

## Edelweiss Mutual Fund launches 'BHARAT Bond ETF' on December 12

*Issue period: December 12 to 20*

### Highlights:

- BHARAT Bond Exchange Traded Fund or ETF will invest in AAA rated Public Sector Bonds
- ETF units will be listed and tradable on exchanges
- ETF will track Nifty BHARAT Bond Target Maturity Indices
- Bharat Bond ETF will be a low cost product for retail investors
- Minimum unit size will be 1000 Rs

**Mumbai, December 12, 2019:** Edelweiss Asset Management company, a Group company of Edelweiss today announced the public issue of India's first Corporate Bond ETF called the Bharat Bond ETF. This ETF is an initiative of the Government of India, from the Department of Investment and Public Asset Management and the latter has given the mandate to Edelweiss AMC to design and manage the product.

The Bharat Bond ETF will help to deepen the corporate bond markets and enhance retail participation. The ETF will invest only in AAA rated bonds of Public Sector companies. Through the ETF, Edelweiss Mutual Fund proposes to raise an initial amount of 3000 crores with a green shoe option of 2000 crores in the 3-year maturity period (2023) and 4000 crores with a green shoe option of 6000 crores in the 10-year maturity bucket (2030).

The ETFs will have target maturity structures. The ETF with a 3 year maturity will follow the Nifty BHARAT Bond Index -April 2023 and the one with a 10 year maturity will follow the Nifty BHARAT Bond Index – April 2030. The yield as on 05 December, 2019 of Nifty BHARAT Bond Index – April 2023 is 6.69% and Nifty BHARAT Bond Index – April 2030 is 7.58%\*. The investors who hold these ETFs for more than 3 years will get the benefit of capital gains with indexation. The ETF will invest in constituents of the NIFTY BHARAT Bond Indices, consisting of public sector companies. For more details please visit: <https://www.bharatbond.in/>

BHARAT Bond Funds of Funds (FOF) is also being launched for investors who do not have Demat accounts.

BHARAT Bond ETF provides the best features of Mutual Funds, ETFs and Bonds. It provides safety because it consists of a high quality basket of public sector companies, liquidity and access at a much lower ticket size, compared to investment in individual bonds. BHARAT Bond ETF is also the lowest cost mutual fund product in India and the cheapest bond ETF/fund in the world. If a retail investor invests 2 lakhs in Debt ETF's, the AMC will be charging a management fee of just one rupee.

\* The Scheme will invest in constituents of underlying Index. The indicative yield provided is of the Index and not that of the Scheme. The Scheme (s) are neither Capital Protected nor a guaranteed Return Product and may or may not generate return in line with the Index.

**Nitin Jain, CEO, Edelweiss Global Investment Advisors, said** "We are honoured that the government has given us the mandate to manage India's first corporate bond ETF. The government's initiative to launch this product will help to deepen the corporate bond market and provide a very low cost, tax efficient debt product that is ideally suited for retail investors. The product has been developed after more than a year of deliberations between DIPAM, Edelweiss and NSE and has truly disruptive potential."


**Radhika Gupta, CEO, Edelweiss Mutual Fund** said, "The Bharat Bond ETF has a unique target maturity structure that is designed for the needs of Indian fixed income investors, who want predictability of returns in their debt investments. The ETF combines the benefits of three products – it is diversified like a mutual fund, trades on the exchanges like a stock and matures like a bond. It will lead over the years to development of a complete yield curve of high quality public sector bonds, bringing transparency in bond pricing. Borrowers will now have a wider range of tenors in which to borrow, and investors a full range of debt products to match their investment time horizons." Globally Bond ETFs have grown at a healthy pace in the last decade, primarily due to lower costs compared to traditional bond funds. Bond ETF AUM globally is around \$1 trillion. Total ETF AUM across all asset classes is at around \$4 trillion.

Video link: Investing in Bond ETF - <https://www.youtube.com/watch?v=4uCH35kHNjY>

### About Edelweiss Asset Management Limited (EAML)

EAML is part of the Investment & Advisory line of Business of Edelweiss Group. EAML is one of the fastest growing and young AMCs in India. It offers a robust platform to a diversified client base across domestic and global geographies.

The Mutual Fund product suite of the company encompass the entire risk return spectrum and is designed to offer the best opportunity for investment growth in Indian & global asset classes. EAML also provides world class knowledge platforms for its partners and investors to keep them updated. The company provides the best digital experience to investors and partners through continuous innovation and cutting edge technology. For more information please visit: [www.edelweissmf.com](http://www.edelweissmf.com)

Edelweiss AMC Social media handle:-  @EdelweissAMC

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

### About Edelweiss Group

The Edelweiss Group is one of India's leading diversified financial services companies, providing a broad range of financial products and services to a substantial and diversified client base, that includes corporations, institutions and individuals. Edelweiss' products and services span multiple asset classes and consumer segments, across domestic and global geographies. Its businesses are broadly divided into Credit Business (Retail Credit comprises of Retail Mortgages, SME and Business Loans; Corporate Credit), Advisory Business (Wealth Management & Capital Markets, Asset Management, Asset Reconstruction) and Insurance (Life and General Insurance). Edelweiss Group has a pan India presence with a global footprint extending across geographies, with offices in New York, Mauritius, Dubai, Singapore, Hong Kong and UK. For more information please visit: <https://www.edelweissfin.com>

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