BARODA MUTUAL FUND

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NOTICE CUM ADDENDUM NO. 07/2022

NOTICE is hereby given to the unit holders of Baroda Mutual Fund (**"Baroda MF"**) that Bank of Baroda ("BOB"), the sponsor of Baroda MF, BNP Paribas Asset Management Asia Limited (**"BNPP Asia"**) (the sponsor of BNP Paribas Mutual Fund (**"BNPP MF"**)), BNP Paribas Asset Management India Private Limited (**"BNPP AMC"**) (the asset management company of BNPP MF), BNP Paribas Trustee India Private Limited (**"BNPP TC"**) (the trustee company of BNPP MF), Baroda Asset Management India Limited (**"Baroda AMC"**) and Baroda Trustee India Private Limited (**"Baroda TC"**) (the trustee company of Baroda MF), have entered into agreements, pursuant to which, subject to receipt of requisite regulatory approvals, including approval of the National Company Law Tribunal, Mumbai Bench (**"NCLT"**) to a composite scheme of amalgamation (**"Composite Scheme"**) under Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013, it is proposed that upon the Composite Scheme being effective (**"Effective Date"**), details of which will be separately notified to the unitholders, the following events would come into effect :

(a) amalgamation of Baroda AMC into BNPP AMC, with BNPP AMC continuing to be the surviving asset management company (the **"Surviving AMC"**) with BOB and BNPP Asia as its shareholders holding 50.1% and 49.9% respectively of the equity share capital of the Surviving AMC;

(b) amalgamation of BNPP TC into Baroda TC, with Baroda TC continuing to be the surviving trustee company (the **"Surviving TC"**) with BOB and BNPP Asia as the shareholders holding 50.7% and 49.3% respectively of the equity share capital of the Surviving TC; and

(c) handover of trusteeship, transfer of right to administer and manage all the schemes of the BNPP MF (**"BNPP Schemes"**) to Baroda MF, (the **"Surviving MF"**) including merger and changes to certain Fundamental attributes of schemes of Baroda MF and BNPP MF.

(a), (b) and (c) above are collectively referred to as **"Proposed Transaction".**

The Proposed Transaction has been in-principally approved by the Board of Directors of Baroda AMC and Baroda TC in their respective meetings held on September 13, 2019. The same has also been approved by the respective Boards of BNPP AMC and BNPP TC. Further, SEBI has, vide its letters no. SEBI/HO/IMD/IMD-I DOF5/P/OW/2022/0000002171/1 dated January 17, 2022, SEBI/HO/IMD/IMD-I DOF5/P/OW/2022/0000002307/1 dated January 19, 2022, SEBI/HO/IMD-II/DOF-3/P/OW/3592/2022 dated January 28, 2022 and SEBI/HO/IMD-II/DOF-10/P/OW/3573/1/2022 dated January 28, 2022 dated granted its no-objection to the Proposed Transaction.

Details in relation to the entities and the Proposed Transaction are set out below.

A. BARODA MUTUAL FUND (SURVIVING MF) :

Baroda MF, formerly known as BOB Mutual Fund, was constituted as a trust in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) on October 30, 1992, originally with BOB as the Sponsor and the Board of Trustees to the Mutual Fund as the trustee to BOB MF. Baroda MF is registered with SEBI under Registration no. MF/018/94/2.

In 2008, Pioneer Global Asset Management SpA ("PGAM") acquired 51% stake in Baroda Asset Management India Limited (originally known as BOB Asset Management Company Limited, which was renamed as Baroda Pioneer Asset Management Company Ltd. effective July 8, 2008) and PGAM became a co-sponsor of Baroda MF. The name of Baroda MF was subsequently changed to Baroda Pioneer Mutual Fund, for which SEBI approval was received vide letter no. IMD/RB/134922/08 dated August 12, 2008.

Effective November 1, 2017, PGAM was merged by way of incorporation, pursuant to Italian law, into its controlling company, UniCredit S.p.A. ("UniCredit"). As a consequence, starting from such date, all rights and obligations of PGAM were transferred to UniCredit by operation of law including, inter alia, those relating to the ownership of 51% of the equity share capital of each of the AMC and Baroda Trustee India Pvt. Ltd. (formerly known as Baroda Pioneer Trustee Company Pvt. Ltd.) ("Trustee"), trustee to Baroda MF.

On September 28, 2018, BOB acquired the entire shareholding of UniCredit in the AMC and Trustee and became the sole Sponsor of Baroda MF. A Deed of Variation was executed on September 27, 2018 between BOB, UniCredit and the Trustee to amend the Deed of Trust as amended from time to time, to reflect changes relating to the change in Sponsor and other related changes. Subsequently, the name of the Mutual Fund was changed to "Baroda Mutual Fund" post receipt of approval from SEBI vide letter no. IMD/DOF3/31324/1/2018 dated November 13, 2018.

B. BNP PARIBAS ASSET MANAGEMENT INDIA PRIVATE LIMITED (SURVIVING AMC) :

BNP Paribas Asset Management India Private Limited ("BNPP AMC") is a private limited company incorporated under the Companies Act, 1956, and the entire paid–up equity share capital of BNPP AMC is held by BNP Paribas Asset Management Asia Limited along with its two nominee shareholders. BNPP AMC has been appointed as Asset Management Company of BNPP MF by the BNPP TC vide Investment Management Agreement dated February 15, 2011 executed between BNPP TC and BNPP AMC.

Erstwhile ABN AMRO Asset Management (India) Limited was a company incorporated under the Companies Act, 1956 on November 4, 2003. ABN AMRO Asset Management (India) Limited had been appointed as Asset Management Company of ABN AMRO Mutual Fund (Now known as BNP Paribas Mutual Fund) by the Trustee vide Investment Management Agreement (IMA) dated April 15, 2004 and executed between ABN AMRO Trustee (India) Private Limited and ABN AMRO Asset Management (India) Limited. SEBI had approved ABN AMRO Asset Management (India) Limited to act as the Asset Management Company (AMC) of the Mutual Fund vide its letter No. IMD/YK/11091/2004 dated May 28, 2004.

Due to changes in minority shareholding, the Company was converted into a Private Limited Company and was named as ABN AMRO Asset Management (India) Private Limited vide fresh Incorporation Certificate dated June 20, 2008. Consequent to the global restructuring of ABN AMRO, ABN AMRO Asset Management had become a part of Fortis Investment Management resulting in indirect change in the control of AMC. Subsequently, name of ABN AMRO Asset Management (India) Private Limited had been changed to Fortis Investment Management (India) Private Limited vide fresh Incorporation Certificate dated September 19, 2008.

Pursuant to global restructuring of Fortis group and indirect change in the control of AMC, name of Fortis Investment Management (India) Private Limited has been changed to BNP Paribas Asset Management India Private Limited vide fresh Incorporation Certificate dated October 18, 2010. SEBI vide its letter no. OW/YE/23202/2010 dated October 12, 2010 has conveyed its no–objection to the indirect change in control of Fortis Investment Management (India) Private Limited (the "AMC").

ABN AMRO Asset Management (India) Private Limited (now BNP Paribas Asset Management India Private Limited) had received an approval from SEBI vide its letter No. IMD/SP/67987 dated May 29, 2006 for rendering services as Portfolio Manager under SEBI (Portfolio Managers) Rules and Regulations, 1993 under Registration no. PM/INP000001728. The AMC has commenced Portfolio Management Business with effect from September 26, 2006. Rendering the portfolio management services is not in conflict of interest with the activities of the Mutual Fund. Subsequent to the indirect change in control of Fortis Investment Management (India) Private Limited, SEBI has granted fresh registration in the name of BNP Paribas Asset Management India Private Limited vide its letter No. IMD/DOF–1/MT/OW/25642/2010 dated October 28, 2010 for rendering services as Portfolio Manager under SEBI (Portfolio Managers) Rules and Regulations, 1993 under Registration No. PM/INP000003716.

C. BARODA TRUSTEE INDIA PRIVATE LIMITED (SURVIVING TC) :

Pursuant to the no-objection certificate received from SEBI vide letter no. OW/24482/2011 dated July 28, 2011, Baroda Trustee India Private Limited (Formerly known as Baroda Pioneer Trustee Company Private Limited) (**"Baroda TC"**), was incorporated on December 23, 2011, with PGAM and BOB holding 51% and 49% respectively of its share capital.

Thereafter, approval of the unit holders of the schemes of Baroda MF was obtained to modify the Trust Deed of Baroda MF by way of a Supplemental Trust Deed. The Supplemental Trust Deed was registered on July 30, 2012, and since then, the Board of Trustees to Baroda MF ceased to be the trustee to Baroda MF, and BOB TC took the charge as the sole trustee to Baroda MF.

As stated above, effective November 1, 2017, PGAM merged into its controlling company, UniCredit, and as a consequence, the ownership of PGAM in Baroda TC was transferred to UniCredit. Subsequently, BOB acquired the entire shareholding of UniCredit held in the Baroda AMC and Baroda TC on September 28, 2018.

Baroda TC, through its Board of Directors discharge its obligation as the trustee of Baroda MF. Baroda TC ensures that the transactions entered into by Baroda AMC are in accordance with the MF Regulations, and also reviews the activities carried on by Baroda AMC.

D. BANK OF BARODA (THE CO-SPONSOR OF SURVIVING MF):

Bank of Baroda (**"BOB"**), a body corporate under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, was founded in 1908 by Maharaja Sayajirao Gaekwad III and was nationalised in 1969. Presently, BOB is an Indian state-owned entity in the banking and financial services sector. As on March 31, 2021, the government owned 71.60% of its outstanding share capital. It was the third largest bank in India in terms of assets as on March 31, 2020 with vast operations both in India as well as overseas. Its shares are listed on the Bombay Stock Exchange ("BSE") and National Stock Exchange (**"NSE"**).

BOB's operations consist of six main areas including corporate banking, micro, small and medium enterprise (MSME) banking, retail banking, rural banking, international operations and treasury operations. It is the second largest public sector bank in India in terms of assets and as on March 31, 2021, it had INR 9,66,996 crores and INR 7,06,300 crores in deposits and advances respectively, with an operating profit of INR 206.30 billion and INR 11,553.64 billion worth of assets on a stand-alone basis. BOB has 8,214 branches in India, with over 81,017 employees serving approximately 14 crore global customers. Its international experience spans over 68 years, with 96 branches and offices (including branches of its subsidiaries) in 19 countries across 5 continents. For more information, please see https://www.bankofbaroda.in/

Expected benefits of the Proposed Transaction :

Broadly, the Proposed Transaction is expected to result in the following benefits:

- Operational efficiencies and scale to grow the business;
- Consolidation of operations of the BNPP AMC with the Baroda AMC and BNPP TC with the Baroda TC will lead to greater synergies;
- Leverage on both BNPP AMC's know-how and BOB's access to retail investors to further grow the business;
- Consolidation of schemes of Baroda MF and BNPP MF, creating a more complete range of schemes as well as larger sized schemes;
- Consolidation of trusteeship services in relation to the BNPP TC and Baroda TC;
- Stronger balance sheet and net worth to meet capital needs for future growth and expansion; and
- Distribution relationships with different types of intermediaries to widen the coverage and outreach to customers.

E. BNP PARIBAS ASSET MANAGEMENT ASIA LIMITED (THE CO-SPONSOR OF SURVIVING MF):

BNP Paribas Asset Management Asia Limited ("BNPP Asia") (erstwhile BNP Paribas Investment Partners Asia Limited, name changed w.e.f June 01, 2017) was incorporated in Hong Kong on October 29, 1991 and is licensed with the Securities and Futures Commission to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance.

BNPP Asia specializes in the Asian markets for investment funds management /advisory and discretionary mandates as a part of BNP Paribas Asset Management, the autonomous asset management business of the BNP Paribas Group. For more information, please see https://www.bnpparibas-am.hk/

Proposed changes pursuant to the Proposed Transaction

On and from the Effective Date :

(1) Asset Management Company - Baroda AMC will cease to exist and will be merged into BNPP AMC (the Surviving AMC), and Baroda AMC will therefore transfer its rights to operate, administrate and manage the Baroda MF Schemes to the Surviving AMC. The Surviving AMC shall, subject to approval from SEBI and in accordance with the SEBI MF Regulations and other regulatory and contractual formalities as may be applicable, acquire the right to operate, administrate and manage the Baroda MF Schemes and the BNPP Schemes and assume the rights, obligations, role, functions, responsibilities and duties (including obligations relating to investor grievances in respect of all such schemes) as the asset management company of the Surviving MF.

(2) Trustee Company & Mutual Fund - BNPP TC will cease to exist and will be merged into Baroda TC (the Surviving TC) and will therefore cease to act as the trustee of the BNPP MF Schemes. BNPP TC shall relinquish their rights, role, responsibilities, authority and functions as the trustee of the BNPP MF Schemes, and hand over the trusteeship of the BNPP MF Schemes (including the assets, liabilities of the BNPP Schemes, the unclaimed dividends, unclaimed redemptions, the load balances, if any, any balance in the investor education fund and all records relating thereto) to Baroda TC. The Surviving TC shall, in accordance with the approval from SEBI, the provisions of the SEBI MF Regulations and other regulatory and contractual formalities as may be applicable, become the trustee to the surviving BNPP MF Schemes transferred to the Surviving MF and assume the role, responsibility, authority and functions of the trustee to the surviving BNPP MF Schemes. Baroda TC shall continue to honour and recognize the rights and privileges of the unit holders of the surviving BNPP MF Schemes as presently available as per the Scheme Information Documents of the BNPP Schemes.

(3) To enable the Surviving AMC to assume the right to operate, administrate and manage the Baroda MF Schemes and the BNPP MF Schemes transferred to the Surviving MF, a fresh investment management agreement will be entered into by the Surviving TC and Surviving AMC in accordance with the SEBI MF Regulations and other regulatory and contractual formalities as may be applicable.

(4) As a consequence of the Proposed Transaction, BOB and BNPP Asia will be the co-sponsors in respect of the Surviving MF which will be renamed as 'Baroda BNP Paribas Mutual Fund' and shall jointly assume the co-sponsorship of all the schemes of Surviving MF.

(5) Upon completion of the Proposed Transaction, BNPP AMC shall be renamed as 'Baroda BNP Paribas Asset Management India Private Limited' or such other name containing the word "Baroda BNP Paribas" as may be approved by the Registrar of Companies, Mumbai, Maharashtra. Baroda TC shall be renamed as 'Baroda BNP Paribas Trustee India Private Limited' or such other name containing the word "Baroda BNP Paribas" as may be approved by the Registrar of Companies, Mumbai, Maharashtra. Further, Baroda MF shall be renamed as "Baroda BNP Paribas Mutual Fund", with the Surviving AMC acting as the asset management company of the Surviving MF and the Surviving TC acting as the trustee of the Surviving MF. The details pertaining to changes in names of entities shall be duly informed to the unitholders by issuing a notice-cum-addendum in this regard.

(6) Baroda AMC and BNPP TC shall be relieved of their obligations as the asset management company of Baroda MF and trustee to BNPP MF respectively, and BOB jointly with BNPP Asia will act as the co-sponsors of the Surviving MF, Surviving TC will act as the trustee to Surviving MF and Surviving AMC will act as the asset management company respectively for the schemes of the Surviving MF. The BNPP MF Schemes will become an integral part of the Surviving MF. Prior to the Effective Date, Baroda AMC and BNPP AMC will each issue public notices informing the respective unitholders in the Baroda MF Schemes and BNPP MF Schemes about the Effective Date.

(7) On Effective Date, as the case may be, will initiate necessary steps relating to: (i) withdrawal of the approval granted by SEBI to Baroda AMC to act as the asset management company of Baroda MF and matters incidental thereto; and (ii) termination of the existing investment management agreement between BNPP AMC and BNPP TC, termination of BNPP Trust Deed and cancellation of the certificate of registration issued by SEBI registering BNPP MF as a mutual fund and matters incidental thereto.

(8) The Trust Deed of the Surviving MF shall be amended to include the name of BNPP Asia as the co-sponsor of the Surviving MF and such other consequential changes as required.

(9) The surviving BNPP MF Schemes will also become an integral part of the Surviving MF with mergers of schemes of Baroda MF and BNPP MF, and changes in fundamental attributes of certain Baroda MF Schemes, wherever deemed necessary. The surviving Baroda MF Schemes will be governed by their respective Scheme Information Documents (SIDs), Key Information Memoranda (KIMs) and other relevant documents, as would be amended and issued by Surviving AMC and/or Surviving TC to incorporate relevant changes pursuant to the Transaction. Such addenda shall be made available on the website of the Surviving MF. The updated SAI, SIDs and KIMs of the surviving BNPP MF Schemes and Baroda MF Schemes containing the revised provisions shall be made available with the Investor Service Centres of Surviving MF and also displayed on the website of Surviving MF after the Effective Date. Details of the changes in the schemes are briefly mentioned below (**"Scheme Changes"**):

A. Changes due to Merger of Baroda MF schemes and BNPP MF Schemes:

Sr. No.	Transferor Scheme	Transferee Scheme	Type of change with respect of Baroda MF schemes	Category as per SEBI Circular dt. October 06, 2017 (for Surviving Scheme)	Proposed name of the transferee Scheme
1.	BNP Paribas Overnight Fund	Baroda Overnight Fund	➢ Change of fundamental attributes ➢ Name Change	Overnight Fund	Baroda BNP Paribas Overnight Fund
2.	BNP Paribas Liquid Fund	Baroda Liquid Fund	➢ Change of fundamental attributes ➢ Name Change	Liquid Fund	Baroda BNP Paribas Liquid Fund
3.	BNP Paribas Short Term Fund	Baroda Short Term Bond Fund	➢ Change of fundamental attributes ➢ Name Change	Short Duration Fund	Baroda BNP Paribas Short Duration Fund
4.	Baroda Dynamic Bond Fund	BNP Paribas Flexi Debt Fund	➢ Merger with Transferee Scheme ➢ Name Change	Dynamic Bond	Baroda BNP Paribas Dynamic Bond Fund
5.	Baroda Hybrid Equity Fund* and BNP Paribas Dynamic Equity Fund	Baroda Dynamic Equity Fund	➢ Change of fundamental attributes ("Transferee Scheme") ➢ Merger with Transferee Scheme ➢ Name Change	Dynamic Asset Allocation /Balanced Advantage	Baroda BNP Paribas Balanced Advantage Fund
6.	Baroda Conservative Hybrid Fund	BNP Paribas Conservative Hybrid Fund	➢ Merger with Transferee Scheme ➢ Name change	Conservative Hybrid Fund	Baroda BNP Paribas Conservative Hybrid Fund
7.	Baroda Treasury Advantage Fund^ (scheme has one segregated portfolio)	BNP Paribas Medium Term Fund	➢ Merger with Transferee Scheme ➢ Name change	Medium Duration Fund	Baroda BNP Paribas Medium Duration Fund (scheme has one segregated portfolio)
8.	Baroda ELSS'96 Fund	BNP Paribas Long Term Equity Fund	➢ Merger with Transferee Scheme ➢ Name change	ELSS	Baroda BNP Paribas ELSS Fund
9.	BNP Paribas Multi Cap Fund	Baroda Multi Cap Fund	➢ Change of fundamental attributes ➢ Merger with Transferee Scheme ➢ Name change	Multi Cap Fund	Baroda BNP Paribas Multi Cap Fund
10.	Baroda Large Cap Fund	BNP Paribas Large Cap Fund	➢ Merger with Transferee Scheme ➢ Name change	Large Cap Fund	Baroda BNP Paribas Large Cap Fund
11.	Baroda Mid-Cap Fund	BNP Paribas Midcap Fund	➢ Merger with Transferee Scheme ➢ Name change	Mid Cap Fund	Baroda BNP Paribas Midcap Fund

* This scheme is an Aggressive Hybrid Fund category scheme as per SEBI circular Oct 06, 2017. ^This scheme is Low Duration Fund category scheme as per SEBI circular Oct 06, 2017.

B. Schemes of Baroda MF with changes in the Fundamental attributes:

I. Baroda Liquid Fund ("BLF")

<table>
<tr><th>Features</th><th>Existing Provisions</th><th>Revised Provisions (w.e.f. Effective date)</th></tr>
<tr><td>Name of the scheme</td><td>Baroda Liquid Fund</td><td>Baroda BNP Paribas Liquid Fund</td></tr>
<tr><td>Type of scheme</td><td>An open-ended liquid scheme. A Relatively Low Interest Rate Risk and Relatively Low Credit Risk.</td><td>An open-ended liquid scheme. A Relatively Low Interest Rate Risk and Moderate Credit Risk.</td></tr>
<tr><td>Investment Objective</td><td>The primary objective of the Scheme is to generate income with a high level of liquidity by investing in a portfolio of money market and debt securities.</td><td>The primary objective of the Scheme is to generate income with a high level of liquidity by investing in a portfolio of money market and debt securities.</td></tr>
<tr><td>Section III - (Information About the Scheme) - C - (How will the Scheme Allocate its assets.)</td><td>Under normal circumstances, the broad investment pattern will be as under:
<table>
<tr><th rowspan="2">Type of Instruments</th><th colspan="2">Indicative Asset Allocation (% of total assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Debt Instruments</td><td>0</td><td>25</td><td>Low to medium</td></tr>
<tr><td>Money Market Instruments</td><td>75</td><td>100</td><td>Low</td></tr>
<tr><td>Securitized Debt*</td><td>0</td><td>25</td><td>Medium</td></tr>
</table>
*No investment will be made in foreign securitized debt.
Exposure to fixed income derivative instruments will be restricted to 50% of the net assets of the Scheme.
In addition to the instruments stated in the above table, the Scheme may invest in Tri Party Repo as an alternative investment as may be provided by RBI to meet the liquidity requirements.
The Scheme may undertake repo transactions in corporate debt securities in accordance with the directions issued by SEBI /RBI from time to time and in line with the policy approved by the Board of Directors of the AMC and Trustee Company.
The Scheme shall make investments in/purchase debt and money market securities with maturity of up to 91 days only. Also, inter scheme transfers of securities with maturity of up to 91 days only can be done from other schemes into this Scheme.
The Scheme shall not invest in equity-linked debentures. The cumulative gross exposure through debt and derivative positions, other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme.</td><td>Under normal circumstances, the broad investment pattern will be as under:
<table>
<tr><th rowspan="2">Type of Instruments</th><th colspan="2">Indicative Asset Allocation (% of total assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Debt Securities and Money Market Instruments with maturity upto 91 days only.</td><td>0</td><td>100</td><td>Low to Medium</td></tr>
<tr><td>Securitized Debt*</td><td>0</td><td>25</td><td>Medium</td></tr>
</table>
*No investment will be made in foreign securities and foreign securitized debt.
Exposure to fixed income derivative instruments will be restricted to 50% of the debt assets of the Scheme.
In addition to the instruments stated in the above table, the Scheme may invest in Tri Party Repo as an alternative investment, subject to prior approval from SEBI, if any, as may be provided by RBI to meet the liquidity requirements.
The Scheme may undertake repo transactions in corporate debt securities in accordance with the directions issued by SEBI /RBI from time to time and in line with the policy approved by the Board of Directors of the AMC and Trustee Company.
The Scheme shall make investments in/purchase debt and money market securities with maturity of up to 91 days only. Also, inter scheme transfers of securities with maturity of up to 91 days only can be done from other schemes into this Scheme.
The Scheme shall not invest in equity-linked debentures. The cumulative gross exposure through debt, derivative positions (including fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time (subject to prior approval from SEBI, if any) will not exceed 100% of the net assets of the scheme.
The scheme does not intend to invest in debt instruments with special features as referred to in SEBI circular SEBI/HO/IMD/DF4/CIR/P/2021/032 dated March 10, 2021.
The Scheme may invest only in debt securities having structured obligations (SO rating) and/or credit enhancements (CE rating) with government guarantee.</td></tr>
<tr><td>Section III- (Information About the Scheme)-J- (What are the Investment Restrictions) - xvi- Investment Restrictions related to repo in corporate debt securities.</td><td>The Scheme shall participate in repos in corporate debt securities as per the guidelines issued by RBI from time to time, subject to the following conditions:
I. The gross exposure of the Scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the Scheme
II. The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt and derivatives shall not exceed 100% of the net assets of the Scheme.
III. The Scheme shall participate in repo transactions only in AA and above rated corporate debt securities.
IV. The Scheme shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.</td><td>The Scheme shall participate in repos in corporate debt securities as per the guidelines issued by RBI from time to time, subject to the following conditions:
I. The gross exposure of the Scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the Scheme.
II. The cumulative gross exposure through repo transactions in corporate debt securities along with debt and derivatives shall not exceed 100% of the net assets of the Scheme.
III. The Scheme shall participate in repo transactions only in rated corporate debt securities as per the policy on repo in corporate debt securities adopted by the AMC; however, such rating shall not be lower than the rating prescribed by SEBI.
IV. The Scheme shall borrow through repo transactions for a tenor as per the policy on repo in corporate debt securities adopted by the AMC; however, such tenor shall not exceed a period of six months as prescribed by SEBI.</td></tr>
<tr><td>Section II - (Introduction) - D - (Definitions and Interpretation)</td><td>Definition of Reverse Repos :
Purchase of securities with a simultaneous agreement to repurchase/ sell them at a later date. Reverse Repos are always backed by Government Securities.</td><td>The below sentence appearing in the said definition stands deleted :
"Reverse Repos are always backed by Government Securities."</td></tr>
<tr><td>Potential Risk Class Matrix of the scheme</td><td>Potential Risk Class
<table>
<tr><th>Credit Risk →
Interest Rate Risk ↓</th><th>Relatively Low (Class A)</th><th>Moderate (Class B)</th><th>Relatively High (Class C)</th></tr>
<tr><td>Relatively Low (Class I)</td><td>A-I</td><td></td><td></td></tr>
<tr><td>Moderate (Class II)</td><td></td><td></td><td></td></tr>
<tr><td>Relatively High (Class III)</td><td></td><td></td><td></td></tr>
</table></td><td>Potential Risk Class
<table>
<tr><th>Credit Risk →
Interest Rate Risk ↓</th><th>Relatively Low (Class A)</th><th>Moderate (Class B)</th><th>Relatively High (Class C)</th></tr>
<tr><td>Relatively Low (Class I)</td><td></td><td>B-I</td><td></td></tr>
<tr><td>Moderate (Class II)</td><td></td><td></td><td></td></tr>
<tr><td>Relatively High (Class III)</td><td></td><td></td><td></td></tr>
</table></td></tr>
<tr><td>Enabling provision and disclosure to invest in debt securities having structured obligations (SO rating) and/or credit enhancements (CE rating)</td><td>-</td><td>For detailed disclosures on applicable investment limits and risk factors please refer "Note 2- Disclosures pertaining to investment into debt instruments having Structured Obligations / Credit Enhancements."</td></tr>
<tr><td>Provisions for creation of Segregated Portfolio</td><td>Enabled</td><td>Enabled</td></tr>
</table>

All references to the above provisions shall be suitably incorporated in the SID and KIM of BLF.

II. Details of changes to Baroda Overnight Fund ("BOF")

<table>
<tr><th>Features</th><th>Existing Provisions</th><th>Revised Provisions (w.e.f. Effective date)</th></tr>
<tr><td>Name of the scheme</td><td>Baroda Overnight Fund</td><td>Baroda BNP Paribas Overnight Fund</td></tr>
<tr><td>Type of scheme</td><td>An open-ended debt scheme investing in overnight securities. A Relatively Low Interest Rate Risk and Relatively Low Credit Risk.</td><td>An open-ended debt scheme investing in overnight securities. A Relatively Low Interest Rate Risk and Relatively Low Credit Risk.</td></tr>
<tr><td>Investment Objective</td><td>The primary objective of the Scheme is to generate returns, commensurate with low risk and providing high level of liquidity, through investments made primarily in overnight securities having maturity of one business day.
There is no assurance that the investment objective of the Scheme will be realized.</td><td>The primary objective of the Scheme is to generate returns, commensurate with low risk and providing high level of liquidity, through investments made primarily in overnight securities having maturity of one business day.
There is no assurance that the investment objective of the Scheme will be realized.</td></tr>
<tr><td>Section III - (Information About the Scheme)- C- (How will the Scheme Allocate its assets.)</td><td>Under normal circumstances, the broad investment pattern will be as under:
<table>
<tr><th rowspan="2">Type of Instruments</th><th colspan="2">Indicative Asset Allocation (% of total assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Debt and Money Market instruments* with maturity upto one business day</td><td colspan="2">Upto 100%</td><td>Low</td></tr>
</table>
*Includes MIBOR linked instruments with daily put and call options with residual maturity not greater than one business day, Tri-party Repo / reverse repo.
The Scheme may invest in liquid schemes of mutual funds for overnight deployment in line with its investment objective and in accordance with the applicable extant SEBI (Mutual Funds) Regulations as amended from time to time. The Scheme may participate in Bills Re-Discounting (BRDS) issues by banks, in line with the investment objective of the Scheme. The Scheme may undertake repo transactions in corporate debt securities in accordance with the directions issued by SEBI / RBI from time to time and in line with the policy approved by the Board of Directors of the AMC and Trustee Company.
The Scheme may enter into reverse repos in government securities as may be permitted by SEBI and RBI. The Scheme may participate in repo of corporate debt securities. A part of the net assets may be invested in Triparty Repo or in an alternative investment as may be provided by RBI to meet the liquidity requirements.
The Scheme will not have any exposure to debt derivatives, securitized debt, REITs and INViTs and foreign securities. The Scheme shall not invest in Credit Default Swaps.
The Scheme will invest in instruments of varying ratings including unrated securities.
The Scheme may purchase securities either in the primary market or those traded in the secondary markets. On occasions, if deemed appropriate, the Scheme may invest in securities sold directly by the issuer, or acquired in a negotiated transaction or issued by way of private placement. The moneys collected under the Scheme shall be invested only in transferable securities.</td><td>Under normal circumstances, the broad investment pattern will be as under:
<table>
<tr><th rowspan="2">Type of Instruments</th><th colspan="2">Indicative Asset Allocation (% of total assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Debt and Money Market instruments* with maturity upto one business day</td><td colspan="2">Upto 100%</td><td>Low</td></tr>
</table>
*Includes MIBOR linked instruments with daily put and call options with residual maturity not greater than one business day, Tri-party Repo / reverse repo.
The Scheme may invest in liquid schemes of mutual funds for overnight deployment in line with its investment objective and in accordance with the applicable extant SEBI (Mutual Funds) Regulations as amended from time to time. The Scheme may participate in Bills Re-Discounting (BRDS) issues by banks, in line with the investment objective of the Scheme. The Scheme may undertake repo transactions in corporate debt securities in accordance with the directions issued by SEBI / RBI from time to time and in line with the policy approved by the Board of Directors of the AMC and Trustee Company.
The Scheme may enter into reverse repos in government securities as may be permitted by SEBI and RBI. The Scheme may participate in repo of corporate debt securities. A part of the net assets may be invested in Triparty Repo or in an alternative investment, subject to prior approval from SEBI, if any, as may be provided by RBI to meet the liquidity requirements.
The Scheme will not have any exposure to debt derivatives, securitized debt, REITs and INViTs and foreign securities. The Scheme shall not invest in Credit Default Swaps.
The Scheme may purchase securities either in the primary market or those traded in the secondary markets. On occasions, if deemed appropriate, the Scheme may invest in securities sold directly by the issuer or acquired in a negotiated transaction or issued by way of private placement. The moneys collected under the Scheme shall be invested only in transferable securities.
The cumulative gross exposure through debt, repo transactions and other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time (subject to prior approval from SEBI, if any) will not exceed 100% of the net assets of the scheme.
The Scheme will not engage in short selling and securities lending.
The Scheme will not invest in debt securities having structured obligations (SO rating) and/or credit enhancements (CE rating).
The scheme does not intend to invest in debt instruments with special features as referred to in SEBI circular SEBI/HO/IMD/DF4/CIR /P/2021/032 dated March 10, 2021.</td></tr>
<tr><td>Section III - (Information About the Scheme)-J-(What are the Investment Restrictions) - xiv- Investment Restrictions related to repo in corporate debt securities.</td><td>The Scheme shall participate in repos in corporate debt securities as per the guidelines issued by RBI from time to time, subject to the following conditions:
I. The gross exposure of the Scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the Scheme.
II. The cumulative gross exposure through repo transactions in corporate debt securities along with debt and money market securities shall not exceed 100% of the net assets of the Scheme.
III. The Scheme shall participate in repo transactions only in AA and above rated corporate debt securities.
IV. The Scheme shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.</td><td>The Scheme shall participate in repos in corporate debt securities as per the guidelines issued by RBI from time to time, subject to the following conditions:
I. The gross exposure of the Scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the Scheme.
II. The cumulative gross exposure through repo transactions in corporate debt securities along with debt and money market securities shall not exceed 100% of the net assets of the Scheme.
III. The Scheme shall participate in repo transactions only in rated corporate debt securities permissible, as per the policy on repo in corporate debt securities adopted by the AMC; however, such rating shall not be lower than the rating prescribed by SEBI.
IV. The Scheme shall borrow through repo transactions for a tenor as per the policy on repo in corporate debt securities adopted by the AMC; however, such tenor shall not exceed a period of six months as prescribed by SEBI.</td></tr>
<tr><td>Provisions for creation of Segregated Portfolio</td><td>Enabled</td><td>Enabled</td></tr>
</table>

All references to the above provisions shall be suitably incorporated in the SID and KIM of BOF.

B. Schemes of Baroda MF with changes in the Fundamental attributes: *(Contd.)*

III. Details of changes to Baroda Short Term Bond Fund (BSTBF):

<table>
<tr><th>Features</th><th>Existing Provisions</th><th>Revised Provisions (w.e.f. Effective date)</th></tr>
<tr><td>Name of the scheme</td><td>Baroda Short Term Bond Fund</td><td>Baroda BNP Paribas Short Term Bond Fund</td></tr>
<tr><td>Type of scheme</td><td>An open-ended short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 year and 3 years (please refer page no 39). A Moderate Interest Rate Risk and Moderate Credit Risk.</td><td>An open-ended short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 year and 3 years (please refer page no XX#). A Moderate Interest Rate Risk and Moderate Credit Risk.
#Please refer to the page number of the Scheme Information Document on which the concept of Macaulay's Duration has been explained.</td></tr>
<tr><td>Investment Objective</td><td>The primary objective of the Scheme is to generate income from a portfolio constituted of short term debt and money market securities.</td><td>The primary objective of the Scheme is to generate income from a portfolio constituted of short term debt and money market securities.</td></tr>
<tr><td>Section I-(Highlights/Summary of the Scheme) - Investment Objective</td><td>The primary objective of the Scheme is to generate income from a portfolio constituted of short-term debt and money market securities</td><td>The primary objective of the Scheme is to generate income and capital gains through investments in a portfolio of debt and money market instruments.</td></tr>
<tr><td>Section III (Information About the Scheme)-C-How will the Scheme Allocate its Assets:</td><td>Under normal circumstances, the broad investment pattern will be as under:
<table>
<tr><th rowspan="2">Type of Instruments</th><th colspan="2">Indicative Asset Allocation (% of total assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Debt and money market instruments such that the Macaulay duration of the portfolio is between 1 year and 3 years.</td><td colspan="2">Upto 100%</td><td>Low to medium</td></tr>
<tr><td>Investment in REITs and InvITs</td><td>10%</td><td>0%</td><td>High</td></tr>
</table>
The Scheme may invest in securitized debt up to 50% of its net assets.
The Scheme may invest in foreign securities upto 25% of its net assets subject to maximum of US$ 1 billion in the aggregate at the Mutual Fund level, as per the SEBI circular nos. SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007 and SEBI/IMD/CIR no. 2 / 122577 / 08 dated April 8, 2008 and SEBI/HO/IMD/DF3/CIR/P/2020/225 dated November 05, 2020.
Exposure to fixed income derivative instruments will be restricted to 50% of the net assets of the Scheme based on the opportunities available and in line with the overall investment objective of the scheme, subject to the guidelines issued by SEBI from time to time. These may be taken to hedge or rebalance the portfolio, or to undertake any other strategy as may be permitted under the Regulations from time to time.
In addition to the instruments stated in the above table, the Scheme may enter into reverse repos in Government securities as may be permitted by RBI & SEBI. The Scheme will not invest in repos in corporate debt. A part of the net assets may be invested in Tri- Party Repo as an alternative investment as may be provided by RBI to meet the liquidity requirements.
Pending deployment of the funds in securities as per the investment objectives of the Scheme, the Fund may park the funds of the Scheme in short term deposits of Scheduled Commercial Banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007 and as may be amended from time to time.
The cumulative gross exposure through debt, derivative positions, REITs and InvITs, other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme.
The asset allocation shown above is indicative and may be altered depending upon market conditions.
The Scheme may purchase securities either in the primary market or those traded in the secondary markets. On occasions, if deemed appropriate, the scheme may invest in securities sold directly by the issuer, or acquired in a negotiated transaction or issued by way of private placement. The moneys collected under the scheme shall be invested only in transferable securities.</td><td>Under normal circumstances, the broad investment pattern will be as under:
<table>
<tr><th rowspan="2">Type of Instruments</th><th colspan="2">Indicative Asset Allocation (% of total assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Debt and money market instruments such that the Macaulay duration of the portfolio is between 1 year and 3 years</td><td colspan="2">Upto 100%</td><td>Low to Medium</td></tr>
</table>
The Scheme may invest in securitized debt up to 50% of its net assets.
The scheme may invest in foreign securities (including foreign securitized debt) up to 25% of its net assets subject to a maximum of US $ 1 billion in the aggregate at the Mutual Fund level and upto a maximum of US$ 300 million in overseas Exchange Traded Funds (ETFs) at the Mutual Fund level as per the SEBI circular nos. SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007, SEBI/IMD/CIR no. 2/122577/08 dated April 8, 2008, SEBI/HO/IMD/DF3/CIR/P/2020/225 dated November 05, 2020 and SEBI/HO/IMD/IMDII/DOF3/P/CIR/2021/571 dated June 03, 2021, as may be amended from time to time.
Exposure to fixed income derivative instruments will be restricted to 50% of the debt assets of the Scheme based on the opportunities available and in line with the overall investment objective of the scheme, subject to the guidelines issued by SEBI from time to time. These may be taken to hedge or rebalance the portfolio, or to undertake any other strategy as may be permitted under the Regulations from time to time.
In addition to the instruments stated in the above table, the Scheme may enter into reverse repos in Government securities as may be permitted by RBI & SEBI. A part of the net assets may be invested in Tri- Party Repo as an alternative investment, subject to prior approval from SEBI, if any, as may be provided by RBI to meet the liquidity requirements.
The Scheme may undertake repo/reverse repo transactions in corporate debt securities in accordance with the directions issued by SEBI /RBI from time to time and in line with the policy approved by the Board of Directors of the AMC and Trustee Company. The gross exposure of the Scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the Scheme.
Pending deployment of the funds in securities as per the investment objectives of the Scheme, the Fund may park the funds of the Scheme in short term deposits of Scheduled Commercial Banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007 and as may be amended from time to time.
The cumulative gross exposure through debt, derivative positions (fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time (subject to prior approval from SEBI, if any) will not exceed 100% of the net assets of the scheme.
The asset allocation shown above is indicative and may be altered depending upon market conditions.
The Scheme may purchase securities either in the primary market or those traded in the secondary markets. On occasions, if deemed appropriate, the scheme may invest in securities sold directly by the issuer or acquired in a negotiated transaction or issued by way of private placement. The moneys collected under the scheme shall be invested only in transferable securities.
The scheme may invest in Credit Default Swaps (CDS). In accordance with SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012, exposure to a single counterparty in CDS transactions shall not exceed 10% of the net assets of the scheme.
The Scheme may invest upto 10% of the debt portfolio of the scheme (with not more than 5% of the debt portfolio of the scheme issued by a single issuer) in debt instruments with special feature of subordination to equity (absorbs losses before equity capital) but shall not invest in debt instruments with special feature of convertible to equity upon trigger of a pre-specified event for loss absorption. The investments in debt instruments with special feature shall be subject to prudential limits as prescribed under SEBI circular SEBI/HO/IMD/DF4/CIR/P/2021/032 dated March 10, 2021 or such other circular issued by SEBI from time to time.
The Scheme may invest in debt securities having structured obligations (SO rating) and/or credit enhancements (CE rating) upto 10% of the debt portfolio of the scheme and the group exposure in such instruments shall not exceed 5% of the debt portfolio.
The Scheme will not engage in any securities lending activity or short selling.</td></tr>
<tr><td>Investment in Foreign Securitized Debt</td><td>Section III (Information About the Scheme) - E (Where will the Scheme invest) - Investment in Foreign Securities:
The Scheme will not invest in foreign securitized debt.</td><td>Section III (Information About the Scheme) - E (Where will the Scheme invest) - Investment in Foreign Securities:
The said sentence will stand deleted.</td></tr>
<tr><td>Investments in repo in corporate debt securities.</td><td>Section III (Information About the Scheme) - C (How will the Scheme allocate its assets)
The Scheme will not invest in repos in corporate debt securities.</td><td>In accordance with provisions of SEBI Circular No. CIR/IMD/DF/19/2011 dated November 11, 2011 and SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012 and as amended from time to time, the Scheme may enter into repo / reverse repo in corporate debt securities.
The following sections are proposed to be amended :
<table>
<tr><td>Section II (Introduction) - A-(Risk Factors) - 2 - (Scheme Specific Risk Factors)</td><td>The following shall be added at the end of the said section:
Risks associated with repo transactions in corporate debt:
The Scheme may be exposed to counter party risk in case of repo lending transactions in the event of the counterparty failing to honour the repurchase agreement. However, in repo transactions, the collateral may be sold and a loss is realized only if the sale price is less than the repo amount. The risk is further mitigated through over-collateralization (the value of the collateral being more than the repo amount).</td></tr>
<tr><td>Section II - (Introduction) - D - (Definitions and Interpretation)</td><td>In the definition of "Reverse Repos", the following sentence stands deleted:
"Reverse Repos are always backed by Government Securities."</td></tr>
<tr><td>Section III (Information about the Scheme) - J (What are the Investment Restrictions ?)</td><td>The following point will be added at the end:
The Scheme shall participate in repos in corporate debt securities as per the guidelines issued by RBI from time to time, subject to the following conditions:
• The gross exposure of the Scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the Scheme.
• The cumulative gross exposure through repo transactions in corporate debt securities along with debt and derivatives shall not exceed 100% of the net assets of the Scheme.
• The Scheme shall participate in repo transactions only in rated corporate debt securities as per the policy on repo in corporate debt securities adopted by the AMC; however, such rating shall not be lower than the rating prescribed by SEBI.
• The Scheme shall borrow through repo transactions for a tenor as per the policy on repo in corporate debt securities adopted by the AMC; however, such tenor shall not exceed a period of six months as prescribed by SEBI.</td></tr>
</table></td></tr>
<tr><td>Credit Default Swaps (CDS)</td><td>-</td><td>In accordance with SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012, exposure to a single counterparty in CDS transactions shall not exceed 10% of the net assets of the scheme.
<table>
<tr><td>Section II - (Introduction) - A - (Risk Factors)- 2 (Scheme specific Risk Factors)</td><td>The following shall be added at the end of said section:
Risk factors associated with investments in Credit Default Swaps:
Credit default swap is the most common form of credit derivative where the buyer of the swap makes payments to the swap's seller until the maturity date of a contract. In return, the seller agrees that – in the event that the debt issuer defaults or experiences another credit event – the seller will pay the buyer the security's value as well as all interest payments that would have been paid between that event and the security's maturity date. The Scheme may participate in credit Default Swaps (CDS) as a buyer (protection buyer) to hedge/offset credit risk related to fixed income instruments. It is important to note that the credit risk does not get completely eliminated - it gets shifted to the CDS seller. The risk is that the CDS seller may default at the same time the credit event occurs. In case the debt issuer does not default or no credit event occurs till maturity of CDS contract, the buyer will end up losing the amount paid to the seller for CDS.</td></tr>
<tr><td>Section III - (Information about the Scheme) - J - (What are the investment restrictions)</td><td>Participation by the Scheme in CDS transactions shall be subject to and as per the guidelines issued by RBI and SEBI from time to time. SEBI vide Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012 has prescribed the following conditions:
(a) The Scheme shall participate in CDS transactions only as user (protection buyer). Thus, the Scheme shall be permitted to buy credit protection only to hedge its credit risk on corporate bonds it holds. The Scheme shall not be allowed to sell protection and hence not permitted to enter into short positions in the CDS contracts. However, the Scheme shall be permitted to exit its bought CDS positions, subject to para (c) below.
(b) The Scheme shall buy CDS only from a market maker approved by the RBI and enter into Master Agreement with the counterparty as stipulated under RBI Guidelines. Exposure to a single counterparty in CDS transactions shall not exceed 10% of the net assets of the Scheme.
(c) The cumulative gross exposure through CDS in corporate bonds along with debt and derivative positions shall not exceed 100% of the net assets of the Scheme.
(d) The total exposure related to premium paid for all derivative positions, including CDS, shall not exceed 20% of the net assets of the Scheme.</td></tr>
</table></td></tr>
<tr><td>Investments in Interest Rate Futures (IRF)</td><td>-</td><td>In accordance with provisions of SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2017/109 dated September 27, 2017, the Scheme may invest into Interest Rate Futures (IRFs) for purpose of imperfect hedging subject to below applicable investment limits and conditions.
<table>
<tr><td>Section III - (Information About the Scheme)-E-(Where will the Scheme invest)-Trading in Derivatives</td><td>The following shall be added at the end of paragraph titled "Trading in Derivatives" :
Interest Rate Futures:
<u>Applicable Investment Limits^-</u>
The Scheme may have exposure in debt derivatives only for hedging and portfolio balancing upto 20% of the net assets. Investment in derivatives including imperfect hedging using Interest Rate Futures shall be in line with the guidelines prescribed by SEBI from time to time.</td></tr>
</table></td></tr>
</table>

B. Schemes of Baroda MF with changes in the Fundamental attributes: *(Contd.)*

III. Details of changes to Baroda Short Term Bond Fund (BSTBF): *(Contd.)*

Features	Existing Provisions	Revised Provisions (w.e.f. Effective date)
Investments in Interest Rate Futures (IRF) *(Contd.)*	-	In accordance with provisions of SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2017/109 dated September 27, 2017, the Scheme may invest into Interest Rate Futures (IRFs) for purpose of imperfect hedging subject to below applicable investment limits and conditions. *(Contd.)* **Section III** - (Information About the Scheme)-**E**-(Where will the Scheme invest)-Trading in Derivatives *(Contd.)*: **^Note:** 1. To reduce interest rate risk, the Scheme may hedge the portfolio or part of the portfolio (including one or more securities) on weighted average modified duration basis by using Interest Rate Futures (IRFs). The maximum extent of short position that may be taken in IRFs to hedge interest rate risk of the portfolio or part of the portfolio shall be as per the formula given below: (Portfolio Modified Duration*Market Value of the Portfolio (Futures Modified Duration*Futures price/PAR) 2. Imperfect hedging using IRFs shall be considered to be exempted from the gross exposure, upto maximum of 20% of the net assets of the scheme, subject to the following: a. Exposure to IRFs is created only for hedging the interest rate risk based on the weighted average modified duration of the bond portfolio or part of the portfolio. b. The Scheme may resort to imperfect hedging, without it being considered under the gross exposure limits, if and only if, the correlation between the portfolio or part of the portfolio (excluding the hedged portions, if any) and the IRF is atleast 0.9 at the time of initiation of hedge. In case of any subsequent deviation from the correlation criteria, the same shall be rebalanced within 5 working days and if not rebalanced within the timeline, the derivative positions created for hedging shall be considered under the gross exposure computed in terms of Para 3 of SEBI circular dated August 18, 2010. The correlation shall be calculated for a period of last 90 days. *Explanation: If the fund manager intends to do imperfect hedging upto 15% of the portfolio using IRFs on weighted average modified duration basis, either of the following conditions needs to be complied with:* *(i) The correlation for past 90 days between the portfolio and the IRF is at least 0.9 or* *(ii) The correlation for past 90 days between the part of the portfolio (excluding the hedged portions, if any) i.e. at least 15% of the net asset of the Scheme (including one or more securities) and the IRF is at least 0.9.* c. At no point of time, the net modified duration of part of the portfolio being hedged should be negative. d. The portion of imperfect hedging in excess of 20% of the net assets of the Scheme shall be considered as creating exposure and shall be included in the computation of gross exposure in terms of Para 3 of SEBI circular dated August 18, 2010. Further, it shall be ensured that the basic characteristics of the Scheme shall not be affected by hedging the portfolio or part of the portfolio (including one or more securities) based on the weighted average modified duration and that the interest rate hedging of the portfolio shall be in the interest of the investors. *Explanation: In case of long term bond fund, after hedging the portfolio based on the modified duration of the portfolio, the net modified duration should not be less than the minimum modified duration of the portfolio as required to consider the fund as a long term bond fund.* **1. Numerical example explaining imperfect Hedging with investments into IRFs:** **Perfect hedging:** Date: 18th January 2020 Spot price of Govt. security (6.79% 2027) = Rs. 95.55 Price of IRF - January Contract (expiry on 25-Jan-2020) = Rs. 95.57 On 18-Jan-2020, the fund holds 1000 units of the government security from the spot market at Rs. 95.55. Subsequently, it is anticipated that yields may rise in the near future. Thus, to hedge the underlying position taken, the fund sells January 2020 IRF. The price at the Futures contract is Rs. 95.57. On 23-Jan-2020, assuming due to increase in yields: Spot price of the security (6.79% 2027) = Rs. 95.10 Price of IRF - January Contract (expiry on 25-Jan-2020) = Rs. 95.07 Thus, due to hedging the portfolio: Loss in the underlying security: (Rs. 95.10- Rs. 95.55) * 1000 = (Rs. 45p0) Profit in the futures market: (Rs. 95.57 – Rs. 95.07) *1000 = Rs. 500. **Imperfect hedging:** D = The duration of the portfolio (measure of the interest rate sensitivity of the portfolio) = 7 P = Portfolio's market value = Rs. 100 Y = underlying interest rate or portfolio yield = 8.00% Change in market value of portfolio = P*D*Change in Y The portfolio can be a mix of: 1) Corporate Bonds and Government securities 2) Only Corporate Bonds (i.e. no Government securities) Subsequently, if it is anticipated that yields may rise in the future, the fund manager can hedge the underlying duration risk in the IRF by selling the futures contract. Spot price of the security (6.79% 2027) = Rs. 95.10 Futures price of the contract = Rs. 95.07 Duration of the underlying security of the futures contract = 6 % of the portfolio hedged in this strategy = 10% Thus, due to hedging the portfolio: In case the interest rates rise by 50 bps point, then; Change in the market value of the portfolio = 100 * 7 * (0.50%) = (Rs. 3.50) Duration risk managed due to hedge in IRF =%of portfolio hedged * portfolio's market value * duration of the underlying security * Change in the interest rates =10% * 100 * 6 * (0.50) = Rs. 0.30 Thus net change in the market value of the portfolio = Rs. 100 – Rs. 3.50 + Rs. 0.30 = Rs. 96.80 **Section III** - (Information About the Scheme)-**E**-(Where will the Scheme invest) - Trading in Derivatives - Risk Factors: The following shall be added at the end of said section: In case of hedge, it is possible that derivative positions may not be perfectly in line with the underlying assets they are hedging. As a consequence, the derivative cannot be expected to perfectly hedge the risk of the underlying assets. This also increases the volatility of the Scheme's performance.
Section **III**-(Information About the Scheme)-**E**-(Where will the Scheme invest)	-	The following will be added towards the end of the paragraph starting with "The Scheme may invest its funds in the following securities". 18. Credit Default Swaps. 19. Repo / reverse repo in corporate debt securities.
Enabling provisions and disclosures for investment into debt instruments with special features	Not applicable	For detailed disclosures on applicable investment limits, risk factors and other disclosures, please refer "Note 1 - Enabling provisions and disclosures for investment into debt instruments with special features".
Enabling provision and disclosure to invest in debt securities having structured obligations (SO rating) and/or credit enhancements (CE rating)	-	For detailed disclosures on applicable investment limits and risk factors please refer "Note 2- Disclosures pertaining to investment into debt instruments having Structured Obligations / Credit Enhancements."
Provisions for creation of Segregated Portfolio	Enabled	Enabled

All references to the above provisions shall be suitably incorporated in the SID and KIM of BSTBF

IV. Details of changes to Baroda Dynamic Equity Fund ("BDEF") :

Features	Existing Provisions	Revised Provisions (w.e.f. Effective date)
Name of the scheme	Baroda Dynamic Equity Fund	Baroda BNP Paribas Balanced Advantage Fund
Type of scheme	An open ended dynamic asset allocation fund	An open ended balanced advantage fund
Investment Objective	The primary objective of the Scheme is to generate capital appreciation by investing in a portfolio of equity or equity linked securities while the secondary objective is to generate income through investments in debt and money market instruments. It also aims to manage risk through active asset allocation.	The primary objective of the Scheme is to generate capital appreciation by investing in a portfolio of equity or equity linked securities while the secondary objective is to generate income through investments in debt and money market instruments. It also aims to manage risk through active asset allocation.
Section **III** (Information about the Scheme) - **C** (How will the Scheme allocate its Assets)	Under normal circumstances, the broad investment pattern will be as under:	Under normal circumstances, the broad investment pattern will be as under:

Existing Provisions:

Type of Instruments	Indicative Asset Allocation (% of total assets)		Risk Profile
	Minimum	Maximum	
Equity & equity related securities	65	100	Medium to High
Debt & money market instruments*	0	35	Low to Medium
Units issued by REITs & InvITs	0	10	Medium to High

Revised Provisions:

Type of Instruments	Indicative Asset Allocation (% of total assets)		Risk Profile
	Minimum	Maximum	
Equity & equity related securities	65	100	Medium to High
Debt and money market instruments*	0	35	Low to Medium
Units issued by REITs & InvITs	0	10	Medium to High

B. Schemes of Baroda MF with changes in the Fundamental attributes: *(Contd.)*

IV. Details of changes to Baroda Dynamic Equity Fund ("BDEF") : *(Contd.)*

<table>
<tr><th>Features</th><th>Existing Provisions</th><th>Revised Provisions (w.e.f. Effective date)</th></tr>
<tr><td>Section III (Information about the Scheme) - C (How will the Scheme allocate its Assets) (Contd.)</td><td>*Investment in securitized debt will not exceed 10% of the net assets of the Scheme.
Gross equity exposure will be maintained between 65% to 100% and the net long equity exposure will be between 30% to 100%. The Scheme may take derivatives positions up to 50% of the net assets of the Scheme, based on the opportunities available, subject to the guidelines issued by SEBI from time to time, and in line with the overall investment objective of the Scheme. These may be taken to hedge or rebalance the portfolio, or to undertake any other strategy as may be permitted under the Regulations from time to time
The Scheme will not invest in foreign securitized debt.
The Scheme may engage in stock lending to the extent of 20% of the net assets of the Scheme.
The Scheme may undertake repo transactions in corporate debt securities in accordance with the directions issued by SEBI / RBI from time to time and in line with the policy approved by the Board of Directors of the AMC and Trustee Company.
The Scheme may invest in Foreign Securities including ADRs/GDRs upto 10% of its net assets subject to maximum of US$ 1 billion in the aggregate at the Mutual Fund level, as per the SEBI circular nos. SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007, SEBI/IMD/CIR no. 2/122577/08 dated April 8, 2008, SEBI/HO/IMD/DF3/CIR/P/2020/225 dated November 05, 2020 and and SEBI/HO/IMD/IMD-II/DOF3/P/CIR/2021/571 dated June 03, 2021, as may be amended from time to time.
The cumulative gross exposure through equity, debt, derivative positions, REITs and InvITs, other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme. However, cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
Pending deployment of funds of the Scheme in securities in terms of the investment objective, the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as amended from time to time.
Subject to the SEBI (MF) Regulations and in accordance with the framework for short selling and borrowing and lending of securities notified by SEBI vide circular No MRD/DoP/SE/Dep/Cir-14/2007 dated December 20, 2007, as may be amended from time to time, the Scheme intends to engage in stock lending. Stock lending means the lending of stock to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio. The securities lent will be returned by the borrower on the expiry of the stipulated period. The Scheme may engage in short selling in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI. The Scheme shall adhere to the following limits should it engage in stock lending:
1. Not more than 20% of the net assets of the Scheme can generally be deployed in stock lending.
2. Not more than 5% of the net assets of the Scheme can generally be deployed in stock lending to any single counter party.
The Scheme may not be able to sell such lent out securities and this can lead to temporary illiquidity.
The Scheme will invest in debt instruments of investment grade and/or unrated debt securities. "Investment grade" means investment grade by a credit rating agency authorised to carry out such activity under the Regulations. The Scheme retains the flexibility to invest across all securities in the debt and money markets as permitted by SEBI / RBI from time to time. In addition to the instruments stated in the above table, the Scheme may enter into reverse repos in government securities as may be permitted by SEBI and RBI and in Triparty Repo in line with relevant RBI regulations.
The Scheme does not intend to undertake/invest/engage in Credit Default Swaps (CDS) transactions.</td><td>* Investment in securitized debt will not exceed 10% of the net assets of the Scheme.
Gross equity exposure will be maintained between 65% to 100% and the net long equity exposure will be between 30% to 100%. The Scheme may take derivatives positions up to 50% of the equity and debt assets of the Scheme, respectively, based on the opportunities available, subject to the guidelines issued by SEBI from time to time, and in line with the overall investment objective of the Scheme. These may be taken to hedge or rebalance the portfolio, or to undertake any other strategy as may be permitted under the Regulations from time to time.
The Scheme will not invest in foreign securitized debt.
The Scheme may undertake repo transactions in corporate debt securities in accordance with the directions issued by SEBI / RBI from time to time and in line with the policy approved by the Board of Directors of the AMC and Trustee Company.
The Scheme may invest in Foreign Securities including ADRs/GDRs upto 10% of its net assets subject to maximum of US$ 1 billion in the aggregate at the Mutual Fund level, as per the SEBI circular nos. SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007, SEBI/IMD/CIR no. 2/122577/08 dated April 8, 2008, SEBI/HO/IMD/DF3/CIR/P/2020/225 dated November 05, 2020 and and SEBI/HO/IMD/IMD-II/DOF3/P/CIR/2021/571 dated June 03, 2021, as may be amended from time to time.
The cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time (subject to prior approval from SEBI, if any) will not exceed 100% of the net assets of the scheme. However, cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
Pending deployment of funds of the Scheme in securities in terms of the investment objective, the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as amended from time to time.
Subject to the SEBI (MF) Regulations and in accordance with the framework for short selling and borrowing and lending of securities notified by SEBI vide circular No MRD/DoP/SE/Dep/Cir-14/2007 dated December 20, 2007, as may be amended from time to time, the Scheme intends to engage in stock lending. Stock lending means the lending of stock to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio. The securities lent will be returned by the borrower on the expiry of the stipulated period. The Scheme may engage in short selling in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI. The Scheme shall adhere to the following limits should it engage in stock lending:
1. Not more than 20% of the net assets of the Scheme can be deployed in stock lending.
2. Not more than 5% of the net assets of the Scheme can be deployed in stock lending to any single counter party.
The Scheme may not be able to sell such lent out securities and this can lead to temporary illiquidity.
The Scheme retains the flexibility to invest across all securities in the debt and money markets as permitted by SEBI / RBI from time to time. In addition to the instruments stated in the above table, the Scheme may enter into reverse repos in government securities as may be permitted by SEBI and RBI and in Triparty Repo in line with relevant RBI regulations.
The scheme intends to undertake/invest/ engage in Credit Default Swaps (CDS) Transactions. In accordance with SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012, exposure to a single counterparty in CDS transactions shall not exceed 10% of the net assets of the Scheme."
The Scheme will not engage in short selling.
The Scheme may invest in debt securities having structured obligations (SO rating) and/or credit enhancements (CE rating) upto 10% of the debt portfolio of the scheme and the group exposure in such instruments shall not exceed 5% of the debt portfolio.
The Scheme may invest upto 10% of the debt portfolio of the scheme (with not more than 5% of the debt portfolio of the scheme issued by a single issuer) in debt instruments with special features viz. subordination to equity (absorbs losses before equity capital) and /or convertible to equity upon trigger of a prespecified event for loss absorption. The investments in debt instruments with special feature shall be subject to prudential limits as prescribed under SEBI circular SEBI/HO/IMD/DF4/CIR/P/2021/032 dated March 10, 2021 or such other circular issued by SEBI from time to time.</td></tr>
<tr><td>Section III - (Information About the Scheme)-I-(What are the Investment Restrictions) - 19-Investment Restrictions related to repo in corporate debt securities.</td><td>The Scheme shall participate in repos in corporate debt securities as per the guidelines issued by RBI from time to time, subject to the following conditions:
i. The gross exposure of the Scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the Scheme
ii. The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt and derivatives shall not exceed 100% of the net assets of the Scheme.
iii. The Scheme shall participate in repo transactions only in AA and above rated corporate debt securities.
iv. The Scheme shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.</td><td>The Scheme shall participate in repos in corporate debt securities as per the guidelines issued by RBI from time to time, subject to the following conditions:
(i) The gross exposure of the Scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the Scheme.
(ii) The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt and derivatives shall not exceed 100% of the net assets of the Scheme*.
(iii) The Scheme shall participate in repo transactions only in rated corporate debt securities as per the policy on repo in corporate debt securities adopted by the AMC; however, such rating shall not be lower than the rating prescribed by SEBI.
(iv) The Scheme shall borrow through repo transactions for a tenor as per the policy on repo in corporate debt securities adopted by the AMC; however, such tenor shall not exceed a period of six months as prescribed by SEBI.</td></tr>
<tr><td>Section II (Introduction) - D (Definitions and Interpretation) - Reverse Repos</td><td>Reverse Repos are always backed by Government Securities.</td><td>The said sentence appearing in the definition of Reverse Repo stands deleted.</td></tr>
<tr><td>Credit Default Swaps (CDS)</td><td>Section III (Information about the Scheme) - C (How will the Scheme allocate its Assets)
The Scheme does not intend to undertake/invest/engage in Credit Default Swaps (CDS) transactions.</td><td>Section III (Information about the Scheme) - C (How will the Scheme allocate its Assets)
The sentence shall be substituted with revised wordings as under:
The scheme intends to undertake/invest/ engage in Credit Default Swaps (CDS) Transactions
"In accordance with SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012, exposure to a single counterparty in CDS transactions shall not exceed 10% of the net assets of the Scheme."
Further, the below mentioned points shall be added:<table><tr><td>Section III-(Information about the Scheme) -I- (What are the investment restrictions)</td><td>Participation by the Scheme in CDS transactions shall be subject to and as per the guidelines issued by RBI and SEBI from time to time. SEBI vide Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012 has prescribed the following conditions:
(a) The Scheme shall participate in CDS transactions only as user (protection buyer). Thus, the Scheme is permitted to buy credit protection only to hedge their credit risk on corporate bonds it holds. The Scheme shall not be allowed to sell protection and hence not permitted to enter into short positions in the CDS contracts. However, the Scheme shall be permitted to exit its bought CDS positions, subject to para (c) below.
(b) The Scheme shall buy CDS only from a market maker approved by the RBI and enter into Master Agreement with the counterparty as stipulated under RBI Guidelines. Exposure to a single counterparty in CDS transactions shall not exceed 10% of the net assets of the Scheme.
(c) The cumulative gross exposure through CDS in corporate bonds along with equity, debt and derivative positions shall not exceed 100% of the net assets of the Scheme.
(d) The total exposure related to premium paid for all derivative positions, including CDS, shall not exceed 20% of the net assets of the Scheme.</td></tr><tr><td>Section II - (Introduction) -A- (Risk Factors) - 2 (Scheme specific Risk Factors)</td><td>The following shall be added at the end of said section:
Risk factors associated with investments in Credit Default Swaps:
Credit default swap is the most common form of credit derivative where the buyer of the swap makes payments to the swap's seller until the maturity date of a contract. In return, the seller agrees that – in the event that the debt issuer defaults or experiences another credit event - the seller will pay the buyer the security's value as well as all interest payments that would have been paid between that event and the security's maturity date. The Scheme may participate in credit Default Swaps (CDS) as a buyer (protection buyer) to hedge/offset credit risk related to fixed income instruments. It is important to note that the credit risk does not get completely eliminated – it gets shifted to the CDS seller. The risk is that the CDS seller may default at the same time the credit event occurs. In case the debt issuer does not default or no credit event occurs till maturity of CDS contract, the buyer will end up losing the amount paid to the seller for CDS.</td></tr></table></td></tr>
<tr><td>Section III-(Information About the Scheme)-D-(Where will the Scheme invest)</td><td>-</td><td>The following point will be added at the end of the paragraph starting with "The Scheme may invest its funds in the following securities":
xvii. Credit Default Swaps.</td></tr>
<tr><td>Enabling provision and disclosure to invest in debt securities having structured obligations (SO rating) and/or credit enhancements (CE rating)</td><td>-</td><td>For detailed disclosures on applicable investment limits and risk factors please refer "Note 2- Disclosures pertaining to investment into debt instruments having Structured Obligations / Credit Enhancements."</td></tr>
<tr><td>Enabling provisions and disclosures for investment into debt instruments with special features</td><td>Not applicable</td><td>For detailed disclosures on applicable investment limits, risk factors and other disclosures, please refer "Note 1 - Enabling provisions and disclosures for investment into debt instruments with special features".</td></tr>
<tr><td>Provisions for creation of Segregated Portfolio</td><td>Not Enabled</td><td>In order to ensure fair treatment to all investors in case of a credit event and to deal with liquidity risk, SEBI vide SEBI circular SEBI/HO/IMD/DF2/CIR /P/2018/160 dated December 28, 2018, has allowed creation of segregated portfolio of debt and money market instruments by mutual fund schemes. Accordingly, the enabling provisions for creation of segregated portfolio as detailed under point 'Note A - Enabling provisions for creation of Segregated Portfolio' herein below are being incorporated in the Scheme Information Document for the Scheme and the same shall be subject to guidelines specified by SEBI from time to time.</td></tr>
</table>

All references to the above provisions shall be suitably incorporated in the SID and KIM of BDEF.

V. Details of changes to Baroda Money Market Fund (BMMF) :

<table>
<tr><th>Features</th><th>Existing Provisions</th><th>Revised Provisions (w.e.f. Effective date)</th></tr>
<tr><td>Name of the scheme</td><td>Baroda Money Market Fund</td><td>Baroda BNP Paribas Money Market Fund</td></tr>
<tr><td>Type of scheme</td><td>An open ended debt scheme investing in money market instruments. A Relatively Low Interest Rate Risk and Moderate Credit Risk.</td><td>An open ended debt scheme investing in money market instruments. A Relatively Low Interest Rate Risk and Moderate Credit Risk.</td></tr>
<tr><td>Investment Objective</td><td>An open-ended debt scheme investing in money market instruments.</td><td>An open-ended debt scheme investing in money market instruments.</td></tr>
<tr><td>Section III (Information about the Scheme) - C (How will the Scheme allocate its Assets)</td><td>Under normal circumstances, the broad investment pattern will be as under:<table><tr><th rowspan="2">Type of Instruments</th><th colspan="2">Indicative Asset Allocation (% of total assets)</th><th rowspan="2">Risk Profile</th></tr><tr><th>Minimum</th><th>Maximum</th></tr><tr><td>Money Market instruments</td><td colspan="2">Upto 100%</td><td>Low to Medium</td></tr></table>The Scheme will not have any exposure to debt derivatives, securitized debt, REITs and INViTs and foreign securities.
The Scheme will invest in instruments of varying ratings including unrated securities.
In addition to the instruments stated in the above table, the Scheme may enter into reverse repos in government securities as may be permitted by SEBI and RBI. The Scheme will not invest in repos in corporate debt. A part of the net assets may be invested in Triparty Repo or in an alternative investment as may be provided by RBI to meet the liquidity requirements.</td><td>Under normal circumstances, the broad investment pattern will be as under:<table><tr><th rowspan="2">Type of Instruments</th><th colspan="2">Indicative Asset Allocation (% of total assets)</th><th rowspan="2">Risk Profile</th></tr><tr><th>Maximum</th><th>Minimum</th></tr><tr><td>Money Market instruments</td><td colspan="2">Upto 100%</td><td>Low to Medium</td></tr></table>The Scheme will not have any exposure to debt derivatives, securitized debt, REITs and INViTs and foreign securities.
In addition to the instruments stated in the above table, the Scheme may enter into reverse repos in government securities as may be permitted by SEBI and RBI. The Scheme will not invest in repos in corporate debt. A part of the net assets may be invested in Triparty Repo or in an alternative investment, subject to prior approval from SEBI, if any, as may be provided by RBI to meet the liquidity requirements.</td></tr>
</table>

B. Schemes of Baroda MF with changes in the Fundamental attributes: *(Contd.)*

V. Details of changes to Baroda Money Market Fund (BMMF): *(Contd.)*

Features	Existing Provisions	Revised Provisions (w.e.f. Effective date)
Section **III** (Information about the Scheme) - **C** (How will the Scheme allocate its Assets)	Pending deployment of the funds in securities as per the investment objectives of the Scheme, the Fund may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007 and as may be amended from time to time. The Scheme may purchase securities either in the primary market or those traded in the secondary markets. On occasions, if deemed appropriate, the Scheme may invest in securities sold directly by the issuer, or acquired in a negotiated transaction or issued by way of private placement. The moneys collected under the Scheme shall be invested only in transferable securities.	Pending deployment of the funds in securities as per the investment objectives of the Scheme, the Fund may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007 and as may be amended from time to time. The Scheme may purchase securities either in the primary market or those traded in the secondary markets. On occasions, if deemed appropriate, the Scheme may invest in securities sold directly by the issuer, or acquired in a negotiated transaction or issued by way of private placement. The moneys collected under the Scheme shall be invested only in transferable securities. The cumulative gross exposure through debt, repo transactions other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time (subject to prior approval from SEBI, if any) will not exceed 100% of the net assets of the scheme. The scheme does not intend to invest in debt instruments with special features as referred to in SEBI circular SEBI/HO/IMD/DF4/CIR/P/2021/032 dated March 10, 2021. The Scheme may invest in debt securities having structured obligations (SO rating) and/or credit enhancements (CE rating) upto 10% of the debt portfolio of the scheme and the group exposure in such instruments shall not exceed 5% of the debt portfolio.
Enabling provision and disclosure to invest in debt securities having structured obligations (SO rating) and/or credit enhancements (CE rating)	-	For detailed disclosures on applicable investment limits and risk factors please refer "Note 2- Disclosures pertaining to investment into debt instruments having Structured Obligations / Credit Enhancements."
Provisions for creation of Segregated Portfolio	Not Enabled	In order to ensure fair treatment to all investors in case of a credit event and to deal with liquidity risk, SEBI vide SEBI circular SEBI/HO/IMD/DF2/CIR /P/2018/160 dated December 28, 2018, has allowed creation of segregated portfolio of debt and money market instruments by mutual fund schemes. Accordingly, the enabling provisions for creation of segregated portfolio as detailed under point 'Note A - Enabling provisions for creation of Segregated Portfolio' herein below are being incorporated in the Scheme Information Document for the Scheme and the same shall be subject to guidelines specified by SEBI from time to time.

All references to the above provisions shall be suitably incorporated in the SID and KIM of BMMF.

VI. Details of changes to Baroda Ultra Short Duration Fund (BUSDF):

<table>
<tr><th>Features</th><th>Existing Provisions</th><th>Revised Provisions (w.e.f. Effective date)</th></tr>
<tr><td>Name of the scheme</td><td>Baroda Ultra Short Duration Fund</td><td>Baroda BNP Paribas Ultra Short Duration Fund</td></tr>
<tr><td>Type of scheme</td><td>An open ended ultra short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 months and 6 months (please refer to page no.36). A Relatively Low Interest Rate Risk and Moderate Credit Risk.</td><td>An open ended ultra short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 months and 6 months (please refer to page no.XX)#. A Relatively Low Interest Rate Risk and Moderate Credit Risk.
#Please refer to the page number of the Scheme Information Document on which the concept of Macaulay's Duration has been explained.</td></tr>
<tr><td>Investment Objective</td><td>The primary objective of the Scheme is to generate regular income by investing in a portfolio of debt and money market instruments such that the Macaulay duration of the portfolio is between 3 months - 6 months (please refer to page no.36).
However, there can be no assurance that the investment objective of the Scheme will be realized.</td><td>The primary objective of the Scheme is to generate regular income by investing in a portfolio of debt and money market instruments such that the Macaulay duration of the portfolio is between 3 months - 6 months
However, there can be no assurance that the investment objective of the Scheme will be realized.</td></tr>
<tr><td>Section III- (Information About the Scheme) -C- (How will the Scheme Allocate its Assets)</td><td>Under normal circumstances, the broad investment pattern will be as under:
<table>
<tr><th rowspan="2">Type of Instruments</th><th colspan="2">Indicative Asset Allocation (% of total assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Debt Instruments*</td><td>80</td><td>0</td><td>Low to Medium</td></tr>
<tr><td>Money Market instruments</td><td>100</td><td>20</td><td>Low</td></tr>
<tr><td>REITs and InVITs</td><td>10</td><td>0</td><td>High</td></tr>
</table>
*The Scheme may invest upto 50% in securitized debt. No investment will be made in foreign securitized debt.
The Scheme will invest in debt and money market instruments such that the Macaulay duration of the portfolio is between 3 months – 6 months (please refer to page no. 36).
The Scheme may take derivatives position based on the opportunities available subject to the guidelines issued by SEBI from time to time and in line with the overall investment objective of the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under the SEBI Regulations. Exposure to fixed income derivative instruments will be restricted to 50% of the net assets of the Scheme.
The Scheme may invest in Foreign Securities upto 25% of its net assets subject to maximum of US$ 600 million1 billion in the aggregate at the Mutual Fund level, as per the SEBI circular nos. SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007 and SEBI/IMD/CIR no. 2/122577 /08 dated April 8, 2008 and SEBI/HO/IMD/DF3/CIR/P/2020/225 dated November 05, 2020 and SEBI/HO/IMD/IMD-II/DOF3/P/CIR/2021/571 dated June 03, 2021, as may be amended from time to time.
The Scheme shall not invest in equity-linked debentures. The cumulative gross exposure through debt, money market instruments, REITs and InvITs and derivative positions, other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme..
The Scheme will invest in debt instruments of varying ratings including unrated debt securities.
In addition to the instruments stated in the above table, the Scheme may enter into reverse repos in government securities as may be permitted by SEBI and RBI. The Scheme will not invest in repos in corporate debt. A part of the net assets may be invested in Tri-Party Repo or in an alternative investment as may be provided by RBI to meet the liquidity requirements.
Pending deployment of the funds in securities as per the investment objectives of the Scheme, the Fund may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007 and as may be amended from time to time.
The Scheme may purchase securities either in the primary market or those traded in the secondary markets. On occasions, if deemed appropriate, the Scheme may invest in securities sold directly by the issuer or acquired in a negotiated transaction or issued by way of private placement. The moneys collected under the Scheme shall be invested only in transferable securities.</td><td>Under normal circumstances, the broad investment pattern will be as under:
<table>
<tr><th rowspan="2">Type of Instruments</th><th colspan="2">Indicative Asset Allocation (% of total assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Debt and Money Market instruments*</td><td>100</td><td>0</td><td>Low to Medium</td></tr>
</table>
*The Scheme may invest upto 40% in securitized debt. No investment will be made in foreign securities including foreign securitized debt.
The Scheme will invest in debt and money market instruments such that the Macaulay duration of the portfolio is between 3 months – 6 months (please refer to page no. 'XX').
The Scheme may take derivatives position based on the opportunities available subject to the guidelines issued by SEBI from time to time and in line with the overall investment objective of the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under the SEBI Regulations. Exposure to fixed income derivative instruments will be restricted to 50% of the debt assets of the Scheme.
The Scheme shall not invest in equity-linked debentures.
The cumulative gross exposure through debt, derivative positions (including fixed income derivatives), repo transactions and credit default swaps in corporate debt securities and other permitted securities /assets and such other securities/assets as may be permitted by SEBI from time to time (subject to prior approval from SEBI, if any) will not exceed 100% of the net assets of the Scheme.
In addition to the instruments stated in the above table, the Scheme may enter into reverse repos in government securities as may be permitted by SEBI and RBI.. In accordance with provisions of SEBI Circular No. CIR/IMD/DF/19/2011 dated November 11, 2011 and SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012 and as amended from time to time, the Scheme may enter into repo and reverse repo transactions in corporate debt securities. in accordance with the directions issued by SEBI /RBI from time to time and in line with the policy approved by the Board of Directors of the AMC and Trustee Company. The gross exposure of the Scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the Scheme. A part of the net assets may be invested in Tri-Party Repo or in an alternative investment, subject to prior approval from SEBI, if any, as may be provided by RBI to meet the liquidity requirements.
The scheme may invest in Credit Default Swaps. In accordance with SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012, exposure to a single counterparty in CDS transactions shall not exceed 10% of the net assets of the scheme.
The scheme does not intend to invest in debt instruments with special features as referred to in SEBI circular SEBI/HO/IMD/DF4/CIR/P/2021/032 dated March 10, 2021.
The Scheme will not engage in short selling and securities lending.
The Scheme may invest in debt securities having structured obligations (SO rating) and/or credit enhancements (CE rating) upto 10% of the debt portfolio of the scheme and the group exposure in such instruments shall not exceed 5% of the debt portfolio.
Pending deployment of the funds in securities as per the investment objectives of the Scheme, the Fund may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007 and as may be amended from time to time.
The Scheme may purchase securities either in the primary market or those traded in the secondary markets. On occasions, if deemed appropriate, the Scheme may invest in securities sold directly by the issuer or acquired in a negotiated transaction or issued by way of private placement. The moneys collected under the Scheme shall be invested only in transferable securities.</td></tr>
<tr><td>Investments in repos and reverse repos in corporate debt securities</td><td>Section III-(Information About the Scheme) -C-(How will the Scheme Allocate its Assets) -
The Scheme will not invest in repos in corporate debt.</td><td>The existing provision on repo in corporate debt will be substituted as under:
In accordance with provisions of SEBI Circular No. CIR/IMD/DF/19/2011 dated November 11, 2011 and SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012 and as amended from time to time, the Scheme may enter into repo and reverse repo transactions in corporate debt securities.
The following sections will be modified:
<table>
<tr><td>Section II (Introduction) - A-(Risk Factors) -2- (Scheme Specific Risk Factors)</td><td>The following shall be added at the end of the said section:
Risks associated with repo transactions in corporate debt:
The Scheme may be exposed to counter party risk in case of repo lending transactions in the event of the counterparty failing to honour the repurchase agreement. However, in repo transactions, the collateral may be sold and a loss is realized only if the sale price is less than the repo amount. The risk is further mitigated through over-collateralization (the value of the collateral being more than the repo amount)."</td></tr>
<tr><td>Section II (Introduction) - D (Definitions and Interpretation) - Reverse Repos</td><td>The following sentence appearing in the definition of Reverse Repo stands deleted:
"Reverse Repos are always backed by Government Securities."</td></tr>
<tr><td>Section III (Information about the Scheme) - J (What are the Investment Restrictions ?)</td><td>The following is proposed to be added at the end:
"The Scheme shall participate in repos in corporate debt securities as per the guidelines issued by RBI from time to time, subject to the following conditions:
• The gross exposure of the Scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the Scheme.
• The cumulative gross exposure through repo transactions in corporate debt securities along with debt and derivatives shall not exceed 100% of the net assets of the Scheme.
• The Scheme shall participate in repo transactions in rated corporate debt securities as per the policy on repo in corporate debt securities adopted by the AMC; however, such rating shall not be lower than the rating prescribed by SEBI.
• The Scheme shall borrow through repo transactions, for a tenor as per the policy on repo in corporate debt securities adopted by the AMC; however, such tenor shall not exceed a period of six months as prescribed by SEBI.</td></tr>
</table></td></tr>
<tr><td>Section III (Information about the Scheme) - E. (Where will the Scheme invest?)</td><td>-</td><td>The following points will be added at the end of the section :
xvi. Credit Default Swaps.
xvii. Repo and reverse repo in corporate debt securities.
The sentence "The Scheme will not invest in foreign securities including foreign securitized debt" appearing in the section "Investment in Foreign Securities" shall stand deleted.</td></tr>
<tr><td>Credit Default Swap (CDS)</td><td>-</td><td>In accordance with SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012, exposure to a single counterparty in CDS transactions shall not exceed 10% of the net assets of the scheme.
The below mentioned points shall be added:
<table>
<tr><td>Section II - (Introduction) A - (Risk Factors) - (2) - Scheme Specific Risk Factors</td><td>The following shall be added at the end of said section:
Risk factors associated with investments in Credit Default Swaps:
Credit default swap is the most common form of credit derivative where the buyer of the swap makes payments to the swap's seller until the maturity date of a contract. In return, the seller agrees that - in the event that the debt issuer defaults or experiences another credit event - the seller will pay the buyer the security's value as well as all interest payments that would have been paid between that event and the security's maturity date. The Scheme may participate in credit Default Swaps (CDS) as a buyer (protection buyer) to hedge/offset credit risk related to fixed income instruments. It is important to note that the credit risk does not get completely eliminated - it gets shifted to the CDS seller. The risk is that the CDS seller may default at the same time the credit event occurs. In case the debt issuer does not default, or no credit event occurs till maturity of CDS contract, the buyer will end up losing the amount paid to the seller for CDS.</td></tr>
</table></td></tr>
</table>

B. Schemes of Baroda MF with changes in the Fundamental attributes: *(Contd.)*

VI. Details of changes to Baroda Ultra Short Duration Fund (BUSDF): *(Contd.)*

Features	Existing Provisions	Revised Provisions (w.e.f. Effective date)
Credit Default Swap (CDS) *Contd.)*	-	**Section III** - (Information about the Scheme) -**J**- (What are the investment restrictions) Participation by the Scheme in CDS transactions shall be subject to and as per the guidelines issued by RBI and SEBI from time to time. SEBI vide Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012 has prescribed the following conditions: (a) The Scheme shall participate in CDS transactions only as users (protection buyer). Thus, the Scheme is permitted to buy credit protection only to hedge its credit risk on corporate bonds it holds. The Scheme shall not be allowed to sell protection and hence not permitted to enter into short positions in the CDS contracts. However, the Scheme shall be permitted to exit its bought CDS positions, subject to para (c) below. (b) The Scheme shall buy CDS only from a market maker approved by the RBI and enter into Master Agreement with the counterparty as stipulated under RBI Guidelines. Exposure to a single counterparty in CDS transactions shall not exceed 10% of the net assets of the Scheme. (c) The cumulative gross exposure through CDS in corporate bonds along with debt and derivative positions shall not exceed 100% of the debt net assets of the Scheme. (d) The total exposure related to premium paid for all derivative positions, including CDS, shall not exceed 20% of the net assets of the Scheme.
Enabling provision and disclosure to invest in debt securities having structured obligations (SO rating) and/or credit enhancements (CE rating)	-	Enabling provision and disclosure to invest in debt securities having structured obligations (SO rating) and/or credit enhancements (CE rating)
Provisions for creation of Segregated Portfolio	Enabled	Enabled

All references to the above provisions shall be suitably incorporated in the SID and KIM of BUSDF.

VII. Details of changes to Baroda Gilt Fund (BGF):

Features	Existing Provisions	Revised Provisions (w.e.f. Effective date)
Name of the scheme	Baroda Gilt Fund	Baroda BNP Paribas Gilt Fund
Type of scheme	An open ended debt scheme investing in government securities across maturity. A Relatively High Interest Rate Risk and Low Credit Risk.	An open ended debt scheme investing in government securities across maturity. A Relatively High Interest Rate Risk and Low Credit Risk.
Investment Objective	The main objective is to generate income by investing in a portfolio of government securities.	The main objective is to generate income by investing in a portfolio of government securities.
Section **III**- (Information About the Scheme) -**C**- (How will the Scheme Allocate its Assets)	Under normal circumstances, the broad investment pattern will be as under: Type of Instruments / % of Total Assets / Risk Profile Government of India, State Government dated Securities, T-Bills / 80-100% / Low Debt and Money Market Instruments (including securitized debt and foreign securities) / 0-20% / Low to Medium In addition to the securities stated above, the Scheme may enter into reverse repos in the securities that it will invest in or as may be permitted by the RBI. From time to time, the Scheme may hold cash. In addition to the instruments stated in the above table, the Scheme may be invest in Tri-Party Repo as an alternative investment as may be provided by RBI to meet the liquidity requirements. The Scheme may undertake repo transactions in corporate debt securities in accordance with the directions issued by SEBI /RBI from time to time and in line with the policy approved by the Board of Directors of the AMC and Trustee Company.	Under normal circumstances, the broad investment pattern will be as under: Type of Instruments / % of Total Assets / Risk Profile Government of India, State Government dated Securities, T-Bills / 80-100% / Low Debt and Money Market Instruments / 0-20% / Low to Medium In addition to the securities stated above, the Scheme may enter into repo and reverse repos in the securities that it will invest in or as may be permitted by the RBI. From time to time, the Scheme may hold cash. In addition to the instruments stated in the above table, the Scheme may be invest in Tri-Party Repo as an alternative investment, subject to prior approval from SEBI, if any, as may be provided by RBI to meet the liquidity requirements. The Scheme may invest in Foreign Securities upto 20% of its net assets subject to maximum of US$ 1 billion in the aggregate at the Mutual Fund level, as per the SEBI circular nos. SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007, SEBI/IMD/CIR no. 2 / 122577 / 08 dated April 8, 2008, SEBI/HO/IMD/DF3/CIR/P/2020/225 dated November 05, 2020 and SEBI/HO/IMD/IMD-II/DOF3/P/CIR/2021/571 dated June 03, 2021, as may be amended from time to time. The Scheme may undertake reverse repo and repo transactions in corporate debt securities in accordance with the directions issued by SEBI /RBI from time to time and in line with the policy approved by the Board of Directors of the AMC and Trustee Company. The cumulative gross exposure through debt, repo transactions and other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time (subject to prior approval from SEBI, if any) will not exceed 100% of the net assets of the scheme. The Scheme shall not invest in Securitized Debt. The Scheme shall not invest in debt securities having structured obligations (SO rating) and/or credit enhancements (CE rating). The Scheme shall not invest in in Derivatives. The Scheme shall not participate in Securities Lending The Scheme does not intend to invest in debt securities with special features as referred in SEBI Circular dated March 10, 2021. The scheme shall not engage in short selling or participate in credit default swap transactions. The Scheme does not intend to invest in debt securities having structured obligations (SO rating) and/or credit enhancements (CE rating).
Section **II** (Introduction) - **D** (Definitions and Interpretation) - Reverse Repos	Purchase of securities with a simultaneous agreement to repurchase/ sell them at a later date. Reverse Repos are always backed by Government Securities.	The sentence "Reverse Repos are always backed by Government Securities." stands deleted.
Section **III** (Information about the Scheme) - **E**. (Where will the Scheme invest?)	(xiii) Repo in corporate debt securities	Point (xiii) to be modified as follows : (xiii) Repo and reverse repo in corporate debt securities.
Investment in Foreign Securitized Debt	➢ **Section III** (Information about the Scheme) - **E**. (Where will the Scheme invest?) The Scheme will not invest in foreign securitized debt. ➢ **Section III** (Information about the Scheme) -**E**. (Where will the Scheme invest?) Existing para on Foreign Securities As per SEBI circular no. SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007, mutual funds can make overseas investments subject to a maximum of US $300 million or such limits as may be prescribed by SEBI from time to time. Subject to the approval of RBI / SEBI and conditions as may be prescribed by them, the Mutual Fund may open one or more foreign currency accounts abroad either directly, or through the custodian/ sub custodian, to facilitate investments and to enter into/deal in forward currency contracts, currency futures, interest rate futures / swaps, currency options for the purpose of hedging the risks of assets of a portfolio or for its efficient management. However, the use of such instruments shall be as permitted from time to time. All the requirements of the SEBI circular dated September 26, 2007 would be adhered to by the AMC for investment in Foreign Securities. Investment in Foreign Securities shall be made in accordance with the requirements including appointment of a dedicated Fund Manager as stipulated by SEBI/RBI from time to time.	➢ **Section III** (Information about the Scheme) - **E**. (Where will the Scheme invest?) The said sentence on foreign securitized debt stands deleted ➢ **Section III** (Information about the Scheme) - **E**. (Where will the Scheme invest?) Proposed para on Foreign Securities As per SEBI circular no. SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007, and as amended from time-to-time mutual funds can make overseas investments subject to a maximum of US $ 1 billion at in the aggregate at the Mutual Fund level and upto a maximum of US$ 300 million in overseas Exchange Traded Funds (ETFs) at the Mutual Fund level or such limits as may be prescribed by SEBI from time to time. Subject to the approval of RBI / SEBI and conditions as may be prescribed by them, the Mutual Fund may open one or more foreign currency accounts abroad either directly, or through the custodian/ sub custodian, to facilitate investments and to enter into/deal in forward currency contracts, currency futures, interest rate futures / swaps, currency options for the purpose of hedging the risks of assets of a portfolio or for its efficient management. However, the use of such instruments shall be as permitted from time to time. All the requirements of the SEBI circular dated September 26, 2007 and amendments to it if any would be adhered to by the AMC for investment in Foreign Securities. Investment in Foreign Securities as may be permitted by Regulations shall be made in accordance with the requirements including appointment of a dedicated Fund Manager as stipulated by SEBI/RBI from time to time.
Section **III** - (Information About the Scheme)-**J**- (What are the Investment Restrictions) - Investment Restrictions related to repo in corporate debt securities	The Scheme shall participate in repos in corporate debt securities as per the guidelines issued by RBI from time to time, subject to the following conditions: I. The gross exposure of the Scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the Scheme. II. The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt and derivatives shall not exceed 100% of the net assets of the Scheme. III. The Scheme shall participate in repo transactions only in AA and above rated corporate debt securities. IV. The Scheme shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.	The Scheme shall participate in repos in corporate debt securities as per the guidelines issued by RBI from time to time, subject to the following conditions: I. The gross exposure of the Scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the Scheme. II. The cumulative gross exposure through repo transactions in corporate debt securities along with debt and derivatives shall not exceed 100% of the net assets of the Scheme. III. The Scheme shall participate in repo transactions only in rated corporate debt securities permissible, as per the policy on repo in corporate debt securities adopted by the AMC; however, such rating shall not be lower than the rating prescribed by SEBI. IV. The Scheme shall borrow through repo transactions for a tenor as per the policy on repo in corporate debt securities adopted by the AMC; however, such tenor shall not exceed a period of six months as prescribed by SEBI.
Provisions for creation of Segregated Portfolio	Enabled	Enabled

All references to the above provisions shall be suitably incorporated in the SID and KIM of BGF.

VIII. Details of changes to Baroda Credit Risk Fund (scheme has one segregated portfolio) (BCRF) :

Features	Existing Provisions	Revised Provisions (w.e.f. Effective date)
Name of the scheme	Baroda Credit Risk Fund (scheme has one segregated portfolio)	Baroda BNP Paribas Credit Risk Fund (scheme has one segregated portfolio)
Type of scheme	An open-ended debt scheme predominantly investing in AA and below rated corporate bonds (excluding AA+ rated corporate bonds). A Relatively High Interest Rate Risk and High Credit Risk.	An open-ended debt scheme predominantly investing in AA and below rated corporate bonds (excluding AA+ rated corporate bonds). A Relatively High Interest Rate Risk and High Credit Risk
Investment Objective	The primary objective of the Scheme is to generate returns by investing in debt and money market instruments across the credit spectrum. There is no assurance or guarantee that the investment objective of the Scheme will be realized.	The primary objective of the Scheme is to generate returns by investing in debt and money market instruments across the credit spectrum. There is no assurance or guarantee that the investment objective of the Scheme will be realized.

B. Schemes of Baroda MF with changes in the Fundamental attributes: *(Contd.)*

VIII. Details of changes to Baroda Credit Risk Fund (scheme has one segregated portfolio) (BCRF) : *(Contd.)*

<table>
<tr><th>Features</th><th>Existing Provisions</th><th>Revised Provisions (w.e.f. Effective date)</th></tr>
<tr>
<td>Section III-(Information About the Scheme) -C-(How will the Scheme Allocate its Assets)</td>
<td>
Under normal circumstances, the broad investment pattern will be as under:
<table>
<tr><th rowspan="2">Type of Instruments</th><th colspan="2">Indicative Asset Allocation (% of total assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Corporate bonds (only in AA* and below rated corporate bonds@)</td><td>100</td><td>65</td><td>High</td></tr>
<tr><td>Debt and money market instruments, other than the above</td><td>35</td><td>0</td><td>Low to Medium</td></tr>
<tr><td>REITs and InvITs</td><td>10</td><td>0</td><td>High</td></tr>
</table>
*excludes AA+ rated corporate bonds.
@ Including corporate debt / structured obligations having short term rating, but long term rating as AA and below, or no long term rating. For the sake of clarity, the long term rating of such instruments would be considered. In case where two or more credit ratings are available for an instrument, the lower rating of the instrument will be considered. The fund manager may also invest in unrated debt securities, which the fund manager believes to be of equivalent quality.
The Scheme may take derivatives positions upto 50% of its net assets, based on the opportunities available, subject to the guidelines issued by SEBI from time to time, and in line with the overall investment objective of the Scheme. These may be taken to hedge or rebalance the portfolio, or to undertake any other strategy as may be permitted under the Regulations from time to time.
Investment in securitized debt would be up to 50% of the net assets of the Scheme. The Scheme will not invest in foreign securitised debt.
The Scheme may invest in Foreign Securities upto 25% of its net assets subject to maximum of US$ 1 billion in the aggregate at the Mutual Fund level, as per the SEBI circular nos. SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007, SEBI/IMD/CIR no. 2 / 122577 / 08 dated April 8, 2008, SEBI/HO/IMD/DF3/CIR/P/2020/225 dated November 05, 2020 and SEBI/HO/IMD/IMD-II/DOF3/P/CIR/2021/571 dated June 03, 2021, as may be amended from time to time.
The Scheme will not engage in short selling and securities lending.
The Scheme will invest in debt instruments of varying ratings including unrated debt securities.
In addition to the instruments stated in the above table, the Scheme may enter into reverse repos in government securities as may be permitted by SEBI and RBI. The Scheme will not invest in repos in corporate debt. A part of the net assets may be invested in Tri-party repo as an alternative investment as may be provided by RBI to meet the liquidity requirements.
Pending deployment of the funds in securities as per the investment objectives of the Scheme, the Fund may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007 and as may be amended from time to time.
The Scheme may purchase securities either in the primary market or those traded in the secondary markets. On occasions, if deemed appropriate, the Scheme may invest in securities sold directly by the issuer,or acquired in a negotiated transaction or issued by way of private placement. The moneys collected under the Scheme shall be invested only in transferable securities.
The Scheme shall not invest in equity linked debentures.
The cumulative gross exposure through debt, derivative positions and REITs and InvITs, other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme.
</td>
<td>
Under normal circumstances, the broad investment pattern will be as under:
<table>
<tr><th rowspan="2">Type of Instruments</th><th colspan="2">Indicative Asset Allocation (% of total assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Corporate bonds (only in AA* and below rated corporate bonds)</td><td>100</td><td>65</td><td>High</td></tr>
<tr><td>Debt and money market instruments, other than the above</td><td>35</td><td>0</td><td>Low to Medium</td></tr>
<tr><td>REITs and InvITs</td><td>10</td><td>0</td><td>High</td></tr>
</table>
*excludes AA+ rated corporate bonds.
The Scheme may take derivatives positions upto 50% of its debt assets, based on the opportunities available, subject to the guidelines issued by SEBI from time to time, and in line with the overall investment objective of the Scheme. These may be taken to hedge or rebalance the portfolio, or to undertake any other strategy as may be permitted under the Regulations from time to time.
Investment in securitized debt would be up to 50% of the net assets of the Scheme. The Scheme will not invest in foreign securitised debt.
The Scheme may invest in Foreign Securities upto 25% of its net assets subject to maximum of US$ 1 billion in the aggregate at the Mutual Fund level, as per the SEBI circular nos. SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007, SEBI/IMD/CIR no. 2 / 122577 / 08 dated April 8, 2008, SEBI/HO/IMD/DF3/CIR/P/2020/225 dated November 05, 2020 and SEBI/HO/IMD/IMD-II/DOF3/P/CIR/2021/571 dated June 03, 2021, as may be amended from time to time.
Subject to the SEBI (MF) Regulations and in accordance with the framework for short selling and borrowing and lending of securities notified by SEBI vide circular No MRD/DoP/SE/Dep/Cir-14/2007 dated December 20, 2007, as may be amended from time to time, the Scheme intends to engage in stock lending. Stock lending means the lending of stock to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio. The securities lent will be returned by the borrower on the expiry of the stipulated period. The Scheme may engage in securities lending in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI. The Scheme shall adhere to the following limits should it engage in stock lending :
1. Not more than 20% of the net assets of the Scheme can be deployed in stock lending with maximum 5% exposure restricted for a single intermediary.
2. The Scheme may not be able to sell such lent out securities and this can lead to temporary illiquidity.
The scheme will not engage in short selling.
In addition to the instruments stated in the above table, the Scheme may enter into reverse repos in government securities as may be permitted by SEBI and RBI. The Scheme may undertake repo / reverse repo transactions in corporate debt securities in accordance with the directions issued by SEBI / RBI from time to time and in line with the policy approved by the Board of Directors of the AMC and Trustee Company. The gross exposure of the Scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the Scheme. A part of the net assets may be invested in Tri-party repo as an alternative investment, subject to prior approval from SEBI, if any, as may be provided by RBI to meet the liquidity requirements.
Pending deployment of the funds in securities as per the investment objectives of the Scheme, the Fund may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007 and as may be amended from time to time.
The Scheme may purchase securities either in the primary market or those traded in the secondary markets. On occasions, if deemed appropriate, the Scheme may invest in securities sold directly by the issuer,or acquired in a negotiated transaction or issued by way of private placement. The moneys collected under the Scheme shall be invested only in transferable securities.
The Scheme shall not invest in equity linked debentures.
The Scheme may invest in debt upto 10% of the debt portfolio of the scheme (with not more than 5% of the debt portfolio of the scheme issued by a single issuer) instruments with special feature of subordination to equity (absorbs losses before equity capital) but shall not invest in debt instruments with special feature of convertible to equity upon trigger of a pre-specified event for loss absorption. The investments in debt instruments with special feature shall be subject to prudential limits as prescribed under SEBI circular SEBI/HO/IMD/DF4/CIR/P/2021/032 dated March 10, 2021 or such other circular issued by SEBI from time to time.
The scheme may invest in Credit Default Swaps. In accordance with SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012, exposure to a single counterparty in CDS transactions shall not exceed 10% of the net assets of the scheme.
The cumulative gross exposure through debt, derivative positions (including fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time (subject to prior approval from SEBI, if any) will not exceed 100% of the net assets of the scheme.
The Scheme may invest in debt securities having structured obligations (SO rating) and/or credit enhancements (CE rating) upto 10% of the debt portfolio of the scheme and the group exposure in such instruments shall not exceed 5% of the debt portfolio.
</td>
</tr>
<tr>
<td>Investment in Repos and Reverse Repos in Corporate Debt</td>
<td>
Section III-(Information About the Scheme) -C-(How will the Scheme Allocate its Assets) -
The Scheme will not invest in repos in corporate debt.
</td>
<td>
The said sentence shall be substituted with the following:
In accordance with provisions of SEBI Circular No. CIR/IMD/DF/19/2011 dated November 11, 2011 and SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012 and as amended from time to time, the Scheme may enter into repo and reverse repo transactions in corporate debt securities.
The following sections will be added:
<table>
<tr><td>Section II (Introduction) - D (Definitions and Interpretation) - Reverse Repos</td><td>The following sentence appearing in the definition of Reverse Repo stands deleted:
“Reverse Repos are always backed by Government Securities.”</td></tr>
<tr><td>Section II (Introduction) - A-(Risk Factors)- 2 - (Scheme Specific Risk Factors)</td><td>The following shall be added at the end of the said section:
Risks associated with repo transactions in corporate debt:
The Scheme may be exposed to counter party risk in case of repo lending transactions in the event of the counterparty failing to honour the repurchase agreement. However, in repo transactions, the collateral may be sold and a loss is realized only if the sale price is less than the repo amount. The risk is further mitigated through over-collateralization (the value of the collateral being more than the repo amount).”</td></tr>
<tr><td>Section III (Information about the Scheme) - J (What are the Investment Restrictions ?)</td><td>The following paragraph will be added at the end:
“The Scheme shall participate in repos in corporate debt securities as per the guidelines issued by RBI from time to time, subject to the following conditions:
• The gross exposure of the Scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the Scheme.
• The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt and derivatives shall not exceed 100% of the net assets of the Scheme.
• The Scheme shall participate in repo transactions in rated corporate debt securities as per the policy on repo in corporate debt securities adopted by the AMC; however, such rating shall not be lower than the rating prescribed by SEBI.
• The Scheme shall borrow through repo transactions, for a tenor as per the policy on repo in corporate debt securities adopted by the AMC; however, such tenor shall not exceed a period of six months as prescribed by SEBI.</td></tr>
</table>
</td>
</tr>
<tr>
<td>Section III (Information about the Scheme) - E. (Where will the Scheme invest?)</td>
<td>-</td>
<td>The following points will be added at the end of the section :
• Credit Default Swaps.
• Repo and reverse repo in corporate debt securities.</td>
</tr>
<tr>
<td>Investment in Foreign Securitized Debt</td>
<td>
➢ Section III (Information about the Scheme) - E. (Where will the Scheme invest?):
The Scheme will not invest in foreign securitised debt.
➢ Section III (Information about the Scheme) - E. (Where will the Scheme invest?)
Existing para on Foreign Securities
As per SEBI circular no. SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007, mutual funds can make overseas investments subject to a maximum of US $300 million or such limits as may be prescribed by SEBI from time to time. Subject to the approval of RBI / SEBI and conditions as may be prescribed by them, the Mutual Fund may open one or more foreign currency accounts abroad either directly, or through the custodian/ sub custodian, to facilitate investments and to enter into/deal in forward currency contracts, currency futures, interest rate futures / swaps, currency options for the purpose of hedging the risks of assets of a portfolio or for its efficient management. However, the use of such instruments shall be as permitted from time to time. All the requirements of the SEBI circular dated September 26, 2007 would be adhered to by the AMC for investment in Foreign Securities.
</td>
<td>
➢ Section III (Information about the Scheme) - E. (Where will the Scheme invest?):
The said sentence on Foreign Securitised debt” stands deleted.
➢ Section III (Information about the Scheme) - E. (Where will the Scheme invest?)
Proposed para on Foreign Securities
As per SEBI circular no. SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007, and as amended from time-to-time mutual funds can make overseas investments subject to a maximum of US $ 1 billion at in the aggregate at the Mutual Fund level and upto a maximum of US$ 300 million in overseas Exchange Traded Funds (ETFs) at the Mutual Fund level or such limits as may be prescribed by SEBI from time to time. Subject to the approval of RBI / SEBI and conditions as may be prescribed by them, the Mutual Fund may open one or more foreign currency accounts abroad either directly, or through the custodian/ sub custodian, to facilitate investments and to enter into/deal in forward currency contracts, currency futures, interest rate futures / swaps, currency options for the purpose of hedging the risks of assets of a portfolio or for its efficient management. However, the use of such instruments shall be as permitted from time to time. All the requirements of the SEBI circular dated September 26, 2007 and amendments to it if any would be adhered to by the AMC for investment in Foreign Securities (including foreign securitized debt).
</td>
</tr>
<tr>
<td>Credit Default Swap (CDS)</td>
<td>-</td>
<td>
In accordance with SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012, exposure to a single counterparty in CDS transactions shall not exceed 10% of the net assets of the scheme.
The below mentioned points shall be added:
<table>
<tr><td>Section II - (Introduction)-A-(Risk Factors) - 2 - (Scheme Specific Risk Factors)</td><td>The following shall be added at the end of said section:
Risk factors associated with investments in Credit Default Swaps:
Credit default swap is the most common form of credit derivative where the buyer of the swap makes payments to the swap's seller until the maturity date of a contract. In return, the seller agrees that - in the event that the debt issuer defaults or experiences another credit event - the seller will pay the buyer the security's value as well as all interest payments that would have been paid between that event and the security's maturity date. The Scheme may participate in credit Default Swaps (CDS) as a buyer (protection buyer) to hedge/offset credit risk related to fixed income instruments. It is important to note that the credit risk does not get completely eliminated it gets shifted to the CDS seller. The risk is that the CDS seller may default at the same time the credit event occurs. In case the debt issuer does not default, or no credit event occurs till maturity of CDS contract, the buyer will end up losing the amount paid to the seller for CDS.</td></tr>
<tr><td>Section III (Information about the Scheme) - J - (What are the investment restrictions)</td><td>Participation by the Scheme in CDS transactions shall be subject to and as per the guidelines issued by RBI and SEBI from time to time. SEBI vide Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012 has prescribed the following conditions:
(a) The Scheme shall participate in CDS transactions only as users (protection buyer). Thus, the Scheme is permitted to buy credit protection only to hedge its credit risk on corporate bonds it holds. The Scheme shall not be allowed to sell protection and hence not permitted to enter into short positions in the CDS contracts. However, the Scheme shall be permitted to exit its bought CDS positions, subject to para (c) below.
(b) The Scheme shall buy CDS only from a market maker approved by the RBI and enter into Master Agreement with the counterparty as stipulated under RBI Guidelines. Exposure to a single counterparty in CDS transactions shall not exceed 10% of the net assets of the Scheme.
(c) The cumulative gross exposure through CDS in corporate bonds along with equity, debt and derivative positions shall not exceed 100% of the net assets of the Scheme.
(d) The total exposure related to premium paid for all derivative positions, including CDS, shall not exceed 20% of the net assets of the Scheme.</td></tr>
</table>
</td>
</tr>
</table>

B. Schemes of Baroda MF with changes in the Fundamental attributes: *(Contd.)*

VIII. Details of changes to Baroda Credit Risk Fund (BCRF) (Scheme has one Segregated Portfolio) : *(Contd.)*

<table>
<tr><th>Features</th><th>Existing Provisions</th><th>Revised Provisions (w.e.f. Effective date)</th></tr>
<tr><td>Investments in Securities Lending</td><td>Section II (Introduction) - A-(Risk Factors)- 2 - (Scheme Specific Risk Factors) :
Risks associated with securities lending and short selling :
The Scheme will not engage in any securities lending activity or short selling.</td><td>The said sentence will be substituted with the following :
Risks associated with securities lending:
The scheme may engage in securities lending:
The risks in lending portfolio securities, as with other extensions of credit, consist of the failure of another party, in this case the approved intermediary, to comply with the terms of agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure to comply with can result in the possible loss of rights in the collateral put up by the borrower of the securities, the 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 from the securities deposited with the approved intermediary. The Mutual Fund may not be able to sell such lent securities, and this can lead to temporary illiquidity.
The scheme will not engage in short selling.<table><tr><td>Section III (Information about the Scheme) - J. (What are the Investment restrictions?)</td><td>The following paragraph will be added towards the end in point no. (vi):
"Provided that the Mutual Fund may engage in securities lending of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI."</td></tr></table></td></tr>
<tr><td>Enabling provisions and disclosures for investment into debt instruments with special features</td><td>Not applicable</td><td>For detailed disclosures on applicable investment limits, risk factors and other disclosures, please refer section "Note 1 - Enabling provisions and disclosures for investment into debt instruments with special features".</td></tr>
<tr><td>Enabling provision and disclosure to invest in debt securities having structured obligations (SO rating) and/or credit enhancements (CE rating)</td><td>-</td><td>For detailed disclosures on applicable investment limits, risk factors and other disclosures, please refer section "Note 1 - Enabling provisions and disclosures for investment into debt instruments with special features".</td></tr>
<tr><td>Provisions for creation of Segregated Portfolio</td><td>Enabled</td><td>Enabled</td></tr>
</table>

All references to the above provisions shall be suitably incorporated in the SID and KIM of BCRF.

IX. Details of changes to Baroda Banking and Financial Services Fund (BBFSF):

<table>
<tr><th>Features</th><th>Existing Provisions</th><th>Revised Provisions (w.e.f. Effective date)</th></tr>
<tr><td>Name of the scheme</td><td>Baroda Banking and Financial Services Fund</td><td>Baroda BNP Paribas Banking and Financial Services Fund</td></tr>
<tr><td>Type of scheme</td><td>An open ended equity scheme investing in the Banking and Financial Services sector.</td><td>An open ended equity scheme investing in the Banking and Financial Services sector.</td></tr>
<tr><td>Investment Objective</td><td>To generate long-term capital appreciation for unit holders from a portfolio invested predominantly in equity and equity related securities of companies engaged in the Banking & Financial Services Sector.</td><td>To generate long-term capital appreciation for unit holders from a portfolio invested predominantly in equity and equity related securities of companies engaged in the Banking & Financial Services Sector.</td></tr>
<tr><td>Section III- (Information About the Scheme)-C- Asset Allocation Pattern of the Scheme</td><td>Under normal circumstances, the broad investment pattern will be as under:<table><tr><th>Type of Instruments</th><th>% of Total Assets</th><th>Risk Profile</th></tr><tr><td>Equity & Equity related securities of companies engaged in Banking & Financial Services Sector*</td><td>80-100</td><td>High to Medium</td></tr><tr><td>Debt and Money Market Instruments</td><td>0-20</td><td>Medium to Low</td></tr><tr><td>Investment in REITs and InvITs</td><td>0- 10</td><td>High</td></tr></table>*Investment in derivatives may be made upto 50% of the net assets of the Scheme based on the opportunities available subject to the guidelines issued by SEBI from time to time and in line with the overall investment objective of the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under the Regulations.
The Scheme may invest in securitized debt upto 20% of its net assets. The Scheme will not invest in foreign securitised debt.
The Scheme may invest in Foreign Securities upto 25% of its net assets subject to maximum of US$ 1 billion in the aggregate at the Mutual Fund level, as per the SEBI circular nos. SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007, SEBI/IMD/CIR no. 2/122577/08 dated April 8, 2008, SEBI/HO/IMD/DF3/CIR/P/2020/225 dated November 05, 2020 and SEBI/HO/IMD/IMD-II/DOF3/P/CIR/2021/571 dated June 03, 2021, as may be amended from time to time.
The Scheme shall not invest in equity linked debentures.
The cumulative gross exposure through equity, debt, REITs and InvITs and derivative positions, other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme.
The above asset allocation patterns of the Scheme are only indicative. The investment manager, in line with the investment objective, may alter the above pattern for a short term and on defensive considerations.</td><td>Under normal circumstances, the broad investment pattern will be as under:<table><tr><th>Type of Instruments</th><th>% of Total Assets</th><th>Risk Profile</th></tr><tr><td>Equity & Equity related securities of companies engaged in Banking & Financial Services Sector*</td><td>80-100</td><td>High to Medium</td></tr><tr><td>Equity & Equity related securities of companies engaged in Non-Banking & Financial Services Sector*</td><td>0-20</td><td>High to Medium</td></tr><tr><td>Debt and Money Market Instruments</td><td>0-20</td><td>Medium to Low</td></tr><tr><td>Investment in REITs and InvITs</td><td>0- 10</td><td>High</td></tr></table>*Investment in derivatives may be made upto 50% of the Equity assets of the Scheme based on the opportunities available subject to the guidelines issued by SEBI from time to time and in line with the overall investment objective of the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under the Regulations.
The Scheme may invest in securitized debt upto 20% of its net assets.
The Scheme may invest in Foreign Securities upto 20% of its net assets subject to maximum of US $ 1 billion in the aggregate at the Mutual Fund level, and upto a maximum of US$ 300 million in overseas Exchange Traded Funds (ETFs) at fund level as per the SEBI circular nos. SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007, SEBI/IMD/CIR no. 2/122577/08 dated April 8, 2008, SEBI/HO/IMD/DF3/CIR/P /2020/225 dated November 05, 2020 and SEBI/HO/IMD/IMD-II/DOF3/P/CIR/2021/571 dated June 03, 2021, as may be amended from time to time.
Subject to the SEBI (MF) Regulations and in accordance with the framework for short selling and borrowing and lending of securities notified by SEBI vide circular No MRD/DoP/SE/Dep/Cir-14/2007 dated December 20, 2007, as may be amended from time to time, the Scheme intends to engage in stock lending. Stock lending means the lending of stock to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio. The securities lent will be returned by the borrower on the expiry of the stipulated period. The Scheme may engage in stock lending in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI. The Scheme shall adhere to the following limits should it engage in stock lending:
1. Not more than 20% of the net assets of the Scheme can be deployed in stock lending with maximum 5% exposure restricted for a single intermediary.
2. The Scheme may not be able to sell such lent out securities and this can lead to temporary illiquidity.
The scheme will not engage in short selling.
The cumulative gross exposure through equity, debt, derivative positions, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time (subject to prior approval from SEBI, if any) will not exceed 100% of the net assets of the scheme.
The Scheme does not intend to invest in debt securities having structured obligations (SO rating) and/or credit enhancements (CE rating).
The scheme does not intend to invest in debt instruments with special features as referred to in SEBI circular SEBI/HO/IMD/DF4/CIR/P/2021/032 dated March 10, 2021.
The scheme will not invest in foreign securitised debt & equity linked debentures.</td></tr>
<tr><td rowspan="2">Investments in Securities Lending</td><td>Section II (Introduction) - A - (Risk Factors) - 2 - (Scheme Specific Risk Factors)
Risks associated with short selling and securities lending:
The Scheme will not engage in any short selling and securities lending activities.</td><td>The said sentence will be substituted with the following :
Risks associated with securities lending:
The Scheme may engage in securities lending .
The risks in lending portfolio securities, as with other extensions of credit, consist of the failure of another party, in this case the approved intermediary, to comply with the terms of agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure to comply with can result in the possible loss of rights in the collateral put up by the borrower of the securities, the 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 from the securities deposited with the approved intermediary. The Mutual Fund may not be able to sell such lent securities, and this can lead to temporary illiquidity. The scheme will not engage in short selling.</td></tr>
<tr><td>Section III (Information about the Scheme) - J. (What are the Investment restrictions?) - Point no. 8</td><td>The following paragraph will be added towards the end in point no. (8):
Provided that the Mutual Fund may engage in securities lending of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI.</td></tr>
<tr><td>Provisions for creation of Segregated Portfolio</td><td>Not Enabled</td><td>In order to ensure fair treatment to all investors in case of a credit event and to deal with liquidity risk, SEBI vide SEBI circular SEBI/HO/IMD/DF2/CIR /P/2018/160 dated December 28, 2018, has allowed creation of segregated portfolio of debt and money market instruments by mutual fund schemes. Accordingly, the enabling provisions for creation of segregated portfolio as detailed under point 'Note A - Enabling provisions for creation of Segregated Portfolio' herein below are being incorporated in the Scheme Information Document for the Scheme and the same shall be subject to guidelines specified by SEBI from time to time.</td></tr>
</table>

All references to the above provisions shall be suitably incorporated in the SID and KIM of BBFSF

X. Details of changes to Baroda Equity Savings Fund (BESF):

<table>
<tr><th>Features</th><th>Existing Provisions</th><th>Revised Provisions (w.e.f. Effective date)</th></tr>
<tr><td>Name of the scheme</td><td>Baroda Equity Savings Fund</td><td>Baroda BNP Paribas Equity Savings Fund</td></tr>
<tr><td>Type of scheme</td><td>An open-ended scheme investing in equity, arbitrage and debt instruments.</td><td>An open-ended scheme investing in equity, arbitrage and debt instruments.</td></tr>
<tr><td>Investment Objective</td><td>The primary objective of the Scheme is to generate capital appreciation and income by using arbitrage opportunities, investment in equity / equity related instruments and debt/ money market instruments.
However, there is no assurance or guarantee that the investment objective of the Scheme will be realized.</td><td>The primary objective of the Scheme is to generate capital appreciation and income by using arbitrage opportunities, investment in equity / equity related instruments and debt/ money market instruments.
However, there is no assurance or guarantee that the investment objective of the Scheme will be realized.</td></tr>
<tr><td>Section III- (Information About the Scheme)-C- Asset Allocation Pattern of the Scheme</td><td>Under normal circumstances, the broad investment pattern will be as under:<table><tr><th rowspan="2">Type of Instruments</th><th colspan="2">Indicative Asset Allocation (% of total assets)</th><th rowspan="2">Risk Profile</th></tr><tr><th>Minimum</th><th>Maximum</th></tr><tr><td>Equity & equity related securities of which:</td><td>65</td><td>90</td><td>High</td></tr><tr><td>(i) Equity and equity related securities (unhedged); and</td><td>0</td><td>50</td><td>High</td></tr><tr><td>(ii) Equities, equity related securities and derivatives including index futures, stock futures, index options, & stock options, etc. as part of hedged / arbitrage exposure (hedged)</td><td>15</td><td>90</td><td>Medium to High</td></tr><tr><td>Debt and Money Market Instruments*</td><td>10</td><td>35</td><td>Low to Medium</td></tr><tr><td>Investment in REITs and InvITs</td><td>0</td><td>10</td><td>High</td></tr></table></td><td>Under normal circumstances, the broad investment pattern will be as under:<table><tr><th rowspan="2">Type of Instruments</th><th colspan="2">Indicative Asset Allocation (% of total assets)</th><th rowspan="2">Risk Profile</th></tr><tr><th>Minimum</th><th>Maximum</th></tr><tr><td>Equity & equity related securities of which:</td><td>65</td><td>90</td><td>High</td></tr><tr><td>(i) Equity and equity related securities (unhedged); and</td><td>0</td><td>50</td><td>High</td></tr><tr><td>(ii) Equities, equity related securities and derivatives including index futures, stock futures, index options, & stock options, etc. as part of hedged / arbitrage exposure (hedged)</td><td>15</td><td>90</td><td>Medium to High</td></tr><tr><td>Debt and Money Market Instruments*</td><td>10</td><td>35</td><td>Low to Medium</td></tr><tr><td>Investment in REITs and InvITs</td><td>0</td><td>10</td><td>High</td></tr></table></td></tr>
</table>

B. Schemes of Baroda MF with changes in the Fundamental attributes: *(Contd.)*

X. Details of changes to Baroda Equity Savings Fund (BESF): *(Contd.)*

<table>
<tr><th>Features</th><th>Existing Provisions</th><th>Revised Provisions (w.e.f. Effective date)</th></tr>
<tr><td>Section III-(Information About the Scheme)-C-Asset Allocation Pattern of the Scheme (Contd.)</td>
<td>*Investment in securitized debt will not exceed 10% of the net assets of the Scheme.
The Scheme will not invest in foreign securitized debt.
Gross equity exposure will be maintained between 65% to 90% and the net long equity exposure will be between 0% to 50%. The Scheme may take derivatives positions up to 65% of the net assets of the Scheme, based on the opportunities available, subject to the guidelines issued by SEBI from time to time, and in line with the overall investment objective of the Scheme. These may be taken to hedge or rebalance the portfolio, or to undertake any other strategy as may be permitted under the Regulations from time to time.
The Scheme may engage in stock lending to the extent of 20% of the net assets of the Scheme.
The Scheme may undertake repo transactions in corporate debt securities in accordance with the directions issued by SEBI / RBI from time to time and in line with the policy approved by the Board of Directors of the AMC and Trustee Company.
The Scheme may invest in Foreign Securities upto 25% of its net assets subject to maximum of US$ 1 billion on in the aggregate at the Mutual Fund level, as per the SEBI circular nos. SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007, SEBI/IMD/CIR no. 2 / 122577 / 08 dated April 8, 2008, SEBI/HO/IMD/DF3/CIR/P/2020/225 dated November 05, 2020 and SEBI/HO/IMD/IMD-II/DOF3/P/CIR/2021/571 dated June 03, 2021, as may be amended from time to time.
The cumulative gross exposure through equity, debt, derivative positions, REITs and InvITs other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme. However, cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
Pending deployment of funds of the Scheme in securities in terms of the investment objective, the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as amended from time to time.
Subject to the SEBI (MF) Regulations and in accordance with the framework for short selling and borrowing and lending of securities notified by SEBI vide circular No MRD/DoP/SE/Dep/Cir-14/2007 dated December 20, 2007, as may be amended from time to time, the Scheme intends to engage in stock lending. Stock lending means the lending of stock to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio. The securities lent will be returned by the borrower on the expiry of the stipulated period. The Scheme may engage in short selling in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI. The Scheme shall adhere to the following limits should it engage in stock lending :
1. Not more than 20% of the net assets of the Scheme can be deployed in stock lending.
2. Not more than 5% of the net assets of the Scheme can be deployed in stock lending to any single counter party.
The Scheme may not be able to sell such lent out securities and this can lead to temporary illiquidity.
The Scheme will invest in debt instruments of investment grade and/or unrated debt securities. “Investment grade” means investment grade by a credit rating agency authorized to carry out such activity under the Regulations. The Scheme retains the flexibility to invest across all securities in the debt and money markets as permitted by SEBI / RBI from time to time. In addition to the instruments stated in the above table, the Scheme may enter into reverse repos in government securities as may be permitted by SEBI and RBI and in Tri-Party Repo in line with relevant RBI regulations.
The Scheme does not intend to undertake/invest/engage in Credit Default Swaps (CDS) transactions.</td>
<td>*Investment in securitized debt will not exceed 10% of the net assets of the Scheme.
Under defensive circumstances, the broad investment pattern will be as under:
<table>
<tr><th rowspan="2">Type of Instruments</th><th colspan="2">Indicative Asset Allocation (% of total assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Equity & equity related securities of which:</td><td>15</td><td>65</td><td>High</td></tr>
<tr><td>(i) Equity and equity related securities (unhedged); and</td><td>0</td><td>50</td><td>High</td></tr>
<tr><td>(ii) Equities, equity related securities and derivatives including index futures, stock futures, index options, & stock options, etc. as part of hedged / arbitrage exposure (hedged)</td><td>15</td><td>65</td><td>Medium to High</td></tr>
<tr><td>Debt and Money Market Instruments*</td><td>35</td><td>85</td><td>Low to Medium</td></tr>
<tr><td>Investment in REITs and InvITs</td><td>0</td><td>10</td><td>High</td></tr>
</table>
*Investment in securitized debt will not exceed 10% of the net assets of the Scheme.
Under defensive consideration Gross equity exposure will be maintained between 15% to 65% and the net long equity exposure will be between 0% to 50%. The Scheme may take derivatives positions up to 50% of the Equity assets of the Scheme, based on the opportunities available, subject to the guidelines issued by SEBI from time to time, and in line with the overall investment objective of the Scheme. These may be taken to hedge or rebalance the portfolio, or to undertake any other strategy as may be permitted under the Regulations from time to time.
The Scheme will not invest in foreign securitized debt.
Gross equity exposure will be maintained between 65% to 90% and the net long equity exposure will be between 0% to 50%. The Scheme may take derivatives positions up to 50% of the Equity assets of the Scheme, based on the opportunities available, subject to the guidelines issued by SEBI from time to time, and in line with the overall investment objective of the Scheme. These may be taken to hedge or rebalance the portfolio, or to undertake any other strategy as may be permitted under the Regulations from time to time.
The Scheme may undertake repo transactions in corporate debt securities in accordance with the directions issued by SEBI / RBI from time to time and in line with the policy approved by the Board of Directors of the AMC and Trustee Company.
The Scheme may invest in Foreign Securities upto 25% of its net assets subject to maximum of US$ 1 billion on in the aggregate at the Mutual Fund level, as per the SEBI circular nos. SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007, SEBI/IMD/CIR no. 2 / 122577 / 08 dated April 8, 2008, SEBI/HO/IMD/DF3/CIR/P/2020/225 dated November 05, 2020 and SEBI/HO/IMD/IMD-II/DOF3/P/CIR/2021/571 dated June 03, 2021, as may be amended from time to time.
The cumulative gross exposure through equity, debt, derivative positions, repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time (subject to prior approval from SEBI, if any) will not exceed 100% of the net assets of the scheme. However, cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
Pending deployment of funds of the Scheme in securities in terms of the investment objective, the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as amended from time to time.
Subject to the SEBI (MF) Regulations and in accordance with the framework for short selling and borrowing and lending of securities notified by SEBI vide circular No MRD/DoP/SE/Dep/Cir-14/2007 dated December 20, 2007, as may be amended from time to time, the Scheme intends to engage in stock lending. Stock lending means the lending of stock to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio. The securities lent will be returned by the borrower on the expiry of the stipulated period. The Scheme may engage in short selling in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI. The Scheme shall adhere to the following limits should it engage in stock lending :
1. Not more than 20% of the net assets of the Scheme can be deployed in stock lending.
2. Not more than 5% of the net assets of the Scheme can be deployed in stock lending to any single counter party.
The Scheme may not be able to sell such lent out securities and this can lead to temporary illiquidity.
The Scheme retains the flexibility to invest across all securities in the debt and money markets as permitted by SEBI / RBI from time to time. In addition to the instruments stated in the above table, the Scheme may enter into reverse repos in government securities as may be permitted by SEBI and RBI and in Tri-Party Repo in line with relevant RBI regulations.
The Scheme may undertake/invest/engage in Credit Default Swaps (CDS) transactions. In accordance with SEBI Circular No. CIR/IMD/DF /23/2012 dated November 15, 2012, exposure to a single counterparty in CDS transactions shall not exceed 10% of the net assets of the scheme.
The Scheme may invest upto 10% of the debt portfolio of the scheme (with not more than 5% of the debt portfolio of the scheme issued by a single issuer) in debt instruments with special features viz. subordination to equity (absorbs losses before equity capital) and /or convertible to equity upon trigger of a prespecified event for loss absorption. The investments in debt instruments with special feature shall be subject to prudential limits as prescribed under SEBI circular SEBI/HO/IMD/DF4/CIR/P/2021/032 dated March 10, 2021 or such other circular issued by SEBI from time to time.
The Scheme may invest in debt securities having structured obligations (SO rating) and/or credit enhancements (CE rating) upto 10% of the debt portfolio of the scheme and the group exposure in such instruments shall not exceed 5% of the debt portfolio.</td></tr>
<tr><td>Credit Default Swap (CDS)</td>
<td>Section III (Information about the Scheme) - C (Where will the Scheme invest)
The Scheme does not intend to undertake/invest/engage in Credit Default Swaps (CDS) transactions.</td>
<td>The said sentence shall be substituted with the following paragraph:
In accordance with SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012, exposure to a single counterparty in CDS transactions shall not exceed 10% of the net assets of the scheme.
Further, the below mentioned points will be added:
<table>
<tr><td>Section II- (Introduction)-A-(Risk Factors) - 2 - (Scheme Specific Risk Factors)</td><td>The following shall be added at the end of said section:
Risk factors associated with investments in Credit Default Swaps:
Credit default swap is the most common form of credit derivative where the buyer of the swap makes payments to the swap's seller until the maturity date of a contract. In return, the seller agrees that – in the event that the debt issuer defaults or experiences another credit event – the seller will pay the buyer the security's value as well as all interest payments that would have been paid between that event and the security's maturity date. The Scheme may participate in credit Default Swaps (CDS) as a buyer (protection buyer) to hedge/offset credit risk related to fixed income instruments. It is important to note that the credit risk does not get completely eliminated but gets shifted to the CDS seller. The risk is that the CDS seller may default at the same time the credit event occurs. In case the debt issuer does not default, or no credit event occurs till maturity of CDS contract, the buyer will end up losing the amount paid to the seller for CDS.</td></tr>
<tr><td>Section III - (Information about the Scheme) -D- (Where will the scheme invest)</td><td>The following will be added as point no. xvii and the existing point no. xvii will be renumbered as point no.
xvii. Credit Default Swaps</td></tr>
<tr><td>Section III (Information about the Scheme) -I- (What are the investment restrictions)</td><td>Participation by the Scheme in CDS transactions shall be subject to and as per the guidelines issued by RBI and SEBI from time to time. SEBI vide Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012 has prescribed the following conditions:
(a) The Scheme shall participate in CDS transactions only as users (protection buyer). Thus, the Scheme is permitted to buy credit protection only to hedge its credit risk on corporate bonds it holds. The Scheme shall not be allowed to sell protection and hence not permitted to enter into short positions in the CDS contracts. However, the Scheme shall be permitted to exit its bought CDS positions, subject to para (c) below.
(b) The Scheme shall buy CDS only from a market maker approved by the RBI and enter into Master Agreement with the counterparty as stipulated under RBI Guidelines. Exposure to a single counterparty in CDS transactions shall not exceed 10% of the net assets of the Scheme.
(c) The cumulative gross exposure through CDS in corporate bonds along with equity, debt and derivative positions shall not exceed 100% of the net assets of the Scheme.
(d) The total exposure related to premium paid for all derivative positions, including CDS, shall not exceed 20% of the net assets of the Scheme.</td></tr>
</table></td></tr>
<tr><td>Section III-(Information About the Scheme)-I-(What are the Investment Restrictions) - Investments in repo in corporate debt securities</td>
<td>The Scheme shall participate in repos in corporate debt securities as per the guidelines issued by RBI from time to time, subject to the following conditions:
i) The gross exposure of the Scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the Scheme
ii) The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt and derivatives shall not exceed 100% of the net assets of the Scheme
iii) The Scheme shall participate in repo transactions only in AA and above rated corporate debt securities.
iv) The Scheme shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months</td>
<td>The Scheme shall participate in repos in corporate debt securities as per the guidelines issued by RBI from time to time, subject to the following conditions:
i) The gross exposure of the Scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the Scheme.
ii) The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt and derivatives shall not exceed 100% of the net assets of the Scheme
iii) The Scheme shall participate in repo transactions in rated corporate debt securities as per the policy on repo in corporate debt securities adopted by the AMC; however, such rating shall not be lower than the rating prescribed by SEBI.
iv) The Scheme shall borrow through repo transactions, for a tenor as per the policy on repo in corporate debt securities adopted by the AMC; however, such tenor shall not exceed a period of six months as prescribed by SEBI.</td></tr>
<tr><td>Section II (Introduction) - D (Definitions and Interpretation) - Reverse Repos</td><td>Reverse Repos are always backed by Government Securities.</td><td>The said sentence appearing in the definition of Reverse Repo stands deleted.</td></tr>
<tr><td>Enabling provisions and disclosures for investment into debt instruments with special features</td><td>Not applicable</td><td>For detailed disclosures on applicable investment limits, risk factors and other disclosures, please refer section “Note 1 - Enabling provisions and disclosures for investment into debt instruments with special features”.</td></tr>
<tr><td>Enabling provision and disclosure to invest in debt securities having structured obligations (SO rating) and/or credit enhancements (CE rating)</td><td>-</td><td>For detailed disclosures on applicable investment limits and risk factors please refer “Note 2- Disclosures pertaining to investment into debt instruments having Structured Obligations / Credit Enhancements.”</td></tr>
<tr><td>Provisions for creation of Segregated Portfolio</td><td>Not Enabled</td><td>In order to ensure fair treatment to all investors in case of a credit event and to deal with liquidity risk, SEBI vide SEBI circular SEBI/HO/IMD/DF2/CIR /P/2018/160 dated December 28, 2018, has allowed creation of segregated portfolio of debt and money market instruments by mutual fund schemes. Accordingly, the enabling provisions for creation of segregated portfolio as detailed under point ‘Note A - Enabling provisions for creation of Segregated Portfolio’ herein below are being incorporated in the Scheme Information Document for the Scheme and the same shall be subject to guidelines specified by SEBI from time to time.</td></tr>
</table>

All references to the above provisions shall be suitably incorporated in the SID and KIM of BESF.

B. Schemes of Baroda MF with changes in the Fundamental attributes: *(Contd.)*

XI. Details of changes to Baroda Large & Mid Cap Fund (BLMF):

<table>
<tr><th>Features</th><th>Existing Provisions</th><th>Revised Provisions (w.e.f. Effective date)</th></tr>
<tr><td>Name of the scheme</td><td>Baroda Large & Mid Cap Fund</td><td>Baroda BNP Paribas Large & Mid Cap Fund</td></tr>
<tr><td>Type of scheme</td><td>An open ended equity scheme investing in both large cap and mid cap stocks.</td><td>An open ended equity scheme investing in both large cap and mid cap stocks.</td></tr>
<tr><td>Investment Objective</td><td>The primary objective of the Scheme is to seek long term capital growth through investments in both large cap and mid cap stocks.
However, there is no assurance or guarantee that the investment objective of the Scheme will be realized.</td><td>The primary objective of the Scheme is to seek long term capital growth through investments in both large cap and mid cap stocks.
However, there is no assurance or guarantee that the investment objective of the Scheme will be realized.</td></tr>
<tr><td>Section III- (Information About the Scheme) -C- (How will the Scheme Allocate its Assets)</td><td>Under normal circumstances, the broad investment pattern will be as under:
<table>
<tr><th rowspan="2">Type of Instruments</th><th colspan="2">Indicative Asset Allocation (% of total assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Equity and equity related instruments of large cap* companies (including derivatives)</td><td>35%</td><td>65%</td><td>High</td></tr>
<tr><td>Equity and equity related instruments of mid cap* companies (including derivatives)</td><td>35%</td><td>65%</td><td>High</td></tr>
<tr><td>Other equities* and equity related instruments</td><td>0%</td><td>30%</td><td>High</td></tr>
<tr><td>Debt & Money Market Instruments#</td><td>0%</td><td>20%</td><td>Low to Medium</td></tr>
<tr><td>Units issued by REITs/InVITs</td><td>0%</td><td>10%</td><td>Medium to High</td></tr>
</table></td><td>Under normal circumstances, the broad investment pattern will be as under:
<table>
<tr><th rowspan="2">Type of Instruments</th><th colspan="2">Indicative Asset Allocation (% of total assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Equity and equity related instruments of large cap* companies (including derivatives)</td><td>35%</td><td>65%</td><td>High</td></tr>
<tr><td>Equity and equity related instruments of mid cap* companies (including derivatives)</td><td>35%</td><td>65%</td><td>High</td></tr>
<tr><td>Other equities* and equity related instruments</td><td>0%</td><td>30%</td><td>High</td></tr>
<tr><td>Debt & Money Market Instruments#</td><td>0%</td><td>20%</td><td>Low to Medium</td></tr>
<tr><td>Units issued by REITs/InVITs</td><td>0%</td><td>10%</td><td>Medium to High</td></tr>
</table></td></tr>
<tr><td>Section III- (Information About the Scheme) -C- (How will the Scheme Allocate its Assets) (Contd.)</td><td>*Large Cap: 1st - 100th company in terms of full market capitalization. Mid Cap :101st to 250th company in terms of full market capitalization. Other equities may include small cap stocks. Small Cap : 251st company onwards in terms of full market capitalization. The exposure across these stocks will be in line with limits/classification defined by AMFI/SEBI from time to time
#Investment in securitized debt will not exceed 20% of the net assets of the Scheme. The Scheme will not invest in foreign securitized debt.
The Scheme may take derivatives positions up to 65% of the net assets of the Scheme, based on the opportunities available, subject to the guidelines issued by SEBI from time to time, and in line with the overall investment objective of the Scheme. These may be taken to hedge or rebalance the portfolio, or to undertake any other strategy as may be permitted under the Regulations from time to time.
The Scheme may engage in stock lending to the extent of 20% of the net assets of the Scheme.
The Scheme may undertake repo transactions in corporate debt securities in accordance with the directions issued by SEBI / RBI from time to time and in line with the policy approved by the Board of Directors of the AMC and Trustee Company.
The Scheme may invest in Foreign Securities including ADRs/GDRs upto 10% of its net assets subject to maximum of US$ 1 billion in the aggregate at the Mutual Fund level, as per the SEBI circular nos. SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007 and SEBI/IMD/CIR no. 2/122577/08 dated April 8, 2008, SEBI/HO/IMD/DF3/CIR/P/2020/225 dated November 05, 2020 and SEBI/HO/IMD/IMD-II/DOF3/P/CIR/2021/571 dated June 03, 2021, as may be amended from time to time.
The cumulative gross exposure through equity, debt, derivative positions, REITs and InvITs, other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme.. However, cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
Pending deployment of funds of the Scheme in securities in terms of the investment objective, the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as amended from time to time.
Subject to the SEBI (MF) Regulations and in accordance with the framework for short selling and borrowing and lending of securities notified by SEBI vide circular No MRD/DoP/SE/Dep/Cir-14/2007 dated December 20, 2007, as may be amended from time to time, the Scheme intends to engage in stock lending. Stock lending means the lending of stock to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio. The securities lent will be returned by the borrower on the expiry of the stipulated period. The Scheme may engage in short selling in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI. The Scheme shall adhere to the following limits should it engage in stock lending :
1. Not more than 20% of the net assets of the Scheme can generally be deployed in stock lending.
2. Not more than 5% of the net assets of the Scheme can generally be deployed in stock lending to any single counter party.
The Scheme may not be able to sell such lent out securities and this can lead to temporary illiquidity.
The Scheme will invest in debt instruments of investment grade and/or unrated debt securities, in accordance with the guidelines issued by SEBI in this regard. “Investment grade” means investment grade by a credit rating agency authorized to carry out such activity under the Regulations. The Scheme retains the flexibility to invest across all securities in the debt and money markets as permitted by SEBI / RBI from time to time. In addition to the instruments stated in the above table, the Scheme may enter into reverse repos in government securities as may be permitted by SEBI and RBI and in Tri-Party Repo in line with relevant RBI regulations.
The Scheme does not intend to undertake/invest/engage in Credit Default Swaps (CDS) transactions.</td><td>*Large Cap: 1st - 100th company in terms of full market capitalization. Mid Cap :101st to 250th company in terms of full market capitalization. Other equities may include small cap stocks. Small Cap : 251st company onwards in terms of full market capitalization. The exposure across these stocks will be in line with limits/classification defined by AMFI/SEBI from time to time
#Investment in securitized debt will not exceed 20% of the net assets of the Scheme. The Scheme will not invest in foreign securitized debt.
The Scheme may take derivatives positions up to 50% of the Equity assets of the Scheme, based on the opportunities available, subject to the guidelines issued by SEBI from time to time, and in line with the overall investment objective of the Scheme. These may be taken to hedge or rebalance the portfolio, or to undertake any other strategy as may be permitted under the Regulations from time to time.
The Scheme may undertake repo transactions in corporate debt securities in accordance with the directions issued by SEBI / RBI from time to time and in line with the policy approved by the Board of Directors of the AMC and Trustee Company.
The Scheme may invest in Foreign Securities including ADRs/GDRs upto 10% of its net assets subject to maximum of US$ 1 billion in the aggregate at the Mutual Fund level, as per the SEBI circular nos. SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007 and SEBI/IMD/CIR no. 2/122577/08 dated April 8, 2008, SEBI/HO/IMD/DF3/CIR/P/2020/225 dated November 05, 2020 and SEBI/HO/IMD/IMD-II/DOF3/P/CIR/2021/571 dated June 03, 2021, as may be amended from time to time.
The cumulative gross exposure through equity, debt, derivative positions, repo transactions and Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time (subject to prior approval from SEBI, if any) will not exceed 100% of the net assets of the scheme. However, cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
Pending deployment of funds of the Scheme in securities in terms of the investment objective, the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as amended from time to time.
Subject to the SEBI (MF) Regulations and in accordance with the framework for short selling and borrowing and lending of securities notified by SEBI vide circular No MRD/DoP/SE/Dep/Cir-14/2007 dated December 20, 2007, as may be amended from time to time, the Scheme intends to engage in stock lending. Stock lending means the lending of stock to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio. The securities lent will be returned by the borrower on the expiry of the stipulated period. The Scheme may engage in short selling in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI. The Scheme shall adhere to the following limits should it engage in stock lending :
1. Not more than 20% of the net assets of the Scheme can generally be deployed in stock lending.
2. Not more than 5% of the net assets of the Scheme can generally be deployed in stock lending to any single counter party.
The Scheme may not be able to sell such lent out securities and this can lead to temporary illiquidity.
The scheme will not engage in short selling.
The Scheme retains the flexibility to invest across all securities in the debt and money markets as permitted by SEBI / RBI from time to time. In addition to the instruments stated in the above table, the Scheme may enter into reverse repos in government securities as may be permitted by SEBI and RBI and in Tri-Party Repo in line with relevant RBI regulations.
The Scheme does not intend to undertake/invest/engage in Credit Default Swaps (CDS) transactions.
The scheme does not intend to invest in debt instruments with special features as referred to in SEBI circular SEBI/HO/IMD/DF4/CIR/P/2021/032 dated March 10, 2021.
The Scheme does not intend to invest in debt securities having structured obligations (SO rating) and/or credit enhancements (CE rating).</td></tr>
<tr><td>Provisions for creation of Segregated Portfolio</td><td>Enabled</td><td>Enabled</td></tr>
</table>

All references to the above provisions shall be suitably incorporated in the SID and KIM of BLMF.

XII. Details of changes to Baroda Fixed Maturity Plan - Series P (FMPP):

Features	Existing Provisions	Revised Provisions (w.e.f. Effective date)
Name of the scheme	Baroda Fixed Maturity Plan - Series P	Baroda BNP Paribas Fixed Maturity Plan - Series P
Type of scheme	A close ended debt scheme. A Moderate Interest Rate Risk and Moderate Credit Risk.	A close ended debt scheme. A Moderate Interest Rate Risk and Moderate Credit Risk.
Investment Objective	The investment objective of the Scheme is to generate returns by investing in a portfolio comprising of debt instruments and money market instruments maturing on or before the maturity of the Scheme. However, there is no assurance or guarantee that the investment objective of the Scheme will be realized.	The investment objective of the Scheme is to generate returns by investing in a portfolio comprising of debt instruments and money market instruments maturing on or before the maturity of the Scheme. However, there is no assurance or guarantee that the investment objective of the Scheme will be realized.
Provisions for creation of Segregated Portfolio	Not Enabled	In order to ensure fair treatment to all investors in case of a credit event and to deal with liquidity risk, SEBI vide SEBI circular SEBI/HO/IMD/DF2/CIR/P/2018/160 dated December 28, 2018, has allowed creation of segregated portfolio of debt and money market instruments by mutual fund schemes. Accordingly, the enabling provisions for creation of segregated portfolio as detailed under point 'Note A - Enabling provisions for creation of Segregated Portfolio' herein below are being incorporated in the Scheme Information Document for the Scheme and the same shall be subject to guidelines specified by SEBI from time to time.

All references to the above provisions shall be suitably incorporated in the SID and KIM of FMPP.

XIII. Details of changes to Baroda Multi Cap Fund (MCF):

Features	Existing Provisions	Revised Provisions (w.e.f. Effective date)
Name of the Scheme	Baroda Multi Cap Fund	Baroda BNP Paribas Multi Cap Fund
Type of scheme	An open ended equity scheme investing across large cap, mid cap and small cap stocks.	An open ended equity scheme investing across large cap, mid cap and small cap stocks.
Investment Objective	To generate long term capital appreciation from an actively managed portfolio of equity and equity related instruments.	To generate long term capital appreciation from an actively managed portfolio of equity and equity related instruments.
Provisions for creation of Segregated Portfolio	Not Enabled	In order to ensure fair treatment to all investors in case of a credit event and to deal with liquidity risk, SEBI vide SEBI circular SEBI/HO/IMD/DF2/CIR /P/2018/160 dated December 28, 2018, has allowed creation of segregated portfolio of debt and money market instruments by mutual fund schemes. Accordingly, the enabling provisions for creation of segregated portfolio as detailed under point 'Note A - Enabling provisions for creation of Segregated Portfolio' herein below are being incorporated in the Scheme Information Document for the Scheme and the same shall be subject to guidelines specified by SEBI from time to time.

All references to the above provisions shall be suitably incorporated in the SID and KIM of MCF.

➢ **Applicable to Baroda Dynamic Equity Fund, Baroda Equity Savings Fund, Baroda Banking and Financial Services Fund and Baroda Large and Mid-Cap Fund:**

<table>
<tr><th>Features</th><th>Existing Provisions</th><th>Revised Provisions (w.e.f. Effective date)</th></tr>
<tr><td>Covered call strategy</td><td>-</td><td>In accordance with SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2019/17dated January 16,2019 to enable Schemes to write call options under a covered call strategy.
The below mentioned points are proposed to be added :
<table>
<tr><td>Section II- (Introduction) -A- (Risk Factors)-2- Scheme Specific Risk Factors-Risk Associated with Derivatives</td><td>The following is proposed to be added towards the end:
Risks for writing covered call options for equity shares:
1. Writing call options are highly specialized activities and entail higher than ordinary investment risks. In such investment strategy, the profits from call option writing is capped at the option premium, however the downside depends upon the increase in value of the underlying equity shares. Being a covered call, the downside risk is not unlimited, but limited to the extent of change in the price of underlying security held by the Fund.
2. The Scheme may write covered call option only in case it has adequate number of underlying equity shares as per regulatory requirement. This would lead to setting aside a portion of investment in underlying equity shares. If covered call options are sold to the maximum extent allowed by regulatory authority, the scheme may not be able to sell the underlying equity shares immediately if the view changes to sell and exit the stock. The covered call options need to be unwound before the stock positions can be liquidated. This may lead to a loss of opportunity or can cause exit issues if the strike price at which the call option contracts have been written become illiquid. Hence, the scheme may not be able to sell the underlying equity shares, which can lead to temporary illiquidity of the underlying equity shares and result in loss of opportunity.
3. The writing of covered call option would lead to loss of opportunity due to appreciation in value of the underlying equity shares. Hence, when the appreciation in equity share price is more than the option premium received the scheme would be at a loss.
4. The total gross exposure related to option premium paid and received shall not exceed the regulatory limits of the net assets of the scheme.</td></tr>
<tr><td>Section III (Information about the Scheme) - D - (Where will the Scheme Invest)</td><td>The following paragraphs will be added at the end of the section:
Writing Options
Benefits of writing an option with underlying stock holding (Covered call writing strategy)
The covered call strategy can be followed by the Fund Manager in order to hedge risk thereby resulting in better risk adjusted returns of the Scheme. The strategy offers the following benefits: a) Hedge against market risk - Since the fund manager sells a call option on a stock already owned by the mutual fund scheme, the downside from fall in the stock price would be lower to the extent of the premium earned from the call option. b) Generating additional returns in the form of option premium in a range bound market. Thus, a covered call strategy involves gains for unit holders in case the strategy plays out in the right direction.
Illustration
Illustration - Covered Call strategy using stock call options:
Suppose a fund manager buys equity stock of XYZ Ltd. For Rs. 1000 and simultaneously sells a call option on the same stock at a strike price of Rs. 1100. The scheme earns a premium of say, Rs. 50. Here, the fund manager does not think that the stock price will exceed Rs. 1100.
Scenario 1: Stock price exceeds Rs. 1100
The call option will get exercised and the fund manager will sell the stock to settle his obligation on the call at Rs.1100 (earning Rs. 100, a return of 10% on the stock purchase price). Also, the scheme has earned a premium of Rs. 50
Net Gain - Rs. 150 (100+50)
Scenario 2: Stock prices stays below Rs. 1100
The call option will not get exercised and will expire worthless. The premium earned on call option will generate alpha for the scheme.
Net Gain - Rs. 50
Writing of call option (under the covered call strategy) can be undertaken subject to the following conditions:
1. The Scheme may write call options only under a covered call strategy for constituent stocks of NIFTY 50 and BSE SENSEX.
2. The total notional value (taking into account strike price as well as premium value) of call options written by the Scheme shall not exceed 15% of the total market value of equity shares held in the Scheme. In case of any passive breaches, the Scheme shall have 7 trading days to rebalance the portfolio. During the rebalancing period, no additional call options can be written in the Scheme.
3. The total number of shares underlying the call options written shall not exceed 30% of the unencumbered shares of a particular company held in the Scheme. The unencumbered shares in a scheme shall mean shares that are not part of Securities Lending and Borrowing Mechanism (SLBM), margin or any other kind of encumbrances.
4. In no case, the Scheme shall write a call option without holding the underlying equity shares. A call option can be written only on shares which are not hedged using other derivative contracts.
5. The premium received shall be within the requirements prescribed in terms of SEBI circular dated August 18, 2010 i.e. the total gross exposure related to option premium paid and received must not exceed 20% of the net assets of the Scheme.
6. The call option written shall be marked to market daily and the respective gains or losses factored into the daily NAV of the respective scheme(s) until the position is closed or expired.</td></tr>
</table></td></tr>
</table>

B. Schemes of Baroda MF with changes in the Fundamental attributes: *(Contd.)*

Note A - Enabling provisions for creation of Segregated Portfolio (Applicable to Baroda Dynamic Equity Fund, Baroda Equity Savings Fund, Baroda Banking and Financial Services Fund, Baroda Money Market Fund, Baroda Multi Cap Fund and Baroda Fixed Maturity Plan - Series P): *(Contd.)*

Features	Existing Provisions	Revised Provisions (w.e.f. Effective date)
Segregation of portfolio	-	In accordance with the provisions of SEBI circular nos. SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2018/160 dated December 28, 2018 and SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2019/127 dated November 07, 2019, the following paragraphs relating to segregation of portfolio will be added :

Section II- (Introduction) - A - (Risk Factors) - 2 (Scheme Specific Risk Factors)

The following paragraph will be added at the end of the section :

Risks associated with segregated portfolio

- Unit holders holding units of segregated portfolio may not be able to liquidate their holdings till recovery of money from the issuer.
- Security in the segregated portfolio may not realize any value.
- Listing of any units of segregated portfolio in recognized stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further, trading price of units on the stock market may be significantly lower than the prevailing NAV.

Section II - (Introduction) - C - (Special Consideration)

The following paragraphs will be added at the end of the section :

1. Creation of segregated portfolio

SEBI has, vide circular no. SEBI/HO/IMD/DF2/CIR/P/2018/160 dated December 28, 2018, and circular no. SEBI/HO/IMD/DF2/CIR/P/2019/127 dated November 07, 2019 permitted creation of segregated portfolio of debt and money market instruments by mutual funds schemes, in order to ensure fair treatment to all investors in case of a credit event and to deal with liquidity risk.

2. Definitions for the purpose of the above-mentioned SEBI circular

Segregated Portfolio	Means a portfolio, comprising of debt or money market instrument affected by a credit event, that has been segregated in a mutual fund scheme.
Main Portfolio	Means the scheme portfolio excluding the segregated portfolio.
Total Portfolio	Means the scheme portfolio including the securities affected by the credit event.

3. Conditions for creation of segregated portfolio:

As per the policy on segregation of scheme portfolios approved by the Board of Directors of the AMC and Trustee, creation of a segregated portfolio is optional and may be created at the discretion of the AMC, in case of a credit event at issuer level i.e. downgrade in credit rating by a Credit Rating Agency (CRA), as under:

a) Downgrade of a debt or money market instrument to 'below investment grade',
b) Subsequent downgrades of the said instruments from 'below investment grade', or
c) Similar such downgrades of a loan rating.

In case of difference in rating by multiple CRAs, the most conservative rating shall be considered. Creation of segregated portfolio shall be based on issuer level credit events as mentioned above and implemented at the ISIN level.

Further, the AMC may create segregated portfolio of unrated debt or money market instruments of an issuer that does not have any outstanding rated debt or money market instruments, subject to the following:

(i) Segregated portfolio of such unrated debt or money market instruments may be created only in case of actual default of either the interest or principal amount. In such cases, 'actual default' by the issuer of such instruments shall be considered for creation of segregated portfolio.
(ii) The AMC shall inform AMFI immediately about the actual default by the issuer. Upon being informed about the default, AMFI shall immediately inform the same to all AMCs. Pursuant to dissemination of information by AMFI about actual default by the issuer, the AMC may segregate the portfolio of such instrument.

4. Process for creation of segregated portfolio

The AMC shall decide on creation of segregated portfolio of the Scheme on the day of credit event. Once the AMC decides to segregate portfolio, the AMC shall:

(i) seek approval from the Board of Directors of the Trustee, prior to creation of the segregated portfolio.
(ii) immediately issue a press release disclosing its intention to segregate such debt and money market instrument and its impact on the investors of the Scheme. The AMC shall also disclose that the segregation shall be subject to Trustee approval. Additionally, the said press release shall be prominently disclosed on the website of the AMC.
(iii) ensure that till the time the Trustee approval is received, which in no case shall exceed 1 (one) business day from the day of credit event, the subscription and redemption in the concerned Scheme shall be suspended for processing with respect to creation of units and payment on redemptions.

Once the Trustee approval is received by the AMC:

(i) The segregated portfolio shall be effective from the day of credit event / actual default.
(ii) The AMC shall issue a press release immediately with all relevant information pertaining to the segregated portfolio of the Scheme. The said information shall also be submitted to SEBI.
(iii) An e-mail or SMS shall be sent to all unit holders of the concerned Scheme.
(iv) The NAVs of both segregated and main portfolio shall be disclosed from the day of the credit event.
(v) All existing investors in the Scheme as on the day of the credit event shall be allotted equal number of units in the segregated portfolio as held in the main portfolio. The AMC shall work out with the R&T viz. KFin Technologies Pvt. Ltd., the mechanics of unit creation to represent the holding of segregated portfolio and the same shall appear in the account statement of the unit holders.
(vi) No redemption and subscription shall be allowed in the segregated portfolio. However, in order to facilitate exit to unit holders in the segregated portfolio, the AMC shall enable listing of units of segregated portfolio on the recognized stock exchange within 10 working days of creation of segregated portfolio and also enable transfer of such units on receipt of transfer requests.

If the Trustee does not approve the proposal to create a segregated portfolio, the AMC shall issue a press release immediately informing investors about the same. Thereafter, the transactions shall be processed as usual at the applicable NAV.

5. Valuation and processing of subscriptions and redemptions

Notwithstanding the decision to segregate the debt and money market instrument, the valuation process shall take into account the credit event and the portfolio shall be valued based on the principles of fair valuation (i.e. realizable value of the assets) in terms of the relevant provisions of SEBI MF Regulations, 1996 and circular(s) issued thereunder.

All subscription and redemption requests for which NAV of the day of credit event or subsequent day is applicable, will be processed as per the existing SEBI circular on applicability of NAV as under:

1. Upon receipt of Trustee approval to create a segregated portfolio :-
   - Investors redeeming their units will get redemption proceeds based on the NAV of main portfolio and will continue to hold the units of segregated portfolio.
   - Investors subscribing to the Scheme will be allotted units only in the main portfolio based o its NAV.
2. In case the Trustee does not approve the proposal of segregated portfolio, subscription and redemption applications will be processed based on the NAV of total portfolio.

6. TER for the Segregated Portfolio

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

7. Disclosures

- A statement of holding indicating the units held by the investors in the segregated portfolio along with the NAV of both segregated portfolio and main portfolio as on the day of the credit event shall be communicated to the investors within 5 working days of creation of the segregated portfolio.
- Adequate disclosure of the segregated portfolio shall appear in all scheme related documents, in monthly and half-yearly portfolio disclosures and in the annual report of the Mutual Fund and the Scheme.
- The Net Asset Value (NAV) of the segregated portfolio shall also be declared on daily basis along with the NAV of the main portfolio.
- The information regarding number of segregated portfolios created in the Scheme shall appear prominently under the name of the Scheme at all relevant places such as SID, KIM-cum-Application Form, advertisement, AMC and AMFI websites, etc.
- The performance of the Scheme required to be disclosed at various places shall include the impact of creation of segregated portfolio and shall clearly reflect the fall in NAV to the extent of the portfolio segregated due to the credit event and the said fall in NAV along with recovery(ies), if any, shall be disclosed as a footnote to the performance table. Such information in the scheme related documents and Scheme performance shall be carried out for a period of at least 3 years after the investments in segregated portfolio are fully recovered/ written-off.
- The investors of the segregated portfolio shall be duly informed of the recovery proceedings of the investments of the segregated portfolio. Status update may be provided to the investors at the time of recovery and also at the time of writing-off of the segregated securities.

8. Monitoring by Trustee

In order to ensure timely recovery of investments of the segregated portfolio, the Trustee shall ensure that:

- The AMC puts in sincere efforts to recover the investments of the segregated portfolio.
- Upon recovery of money, whether partial or full, it shall be immediately distributed to the investors in proportion to their holding in the segregated portfolio. Any recovery of amount of the security in the segregated portfolio even after the write off shall be distributed to the investors of the segregated portfolio.
- An Action Taken Report (ATR) on the efforts made by the AMC to recover the investments of the segregated portfolio is placed in every Trustee meeting till the investments are fully recovered/ written-off.
- The Trustee shall monitor the compliance of the above mentioned SEBI circular and disclose in the half-yearly trustee reports filed with SEBI, the compliance in respect of every segregated portfolio created.

In order to avoid mis-use of segregated portfolio, the Trustee shall have a mechanism in place to negatively impact the performance incentives of Fund Managers, Chief Investment Officer (CIO), etc. involved in the investment process of securities under the segregated portfolio, mirroring the existing mechanism for performance incentives of the AMC, including claw back of such amount to the segregated portfolio of the Scheme.

9. Example of Segregated Portfolio :

The below table shows how a security affected by a credit event will be segregated and its impact on investors. Whether the distressed security is held in the original portfolio or the segregated portfolio, the value of the investors' holdings will remain the same on the date of the credit event . Over time, the NAVs of the portfolios are subject to change.

Key Assumptions: We have assumed a scheme holds 4 securities (A, B, C & D) in its portfolio. It has two investors with total of 10,000 units. (Investor 1 - 6,000 units , Investor 2- 4,000 units).

Total Portfolio Value of Rs. 32 Lakhs

(Each security invested is valued at Rs. 8 Lakh)

Current NAV : 32,00,000/10,000 = Rs. 320 Per Unit

Suppose Security D is downgraded to below investment grade and consequently the value of the security falls from Rs. 8,00,000 to Rs. 3,00,000 and the AMC decides to segregate the security into a new portfolio. Investors will be allotted the same number of units in the segregated portfolio as they hold in the main portfolio. So, Investor 1 will get 6,000 Units and Investor 2 will get 4,000 units in the segregated portfolio.

With segregation, the portfolio value is Rs. 27,00,000 (Now A, B & C Securities worth Rs. 24 Lakh and Security D, which has fallen from Rs . 8,00,000 to Rs. 3,00,000).

	Main Portfolio (Security of A,B & C)	Segregated Portfolio (Security D)
Net Assets	Rs. 24,00,000	Rs. 3,00,000
Number of Units	10,000	10,000
NAV per Unit	Rs. 24,00,000/ 10,000 = Rs. 240	Rs. 3,00,000/ 10,000 = Rs. 30

With respect to Investors :

Particulars	Investor 1	Investor 2
Units held in the Main portfolio	6,000	4,000
NAV of the Main portfolio	Rs. 240 per unit	Rs. 240 per unit
Value of Holding in Main portfolio (A) in Rs.	Rs.14,40,000	9,60,000
Units held in Segregated Portfolio	6,000	4,000
NAV of Segregated Portfolio	Rs. 30 per unit	Rs. 30 per unit
Value of holding in Segregated Portfolio (B) in Rs.	1,80,000	1,20,000
Total Value of holding (A)+(B) in Rs.	16,20,000	10,80,000

In case the portfolio is not segregated, the Total Portfolio after marking down the value of security D would be :

Net Assets of the Portfolio Rs. 27,00,000	No. of Units : 10,000	NAV per unit Rs. 27,00,000 / 10,000= Rs. 270
Particulars	**Investor 1**	**Investor 2**
Units held in the Original Portfolio (No. of units)	6,000	4,000
NAV of the Main portfolio	Rs. 270 per unit	Rs. 270 per unit
Value of Holding in Main portfolio (A) in Rs.	16,20,000	10,80,000

Investors may note the essential difference between a segregated portfolio and non-segregated portfolio as follows:

- ➢ Where the portfolio is not segregated, the transactions will continue to be processed at NAV based prices. There will be no change in the number of units remaining outstanding.
- ➢ Where the portfolio is segregated, equal number of units are created and allotted to reflect the holding for the portion of portfolio that is segregated.
- ➢ Once the portfolio is segregated, the transactions will be processed at NAV based prices of main portfolio.
- ➢ Since the portfolio is segregated for distressed security, the additional units that are allotted cannot be redeemed. The units will be listed on the recognised stock exchange to facilitate exit to unit holders.
- ➢ Upon realisation of proceeds under the distressed security either in part or full, the proceeds will be paid accordingly. Based on the circumstances and developments, the AMC may decide to write off the residual value of the segregated portfolio.

The AMC / Mutual Fund shall adhere to such other requirements as may be prescribed by SEBI / AMFI in this regard.

Right to Limit Redemption: In terms of SEBI circular SEBI/HO/IMD/DF2/CIR/P/2016/57 dated May 31, 2016, the repurchase/redemption (including switch-out) of units of the Scheme may be restricted under any of the following circumstances:

(i) **Liquidity issues** - When the market at large becomes illiquid affecting almost all securities rather than any issuer specific security;
(ii) **Market failures, exchange closures** - When markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies.
(iii) **Operational issues** - When exceptional circumstances are caused by *force majeure*, unpredictable operational problems and technical failures (e.g. a black out).
- Further, the aforesaid restriction may be imposed for a specified period of time not exceeding 10 working days in any 90 days period.
- Any imposition of the above restriction would be specifically approved by the Board of Directors of the AMC and Trustee and the same would be informed to SEBI immediately.
- When restriction on redemption is imposed, the following procedure shall be applied:
  (i) No redemption requests upto Rs. 2 lakh shall be subject to such restriction.
  (ii) Where redemption requests are above Rs. 2 lakh, the AMC shall redeem the first INR 2 lakh without such restriction and remaining part over and above Rs. 2 lakh shall be subject to such restriction.

Section II - (Introduction) - D (Definitions and Interpretation)

The following definitions will be added :

Main Portfolio : Main Portfolio shall mean the Scheme portfolio excluding the Segregated Portfolio.

Segregated Portfolio : Segregated Portfolio means a portfolio, comprising of debt or money market instrument affected by a credit event, that has been segregated in a mutual fund scheme.

B. Schemes of Baroda MF with changes in the Fundamental attributes: *(Contd.)*

Note 1 - Enabling provisions and disclosures for investment into debt instruments with special features:

(Applicable for Baroda Short Term Bond Fund, Baroda Credit Risk Fund (scheme has one segregated portfolio), Baroda Dynamic Equity Fund and Baroda Equity Savings Fund)

1) **Applicable Investment Limit:**

The Schemes may invest in debt instruments with special features subject to following prudential limits as prescribed under SEBI circular SEBI/HO/IMD/DF4/CIR/P/2021/032 dated March 10, 2021 or such other circular issued by SEBI from time to time:

i. No Mutual Fund under all its schemes shall own more than 10% of such instruments issued by a single issuer

ii. A Mutual Fund scheme shall not invest :-

a. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and

b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer.

The above investment limit for a mutual fund scheme shall be within the overall limit for debt instruments issued by a single issuer, as specified at clause 1 of the Seventh Schedule of SEBI (Mutual Fund) Regulations, 1996, and other prudential limits with respect to the debt instruments.

2) **Risk Factors associated with investing in debt instrument securities with special features:**

Pursuant to SEBI Circular dated March 10, 2021, the schemes may investment in securities having special features viz. subordination to equity (absorbs losses before equity capital) and /or convertible to equity upon trigger of a pre-specified event for loss absorption. Such special features may be available under the Additional Tier I bonds and Tier 2 bonds issued under Basel III framework.

These securities having special features will carry and be subject to all the risks associated with the investment in Fixed Income securities like Credit and Counterparty Risk, Liquidity Risk, Interest Rate Risk etc. However, investors are requested to note that as these securities are subordinate to all other Fixed Income securities issued by an issuer and only senior to common equity, such securities with special features are more risker than other Fixed Income Securities of the same issuer.

Credit Risk : Where the payout of interest or principal amount is due to be paid by an issuer for senior debt securities and for securities with such special features, such payout for the securities with special features would normally happen only after paying off all the senior debt dues. This increases the risk that the Issuer of the securities with special features may default on interest and /or principal payment obligations and/or default upon violation of covenant(s) and/or delay in scheduled payment(s).

Liquidity Risk : The securities with special features can normally be considered to have limited secondary market liquidity as compared to any senior debt of the issuer, and thus fund manager may be forced to hold such securities with special features till its maturity. Further, where the special features results in trigger and conversion to equity securities, such equity security received by the scheme(s) upon conversion will carry and be subject to all the risks associated with the investment in equity securities.

3) **Valuation of debt instrument securities with special features on the trigger date:**

'Trigger date': Pursuant to SEBI Circular dated March 10, 2021, if the said instrument is to be written off or converted to equity pursuant to any proposal, the date of said proposal may be treated as the trigger date. However, if the said instruments are written off or converted to equity without proposal, the date of write off or conversion of debt instrument to equity may be treated as the trigger date.

While arriving at the valuation of products with special features, AMC/Valuation Agencies shall ensure that the financial stress of the issuer and the capabilities of issuer to repay the dues/borrowings are reflected in the valuation of the securities from the trigger date onwards. Further, the extent of losses proposed to be adjusted, the nature of structuring if any, shall also be taken in to account. Where the trigger leads to conversion into equity, factors like extent of conversion, listing status, period to listing, illiquidity etc. shall be considered to arrive at valuation of the securities. The scheme shall at all times adhere to necessary guidelines and circulars pertaining to valuation of such securities issued by SEBI from time to time.

4) **'Segregation of Portfolio', for schemes allowing 'Special features' investments:**

Segregated portfolio can also be created for debt instruments with special features in case if the instrument is to be written off or converted to equity upon trigger date as per SEBI circular SEBI/HO/IMD/DF4/CIR/P/2021/032 dated March 10, 2021.

Note 2 - Disclosures pertaining to investment into debt instruments having Structured Obligations / Credit Enhancements:

(Applicable for Baroda Ultra Short Duration Fund, Baroda Credit Risk Fund (scheme has one segregated portfolio), Baroda Money market Fund, Baroda Liquid Fund, Baroda Short Term Bond Fund, Baroda Dynamic Equity Fund and Baroda Equity Savings Fund)

i. **Applicable Investment Limit:**

In terms of SEBI circular No. SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019, the investment of mutual fund schemes in the following instruments shall not exceed 10% of the debt portfolio of the schemes and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the schemes:

a. Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade and

b. Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade.by a single issuer.

For the purpose of this provision, 'Group' shall have the same meaning as defined in paragraph B(3)(b) of SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2016/35 dated February 15, 2016 which states a group means a group as defined under regulation 2 (mm) of SEBI (Mutual Funds) Regulations, 1996 and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates.

Further, investment in debt instruments, having credit enhancements backed by equity shares directly or indirectly, shall have a minimum cover of 4 times considering the market value of such shares.

ii. **Risk Factors associated with investments in debt instruments having Structured Obligations / Credit Enhancements:**

The risks factors stated for debt instruments having Structured Obligations / Credit Enhancements are in addition to the risk factors associated with fixed income instruments:

- Credit rating agencies assign CE rating to an instrument based on any identifiable credit enhancement for the debt instrument issued by an issuer. The credit enhancement could be in various forms and could include guarantee, shortfall undertaking, letter of comfort, etc. from another entity. This entity could be either related or non-related to the issuer like a bank, financial institution, etc. Credit enhancement could include additional security in form of pledge of shares listed on stock exchanges, etc. SO transactions are asset backed/ mortgage backed securities, securitized paper backed by hypothecation of car loan receivables, securities backed by trade receivables, credit card receivables etc. Hence, for CE rated instruments evaluation of the credit enhancement provider, as well as the issuer is undertaken to determine the issuer rating. In case of SO rated issuer, the underlying loan pools or securitization, etc. is assessed to arrive at rating for the issuer.
- SO rated securities are often complex structures, with a variety of credit enhancements. Debt securities lack a well-developed secondary market in India, and due to the credit enhanced nature of CE securities as well as structured nature of SO securities, the liquidity in the market for these instruments is adversely affected compared to similar rated debt instruments. Hence, lower liquidity of such instruments, could lead to inability of the scheme to sell such debt instruments and generate liquidity for the scheme or higher impact cost when such instruments are sold.
- The credit risk of debt instruments which are CE rated derives rating is based on the combined strength of the issuer as well as the structure. Hence, any weakness in either the issuer or the structure could have an adverse credit impact on the debt instrument. The weakness in structure could arise due to inability of the investors to enforce the structure due to issues such as legal risk, inability to sell the underlying collateral or enforce guarantee, etc. In case of SO transactions, comingling risk and risk of servicer increases the overall risk for the securitized debt or assets backed transactions. Therefore, apart from issuer level credit risk such debt instruments are also susceptible to structure related credit risk.

All other terms and conditions under these sections in the existing SID / KIM of the aforesaid schemes, which are not mentioned herein will remain unchanged.

C. Change in name of Schemes of Baroda MF:

Name of the Scheme	Scheme Category as per SEBI circular Oct 6, 2017	Type of change	Proposed New Name
Baroda Banking and PSU Bond Fund	Banking and PSU Fund	Name change	Baroda BNP Paribas Banking and PSU Bond Fund
Baroda Business Cycle Fund	Sectoral / Thematic Fund	Name change	Baroda BNP Paribas Business Cycle Fund

The Securities and Exchange Board of India ("SEBI") has, vide its letters no. SEBI/HO/IMD-II/DOF-3/P/OW/3592/2022 dated January 28, 2022 and SEBI/HO/IMD-II/DOF-10/P/OW/3573/1/2022 dated January 28, 2022 accorded its "No Objection" for the said proposal.

For detailed changes to the Scheme(s) and related disclosures, you are requested to carefully refer Exhibit 6 of the Exit Option Letter.

(10) The expenses for, and directly related to, the aforesaid Transaction will not be charged to the Baroda MF Schemes or borne by the unitholders of Baroda MF Schemes, in any manner whatsoever.

(11) BOB and BNPP Asia (the co-sponsors of the Surviving MF) and Surviving TC have undertaken to SEBI that on and from the Effective Date:

a. it will take full responsibility of the management and the administration of all the schemes of Surviving MF including the matters relating to the reconciliation of accounts (as if the schemes had been floated by Surviving TC on the Effective Date).

b. it will assume trusteeship of the assets and liabilities of all the schemes including outstanding borrowings of Surviving MF including unclaimed dividends and unclaimed redemptions.

c. it will assume all responsibilities and obligations relating to the investor grievances, if any, in respect of all the schemes taken over, in accordance with, and pursuant to the SEBI MF Regulations.

The above mentioned changes that will take place in connection with the Proposed Transaction and merger / fundamental attribute change / changes in the Schemes will be conditional upon the completion of the Proposed Transaction and will only take place on and from the Effective Date upon completion of the Proposed Transaction.

Notice to Unit Holders in relation to change in the controlling interest of Baroda AMC pursuant to the Proposed Transaction and changes to the Schemes.

As per Regulation 22(e) of the SEBI MF Regulations, a change in controlling interest of an asset management company requires (i) a written communication about the proposed change to be sent to each unitholder and an advertisement to be released in one English daily newspaper having nationwide circulation and in a newspaper published in the language of the region where the head office of the mutual fund is situated; and (ii) the unitholders to be given an option to exit at the prevailing net asset value (**"NAV"**) without any exit load (**"Exit Option Period"**).

Further, as per Regulation 20(3) of the SEBI MF Regulations, change in asset management company requires approval of unitholders by providing the unitholders an option to exit at the prevailing net asset value (**"NAV"**) without any exit load (**"Exit Option Period"**).

Further, as per the MF Regulations, the merger of a scheme with another scheme is considered to be a change in the fundamental attributes of the schemes concerned. Further, such a merger can be carried out only after the unitholders of the transferor scheme have been sent a written communication to provide them with the option for a period of 30 days to exit the scheme at the prevailing NAV without being charged any exit load.

Also, in terms of Regulation 18 (15A) of the SEBI MF Regulations, change in fundamental attributes of a scheme can only be carried out after the unit holders of the concerned scheme have been sent a written communication to provide them with the option for a period of 30 days to exit the scheme at the prevailing NAV without being charged any exit load.

This letter serves as a communication to the unitholders of the Baroda MF Schemes of the Proposed Transaction, merger and change in fundamental attributes, changes to the Schemes with effect from the Effective Date. Accordingly, the existing unitholders (i.e. whose names appear in the register of unitholders as on close of business hours on January 28, 2022) under the Baroda Transaction MF Schemes are hereby given an option to exit, within the **30 days Exit Option Period** starting from **February 03, 2022 till March 04, 2022** (both days inclusive and upto 3.00 pm on March 04, 2022) at Applicable NAV, without payment of any exit load, if they do not wish to stay invested in the Baroda MF Schemes following completion of the Proposed, merger and changes in fundamental attributes, changes to the Schemes.

Unitholders are requested to note the following consequences due to proposed merger of Schemes:

1. Purchase/switch-in including fresh or existing Systematic Investment Plan (SIP) / Systematic Transfer Plan (STP) shall be permitted under the Transferor Schemes till the Effective Date.
2. Upon completion, in case of mergers, the Transferor Schemes will cease to exist and the unitholders of Transferor Schemes as on the Effective Date will be allotted units under the corresponding option / default option of the respective Transferee Schemes at the applicable NAV. In case of any pledge / lien / other encumbrance marked on any units in the Transferor Schemes, the same shall be marked on the corresponding number of units allotted in the respective Transferee Schemes. The Transferee Schemes will be the surviving schemes and the investment objective, investment pattern, annual scheme recurring expenses structure and all other provisions of the Transferee Schemes as contained in the Scheme Information Document and Key Information Memorandum on the Effective Date will be effective for the unitholders of the Transferor Scheme/s. In case of Baroda BNP Paribas Contra Fund, the investment objective, investment pattern, and other provisions shall be as approved by SEBI. **Further details including the main features, financial performance and latest portfolio of the Transferor Schemes and Transferee Schemes (where applicable/available) have been set out in the Exit Option Letter, which is being sent to all the unitholders.**
3. The Unitholders of Growth and Dividend option under the Transferor Schemes shall be allotted units in the corresponding Growth and Dividend option in Transferee Schemes respectively. In case of corresponding option/facility is not found in Transferee Schemes, the unitholders shall be allotted units in the default plan/option/facility of the Transferee Schemes.
4. All unitholders of Transferor Schemes as on completion will receive a fresh account statement reflecting the relevant units allotted under Transferee Scheme. The date of allotment at the time of subscription in the Transferor Scheme/s shall be considered as the allotment date for the purpose of applicability of the exit load period at the time of redemption of such units in respective Transferee Scheme.
5. Treatment of Special Product/Facilities viz., SIP / STP / SWP etc. under Transferor Schemes:
   a. Registration by Unit holders for any existing special products/facilities i.e. SIP / STP / SWP etc. shall continue, and in case of Transferor Schemes shall be automatically re-registered into Transferee Schemes for remaining installments / tenure, as per the terms and conditions of the respective special product/facility.
   b. In case the unitholders do not wish to continue any or all of the Special Product/Facilities, as the case maybe, availed under Transferor Schemes, the unitholders are requested to communicate the same to Surviving BNPP AMC / SURVIVING MF, in writing, their unwillingness to continue the said special product/facility under Transferee Schemes.

If you have no objection to the proposed Transaction, no action needs to be taken by you. Please note that unit holders who do not opt for redemption on or before March 04, 2022 shall be deemed to have consented to the changes specified in the Exit Option Letter and shall continue to hold units in the schemes of Baroda MF. If you disagree with these changes, you may redeem all or part of the units in the respective schemes of Baroda MF by exercising the exit option, without exit load, within the Exit Option Period by filling out the redemption slip provided in **Exhibit 4** or by filling the transaction slips and submitting the same duly signed as per the mode of holding at the nearest Investor Service Centre of Baroda MF or to the Registrar at the addresses mentioned in **Exhibit 5** of the Exit Option Letter or to depository participant (in case of units held in electronic (demat) mode) on or before March 04, 2022. Unit holders can also submit the normal redemption form for this purpose.

Unitholders who have pledged or encumbered their units will not have the option to exit unless they procure a release of their pledges / encumbrances prior to the submission of redemption / switch requests. In case a lien is marked on the units held by you or your units have been frozen / locked pursuant to an order of a governmental authority or a court, redemption can be executed only after the lien / order is vacated / revoked within the period specified above. Further, the exit option is not available to the unitholders whose investments have not completed the statutory lock-in period under the Section 80C of the Income Tax Act, 1961. Further, Unitholders who have been debarred by SEBI from accessing the capital market or securities will not have an option to exit unless the debarment is released by SEBI or court order.

All the valid applications for redemptions received under the Baroda MF Schemes shall be processed at Applicable NAV of the day of receipt of such redemption request, without payment of any exit load, provided that the same are received during the Exit Option Period mentioned above. All redemption requests received before February 03, 2022 and after 3.00 pm on March 04, 2022 will be subject to applicable load in the respective schemes. The redemption proceeds shall be dispatched within 10 business days of receipt of valid redemption request to those unitholders who choose to exercise their exit option.

It may be noted that the offer to exit is purely optional and is not compulsory.

Unitholders should ensure that their change in address or pay-out bank details are updated in records of the Registrar / Baroda MF, as required by them, prior to exercising the exit option for redemption of units. Unitholders holding Units in dematerialized form may approach their Depository Participant for such changes.

Please be informed that the proposed changes as stated above are subject to completion of the Proposed Transaction and accordingly, will not be effected if the Proposed Transaction does not complete; and (b) will take effect immediately on the Effective Date.

Details of the Effective Date will be informed to the unit holders in the notice-cum-addendum issued by Baroda AMC and/or on the website of Baroda MF at www.barodamf.com

Tax Implications:

As regards unit holders who redeem their investments during the Exit Option Period, the tax consequences as set forth in the Statement of Additional Information of Baroda MF and Scheme Information Document of the respective scheme(s) would apply. In view of the individual nature of tax consequences, you are advised to consult your professional tax advisor for detailed tax advice.

Details of the Proposed Transaction and changes to the Schemes are also being communicated by way of Exit Option Letter sent to the registered address of each unit holder. A statement of unclaimed redemption and dividend amount and procedure for claiming the same is mentioned in **Exhibit 7** of the Exit Option Letter.

Unit holders who do not receive the Exit Option Letter or who have any questions, may contact:

Mr. Amitabh Ambastha
Investor Relations Officer
Baroda Asset Management India Limited
CIN : U65991MH1992PLC069414
501, Titanium, 5th Floor, Western Express Highway,
Goregaon (E), Mumbai 400 063, Maharashtra, India.
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Or

Kfin Technologies Pvt. Ltd.
Unit: Baroda Mutual Fund
Selenium Tower B, Plot Number 31 & 32,
Financial District Nanakramguda,
Serilingampally Mandal, Hyderabad - 500 032.

For Baroda Asset Management India Limited
(Investment Manager to Baroda Mutual Fund)

sd/-	sd/-
Suresh Soni	**Kiran Deshpande**
Chief Executive Officer	*Chief Operating Officer & Chief Financial Officer*

Place : Mumbai
Date : January 30, 2022

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

Size : 32.9 (w) x 50 (h) - 12 Full Pages
Size : 32.9 (w) x 40(h) - 13 Full Pages