

Baroda Pioneer Mutual Fund

COMBINED SCHEME INFORMATION DOCUMENT

Baroda Pioneer Growth Fund An open ended Growth Scheme	Baroda Pioneer MIP Fund An open ended Scheme
Baroda Pioneer Global Fund An open ended Equity Scheme	Baroda Pioneer Children Fund An open ended Scheme
Baroda Pioneer Diversified Fund An open ended Equity Scheme	Baroda Pioneer Income Fund An open ended Income Scheme
Baroda Pioneer Gilt Fund An open ended Gilt Scheme	Baroda Pioneer Liquid Fund An open ended Liquid Scheme

Price of Units: NAV Linked
Face Value of Units: Rs.10/- per unit

Name of Mutual Fund : Baroda Pioneer Mutual Fund
Name of Asset Management Company : Baroda Pioneer Asset Management Company Limited
Name of Trustee Company : Board of Trustees
Addresses, Website of the entities : 501, Titanium, 5th Floor
Western Express Highway
Goragaon (E), Mumbai- 400063
www.barodapioneer.in

The particulars of the Scheme/Plans have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date, and filed with SEBI, along with a Due Diligence Certificate from the AMC. 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 the scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this Scheme Information Document after the date of this Document from the Mutual Fund / Investor Service Centres / Website / Distributors or Brokers.

The investors are advised to refer to the Statement of Additional Information (SAI) for details of Baroda Pioneer Mutual Fund, Tax and Legal issues and general information on www.barodapioneer.in

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

The Scheme Information Document should be read in conjunction with the SAI and not in isolation.

This Scheme Information Document is dated May 15, 2009.

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HIGHLIGHTS / SUMMARY OF THE SCHEME

Name of Scheme	Baroda Pioneer Growth Fund	Baroda Pioneer Global Fund
Types of Scheme	An open ended Growth Scheme	An open ended Equity Scheme
Options	Growth Plan, Dividend Plan and Dividend Re-investment Plan	
Investment Objective	To generate long term Capital appreciation from an actively managed portfolio of equity related instruments	To generate medium to long term Capital appreciation by investing in a diversified portfolio of equity and equity related securities of large mid and small companies
Liquidity	Units may be purchased or redeemed at NAV-related prices, subject to applicable loads, on every Business Day on an ongoing basis.	
Benchmark	BSE Sensex	
Transparency/NAV Disclosure	The AMC will calculate and disclose the first NAVs of the Scheme within a period of 30 days from the closure of the NFO Period. Subsequently, the NAVs will be calculated and disclosed on every Business Day. The AMC shall update the NAVs on the website of the Fund (www.barodapioneer.in) and of the Association of Mutual Funds in India - AMFI (www.amfiindia.com) every Business Day. The AMC will disclose details of the portfolio of the Scheme every 6 months by either sending a complete statement to all the Unit Holders or by publishing such statement, by way of advertisement, in two daily newspapers.	
Loads	Entry Load Investment up to Rs. 2crore - 2.25% Investment above Rs. 2 crore - Nil Exit Load Investment up to Rs. 2crore - 1.00% if redeemed on or before 12 months Investment above Rs. 2 crore - Nil	Entry Load Investment up to Rs. 2 crore - 2.25% Investment above Rs. 2 crore - Nil Exit Load Investment up to Rs. 2crore - 1.00% if redeemed on or before 12 months Investment above Rs. 2 crore - Nil
Minimum Application Amount	Rs. 5,000/- and in multiples of Rs. 500/- thereafter	Rs. 5,000/- and in multiples of Rs. 1,000/- thereafter

Name of Scheme	Baroda Pioneer Diversified Fund	Baroda Pioneer Gilt Fund
Types of Scheme	An open ended Equity Scheme	An Open ended Gilt Scheme
Options	Dividend Option	Growth Plan, Dividend Plan and Dividend Re-investment Plan
Investment Objective	To generate medium to long term Capital appreciation by investing in a diversified portfolio of equity and equity related securities of large, mid and small companies	To generate income by investing in a portfolio of Government securities
Liquidity	Units may be purchased or redeemed at NAV-related prices, subject to applicable loads, on every Business Day on an ongoing basis.	
Benchmark	BSE Sensex	I Sec MI Bex

Transparency/NAV Disclosure	The AMC will calculate and disclose the first NAVs of the Scheme within a period of 30 days from the closure of the NFO Period. Subsequently, the NAVs will be calculated and disclosed on every Business Day. The AMC shall update the NAVs on the website of the Fund (www.barodapioneer.in) and of the Association of Mutual Funds in India - AMFI (www.amfiindia.com) every Business Day. The AMC will disclose details of the portfolio of the Scheme every 6 months by either sending a complete statement to all the Unit Holders or by publishing such statement, by way of advertisement, in two daily newspapers.	
Loads	Entry Load Investment up to Rs. 2crore - 2.25% Investment above Rs. 2 crore - Nil Exit Load Investment up to Rs. 2crore - 1.00% if redeemed on or before 12 months Investment above Rs. 2 crore - Nil	Entry Load – Nil Exit Load – Investment below Rs. 10 lacs – 1.00% (If redeemed within 12 months from the date of investment) Investment above Rs. 10 lacs - Nil
Minimum Application Amount	Rs. 3,000/- and in multiples of Rs. 1/- thereafter	2,000/- and in multiples of Rs. 500/- thereafter

Name of Scheme	Baroda Pioneer MIP Fund	Baroda Pioneer Children Fund
Types of Scheme	An open ended Scheme	An open ended Scheme
Options	Growth Plan, Dividend Plan and Dividend Re-investment Plan	Gift Plan and Study Plan
Investment Objective	To generate regular income through investment in debt and money market instruments and also to generate long-term capital appreciation by investing a portion in equity and equity related instruments.	To generate capital appreciation by creating a portfolio that is invested in equity and equity related securities and money market instruments.
Liquidity	Units may be purchased or redeemed at NAV-related prices, subject to applicable loads on every Business Day on an ongoing basis.	
Benchmark	CRISIL MIP Blended Index	CRISIL Balance Fund Index
Transparency/NAV Disclosure	The AMC will calculate and disclose the first NAVs of the Scheme within a period of 30 days from the closure of the NFO Period. Subsequently, the NAVs will be calculated and disclosed on every Business Day. The AMC shall update the NAVs on the website of the Fund (www.barodapioneer.in) and of the Association of Mutual Funds in India - AMFI (www.amfiindia.com) every Business Day. The AMC will disclose details of the portfolio of the Scheme every 6 months by either sending a complete statement to all the Unit Holders or by publishing such statement, by way of advertisement, in two daily newspapers.	
Loads	Entry Load – Nil Exit Load – Investment below Rs. 10 lacs – 1.00% (If redeemed within 12 months from the date of investment) Investment above Rs. 10 lacs - Nil	Entry Load – NIL Exit Load – 1.00% if investments redeemed within 3 years. Nil, if investment is redeemed after 3 years (but before the beneficiary child attains the age of 18 years)
Minimum Application Amount	5,000/- and in multiples of Rs. 1,000/- thereafter	5,000/- and in multiples of Rs. 500/- thereafter

Name of Scheme	Baroda Pioneer Income Fund	Baroda Pioneer Liquid Fund
Types of Scheme	An open ended Income Scheme	An open ended Liquid Scheme
Options	Growth Plan, Dividend Plan and Dividend Re-investment Plan	Regular and Institutional Plan In the plans the following option are available Growth Plan, Dividend Plan and Dividend Re-investment Plan & Daily Dividend Plan
Investment Objective	To generate regular income by investing in a portfolio of good quality Fixed Income Securities by maintaining a balance between Risk & Return	To generate income with a high level of liquidity by investing in a portfolio of money market and debt securities.
Liquidity	Units may be purchased or redeemed at NAV-related prices, subject to applicable loads on every Business Day on an ongoing basis.	
Benchmark	CRISIL Composite Bond Fund Index	CRISIL Liquid Fund Index
Transparency/NAV Disclosure	The AMC will calculate and disclose the first NAVs of the Scheme within a period of 30 days from the closure of the NFO Period. Subsequently, the NAVs will be calculated and disclosed on every Business Day. The AMC shall update the NAVs on the website of the Fund (www.barodapioneer.in) and of the Association of Mutual Funds in India - AMFI (www.amfiindia.com) every Business Day. The AMC will disclose details of the portfolio of the Scheme every 6 months by either sending a complete statement to all the Unit Holders or by publishing such statement, by way of advertisement, in two daily newspapers.	
Loads	Entry Load - NIL Exit Load – Investment below Rs. 10 lacs – 1.00% (If redeemed within 12 months from the date of investment) Investment above Rs. 10 lacs - Nil	Entry Load – NIL Exit Load – NIL
Minimum Application Amount	Rs. 2000/- and in multiples Rs. 1/- thereafter	Regular Plan: 10,000/- and in multiples of Rs. 500/- thereafter Institutional Plan: Rs 1 crore and in multiple of Re. 1.

I. INTRODUCTION

A. RISK FACTORS

These risk factors may be peculiar to the Mutual Fund as well as that attendant with specific policies and objectives of the Scheme.

Standard Risk Factors

- a) Mutual Funds and securities investments are subject to market risks such as trading volumes, settlement risk, liquidity risk and default risk including the possible loss of principal and there is no assurance or guarantee that the objectives of the Scheme will be achieved.
- b) As the price / value / interest rates of the securities in which the scheme invests fluctuates, the value of your investment in the scheme may go up or down
- c) Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the scheme.
- d) Baroda Pioneer Growth Fund, Baroda Pioneer Global Fund, Baroda Pioneer Diversified Fund, Baroda Pioneer GILT Fund, Baroda Pioneer MIP, Baroda Pioneer Income Fund, Baroda Pioneer Children Fund and Baroda Pioneer Liquid Fund is only the name of the Scheme and does not in any manner indicate either the quality of the scheme or its future prospects and returns.
- e) The Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond their initial contribution of Rs.10 lakh towards the setting up of the Mutual Fund and such other accretions and additions to the corpus.
- f) The present scheme is not a guaranteed or assured return scheme. The Mutual Fund is not guaranteeing or assuring any dividend/ bonus. The Mutual Fund is also not assuring that it will make periodical

dividend/bonus distributions, though it has every intention of doing so. All dividend/bonus distributions are subject to the availability of distributable surplus of the Scheme.

Scheme Specific Risk Factors

Equity and Equity Related risk:

Equity instruments carry both company specific and market risks and hence no assurance of returns can be made of these investments.

Fixed Income Securities

• **Interest Rate Risk:** As with all debt securities, changes in interest rates may affect the Schemes' Net Asset Value as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of long-term securities generally fluctuate more in response to interest rate changes than do short-term securities. Indian debt markets can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby to possible movements in the NAV.

• **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.

• **Credit Risk:** Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e. will be unable to make timely principal and interest payments on the security). Because of this risk corporate debentures are sold at a yield above those offered on Government Securities which are sovereign obligations and free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk.

• **Reinvestment Risk:** This risk refers to the interest rate levels at which cash flows received from the securities in the Plans 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.

• **Settlement risk:** The inability of the Plan to make intended securities purchases due to settlement problems could cause the Plan to miss certain investment opportunities. By the same rationale, the inability to sell securities held in the Plan's portfolio due to the extraneous factors that may impact liquidity would result, at times, in potential losses to the Plan, in case of a subsequent decline in the value of securities held in the Plan'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.

• **Risks associated with investment in unlisted 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.

Risks associated with investing in Derivatives: • As and when the Scheme trades in the derivatives market there are risk factors and issues concerning the use of derivatives that Investors should understand. Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mis pricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

• Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value. Also, the market for derivative instruments is nascent in India.

• Derivatives products are leveraged instruments and provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty

and decision of the fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify to execute such strategies.

- The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.
- The specific risk factors arising out of a derivative strategy used by the Fund Manager may be as below:
- Lack of opportunity available in the market.
- The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

Risks associated with investing in securitised debt.

Generally available Asset Classes for securitization in India

- Commercial Vehicles
- Auto and Two wheeler pools
- Mortgage pools (residential housing loans)
- Personal Loan, credit card and other Regular loans
- Corporate loans/receivables

In terms of specific risks attached to securitisation, each asset class would have different underlying risks, however, residential mortgages are supposed to be having lower default rates as an asset class. On the other hand, repossession and subsequent recovery of commercial vehicles and other auto assets is fairly easier and better compared to mortgages. Some of the asset classes such as personal loans, credit card receivables etc., being unsecured credits in nature, may witness higher default rates. As regards corporate loans/receivables, depending upon the nature of the underlying security for the loan or the nature of the receivable the risks would correspondingly fluctuate. However, the credit enhancement stipulated by rating agencies for such asset class pools is typically much higher and hence their overall risks are comparable to other AAA rated asset classes.

The rating agencies have an elaborate system of stipulating margins, over collateralisation and guarantees to bring risk limits in line with the other AAA rated securities.

It is relevant to note here that predominantly the scheme intends to invest in only AAA rated securitised debt. This compares favourably with a portfolio which is constructed on the basis of AA rated securitised debt. Some of the factors, which are typically analyzed for any pool are as follows:

Size of the loan: generally indicates the kind of assets financed with loans. Also indicates whether there is excessive reliance on very small ticket size, which may result in difficult and costly recoveries. To illustrate, the ticket size of housing loans is generally higher than that of personal loans. Hence in the construction of a housing loan asset pool for say Rs.1,00,00,000/- it may be easier to construct a pool with just 10 housing loans of Rs.10,00,000 each rather than to construct a pool of personal loans as the ticket size of personal loans may rarely exceed Rs.5,00,000/- per individual. Also to amplify this illustration further, if one were to construct a pool of Rs.1,00,00,000/- consisting of personal loans of Rs.1,00,000/- each, the larger number of contracts(100 as against one of 10 housing loans of Rs.10 lakh each) automatically diversifies the risk profile of the pool as compared to a housing loan based asset pool.

Average original maturity of the pool: indicates the original repayment period and whether the loan tenors are in line with industry averages and borrower's repayment capacity. To illustrate, in a car pool consisting of 60- month contracts, the original maturity and the residual maturity of the pool viz. number of remaining installments to be paid gives a better idea of the risk of default of the pool itself. If in a pool of 100 car loans having original maturity of 60 months, if more than 70% of the contracts have paid more than 50% of the installments and if no default has been observed in such contracts, this is a far superior portfolio than a similar car loan pool where 80% of the contracts have not even crossed 5 installments.

Loan to Value Ratio: Indicates how much % value of the asset is financed by borrower's own equity. The lower LTV, the better it is. This Ratio stems from the principle that where the borrowers own contribution of the asset cost is high, the chances of default are lower. To illustrate for a Truck costing Rs.20 lakhs, if the borrower has himself contributed Rs.10 lakh and has taken only Rs.10 lakh as a loan, he is going to have lesser propensity to default as he would lose an asset worth Rs.20 lakhs if he defaults in repaying an installment. This is as against a borrower who may meet only Rs.2 lakh out of his own equity for a truck costing Rs.20 lakh. Between the two scenarios given above, the latter would have higher risk of default than the former.

Average seasoning of the pool: indicates whether borrowers have already displayed repayment discipline. To illustrate, in the case of a personal loan, if a pool of assets consist of those who have already repaid 80% of the installments without default, this certainly is a superior asset pool than one where only 10% of installments have been paid. In the former case, the portfolio has already demonstrated that the repayment discipline is far higher.

Default rate distribution: Indicates how much % of the pool and overall portfolio of the originator is current, how much is in 0-30 DPD (days past due), 30-60 DPD, 60-90 DPD and so on. The rationale here is very obvious, as against 0-30 DPD, the 60-90 DPD is certainly a higher risk category. Unlike in plain vanilla instruments, in securitisation transactions it is possible to work towards a target credit rating, which could be much higher than the originator's own credit rating. This is possible through a mechanism called 'Credit enhancement' is fulfilled by filtering the underlying asset classes and applying selection criteria, which further diminishes the risk inherent for a particular asset class. The purpose of credit enhancement is to ensure timely payment to the investors, if the actual collection from the pool of receivables for a given period are short of the contractual payouts on securitisation. Securitisation is normally non-recourse instruments and therefore, the repayment on securitisation would have to come from the underlying assets and the credit enhancement. Therefore, the rating criteria centrally focus on the quality of the underlying assets. World over, the quality of credit ratings is measured by default rates and stability. An analysis of rating transition and default rates, witnessed in both international and domestic arena, clearly reveals that structured finance ratings have been characterized by far lower default and transition rates than that of plain vanilla debt ratings. Further, internationally, in case of structured finance ratings, not only are the default rates low but post default recovery is also high.

In the Indian scenario, also, more than 95% of issuances have been AAA rated issuances indicating the strength of the underlying assets as well as adequacy of credit enhancement.

Investment exposure of the Fund with reference to Securitised Debt

The Fund will predominantly invest only in those securitisation issuances which have AAA rating indicating the highest level of safety from credit risk point of view at the time of making an investment. The Fund will not invest in foreign securitised debt.

The fund may invest in various type of securitisation issuances, including but not limited to Asset Backed Securitisation, Mortgage Backed Securitisation, Personal Loan Backed Securitisation, Collateralized Loan Obligation / Collateralized Bond Obligation and so on.

The fund does not propose to limit its exposure to only one asset class or to have asset class based sub-limits as it will primarily look towards the AAA rating of the offering. The fund will conduct an independent due diligence on the cash margins, collateralisation, guarantees and other credit enhancements and the portfolio characteristic of the securitisation to ensure that the issuance fits in to the overall objective of the investment in high investment grade offerings irrespective of underlying asset class.

Risk Factors specific to investments in Securitised Papers

Types of Securitised Debt vary and carry different levels and types of risks. Credit Risk on Securitised Bonds depends upon the Originator and varies depending on whether they are issued with Recourse to Originator or otherwise.

Even within securitised debt, AAA rated securitised debt offers lesser risk of default than AA rated securitized debt. A structure with Recourse will have a lower Credit Risk than a structure without Recourse.

Underlying assets in Securitised Debt may assume different forms and the general types of receivables include Auto Finance, Credit Cards, Home Loans or any such receipts, Credit risks relating to these types of receivables depend upon various factors including macro economic factors of these industries and economies. Specific factors like nature and adequacy of property mortgaged against these borrowings, nature of loan agreement/ mortgage deed in case of Home Loan, adequacy of documentation in case of Auto Finance and Home Loans, capacity of borrower to meet its obligation on borrowings in case of Credit Cards and intentions of the borrower influence the risks relating to the asset borrowings underlying the securitised debt.

Holders of the securitised assets may have low credit risk with diversified Regular base on underlying assets especially when securitised assets are created by high credit rated tranches, risk profiles of Planned Amortisation Class tranches (PAC), Principal Only Class Tranches (PO) and Interest Only class tranches (IO) will differ depending upon the interest rate movement and speed of prepayment.

Unlike in plain vanilla instruments, in securitisation transactions, it is possible to work towards a target credit rating, which could be much higher than the originator's own credit rating. This is possible through a mechanism called 'Credit enhancement'. The process of 'Credit enhancement' is fulfilled by filtering the underlying asset classes and applying selection criteria, which further diminishes the risks inherent for a particular asset class. The purpose of credit enhancement is to ensure timely payment to the investors, if the actual collection from the pool of receivables for a given period is short of the contractual payout on securitisation. Securitisation is normally non-recourse instruments and therefore, the repayment on securitization would have to

come from the underlying assets and the credit enhancement. Therefore the rating criteria centrally focus on the quality of the underlying assets.

The change in market interest rates – prepayments may not change the absolute amount of receivables for the investors, but may have an impact on the re-investment of the periodic cash flows that the investor receives in the securitised paper.

Limited Liquidity & Price risk

Presently, secondary market for securitised papers is not very liquid. There is no assurance that a deep secondary market will develop for such securities. This could limit the ability of the investor to resell them. Even if a secondary market develops and sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.

Limited Recourse, Delinquency and Credit Risk

Securitised transactions are normally backed by pool of receivables and credit enhancement as stipulated by the rating agency, which differ from issue to issue. The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the underlying receivables and there is no obligation of either the Issuer or the Seller or the originator, or the parent or any affiliate of the Seller, Issuer and Originator. No financial recourse is available to the Certificate Holders against the Investors' Representative. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall. On persistent default of a Obligor to repay his obligation, the Servicer may repossess and sell the underlying Asset. However many factors may affect, delay or prevent the repossession of such Asset or the length of time required to realize the sale proceeds on such sales. In addition, the price at which such Asset may be sold may be lower than the amount due from that Obligor.

Risks due to possible prepayments: Weighted Tenor / Yield

Asset securitisation is a process whereby commercial or consumer credits are packaged and sold in the form of financial instruments Full prepayment of underlying loan contract may arise under any of the following circumstances;

- Obligor pays the Receivable due from him at any time prior to the scheduled maturity date of that Receivable; or
- Receivable is required to be repurchased by the Seller consequent to its inability to rectify a material misrepresentation with respect to that Receivable; or
- The Servicer recognizing a contract as a defaulted contract and hence repossessing the underlying Asset and selling the same
- In the event of prepayments, investors may be exposed to changes in tenor and yield.

Bankruptcy of the Originator or Seller

If originator becomes subject to bankruptcy proceedings and the court in the bankruptcy proceedings concludes that the sale from originator to Trust was not a sale then an Investor could experience losses or delays in the payments due. All possible care is generally taken in structuring the transaction so as to minimize the risk of the sale to Trust not being construed as a "True Sale". Legal opinion is normally obtained to the effect that the assignment of Receivables to Trust in trust for and for the benefit of the Investors, as envisaged herein, would constitute a true sale.

Bankruptcy of the Investor's Agent

If Investor's agent, becomes subject to bankruptcy proceedings and the court in the bankruptcy proceedings concludes that the recourse of Investor's Agent to the assets/receivables is not in its capacity as agent/Trustee but in its personal capacity, then an Investor could experience losses or delays in the payments due under the swap agreement. All possible care is normally taken in structuring the transaction and drafting the underlying documents so as to provide that the assets/receivables if and when held by Investor's Agent is held as agent and in Trust for the Investors and shall not form part of the personal assets of Investor's Agent. Legal opinion is normally obtained to the effect that the Investors Agent's recourse to assets/receivables is restricted in its capacity as agent and trustee and not in its personal capacity.

Credit Rating of the Transaction / Certificate

The credit rating is not a recommendation to purchase, hold or sell the Certificate in as much as the ratings do not comment on the market price of the Certificate or its suitability to a particular investor. There is no assurance by the rating agency either that the rating will remain at the same level for any given period of time or that the rating will not be lowered or withdrawn entirely by the rating agency.

Risk of Co-mingling

The Servicers normally deposit all payments received from the Obligor into the Collection Account. However, there could be a time gap between collection by a Servicer and depositing the same into the Collection account especially considering that some of the collections may be in the form of cash. In this interim period, collections from the Loan Agreements may not be segregated from other funds of the Servicer. If the Servicer fails to remit such funds due to Investors, the Investors may be exposed to a potential loss. Due care is normally taken to ensure that the Servicer enjoys highest credit rating on stand alone basis to minimize Co-mingling risk.

• Risks associated with Short Selling and Securities Lending –

The Plans under the Scheme will not do any 'Stock Lending' activity.

B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME

The Scheme/Plan shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme/Plan(s). However, if such limit is breached during the NFO of the Scheme, the Fund will endeavor to ensure that within a period of three months or the end of the succeeding calendar quarter from the close of the NFO of the Scheme, whichever is earlier, the Scheme complies with these two conditions. In case the Scheme / Plan(s) does not have a minimum of 20 investors in the stipulated period, the provisions of Regulation 39(2)(c) of the SEBI (MF) Regulations would become applicable automatically without any reference from SEBI and accordingly the Scheme / Plan(s) shall be wound up and the units would be redeemed at applicable NAV. The two conditions mentioned above shall also be complied within each subsequent calendar quarter thereafter, on an average basis, as specified by SEBI. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days notice to redeem his exposure over the 25% limit. Failure on the part of the said investor to redeem his exposure over the 25 % limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period. The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

C. SPECIAL CONSIDERATION

The Mutual Fund is not assuring or guaranteeing that it will be able to make regular periodical distributions/distribute bonus units to its Unit holders though it has every intention to manage the portfolio so as to make periodical income/bonus distributions to Unit holders. Periodical distributions will be dependent on the returns achieved by the Asset Management Company through the active management of the portfolio. Periodical distributions may therefore vary from period to period, based on investment results of the portfolio.

Right to Limit Redemption: The Trustee may, in the general interest of the Unit holders of the Scheme under this Scheme Information Document and keeping in view the unforeseen circumstances / unusual market conditions, limit the total number of Units which may be redeemed on any Business Day to 5% of the total number of Units then issued and outstanding under any Scheme / Plan or such other percentage as the Trustee may determine.

The Trustee may, at its sole discretion in response to unforeseen circumstances or unusual market conditions including, but not limited to, extreme volatility of the stock, fixed income and money markets, extended suspension of trading on the stock exchanges, natural calamities, communication breakdowns, internal system breakdowns, strikes, bandhs, riots or other situations where the Trustee in consultation with BPAMC considers that such suspension is necessary, limit the total number of Units which may be redeemed on any Business Day to 5% of the total number of Units then in issue or such higher percentage as the Trustee may determine in any particular case. Any Units, which by virtue of these limitations are not redeemed on a particular Business Day, will be carried forward for redemption to the next Business Day, in the order of receipt. Redemptions so carried forward will be priced on the basis of the Redemption Price of the Business Day on which redemption is made. Under such circumstances, to the extent multiple redemption requests are received at the same time on a single Business Day, redemption's will be made on pro-rata basis, based on the size of each redemption request, the balance amount being carried forward for redemption to the next Business Day(s).

D. DEFINITIONS AND INTERPETATION

In this Offer Document the following words and expressions shall have the meaning specified herein unless the context otherwise requires:

Applicable NAV	<p><u>Purchase</u></p> <p><u>Liquid Scheme</u> Where the applications received up to 12 noon on a business day and funds are available for utilization on the same day - closing NAV of the day immediately preceding the day of receipt of application.</p>
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	<p>Where the applications received after 12 noon on a business day and funds are available for utilization on the same day - closing NAV of the day immediately preceding the next business day.</p> <p>Irrespective of the time of receipt of application, where the funds are not available for utilization on the day of the application - closing NAV of the day immediately preceding the day on which the funds are available for utilization</p> <p><u>Non- Liquid Schemes</u> In respect of valid application received up to 3 pm along with a local cheque or demand draft payable at par at the place where the application is received, Closing NAV of the day of receipt of application.</p> <p>In respect of valid application received after 3 pm by the Mutual Fund along with the local cheque or demand draft, Closing NAV of the next business day.</p> <p>In respect of valid applications with outstation cheques/ demand drafts not payable at par at the place application is received, Closing NAV of the day on which the cheque or demand draft is credited.</p> <p><u>Re-Purchase</u></p> <p><u>Liquid Scheme</u> Where the applications received up to 3 pm – the closing NAV of the day immediately preceding the next business day. Where the applications received after 3 pm – the closing NAV of the next business day.</p> <p><u>Non Liquid Schemes</u> Where the application is received up to 3 pm - Closing NAV of the day of receipt of application. Where the application is received after 3 pm - Closing NAV of the next business day.</p>
Application Form/ Key Information Memorandum	A form meant to be used by an investor to open a folio and Purchase Units in the Scheme. Any modifications to the Application Form will be made by way of an addendum, which will be attached thereto. On issuance of such addendum, the Application Form will be deemed to be updated by the addendum.
Asset Management Company/AMC/ Investment Manager	Baroda Pioneer Asset Management Company Limited (formerly known as BOB Asset Management Company Limited), the Asset Management Company incorporated under the Companies Act, 1956 having its registered office at 501, Titanium, 5 th Floor, Western Express Highway, Goregaon, Mumbai - 400063 to act as Asset Management Company / Investment Manager for the schemes of Baroda Pioneer Mutual Fund.
Business Day/Working Day	A business day means any day other than: (i) Saturday or Sunday; (ii) a day on which both the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited are closed (iii) a day on which banks in Mumbai and / RBI are closed for business/clearing (iv) a day which is a public and /or bank holiday at Investor Services Centre / Investor Service Desk where the application is received (v) a day on which normal business cannot be transacted due to storms, floods, natural calamities, bandhs, strikes or such other events as the AMC may specify from time to time. (vi) A day on which the sale and / or redemption and / or switches of units is suspended by the trustees / AMC.
Contingent Deferred Sales Charge / CDSC	A charge to the Unit Holder upon exiting (by way of Redemption) based on the period of holding of Units. The Regulations provide that a CDSC may be charged only for a no- Load Scheme and only for the first four

	years after the Purchase and caps the percentage of NAV that can be charged in each year.
Custodian	Citibank N.A, Mumbai Branch registered under the SEBI (Custodian of Securities) Regulations, 1996, or any other custodian who is approved by the Trustees.
Cut- off time	A time prescribed in this Scheme Information Document up to which an investor can submit a Purchase request (along with a local cheque or a demand draft payable at par at the place where the application is received) / Redemption request, to be entitled to the Applicable NAV for that Business Day.
Collection Bank(s)	The bank(s) with which the AMC has entered into an agreement, from time to time, to enable customers to deposit their applications for Units. The names and addresses are mentioned at the end of this Scheme Information Document.
Designated Collection Centers	During Ongoing Offer: ISCs designated by the AMC where the applications shall be received. The names and addresses are mentioned at the end of this Scheme Information Document.
Entry Load	Entry Load means a one-time charge that the investor pays at the time of entry into the scheme(s)
Exit Load	A charge paid by the investor at the time of exit from the scheme(s).
Foreign Institutional Investors / FII	An entity registered with SEBI under Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 as amended from time to time.
Fund of Funds / FOF	A mutual fund scheme that invests primarily in other schemes of the same mutual fund or other mutual funds.
Fund/ Mutual Fund	Baroda Pioneer Mutual Fund (formerly known as BOB Mutual Fund) a Trust registered with SEBI under the Regulations, vide registration number MF/ 018/94/2 and further endorsement for the change of name vide letter no. IMD/ RB/134922/08 Dated August 12, 2008.
Investment Management	The Investment Management Agreement (IMA) dated 24 th November 1992, dated entered into between Mutual Fund and the AMC, as amended from time to time.
Investor Service Centre / ISC	Official Point of acceptance of transaction / service request from investors. These will be designated by the AMC from time to time.
Net Asset Value/ NAV	Net Asset Value of the Units of the Scheme (including plans/options thereunder) calculated in the manner provided in this Scheme Information Document or as may be prescribed by the Regulations from time to time.
New Fund Offer/ NFO	The offer for Purchase of Units at the inception of the Scheme, available to the investors during the NFO period.
Non Resident Indian / NRI	A person resident outside India who is a citizen of India or is a person of Indian origin as per the meaning assigned to the term under Foreign Exchange Management (Investment in firm or proprietary concern in India) Regulations, 2000.
SID	Scheme Information Document issued by Baroda Pioneer Mutual Fund, offering units of the schemes of Baroda Pioneer Mutual Fund for subscription. Any modifications to the SID will be made by way of an addendum which will be attached to Scheme Information Documents. On issuance of addendum, the Scheme Information Document will be deemed to be updated by the addendum.
Ongoing Offer	Offer of Units under the scheme when it becomes open ended after the closure of the New Fund Offer period.
Ongoing Offering Period	The period during which the Ongoing Offer for subscription to the Units of the Scheme is made.
Person of Indian Origin	A citizen of any country other than Bangladesh or Pakistan, if (a) he at any time held Indian passport; or (b) he or either of his parents or any of his grand parents was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955); or (c) the person is a spouse of an Indian citizen or a person referred to in sub-clause (a) or (b);
Purchase / Subscription	Subscription to / Purchase of Units by an investor from the Fund.
Purchase Price	The price (being Applicable NAV plus Entry Load) at which the Units can be purchased and calculated in the manner provided in this

	Scheme Information Document.
Registrar	Karvy Computershare (Pvt.) Ltd. having its registered office at Karvy House, 21, Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500 034 are the Registrars and Transfer Agents for the Schemes.
Redemption	Repurchase of Units by the Fund from a Unit Holder.
Redemption Price	The price (being Applicable NAV minus Exit Load / CDSC) at which the Units can be redeemed and calculated in the manner provided in this Scheme Information Document.
Repo/Reverse Repo	Sale / Purchase of securities with a simultaneous agreement to repurchase/ sell them at a later date.
SEBI Regulations/ Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time, including by way of circulars or notifications issued by SEBI and the Government of India
Sponsors	Pioneer Global Asset Management SpA and Bank of Baroda
Systematic Investment Plan / SIP	A plan enabling investors to save and invest in the Scheme on a monthly/ quarterly basis by submitting post-dated cheques / payment instructions.
Systematic Transfer Plan / STP	A plan enabling Unit Holders to transfer sums on a weekly/ fortnightly/monthly/ quarterly basis from the Scheme to other schemes launched by the Fund from time to time by giving a single instruction.
Systematic Withdrawal Plan / SWP	A plan enabling Unit Holders to withdraw amounts from the Scheme on a monthly or quarterly basis by giving a single instruction.
Transaction Slip	A form meant to be used by Unit Holders seeking additional Purchase or Redemption of Units in the Scheme, change in bank account details, switch-in or switch-out and such other facilities offered by the AMC and mentioned in Transaction Slips.
Trustees	Board of Trustee of Baroda Pioneer Mutual Fund
Trust Deed	The Deed of Trust dated 30 th October 1992 made between the sponsors and the Trustee, establishing Mutual Fund, as amended from time to time.
Units	The Units which are offered for subscription under this Standard Information Document
Unit holder	A person holding units of the Schemes(s) under this SID
Valuation Day	Business Day

Abbreviations

AMC	Asset Management Company
AMFI	Association of Mutual Funds in India
AOP	Association of Persons
BOI	Body of Individuals
CBLO	Collateralised Borrowing and Lending Obligation
CDSC	Contingent Deferred Sales Charge
ECS	Electronic Clearing System
ETF	Electronic Funds Transfer
FII	Foreign Institutional Investor
FOF	Fund of Funds
HUF	Hindu Undivided Family
ISC	Investor Service Centre
IMA	Investment Management Agreement
NAV	Net Asset Value
NFO	New Fund Offer
NRI	Non Resident Indian
PAN	Permanent Account Number
PIO	Person of Indian Origin
POA	Power of Attorney
RBI	Reserve Bank of India
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India established under the SEBI Act, 1992
SEBI ACT	Securities and Exchange Board of India Act, 1992

SEFT	Special Electronic Fund Transfer
SIP	Systematic Investment Plan
SI	Standing Instruction
STP	Systematic Transfer Plan
SWP	Systematic Withdrawal Plan

Interpretation

For all purposes of this Scheme Information Document, except as otherwise expressly provided or unless the context otherwise requires:

- The terms defined in this Scheme Information Document include the plural as well as the singular.
- Pronouns having a masculine or feminine gender shall be deemed to include the other.
- All references to "US\$" refer to United States Dollars and "Rs." refer to Indian Rupees. A "Crore" means "ten million" and a "Lakh" means a "hundred thousand".
- References to times of day (i.e. a.m. or p.m.) are to Mumbai (India) times and references to a day are to a calendar day including non Business Day.

3. DUE DILIGENCE CERTIFICATE

It is confirmed that:

- i. The draft Scheme Information Document forwarded 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 Schemes 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 proposed Schemes.
- iv. The intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and till date such registration is valid as on date.

Name : Rajan Krishnan
Designation : Chief Executive Officer
Place: Mumbai

INFORMATION ABOUT THE SCHEMES

A. TYPE OF SCHEME

Baroda Pioneer Growth Fund An open ended Growth Scheme	Baroda Pioneer MIP Fund An open ended Scheme
Baroda Pioneer Global Fund An open ended Equity Scheme	Baroda Pioneer Children Fund An open ended Scheme
Baroda Pioneer Diversified Fund An open ended Equity Scheme	Baroda Pioneer Income Fund An open ended Income Scheme
Baroda Pioneer Gilt Fund An open ended Gilt Scheme	Baroda Pioneer Liquid Fund An open ended Liquid Scheme

B. INVESTMENT OBJECTIVES

Baroda Pioneer Growth Fund	To generate long term Capital appreciation from an actively managed portfolio of equity related instruments
Baroda Pioneer Global Fund	To generate medium to long term Capital appreciation by investing in a diversified portfolio of equity and equity related securities of large mid and small companies
Baroda Pioneer Diversified Fund	To generate medium to long term Capital appreciation by investing in a diversified portfolio of equity and equity related securities of large mid and small companies
Baroda Pioneer Gilt Fund	Investment in Government of India dated securities, State Government dated securities and Government of India Treasury Bills.
Baroda Pioneer MIP Fund	To generate regular income through investment in debt and money market instruments and also to generate long-term capital appreciation by investing a portion in equity and equity related instruments..
Baroda Pioneer Children Fund	To generate capital appreciation by creating a portfolio that is invested in equity and equity related securities and money market instruments.
Baroda Pioneer Income Fund	To generate regular income by investing in a portfolio of good quality Fixed Income Securities by maintaining a balance between Risk & Return
Baroda Pioneer Liquid Fund	To generate income with a high level of liquidity by investing in a portfolio of money market and debt securities

C. ASSET ALLOCATION

Under normal circumstances, the broad investment pattern will be as under

Scheme	Type of Instrument	Normal Allocation (% of net assets)
Baroda Pioneer Growth Fund	Equity & Equity related Instruments	75-100
	Debt & Money Market Instruments	0-25
Baroda Pioneer Global Fund	Equity & Equity related Instruments of large Companies	35-100
	Equity & Equity related Instruments of Mid cap & Small Cap Companies	0-65
	Money Market Instruments	0-35
Baroda Pioneer Diversified Fund	Equity & Equity related Instruments	80-100
	Debt & Money Market Instruments	0-20
Baroda Pioneer Gilt Fund	Government of India Dated Securities	Up to 100%
	State Government Dated Securities	
	Government of India Treasury Bills	
Baroda Pioneer MIP Fund	Equity & Equity related Instruments	0-20%
	Money Markets instruments, Debt Securities, Securitised Debt & cash and Call Instruments	0-100%
	Securities debt*	0-20%

Baroda Pioneer Children Fund – Gift Plan	Equity & Equity related Instruments	25-49%
	Money Markets instruments, Debt Securities, Securitised Debt & cash and Call Instruments	51-75%
	Securities debt*	0-20%
Baroda Pioneer Children Fund – Study Plan	Equity & Equity related Instruments	0-20%
	Money Markets instruments, Debt Securities, Securitised Debt & cash and Call Instruments	80-100%
	Securities debt*	0-20%
Baroda Pioneer Income Fund	Debt Instruments	80-100%
	Money Markets Instruments	0-20%
	Securities debt*	0-15%
Baroda Pioneer Liquid Fund Regular and Institutional Plan	Debt Instruments	0 – 25%
	Money Markets Instruments	75 – 100%
	Securities debt*	0 –25%

* Investment in securitised debt papers may be made up to 20%.

Change in Investment Pattern

The Investment Pattern as outlined above is indicative. Investment strategy and pattern may be deviated from time to time, provided such modification is in accordance with the Scheme objective and Regulations as amended from time to time including by way of Circulars, Press Releases, or Notifications issued by SEBI or the Government of India to regulate the activities and growth of Mutual Funds, the intent being to protect the Net Asset Value of the Scheme and Unitholders' interests. The asset allocation pattern may be modified in the interest of investors; and to protect the NAV of the Scheme, however, the same will be reviewed by the trustee on a quarterly basis and will be rebalanced to its normal position within three months or in a time frame as permitted by the trustee.

D. SCHEME INVESTMENTS

The Schemes shall invest in the following assets classes as per their asset allocation pattern:

- a) Equity and Equity related Instruments,
- b) Debt Securities and Money market Instruments
- c) Securities Debt
- d) Government Securities

The Schemes shall not engage in stock lending and borrowing.

E. INVESTMENT STRATEGIES

Baroda Pioneer Growth Fund is an open ended Growth Scheme and its objective is to generate long term Capital appreciation from an actively managed portfolio of equity related instruments.

Baroda Pioneer Global Fund and Baroda Pioneer Diversified Fund are open ended equity diversified schemes and the objective is to generate medium to long term Capital appreciation by investing in a diversified portfolio of equity and equity related securities of large mid and small companies.

Baroda Pioneer Gilt Fund is an open ended gilt fund and its objective is to Invest in Government of India dated securities, State Government dated securities and Government of India Treasury Bills.

Baroda Pioneer MIP and Baroda Pioneer Children are open ended debt schemes with an objectives to generate regular income through investment in debt and money market instruments and also to generate long-term capital appreciation by investing a portion in equity and equity related instruments and To generate capital appreciation by creating a portfolio that is invested in equity and equity related securities and money market instruments respectively.

Baroda Pioneer Income Fund is an open ended income scheme with an objective to generate regular income by investing in a portfolio of good quality Fixed Income Securities by maintaining a balance between Risk & Return.

Baroda Pioneer Liquid Fund is an open ended Liquid Scheme with an objective to generate income with a high level of liquidity by investing in a portfolio of money market and debt securities

The detailed investment strategy is as follows:

- a. The corpus of the Schemes will be invested in the securities as per the asset allocation pattern of the respective schemes.
- b. The Schemes may invest in Units of the Schemes managed by Baroda Pioneer AMC or of any other Mutual Fund without charging any Investment Management Fee provided that the aggregate inter-scheme investment made by all schemes under the management of Baroda Pioneer AMC or in Schemes under the management of any other asset management company shall not exceed 5% of the net asset value of all the Schemes of Baroda Pioneer MF
- c. The investment in Mutual Fund Units will not exceed 5% of the assets of Scheme. Such investment may be made in order to achieve the Investment Objective of respective schemes. The above limit is subject to review by the Board of AMC and/or Board of Trustees of Baroda Pioneer Mutual Fund, as the case may be, and may increase or decrease from time to time.
- d. Baroda Pioneer AMC may also invest in Units of schemes of Baroda Pioneer Mutual Fund on an ongoing basis. However, no investment management fees may be charged by Baroda Pioneer AMC on such investment.
- e. Investment may also be made in such other instruments as may be permitted in future by SEBI or any other regulatory authority.
- f. In order to generate additional non-fund based income for the Scheme, the Fund may enter into underwriting commitments for primary market issues. Baroda Pioneer MF may obtain the necessary registration under SEBI (Underwriters) Rules & Regulations, 1993, and all other requisite rules and regulations in force in that behalf from time to time.

Change in Investment Pattern

Subject to the 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 stated above are only indicative and not absolute and that they 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. Such changes in the investment pattern will be for short term and defensive considerations, the same will be reviewed by the trustee on a quarterly basis and will be rebalanced to its normal position within three months or in a time frame as permitted by the trustee.

Provided further and subject to the above, any change in the asset allocation affecting the investment profile of the Scheme shall be effected only in accordance with the provisions of sub regulation (15A) of Regulation 18 of the Regulations,.

Portfolio Turnover Policy

The Schemes are open ended Schemes. It is expected that there would a number of subscriptions and redemptions on a daily basis. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. Nonetheless, Baroda Pioneer AMC will take advantage of opportunities that present themselves from time to time in the securities market.

DEBT AND MONEY MARKET IN INDIA

Debt Market: The debt market is active since the mid 1990s as prior to it was a captive market-SLR requirement by Banks. This market was predominantly gilt oriented, until corporate papers became a part of it since late 1990s. The money market in India consists of the following instruments; treasury bills, commercial papers, certificates of deposits, short Non-Convertible Debentures-fixed and floaters and term lending instruments. The debt market consists of gilts, corporate debt papers and other approved securities (government guaranteed papers). The nature of instruments is in the form of plain vanilla bonds, floaters, zero coupon bonds-deep discounted bonds, securitized papers and structured debt papers. The Wholesale Debt Market segment is available both at National Stock Exchange (NSE) and The Stock Exchange, Mumbai (BSE). The players in Indian debt market are commercial banks, mutual funds, financial institutions, insurance companies and others. The retail secondary debt market is absent in India. The Reserve Bank of India has recently introduced an Online Market (OM) dealing platform for gilts. This is at present available to all participants who have a direct SGL with RBI. At present, the average daily turnover on NSE WDM is around Rs.1000 crore and further Rs.3000 crore in OM. The corporate debt market is a telephone market with the listed securities alone getting reported to NSE after the deal. The derivative market is Over the Country and is dominated by the Interest Rate Swaps. The likely yields of various instruments mentioned above, and the factors

affecting prices of such securities are given hereunder: The shorter term money market instruments currently offer yields between 3% to around 6% depending on tenor to maturity.

The 2-3 years and five year AAA corporate bonds offer yields of around 6.5 % and 9.00% respectively. The ten year Government securities offer yields of around 6.00%-7.00%. The securitized instruments offer yields which are 50-75 basis points higher than the comparable normal debt instruments.

Presently, the following is the yield matrix of various instruments:

Instruments	Indicative Yield Range
Overnight Rate	1.00% - 3.00%
90 days commercial paper	4.00% - 5.50%
91- days T- bill	3.00% - 3.50%
1 year G- Sec	4.00% - 4.30%
5 year G- Sec	6.00% - 6.75%
10 year G - Sec	6.50% - 7.00%
1 year AAA Bond	6.00% - 7.00%
5 year AAA Bond	7.50% - 9.00%

The interest rate market conditions are influenced by the Liquidity in the system, Credit growth, GDP growth, Inflows into the Country, Currency movement in the Forex market, demand and supply of issues and change in investors' preference. Generally when there is a rise in interest rates the price of securities fall and vice versa. The extent of change in price shall depend on the rating, tenor to maturity, coupon and the extent of fall or rise in interest rates. The Government securities carry zero credit risk, but they carry interest rate risk like any other Fixed Income Securities. Securities which are not quoted in Stock exchanges carry higher risk than the ones which are listed on the Stock Exchanges. While the securities which are listed on the Stock Exchanges carry less liquidity risk the ability to liquidate them depends on the secondary debt market volumes. Similarly money market instruments which are fairly liquid are not listed in exchanges due to its short tenor which may lead to losses when sold before its maturity date. The impact cost of offloading the various asset classes differ depending on market conditions and may impair the value of the securities to that extent. Further, investments in securitized instruments or structured obligation papers carry a higher illiquidity risk. They also carry limited recourse to the originator, delinquency risk out of the defaults on the receivables and prepayment risk which affects the yields on the instruments.

Money Market:

The Money markets in India essentially consist of the call money market (i.e market for overnight and term money between banks and institutions), repo transactions (temporary sale with an agreement to buy back the securities at a future date at a specifies price) , Commercial Papers, Certificate of Deposits (CDs, issued by the Banks)and Treasury Bills (issued by RBI).

In a money market, activity level of the government and non- government debt vary from time to time. Instruments that comprise a major portion of money market activity include but not limited to:

- Overnight Rates
- Collateralized Borrowing & Lending Obligations (CBLO),
- Repo / Reverse Repo Agreement
- Treasury Bills
- Government Securities with a residual maturity of <1 year.
- Commercial Paper
- Certificate of Deposits

Apart from these, there are some other options available for short term investments like MIBOR linked Debentures with periodic exit options and other such instruments

The following table gives the approximately yields prevailing at week ended May 25, 2009 on some of the instruments

Instruments	Yield Range (% per annum)
CBLO	1.00%-3.00%
REPO	1.00%-3.00%
364 days T- Bill	3.60%-3.80%
182 days T- Bill	3.50%-3.70%

STRATEGIES INVOLVING DERIVATIVES

Trading in Derivatives

Subject to SEBI (Mutual Fund) Regulations, 1996, the Scheme may use techniques and instruments such as trading in derivative instruments to hedge the risk of fluctuations in the value of the investment portfolio. The Scheme shall enter into derivative transactions for the purpose of hedging and portfolio balancing. In accordance with the guidelines issued by the SEBI. Exposure to derivative instruments will be restricted to 50% of the assets of the scheme.

A derivative is an instrument whose value is derived from the value of one or more of the underlying assets which can be commodities, precious metals, bonds, currency, etc. Common examples of Derivative instruments are Interest Rate Swaps, Forward Rate Agreements, Futures, Options, etc.

The scheme may use derivative instruments like Interest Rate Swaps, Forward Rate Agreements or such other derivative instruments as may be introduced from time to time and as may be permitted under the SEBI (Mutual Fund) Regulations.

Interest Rate Swaps: An Interest Rate Swap is an agreement whereby two parties agree to exchange periodic interest payments. The amount of interest payments exchanged is based on some predetermined principal, called notional principal amount. The amount each counterparty pays to the other upon periodic interest rate multiplied by the notional principal amount. The only amount that is exchanged between the parties is the interest payment, not the notional principal amount.

Example: Use of IRS

The Plans of the fund are reasonably invested, and the view of the fund manager is interest rates are expected to move up due to certain negative events which have occurred. In such cases the plans can enter into a paid position (IRS) where the plans will pay a fixed rate for a specified maturity and receive the floating rate of interest. This is illustrated below:

Example A: Use of IRS

Assuming the Scheme is having 10% of the portfolio in cash. The fund manager has a view that the interest rate scenario is bearish and call rates are likely to spurt over the next three months. The fund manager would therefore prefer to pay fixed rate of return on his cash, which he is lending in the overnight call market. In other words, he would like to move to a 91 days floating interest rate from overnight fixed rate.

1. Say Notional Amount : Rs. 2 crores
2. Benchmark : NSE MIBOR
3. Tenor : 91 Days
4. Fixed Rate : 9.90%
5. At the end of 91 days;
6. The Scheme pays : fixed rates for 91 days is 9.90%
7. TMF receives : compounded call rate at 10.25% for 91 days.

In practice, however the difference of the two amounts is settled. Here the Scheme receives Rs. 2,00,00,000 x 0.35% x 91 / 365 = 17,452. The players in IRS are scheduled commercial banks, primary dealers, corporate, mutual funds and All India Financial Institutions.

In view of the fund manager interest rates are expected to move down due to certain positive events which have occurred. In such cases the scheme can enter into a received position (IRS) where the scheme will receive a fixed rate for a specified maturity and pay the floating rate of interest. This is illustrated below:

Example B: Use of IRS

Assuming the Scheme is having 10% of the portfolio in cash. The fund manager has a view that the interest rate scenario is soft and call rates are unlikely to spurt over the next three months. The fund manager would therefore prefer to receive a higher rate of return on his cash, which he is lending in the overnight call market. In other words, he would like to move to a 91 days fixed interest rate from overnight floating rate.

1. Say Notional Amount : Rs. 2 crores
2. Benchmark : NSE MIBOR
3. Tenor : 91 Days
4. Fixed Rate : 10.25%
5. At the end of 91 days;
6. The Scheme pays : compounded call rates for 91 days is 9.90%
7. TMF receives : Fixed rate at 10.25% for 91 days.

In practice, however the difference of the two amounts is settled. Here the Scheme receives Rs. 2,00,00,000 x 0.35% x 91 / 365 = 17,452. The players in IRS are scheduled commercial banks, primary dealers, corporate, mutual funds and All India Financial Institutions.

Risk Factor: The risk arising out of uses of the above derivative strategy as under:

- o Lack of opportunities available in the market.
- o The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

Forward Rate Agreements (FRA):

This is an agreement between two counterparties to pay or to receive the difference between an agreed fixed rate (the FRA rate) and the interest rate prevailing on a stipulated future date based on the notional amount, for an agreed period. The interest rate benchmarks that are commonly used for floating rate in interest rate swaps are those on various Money Market Instruments. In Indian markets, the benchmark most commonly used is MIBOR.

In view of the fund manager interest rates are expected to move up due to certain negative events which are expected to occur at a specified future date. In such cases the scheme can enter into a paid position (FRA) at a specified date in the future where the scheme will pay a fixed rate for a specified maturity and receive the floating rate of interest at a specified future date. This is illustrated below.

Example 1: Use of FRA

The fund Manager believes in 3 months time the interest rates will be higher and decides to enter into an FRA agreement 3x9 to protect the portfolio return. Say the manager wants to hedge 10% of the portfolio which is for the notional amount of Rs 2 crore where the bank agrees to pay 6% fixed, in case the 6 month OIS rate is greater than 6% the bank will pay the difference to the portfolio manager 3 months hence for 6 months. Say 3 months hence the OIS rate for six months is 6.50%.

This like IRS is cash settled and the bank at the end of three months will pay the portfolio manager the following $(6.50-6.00) \times 181 \times 200,000,00 / (365 \times 100 + 6.50 \times 181) = \text{Rs } 48040.55$ for six months.

The Plans of the fund are in cash, and the view of the fund manager is interest rates are expected to move down due to certain positive events which are expected to occur at a specified future date. In such cases the plans can enter into a received position (FRA) at a specified date in the future where the plans will receive a fixed rate for a specified maturity and pay the floating rate of interest at a specified future date. This is illustrated below.

Example 2: Use of FRA

The fund Manager believes in 3 months time the interest rates will be lower and decides to enter into an FRA agreement 3x9 to protect the portfolio return. Say the manager wants to hedge 10% of the portfolio which is for the notional amount of Rs 2 crore where the bank agrees to pay 6% fixed, in case the 6 month OIS rate is less than 6% the bank will pay the difference to the portfolio manager 3 months hence for 6 months. Say 3 months hence the OIS rate for six months is 5.50%.

This like IRS is cash settled and the bank at the end of three months will pay the portfolio manager the following $(6.00-5.50) \times 181 \times 200,000,00 / (365 \times 100 + 5.50 \times 181) = \text{Rs } 48272.76$ for six months.

Risk Factor: The risk arising out of uses of the above derivative strategy as under:

- Lack of opportunities available in the market.
- The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices
- Other risks in using derivatives include the risk of mis-pricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

INVESTMENTS OF AMC IN THE SCHEME

The AMC may invest in the scheme, either in the New Fund Offer or during continuous offer, such amount, as they deem appropriate. But the AMC shall not be entitled to charge any management fees on this investment in the scheme. Investments by the AMC will be in accordance with Regulation 24(3) of the SEBI (MF) Regulations, 1996 which states that: "The asset management company shall not invest in any of its schemes unless full disclosure of its intention to invest has been made in the Scheme Information Document (SID), provided that the asset management company shall not be entitled to charge any fees on its investment in the scheme."

F: FUNDAMENTAL ATTRIBUTES

Following are the fundamental Attributes of the Schemes, in term of Regulation 18 (15A) of the SEBI (MF) Regulation:

TYPE OF SCHEME

Baroda Pioneer Growth Fund An open ended Growth Scheme	Baroda Pioneer MIP Fund An open ended Scheme
Baroda Pioneer Global Fund An open ended Equity Scheme	Baroda Pioneer Children Fund An open ended Scheme
Baroda Pioneer Diversified Fund An open ended Equity Scheme	Baroda Pioneer Income Fund An open ended Income Scheme
Baroda Pioneer Gilt Fund An open ended Gilt Scheme	Baroda Pioneer Liquid Fund An open ended Liquid Scheme

TERMS OF ISSUE: provisions in respect of redemption of units, fees and expenses as indicated in this Schemes Information Document.

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations, 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:

- 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 30 days to exit at the prevailing Net Asset Value without any exit load.

INVESTMENT OBJECTIVES

Baroda Pioneer Growth Fund	To generate long term Capital appreciation from an actively managed portfolio of equity related instruments
Baroda Pioneer Global Fund	To generate medium to long term Capital appreciation by investing in a diversified portfolio of equity and equity related securities of large mid and small companies
Baroda Pioneer Diversified Fund	To generate medium to long term Capital appreciation by investing in a diversified portfolio of equity and equity related securities of large mid and small companies
Baroda Pioneer Gilt Fund	Investment in Government of India dated securities, State Government dated securities and Government of India Treasury Bills.
Baroda Pioneer MIP Fund	To generate regular income through investment in debt and money market instruments and also to generate long-term capital appreciation by investing a portion in equity and equity related instruments.
Baroda Pioneer Children Fund	To generate capital appreciation by creating a portfolio that is invested in equity and equity related securities and money market instruments.
Baroda Pioneer Income Fund	To generate regular income by investing in a portfolio of good quality Fixed Income Securities by maintaining a balance between Risk & Return
Baroda Pioneer Liquid Fund	To generate income with a high level of liquidity by investing in a portfolio of money and debt securities

Investment Pattern

Under normal circumstances, the broad investment pattern will be as under

Scheme	Type of Instrument	Normal Allocation (% of net assets)
Baroda Pioneer Growth Fund	Equity & Equity related Instruments	75-100
	Debt & Money Market Instruments	0-25
Baroda Pioneer Global Fund	Equity & Equity related Instruments of large Companies	35-100
	Equity & Equity related Instruments of Mid	0-65

	cap & Small Cap Companies	
	Money Market Instruments	0-35
Baroda Pioneer Diversified Fund	Equity & Equity related Instruments	80-100
	Debt & Money Market Instruments	0-20
Baroda Pioneer Gilt Fund	Government of India Dated Securities	Up to 100%
	State Government Dated Securities	
	Government of India Treasury Bills	
Baroda Pioneer MIP Fund	Equity & Equity related Instruments	0-20%
	Money Markets instruments, Debt Securities, Securitised Debt & cash and Call Instruments	0-100%
	Securities debt*	0-20%
Baroda Pioneer Children Fund – Gift Plan	Equity & Equity related Instruments	25-49%
	Money Markets instruments, Debt Securities, Securitised Debt & cash and Call Instruments	51-75%
	Securities debt*	0-20%
Baroda Pioneer Children Fund – Study Plan	Equity & Equity related Instruments	0-20%
	Money Markets instruments, Debt Securities, Securitised Debt & cash and Call Instruments	80-100%
	Securities debt*	0-20%
Baroda Pioneer Income Fund	Debt Instruments	80-100%
	Money Markets Instruments	0-20%
	Securities debt*	0-15%
Baroda Pioneer Liquid Fund Regular & Institutional Plan	Debt Instruments	0 – 25%
	Money Markets Instruments	75 – 100%
	Securities debt*	0 –25%

- Investment in securitised debt papers may be made up to 20%.

Benchmark of the Schemes:

Name of the Scheme	Benchmark
Baroda Pioneer Growth Fund	BSE Sensex
Baroda Pioneer Global Fund	BSE Sensex
Baroda Pioneer Diversified Fund	BSE Sensex
Baroda Pioneer Gilt Fund	I Sec MI Bex
Baroda Pioneer MIP Fund	CRISIL MIP Blended Index
Baroda Pioneer Children Fund	CRISIL Balance Fund Index
Baroda Pioneer Income Fund	CRISIL Composite Bond Fund Index
Baroda Pioneer Liquid Fund	CRISIL Liquid Fund Index

H. Fund Manager of the Scheme

Name of the Fund Manager	Educational Qualification	Experience
Mr. Dipak Acharya Age- 42 years Fund Manager (Equity) – Baroda Pioneer Growth Fund, Baroda Pioneer Global Fund, Baroda Pioneer Diversified Fund.	MCom., AICWA, CAIIB	Mr. Dipak Acharya has over 20 years experience in Fund Management, Banking and Treasury Management. Before joining the Baroda Pioneer Asset Management he was working with Bank of Baroda as Senior Manager and was on deputation to the BOB Asset Management Co. Ltd as Fund Manager Equity. Prior to his deputation Mr

		Acharya worked for 10 years in the Treasury Dept and in the Credit Department of the Bank of Baroda.
Mr. Alok Sahoo Age 33 yrs Head- Fixed Income	BE, MBA (Finance, Xavier Institute of Management, Bhubaneswar	Mr Alok Sahoo is a management graduate in Finance from XIM, Bhubaneswar having BE degree from NIT, Rourkela. He has been working in the investment area in asset management for 9 years. Prior to Baroda Pioneer Mutual Fund, he has been fixed income fund manager at UTI Mutual Fund and HSBC Mutual Fund. He was also the Fund Manager for Employee Provident Fund at HSBC Asset Management. He has experience in the credit research of companies as well. Presently Mr Alok is managing the Baroda Pioneer Liquid Fund along with Ms. Hetal P Shah.
Hetal P. Shah Age- 28 years Fund Manager (Debt) – Baroda Pioneer Gilt Fund, Baroda Pioneer MIP Fund, Baroda Pioneer Children Fund, Baroda Pioneer Income Fund and Baroda Pioneer Liquid Fund	28. B.Com, MBA, and JAIIB	Ms. Hetal P. Shah is a B.Com, MBA, and JAIIB having 9 years of experience in Treasury and Fund Management. Before joining Baroda Pioneer Asset Management Co. Ltd. she was working in the Treasury Department with Bank of India.

INVESTMENT RESTRICTIONS

Pursuant to the Regulations and amendments thereto, the following investment restrictions are presently applicable to the Schemes:

1) A mutual fund schemes shall not invest more than 15% of its NAV in debt instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the SEBI Act. Such investment limit may be extended to 20% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of asset management company. Provided that, such limit shall not be applicable for investments in government securities and money market instruments. Provided further that investment within such limit can be made in mortgage backed securitised debt, which are rated not below investment grade by a credit rating agency registered with SEBI. With respect to investments in securitized debt (mortgage backed securities/asset backed securities), issuer would be considered to be the originator of underlying receivables of assets such as mortgage backed securities / asset backed securities / collateralised debt obligations etc. in which the scheme/plan has invested and not the Trust/SPV.

As per SEBI Circular no. SEBI/IMD/CIR No.6/63715/06, with respect to investment in securitized debt (mortgage backed securities / asset backed securities) restrictions at the originator level will not be applicable.

2) A mutual fund schemes shall not invest more than 10% of its NAV in unrated debt instruments issued by a single issuer and the total investment in such instruments shall not exceed 25% of the NAV of the scheme. All such investments shall be made by an internal committee constituted by AMC to approve the investment in un-rated debt securities in terms of the parameters approved by the Board of Trustees and the Board of Asset Management Company.

Debentures, irrespective of any residual maturity period (above or below one year), shall attract the investment restrictions as applicable for debt instruments as specified under Clause 2 & 3 above.

3) Transfer of investments from one scheme to another scheme in the same Mutual Fund is permitted provided:
a. Such transfers are done at the prevailing market price for quoted instruments on spot basis (spot basis shall have the same meaning as specified by a Stock Exchange for spot transactions); and
b. The securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

Further the inter scheme transfer of investments shall be in accordance with the provisions contained in clause Inter-Scheme transfer of investments, contained in Statement of Additional Information:

4) The Schemes 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.

5) The Fund shall get the securities purchased transferred in the name of the Fund on account of the concerned scheme, wherever investments are intended to be of a long-term nature.

6) The Fund may buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relative securities and in all cases of sale, deliver the securities.

7) All the Scheme's investments will be in transferable securities (whether in capital markets or money markets) or bank deposits or in money at call as in privately placed debentures as securitised debt.

8) No loans for any purpose can be advanced by the Schemes.

9) No mutual fund scheme shall make any investments 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 25% of its net assets.

10) The Fund shall not borrow except to meet temporary liquidity needs of the Fund for the purpose of repurchase/redemption of units or payment of interest and dividend to the Unitholders. Such borrowings shall not exceed more than 20% of the net assets of the individual scheme and the duration of the borrowing shall not exceed a period of 6 months.

11) In accordance with SEBI Circular no SEBI/IMD/CIR No. 1/91171/07 dated 16th April 2007 and SEBI/IMD/CIR No. 7 / 129592 dated June 23, 2008, following guidelines shall be followed for parking of funds in short term deposits of Scheduled commercial Banks pending deployment

a. "Short Term" for such parking of funds by mutual funds shall be treated as a period not exceeding 91 days and the tenure of term deposits placed as margin for trading in derivatives shall not exceed 182 days

b. Such short-term deposits shall be held in the name of the concerned scheme.

c. No mutual fund scheme shall park more than 15% of the net assets in Short term deposit(s) of all the scheduled commercial banks put together. However, it may be raised to 20% with prior approval of the trustees. Also, parking of funds 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.

d. No mutual fund scheme shall park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.

e. Trustees shall ensure that no funds of a scheme may be parked in short-term deposit of a bank, which has invested in that scheme.

f. 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 in case of liquid and debt oriented schemes.

g. All funds parked in short-term deposit(s) shall be disclosed in half yearly portfolio statements under a separate heading. Details such as name of the bank, amount of funds parked, percentage of NAV may be disclosed.

h. Trustees shall certify in the half-yearly reports that the provision of the Regulation pertaining to parking of funds in short term deposits - pending deployment is being complied with at all points of time. Further the AMC shall also certify the same in its bi-monthly compliance test report

12) The Fund Schemes shall not own more than 10% of any company's paid up capital carrying voting rights or such percentage as may be stipulated by SEBI from time to time;

13) The Scheme shall not invest more than 5 per cent of its NAV in the unlisted equity shares or equity related instruments.

14) The Schemes shall not invest more than 10 per cent of its NAV in equity shares or equity related instruments of any company.

Investment of Subscription Money

The Schemes may invest subscription money received from the public in money market instruments including deposits with banks during the Initial Offer Period, before allotment of Units. Further, the Investment Manager, after

satisfying itself that subscription to the extent of the minimum amount as per the Offer Document has been received during the Initial Offer Period, may commence making investments as per the Investment Objective of the Schemes

PAST PERFORMANCE OF THE SCHEME (as on 31.03.2009)

Baroda Pioneer Growth Fund

Compounded Annualised Return	Scheme Return %	Benchmark Return% BSE SENSEX
1 Year Return	(32.16)	(37.94)
3 Year Return	(1.81)	(4.87)
5 Year Return	16.58	11.66
Return Since Inception	10.42	12.93

<p>Absolute return for each financial year for past 5 years</p>	
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Baroda Pioneer Global Fund

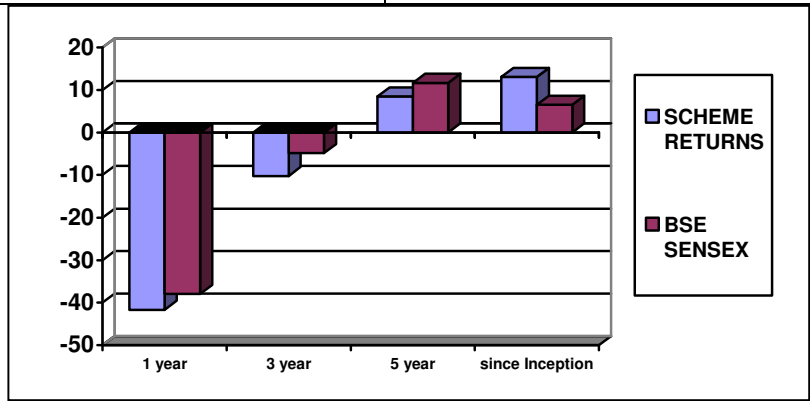
Compounded Annualised Return	Scheme Return %	Benchmark Return% BSE SENSEX
1 Year Return	(37.01)	(37.94)
3 Year Return	NA	NA
5 Year Return	NA	NA
Return Since Inception	(6.94)	(0.87)

<p>Absolute return for each financial year for past 5 years</p>	
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Baroda Pioneer Diversified Fund

Compounded Annualised Return	Scheme Return %	Benchmark Return% BSE SENSEX
1 Year Return	(41.66)	(37.94)
3 Year Return	(10.23)	(4.87)
5 Year Return	8.47	11.66
Return Since Inception	13.08	6.54

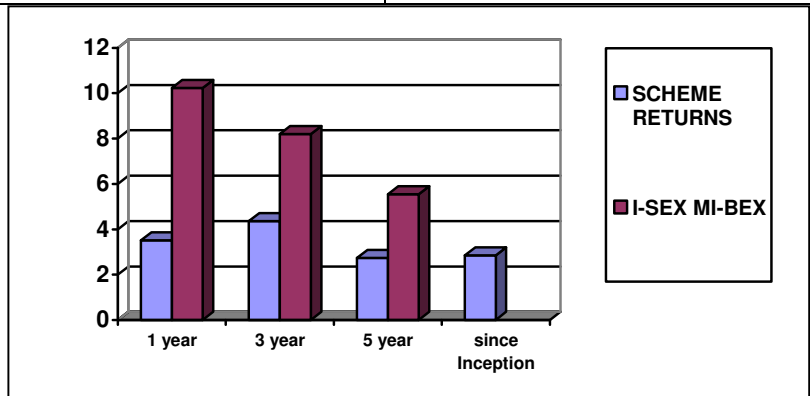
Absolute return for each financial year for past 5 years



Baroda Pioneer Gilt Fund

Compounded Annualised Return	Scheme Return %	Benchmark Return% I-Sec Mi- BEX
1 Year Return	3.51	10.23
3 Year Return	4.35	8.20
5 Year Return	2.73	5.55
Return Since Inception	2.84	N.A

Absolute return for each financial year for past 5 years



Baroda Pioneer MIP Fund

Compounded Annualised Return	Scheme Return %	Benchmark Return% CRISIL MIP BLENDED INDEX
1 Year Return	1.62	0.50
3 Year Return	2.56	5.63
5 Year Return	NA	NA
Return Since Inception	4.49	7.15

<p>Absolute return for each financial year for past 5 years</p>	
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Baroda Pioneer Children Fund – Gift Plan

Compounded Annualised Return	Scheme Return %	Benchmark Return% CRISIL BALANCE INDEX
1 Year Return	1.81	-21.53
3 Year Return	1.46	0.89
5 Year Return	NA	NA
Return Since Inception	1.60	11.18

<p>Absolute return for each financial year for past 5 years</p>	
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Baroda Pioneer Children Fund – Study Plan

Compounded Annualised Return	Scheme Return %	Benchmark Return% CRISIL BALANCE INDEX
1 Year Return	0.56	-21.53
3 Year Return	-0.83	0.89
5 Year Return	NA	NA
Return Since Inception	-0.62	11.18

<p>Absolute return for each financial year for past 5 years</p>	
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Baroda Pioneer Income Fund

Compounded Annualised Return	Scheme Return %	Benchmark Return% CRISIL COMPOSITE BOND FUND INDEX
1 Year Return	4.57	7.35
3 Year Return	4.46	6.42
5 Year Return	4.00	4.52
Return Since Inception	4.79	NA

<p>Absolute return for each financial year for past 5 years</p>	
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Baroda Pioneer Liquid Fund

Compounded Annualised Return	Scheme Return %	Benchmark Return% CRISIL LIQUID FUND INDEX
1 Year Return	7.06	8.81
3 Year Return	6.87	7.56
5 Year Return	6.16	6.33

Return Since Inception	6.19	NA															
Absolute return for each financial year for past 5 years	<table border="1"> <caption>Bar Chart Data: Absolute Return for each financial year for past 5 years</caption> <thead> <tr> <th>Period</th> <th>Scheme Returns</th> <th>CRISIL Liquid Fund Index</th> </tr> </thead> <tbody> <tr> <td>1 year</td> <td>~7.0</td> <td>~9.0</td> </tr> <tr> <td>3 year</td> <td>~7.0</td> <td>~7.5</td> </tr> <tr> <td>5 year</td> <td>~6.2</td> <td>~6.5</td> </tr> <tr> <td>since inception</td> <td>~6.2</td> <td>NA</td> </tr> </tbody> </table>		Period	Scheme Returns	CRISIL Liquid Fund Index	1 year	~7.0	~9.0	3 year	~7.0	~7.5	5 year	~6.2	~6.5	since inception	~6.2	NA
Period	Scheme Returns	CRISIL Liquid Fund Index															
1 year	~7.0	~9.0															
3 year	~7.0	~7.5															
5 year	~6.2	~6.5															
since inception	~6.2	NA															

III. UNIT AND OFFER

A. UNITS AND OFFER

Ongoing Offer	The Schemes are open for ongoing subscriptions and redemptions at NAV based prices.
Ongoing Price for subscriptions /switch in from other schemes/plans of the mutual fund by investors This is the price you need to pay for purchase/switch-in. <i>Example: If the applicable NAV is Rs. 10, entry load is 2% then sales price will be: Rs. 10* (1+0.02) = Rs. 10.20</i>	The purchase price of units is the price at which investor can subscribe/purchase units of the scheme. During the continuous offer of the scheme, the units will be available at the applicable NAV, subject to payment of entry load, if any. It will be calculated as follows: Purchase Price = Applicable NAV*(1+Entry Load) Example: If the applicable NAV is Rs. 10, entry load is 2% then sales price will be: Rs. 10* (1+0.02) = Rs. 10.20 However presently there is no Entry Load for subscription of units.
Ongoing price for redemption (sale) /switch outs (to other schemes/plans of the Mutual Fund) by investors. <i>Example: If the applicable NAV is Rs. 10, exit load is 2% then redemption price will be: Rs. 10* (1-0.02) = Rs. 9.80</i>	At the applicable NAV subject to prevailing exit load
Cut off timing for subscriptions/ redemptions/ switches This is the time before which your application (complete in all respects) should reach the official points of acceptance.	<u>Purchase</u> <u>Liquid Scheme</u> Where the applications received upto 12.00 noon on a business day and funds are available for utilization on the same day - closing NAV of the day immediately preceding the day of receipt of application. Where the applications received after 12.00 noon on a business day and funds are available for utilization on the same day - closing NAV of the day immediately preceding the next business day. Irrespective of the time of receipt of application, where the funds are not available for utilization on the day of the application - closing NAV of the day immediately preceding the day on which the funds are available for utilization.

	<p><u>Non- Liquid Schemes</u> In respect of valid application received up to 3 p.m. along with a local cheque or demand draft payable at par at place where the application is received, Closing NAV of the day of receipt of application.</p> <p>In respect of valid application received after 3 p.m. by the Mutual Fund along with the local cheque or demand draft, the Closing NAV of the next business day.</p> <p>In respect of valid applications with outstation cheque/ demand drafts not payable at par at the place application is received, Closing NAV of the day on which the the cheque or demand draft is credited.</p> <p><u>Re-Purchase</u></p> <p><u>Liquid Scheme</u> Where the applications received up to 3.00 p.m. – the closing NAV of the day immediately preceding the next business day. Where the applications received after 3.00 p.m. – the closing NAV of the next business day.</p> <p><u>Non Liquid Schemes</u> Where the application is received up to 3.00 pm - Closing NAV of the day of receipt of application. Where the application is received after 3.00 pm - Closing NAV of the next business day.</p>
Where can the applications for Purchase/Redemption/ switches be submitted?	The details of official points of acceptance and Collecting Banker are given on the back cover page.
Minimum amount for Purchase/Redemption/swiches	
Baroda Pioneer Growth Fund	Rs. 5,000/- and in multiples of Rs. 500/- thereafter
Baroda Pioneer Global Fund	Rs. 5,000/- and in multiples of Rs. 1,000/- thereafter
Baroda Pioneer Diversified Fund	Rs. 3,000/- and in multiples of Re. 1/- thereafter
Baroda Pioneer Gilt Fund	Rs. 2,000/- and in multiples of Rs. 500/- thereafter
Baroda Pioneer MIP Fund	Rs. 5,000/- and in multiples of Rs. 1,000/- thereafter
Baroda Pioneer Children Fund	Rs. 5,000/- and in multiples of Rs. 500/- thereafter
Baroda Pioneer Income Fund	Rs. 2000/- and in multiples of Re. 1/- thereafter
Baroda Pioneer Liquid Fund	Regular Plan: 10,000/- and in multiples of Rs. 500/- thereafter Institutional Plan: Rs 1 crore and in multiple of Re. 1.
Minimum Balance to be maintained and consequences of non maintenance	NA
Special Products available	Systematic Investment Plan (SIP) Monthly: Minimum Rs. 1000 + 6 months post dated cheques Quarterly: Minimum Rs. 1500 + 4 quarter post dated cheques Systematic Transfer Plan Systematic Withdrawal Plan
Accounts Statements	<ul style="list-style-type: none"> Investors will be issued a Unit Statement of Account in lieu of Unit Certificate. Dispatch of Unit statement of account will be made within 30 business days from the date of allotment. However, normally we dispatch the unit statement of accounts within 10 business day from the date of allotment For those unitholders who have provided an email address, the AMC will send the account statement by e-mail. The unitholder may request for a physical account statement by writing/calling the AMC/ISC/R&T. If an investor specifically makes a request in writing for issue of a Unit Certificate, the Unit Certificate shall be sent to the investor within 6 weeks of receipt of request as stipulated

	<p>under SEBI Regulation 36.</p> <p>Annual Account Statement:</p> <ul style="list-style-type: none"> • The Mutual Funds shall provide the Account Statement to the Unit holders who have not transacted during the last six months prior to the date of generation of account statements. The Account Statement shall reflect the latest closing balance and value of the Units prior to the date of generation of the account statement, • The account statements in such cases may be generated and issued along with the Portfolio Statement or Annual Report of the Scheme. • Alternately, soft copy of the account statements shall be mailed to the investors' e-mail address, instead of physical statement, if so mandated. • The AMC shall issue to the investor whose application (other than SIP/STP) has been accepted, an account statement specifying the number of units allotted. • For those unit holders who have provided an e-mail address, the AMC will send the account statement by e-mail. • The unit holder may request for a physical account statement by writing/calling the AMC/ISC/R&T <p>For SIP / STP transactions;</p> <ul style="list-style-type: none"> • Account Statements for SIPs and STPs will be despatched once every quarter ending March, June, September and December respectively, within 10 working days of the end of the respective quarter. • A soft copy of the Account Statement shall be mailed to the investors under SIP/STP to their e-mail address on a monthly basis, if so mandated. • However, the first Account Statement under SIP/STP shall be issued within 10 working days of the initial investment/transfer. • In case of specific request received from investors, Mutual Funds shall provide the account statement (SIP/STP) to the investors within 5 working days from the receipt of such request without any charges. <p>Annual Account Statement:</p> <ul style="list-style-type: none"> • The Mutual Funds shall provide the Account Statement to the Unit holders who have not transacted during the last six months prior to the date of generation of account statements. The Account Statement shall reflect the latest closing balance and value of the Units prior to the date of generation of the account statement, • The account statements in such cases may be generated and issued along with the Portfolio Statement or Annual Report of the Scheme. • Alternately, soft copy of the account statements shall be mailed to the investors' e-mail address, instead of physical statement, if so mandated.
Dividend	<p>The dividend warrants shall be dispatched to the Unit holders within 30 days of the date of declaration of dividend.</p> <ul style="list-style-type: none"> ▪ In case of Unit holders having a bank account with certain banks with whom the Mutual Fund would have an arrangement from time to time, the dividend proceeds shall be directly credited to their account. ▪ The dividend will be paid by warrant and payments will be made in favour of the Unit holder (registered holder of the Units or, if there is more than one registered holder, only to the first registered holder) with bank account number furnished to the Mutual Fund (please note that it is mandatory for the Unit holders to provide the Bank account details as per the directives of SEBI).

	Further, the dividend proceeds may be paid by way of ECS / EFT / NEFT / RTGS / any other manner through which the investor's bank account specified in the Registrar & Transfer Agent's records is credited with the dividend. The dividend warrants shall be dispatched to the unit holders within 30 days of the date of declaration of the dividend.
Redemption	The redemption or repurchase proceeds shall be dispatched to the unit holders within 10 working days from the date of redemption or repurchase.
Delay in payment of redemption / repurchase proceeds	The Asset Management Company shall be liable to pay interest to the unit holders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum).
Bank Account Details	As per the directives issued by SEBI, it is mandatory for applicants to mention their bank account numbers in their applications for purchase or redemption of Units. If the Unitholder fails to provide the Bank mandate, the request for redemption would be considered as not valid and the Fund retains the right to withhold the redemption until a proper bank mandate is furnished by the Unit-holder and the provision with respect of penal interest in such cases will not be applicable/entertained.
Who can invest This is an indicative list and you are requested to consult your financial advisor to ascertain whether the scheme is suitable to your risk profile.	Prospective investors are advised to satisfy themselves that they are not prohibited by any law governing such entity and any Indian law from investing in the Scheme and are authorized to purchase units of mutual funds as per their respective constitutions, charter documents, corporate / other authorisations and relevant statutory provisions. The following is an indicative list of persons who are generally eligible and may apply for subscription to the Units of the Scheme: <ul style="list-style-type: none"> • Indian resident adult individuals, either singly or jointly (not exceeding three); • Minor through parent / lawful guardian; (please see the note below) • Companies, bodies corporate, public sector undertakings, association of persons or bodies of individuals and societies registered under the Societies Registration Act, 1860; • Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) and Private Trusts authorised to invest in mutual fund schemes under their trust deeds; • Partnership Firms constituted under the Partnership Act, 1932; • A Hindu Undivided Family (HUF) through its Karta; • Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions; • Non-Resident Indians (NRIs) / Persons of Indian Origin (PIO) on full repatriation basis or on non-repatriation basis; • Foreign Institutional Investors (FIIs) registered with SEBI on full repatriation basis; • Army, Air Force, Navy and other para-military funds and eligible institutions; • Scientific and Industrial Research Organisations; • Provident / Pension / Gratuity and such other Funds as and when permitted to invest; • International Multilateral Agencies approved by the Government of India / RBI; and • The Trustee, AMC or Sponsor or their associates (if eligible and permitted under prevailing laws). • A Mutual Fund through its schemes, including Fund of Funds schemes. <p>Note: Minor can invest in any scheme of Baroda Pioneer Mutual Fund through his/her guardian only. Minor Unit Holder on becoming major may inform the Registrar about attaining</p>

	<p>majority and provide his specimen signature duly authenticated by his banker as well as his details of bank account and PAN (if required) to enable the Registrar to update their records and allow him to operate the Account in his own right.</p> <p>Notes :</p> <ol style="list-style-type: none"> 1. Non Resident Indians and Persons of Indian Origin residing abroad (NRIs) / Foreign Institutional Investors (FIIs) have been granted a general permission by Reserve Bank of India [Schedule 5 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 for investing in / redeeming units of the mutual funds subject to conditions set out in the aforesaid regulations. 2. In case of application under a Power of Attorney or by a limited company or a corporate body or an eligible institution or a registered society or a trust fund, the original Power of Attorney or a certified true copy duly notarised or the relevant resolution or authority to make the application as the case may be, or duly notarised copy thereof, alongwith a certified copy of the Memorandum and Articles of Association and/or byelaws and / or trust deed and / or partnership deed and Certificate of Registration should be submitted. The officials should sign the application under their official designation. A list of specimen signatures of the authorised officials, duly certified / attested should also be attached to the Application Form. In case of a Trust / Fund it shall submit a resolution from the Trustee(s) authorizing such purchases. Applications not complying with the above are liable to be rejected. 3. Returned cheques are liable not to be presented again for collection, and the accompanying application forms are liable to be rejected. In case the returned cheques are presented again, the necessary charges are liable to be debited to the investor. <p>Who cannot invest It should be noted that the following entities cannot invest in the scheme(s) :</p> <ol style="list-style-type: none"> 1. Any individual who is a Foreign National 2. 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). <p>Board of Trustees of Baroda Pioneer Mutual 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.</p> <p>Subject to the Regulations, any application for Units may be accepted or rejected in the sole and absolute discretion of the Trustee. 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>
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B.PERIODIC DISCLOSUERS

<p>Net Asset Value</p> <p>This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.</p>	<p>The NAV will be calculated and declared by the mutual fund on each working day. NAV will be published in 2 newspapers as prescribed under SEBI (Mutual Funds) Regulations, 1996. NAV can also be viewed on www.barodapioneer.in and www.amfiindia.com.</p> <p>The AMC shall update the NAVs on the website of Association of Mutual Funds in India – AMFI (www.amfiindia.com) by 9 pm</p>
<p>Half yearly Disclosures: Portfolio / Financial Results</p> <p>This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.</p>	<p>Baroda Pioneer mutual fund shall publish a complete statement of the scheme portfolio and the unaudited financial results, within one month from the close of each half year (i.e. 31st March and 30th September), by way of an advertisement at least, in one National English daily and one regional newspaper in the language of the region where the head office of the mutual fund is located.</p>
<p>Half Yearly Results</p>	<p>Baroda Pioneer Mutual Fund and Asset Management Company shall before the expiry of one month from the close of each half year, that is on 31st March and on 30th September, publish its unaudited financial results in one national English daily newspaper and in a regional newspaper published in the language of the region where the Head Office of the mutual fund is situated.</p>
<p>Annual Report</p>	<p>The Fund will, not later than four months after the close of each financial year (March 31), mail to the Unitholders an abridged scheme wise annual report. Further, the full text of the Annual Report will be available for inspection at the office of the Fund. A copy of the Annual Report will be sent to Unit holders, free of cost, on specific request.</p>
<p>Associate Transactions</p>	<p>Please refer to Statement of Additional Information (SAI).</p>
<p>Taxation</p> <p>The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own consult with their tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.</p>	<p>For details on taxation please refer to the clause on Taxation in the SAI</p>
<p>Investor Services</p>	<p>Mr. Amitabh Ambastha 501 Titanium, 5th Floor, Western Express Highway Goregaon(E), Mumbai – 400063 +91 22 30741000 Toll Free No. 18004190911 Email: info@barodapioneer.in</p>

C. COMPUTATION OF NAV

Valuation of assets, computation of NAV, repurchase price and their frequency of disclosure will be in accordance with the provisions of SEBI (MF) Regulations 1996/ Guidelines/ Directives issued by SEBI from time to time.

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. The Fund shall value its investments according to the valuation norms, as specified in Schedule VIII of the Regulations, or such norms as may be prescribed by SEBI from time to time. The NAVs of the fund shall be rounded off upto four decimals.

$$\text{NAV of units under the Scheme shall be calculated as shown below :}$$
$$\text{NAV (Rs.)} = \frac{\text{Market or Fair Value of Scheme's investments + Current Assets} - \text{Current Liabilities and Provisions}}{\text{No. of Units outstanding under Scheme on the valuation day}}$$

The NAV of the Scheme will be calculated on Daily basis. The valuation of the Scheme's assets and calculation of the Scheme's NAV shall be subject to audit on an annual basis and such regulations as may be prescribed by SEBI from time to time.

The assets of the Scheme will be valued based on the following valuation norms.

The AMC shall update the NAVs on the website of Association of Mutual Funds in India - AMFI (www.amfiindia.com) by 9.00 p.m. on daily basis. 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.

Further, as per SEBI Regulations, the repurchase price shall not be lower than 93% of the NAV and the sale price shall not be higher than 107% of the NAV and the difference between the repurchase price and sale price shall not exceed 7% on the sale price. In the case of close-ended scheme the repurchase price shall not be lower than 95% of the NAV.

IV. FEES AND EXPENSES

A. NEW FUND OFFER (NFO) EXPENSES :

Not applicable as ongoing schemes.

B. 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 up to 2.50 % of the weekly average 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.

Presently the Fund estimates the recurring expenses as follows

Nature of Expenses	Baroda Pioneer Global Fund	Baroda Pioneer Growth Fund	Baroda Pioneer Diversified Fund
Investment Management & Advisory Fees	1.25%	1.25%	1.25%
Marketing & Selling Expenses including Commission	0.60%	0.60%	0.60%
Custodian & Registrar & Transfer Agent Fees	0.30%	0.30%	0.30%
Other Expenses *	0.35%	0.35%	0.35%
Total	2.50%	2.50%	2.50%

Nature of Expenses	Baroda Pioneer MIP Fund	Baroda Pioneer Children Fund
Investment Management & Advisory Fees	1.25%	1.00%

Marketing & Selling Expenses including Commission	0.50%	0.50%
Custodian & Registrar & Transfer Agent Fees	0.15%	0.15%
Other Expenses *	0.10%	0.10%
Total	2.00%	1.75%

Nature of Expenses	Baroda Pioneer Income Fund	Baroda Pioneer Gilt Fund	**Baroda Pioneer Liquid Fund – Regular Plan
Investment Management & Advisory Fees	1.00%	1.00%	1.00%
Marketing & Selling Expenses including Commission	0.50%	0.25%	0.25%
Custodian & Registrar & Transfer Agent Fees	0.25%	0.15%	0.15%
Other Expenses *	0.20%	0.10%	0.10%
Total	2.00%	1.50%	1.50%

* Other Expenses include:

- a) Costs related to investor communications
- b) Cost of providing account statements and dividend/ redemption /repurchase warrants
- c) Costs of Statutory Advertisements
- d) Other miscellaneous Expenses

The AMC reserves the right to increase and decrease the fee within the ceilings prescribed under SEBI Regulations. The above annual recurring expenses are only the estimates and the actual expenses may vary from the above estimates but will be restricted to the ceilings of recurring expenses stated in Regulation 52(6) of the SEBI (Mutual Funds) Regulations, 1996, which are as follows:

These estimates have been made in good faith as per the information available to the Investment Manager based on past experience and are subject to change inter-se. Types of expenses charged shall be as per the SEBI (MF) Regulations. However, as per regulation 52 of SEBI (MF) Regulations, following maximum limits are applicable to the scheme:

- i) 2.25% on the first Rs.100 Crore of average weekly net assets.
- ii) 2.00% on the next Rs.300 Crore of average weekly net assets.
- iii) 1.75% on the next Rs.300 Crore of average weekly net assets.
- iv) 1.50% on the balance of the average weekly net assets.

** The recurring expenses is upto to 1.20% for the Baroda Pioneer Liquid Fund – Institutional Plan.

Any recurring expenditure in excess of the above limits shall be borne by AMC. All loads including contingent Deferred Sales Charge (CDSC) for the Scheme shall be maintained in a separate account and may be utilised towards meeting the selling and distribution expenses. Any surplus in this account may be credited to the scheme, whenever felt appropriate by the AMC.

C. LOAD STRUCTURE

The details of entry and exit load charged under each scheme are as follows:

Baroda Pioneer Growth Fund, Baroda Pioneer Global Fund and Baroda Pioneer Diversified Fund	
Entry Load Investment up to Rs. 2crore - 2.25% Investment above Rs. 2 crore - Nil	Exit Load Investment up to Rs. 2crore - 1.00% if redeemed on or before 12 months Investment above Rs. 2 crore - Nil

	Baroda Pioneer Income Fund	Baroda Pioneer Gilt Fund	Baroda Pioneer Liquid Fund
Entry Load	NIL	NIL	NIL

Exit Load	Investment up to Rs. 10 lacs (If redeemed within 12 months from the date of investment)	1.00%	Investment up to Rs. 10 lacs (If redeemed within 12 months from the date of investment)	1.00%	NIL
	Investment Above Rs. 10 lacs	NIL	Investment Above Rs. 10 lacs	NIL	

Baroda Pioneer MIP Fund		Baroda Pioneer Children Fund
Entry Load	NIL	NIL
Exit Load	Investment up to Rs. 10 lacs (If redeemed within 12 months from the date of investment)- 1.00% and Above rs. 10 lakh - NIL	1.00% if investment is redeemed within 3 years. Nil, if investment is redeemed after 3 years (but before the beneficiary child attains the age of 18 years)

In case if the date of redemption is a holiday / non business day, the deemed date will be the next business day.

Pursuant to SEBI circular No. SEBI/IMD/CIR No. 10/112153/07 dated December 31, 2007, with effect from January 4, 2008, no entry load shall be charged in respect of direct applications received by Baroda Pioneer Mutual Fund (BPMF) i.e. applications received through internet or submitted to the AMC or any designated collection centre/Investor Service Centre of BPMF that are not routed through any distributor/agent/broker.

This shall be applicable for fresh investments as well as additional investments made directly by the investor under an existing folio and also for switch-in transaction to a scheme from other schemes done directly by an investor.

Pursuant to SEBI circular No. SEBI/IMD/CIR No. 14/120784/08 dated March 18, 2008, with effect from April 1, 2008, no entry load or exit load shall be charged in respect of bonus units and of units allotted on reinvestment of dividend.

For any change in load structure AMC will issue an addendum and display it on the website/Investor Service Centers. Any imposition or enhancement in the load shall be applicable on prospective investments only. However, AMC shall not charge any load on issue of bonus units and units allotted on reinvestment of dividend for existing as well as prospective investors. At the time of changing the load structure, the mutual fund may consider the following measures to avoid complaints from investors about investment in the schemes without knowing the loads:

- 1) The addendum detailing the changes may be attached to Scheme Information Documents and key information memorandum. The addendum may be circulated to all the distributors/brokers so that the same can be attached to all Scheme Information Documents and key information memoranda already in stock.
- 2) Arrangements may be made to display the addendum in the Scheme Information Document in the form of a notice in all the investor service centers and distributors/brokers office.
- 3) The introduction of the exit load/ CDSC alongwith 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/CDSC.
- 4) 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.
- 5) Any other measures which the mutual funds may feel necessary.

The investor is requested to check the prevailing load structure of the Scheme before investing. The list of ISCs of the AMC is available in this Offer Document and on the website of the Mutual Fund.

D. WAIVER OF LOAD FOR DIRECT APPLICATIONS

Pursuant to SEBI circular SEBI/IMD/CIR No. 10/ 112153 /07 dated December 31, 2007, no entry load shall be charged for direct applications received by the Asset Management Company (AMC) i.e. applications received through internet, submitted to AMC or Official Points of acceptance / Investor Service Centre that are not routed through any distributor/agent/broker. This provision shall also be applicable to additional purchases done directly by the investor under the same folio and switch-in to a scheme from other schemes if such a transaction is done directly by the investor.

In this regard, investors are required to take note of the following:

- 1) If the Application Form contains Broker Code and the Investor desires to make direct investment, the Broker Code must be struck off by the investor with due signature or authentication so as to indicate direct investment.
- 2) If the Application Form does not contain Broker Code and the Investor desires to make direct investment, the Investor must mention "Direct" in the space provided for Broker Code so as to indicate Direct Investment. The column should not, in any case, be left blank by the investor. i.e. it is either struck off or indicated as Direct Investment or Not Applicable. In absence of clear instructions from the investor, the default option in the scheme/plan would be treated as - "Direct".
- 3) Investors must note that for the purpose of Direct Investment, list of Investor Service Centers (ISC)/Investors Service Desks (ISD) has been provided in the Scheme Information Document (SID) and Key Information Memorandum and is also available on the website of Baroda Pioneer MF (www.barodapioneer.in)

V. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

VI. 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:

1. All disclosures regarding penalties and action(s) taken against foreign Sponsor(s) may be limited to the jurisdiction of the country where the principal activities (in terms of income / revenue) of the Sponsor(s) are carried out or where the headquarters of the Sponsor(s) is situated. Further, only top 10 monetary penalties during the last three years shall be disclosed.

NIL

2. In case of Indian Sponsor(s), details of all monetary penalties imposed and/ or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years shall also be disclosed.

There are no any monetary penalties imposed and/ or action taken by any financial regulatory body or governmental authority, against Sponsor(s) and/ or the AMC and/ or the Board of Trustees.

3. Details of all enforcement actions taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party. The details of the violation shall also be disclosed.

Following inquiry/adjudication proceedings are in progress:

- 1) The Bank was one of the bankers to the public issue of shares of Jaltarang Motels Limited ("Jaltarang") in December 1995. SEBI, by its order dated January 19, 2000 directed the Bank to refund the sum of Rs. 4,031,018 being the application money for the shares released by the Bank to the Jaltarang with interest at 15% from March 25, 1996 i.e. the day the Bank allowed withdrawal of the funds by Jaltarang in respect of funds collected from the public issue. The Bank preferred an appeal before the Securities Appellate Tribunal and the Tribunal, by order dated July 27, 2000, rejected the appeal. The bank has filed an appeal (Appeal No.2 of 2000) before the High Court, Mumbai against the said order of the Tribunal. The High Court, Mumbai, on November 13, 2000, granted interim relief of stay of the operation of the orders dated July 27, 2000 of the Securities Appellate Tribunal and January 19, 2000 of SEBI and has further applied for the matter be placed on the board for final hearing. The matter is still pending.
- 2) The merchant banking division of the Bank was the pre-issue lead manager for the public issue of shares of Trident Steels Limited ("Trident") in November 1993. SEBI issued a show cause notice dated April 29, 2004 calling upon the merchant banking division of the Bank to show cause why action should not be taken against it for failing in its duty to exercise due diligence in

the abovementioned public issue. SEBI alleged that the merchant banking division of the Bank did not disclose the material fact that 750,000 shares out of the pre issue capital of Trident had been pledged by the directors and holders of those shares to the Industrial Finance Branch of the Bank towards enhancement of various credit facilities extended by the Bank to Trident. In October 1989, the directors and holders of those shares had given an undertaking that as long as the dues of Trident to the Bank are not paid in full, they will not transfer, deal with or dispose off equity or preference shares held by them in the company or any shares that might be acquired in future, without prior written consent of the Bank. BOB Caps, in its reply to the show cause notice, has submitted that it was the obligation of Trident to give true disclosures and that any punitive action will lie solely against Trident, its promoters and directors. The matter is still pending.”

- 3) The Bank had acted as lead managers to the public issue of Kraft Industries Limited (“Kraft”) in May 1995. It is alleged that the Managing Director and Promoter of Kraft did not possess the qualifications as mentioned in the prospectus. SEBI has asked for qualification certificates/copies from the Bank. The Managing Director of Kraft has reported having lost the certificates in transit. The Bank has replied accordingly to SEBI. Inquiry is still pending.”
 - 4) M.S. Shoes East Limited (MS Shoes) came out with a public issue of 17,584,800 zero interest unsecured fully convertible debentures at Rs. 199 each aggregating Rs. 3499,375,000 in February 1995. The Bank was one of the lead managers to the issue with responsibility for post-issue management and had underwritten the issue upto Rs. 150,000,000. After the closure of the issue, MS Shoes complained to the underwriters that some of the cheques accompanying the application for subscription were returned unpaid resulting in the collected amount falling short of the minimum subscription amount. Therefore MS Shoes called upon the underwriters to discharge their underwriting liability to the extent of proportionate devolution and raised a claim on the Bank for Rs. 116,665,043 towards devolution of underwriting liability. The Bank declined the liability on the ground that since the issue was declared oversubscribed by the Registrars to the issue no liability can devolve on the Bank under its underwriting commitment. SEBI had issued an enquiry notice dated July 20, 1995 to the Bank, but closed the matter, vide letter dated June 17, 1996, without imposing any penalty on the Bank. Pursuant to a complaint filed on behalf of MS Shoes, FIR No. 415 of 2000 dated October 1, 2000 was registered by Vikasपुरी Police Station Delhi under sections 406 and 420 of the Indian Penal Code against BOB Capital Markets Limited the Bank, its principal officers including the then CMD, and others, alleging cheating and breach of trust. In the complaint it has been submitted that the accused fraudulently and illegally induced MS Shoes to bring cheques from its associates and acquaintances so as to close the issue within four days, thereby representing to the public that the issue had been subscribed in full within the first four days. On this basis, the issue was represented to have been more than 90% subscribed and was closed by the accused. It is further submitted that the subscription having fallen down to about 40% within 30 days of the closure of the public issue, the underwriters were called to subscribe for the same in proportion, but many of the underwriters including the Bank did not obtain subscription as per the agreed underwriting amount. The High Court, New Delhi, by order dated December 11, 2000 in Criminal Writ No. 1221 of 2000 and Criminal Writ No. 1219 of 2000, ordered transfer of FIR No. 415 of 2000 to the Central Bureau of Investigation (CBI) and the same has been registered with the CBI, New Delhi as Crime No. RC.SIA-2001-E-0002 dated March 9, 2001. Investigation by the CBI is still pending.
4. Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel are a party should also be disclosed separately.

There are no such instances

5. Any deficiency in the systems and operations of the Sponsor(s) and/ or the AMC and/ or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency, shall be disclosed.

Not Applicable

GENERAL INFORMATION

Jurisdiction

The jurisdiction for any matters or disputes arising out of the scheme shall reside with the Courts in India.

AMC Investments: Baroda Pioneer AMC may also invest in Units of the schemes of Baroda Pioneer Mutual Fund on an ongoing basis. However, no investment management fees may be charged by Baroda Pioneer AMC on such investment.

• **Power to make Rules**

Subject to the Regulations, the Trustee may, from time to time, prescribe such terms and make such rules or the purpose of giving effect to the Scheme with power to the AMC to add to, alter or amend all or any of the terms and rules that may be framed from time to time.

• **Power to remove Difficulties**

If any difficulties arise in giving effect to the provisions of the Scheme, the Trustee may, subject to the Regulations, do anything not inconsistent with such provisions, which appears to it to be necessary, desirable or expedient, for the purpose of removing such difficulty.

• **Scheme to be binding on the Unitholders:**

Subject to the Regulations, the Trustee may, from time to time, add or otherwise vary or alter all or any of the features of investment plans and terms of the Scheme after obtaining the prior permission of SEBI and Unitholders (where necessary), and the same shall be binding on all the Unitholders of the Scheme and any person or persons claiming through or under them as if each Unitholder or such person expressly had agreed that such features and terms shall be so binding.

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.

**For and on behalf of Board of Directors of
Baroda Pioneer Asset Management Company Limited**

Sd/-

**Rajan Krishnan
Chief Executive Officer**

**Place : Mumbai
Date: 15.05.2009**