment x No. of installments) amounts to Rs. 10,000/- and above. The transaction charges shall be deducted in 3-4 installments.
4. Transaction charges shall not be deducted for:
  - a. purchases /subscriptions for an amount less than Rs. 10,000/-
  - b. transaction other than purchases/ subscriptions relating to new inflows such as Switch/ Systematic Transfer Plan (STP), Systematic Withdrawal Plan (SWP) etc.
  - c. purchases /subscriptions made directly with the Fund (i.e. not through any distributor/agent).
  - d. Transactions through stock exchange.
5. The statement of account shall reflect the net investment as gross subscription less transaction charge and the number of units allotted against the net investment.
6. As per SEBI circular no. SEBI/ IMD/ CIR No. 4/ 168230/09 dated June 30, 2009, the upfront commission to distributors shall be paid by the investor directly to the distributor by a separate cheque based on the investor's assessment of various factors including service rendered by the distributor.

**E. WAIVER OF LOAD FOR DIRECT APPLICATIONS**

In accordance with the requirements specified by the SEBI circular no. SEBI / IMD/CIR No. 4 / 168230/ 09 dated June 30, 2009 no entry load will be charged for purchase / additional purchase / switch-in accepted by the Fund. Hence provision for waiver of load for direct application is not applicable.

**V. RIGHTS OF UNITHOLDERS**

Please refer to the SAI for details.

**VI. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY**

All disclosures regarding penalties and action(s) taken against foreign Sponsor(s) may be limited to the jurisdiction of the country where the principal activities (in terms of income/revenue) of the Sponsor(s) are carried out or where the headquarters of the Sponsor(s) is situated. Further, only top 10 monetary penalties during the last three years shall be disclosed.	NIL
Details of all enforcement actions taken by SEBI in the last three years and/or pending with SEBI for the violation of SEBI Act, 1992 and Rules & Regulations framed there under including debarment and/or suspension and/or cancellation and/or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/or the AMC and/or the Board of Trustees/Trustee Company and/or any of the directors and/or key personnel (especially the fund managers) of the AMC and Trustee Company were/are a party. The details of the violation shall also be disclosed.	NIL
Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/or the AMC and/or the Board of Trustees/Trustee Company and/or any of the directors and/or key personnel are a party: BNP Paribas Asset Management India Private Limited ("BNP") has filed a writ petition before the Hon'ble Bombay High Court in relation to certain notices/directions received by BNP from (a) the Securities and Exchange Board of India, (b) the Hon'ble Securities Appellate Tribunal (c) Income Tax Department and (c) the Inspector of Police, Economic Offences Wing in connection with certain amounts invested by one of its clients and its group companies in schemes of BNP Paribas Mutual Fund. Given that the aforesaid notices/directions may be conflicting and compliance with one set of directions may be in breach of other directions BNP has approached the Hon'ble Bombay High Court praying for appropriate directions for dealing with the said amounts.	
Any deficiency in the systems and operations of the Sponsor(s) and/or the AMC and/or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency, shall also be disclosed.	NIL

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### Note:

- Further, any amendments / replacement / re-enactment of SEBI Regulations subsequent to the date of the Scheme Information Document shall prevail over those specified in this Document.
- This Scheme Information Document has been approved by the Trustees on September 17, 2015 and the Trustees have ensured that the BNP Paribas Balanced Fund approved by them is a new product offered by BNP Paribas Mutual Fund and is not a minor modification of any existing scheme/ fund/ product.
- Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.**

### THE REGISTRAR

AMC has appointed Sundaram BNP Paribas Fund Services Limited (SBFS) located at No.23, Cathedral Garden Road, Nungambakkam, Chennai - 600034 (Corporate Office) to act as Registrar and Transfer Agents ("The Registrar") to the Schemes.

The Registrar is registered with SEBI under registration number INR000004066.

### LIST OF OFFICIAL POINTS OF ACCEPTANCE OF TRANSACTIONS

**AMC INVESTOR SERVICE CENTRES:** • **Mumbai-Fort:** 2nd Floor, French Bank Building, 62, Homji Street, Fort, Mumbai - 400 001. • **Mumbai-Thane:** Shop No. 02, Ground Floor, ShubhJyot CHS, Near Ghantali Temple, Naupada, Thane (West) 400602. • **Mumbai-Borivali:** Shop no. 5, Chitalia Enclave Co-op. Hsg. Soc. (Kapoor Apt.), Junction of Punjabi lane & Chandavarkar road, Borivali (West), Mumbai - 400 092. • **Bengaluru:** Unit No. 205, 2nd Floor, West Wing - Raheja Tower, 26-27, M. G. Road, Bangalore 560 001. • **Chennai:** 3rd Floor, Prince Towers, Door Nos. 25 & 26, College Road, Nungambakkam, Chennai - 600 006. • **Kolkata:** 9th Floor Landmark Building, 228A, A.J.C. Bose Road, Kolkata - 700020. • **New Delhi:** 8th, Floor, Dr. Gopal Das Bhawan, 28 Barakhamba Road, New Delhi - 110 001. • **Pune:** Office No. A-4, Fourth Floor, Deccan Chambers 33/40, Erandwana, Karve Road, Pune - 411 004. • **Ahmedabad:** 302, 3rd Floor, VIVA complex, Near Parimal Garden, Ellisbridge, Ahmedabad - 380 006. • **Hyderabad:** 8-2-618/8 & 9, unit no 404, ABK Olbee Plaza, Banjara Hills road no. 1&11, Hyderabad, Telangana.

**SBFS CUSTOMER CARE CENTRES:** • **Agra:** Block No. 29 F, First Floor, Shop No. 211, In Front of Vikas Bhavan, Sanjay Place, Agra - 282002 • **Ahmedabad:** 104, First Floor, Shivam Complex, Nr. Silicon Tower, Opp. National Handloom Law Garden, Ellisbridge, Ahmedabad 380006 • **Ahmednagar:** 209, 2nd Floor, Adish Plaza, ICICI Home Finance Building (Opp. Dowle Hospital) Nagar Manmad Road, Savedi, Ahmednagar 414003 • **Ajmer:** 1st Floor, Adjoining K C Complex Opp: Daulat Bagh, Ajmer 305001 • **Akola:** C-13, First Floor, Dakshata Nagar Vyapari Complex Sindhi Camp Chowk, Akola 444001 • **Aligarh:** Shop No.7 & 22, U.G.F ALIG Corporate Plaza, Marris Road, Aligarh, Uttar Pradesh 202001 • **Allahabad:** 1st Floor, Saroj Bhavan, 14/4, Stanley Road, Near Patrike Crossing, Civil Lines, Allahabad 211001 • **Alwar:** 29, Harshil Tower, 3 Rd Floor Naru Marg, Keshav Nagar, Alwar 301001 • **Amaravathi:** 2nd Floor, Sakshi Complex, Opp. to Rajapeth Police Station, Mudholkar Peth, Badnera Road, Amaravathi – 444605. • **Ambala:** I Floor, SCO No 102, Above State Bank of Bikaner & Jaipur, Prem Nagar, Ambala City – 134 003 • **Amritsar:** 1st Floor, 27-A, Classic Plaza, Majitha Road, Amritsar Land mark : Above Punjab National Bank, Amritsar 143001 • **Anand:** 202, Drashti Arcade, 2nd Floor, Opp. HDFC Bank, Lambhvel Road, Anand-388 001, Gujarat • **Anantapur:** 1st Floor T Nagaraju Complex, D.No. 10/323, Sarojini Road, Opp. To Vasunderadevi Hospital, Near Clock Towers, Anantapur 515001 • **Asansol:** 1st Floor, Above United Bank of India, B.B. College More, Ushagram East , G.T. Road, P.O. Asansol, Dist. Burdwan, Asansol 713303 • **Aurangabad:** 1st Floor, Plot no. 26, Keshansinghpura, (Old Ashoka Aurangabad Hotel), Behind ABC Complex & District Court, Adalat Road, Aurangabad – 431005 • **Balasore:** First Floor, Choudhury Niwas, P O – Sahadeb Khuntha Near Bus Stand, Balasore, Odisha - 756001 • **Bengaluru:** S-403, Manipal Centre, 47, Dickenson Road, Bengaluru - 560 042 • **Baroda:** 518 & 519, Centre Point, R C Dutt Road Alkapuri, Baroda 390005 • **Bareilly:** II Floor, 116, Civil Lines, Circuit House Road, ICICI Bank Building, Bareilly - 243 001 • **Belgaum:** First Floor, Dodannavar Trade Center, Beside Bank of India, Old P.B. Road, Fort Road, Belgaum - 590002. • **Bellary:** Flat No.3 & 9, 1st Floor, Ward No.16, T.S. No.52 Dr. Rajkumar Road, Near Royal Circle, Bellary 583101 • **Bengaluru :** # 186 1St Cross, 2Nd Floor Hosur Main Road Wilson Garden, Near to Lalbagh Gate Hopcoms And Opposite to Blue Dart Courier, Bangalore - 560027 • **Berhampur:** 1st Floor, Alakananda Enclave, 1st Lane, Gajapati Nagar, Ganjam Dist, Berhampur 760010 • **Bhagalpur:** Ground Floor, Radha Rani Sinha Road, Opp - Church Gate, Jagdispur, Bhagalpur, Bihar - 812 001 • **Bharuch:** No.230-232, 2nd Floor, Aditya Complex, Kasak Circle, Bharuch 392002 • **Bhatinda:** 1st Floor, 3038 - A Guru Kanshi Marg, Bhatinda 151001 • **Bhavnagar:** 204, Shoppers Plaza, Parimal Chowk, Waghawadi Road, Bhavnagar - 364001 • **Bhilai:** No. 36/3, Second Floor, Nehru Nagar (East), Above ING Vysya Bank, Bhilai, Durg District, - 490020 • **Bhilwara:** Second Floor, Budh Plaza Opp: Circuit House, Basant Vihar, Bhilwara 311001 • **Bhopal:** Plot No. 6, VnV Plaza, 3rd Floor Zone II M P Nagar, Bhopal 462011 • **Bhubaneswar:** 2nd Floor, Banadev Bhawan, A/108, Saheed Nagar, Khurda Dt, Bhubaneswar 751007 • **Bhuj:** Office No.7, First Floor, Royal Plaza, Plot No.2 & 3, Near Shiv K pa Nagar, Bhuj-Mirzapur Highway, Bhuj 370001 • **Bikaner:** 2nd Floor, Chugh Mansion, Opp. DRM Office, Modern Market, Bikaner 334001 • **Bokaro:** Plot No: GB-5, City Centre, Sector - 4, Near Indian Bank, Bokaro Steel City, Jharkhand - 827004 • **Burdwan:** No. 5B, M.V Apartment, 35 G.T. Road, Parbirhata, Po: Sripally, Burdwan - 713103 • **Chandigarh-Mohali:** SCO 56-57, 2nd Floor, Phase-II, Above HDFC Bank, Mohali – 160072 • **Chennai - Patullos Road:** Ground Floor, 19, Patullos Road, Chennai 600002 • **Chennai - Nungambakkam :** No.23, Cathedral Garden Road, Nungambakkam, Chennai - 600034. • **Coimbatore:** No.62, First Floor, 'Time Square' Balasundaram Road, A.T.T. Colony, (Near RTO Office), Coimbatore 641012 • **Cuddapah:** Ist Floor, Lalithamma Building; Ngo's Colony, Upstairs Union Bank Of India, Cuddapah 516002 • **Cuttack:** First Floor, Kailash Plaza, (above Yes Bank), Link Road, Cuttack, Orissa – 753012 • **Davangere:** # 268/3, Jayavibhava Nilaya, First Floor, Opp Ram & Co Provision Stores, 4th Main, P.J.Extension, Davanagere 577002 • **Dehradun:** Shiva Palace, IInd Floor 57 / 19, Rajpur road, Dehra Dun 248001 • **Dhanbad:** 1st Floor, Shop No.107, Sree Ram Plaza, Dhanbad 826001 • **Durgapur:** Sri Chaitanya Complex, 2nd Floor, Bengal Ambuja Phase II, Ambetkar Sarani, City Centre, Durgapur MC 713216 • **Ernakulam-Vyttila- Kochi :** 1st Floor, Welfare Services Centre, Ponnurunni,

## SCHEME INFORMATION DOCUMENT

Vytilla PO, Ernakulam 682019 • **Erode**: Ms. URT Tower, No. 139/1, Perundururai Road, Erode – 638011 • **Faridabad**: SCO 107, 1st Floor, Sector - 16, Behind Sagar Cinema, Above J & K Bank, Faridabad 121002 • **Ghaziabad**: 1st Floor, FF - 31, Konark Building, GDA Market, RDC, Ghaziabad 201001 • **Gorakhpur**: C/160/30, First Floor, Naipar Kothi, Esmaleipur, Near Chaurahiya Gola Chowk, Gorakhpur – 273 001, Uttar Pradesh • **Guntur**: 1st Floor, Sai Srinivasa Building, Opp. Nelagiri Super Market, Main Road, Lakshimi Puram, Guntur 522007 • **Gurgaon**: III Floor, SCO No 62, Old Judicial complex, Civil lines, Gurgaon – 122 001, Haryana • **Guwahati**: Door No. 3C, Dihang Arcade, G.S Road, 3rd floor, Dist - Kamrup, Near-Goenka Ready Mates – 781005. • **Gwalior**: II Floor, 44 City Centre, Narayan Krishna Madhav Rao Scindia Road, Gwalior 474002 • **Hisar**: Shop No. 46 DSB, First Floor, Red Square Market, Hisar, - 125001 • **Hosur**: “SAI PRABHA” Towers, Denkanikotta Road, Opp. Dhanam Super Market, Hosur - 635109 • **Hubli**: 1st Floor, Centre Point 107, 108 New Cotton Market, Sanje Vani Press, Hubli 580029 • **Hyderabad-Somajiguda**: Sri Sai Goverdhan Kunj, Flat No-401,4th Floor, GHMC No-7-397/101, 118, Opp. Dominos, S. R. Nagar, Hyderabad – 500038 • **Indore**: Mezzanine Floor, MZ – 22, Bansi Trade Centre, No.581/5, M G Road, 452001 • **Jabalpur**: Second Floor, "Digamber Tower", 936, Wright Town, Pandit Bhawani Prasad Ward, Jabalpur, Madhya Pradesh 482002 • **Jaipur**: 205,2nd Floor, Sangam Towers, Church Road, OFF. M I Road, Jaipur 302001 • **Jalgaon**: 2nd Floor, India Plaza Complex, Vivekananda Nagar, Swatantry Chowk, Jilha Peth, Jalgaon 425001 • **Jammu**: Sadhana Commercial Building, No 27, A/c Gandhi Nagar Jammu 180001 • **Jamnagar**: 404, Corporate House, Opp. To St. Ann's High School, Pandit Nehru Marg, Jamnagar 361008 • **Jamshedpur**: 3rd Floor, Madhukunj Building, Q-Road, Bistupur, Jamshedpur - 831001 • **Jhansi**: Shop No. 5, Narayan Plaza, JOJO House, Infront of Employment Exchange, Gwalior Road, Jhansi – 284001 • **Jodhpur**: 201, 202, Second Floor, Mody Arcade Chopasani Road, Near Bombay Motors, Jodhpur 342003 • **Jalandhar**: Shop no 43 & 44, Fifth Floor, City Square Building, GT Road, Jalandhar – 144 001, Punjab. • **Junagadh**: 2nd Floor, Shop No.212, Amba Arcade, M G Road, Junagadh 362001 • **Kakinada**: 2nd Floor, D. No.5-1-61, Opp. Brindhavan Lodge, Main Road, Surya Rao Peta, Kakinada 533001 • **Kancheepuram**: 24, Annai Indira Gandhi Salai (Nellukara Street), Kanchipuram 631502 • **Kannur-Thalap**: “The Centrium”, 2nd Floor, Near Kalyan Silks,Kannothumchal, Chowa P.O, Kannur - 670006 • **Kanpur**: 217 , 2nd Floor "Kan Chamber", 14/113 Civil Lines (Near Krishna Tower), Kanpur 208001 • **Karim Nagar**: Survey no: 835, First Floor, Plot no 1, Alakapuri Colony, Kothirampur, Karimnagar – 505001. • **Karur**: SRN Towers, IInd Floor, TS No.208/1 ,1st Cross, Covai Road, Sengunthapuram, Karur 639001 • **Kolhapur**: Office No:12, 2nd Floor, R.D. Vichare Complex (Gemstone), Near Central Bus Stand, New Shahupuri, Karveer Maharashtra, Kolhapur - 416001 • **Kolkata**: "Chowringhee Court", 2nd Floor, Unit No.33, 55/55/1,Chowringhee Road, Opp. Nehru Children Museum, Kolkata 700071 • **Kollam– Kilikollur**: 1st Floor, KMK Complex, Second Milestone, Kilikollur, Kollam 691004 • **Kota**: Second Floor, Above Reebok Showroom, 393, Shopping Centre, Nr. Ghode wale Baba Circle, Kota – 324007 • **Kottayam**: 1st Floor, Kytharam Complex, Union Club Junction, Kottayam 686001 • **Kozhikode**: No.5/3249-H, First Floor, Century Plaza Building, Behind KTC Petrol Pump, Indira Gandhi Road(Mavoor Road), Kozhikode 673001 • **Kumbakonam**: 1st Floor, Nalli Plaza, Old Door No:34&34A,T S R Big Street, Kumbakonam 612001 • **Kurnool**: DPLR Plaza, 2nd Floor, Upstairs SBI (Old Town-branch), Opp: Children's Park, Eswar Nagar, Kurnool 518004 • **Latur**: Sanmaan, First Floor, Opp to Amba Mata Mandir, Chandra Nagar, Latur 413512 • **Lucknow**: 303, Third Floor, Sky Hi Chambers, 11/5,Park Road, Lucknow - 226 001, Uttar Pradesh • **Ludhiana**: 202, Industrial Area-A, Sai Tower, Near Cheema Chowk, Ludhiana – 141001. • **Madgaon**: Second Floor, Saldana Business Tower, Wing A, 212, Near Mapusa Court, Mapusa - Goa 403507 • **Madurai**: 37, Krishna Rao Tank Street, (TVS Co-operative Store) Madurai, 625001 • **Mangalore**: First Floor, Maximus Commercial Complex, Light House, Hill Road, Mangalore - 575001. • **Mathura**: 3rd Floor, Shop No.330, Dwarikadheesh Plaza, Mohalla Brijnagar, Junction Road, Sonkh Adda, Mathura 281001 • **Mehsana**: FF/01, Sigma Oasis, Nr. Rajkamal Petrol Pump, Besides HDFC Bank, Highway Road, Mehsana - 384002 • **Moradabad**: 2nd Floor, Office No.3, Vallabh Complex, Near PMS School Civil Lines, Moradabad 244001 • **Mumbai-Chembur**: Flat No. 313, Swastik Chambers 3rd Floor, Sion-Trombay Road, Chembur, Mumbai 400071 • **Mumbai-Fort**: No: 114, 1st floor, Commerce House, 140, Nagindas Master Road, Fort, Mumbai 400023 • **Muzaffarpur**: Saroj Complex, Ground Floor, Diwan Road, Musahri Ramna, Muzaffarpur – 842002 • **Mysore**: First Floor, Door No. CH-26, 4th Main, 5th Cross, Chamaraja Mohalla, Saraswathipuram, Mysore - 570009. • **Nagpur**: 110-111,Shri Mohini Complex, Opp. Kasturchand Park 345, Kingsway Road, Nagpur 440001 • **Nasik**: First Floor, Padma-Vishwa Regency, Behind Saroj Travels, Next to Manavta Cancer Hospital Mumbai Naka, Nasik, Dindori 422001 • **Navsari**: 1st Floor, Shop No.116, Manohar Complex, Opp. Dabu Hospital, Fuwara, Navsari 396445 • **Nellore**: 24/1677, Brahmanandapuram, Dargamitta, Nellore 524003 • **New Delhi**: 605, Sixth Floor 'Ashoka Estate Building', 24, Barakhamba Road, New Delhi 110001 • **Palakkad**: First Floor, 15/513 (50), Akshaya Foundation, Stadium Bye-Pass Road, Palakkad 678001 • **Panipat**: 1st Floor, No.75, BMK Market, G.T.Road, Panipat. 132103 • **Patiala**: Third Floor, SCO-107, New Leela Bhawan, Near Yes Bank, Patiala – 147001 • **Patna**: R.K. Estate, 2nd floor, Opposite of Indira Gandhi institute of Medical & Science, Raja Bazar, Bailey Road, Patna - 800014 • **Pondicherry**: Ms Royal Enclave, Plot No. 19, 100 Feet Road, Mudaliarpet-Pondicherry - 605004 • **Pune**: 1st Floor, 'Mantri Vertex' Law College Road, Pune 411004 • **Raichur**: Sai Ram complex, 1-10-38, Station Road Opp. Ram Mandir, Raichur 584101 • **Raipur**: 203, 2nd Floor, Vanijaya Bhavan, Devendra Nagar Road, Raipur 492001 Chattisgarh • **Rajahmundry**: AMT Plaza, C18, Second Floor, D. No. 76-5-29, Ganuga Street, Gandhipuram- 2, Rajamundry - 533103 • **Rajkot**: 201, Titan Complex, 2nd Floor, Kalawad Road, Near G T Seth School, Opp. to Punjab Honda, Rajkot 360005 • **Ranchi**: 1st Floor, Amarnath Complex, New Daily Market, Ranchi. 834001 • **Ratlam**: 2nd Floor, 16/45, Ratlam Plaza, Block NO.C, Opp. ICICI Bank, Ratlam 457001 • **Rohtak**: 2nd Floor, Shop No.5-B, Gopal Complex, Civil Road, Rohtak 124001 • **Rourkela**: Plot No. 309/P, 2nd Floor, Udit Nagar, Opp. Ambedkar Chowk, Dist-Sundergarh, Rourkela, Odisha 769012 • **Sagar**: 1st Floor, Singhai Buildings, 10,Civil Lines, Sagar - 470002 • **Salem-City**: Sri Vari Shopping Mall , First Floor no 2/91 New Bus Stand Road , Meyyanoor Salem 636004 • **Sambalpur**: 1st Floor Sabat Complex, Near WESCO Office, Main Road, Ainthapalli Sambalpur Odisha - 768004 • **Sangli**: S1-S2, Second Floor, Shiv-Ratna Complex, CST No. 1047B, College Corner, North Shivaji Nagar, Madhavnagar Road, Sangli - 416416. • **Satna**: 2nd Floor, Collectorate Road, Civil Line, (Above M/S. Siddhivinayak Motors), Satna, Satna 485001 • **Shimla**: 1st Floor, Hameer House, Lower Chakker, Shimla 171005 • **Shimoga**: Srijia Archade, 1st Parallel Road, 1st Cross, Opp. Uma Dental Clinic Road, Jayanagar, Shimoga – 577201 • **Sholapur**: 786, Maruti Tele Sankul, South Kasba, Shinde Chowk, North Sholapur 413007 • **Siliguri**: Shree Radha Complex, Block-B 2nd Floor, Iskon Mandir Road Siliguri, dt Darjeeling 734001. • **Surat**: No. 607, 21st Century Business Centre, Near Udhan Darwaja, Ring Road, Surat - 395002 • **Surendra Nagar**: 2nd Floor, Rudraksh, Plot No. 328, Opp. to New Age Industries, Wadhwan Road, Surendra Nagar – 363035 • **Thiruvananthapuram**: 2nd Floor, Ali Plaza Building, Opp. Tennis Club, Kaudiar, Thiruvananthapuram 695003 • **Thrissur**: Second Floor, R V Trade Centre, Patturaikkal Junction, Near Karthiyani Nursing Home, Shoranur Road, Thrissur 680022 • **Tirunelveli**: First Floor, 81, Trivandrum Road, Vannarapettai, Tirunelveli - 627002. • **Tirupathi**: Door No 2/89, 1st Floor, Tiruchanur Road, Sreenivasapuram, Tirupathi 517503 • **Tirupur**: 70/74, J.G Nagar, K.S.N

**SCHEME INFORMATION DOCUMENT**

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Complex, 2nd Street, 60 Feet Road, Near North RTO, Tirupur - 641602. • **Trichy**: Bus Plaza, 2nd Floor, Front No.5-G, Lawsons Road, Contonment, Trichy 620001 • **Udaipur**: 4th Floor, Plot No. 32/1105, Centre Point, Opp. B.N. College, Udaipur - 313001 • **Udupi**: Second Floor, Andrade Arcade, Near Syndicate Bank, Catholic Centre, K M Marg, Udupi – 576101 • **Valsad**: 2nd Floor, Shop No.216, Trade Centre, Station Road, Valsad. 396001 • **Vapi**: Shop No.19 & 20, 1st Floor, Walden Plaza, Imran Nagar, Opp. to SBI, Daman - Silvassa Road, Vapi 396191 • **Varanasi** : Flat no.7, 2nd Floor, Rama Kunj, C-32-22/17 Ram Singh Rana Nagar Colony, Cantt Sgra Road, Varanasi 221002 • **Vijayawada** : # 40-1-126, First Floor, Vasanth Plaza, Chandramoulipuram, Benz Circle, Vijayawada 520010 • **Vellore**: First Floor, 141/3 M.P Sarathi Nagar, Vellore District Bus Owner Association Building, Chennai-Bangalore Bypass Road, Vellore - 632012 • **Visakhapatnam**: D NO 47-10-13, 1st Floor, Redanam Regency, Near Diamond Park, Dwaraka Nagar, Vishakapatnam 530016 • **Warrangal**: D.NO : 15-1-422/A/B, 2nd Floor, S.V.S Legend, Beside Industrial Estate Kaman, S.V.P Road, Warangal 506002 • **Yamuna Nagar**: SCO-103, 1st Floor, Sector 17,Huda Jagadhari By Pass Road, Jagadhari, Yamunanagar 135001.

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Further, all financial and non-financial transactions pertaining to the Scheme can also be submitted through MF Utilities India Private Limited (MFUI) either electronically or physically through the authorized Points of Service ('POS') of MFUI. The list of POS of MFUI is published on the website of MFUI at [www.mfuindia.com](http://www.mfuindia.com) and may be updated from time to time.

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