

Edelweiss Mutual Fund to launch second tranche of 'BHARAT Bond ETF' and aims to raising upto 14,000 crores

Highlights:

- Two new series of BHARAT Bond ETF to be launched on 14th July 2020
- Rs. 3,000 crores is the base issue size with further green shoe option of Rs. 11,000 crores
- 25% reserved for Retail investors and 75% for Retirement Funds, QIBs and Non-Institutional Investors
- NFO period between 14th July to 17th July 2020

Mumbai, July 3, 2020: Edelweiss Asset Management today announced the launch of the second tranche of BHARAT Bond ETF in July, with two new series, after the successful launch of the initial series of ETFs in December 2019. The BHARAT Bond ETF program 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 two new Bharat Bond ETF series will have maturities of April 2025 and April 2031. NFO will start from 14th July 2020 and end on 17th July 2020. Through the launch of these two new ETF series, Edelweiss Mutual Fund proposes to raise an initial amount of Rs. 2,000 crores with a green shoe option of Rs. 6,000 crores in 2025 Maturity and initial amount of Rs. 1,000 crores with a green shoe option of Rs. 5,000 crores in 2031 Maturity based on market demand. The ETF will invest in constituents of the NIFTY BHARAT Bond Indices, consisting of AAA rated public sector companies. BHARAT Bond Fund of Funds (FOF) with similar maturities will also be launched for investors, who do not have demat accounts.

Rashesh Shah, Chairman & CEO, Edelweiss group said, "The first launch of BHARAT Bond ETF was highly successful and since then it has seen healthy growth in AUM and good liquidity on exchange. We hope that the BHARAT Bond ETF program achieves its ultimate objective of creating a liquid yield curve for CPSE bonds and helps further agenda of development of bond markets. We believe that the BHARAT Bond ETF program will keep growing and will provide a safe and secure investment avenue for investors and an easy way for CPSEs to raise funds."

Tuhin Kanta Pandey, Secretary, DIPAM, Ministry of Finance said, "BHARAT Bond ETF program has achieved some important objectives that were envisioned while creating the blueprint of this program. It has provided aggregate savings in borrowing cost for participating CPSEs/CPSUs/CPFIs. It has provided easy access to investors into Bond markets and adequate Liquidity on exchange with low bid-ask spreads, this will encourage investor participation and help in developing bond markets further. The organic increase in AUM of existing BHARAT Bond ETFs even during these uncertain times resembles investors building confidence with the product. In upcoming issue, we expect to raise anywhere between 3,000 cr to 14,000 cr. This will help CPSEs in their capex programs in coming months."

Vikram Limaye, MD & CEO, NSE, said, "The BHARAT Bond ETFs, tracking the Nifty BHARAT Bond Index series, have been successful in increasing retail participation in corporate bond market with more than 50000 retail investors participating in the first two ETFs launched in December 2019. NSE is glad to continue working with Department of Investment and Public Asset Management (DIPAM), Government of India, Edelweiss AMC and other stakeholders in launching more indices within the unique BHARAT Bond Index series that will be tracked by the upcoming tranches of BHARAT Bond ETF. The new BHARAT Bond ETF tranches maturing in 2025 and 2031 will provide more investment choices to fixed income investors."

Radhika Gupta, CEO, Edelweiss Mutual Fund said, “This series will see two more new ETFs maturing in 2025 and 2031 namely BHARAT Bond ETF April 2025 and BHARAT Bond ETF 2031 being launched. With this BHARAT Bond ETFs will have four maturity points on the yield curve – 2023, 2025, 2030 and 2031. In future we will launch more ETFs and fill the remaining maturities. The product contours remain same as the first series of BHARAT Bond ETF. We see healthy demand from investors for these ETFs in current environment where safety is paramount.”

About Edelweiss Asset Management Limited (EAML)

EAML is a part of the Investment & Advisory business of Edelweiss Group. EAML remains one of the fastest growing and youngest AMCs in India, with an AUM of 24,471 crores. 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

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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 Investment & Advisory (Wealth Management, Capital Markets, Asset Management and Asset Reconstruction), Credit (Retail Credit comprising Retail Mortgage, SME and Business Loans, ESOP and Margin Financing, Agriculture & Rural Finance and Corporate Credit comprising Structured Collateralized Credit to Corporates and Wholesale Mortgages) and Insurance (Life and General Insurance).

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