BNP PARIBAS MUTUAL FUND

Investment Manager: BNP Paribas Asset Management India Private Limited (AMC)
Corporate Identity Number (CIN): U65991MH2003PTC142972

Registered Office: Crescenzo, 7th Floor, G-Block, Bandra Kurla Complex, Bandra - East, Mumbai - 400 051. **Website:** www.bnpparibasmf.in • **Toll Free:** 1800 102 2595

NOTICE CUM ADDENDUM NO. 04/2022

NOTICE-CUM-ADDENDUM FOR THE UNITHOLDERS OF THE SCHEMES OF BNP PARIBAS MUTUAL FUND

I. Background:

BNP Paribas Mutual Fund ("**BNPP MF**") presently has 18 (eighteen) schemes in operation, the details of which are more particularly set out in the table below ("**BNPP Schemes**").

Sr. No.	Scheme Name	Nature of Scheme	'Category' as per SEBI Circular dt. October 06, 2017
1.	BNP Paribas Arbitrage Fund	Open ended	Arbitrage Fund
2.	BNP Paribas Conservative Hybrid Fund	Open ended	Conservative Hybrid Fund
3.	BNP Paribas Corporate Bond Fund	Open ended	Corporate Bond Fund
4.	BNP Paribas Dynamic Equity Fund	Open ended	Dynamic Asset Allocation /Balanced Advantage
5.	BNP Paribas Flexi Debt Fund	Open ended	Dynamic Bond
6.	BNP Paribas Focused 25 Equity Fund	Open ended	Focused Fund
7.	BNP Paribas India Consumption Fund	Open ended	Sectoral/ Thematic
8.	BNP Paribas Large Cap Fund	Open ended	Large Cap Fund
9.	BNP Paribas Liquid Fund	Open ended	Liquid Fund
10.	BNP Paribas Long Term Equity Fund (ELSS)	Open ended	ELSS
11.	BNP Paribas Low Duration Fund	Open ended	Low Duration Fund
12.	BNP Paribas Medium Term Fund	Open ended	Medium Duration Fund
13.	BNP Paribas Mid Cap Fund	Open ended	Mid Cap Fund
14.	BNP Paribas Multi Cap Fund	Open ended	Multi Cap Fund
15.	BNP Paribas Overnight Fund	Open ended	Overnight Fund
16.	BNP Paribas Short Term Fund	Open ended	Short Duration Fund
17.	BNP Paribas Substantial Equity Hybrid Fund	Open ended	Aggressive Hybrid Fund
18.	BNP Paribas Funds Aqua Fund of Fund	Open ended	Fund of Fund (Overseas)

The unitholders of the aforementioned BNPP Schemes are hereby informed that the agreements have been entered into by and between BNP Paribas Asset Management Asia Limited ("**BNPP Asia**"), the sponsor of BNP Paribas Mutual Fund ("**BNPP MF**"); Bank of Baroda ("**BOB**"), the sponsor of Baroda Mutual Fund ("**Baroda 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**"), the asset management company of Baroda MF; and Baroda Trustee India Private Limited ("**Baroda TC**"), the trustee company of Baroda MF, under 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 BNPP Asia and BOB as the shareholders holding 49.9% and 50.1% 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 BNPP Asia and BOB as the shareholders holding 49.3% and 50.7% respectively of the equity share capital of the Surviving TC.

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

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

II. Requisite corporate and regulatory approvals:

The Transaction has been approved by the respective boards of directors of BNPP AMC, BNPP TC, Baroda AMC and Baroda TC. The Securities and Exchange Board of India ("SEBI") has also, pursuant to its letter no. SEBI/HO/IMD/IMD-I DOF5/P/OW/2022/0000002171/1 dated January 17, 2022 and SEBI/HO/IMD/IMD-I DOF5/P/OW/2022/0000002307/1 dated January 19, 2022, SEBI/HO/IMD-II/DOF-10/P/OW/3575/1/2022 dated January 28, 2022 and SEBI/HO/IMD-II/DOF-3/P/OW/3593/2022 dated January 28, 2022 confirmed its no objection to the Transaction.

III. Changes due to the Transaction on and from the Effective Date:

(1) **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 Schemes.** BNPP TC shall relinquish their rights, role, responsibilities, authority and functions as the trustee of the BNPP Schemes, and hand over the trusteeship of the BNPP 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 MF Regulations and other regulatory and contractual formalities as may be applicable, become the trustee to the BNPP Schemes transferred to the Surviving MF and assume the role, responsibility, authority and functions of the trustee to the BNPP Schemes. Baroda TC shall continue to honour and recognize the rights and privileges of the unitholders of the BNPP Schemes as presently available as per the Scheme Information Documents of the BNPP Schemes. **Therefore unitholders should be confident that the BNPP Schemes will at all times be managed in the best interests of all unitholders.**

(2) **Baroda AMC will cease to exist and will be merged into BNPP AMC (the Surviving AMC), and will therefore transfer its rights to operate, administrate and manage the Baroda Schemes to BNPP AMC, the Surviving AMC of the Surviving MF.** The Surviving AMC shall, in accordance with the approval from SEBI, the MF Regulations and other regulatory and contractual formalities as may be applicable, acquire the right to operate, administrate and manage the Baroda Schemes and the BNPP Schemes transferred to the Surviving MF, 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.

(3) To enable the Surviving AMC to assume the right to operate, administrate and manage the Baroda Schemes and the BNPP 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 MF Regulations and other regulatory and contractual formalities as may be applicable.

(4) As a consequence of the 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 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 regards.

(6) BNPP TC and Baroda AMC shall be relieved of their obligations as the trustees to BNPP MF and asset management company of Baroda MF respectively, 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 Schemes will become an integral part of the Surviving MF.

(7) On Effective Date, BNPP TC and Baroda AMC, as the case maybe, will initiate necessary steps relating to: (i) 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; and (ii) withdrawal of the approval granted by SEBI to Baroda AMC to act as the asset management company of Baroda MF and matters incidental thereto.

(8) Until the Effective Date, the BNPP Schemes will continue to be governed in accordance with the BNPP Trust Deed and BNPP IMA, and on and from the Effective Date, the relevant BNPP Schemes will be governed in accordance with the trust deed of Surviving MF and fresh investment management agreement entered into by the Surviving TC and Surviving AMC and will continue to be governed by the MF Regulations, for the benefit of the unitholders of all the schemes of the Surviving MF. 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 expenses for, and directly related to, the aforesaid Transaction will not be charged to the BNPP Schemes or borne by the unitholders of the BNPP Schemes, in any manner whatsoever.

(10) 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 of Surviving MF including outstanding borrowings, 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 MF Regulations

(11) On and from the Effective Date, the BNPP Schemes will become an integral part of the Surviving MF with such changes in fundamental attributes, name and merger between certain schemes of BNPP MF and Baroda MF as briefly indicated as below:

Sr. No.	Scheme Name	Type of Change and in case of Merger whether Transferor or Transferee Scheme)	Proposed New Names / Transferee (Surviving) scheme's Name	'Category' as per SEBI Circular dt. October 06, 2017 (for Surviving Scheme)
1.	BNP Paribas Large Cap Fund	Name Change, Merger (Transferee Scheme) and Change in certain Fundamental Attributes	Baroda BNP Paribas Large Cap Fund	Large Cap Fund
2.	BNP Paribas Multi Cap Fund	Merger (Transferor Scheme)	Baroda BNP Paribas Multi Cap Fund	Multi Cap Fund
3.	BNP Paribas Mid Cap Fund	Name Change, Merger (Transferee Scheme) and Change in certain Fundamental Attributes	Baroda BNP Paribas Mid Cap Fund	Mid Cap Fund
4.	BNP Paribas Long Term Equity Fund	Name Change, Merger (Transferee Scheme) and Change in certain Fundamental Attributes	Baroda BNP Paribas ELSS Fund	ELSS
5.	BNP Paribas Focused 25 Equity Fund	Name Change and Change in certain Fundamental Attributes	Baroda BNP Paribas Focused Fund	Focused Fund
6.	BNP Paribas India Consumption Fund	Name Change and Change in certain Fundamental Attributes	Baroda BNP Paribas India Consumption Fund	Sectoral/ Thematic
7.	BNP Paribas Substantial Equity Hybrid Fund	Name Change and Change in certain Fundamental Attributes	Baroda BNP Paribas Aggressive Hybrid Fund	Aggressive Hybrid Fund
8.	BNP Paribas Arbitrage Fund	Name Change and Change in certain Fundamental Attributes	Baroda BNP Paribas Arbitrage Fund	Arbitrage Fund
9.	BNP Paribas Corporate Bond Fund	Name Change and Change in certain Fundamental Attributes	Baroda BNP Paribas Corporate Bond Fund	Corporate Bond Fund
10.	BNP Paribas Low Duration Fund	Name Change and Change in certain Fundamental Attributes	Baroda BNP Paribas Low Duration Fund	Low Duration Fund
11.	BNP Paribas Overnight Fund	Merger (Transferor Scheme)	Baroda BNP Paribas Overnight Fund	Overnight Fund
12.	BNP Paribas Liquid Fund	Merger (Transferor Scheme)	Baroda BNP Paribas Liquid Fund	Liquid Fund
13.	BNP Paribas Short Term Fund	Merger (Transferor Scheme)	Baroda BNP Paribas Short Duration Fund	Short Duration Fund
14.	BNP Paribas Flexi Debt Fund	Name Change, Merger (Transferee Scheme) and Change in certain Fundamental Attributes	Baroda BNP Paribas Dynamic Bond Fund	Dynamic Bond
15.	BNP Paribas Dynamic Equity Fund	Merger (Transferor Scheme)	Baroda BNP Paribas Balanced Advantage Fund	Dynamic Asset Allocation/ Balanced Advantage
16.	BNP Paribas Conservative Hybrid Fund	Name Change, Merger (Transferee Scheme) and Change in certain Fundamental Attributes	Baroda BNP Paribas Conservative Hybrid Fund	Conservative Hybrid Fund
17.	BNP Paribas Medium Term Fund	Name Change, Merger (Transferee Scheme) and Change in certain Fundamental Attributes	Baroda BNP Paribas Medium Duration Fund (the scheme has one segregated portfolio)	Medium Duration Fund
18.	BNP Paribas Funds Aqua Fund of Fund	Name Change	Baroda BNP Paribas Funds Aqua Fund of Fund	Fund of Fund (Overseas)

Further, details relating to Merger between certain schemes of BNPP MF and Baroda MF are given at **Section V** below and details relating to Change in Fundamental Attributes of certain schemes of BNPP MF are given at **Section VI** below.

The BNPP 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. The updated SAI, SIDs and KIMs of the BNPP 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 immediately after the Effective Date.

IV. Approval of Unitholders for change in control of BNPP AMC and the proposed Transaction (including Merger of certain schemes of BNPP MF and Baroda MF and Changes in fundamental attributes of certain schemes of BNPP MF):

As per Regulation 22(e) of the MF Regulations, a change in control 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 nation wide 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 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 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.

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 BNPP Schemes are hereby given an option to exit, **within the 30 days Exit Option Period starting from Thursday, February 03, 2022 till Friday, 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 BNPP Schemes following completion of the Transaction (including Merger of certain schemes of BNPP MF and Baroda MF and Changes in fundamental attributes of certain schemes of BNPP MF).

Unitholders may redeem all or part of the units in the respective schemes of BNPP MF by exercising the exit option, without exit load, within the Exit Option Period by submitting a valid redemption request at any Investor Service Centre of BNPP MF or to depository participant (in case of units held in electronic (demat) mode) on or before March 04, 2022.

Unitholders who do not exercise the exit option by 3.00 pm on March 04, 2022 would be deemed to have consented to the proposed Transaction (including Merger of certain schemes of BNPP MF and Baroda MF and Changes in fundamental attributes of certain schemes of BNPP MF) as above. It may also be noted that no action is required in case Unitholders are in agreement with the aforesaid Transaction (including Merger of certain schemes of BNPP MF and Baroda MF and Changes in fundamental attributes of certain schemes of BNPP MF), which shall be deemed as consent being given by them for the proposed Transaction.

Kindly note that an offer to exit is merely optional and is not compulsory.

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 BNPP 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. Unitholders should ensure that their change in address or pay-out bank details are updated in records of BNPP AMC 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. In case units have been frozen / locked pursuant to an order of a government authority or a court, such exit option can be executed only after the freeze / lock order is vacated / revoked within the period specified above.

Please be informed that the proposed transfers, merger and changes in fundamental attributes of the schemes as stated above are subject to completion of the Transaction and accordingly, will not be effected if the Transaction does not complete; and will take effect immediately on the Effective Date. Details of the Effective Date will be notified to the unitholders in the notice-cum-addendum issued by BNPP AMC and on the website of BNPP MF at www.bnpparibasmf.in

Each existing unitholder is also being sent a separate written communication ("Exit Option Letter") informing them of the aforesaid changes pertaining to the change in control of BNPP AMC, the asset management company of BNP Paribas Mutual Fund, transfer of schemes and change of trusteeship, management and administration of the schemes of BNPP MF to Baroda MF and other related changes, including Exit Option Period. In case any existing unitholder has not received the communication, they can contact any of the Investor Service Centers of the AMC or the Registrar and Transfer Agent of the Fund to obtain the same.

V. Merger of certain schemes of BNPP MF and Baroda MF:

Sr. No.	Scheme getting merged ("Transferor Scheme")	Scheme with which Transferor Scheme is proposed to be merged ("Transferee Scheme")	Scheme Category as per SEBI circular Oct 6, 2017 (For Transferee Scheme)	Proposed New Name for Transferee (Surviving) Scheme
A.	BNP Paribas Overnight Fund	Baroda Overnight Fund	Overnight Fund	Baroda BNP Paribas Overnight Fund
B.	BNP Paribas Liquid Fund	Baroda Liquid Fund	Liquid Fund	Baroda BNP Paribas Liquid Fund
C.	BNP Paribas Short Term Fund	Baroda Short Term Bond Fund	Short Duration Fund	Baroda BNP Paribas Short Duration Fund
D.	Baroda Dynamic Bond Fund	BNP Paribas Flexi Debt Fund	Dynamic Bond	Baroda BNP Paribas Dynamic Bond Fund
E.	Baroda Hybrid Equity Fund* and BNP Paribas Dynamic Equity Fund	Baroda Dynamic Equity Fund	Dynamic Asset Allocation Fund / Balanced Advantage	Baroda BNP Paribas Balanced Advantage Fund
F.	Baroda Conservative Hybrid Fund	BNP Paribas Conservative Hybrid Fund	Conservative Hybrid Fund	Baroda BNP Paribas Conservative Hybrid Fund
G.	Baroda Treasury Advantage Fund^ (the scheme has one segregated portfolio)	BNP Paribas Medium Term Fund	Medium Duration Fund	Baroda BNP Paribas Medium Duration Fund (the scheme has one segregated portfolio)
H.	Baroda ELSS '96 Fund	BNP Paribas Long Term Equity Fund	ELSS	Baroda BNP Paribas ELSS Fund
I.	BNP Paribas Multicap Fund	Baroda Multicap Fund	Multi cap Fund	Baroda BNP Paribas Multicap Fund
J.	Baroda Largecap Fund	BNP Paribas Largecap Fund	Large Cap	Baroda BNP Paribas Largecap Fund
K.	Baroda Midcap Fund	BNP Paribas Midcap Fund	Mid Cap	Baroda BNP Paribas Mid Cap 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.

The unitholders are requested to note the following consequences due to proposed merger:

1. Purchase/switch-in including fresh or existing Systematic Investment Plan (SIP) / Systematic Transfer Plan (STP) shall be permitted 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 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 will remain unchanged. Further details including the main features, financial performance and latest portfolio of the Transferor Schemes and Transferee Schemes is being sent to all the unitholders have been sent in the Exit Option Letter.
3. The Unitholders of Growth and Income Distribution and Capital Withdrawal ('IDCW') option under the Transferor Schemes shall be allotted units in the corresponding Growth and IDCW 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 as offered by BNPP AMC.
   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 BNPP AMC / SURVIVING MF, in writing, their unwillingness to continue the said special product/facility under Transferee Schemes.

VI. Changes in fundamental attributes of certain schemes of BNPP MF:

In accordance with various applicable SEBI Circulars issued from time to time, certain changes to the schemes of BNPP MF are proposed to be carried out to enable investments by these schemes into various permissible instruments as permitted by SEBI / RBI from time to time and for addition of enabling provisions for segregation of portfolio as permitted by SEBI in certain schemes. The detailed summary of the these changes are as under:

Sr. No.	Name of the Scheme	Scheme Category as per SEBI circular Oct 6, 2017	Summary of changes to Schemes*	Proposed New Name
I.	**BNP Paribas Medium Term Fund (BNPP MTF)**	Medium Duration Fund	Changes pertaining to (1) Enabling provisions for Investments into repo in corporate debt, (2) Enabling provisions for investment into debt instruments with special features, (3) Enabling provisions for Investments into credit default swaps (CDS), (4) Removal of provisions pertaining to investments in Units issued by REITs & InvITs and (5) Enabling provisions for investments into debt instruments having Structured Obligations / Credit Enhancements.	Baroda BNP Paribas Medium Duration Fund (the scheme has one segregated portfolio)
II.	**BNP Paribas Flexi Debt Fund (BNPP FDF)**	Dynamic Bond	Changes pertaining to (1) Enabling provisions for Investments into repo in corporate debt, (2) Enabling provisions for investment into debt instruments with special features, (3) Enabling provisions for Investments into credit default swaps (CDS) and (4) Enabling provisions for investments into debt instruments having Structured Obligations / Credit Enhancements.	Baroda BNP Paribas Dynamic Bond Fund
III.	**BNP Paribas Conservative Hybrid Fund (BNPP CHF)**	Conservative Hybrid Fund	Changes pertaining to (1) Enabling provisions for Investments into repo in corporate debt, (2) Enabling provisions for investment into debt instruments with special features, (3) Enabling provisions for Investments into credit default swaps (CDS), (4) enabling provisions for Investments in Securities Lending, (5) Changes in provisions pertaining to investments in equity derivatives and (6) Enabling provisions for investments into debt instruments having Structured Obligations / Credit Enhancements.	Baroda BNP Paribas Conservative Hybrid Fund
IV.	**BNP Paribas Low Duration Fund (BNPP LDF)**	Low Duration Fund	Changes pertaining to (1) Enabling provisions for Investments into repo in corporate debt, (2) Removal of provisions pertaining to investments in Units issued by REITs & InvITs and (3) Enabling provisions for investments into debt instruments having Structured Obligations / Credit Enhancements.	Baroda BNP Paribas Low Duration Fund
V.	**BNP Paribas Corporate Bond Fund (BNPP CBF)**	Corporate Bond Fund	Changes pertaining to (1) Enabling provisions for Investments into repo in corporate debt, (2) Enabling provisions for investment into debt instruments with special features, (3) Enabling provisions for Investments into credit default swaps (CDS) and (4) Enabling provisions for investments into debt instruments having Structured Obligations / Credit Enhancements.	Baroda BNP Paribas Corporate Bond Fund
VI.	**BNP Paribas Substantial Equity Hybrid Fund (BNPP SEHF)**	Aggressive Hybrid Fund	Changes pertaining to (1) Enabling provisions for Investments into Interest Rate Futures (IRFs) for purpose of imperfect hedging, (2) Enabling provisions for Investments into repo in corporate debt, (3) Enabling provisions for investment into debt instruments with special features, (4) Enabling provisions for Investments into credit default swaps (CDS), (5) Enabling provisions for Investments in Securities Lending, (6) Changes in provisions pertaining to investments in equity derivatives and (7) Enabling provisions for investments into debt instruments having Structured Obligations / Credit Enhancements.	Baroda BNP Paribas Aggressive Hybrid Fund
VII.	**BNP Paribas Mid Cap Fund (BNPP MCF)**	Mid Cap Fund	Changes pertaining to (1) Enabling provisions for Investments in Securities Lending, (2) Changes in provisions pertaining to investments in equity derivatives and (3) incorporating enabling provisions for creation of Segregated Portfolio.	Baroda BNP Paribas Mid Cap Fund
VIII.	**BNP Paribas Large Cap Fund (BNPP LCF)**	Large Cap Fund	Changes pertaining to (1) Enabling provisions for Investments in Securities Lending, (2) Changes in provisions pertaining to investments in equity derivatives and (3) incorporating enabling provisions for creation of Segregated Portfolio.	Baroda BNP Paribas Large Cap Fund

to be continued

Sr. No.	Name of the Scheme	Scheme Category as per SEBI circular Oct 6, 2017	Summary of changes to Schemes*	Proposed New Name
IX.	**BNP Paribas Focused 25 Equity Fund (BNPP F25EF)**	Focused Fund	Changes pertaining to (1) Enabling provisions for Investments in Securities Lending, (2) Changes in provisions pertaining to investments in equity derivatives, and (3) incorporating enabling provisions for creation of Segregated Portfolio.	Baroda BNP Paribas Focused Fund
X.	**BNP Paribas India Consumption Fund (BNPP ICF)**	Sectoral/ Thematic	Changes pertaining to (1) Enabling provisions for Investments in Securities Lending, (2) Changes in provisions pertaining to investments in equity derivatives and (3) incorporating enabling provisions for creation of Segregated Portfolio.	Baroda BNP Paribas India Consumption Fund
XI.	**BNP Paribas Long Term Equity fund (BNPP LTEF)**	ELSS	Incorporating enabling provisions for creation of Segregated Portfolio.	Baroda BNP Paribas ELSS Fund

In addition, certain changes to the Asset Allocation and Investment Pattern for BNP Paribas Arbitrage Fund are proposed to be carried out. The said changes are detailed under Section XII of Exhibit A:

XII.	**BNP Paribas Arbitrage Fund (BNPP AF)**	Arbitrage Fund	Changes to the Asset Allocation and Investment Pattern	Baroda BNP Paribas Arbitrage Fund

* these changes shall tantamount to changes in the fundamental attributes of the schemes as per Regulation 18(15A) of the MF Regulations. For detailed changes to the Scheme(s) and related disclosures, you are requested to carefully refer to **Exhibit A**.

SEBI, vide its letter no. SEBI/HO/IMD-II/DOF-10/P/OW/3575/1/2022 dated January 28, 2022 and SEBI/HO/IMD-II/DOF-3/P/OW/3593/2022 dated January 28, 2022 has provided it's no objection to the above proposed changes to the schemes.

VII. Tax Implications

As regards unitholders who redeem their investments during the Exit Option Period, the tax consequences as set forth in the Statement of Additional Information of BNPP 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.**

VIII. Unclaimed Dividends and Redemptions

In view of the decision to transfer the balance unclaimed dividend and redemption amounts in the accounts from BNPP MF to Baroda MF, set out below are the details of the same in the BNPP Schemes as on December 31, 2021:

Scheme Name	Unclaimed Dividend		Unclaimed Redemption	
	No of investors	Amount (₹)	No of investors	Amount (₹)
BNP Paribas - Series 11 - Plan B	-	-	10	104,732
BNP Paribas - Series 12 - Plan A	-	-	15	467,913
BNP Paribas - Series 12 - Plan B	-	-	16	548,995
BNP Paribas - Series 12 - Plan C	-	-	8	3,097,630
BNP Paribas - Series 13 - Plan A	-	-	21	352,840
BNP Paribas - Series 13 - Plan B	-	-	32	634,761
BNP Paribas - Series 14 - Plan C	-	-	2	7,339
BNP Paribas - Series 16 - Plan B	1	976	39	27,372
BNP Paribas - Series 20 - Plan B	-	-	1	4
BNP Paribas - Series 20 - Plan C	1	975	-	-
BNP Paribas - Series 23 - Plan C	-	-	1	4
BNP Paribas - Series 23- Plan D	-	-	1	6
BNP Paribas - Series 23 - Plan E	-	-	1	5
BNP Paribas Capital Protection Oriented Fund - Series I	4	25,602	6	100,691
BNP Paribas Capital Protection Oriented Fund - Series II	-	-	1	78,147
BNP Paribas Arbitrage Fund	6	106,335	8	127,190
BNP Paribas Corporate Bond Fund	7	97,129	74	88,081
BNP Paribas Conservative Hybrid Fund	624	495,287	187	389,048
BNP Paribas Dynamic Equity Fund	-	-	9	23,254
BNP Paribas Flexi Debt Fund	85	426,461	548	59,743
BNP Paribas Focused 25 Equity Fund	-	-	4	97,428
BNP Paribas Government Securities Fund	4	672	1	1,224
BNP Paribas India Consumption Fund	3	42,044	12	194,591
BNP Paribas Interval Fund Series 2	-	-	5	29,547
BNP Paribas Large Cap Fund	6,753	16,798,689	269	8,115,658
BNP Paribas Liquid Fund	17	1,488	1227	3,745,738
BNP Paribas Long Term Equity Fund	31,275	18,299,758	234	4,198,117
BNP Paribas Low Duration Fund	57	119,105	512	2,587,822
BNP Paribas Medium Term Fund	4	1,431	4	97,924
BNP Paribas Mid Cap Fund	1,583	4,444,694	192	5,483,298
BNP Paribas Multi Cap Fund	3,388	3,075,045	41	840,781
BNP Paribas Multi Manager Fund	-	-	2	81,965
BNP Paribas Multi Manager Fund Series 2A	-	-	5	215
BNP Paribas Multi Manager Fund Series 2B	-	-	287	99,891
BNP Paribas Multi Manager Series 3	-	-	1,973	931,192
BNP Paribas Short Term Fund	13	14,306	81	180,070
BNP Paribas Substantial Equity Hybrid Fund	116	235,587	23	335,661
BNP Paribas Overnight Fund	-	-	25	913,196
Grand Total	**43,941**	**44,185,585**	**5,877**	**34,042,072**

The requests for reissue/revalidation of instruments towards unclaimed dividends or redemptions should be made by the unitholder to any of the Investor Service Centre of BNPP MF specifying the folio number, scheme and details of payments not received. This will be verified with the records and after due verification, fresh instruments will be issued /revalidation will be done in those cases where the amounts have remained unclaimed. Further, in case you would want to ascertain if any amount due to your has remained unclaimed with us, you may please visit https://www.bnpparibasmf.in/investor-centre/unclaimed-dividend

To locate your nearest Investor Service Centre (ISC) of BNPP MF we request you to visit www.bnpparibasmf.in

EXHIBIT A

CHANGES IN FUNDAMENTAL ATTRIBUTES FOR CERTAIN SCHEMES OF BNPP MF

DETAILS OF CHANGES TO THE SCHEMES

I. Details of changes to BNP Paribas Medium Term Fund (BNPP MTF):

<table>
<tr><th>Features</th><th>Existing Provisions</th><th>Revised Provisions</th></tr>
<tr><td>Name of the Scheme</td><td>BNP Paribas Medium Term Fund</td><td>Baroda BNP Paribas Medium Duration Fund</td></tr>
<tr><td>Type of the Scheme</td><td>An Open ended Medium Term Debt Scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 years and 4 years. A relatively high interest rate risk and moderate credit risk scheme.</td><td>An Open ended Medium Term Debt Scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 years and 4 years. A relatively high interest rate risk and moderate credit risk scheme.</td></tr>
<tr><td>Investment Objective</td><td>The investment objective of the Scheme is to seek to optimize returns by from a portfolio comprising investment in Debt & Money Market instruments such that the Macaulay duration of the portfolio is between 3 year and 4 years. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/indicate any returns.</td><td>The investment objective of the Scheme is to seek to optimize returns by from a portfolio comprising investment in Debt & Money Market instruments such that the Macaulay duration of the portfolio is between 3 year and 4 years. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/indicate any returns.</td></tr>
<tr><td>Asset Allocation and Investment Pattern of the Scheme
(Changes pertaining to (1) Enabling provisions for Investments into repo in corporate debt, (2) Enabling provisions for investment into debt instruments with special features^^, (3) Enabling provisions for Investments into credit default swaps (CDS), (4) Removal of provisions pertaining to investments in Units issued by REITs & InvITs and (5) Enabling provisions for investments into debt instruments having Structured Obligations / Credit Enhancements)
^^ For detailed disclosures on applicable investment limits, risk factors and other disclosures, please refer section "G. Enabling provisions and disclosures for investment into debt instruments with special features".</td>
<td>Under normal circumstances, the asset allocation under the Scheme would be as follows:
<table>
<tr><th>Type of Instruments</th><th>Minimum Allocation (% of Net Assets)</th><th>Maximum Allocation (% of Net Assets)</th><th>Risk Profile</th></tr>
<tr><td>Investment in Debt & Money Market instruments such that the Macaulay duration of the portfolio is between 3 years and 4 years</td><td>0</td><td>100</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>
<tr><td>Units issued by REITs & InvITs</td><td>0</td><td>10</td><td>Medium to High</td></tr>
</table>
In case of anticipated adverse situation(s) impacting interest rate movement, the Fund Manager may reduce the portfolio Macaulay duration range from 1 year to 4 years.
Asset allocation under anticipated adverse situation shall be as follows:
<table>
<tr><th>Type of Instruments</th><th>Minimum Allocation (% of Net Assets)</th><th>Maximum Allocation (% of Net Assets)</th><th>Risk Profile</th></tr>
<tr><td>Investment in Debt & Money Market instruments such that the Macaulay duration of the portfolio is between 1 year and 4 years</td><td>0</td><td>100</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>
Debt instruments may include securitized debt upto 50% of the net assets.
Exposure in interest rate derivatives shall be limited upto 50% of the net assets only for hedging and portfolio balancing. The Scheme may invest in foreign debt securities including foreign securitised debt upto 20% of the net assets. The scheme will not invest in equity, equity related securities and foreign equity securities including ADR / GDR. The scheme will not indulge in short selling and securities lending and borrowing.
The cumulative gross exposure through debt instruments, money market instruments and derivative instruments will not exceed 100% of the net assets of the scheme.
It may be noted that AMC has to adhere to the asset allocation pattern indicated in the Scheme Information Document under normal circumstances.</td>
<td>Under normal circumstances, the asset allocation under the Scheme would be as follows:
<table>
<tr><th>Type of Instruments</th><th>Minimum Allocation (% of Net Assets)</th><th>Maximum Allocation (% of Net Assets)</th><th>Risk Profile</th></tr>
<tr><td>Investment in Debt & Money Market instruments such that the Macaulay duration of the portfolio is between 3 years and 4 years</td><td>0</td><td>100</td><td>Low to Medium</td></tr>
</table>
In case of anticipated adverse situation(s) impacting interest rate movement, the Fund Manager may reduce the portfolio Macaulay duration range from 1 year to 4 years.
Asset allocation under anticipated adverse situation shall be as follows:
<table>
<tr><th>Type of Instruments</th><th>Minimum Allocation (% of Net Assets)</th><th>Maximum Allocation (% of Net Assets)</th><th>Risk Profile</th></tr>
<tr><td>Investment in Debt & Money Market instruments such that the Macaulay duration of the portfolio is between 1 year and 4 years</td><td>0</td><td>100</td><td>Low to Medium</td></tr>
</table>
Debt instruments may include securitized debt upto 50% of the net assets.
Exposure in interest rate derivatives shall be limited upto 50% of the debt assets only for hedging and portfolio balancing. The Scheme may invest on Credit Default Swaps (CDS) and the exposure in CDS transactions shall not exceed 15% of the net assets of the Scheme. 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 and the total exposure related to premium paid for all derivative positions, including CDS, shall not exceed 20% of the net assets of the Scheme. Further provided that the exposure in interest rate derivatives and CDS shall not exceed 50% of debt assets.
In terms of SEBI circular No. SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019, the Scheme may invest into debt instruments having Structured Obligations / Credit Enhancements 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 in foreign debt securities including foreign securitised debt upto 20% of the net assets. The scheme will not invest in equity, equity related securities and foreign equity securities including ADR / GDR. The scheme will not indulge in short selling and securities lending and borrowing.
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 in corporate debt securities and the gross exposure to repo transactions in corporate debt securities shall not be more than 10 % of the net assets of the scheme.</td></tr>
<tr><td>Asset Allocation and Investment Pattern of the Scheme
(Contd.)</td><td></td><td>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) and 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 cumulative gross exposure through debt, derivative positions, 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.
It may be noted that AMC has to adhere to the asset allocation pattern indicated in the Scheme Information Document under normal circumstances.</td></tr>
<tr><td>Provisions for creation of Segregated Portfolio</td><td>Enabled</td><td>Enabled</td></tr>
</table>

The investment objective, the investment strategy, annual scheme recurring expenses and all other features and terms and conditions of the BNPP MTF will remain unchanged and all references to the above provisions shall be suitably incorporated in the SID and KIM of the BNPP MTF.

II. Details of changes to BNP Paribas Flexi Debt Fund (BNPP FDF):

<table>
<tr><th>Features</th><th>Existing Provisions</th><th>Revised Provisions</th></tr>
<tr><td>Name of the Scheme</td><td>BNP Paribas Flexi Debt Fund</td><td>Baroda BNP Paribas Dynamic Bond Fund</td></tr>
<tr><td>Type of the Scheme</td><td>An Open ended Dynamic Debt Scheme investing across duration. A relatively high interest rate risk and moderate credit risk scheme.</td><td>An Open ended Dynamic Debt Scheme investing across duration. A relatively high interest rate risk and moderate credit risk scheme.</td></tr>
<tr><td>Investment Objective</td><td>The primary objective of the Scheme is to generate income through investments in a range of Debt and Money Market Instruments of various maturities with a view to maximising income while maintaining an optimum balance between yield, safety and liquidity. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/indicate any returns.</td><td>The primary objective of the Scheme is to generate income through investments in a range of Debt and Money Market Instruments of various maturities with a view to maximising income while maintaining an optimum balance between yield, safety and liquidity. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/indicate any returns.</td></tr>
<tr><td>Asset Allocation and Investment Pattern of the Scheme
(Changes pertaining to (1) Enabling provisions for Investments into repo in corporate debt, (2) Enabling provisions for investment into debt instruments with special features^^, (3) Enabling provisions for Investments into credit default swaps (CDS) and (4) Enabling provisions for investments into debt instruments having Structured Obligations / Credit Enhancements.)
^^For detailed disclosures on applicable investment limits, risk factors and other disclosures, please refer section "G. Enabling provisions and disclosures for investment into debt instruments with special features".</td>
<td>Under normal circumstances, the asset allocation under the Scheme would be as follows:
<table>
<tr><th>Type of Instruments</th><th>Minimum Allocation (% of Net Assets)</th><th>Maximum Allocation (% of Net Assets)</th><th>Risk Profile</th></tr>
<tr><td>Investment across duration in Debt & Money Market instruments</td><td>0</td><td>100</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>
Debt instruments may include securitized debt upto 50% of the net assets.
Exposure in interest rate derivatives shall be limited upto 50% of the net assets only for hedging and portfolio balancing. The Scheme may invest in foreign debt securities including foreign securitised debt upto 20% of the net assets.
The Scheme will not invest in equity, equity related securities and foreign equity securities including ADR / GDR. The scheme will not indulge in short selling and securities lending and borrowing.
The cumulative gross exposure through debt instruments, money market instruments and derivative instruments will not exceed 100% of the net assets of the scheme.
It may be noted that AMC has to adhere to the asset allocation pattern indicated in the Scheme Information Document under normal circumstances.</td>
<td>Under normal circumstances, the asset allocation under the Scheme would be as follows:
<table>
<tr><th>Type of Instruments</th><th>Minimum Allocation (% of Net Assets)</th><th>Maximum Allocation (% of Net Assets)</th><th>Risk Profile</th></tr>
<tr><td>Investment across duration in Debt & Money Market instruments</td><td>0</td><td>100</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>
Debt instruments may include securitized debt upto 50% of the net assets.
Exposure in interest rate derivatives shall be limited upto 50% of the debt assets only for hedging and portfolio balancing. The Scheme may invest on Credit Default Swaps (CDS) and the exposure in CDS transactions shall not exceed 15% of the net assets of the Scheme. 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 and the total exposure related to premium paid for all derivative positions, including CDS, shall not exceed 20% of the net assets of the Scheme. Further provided that the exposure in interest rate derivatives and CDS shall not exceed 50% of debt assets.
In terms of SEBI circular No. SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019, the Scheme may invest into debt instruments having Structured Obligations / Credit Enhancements 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 in foreign debt securities including foreign securitised debt upto 20% of the net assets.
The Scheme will not invest in equity, equity related securities and foreign equity securities including ADR / GDR. The scheme will not indulge in short selling and securities lending and borrowing.
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 in corporate debt securities and the gross exposure to repo transactions in corporate debt securities shall not be more than 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) and 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 cumulative gross exposure through debt, derivative positions, 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.
It may be noted that AMC has to adhere to the asset allocation pattern indicated in the Scheme Information Document under normal circumstances.</td></tr>
<tr><td>Provisions for creation of Segregated Portfolio</td><td>Enabled</td><td>Enabled</td></tr>
</table>

The investment objective, the investment strategy, annual scheme recurring expenses and all other features and terms and conditions of the BNPP FDF will remain unchanged and all references to the above provisions shall be suitably incorporated in the SID and KIM of the BNPP FDF.

III. Details of changes to BNP Paribas Conservative Hybrid Fund (BNPP CHF):

<table>
<tr><th>Features</th><th>Existing Provisions</th><th>Revised Provisions</th></tr>
<tr><td>Name of the Scheme</td><td>BNP Paribas Conservative Hybrid Fund</td><td>Baroda BNP Paribas Conservative Hybrid Fund</td></tr>
<tr><td>Type of the Scheme</td><td>An Open ended Hybrid Scheme investing predominantly in debt instruments</td><td>An Open ended Hybrid Scheme investing predominantly in debt instruments</td></tr>
<tr><td>Investment Objective</td><td>The primary objective of the Scheme is to generate regular returns through investments primarily in Debt and Money Market Instruments. The secondary objective of the Scheme is to generate long-term capital appreciation by investing a portion of the Scheme's assets in equity and equity related securities. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/indicate any returns.</td><td>The primary objective of the Scheme is to generate regular returns through investments primarily in Debt and Money Market Instruments. The secondary objective of the Scheme is to generate long-term capital appreciation by investing a portion of the Scheme's assets in equity and equity related securities. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/indicate any returns.</td></tr>
<tr><td>Asset Allocation and Investment Pattern of the Scheme
(Changes pertaining to (1) Enabling provisions for Investments into repo in corporate debt, (2) Enabling provisions for investment into debt instruments with special features^^, (3) Enabling provisions for Investments into credit default swaps (CDS), (4) enabling provisions for Investments in Securities Lending, (5) Changes in provisions pertaining to investments in equity derivatives and (6) Enabling provisions for investments into debt instruments having Structured Obligations / Credit Enhancements.)</td>
<td>Under normal circumstances, the asset allocation under the Scheme would be as follows:
<table>
<tr><th>Type of Instruments</th><th>Minimum Allocation (% of Net Assets)</th><th>Maximum Allocation (% of Net Assets)</th><th>Risk Profile</th></tr>
<tr><td>Debt Instruments* & Money Market Instruments (including cash / call money)</td><td>75</td><td>90</td><td>Low to Medium</td></tr>
<tr><td>Equity & Equity related securities</td><td>10</td><td>25</td><td>Medium to High</td></tr>
<tr><td>Units issued by REITs & InvITs</td><td>0</td><td>10</td><td>Medium to High</td></tr>
</table>
*Debt instruments may include securitized debt upto 50% of the net assets.
Exposure in interest rate derivatives shall be limited upto 50% of the net assets only for hedging and portfolio balancing. The Scheme may invest in foreign debt securities including foreign securitised debt upto 20% of the net assets. The scheme will not indulge in short selling and securities lending and borrowing. The cumulative gross exposure through debt instruments, money market instruments, equity and equity related securities and derivative instruments will not exceed 100% of the net assets of the scheme. Investments in foreign equity and equity related securities, ADR / GDR upto 20% of the net assets, exposure in equity derivatives only for hedging and portfolio balancing upto 25% of the net assets.
It may be noted that AMC has to adhere to the asset allocation pattern indicated in the Scheme Information Document under normal circumstances.</td>
<td>Under normal circumstances, the asset allocation under the Scheme would be as follows:
<table>
<tr><th>Type of Instruments</th><th>Minimum Allocation (% of Net Assets)</th><th>Maximum Allocation (% of Net Assets)</th><th>Risk Profile</th></tr>
<tr><td>Debt Instruments* & Money Market Instruments (including cash / call money)</td><td>75</td><td>90</td><td>Low to Medium</td></tr>
<tr><td>Equity & Equity related securities</td><td>10</td><td>25</td><td>Medium to High</td></tr>
<tr><td>Units issued by REITs & InvITs</td><td>0</td><td>10</td><td>Medium to High</td></tr>
</table>
*Debt instruments may include securitized debt upto 50% of the net assets.
Exposure in interest rate derivatives shall be limited upto 50% of the debt assets only for hedging and portfolio balancing. The Scheme may invest on Credit Default Swaps (CDS) and the exposure in CDS transactions shall not exceed 15% of the net assets of the Scheme. 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 and the total exposure related to premium paid for all derivative positions, including CDS, shall not exceed 20% of the net assets of the Scheme. Further provided that the exposure in interest rate derivatives and CDS shall not exceed 50% of debt assets.
The Scheme may invest upto 50% of equity assets in equity derivatives instruments as permitted under the SEBI (Mutual Funds) Regulations, 1996 from time to time. The Scheme may use derivatives for such purposes as maybe permitted under the SEBI (Mutual Funds) Regulations, 1996, including but not limited for the purpose of hedging and portfolio balancing, based on the opportunities available and subject to guidelines issued by SEBI from time to time.
The Scheme may invest in foreign debt securities including foreign securitised debt upto 20% of the net assets. Investments in foreign equity and equity related securities, ADR / GDR upto 20% of the net assets.</td></tr>
</table>

to be continued

<table>
<tr><th>Features</th><th>Existing Provisions</th><th>Revised Provisions</th></tr>
<tr><td>Asset Allocation and Investment Pattern of the Scheme
(Contd.)
^^For detailed disclosures on applicable investment limits, risk factors and other disclosures, please refer section "G. Enabling provisions and disclosures for investment into debt instruments with special features".</td><td></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 in corporate debt securities and the gross exposure to repo transactions in corporate debt securities shall not be more than 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 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 undertake Securities Lending transactions, in accordance with the framework relating to securities lending and borrowing specified by SEBI, within following limits:
i. **Not more than 20% of the net assets can be deployed in Stock Lending**
ii. **Not more than 5% of the net assets can be deployed in Stock Lending to any single intermediary.**
In terms of SEBI circular No. SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019, the Scheme may invest into debt instruments having Structured Obligations / Credit Enhancements 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 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.
It may be noted that AMC has to adhere to the asset allocation pattern indicated in the Scheme Information Document under normal circumstances.</td></tr>
<tr><td>Provisions for creation of Segregated Portfolio</td><td>Enabled</td><td>Enabled</td></tr>
</table>

The investment objective, the investment strategy, annual scheme recurring expenses and all other features and terms and conditions of the BNPP CHF will remain unchanged and all references to the above provisions shall be suitably incorporated in the SID and KIM of the BNPP CHF.

IV. Details of changes to BNP Paribas Low Duration Fund (BNPP LDF):

<table>
<tr><th>Features</th><th>Existing Provisions</th><th>Revised Provisions</th></tr>
<tr><td>Name of the Scheme</td><td>BNP Paribas Low Duration Fund</td><td>Baroda BNP Paribas Low Duration Fund</td></tr>
<tr><td>Type of the Scheme</td><td>An Open ended Low Duration Debt Scheme investing in instruments such that Macaulay duration of portfolio is between 6 months and 12 months. A relatively low interest rate risk and moderate credit risk scheme.</td><td>An Open ended Low Duration Debt Scheme investing in instruments such that Macaulay duration of portfolio is between 6 months and 12 months. A relatively low interest rate risk and moderate credit risk scheme.</td></tr>
<tr><td>Investment Objective</td><td>The primary objective of the Scheme is to provide income consistent with the prudent risk from a portfolio comprising investment in Debt & Money Market instruments such that the Macaulay duration of the portfolio is between 6 months - 12 months. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/indicate any returns.</td><td>The primary objective of the Scheme is to provide income consistent with the prudent risk from a portfolio comprising investment in Debt & Money Market instruments such that the Macaulay duration of the portfolio is between 6 months - 12 months. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/indicate any returns.</td></tr>
<tr><td>Asset Allocation and Investment Pattern of the Scheme
(Changes pertaining to (1) Enabling provisions for Investments into repo in corporate debt, (2) Removal of provisions pertaining to investments in Units issued by REITs & InvITs and (3) Enabling provisions for investments into debt instruments having Structured Obligations / Credit Enhancements.)</td><td>Under normal circumstances, the asset allocation under the Scheme would be as follows:
<table>
<tr><th>Type of Instruments</th><th>Minimum Allocation (% of Net Assets)</th><th>Maximum Allocation (% of Net Assets)</th><th>Risk Profile</th></tr>
<tr><td>Investment in Debt & Money Market instruments such that the Macaulay duration of the portfolio is between 6 months - 12 months</td><td>0</td><td>100</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>
Debt instruments may include securitized debt upto 50% of the net assets.
Exposure in interest rate derivatives shall be limited upto 50% of the net assets only for hedging and portfolio balancing. The Scheme may invest in foreign debt securities including foreign securitised debt upto 20% of the net assets.
The Scheme will not invest in equity, equity related securities and foreign equity securities including ADR / GDR. The Scheme will not indulge in short selling and securities lending and borrowing.
The cumulative gross exposure through debt instruments, money market instruments and derivative instruments will not exceed 100% of the net assets of the scheme.
It may be noted that AMC has to adhere to the asset allocation pattern indicated in the Scheme Information Document under normal circumstances.</td><td>Under normal circumstances, the asset allocation under the Scheme would be as follows:
<table>
<tr><th>Type of Instruments</th><th>Minimum Allocation (% of Net Assets)</th><th>Maximum Allocation (% of Net Assets)</th><th>Risk Profile</th></tr>
<tr><td>Investment in Debt & Money Market instruments such that the Macaulay duration of the portfolio is between 6 months - 12 months</td><td>0</td><td>100</td><td>Low to Medium</td></tr>
</table>
Debt instruments may include securitized debt upto 50% of the net assets.
Exposure in interest rate derivatives shall be limited upto 50% of the debt assets only for hedging and portfolio balancing. **The Scheme will not invest in Credit Default Swaps (CDS).**
The Scheme may invest in foreign debt securities including foreign securitised debt upto 20% of the net assets.
The Scheme will not invest in equity, equity related securities and foreign equity securities including ADR / GDR. The Scheme will not indulge in short selling and securities lending and borrowing.
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 in corporate debt securities and the gross exposure to repo transactions in corporate debt securities shall not be more than 10 % of the net assets of the scheme.
Scheme will not invest in debt instruments with special feature of subordination to equity (absorbs losses before equity capital) or with special feature of convertible to equity upon trigger of a pre-specified event for loss absorption.
In terms of SEBI circular No. SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019, the Scheme may invest into debt instruments having Structured Obligations / Credit Enhancements 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 cumulative gross exposure through debt, derivative positions, repo transactions 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.
It may be noted that AMC has to adhere to the asset allocation pattern indicated in the Scheme Information Document under normal circumstances.</td></tr>
<tr><td>Provisions for creation of Segregated Portfolio</td><td>Enabled</td><td>Enabled</td></tr>
</table>

The investment objective, the investment strategy, annual scheme recurring expenses and all other features and terms and conditions of the BNPP LDF will remain unchanged and all references to the above provisions shall be suitably incorporated in the SID and KIM of the BNPP LDF.

V. Details of changes to BNP Paribas Corporate Bond Fund (BNPP CBF):

<table>
<tr><th>Features</th><th>Existing Provisions</th><th>Revised Provisions</th></tr>
<tr><td>Name of the Scheme</td><td>BNP Paribas Corporate Bond Fund</td><td>Baroda BNP Paribas Corporate Bond Fund</td></tr>
<tr><td>Type of the Scheme</td><td>An Open ended Debt Scheme predominantly investing in AA+ and above rated corporate bonds. A relatively high interest rate risk and moderate credit risk scheme.</td><td>An Open ended Debt Scheme predominantly investing in AA+ and above rated corporate bonds. A relatively high interest rate risk and moderate credit risk scheme.</td></tr>
<tr><td>Investment Objective</td><td>The primary objective of the Scheme is to generate income and capital gains through investments predominantly in AA+ and above rated corporate bonds. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/indicate any returns.</td><td>The primary objective of the Scheme is to generate income and capital gains through investments predominantly in AA+ and above rated corporate bonds. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/indicate any returns.</td></tr>
<tr><td>Asset Allocation and Investment Pattern of the Scheme
(Changes pertaining to (1) Enabling provisions for Investments into repo in corporate debt, (2) Enabling provisions for investment into debt instruments with special features^^, (3) Enabling provisions for Investments into credit default swaps (CDS) and (4) Enabling provisions for Investments into debt instruments having Structured Obligations / Credit Enhancements)</td><td>Under normal circumstances, the asset allocation under the Scheme would be as follows:
<table>
<tr><th>Type of Instruments</th><th>Minimum Allocation (% of Net Assets)</th><th>Maximum Allocation (% of Net Assets)</th><th>Risk Profile</th></tr>
<tr><td>Investment in Corporate bonds (AA+ and above rated instruments)</td><td>80</td><td>100</td><td>Low to Medium</td></tr>
<tr><td>Investment in Debt securities & Government securities (other than those stated above) & 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>
Debt instruments may include securitized debt upto 50% of the net assets.
Exposure in interest rate derivatives shall be limited upto 50% of the net assets only for hedging and portfolio balancing. The Scheme may invest in foreign debt securities including foreign securitised debt upto 20% of the net assets. The Scheme will not invest in equity, equity related securities and foreign equity securities including ADR / GDR. The scheme will not indulge in short selling and securities lending and borrowing.
The cumulative gross exposure through debt instruments, money market instruments and derivative instruments will not exceed 100% of the net assets of the scheme.
It may be noted that AMC has to adhere to the asset allocation pattern indicated in the Scheme Information Document under normal circumstances.</td><td>Under normal circumstances, the asset allocation under the Scheme would be as follows:
<table>
<tr><th>Type of Instruments</th><th>Minimum Allocation (% of Net Assets)</th><th>Maximum Allocation (% of Net Assets)</th><th>Risk Profile</th></tr>
<tr><td>Investment in Corporate bonds (AA+ and above rated instruments)</td><td>80</td><td>100</td><td>Low to Medium</td></tr>
<tr><td>Investment in Debt securities & Government securities (other than those stated above) & 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>
Debt instruments may include securitized debt upto 50% of the net assets.
Exposure in interest rate derivatives shall be limited upto 50% of the debt assets only for hedging and portfolio balancing. **The Scheme may invest on Credit Default Swaps (CDS) and the exposure in CDS transactions shall not exceed 15% of the net assets of the Scheme. 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 and the total exposure related to premium paid for all derivative positions, including CDS, shall not exceed 20% of the net assets of the Scheme. Further provided that the exposure in interest rate derivatives and CDS shall not exceed 50% of debt assets.**
The Scheme may invest in foreign debt securities including foreign securitised debt upto 20% of the net assets. The Scheme will not invest in equity, equity related securities and foreign equity securities including ADR / GDR. The scheme will not indulge in short selling and securities lending and borrowing.</td></tr>
</table>

<table>
<tr><th>Features</th><th>Existing Provisions</th><th>Revised Provisions</th></tr>
<tr><td>Asset Allocation and Investment Pattern of the Scheme
(Contd.)
^^For detailed disclosures on applicable investment limits, risk factors and other disclosures, please refer section "G. Enabling provisions and disclosures for investment into debt instruments with special features".</td><td></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 in corporate debt securities and the gross exposure to repo transactions in corporate debt securities shall not be more than 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) and 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.
In terms of SEBI circular No. SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019, the Scheme may invest into debt instruments having Structured Obligations / Credit Enhancements 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 cumulative gross exposure through 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.
It may be noted that AMC has to adhere to the asset allocation pattern indicated in the Scheme Information Document under normal circumstances.</td></tr>
<tr><td>Provisions for creation of Segregated Portfolio</td><td>Enabled</td><td>Enabled</td></tr>
</table>

The investment objective, the investment strategy, annual scheme recurring expenses and all other features and terms and conditions of the BNPP CBF will remain unchanged and all references to the above provisions shall be suitably incorporated in the SID and KIM of the BNPP CBF.

VI. Details of changes to BNP Paribas Substantial Equity Hybrid Fund (BNPP SEHF):

<table>
<tr><th>Features</th><th>Existing Provisions</th><th>Revised Provisions</th></tr>
<tr><td>Name of the Scheme</td><td>BNP Paribas Substantial Equity Hybrid Fund</td><td>Baroda BNP Paribas Aggressive Hybrid Fund</td></tr>
<tr><td>Type of the Scheme</td><td>An Open ended Hybrid Scheme investing predominantly in equity and equity related instruments</td><td>An Open ended Hybrid Scheme investing predominantly in equity and equity related instruments</td></tr>
<tr><td>Investment Objective</td><td>The Scheme seeks to generate income and capital appreciation by investing in a diversified portfolio of equity and equity related instruments and fixed income instruments. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/indicate any returns.</td><td>The Scheme seeks to generate income and capital appreciation by investing in a diversified portfolio of equity and equity related instruments and fixed income instruments. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/indicate any returns.</td></tr>
<tr><td>Asset Allocation and Investment Pattern of the Scheme
(Changes pertaining to (1) Enabling provisions for Investments into Interest Rate Futures (IRFs) for purpose of imperfect hedging, (2) Enabling provisions for Investments into repo in corporate debt, (3) Enabling provisions for investment into debt instruments with special features^^, (4) Enabling provisions for Investments into credit default swaps (CDS), (5) Enabling provisions for Investments in Securities Lending, (6) Changes in provisions pertaining to investments in equity derivatives and (7) Enabling provisions for investments into debt instruments having Structured Obligations / Credit Enhancements)
^^For detailed disclosures on applicable investment limits, risk factors and other disclosures, please refer section "G. Enabling provisions and disclosures for investment into debt instruments with special features".</td><td>The asset allocation of the Scheme under normal circumstances would be:
<table>
<tr><th>Type of Instruments</th><th>Minimum Allocation (% of Net Assets)</th><th>Maximum Allocation (% of Net Assets)</th><th>Risk Profile</th></tr>
<tr><td>Debt Instruments & Money Market Instruments (including cash / call money)</td><td>20</td><td>35</td><td>Medium to High</td></tr>
<tr><td>Equity & Equity related securities#</td><td>65</td><td>80</td><td>Medium to High</td></tr>
<tr><td>Units issued by REITs & InvITs</td><td>0</td><td>10</td><td>Medium to High</td></tr>
</table>
#including investments in foreign equity and equity related securities, ADR / GDR upto 25% of the net assets, exposure in equity derivatives only for hedging and portfolio balancing upto 50% of the net assets.
*Debt instruments may include securitised debt upto 20% of the net assets, exposure in debt derivatives only for hedging and portfolio balancing upto 20% of the net assets. The Scheme may invest in foreign debt securities including foreign securitised debt upto 10% of the net assets.
The Scheme will not participate in Credit Default Swaps (CDS) for Corporate Bonds.
The Scheme may enter into repos/reverse repos as may be permitted by RBI other than repo in corporate debt securities. From time to time, the Scheme may hold cash. A part of the net assets may be invested in the Tri-party repo on Government Securities or treasury bills or repo or in an alternative investment as may be provided by RBI.
It may be noted that AMC has to adhere to the asset allocation pattern indicated in the Scheme Information Document under normal circumstances.
According to SEBI circulars (reference no. SEBI/IMD/CIR No. 1/ 91171/07 dated April 16, 2007, SEBI/IMD/CIR No. 8/107311/07 dated October 26, 2007, SEBI/IMD/CIR No. 7/129592/08 dated June 23, 2008, SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019 and SEBI/HO/IMD/DF2/CIR/P/2019/101 dated Sept 20, 2019), pending deployment of funds of the Scheme in securities in terms of investment objective of the Scheme, the Mutual Fund may invest the funds of the Scheme in short term deposits of scheduled commercial banks subject to restrictions laid down under the SEBI Regulations from time to time.</td><td>The asset allocation of the Scheme under normal circumstances would be:
<table>
<tr><th>Type of Instruments</th><th>Minimum Allocation (% of Net Assets)</th><th>Maximum Allocation (% of Net Assets)</th><th>Risk Profile</th></tr>
<tr><td>Debt Instruments & Money Market Instruments (including cash / call money)</td><td>20</td><td>35</td><td>Medium to High</td></tr>
<tr><td>Equity & Equity related securities#</td><td>65</td><td>80</td><td>Medium to High</td></tr>
<tr><td>Units issued by REITs & InvITs</td><td>0</td><td>10</td><td>Medium to High</td></tr>
</table>
#including investments in foreign equity and equity related securities, ADR / GDR upto 25% of the net assets.
*Debt instruments may include securitised debt upto 20% of the net assets.
Exposure in debt derivatives only for hedging and portfolio balancing shall not exceed 20% of the debt 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. The Scheme may invest on Credit Default Swaps (CDS) and the exposure in CDS transactions shall not exceed 6% of the net assets of the Scheme, exposure to a single counterparty in CDS transactions shall not exceed 6% of the net assets of the Scheme, and the total exposure related to premium paid for all derivative positions, including CDS, shall not exceed 20% of the net assets of the Scheme. Further provided that the exposure in debt derivatives and CDS shall not exceed 20% of debt assets.**
The Scheme may invest upto 50% of equity assets in equity derivatives instruments as permitted under the SEBI (Mutual Funds) Regulations, 1996 from time to time. The Scheme may use equity derivatives for such purposes as maybe permitted under the SEBI (Mutual Funds) Regulations, 1996, including but not limited for the purpose of hedging and portfolio balancing, based on the opportunities available and subject to guidelines issued by SEBI from time to time.
The Scheme may invest in foreign debt securities including foreign securitised debt upto 10% of the net assets.
The Scheme may enter into repos/reverse repos as may be permitted by RBI. From time to time, the Scheme may hold cash. A part of the net assets may be invested in the Tri-party repo on Government Securities or treasury bills or repo or in an alternative investment as may be provided by RBI, subject to prior approval from SEBI, if any.
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 in corporate debt securities and the gross exposure to repo transactions in corporate debt securities shall not be more than 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 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.
In terms of SEBI circular No. SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019, the Scheme may invest into debt instruments having Structured Obligations / Credit Enhancements 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 undertake Securities Lending transactions, in accordance with the framework relating to securities lending and borrowing specified by SEBI, within following limits:
i. **Not more than 20% of the net assets can be deployed in Stock Lending**
ii. **Not more than 5% of the net assets can be deployed in Stock Lending to any single intermediary.**
The Scheme shall not engage in short selling.
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.
It may be noted that AMC has to adhere to the asset allocation pattern indicated in the Scheme Information Document under normal circumstances.
According to SEBI circulars (reference no. SEBI/IMD/CIR No. 1/ 91171/07 dated April 16, 2007, SEBI/IMD/CIR No. 8/107311/07 dated October 26, 2007, SEBI/IMD/CIR No. 7/129592/08 dated June 23, 2008, SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019 and SEBI/HO/IMD/DF2/CIR/P/2019/101 dated Sept 20, 2019), pending deployment of funds of the Scheme in securities in terms of investment objective of the Scheme, the Mutual Fund may invest the funds of the Scheme in short term deposits of scheduled commercial banks subject to restrictions laid down under the SEBI Regulations from time to times.</td></tr>
<tr><td>Provisions for creation of Segregated Portfolio</td><td>Enabled</td><td>Enabled</td></tr>
</table>

The investment objective, the investment strategy, annual scheme recurring expenses and all other features and terms and conditions of the BNPP SEHF will remain unchanged and all references to the above provisions shall be suitably incorporated in the SID and KIM of the BNPP SEHF.

VII. Details of changes to BNP Paribas Mid Cap Fund (BNPP MCF):

Features	Existing Provisions	Revised Provisions
Name of the Scheme	BNP Paribas Mid Cap Fund	Baroda BNP Paribas Mid Cap Fund
Type of the Scheme	An Open ended Equity Scheme predominantly investing in mid cap stocks	An Open ended Equity Scheme predominantly investing in mid cap stocks

to be continued

<table>
<tr><th>Features</th><th>Existing Provisions</th><th>Revised Provisions</th></tr>
<tr><td>Investment Objective</td><td>The investment objective of the Scheme seeks to generate long-term capital appreciation by investing primarily in companies with high growth opportunities in the mid capitalization segment. The fund will emphasize on companies that appear to offer opportunities for long-term growth and will be inclined towards companies that are driven by dynamic style of management and entrepreneurial flair. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/indicate any returns.</td><td>The investment objective of the Scheme seeks to generate long-term capital appreciation by investing primarily in companies with high growth opportunities in the mid capitalization segment. The fund will emphasize on companies that appear to offer opportunities for long-term growth and will be inclined towards companies that are driven by dynamic style of management and entrepreneurial flair. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/indicate any returns.</td></tr>
<tr><td>Asset Allocation and Investment Pattern of the Scheme
(Changes pertaining to (1) Enabling provisions for Investments in Securities Lending and (2) Changes in provisions pertaining to investments in equity derivatives)</td><td>Under normal circumstances, the asset allocation under the Scheme would be as follows:
<table>
<tr><th>Type of Instruments</th><th>Minimum Allocation (% of Net Assets)</th><th>Maximum Allocation (% of Net Assets)</th><th>Risk Profile</th></tr>
<tr><td>Equity & equity related instruments of Mid Cap companies#</td><td>65</td><td>100</td><td>Medium to High</td></tr>
<tr><td>Equity & equity related instruments of other than Mid Cap companies, Debt instruments* & Money Market Instruments (including cash and money at call)</td><td>0</td><td>35</td><td>Medium to High</td></tr>
<tr><td>Units issued by REITs & InvITs</td><td>0</td><td>10</td><td>Medium to High</td></tr>
</table>
including investments in foreign equity and equity related securities, ADRs / GDRs upto 25% of the net assets, exposure in equity derivatives only for hedging and portfolio balancing upto 50% of the net assets.
*Debt instruments may include securitised debt upto 20% of the net assets, exposure in debt derivatives only for hedging and portfolio balancing upto 20% of the net assets. The Scheme may invest in foreign debt securities including foreign securitised debt upto 10% of the net assets.
The cumulative gross exposure through equity & equity related instruments, debt and money market instruments and derivative instruments will not exceed 100% of the net assets of the Scheme.
According to SEBI circulars (reference no. SEBI/IMD/CIR No. 1/ 91171/07 dated April 16, 2007, SEBI/IMD/CIR No. 8/107311/07 dated October 26, 2007, SEBI/IMD/CIR No. 7/129592/08 dated June 23, 2008, SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019 and SEBI/HO/IMD/DF2/CIR/P/2019/101 dated Sept 20, 2019), pending deployment of funds of the Scheme in securities in terms of investment objective of the Scheme, the Mutual Fund may invest the funds of the Scheme in short term deposits of scheduled commercial banks subject to restrictions laid down under the SEBI Regulations from time to time.</td><td>Under normal circumstances, the asset allocation under the Scheme would be as follows:
<table>
<tr><th>Type of Instruments</th><th>Minimum Allocation (% of Net Assets)</th><th>Maximum Allocation (% of Net Assets)</th><th>Risk Profile</th></tr>
<tr><td>Equity & equity related instruments of Mid Cap companies#</td><td>65</td><td>100</td><td>Medium to High</td></tr>
<tr><td>Equity & equity related instruments of other than Mid Cap companies, Debt instruments* & Money Market Instruments (including cash and money at call)</td><td>0</td><td>35</td><td>Medium to High</td></tr>
<tr><td>Units issued by REITs & InvITs</td><td>0</td><td>10</td><td>Medium to High</td></tr>
</table>
including investments in foreign equity and equity related securities, ADRs / GDRs upto 25% of the net assets,
Exposure upto 50% of equity assets in equity derivatives instruments as permitted under the SEBI (Mutual Funds) Regulations, 1996 from time to time. The Scheme may use derivatives for such purposes as maybe permitted under the SEBI (Mutual Funds) Regulations, 1996, including but not limited for the purpose of hedging and portfolio balancing, based on the opportunities available and subject to guidelines issued by SEBI from time to time.
*Debt instruments may include securitised debt upto 20% of the net assets, exposure in debt derivatives only for hedging and portfolio balancing upto 20% of the net assets. The scheme may invest in foreign debt securities including foreign securitised debt upto 10% of the net assets.
The Scheme will not engage in short selling. The Scheme will not invest into debt instruments having Structured Obligations / Credit Enhancements.
The Scheme may undertake Securities Lending transactions, in accordance with the framework relating to securities lending and borrowing specified by SEBI, within following limits:
i. Not more than 20% of the net assets can be deployed in Stock Lending
ii. Not more than 5% of the net assets can be deployed in Stock Lending to any single intermediary.
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.
According to SEBI circulars (reference no. SEBI/IMD/CIR No. 1/ 91171/07 dated April 16, 2007, SEBI/IMD/CIR No. 8/107311/07 dated October 26, 2007, SEBI/IMD/CIR No. 7/129592/08 dated June 23, 2008, SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019 and SEBI/HO/IMD/DF2/CIR/P/2019/101 dated Sept 20, 2019), pending deployment of funds of the Scheme in securities in terms of investment objective of the Scheme, the Mutual Fund may invest the funds of the Scheme in short term deposits of scheduled commercial banks subject to restrictions laid down under the SEBI Regulations from time to time.</td></tr>
<tr><td>Enabling provisions for creation of Segregated Portfolio</td><td>Not applicable</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 'F. 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>

The investment objective, the investment strategy, annual scheme recurring expenses and all other features and terms and conditions of the BNPP MCF will remain unchanged and all references to the above provisions shall be suitably incorporated in the SID and KIM of the BNPP MCF.

VIII. Details of changes to BNP Paribas Large Cap Fund (BNPP LCF):

<table>
<tr><th>Features</th><th>Existing Provisions</th><th>Revised Provisions</th></tr>
<tr><td>Name of the Scheme</td><td>BNP Paribas Large Cap Fund</td><td>Baroda BNP Paribas Large Cap Fund</td></tr>
<tr><td>Type of the Scheme</td><td>An Open ended Equity Scheme predominantly investing in large cap stocks</td><td>An Open ended Equity Scheme predominantly investing in large cap stocks</td></tr>
<tr><td>Investment Objective</td><td>The investment objective of the Scheme is to generate long-term capital growth from a diversified and actively managed portfolio of equity and equity related securities by predominantly investing in large market capitalization companies. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/indicate any returns.</td><td>The investment objective of the Scheme is to generate long-term capital growth from a diversified and actively managed portfolio of equity and equity related securities by predominantly investing in large market capitalization companies. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/indicate any returns.</td></tr>
<tr><td>Asset Allocation and Investment Pattern of the Scheme
(Changes pertaining to (1) Enabling provisions for Investments in Securities Lending and (2) Changes in provisions pertaining to investments in equity derivatives)</td><td>Under normal circumstances, the asset allocation under the Scheme would be as follows:
<table>
<tr><th>Type of Instruments</th><th>Minimum Allocation (% of Net Assets)</th><th>Maximum Allocation (% of Net Assets)</th><th>Risk Profile</th></tr>
<tr><td>Equity & equity related instruments# of Large Cap companies</td><td>80</td><td>100</td><td>Medium to High</td></tr>
<tr><td>Equity & equity related instruments of other than Large Cap companies, Debt instruments* & Money Market Instruments (including cash and money at call)</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>
including investments in foreign equity and equity related securities, ADR / GDR upto 25% of the net assets, exposure in equity derivatives only for hedging and portfolio balancing upto 50% of the net assets.
*Debt instruments may include securitised debt upto 20% of the net assets, exposure in debt derivatives only for hedging and portfolio balancing upto 20% of the net assets. The Scheme may invest in foreign debt securities including foreign securitised debt upto 10% of the net assets.
The cumulative gross exposure through equity & equity related instruments, debt and money market instruments and derivative instruments will not exceed 100% of the net assets of the Scheme.
It may be noted that the AMC has to adhere to the asset allocation pattern indicated in the Scheme Information Document under normal circumstances.
According to the SEBI circulars (reference no. SEBI/IMD/CIR No. 1/ 91171/07 dated April 16, 2007, SEBI/IMD/CIR No. 8/107311/07 dated October 26, 2007, SEBI/IMD/CIR No. 7/129592/08 dated June 23, 2008, SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019 and SEBI/HO/IMD/DF2/CIR/P/2019/101 dated Sept 20, 2019), pending deployment of funds of the Scheme in securities in terms of investment objective of the Scheme, the Mutual Fund may invest the funds of the Scheme in short term deposits of scheduled commercial banks subject to restrictions laid down under the SEBI Regulations from time to time.</td><td>Under normal circumstances, the asset allocation under the Scheme would be as follows:
<table>
<tr><th>Type of Instruments</th><th>Minimum Allocation (% of Net Assets)</th><th>Maximum Allocation (% of Net Assets)</th><th>Risk Profile</th></tr>
<tr><td>Equity & equity related instruments# of Large Cap companies</td><td>80</td><td>100</td><td>Medium to High</td></tr>
<tr><td>Equity & equity related instruments of other than Large Cap companies, Debt instruments* & Money Market Instruments (including cash and money at call)</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>
including investments in foreign equity and equity related securities, ADR / GDR upto 25% of the net assets.
Exposure upto 50% of equity assets in equity derivatives instruments as permitted under the SEBI (Mutual Funds) Regulations, 1996 from time to time. The Scheme may use derivatives for such purposes as maybe permitted under the SEBI (Mutual Funds) Regulations, 1996, including but not limited for the purpose of hedging and portfolio balancing, based on the opportunities available and subject to guidelines issued by SEBI from time to time.
*Debt instruments may include securitised debt upto 20% of the net assets, exposure in debt derivatives only for hedging and portfolio balancing upto 20% of the net assets. The Scheme may invest in foreign debt securities including foreign securitised debt upto 10% of the net assets. The Scheme will not engage in short selling. The Scheme will not invest in to debt instruments having Structured Obligations / Credit Enhancements.
The Scheme may undertake Securities Lending transactions, in accordance with the framework relating to securities lending and borrowing specified by SEBI, within following limits:
i. Not more than 20% of the net assets can be deployed in Stock Lending
ii. Not more than 5% of the net assets can be deployed in Stock Lending to any single intermediary.
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.
It may be noted that the AMC has to adhere to the asset allocation pattern indicated in the Scheme Information Document under normal circumstances.
According to the SEBI circulars (reference no. SEBI/IMD/CIR No. 1/ 91171/07 dated April 16, 2007, SEBI/IMD/CIR No. 8/107311/07 dated October 26, 2007, SEBI/IMD/CIR No. 7/129592/08 dated June 23, 2008, SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019 and SEBI/HO/IMD/DF2/CIR/P/2019/101 dated Sept 20, 2019), pending deployment of funds of the Scheme in securities in terms of investment objective of the Scheme, the Mutual Fund may invest the funds of the Scheme in short term deposits of scheduled commercial banks subject to restrictions laid down under the SEBI Regulations from time to time.</td></tr>
<tr><td>Enabling provisions for creation of Segregated Portfolio</td><td>Not applicable</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 'F. 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>

The investment objective, the investment strategy, annual scheme recurring expenses and all other features and terms and conditions of the BNPP LCF will remain unchanged and all references to the above provisions shall be suitably incorporated in the SID and KIM of the BNPP LCF.

IX. Details of changes to BNP Paribas Focused 25 Equity Fund (BNPP F25EF):

<table>
<tr><th>Features</th><th>Existing Provisions</th><th>Revised Provisions</th></tr>
<tr><td>Name of the Scheme</td><td>BNP Paribas Focused 25 Equity Fund</td><td>Baroda BNP Paribas Focused Equity Fund</td></tr>
<tr><td>Type of the Scheme</td><td>An Open ended Equity Scheme investing in maximum 25 stocks across market capitalization (i.e. multi cap stocks)</td><td>An Open ended Equity Scheme investing in maximum 25 stocks across market capitalization (i.e. multi cap stocks)</td></tr>
<tr><td>Investment Objective</td><td>The Scheme seeks to generate long-term capital growth by investing in a concentrated portfolio of equity & equity related instruments of up to 25 companies across market capitalization. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/ indicate any returns.</td><td>The Scheme seeks to generate long-term capital growth by investing in a concentrated portfolio of equity & equity related instruments of up to 25 companies across market capitalization. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/ indicate any returns.</td></tr>
<tr><td>Asset Allocation and Investment Pattern of the Scheme
(Changes pertaining to (1) Enabling provisions for Investments in Securities Lending and (2) Changes in provisions pertaining to investments in equity derivatives)</td><td>The asset allocation of the Scheme under normal circumstances would be:
<table>
<tr><th>Type of Instruments</th><th>Minimum Allocation (% of Net Assets)</th><th>Maximum Allocation (% of Net Assets)</th><th>Risk Profile</th></tr>
<tr><td>Equity and Equity related securities, (which are not exceeding 25 companies)</td><td>65</td><td>100</td><td>High</td></tr>
<tr><td>Debt and Money Market instruments</td><td>0</td><td>35</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>
The cumulative gross exposure through debt and money market instruments, equity & equity related instruments, and derivative instruments will not exceed 100% of the net assets of the Scheme.
Exposure to debt derivative instruments shall not be more than 15% of the total net assets only for hedging and portfolio balancing. Exposure to equity derivatives shall be only for hedging and portfolio balancing up to 30% of total net assets. The Scheme will not indulge in short selling and securities lending and borrowing. The Scheme will not invest in foreign securities including foreign securitised debt and ADR/GDR. The Scheme will not invest in securitized debt.
The Scheme will not participate in Credit Default Swaps (CDS) for Corporate Bonds. The Scheme may enter into repos/reverse repos as may be permitted by RBI other than repo in corporate debt securities. From time to time, the Scheme may hold cash. A part of the net assets may be invested in the Tri-party repo on Government Securities or treasury bills or repo or in an alternative investment as may be provided by RBI.
It may be noted that AMC has to adhere to the asset allocation pattern indicated in the Scheme Information Document under normal circumstances.
According to SEBI circulars (reference no. SEBI/IMD/CIR No. 1/ 91171/07 dated April 16, 2007, SEBI/IMD/CIR No. 8/107311/07 dated October 26, 2007, SEBI/IMD/CIR No. 7/129592/08 dated June 23, 2008, SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019 and SEBI/HO/IMD/DF2/CIR/P/2019/101 dated Sept 20, 2019), pending deployment of funds of the Scheme in securities in terms of investment objective of the Scheme, the Mutual Fund may invest the funds of the Scheme in short term deposits of scheduled commercial banks subject to restrictions laid down under the SEBI Regulations from time to time.</td><td>The asset allocation of the Scheme under normal circumstances would be:
<table>
<tr><th>Type of Instruments</th><th>Minimum Allocation (% of Net Assets)</th><th>Maximum Allocation (% of Net Assets)</th><th>Risk Profile</th></tr>
<tr><td>Equity and Equity related securities, (which are not exceeding 25 companies)</td><td>65</td><td>100</td><td>High</td></tr>
<tr><td>Debt and Money Market instruments</td><td>0</td><td>35</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>
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.
Exposure to debt derivative instruments shall not be more than 15% of the debt assets only for hedging and portfolio balancing. The Scheme may invest upto 50% of its equity assets in equity derivatives instruments as permitted by the Regulations from time to time. The Scheme may use equity derivatives for such purposes as maybe permitted by the SEBI (Mutual Funds) Regulations, 1996, including but not limited for the purpose of hedging and portfolio balancing, based on the opportunities available and subject to guidelines issued by SEBI from time to time.
The Scheme will not invest in foreign securities including foreign securitised debt and ADR/GDR. The Scheme will not invest in securitized debt. The Scheme will not engage in short selling. The Scheme will not invest in to debt instruments having Structured Obligations / Credit Enhancements.
The Scheme may undertake Securities Lending transactions, in accordance with the framework relating to securities lending and borrowing specified by SEBI, within following limits:
i. Not more than 20% of the net assets can be deployed in Stock Lending
ii. Not more than 5% of the net assets can be deployed in Stock Lending to any single intermediary.
The Scheme will not participate in Credit Default Swaps (CDS) for Corporate Bonds. The Scheme may enter into repos/reverse repos as may be permitted by RBI other than repo in corporate debt securities. From time to time, the Scheme may hold cash. A part of the net assets may be invested in the Tri-party repo on Government Securities or treasury bills or repo or in an alternative investment as may be provided by RBI, subject to prior approval from SEBI, if any.
It may be noted that AMC has to adhere to the asset allocation pattern indicated in the Scheme Information Document under normal circumstances.
According to SEBI circulars (reference no. SEBI/IMD/CIR No. 1/ 91171/07 dated April 16, 2007, SEBI/IMD/CIR No. 8/107311/07 dated October 26, 2007, SEBI/IMD/CIR No. 7/129592/08 dated June 23, 2008, SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019 and SEBI/HO/IMD/DF2/CIR/P/2019/101 dated Sept 20, 2019), pending deployment of funds of the Scheme in securities in terms of investment objective of the Scheme, the Mutual Fund may invest the funds of the Scheme in short term deposits of scheduled commercial banks subject to restrictions laid down under the SEBI Regulations from time to time.</td></tr>
<tr><td>Enabling provisions for creation of Segregated Portfolio</td><td>Not applicable</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 'F. 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>

The investment objective, the investment strategy, annual scheme recurring expenses and all other features and terms and conditions of the BNPP F25EF will remain unchanged and all references to the above provisions shall be suitably incorporated in the SID and KIM of the BNPP F25EF.

X. Details of changes to BNP Paribas India Consumption Fund (BNPP ICF):

<table>
<tr><th>Features</th><th>Existing Provisions</th><th>Revised Provisions</th></tr>
<tr><td>Name of the Scheme</td><td>BNP Paribas India Consumption Fund</td><td>Baroda BNP Paribas India Consumption Fund</td></tr>
<tr><td>Type of the Scheme</td><td>An open ended equity scheme following consumption theme.</td><td>An open ended equity scheme following consumption theme.</td></tr>
<tr><td>Investment Objective</td><td>The primary investment objective of the Scheme is to seek to generate capital appreciation and provide long-term growth opportunities by investing in companies expected to benefit by providing products and services to the growing consumption needs of Indian consumers, which in turn is getting fuelled by high disposable income. The Scheme also seeks to generate income by investing in debt and money market securities. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/indicate any returns.</td><td>The primary investment objective of the Scheme is to seek to generate capital appreciation and provide long-term growth opportunities by investing in companies expected to benefit by providing products and services to the growing consumption needs of Indian consumers, which in turn is getting fuelled by high disposable income. The Scheme also seeks to generate income by investing in debt and money market securities. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/indicate any returns.</td></tr>
<tr><td>Asset Allocation and Investment Pattern of the Scheme
(Changes pertaining to (1) Enabling provisions for Investments in Securities Lending and (2) Changes in provisions pertaining to investments in equity derivatives)</td><td>The asset allocation of the Scheme under normal circumstances would be:
<table>
<tr><th rowspan="2">Type of Instruments</th><th colspan="2">Indicative allocations (% 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#</td><td>80</td><td>100</td><td>Medium to High</td></tr>
<tr><td>Equity and equity related instruments *</td><td>0</td><td>10</td><td>Medium to High</td></tr>
<tr><td>Debt and Money market instruments and/or units of liquid fund**</td><td>0</td><td>20</td><td>Low</td></tr>
<tr><td>Units issued by REITs & InvITs</td><td>0</td><td>10</td><td>Medium to High</td></tr>
</table>
Investible universe as per AMFI industry classification includes auto, banks, cements, construction (real estate), consumer durables, consumer non-durables, fertilizers, finance, gas (consumer oriented gas distribution), healthcare services, hotels, media & entertainment, pesticides, pharmaceuticals, retailing, telecom services, textile products, textiles – cotton, textiles – synthetic and transportation. The scheme will maintain at least 80% of the net assets in this investible universe.
*The scheme does not intend to invest in sectors like auto ancillaries, chemicals, commercial services, construction project, engineering services, ferrous metals, hardware, industrial capital goods, industrial products, minerals/mining, non - ferrous metals, oil, paper, petroleum products, power, software, telecom - equipment & accessories and trading. However, at times a company belonging to the above mentioned sectors can form a part of the portfolio, if the Fund Manager believes that the company has sizable exposure in form of their products and services to consumers / Indian households.
The AMC reserves the right to modify the sector list as may be directed by AMFI from time to time depending on the nature of business of the company which will be in accordance with the investment objective of the scheme.
**Debt instruments may include securitised debt up to 10% of the debt net assets.
Exposure to equity derivatives shall be only for hedging and portfolio balancing up to 50% of equity net assets. The cumulative gross exposure through debt and money market instruments, equity & equity related instruments, liquid funds and derivative instruments will not exceed 100% of the net assets of the Scheme. The scheme shall not invest in debt derivative instruments. The scheme will not invest in foreign equities including ADR/GDR and foreign debt securities including foreign securitised debt. The scheme will not indulge in short selling and securities lending and borrowing.
The Scheme will not participate in Credit Default Swaps (CDS) for Corporate Bonds. The Scheme may enter into repos/reverse repos as may be permitted by RBI other than repo in corporate debt securities. From time to time, the Scheme may hold cash. A part of the net assets may be invested in the Tri-party repo on Government Securities or treasury bills or repo or in an alternative investment as may be provided by RBI.
It may be noted that AMC has to adhere to the asset allocation pattern indicated in the Scheme Information Document under normal circumstances.</td><td>The asset allocation of the Scheme under normal circumstances would be:
<table>
<tr><th rowspan="2">Type of Instruments</th><th colspan="2">Indicative allocations (% 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#</td><td>80</td><td>100</td><td>Medium to High</td></tr>
<tr><td>Equity and equity related instruments *</td><td>0</td><td>10</td><td>Medium to High</td></tr>
<tr><td>Debt and Money market instruments and/or units of liquid fund**</td><td>0</td><td>20</td><td>Low</td></tr>
<tr><td>Units issued by REITs & InvITs</td><td>0</td><td>10</td><td>Medium to High</td></tr>
</table>
Investible universe as per AMFI industry classification includes auto, banks, cements, construction (real estate), consumer durables, consumer non-durables, fertilizers, finance, gas (consumer oriented gas distribution), healthcare services, hotels, media & entertainment, pesticides, pharmaceuticals, retailing, telecom services, textile products, textiles – cotton, textiles – synthetic and transportation. The scheme will maintain at least 80% of the net assets in this investible universe.
*The scheme does not intend to invest in sectors like auto ancillaries, chemicals, commercial services, construction project, engineering services, ferrous metals, hardware, industrial capital goods, industrial products, minerals/mining, non - ferrous metals, oil, paper, petroleum products, power, software, telecom - equipment & accessories and trading. However, at times a company belonging to the above mentioned sectors can form a part of the portfolio, if the Fund Manager believes that the company has sizable exposure in form of their products and services to consumers / Indian households.
The AMC reserves the right to modify the sector list as may be directed by AMFI from time to time depending on the nature of business of the company which will be in accordance with the investment objective of the scheme.
**Debt instruments may include securitised debt up to 10% of the debt net assets.
The scheme may invest upto 50% of its equity assets in equity derivatives instruments as permitted by the Regulations from time to time. The Scheme may use equity derivatives for such purposes as maybe permitted by the SEBI (Mutual Funds) Regulations, 1996, including but not limited for the purpose of hedging and portfolio balancing, based on the opportunities available and subject to guidelines issued by SEBI from time to time.
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 may undertake Securities Lending transactions, in accordance with the framework relating to securities lending and borrowing specified by SEBI, within following limits:
i. Not more than 20% of the net assets can be deployed in Stock Lending
ii. Not more than 5% of the net assets can be deployed in Stock Lending to any single intermediary.
The scheme shall not invest in debt derivative instruments. The scheme will not invest in foreign equities including ADR/GDR and foreign debt securities including foreign securitised debt. The Scheme will not participate in Credit Default Swaps (CDS) for Corporate Bonds. The Scheme will not engage in short selling. The Scheme will not invest in to debt instruments having Structured Obligations / Credit Enhancements.</td></tr>
</table>

to be continued

Features	Existing Provisions	Revised Provisions
Asset Allocation and Investment Pattern of the Scheme (Contd.)	According to SEBI circulars (reference no. SEBI/IMD/CIR No. 1/ 91171/07 dated April 16, 2007, SEBI/IMD/CIR No. 8/107311/07 dated October 26, 2007, SEBI/IMD/CIR No. 7/129592/08 dated June 23, 2008, SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019 and SEBI/HO/IMD/DF2/CIR/P/2019/101 dated Sept 20, 2019), pending deployment of funds of the Scheme in securities in terms of investment objective of the Scheme, the Mutual Fund may invest the funds of the Scheme in short term deposits of scheduled commercial banks subject to restrictions laid down under the SEBI Regulations from time to time.	The Scheme may enter into repos/reverse repos as may be permitted by RBI other than repo in corporate debt securities. From time to time, the Scheme may hold cash. A part of the net assets may be invested in the Tri-party repo on Government Securities or treasury bills or repo or in an alternative investment as may be provided by RBI, subject to prior approval from SEBI, if any. It may be noted that AMC has to adhere to the asset allocation pattern indicated in the Scheme Information Document under normal circumstances. According to SEBI circulars (reference no. SEBI/IMD/CIR No. 1/ 91171/07 dated April 16, 2007, SEBI/IMD/CIR No. 8/107311/07 dated October 26, 2007, SEBI/IMD/CIR No. 7/129592/08 dated June 23, 2008, SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019 and SEBI/HO/IMD/DF2/CIR/P/2019/101 dated Sept 20, 2019), pending deployment of funds of the Scheme in securities in terms of investment objective of the Scheme, the Mutual Fund may invest the funds of the Scheme in short term deposits of scheduled commercial banks subject to restrictions laid down under the SEBI Regulations from time to time.
Enabling provisions for creation of Segregated Portfolio	Not applicable	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 **'F. 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.

The investment objective, the investment strategy, annual scheme recurring expenses and all other features and terms and conditions of the BNPP ICF will remain unchanged and all references to the above provisions shall be suitably incorporated in the SID and KIM of the BNPP ICF.

XI. Details of changes to BNP Paribas Long Term Equity Fund (BNPP LTEF):

Features	Existing Provisions	Revised Provisions
Name of the Scheme	BNP Paribas Long Term Equity Fund	Baroda BNP Paribas ELSS Fund
Type of the Scheme	An Open ended Equity Linked Saving Scheme with a statutory lock in of 3 years and tax benefit.	An Open ended Equity Linked Saving Scheme with a statutory lock in of 3 years and tax benefit.
Investment Objective	The investment objective of the Scheme is to generate long-term capital growth from a diversified and actively managed portfolio of equity and equity related securities along with income tax rebate, as may be prevalent from time to time. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/indicate any returns.	The investment objective of the Scheme is to generate long-term capital growth from a diversified and actively managed portfolio of equity and equity related securities along with income tax rebate, as may be prevalent from time to time. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/indicate any returns.
Enabling provisions for creation of Segregated Portfolio	Not applicable	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 **'F. 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.

The asset allocation and investment pattern, investment objective, the investment strategy, annual scheme recurring expenses and all other features and terms and conditions of the BNPP LTEF will remain unchanged and all references to the above provisions shall be suitably incorporated in the SID and KIM of the BNPP LTEF.

XII. Details of changes to BNP Paribas Arbitrage Fund (BNPP AF):

<table>
<tr><th>Features</th><th>Existing Provisions</th><th>Revised Provisions</th></tr>
<tr><td>Name of the Scheme</td><td>BNP Paribas Arbitrage Fund</td><td>Baroda BNP Paribas Arbitrage Fund</td></tr>
<tr><td>Type of the Scheme</td><td>An Open ended Scheme investing in arbitrage opportunities</td><td>An Open ended Scheme investing in arbitrage opportunities</td></tr>
<tr><td>Investment Objective</td><td>The primary investment objective of the scheme is to generate income and capital appreciation by investing in a combination of diversified portfolio of equity and equity related instruments, including use of equity derivatives strategies and arbitrage opportunities with exposure in debt and fixed income instruments. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/ indicate any returns.</td><td>The primary investment objective of the scheme is to generate income and capital appreciation by investing in a combination of diversified portfolio of equity and equity related instruments, including use of equity derivatives strategies and arbitrage opportunities with exposure in debt and fixed income instruments. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/ indicate any returns.</td></tr>
<tr><td>Asset Allocation and Investment Pattern of the Scheme</td><td>The asset allocation of the scheme under normal circumstances would be:
<table>
<tr><th>Type of Instruments</th><th>Minimum Allocation (% of Net Assets)</th><th>Maximum Allocation (% of Net Assets)</th><th>Risk Profile</th></tr>
<tr><td>Equities, equity related instruments# and derivatives including index futures, stock futures, index options, & stock options, etc. as hedged/ arbitrage exposure</td><td>65</td><td>100</td><td>Medium to High</td></tr>
<tr><td>Debt Securities* and Money market instruments with maturity upto 91 days only and/or units of liquid fund</td><td>0</td><td>35</td><td>Low</td></tr>
<tr><td>Units issued by REITs & InvITs</td><td>0</td><td>10</td><td>Medium to High</td></tr>
</table>
Equity allocation is measured as the gross exposure to equities, equity related instruments and derivatives. The Scheme will enter into derivatives transactions for arbitrage/ hedging. The derivative positions will be hedged against corresponding positions in either equity or derivative markets depending on the strategies involved. On the total portfolio level the Scheme intends to have market neutral strategy and thus does not intend to take a net long or net short exposure to equity markets. A portion of portfolio will invest in stocks (equity instruments) and hedge the same with short Index futures with similar weight (to the extent of the long portfolio).
The cumulative gross exposure through debt and money market instruments, equity & equity related instruments, and derivative instruments will not exceed 100% of the net assets of the Scheme.
including investments in foreign equity and equity related securities, ADR / GDR upto 25% of the net assets.
*Debt instruments may include securitised debt upto 20% of the net assets, exposure in debt derivatives only for hedging and portfolio balancing upto 20% of the net assets.
The Scheme may invest in foreign securities including foreign debt securitised debt upto 10% of the net assets. The Scheme will not indulge in short selling and securities lending and borrowing.
The Scheme will not participate in Credit Default Swaps (CDS) for Corporate Bonds.
The Scheme may enter into repos/reverse repos as may be permitted by RBI other than repo in corporate debt securities. From time to time, the Scheme may hold cash. A part of the net assets may be invested in the Tri-party repo on CCIL platform with Government Securities as collateral or repo or in an alternative investment as may be provided by RBI.
According to SEBI circulars (reference no. SEBI/IMD/CIR No. 1/ 91171/07 dated April 16, 2007, SEBI/IMD/CIR No. 8/107311/07 dated October 26, 2007, SEBI/IMD/CIR No. 7/129592/08 dated June 23, 2008, SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019 and SEBI/HO/IMD/DF2/CIR/P/2019/101 dated Sept 20, 2019), pending deployment of funds of the Scheme in securities in terms of investment objective of the Scheme, the Mutual Fund may invest the funds of the Scheme in short term deposits of scheduled commercial banks subject to restrictions laid down under the SEBI Regulations from time to time.
It may be noted that AMC has to adhere to the asset allocation pattern indicated in the Scheme Information Document under normal circumstances.</td><td>The asset allocation of the scheme under normal circumstances would be:
<table>
<tr><th>Type of Instruments</th><th>Minimum Allocation (% of Net Assets)</th><th>Maximum Allocation (% of Net Assets)</th><th>Risk Profile</th></tr>
<tr><td>Equities, equity related instruments# and derivatives including index futures, stock futures, index options, & stock options, etc. as hedged/ arbitrage exposure</td><td>65</td><td>100</td><td>Medium to High</td></tr>
<tr><td>Debt Securities* and Money market instruments and/or units of liquid fund</td><td>0</td><td>35</td><td>Low</td></tr>
<tr><td>Units issued by REITs & InvITs</td><td>0</td><td>10</td><td>Medium to High</td></tr>
</table>
Equity allocation is measured as the gross exposure to equities, equity related instruments and derivatives. The Scheme will enter into derivatives transactions for arbitrage/ hedging. The derivative positions will be hedged against corresponding positions in either equity or derivative markets depending on the strategies involved. On the total portfolio level the Scheme intends to have market neutral strategy and thus does not intend to take a net long or net short exposure to equity markets.
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.
including investments in foreign equity and equity related securities, ADR / GDR upto 25% of the net assets.
*Debt instruments may include securitised debt upto 20% of the net assets. The Scheme may take exposure in debt derivatives only for hedging and portfolio balancing upto 20% of the debt assets.
The Scheme may invest in foreign debt securities including foreign securitised debt upto 10% of the net assets. The Scheme will not indulge in short selling and securities lending and borrowing.
The Scheme will not invest in to debt instruments having Structured Obligations / Credit Enhancements.
The Scheme will not participate in Credit Default Swaps (CDS) for Corporate Bonds. The Scheme may enter into repos/reverse repos as may be permitted by RBI other than repo in corporate debt securities. From time to time, the Scheme may hold cash. A part of the net assets may be invested in the Tri-party repo on CCIL platform with Government Securities as collateral or repo or in an alternative investment as may be provided by RBI, subject to prior approval from SEBI, if any.
According to SEBI circulars (reference no. SEBI/IMD/CIR No. 1/ 91171/07 dated April 16, 2007, SEBI/IMD/CIR No. 8/107311/07 dated October 26, 2007, SEBI/IMD/CIR No. 7/129592/08 dated June 23, 2008, SEBI/HO/IMD /DF4/CIR/P/2019/093 dated August 16, 2019 and SEBI/HO/IMD/DF2 /CIR/P/2019/101 dated Sept 20, 2019), pending deployment of funds of the Scheme in securities in terms of investment objective of the Scheme, the Mutual Fund may invest the funds of the Scheme in short term deposits of scheduled commercial banks subject to restrictions laid down under the SEBI Regulations from time to time.
It may be noted that AMC has to adhere to the asset allocation pattern indicated in the Scheme Information Document under normal circumstances.</td></tr>
<tr><td>Provisions for creation of Segregated Portfolio</td><td>Enabled</td><td>Enabled</td></tr>
</table>

The investment objective, the investment strategy, annual scheme recurring expenses and all other features and terms and conditions of the BNPP AF will remain unchanged and all references to the above provisions shall be suitably incorporated in the SID and KIM of the BNPP AF.

DISCLOSURES FOR ABOVE CHANGES TO THE SCHEMES

A. Investments into repo in corporate debt securities 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:

(Applicable for BNP Paribas Medium Term Fund, BNP Paribas Flexi Debt Fund, BNP Paribas Conservative Hybrid Fund, BNP Paribas Low Duration, BNP Paribas Corporate Bond Fund and BNP Paribas Substantial Equity Hybrid Fund)

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, the Schemes may invest into repo in corporate debt securities subject to below applicable investment limits and conditions:

1. **Applicable Investment Limit:** 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, and applicable RBI guidelines, the Scheme may enter into repo in corporate debt securities.
2. **Guidelines for participation in repo of corporate debt securities:**

SEBI has vide 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 enabled mutual funds to participate in repos in corporate debt securities as per the guidelines issued by Reserve Bank of India (RBI) from time to time and subject to few conditions listed in the said SEBI circular as under:

- The gross exposure of any mutual fund scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the concerned 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 concerned scheme.
- Mutual funds shall participate in repo transactions only in AA and above rated corporate debt securities.
- In terms of Regulation 44 (2) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, mutual funds shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.

3. **Other Guidelines:**

The following additional guidelines and norms shall apply to repo in corporate debt securities as approved by the Board of AMC & Trustee Company:

1) **Category of counter party:** The Scheme would transact in corporate bond repo only with counterparties in the approved list applicable for secondary market transactions in Corporate and Money market securities.
2) **Credit rating of counterparty:** Counterparty which are rated AA or higher
3) **Tenor of collateral:** The tenor of the repo is capped at 1 month
4) **Applicable haircuts:** The Reserve Bank of India has notified a minimum haircut based on rating of the corporate bond and other securities. In addition, the Fixed Income and Money Market Dealers Association (FIMMDA) would maintain a rating-haircut matrix on an ongoing basis. The Scheme shall further follow guidelines framed by Trustee and the AMC from time to time.

4. **Risk factors associated with investments in 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).

B. Investments into Interest Rate Futures (IRFs) for purpose of imperfect hedging in accordance with provisions of SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2017/109 dated September 27, 2017:

(Applicable for BNP Paribas Substantial Equity Hybrid Fund)

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**:

1. **Applicable Investment Limits*:** 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.

   ***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:

$$\frac{\text{(Portfolio Modified Duration*Market Value of the Portfolio}}{\text{(Futures Modified Duration*Futures price/PAR)}}$$

   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.

2. **Numerical example explaining imperfect Hedging with investments into IRFs:**

Perfect hedging:

Date: 18th January 2020

Spot price of Govt. security (6.79% 2027) = ₹ 95.55

Price of IRF - January Contract (expiry on 25-Jan-2020) = ₹ 95.57

On 18-Jan-2020, the fund holds 1000 units of the government security from the spot market at ₹ 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 ₹ 95.57.

On 23-Jan-2020, assuming due to increase in yields:

Spot price of the security (6.79% 2027) = ₹ 95.10

Price of IRF - January Contract (expiry on 25-Jan-2020) = ₹ 95.07

Thus, due to hedging the portfolio:

Loss in the underlying security: (₹ 95.10- ₹ 95.55) * 1000 = (₹ 450)

Profit in the futures market: (₹ 95.57 – ₹ 95.07) *1000 = ₹ 500.

Imperfect hedging:

D = The duration of the portfolio (measure of the interest rate sensitivity of the portfolio) = 7

P = Portfolio's market value = ₹ 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) = ₹ 95.10

Futures price of the contract = ₹ 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%) = (₹ 3.50)
Duration risk managed due to hedge in IRF in the interest rates	=	% of portfolio hedged * portfolio's market value * duration of the underlying security * Change
	=	10% * 100 * 6 * (0.50) = ₹ 0.30
Thus net change in the market value of the portfolio	=	₹ 100 – ₹ 3.50 + ₹ 0.30 = ₹ 96.80

3. **Risk Factors Associated with imperfect Hedging with investments into IRFs:**

The Scheme(s) may use various derivative instruments and techniques, permitted within SEBI (Mutual Funds) Regulations, 1996 from time to time including but not limited for portfolio balancing and hedging purpose, which may increase the volatility of Scheme's performance. Usage of derivatives will expose the Scheme(s) to certain risks inherent to such derivatives.

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

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

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

Some of the risks inherent to derivatives investments include:

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

C. SECURITIES LENDING:

(Applicable for BNP Paribas Conservative Hybrid Fund, BNP Paribas Substantial Equity Hybrid Fund, BNP Paribas Mid Cap Fund, BNP Paribas Large Cap Fund, BNP Paribas Focused 25 Equity Fund and BNP Paribas India Consumption Fund)

1. **Applicable Limits for Securities Lending:**

   The Scheme(s) may undertake Securities Lending transactions, in accordance with the framework relating to securities lending and borrowing specified by SEBI. Securities lending means the lending of stock to another person or entity for a fixed period of time, at a negotiated compensation. The securities lent will be returned by the borrower on expiry of the stipulated period.

   The Scheme(s) shall adhere to the following limits should it engage in stock lending:

   i. Not more than 20% of the net assets can be deployed in Stock Lending

   ii. Not more than 5% of the net assets can be deployed in Stock Lending to any single intermediary.

   The AMC shall comply with all reporting requirements and the Trustee shall carry out periodic review as required by SEBI guidelines. The Scheme may not be able to sell such lent out securities and this can lead to temporary illiquidity.

2. **Risk Factors associated with Securities Lending:**

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

D. INVESTMENTS IN EQUITY DERIVATIVES:

(Applicable for BNP Paribas Conservative Hybrid Fund, BNP Paribas Substantial Equity Hybrid Fund, BNP Paribas Mid Cap Fund, BNP Paribas Large Cap Fund, BNP Paribas Focused 25 Equity Fund and BNP Paribas India Consumption Fund)

1. **Trading in Derivatives:**

   The Scheme(s) may use various equity derivatives from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance Unitholders' interest. Accordingly, the Scheme(s) may use derivative instruments like futures & options stock indices, future & options on individual securities or such other derivative instruments as may be introduced from time to time as permitted under the SEBI (Mutual Funds) Regulations, 1996.

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

Index Futures

Benefits

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

Illustration

Spot Index: 1790

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

Situation 1:

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

Profits for the Fund = (1810 -1800)* 100 lots * 200 = ₹ 200,000

Situation 2

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

Loss for the Fund = (1795-1800)* 100 lots * 200 = (₹ 100,000)

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

Risk:

- The risks associated with index futures are similar to the one with equity investments. Additional risks could be on account of illiquidity and hence mispricing of the future at the time of purchase.
- The strategy of taking a long position in index futures increases the exposure to the market. The long position is positively correlated with the market. However, there is no assurance that the stocks in the portfolio and the index behave in the same manner and thus this strategy may not provide gains perfectly aligned to the movement in the index.
- The long position will have as much loss / gain as in the underlying index. e.g. if the index appreciates by 10%, the index future value rises by 10%. However, this is true only for futures contracts held till maturity. In the event that a futures contract is closed out before its expiry, the quoted price of the futures contract may be different from the gain/ loss due to the movement of the underlying index. This is called the basis risk.
- While futures markets are typically more liquid than the underlying cash market, there can be no assurance that ready liquidity would exist at all points in time, for the Scheme to purchase or close out a specific futures contract.

Buying Options

Benefits of buying a call option

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

Illustration

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

Risk:

- The strategy of taking a long position in index call option increases the exposure to the market. The long position is positively correlated with the market. However, there is no assurance that the stocks in the portfolio and the index behave in the same manner and thus this strategy may not provide gains perfectly aligned to the movement in the index.
- The risk/downside, if the market falls/remains flat is only limited to the option premium paid.
- While option markets are typically less liquid than the underlying cash market, hence there can be no assurance that ready liquidity would exist at all points in time, for the Scheme to purchase or close out a specific contract.

Benefits of buying a put option

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

Illustration

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

Risk:

- There can be no assurance that ready liquidity would exist at all points in time, for the scheme to purchase or close out a specific options contract.
- The hedging strategy using Put Options is a perfect hedge on the expiration date of the put option. On other days, there may be (temporary) imperfect correlation between the share price and the put option.

Some strategies that employ stock /index futures and their objectives

(a) Arbitrage

(1) Selling spot and buying future: In case the Scheme holds the stock of a company "A" at say ₹ 100 while in the futures market it trades at a discount to the spot price say at ₹ 98, then the Scheme may sell the stock and buy the futures.

On the date of expiry of the stock future, the Scheme may reverse the transactions (i.e. buying at spot & selling futures) and earn a risk-free ₹ 2 (2% absolute) on its holdings without any dilution of the view of the fund manager on the underlying stock.

Further, the Scheme can still benefit from any movement of the price in the upward direction, i.e. if on the date of expiry of the futures, the stock trades at ₹ 110 which would be the price of the futures too, the Scheme will have a benefit of ₹ 10 whereby the Scheme gets the 10% upside movement together with the 2% benefit on the arbitrage and thus getting a total return of 12%.The corresponding return in case of holding the stock would have been 10%.

Note: The same strategy can be replicated with a basket of Nifty 50 stocks (Synthetic Nifty) and the Nifty future index

(2) Buying spot and selling future: Where the stock of a company "A" is trading in the spot market at ₹ 100 while it trades at ₹ 102 in the futures market, then the Scheme may buy the stock at spot and sell in the futures market thereby earning ₹ 2.

Buying the stock in cash market and selling the futures results into a hedge where the Scheme has locked in a spread and is not affected by the price movement of cash market and futures market. The arbitrage position can be continued till expiry of the future contracts when there is a convergence between the cash market and the futures market. This convergence enables the Scheme to generate the arbitrage return locked in earlier.

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

(b) Buying/ Selling Stock future: When the Scheme wants to initiate a long position in a stock whose spot price is at say, ₹ 100 and futures is at 98, then the Scheme may just buy the futures contract instead of the spot thereby benefiting from a lower cost.

In case the Scheme has a bearish view on a stock which is trading in the spot market at ₹ 98 and the futures market at say ₹ 100, the Scheme may subject to regulations, initiate a short position in the futures contract. In case the prices align with the view and the price depreciates to say ₹ 90, the Scheme can square up the short position thereby earning a profit of ₹ 10 vis a vis a fall in stock price of ₹ 8.

Risk: There is risk of not being able to correctly forecast future market trends or the value of assets, indices or other financial or economic factors in establishing derivative positions for the Scheme. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. The risk of loss in trading futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and the potential high volatility of the futures markets. Investments in index futures face the same risk as the investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks.

(c) Hedging: The Scheme may use exchange-traded derivatives to hedge the equity portfolio. Both index and stock futures and options may be used to hedge the stocks in the portfolio.

Risk: This may involve a basic risk where the instrument used as a hedge does not match the movement in the instrument/underlying asset being hedged. The risk may be inter-related also e.g. interest rate movements can affect equity prices, which could influence specific issuer/industry assets.

(d) Alpha Strategy The Scheme will seek to generate alpha by superior stock selection and removing market risks by selling appropriate index. For example, one can seek to generate positive alpha by buying a bank stock and selling Bank Nifty future.

Risk: Execution of these strategies depends upon the ability of the fund manager to identify and execute based on such opportunities. These involve significant uncertainties and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.

2. Risk Factors associated with Investments in Derivatives:

The Scheme(s) may use various derivative instruments and techniques, permitted within SEBI (Mutual Funds) Regulations, 1996 from time to time including but not limited for portfolio balancing and hedging purpose, which may increase the volatility of Scheme's performance. Usage of derivatives will expose the Scheme(s) to certain risks inherent to such derivatives.

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

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

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

Some of the risks inherent to derivatives investments include:

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

E. INVESTMENTS IN CREDIT DEFAULT SWAPS (CDS):

(Applicable for BNP Paribas Medium Term Fund, BNP Paribas Flexi Debt Fund, BNP Paribas Conservative Hybrid Fund, BNP Paribas Corporate Bond Fund and BNP Paribas Substantial Equity Hybrid Fund)

1. Applicable limits:

(a) *(for BNP Paribas Medium Term Fund, BNP Paribas Flexi Debt Fund, BNP Paribas Conservative Hybrid Fund, and BNP Paribas Corporate Bond Fund)*
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. In addition, exposure in CDS transactions shall not exceed 15% of the net assets of the Scheme.

(b) *(for BNP Paribas Substantial Equity Hybrid Fund)*
Exposure to a single counterparty in CDS transactions shall not exceed 6% of the net assets of the scheme. In addition, exposure in CDS transactions shall not exceed 6% of the net assets of the Scheme.

2. Other Conditions:

Participation by the Scheme(s) 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) Mutual funds shall participate in CDS transactions only as users (protection buyer). Thus, mutual funds are permitted to buy credit protection only to hedge their credit risk on corporate bonds they hold. They shall not be allowed to sell protection and hence not permitted to enter into short positions in the CDS contracts. However, they shall be permitted to exit their bought CDS positions, subject to para (c) below.

(b) Mutual funds 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.

3. 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 time 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 isn't completely eliminated – it has been shifted to the CDS seller. The risk is that the CDS seller defaults 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 money through the payments on the CDS.

F. ENABLING PROVISIONS FOR CREATION OF SEGREGATED PORTFOLIO:

(Applicable for BNP Paribas Mid Cap Fund, BNP Paribas Large Cap Fund, BNP Paribas Focused 25 Equity Fund, BNP Paribas India Consumption Fund and BNP Paribas Long Term Equity Fund)

Creation of segregated portfolio shall be subject to guidelines specified by SEBI from time to time and includes the following:

1) Segregated portfolio may be created, in case of a credit event at issuer level i.e. downgrade in credit rating by a SEBI registered Credit Rating Agency (CRA), as under:
   a) Downgrade of a debt or money market instrument to 'below investment grade', or
   b) Subsequent downgrades of the said instruments from 'below investment grade', or
   c) Similar such downgrades of a loan rating
2) 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.
3) Segregated portfolio of unrated debt or money market instruments may be created only in case of actual default of either the interest or principal amount.
4) Creation of segregated portfolio is optional and is at the discretion of the BNP Paribas Asset Management India Private Ltd (AMC).

Process for Creation of Segregated Portfolio:

1) On the date of credit event, AMC should decide on creation of segregated portfolio. Once AMC decides to segregate portfolio, it would:
   a) seek approval of the Trustees prior to creation of the segregated portfolio.
   b) immediately issue a press release disclosing its intention to segregate such debt and money market instrument and its impact on the investors. BNP Paribas Mutual Fund will also disclose that the segregation shall be subject to Trustee approval. Additionally, the said press release will be prominently disclosed on the website of the AMC (www.bnpparibasmf.in).
   c) ensure that till the time the Trustee approval is received, which in no case shall exceed 1 business day from the day of credit event, the subscription and redemption in the scheme will be suspended for processing with respect to creation of units and payment on redemptions.
2) Once Trustee approval is received by the AMC:
   a) Segregated portfolio will be effective from the day of credit event
   b) AMC shall issue a press release immediately with all relevant information pertaining to the segregated portfolio. The said information will also be submitted to SEBI.
   c) An e-mail or SMS will be sent to all unit holders of the concerned scheme.
   d) The NAV of both segregated portfolio and main portfolio will be disclosed from the day of the credit event.
   e) All existing investors in the scheme as on the day of the credit event will be allotted equal number of units in the segregated portfolio as held in the main portfolio.
   f) No redemption and subscription will be allowed in the segregated portfolio. However, upon recovery of any money from segregated portfolio, it will be immediately distributed to the investors in proportion to their holding in the segregated portfolio.
   g) AMC should 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
   h) 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.
3) If the Trustees do not approve the proposal to segregate portfolio, AMC will issue a press release immediately informing investors of the same.
4) In case Trustees do not approve the proposal of segregated portfolio, subscription and redemption applications will be processed based on the NAV of total portfolio.

Processing of Subscription and Redemption Proceeds:

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 guidelines/circular on applicability of NAV as under:

1) Upon Trustees' 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 on its NAV.
2) In case Trustees do not approve the proposal of segregated portfolio, subscription and redemption applications will be processed based on the NAV of total portfolio.

Disclosure:

In order to enable the existing as well as the prospective investors to take informed decision, the following, as mandated by SEBI vide SEBI circular dated December 28, 2018 shall be adhered to:

1) 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 or actual default shall be communicated to the investors within 5 working days of creation of the segregated portfolio.
2) 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.
3) The NAV of the segregated portfolio shall be declared on daily basis.
4) The information regarding number of segregated portfolios created in a 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.
5) The scheme performance required to be disclosed at various places shall include the impact of creation of segregated portfolio. The scheme performance shall clearly reflect the fall in NAV to the extent of the portfolio segregated due to the credit event or actual default and the said fall in NAV along with recovery(ies), if any, shall be disclosed as a footnote to the scheme performance.
6) The disclosures at point (4) and (5) above regarding the segregated portfolio shall be carried out for a period of at least 3 years after the investments in segregated portfolio are fully recovered/ written-off.
7) 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.

Monitoring by Trustees:

Trustees will monitor the compliance of the SEBI Circular in respect of creation of segregated portfolio and disclosure in this respect shall be made in Half-Yearly Trustee reports filed with SEBI for every segregated portfolio created.

In order to avoid mis-use of segregated portfolio, Trustees will put in place a mechanism to negatively impact the performance incentives of Fund Managers, Chief Investment Officers (CIOs) etc. involved in the investment process of securities under the segregated portfolio, mirroring the existing mechanism for performance incentives of AMC, including claw back of such amount to the segregated portfolio of the scheme.

Total Expense Ratio (TER) for the Segregated Portfolio:

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

Explanations:

1) The term '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.
2) The term 'main portfolio' means the scheme portfolio excluding the segregated portfolio.
3) The term 'total portfolio' means the scheme portfolio including the securities affected by the credit event.

Risks associated with segregated portfolio:

1) Investor holding units of segregated portfolio may not able to liquidate their holding till the time recovery of money from the issuer.
2) Security comprises of segregated portfolio may not realise any value.
3) Listing of units of segregated portfolio in recognised stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further trading price of units on the stock market may be significantly lower than the prevailing NAV.
4) Trading in the units of segregated portfolio on the Exchange may be halted because of market conditions, including any halt in the operations of Depository Participants or for reasons that in view of the Exchange Authorities or SEBI, trading in the units is suspended and / or restricted. In addition, trading in units is subject to trading halts caused by extraordinary market volatility and pursuant to stock exchange rules of 'circuit filter'. There can be no assurance that the requirements of Stock Exchange necessary to maintain the listing of units of scheme will continue to be met or will remain unchanged.

Illustration of Segregated Portfolio ***(Please note that the illustration does not consider the impact of expenses on the NAV)***

Downgrade Security :	**9.25% D NCD from 'AA+' to 'B'**
Valuation Mark Down:	**25%**

Total Portfolio Before Downgrade Event:

Security	Rating	Quantity	Price per unit (₹)	Market Value (₹)	% of Net Assets
8.00% A NCD 18-OCT-21	AAA	500,000	102.6670	51,333,500.00	17.00%
7.80% B NCD 23-MAR-29	AAA	500,000	99.2022	49,601,100.00	16.42%
8.59% C SDL 23-JAN-23	Sovereign	500,000	100.0240	50,012,000.00	16.56%
9.25% D NCD 11-APR-22	**AA+**	500,000	**98.2711**	49,135,550.00	16.27%
0% E 04-APR-22	AA+	500,000	98.4682	49,234,100.00	16.30%
F CD 04-DEC-19	A1+	500,000	104.3529	52,176,450.00	17.28%
Cash & Cash Equivalents	--			500,000.00	0.17%
		Net Assets		**301,992,700.00**	
		Unit Capital (no of units)		**10,000,000.00**	
		NAV (₹)		**30.1993**	

Main Portfolio

Security	Rating	Quantity	Price per unit (₹)	Market Value (₹)	% of Net Assets
8.00% A NCD 18-OCT-21	AAA	500,000	102.6670	51,333,500.00	20.30%
7.80% B NCD 23-MAR-29	AAA	500,000	99.2022	49,601,100.00	19.62%
8.59% C SDL 23-JAN-23	Sovereign	500,000	100.0240	50,012,000.00	19.78%
0% E 04-APR-22	AA+	500,000	98.4682	49,234,100.00	19.47%
F CD 04-DEC-19	A1+	500,000	104.3529	52,176,450.00	20.63%
Cash / Cash Equivalents	--			500,000.00	0.17%
		Net Assets		**252,857,150.00**	
		Unit Capital (no of units)		**10,000,000.00**	
		NAV (₹)		**25.2857**	

Segregated Portfolio (before Mark down@25%)

Security	Rating	Quantity	Price per unit (₹)	Market Value (₹)	% of Net Assets
9.25% D NCD 11-APR-22	AA+	500,000	98.2711	49,135,550.00	100.00%
		Net Assets		**49,135,550.00**	
		Unit Capital (no of units)		**10,000,000.00**	
		NAV (₹)		**4.9136**	

Segregated Portfolio after Downgrade event (after Mark down@25%)

Security	Rating	Quantity	Price per unit (₹)	Market Value (₹)	% of Net Assets
9.25% D NCD 11-APR-22	B	500,000	73.7033*	36,851,662.50	100.00%
		Net Assets		**36,851,662.50**	
		Unit Capital (no of units)		**10,000,000.00**	
		NAV (₹)		**3.6852**	

**Price per unit after Mark down on the security by 25% which was valued at ₹ 98.2711 per unit.*

G. Enabling provisions and disclosures for investment into debt instruments with special features:

(Applicable for BNP Paribas Medium Term Fund, BNP Paribas Flexi Debt Fund, BNP Paribas Corporate Bond Fund, BNP Paribas Conservative Hybrid Fund, and BNP Paribas Substantial Equity Hybrid 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.

H. Disclosures pertaining to investment into debt instruments having Structured Obligations / Credit Enhancements:

(Applicable for BNP Paribas Medium Term Fund, BNP Paribas Flexi Debt Fund, BNP Paribas Conservative Hybrid Fund, BNP Paribas Low Duration Fund, BNP Paribas Corporate Bond Fund and BNP Paribas Substantial Equity Hybrid Fund)

1. Applicable limits:

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.

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.

2. 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.

Note: This Notice cum addendum forms an integral part of the SAI, SID & KIM of the BNPP Schemes read with addenda issued thereunder. All other terms and conditions mentioned in the SAI, SID & KIM shall remain unchanged.

For BNP Paribas Asset Management India Private Limited
(Investment Manager to BNP Paribas Mutual Fund)

Sd/-
Authorised Signatory

Date : January 30, 2022
Place : Mumbai

**MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS,
READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.**