

## Scheme Information Document (SID)

# Zerodha Nifty Smallcap 100 ETF

*(An open-ended scheme replicating/tracking Nifty Smallcap 100 Total Return Index)*

**BSE Symbol/ Scrip Code:** SML100CASE/ 544507, **NSE Symbol:** SML100CASE

## Scheme Information Document

### SECTION - I

#### **Zerodha Nifty Smallcap 100 ETF**

*(An open-ended scheme replicating/tracking Nifty Smallcap 100 Total Return Index)*

**BSE Symbol/ Scrip Code: SML100CASE/ 544507 , NSE Symbol: SML100CASE**

| This product is suitable for investors who are seeking*:                          | Risk-o-meter of the Scheme                                                        | Risk-o-meter of the Benchmark<br>(Nifty Smallcap 100 TRI)                           |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Long term capital growth                                                          |  |  |
| Investment in equity and equity related securities covered by Nifty Smallcap 100  |                                                                                   |                                                                                     |
| Investors should understand that their principal will be at <b>Very High Risk</b> |                                                                                   |                                                                                     |

*\*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.*

*(Face Value of ₹10 and Offer for Sale of Units at ₹10/- per unit (subject to statutory deductions, if any) as on the date of allotment for applications received during the New Fund Offer (NFO) period and at intraday NAV based on the actual execution price of the underlying portfolio during the Ongoing Offer for applications directly received at AMC)*

|                                 |                                                                                                                                    |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| <b>New Fund Offer opens on</b>  | <b>August 25, 2025</b>                                                                                                             |
| <b>New Fund Offer closes on</b> | <b>September 05, 2025</b>                                                                                                          |
| <b>Scheme reopens on</b>        | <b>Scheme will reopen for continuous Sale and Repurchase within 05 Business Days from the date of allotment of units under NFO</b> |

|                                         |                                                 |
|-----------------------------------------|-------------------------------------------------|
| <b>Name of Sponsor</b>                  | <b>Zerodha Broking Limited</b>                  |
| <b>Name of Mutual Fund</b>              | <b>Zerodha Mutual Fund</b>                      |
| <b>Name of Asset Management Company</b> | <b>Zerodha Asset Management Private Limited</b> |
| <b>Name of Trustee Company</b>          | <b>Zerodha Trustee Private Limited</b>          |

|                |                                                                                       |
|----------------|---------------------------------------------------------------------------------------|
| <b>Address</b> | <b>Indique Penta, New No. 51 (Old No. 14),<br/>Richmond Road, Bangalore - 560 025</b> |
| <b>Website</b> | <a href="http://www.zerodhafundhouse.com">www.zerodhafundhouse.com</a>                |

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (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](http://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](mailto:support@zerodhafundhouse.com).**

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

The Scheme Information Document is dated August 20, 2025.

**DISCLAIMER OF NSE:**

As required, a copy of this Scheme Information Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter no. LIST/C/2025/5859 dated July 02, 2025 permission to the Mutual Fund to use the Exchange's name in this Scheme Information Document as one of the stock exchanges on which the Mutual Fund's Units are proposed to be listed subject to, the Mutual Fund fulfilling the various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Scheme Information Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document; nor does it warrant that the Mutual Fund's Units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its Sponsors, its management or any scheme of the Mutual Fund.

Every person who desires to apply for or otherwise acquire any Units of the Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

**DISCLAIMER OF BSE:**

BSE Ltd. (hereinafter referred to as BSE.) has given its letter no. LO/IPO/AG/MF/IP/13/2025-26 dated July 02, 2025 permission to use the Exchange's name in this SID as one of the Stock Exchanges on which this Mutual Fund's Units are proposed to be listed. The Exchange has scrutinized this SID for its limited internal purpose of deciding on the matter of granting the aforesaid permission to. The Exchange does not in any manner:-

- i) warrant, certify or endorse the correctness or completeness of any of the contents of this SID; or
  - ii) warrant that this scheme's units will be listed or will continue to be listed on the Exchange; or
  - iii) take any responsibility for the financial or other soundness of this Mutual Fund, its promoters, its management or any scheme or project of this Mutual Fund;
- and it should not for any reason be deemed or construed that this SID has been cleared or approved by the Exchange.

Every person who desires to apply for or otherwise acquires any unit of this Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

An investor, by subscribing or purchasing an interest in the Product(s), will be regarded as having acknowledged, understood and accepted the disclaimer referred to in Clauses above and will be bound by it.

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## I. HIGHLIGHTS OF THE SCHEME

|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of the Scheme   | Zerodha Nifty Smallcap 100 ETF                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Category of Scheme   | Other Schemes - ETF                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Type of Scheme       | An open-ended scheme replicating/tracking Nifty Smallcap 100 Total Return Index.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Scheme Code          | ZERO/O/O/EET/25/07/0013                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Investment Objective | <p>The investment objective of the scheme is to invest in stocks comprising the Nifty Smallcap 100 Index in the same proportion as in the index to achieve returns equivalent to the Total Return Index of Nifty Smallcap 100 Index (subject to tracking error).</p> <p><b>There is no assurance or guarantee that the investment objective of the scheme would be achieved.</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Liquidity            | <p><b><u>On the Exchange</u></b></p> <p>The units of the Scheme can be bought / sold on all trading days on the National Stock Exchange of India Limited or BSE Limited where the Scheme is listed.</p> <p>The AMC engages Market Makers to provide liquidity in the Secondary Market on an ongoing basis, so that investors other than Market Makers and Large Investors are able to buy or redeem Units on the Stock Exchange(s).</p> <p>An investor can buy/sell Units on a continuous basis on the National Stock Exchange of India Limited and BSE Limited or any other recognized stock exchange(s) on which the Units are listed during the trading hours like any other publicly traded stock at prevailing market prices.</p> <p><b><u>Directly with the Mutual Fund</u></b></p> <p>The Scheme offers units for subscription / redemption directly with the Mutual Fund in creation unit size to Market Makers / and Large Investors, at applicable NAV prices on all Business Days during an ongoing offer period.</p> |
| Benchmark            | The Benchmark for the Scheme is NIFTY Smallcap 100 TRI.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

|                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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|                                                                                | <p>The Scheme proposes to invest in equity and equity related instruments of companies, which are constituents of the Nifty Smallcap 100 Index. Hence, it is an appropriate benchmark for the Scheme. Further, a Total Returns Index reflects the returns on the index from index gain/loss plus dividend payments by constituent index stocks.</p> <p>The performance will be benchmarked to the Total Returns Variant of the Index. The Trustee reserves the right to change the benchmark for evaluation of performance of the Scheme from time to time in conformity with the investment objectives and appropriateness of the benchmark subject to SEBI (MF) Regulations, and other prevailing guidelines, if any by suitable notification to investors to this effect.</p> |
| NAV Disclosure                                                                 | <p>The NAV will be calculated by the AMC for each Business Day except in special circumstances.</p> <p>AMC shall disclose the NAV for each Business Day as below:</p> <ol style="list-style-type: none"> <li>1. On the website of the Fund/AMC - <b>11.00 P.M. of every business day.</b></li> <li>2. On the website of Association of Mutual Funds in India (AMFI) - <b>11.00 P.M. of every business day.</b></li> </ol> <p>Please refer to page no. 61 to 62 of Section II for details.</p>                                                                                                                                                                                                                                                                                    |
| Applicable Timelines                                                           | <p><b>Dispatch of redemption proceeds</b></p> <p>As per SEBI (MF) Regulations, the Mutual Fund shall dispatch Redemption proceeds within 03 Business Days from date of receipt of valid redemption request from the Unit holder.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Plans and Options<br><br><i>Plans/Options and sub options under the Scheme</i> | Not Applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Loads                                                                          | <p><b>Exit Load: Nil</b></p> <p>The Trustee reserves the right to change/ modify the Load structure of the Scheme, subject to maximum limits as prescribed under the Regulations.</p> <p>For further details on load structure refer to the section '<b>Load Structure</b>' on page no. 28 to 29.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

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| Minimum Application Amount /Switch In | <p><b>During NFO:</b></p> <p>₹ 1000 and in multiples of ₹ 100 thereafter.</p> <p><b>During ongoing offer:</b></p> <p>1. <b>Directly with Fund:</b> Only Market maker(s) and large investors subject to following:</p> <p>a. <u>Market Maker(s)</u>: Market maker(s) can directly purchase units with the Fund in “Creation Unit Size of 1,50,000 units” and in multiples thereof. The limit of ₹ 25 crores or such other amount as may be specified by SEBI from time to time is not applicable for Market Makers.</p> <p>b. <u>Large Investor(s)</u>: Large investors can directly purchase from the fund in “Creation Unit Size of 1,50,000 units and in multiples thereof” subject to the value of transaction is greater than the threshold of ₹ 25 crores or such other amount as may be specified by SEBI from time to time.</p> <p>However, the above mentioned limit shall not be applicable to (i) schemes managed by Employee Provident Fund Organisation, India; and (ii) Recognized Provident Funds, approved Gratuity Funds and approved Superannuation Funds under Income-tax Act, 1961 till August 31, 2025 or any other date as may be communicated by SEBI.</p> <p>2. <b>On the Exchange:</b> All categories of Investors may purchase the units through the secondary market on any trading day in a minimum lot of 1 unit and in multiples thereof on the exchange(s) where the units are listed.</p> <p>The subscription of Units of the Scheme in Creation Unit Size will be allowed both by means of exchange of Portfolio Deposit and by cash (i.e. payments shall be made only by means of payment instruction of Real Time Gross Settlement (RTGS)/National Electronic Funds Transfer (NEFT)).</p> <p>No switch (switch-in/switch-out) requests will be accepted under the Scheme.</p> <p>The Fund may from time to time change the size of the Creation Unit in order to equate it with marketable lots of the underlying instruments.</p> |
| Minimum Additional Purchase Amount    | <p>As mentioned in the above section (Minimum Application Amount /Switch In).</p> <p>The AMC/ Trustee reserves the right to change/ modify the terms of minimum purchase/redemption amount provision offered under the Scheme of the Fund.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Minimum Redemption/                   | <p><b>1. Directly with Fund:</b> Only Market maker(s) and large investors subject to following:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

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| Switch Amount         | Out | <p>a. <u>Market Maker(s)</u>: Market maker(s) can directly redeem units with the Fund in “Creation Unit Size of 1,50,000 units and in multiples thereof”. The limit of ₹ 25 crores or such other amount as may be specified by SEBI from time to time is not applicable for Market Makers.</p> <p>b. <u>Large Investor(s)</u>: Large investors can directly redeem from the fund in “Creation Unit Size of 1,50,000 units and in multiples thereof” subject to the value of transaction is greater than the threshold of ₹ 25 crores or such other amount as may be specified by SEBI from time to time.</p> <p>However, the above mentioned limit shall not be applicable to (i) schemes managed by Employee Provident Fund Organisation, India; and (ii) Recognized Provident Funds, approved Gratuity Funds and approved Superannuation Funds under Income-tax Act, 1961 till August 31, 2025, or any other date as may be communicated by SEBI.</p> <p><b>2. On the Exchange:</b> All categories of Investors may redeem the units through the secondary market on any trading day in a minimum lot of 1 unit and in multiples thereof on the exchange(s) where the units are listed.</p> <p>The redemption of Units of the Scheme in Creation Unit Size will be allowed both by means of exchange of Portfolio Deposit and by cash (i.e. payments shall be made only by means of payment instruction of Real Time Gross Settlement (RTGS)/National Electronic Funds Transfer (NEFT)).</p> <p>No switch (switch-in/switch-out) requests will be accepted under the Scheme.</p> <p>The Fund may from time to time change the size of the Creation Unit in order to equate it with marketable lots of the underlying instruments.</p> <p>The AMC/ Trustee reserves the right to change/ modify the terms of minimum redemption amount provision offered under the Scheme of the Fund.</p> <p><u>In case of Redemption directly with the Mutual Fund during Liquidity Window:</u></p> <p>The Cut-off time for receipt of valid application for Redemptions directly with the Fund during Liquidity Window is 3.00 p.m. valid applications received by the fund upto the cut-off time will be processed on the basis of the closing NAV of the day of receipt of request and for valid applications received after cut-off time, the closing NAV of the next Business Day shall be applicable.</p> |
| New Fund Offer Period |     | <p>NFO Opens on: August 25, 2025</p> <p>NFO Closes on: September 05, 2025</p> <p>New Fund Offer 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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

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| its units to the investors.                                                                                            | <p>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.</p> <p>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.</p>                                         |
| <p>New Fund Offer Price</p> <p><i>(This is the price per Unit that the investors have to pay to invest in NFO)</i></p> | <p>Offer for Sale of Units at ₹10/- per unit (subject to statutory deductions, if any) as on the date of allotment for applications received during the New Fund Offer (NFO) period.</p>                                                                                                                                                                                                                                                                                                                            |
| Segregated portfolio/ side pocketing disclosure                                                                        | <p>The Scheme has provided enabling provisions for Creation of Segregated Portfolio in terms of guidelines issued by SEBI from time to time</p> <p>Please refer to the SAI for the details.</p>                                                                                                                                                                                                                                                                                                                     |
| Swing pricing disclosure                                                                                               | <p>Swing Pricing Framework is Not Applicable for the Scheme.</p> <p>Please refer to the SAI for more details.</p>                                                                                                                                                                                                                                                                                                                                                                                                   |
| Stock lending/short selling                                                                                            | <p>The Scheme does not intend to undertake/engage in Short Selling of Securities.</p> <p>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.</p> <p>Please refer to the SAI for more details.</p> |
| How to Apply and other details                                                                                         | <p>Investors can submit the application for purchase and redemption transactions in the schemes of Zerodha Mutual Fund at the Official Points of Acceptance (OPA).</p> <p>Please refer to Page no. 54 to 56 of Section II for more details.</p> <p>The Investor may also reach out to the investor support email id <a href="mailto:support@zerodhafundhouse.com">support@zerodhafundhouse.com</a> for details/ help in investing.</p>                                                                              |

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| Investor Services                                                      | <p><b>For General service requests</b></p> <p>Investors can lodge any service request or complaints or enquire about NAVs, Unit Holdings, etc. by sending an email to <a href="mailto:support@zerodhafundhouse.com">support@zerodhafundhouse.com</a></p> <p>The investor service representatives may require personal information of the Investor for verification of his / her identity in order to protect confidentiality of information. The AMC will at all times endeavour to handle transactions efficiently and to resolve any investor grievances promptly.</p> <p><b>For Complaint Resolution</b></p> <p>Any complaints should be addressed to the Investor Relations Officer.</p> <p>Address:<br/>Investor Relations Officer<br/>Zerodha Asset Management Private Limited<br/>New No.51, IndiQube Penta, 2nd Floor,<br/>Richmond Road, Bangalore - 560025<br/>Email - <a href="mailto:iro@zerodhafundhouse.com">iro@zerodhafundhouse.com</a></p> <p>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.</p> <p>Investors may escalate to the Compliance Officer at <a href="mailto:compliance@zerodhafundhouse.com">compliance@zerodhafundhouse.com</a> and/ or CEO at <a href="mailto:ceo@zerodhafundhouse.com">ceo@zerodhafundhouse.com</a> if they do not receive a response/ not satisfied with the response from the Investor Relations Team.</p> |
| Specific Attributes of the Scheme                                      | Not Applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Special product/facility available during the NFO and on ongoing basis | Not Applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Weblink                                                                | <p><b>Total Expense Ratio(TER)</b></p> <p><b>TER for last 6 months and Daily TER</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>The AMC/Mutual Fund shall disclose the Total Expense Ratio(TER) of the Scheme on a daily basis on its website viz. <a href="https://www.zerodhafundhouse.com/resources/disclosures/">https://www.zerodhafundhouse.com/resources/disclosures/</a></p> <p><b>Factsheet</b></p> <p>The AMC on its website viz. <a href="https://www.zerodhafundhouse.com/resources/fund-documents">https://www.zerodhafundhouse.com/resources/fund-documents</a> will provide a Factsheet of the Scheme on a monthly basis, which contains details such as Fund size, Performance, NAV, etc.</p> |
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#### 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**

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 Scheme Information Document submitted to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 ("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 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, 1996 and the guidelines thereunder shall be applicable.
- (viii) The Trustees have ensured that the Zerodha Nifty Smallcap 100 ETF 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: Bangalore  
Date: August 20 , 2025

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 August 20 , 2025.*

## II. INFORMATION ABOUT THE SCHEME

### A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

#### Asset Allocation

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 |
| Equities and equity related securities covered by Nifty Smallcap 100 Index | 95%                                        | 100%    |
| Debt and Money Market Instruments*, cash and cash equivalents              | 0%                                         | 5%      |

*\*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 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 SEBI circular no. SEBI/HO.IMD/DF2/CIR/P/2021/024 dated March 04, 2021, 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.

However, cash and cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.

The funds raised under the Scheme shall be invested in the stocks and will be as per Regulation 44(1), Schedule 7 of the SEBI (MF) Regulations.

The Scheme does not intend to undertake/ invest/ engage in the following:

| S.No. | Type of Instrument                            | Percentage of exposure | Circular references |
|-------|-----------------------------------------------|------------------------|---------------------|
| 1.    | Securitized Debt                              |                        |                     |
| 2.    | Short selling of securities                   |                        |                     |
| 3.    | Repo in corporate debt                        |                        |                     |
| 4.    | Unrated instruments (except TREPs/ Government |                        |                     |

|    |                                                                                                                         |                                                         |
|----|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
|    | Securities/ SDL/ Repo in Government Securities)                                                                         | The Scheme will not invest/engage in these instruments. |
| 5. | Foreign securities/ADR/GDR                                                                                              |                                                         |
| 6. | REITs and 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 Swaps                                                                                                    |                                                         |

The scheme shall make investment in derivatives as permitted under the SEBI (MF) regulations. Exposure to equity derivatives of the index or its constituent stocks may be required in certain situations wherein equity shares are unavailable, insufficient or for rebalancing in case of corporate actions within 7 days (or as specified by SEBI from time to time). Investment in derivatives will be upto 20% of the net assets.

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.

#### Change in Asset Allocation:

The Scheme, in general, will hold all the securities that comprise the underlying Index in the same proportion as the Index. Expectation is that, over a period of time, the tracking error of the Scheme relative to the performance of the Underlying Index will be relatively low. The Investment Manager would monitor the tracking error of the Scheme on an ongoing basis and would seek to minimise tracking error to the maximum extent possible. If the investments fall outside the asset allocation range given above due to change in constituents of the index as a result of periodic review, the portfolio of the Scheme shall be rebalanced within 7 calendar days. The proportions mentioned in the asset allocation can vary substantially 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 for short term and for defensive considerations only and will be rebalanced within 7 calendar days. As per SEBI Circular No. SEBI/HO/IMD/DOF2/P/CIR/2022/69 dated May 23, 2022, in case of deviation (passive), the portfolio would be rebalanced within 7 calendar days from the date of deviation. The funds raised under the Scheme shall be invested only in securities as permitted by SEBI (MF) Regulations. Provided further and subject to the above, any change in the asset allocation affecting the investment profile of the Scheme shall be effected only in accordance with the provisions of sub regulation (15A) of Regulation 18 of the SEBI (MF) Regulations.

#### **Portfolio Rebalancing:**

Pursuant to SEBI circular no. SEBI/HO/IMD/IMD - II DOF3/P/CIR/2022/39 dated May 23, 2022 and circulars issued thereunder, in case of change in constituents of the index due to periodic review, the portfolio of the scheme will be rebalanced within 07 calendar days.

#### **Short term defensive consideration:**

Subject to SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 04, 2021 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 07 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.

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

Pursuant to SEBI Circular dated February 27, 2025, 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?**

The corpus of the scheme will be invested in Equity and Equity related instruments, debt, money market instruments and other permitted instruments, which will include but not limited to:

- 1) Equity and Equity related instruments, derivatives and other instruments as may be permitted 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

Please refer to Section II in page no. 37 to 40 for more details on the above instruments.

#### **C. WHAT ARE THE INVESTMENT STRATEGIES?**

The Scheme is a passively managed ETF, which endeavors to invest in stocks in proportion to the weightage of the stocks in the Nifty Smallcap 100 Index. The investment strategy would revolve around reducing the

tracking error to the least possible extent through regular rebalancing of the portfolio, taking into account the change in weights of stocks in the Index as well as the incremental collections/redemptions in the Scheme. Such rebalancing shall be done in accordance with timelines prescribed by SEBI from time to time.

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 endeavor will be made to achieve the objective of the Scheme, the AMC/Sponsors/Trustee do 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 investment objective of the scheme is to achieve a return equivalent to NIFTY Smallcap 100 TRI by investing in stocks of companies comprising NIFTY Smallcap 100 Index. The Scheme endeavours to invest in stocks in proportion to the weightages of these stocks in the NIFTY Smallcap 100 Index.

The fund will, in general, invest a significant part of its corpus in equities; the surplus amount of the fund, not exceeding 5% shall be invested in Cash/Tri-Party Repo, Repo in corporate debt securities & Money Market instruments.

The performance of the Scheme may not be commensurate with the performance of the respective benchmark of the Schemes on any given day or over any given period. Such variations are commonly referred to as the tracking error. The Scheme intends to maintain a low tracking error by effectively replicating the portfolio in line with the index.

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:**

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 subject to the guidelines provided by SEBI from time to time and in line with the overall investment objective of the Scheme.

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:**

The Scheme is an open-ended Exchange Traded Fund and it is expected that there may be a number of subscriptions and repurchases on a daily basis through Stock Exchange(s) or Market Makers and Large Investors. The Scheme will endeavour 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 and in accordance with the composition of NIFTY Smallcap 100 Index. The effect of higher portfolio turnover could be higher brokerage and transaction costs.

#### **D. HOW WILL SCHEME BENCHMARK ITS PERFORMANCE?**

The Benchmark for the Scheme is Nifty Smallcap 100 TRI.

The Scheme invests in equity and equity related instruments of companies, which are constituents of the Nifty Smallcap 100 Index. Hence, it is an appropriate benchmark for the Scheme. Further, a Total Returns Index reflects the returns on the index from index gain/loss plus dividend payments by constituent index stocks.

The performance will be benchmarked to the Total Returns Variant of the Index. The Trustee reserves the right to change the benchmark for evaluation of performance of the Scheme from time to time in conformity with the investment objectives and appropriateness of the benchmark subject to SEBI (MF) Regulations, and other prevailing guidelines, if any by suitable notification to investors to this effect.

Please refer to the Section on Index Methodology at Page No. 45 to 50 for more details.

#### **E. WHO MANAGES THE SCHEME?**

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

| <b>Name and Age</b>                | <b>Educational Qualification</b> | <b>Experience (in years)</b>                                                                                                                                                         | <b>Fund (s) Managed</b>                                                                                                                                                                                             |
|------------------------------------|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Kedarnath Mirajkar<br><br>43 Years | PGDBM - Finance                  | 19 years<br><br>Zerodha AMC - From "June 2022" Till date<br><br>Aditya Birla Sun Life AMC - April 2010 to June 2022<br><br>Fund Manager/ Dealer Passive - December 2020 to June 2022 | 1. Zerodha Nifty LargeMidcap 250 Index Fund;<br>2. Zerodha ELSS TaxSaver Nifty LargeMidcap 250 Index Fund;<br>3. Zerodha Nifty 1D Rate Liquid ETF;<br>4. Zerodha Nifty Midcap 150 ETF;<br>5. Zerodha Nifty 100 ETF; |

|  |  |                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                         |
|--|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |  | <p>Chief Manager - Risk Management November 2018 to December 2020<br/>Trade Operations - April 2010 to Nov 2018</p> <p>HDFC Bank (Custody Department) August 2007 to March 2010</p> <p>Bombay Dyeing - September 2005 to August 2007</p> | <p>6. Zerodha Gold ETF (Co-Fund Manager);</p> <p>7. Zerodha Gold ETF FoF;</p> <p>8. Zerodha Silver ETF;</p> <p>9. Zerodha Overnight Fund;</p> <p>10. Zeodha Silver ETF FoF;</p> <p>11. Zerodha Multi Asset Passive FoF;</p> <p>12. Zerodha Nifty 8-13 Yr G-Sec ETF.</p> |
|--|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

Below is the Reference 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 prices of Physical Gold                                                                                      |
| Zerodha Nifty 100 ETF                                   | An open-ended scheme replicating/tracking Nifty 100 Total Returns Index                                                                                         |
| Zerodha Nifty Midcap 150 ETF                            | An open-ended scheme replicating/tracking Nifty Midcap 150 Total Return Index                                                                                   |
| 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 |

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?**

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

**Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.**

#### **H. ADDITIONAL SCHEMES RELATED DISCLOSURES**

##### **i. Scheme Portfolio Holdings**

Please visit the AMC/MF website viz. [www.zerodhafundhouse.com/resources/disclosures](http://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**

Please visit the AMC/MF website viz. [www.zerodhafundhouse.com/resources/disclosures](http://www.zerodhafundhouse.com/resources/disclosures) for details on names and exposure to Top 7 issuers, Groups and Sectors as a percentage of NAV.

##### **iii. Functional website link for Portfolio Disclosure - Monthly & Half-yearly**

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

##### **iv. Portfolio Turnover Rate**

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 and in accordance with the composition of Nifty Smallcap 100 Index. 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](http://www.zerodhafundhouse.com/resources/disclosures).

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

Since the scheme is a new scheme, the above disclosure 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**

In terms of sub-regulation 16(A) in Regulation 25 of SEBI (MF) Regulations, 1996 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. However, as per the circular, ETFs, Index Funds, Overnight Funds, Funds of Funds (FoF) scheme(s) are exempted from the purview of the aforesaid circular.

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.

[This space has been left intentionally blank]

### III. OTHER DETAILS

#### A. COMPUTATION OF NAV

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 and as Stipulated in the Investment Valuation Policy and Procedures of the Fund, available on the Website.

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 =  
Market or Fair Value of the Scheme's Investments + Current Assets - Current Liabilities and Provisions

---

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:

|                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Purchase Amount - ₹ 10,000</p> <p>Applicable NAV - ₹ 10</p> <p><b>No. of Units - 1,000 Units</b> (<i>Purchase Amount/Applicable NAV</i>)</p> |
|-------------------------------------------------------------------------------------------------------------------------------------------------|

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%           |
| <br>                     |
| $= 10 - (10 \times 1\%)$ |
| $= 10 - (0.1)$           |
| <b>= ₹ 9.9</b>           |

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 |
| <br>                    |
| $= 1000 \times 9.9$     |
| <b>= ₹ 9,900</b>        |

*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 95% 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 5% calculated on the Subscription/ Purchase Price. The Purchase Price shall be at applicable NAV.

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 52 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](http://www.zerodhafundhouse.com)

| Expense Head                                                                                                                | % of daily net assets (estimated) (p.a.) |
|-----------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| Investment Management and Advisory Fees                                                                                     | <b>Upto 1.00%</b>                        |
| Audit fees/fees and expenses of trustees <sup>1</sup>                                                                       |                                          |
| Custodial Fees                                                                                                              |                                          |
| Registrar & Transfer Agent Fees including cost of providing account statements / IDCW / redemption cheques/ warrants        |                                          |
| Marketing & Selling Expenses including Agents Commission and statutory advertisement                                        |                                          |
| Cost related to Investor Communication                                                                                      |                                          |
| Cost of fund transfer from one location to another                                                                          |                                          |
| Cost towards investor education and awareness <sup>2</sup>                                                                  |                                          |
| Brokerage and Transaction cost over and above 0.12% and 0.05% on value of trades for cash and derivative market trades only |                                          |
| GST on expenses other than Investment Management and Advisory Fees <sup>3</sup>                                             |                                          |
| GST on brokerage and transaction cost <sup>3</sup>                                                                          |                                          |
| Other Expenses <sup>5</sup>                                                                                                 |                                          |
| Maximum Total Expense Ratio (TER) permissible under Regulation 52 (6) <sup>4</sup>                                          | <b>Upto 1.00%</b>                        |

<sup>1</sup> *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 yearly fee of ₹1. Such fee shall be paid to the Trustee within seven working days of the end of every year. The Trustee may charge further expenses as permitted from time to time under the Trust Deed and SEBI (MF) Regulations.*

<sup>2</sup> *Investor Education and Awareness initiatives*

*As per PSEBI Circular no. SEBI/HO/IMD/DOF2/P/CIR/2022/69 dated May 23, 2022 read with SEBI Circular no. SEBI/HO/IMD/PoD2/P/CIR/2024/183 dated December 31, 2024, the AMC shall annually set apart 5% of total TER charged to direct plans, subject to maximum of 0.5 bps of AUM for passive schemes as defined under the*

circular dated December 31, 2024, within the limits of total expenses prescribed under Regulation 52 of SEBI (MF) Regulations for investor education and awareness initiatives undertaken.

<sup>3</sup> Refer Point (3) below on GST on various expenses.

<sup>4</sup> The expenses towards Investment Management and Advisory Fees under Regulation 52 (2) and the various sub-heads of recurring expenses mentioned under Regulation 52 (4) 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 52 (2) and (4) 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

As per Para B of the SEBI circular no. CIR/IMD/DF/21/2012 dated September 13, 2012, GST shall be charged as follows: -

- 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 52 (6) of the SEBI (MF) Regulations.
- GST on other than investment management and advisory fees, if any, shall be borne by the Scheme within the maximum limit of TER as prescribed in Regulation 52 (6) of the SEBI (MF) Regulations.
- GST on brokerage and transaction cost paid for execution of trade, if any, shall be within the limit prescribed under Regulation 52 of the SEBI (MF) Regulations.

The total expenses of the Scheme including the Investment Management and Advisory Fee shall not exceed the limits stated in Regulation 52 of the SEBI (MF) Regulations.

The mutual fund would update the current expense ratios on the website ([www.zerodhafundhouse.com](http://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

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 expenses charged will be as under:

| Particulars                                      | Direct Plan |
|--------------------------------------------------|-------------|
| Amount invested at the beginning of the year (₹) | 10,000      |
| Returns before expenses (₹)                      | 1,500       |

|                                                   |       |
|---------------------------------------------------|-------|
| Expenses (₹)                                      | 150   |
| Returns after expenses at the end of the year (₹) | 1,350 |
| Returns (per annum in %)                          | 13.5% |

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 be 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 circulars, 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**

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](http://www.zerodhafundhouse.com)).

Details of Load Structure:

| <b>Type of Load</b>    | <b>Load Chargeable (% of NAV)</b> |
|------------------------|-----------------------------------|
| Exit / Redemption Load | 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.

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:

- The addendum detailing the changes will be attached to Scheme Information Document and Key Information Memorandum and displayed on our website [www.zerodhafundhouse.com](http://www.zerodhafundhouse.com).
- 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.
- (iv) Any other measures which the mutual funds 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://assets.zerodhafundhouse.com/statutory-reports/other-disclosures/Definitions%20&%20Abbreviations.pdf>

#### B. Risk Factors

##### **Scheme Specific Risk Factors**

The performance of the Scheme may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems, etc. Some of the Risks are listed below:

- **Absence of Prior Active Market:** Although the units of ETFs are listed on the Stock Exchange for trading, there can be no assurance that an active secondary market will develop or be maintained.
- **Lack of Market Liquidity:** Trading in units of ETFs on the Stock Exchange on which it is listed may be halted because of market conditions or for reasons that, in the view of the concerned Stock Exchange or Market Regulator, trading in the ETF Units is inadvisable. In addition, trading in the units of ETFs is subject to trading halts caused by extraordinary market volatility pursuant to 'circuit breaker' rules. There can be no assurance that the requirements of the concerned Stock Exchange necessary to maintain the listing of the units of ETFs will continue to be met or will remain unchanged.
- **Units of Exchange Traded Funds May Trade at Prices Other than NAV:** Units of Exchange Traded Funds may trade above or below their NAV. The NAV of Units of Exchange Traded Funds may fluctuate with changes in the market value of a Scheme's holdings. The trading prices of units of the ETF will fluctuate in accordance with changes in their NAVs as well as market supply and demand. However, given that ETFs can be created / redeemed in Creation Units, directly with the fund and disclosure of iNAV as stipulated by regulations, large discounts or premiums to the NAVs may not be sustainable.
- **Regulatory Risk:** Any changes in trading regulations by the Exchange or SEBI may affect the ability of the market maker to arbitrage resulting into wider premium/ discount to NAV. Although Zerodha Nifty Smallcap 100 ETF is listed on Exchange, the AMC and the Trustees will not be liable for delay in listing of Units of the Scheme on Exchange / or due to connectivity problems with the depositories due to the occurrence of any event beyond their control.
- **Political Risks:** Whereas the Indian market was formerly restrictive, a process of deregulation has been taking place over recent years. This process has involved removal of trade barriers and protectionist measures, which could adversely affect the value of investments. It is possible that the future changes in the Indian political situation, including political, social or economic instability, diplomatic developments and changes in laws and regulations could have an effect on

the value of investments. Expropriation, confiscatory taxation or other relevant developments could affect the value of investments.

- Right to Limit Redemptions: The Trustees, in the general interest of the unit holders of the Scheme offered under this Scheme Information Document and keeping in view of the unforeseen circumstances/unusual market conditions, may limit the total number of Units which can be redeemed on any Business Day depending on the total “Saleable Underlying Stock” available with the fund.
- Redemption Risk: The Unit Holders may note that even though this is an open ended scheme, the Scheme would ordinarily repurchase Units in Creation Unit Size. Thus, unit holdings less than the Creation Unit Size can normally only be sold through the secondary market except situations mentioned under ‘Exit opportunity in case of ETF for investors other than Market Makers and Large Investors’ in the SID.
- Asset Class Risk: The returns from the types of securities in which a Scheme invests may underperform returns from the various general securities markets or different asset classes. Different types of securities tend to go through cycles of out-performance and underperformance in comparison of the general securities markets.
- Passive Investments: As the Scheme is not actively managed, the underlying investments may be affected by a general decline in the Indian markets relating to its Underlying Index. The scheme invests in the securities included in its underlying index regardless of their investment merit. The AMC does not attempt to take defensive positions in declining markets. Further, the fund manager does not make any judgement about the investment merit nor shall attempt to apply any economic, financial or market analysis.
- Tracking Error/ Tracking Difference Risk: Tracking Error & Tracking Difference may arise including but not limited to the following reasons:
  1. Expenditure incurred by the fund.
  2. The holding of cash positions. The fund may not be invested at all time as it may keep a portion of the funds in cash to meet redemptions.
  3. The fund will deploy available funds into TRI-PARTY REPO at various points during the day, which may differ from weighted average rate published by CCIL at end of the day (considered for index return computation).
  4. Execution of large buys / sell orders.
  5. Transaction cost.
  6. Realisation of Unit holders funds.

#### Risk specific to investing in securities forming part of Nifty Smallcap 100 Index

- a. Zerodha Nifty Smallcap 100 ETF is a passively managed ETF i.e. the amount collected under the scheme is invested in securities comprising the underlying index in the same weightages as they have in the underlying index.
- b. The composition of the underlying index is subject to changes that may be affected periodically by the Index Service Provider.
- c. Performance of the underlying index will have a direct bearing on the performance of the scheme.
- d. The extent of the Tracking error may have an impact on the performance of the scheme.

### 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 Factors Associated with Trading in the Secondary Market

Although Units of Scheme are listed / to be listed on the Stock Exchange(s), there can be no assurance that an active secondary market will be developed or be maintained.

Trading in Units of the Scheme on the Stock Exchange(s) may be halted because of market conditions or for reasons that in view of the Exchange Authorities or SEBI, trading in Units of the Scheme is not advisable. In addition, trading in Units of the Scheme is subject to trading halts caused by extraordinary market volatility and pursuant to the Exchange and SEBI 'circuit filter' rules. There can be no assurance that the requirements of the Stock Exchange(s) necessary to maintain the listing of Units of the Scheme will continue to be met or will remain unchanged.

Any changes in trading regulations by the Stock Exchange(s) or SEBI may affect the ability of market makers to arbitrage resulting in wider premium / discount to NAV.

The Units of the Scheme may trade above or below their NAV. The NAV of the Scheme will fluctuate with changes in the market value of Scheme's holdings. The trading prices of Units of the Scheme will fluctuate in accordance with changes in their NAV as well as market supply and demand for the Units of the Scheme.

The Units will be issued only in demat form through depositories. The records of the depository are final with respect to the number of Units available to the credit of the Unit holder. Settlement of trades, repurchase of Units by the Mutual Fund during liquidity window depends upon the confirmations to be received from depository(ies) on which the Mutual Fund has no control.

The Scheme provides for the creation and redemption of Units in Creation Unit Size directly with the Fund and therefore, it is expected that large discounts or premiums to the NAV of the Units of the Scheme will not sustain due to arbitrage opportunities available.

#### 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, leading to 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 leading to loss 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 comprising of 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 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

#### 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 authorized 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.

#### Risk associated with 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. Debt derivatives instruments like interest rate swaps, forward rate agreements or other derivative instruments also involve certain risks.

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.
- Tracking Error & Tracking Difference Risk

Tracking error is defined as the standard deviation of the difference between the daily returns of the Underlying Index and NAV of the Scheme, this may happen due to certain factors such as the fees and expenses of the Scheme, corporate actions, cash balance, changes to the underlying index, regulatory restrictions and lack of liquidity. Hence it may affect Scheme's ability to achieve close correlation with the underlying index of the Scheme. The Scheme's returns may therefore deviate from its underlying index.

The Fund Manager would monitor the Tracking Error of the Scheme on an ongoing basis and would seek to minimize the Tracking Error to the maximum extent possible. The tracking error of the

scheme based on past one year rolling data shall not exceed 2%. In case of unavoidable circumstances in the nature of force majeure, which are beyond the control of the AMCs/ Mutual Fund, the tracking error may exceed 2% and the same shall be brought to the notice of Trustees with corrective actions taken by the AMC, if any. The Scheme will disclose the tracking error based on past one year rolling data, on a daily basis, on the website of AMC and AMFI. In case the Scheme has been in existence for a period of less than one year, the annualized standard deviation shall be calculated based on available data. There can be no assurance or guarantee that the scheme will achieve any particular level of tracking error relative to performance of the Underlying Index.

### C. Risk Mitigation Strategies

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. In addition, to minimise the major risks, the following measures are taken:

| Risk & Description                                                                                                                                                                          | Risk mitigants / management strategy                                                                                                                                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tracking Error: The performance of the Scheme may not be commensurate with the performance of the benchmark index on any given day or over any given period, referred to as tracking error. | The Investment Manager would monitor the tracking error of the Scheme on an ongoing basis and would seek to minimise tracking error to the maximum extent possible. The investment manager will endeavour to maintain low cash levels to minimise tracking error.                            |
| Liquidity risk: The liquidity of the Scheme's investments is inherently restricted by the trading volumes in the securities in which the scheme invests as per the Underlying Index.        | 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 time.                                                                                     |
| 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 inherent to an equity scheme. Being a passively managed scheme, it will invest in the securities included in its Underlying Index.                                                                                                                                            |
| Liquidity or Marketability Risk: This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM).                                             | The 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. |

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.

## II. Information about the Scheme

### A. Where will the Scheme Invest

The corpus of the scheme will be invested in Equity and Equity related instruments, debt, money market instruments and other permitted instruments, which will include but not limited to:

#### **Equity and Equity related instruments:**

Equity and Equity related Securities of companies constituting NIFTY Smallcap 100 TRI.

#### **Debt and Money Market Instruments:**

Listed debt or money market securities, in accordance with seventh schedule to the SEBI (MF) Regulations, SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 01, 2019 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.

#### Non-convertible debentures and bonds

Non-convertible debentures as well as bonds are securities issued by companies / Institutions promoted / owned by the Central or State Governments and statutory bodies which may or may not carry a Central/State Government guarantee, Public and private sector banks, all India Financial Institutions and Private Sector Companies. These instruments may be secured or unsecured against the assets of the Company and generally issued to meet the short term and long-term fund requirements. The Scheme may also invest in the non-convertible part of convertible debt securities.

#### 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 paragraph "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 June 27, 2024, 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, 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.
- 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.

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 shareholding 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.

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.

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.

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 Circular No. SEBI/HO/IMD/DF2/CIR/P/ 2019/104 dated October 1, 2019 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 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.

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 (mm) 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 Securitised 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.

- 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.

The AMC / Trustee 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.

### **C. Fundamental Attributes**

Following are the fundamental attributes of the Scheme, in terms of Regulation 18 (15A) of the SEBI (MF) Regulations:

(i) Type of scheme: An open-ended scheme replicating/tracking Nifty Smallcap 100 Total Return Index (TRI)

(ii) Investment Objective:

- a) Main Objective - The investment objective of the scheme is to invest in stocks comprising the Nifty Smallcap 100 Index in the same proportion as in the index to achieve returns equivalent to the Total Return Index of Nifty Smallcap 100 Index (subject to tracking error).
- 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 18 (15A) of the SEBI (Mutual Funds) Regulations, the Trustee shall ensure that no change in the fundamental attributes of the Scheme and the Option thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme and the Option thereunder and affect the interest of Unit holders is carried out unless:

- SEBI has reviewed and provided its comments on the proposal.

- A written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated.
- The Unit holders are given an option for a period of 30 days to exit at the prevailing Net Asset Value without any Exit Load.

Further, in accordance with Regulation 25 (26) of the SEBI (MF) Regulations, the AMC shall ensure that no change in the fundamental attributes of the Scheme or the trust or fee and expenses payable or any other change which would modify the Scheme and affect the interests of Unitholders shall be carried out unless:

- (i) A written communication about the proposed change is sent to each Unitholder and an advertisement is issued in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- (ii) The Unitholders are given an option for a period of atleast 30 calendar days to exit at the prevailing Net Asset Value without any exit load.

#### **D. Index methodology**

The Benchmark for the Scheme is Nifty Smallcap 100 TRI.

The Scheme proposes to invest in equity and equity related instruments of companies, which are constituents of the Nifty Smallcap 100 Index. Hence, it is an appropriate benchmark for the Scheme. Further, a Total Returns Index reflects the returns on the index from index gain/loss plus dividend payments by constituent index stocks.

The performance will be benchmarked to the Total Returns Variant of the Index. The Trustee reserves the right to change the benchmark for evaluation of performance of the Scheme from time to time in conformity with the investment objectives and appropriateness of the benchmark subject to SEBI (MF) Regulations, and other prevailing guidelines, if any by suitable notification to investors to this effect.

#### **About the Index**

The Nifty Smallcap 100 Index is designed to reflect the behaviour and performance of the small cap segment of the financial market. The Nifty Smallcap 100 Index comprises 100 tradable stocks listed at the National Stock Exchange (NSE). Nifty Smallcap 100 Index is computed using free float market capitalization method, wherein the level of the index reflects the total free float market value of all the stocks in the index relative to particular base market capitalization value.

#### **Highlights**

- The index includes all companies from Nifty Smallcap 50. Constituents added in Nifty Smallcap 50 which are not in Nifty Smallcap 100 shall be included in the Index.

- For remaining companies, securities will be included if rank based on average daily turnover is among the top 70 from the top 150 constituents selected based on full market capitalisation in Nifty Smallcap 250.
- Securities will be excluded if rank based on full market capitalisation falls below 180 from Nifty Smallcap 250 constituents; or
- Rank based on full market capitalisation is among top 180 from Nifty Smallcap 250 constituents but rank based on average daily turnover falls below 130 (from top 180 constituents); or
- If constituents get excluded from Nifty Smallcap 250

### Index rebalancing: Semi-annually

The constituents of Nifty Smallcap 100 Index as on July 31, 2025:

| S.NO. | SECURITY NAME                              | WEIGHTAGE |
|-------|--------------------------------------------|-----------|
| 1     | MULTI COMMODITY EXCHANGE OF INDIA LTD.     | 3.78      |
| 2     | LAURUS LABS LTD.                           | 3.30      |
| 3     | CENTRAL DEPOSITORY SERVICES (INDIA) LTD.   | 2.54      |
| 4     | DELHIVERY LTD.                             | 2.12      |
| 5     | RADICO KHAITAN LTD                         | 2.06      |
| 6     | CROMPTON GREAVES CONSUMER ELECTRICALS LTD. | 2.00      |
| 7     | KARUR VYSYA BANK LTD.                      | 2.00      |
| 8     | COMPUTER AGE MANAGEMENT SERVICES LTD.      | 1.73      |
| 9     | NAVIN FLUORINE INTERNATIONAL LTD.          | 1.70      |
| 10    | KAYNES TECHNOLOGY INDIA LTD.               | 1.62      |
| 11    | AMBER ENTERPRISES INDIA LTD.               | 1.57      |
| 12    | PNB HOUSING FINANCE LTD.                   | 1.52      |
| 13    | TATA CHEMICALS LTD.                        | 1.48      |
| 14    | ANGEL ONE LTD.                             | 1.46      |
| 15    | PIRAMAL ENTERPRISES LTD.                   | 1.45      |
| 16    | THE RAMCO CEMENTS LTD.                     | 1.43      |
| 17    | REDINGTON LTD.                             | 1.43      |

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|----|---------------------------------------|------|
| 18 | RELIANCE POWER LTD.                   | 1.42 |
| 19 | INOX WIND LTD.                        | 1.40 |
| 20 | BRIGADE ENTERPRISES LTD.              | 1.35 |
| 21 | MANAPPURAM FINANCE LTD.               | 1.34 |
| 22 | ASTER DM HEALTHCARE LTD.              | 1.31 |
| 23 | KALPATARU PROJECTS INTERNATIONAL LTD. | 1.26 |
| 24 | NARAYANA HRUDAYALAYA LTD.             | 1.25 |
| 25 | KFIN TECHNOLOGIES LTD.                | 1.21 |
| 26 | AFFLE 3I LTD.                         | 1.19 |
| 27 | GODFREY PHILLIPS INDIA LTD.           | 1.19 |
| 28 | WELSPUN CORP LTD.                     | 1.18 |
| 29 | PIRAMAL PHARMA LTD.                   | 1.18 |
| 30 | POONAWALLA FINCORP LTD.               | 1.17 |
| 31 | AMARA RAJA ENERGY & MOBILITY LTD.     | 1.14 |
| 32 | DR. LAL PATH LABS LTD.                | 1.14 |
| 33 | PG ELECTROPLAST LTD.                  | 1.12 |
| 34 | NEULAND LABORATORIES LTD.             | 1.10 |
| 35 | NBCC (INDIA) LTD.                     | 1.08 |
| 36 | KEC INTERNATIONAL LTD.                | 1.08 |
| 37 | HIMADRI SPECIALITY CHEMICAL LTD.      | 1.07 |
| 38 | IIFL FINANCE LTD.                     | 1.07 |
| 39 | FIVE-STAR BUSINESS FINANCE LTD.       | 1.07 |
| 40 | NUVAMA WEALTH MANAGEMENT LTD.         | 1.05 |
| 41 | FIRSTSOURCE SOLUTIONS LTD.            | 1.04 |
| 42 | CESC LTD.                             | 1.03 |
| 43 | CASTROL INDIA LTD.                    | 1.02 |

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|----|--------------------------------------------|------|
| 44 | ATUL LTD.                                  | 1.02 |
| 45 | GUJARAT STATE PETRONET LTD.                | 1.01 |
| 46 | INDIAN ENERGY EXCHANGE LTD.                | 0.99 |
| 47 | CYIENT LTD.                                | 0.98 |
| 48 | ADITYA BIRLA REAL ESTATE LTD.              | 0.95 |
| 49 | GREAT EASTERN SHIPPING CO. LTD.            | 0.90 |
| 50 | ZENSAR TECHNOLOGIES LTD.                   | 0.89 |
| 51 | AEGIS LOGISTICS LTD.                       | 0.87 |
| 52 | NCC LTD.                                   | 0.86 |
| 53 | GO DIGIT GENERAL INSURANCE LTD.            | 0.85 |
| 54 | AARTI INDUSTRIES LTD.                      | 0.83 |
| 55 | NATCO PHARMA LTD.                          | 0.82 |
| 56 | HINDUSTAN COPPER LTD.                      | 0.77 |
| 57 | INDIAMART INTERMESH LTD.                   | 0.76 |
| 58 | CHAMBAL FERTILIZERS & CHEMICALS LTD.       | 0.76 |
| 59 | DATA PATTERNS (INDIA) LTD.                 | 0.75 |
| 60 | MAHANAGAR GAS LTD.                         | 0.75 |
| 61 | ANANT RAJ LTD.                             | 0.74 |
| 62 | GARDEN REACH SHIPBUILDERS & ENGINEERS LTD. | 0.74 |
| 63 | SONATA SOFTWARE LTD.                       | 0.74 |
| 64 | BATA INDIA LTD.                            | 0.73 |
| 65 | BEML LTD.                                  | 0.73 |
| 66 | BRAINBEES SOLUTIONS LTD.                   | 0.70 |
| 67 | HFCL LTD.                                  | 0.69 |
| 68 | SAGILITY INDIA LTD.                        | 0.69 |
| 69 | PVR INOX LTD.                              | 0.69 |

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|----|---------------------------------------------------|------|
| 70 | SHYAM METALICS AND ENERGY LTD.                    | 0.67 |
| 71 | PCBL CHEMICAL LTD.                                | 0.67 |
| 72 | TRIVENI TURBINE LTD.                              | 0.67 |
| 73 | TITAGARH RAIL SYSTEMS LTD.                        | 0.66 |
| 74 | ZEN TECHNOLOGIES LTD.                             | 0.64 |
| 75 | CREDITACCESS GRAMEEN LTD.                         | 0.64 |
| 76 | HBL ENGINEERING LTD.                              | 0.64 |
| 77 | DEVYANI INTERNATIONAL LTD.                        | 0.63 |
| 78 | SWAN ENERGY LTD.                                  | 0.63 |
| 79 | BIRLASOFT LTD.                                    | 0.62 |
| 80 | RAMKRISHNA FORGINGS LTD.                          | 0.58 |
| 81 | IRCON INTERNATIONAL LTD.                          | 0.56 |
| 82 | NEWGEN SOFTWARE TECHNOLOGIES LTD.                 | 0.52 |
| 83 | AADHAR HOUSING FINANCE LTD.                       | 0.51 |
| 84 | IDBI BANK LTD.                                    | 0.50 |
| 85 | AFCONS INFRASTRUCTURE LTD.                        | 0.45 |
| 86 | TEJAS NETWORKS LTD.                               | 0.45 |
| 87 | ACTION CONSTRUCTION EQUIPMENT LTD.                | 0.45 |
| 88 | JUPITER WAGONS LTD.                               | 0.45 |
| 89 | BLS INTERNATIONAL SERVICES LTD.                   | 0.44 |
| 90 | SIGNATUREGLOBAL (INDIA) LTD.                      | 0.43 |
| 91 | INVENTURUS KNOWLEDGE SOLUTIONS LTD.               | 0.40 |
| 92 | INTERNATIONAL GEMMOLOGICAL INSTITUTE (INDIA) LTD. | 0.39 |
| 93 | WELSPUN LIVING LTD.                               | 0.38 |
| 94 | IFCI LTD.                                         | 0.36 |
| 95 | TRIDENT LTD.                                      | 0.36 |

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|-----|--------------------------------------|------|
| 96  | BITES LTD.                           | 0.33 |
| 97  | RAILTEL CORPORATION OF INDIA LTD.    | 0.31 |
| 98  | TATA TELESERVICES (MAHARASHTRA) LTD. | 0.29 |
| 99  | ITI LTD.                             | 0.27 |
| 100 | JBM AUTO LTD.                        | 0.25 |

### Index Service Provider

NSE Indices Limited (NSE Indices), a subsidiary of NSE Strategic Investment Corporation Limited was setup in May 1998 to provide a variety of indices and index related services and products for the Indian capital markets. NSE Indices provides a broad range of services, products and professional index services.

### Portfolio concentration norms

In accordance with SEBI Circular SEBI/HO/IMD/DF3/ CIR/P/ 2019/011 dated January 10, 2019, the Index shall comply with the following portfolio concentration norms:

- (a) The Index shall have a minimum of 10 stocks as its constituents.
- (b) No single stock shall have more than 25% weight in the Index.
- (c) The weightage of the top three constituents of the Index, cumulatively shall not be more than 65% of the Index.
- (d) The individual constituent of the Index shall have a trading frequency greater than or equal to 80% and an average impact cost of 1% or less over the previous six months.

The Scheme shall monitor compliance with the aforesaid norms by the Index at the end of every calendar quarter.

Further, the updated constituents of the Index will be made available on the website of the Fund.

### E. Principles of incentive structure for market makers

AMC currently does not provide any performance based incentive to its Market Makers (MMs). However, performance based incentives structure, as and when, provided to MMs shall be charged to the Scheme within the maximum permissible limit of TER and the necessary disclosure as per as per para 3.6.1.4 of the SEBI Master Circular for Mutual Funds dated June 27, 2024 shall be made in this regard.

### F. Floors and ceiling within a range of 5% of the intended allocation against each sub class of asset, as per clause 13.6.2 of SEBI master circular for mutual funds dated June 27, 2024.

Not Applicable

### G. Other Scheme Specific Disclosures

|                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <p>Listing and transfer of units</p>                                                                                            | <p>The Units of the Scheme are listed on the National Stock Exchange of India Limited and BSE Limited and will be listed on any other recognized stock exchange as may be decided by the AMC from time to time.</p> <p>The AMC engages Market Makers to provide liquidity in the Secondary Market on an ongoing basis, so that investors other than Market Makers and Large Investors are able to buy or redeem Units on the Stock Exchange(s).</p> <p>An investor can buy/sell Units on a continuous basis on the NSE Limited and BSE Limited or any other recognized stock exchange(s) on which the Units are listed during the trading hours like any other publicly traded stock at prices which may be close to the NAV of the Scheme.</p> <p>Units held in Demat Form are freely transferable. Further, AMFI vide its circular (circular no. 135/BP/ 116 /2024-25) dated August 14, 2024 has introduced the facility for transfer of units held in SoA (Statement of Accounts) mode in a phased manner. In the first phase, to start with, it shall provide the facility to individual unitholders falling under the following three categories:</p> <ol style="list-style-type: none"> <li>1. Surviving joint unitholder, who wants to add new joint holder(s) in the folio upon demise of one or more joint unitholder(s).</li> <li>2. 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.</li> <li>3. 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).</li> </ol> |
| <p>Dematerialization of units</p>                                                                                               | <p>The Units of the Scheme are only available in dematerialised (electronic) form. Investors intending to Invest in the Units of the Scheme 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.</p> <p>The Units of the Scheme will be issued, traded and settled compulsorily in dematerialized (electronic) form.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <p>Minimum Target amount<br/><i>(This is the minimum amount required to operate the Scheme and if this is not collected</i></p> | <p>The minimum target amount to be raised during the NFO Period shall be ₹5 Crore.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

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| 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)                                                                           | <p>All Applicants whose monies towards purchase of Units have been realised 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.</p> <p>Units of the Scheme will be available only in the dematerialized form.</p> <p>The Applicants will be required to have a beneficiary account with a Depository Participant (DP) of the NSDL/CDSL. The Units allotted will be credited to the DP account of the Unit holder as per the details provided. The statement of holding of the beneficiary account holder for the units will be sent by the respective DPs periodically.</p> <p>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).</p> <p>Allotment of units will be done after deduction of applicable stamp duty and transaction charges, if any.</p> <p>As the Units of the Scheme will be issued, traded and settled mandatorily in dematerialized (electronic) form, the statement of holding of the Unitholder i.e. beneficiary account holder will be sent by the respective DPs periodically.</p> <p>Please refer to SAI for details.</p> |
| 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

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| <p>Who Can Invest</p> <p><i>(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)</i></p> | <p>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:</p> <ol style="list-style-type: none"> <li>1. Resident adult individuals either singly or jointly (not exceeding three) or on an anyone or survivor basis;</li> <li>2. Karta of Hindu Undivided Family (HUF);</li> </ol> <p>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 June 27, 2024 read with SEBI Circular dated May 12, 2023 as amended from time to time.</p> <p><u>Note:</u> 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.</p> <ol style="list-style-type: none"> <li>3. Proprietorship in the name of Sole Proprietor;</li> <li>4. Partnership Firms &amp; Limited Liability Partnerships (LLPs);</li> <li>5. 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;</li> <li>6. Banks &amp; Financial Institutions;</li> <li>7. Mutual Funds/ Alternative Investment Funds registered with SEBI;</li> <li>8. 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;</li> <li>9. Non-resident Indians (NRIs)/Persons of Indian Origin residing abroad (PIO)/ Overseas Citizen of India (OCI) on repatriation basis or on non-repatriation basis;</li> <li>10. Foreign Portfolio Investors (FPI) registered with SEBI in accordance with applicable laws;</li> <li>11. Army, Air Force, Navy and other paramilitary units and bodies created by such institutions;</li> </ol> |
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|                                | <p>12. Scientific and Industrial Research Organizations;</p> <p>13. Council of Scientific and Industrial Research, India;</p> <p>14. Multilateral Financial Institutions/ Bilateral Development Corporation Agencies/ Bodies Corporate incorporated outside India with the permission of Government of India/Reserve Bank of India;</p> <p>15. Provident/ Pension/ Gratuity Fund to the extent they are permitted;</p> <p>16. Qualified Foreign Investor (QFI);</p> <p>17. Other Schemes of Zerodha Mutual Fund subject to the conditions and limits prescribed by SEBI (MF) Regulations;</p> <p>18. 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.</p> <p>The list given above is indicative and the applicable laws, if any, as amended from time to time shall supersede the list.</p> |
| Who cannot invest              | <p>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;</p> <p>2. Overseas Corporate Bodies (OCBs);</p> <p>3. NRIs residing in Non-Compliant Countries and Territories (NCCTs) as determined by the Financial Action Task Force (FATF);</p> <p>4. U.S. Persons and Residents of Canada as defined under the applicable laws of U.S. and Canada;</p> <p>5. Such other persons as may be specified by AMC/ Trustee from time to time.</p>                                                                                                                                                                                                                                                |
| How to Apply and other details | <p>Investors can submit the application for purchase and redemption transactions in the schemes of Zerodha Mutual Fund at the Official Points of Acceptance (OPA).</p> <p>Please refer to the SAI for the details.</p> <p>The Investor may also reach out to the investor support email id <a href="mailto:support@zerodhafundhouse.com">support@zerodhafundhouse.com</a> for details/ help in investing.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

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|  | <p>The list of OPA is available on the website of AMC i.e., <a href="http://www.zerodhafundhouse.com">www.zerodhafundhouse.com</a></p> <p>Please refer to Page no. 67 for Official Points of Acceptance, Registrar and Transfer Agent (RTA) and Collecting Banker details.</p> <p>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.</p> <p>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.</p> <p><b>Terms and conditions for transactions through email for non-individual investors</b></p> <p>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:</p> <p>Terms and conditions for transactions through email:</p> <ul style="list-style-type: none"> <li>• The AMC can accept financial transactions from non-individual investors through email, subject to the following:</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• The non-individual investors must have necessary safeguards to ensure the security of email communications and retain transaction records as per applicable laws/regulations.</li> </ul> |
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|                                                                                                                                                                  | <ul style="list-style-type: none"> <li>Any addition/deletion of authorized signatories by the non-individual investors shall be done in the manner specified by the AMC.</li> <li>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.</li> <li>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.</li> <li>The AMC will adopt security procedures, electronic time stamping mechanisms and audit trails for email transactions, as may be required.</li> <li>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.</li> </ul> |
| 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. | Presently, the AMC does not intend to reissue the repurchased Units. However, the Trustee reserves the right to reissue the repurchased Units at a later date after issuing adequate public notices and taking approvals, if any, from SEBI.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Restrictions, if any, on the right to freely retain or dispose of units being offered.                                                                           | <p>The Units of the Scheme are mandatorily required to be held in electronic (demat) mode and are freely 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.</p> <p>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.</p> <p>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</p>                                                                                                                                                                                                                                                                                                                                                                                                                              |

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|                                                                                                                                                                                      | <p>Scheme are not reasonable, or would not reasonably be practicable without being detrimental to the interests of the Unit holders.</p> <p>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.</p> <p>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.</p> <p>e. In case of natural calamities, strikes, riots and bandhs.</p> <p>f. In the event of any force majeure or disaster that affects the normal functioning of the AMC.</p> <p>g. If so directed by SEBI.</p> <p>The AMC 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.</p>                                                                                                                                                                                             |
| <p>Cut off timing for subscriptions/redemptions</p> <p>This is the time before which your application (complete in all respects) should reach the official points of acceptance.</p> | <p><u>In case of Purchase/Redemption directly with Mutual Fund (By Market Makers and Large Investors):</u></p> <p>The provisions for cut-off timings for NAV applicability will not be applicable for direct transaction by Market Makers and Large Investors with the Fund as the scheme is an exchange traded fund (ETF) and such transactions shall happen at intraday NAV based on the actual execution price of the underlying portfolio.</p> <p>In case of transactions in Portfolio Deposit or under a net settlement system with Market Makers, the AMC may accept the transaction subject to successful execution and compliance with the applicable guidelines on net settlement, as applicable.</p> <p><u>In case of Redemption directly with the Mutual Fund during Liquidity Window:</u></p> <p>The Cut-off time for receipt of valid application for Redemptions directly with the Fund during Liquidity Window is 3.00 p.m. Valid applications received by the fund upto the cut-off time will be processed on the basis of the closing NAV of the day of receipt of request and for valid applications received after cut-off time, the closing NAV of the next Business Day shall be applicable.</p> |
| Minimum amount for purchase/redemption                                                                                                                                               | <p><b>Directly with Fund:</b> Only Market maker(s) and large investors subject to following:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

|                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                     | <p><b>Market Maker(s):</b> Market maker(s) can directly purchase units with the Fund in “Creation Unit Size of 1,50,000 units and in multiples thereof”. The limit of ₹ 25 crores or such other amount as may be specified by SEBI from time to time is not applicable for Market Makers.</p> <p><b>Large Investor(s):</b> Large investors can directly purchase from the fund in “Creation Unit Size of 1,50,000 units and in multiples thereof” subject to the value of transaction is greater than the threshold of ₹ 25 crores or such other amount as may be specified by SEBI from time to time.</p> <p>However, the above mentioned limit shall not be applicable to (i) schemes managed by Employee Provident Fund Organisation, India; and (ii) Recognized Provident Funds, approved Gratuity Funds and approved Superannuation Funds under Income-tax Act, 1961 till August 31, 2025 or any other date as may be communicated by SEBI.</p> <p><b>On the Exchange:</b> All categories of Investors may purchase the units through the secondary market on any trading day in a minimum lot of 1 unit and in multiples thereof on the exchange(s) where the units are listed.</p> <p>The subscription of Units of the Scheme in Creation Unit Size will be allowed both by means of exchange of Portfolio Deposit and by cash (i.e. payments shall be made only by means of payment instruction of Real Time Gross Settlement (RTGS)/National Electronic Funds Transfer (NEFT)).</p> |
| Accounts Statements | <p>The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 05 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).</p> <p>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 by electronic mode or physical mode on or before 15th of the succeeding month respectively as may be opted by the Investor.</p> <p>Half-yearly CAS shall be issued at the end of every six months (i.e. September/ March) by electronic mode or physical mode on or before 18th and 21st day of succeeding month respectively, to all investors providing the prescribed details across all schemes of mutual funds and securities held in dematerialized form across demat accounts, if applicable</p> <p>For further details, refer to SAI.</p>                                                                                                                                                                                                                                                                                                                 |
| Dividend/ IDCW      | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Redemption          | The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

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|                                                                            | <p>For list of exceptional circumstances refer para 14.1.3 of SEBI Master Circular for Mutual Funds dated June 27, 2024.</p> <p>The redemption proceeds will be credited to the bank account of the Unitholder, as per the bank account details recorded with the DP.</p> <p>Units will be redeemed on First In First Out (FIFO) basis.</p> <p>Redemption requests may not be processed if KYC compliant status is not updated in the folio.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Bank Mandate                                                               | <p>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.</p> <p><b>Multiple Bank Account Registration</b></p> <p>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.</p> <p><b>Change in Bank Account</b></p> <p>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.</p> |
| Delay in payment of redemption / repurchase proceeds/ dividend             | <p>The AMC shall be liable to pay interest to the unitholders at rate as specified vide clause 14.2 of SEBI Master Circular for Mutual Funds dated June 27, 2024 by SEBI for the period of such delay.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount | <p>Please refer to SAI for details.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

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| <p>Disclosure w.r.t investment by minors</p>                                            | <p><u>Process for Investments made in the name of Minor through a Guardian</u></p> <p>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.</p> |
| <p>Any other disclosure in terms of Consolidated Checklist on Standard Observations</p> | <p><b>Minimum balance to be maintained and consequences of non- maintenance.</b></p> <p>Currently, there is no minimum balance requirement.</p> <p><b>Risk-o-meter</b></p> <p>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.</p> <p>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.</p> <p>The scheme wise changes in Risk-o-meter shall be disclosed in scheme wise Annual Reports and Abridged summary.</p> <p><b>Scheme Summary Document</b></p> <p>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.</p>                                                                                                                                                                                                                                                                                    |

### 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

**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](http://www.zerodhafundhouse.com) and on the website of Association of Mutual Funds in India (AMFI) viz. [www.amfiindia.com](http://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 e-mail 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](http://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. Half Yearly Portfolio Statement**

The Mutual Fund/ AMC will disclose the portfolio (along with ISIN) of the Scheme, including Segregated Portfolio, if any, in the prescribed format, as on the last day of half-year i.e. March 31 and September 30, on its website viz. [www.zerodhafundhouse.com](http://www.zerodhafundhouse.com) and on the website of Association of Mutual Funds in India (AMFI) viz. [www.amfiindia.com](http://www.amfiindia.com) within 10 days from the close of each half-year respectively. The Mutual Fund / AMC will send via mail, to the registered email address of the unitholders, the half-yearly statement of scheme portfolio within 10 days from the close of each half-year respectively.

Mutual Fund / AMC will publish an advertisement every half-year in an all India edition of at least two daily newspapers, one each in English and Hindi, disclosing the hosting of the half-yearly statement of the Scheme portfolio on its website and on the website of Association of Mutual Funds in India (AMFI). Mutual Fund / AMC will provide a physical copy of the statement of its Scheme portfolio, without charging any cost, on specific request received from a unitholder.

**d. Disclosure of Risk-o-meter**

Risk-o-meter of scheme shall be evaluated on a monthly basis and Risk-o-meter along with portfolio shall be disclosed on website and on AMFI website within 10 days from the close of each month.

**C. Transparency/NAV Disclosure (Details with reference to information given in Section I)**

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](http://www.zerodhafundhouse.com))
- (ii) Displayed on the website of Association of Mutual Funds in India (AMFI) ([www.amfiindia.com](http://www.amfiindia.com))
- (iii) Any other manner as may be mandated by SEBI from time to time.

The same shall be communicated to the Recognised Stock Exchange(s), where the units are listed.

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 SEBI and 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

#### **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.***

|                                                                    | <b>Resident Investors</b> | <b>Non-Resident (other than FII)</b> | <b>Mutual Fund</b> |
|--------------------------------------------------------------------|---------------------------|--------------------------------------|--------------------|
| 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 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 u/s. 115BAA/115BAB; then flat rate of 10% on basic tax
- 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 196A which is specifically applicable in case of non-resident unitholders, a withholding tax rate of 20% (plus applicable surcharge and cess) on any income in respect of units of a Mutual Fund credited/ paid to non-resident unitholders shall apply. The Finance Act, 2023 inserted a proviso to section 196A(1) of the Act to grant relevant tax treaty benefits with effect from 1 April 2023 at the time of withholding tax on income with respect to securities of non-resident unitholders, subject to furnishing of tax residency certificate and such other documents as may be required.

*As per the provisions of section 196D of the Act which is specifically applicable in case of FPI/FII, the withholding tax rate of 20% (plus applicable surcharge and cess) on any income in respect of securities referred to in section 115AD(1)(a) credited / paid to FII shall apply. The Finance Act, 2021 inserted a proviso to section 196D(1) of the Act to grant relevant tax treaty benefits with effect from 1 April 2021 at the time of withholding tax on income with respect to securities of FPIs, subject to furnishing of tax residency certificate and such other documents as may be required. As per section 196D(2) of the Act, no TDS shall be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD of the Act..*

3. *The Finance Act , 2022 provides that in case of domestic company whose income is chargeable to tax under section 115BA, the rate of income-tax shall be 25% if its total turnover or gross receipts in the financial year 2022-23 does not exceed ₹ 400 crores.*
4. *The corporate tax rates for domestic companies (not claiming specified incentives and deductions) at the rate of 22% under section 115BAA and domestic manufacturing companies (not claiming specified incentives and deductions) set-up and registered on or after 1 October 2019 at the rate of 15% under section 115BAB. The tax computed in case of domestic companies whose income is chargeable to tax under section 115BAA or section 115BAB shall be increased by a surcharge at the rate of 10%.*
5. *Short term/ long term capital gain tax will be deducted at the time of redemption of units in case of NRI investors only. However, as per section 196A of the Act the withholding tax of 20% (plus applicable surcharge and cess) is applicable on any income in respect of units of mutual fund in case of non-residents. Hence, based on language provided in said section, it seems that apart from any income distributed to NRI, withholding tax at 20% may be applicable on capital gains notwithstanding that such capital gains are taxable at a rate lower than 20%.*
6. *Section 112A provides that long term capital gains arising from transfer of a long term capital asset being a unit of an equity oriented fund shall be taxed at 10% or 12.50% as the case may be (without indexation and foreign currency fluctuation benefit) of such capital gains exceeding one lakh twenty five thousand rupees.*
7. *The concessional rate of or 12.50% on long term capital gains arising from transfer of a long term capital asset being a unit of an equity oriented fund shall be available only if STT has been paid on transfer in case of units of equity oriented mutual funds and without giving effect to first and second proviso to section 48 i.e. without taking benefit of foreign currency fluctuation and indexation benefit. Similarly, the concessional rate of 20% on short term capital gains arising from 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 transfer in case of units of equity oriented mutual funds.*
8. *Section 206AA of the Income-tax Act, 1961 mandates that if a person receiving income (deductee) fails to furnish a valid and operative PAN to the deductor, tax shall be deducted at the higher of the rate specified under the relevant provisions of the Act, the rate(s) in force, or 20%. A PAN is considered operative only if it is linked with a valid Aadhaar number. However, this provision does not apply to certain non-residents (other than companies) and foreign companies, provided they furnish prescribed documents such as a Tax Residency Certificate and contact details as required.*

## **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 various aggregator platforms/ channel partners/ business partners/ investment advisers/ execution only platform with whom AMC has entered or may enter into specific arrangements.

The investors can also submit the application by placing the order with the members (stock brokers) of stock exchanges.

Please refer to the AMC website, viz. [www.zerodhafundhouse.com](http://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**

- 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.***

***The Scheme under this Scheme Information Document was approved by the Board of Directors of Zerodha Trustee Private Limited (Trustees to Zerodha Mutual Fund) on June 27, 2025. The Trustees have ensured that the scheme approved is a new product offered by Zerodha Mutual Fund and is not a minor modification to the existing scheme/fund/product.***

***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.***

For and on behalf of  
Zerodha Asset Management Private Limited

Sd/-  
(Vishal Jain)  
Chief Executive Officer  
[ceo@zerodhafundhouse.com](mailto:ceo@zerodhafundhouse.com)

Date: August 20, 2025  
Place: Bangalore

### 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 indirectly (by redirecting to any other relevant partner platform).
- 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.

The investors can also submit the application by placing the order with the members (stock brokers) of stock exchanges.

#### Registrar and Transfer Agent

Computer Age Management Services Limited (CAMS)  
SEBI Registration No. INR000002813  
Rayala Tower-1, 158 Anna Salai,  
Chennai - 600 002

#### Collecting Bankers

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