

## SCHEME INFORMATION DOCUMENT

### SECTION I

#### MIRAE ASSET GOLD ETF

(NSE Symbol: GOLDETF, BSE Scrip Code: 543781)

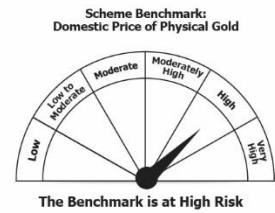
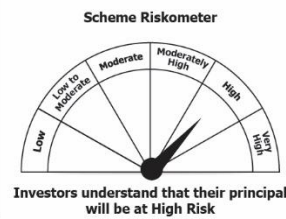
An open-ended scheme replicating/tracking Domestic Price of Gold

#### PRODUCT LABELLING

Mirae Asset Gold ETF is suitable for investors who are seeking\*

- Returns in-line with physical gold over medium to long-term, subject to tracking errors.
- Investments in physical gold of 99.5% purity (fineness)

\*Investors should consult their financial advisors if they are not clear about the suitability of the product.



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 can directly subscribe to / redeem units of the Scheme on all Business Days with the Fund in 'Creation Unit Size' at NAV based prices on an ongoing basis. Large Investors can transact directly with the Fund for an amount greater than INR 25 crores.

**Name of Mutual Fund: Mirae Asset Mutual Fund**

**Name of Asset Management Company: Mirae Asset Investment Managers (India) Private Limited**

**CIN: U65990MH2019PTC324625**

**Name of Trustee Company: Mirae Asset Trustee Company Private Limited**

**CIN: U65191MH2007FTC170231**

#### **Registered & Corporate Office:**

Unit No.606, Windsor Building, Off. C.S.T Road, Kalina, Santacruz (East), Mumbai – 400098

**Tel. No.:** 022-678 00 300 **Fax No.:** 022- 6725 3940 - 47

**Website:** [www.miraeassetmf.co.in](http://www.miraeassetmf.co.in) **E-mail:** [miraeasset@miraeassetmf.co.in](mailto:miraeasset@miraeassetmf.co.in)

The particulars of the Scheme have been prepared in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 (hereinafter referred to as SEBI (MF) Regulations) as amended till date and filed with SEBI, along with Due Diligence Certificate from the Asset Management Company. 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 **MIRAE ASSET GOLD ETF** that a prospective investor ought to know before investing. The investor should also ascertain about any further changes to this SID after the date of this Document from the Mutual Fund/ Investor Service Centers/ Website/ Distributors or Brokers.

**The Investors are advised to refer to the Statement of Additional Information (SAI) for details of Mirae Asset Mutual Fund, standard risk factors, special considerations, tax and legal issues and general information on [www.miraeassetmf.co.in](http://www.miraeassetmf.co.in)**

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

**The SID (section I & II) should be read in conjunction with SAI and not in isolation.**

This SID is dated June 29, 2024

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**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/5497 dated October 13, 2022 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 Sponsors, its management or any scheme of the Mutual Fund.

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

**DISCLAIMER OF BSE:**

“BSE Ltd. (“the Exchange”) has given vide its letter no. LO/IPO/AH/MF/IP/265/2022-23 dated October 13, 2022 permission 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. 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 this 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.

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

<b>Sr. No.</b>	<b>Title</b>	<b>Description</b>
I.	<b>Name of the scheme</b>	Mirae Asset Gold ETF
II.	<b>Category of the Scheme</b>	Other Schemes - Exchange Traded Fund (ETF)
III.	<b>Scheme type</b>	An open-ended scheme replicating/tracking Domestic Price of Gold
IV.	<b>Scheme code</b>	MIRA/O/O/GET/23/01/0045
V.	<b>Investment objective</b>	To generate returns that are in line with the performance of physical gold in domestic prices, subject to tracking error. The Scheme does not guarantee or assure any returns. There is no assurance that the investment objective of the Scheme will be achieved.
VI.	<b>Liquidity/listing details</b>	<p>The Units of the ETF are listed on the Capital Market Segment of the National Stock Exchange of India Ltd (NSE) /BSE Limited (BSE) and/or any other recognised stock exchanges as may be decided by the AMC from time to time. All investors including Market Makers and Large Investors can subscribe (buy) / redeem (sell) Units of the Scheme 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 Units of the Scheme may be bought or sold on all trading days at prevailing listed price on such Stock Exchange(s). Alternatively, the Market Makers may subscribe to and/or redeem the units of the Scheme with the Mutual Fund on any business day at approximately indicative NAV based prices (along with applicable charges and execution variations) for applications directly received at AMC, provided the units offered for subscription and/or redemption are not less than Creation Unit size &amp; in multiples thereof. Large investors can subscribe/redeem directly with the AMC for an amount greater than 25 crores. The price of Units of the Scheme 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.</p> <p>In addition, Market Makers can directly subscribe to/ redeem Units of the Scheme on all Business Days with the Fund in 'Creation Unit Size' and Large investors can subscribe to/ redeem Units of the Scheme for an amount greater than 25 crores on all Business Days on an ongoing basis.</p> <p>The AMC will appoint atleast two Market Maker(s) to provide for the liquidity in secondary market on an ongoing basis. The Market</p>

	<p>Maker(s) would offer two-way quotes (buy and sell quotes) in the secondary market for ensuring liquidity in the Units of the Scheme.</p> <p>The list of Market Makers will be updated on our website <a href="https://www.miraeassetmf.co.in">https://www.miraeassetmf.co.in</a>. Presently, below mentioned Market Makers are proposed to be appointed by the AMC:</p> <p>Augmont Enterprises Private Limited  Parshwa Prism Gems and Jewellery Ltd  Raksha Bullion  Parwati Capital Market Private Limited</p> <p>Redemption of units directly with the Mutual Fund (other than Authorized Participants): Investors other than Market Makers can redeem units directly with the Fund for less than Creation Unit size at approximately indicative NAV based prices (along with applicable charges and execution variations) of units without any exit load if:</p> <p>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  No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or  Total bid size on the exchange is less than half of creation units size daily, averaged over a period of 7 consecutive trading days.</p> <p>Such instances shall be tracked by the AMC on an ongoing basis and in case any of the above mentioned scenarios arises, the same shall be disclosed on the website of the Mutual Fund.</p> <p>Under these circumstances, investors, as specified above, can redeem units of the Scheme directly with the fund house without any exit load.</p> <p>The aforesaid criteria for the direct redemption with the fund house are also available at the website of the AMC. The mutual fund will track the aforesaid liquidity criteria and display it on its website viz., <a href="https://www.miraeassetmf.co.in/">https://www.miraeassetmf.co.in/</a> if the same is triggered, no exit load would be applicable in such cases.</p> <p><b>Redemption by NRIs/FIIs/FPI</b></p> <p>Credit balances in the account of a NRIs/FIIs/FPI unitholder may be redeemed by such unit holder subject to any procedures laid down by the RBI. Payment to NRI/FII/FPI, unit holder will be subject to the relevant laws/guidelines of RBI as are applicable</p>
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		<p>from time to time (subject to deduction of tax at source as applicable). The Fund will not be liable for any delays or for any loss on account of exchange fluctuations while converting the rupee amount in US Dollar or any other currency. In case of redemptions by NRIs, requisite TDS will be deducted from the respective redemption proceeds.</p> <p>Note: The mutual fund will rely on the NRI status and his account details as recorded in the depository system. Any changes to the same can be made only through the depository system.</p> <p>Mutual fund will repurchase units from Market Maker (s) and large investors on any business day provided the value of units offered for repurchase is not less than creation unit size.</p>
VII.	<b>Benchmark Return Index (Total)</b>	<p><b>Domestic Price of Physical Gold</b></p> <p><u>Rationale for adoption of benchmark:</u></p> <p>The Trustees have adopted Domestic Price of gold (<b>based on LBMA Gold daily spot fixing price</b>) as the benchmark index which is in accordance with Clause 3.3.7 of SEBI Master Circular dated May 19, 2023.</p>
VIII.	<b>NAV disclosure</b>	<p>The AMC shall update the NAVs on the website of the Mutual Fund <a href="https://www.miraeassetmf.co.in/">https://www.miraeassetmf.co.in/</a> and on the website of Association of Mutual Funds in India - AMFI (<a href="http://www.amfiindia.com">www.amfiindia.com</a>) by 9.00 a.m. of the following business day.</p> <p>Further Details in Section II.</p>
IX.	<b>Applicable timelines</b>	<p>Timeline for</p> <ul style="list-style-type: none"> <li>• Dispatch of redemption proceeds : 3 working days from the date of redemption</li> <li>• Dispatch of IDCW (if applicable) etc.: within 7 working days from the record date</li> </ul>
X.	<b>Plans and Options</b> Plans/Options and sub options under the Scheme	<p>The Scheme does not offer any Plans/Options for investment.</p> <p>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 MF Regulations.</p>
XI.	<b>Load Structure</b>	<p><b>Exit Load:</b></p> <p>For investors transacting directly with the AMC:</p> <ul style="list-style-type: none"> <li>• No Exit load will be levied on redemptions made by Market Makers / Large Investors directly with the AMC.</li> <li>• For investors transacting on the exchange: Not Applicable.</li> </ul>



XII.	<b>Minimum Application Amount/switch in</b>	<p><b>Market Maker:</b> Application for subscription of Units directly with the Fund in Creation Unit Size at NAV based prices in exchange of Portfolio Deposit and Cash Component.</p> <p><b>Large Investors:</b> Minimum amount of Rs. 25 crores for transacting directly with the AMC.</p> <p><b>Other investors (including Market Maker, Large Investors and Regulated Entities):</b> Units of the Scheme can be subscribed (in lots of 1 Unit) during the trading hours on all trading days on the NSE and BSE on which the Units are listed.</p>
XIII.	<b>Minimum Additional Purchase Amount</b>	<p><b>Market Maker:</b> Application for subscription of Units directly with the Fund in Creation Unit Size at NAV based prices in exchange of Portfolio Deposit and Cash Component.</p> <p><b>Large Investors:</b> Minimum amount of Rs. 25 crores for transacting directly with the AMC.</p> <p><b>Other investors (including Market Maker, Large Investors and Regulated Entities):</b> Units of the Scheme can be subscribed (in lots of 1 Unit) during the trading hours on all trading days on the NSE and BSE on which the Units are listed.</p>
XIV.	<b>Minimum Redemption/switch out amount</b>	<p><b>Market Maker:</b> Mutual Fund will repurchase units from Market Makers on any Business Day in Creation Unit size at approximately indicative NAV based prices (along with applicable charges and execution variations) for applications directly received at AMC.</p> <p><b>Large Investors:</b> Minimum amount of Rs. 25 crores for redeeming directly with the AMC.</p> <p><b>Other investors (including Market Maker, Large Investors and Regulated Entities):</b> Units of the Scheme can be redeemed (in lots of 1 Unit) during the trading hours on all trading days on the NSE and BSE on which the Units are listed.</p>
XVII.	<b>Segregated portfolio/side pocketing disclosure</b>	<p>The Scheme has the provision to segregate a portfolio comprising of debt or money market instrument affected by a credit event.</p> <p>For Details, kindly refer SAI</p>
XVIII.	<b>Swing pricing disclosure</b>	NA
XIX.	<b>Stock lending/short selling</b>	The Scheme does not intend to participate in securities lending.
XX.	<b>How to Apply and other details</b>	Application form and Key Information Memorandum may be obtained from Official Points of Acceptance (OPAs) / Investor

		<p>Service Centres (ISCs) of the AMC or RTA or Distributors or can be downloaded from our website <a href="http://www.miraeassetmf.co.in">www.miraeassetmf.co.in</a>.</p> <p>The list of the OPA / ISC are available on our website as well.</p> <p>Investors intending to trade in Units of the Schemes, through the exchange platform will be required to provide demat account details in the application form. The application forms for subscriptions/redemptions (applicable for Market Makers /Large Investors) should be submitted at any of the ISC/Official Points of Acceptance of the AMC.</p> <p>Details in Section II.</p>
XXI.	<b>Investor services</b>	<p>Contact Details for general service requests and complaint resolution:</p> <p><b>Mr. Chaitanya Chaubal</b>  Mirae Asset Investment Managers (India) Pvt. Ltd.  606, 6<sup>th</sup> Floor, Windsor Bldg, Off CST Road, Kalina, Santacruz (E), Mumbai - 400 098.  Telephone Nos.: 6780 0300  e-mail: <a href="mailto:customercare@miraeasset.com">customercare@miraeasset.com</a></p> <p><b>Investors may contact any of the ISCs or the AMC by calling the investor line of the AMC at "1800 2090 777" or visit the website at <a href="http://www.miraeassetmf.co.in">www.miraeassetmf.co.in</a> for complete details.</b></p>
XXIII	<b>Specific attribute of the scheme (such as lock in, duration in case of target maturity scheme/close ended schemes) (as applicable)</b>	Nil
XXIV	<b>Special product /facility available on ongoing basis</b>	Systematic Investment Plan, Systematic Transfer Plan, Systematic Withdrawal Plan are not available under this scheme
XXV.	<b>Weblink</b>	<p>A weblink for Daily TER and TER for last 6 months, Daily TER : <a href="https://www.miraeassetmf.co.in/downloads/statutory-disclosure/total-expense-ratio">https://www.miraeassetmf.co.in/downloads/statutory-disclosure/total-expense-ratio</a></p> <p>A weblink for scheme factsheet: <a href="https://www.miraeassetmf.co.in/downloads/factsheet">https://www.miraeassetmf.co.in/downloads/factsheet</a></p>
XXVI	<b>Creation Unit Size</b>	‘Creation Unit Size’ is the number of Units of the Scheme, which is exchanged against a predefined quantity and purity of physical Gold called the Portfolio Deposit and / or a Cash Component. For redemption of Units it is vice versa i.e. a fixed number of Units of Scheme are exchanged for Portfolio Deposit and Cash

		<p>Component. The Portfolio Deposit and Cash Component may change from time to time and is discussed separately under this Scheme Information Document.</p> <p><b>Portfolio Deposit:</b> Portfolio Deposit consists of pre-defined quantity and purity of physical gold and announced by AMC from time to time.</p> <p><b>Cash Component:</b> Cash component represents the difference between the applicable net asset value of a creation unit and the market value of the Portfolio deposit.</p> <p>The Portfolio Deposit and Cash Component may change from time to time due to change in NAV and will be announced by the AMC on its website. The Creation Unit size for the scheme shall be 1,10,000 units. The Portfolio Deposit and the cash component will change from time to time as decided by AMC. The Creation Unit size may be changed by the AMC at their discretion and the notice of the same shall be published on website of Mutual Fund (<a href="http://www.miraeassetmf.co.in">www.miraeassetmf.co.in</a>)</p>
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#### A. 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, 1996 and the guidelines and directives issued by SEBI from time to time.
- (ii) All legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
- (iii) The disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the Scheme.
- (iv) The intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.
- (v) The contents of the Scheme Information Document including figures, data, yields etc. have been checked and are factually correct
- (vi) A confirmation that the AMC has complied with the compliance checklist applicable for Scheme Information Documents and other than cited deviations/ that there are no deviations from the regulations
- (vii) Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.
- (viii) The Trustees have ensured that the Mirae Asset Gold ETF approved by them is a new product offered by Mirae Asset Mutual Fund and is not a minor modification of any existing scheme/fund/product.

Sd/-

Date: **June 29, 2024**  
Place: **Mumbai**

Name: **Rimmi Jain**  
Designation: **Compliance Officer**

## **Part II. INFORMATION ABOUT THE SCHEME**

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

Under normal circumstances, the asset allocation will be as follows:

<b>Instruments</b>	<b>Indicative allocations (% of total assets)</b>	
	<b>Minimum</b>	<b>Maximum</b>
Gold and gold related instruments*	95	100
Money market instruments including Tri Party REPO/ debt securities, Instruments and/or units of debt/liquid schemes of domestic Mutual Funds.	0	5

\*includes physical Gold and other gold related instruments^ which may be permitted by Regulator from time to time. Exchange Traded Commodity Derivatives (ETCDs) having gold as the underlying shall be considered as ‘gold related instrument’ for Gold ETF. Further, “Gold Monetization Scheme” (GMS) of Banks shall be considered as ‘gold related instrument’

- Before investing in ETCDs or GMS having gold as the underlying, mutual funds shall put in place a written policy with regard to such investment with due approval from the Board of the AMC and the Trustees. The policy shall be reviewed by the Board of AMC and Trustees at least once a year.
- The cumulative investment by the Scheme in GMS will not exceed 20% of total AUM of such schemes
- The cumulative exposure to gold related instruments i.e. Gold Deposit Scheme (GDS) of banks, Gold Monetization Scheme (GMS) and ETCD having gold as the underlying shall not exceed 50% of net asset value of the scheme. However, within the 50% limit, the investment limit for GDS and GMS as part of gold related instrument shall not exceed 20% of net asset value of the scheme. The unutilized portion of the limit for GDS of banks and GMS can be utilized for ETCD having gold as the underlying.
- The cumulative gross exposure of the scheme through Gold and gold related instruments and Money market instruments shall not exceed 100% of the net assets of the scheme. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities having residual maturity of less than 91 days.

As per the clause 3.2.1.5 of SEBI Master circular dated May 19, 2023, it is proposed that in case of Gold ETFs, the cumulative exposure to gold related instruments i.e. Gold Deposit Scheme (GDS) of banks, Gold Monetization Scheme (GMS) and ETCD having gold as the underlying shall not exceed 50% of net asset value of the scheme. However, within the 50% limit, the investment limit for GDS and GMS as part of gold related instrument shall not exceed 20% of net asset value of the scheme. The unutilized portion of the limit for GDS of banks and GMS can be utilized for ETCD having gold as the underlying.

Investment in the physical gold shall be of standard 1 kg bar's with fineness of 995 parts per thousand (or 99.5% purity) confirming to London Bullion Market Association (LBMA) Good Delivery Standards. This may change as per the regulatory guidelines in future. During buying or selling, for a concerned transaction, in case of any variation in the weight of the gold bar (away from 1 kg), same shall be adjusted in the cash component i.e. higher weight will reduce cash component and lower weight will increase cash component for the concerned investor.

The Scheme may invest in the schemes of Mutual Funds in accordance with the applicable extant SEBI (Mutual Funds) Regulations as amended from time to time.

The Scheme will not invest in ADR/ GDR / Foreign Securities / Securitized Debt/ structured obligation/ Repo in Corporate Debt Securities nor will it engage in short selling. The scheme does not intend to invest into any credit default swaps. The scheme shall not invest in instruments having Special Features as defined in Clause 12.2 of SEBI Master Circular dated May 19, 2023. The scheme shall not invest in Units issued by REITs and InvITs. The scheme shall not engage in Securities Lending or short selling.

Pending deployment of funds of a Scheme in securities in terms of investment objectives of the Scheme a mutual fund can invest the funds of the Scheme in short term deposits of scheduled commercial banks in terms of Clause 12.16 of SEBI Master Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023.

Further, the Scheme may, for meeting liquidity requirements invest in units of money market/liquid schemes of Mirae Asset Mutual Fund and/or any other mutual fund provided that aggregate inter-scheme investment made by all schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of the mutual fund. The AMC shall not charge any investment management fees with respect to such investment.

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

<b>Sl. no</b>	<b>Type of Instrument</b>	<b>Percentage of exposure</b>	<b>Circular references*</b>
1.	Securities Lending	0%	Clause 12.11 of SEBI Master Circular dated May 19, 2023
2.	Equity Derivatives for non-hedging purposes	0%	--
3.	Securitized Debt	0%	Clause 12.15 of SEBI Master Circular dated May 19, 2023
4.	Overseas Securities	0%	Clause 12.19 of SEBI Master Circular dated May 19, 2023
5.	Structured Obligations	0%	Clause 12.3 of SEBI Master Circular dated May 19, 2023

6.	Repo in Corporate Debt Securities	0%	Clause 12.18 of SEBI Master Circular dated May 19, 2023
7.	Credit default swaps	0%	Clause 12.28 of SEBI Master Circular dated May 19, 2023
8.	Instruments having Special Features	0%	Clause 12.2 of SEBI Master Circular dated May 19, 2023
9.	ReITS and InVITS	0%	Clause 12.21 of SEBI Master Circular dated May 19, 2023
10.	Gold Monetization Scheme (GMS)	20%	As per the clause 3.2.1.5 of SEBI Master circular dated May 19, 2023
11.	Gold Deposit Scheme (GDS) of banks, Gold Monetization Scheme (GMS) and ETCD Exchange Traded Commodity Derivatives	10%	As per the clause 3.2.1.5 of SEBI Master circular dated May 19, 2023

\*SEBI circular references (wherever applicable) in support of exposure limits of different types of asset classes in asset allocation shall be provided.

#### **Rebalancing due to passive breach**

In accordance with Clause 3.5.3.11 and 3.6.7 of SEBI Master Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023 in case of change in constituents of the index due to periodic review, the portfolio of the Scheme shall be rebalanced within 7 days. 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 the event of involuntary corporate action, the Scheme shall dispose the security not forming part of the underlying index within 7 Days from the date of allotment/ listing.

#### **Rebalancing of deviation due to short term defensive consideration**

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 2% p.a for daily 12 month rolling return. However, in case of events like, dividend received from underlying 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. Since the Scheme is an exchange traded fund, it will endeavor that at no point of time the Scheme will deviate from the index.

Subject to SEBI (MF) Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages can vary substantially depending upon the perception of the Investment Manager; the intention being at all

times to seek to protect the interests of the Unit holders. As per Clause 1.14.1.2 of SEBI Master Circular dated May 19, 2023, such changes in the investment pattern will be for short term and for defensive consideration only.

The Scheme shall rebalance the portfolio in case of any deviation to the asset allocation. Such rebalancing shall be done within 7 days from the date of occurrence of deviation. Where the portfolio is not rebalanced within 7 Days, justification for the same including details of efforts taken to rebalance the portfolio shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment committee shall then decide on the course of action. However, at all times the portfolio will adhere to the overall investment objectives of the Schemes.

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

The corpus of the Scheme shall be invested in accordance with the investment objective as follows:

- Gold bullion - fineness (or purity) of 995 parts per 1,000 (99.5%) or higher. Investments in Gold bullion will be as per the limits specified in the asset allocation table as mentioned in Section II C Asset Allocation
- Investments in gold related instruments (including derivative instruments related to gold) will be made as and when SEBI permits mutual funds to invest in gold related instruments.

The Scheme also may engage in gold lending, and / or deposit gold with banks in return for fees as and when permitted by SEBI.

- Debt & Money Market Instruments:

Detailed definition and applicable regulations/guidelines for each instrument shall be included in **Section II**.

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

Investments made from the net assets of the Scheme would be in accordance with the investment objective of the Scheme and the provisions of the SEBI (MF) Regulations. The AMC will strive to achieve the investment objective by way of a judicious portfolio mix comprising Gold (includes physical Gold and other Gold related instruments which may be permitted by Regulator from time to time) and instruments related to gold (including derivatives as and when permitted by SEBI), Debt Securities and Money Market Instruments. Investments in gold (includes physical Gold and other Gold related instruments which may be permitted by Regulator from time to time) would be primarily assessed with regard to its fineness. The AMC will endeavor to address the key risks associated with investments in Gold Bullion as under:

### **1. Quality and Purity Risk**

- Physical Gold purchased by the Scheme will be of fineness( or purity) of 995 parts per 1,000 (99.9%) or higher.

- Custodian will accept physical gold only if the gold is compliance with the Good Delivery norms as specified by LBMA.

## 2. Passive Investments

The Scheme is a passively managed fund that shall be investing substantial portion of its assets in physical gold and tracking its performance as close as possible to the price of gold. Therefore, irrespective of decline / rise in prices of physical gold, The Scheme shall remain invested in gold and being a passively managed fund, no active calls based on outlook of gold prices will be taken by the Fund.

## 3. Custody risk

There is a risk that part or all of the physical gold belonging to the Scheme could be lost, damaged or stolen. In order to ensure safety, the said gold will be stored with custodian in its vaults. Gold held by custodian is also insured.

## 4. Tracking Error

Tracking error means the variance between daily returns of the underlying benchmark (gold in this case) and the NAV of the Scheme for any given period. NAV of the Scheme is dependent on valuation of gold. Gold has to be valued based on the formula prescribed by SEBI. NAV so computed may vary from the price of Gold in the domestic market.

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

- Delay in the purchase or sale of gold due to -
  - Illiquidity of gold,
  - Delay in realization of sale proceeds,
  - Creating a lot size to buy the required amount of gold
- The Scheme may buy or sell the gold at different points of time during the trading session at the then prevailing prices which may not correspond to its closing prices.
- The potential for trades to fail, which may result in the Scheme not having acquired gold at a price necessary to track the benchmark price.
- The holding of a cash position and accrued income prior to distribution of income and payment of accrued expenses.
- Disinvestments to meet redemptions, recurring expenses, dividend payouts etc.
- Execution of large buy / sell orders
- Transaction cost (including taxes and insurance premium) and recurring expenses
- Realization of Unit holders' funds

Tracking error due to movement in prices of physical gold will impact the performance of the Scheme. However, the Scheme will endeavor to keep tracking error as low as possible by:

- Use of gold related derivative instruments, as and when allowed by SEBI Regulations
- Rebalancing of the portfolio.
- Setting off of incremental subscriptions against redemptions.



The tracking error i.e. the annualised standard deviation of the difference in daily returns between physical gold and the NAV of Gold ETF based on past one year rolling over data (For ETFs in existence for a period of less than one year, annualized standard deviation shall be calculated based on available data) shall not exceed 2%. In case of unavoidable circumstances in the nature of force majeure, which are beyond the control of the AMC, the tracking error may exceed 2% and the same shall be brought to the notice of Trustees with corrective actions taken by the AMC, if any. The same shall be disclosed on a daily basis on the websites of AMC and AMFI.

Along with the disclosure of tracking error, Gold ETF schemes shall also disclose the tracking difference i.e. the difference of returns between physical gold and the Gold ETF, on the website of the AMC on monthly basis for tenures 1 year, 3 year, 5 year, 10 year and since the date of allotment of units.

**Numerical illustration on Exchange Traded Commodity Derivatives (ETCDs):**

**I. Commodity Futures trade**

Trade date	20-Dec
Expiry	05-Feb
Current market price/ 10gms	39,000
Lot size in gms	1,000
Lot value / contract value	39,00,000
Margin	5%
Margin Value	1,95,000
Trade / position	Buy Commodity
Quantity	1 lot
Buy price per 10 gms	39,000
Sell trade date	25-Jan
Sell price per 10gms	39,500
Gain/Loss per 10gms	500
Gain/ Loss per Lot or contract value	50,000

**II. Commodity Options Trade**

Trade date	20-Dec
Contract Expiry	29-Jan
Corresponding futures contract	05-Feb
Current market price/ 10gms	39,000
Strike price	39,000
Call Options premium per 10gms	410
Trade / position	Buy strike 39000 CE
Quantity	1Kg
Buy price per 10gms	410

Sell trade date	25-Jan
Futures price on 25-Jan	39500
39000 strike CE price on 25-Jan	550
Gain/Loss per 10gms	140
Gain/Loss per contract value / Lot	14000

Subject to the Regulations and the applicable guidelines the Scheme may invest in the schemes of Mutual Funds. The investment strategy shall be in line with the asset allocation mentioned under “Section A: How will the Scheme Allocate its Assets?”, under Part II- Information about the Scheme”.

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

#### **Policy for Investment decisions**

The investment policy of the AMC has been determined by the Investment Committee (“IC”) which has been ratified by the Boards of the AMC and Trustee. At the strategic level, the broad investment philosophy of the AMC and the authorized exposure limits are spelt out in the Investment Policy of the AMC. During trading hours, the Fund Managers have the discretion to take investment decisions for the Scheme within the limits defined in the Investment Policy, these decisions and the reasons thereof are communicated to the CEO for post facto approval.

The designated Fund Manager(s) of the Scheme will be responsible for taking day-to-day investment decisions and will inter-alia be responsible for asset allocation, security selection and timing of investment decisions.

#### **Portfolio Turnover Policy**

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 Exchange Traded Fund and it is expected that there may be a number of subscriptions and repurchases on a daily basis through Stock Exchange(s) or Authorized Participants and Large Investors. Generally, turnover will depend upon the extent of purchase and redemption of units and the need to rebalance the portfolio on account of change in the composition, if any, and corporate actions of securities included in Hang Seng TECH Index. However, it will be the endeavor of the Fund Manager to maintain an optimal portfolio turnover rate commensurate with the investment objective of the Scheme and the purchase/ redemption transactions on an ongoing basis in the Scheme.

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

**Benchmark (Total Returns Index): Domestic Price of Physical Gold (based on LBMA Gold daily spot fixing price)**

**Rationale for adoption of benchmark:**

The Trustees have adopted Domestic Price of gold (**based on LBMA Gold daily spot fixing price**) as the benchmark index which is in accordance with Clause 3.3.7 of SEBI Master Circular dated May 19, 2023.

**E. WHO MANAGES THE SCHEME?**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>	<b>Details</b>
i.	Name	Mr. Ritesh Patel (Dedicated Fund Manager for Commodity Investments)	Mr. Akshay Udeshi (Co- Fund Manager)
ii.	Age	33 years	28 years
iii.	Qualification	Bachelors in financial market, CMT L-2 Candidate	MBA - Finance; B.E (Electronics)
iv.	Past experience	<p>Mr. Ritesh Patel has over 10 years of experience in Commodities market. Prior to joining Mirae Asset Investment Managers (India) Private Limited, Mr. Patel has worked with companies like Aditya Birla Money Ltd, IIFL Securities, Ventura Securities, Choice Broking Pvt. Ltd and Waves research.</p> <p>Others schemes managed/co-managed by him:            Mirae Asset Silver ETF            Mirae Asset Multi Asset Allocation Fund (Commodity Portion)</p>	<p>Mr. Akshay Udeshi has over 4 years of experience in the field of financial services. He has been associated with the AMC since June 2021. Prior to this assignment, Mr. Udeshi was associated with Reliance Retail Limited where he was involved in product development in the affordability space. He also has an experience with L&amp;T Financial Services where he was involved in product management of secured lending products.</p> <p>Others schemes co-managed by him:</p> <ul style="list-style-type: none"> <li>• Mirae Asset Nifty 100 ESG Sector Leaders ETF</li> <li>• Mirae Asset Nifty 100 ESG Sector Leaders Fund of Fund</li> <li>• Mirae Asset Silver ETF</li> </ul>
v.	Tenure for which the fund manager has been managing the scheme	1 year 4 months (Managing since February 2023)	10 months (Managing since August 28, 2023)

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

The existing ETFs of Mirae Asset Mutual Fund are as below:

1. Mirae Asset Nifty 100 ESG Sector Leaders ETF
2. Mirae Asset Gold ETF
3. Mirae Asset Hang Seng Tech ETF
4. Mirae Asset Nifty 100 Low Volatility 30 ETF
5. Mirae Asset Nifty 1D Rate Liquid ETF
6. Mirae Asset Nifty 200 Alpha 30 ETF
7. Mirae Asset Nifty 50 ETF
8. Mirae Asset Nifty 8-13 Yr G-Sec ETF
9. Mirae Asset Nifty Bank ETF
10. Mirae Asset Nifty Financial Services ETF
11. Mirae Asset Nifty India Manufacturing ETF
12. Mirae Asset Nifty IT ETF
13. Mirae Asset Nifty Midcap 150 ETF
14. Mirae Asset Nifty Next 50 ETF
15. Mirae Asset NYSE Fang+ ETF
16. Mirae Asset S & P 500 Top 50 ETF
17. Mirae Asset S&P BSE Sensex ETF
18. Mirae Asset Silver ETF
19. Mirae Asset Nifty Smallcap 250 Momentum Quality 100 ETF
20. Mirae Asset Nifty MidSmallcap400 Momentum Quality 100 ETF

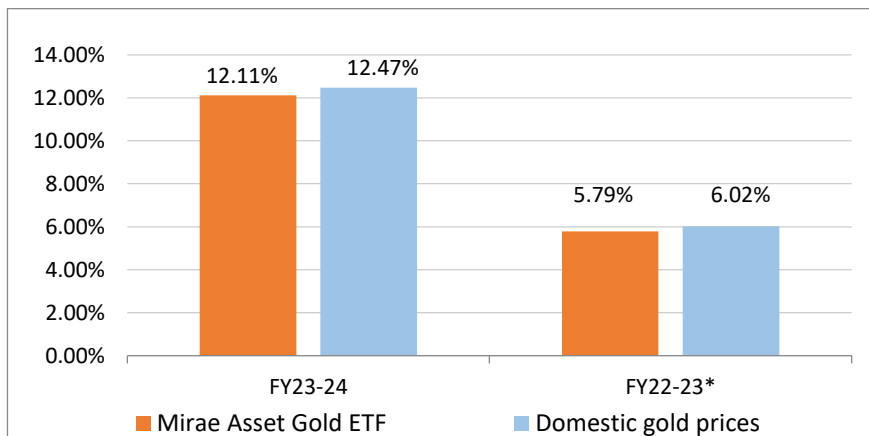
The table showing the differentiation of the Scheme with the existing ETFs of Mirae Asset Mutual Fund is available at: <https://www.miraeassetmf.co.in/downloads/statutory-disclosure/other-disclosure/offer-documents-data>

## G. HOW HAS THE SCHEME PERFORMED?

<b>Particulars</b>	<b>Scheme returns (%)</b>	<b>Benchmark Returns (%)</b>
<b>Compounded Annualised Growth Returns (CAGR)</b>		
<b>Since Inception</b>	20.21	21.31
<b>Last 1 year</b>	19.14	19.94
<b>Last 3 years</b>	NA	NA
<b>Last 5 years</b>	NA	NA
<b>NAV as on 31/05/2024 (INR)</b>	71.5048	72,13,364.58

Since Inception date of the Scheme: February 20, 2023

### Graph showing Absolute Return for Each Financial Year for the Last 2 years



\* from inception (20-Feb-23)

**Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.**

As per the SEBI standards for performance reporting, the returns are calculated at allotment NAV. For this purpose the inception date is deemed to be the date of allotment. The calculations of returns shall assume reinvestment of all payouts at the then prevailing NAV. The absolute graph of is computed from the Date of Allotment/1st April, as the case maybe, to 31st March of the respective financial year.

#### H. ADDITIONAL SCHEME RELATED DISCLOSURES

- Scheme's portfolio holdings (top 10 holdings by issuer and fund allocation towards various sectors are available on functional website link: <https://www.miraeassetmf.co.in/downloads/statutory-disclosure/other-disclosure/offer-documents-data>
- Disclosure of name and exposure to Top 7 issuers, stocks, groups and sectors as a percentage of NAV of the scheme through a functional website link that contains detailed description - <https://www.miraeassetmf.co.in/downloads/portfolio>
- Functional website link for Portfolio Disclosure - <https://www.miraeassetmf.co.in/downloads/portfolio>
- Portfolio Turnover Ratio: N.A. since it is an ETF
- Aggregate investment in the Scheme by:

Sr. No.	Category of Persons	Net Value		Market Value (in Rs.)
		Units	NAV per unit	
1.	Fund Manager(s)			
	Mr. Ritesh Patel	0	0	0
	Mr. Akshay Udeshi	0	0	0

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

- vi. Investments of AMC in the Scheme – <https://www.miraeassetmf.co.in/downloads/statutory-disclosure/other-disclosure/offer-documents-data>

The AMC shall not invest in any of the schemes unless full disclosure of its intention to invest has been made in the Scheme Information Document and that the AMC shall not be entitled to charge any fees on such investment

### **Part III- OTHER DETAILS**

#### **A. COMPUTATION OF NAV**

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

NAV of Units under the Options there under can be calculated as shown below:

NAV = (Market or Fair Value of Scheme's investments + Current assets including  
Accrued Income - Current Liabilities and provisions including accrued expenses)

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No. of Units outstanding under the Scheme/Option.

The AMC shall update the NAVs on the website of the Mutual Fund <https://www.miraeassetmf.co.in> and on the website of Association of Mutual Funds in India - AMFI ([www.amfiindia.com](http://www.amfiindia.com)) by 9.00 a.m. on every Business Day. In case of any delay, the reasons for such delay would be explained to AMFI in writing. If the NAVs are not available before commencement of business hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAVs.

Computation of NAV will be done after taking into account IDCW paid, if any, and the distribution tax thereon, if applicable.

#### **Valuation of Gold**

The Scheme will invest in physical gold. Since physical gold and other permitted instruments linked to gold are denominated in gold tonnage, it will be valued based on the market price of gold in the domestic market and will be marked to market on a daily basis. The market price of gold in the domestic market on any Business Day would be arrived at as under:

#### **Value of Gold:**

The market price of gold in the domestic market on any Business Day would be arrived at as under:

- (1) The gold held by the Scheme shall be valued at the AM fixing price of London Bullion Market Association (LBMA) in US dollars per troy ounce for gold having a fineness of 995.0 parts per thousand, subject to the following:
  - (a) adjustment for conversion to metric measures as per standard conversion rates;
  - (b) adjustment for conversion of US dollars into Indian rupees as per the RBI reference rate declared by the Foreign Exchange Dealers Association of India (FEDAI); and
  - (c) addition of -
    - (i) transportation and other charges that may be normally incurred in bringing such gold from London to the place where it is actually stored on behalf of the Fund; and
    - (ii) notional customs duty and other applicable taxes and levies that may be normally incurred to bring the gold from London to the place where it is actually stored on behalf of the Fund:

Provided that the adjustment under clause (c) above may be made on the basis of a notional premium that is usually charged for delivery of gold to the place where it is stored on behalf of the Fund.

Provided further that where the gold held by a Scheme has a greater fineness, the relevant LBMA prices of AM fixing shall be taken as the reference price under this sub-paragraph

- (2) If the gold acquired by the Scheme is not in the form of standard bars, it shall be assayed and converted into standard bars which comply with the good delivery norms of the LBMA and thereafter valued in terms of sub- paragraph (1).

Illustration on Computation of NAV:

If the net assets of the Scheme are Rs.10,65,44,345.34 and units outstanding are 1,00,00,000 then the NAV per unit will be computed as follows:

$10,65,44,345.34 / 1,00,00,000 = \text{Rs. } 10.6544 \text{ p.u. (rounded off to four decimals)}$

The Mutual Fund may charge the load within the stipulated limit of 5% and without any discrimination to any specific group. The Repurchase Price however, will not be lower than 95% of the NAV.

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

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

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationary, bank charges etc. NFO expenses were borne by the AMC. No NFO expenses were charged to the Scheme.

## **C. ANNUAL SCHEME RECURRING EXPENSES**

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

The AMC has estimated that upto 1% 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 mutual fund <https://www.miraeassetmf.co.in/downloads/statutory-disclosure/total-expense-ratio>

<b>Expense Head</b>	<b>% p.a. of daily Net Assets* (Estimated p.a.)</b>
Investment Management & Advisory Fee	Upto 1.00%
Audit fees/fees and expenses of trustees	
Custodial Fees	
Registrar & Transfer Agent Fees including cost of providing account statements / IDCW / redemption cheques/ warrants	
Marketing & Selling Expenses including Agents Commission and statutory advertisement	
Costs related to investor communications	
Costs of fund transfer from location to location	
Cost towards investor education & awareness - 1 bps	
Brokerage & transaction cost pertaining to distribution of units @@	
Goods & Services Tax on expenses other than investment and advisory fees	
Goods & Services Tax on brokerage and transaction cost	
Other Expenses (to be specified as per Reg 52 of SEBI MF Regulations) *	
Maximum Total expenses ratio (TER) permissible under Regulation 52 (6) (c)	Upto 1.00%
Additional expenses for gross new inflows from specified cities	Upto 0.30%***

\*Other expenses: Any other expenses which are directly attributable to the Scheme, may be charged with approval of the Trustee within the overall limits as specified in the Regulations except those expenses which are specifically prohibited.

For the actual current expenses being charged, the investor should refer to the website of the Mutual Fund.

@@ Brokerage and transaction costs which are incurred for the purpose of execution of trade and is included in the cost of investment shall not exceed 0.12 per cent in case of cash market transactions and 0.05 per cent in case of derivatives transactions.

The purpose of the above table is to assist the investor in understanding the various costs & expenses that the investor in the Scheme will bear directly or indirectly. These estimates have been made in good faith as per the information available to the AMC and the above expenses (including investment management and advisory fees) are subject to inter-se change and may increase/decrease as per actual and/or any change in the Regulations, as amended from time to time.



All scheme related expenses including commission paid to distributors, by whatever name it may be called and in whatever manner it may be paid, shall necessarily be paid from the scheme only within the regulatory limits and not from the books of the Asset Management Companies (AMC), its associate, sponsor, trustee or any other entity through any route.

In addition to the limits as specified in Regulation 52(6) of SEBI (Mutual Funds) Regulations 1996 [‘SEBI Regulations’] or the Total Recurring Expenses (Total Expense Limit) as specified above, the following costs or expenses may be charged to the scheme namely:-

Additional expenses for gross new inflows from specified cities:

- (a) expenses not exceeding of 0.30 per cent of daily net assets, if the new inflows from such cities as specified by SEBI from time to time are at least -
- (i) 30 per cent of gross new inflows in the scheme, or;
  - (ii) 15 per cent of the average assets under management (year to date) of the scheme, whichever is higher:

Provided that if inflows from such cities is less than the higher of sub-clause (i) or sub-clause (ii), such expenses on daily net assets of the Scheme shall be charged on proportionate basis.

Provided further that, expenses charged under this clause shall be utilised for distribution expenses incurred for bringing inflows from such cities.

Provided further that amount incurred as expense on account of inflows from such cities shall be credited back to the Scheme in case the said inflows are redeemed within a period of one year from the date of investment.

Currently, SEBI has specified that the above additional expenses may be charged for inflows from beyond ‘Top 30 cities.’ The top 30 cities shall mean top 30 cities based on Association of Mutual Funds in India (AMFI) data on ‘AUM by Geography – Consolidated Data for Mutual Fund Industry’ as at the end of the previous financial year.

Provided further that, additional TER can be charged based on inflows only from retail investors from B30 cities in terms of clause 10.1 of SEBI Master circular dated May 19, 2023.

‘Retail investors’ are defined as individual investors with an inflow of an amount upto Rs 2,00,000/- per transaction.

\*\*\* Note: clause 10.1 of SEBI Master Circular dated May 19, 2023 has directed AMCs to keep B-30 incentive structure in abeyance with effect from March 01, 2023 till further notice.

This sub clause (a) shall be applicable for inflows received during the NFO period.

(b) GST payable on investment and advisory service fees (‘AMC fees’) charged by Mirae Asset Investment Managers (India) Private Limited (‘Mirae Asset AMC’);

Within the Total Expense Limit chargeable to the Scheme, following will be charged to the Scheme:

- a) GST on other than investment and advisory fees, if any, (including on brokerage and transaction costs on execution of trades) shall be borne by the Scheme;
- b) Investor education and awareness initiative fees of 1 basis point on daily net assets of respective Scheme.

The current expense ratios will be updated on the AMC website <https://www.miraeassetmf.co.in/downloads/statutory-disclosure/total-expense-ratio> at least 3 working days prior to the effective date of the change.

Further, the notice of change in base TER (i.e. TER excluding additional expenses provided in Regulation 52(6A) (b) and 52(6A)(c) of SEBI (Mutual Funds) Regulations, 1996) in comparison to previous base TER charged to the scheme will be communicated to investors of the scheme through notice via email or SMS at least three working days prior to effecting such change.

However, any decrease in TER due to decrease in applicable limits as prescribed in Regulation 52 (6) (i.e. due to increase in daily net assets of the scheme) would not require issuance of any prior notice to the investors.

The above change in the base TER in comparison to previous base TER charged to the scheme shall be intimated to the Board of Directors of AMC along with the rationale recorded in writing.

The changes in TER shall also be placed before the Trustees on quarterly basis along with rationale for such changes.

**Illustration of impact of expense ratio on scheme’s returns (by providing simple example)**

<b>Particulars</b>		<b>NAV</b>
Opening NAV per unit	A	10.000
Gross Scheme Returns @ 8.75%	B	0.875
Expense Ratio @ 1.00 % p.a.	C = (A x 1.00%)	0.100
Closing NAV per unit	D = A + B - C	10.775
Net 1 Year Return	E/A - 1	<b>7.75%</b>

The above calculation is provided to illustrate the impact of expenses on the scheme returns and should not be construed as indicative Expense Ratio, yield or return.

**D. LOAD STRUCTURE**

Exit Load is an amount which is paid by the investor to redeem the units from the scheme. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of the AMC (<https://www.miraeassetmf.co.in/>) or may call at ‘1800 2090 777’ or your distributor.

Type of Load	Load chargeable (as % age of NAV)
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Exit	<ul style="list-style-type: none"> <li>• <b>For investors transacting directly with the AMC:</b> No Exit load will be levied on redemptions made by Market Makers / Large Investors directly with the AMC.</li> <li>• <b>For investors transacting on the exchange:</b> Not Applicable.</li> </ul>
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Investors other than Market Makers can redeem units directly with the Fund for less than Creation Unit size at approximately indicative NAV based prices (along with applicable charges and execution variations) during the Ongoing Offer for units without any exit load if:

- 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
- No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or
- 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 if any of the above mentioned scenario arises, the same shall be disclosed on the website of the Mutual Fund.

For any change in exit load, AMC will issue an addendum and display it on the website/Investor Service Centres.

The Mutual Fund may charge exit load within the stipulated limit of 5% and without any discrimination to any specific group. The Repurchase Price however, will not be lower than 95% of the NAV.

The Trustee reserves the right to modify/alter the load structure and may decide to charge on the Units with prospective effect, subject to the maximum limits as prescribed under the SEBI Regulations. At the time of changing the load structure, the AMC shall take the following steps:

- Arrangements shall be made to display the changes/modifications in the SID in the form of a notice in all the Mirae Asset ISCs' and distributors' offices and on the website of the AMC.
- The notice-cum-addendum detailing the changes shall be attached to SIDs and Key Information Memoranda. The addendum will be circulated to all the distributors so that the same can be attached to all SIDs and Key Information Memoranda already in stock.
- The introduction of the exit load along with the details shall be stamped in the acknowledgement slip issued to the investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such load.
- A public notice shall be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated.
- Any other measures which the mutual funds may feel necessary.

The AMC may change the load from time to time and in case of an exit/repurchase load this may be linked to the period of holding. It may be noted that any such change in the load structure shall be applicable on prospective investment only. The exit load (net off GST, if any, payable in respect of the same) shall be credited to the Scheme of the Fund.

The distributors should disclose all the commissions (in the form of trail commission or any other mode) payable to them for the different competing schemes of various mutual funds from amongst which the scheme is being recommended to the investor.

## **Section II**

### **I. Introduction**

#### **A. Definitions/interpretation**

Please refer the definitions/interpretation as disclosed under:  
<https://www.miraeassetmf.co.in/downloads/statutory-disclosure/other-disclosure/offer-documents-data>

#### **B. Risk factors**

##### **Standard Risk Factors:**

- Investment in Mutual Fund units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal
- As the price / value / interest rate of the securities in which the Scheme invests fluctuates, the value of your investment in the scheme can go up or down depending on various factors and forces affecting capital markets and money markets.
- Past performance of the Sponsor/ AMC/ Mutual Fund does not guarantee the future performance of the Scheme.
- The name of the Scheme does not in any manner indicate its quality or its future prospects and returns.
- The Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of Rs. 1 lakh made by it towards setting up the Fund.
- The present scheme is not a guaranteed or assured return scheme.

##### **Scheme Specific Risk Factors**

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

##### **Risk Factors associated with Exchange traded Schemes**

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:

##### **■ Risk factors associated with investing in Gold and Gold related instruments**

- The NAV of the Units relates directly to the value of the gold held by the Scheme minus the expenses incurred in managing of the scheme including but not limited to management fees, Operational expenses, cost incurred to buy and sell, taxes, other charges, tracking error,

tracking difference (Positive or negative) and fluctuations in the price of could adversely affect investment value of the Units. The factors that may affect the price of gold, *inter-alia*, include economic and political developments, changes in interest rates and perceived trends in bullion prices, exchange rates, inflation trends, market movements, etc.

- Actual or perceived disruptions in the processes used to determine the LBMA Gold Price, or lack of confidence in that benchmark, may adversely affect the return on your investment in the scheme (if any).
- Future governmental decisions may have significant impact on the price of gold, which may result in a significant decrease or increase in the value of the net assets and the net asset value.
- Because the ETF holds only gold, an investment in the ETF may be more volatile than an investment in a more broadly diversified portfolio.
- To the extent that demand for gold exceeds the available supply at that time, Market Makers may not be able to readily acquire sufficient amounts of gold necessary for the creation of a Basket. Market speculation in gold could result in increased requests for the issuances. It is possible that Market Makers may be unable to acquire sufficient gold that is acceptable for delivery for the issuance of new Baskets due to a limited then-available supply coupled with a surge in demand for the ETF units. In such circumstances, the AMC may suspend or restrict the issuance of Baskets. Such occurrence may lead to further volatility in Share price and deviations, which may be significant, in the market price of the ETF units relative to the NAV.
- The gold market in general has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to factors such as gold's uses in jewelry, technology, and industrial applications, or cost and production levels in major gold-producing countries such as China, Mexico, and Peru. In particular, supply chain disruptions resulting from the COVID-19 outbreak and investor speculation have significantly contributed to recent price and volume fluctuations.
- The formula for determining NAV of the Units is based on the imported (landed) value of gold. The landed value of gold is computed by multiplying international market price by US dollar value. The value of gold or NAV, therefore will depend upon the conversion value of US dollar into Indian rupee and attracts all the risks attached to such conversion and forex volatility.
- There is no Exchange for physical gold in India. The Scheme may have to buy or sell gold from the open market, which may lead to counter party risks for the Scheme for trading and settlement.
- The returns from physical gold in which the Scheme invests may underperform returns from other securities or asset classes.
- There is a risk that part or all of the Scheme's gold could be lost, damaged or stolen. Access to the Scheme's gold could also be restricted by natural events or human actions. Any of these actions may have adverse impact on the operations of the Scheme and consequently on investment / redemption in Units.
- The Scheme may retain certain investments in cash or cash equivalents for its day-to-day liquidity requirements. The Scheme has to sell gold only to bullion bankers / traders who are authorized to buy gold. Though, there are adequate numbers of players (commercial or bullion bankers) to whom the Scheme can sell gold, the Scheme may have to resort to distress sale of gold if there is no or low demand for gold to meet its cash needs of redemption or expenses. The distress sale may affect the redemption value of the units adversely. The Trustee, in general interest of the Unit holders of the Scheme offered under this Scheme Information Document and keeping in view of the unforeseen circumstances / unusual market conditions, may limit the total number of Units, which can be redeemed on any Business Day.

- Any changes in trading regulations by the stock exchange(s) or SEBI may affect the ability of Market Maker to arbitrage resulting into wider premium / discount to NAV. Any changes in the regulations relating to import and export of gold or gold jewellery (including customs duty, sales tax and any such other statutory levies) may affect the ability of the Scheme to buy / sell gold against the purchase and redemption requests received.
- The Scheme is not actively managed. The performance of the Scheme may be affected by a general price decline in the Gold prices. The Scheme invests in the physical Gold regardless of their investment merit. The AMC does not attempt to take defensive positions in declining markets.
- For the valuation of gold by the Scheme, indirect taxes like customs duty, VAT, etc. would also be considered. Hence, any change in the rates of indirect taxation / applicable taxes would affect the valuation of the Scheme.
- Gold Exchange Traded Funds (GETFs) are relatively new products and their value could decrease if unanticipated operational or trading problems arise. Mirae Asset Gold ETF, an open ended Exchange Traded Fund, is therefore subject to operational risks.
- Though this is an open-ended scheme, the Scheme would ordinarily repurchase Units in Creation Unit Size. Thus Unit holding less than Creation Unit Size can only be sold through the secondary market on the Exchange. Further, the price received upon the redemption of Units of the Scheme may be less than the value of the gold represented by them.
- A day on which valuation on London Bullion Market Association (LBMA) is not available shall not be a Business day and hence NAV for the said day shall not be available to the Investors.
- Mirae Asset Gold ETF (the Scheme) is a passively managed fund that shall be investing substantial portion of its assets in physical gold and tracking its performance as close as possible to the price of gold. Therefore, irrespective of decline / rise in prices of physical gold, the Scheme shall remain invested in gold and being a passively managed fund, no active calls based on outlook of gold prices will be taken by the Fund.
- Investments by the Scheme are subject to availability of Gold. If favorable investment opportunities do not exist or opportunities have notably diminished, the scheme may suspend accepting fresh subscriptions.
- Performance of the Scheme may be affected by political, social and economic developments, which may include changes in government policies, diplomatic conditions, taxation and other policies.
- ETF units are created to reflect, at any given time, the market price of gold. Because the value of ETFs depends on the price of gold, it is subject to fluctuations similar to those affecting gold prices. The price of gold has fluctuated widely over the past several years. If gold markets continue to be characterized by the wide fluctuations that they have shown in the past several years, the price of the ETF units will change widely and in an unpredictable manner. This exposes your investment in ETF units to potential losses if you need to sell your ETF units at a time when the price of gold is lower than it was when you made your investment in ETF units. Even if you are able to hold ETF units for the mid- or long-term you may never realize a profit, because gold markets have historically experienced extended periods of flat or declining prices. Investors should be aware that while gold is used to preserve wealth by investors around the world, there is no assurance that gold will maintain its long-term value in terms of future purchasing power. In the event the price of gold declines, it is expected the value of an investment in the ETFs to decline proportionately.
- During the process of creation or redemption of the Scheme in creation unit size, the AMC will source or sell the physical gold from a counterparty. The price at which the gold is bought

or sold at will include a spread also, apart from cost price of the gold, taxes and other transaction cost. Thus cost may vary depending on the source from which gold is bought or sold, due to different cost being charged by the counterparty. This varying buying or selling cost will impact the cost at which units are created for the investor or redeemed for the investor. AMC will most likely be passing on all the cost associated with buying and selling of the physical gold, including spread, transaction cost, taxes etc. on to the investor/investors. This will impact the per unit cost realized by the investor in case of creation or redemption directly with the AMC

- The AMC within the regulatory guidelines and room given in Scheme information document, may use derivative on gold (like Futures) for rebalancing, holding, creation of fresh units or redemption of existing units for the Scheme. The use of derivatives may affect the performance of the scheme and tracking error. It may also impact the value at units are created or redeemed by the scheme.
- If the process of creation and redemption of Baskets encounters any unanticipated difficulties or is materially restricted due to any illiquidity in the market for physical gold, the possibility for arbitrage transactions by Market Makers, intended to keep the price of the ETF units closely linked to the price of gold may not exist and, as a result, the price of the ETF units may fall or otherwise diverge from NAV.

■ **Risk factors associated with investing in Gold Monetisation Scheme (GMS) and Gold Deposit Scheme (GDS)**

The ETF shall, as permitted by SEBI, may invest a part of its pool of physical gold assets in Gold Monetisation Scheme/Gold Deposit Scheme run by Banks. Under the GMS/GDS, the ETF will deposit its physical gold assets as principal with the Banks which offer such facility (“the issuer”). A situation could arise where the issuer is unable to return the principal physical gold to ETF upon maturity or in case of an early redemption. Such inability to return physical gold could arise on account of liquidity problems or general financial health of the issuer. A default by the issuer under a GMS /GDS may result in losses to the Unit holders of the ETF. GMS/GDS being an unlisted and non-transferrable security can be Redeemed only with the issuer and hence, is subject to the risk of an issuer’s inability to meet principal and interest payments on the obligation (credit risk). Credit Risk means that the issuer of a Security may default on interest payments or even paying back the principal amount on maturity (i.e. the issuer may be unable to make timely principal and interest payments on the Security) which may result in losses to the Unitholders of the ETF.

■ **Risks associated with handling, storing and safekeeping of physical gold:**

All physical gold procured must follow the LMBA guidelines as per prescribed SEBI guidelines.

Risk arises when part or all of the gold held by the Fund could be lost, stolen or damaged and access to gold may be restricted due to natural calamities or human actions, loss or damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power. Loss due to aridity, humidity, exposure to light or extremes of temperature. Hence, the Custodian maintains insurance in regard to the business on terms and conditions and the custodian is also responsible for all costs arising from the insurance policies.

The custodian taking delivery on behalf of the AMC needs to ensure the weight, purity, and the source of gold as specified under the LBMA guidelines.

Since this is paramount to the SEBI guidelines the risk arises in violation of same.

Safekeeping of physical gold requires appropriate vaulting space, conforming to the best global standards. The vaulting agents engaged by the custodian needs to ensure the same.

#### ■ **Risks Related to the Custody of Gold**

- The Custodian is responsible for the safekeeping of the gold bullion and also facilitates the transfer of gold bullion into and out of the vault. Although the Custodian is a market maker, clearer and approved weigher under the rules of the LBMA (which sets out good practices for participants in the bullion market), the LBMA is not an official or governmental regulatory body. Accordingly, the ETF is dependent on the Custodian to comply with the best practices of the LBMA and to implement satisfactory internal controls for its gold bullion custody operations in order to keep the gold bullion secure.
- The Custodian is responsible for loss or damage to the gold only under limited circumstances. The Custodian Agreement contemplates that the Custodian will be responsible to the AMC only if it acts with negligence, fraud or in willful default of its obligations under the Custodian Agreement. In addition, the Custodian has agreed to indemnify the Trust for any loss or liability directly resulting from a breach of the Custodian's representations and warranties in the Custodian Agreement, a failure of the Custodian to act in accordance with the instructions or any physical loss, destruction or damage to the gold held for the Trust's account, except for losses due to nuclear fission or fusion, radioactivity, war, terrorist event, invasion, insurrection, civil commotion, riot, strike, act of government or public authority, act of God or a similar cause that is beyond the control of the Custodian for which the Custodian will not be responsible to the AMC. The Custodian's liability to the AMC, if any, will be limited to the value of any gold lost, or the amount of any balance held on an unallocated basis, at the time of the Custodian's negligence, fraud or willful default, or at the time of the act or omission giving rise to the claim for indemnification.
- Neither the Shareholders nor any Market Makers have a right under the Custodian Agreement to assert a claim against the Custodian. Claims under the Custodian Agreement may only be asserted by the AMC.
- The procedures agreed to with the Custodian contemplate that the Custodian must undertake certain tasks in connection with the inspection of gold delivered by Market Makers in exchange for Baskets. The Custodian's inspection includes review of the corresponding bar list to ensure that it accurately describes the weight, fineness, refiner marks and bar number appearing on the gold bars, but does not include any chemical or other tests designed to verify that the gold received does, in fact, meet the purity requirements. Accordingly, such inspection procedures may not prevent the deposit of gold that fails to meet these purity standards. The Custodian will not be responsible or liable to the Trust or to any investor in the event any gold otherwise properly inspected by it does not meet the purity requirements
- The AMC does not insure its gold (Underlying gold of the scheme). The Custodian maintains insurance on such terms and conditions as it considers appropriate in connection with its custodial obligations under the Custodian Agreement and is responsible for all costs, fees and expenses arising from the insurance policy or policies. The AMC is not a beneficiary of any such insurance



and does not have the ability to dictate the existence, nature or amount of coverage. Therefore, Shareholders cannot be assured that the Custodian maintains adequate insurance or any insurance with respect to the gold held by the Custodian on behalf of the Trust.

**Tracking Error Risk:** The Fund Manager would not be able to invest the entire corpus in physical gold due to certain factors such as the fees and expenses of the Scheme, corporate actions, cash balance, changes to the underlying index and regulatory restrictions, which may result in Tracking Error with the underlying index. The Scheme's returns may therefore deviate from those of the underlying index. "Tracking Error" is defined as the standard deviation of the difference between daily returns of the underlying index and the NAV of the Scheme. "Tracking Difference" is the annualized difference of daily returns between the goods and the NAV of the scheme (difference between fund return and the goods return). Tracking Error and Tracking difference may arise including but not limited to the following reasons:

- Expenditure incurred by the Fund.
- Available funds may not be invested at all times as the Scheme may keep a portion of the funds in cash to meet Redemptions, for corporate actions or otherwise.
- Securities trading may halt temporarily due to circuit filters.
- Corporate actions such as debenture or warrant conversion, rights issuances, mergers, change in constituents etc.
- Rounding-off of the quantity of shares in the underlying index.
- Dividend payout.
- Index providers undertake a periodical review of the scrips that comprise the underlying index and may either drop or include new scrips. In such an event, the Fund will try to reallocate its portfolio but the available investment/reinvestment opportunity may not permit absolute mirroring immediately.

SEBI Regulations (if any) may impose restrictions on the investment and/or divestment activities of the Scheme Such restrictions are typically outside the control of the AMC and may cause or exacerbate the Tracking Error.

It will be the endeavor of the fund manager to keep the tracking error as low as possible. However, in case of events like, dividend received from underlying securities, rights issue from underlying securities, and market volatility during rebalancing of the portfolio following the rebalancing of the underlying index, etc. or in abnormal market circumstances may result in tracking error. There can be no assurance or guarantee that the Scheme will achieve any particular level of tracking error relative to performance of the Index.

■ **Risk associated with Lending of physical Gold**

■ **Market Trading Risks**

- Although Units of Scheme described in this Scheme Information Document are listed / to be listed on the Exchange, there can be no assurance that an active secondary market will be developed or be maintained.
- Trading in Units of the Scheme on the Exchange may be halted because of market conditions or for reasons that in view of the Exchange Authorities or SEBI, trading in Units of the Scheme is not advisable. In addition, trading in Units of the Scheme is subject to trading halts caused by extraordinary market volatility and pursuant to the Exchange and SEBI 'circuit filter' rules. There can be no assurance that the requirements of the Exchange

necessary to maintain the listing of Units of the Scheme will continue to be met or will remain unchanged.

- Any changes in trading regulations by the Stock Exchange(s) or SEBI may affect the ability of market maker to arbitrage resulting into wider premium / discount to 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 Scheme's holdings. The trading prices of 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.
- 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 during liquidity window depends upon the confirmations to be received from depository(ies) on which the Mutual Fund has no control.
- Governments, central banks and related institutions worldwide, own a significant portion of the aggregate world gold holdings. If one or more of these institutions decides to sell in amounts large enough to cause a decline in world gold prices, the price of Units of the Scheme will be adversely affected.
- The Scheme provides for the creation and redemption of Units in Creation Unit Size directly with the Fund and therefore, it is expected that large discounts or premiums to the NAV of the Units of the Scheme will not sustain due to arbitrage opportunity available.
- Conversion of underlying physical gold into the Units of the Scheme may attract capital gain tax depending on acquisition cost and holding period.

#### **Risks Associated with Debt & Money Market Instruments**

- **Price-Risk or Interest-Rate Risk:** Fixed income securities such as bonds, debentures and money market instruments run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing fixed income securities fall and when interest rates drop, such 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.
- **Credit Risk:** In simple terms this risk means that the issuer of a debenture/ bond or a money market instrument may default on interest payment or even in paying back the principal amount on maturity. Even where no default occurs, the price of a security may go down because the credit rating of an issuer goes down. It must, however, be noted that where the Scheme has invested in Government securities, there is no credit risk to that extent.
- **Liquidity or Marketability Risk:** This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is today characteristic of the Indian fixed income market.
- **Reinvestment Risk:** Investments in fixed income securities may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.
- **Pre-payment 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 fund to reinvest the proceeds of such investments in securities offering lower yields, resulting in lower interest income for the fund.

- **Spread Risk:** In a floating rate security the coupon is expressed in terms of a spread or mark up over the benchmark rate. In the life of the security this spread may move adversely leading to loss in value of the portfolio. The yield of the underlying benchmark might not change, but the spread of the security over the underlying benchmark might increase leading to loss in value of the security.
- **Concentration Risk:** The Scheme portfolio may have higher exposure to a single sector, subject to maximum of 20% of net assets, depending upon availability of issuances in the market at the time of investment, resulting in higher concentration risk. Any change in government policy / businesses environment relevant to the sector may have an adverse impact on the portfolio.
- Different types of securities in which the scheme would invest as given in the SID carry different levels and types of risk. Accordingly the scheme's risk may increase or decrease depending upon its investment pattern. E.g. corporate bonds carry a higher amount of risk than Government securities. Further even among corporate bonds, bonds, which are AA rated, are comparatively more risky than bonds, which are AAA rated.

#### **Risk factors associated with processing of transaction through Stock Exchange Mechanism**

The trading mechanism introduced by the stock exchange(s) is configured to accept and process transactions for mutual fund units in both Physical and Demat Form. The allotment and/or redemption of Units through NSE and/or BSE or any other recognised stock exchange(s), on any Business Day will depend upon the modalities of processing viz. collection of application form, order processing/settlement, etc. upon which the Fund has no control. However, units of the Scheme can only be subscribed in demat mode. Moreover, transactions conducted through the stock exchange mechanism shall be governed by the operating guidelines and directives issued by respective recognized stock exchange(s).

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

- 1) Investor holding units of segregated portfolio may not able to liquidate their holding till the time recovery of money from the issuer.
- 2) Security comprises of segregated portfolio may not realise any value.
- 3) Listing of units of segregated portfolio in recognised stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further trading price of units on the stock market may be significantly lower than the prevailing NAV.

#### **C. Risk mitigation strategies**

##### **Risks Associated with Debt & Money Market Instruments**

**Credit Risk** - The fund has a rigorous credit research process. There is a regulatory and internal cap on exposure to each issuer. This ensures a diversified portfolio and reduced credit risk in the portfolio.

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 corpus of the Scheme shall be invested in accordance with the investment objective as follows:

- Gold bullion - fineness (or purity) of 995 parts per 1,000 (99.5%) or higher. Investments in Gold bullion will be as per the limits specified in the asset allocation table as mentioned in Section II C Asset Allocation
- Investments in gold related instruments (including derivative instruments related to gold) will be made as and when SEBI permits mutual funds to invest in gold related instruments.

The Scheme also may engage in gold lending, and / or deposit gold with banks in return for fees as and when permitted by SEBI.

### **Debt & Money Market Instruments:**

The Scheme will invest in debt and money market instruments. It retains the flexibility to invest across all the securities in the debt and money markets.

Debt securities and Money Market Instruments will include but will not be limited to:

- a. Securities created and issued by the Central and State Governments as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- b. Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- c. Debt securities of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee.
- d. Corporate debt (of both public and private sector undertakings).
- e. "money market instruments" includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, usance bills, and any other like instruments as specified by the Reserve Bank of India from time to time; subject to regulatory approvals where applicable.
- f. Certificate of Deposits (CDs).
- g. Commercial Paper (CPs). A part of the net assets may be invested in the Collateralized Borrowing & Lending Obligations (CBLO) or in an alternative investment as may be provided by RBI to meet the liquidity requirements.
- h. The non-convertible part of convertible securities.

- i. Any other domestic fixed income securities as permitted by SEBI / RBI from time to time subject to necessary approvals from SEBI and RBI, if any.
- j. Any other instruments/securities, which in the opinion of the fund manager would suit the investment objective of the scheme subject to compliance with extant Regulations.

The Investment Manager will invest only in those debt securities that are rated investment grade by a domestic credit rating agency authorized to carry out such activity, such as CRISIL, ICRA, CARE, FITCH, etc. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offer or negotiated deals.

The Scheme shall not enter into any repurchase and reverse repurchase obligations in all securities held by it. The scheme does not intend to invest into any credit default swaps.

### Overview of Debt Markets in India

Indian fixed income market, one of the largest and most developed in South Asia, is well integrated with the global financial markets. Screen based order matching system developed by the Reserve Bank of India (RBI) for trading in government securities, straight through settlement system for the same, settlements guaranteed by the Clearing Corporation of India and innovative instruments like TREPS have contributed in reducing the settlement risk and increasing the confidence level of the market participants.

The RBI reviews the monetary policy six times a year giving the guidance to the market on direction of interest rate movement, liquidity and credit expansion. The central bank has been operating as an independent authority, formulating the policies to maintain price stability and adequate liquidity. Bonds are traded in dematerialized form. Credit rating agencies have been playing an important role in the market and are an important source of information to manage the credit risk.

Government (Central and State) is the largest issuer of debt in the market. Public sector enterprises, quasi government bodies and private sector companies are other issuers. Insurance companies, provident funds, banks, mutual funds, financial institutions, corporates and FPIs are major investors in the market. Government loans are available up to 40 years maturity. Variety of instruments available for investments including plain vanilla bonds, floating rate bonds, money market instruments, structured obligations and interest rate derivatives make it possible to manage the interest rate risk effectively.

Indicative levels of the instruments as on May 31, 2024 are as follows:

Instrument	Maturity	Tenure	Yield	Liquidity
TREPS / Repo	Short	Overnight	6.76	Very High
CP / CD / T Bills	Short	3 months CP*	7.65	High
		3 months CD	7.15	
		1 Year CP*	8.12	
		1 Year CD	7.71	

Central Government securities	Low to High	to 10 years	6.98	Medium
Source: Bloomberg *Data is for NBFC.				

## INTRODUCTION TO EXCHANGE TRADED FUNDS

### Exchange Traded Fund (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. Units can also be bought and sold directly on the exchange.

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

The structure of ETFs is such that it protects long-term Investors from inflows and outflows of short-term Investor. This is because the 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, equitising 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
2. Allows diversification of portfolio at one shot thereby reducing scrip specific risk at a low cost. Gold ETFs reduce risk of holding physical gold.
3. FIIs, Institutions and Mutual Funds
4. Allows easy asset allocation, hedging and equitizing cash at a low cost.
5. Arbitrageurs
6. Low impact cost to carry out arbitrage between the cash and the futures market.
7. Investors with a shorter term horizon
8. 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

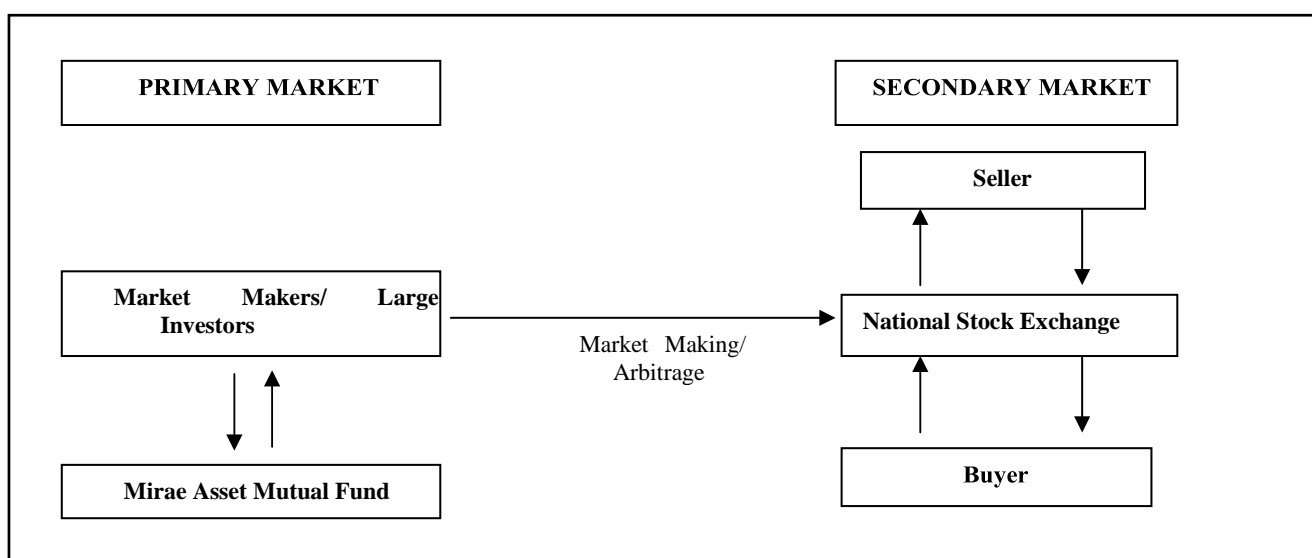
1. **Absence of Prior Active Market:** Although the units of ETFs are listed on the Exchange for trading, there can be no assurance that an active secondary market will develop or be maintained.
2. **Lack of Market Liquidity:** Trading in units of ETFs on the Exchange on which it is listed may be halted 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.

### Comparison of ETFs v/s Open Ended Funds v/s Close Ended Funds:

	Open Ended Fund	Closed Ended Fund	Exchange Traded Fund
<b>Fund Size</b>	Flexible	Fixed	Flexible

<b>NAV</b>	Daily	Daily	Real time (indicative NAV)
<b>Liquidity provider</b>	Fund itself	Stock Market	Stock Market / Fund itself
<b>Sale price</b>	At NAV plus Load, if any	Significant premium / discount to NAV	Very close to actual NAV of Scheme
<b>Availability</b>	Fund itself	Through Exchange where listed	Through Exchange where listed / Fund itself.
<b>portfolio disclosure</b>	Disclosed monthly	Disclosed monthly	Daily
<b>Intra-day trading</b>	Not possible	Expensive	Possible at low cost

An illustration of the working of ETF is given below:



#### **Procedure for creation of 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 ESG Units in Creation Unit Size will be made by payment of requisite amount, 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 Authorized Participant 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 basket of securities underlying the designated index called the Portfolio Deposit and a Cash Component equal to the value of 2,50,000 Units of the Scheme and/or subscribed in cash equal to the value of said predefined units of the Scheme. Each Creation Unit size consists of 2,50,000 Units of ESG. Each unit of ESG will be approximately equal to the 1/100th value of the Nifty100 ESG Sector Leaders Index. '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 in Creation Unit size**

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 Investor's Depository Participant account and pay/recover the Cash Component and transaction handling charges, if any.
- The Fund allows cash Redemption of the Units of the Scheme in Creation Unit size by Large Investors/Authorized Participant.
- Such Investors shall make Redemption request to the 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 10 Business 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 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 Authorized Participant or Large Investor.

3. The Portfolio Deposit and / or Cash Component for ESG may change from time to time due to change in NAV and due to any other market factors.

4. 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 securities.

### **Procedure for Creation of Units along with example for creation and redemption of units in the ETF**

Each Creation Unit consists of 25,000 units XYZ ETF tracking XYZ Index. The Creation Unit is made up of 2 components i.e. Portfolio Deposit and Cash Component. The Portfolio Deposit will be determined by the Fund as per the weights of each security in the Underlying Index. The value of this Portfolio Deposit will change due to change in prices during the day. The number of shares of each security that constitute the Portfolio Deposit will remain constant unless there is any corporate action in the Underlying Index or there is a rebalance in the Underlying Index or the fund manager re-align the weights of the securities to reduce the tracking error. The example of Creation Unit is given below for an hypothetical XYZ Index.

<b>SECURITY</b>	<b>Index Weight</b>	<b>Quantity</b>	<b>Price</b>	<b>Value</b>
Reliance Industries Ltd	15.67	384	1,704.10	654,374.40
HDFC Bank Ltd	13.41	523	1,065.85	557,439.55
Housing Development Finance Corporation Ltd	8.80	210	1,754.65	368,476.50
Infosys Ltd	7.82	448	735.95	329,705.60
ICICI Bank Ltd	6.61	773	351.45	271,670.85
Tata Consultancy Services Ltd	6.35	127	2,082.15	264,433.05
Kotak Mahindra Bank Ltd	5.78	169	1,360.45	229,916.05
Hindustan Unilever Ltd	5.65	102	2,180.00	222,360.00
ITC Ltd	4.94	1,007	194.65	196,012.55
Bharti Airtel Ltd	3.90	285	559.85	159,557.25
Larsen & Toubro Ltd	3.35	149	943.65	140,603.85
Axis Bank Ltd	2.67	277	406.65	112,642.05
Asian Paints Ltd	2.25	56	1,687.45	94,497.20
Maruti Suzuki India Ltd	2.20	16	5,838.30	93,412.80
Bajaj Finance Ltd	2.18	31	2,831.00	87,761.00
State Bank of India	1.99	464	178.45	82,800.80
HCL Technologies Ltd	1.78	133	556.85	74,061.05
Nestle India Ltd	1.75	4	17,174.45	68,697.80
Sun Pharmaceutical Industries Limited	1.49	129	472.95	61,010.55

Mahindra & Mahindra Ltd	1.42	117	510.70	59,751.90
Total Value of Portfolio Deposit	100			4,129,184.80

Value of Portfolio Deposit	4,129,184.80
Value of Cash Component	20,815.20
Total Value of Creation Unit	4,150,000.00

Cash component arrived in the following manner:

Value of portfolio deposit (A)	4,129,184.80
NAV as on 30 June 2020	166.0000
Creation Unit	25,000.00
Value of creation unit (B)	4,150,000.00
CASH COMPONENT (C = B-A)	20,815.20

\*The above is just an example to illustrate the calculation of cash component. Cash Component (other charges) will vary depending upon the actual charges incurred like Custodial Charges, stamp duty and other incidental charges for creating units.

## B. What are the investment restrictions?

The following investment limitations and other restrictions, inter alia, as contained in the Trust Deed and the Regulations apply to the Scheme:

- The corpus of the Scheme shall be invested only in gold or gold related instruments in accordance with its investment objective, except to the extent necessary to meet the liquidity requirements for honoring repurchases or redemptions, as disclosed in this Scheme Information Document.
- Every mutual fund shall buy and sell gold on the basis of deliveries and shall in all cases of purchases, take delivery of gold and in all cases of sale, deliver the gold: Provided further that a mutual fund may enter into derivatives transactions in a recognized stock exchange as and when permitted by SEBI, subject to the framework specified by SEBI.
- The Scheme shall invest in gold of 0.995 fineness and above.
- Participation in ETCDs shall be subject to the following investment limits:
  - a) The cumulative exposure to gold related instruments i.e. Gold Deposit Scheme (GDS) of banks, Gold Monetization Scheme (GMS) and ETCD having gold as the underlying shall not exceed 50% of net asset value of the scheme. However, within the 50% limit, the investment limit for GDS and GMS as part of gold related instrument shall not exceed 20% of net asset value of the scheme. The unutilized portion of the limit for GDS of banks and GMS can be utilized for ETCD having gold as the underlying.
  - b) The cumulative gross exposure through Gold and Gold instruments shall not exceed 100% of net asset value of the scheme.
  - c) The scheme shall have net short positions in ETCDs on any particular good, considering its positions in physical goods as well as ETCDs, at any point of time.

- d) Before investing in ETCs having gold as the underlying, mutual funds shall put in place a written policy with regard to such investment with due approval from the Board of the AMC and the Trustees. The policy shall be reviewed by the Board of AMC and Trustees at least once a year.
- Investment in unrated debt and money market instruments, other than government securities, treasury bills, derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. shall be subject to the following:
    - a. Investments shall only be made in such instruments, including bills rediscounting, usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in SEBI (Mutual Fund) Regulations, 1996 and various circulars issued thereunder.
    - b. Exposure in such instruments, shall not exceed 5% of the net assets of the scheme.
    - c. All such investments shall be made with the prior approval of the Board of AMC and the Board of trustees.
  - Pending deployment of funds of a scheme in securities in terms of investment objectives of the scheme a mutual fund can invest the funds of the scheme in short term deposits of scheduled commercial banks. The investment in these deposits shall be in accordance with Clause 12.16.1.8 of SEBI Master Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023.
  - The mutual fund shall not borrow except to meet temporary liquidity needs of the mutual funds for the purpose of repurchase, redemption of units or payment of interest or dividend to the unitholders. Provided that the mutual fund shall not borrow more than 20 per cent of the net asset of the scheme and the duration of such a borrowing shall not exceed a period of six months.
  - The Scheme may invest in another scheme under the same asset management company or any other mutual fund without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the management or in schemes under the management of any other asset management company shall not exceed 5% of the NAV of the mutual fund.
  - Inter scheme transfers of investments from one scheme to another scheme in the same Mutual Fund shall be allowed only if such transfers are done at the prevailing market price for quoted instruments on spot basis. Explanation -“Spot basis” shall have same meaning as specified by stock exchange for spot transactions. The securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

Pursuant to Clause 12.30 of SEBI Master Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, ISTs may be allowed in the following scenarios:

- i. for meeting liquidity requirement in a scheme in case of unanticipated redemption pressure
- ii. for Duration/ Issuer/ Sector/ Group rebalancing

No IST of a security shall be done, if there is negative news or rumors in the mainstream media or an alert is generated about the security, based on internal credit risk assessment. The Scheme shall comply with the guidelines for inter-scheme transfers as specified under clause 12.30 of SEBI Master Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023.

- The scheme shall not make any investment in any fund of funds scheme.

- Save as otherwise expressly provided under SEBI (MF) Regulations, the Mutual Fund shall not advance any loans for any purpose.
- The Scheme shall not make any investment in: a) Any unlisted security of an associate or group company of the Sponsor; or b) Any security issued by way of private placement by an associate or group company of the sponsor; or c) The listed securities of group companies of the Sponsor which is in excess of 5% of the net assets.
- The Mutual Fund having an aggregate of securities which are worth Rs.10 crores or more, as on the latest balance sheet date, shall subject to such instructions as may be issued from time to time by SEBI, settle their transactions entered on or after January 15, 1998 only through dematerialized securities. Further, all transactions in government securities shall be in dematerialized form.

Pursuant to Clause 12.16 of SEBI Master Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023:

- 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 trustees. Further, 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.
- “Short Term” for parking of funds by Mutual Funds shall be treated as a period not exceeding 91 days
- 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 that Scheme. AMC shall also ensure that the bank in which a scheme has Short term deposit do not invest in the said scheme until the scheme has Short term deposit with such bank.
- Asset Management Company (AMC) shall not be permitted to charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.
- The investments in short term deposits of scheduled commercial banks will be reported to the Trustees along with the reasons for the investment which, inter-alia, would include comparison with the interest rates offered by other scheduled commercial banks. Further, AMC shall ensure that the reasons for such investments are recorded in the manner prescribed in Clause **12.23 of** SEBI Master Circular dated May 19, 2023.
- The Scheme will comply with SEBI regulations and any other regulations applicable to the investments of Funds from time to time. The Trustee may alter the above restrictions from time to time to the extent that changes in the regulations may allow. All investment restrictions shall be applicable at the time of making investment.

The Trustee may alter the above restrictions from time to time to the extent that changes in the Regulations may allow and as deemed fit in the general interest of the Unit Holders.

Apart from the investment restrictions prescribed under SEBI (MF) Regulations, the Fund does not follow any internal norms vis-a-vis limiting exposure to a particular scrip or sector etc.

### C. Fundamental Attributes

Following are the Fundamental Attributes of the scheme, in terms of Clause 1.14 of SEBI Master Circular for Mutual Funds dated May 19, 2023:

(i) **Type of a scheme**

Open ended – Exchange Traded Fund

An open-ended scheme replicating/tracking Domestic Price of Gold

**Investment Objective:** To generate returns that are in line with the performance of physical gold in domestic prices, subject to tracking error. The Scheme does not guarantee or assure any returns. There is no assurance that the investment objective of the Scheme will be achieved.

- **Main Objective** - Growth
- **Investment pattern**

**Asset allocation:**

Instruments	Indicative allocations (% of total assets)	
	Minimum	Maximum
Gold and gold related instruments*	95	100
Money market instruments including Tri Party REPO/ debt securities, Instruments and/or units of debt/liquid schemes of domestic Mutual Funds.	0	5

\*includes physical Gold and other gold related instruments^ which may be permitted by Regulator from time to time. Exchange Traded Commodity Derivatives (ETCDs) having gold as the underlying shall be considered as ‘gold related instrument’ for Gold ETF. Further, “Gold Monetization Scheme” (GMS) of Banks shall be considered as ‘gold related instrument’

### Rebalancing of deviation due to short term defensive consideration

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 2% p.a for daily 12 month rolling return. However, in case of events like, dividend received from underlying 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. Since the Scheme is an exchange traded fund, it will endeavor that at no point of time the Scheme will deviate from the index.

Subject to SEBI (MF) Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages can vary substantially depending upon the perception of the Investment Manager; the intention being at all times to seek to protect the interests of the Unit holders. As per Clause 1.14.1.2 of SEBI Master Circular dated May 19, 2023, such changes in the investment pattern will be for short term and for defensive consideration only.

(ii) **Terms of Issue**

- **Listing:**

The Units of the Scheme are listed on the Capital Market Segment of the NSE and BSE.

The AMC engages Market Makers for creating liquidity for the Units of the Scheme on the Stock Exchange(s) so that investors other than Market Makers and Large Investors are able to buy or redeem Units on the Stock Exchange(s) using the services of a stock broker.

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 at least one stock exchange.

An investor can buy/sell Units on a continuous basis on the NSE and BSE on which the Units are listed during the trading hours like any other publicly traded stock at prices which may be close to the NAV of the Scheme. The price of the Units in the market will depend on demand and supply at that point of time. There is no minimum investment, although Units are purchased in round lots of 1.

- **Redemption:** Redemption Price
- **Aggregate fees and expenses charged to the scheme:** For detailed fees and expenses charged to the scheme please refer to section- I Part - III 'C – Annual Scheme Recurring Expenses'.
- **Any safety net or guarantee provided:** There is no assurance OR guarantee of returns.

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations and Clause 1.14.1.4 of SEBI Master Circular for Mutual Funds dated May 19, 2023 the Trustees shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:

- SEBI has reviewed and provided its comments on the proposal

- A written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- The Unitholders 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 Benchmark**

The benchmark for the Scheme is the **Domestic Price of Physical Gold (based on LBMA Gold daily spot fixing price)**. Performance comparisons for the Scheme will be made vis-à-vis the Benchmark. However, the Scheme's performance may not be strictly comparable with the performance of the Benchmark, due to the inherent differences in the construction of the portfolio.

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

The incentive structure shall be based on the performance of the MM. It shall have recourse to factors such as trading volumes, bid-ask spread in units of ETFs and such other information as may be required to formalize performance-based incentive structure or a fixed monthly compensation at the discretion of the AMC and is to be decided between the AMC and the Market Maker. The incentives, if any, shall be charged to the respective scheme within the maximum permissible limit of TER. A transparent incentive structure for the MMs shall be put in place, and the incentives shall, *inter alia*, be linked to performance of the MMs in terms of generating liquidity in units of ETFs.

#### **F. Other Scheme Specific Disclosures:**

Listing and transfer of units	<p>The Units of the Scheme are listed on the Capital Market Segment of the NSE and BSE.</p> <p>The AMC engages Market Makers for creating liquidity for the Units of the Scheme on the Stock Exchange(s) so that investors other than Market Makers and Large Investors are able to buy or redeem Units on the Stock Exchange(s) using the services of a stock broker.</p> <p>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 at least one stock exchange.</p> <p>An investor can buy/sell Units on a continuous basis on the NSE and BSE on which the Units are listed during the trading hours like any other publicly traded stock at prices which may be close to the NAV of the Scheme. The price of the Units in the market will depend on demand and supply at that point of</p>
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	<p>time. There is no minimum investment, although Units are purchased in round lots of 1.</p> <p>Units held in Demat form are transferable (subject to lock-in period, if any and subject to lien, if any marked on the units) in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 2018, as may be amended from time to time. Transfer can be made only in favor of transferees who are capable of holding Units and having a Demat Account. The delivery instructions for transfer of Units will have to be lodged with the DP in requisite form as may be required from time to time and transfer will be effected in accordance with such rules / regulations as may be in force governing transfer of securities in dematerialized mode. Further, for the procedure of release of lien, the investors shall contact their respective Depository.</p> <p>However, if a person becomes a holder of the Units consequent to operation of law or upon enforcement of a pledge, the Mutual Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the Units. Similarly, in cases of transfers taking place consequent to death, insolvency etc., the transferee's name will be recorded by the Mutual Fund subject to production of satisfactory evidence.</p> <p>Please refer SAI for details on transmission, nomination, lien, pledge, duration of the Scheme and Mode of Holding.</p>
Dematerialization of units	<p>The Units of the Scheme are available only in dematerialized (electronic) form. Investors intending to invest in Units of the Scheme 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.</p> <p>The Units of the Scheme will be issued, traded and settled compulsorily in dematerialized (electronic) form.</p>
Dividend Policy (IDCW)	Not Applicable
Allotment	The AMC shall send an allotment confirmation specifying the units allotted by way of e-mail and/or SMS within 5 Business Days of receipt of valid application to the Unit holders registered e-mail address and/or mobile number.

	<p>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 periodically.</p>
<p><b>Who can invest</b> This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.</p>	<ul style="list-style-type: none"> <li>• Indian resident adult individuals, either singly or jointly (not exceeding three);</li> <li>• Minor through parent / lawful guardian; (please see the note below)</li> <li>• Companies, bodies corporate, public sector undertakings, association of persons or bodies of individuals and societies registered under the Societies Registration Act, 1860;</li> <li>• Partnership Firms constituted under the Partnership Act, 1932;</li> <li>• Limited Liability Partnerships (LLP);</li> <li>• A Hindu Undivided Family (HUF) through its Karta;</li> <li>• Banking Company as defined under the Banking Regulation Act, 1949;</li> <li>• Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions;</li> <li>• Public Financial Institution as defined under the Companies Act, 1956;</li> <li>• Insurance Company registered with the Insurance Regulatory and Development Authority (IRDA);</li> <li>• Non-Resident Indians (NRIs) / Persons of Indian Origin (PIO) on full repatriation basis or on non-repatriation basis;</li> <li>• Foreign Portfolio Investors (FPI) (including overseas ETFs, Fund of Funds) registered with SEBI on repatriation basis;</li> <li>• Mutual Funds/ Alternative Investment Funds registered with SEBI</li> <li>• Army, Air Force, Navy and other para-military funds and eligible institutions;</li> <li>• Scientific and Industrial Research Organizations;</li> <li>• Provident / Pension / Gratuity and such other Funds as and when permitted to invest;</li> <li>• International Multilateral Agencies approved by the Government of India / RBI; and</li> <li>• The Trustee, AMC or Sponsor or their associates (if eligible and permitted under prevailing laws).</li> <li>• A Mutual Fund through its schemes if permitted by the regulatory authorities.</li> </ul>

	<ul style="list-style-type: none"> <li>• Special Purpose Vehicles (SPVs) approved by appropriate authority (subject to RBI approval).</li> <li>• Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) and Private Trusts authorized to invest in mutual fund schemes under their trust deeds;</li> <li>• Qualified Foreign Investors subject to the conditions prescribed by SEBI, RBI, Income Tax authorities and the AMC, from time to time on repatriation basis.</li> <li>• Such other individuals/institutions/body corporate etc., as may be decided by the AMC from time to time, so long as wherever applicable they are in conformity with SEBI Regulations/RBI, etc.</li> </ul> <p><b>Note: 1.</b> Minor Unit Holder on becoming major may inform the Registrar about attaining majority and provide his specimen signature duly authenticated by his banker as well as his details of bank account and a certified true copy of the PAN card as mentioned under the paragraph “Anti Money Laundering and Know Your Customer” to enable the Registrar to update their records and allow him to operate the Account in his own right.</p> <p><b>Note 2. Applicants under Power of Attorney:</b> An applicant willing to transact through a power of attorney must lodge the photocopy of the Power of Attorney (PoA) attested by a Notary Public or the original PoA (which will be returned after verification) within 30 Days of submitting the Application Form / Transaction Slip at a Designated Collection Centre. Applications are liable to be rejected if the power of attorney is not submitted within the aforesaid period.</p>
Who cannot invest	<p>It should be noted that the <b>following entities cannot invest in the scheme:</b></p> <ul style="list-style-type: none"> <li>• Any individual who is a foreign national or any other entity that is not an Indian resident under the Foreign Exchange Management Act, 1999, except where registered with SEBI as a FPI. However, there is no restriction on a foreign national from acquiring Indian securities provided such foreign national meets the residency tests as laid down by Foreign Exchange Management Act, 1999.</li> <li>• Overseas Corporate Bodies (OCBs) shall not be allowed to invest in the Scheme. These would be firms and societies which are held directly or indirectly but ultimately to the extent of at least 60% by NRIs and trusts in which at least 60% of the beneficial interest is similarly held irrevocably by such persons (OCBs.)</li> </ul>

	<ul style="list-style-type: none"> <li>• Non-Resident Indians residing in the Financial Action Task Force (FATF) Non-Compliant Countries and Territories (NCCTs)</li> <li>• “U.S. Person” under the U.S. Securities Act of 1933 and corporations or other entities organized under the laws of U.S.</li> <li>• Residents of Canada or any Canadian jurisdiction under the applicable securities laws.</li> <li>• The Fund reserves the right to include / exclude new / existing categories of investors to invest in the Scheme from time to time, subject to SEBI Regulations and other prevailing statutory regulations, if any.</li> </ul> <p>Subject to the Regulations, any application for subscription of Units may be accepted or rejected if found incomplete or due to unavailability of underlying securities, etc. For example, the Trustee may reject any application for the Purchase of Units if the application is invalid or incomplete or if, in its opinion, increasing the size of any or all of the Scheme's Unit capital is not in the general interest of the Unit Holders, or if the Trustee for any other reason does not believe that it would be in the best interest of the Scheme or its Unit Holders to accept such an application.</p> <p>The AMC / Trustee may need to obtain from the investor verification of identity or such other details relating to a subscription for Units as may be required under any applicable law, which may result in delay in processing the application.</p>
How to apply and other details	<p>Application form and Key Information Memorandum may be obtained from Official Points of Acceptance (OPAs) / Investor Service Centres (ISCs) of the AMC or RTA or Distributors or can be downloaded from our website <a href="http://www.miraecassettmf.co.in">www.miraecassettmf.co.in</a>.</p> <p>The list of the OPA / ISC are available on our website as well.</p> <p>Investors intending to trade in Units of the Schemes, through the exchange platform will be required to provide demat account details in the application form.</p> <p><b>Registrar &amp; Transfer Agent:</b>  <b>KFin Technologies Limited (Formerly known as “Karvy Fintech Private Limited”)</b></p> <p>Registered Office:  Karvy Selenium, Tower B, Plot Number 31 &amp; 32, Financial District, Gachibowli, Hyderabad - 500 034.</p>

**Contact Persons:**

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**Branches:**

Applications can be submitted at collecting bankers and Investor Service Centers of Mirae Asset Investment Managers (India) Pvt. Ltd and KFin Technologies Limited. Details of which are furnished on back cover page of this document.

2. Please refer the AMC website at the following link for the list of official points of acceptance, collecting banker details etc.: <https://www.miraeassetmf.co.in/downloads/statutory-disclosure/other-disclosure/offer-documents-data>

**Website of the AMC:**

Investor can also subscribe to the Units of the Scheme through the website of the AMC i.e. <https://www.miraeassetmf.co.in/investor-center/investor-services>

**Stock Exchanges:**

A Unit holder may purchase Units of the Scheme through the Stock Exchange infrastructure. Investors can hold units only in dematerialized form.

**MF Utility (MFU):**

A unitholder may purchase units of the Plan(s) under the Scheme through MFU.

All financial and non-financial transactions pertaining to Schemes of Mirae Asset Mutual Fund can also be submitted through MFU either electronically or physically through the authorized Points of Service ("POS") of MFUI. The list of POS of MFUI is published on the website of MFUI at [www.mfuindia.com](http://www.mfuindia.com) and may be updated from time to time.

Investors to note that it is mandatory to mention the bank account numbers in the applications/requests for redemption.

	Please refer to the SAI and application form for the instructions.
The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.	All units can be reissued without any limit by the Scheme.
Restrictions, if any, on the right to freely retain or dispose of units being offered.	<p>As the units of the Scheme are mandatorily to be held in demat mode, the same are freely transferable. Further, the unit holders will have to approach their DP for transfer, transmission, pledge related requests etc. which shall be done by the DP in accordance with the procedural requirements laid down by the Depositories, viz. NSDL/ CDSL and/or in accordance with the provisions laid under the Depositories Act, 1996 and the Regulations thereunder.</p> <p><b>RIGHT TO RESTRICT REDEMPTION AND / OR SUSPEND REDEMPTION OF THE UNITS:</b></p> <p>The Fund at its sole discretion reserves the right to restrict Redemption (including switchout) 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).</p> <p>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:</p>

	<p>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.</p> <p>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 (i.e. within 3-4 Business Days) mentioned by the Fund in the scheme offering documents, for processing of requests for Redemption may not be applicable.</p>
<p>Cut off timing for subscriptions/ redemptions/ switches</p> <p>This is the time before which your application (complete in all respects) should reach the official points of acceptance.</p>	<p><b>In case of Purchase / Redemption directly with Mutual Fund (By Market Makers and Large Investors):</b></p> <p><b>Direct transaction in ETFs through AMCs</b>  Direct transaction with AMCs shall be facilitated for investors only for transactions above a specified threshold. In this regard, to begin with any order placed for redemption or subscription directly with the AMC must be of greater than INR 25 Cr. The aforesaid threshold shall not be applicable for Market Makers.</p> <p>All direct transactions in units of ETFs by Market Makers or other eligible investors (as mentioned above) with AMCs shall be at intra-day NAV based on the actual execution price of the underlying portfolio.</p> <p>The requirement of “cut-off” timing shall not be applicable for direct transaction with AMCs in ETFs by Market Makers and other eligible investors.</p> <p><b>For Redemption of units directly with the Mutual Fund (other than Market Makers and Large Investors):</b>  Investors can directly approach the AMC for redemption of units of ETF, for transaction of upto INR 25 Cr. without any exit load, in case of the following scenarios:</p> <ol style="list-style-type: none"> <li>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</li> <li>ii. No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or</li> </ol>

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.

In case of the above scenarios, applications received from investors for redemption up to 3.00 p.m. on any trading day, shall be processed by the AMC at the closing NAV of the day.

Such instances shall be tracked by the AMC on an ongoing basis and in case any of the above mentioned scenario arises, the same shall be disclosed on the website of the Mutual Fund.

**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 realized 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 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



	<p>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.</p>
<p>Minimum amount for purchase/redemption/switches</p>	<p><b>ON THE EXCHANGE</b></p> <p>Investors can subscribe (buy) and redeem (sell) Units on a continuous basis on the NSE and 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 amount to be invested. On the Stock Exchange(s), the Units of the Scheme can be purchased/sold in minimum lot of 1 (one) Unit and in multiples thereof.</p> <p><b>DIRECTLY FROM THE FUND</b></p> <p>The Scheme offers for subscriptions/redemptions only for Market Makers in ‘Creation Unit Size’ on all Business Days at a price determined on the basis of approximately indicative NAV based prices (along with applicable charges and execution variations) during the Ongoing Offer for applications directly received at AMC. Large investors can subscribe/redeem directly with the AMC for an amount greater than Rs. 25 crores. Additionally, the difference in the value of portfolio and cost of purchase/sale of Portfolio Deposit on the Exchange for creation/redemption of scheme Units including the Cash Component and transaction handling charges, if any, will have to be borne by the Market Makers /Large Investor.</p> <p>The Fund creates/redeems Units of the Scheme in large size known as “Creation Unit Size”. Each “Creation Unit” consists of 1,10,000 Units of the Scheme. The value of the “Creation Unit” is 1 kilogram of physical gold or in multiple thereof called as the “Portfolio Deposit” and a “Cash Component” which will be exchanged for 1,10,000 Units of the Scheme. <i>During buying or selling, for a concerned transaction, In case of any variation in the weight of the gold bar (away from 1 kg), same shall be adjusted in the cash component i.e. higher weight will reduce cash component and lower weight will increase cash component for the concerned investor.</i></p>

	<p>The Portfolio Deposit and Cash Component for the Scheme may change from time to time due to change in NAV.</p>
Accounts Statements	<p>The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form).</p> <p>A Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds (including transaction charges paid to the distributor) and holding at the end of the month shall be sent to the Unit holders in whose folio(s) transaction(s) have taken place during the month by mail or email on or before 15th of the succeeding month.</p> <p>Half-yearly CAS shall be issued at the end of every six months (i.e. September/ March) on or before 21st day of succeeding month, to all investors providing the prescribed details across all schemes of mutual funds and securities held in dematerialized form across demat accounts, if applicable</p> <p>For further details, refer SAI.</p>
Dividend/ IDCW	Not Applicable
Redemption	<p>The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase.</p> <p>For list of exceptional circumstances refer para 14.1.3 of SEBI Master Circular for Mutual Funds dated May 19, 2023.</p> <p><b>Non-Resident Investors</b></p> <p>For NRIs, Redemption proceeds will be remitted depending upon the source of investment as follows:</p> <p><b>(i) Repatriation basis</b></p> <p>When Units have been purchased through remittance in foreign exchange from abroad or by cheque / draft issued from proceeds of the Unit Holder's FCNR deposit or from funds held in the Unit Holder's Non Resident (External) account kept in India, the proceeds can also be sent to his Indian address for</p>

	<p>crediting to his NRE/FCNR/non-resident (Ordinary) account, if desired by the Unit Holder.</p> <p><b>(ii) Non-Repatriation basis</b>  When Units have been purchased from funds held in the Unit Holder's non-resident (Ordinary) account, the proceeds will be sent to the Unit Holder's Indian address for crediting to the Unit Holder's non-resident (Ordinary) account.</p> <p>For FPIs, the designated branch of the authorized dealer may allow remittance of net sale / maturity proceeds (after payment of taxes) or credit the amount to the Foreign Currency account or Non-resident Rupee account of the FPI maintained in accordance with the approval granted to it by the RBI. The Fund will not be liable for any delays or for any loss on account of any exchange fluctuations, while converting the rupee amount in foreign exchange in the case of transactions with NRIs/FPIs. The Fund may make other arrangements for effecting payment of redemption proceeds in future.</p> <p>The normal processing time may not be applicable in situations where necessary details are not provided by investors/Unit holders. The AMC will not be responsible for any loss arising out of fraudulent encashment of cheques and/or any delay/loss in transit.</p> <p>The Transfer of redemption or repurchase proceeds to the unitholders shall be made within five working days from the date of redemption or repurchase.</p>
Bank Mandate	<p>It is mandatory for every applicant to provide the name of the bank, branch, address, account type and number as per SEBI requirements and any Application Form without these details will be treated as incomplete. Such incomplete applications will be rejected. The Registrar / AMC may ask the investor to provide a blank cancelled cheque or its photocopy for the purpose of verifying the bank account number.</p>
Delay in payment of redemption / repurchase proceeds/dividend	<p>The Asset Management Company shall be liable to pay interest to the unitholders at such rate as may be specified by SEBI for the period of such delay (presently @15% per annum) in case the redemption proceeds are not made within 3 working Days from the date of receipt of a valid redemption request. Investors are requested to note that the Redemption payout will be in accordance with the working days in the Hong Kong market, as the orders will be placed in the Hong Kong market.</p>

<p>Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount</p>	<p>As per the Clause 14.3 of SEBI Master Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, the unclaimed Redemption and IDCW amounts shall be deployed by the Fund in call money market or money market instruments and in a separate plan of Liquid scheme / Money Market Mutual Fund scheme floated by Mutual Funds specifically for deployment of the unclaimed amounts. The investment management fee charged by the AMC for managing such unclaimed amounts shall not exceed 50 basis points. The AMCs shall not be permitted to charge any exit load in this plan.</p> <p>Provided that such schemes where the unclaimed redemption and IDCW amounts are deployed shall be only those Overnight scheme/ Liquid scheme / Money Market Mutual Fund schemes which are placed in A-1 cell (Relatively Low Interest Rate Risk and Relatively Low Credit Risk) of Potential Risk Class matrix as per Clause 17.5 of SEBI Master Circular dated May 19, 2023.</p> <p>The investors who claim these amounts during a period of three years from the due date shall be paid at the prevailing NAV. After a period of three years, this amount can be transferred to a pool account and the investors can claim the said amounts at the NAV prevailing at the end of the third year. In terms of the circular, the onus is on the AMC to make a continuous effort to remind investors through letters to take their unclaimed amounts.</p> <p>The website of Mirae Asset Mutual Fund also provides information on the process of claiming the unclaimed amount and the necessary forms / documents required for the same.</p> <p>The details of such unclaimed amounts are also disclosed in the annual report sent to the Unit Holders.</p> <p>Important Note: All applicants must provide a bank name, bank account number, branch address, and account type in the Application Form.</p>
<p>Disclosure w.r.t investment by minors</p>	<ul style="list-style-type: none"> <li>• Payment for investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian.</li> <li>• Irrespective of the source of payment for subscription, all redemption proceeds shall be credited only in the verified account of the minor i.e. the account the minor may hold with the parent/ legal guardian after completing all KYC formalities.</li> </ul>

	<ul style="list-style-type: none"> <li>• The AMC will send an intimation to Unit holders advising the minor (on attaining majority) to submit an application form along with prescribed documents to change the status of the account from ‘minor’ to ‘major’.</li> <li>• All transactions / standing instructions / systematic transactions etc. will be suspended i.e. the Folio will be frozen for operation by the guardian from the date of beneficiary child completing 18 years of age, till the status of the minor is changed to major. Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new bank account.</li> <li>• No investments (lumpsum/ switch in etc.) in the scheme would be allowed once the minor attains majority i.e. 18 years of age.</li> </ul> <p>Please refer SAI for details on Transmission of Units.</p>
Investments in Scheme by AMC, Sponsor & Associates	<p>Subject to the Regulations, the AMC and investment companies managed by the Sponsor(s), their associate companies and subsidiaries may invest either directly or indirectly, in the Scheme during the NFO and/or on ongoing basis. However, the AMC shall not charge any investment management fee on such investment in the Scheme, in accordance with sub-regulation 3 of Regulation 24 of the Regulations and shall charge fees on such amounts in future only if the SEBI Regulations so permit. The associates, the Sponsor, subsidiaries of the Sponsor and/or the AMC may acquire a substantial portion of the Scheme’s units and collectively constitute a major investment in the Schemes. The AMC reserves the right to invest its own funds in the Scheme as may be decided by the AMC from time to time and required by applicable regulations and also in accordance with Clause 6.11 of SEBI Master Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023 regarding minimum number of investors in the Scheme.</p> <p>In terms of SEBI notification dated August 5, 2021 and as per Regulation 25, sub-regulation 16A of SEBI (Mutual Funds) Regulations, the asset management company shall invest such amounts in such schemes of the mutual fund, based on the risks associated with the schemes, as may be specified by SEBI from time to time</p>

### III. Other Details

#### A. Periodic Disclosures

### **Half yearly Disclosures: Financial Results**

The AMC/Mutual Fund shall within one month from the close of each half year, that is on March 31st and on September 30th, host a soft copy of its unaudited financial results on their website <https://www.miraeassetmf.co.in/downloads/statutory-disclosure/financials>. The half-yearly unaudited financial results shall contain details as specified in Twelfth Schedule of the SEBI (Mutual Funds) Regulations, 1996 and such other details as are necessary for the purpose of providing a true and fair view of the operations of Mirae Asset Mutual Fund.

The AMC/Mutual Fund shall publish an advertisement disclosing the hosting of unaudited financial results on their website [www.miraeassetmf.co.in](http://www.miraeassetmf.co.in) in at least one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the Mutual Fund is situated.

The mutual fund shall publish an advertisement in the all India edition of at least two daily newspapers, one each in English and Hindi, disclosing the hosting of the half-yearly statement of the Scheme portfolio on its website and on the website of Association of Mutual Funds in India (AMFI). The AMC will provide a physical copy of the statement of its Scheme portfolio, without charging any cost, on specific request received from a unitholder.

### **Annual Report**

Pursuant to Regulation 56 of SEBI (Mutual Funds) Regulations, 1996 read with Clause 5.4 of SEBI Master Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, the scheme wise annual report or abridged summary thereof will be hosted on the website of the Mirae Asset Mutual Fund viz. <https://www.miraeassetmf.co.in/downloads/statutory-disclosure/financials> and on the website of AMFI, not later than four months after the close of each financial year (31st March). The AMCs shall display the link prominently on the website of the Mirae Asset Mutual Fund viz. <https://www.miraeassetmf.co.in> and make the physical copies available to the unitholders, at their registered offices at all times. Unit holders whose e-mail addresses are not registered will have to specifically 'opt in' to receive physical copy of scheme wise annual report or abridged summary thereof. The unit holders may request for a physical copy of scheme annual reports at a price and the text of the relevant scheme by writing to the Mirae Asset Investment Managers (India) Pvt Ltd. / Investor Service Centre / Registrar & Transfer Agents. The Mutual Fund / AMC shall provide a physical copy of abridged report of the annual report, without charging any cost, on specific request received from a unit holder. An advertisement shall be published every year disclosing the hosting of the scheme wise annual report on website of Mirae Asset Mutual Fund and on the website of AMFI and the modes such as SMS, telephone, email or written request (letter) through which a unitholder can submit a request for a physical or electronic copy of the scheme wise annual report or abridged summary thereof. Such advertisement shall be published in the all India edition of at least two daily newspapers, one each in English and Hindi.

### **Monthly/Half Yearly Portfolio Disclosures:**

The Mutual Fund/ AMC will disclose portfolio (along with ISIN) of the Scheme in the prescribed format, as on the last day of the month / half-year i.e. March 31 and September 30, on its website viz. <https://www.miraeassetmf.co.in/downloads/portfolio> and on the website of Association of Mutual

Funds in India (AMFI) viz. [www.amfiindia.com](http://www.amfiindia.com) within 10 days from the close of each month/ half year respectively. In case of unitholders whose e-mail addresses are registered, the Mutual Fund/ AMC will send via email both the monthly and half yearly statement of scheme portfolio within 10 days from the close of each month/ half year respectively. Mutual Fund / AMC will publish an advertisement every half year in the all India edition of at least two daily newspapers, one each in English and Hindi, disclosing the hosting of the half-yearly statement of the Scheme portfolio on its website and on the website of Association of Mutual Funds in India (AMFI). Mutual Fund / AMC will provide a physical copy of the statement of its Scheme portfolio, without charging any cost, on specific request received from a unitholder.

### **Monthly Disclosures**

The AMC shall disclose the following on monthly basis on its website on <https://www.miraeassetmf.co.in/downloads/portfolio>:

- 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.

Change in constituents of the index, if any, shall be disclosed on the AMC website on the day of change.

### **Monthly Average Asset under Management (Monthly AAUM) Disclosure**

The Mutual Fund shall disclose the Monthly AAUM under different categories Schemes as specified by SEBI in the prescribed format on a monthly basis on its website viz. <https://www.miraeassetmf.co.in/downloads/statutory-disclosure/other-disclosure> and forward to AMFI within 7 working days from the end of the month.

### **Scheme Summary Document**

The AMC has provided on its website a standalone scheme document for all the Schemes which contains all the details of the Scheme viz. Scheme features, Fund Manager details, investment details, investment objective, expense ratios, portfolio details, etc. Scheme summary document is uploaded on the websites of AMC viz. <https://www.miraeassetmf.co.in/downloads/statutory-disclosure/other-disclosure>, AMFI and stock exchanges in 3 data formats i.e. PDF, Spreadsheet and a machine readable format (either JSON or XML). The document shall be updated by the AMCs on a monthly basis or on changes in any of the specified fields, whichever is earlier.

### **Disclosures with respect to Tracking Error and Tracking Difference**

**Tracking Error (TE):** The AMC shall disclose tracking error based on past one year rolling data, on a daily basis, on the website of AMC on [ETF Mutual Fund: Invest in Exchange Traded Funds Online | Mirae Asset \(miraeassetmf.co.in\)](#) and AMFI.

**Tracking Difference (TD):** Tracking difference i.e. the annualized difference of daily returns between the index and the NAV of the scheme shall be disclosed on the website of the AMC on [ETF Mutual Fund: Invest in Exchange Traded Funds Online | Mirae Asset \(miraeassetmf.co.in\)](#) and AMFI, on a monthly basis, for tenures 1 year, 3 year, 5 year, 10 year and since the date of allotment of units

### **Product Labeling and Risk-o-meter:**

The Risk-o-meter shall have following six levels of risk:

1. Low Risk
2. Low to Moderate Risk
3. Moderate Risk
4. Moderately High Risk
5. High Risk and
6. Very High Risk

The evaluation of risk levels of a scheme shall be done in accordance with clause 17.4 of SEBI Master Circular dated May 19, 2023.

Any change in risk-o-meter shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders. The risk-o-meter shall be evaluated on a monthly basis and the risk-o-meter along with portfolio disclosure shall be disclosed on the AMC website viz. <https://www.miraeassetmf.co.in/downloads/portfolio> as well as AMFI website within 10 days from the close of each month.

The AMC shall disclose the risk level of schemes as on March 31 of every year, along with number of times the risk level has changed over the year, on its website viz. <https://www.miraeassetmf.co.in/downloads/statutory-disclosure/other-disclosure> and AMFI website.

Further, in accordance with clause 5.16 of SEBI Master Circular dated May 19, 2023, the AMC shall disclose:

- a. risk-o-meter of the scheme wherever the performance of the scheme is disclosed;
- b. risk-o-meter of the scheme and benchmark wherever the performance of the scheme vis-à-vis that of the benchmark is disclosed.
- c. scheme risk-o-meter, name of benchmark and risk-o-meter of benchmark while disclosing portfolio of the scheme.

### **Indicative Net Asset Value (iNAV)**

NAV i.e. the per unit NAV based on the current market value of the scheme portfolio during the trading hours of the scheme, will be disclosed on a continuous basis on NSE and BSE and will be updated within a maximum time lag of 15 seconds from underlying market.

### **B. Transparency/NAV Disclosure**

NAVs will be disclosed at the close of each business day. NAV of the Units of the Scheme (including options there under) calculated in the manner provided in this SID or as may be prescribed by the Regulations from time to time.

The NAV will be computed upto 4 decimal places.



Pursuant to Clause 8.1 of SEBI Master Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, the NAV of the scheme shall be uploaded on the websites of the AMC (miraeassetmf.co.in) and Association of Mutual Funds in India (www.amfiindia.com) by 11.00 p.m. on every business day. In case of any delay, the reasons for such delay would be explained to AMFI and SEBI by the next day. If the NAVs are not available before commencement of business hours on the following day due to any reason, the Fund shall issue a press release providing reasons and explaining when the Fund would be able to publish the NAVs.

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

SEBI with the intent to enable investment by people with small saving potential and to increase reach of Mutual Fund products in urban areas and in smaller towns, wherein the role of the distributor is vital, has allowed AMCs under clause 10.5. of SEBI Master Circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023 to deduct transaction charges for subscription of Rs. 10,000/- and above. The said transaction charges will be paid to the distributors of the Mutual Fund products (based on the type of product).

In accordance with the said circular, AMC / Mutual Fund will deduct the transaction charges from the subscription amount and pay to the distributors (based on the type of product and those who have opted to receive the transaction charges) as shown in the table below. Thereafter, the balance of the subscription amount shall be invested.

(i) Transaction charges shall be deducted for Applications for purchase/ subscription received by distributor/ agent as under:

<b>Investor Type</b>	<b>Transaction Charges</b>
<b>First Time Mutual Fund Investor</b>	Transaction charge of Rs.150/- for subscription of Rs.10,000 and above will be deducted from the subscription amount and paid to the distributor/agent of the first time investor. The balance of the subscription amount shall be invested.
<b>Investor other than First Time Mutual Fund Investor</b>	Transaction charge of Rs. 100/- per subscription of Rs, 10,000 and above will be deducted from the subscription amount and paid to the distributor/ agent of the investor. The balance of the subscription amount shall be invested.

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

- Purchases /subscriptions for an amount less than Rs. 10,000/-; and
- Transactions other than purchases/ subscriptions relating to new inflows such as Switches, etc.
- Any purchase/subscription made directly with the Fund (i.e. not through any distributor/ agent).
- Transactions carried out through the stock exchange platforms.

### **Applicability of Stamp Duty:**

Pursuant to Notification No. S. O. 1226 (E) and G.S.R 226(E) dated March 30, 2020 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, a stamp duty @ 0.005% of the transaction value shall be levied on applicable mutual fund transactions.

Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase transactions (including dividend reinvestment) to the unitholders would be reduced to that extent

For details refer in Statement of Additional Information (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:

Rates of tax and tax deducted at source (TDS) under the Act for Capital Gains on units of non-Equity Oriented Fund:

Type of Capital Gain	Income Tax Rates		TDS Rates	
	Resident/ PIO/ NRI/ Other non FII non-residents	FII	Resident	NRI/OCBs/ FII & others
<b>Short Term Capital Gain</b> (redemption before completing three year of holding)	Normal rates of tax applicable to the assessee	30%	Nil	30% for Non-resident other than corporates 40% for non-residents corporates, FII & Others
<b>++ Long Term Capital Gain</b> (redemption after completing three year of holding)	20%#	10%*	Nil	20%

#with indexation benefit (only where the Investments were made on or before 1<sup>st</sup> April, 2023)

\*without indexation benefit (only where the Investments were made on or before 1<sup>st</sup> April, 2023)

++ As per the amended Finance Bill 2023, a Specified Mutual Fund (SMF) acquired on or after April 1, 2023, shall be deemed to be short-term capital asset and hence, the gains arising on such transfer will be regarded as short-term capital gains (STCG) irrespective of period of holding. Additionally, SMF is a Mutual Fund holding less than 35% of its total investment in equity shares of domestic companies. Accordingly, a mutual fund investing in debt securities shall fall within the ambit of SMF and the gains arising on its transfer will be regarded as STCG and no indexation benefit will be available on transfer of such investments. Specified mutual funds may include debt mutual funds, gold ETFs, Fund of Funds etc. where investment in domestic companies is less than 35% of proceeds of the fund.

#### F. Rights of Unitholders

Please refer to SAI for details.

**G. List of official points of acceptance**

<https://www.miraeassetmf.co.in/downloads/statutory-disclosure/other-disclosure/offer-documents-data>

**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**

<https://www.miraeassetmf.co.in/downloads/statutory-disclosure/other-disclosure/offer-documents-data>

**Notwithstanding anything contained in this SID, the provisions of the SEBI (Mutual Funds), Regulations, 1996 and the guidelines thereunder shall be applicable.**

**THE TERMS OF THE SCHEME WERE APPROVED BY THE DIRECTORS OF MIRAE ASSET TRUSTEE COMPANY PRIVATE LIMITED IN THEIR MEETING HELD ON SEPTEMBER 22, 2022.**

For and on behalf of the Board of Directors of

**Mirae Asset Investment Managers (India) Private Limited  
(Asset Management Company for Mirae Asset Mutual Fund)**

**Sd/-**

**Rimmi Jain**

Place: Mumbai

Date: June 29, 2024