Zerodha Fund House

Draft Scheme Information Document (SID)

Zerodha Arbitrage Fund

(An open ended scheme investing in arbitrage opportunities)

Draft - Scheme Information Document

SECTION - I

Zerodha Arbitrage Fund

(An open ended scheme investing in arbitrage opportunities) ***(Standard Observation. 1)***

This product is suitable for investors who are seeking*:	**Risk-o-meter of the Scheme** ***(Standard Observation. 3)***	**Risk-o-meter of the Benchmark (NIFTY 50 Arbitrage Index TRI - As per AMFI Tier I Benchmark)**
Short term parking of funds A low volatility investment strategy based on arbitrage opportunities in equity markets along with exposure to debt and money market instruments		
Investors should understand that their principal will be at ***Low Risk.***		

**Investors should consult their financial advisers if in doubt about whether the product is suitable for them.*

The product labelling assigned during the New Fund Offer (NFO) is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when actual investments are made.

(Offer for face value of ₹10/- per unit during New Fund Offer and at continuous offer for units at NAV based prices)

New Fund Offer opens on	
New Fund Offer closes on	
Scheme reopens on	**Scheme will reopen for continuous Sale and Repurchase within 05 Business Days from the date of allotment of units under NFO**

Name of Sponsor	**Zerodha Broking Limited**
Name of Mutual Fund	**Zerodha Mutual Fund**
Name of Asset Management Company	**Zerodha Asset Management Private Limited**
Name of Trustee Company	**Zerodha Trustee Private Limited**
Address	**Indiqube Penta, New No. 51 (Old No. 14), Richmond Road, Bangalore - 560 025**
Website	**www.zerodhafundhouse.com**

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 2026, (hereinafter 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 SID 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 SID after the date of this Document from the Mutual Fund or its Website.

The investors are advised to refer to the Statement of Additional Information (SAI) for details of Zerodha Mutual Fund, Standard Risk Factors, Special Considerations, Tax and Legal issues and general information on www.zerodhafundhouse.com.

SAI is incorporated by reference (is legally a part of the Scheme Information Document). For a free copy of the SAI, please visit our website or send email to support@zerodhafundhouse.com.

The SID should be read in conjunction with the SAI and not in isolation.

The Scheme Information Document is dated April 09, 2026.

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Section I

I. HIGHLIGHTS OF THE SCHEME

Name of the Scheme	Zerodha Arbitrage Fund
Category of Scheme	Hybrid Scheme- Arbitrage Fund
Type of Scheme	An open ended scheme investing in arbitrage opportunities.
Scheme Code	***(Standard Observation. 7)***
Investment Objective ***(Standard Observation. 26)***	The investment objective of the Scheme is to generate income and capital appreciation by investing in arbitrage opportunities in the cash and derivatives segments of the equity market, including opportunities within the derivatives segment, and by investing the remaining portion in debt and money market instruments. **There is no assurance or guarantee that the investment objective of the scheme would be achieved.** ***(Standard Observation. 5)***
Liquidity	On an ongoing basis, the subscription and redemption shall be at NAV based prices on all Business Days. The Fund shall dispatch proceeds of redemption within 03 working days of receiving the valid redemption request. As per SEBI (MF) Regulations, the Mutual Fund shall dispatch redemption proceeds within 03 Business Days from the date of redemption. A penal interest of 15% p.a. or such other rate as may be prescribed by SEBI from time to time, will be paid by the AMC in case the redemption proceeds are not dispatched within 03 Business Days from the date of redemption.
Benchmark ***(Standard Observation. 25)***	NIFTY 50 Arbitrage Index TRI The index measures performance of portfolio involving investment in equity and equivalent short position equity futures, short-term debt market investments and cash.
Transparency/ NAV Disclosure	The NAV will be calculated by the AMC for each Business Day except in special circumstances. AMC shall disclose the NAV for each Business Day as below: 1. On the website of the Fund/AMC - **11.00 P.M. of every business day.** 2. On the website of Association of Mutual Funds in India (AMFI) - **11.00 P.M. of every business day.**

	Please refer to page no. 64 of Section II for details.
Applicable Timelines	**Timelines for Dispatch of redemption proceeds:** As per SEBI (MF) Regulations, the Mutual Fund shall dispatch the redemption or repurchase proceeds to the unitholders within 03 working days from the date of redemption or repurchase. The AMC shall adhere to guidelines published by AMFI/SEBI for exceptional circumstances under which the scheme is unable to transfer redemption or repurchase proceeds within prescribed timelines.
Plans and Options *Plans/Options and sub options under the Scheme*	The scheme offers only Direct Plan. The scheme offers only Growth Option. The Trustees/ AMC reserves the right to introduce further Plan/ Options as and when deemed fit, subject to the SEBI (MF) Regulations. For detailed disclosure on default plans and options, kindly refer to SAI.
Load Structure	**Exit Load:** (i) For redemptions / switch outs within 30 days from the date of allotment - 0.25% of the applicable NAV. (i) For redemptions / switch outs after 30 days from the date of allotment - Nil. The Trustee reserves the right to change/ modify the Load structure of the Scheme, subject to maximum limits as prescribed under the Regulations. For further details on load structure refer to the section '**Load Structure**' on page no. 33 .
Minimum Application Amount /Switch In	**During NFO:** ₹ 5000 and 'any amount' thereafter. **During Ongoing offer period:** Investors can invest under the Scheme during the ongoing offer period with a minimum investment of: Lumpsum: ₹5000 and in multiples of 'any amount' thereafter. SIP: ₹1000 and in multiples of 'any amount' thereafter.

	The Minimum Application shall not be applicable to the mandatory investments made in the Scheme pursuant to the provisions of para 7.13 and 7.14 of SEBI Master Circular dated March 20, 2026, as amended from time to time.
Minimum Additional Purchase Amount	During the ongoing offer period, for subsequent additional purchases, the investor can invest with the minimum amount of: Lumpsum: ₹5000 and in multiples of ‘any amount’ thereafter. SIP: ₹1000 and in multiples of ‘any amount’ thereafter.
Minimum Redemption/Switch Out Amount	The minimum redemption amount shall be ‘any amount’ or ‘any number of units’ as requested by the investor at the time of redemption. The redemption would be permitted to the extent of credit balance in the Unit holder’s account of the Scheme (subject to completion of Lock-in period or release of pledge / lien or other encumbrances). The Redemption request can be made by specifying the rupee amount or by specifying the number of Units to be redeemed. However, the Minimum Application and redemption amount mentioned above shall not be applicable to the mandatory investments made in the Scheme pursuant to the provisions of para 7.13 and 7.14 of SEBI Master Circular dated March 20, 2026, as amended from time to time. The AMC/ Trustee reserves the right to change/ modify the terms of minimum redemption amount provision offered under the Scheme of the Fund.
New Fund Offer (NFO) Period *This is the period during which a new scheme sells its units to the investors.*	NFO Opens on: NFO Closes on: NFO Period for the scheme will be announced at the time of the launch subject to the earlier closure, if any; such offer period not being more than 15 days. In case the NFO Opening/ Closing Date is subsequently declared as a non-Business Day, the following Business Day will be deemed to be the NFO Opening/ Closing Date. Any modification to the New Fund Offer Period shall be announced by way of an Addendum uploaded on the website of the AMC. ***(Standard Observation. 34)*** The Trustees/ AMC reserves the right to close the NFO before the above-mentioned date by giving notice as per the norms provided under SEBI (MF) Regulations.
New Fund Offer (NFO) Price *(This is the price per Unit that the investors have to pay to invest in NFO)*	Offer of Units at ₹ 10 each during the NFO period of the Scheme.

Segregated portfolio/ side pocketing disclosure ***(Standard Observation. 53)***	The Scheme has provided enabling provisions for Creation of Segregated Portfolio in terms of guidelines issued by SEBI from time to time. Please refer to the SAI for the details.
Swing pricing disclosure	Swing Pricing Framework is Not Applicable for the Scheme. Please refer to the SAI for more details.
Stock lending/short selling	Securities Lending is a lending of securities through an approved intermediary to a borrower under an agreement for a specified period with the condition that the borrower will return equivalent securities of the same type or class at the end of the specified period along with the corporate benefits accruing on the securities borrowed. There are risks inherent in securities lending, including the risk of failure of the other party, in this case the approved intermediary to comply with the terms of the agreement. Such failure can result in a possible loss of rights to the collateral, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of corporate benefits accruing thereon. The AMC shall adhere to the following limits should it engage in Stock Lending: 1. Not more than 20% of the net assets of a Scheme can generally be deployed in Stock Lending. 2. Not more than 5% of the net assets of a Scheme can generally be deployed in Stock Lending to any single approved intermediary / counterparty. Please refer to the SAI for more details. The Scheme does not intend to carry out short selling of securities.
How to Apply and other details	Investors can submit the application for purchase and redemption transactions in the schemes of Zerodha Mutual Fund at the Official Points of Acceptance (OPA). The list of OPA is available on the website of AMC i.e., www.zerodhafundhouse.com The investor may also reach out to the investor support email id support@zerodhafundhouse.com for details/ help in investing. Please refer to Page no. 56 of Section II for more details.
Investor Services	**For General service requests** Investors can lodge any service request or complaints or enquire about NAVs, Unit Holdings, etc. by sending an email to support@zerodhafundhouse.com.

	The investor service representatives may seek certain personal information from the investor solely for the purpose of verifying his/her identity and safeguarding the confidentiality of account-related information. The AMC will at all times endeavour to handle transactions efficiently and to resolve any investor grievances promptly. **For Complaint Resolution** Any complaints should be addressed to the Investor Relations Officer. Address: Investor Relations Officer Zerodha Asset Management Private Limited New No.51, IndiQube Penta, 2nd Floor, Richmond Road, Bangalore - 560025 Email - iro@zerodhafundhouse.com For any grievances with respect to transactions through BSE StAR/ NMF/ MFSS, the investors / Unit Holders should approach either the stockbroker or the investor grievance cell of the stock exchange. Investors may escalate to the Compliance Officer at compliance@zerodhafundhouse.com and/ or CEO at ceo@zerodhafundhouse.com if they do not receive a response/ not satisfied with the response from the Investor Relations Officer.
Specific Attributes of the Scheme	Not Applicable.
Special product/facility available during the NFO and on ongoing basis	**During NFO** **SYSTEMATIC INVESTMENT PLAN (SIP)** Unit holders can enroll for the SIP facility at the OPA providing this facility during the NFO. An investor if choosing 29th, 30th or 31st of a month as the SIP date, then the SIP date will be automatic ally considered as the first business day of the following month. Minimum amount per SIP installment and Minimum number of installments under monthly and quarterly frequency of SIP are as follows:

Frequency under SIP Facility	Minimum Installment	Minimum Amount
Daily	01	₹1000
Weekly	01	₹1000
Fortnightly	01	₹1000

Monthly	01	₹1000
Quarterly	01	₹1000
Half-yearly	01	₹1000
Yearly	01	₹1000

If the SIP period whenever asked for is not specified by the unit holder, then the SIP enrolment will be deemed to be for perpetuity and processed accordingly.

In case of SIP investments, where the entire installment amount is not available in the bank account, the SIP for that month would be rejected. Allocation to a particular scheme or pro–rata allocation to schemes will not be carried out.
Investors may register for SIP through One Time Mandate (OTM) for payment towards any future purchase transactions. Investors may choose any mode such as NACH/ECS/DIRECT DEBIT/ Standing Instruction (SI)/ UPI mandate as per arrangements with banks or payment aggregators. For online transactions, AMC may provide various payment modes, as available from time to time for SIP Enrolments.

The SIP registration will be discontinued or considered as closed/ cancelled by the AMC as per the below mentioned timelines:

SIP Interval	No. of failed attempts prior to cancellations of SIPs
Daily	3
Weekly	3
Fortnightly	3
Monthly	3
Quarterly	2
Halfyearly	2
Yearly	2

The AMC/RTA shall send a communication to the investor after 1st failed debit attempt, mentioning that the SIP will cease in case of aforesaid.

Units will be allotted at the Applicable NAV on SIP installment realization basis. In case the date falls on a Non-Business Day, the immediate next Business Day will be considered for this purpose. In case the fund is realized on non-business day of the scheme, the immediate next Business Day will be considered for this purpose.

The AMC/ Trustee reserves the right to change / modify the terms and conditions of the SIP facility during the NFO period.

During Ongoing Offer

SYSTEMATIC INVESTMENT PLAN (SIP)

Unit holders can enroll for the SIP facility at the OPA. An investor if choosing 29th, 30th or 31st of a month as the SIP date, then the SIP date will be automatically considered as the first business day of the following month.

Minimum amount per SIP installment and Minimum number of installments under monthly and quarterly frequency of SIP are as follows:

Frequency under SIP Facility	Minimum Installment	Minimum Amount
Daily	01	₹1000
Weekly	01	₹1000
Fortnightly	01	₹1000
Monthly	01	₹1000
Quarterly	01	₹1000
Half-yearly	01	₹1000
Yearly	01	₹1000

If the SIP period whenever asked for is not specified by the unit holder, then the SIP enrolment will be deemed to be for perpetuity and processed accordingly.

In case of SIP investments, where the entire installment amount is not available in the bank account, the SIP for that month would be rejected. Allocation to a particular scheme or pro–rata allocation to schemes will not be carried out.

Investors may register for SIP through One Time Mandate (OTM) for payment towards any future purchase transactions. Investors may choose any mode such as NACH/ECS/DIRECT DEBIT/ Standing Instruction (SI)/ UPI mandate as per arrangements with banks or payment aggregators. For online transactions, AMC may provide various payment modes, as available from time to time for SIP Enrolments.

The SIP registration will be discontinued or considered as closed/ cancelled by the AMC as per the below mentioned timelines:

SIP Interval	No. of failed attempts prior to cancellations of SIPs
Daily	3
Weekly	3
Fortnightly	3
Monthly	3
Quarterly	2
Halfyearly	2
Yearly	2

The AMC/RTA shall send a communication to the investor after 1st failed debit attempt, mentioning that the SIP will cease in case of aforesaid.

Units will be allotted at the Applicable NAV on SIP installment realization basis. In case the date falls on a Non-Business Day, the immediate next Business Day will be considered for this purpose. In case the fund is realized on non-business day of the scheme, the immediate next Business Day will be considered for this purpose.

The AMC/ Trustee reserves the right to change / modify the terms and conditions under the SIP prospectively at a future date.

SIP Top-up facility

Investors may avail fixed SIP Top-up facility where they have an option to increase the amount of the SIP Installment by a fixed amount at predefined intervals.

SIP Top-up facility shall be available for SIP Investments through any mode such as NACH/ECS/DIRECT DEBIT/ Standing Instruction (SI)/ UPI mandate as per arrangements with banks or payment aggregators. The Top-up amount should be in multiples of ₹1 only. Monthly and quarterly SIP offers top-up frequency at yearly intervals.

An Illustration: How to calculate the SIP Top-up amount?

SIP Period : 01-Jan-2023 to 01-Dec-2024 (2 Years)
Monthly SIP Installment Amount : ₹ 2,000
SIP Date : 1st of every month (24 installments)
Top-up Amount: ₹ 1,000
Top-up Frequency: Yearly

SIP Instalments shall be as follows:

Installment No.	From Date	To Date	Monthly SIP amount in ₹	SIP Top up amount in ₹	Increased SIP amount in ₹
1 to 12	01-Jan-23	31-Dec-23	2,000	N.A.	2,000
13 to 24	01-Jan-24	31-Dec-24	2,000	1,000	3,000

Top-up cap option:

Unit holders have an option to cap the SIP Top-up amount based on either a fixed predefined amount or date as detailed below:

Top-up cap amount: Investor has an option to cap the SIP Top-up amount once the SIP installment (including Top-up amount) reaches a fixed predefined amount.

Thereafter the SIP installment will remain constant till the end of SIP tenure.

Top-up cap month-year: Investor has an option to provide an end date to the SIP Top-up amount. It is the date from which Top - up to the SIP installment amount will cease and the SIP installment will remain constant till the end of SIP tenure. If none of the above options for Top-up cap is selected by the investor, the SIP Top-up will continue as per the SIP end date and Top-up amount specified by the investor.

I**llustration 1: How to fix Top-up cap amount?**

SIP Period: 01-Jan-2023 to 01-Dec-2027 (5 Years)
Monthly SIP Installment Amount: ₹ 2,000
SIP Date: 1st of every month (60 installments)
Top-up Amount: ₹ 1,000
Top-up Frequency: Yearly
Top-up cap amount (including SIP Installment): ₹ 5,000

Installment No.	From Date	To Date	Monthly SIP amount in ₹	SIP Top up amount in ₹	SIP installment including Top up in ₹
			(A)	(B)	(A+B)
1 to 12	01-Jan-23	31-Dec-23	2,000	N.A.	2,000
13 to 24	01-Jan-24	31-Dec-24	2,000	1,000	3,000
25 to 36	01-Jan-25	31-Dec-25	3,000	1,000	4,000

37 to 48	01-Jan-26	31-Dec-26	4,000	1,000	5,000
49 to 60	01-Jan-27	31-Dec-27	5,000	N.A.	5,000

It may be seen in the above illustration that once the Topup cap amount (including the SIP installment) reaches ₹ 5,000, the SIP installment amount starting January 1, 2027 remains constant.

Illustration 2: How to fix top-up cap month-year?

SIP Period: 01-Jan-2023 to 01-Dec-2027 (5 Years)
Monthly SIP Installment Amount: ₹ 2,000
SIP Date: 1st of every month (60 installments)
Top-up Amount: ₹ 1,000
Top-up Frequency: Yearly
Top-up cap month - year: 01-Jan-2026
SIP Instalments shall be as follows:

Installment No.	From Date	To Date	Monthly SIP amount in ₹	SIP Top up amount in ₹	SIP installment including Top up in ₹
			(A)	(B)	(A+B)
1 to 12	01-Jan-23	31-Dec-23	2,000	N.A.	2,000
13 to 24	01-Jan-24	31-Dec-24	2,000	1,000	3,000
25 to 36	01-Jan-25	31-Dec-25	3,000	1,000	4,000
37 to 48	01-Jan-26	31-Dec-26	4,000	1,000	5,000
49 to 60	01-Jan-27	31-Dec-27	5,000	N.A.	5,000

It may be seen in the above illustration that after 1-Jan-2026 (the pre- defined Top up cap month-year), the SIP installment amount remains constant.

The AMC / Trustee reserves the right to change the terms and conditions of this facility at a later date on a prospective basis. The AMC / Trustee reserves the right to withdraw the SIP Top-up facility.

SIP PAUSE FACILITY

The Fund offers Systematic Investment Plan ("SIP") Pause facility ("the Facility") for investors who wish to temporarily pause their SIP in the Schemes of the Fund.

The terms and conditions of the Facility are as follows:

1. This Facility is available for SIPs with Monthly and Quarterly frequencies.

2. The maximum number of installments that can be paused using this facility are 3 (three) consecutive installments for SIPs registered with Monthly frequency and 1 (one) for SIPs registered with Quarterly frequency. Thereafter, automatically the balance SIP installments (as originally registered) will resume.

3. SIP pause requests should be submitted at least 15 days before the requested start date.

4. SIP Pause once registered cannot be cancelled.
5. The Investor understands and acknowledges that the SIP Pause facility is merely a transaction related facility offered by the Company; and the Investor unconditionally and irrevocably agrees that the AMC or Fund will not be liable for:
(i) acting in good faith on any instructions received from the Investor;
(ii) any force majeure events that are beyond the control of any person; and
(iii) any error, default, delay or inability of the AMC or the Fund or its Agents to act on all or any of the instructions from the Investor. The Investor hereby assumes and undertakes the entire risk of using the Facility and agrees to take full responsibility for the same.

The Trustee reserves the right to change / modify the terms and conditions of the Facility or withdraw the Facility.

Systematic Transfer Plan (STP)

STP is a facility given to the Unit holders to transfer sums on a periodic basis from one scheme to another schemes launched by the Mutual Fund from time to time by giving a single instruction.

Investors can opt for the STP by investing a lump sum amount in one scheme of the fund and providing a standing instruction to transfer sums at regular intervals.

Particulars	Frequency	Details
Frequency and Transaction Dates	Daily	Every Business Day
	Weekly	
	Fortnightly	
	Monthly	
Minimum number of transfers and minimum amount per STP	Daily	₹ 100/- each per transfer
	Weekly	

	Fortnightly	
	Monthly	

An investor if choosing 29th, 30th or 31st of a month as the STP date, then the STP date will be automatically considered as the first business day of the following month.

If any STP transaction due date falls on a non-Business day, then the respective transactions will be processed on the immediately succeeding Business Day for both the schemes.

Default Frequency - Monthly

The Trustee/ AMC reserves the right to introduce STPs at any other frequencies or on any other dates as the AMC may feel appropriate from time to time. In the event such a day is a Holiday, the transfer would be affected on the next Business Day.

Systematic Withdrawal Plan (SWP)

Unit holders have the benefit of availing the choice of Systematic Withdrawal Plan (SWP). The SWP allows the Unit holder to withdraw a specified sum of money each month/quarter/ half-yearly/ yearly from his investments in the Schemes. SWP is ideal for investors seeking a regular inflow of funds for their needs. It is also ideally suited to retirees or individuals, who wish to invest lump sum and withdraw from the investment over a period of time. The amount thus withdrawn by redemption will be converted into Units at Applicable NAV and the number of Units so arrived at will be subtracted from the Units balance to the credit of that Unit holder. The Unit holder may avail of this Option, after the close of the New Fund Offer Period. Unit holders will have the option to change the amount or the period of withdrawals. The SWP may be terminated by a Unit holder and it will terminate automatically if all the Units are liquidated or withdrawn from the account or the holdings fall below Rs.100/- (subject to the Unit holder failing to invest sufficient funds to bring the value of their holdings to the minimum amount of ₹100/- after the completion of SWP, within 30 days after the balance shall have fallen below the minimum holdings) or upon the Mutual Fund's receipt of notification of death or incapacity of the first Unit holder.

Default Option : Monthly option

Minimum SWP installment size is ₹100/- and in multiples of ₹ 1 thereafter.

Switching Options

Unit holders under the Scheme have the option to switch part or all of their Unit holdings in the Scheme to any other Scheme offered by the Mutual Fund from time to time. The Mutual Fund also provides the investors the flexibility to switch their investments from any other scheme(s) / plan (s) offered by the Mutual Fund to this

	Scheme. This option will be useful to Unit holders who wish to alter the allocation of their investment among the scheme(s) / plan(s) of the Mutual Fund in order to meet their changed investment needs. The Switch will be affected by way of a Redemption of Units from the Scheme at Applicable NAV, subject to Exit Load, if any and reinvestment of the Redemption proceeds into another Scheme offered by the Mutual Fund at Applicable NAV and accordingly the Switch must comply with the Redemption rules of the Switch out Scheme and the Subscription rules of the Switch in Scheme. **OTM - ONE TIME MANDATE ('FACILITY')** OTM is a simple and convenient facility that enables the Unit holders to transact in the Schemes of the Fund by submitting OTM - One Time Mandate registration with the Fund through e-NACH or UPI autopay facility. It is a one - time registration process wherein the Unit holder(s) of the Scheme(s) of the Fund authorizes his / her bank to debit their account upto a certain specified limit per transaction, on request received from the Fund, as and when the transaction is undertaken by the Unit holder, without the need of submitting cheque or fund transfer letter with every transaction thereafter. This Facility is only available to Unit holder(s) of the Fund who have been assigned a folio number by the AMC. Unit Holder(s) are requested to note that the AMC reserves the right to amend the terms and conditions, or modify, or discontinue the Facility for existing as well as prospective investors at any time in future. Process for Investments made in the name of Minor through a Guardian Payment for investment shall be accepted from the bank account of the minor or from a joint account of the minor with the guardian only, else the transaction is liable to get rejected. Unit holders are requested to review the Bank Account registered in the folio and ensure that the registered Bank Mandate is in favour of minor or joint with registered guardian in folio. If the registered Bank Account is not in favour of minor or not joint with registered guardian, unit holders will be required to submit the change of bank mandate, where minor is also a bank account holder (either single or joint with registered guardian), before initiation any redemption transaction in the folio, else the transaction is liable to get rejected. For systematic transactions in a minor's folio, AMC will register standing instructions till the date of the minor attaining majority, though the instructions may be for a period beyond that date. Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details and updated bank account details. No further transactions shall be allowed till the status of the minor is changed to major.

	For further details with respect to the above mentioned products / facilities, kindly refer to SAI.
Weblink	**Total Expense Ratio (TER):** ***(Standard Observation. 26)*** Please note that this is a new scheme. TER details shall be available from the first NAV date: The AMC/Mutual Fund shall disclose the Total Expense Ratio (TER) of the Scheme on a daily basis on its website viz. https://www.zerodhafundhouse.com/resources/disclosures/ **Scheme Factsheet:** Not applicable as the scheme is a new fund to be launched. The AMC on its website viz. https://www.zerodhafundhouse.com/resources/fund-documents will provide a Factsheet of the Scheme on a monthly basis, which contains details such as Fund size, Performance, NAV, etc.

IMPORTANT

Before investing, investors are requested to also ascertain about any further changes pertaining to scheme such as features, load structure etc. made to this Scheme Information Document by issue of addenda/notice after the date of this Document from the AMC/ Mutual Fund/ Website, etc.

F. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY ***(Standard Observation. 55)***

A Due Diligence Certificate duly signed by the Compliance Officer of Zerodha Asset Management Private Limited has been submitted to SEBI, which reads as follows:

It is confirmed that:

(i) This Draft Scheme Information Document submitted to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 2026 ("Regulations")and the guidelines and directives issued by SEBI from time to time.
(ii) All legal requirements connected with the launching of the Scheme 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 Scheme.
(iv) The intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.
(v) The contents of the Scheme Information Document including figures, data, yields etc. have been checked and are factually correct
(vi) A confirmation that the AMC has complied with the compliance checklist applicable for Scheme Information Documents and other than cited deviations/ that there are no deviations from the regulations
(vii) Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 2026 and the guidelines thereunder shall be applicable.
(viii) The Trustees have ensured that the Zerodha Arbitrage Fund approved by them is a new product offered by Zerodha Mutual Fund and is not a minor modification of any existing scheme/fund/product.

Place: Bengaluru
Date: April 09, 2026

Signed: Sd/-
Name: Chandra Bhushan Singh
Designation: Head Legal & Compliance
(Compliance Officer)

Note: The due diligence certificate as stated above was submitted to the SEBI on April 09, 2026.

II. INFORMATION ABOUT THE SCHEME

A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

Asset Allocation

a. Under the normal circumstances, the asset allocation (% of Net Assets) of Scheme's portfolio will be as follows:

Instruments	Indicative allocations (% of total assets)	
	Minimum	**Maximum**
Equity & Equity related instruments including derivatives.	65%	100%
Debt and Money Market Instruments*, Cash & Cash Equivalents, Including units of Mutual funds	0%	35%

**Debt and money market instruments include, but are not limited to Treasury Bills, Commercial Paper of Public Sector Undertakings and, Tri-party repo, Certificates of Deposit of Scheduled Commercial Banks, Financial Institutions and Development Financial Institutions, Government securities with unexpired maturity upto 1 Year and other such debt and money market securities as may be permitted by SEBI / RBI from time to time and in the manner prescribed under the Regulations.*

The asset allocation specified under normal circumstances is indicative and may vary depending on market conditions and the availability of arbitrage opportunities, at the discretion of the Fund Manager.

In situations where adequate arbitrage opportunities are not available in the equity and derivatives markets, or where the returns from such strategies are not considered attractive relative to fixed income securities, the Scheme may adopt a defensive investment strategy and increase exposure to debt and money market instruments, in line with the asset allocation specified below.

b. The asset allocation under defensive circumstances will be as follows:

Instruments	Indicative allocations (% of total assets)	
	Minimum	**Maximum**
Equity & Equity related instruments including derivatives.	0%	65%
*Debt and Money Market Instruments, Cash & Cash Equivalents, Including units of Mutual funds	35%	100%

**Debt and money market instruments include, but are not limited to Treasury Bills, Commercial Paper of Public Sector Undertakings and Private Sector Corporate Entities, Term Money, Tri-party repo, Certificates of Deposit of Scheduled Commercial Banks, Financial Institutions and Development Financial Institutions, Government securities with unexpired* *maturity of one year or less and other Debt and money market securities as may be permitted by SEBI / RBI from time to time and in the manner prescribed under the Regulations.*

In accordance with para 13.18.2 of the SEBI Master Circular for Mutual Funds, dated March 20, 2026, the cumulative gross exposure through equity and equity instruments, debt, money market instruments and derivative position will not exceed 100% of the net assets of the scheme. ***(Standard Observation. 17)***

However, cash and cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. ***(Standard Observation. 14)***

Indicative Table

(Actual instrument/percentages may vary subject to applicable SEBI circulars)

Sr. No.	Type of Instrument	Percentage of Exposure	Circular References*
1.	Securities Lending	The Scheme shall adhere to the following limits while engaging in Stock Lending: • Not more than 20% of the net assets of the Scheme can be deployed in Stock Lending. • Not more than 5% of the net assets of the Scheme can be deployed in Stock Lending to any single approved intermediary.	Subject to Clause 13.6 of the SEBI Master Circular dated March 20, 2026, the Scheme intends to engage in Stock Lending.
2.	Derivatives for hedging purposes	Upto 100% of the net assets of the Scheme for hedging purpose.	In accordance with Clauses 13.15 and 13.18 of the SEBI Master Circular dated March 20, 2026.
3.	Derivatives for non-hedging purposes	Exposure to equity derivative instruments (long exposure) for non-hedging purposes shall not exceed 50% of the total portfolio.	In accordance with Clauses 13.15 and 13.18 of the SEBI Master Circular dated March 20, 2026.
4.	Real Estate Investment Trusts (REITs)	Investments in REITs shall be considered as investment in equity related instruments in accordance with the 2026 Master Circular. Exposure limits shall be subject to applicable equity concentration limits under the SEBI (Mutual Funds) Regulations, 2026 and the Master Circular.	In accordance with Clause 13.13 of the SEBI Master Circular March 20, 2026 and SEBI (Mutual Funds) Regulations, 2026.

Sr. No.	Type of Instrument	Percentage of Exposure	Circular References*
5.	Inter-scheme Investments	Aggregate inter-scheme investment made by all schemes of the Mutual Fund shall not exceed 5% of the NAV of the Mutual Fund. No fees shall be charged on such inter-scheme investments.	In accordance with Clause 13.14 of the SEBI Master Circular dated March 20, 2026 read with Clause 3 of Sixth Schedule of the SEBI (Mutual Funds) Regulations, 2026.

The Scheme does not intend to undertake/ invest/ engage in the following: ***(Standard Observation. 18)***

S.No.	Type of Instrument	Percentage of exposure	Circular references
1.	Securitized Debt	The Scheme will not invest/engage in these instruments.	
2.	Short selling of securities		
3.	Repo in corporate debt		
4.	Unrated instruments (except TREPs/ Government Securities/ SDL / Repo in Government Securities);		
5.	Foreign securities/ADR/GDR		
6.	InvITs		
7.	Instruments having Special Features as defined in SEBI Circular no. SEBI/HO/IMD/DF4/CIR/P/2021/032 dated March 10, 2021		
8.	Credit Enhancements & Structured Obligations		
9.	Credit Default Swap transactions		

The Scheme may invest in other scheme(s) under the same AMC or any other mutual fund without charging any fees, provided that aggregate inter-scheme investment made by all Schemes under the same AMC or in Schemes under the management of any other asset management shall not exceed 5% of the net asset value of the Mutual Fund. Further, the Scheme shall not invest in any fund of funds scheme.

Subject to the Regulations and the applicable guidelines, the Scheme may engage in Stock Lending activities. The Scheme will participate in stock lending not more than 20% of total Net Assets of the Scheme and would limit its exposure with regard to stock lending for a single intermediary to the extent of 5% of the total net assets at the time of lending.

The scheme shall make investment in derivatives as permitted under the SEBI (MF) regulations for hedging and non hedging purposes within the exposure limits as may be prescribed under the SEBI Master Circular for Mutual Funds. ***(Standard Observation. 20)***

<u>Change in Asset Allocation:</u>

The above mentioned investment pattern is indicative and subject to the SEBI (MF) Regulations, the asset allocation pattern indicated above may vary from time to time, on account of receipt of maturity proceeds, interest and/or receipt of subscription. As per SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 04, 2021, the Fund Manager, may deviate from the above investment pattern for a short term period on defensive considerations. The same will be rebalanced within 30 calendar days and further action may be taken as specified under SEBI Circulars/ AMFI guidelines issued from time to time.

Short term defensive consideration: ***(Standard Observation. 23 & 24)***

Subject to para 1.9.1(b) of the SEBI Master Circular for Mutual Funds, dated March 20, 2026 and circulars issued thereunder, the asset allocation pattern indicated above may change for a short term period on defensive considerations, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. These proportions may vary depending upon the perception of the Fund 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 rebalanced within 30 calendar days from the date of deviation and further action may be taken as specified under SEBI Circulars/ AMFI guidelines issued from time to time.

Portfolio rebalancing in case of Passive Breaches: ***(Standard Observation. 22)***

Further, as per Paragraph 3.11 of the Master Circular dated March 20, 2026, as may be amended from time to time, in the event of deviation from mandated asset allocation due to passive breaches (occurrence of instances not arising out of omission and commission of the AMC), the fund manager shall rebalance the portfolio of the Scheme within 30 Business Days. In case the portfolio of the Scheme is not rebalanced within the period of 30 Business Days, justification in writing, including details of efforts taken to rebalance the portfolio shall be placed before the Investment Committee of the AMC. The Investment Committee, if it so desires, can extend the timeline for rebalancing up to sixty (60) Business Days from the date of completion of the mandated rebalancing period. Further, in case the portfolio is not rebalanced within the aforementioned mandated plus extended timelines the AMC shall comply with the prescribed restrictions, the reporting and disclosure requirements as specified in Paragraph 3.11 of the Master Circular dated March 20, 2026.

Timelines for deployment of Funds mobilized in a New Fund Offer (NFO)

Pursuant to para 7.24 of the SEBI Master Circular for Mutual Funds dated March 20, 2026, the funds mobilized during the New Fund Offer (NFO) shall be deployed in accordance with the asset allocation pattern of the scheme within 30 business days from the date of allotment of units. In exceptional cases where the AMC is not able to deploy the funds within this period, shall provide an explanation, including details of the efforts made to deploy the funds, to the Investment Committee of the AMC. The Investment Committee may extend the deployment timeline by up to 30 business days and shall provide recommendations to ensure timely deployment in the future.

B. WHERE WILL THE SCHEME INVEST? *(Standard Observation. 29)*

The corpus of the scheme will be invested in Equity and Equity related instruments, and other instruments as may be permitted by SEBI from time to time, which will include but not limited to:

1. Equity and Equity related instruments include (but not limited to) convertible debentures, equity warrants, convertible preference shares, units of Real Estate Investment Trust (REITs), equity derivatives and such other instruments as may be specified by SEBI from time to time.
2. Debt and Money Market Instruments*:
    a. Tri-party repo (TREPS)
    b. Certificate of Deposit (CD) of scheduled commercial banks and development financial Institutions
    c. Commercial Paper (CP)
    d. Treasury Bill (T-Bill)
    e. Repo
    f. Securities created and issued by the Central and State Governments
    g. Non-convertible debentures and bonds
    h. Floating rate debt instruments
    i. Investment in Short Term Deposits

**Debt and money market instruments include, but are not limited to Treasury Bills, Commercial Paper of Public Sector Undertakings, Tri-party repo, Certificates of Deposit of Scheduled Commercial Banks, Financial Institutions and Development Financial Institutions, Government securities with maturity upto 1 year and other such Debt and Money Market securities as may be permitted by SEBI / RBI from time to time and in the manner prescribed under the Regulations.*

Please refer to Section II in page no. 43 to 46 for more details on the above instruments.

C. WHAT ARE THE INVESTMENT STRATEGIES? (*Standard Observation. 26, 27 & 28*)

The Scheme will seek to generate income by identifying and investing in arbitrage opportunities arising from price differentials between the cash and derivatives segments of the equity markets, including opportunities across different derivative contracts and expiry periods of same stock. The arbitrage strategy typically involves simultaneous purchase of securities in the cash market and sale of corresponding futures in the derivatives market, with an intent to hold positions till expiry or roll over positions, where considered appropriate.

In the absence of adequate arbitrage opportunities, the Scheme may invest in debt and money market instruments, including cash and cash equivalents, in line with the asset allocation.

The Scheme will maintain a market-neutral approach and may also invest in other permitted instruments as per regulatory guidelines, with appropriate risk management practices.

A part of the funds may be invested in debt and money market instruments, to meet the liquidity requirements.

The Scheme may also invest in the schemes of Mutual Funds in terms of the prevailing SEBI (MF) Regulations.

Though every endeavour will be made to achieve the objective of the Scheme, the AMC/Sponsors/Trustee does not guarantee that the investment objective of the Scheme will be achieved. No guaranteed returns are being offered under the Scheme.

EQUITY INVESTMENT STRATEGY:

The Scheme will invest in equity and equity-related instruments with the objective of generating income and capital appreciation by primarily exploiting arbitrage opportunities in the cash and derivatives segments of the equity market, including opportunities within the derivatives segment. The strategy involves taking offsetting positions in equity and corresponding derivative instruments to capture price differentials, thereby maintaining a market-neutral portfolio.

Pending deployment in arbitrage opportunities or during periods when such opportunities are limited, the Scheme may temporarily invest in cash, cash equivalents, and other permitted instruments, including debt and money market securities.

However, there is no assurance that all such buying and selling activities would necessarily result in benefit for the Fund.

DEBT AND MONEY MARKET INVESTMENT STRATEGY: ***(Standard Observation. 13)***

A small portion of the net assets will be held as cash or will be invested in debt and money market instruments permitted by SEBI/RBI including TREPS or in alternative investment for the TREPS as may be provided by the RBI, to meet the liquidity requirements under the Scheme.

STRATEGIES FOR INVESTMENT IN DERIVATIVES:

The Scheme may take derivatives positions based on the opportunities available arising from price differentials between the cash and derivatives segments of the equity markets, including opportunities across different derivative contracts and expiry periods of same stock.

The Scheme intends to use derivatives mainly for the purpose of hedging and portfolio balancing. Losses may arise as a result of using derivatives, but these are likely to be compensated by the gains on the underlying cash instruments held by the Scheme. The Scheme will not assume any leveraged exposure to derivatives.

Derivatives can be traded over the exchange or can be structured between two counterparties.

PORTFOLIO TURNOVER:

Portfolio Turnover is a term used to measure the volume of trading that occurs in a Scheme's portfolio during a given time period. The scheme being an open-ended scheme, it is expected that there would be a number of subscriptions and redemptions on a daily basis. Hence, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. Generally, turnover will depend upon the extent of purchase and redemption of units and the need to rebalance the portfolio on account of change in the composition, if any. The Scheme has no specific target relating to portfolio turnover. The effect of higher portfolio turnover could be higher brokerage and transaction costs (if any).

D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE? ***(Standard Observation. 26)***

The Benchmark for the Scheme is Nifty 50 Arbitrage TRI (Total Returns Index).

<u>Justification for use of the benchmark:</u>

The above Index has been chosen as the benchmark since the index measures performance of portfolio involving investment in equity and equivalent short position equity futures, short-term debt market investments and cash.

The composition of the aforesaid benchmark is such that it is most suited for comparing performance of the scheme. The Trustees reserves the right to change the benchmark in future, if a benchmark better suited to the investment objective of the Scheme is available post prior intimation/ approval of SEBI.

E. WHO MANAGES THE SCHEME? *(Standard Observation. 33)*

The detail of the Fund Manager of the scheme is as follows:

Name and Age	Educational Qualification	Experience (in years)	Fund (s) Managed
Kedarnath Mirajkar 43 Years	PGDBM - Finance	20 years Zerodha AMC - From "June 2022" Till date Aditya Birla Sun Life AMC - April 2010 to June 2022 Fund Manager/ Dealer Passive - December 2020 to June 2022 Chief Manager - Risk Management November 2018 to December 2020 Trade Operations - April 2010 to Nov 2018 HDFC Bank (Custody Department) August 2007 to March 2010 Bombay Dyeing - September 2005 to August 2007	1. Zerodha Nifty LargeMidcap 250 Index Fund 2. Zerodha ELSS TaxSaver Nifty LargeMidcap 250 Index Fund 3. Zerodha Nifty 1D Rate Liquid ETF 4. Zerodha Nifty Midcap 150 ETF 5. Zerodha Nifty 100 ETF 6. Zerodha Gold ETF (Co-Fund Manager) 7. Zerodha Gold ETF FoF 8. Zerodha Silver ETF 9. Zerodha Overnight Fund 10. Zerodha Silver ETF FoF 11. Zerodha Multi Asset Passive FoF 12. Zerodha Nifty 8-13 Yr G-Sec ETF 13. Zerodha Nifty Smallcap 100 ETF 14. Zerodha Nifty 50 Index Fund 15. Zerodha Nifty 50 ETF 16. Zerodha BSE SENSEX Index Fund 17. Zerodha Nifty Short Duration G-Sec Index Fund 18. Zerodha Nifty MidSmallcap400 50:50 Index Fund

			19. Zerodha Nifty LargeMidcap250 Plus 8-13 yr G-Sec 70:30 Index Fund

F. HOW IS THE SCHEME DIFFERENT FROM EXISTING SCHEMES OF THE MUTUAL FUND?

Below is the list of all existing schemes of Zerodha Mutual Fund:

Scheme Name	Type of Scheme
Zerodha Nifty LargeMidcap 250 Index Fund	An open-ended scheme replicating/ tracking Nifty LargeMidcap 250 Index.
Zerodha ELSS Tax Saver Nifty LargeMidcap 250 Index Fund	An open-ended passive equity linked savings scheme with a statutory lock-in period of 3 years and tax benefit replicating/ tracking Nifty LargeMidcap 250 Index.
Zerodha Nifty 1D Rate Liquid ETF	An open-ended Exchange Traded Fund replicating/ tracking Nifty 1D Rate Index. A relatively low interest rate risk and relatively low credit risk.
Zerodha Gold ETF	An open-ended scheme replicating/tracking domestic price of Physical Gold.
Zerodha Nifty 100 ETF	An open-ended scheme replicating/tracking Nifty 100 TRI.
Zerodha Nifty Midcap 150 ETF	An open-ended scheme replicating/tracking Nifty Midcap 150 TRI.
Zerodha Gold ETF FoF	An open ended fund of fund scheme investing in units of Gold ETF.
Zerodha Silver ETF	An open ended Exchange Traded Fund replicating/ tracking domestic prices of physical Silver.
Zerodha Overnight Fund	An open ended debt scheme investing in overnight securities. A Relatively Low Interest Rate Risk and Relatively Low Credit Risk.
Zerodha Silver ETF FoF	An open ended fund of fund scheme investing in units of Zerodha Silver ETF.
Zerodha Multi Asset Passive FoF	An open ended fund of fund scheme investing in units of Equity, Debt Index Funds/ ETFs and Commodity ETFs.
Zerodha Nifty 8-13 Yr G Sec ETF	An open-ended scheme replicating/tracking the

	Nifty 8-13 Yr G-Sec Index. A Relatively High Interest Rate Risk and Relatively Low Credit Risk.
Zerodha Nifty Smallcap 100 ETF	An open-ended scheme replicating/tracking Nifty Smallcap 100 TRI.
Zerodha Nifty 50 Index Fund	An open-ended scheme replicating/ tracking Nifty 50 Index - TRI
Zerodha Nifty 50 ETF	An open-ended scheme replicating/ tracking Nifty 50 Index - TRI
Zerodha BSE SENSEX Index Fund	An open-ended scheme replicating/tracking BSE Sensex Index
Zerodha Nifty Short Duration G-Sec Index Fund	An open-ended scheme replicating/tracking the Nifty Short Duration G-Sec Index. A Moderate Interest Rate Risk and Relatively Low Credit Risk
Zerodha Nifty MidSmallcap400 50:50 Index Fund	An open-ended scheme replicating/ tracking Nifty MidSmallcap400 50:50 Index - TRI
Zerodha Nifty LargeMidcap250 Plus 8-13 yr G-Sec 70:30 Index Fund	An open-ended scheme replicating/tracking Nifty LargeMidcap250 Plus 8-13 yr G-Sec 70:30 Index - TRI

The detailed comparison of the above mentioned existing schemes is disclosed on the website of the AMC viz. https://www.zerodhafundhouse.com/resources/disclosures/.

G. HOW HAS THE SCHEME PERFORMED? *(Standard Observation. 26)*

This is a new scheme and does not have any performance track record.

H. ADDITIONAL SCHEMES RELATED DISCLOSURES

I. **Scheme Portfolio Holdings: *(Standard Observation. 26)***

Please visit the AMC/MF website viz.www.zerodhafundhouse.com/resources/disclosures for Top 10 holdings by issuer and the portfolio holdings statements of the scheme.

ii. **Disclosure of name and exposure to Top 7 issuers, stocks, groups and sectors:**

The Mutual Fund / AMC will disclose the details of name and exposure of Top 7 Issuers on its website viz. - **Not Applicable.**

iii. **Functional website link for Portfolio Disclosure - Monthly/ Half Yearly:**

The Mutual Fund / AMC will disclose the portfolio (along with ISIN and other prescribed/ required details) of the Scheme in the prescribed format, monthly and on a half yearly basis on its website viz. www.zerodhafundhouse.com/resources/disclosures.

iv. **Portfolio Turnover Ratio**

The Scheme will endeavor to keep the portfolio turnover at a minimum. However, the portfolio turnover ratio may vary as the Scheme may change the portfolio according to Asset Allocation to align itself with the objectives of the Scheme. The effect of higher portfolio turnover could be higher brokerage and transaction costs.

Portfolio Turnover Ratio can be accessed from the website of the AMC viz. www.zerodhafundhouse.com/resources/disclosures.

v. **Aggregate investment in the Scheme by Concerned Fund Manager(s)**:

As the scheme is a new scheme, this disclosure requirement is not applicable.

For any other disclosure w.r.t investments by key personnel and AMC directors including regulatory provisions in this regard, kindly refer to SAI.

vi. **Investments of AMC in the Scheme** ***(Standard Observation. 58)***

In terms of sub-regulation 16(A) in Regulation 22 of SEBI (MF) Regulations, 2026 read along with SEBI circular no. SEBI/ HO/IMD/IMD - IDOF5/P/CIR/2021/624 dated September 02, 2021 and AMFI Best Practice Guidelines Circular No.100 /2022 - 23 on 'Alignment of interest of AMCs with the Unitholders of the Mutual Fund schemes', the AMC shall invest such amounts in such schemes of the mutual fund, based on the risks associated with the schemes, as may be specified by the SEBI from time to time.

In line with SEBI Regulations and circulars issued by SEBI from time to time, the AMC may invest its own funds in the scheme(s). Further, the AMC shall not charge any fees on its investment in the Scheme (s), unless allowed to do so under SEBI Regulations in the future.

III. OTHER DETAILS

A. COMPUTATION OF NAV ***(Standard Observation. 42)***

The Net Asset Value (NAV) per Unit of the Scheme will be computed by dividing the net assets of the Scheme by the number of Units outstanding under the Scheme on the valuation date. The Mutual Fund will value its investments according to the valuation norms, as specified in Schedule VIII of the SEBI (MF) Regulations, or such norms as may be specified by SEBI from time to time.

In case of any conflict between the Principles of Fair Valuation and valuation guidelines specified by SEBI, the Principles of Fair Valuation shall prevail.

NAV of Units of under the Scheme shall be calculated as shown below:

NAV (₹) per Unit =

<u>Market or Fair Value of the Scheme's Investments + Current Assets - Current Liabilities and Provisions</u>
No. of Units outstanding under each Scheme

The NAV of the Scheme will be calculated and disclosed at the close of every Business Day.

The NAV of the Scheme will be calculated up to 4 decimal places.

Methodology for calculation of sale and repurchase price.

Pursuant to SEBI circular no. *SEBI/HO/IMD/DF2/CIR/P/2018/92* dated June 05, 2018 on "Go Green Initiative in Mutual Funds", the methodology of calculating the sale and repurchase price of units is explained with an illustration below:

A) Sale Price:

The Sale Price for a valid purchase will be the Applicable NAV of the respective Scheme i.e. Sale Price = Applicable NAV.

For a valid purchase request of ₹ 10,000, where the applicable NAV is ₹ 10, the units will be allotted as below:

Purchase Amount - ₹ 10,000 Applicable NAV - ₹ 10 **No. of Units - 1,000 Units** (*Purchase Amount/Applicable NAV*)

Please note that the entry load has been abolished with effect from August 01, 2009 vide SEBI Circular no.SEBI/IMD/CIR No. 4/ 168230/09 dated August 01, 2009. Hence, Sale price is equal to the applicable NAV.

B) Repurchase Price:

The Repurchase Price for a valid repurchase will be the applicable NAV reduced by any exit load (say 1%, if redeemed before completion of 1 year). i.e. applicable NAV - (applicable NAV X applicable exit load)

For a valid repurchase request where the applicable NAV is ₹ 10, the repurchase price will be as follows :

Applicable NAV - ₹ 10 Exit Load - 1% = 10 - (10 X 1%) = 10 - (0.1) **= ₹ 9.9**

Therefore, for the repurchase for 1,000 units, the Investor will receive the proceeds as given below:

No. Of Units - 1,000 Repurchase Price = ₹9.9 =1000 X 9.9 **= ₹ 9,900**

Note: Transaction charges and other charges/expenses, if any, borne by the investors have not been considered in the above illustration(s).

The Mutual Fund will ensure that the Redemption Price will not be lower than 97% of the Applicable NAV provided that the difference between the Redemption Price and the Subscription /Purchase Price at any point in time shall not exceed the permitted limit as prescribed by SEBI from time to time, which is currently 3% calculated on the Subscription/ Purchase Price. The Purchase Price shall be at applicable NAV. ***(Standard Observation. 47)***

For other details such as policies w.r.t computation of NAV, rounding off, investment in foreign securities, procedure in case of delay in disclosure of NAV etc. kindly refer to SAI.

B. NEW FUND OFFER (NFO) EXPENSES

These expenses are incurred for the purpose of various activities related to the NFO like marketing and advertising, Brokerage, registrar expenses, printing and stationery, bank charges etc.

The New Fund Offer expenses of the scheme will be borne by the AMC.

C. ANNUAL SCHEME RECURRING EXPENSES

These are the fees and expenses incurred for the Scheme. These expenses include but are not limited to Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs, listing fee, etc.

The AMC has estimated that the following expenses will be charged to the Scheme as permitted under Regulation 66 and Regulation 67 of SEBI (MF) Regulations. For the actual current expenses being charged, the investor should refer to the website of the Mutual Fund viz. www.zerodhafundhouse.com

Expense Head	% of daily net assets (estimated) (p.a.)
Investment Management and Advisory Fees	**Upto 2.10%**
Trustee Fees and Expenses[1]	
Audit Fees and Expenses	
Custodian Fees and Expenses	
RTA Fees and Expenses	
Marketing and Selling Expenses	
Cost related to Investor Communication	
Cost of fund transfer from one location to another	
Cost of providing account statements	
Cost of Statutory Advertisements	
Cost towards investor education and awareness[2]	
Brokerage and Transaction cost over and above 0.06% and 0.02% on value of trades for cash and derivative market trades only	
Other Expenses	
Maximum Base Expense Ratio (BER) permissible under Regulation 66 (7)[4]	
Statutory levies (including GST) on expenses other than Investment Management and Advisory Fees[3]	As per Prevailing rates and actual rates
Statutory levies (including GST) on Investment Management and Advisory Fees[3]	
Statutory levies (including GST) on brokerage and transaction cost[3]	

Recurring expenses (BER) under Regulation 66(7)(c):

On the first Rs. 500 crores of the daily net assets — 2.10% p.a.

On the next Rs. 250 crores of the daily net assets — 1.90% p.a.

On the next Rs. 1,250 crores of the daily net assets — 1.60% p.a.

On the next Rs. 3,000 crores of the daily net assets — 1.50% p.a.

On the next Rs. 5,000 crores of the daily net assets — 1.40% p.a.

On the next Rs. 40,000 crores of the daily net assets — Base expense ratio reduction of 0.05% for every increase of Rs. 5,000 crores of daily net assets or part thereof.

On balance of the assets — 0.95% p.a.

The base expense ratio of the scheme shall be the sum of expenses mentioned at regulation 66(4), 66(5) and 66 (6) but excluding statutory levy applicable, if any, on the said expenses and transaction cost^ specified under regulation 66(10).

^Transaction cost incurred for the purpose of execution of a trade shall mean regulatory levies and any other expenses charged by the stock exchanges, clearing corporation, and clearing house, as applicable. Such transaction costs shall not form part of the base expense ratio.

Total Expense Ratio (TER)

The total of all expenses charged to the investors of the Scheme, as mentioned under the definition of 'Total Expense Ratio' under the SEBI (Mutual Funds) Regulations, 2026, shall comprise: (a) expenses charged within the Base Expense Ratio (BER) limit specified under Regulation 66(7); (b) brokerage and transaction costs permitted under Regulation 66(9); (c) transaction costs incurred for the purpose of execution of trade as referred to under Regulation 66(10); and (d) statutory levies charged to the investors.

[1] Trustee Fees and Expenses

In accordance with the Trust Deed constituting the Mutual Fund, the Trustee is entitled to receive, in addition to the reimbursement of all costs, charges, and expenses, a fee of upto INR 15,00,000 per quarter (aggregate across all schemes), to be allocated to individual schemes in proportion to their average AUM for the preceding quarter.

[2] Investor Education and Awareness initiatives ***(Standard Observation. 43)***

As per para 11.9 of Master Circular, the AMC shall annually set apart at least 2 basis points p.a. (i.e. 0.02% p.a.) on daily net assets of the Scheme within the limits of base expense ratio limit prescribed under Regulation 66 of SEBI (MF) Regulations for investor education and awareness initiatives undertaken

[3] Refer Point (3) below on GST on various expenses.

[4] The expenses towards Investment Management and Advisory Fees under Regulation 66 (4) and the various sub-heads of recurring expenses mentioned under Regulation 66 (5) of SEBI (MF) Regulations are fungible in nature. Thus, there shall be no internal sub-limits within the expense ratio for expense heads mentioned under Regulation 66 (4) and (5) respectively.

The purpose of the above table is to assist the Investor in understanding the various costs and expenses that an Investor in the Plan(s) under the Scheme will bear directly or indirectly. The figures in the table above are estimates. The actual expenses that can be charged to the Scheme will be subject to limits prescribed from time to time under the SEBI (MF) Regulations.

GST

GST shall be charged as follows: -

a. GST on investment management and advisory fees shall be charged to the Scheme in addition to the maximum limit of TER as prescribed in Regulation 66 (7) of the SEBI (MF) Regulations.
b. GST on other than investment management and advisory fees, if any, shall be charged to the Scheme in addition to the maximum limit of BER as prescribed in Regulation 66 (7) of the SEBI (MF) Regulations.

Such expenses include, by way of illustration and without limitation: (a) Trusteeship fees; (b) Custodian fees; and (c) Index / benchmark licensing fees etc.

c. GST on brokerage and transaction cost paid for execution of trade, if any, shall be charged to the Scheme in addition to the maximum limit of BER as prescribed under Regulation 66 of the SEBI (MF) Regulations.

The base expense ratio (excluding statutory expenses such as GST) of the Scheme including the Investment Management and Advisory Fee shall not exceed the limits stated in Regulation 66 of the SEBI (MF) Regulations.

The mutual fund would update the current expense ratios on the website (www.zerodhafundhouse.com) at least three working days prior to the effective date of the change and update the TER under the Section titled "Statutory Disclosures" under the sub-section titled "Total Expense Ratio of Mutual Funds".

Illustration: Impact of Expense Ratio on Scheme's return *(Standard Observation. 44)*

Expense ratio, normally expressed as a percentage of Average Assets under Management, is calculated by dividing the permissible expenses under the Regulations by the average net assets.

To further illustrate the above, for the Scheme under reference, suppose an Investor invested ₹ 10,000/- (after deduction of stamp duty) under the Direct Plan, the impact of 1% expenses charged will be as under:

Particulars	Direct Plan
Amount invested at the beginning of the year (Rs.)	10,000
Returns before expenses (Rs.)	1,500
Expenses (Rs.)	115
Returns after expenses at the end of the year (Rs.)	1,385
Returns (per annum in %)	13.85%

Note(s):

- *The purpose of the above illustration is to purely explain the impact of expense ratio charged to the Plan(s) under the Scheme and should not be construed as providing any kind of investment advice or guarantee of returns on investments.*
- *It is assumed that the expenses charged are evenly distributed throughout the year.*
- *Calculations are based on assumed NAVs, and actual returns on your investment may be more, or less.*
- *Any tax impact has not been considered in the above example, in view of the individual nature of the tax implications. Each investor is advised to seek appropriate advice.*

All scheme related expenses including commission paid to distributors, by whatever name it may be called and in whatever manner it may be paid, shall necessarily paid from the scheme only within the regulatory limits and not from the books of AMC, its associate, sponsor, trustees or any other entity through any route in terms of SEBI Master Circular for Mutual Funds, dated March 20, 2026, subject to the clarifications provided by SEBI to AMFI vide letter dated February 21, 2019 on implementation of SEBI Circular dated October 22, 2018 on Total Expense Ratio (TER) and performance disclosure for Mutual Fund.

D. LOAD STRUCTURE ***(Standard Observation. 47)***

Exit Load is an amount which is paid by the investor to redeem the units from the scheme. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of the AMC (www.zerodhafundhouse.com).

Details of Load Structure:

Type of Load	Load Chargeable (% of NAV)
Exit / Redemption Load	(i) For redemptions / switch outs within 30 days from the date of allotment - 0.25% of the applicable NAV. (i) For redemptions / switch outs after 30 days from the date of allotment - Nil.

The Trustee / AMC reserves the right to modify / change the Load structure if it so deems fit in the interest of smooth and efficient functioning of the Mutual Fund.

- The exit load shall be computed based on the date of allotment of units for each purchase transaction, including each installment of a Systematic Investment Plan (SIP) or Systematic Transfer Plan (STP), treated independently.
- In case of switch transactions, the exit load applicable to the Scheme from which the switch is made shall apply.
- The exit load, net of Goods and Services Tax (GST) as applicable, shall be credited back to the Scheme.
- For the purpose of charging Exit Load, the units would be considered on First In First Out (FIFO) basis.
- AMC shall not charge any load on issue of bonus units and units allotted on reinvestment of dividend (if applicable) for existing as well as prospective investors and any imposition or enhancement of Exit Load in the load shall be applicable on prospective investments only.

Any imposition or enhancement of Exit Load in the load shall be applicable on prospective investments only. At the time of changing the load structure the AMC / Mutual Fund may adopt the following procedure:

(i) The addendum detailing the changes will be attached to Scheme Information Document and Key Information Memorandum and displayed on our website www.zerodhafundhouse.com.

(ii) The introduction of the Load along with the details will be mentioned in the acknowledgement issued to the investors on submission of the application and will also be disclosed in the Account Statement or in the covering letter issued to the Unit holders after the introduction of such Load.

(iii) 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 the region where the Head Office of the Mutual Fund is situated. Any other measures which the mutual fund may feel necessary.

(iv) Any other measures which the mutual fund may feel necessary.

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SECTION - II

I. Introduction

A. Definitions/Interpretations

In this Scheme Information Document, the words and expressions shall have the meaning specified in the following link, unless the context otherwise requires.

https://www.zerodhafundhouse.com/resources/disclosures/

B. Risk Factors *(Standard Observation. 8)*

Standard Risk Factors

- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- 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 depending on the various factors and forces affecting the capital markets and money markets.
- Past performance of the Sponsors and their affiliates / AMC / Mutual Fund does not guarantee future performance of the Scheme of the Mutual Fund.
- The name of the Scheme does not in any manner indicate either the quality of the Scheme or its future prospects and returns.
- The Sponsors are not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of ₹1 lakh each made by them towards setting up the Fund.
- The present Scheme is not a guaranteed or assured return Scheme.

Scheme Specific Risk Factors

The Scheme is subject to the specific risks that may adversely affect the Scheme's NAV, return and / or ability to meet its investment objective. The specific risk factors related to the Scheme include, but are not limited to the following:

Risks associated with Equity and Equity Related Instruments:

Equity and equity related instruments by nature are volatile and prone to price fluctuations on a daily basis due to macro and micro economic factors. The value of Equity and Equity Related Instruments may fluctuate due to factors affecting the securities markets such as price volatility, volumes traded, interest rates, currency exchange rates, changes in law/policies of the Government, taxation laws, political, economic or other developments, which may have an adverse impact on individual securities, a specific sector or all sectors. Consequently, the NAV of the Units issued under the Scheme may be adversely affected.

Equity and Equity related instruments listed on the stock exchange carry lower liquidity risk; however the Scheme's ability to sell these investments is limited by the overall trading volume on the stock exchanges. In certain cases, settlement periods may be extended significantly by unforeseen circumstances. The inability of the Scheme to make intended securities purchases due to settlement problems could cause the Scheme to miss certain investment opportunities. Similarly, the inability to sell securities held in the Scheme's portfolio may result, at times, in potential losses to the Scheme, if there is a subsequent decline in the value of securities held in the Scheme's portfolio.

Investments in equity and equity related instruments involve a degree of risk and investors should not invest in the Scheme unless they can afford to take the risk of losing their investment.

Risks associated with Debt and Money Market Instruments or Fixed Income Securities

Debt and Money Market Instruments or Fixed Income Securities are subject to the risk of an issuer's inability to meet interest and principal payments on its obligations and market perception of the creditworthiness of the issuer.

Credit Risk: This is the risk associated with the issuer of a debenture/bond or a Money Market Instrument defaulting on coupon payments or in paying back the principal amount on maturity. Even when there is no default, the price of a security may change with expected changes in the credit rating of the issuer. It is to be noted here that a Government Security is a sovereign security and is the safest. Corporate bonds carry a higher amount of credit risk than Government Securities. Within corporate bonds also there are different levels of safety and a bond rated higher by a particular rating agency is safer than a bond rated lower by the same rating agency.

Interest-Rate Risk: Fixed income securities such as government bonds, corporate bonds and Money Market Instruments run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing fixed income securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices depends upon the coupon and maturity of the security. It also depends upon the yield level at which the security is being traded.

Liquidity Risk: The Indian debt market is such that a large percentage of the total traded volumes on particular days might be concentrated in a few securities. Traded volumes for particular securities differ significantly on a daily basis. Consequently, the scheme might have to incur a significant "impact cost" while transacting large volumes in a particular security.

Reinvestment Risk: Investments in fixed income securities carry reinvestment risk as interest rates prevailing on the coupon payment or maturity dates may differ from the original coupon of the bond.

Basis Risk: The underlying benchmark of a floating rate security or a swap might become less active or may cease to exist and thus may not be able to capture the exact interest rate movements. This may result in loss of value of the portfolio.

Spread Risk: In a floating rate security the coupon is expressed in terms of a spread or mark up over the benchmark rate. During the tenure of the security this spread may move adversely or favourably leading to fluctuations in value of the portfolio. The yield of the underlying benchmark might not change, but the spread of the security over the underlying benchmark might increase leading to loss in value of the security.

Risk of Rating Migration: It may be noted that the price of a rated security would be impacted with the change in rating and hence, there is risk associated with such migration.

Counterparty and Settlement Risk: Corporate Bond Repo will be settled between two counterparties in the OTC segment unlike in the case of TREPS transactions where CCIL stands as central counterparty on all transactions (no settlement risk).Settlement risk in reverse repo will be mitigated by requiring the counterparty (entity borrowing funds from the Mutual Fund) to deliver the defined collateral in the account of the MF before the cash is lent to the counterparty. Further, the Mutual Fund will also have a limited universe of counterparties, but not limited to, comprising Scheduled Commercial Banks, Primary Dealers, Mutual Funds and National Financial Institutions.

Legislative 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.

Risk factors associated with processing of transactions through Stock Exchange Mechanism

The trading mechanism introduced by the Stock Exchange(s) is configured to accept and process transactions for mutual fund Units in both Physical and Demat Form. The allotment and/or redemption of Units through NSE and/or BSE or any other authorised Stock Exchange(s), on any Business Day will depend upon the modalities of processing viz. collection of application form, order processing /settlement, etc. upon which the Fund has no control. Moreover, transactions conducted through the Stock Exchange mechanism shall be governed by the operating guidelines and directives issued by respective recognized Stock Exchange(s). Accordingly, there could be negative impacts to the investors such as delay or failure in allotment / redemption of units. The Fund and the AMC are not responsible for the negative impacts.

Risk associated with Securities Lending

Securities Lending is a lending of securities through an approved intermediary to a borrower under an agreement for a specified period with the condition that the borrower will return equivalent securities of the same type or class at the end of the specified period along with the corporate benefits accruing on the securities borrowed. There are risks inherent in securities lending, including the risk of failure of the other party, in this case the approved intermediary to comply with the terms of the agreement. Such failure can result in a possible loss of rights to the collateral, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of corporate benefits accruing thereon.

The AMC shall adhere to the following limits should it engage in Stock Lending:

1. Not more than 20% of the net assets of a Scheme can generally be deployed in Stock Lending.
2. Not more than 5% of the net assets of a Scheme can generally be deployed in Stock Lending to any single approved intermediary / counterparty.

Risks associated with segregated portfolio:

The unit holders may note that no redemption and subscription shall be allowed in the segregated portfolio. However, in order to facilitate exit to unit holders in the segregated portfolio, the AMC shall enable listing of units of segregated portfolio on the recognized stock exchange.

The risks associated in regard to the segregated portfolio are as follows:

- The investors holding units of the segregated portfolio may not be able to liquidate their holdings till the time of recovery of money from the issuer.
- The security comprising the segregated portfolio may not realize any value.
- Listing units of the segregated portfolio on a recognized stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units of the segregated portfolio on the stock exchange.
- The trading price of units on the stock exchange may be significantly lower than the prevailing Net Asset Value (NAV) of the segregated portfolio.

Risk associated with Equity Derivatives

Derivative products are leveraged instruments and can 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 or 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.

Trading in derivatives has the following risks:

1. An exposure to derivatives in excess of the hedging requirements can lead to losses.
2. An exposure to derivatives, when used for hedging purpose, can also limit the profits from a genuine investment transaction.
3. Derivatives carry the risk of adverse changes in the market price.
4. Illiquidity Risk i.e., risk that a derivative trade may not be executed or reversed quickly enough at a fair price, due to lack of liquidity in the market.

The Fund may use derivatives instruments like equity futures & options, or other derivative instruments as permitted under the Regulations and Guidelines. Usage of derivatives will expose the Scheme to liquidity risk, open position risk, and opportunities risk etc. Such risks include the risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. In case of the derivative strategies, it may not be possible to square off the cash position against the corresponding derivative position at the exact closing price available in the Value Weighted Average Period.

Numerical Example:

The following illustrative examples are provided to help investors understand the risks arising from the use of derivative instruments by the Scheme. These examples are hypothetical and for illustrative purposes only; actual outcomes will vary based on market conditions and portfolio composition at any given time.

Example 1: Risk Associated with Equity Derivatives

Assume the Scheme's equity portfolio is Rs. 80 crore and the Scheme receives a fresh inflow of Rs. 10 crore pending deployment into equities. The Fund Manager buys Nifty 50 index futures worth Rs. 10

crore to gain immediate market exposure pending direct equity investment. The following scenarios illustrate the impact of equity futures on portfolio returns:

Scenario	Equity Portfolio(Rs. Crore)	Futures Position(Rs. Crore)	Market Move	Equity Gain/ (Loss)(Rs. Crore)	Futures Gain/ (Loss)(Rs. Crore)	Net Portfolio Gain/ (Loss)(Rs. Crore)
No derivatives,Market rises	80	Nil	+10%	+8.00	Nil	+8.00
With long futures,Market rises	80	+10 (Long)	+10%	+8.00	+1.00	+9.00
No derivatives,Market falls	80	Nil	−10%	(8.00)	Nil	(8.00)
With long futures,Market falls	80	+10 (Long)	−10%	(8.00)	(1.00)	(9.00)

Assumptions: Equity portfolio = Rs. 80 crore; Futures long position = Rs. 10 crore (notional); Market move applied uniformly to both equity portfolio and futures position. The above is a simplified illustration; actual futures P&L will depend on contract price, lot size, margin requirements and settlement price on NSE/BSE.

As the above illustration shows, equity derivatives amplify both gains and losses relative to holding only the underlying equity portfolio. When the market rises, the futures position generates an additional gain; however, when the market falls, the futures position magnifies the loss. This risk is inherent in the leveraged nature of derivative instruments.

Risk associated with Debt Derivatives ***(Standard Observation. 28)***

The Scheme may invest in debt derivative instruments as may be allowed under the SEBI (Mutual Funds) Regulations, 2026 and applicable SEBI guidelines from time to time. These instruments may be used for hedging interest rate risk or managing portfolio duration, and may also be used for non-hedging purposes within the limits prescribed under the applicable SEBI Master Circular for Mutual Funds dated March 20, 2026.

The risks associated with the use of debt derivatives are different from or possibly greater than the risks associated with investing directly in debt and money market instruments. Key risks include:

(i) Basis Risk — the underlying benchmark of a swap or floating rate instrument, such as MIBOR or T-Bill rates, may become less active or cease to accurately reflect prevailing market interest rate movements, resulting in an imperfect hedge and potential loss of portfolio value;

(ii) Counterparty Risk — debt derivatives such as IRS and FRAs are predominantly over-the-counter (OTC) instruments in India and do not carry a central counterparty guarantee, exposing the Scheme to the credit risk of the counterparty to the transaction;
(iii) Interest Rate Risk — adverse movements in interest rates may result in mark-to-market losses on derivative positions held by the Scheme; and
(iv) Valuation Risk — the valuation of OTC debt derivatives may be based on pricing models or indicative market quotes that may not always reflect the realisable value of the instrument. An exposure to debt derivatives in excess of hedging requirements can lead to losses, and where used for hedging, may limit the upside from the underlying debt portfolio.

Numerical Example:

The following illustrative examples are provided to help investors understand the risks arising from the use of derivative instruments by the Scheme. These examples are hypothetical and for illustrative purposes only; actual outcomes will vary based on market conditions and portfolio composition at any given time.

Assume the Scheme holds Rs. 50 crore in fixed rate bonds with an average modified duration of 5 years and enters into an IRS on a notional of Rs. 25 crore (hedging 50% of the portfolio), paying a fixed rate of 8% per annum and receiving 6-month MIBOR. The following scenarios illustrate the impact of a 100 basis point (1%) change in interest rates:

Scenario	Fixed Rate Bond Portfolio(Rs. Crore)	IRS Notional(Rs. Crore)	Rate Change(bps)	Bond MTM Gain/(Loss)(Rs. Crore)	IRS Gain/(Loss)(Rs. Crore)	Net Impact(Rs. Crore)
No IRS hedge,Rates rise 100 bps	50	Nil	+100 bps	(2.50)	Nil	(2.50)
With IRS hedge,Rates rise 100 bps	50	25(pay fixed,receive floating)	+100 bps	(2.50)	+1.25	(1.25)
No IRS hedge,Rates fall 100 bps	50	Nil	−100 bps	+2.50	Nil	+2.50
With IRS hedge,Rates fall 100 bps	50	25(pay fixed,receive floating)	−100 bps	+2.50	(1.25)	+1.25

Assumptions: Debt portfolio = Rs. 50 crore; Average modified duration = 5 years; IRS notional = Rs. 25 crore (partial hedge); Bond MTM Gain/(Loss) = Modified Duration × Rate Change × Portfolio Value; IRS Gain/(Loss) = Modified Duration × Rate Change × IRS Notional (with sign reversed for pay-fixed/receive-floating structure). The above is a simplified illustration; actual IRS P&L will depend on MIBOR levels, counterparty terms, accrued interest and AMFI/SEBI prescribed valuation norms.

As illustrated above, the IRS hedge reduces the portfolio's sensitivity to adverse interest rate movements (rising rates), thereby limiting mark-to-market losses on the bond portfolio. However, in a scenario where interest rates fall (favourable for bond prices), the IRS position generates a loss that offsets a portion of the bond portfolio's mark-to-market gain. This demonstrates that derivative hedging, while reducing downside risk, also limits upside participation — a trade-off inherent in the use of hedging instruments. Additionally, in case the IRS hedge is imperfect (i.e., the underlying benchmark, such as MIBOR, does not move in line with the portfolio's interest rate exposure), the hedge may not fully offset the bond portfolio's gains or losses, resulting in residual basis risk

Risk associated for investments in Mutual Fund Schemes

1. Movements in the Net Asset Value (NAV) of these Schemes may impact the performance. Any change in the investment policies or fundamental attributes of these Schemes will affect the performance of the Scheme to the extent of investment in such schemes.
2. Redemptions by in these Schemes would be subject to applicable exit loads.

C. Risk Mitigation Strategies ***(Standard Observation. 9)***

Investments in equity, debt and money market securities carry various risks such as but not limited to the ones mentioned above. While such risks cannot be eliminated, they may be mitigated by diversification. In order to mitigate the various risks, the portfolio of the Scheme will be constructed in accordance with the investment restriction specified under the Regulations which would help in mitigating certain risks relating to investments in the securities market.

The AMC incorporates necessary framework in place for risk mitigation at an enterprise level, and scheme level in accordance with the Risk Management Framework prescribed by the SEBI. The Risk Management division of the AMC is an independent division within the organisation. Internal risk thresholds are defined and judiciously monitored. Risk indicators on various parameters are computed and are monitored on a regular basis. The Risk Management Committee of the Board enables a dedicated focus on risk factors and the relevant risk mitigants from time to time.

Equity Investments

Risk & Description	Risk mitigants / management strategy
Market Risk: The Scheme is vulnerable to movements in the prices of securities invested by the Scheme, which could have a material bearing on the overall returns from the Scheme.	Market risk is a risk which is inherent to an equity scheme. The Schemes may use derivatives to limit this risk.
Liquidity risk: The liquidity of the Scheme's investments is inherently restricted by	As such the liquidity of securities that the scheme invests into could be relatively low. The Scheme will try to maintain a proper asset-liability match to ensure redemption payments are made on

the trading volumes in the securities in which the scheme invests as per the Underlying Index.	time.
Volatility risk: The equity markets and derivative markets are volatile and the value of securities, derivative contracts and other instruments correlated with the equity markets may fluctuate dramatically from day to day. This volatility may cause the value of investment in the Scheme to decrease.	There is the risk of volatility in markets due to external factors like liquidity flows, changes in the business environment, economic policy etc. The scheme will manage volatility risk through diversification. The volatility of the debt & money market portion of the portfolio will be controlled by diversification.
Derivative risk: As and when the Scheme trades in the derivatives market there are risk factors and issues concerning the use of derivatives since derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bond.	The investment managers will invest only in exchange traded derivatives and the investment shall be in line with guidelines and regulatory limits as specified by regulators & scheme documents. No investment will be made in OTC derivative contracts for equity derivatives.
Concentration risk: The risk of the scheme investing heavily in a particular sector, asset class, or a small number of companies. If that specific area underperforms, the fund's value can suffer disproportionately.	The Scheme will try and mitigate this risk by investing across large number of companies/sectors and endeavor to keep stock-specific concentration risk relatively low. The concentration of the debt & money market portion of the portfolio will be controlled by diversification.
Securities Lending: Securities Lending is a lending of securities through an approved intermediary to a borrower under an agreement for a specified period with the condition	All securities lending and borrowing transactions are carried out through the SLB platform of the recognized stock exchanges. The Scheme adheres to the limits prescribed by SEBI for securities lending.

that the borrower will return equivalent securities of the same type or class at the end of the specified period along with the corporate benefits accruing on the securities borrowed.	
Segregated portfolio: The investors holding units of the segregated portfolio may not be able to liquidate their holdings till the time of recovery of money from the issuer. The security comprising the segregated portfolio may not realize any value.	In such an eventuality it will be AMC's endeavour to realise the segregated holding in the best interest of the investor at the earliest.
Processing of transactions through Stock Exchange Mechanism: transactions conducted through the Stock Exchange mechanism shall be governed by the operating guidelines and directives issued by respective recognized Stock Exchange(s). Accordingly, there could be negative impacts to the investors such as delay or failure in allotment / redemption of units.	The AMC has established appropriate internal controls, monitoring mechanisms, and reconciliation processes to manage risks associated with transactions processed through the Stock Exchange mechanism.

Debt Investments

Risk & Description	Risk mitigants / management strategy
Market Risk/Interest Rate Risk: As with all debt securities, changes in interest rates may affect the Scheme's Net Asset Value as the prices of securities generally increase as	In a rising interest rate scenario, the Scheme may increase its investment in money market securities whereas if the interest rates are expected to fall, the allocation to debt securities with longer maturity may be increased thereby mitigating risk to that extent.

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.	
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). 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.	Management's past track record will also be studied. In order to assess financial risk a detailed assessment of the issuer's financial statements will be undertaken to review its ability to undergo stress on cash flows and asset quality. A detailed evaluation of accounting policies, off-balance sheet exposures, notes, auditors' comments and disclosure standards will also be made to assess the overall financial risk of the potential borrower. In case of securitized debt instruments, the Scheme will ensure that these instruments are sufficiently backed by assets.
Liquidity risk: This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM)	The Scheme may invest in government securities, corporate bonds and money market instruments. While the liquidity risk for government securities, money market instruments and short maturity corporate bonds may be low, it may be high in case of medium to long maturity corporate bonds
Reinvestment risk: This risk refers to the interest rate levels at which cash flows received from the securities in the Schemes are reinvested. The risk is that the rate at which interim	Reinvestment risk will only apply to the small portion of the portfolio made up of coupon payments from debt instruments, thus limiting its overall impact.

cash flows can be reinvested may be lower than that originally assumed.	
Debt and Money Market instruments: Debt and Money Market Instruments or Fixed Income Securities are subject to the risk of an issuer's inability to meet interest and principal payments on its obligations and market perception of the creditworthiness of the issuer.	• Basis Risk: Securities invested in are fixed rate securities and hence basis risk does not apply. This risk is generally associated with floating rate securities and has a higher bearing on long-term securities. • Spread Risk: Securities invested in are fixed rate securities and hence spread risk does not apply. This risk is generally associated with floating rate securities and has a higher bearing on long-term securities. • Risk of Rating Migration: TREPS and Sovereign securities do not have rating and other eligible money market instruments and overnight funds the scheme have time to maturity lower than 91 days which results in a very low probability of rating migration. This risk is generally associated with long-term securities. • Counterparty and Settlement Risk: Settlement risk in reverse repo will be mitigated by requiring the counterparty (entity borrowing funds from the Mutual Fund) to deliver the defined collateral in the account of the MF before the cash is lent to the counterparty. • Legislative Risk: The Fund Manager maintains the flexibility to rebalance the portfolio in response to policy shifts (e.g., changes in sector-specific subsidies or import/export duties) to protect the scheme's capital and optimize returns.

Others

Risk & Description	Risk mitigants / management strategy
Risk factors associated for investments in Mutual Fund Schemes:	The AMC shall mitigate these risks by undertaking thorough due diligence and continuous monitoring of the underlying mutual fund schemes, ensuring alignment with the investment objective and asset allocation of the Scheme, and tracking any changes in investment policies or fundamental attributes.

II. Information about the Scheme

A. Where will the Scheme Invest *(Standard Observation. 29)*

The corpus of the Scheme shall be invested in accordance with the investment objective in any (but not exclusively) of the following securities, subject to the Regulations:

Equity and Equity related instruments:

Equity and Equity related instruments include (but not limited to) convertible debentures, equity warrants, convertible preference shares, units of Real Estate Investment Trust (REITs), equity derivatives and such other instruments as may be specified by SEBI from time to time.

Debt and Money Market Instruments:

Listed debt or money market securities, in accordance with sixth schedule to the SEBI (MF) Regulations, SEBI Master Circular for Mutual Funds, dated March 20, 2026 and other guidelines/ circulars as may be amended from time to time.

Tri-party repo (TREPS)
Tri-party repo means a repo contract where a third entity (apart from the borrower and lender), called a TriParty Agent, acts as an intermediary between the two parties to the repo to facilitate services like collateral selection, payment and settlement, custody and management during the life of the transaction. TREPS facilitates borrowing and lending of funds, in a Tri-Party Repo arrangement.

Certificate of Deposit (CD) of scheduled commercial banks and development financial Institutions
Certificate of Deposit (CD) is a negotiable money market instrument issued by scheduled commercial banks and select all-India Financial Institutions that have been permitted by the RBI to raise short term resources. The maturity period of CDs issued by the Banks is between 7 days to one year.

Commercial Paper (CP)
Commercial Paper (CP) is an unsecured negotiable money market instrument issued in the form of a promissory note, generally issued by the corporates, primary dealers and All India Financial Institutions as an alternative source of short-term borrowings. CP is traded in the secondary market and can be freely bought and sold before maturity.

Treasury Bill (T-Bill)
Treasury Bills (T-Bills) are issued by the Government of India to meet their short-term borrowing requirements. T-Bills are generally issued for maturities of 7 days, 14 days, 91 days, 182 days and 364 days.

Repo
Repo (Repurchase Agreement) or Reverse Repo is a transaction in which two parties agree to sell and purchase the same security with an agreement to purchase or sell the same security at a mutually decided future date and price. The transaction results in collateralized borrowing or lending of funds. Presently in India, G-Secs, State Government securities and T-Bills are eligible for Repo/Reverse Repo.

Securities created and issued by the Central and State Governments as may be permitted by RBI, securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills). State Government securities (popularly known as State Development Loans or SDLs) are issued by the respective State Government in coordination with the RBI.

Floating rate debt instruments

Floating rate debt instruments are instruments issued by Central / state governments, corporates, PSUs, etc. with interest rates that are reset periodically.

Investment in Short Term Deposits

Pending deployment of funds as per the investment objective of the Scheme, the Funds may be parked in short term deposits of the Scheduled Commercial Banks, subject to guidelines and limits specified by SEBI.

The securities / instruments mentioned above and such other securities the Scheme is permitted to invest in could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity.

The securities may be acquired through initial public offering (IPOs), secondary market, private placement, rights offers, negotiated deals. Further investments in debentures, bonds and other fixed income securities will be in instruments which have been assigned investment grade rating by the Credit Rating Agency.

Investment in unrated debt instruments shall be subject to complying with the provisions of the Regulations and within the limit as specified in Schedule VII to the Regulations. Pursuant to SEBI Circular No. MFD/CIR/9/120/2000 dated November 24, 2000; the AMC may constitute committee(s) to approve proposals for investments in unrated debt instruments. The AMC Board and the Trustee shall approve the detailed parameters for such investments. However, in case any unrated debt security does not fall under the parameters, the prior approval of the Board of AMC and Trustee shall be sought.

Investments in Debt and Money Market Instruments will be as per the limits specified in the asset allocation table(s) of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations from time to time.

For applicable regulatory investment limits please refer to below paragraph "What are the Investment Restrictions”.

Investment in Derivatives

The Scheme may take derivatives positions based on the opportunities available subject to the guidelines provided by SEBI from time to time and in line with the overall investment objective of the Scheme. Derivatives can be traded over the exchange or can be structured between two counterparties. Those transacted over the exchange are called Exchange Traded derivatives whereas the other category is referred to as OTC (Over the Counter) derivatives.

Pursuant to clause 7.5.1.2 of SEBI Master Circular dated March 20, 2026, the Mutual Fund Scheme(s) shall be treated as Trading Members at par with a registered FII in respect of position limits in index futures, index options, stock options and stock futures contracts.

The position limits for trading in derivatives by Mutual Funds specified by clause 7.5 of the Master Circular are as follows:

i. Position limit for Mutual Funds in index options contracts

a. The Mutual Fund position limit in all index options contracts on a particular underlying index shall be Rs. 250 crore or 15% of the total open interest of the market in index options, whichever is higher, per Stock Exchange.
b. This limit would be applicable on open positions in all options contracts on a particular underlying index.

ii. Position limit for Mutual Funds in index futures contracts

a. The Mutual Fund position limit in all index futures contracts on a particular underlying index shall be Rs. 250 crore or 15% of the total open interest of the market in index futures, whichever is higher, per Stock Exchange.
b. This limit would be applicable on open positions in all futures contracts on a particular underlying index.

iii. Additional position limit for hedging

In addition to the position limits at point (i) and (ii) above, Mutual Funds may take exposure in equity index derivatives subject to the following limits:

1. Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Mutual Fund's holding of stocks.
2. Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Mutual Fund's holding of cash, government securities, T-Bills and similar instruments.

iv. Position limit for Mutual Funds for stock based derivative contracts

The Mutual Fund position limit in a derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts, stand modified in the following manner:

1. For stocks in which the market wide position limit is less than or equal to Rs. 250 crore, the Mutual Fund position limit in such stock shall be 20% of the market wide position limit.
2. For stocks in which the market wide position limit is greater than Rs. 250 crore, the Mutual Fund position limit in such stock shall be Rs. 50 crore.

v. Position limit for each scheme of a Mutual Fund

The position limits for each scheme of mutual fund and disclosure requirements shall be identical to that prescribed for a sub-account of a FII. Therefore, the scheme-wise position limit / disclosure requirements shall be:

1. For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of a mutual fund shall not exceed the higher of:

- 1% of the free float market capitalisation (in terms of number of shares); or
- 5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).

2. These position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.

3. For index based contracts, Mutual Funds shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

For applicable regulatory investment limits please refer to below paragraph "What are the Investment Restrictions".

B. What are the investment restrictions?

As per the Regulations, specifically the Sixth schedule and amendments thereto, the following investment restrictions are currently applicable to the Scheme (all investment restrictions shall be applicable at the time of making investment):

- The Mutual Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities.

- The mutual fund shall get the securities purchased or transferred in the name of the mutual fund on account of the Scheme, wherever investments are intended to be of long-term nature.

- Save as otherwise expressly provided under SEBI (MF) Regulations, the Mutual Fund shall not advance any loans for any purpose or ten per cent of units of REITs issued by a single issuer, as the case may be.

- As per SEBI (MF) Regulations, the mutual fund under all its Scheme(s) will not own more than 10% of any company's paid-up capital carrying voting rights or ten per cent of units of REITs issued by a single issuer, as the case may be.

  Provided that the Sponsor of the Fund, its associate or group company including the asset management company of the Fund, through the Scheme(s) of the Fund or otherwise, individually or collectively, directly or indirectly, shall not have 10% or more of the share-holding or voting rights in the asset management company or the trustee company of any other mutual fund.

Provided further that in the event of a merger, acquisition, scheme of arrangement or any other arrangement involving the sponsors of the mutual funds, shareholders of the asset management companies or trustee companies, their associates or group companies which results in the incidental acquisition of shares, voting rights or representation on the board of the asset management companies or trustee companies beyond the above specified limit, such exposure may be rebalanced within a period of one year of coming into force of such an arrangement.

- The Scheme shall only invest in equity shares or equity related instruments which are listed or to be listed.

- The Scheme shall not make any investment in:
  - Any unlisted security of an associate or group company of the Sponsor; or
  - Any security issued by way of private placement by an associate or group company of the Sponsor; or
  - The listed securities of group companies of the Sponsor, which is in excess of 25% of the net assets of the Scheme of the Fund.
  - any Fund of funds Scheme.

- The cumulative gross exposure through all permissible investments viz. equity, debt and money market positions should not exceed 100% of the net assets of the Scheme.

- The Scheme shall not invest in unlisted debt instruments including commercial papers, except Government Securities and other money market instruments.

  A. Provided that the Scheme may invest in unlisted non-convertible debentures up to a maximum of 10% of the debt portfolio of the Scheme subject to such conditions as may be specified by SEBI from time to time.

  B. Provided further that the Scheme shall comply with the norms under the above clauses within the time and in the manner as may be specified by SEBI.

  C. Provided further that the norms for investments by the Scheme in unrated debt instruments shall be as specified by SEBI from time to time.

- Further, the Scheme shall comply with provisions of SEBI Master Circular for Mutual Funds, dated March 20, 2026 regarding investment in Debt and Money Market Instruments, as amended from time to time, to the extent applicable to the Scheme.

- The Scheme shall not invest more than 10% of its NAV in debt instruments comprising money market instruments and non-money market 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 12% of the NAV of the Scheme with the prior approval of the Boards of the Trustee Company and the AMC;

  Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and tri-party repos.

Provided further that investment within such limit can be made in mortgaged backed securitised debt which are rated not below investment grade by a credit rating agency registered with the Board. Considering the nature of the Scheme, investments in such instruments will be permitted up to 5% of its NAV.

- The Scheme shall invest in Debt instruments having Structured Obligations/ Credit Enhancements in accordance with provisions of SEBI Circular No. SEBI/HO/ IMD/DF2/CIR/P/ 2019/104 dated October 1, 2019 as may be amended by SEBI from time to time. The same are currently as under:

  The investment of the Scheme in the following instruments shall not exceed 10% of the debt portfolio of the Scheme and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the Scheme:

  a. Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade; and
  b. Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade.

  For this purpose, a group means a group as defined under regulation 2 (x)) of the Regulations and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates.

  However, the above Investment limits shall not be applicable on investments in securitized debt instruments, as defined in SEBI (Public Offer and Listing of Securitized Debt Instruments) Regulations 2008.

  Investment in debt instruments, having credit enhancements backed by equity shares directly or indirectly, shall have a minimum cover of 4 times considering the market value of such shares.

- Transfer of investments from one Scheme to another Scheme in the same mutual fund, shall be allowed only if:

  a) such transfers are made at the prevailing market price for quoted Securities on spot basis.
  Explanation: spot basis shall have the same meaning as specified by Stock exchange for spot transactions.

  Provided that inter scheme transfer of money market or debt security (irrespective of maturity) shall take place based on prices made available by valuation agencies as prescribed by SEBI from time to time.

  b) the securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfer has been made.

  c) inter Scheme Transfers are affected in accordance with the guidelines specified by SEBI circular No. SEBI/ HO/ IMD/DF4/CIR/P/2020/202 dated October 08, 2020 as amended from time to time. ***(Standard Observation. 30 & 59)***

- The Scheme may invest in other scheme(s) under the same AMC or any other mutual fund without charging any fees, provided that aggregate inter-scheme investment made by all Schemes under the same AMC or in Schemes under the management of any other asset management shall not exceed 5% of the net asset value of the Mutual Fund. Further, the Scheme shall not invest in any fund of funds scheme.

- Pending deployment of funds of the Scheme in securities in terms of the investment objectives of the Scheme, the Fund may invest the funds of the Scheme in short term deposits of scheduled commercial banks subject to the following guidelines as specified by SEBI:

    - "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.
    - Short Term deposits shall be held in the name of the Scheme.
    - Total investment of the Scheme in short term deposit(s) of all the Scheduled Commercial Banks put together shall not exceed 15% of the net assets. However, this limit can be raised up to 20% of the net assets with prior approval of the Board of Trustees.
    - Investments 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.
    - The Scheme shall not invest more than 10% of the net assets in short term deposit(s) of any one scheduled commercial bank including its subsidiaries.
    - The Scheme shall not invest in short term deposits of a bank which has invested in the Scheme. Trustees/ AMC shall also take steps to ensure that a bank in which the Scheme has short term deposit does not invest in the Scheme until the Scheme has short term deposit with such bank.
    - No investment management and advisory fees will be charged for such investments in the Scheme.
    - The aforesaid limits shall not be applicable to term deposits placed as margin for trading in the cash market.
    - However, the period for 'pending deployment' as stated above for the Scheme shall not exceed 7 days.

- No mutual fund scheme shall invest more than 10 per cent of its NAV in the equity shares or equity related instruments of any entity, Provided that, the limit of 10 per cent shall not be applicable for investments in index fund or exchange traded fund or sector or industry specific scheme.

- A mutual fund may invest in the units of InvITs subject to the following:

    (a) No mutual fund under all its schemes shall own more than 10% of units issued by a single issuer of InvIT; and

    (b) A mutual fund scheme shall not invest –
    i. more than 10% of its NAV in the units of InvIT; and
    ii. more than 5% of its NAV in the units of InvIT issued by a single issuer.

Provided that the limits mentioned in sub-clauses (i) and (ii) above shall not be applicable for investments in case of index fund or sector or industry specific scheme pertaining to REIT and InvIT.

As per the Trust Deed read with the SEBI (MF) Regulations, the following investment restrictions apply in respect of the Scheme at the time of making investments.

As per Clause 1 of the Sixth Schedule of MF Regulation, the Scheme shall not invest more than 10% of its NAV in debt instruments comprising money market instruments and non-money market 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 Act. Such investment limit may be extended to 12% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of directors of the asset management company.

Within the limits specified in clause 1 of the Sixth Schedule of MF Regulation, a mutual fund scheme shall not invest more than:

a. 10% of its NAV in debt and money market securities rated AAA issued by a single issuer; or
b. 8% of its NAV in debt and money market securities rated AA issued by a single issuer; or
c. 6% of its NAV in debt and money market securities rated A and below issued by a single issuer.

The above investment limits may be extended by up to 2% of the NAV of the scheme with prior approval of the Board of Trustees and Board of Directors of the AMC, subject to compliance with the overall 12% limit specified in clause 1 of the Sixth Schedule of MF Regulation.

Provided that above limit shall not be applicable for investments in Government Securities, treasury bills and tri party repo on Government securities or treasury bills.

Provided further that such limit shall not be applicable for investments in case of debt exchange traded funds or such other funds as may be specified by the SEBI from time to time.

The AMC may alter these above stated restrictions from time to time to the extent the SEBI (MF) Regulations change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments for mutual funds to achieve its respective investment objective. The Trustee may from time to time alter these restrictions in conformity with the SEBI (MF) Regulations. Further, apart from the investment restrictions prescribed under SEBI (MF) Regulations, the Fund may follow any internal norms vis-à-vis restricting / limiting exposure to a particular scrip or sector, etc. ***(Standard Observation. 19)***

C. Fundamental Attributes ***(Standard Observation. 59)***

Following are the fundamental attributes of the Scheme, in terms of Regulation 22 (9)(c) of the SEBI (MF) Regulations:

(i) Type of scheme: An open ended scheme investing in arbitrage opportunities.

(ii) Investment Objective:

a) Main Objective - The investment objective of the Scheme is to generate income and capital appreciation by primarily investing in arbitrage opportunities in the cash and derivatives segments of the equity market, including opportunities within the derivatives segment, and by investing the remaining portion in debt and money market instruments. There is no assurance or guarantee that the investment objective of the scheme would be achieved.

b) Investment Pattern - Please refer to the section“How will the scheme allocate its assets?”

(iii) Terms of Issue:

a) Liquidity provisions such as listing, repurchase, redemption. Please refer to the section “Highlights/Summary of the Scheme.”
b) Aggregate fees and expenses charged to the Scheme. Please refer, section “Annual Scheme Recurring Expenses.”
c) Any safety net or guarantee provided - Not Applicable.

Change in Fundamental Attributes:

In accordance with Regulation 22 (9)(c) of the SEBI (MF) Regulations, the AMC shall ensure that no change in the fundamental attributes of of any scheme, fees and expenses payable or any other change that would modify the scheme and affect the interest of unit holders, shall be carried out unless,
(i) A written communication (including digital modes such as email/sms etc.) about the proposed change is sent to each unit holder;
(ii) details, as specified by the Board, are appropriately displayed on the website of asset management company; and
(iii) Unit holders are given an option to exit at the prevailing Net Asset Value without any exit load.

The AMC shall follow the procedure as may be prescribed under para 1.2.2 of the SEBI Master Circular for Mutual Funds dated March 20, 2026.

D. Index methodology - Disclosures regarding the index, index eligibility criteria, methodology, index service provider, index constituents, impact cost of the constituents **- Not Applicable as the Scheme is an Arbitrage Fund**

E. Principles of incentive structure for market makers (for ETFs)

This Section is not applicable, as the Scheme is an Arbitrage Fund.

F. Floors and ceiling within a range of 5% of the intended allocation against each sub class of asset, as per clause 14.5 of SEBI master circular for mutual funds dated March 20, 2026. (only for close ended debt schemes)

This Section is not applicable, as the Scheme is an Arbitrage Fund.

G. Other Scheme Specific Disclosures

Listing and transfer of units	The Scheme is an open-ended scheme investing in arbitrage opportunities under which Sale and Repurchase will be made on a continuous basis and therefore listing on stock exchanges is not envisaged. Units held in Demat Form are freely transferable. Further, the units held in SoA (Statement of Accounts) mode can be transferred in a manner as prescribed by AMFI from time to time. This facility shall be available only through online mode via the transaction portals of our Registrar and Transfer Agent (i.e. CAMS) and the MF Central (as and when enabled), i.e., the transfer of units held in SoA mode shall not be allowed through physical/ paper-based mode or via the stock exchange platforms, MFU, channel partners and EOPs etc. The Stamp duty for transfer of units, if/where applicable, shall be payable by the transferor. Unitholders can refer https://digital.camsonline.com/transfer for more details and can follow the process available on website of our CAMS if intends to transfer their units in scenarios prescribed below: ● Surviving joint unitholder, who wants to add new joint holder(s) in the folio upon demise of one or more joint unitholder(s). ● A nominee of a deceased unitholder, who wants to transfer the units to the legal heirs of the deceased unitholder, post the transmission of units in the name of the nominee. ● A minor unitholder who has turned a major and has changed his/her status from minor to major, wants to add the name of the parent / guardian, sibling, spouse etc. in the folio as joint holder(s). ● Transfer to Siblings, ● Gifting of Units ● Transfer of units to the third party ● Addition / Deletion of the holder.
Dematerialization of units ***(Standard Observation. 57)***	The Unit holders would have an option to hold the Units in demat form or account statement (non-demat) form. The Applicant intending to hold Units in demat form will be required to have a beneficiary account with a Depository Participant (DP) of the NSDL/ CDSL and will be required to mention in the application form DP's Name, DP ID No. and Beneficiary Account No. with the DP at the time of purchasing Units. In case unitholders do not provide their Demat Account details, an Account Statement shall be sent to them. Such unitholders will not be able to purchase/redeem the units on the stock exchange.
Minimum Target amount *(This is the minimum amount required to*	The minimum target amount to be raised during the NFO Period shall be ₹ 10 Crores.

operate the Scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return.)	
Maximum Amount to be raised (if any)	Not Applicable
Dividend Policy (IDCW)	Not Applicable
Allotment (Detailed procedure)	All applicants whose monies towards purchase of Units have been realized by the Fund will receive a full and firm allotment of Units, provided also the applications are complete in all respects and are found to be in order. The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form). Allotment of units will be done after deduction of applicable stamp duty and transaction charges, if any. Please refer to SAI for details.
Refund	If the application is rejected, the full amount will be refunded within 5 working days of closure of NFO. If refunded later than 5 working days @ 15% p.a. for a delay period will be paid and charged to the AMC.
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)*	The following persons are eligible and may apply for subscription to the Units of the Scheme provided they are not prohibited by any law/ Constitutive documents governing them: 1. Resident adult individuals either singly or jointly (not exceeding three) or on an anyone or survivor basis; 2. Karta of Hindu Undivided Family (HUF); 3. Minor (as the first and the sole holder only) through a natural guardian (i.e. father or mother, as the case may be) or a court appointed legal guardian. There shall not be any joint holding with minor investments. Further, all other requirements for investments by minor and process of transmission shall be followed in line with SEBI Master Circular dated May 20, 2026 read

	with SEBI Circular dated May 12, 2023 as amended from time to time. ***(Standard Observation. 37)*** Note: For folios where the units are held on behalf of the minor, the account shall be frozen for operation by the guardian on the day the minor attains majority and no transactions shall be permitted till the requisite documents for changing the status of the account from 'minor' to 'major' are submitted. 4. Proprietorship in the name of Sole Proprietor; 5. Partnership Firms & Limited Liability Partnerships (LLPs); 6. Companies, Bodies Corporate, Public Sector Undertakings, Association of Persons (AOP) or Bodies of Individuals (BOI) and societies registered under the Societies Registration Act, 1860, Co-Operative Societies registered under the Co-Operative Societies Act, 1912; 7. Banks & Financial Institutions; 8. Mutual Funds/ Alternative Investment Funds registered with SEBI; 9. 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; 10. Non-resident Indians (NRIs)/Persons of Indian Origin residing abroad (PIO)/ Overseas Citizen of India (OCI) on repatriation basis or on non-repatriation basis; 11. Foreign Portfolio Investors (FPI) registered with SEBI in accordance with applicable laws; 12. Army, Air Force, Navy and other paramilitary units and bodies created by such institutions; 13. Scientific and Industrial Research Organizations; 14. Council of Scientific and Industrial Research, India; 15. Multilateral Financial Institutions/ Bilateral Development Corporation Agencies/ Bodies Corporate incorporated outside India with the permission of Government of India/Reserve Bank of India; 16. Provident/ Pension/ Gratuity Fund to the extent they are permitted; 17. Qualified Foreign Investor (QFI); 18. Other Schemes of Zerodha Mutual Fund subject to the conditions and limits prescribed by SEBI (MF) Regulations;

	19. Such other category of investors as may be decided by the AMC / Trustee from time to time provided their investment is in conformity with the applicable laws and SEBI (MF) Regulations. Anyone specified above can invest in the Scheme. The list given above is indicative and the applicable laws, if any, as amended from time to time shall supersede the list.
Who cannot invest	1. Any individual who is a foreign national or any other entity that is not an Indian resident under the Foreign Exchange Management Act, 1999 (FEMA Act) except where registered with SEBI as a FPI or otherwise explicitly permitted under FEMA Act/ by RBI/ by any other applicable authority; 2. Overseas Corporate Bodies (OCBs); 3. NRIs residing in Non-Compliant Countries and Territories (NCCTs) as determined by the Financial Action Task Force (FATF); 4. U.S. Persons and Residents of Canada as defined under the applicable laws of U.S. and Canada; 5. Such other persons as may be specified by AMC/ Trustee from time to time.
How to Apply and other details ***(Standard Observation. 35)***	Investors can submit the application for purchase and redemption transactions in the schemes of Zerodha Mutual Fund at the Official Points of Acceptance (OPA). Please refer to the SAI for the details. The Investor may also reach out to the investor support email id support@zerodhafundhouse.com for details/ help in investing. The list of OPA is available on the website of AMC i.e., www.zerodhafundhouse.com Please refer to Page no. 71 for Official Points of Acceptance, Registrar and Transfer Agent (RTA) and Collecting Banker details. As per the directives issued by SEBI, it is mandatory for applicants to mention their bank account numbers in their applications and therefore, investors are requested to fill-up the appropriate box in the application form failing which applications are liable to be rejected. Investors are required to mandatorily provide a valid and active email ID at the time of submitting the application form. The email ID provided will be used for all future communications including, but not limited to, the Statement of Account (SOA), transaction confirmations, and portfolio updates. In case a valid email ID is not provided, the investor may not receive such communications. **Terms and conditions for transactions through email for non-individual investors**

	Non Individual Investors desiring to avail the facility of conducting financial transactions in the Scheme(s) of Zerodha Mutual Fund via email as provided under AMFI's Best Practice Guidelines Circular No.135/BP/118 /2024-25 dated 31st January 2025, shall note the following: Terms and conditions for transactions through email: ● The AMC can accept financial transactions from non-individual investors through email, subject to the following: ● The non-individual investor must provide a copy of the board resolution or authority letter, as specified by the AMC, granting authority to designated officials. ● Transactions via emails, scanned copies of signed forms, or electronically executed documents with valid Digital Signature Certificates (DSC) or Aadhaar based e-signatures may be accepted as per the conditions specified in the aforementioned circular. ● Non Individual Investors should be aware of the risks associated with email transactions, including transmission errors and cyber security risks. The AMC/RTA shall not be liable in any manner whatsoever in case the transaction sent or purported to be sent by the investor is not received by the AMC/ RTA due to any reason and hence not processed. ● The non-individual investors must have necessary safeguards to ensure the security of email communications and retain transaction records as per applicable laws/regulations. ● Any addition/deletion of authorized signatories by the non-individual investors shall be done in the manner specified by the AMC. ● Any change in the registered email id/contact details shall be accepted only from the designated officials authorized to notify such changes vide board resolutions/authority letter. Further, such change request shall be submitted through physical request letter (or a scanned copy thereof with wet signature of the designated authorized officials) only. ● No change in /addition to the bank mandate shall be allowed via email. Change in bank details or addition of bank account of the investor shall be permitted only via the prescribed service request form duly signed by the investor's authorized signatories with wet signature of the designated authorized officials. ● The AMC will adopt security procedures, electronic time stamping mechanisms and audit trails for email transactions, as may be required.

	• The AMC may specify additional terms and conditions for email transactions, and investors are advised to refer to the latest guidelines hosted on the AMC's website from time to time.
The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.	Not Applicable
Restrictions, if any, on the right to freely retain or dispose of units being offered.	The Units of the Scheme held in electronic (demat) mode are transferable. The Mutual Fund at its sole discretion reserves the right to suspend sale and switching of Units in the Scheme temporarily or indefinitely when any of the following conditions exist. However, the suspension of sale of Units either temporarily or indefinitely will be with the approval of the Trustee. a. When one or more stock exchanges or markets, which provide a basis for valuation for a substantial portion of the assets of the Scheme are closed otherwise than for ordinary holidays. b. When, as a result of political, economic or monetary events or any circumstances outside the control of the Trustee and the AMC, the disposal of the assets of the Scheme are not reasonable, or would not reasonably be practicable without being detrimental to the interests of the Unit holders. c. In the event of breakdown in the means of communication used for the valuation of investments of the Scheme, without which the value of the securities of the Scheme cannot be accurately calculated. d. During periods of extreme volatility of markets, which in the opinion of the AMC are prejudicial to the interests of the Unit holders of the Scheme. e. In case of natural calamities, strikes, riots and bandhs. f. In the event of any force majeure or disaster that affects the normal functioning of the AMC. g. If so directed by SEBI. The AMC/ Trustee reserves the right in its sole discretion to withdraw the facility of Sale option of Units into the Scheme, temporarily or indefinitely, if AMC views that

	changing the size of the corpus further may prove detrimental to the existing Unit holders of the Scheme.
Cut off timing for subscriptions/ redemptions This is the time before which your application (complete in all respects) should reach the official points of acceptance.	<u>Subscriptions:</u> The following cut-off timings shall be observed by the Mutual Fund in respect of purchase of units of the Scheme and the following NAVs shall be applied for such purchase: **Cut off timing for Subscriptions:** a. In respect of valid applications received upto 03.00 p.m on a Business Day and funds for the entire amount of subscription/purchase as per the application are credited to the bank account of the respective Scheme before the cut-off time i.e. available for utilization before the cut-off time – the closing NAV of the day on which the funds are available for utilization shall be applicable. b. In respect of valid applications received after 03.00 p.m on a Business Day and funds for the entire amount of subscription/purchase as per the application are credited to the bank account of the respective Scheme after cut-off time i.e. available for utilization after the cut-off time – the closing NAV of the next Business Day on which the funds are available for utilization shall be applicable. c. Irrespective of the time of the receipt of valid application where funds for the entire amount of subscription/purchase as per the application are credited to the bank account of the respective Scheme before cut-off time of next business day i.e. available for utilization before the cut-off time on any subsequent Business day - the closing NAV of the day of such Business day on which the funds are available for utilization shall be applicable. <u>Redemptions:</u> The following cut-off timings shall be observed by the Mutual Fund in respect of Redemptions of Units: 1. Where the application received upto 03.00 pm – closing NAV of the day of receipt of application; and 2. An application received after 03.00 pm – closing NAV of the next Business Day. *Note: In case the application is received on a Non-Business Day, it will be considered as if received on the Next Business Day*.
Minimum amount for	**Minimum amount for purchase:** ₹5000 and of 'any amount' thereafter.

purchase/ redemption	**Minimum Additional Purchase Amount:** <u>Lumpsum:</u> ₹5000 and in multiples of 'any amount' thereafter. <u>SIP:</u> ₹1000 and in multiples of 'any amount' thereafter. **Minimum Redemption Amount:** The minimum redemption amount shall be 'any amount' or 'any number of units' as requested by the investor at the time of redemption. The Redemption would be permitted to the extent of credit balance in the Unit holder's account of the Scheme (subject to completion of Lock-in period or release of pledge / lien or other encumbrances). The Redemption request can be made by specifying the rupee amount or by specifying the number of Units to be redeemed. The AMC/ Trustee reserves the right to change/ modify the terms of minimum purchase/redemption amount provision offered under the Scheme of the Fund.
Accounts Statements ***(Standard Observation. 60)***	The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form). A Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds (including transaction charges paid to the distributor) and holding at the end of the month shall be sent to the Unit holders in whose folio(s) transaction(s) have taken place during the month via electronic mode (e-CAS) by the twelfth (12th) day from the month end and to investors that have opted for delivery via physical mode by the fifteenth (15th) day from the month end. Half-yearly CAS shall be issued at the end of every six months (i.e. September/ March) to investors that have opted for e-CAS on or before the eighteenth (18th) day of April and October and to investors that have opted for delivery via physical mode by the twenty first (21st) day of April and October. For further details, refer to SAI.
Dividend/ IDCW	Not Applicable
Redemption	The redemption or repurchase proceeds shall be dispatched to the unitholders within 03 working days from the date of redemption or repurchase. For list of exceptional circumstances refer para 15.3.3 of SEBI Master Circular for Mutual Funds dated March 20, 2026. The redemption proceeds will be credited to the bank account of the Unitholder, as per the bank account details recorded with the DP.

	Units will be redeemed on First In First Out (FIFO) basis. Redemption requests may not be processed if KYC compliant status is not updated in the folio.
Bank Mandate ***(Standard Observation. 61)***	As per the directives issued by SEBI, it is mandatory for applicants to mention their bank account numbers in their applications and therefore, investors are requested to fill-up the appropriate box in the application form failing which applications are liable to be rejected. **Multiple Bank Account Registration** The AMC/ Mutual Fund provides a facility to the investors to register multiple bank accounts (currently upto 5 for Individuals and 10 for Non - Individuals) for receiving redemption by providing necessary details. Investors must specify any one account as the "Default Bank Account". The investor, may however, specify any other registered bank account for credit of redemption proceeds at the time of requesting for redemption. **Change in Bank Account** Investors may reach out to support@zerodhafundhouse.com for requesting a change in their Bank Account for folios held in Statement of Account (SOA) mode. The facility for change in Bank Account for the Units held in demat mode is available. The investors are requested to reach out to the respective Depository Participant.
Delay in payment of redemption / repurchase proceeds/ dividend	The AMC shall be liable to pay interest to the unitholders at rate as specified vide clause 15.4 of SEBI Master Circular for Mutual Funds dated March 20, 2026 by SEBI for the period of such delay.
Unclaimed Redemption ***(Standard Observation. 52)***	Please refer to SAI for details.
Disclosure w.r.t investment by minors	Process for Investments made in the name of Minor through a Guardian Payment for investment from the bank account of the minor or from a joint account of the minor with the guardian only, else the transaction is liable to get rejected. Unit holders are requested to review the Bank Account registered in the folio and ensure that the registered Bank Mandate is in favour of minor or joint with registered guardian in folio. If the registered Bank Account is not in favour of minor or not joint with registered guardian, unit holders will be required to submit the change of bank mandate, where minor is also a bank account holder (either single or joint with registered guardian), before initiation any redemption transaction in the folio, else the transaction is liable to get rejected. For systematic transactions in a minor's folio, AMC will register standing instructions till the date of

	the minor attaining majority, though the instructions may be for a period beyond that date. Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details and updated bank account details. No further transactions shall be allowed till the status of the minor is changed to major.
Any other disclosure in terms of Consolidated Checklist on Standard Observations	**Minimum balance to be maintained and consequences of non- maintenance.** ***(Standard Observation. 36)*** Currently, there is no minimum balance requirement. **Risk-o-meter** ***(Standard Observation. 38)*** The risk-o-meter of the Scheme shall be evaluated on a monthly basis and shall be disclosed along with portfolio disclosure on the AMC website and on AMFI website within 10 days from the close of each month. The risk level of the Scheme as on March 31 of every year, along with the number of times the risk level has changed over the year, shall be disclosed on the AMC website and AMFI website. The scheme wise changes in Risk-o-meter shall be disclosed in scheme wise Annual Reports and Abridged summary. **Scheme Summary Document** ***(Standard Observation. 38)*** The AMC will provide on its website a standalone scheme document for all the Schemes which contains all the details of the Scheme viz. Scheme features, Fund Manager details, investment details, investment objective, expense ratios, portfolio details, etc.

III. Other Details

A. In case of Fund of Funds Scheme, Details of Benchmark, Investment Objective, Investment Strategy, TER, AUM, Year wise performance, Top 10 Holding/ link to Top 10 holding of the underlying fund should be provided

Not Applicable as the Scheme is an Arbitrage Fund.

B. Periodic Disclosures such as Half yearly disclosures, half yearly results, annual report

a. Annual Report

Scheme Annual report in the format prescribed by SEBI, will be hosted on the website of the Fund viz. www.zerodhafundhouse.com and on the website of Association of Mutual Funds in India (AMFI) viz. www.amfiindia.com as soon as may be but not later than four months from the date of closure of the relevant accounts year (i.e. 31st March each year). Mutual Fund / AMC will publish an advertisement every year, in the all India edition of at least two daily newspapers, one each in English and Hindi, disclosing the hosting of the Scheme wise Annual Report on the website of the Fund and on the website of Association of Mutual Funds in India (AMFI).

Mutual Fund / AMC will email the Scheme Annual Report or Abridged Summary thereof to the unitholders registered email address with the Mutual Fund. Mutual Fund / AMC will provide a physical copy of the abridged summary of the Annual Report, without charging any cost, on specific request received from a unitholder through any mode. A physical copy of the scheme wise annual report shall be made available for inspection to the investors at the registered office of the AMC. A link of the scheme annual report or abridged summary thereof shall be displayed prominently on the website of the Fund and shall also be displayed on the website of Association of Mutual Funds in India (AMFI).

b. Half Yearly Results

The Mutual Fund shall host half yearly disclosures of the Scheme's' unaudited financial results in the prescribed format on its website viz. www.zerodhafundhouse.com within one month from the close of each half year i.e. on 31st March and on 30th September and shall publish an advertisement in this regard in at least one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the Mutual Fund is situated.

c. Disclosure of Risk-o-meter ***(Standard Observation. 38)***

The risk-o-meter of the Scheme shall be evaluated on a monthly basis and shall be disclosed along with portfolio disclosure on the AMC website and on AMFI website within 10 days from the close of each month.

Notice about changes in Scheme's Risk-o-meter, if any, shall be issued. The product labeling assigned during the NFO is based on internal assessment of the scheme characteristics and the same may vary post NFO when the actual investments are made.

For latest Risk-o-meter of the Scheme and the Benchmark, investors may refer to the monthly portfolios disclosed on the website of the Fund viz. www.zerodhafundhouse.com.

The risk level of the Scheme as on March 31 of every year, along with the number of times the risk level has changed over the year, shall be disclosed on the AMC website and AMFI website.

The scheme wise changes in Risk-o-meter shall be disclosed in scheme wise Annual Reports and Abridged summary.

C. Transparency/NAV Disclosure ***(Standard Observation. 41)***

The NAV will be calculated by the AMC for each Business Day. The first NAV shall be calculated and declared within 05 business days from the date of allotment. As mandated by SEBI, the NAV shall be disclosed in the following manner:

(i) Displayed on the website of Mutual Fund (www.zerodhafundhouse.com)
(ii) Displayed on the website of Association of Mutual Funds in India (AMFI) (www.amfiindia.com)

(iii) Any other manner as may be mandated by SEBI from time to time

Mutual Fund/ AMC will provide facility of sending latest NAVs to unitholders through SMS, upon receiving specific requests. AMC shall update NAV on the website of the Fund and Association of Mutual Funds in India (AMFI) by 11.00 p.m. every Business Day. In case of any delay in uploading on AMFI website, the reason for such delay will be explained to AMFI in writing. If the NAVs are not available before commencement of business hours on the following day due to any reason, Mutual Fund shall issue a press release providing reasons and explaining when the Mutual Fund would be able to publish the NAVs.

The AMC will make available the Annual Report of the Scheme within four months of the end of the financial year.

D. Transaction charges and stamp duty

Transaction Charges

As the scheme is offering only the Direct Plan, no transaction charges will be levied or deducted.

Please refer to SAI for details.

Stamp Duty

Pursuant to Notification No. S.O. 1226(E) and G.S.R. 226(E) dated March 30, 2020 issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019, stamp duty @0.005% of the transaction value would be levied on applicable mutual fund transactions.

Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase transactions to the unitholders would be reduced to that extent.

Please refer to SAI for details.

E. Associate Transactions

Please refer to SAI for details.

F. Taxation

For details on taxation please refer to the clause on Taxation in the SAI apart from the following:

This information is provided for general information only and is based on the prevailing tax laws, as applicable in case of this Scheme. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/ authorized dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.

	Resident Investors	Non-Resident (other than FII)	Mutual Fund
Tax on dividend	NA	NA	NIL@
Capital Gain*			
Long-term Capital Gain (Held for a period of more than 12 months)*	12.5%	12.5%	NIL@
Short Term Capital Gains (Held for a period of 12 months or less)*	20%	20%	NIL@

@ The levy of tax on distributed income payable by mutual funds has been abolished w.e.f. April 1, 2020 and instead tax on income from mutual fund units in the hands of the unit holders at their applicable rates has been adopted.
NA The Scheme does not have a dividend policy, hence not applicable
** Surcharge and Health & Education Cess to be levied:*

The above tax rates are applicable if mutual fund units are held as capital assets

If taxpayer (Individual/HUF/AOP/BOI/AJP) opts for Old Tax Regime, then Surcharge to be levied on basic tax at:
- *37% where specified income exceeds Rs.5 crore;*
- *25% where specified income exceeds Rs.2 crore but does not exceed Rs.5 crore;*
- *15% where total income exceeds Rs.1 crore but does not exceed Rs.2 crore; and*
- *10% where total income exceeds Rs.50 lakhs but does not exceed Rs.1 crore.*

If the taxpayer (Individual/HUF/AOP/BOI/AJP) pays tax as per default New Tax Regime u/s. 115BAC(1A), then the maximum rate of Surcharge will be 25% where income exceeds Rs.2 crore.

In case of an AOP consisting of only companies as its members, the rate of surcharge shall not exceed 15%.

Surcharge for companies to be levied on basic tax:
- *Domestic Company: 12% where income exceeds Rs.10 crore and 7% where income exceeds Rs.1 crore but less than Rs.10 crore. If a domestic company opts for concessional tax regime under Section 205 of the Income Tax Act, 2025, then a flat surcharge rate of 10% on basic tax applies*
- *Non-resident Company: 5% where income exceeds Rs.10 crore and 2% where income exceeds Rs.1 crore but less than Rs.10 crore*

Enhanced surcharge of 25% or 37%, as the case may be, will not apply in case of income by way of dividend or capital gains on securities covered under Section 111A (STCG on EOF), Section 112 (LTCG on non-EOF acquired up to March 31, 2023 and LTCG on non-EOF acquired from April 1, 2023 where equity exposure in such non-EOF > 35%), Section 112A (LTCG on EOF) & Section 115AD (tax on income earned by FIIs).

Health & Education Cess @ 4% is applicable on aggregate of basic tax & surcharge.

Please note that surcharge and cess shall not be applied on basic tax while deducting TDS, if any, on income of resident investors only.

1. *Equity Oriented Funds will also attract Securities Transaction Tax at applicable rates.*

2. *As per the provisions of Section 393(2) of the Income-tax Act, 2025 (formerly Section 196A), which is specifically applicable to non-resident unitholders, a withholding tax rate of 20% (plus applicable surcharge and cess) on any income (dividend) in respect of units of a Mutual Fund credited/paid shall apply. Tax treaty (DTAA) benefits can be granted at the time of withholding, subject to the furnishing of a Tax Residency Certificate (TRC) and other required documents. Similarly, for FPIs/FIIs, a withholding rate of 20% applies, but no TDS shall be made in respect of income by way of capital gains arising from the transfer of their securities.*

3. *The rate of income-tax shall be 25% for domestic companies whose total turnover or gross receipts in the relevant financial year did not exceed ₹ 400 crores.*

4. *The corporate tax rates for domestic companies (not claiming specified incentives and deductions) are 22% under Section 205 (formerly Section 115BAA) and 15% under Section 206 (formerly Section 115BAB) of the Income-tax Act, 2025 for eligible new manufacturing companies. The tax computed under these sections shall be increased by a flat surcharge at the rate of 10%.*

5. *Short-term/Long-term capital gains tax will be deducted at the time of redemption of units for NRI investors. Such withholding will be done at the applicable capital gains tax rates in force (i.e., 20% for STCG and 12.5% for LTCG), plus applicable surcharge and cess.*

6. *Under the new capital gains framework, long-term capital gains arising from the transfer of a long-term capital asset, being a unit of an equity-oriented fund, shall be taxed at a flat 12.5% (without indexation and foreign currency fluctuation benefit) on such capital gains exceeding ₹ 1,25,000.*

7. *Under the Income-tax Act, 2025, the concessional rate of 12.50% on long-term capital gains arising from the transfer of a long-term capital asset, being a unit of an equity-oriented fund, applies to gains exceeding ₹ 1,25,000. This is available only if Securities Transaction Tax (STT) has been paid on the transfer, and it is computed without giving effect to Section 72(6) of the Act (i.e., without taking the benefit of foreign currency fluctuation and indexation). Similarly, the concessional rate of 20% on short-term capital gains arising from the transfer of a short-term capital asset, being a unit of an equity-oriented fund, shall be available only if STT has been paid on the transfer.*

8. *Section 397(2) of the Income-tax Act, 2025 mandates that if a person receiving income (deductee) fails to furnish a valid PAN to the deductor, tax shall be deducted at higher rates (typically 20% or the rate in force). Under Section 262(6), a PAN is considered valid and operative only if it is linked with a valid Aadhaar number. However, as per Rule 217 of the Draft Income-tax Rules, 2026, this higher deduction provision does not apply to certain non-residents (not being a company) and foreign companies, provided they furnish prescribed alternative documents to the deductor, such as their Tax Residency Certificate (TRC), Tax Identification Number (TIN), and required contact details.*

G. Rights of Unitholders

Please refer to SAI for details.

H. List of official points of acceptance:

Zerodha Fund House is focused on delivering a completely online experience. Accordingly, the Official Point of Acceptance (OPAs) will be online/ electronic mode only, unless specifically specified under the SEBI (MF) Regulations.

The investors can undertake any transaction(s), including purchase/redemption and avail of any service(s) from time to time through the online/electronic modes via various sources like:

➔ Direct point of online contact for the AMC, such as the website, mobile application, WhatsApp, or any other online mode of communication by enabling transactions directly or in directly (by redirecting to any other relevant partner platform).

➔ Website/ Mobile App of MFU and MF Central - https://www.mfuindia.com; https://www.mfcentral.com/

➔ Website/ Mobile App of various aggregator platforms/ channel partners/ business partners/ investment advisers/ execution only platform with whom AMC has entered or may enter into specific arrangements.

➔ CAMS - https://www.camsonline.com/

➔ Transactions through ONDC Network Participants.

The investors can also submit the application by placing the order with the members (stock brokers) of stock exchanges or RIAs through the stock exchange infrastructure (i.e., BSE StAR MF/ NMF/ MFSS).

Please refer to the AMC website, viz. www.zerodhafundhouse.com for the list of Official Points of Acceptance

I. 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 *(Standard Observation. 48)*

a. **AMCs are required to disclose penalties, pending litigation etc. for the last 5 financial years and wherever the amount of penalty is more than 5 lakhs.**

Not Applicable

Refer to AMC/Fund Website viz. https://www.zerodhafundhouse.com/resources/disclosures/ for details of penalties, pending litigation, and action taken by SEBI and other regulatory and Govt. Agencies, updated on a continuous basis.

Any amendments / replacement / re-enactment of SEBI (MF) Regulations subsequent to the date of the Scheme Information Document shall prevail over those specified in this Scheme Information Document.

Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (MF) Regulations, guidelines and circulars issued by SEBI from time to time will be applicable. (Standard Observation. 63)

For and on behalf of
Zerodha Asset Management Private Limited

Sd/-
(Vishal Jain)
Chief Executive Officer
ceo@zerodhafundhouse.com

Date: April 09, 2026
Place: Bengaluru

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- ➔ Direct point of online contact for the AMC, such as the website, mobile application, WhatsApp, or any other online mode of communication by enabling transactions directly or indirectly (by redirecting to any other relevant partner platform).
- ➔ Website/ Mobile App of MFU and MF Central - https://www.mfuindia.com ; https://www.mfcentral.com/
- ➔ Website/ Mobile App of various aggregator platforms/ channel partners/ business partners/ investment advisers/ execution only platform with whom AMC has entered or may enter into specific arrangements.
- ➔ CAMS - https://www.camsonline.com/
- ➔ Transactions through ONDC Network Participants

The investors can also submit the application by placing the order with the members (stock brokers) of stock exchanges or RIAs through the stock exchange infrastructure (i.e., BSE StAR MF/ NMF/ MFSS).

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Registrar and Transfer Agent	Collecting Bankers
Computer Age Management Services Limited (CAMS) SEBI Registration No. INR000002813 Rayala Tower-1, 158 Anna Salai, Chennai - 600 002	YES Bank Limited SEBI Registration No. INBI00000935 Kasturba Road, Bangalore - 560 001 HDFC Bank Limited SEBI Registration No. INBI00000063 Richmond Road, Bangalore - 560 025 ICICI Bank Ltd. SEBI Registration Number INBI00000004 Richmond Town, Bengaluru - 560025 Axis Bank Ltd. SEBI Registration Number INBI00000017 Jayanagar, Bengaluru - 560041 State Bank of India SEBI Registration Number INBI00000038 KORMANGALA,BENGALURU- 560095 Kotak Mahindra Bank Ltd. SEBI Registration Number INBI00000927 Nariman Point, Mumbai- 400021

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