Goldman Sachs Asset Management

SCHEME INFORMATION DOCUMENT

CPSE ETF
Managed by Goldman Sachs Asset Management (India) Private Limited

(An Open-ended Index Exchange Traded Scheme)
(Rajiv Gandhi Equity Savings Scheme (RGESS) Qualified Scheme)

Product Label

This product is suitable for investors who are seeking*:
• long-term capital appreciation. • investment in securities covered by CPSE Index. • high risk. **(BROWN)**

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

Note: Risk may be represented as:

	***(BLUE)** investors understand that their principal will be at low risk*		***(YELLOW)** investors understand that their principal will be at medium risk*		***(BROWN)** investors understand that their principal will be at high risk*

Offer of Units of ₹ 10/- each for cash (on allotment, the value of each Unit would be approximately 1/100th of the value of CPSE Index) to be issued at a premium, if any, approximately equal to the difference between face value and allotment price during the New Fund Offer ("NFO") and at NAV based prices during the Ongoing Offer.

For Anchor Investor
NFO Period Opens on : 18th March, 2014
NFO Period Closes on : 18th March, 2014

For Non Anchor Investor
NFO Period Opens on : 19th March, 2014
NFO Period Closes on : 21st March, 2014

Scheme re-opens for continuous Subscription and Redemption on or before 11th April, 2014

Name of Mutual Fund	:	**Goldman Sachs Mutual Fund**
Name of Asset Management Company	:	**Goldman Sachs Asset Management (India) Private Limited**
Name of Trustee Company	:	**Goldman Sachs Trustee Company (India) Private Limited**
Registered Office	:	**951-A, Rational House, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025**
Toll Free No.	:	**1800 266 1220**
Website	:	www.gsam.in

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

The SID 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 SID 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 Goldman Sachs Mutual Fund, Tax and Legal issues and general information on www.gsam.in.

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

The SID should be read in conjunction with the SAI and not in isolation.

- **Disclaimers by NSE**

  As required, a copy of this SID has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter NSE/LIST/231070-F dated February 20, 2014 permission to the Mutual Fund to use the Exchange's name in this SID 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 SID 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 SID has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this SID; 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.

- **Disclaimers by BSE**

  BSE Ltd. ("BSE") has given vide its letter DCS/IPO/NP/IP/693/2013-14 dated February 21, 2014 permission to the Mutual Fund to use BSE's name in this SID as one of the stock exchanges on which this Scheme's Units are proposed to be listed. BSE has scrutinized this SID for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. BSE does not in any manner:-

  1. Warrant, certify or endorse the correctness or completeness of any of the contents of this SID; or
  2. Warrant that this Scheme's Unit will be listed or will continue to be listed on the BSE; or
  3. Take any responsibility for the financial or other soundness of this Mutual Fund, its promoters, its management or any scheme or project of this Mutual Fund;

  and it should not for any reason be deemed or construed that this SID has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any Unit of CPSE ETF of this Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE 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 for any other reason whatsoever.

- **Disclaimer by Index Provider**

  Performance of the CPSE Index will have a direct bearing on the performance of the Scheme. In the event that CPSE Index is dissolved or is withdrawn by the index provider India Index Services & Products Limited ("**IISL**") or in case the License Agreement executed with index provider for licensing of CPSE index is terminated, subject to necessary approvals, including prior written approval from the Department of Disinvestment, the Trustee reserves a right to modify the Scheme so as to track a different and suitable index and the procedure stipulated in the SEBI Regulations shall be complied with.

  a. The product i.e. CPSE ETF is not sponsored, endorsed, sold or promoted by IISL. IISL does not make any representation or warranty, express or implied to the Unit holders of any product or any member of the public regarding the advisability of investing in Securities generally or in any product particularly or the ability of CPSE Index to track general stock market performance in India. The relationship of IISL to Goldman Sachs Asset Management (India) Private Limited is only in respect of the licensing of certain trademarks and trade-names of their index, which is determined, composed and calculated by IISL without regard to Goldman Sachs Asset Management (India) Private Limited or any product. IISL has no obligation to take the needs of Goldman Sachs Asset Management (India) Private Limited or the Unit holders of the products into consideration in determining, composing or calculating CPSE Index. IISL is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the products to be issued or in the determination or calculation of the equation by which the products are to be converted into cash. IISL has no obligation or liability in connection with the administration or marketing or trading of the products.

  b. "IISL does not guarantee the accuracy and/or the completeness of the CPSE Index or any data included therein and they shall have no liability for any errors, omissions, or interruptions therein. IISL makes no warranty, express or implied, as to the results to be obtained by the Goldman Sachs Asset Management (India) Private Limited, Unit holders of the products or any other persons or entities from the use of the CPSE Index or any data included therein. IISL makes no express or implied warranties and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the index or any data included therein. Without limiting any of the foregoing, in no event shall IISL have any liability for any special, punitive, indirect or consequential damages (including lost profits), even if notified of the possibility of such damages."

The offer and sale of the Units has not been registered pursuant to an effective registration statement under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or approved or disapproved by the United States Securities and Exchange Commission or the securities or regulatory agency of any state in the United States. The offer and sale of the Units is made in reliance upon the exemption from registration contained in Regulation S of the U.S. Securities Act ("Regulation S"), and the regulations promulgated thereunder relating to limited offering transactions. Units will be offered to non-U.S. persons (as that term is defined in Regulation S) and will not be offered for sale in the United States or its territories or possessions.

The Scheme will not be registered as an "investment company" under the United States Investment Company Act of 1940, as amended (the "U.S. Investment Company Act") and Goldman Sachs Asset Management (India) Private Limited will not be registered as an "Investment Adviser" under the United States Investment Advisers Act of 1940, as amended. Accordingly, Investors who acquire Units will not be entitled to the protections afforded by such acts. Please refer to the Section I(C) (Special Considerations) for further details in this regard.

Units may not be acquired by or for the benefit of U.S. Persons, employee benefit plans to which Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA") applies, certain other plans (such as individual retirement accounts and Keogh plans) that, although not subject to ERISA, are subject to certain similar rules of the United States Internal Revenue Code of 1986, as amended (the "Code") and entities whose assets are treated as "plan assets" of any such plans or accounts under ERISA, or any entities that hold the assets of such plans, accounts or entities (collectively, "Prohibited Purchasers"). Please refer to the disclosures contained herein and in the

Statement of Additional Information and other public filings (as applicable) of the Mutual Fund for further details in this regard. An attempted purchase of Units by such persons may be ineffective and may result in mandatory Redemption, repurchase or transfer. By purchasing Units, whether during the NFO Period or by secondary market purchase, an Investor will be deemed to have represented to the Scheme and the Mutual Fund that it is not a Prohibited Purchaser.

THIS SCHEME INFORMATION DOCUMENT SHOULD BE RETAINED FOR FUTURE REFERENCE.

This SID is dated March 13, 2014.

TABLE OF CONTENTS

SCHEME BACKGROUND

As part of its disinvestment programme, the Government of India ("**GOI**"), through its Cabinet Committee on Economic Affairs ("**CCEA**") on May 2, 2013 approved the setting up of a central public sector enterprise exchange traded fund ("**ETF**") comprising equity shares of central public sector enterprises ("**CPSE**"), which would be launched as a CPSE ETF mutual fund scheme.

The Department of Disinvestment, Ministry of Finance, Government of India ("**Department of Disinvestment**") appointed Goldman Sachs Asset Management (India) Private Limited (the "**AMC**") to launch and manage the CPSE ETF in accordance with SEBI Regulations. In accordance with the decision of CCEA the AMC has formulated this Scheme, which is being offered to the public for Subscription by way of a New Fund Offer (NFO) in accordance with the SEBI Regulations. It is proposed that the Mutual Fund would, out of the proceeds of the NFO, purchase the CPSE shares as represented in the constituent companies of the CPSE Index in similar composition and weightages as they appear in the CPSE Index. The President of India ("**Seller**"), represented through different Departments and Ministries, will sell the shares at a discounted rate to the Scheme and the Mutual Fund will in turn create and allot Units of the Scheme, to Unit holders. Subsequently, after the closing of the NFO, the Units will be listed on the Exchanges in the form of an Exchange Traded Fund ("**ETF**") tracking the CPSE Index. Thereafter, the Seller may at its discretion sell additional shares to the Scheme through a Tap Structure, details of which are provided in Section III (B) (Tap Structure) of this SID. Also eligible Retail Individual Investors who have bought Units during the NFO will be given Loyalty Units as per the terms and conditions specified in Section III (A) (Loyalty Units for Retail Individual Investor Investing During NFO) of this SID.

The Department of Disinvestment has appointed ICICI Securities Limited as the advisor for the creation and launch of the CPSE ETF scheme. The Department of Disinvestment has been authorized by the President of India, acting through various Departments and Ministries to sell the CPSE Shares to the Mutual Fund on behalf of and for the account of the Scheme pursuant to the closing of the NFO and thereafter by way of additional offering through the Tap Structure on an ongoing basis.

HIGHLIGHTS / SUMMARY OF THE SCHEME

Investment Objective	The investment objective of the Scheme is to provide returns that, before expenses, closely correspond to the total returns of the Securities as represented by the CPSE Index, by investing in the Securities which are constituents of the CPSE Index in the same proportion as in the Index. However the performance of the Scheme may differ from that of underlying index due to tracking error. There can be no assurance or guarantee that the investment objective of the Scheme would be achieved.
Benchmark Index	CPSE Index.

About the Index

CPSE Index is constructed in order to facilitate Government of India's initiative to dis-invest some of its stake in selected CPSEs. The government opted for ETF route for disinvestment. The ETF shall track the performance of the CPSE index. The index values are to be calculated on free float market capitalization methodology. The index has base date of 01-Jan-2009 and base value of 1000. Weights of index constituent shall be re-aligned (i.e. capped at 25%) every quarter effective 2nd Monday of February, May, August and November.

Selection Criteria's for the CPSE Index:

The 10 CPSEs selected meet below mentioned parameters:

1. Included in the list of CPSEs published by the Department of Public Enterprise
2. Listed at National Stock Exchange of India Ltd. (NSE)
3. Having more than 55% government holding (stake via Govt. of India or President of India) under promoter category.
4. Companies having average free float market capitalization of more than 1,000 Cr. for six month period ending June 2013 are selected.
5. Have paid dividend of not less than four per cent including bonus for the seven years immediately preceding or for at least seven out of the eight or nine years immediately preceding, are considered as eligible companies as on cut-off date i.e. 28-Jun-2013.

Index Composition as on 28 February 2014 is as below:

Company Name	Weightage (%)
Oil & Natural Gas Corporation Ltd.	26.43
GAIL (India) Ltd.	18.97
Coal India Ltd.	17.55
Rural Electrification Corporation Ltd.	7.23
Oil India Ltd.	7.07
Indian Oil Corporation Ltd.	6.81
Power Finance Corporation Ltd.	6.50
Container Corporation of India Ltd.	6.26
Bharat Electronics Ltd.	2.05
Engineers India Ltd.	1.13

Face Value	₹ 10/- per Unit.
Type of Scheme	An open-ended index scheme, listed on the Exchanges in the form of an Exchange Traded Fund (ETF) tracking the CPSE Index.
Liquidity facility	All Investors including Authorised Participants and Large Investors can Subscribe (buy) / Redeem (sell) Units on a continuous basis on the Exchanges where the Units are listed. In addition, Authorised Participants and Large Investors can directly Subscribe to/ Redeem the Units on all Working Days with the Fund in 'Creation Unit Size' on an ongoing basis.
Transparency / NAV disclosure	The first NAV of the Scheme shall be calculated and announced not later than 5 Working Days from the date of allotment of Units. Thereafter, the NAV of the Scheme shall be calculated and announced on all Working Days. The NAV of the Scheme shall be published at least in two daily newspapers on every Working Day. The AMC shall update the NAVs on the website of the Mutual Fund (www.gsam.in) and on the website of AMFI (www.amfiindia.com) by 9.00 p.m. on every Working Day. The AMC shall disclose the Portfolio of the Scheme within 1 (One) month from the close of each half year (i.e. 31st March and 30th September) either by sending a complete statement to all the Unit holders or by publishing the same by way of an advertisement in one national English daily newspaper circulating in the whole of India and in a newspaper published in the language of the region where the head office of the Mutual Fund is situated. The portfolio statement will also be displayed on the website of the Mutual Fund and a link will be provided on the website of AMFI. The AMC shall publish a complete statement of the portfolio (along with the ISIN) of the Scheme as on last day of the month on or before the 10th day of the succeeding month on the website of the Mutual Fund www.gsam.in.
Load Structure	Entry Load : Nil Exit Load : Nil* *Please refer to Section IV(D) (Load Structure) of this SID for details on Exit Loads applicable on Redemption of Units lesser than Creation Unit Size directly with the Mutual Fund.
Category of Investors (only during the NFO period)	• Retail Individual Investors • Qualified Institutional Buyer or QIB • Non Institutional Investors • Anchor Investors
Minimum Application Amount	***During the New Fund Offer (NFO) Period*** For Non Anchor Investors Retail Individual Investors can invest in the Scheme with a minimum investment amount of ₹ 5,000/- (Rupees Five Thousand only) and in multiples of ₹ 1/- (Rupee One) thereafter. Non Institutional Investors / Qualified Institutional Buyer (other than Anchor Investors) can invest in the Scheme with a minimum investment amount of ₹ 2, 00,001/- (Rupees Two Lakhs and One only) and in multiples of ₹ 1/- (Rupee One) thereafter. For Anchor Investor Investors can invest in the Scheme with a minimum investment amount of ₹ 10 Crores (Rupees Ten Crores Only) and in multiples of ₹ 1/- (Rupee One) thereafter.

	During the Ongoing Offer Period **i. Directly with the Mutual Fund** - The Investors can create / Redeem in exchange of Portfolio Deposit and Cash Component in Creation Unit Size of the Scheme. **ii. On the Exchange –** The minimum number of Units that can be bought or sold by the Investors on the Exchange is 1 (one) Unit and in multiples thereof.
Anchor Investor Subscription Amount	Anchor Investors shall pay a margin of at least 25% (Twenty Five percent) of the Subscription amount during the Anchor Investor NFO period, with the balance to be paid on or before the closure of the Non Anchor Investor NFO Period. If the Anchor Investor does not pay the balance amount before the closure of the Non Anchor Investor NFO Period, then the margin amount paid by the Anchor Investor shall be forfeited and credited to the Scheme. The Anchor Investor will not be able to withdraw / modify its application once submitted to the AMC. **Please note that any Units allotted to Anchor Investors during the NFO period shall be locked-in for a period of 30 days from the Allotment Date.**
Units Offered at Premium/ Discount	As the Units of the Scheme can be bought / sold directly from the Mutual Fund, this mechanism provides efficient arbitrage between the traded prices and the NAV, thereby reducing the incidence of the Units of the Scheme being traded at premium / discounts to NAV. In the NFO, each Unit of the Scheme being offered will have a face value of ₹ 10/- (Rupees Ten) each and will be issued at a premium, if any, approximately equal to the difference between the face value and the allotment price. The allotment price would be approximately equal to 1/100th of CPSE Index and would be calculated post adjusting discount offered by GOI to CPSE ETF for buying the underlying CPSE Index shares.
Discount Offered by GOI to CPSE ETF	A discount of 5 (five) % on the "Reference Market Price" of the underlying CPSE Index shares shall be offered to CPSE ETF by GOI. The Department of Disinvestment, through its letter (F.No.9(5)/2009-DD-II(Part-I) Vol.(3)) dated March 11, 2014 conveyed the approval granted by the Empowered Group of Ministers of the GOI for the discount of 5 (five) % to be offered to the CPSE ETF for buying the underlying CPSE Index shares from GOI. The purchase from GOI would be out of the NFO proceeds received by CPSE ETF towards Subscription of its Units by all categories of Investors. Investors should note that the above mentioned discount on the 'Reference Market Price' may not be a discount to the closing market price of the underlying shares of CPSE Index on the Allotment Date.
Loyalty Units for Retail Individual Investor Investing During NFO	The Retail Individual Investor that invests during the NFO Period and meets the criteria set out below will be eligible to receive Loyalty Units. Please note that Anchor Investors, Qualified Institutional Buyers and Non Institutional Investors will not be offered Loyalty Units under this Scheme. Loyalty Units will be allocated in the following way: One Loyalty Unit will be allocated for every 15 (fifteen) Units held continuously from the NFO Allotment Date to the Loyalty Unit Record Date, subject to satisfying the "Eligibility Criteria" as mentioned in Section III (A) (Loyalty Units for Retail Individual Investor Investing During NFO). The Loyalty Units would be credited to the DP account of the eligible Unit holder within 30 days from the Loyalty Unit Record Date. The Units to be allotted under this program will be rounded up to 3 decimal places. The Scheme will allot only whole Units to the Unit holders and any fractional Units which the Unit holder may be eligible for would be paid by way of cash, either by way of a cheque or direct credit to the registered bank account of the Unit holder, based on the Applicable NAV of the Scheme as on the Loyalty Unit Record Date.

<table>
<tr><td></td><td>The AMC will announce the Loyalty Unit Record Date by way of notice in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the head office of the Mutual Fund is situated and the same will also be made available on the Mutual Fund website www.gsam.in

Investors should note that any delay in receipt of the underlying CPSE Index shares for the Loyalty Units from the GOI or any decline in market value of such underlying shares on the date of sale of such underlying shares by the Scheme may result in dilutive effect to all Unit holders of the Scheme.

Loyalty Units will not be offered to the Retail Individual Investor who invests in the Scheme during the Ongoing Offer Period.

For additional details on Loyalty Units, please refer to Section III(A) (Loyalty Units for Retail Individual Investor Investing During NFO) of the SID.</td></tr>
<tr><td>Tap Structure</td><td>Under the Tap Structure, during the Ongoing Offer Period, Investors/ Unit holders will be able to Subscribe for Units of the Scheme in multiples of Creation Unit size at a predetermined discount (if any) as set out in this SID.

For the Tap Structure, the Scheme will announce at least 5 Working Days before the commencement of each quarter the maximum number of Units in Creation Unit size which will be made available by the Scheme for Subscription in the next quarter under the Tap Structure, i.e. the Tap Issue Limit. If the limit is reached at any particular time on any particular Working Day during the quarter, the Tap Structure shall be immediately stopped for that particular quarter.

Under the Tap Structure, the underlying CPSE Index shares (in the form of an Index basket) will be purchased by the Scheme directly from the GOI on every Working Day (as required) for every calendar quarter up to a quarterly limit allocated by GOI to the Scheme. Under the Tap Structure, Investors can only Purchase Units in multiples of the Creation Unit size by paying cash, and the AMC/Scheme will not accept any Portfolio Deposit(s) from the Investors for such Purchases.

Investors should note that the above mentioned discount (if any) on the ‘Tap Structure Reference Market Price’ may not be a discount to the closing market price of the underlying shares of CPSE Index on the Subscription day. Further, Investors should note that such predetermined discount (if any) would be available to Investors only if they Subscribe for the Units of the Scheme directly from the Mutual Fund through the Tap Structure, and not if they purchase the Units of the Scheme from the Exchanges.

Upon receipt of a request and Subscription amount from the Investor to Purchase Creation Unit(s), the Mutual Fund will purchase the underlying CPSE Index constituents (i.e. the Portfolio Deposit) from the GOI on behalf of the Investor. The Portfolio Deposit and Cash Component will be exchanged for the Units of the Scheme in Creation Unit Size. Details relating to the Portfolio Deposit as well as Cash Component will be disclosed on the website of Mutual Fund under the Creation Unit section of the Scheme on each Working Day. The Portfolio Deposit and Cash Component to be considered for Subscribing to Units of the Scheme under the Tap Structure will be as of the Working Day on which the Investor wants to Subscribe to the Units under the Tap Structure.

For additional details on the Tap Structure, please refer to Section III (B) (Ongoing Offer Details) of the SID.</td></tr>
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Option	The Scheme offers only Growth Option. Unit holders to note that the Trustee may at their absolute discretion reserve the right to declare a Dividend from time to time (which will be paid out to the Unit holders) in accordance with the Dividend Policy set out in this SID.
Dematerialization	The Units of the Scheme will be available in dematerialized form. This helps in consolidating with other portfolio holdings.
Payment of Transaction Charges	For applications received during the NFO Period, the AMC/ Mutual Fund may deduct transaction charges of ₹ 150 (Rupees One Hundred and Fifty) (for first time investors across mutual funds) or ₹ 100 (Rupees One Hundred) (for existing investors across mutual funds) from the Subscription amount, which would be paid to the empanelled AMFI registered Distributor / agent of the Investor (in case the empanelled AMFI registered Distributor / agent has "opted in" to receive the transaction charge for this type of product) and the balance amount shall be invested in the Scheme. Please refer to Section IV (C) (Transaction Charges) of this SID for further details in this regard.
Rajiv Gandhi Equity Savings Scheme, 2013	The Scheme is in compliance with the provisions of Rajiv Gandhi Equity Savings Scheme, 2013 ('RGESS') notified by the Ministry of Finance, Government of India, vide notification no. 94 /2013/SO 3693 (E)dated December 18, 2013 and SEBI circular vide ref. no. CIR/MRD/DP/32/2012 dated December 6, 2012 and is an eligible scheme under RGESS as of the date of this SID. Eligible Investors/ Unit holders are entitled to tax benefits under section 80CCG of the Income-tax Act, 1961 for investments made in the Scheme subject to complying with the requirements specified in RGESS. For complete details of RGESS, Investors are requested to read section 80CCG of the Income-tax Act, 1961 and the notification on RGESS. The same is also made available on the website of the Mutual Fund (www.gsam.in). The Scheme may or may not be eligible under RGESS on a continuous basis, but the Mutual Fund will display the list of RGESS eligible schemes on its website (www.gsam.in) on an ongoing basis. Investors/ Unit holders are requested to visit the website of the Mutual Fund (www.gsam.in) to identify eligibility of the Scheme under RGESS before making investments. **Lock-in** As per Section 80CCG of the Income-tax Act, 1961, investments made by a Retail Individual Investor in this Scheme will qualify for a 50% deduction of the actual amount invested from the taxable income of the financial year. The maximum investment permissible for claiming deduction in a financial year is ₹ 50,000. The Unit holders who wish to avail of the tax deduction under the Scheme shall be subject to lock-in-periods viz. fixed lock-in and flexible lock-in as specified under the notified RGESS. The fixed lock-in-period shall commence from the date of purchase of such Units in the relevant financial year and end on the 31st day of March of the year immediately following the relevant financial year. The flexible lock-in period will be of two years beginning immediately after the end of the fixed lock-in period. The Depository Participant will be required to ensure the enforcement of the lock-in on Units of the Scheme. Please refer to Section III (A) (RGESS Eligibility) of this SID for further details on the RGESS.

I. INTRODUCTION

A. RISK FACTORS

Standard Risk Factors:

- Investment in the Mutual Fund's Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal. Further, there is no assurance or guarantee that the objectives of the Scheme will be achieved.

- As the price / value / interest rates of the Securities in which the Scheme invests fluctuates, the value of your investment in the Scheme may go up or down depending on the factors and forces affecting the capital market in India.

- Past performance of the Sponsors / AMC / Mutual Fund does not guarantee the future performance of the Scheme.

- The name of the Scheme does not in any manner indicate either the quality of the Scheme or its future prospects and returns. Investors are therefore urged to study the terms of the Scheme carefully and consult their investment advisor before they invest in the Scheme.

- From time to time and subject to the SEBI Regulations, the Sponsor, their affiliates, associates, subsidiaries, the Mutual Fund and the AMC may invest directly or indirectly in the Scheme. These entities may acquire a substantial portion of the Units and collectively constitute a major Investor in the Scheme. Accordingly, Redemption of Units held by such entities may have an adverse impact on the Scheme because the timing of such Redemption may impact the ability of other Unit holders to Redeem their Units.

- The Sponsor is not responsible or liable for any loss or shortfall resulting from the operation of the Scheme beyond the initial contribution made by it of an amount of ₹ 1,00,000/- (Rupees One Lakh only) towards setting up of the Mutual Fund. The associates of the Sponsor are not responsible or liable for any loss or shortfall resulting from operation of the Scheme.

- Different types of Securities in which the Scheme would invest, as given in this SID, carry different levels and types of risks. Accordingly the Scheme's risk may increase or decrease depending upon its investment pattern. For example, equity and Equity Related Securities carry a higher amount of risk than debt Securities.

- As permitted under the SEBI Regulations, the AMC will engage the services of Distributors for the distribution of Units of the Scheme and may make differential payment to the Distributors based on varying fee structures as may be agreed between the AMC and each of the Distributors, the amount of which would typically be connected to the volume of sales.

- Investment decisions made by the AMC may not always be profitable.

- The present Scheme is not a guaranteed or assured return Scheme.

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, yield, return and / or its ability to meet its objectives.

(a) Portfolio Concentration Risk

To the extent that the Scheme may concentrate its investments in the Securities of companies of certain sectors, the Scheme will therefore be subject to the risks associated with such

concentration. In addition, to the extent the Scheme may invest in small capitalization and/or newly-established companies, the Scheme may be exposed to higher levels of volatility and risk than would generally be the case in a more diverse fund portfolio of equity Securities. Such risks may impact the Scheme to the extent that it invests in particular sectors even in cases where the investment objective is more generic.

(b) Risks Associated with Investing in Equities

- Subject to the stated investment objective, the Scheme proposes to primarily invest in equity and Equity Related Securities. The Scheme is intended for long-term Investors who can accept the risks associated with investing primarily in such Securities. Equity instruments by nature are volatile and subject to price fluctuations on a daily basis due to both macro and micro factors. Investors in equity and Equity Related Securities will be subject to the risks associated with equities, the values of which in general fluctuate in response to the activities of individual companies and general market and economic conditions. In particular, Investors should be aware that equity and Equity Related Securities are subordinate in the right of payment to other corporate Securities, including debt Securities. To the extent the Scheme invests in other schemes of the Mutual Fund or schemes of other mutual funds, Investors will be subject to the risks associated with such schemes and the underlying investments of such schemes. Any inability to dispose of Securities in the Scheme due to adverse market conditions or other factors could result either in losses to the Unit holders due to subsequent declines in value of such Securities.

- The Fund Manager, may invest in the Securities of smaller, lesser-known companies. These investments may involve greater risk and the possibility of greater portfolio price volatility than investing in larger, more mature or better-known firms. Amongst other reasons for the greater price volatility of Securities of small companies and unseasoned stocks are the less certain growth prospects of smaller firms, the lower degree of liquidity of the markets for such stocks, and the greater sensitivity of small companies to changing economic conditions. For example, these companies are associated with higher investment risk than that normally associated with larger firms due to the greater business risks of small size and limited product lines, markets, distribution channels and financial and managerial resources. Such Securities, including those of newer or recently restructured companies or those which may have experienced financial difficulties, may be more volatile in price than larger capitalised stocks.

- **Convertible Securities**

  The Scheme may invest in convertible Securities that are debt obligations of the issuer convertible at a stated exchange rate into equity shares of the issuer. As with all debt Securities, the market value of convertible Securities tends to decline as interest rates increase and, conversely increases as interest rates decline. Convertible Securities generally offer lower interest or dividend yields than non-convertible Securities of similar quality. However, when the market price of the equity shares underlying a convertible Security exceeds the conversion price, the price of the convertible Security tends to reflect the value of the underlying equity shares. As the market price of the underlying equity shares declines, the convertible Security tends to trade increasingly on a yield basis, and thus may not depreciate to the same extent as the underlying equity shares. Convertible Securities generally rank senior to equity shares in an issuer's capital structure and are consequently of higher quality and entail less risk than the issuer's equity shares. However, the extent to which such risk is reduced depends in large measure upon the degree to which the convertible Security sells above its value as a fixed income Security. In evaluating a convertible Security, the AMC will give primary emphasis to the attractiveness of the underlying equity shares.

- **Corporate Action and Proxy Voting**

  From time to time, the issuer of a Security held in the Scheme may initiate a corporate action relating to that Security. Corporate actions relating to equity Securities may include, among others, an offer to purchase new shares, or to tender existing shares, of that Security at a certain price. Corporate actions relating to debt Securities may include, among others, an offer for early redemption of the debt

Security, or an offer to convert the debt Security into stock. Certain corporate actions are voluntary, meaning that the Scheme may only participate in the corporate action if it elects to do so in a timely fashion. Participation in certain corporate actions may enhance the value of the Scheme.

In cases where the Fund or the Fund Manager receives sufficient advance notice of a voluntary corporate action, the Fund Manager will exercise its discretion, in good faith, to determine whether the Scheme will participate in that corporate action. If the Fund Manager does not receive sufficient advance notice of a voluntary corporate action, the Fund Manager acting on behalf of the Scheme may not be able to timely elect to participate in that corporate action. Participation or lack of participation in a voluntary corporate action may result in a negative impact on the value of the Scheme.

The AMC may in its discretion exercise or procure the exercise of voting or other rights which may be exercisable in relation to Securities held by the Scheme. In relation to the exercise of such rights the AMC may establish guidelines for the exercise of voting or other rights and the AMC may, in its discretion, elect not to exercise or procure the exercise of such voting or other rights.

- **Risks relating to Investing in Indian Markets**

  Investments in India may be affected by political, social, and economic developments affecting India, which may include changes in exchange rates and controls, interest rates, government policies, diplomatic conditions, hostile relations with neighbouring countries, taxation policies including the possibility of expropriation or confiscatory taxation, imposition of withholding taxes on Dividend or interest payments, limitation on removal of funds or assets of the Scheme and ethnic, religious and racial disaffections or conflict.

  The relative small size and inexperience of the Securities markets in India and the limited volume of trading in Securities may make the Scheme’s investments illiquid and more volatile than investments in more established markets.

  In addition, the settlement systems may be less developed than in more established markets, which could impede the Scheme’s ability to effect portfolio transactions and may result in delayed settlement and the Scheme’s investments being settled through a more limited range of counter parties with an accompanying enhanced credit risk.

  To the extent the Scheme is subject to margining or pre-payment systems, whereby margin or the entire settlement proceeds for a transaction is required to be posted prior to the settlement date, this can potentially give rise to credit and operational risks as well as potentially borrowing costs for the Scheme.

- **Risk relating to receiving underlying CPSE Securities from the GOI**

  In the event the Scheme does not receive the underlying CPSE Securities from the GOI for any reason whatsoever, including on account of GOI terminating the agreement with the AMC (for sale of the underlying CPSE Securities to the Scheme) for breach of any terms under such agreement, the Scheme will not allot Units to the Investor and would refund the Subscription amount to the Investor in accordance with the provisions under this SID. In the event the Scheme has already allotted Units to the Investor in anticipation of receipt of the underlying CPSE Securities from the GOI, the AMC would cancel the Units allotted to the Investor and refund the Subscription amount to the Investor in accordance with the provisions under this SID.

- **Risk relating to Loyalty Units**

  If the AMC does not receive the underlying CPSE Securities from the GOI for any reason whatsoever, including on account of GOI terminating the agreement with the AMC (for sale of the underlying CPSE Securities to the Scheme) for breach of any terms under such agreement, the AMC will not allot Loyalty Units to the Unit holders. Further, the Scheme will allot only whole Units to eligible Retail Individual Investors, and any fractional Units which the Unit holder may be eligible to would be paid by way of cash to the Unit holders based on the Applicable NAV as on the Loyalty Unit Record Date. In the event of delay in receipt of the underlying CPSE Index shares for the Loyalty Units from the GOI or any decline in market value of such underlying shares on the date of sale of such underlying shares by the Scheme may result in dilutive effect to all Unit holders.

- **Risk relating to CPSE Securities**

  Since the CPSE companies are substantially owned by the GOI, the agenda of the GOI may at times be focused on the social good and therefore may not always be aimed at profit maximization for the Unit holder. The interests of the GOI may be different from the interests of Unit holders and as a result, the GOI may take actions with respect to the CPSE sector that may not be in the best interests of Unit holders. There can be no assurance that such incidents would not result in a fall in price of the underlying securities constituting the CPSE Index and correspondingly the NAV of the Scheme.

- **Risk of Investment Strategy**

  As the Scheme would be primarily investing in the stock of CPSE companies, any government policy which will have an impact on central public sector enterprises, including any change in the disinvestment policy of the government, could impact the performance of the Scheme.

- **Risks relating to the proposed discount (if any) on the Reference Market Price / Tap Structure Reference Market Price**

  Investors should note that the Reference Market Price for each of the constituents of the CPSE Index would be determined based on the average of the full day volume weighted average price (VWAP) of the constituents of the CPSE Index on the NSE during the Non Anchor Investor NFO Period. This price could be different from the closing market price for each of the constituents of the CPSE Index on the Allotment Date. Since the AMC would be applying the discount offered by the GOI to the Scheme on the Reference Market Price, the discounted price for each of the constituents may or may not be lower than the closing market price for each of the constituents on the Allotment Date. Hence, the discounted price at which the Scheme would purchase shares of each of the constituents of the CPSE Index from the GOI from the NFO proceeds might not amount to a discount against the closing market price of the constituents on the Allotment Date.

  Similarly, the Tap Structure Reference Market Price for each of the constituents of the CPSE Index would be determined based on the full day volume weighted average price (VWAP) of the constituents of the CPSE Index on the NSE on the Subscription day. This price could be different from the closing market price for each of the constituents of the CPSE Index on the Subscription day. Since the AMC would be applying the discount (if any) offered by the GOI to the Scheme on the Tap Structure Reference Market Price, the discounted price for each of the constituents may or may not be lower than the closing market price for each of the constituents on the Subscription day. Hence, the discounted price at which the Mutual Fund will purchase the underlying constituents of the CPSE Index (for the Portfolio Deposit portion) from the GOI on behalf of the Investor under the Tap Structure on the Subscription day might not amount to a discount against the closing market price of the constituents on the Subscription day.

(c) Market Risk

The NAV of the Scheme will react to the securities market movements. The Investor may lose money over short or long periods due to fluctuation in the Scheme's NAV in response to factors such as economic, political, social instability or diplomatic developments, changes in interest rates and perceived trends in stock prices, market movements and over longer periods during market downturns. Investments may be adversely affected by the possibility of expropriation or confiscatory taxation, imposition of withholding taxes on dividend or interest payments, limitations on the removal of funds or other assets of the Scheme. The Scheme may not be able to immediately sell Securities. The purchase price and subsequent valuation of restricted and illiquid Securities may reflect a discount, which may be significant, from the market price of comparable Securities for which a liquid market exists.

(d) Market Trading Risks

(i) Absence of prior active market

Although the Scheme will be listed on NSE and BSE, there can be no assurance that an active secondary market will develop or be maintained. Hence there would be time when trading in the Units of the Scheme would be infrequent.

(ii) Trading in Units may be Halted

Trading in the Units of the Scheme on NSE and BSE may be halted because of market conditions or for reasons that in view of NSE, BSE or SEBI, trading in the Units of the Scheme are not advisable. In addition, trading of the Units of the Scheme are subject to trading halts caused by extraordinary market volatility and pursuant to NSE, BSE and SEBI 'circuit filter' rules. There can be no assurance that the requirements of NSE and BSE necessary to maintain the listing of the Units of the Scheme will continue to be met or will remain unchanged.

(iii) Lack of Market Liquidity

The Scheme may not be able to immediately sell certain types of illiquid Securities. The purchase price and subsequent valuation of restricted and illiquid Securities may reflect a discount, which may be significant, from the market price of comparable Securities for which a liquid market exists.

(iv) Units of the Scheme may trade at prices other than NAV

The Units of the Scheme may trade above or below its NAV. The NAV of the Scheme will fluctuate with changes in the market value of the holdings of the Scheme. The trading prices of the Units of the Scheme will fluctuate in accordance with changes in its NAV as well as market supply and demand for the Units of the Scheme. However, given that Units of the Scheme can be created and Redeemed in Creation Units directly with the Mutual Fund, it is expected that large discounts or premiums to the NAV of Units of the Scheme will not sustain due to arbitrage opportunity available.

(v) Regulatory risk

Any changes in trading regulations by NSE, BSE or SEBI may affect the ability of market maker to arbitrage resulting into wider premium/discount to NAV.

(vi) Reinvestment Risk

This risk refers to the interest rate levels at which cash flows received from the Securities in the Scheme is reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.

(vii) Risk of Substantial Redemptions

Substantial Redemptions of Units within a limited period of time could require the Scheme to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of both the Units being Redeemed and that of the outstanding Units of the Scheme. The risk of a substantial Redemption of the Units may be exacerbated where an investment is made in the Scheme as part of a structured product with a fixed life and where such structured products utilise hedging techniques. Please also refer to the sections on 'right to limit Redemptions' and 'suspension of Purchase / Redemption of Units' in the Statement of Additional Information.

Regardless of the period of time in which Redemptions occur, the resulting reduction in the NAV of the Scheme could also make it more difficult for the Scheme to generate profit or recover losses. The Trustee, in the general interest of the Unit holders of the Scheme offered under this SID and keeping in view of the unforeseen circumstances/unusual market conditions, may limit the total number of Units which can be Redeemed on any Working Day depending on the total "Saleable Underlying Stock" available with the Fund.

(e) Volatility Risk

The equity markets and Derivative markets are volatile and the value of Securities, Derivative contracts and other instruments correlated with the equity markets may fluctuate dramatically from day to day. This volatility may cause the value of investment in the Scheme to decrease.

(f) Redemption Risk

Investors may note that even though the Scheme 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 only be sold through the secondary market on the Exchange unless no quotes are available on the NSE for five trading days consecutively.

(g) Asset Class Risk

The returns from the Securities comprising the CPSE Index may underperform returns of 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 Securities markets.

(h) Passive Investments

The Scheme is not actively managed. Since the Scheme is linked to index, it may be affected by a general decline in the Indian markets relating to its underlying index. The Scheme as per its investment objective invests in Securities which are constituents of its underlying index regardless of their investment merit. The AMC does not attempt to individually select stocks or to take defensive positions in declining markets.

(i) Tracking Error Risk

The Fund Manager would not be able to invest the entire corpus exactly in the same proportion as in the underlying index due to certain factors such as the fees and expenses of the Scheme, corporate actions, cash balance, changes to the underlying index and regulatory restrictions, which may result in Tracking Error. Further, internal policies of the global Goldman Sachs Group may affect AMC's ability to achieve close correlation with the underlying index of the Scheme. The Scheme's returns may therefore deviate from its underlying index. "Tracking Error" is defined as the standard deviation of the difference between daily returns of the underlying index and the NAV of the Scheme. The Fund Manager would monitor the Tracking Error of the Scheme on an ongoing basis and would seek to minimize the Tracking Error to the maximum extent possible. Under normal circumstances, the AMC shall endeavor that the Tracking Error of the Scheme shall not exceed 2% per annum. 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.

Tracking Error may arise due to the following reasons: -

i. Expenditure incurred by the Fund.

ii. Available funds may not be invested at all times as the Scheme may keep a portion of the funds in cash to meet Redemptions, for corporate actions or otherwise.

iii. Securities trading may halt temporarily due to circuit filters.

iv. Corporate actions such as debenture or warrant conversion, rights issuances, mergers, change in constituents etc.

v. Rounding-off of the quantity of shares in the underlying index.

vi. Dividend payout.

vii. Index providers undertake a periodical review of the scrips that comprise the underlying index and may either drop or include new scrips. In such an event, the Fund will try to reallocate its portfolio but the available investment/reinvestment opportunity may not permit absolute mirroring immediately.

SEBI Regulations and internal policies of the global Goldman Sachs Group may impose restrictions on the investment and/or divestment activities of the Scheme and would occur as a result of the diverse nature of the activities of the global Goldman Sachs Group. Such restrictions are typically outside the control of the AMC and may cause or exacerbate the Tracking Error.

(j) Risks relating to Investments in Derivative Instruments

- The Scheme may invest in Derivative products like stock index futures, interest rate swaps, forward rate agreements or other Derivatives in accordance with and to the extent permitted under the SEBI Regulations only for the purposes of portfolio rebalancing and not otherwise. The Scheme may use various Derivative products in an attempt to protect the value of portfolio and enhance the Unit holder interest. As and when the Scheme trade in Derivative markets, there are risk factors and issues concerning the use of Derivatives, that the Investors should understand.

- 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 the decisions of the 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 and possibly greater than, the risks associated with investing directly in Securities and other traditional investments. Therefore, Derivatives require investment techniques and risk analysis different from those associated with traditional Securities. The use of Derivatives requires an understanding not only of the underlying instrument but also of the Derivative itself. If the Fund Manager is incorrect in its forecasts of market values and currency exchange rates, the investment performance of the Scheme may be less favourable than it would have been if this investment technique were not used.

- Derivative products are specialized instruments that require investment technique and risk analysis different from those associated with stocks. The use of Derivatives requires an understanding not only of the underlying instrument but also of the Derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a Derivative adds to the portfolio and the ability to forecast price. There is a possibility that loss may be sustained by the portfolio as a result of the failure of another party (usually referred as the "**Counter party**") to comply with the terms of the Derivative contract. Therefore a default on the contract would deprive the Scheme of unrealised profits and/ or the hedging benefits of the contract or force the Scheme to cover its purchase or sale commitments, if any, at the current market price. Other risks in using Derivatives include the risk of mispricing or improper valuation of Derivative and the inability of a Derivative to correlate perfectly with underlying assets, rates and indices. Thus, Derivatives are highly leveraged instruments. The risk of loss associated with futures contracts is potentially unlimited due to the low margin deposits required and the extremely high degree of leverage involved in futures pricing. As a result, a relatively small price movement in a futures contract may result in an immediate and substantial loss or gain. There may be a cost attached to selling or buying futures or other Derivative instrument. Further there could be an element of settlement risk, which could be different from the risk in settling underlying Securities. The possible lack of a liquid secondary market for a futures contract or listed option may result in inability to close futures or listed option positions prior to their maturity date.

- An investment in Derivatives may involve additional risks for Investors. These additional risks may arise as a result of any or all of the following: (i) the creditworthiness of the counterparties to such Derivative transactions; and/or (ii) the potential illiquidity of the markets for Derivatives. To the extent that Derivatives are utilised to seek to achieve the investment objectives of the Scheme, and for purposes other than hedging, the overall risk of loss to the Scheme may be increased. To the extent that Derivatives are utilised for hedging purposes, the risk of loss to the Scheme may be increased where the value of the Derivative instrument and the value of the Security or position which it is hedging are insufficiently correlated.

- In the event the Scheme is required to provide collateral for Derivatives which is to be transferred to another party and where additional collateral is called by such other party the Fund Manager may be required to realize assets comprised in the Scheme which it would not have sought to realize had there not been a requirement to transfer or pledge additional collateral.

- Derivatives require the maintenance of adequate controls to monitor the transactions entered into. The Scheme bears a risk that it may not be able to correctly forecast future market trends or the value of assets, indexes or other financial or economic factors in establishing derivative positions for the Scheme. Trading in Derivatives carries a high degree of risk although they are traded at a relatively small amount of margin which provides the possibility of significant profit or loss in comparison with the principal investment amount. Even a small price movement in the underlying asset could have a large impact on their value. The Scheme may find it difficult or impossible to execute Derivative transactions in certain circumstances. For example, when there are insufficient bids or suspension of trading due to price limits or circuit breakers, the Scheme may face liquidity issues. Besides the price of the underlying asset, the volatility, tenor and interest rates affect the pricing of Derivatives.

- Derivative transactions will generally require the use of a portion of the Scheme’s assets, as applicable, for margin or settlement payments or other purposes. For example, the Scheme may from time to time be required to make margin, settlement or other payments in connection with the use of certain Derivative instruments. Counterparties to any Derivative contract may demand payments on short notice. As a result, the Fund Manager may liquidate the Scheme’s assets sooner than it otherwise would have and/or maintain a greater portion of its assets in cash and other liquid Securities than it otherwise would have, which portion may be substantial, in order to have available cash to meet current or future margin calls, settlement or other payments, or for other purposes. The Fund Manager generally expects the Scheme to earn interest on any such amounts maintained in cash, however, such amounts will not be invested in accordance with the investment objective of the Scheme, which may materially adversely affect the performance of the Scheme. Moreover, due to volatility in the currency markets and changing market circumstances, the Fund Manager may not be able to accurately predict future margin requirements, which may result in the Scheme holding excess or insufficient cash and liquid Securities for such purposes. Where the Scheme does not have cash or assets available for such purposes, the Scheme may be unable to comply with its contractual obligations, including without limitation, failing to meet margin calls or settlement or other payment obligations. If the Scheme defaults on any of its contractual obligations, the Scheme and its Unit holders may be materially adversely affected.

- **Futures and Call Options**

  The Scheme may invest in Derivatives such as futures and call options. The options buyer’s risk is limited to the premium paid, while the risk of an options writer is unlimited. However the gains of an options writer are limited to the premiums earned. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the exercise price. The loss can be unlimited as underlying asset can increase to any levels. The writer of a put option bears the risk of loss if the value of the underlying asset declines below the exercise price and the loss is limited to strike price. The relevant stock exchange, if any, may impose restrictions on the exercise of options and may also restrict the exercise of options at certain times in specified circumstances.

Investments in index futures face the same risk as investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying Securities.

The risk of loss in trading futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and the potential high volatility of the futures markets.

- **ISDA Master Agreements**

The Scheme may enter into Derivative transactions of the type governed by the ISDA Master Agreement (ISDA means International Swaps and Derivatives Association, Inc.). The ISDA Master Agreement is a standard agreement commonly used in the Derivatives market which sets forth key provisions governing the contractual relationship between the parties to such agreement, including each of their rights, liabilities and obligations.

If the Trustees / AMC enters into transactions governed by the ISDA Master Agreement, such as interest rate swaps, on the Scheme's behalf, it will also need to enter into a Credit Support Annex, which is an annex to the ISDA Master Agreement that is used to document bilateral credit support arrangements between parties for transactions governed by an ISDA Master Agreement, on such Scheme's behalf. Following agreement with a selected counterparty, upon the Trustees/ AMC entering into an initial or a further transaction governed by the ISDA Master Agreement including a foreign exchange transaction, currency option or, if relevant, interest rate swap on the Scheme's behalf, an ISDA Master Agreement, amended to reflect any negotiated commercial and/or legal points, shall be immediately deemed to be entered into between the Scheme and such counterparty and any confirmation in respect of a transaction entered into thereunder (including such initial derivatives transaction) shall supplement and form part of such ISDA Master Agreement.

On each date on which a Derivatives transaction is entered into by the Trustees / AMC, on behalf of the Scheme, the Scheme will be deemed to have given certain representations and undertakings to each counterparty with whom the ISDA Master Agreement is entered into on its behalf. Such representations and undertakings include, without limitation, representations and undertakings, from and in respect of the Scheme, as to the due establishment, good standing and corporate powers of the Scheme, the obtaining of all requisite consents and compliance with applicable laws by the Scheme and the binding nature of obligations on the Scheme under the relevant ISDA Master Agreement and associated contracts and transactions. The Trustees / AMC must notify the Fund Manager if at any time it becomes aware that it is in breach of any such representations or unable to continue to comply with any such undertakings. Any such breach may, in addition to other potential consequences, lead to each relevant counterparty being able to unilaterally terminate its ISDA Master Agreement with the Trustees / AMC on behalf of the Scheme and to close out any open contracts with it.

(k) Risks Associated with Investing in Debt Securities

i) General Provisions

Debt Securities are subject to the risk of an issuer’s inability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). The Fund Manager will consider both credit risk and market risk in making investment decisions for the Scheme.

The timing of transactions in debt obligations, which will often depend on the timing of the Purchases and Redemptions in the Scheme, may result in capital appreciation or depreciation because the value of debt obligations generally varies inversely with the prevailing interest rates.

ii) Interest Rate Risk

Changes in interest rates will affect the Scheme's NAV. The prices of Securities usually increase as interest rates decline and usually decrease as interest rates rise. The extent of fall or rise in the prices is guided by duration, which is a function of the existing coupon, days to maturity and increase or decrease in the level of interest rate. The new level of interest rate is determined by the rate at which the government raises new money and / or the price levels at which the market is already dealing in existing Securities. Prices of long-term Securities generally fluctuate more in response to interest rate changes than short-term Securities.

In case of CBLO, the rate of interest, from time to time, depends upon the number of borrowers at that point of time and the amount to be borrowed by such borrowers.

In the case of Floating Rate Instruments, an additional risk could be due to the change in the spreads of Floating Rate Instruments. If the spreads on Floating Rate Instruments rise, then there could be a price loss on these instruments. Secondly in the case of fixed rate instruments that have been swapped for floating rates, any adverse movement in the fixed rate yields vis-à-vis swap rates could result in losses. The price risk is low in the case of the floating rate or inflation-linked bonds. The price risk does not exist if the investment is made under a Repo agreement.

Debt markets, especially in developing markets like India, can be volatile leading to the possibility of price moving up or down in fixed income Securities and thereby to possible movements in the NAV.

iii) Prepayment Risk

A borrower may prepay a receivable prior to its due date. This may result in a change in the yield and tenor for the Scheme.

iv) Zero Coupon and Deferred Interest Bonds

The Scheme may invest in zero coupon bonds and deferred interest bonds, which are debt obligations issued at a discount to their face value. The original discount approximates the total amount of interest the bonds will accrue and compound over the period until maturity or the first interest accrual date at a rate of interest reflecting the market rate of the security at the time of issuance. Zero coupon bonds do not provide periodic interest payments and deferred interest bonds generally provide for a period of delay before the regular payment of interest begins. Such investments benefit the issuer by mitigating its initial need for cash to meet debt service and some also provide a higher rate of return to attract Investors who are willing to defer receipt of such cash. Such investments experience greater volatility in market value due to changes in interest rates than debt obligations which provide for regular payments of interest, and the Scheme may accrue income on such obligations even though it receives no cash.

v) Liquidity or Marketability Risk

This refers to the ease at which a Security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is characteristic of the Indian fixed income market. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Scheme. Different segments of the Indian financial markets have different settlement periods and such period may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of Securities. As liquidity of the investments made by the Scheme could, at times, be restricted by trading volumes and settlement periods, the time taken by the Fund for Redemption of Units may be significant in the event of an inordinately large number of Redemption requests or restructuring of the Scheme.

vi) Credit Risk

Credit Risk means that the issuer of a Security may default on interest payments or even paying back the principal amount on maturity (i.e. the issuer may be unable to make timely principal and interest payments on the Security). Even where no default occurs, the prices of Security may go down because the credit rating of an issuer goes down. However, it must be noted that where the Scheme have invested in Government Securities, the risk of default is lower.

vii) Risks of Investing in Unrated Debt Securities

Unrated debt Securities are more likely to react to developments affecting market and credit risk than are more highly rated Securities, which react primarily to movements in the general level of interest rates. Unrated debt Securities are more likely to react to developments affecting market and credit risk than rated debt Securities, which react primarily to movements in the general level of interest rates. Unrated debt Securities are considered predominantly speculative by traditional investment standards and may have poor prospects for reaching investment grade standing. Unrated debt Securities of comparable credit quality (commonly known as "junk bonds") are subject to the increased risk of an issuer's inability to meet principal and interest obligations and further, are usually unsecured and are often subordinated to the rights of other creditors of the issuers of such Securities. These Securities, also referred to as 'high yield Securities', may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions or publicity (whether or not based on fundamental analysis) of the junk bond markets generally and less secondary market liquidity.

Unrated debt Securities are issued by less established companies seeking to expand. Such issuers are often highly leveraged and generally less able than more established or less leveraged entities to make scheduled payments of principal and interest in the event of adverse developments or business conditions.

The market value of unrated debt Securities tends to reflect individual corporate developments to a greater extent than that of rated debt Securities which react primarily to fluctuations in the general level of interest rates. As a result, the ability of the Scheme if it invests in unrated debt Securities to achieve its investment objectives may depend to a greater extent on the Fund Manager's judgment concerning the creditworthiness of the issuers of such Securities than the Scheme investing in rated debt Securities. Issuers of unrated debt Securities may not be able to make use of more traditional methods of financing and their ability to service debt obligations may be more adversely affected than issuers of rated debt Securities by economic downturns, specific corporate developments or the issuer's inability to meet specific projected business forecasts.

A holder's risk of loss from default is significantly greater for unrated debt Securities than is the case for holders of other debt Securities because such unrated debt Securities are generally unsecured and are often subordinated to the rights of other creditors of the issuers of such Securities. Investments in defaulted Securities poses additional risk of loss should non-payment of principal and interest continue. Even if such Securities are held to maturity, recovery by the Scheme of its initial investment and any anticipated income or appreciation is uncertain.

The secondary market for unrated debt Securities is concentrated in relatively few market makers and is dominated by institutional investors. Accordingly, the secondary market for such Securities is typically not very, and is more volatile than, the secondary market for rated debt Securities. In addition, market trading volume for high yield fixed income Securities is generally lower and the secondary market for such Securities could contract under adverse market or economic conditions, independent of any specific adverse changes in the condition of a particular issuer. These factors may have an adverse effect on the market price and the Scheme's ability to dispose of particular portfolio investments. A less liquid secondary market also may make it more difficult for the Scheme to obtain precise valuations of the high yield Securities in its portfolio.

viii) Risks Associated with Credit Rating Agencies

Credit ratings issued by recognized credit rating agencies are designed to evaluate the safety of principal and interest payments of rated Securities. In addition, credit rating agencies may or may not make timely changes in a rating to reflect changes in the economy or in the conditions of the issuer that affect the market value and liquidity of the Security. Credit ratings are used only as a preliminary indicator of investment quality. Investments in unrated debt obligations will be more dependent on the Fund Manager's credit analysis than would be the case with investments in investment grade debt obligations.

(l) Securities Lending

Securities lending is lending of Securities through an approved intermediary to a borrower under an agreement for a specified period with the condition that the borrower will return equivalent Securities of the same type or class at the end of the specified period along with the corporate benefits accruing on the Securities borrowed.

There are risks inherent in Securities lending, including the risk of failure of the other party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of the Securities i.e. the Scheme and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the Securities, inability of the approved intermediary to return the Securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender in respect of the Securities lent. The Fund may not be able to sell such lent Securities and this can lead to temporary illiquidity.

(m) Calculation of NAV

From time to time, materiality thresholds may apply insofar as it relates to errors in the calculation of NAV in accordance with SEBI Regulations. Unit holders should note that the AMC may not pay the Unit holders or the Scheme the amount of any difference in circumstances where any such materiality thresholds provided under SEBI Regulations are not exceeded. Therefore such differences may lead to a different economic result than if such amounts were paid and such errors, which are deemed to be immaterial, will not lead to a reissued and corrected NAV.

As a result, Investors/ Unit holders who have Subscribed for or Redeemed Units of the Scheme on a day on which the materiality thresholds had been applied, the Investors / Unit holders may receive a different economic result than they would have received had the error in calculation of the NAV not happened.

(n) Investments by the Scheme in other schemes

The Scheme may invest in other scheme(s) managed by the AMC or in schemes of other mutual funds, provided such investments are in conformity with the investment objectives of the Scheme and in accordance with terms of the prevailing SEBI Regulations. Such investments in other schemes may provide the Scheme access to a specialised investment area or economic sector which can be more effectively accessed by investing in the underlying scheme(s). The Fund Manager will only make such investments if it determines in its discretion that to do so is consistent with the interests of the Unit holders of the Scheme.

The Scheme may invest in schemes operated by third parties. Considering third parties are not subject to the oversight or control of the AMC, the Fund Manager may not have the opportunity to verify the compliance of such schemes with the laws and regulations applicable to them.

The Scheme may invest in units or shares of schemes directly or indirectly managed by the AMC or another company with which the AMC is affiliated by virtue of common management, control or a direct or indirect holding of more than 10% of the capital or votes ("Goldman Sachs Schemes"). The Goldman Sachs Schemes and their investment advisers will be entitled to charge fees and expenses to the Scheme at the level of such Goldman Sachs Schemes in accordance with the offering documents of the relevant Goldman Sachs Schemes and in accordance with limits prescribed under the SEBI Regulations.

It is possible that a number of underlying scheme(s) might take substantial positions in the same security at the same time. This inadvertent concentration may interfere with the Scheme's goal of diversification. The AMC would attempt to alleviate any potential inadvertent concentration as part of its regular monitoring and reallocation process. Conversely the AMC may at any given time, hold opposite positions, such position being taken by different underlying scheme(s). Each such position shall result in transaction fees for the Scheme without necessarily resulting in either a loss or a gain. Moreover, the AMC may proceed to a reallocation of assets between the underlying scheme(s) and liquidate investments made in one or several of them.

Further, many of the underlying scheme(s) in which the Scheme may invest could use special investment techniques or concentrate its investments in only one geographic area or asset investment category, which may subject the Scheme's investments to risks different from those posed by investments in equity or fixed income scheme(s) or risks of the market and of rapid changes to the relevant geographic area or investment category.

When the Scheme invests in other schemes, the Unit holders in the Scheme will also incur fees and expenses (such as, but not limited to, management fees, custody fees, registrar fees, audit fees, etc.) at the level of the underlying scheme in accordance with the offering documents of the relevant scheme(s) and the limits prescribed under the SEBI Regulations.

No assurance can be given that the strategies employed by other schemes in the past to achieve attractive returns will continue to be successful or that the return on the Scheme's investments will be similar to that achieved by the Scheme or other schemes in the past.

(o) Risk of Changes in Borrowing Rates

The Scheme may borrow funds on a temporary basis within the limits set forth under the SEBI Regulations. The Scheme may choose to only borrow from the Custodian of the Scheme, and the borrowing rate imposed by the Custodian of the Scheme may change due to market conditions. As a consequence thereof, the borrowing rates imposed by the Custodian may not be the most competitive.

(p) Risk Factors relating to Portfolio Rebalancing

In the event that the asset allocation of the Scheme deviates from the ranges as provided in the asset allocation table in this SID, then the Fund Manager will rebalance the portfolio of the Scheme to the position indicated in the asset allocation table within a period of 7 days from the date of said deviation. However, if market conditions do not permit the Fund Manager to rebalance the portfolio of the Scheme within the stipulated period of 7 days then the AMC would notify the Board of the Trustee Company and the Investment Committee of the AMC with appropriate justifications.

(q) Risk Factors in case of Corporate Actions

In case the Scheme invests in stocks of companies outside the Index due to corporate actions, then the Fund Manager will rebalance the portfolio of the Scheme to the position indicated in the asset allocation table within a period of 30 days from the date of said deviation. However, if market conditions do not permit exiting the corporate action within this stipulated period of 30 days then the AMC would notify the Board of the Trustee Company and the Investment Committee of the AMC with appropriate justifications.

(r) Uncertain Tax Positions

Prospective Investors should be aware that tax Laws and regulations are constantly changing and that they may be changed with retrospective effect. Moreover, the interpretation and application of tax Laws and regulations by certain tax authorities may not be clear, consistent or transparent. As a result of uncertainty relating to the Mutual Fund's potential tax liabilities, including on any historical realized or unrealized gains, as well as liabilities that may arise as a result of investments made by the Scheme which have not reflected tax liabilities in their valuation, the NAV of the Scheme on any dealing day may not accurately reflect such liabilities (including those that are imposed with retrospective effect). In addition, the NAV of the Scheme on any dealing day may reflect an accrual for potential tax liabilities that may subsequently not be paid. Accounting standards may also change, creating an obligation for the Mutual Fund to accrue for a potential tax liability that was not previously required to be accrued or in situations where the Mutual Fund does not expect to be ultimately subject to such tax liability.

In the event that the Mutual Fund subsequently determines to accrue for tax liabilities and/ or is required to pay amounts relating to tax liabilities that had not previously been accrued and / or any Scheme investments result in tax liabilities that were not reflected in their valuation (including historic investments), the amount of any such determination or payment will generally be allocated among the Unit holders of the Scheme at the time of such determination or payment, rather than when the income or transaction to which such taxes relate was earned or occurred. Moreover, in the event that the Mutual Fund subsequently determines that an accrual for potential tax liabilities exceeds or will exceed the liability for such taxes, the benefit from any such determination will generally be allocated among the Unit holders of the Scheme at the time of such determination, rather than when the income or transaction in respect of which such taxes were accrued was earned or occurred, and Unit holders who previously Redeemed Units of the Scheme will not receive additional compensation or otherwise share such benefit. Unit holders will not be notified of any of the foregoing determinations or payments.

Unit holders that invest in the Units of the Scheme at a time during which any liabilities for taxes are not accrued will invest in the Units of the Scheme at a higher NAV than such Unit holders would have invested had such liabilities been accrued at the time of the applicable investment. In addition, the returns of the Scheme may be considered to have been subject to an inadvertent leverage effect in that those additional assets would have been invested in accordance with the usual investment policy of the Scheme. On the other hand, Unit holders that Redeem Units of the Scheme at a time during which potential liabilities for taxes are accrued will Redeem Units of the Scheme at a lower NAV than if such liabilities had not been accrued at the time of the applicable Redemption. In that situation the Scheme may also be considered to have been subject to an inadvertent under investment effect if that accrual of taxes is not subsequently paid.

(s) Regulation as a Bank Holding Company

Because Goldman Sachs (as defined below) is currently deemed to ‘control’ the Mutual Fund within the meaning of the U.S. Bank Holding Company Act of 1956, as amended (the “**BHCA**”), the restrictions imposed by the BHCA and related regulations are expected to apply to the Mutual Fund. Accordingly, the BHCA and other applicable banking laws, rules, regulations and guidelines, and their interpretation and administration by the appropriate regulatory agencies, including but not limited to the board of Governors of the Federal Reserve System (the “**Federal Reserve**”), may restrict the transactions and relationships between the AMC, the board of directors, Goldman Sachs and their affiliates, on the one hand, and the Mutual Fund, on the other hand, and may restrict the investments and transactions by, and the operations of, the Mutual Fund. In addition, the BHCA regulations applicable to Goldman Sachs and the Mutual Fund may, among other things, restrict the Mutual Fund’s ability to make certain investments or the size of certain investments, impose a maximum holding period on some or all of the Mutual Fund’s investments, restrict the AMC’s ability to participate in the management and operations of the companies in which the Mutual Fund invests, and will restrict the ability of Goldman Sachs to invest in the Scheme. Moreover, certain BHCA regulations may require aggregation of the positions owned, held or controlled by related entities. Thus, in certain circumstances positions held by Goldman Sachs and its affiliates (including the AMC) for client and proprietary accounts may need to be aggregated with positions held by the Scheme. In this case, where BHCA regulations impose a cap on the amount of a position that may be held, Goldman Sachs may utilize available capacity to make investments for its proprietary accounts or for the accounts of other clients, which may require the Mutual Fund to limit and / or liquidate certain investments. Investors should also refer to the paragraph on 'Material Interests of Associates of the Sponsor, AMC and the Trustee Company' below.

The potential future impact of these restrictions is uncertain. These restrictions may affect the AMC's ability to pursue certain strategies within the Scheme's investment program and may otherwise have a material adverse effect on the Scheme. In addition, Goldman Sachs may cease in the future to qualify as a "financial holding company" under the BHCA, which may subject the Scheme to additional restrictions. In addition, there can be no assurance as to the impact on Goldman Sachs or the Mutual Fund resulting from the Dodd-Frank Wall Street Reform and Consumer Protection Act (as it may be amended, and together with the regulations to be promulgated thereunder, the "**Dodd-Frank Act**") and the new rules and regulations to be promulgated by supervisory and oversight agencies implementing the new legislation, or that the impact of such legislation will not have a material adverse effect on the Scheme (see risk on "**Dodd-Frank Act**" below).

Goldman Sachs may in the future, in its sole discretion and without notice to Shareholders, restructure the Mutual Fund and/or the AMC in order to reduce or eliminate the impact or applicability of any bank regulatory restrictions on Goldman Sachs, the Scheme or other funds and accounts managed by the AMC and its affiliates. Goldman Sachs may seek to accomplish this result by causing another entity to replace the AMC, or by such other means as it determines in its sole discretion. Any replacement investment manager may be unaffiliated with Goldman Sachs.

(t) Dodd-Frank Act

In July 2010, the Dodd-Frank Act was enacted into law. The Dodd-Frank Act includes the so-called 'Volcker Rule'. U.S. financial regulators issued final rules to implement the statutory mandate of the Volcker Rule on December 10, 2013. Pursuant to the Dodd-Frank Act, the Volcker Rule was effective July 21, 2012; however, the Federal Reserve issued an order that provided that banking entities are not required to be in compliance with the Volcker Rule and its final rules until July 21, 2015. Under the Volcker Rule, Goldman Sachs can "sponsor" or manage hedge funds and private equity funds only if certain conditions are satisfied. It is not expected that the Scheme will be treated as a "covered fund" for the purposes of the Volcker Rule, however the final interpretation of the Volcker Rule is not yet settled. Among other things, these Volcker Rule conditions generally prohibit banking entities (including Goldman Sachs and its affiliates) from engaging in 'covered transactions' and certain other transactions with hedge funds or private equity funds that are managed by affiliates of the banking entities, or with investment vehicles controlled by such hedge funds or private equity funds. 'Covered transactions' include loans or extensions of credit, purchases of assets and certain other transactions (including Derivative transactions and guarantees) that would cause the banking entities or their affiliates to have credit exposure to funds managed by their affiliates. In addition, the Volcker Rule requires that certain other transactions between Goldman Sachs and such entities be on 'arms' length' terms. The Mutual Fund does not expect to engage in such transactions with Goldman Sachs to any material extent and, as a result, the prohibition on covered transactions between Goldman Sachs and the Mutual Fund is not expected to have a material effect on the Mutual Fund.

In addition, the Volcker Rule prohibits any banking entity from engaging in any activity that would involve or result in a material conflict of interest between the banking entity and its clients, customers or counterparties, or that would result, directly or indirectly, in a material exposure by the banking entity to high-risk assets or high-risk trading strategies. However, there remains significant uncertainty as to how this prohibition will ultimately impact Goldman Sachs and the Mutual Fund. These restrictions could materially adversely affect the Mutual Fund, including because the restrictions could result in the Mutual Fund foregoing certain investments or investment strategies or taking other actions, which actions could disadvantage the Mutual Fund.

As noted above, under the Volcker Rule, Goldman Sachs can "sponsor" and manage hedge funds and private equity funds only if certain conditions are satisfied. While Goldman Sachs intends to satisfy these conditions, if for any reason Goldman Sachs is unable to, or elects not to, satisfy these conditions or any other conditions under the Volcker Rule, then Goldman Sachs may no longer be able to sponsor the Mutual Fund and the Scheme. In such event, the structure, operation and governance of the Mutual Fund may need to be altered such that Goldman Sachs is no longer deemed to sponsor the Mutual Fund and the Scheme or, alternatively, the Mutual Fund and the Scheme may need to be terminated.

In addition, other sections of the Dodd-Frank Act may adversely affect the ability of the Scheme to pursue its trading strategies, and may require material changes to the business and operations of, or have other adverse effects on, the Scheme. See risk on "**Legal and Regulatory Risks; Disclosure of Information Regarding Investors**" below.

Goldman Sachs may in the future, without notice to Investors, restructure the Mutual Fund or the AMC in order to reduce or eliminate the impact or applicability of the Volcker Rule on Goldman Sachs, the Mutual Fund, the Scheme or other funds and accounts managed by the AMC and its affiliates. Goldman Sachs may seek to accomplish this result by reducing the amount of Goldman Sachs' investment in the Mutual Fund (if any) or by such other means as it determines in its sole discretion (see risk on "**Regulation as a Bank Holding Company**" above).

(u) Legal and Regulatory Risks; Disclosure of Information Regarding Investors

Legal, tax and regulatory changes are expected to occur that may materially adversely affect the Mutual Fund and the Scheme (including the ability of the Scheme to achieve its investment objective and pursue its investment strategies). In addition to the legal, tax and regulatory changes that are expected to occur, there may be unanticipated changes. The legal, tax and regulatory environment for pooled investment funds, investment advisers, and the instruments that they utilize (including, without limitation, derivative instruments) is continuously evolving.

In addition, prospective Investors should note that future tax legislation and regulation could result in material tax or other costs for the Mutual Fund and the Scheme, or require a significant restructuring of the manner in which the Mutual Fund and the Scheme are organized or operated. In addition, there is significant uncertainty regarding recently enacted legislation (including the Dodd-Frank Act and the regulations that will need to be developed pursuant to such legislation) and, consequently, the full impact that such legislation will ultimately have on the Mutual Fund, the Scheme and the markets in which they trade and invest is not fully known. Such uncertainty and any resulting confusion may itself be detrimental to the efficient functioning of the markets and the success of certain investment strategies. Further, the ability of the Scheme to pursue its trading strategies may be adversely affected due to additional regulatory requirements or changes to regulatory requirements applicable to the Scheme, such as requirements that may be imposed due to other activities of Goldman Sachs (including, without limitation, as a result of Goldman Sachs electing to be regulated as a BHC) or as a result of the investment in the Scheme by certain investors or types of investors. See risks on "**Regulation as a Bank Holding Company**" and "**The Volcker Rule**" above. Any changes to current regulations or any new regulations applicable to Goldman Sachs, the Mutual Fund and/or the Scheme could have a materially adverse affect on the Mutual Fund and/or the Scheme (including, without limitation, by imposing material tax or other costs on the Scheme, by requiring a significant restructuring of the manner in which the Scheme is organized or operated or by otherwise restricting the Scheme).

Moreover, the Scheme, the AMC or their affiliates and/or service providers or agents of the Mutual Fund, the Scheme or the AMC may from time to time be required or may, in their sole discretion, determine that it is advisable to disclose certain information about the Scheme and the Investors, including, but not limited to, investments held by the Scheme and the names and level of beneficial ownership of Investors, to (i) one or more regulatory and/or taxing authorities of certain jurisdictions which have or assert jurisdiction over the disclosing party or in which the Scheme directly or indirectly invests and/or (ii) one or more counterparties of, or service providers to, the AMC or the Mutual Fund. By virtue of purchasing Units each Investor will be deemed to have consented to any such disclosure relating to such Investor.

(v) Risks relating to withholding tax under FATCA

Pursuant to U.S. withholding provisions commonly referred to as the Foreign Account Tax Compliance Act ("**FATCA**"), certain payments of U.S. source fixed or determinable, annual or periodic income made after 30 June, 2014 , certain payments attributable to gross proceeds from the sale or other disposition of property that could produce U.S. source interest or dividends made after 31 December 2016, and certain payments (or a portion thereof) by a foreign financial institution made after 31 December 2016, to a foreign financial institution or other foreign entity will be subject to a withholding tax of 30% unless various reporting requirements are satisfied. It is expected that the Scheme will be treated as a "foreign financial institution" for this purpose. As a foreign financial institution, in order to be relieved of this 30% withholding tax, the Scheme may be required to register with the IRS and enter into an agreement (an "**FFI Agreement**") with the IRS requiring the Scheme to, among other requirements:

a) obtain and verify information on certain of its Unit holders to determine whether such Unit holders are "Specified U.S. Persons" (i.e. U.S. persons for U.S. federal income tax purposes other than tax-exempt entities and certain other persons) and "U.S. Owned Foreign Entities" (i.e. foreign entities with a "substantial United States owner", meaning greater than 10% ownership by a Specified U.S. Person or, in the case of an interest holder that is a foreign financial institution, any ownership by a Specified U.S. Person);

b) annually report information on Unit holders that are non-compliant with FATCA (in the aggregate), Specified U.S. Persons and U.S. Owned Foreign Entities to the IRS; and

c) attempt to obtain a waiver from each U.S. Owned Foreign Entity of any foreign law that would prevent the Scheme from reporting to the IRS any required information obtained with respect to such U.S. Owned Foreign Entity and, if such waiver is not obtained, to mandatorily Redeem the U.S. Owned Foreign Entity.

Alternatively, the Scheme may be required to provide similar information to its local tax authority under the terms of an intergovernmental agreement relating to FATCA. No assurances can be provided that the Scheme will be able to enter into and comply with an FFI Agreement and that the Scheme will be exempt from this 30% withholding tax.

Even if the Scheme enters into an FFI Agreement, any Unit holder that fails to produce the required information or that is a foreign financial institution that itself, if required, does not enter into an FFI Agreement with the IRS, or is otherwise not compliant with FATCA (a "**Non-Compliant Unit holder**") may be subject to 30% withholding tax on a portion of any withdrawal or distribution proceeds paid by the Scheme after 31 December 2016. Each Unit holder should be aware that as a result of an investment in the Scheme, the tax authorities in the Unit holder's jurisdiction of tax residence may be provided information relating to such Unit holder, pursuant to the provisions of a treaty, an inter-governmental agreement or otherwise, directly or indirectly by the Scheme. In addition, in certain circumstances, where the Scheme is unable to obtain a waiver of any non-U.S. laws that would prevent the Scheme from reporting to the IRS any required information in respect of a Unit holder, the Scheme may be required to mandatorily Redeem the Units of such Unit holder. Moreover, Unit holders should be aware that the term "foreign financial institution" is very broad and generally will include, among others, any Unit holder that holds financial assets for the account of others as a substantial portion of its business, or is engaged or holds itself out as being engaged, primarily in the business of investing, reinvesting or trading in securities, partnership interests, commodities or any interests in the foregoing. Accordingly, Unit holders may need to enter into an FFI Agreement with the IRS in order to not be treated as a Non-Compliant Unit holder.

Unit holders should consult their own tax advisors regarding the potential implications of this withholding tax.

(w) Material Interests of Associates of the Sponsor, AMC & Trustee Company

The Goldman Sachs Group, Inc., the ultimate parent of the Sponsor, including its affiliates and personnel, is a worldwide, full-service investment banking, broker-dealer, asset management and financial services organization, and a major participant in global financial markets. As such, Goldman Sachs provides a wide range of financial services to a substantial and diversified client base.

In those and other capacities, Goldman Sachs advises clients in all markets and transactions and purchases, sells, holds and recommends a broad array of investments for its own accounts and for the accounts of clients and of its personnel, through client accounts and the relationships and products it sponsors, manages and advises (such Goldman Sachs or other client accounts (including the Scheme), relationships and products collectively, the "Accounts"). Goldman Sachs has direct and indirect interests in the global fixed income, currency, commodity, equities, bank loan and other markets, and the securities and issuers, in which the Scheme will directly or indirectly invest. As a result, Goldman Sachs' activities and dealings may affect the Scheme in ways that may disadvantage or restrict the Scheme and/or benefit Goldman Sachs or other Accounts.

The following are a few examples. They are not, and are not intended to be, a complete enumeration or explanation of all of the material interests that may arise.

- The AMC will give advice to and make investment decisions for the Scheme as it believes are in the fiduciary interests of the Scheme. Advice given to the Scheme by the AMC or investment decisions made for the Scheme by the AMC may differ from advice given by Goldman Sachs to, or investment decisions made by Goldman Sachs for, Accounts. Owing to factors, including the relative timing for the implementation of investment decisions or strategies for Accounts, on the one hand, and the Scheme, on the other hand, the results of the investment activities of the Scheme may differ significantly from the results achieved by Goldman Sachs for other Accounts. Moreover, new trading strategies and investment opportunities may not be employed in all Accounts or employed pro rata among Accounts where they are employed. In connection with acting in various capacities (including investment banker, market maker, investor, broker, advisor and research provider) in respect of Accounts (including the Scheme) or companies or affiliated or unaffiliated investment funds in which the Scheme has an interest, Goldman Sachs may take commercial steps in its own interests and the possibility that actions taken or advice given by Goldman Sachs acting in such capacities may adversely impact the Scheme cannot be ruled out. For example, a Scheme may buy a Security and an Account may establish a short position in that same Security. The subsequent short sale may result in impairment of the price of the Security which the Scheme holds. Further, if an Account holds debt Securities of an issuer and a Scheme holds equity Securities of the same issuer, then if the issuer experiences financial or operational challenges, the Account which holds the debt Securities may seek a liquidation of the issuer, whereas the Scheme which holds the equity Securities may prefer a reorganization of the issuer. In addition, Accounts may have investment objectives that are similar to those of the Scheme. This may create potential competition among the Scheme and other Accounts, particularly where there is limited availability or liquidity for those investments. For example, transactions in investments by such Accounts may have the effect of diluting or otherwise negatively affecting the values, prices or investment strategies associated with Securities held by the Scheme (or *vice-versa*), particularly, but not limited to, in small capitalization, emerging market or less liquid strategies.

- Goldman Sachs has established certain information barriers and other policies to address the sharing of information between different businesses within Goldman Sachs. As a result of information barriers, the AMC generally will not have access, or will have limited access, to information and personnel in other areas of Goldman Sachs, and generally will not be able to manage the Scheme with the benefit of information held by such other areas.

- While the AMC will make decisions for the Scheme (including investment decisions and proxy voting decisions) pursuant to its obligations to manage the Scheme in accordance with the SEBI Regulations and as set out in the Scheme Information Document, owing to the various business activities Goldman Sachs is engaged in, the fees, compensation and other benefits, if any, accruing to Goldman Sachs (including benefits relating to business relationships of Goldman Sachs) from such decisions may be greater than they would have been had other decisions been made which also might have been appropriate for the Scheme. Subject to applicable Law, the AMC may cause the Scheme to invest in securities, bank loans or other obligations of companies affiliated with or advised by Goldman Sachs or in which Goldman Sachs or Accounts have an equity, debt or other interest, or to engage in investment transactions that may result in other Accounts being relieved of obligations or otherwise divested of investments, which may enhance the profitability of Goldman Sachs' or other Accounts' investment in and activities with respect to such companies.

- Goldman Sachs will be under no obligation to provide to the Scheme, or cause the AMC to effect transactions on behalf of the Scheme in accordance with any market or other information, analysis, technical models or research in its possession, including any research that Goldman Sachs has developed itself. In addition, decisions made by the AMC on behalf of the Scheme may from time to time be different to recommendations contained in research issued by Goldman Sachs, and may be different from decisions Goldman Sachs makes in relation to the same securities for other clients.

- To the extent and in the manner permitted by applicable Laws, the Scheme may enter into transactions in which Goldman Sachs acts as the principal, or serves as the counterparty (on a proprietary basis, as agent for its customers). The Scheme may also enter into cross transactions in which Goldman Sachs acts on behalf of the Scheme and for the other party to the transaction. For example, Goldman Sachs may represent both the Scheme and another Account in connection with the purchase or sale of a Security by a Scheme, and Goldman Sachs may receive compensation or other payments from either or both parties in relation to that single transaction.

- Regulatory restrictions (including relating to the aggregation of positions among different funds and accounts), reputational considerations and internal policies of Goldman Sachs may restrict investment activities of the Scheme. Information held by Goldman Sachs could have the effect of restricting investment activities of the Scheme. As a result, transactions of other Accounts may be restricted but not for the Scheme, or vice versa. From time to time, Goldman Sachs may come into possession of unpublished price sensitive information or other information that could limit the ability of the Scheme to buy and sell Securities. The investment flexibility of the Scheme may be constrained as a consequence. The AMC is not permitted to obtain or use unpublished price sensitive information in effecting purchases and sales in public Securities transactions for the Scheme. Further, under applicable Laws, there may be limits on the aggregate amount of investments by affiliated Investors that may not be exceeded without the grant of a license or other regulatory or corporate consent or, if exceeded, may cause Goldman Sachs, the Scheme or other Accounts to suffer disadvantages or business restrictions. If certain aggregate ownership thresholds are reached or certain transactions undertaken, the ability of the AMC on behalf of the Scheme to purchase or dispose of investments, or exercise rights or undertake business transactions, may be restricted by regulation or otherwise impaired. In addition where thresholds are approached or reached or where securities have limited liquidity, Accounts may compete with the Scheme for access to these investments. Accounts may provide greater fees or other compensation to Goldman Sachs, and, subject to the policies and procedures described in the following paragraph, may be allocated these investments before the Scheme.

- The AMC in its sole discretion will determine whether the Scheme will participate in investment opportunities and investors should not expect that the Scheme will participate in any investment opportunities. Opportunities or any portion thereof that the Scheme does not participate in may be offered to other Accounts, Goldman Sachs (including the AMC), all or certain investors in the Scheme, or such other persons or entities as determined by Goldman Sachs in its sole discretion, and the Scheme will not receive any compensation related to such opportunities. The AMC has developed policies and procedures that provide that it will allocate investment opportunities and make purchase and sale decisions for the Scheme and among other schemes managed by the AMC in a manner that it considers, in its sole discretion and consistent with its fiduciary obligation to each of the schemes managed by the AMC, to be reasonable and based upon the AMC's good faith assessment of the best use of such limited opportunities relative to the objectives, limitations and requirements of each of the schemes managed by it and applying the factors set out in the respective scheme information documents. During periods of unusual market conditions, the AMC may deviate from its normal trade allocation practices. The AMC seeks to treat all schemes managed by it in light of all factors relevant to managing each of the schemes, and in some cases it is possible that application of the scheme specific factors may result in allocations such that certain schemes may receive an allocation when the other schemes do not.

- From time to time, given Goldman Sachs is subject to a broad range of regulatory requirements around the world, there may be instances where certain securities of issuers, for whom Goldman Sachs is acting as investment banker or market maker, are restricted from being purchased, sold or considered for the Scheme. For example, where when Goldman Sachs is engaged in an underwriting or other distribution of securities of a company, the Scheme may be restricted for a limited time from dealing in that security.

- Goldman Sachs and its personnel have interests in promoting sales of Units in the Scheme, and may have relationships with distributors, consultants and others who recommend, or engage in transactions with or for, the Scheme. Similarly, Goldman Sachs or the Mutual Fund may make payments to authorised dealers and other financial intermediaries and to sales persons from time to time to promote the Mutual Fund and other Accounts. In addition to placement fees, sales loads, or similar distribution charges, such payments may, subject always to applicable Laws and regulations, be made out of Goldman Sachs' assets or amounts payable to Goldman Sachs rather than as separately identified charges to the Mutual Fund.

- Goldman Sachs' personnel may have varying levels of economic and other interests in Accounts.

- The directors, officers, and employees of Goldman Sachs may buy and sell securities or other investments for their own Accounts (including through investment funds, or through a personal investment adviser). As a result of differing trading and investment strategies or constraints, the positions taken by these people may be different to the positions taken by the Scheme. Goldman Sachs has established policies and procedures that restrict securities trading in Accounts of Goldman Sachs personnel, which aim to reduce the risk of any impact to the Scheme.

- Subject to applicable Laws, Goldman Sachs may act as broker, dealer, agent, lender or otherwise for the Scheme and will retain all commissions, fees and other compensation in connection therewith. Goldman Sachs may have ownership interests in trading networks, Securities or Derivatives indices, trading tools, settlement systems and other assets, and Goldman Sachs may benefit when the AMC (and its agents) uses them in connection with the Scheme.

- Subject to applicable Laws, Goldman Sachs, including the AMC, may, from time to time, in-source or outsource certain processes or functions in connection with a variety of services that it provides to the Scheme in its administrative or other capacities. Such in-sourcing or outsourcing may give rise to additional material interests.

- Goldman Sachs may make loans to Unit holders or enter into similar transactions that are secured by a pledge of, or mortgage over, a Unit holder's Units, which would provide Goldman Sachs with the right to Redeem such Units in the event that such Unit holder defaults on its obligations. These transactions and related redemptions may be significant and may be made without notice to the Unit holders.

- Goldman Sachs may make loans to clients or enter into asset-based or other credit facilities or similar transactions with clients that are secured by a client's assets or interests other than Units in the Scheme. In connection with its rights as lender, Goldman Sachs may take actions that adversely affect the borrower. The borrower's actions may in turn adversely affect the Scheme.

- ***Valuation of the Scheme's Investments***
  The AMC carries out valuation of investments made by the Scheme. The AMC values Securities and assets in the Scheme according to the valuation policies described in the Statement of Additional Information. The AMC may value an identical asset differently than another division or unit within Goldman Sachs values the asset, including because such other division or unit has information regarding valuation techniques and models or other information that it does not share with the AMC. This is particularly the case in respect of difficult-to-value assets. The AMC and/or its affiliates may also value an identical asset differently in different Accounts (e.g., because different Accounts are subject to different valuation guidelines pursuant to their respective governing agreements, different third party vendors are hired to perform valuation functions for the Accounts or the Accounts are managed or advised by different portfolio management teams within Goldman Sachs). The AMC may face a conflict with respect to such valuations as they affect the compensation of the AMC or its affiliates.

- **Goldman Sachs investments in the Scheme**
  Subject to applicable law, Goldman Sachs or Accounts (including Accounts formed to facilitate investment by Goldman Sachs personnel) may also invest (under the Anchor Investor or Non-Anchor Investor category) in or alongside the Scheme. Such investments by Goldman Sachs or Accounts under the Anchor Investor category may be on terms more favourable than those of Non-Anchor Investor category and may constitute substantial percentages of the Scheme. Unless provided otherwise by agreement to the contrary, Goldman Sachs or Accounts may redeem interests in the Scheme at any time without notice to Unit holders or regard to the effect on the Scheme' portfolio, which may be adverse.

- **Proxy Voting by the AMC**
  The AMC has adopted policies and procedures designed to prevent conflicts of interest from influencing proxy voting decisions that it makes on behalf of the Scheme, and to help ensure that such decisions are made in accordance with its fiduciary obligations to the Scheme. Notwithstanding proxy voting policies and procedures, proxy voting decisions made by the AMC with respect to Securities held by the Scheme may benefit the interests of Goldman Sachs and Accounts other than the Scheme.

- **Brokerage and Research Services**
  The AMC may select brokers (including affiliates of the AMC) that furnish the AMC, their affiliates and other Goldman Sachs personnel with proprietary or third-party brokerage and research services (collectively, "brokerage and research services") that provide, in the AMC's view, appropriate assistance to the AMC in the investment decision-making process. As a result, the Scheme may pay for such brokerage and research services within the overall annual recurring expenses of the Scheme provided that the services received assist in the provision of investment services to the Scheme and the relevant broker agrees to provide best execution.

  When the AMC uses commissions paid by the Scheme to the broker to obtain brokerage and research services, the AMC receives a benefit because the AMC does not have to produce or pay for the brokerage and research services itself assuming such payments by the Scheme are within the overall annual recurring expenses of the Scheme.

  Brokerage and research services may be used to service the Scheme and any or all other schemes of the Mutual Fund, including schemes of the Mutual Fund that do not pay commissions to the broker relating to the brokerage and research service arrangements. As a result, brokerage and research services (including benefits mentioned above) may disproportionately benefit other schemes of the Mutual Fund relative to the Scheme based on the relative amount of commissions paid by the Scheme. Considering such brokerage and research services will assist the AMC in the provision of investment services primarily to the Scheme, the AMC would not attempt to allocate such benefits proportionately among the other schemes of the Mutual Fund or to track the benefits of brokerage and research services to the commissions associated with a particular scheme or schemes of the Mutual Fund.

- **Error and Error Correction Policies**

  The AMC has policies and procedures for determining when the AMC will reimburse the Scheme for losses that result from errors by the AMC. Pursuant to such policies, an error is generally compensable from the AMC to the Scheme when it is a mistake (whether an action or inaction) in which the AMC has deviated from the applicable standard of care under the SEBI Regulations in managing the Scheme's assets, subject to certain materiality and other policies summarized below.

  The Code of Conduct under the SEBI Regulations requires the AMC to render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgement. Although the AMC would seek to follow such requirements, mistakes could occur, which mistakes would not be compensated by the AMC unless they are not in accordance with the requirements under the SEBI Regulations or any materiality thresholds prescribed therein. The AMC's policies do not require perfect implementation of investment management decisions, trading, processing or other functions performed by the AMC or its affiliates. Therefore, not all mistakes will be considered compensable errors. Imperfections, including without limitation, imperfection in the implementation of investments, execution, cash flow, rebalancing, processing instructions or facilitation of securities settlement; imperfection in processing corporate actions; or imperfection in the generation of cash or holdings reports resulting in trade decisions, are generally not considered by the AMC to be violations of standards of care regardless of whether implemented through programs, models, tools or otherwise. As a result, such imperfections, including, without limitation, mistakes in amount, timing or direction of a trade, are generally not compensable errors unless such imperfections or mistakes are not in accordance with the requirements under the SEBI Regulations or any materiality thresholds prescribed therein.

  For example, the AMC's traders are typically expected to exercise discretion, including without limitation with respect to quantitative strategies, when placing trades to generally effect the fund manager's investment intent in the best interests of the Scheme. As a result, issues related to the amount or timing of a trade generally would not be considered compensable errors unless the trade results in a portfolio position that violates any investment guidelines of the Scheme or is substantially inconsistent with the AMC's investment intent. In addition, imperfections in the implementation of quantitative strategies (e.g. a coding error), or imperfections in other types of strategies that do not result in material departures from the intent of the fund manager will generally not be considered compensable errors unless requirements under the SEBI Regulations or any materiality thresholds prescribed therein are breached. Mistakes may also occur in connection with other activities that may be undertaken by the AMC and its affiliates, such as NAV calculation, transfer agent activities (i.e., processing Subscriptions and Redemptions), fund accounting, trade recording and settlement and other matters that are non-advisory in nature and may not be compensable unless they deviate from the applicable standards, SEBI Regulations or any materiality thresholds prescribed therein. Unit holders will generally not be notified of the occurrence of an error if such error is determined to be non compensable.

  Mistakes may result in gains as well as losses. In applying its error and error correction policies, the AMC may determine that it is appropriate to reallocate or remove gains from the Scheme's account that are the result of a mistake.

  The AMC makes its determinations pursuant to its error policies on a case-by-case basis, based on the materiality of the resulting losses. For example, mistakes that result in losses below a threshold will not be compensable. The determination by the AMC to treat (or not to treat) a mistake as a compensable error, and any calculation of compensation in respect thereof, may differ from the determination and calculation made by Goldman Sachs in respect of one or more other funds or accounts sponsored, managed or advised by Goldman Sachs in respect of which the same or a similar mistake occurred.

  When the AMC determines that reimbursement by the AMC is appropriate, compensation received by the Scheme is generally expected to be limited to direct and actual losses, which may be calculated based on factors the AMC considers relevant. Compensation generally will not include any amounts or measures that the AMC determines are speculative or uncertain, including potential opportunity losses or other forms of consequential or indirect losses, and when calculating compensation, the AMC generally will not consider tax implications for, or the tax status of, the Scheme.

The AMC will consider any errors in the calculation of the Net Asset Value of the Scheme in order to determine whether corrective action is necessary or compensation is payable to the Scheme or the Unit holders.

The AMC, may, in their sole discretion, authorise the correction of errors, which may impact the processing of Subscriptions for and Redemptions of Shares. The AMC may follow materiality policies with respect to the resolution of errors that may limit or restrict when corrective action would be taken or when compensation to the Scheme or Unit holders will be paid. In addition, subject to policies approved by the AMC consistent with applicable Law, not all mistakes will result in compensable errors.

Unit holders may not be notified of the occurrence of any error or the resolution thereof unless the materiality thresholds provided under SEBI Regulations are exceeded and the correction of the error requires an payment/ recovery of any amounts to/from the Unit holders.

B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME

As the Scheme is an Exchange Traded Scheme, the provisions of minimum number of Investors and maximum holding of the Investors are not applicable as per SEBI Regulations and circulars.

C. SPECIAL CONSIDERATIONS

- An investment in the Units of the Scheme does not constitute a complete investment programme and Investors may wish to complement an investment in the Scheme with other types of investments.

- Prospective Investors should review / study the SAI along with this SID carefully and in its entirety and should not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial / investment matters and are advised to consult their own professional advisor(s) as to the legal or any other requirements or restrictions relating to the Subscriptions, gifting, acquisition, holding, disposal (sale, transfer or Redemption or conversion into money) of Units and to the treatment of income (if any), capitalization, capital gains, any distribution, and other tax consequences relevant to their Subscription, acquisition, holding, capitalization, disposal (sale, transfer or Redemption or conversion into money) of Units within their jurisdiction / nationality, residence, domicile etc. or under the laws of any jurisdiction to which they or any managed funds to be used to Purchase / gift Units are subject, and also to determine possible legal, tax, financial or other consequences of Subscribing / gifting to, Purchasing or holding Units before making an application for Units.

- Neither this SID and the SAI, nor the Units have been registered in any jurisdiction outside India. The distribution of this SID in certain jurisdictions may be restricted or subject to registration and accordingly, any person who gets possession of this SID is required to inform themselves about, and to observe, any such restrictions. No person receiving a copy of the SAI and/or this SID or any accompanying Application Form in such jurisdiction may treat the SAI and this SID or such Application Form as constituting an invitation to them to subscribe for Units or solicitation in a jurisdiction where to do so is unlawful or the person making the offer or solicitation is not qualified to do so or a person receiving the offer or solicitation may not lawfully do so, nor should they in any event use any such Application Form unless, in the relevant jurisdiction such an invitation could lawfully be made to them and such Application Form could lawfully be used without compliance of any registration or other legal requirements. It is the responsibility of any persons in possession of this SID and any persons wishing to apply for Units pursuant to this SID to inform themselves of and to observe, all applicable Laws and regulations of such relevant jurisdiction. Any changes in SEBI / NSE / BSE / RBI regulations and other applicable Laws / regulations could have an effect on such investments and valuation thereof.

- The Mutual Fund / Trustees / AMC has not authorized any person to give any information or make any representations, either oral or written, not stated in this SID or the SAI in connection with issue or sale of Units under the Scheme. Prospective Investors are advised not to rely upon any information or representations not incorporated in the SAI and SID as the same have not been authorized by the Mutual Fund or the Trustees or the AMC. Any Purchase or Redemption made by any person on the basis of statements or representations which are not contained in this SID or SAI or which are not consistent with the information contained in the Offer Documents shall be solely at the risk of the Investor / Unit holder(s). Investors are requested to check the credentials of the individual, firm or other entity they are entrusting their Application Form and payment to, for any transaction with the Mutual Fund. The Mutual Fund shall not be responsible for any acts done by the intermediaries representing or purportedly representing such Investor.

- Pursuant to Regulation 24(2) of then SEBI Regulations, the AMC has obtained a no objection letter from SEBI for providing non-binding investment advisory services to its group companies which may or may not be registered with SEBI as a FII or their sub-accounts ("**Clients**") under the SEBI (FII) Regulations, 1995. The AMC confirms that in providing such non-binding advisory services to its Clients there will be no conflict of interest with the activities of the Mutual Fund.

- Pursuant to Regulation 24(b) of SEBI Regulations, the AMC has obtained a no objection letter from SEBI for providing portfolio management services under the SEBI (Portfolio Managers) Regulations) 1993. The AMC confirms that in providing such portfolio management services to its clients there will be no conflict of interest with the activities of the Mutual Fund.

- The AMC through itself or though its subsidiaries is restricted from undertaking any business activities that conflict across different activities. The absence of conflict of interest has been disclosed in this SID and the SAI. In the event that there is an unavoidable conflict of interest, the AMC shall satisfy itself that disclosures are made of the source of the conflict of interest, potential 'material risk of damage' to Investor interests and detailed parameters for the same are furnished.

- The offer and sale of the Units offered hereunder has not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any State or any other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. In addition, the Mutual Fund has not been and will not be registered under the U.S. Investment Company Act. It should be noted that Investors will not have the benefit of the substantive provisions of the laws of the United States of America. Therefore, subject to the ultimate discretion of the Trustees, the Units may not be offered or sold to or for the benefit of a U.S. person, as such term is defined herein. The Trustees / AMC may mandatorily Redeem any Units that are held by or for the benefit of any U.S. person. The distribution of this SID in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of this SID are required to inform themselves about, and to observe, any such restrictions and/ or legal compliance requirements. The Units have not been approved or disapproved by the United States Securities and Exchange Commission, any State securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Units or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States and re-offer or resale of any of the Units in the United States or to U.S. persons may constitute a violation of U.S. law or regulation.

- The AMC expects to operate the Scheme pursuant to the exemption from registration as a CPO provided in Rule 4.13(a)(3) under the Commodity Exchange Act (the "Rule 4.13(a)(3) Exemption"). The AMC expects to rely on the Rule 4.13(a)(3) Exemption based on satisfaction of the criteria for such exemption, which include the following: (i) the offer and sale of the Units is exempt from registration under the U.S. Securities Act, as amended, and is being conducted without marketing to the public in the United States; (ii) the Scheme will at all times meet the trading limits of Rule 4.13(a)(3)(ii) with respect to any "commodity interest"; (iii) the AMC reasonably believes that each person who participates in the Scheme meets the eligibility criteria under Rule 4.13(a)(3); and (iv) the Units will not be marketed as or in a vehicle for trading in the commodity futures or commodity options markets. In order to rely on the Rule 4.13(a)(3) Exemption, the Scheme may only engage in a limited amount of commodity interest transactions, which includes transactions involving futures contracts and swaps. As a result of being so limited, the Scheme may not be able to engage in certain transactions, which could adversely affect the Scheme's performance. Because the AMC will operate the Scheme as if it were exempt from registration as a CPO, the AMC will not be required to deliver a CFTC-compliant disclosure document and a certified annual report to Unit holders in the Scheme. For the avoidance of doubt, this will have no impact on the other reports that Unit holders in the Scheme will receive as described in this SID. If at any time the AMC is unable to satisfy the criteria for the Rule 4.13(a)(3) Exemption with respect to the Scheme, this SID will be updated.

- The Trustees and the AMC consider that it would not be in the interests of the Scheme and its Unit holders that the assets of the Scheme become subject to the constraints of ERISA or Section 4975 of the Code or similar laws. In an effort to avoid this, the success of which is not guaranteed, this SID provides that Units may not, at any time, be offered or sold for the account or benefit of employee benefit plans to which Title I of ERISA applies, certain other plans (such as individual retirement accounts and Keogh plans) that, although not subject to ERISA, are subject to certain similar rules of the Code or entities whose assets are treated as "plan assets" of any such plans or accounts under ERISA (such plans, accounts and entities, or entities that hold the assets of such plans, accounts and entities, collectively, "Prohibited Purchasers"). The consequences of an acquisition of Units for the account or benefit of a Prohibited Purchasers could be extremely disadvantageous for such Investor, as well as for the Scheme and the Mutual Fund. Investors in doubt as to their status and ability to purchase Units are strongly advised to consult with their legal counsel. In an effort to reduce the risk to the Scheme and the Mutual Fund, this SID incorporates provisions whereby purported purchases of Units for the account or benefit of a Prohibited Purchasers will not operate to confer any interest or rights whatsoever in such Units in favor of the Prohibited Purchasers, but instead will take effect as a charitable trust, the beneficiaries of which will be all other Unit holders in proportion to the net asset value of the Units they hold and the Trustees and/or AMC may mandatorily Redeem such Units, which Redemption may take place at an amount per Unit which is less than the price paid by the Prohibited Purchasers on the purported acquisition.

- Restriction on investments by persons resident in Canada - Neither the Scheme (Schemes) of Goldman Sachs Mutual Fund (GSMF) nor Goldman Sachs Asset Management (India) Private Limited, the Investment Manager of the Scheme is registered in any jurisdiction in Canada and Units of the Scheme have not been qualified for sale in any Canadian jurisdiction under any applicable Canadian or Canadian jurisdictional securities laws. Therefore, Units of the Scheme of GSMF may not be directly or indirectly offered or sold in Canada or for the benefit of residents thereof. GSMF may require subscribers to the Scheme to declare that they are not Canadian residents (as defined under any applicable laws) and are not applying for Units on behalf of any Canadian residents. If an existing Investor becomes a Canadian resident after purchasing Units of the Scheme of GSMF, that Investor must notify GSMF that they have become a Canadian resident, and will not be able to purchase any additional Units of the Scheme(s). Accordingly, no applications for investment (fresh purchases, additional purchase etc.) will be accepted from persons resident in Canada.

- Goldman Sachs Asset Management (India) Private Limited affirms that at no time has it actively solicited investments in the Scheme from any Canadian residents, and that it does not intend to actively solicit any investments in the Scheme from any Canadian residents.

- Redemptions due to change in the fundamental attributes of the Scheme or due to any other reasons may entail tax consequences. The Trustees, the Mutual Fund, the AMC, their directors or their employees shall not be liable for any tax consequences that may arise due to Redemptions.

- Any tax benefits described in this SID are as available under the present taxation Laws and are available subject to conditions. The information given is included for general purpose only and is based on advice received by the AMC regarding the Laws and practice in force in India as on the date of this SID, and the Investors should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Investor is advised to consult his / her / their own professional tax advisor.

- Under certain circumstances, the Trustees / AMC may mandatorily Redeem Units of the Scheme as provided in Section III B 'Ongoing Offer Details – Redemption – General Provisions'.

- If the Units are held by any person in breach of the SEBI Regulations, Law or requirements of any governmental, statutory authority including, without limitation, exchange control regulations, the Mutual Fund may mandatorily Redeem all the Units of any Unit holder where the Units are held by a Unit holder in breach of the same. The Trustee may further mandatorily Redeem Units of any Unit holder in the event it is found that the Unit holder has submitted information either in the application or otherwise that is false, misleading or incomplete.

- If a Unit holder makes a Redemption request immediately after Purchase of Units, the Mutual Fund shall have a right to withhold the Redemption request in accordance with the conditions provided in the Statement of Additional Information. However, this is only applicable if the value of Redemption is such that some or all of the freshly Purchased Units may have to be Redeemed to effect the full Redemption.

- **Extract of the Voting Policy of the AMC applicable to ETFs/ index funds such as this Scheme :** In relation to its schemes that are exchange traded funds (ETFs) or index funds which are based on various indices, the Mutual Fund invests in such ETFs / index based funds based on the index which is being tracked by such scheme. These indices are developed, owned and maintained by independent index providers. The indices are maintained on a day to day basis by the index provider as per the policy laid down by the index provider and various parameters are used for inclusion and exclusion of stocks from the index. The Mutual Fund obtains a license for using these indices to launch its ETFs. These schemes then track such indices by investing in the stocks based on its weightage in such index. The Mutual Fund carries out rebalancing exercises based on the details of corporate actions, etc. and other relevant details received from the index providers. The Fund Manager of such ETF schemes do not play an active role in the selection the stocks for investment/disinvestment. The Fund Manager's decisions are based solely on the notice of corporate actions received from the index providers. As the Mutual Fund has a passive philosophy towards investment in its schemes that are ETFs or index funds (such as this Scheme) and do not invest in the stocks based on active research, at present as a general policy, the Mutual Fund would abstain from voting on any matters with respect to companies in which such schemes that are ETFs / index funds (such as this Scheme) have investments.

  Anti Money Laundering ("AML"): Goldman Sachs Mutual Fund is committed to comply with all applicable anti money laundering laws and regulations in all of its operations. In India, the Prevention of Money Laundering Act, 2002 ('**PMLA**') the rules issued there under have been notified. Further, SEBI has also issued guidelines / circulars regarding AML Laws which are required to be followed by the intermediaries. Goldman Sachs Mutual Fund recognizes the value and importance of creating a business environment that strongly discourages money launderers from using Goldman Sachs Mutual Fund. To that end, the Mutual Fund and, the AMC have formulated and implemented a client identification programme and to verify and maintain the record of identity and address(es) of Investors.

  Know Your Customer ("KYC"): The need to 'Know Your Customer' is vital for the prevention of money laundering. The Trustees / AMC may seek information or obtain and retain documentation used to establish identity. It may re-verify identity and obtain any missing or additional information for this purpose.

The Trustees / AMC shall have absolute discretion to reject any application, or prevent further transactions by a Unit holder, if after due diligence, the Investor / Unit holder / a person making the payment on behalf of the Investor does not fulfill the requirements of the 'Know Your Customer' or the Trustees / AMC believes that the transaction is suspicious in nature as regards money laundering. In this behalf the Trustees / AMC reserves the right to reject any application and / or effect a mandatory Redemption of Units allotted to the Unit holder.

If after due diligence, the Trustees / AMC believes that any transaction is suspicious in nature as regards money laundering, the AMC shall report any such suspicious transactions to competent authorities under PMLA and rules / guidelines issued thereunder by SEBI and / or the RBI, furnish any such information in connection therewith to such authorities and take any other actions as may be required for the purposes of fulfilling its obligations under PMLA and rules / guidelines issued thereunder by SEBI and / or RBI without obtaining the prior approval of the Investor / Unit holder / any other person.

Investors are urged to study the terms of the offer carefully before investing in the Scheme and retain this SID and the SAI for future reference.

D. DEFINITIONS

In this SID, unless the context otherwise requires:

No.	Term	Description
1.	'ADRs' & 'GDRs'	'ADRs' means American Depository Receipt and 'GDRs' means Global Depository Receipt. ADRs are negotiable certificates issued to a specified number of shares (or one share) in a foreign stock that is traded on a U.S. exchange. ADRs are denominated in US$. GDRs are negotiable certificates held in the bank of one country representing a specific number of shares of a stock traded on exchange of another country.
2.	'Allotment Date'	Means the allotment date mentioned in the Account Statement / allotment advice issued by the AMC to the Unit holder immediately post the NFO period with respect to the Units allotted to the Unit holder pursuant to the NFO.
3.	'Asset Management Company'/'AMC'/ 'Investment Manager'	Goldman Sachs Asset Management (India) Private Limited, a company set up under the Companies Act, 1956, having its registered office at 951-A, Rational House, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025 and authorized by SEBI to act as an asset management company / investment manager to the schemes of the Mutual Fund
4.	'Anchor Investor'	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, with a minimum application amount of ₹ 10 Crores (Rupees Ten Crores).
5.	'Anchor Investor NFO Period'	The period being 18th March, 2014 to 18th March, 2014
6.	'Anchor Investor Portion'	The portion not exceeding 30% (Thirty percent) of the Maximum Amount to be Raised as stated in the Section III – New Fund Offer of this SID, shall be available for allocation to Anchor Investors on a proportionate basis. Please note that in case of under-Subscription in this category, the under subscribed portion will be available for spill-over from the Non Anchor Investor Portion at the discretion of the AMC. But any under-Subscription in the Non Anchor Investor Portion will not be allowed to be met by any spill-over from the Anchor Investor Portion.
7.	'Anchor Investor Subscription Amount'	Anchor Investors shall pay a margin of at least 25% (Twenty Five percent) of the Subscription amount during the Anchor Investor NFO Period, with the balance to be paid on or before the closure of the Non Anchor Investor NFO Period. If the Anchor Investor does not pay the balance amount by the closure of the Non Anchor Investor NFO Period, then the margin amount paid by the Anchor Investor shall be forfeited and credited to the Scheme. The Anchor Investor will not be able to withdraw / modify its application once submitted to the AMC. **Please note that any Units allotted to Anchor Investors during the NFO period shall be locked-in for a period of 30 days from the Allotment Date.**
8.	'Applicable NAV'	Net Asset Value per Unit of Scheme as declared by the Mutual Fund on a Working Day and as applicable for Subscription / Redemption of Units of the Scheme, based on the Working Day and Cut- off time at which the Application Form is received and accepted.
9.	'Application Form'	A form issued by the AMC / Mutual Fund which is meant to be used by an Investor to open a folio and / or Purchase Units in the Scheme. The Application Form would include forms such as the common application form, SIP auto debit (ECS) form, nomination form and any other form for Purchase of Units as required.

10.	'Authorised Participant'	Means the Member of the National Stock Exchange of India Ltd. or BSE Limited or any other recognized stock exchange and their nominated entities / persons, or any other person(s) who is / would be appointed by the AMC / Mutual Fund to act as Authorized Participant for the Scheme. The AMC will endeavor to appoint Authorized Participants for the Scheme. Further, the AMC reserves the right to add/modify the Authorized Participants for the Scheme on an ongoing basis. The list of Authorized Participants acting for the Scheme at any point of time will be available on the website of the Mutual Fund www.gsam.in.
11.	'Board'	Board of Directors
12.	'BSE'	BSE Limited, a Stock Exchange recognized by the Securities and Exchange Board of India.
13.	'Cash at Call'	Cash at call includes Cash Component of the Portfolio Deposit received for Subscription and payable on Redemptions, Dividend received by the Scheme which is pending deployment, etc.
14.	'CBLO'	Collateralised borrowing and lending obligation is a fully collateralized and secured instrument for borrowing / lending money. CBLO is an RBI approved Money Market Instrument which can be issued for a maximum tenor of one year.
15.	'CPSE Index'	An index owned and operated by India Index Services & Products Ltd. (IISL).
16.	'Creation Unit'	Fixed number of Units of the Scheme, which is exchanged for basket of Securities as specified by the AMC called the Portfolio Deposit and Cash Component. For Redemption of Units, it is *vice versa* i.e. fixed number of Units of the Scheme and Cash Component are exchanged for Portfolio Deposit.
17.	'Creation Unit Size'	Creation Unit is a fixed number of Units of the Scheme, which is exchanged for a basket of Securities as specified by the AMC called the Portfolio Deposit and a Cash Component equal to the value of 100,000 (One Lakh) Units of the Scheme. The Creation Unit size may be changed by the AMC at their discretion and the notice of the same shall be published on the website of the Mutual Fund. The Mutual Fund may from time to time change the size of the Creation Unit.
18.	'Custodian' / 'Citibank N.A.'	Citibank N.A. which has been granted a certificate of registration by SEBI under the SEBI (Custodian of Securities) Regulations, 1996 and for the time being appointed by the Mutual Fund for rendering custodial services for the Scheme in accordance with the SEBI Regulations.
19.	'Cut-off time'	A time prescribed in the SID upto which an Investor can submit a Purchase request / Redemption request for that Working Day
20.	'Debt Instruments'	Corporate debentures, bonds, promissory notes, Money Market Instruments, pass through obligations, assets backed securities and other similar securities.
21.	'Depository'	A body corporate as defined in the Depositories Act, 1996 and includes National Securities Depository Ltd. (NSDL) and Central Depository Systems Ltd (CDSL).
22.	'Depository Participant'/ 'DP'	A person registered as such under sub-section (1A) of section 12 of the Securities and Exchange Board of India Act, 1992.
23.	'Dividend'	The income distributed by the Mutual Fund on Units of the Scheme.
24.	'Distributor'	Such persons / firms / companies / corporates as may be appointed by the AMC to distribute / sell / market the Scheme(s) of the Mutual Fund.
25.	'Entry Load'	Load on Purchase / Subscription of Units.
26.	'Exit Load'	Load on repurchase / Redemption of Units.
27.	'Equity Related Securities'	Include convertible bonds and debentures, options and warrants carrying the right to obtain equity shares, convertible preference shares, equity

		schemes of mutual funds or other Securities that are directly or indirectly convertible into, or exercisable or exchangeable for or otherwise derive their performance primarily from, equity Securities.
28.	'Exchange' / 'Stock Exchange'	Recognized stock exchange(s) where the Units of the Scheme are listed.
29.	'Exchange Traded Fund' / 'ETF'	A scheme whose units are listed on an Exchange and can be bought / sold at prices, which may be close to the NAV of the scheme.
30.	'Floating Rate Instruments'	Floating rate instruments are debt / money market instruments issued by Central / State Governments, with interest rates that are reset periodically. The periodicity of interest reset could be daily, monthly, annually or any other periodicity that may be mutually agreed between the issuer and the Fund.
31.	'Foreign Institutional Investors' / 'FII'	Foreign Institutional Investors holding a valid certificate of registration under SEBI (Foreign Institutional Investors) Regulations, 1995, as repealed, and who are deemed to be FPIs.
32.	'Foreign Portfolio Investors' / 'FPI'	Foreign Portfolio Investors as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time.
33.	'Fund' / 'Mutual Fund'	Goldman Sachs Mutual Fund, a trust set up under the provisions of the Indian Trusts Act, 1882 and registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 *vide* Registration No. MF/058/08/03 dated August 26, 2008.
34.	'Fund Manager'	The fund manager of the Scheme, details of whom are provided in this SID.
35.	'G-secs' or 'Government Securities'	Securities issued and created by the Central Government and / or State Government (including treasury bills) or Government Securities as defined in the Public Debt Act, 1944, as amended or re-enacted from time to time.
36.	'Growth Option'	Means an option under which the net income earned by the Scheme is retained in the net asset value of Units under such an option. Investors are also requested to refer to the section on 'Plans/Options offered' in Section III (Units and Offer) of this SID for further details on distribution of Dividend by the Scheme in certain instances.
37.	'CPSE ETF'	CPSE ETF scheme in the form of an Exchange Traded Fund listed on NSE and BSE.
38.	'IISL'	India Index Services & Products Ltd., a subsidiary of NSE Strategic Investment Corporation Ltd.
39.	'Loyalty Units'	Units allotted to eligible Retail Individual Investors continuously holding Units from the Allotment Date to the Loyalty Unit Record Date in accordance with the criteria set out in this SID.
40.	'Loyalty Unit Record Date'	The reference date considered by the AMC for determining eligibility of the Unit holder for allotment of the Loyalty Units, which date shall be 1 year from the Allotment Date.
41.	'Index Fund'	A mutual fund scheme, which invests in Securities in the same proportion that constitute the underlying index.
42.	'Investor'	Any resident or non-resident person whether individual or a non-individual who is eligible to subscribe for Units under the laws of his / her / their state / county of incorporation, establishment citizenship, residence or domicile and under the Income Tax Act, 1961 including amendments made from time to time and who has made an application for subscribing Units under the Scheme. Under normal circumstances, a Unit holder would be deemed to be an investor.
43.	'Investor Service Centres' / 'ISC'	Such offices of the Registrar and / or the AMC which are designated as Investor Service Centres by the AMC from time to time, details of which are available on the back cover of this SID. Investors are however requested to check the website of the Mutual Fund for the updated list of the Investor Service Centres.
44.	'Indian Resident'	Means a 'person resident in India', as defined under The Foreign Exchange Management Act 1999, as amended from time to time.

45.	'Large Investor'	Investors who are eligible to invest in the Scheme and who would be creating Units of the Scheme in Creation Unit Size by depositing Portfolio Deposit and Cash Component. Further the term Large Investor would also mean those Investors who would be redeeming Units of the Scheme in Creation Unit Size.
46.	'Law'	The laws of India, the SEBI Regulations and any other applicable regulations for the time being in force in India including guidelines, directions and instructions issued by SEBI, the Government of India or RBI from time to time for regulating mutual funds generally or the Mutual Fund particularly.
47.	'Load'	In the case of Subscription of a Unit, a sum of money to be paid by the prospective Investor on the Subscription of a Unit in addition to the Applicable NAV. In the case of Redemption of a Unit, a sum of money to be paid by the Unit holder on the Redemption of a Unit in addition to the Applicable NAV.
48.	'Money Market Instruments'	Includes commercial papers, commercial bills, treasury bills, Government Securities having an unexpired maturity up to one year, call or notice money, certificates of deposit, usance bills, and any other like instruments as specified by the RBI from time to time.
49.	'NAV'	Net Asset Value per Unit of the Scheme calculated in the manner described in this SID or as may be prescribed by the SEBI Regulations from time to time.
50.	'NFO'	The offer for Purchase made to the Investors during the NFO Period.
51.	'NFO Period'	Means the Anchor Investor NFO Period and the Non Anchor Investor NFO Period.
52.	'Non Anchor Investor'	Means Retail Individual Investors, Qualified Institutional Buyers and Non Institutional Investors as the case may be.
53.	'Non Anchor Investor NFO Period'	The period being 19th March, 2014 to 21st March, 2014 subject to extension, if any.
54.	'Non Anchor Investor Portion'	The portion not exceeding 70% (Seventy percent) of the Maximum Amount to be Raised as stated in the Section III – New Fund Offer of this SID, shall be available for allocation to Non Anchor Investors in the manner set out in this SID at the discretion of the AMC.
55.	'Non Institutional Investor'	All investors who are not Qualified Institutional Buyers or Retail Individual Investors and who have applied for the Units for an amount more than ₹ 2,00,000 (Rupees Two Lakhs).
56.	'Non-Resident Indian' / 'NRI'	A person resident outside India who is a citizen of India or is a Person of Indian Origin as per the meaning assigned to the term under Foreign Exchange Management (Deposit) Regulations, 2000.
57.	'NSE'	The National Stock Exchange of India Ltd., a Stock Exchange recognized by the Securities and Exchange Board of India.
58.	'Offer Document'	Means and includes this Scheme Information Document and the Statement of Additional Information issued by Goldman Sachs Mutual Fund, offering Units of the Scheme for Subscription.
59.	'Official Points of Acceptance'	The specified centres of the Registrar and / or the AMC designated for collection of the Application Form(s) / Transaction Form(s), details of which are available on the back cover of this SID. Investors are however requested to check the website of the Mutual Fund for the updated list of the Official Points of Acceptance.
60.	'Ongoing Offer'	The offer of Units under the Scheme when it becomes open-ended after the closure of the NFO Period.
61.	'Ongoing Offer Period'	The period during which the Ongoing Offer for Subscription to the Units of the Scheme is made.
62.	'Option'	Growth Option.
63.	'Person of Indian	A citizen of any country other than Bangladesh or Pakistan, if (a) he at any

	Origin' / 'PIO'	time held an Indian passport; or (b) he or either of his parents or any of his grandparents was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955); or (c) the person is a spouse of an Indian citizen or a person referred to in sub-clause (a) or (b)
64.	'Purchase' / 'Subscription'	Purchase of / subscription to Units by an Investor of the Scheme.
65.	'Purchase Price'	The price (being Applicable NAV plus Entry Load, if any) as calculated in the manner provided in the SID and at which the Units can be Purchased.
66.	'Qualified Institutional Buyer' (QIB)	Qualified Institutional Buyer as defined under Regulation 2(1)(zd) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended. As per the above regulation below investors are classified as Qualified Institutional Buyers -: (i) a mutual fund, venture capital fund and foreign venture capital investor registered with the SEBI; (ii) FPI other than Category III FPI; (iii) a public financial institution as defined in section 4A of the Companies Act, 1956; (iv) a scheduled commercial bank; (v) a multilateral and bilateral development financial institution; (vi) a state industrial development corporation; (vii) an insurance company registered with the Insurance Regulatory and Development Authority; (viii) a provident fund with minimum corpus of twenty five crore rupees; (ix) a pension fund with minimum corpus of twenty five crore rupees; (x) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; (xi) Insurance funds set up and managed by army, navy or air force of the Union of India. (xii) Insurance funds set up and managed by the Department of Posts, India
67.	'Qualified Foreign Investors' / 'QFI'	(i) Resident in a country that is a member of Financial Action task Force (FATF) or a member of a group which is a member of FATF; and (ii) Resident in a country that is a signatory to IOSCO's MMoU (Appendix A Signatories) or a signatory of a bilateral MoU with SEBI Provided that the person is not resident in a country listed in the public statements issued by FATF from time to time on jurisdictions having a strategic AML/CFT deficiencies to which counter measures apply or that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the FATF to address the deficiencies; Provided that such person is not resident in India; Provided further that such person is not registered with SEBI as a Foreign Institutional Investor (FII) or Sub-Account of an FII or Foreign Venture Capital Investor (FVCI). Further, such QFI should be deemed to be a FPI under the SEBI (Foreign Portfolio Investors) Regulations, 2014. Explanation – For the purposes of this clause: (1) "bilateral MoU with SEBI" shall mean a bilateral MoU between SEBI

		and the overseas regulator that, inter alia, provides for information sharing arrangements. (2) Member of FATF shall not mean an associate member of FATF.
68.	'RBI'	The Reserve Bank of India established under The Reserve Bank of India Act, 1934.
69.	'Redemption' / 'Redeem'	Repurchase of Units by the Mutual Fund from a Unit holder
70.	'Redemption Price'	The price (being Applicable NAV minus Exit Load, if any) as calculated in the manner provided in this SID and at which the Units can be Redeemed.
71.	'Reference Market Price'	Means the price determined based on the average of full day volume weighted average price on the NSE during the Non Anchor Investor NFO Period (inclusive of Non Anchor Investor NFO Period open as well as close date) for each of the index constituents of the CPSE Index.
72.	'Registrar'	Karvy Computershare Private Limited, registered under the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, currently acting as registrar and transfer agent to the Scheme or any other registrar appointed by the AMC from time to time.
73.	'Retail Individual Investor'	Individual Investors (including HUFs applying through their Karta's and NRIs) who have applied for CPSE ETF Units for an amount not exceeding ₹ 2,00,000 (Rupees Two lakhs).
74.	'Repo'	Sale of Government Securities with simultaneous agreement to repurchase them at a later date.
75.	'Reverse Repo'	Purchase of Government Securities with simultaneous agreement to sell them at a later date.
76.	'RGESS'	Rajiv Gandhi Equity Savings Scheme, 2013 as notified by the Central Government vide notification no 94/2013 dated December 18, 2013, including any amendment/notification issued thereunder from time to time.
77.	'Scheme'	CPSE ETF
78.	'SEBI'	The Securities and Exchange Board of India, established under Securities and Exchange Board of India Act, 1992, as amended from time to time.
79.	'SEBI Regulations'	SEBI (Mutual Funds) Regulations, 1996, as amended from time to time including any circulars, directions or clarifications issued by SEBI or any Government authority and as applicable to the Scheme and the Mutual Fund.
80.	'Securities'	Shall have the meaning as defined under Section 2(h) of the Securities Contracts (Regulation) Act, 1956 of India; and also includes shares, stocks, bonds, debentures, warrants, instruments, obligations, Money Market Instruments, Debt Instruments or any financial or capital market instrument of whatsoever nature made or issued by any statutory authority or body corporate, incorporated or registered by or under any Law; or any other securities, assets or such other investments as may be permissible from time to time under the SEBI Regulations.
81.	'Sponsor'	Goldman Sachs Asset Management, L.P, through its wholly owned subsidiary namely Goldman Sachs India Holdings Limited.
82.	'Statement of Additional Information' / 'SAI'	The Statement of Additional Information issued by the Mutual Fund from time to time.
83.	'Tap Issue Limit'	The maximum number of Units that may be allotted by the Scheme under the Tap Structure in any quarter, which shall be announced by the AMC at least 5 (Five) Working Days before the commencement of each quarter.
84.	'Tap Structure Reference Market Price'	Means the price determined based on the full day volume weighted average price on the NSE for each of the CPSE Index constituents as defined by the Portfolio Deposit portion of the Creation Unit of CPSE ETF on the day the Investor Subscribes for Units under the Tap Structure.
85.	'Transaction Form'	A form meant to be used by Unit holders seeking additional Purchase or

		Redemption of Units in the Scheme, change in bank account details, change of personal information of the Unit holder and such other facilities offered by the AMC and mentioned on that form.
86.	'Trustee'	The Trustee Company which holds the property of Goldman Sachs Mutual Fund in trust and includes the directors of the Trustee Company and the successors and assigns of the Trustee Company.
87.	'Trustee Company'	Goldman Sachs Trustee Company (India) Private Limited, a company set up under the Companies Act 1956, to act as the Trustee of the schemes of Goldman Sachs Mutual Fund.
88.	'Trust Deed'	The Deed of Trust dated April 30, 2008, made by and between the Sponsor and the Trustee Company establishing the Mutual Fund, as amended from time to time.
89.	'Unit'	The interest of Investor in the Scheme, which consists of each Unit representing one undivided share in the assets of the Scheme.
90.	'Unit Capital'	The aggregate of the face value of the Units issued under the Scheme.
91.	'Unit holder'	A person holding Unit(s) in the Scheme offered under this SID.
92.	'U.S. person'	Such person that is a "U.S. person" as defined in Rule 902(k) of Regulation S, promulgated under the U.S. Securities Act, which, as at the date of this Scheme Information Document, includes the following: any natural person resident in the United States; any partnership or corporation organized or incorporated under the laws of the United States; any estate of which any executor or administrator is a U.S. person; any trust of which any trustee is a U.S. person; any agency or branch of a foreign entity located in the United States; any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person; any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and any partnership or corporation if: (i) organized or incorporated under the laws of any foreign jurisdiction; and (ii) formed by a U.S. person principally for the purpose of investing in Securities not registered under the U.S. Securities Act, unless it is organized or incorporated, and owned, by accredited Investors (as defined in Rule 501(a) promulgated under the U.S. Securities Act) who are not natural persons, estates or trusts.
93.	'Working Day'	Any day other than: (i) Saturday and Sunday; (ii) a day on which the registrars of Unit holders are closed; (iii) a day on which the Banks in Mumbai are closed or RBI is closed for business / clearing / settlement of Securities; (iv) a day on which capital/debt markets in Mumbai are closed or are unable to trade for any reason; (v) a day on which NSE and/or BSE is closed; (vi) a day which is public / bank holiday at a Investor Service Centre where the application is received; (vii) a day on which sale and repurchase of Units is suspended by the Trustee / AMC; (viii) a day on which normal business could not be transacted due to storms, floods, bandhs, strikes etc. (ix) a book closure period as may be announced by the Trustees / AMC. The AMC reserves the right to change the definition of Working Day, in accordance with applicable SEBI Regulations. Provided that the days when the banks in any location where the Official Points of Acceptance are located, are closed due to a local holiday, such days will not be treated as Working Days at such locations for the purposes of accepting fresh Subscriptions. However, if the Official Points of Acceptance in such locations is open on such local holidays, then Redemption requests will be accepted at those locations

		provided it is a Working Day for the Scheme on an overall basis. Notwithstanding the above, the AMC may declare any day as a Working Day / non Working Day at any or all Official Points of Acceptance

Words and expressions used in this SID and not defined will have same meaning as assigned to them in Trust Deed.

Interpretation

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

(a) The terms defined in this SID include the singular as well as the plural.
(b) Pronouns having a masculine or feminine gender shall be deemed to include the other.
(c) All references to 'USD' refer to United States Dollars and '₹' refer to Indian Rupees. A 'crore' means 'ten million' and a 'lakh' means a 'hundred thousand'.
(d) The contents of the Scheme Information Document are applicable to the Scheme covered under this Scheme Information Document, unless specified otherwise.

E. ABBREVIATIONS

In this Scheme Information Document the following abbreviations have been used

AMFI	Association of Mutual Funds in India
BAN	Beneficiary Account Number
BSE	BSE Limited
CBLO	Collateralized Borrowing & Lending Obligations
CCEA	Cabinet Committee on Economic Affairs
CDSL	Central Depository Services Limited
CPSE	Central Public Sector Enterprises
ECS	Electronic Clearing System
ETF	Exchange Traded Fund
FCNR A/c	Foreign Currency (Non-Resident) Account
FPI	Foreign Portfolio Investor
GOI	Government of India
HUF	Hindu Undivided Family
ISDA	International Swaps and Derivatives Association, Inc
ISIN	International Securities Identification Number
KYC	Know Your Customer
NEFT	National Electronic Funds Transfer
NFO	New Fund Offer
NRE A/c	Non-Resident (External) Rupee Account
NRI	Non-Resident Indian
NRO A/c	Non-Resident Ordinary Rupee Account
NSDL	National Depositories Services Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
RBI	Reserve Bank of India
RTGS	Real Time Gross Settlement
STT	Securities Transaction Tax
T-Bills	Treasury bills

F. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

It is confirmed that:

1. This draft Scheme Information Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.

2. 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.

3. 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.

4. 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.

For Goldman Sachs Asset Management (India) Private Limited
(Investment Manager to Goldman Sachs Mutual Fund)

Sd/-

Ms. Pranita Gramopadhye
Compliance officer

Place : Mumbai
Date : March 13, 2014

II. INFORMATION ABOUT THE SCHEME

A. TYPE OF SCHEME

The Scheme is an open-ended index scheme, listed on the Exchanges in the form of an Exchange Traded Fund (ETF)

B. INVESTMENT OBJECTIVE OF THE SCHEME

The investment objective of the Scheme is to provide returns that, before expenses, closely correspond to the total returns of the Securities as represented by the CPSE Index, by investing in the Securities which are constituents of the CPSE Index in the same proportion as in the index.

However the performance of the Scheme may differ from that of the underlying index due to tracking error. There can be no assurance or guarantee that the investment objective of the Scheme would be achieved.

C. ASSET ALLOCATION

The investment policies of the Scheme shall be as per SEBI Regulations, and within the following guidelines. Under normal market circumstances, the asset allocation of the Scheme will be as follows:

Instruments	Indicative Allocation (% of net assets)		Risk Profile
	Minimum	Maximum	
Securities covered by CPSE Index	95%	100%	Medium to High
Money Market Instruments (with maturity not exceeding 91 days), including CBLO, cash & cash equivalents.	0%	5%	Low to Medium

The above stated percentages are indicative and not absolute.

The Scheme will not invest in securitized debt, ADR, GDR, foreign Securities, nor will it engage in short selling and Repo in corporate debt.

As the CPSE Index is an Equity index, the constituents of the index do not include debt Securities.

Cash and cash equivalents will include Cash Component of the Portfolio Deposit received for Subscription and payable on Redemptions, Dividend received by the Scheme which is pending deployment, etc.

The Fund Manager would monitor the Tracking Error of the Scheme on an ongoing basis and would seek to minimize the Tracking Error to the maximum extent possible. Under normal circumstances, the AMC shall endeavor that the Tracking Error of the Scheme shall not exceed 2% per annum. 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.

For the time duration of change in the index constituents, the Scheme may have to invest in Derivatives to maintain the respective weightages for the companies, constituting the index. Other than for purposes of portfolio rebalancing, the Scheme will not invest in Derivatives. These investments would be for a short period of time. The notional exposure of the Scheme in Derivative instruments shall be restricted to10% of the net assets of the Scheme. The combined exposure of equity shares, debt Securities and gross notional exposure of Derivatives instruments shall not exceed 100% of the net assets of the Scheme.

Subject to the SEBI Regulations as applicable from time to time, the Scheme may, if the Trustees permit, participate in securities lending. The maximum exposure of the Scheme to a single intermediary in the stock lending programme at any point of time would be limited to 5% of the market value of its equity portfolio or up to such limits as may be specified by SEBI. The Scheme will not lend more than 20% of its corpus.

Change in Asset Allocation Pattern

Subject to the SEBI Regulations, the asset allocation pattern indicated above for the Scheme may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. In the event that the asset allocation of the Scheme should deviate from the ranges as noted in the asset allocation table above, then the Fund Manager will rebalance the portfolio of the Scheme to the position indicated in the asset allocation table above within a period of 7 days (30 days in case of corporate actions) from the date of said deviation. Such changes in the asset allocation will be for short term and defensive considerations.

Provided further and subject to the above, any change in the asset allocation affecting the investment profile of the Scheme shall be effected only in accordance with the provisions of sub regulation (15A) of Regulation 18 of the SEBI Regulations, as detailed in Section II (F) 'Fundamental Attributes' of this Scheme Information Document.

How the Scheme is different from existing Open-ended Index Exchange Traded Scheme offered by Goldman Sachs Asset Management

At present Goldman Sachs has seven open-ended index schemes, listed on the exchange in the form of an Exchange Traded Fund (ETF) by the name of (i) Goldman Sachs Nifty Exchange Traded Scheme (GS Nifty BeES) (ii) Goldman Sachs Nifty Junior Exchange Traded Scheme (GS Junior BeES) (iii) Goldman Sachs Banking Index Exchange Traded Scheme (GS Bank BeES) (iv) Goldman Sachs PSU Bank Exchange Traded Scheme (GS PSU Bank BeES) (v) Goldman Sachs CNX Nifty Shariah Index Exchange Traded Scheme (GS Shariah BeES) (vi) Goldman Sachs Infrastructure Exchange Traded Scheme (GS Infra BeES) (vii) Goldman Sachs Hang Seng Exchange Traded Scheme (GS Hang Seng BeES).

Name of the scheme	Investment Objective	Asset Allocation Pattern*	AUM and No. of Folios as on February 28, 2014	Differentiation
GS Nifty BeES	To provide investment returns that, before expenses, closely correspond to the total returns of the securities as represented by the CNX Nifty Index.	(i) Securities covered by CNX Nifty index - Upto 100% (ii) money market instruments, convertible bonds & other securities including cash at call but excluding subscription & redemption cash flow - Upto 10%	₹ 359.28 Crs Folios – 22,931	GS Nifty BeES is an open-ended exchange listed index scheme which invests in securities constituting CNX Nifty Index in the same proportion as in the index.
GS Junior BeES	To provide returns that, before expenses, closely correspond to the returns of securities as represented by CNX Nifty Junior Index.	(i) securities covered by CNX Nifty Junior Index – 90% - 100% (ii) money market instruments, convertible bonds & other securities including cash at call but excluding subscription & redemption cash flow – 0% - 10%	₹ 56.90 Crs Folios – 5,053	GS Junior BeES is an open-ended exchange listed index scheme which invests in securities constituting CNX Nifty Junior Index in the same proportion as in the index.
GS Bank BeES	To provide returns that, before expenses, closely correspond to the	(i) Securities covered by the CNX Bank Index – 90% - 100% (ii) money market	₹ 29.16 Crs Folios – 3,778	GS Bank BeES is an open-ended exchange listed index scheme which

	total returns of the securities as represented by the CNX Bank Index.	instruments, government securities, bonds, debentures, preference shares and cash at call – 0% - 10%		invests in securities constituting CNX Bank Index in the same proportion as in the index.
GS PSU Bank BeES	To provide returns that, before expenses, closely correspond to the total returns of the securities as represented by the CNX PSU Bank Index.	(i) Securities covered by the CNX PSU Bank Index – 90% - 100% (ii) money market instruments, government securities, bonds, debentures and cash at call – 0% - 10%	₹ 6.77 Crs Folios – 2,050	GS PSU Bank BeES is an open-ended exchange listed index scheme which invests in securities constituting CNX PSU Bank Index in the same proportion as in the index.
GS Shariah BeES	To provide returns that, before expenses, closely correspond to the total returns of the securities as represented by the CNX Nifty Shariah Index by investing in securities which are constituents of CNX Nifty Shariah Index in the same proportion as in the index. Investors to note that GS Shariah BeES is not a Shariah compliant scheme.	(i) securities covered by the CNX Nifty Shariah Index – 90% - 100% (ii) cash – 0% - 10%	₹ 0.77 Crs Folios – 351	GS Shariah BeES is an open-ended exchange listed index scheme which invests in securities constituting CNX Shariah Index in the same proportion as in the index.
GS Infra BeES	To provide returns that, before expenses, closely correspond to the total returns of the securities as represented by the CNX Infrastructure Index by investing in the securities in the same proportion as in the index.	(i) securities covered by the CNX Infrastructure Index – 95% - 100% (ii) money market instruments, government securities, bonds, debentures and cash at call – 0% - 5%	₹ 4.41 Crs Folios – 1,417	GS Infra BeES is an open-ended exchange listed index scheme which invests in securities constituting CNX Infrastructure Index in the same proportion as in the index.
GS Hang Seng BeES	To provide returns that, before expenses, closely correspond to the total returns of securities as represented by Hang Seng Index of Hang Seng Data Services Limited., by	(i) Securities constituting Hang Seng Index – 90% - 100% (ii) Money market instruments, government securities, bonds, debt instruments and cash at call, mutual fund schemes/overseas exchange traded funds	₹ 6.18 Crs Folios – 1,134	GS Hang Seng BeES is an open-ended exchange listed index scheme which invests in securities constituting Hang Seng Index in the same proportion as in the index.

	investing in the securities in the same proportion as in the index.	based on Hang Seng Index – 0% - 10%		

* The above percentages are indicative and not absolute.

D. WHERE WILL THE SCHEME INVEST?

I. Investment in equity and equity related instruments

The Scheme will invest in securities which are constituents of CPSE Index. The investment restrictions and limits are specified in Schedule VII of SEBI Regulations which are mentioned under the heading 'Investment Restrictions'.

II. Investment in Money Market Instruments

The Scheme may invest in Money Market Instruments including, but not limited to T-Bills, commercial paper of public sector undertakings and private sector corporate entities, CBLO, Reverse Repo, certificates of deposit of scheduled commercial banks, financial institutions and development financial institutions, Government Securities with unexpired maturity of one year or less or any other like instruments as are or may be permitted by SEBI / RBI from time to time and in the manner prescribed under the SEBI Regulations to meet the liquidity and expense requirements. The investment restrictions and the limits as applicable to Debt Instruments, as specified in Schedule VII of the SEBI Regulations are mentioned in the section 'Investment Restrictions'.

The Money Market Instruments referred to above could be fixed rate or floating rate, listed, unlisted, privately placed debt securities, among others, transacted on an outright or Reverse Repos basis, as permitted by SEBI Regulations. The Scheme may also invest in deposits of scheduled commercial banks as permitted under the SEBI Regulations and / or guidelines.

What is CBLO?
CBLO:
• Is an RBI approved Money Market Instrument;
• Is an instrument backed by Gilts as collaterals
• Creates an obligation on the borrower to repay the money borrowed along with interest on a predetermined future date;
• A right and authority to the lender to receive money lent along with interest on a predetermined future date;
• Creates a charge on the collaterals deposited by the borrower with CCIL for the purpose.

What is Repo and Reverse Repo?

'Repo' means sale of Government Securities with simultaneous agreement to repurchase them at a later date. 'Reverse Repo' means purchase of Government Securities with simultaneous agreement to resell them at a later date.

III. Investment in Derivative Instruments

As part of the Fund Management process, only for the purposes of portfolio rebalancing, the Scheme, may use Derivative instruments such as index futures and options, stock futures and options contracts, warrants, convertible Securities, swap agreements or any other Derivative instruments that are permissible or may be permissible in future under applicable regulations and such investments shall be in accordance with the investment objectives of the Scheme.

Index futures/options are meant to be an efficient way of buying/selling an index compared to buying/selling a portfolio of physical shares representing an index for ease of execution and settlement. Index futures/options can be an efficient way of achieving the Scheme's investment objective. Notwithstanding the pricing, they can help in reducing the Tracking Error in the Scheme. Index futures/options may avoid 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 individual stocks. Index futures/options can also be helpful in reducing the transaction costs and the processing costs on account of ease of execution of one trade compared to several trades of shares comprising the underlying index and will be easy to settle compared to physical portfolio of shares representing the underlying index.

In case of investments in index futures/options, the risk/reward would be the same as investments in portfolio of shares representing an index. However, there may be a cost attached to buying an index future/option. The Scheme will not maintain any leveraged or trading positions.

Purpose of investment in Derivative Instruments

(i) The Scheme shall fully cover its positions in the Derivatives market by holding underlying Securities/cash or cash equivalents/option and/or obligation for acquiring underlying assets to honour the obligations contracted in the Derivatives market.

(ii) Separate records shall be maintained for holding the cash and cash equivalents/Securities for this purpose.

(iii) The Securities held would be marked to market by the AMC to ensure full coverage of investments made in Derivative products at all times.

Limit for investment in Derivatives Instruments

In accordance with SEBI circulars nos. DNPD/Cir-29/2005 dated September 14, 2005, DNPD/Cir-30/2006 dated January 20, 2006 and SEBI/DNPD/Cir-31/2006 dated September 22, 2006, 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 index options contracts

a. The Mutual Fund's position limit in all index options contracts on a particular underlying index shall be ₹ 500 crore or 15% of the total open interest of the market in index options, whichever is higher, per Stock Exchange.

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 index futures contracts

a. The Mutual Fund's position limit in all index futures contracts on a particular underlying index shall be ₹ 500 crore or 15% of the total open interest of the market in index futures, whichever is higher, per Stock Exchange.

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

iii. Additional position limit for hedging for the Mutual Fund:

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

1. Short positions in index Derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Fund's holding of stocks.

2. 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 position limit for the Fund in a Derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts shall be as follows:

1. For stocks having applicable market-wise position limit ("**MWPL**") of ₹ 500 crores or more, the combined futures and options position limit shall be 20% of applicable MWPL or ₹ 300 crores, whichever is lower and within which stock futures position cannot exceed 10% of applicable MWPL or ₹ 150 crores, whichever is lower.

2. For stocks having applicable market-wise position limit (MWPL) less than ₹ 500 crores, the combined futures and options position limit would be 20% of applicable MWPL and futures position cannot exceed 20% of applicable MWPL or ₹ 50 crore which ever is lower.

v. Position limit for the Scheme:

1. For stock option and stock futures contracts, the gross open position across all Derivative contracts on a particular underlying stock of the Scheme 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).

2. This position limits shall be applicable on the combined position in all Derivative contracts on an underlying stock at a stock exchange.

3. For index based contracts, the Fund shall disclose the total open interest held by its schemes 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 for the Scheme

The cumulative gross exposure through equity, debt and Derivative positions shall not exceed 100% of the net assets of the Scheme. The Fund shall not write options or purchase instruments with embedded written options. The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.

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 above.

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.

The Scheme 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, 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 above.

Definition of Exposure in case of Derivative Positions

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

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

Examples of certain Derivative transactions

Please note that the following descriptions and examples included in this section are not intended to be exhaustive and are included for illustrative purposes only.

Index Futures

A futures contract is an agreement between the buyer and the seller for the purchase and sale of a particular asset at a specific price on a specific future date. The price at which the underlying asset would change hands in the future is agreed upon at the time of entering into the contract. The actual purchase or sale of the underlying asset involving payment of cash and delivery of the instrument does not take place until the contracted date of delivery. A futures contract involves an obligation on both the parties to fulfil the terms of the contract.

Stock index futures are instruments which are designed to provide exposure to the movement of a particular equity market index.

The BSE and the NSE have started trading in index futures of 1, 2 and 3 month maturities. The pricing of an index future is the function of the underlying index and interest rates.

- Investment in stock index futures can give exposure to the index without directly buying the individual stocks.
- The Scheme can sell futures to hedge against market movements effectively without actually selling the stocks it holds.

Illustration

1 month nifty future price on day 1: 1075.
Assume Scheme buys 100 futures contracts at this level of 1075.
Each lot has a nominal value equivalent to 200 units of the underlying index

Scenario 1
On the date of settlement, the future price = closing spot price of the index = 1085
The profits for the Scheme as a result of this transaction = (1085-1075)* 100 lots * 200 = ₹ 200,000

Scenario 2
On the date of settlement, the future price = closing spot price of the index = 1070

The loss for the Scheme as a result of this transaction = (1070-1075)* 100 lots * 200 = (₹ 100,000)

As illustrated by the above scenarios, in simple terms (not taking in to account any margin that may be payable to the Scheme’s counterparty as a result of entering in to the futures transaction) the net impact for the Scheme will be a function of the closing spot price of the underlying index on the date of settlement relative to the original purchase price at the outset.

Buying Options

An option is a contract which provides the buyer of the option (also called the holder) the right, without the obligation, to buy or sell a specified asset at an agreed price on or up to a particular date. For acquiring this right the buyer has to pay a premium to the seller. The seller on the other hand has the obligation to buy or sell that specified asset at the agreed price. The premium is determined considering number of factors such as the underlying asset's market price, the number of days to expiration, strike price of the option, the volatility of the underlying asset and the risk less rate of return. The strike price, the expiration date and the market lots are specified by the exchanges.

Buying a call option

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

Illustration

Assume the Scheme buys a 1 month call option on Company ‘X’ at a strike of ₹ 190, and the current market price is ₹ 191.

Assume the Scheme will have to pay a premium of say ₹ 15 to buy this call.

If the stock price goes below ₹ 190 during the tenure of the call, the Scheme avoids the loss it would have incurred had it bought the stock instead of the call option. However, the Scheme gives up the premium of ₹ 15 that has to be paid in order to protect the Scheme from this probable downside.

If the stock goes above ₹ 190, the Scheme is able to exercise its right and own Company ‘X’ at a cost price of ₹ 190, thereby participating in the upside of the stock.

Buying a put option

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

Illustration

Assume the Scheme owns Company ‘X’ and also buys a three-month put option on Company ‘X’ at a strike of ₹ 190, and the current market price being say ₹ 191.

Assume the Scheme will have to pay a premium of say ₹ 12 to buy this put.

If the stock price goes below ₹ 190 during the tenure of the put, the Scheme can still exercise the put and sell the stock at ₹ 190, avoiding therefore any downside on the stock below ₹ 190. However, the Scheme gives up the fixed premium of ₹ 12 that has to be paid in order to protect the Scheme from this probable downside.

If the stock goes above ₹ 190, say to ₹ 220, it will not exercise its option. The Scheme will participate in the upside of the stock, since it can now sell the stock at the prevailing market price of ₹ 220.

IV. Lending of Securities

The Scheme may lend Securities from its portfolio in accordance with the SEBI Regulations and the applicable SEBI guidelines. Securities lending shall enable the Scheme to earn income that may partially offset its expenses and thereby reduce the effect these expenses have on the Scheme's ability to provide investment returns that correspond generally to the price and yield performance of its index. The Scheme will pay reasonable administrative and custodial fees in connection with the lending of Securities. The Scheme will be exposed to the risk of loss should a borrower default on its obligation to return the borrowed Securities. The Scheme's share of income from the lending collateral will be included in the Scheme's gross income. The Fund will comply with the conditions for Securities lending specified by SEBI Regulations and circulars.

The maximum exposure of the Scheme to a single intermediary in the stock lending programme at any point of time would be limited to 5% of the market value of its equity portfolio or upto such limits as may be specified by SEBI. The Scheme will not lend more than 20% of its corpus.

V. Investments in Short Term Fixed Deposits / units of liquid schemes

Pending deployment of funds as per the investment objective of the Scheme, the funds may be invested in short term deposits of scheduled commercial banks as permitted under the SEBI Regulations from time to time or liquid scheme(s) managed by the AMC or in liquid schemes of any other mutual fund.

VI. Investment in other schemes

The Scheme may invest in other Scheme(s) managed by the AMC or in the schemes of any other mutual fund, provided it is in conformity with the investment objectives of the Scheme and in terms of the prevailing SEBI Regulations. As per the SEBI Regulations, the AMC will not charge investment management fees for such investments.

VII. Investments by the AMC, the Sponsor, the Trustee Company and /or their associates in the Scheme

Subject to the SEBI Regulations and other applicable laws, the AMC, the Sponsor, the Trustee Company and/or their associates or affiliates, may invest in the Scheme during the NFO Period and/or the Ongoing Offer Period. The percentage of such investment to the total NAV may vary from time to time. The AMC shall not charge any investment management and advisory fees on investment by the AMC in the Units of the Scheme in accordance with sub-regulation 17 of Regulation 25 of the SEBI Regulations.

VIII. Investment of Subscription Money

The Mutual Fund / AMC shall commence investment out of the NFO proceeds received in accordance with the investment objectives of the Scheme only on or after the closure of the NFO Period.

E. INVESTMENT STRATEGY

Investment Approach

The AMC uses a "passive" or indexing approach to try and achieve Scheme's investment objective. Unlike other Funds, the Scheme does not try to "beat" the markets they track and do not seek temporary defensive positions when markets decline or appear over valued. The AMC does not make any judgments about the investment merit of a particular stock or a particular industry segment or the underlying nor will it attempt to apply any economic, financial or market analysis. Indexing eliminates active management risks with regard to over/ underperformance vis-à-vis a benchmark. The Scheme shall invest all of its funds as per its investment objective and asset allocation pattern, except to meet its liquidity requirements. Passive approach eliminates active management risks pertaining to over/underperformance vis-à-vis a benchmark.

CPSE ETF will invest at least 95% of its total assets in the stocks of the CPSE Index. Due to corporate action in companies comprising the index, the Scheme may be allocated/allotted Securities which are not part of its underlying index. Hence, the Scheme may hold upto 5% of their total assets in stocks not included in the corresponding underlying index. For example, the AMC may invest in stocks not included in the relevant underlying index in order to reflect various corporate actions (such as mergers) and other changes in the relevant underlying index (such as reconstitutions, additions, deletions and these holdings will be in anticipation and in the direction of impending changes in the underlying index). In case the Scheme invests in stocks of companies outside the Index due to corporate actions, then the Fund Manager will rebalance the portfolio of the Scheme to the position indicated in the asset allocation table above within a period of 30 days from the date of said deviation. However, if market conditions do not permit exiting the corporate action within this stipulated period of 30 days then the AMC would notify the Board of the Trustee Company and the Investment Committee of the AMC with appropriate justifications.

The Scheme shall also invest upto 5% in Money Market Instruments (with maturity not exceeding 91 days), including CBLO, cash and cash equivalents, as per its investment allocation pattern.

Risk Control

Risk	Risk mitigation strategy
Market Risk The Scheme is vulnerable to movements in the prices of securities invested by the scheme, which could have a material bearing on the overall returns from the scheme. The value of the Scheme's investments, may be affected generally by factors affecting securities markets, such as price and volume, volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets.	Market risk is a risk which is inherent to an equity scheme. With the Scheme following a passive investment strategy, the Scheme will invest in Securities in accordance with the weightage in the underlying CPSE Index and will typically not seek to take any active risk relative to such index. As a passive scheme is designed to track an index, the Scheme aims to track CPSE Index, and aims to purchase Securities of the constituent companies as per the composition and weightages provided in the CPSE Index. Therefore, the specific market risk associated with the CPSE Index is inherent to this Scheme. Investors should however note the section on Tracking Error Risk set out below.
Liquidity Risk The liquidity of the Scheme's investments is inherently restricted by trading volumes in the securities in which it invests.	The underlying index will have constituents which have high level of liquidity. Hence liquidity issues in the scheme related to underlying constituents is not envisaged.
Tracking Error Risk The performance of the Scheme may not be commensurate with the performance of CPSE Index on any given day or over any given period.	The objective of the Scheme is that the NAV should closely track the performance of CPSE 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.

Investment Policy

The Scheme, in general, seeks to hold all the Securities that comprise the underlying index in the same proportion as the underlying index. The income received by way of Dividend shall be used for recurring expenses and Redemption requirements or shall be accumulated and invested as per the investment objective of the Scheme. There is a risk of higher Tracking Error due to the income received by way of Dividend till it is reinvested. The Scheme seeks to keep the Tracking Error of the Scheme relative to the performance of the underlying index relatively low.

The Investment Manager would monitor the Tracking Error of the Scheme on an ongoing basis and would seek to minimize Tracking Error to the maximum extent possible. Under normal circumstances, the AMC shall endeavor that the Tracking Error of the Scheme shall not exceed 2% per annum. 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. The investment decisions will be determined as per the benchmark index.

Change in Investment Pattern

As the Scheme is an index Scheme, the policy is passive management. However the investment pattern is indicative and may change for short duration. In the event the underlying index, as the case may be, is dissolved or is withdrawn or is not published due to any reason whatsoever, subject to necessary prior approvals, including prior written approval from the Department of Disinvestment, the Trustees reserve the right to modify such Scheme so as to track different and suitable index or to suspend tracking the benchmark index and appropriate intimation will be sent to the Unit holders of the Scheme. In such a case, investment pattern will be modified suitably to match the composition of the Securities that are included in the new index to be tracked and will be subject to Tracking Errors during the intervening period. It must be clearly understood that the percentage stated in the asset allocation table are only indicative and not absolute.

Rebalance for the Scheme shall also be carried out whenever there is a change in the underlying index or any change due to corporate action with respect to the constituents of the underlying index.

Any change in the asset allocation affecting the investment profile of the Scheme will be affected only in accordance with the provisions of Sub regulation (15A) of Regulation 18 of SEBI Regulations.

Portfolio Turnover

Portfolio turnover is the term used by the Fund for measuring the amount of trading that occurs in a Scheme's portfolio during a specified period of time of typically 1 year. The Scheme is an open-ended Scheme. It is therefore expected that there would be a number of Subscriptions and Redemptions on a daily basis. There may be frequent transactions to buy and sell the Securities resulting in increase in transaction cost. At the same time frequent transactions may increase the profits and which can offset the increase in cost. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. However, the Fund Manager will endeavor to optimize the portfolio turnover to minimize risk and maximize gains while keeping in mind the cost associated with such transactions.

Procedure followed for Investment Decisions

The Fund Manager of the Scheme is responsible for making buy / sell decisions for the Scheme's portfolio. The investment decisions will be taken by the Scheme keeping in view the investment objective of the Scheme and all the relevant aspects. The AMC will review all the investments made by the Scheme. The investment decisions of the Scheme will be carried out by the designated Fund Manager under the supervision of Chief Investment Officer – Quantitative Investments.

It is the responsibility of the AMC to seek to ensure that the investments are made as per the Regulatory guidelines, the investment objectives of the Scheme and in the interest of the Unit holders of the Scheme.

All investment decisions of the Scheme will be recorded in accordance with SEBI Regulations. The Fund Manager shall seek to ensure that the funds of the Scheme are invested in line with the regulatory guidelines, the investment objective of the Scheme and in the interest of the Unit holders of the Scheme.

F. FUNDAMENTAL ATTRIBUTES

Following are the fundamental attributes of the Scheme, in terms of Regulation 18(15A) of the SEBI Regulations:

(i) **Type of Scheme:** Please refer section of 'Type of Scheme'.

(ii) **Investment Objective:**

a. Investment objective : Please refer section of 'Investment Objective'
b. Investment pattern : Please refer section of 'Asset Allocation'

(iii) **Terms of Issue:** Provisions with respect to listing, repurchase, Redemption of Units and fees and expenses as indicated in this SID.

In accordance with Regulation 18(15A) of the SEBI Regulations, the Trustee shall ensure that no change in the fundamental attributes of the Scheme or the trust or fees and expenses payable or any other change which would modify the Scheme and affect the interest of the Unit holders, will be carried out unless:

a. A written communication about the proposed change is sent to each Unit holder of the Scheme and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a Marathi daily newspaper with wide circulation published in Mumbai (as the head office of the Mutual Fund is situated there); and

b. The Unit holders of the Scheme will be given an option to exit for a period of 30 days at the prevailing NAV without any Exit Load.

(iv) **Any safety net or guarantee provided:** This Scheme does not provide any guarantee or assured return to its Investors.

Fundamental attributes will not cover such actions of the board of directors of Trustee or AMC, made in order to conduct the business of the Trust, the Scheme or the AMC, where such business is in the nature of discharging the duties and responsibilities with which they have been charged. Nor will it include changes to the Scheme made in order to comply with changes in SEBI Regulations with which the Scheme has been required to comply.

G. BENCHMARK INDEX

The Scheme as per its investment objective would primarily invest in Securities which are constituents of the benchmark index. In terms of SEBI Circular No.MFD/CIR/16/400/02 dated March 26, 2002 the performance of the Scheme will be benchmarked against CPSE Index. The same has been chosen as the benchmark for the Scheme as the composition of the aforesaid index is such that it is most suited for comparing performance of the Scheme.

A detailed review of the Scheme and the performance of the Scheme, *vis-à-vis* the benchmark, will be placed before the Board of directors of AMC and Trustee on a periodic basis.

In terms of SEBI Circular No.MFD/CIR/01/ 071/02 dated March 26, 2002, the Board of the AMC and Trustees may review the benchmark selection from time to time, and make suitable changes as to use of the benchmark or select an additional or replacement benchmark, or related to composition of the benchmark, whenever it deems necessary after recording an adequate justification for carrying out such change. However, change of benchmark and/or selecting additional benchmarks would be done in compliance with the relevant guidelines of SEBI in this regard.

The Fund Manager will bring to the notice of the Board of the AMC, specific factors if any, which are impacting the performance of the Scheme. The Board of the AMC on consideration of all relevant factors may, if necessary, give appropriate directions to the AMC. Similarly, the performance of the Scheme will be submitted to the Trustees. The Fund Manager / Chief Investment Officer will explain to the Trustees, the details on the Scheme's performance vis-à-vis the benchmark returns.

About the Index

CPSE Index is constructed in order to facilitate Government of India's initiative to dis-invest some of its stake in selected CPSEs. The government opted for ETF route for disinvestment. The ETF shall track the performance of the CPSE index. The index values are to be calculated on free float market capitalization methodology. The index has base date of 01-Jan-2009 and base value of 1000. Weights of index constituent shall be re-aligned (i.e. capped at 25%) every quarter effective 2nd Monday of February, May, August and November.

Selection Criteria's for the CPSE Index:

The 10 CPSEs selected meet below mentioned parameters:

1. Included in the list of CPSEs published by the Department of Public Enterprise

2. Listed at National Stock Exchange of India Ltd. (NSE)

3. Having more than 55% government holding (stake via Govt. of India or President of India) under promoter category.

4. Companies having average free float market capitalization of more than 1,000 Cr. for six month period ending June 2013 are selected.

5. Have paid dividend of not less than four per cent including bonus for the seven years immediately preceding or for at least seven out of the eight or nine years immediately preceding, are considered as eligible companies as on cut-off date i.e. 28-Jun-2013.

Index Composition as on 28 February 2014 is as below:

Company Name	Weightage (%)
Oil & Natural Gas Corporation Ltd.	26.43
GAIL (India) Ltd.	18.97
Coal India Ltd.	17.55
Rural Electrification Corporation Ltd.	7.23
Oil India Ltd.	7.07
Indian Oil Corporation Ltd.	6.81
Power Finance Corporation Ltd.	6.50
Container Corporation of India Ltd.	6.26
Bharat Electronics Ltd.	2.05
Engineers India Ltd.	1.13

H. FUND MANAGER

The Fund Manager, Payal Kaipunjal, will manage the investments under the Scheme. Her qualifications and experience are as under:

Name	Age	Qualification	Experience	Name of other schemes managed
Payal Kaipunjal (experience of 9 years)	33 years	- B.Com., MBA, PGDIM, FRM (GARP)	• Goldman Sachs Asset Management (India) Private Limited (August 2011 -till date) • Benchmark Asset Management Company Private Limited (June 2004 – August 2011)	• GS Junior BeES • GS PSU Bank BeES • GS Hang Seng BeES (managing investments in debt securities.)

I. INVESTMENT RESTRICTIONS

Pursuant to the SEBI Regulations, the following are the investment and other limitations as presently applicable to the Scheme at the time of making investments. However, all the investments by the Scheme will be made within the investment objective, asset allocation, described earlier as well as within the investment restrictions as specified in SEBI Regulations, including Schedule VII thereof.

(i) No loans for any purpose will be advanced by the Scheme otherwise than as permitted under the SEBI Regulations.

(ii) The Scheme shall not invest more than 30% of its net assets in Money Market Instruments of an issuer. Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and collateralized borrowing and lending obligations.

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

(iv) Further the inter scheme transfer of investments shall be in accordance with the provisions contained in the section 'Inter-scheme transfer of investments', contained in the Statement of Additional Information. Transfer of investments from one Scheme to another Scheme of the Mutual Fund shall be allowed only if:

a. Such transfers are done at the prevailing market price for quoted instruments on spot basis.
Explanation: "Spot basis" shall have same meaning as specified by the Stock Exchanges for spot transaction.

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

(v) The Scheme may invest in another scheme under the same AMC or any other mutual fund without charging any investment management fees provided that the aggregate inter-scheme investment in line with the investment objectives, made by all the schemes under the same management or in schemes under management of any other asset management company shall not exceed 5% of the net asset value of the Fund.

(vi) Till the SEBI Regulations so require, the Mutual Fund shall buy and sell Securities on the basis of deliveries and shall in all cases of purchases, take delivery of relative Securities and in all cases of sale, deliver the Securities. Provided further that the Mutual Fund shall enter into Derivatives transactions in a recognised stock exchange, subject to the framework specified by SEBI and that sale of Government Securities already contracted for purchase shall be permitted in accordance with the guidelines issued by the RBI in this regard.

(vii) Till the SEBI Regulations so require, the Mutual Fund shall get the Securities purchased transferred in the name of the Mutual Fund on account of the Scheme, wherever investments are intended to be of a long-term nature.

(viii) Pending deployment of funds of Scheme in Securities in terms of investment objectives of the Scheme, a Mutual Fund can invest the funds of the Scheme in short-term deposits of scheduled commercial banks within the limits prescribed under SEBI circular dated April 16, 2007 and applicable guidelines.

(ix) The Fund may borrow to meet liquidity needs, for the purpose of repurchase, Redemption of Units or payment of interest or Dividend to the Unit holders and such borrowings shall not exceed 20% of the net asset of the Scheme and duration of the borrowing shall not exceed 6 months. The Fund may borrow from permissible entities at prevailing market rates and may offer the assets of the Mutual Fund as collateral for such borrowing.

(x) Till the SEBI Regulations so require, the Scheme shall not make any investment in:

a. Any unlisted Security of an associate or group company of the Sponsor; or

b. Any Security issued by way of private placement by an associate or group company of the Sponsor; or

c. The listed Securities of group companies of the Sponsor, which is in excess of 25% of the net assets.

(xi) The Scheme shall not make any investment in any fund of funds scheme.

(xii) The entire Scheme's investments will be in Equity and Equity Related Securities, Money Markets Instruments and Debt Instruments which are either asset backed or mortgage backed securities.

(xiii) Aggregate value of 'illiquid Securities' of the Scheme, which are defined as non-traded, thinly traded and unlisted equity shares, shall not exceed 15% of the total assets of the Scheme.

(xiv) The Scheme will comply with any other SEBI Regulations applicable to the investments of funds from time to time.

(xv) If the Mutual Fund holds an aggregate of Securities which are worth ₹ 10 crores or more, as on the latest balance sheet date, it shall, subject to such instructions as may be issued from time to time by the board of directors of the AMC, settle its transactions only through dematerialized Securities. Further all transactions in Government Securities shall be in dematerialized form.

Investments Limitations and Restrictions in Derivatives

As applicable, the Scheme shall comply with the investment limitations and restrictions set out for participation in the Derivatives market in accordance with SEBI circulars dated September 14, 2005, January 20, 2006 and September 22, 2006 as amended from time to time.

Investment by AMC

The AMC may invest in the Scheme. The percentage of such investment to the total NAV may vary from time to time. The AMC shall not charge any fees on investment by the AMC in the Units of the Scheme in accordance with sub-regulation 17 of Regulation 25 of the SEBI Regulations and shall charge fees on such amounts in future only if the SEBI Regulations so permit.

All investment restrictions shall be applicable at the time of making investments. The AMC may alter these limitations / objectives from time to time to the extent the SEBI Regulations change so as to permit Scheme to make its investments in the full spectrum of permitted investments to achieve its investment objective. The Trustees may from time to time alter these restrictions in conformity with the SEBI Regulations.

All investments of the Scheme will be made in accordance with the SEBI Regulations, including Schedule VII thereof.

J. SCHEME PERFORMANCE

The Scheme is a new scheme and as such does not have any performance track record.

K. INTRODUCTION TO EXCHANGE TRADED FUNDS

ETFs are innovative products that provide exposure to an index or a basket of securities that trade on the exchange like a single stock. ETFs have a number of advantages over traditional open-ended index funds as they can be bought and sold on the Exchange at prices that are usually close to the actual intra-day net asset value of the scheme. ETFs are an innovation to traditional mutual funds as ETFs provide investors a fund that closely tracks the performance of an index with the ability to buy / sell on an intra-day basis. Unlike listed close ended funds, which trade at substantial premiums or more frequently at discounts to net asset value, ETFs are structured in a manner which allows to create new units and redeem outstanding units directly with the fund, thereby ensuring that ETFs trade close to their actual net asset values.

ETFs are usually passively managed funds wherein subscription / redemption of units work on the concept of exchange with underlying securities. In other words, large investors / institutions can purchase units by depositing the underlying securities with the mutual fund / asset management company and can redeem by receiving the underlying shares in exchange of units. Units can also be bought and sold directly on the exchange.

ETFs have all the benefits of indexing such as diversification, low cost and transparency. As ETFs are listed on the exchange, costs of distribution are much lower and the reach is wider. These savings in cost are passed on to the investors in the form of lower costs. Further more, exchange traded mechanism helps reduce minimal collection, disbursement and other processing charges.

The structure of ETFs is such that it protects long-term investors from inflows and outflows of short-term Investor. This is because the mutual fund does not bear extra transaction cost when buying / selling due to frequent subscriptions and redemptions.

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.

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

Benefits of ETFs

(i) Can be easily bought / sold like any other stock on the exchange through terminals spread across the country.

(ii) Can be bought / sold anytime during market hours at prices that are expected to be close to actual net asset value of the scheme. Thus, investor invests at real-time prices as opposed to end of day prices.

(iii) No separate form filling for buying / selling units. It is just a phone call to your broker or a click on the internet.

(iv) Ability to put limit orders.

(v) Minimum investment for an ETF is one unit.

(vi) Protects long-term investors from the inflows and outflows of short-term investors.

(vii) Flexible, as it can be used as a tool for gaining instant exposure to the equity markets, equitizing cash, hedging or for arbitraging between the cash and futures market.

(viii) Helps in increasing liquidity of underlying cash market.

(ix) Aids low cost arbitrage between futures and cash market.

Uses of ETFs

(i) Investors with a long-term horizon

Allows diversification of portfolio at one shot thereby reducing scrip specific risk at a low cost.

(ii) FIIs, QFIs, Institutions and Mutual Funds

Allows easy asset allocation, hedging and equitizing cash at a low cost.

(iii) Arbitrageurs

Low impact cost to carry out arbitrage between the cash and the futures market.

(iv) Investors with a shorter term horizon

Allows liquidity due to ability to trade during the day and expected to have quotes near net asset value during the course of trading day.

Risks of ETFs

1. **Absence of Prior Active Market**: Although the units of ETFs are listed on the exchange for trading, there can be no assurance that an active secondary market will develop or be maintained.

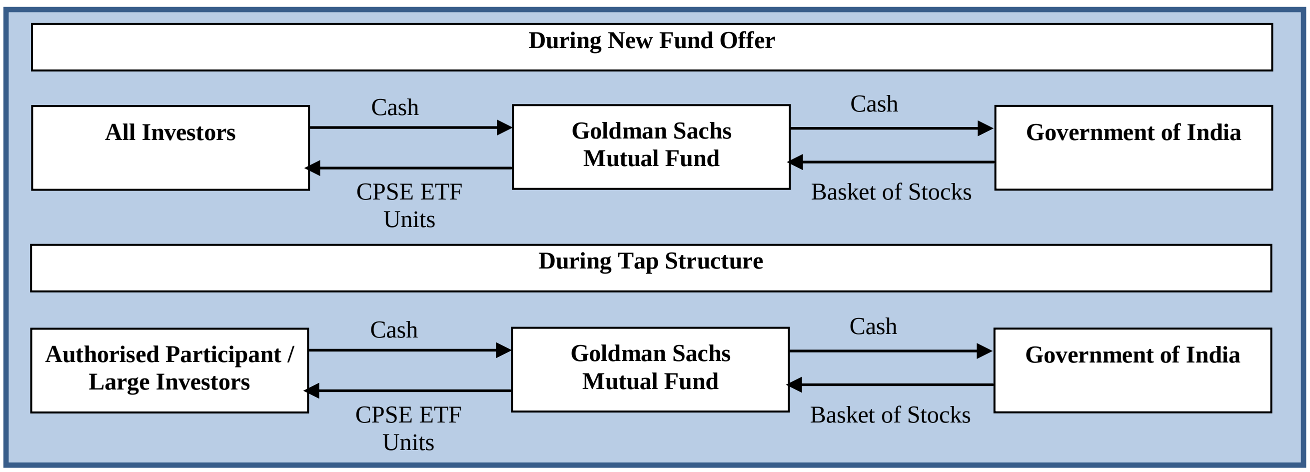
2. **Lack of Market Liquidity**: Trading in units of ETFs on the exchange on which it is listed may be halted because of market conditions or for reasons that, in the view of the concerned stock exchange or market regulator, trading in the ETF units is inadvisable. In addition, trading in the units of ETFs is subject to trading halts caused by extraordinary market volatility pursuant to 'circuit filter' rules. There can be no assurance that the requirements of the concerned Stock Exchange necessary to maintain the listing of the units of ETFs will continue to be met or will remain unchanged.

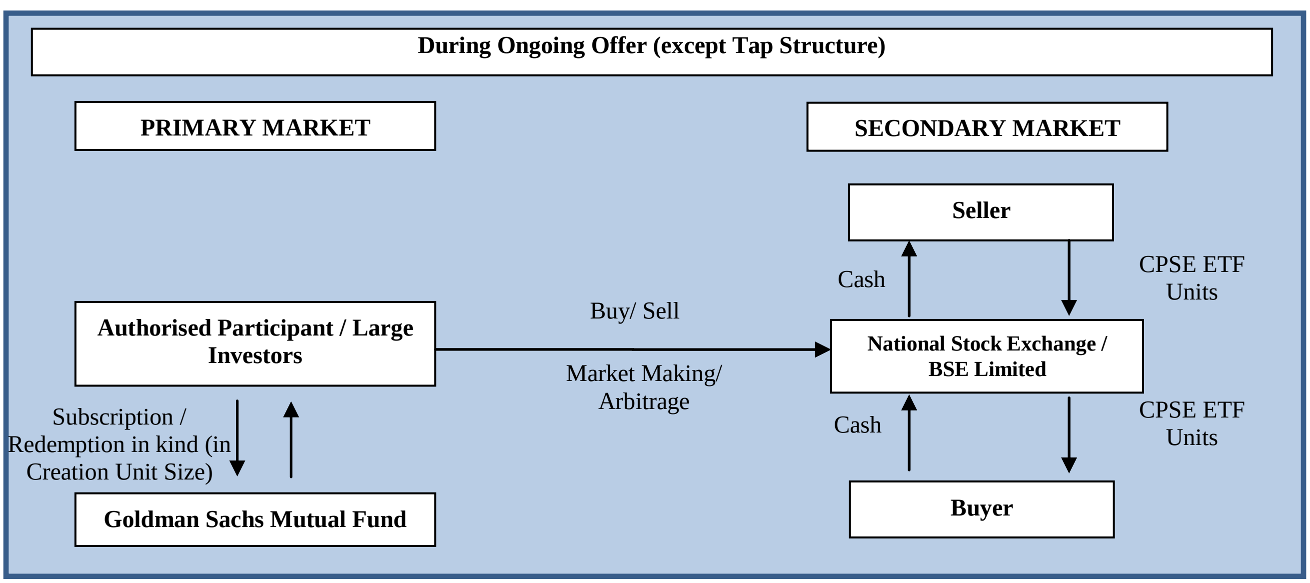
3. **Units of Exchange Traded Funds May Trade at Prices Other than Net Asset Value**: Units of ETFs may trade above or below their net asset value. The net asset value of units of ETFs may fluctuate with changes in the market value of the scheme's holdings. The trading prices of units of ETF will fluctuate in accordance with changes in their net asset values 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 net asset values will not sustain due to arbitrage possibility available.

Comparison of ETFs v/s Open-ended Funds v/s Close Ended Funds:

	Open-ended Fund	Closed Ended Fund	Exchange Traded Fund
Fund Size	flexible	fixed	flexible
NAV	daily	Daily	real time (indicative net asset value)
Liquidity Provider	mutual fund itself	stock market	stock market / mutual fund itself
Sale Price	At net asset value plus load, if any	significant premium / discount to net asset value	very close to actual net asset value of scheme
Availability	mutual fund itself	through exchange where listed	through exchange where listed/ mutual fund itself.
Portfolio Disclosure	disclosed monthly	disclosed monthly	daily
Intra-Day Trading	not possible	expensive	possible at low cost

An illustration of the working of CPSE ETF is given below:





L. DEBT MARKETS IN INDIA

A debt market is a financial market where market participants may issue, buy or sell bonds or other debt-related instruments.

The types of instruments traded in this type of market place will generally require the issuer of the instrument to pay the buyer of the instrument a fixed return in order to allow them to pay the buyer their principal back at a later date.

The Indian bond markets can be divided into two broad categories:

(i) The government securities market (also commonly referred to as the G-Sec markets) which consists of Central Government and State Government securities (therefore loans being taken by the Central and State Governments); treasury bills; dated government securities; coupon bearing bonds; floating rate bonds; zero coupon bonds; State Government debt; State Government loans; coupon bearing bonds which are issued by the Reserve Bank of India on behalf of the Government of India and;

(ii) The non government securities market which consists of Financial Institution's bonds, Public Sector Unit's bonds, corporate bonds/debentures and pass through certificates (PTCs) which can be fixed interest bearing, floating rate or deep discount issued bonds.

This fixed return on the bond is commonly known as the interest rate, coupon rate or discount rate and the period between initial issuance/purchase and repayment of the principal is often referred to as the term, which can vary depending on the security type and specific issuance terms.

Debt instruments with a term to maturity of less than one year are typically considered to be Money Market Instruments.

Money Market Instruments may include the following types of securities:

- CBLO (Collateralized Borrowing & Lending Obligation)
- Repo / reverse repo agreements
- Treasury bills
- Government securities with a residual maturity of < 1 year
- Commercial paper
- Certificates of deposit

The below table illustrates some examples of the type of debt-related instruments that are issued, bought and sold in the Indian debt markets, along with the level of yield of these securities as of 28 February 2014.

However, please note that the actual yields will, however, vary in line with general levels of interest rates and prevailing debt & money market conditions over time.

Instruments	Current Yields (%)	Liquidity
Central/State Government Securities	8.25% - 9.50%	Very High
PSU Bonds/Corporate debentures	9.25% - 11.35%	Medium – High
Commercial Papers	8.40% - 12.00%	Low - Medium
Certificate of deposits	8.30% - 10.00%	Medium - High
Call/Notice Money	7.00% - 9.75%	Very High
Repo	8.00%	Very High

Source: Reuters, RBI and Published Research Reports

III. UNITS AND OFFER

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

A. NEW FUND OFFER (NFO)

New Fund Offer Period *This is the period during which a new Scheme sells its Units to the Investors.*	For Anchor Investor NFO Period Opens on : 18th March, 2014 NFO Period Closes on : 18th March, 2014 For Non Anchor Investors NFO Period Opens on : 19th March, 2014 NFO Period Closes on : 21st March, 2014 The Trustee reserves the right to extend the closing date of Non Anchor Investor NFO Period, subject to the condition that the Non- Anchor Investor New Fund Offer shall not be kept open for more than 30 days. The Trustee reserves the right to close the Non Anchor Investor NFO Period earlier by giving at least one day's prior notice in one daily newspaper.
New Fund Offer Price *This is the price per Unit that the Investors have to pay to invest during the NFO.*	The Units of the Scheme being offered will have a face value of ₹ 10/- each and will be issued at a premium equivalent to the difference between allotment price and the face value of ₹ 10/- each. The allotment price would be approximately equal to 1/100th of CPSE Index and would be calculated post considering Discount Offered by GOI to CPSE ETF for buying underlying CPSE Index shares.
Category of Investors	• Retail Individual Investors • Qualified Institutional Buyer or QIB • Non Institutional Investors • Anchor Investors
Discount Offered by GOI to CPSE ETF	A discount of 5 (five) % on the "Reference Market Price" of the underlying shares of CPSE Index shall be offered to CPSE ETF by GOI. The Department of Disinvestment, through its letter (F.No.9(5)/2009-DD-II(Part-I) Vol.(3)) dated March 11, 2014 conveyed the approval granted by the Empowered Group of Ministers of the GOI for the discount of 5 (five) % to CPSE ETF for buying the underlying shares of CPSE Index from GOI. The said buying from GOI would be out of the NFO proceeds received by the Scheme towards Subscription of its Units by all the category of Investors. **Investors should note that the above mentioned discount on the 'Reference Market Price' may not be a discount to the closing market price of the underlying shares of CPSE Index on the Allotment Date. An illustration in this regard is set out below:** Discount offered by GOI – 5% (assumed) Full day volume weighted average price (VWAP) on the NSE during the Non Anchor Investor NFO Period for each of the constituents of the Index, namely stock A, stock B and stock C :

Non Anchor NFO Period	Full day VWAP on NSE for Stock A (₹)	Full day VWAP on NSE for Stock B (₹)	Full day VWAP on NSE for Stock C (₹)
Day 1 (NFO Opens)	10	21	50
Day 2	11	24	53
Day 3	12	26	52
Day 4	12	25	54
Day 5 (NFO Closes)	11	24	55
Average of full day VWAP (₹) for the above period	**11.2**	**24**	**52.8**
Discount offered by GOI to the Scheme on the average of full day VWAP	**5%**	**5%**	**5%**
Discounted price at which the Scheme would purchase the stocks from the GOI out of the NFO proceeds	**10.64**	**22.8**	**50.16**
Closing market price of the relevant stock on the NSE on the Allotment Date	**9**	**24**	**45**

From the above illustration it is clear that the discounted price (which will be based on the average of the full day VWAP for each of the index constituents) at which the Scheme would purchase each of the index constituent from GOI out of the NFO proceeds may or may not be lower than the closing market price of each of these index constituents as on the Allotment Date.

Minimum Amount for Application in the NFO	For Non Anchor Investors Retail Individual Investors can invest in the Scheme with a minimum investment amount of ₹ 5,000/- (Rupees Five Thousand only) and in multiples of ₹ 1/- thereafter. Non Institutional Investors / Qualified Institutional Buyer (other than Anchor Investors) can invest in the Scheme with a minimum investment amount of ₹ 2, 00,001/- (Rupees Two Lakhs and One only) and in multiples of ₹ 1/- (Rupee One) thereafter. For Anchor Investor Investors can invest in the Scheme with a minimum investment amount of ₹ 10 Crores (Rupees Ten Crores Only) and in multiples of ₹ 1/- thereafter.
Anchor Investor Portion	The portion not exceeding 30% (Thirty percent) of the Maximum Amount to be Raised (if any) as stated in Section III – New Fund Offer, shall be available for allocation to Anchor Investors on a proportionate basis. Please note that in case of under Subscription in this category, the under subscribed portion will be available for spill-over from the Non Anchor Investor Portion at the discretion of the AMC. But any under-Subscription in Non Anchor Investor Portion will not be allowed to be met by any spill-over from the Anchor Investor

	Portion. Names of Anchor Investors, if any, Subscribing to the Units of the Scheme will be available on our website www.gsam.in during the Non Anchor Investor NFO Period.
Anchor Investor Subscription Amount	Anchor Investors shall pay a margin of at least 25% (Twenty Five percent) of the Subscription amount during the Anchor Investor NFO period, with the balance to be paid on or before the closure of the Non Anchor Investor NFO Period. If the Anchor Investor does not pay the balance amount before the closure of the Non Anchor Investor NFO Period, then the margin amount paid by the Anchor Investor shall be forfeited and credited to the Scheme. The Anchor Investor will not be able to withdraw / modify its application once submitted to the AMC. **Please note that any Units allotted to Anchor Investors during the NFO period shall be locked-in for a period of 30 days from the Allotment Date.**
Application Size for Determining Investor Category	**For Anchor Investors** The application amount must be atleast ₹ 10 Crores. An application by an Anchor Investor cannot be submitted for more than 30% of the Maximum Amount to be Raised (if any) as stated in the Section III- New Fund Offer. Please refer to sections 'Allotment' and 'Illustration on Proportionate Amount to be Considered for Investing in CPSE ETF from Different Investor Categories in Case their Total Application Amount Exceeds the Maximum Amount Available for Respective Investor Categories' in this Section III (A) for details of the manner in which Units would be allotted in the event that the Subscriptions received from all Anchor Investors exceeds 30% (Thirty percent) of the Maximum Amount to be Raised. **For Retail Individual Investors** The application amount by the Retail Individual Investor should not exceed ₹ 2,00,000 (Rupees Two Lakhs). If the application amount is over ₹ 2,00,000 (Rupees Two Lakhs), the same would be considered for allocation under the Non-Institutional portion. Please refer to sections 'Allotment' and 'Illustration on Proportionate Amount to be considered for investing in CPSE ETF from Different Investor Categories in Case their Total Application Amount Exceeds the Maximum Amount Available for Respective Investor Categories' in this Section III (A) for details of the manner in which Units would be allotted in the event that the Subscriptions received from all Retail Individual Investors (and other Investors except for Anchor Investors) exceeds 70% of the Maximum Amount to be Raised. **For Non-Institutional Investors and QIBs (except Anchor Investors)** The application amount by a Non-Institutional Investor or a QIB (except an Anchor Investor) must exceed ₹ 2,00,000 (Rupees Two Lakhs). An application by such an Investor cannot be submitted for more than the Maximum Amount to be Raised (if any) as stated in the Section III- New Fund Offer. Please refer to sections 'Allotment' and 'Illustration on Proportionate Amount to be Considered for Investing in CPSE ETF from Different Investor Categories in Case their Total Application Amount Exceeds the Maximum Amount Available for Respective Investor Categories' in this Section III (A) for details of the manner in which Units would be allotted in the event that the Subscriptions received from all Non-Institutional Investors and QIBs (and other Investors except for Anchor Investors) exceeds 70% of the Maximum Amount to be Raised.
Multiple Applications by Same Investor	An investor should make only one application / submit only one Application Form for the total amount to be invested in the Scheme. In the event that an Investor submits two or more Applications Forms, the same will be deemed to be a single application, for the purpose of determining the Investor category (Retail Individual

	Investor, Non-Institutional Investor, QIB and Anchor Investor) and the total amount received under multiple Application Forms are liable to be taken together and clubbed by the AMC. However please note that QIBs could submit separate Applications Forms for making investments in the Scheme under the Anchor Investor category as well as under the Non Anchor Investor category (as QIB), and such separate applications would not be clubbed by the AMC. In this regard, the procedures which would be followed by the Registrar to detect whether more than one application has been made by a single Investor include the following: • All applications will be checked for common PAN as per Depository records. For investor applications other than mutual funds and FII sub-accounts, applications bearing the same PAN will be deemed to be single application for the purpose of determining the Investor category. In the case of an application in joint name, the PAN of the first holder will be considered. For applications from Mutual Funds and FII sub-accounts, which are submitted under the same PAN, as well as applications for whom the submission of PAN is not mandatory such as on behalf of the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the applications will be scrutinized for DP ID and beneficiary account number. In case such applications bear the same DP ID and / or beneficiary account number, these will be deemed to be a single application for the purpose of determining the Investor category. In case of applications by a mutual fund, a separate application may be made in respect of each scheme of such mutual fund, and such applications in respect of more than one scheme of such mutual fund will not be treated as a single application, provided that the such applications clearly indicate the name of the concerned scheme in respect of which the application is being made by such mutual fund.
Loyalty Units for Retail Individual Investor Investing During NFO	The Retail Individual Investor that invests during the NFO Period and meets the criteria set out below will be eligible to receive Loyalty Units. Please note that Anchor Investors, Qualified Institutional Buyers and Non Institutional Investors will not be offered Loyalty Units under this Scheme. Further, Loyalty Units will not be offered to the Retail Individual Investor who invests in the Scheme during the Ongoing Offer Period. Loyalty Units will be allocated in the following way: One Loyalty Unit will be allocated for every 15 (fifteen) Units held continuously from the Allotment Date to the Loyalty Unit Record Date, which will be 1 year from the NFO allotment date (in case this date falls on a non-working day, the next Working day will be considered as record date), subject to satisfying the “Eligibility Criteria” set out below. The Loyalty Units would be credited to the DP account of the Unit holder within 30 Days from the Loyalty Unit Record Date. The Units to be allotted under this program will be rounded up to 3 decimal places. The Scheme will allot only whole Units to the Unit holders and any fractional Units which the Unit holder may be eligible for would be paid by the Scheme by way of cash, either by way of a cheque or direct credit to the registered bank account of the Unit holder, based on the Applicable NAV of the Scheme as on the Loyalty Unit Record Date. Details of the Loyalty Unit Record Date will be announced by the AMC by way of notice in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the head office of the Mutual Fund is situated and the same will also be made available on the Mutual Fund website www.gsam.in. GOI will transfer requisite quantum of underlying CPSE securities as represented in the Index to the Mutual Fund on behalf of and on account of the Scheme, in

order for the Mutual Fund to create the required number of Units to satisfy entitlements of the Loyalty Units which are to be provided to Unit holders who have Subscribed during NFO period.

The AMC shall bear all the required expenses payable to Depository or Depository Participants in relation to the transfer of the underlying shares of the CPSE Index to the Scheme.

In the event the Mutual Fund does not receive the underlying shares for the Loyalty Units from the GoI for any reason whatsoever, the Mutual Fund shall not allot Loyalty Units to the eligible Unit holders.

Eligibility Criteria

The number of Loyalty Units allocated will be based only on those Units which are held continuously in the same Unit holder(s) name for the period(s) specified below.

The eligibility criteria for calculating the Loyalty Units is as below:

- The Units must have been held as per the records of Registrar in the name of the same Unit holder continuously from the NFO Allotment Date to the Loyalty Unit Record Date.

- For calculation of the Loyalty Units, the lowest Unit balance held by the Unit holder at any point of time in between the NFO Allotment Date to the Loyalty Unit Record Date (both days included), which is at par or below the number of Units allotted to the Unit holder on the Allotment Date will be considered for determining the Loyalty Units.

In case of doubt as to whether or not a person satisfies the above mentioned eligibility criteria, the decision of the AMC will be final and binding.

Eligible Unit holders who sell/transfer all or part of the Units allotted to them pursuant to the NFO before the Loyalty Unit Record Date shall not be entitled to receive the Loyalty Units in respect of such Units which have been sold/transferred before the Loyalty Unit Record Date.

Transfer of Units will not, however, result in loss of entitlement under this Section, if the transfer is “off market”, and only in the scenarios given below provided the relevant transfer form is accompanied by relevant supporting documents as required by the AMC / Registrar, to satisfy the Registrar that:

- The transfer is initiated due to death of the Unit holder and the Units are entitled to be transferred in the name of Nominee or legal heir as per prevailing laws or as per the Unit holders Will, subject to the individual(s) not being prohibited to invest in this Scheme as per any regulator.

- The Units are being transferred from the names of joint Unit holders into the sole name of the first holder, without the addition of any other person as a joint Unit holder.

Please note that all the necessary documents validating the above stated reason for the “off market” transfer of Units should be submitted to the AMC/Registrar by the new entitled Unit holder at least 30 days prior to the Loyalty Unit Record Date for determining the Unit holder who is eligible to receive Loyalty Units.

Transaction Charges	Investors to note that the AMC/ Mutual Fund may deduct transaction charges, details of which are provided in Section IV (C) (Transaction Charges) of this SID, from the Subscription amount. The amount so deducted shall be paid to the empanelled AMFI registered Distributor / agent of the Investor (in case the empanelled AMFI registered Distributor / agent has "opted in" to receive the transaction charge for this type of product) and the balance shall be invested in the Scheme.
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. However, if AMC fails to refund the amount within 15 Days of the NFO closure date, interest as specified by SEBI (currently 15% p.a.) will be paid to the Investors from the expiry of 15 from the date of closure of the Subscription period.*	The Scheme seeks to collect a minimum target amount of ₹ 100 Crores during the NFO Period. This is the minimum amount required to operate the Scheme and if this is not collected during the NFO Period, then in accordance with the SEBI Regulations, all the Investors would be refunded the amount invested without any return as mentioned in the section on 'Refund' in this SID. In addition to the above, refund of the Subscription amount to Investors whose applications are invalid for any reason whatsoever, will commence after the allotment process is completed, the AMC shall not incur any liability whatsoever, in this regard, for interest or any other sum.
Maximum Amount to be Raised (if any) *This is the maximum amount, if any, which can be collected during the NFO Period, as decided by the AMC.*	**₹ 3000 Crores ("Maximum Amount to be Raised"),** subject to maximum of 3% of the paid up share capital of each of the constituents of the CPSE Index. If the Subscriptions received from the Non Anchor Investors during the NFO Period is in excess of the Non Anchor Investor Portion**,** the excess so received will be refunded to the Investors subject to the following: a) To the extent Non Anchor Investors have Subscribed (i) upto 5,000 Units, all such Investors will be provided full allotment upto 5000 Units (subject to section on Allotment below and the Subscription amount paid by such Investors), and (ii) for more than 5,000 Units, all such Investors will be provided allotment of a minimum of 5000 Units (subject to section on Allotment below); however, if the total value of such allotments would be in excess of the Non Anchor Investor Portion, all Investors will be provided equal allotment. b) all Investors who have applied for investing more than 5000 Units will be given allotment of any remaining Units (up to the Non Anchor Investor Portion) after allotments made under paragraph (a) above, pro-rata to their application amounts in excess of 5,000 Units. Anchor Investors should note that if the Subscriptions received from the Anchor Investors during the NFO Period is in excess of the Anchor Investor Portion, allocation to the Anchor Investors shall be on a proportionate basis as set out in this SID.

	Subscription monies relating to the un-allotted portion of the Investor's original allotment request will be refunded to Investors in accordance with the SEBI Regulations, without any return, subject to as mentioned in the section on 'Refund' in this SID.
Plans / Options offered	The Scheme offers only Growth Option. Unit holders are to note that the Trustees may at their absolute discretion reserve the right to declare Dividend from time to time (which will be paid out to the Unit holders) in accordance with the Dividend Policy set out below. The AMC and the Trustees reserve the right to introduce such other plans/options as they deem necessary or desirable from time to time, in accordance with the SEBI Regulations.
Dividend Policy	In accordance with the SEBI Regulations on the procedure for declaration of Dividend, the Trustees may declare Dividend to the Unit holders under the Scheme subject to the availability of distributable surplus, and the actual distribution of Dividend, the frequency of distribution, the quantum of Dividend and the record date will be entirely at the discretion of the Trustees. Such Dividend will be payable to the Unit holders whose names appear on the register of Unit holders on the record date, as fixed by the Trustees for the Scheme. The Dividend declared, if any, shall be paid net of tax deducted at source, wherever applicable, to the Unit holders within 30 days from the declaration of Dividend, if any. The Scheme will follow the requirements stipulated in the listing agreement for declaration of dividend. The Trustees reserve the right to declare Dividends on a regular basis. The Fund does not guarantee or assure declaration or payment of Dividends. Such declaration of Dividend, if any, is subject to Scheme's performance and the availability of distributable surplus in the Scheme at the time of declaration of such Dividend. **Effect of Dividend** If the Fund declares Dividend, the NAV of the Scheme will stand reduced by the amount of Dividend and dividend distribution tax (if applicable) paid. All the Dividend payments shall be in accordance and compliance with SEBI Regulations and the Exchange regulations, as applicable from time to time. **Procedure for distribution of Dividend** The Dividend proceeds may be paid by way of cheques, Dividend warrants / direct credit / NEFT / RTGS / ECS or any other manner through the Unit holder's bank account as specified in the Registrar's records. The AMC, at its discretion at a later date, may choose to alter or add other modes of payment. Please refer to Section V. B. IV of the Statement of Additional Information for details on unclaimed Redemptions and Dividends.
Dematerialization	i. The Units of the Scheme will be available only in the dematerialized (electronic) mode. ii. The Investor 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 Participant's name, Depository Participant's ID Number and beneficiary account number of the applicant with the Depository Participant or such details requested in the Application Form / Transaction Form. iii. The Units of the Scheme will be issued / repurchased and traded compulsorily

	in dematerialized form. iv. Applications without relevant details of his / her / their depository account are liable to be rejected.
Allotment	Subject to (i) the achievement of the Minimum Target Amount; (ii) receipt of duly completed Application Forms; (iii) realization of the specified minimum Subscription amount from the Investor, and (iv) provisions set out in the paragraph on 'Rejection of the application' below, and (v) in case of Anchor Investors receipt of balance Subscription amount, allotment of Units applied for will be made within fifteen days from the date of closure of the Non Anchor Investor NFO Period for all valid applications received during the NFO Period. Investors to note that in case of over Subscriptions, allotment will be made on a proportionate basis as set out in this SID. Please refer to the Section on 'Illustration on Proportionate Amount to be Considered for Investing in CPSE ETF from Different Investor Categories in Case their Total Application Amount Exceeds the Maximum Amount available for Respective Investor Categories' below for further details in this regard. Investors to also note that, in the event the Scheme does not receive the underlying CPSE Securities from the GOI for any reason whatsoever, the AMC/ Fund reserves the right to cancel the Units allotted to the Investor, reverse the transaction of crediting Units in the Unit holder's account and refund the Subscription amount received from the Investor in accordance with the provisions set out in this SID. **Please note that any Units allotted to Anchor Investors during the NFO period shall be locked-in for a period of 30 days from the Allotment Date.** **Account Statement:** Upon allotment, each Unit holder shall be sent an account statement / allotment advice by ordinary post / courier / e-mail / SMS on the Unit holders's registered email address and/or mobile number, confirming the number of Units allotted to the Unit holder, not later than fifteen days from the close of the Non Anchor Investor NFO Period. In case the Investor provides an email address in the Application Form, the account statement / allotment advice will be provided only through email. Such email address will be considered as the registered email address of the Investor for all purposes by the AMC/ Mutual Fund. Provided that the Fund reserves the right to reverse the transaction of crediting Units in the Unit holder's account, in the event of non-realisation of any cheque or other instrument remitted by the Investor. Unit holders may verify the contents of allotment advice and revert to the Fund immediately in case of any discrepancy. In the event the Unit holder fails to inform the Fund within 15 days from the date of allotment advice, it shall be deemed to be correct. The Units will be credited to the DP account of the applicant as per the details provided in the Application Form. Any excess amount would be refunded to the Investor. The AMC will only issue the initial account statement / allotment advice to the Unit holder. Thereafter, the Depository Participant with whom the Unit holder has a Depository account will send a holding statement in accordance with the byelaws of the Depository. As the Units of the Scheme are in demat form, the holding statement issued by the Depository Participant would be deemed to be adequate compliance with requirements of SEBI regarding provision of account statements. **Investors to also note that the AMC will not co-ordinate to issue any monthly or half yearly consolidated account statement to Unit holders of this Scheme.** Allotment price of Units will be based on the investment of NFO proceeds in the Securities of the Scheme as mentioned in the asset allocation pattern.

The allotment price for the Scheme in the NFO will be calculated as follows:

The Scheme will endeavor to invest the NFO proceeds in the underlying Security on or before the Allotment Date. **Note:** NFO proceeds would be invested post adjusting discount offered by GOI to the Scheme for buying Securities underlying the Index.

After investment, the Scheme will determine the allotment price as follows:

Allotment Price =

$$\frac{\text{Amount Collected in the NFO – Refunds on account of application rejections, if any}}{\text{Net Assets in the Scheme on the date of allotment / one hundredth of the benchmark index on the date of allotment}}$$

The allotment price will then be applied to the NFO proceeds collected from each Investor to arrive at the number of Units to be allotted. The Scheme will allot whole Units and balance amount on account of fractional Units not allotted will be refunded.

Set out below is an example of issue of Units allotted during the NFO Period (based on the assumption that the allotment price, as calculated by the AMC by using the formula provided above is ₹ 17.1424):

Minimum Investment	₹ 10,000
Allotment Price	₹ 17.1424
Number of Units allotted (₹ 10,000 / ₹ 17.1424)	583 Units*

* Units would be allotted in whole numbers and no fractional Units will be allotted. Excess amount, if any, would be refunded to the Investor.

Allotment of Units under the Scheme would be at the discretion of the Trustees. All Units would be allotted in whole numbers and no fractional Units will be allotted. The Trustees shall be entitled, at their absolute discretion, to reject any application / Application Form.

Illustration on Proportionate Amount to be Considered for Investing in CPSE ETF from Different Investor Categories in Case their Total Application Amount Exceeds the Maximum Amount Available for Respective Investor Categories

Maximum Amount to be Raised (as stated under heading 'Maximum Amount to be Raised' in the Section III – New Fund Offer): ₹ 3,000 Crores, subject to maximum of 3 % of the paid up share capital of each of the constituents of the CPSE Index.

Anchor Investor Category

- Maximum Anchor Investor Portion Available for Subscription: ₹ 900 Crs. (Not exceeding 30% of the above stated Maximum Amount to be Raised).
- Each of the Anchor Investors named A,B,C,D & E have applied for buying ₹ 600 Crs worth of Unit.
- Total application amount received from the Anchor Investor category: ₹ 3,000 Crs, hence the Anchor Investor category is oversubscribed by 3.33 times the maximum amount available to this category.

Please note that, in the event of under Subscription of Anchor Investors category, if any, the difference between the undersubscribed amount and 30% of the Maximum Amount to be Raised would be allowed to be met with spill over from the Non Anchor Investor Portion, at the discretion of the AMC. But any under-Subscription in the Non Anchor Investor Portion will not be allowed to be met by any spill-over from the Anchor Investor Portion.

The actual proportionate amount to be considered for Subscription by each Anchor Investor shall be as follows:

Sr. No.	Name of Investor	Application Amount (₹ Crs.)	Amount to be Considered for Investing in the Scheme(₹ Crs.)
1	A	600	180 {(Application amount of Investor * Maximum amount available for Subscription to this category) / Total application amount received under this category} {(600*900)/3000}
2	B	600	{(600*900)/3000} = 180
3	C	600	{(600*900)/3000} = 180
4	D	600	{(600*900)/3000} = 180
5	E	600	{(600*900)/3000} = 180

Retail Individual Investor, Qualified Institutional Buyer (Non Anchor Investors) and Non Institutional Investor ("Other Investors") Category

- Other Investor portion available for Subscription: ₹ 2,100 Crs (Atleast 70% of the Maximum Amount to be Raised).

- Each of the Other Investors named F,G,H,I & J have applied for buying for ₹ 1050 Crs worth of Unit.

Total application amount received from Other Investor category: ₹ 5250 Crs, hence this category portion is oversubscribed by 2.5 times the Maximum amount available to this category.

As mentioned above, as the Subscriptions received from the Non Anchor Investors is in excess of the Non Anchor Investor Portion (i) to the extent Non Anchor Investors have Subscribed (a) upto 5,000 Units, all such Investors will be provided full allotment upto 5000 Units (subject to section on Allotment below and the Subscription amount paid by such Investors), and (b) for more than 5,000 Units, all such Non Anchor Investors will initially be provided allotment of a minimum of 5000 Units (subject to section on Allotment above); however, if the total value of such allotments would be in excess of the Non Anchor Investor Portion, all Non Anchor Investors will be provided equal allotment, and (ii) thereafter, all Non Anchor Investors who have applied for investing more than 5000 Units will be given allotment of any remaining Units (up to the Non Anchor Investor Portion) after allotments made under paragraph (i) above, pro-rata to their application amounts in excess of 5,000 Units in the manner set out in the table below :

Sr. No.	Name of Investor	Application Amount (₹ Crs.)	Amount to be Considered for Investing in the Scheme(₹ Crs.)
1	F	1050	420 {(Application amount of Investor * Maximum amount available for Subscription to these categories + Balance amount from Anchor Investor Category, if any, due to under Subscription in that category) / Total application amount received under this categories} {(1050*2100+0)/5250}
2	G	1050	{(1050*2100+0)/5250} = 420
3	H	1050	{(1050*2100+0)/5250} = 420
4	I	1050	{(1050*2100+0)/5250} = 420
5	J	1050	{(1050*2100+0)/5250} = 420

Refund

In accordance with the SEBI Regulations, if the Scheme fails to collect the Minimum Target Amount as specified above, the Mutual Fund shall be liable to refund the Subscription money to the applicants.

Also in case the amount available for allocation to any particular investor category is oversubscribed, the Mutual Fund would consider proportionate amount from each investor category for investing the proceeds in the Scheme and refund the excess amount to the applicants. Please refer to the above illustration on proportionate amount to be considered for investment in the Scheme from different Investor categories

In addition to the above, if an application is rejected or is required to be cancelled for any reason whatsoever, full amount will be refunded within fifteen days of the closure of the Non Anchor NFO Period. If the Mutual Fund refunds the Subscription money later than fifteen days from the closure of the NFO, interest @ 15% p.a. for the delayed period will be paid and charged to the AMC. The refund may be made through electronic mode or through a cheque or demand draft marked as 'Account Payee only' drawn in the name of the applicant in the case of the sole applicant and in the name of the first applicant in all other cases. The cheque or demand draft shall be sent by registered post or as permitted by SEBI Regulations.

Who can invest

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

The following persons (subject, wherever relevant, to Purchase of Units being permitted under their respective constitution and relevant state regulations) are eligible to subscribe to Units :

(i) Resident adult individuals, either singly or jointly (not exceeding three) or on anyone or survivor basis.

(ii) Minors through parents / lawful guardian.

(iii) HUF through its karta.

(iv) Partnership firms.

(v) Companies, bodies corporate, societies, association of persons, body of individuals, clubs and public sector undertakings registered in India if authorized and permitted to invest under applicable Laws and regulations.

(vi) Banks (including co-operative banks and regional rural banks), financial institutions and investment institutions incorporated in India or the Indian branches of banks incorporated outside India

(vii) NRIs / PIOs residing abroad on repatriation basis and on non-repatriation basis.

(viii) FIIs registered with SEBI on repatriation basis (subject to RBI approval).

(ix) QFIs

(x) FPIs (subject to regulations / directions prescribed by the RBI from time to time relating to FPI investments in mutual fund schemes).

(xi) Charitable or religious trusts, wakf boards or endowments and registered societies (including registered co-operative societies) and private trusts authorized to invest in units of mutual fund schemes under their trust deeds.

(xii) Army, air force, navy, para-military funds and other eligible institutions.

(xiii) Scientific and industrial research organizations.

(xiv) Multilateral funding agencies or bodies corporate incorporated outside India with the permission of GOI / RBI.

(xv) Overseas financial organizations which have entered into an arrangement for investment in India, inter-alia with a mutual fund registered with SEBI and which arrangement is approved by GOI.

(xvi) Provident / pension / gratuity / superannuation and such other retirement and employee benefit and other similar funds as and when permitted to invest.

(xvii) Insurers, insurance companies / corporations registered with the Insurance Regulatory Development Authority.

(xviii) Mutual funds registered with SEBI.

(xix) Other associations, institutions, bodies etc. authorized to invest in the Units.

(xx) Apart from the above, all other categories of Investors permitted at present and in future are eligible to invest in the Scheme.

All cheques and bank drafts accompanying the Application Form should contain the Application Form number / folio number and the name of the sole / 1st applicant / Unit holder on its reverse. It is mandatory for every applicant to provide the name of the bank, branch, address, account type and number as per SEBI requirements and any Application Form without these details will be treated as incomplete. Such incomplete applications are liable to be rejected. The Registrar / AMC may ask the Investor to provide a blank cancelled cheque for the purpose of verifying the bank account number.

Applications without relevant details of the applicant's Depository account are liable to be rejected.

Notes:

1. Returned cheques are not liable to be presented again for collection, and the accompanying Application Forms are liable to be rejected.

2. It is expressly understood that at the time of investment, the Investor / Unit holder has the express authority to invest in Units of the Scheme and the AMC / Trustees / Mutual Fund will not be responsible if such investment is *ultra vires* the relevant constitution. Subject to the SEBI Regulations, the AMC / Trustees may reject any application received in case the application is found to be invalid / incomplete or for any other reason in the AMC / Trustees' sole discretion.

3. The Trustees / AMC may also periodically add and review the persons eligible for making application for Purchase of Units under the Scheme. If a person who is a Indian Resident (i.e. 'person resident in India', as defined under The Foreign Exchange Management Act 1999, as amended from time to time) at the time of Subscription becomes a resident outside India subsequently, he / she shall have the option to either be paid the Redemption Price of the Units, or continue into the Scheme if he / she so desires and is otherwise eligible. The Trustees / AMC reserve the right to close the Unit holder account and pay such Unit holder the Redemption Price of the Units, subsequent to the Unit holder becoming a person resident outside India, should the reasons of cost, interest of other Unit holders and any other circumstances make it desirable for the AMC / Trustees to do so, in accordance with the SEBI Regulations. The Trustees / AMC may request for any information / documentation from such Unit holders in connection with change in the residential status of the Unit holder.

4. It is compulsory for Investors / Unit holders to give certain mandatory disclosures while making applications for the Subscription of Units of the Scheme / Redemption and also follow the KYC Requirements as provided in the Statement of Additional Information / Application Form. For details please refer to the section on 'How to Apply' and 'How to pay' in Statement of Additional Information.

5. The Units of the Scheme are not 'public securities' under the relevant statutes and any religious and charitable trust that seeks to invest in the Units of the Scheme will require prior approval of the appropriate authority.

6. The AMC confirms that as on the date of this SID, the constituents of the CPSE Index meet the dividend criteria laid down in the Insurance Act,1938, and hence investments in the Scheme can be classified as "Approved Investments" in terms of IRDA Circular (Ref:IRDA/F&I/INV/CIR/074/03/2014) dated March 3, 2014.

The Mutual Fund / Trustees / AMC reserve the right to include / exclude new / existing categories of Investors to invest in the Scheme from time to time, subject to applicable Laws, if any.

Rejection of the application:

Subject to the SEBI Regulations and applicable Laws, any application for Units may be accepted or rejected at the sole and absolute discretion of the Trustees / AMC. For example and without limitations, the Trustees/AMC may reject any application for the Purchase of Units if the application is received from a Prohibited Purchaser or U.S. person or Canadian resident or any other Investor to whom the Units cannot be lawfully or validly offered or by whom the Units cannot be lawfully or validly subscribed or any other additional administrative processes required with respect to such Investors or if the application is invalid or incomplete, or if, in its opinion, increasing the size of the Scheme's Unit Capital is not in the general interest of the Unit holders, or if the Trustees/ AMC for any other reason does not believe that it would be in the best interest of the Scheme or its Unit holders to accept such an application.

	Further information request by the AMC/Trustees: The AMC / Trustees may request Investors / Unit holders to provide verification of their identity or other further details as may be required in the opinion of the AMC / Trustees under applicable Laws. This may result in a delay in dealing with the applicants, Unit holders, benefits, distribution, etc.
Where can you submit the filled up applications	Duly completed Application Form(s) along with the instrument for payment for the Purchase of Units of the Scheme during the NFO Period may be submitted to any of the Official Points of Acceptance for the NFO or as notified by the AMC. For details, please refer back cover of this SID. Investors can also Subscribe for Units of the Scheme during the NFO Period by availing the Mutual Fund Service System (MFSS) and the BSE Star MF platform/facilities provided by the NSE and BSE respectively for placing orders for Purchase of Units of the Scheme.
How to Apply	Please refer to the SAI and Application Form for the instructions.
Listing	The Mutual Fund has obtained an in-principal approval of NSE and BSE for listing the Units of the Scheme. The Mutual Fund would get the Units of the Scheme listed on NSE and BSE on or before 11th April, 2014. The trading will be as per the normal settlement cycle. The AMC reserves the right to list the Units of the Scheme on any other recognized stock exchange.
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.	Presently, the AMC does not intend to re-issue the Units once Redeemed. The number of Units held by the Unit holder in his demat mode will stand reduced by the number of Units Redeemed.
Special Products / facilities available during the NFO	Investors can also Subscribe for Units of the Scheme during the NFO Period by availing the Mutual Fund Service System (MFSS) and the BSE Star MF platform/facilities provided by the NSE and BSE respectively for placing orders for Purchase of Units of the Scheme. The Scheme does not offer systematic investment plan, systematic transfer plan or systematic withdrawal plan.
RGESS Eligibility	As announced in the Union Budget 2012-13, the Finance Act 2012 has introduced a new section 80CCG on 'Deduction in respect of investment made under an equity savings scheme' to give tax benefits to new investors who invest up to ₹ 50,000 and whose gross total annual income is less than or equal to ₹ 12 lakhs. The Department of Revenue, Ministry of Finance (MoF) has vide notification 94/2013 dated December 18, 2013, notified RGESS. The notification is available on the website of Income Tax Department under section "Notifications" which also furnish the details for procedure at time of opening demat account, procedure for investment under the RGESS, period of holding requirements etc. The Exchanges shall furnish list of RGESS eligible stocks / ETFs / mutual fund schemes on their website. The objective of RGESS is to encourage the savings of the small investors in domestic capital market. The eligible Investors shall apply for claiming deduction in the computation of total income of the assessment year relevant to a previous year on account of investment in the Scheme under sub-section (1) of section 80CCG of the Income-tax Act, 1961. The deduction under RGESS shall be available to Retail Individual Investor who complies with the conditions of RGESS

and whose gross total income for the financial year in which the investment is made under the Scheme is less than or equal to twelve lakh Rupees.

A "Retail Individual Investor" means the following resident individuals:-

(a) who has not opened a demat account and has not made any transactions in the derivative segment before the date of opening of a demat account or the first day of the initial year, whichever is later.

(b) who has opened a demat account but has not made any transactions in the equity segment or the derivative segment before the date he designates his existing demat account for the purposes of availing the benefit under the RGESS or the first day of the initial year, whichever is later.

(c) who is not the first account holder of an existing joint demat account shall be deemed to have not opened a demat account for the purposes of the RGESS.

B "Initial year" means

(a) The financial year in which the investor designates his demat account as Rajiv Gandhi Equity Savings Scheme account and makes investment in the eligible securities for availing deduction under the RGESS; or

(b) The financial year in which the investor makes investment in eligible securities for availing deduction under the RGESS for the first time, if the investor does not make any investment in eligible securities in the financial year in which the account is so designated

C "Eligible securities" means any of the following:-

(a) Equity shares, on the day of purchase, falling in the list of equity declared as "BSE-100" or "CNX-100" by the Bombay Stock Exchange and the National Stock Exchange, as the case may be.

(b) Equity shares of public sector enterprises which are categorized as Maharatna, Navratna or Miniratna by the Central Government.

(c) Units of Exchange Traded Funds (ETFs) or Mutual Fund (MF) schemes with RGESS eligible securities as underlying, as mentioned in sub-clause (a) or sub clause (b) above, provided they are listed and traded on a stock exchange and settled through a depository mechanism;

(d) Follow on Public Offer of sub-clauses (a) and (b) above.

(e) New Fund Offers (NFOs) of sub-clause (c) above.

(f) Initial Public Offer of a public sector undertaking wherein the government shareholding is at least fifty one per cent which is scheduled for getting listed in the relevant previous year and whose annual turnover is not less than four thousand crore rupees during each of the preceding three years.

The Depository Participant shall certify the Retail Individual Investor status of the assesse at the time of designating his demat account as demat account for the purpose of the Scheme. The Depository Participant shall furnish an annual statement of the eligible securities invested in or traded through the demat account to the demat account holder. The Exchanges shall furnish list of RGESS eligible stocks / ETFs / mutual fund schemes on their website.

The period of holding of eligible securities invested in each financial year shall be three years to be counted in the manner hereafter provided:

1. All eligible securities shall be held for a period called the fixed lock-in period which shall commence from the date of purchase of such securities in the relevant financial year and end on the 31st day of March of the year immediately following the relevant financial year.
2. The Retail Individual Investor shall not be permitted to sell, pledge or hypothecate any eligible security during the fixed lock-in period.
3. The period of two years beginning immediately after the end of the fixed lock-in period shall be called the flexible lock-in period.

4. The Retail Individual Investor shall be permitted to trade the eligible securities after the completion of the fixed lock-in period subject to the following conditions:-
   (a) The Retail Individual Investor shall ensure that the demat account under the RGESS is compliant for a cumulative period of a minimum of two hundred and seventy days during each of the two years of the flexible lock-in period as laid down hereunder:-
      i. The value of the investment portfolio of the eligible securities referred to in sub-clauses (ii), (iii) and (iv) shall be exclusive of value of the investment portfolio of eligible securities which are in fixed lock-in for any financial year;
      ii. The demat account shall be considered compliant for the number of days where value of the investment portfolio of eligible securities , within the flexible lock-in period, is equal to or higher than the amount claimed as investment for the purposes of deduction under section 80CCG of the Act;
      iii. in case the value of investment portfolio in the demat account falls due to fall in the market rate of eligible securities in the flexible lock in period, then notwithstanding sub clause(ii),
         1. The demat account shall be considered compliant from the first day of the flexible lock in period to the day any such eligible securities are sold during this period;
         2. Where the assesse sells the eligible securities mentioned in sub-clause (ii) from his demat account, and purchases eligible securities, the said demat account shall be compliant from the day on which the value of the investment portfolio in the account becomes –
            a. At least equivalent to the investment claimed as eligible for deduction under section 80CCG of the Act or;
            b. The value of the investment portfolio under the RGESS before such sale, whichever is less.
      iv. Credit of eligible securities in the demat account exceeding the compliance requirements as per sub-clauses (ii) and (iii) shall be considered as fresh investment of the financial year in which the investment is made and shall be eligible for deduction in accordance with sub-section (1) of section 80CCG of the Act in the financial year;
   (b) The balance of the investment portfolio of eligible securities in the demat account, at any point of time during the flexible lock-in period, shall not be less than the amount corresponding to the value of the securities in the fixed lock-in.
5. The Retail Individual Investor’s demat account created under the RGESS shall, on the expiry of the period of holding of the investment relevant to the last financial year for which the deduction has been claimed, be converted automatically into an ordinary demat account.
6. For the purpose of valuation of investment during the flexible lock in period, the closing price as on the previous day of the date of trading shall be considered.
7. While making the initial investments up to fifty thousand rupees, the total cost of acquisition of eligible securities shall not include brokerage charges, securities transaction tax, stamp duty, service tax and all taxes, which are appearing in the contract note.
8. Where the investment of the Retail Individual Investor undergoes a change as a result of involuntary corporate actions like demerger of companies, amalgamation, etc. resulting in debit or credit of securities covered under the RGESS, the deduction claimed by such investor shall not be affected.
9. In case of voluntary corporate actions like buy-back, etc. resulting only in debit of securities, where Retail Individual Investor has the option to exercise

	his choice, the same shall be considered as a sale transaction for the purpose of the RGESS. 10. SEBI shall notify the corporate actions, allowed under the RGESS in this regard. The Scheme shall invest in equity shares of public sector enterprises which are categorized as Maharatna, Navratna or Miniratna by the Central Government which forms a part of eligible investment criteria for RGESS. Thus, investments in the Scheme would qualify for tax benefits under RGESS, subject to investors fulfilling the other eligibility criteria of 80CCG of the Income-tax Act, 1961. Investors / Unit holders are advised to take note that the Scheme will be eligible and in compliance with the provisions of the RGESS guidelines notified by the Ministry of Finance vide notification no. 94/2013 dated December 18, 2013 and SEBI circular CIR/MRD/DP/32/2012 dated December 6, 2012 and such other notifications issued from time to time, as may be applicable. It is expressly understood that at the time of investment, the Investor/Unit holder has the express authority to invest in the Units of the Scheme and the onus of the investment being compliant with the relevant constitution is on the Investor. The Scheme may or may not be an eligible Scheme under RGESS on a continuous basis. Further, the Mutual Fund would also display the list of its schemes which are RGESS eligible schemes on its website www.gsam.in on an on-going basis. Investors / Unit holders are requested to visit the website to identify the eligible Schemes before investment. Investors should consult their professional tax advisor for possible RGESS related tax implications before initiating any investment into the Scheme.
Restrictions, if any, on the right to freely retain or dispose of Units being offered.	As the Units of the Scheme will be issued in demat (electronic) form, the Units will be transferred and transmitted in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time. **Right to Limit Fresh Subscription** The Trustees reserve the right at its sole discretion to withdraw / suspend the allotment / Subscription of Units in the Scheme temporarily or indefinitely, at the time of NFO or otherwise, if it is viewed that increasing the size of the Scheme may prove detrimental to the Unit holders of the Scheme . An order to Purchase the Units is not binding on and may be rejected by the Trustees or the AMC unless it has been confirmed in writing by the AMC and/or payment has been received.

B. ONGOING OFFER DETAILS

Ongoing Offer Period *This is the date from which the scheme will reopen for Subscription / Redemption after the closure of the NFO Period.*	Within five Working Days from allotment of Units after the closure of the NFO
Ongoing Price for Subscription by Investors.	**Directly with the Mutual Fund** Units of the Scheme in less than Creation Unit cannot be Purchased directly with the Mutual Fund. ‘Creation Unit’ is a fixed number of Units of the Scheme, which is exchanged for a basket of Securities underlying the Index called the Portfolio Deposit and Cash Component. The facility of Subscribing to

Units in Creation Unit Size is available to the Authorised Participants whose names will be available on the website of the Mutual Fund www.gsam.in, and Large Investors.

The number of Units of the Scheme that Investors can create in exchange of the Portfolio Deposit and Cash Component is 100,000 (One Lakh) Units and in multiples thereof.

The Mutual Fund may from time to time change the size of the Creation Unit in order to equate it with marketable lots of the underlying instruments.

The Portfolio Deposit and Cash Component are defined as follows: -

a. **Portfolio Deposit:** This is a pre-defined basket of Securities that represent the underlying index and will be defined and announced by the Mutual Fund on daily basis and can change from time to time.

   Details of the Portfolio Deposit will be disclosed on the website of the Mutual Fund at www.gsam.in on daily basis in the morning and would be applicable for creating Units in Creation Unit Size for that Working Day only.

b. **Cash Component for Creating in Creation Unit Size:** The Cash Component represents the difference between the Applicable NAV of a Creation Unit and the market value of the Portfolio Deposit. This difference will represent accrued dividend, accrued annual charges including management fees and residual cash in the Scheme. In addition the Cash Component will include transaction cost as charged by the Custodian / Depository Participant, equalization of dividend and other incidental expenses for creating Units. In addition the Cash Component for creation will also include Entry Load, as may be levied by the Mutual Fund from time to time and statutory levies, if any. The Cash Component for creation will vary from time to time and will be decided and announced by the AMC on the website of the Mutual Fund and other data providers and media at large. Details of the Cash Component will be disclosed on the website of the Mutual Fund at www.gsam.in on daily basis in the morning and would be applicable for creating Units in Creation Unit Size for that Working Day only.

Procedure for creation in Creation Unit Size

The requisite Securities constituting the Portfolio Deposit of the Scheme have to be transferred to the Mutual Fund's Depository Participant account while the Cash Component has to be paid to the Custodian / AMC. On confirmation of the same by the Custodian / AMC, the AMC will transfer the respective number of Units of the relevant Scheme into the Investor's Depository Participant account. The AMC may create Creation Unit prior to receipt of all or a portion of the relevant Portfolio Deposit and Cash Component in certain circumstances where the purchaser, among other things, posts collateral to secure its obligation to deliver such outstanding Portfolio Deposit and Cash Component.

In addition to the above, the Mutual Fund may allow cash Purchases of Units of the Scheme in Creation Unit Size by Large Investors / Authorized Participants. Purchase request for Creation Unit shall be

	made by such Investor to the Mutual Fund / AMC where upon the Mutual Fund / AMC will arrange to buy the underlying portfolio of Securities. The Investor who has requested for cash Purchases of Units of the Scheme in Creation Unit Size, will have to bear any cost incidental to the purchase of the underlying portfolio Securities and such cost shall be reimbursed to Scheme. The Portfolio Deposit and Cash Component will be exchanged for the Units of the relevant Scheme in Creation Unit Size. **On the Exchange** As the Units of the Scheme would be listed on NSE and BSE, an Investor can buy Units on continuous basis on the capital market segment of NSE and BSE during trading hours like any other publicly traded stock at prices which may be close to the actual NAV of the Scheme. The minimum number of Units that can be bought through the Exchange is 1(one) Unit of CPSE ETF.
Ongoing Price for Redemption by Investors. *This is the price you receive for Redemption.* *Example : If the applicable NAV is ₹ 10 Exit Load is 2% then the Redemption price will be :* *₹ 10 * (1 - 0.02) = ₹ 9.80*	**Directly with the Mutual Fund** **(i) In Creation Unit Size** Units of the Scheme in less than Creation Unit cannot be Redeemed directly with the Mutual Fund. 'Creation Unit' is a fixed number of Units of the Scheme, which is exchanged for a basket of Securities called the Portfolio Deposit and Cash Component. The facility of redeeming Units in Creation Unit Size is available to the Authorised Participants whose names will be available on the website of the Mutual Fund www.gsam.in, and Large Investors. The number of Units of the Scheme that Investors can redeem in exchange of the Portfolio Deposit and Cash Component is 100,000 (One Lakh) Units and in multiples thereof. The Mutual Fund may from time to time change the size of the Creation Unit in order to equate it with marketable lots of the underlying instruments. The Portfolio Deposit and Cash Component are defined as follows:- a. **Portfolio Deposit:** This is a pre-defined basket of Securities that represent the underlying index and will be defined and announced by the Mutual Fund on daily basis and can change from time to time. Details of the Portfolio Deposit will be disclosed on the website of the Mutual Fund at www.gsam.in on daily basis in the morning and would be applicable for Redeeming Units in Creation Unit Size for that Working Day only. b. **Cash Component for Redemption in Creation Unit Size:** The Cash Component represents the difference between the Applicable NAV of a Creation Unit and the market value of the Portfolio Deposit. This difference will represent accrued dividend, accrued annual charges including management fees and residual cash in the Scheme. Any transaction cost charged by the Custodian / DP, equalization of Dividend and other incidental expenses for Redeeming Units will also form part of Cash Component. In addition

	the Cash Component for Redemption will also include Exit Load, as may be levied by the Mutual Fund from time to time and statutory levies, if any. The Cash Component for Redemption will vary from time to time and will be decided and announced by the AMC on the website of the Mutual Fund and other data providers and media at large. Details of the Cash Component will be disclosed on the website of the Mutual Fund at www.gsam.in on daily basis in the morning and would be applicable for Redeeming Units in Creation Unit Size for that Working Day only. **Procedure for Redemption in Creation Unit Size** The requisite number of Units of the Scheme equalling the Creation Unit has to be transferred to the Mutual Fund's DP account and the Cash Component to be paid to the AMC / Custodian. On confirmation of the same by the AMC, the AMC will transfer the Portfolio Deposit to the Investor's DP account and pay the Cash Component, if applicable. The AMC may Redeem Creation Unit of the Scheme prior to receipt of all or portion of the relevant Units of the Scheme in certain circumstances where the Investor, among other things, posts collateral to secure its obligation to deliver such outstanding Units of the Scheme. In certain circumstances, the Mutual Fund may allow cash Redemption of the Units of the Scheme in Creation Unit Size by Large Investors / Authorized Participant. Such Investors shall make Redemption request to the Mutual Fund / AMC whereupon the Mutual Fund / AMC will arrange to sell underlying portfolio Securities on behalf of the Investor. Accordingly, the sale proceeds of portfolio Securities, after adjusting necessary charges / costs, will be remitted to the Investor. The Investor who has requested for cash Redemption of Units of the Scheme in Creation Unit Size, will have to bear any cost incidental to the sale of the underlying portfolio Securities and such cost shall be deducted from the cash consideration to be paid back to such Investor. **(ii) Other than Creation Unit Size** Unit holders can redeem their Units of the Scheme other than in Creation Unit Size directly with the Mutual Fund in case there have been no quotes on the NSE for 5 consecutive trading days. The Redemption proceeds would be paid in cash and would be as per the NAV of the Scheme declared by the Mutual Fund at the end of the day on which the Redemption request is received, subject to an Exit Load as detailed under Section IV(D) (Load Structure) of this SID. **On the Exchange** As the Units of the Scheme would be listed on NSE and BSE, an Investor can sell Units on continuous basis on the capital market segment of NSE and BSE during trading hours like any other publicly traded stock at prices which may be close to the actual NAV of the Scheme. The minimum number of Units that can be sold through the Exchange is 1(one) Unit of CPSE ETF.
Cut-off timing for Subscriptions/ Redemptions *This is the time before which your application (complete in*	**Investors / Unit holders to note that the below mentioned Cut-off time are not applicable to transactions undertaken on a recognised Stock Exchange and are only applicable to transactions undertaken at the Official Points of Acceptance.**

all respects) should reach the Official Points of Acceptance	The Cut-off time for receipt of valid application for Subscriptions and Redemptions is 3.00 p.m. However, as the Scheme is an Exchange Traded Fund, the Subscriptions and Redemptions of Units would be based on the Portfolio Deposit and Cash Component as defined by the Mutual Fund for that respective Working Day.
Tap Structure	**Overview** Under the Tap Structure, during the Ongoing Offer Period, Investors/ Unit holders will be able to Subscribe for Units of the Scheme in multiples of Creation Unit size at a predetermined discount (if any) as set out in this SID. For the Tap Structure, the Scheme will announce at least 5 Working Days before the commencement of each quarter the maximum number of Units in Creation Unit size which will be made available by the Scheme for Subscription in the next quarter under the Tap Structure, i.e. the Tap Issue Limit. If the limit is reached at any particular time on any particular Working Day during the quarter, the Tap Structure shall be immediately stopped for that particular quarter. Under the Tap Structure, the underlying CPSE Index shares (in the form of an Index basket) will be purchased by the Scheme directly from the GOI on every Working Day (as required) for every calendar quarter up to a quarterly limit allocated by GOI to the Scheme. **Under the Tap Structure, Investors can only Purchase Units in multiples of the Creation Unit size by paying cash, and the AMC/Scheme will not accept any Portfolio Deposit(s) from the Investors for such Purchases.** Upon receipt of a request and subscription amount from the Investor to Purchase Creation Unit(s), the Mutual Fund will purchase the underlying CPSE Index constituents (i.e. the Portfolio Deposit) from the GOI on behalf of the Investor. The Portfolio Deposit and Cash Component will be exchanged for the Units of the Scheme in Creation Unit Size. The Portfolio Deposit and Cash Component to be considered for Subscribing to Units of the Scheme under the Tap Structure will be as of the Working Day on which the Investor wants to Subscribe to the Units under the Tap Structure. Details of the Portfolio Deposit as well as Cash Component will be disclosed on the website of the Mutual Fund at www.gsam.in under the Creation Unit section of the Scheme on each Working Day. **Quarterly Tap Issue Limit** The Scheme will announce at least 5 Working Days before which the commencement of each calendar quarter (being the period of three months ending on 31 March, 30 June, 30 September and 31 December in each year), the maximum number of Units (the "**Tap Issue Limit**" will be in multiples of Creation Unit Size) which will be made available in the following quarter for Subscription under the Tap Structure. During ongoing offer period the Tap Structure will commence from the quarter beginning 1 July, 2014. Post the start of any particular quarter the number of Creation Units comprising the CPSE Index basket available for Subscription under Tap Structure on any particular Working Day shall be disclosed on the website of the Mutual Fund (www.gsam.in) by 9.00 am based on the Tap Issue Limit for that particular quarter and the Creation Units already subscribed under Tap Structure till the previous closing day from the start date of that particular quarter. If the limit is reached at any particular time on any

particular Working Day during the quarter, the Tap Structure shall be immediately stopped for the rest of that particular quarter. Applications for purchase of Creation Units under Tap Structure will be considered by Mutual Fund on a first-come, first-serve basis up to the Tap Issue Limit for that particular quarter. The "Tap Issue Limit" for Subscribing to Units through the Tap Structure will be published by way of notice every quarter and displayed on the Mutual Fund website (www.gsam.in)/ Investor Services Centers (ISCs).

Please note that GOI's disinvestment of constituents of the CPSE Index for this Scheme through the NFO and the Tap Structure is subject to a maximum limit of 3 % of the paid up share capital of each of the constituents of the CPSE Index.

In case the above mentioned limit is exhausted, fresh limits will have to be approved by the GOI from the EGOM. Such fresh limits, as approved by the EGOM, would be informed to the Mutual Fund for divestment of constituents of CPSE Index through the Tap Structure. In the event approval of EGOM is not obtained for such fresh limits, GOI will not be able to further divest the constituents of CPSE Index through the Tap Structure, and consequently the Scheme will not be able to provide the Tap Structure.

Allotment of Units

The allotment date of Units will be as of the day on which Investors have applied for the Units under the Tap Structure. The Units to be issued under the Tap Structure will be credited to the depository account of the applicant on the next Working Day from the allotment date. Investors to also note that, in the event the Scheme does not receive the underlying CPSE Securities from the GOI for any reason whatsoever, the AMC/ Fund reserves the right to cancel the Units allotted to the Investor, reverse the transaction of crediting Units in the Unit holder's account and refund the Subscription amount received from the Investor in accordance with the provisions set out in this SID.

Tap Structure Discount (if any) Offered by GOI to CPSE ETF

A discount of a specified % on the "Tap Structure Reference Market Price" of the underlying shares of CPSE Index shall be offered by GOI to the Scheme for buying the underlying shares of the CPSE Index on behalf of Investors Subscribing to the Units under Tap Structure. The percentage of discount offered by GOI to the Scheme would be announced at least 5 Working Days before the opening of Tap Structure for each quarter and the same will be published by way of notice every quarter and displayed on the Mutual Fund website (www.gsam.in)/ Investor Service Centers (ISCs).

Any excess cash to be refunded to the Investor on account of the discount offered by GOI on purchasing the underlying shares of the CPSE Index, will be refunded by Mutual Fund within 5 Working Days from the date of allotment of such Units under the Tap Structure.

Investors should note that the above mentioned discount (if any) on the 'Tap Structure Reference Market Price' may not be a discount to the closing market price of the underlying shares of CPSE Index. An illustration in this regard is set out below:

Discount offered by GOI – 0.25% (assumed)

Full day volume weighted average price (VWAP) on the NSE on the Subscription day for each of the constituents of the Index, namely stock A, stock B and stock C :

	Full day VWAP on NSE for Stock A (₹)	**Full day VWAP on NSE for Stock B (₹)**	**Full day VWAP on NSE for Stock C (₹)**
Day on which the Investor Subscribe for Units of the Scheme through the 'Tap Structure'	10	21	50
Discount offered by GOI to the Scheme on the full day VWAP	0.25%	0.25%	0.25%
Discounted price at which the Mutual Fund will purchase the stocks (i.e. the Portfolio Deposit) from the GOI on behalf of the Investor on the Subscription day	9.98	20.95	49.88
Closing market price of the relevant stock on the NSE on the Subscription day	9.5	21	47

From the above illustration it is clear that the discounted price (which will be based on the full day VWAP for each of the index constituents) at which the Mutual Fund will purchase the underlying CPSE Index constituents (i.e. the Portfolio Deposit) from the GOI on behalf of the Investor on the Subscription day may or may not be lower than the closing market price of each of these index constituents as on the Subscription day.

Suspension of Tap Structure
The GOI may suspend sale of shares underlying the CPSE Index under Tap Structure for any particular quarter. Consequently the Mutual Fund/AMC could also suspend allotment of Units under the Tap Structure for such or any other quarter(s). Mutual Funds will issue a notice atleast 5 Working Days before the start of any particular quarter to inform Investors about any suspension of any Tap Structure for the following quarter. The notice will be displayed on the Mutual Fund website (www.gsam.in) / Investor Service Centers (ISCs).

Refund
If an application is rejected due to breach of the Tap Issue Limit for any particular quarter or for any other reasons or Units are required to be cancelled as set out under this SID, full Subscription amount will be refunded to the Investor within a period of 5 Working Days from the date of receipt of application by the AMC.

Additionally, any excess cash to be refunded to the Investor on account

	of the discount offered by GOI on purchase of underlying shares of CPSE Index, will be refunded by Mutual Fund within 5 Working Days from the date of allotment of Units under the Tap Structure. If the Mutual Fund refunds the money later than 5 Working Days, interest @ 15% p.a. for delayed period will be paid and charged to the AMC. The refund may be through electronic mode or through a cheque or demand draft marked as 'Account Payee only' drawn in the name of the applicant in the case of the sole applicant and in the name of the first applicant in all other cases. The cheque or demand draft will be sent by registered post or as permitted by SEBI Regulations.
Dematerialization	i. The Units of the Scheme will be available only in the Dematerialized (electronic) mode. ii. The applicant under the Scheme will be required to have a beneficiary account with a Depository Participant of NSDL / CDSL and will be required to indicate in the application the DP's name, DP ID Number and beneficiary account number of the applicant with the DP or such details requested in the Application Form / Transaction Form. iii. The Units of the Scheme will be issued / repurchased and traded compulsorily in dematerialized form. iv. Applications without relevant details of his / her / their Depository account are liable to be rejected.
Who can invest *This is an indicative list and you are requested to consult your financial advisor to ascertain whether the Scheme is suitable to your risk profile.*	The following persons (subject, wherever relevant, to Purchase of Units being permitted under their respective constitution and relevant state regulations) are eligible to subscribe to Units : (i) Resident adult individuals, either singly or jointly (not exceeding three) or on anyone or survivor basis. (ii) Minors through parents / lawful guardian. (iii) HUF through its karta. (iv) Partnership firms. (v) Companies, bodies corporate, societies, association of persons, body of individuals, clubs and public sector undertakings registered in India if authorized and permitted to invest under applicable Laws and regulations. (vi) Banks (including co-operative banks and regional rural banks), financial institutions and investment institutions incorporated in India or the Indian branches of banks incorporated outside India (vii) NRIs / PIOs residing abroad on repatriation basis and on non-repatriation basis. (viii) FIIs registered with SEBI on repatriation basis (subject to RBI approval). (ix) QFIs (x) FPIs (subject to regulations / directions prescribed by the RBI from

time to time relating to FPI investments in mutual fund schemes).

(xi) Charitable or religious trusts, wakf boards or endowments and registered societies (including registered co-operative societies) and private trusts authorized to invest in units of mutual fund schemes under their trust deeds.

(xii) Army, air force, navy, para-military funds and other eligible institutions.

(xiii) Scientific and industrial research organizations.

(xiv) Multilateral funding agencies or bodies corporate incorporated outside India with the permission of GOI / RBI.

(xv) Overseas financial organizations which have entered into an arrangement for investment in India, inter-alia with a mutual fund registered with SEBI and which arrangement is approved by GOI.

(xvi) Provident / pension / gratuity / superannuation and such other retirement and employee benefit and other similar funds as and when permitted to invest.

(xvii) Insurers, insurance companies / corporations registered with the Insurance Regulatory Development Authority.

(xviii) Mutual funds registered with SEBI.

(xix) Other associations, institutions, bodies etc. authorized to invest in the Units.

(xx) Apart from the above, all other categories of Investors permitted at present and in future are eligible to invest in the Scheme.

All cheques and bank drafts accompanying the Application Form should contain the Application Form number / folio number and the name of the sole / 1st applicant / Unit holder on its reverse. It is mandatory for every applicant to provide the name of the bank, branch, address, account type and number as per SEBI requirements and any Application Form without these details will be treated as incomplete. Such incomplete applications are liable to be rejected. The Registrar / AMC may ask the Investor to provide a blank cancelled cheque for the purpose of verifying the bank account number.

Applications without relevant details of the applicant's Depository account are liable to be rejected.

Notes:

1. Returned cheques are not liable to be presented again for collection, and the accompanying Application Forms are liable to be rejected.

2. It is expressly understood that at the time of investment, the Investor / Unit holder has the express authority to invest in Units of the Scheme and the AMC / Trustees / Mutual Fund will not be responsible if such investment is *ultra vires* the relevant constitution. Subject to the SEBI Regulations, the AMC / Trustees may reject any application received in

case the application is found to be invalid / incomplete or for any other reason in the AMC / Trustees' sole discretion.

3. The Trustees / AMC may also periodically add and review the persons eligible for making application for Purchase of Units under the Scheme. If a person who is a Indian Resident (i.e. 'person resident in India', as defined under The Foreign Exchange Management Act 1999, as amended from time to time) at the time of Subscription becomes a resident outside India subsequently, he / she shall have the option to either be paid the Redemption Price of the Units, or continue into the Scheme if he / she so desires and is otherwise eligible. The Trustees / AMC reserve the right to close the Unit holder account and to pay the Redemption Price of the Units, subsequent to the Unit holder becoming a person resident outside India, should the reasons of cost, interest of other Unit holders and any other circumstances make it desirable for the AMC / Trustees to do so, in accordance with the SEBI Regulations. The Trustees / AMC may request for any information / documentation from such Unit holders in connection with change in the residential status of the Unit holder.

4. It is compulsory for Investors / Unit holders to give certain mandatory disclosures while making applications for the Subscription of Units of the Scheme / Redemption and also follow the KYC Requirements as provided in the Statement of Additional Information / Application Form. For details please refer to the section on 'How to Apply' and 'How to pay' in Statement of Additional Information.

5. The Units of the Scheme are not 'public securities' under the relevant statutes and any religious and charitable trust that seeks to invest in the Units of the Scheme will require prior approval of the appropriate authority.

6. The AMC confirms that as on the date of this SID, the constituents of the CPSE Index meet the dividend criteria laid down in the Insurance Act,1938, and hence investments in the Scheme can be classified as "Approved Investments" in terms of IRDA Circular (Ref:IRDA/F&I/INV/CIR/074/03/2014) dated March 3, 2014.

The Mutual Fund / Trustees / AMC reserve the right to include / exclude new / existing categories of Investors to invest in the Scheme from time to time, subject to applicable Laws, if any.

Rejection of the application:

Subject to the SEBI Regulations and applicable Laws, any application for Units may be accepted or rejected at the sole and absolute discretion of the Trustees / AMC. For example and without limitations, the Trustees/AMC may reject any application for the Purchase of Units if the application is received from a U.S. person or any other Investor to whom the Units cannot be lawfully or validly offered or by whom the Units cannot be lawfully or validly subscribed or any other additional administrative processes required with respect to such Investors or if the application is invalid or incomplete, or if, in its opinion, increasing the size of the Scheme's Unit Capital is not in the general interest of the Unit holders, or if the Trustees/ AMC for any other reason does not believe that it would be in the best interest of the Scheme or its Unit holders to accept such an application.

	Further information request by the AMC/Trustees: The AMC / Trustees may request Investors / Unit holders to provide verification of their identity or other further details as may be required in the opinion of the AMC / Trustees under applicable Laws. This may result in a delay in dealing with the applicants, Unit holders, benefits, distribution, etc.
How to Apply	Please refer to the SAI and Application form for the instructions.
Where can the applications for Subscription / Redemption be submitted?	Duly completed Application Form(s) / Transaction Form(s) (along with the instrument for payment, as applicable) for the Purchase / Redemption of Units of the Scheme during the Ongoing Offer Period may be submitted to any of the Official Points of Acceptance as notified by the AMC. For details, please refer back cover of this SID. The AMC has the right to designate additional centers as the Official Points of Acceptance during the Ongoing Offer Period and change such centers, if it deems fit. Switch-in/Switch-out requests will not be accepted under the scheme.
Minimum Amount for Purchase/Redemption	**Directly with Fund** – The minimum number of Units of the Scheme that Investors can Purchase / Redeem in exchange of Portfolio Deposit and Cash Component is 1 Creation Unit (i.e. 100,000 Units) and in multiples thereof. **On the Exchange –** The Units of the Scheme can be bought / sold in round lot of 1 Unit and multiples thereof.
Minimum balance to be maintained and consequences of non-maintenance.	There is no minimum balance requirement.
Special products available	The Scheme does not offer systematic investment plan, systematic transfer plan or systematic withdrawal plan.
Plans / Options Offered	The Scheme offers only Growth Option. Unit holders are to note that the Trustees may at their absolute discretion reserve the right to declare Dividend from time to time (which will be paid out to the Unit holders) in accordance with the Dividend Policy set out below. The AMC and the Trustees reserve the right to introduce such other plans/options as they deem necessary or desirable from time to time, in accordance with the SEBI Regulations.
RGESS Eligibility	As announced in the Union Budget 2012-13, the Finance Act 2012 has introduced a new section 80CCG on 'Deduction in respect of investment made under an equity savings scheme' to give tax benefits to new investors who invest up to ₹ 50,000 and whose gross total annual income is less than or equal to ₹ 12 lakhs. The Department of Revenue, Ministry of Finance (MoF) has vide notification 94/2013 dated December 18, 2013, notified RGESS. The notification is available on the website of Income Tax Department under section "Notifications" which also furnish the details for procedure at time of opening demat account, procedure for investment under the RGESS, period of holding requirements etc. The Exchanges shall furnish list of RGESS eligible stocks / ETFs / mutual fund schemes on their website. The objective of RGESS is to encourage the savings of the small investors in domestic capital market. The eligible Investors shall apply

for claiming deduction in the computation of total income of the assessment year relevant to a previous year on account of investment in the Scheme under sub-section (1) of section 80CCG of the Income-tax Act, 1961. The deduction under RGESS shall be available to a Retail Individual Investor who complies with the conditions of RGESS and whose gross total income for the financial year in which the investment is made under the Scheme is less than or equal to twelve lakh Rupees.

A "Retail Individual Investor" means the following resident individuals:-

(a) who has not opened a demat account and has not made any transactions in the derivative segment before the date of opening of a demat account or the first day of the initial year, whichever is later

(b) who has opened a demat account but has not made any transactions in the equity segment or the derivative segment before the date he designates his existing demat account for the purposes of availing the benefit under the RGESS or the first day of the initial year, whichever is later.

(c) who is not the first account holder of an existing joint demat account shall be deemed to have not opened a demat account for the purposes of the RGESS.

B "Initial year" means

(a) The financial year in which the investor designates his demat account as Rajiv Gandhi Equity Savings Scheme account and makes investment in the eligible securities for availing deduction under the RGESS; or

(b) The financial year in which the investor makes investment in eligible securities for availing deduction under the RGESS for the first time, if the investor does not make any investment in eligible securities in the financial year in which the account is so designated

C. "Eligible securities" means any of the following:-

(a) Equity shares, on the day of purchase, falling in the list of equity declared as "BSE-100" or "CNX-100" by the Bombay Stock Exchange and the National Stock Exchange, as the case may be.

(b) Equity shares of public sector enterprises which are categorized as Maharatna, Navratna or Miniratna by the Central Government.

(c) Units of Exchange Traded Funds (ETFs) or Mutual Fund (MF) schemes with RGESS eligible securities as underlying, as mentioned in sub-clause (a) or sub clause (b) above, provided they are listed and traded on a stock exchange and settled through a depository mechanism;

(d) Follow on Public Offer of sub-clauses (a) and (b) above.

(e) New Fund Offers (NFOs) of sub-clause (c) above.

(f) Initial Public Offer of a public sector undertaking wherein the government shareholding is at least fifty one per cent which is scheduled for getting listed in the relevant previous year and whose annual turnover is not less than four thousand crore rupees during each of the preceding three years.

The Depository Participant shall certify the Retail Individual Investor status of the assesse at the time of designating his demat account as demat account for the purpose of the Scheme. The Depository Participant shall furnish an annual statement of the eligible securities invested in or traded through the demat account to the demat account holder. The Exchanges shall furnish list of RGESS eligible stocks / ETFs / mutual fund schemes on their website.

The period of holding of eligible securities invested in each financial year shall be three years to be counted in the manner hereafter provided:

1. All eligible securities shall be held for a period called the fixed lock-in period which shall commence from the date of purchase of such securities in the relevant financial year and end on the 31st day of March of the year immediately following the relevant financial year.
2. The Retail Individual Investor shall not be permitted to sell, pledge or hypothecate any eligible security during the fixed lock-in period.
3. The period of two years beginning immediately after the end of the fixed lock-in period shall be called the flexible lock-in period.
4. The Retail Individual Investor shall be permitted to trade the eligible securities after the completion of the fixed lock-in period subject to the following conditions:-
   (a) The Retail Individual Investor shall ensure that the demat account under the RGESS is compliant for a cumulative period of a minimum of two hundred and seventy days during each of the two years of the flexible lock-in period as laid down hereunder:-
      i. The value of the investment portfolio of the eligible securities referred to in sub-clauses (ii), (iii) and (iv) shall be exclusive of value of the investment portfolio of eligible securities which are in fixed lock-in for any financial year;
      ii. The demat account shall be considered compliant for the number of days where value of the investment portfolio of eligible securities , within the flexible lock-in period, is equal to or higher than the amount claimed as investment for the purposes of deduction under section 80CCG of the Act;
      iii. in case the value of investment portfolio in the demat account falls due to fall in the market rate of eligible securities in the flexible lock in period, then notwithstanding sub clause(ii),
         1. The demat account shall be considered compliant from the first day of the flexible locking period to the day any such eligible securities are sold during this period;
         2. Where the assesse sells the eligible securities mentioned in sub-clause (ii) from his demat account, and purchases eligible securities, the said demat account shall be compliant from the day on which the value of the investment portfolio in the account becomes –
            a. At least equivalent to the investment claimed as eligible for deduction under section 80CCG of the Act or;
            b. The value of the investment portfolio under the RGESS before such sale, whichever is less.
      iv. Credit of eligible securities in the demat account exceeding the compliance requirements as per sub-clauses (ii) and (iii) shall be considered as fresh investment of the financial year in which the investment is made and shall be eligible for deduction in accordance with sub-section (1) of section 80CCG of the Act in the financial year;
   (b) The balance of the investment portfolio of eligible securities in the demat account, at any point of time during the flexible lock-in period, shall not be less than the amount corresponding to the value of the securities in the fixed lock-in.

	5. The Retail Individual Investor's demat account created under the RGESS shall, on the expiry of the period of holding of the investment, relevant to the last financial year for which the deduction has been claimed, be converted automatically into an ordinary demat account. 6. For the purpose of valuation of investment during the flexible lock in period, the closing price as on the previous day of the date of trading shall be considered. 7. While making the initial investments up to fifty thousand rupees, the total cost of acquisition of eligible securities shall not include brokerage charges, securities transaction tax, stamp duty, service tax and all taxes, which are appearing in the contract note. 8. Where the investment of the Retail Individual Investor undergoes a change as a result of involuntary corporate actions like demerger of companies, amalgamation, etc. resulting in debit or credit of securities covered under the RGESS, the deduction claimed by such investor shall not be affected. 9. In case of voluntary corporate actions like buy-back, etc. resulting only in debit of securities, where Retail Individual Investor has the option to exercise his choice, the same shall be considered as a sale transaction for the purpose of the RGESS. 10. SEBI shall notify the corporate actions, allowed under the RGESS in this regard. The Scheme shall invest in equity shares of public sector enterprises which are categorized as Maharatna, Navratna or Miniratna by the Central Government which forms a part of eligible investment criteria for RGESS. Thus, investments in the Scheme would qualify for tax benefits under RGESS, subject to investors fulfilling the other eligibility criteria of 80CCG of the Income-tax Act, 1961. Investors / Unit holders are advised to take note that the Scheme will be eligible and in compliance with the provisions of the RGESS guidelines notified by the Ministry of Finance vide notification no. 94/2013 dated December 18, 2013 and SEBI circular CIR/MRD/DP/32/2012 dated December 6, 2012 and such other notifications issued from time to time, as may be applicable. It is expressly understood that at the time of investment, the Investor/Unit holder has the express authority to invest in the Units of the Scheme and the onus of the investment being compliant with the relevant constitution is on the Investor. The Scheme may or may not be an eligible Scheme under RGESS on a continuous basis. Further, the Mutual Fund would also display the list of its schemes which are of RGESS eligible schemes on its website www.gsam.in on an on-going basis. Investors / Unit holders are requested to visit the website to identify the eligible Schemes before investment. Investors should consult their professional tax advisor for possible RGESS related tax implications before initiating any investment into the Scheme.
Dividend Policy	In accordance with the SEBI Regulations on the procedure for declaration of Dividend, the Trustees may declare Dividend to the Unit holders under the Scheme subject to the availability of distributable surplus, and the actual distribution of Dividend, the frequency of distribution, the quantum of Dividend and the record date will be entirely at the discretion of the Trustees. Such Dividend will be payable

	to the Unit holders whose names appear on the register of Unit holders on the record date, as fixed by the Trustees for the Scheme. The Dividend declared, if any, shall be paid net of tax deducted at source, wherever applicable, to the Unit holders within 30 days from the declaration of Dividend, if any. The Scheme will follow the requirements stipulated in the listing agreement for declaration of dividend. The Trustees reserve the right to declare Dividends on a regular basis. The Fund does not guarantee or assure declaration or payment of Dividends. Such declaration of Dividend, if any, is subject to Scheme's performance and the availability of distributable surplus in the Scheme at the time of declaration of such Dividend. **Effect of Dividend** If the Fund declares Dividend, the NAV of the Scheme will stand reduced by the amount of Dividend and dividend distribution tax (if applicable) paid. All the Dividend payments shall be in accordance and compliance with SEBI Regulations and Exchange regulations, as applicable from time to time. **Procedure for distribution of Dividend** The Dividend proceeds may be paid by way of cheques, Dividend warrants / direct credit / NEFT / RTGS / ECS or any other manner through the Unit holder's bank account as specified in the Registrar's records. The AMC, at its discretion at a later date, may choose to alter or add other modes of payment. Please refer to Section V. B. IV of the Statement of Additional Information for details on unclaimed Redemptions and Dividends
Account Statements	As the Units of the Scheme are in demat, the holding statement issued by the Depository Participant would be deemed to be adequate compliance with requirements of SEBI regarding dispatch of statements of account.
Dividend	The Dividend Warrants shall be dispatched to the Unit holders within 30 days of the date of declaration of the Dividend, if any. In the event of failure of dispatch of Dividend warrants within 30 days, the AMC shall pay an interest @ 15 per cent per annum of the relevant Dividend amount to the applicable Unit holders.
Redemption	**For Redemption request received directly with the Fund** The Redemption or repurchase proceeds shall be dispatched to the Unit holders within 10 Working Days from the date of Redemption or repurchase during the Continuous Offer Period. **Payment of proceeds** The Mutual Fund will dispatch the Redemption proceeds within 10 Working Days from the date of acceptance of the Redemption request.

1. Resident Investors

In case the Unit holder requests, Redemption proceeds will be paid by cheques, or by electronic transfer. If payment is paid by cheque, then such cheques will be marked 'A/c Payee only' and drawn in the name of the sole holder / first-named holder (as determined by the records of the Registrar).

The Redemption cheque will be issued in favour of the sole / first Unit holder's registered name and bank account number, and will be mailed to the registered address of the sole / first holder as indicated in the original Application Form. The Redemption cheque will be payable at par. If the Unit holder is located outside the locations from where the cheque is payable at par, a demand draft payable at the city of his residence will be issued.

The dispatch for the purpose of delivery through the courier / postal department, as the case may be, shall be treated as delivery to the Investor. The AMC / Registrar are not responsible for any delayed delivery or non-delivery or any consequences thereof, if the dispatch has been made correctly as stated in this paragraph.

The Redemption proceeds may be paid by way of direct credit / NEFT / RTGS / ECS or any other manner through which the Investor's bank account specified in the Registrar's records may be credited with the Redemption proceeds.

Note: The Trustees, at its discretion at a later date, may choose to alter or add other modes of payment.

2. Non-Resident Indian Investors / Foreign Institutional Investors / QFIs / FPIs

Units held by NRIs, FIIs, QFIs or FPIs may be Redeemed by such Unit holder by tendering Units to the AMC for payment of maturity proceeds, subject to any procedures laid down by RBI from time to time. Provisions with respect to NRIs / FIIs / QFIs / FPIs stated above, is as per the AMC / Trustee's understanding of the Laws currently prevalent in India and such Redemption proceeds will be remitted depending upon the source of investment as follows:

(a) **Repatriation Basis**

When Units have been Purchased through remittance in foreign exchange from abroad or by cheque / draft issued from proceeds of the Unit holder's special non-resident rupee account (SNRR) or FCNR deposit or from funds held in the Unit holder's Non Resident (External) Rupee account kept in India, the proceeds will be remitted to the Unit holder in Rupees for crediting to his SNRR / NRE / FCNR / Non-Resident (Ordinary) account and the authorized dealer of the Unit holder will convert the payments in foreign currency.

(b) **Non-Repatriation Basis**

When Units have been Purchased from funds held in the Unit holder's non-resident (ordinary) account, the proceeds will be sent to the Unit holder's Indian address for crediting to the Unit holder's non-resident (ordinary) account.

For FIIs / QFIs, the designated branch of the authorised dealer may allow remittance of net sale / maturity proceeds (after payment of taxes) or credit the amount to the foreign currency account or special non-resident Rupee account of the FII/QFI maintained in accordance with the directions prescribed by the RBI. Payment of redemption proceeds to FPIs would be made in accordance with the directions prescribed by the RBI from time to time.

For item (a) and (b) above, the AMC / Trustees / Mutual Fund will not be liable for any delays or for any loss on account of any exchange fluctuations, while the authorized dealer converts the Rupee amount in foreign exchange in the case of transactions with NRIs / FIIs / QFIs / FPIs.

The Mutual Fund may make other arrangements for effecting payment of Redemption proceeds in the future.

Effects of Redemption

Units once Redeemed will be extinguished and will not be re-issued.

As the Units of the Scheme are in demat form, the periodic holding statement issued by the Depository Participant (indicating the new balance to the credit in the account) would be deemed to be adequate compliance with requirements of SEBI regarding dispatch of statements of account.

General Provisions

As Units may not be held by a Prohibited Purchaser or U.S. person or a Canadian resident or any person in breach of the SEBI Regulations, applicable Laws or requirements of any governmental, statutory authority including, without limitation, exchange control regulations or any requirements or provisions under this SID, the Trustees / AMC may mandatorily Redeem all the Units of any Unit holder where the Units are held by a Unit holder in breach of the same. The Trustees / AMC may also mandatorily Redeem Units held by Unit holders which the Trustees/ AMC, in their sole opinion, suspect to be engaged in market-timing or excessive trading or unfair or suspicious practices, or it is found that the Unit holder has submitted information either in the application or otherwise that is false, misleading or incomplete, or if the Trustees / AMC for any other reason believe that mandatory Redemption of such Unit holders would generally be in the interest of the Scheme or its Unit holders.

In case an Investor has Purchased Units on more than 1 Working Day (either during the NFO Period or during the Ongoing Offer Period), the Units Purchased prior in time (i.e. those Units which have been held for the longest period of time), will be Redeemed first i.e. on a first-in - first-out basis.

For further details on Redemption also refer to sections on ‘Right to limit Redemptions’ and ‘suspension of Purchase / Redemption of Units’ in the Statement of Additional Information.

	The Trustees / AMC may mandatorily Redeem Units of any Unit holder in the event it is found that the Unit holder has submitted information either in the application or otherwise that is false, misleading or incomplete without limitation to verifying their identity. If a Unit holder makes a Redemption request immediately after Purchase of Units, the Mutual Fund shall have a right to withhold the Redemption request in accordance with the conditions provided in the Statement of Additional Information. However, this is only applicable if sufficient balance is not available in the Unit holders account to effect such a Redemption and the value of Redemption is such that some or all of the freshly Purchased Units may have to be Redeemed to effect such Redemption.
Delay in payment of Redemption / repurchase proceeds	The AMC shall be liable to pay interest to the Unit holders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum)
Settlement of Purchase / Sale of the Units of Scheme on the NSE and BSE	Buying / selling of Units of the Scheme on the NSE and BSE is just like buying / selling any other normal listed Security. If an Investor has bought Units, then such Investor has to pay the Purchase amount to the broker / sub-broker such that the amount paid is realised before the funds pay-in day of the settlement cycle on the NSE and BSE. If an Investor has sold Units, then such Investor has to deliver the Units to the broker / sub-broker before the Securities pay-in day of the settlement cycle on the NSE and BSE. The Units (in the 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 NSE and BSE. The NSE and BSE regulations stipulate that the trading member should pay the money or Units to the Investor within 24 hours of the payout. If an Investor has bought Units, then such Investor should give standing instructions for *'Delivery-In'* to its Depository Participant for accepting Units in its beneficiary account. An Investor should give the details of its beneficiary account and the Depository Participant ID of its Depository Participant to its trading member. The trading member will transfer the Units directly to its beneficiary account on receipt of the same from NSE and BSE's clearing corporation. An Investor who has sold Units should instruct its Depository Participant to give '*Delivery Out'* instructions to transfer the Units from its beneficiary account to the Pool Account of its trading member through whom it has sold the Units. The details of the Pool A/c (CM-BP-ID) of its trading member to which the Units are to be transferred, Unit quantity etc. should be mentioned in the Delivery Out instructions given by them to the Depository Participant. The instructions should be given well before the prescribed Securities pay-in day. SEBI has advised that the Delivery Out instructions should be given at least 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.
Rolling Settlement	As per the SEBI's circular dated March 4, 2003, the rolling settlement on T+2 basis for all trades has commenced from April 1, 2003 onwards. The Pay-in and Pay-out of funds and the Securities/Units takes place within 2 Working Days after the trading date. The pay-in and pay-out days for funds and Securities are prescribed as per the Settlement Cycle.

	A typical Settlement Cycle of Rolling Settlement is given below: **Day** | **Activity** T | The day on which the transaction is executed by a trading member T+1 | Confirmation of all trades including custodial trades by 11.00 a.m. T+1 | Processing and downloading of obligation files to brokers /custodians by 1.30 p.m. T+2 | Pay-in of funds and Securities by 11.00 a.m. T+2 | Pay out of funds and Securities by 1.30 p.m. While calculating the days from the Trading day (Day T), weekend days (i.e. Saturday and Sundays) Exchange holidays and bank holidays are not taken into consideration.
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.	Presently, AMC does not intend to re-issue the Units once Redeemed. The number of Units held by the Unit holder in his demat account will stand reduced by the number of Units Redeemed.
Suspension of sale and Redemption of Units	Please refer the section on 'Suspension of Purchase / Redemption of Units' in the SAI for further details in this regard.
Restrictions, if any, on the right to freely retain or dispose of Units being offered.	As the Units of the Scheme will be issued in demat (electronic) form, the Units will be transferred and transmitted in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time. **Right to Limit Fresh Subscription** In case the size of the Scheme increases to a level which in the opinion of the Trustees is not manageable, the Trustees reserve the right to stop fresh Subscription of Units and also Redeem the Units on pro-rata basis in order to reduce the size to a manageable level. The Trustee reserves the right in its sole discretion to withdraw/suspend sale of the Scheme Units temporarily or indefinitely, if it is viewed that increasing the size further may prove detrimental to the existing Unit holders of the Scheme. An order to Purchase the Units is not binding on and may be rejected by the AMC until it has been confirmed in writing by the AMC and payment has been received for the same. **Right to limit Redemption** Please refer the section on 'Right to Limit Redemption' in the SAI for further details in this regard.

Example of Creation and Redemption of Units

As explained earlier, the Creation Unit is made up of 2 components i.e. the Portfolio Deposit and the Cash Component. The Portfolio Deposit will be determined by the Mutual Fund as per the weightages of each security in the underlying index. The value of this Portfolio Deposit will change due to change in prices during the day. The number of shares of each Security that constitute the Portfolio Deposit will remain constant unless there is any corporate action in the underlying CPSE Index.

The constituents of the CPSE Index and an example of Creation Unit of the Scheme as on 28 February 2014 linked to CPSE Index is as follows:

Name of Security	Quantity
Oil & Natural Gas Corporation Ltd	1587
GAIL (India) Ltd	895
Coal India Ltd	1258
Rural Electrification Corporation Ltd	653
Oil India Ltd	271
Indian Oil Corporation Ltd	479
Power Finance Corporation Ltd	691
Container Corporation of India Ltd	143
Bharat Electronics Ltd	38
Engineers India Ltd	131

Value of Portfolio Deposit - ₹ 1,747,954
Value of Cash Component - ₹ 1,650

The Cash Component will be arrived in the following manner:

Number of Units comprising one Creation Unit	100,000
NAV Per Unit	₹ 17.4960
Value of one Creation Unit	₹ 1,749,604
Value of Portfolio Deposit (pre defined basket of Security)	₹ 1,747,954
Cash Component #	₹ 1,650

The above is just an example to illustrate the calculation of Cash Component. As can be seen from the above example, for Subscription of 1 Creation Unit, Portfolio Deposit consisting the pre defined basket of securities of the Underlying Index is ₹ 1,747,954 and ₹ 1,650 would be the Cash Component.

 # Cash Component will vary depending upon the actual charges incurred like custodial charges and other incidental charges for creating Units.

C. PERIODIC DISCLOSURES

Net Asset Value *This is the value per Unit of the Scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your Unit balance.*	The Mutual Fund shall normally declare the NAV of the Scheme on every Working Day on AMFI's website (www.amfiindia.com) by 9.00 p.m. and also on its website www.gsam.in. The NAV of the Scheme shall be published in at least two daily newspapers having circulation all over India on every Working Day. Investors may obtain NAV information on any Working Day by calling the office of the AMC or any of the Investor Service Centres. In case of delay beyond 9 p.m., the reasons for delay would be explained in writing to AMFI next day. If the NAVs are not available before commencement of the business hours on the following day due to any reasons, the Mutual Fund shall issue a press release providing reasons and explaining when the Mutual Fund will be able to publish the NAV.
Monthly Disclosures: Portfolio *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 the portfolio disclosures.*	Goldman Sachs Mutual Fund and Goldman Sachs Asset Management (India) Private Limited shall publish a complete statement of the portfolio (along with the ISIN) of the Scheme as on last day of the month on or before the 10th day of the succeeding month on the website of the Mutual Fund www.gsam.in.
Half yearly Disclosures: Portfolio *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.*	Goldman Sachs Mutual Fund and Goldman Sachs Asset Management (India) Private Limited shall publish a complete statement of the portfolio of the Scheme within one month from the close of each half year (i.e. 31st March and 30th September), by way of an advertisement at least, in one National English daily and one regional newspaper in the language of the region where the head office of the Mutual Fund is located. The portfolio statement will also be placed on the website of the Mutual Fund www.gsam.in and a link will be provided on www.amfiindia.com.
Half Yearly Results	Goldman Sachs Mutual Fund and Goldman Sachs Asset Management (India) Private Limited shall before the expiry of one month from the close of each half year (i.e. 31st March and 30th September), host a soft copy of its unaudited financial results on the website of the Mutual Fund www.gsam.in and a link will be provided on www.amfiindia.com and shall publish an advertisement disclosing the hosting of such financial results on the Mutual Fund website in at least one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the head office of the Fund is situated.
Annual Report	For Unit holders whose e-mail address are available with the Mutual Fund, Scheme wise annual report or an abridged summary thereof shall be provided to such Unit holders only by e-mail within four months from the date of closure of the relevant accounting year i.e. 31st March each year. In case of any request from Unit holders for physical copies of annual report/abridged summary, notwithstanding their registration of email addresses, the AMC shall provide the same. For Unit holders whose e-mail addresses are not available with the Mutual Fund or who have opted to receive annual report / abridged summary as physical copies, the AMC will continue to send physical copies of such reports

	thereof within the aforesaid time frame. Unit holders are requested to provide their e-mail address for registration in the database of the Mutual Fund. Further, the full text of the annual report will be available for inspection at the office of the Mutual Fund and copy shall be made available on specific request on payment of nominal fees, if any. Also, the Scheme wise annual report will be placed on the website of the Mutual Fund www.gsam.in and a link will be provided on the website of AMFI www.amfiindia.com.
Associate Transactions	Please refer to Statement of Additional Information.

Taxation

The information is provided for general information only. However, in view of the individual nature of the implications, each Investor is advised to consult his or her own tax advisors / authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the Scheme.

	Resident Investors	**Mutual Fund**
Tax on Dividend	Nil	Nil - In case of equity oriented fund (Refer Note)
Long term capital gains	Nil - In case of equity oriented fund	Nil
Short term capital gains*	15 per cent – In case of equity oriented fund	Nil
Business income*	10% - 30% Based on the income tax rate applicable to the Unit holders as per their income slabs	Nil

An equity oriented mutual fund will also attract securities transaction tax (STT) at applicable rates.

*The tax rate would be increased by a surcharge of:

(a) 10% - In case of Individuals/HUF/AOP/BOI/Firms/limited liability partnerships/local authority/co-operative societies, where the total income exceeds ₹ 10,000,000.

(b) (i) 5% - In case of domestic corporate Unit holders, where the total income exceeds ₹ 10,000,000 but does not exceed ₹ 100,000,000

(ii) 10% - In case of domestic corporate Unit holders, where the total income exceeds ₹ 100,000,000.

(c) (i) 2% - In case of foreign corporate Unit holders, where the total income exceeds ₹ 10,000,000 but does not exceed ₹ 100,000,000

(ii) 5% - In case of foreign corporate Unit holders, where the total income exceeds ₹ 100,000,000.

Further, an additional surcharge of 3 per cent by way of education cess would be charged on amount of tax inclusive of surcharge for all Unit holders.

Note: An equity oriented fund has been defined as a scheme of a Mutual Fund where the investible funds are invested in equity shares of domestic companies to the extent of more than 65 per cent of the total proceeds of such fund. The percentage of equity shareholding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.

For further details on taxation (including taxation for non-resident Unit

	holders) please refer to the clause on Taxation in the Scheme Additional Information. Please refer the section on 'Taxation' in the SAI for further details in this regard.
Investor Services	**Mr. Rajdeep Basu** **Goldman Sachs Asset Management (India) Pvt. Ltd.** (Investment Manager of Goldman Sachs Mutual Fund) Address : Ground Floor, Prince Ville Embassy Golf Link Business Park, Off Intermediate Ring Road, Domlur, Bengaluru – 560071 Telephone : +91-80-6772 4507 Fax :+91-80-6772 4570 E-mail :rajdeep.basu@gs.com Investors are advised to contact any of the ISCs or the AMC by calling the toll free no. of the AMC at 1800-266-1220. Investors can also visit our website at www.gsam.in for complete details.

D. COMPUTATION OF NAV

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

$$\text{NAV (₹)} = \frac{\text{Market or fair value of the Scheme's investments + current assets – current liabilities and provision (including accrued expenses)}}{\text{No. of Units outstanding under Scheme on the valuation date}}$$

The NAV of the Scheme will be calculated up to four decimals. The first NAV will be calculated and announced not later than five Working Days from allotment of Units after the closure of NFO. Thereafter, the NAV shall be calculated and announced at the close of each Working Day. The computation of NAV shall be in conformity with SEBI Regulations and guidelines as prescribed from time to time. The NAV of the Scheme shall be published in at least two daily newspapers having circulation all over India on every Working Day (along with the sale and repurchase prices). The same will also be displayed on the website of the Mutual Fund (www.gsam.in) and on the website of AMFI (www.amfiindia.com) by 9.00 p.m. on every Working Day. In case of any delay, the reasons for such delay would be explained to AMFI in writing. If the NAVs are not available before commencement of business hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAVs.

Please refer to the Statement of Additional Information for information on the valuation of the assets of the Scheme.

IV. FEES AND EXPENSES

This section outlines the expenses that will be charged to the Scheme and also about the transaction charges to be borne by the Investors.

A. NEW FUND OFFER (NFO) EXPENSES

These expenses are incurred for the purpose of various activities related to the NFO like sales, marketing and advertising, registrar expenses, printing and stationery, bank charges etc.

The entire NFO expenses will be borne by the AMC.

B. ANNUAL SCHEME RECURRING EXPENSES

These are the expected 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 below.

Annual scheme recurring expenses are fees and expenses for operating the Scheme. Illustrated in the table below are examples of recurring expenses chargeable to the Scheme. These are aimed to assist the Investor to understand the composition of various costs and expenses that an Investor of the Scheme will bear directly or indirectly and are permitted under Regulation 52 of the SEBI Regulations. The AMC has estimated the fees and expenses for the Scheme, on an annual basis, expressed as a percentage of daily net assets as follows:

Expense Head	**% of daily Net Assets**
Investment management and advisory fees	Upto 0.49%
Trustee fee	
Audit fees	
Custodian fees	
RTA Fees	
Marketing and selling expense	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost of providing account statements and Dividend / Redemption cheques and warrants	
Costs of statutory advertisements	
Cost towards investor education & awareness (at least 2 bps)	
Brokerage and transaction cost over and above 12 bps and 5 bps for cash and derivative market trades respectively	
Service tax on expenses other than investment and advisory fees	
Service tax on brokerage and transaction cost paid for execution of trades*	
Other Expenses**	
Maximum total expense ratio (TER) ***	**Upto 0.49%** (Please refer to the below table for more details)

The Scheme shall not incur any distribution expenses and no commission shall be paid by this Scheme.

*To the extent incurred on the brokerage and transaction cost over and above 12 bps and 5 bps for cash and derivative market trades respectively.
** As permitted under Regulation 52 of the SEBI Regulations.

***** Though** permissible limit as per the SEBI regulation is higher, same has been kept at 0.49% as per the Financial Bid submitted by the AMC to Government of India (GOI) on 26th March 2013, based on GOI Request for Proposal towards engagement of an asset management company for creation and launch of a Central Public Sector Enterprise (CPSE) exchange traded fund (ETF) comprising shares of listed CPSE.

Permissible limit as per the Financial Bid submitted by the AMC to Government of India (GOI) on 26th March 2013.

Daily Net Assets	**Total expenses as % of daily net assets**
Upto ₹ 5,000 Crores	0.49%
Next ₹ 10,000 Crores	0.39%
Over ₹ 15,000 Crores	0.29%

Investors should note that the actual annual recurring expenses of the Scheme will be variable in nature and will be subject to changes over time but within the limit prescribed above. For details on the latest actual current expenses charged to the Scheme, the Investor should refer to the website of the Mutual Fund on www.gsam.in

It is possible that the AMC may charge the maximum recurring expenses provided above as investment management and advisory fees except for 0.02% on daily net assets for investor education and awareness initiatives.

Service tax on investment management and advisory fees, to the Scheme will be, in addition to the maximum annual recurring expenses that may be charged to the Scheme.

As permitted under Regulation 52(6A) of SEBI Regulations, brokerage and transaction costs which are incurred for the purpose of execution of trade and is included in the cost of investment, not exceeding 0.12% in case of cash market transactions and 0.05% in case of derivatives transactions may be charged to the Scheme within the maximum limit of Total Expense Ratio (TER) of upto 0.49% as mentioned in the above table. Any expenditure in excess of the said prescribed limit (including brokerage and transaction cost, if any) shall be borne by the AMC or by the Trustee or Sponsor.

Subject to the SEBI Regulations and the Offer Document, expenses over and above the prescribed ceiling will be borne by the AMC, Trustees or the Sponsor.

The Trustee/ AMC reserves the right to change the expenses of the Scheme as capped above as and when it is allowed by SEBI to charge higher expenses under the Scheme.

C. TRANSACTION CHARGES FOR APPLICATIONS RECEIVED DURING THE NFO PERIOD

Deduction of Transaction charges for investments through Distributors / agents :
In accordance with SEBI Circular No. Cir/IMD/DF/13/2011 dated August 22, 2011 and Circular No.CIR/IMD/DF/21/2012 dated September 13, 2012, the AMC/ Mutual Fund shall deduct transaction charges as per the following details from the Subscription amount. The amount so deducted shall be paid to the empanelled AMFI registered Distributor / agent of the Investor (in case the empanelled AMFI registered Distributor / agent has "opted in" to receive the transaction charge for this type of product) and the balance shall be invested in the Schemes.

(i) **First Time Investor Across Mutual Funds**

Transaction charge of ₹ 150/- per Subscription of ₹ 10,000/- and above will be deducted from the Subscription amount and paid to the AMFI registered Distributor / agent of the first time Investor and the balance shall be invested. For eg: If the Investor invests ₹ 10,000 in the Schemes, then ₹ 150/- would be paid to the Distributor and only ₹ 9,850/- will be invested in the Schemes.

(ii) **Existing Investor Across Mutual Funds**

Transaction charge of ₹ 100/- per Subscription of ₹ 10,000/- and above will be deducted from the Subscription amount and paid to the AMFI registered Distributor / agent of the Investor and the balance shall be invested. For eg: If the Investor invests ₹ 10,000 in the Schemes, then ₹ 100/- would be paid to the Distributor and only ₹ 9,900/- will be invested in the Schemes.

(iii) **Transaction charges shall not be deducted for :**

(a) Purchase / Subscription for an amount less than ₹ 10,000/-;

(b) Purchase / Subscription made directly with the Mutual Fund (i.e. not through any AMFI registered Distributor / agent).

(c) Purchase / Subscription made through stock exchange, irrespective of investment amount.

(d) Purchase/Subscription is not through an empanelled AMFI registered Distributor.

D. LOAD STRUCTURE

Load amounts are variable and are subject to change from time to time and the Investor is requested to check the prevailing Load structure of the Scheme before investing.

For the current applicable structure, please refer to the website of the Mutual Fund, www.gsam.in or call at toll free no. 1800 266 1220 or your Distributor.

Entry Load (for Subscription): Nil
Exit Load (for Redemption): Nil

There is no Entry Load / Exit Load for Subscription / Redemption of the Units of the Scheme in Creation Unit Size. However, during the process of creation / Redemption there will be transaction costs, other incidental expenses and equalization of Dividend and this will form part of the Cash Component. Further, there is no Entry / Exit Load on Units of the Scheme bought or sold through the secondary market, i.e. on the NSE and BSE. However, an Investor would be paying cost in the form of a bid and ask spread and brokerage, as charged by his broker for buying / selling Units of the Scheme, any other statutory charges which may be applicable from time to time.

Exit Load for Redemptions in Cash

In case of Redemption of Units of Scheme for less than the Creation Unit Size, directly with the Mutual Fund, where there have been no quotes on NSE for five trading days consecutively, an Investor can sell the Units of such Scheme directly to the Mutual Fund with an Exit Load of 3% of NAV of the Scheme. Service tax on exit load, if any, shall be paid out of the exit load proceeds and exit load net of service tax, if any, shall be credited to the Scheme.

Any change in the Load structure shall apply on a prospective basis and in no case the same would affect the existing Investors adversely. The Investor is requested to check the prevailing Load structure of the Scheme before investing. For any change in Load structure, AMC will issue the notice and display it on the AMC Website / Investor Service Centres.

The Mutual Fund may charge Load within the stipulated limit of 7% and without any discrimination in favor of any specific group of Unit holders. The AMC will ensure that the Redemption Price will not be lower than 93% of the NAV and difference between the Redemption Price and Purchase Price will not exceed 7% calculated on the Purchase Price.

Please note that the AMC reserves the right to modify or alter the Load structure of the Scheme subject to maximum limits prescribed under the SEBI Regulations.

In the event of a change of Load structure, the AMC will take following steps:

i. The addendum detailing the changes shall be attached to SID and Key Information Memorandum (KIM). The addendum will be circulated to all the Distributors so that the same can be attached to all SID and KIM already in stock.

ii. Arrangements shall be made to display the changes / modifications in the SID in the form of a notice in all ISCs and Distributors / brokers offices.

iii. The introduction of the Exit Load along with the details shall be stamped in the acknowledgement slip issued to the Investors on submission of the Application Form and may also be disclosed in the statement of accounts issued after the introduction of such Load.

iv. A public notice may be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the head office of the Mutual Fund is situated.

v. The Mutual Fund shall display the addendum on its website (www.gsam.in).

E. WAIVER OF LOAD FOR DIRECT APPLICATIONS

As per SEBI Regulations, no Entry Load shall be charged for existing / prospective Investors of the Scheme.

V. RIGHTS OF UNIT HOLDERS

Please refer the SAI for details.

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

Monetary penalties imposed and/or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor and/or the AMC and/or the board of directors of Trustees/Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities Law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years.	**Nil**
All enforcement actions taken by SEBI in the last three years and/or pending with SEBI for the violation of SEBI Act, 1992 and rules and regulations framed there under including debarment and/or suspension and/or cancellation and/or imposition of monetary penalty/ adjudication/enquiry proceedings, if any, to which the Sponsor and/ or the AMC and/or the board of directors of Trustees/Trustee Company and/or any of the directors and/or key personnel (especially the Fund Managers) of the AMC and Trustee Company were/are a party.	**Nil**
Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor and/or the AMC and/or the board of directors of Trustees/Trustee Company and/or any of the directors and/or key personnel are a party.	**Nil**
Deficiency in the systems and operations of the Sponsor and/or the AMC and/or the board of directors of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency.	**Nil**

The Trustees have approved this Scheme Information Document pursuant to a resolution dated February 20, 2014 and have ensured that the Scheme are new products offered by the Goldman Sachs Mutual Fund and are not minor modifications of the existing Schemes / Mutual Fund / Products.

Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the Guidelines thereunder shall be applicable.