

Frequently Asked Questions on New Fund Offer of BHARAT 22 ETF

1. What is BHARAT 22 ETF?

Government of India (GOI), as part of its disinvestment programme, approved the setting up of Exchange Traded Fund (ETF) comprising shares of listed Central Public Sector Enterprises (CPSE), some of the strategic holding of Specified Undertaking of Unit Trust of India (SUUTI) and other corporate entities.

ICICI Prudential Asset Management Company Limited (ICICI Prudential AMC/the AMC) was appointed to create, launch and manage the ETF. On August 4, 2017, the Government announced a new ETF by the name "BHARAT 22 ETF" and also, announced the index for BHARAT 22 ETF. BHARAT 22 ETF will invest in the equity securities of the underlying constituent companies of "S&P BSE Bharat 22 Index" in similar composition and weightages as they appear in the said Index.

New Fund Offer period of BHARAT 22 ETF for Anchor Investor opens and closes on November 14, 2017 and for Non Anchor Investor opens on November 15, 2017 and closes on November 17, 2017.

2. Where will BHARAT 22 ETF invest in?

BHARAT 22 ETF shall invest in equity securities of the underlying constituent companies of "S&P BSE Bharat 22 Index", which is also the Benchmark Index of the ETF.

3. What are the broad highlights of S&P BSE Bharat 22 Index?

There are 22 stocks under the S&P BSE Bharat 22 Index which comprises shares of Central Public Sector Enterprises (CPSE), Public Sector Banks and some of the strategic holding of Specified Undertaking of Unit Trust of India (SUUTI). S&P BSE Bharat 22 Index is well diversified index across six sectors. The stock level capping is at 15% and sector capping is at 20%.

To know more about the index constituents and for more details, please visit: http://www.bseindia.com/sensexview/indexview_new.aspx?index_Code=100&iname=BHRT22

4. Is there any discount to investors?

Government of India is offering discount of 3%# of the underlying shares of S&P BSE Bharat 22 Index. The same will be applicable to all categories of investors. The discount offered by GOI may not be a discount to the closing market price of the underlying shares of S&P BSE Bharat 22 Index on the NFO Allotment Date. For more details on the discount, please refer the Scheme Information Document of BHARAT 22 ETF.

Discount is calculated on Reference Market Price. The Reference Market Price is determined based on the average of full day volume weighted average price on BSE Ltd during the Non Anchor Investor NFO Period for each of the underlying index constituents.

5. What is the Total Expense Ratio of BHARAT 22 ETF?

The expense ratio of BHARAT 22 ETF is upto 0.0095% for three years from listing of units of BHARAT 22 ETF.

6. Do we have Direct or Regular Plan option in BHARAT 22 ETF?

Currently, there are no separate Plans/options under BHARAT 22 ETF.

7. Will the Scheme declare dividend or it will be growth scheme?

The Scheme can declare dividend subject to availability of distributable surplus and approval from the Trustees of the Scheme.

8. What will the tax treatment be in case of short term capital gains (STCG) and long term capital gains (LTCG)?

Taxation for this ETF will be like that of equity shares or equity mutual funds. AS per the prevalent tax laws, capital gains arising from investments held up to one year will be classified as STCG and will be taxed at 15%, plus surcharge and cess as applicable. LTCG will be tax exempt.

9. How can I make application/subscription in BHARAT 22 ETF during the New Fund Offer?

Applicants may submit the physical application at designated Investor Service Centres of ICICI Prudential Asset Management Company Limited or Computer Age Management Services Pvt. Ltd. (CAMS).

Additionally, the below mentioned online modes will be available:

- i. ICICI Prudential AMC or ICICI Prudential Mutual Fund website
- ii. IPRUTOUCH App
- iii. BSE Star MF
- iv. BIMF (BSE IBBS PLATFORM)
- v. NSE MFSS
- vi. NMF II platform of NSE
- vii. e-ETF under web based NSE e-IPO platform
- viii. MF Utility
- ix. CAMSONLINE

10. Is there any lock-in period under BHARAT 22 ETF?

There is no lock-in period for Non- Anchor Investor. The units allotted to Anchor Investors during the NFO period shall be locked-in for a period of 30 days from the Allotment Date.

11. Who can apply and how much one can apply in Non-Anchor Investor category of BHARAT 22 ETF during the new fund offer (NFO)?

Investors who hold a demat account can apply for units of the ETF during the NFO. The different categories of investors with respective application amounts under each category is provided in the below table:

Type of Investors	Description	Investment Amount
Retail Individual Investors (RII)	Natural persons including NRI, sole proprietorship concern and HUF represented by Karta	Minimum application amount of Rs.5,000 and in multiples of Re. 1 thereafter. Maximum upto Rs. 2,00,000 (Rupees Two Lakhs only) per investor.
Retirement Funds (RF)	Any private or public trust, or any other entity, set up with the objective of making investments for the benefit of retirement or social security benefits for employees or workmen in the private or public sector and includes pension funds, gratuity funds, provident funds, annuity funds, deposit-linked insurance funds or superannuation funds, whether regulated by any authority or not.	Minimum application amount of Rs. 2,00,001 and in multiples of Re.1 thereafter.

Qualified Institutional Buyers (QIB)	<p>Qualified Institutional Buyers shall mean Qualified Institutional Buyers as defined under Regulation 2(1) (zd) of the SEBI (Issue of Capital and Disclosure Requirements), 2009 as amended, save and except (a) provident funds with minimum corpus of twenty five crore rupees; and (b) pension funds with minimum corpus of twenty five crore rupees, and shall include the following, namely:-</p> <ol style="list-style-type: none"> 1. a mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor registered with the SEBI; 2. FPI other than Category III FPI, registered with the SEBI; 3. a public financial institution as defined in section 4A of the Companies Act, 1956 and /or section 2(72) of the Companies Act, 2013; 4. a scheduled commercial bank; 5. a multilateral and bilateral development financial institution; 6. a state industrial development corporation; 7. an insurance company registered with the Insurance Regulatory and Development Authority; 8. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; 9. Insurance funds set up and managed by army, navy or air force of the Union of India; and 10. Insurance funds set up and managed by the Department of Posts, India. 	<p>Minimum application amount of Rs. 2,00,001 and in multiples of Re.1 thereafter.</p>
Non Institutional Investors (NII)	<p>All investors who are neither QIBs nor Retirement Funds nor Retail Individual Investors</p>	<p>Minimum application amount of Rs. 2,00,001 and in multiples of Re.1 thereafter.</p>

12. Who can make application during Anchor investor NFO?

A Qualified Institutional Buyer or a Retirement Fund can apply during the Anchor Investor New Fund Offer period, with a minimum application amount of Rs. 10,00,00,000 (Rupees Ten Crore only) and in multiples of Re. 1 thereafter.

13. What will be the margin payment at the time of subscription/application by Anchor Investors during the New Fund Offer period?

Anchor Investors shall pay a margin of at least 25% (Twenty Five percent) of the Subscription amount during the Anchor Investor NFO period i.e. November 14, 2017, with the balance to be paid and realized on or before the closure of the Non Anchor Investor NFO Period i.e. on or before November 17, 2017. If the Anchor Investor does not pay the balance amount before the closure of the Non Anchor Investor NFO Period, then the margin amount paid by the Anchor Investor shall be forfeited and credited to the Scheme.

The Anchor Investor will not be able to withdraw / modify its application once submitted to the AMC.

14. Can I submit multiple applications?

An Investor ideally should submit one application. If multiple applications are submitted by an investor/ investor(s) (with different holding pattern) the applications will be clubbed on first/ sole holder PAN for determining investor category (i.e. Retail Individual, NII). E.g. an Individual Investor A, submits two applications of Rs.1,50,000 each with two different demat accounts with holding pattern as A,B and A,C,B. The total application under Investor A's PAN will be considered as Rs. 3,00,000, thus he will be categorized as NII and will not receive the allotment under Retail Individual Investor category.

However, QIB and RF may submit multiple applications, as Anchor Investor during Anchor Investor NFO period and another under QIB and RF during Non-Anchor Investor NFO period. Such applications will not be clubbed at PAN level for allotment purpose.

15. Do I need to pay any transaction charges to the distributor through whom I am applying in the NFO?

In case the Distributor has 'opted in' to receive Transaction Charges, Rs 150 (new investor in mutual fund) & Rs 100 (existing investor) will be deducted if the Subscription amount is Rs.10,000 & above.

Further note that transaction charges will be applicable for transactions routed from Physical, ICICI Prudential MF Online portal, Channel Partners and stock exchange platforms (i.e. BSE Star MF & NSE NMF II) through ARN-Holders (Mutual fund distributors) if the distributor is in 'Opt in' list and Transaction charges will not be applicable for transactions routed from stock exchange platforms (i.e. BSE Star MF, BIMF, e-ETF & NSE MFSS) routed through stock brokers even if the broker is in 'Opt in' list.

16. Can I register nominee for this investment?

Mode of holding for BHARAT 22 ETF is compulsorily dematerialized. The allotment will happen in demat mode. Hence, the nomination details registered in your demat account will be applicable to this investment.

17. Will there be any Folio No. for future reference?

Since the ETF units are compulsorily held in Demat mode and ongoing transactions happen through Secondary market, there will be no MF Folio number. For all future queries on allotment, applicants need to refer the Demat account number and 1st/ Sole Holder's PAN which were used in the application made during the NFO.

18. I don't have a demat account, but I want to apply for this ETF. Is it mandatory to have a demat account to apply for this NFO? Can I apply for it like I apply for any other mutual fund?

Demat account is mandatory to apply for this ETF. Without a demat account, your application would be liable to get rejected.

19. Will there be any Guaranteed Allotment for Application?

The maximum amount to be raised by BHARAT 22 ETF shall be allocated in the following manner.

- **Anchor investors:** Not exceeding 25% of 'Maximum Amount to be Raised'
- **Non-Anchor investors:**
- **RIIs** - Not exceeding 25% of 'Maximum Amount to be Raised'
- **RFs** - Not exceeding 25% of 'Maximum Amount to be Raised'
- **QIBs and NIIs** - Not exceeding 25% of 'Maximum Amount to be Raised'

In case of oversubscription in all the above investor categories/ sub-categories, units shall be allotted in proportion to the amount of applications received.

In case of under subscription in all the above investor categories/ sub-categories, all the units applied by investors shall be allotted.

In case of under subscription in one or more of the investor categories/ sub-categories, the undersubscribed portion will be allowed to be met with spill over from the below mentioned categories/ sub-categories in the following order of preference.

- i) RILs
- ii) RFs
- iii) QIBs & NIIIs
- iv) Anchor investors

Please refer the Scheme Information Document for definition of 'Maximum Amount to be Raised'

20. When will the units be allotted?

For all successful applications, the units will be allotted within 5 business days from the closure of the NFO period. Allotment advices will be processed immediately after the allotment is completed. Allotment will be made in whole units only. The fractional unit payment would be made to client's bank account registered with DP.

21. How and when will I receive allotment intimation?

Post allotment of units, allotment intimation through SMS/email will be sent on the applicant's registered mobile number/email id. Investors where mobile number/email id isn't available, an allotment advice in physical form shall be sent to the applicant's registered mailing address. All communication will be sent as per the data received from the respective Depositories.

22. Will the Allotment be on First Come First Serve basis?

Allotment will be made on a proportionate basis and not on a first-come first-served basis.

23. Is it mandatory to apply only through cheque and not ASBA?

ASBA facility is not available. You can submit Cheques/Demand drafts, Transfer requests/ RTGS and NEFT along with the application form or invest online through your broker's trading platform to apply for this ETF.

24. When and where will the ETF units trade post allotment?

The units will be listed on BSE & NSE within 5 working days from the allotment date. Post listing of these units, trading happens on the exchange similar to any other listed securities.

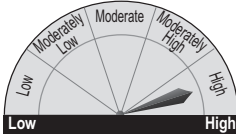
25. To which bank account will the refund be credited?

For all successful applications, the refund (if any) will be credited to the investors' bank account as registered in his demat account. For Invalid applications, the refund may be processed to bank account mentioned in the application form/source bank account from where the cheque was issued.

In case of BSE BIMF, BSE STAR (Members), NSE MFSS & NSE e-ETF platforms, the refund will be done to the brokers settlement account through exchanges, who in turn will transfer the funds to investors trading account, wherever applicable.

26. When can we expect the refund amount?

Refunds will be processed within 5 business days from the date of allotment.

This Product is suitable for investors who are seeking*:	Riskometer
<ul style="list-style-type: none"> • Long term wealth creation. • An Exchange Traded Fund that aims to provide returns that closely correspond to the returns provided by S&P BSE Bharat 22 Index, subject to tracking error. 	
<p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them</p> <p style="text-align: right; font-size: small;">Investors understand that their principal will be at high risk</p>	

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All information for an index prior to its Launch Date is back-tested, based on the methodology that was in effect on the Launch Date. Back-tested performance, which is hypothetical and not actual performance, is subject to inherent limitations because it reflects application of an Index methodology and selection of index constituents in hindsight. No theoretical approach can take into account all of the factors in the markets in general and the impact of decisions that might have been made during the actual operation of an index. Actual returns may differ from, and be lower than, back-tested returns.

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