

This is with reference to Gazette Notification CG-DL-E-13032020-218653 dated 13th March 2020 issued by Ministry of Finance (Department of Financial Services) notifying 'Yes Bank Limited Reconstruction Scheme, 2020'.

As per clause no. 3(8)(a) of the aforesaid Notification, **there shall be a lock-in period of three years from the commencement of the aforesaid scheme to the extent of 75% of shares held by existing shareholders on the date of commencement of the scheme.**

Accordingly, a lock-in period of 3 years has been imposed from the commencement of the revival scheme (March 13, 2020) to the extent of 75% of an investor's stake in the company. These restrictions will apply to all those shareholders who own over 100 shares in Yes Bank Limited (Yes Bank).

**This unexpected development has no precedence in Indian Equity Market whereby a portion of freely tradeable equity holding is suddenly locked in for a long period of time.**

Several mutual fund schemes had holdings in Yes Bank as on March 13, 2020, 75% of which would be locked-in for three years (75 % Locked-in Yes Bank Shares). While the balance 25% of Yes Bank shares will be available for trading, it will not be appropriate to consider their traded price for valuing the '75 % Locked-in Yes Bank Shares'.

The mandate of **Exchange Traded Funds and Index Funds** is to closely replicate the underlying Index. If underlying index has Yes Bank as one of the constituents, scheme would also hold the same in almost same proportion.

NSE Indices Limited (Nifty Indices) on March 16, 2020 issued a press release indicating exclusion of Yes Bank from all its indices including Nifty 50 Index effective from March 19, 2020 (close of March 18, 2020) & Asia Index Private Limited (S&P BSE Indices) on March 16, 2020 issued a press release indicating exclusion of Yes Bank from all its indices including S&P BSE Sensex Next 50 Index effective from March 20, 2020.

The index treats the entire holding of Yes Bank shares as being tradeable that is not the case for the funds tracking the index. Post exclusion of Yes Bank from the Index, due to above gazette notification, it will not be possible for the underlying scheme/s to sell the '75 % Locked-in Yes Bank Shares' and this portion will become illiquid and will continue to remain in the scheme portfolio for next three years.

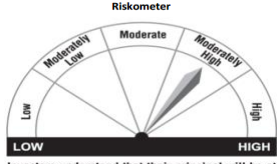
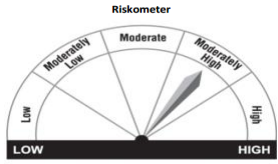
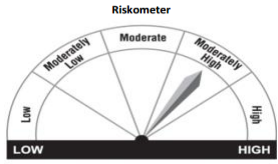
Thus, after careful consideration it was decided at industry level through Association of Mutual Fund in India (AMFI), to value the '75 % Locked-in Yes Bank Shares' at zero as on March 16, 2020. Furthermore, any realization post the three-year lock-in period, would be distributed to existing investors as on lock-in date, in proportion of their unit holding.

**Thus, to comply with the AMFI recommendation, on March 16, 2020 UTI Nifty Exchange Traded Fund, UTI Nifty Index Fund & UTI S&P BSE Sensex Next 50 Exchange Traded Fund have valued the '75 % Locked-in Yes Bank Shares' at zero.**

Following are the details of same.

Scheme	Total Number of Shares of Yes Bank in scheme as on March 13, 2020	Impact due to '75 % Locked-in Yes Bank Shares' valued at zero on March 16, 2020
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UTI Nifty Exchange Traded Fund	78,64,014	-0.15%
UTI S&P BSE Sensex Next 50 Exchange Traded Fund	41,871	-0.92%
UTI Nifty Index Fund	9,73,931	-0.15%

<p><b>UTI Nifty Exchange Traded Fund</b></p> <p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>• Long term investment.</li> <li>• Investment in securities covered by Nifty 50 Index.</li> <li>•</li> </ul>	 <p>Investors understand that their principal will be at Moderately High risk</p>
<p><b>UTI Nifty Index Fund</b></p> <p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>• Capital growth in tune with the index returns.</li> <li>• Passive investment in equity instruments comprised in Nifty 50 Index.</li> <li>•</li> </ul>	 <p>Investors understand that their principal will be at Moderately High risk</p>
<p><b>UTI S&amp;P BSE Sensex Next 50 Exchange Traded Fund</b></p> <p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>• Long term investment.</li> <li>• Investment in securities covered by S&amp;P BSE Sensex Next 50 Index.</li> </ul>	 <p>Investors understand that their principal will be at Moderately High risk</p>
<p>* Investors should consult their financial advisers if in doubt about whether the product is suitable for them</p>	

**MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENT CAREFULLY.**