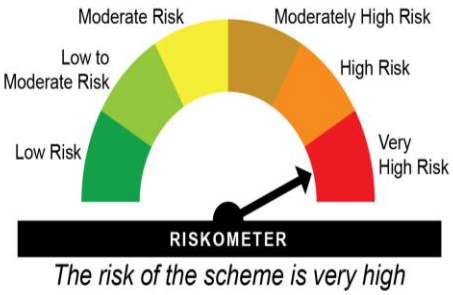
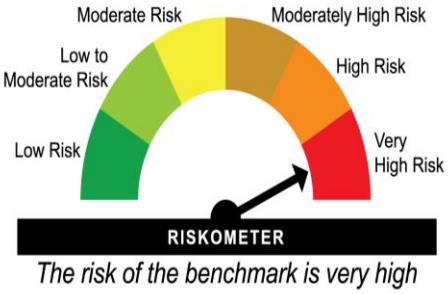
SCHEME INFORMATION DOCUMENT

HDFC NIFTY Bank ETF

An open ended scheme replicating/tracking NIFTY Bank Index (TRI)
BSE Scrip Code: 543224, NSE Symbol: HDFCNIFBAN

This product is suitable for investors who are seeking*:	**Scheme Riskometer#**	**Benchmark Riskometer#**
- Returns that are commensurate (before fees and expenses) with the performance of the NIFTY Bank Index (TRI), subject to tracking error, over long term. - Investment in equity securities covered by the NIFTY Bank Index (TRI).	 *The risk of the scheme is very high*	NIFTY Bank Index (TRI)  *The risk of the benchmark is very high*
*Investors should consult their financial advisers, if in doubt about whether the product is suitable for them. # As on September 30, 2026. For latest riskometer, investors may refer to the Monthly Portfolios disclosed on the website of the Fund viz. www.hdfcfund.com		

Continuous Offer of Units in Creation Unit Size at Intra-day NAV based prices

The units of the Scheme are listed on the National Stock Exchange of India Ltd. (NSE) and BSE Limited (BSE). All investors including Market Makers and Large Investors can subscribe (buy)/redeem (sell) units on a continuous basis on the NSE/BSE on which the Units are listed during the trading hours on all the trading days. In addition, Market Makers and Large Investors can directly subscribe to/redeem units of the Scheme on all Business Days with the Fund in 'Creation Unit Size' at Intra-day NAV based prices on an ongoing basis.

Name of Mutual Fund (Fund): HDFC Mutual Fund Name of Asset Management Company (AMC): HDFC Asset Management Company Limited Name of Trustee Company: HDFC Trustee Company Limited Address of the entities:	
Asset Management Company (AMC): HDFC Asset Management Company Limited Registered Office: HDFC House, 2nd Floor, H.T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai - 400 020. CIN No: L65991MH1999PLC123027	**Trustee Company:** HDFC Trustee Company Limited Registered Office: HDFC House, 2nd Floor, H.T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai - 400 020. CIN No. U65991MH1999PLC123026
Website of the entities: www.hdfcfund.com	

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

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

The investors are advised to refer to the Statement of Additional Information (SAI) for details of HDFC Mutual Fund, Standard Risk Factors, Special Considerations, Tax and Legal issues and general information on www.hdfcfund.com

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

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

This Scheme Information Document is dated November 25, 2026.

DISCLAIMER OF NSE:

As required, a copy of this Scheme Information Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter NSE/LIST/5174 dated November 8, 2019 permission to the Mutual Fund to use the Exchange's name in this Scheme Information Document as one of the stock exchanges on which the Mutual Fund's Units are proposed to be listed subject to, the Mutual Fund fulfilling the various criteria for listing. The Exchange has scrutinized this Scheme

Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Scheme Information Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document; nor does it warrant that the Mutual Fund's Units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its Sponsor, its management or any scheme of the Mutual Fund.

Every person who desires to apply for or otherwise acquire any Units of the Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

DISCLAIMER OF BSE:

"BSE Ltd. ("the Exchange") has given vide its letter dated November 7, 2019 permission to HDFC Mutual Fund to use the Exchange's name in this SID as one of the Stock Exchanges on which this Mutual Fund's Units are proposed to be listed. The Exchange has scrutinized this SID for its limited internal purpose of deciding on the matter of granting the aforesaid permission to HDFC Mutual Fund. The Exchange does not in any manner:-

i) warrant, certify or endorse the correctness or completeness of any of the contents of this SID; or

ii) warrant that this scheme's units will be listed or will continue to be listed on the Exchange; or

iii) take any responsibility for the financial or other soundness of this Mutual Fund, its promoters, its management or any scheme or project of this Mutual Fund and it should not for any reason be deemed or construed that this SID has been cleared or approved by the Exchange.

Every person who desires to apply for or otherwise acquires any unit of HDFC NIFTY Bank ETF of this Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

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SECTION I

Part I. HIGHLIGHTS/SUMMARY OF THE SCHEME

Sr. No.	Title	Description
I.	**Name of the Scheme**	**HDFC NIFTY Bank ETF**
II.	**Category of the Scheme**	Exchange Traded Fund
III.	**Scheme Type**	An open ended scheme replicating/tracking NIFTY Bank Index (TRI)
IV.	**SEBI Scheme Code**	HDFC/O/E/EET/20/03/0074
V.	**Investment Objective**	To provide investment returns that, before expenses, closely correspond to the total returns of the Securities as represented by the NIFTY Bank Index (TRI) subject to tracking errors **There is no assurance that the investment objective of the Scheme will be achieved.**
VI.	**Liquidity/ Listing details**	**Transactions on the Stock Exchange:** The Units of the ETF are listed on the Capital Market Segment of the National Stock Exchange of India Ltd. (NSE) and/or BSE Limited (BSE). All investors including Market Makers and Large Investors can subscribe (buy)/redeem (sell) Units on a continuous basis on the NSE and/or BSE on which the Units are listed during the trading hours on all the trading days. The price of the ETF Units in the secondary market on the Stock Exchange(s) will depend on demand and supply at that point of time. There is no minimum trade amount, although Units are normally traded in round lots of 1 Unit. **Transactions directly with the Fund by Market Makers/Large Investors:** Market Makers and Large Investors can directly subscribe to/redeem the ETF Units on all Business Days with the Fund in Creation Unit Size at Intra-day NAV on an ongoing basis. Intra-day NAV means the NAV applicable for subscription/redemption transaction by a Market Maker/Large Investor, based on the price at which the purchase/sale of basket of securities representing the Underlying Index was executed for their respective transaction(s) during the day and shall include the Cash Component. Additionally, transaction handling charges, if any, will have to be borne by the Market Maker/ Large Investor. AMC has appointed at least two Market Makers (MMs), who are members of the Stock Exchanges or such other persons as permitted by SEBI to act as Market Makers, to provide continuous

		liquidity on the stock exchange where the units of ETF are listed. The Market Makers offer two-way quotes (buy and sell quotes) in the secondary market for ensuring liquidity in the ETF Units. Further, the AMC reserves the right to modify Market Makers on an ongoing basis. As permitted under clause 4.5.1 of Master Circular, AMC may enable net settlement between cash leg of transactions in units of the ETF by Market Makers and consequent transaction in underlying basket by the Scheme in accordance with the guidelines issued by SEBI/AMFI in consultation with Clearing Corporations/stock exchanges in this regard. **Redemption of units directly with the Mutual Fund during Liquidity Window:** Investors can directly approach the AMC for redemption of units of ETFs, for transactions of upto Rs. 25 Crores without any exit load, in case of the following scenarios: i. Traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7 continuous trading days, or ii. No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or iii. Total bid size on the exchange is less than half of Creation Units Size daily, averaged over a period of 7 consecutive trading days. Such instances shall be tracked by the AMC on an ongoing basis and in case any of the above mentioned scenario arises, the same shall be disclosed on the website of the Mutual Fund. In the event of above, valid applications received by the fund upto the cut-off time will be processed on the basis of the closing NAV of the day of receipt of request and for valid applications received after cut-off time, the closing NAV of the next Business Day shall be applicable. Please refer to para **'Settlement of Purchase/Sale of Units of the Scheme on NSE and BSE'** and **'Rolling Settlement'** under section **'Cut off timing for subscriptions/redemption/switches'** for further details. **Dematerialization** The Units of the Scheme are available only in dematerialized (electronic) form. Investors intending to invest in Units of the ETF will be required to have a beneficiary account with a Depository Participant (DP) of NSDL/CDSL and will be required to mention in the application form DP's Name, DP ID No. and Beneficiary

		Account No. with the DP at the time of purchasing Units directly from the fund in Creation Unit Size. **The Units of the Scheme will be issued, traded and settled compulsorily in dematerialized (electronic) form.**
VII.	**Benchmark (Total Return Index)**	NIFTY Bank Index (TRI). The benchmark is also referred to as "Underlying Index" in this document. The above Index has been chosen as the benchmark since the Scheme will invest in stocks which are constituents of NIFTY Bank Index (TRI). Thus, the aforesaid benchmark is most suited for comparing the performance of the Scheme.
VIII.	**NAV Disclosure**	The AMC will calculate and disclose the NAVs under the Scheme at the close of every Business Day and shall update the NAVs on the website of the Fund and AMFI by 11.00 p.m. every Business day. **Indicative NAV (iNAV):** Indicative NAV (iNAV) is the per unit NAV based on the current market value of Scheme's portfolio during the trading hours of the ETF. iNAVs shall be disclosed on Stock Exchange(s), where the units of the ETF are listed, on continuous basis during the trading hours and updated within a maximum time lag of 15 seconds from underlying market or as per any other prescribed time. iNAV will not have any bearing on the creation or redemption of units directly with the Fund by the Market Makers/Large Investors. For further details refer Section II.
IX.	**Applicable Timelines**	**Redemption Proceeds:** Within 3 working days of the receipt of valid redemption request at the Official Points of Acceptance of HDFC Mutual Fund for this Scheme or within such timelines as may be prescribed by SEBI / AMFI from time to time in case of exceptional circumstances or otherwise. **IDCW Proceeds:** Will be transferred within 7 working days of Record Date or such other timeline as may be specified by SEBI/AMFI from time to time.
X.	**Plans and Options**	Presently the Scheme does not offer any Plans/Options for investment. However, Trustees may at their absolute discretion reserve the right to distribute income from time to time (which will be paid out to the Unit holders) in accordance with the IDCW Policy. The AMC and the Trustees reserve the right to introduce such other Plans/Options as they deem necessary or desirable from time to time, in accordance with the SEBI Regulations.
XI.	**Load Structure**	**Exit Load:** Not Applicable.

XII.	**Minimum Application Amount/ Switch In**	**On an On-going Basis:** **A. On the Stock Exchange:** Investors (including Market Makers and Large Investors): Investors can subscribe (buy) and redeem (sell) Units on a continuous basis on NSE/BSE on which the Units are listed. On the Stock Exchange(s), the Units of the ETF can be purchased/sold in minimum lot of 1 (one) Unit and in multiples thereof. The price of the ETF Units in the secondary market on the Stock Exchange(s) will depend on demand and supply at that point of time. **B. Directly with the Fund:** Market Makers/Large Investors: On an ongoing basis, Market Makers and Large Investors* may approach the Fund directly for subscription / redemption of units of the ETF at the Intra-Day NAV in multiples of Creation Unit size. Additionally, the transaction handling charges, if any, will have to be borne by the Market Maker/Large Investor. *The minimum application amount for Large Investors shall be Rs. 25 Crores (apart from the requirement of the application being in multiples of Creation Unit Size). Application for subscription / redemption of the ETF Units in Creation Unit Size can be made either: ● in exchange of Cash* [as determined by the AMC equivalent to the cost incurred towards the purchase of predefined basket of securities that represent the Underlying Index (i.e. Portfolio Deposit)], Cash Component and other applicable transaction charges; ● in exchange of Portfolio Deposit [i.e. by depositing basket of securities constituting NIFTY Bank Index (TRI)] along with the cash component and applicable transaction charges. Each Creation Unit Size will consist of 12,500 Units of the ETF and 1 Unit of the ETF will be approximately equal to 1/1000th of the value of NIFTY Bank Index (TRI). *Cash means payments shall be made only by means of payment instruction of Real Time Gross Settlement (RTGS)/National Electronic Funds Transfer (NEFT) or Funds Transfer Letter/Transfer Cheque of a bank where the Scheme has a collection account. **Note:** The transaction handling charges which include brokerage, Securities transaction tax, regulatory charges if any, depository participant charges, uploading charges and such other charges that the mutual fund may have to incur in the course of cash subscription/ redemption shall be recoverable from the transacting Investor.
XIII.	**Minimum Additional Purchase Amount**	
XIV.	**Minimum Redemption Amount/ Switch Out Amount**	

		Redemption directly with the Fund during Liquidity Window: In such cases, valid applications received by the Fund upto the cut-off time will be processed on the basis of the closing NAV of the day of receipt of request and for valid applications received after cut-off time, the closing NAV of the next Business Day shall be applicable.
XV.	**Creation Unit Size**	12,500 units
XVI.	**Segregated Portfolio**	Currently, the scheme does not have a segregated portfolio. However, the Scheme has enabling provisions to create a segregated portfolio(s) under certain circumstances. For details, kindly refer SAI.
XVII.	**Stock Lending/Short Selling**	The Scheme may engage in Stock Lending. The Scheme shall not engage in Short Selling. For Details, kindly refer SAI.
XVIII.	**How to Apply and other details**	The applications filled up and duly signed by the Market Makers/Large Investors should be submitted at the ISCs (AMC branches) whose addresses are available on the website of the AMC i.e. www.hdfcfund.com. Applications may also be submitted electronically at the relevant points of acceptance such as designated email ids of the AMC, etc. For further details, refer Section II.
XIX.	**Investor Services**	Contact details for general service requests: • call at 1800 3010 6767/1800 419 7676 (toll free), or • e-mail: hello@hdfcfund.com or • Investors may contact / visit any of the Investor Service Centres (ISCs) of the AMC; or • post their feedback/suggestions on our website www.hdfcfund.com appearing under section 'Contact Us' ➔ Get in touch ➔ Write to us Contact details for complaints resolution: • call at 1800 3010 6767/1800 419 7676 (toll free) • e-mail: hello@hdfcfund.com • For any grievances with respect to transactions through NSE/BSE, the investors/Unit Holders should approach the investor grievance cell of the respective stock exchange.
XX.	**Special products available on Ongoing basis**	Systematic Investment Plan (SIP), Systematic Transfer Plan (STP), Systematic Withdrawal Advantage Plan (SWAP)/ Systematic Withdrawal Plan (SWP), Transfer of Income Distribution Cum Capital Withdrawal (IDCW) Plan Facility, HDFC Flexindex Plan and HDFC Swing Systematic Transfer Plan are not available under this Scheme.

XXI.	**Weblink**	Click here for Total Expense Ratio (TER) - https://www.hdfcfund.com/statutory-disclosure/total-expense-ratio-of-mutual-fund-schemes/reports Click here for factsheet/ Index Solution Factsheet – https://www.hdfcfund.com/investor-services/factsheets

DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

It is confirmed that:

i. The Scheme Information Document submitted to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 2026 and the guidelines and directives issued by SEBI from time to time.

ii. All legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.

iii. The disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the Scheme.

iv. The intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

v. The contents of the Scheme Information Document including figures, data, yields etc. have been checked and are factually correct.

vi. The AMC has complied with the compliance checklist applicable for Scheme Information Documents and there are no deviations from the regulations.

vii. Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 2026 and the guidelines there under shall be applicable.

Date: November 25, 2026
Place : Mumbai

Name: Supriya Sapre
Designation: Chief Compliance Officer

Part II. INFORMATION ABOUT THE SCHEME

A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

Instruments	Indicative allocations (% of total assets)	
	Minimum Allocation*	Maximum Allocation*
Securities covered by NIFTY Bank Index (TRI)	95	100
Debt Securities & Money Market Instruments#	0	5

#investments in other liquid instruments such as Cash, bank deposits with Scheduled Commercial Banks, Government Securities, T-Bills and Repo on Government Securities and any other instruments as specified by SEBI.

*The above limits shall not apply to Subscription and Redemption Cash Flow. Subscription cash flow is the subscription money received for deployment and redemption cash flow is the money kept aside for meeting redemptions.

For e.g.

		(Rs)
Total Assets (based on previous day end)	(A)	100
Value of assets invested in Securities covered by NIFTY Bank Index (TRI) (as at previous day end). (Being an ETF which replicates underlying index investments, the scheme remains almost completely invested)	(B)	99.95
Subscription cash flow received on T day, which would be invested on the same day to avoid tracking error	(C)	5
Value of assets after investing in Securities covered by NIFTY Bank Index (TRI) during the day	(B+C)	104.95

As per clause 13.18.1 of Master Circular, the cumulative gross exposure through equity & equity related instruments, debt, derivative positions, repo transactions, other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time shall not exceed 100% of the net assets of the Scheme.

However, the cumulative gross exposure through all permissible investments viz. equity & equity related instruments, debt and derivative positions may exceed 100% of the net assets of the Scheme to the extent of deployment of Subscription cash flow.

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

SR. No	Type of Instrument	Percentage of exposure	Circular references
1.	Securities Lending	a. Upto 25% of the net assets b. Upto 5% of the net assets at single intermediary i.e. broker level	Clause 13.6 of Master Circular
2.	Derivatives^	Upto 25% of net assets	Clause 13.15 of Master Circular
3.	Repo/ Reverse Repo / Tri-Party repos (TREPS) on Government Securities and Treasury Bills (G-Secs and T-Bills)	To meet liquidity requirements or pending deployment as per regulatory limits	As per SEBI Mutual Funds Regulations
4.	Short Term deposits	As per regulatory limits	Clause 8 of Sixth Schedule of SEBI (MF) Regulations and Clause 13.7 of Master Circular
5.	Repo/ Reverse Repo in permitted corporate debt securities	Upto 5% of the net assets	Clause 13.8 of Master Circular
6.	Mutual Fund Units	• Upto 5% of the net assets of the scheme • Upto 5% of the net assets of the Mutual Fund (i.e. across all the schemes of the Fund)	Clause 13.14.1 of Master Circular

^Exposure to equity derivatives shall be taken in case of portfolio rebalancing or unavailability of the underlying securities.

In addition to the instruments stated in the table above the Scheme may undertake such other transactions in accordance with guidelines issued by SEBI and the scheme may also hold cash from time to time.

The Scheme will not make any investment in-

SR. No	Types of Instruments
1.	Debt Derivatives
2.	Credit Default Swaps
3.	ADR/GDR/Foreign Securities
4.	Securitized Debt
5.	Short Selling
6.	Bespoke or complex debt products such as Securitized Debt, Structured obligations (SO rating) and/or credit enhanced debt (CE rating), Securities with special features such as Debt instruments 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
7.	Unlisted debt instrument
8.	Inter scheme transactions i.e. transfers
9.	Unrated debt and money market instruments (except G-Secs, T-Bills and other money market instruments)

Change in Asset Allocation Pattern / Portfolio Rebalancing

Short Term Defensive Consideration

As an index linked scheme, the investment policy is primarily passive management. However, as the above mentioned investment pattern is indicative and subject to the SEBI (MF) Regulations and Circulars issued thereunder, the same may vary from time to time. As per clause 1.9.1.b of Master Circular, the Fund Manager, may deviate from the above investment pattern for short term period on defensive considerations. The same will be rebalanced within 7 Business Days.

Portfolio Replication/ Rebalancing norms

As per clause 4.5.5 of Master Circular:

- any transactions undertaken in the scheme portfolio in order to meet the redemption and subscription obligations shall be done while ensuring that post such transactions replication of the portfolio with the index is maintained at all points of time.
- in case of change in constituents of the index due to periodic review, the portfolio of the Scheme shall be rebalanced within 7 calendar days or such other timeline as may be prescribed by SEBI from time to time.

Tracking Error:

The Scheme, in general, will hold all the securities that constitute the Underlying Index in the same proportion as the index. Expectation is that, over a period of time, the tracking error of the Scheme relative to the performance of the Underlying Index will be relatively low.

The AMC would monitor the tracking error of the Scheme on an ongoing basis and would seek to minimize tracking error to the maximum extent possible. Under normal market circumstances, such tracking error is not expected to exceed by 2.00% p.a. (based on daily rolling returns for last 12 months). However, in case of unavoidable events like, Dividend issuance by constituent members, rights issuance by constituent members, and market volatility during rebalancing of the portfolio following the rebalancing of the Underlying Basket, etc. or in abnormal market circumstances, the tracking error may exceed the above mentioned limits and the same shall be brought to the notice of Trustees with corrective actions taken by the AMC, if any.

Tracking difference (TD) for equity oriented passive schemes:

Tracking difference shall be targeted to be 50 bps (over and above actual TER charged). In case the same is not maintained, it shall be brought to the notice of trustees along with corrective actions taken by the AMC, if any.

INTRODUCTION TO EXCHANGE TRADED FUNDS (ETF)

ETFs are innovative products that provide exposure to an index or a basket of securities or physical gold that trade on the exchange like a single stock. ETFs have a number of advantages over traditional open-ended index funds as they can be bought and sold on the exchange at prices that are usually close to the actual Intra-Day NAV of the Scheme. ETFs are an innovation to traditional mutual funds as ETFs provide Investors a fund that closely tracks the performance of an index/physical gold with the ability to buy/sell on an Intra-Day basis. Unlike listed close ended funds, which trade at substantial premiums or more frequently at discounts to NAV, ETFs are structured in a manner which allows to create new Units and Redeem outstanding Units directly with the fund, thereby ensuring that ETFs trade close to their actual NAVs.

ETFs are usually passively managed funds wherein subscription/redemption of units work on the concept of exchange with underlying securities. In other words, Large Investors/institutions can purchase Units by depositing the underlying securities with the Fund/AMC and can redeem by receiving the underlying shares in exchange of Units in Creation Unit Size. Units can also be bought and sold directly on the exchange.

ETFs have all the benefits of indexing such as diversification, low cost and transparency. As ETFs are listed on the exchange, costs of distribution are much lower and the reach is wider. These savings in cost are passed on to the Investors in the form of lower costs. Furthermore, exchange traded mechanism enables minimal collection, disbursement and other processing charges. The structure of ETFs is such that it protects long-term Investors from inflows and outflows of short-term Investor. This is because the Fund does not bear extra transaction cost when buying/selling due to frequent subscriptions and redemptions.

Tracking Error of ETFs is likely to be low as compared to a normal index fund. Due to the creation/redemption of units through the in-kind mechanism the fund can keep lesser funds in cash. Also, time lag between buying/selling units and the underlying shares is much lower.

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

Benefits of ETFs

1. Can be easily bought/sold like any other stock on the exchange through terminals spread across the country.
2. Can be bought/sold anytime during market hours at prices that are expected to be close to actual NAV of the Schemes. Thus, investor invests at real-time prices as opposed to end of day prices.
3. No separate form filling for buying/selling units. It is just a phone call to your broker or a click on the net.
4. Ability to put limit orders.
5. Minimum investment for an ETF is one unit.
6. Protects long-term investors from the inflows and outflows of short-term investors.
7. Flexible as it can be used as a tool for gaining instant exposure to the respective equity/gold markets, equitizing cash, hedging or for arbitraging between the cash and futures market.
8. Helps in increasing liquidity of underlying cash market.
9. Aids low cost arbitrage between futures and cash market.

10. An investor can get a consolidated view of his investments without adding too many different account statements as the Units issued would be in demat form

Uses of ETFs

1. Investors with a long-term horizon: Allows diversification of portfolio at one shot thereby reducing scrip specific risk at a low cost.
2. Institutions and Mutual Funds: Allows easy asset allocation, hedging and equitising cash at a low cost.
3. Arbitrageurs: Low impact cost to carry out arbitrage between the cash and the futures market.
4. Investors with a shorter term horizon: Allows liquidity due to ability to trade during the day and expected to have quotes near NAV during the course of trading day.

Risks of ETFs

1. Absence of Prior Active Market: Although the units of ETFs are listed on the Exchange for trading, there can be no assurance that an active secondary market will develop or be maintained.
2. Lack of Market Liquidity: Trading in units of ETFs on the Exchange on which it is listed may be halted because of market conditions or for reasons that, in the view of the concerned stock exchange or market regulator, trading in the ETF units is inadvisable. In addition, trading in the units of ETFs is subject to trading halts caused by extraordinary market volatility pursuant to 'circuit filter' rules. There can be no assurance that the requirements of the concerned stock exchange necessary to maintain the listing of the units of ETFs will continue to be met or will remain unchanged.
3. Units of Exchange Traded Funds may trade at prices other than NAV: Units of ETFs may trade above or below their NAV. The NAV of units of ETFs may fluctuate with changes in the market value of a Scheme's holdings. The trading prices of units of ETF will fluctuate in accordance with changes in their NAVs as well as market supply and demand. However, given that ETFs can be created/redeemed in creation units, directly with the Fund, large discounts or premiums to the NAVs will not sustain due to arbitrage possibility available.

HOW HDFC NIFTY Bank ETF (the ETF) WORKS

- **Procedure for directly with the Mutual Fund creation of the ETF units in Creation Unit Size:**
- The Fund/AMC allows cash/exchange of Portfolio Deposit for Purchase of Units of the Scheme in Creation Unit Size by Large Investors/Market Makers.
- **Creation of Units in exchange of Portfolio Deposit:** The requisite Securities constituting the Portfolio Deposit have to be transferred to the Scheme's Depository Participant account while the Cash Component has to be paid to the Custodian/AMC. On confirmation of the same by the Custodian/AMC, the AMC will create and transfer the equivalent number of Units of the Scheme into the Investor's Depository Participant account and pay/recover the Cash Component and transaction handling charges, if any.
- **Creation of Units in Cash:** Subscription of the ETF Units in Creation Unit Size will be made by payment of requisite Cash, as determined by the AMC equivalent to the cost incurred towards the purchase of predefined basket of securities that represent the Underlying Index (i.e. Portfolio Deposit), Cash Component and transaction handling charges, if any, only by means of payment instruction of Real Time Gross Settlement (RTGS)/National Electronic Funds Transfer (NEFT) or Funds Transfer Letter/Transfer Cheque of a bank where the Scheme has a collection account.

- The Creation Unit will be subject to transaction handling charges incurred by the Fund/AMC. Such transaction handling charges shall be recoverable from the transacting Market Maker or Large Investor.
- The Portfolio Deposit and/or Cash Component for units of the Scheme may change from time to time due to changes in the Underlying Index on account of corporate actions and changes to the index constituents.
- **The investors are requested to note that the Units of the Scheme will be credited into the Investor's Depository Participant account only on receipt of Cash Component and transaction handling charges, if any.**

  'Creation Unit Size' is fixed number of units of the Scheme, which is exchanged for (a) a basket of securities (Portfolio Deposit) and a Cash Component; or (b) cash for purchasing basket of securities and a Cash Component, equal to the value of said predefined units of the Scheme.

  Each Creation Unit Size consists of 12,500 units of the ETF. Each unit of the ETF will be approximately equal to the 1/1000th value of the NIFTY Bank Index (TRI).

  'Portfolio Deposit' consists of pre-defined basket of securities that represent the Underlying Index as announced by AMC from time to time.
- **Procedure for Redemption directly with the Mutual Fund in Creation Unit Size for Market Makers/Large Investors**
- The requisite number of Units of the Scheme equivalent to the Creation Unit has to be transferred to the Fund's Depository Participant account and the Cash Component to be paid to the AMC/Custodian.
- On confirmation of the same by the AMC, the AMC will transfer the Portfolio Deposit to the Market Maker's Depository Participant account and pay/recover the Cash Component and transaction handling charges, if any.
- The Fund shall allow cash Redemption of the Units of the Scheme in Creation Unit Size by Large Investors/Market Makers.
- Such Investors shall make Redemption request to the Fund/AMC whereupon the Fund/AMC will arrange to sell underlying portfolio Securities on behalf of the Investor. Accordingly, the sale proceeds of portfolio Securities, after adjusting the Cash Component and transaction handling charges will be remitted to the Investor.
- Redemption proceeds will be sent to Market Makers/Large Investors within 3 working days of the date of redemption subject to confirmation with the depository records of the Scheme's DP account.

Note:

1. The Creation Unit Size may be changed by the AMC in order to equate it with marketable lots of the underlying securities or at their discretion and the notice of the same shall be published on AMC's website.
2. Transaction handling charges include brokerage, Securities transaction tax, regulatory charges if any, depository participant charges, uploading charges and such other charges that the mutual fund may have to incur in the course of Cash subscription/redemption or accepting the Portfolio Deposit or for giving a portfolio of securities as consideration for a redemption request. Such transaction handling charges shall be recoverable from the transacting Investor.

3. The Portfolio Deposit and/or Cash Component for the ETF may change from time to time due to change in NAV.

The procedure relating to purchase and sale of units by different types of investors/Market Makers in the Scheme during continuous offer is tabulated for easy reference:

Type of investor and transaction Details	Sale of units by Mutual Fund	Redemption of units by Unit holders
Market Makers/Large Investor Other investors	Any Business Day in Creation Unit* Size and in multiple thereof. Only through stock exchange(s)	Any Business Day in Creation Unit* Size and in multiple thereof. Only through stock exchange(s)
Role of Market Maker	Gives two way quotes in the secondary market. Stands as a seller for a buy order.	Gives two-way quotes in the secondary market. Stands as a buyer against a sell order.
Role of Large Investor	Only an investor – no other role in the Scheme operations.	

Each Creation Unit Size consists of 12,500 units of the ETF and 1 unit of the ETF will be approximately equal to the 1/1000th value of the NIFTY Bank Index (TRI).

Procedure for Redemption directly with the Mutual Fund during Liquidity Window.

When the Scheme announces Liquidity Window on its website, (refer para **"Liquidity/Redemption of units directly with the Mutual Fund during in exceptional circumstances (Liquidity Window)"** under Section titled **"Highlights"**, Investors may tender their redemption request to their Depositories Participants for redemption at Applicable NAV, for transactions upto Rs 25 Crores. Redemptions up to 3.00 p.m. on any Business Day, shall be processed by the Fund at the closing NAV of the day and those received thereafter on that day will be processed at the closing NAV of the next Business Day. In such cases, redemption proceeds shall be credited to the bank account linked to unitholder's demat account.

Market Makers:

AMC has appointed at least two Market Makers, who are members of the Stock Exchanges or such other persons as permitted by SEBI to act as Market Makers, to provide continuous liquidity on the stock exchange where the units of ETF are listed. The Market Makers offers two-way quotes (buy and sell quotes) in the secondary market for ensuring liquidity in the ETF Units.

Further, the AMC reserves the right to modify Market Makers on an ongoing basis.

As permitted under clause 4.5.1 of Master Circular, the AMC may enable net settlement between cash leg of transactions in units of the Scheme by Market Makers and consequent transaction in underlying basket by the Scheme in accordance with the guidelines issued by SEBI/AMFI in consultation with Clearing Corporations/stock exchanges in this regard.

B. WHERE WILL THE SCHEME INVEST?

The Scheme will invest in securities as mentioned below. The investments will be made as per the limits specified in the asset allocation table of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations or any other applicable laws and guidelines.

- Equity and equity related instruments of the Underlying Index

- Debt and Money Market Instruments
- Short Term Deposits
- Units of mutual funds
- Derivatives
- Any other instruments as may be permitted by RBI / SEBI from time to time, subject to necessary regulatory approvals.

For detailed disclosures, kindly refer Section II.

C. WHAT ARE THE INVESTMENT STRATEGIES?

HDFC NIFTY Bank ETF will invest in stocks comprising the Underlying Index and endeavour to track the benchmark index. The Scheme may also invest in debt & money market instruments, in compliance with regulations to meet liquidity and expense requirements. HDFC NIFTY Bank ETF endeavours to invest in stocks forming part of the Underlying Index in the same ratio as per the index to the extent possible and to that extent follows a passive investment strategy, except to the extent of meeting liquidity and expense requirements.

Since the Scheme is an exchange traded fund, it will only invest in securities constituting the Underlying Index. However, due to corporate action in companies comprising the index, the Scheme may be allocated/allotted securities which are not part of the index. Such holdings would be rebalanced within 7 Business Days from the date of allotment/listing of such securities. As part of the Fund Management process, the Scheme may use derivative instruments such as index futures and options, or any other derivative instruments that are permissible or may be permissible in future under applicable regulations. However, trading in derivatives by the Scheme shall be for restricted purposes as permitted by the Regulations.

For detailed derivative strategies, please refer to SAI. For exposure limits to derivatives, refer section '**Where will the scheme invest' under Section II, Part II, Clause A**

Though every endeavour will be made to achieve the objective of the Scheme, the AMC/Sponsor/Trustee do not guarantee that the investment objective of the Scheme will be achieved. No guaranteed returns are being offered under the Scheme.

RISK CONTROL: The Scheme aims to track the NIFTY Bank Index (TRI) before expenses. The index will be tracked on a regular basis and changes to the constituents or their weights, if any, will be replicated in the underlying portfolio with the purpose of minimizing tracking errors.

The Scheme being a passive investment carries lesser risk as compared to active fund management. The portfolio would follow the index and therefore the level of stock concentration in the portfolio and its volatility would be the same as that of the index, subject to tracking errors. Thus, there would be no additional element of volatility or stock concentration on account of fund manager decisions. The fund manager would endeavor to keep cash levels at the minimal to control tracking errors.

The Risk Mitigation strategy revolves around reducing the tracking error to the least possible through regular rebalancing of the portfolio, taking into account the change in weights of stocks in the Underlying Index as well as the incremental inflows into/redemptions from the Scheme.

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

PORTFOLIO TURNOVER

Portfolio Turnover measures the volume of trading that occurs in a Scheme's portfolio during a given time period. The Scheme is an open-ended Scheme. This Fund will follow a passive investment strategy, the endeavour will be to minimise portfolio turnover subject to the exigencies and needs of the Scheme. Generally, turnover will be confined to rebalancing of portfolio on account of new subscriptions, redemptions and change in the composition of the Underlying Index and corporate actions of securities included in the Underlying Index. A higher portfolio turnover results in higher brokerage and transaction cost.

D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

NIFTY Bank Index (TRI).

In accordance with the investment objective and tracking error definition, the Scheme performance will be compared with the total returns of NIFTY Bank Index (TRI).

The above Index has been chosen as the benchmark since the Scheme will invest in stocks which are constituents of NIFTY Bank Index (TRI). Thus, the aforesaid benchmark is most suited for comparing the performance of the Scheme.

The Trustee reserves right to change the benchmark for performance of the scheme in conformity with the investment objectives and appropriateness of the benchmark subject to SEBI (MF) Regulations, and other prevailing guidelines, if any by suitable notification to the investors to this effect.

E. WHO MANAGES THE SCHEME?

The details of Fund Manager of the Scheme are as follows:

Name, Age & tenure^	Educational Qualifications	Experience (last 10 years)	Other Fund(s) Managed*
Abhishek Mor 30 Years **Tenure for managing the Scheme:** 3 years, 7 months	• CFA Level-I, • Chartered Accountant, • Bachelor of Commerce	Collectively over 8 years experience in Equity Dealing • **November 15, 2022 till Date:** HDFC Asset Management Company Limited • **October 04, 2017 till November 11, 2022:** ICICI Asset Management Company Limited Last Position Held: Manager - Dealing Support	1. HDFC BSE 500 ETF (co-managed Scheme) 2. HDFC BSE SENSEX ETF (co-managed Scheme) 3. HDFC NIFTY 100 ETF (co-managed Scheme) 4. HDFC NIFTY 50 ETF (co-managed Scheme) 5. HDFC NIFTY Growth Sectors 15 ETF (co-managed Scheme) 6. HDFC NIFTY IT ETF (co-managed Scheme) 7. HDFC NIFTY Midcap 150 ETF (co-managed Scheme) 8. HDFC NIFTY Next 50 ETF (co-managed Scheme) 9. HDFC NIFTY Private Bank ETF (co-managed Scheme) 10. HDFC NIFTY PSU BANK ETF (co-managed Scheme) 11. HDFC Nifty Smallcap 250 ETF (co-managed Scheme)

			12. HDFC NIFTY100 Low Volatility 30 ETF (co-managed Scheme) 13. HDFC NIFTY100 Quality 30 ETF (co-managed Scheme) 14. HDFC NIFTY200 Momentum 30 ETF (co-managed Scheme) 15. HDFC NIFTY50 Value 20 ETF (co-managed Scheme) 16. HDFC Nifty Metal ETF (co-managed Scheme) 17. HDFC FTSE India Equity ETF (co-managed Scheme)

* excluding Overseas investments if any.

^Cut-off date considered for calculation of tenure is September 30, 2026.

Co-Fund Manager:

Name, Age & tenure^	Educational Qualifications	Experience (last 10 years)	Other Fund(s) Managed*
Arun Agarwal 53 Years **Tenure for managing the Scheme:** 6 years, 1 month	• B.Com • Chartered Accountant	Collectively over 28 years experience in equity, debt and derivative dealing, fund management, internal audit and treasury operations. • **September 16, 2010 till Date:** HDFC Asset Management Company Limited	1. HDFC Arbitrage Fund (co-managed Scheme) 2. HDFC Balanced Advantage Fund (co-managed Scheme) 3. HDFC BSE 500 ETF (co-managed Scheme) 4. HDFC BSE 500 Index Fund (co-managed Scheme) 5. HDFC BSE SENSEX ETF (co-managed Scheme) 6. HDFC BSE Sensex Index Fund (co-managed Scheme) 7. HDFC Developed World Overseas Equity Passive FOF (co-managed Scheme) 8. HDFC Equity Savings Fund (co-managed Scheme) 9. HDFC Gold ETF Fund of Fund (co-managed Scheme) 10. HDFC Multi Asset Allocation Fund (co-managed Scheme) 11. HDFC NIFTY 100 Equal Weight Index Fund (co-managed Scheme) 12. HDFC NIFTY 100 ETF (co-managed Scheme) 13. HDFC NIFTY 100 Index Fund (co-managed Scheme) 14. HDFC NIFTY 50 ETF (co-managed Scheme)

			15. HDFC Nifty 50 Index Fund (co-managed Scheme) 16. HDFC NIFTY Growth Sectors 15 ETF (co-managed Scheme) 17. HDFC Nifty India Digital Index Fund (co-managed Scheme) 18. HDFC NIFTY IT ETF (co-managed Scheme) 19. HDFC Nifty LargeMidcap 250 Index Fund (co-managed Scheme) 20. HDFC NIFTY Midcap 150 ETF (co-managed Scheme) 21. HDFC NIFTY Midcap 150 Index Fund (co-managed Scheme) 22. HDFC NIFTY Next 50 ETF (co-managed Scheme) 23. HDFC NIFTY Next 50 Index Fund (co-managed Scheme) 24. HDFC NIFTY Private Bank ETF (co-managed Scheme) 25. HDFC NIFTY PSU BANK ETF (co-managed Scheme) 26. HDFC NIFTY Realty Index Fund (co-managed Scheme) 27. HDFC Nifty Smallcap 250 ETF (co-managed Scheme) 28. HDFC Nifty Smallcap 250 Index Fund (co-managed Scheme) 29. HDFC Nifty Top 20 Equal Weight Index Fund (co-managed Scheme) 30. HDFC NIFTY100 Low Volatility 30 ETF (co-managed Scheme) 31. HDFC NIFTY100 Low Volatility 30 Index Fund (co-managed Scheme) 32. HDFC NIFTY100 Quality 30 ETF (co-managed Scheme) 33. HDFC Nifty100 Quality 30 Index Fund (co-managed Scheme) 34. HDFC NIFTY200 Momentum 30 ETF (co-managed Scheme) 35. HDFC NIFTY200 Momentum 30 Index Fund (co-managed Scheme)

			36. HDFC NIFTY50 Equal Weight Index Fund (co-managed Scheme) 37. HDFC NIFTY50 Value 20 ETF (co-managed Scheme) 38. HDFC Nifty500 Multicap 50:25:25 Index Fund (co-managed Scheme) 39. HDFC Retirement Fund - Equity Plan (co-managed Scheme) 40. HDFC Retirement Fund - Hybrid-Debt Plan (co-managed Scheme) 41. HDFC Retirement Fund - Hybrid-Equity Plan (co-managed Scheme) 42. HDFC Silver ETF Fund of Fund (co-managed Scheme) 43. HDFC BSE India Sector Leaders Index Fund (co-managed Scheme) 44. HDFC Nifty India Consumption Index Fund (co-managed Scheme) 45. HDFC Nifty Metal ETF (co-managed Scheme) 46. HDFC Nifty Metal ETF FOF (co-managed Scheme) 47. HDFC BSE REITS and Commercial Real Estate Index Fund (co-managed Scheme) 48. HDFC FTSE India Equity ETF (co-managed Scheme) 49. HDFC Nifty LargeMidcap250 Plus 8-13 yr G-Sec 70:30 Index Fund (co-managed Scheme) 50. HDFC Nifty Auto Index Fund (co-managed Scheme)

^Cut-off date considered for calculation of tenure is September 30, 2026.

F. HOW IS THE SCHEME DIFFERENT FROM EXISTING SCHEMES OF THE MUTUAL FUND?

The following list consists of existing passively managed open-ended equity schemes viz. ETF and Index Funds of HDFC Mutual Fund.

Sr. No.	Scheme Name
1.	HDFC BSE India Sector Leaders Index Fund
2.	HDFC BSE SENSEX ETF
3.	HDFC BSE Sensex Index Fund
4.	HDFC BSE 500 ETF
5.	HDFC BSE 500 Index Fund
6.	HDFC Nifty 50 Index Fund
7.	HDFC Nifty 100 Index Fund
8.	HDFC NIFTY Midcap 150 Index Fund
9.	HDFC Nifty Next 50 Index Fund
10.	HDFC Nifty Smallcap 250 Index Fund
11.	HDFC Nifty100 Equal Weight Index Fund
12.	HDFC NIFTY50 Equal Weight Index Fund
13.	HDFC Nifty India Digital Index Fund
14.	HDFC Nifty LargeMidcap 250 Index Fund
15.	HDFC Nifty Top 20 Equal Weight Index Fund
16.	HDFC NIFTY200 Momentum 30 Index Fund
17.	HDFC NIFTY Realty Index Fund
18.	HDFC Nifty100 Quality 30 Index Fund
19.	HDFC NIFTY100 Low Volatility 30 Index Fund
20.	HDFC Nifty500 Multicap 50:25:25 Index Fund
21.	HDFC NIFTY 100 ETF
22.	HDFC NIFTY 50 ETF
23.	HDFC NIFTY Bank ETF
24.	HDFC NIFTY Growth Sectors 15 ETF
25.	HDFC NIFTY IT ETF
26.	HDFC NIFTY Midcap 150 ETF
27.	HDFC Nifty Next 50 ETF
28.	HDFC NIFTY Private Bank ETF
29.	HDFC Nifty Smallcap 250 ETF
30.	HDFC NIFTY100 Low Volatility 30 ETF
31.	HDFC NIFTY100 Quality 30 ETF
32.	HDFC NIFTY200 Momentum 30 ETF
33.	HDFC NIFTY PSU BANK ETF
34.	HDFC NIFTY50 Value 20 ETF
35.	HDFC Nifty India Consumption Index Fund
36.	HDFC Nifty Auto Index Fund
37.	HDFC Nifty Metal ETF
38.	HDFC BSE REITS and Commercial Real Estate Index Fund

For comparison between various schemes of HDFC Mutual Fund
Visit: https://www.hdfcfund.com/statutory-disclosure/offer-document-disclosures

G. HOW HAS THE SCHEME PERFORMED?

Performance of the Scheme (as at September 30, 2026)

The performance of the Scheme shall be benchmarked against NIFTY Bank Index (TRI)

HDFC NIFTY Bank ETF

Period	Returns (%)^	Benchmark Returns (%)#
Last 1 Year	0.42	0.65
Last 3 Years	7.62	7.83
Last 5 Years	8.49	8.72
Since Inception*	16.34	16.61

^ Past performance may or may not be sustained in the future

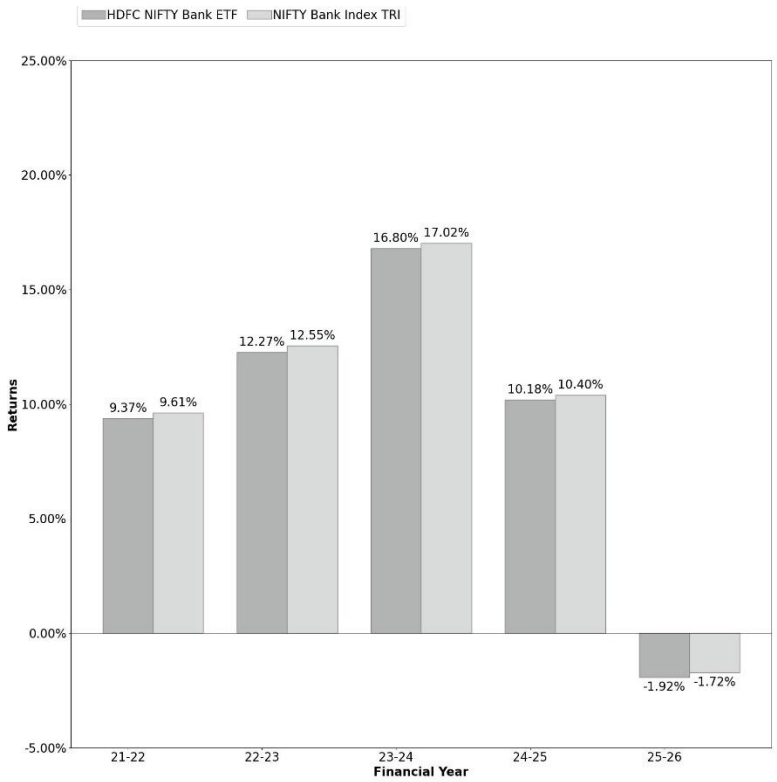
Returns greater than one year are compounded annualized (CAGR).

** Inception Date: 21/08/2020*

 # NIFTY Bank Index (TRI)

Since inception returns are calculated on Rs. 22.331 (allotment price).

Absolute returns for each financial year for last 5 years^



For Riskometer of Scheme and Benchmark, kindly refer cover page.

H. ADDITIONAL SCHEME RELATED DISCLOSURES

- **Scheme's portfolio holdings-** https://www.hdfcfund.com/statutory-disclosure/portfolio/monthly-portfolio

- **Exposure to Top 7 issuers, stocks, groups and sectors:**
  - Fund Factsheets – NAV & Portfolio Details | HDFC Mutual Fund
  - https://www.hdfcfund.com/statutory-disclosure/portfolio
  - https://www.hdfcfund.com/statutory-disclosure/disclosure-of-issuerwise-groupwise-sectorwise-exposure-for-etf-index-funds

- **Portfolio Disclosure** –
  Monthly - https://www.hdfcfund.com/statutory-disclosure/portfolio/monthly-portfolio
- **Portfolio Turnover Ratio (September 30, 2026)**
  Without Derivatives – 29.41%
  With Derivatives - 29.41%

- **Addendums -** https://www.hdfcfund.com/statutory-disclosure/form-disclosures/addenda-notices

- **Aggregate investment in the Scheme by (September 30, 2026):**

Sr. No.	Category of Persons Fund Manager(s)	Net Value*		Market Value (in Rs.)
		Units	NAV per unit	
Not applicable				

*includes mandatory investments under SEBI guidelines, if any.

For any other disclosure with respect to investments by key personnel and AMC directors including regulatory provisions in this regard, kindly refer SAI.

- **INVESTMENT BY THE AMC IN THE SCHEME**

The AMC may invest in the Scheme during the continuous offer period subject to the SEBI (MF) Regulations. The AMC may also invest in other existing Schemes of the Mutual Fund. As per the existing SEBI (MF) Regulations and circulars issued thereunder, the AMC will not charge Investment Management and Advisory fee on the investment made by it in the Scheme or other existing Schemes of the Mutual Fund.

For details of existing mandatory investments by AMC in various schemes, visit - https://www.hdfcfund.com/statutory-disclosure/mandatory-investment-amc

Part III. OTHER DETAILS

A. COMPUTATION OF NAV

The Net Asset Value (NAV) per Unit of the Scheme will be computed by dividing the net assets of the Scheme by the number of Units outstanding under the Scheme on the valuation date. The AMC will value its investments according to the valuation norms, as specified in Schedule Seventh of the SEBI (MF) Regulations, or such norms as may be specified by SEBI from time to time and as stipulated in the Valuation Policy and Procedures of the Fund, provided in SAI available on website.

In case of any conflict between the Principles of Fair Valuation and valuation guidelines specified by SEBI, the Principles of Fair Valuation shall prevail.

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

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

The NAV of the Scheme will be calculated and disclosed at the close of every Business Day.

The NAV of the Scheme will be calculated upto 4 decimals.

While determining the price of the units, the mutual fund shall ensure that the repurchase price of an open ended scheme is not lower than 97 per cent of the Net Asset Value.

Illustration for Computation of NAV:

NAV for the Scheme shall be calculated as shown below:

Particulars	**Amount (In INR)**
Assets	
Investments (at Market Value)	10,000
(Equity/Debt/Derivatives)	
Current Assets	
Interest receivable	1,000
Dividend Receivables	550
Trades Receivables	1,500
Total Assets (A)	13,050
Current Liabilities	
Trade Payables	1,500
Expense Payable	25

Dividend payable	25
Total Liabilities (B)	1,550
Net Assets (C) (A – B)	11,500
Units Outstanding (D)	1,000
NAV per unit (C/D)	₹ 11.50

METHODOLOGY FOR COMPUTATION OF SALE AND REPURCHASE PRICE

- **Ongoing Price for subscription (purchase)/ switch-in (from other schemes/ plans of the mutual fund) by investors. (This is the price you need to pay for purchase/ switch-in):**

  The Sale Price for a valid purchase will be the Applicable NAV.

  i.e. Sale Price = Applicable NAV

  For a valid purchase request of Rs. 10,000 where the applicable NAV is Rs. 11.1234, the units allotted will be:

  = 10,000 (i.e. purchase amount)
  11.1234 (i.e. applicable NAV)

  = 899.006 units (rounded to three decimals)

  Charges/expenses, if any, borne by the investors have not been considered in the above illustration.

- **Ongoing Price for redemption (sale)/ switch-outs (to other schemes/plans of the mutual fund) by investors. (This is the price you will receive for redemptions/ switch-outs):**

  The Repurchase Price for a valid repurchase will be the applicable NAV reduced by any exit load (say 1%). i.e. applicable NAV - (applicable NAV X applicable exit load).

  For a valid repurchase request where the applicable NAV is Rs. 12.1234, the repurchase price will be:

  = 12.1234 - (12.1234 X 1.00%)

  = 12.1234 - 0.1212

  = Rs. 12.0022

  Therefore, for a repurchase of 899.006 units, the proceeds received by the investor will be -

  = 899.006 (units) * 12.0022 (Repurchase price)

  = Rs. 10,790.02 (rounded to two decimals)

  Charges/expenses, if any, borne by the investors have not been considered in the above illustration.

  While determining the price of the units, the mutual fund shall ensure that the repurchase price of an open ended scheme is not lower than 97 per cent of the Net Asset Value.

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

B. ANNUAL SCHEME RECURRING EXPENSES

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

The AMC has estimated that upto 0.90% of the daily net assets of the scheme will be charged to the scheme as expenses. For the actual current expenses being charged, the investor should refer to the website of the AMC www.hdfcfund.com.

The Base Expense Ratio (**BER**) of the Scheme shall include (a) Investment and Advisory fees under Regulation 66 (4); (b) Recurring scheme expenses under Regulation 66 (5); and (c) Charges/ commission/ fees related to distribution of mutual fund schemes under Regulation 66 (6) but shall exclude statutory levies applicable, if any, on the said expenses and transaction cost specified under Regulation 66 (10).

The base expenses charged to the Scheme shall not exceed the limits stated in Regulation 66 of the SEBI (MF) Regulations and as permitted under SEBI Circulars issued from time to time.

Any expenditure in excess of the base limits specified in these regulations shall be borne by the AMC or the trustees or sponsors. If any expense of the scheme is borne by the AMC or by the trustee or sponsors, the same shall be done only after the investment and advisory fees charged to the scheme, if any, is fully reversed.

Various fees, expenses, charges and statutory levies that would be charged to the Scheme:

Expense Head	**% of daily net assets (estimated) (p.a.)**
Investment Management and Advisory Fees[1]	Upto 0.90%
Audit Fees	
Fees and Expenses of trustees[2]	
Custodian Fees	
Registrar & Transfer Agent Fees including cost of providing account statements / IDCW / redemption cheques/ warrants	
Marketing & Selling expenses including fees, commission and charges towards distribution of mutual fund schemes[3] [4]	
cost of statutory advertisements	
Cost related to Investor Communications	
Cost of fund transfer from location to location	
Cost towards investor education, awareness and financial inclusion[4]	
Brokerage & Transaction cost pertaining to execution of trade[5] [6]	
Other Expenses (as per Reg 66 of SEBI MF Regulations)	
Maximum Base Expense Ratio (BER) permissible under Regulation 66	**Upto 0.90%**
Maximum total expense ratio (TER) under Regulation 67[7]	Refer Note 7 below
Statutory levies (including GST) on all expenses excluding brokerage and transaction cost[8]	GST of 18% or any other rate as may be levied from time to time on the Taxable/ Invoice/ Contract amount.

Expense Head	% of daily net assets (estimated) (p.a.)
	Additionally, levies such as Stamp Duty, STT etc.
Statutory levies (including GST) on brokerage and transaction cost[8]	Will be charged on Turnover of securities at prescribed rates

Notes:

[1]There shall be no internal sub-limits within the expense ratio for expense heads mentioned under Regulation 66 (4) and (5) viz. Investment Management and Advisory Fees and various sub-heads of recurring expenses, respectively.

[2]Trustee Fees and Expenses
In accordance with the Trust Deed constituting the Mutual Fund, the Trustee is entitled to receive, in addition to the reimbursement of all costs, charges and expenses, a quarterly fee computed at a rate not exceeding 0.10% per annum of the daily net assets of the Scheme(s) or a sum of Rs. 15,00,000 per annum, whichever is higher. Such fee shall be paid to the Trustee within seven working days from the end of each quarter every year, namely, within 7 working days from June 30, September 30, December 31 and March 31 of each year. The Trustee may charge expenses as permitted from time to time under the Trust Deed and SEBI (MF) Regulations.

[3]The Scheme shall not incur any distribution expenses and no commission shall be paid by the Scheme.

[4]Investor Education and Awareness initiatives
As per clause 20.5.2 of Master Circular, the AMC shall set apart 5% of the total BER charged to Direct Plan, subject to maximum 0.5 bps of AUM under the Scheme within the limits of base expenses prescribed under Regulation 66 of SEBI (MF) Regulations. These funds shall be utilized as per the guidelines issued by SEBI and AMFI from time to time.

[5]Brokerage incurred for the purpose of execution of trade shall be charged to the schemes as provided under Regulation 66 (9) upto 6 bps and 2 bps of the trade value for cash market transactions and derivatives transactions (if permitted under the scheme) respectively. Any payment towards brokerage over and above the said 6 bps and 2 bps shall be part of the Base Expense Ratio (BER) limit (excluding statutory levies) as prescribed under Regulation 66 (7).

[6]Pursuant to Regulation 66 (10), transaction cost incurred for the purpose of execution of a trade shall mean regulatory levies and any other expenses charged by the stock exchanges, clearing corporation, and clearing house, as applicable. Such transaction costs shall not form part of the Base Expense Ratio (BER).

[7]The total of all expenses charged to the investors of the scheme, as mentioned under definition of 'Total expense ratio', shall be total of expense charged within the base limit specified under Regulation 66 (7), brokerage cost permitted under Regulation 66 (9), transaction cost incurred for the purpose of execution of trade as referred under Regulation 66 (10), and statutory levies charged to the investors. No charges other than the base expense ratio, brokerage cost, transaction cost, statutory levy and exit load including levies as may be specified by the SEBI, shall be charged to the investors. Any expense other than those specified in Regulation 66 (4), (5), (6) (9) and (10) as mentioned above, shall not be charged to the scheme and shall be borne by the AMC or trustee or sponsors.

[8]Statutory levy means levy imposed by state government and central government.

The mutual fund would update the expense ratios on the website (www.hdfcfund.com) under the Section titled "Statutory Disclosures" under sub-section titled "Total Expense Ratio of Mutual Fund Schemes". Any change in the BER in comparison to previous BER charged to any scheme/plan shall be communicated to investors of the Scheme at least three working days prior to effecting such change. Further, the notice of change in BER shall be updated in the aforesaid section of the website at least three working days prior to effecting such change. Provided that any change in BER in a mutual fund scheme due to change in AUM or any decrease in BER in a mutual fund scheme due to various other regulatory requirements shall not require issuance of any prior notice to the investors.

Illustration: Impact of Expense Ratio on Scheme's return:
Expense ratio, normally expressed as a percentage of Average Assets under Management, is calculated by dividing the permissible expenses under the Regulations by the average net assets.
To further illustrate the above in rupees terms, for the Scheme under reference, suppose an Investor invested Rs. 10,000/- (after deduction of stamp duty, if any) the impact of expenses charged will be as under:

Amount invested at the beginning of the year (Rs.)	10,000
Assumed Returns before expenses (Rs.)	1,500
Expenses	150
Returns after expenses at the end of the year (Rs.)	**1350**
Returns (in %)	**13.5%**

Note(s):
● The purpose of the above illustration is to purely explain the impact of expense ratio charged under the Scheme and should not be construed as providing any kind of investment advice or guarantee of returns on investments.

● It is assumed that the expenses charged are evenly distributed throughout the year.

● Any tax impact has not been considered in the above example, in view of the individual nature of the tax implications. Each investor is advised to seek appropriate advice.

C. LOAD STRUCTURE

Exit Load is an amount which is paid by the investor to redeem the units from the scheme. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of the AMC (www.hdfcfund.com) or you may call at 1800 3010 6767/1800 419 7676 or your distributor.

Type of Load	**Load chargeable (as % of NAV)**
Exit Load	Not Applicable.

The AMC/ Trustee if it so deems fit in the interest of smooth and efficient functioning of the Mutual Fund reserves the right to introduce/modify the Load Structure depending upon the circumstances prevailing at that time subject to maximum limits as prescribed under the SEBI (MF) Regulations. While determining the price of the units, the mutual fund shall ensure that the repurchase price of an open ended scheme

is not lower than 97 per cent of the Net Asset Value. Exit load (net of GST) charged, if any, shall be credited to the Scheme. The investor is requested to check the prevailing load structure of the Scheme before investing.

SECTION II

I. INTRODUCTION

A. DEFINITIONS/INTERPRETATION

Visit: https://www.hdfcfund.com/statutory-disclosure/offer-document-disclosures

B. RISK FACTORS

■ Scheme Specific Risk Factors:

The Scheme is subject to the specific risks that may adversely affect the Scheme's NAV, return and/or ability to meet its investment objective.

The specific risk factors related to the Scheme include, but are not limited to the following:

The Scheme being sectoral in nature carries higher risks versus diversified equity mutual funds on account of concentration and sector specific risks.

(i) Risk Factors associated with Exchange Traded Schemes:

a) Passive Investments:

- As the Scheme proposes to invest not less than 95% of the net assets in the securities of the Underlying Index in the same proportion, the Scheme will not be actively managed. The Scheme may be affected by a general decline in the Indian markets relating to its Underlying Index. The Scheme invests in the securities included in its Underlying Index regardless of their investment merit. The AMC does not attempt to individually select stocks or to take defensive positions in declining markets.
- Performance of the Underlying Index will have a direct bearing on the performance of the Scheme. In the event the Underlying Index, is dissolved or is withdrawn or is not published due to any reason whatsoever, the Trustee reserves the right to modify the Scheme so as to track a different and suitable index or to suspend tracking the Underlying Index till such time it is not published and appropriate intimation will be sent to the Unit holders of the Scheme. In such a case, the investment pattern will be modified suitably to match the composition of the securities that are included in the new index to be tracked and the Scheme will be subject to tracking error during the intervening period.

Further, it is pertinent to note that there is no element of research recommendations involved before the execution of trades in the Scheme. The decision of the Fund Manager to execute trades including rebalancing required will be purely driven by the inflows and outflows in the Scheme and composition of the Underlying Index.

b) Tracking Error Risk/ Tracking Difference Risk:

The Fund Manager would not be able to invest the entire corpus exactly in the same proportion as in the Underlying Index due to certain factors such as the fees and expenses of the Scheme, corporate actions, cash balance, changes to the Underlying Index and regulatory policies which may affect AMC's ability to achieve close correlation with the Underlying Index of the Scheme. The Scheme's returns may therefore deviate from those of its Underlying Index. Tracking Error" is defined as the standard deviation of the difference in daily returns between the Scheme and

the Underlying Index annualized over 1 year period. Tracking difference is the difference of returns between the Scheme and the index annualized over 1 year, 3 year, 5 year, 10 year and since the scheme inception period. Tracking Error may arise including but not limited to the following reasons.

a. Expenditure incurred by the Scheme.

b. The holding of a cash position and accrued income prior to distribution of income and payment of accrued expenses. The Scheme may not be invested at all times as it may keep a portion of the funds in cash to meet redemptions or for corporate actions.

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

d. Corporate actions such as debenture or warrant conversion, rights, merger, change in constituents etc.

e. Rounding off of quantity of shares in Underlying Index.

f. Dividend received from underlying securities.

g. Disinvestments by Scheme to meet redemptions, recurring expenses, etc.

h. Execution of large buy/sell orders.

i. Transaction cost (including taxes and insurance premium), recurring expenses and other expenses, such as but not limited to brokerage, custody, trustee and investment management fees.

j. Realisation of Unit holders' funds.

k. The Scheme may not be able to acquire or sell the desired number of securities due to conditions prevailing in the securities market, such as, but not restricted to: circuit filters in the securities, liquidity and volatility in security prices.

l. The Index reflects the prices of securities at a point in time, which is the price at close of business day on BSE/National Stock Exchange of India Limited (NSE). The Scheme, however, may at times trade these securities at different points in time during the trading session and therefore the prices at which the Plan trade may not be identical to the closing price of each scrip on that day on the BSE/NSE. In addition, the Scheme may opt to trade the same securities on different exchanges due to price or liquidity factors, which may also result in traded prices being at variance, from BSE/NSE closing prices.

m. In case of investments in derivatives like index futures, the risk reward would be the same as investments in portfolio of shares representing an index. However, there may be a cost attached to buying an index future. Further, there could be an element of settlement risk, which could be different from the risk in settling physical shares and there is a risk attached to the liquidity and the depth of the index futures market as it is relatively new market.

It will be the endeavour of the fund manager to keep the tracking error as low as possible. Under normal circumstances, such tracking error is not expected to exceed 2% per annum for daily 12 month rolling return. However, in case of corporate action events like, Dividend received from underlying securities, rights issue from underlying securities or market events like circuit filters in the securities and market volatility during rebalancing of the portfolio following the rebalancing of the Underlying Index, etc. or in abnormal market circumstances, the tracking error may exceed the above limits. There can be no assurance or guarantee that the Scheme will achieve any particular level of tracking error relative to performance of the Index.

c) Stock Liquidity in the event of Circuit Filter

Liquidity of stocks which are available only in cash segment and not in F&O segment gets adversely impacted in the event of a circuit filter imposed by any of the stock exchanges. This would also impact the subscription and redemption of ETF units, directly done with the Fund and the same will be dealt with in the manner described below. Further, this may result in gain/loss to existing unit holders when finally the purchase/sale of that stock is executed. This would also create tracking error while comparing returns with benchmark.

Transaction type	**Upper circuit**	**Lower circuit**
Subscription	The Scheme shall buy stocks as per basket wherever no circuit. In case of Circuit on any stock(s) in the basket, the Scheme shall: 1. Hold cash for stock(s) on circuit at the latest available price on the stock exchange when the circuit was triggered 2. Buy the stock(s) immediately when circuit is open. This may impact performance and result in tracking error.	NA
Redemption	NA	The Scheme shall sell stocks as per basket if no circuit. In case of circuit on Stock(s) in the basket, the Scheme shall: 1. Pay from cash or cash equivalent or create cash to pay for stocks on circuit at the latest available price on the stock exchange when the circuit was triggered by selling other stocks which may impact performance and result in tracking error; 2. Sell stock immediately when circuit is open and re-balance portfolio which may impact performance and result in tracking error.

d) Market Trading Risks:

i. **Absence of Prior Active Market:** Although the Scheme is listed on NSE and/or BSE, there can be no assurance that an active secondary market will develop or be maintained. Hence there could be a time when trading in the Units of the Scheme would be infrequent.

ii. **Trading in Units may be halted:** Trading in the units of the Scheme on NSE/BSE may be halted because of market conditions such as extraordinary market volatility and pursuant to

stock exchange(s) and SEBI 'circuit filter' rules, etc or for reasons that in view of NSE/BSE or SEBI, trading in the units of the Scheme is not advisable.

There can be no assurance that the requirements of NSE/BSE necessary to maintain the listing of the units of the Scheme will continue to be met or will remain unchanged.

iii. **Units of the Scheme may trade at prices other than NAV:** The units of the Scheme may trade above or below their NAV. The NAV of the Scheme will fluctuate with changes in the market value of the Scheme's holdings. The trading prices of the units of the Scheme will fluctuate in accordance with changes in their NAV as well as market supply and demand for the units of the Scheme. However, given that units of the Scheme can be created and redeemed in creation units directly with the Fund, it is expected that large discounts or premiums to the NAV of units of the Scheme will not sustain due to arbitrage opportunity available.

iv. **Regulatory Risk:** Any changes in trading regulations by the Stock Exchange(s)/SEBI may affect the ability of market maker to arbitrage resulting into wider premium/discount to NAV.

e) Redemption Risk: Investors should note that even though the Scheme is an open ended Scheme, subscription/redemptions directly with the Fund would be limited to such investors who have the ability to subscribe/redeem the units of the Scheme in Creation Unit Size (except in certain exceptional circumstances mentioned in this SID). Generally, these lot sizes are larger as compared to normal funds. Thus, even though this Scheme is open ended, due to large lot size, very few investors can directly subscribe and redeem the units of the Scheme. However, investors wishing to subscribe/redeem units in other than Creation Unit Size can do so by buying/selling the same on NSE/BSE.

f) The units will be issued only in demat form through depositories. The records of the depository are final with respect to the number of units available to the credit of unit holder. Settlement of trades, repurchase of units by the Mutual Fund depends up on the confirmations to be received from depository(ies) on which the Mutual Fund has no control.

(ii) Risk factors associated with investing in equities and equity related instruments

- **Price Risk:** Equity shares and equity related instruments are volatile and prone to price fluctuations on a daily basis owing to market movements. The extent of fall or rise in the prices is a fluctuation in general market conditions, factors and forces affecting capital market, Real Estate and Infrastructure sectors, level of interest rates, trading volumes, settlement periods and transfer procedures. Investments in equity shares and equity related instruments involve a degree of risk and investors should not invest in the Scheme unless they can afford to take the risks.
- **Interest Rate Risk:** Securities/Instruments of REITs run interest rate risk. Generally, when interest rates rise, prices of units fall and when interest rates drop, such prices increase.
- **Credit Risk:** Credit risk means that the issuer of a REITs security/instrument may default on interest payment or even on paying back the principal amount on maturity. Securities/Instruments of REITs are likely to have volatile cash flows as the repayment dates would not necessarily be pre scheduled.
- **Liquidity Risk:** Securities/instruments, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges. Investment in such securities may lead to increase in the scheme portfolio risk. While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges and may lead to the Scheme incurring losses till the security is finally sold.

- **Reinvestment Risk:** Investments in securities/instruments of REITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or Dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower returns.
- **Legal and Regulatory Risk:** The regulatory framework governing investments in securities/instruments of REITs comprises a relatively new set of regulations and is therefore untested, interpretation and enforcement by regulators and courts involves uncertainties. Presently, it is difficult to forecast as to how any new laws, regulations or standards or future amendments will affect the issuers of REITs and the sector as a whole. Furthermore, no assurance can be given that the regulatory system will not change in a way that will impair the ability of the Issuers to comply with the regulations, conduct the business, compete effectively or make distributions.
- Scheme's performance may differ from the benchmark index to the extent of the investments held in in other than equity and equity related instruments, as per the investment pattern indicated under normal circumstances.

(iii) Risk factors associated with investing in Fixed Income Securities

- The Net Asset Value (NAV) of the Scheme, to the extent invested in Debt and Money Market instruments, will be affected by changes in the general level of interest rates. The NAV of the Scheme is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates.
- Money market instruments, while fairly liquid, lack a well developed secondary market, which may restrict the selling ability of the Scheme and may lead to the Scheme incurring losses till the security is finally sold.
- Investments in money market instruments involve credit risk commensurate with short term rating of the issuers.
- Investment in Debt instruments are subject to varying degree of credit risk or default (i.e. the risk of an issuer's inability to meet interest or principal payments on its obligations) or any other issues, which may have their credit ratings downgraded. Changes in financial conditions of an issuer, changes in economic and political conditions in general, or changes in economic or and political conditions specific to an issuer, all of which are factors that may have an adverse impact on an issuer's credit quality and security values. This may increase the risk of the portfolio. The Investment Manager will endeavour to manage credit risk through in-house credit analysis.
- **Prepayment Risk:** Certain fixed income securities give an issuer the right to call back its securities before their maturity date, in periods of declining interest rates. The possibility of such prepayment may force the Scheme to reinvest the proceeds of such investments in securities offering lower yields, resulting in lower interest income for the Scheme.
- **Reinvestment Risk:** This risk refers to the interest rate levels at which cash flows received from the securities in the Scheme are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.
- **Settlement risk:** Different segments of Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in settlement of transactions could result in temporary periods when the assets of the Scheme are uninvested and no return is earned thereon. The inability of the Scheme to make intended securities purchases, due to settlement problems, could cause the Scheme to miss certain investment opportunities. Similarly, the inability to sell securities held in the Scheme's portfolio, due to the absence of a well developed and liquid secondary market for debt securities, may result at times in potential losses to the Scheme in the event of a subsequent decline in the value of securities held in the Scheme's portfolio.
- Government securities where a fixed return is offered run price-risk like any other fixed income security. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates. The new level of interest rate is determined by the rates at which government raises new money and/or the price levels at which the market is already dealing in existing securities. The price-risk

is not unique to Government Securities. It exists for all fixed income securities. However, Government Securities are unique in the sense that their credit risk generally remains zero. Therefore, their prices are influenced only by movement in interest rates in the financial system.

- Different types of fixed income securities in which the Scheme would invest as given in the Scheme Information Document carry different levels and types of risk. Accordingly, the Scheme risk may increase or decrease depending upon its investment pattern. e.g. corporate bonds carry a higher level of risk than Government securities. Further even among corporate bonds, AAA rated bonds are comparatively less risky than AA rated bonds.
- The AMC may, considering the overall level of risk of the portfolio, invest in lower rated securities offering higher yields as well as zero coupon securities that offer attractive yields. This may increase the absolute level of risk of the portfolio.
- As zero coupon securities do not provide periodic interest payments to the holder of the security, these securities are more sensitive to changes in interest rates and are subject to issuer default risk. Therefore, the interest rate risk of zero coupon securities is higher. The AMC may choose to invest in zero coupon securities that offer attractive yields. This may increase the risk of the portfolio. Zero coupon or deep discount bonds are debt obligations that do not entitle the holder to any periodic payment of interest prior to maturity or a specified date when the securities begin paying current interest and therefore, are generally issued and traded at a discount to their face values. The discount depends on the time remaining until maturity or the date when securities begin paying current interest. It also varies depending on the prevailing interest rates, liquidity of the security and the perceived credit risk of the Issuer. The market prices of zero coupon securities are generally more volatile than the market prices of securities that pay interest periodically.

(iv) Risks associated with investment in unlisted securities:

Except for any security of an associate or group company, the scheme can invest in securities which are not listed on a stock exchange ("unlisted Securities") or receive unlisted securities which in general are subject to greater price fluctuations, less liquidity and greater risk than those which are traded in the open market.

(v) Risk factors associated with investment in Tri-Party Repo

The mutual fund is a member of securities segment and Triparty Repo trade settlement of the Clearing Corporation of India (CCIL). All transactions of the mutual fund in government securities and in Tri-party Repo trades are settled centrally through the infrastructure and settlement systems provided by CCIL; Thus, reducing the settlement and counterparty risks considerably for transactions in the said segments. The members are required to contribute an amount as communicated by CCIL from time to time to the default fund maintained by CCIL as a part of the default waterfall (a loss mitigating measure of CCIL in case of default by any member in settling transactions routed through CCIL).

As per the waterfall mechanism, after the defaulter's margins and the defaulter's contribution to the default fund have been appropriated, CCIL's contribution is used to meet the losses. Post utilization of CCIL's contribution if there is a residual loss, it is appropriated from the default fund contributions of the non-defaulting members. Thus, the scheme is subject to risk of the initial margin and default fund contribution being invoked in the event of failure of any settlement obligations. In addition, the fund contribution is allowed to be used to meet the residual loss in case of default by the other clearing member (the defaulting member).

CCIL shall maintain two separate Default Funds in respect of its Securities Segment, one with a view to meet losses arising out of any default by its members from outright and repo trades and the other for meeting losses arising out of any default by its members from Triparty Repo trades. The mutual fund is exposed to the extent of its contribution to the default fund of CCIL, in the event that the

contribution of the mutual fund is called upon to absorb settlement/default losses of another member by CCIL, as a result the scheme may lose an amount equivalent to its contribution to the default fund.

(vi) Risk factors associated with investing in Derivatives

- The AMC, on behalf of the Scheme may use various derivative products, from time to time, in an attempt to protect the value of the portfolio and enhance Unit holders' interest. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself. Other risks include, the risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
- Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.
- The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.
- **Credit Risk:**
  The credit risk in derivative transaction is the risk that the counter party will default on its obligations and is generally low, as there is no exchange of principal amounts in a derivative transaction.
- **Market Risk:**
  Market movements may adversely affect the pricing and settlement of derivatives.
- **Illiquidity risk:**
  This is the risk that a derivative cannot be sold or purchased quickly enough at a fair price, due to lack of liquidity in the market.

(vii) Risk factors associated with Securities Lending

As with other modes of extensions of credit, there are risks inherent to securities lending, including the risk of failure of the other party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary. The scheme may not be able to sell lent out securities, which can lead to temporary illiquidity & loss of opportunity.

(viii) Risk factors associated with Repo in permitted Corporate Debt Securities

In repo transactions, also known as a repo or sale repurchase agreement, securities are sold with the seller agreeing to buy them back at later date. The repurchase price should be greater than the original sale price, the difference effectively representing interest. A repo in corporate debt securities is economically similar to a secured loan, with the buyer receiving corporate debt securities as collateral to protect against default. Some of the risks associated with repo in corporate debt are given below:

Counterparty Risk: Counterparty risk refers to the inability of the seller to meet the obligation to buy back securities at the contracted price on the contracted date. In case of over the counter (OTC) repo trades, the investment manager will endeavour to manage counterparty risk by dealing only with counterparties having strong credit profiles. Also, the counter-party risk is to an extent mitigated by taking collateral equivalent in value to the transaction after knocking off a minimum haircut on the intrinsic value of the collateral. In the event of default by the repo counterparty, the scheme shall have recourse to the

corporate debt securities. In case the repo transaction is executed on exchange platform approved by RBI/SEBI, the exchange may also provide settlement guarantee.

Collateral Risk: Collateral risk arises when the market value of the securities is inadequate to meet the repo obligations. This risk can be partly mitigated by restricting participation in repo transactions only in corporate debt securities which are approved by credit risk team. Additionally, to address the risk related to reduction in market value of corporate debt security held as collateral due to credit rating downgrade, the repo contract can incorporate either an early termination of the repo agreement or call for fresh margin to meet the minimum haircut requirement or call for replacement of security with eligible security. Moreover, the investment manager may apply a higher haircut on the underlying security than required as per RBI/SEBI regulation to adjust for the illiquidity and interest rate risk on the underlying instrument. To mitigate the risk of price reduction due to interest rate changes, the adequacy of the collateral can be monitored on a daily basis by considering the daily market value & applying the prescribed haircut. The fund manager or the exchange can then arrange for additional collateral from the counterparty, within a prespecified period. If the counterparty is not able to top-up either in form of cash / collateral, it would tantamount to early termination of the repo agreement, and the outstanding amount can be recovered by sale of collateral.

(ix) General Risk factors

- Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Scheme. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of securities. The NAV of the Units of the Scheme can go up or down because of various factors that affect the capital markets in general.
- Performance of the Scheme may be affected by political, social, and economic developments, which may include changes in government policies, diplomatic conditions, and taxation policies.
- The Scheme at times may receive large number of redemption requests, leading to an asset-liability mismatch and therefore, requiring the investment manager to make a distress sale of the securities leading to realignment of the portfolio and consequently resulting in investment in lower yield instruments.

DISCLAIMER OF INDEX

NIFTY Bank Index (TRI): The Scheme of HDFC Mutual Fund (the "Product") is not sponsored, endorsed, sold or promoted by NSE INDICES LTD. NSE INDICES LTD does not make any representation or warranty, express or implied, to the owners of the Product or any member of the public regarding the advisability of investing in securities generally or in the Product particularly or the ability of the NIFTY Bank Index (TRI) to track general stock market performance in India. The relationship of NSE INDICES LTD to the Licensee is only in respect of the licensing of certain trademarks and trade names of its Index which is determined, composed and calculated by NSE INDICES LTD without regard to the Licensee or the Product. NSE INDICES LTD does not have any obligation to take the needs of the Licensee or the owners of the Product into consideration in determining, composing or calculating NIFTY Bank Index (TRI). NSE INDICES LTD is not responsible for or has participated in the determination of the timing of, prices at, or quantities of the Product to be issued or in the determination or calculation of the equation by which the Product is to be converted into cash. NSE INDICES LTD has no obligation or liability in connection with the administration, marketing or trading of the Product.

NSE INDICES LTD does not guarantee the accuracy and/or the completeness of the NIFTY Bank Index (TRI), or any data included therein and they shall have no liability for any errors, omissions, or interruptions therein. NSE INDICES LTD does not make any warranty, express or implied, as to

results to be obtained by the Licensee owners of the product, or any other person or entity from the use of the NIFTY Bank Index (TRI) or any data included therein. NSE INDICES LTD makes no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the Index or any data included therein. Without limiting any of the foregoing, NSE INDICES LTD expressly disclaim any and all liability for any damages or losses arising out of or related to the Product, including any and all direct, special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

An investor, by subscribing or purchasing an interest in the Product, will be regarded as having acknowledged, understood and accepted the disclaimer referred to in Clauses above and will be bound by it.

C. RISK MITIGATION STRATEGIES

The Scheme aims to track the NIFTY Bank Index (TRI) before expenses. The index will be tracked on a regular basis and changes to the constituents or their weights, if any, will be replicated in the underlying portfolio with the purpose of minimizing tracking errors.

The Scheme being a passive investment carries lesser risk as compared to active fund management. The portfolio would follow the index and therefore the level of stock concentration in the portfolio and its volatility would be the same as that of the index, subject to tracking errors. Thus, there would be no additional element of volatility or stock concentration on account of fund manager decisions. The fund manager would endeavour to keep cash levels at the minimal to control tracking errors.

The Risk Mitigation strategy revolves around reducing the tracking error to the least possible through regular rebalancing of the portfolio, taking into account the change in weights of stocks in the Underlying Index as well as the incremental inflows into/redemptions from the Scheme.

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

II. INFORMATION ABOUT THE SCHEME:

A. WHERE WILL THE SCHEME INVEST?

The Scheme will invest in securities as mentioned below. The investments will be made as per the limits specified in the asset allocation table of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations or any other applicable laws and guidelines.

- **Investment in equity and equity related instruments:**

The Scheme would invest in stocks constituting the NIFTY Bank Index in the similar proportion (weightage) as in the Index and endeavor to track the underlying index.

- **Debt securities:**

Debt issuances by various types of issuers such as Government of India, State and local Governments, Government Agencies and statutory bodies, Corporate Entities, Public / Private sector undertakings, Public / Private sector banks and development financial institutions, etc. Debt issuances may include but are not limited to:

1. Non-convertible debentures;

2. Bonds;
3. Secured premium notes;
4. Zero interest bonds;
5. Deep discount bonds;
6. Floating rate bond / notes;
7. Non-Convertible Preference Shares;
8. Any other permissible domestic fixed income security.

- Money Market Instruments include:
  1. Commercial papers
  2. Commercial bills
  3. Treasury bills
  4. Government securities having an unexpired maturity upto one year
  5. Tri-party Repos/ Reverse Repos on Government securities or treasury bills (TREPS)
  6. Certificate of deposit
  7. Usance bills
  8. Permitted securities under a repo / reverse repo agreement (other than Corporate Debt Securities).

  Any other instruments as may be permitted by RBI / SEBI from time to time, subject to necessary regulatory approvals.

- Investments in Debt and Money Market Instruments will be as per the limits specified in the asset allocation table as mentioned**,** subject to restrictions/limits laid under SEBI (MF) Regulations mentioned under section **'WHAT ARE THE INVESTMENT RESTRICTIONS?'**.
- Investments in debt will be made through primary or secondary market purchases, other public offers, placements and right offers (including renunciation). The securities could be listed, privately placed, secured/unsecured, rated.
- Where the monies are parked in short term deposits of Scheduled Commercial Banks pending deployment, the Scheme shall abide by the following guidelines as per clause 13.7 of the Master Circular:
  1) "Short Term" for parking of funds shall be treated as a period not exceeding 91 calendar days.
  2) Such short-term deposits shall be held in the name of the Scheme.
  3) The Scheme shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustee.
  4) Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
  5) The Scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
  6) The Scheme shall not park funds in short- term deposit of a bank, which has invested in the Scheme. Trustees/AMC shall also take steps to ensure that a bank in which the Scheme has short term deposit does not invest in the Scheme until the Scheme has short term deposit with such bank.

7) No investment management and advisory fees will be charged for such investments in the Scheme.

The aforesaid limits shall not be applicable to term deposits placed as margins for trading in cash and derivatives market.

- The Scheme may engage in securities lending within the overall framework of Securities Lending Scheme, 1997 specified by SEBI and such other norms as may be specified by SEBI from time to time.
- The Scheme may invest in other schemes managed by the AMC or in the schemes of any other mutual funds, provided it is in conformity with the investment objectives of the Scheme and in terms of the prevailing SEBI (MF) Regulations. As per the SEBI (MF) Regulations, no investment management fees will be charged for such investments and the aggregate inter scheme investment made by all the schemes of HDFC Mutual Fund or in the schemes of other mutual funds shall not exceed 5% of the net asset value of the HDFC Mutual Fund.

- **Trading in Derivatives**

1. The Scheme may take derivatives position based on the opportunities available subject to the guidelines provided by SEBI from time to time and in line with the overall investment objective of the Scheme.
2. The Scheme intends to use derivatives mainly for the purpose of portfolio rebalancing and in case of unavailability of underlying securities. Losses may arise as a result of using derivatives, but these are likely to be compensated by the gains on the underlying cash instruments held by the Scheme. The Scheme will not assume any leveraged exposure to derivatives.
3. The Scheme may take position in derivative instruments like Futures, Options, and such other derivative instruments as may be permitted by SEBI from time to time.
4. Exposure to equity derivatives of the index constituent stocks may be undertaken when equity shares are unavailable, insufficient or for rebalancing in case of corporate actions and the same will be subject to rebalancing. However, there may be a cost attached to buying futures/options.

   For detailed derivative strategies, please refer to SAI. For exposure limits to derivatives, refer section **'Where will the scheme invest' under Section II, Part II, Clause A.**

- **Exposure to Derivatives**

The exposure limits for trading in derivatives by Mutual Funds specified by SEBI vide its clause 13.15 of Master Circular and as amended from time to time are as follows:

Position Limits

The position limits for trading in derivatives by Mutual Funds specified by clause 13.15 of the Master Circular read with SEBI circular No. SEBI/HO/MRD/TPD-1/P/CIR/2025/79 dated May 29, 2025 are as follows:

i. Position limit for Mutual Funds in index options contracts

The position limit for the Mutual Fund in index options contracts shall be as follows:

a) The Mutual Fund position limit in all index options contracts on a particular underlying index shall be net end of day future equivalent open interest limit of ₹ 1,500 crore and gross future

equivalent open interest of ₹ 10,000 crore (i.e. neither gross long Future Equivalent open interest nor gross short Future Equivalent open interest shall exceed ₹10,000 cr).

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

ii. Position limit for Mutual Funds in index futures contracts

The position limit for the Mutual Fund in index futures contracts shall be as follows:

a) The Mutual Fund position limit in all index futures contracts on a particular Underlying Index shall be ₹500 cr or 15% of the total open interest (OI) of the market in index futures, whichever is higher.

b) This limit would be applicable on open positions in all futures contracts on a particular Underlying Index.

iii. Position limit for Mutual Funds for stock based derivative contracts

The Mutual Fund position limit in a derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts will be as follows:

The combined futures and options position limit shall be 30% of the applicable Market Wide Position Limit (MWPL).

Exposure Limits:

The exposure limits for trading in derivatives by Mutual Funds specified by clauses 13.18.1 and 13.15 of Master Circular, are as follows:

1. The cumulative gross exposure through equity, debt, derivative positions, other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time shall not exceed 100% of the net assets of the scheme.
2. Mutual Funds shall not write options or purchase instruments with em-bedded written options except as permitted under SEBI circulars from time to time. Currently Mutual Fund schemes **(except Index Funds and ETFs)** may write call options only under a covered call strategy.
3. The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme.
4. Cash or cash equivalents i.e. Government Securities, T-Bills and Repo on Government Securities with residual maturity of less than 91 calendar days may be treated as not creating any exposure.
5. Definition of Exposure in case of Derivative Positions: Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows.

Position	Exposure
Futures (long and short)	Futures Price * Lot Size * Number of Contracts
Option Bought	Option Premium Paid * Lot Size * Number of Contracts
Options Sold	Market price of the underlying * Lot size * Number of contracts
Any other derivative exposure	Notional market value of the contract

B. WHAT ARE THE INVESTMENT RESTRICTIONS?

As per the Regulations, the following investment restrictions are currently applicable to the Scheme:

- The Mutual Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities.

  Provided further that the Mutual Fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by SEBI.

  Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.

- The Mutual Fund shall enter into transactions relating to Government Securities only in dematerialised form.
- The mutual fund shall get the securities purchased or transferred in the name of the mutual fund on account of the Scheme except in respect of such securities as may be specified by SEBI from time to time.
- The mutual fund shall not borrow except to meet temporary liquidity needs for the purpose of repurchase or redemption of units or payment of interest or Income Distribution cum Capital Withdrawal payout to the unitholders or for settlement of trades by equity-oriented index funds and equity-oriented exchange traded funds on account of under execution of sell trades on the stock exchange in the manner as may be specified by the board from time to time.
  The borrowing specified above shall be subject to:
  (a) such borrowing not exceeding twenty per cent of the net assets of the scheme; and
  (b) duration of such borrowing not exceeding a period of six months.

- The mutual fund is permitted to undertake intraday borrowing for addressing timing mismatch between outflows and inflows of a scheme, subject to such conditions as specified by SEBI.
- Save as otherwise expressly provided under SEBI (MF) Regulations, the Mutual Fund shall not advance any loans for any purpose.
- As per SEBI (MF) Regulations, the mutual fund under all its Scheme(s) will not own more than 10% of any company's paid up capital carrying voting rights.

  Provided that the Sponsor of the Fund, its associate or group company including the asset management company of the Fund, through the Scheme(s) of the Fund or otherwise, individually or collectively, directly or indirectly, shall not have 10% or more of the share- holding or voting rights in the asset management company or the trustee company of any other mutual fund.

  Provided further that in the event of a merger, acquisition, scheme of arrangement or any other arrangement involving the sponsors of the mutual funds, shareholders of the asset management companies or trustee companies, their associates or group companies which results in the incidental acquisition of shares, voting rights or representation on the board of the asset management companies or trustee companies beyond the above specified limit, such exposure may be rebalanced within a period of one year of coming into force of such an arrangement.

- The Scheme shall only invest in equity shares or equity related instruments which are listed or to be listed.
- The Scheme shall not make any investment in:
  a) Any unlisted security of an associate or group company of the Sponsor; or

b) Any security issued by way of private placement by an associate or group company of the Sponsor; or
c) The listed securities of group companies of the Sponsors which is in excess of 25% of the net assets of the scheme, except for investments by equity oriented exchange traded funds (ETFs) and Index Funds and subject to such conditions as may be specified by SEBI;
d) any fund of funds Scheme.

- The cumulative gross exposure through all permissible investments viz. equity, debt and derivative positions should not exceed 100% of the net assets of the Scheme except to the extent of deployment of subscription cash flow.

- The Scheme shall not invest in unlisted debt instruments, bespoke or complex debt products, unrated debt and money market instruments (except G-Secs, T-Bills and other money market instruments).

  Further, the Scheme shall comply with provisions of clauses 5.4 and 13.1 of Master Circular regarding investment in Debt and Money Market Instruments, as amended from time to time, to the extent applicable to the Scheme.

- The Scheme may invest in other scheme(s) under the same AMC or any other mutual fund without charging any fees, provided that aggregate inter scheme investment made by all Schemes under the same AMC or in Schemes under the management of any other asset management shall not exceed 5% of the net asset value of the Mutual Fund. Further, the Scheme shall not invest in any fund of funds scheme.

- The Scheme may invest in other scheme(s) under the same AMC or any other mutual fund without charging any fees, provided that aggregate inter scheme investment made by all Schemes under the same AMC or in Schemes under the management of any other asset management shall not exceed 5% of the net asset value of the Mutual Fund. Further, the Scheme shall not invest in any fund of funds scheme.
- Pending deployment of funds of the Scheme in securities in terms of the investment objectives of the Scheme, the Fund may invest the funds of the Scheme in short term deposits of scheduled commercial banks subject to the following guidelines as specified by SEBI.
- "Short Term" for parking of funds shall be treated as a period not exceeding 91 calendar days.
- Short Term deposits shall be held in the name of the Scheme.
- Total investment of the Scheme in short term deposit(s) of all the Scheduled Commercial Banks put together shall not exceed 15% of the net assets. However, this limit can be raised upto 20% of the net assets with prior approval of the Board of Trustees.
- Investments in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
- The Scheme shall not invest more than 10% of the net assets in short term deposit(s) of any one scheduled commercial bank including its subsidiaries.
- The Scheme shall not invest in short term deposit of a bank which has invested in the Scheme. Trustees/AMC shall also take steps to ensure that a bank in which the Scheme has short term deposit does not invest in the Scheme until the Scheme has short term deposit with such bank.
- No investment management and advisory fees will be charged for such investments in the Scheme.

- The aforesaid limits shall not be applicable to term deposits placed as margins for trading in cash market.
- However, period for 'pending deployment' as stated above for the Scheme shall not exceed 7 days.

The AMC/Trustee may alter these above stated restrictions from time to time to the extent the SEBI (MF) Regulations change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments for mutual funds to achieve its respective investment objective. The AMC/Trustee may from time to time alter these restrictions in conformity with the SEBI (MF) Regulations. Further, apart from the investment restrictions prescribed under SEBI (MF) Regulations, the Fund may follow any internal norms vis-à-vis restricting/limiting exposure to a particular scrip or sector, etc.

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

C. FUNDAMENTAL ATTRIBUTES

Following are the Fundamental Attributes of the Scheme, in terms of Clause 1.9 of Master Circular read with Regulation 22 (9) (c) of the SEBI (MF) Regulations:

(i) Type of a Scheme

- An open ended scheme replicating/tracking NIFTY Bank Index (TRI)
- Exchange Traded Fund

(ii) Investment objective

- **Main Objective** - Please refer to section **'Investment Objective'** under **Section I, Part I – Highlights/Summary Of The Scheme**
- **Investment pattern** - Please refer to section '**How will the Scheme Allocate its Assets?'** under **Section I, Part II, Clause A**

(iii) Terms of Issue

(a) **Liquidity provisions such as listing, repurchase, redemption.** For further details, please refer to section **"Other Scheme Specific Disclosures"** under **Section II, Part II, Clause F**

b) **Aggregate Fees and expenses charged to the Scheme**. For further details, please refer to section **"Annual Scheme Recurring Expenses"** under **Section I, Part III, Clause B**

c) **Any safety net or guarantee provided.** This Scheme does not provide any guaranteed or assured return.

Changes in Fundamental Attributes:

In accordance with Regulation 22 (9) (c) of the SEBI (MF) Regulations, read with clause 1.2.2.a, 1.9.2 and 22.10 of Master Circular, the AMC shall ensure that no change in the fundamental attributes of the Scheme and the Plan(s)/Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme and the Plan(s)/ Option(s) thereunder affect the interest of Unit holders is carried out by the AMC unless:

- SEBI has reviewed and provided its comments on the proposal
- A written communication (including digital modes such as email/sms etc.) about the proposed change is sent to each unit holder;
- A notice shall be given in respect of such changes which shall be displayed on the website of the AMC i.e. www.hdfcfund.com; and
- The Unit holders are given an option for a period of atleast 30 calendar days to exit at the prevailing Net Asset Value without any exit Load.

D. INDEX METHODOLOGY

ABOUT THE UNDERLYING INDEX

The NIFTY Bank index is designed to reflect the behaviour and performance of the large and liquid banks. The index comprises of maximum of 12 stocks and base date of the index is January 1, 2000.

Stock Selection Criteria

To be considered for inclusion in Nifty sectoral indices, companies must form part of eligible universe. The eligible universe includes:

- Companies should form part of Nifty 500 at the time of review
- In case of reconstitution of child indices, latest index composition including most recent changes in respective parent index whether announced or yet to be announced shall be considered. Child indices are defined as those indices where constituents are selected from a list of any other index. Example: Nifty Auto would be considered as a child index as constituents of Nifty Auto are selected from a list of Nifty 500 index
- Minimum number of stocks within the index should be 10
- In case, the number of eligible stocks within Nifty 500 falls below 10, then deficit number of stocks shall be selected from the universe of stocks ranked within top 800 based on both average daily turnover and average daily full market capitalisation based on previous six months period data used for index rebalancing of Nifty 500, provided company meets the eligibility criteria of having minimum listing history of 1 calendar month and 90% trading frequency as the data cut-off date
- Further, in case the number of eligible stocks in the universe is still less than 10, then the deficit number of stocks shall be selected from the universe of stocks ranked within top 1000, top 1100, top 1200 and so on, based on both average daily turnover and average daily full market capitalization based on previous six months period data, until at least 10 eligible stocks are obtained, subject to fulfilment of other inclusion criteria. If the number of eligible stocks is still less than 10, then the index may have less than 10 constituents
- Companies should form part of respective sector universe
- In case of NIFTY Bank index, companies that are allowed to trade in F&O segment at NSE are only eligible to be a constituent of the index

Index Reconstitution

- The companies are sorted in the descending order of the average free-float market capitalization (FF market capitalization) and final selection of companies shall be made based on the FF market capitalization to form part of the index
- Companies will be included if free-float market capitalisation is at least 1.5 times the free-float market capitalization of the smallest index constituent in respective index

Index Review frequency

The review of sectoral indices is undertaken semi-annually based on data for six months ending January and July.

Constituent Capping

Weights of each stock in the index will be calculated based on its free-float market capitalization such that no single stock shall be more than 33% and weights of top 3 stocks cumulatively shall not be more than 62% at the time of rebalancing.

Further, on a quarterly basis index will be screened for compliance with the portfolio concentration norms for ETFs / Index Funds announced by SEBI on January 10, 2019.

Portfolio Concentration Norms for Equity ETFs and Index Funds as per SEBI guidelines

In accordance with clause 4.3 of Master Circular, the Index shall comply with the following portfolio concentration norms:

(a) The Index shall have a minimum of 10 stocks as its constituents.

(b) No single stock shall have more than 35% weight in the Index.

(c) The weightage of the top three constituents of the Index, cumulatively shall not be more than 65% of the Index.

(d) The individual constituent of the index shall have a trading frequency greater than or equal to 80% and an average impact cost of 1% or less over previous six months.

The Scheme shall monitor compliance with the aforesaid norms by the Index at the end of every calendar quarter.

Constituents Details as on September 30, 2026:

Sr. No.	Security Name	Weightage	Impact cost
1	HDFC BANK LTD.	18.61%	0.01%
2	ICICI BANK LTD.	14.18%	0.02%
3	KOTAK MAHINDRA BANK LTD.	10.20%	0.02%
4	AXIS BANK LTD.	10.06%	0.02%
5	STATE BANK OF INDIA	9.93%	0.02%
6	FEDERAL BANK LTD.	6.56%	0.02%
7	INDUSIND BANK LTD.	4.97%	0.03%
8	AU SMALL FINANCE BANK LTD.	4.85%	0.04%
9	IDFC FIRST BANK LTD.	4.54%	0.03%
10	BANK OF BARODA	3.59%	0.03%
11	CANARA BANK	3.37%	0.03%
12	PUNJAB NATIONAL BANK	3.27%	0.02%
13	YES BANK LTD.	3.01%	0.04%
14	UNION BANK OF INDIA	2.86%	0.03%

Source: NSE India

E. PRINCIPLES OF INCENTIVE STRUCTURE FOR MARKET MAKERS

Incentives may be provided at the discretion of the AMC to Market Makers, subject to the applicable regulatory provisions.

Pursuant to Clause 4.5.1 of Master Circular, the principles of incentive structure pertaining to Market Makers shall be as mentioned below:

1. Incentives may be provided at the discretion of the AMC to Market Makers, subject to the applicable regulatory provisions.

2. Incentives, if any, to Market Makers shall be charged to the scheme within the maximum permissible limit of TER.
3. Incentive structure may be linked to performance of the Market Makers in terms of generating liquidity in units of ETFs and other relevant factors, based on the data obtained from stock exchanges.

Further, Stock Exchanges may also incentivize the Market Makers through Liquidity Enhancement Schemes (LES) as per the applicable provisions.

F. OTHER SCHEME SPECIFIC DISCLOSURES:

Listing and transfer of units	The Mutual Fund has listed the Units of the Scheme on the Capital Market Segment of the National Stock Exchange of India Limited (NSE) and/or BSE Limited (BSE) within 5 Business Days of allotment. The Units can be purchased/sold during the trading hours like any other publicly traded stock, until the date of suspension of trading by stock exchange(s) where the Scheme is listed. The Mutual Fund may at its sole discretion list the Units of the Scheme on any other recognized Stock Exchange(s) at a later date. The AMC/Trustee reserves the right to delist the Units of the Scheme from a particular stock exchange provided the Units are listed on atleast one stock exchange. The price of the Units in the market will depend on demand and supply at that point of time.
Dematerialization of units	The Units of the Scheme are available only in dematerialized (electronic) form. Investors intending to invest in Units of the ETF will be required to have a beneficiary account with a Depository Participant (DP) of NSDL/CDSL and will be required to mention in the application form DP's Name, DP ID No. and Beneficiary Account No. with the DP at the time of purchasing Units directly from the fund in Creation Unit Size. **The Units of the Scheme will be issued, traded and settled compulsorily in dematerialized (electronic) form.**
IDCW Policy (Dividend)	The Trustee reserves the right to declare IDCW under the IDCW option of the Scheme depending on the availability of distributable surplus under the Scheme. IDCW, if declared, will be paid (subject to deduction of tax at source, if any) to those Unit holders whose names appear in the Register of Unit holders on the record date. In case of Units held in dematerialized mode, the Depositories (NSDL/ CDSL) will give the list of demat account holders and the number of Units held by them in electronic form on the Record date to the Registrars and Transfer Agent of the Mutual Fund who

	shall be eligible to receive the IDCW. Further, the Trustee at its sole discretion may also declare interim IDCW. However, it must be distinctly understood that the actual declaration of IDCW and the frequency thereof will inter-alia, depend on the availability of distributable surplus as computed in accordance with SEBI (MF) Regulations and the decision of the Trustee /AMC in this regard shall be final. There is no assurance or guarantee to Unit holders as to the rate/quantum of IDCW distribution nor that the IDCW will be paid regularly. In order to be a Unit holder, an investor has to be allotted Units against receipt of clear funds by the Scheme. On payment of IDCW, the NAV will stand reduced by the amount of IDCW and Dividend distribution tax /statutory levy (if applicable) paid. The Trustee / AMC reserves the right to change the record date from time to time. **IDCW Distribution Procedure:** In accordance with clause 12.5 of Master Circular, the procedure for IDCW Distribution would be as under: 1. Quantum of Distribution and the record date will be fixed by the Trustee. Amounts so decided shall be paid, subject to availability of distributable surplus. 2. Within one calendar day of decision by the Trustee, the AMC shall issue notice to the public communicating the decision about the Distribution including the record date, in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the head office of the Mutual Fund is situated. 3. The Record Date will be 2 working days from the date of publication in at least one English newspaper or in a newspaper published in the language of the region where the Head Office of the mutual fund is situated, whichever is issued earlier. Record date shall be the date which will be considered for the purpose of determining the eligibility of investors whose names appear on the register of Unit holders maintained by the Mutual Fund/statement of beneficial ownership maintained by the Depositories, as applicable, for receiving IDCW. 4. The notice will, in font size 10, bold, categorically state that pursuant to payment of IDCW, the NAV of the Scheme would fall to the extent of payout and statutory levy (if applicable). 5. The NAV will be adjusted to the extent of IDCW Distribution and statutory levy, if any, at the close of business hours on record date.

	6. Before the issue of such notice, no communication indicating the probable date of IDCW declaration in any manner whatsoever, will be issued by Mutual Fund. The requirement of giving notice shall not be applicable for IDCW Options having frequency upto one month.
Allotment	All Applicants whose monies towards purchase of Units have been realised by the Fund will receive a full and firm allotment of Units in their demat account, provided also the applications are complete in all respects and are found to be in order. Any application for subscription of units may be rejected if found invalid, incomplete or due to unavailability of underlying securities, etc. **Dematerialization** The Units of the Scheme will be available in dematerialized (electronic) form. The investor intending to invest in Units of the Scheme will be required to have a beneficiary account with a Depository Participant (DP) of the NSDL/CDSL and will be required to mention in the application form DP's Name, DP ID No. and Beneficiary Account No. with the DP at the time of purchasing Units directly from the Fund. The Units allotted will be credited to the Demat account of the Unit holder as per the details provided in the application form. Units held in demat form are freely transferable subject to applicable laws. **The Units of the Scheme will be issued, traded and settled compulsorily in dematerialized (electronic) form.** The statement of holding of the Unitholder i.e. beneficiary account holder will be sent by the respective DPs/ Depositories periodically, as per applicable rules. All Units will rank pari passu, among Units within the same Option in the Scheme concerned as to assets and liabilities, earnings and the receipt of IDCW, if any, as may be declared by the Trustee. Note: For the purpose of allotment of units/refund of monies under NFO the term "working days" shall include Business Days but shall not include Holidays. For details, refer **Point VI. "Liquidity" and Point XII. Minimum Application amount** under Section I, Part I titled **"Highlights".** For Procedures, refer Para titled **"HOW HDFC NIFTY Bank ETF (the ETF) WORKS"** in Section I, Part II (A) of this SID.
Who can invest	The following persons (i.e. an indicative list of persons) are eligible and may apply for subscription to the Units of the Scheme

This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.	provided they are not prohibited by any law/Constitutive documents governing them: 1. Resident adult individuals either singly or jointly (not exceeding three) or on an Anyone or Survivor basis; 2. Karta of Hindu Undivided Family (HUF); 3. Minor (as the first and the sole holder only) through a natural guardian (i.e. father or mother, as the case may be) or a court appointed legal guardian. There shall not be any joint holding in a minor's folio. Payment for investment shall be accepted from the bank account of the minor, parent or legal guardian of the minor or from a joint account of the minor with the parent or legal guardian. 4. Partnership Firms & Limited Liability Partnerships (LLPs); 5. Companies, Bodies Corporate, Public Sector Undertakings, Association of Persons or bodies of individuals and societies registered under the Societies Registration Act, 1860, Co-Operative Societies registered under the Co-Operative Societies Act, 1912, One Person Company; 6. Banks & Financial Institutions; 7. Mutual Funds/Alternative Investment Funds registered with SEBI; 8. Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) and Private trusts authorised to invest in mutual fund schemes under their trust deeds; 9. Non-resident Indians (NRIs)/Persons of Indian Origin residing abroad (PIO)/Overseas Citizen of India (OCI) on repatriation basis or on non-repatriation basis; 10. Foreign Portfolio Investors (FPI) registered with SEBI in accordance with applicable laws; 11. Army, Air Force, Navy and other paramilitary units and bodies created by such institutions; 12. Council of Scientific and Industrial Research, India; 13. Multilateral Financial Institutions/Bilateral Development Corporation Agencies/Bodies Corporate incorporated outside India with the permission of Government of India/Reserve Bank of India; 14. Other Schemes of HDFC Mutual Fund subject to the conditions and limits prescribed by SEBI (MF) Regulations;

	15. Trustee, AMC, Sponsor and their associates may subscribe to Units under the Scheme; 16. Such other category of investors as may be decided by the AMC/Trustee from time to time provided their investment is in conformity with the applicable laws and SEBI (MF) Regulations. **Note:** 1. Non-Resident Indians (NRIs), Persons of Indian Origin (PIOs) residing abroad residing abroad, Overseas Citizens of India (OCIs), and Foreign Portfolio Investors (FPIs) are permitted under the Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Non Debt Instruments) Rules, 2019 to invest in and redeem units of mutual funds in India, subject to conditions set out in the aforesaid regulations. 2. In case of application(s) made by Individual Investors under a Power of Attorney, the original Power of Attorney or a certified true copy duly notarised should be submitted. In case of applications made by Non-Individual Investors, the authorized signatories/officials of Non-Individual investors should sign the application under their official designation and as per the authority granted to them under their Constitutive Documents/Board resolutions, etc. A list of specimen signatures of the authorized officials, duly certified/attested should also be attached to the Application Form. The Fund/AMC/Trustees shall deem that the investments made by the Investors are not prohibited by any law/Constitutive documents governing them and they possess the necessary authority to invest/transact. 3. Investors desiring to invest/transact in mutual fund schemes are required to mandatorily furnish PAN (PAN of the guardian in case minor does not have a PAN) and comply with the KYC norms applicable from time to time. Under the KYC norms, Investors are required to provide prescribed documents for establishing their identity and address including in case of non-individuals copy of the Memorandum and Articles of Association/bye-laws/trust deed/partnership deed/Certificate of Registration along with the proof of authorization to invest, as applicable, to the KYC Registration Agency (KRA) registered with SEBI. The Fund/AMC/Trustees/other intermediaries will rely on the declarations/affirmations provided by the Investor(s) in the Application/Transaction Form(s) and the documents furnished to the KRA that the Investor(s) is permitted/authorised by the Constitution

	document/their Board of Directors etc. to make the investment/transact. Further, the Investor shall be liable to indemnify the Fund/AMC/Trustee/other intermediaries in case of any dispute regarding the eligibility, validity and authorization of the transactions and/or the applicant who has applied on behalf of the Investors. The Fund/AMC/Trustee reserves the right to call for such other information and documents as may be required by it in connection with the investments made by the investor. Where the Units are held by a Unit holder in breach of any Regulations, AMC/the Fund may effect compulsory redemption of such units. 4. Returned cheques may not be presented again for collection, and the accompanying application forms are liable to be rejected by the AMC. In case the returned cheques are presented again, the necessary charges are liable to be debited to the investor. 5. The Trustee reserves the right to recover from an investor any loss caused to the Scheme on account of dishonour of cheques issued by the investor for purchase of Units of this Scheme. 6. Subject to the SEBI (MF) Regulations, the Trustee may inter-alia reject any application for the purchase of Units if the application is invalid or incomplete or non-permissible under law or if the AMC/ Trustee for any other reason to believe that it would not be in the best interest of the Scheme or its Unitholders to accept such an application.
Who cannot invest	The persons/entities as specified under section **"Who Can Invest?"** shall not be eligible to invest in the Scheme, if such persons/entities are: 1. United States Person (U.S. person*) as defined under the extant laws of the United States of America, except the following: a. NRIs/PIOs may invest/transact, in the Scheme, when present in India, as lump sum subscription, redemption and/or switch transaction, including registration of systematic transactions (if permitted under the schemes) only through physical form and upon submission of such additional documents/undertakings, etc., as may be stipulated by AMC/Trustee from time to time and subject to compliance with all applicable laws and regulations prior to investing in the Scheme. b. FPIs may invest in the Scheme as lump sum subscription and/or switch transaction (other than systematic transactions) through submission of physical form in India, subject to

	compliance with all applicable laws and regulations and the terms, conditions, and documentation requirements stipulated by the AMC/Trustee from time to time, prior to investing in the Scheme. The Trustee/AMC reserves the right to put the transaction requests received from such U.S. person on hold/reject the transaction request/redeem the units, if allotted, as the case may be, as and when identified by the AMC that the same is not in compliance with the applicable laws and/or the terms and conditions stipulated by Trustee/AMC from time to time. Such redemptions will be subject to applicable taxes and exit load, if any. The physical application form(s) for transactions (in non-demat mode) from such U.S. person will be accepted ONLY at the Investor Service Centres (ISCs) of HDFC Asset Management Company Limited (HDFC AMC). Additionally, such transactions in physical application form(s) will also be accepted through Distributors and other platforms subject to receipt of such additional documents/undertakings, etc., as may be stipulated by AMC/Trustee from time to time from the Distributors/Investors. 2. Residents of Canada; 3. Investor residing in any Financial Action Task Force (FATF) designated High Risk jurisdiction. *The term "U.S. person" means any person that is a U.S. person within the meaning of Regulations under the Securities Act of 1933 of U.S. or as defined by the U.S. Commodity Futures Trading Commission or as per such further amended definitions, interpretations, legislations, rules etc, as may be in force from time to time.
How to Apply and other details	The Applications Forms duly signed by the Market Makers/Large Investors should be submitted at the ISCs (AMC branches) whose addresses are available on the website of the AMC i.e. www.hdfcfund.com. For further details, please refer to the SAI and Application form available on the website for the instructions. Refer back cover page for contact details of Registrar and Transfer Agent (CAMS). It is mandatory for investors to mention bank account numbers in their applications/requests for redemption.
The policy regarding reissue of repurchased units, including the maximum extent, the	All units can be reissued without any limit by the Scheme.

manner of reissue, the entity (the scheme or the AMC) involved in the same.	
Restrictions, if any, on the right to freely retain or dispose of units being offered.	**RIGHT TO RESTRICT REDEMPTION AND/OR SUSPEND REDEMPTION OF THE UNITS:** (as per clause 1.12 of Master Circular): The Fund at its sole discretion reserves the right to restrict Redemption (including switch- out) of the Units (including Plan/Option) of the Scheme of the Fund upon occurrence of the below mentioned events for a period not exceeding ten (10) working days in any ninety (90) days period subject to approval of the Board of Directors of the AMC and the Trustee. The restriction on Redemption (including switch-out) shall be applicable where the Redemption (including switch-out) request is for a value above Rs. 2,00,000/- (Rupees Two Lakhs). Further, no restriction shall be applicable to the Redemption/switch-out request upto Rs. 2,00,000/- (Rupees Two Lakhs). It is further clarified that, in case of redemption request beyond Rs. 2,00,000/- (Rupees Two Lakhs), no restriction shall be applicable on first Rs. 2,00,000/- (Rupees Two Lakhs). The Trustee/AMC reserves the right to restrict Redemption or suspend Redemption of the Units in the Scheme of the Fund on account of circumstances leading to a systemic crisis or event(s) that severely constrict market liquidity or the efficient functioning of the markets. A list of such circumstances under which the restriction on Redemption or suspension of Redemption of the Units in the Scheme of the Fund may be imposed are as follows: 1. Liquidity issues- when market at large becomes illiquid affecting almost all securities rather than any issuer specific security; or 2. Market failures/exchange closures; or 3. Operational issues; or 4. If so directed by SEBI. It is clarified that since the occurrence of the abovementioned eventualities have the ability to impact the overall market and liquidity situation, the same may result in exceptionally large number of Redemption requests being made and in such a situation the indicative timelines, if any mentioned by the Fund in the scheme offering documents, for processing of requests for Redemption may not be applicable.

	Any restriction on Redemption or suspension of Redemption of the Units in the Scheme(s) of the Mutual Fund shall be made applicable only after specific approval of the Board of Directors of the AMC and Trustee Company and thereafter, immediately informing the same to SEBI. The AMC/Trustee reserves the right to change/modify the provisions of right to restrict Redemption and/or suspend Redemption of the Units in the Scheme of the Fund.
Cut off timing for subscriptions/ redemptions/ switches This is the time before which your application (complete in all respects) should reach the official points of acceptance.	**In case of Purchase/Redemption directly with Mutual Fund (By Market Makers and Large Investors):** The provisions for Cut-off timings for NAV applicability will not be applicable for direct transaction with the Fund. **In case of Redemption directly with the Mutual Fund during Liquidity Window:** The Cut-off time for receipt of valid application for Redemptions directly with the Fund during Liquidity Window is 3.00 p.m. Valid applications received by the fund upto the cut-off time will be processed on the basis of the closing NAV of the day of receipt of request and for valid applications received after cut-off time, the closing NAV of the next Business Day shall be applicable. **Settlement of Purchase/Sale of Units of the Scheme on NSE/BSE** Buying/Selling of Units of the Scheme on NSE/BSE is just like buying/selling any other normal listed security. If an investor has bought Units, an investor has to pay the purchase amount to the broker/sub-broker such that the amount paid is realised before the funds pay-in day of the settlement cycle on the Stock Exchange(s). If an investor has sold Units, an investor has to deliver the Units to the broker/sub-broker before the securities pay-in day of the settlement cycle on the Stock Exchange(s). The Units (in the case of Units bought) and the funds (in the case of Units sold) are paid out to the broker on the pay-out day of the settlement cycle on the Stock Exchange(s). The Stock Exchange(s) regulations stipulate that the trading member should pay the money or Units to the investor within 24 hours of the pay-out. If an investor has bought Units, he should give standing instructions for 'Delivery-In' to his/her/its DP for accepting Units in his/her/its beneficiary account. An investor should give the details of his/her beneficiary account and the DP-ID of his/her/its DP to his/her/its trading member. The trading member will transfer the

<table>
<tr>
<td></td>
<td>Units directly to his/her/its beneficiary account on receipt of the same from NSE's/BSE's Clearing Corporation.

An investor who has sold Units should instruct his/her/its Depository Participant (DP) to give 'Delivery Out' instructions to transfer the Units from his/her/its beneficiary account to the Pool Account of his/her/its trading member through whom he/she/it have sold the Units. The details of the Pool A/C (CM-BP-ID) of his/her trading member to which the Units are to be transferred, Unit quantity etc. should be mentioned in the Delivery Out instructions given by him/her to the DP. The instructions should be given well before the prescribed securities pay-in day. SEBI has advised that the Delivery Out instructions should be given at least 24 hours prior to the cut-off time for the prescribed securities pay-in to avoid any rejection of instructions due to data entry errors, network problems, etc.

Rolling Settlement

The pay-in and pay-out timelines for funds and securities are prescribed as per the Settlement Cycle. The Pay-in and Pay-out of funds and the Units will take place within 1 working day after the trading date. A typical Settlement Cycle of Rolling Settlement is given below:

Day Activity
<table>
<tr><td>T</td><td>The day on which the transaction is executed by a trading member</td></tr>
<tr><td>T + 1</td><td>Confirmation of all trades including custodial trades by 7.30 a.m.</td></tr>
<tr><td>T + 1</td><td>Processing and downloading of obligation files to brokers/custodians by
1.00 p.m.</td></tr>
<tr><td>T + 1</td><td>Pay-in of funds and securities by 10:50 am for Funds & 10:30 am for Securities</td></tr>
<tr><td>T + 1</td><td>Pay out of funds and securities by 3 pm / as and when received from exchange</td></tr>
</table>

While calculating the days from the Trading day (Day T), weekend days (i.e. Saturday and Sundays) and bank holidays are not taken into consideration.

The AMC has the right to amend cut off timings subject to SEBI (MF) Regulations for the smooth and efficient functioning of the Scheme.</td>
</tr>
<tr>
<td>Minimum amount for purchase/redemption/switches/ subscription/redemption with AMC.</td>
<td>ON THE EXCHANGE

Investors can subscribe (buy) and redeem (sell) Units on a continuous basis on the NSE/BSE on which the Units are listed. Subscriptions made through Stock Exchanges will be made by specifying the number of Units to be subscribed and not the</td>
</tr>
</table>

	amount to be invested. On the Stock Exchange(s), the Units of the ETF can be purchased/sold in minimum lot of 1 (one) Unit and in multiples thereof. **DIRECTLY FROM THE FUND** **Market Makers/Large Investors:** For details refer 'Highlights / Summary of the Scheme'. The Fund creates/redeems Units of the ETF in large size known as "Creation Unit Size". Each "Creation Unit" consists of 12,500 Units of the ETF. The value of the "Creation Unit" is the "Portfolio Deposit" and a "Cash Component" which will be exchanged for 12,500 Units of the ETF and/or subscribed in cash equal to the value of said predefined units of the Scheme. The Portfolio Deposit and Cash Component for the Scheme may change from time to time due to change in NAV. The subscription/redemption of Units of the ETF in Creation Unit Size will be allowed both by means of exchange of Portfolio Deposit and by Cash (i.e. payments shall be made only by means of payment instruction of Real Time Gross Settlement (RTGS)/National Electronic Funds Transfer (NEFT) or Funds Transfer Letter/Transfer Cheque of a bank where the Scheme has a collection account) (for Market Makers and Large Investors). The Fund may from time to time change the size of the Creation Unit in order to equate it with marketable lots of the underlying instruments.
Accounts Statements	The AMC will credit the units to the beneficiary account of the unitholder within five working days from date of receipt of valid application. Note: The term "working days" here shall include Business Days but shall not include Holidays. As the units of the Scheme will be issued, traded and settled compulsorily in dematerialized (electronic) form, the statement of holding of the Unitholder i.e. beneficiary account holder will be sent by the respective DPs/Depositories periodically, as per applicable rules. For further details, refer SAI.
IDCW (Dividend)	The payment of dividend/IDCW to the unitholders shall be made within seven working days from the record date or such other timeline as may be specified by SEBI/ AMFI from time to time.
Redemption	The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase or such other timelines as may be

	specified by SEBI / AMFI from time to time in case of exceptional circumstances or otherwise. For details refer para 15.3.3 of Master Circular.
Bank Mandate	**BANK DETAILS FOR ETFs** In order to protect the interest of Unit holders from fraudulent encashment of redemption/dividend cheques, SEBI has made it mandatory for investors to provide their bank details viz. name of bank, branch, address, account type and number, etc. to the Mutual Fund. If an investor has a folio generated by the AMC (even for units held in demat mode), the redemption proceeds shall be credited to the bank account registered in the folio of the investor. Otherwise, the redemption proceeds shall be credited to the bank account linked to his demat account. Hence, investors should ensure to furnish those Bank Account details in the application form. The bank account registered in the folio of a minor should be that of the minor or should be a joint account of the minor with the guardian. Applications without complete bank details shall be rejected. The AMC will not be responsible for any loss arising out of fraudulent encashment of cheques/warrants and/or any delay/loss in transit. **Change in Bank Account for ETFs:** a) **For investors other than Market Makers and Large Investors transacting directly with the Fund**: The procedure for change in bank details would be as determined by the depository participant. b) **For Market Makers and Large Investors transacting directly with the Fund**: These Unit holders may change their bank details registered with the Mutual Fund by submitting either a standalone separate 'Change of Bank Details Form' or a 'Multiple Bank Account Registration Form' at ISCs (AMC branches).
Delay in payment of redemption /repurchase proceeds/IDCW (Dividend)	The AMC shall be liable to pay interest to the Unit holders at 15% or such other rate as may be prescribed by SEBI from time to time, in case the redemption/ repurchase/ IDCW proceeds are not transferred within the prescribed timeline. However, the AMC will not be liable to pay any interest or compensation or any amount otherwise, in case the AMC / Trustee is required to obtain from the investor / unit holders verification of identity or such other details relating to subscription for Units under any applicable law or as may be required by a regulatory body or any government authority, which results in delay in processing the application.
Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount	The unclaimed Redemption and IDCW amounts (the funds) are currently deployed by the Mutual Fund only in TREPS. However, the same may be deployed in other permissible instruments such as call money market or money market instruments or in a separate plan specifically launched under Overnight/Liquid/

	Money Market Mutual Fund schemes to deploy unclaimed Redemption and IDCW amounts. Investors who claim the unclaimed amounts during a period of three years from the due date shall be paid initial unclaimed amount along-with the income earned on its deployment. Investors, who claim these amounts after 3 years, shall be paid initial unclaimed amount along-with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for the purpose of investor education. The AMC will make a continuous effort to remind the investors through letters to take their unclaimed amounts. The details of such unclaimed redemption/IDCW amounts are made available to investors upon them providing proper credentials, on website of the Mutual Fund and AMFI along with the information on the process of claiming the unclaimed amount and the necessary forms/documents required for the same. Further, the information on unclaimed amount along-with its prevailing value (based on income earned on deployment of such unclaimed amount), will be separately disclosed to investors through the periodic statement of accounts/Consolidated Account Statement sent to the investors. Further, the investment management fee charged by the AMC for managing the said unclaimed amounts shall not exceed 50 basis points.
Disclosure with respect to investment by minors	Investments in the name of minors shall be permitted only from bank account of the minor, parent or legal guardian of the minor or from a joint account of the minor with the parent or legal guardian. However, the redemption/ Income Distribution cum Capital Withdrawal (IDCW) proceeds for investments held in the name of Minor shall continue to be transferred to the verified bank account of the minor (i.e. of the minor or joint account of minor with parent/ legal guardian) only. Therefore, investors must ensure to update the folios with minor's bank account details as the 'Pay-out Bank account' by providing necessary documents before tendering redemption requests / for receiving IDCW distributions. **MINOR ATTAINING MAJOR STATUS** The Mutual Fund/AMC will register SIP/STP/SWAP (SWP)/or any other systematic enrollment in the folio held by a minor only till the date of the minor attaining majority, even though the instructions may be for a period beyond that date. Such enrollments will automatically stand terminated upon the Unit Holder attaining 18 years of age. For folios where the units are held on behalf of the minor, the account shall be frozen for operation by the guardian on the day the minor attains majority and no transactions shall be permitted

	till the requisite documents for changing the status of the account from 'minor' to 'major' are submitted.

III. OTHER DETAILS

A. PERIODIC DISCLOSURES

Sr. No	Name of the Disclosure	Frequency	Timelines	Disclosed on	Link
1.	Half Yearly Results (Unaudited)	Half yearly	within one month from the close of each half year i.e. on 31st March and on 30th September.	AMC website AMFI website	https://www.hdfcfund.com/statutory-disclosure/scheme-financials https://www.amfiindia.com/otherdata/accounts
2.	Annual Report	Annually	not later than four months from the date of closure of the relevant account's year (i.e. 31st March each year).	AMC website AMFI website	https://www.hdfcfund.com/statutory-disclosure/annual-reports https://www.amfiindia.com/otherdata/accounts
3.	Daily Performance Disclosure (after scheme completes six months of existence)	Daily	-	AMFI website	https://www.amfiindia.com/otherdata/fund-performance
4.	Portfolio Disclosure	Monthly	within 10 days from the close of each month	AMC website AMFI website	https://www.hdfcfund.com/statutory-disclosure/portfolio/monthly-portfolio https://www.amfiindia.com/online-center/portfolio-disclosure
5.	Monthly Average Asset under Management (Monthly AAUM) Disclosure	Monthly	within 7 working days from the end of the month.	AMC website	https://www.hdfcfund.com/statutory-disclosure/aum

Sr. No	Name of the Disclosure	Frequency	Timelines	Disclosed on	Link
6.	Scheme and Benchmark Riskometer	Monthly	within 10 days from the close of each month.	AMC website AMFI website	https://www.hdfcfund.com/statutory-disclosure/portfolio https://www.amfiindia.com/online-center/risk-o-meter
7	Tracking Error	Daily	Daily basis	AMC website AMFI website	https://www.hdfcfund.com/statutory-disclosure/tracking-error https://www.amfiindia.com/research-information/other-data/tracking_errordata
8	Tracking Difference (Upon completion of 1 year of the Scheme, tracking difference shall be disclosed on the website of the AMC and AMFI, on a monthly basis)	Monthly	within 10 days from the close of each month.	AMC website AMFI website	https://www.hdfcfund.com/statutory-disclosure/tracking-error https://www.amfiindia.com/otherdata/tracking-error
9	Change in constituents of the index, if any	As and when it is changed	Immediately	AMC website	Refer respective product pages on our website i.e. www.hdfcfund.com

Sr. No	Name of the Disclosure	Frequency	Timelines	Disclosed on	Link
10	For Debt and Equity ETFs / Index Funds • Name and exposure to top 7 issuers and stocks respectively as a percentage of NAV of the scheme • Name and exposure to top 7 groups as a percentage of NAV of the scheme. • Name and exposure to top 4 sectors as a percentage of NAV of the scheme.	Monthly basis	-	Monthly factsheet or in Monthly Portfolio – AMC website	Fund Factsheets – NAV & Portfolio Details | HDFC Mutual Fund https://www.hdfcfund.com/statutory-disclosure/portfolio https://www.hdfcfund.com/statutory-disclosure/disclosure-of-issuerwise-groupwise-sectorwise-exposure-for-etf-index-funds
11	Scheme Summary Documents	Monthly	within 15 days from the close of each month or on changes in any of the specified fields, whichever is earlier.	AMC website AMFI website BSE website NSE website	https://www.hdfcfund.com/investor-services/fund-documents/scheme-summary https://www.amfiindia.com/otherdata/scheme-details https://www.bseindia.com/Static/Markets/MutualFunds/listOfAmc.aspx https://www.nseindia.com
12	Investor Charter	-	As and when updated	AMC website	Investor Charter

B. TRANSPARENCY/NAV DISCLOSURE

Net Asset Value This is the value per unit of the scheme on a particular day. You can ascertain the value of	The NAVs will be calculated and disclosed at the close of every Business Day in the following manner: (i) Displayed on the website of the Mutual Fund (www.hdfcfund.com)

your investments by multiplying the NAV with your unit balance.	(ii) Displayed on the website of Association of Mutual Funds in India (AMFI) (www.amfiindia.com). (iii) Any other manner as may be specified by SEBI from time to time. The same shall also be communicated to the Stock Exchange(s), where the units are listed. AMC shall update the NAVs on the website of the Fund and AMFI by 11.00 p.m. every Business day. In case of any delay in uploading on AMFI website, the reasons for such delay would be explained to AMFI and SEBI in writing. If the NAVs are not available before commencement of business hours on the following day due to any reason, Mutual Fund shall issue a press release providing reasons and explaining when the Mutual Fund would be able to publish the NAVs. Mutual Fund/AMC will provide facility of sending latest available NAVs to unitholders through SMS, upon receiving a specific request in this regard.
Indicative NAV (iNAV)	Indicative NAV (iNAV) is the per unit NAV based on the current market value of Scheme's portfolio during the trading hours of the ETF. iNAVs shall be disclosed on Stock Exchange (s), where the units of the ETF are listed, on continuous basis during the trading hours and updated within a maximum time lag of 15 seconds from underlying market. iNAV will not have any bearing on the creation or redemption of units directly with the Fund by the Market Makers/Large Investors.

C. TRANSACTION CHARGES AND STAMP DUTY

Transaction Charges	No transaction charges shall be deducted from the subscription amount for transactions /applications received through the distributors (i.e. in Regular Plan).
Stamp Duty on Allotment/Transfer of Units	Mutual fund units issued against Purchase transactions (whether through lump-sum investments or SIP or STP or switch-ins or reinvestment under IDCW Option) would be subject to levy of stamp duty @ 0.005% of the amount invested. Transfer of mutual fund units (such as transfers between demat accounts) are subject to payment of stamp duty @ 0.015%. Stamp duty is charged pursuant to Notification No. S.O. 4419(E) dated December 10, 2019 issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019, and subsequent Notification dated March 30, 2020 issued by Department of Revenue, Ministry of Finance, Government of India. The rate and levy of stamp duty may vary as amended from time to time. For further details, refer SAI.

D. ASSOCIATE TRANSACTIONS - Please refer to Statement of Additional Information (SAI)

E. TAXATION

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

Equity oriented Funds[$]

Tax implications on distributed income by Mutual Funds**^^**:

Particulars	**Resident Investors**	**Non-Resident Investors**	**Mutual Fund***
Dividend:			
TDS rate	10% (if dividend income exceeds INR 10,000 in a financial year)	20% + applicable Surcharge + Cess	Nil
Tax rates[1]	**Individual / HUF:** Applicable Slab rates **Domestic Company**: 30% / 25%[2] / 22%[2] / 15%[2]	20%	Nil
Capital Gains[1 2]:			
Long Term (period of holding more than 12 months)	12.5% without indexation	12.5% without indexation and without foreign currency fluctuation benefits	Nil
Short Term (period of holding less than or equal to 12 months)	20%	20%	Nil

Notes:

[$] Equity oriented fund means:

a) a fund in which minimum 65% of total proceeds is invested in listed equity shares of domestic companies or

b) in a case where the fund invests in the units of another listed fund:
   - minimum 90% of total proceeds is invested in the units of such other fund; and
   - such other fund also invests minimum 90% of total proceeds in listed equity shares of domestic companies.

*The levy of tax on distributed income payable by Mutual Funds has been abolished w.e.f. April 1, 2020, and instead tax on income from mutual fund units in the hands of the unit holders at their applicable slab rates has been adopted.

[1]Tax rate to be increased by applicable surcharge and health and education cess at 4% on aggregate of base tax and surcharge.

[2]Subject to conditions as per the provisions of the Income-tax Act, 2025 (erstwhile Income-tax Act, 1961).

^^ The information set out is neither a complete disclosure of every material fact of the Income-tax Act, 2025 (erstwhile Income-tax Act, 1961) nor does it constitute tax or legal advice. Investors should be aware that the fiscal rules/ tax laws may change and there can be no guarantee that the current tax position may continue indefinitely. The information/ data herein alone is not sufficient and shouldn't be used or should not be construed as any advice. In view of the individual nature of tax implications, investors should make his/her/their own investigation and/or are advised to consult their professional tax advisor. For further details on taxation, please refer to the Section on Taxation on investing in Mutual Funds in Statement of Additional Information {SAI}.

F. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

G. LIST OF OFFICIAL POINTS OF ACCEPTANCE:

AMC offices - https://www.hdfcfund.com/contact-us/visit-us

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

Visit: https://www.hdfcfund.com/statutory-disclosure/offer-document-disclosures

Notes:

1. Any amendments / replacement / re-enactment of SEBI (MF) Regulations subsequent to the date of the Scheme Information Document shall prevail over those specified in this Scheme Information Document.
2. The Scheme under this Scheme Information Document was approved by the Trustee vide its resolution dated July 27, 2015. It is ensured by the Trustee that the Scheme has received in-principle approvals for listing on November 8, 2019 from NSE and on November 7, 2019 from BSE and that the appropriate disclosures pertaining to listing of Units are made in this Scheme Information Document.
3. The Scheme Information Document is an updated version of the same in line with the current laws/ regulations and other developments.
4. **Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 2026 and circulars and the guidelines there under shall be applicable.**

	For and on behalf of the Board of Directors of **HDFC Asset Management Company Limited**
Place: Mumbai Date: November 25, 2026	**NAVNEET MUNOT** Managing Director and Chief Executive Officer

DETAILS OF OFFICIAL POINTS OF ACCEPTANCE (OPA) FOR HDFC MUTUAL FUND TRANSACTIONS AT AMC OFFICES

Offices of AMC (excluding Business Centres) i.e. Investor Service Centres (ISCs) shall act as the OPAs to accept transactions in ETF schemes of HDFC Mutual Fund.

For their addresses, visit: https://www.hdfcfund.com/contact-us/visit-us

OFFICIAL POINT OF ACCEPTANCE FOR TRANSACTIONS IN ELECTRONIC FORM

The servers including email servers (maintained at various locations) of AMC and CAMS or any other service provider/transaction platform with whom the AMC has tied up for this purpose will be the official point of acceptance for all such online / electronic transactions. For the purpose of determining the applicability of NAV, the time when the request for purchase / sale / switch of units is received in the servers of AMC/ RTA or such other service provider/ transaction platform, shall be considered.



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Registered Office:

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165-166, Backbay Reclamation, Churchgate, Mumbai - 400 020
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e-mail for Investors: hello@hdfcfund.com
e-mail for Distributors: partners@hdfcfund.com

website: www.hdfcfund.com

Registrar and Transfer Agent - Computer Age Management Services Limited (CAMS)

(Unit: HDFC Mutual Fund)

Rayala Towers, 6th Floor, Tower 1,

158, Anna Salai, Chennai - 600002.

Telephone No: 044-30212816

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