



**SECTION I**



**SCHEME INFORMATION DOCUMENT (SID)**

**KOTAK NIFTY PRIVATE BANK ETF**

(An open-ended scheme replicating/tracking Nifty Private Bank Index)

**NSE Symbol - To be obtained post listing of the scheme on the stock exchange**

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

<ul style="list-style-type: none"> <li>• Long-term capital Growth</li> <li>• An Exchange Traded Fund that Corresponds to the performance of Nifty Private Bank Index subject to Tracking error.</li> </ul>	<p align="center"><b>Scheme Risk-o-meter</b></p>  <p align="center">The risk of the scheme is Very High</p>	<p align="center"><b>Benchmark Risk-o-meter (Nifty Private Bank Index (Total Return Index (TRI)))</b></p>  <p align="center">The risk of the benchmark is Very High</p>
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\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

(The above product labelling assigned during the New Fund Offer (NFO) is based on internal assessment of the Scheme Characteristics or model portfolio and the same may vary post NFO when actual investments are made)

Offer of Units of Rs. 10/- per unit issued at a premium approximately equal to the difference between face value and allotment price during the New Fund Offer Period and at NAV based prices during Continuous offer.

**New Fund Offer Opens on: July 08, 2026**

**New Fund Offer Closes on: July 15, 2026**

**Scheme re-opens on or before: July 24, 2026**

Name of Mutual Fund	<b>Kotak Mahindra Mutual Fund</b>
Name of Asset Management Company	<b>Kotak Mahindra Asset Management Company Ltd CIN: U65991MH1994PLC080009</b>
Name of Trustee Company	<b>Kotak Mahindra Trustee Company Ltd CIN: U65990MH1995PLC090279</b>
Registered Address of the Companies	<b>27 BKC, C-27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051</b>

Corporate Address of the Asset Management Company	<b>2nd Floor, 12-BKC, Plot No. C-12, G-Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051</b>
Website	<a href="http://www.kotakmf.com">www.kotakmf.com</a>

**The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 2026, (herein after referred to as SEBI (MF) Regulations) as amended till date and circulars issued thereunder filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.**

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

**The investors are advised to refer to the Statement of Additional Information (SAI) for details of Kotak Mahindra Mutual Fund, Standard Risk Factors, Special Considerations, Tax and Legal issues and general information on [www.kotakmf.com](http://www.kotakmf.com).**

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

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

This Scheme Information Document is dated July 01, 2026

**Stock Exchange Disclaimer Clause:**

“As required, a copy of this Scheme Information Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter no **NSE/LIST/6060** dated April 24, 2026 permission to the Mutual Fund to use the Exchange’s name in this Scheme Information Document as one of the stock exchanges on which the Mutual Fund’s units are proposed to be listed subject to, the Mutual Fund fulfilling the various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Scheme Information Document has been cleared or approved by NSE; not does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document; nor does it warrant that the Mutual Fund’s units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its sponsors, its management or any scheme of the Mutual Fund. Every person who desires to apply for or otherwise acquire any units of the Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

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**Part I. HIGHLIGHTS/SUMMARY OF THE SCHEME**

<b>Sr. No.</b>	<b>Title</b>	<b>Description</b>
<b>I.</b>	<b>Name of the scheme</b>	Kotak Nifty Private Bank ETF
<b>II.</b>	<b>Category of the Scheme</b>	Other - ETFs
<b>III.</b>	<b>Scheme type</b>	An open-ended scheme replicating/tracking Nifty Private Bank Index
<b>IV.</b>	<b>Scheme code</b>	KOTM/O/O/OET/26/06/0166
<b>V.</b>	<b>Investment objective</b>	<p>The investment objective of the scheme is to provide returns that, before expenses, corresponds to the total returns of the securities as represented by the underlying index, subject to tracking errors.</p> <p><b>However, there is no assurance that the objective of the scheme will be realized.</b></p>
<b>VI.</b>	<b>Liquidity/listing details</b>	<p><b><u>Liquidity:</u></b>                      The Units of the Scheme can be purchased/ redeemed on a continuous basis on the Stock Exchanges during the trading hours like any other publicly listed security.</p> <p>The AMC shall appoint at least two Market Makers (MMs), who are members of the Stock Exchanges, for ETFs to provide continuous liquidity on the stock exchange platform by providing two-way quotes in the units of the Scheme during trading hours.</p> <p>Ongoing purchases / redemptions directly from the Mutual Fund would be restricted to Market Makers and Large Investors (subject to transactions greater than INR 25 crores or such other amount as may be specified by SEBI from time to time) provided the value of units to be purchased / redeemed is in creation unit size or multiples thereof. The aforesaid limit of Rs.25 crores is not applicable for Market Makers. Market Makers / Large Investors may exchange Portfolio Deposit / cash equivalent to the portfolio deposit and applicable cash component and transaction handling charges for Purchase / Redemption of Units of the Scheme in 'Creation Unit' size or in multiples thereof directly from the Mutual Fund, as defined by the Scheme for that respective Business Day.</p> <p>Unit holdings in less than the Creation Unit size can normally only be sold through the secondary market, except in situations mentioned under 'Exit opportunity in case of ETF for investors other than Market Makers and Large Investors' in the SID.</p> <p>Depending on the market volatility, liquidity conditions and any other factors, the AMC may, at its sole discretion, decide to accept subscription/redeem Units of the Scheme either in "Cash", "in-kind"/Portfolio Deposit (through slice of the entire Portfolio excluding G-Sec, TREPS and Repo in Government Securities) or the combination of both, subject to SEBI (MF) Regulations and circulars issued thereunder from time to time.</p> <p><b><u>Listing:</u></b>                      The units of the Scheme are listed on NSE on allotment under intimation to SEBI. It may also list on any other exchanges</p>

		<p>subsequently.</p> <p>AMC has proposed to engage MM for creating liquidity for ETFs in the stock exchange so that investors are able to buy or redeem units on the stock exchange using the services of a stockbroker.</p>
<b>VII.</b>	<b>Benchmark (Total Return Index)</b>	<p>The performance of the Scheme is measured against Nifty Private Bank Index (Total Return Index (TRI))</p> <p><b><u>Benchmark Rationale -</u></b> The Nifty Private Bank Index is designed to reflect the performance of private sector banks in India. The index is free-float market capitalization weighted, periodically capped, and rebalanced on a semi-annual basis.</p> <p>The composition of the aforesaid benchmark is such that, it is most suited for comparing the performance of the scheme.</p>
<b>VIII.</b>	<b>NAV disclosure</b>	<p>The NAVs of the Scheme will be calculated and disclosed on every Business Day on the website of the Kotak Mahindra Mutual Fund viz <a href="http://www.kotakmf.com">www.kotakmf.com</a> and AMFI's website <a href="http://www.amfiindia.com">www.amfiindia.com</a> by 11.00 p.m.</p> <p>For further details, refer Section II.</p>
<b>IX.</b>	<b>Applicable timelines</b>	<p><b>Dispatch of redemption proceeds</b> The Mutual Fund shall initiate payment of redemption or repurchase proceeds to the unitholders within three working days from the date of redemption or repurchase.</p> <p>In case of exceptional situations listed in AMFI Circular No. AMFI/35P/MEM-COR/74/2022-23 dated January 16, 2023, the scheme shall be allowed additional timelines for transfer of redemption or repurchase proceeds to the unitholders.</p> <p><b>Dispatch of IDCW</b> The Income Distribution cum capital withdrawal (IDCW) payments shall be dispatched to the unitholders within seven working days from the record date.</p>
<b>X.</b>	<b>Plans and Options</b> Plans/Options and sub options under the Scheme	<p>Presently, the Scheme does not offer any Plans/Options for investment.</p> <p>The AMC/Trustee reserves the right to introduce Option(s) as may be deemed appropriate at a later date, subject to SEBI (MF) Regulations and circulars issued thereunder from time to time.</p>
<b>XI.</b>	<b>Load Structure</b>	<b>Exit Load: Nil</b>
<b>XII.</b>	<b>Minimum Application Amount/switch in</b>	<p><b>During NFO:</b> Rs. 1,000/- and any amount thereafter</p> <p><b>On Continuous Basis:</b></p> <ul style="list-style-type: none"> <li>Ongoing purchases directly from the Mutual Fund would be restricted to Market Makers and Large Investors (subject to transactions greater than INR 25 crores or such other amount as may be specified by SEBI from time to time) provided the value of units to be purchased is in creation unit size or multiples thereof. The aforesaid limit of Rs.25 crores is not applicable for Market Makers. Market Makers / Large Investors may exchange</li> </ul>

Portfolio Deposit / cash equivalent to the portfolio deposit and applicable cash component and transaction handling charges for Purchase of Units of the Scheme in 'Creation Unit' size or in multiples thereof directly from the Mutual Fund, as defined by the Scheme for that respective Business Day. Units may be allotted only on realization of the full consideration for creation unit and at the value at which the underlying stocks for the creation unit is purchased against that purchase request.

<b>NAV for continuous offer</b>		
Value of portfolio deposit (basket of securities) in creation unit size	1	2798548.74
Price of 1-unit portfolio creation	2	27.9854874
Cash Component (say)	3	-753.74
Net Assets	4= (1+3)	27,97,795.00
No. of units in creation unit	5	1,00,000.00
<b>NAV per unit</b>	6= (4/5)	27.97795

**Note:**

- In addition to the NAV, any person transacting with the fund will have to reimburse transaction charges - brokerage, STT, NSDL charges etc.
- Transaction charges payable by the investor is per creation request and will be as determined by the AMC at the time of transaction for transactions by Market Makers / large investors directly with the AMCs intra-day NAV, based on the executed price at which the securities representing the underlying index are purchased, shall be applicable along with applicable cash component and transaction charges.
- The above creation unit is 1,00,000 for units of Kotak Nifty Private Bank ETF which is minimum lots size for creation.
- The units are listed on NSE to provide liquidity through secondary market. It may also list on any other exchanges subsequently. All categories of Investors may purchase the units through secondary market on any trading day.
- The AMC shall appoint at least two Market Makers, who are members of the Stock Exchanges, for ETFs to provide continuous liquidity on the stock exchange platform by providing two-way quotes in the units of the Scheme during trading hours.
- The AMC reserves the right to list the units of the scheme on any other exchange, in future.
- Unit holdings in less than the Creation Unit size can normally only be sold through the secondary market, except in situations mentioned under 'Exit opportunity in case of ETF for investors other than Market Makers and Large Investors' in the SID.

		<ul style="list-style-type: none"> <li>Any Transaction placed for redemption or subscription directly with the AMC must be greater than INR 25 crores or such other amount as may be specified by SEBI from time to time and shall be at intra-day NAV based on the actual execution price of the underlying portfolio. The aforesaid threshold shall not be applicable for MMs.</li> </ul>
<b>XIII.</b>	<b>Minimum Additional Purchase Amount</b>	Not Applicable
<b>XIV.</b>	<b>Minimum Redemption/switch out amount</b>	<p><b>Minimum Redemption Amount:</b></p> <p>All investors including Market Makers, Large Investors and other investors may sell their units in the stock exchange(s) on which these units are listed on all trading days of the stock exchange</p> <p>Mutual Fund will repurchase units from Market Makers and Large Investors on any business day in creation units size.</p> <p>Any Transaction placed for redemption or subscription directly with the AMC must be greater than INR 25 crores or such other amount as may be specified by SEBI from time to time and shall be at intraday NAV based on the actual execution price of the underlying portfolio. The aforesaid threshold shall not be applicable for MMs.</p> <p><b>Switches:</b> Switches are not allowed under the scheme.</p>
<b>XV.</b>	<b>New Fund Offer Period</b> This is the period during which a new scheme sells its units to the investors.	<p><b>NFO opens on: - July 08, 2026</b> <b>NFO closes on: - July 15, 2026</b></p> <p>As per paragraph 7.24 of SEBI Master Circular No. SEBI Master circular no HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, to effectively manage the fund flows in NFO, the fund manager may extend or shorten the NFO period, based on his view of the market dynamics, availability of assets and his ability to deploy funds collected in NFO. However, the same shall be subject to compliance with Clause 1.7.1 of the SEBI Master circular no HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026.</p> <p>The AMC/ Trustee reserves the right to change the New Fund Offer period, subject to the condition that the New Fund Offer period shall be kept open for a minimum period of 3 working days and not beyond 15 days or such other time period as permissible under SEBI (MF) Regulations. AMC/ Trustee also reserves the right to close the subscription list earlier by giving at least one day's prior notice. Any such modification shall be announced by way of a notice/addendum uploaded on website of Kotak Mahindra Mutual Fund i.e. <a href="http://www.kotakmf.com">www.kotakmf.com</a></p>
<b>XVI.</b>	<b>New Fund Offer Price:</b> This is the price per unit that the investors have to pay to invest during	Rs. 10 per Unit.

	the NFO.	
<b>XVII.</b>	<b>Segregated portfolio/side pocketing disclosure</b>	Segregated Portfolio has been enabled in the Scheme. For Details, kindly refer SAI.
<b>XVIII.</b>	<b>Swing pricing disclosure</b>	Not Applicable
<b>XIX.</b>	<b>Stock lending/short selling</b>	Securities lending has been enabled in the scheme and Short selling has not been enabled in the Scheme.  For Details, kindly refer SAI.
<b>XX.</b>	<b>How to Apply and other details</b>	<p>Application form and Key Information Memorandum may be obtained from the offices of AMC or Investor Service centers (ISCs)/Official Points of Acceptance (OPAs) of the Registrar or distributors or downloaded from <a href="http://www.kotakmf.com">www.kotakmf.com</a>. Investors are also advised to refer to Statement of Additional Information before submitting the application form.</p> <p>The list of the Investor Service Centers (ISCs)/Official Points of Acceptance (OPAs) of the Mutual Fund will be available on the website <a href="http://www.kotakmf.com">www.kotakmf.com</a>.</p> <p>Purchase from Stock Exchanges (applicable for Market Makers, Large Investors and other investor). An investor can buy units of the Scheme on a continuous basis on the national stock exchange and other recognized stock exchanges where the Scheme units are listed and traded like any other publicly traded securities at prices which may be close to the actual NAV of the Scheme. There is no load for investors transacting on the stock exchange. However, there would be cost of brokerage and other transactions costs (like stamp duty) payable to broker or sub-broker of the exchange.</p> <p>All cheques should be crossed "Account Payee Only" and drawn in favor of the scheme viz: Kotak Nifty Private Bank ETF</p> <p>The AMC/ Trustee reserves the right to reject any application inter alia in the absence of fulfillment of any regulatory requirements, fulfillment of any requirements as per the SID, incomplete/incorrect documentation and not furnishing necessary information to the satisfaction of the Mutual Fund/AMC.</p> <p>Investors are also advised to refer to Statement of Additional Information before submitting the application form.</p> <p>For Further details refer section II.</p>
<b>XXI.</b>	<b>Investor services</b>	<ul style="list-style-type: none"> <li>• Contact details for general service requests: 18003091490 / 044-40229101 (Monday to Friday between 9.30am to 6.00 pm &amp; Saturday between 9.30am to 12.30pm) <a href="https://www.kotakmf.com/feedback/customer">https://www.kotakmf.com/feedback/customer</a></li> <li>• Contact details for complaint resolution: Ms. Sushma Mata, Investor Relations Officer Kotak Mahindra Asset Management Company Limited, 6<sup>th</sup> Floor, Kotak Towers, Building No.21, Infinity Park, Off: Western Express Highway</li> </ul>

		<p>Goregaon - Mulund Link Road, Malad (East), Mumbai 400097  Phone Number: 18003091490 / 044-40229101  Fax: 6708 2213  e-mail: <a href="https://info.kotakmf.com/write-to-us">https://info.kotakmf.com/write-to-us</a> or WhatsApp us by sending us “Hi” at 9321884488. For portfolio valuation, give a missed call to 7039055555</p>
<b>XXII</b>	<b>Specific attribute of the scheme (such as lock in, duration in case of target maturity scheme/close ended schemes) (as applicable)</b>	Not Applicable
<b>XXIII</b>	<b>Special product/facility available during the NFO and on ongoing basis</b>	Not Applicable.
<b>XXIV.</b>	<b>Weblink</b>	<p>Please note that this is a new scheme. TER details shall be available from the first NAV date in the following link:</p> <p><b>Link for Total Expense Ratio (TER) for last 6 months, Daily TER - <a href="https://www.kotakmf.com/Information/TER">https://www.kotakmf.com/Information/TER</a></b></p> <p><b>Link for scheme factsheet – <a href="https://www.kotakmf.com/Information/statutory-disclosure/information">https://www.kotakmf.com/Information/statutory-disclosure/information</a></b></p>

## **DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY**

It is confirmed that:

- (i) The Scheme Information Document submitted to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 2026 and the guidelines and directives issued by SEBI from time to time.
- (ii) All legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
- (iii) The disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well-informed decision regarding investment in the Scheme.
- (iv) The intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.
- (v) The contents of the Scheme Information Document including figures, data, yields etc. have been checked and are factually correct
- (vi) A confirmation that the AMC has complied with the compliance checklist applicable for Scheme Information Documents and other than cited deviations/ that there are no deviations from the regulations
- (vii) Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 2026 and the guidelines there under shall be applicable.
- (viii) The Trustees have ensured that the Kotak Nifty Private Bank ETF approved by them is a new product offered by Kotak Mahindra Mutual Fund and is not a minor modification of any existing scheme/fund/product.

**Date: July 01, 2026**

**Place: Mumbai**

**Name: Jolly Bhatt**

**Designation: Compliance Officer**

## Part II. INFORMATION ABOUT THE SCHEME

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

Instruments	Indicative allocations (% of total assets)	
	Minimum	Maximum
Equity and Equity related securities covered by the Nifty Private Bank Index*	95%	100%
Debt & Money Market Instruments#	0%	5%

\*Pursuant to para 8.5, 13.15 of SEBI Master circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026 and as may be amended from time to time, The Scheme may take an exposure to equity derivatives of constituents or index derivatives of the underlying index for short duration when securities of the index are unavailable, insufficient or for rebalancing at the time of change in index or in case of corporate actions, as permitted subject to rebalancing within 7 calendar days (or as specified by SEBI from time to time). The equity derivative exposure of scheme for non-hedging purposes shall be up to 20% of equity and equity related Securities of the scheme.

#Money Market instruments includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, usance bills, triparty repo and any other like instruments as specified by the Reserve Bank of India from time to time and subject to regulatory approval.

In accordance with clause 3 of Sixth Schedule of SEBI (Mutual Funds) Regulations 2026 and para 13.14.1 of SEBI Master circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, The scheme may invest upto 5% of net assets in Liquid & Overnight Mutual Fund schemes without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the management of Kotak Mahindra Asset Management Company Limited or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of Kotak Mahindra Mutual Fund.

As per para 13.18.1 of SEBI Master Circular no.HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, the cumulative gross exposure through equity, debt, derivative positions, other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme.

Pursuant to Para 13.18.6 of SEBI Master Circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026dated March 20, 2026, and SEBI Letter to AMFI dated November 03, 2021, Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. Cash Equivalent shall consist of the following securities having residual maturity of less than 91 days:

- a) Government Securities;
- b) T-Bills; and
- c) Repo on Government securities.

Pursuant to para 13.6 of SEBI Master circular No. SEBI/HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026dated March 20, 2026, as amended from time to time, the Trustees may permit the Scheme to engage in securities lending and borrowing. At present, since only lending is permitted, the scheme may temporarily lend securities held with the Custodian to reputed counter-parties or on the exchange, for a fee, subject to prudent limits and controls for enhancing returns. The Scheme will lend securities subject to a maximum of 20%, in aggregate, of the net assets of the Scheme and 5% of the net assets of the Scheme in the case of a single intermediary.

As per para 4.3 of SEBI Master circular No. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20,

2026, in order to address the risk related to portfolio concentration in the Scheme, the underlying index for this scheme shall comply with the following:

- i. The index shall have a minimum of 10 stocks as its constituents.
- ii. For a sectoral/ thematic Index, no single stock shall have more than 35% weight in the index. For other than sectoral/ thematic indices, no single stock shall have more than 25% weight in the index.
- iii. The weightage of the top three constituents of the index, cumulatively shall not be more than 65% of the Index.
- iv. The individual constituent of the index shall have a trading frequency greater than or equal to 80% and an average impact cost of 1% or less over previous six months.

Accordingly, the underlying Index shall ensure that such index complies with the aforesaid norms.

The Scheme does not intend to undertake/ invest/ engage in:

- ADR/GDR/overseas securities/ foreign securities.
- Credit Default Swaps.
- Units of Infrastructure Investment Trusts (InvITs).
- Debt instruments with special features as referred to in Para 10.4, 5.5.3, 13.1 of SEBI Master circular No. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026
- Securitized debt
- Investment in commodity derivatives, debt derivative instruments
- Structured obligations and credit enhancements.
- Repo/ reverse repo transactions in corporate debt securities.
- Short Selling of Securities

For residual portion of 5% in asset allocation, apart from the investment restrictions prescribed under SEBI (MF) Regulations, the scheme follows certain internal norms vis-à-vis limiting exposure to a particular issuer or sector, etc. within the mentioned restrictions, and these are subject SEBI (MF) Regulations and circulars issued thereunder and to review from time to time.

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

Sr. No.	Type of Instrument	Percentage of exposure (Maximum)	Circular references*
1.	Securities Lending	Aggregate - 20% of net assets of the Scheme Single intermediary - 5% of the net assets of the Scheme	Para 13.6 of SEBI Master circular No. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026
2.	Equity Derivatives for non-hedging purpose	20% of the equity and equity related securities of the Scheme.	Para 8.5, 13.15 of SEBI Master circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026
3.	Units of Mutual Fund Schemes	5% of net assets in Liquid & Overnight Mutual Fund schemes	clause 3 of Sixth Schedule of SEBI (Mutual Funds) Regulations 2026 and para 13.14.1 of SEBI Master circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026,
4.	ADR/GDR/overseas securities/ foreign securities.	The Scheme shall not invest in overseas securities.	N.A.
5.	Credit Default Swaps.	The Scheme shall not invest in Credit Default Swap transactions.	N.A.
6.	Units of Infrastructure Investment Trusts (InvITs).	The Scheme shall not invest in Units of Infrastructure	N. A.

		Investment/Trusts (InvITs).	
7.	Debt instruments with special features as referred to in Para 10.4, 5.5.3, 13.1 of SEBI Master circular No.HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026dated March 20, 2026	The Scheme shall not invest in Debt instruments with special features	N. A.
8.	Securitized debt	The Scheme shall not invest in Securitized debt	N. A.
9.	Investment in Commodity derivatives, debt derivative instruments	The Scheme shall not invest in Commodity derivatives and debt derivatives	N. A.
10.	Structured obligations and credit enhancements.	The Scheme shall not invest in Structured obligations and credit enhancements.	N. A.
11.	Repo/ reverse repo transactions in corporate debt securities.	The Scheme shall not invest in Repo/reverse repo transactions in corporate debt securities	N.A.
12.	Short Selling of the Scheme	The Scheme shall not Short sell securities.	N.A.

#### **Portfolio Rebalancing:**

As per Para 4.5.5 of SEBI Master Circular no. SEBI Master circular No. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026 and circulars issued thereunder, in case of change in constituents of the index due to periodic review, the portfolio of the scheme will be rebalanced within 7 calendar days.

As per Para 7.24 of SEBI Master Circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, the scheme shall deploy the funds garnered in an NFO within 30 business days from the date of allotment of units

In an exceptional case, if the AMC is not able to deploy the funds in 30 business days, reasons in writing, including details of efforts taken to deploy the funds, shall be placed before the Investment Committee of the AMC. The Investment Committee, if so desired, can extend the timelines up to thirty (30) business days from the date of completion of mandated deployment period.

#### **Short Term Defensive Consideration:**

Subject to Para 1.9.1(b) of SEBI Master circular No. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026 and circulars issued thereunder, the asset allocation pattern indicated above may change for a short-term period on defensive considerations, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. These proportions may vary depending upon the perception of the Fund Manager, the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the investment pattern will be rebalanced within 7 calendar days from the date of deviation and further action may be taken as specified under SEBI Circulars/ AMFI guidelines issued from time to time. In the event of involuntary corporate action, the scheme shall dispose the securities not forming part of the underlying index within 7 days from the date allotment/ listing.

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

The Scheme shall invest in the following securities as per the limits specified in the asset allocation table of Scheme, subject to SEBI (MF) Regulations.

- a. The net assets of the Scheme will be invested in stocks constituting the Nifty Private Bank Index and/or its exchange traded derivatives. This would be done by investing in the stocks comprising the Nifty Private Bank Index in approximately the same weightage that they represent in the Nifty Private Bank Index and /or investing in derivatives including futures contracts and options contracts on the Index.
- b. The Scheme may take equity derivatives or index derivatives position subject to the guidelines issued by SEBI from time to time and in line with the overall investment objective of the Scheme.
- c. Equity and equity related securities including convertible bonds and debentures and warrants carrying the right to obtain equity shares.
- d. Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- e. Debt obligations of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee (including but not limited to Indian Government Bond, State Development Loans issued and serviced at the Public Debt Office, Bonds issued by Central & State Government PSU's which are guaranteed by Central or State Governments)
- f. Corporate debt (of both public and private sector undertakings) including Non-convertible debentures (including bonds) and non-convertible part of convertible securities having residual maturity of upto 91 days.
- g. Units of Mutual Fund Schemes;
- h. Short Term Deposits of banks (both public and private sector) and development financial institutions to the extent permissible under SEBI (MF) Regulations;
- i. Money market instruments permitted by SEBI/RBI, having maturities of up to one year but not limited to:
  - Certificate of Deposits (CDs).
  - Commercial Paper (CPs)
  - Triparty repo on Government securities or treasury bills
  - Bills re-discounting, as may be permitted by SEBI from time to time.
- j. Securities Lending as permitted by SEBI from time to time

Transfer of investments from one scheme to another scheme in the same Mutual Fund, shall be allowed, in lines with para 13.19 of SEBI Master Circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026.

## **C. WHAT ARE THE INVESTMENT STRATEGIES?**

To achieve the investment objective, the scheme will follow passive investment strategy with investments in stocks in the same proportion as in Nifty Private Bank Index. The investment strategy would revolve around reducing the tracking error to the least possible through rebalancing of the portfolio, taking into account the change in weights of stocks in the index as well as the incremental collections/redemptions from the Scheme.

Index Scheme being a passive investment carries lesser risk as compared to active fund management. The portfolio follows the index and therefore the level of stock concentration in the portfolio and its volatility would be the same as that of the index, subject to tracking error. Thus, there is no additional element of volatility or stock concentration on account of fund manager decisions.

A small portion of the net assets will be held in cash or will be invested in debt and money market instruments permitted by SEBI/RBI including TREPS or in alternative investment for the TREPS as may be provided by the RBI, to meet the liquidity requirements under the Scheme.

The Scheme may take an exposure to equity derivatives of constituents or index derivatives of the underlying index for short duration when securities of the index are unavailable, insufficient or for rebalancing at the time of change in index or in case of corporate actions, as permitted by SEBI from time to time.

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

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 measures mention above are based on current market conditions and may change from time to time based on changes in such conditions, regulatory changes and other relevant factors. Accordingly, our investment strategy, risk mitigation measures and other information contained herein may change in response to the same.

### **Portfolio Turnover**

Portfolio Turnover is a term used to measure the volume of trading that occurs in a Scheme's portfolio during a given time period. The scheme being a passively managed open-ended exchange traded fund, it is expected that there would be a number of subscriptions and redemptions on a daily basis. Hence, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. Generally, turnover will depend upon the extent of purchase and redemption of units and the need to rebalance the portfolio on account of change in the composition, if any, and corporate actions of securities included in the Index. The Scheme has no specific target relating to portfolio turnover.

### **D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?**

The performance of the Scheme is measured against Nifty Private Bank Index (Total Return Index (TRI))

#### **Justification for adoption of benchmark:**

The Nifty Private Bank Index is designed to reflect the performance of private sector banks in India. The index is free-float market capitalisation weighted, periodically capped, and rebalanced on a semi-annual basis.

The composition of the aforesaid benchmark is such that, it is most suited for comparing the performance of the scheme.

### **E. WHO MANAGES THE SCHEME?**

Mr. Satish Dondapati and Mr. Jeetu Valechha Sonar will be the designated Fund Managers for the Scheme.

Mr. Abhishek Bisen will be the Fund Manager for debt securities of the Scheme.

<b>Name</b>	<b>Age</b>	<b>Qualification</b>	<b>Business Experience</b>	<b>Schemes Managed</b>
Mr. Satish Dondapati	46 Years	MBA (Finance)	Mr. Satish Dondapati has over 16 years of experience in ETF's. He joined Kotak AMC in March 2008 in Product's Department. Prior to joining Kotak AMC, he was in the MF Product Team of Centurion Bank	<ul style="list-style-type: none"> <li>• Kotak Nifty 200 Momentum 30 Index Fund</li> <li>• Kotak Nifty 50 Index Fund</li> <li>• Kotak Nifty Financial Services Ex-Bank Index Fund</li> <li>• Kotak Nifty Next 50 Index Fund</li> </ul>

			Of Punjab	<ul style="list-style-type: none"> <li>• Kotak Nifty Smallcap 50 Index Fund</li> <li>• Kotak BSE Housing Index Fund</li> <li>• Kotak Nifty 100 Low Volatility 30 ETF</li> <li>• Kotak Nifty 1D Rate Liquid ETF</li> <li>• Kotak Nifty 50 ETF</li> <li>• Kotak Nifty 50 Value 20 ETF</li> <li>• Kotak Nifty Alpha 50 ETF</li> <li>• Kotak Nifty Bank ETF</li> <li>• Kotak Nifty India Consumption ETF</li> <li>• Kotak Nifty IT ETF</li> <li>• Kotak Nifty Midcap 50 ETF</li> <li>• Kotak Nifty MNC ETF</li> <li>• Kotak Nifty PSU Bank ETF</li> <li>• Kotak BSE Sensex ETF</li> <li>• Kotak Nifty 100 Low Volatility 30 Index Fund</li> <li>• Kotak BSE PSU Index Fund</li> <li>• Kotak Nifty Midcap 50 Index Fund</li> <li>• Kotak Nifty India Tourism Index Fund</li> <li>• Kotak Nifty Midcap 150 Momentum 50 Index Fund</li> <li>• Kotak Nifty 50 Equal Weight Index Fund</li> <li>• Kotak Nifty 100 Equal Weight Index Fund</li> <li>• Kotak Nifty Smallcap 250 Index Fund</li> <li>• Kotak BSE Sensex Index Fund</li> <li>• Kotak Nifty Commodities Index Fund</li> <li>• Kotak Nifty Midcap 150 Index Fund</li> <li>• Kotak Nifty Top 10 Equal Weight Index Fund</li> <li>• Kotak Nifty 200 Quality 30 Index Fund</li> <li>• Kotak Nifty200 Quality 30 ETF</li> <li>• Kotak Chemicals ETF</li> <li>• Kotak Nifty Next 50 ETF</li> <li>• Kotak Nifty200 Value 30 Index Fund</li> <li>• Kotak Nifty500 Momentum 50 Index</li> </ul>
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				<ul style="list-style-type: none"> <li>• Kotak Nifty Alpha Low-Volatility 30 Index Fund</li> </ul>
Mr. Jeetu Valechha Sonar	36 years	P.G.D.M in Finance Management	Mr. Jeetu Valechha Sonar has more than 14 years' experience in Commodity and Equity dealing and advisory. Prior to joining Kotak AMC Limited, he has worked as institutional dealer with Kotak Securities Lid. and is part of Kotak Group since 2014.	<ul style="list-style-type: none"> <li>• Kotak BSE Housing Index Fund</li> <li>• Kotak Nifty 100 Low Volatility 30 Index Fund</li> <li>• Kotak Nifty 200 Momentum 30 Index Fund</li> <li>• Kotak Nifty Financial Services Ex-Bank Index Fund</li> <li>• Kotak BSE Sensex ETF</li> <li>• Kotak Nifty 100 Low Volatility 30 ETF</li> <li>• Kotak Nifty 50 ETF</li> <li>• Kotak Nifty 50 Value 20 ETF</li> <li>• Kotak NIFTY 50 Index Fund</li> <li>• Kotak NIFTY Next 50 Index</li> <li>• Kotak Nifty Alpha 50 ETF</li> <li>• Kotak Nifty Bank ETF</li> <li>• Kotak Nifty India Consumption ETF</li> <li>• Kotak Nifty IT ETF</li> <li>• Kotak Nifty Midcap 50 ETF</li> <li>• Kotak Nifty Smallcap 50 Index Fund</li> <li>• Kotak Nifty MNC ETF</li> <li>• Kotak Nifty PSU Bank ETF</li> <li>• Kotak BSE PSU Index Fund</li> <li>• Kotak Nifty Midcap 50 Index Fund</li> <li>• Nifty India Tourism Index Fund</li> <li>• Kotak Nifty 50 Equal Weight Index Fund</li> <li>• Kotak Nifty 100 Equal Weight Index Fund</li> <li>• Kotak Nifty Midcap 150 Momentum 50 Index Fund</li> <li>• Kotak Nifty Smallcap 250 Index Fund</li> <li>• Kotak BSE Sensex Index Fund</li> <li>• Kotak Nifty Commodities Index Fund</li> <li>• Kotak MSCI India ETF</li> <li>• Kotak Nifty 100 Equal Weight ETF</li> <li>• Kotak Nifty Midcap 150 Index Fund</li> <li>• Kotak Nifty Midcap 150 ETF</li> </ul>

				<ul style="list-style-type: none"> <li>• Kotak Nifty Top 10 Equal Weight Index Fund</li> <li>• Kotak Nifty 200 Quality 30 Index Fund</li> <li>• Kotak Nifty 200 Quality 30 ETF</li> <li>• Kotak Nifty Alpha 50 Index Fund</li> <li>• Kotak Nifty 200 Momentum 30 ETF</li> <li>• Kotak Nifty Chemicals ETF</li> <li>• Kotak Nifty 1D Rate Liquid ETF</li> <li>• Kotak Nifty500 Momentum 50 Index Fund</li> <li>• Kotak Nifty Next 50 ETF</li> <li>• Kotak Gold ETF</li> <li>• Kotak Silver ETF</li> <li>• Kotak Gold Fund</li> <li>• Kotak Silver ETF Fund of Fund</li> <li>• Kotak Multi Asset Allocation Fund</li> <li>• Kotak Nifty 200 Value 30 Index Fund</li> <li>• Kotak Chemicals ETF</li> <li>• Kotak Nifty Next 50 ETF</li> </ul>
Mr. Abhishek Bisen	46 Years	B A Management, MBA Finance EPAF- IIM-C	Mr. Abhishek Bisen has been associated with the company since October 2006 and his key responsibilities include fund management of debt schemes. Prior to joining Kotak AMC, Abhishek was working with Securities Trading Corporation of India Ltd where he was looking at Sales & Trading of Fixed Income Products apart from doing Portfolio Advisory. His earlier assignments also include 2 years of merchant banking experience with a leading merchant banking firm.	<ul style="list-style-type: none"> <li>• Kotak Equity Hybrid Fund</li> <li>• Kotak Debt Hybrid Fund</li> <li>• Kotak Bond Fund</li> <li>• Kotak Gilt Fund</li> <li>• Kotak Equity Savings Fund</li> <li>• Kotak Gold Fund</li> <li>• Kotak Multi Asset Allocator Fund of Fund – Dynamic</li> <li>• Kotak Gold ETF</li> <li>• Kotak Balanced Advantage Fund</li> <li>• Kotak NASDAQ 100 FUND OF FUND</li> <li>• Kotak Multicap Fund</li> <li>• Kotak NIFTY Alpha 50 ETF</li> <li>• Kotak NIFTY 50 Index Fund</li> <li>• Kotak Nifty Midcap 50 ETF</li> <li>• KOTAK NIFTY SDL APR 2027 TOP 12 EQUAL WEIGHT INDEX FUND</li> <li>• KOTAK NIFTY SDL APR 2032 TOP 12 EQUAL WEIGHT INDEX FUND</li> </ul>

				<ul style="list-style-type: none"> <li>• Kotak Manufacture in India Fund</li> <li>• Kotak Nifty India Consumption ETF</li> <li>• Kotak Nifty MNC ETF</li> <li>• Kotak Nifty 100 Low Volatility 30 ETF</li> <li>• Kotak Banking and PSU Debt Fund</li> <li>• Kotak Bond Short Term Fund</li> <li>• Kotak Dynamic Bond Fund</li> <li>• Kotak Business Cycle Fund</li> <li>• Kotak Income Plus Arbitrage FOF</li> <li>• Kotak Nifty SDL JUL 2026 INDEX FUND</li> <li>• Kotak Silver ETF</li> <li>• Kotak Silver ETF Fund of Fund</li> <li>• Kotak Banking and Financial Services Fund</li> <li>• Kotak Nifty SDL JUL 2033 INDEX FUND</li> <li>• Kotak Nifty 200 Momentum 30 Index Fund</li> <li>• Kotak Nifty Financial Services Ex-Bank Index Fund</li> <li>• Kotak BSE Housing Index Fund</li> <li>• Kotak Quant Fund</li> <li>• Kotak Multi Asset Allocation Fund</li> <li>• KOTAK NIFTY SDL PLUS AAA PSU BOND JUL 2028 60:40 INDEX FUND</li> <li>• Kotak Nifty 1D Rate Liquid ETF</li> <li>• Kotak Nifty Smallcap 50 Index Fund</li> <li>• Kotak Nifty G-sec July 2033 Index Fund</li> <li>• Kotak Consumption Fund</li> <li>• Kotak Healthcare Fund</li> <li>• Kotak Technology Fund</li> <li>• Kotak Long Duration Fund</li> <li>• Kotak Nifty AAA Bond Jun 2025 HTM Index Fund</li> <li>• Kotak Nifty India Tourism Index Fund</li> <li>• Kotak CRISIL-IBX AAA Financial Services Index – Sep 2027 Fund.</li> </ul>
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				<ul style="list-style-type: none"> <li>• Kotak Nifty Midcap 150 Momentum 50 Index Fund</li> <li>• Kotak Nifty 100 Low Volatility 30 Index Fund</li> <li>• Kotak Special Opportunities Fund</li> <li>• Kotak BSE PSU Index Fund</li> <li>• Kotak Nifty Midcap 50 Index Fund</li> <li>• Kotak MNC Fund</li> <li>• Kotak Transportation &amp; Logistics Fund</li> <li>• Kotak MSCI India ETF</li> <li>• Kotak Nifty 100 Equal Weight ETF</li> <li>• Kotak Nifty Midcap 150 ETF</li> <li>• Kotak Nifty 50 Equal Weight Index Fund</li> <li>• Kotak Nifty 100 Equal Weight Index Fund</li> <li>• Kotak Nifty Smallcap 250 Index Fund</li> <li>• Kotak BSE Sensex Index Fund</li> <li>• Kotak Nifty Commodities Index Fund</li> <li>• Kotak Nifty Midcap 150 Index Fund</li> <li>• Kotak CRISIL-IBX AAA Bond Financial Services Index – Dec 2026 Fund</li> <li>• Kotak Nifty Top 10 Equal Weight Index Fund</li> <li>• Kotak Energy Opportunities Fund</li> <li>• Kotak Nifty 200 Quality 30 Index Fund</li> <li>• Kotak Nifty200 Quality 30 ETF</li> <li>• Kotak Nifty AAA Bond Financial Services Mar 2028 Index Fund</li> <li>• Kotak Nifty Chemicals ETF</li> <li>• Kotak Nifty Next 50 ETF</li> <li>• Kotak Dividend Yield Fund</li> <li>• Kotak Services Fund</li> <li>• Kotak Nifty200 Value 30 Index Fund</li> <li>• Kotak Quality Overseas Equity Omni FOF</li> <li>• Kotak Multi Factor Passive FOF</li> </ul>
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				<ul style="list-style-type: none"> <li>• Kotak Multi Asset Active FOF</li> <li>• Kotak Nifty Alpha Low-Volatility 30 Index Fund</li> </ul>
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## F. HOW IS THE SCHEME DIFFERENT FROM EXISTING SCHEMES OF THE MUTUAL FUND?

Kotak Nifty Private Bank ETF is a passive scheme and thus aims to replicate the underlying index, subject to tracking errors. It is the only ETF of Kotak Mahindra Mutual Fund that will select the stocks from the Nifty Private Bank Index which is designed to reflect the performance of the banks from the private sector.

The list of existing schemes under ETF schemes are given below:

1. Kotak Nifty 50 ETF
2. Kotak Nifty Alpha 50 ETF
3. Kotak Nifty Bank ETF
4. Kotak BSE Sensex ETF
5. Kotak Nifty 50 Value 20 ETF
6. Kotak Nifty India Consumption ETF
7. Kotak Nifty IT ETF
8. Kotak Nifty Midcap 50 ETF
9. Kotak Nifty MNC ETF
10. Kotak Nifty PSU Bank ETF
11. Kotak Gold ETF
12. Kotak Nifty 1D Rate Liquid ETF
13. Kotak Silver ETF
14. Kotak MSCI India ETF
15. Kotak Midcap 150 ETF
16. Kotak Nifty 100 Equal Weight ETF
17. Kotak Nifty200 Quality 30 ETF
18. Kotak Nifty200 Momentum 30 ETF
19. Kotak Nifty Next 50 ETF
20. Kotak Nifty Chemicals ETF
21. Kotak Nifty Next 50 ETF

The detailed comparative table will be available in the given link:

<https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim>

## F. HOW HAS THE SCHEME PERFORMED?

This is a new scheme to be launched and does not have any performance track record

## G. ADDITIONAL SCHEME RELATED DISCLOSURES

Since the scheme is a new fund to be launched, the following disclosures are not applicable

- Scheme's portfolio holdings:** Not Applicable
- Disclosure of name and exposure to Top 7 issuers, stocks, groups and sectors as a % of NAV of the scheme -** Not Applicable
- Portfolio Disclosure –** Not Applicable
- Portfolio Turnover Ratio:** Not Applicable
- Functional Website link to the respective addendums to the SID –** Not Applicable

**vi. Aggregate investment in the Scheme by the concerned scheme Fund Manager:** Not Applicable.

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

**vii. Investments of AMC in the Scheme**

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

Pursuant to Regulation 22(3)(a) of the SEBI (MF) Regulations, 2026 and para 7.14 of SEBI Master circular no. SEBI Master circular No. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, AMC shall not be required to invest minimum amount as a percentage of AUM in the Scheme. Details of Investments of AMC in the Scheme will be available in the given link. – Not Applicable

### Part III- OTHER DETAILS

#### A. COMPUTATION OF NAV

The AMC shall compute NAV of the Units of the Scheme will be computed by dividing the net assets of the Scheme by the number of Units outstanding on the valuation date.

The AMC shall value its investments according to the valuation norms (Valuation Policy includes computation of NAV in case of investment in foreign securities), as specified in the Seventh Schedule of the Regulations, or such guidelines / recommendations as may be specified by SEBI from time to time. The broad valuation norms are detailed in the Statement of Additional Information.

NAV of Units under the Scheme will be calculated as shown below:

NAV =	Market or Fair Value of Scheme's investments	+	Current assets including Accrued Income	-	Current Liabilities and provisions including accrued expenses
	No. of Units outstanding under the Scheme/Option.				

As per para 9.2.3 of SEBI Master circular No. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, all expenses and incomes accrued upto the date of valuation shall be incorporated into the computation of net asset value. For this purpose, while major expenses like management fees and other periodic expenses shall be accrued on a day-to-day basis, other minor expenses and income need not be so accrued, provided the non-accrual does not affect the NAV calculations by more than 1%.

As per para 9.2.4 of SEBI Master circular No. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, any changes in securities and in the number of units be recorded in the books of accounts no later than the first valuation date following the date of the transaction. If this is not possible given the frequency of the NAV disclosure, the recording may be delayed upto a period of 7 calendar days following the date of the transaction, provided that as a result of the non-recording, the NAV calculations shall not be affected by more than 1%.

As per para 9.2.5 of SEBI Master circular No. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, in case the NAV of a scheme differs by more than 1%, due to nonrecording of the transactions, the investors or scheme/s as the case may be, shall be paid the difference in amount as follows:

- (a) If the investors are allotted units at a price higher than NAV or are given a price lower than NAV at the time of sale of their units, they shall be paid the difference in amount by the scheme.
- (b) If the investors are charged lower NAV at the time of purchase of their units or are given higher NAV at the time of sale of their units, asset management company shall pay the difference in amount to the scheme. The AMC may recover the difference from the investors.

The NAV for the Scheme and the repurchase prices of the Units will be calculated and announced at the close of each Business Day. The NAV shall be computed up to three decimals.

The AMC may also calculate intra-day indicative NAV and publish the same on its website [www.kotakmf.com](http://www.kotakmf.com). Intra-day NAV will not have any bearing on the creation or redemption of units directly with the Fund by the MM/LI. For transactions by Market Makers / large investors directly with the AMCs intra-day NAV, based on the executed price at which the securities representing the underlying index or underlying commodity(ies) are purchased / sold, shall be applicable.

### Illustration for Computation of NAV:

NAV=	Market or Fair Value of Scheme's investments	+	Current assets including Accrued Income	-	Current Liabilities and provisions including accrued expenses	
	No. of Units outstanding under the Scheme/Option.					
10.109=	10,01,00,000.00	+	10,00,000.00	-	10,000.00	10,10,90,000.00
			1,00,00,000.00			1,00,00,000.00

As required under the Regulations, the asset management company shall ensure that exit load of an open-ended mutual fund scheme shall not exceed three per cent of the Net Asset Value of the scheme.

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

### B. NEW FUND OFFER (NFO) EXPENSES

These 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 stationery, bank charges etc.

The AMC shall ensure that no NFO expenses will be charged to the Scheme.

### C. ANNUAL SCHEME RECURRING EXPENSES

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

The AMC has estimated that upto has estimated the following percentage of daily net assets of the scheme will be charged to the scheme as expenses. For the actual current expenses being charged, the investor should refer to the website of the mutual fund viz. [www.kotakmf.com](http://www.kotakmf.com)

As per Regulation 67 of SEBI (MF) Regulations, 2026, the total of all expenses charged to the investors of the scheme, shall be total of expense charged within the base limit specified under sub-regulation 7 of regulation 66, brokerage cost permitted under sub regulation 9 of regulation 66, transaction cost incurred for the purpose of execution of trade as referred under sub-regulation 10 of regulation 66, and statutory levies.

**Base Expense Ratio (Regulation 66(7)):** In accordance with the SEBI (Mutual Funds) Regulations, 2026, the base expense ratio charged to the scheme shall be 0.90% of the scheme's daily net assets.

**Total Expense Ratio for the Scheme**

Expense Head	% p.a. of daily Net Assets* (Estimated p.a.)
Investment Management and Advisory Fees	Upto 0.90%
Audit fees/fees and expenses of trustees	
Custodial Fees	
Registrar & Transfer Agent Fees including cost of providing account statements / IDCW / redemption cheques/ warrants	
Marketing & Selling Expenses including fees, commission and charges towards distribution of mutual fund schemes	
Costs related to investor communications	
Costs of fund transfer from location to location	
Cost towards investor education, awareness and financial inclusion (at least 1 bps) *	
Brokerage & transaction cost pertaining execution of trade	
Cost of statutory advertisements	
Other Expenses (to be specified as per Reg 66 of SEBI MF Regulations)	
Maximum Base expenses ratio (BER) permissible under Regulation 66	Upto 0.90 %
Brokerage cost as referred under sub-regulation 9 of regulation 66	upto 6 bps and 2 bps for cash market transactions and derivatives transactions respectively.
Transaction cost incurred for the purpose of execution of trade as referred under sub-regulation 10 of regulation 66	As Applicable
Statutory levies @ (including GST) on all expenses excluding brokerage and transaction cost	As applicable
Statutory levies @ (including GST) on brokerage and transaction cost	As applicable

@ As per Regulation 2(yy), statutory levy means imposed by state government and central government such as GST, STT, Stamp duty etc.

\*As per para 11.9 of SEBI Master circular no HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, AMCs shall annually set apart 1bps for investor education, awareness and financial inclusion initiatives.

**Brokerage cost as referred under sub-regulation 9 of regulation 66**

The following brokerage cost may be charged to the scheme under Regulation 66(9), -

- Brokerage cost incurred for the purpose of execution of trade shall be charged to the scheme over and above base expenses ratio (a) upto 6 bps and 2 bps for cash market transactions and derivatives transactions respectively. Any payment towards brokerage costs, over and above the said 6 bps and 2 bps for cash market transactions and derivatives transactions respectively shall be part of the base expense ratio limit specified under Regulation 66(7).

**Transaction cost incurred for the purpose of execution of trade as referred under sub-regulation 10 of regulation 66:**

Transaction cost incurred for the purpose of execution of trade namely regulatory levies and any other expenses charged by the stock exchanges, clearing corporation, and clearing house, as applicable shall

be charged to scheme over and above base total expenses ratio prescribed in Regulation 66(7)

### Statutory Levies charge to Investors

All Statutory levies imposed by state government and central government shall be charged to the scheme in addition to the maximum limit of BER as prescribed in Regulation 66(7)

No charges other than the base expense ratio, brokerage cost, transaction cost, statutory levy and exit load including levies as may be specified by the Board, shall be charged to the investors.

### TER for the Segregated Portfolio

1. AMC shall not charge investment and advisory fees on the segregated portfolio. However, TER (excluding the investment and advisory fees) can be charged, on a pro-rata basis only upon recovery of the investments in segregated portfolio.
2. The TER so levied shall not exceed the simple average of such expenses (excluding the investment and advisory fees) charged on daily basis on the main portfolio (in % terms) during the period for which the segregated portfolio was in existence.
3. The legal charges related to recovery of the investments of the segregated portfolio may be charged to the segregated portfolio in proportion to the amount of recovery. However, the same shall be within the maximum TER limit as applicable to the main portfolio. The legal charges in excess of the TER limits, if any, shall be borne by the AMC.
4. The costs related to segregated portfolio shall in no case be charged to the main portfolio.

### Illustration of impact of expense ratio on scheme's returns:

Particulars	NAV p.u. in Rs.	%
Subscription received on March 31, 2024 (A)	100.00	-
Value of Subscribed Amount before expenses as on March 31, 2025(B)	112.25	-
Expense charged by the scheme (C)	1.06	0.09%
Value of Subscribed Amount as on March 31, 2025 (Net of expenses charged) (D)	111.19	-
Net Return to investors (E) (E=D-A)	11.19	11.19%

Illustration is given to understand the impact of expense ratio on a scheme return and this should not be construed as an indicative return of the scheme

The aforesaid estimates are made in good faith by the Investment Manager and are subject to change inter se among the various heads of expenses and between the Plans. It may also be noted that the total expenses of the Plans will also be subject to change within the overall limits of expenses under Regulation 67. Actual expenses under any head and / or the total expenses may be more or less than the estimates. The Investment Manager retains the right to charge the actual expenses to the scheme, however the expenses charged will not exceed the statutory limit prescribed by the Regulations. There will be no sub limit on management fee, and it shall be within the overall TER specified above

### D. LOAD STRUCTURE

Exit Load is an amount which is paid by the investor to redeem the units from the scheme. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of [www.kotakmf.com](http://www.kotakmf.com) or may call at 18003091490 or your distributor.

Type of Load	Load chargeable (as %age of NAV)
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Entry Load*	In terms of Para 11.7.1 of SEBI Master circular No. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, no entry load will be charged on purchase/ additional purchase / switch-in.
Exit Load	NIL

Units issued on reinvestment of IDCW shall not be subject to entry and exit load

\* In terms of Para 11.7. of SEBI Master Circular no. SEBI Master circular No. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, no entry load will be charged on purchase / additional purchase / switch-in. The commission as specified in aforesaid circular, if any, on investment made by the investor shall be paid by the investor directly to the Distributor, based on his assessment of various factors including the service rendered by the Distributor.

Any imposition or enhancement of Load in future shall be applicable on prospective investments only. For any change in load structure AMC will issue an addendum and display it on the website/Investor Service Centers. In case of changes in load structure the addendum carrying the latest applicable load structure shall be attached to all KIM and SID already in stock till it is updated.

Investors may obtain information on loads on any Business Day by calling the office of the AMC or any of the Investor Service Centers. Information on applicability of loads will also be provided in the Account Statement.

As required under the Regulations, the asset management company shall ensure that exit load of an open-ended mutual fund scheme shall not exceed three per cent of the Net Asset Value of the scheme.

The investor is requested to check the prevailing load structure of the scheme before investing.

## SECTION II

### I. INTRODUCTION

#### A. Definitions/interpretation

The details detailed definitions/ interpretations refer to the link on website of the mutual fund viz. <https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim>

#### B. Risk factors

##### Scheme Specific Risk Factors

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

- 1) The NAV of the units is closely related to the value of stocks that form a part of the benchmark index. The value of this will react to stock market movements and may result in changes in the NAV of units under the scheme. There could also be movements in the scheme's NAV due to changes in interest rates, macro-economic and political developments and over longer periods during market downturns;
- 2) Liquidity Risk: Trading in Kotak Nifty Private Bank ETF may be halted due to market conditions or for reasons that in the view of the Exchange Authorities or SEBI, trading in Kotak Nifty Private Bank ETF is not advisable. There could also be trading halts caused by extraordinary market volatility and pursuant to NSE and SEBI circuit filter rules. There can be no assurance that the requirements of the exchange necessary to maintain the listing of the Kotak Nifty Private Bank ETF will continue to be met or will remain unchanged
- 3) Regulatory Risk: Any changes in trading regulations by the stock exchange(s) or SEBI may affect the ability of Market Maker/Large Investors to arbitrage resulting into wider premium/ discount to NAV.
- 4) Tracking error may have an impact on the performance of the scheme. However, KMAMC will endeavor to minimize the tracking error through regular rebalancing of the portfolio.
- 5) The Scheme is a passively managed scheme and provides exposure to the benchmark and tracking its performance and yield as closely as possible. The Schemes performance may be affected by a general price decline in the stock markets. The Scheme invests in the stocks comprising the index regardless of their investment merit. The Mutual Fund does not attempt to take defensive positions in declining markets.
- 6) As the scheme proposes to invest not less than 95% of the net assets in securities comprising of Nifty Private Bank Index, any deletion of stocks from or addition to in Nifty Private Bank Index may require sudden and immediate liquidation or acquisition of such stocks at the prevailing market prices irrespective of whether valuation of stocks is attractive enough. This may not always be in the interest of unitholders.
- 7) The performance of the Nifty Private Bank Index will have a direct bearing on the performance of the scheme. Hence any composition change by virtue of weightage or stocks selection will have an impact on the scheme.
- 8) Though Kotak Nifty Private Bank ETF will be listed on the stock exchange, there is no assurance that an active secondary market will develop or be maintained.
- 9) Investors may note that even though this is an open-ended scheme, they will have to buy or sell units of the scheme on the stock exchanges where these units are listed for liquidity at the market price, subject to the rules and regulations of the exchange. Buying and selling units on stock exchange requires the

investor to engage the services of a broker and are subject to payment of margins as required by the stock exchange/ broker, payment of brokerage, securities transactions tax and such other costs.

- 10) The market price of ETF units, like any other listed security, is largely dependent on two factors, viz., (1) the intrinsic value of the unit (or NAV), and (2) demand and supply of units in the market. Sizeable demand or supply of the units in Exchange may lead to market price of the units to quote at premium or discount to NAV. However, since the eligible investors can transact with the AMC for units beyond the creation unit size there should not be a significant variance from the NAV. Hence the price of ETF is less likely to hold significant variance (large premium or discount) from the latest declared NAV all the time.
- 11) **Capital Gains Impact:** Investors who trade in Kotak Nifty Private Bank ETF may be subject to Long Term Capital Gains or Short term Capital Gains. Investors are requested to consult their tax / legal consultants before investing in the scheme.
- 12) The units will be issued only in demat form through depositories. The records of the depository are final with respect to the number of units available to the credit of unit holder. Settlement of trades, repurchase of units by the mutual fund depends upon the confirmations to be received from depository(ies) on which the mutual fund has no control.
- 13) The scheme will attract provisions of take over regulations, if it invests in more than 10% of the paid-up capital of a company and therefore may not be able to accept further subscription
- 14) The Index reflects the prices of securities at a point in time, which is the price at close of business day on the stock exchange. The Scheme, however, may at times trade these securities at different points in time during the trading session and therefore the prices at which the Plan trade may not be identical to the closing price of each scrip on that day on the BSE / NSE. In addition, the Scheme may opt to trade the same securities on different exchanges due to price or liquidity factors, which may also result in traded prices being at variance, from BSE / NSE closing prices.

#### **Risk associated with Exchange Traded Fund:**

- a) **Absence of Prior Active Market:** Although the units of ETFs are listed on the Stock Exchange for trading, there can be no assurance that an active secondary market will develop or be maintained.
- b) **Lack of Market Liquidity:** Trading in units of ETFs on the Stock Exchange on which it is listed may be halted because of market conditions or for reasons that, in the view of the concerned Stock Exchange or Market Regulator, trading in the ETF Units is inadvisable. In addition, trading in the units of ETFs is subject to trading halts caused by extraordinary market volatility pursuant to 'circuit breaker' rules. There can be no assurance that the requirements of the concerned Stock Exchange necessary to maintain the listing of the units of ETFs will continue to be met or will remain unchanged.
- c) **Units of Exchange Traded Funds May Trade at Prices Other than NAV:** Units of Exchange Traded Funds may trade above or below their NAV. The NAV of Units of Exchange Traded Funds may fluctuate with changes in the market value of a Scheme's holdings. The trading prices of units of ETF will fluctuate in accordance with changes in their NAVs as well as market supply and demand. However, given that ETFs can be created / redeemed in Creation Units, directly with the fund, large discounts or premiums to the NAVs will not sustain due to arbitrage possibility available.
- d) **Regulatory Risk:** Any changes in trading regulations by the Exchange or SEBI may affect the ability of market maker to arbitrage resulting into wider premium/ discount to NAV. Although Kotak Nifty Private Bank ETF is proposed to be listed on Exchange, the AMC and the Trustees will not be liable for delay in listing of Units of the Scheme on Exchange / or due to connectivity problems with the depositories due to the occurrence of any event beyond their control.
- e) **Political Risks:** Whereas the Indian market was formerly restrictive, a process of deregulation has been taking place over recent years. This process has involved removal of trade barriers and protectionist measures, which could adversely affect the value of investments. It is possible that the future changes in the Indian political situation, including political, social or economic instability,

diplomatic developments and changes in laws and regulations could have an effect on the value of investments. Expropriation, confiscatory taxation or other relevant developments could affect the value of investments.

- f) **Right to Limit Redemptions:** The Trustees, in the general interest of the unit holders of the Scheme offered under this Scheme Information Document and keeping in view of the unforeseen circumstances/unusual market conditions, may limit the total number of Units which can be redeemed on any Business Day depending on the total “Saleable Underlying Stock” available with the fund.
- g) **Redemption Risk:** The Unit Holders may note that even though this is an open ended scheme, the Scheme would ordinarily repurchase Units in Creation Unit size. Thus, unit holdings less than the Creation Unit size can normally only be sold through the secondary market unless no quotes are available on the Exchange for 3 trading days consecutively.
- h) **Asset Class Risk:** The returns from the types of securities in which a Scheme invests may underperform returns from the various general securities markets or different asset classes. Different types of securities tend to go through cycles of out-performance and under performance in comparison of the general securities markets.
- i) **Passive Investments:** As the Scheme is not actively managed, the underlying investments may be affected by a general decline in the Indian markets relating to its Underlying Index. The scheme invests in the securities included in its underlying index regardless of their investment merit. The AMC does not attempt to take defensive positions in declining markets. Further, the fund manager does not make any judgment about the investment merit nor shall attempt to apply any economic, financial or market analysis.
- j) **Tracking Error Risk:** Factors such as the fees and expenses of the Scheme, cash balance, changes to the Underlying assets and regulatory policies may affect AMC’s ability to achieve close correlation with the Underlying assets of the scheme. The Scheme’s returns may therefore deviate from those of its Underlying assets.

Tracking Error of ETFs is likely to be low as compared to a normal index fund. Due to the Creation / Redemption of units through the in-kind mechanism the fund can keep lesser funds in cash. Also, time lag between buying / selling units and the underlying shares is much lower. The Investment Manager would monitor the tracking error of the Scheme on an ongoing basis and would seek to minimize tracking error to the through regular rebalancing of the portfolio. Under normal circumstances, such tracking errors are not expected to exceed 2% per annum. However, this may vary when the markets are very volatile. However, there can be no assurance or guarantee that the Scheme will achieve any particular level of tracking error relative to performance of the Underlying Index.

#### **Risk specific to investing in securities forming part of Nifty Private Banks Index : -**

Kotak Nifty Private Bank ETF is passively a managed Index Scheme i.e. the amount collected under the scheme is invested in securities of companies comprising the underlying index in the same weightages as they have in the underlying index. The composition of the underlying index is subject to changes that may be affected periodically by the Index Service Provider. Performance of the underlying index will have a direct bearing on the performance of the scheme. The extent of the Tracking error may have an impact on the performance of the scheme.

#### **Risks associated with Tracking errors/ difference:**

Tracking error means the extent to which the NAV of the scheme moves in a manner inconsistent with the movements of the benchmark index on any given day or over any given period of time due to any cause or reason whatsoever including but not limited to expenditure incurred by the scheme, dividend payouts if any, whole cash not invested at all times as it may keep a portion of funds in cash to meet redemption etc. The tracking error i.e. the annualized standard deviation of the difference in daily returns between the underlying

index or goods and the NAV of the Scheme based on past one year rolling data shall not exceed 2%. In case of unavoidable circumstances in the nature of force majeure, which are beyond the control of the AMCs, the tracking error may exceed 2% and the same shall be brought to the notice of Trustees with corrective actions taken by the AMC, if any. However, the Scheme will endeavor to limit the tracking error within 2% limits. For ETFs/ Index Funds in existence for a period of less than one year, the annualized standard deviation shall be calculated based on available data. Tracking difference is the difference of return between the scheme and benchmark annualized over 1 year, 3 year, 5 years, 10 years and since inception period.

Tracking error/ difference could be the result of a variety of factors including but not limited to:

- Delay in the purchase or sale of stocks within the benchmark due to
  - Illiquidity in the stocks, circuit filters on the stocks
  - Impact, if any, of securities received on corporate action.
- Delay in realization of sale proceeds, receipt of information of inflows from RTA/ Banks etc.
- The scheme may buy or sell the stocks comprising the index at different points of time during the trading session at the then prevailing prices which may not correspond to its closing prices.
- Investments in securities must be made in whole numbers; therefore, the quantity of shares should be rounded accordingly.
- The potential for trades to fail, which may result in the Scheme not having acquired the securities at a price necessary to track the benchmark price
- Index providers may either exclude or include new scrips in their periodic review of the stocks that constitute the underlying index. In such situations the scheme will endeavor to rebalance the portfolio in line with the index. But may not be able to mirror the index immediately due to the available investment/reinvestment opportunity.
- The holding of a cash position and accrued income prior to distribution of income and payment of accrued expenses.
- Disinvestments to meet redemptions, recurring expenses, payouts of IDCW etc.
- Execution of large buy / sell orders
- Delay in credit of securities
- Transaction cost and recurring expenses
- Delay in realization of Unit holders' funds
- Levy of margins by exchanges

SEBI / other Regulatory restrictions on investments and/ or divestments by the scheme / Mutual Fund, which are outside the control of AMC, which may further cause / impact the tracking error.

**Risks associated with Capital Markets or Equity Markets (i.e. Markets in which Equity Shares or Equity oriented instruments are issued and traded)**

- **Price fluctuations and Volatility:**  
Mutual Funds, like securities investments, are subject to market and other risks and there can be neither a guarantee against loss resulting from an investment in the Scheme nor any assurance that the objective of the Scheme will be achieved. The NAV of the Units issued under the Scheme can go up or down because of various factors that affect the capital market in general, such as, but not limited to, changes in interest rates, government policy and volatility in the capital markets. Pressure on the exchange rate of the Rupee may also affect security prices.
- **Concentration / Sector Risk:**  
When a Mutual Fund Scheme, by mandate, restricts its investments only to a particular sector; there arises a risk called concentration risk. If the sector, for any reason, fails to perform, the portfolio value will plummet and the Investment Manager will not be able to diversify the investment in any other sector. Investments under this scheme will be predominantly in equity or equity related stocks spanning across the selected theme. Hence the concentration risks could be high.

- **Liquidity Risks:**

Liquidity in Equity investments may be affected by trading volumes, settlement periods and transfer procedures. These factors may also affect the Scheme's ability to make intended purchases/sales, cause potential losses to the Scheme and result in the Scheme missing certain investment opportunities.

**Risk associated with Securities Lending:**

In the case of securities lending, there is a possibility of recall of securities lent at a higher premium than at which the security is lent or unable to recall due to low volume. Additional risk on securities lending is that there can be temporary illiquidity of the securities that are lent out and the Fund may not be able to sell such lent-out securities, resulting in an opportunity loss. In case of a default by counterparty, the loss to the Fund can be equivalent to the securities lent.

**Risks associated with Debt / Money Markets (i.e. Markets in which Interest bearing Securities or Discounted Instruments are traded)**

**a) Credit Risk:**

Securities carry a Credit risk of repayment of principal or interest by the borrower. This risk depends on micro-economic factors such as financial soundness and ability of the borrower as also macro-economic factors such as Industry performance, Competition from Imports, Competitiveness of Exports, Input costs, Trade barriers, Favorability of Foreign Currency conversion rates, etc.

Credit risks of most issuers of Debt securities are rated by Independent and professionally run rating agencies. Ratings of Credit issued by these agencies typically range from "AAA" (read as "Triple A" denoting "Highest Safety") to "D" (denoting "Default"), with about 6 distinct ratings between the two extremes.

The highest credit rating (i.e. lowest credit risk) commands a low yield for the borrower. Conversely, the lowest credit rated borrower can raise funds at a relatively higher cost. On account of a higher credit risk for lower rated borrowers lenders prefer higher rated instruments further justifying the lower yields.

**b) Price-Risk or Interest-Rate Risk:**

From the perspective of coupon rates, Debt securities can be classified in two categories, i.e., Fixed Income bearing Securities and Floating Rate Securities. In Fixed Income Bearing Securities, the Coupon rate is determined at the time of investment and paid/received at the predetermined frequency. In the Floating Rate Securities, on the other hand, the coupon rate changes - 'floats' - with the underlying benchmark rate, e.g., MIBOR, 1 yr. Treasury Bill.

Fixed Income Securities (such as Government Securities, bonds, debentures and money market instruments) where a fixed return is offered, run price-risk. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, the payment-frequency of such coupon, days to maturity and the increase or decrease in the level of interest rates. The prices of Government Securities (existing and new) will be influenced only by movement in interest rates in the financial system. Whereas, in the case of corporate or institutional fixed income securities, such as bonds or debentures, prices are influenced not only by the change in interest rates but also by credit rating of the security and liquidity thereof. However, debt securities in the scheme are intended to be held till maturity. For such securities held till maturity, there will not be any interest rate risk at the end of the tenure.

Floating rate securities issued by a government (coupon linked to treasury bill benchmark or a real return inflation linked bond) have the least sensitivity to interest rate movements, as compared to other securities. The Government of India has already issued a few such securities and the Investment Manager believes that such securities may become available in future as well. These securities can play an important role in minimizing interest rate risk on a portfolio.

**c) Risk of Rating Migration:**

The following table illustrates the impact of change of rating (credit worthiness) on the price of a hypothetical AA rated security with a maturity period of 3 years, a coupon of 10.00% p.a. and a market value of Rs. 100. If it is downgraded to A category, which commands a market yield of, say, 11.00% p.a., its market value would drop to Rs. 97.53 (i.e. 2.47%) If the security is up-graded to AAA category which commands a market yield of, say, 9.00% p.a. its market value would increase to Rs102.51 (i.e. by 2.51%). The figures shown in the table are only indicative and are intended to demonstrate how the price of a security can be affected by change in credit rating.

<b>Rating</b>	<b>Yield (% p.a.)</b>	<b>Market Value (Rs.)</b>
AA	10.00	100.00
If upgraded to AAA	9.00	102.51
If downgraded to A	11.00	97.53

**d) Basis Risk:**

During the life of floating rate security or a swap the underlying benchmark index may become less active and may not capture the actual movement in the interest rates or at times the benchmark may cease to exist. These types of events may result in loss of value in the portfolio. Where swaps are used to hedge an underlying fixed income security, basis risk could arise when the fixed income yield curve moves differently from that of the swap benchmark curve.

**e) Spread Risk:**

In a floating rate security, the coupon is expressed in terms of a spread or mark up over the benchmark rate. However, depending upon the market conditions the spreads may move adversely or favourably leading to fluctuation in NAV.

**f) Reinvestment Risk:**

Investments in fixed income securities may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.

**g) Liquidity Risk:**

The corporate debt market is relatively illiquid vis-a- vis the government securities market. There could therefore be difficulties in exiting from corporate bonds in times of uncertainties. Liquidity in a scheme therefore may suffer. Even though the Government Securities market is more liquid compared to that of other debt instruments, on occasions, there could be difficulties in transacting in the market due to extreme volatility or unusual constriction in market volumes or on occasions when an unusually large transaction has to be put through. In view of this, redemption may be limited or suspended after approval from the Boards of Directors of the AMC and the Trustee, under certain circumstances as described in the Statement of Additional Information (SAI).

**Risks associated with investments in Derivative Instruments:**

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

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. There are certain risks inherent in derivatives. These are:

- a) **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.
- b) **Limitations on upside:** Derivatives when used as hedging tool can also limit the profits from a genuine investment transaction.
- c) **Liquidity 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.
- d) In case of investments in index futures, the risk would be the same as in the case of investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks. In case futures are used for hedging a portfolio of stocks, which is different from the index stocks, the extent of loss could be more or less depending on the coefficient of variation of such portfolio with respect to the index; such coefficient is known as Beta.
- e) The risk related to hedging for use of derivatives, (apart from the derivatives risk mentioned above) is that event of risk, which we were anticipating and hedged our position to mitigate it, does not happen. In such case, the cost incurred in hedging the position would be a avoidable charge to the scheme net assets.
- f) **Credit Risk** – The credit risk in derivative transaction is the risk that the counter party will default on its obligations and is generally low, as there is no exchange of principal amounts in a IRS / IRF derivative transaction. With the phased implementation of physical settlement of stocks in equity derivative segment, though there is an element of risk of stock / funds not being received, the same is mitigated due to settlement guarantee similar to equity cash market segment.
- g) **Interest Rate Risk** – interest rate is one of the variables while valuing derivatives such as futures & options. For example, with everything remaining constant, when interest rates increase, the price of Call option would increase. Thus, fluctuations in interest rates would result in volatility in the valuation of derivatives.
- h) **Model Risk** - A variety of models can be used to value options. Hence, the risk to the fund is that the fund manager buys a particular option using a particular valuation model (on the basis of which the option seems to be fairly priced or cheap) but the market is valuing it using another valuation model and according to which the option may be expensive.
- i) The risk (loss) for an option buyer is limited to the premium paid, while the risk (loss) of an option writer is unlimited, the latter's gain being limited to the premiums earned. However, in the case of the Fund, all option positions will have underlying assets and therefore all losses due to price-movement beyond the strike price will actually be an opportunity loss. The writer of a put option bears a risk of loss if the value of the underlying asset declines below the strike price. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the strike price.

#### **Numerical example of risk involved** (For illustration purposely only)

Due to ease of execution and settlement, index futures are an efficient way of buying / selling an Index compared to buying / selling a portfolio of physical shares representing an Index. Index futures can be an efficient way of achieving a Scheme's investment objectives. Index futures may do away with the need for trading in individual components of the Index, which may not be possible at times, keeping in mind the circuit filter system and the liquidity in some of the scripts. Index futures can also be helpful in reducing transaction costs and processing costs on account of ease of execution of one trade compared to several trades of shares comprising the Index and will be easy to settle compared to physical portfolio of shares representing an Index

The National Stock Exchange and the Bombay Stock Exchange introduced Index futures on Nifty (NSE-50) and Sensex (BSE 30) for three serial months. For example, in the month of April 2024, three futures were available i.e. May, June and July 2024, each expiring on the last working Thursday of the respective month.

Let us assume the Nifty Index was 19,638.3 as on May 30,2025 and three future indices were available as under:

Month	Bid Price	Offer Price
Jun 2025	19708	19710
July 2025	19824	19828
Aug 2025	19930	19940

The Fund could buy an Index of Jun 2025 as on May 30, 2025 at an offer price of 19710. The Fund would have to pay the initial margin as regulated by the exchanges and settle its Index position with daily marked to market i.e. receive profits/pay losses on a daily basis.

The following is a hypothetical example of a typical index future trade and the associated costs compared with physical stocks.

(Amount in Rupees)

Particulars	Index Future	Actual Purchase of Stocks
Index as on May 30, 2025	19638.3	19638.3
Jun 2025 Futures Cost	19710	
<b>A. Execution Cost</b>		
Carry costs (19710-19638.3)	71.7	Nil
<b>B. Brokerage Cost</b>		
Assumed at 0.02% for Index Future and 0.05% for spot stock (0.02% of 19710) (0.05% of 19638.3)	3.94	9.82
<b>C. Securities Transaction Tax</b> STT for Index Futures is Nil STT for Spot Stocks is 0.10% (0.10% of 19638.3)	Nil	19.64
<b>D. Gains on Surplus Funds</b> (Assuming 6% return on 81% of the money left after paying (19% margin) (6% x 19638.3 x 81% x 27 days ÷ 365)	(70.6)	Nil
Cash Market/ Sale Price at expiry	19800	19800
<b>E. Brokerage on Sale</b>		
Assumed at 0.02% for Index Future and 0.05% for Spot stocks (0.02% of 19800) (0.05% of 19800)	3.96	9.9
<b>F. Securities Transaction Tax</b> STT for Index Futures is 0.0125% STT for Spot Stocks is 0.10% (0.0125% of 19800) (0.10% of 19800)	2.48	19.8
<b>Total Cost (A+B+C-D+E+F)</b>	<b>11.48</b>	<b>59.16</b>
<b>Profit</b>	<b>150.22</b>	<b>102.54</b>

As the above example demonstrates, the cost differential between purchasing Index Future and 50 stocks comprising Nifty (NSE-50) is a function of the carrying cost, the interest earned available to Fund Managers and the brokerage cost applicable in both cases. However, as mentioned earlier, as the Indian equity markets continues to have limitations in execution of trades due to the lack of adequate liquidity and the concept of circuit breakers, index future can allow a fund to buy all the stocks comprising the index at a nominal additional cost.

Please note that the above example is hypothetical in nature and the figures, brokerage rates etc. are assumed. In case the execution and brokerage costs on purchase of Index Futures are high and the returns on surplus funds are less, buying of index future may not be beneficial as compared to buying stocks comprising the Index. The actual return may vary based on actuals and depends on final guidelines / procedures and trading mechanism as envisaged

by stock exchanges and other regulatory authorities.

#### **Risks associated with segregated portfolio**

- Investor holding units of segregated portfolio may not be able to liquidate their holding till the time realisable value is recovered.
- Security comprising of segregated portfolio may realise lower value or may realise zero value.
- Listing of units of segregated portfolio in recognised stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further trading price of units on the stock market may be significantly lower than the prevailing NAV.
- Ascertaining fair value of segregated securities may be difficult in the absence of an active securities market

#### **Risk associated with investment in Government securities and Triparty repo on Government securities or treasury bills:**

- The mutual fund is a member of securities segment and Triparty repo on Government securities or treasury bills trade settlement of the Clearing Corporation of India (CCIL). All transactions of the mutual fund in government securities and in Triparty repo on Government securities or treasury bills trades are settled centrally through the infrastructure and settlement systems provided by CCIL; Thus, reducing the settlement and counter party risks considerably for transactions in the said segments.
- The members are required to contribute towards margin obligation (Initial / Mark to Market etc.) as per by-laws of CCIL as also an amount as communicated by CCIL from time to time to the default fund maintained by CCIL as a part of the default waterfall (a loss mitigating measure of CCIL in case of default by any member in discharging their obligation. As per the waterfall mechanism, after the defaulter's margins and the defaulter's contribution to the default fund have been appropriated, CCIL's contribution is used to meet the losses. Post utilization of CCIL's contribution if there is a residual loss, it is appropriated from the default fund contributions of the non-defaulting members as determined by CCIL.
- Thus, the scheme is subject to risk of the initial margin and default fund contribution being invoked in the event of failure of any settlement obligations. In addition, the fund contribution is allowed to be used to meet the residual loss in case of default by the other clearing member (the defaulting member).
- CCIL maintains two separate Default Funds in respect of its Securities Segment, one with a view to meet losses arising out of any default by its members from outright and repo trades and the other for meeting losses arising out of any default by its members from Triparty repo on Government securities or treasury bills trades. The mutual fund is exposed to the extent of its contribution to the default fund of CCIL, in the event that the contribution of the mutual fund is called upon to absorb settlement/ default losses of another member by CCIL, as a result the scheme may lose an amount equivalent to its contribution to the default fund.

#### **Risk factor associated with investment in Units of Mutual Funds:**

Mutual funds being vehicles of securities investments are subject to market and other risks and there can be no guarantee against loss resulting from investing in the Scheme. The various factors which impact the value of the Schemes investments include, but are not limited to, fluctuations in the bond markets, fluctuations in interest rates, prevailing political and economic environment, changes in government policy, factors specific to the issuer of the securities, tax laws, liquidity of the underlying instruments, settlement periods, trading volumes, suspension of subscription/redemptions of the scheme, change in fundamental attribute etc. The Scheme may invest in schemes of Mutual Funds. Hence, scheme specific risk factors of each such mutual fund schemes will be applicable to the Scheme portfolio. All the above factors may not only affect the prices of securities but also the time taken by the Fund for redemption of Units, which could be significant in the event of receipt of a very large number of redemption requests or very large value redemption requests. The liquidity of the assets may be

affected by other factors such as general market conditions, political events, bank holidays and civil strife. In view of this, redemption may be limited or suspended after approval from the Boards of Directors of the AMC and the Trustee, under certain circumstances as described elsewhere in the SAI

### C. Risk mitigation strategies

Type of Risks	Measures/ Strategies to control risks
<b>Equity Markets/ Equity Oriented Instruments</b>	<p>Market Risk and Volatility: Market risk is a risk is inherent to an equity scheme. Being a passively managed scheme, it will invest in the securities included in its Underlying Index.</p> <p>Concentration / Sector Risk: ETF being a passive investment carries lesser risk as compared to active fund management. The portfolio follows the index and therefore the level of stock concentration in the portfolio and its volatility would be the same as that of the index, subject to tracking error. Thus, there is no additional element of volatility or stock concentration on account of fund manager decisions. The Risk Mitigation strategy revolves around minimizing the Tracking error to the least possible through regular rebalancing of the portfolio, taking into account the change in weights of stocks in the Underlying Index as well as the incremental collections into / redemptions from the Scheme.</p> <p>Liquidity Risks: As such the liquidity of some stocks that the scheme invests into could be relatively low. The fund will endeavor to maintain a proper asset-liability match to ensure redemption payments are made on time and not affected by illiquidity of the underlying stocks.</p>
<b>Debt and Money Market instruments</b>	<ul style="list-style-type: none"> <li>• Credit Risk: Management analysis will be used for identifying company specific risks. Management’s past track record will also be studied. In order to assess financial risk a detailed assessment of the issuer’s financial statements will be undertaken.</li> <li>• Price-Risk or Interest-Rate Risk: The Scheme may primarily invest the debt portion of the portfolio in money market instruments, units of Liquid and Overnight schemes thereby mitigating the price volatility due to interest rate changes generally associated with long-term securities.</li> <li>• Risk of Rating Migration: The Scheme may primarily invest the debt portion of the portfolio in short-term money market instruments, units of Liquid and Overnight schemes thereby mitigating the risk of rating migration generally associated with long-term securities</li> <li>• Basis Risk: The debt allocation of scheme is primarily cash management strategy and such strategy returns are expected to reflect the very short-term interest rate hence investment is done in short term debt and money market instruments.</li> <li>• Spread Risk: The Scheme may primarily invest the debt portion of the portfolio in short-term money market instruments, units of Liquid and Overnight schemes thereby mitigating the risk of spread expansion which is generally associated with long-term securities</li> <li>• Reinvestment Risk: The debt allocation of scheme is primarily cash management strategy and such strategy returns are expected to reflect the very short-term interest rate hence investment is done in short term debt and money market instruments. Reinvestment risks will be limited to the extent of debt instruments, which will be a very small portion of the overall portfolio value.</li> <li>• Liquidity Risk: The Scheme may invest in government securities, corporate bonds and money market instruments. While the liquidity risk for government securities, money market instruments and short maturity corporate bonds may be low, it may be</li> </ul>

	high in case of medium to long maturity corporate bonds. The Scheme may, however, endeavour to minimize liquidity risk by primarily investing the debt portion of the portfolio in relatively liquid short-term money market instruments, units of Liquid and Overnight schemes.
<b>Derivatives</b>	The Scheme may take an exposure to equity derivatives of constituents or index derivatives of the underlying index for short duration when securities of the index are unavailable, insufficient or for rebalancing at the time of change in index or in case of corporate actions, as permitted. All derivatives trade will be done only on the exchange with guaranteed settlement. Exposure with respect to derivatives shall be in line with regulatory limits and the limits specified in the SID.
<b>Securities Lending</b>	The SLB shall be operated through Clearing Corporation/Clearing House of stock exchanges having nation-wide terminals who are registered as Approved Intermediaries (AIs).” The risk is adequately covered as Securities Lending & Borrowing (SLB) is an Exchange traded product. Exchange offers an anonymous trading platform and gives the players the advantage of settlement guarantee without the worries of counter party default. The fund manager will endeavor to recall the securities in case lent securities are to be sold.
<b>Segregated Portfolio</b>	In such an eventuality, it will be AMC’s endeavor to realise the segregated holding in the best interest of the investor at the earliest.
<b>Tracking errors/tracking difference</b>	Over a short period, the Scheme may carry the risk of variance between portfolio composition and Benchmark. The objective of the Scheme is to track the performance of the Underlying Index over the same period, subject to tracking error. The Scheme would endeavor to maintain a low tracking error by actively aligning the portfolio in line with the Index.
<b>Government securities and Triparty repo on Government securities or treasury bills</b>	As a member of securities segment and Triparty repo segment, maintenance of sufficient margin is a mandatory requirement. CCIL monitors these on a real time basis and requests the participants to provide sufficient margin to enable the trades etc. Also there are stringent conditions / requirements before registering any participants by CCIL in these segments. Since settlement is guaranteed the loss on this account could be minimal though there could be an opportunity loss.
<b>Units of overnight &amp; liquid mutual fund schemes</b>	Liquidity is generally high in both overnight as well as liquid schemes.

While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated.

The measures mention above is based on current market conditions and may change from time to time based on changes in such conditions, regulatory changes and other relevant factors. Accordingly, our investment strategy, risk mitigation measures and other information contained herein may change.in response to the same.

## II. INFORMATION ABOUT THE SCHEME:

### A. Where will the scheme invest?

Securities/ Instruments	Definitions
<p><b>Equity and equity related securities including convertible bonds and debentures and warrants carrying the right to obtain equity shares.</b></p>	<p>Equity shares is a security that represents ownership interest in a company.</p> <p>Equity related instruments include convertible debentures, convertible preference shares, warrants carrying the right to obtain equity shares, equity derivatives, units of Real Estate Investment Trust and such other instrument as may be specified by the Board from time to time.</p> <p>Derivative is a financial instrument whose value is based upon the value of an underlying equity shares or indices. The equity derivatives may be in the following form:</p> <p>Futures - Futures Contract means a legally binding agreement to buy or sell the underlying security / indices on a future date at an agreed price.</p> <p>Options - Options Contract is a type of Derivatives Contract which gives the buyer/holder of the contract the right (but not the obligation) to buy/sell the underlying asset at a predetermined price within or at end of a specified period. The buyer / holder of the option purchases the right from the seller/writer for a consideration which is called the premium. The seller/writer of an option is obligated to settle the option as per the terms of the contract when the buyer/holder exercises his right. The underlying asset could include securities, an index of prices of securities etc.</p>
<p><b>Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills)</b></p>	<p>Government Security (G-Sec) is a tradeable instrument issued by the Central Government or the State Governments. It acknowledges the Government's debt obligation. They are generally long term with maturity of one year or more. In India, the Central Government issues both, treasury bills and bonds or dated securities while the State Governments issue only bonds or dated securities, which are called the State Development Loans (SDLs). G-Secs carry practically no risk of default and, hence, are called risk-free gilt-edged instruments.</p> <p>Repos / Reverse Repos enables collateralized short term borrowing and lending through sale/purchase operations in the such government securities.</p>
<p><b>Debt obligations of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee (including but not limited to Indian Government Bond, State Development Loans issued and serviced at the Public Debt Office, Bonds issued by Central &amp; State Government PSU's which are guaranteed by Central or State Governments);</b></p>	<p>These are instruments are issued by various government agencies and bodies (including but not limited to Indian Government Bond, State Development Loans issued and serviced at the Public Debt Office, Bonds issued by Central &amp; State Government PSU's which are guaranteed by Central or State Governments. They can be issued at discount, par or premium.</p>

<p><b>Corporate debt (of both public and private sector undertakings) including Nonconvertible debentures (including bonds) and non-convertible part of convertible securities;</b></p>	<p>These are financial instruments issued by companies (both public and private) to raise long-term funds through public issues. They are generally rated by credit rating agencies.</p>
<p><b>Short Term Deposits of banks (both public and private sector) and development financial institutions to the extent permissible under SEBI Regulations;</b></p>	<p>Short Term Deposits are offered by Scheduled Commercial Banks (both public and private sector banks) with a fixed/floating interest rate and maturity date.</p>
<p><b>Money market instruments permitted by SEBI/RBI, having maturities of up to one year but not limited to: □ Certificate of Deposits (CDs). □ Commercial Paper (CPs) □ Tri-party Repo, Bills re-discounting, as may be permitted by SEBI from time to time.</b></p>	<ul style="list-style-type: none"> <li>• “Certificate of Deposit” or “CD” is issued by Scheduled Commercial Banks (SCBs) and All-India Financial Institutions. There is a term period of 7 days to 1 year for CDs that are issued by SCBs, whereas the term period ranges from 1 year to 3 years for CDs issued by financial institutions. CDs are usually issued at a discounted rate and redeemed at par.</li> <li>• "Commercial Paper" or "CP" is a short-term instrument issued by corporates and financial institutions CPs are usually issued at a discounted rate and redeemed at par. The tenor of CP ranges from 7 days to 1 year.</li> <li>• Treasury bills or T-bills, which are money market instruments, are short term debt instruments issued by the Government of India and are presently issued in three tenors, namely, 91 day, 182 day and 364 day. Treasury bills are zero coupon securities and pay no interest. Instead, they are issued at a discount and redeemed at the face value at maturity.</li> <li>• Triparty Repo (TREPS) is a type of repo contract where a third entity (apart from the borrower and lender), called a Tri-Party Agent, acts as an intermediary between the two parties to the repo to facilitate services like collateral selection, payment and settlement, custody and management during the life of the transaction.</li> <li>• Bills Re-discounting is an instrument where a financial institution discounts the bills of exchange that it has discounted previously with another financial institution.</li> </ul>
<p><b>Units of Mutual Funds Schemes</b></p>	<p>Mutual fund means a fund established in the form of a trust to raise monies through the sale of units to the public or a section of the public under one or more schemes for investing in securities, money market instruments, gold or gold related instruments, silver or silver related instruments, real estate assets and such other assets and instruments as may be specified by the SEBI from time to time.</p>
<p><b>Securities Lending &amp; Borrowing as permitted by SEBI from time to time</b></p>	<p>Securities Lending and Borrowing is a process through which shares or stocks are lent or borrowed from other investors or financial firms at a specified time and price.</p>

## **B. What are the investment restrictions?**

As per the Trust Deed read with the SEBI (MF) Regulations, the following investment restrictions apply in respect of the Scheme at the time of making investments.

1. All investments by a mutual fund scheme in equity shares and equity related instruments shall only be made provided such securities are listed or to be listed.

2. The Mutual Fund under all its Scheme(s) shall not own more than 10% of any company's paid up capital carrying voting rights.

Provided, investment in the asset management company or the trustee company of a mutual fund shall be governed by clause (a), of sub-regulation (1), of regulation 6.

3. As per para 13.1. of SEBI Master circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 , the Scheme shall not invest more than 10% of its NAV in debt instruments comprising money market instruments and nonmoney 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 Board of Trustees and the Board of directors of the asset management company.

Within the limits specified in para 13.1 of SEBI Master circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026, a mutual fund scheme shall not invest more than:

- a. 10% of its NAV in debt and money market securities rated AAA issued by a single issuer; or
- b. 8% of its NAV in debt and money market securities rated AA issued by a single issuer; or
- c. 6% of its NAV in debt and money market securities rated A and below issued by a single issuer.

The above investment limits may be extended by up to 2% of the NAV of the scheme with prior approval of the Board of Trustees and Board of Directors of the AMC, subject to compliance with the overall 12% limit specified in para 13.1 of SEBI Master circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026

The long-term rating of issuers shall be considered for the money market instruments. However, if there is no long-term rating available for the same issuer, then based on credit rating mapping of Credit Rating Agency (CRAs) between short term and long term ratings, the most conservative long term rating shall be taken for a given short term rating

Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and triparty repo on Government securities or treasury bills.

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

Provided further that such limit shall not be applicable for investments in case of debt exchange traded funds or such other funds as may be specified by the Board from time to time. Considering the nature of the Scheme, investments in such instruments will be permitted up to 5% of its Net Assets.

4. Debentures, irrespective of any residual maturity period (above or below one year), shall attract the investment restrictions as applicable for debt instruments. It is further clarified that the investment limits are applicable to all debt securities, which are issued by public bodies/institutions such as electricity boards, municipal corporations, state transport corporations etc. guaranteed by either state or central government. Government securities issued by central/state government or on its behalf by the RBI are exempt from the above investment limits.

5. The 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 AMC or in schemes under the management of any other asset management shall not exceed 5% of the net asset value of the Mutual Fund.

6. The Scheme shall not make any investments in:

(a) any unlisted security of an associate or group company of the Sponsors; or

(b) any security issued by way of private placement by an associate or group company of the Sponsors; or

(c) the listed securities of group companies of the Sponsors which is in excess of 25% of the net assets except for investments by equity-oriented ETFs and index funds based on widely tracked and non-bespoke indices, wherein the investments shall be made upto the weightage of the constituents of the underlying index, subject to overall cap of 35% of the net assets of the scheme in the group companies of the sponsor, in accordance with the clause 13.1 of SEBI Master circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026

7. The Scheme shall not invest in any Fund of Funds Scheme.

8. Transfer of investments from one scheme to another scheme in the same Mutual Fund, shall be allowed only if:-

a) such transfers are made at the prevailing market price for quoted Securities on spot basis (spot basis shall have the same meaning as specified by Stock Exchange for spot transactions.)

b) the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

c) the same are in line with Para 13.19 of SEBI Master circular No. SEBI/HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026

9. The mutual fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities:

- Provided further that a mutual fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by the Board.
- Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.

10. No loans for any purpose may be advanced by the Mutual Fund and the Mutual Fund shall not borrow except to meet temporary liquidity needs of the Schemes for the purpose of payment of interest or IDCW to Unit Holders, provided that the Mutual Fund shall not borrow more than 20% of the net assets of each of the Schemes and the duration of such borrowing shall not exceed a period of six months.

11. The Mutual Fund shall enter into transactions relating to Government Securities only in Electronic form.

12. The mutual fund shall get the securities purchased / transferred in the name of the fund on account of the concerned scheme, where investments are intended to be of long term nature.

13. Pending deployment of funds of a scheme in terms of investment objectives of the scheme, a mutual fund may invest them in short term deposits of schedule commercial banks, subject to Para 13.7 and 5.6 of SEBI Master circular No. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, as may be amended from time to time. The AMC shall not charge investment management and advisory fees for parking of funds in such short-term deposits of scheduled commercial banks

14. Investments in Derivatives shall be in accordance with the guidelines as stated under Para 8.5, and 13.15 of SEBI Master circular No. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026 as may be amended from time to time.

15. In accordance with the Para 13.1 of SEBI Master circular No. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, investments in following instruments as specified in the said circular, as may be amended from time to time, shall be applicable:

- i. All fresh investments by mutual fund schemes in CPs would be made only in CPs which are listed or to be listed.
- ii. The scheme shall not invest in unlisted debt instruments including commercial papers (CPs), other than
  - (a) government securities,
  - (b) other money market instrument
- iii. However, the scheme may invest in unlisted Non-Convertible Debentures (NCDs) not exceeding 10% of the debt portfolio of the scheme subject to the condition that such unlisted NCDs have a simple structure (i.e. with fixed and uniform coupon, fixed maturity period, without any options, fully paid up upfront,) and are rated and secured with coupon payment frequency on monthly basis.

Further, investment in unrated debt and money market instruments, other than government securities, treasury bills, derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. by mutual fund schemes shall be subject to the conditions as specified in the said circular:

- a. Investments should only be made in such instruments, including bills re-discounting, usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in SEBI (Mutual Fund) Regulations, 2026 and various circulars issued thereunder.
- b. Exposure of mutual fund schemes in such instruments shall not exceed 5% of the net assets of the schemes.
- c. All such investments shall be made with the prior approval of the Board of AMC and the Board of trustees.
- d. Investments in debt instruments, listed debt instruments shall include listed and to be listed debt instruments

16. The Scheme being an exchange traded fund (ETF), investment by the scheme in the scheme in the equity shares or equity related instruments of any company shall be in accordance with the weightage of the scrips in Nifty Private Bank Index.

17. As per para 4.3 of SEBI Master Circular No. SEBI Master circular No. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, in order to address the risk related to portfolio concentration in the Scheme, the underlying index for this scheme shall comply with the following:

- a. The index shall have a minimum of 10 stocks as its constituents.
- b. For a sectoral/ thematic Index, no single stock shall have more than 35% weight in the index. For other than sectoral/ thematic indices, no single stock shall have more than 25% weight in the index.
- c. The weightage of the top three constituents of the index, cumulatively shall not be more than 65% of the Index.
- d. The individual constituent of the index shall have a trading frequency greater than or equal to 80% and an average impact cost of 1% or less over previous six months.

Accordingly, the underlying Index shall ensure that such index complies with the aforesaid norms.

Further, on a quarterly basis index will be screened by stock exchanges for compliance with the portfolio concentration norms for ETFs/ Index Funds as specified in para 4.3 of SEBI Master circular No. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026. In case of non-compliance, suitable corrective measures will be taken to ensure compliance with the norms.

The Scheme shall endeavour to follow the guidelines prescribed under para 4.3 and 4.5 of SEBI Master circular No. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026 and circular issued thereunder from time to time.

In addition, certain investment parameters may be adopted internally by AMC, and amended from time to time, to ensure appropriate diversification / security for the Fund, subject to SEBI (MF) regulations and circular issued thereunder from time to time.

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

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

Modifications, if any, in the Investment Restrictions on account of amendments to the Regulations shall supersede/override the provisions of the Trust Deed

#### **Limits for investment in derivatives instruments**

In accordance with Para 8.5 and 13.15 of SEBI Master circular No. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, the following conditions shall apply to the Scheme's participation in the derivatives market. The investment restrictions applicable to the Scheme's participation in the derivatives market will be as prescribed or varied by SEBI or by the Trustees (subject to SEBI requirements) from time to time.

#### **i. Position limit for the Mutual Fund in equity index options contracts**

a) The Mutual Fund position limit in all equity index options contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in equity index option contracts, whichever is higher,

b) This limit would be applicable on open positions in all options contracts on a particular underlying index.

ii. Position limit for the Mutual Fund in equity index futures/stock futures contracts:

The Mutual Fund position limit in all equity index futures/stock futures contracts on a particular underlying index shall be Rs. 500 crore; or 15% of the total open interest in the market in equity index futures/stock futures contracts, whichever is higher,

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 Fund 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 the Mutual Fund for stock based derivative contracts

The combined futures and options position limit shall be 20% of applicable MWPL

v. Position limit for the Scheme

The position limits for the Scheme and disclosure requirements are as follows–

For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of the Mutual Fund shall not exceed the higher of: 1% of the free float market capitalisation (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 limit shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.

For index-based contracts, the Mutual Fund 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.

**Exposure Limits:**

As per Para 13.15 of SEBI Master circular No. SEBI/HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026 on “Review of norms for investment and disclosure by Mutual Funds in derivatives”, the limits for exposure towards derivatives are as under:

1. The cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), repo transactions in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme.

2. Mutual Funds 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 :-

a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.

b. 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.

c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.

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

7. 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 one

8. Exposure in derivative positions shall be computed as follows:

<b>Position</b>	<b>Exposure</b>
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

### **C. Fundamental Attributes**

As per para 1.9 of SEBI Master circular no SEBI Master circular No. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, the following are the fundamental attributes of the schemes, in terms of Regulation 22(9)(c) of SEBI(MF) Regulations:

- (i) Type of the scheme: As mentioned under the heading “Scheme Type” of Part I – Sr. No. III
- (ii) Investment Objective: As mentioned under the heading “Investment Objective” of Part I – Sr. No. V
- (iii) Investment Pattern: As mentioned under the heading “How will the scheme allocate its assets” of Part II - A
- (iv) Terms of Issue:
  - Liquidity provisions such as listing, repurchase, redemption. Investors may refer Part I and Section II under ‘Other Scheme Specific Disclosures’ for detailed information on listing, repurchase and redemption.

- Aggregate fees and expenses charged to the scheme. Investors may refer Part III ‘Other Details’.
- Any safety net or guarantee provided – Not Applicable.

In accordance with Regulation 22(9)(c) of the SEBI (MF) Regulations, 2026 and Paragraph 1.9.2 of SEBI Master Circular for Mutual Funds the Trustees shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:

- SEBI has reviewed and provided its comments on the proposal
- A written communication (including digital modes such as email/sms etc.) about the proposed change is sent to each Unitholder and details as specified by the Board are appropriately displayed on the website of the AMC; and
- The Unitholders are given an option for a period of atleast 30 calendar days to exit at the prevailing NAV without any exit load

#### **D. Index Methodology**

##### **About Nifty Private Bank**

The Nifty Private Bank Index is designed to reflect the performance of the banks from private sector

Eligibility Criteria for Selection of Constituent Stocks:

- Companies should form part of Nifty 500 at the time of review. In case, the number of eligible stocks representing a particular sector within Nifty 500 falls below 10, then deficit number of stocks shall be selected from the universe of stocks ranked within top 800 based on both average daily turnover and average daily full market capitalisation based on previous six months period data used for index rebalancing of Nifty 500.
- Banks having 50% or more of their outstanding share capital held by central or state government directly, or by central or state government controlled banks will be excluded from stock selection.
- The bank's trading frequency should be at least 90% in the last six months.
- The Company/bank should have a minimum listing history of 1 month as on the cutoff date.
- Final selection of 10 companies shall be done based on free float market capitalisation. A preference shall be given to companies that are available for trading in NSE's Futures & Options segment at the time of final selection.
- Weightage of each stock in the index is calculated based on its free-float market capitalization such that no single stock shall be more than 23% and weightage of top 3 stocks cumulatively shall not be more than 62% at the time of rebalancing.

##### **Index Re-Balancing:**

Index is re-balanced on semi-annual basis. The cut-off date is January 31 and July 31 of each year, i.e. for semi-annual review of indices, average data for six months ending the cut-off data is considered. Exclusion from the index is done due to suspension or delisting or in case of corporate event such as scheme of arrangement / demerger / acquisition.

##### **Index Constituents, Weightages (as on June 22, 2026) and Impact Cost (as on March 31, 2026)**

<b>Security</b>	<b>Constituents Weightage (%)</b>	<b>Impact Cost (%)</b>
AXIS BANK LTD.	20.57	0.02
BANDHAN BANK LTD.	1.34	0.03
FEDERAL BANK LTD.	5.75	0.02
HDFC BANK LTD.	19.26	0.01
ICICI BANK LTD.	20.25	0.02

IDFC FIRST BANK LTD.	3.86	0.03
INDUSIND BANK LTD.	4.38	0.03
KOTAK MAHINDRA BANK LTD.	19.79	0.01
RBL BANK LTD.	1.65	0.04
YES BANK LTD.	3.16	0.04

## Index Service Provider

### NSE Indices Limited

NSE Indices Limited (formerly known as India Index Services & Products Ltd. - IISL), a subsidiary of NSE, provides a variety of indices and index related services for the capital markets. The company focuses on the index as a core product. The company owns and manages a portfolio of indices under the Nifty brand of NSE, including the flagship index, the Nifty 50. Nifty equity indices comprise of broad-based benchmark indices, sectoral indices, strategy indices, thematic indices and customized indices. NSE Indices Limited also maintains fixed income indices based on Government of India securities, corporate bonds, money market instruments and hybrid indices. Many investment products based on Nifty indices have been developed within India and abroad. These include index-based derivatives traded on NSE and NSE International Exchange IFSC Limited (NSE IX) and a number of index funds and exchange traded funds. The flagship 'Nifty 50' index is widely tracked and traded as the benchmark for Indian Capital Markets. For more information, please visit: [www.niftyindices.com](http://www.niftyindices.com).

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### E. Principles of incentive structure for market makers

Performance based incentives as and when offered to market marker, shall be disclosed as per SEBI Circular. The same shall be charged within the permissible TER limit.

**F. Other Scheme Specific Disclosures:**

<p><b>Listing and transfer of units</b></p>	<p><b>Listing:</b> The units of the Scheme are listed on NSE on allotment under intimation to SEBI. It may also list on any other exchanges subsequently.</p> <p>AMC has proposed to engage MM for creating liquidity for ETFs in the stock exchange so that retail investors (investors other than MM and Large Investors) are able to buy or redeem units on the stock exchange using the services of a stockbroker.</p> <p><b>Transfer of Units:</b> Not Applicable</p>
<p><b>Dematerialization of units</b></p>	<ol style="list-style-type: none"> <li>1. Units of the Scheme will be available in Dematerialized (electronic) form in addition to the account statement.</li> <li>2. The applicant under the Scheme will be required to have a beneficiary account with a Depository Participant of NSDL/CDSL and will be required to indicate in the application the Depository Participants (DP's) name, DP ID Number and the beneficiary account number of the applicant.</li> <li>3. Units of the Scheme will be issued, traded and settled compulsorily in dematerialized form.</li> </ol>
<p><b>Minimum Target amount (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.)</b></p>	<p>The Mutual Fund seeks to collect a minimum subscription amount of Rs. 5,00,00,000/- (Rupees Five crores only) under the scheme.</p>
<p><b>Maximum Amount to be raised (if any)</b></p>	<p>There is no upper limit on the total amount that may be collected. After the minimum subscription amount has been collected, allotment will be made to all valid applications.</p> <p><b>Minimum balance to be maintained and consequences of non-maintenance:</b> There is no requirement of minimum balance.</p>
<p><b>Dividend Policy (IDCW)</b></p>	<p>The Scheme does not offer any Plans/Options for investment.</p> <p>The AMC/Trustee reserve the right to introduce Option(s) as may be deemed appropriate at a later date.</p>

<p><b>Allotment (Detailed procedure)</b></p>	<p>The AMC/ Trustees reserves the right to reject any application inter alia in the absence of fulfillment of any regulatory requirements, fulfillment of any requirements as per the SID, incomplete/incorrect documentation and furnishing necessary information to the satisfaction of the Mutual Fund/AMC and subject to SEBI (MF) Regulations and circulars issued thereunder from time to time.</p> <p>Allotment of units and dispatch of allotment advice to FPI will be subject to RBI approval if required. (since the investor can transact only through the exchange after NFO period, they need to convert the units in demat form).</p> <p>For applicants applying through the ASBA mode, on intimation of allotment by CAMS to the banker the investors account shall be debited to the extent of the amount due thereon. On allotment, units will be credited to the Investor's demat account as specified in the ASBA application form.</p> <p>The Units of the Scheme held in the dematerialized form will be fully and freely transferable (subject to lock-in period, if any and subject to lien, if any marked on the units) in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 2018 as may be amended from time to time and as stated in Regulation 35(3) of SEBI (Mutual Fund) Regulations, 2026 Para 15.2 of SEBI Master Circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026 . Further, for the procedure of release of lien, the investors shall contact their respective DP.</p> <p>Also, when a person becomes a holder of the units by operation of law or upon enforcement of pledge, then the AMC shall, subject to production/submission of such satisfactory evidence, which in its opinion is sufficient, effect the transfer, if the intended transferee is otherwise eligible to hold the units.</p>
<p><b>Refund</b></p>	<p>If application is rejected, full amount will be refunded within 5 working days of closure of NFO. If refunded later than 5 working days@ 15% p.a. for delay period will be paid and charged to the AMC.</p>
<p><b>Who can invest This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.</b></p>	<p>The following are eligible to apply for purchase of the Units:</p> <ul style="list-style-type: none"> <li>• Resident Indian Adult Individuals, either singly or jointly (not exceeding three).</li> <li>• Parents/Lawful guardians on behalf of Minors.</li> <li>• Companies, corporate bodies, registered in India.</li> <li>• Registered Societies and Co-operative Societies authorized to invest in such Units.</li> <li>• Public sector undertakings, public/Statutory corporations subject to general or specific permissions granted to them by the Central/State governments from time to time.</li> <li>• Religious and Charitable Trusts under the provisions of 11(5) of the Income Tax Act, 1961 read with Rule 17C of the Income Tax Rules, 1962.</li> <li>• Trustees of private trusts authorized to invest in mutual fund schemes under their trust deeds.</li> <li>• Partner(s) of Partnership Firms.</li> <li>• Association of Persons or Body of Individuals, whether incorporated or not.</li> <li>• Hindu Undivided Families (HUFs).</li> <li>• Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions and Investment Institutions.</li> <li>• Non-Resident Indians/Persons of Indian origin resident abroad (NRIs) on full repatriation or non-repatriation basis.</li> <li>• .</li> <li>• Other Mutual Funds registered with SEBI.</li> </ul>

	<ul style="list-style-type: none"> <li>• International Multilateral Agencies approved by the Government of India.</li> <li>• Army/Navy/Air Force, Para-Military Units and other eligible institutions.</li> <li>• Scientific and Industrial Research Organizations.</li> <li>• Provident/Pension/Gratuity and such other Funds as and when permitted to invest.</li> <li>• Public Financial Institution as defined under the Companies Act 2013.</li> <li>• Universities and Educational Institutions.</li> <li>• Other schemes of Kotak Mahindra Mutual Fund may, subject to the conditions and limits prescribed in the SEBI Regulations and/or by the Trustees, AMC or Sponsor, subscribe to the Units under the Scheme.</li> <li>• Foreign Portfolio Investors (FPIs) or sub-accounts of FPI's registered with SEBI</li> <li>• Public Trusts in Maharashtra can invest up to 50% of its available funds.</li> </ul> <p>The list given above is indicative and the applicable law, if any, shall supersede the list.</p>
<p><b>Who cannot invest</b></p>	<p>Acceptance of Subscriptions from U.S. Persons and Residents of Canada w.e.f. November 17, 2016: -</p> <p>The Scheme shall not accept subscriptions from U.S. Persons and Residents of Canada, except where transaction request received from Non – resident Indian (NRIs) / Persons of Indian Origin (PIO) who at the time of investment are present in India and submit physical transaction request along with such declarations / documents as may be prescribed by Kotak Mahindra Asset Management Company Ltd and Kotak Mahindra Trustee Company Ltd.</p> <p>The AMC shall accept such investments subject to the applicable laws and such other terms and conditions as may be notified by the AMC/ Trustee Company. The investor shall be responsible for complying with all the applicable laws for such investments.</p> <p>The AMC reserves the right to put the transaction request on hold/reject the transaction request, or reverse the units allotted, as the case may be, as and when identified by the AMC, which are not in compliance with the terms and conditions notified in this regard, subject to SEBI (MF) Regulations and circulars issued thereunder from time to time.</p> <p>The Trustees/AMC reserves the right to change/modify the provisions mentioned above at a later date, subject to SEBI (MF) Regulations and circulars issued thereunder from time to time.</p>
<p><b>How to Apply and other details</b></p>	<p>1. For Market Makers &amp; Large Participants - The investors can submit the Application forms and Key Information Memorandum (along with transaction slip)/ forms for redemption/ switches at the branches of AMC or Investor Service Centres (ISCs)/Official Points of Acceptance (OPAs) of the Registrar (CAMS) or distributors or on the website of Kotak Mahindra Mutual Fund (<a href="http://www.kotakmf.com">www.kotakmf.com</a>).</p> <p>Purchase from Stock Exchanges (applicable for Market Makers, Large Investors and other investor). An investor can buy units of the Scheme on a continuous basis on the national stock exchange and other recognized stock exchanges where the Scheme units are listed and traded like any other publicly traded securities at prices which may be close to the actual NAV of the Scheme. There is no load for investors transacting on the stock exchange. However, there would be cost of brokerage and other transactions costs (like stamp duty) payable to broker or sub-broker of the exchange.</p> <p>The AMC/ Trustee reserves the right to reject any application inter alia in the</p>

	<p>absence of fulfillment of any regulatory requirements, fulfillment of any requirements as per the SID, incomplete/incorrect documentation and not furnishing necessary information to the satisfaction of the Mutual Fund/AMC.</p> <p>Any application may be accepted or rejected at the sole and absolute discretion of the Trustee.</p> <p>2. Link for the list of official points of acceptance, collecting banker details etc.  <a href="https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim">https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim</a></p> <p>3. Computer Age Management Services Ltd. (CAMS) (Registrar)  AVA Tower, Old No. 788 &amp; 789, Electricity Avenue, New No. 152 &amp; 150, Anna Salai, Beside Rayala Towers, Chennai - 600002.  Contact details - 044 6110 4034  Email Id – enq_k@camsonline.com  Website - www.camsonline.com</p> <p>To inform investors that it is mandatory to mention their bank account numbers in their applications/requests for redemption.</p> <p>Investors are also advised to refer to Statement of Additional Information before submitting the application form.  For Further details refer section II.</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>Units which are held in demat form shall be freely transferable under the depository system.</p>
<p><b>Cut off timing for subscriptions/ redemptions/ switches</b></p> <p>This is the time before which your application (complete in all respects) should reach the official</p>	<p>For Purchase/ Redemption directly from the fund on any business day:  a) Upto 3.00 p.m. on a business day, the NAV of such business day.  b) After 3.00 p.m. on a business day, the NAV of the following business day.</p> <p>Switches are not allowed under the Scheme.  Pursuant to Para 4.5.2 of SEBI Master circular No. SEBI/HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, the aforesaid cut off timing shall not be applicable for direct transaction with AMCs by MM and other eligible investors.</p>

points of acceptance.	
<p><b>Minimum amount for purchase/redemption/switches</b> (mention the provisions for ETFs, as may be applicable, for direct subscription/redemption with AMC.</p>	<p><b>Minimum Purchase Amount:</b></p> <ul style="list-style-type: none"> <li>• Ongoing purchases / redemptions directly from the Mutual Fund would be restricted to Market Makers and Large Investors (subject to transactions greater than INR 25 crores or such other amount as may be specified by SEBI from time to time) provided the value of units to be purchased / redeemed is in creation unit size or multiples thereof. The aforesaid limit of Rs.25 crores is not applicable for Market Makers.</li> <li>• Market Makers / Large Investors may exchange Portfolio Deposit / cash equivalent to the portfolio deposit and applicable cash component and transaction handling charges for Purchase / Redemption of Units of the Scheme in ‘Creation Unit’ size or in multiples thereof directly from the Mutual Fund, as defined by the Scheme for that respective Business Day.</li> <li>• The units are listed on NSE to provide liquidity through secondary market. All categories of Investors may purchase the units through secondary market on any trading day.</li> <li>• The AMC shall appoint at least two Market Makers, who are members of the Stock Exchanges, for ETFs to provide continuous liquidity on the stock exchange platform by providing two-way quotes in the units of the Scheme during trading hours.</li> <li>• The AMC reserves the right to list the units of the scheme on any other exchange, in future.</li> <li>• Unit holdings in less than the Creation Unit size can normally only be sold through the secondary market, except in situations mentioned under ‘Exit opportunity in case of ETF for investors other than Market Makers and Large Investors’ in the SID.</li> <li>• Any Transaction placed for redemption or subscription directly with the AMC must be greater than INR 25 crores or such other amount as may be specified by SEBI from time to time.</li> </ul> <p><b>Minimum Redemption Amount:</b></p> <ul style="list-style-type: none"> <li>• All investors including Market Makers, Large Investors and other investors may sell their units in the stock exchange(s) on which these units are listed on all trading days of the stock exchange</li> <li>• Mutual Fund will repurchase units from Market Makers and Large Investors on any business day in creation units size.</li> </ul> <p><b>Switches</b> - Switches are not allowed under the Scheme.</p>
<p><b>Accounts Statements</b></p>	<p>The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form).</p> <p>A Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds (including transaction charges paid to the distributor) and holding at the end of the month shall be sent to the Unit holders in whose folio(s) transaction(s) have</p>

	<p>taken place during the month by mail or email on or before 15th of the succeeding month.</p> <p>Half-yearly CAS shall be issued at the end of every six months (i.e. September/ March) on or before 18<sup>th</sup> day of April and October and to investors that have opted for delivery via physical mode, on or before the twenty-first (21st) day of April and October. However, where an investor does not wish to receive CAS through email, option shall be given to the investor to receive the CAS in physical form at the address registered with the Depositories and the AMCs/MF-RTAs</p> <p>For further details, refer SAI.</p>
<b>Dividend/ IDCW</b>	<p>The Scheme does not offer any Plans/Options for investment.</p> <p>The AMC/Trustee reserves the right to introduce Option(s) as may be deemed appropriate at a later date.</p>
<b>Redemption</b>	<p>MM/LI may submit Redemption request transaction form prescribed by the AMC enclosed with redemption request slip used in the depository system duly acknowledged by the depository participant with which MM/LI has a depository account.</p> <p>Redemption proceeds in the form of basket of securities included in the underlying Index in the same proportion will be credited to the designated DP account of the MM/LI. Any fractions in the number of securities transferable to MM/LI will be rounded off to the lower integer and the value of the fractions will be added to the cash component payable. Applicable cash component will be recovered along with necessary transaction handling charges</p> <p>Payment of proceeds in cash: The Fund at its discretion may accept the request of MM/LI for payment of redemption proceeds in cash in creation unit size or in multiples thereof. Such investors shall submit Redemption request transaction form prescribed by the AMC enclosed with redemption request slip used in the depository system duly acknowledged by the depository participant with which MM/LI has a depository account. whereupon the Fund will arrange to sell underlying portfolio securities on behalf of the investor. Accordingly, the sale proceeds at the actual execution price of the underlying portfolio, after adjusting necessary transaction handling charges/costs and applicable cash component, will be remitted to the investor. The number of Units so redeemed will be subtracted from the unitholder's account balance (DP) and a statement to this effect will be issued to the unitholder by depository.</p> <p>Redemption cheques will generally be sent to the Unitholder's address, (or, if there is more than one joint holder, the address of the first-named holder) when the unit balance is confirmed with the records of the depository, not later than 3 (Three) Working Days from the date of receipt of redemption requests.</p> <p>For list of exceptional circumstances refer para 15.3.3 of SEBI Master circular No. SEBI/HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026</p> <p>Note: The mutual fund will rely on the address and the bank account details recorded in the depository system. Any changes to the address and bank account details can be made only through the depository system.</p>
<b>Bank Mandate</b>	<p>As per the directives issued by SEBI it is mandatory for an investor to declare his/her bank account number. To safeguard the interest of Unitholders from loss or theft of their refund orders/redemption cheques, investors are requested to provide their bank details in the Application Form.</p>

	<p>In case an existing Unitholder is submitting a request for Change in his Bank Details, he needs to submit an old and new bank account. In absence of the same, the request for Change in Bank Mandate is liable to be rejected.</p> <p>Investors have an option of registering their bank accounts, by submitting the necessary forms &amp; documents. At the time of redemption, investors can select the bank account to receive the amount.</p>
<b>Delay in payment of redemption / repurchase proceeds/dividend</b>	<p>The Asset Management Company shall be liable to pay interest to the unitholders at rate as specified vide Para 15.4 of SEBI Master Circular no. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026 for the period of such delay.</p>
<b>Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount</b>	<p>In accordance with Para 15.5 of SEBI Master Circular no. SEBI Master circular No. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026 and SEBI Letter SEBI/HO/IMD-SEC-2/P/OW/2025/02346/1 dated January 22,2025, the unclaimed Redemption amount and IDCW amount that are currently allowed to be deployed by the Mutual Fund only in call money market or money market Instruments, shall also be allowed to be invested in a separate plan of only Overnight scheme / Liquid scheme / Money Market Mutual Fund scheme floated by Mutual Funds specifically for deployment of the unclaimed amounts. There shall a separate scheme/plan for Redemption amount and IDCW amount, pending for less than 3 years and more than 3 years</p> <p>Following are timelines for deployment by Mutual fund</p> <ol style="list-style-type: none"> <li>a) Transfer of Unclaimed redemption and dividend amount to Unclaimed Dividend and Redemption Scheme (UDRS) after 90 days and not beyond 105 days from date of issuance of the instruments</li> <li>b) On completion of first 3 years of a separate plan of Overnight scheme / Liquid scheme / Money Market Mutual Fund scheme, AMC shall transfer such units to UDRS plan (&gt; 3 years) within 10 business days of subsequent month</li> <li>c) The amount of income accrued on daily basis on unclaimed amount beyond 3 years shall be transferred on a monthly basis (i.e. on or before 10th calendar day of subsequent month) to the investor education scheme/folio</li> </ol> <p>Provided that such schemes where the unclaimed redemption and IDCW amounts are deployed shall be only those Liquid scheme / Money Market Mutual Fund schemes which are placed in A-1 cell (Relatively Low Interest Rate Risk and Relatively Low Credit Risk) of Potential Risk Class matrix as per para 6.18 of SEBI Master Circular no. SEBI/HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026</p> <p>AMCs shall not be permitted to charge any exit load in this plan and TER (Total Expense Ratio) of such plan shall be capped as per the TER of direct plan of such scheme or at 50bps whichever is lower. Investors who claim these amounts during a period of three years from the due date shall be paid initial unclaimed amount along with the income earned on its deployment. Investors who claim these amounts after 3 years, shall be paid initial unclaimed amount along with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for the purpose of investor education. AMC shall play a proactive role in tracing the rightful owner of the unclaimed amounts considering the steps suggested by regulator vide the referred circular.</p>

	<p>As per Para 15.6 of SEBI Master Circular No. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026 “Service platform for investors to trace inactive and unclaimed Mutual Fund folios- MITRA (Mutual Fund Investment Tracing and Retrieval Assistant)” A MITRA platform developed and hosted by the QRTAs (CAMS and KFinTech) would be available through a link on the website of MF Central, AMCs, AMFI, the two QRTAs and SEBI.</p> <p>MITRA platform will facilitate the investors with a searchable database of inactive and unclaimed Mutual Fund folios at an industry-level which will empower the investors on following manner:</p> <ul style="list-style-type: none"> <li>• Enable investors/ legal claimants to identify the overlooked investments or any investments made by any other person for which he/she may be rightful legal claimant.</li> <li>• Encourage investors to do KYC as per the current norms thus reducing the number of non-KYC compliant folios.</li> <li>• Contribute towards building a transparent financial ecosystem and will be reliable medium for investors to find their inactive and unclaimed Mutual Fund investments.</li> <li>• Build and incorporate mitigants against fraud risk</li> </ul> <p>An inactive folio shall be defined as “Mutual Fund Folio(s) where no investor-initiated transaction/s (financial and non-financial) have taken place in the last 10 years, but unit balance is available”.</p> <p>This portal would display only Fund Names and investor has to approach the respective MFs for more information.</p>
<p><b>Disclosure w.r.t investment by minors</b></p>	<p>As per Para 15.13 of SEBI Master Circular No. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026 read with SEBI Circular dated May 12, 2023, the following Process for Investments in the name of a Minor through a Guardian will be applicable:</p> <ol style="list-style-type: none"> <li>a. Payment for investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian. For existing folios, the AMCs shall insist upon a Change of Pay-out Bank mandate before redemption is processed.</li> <li>b. Redemption proceeds shall be credited only in verified bank account of the minor, i.e. the account the minor may hold with the parent/legal guardian after completing KYC formalities.</li> <li>c. Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new account. No further transactions shall be allowed till the status of the minor is changed to major.</li> <li>d. AMCs shall build a system control at the account set up stage of Systematic Investment Plan (SIP), Systematic Transfer Plan (STP) and Systematic Withdrawal Plan (SWP) on the basis of which, the standing instruction is suspended when the minor attains majority, till the status is changed to major.</li> </ol> <p>Please refer SAI for detailed process on investments made in the name of a Minor through a Guardian and Transmission of Units.</p>

<p><b>Creation unit size</b></p>	<p>Creation Unit is fixed number of units of the Scheme, which is exchanged for a basket of securities underlying the index called the Portfolio Deposit and a Cash Component equal to the value of 1,00,000 units of the Scheme or cash equal to the value of 1,00,000units of the scheme.</p> <p>For redemption of units it is vice versa i.e. fixed number of units of Scheme are exchanged for Portfolio Deposit and Cash Component or cash equal to the value of 1,00,000 units of the scheme.</p> <p>The Portfolio Deposit and Cash Component will change from time</p> <p>Each creation unit consists of 1,00,000 units of Kotak Nifty Private Bank ETF. Each unit of Kotak Nifty Private Bank ETF will be approximately equal to 1/1000th of the value of the Nifty Private Bank Index.</p> <p>The creation unit size may be changed by the AMC at their discretion and the notice of the same shall be published on AMC’s website.</p>																																																																																										
<p><b>Example for Calculation of the allotment price and the unit’s receivable by the investor on allotment</b></p>	<p><b>The example of Creation Unit for Kotak Nifty Private Bank ETF is as follows:</b></p> <table border="1" data-bbox="440 831 1465 1823"> <thead> <tr> <th>SYMBOL</th> <th>ISIN</th> <th>SECURITY _NAME</th> <th>ADJ_CLOS E_PRICE</th> <th>WEIGH TAGE (%)</th> <th>Qt y</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>ICICIBA NK</td> <td>INE090A 01021</td> <td>ICICI BANK LTD.</td> <td>1352.4</td> <td>20.25</td> <td>419</td> <td>56665 5.6</td> </tr> <tr> <td>HDFCBA NK</td> <td>INE040A 01034</td> <td>HDFC BANK LTD.</td> <td>786.4</td> <td>19.26</td> <td>685</td> <td>53868 4</td> </tr> <tr> <td>AXISBA NK</td> <td>INE238A 01034</td> <td>AXIS BANK LTD.</td> <td>1358.6</td> <td>20.57</td> <td>424</td> <td>57604 6.4</td> </tr> <tr> <td>KOTAKB ANK</td> <td>INE237A 01036</td> <td>KOTAK MAHINDR A BANK LTD.</td> <td>402.15</td> <td>19.79</td> <td>137 7</td> <td>55376 0.55</td> </tr> <tr> <td>FEDERA LBNK</td> <td>INE171A 01029</td> <td>FEDERAL BANK LTD.</td> <td>323.4</td> <td>5.75</td> <td>497</td> <td>16072 9.8</td> </tr> <tr> <td>INDUSIN DBK</td> <td>INE095A 01012</td> <td>INDUSIND BANK LTD.</td> <td>921.05</td> <td>4.38</td> <td>133</td> <td>12249 9.65</td> </tr> <tr> <td>IDFCFIR STB</td> <td>INE092T 01019</td> <td>IDFC FIRST BANK LTD.</td> <td>80.69</td> <td>3.86</td> <td>133 8</td> <td>10796 3.22</td> </tr> <tr> <td>YESBAN K</td> <td>INE528G 01035</td> <td>YES BANK LTD.</td> <td>24.96</td> <td>3.16</td> <td>354 7</td> <td>88533. 12</td> </tr> <tr> <td>RBLBAN K</td> <td>INE976G 01028</td> <td>RBL BANK LTD.</td> <td>378.5</td> <td>1.65</td> <td>122</td> <td>46177</td> </tr> <tr> <td>BANDHA NBNK</td> <td>INE545U 01014</td> <td>Bandhan Bank Ltd.</td> <td>208.33</td> <td>1.34</td> <td>180</td> <td>37499. 4</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td><b>Tot al Value</b></td> <td><b>27985 48.74</b></td> </tr> </tbody> </table> <table border="1" data-bbox="440 1854 1465 1977"> <tr> <td>Value of portfolio deposit</td> <td>2798548.74</td> </tr> <tr> <td>Value of Cash Component</td> <td>-753.74</td> </tr> <tr> <td>Total Value of creation unit</td> <td>27,97,795.00</td> </tr> </table>	SYMBOL	ISIN	SECURITY _NAME	ADJ_CLOS E_PRICE	WEIGH TAGE (%)	Qt y	Value	ICICIBA NK	INE090A 01021	ICICI BANK LTD.	1352.4	20.25	419	56665 5.6	HDFCBA NK	INE040A 01034	HDFC BANK LTD.	786.4	19.26	685	53868 4	AXISBA NK	INE238A 01034	AXIS BANK LTD.	1358.6	20.57	424	57604 6.4	KOTAKB ANK	INE237A 01036	KOTAK MAHINDR A BANK LTD.	402.15	19.79	137 7	55376 0.55	FEDERA LBNK	INE171A 01029	FEDERAL BANK LTD.	323.4	5.75	497	16072 9.8	INDUSIN DBK	INE095A 01012	INDUSIND BANK LTD.	921.05	4.38	133	12249 9.65	IDFCFIR STB	INE092T 01019	IDFC FIRST BANK LTD.	80.69	3.86	133 8	10796 3.22	YESBAN K	INE528G 01035	YES BANK LTD.	24.96	3.16	354 7	88533. 12	RBLBAN K	INE976G 01028	RBL BANK LTD.	378.5	1.65	122	46177	BANDHA NBNK	INE545U 01014	Bandhan Bank Ltd.	208.33	1.34	180	37499. 4						<b>Tot al Value</b>	<b>27985 48.74</b>	Value of portfolio deposit	2798548.74	Value of Cash Component	-753.74	Total Value of creation unit	27,97,795.00
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	<b>Cash Component arrived in the following manner:</b>	
	Number of units comprising one creation unit	100000
	NAV per Unit	27.97795
	Value of 1 Creation Unit	27.9854874
	Value of Portfolio Deposit (pre-defined basket of securities of the Underlying Basket)	2798548.74
	Cash Component	-753.74
	<p>The above is just an example to illustrate the calculation of cash component. Cash Component will vary depending upon the actual charges incurred like Custodial Charges and other incidental charges for creating units.</p> <p>The number of units cannot be fractional and will be rounded off to the earlier decimal but this will be done investor wise and not just at the scheme level.</p>	
	Suppose an investor invests (in Rupees)	A 3,00,000,000.00
	Cost per unit (Allotment Price)	B 27.08745
	Units allotted rounded off	C = A/B 1,10,75,239.00
	Value of units allotted	D = B*C 29,99,99,982.65
	Balance fractional units refunded to investor (Rs)	E = A-D 17.35
<b>Procedure for Purchase and Redemption of Units</b>	<p>The following three types of investors may subscribe to the units of the scheme. There are some restrictions on their dealing with the Fund directly during the continuous offer as explained below:</p> <ol style="list-style-type: none"> <li><b>Market Makers (MM):</b> MM is an entity engaged by AMC to provide continuous liquidity on the stock exchange platform. MM may buy and redeem units in creation unit size or in multiples thereof directly from the Fund on any business day.  AMCs shall facilitate in-kind creation and redemption of units of ETFs (including Debt ETFs) by MMs on a best effort basis.</li> <li><b>Large Investors (LI):</b> LI may buy and redeem units in transaction value greater than Rs.25 crores or such other amount as may be specified by SEBI from time to time and in creation unit size or in multiples thereof directly from the Fund on any business day as and when permitted by the AMC.</li> <li><b>Other Investors:</b> Investors other than MM and LI may buy or sell units of the ETF Scheme from the stock market only, on an ongoing basis except in situations mentioned under 'Exit opportunity in case of ETF for investors other than Market Makers and Large Investors' in the SID.</li> </ol> <p><b>Market Making Settlement Process</b></p>	

- i) Market making settlement process would enable net settlement between cash leg of transactions in units of ETF by the MM and consequent transaction in underlying basket by the ETF.
- ii) MMs shall be permitted to transact in the basket of securities underlying the ETF against equivalent transactions in units of ETFs and transfer the net obligation of such transactions to the ETF for unit creation or redemption. The AMCs shall be allowed to create or redeem units of ETFs without upfront payment of 100% value of such units or upfront delivery of such units by the MMs, respectively.
- iii) The above mechanism shall be permitted subject to equivalent transactions in units and underlying basket for the same settlement cycle and confirmation of both the legs by the Custodian.
- iv) For the above mechanism ETFs shall be allowed to buy or sell their own units, without the same forming part of the asset allocation of the scheme
- v) Facilitation of the above mechanism for equity ETFs shall be at the discretion of the AMC.

**1. Requirement of Demat account for investing in the scheme.**

The applicant under the Scheme will be required to have a beneficiary account with a Depository Participant of NSDL/CDSL and will be required to indicate in the application the Depository Participants (DP's) name, DP ID Number and the beneficiary account number of the applicant.

**2. Procedure for Purchase/Redemption of Units directly from the Fund:**

Only Market Makers/Large Investors can purchase or redeem unit directly from the Fund as per the procedure given below:

**a) Creation/Redemption of units in Creation Unit Size by Exchanging Portfolio Deposit**

The Fund creates / redeems the scheme units in large size known as “Creation Unit”. The value of the “Creation Unit” of the ETF Scheme or in multiple thereof called as the “Portfolio Deposit” and a “Cash Component” which will be exchanged for corresponding number of units. The Portfolio Deposit and Cash Component may change from time to time and will be announced by Fund on its website. Portfolio deposit shall be made into a pre-designated depository account. AMC may, at its sole discretion, create units of the Scheme in ‘Creation Unit’ size in “Cash”. Large investors may buy and redeem units in transaction value greater than Rs.25 crores or such other amount as may be specified by SEBI from time to time and in creation unit size directly from the Fund.

**b) Procedure for Creating Scheme’s units in Creation Unit Size**  
Subscription in-kind (portfolio deposit)

MM/LI may deposit requisite basket of securities comprising underlying benchmark constituting the Portfolio Deposit and Cash component. The requisite securities constituting the Portfolio Deposit have to be transferred to the designated depository account of the scheme while the Cash Component along with transaction handling charges has to be paid to the AMC based on the request by MM/LI by way of a cheque or any other mode of payment. The AMC will have the corresponding number of units credited to the depository account of the MM/LI.

Subscription in cash

Subscription of the ETF Units in Creation Unit Size may be made by MM / LI

on payment of requisite Cash (through cheque or other modes of payment), as determined by the AMC equivalent to the cost incurred towards the purchase of predefined basket of securities that represent the Underlying Index (i.e. Portfolio Deposit), Cash Component and transaction handling charges, if any. Units may be allotted only on realization of the full consideration for creation unit and at the value at which the underlying stocks for the creation unit is purchased against that purchase request. The AMC will have the corresponding number of units credited to the depository account of the MM/LI.

**c) Procedure for Redeeming Scheme's units in Creation Unit Size**

**Redemption in-kind (portfolio deposit):**

MM/LI may submit Redemption request transaction form prescribed by the AMC enclosed with redemption request slip used in the depository system duly acknowledged by the depository participant with which MM/LI has a depository account.

Redemption proceeds in the form of basket of securities included in the underlying index in the same proportion will be credited to the designated DP account of the MM/LI. Any fractions in the number of securities transferable to MM/LI will be rounded off to the lower integer and the value of the fractions will be added to the cash component payable. Applicable cash component will be recovered along with necessary transaction handling charges.

**Redemption in cash:**

The Fund at its discretion may accept the request of MM/LI for payment of redemption proceeds in cash in creation unit size or in multiples thereof. Such investors shall submit Redemption request transaction form prescribed by the AMC enclosed with redemption request slip used in the depository system duly acknowledged by the depository participant with which MM/LI has a depository account. whereupon the Fund will arrange to sell underlying portfolio securities on behalf of the investor. Accordingly, the sale proceeds at the actual execution price of the underlying portfolio, after adjusting necessary transaction handling charges/costs and applicable cash component, will be remitted to the investor. The number of Units so redeemed will be subtracted from the unitholder's account balance (DP) and a statement to this effect will be issued to the unitholder by depository. SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/608 dated July 30, 2024

**d) Redemption method:**

- Unitholder (large investor or authorized participant) may submit to any of the offices of AMC Redemption request Form enclosed with a copy of redemption request duly acknowledged by the depository participant.
- The depository participant will process the request and forward the same to Registrar to the Scheme in the normal course.
- The time taken for confirmation of repurchase of units is dependent upon the timelines and procedures of depositories.
- Redemption proceeds in the form of Portfolio of securities will be transferred to the demat account of the unit holder within three days of confirmation with the depository records or the sale proceeds at the actual execution price of the underlying portfolio, after adjusting necessary transaction handling charges/costs and applicable cash component, will be remitted to the unit holder.

**e) Buying /Selling through the Stock Exchange**

Buying / Selling units on the stock exchange is just like buying / selling any other normal listed securities. If an investor has bought units, an investor has to pay the purchase amount to the broker / sub-broker such that the amount paid is realized before the funds pay-in day of the settlement cycle on the exchange. If an investor has sold units, an investor has to deliver the units to the broker/sub-broker before the securities pay-in day of the settlement cycle on the exchange. The units (in case of units bought) and the funds (in the case of units sold) are paid out to the broker on the payout day of the settlement cycle on the exchange. The trading member would pay the money or deliver the units to the investor in accordance with time prescribed by the stock exchange regulations.

If an investor has bought units, he should give standing instructions for 'Delivery-In' to his/her DP for accepting units in his/her beneficiary account. An investor should give the details of his/her beneficiary account and the DP-ID of his/her DP to his/her trading member. The trading member will transfer the units directly to his/her beneficiary account on receipt of the same from exchange's clearing corporation.

An investor who has sold units should instruct his/her Depository Participant (DP) to give 'Delivery Out' instructions to transfer the units from his/her trading member through whom he/she have sold the units. The details of the pool A/c of his/her trading member to which the units are to be transferred, unit quantity etc. should be mentioned in the delivery out instructions given by him/her to the DP. The instructions should be given well before the prescribed securities pay-in day. SEBI has advised that the delivery out instructions should be given atleast 24 hours prior to the cut off time for the prescribed securities pay in to avoid any rejection of instructions due to data entry errors, network problems, etc.

**f) Exit opportunity in case of ETF for investors other than Market Makers and Large Investors:**

Investors other than Market Makers and Large Investors can directly approach the AMC for redemption of units of ETFs, for transaction of upto INR 25 crores or such other amount as may be specified by SEBI from time to time without any exit load or such other amount as may be specified by SEBI from time to time, in case of the following scenarios:

- a. Traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7 continuous trading days, or
- b. No quotes are available on stock exchanges for 3 consecutive trading days, or
- c. Total bid size on the exchange is less than half of creation units size daily, averaged over a period of 7 consecutive trading days.

**In such a scenario valid application received from investors for redemption upto 3 p.m. on any trading day, shall be processed by the AMC at the closing NAV of the day.**

Such instances shall be tracked by the AMC on an ongoing basis and incase if any of the above-mentioned scenario arises the same shall be disclosed on the website of the AMC.

**The above procedure relating to purchase and sale of units by different types of investors/participants in the scheme is tabulated for easy reference**

Type of investor and transaction details	Sale of units by Mutual Fund	Redemption of units by unit holders
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	<p><b>During Continuous offer</b> Market Maker/ Authorized Participants</p> <p>Large Investor</p> <p>Other investors</p>	<p>Any business day in creation unit or in multiples thereof * Size at applicable NAV and transaction handling charges.</p> <p>Any business day in creation unit or in multiples thereof * Size at applicable NAV and transaction handling charges. (Any Transaction placed for redemption or subscription directly with the AMC must be greater than INR 25 crores or such other amount as may be specified by SEBI from time to time)</p> <p>Only through stock exchange</p>	<p>Any business day in creation unit or in multiples thereof * Size</p> <p>Any business day in creation unit or in multiples thereof * Size (Any Transaction placed for redemption or subscription directly with the AMC must be greater than INR 25 crores or such other amount as may be specified by SEBI from time to time.)</p> <p>Only through stock exchange</p>	
	<p><b>Role of Market Maker</b></p>	<p>Gives two-way quotes in the secondary market. Stands as a seller for a buy order.</p>	<p>Gives two-way quotes in the secondary market. Stands as a buyer against a sell order.</p>	
	<p><b>Role of large investor</b></p>	<p>Only an investor – no other role in the scheme operations.</p>	<p>-</p>	

### III. OTHER DETAILS

#### A. Periodic Disclosures

<p><b>Monthly and Half yearly Disclosures: Portfolio / Financial Results</b></p> <p>This is a 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>The Mutual Funds/ AMCs shall disclose portfolio (along with ISIN) as on monthly, basis for all the schemes on the website of the Kotak Mahindra Mutual Fund viz. <a href="http://www.kotakmf.com">www.kotakmf.com</a> and on the website of AMFI (<a href="http://www.amfiindia.com">www.amfiindia.com</a>) within 10 days from the close of each month in a user-friendly and downloadable spreadsheet format. The link for the mentioned disclosures – <a href="https://www.kotakmf.com/Information/statutory-disclosure/information">https://www.kotakmf.com/Information/statutory-disclosure/information</a></p> <p>In accordance with Para 6.1 and 6.3 of SEBI Master Circular no. SEBI Master circular No. SEBI/HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, effective from October 01, 2021, unitholders whose e-mail addresses are registered, Mutual Funds/AMC shall send the details of the scheme portfolio including the scheme risk-o-meter, name of benchmark and risk-o-meter of benchmark while communicating the fortnightly, monthly statement of scheme portfolio via email within 5 calendar days of every fortnight for debt schemes, 10 calendar days from the close of each month for other schemes AMCs shall provide a link to investors to their registered email to enable the investor to directly view/download only the portfolio of schemes subscribed by the said investor.</p> <p>The Mutual Fund / AMC shall provide a physical copy of statement of its scheme portfolio, without charging any cost, on specific request received from a unit holder.</p> <p>AMCs shall declare on their website the hosting of the monthly statement of its scheme portfolio on their respective websites and on the website of AMFI and the modes such as SMS, telephone, email or written request (letter) through which a unit holder can submit a request for a physical or electronic copy of the statement of scheme portfolio</p>
<p><b>Half Yearly Results</b></p>	<p>The soft copy of unaudited financial results shall within one month from the close of each half year i.e. 31<sup>st</sup> of March and the 30<sup>th</sup> of September, be hosted on the website kotakmf.com and will be sent to AMFI for posting on its website <a href="http://www.amfiindia.com">www.amfiindia.com</a>. The link for the mentioned disclosures – <a href="https://www.kotakmf.com/Information/statutory-disclosure/financials">https://www.kotakmf.com/Information/statutory-disclosure/financials</a></p> <p>Pursuant to Regulation 70(2) of SEBI (Mutual Funds) Regulations, 2026, Written communication (including digital modes such as email/SMS etc.) shall be sent to unitholders by the asset management company about the availability of financial results</p>
<p><b>Annual Report</b></p>	<p>Pursuant to Regulation 70(1) of SEBI (Mutual Funds) Regulations, 2026 read with Para 6.4 of SEBI Master circular No. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, the scheme wise annual report or abridged summary thereof in machine readable format will be hosted on the website in machine readable format of Kotak Mahindra Mutual Fund viz. <a href="http://www.kotakmf.com">www.kotakmf.com</a> and on the website of AMFI, immediately after approval in Annual General Meetings within a period of four months, from the date of closing of the financial year (31st March). The AMCs shall display the link</p>

	<p>prominently on the website of the Kotak Mahindra Mutual Fund viz. <a href="http://www.kotakmf.com">www.kotakmf.com</a> and make the physical copies available to the unitholders, at their registered offices at all times. The unit holders may request for a physical copy of scheme annual reports at a nominal price and the text of the relevant scheme by writing to the Kotak Mahindra Asset Management Company Ltd. / Investor Service Centre / Registrar &amp; Transfer Agents. AMC shall provide a physical copy of abridged report of the annual report, without charging any cost, on specific request received from a unit holder. AMCs shall e-mail the scheme annual reports or abridged summary thereof, in machine readable formats, to all such unit holders, whose email addresses are registered with the Mutual Fund. The said communication shall also include details of modes such as SMS, telephone, email or written request (letter), etc. through which unit holders can submit a request for a physical copy of the scheme wise annual report or abridged summary thereof. AMCs shall send an email/SMS to all unitholders regarding the hosting of scheme wise annual report on their website and on the website of AMFI</p>
<b>Scheme Summary Document (SSD)</b>	<p>In accordance with SEBI letter dated December 28, 2021 and AMFI emails dated March 16, 2022 and March 25, 2022, Scheme summary document for all schemes of Kotak Mahindra Mutual Fund in the requisite format (pdf, spreadsheet and machine readable format) shall be uploaded on a monthly basis i.e. 15<sup>th</sup> of every month or within 5 working days from the date of any change or modification in the scheme information on the website of Kotak Mahindra Mutual Fund i.e. <a href="http://www.kotakmf.com">www.kotakmf.com</a>, AMFI i.e. <a href="http://www.amfiindia.com">www.amfiindia.com</a> and Registered Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited</p>
<b>Risk-o-meter</b>	<p>In accordance with Para 6.16 of SEBI Master Circular no. SEBI Master circular No. SEBI/HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026 and SEBI Circular no. SEBI/HO/IMD/PoD1/CIR/P/2024/150 dated November 05, 2024:</p> <p>The Risk-o-meter shall have following six levels of risk:</p> <ol style="list-style-type: none"> <li>i. Low Risk- Irish Green</li> <li>ii. Low to Moderate Risk- Chartreuse</li> <li>iii. Moderate Risk- Neon Yellow</li> <li>iv. Moderately High Risk- Caramel</li> <li>v. High Risk - Dark Orange and</li> <li>vi. Very High Risk- Red</li> </ol> <p>The evaluation of risk levels of a scheme shall be done in accordance with the aforesaid circular.</p> <p>Any change in risk-o-meter shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders. The risk-o-meter shall be evaluated on a monthly basis and the risk-o-meter along with portfolio disclosure shall be disclosed on the AMC website as well as AMFI website within 10 days from the close of each month.</p> <p>The Product Labelling assigned during the NFO is based on internal assessment of the scheme characteristics or model portfolio and the same may</p>

	vary post NFO when the actual investments are made.
<b>I-NAV</b>	I-NAV of the Scheme i.e. the per unit NAV based on the current market value of its portfolio during the trading hours of the Scheme, shall be disclosed on a continuous basis on the Stock Exchange(s), where the units of the Scheme are listed and traded and shall be updated within a maximum time lag of 15 seconds from underlying market.
<b>Tracking Error and Tracking Difference</b>	<p>In accordance with para 4.5.4 of SEBI Master Circular no. SEBI Master circular No. SEBI/HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 20, 2026:</p> <ul style="list-style-type: none"> <li>• The tracking error i.e. the annualized standard deviation of the difference in daily returns between underlying index and the NAV of the Scheme, is based on past one year rolling over data shall not exceed 2%. The disclosure regarding the same shall be made on monthly basis on the website of the Kotak Mahindra Mutual Fund viz. <a href="https://www.kotakmf.com/">https://www.kotakmf.com/</a>.</li> <li>• In case of unavoidable circumstances in the nature of force majeure which are beyond the control of the AMC, the tracking error may exceed 2%, for which approval of Board of AMC and Trustees shall be taken and the same shall prominently be disclosed on the website of the Kotak Mahindra Mutual Fund viz. <a href="https://www.kotakmf.com/">https://www.kotakmf.com/</a></li> <li>• Along with tracking error, tracking difference i.e. the annualized difference of daily returns between the index or goods and the NAV of the ETF/ Index Fund shall also be disclosed on the website of the AMC viz. <a href="https://www.kotakmf.com/">https://www.kotakmf.com/</a> and AMFI, on a monthly basis, for tenures 1 year, 3-year, 5-year, 10 year and since the date of allotment of units.</li> </ul>
<b>Monthly Disclosures</b>	<p>The scheme shall disclose the following on monthly basis:</p> <ol style="list-style-type: none"> <li>Name and exposure to top 7 issuers and stocks respectively as a percentage of NAV of the scheme</li> <li>Name and exposure to top 7 groups as a percentage of NAV of the scheme.</li> <li>Name and exposure to top 4 sectors as a percentage of NAV of the scheme.</li> </ol> <p>Change in constituents of the index, if any, shall be disclosed on the AMC website on the day of change.</p>

## **B. Transparency/NAV Disclosure (Details with reference to information given in Section I)**

The Kotak Nifty Private Bank ETF units will be initially listed on NSE and all purchase and sale of units by investors other than Market Makers and Large Investors will be done on the stock exchange. The NAV has a reference value for investors and will be useful for Market Makers for offering quotes on the Stock Exchange.

The NAVs of the Scheme will be calculated and disclosed on every Business day on the website of the Kotak Mahindra Mutual Fund viz [www.kotakmf.com](http://www.kotakmf.com) and AMFI's website viz. [www.amfiindia.com](http://www.amfiindia.com) by 11.00 p.m.

Unitholders may avail the facility to receive the latest available NAVs through SMS by submitting a specific

request in this regard to the AMC/Mutual Fund. Also, information regarding NAVs can be obtained by the Unit holders / Investors by visiting the nearest ISC.

Delay in uploading of NAV beyond 11.00 p.m. on every business day shall be explained in writing to AMFI. In case the NAVs are not available before the commencement of business hours on the following business day due to any reason, a press release for revised NAV shall be issued.

In terms of SEBI regulations, a complete statement of the Scheme portfolio will be sent to all unitholders, within ten days from the close of each month / half-year whose email addresses are registered with the Mutual Fund.

In terms of SEBI regulations, a complete statement of the Scheme portfolio will be sent to all unitholders whose e-mail address are registered with AMC, within ten days from the close of each month whose email addresses are registered with the Mutual Fund.

The AMC may also calculate intra-day indicative NAV i.e. the per unit NAV based on the current market value of its portfolio during the trading hours of the Scheme. The same shall be disclosed on a continuous basis on the Stock Exchange(s), and updated within a maximum time lag of 15 seconds from underlying market. Intra-day indicative NAV will not have any bearing on the creation or redemption of units directly with the Fund by the MM/LI.

For transactions by Market Makers / large investors directly with the AMCs intra-day NAV, based on the executed price at which the securities representing the underlying index or underlying commodity(ies) are purchased / sold, shall be applicable along with applicable cash component and transaction charges.

### **C. Transaction charges and stamp duty**

- (a) Transaction Charges - Investors are requested to note that no transaction charges shall be deducted from the investment amount given by the investor for all transactions / applications (including SIP's) (i.e. in Regular Plan) and full investment amount (subject to deduction of statutory charges, if any) will be invested in the Scheme.
- (b) Stamp Duty - A stamp duty @ 0.005% would be levied on all applicable mutual fund transactions. Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase transactions (including reinvestment IDCW and Switch in) to the unitholders would be reduced to that extent.

Details regarding transaction charges and stamp duty refer to SAI.

### **D. Associate Transactions-**

Please refer to Statement of Additional Information (SAI)

### **E. Taxation-**

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

The information is provided for general information purposes only. However, in view of the individual nature of tax implications, each investor is advised to consult his or her own tax adviser with respect to the specific tax implications arising out of his or her participation in the scheme.

### Short Term Capital Gain Taxation Rates -Resident Individual, HUF, Domestic Corporate, NRIS

Particulars	Investments made	Listed or Unlisted	Short-term capital gains	
			Investments redeemed on or after 01-04-2025	
			Holding Period	Tax Rate <sup>^</sup>
Equity oriented mutual fund ( > = 65% Domestic equity shares)	--	--	= < 12 months	20%

§ Subject to NRI having Permanent Account Number (PAN) in India. The TDS deductible in case of NRI shall also be increased by applicable surcharge as per Note 1 and 4% health and education cess. In case of NRI, if PAN is not available and specified declaration is not provided as specified under Rule 37BC, TDS @ higher of 20% or rates calculated as above will be deducted. The tax rates are subject to DTAA benefits available to NRI's. As per the Finance Act 2013, submission of tax residency certificate ("TRC") will be necessary for granting Double Taxation Avoidance Agreement ("DTAA") benefits to non-residents. A Taxpayer claiming DTAA benefit shall furnish a TRC of his residence obtained by him from the Government of that country or specified territory. Further, in addition to the TRC, the non-resident shall also provide electronically filed Form 10F and such other documents /information, as may be prescribed by the Indian Tax Authorities and Kotak Mahindra Mutual Fund or Kotak Mahindra Asset Management Company Ltd. Further investor needs to certify in its No PE declaration that the one of the principle purpose of investment is not to avail the treaty benefits & the investment asset & investment income are beneficial hold by the investor claiming DTAA benefits.

<sup>^</sup> Tax rates for resident and non-residents shall be increased by applicable surcharge as per Note 1 and 4% Health & Education Cess.

### Long term capital gain taxation rates -Resident Individual, HUF, Domestic Corporate, NRIS

Particulars	Investments made	Listed or Unlisted	Long-term capital gains	
			Investments redeemed on or after 01-04-2025	
			Holding Period	Tax Rate <sup>^</sup>
Equity oriented mutual fund ( > = 65% Domestic equity shares)	--	--	> 12 months	12.50%

\$ The TDS deductible in case of NRI shall also be increased by applicable surcharge as per Note 1 and 4% health and education cess. In case of NRI, if PAN is not available and specified declaration is not provided as specified under Rule 37BC, TDS @ higher of 20% or rates calculated as above will be deducted. The tax rates are subject to DTAA benefits available to NRI's. As per the Finance Act 2013, submission of tax residency certificate (“TRC”) will be necessary for granting Double Taxation Avoidance Agreement (“DTAA”) benefits to non-residents. A Taxpayer claiming DTAA benefit shall furnish a TRC of his residence obtained by him from the Government of that country or specified territory. Further, in addition to the TRC, the non-resident shall also provide electronically filed Form 10F and such other documents /information, as may be prescribed by the Indian Tax Authorities and Kotak Mahindra Mutual Fund or Kotak Mahindra Asset Management Company Ltd. Further investor needs to certify in its No PE declaration that the one of the principle purpose of investment is not to avail the treaty benefits & the investment asset & investment income are beneficial hold by the investor claiming DTAA benefits.

^ Tax rates for resident and non-residents shall be increased by applicable surcharge and health and education cess as per Note 1.

#### **Tax implication on income distribution cum capital withdrawal (IDCW) received by unit holders**

<b>Categories of Unit Holders</b>	<b>Threshold</b>	<b>TDS Rate</b>	<b>Taxation Rate</b>
<b>Resident Unit Holders</b>	Rs. 10,000 (w.e.f 1 <sup>st</sup> April , 2025)	10%	As per applicable slab rates plus applicable surcharge and cess (Refer Note 1)
<b>Non-Resident Unit Holders (subject to DTAA benefits, in case applicable)</b>			
(1) FII/FPI	NILs	20% plus applicable surcharge and cess (Refer note 1)	20% plus applicable surcharge and cess (Refer Note 1)
(2) Foreign company/corporates			
Purchase in Indian Rupees	NILs	20% plus applicable surcharge and cess (Refer note 1)	35% plus applicable surcharge and cess (Refer Note 1)
Purchase in Foreign Currency	NILs	20% plus applicable surcharge and cess (Refer note 1)	20% plus applicable surcharge and cess (Refer Note 1)
(3) Others			
Purchase in Indian Rupees	NILs	20% plus applicable surcharge and cess (Refer note 1)	At slab rates applicable plus applicable surcharge and cess (Refer Note

			1)
Purchase in Foreign Currency	NILs	20% plus applicable surcharge and cess (Refer note 1)	20% plus applicable surcharge and cess (Refer Note 1)

**Note 1: -**

A) In case of foreign companies;

- 2% where the total income exceeds Rs. 10,000,000 but less than / equal to Rs. 100,000,000

- 5% where the total income exceeds Rs. 100,000,000

B) In case of resident domestic corporate unit holders;

- 7% where the total income exceeds Rs. 10,000,000 but less than / equal to Rs. 100,000,000 or

- 12% where the total income exceeds Rs. 100,000,000

- 10% where domestic company is eligible & exercises the option granted u/s 115BAA or 115BAB of the Act.

C) In case of non-corporate resident unit holders being partnership firms covered under Indian Partnership Act, 1932/ Limited liability partnership covered under Limited Liability Partnership Act, 2008:

- 12% where the total income exceeds Rs.10,000,000

**D) (I) In case of resident and non-resident unit holders being individual, HUF, AOP, BOI and artificial juridical person (opting old regime of taxation);**

Income	Surcharge Rates		
	Other Income (i.e Income other than Capital gains covered under section 111A, section 112A, section 112, 115AD(1)(b) & company dividend).	Other Income (i.e Income other than Capital gains covered under section 111A, section 112A, section 112, 115AD(1)(b) & company dividend).	Capital gains covered under section 111A, section 112A, section 112, & 115AD(1)(b) & company dividend.
Upto 50Lakh		Nil	Nil
More than 50Lakh up to 1 Cr		10%	10%
More than 1 Cr but up to 2Cr		15%	15%
More than 2 Cr	Up to 2 cr	15%	15%
	More than 2 cr but up to 5cr	25%	15%
	More than 5cr	37%	15%

**(II) In case of resident and non-resident unit holders being individual, HUF, AOP, BOI and artificial juridical person (who have not elected for old regime of taxation);**

Income	Surcharge Rates		
	Other Income (i.e. Income other than Capital gains covered under section 111A, section 112A, section 112, 115AD(1)(b) & company dividend).	Other Income (i.e. Income other than Capital gains covered under section 111A, section 112A, section 112, 115AD(1)(b) & company dividend).	Capital gains covered under section 111A, section 112A, section 112, & 115AD(1)(b) & company dividend.
Upto 50Lakh		Nil	Nil
More than 50Lakh up to 1 Cr		10%	10%
More than 1 Cr but up to 2Cr		15%	15%
More than 2 Cr	Up to 2 cr	15%	15%
	More than 2 cr	25%	15%

**Note 2:** - W.e.f. 01.04.2020, as per Section 115R, no additional income tax payable on amount of distributed income on or after 01.04.2020.

**Note 3:** - Section 112A r.w.s section 55(ac) levies capital gains tax @ 12.5% on Long Term Capital Gains arising on transfer of units of equity-oriented funds.

The salient features of the capital gain tax are as under:

- Any transfer of equity-oriented fund units on or after 1 April 2018, shall not be exempt under section 10(38)
- Long term capital gains in excess of Rs. 1.25 lakh shall be taxable at rates mentioned in table above plus surcharge (if any, as applicable) plus health & education cess @ 4%.
- The capital gain will be computed without giving effect to the 1st and 2nd proviso to section 48 in the manner laid down under the section i.e. without indexation benefit and without foreign currency conversion benefit.

**Note 4:** - Tax Rates Regimes available for Domestic Corporate companies-

- (a) 30% if investor falls into highest tax bracket.
- (b) 25% If total turnover or gross receipts in the financial year 2020-21 does not exceed Rs. 400 crores.
- (c) 22% lower rate is optional and subject to fulfilment of certain conditions (not claiming specified incentives and deductions) as provided in section 115BAA.
- (d) 15% lower rate is optional for companies engaged in manufacturing business (set-up & registered on or after 1 October 2019) subject to fulfilment of certain conditions (not claiming specified incentives and deductions as provided in section 115BAB).

Further, the domestic companies are subject to minimum alternate tax (except for those who opt for lower rate of tax of 22%/15%) not specified in above tax rates

**Note 5:** - As per section 139AA of the Income tax Act, 1961 ('the Act') read with rule 114AAA of the Income-tax Rules, 1962, in the case of a resident person, whose PAN has become inoperative due to PAN-Aadhaar not being linked on or before 30 June 2023, it shall be deemed that he has not furnished the PAN and tax could be withheld at a higher rate of 20% as per section 206AA of the Act

**Note 6:** - Relaxation to non-residents from deduction of tax at higher rate in the absence of PAN subject to them

providing specified information and documents.

**Note 7:** - It is assumed that the mutual fund units are held as capital assets by the investors.

**Note 8:** - Under Section 115BAC w.e.f 01.04.2023, all individual, HUF, AOP, BOI is required to pay tax at concessional rates (as below) under the new tax regime subject to the condition that certain exemptions/ losses/ deductions cannot be claimed. In case such taxpayer intends to claim deductions / exemptions, it may elect to opt for existing tax and slabs rates to continue to apply.

### **Securities Transaction Cost**

#### **Equity Oriented Fund**

- 0.001% of Redemption Value on sale of units of an equity-oriented scheme to the mutual fund.
- 0.001% on Sale of Units of equity oriented mutual fund (Delivery Based) on recognized stock exchange.

For details on taxation please refer to the clause on Taxation in the SAI.

### **F. Rights of Unitholders**

Please refer to SAI for details.

### **G. List of Official Points of Acceptance:**

Please refer the given link

<https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim>

### **H. 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**

The detailed data in respect of penalties, pending litigations, findings of inspection or investigation is available at - <https://www.kotakmf.com/Information/statutory-disclosure/disclosuresrelatedtosidandkim>

**Notes:**

1. 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.
2. The Scheme under this Scheme Information Document was approved by the Trustees on March 17, 2026
3. The Trustees have ensured that **Kotak Nifty Private Bank ETF** approved by them is a new product offered by Kotak Mahindra Mutual Fund and is not a minor modification of any existing scheme/fund/product.
4. **Notwithstanding anything contained in the Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 2026 and the guidelines there under shall be applicable.**

**For and on behalf of the Board of Directors,  
Kotak Mahindra Asset Management Company Limited  
(Investment Manager of Kotak Mahindra Mutual Fund)**

**Place: Mumbai  
Date: July 01, 2026**

**Sd/-  
Ms. Jolly Bhatt  
Compliance Officer**

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