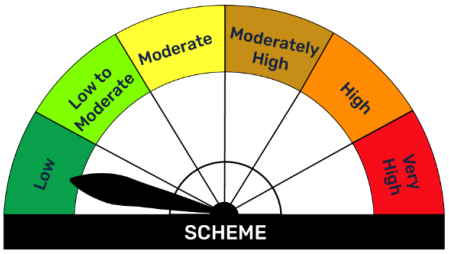
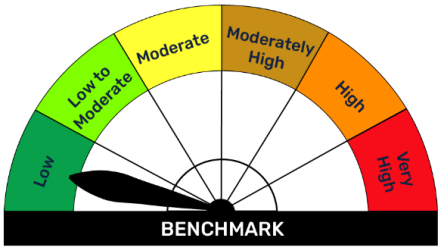
KEY INFORMATION MEMORANDUM

Bajaj Finserv Arbitrage Fund
An open ended scheme investing in arbitrage opportunities

This product is suitable for investors who are seeking*:

- Short term income generation
- income through arbitrage opportunities in the cash and derivatives segments of the equity markets

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

Riskometer	
Scheme	**Benchmark**
	
The risk of the scheme is low	The risk of the benchmark i.e. Nifty 50 Arbitrage Index (TRI) is low

Continuous offer of units at NAV based prices

Name of Mutual Fund	Name of Asset Management Company	Name of Trustee Company
Bajaj Finserv Mutual Fund	Bajaj Asset Management Limited (Formerly known as Bajaj Finserv Asset Management Limited)	Bajaj Mutual Fund Trustee Limited (Formerly known as Bajaj Finserv Mutual Fund Trustee Limited)
Address: 1101A and 1101B, 11th Floor, Sky One Corporate Park – Tower 1, Pune, Survey No. 239/2, Sunset Blvd MHADA Colony, Lohegaon, Pune – 411032	Address: S. No. 208/1B, Lohagaon, Viman Nagar, Pune – 411014 (registered office) 1101A and 1101B, 11th Floor, Sky One Corporate Park – Tower 1, Pune, Survey No. 239/2, Sunset Blvd MHADA Colony, Lohegaon, Pune – 411032 (corporate office)	Address: S. No. 208/1B, Lohagaon, Viman Nagar, Pune – 411014 (registered office) 1101A and 1101B, 11th Floor, Sky One Corporate Park – Tower 1, Pune, Survey No. 239/2, Sunset Blvd MHADA Colony, Lohegaon, Pune – 411032 (corporate office)
www.bajajamc.com	www.bajajamc.com	www.bajajamc.com

This Key Information Memorandum (KIM) sets forth the information, which a prospective investor ought to know before investing. For further details of the scheme/Mutual Fund, due diligence certificate by the AMC, Key Personnel, investors' rights & services, risk factors, penalties & pending litigations etc. investors should, before investment, refer to the Scheme Information Document and Statement of Additional Information available free of cost at any of the Investor Service Centres or distributors or from the website www.bajajamc.com.

The Scheme particulars have been prepared in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations, 2026, as amended till date, and filed with Securities and Exchange Board of India (SEBI). The units being offered for public subscription have not been approved or disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of this KIM.

This Key Information Memorandum is dated November 27, 2026.

Investment Objective	The investment objective of the Scheme is to seek to generate returns by investing in arbitrage opportunities in the cash and derivatives segments of the equity markets and by investing balance in debt and money market instruments. However, there is no assurance that the investment objective of the Scheme will be achieved.
Scheme code	BFAM/O/E/ARB/23/05/0005

Asset Allocation Pattern of the scheme

Instruments	Indicative allocations (% of total assets)	
	Minimum	Maximum
Equity and Equity related instruments including derivatives and stock options[$]	65%	100%
Certificate of deposits (CDs) / Government securities with maturity upto 1 year (including Repo on G-sec/ TREPS) / Units of Liquid Fund (including Liquid ETFs) / Money Market Fund / Overnight Fund or Schemes having Macaulay Duration of less than 1 year, ETCDs, Units of Gold ETF & Silver ETF	0%	35%

$: The exposure to derivative shown in the above asset allocation table is exposure taken against the underlying equity investments i.e. in case the scheme shall have a long position in a security and a corresponding short position in the same security, then the exposure for the purpose of asset allocation will be counted only for the long position. The intent is to avoid double counting of exposure and not to take additional asset allocation with the use of derivative. If suitable arbitrage opportunities are not available in the opinion of the Investment manager, the Scheme may hedge the equity portfolio by using derivatives or money market instruments.

The notional value of exposure in equity derivatives would be reckoned for equity securities exposure. The notional value of exposure in debt derivatives would be reckoned for debt and money market securities exposure.

Note: The asset allocation as given under normal circumstances is indicative and may vary according to circumstances at the sole discretion of the Fund Manager. Review and rebalancing will be conducted when the asset allocation falls outside the range indicated above, within a reasonable period of time.

Under defensive circumstances, the asset allocation may be as follows:

Instruments	Indicative allocations	
	Minimum	Maximum
Equity and Equity related instruments including derivatives and stock options[$]	0%	65%
Certificate of deposits (CDs) / Government securities with maturity upto 1 year (including Repo on G-sec/ TREPS) / Units of Liquid Fund (including Liquid ETFs) / Money Market Fund / Overnight Fund or Schemes having Macaulay Duration of less than 1 year, ETCDs, Units of Gold ETF & Silver ETF	35%	100%

	$: The exposure to derivative shown in the above asset allocation table is exposure taken against the underlying equity investments i.e. in case the scheme shall have a long position in a security and a corresponding short position in the same security, then the exposure for the purpose of asset allocation will be counted only for the long position. The intent is to avoid double counting of exposure and not to take additional asset allocation with the use of derivative. If suitable arbitrage opportunities are not available in the opinion of the Investment manager, the Scheme may hedge the equity portfolio by using derivatives money market instruments. The notional value of exposure in equity derivatives would be reckoned for equity securities exposure. Note: The asset allocation as given under normal circumstances is indicative and may vary according to circumstances at the sole discretion of the Fund Manager. Review and rebalancing will be conducted when the asset allocation falls outside the range indicated above, within a reasonable period of time. Defensive circumstances are when the arbitrage opportunities in the market place are negligible or returns are lower than alternative investment opportunities as per allocation pattern. The allocation under defensive considerations will be made keeping in view the interest of the unitholders. Investment in Equity Derivatives shall be upto 50% of Equity assets of the scheme for non-hedging purpose. Investment in Fixed Income Derivatives shall be upto 10% of Fixed Income assets of the scheme for non-hedging purpose. Investment in ADR/GDR/Foreign Securities and Overseas ETFs shall be upto 35% of net assets in accordance with the guidelines stipulated by SEBI and RBI from time to time. Investment in ADR/GDR/Foreign Securities and Overseas ETFs would be as per SEBI Master Circular for Mutual Funds dated March 20, 2026 as may be amended from time to time. The Scheme may invest up to US $ 30 million in ADR/GDR/foreign securities. As per SEBI Master Circular for Mutual Funds dated March 20, 2026, Mutual Funds can make overseas investments subject to a maximum of US $ 1 billion per Mutual Fund within the overall industry limit of US $ 7 billion. The overall ceiling for investment in overseas ETFs that invest in securities is US$ 1 billion subject to a maximum of US$ 300 million per mutual fund. The Scheme may invest up to US $ 20 million in overseas ETFs. Invest in stock lending shall be upto 20% of net assets. Further, the Scheme shall not deploy more than 5% of the Scheme's net assets in securities lending through a single intermediary. These limits shall be applicable at the time of participating in the securities lending by the Scheme. The Scheme shall invest in repo in Certificate of Deposits (CDs) upto 10% of the net assets of the scheme.

The scheme may invest in other schemes under the same AMC or any other Mutual Fund without charging any fees, provided the aggregate inter scheme investment made by all the schemes under the same management or in schemes under management of any other asset management company shall not exceed 5% of the Net Asset Value of the Fund. No investment management fees shall be charged for investing in other schemes of the Fund or in the schemes of any other mutual fund.

The scheme may invest upto 10% of the net assets of the Scheme in Exchange Traded Commodity Derivatives (ETCDs) in India, except in commodity derivatives on 'Sensitive Commodities', in accordance with SEBI Master Circular for Mutual Funds dated March 20, 2026.

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

Sl. no	Type of Instrument	Percentage of exposure	Master Circular reference
1.	Securities Lending	Upto 20% of net assets of scheme (where not more than 5% of the net assets of the scheme will be deployed in securities lending to any single counterparty)	Clause 13.6 of SEBI Master Circular for Mutual Funds dated March 20, 2026
2.	Equity Derivatives for non- hedging purposes	Upto 50% of equity assets of the scheme	Clause 8.5, 8.6 and 13.18 of SEBI Master Circular for Mutual Funds dated March 20, 2026
3.	Fixed Income Derivatives for non- hedging purposes	Upto 10% of Fixed Income assets of the scheme	
4.	Securitized Debt	0%	Clause 13.1 of SEBI Master Circular for Mutual Funds dated March 20, 2026
5.	Overseas Securities	Upto 35% of net assets of the scheme	Clause 13.11 of SEBI Master Circular for Mutual Funds dated March 20, 2026
6.	InvITs	0%	Clause 13.13 of SEBI Master Circular for Mutual Funds dated March 20, 2026

7.	AT1 and AT2 Bonds (Instruments with special features)	0%	Clause 13.1 of SEBI Master Circular for Mutual Funds dated March 20, 2026
8.	Units of mutual fund schemes of Bajaj AMC or in the Scheme of other mutual funds having Macaulay Duration of less than 1 year	Upto 5% of the net asset value of the Mutual Fund	Clause 13.14 of SEBI Master Circular for Mutual Funds dated March 20, 2026
9.	Exchange Traded Commodity Derivatives	upto 10% of the net assets	Clause 13.16 of SEBI Master Circular for Mutual Funds dated March 20, 2026
10.	Any other instrument • repo transactions in Certificate of Deposits (CDs)	Upto 10% of net assets of the scheme	Clause 13.8 of SEBI Master Circular for Mutual Funds dated March 20, 2026

The scheme will not invest in following securities:

Sr. No.	**Securities**
1.	Special features bonds
2.	Credit Default Swaps
3.	InvITS
4.	Credit enhancements and structured obligation instruments.
5.	Non-convertible preference shares
6.	Securitized Debt instruments

The cumulative gross exposure through equity, derivatives, money market instruments, units of mutual fund schemes having Macaulay Duration of less than 1 year, equity derivatives, fixed income derivatives, Government securities, ADR/GDR/Foreign securities and Overseas ETFs, repo transactions in Certificate of Deposits (CDs), ETCD, and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme in accordance with SEBI Master Circular for Mutual Funds dated March 20, 2026.

In accordance with SEBI Master Circular for Mutual Funds dated March 20, 2026, in the event of asset allocation falling outside the limits specified in the asset allocation table mentioned above, due to passive breaches, the fund manager will review and rebalance the same within 30 business days from the date of such deviation. In case the portfolio is not rebalanced within the

	period of 30 business days, justification in writing for the same including efforts taken to rebalance the portfolio shall be placed before the Investment Committee. The Investment Committee, if so desires, can extend the timelines upto 60 business days from the date of completion of mandated rebalancing period. In case the scheme is not rebalanced within the aforementioned mandate plus extended timelines: a. The AMC shall not be permitted to launch any new scheme till the time the portfolio is rebalanced. b. The AMC shall not levy any exit load, (if any), on the investor exiting the Scheme. In case the AUM of the deviated portfolio is more than 10% of the AUM of the main portfolio of the scheme. i. The AMC shall immediately communicate the same to the investors of the scheme after the expiry of the mandated rebalancing period (i.e. 30 Business Days) through SMS and email/ letter including details of portfolio not rebalanced. ii. The AMC shall also immediately communicate to the investors through SMS and email/letter when the portfolio is rebalanced. iii. The AMC shall disclose scheme wise deviation of the portfolio (beyond aforesaid 10% limit) from the mandated asset allocation beyond 30 business days, on the AMC 's website i.e. www.bajajamc.com. The AMC shall also disclose any deviation from the mandated asset allocation to investors along with periodic portfolio disclosures as specified by SEBI from the date of lapse of mandated plus extended rebalancing timelines. All of the Scheme's assets will be invested in transferable securities. The corpus of the Scheme shall not in any manner be used in option trading, short selling or carry forward transactions as stipulated in SEBI Regulations and amended from time to time. Pending deployment of the funds in securities in terms of investment objective of the Scheme, the AMC may park the funds of the Scheme in short term deposits of the Scheduled Commercial Banks, subject to the guidelines issued by SEBI Master Circular for Mutual Funds dated March 20, 2026, as may be amended from time to time. As per SEBI Master Circular for Mutual Funds dated March 20, 2026, the above timeline for rebalancing of portfolios will also be applicable on passive breaches of various prudential limits specified under SEBI (Mutual Funds) Regulations, 2026, and various circulars issued from time to time.

	Short term defensive consideration: When the Fund Manager/s believes market or economic conditions are unfavourable for investors, the scheme may invest up to 100% of its assets in a temporary defensive manner by holding all or a substantial portion of its assets in cash, cash equivalents or other high quality short-term investments. Temporary defensive investments generally may include permitted money market instruments, TREPS/reverse repo, etc. Such changes in the investment pattern will be for short term and defensive considerations only which would be rebalanced to either of the above asset allocations within 30 calendar days from the date of deviation and in accordance with SEBI Master Circular for Mutual Funds dated March 20, 2026 and any other circulars issued there under, from time to time.
Investment Strategy	The Fund Manager will identify and take advantage of market neutral arbitrage opportunities by executing deals simultaneously in both markets. In compliance with SEBI guidelines, the Scheme will not engage in short selling in the cash market at any time. The debt component of the Scheme will be invested in money market instruments, Government securities with maturity upto 1 year (including Repo on G-sec/ TREPS) / Units of Liquid Fund (including Liquid ETFs) / Money Market Fund / Overnight Fund or Schemes having Macaulay Duration of less than 1 year, ETCDs, Units of Gold ETF & Silver ETF with the primary aim of generating income. Some of the arbitrage strategies that may be employed by the fund manager include: Cash-Future Arbitrage: For example, let's say the price of XYZ stock in the spot market is Rs 100, while the price of the same stock in the futures market is Rs 105. After adjusting for taxes and other costs, the Scheme will buy the stock in the spot market for Rs 100 and simultaneously sell the same stock in the futures market for Rs 105, earning the cost of carry between the stock and its futures. Rolling over of the Futures Transaction: This strategy involves unwinding the short position in the current month's futures and simultaneously selling futures of the subsequent month, while holding onto the spot position. For example, if the fund manager anticipates a change in market conditions, they may choose to unwind their current month's futures position and roll it over to the subsequent month. Dividend Arbitrage: For example, prior to a dividend declaration, the stock futures/options market may provide a profitable opportunity. Typically, the stock price declines by the dividend amount when the stock goes ex-dividend. The fund manager may take advantage of this by buying the stock in the spot market and selling the same stock in the futures market.

	Buy-back Arbitrage: This strategy involves taking advantage of the price differential between the buy-back price and the traded price when a company announces a buy-back of its own shares. For example, if a company announces a buy-back at Rs 100 per share, while the current market price is Rs 95, its futures prices is likely to be higher in anticipation of the buy back price. Here, the fund manager may choose to buy the stock at Rs 95 and sell its futures price at say Rs 100 to capture the high arbitrage opportunity. Nifty Spot-Nifty Futures: This strategy involves exploiting the difference in pricing between the Nifty and Nifty futures. For example, if the Nifty is currently at 20,000 and the Nifty futures are at 21,050, the fund manager may choose to buy the Nifty futures and sell the portfolio comprising of index stocks, earning the difference between the two. Buy Option: This strategy involves actively managing the options component to take advantage of market volatility. For example, if the fund manager believes that a stock's price will increase, they may choose to buy a call option on that stock. It's important to note that the above strategies are just examples and the fund manager may adopt other strategies as well, depending on market conditions and regulatory compliance. Additionally, the provision for trading in derivatives is an enabling provision and it is not binding on the Scheme to undertake trading on a day-to-day basis. Considering the inherent characteristics of the Scheme, equity positions would have to built-up gradually and also sold off gradually. This would necessarily entail having large cash position before the portfolio is fully invested and during periods when equity positions are being sold off to book profits/losses or to meet redemption needs. Investors may note that securities which endeavor to provide higher returns typically, display higher volatility. Accordingly, the investment portfolio of the Scheme would reflect moderate to high volatility in its equity and equity related investments and low to moderate volatility in its debt and money market investments. Portfolio Turnover Portfolio Turnover is defined as the lower of purchases and sales after reducing all subscriptions and redemptions and derivative transactions there from and calculated as a percentage of the average assets under management of the scheme during a specified period of time. The AMC’s portfolio management style is conducive to a low portfolio turnover rate. However, the AMC will aim to take advantage of the opportunities that present themselves from time to time because of the inefficiencies in the securities markets. The AMC will endeavor to balance the increased cost on account of higher portfolio turnover with the benefits derived there from.

Risk Profile of the Scheme	**Scheme specific risk factors:** **1. <u>Risks associated with investing in equities:</u>** • Investors may note that AMC/Fund Manager's investment decisions may not be always profitable, as actual market movements may be at variance with anticipated trends. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of these investments. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. The inability of the Scheme to make intended securities purchases due to settlement problems could cause the Scheme to miss certain investment opportunities. Similarly, the inability to sell securities held in the Scheme portfolio would result at times, in potential losses to the Scheme, should there be a subsequent decline in the value of securities held in the Scheme portfolio. • The value of the Scheme's investments may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. Consequently, the NAV of the Units of the Scheme may fluctuate and can go up or down. • The Mutual Fund may not be able to sell securities, which can lead to temporary illiquidity. There are risks inherent in securities lending, including the risk of failure of the other party, in this case the approved intermediary to comply with the terms of the agreement. Such failure can result in a possible loss of rights to be collateral, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of corporate benefits accruing thereon. • Investors may note that dividend is due only when declared and there is no assurance that a company (even though it may have a track record of payment of dividend in the past) may continue paying dividend in future. As such, the scheme is vulnerable to instances where investments in securities may not earn dividend or where lesser dividend is declared by a company in subsequent years in which investments are made by scheme. As the profitability of companies are likely to vary and have a material bearing on their ability to declare and pay dividend, the performance of the scheme may be adversely affected due to such factors. • While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges. The liquidity of the Scheme's investments is inherently restricted by trading volumes in the securities in which it invests. • Fund manager endeavors to generate returns based on certain past statistical trend. The performance of the scheme may get affected if there is a change in the said trend. There can be no assurance that such historical trends would continue.

	• In case of abnormal circumstances, it will be difficult to complete the square off transaction due to liquidity being poor in stock futures/spot market. However, the scheme will aim to take exposure only into liquid stocks where there will be minimal risk to square off the transaction. • Changes in Government policy in general and changes in tax benefits applicable to mutual funds may impact the returns to investors in the Scheme or business prospects of the Company in any particular sector. • Investments in equity and equity related securities involve a certain degree of risk and Investors should not invest in the equity scheme unless they can afford to take the risk of losing their investment. **2. <u>Risks associated with investing in fixed income:</u>** • Market Risk: The NAV of the scheme, to the extent invested in Money Market securities, will be affected by changes in the general level of interest rates. The NAV of the scheme is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates. • Liquidity Risk: Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the scheme and may lead to the scheme incurring losses till the security is finally sold. The liquidity of a bond may change, depending on market conditions leading to changes in the liquidity premium attached to the price of the bond. At the time of selling the security, the security can become illiquid, leading to loss in value of the portfolio. • Price Risk: Government securities where a fixed return is offered run price-risk like any other fixed income security. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates. The new level of interest rate is determined by the rates at which government raises new money and/or the price levels at which the market is already dealing in existing securities. This risk is not unique to Government Securities. It exists for all fixed income securities. However, Government Securities are unique in the sense that their credit risk generally remains zero. Therefore, their prices are influenced only by movement in interest rates in the financial system. • Settlement risk: The inability of the scheme to make intended securities purchases due to settlement problems could cause the scheme to miss certain investment opportunities. By the same rationale, the inability to sell securities held in the scheme's portfolio due to the extraneous factors that may impact liquidity would result, at times, in potential losses in case of a subsequent decline in the value of securities held in the scheme's portfolio. • Regulatory Risk: Changes in government policy in general and changes in tax benefits applicable to Mutual Funds may impact the returns to investors in the scheme.

	• Reinvestment Risk: This risk refers to the interest rate levels at which cash flows received from the securities in the scheme are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed. • Credit Risk: Investments in Money Market Securities are subject to the risk of an issuer's inability to meet interest and principal payments on its obligations and market perception of the creditworthiness of the issuer. • Risks associated with investment in unlisted securities: Subject to applicable Regulations, the scheme can invest in unlisted securities. These securities are subject to greater price fluctuations, less liquidity and greater risk than the listed securities. Except for any security of an associate or group company, the scheme has the power to invest in securities which are not listed on a stock exchange ("unlisted Securities") which in general are subject to greater price fluctuations, less liquidity and greater risk than those which are traded in the open market. Unlisted securities may lack a liquid secondary market and there can be no assurance that the Scheme will realise their investments in unlisted securities at a fair value. • Different types of Money Market and other liquid instruments in which the scheme would invest as given in the Scheme Information Document carry different levels and types of risk. Accordingly, the scheme risk may increase or decrease depending upon its investment pattern. e.g. money market instruments carry a higher level of risk than Government securities. Further, even among money market instruments, Certificates of Deposit (CDs) which are A1+ rated are comparatively less risky than Certificates of Deposit (CDs) which are A1 rated. Similarly, A1 rated Certificates of Deposit (CDs) are comparatively less risky when compared with lower-rated money market instruments. • The AMC may, considering the overall level of risk of the portfolio, invest in lower rated securities offering higher yields as well as zero coupon securities that offer attractive yields. This may increase the absolute level of risk of the portfolio. • As zero coupon securities does not provide periodic interest payments to the holder of the security, these securities are more sensitive to changes in interest rates. Therefore, the interest rate risk of zero coupon securities is higher. The AMC may choose to invest in zero coupon securities that offer attractive yields. This may increase the risk of the portfolio. • The scheme at times may receive large number of redemption requests leading to an asset-liability mismatch and therefore requiring the AMC to make a distress sale of the securities leading to realignment of the portfolio and consequently resulting in investment in lower yield instruments. • Basis Risk: Basis risk arises due to a difference in the price movement of the derivative vis-à-vis that of the security being hedged. • 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. • Counterparty Risk: This is the risk of failure of counterparty to a transaction to deliver securities against consideration received or to pay consideration against securities delivered, in full or in part or as per the agreed specification. There could be losses to the Scheme in case of a counterparty default. • Duration Risk: Duration risk refers to the movement in price of the underlying invested money market instruments due to movement/change in interest rates over different durations of maturity of instruments. In a portfolio of fixed income assets, the duration risk is measured by the average duration of the portfolio. Duration, expressed in years, is used as a measure of the sensitivity of the fixed income instrument to a change in interest rates. Usually, individual duration of fixed income instruments in the portfolio is calculated and the portfolio duration is weighted average of such individual instrument duration. A longer portfolio duration is associated with greater price fluctuations. A rise in interest rates could normally lead to decrease in prices and generally negatively affects portfolios having longer duration vis-a-vis portfolios having shorter duration. A fall in interest rate generally benefits portfolio having longer duration. A longer duration portfolio is also generally associated with greater volatility vis-a-vis a shorter duration portfolio. • Sovereign Risk: Sovereign risk is the likelihood that a Government will default on its loan obligation by failing to meet its principal payments or interest. It comes in different forms and may result in losses to investors in addition to negative political consequences. The Central Government of a country is the issuer of the local currency in that country. The Government (Central / State) raises money to meet its capital and revenue expenditure by issuing debt or discounted securities. Since payment of interest and principal amount has a sovereign status implying no default, such securities are known as securities with sovereign credit. For domestic borrowers and lenders, the credit risk on such sovereign credit is minimal, even lower than a security with "AAA" rating and hence commands a yield, which is lower than a yield on "AAA" security. For details on risk factors and risk mitigation measures, please refer SID.
Plans/Options	**Plans:** Bajaj Finserv Arbitrage Fund – Direct Plan Bajaj Finserv Arbitrage Fund – Regular Plan **Options:** Growth Option Income Distribution cum Capital Withdrawal (IDCW) option with Payout of Income Distribution cum Capital Withdrawal sub-option, Reinvestment of Income Distribution cum Capital Withdrawal sub-option and Transfer of Income Distribution cum Capital Withdrawal sub-option. The Scheme will have a common portfolio across various Plans/Options/Sub-options.

Investors are requested to note that Growth and IDCW Option (Payout, Reinvestment and Transfer) under Regular and Direct Plans will have different NAVs. These NAVs will be separately declared.

Default Plan would be as mentioned below:

ARN Code mentioned/not mentioned by investor	**Plan mentioned by investor**	**Default Plan**
Not mentioned	Not mentioned	Direct Plan
Not mentioned	Direct Plan	Direct Plan
Not mentioned	Regular Plan	Direct Plan
Mentioned	Direct Plan	Direct Plan
Direct	Not mentioned	Direct Plan
Direct	Regular Plan	Direct Plan
Mentioned	Regular Plan	Regular Plan
Mentioned	Not mentioned	Regular Plan

In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Direct Plan. The AMC shall endeavour on best effort basis to obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor. In case the correct code is received within 30 calendar days, the AMC shall reprocess the transaction under Regular Plan from the date of application without any exit load.

Bajaj Finserv Arbitrage Fund - Direct Plan is only for investors who purchase /subscribe units in a Scheme directly with the Fund.

Default option will be Growth Option.
Default sub-option will be Reinvestment of Income Distribution cum capital withdrawal sub-option.

For detailed disclosure on default plans and options, kindly refer SAI.

Applicable NAV (after the scheme opens for subscriptions and redemptions)	Cut off timing for subscriptions/ redemptions/ switches: In case of Subscription/Switch-in for any amount: • In respect of valid applications received upto 3.00 p.m. on a Business Day at the official point of acceptance of transactions and where the funds for the entire amount of subscription/purchase as per the application/Switch-in request, are available for utilization before the cut-off time i.e. 3.00 p.m. - the closing NAV of the day shall be applicable. • In respect of valid applications received after 3.00 p.m. on a Business Day at the official point of acceptance of transactions and where the funds for the entire amount of subscription/purchase as per the application/Switch-in request, are available for utilization either on the same day or before the cut-off time of the next business day - the closing NAV of the next Business Day shall be applicable. • Irrespective of the time of receipt of application at the official point of acceptance of transactions, where the funds for the entire amount are available for utilization before the cut-off time on any subsequent Business Day - the closing NAV of such subsequent Business Day shall be applicable. In case of investments through Systematic Investment Plan (SIP), Systematic Transfer Plans (STP), Other STP methods as may be offered by the AMC, IDCW Transfer, Trigger etc. the units would be allotted as per the closing NAV of the day on which the funds are available for utilization irrespective of the instalment date of the SIP, STP or record date of IDCW etc. Since different payment modes have different settlement cycles including electronic transactions (as per arrangements with Payment Aggregators/Banks/Exchanges etc), it may happen that the investor's account is debited, but the money is not credited within cut-off time on the same date to the Scheme's bank account, leading to a gap/delay in Unit allotment. Investors are therefore urged to use the most efficient electronic payment modes to avoid delays in realization of funds and consequently in Unit allotment. **Redemptions including switch-outs:** In respect of valid applications received upto 3.00 pm on a business day by the Mutual Fund, same day's closing NAV shall be applicable. In respect of valid applications received after the cut off time by the Mutual Fund, the closing NAV of the next business day shall be applicable.

Minimum Application Amount/ Number of Units	• **During ongoing offer:** **Fresh Purchase (Incl. Switch-in) -** Rs. 500/- and in multiples of Re. 1/- thereafter **Systematic Investment Plan (SIP) –** Rs. 500 and above: minimum 6 instalments. **Minimum amount for switch-in:** Rs. 500 and in multiples of Re. 1. Two-Factor Authentication will be applicable for subscription as well as redemption transactions in the units of Mutual Fund. Minimum application amount will not be applicable for investments made in the scheme pursuant to SEBI Master Circular for Mutual Funds dated March 20, 2026, on alignment of interest of designated employees of the AMC with the unitholders of mutual fund schemes. For more information, please refer SAI. **Additional Purchase:** Rs. 100/- and in multiples of Re. 1/- thereafter. **Redemption:** **Minimum redemption amount -** Rs. 500 and in multiples of Re. 0.01/- or the account balance of the investor whichever is less. **Minimum amount for switch-out -** Rs. 500 and in multiples of Re. 0.01/- or the account balance of the investor whichever is less.
Despatch of Redemption Request	Within three working days of the receipt of the redemption request at the authorised centre of the Bajaj Finserv Mutual Fund.
Benchmark Index	Nifty 50 Arbitrage Index (TRI)
Dividend Policy	The Scheme may declare IDCW subject to the availability of distributable surplus and approval from Trustees. IDCW would become payable to the unitholders whose names appear on the register of unitholders on the record date as fixed for the scheme. The IDCW declared will be paid net of tax deducted at source, wherever applicable. There is no assurance or guarantee to the Unit holders as to the rate of IDCW distribution nor that the IDCW will be paid regularly. If the Fund declares IDCW, the NAV of the Scheme would stand reduced by the amount of IDCW paid. All the IDCW payments shall be in accordance and compliance with SEBI, Stock Exchange Guidelines, as applicable from time to time. IDCW is the amount that can be distributed out of equalisation reserve which is part of the sale price that represents realised gains. Any IDCW upto Rs. 100/- shall be compulsorily reinvested in the same option under the scheme at prevailing NAV on record date.

<table>
<tr><td>Name of the Fund Manager including the tenure for which the fund manager has been managing the scheme</td><td>Mr. Ilesh Savla (Equity portion) and Mr. Siddharth Chaudhary (Debt portion)

All Fund managers are managing the scheme since inception.</td></tr>
<tr><td>Name of the Trustee Company</td><td>Bajaj Mutual Fund Trustee Limited (Formerly known as Bajaj Finserv Mutual Fund Trustee Limited)</td></tr>
<tr><td>Performance of the scheme:</td><td>The performance of the scheme as on September 30, 2026, is as follows:

<table>
<tr><th rowspan="2">Compounded Annualised Returns</th><th colspan="2">Scheme Returns %</th><th colspan="2">Benchmark Returns (%)</th></tr>
<tr><th>Regular</th><th>Direct</th><th>Regular</th><th>Direct</th></tr>
<tr><td>Returns for the last 1 year</td><td>5.95%</td><td>6.69%</td><td>7.33%</td><td>7.33%</td></tr>
<tr><td>Returns for the last 3 years</td><td>6.26%</td><td>7.00%</td><td>7.42%</td><td>7.42%</td></tr>
<tr><td>Returns for the last 5 years</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Returns since inception</td><td>6.28%</td><td>7.03%</td><td>7.46%</td><td>7.46%</td></tr>
</table>

Notes:
• Past performance may or may not be sustained in future.
• Different Plans i.e. Regular Plan and Direct Plan under the scheme have different expense structure.
• Benchmark: Nifty 50 Arbitrage Index (TRI)
• Inception Date: September 15, 2023
• Returns of one and more than one year are compounded annualized.</td></tr>
<tr><td>Additional Scheme Related Disclosures</td><td>1. Scheme’s portfolio holdings (top 10 holdings by issuer and fund allocation towards various sectors to be provided through a functional website link that contains detailed description.): Investors can refer to this data on AMC website at link: https://www.bajajamc.com/sid-disclosure

2. Disclosure of name and exposure to Top 7 issuers, stocks, groups and sectors as a percentage of NAV of the scheme in case of debt and equity ETFs/index funds through a functional website link that contains detailed description: Not Applicable

3. Portfolio Turnover Rate: Last one year rate as on September 30, 2025 – 8.76%</td></tr>
<tr><td>Expenses of the Scheme</td><td>New Fund Offer Period:

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees, marketing and advertising, registrar expenses, printing and stationary, bank charges etc.</td></tr>
</table>

<table>
<tr>
<td>Load Structure</td>
<td>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 link: https://www.bajajamc.com/sid-disclosure or may call at toll free no. 18003093900 or your distributor.

<table>
<tr><td>Type of Load</td><td>Load chargeable (as %age of NAV)</td></tr>
<tr><td>Entry</td><td>Nil</td></tr>
<tr><td>Exit*</td><td>0.25% of applicable NAV if redeemed/switched out within 15 days from the date of allotment. Nil if redeemed/switched out after 15 days from the date of allotment.

The Scheme will not levy exit load in case the timelines for rebalancing portfolio as stated in SEBI Master Circular for Mutual Funds dated March 20, 2026, is not complied with.</td></tr>
</table>
*For the purpose of charging of the exit load, units would be considered on First in First out (FIFO) basis. Any imposition or enhancement of exit load shall be applicable only on prospective investments.

The load on other types of transaction could be Income Distribution cum Capital Withdrawal reinvestment, Switch in/out, SIP/SWP/STP (as applicable)

In case of redemption/switch undertaken in excess of 25% holding of an investor on account of compliance with the requirements of SEBI Master Circular for Mutual Funds dated March 20, 2026, shall not be subject to exit load imposed in the scheme.

Exit load (if any) charged to the unitholders by the Mutual Fund on redemption (including switch-out) of units shall be credited to the respective scheme net of Goods & Services Tax.
Goods & Services Tax on exit load, if any, shall be paid out of the exit load proceeds.

No exit load would be charged for switch transaction from this scheme to any another equity scheme of Bajaj Finserv Mutual Fund. Further, switches of following kind within the scheme would not attract any exit load:

(i) switch from Direct Plan to Regular Plan;
(ii) switch from Regular Plan to Direct Plan;
(iii) within different Options (Income Distribution cum capital withdrawal /growth) of the same Plan (Direct/Regular) of the scheme.

Load on bonus/ re-investment of Income Distribution cum capital withdrawal units: In terms of SEBI Master Circular for Mutual Funds dated March 20, 2026, no entry and exit load shall be charged on bonus units or units allotted on reinvestment of Income Distribution cum capital withdrawal.</td>
</tr>
</table>

	The Trustee / AMC reserves the right to change the load structure any time in future if they so deem fit on a prospective basis. The investor is requested to check the prevailing load structure of the scheme before investing. In case of changes to load structure, the AMC would endeavour to do the following: 1. An addendum would be attached to the SID and Key Information Memorandum (KIM). The same may be circulated to brokers/distributors so that the same can be attached to all SID and abridged SID in stock. Further the addendum would be sent along with a newsletter to unitholders immediately after the changes. 2. Arrangement would be made to display the changes in the SID in the form of a notice in all the official points of acceptance of transactions and distributor's/broker's office. 3. The introduction of the exit load along with the details may 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. 4. A public notice shall be provided on the website in case of changes undertaken to the exit load. The AMC/Trustee reserves the right to change / modify the Load structure of the Scheme, subject to maximum limits as prescribed under the Regulations. However, the Redemption /Repurchase Price will not be lower than 97% of the NAV as per SEBI Master Circular for Mutual Funds dated March 20, 2026.
Recurring expenses	**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: Maximum limit specified by SEBI in SEBI MF Regulations for charging base expense ratio is as follows: a. on the first Rs. 500 crore of the Scheme's daily net assets - upto 2.10%; b. on the next Rs. 250 crore of the Scheme's daily net assets – upto 1.90%; c. on the next Rs. 1,250 crore of the Scheme's daily net assets – upto 1.60%; d. on the next Rs. 3,000 crore of the Scheme's daily net assets – upto 1.50%; e. on the next Rs. 5,000 crore of the Scheme's daily net assets – upto 1.40%; f. on the next Rs. 40,000 crore of the Scheme's daily net assets - Expense Ratio reduction of 0.05% for every increase of Rs. 5,000 crores of daily net assets or part thereof; g. on balance of the assets – upto 0.95%.

Expense Head	% p.a. of daily Net Assets* (Estimated p.a.)
Investment Management & Advisory Fee	Up to 2.10
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 fees, commission and charges towards distribution of mutual fund schemes	
Costs related to investor communications	
Costs of fund transfer from location to location	
Cost towards investor education, awareness and financial inclusion [&]	
Brokerage & transaction cost pertaining to execution of trade[%]	
Cost of statutory advertisements	
Other Expenses (to be specified as per Reg 66 of SEBI MF Regulations)[#]	
Maximum Base expenses ratio (BER) permissible under Regulation 66	**Upto 2.10**
Statutory levies (including GST) on all expenses excluding brokerage and transaction cost	GST of 18% or any other rate as may be levied from time to time on the Taxable / Invoice / Contract amount. Additionally, levies such as Stamp Duty, STT etc. will be charged on Turnover of securities which will be at prescribed rates.
Statutory levies (including GST) on brokerage and transaction cost	

[#]As permitted under the Regulation 66 of SEBI (MF) Regulations, 2026 and pursuant to SEBI Master Circular for Mutual Funds dated March 20, 2026.
[&]In terms of SEBI Master Circular for Mutual Funds dated March 20, 2026, the AMC / Mutual Fund shall annually set apart at least 2 basis points (i.e. 0.02%) on daily net assets of the scheme within the maximum limit of Base Expense Ratio as per Regulation 66 of the SEBI (MF) Regulations, 2026 for investor education and awareness initiatives.

As per SEBI Master Circular for Mutual Funds dated March 20, 2026, the mutual fund distributors shall be eligible for additional commission for new investments / inflows from new individual investors (new PAN) from B-30 cities, at the mutual fund industry level and new women individual investors (new PAN) from both Top 30 and B-30 cities with effect from March 01, 2026, as follows:

a. Lump Sum Investment - 1% of the amount of the first application subject to a maximum of ₹ 2,000, provided the investor remains invested for a minimum period of one year.
b. Systematic Investment Plan (SIP) - 1% of the total investment made during the first year, subject to a maximum of ₹ 2,000.

The aforesaid additional commission shall be paid from the 2 basis points on daily net assets, mandated to be set apart annually by AMCs for investor education, awareness and financial inclusion initiatives, subject to adequate claw back provisions. This additional commission shall be in addition to the existing trail commission paid to the Distributor from the scheme.

% Expense incurred towards brokerage, for the purpose of execution of trade, shall be charged to the schemes as per Regulation 66(9) of MF Regulations, subject to a maximum of 0.06% of trade value in case of cash market transactions and 0.02%of trade value in case of derivatives transactions. Expenses charged towards brokerage, over and above the said limit shall be part of the base expense ratio limit as prescribed above.

Transaction cost incurred for the purpose of execution of a trade, shall be charged to the schemes as per Regulation 66(10) of MF Regulations, which shall mean regulatory levies and any other expenses charged by the stock exchanges, clearing corporation, and clearing house, as applicable. Such transaction costs shall not form part of the base expense ratio.

Statutory levies herein means levy imposed by the state government and central government.

Accordingly, the 'Total expense ratio', of the schemes shall be total of expense charged within the base limit specified under Regulation 66(7) of MF Regulations, brokerage cost permitted under Regulation 66(9) of MF Regulations, transaction cost incurred for the purpose of execution of trade as referred under Regulation 66(10) of MF Regulations, and statutory levies.

***Illustration in returns between Regular and Direct Plan**

Particulars	**Regular Plan**	**Direct Plan**
Amount invested at the beginning of the year (Rs,)	10,000	10,000
Returns before Expenses (Rs.)	1,500	1,500
Expenses other than Distribution Expenses (Rs.)	150	150
Distribution Expenses (Rs.)	50	-
Returns after Expenses at the end of the year (Rs.)	1,300	1,350
Returns (%)	13.00%	13.50%

	Note(s): •The purpose of the above illustration is to purely explain the impact of expense ratio charged to the Scheme and should not be construed as providing any kind of investment advice or guarantee of returns on investments. •It is assumed that the expenses charged are evenly distributed throughout the year. •Calculations are based on assumed NAVs, and actual returns on your investment may be more, or less. •Any tax impact has not been considered in the above example, in view of the individual nature of the tax implications. Each investor is advised to consult his or her own financial advisor Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc. and no commission for distribution of units will be paid / charged under Direct Plan. All fees and expenses charged in a Direct Plan (in percentage terms) under various heads including the investment and advisory fee shall not exceed the fees and expenses charged under such heads in other than Direct Plan. The AMC shall adhere provisions of SEBI Master Circular for Mutual Funds dated March 20, 2026 and various guidelines specified by SEBI as amended from time to time, with reference to charging of fees and expenses. Accordingly: a. All scheme related expenses including commission paid to distributors, shall be paid from the scheme only within the regulatory limits and not from the books of the AMC, its associates, sponsor, trustee or any other entity through any route. Provided that, such expenses that are not specifically covered in terms of Regulation 66 can be paid out of AMC books at actual or not exceeding 2 bps of the Scheme AUM, whichever is lower. b. The Mutual Fund shall adopt full trail model of commission in the scheme, without payment of any upfront commission or upfronting of any trail commission, directly or indirectly, in cash or kind, through sponsorships, or any other route. c. All fees and expenses charged in a Direct Plan (in percentage terms) under various heads including the investment and advisory fee shall not exceed the fees and expenses charged under such heads in Regular Plan. d. No pass back, either directly or indirectly, shall be given by the Fund / the AMC / Distributors to the investors. For the actual current expenses being charged to the scheme, investors should refer to the website of the mutual fund at link: https://bajajamc.com/downloads?ter=. Any change proposed to the current expense ratio will be updated on the website at least three working days prior to the change.

	As per the Regulations, the total recurring expenses that can be charged to the scheme shall be subject to the applicable guidelines. The total recurring expenses of the scheme will however be limited to the ceilings as prescribed under Regulation 66(7) of the Regulations. As per Regulation 66(11), any expenditure other than those specified therein shall be borne by the AMC or Trustee or Sponsor. Base Expense Ratio (BER) as on September 30, 2026: Regular Plan: 0.91% Direct Plan: 0.32%
No. of Folios and AUM (as on September 30, 2026)	Folios – 5,977 AUM – Rs. 1029.82 crore
Tax treatment for the Investors (Unitholders)	Investor will be advised to refer to the details in the Statement of Additional Information and also independently refer to his tax advisor.

Daily Net Asset Value (NAV) Publication	NAV shall be calculated and disclosed on all business days, except under special circumstances. NAV shall be disclosed on AMC website (www.bajajamc.com) and on AMFI website (www.amfiindia.com). NAV shall be available on all centers for acceptance of transactions. NAV shall also be made available at all Investor Service Centres and the Toll free number of the AMC i.e. 18003093900. NAV will be calculated upto three decimal places and shall be disclosed before 11.00 p.m. on all business days. In case NAV is not uploaded within the stipulated timing of 11.00 p.m. on any business day, explanation shall be provided in writing to AMFI for non adherence of time limit. If the NAV is not available before the commencement of business hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons for the delay and explaining when the Mutual Fund would be able to publish the NAV.
For Investor Grievances please contact	• Name and Address of Registrar: KFIN Technologies Limited SEBI Registration - INR000000221 Address – Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, R. R. District, Telangana India - 500 032 Contact no. – 040-67162222/ 040-79611000 Website – www.kfintech.com • Contact details for general service requests: You may call on Toll Free: 1800-309-3900 (Monday to Friday 9:00 am to 6:00 pm) or write us on email id: service@bajajamc.com or raise a service ticket on our website at link: https://bajajfinservasset.my.site.com/Web2Case/s/ • Contact details for complaint resolution: **Ms. Priya Singh** **Investor Relations Officer** Tel No: 020 67672500 Fax No: 020 67672550 Email: service@bajajamc.com
Unitholders' Information	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). 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.

	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. For further details, refer SAI. **Portfolio Disclosure:** Portfolio shall be disclosed as on last day of the month within 10 days from the end of month. Portfolio shall be disclosed on AMC website at link: https://www.bajajamc.com/downloads?portfolio and on AMFI website www.amfiindia.com. Portfolio shall be disclosed in a user-friendly and downloadable spreadsheet format. Portfolio shall also be sent by e-mail to all unitholders by the AMC/Mutual Fund. Physical copy of the scheme portfolio shall be provided to unitholders on receipt of specific request from the unitholder, without charging any cost. **Half Yearly Financial Results:** The Mutual Fund shall within one month from the close of each half year, that is on March 31 and on September 30, host a soft copy of its unaudited financial results on the AMC website www.bajajamc.com in a user-friendly, downloadable and machine readable format. The unaudited financial results would also be displayed on AMFI website www.amfiindia.com. Written communication through digital modes such as email/SMS etc. shall be sent to unitholders by the Company about the availability of financial results on its website. **Annual Report:** Scheme wise Annual Report or an abridged summary thereof shall be sent via email to the unitholders whose email addresses are available with Mutual Fund within four months from the date of closure of the relevant financial year i.e. 31st March each year. The said communication shall also include details of modes such as SMS, telephone, email or written request (letter), etc. through which unit holders can submit a request for a physical copy of the scheme wise annual report or abridged summary thereof. The scheme wise annual report, in machine readable format, shall be hosted on the AMC website www.bajajamc.com and on AMFI website www.amfiindia.com. The AMC shall also provide a physical copy of abridged summary of the annual report without charging any cost, on specific request received from the unitholder. A copy of scheme wise annual report shall also be made available to unitholders on payment of nominal fees.

Please refer to the Statement of Additional Information and Scheme Information Document for any further details.

Note: The Trustees have ensured that the Scheme approved by them is a new product offered by Bajaj Finserv Mutual Fund and is not a minor modification of an existing scheme / fund / product.

For Bajaj Asset Management Limited
(Formerly known as Bajaj Finserv Asset Management Limited)

Sd/-
Ganesh Mohan
Managing Director

Place: Pune
Date: November 27, 2026