Key Information Memorandum (KIM)

Zerodha Life Cycle Fund 2041

(An open ended fund with attributes of pre-defined maturity and glide path for goal based investing)

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY

Key Information Memorandum

Zerodha Life Cycle Fund 2041

(An open ended fund with attributes of pre-defined maturity and glide path for goal based investing.)

This product is suitable for investors who are seeking*:	Risk-o-meter of the Scheme	Risk-o-meter of the Benchmark (65% Nifty 200 TRI + 5% Domestic prices of Physical Gold + 5% Domestic prices of Physical Silver + 25% CRISIL 10 year Gilt Index)
Capital appreciation over the long term aligned with a specific target year (2041).		
Investment in a dynamically managed portfolio of equity,debt, commodity and other instruments, where the asset allocation follows a pre-defined glide path that becomes more conservative as the target maturity date approaches.		
Goal-based investing designed for long-term objectives with a target date of 2041		
Investors should understand that their principal will be at ***Very High Risk*** *and the riskometer of the benchmark will be* ***High.***		

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

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

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

New Fund Offer opens on	**June 19, 2026**
New Fund Offer closes on	**July 07, 2026**
Scheme reopens on	**Scheme will reopen for continuous Sale and Repurchase within 05 Business Days from the date of allotment of units under NFO**

Name of Sponsor	**Zerodha Broking Limited**
Name of Mutual Fund	**Zerodha Mutual Fund**
Name of Asset Management Company	**Zerodha Asset Management Private Limited**

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

This Key Information Memorandum (KIM) sets forth the information, which a prospective investor ought to know before investing. For details of the scheme/ Mutual Fund, due diligence certificate by the AMC, Key Personnel, investors' rights and services, risk factors, penalties & pending litigations, etc. investor should, before investing, refer to the Scheme Information Document and Statement of Additional Information available free of cost or access the same from the website www.zerodhafundhouse.com

The scheme particulars have been prepared in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations, 2026, as amended till date, and filed with Securities and Exchange Board of India (SEBI). The units being offered for public subscription have not been approved or disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of this KIM.

The Key Information Memorandum is dated June 16, 2026.

Investment Objective	The primary objective of the Zerodha Life Cycle Fund 2051 is to provide a goal-based investment solution that seeks to generate long-term capital appreciation by investing across various asset classes i.e., Equity, Debt, InvITs, ETCDs, Gold ETFs and Silver ETFs. The fund follows a pre-determined maturity and a dynamic glide path strategy across the product lifespan initially maintaining an aggressive stance and automatically transitioning toward a conservative, debt-heavy allocation to protect capital as the target date approaches. **There is no assurance or guarantee that the investment objective of the scheme would be achieved.**
Asset Allocation Pattern of the Scheme	Under the normal circumstances, the asset allocation (% of Net Assets) of Scheme's portfolio will be as follows:

Years to Maturity	Investment in Equity and Equity Related(%)		Investment in Debt and Debt Related (%)		Investment in Gold ETFs*/Silver ETFs/ETCDs /InvITs (%)	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
10-15	65	80	5	25	0	10

Years						
5-10 Years	50	65	5	25	0	10
3-5 Years	35	50	25	50	0	10
1-3 Years	20	35	25	65	0	10
< 1 Year	5	20	25	65	0	10

- *Exposure in debt instruments shall be limited to AA & above rated instruments with residual maturity less than the target maturity of the scheme.*
- **Exposure to Gold ETFs shall be at a maximum of 5% of the AUM.*

For years to maturity less than 10 years, the Fund may take equity arbitrage exposure upto 50% in addition to the investment range specified for equity while ensuring that total investment in equity and equity related instruments remains within 65%- 75% in such schemes (as mentioned above in the table).

In accordance with para 13.18.1 of the SEBI Master Circular for Mutual Funds, dated March 20, 2026, The cumulative gross exposure through units of Equity & Equity Related Instruments, Debt and Debt related instruments, Gold ETFs,Silver ETFs, Units issued by InvITs, ETCDs and any other instrument as may be allowed under the regulations from time to time should not exceed 100% of the net assets of the scheme.

However, Cash and cash equivalents as per SEBI letter no. SEBI/HO/ IMD-II/DOF3/ OW/P/12 2021/ 31487 / 1 dated November 03, 2021 which includes T-bills, Government Securities, Repo on Government Securities and any other securities as may be allowed under the regulations prevailing from time to time subject to the regulatory approval, if any, having residual maturity of less than 91 Days, shall not be considered for the purpose of calculating gross exposure limit.

The funds raised under the Scheme shall be invested as per the asset allocation provided above and will be as per Regulation 41(1), Schedule 6 of the SEBI (MF) Regulations.

Indicative Table

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

Sr. No.	Type of Instrument	Percentage of Exposure	Circular References*
1.	**Securities Lending**	The Scheme shall adhere to the following limits while engaging in Stock Lending: 1. Not more than 20% of the net assets of the Scheme can be deployed in Stock Lending. 2. Not more than 5% of the net assets of the Scheme can be deployed in Stock Lending to any single approved intermediary.	Subject to Clause 13.6 of the SEBI Master Circular dated March 20, 2026, the Scheme intends to engage in Stock Lending.
2.	**Derivatives for hedging purposes**	Upto 100% of the net assets of the Scheme for hedging purpose.	In accordance with Clauses 13.15 and 13.18 of the SEBI Master Circular dated March 20, 2026.
3.	**Derivatives for non-hedging purposes**	Exposure to equity derivative (long exposure) instruments for non-hedging purposes shall not exceed 50% of the total portfolio.	In accordance with Clauses 13.15 and 13.18 of the SEBI Master Circular dated March 20, 2026.
4.	**Gold ETF, Silver ETFs and ETCDs (Gold and Silver based)**	As per the asset allocation table of the Scheme (0–10% of net assets). Subject to regulatory limits (ETCD): 3. Exposure to ETCDs of any single commodity shall	In accordance with Clause 13.16 of the SEBI Master Circular March 20, 2026 and SEBI (Mutual Funds) Regulations, 2026.

			4. ... not exceed 10% of the NAV of the Scheme. 4. ETCDs shall be based on Gold and Silver only.	
	5.	**Real Estate Investment Trusts (REITs)**	Investments in REITs shall be considered as investment in equity related instruments in accordance with the 2026 Master Circular. Exposure limits shall be subject to applicable equity concentration limits under the SEBI (Mutual Funds) Regulations, 2026 and the Master Circular.	In accordance with Clause 13.13 of the SEBI Master Circular March 20, 2026 and SEBI (Mutual Funds) Regulations, 2026.
	6.	**Infrastructure Investment Trusts (InvITs)**	The Scheme shall not invest: 5. More than 10% of its NAV in units of InvITs in aggregate. 6. More than 5% of its NAV in units of InvIT issued by a single issuer. The mutual fund under all its schemes shall not own more than 10% of units issued by a single InvIT issuer.	The Scheme may invest in units of InvITs to the extent mentioned in the asset allocation and in line with Clause 13.13 of the SEBI Master Circular dated March 20, 2026.
	7.	**Inter-scheme Investments**	Aggregate inter-scheme investment made by all schemes of the Mutual Fund shall not exceed 5% of the NAV of the Mutual Fund. No fees shall be charged on such inter-scheme investments.	In accordance with Clause 13.14 of the SEBI Master Circular dated March 20, 2026 read with Clause 3 of Sixth Schedule of the SEBI (Mutual Funds) Regulations, 2026.

8.	**Covered Call**	Total notional value of call options written shall not exceed 15% of the total market value of equity shares held in the scheme; Shares underlying the call options written shall not exceed 30% of the unencumbered shares of a particular company held in the scheme. *Call options may be written only under a covered call strategy, on constituent stocks of NIFTY 50 and BSE SENSEX.*	Para 13.15.1 read with Para 13.18.6(c) of the SEBI Master Circular for Mutual Funds dated March 20, 2026

** The above circular references and regulatory provisions shall be read as amended / updated from time to time. In the event of any conflict between the above and the applicable regulations, the latter shall prevail.*

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

	The scheme shall make investment in derivatives as permitted under the SEBI (MF) regulations for hedging and non hedging purposes within the exposure limits as may be prescribed under the SEBI Master Circular for Mutual Funds. <u>Change in Asset Allocation:</u> The above mentioned investment pattern is indicative and subject to the SEBI (MF) Regulations, the asset allocation pattern indicated above may vary from time to time, on account of various factors. As per SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 04, 2021, the Fund Manager, may deviate from the above investment pattern for a short term period on defensive considerations. The same will be rebalanced within 30 calendar days and further action may be taken as specified under SEBI Circulars/ AMFI guidelines issued from time to time. **Short term defensive consideration:** Subject to para 1.9.1(b) of the SEBI Master Circular for Mutual Funds, dated March 20, 2026, the asset allocation pattern indicated above may change for a short term period on defensive considerations, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. These proportions may vary depending upon the perception of the Fund Manager, the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the investment pattern will be rebalanced within 30 calendar days from the date of deviation and further action may be taken as specified under SEBI Circulars/ AMFI guidelines issued from time to time. **Portfolio rebalancing in case of passive breach:** Further, as per Paragraph 3.11 of the Master Circular dated March 20, 2026, as may be amended from time to time, in the event of deviation from mandated asset allocation due to passive breaches (occurrence of instances not arising out of omission and commission of the AMC), the fund manager shall rebalance the portfolio of the Scheme within 30 Business Days. In case the portfolio of the Scheme is not rebalanced within the period of 30 Business Days, justification in writing, including details of efforts taken to rebalance the portfolio shall be placed before the Investment Committee of the AMC. The Investment Committee, if it so desires, can extend the timeline for rebalancing up to sixty (60) Business Days from the date of completion of the mandated rebalancing period. Further, in case the portfolio is not rebalanced within the aforementioned mandated plus extended timelines the AMC shall comply with the prescribed restrictions, the reporting and disclosure requirements as specified in Paragraph 3.11 of the Master Circular dated March 20, 2026. **Timelines for deployment of Funds mobilized in a New Fund Offer (NFO)**

	Pursuant to para 7.24 of the SEBI Master Circular for Mutual Funds dated March 20, 2026, the funds mobilized during the New Fund Offer (NFO) shall be deployed in accordance with the asset allocation pattern of the scheme within 30 business days from the date of allotment of units. In exceptional cases where the AMC is not able to deploy the funds within this period, shall provide an explanation, including details of the efforts made to deploy the funds, to the Investment Committee of the AMC. The Investment Committee may extend the deployment timeline by up to 30 business days and shall provide recommendations to ensure timely deployment in the future.
Investment Strategy	The Scheme intends to follow an active strategy with an internal asset allocation model that invests in units of Equity, Debt & Commodity. In the early years, a greater portion of the investment is allocated to higher risk assets such as equity as compared to debt. This allocation becomes more balanced during the mid-years and gradually shifts as the scheme approaches its target year — with a larger portion moving towards debt and cash instruments over time. This systematic shift towards more conservative investments is designed to reduce the risk of any significant reduction in the value of an investment in the scheme as it approaches the target date. The glide path and the applicable asset allocation ranges at each stage are set out in the SID. **Though every endeavor will be made to achieve the objective of the Scheme, the AMC/Sponsors/Trustee does not guarantee that the investment objective of the Scheme will be achieved. No guaranteed returns are being offered under the Scheme.**
Risk Profile of the scheme	Mutual Fund Units involve investment risks including the possible loss of principal. Please read the SID carefully for details on risk factors before investment. Scheme specific Risk Factors are summarized at page no 18. For details on risk factors and risk mitigation measures, please refer to the Scheme Information Document (SID).
Plans and Options	The scheme offers only Direct Plan. The scheme offers only Growth Option. The Trustees/ AMC reserves the right to introduce further Plan/ Options as and when deemed fit, subject to the SEBI (MF) Regulations. For detailed disclosure on default plans and options, kindly refer to SAI.

<table>
<tr><td>Applicable NAV</td><td>The NAV applicable for purchase or redemption or switching of Units based on the time of the Business Day on which the application is accepted, subject to the provisions of 'realisation of funds' and 'cut off timings' as described in this Scheme Information Document.</td></tr>
<tr><td>Minimum Application Amount/ Number of Units</td><td>During New Fund Offer (NFO):

₹100 and in multiples of ‘any amount’ thereafter.

During Continuous Purchase:

<table>
<tr><th>Purchase</th><th>Additional Purchase</th><th>Redemption</th></tr>
<tr><td>₹ 100 and in multiples of ‘any amount’ thereafter</td><td>₹ 100 and in multiples of ‘any amount’ thereafter</td><td>The minimum redemption amount shall be ‘any amount’ or ‘any number of units’ as requested by the investor at the time of redemption.</td></tr>
</table>

The Minimum Application shall not be applicable to the mandatory investments made in the Scheme pursuant to the provisions of clause 7.13 and 7.14 of SEBI Master Circular dated March 20, 2026 as amended from time to time.</td></tr>
<tr><td>Despatch of Repurchase (Redemption request)</td><td>Redemption: Within three working days of the receipt of the redemption request.</td></tr>
<tr><td>Benchmark Index</td><td>The performance of the scheme will be benchmarked to the performance of the following:

65% Nifty 200 TRI + 5% Domestic prices of Physical Gold + 5% Domestic prices of Physical Silver + 25% CRISIL 10 year Gilt Index.

The composition of the aforesaid benchmark is such that it is most suited for comparing performance of the scheme.

The Trustees reserves the right to change the benchmark in future, if a benchmark better suited to the investment objective of the Scheme is available post prior intimation/ approval of SEBI.</td></tr>
</table>

<table>
<tr><td></td><td></td></tr>
<tr><td>Dividend Policy</td><td>Not Applicable</td></tr>
<tr><td>Name of the Fund Manager</td><td>Mr. Kedarnath Mirajkar</td></tr>
<tr><td>Name of the Trustee Company</td><td>Zerodha Trustee Private Limited</td></tr>
<tr><td>Performance of the scheme</td><td>This scheme does not have any performance track record.</td></tr>
<tr><td>Additional Scheme Related Disclosures</td><td>This scheme is a new scheme and does not have any portfolio holdings.</td></tr>
<tr><td>Expenses of the scheme
(i) Load Structure

(ii)Recurring expenses</td><td>New Fund Offer Period

Exit/ Redemption Load:
<table>
<tr><th>Period of Holding</th><th>Exit Load Applicable</th></tr>
<tr><td>Up to 1 year</td><td>3%</td></tr>
<tr><td>More than 1 year and up to 2 years</td><td>2%</td></tr>
<tr><td>More than 2 years and up to 3 years</td><td>1%</td></tr>
<tr><td>More than 3 years*</td><td>NIL*</td></tr>
</table>

Continuous Offer Period

Exit/ Redemption Load:
<table>
<tr><th>Period of Holding</th><th>Exit Load Applicable</th></tr>
<tr><td>Up to 1 year</td><td>3%</td></tr>
<tr><td>More than 1 year and up to 2 years</td><td>2%</td></tr>
<tr><td>More than 2 years and up to 3</td><td>1%</td></tr>
</table>
</td></tr>
</table>

years	
More than 3 years*	NIL*

The exit load, if any, collected shall be credited to the Scheme, net of Goods and Services Tax (GST), if applicable.

The Trustee reserves the right to change/ modify the Load structure of the Scheme, subject to maximum limits as prescribed under the Regulations.

For further details on load structure refer to the SID.

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

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

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

Statutory levies (including GST) on expenses other than Investment Management and Advisory Fees[3]	**As per Prevailing and actual rates**
Statutory levies (including GST) on Investment Management and Advisory Fees[3]	
Statutory levies (including GST) on brokerage and transaction cost[3]	

Recurring expenses (BER) under Regulation 66(7)(c) - During equity oriented phase of the glide path (equity allocation of 65% and above)

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

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

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

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

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

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

On balance of the assets — 0.95% p.a.

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

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

Total Expense Ratio (TER)

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

[1] *Trustee Fees and Expenses*

	In accordance with the Trust Deed constituting the Mutual Fund, the Trustee is entitled to receive, in addition to the reimbursement of all costs, charges, and expenses, a fee of upto INR 15,00,000 per quarter (aggregate across all schemes), to be allocated to individual schemes in proportion to their average AUM for the preceding quarter. [2] *Investor Education and Awareness initiatives* *As per para 11.9 of Master Circular, the AMC shall annually set apart at least 2 basis points p.a. (i.e. 0.02% p.a.) on daily net assets of the Scheme within the limits of base expenses ratio limits prescribed under Regulation 66 of SEBI (MF) Regulations for investor education and awareness initiatives undertaken* [3] *Refer Point (3) below on GST on various expenses.* [4] *The expenses towards Investment Management and Advisory Fees under Regulation 66 (4) and the various sub-heads of recurring expenses mentioned under Regulation 66 (5) of SEBI (MF) Regulations are fungible in nature. Thus, there shall be no internal sub-limits within the expense ratio for expense heads mentioned under Regulation 66 (4) and (5) respectively.* *The purpose of the above table is to assist the Investor in understanding the various costs and expenses that an Investor in the Scheme will bear directly or indirectly. The figures in the table above are estimates. The actual expenses that can be charged to the Scheme will be subject to limits prescribed from time to time under the SEBI (MF) Regulations.* **GST** GST shall be charged as follows: - a. GST on investment management and advisory fees shall be charged to the Scheme in addition to the maximum limit of BER as prescribed in Regulation 66 (7) of the SEBI (MF) Regulations. b. GST on other than investment management and advisory fees, if any, shall be charged to the Scheme in addition to the maximum limit of BER as prescribed in Regulation 66 (7) of the SEBI (MF) Regulations. *Such expenses include, by way of illustration and without limitation: (a) Trusteeship fees; (b) Custodian fees; and (c) Index / benchmark licensing fees etc.* c. GST on brokerage and transaction cost paid for execution of trade, if any, shall be charged to the Scheme in addition to the maximum limit of BER as prescribed under Regulation 66 of the SEBI (MF) Regulations.

	The base expenses ratio (excluding statutory expenses such as GST) of the Scheme including the Investment Management and Advisory Fee shall not exceed the limits stated in Regulation 66 of the SEBI (MF) Regulations. The mutual fund would update the current expense ratios on the website (www.zerodhafundhouse.com) at least three working days prior to the effective date of the change and update the TER under the Section titled " Disclosures" under the sub-section titled "Total Expense Ratio of Mutual Funds".	
Tax Treatment for the Investors (Unitholders)	Investors are advised to refer to the paragraph on '**Taxation'** in the '**Statement of Additional Information**' and to consult their own tax advisors with respect to the specific amount of tax and other implications arising out of their participation in the scheme.	
Daily Net Asset Value (NAV) Publication	The NAV will be calculated by the AMC for each Business Day except in special circumstances.The first NAV shall be calculated and declared within 05 business days from the date of allotment. AMC shall disclose the NAV for each Business Day as below: a) On the website of the Fund/AMC - **11.00 P.M. of every business day.** b) On the website of Association of Mutual Funds in India (AMFI) - **11.00 P.M. of every business day.**	
For Investor Grievances please contact	Investors can lodge any service request or complaints or enquire about NAVs, Unit Holdings, etc. by sending an email to support@zerodhafundhouse.com The investor service representatives may 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. Any complaints should be addressed to the Investor Relations Officer. Address: Investor Relation Officer Zerodha Asset Management Private Limited	**Registrar and Transfer Agent** Computer Age Management Services Limited (CAMS) Rayala Tower-1, 158 Anna Salai, Chennai - 600 002 Website: www.camsonline.com Please note that the Investor Grievances are being handled by AMC, so Investors are requested to reach out directly to the AMC.

	New No.51, IndiQube Penta, 2nd Floor, Richmond Road, Bangalore - 560 025 Email - iro@zerodhafundhouse.com For any grievances with respect to transactions through BSE StAR, the investors / Unit Holders should approach either the stockbroker or the investor grievance cell of the stock exchange. Investors may escalate to the Compliance Officer at compliance@zerodhafundhouse.com and/ or CEO at ceo@zerodhafundhouse.com if they do not receive a response/ not satisfied with the response from the Investor Relations Team.	
Unitholders' Information	**ACCOUNT STATEMENTS DURING ONGOING OFFER PERIOD** The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form). A Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds (including transaction charges paid to the distributor) and holding at the end of the month shall be sent to the Unit holders in whose folio(s) transaction(s) have taken place during the month via electronic mode (e-CAS) by the twelfth (12th) day from the month end and to investors that have opted for delivery via physical mode by the fifteenth (15th) day from the month end. Half-yearly CAS shall be issued at the end of every six months (i.e. September/ March) to investors that have opted for e-CAS on or before the eighteenth (18th) day of April and October and to investors that have opted for delivery via physical mode by the twenty first (21st) day of April and October. For further details, refer to SAI. **Annual Report**	

	Scheme Annual report in the format prescribed by SEBI, will be hosted on the website of the Fund viz. www.zerodhafundhouse.com and on the website of Association of Mutual Funds in India (AMFI) viz. www.amfiindia.com as soon as may be but not later than four months from the date of closure of the relevant accounts year (i.e. 31st March each year). Mutual Fund / AMC will publish an advertisement every year, in the all India edition of at least two daily newspapers, one each in English and Hindi, disclosing the hosting of the Scheme wise Annual Report on the website of the Fund and on the website of Association of Mutual Funds in India (AMFI). Mutual Fund / AMC will email the Scheme Annual Report or Abridged Summary thereof to the unitholders registered email address with the Mutual Fund. Mutual Fund / AMC will provide a physical copy of the abridged summary of the Annual Report, without charging any cost, on specific request received from a unitholder through any mode. A physical copy of the scheme wise annual report shall be made available for inspection to the investors at the registered office of the AMC. A link of the scheme annual report or abridged summary thereof shall be displayed prominently on the website of the Fund and shall also be displayed on the website of Association of Mutual Funds in India (AMFI). **Disclosure of Risk-o-meter** The risk-o-meter of the Scheme shall be evaluated on a monthly basis and shall be disclosed along with portfolio disclosure on the AMC website and on AMFI website within 10 days from the close of each month. Notice about changes in Scheme's Risk-o-meter, if any, shall be issued. The product labeling assigned during the NFO is based on internal assessment of the scheme characteristics and the same may vary post NFO when the actual investments are made. For latest Risk-o-meter of the Scheme and the Benchmark, investors may refer to the monthly portfolios disclosed on the website of the Fund viz. www.zerodhafundhouse.com. The risk level of the Scheme as on March 31 of every year, along with the number of times the risk level has changed over the year, shall be disclosed on the AMC website and AMFI website. The scheme wise changes in Risk-o-meter shall be disclosed in scheme wise Annual Reports and Abridged summary.

Risk Factors

Standard Risk Factors

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

Scheme Specific Risk Factors

The Scheme invests directly in equity and equity related instruments, debt and money market instruments, Infrastructure Investment Trusts (InvITs), Exchange Traded Commodity Derivatives (ETCDs) based on Gold and Silver, Gold/SilverETFs, in accordance with a pre-defined glide path strategy with a target maturity date. The asset allocation of the Scheme shifts progressively over time from an equity-oriented portfolio in the early years to a more conservative, debt-oriented portfolio as the target maturity date approaches.

Risk associated with underlying scheme (Gold and Silver ETFs):

To the extent the Scheme's assets are invested in Gold and Silver ETFs, the risks associated with the underlying Gold and Silver ETFs, will also be applicable. The scheme may invest in units of Gold and Silver ETFs. Accordingly, the NAV of the scheme will react to Gold/Silver price movements.

- Investors should be aware that there is no assurance that gold/silver will maintain its long-term value in terms of purchasing power in the future. In the event that the price of gold/silver declines, the value of investment is expected to decline proportionately.
- The returns from physical gold/silver may underperform returns from the various general securities markets or different asset classes other than gold/silver. Different types of securities tend to go through cycles of out-performance and under-performance in comparison to the general securities markets.
- The scheme may invest in Gold and Silver ETFs. The units may trade above or below their NAV. The NAV of the Scheme will fluctuate with changes in the market value of the holdings. The trading prices will fluctuate in accordance with changes in their NAV as well as market supply and demand. However, given that units of Gold and Silver ETFs can be created and redeemed in Creation Units, it is expected that large discounts or premiums to the NAV will not sustain due to arbitrage opportunities available.
- Value of Gold and Silver ETF Units could decrease if unanticipated operational or trading problems arise.

In case of investment in Gold and Silver ETFs, the scheme can subscribe to the units of Gold and Silver ETFs according to the value equivalent to unit creation size as applicable. If subscriptions received are not adequate enough to invest in creation unit size, the subscriptions may be deployed in debt and money market instruments which will have a different return profile compared to gold/silver returns profile. The units issued under the Scheme, when invested in Gold and Silver ETFs, will derive liquidity from the underlying Gold/Silver ETFs having creation / redemption process in creation unit size of predefined quantity of physical gold/silver (e.g. 1 kg in case of gold or 30kg in case of silver). At times prevailing market conditions may affect the ability of the underlying Gold and Silver ETFs to sell gold/silver against the redemption request received.

Furthermore, the endeavor would always be to get cash on redemptions from the underlying Gold and Silver ETFs. However, in case the underlying Gold/Silver ETFs are unable to sell for any reason, and deliver physical gold/silver, there could be delay in payment of redemption proceeds pending such realization.

Additionally, the Scheme will derive liquidity from trading units of underlying Gold and Silver ETFs on the exchange(s) in the secondary market which may be inherently restricted by trading volumes, settlement periods and transfer procedures. There is no assurance that an active secondary market for Gold and Silver ETFs will be developed and maintained, in such times, the processing of redemption requests at times may be delayed. In the event of an inordinately large number of redemption requests, or re-structuring of the Scheme's investment portfolio, the processing of redemption requests may be delayed.

Risks associated with Equity and Equity Related Instruments:

Equity and equity related instruments including equity shares, equity derivatives and units of Real Estate Investment Trusts (REITs) 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 or 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.

To the extent the Scheme invests in units of REITs, the NAV of the Scheme will be impacted by the performance of the underlying real estate assets held by those REITs. The value of REIT units may be affected by factors specific to the real estate sector, including changes in property prices, rental yields, occupancy rates, interest rate movements, regulatory changes governing the real estate

sector, and changes in SEBI (Real Estate Investment Trusts) Regulations, 2014. Distributions from REITs are not guaranteed and are dependent on the cash flows generated by the underlying real estate assets. A reduction or deferral of distributions by a REIT could adversely impact the returns of the Scheme to the extent of its investment in that REIT. Further, while REIT units are listed on stock exchanges, trading volumes may at times be limited, which may impact the Scheme's ability to enter or exit REIT positions at desired prices without incurring material impact cost.

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

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

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

Credit Risk: This is the risk associated with the issuer of a debenture/bond or a Money Market Instrument defaulting on coupon payments or in paying back the principal amount on maturity. Even when there is no default, the price of a security may change with expected changes in the credit rating of the issuer. It is to be noted here that a Government Security is a sovereign security and is the safest. Corporate bonds carry a higher amount of credit risk than Government Securities. Within corporate bonds also there are different levels of safety and a bond rated higher by a particular rating agency is safer than a bond rated lower by the same rating agency. For periods when the years to maturity of the Scheme are less than 5 years, debt investments shall be restricted to instruments rated AA and above with residual maturity not exceeding the target maturity of the Scheme, in accordance with the applicable SEBI circular. Notwithstanding this restriction, the following credit-related risks remain applicable

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. As the Scheme's allocation to debt increases in the later years of the glide path, the Scheme's overall sensitivity to interest rate movements will increase correspondingly.

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

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

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

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

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

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

Legislative Risk: Changes in government policy in general and changes in tax benefits applicable to Mutual Funds may impact the returns to investors in the scheme.

Risk factors associated with processing of transactions through Stock Exchange Mechanism

The trading mechanism introduced by the Stock Exchange(s) is configured to accept and process transactions for mutual fund Units in both Physical and Demat Form. The allotment and/or redemption of Units through NSE and/or BSE or any other 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.

Risks associated with segregated portfolio:

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

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

- The investors holding units of the segregated portfolio may not be able to liquidate their holdings till the time of recovery of money from the issuer.
- The security comprising the segregated portfolio may not realize any value.
- Listing units of the segregated portfolio on a recognized stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units of the segregated portfolio on the stock exchange.

- The trading price of units on the stock exchange may be significantly lower than the prevailing Net Asset Value (NAV) of the segregated portfolio.

Risk associated with 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 Equity Derivatives

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the Fund Manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and the 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 Equity derivatives are different from or possibly greater than, the risks associated with investing directly in Equity securities and other traditional investments.

Trading in derivatives has the following risks:

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

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

Numerical Example:

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

Example 1: Risk Associated with Equity Derivatives

Assume the Scheme's equity portfolio is Rs. 80 crore and the Scheme receives a fresh inflow of Rs. 10 crore pending deployment into equities. The Fund Manager buys Nifty 50 index futures worth Rs. 10 crore to gain immediate market exposure pending direct equity investment. The following scenarios illustrate the impact of equity futures on portfolio returns:

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

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

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

Risk associated with Debt Derivatives

The Scheme may invest in debt derivative instruments as may be allowed under the SEBI (Mutual Funds) Regulations, 2026 and applicable SEBI guidelines from time to time. These instruments may be used for hedging interest rate risk or managing portfolio duration, and may also be used for

non-hedging purposes within the limits prescribed under the applicable SEBI Master Circular for Mutual Funds dated March 20, 2026.

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

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

Numerical Example:

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

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

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

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

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

Risks associated with Writing of Call Option Under a Covered Call Strategy

The Scheme may write call options under a covered call strategy in accordance with Para 13.15.1(b) of the SEBI Master Circular for Mutual Funds dated March 20, 2026. While the strategy is intended to generate additional income through option premiums, it carries certain risks. In a sharply rising market, the Scheme's upside participation in the underlying stock is capped at the strike price, and the Scheme may forgo capital appreciation above such price. Incorrect pricing of the option premium, including failure to account for corporate actions such as dividends or record dates, may result in suboptimal income from the strategy. Further, where a call option has been written on a stock, the Fund Manager's ability to sell that stock freely may be constrained by the requirement to maintain compliance with applicable regulatory limits at all times. The call options written are marked to market daily and any resulting losses are reflected in the NAV of the Scheme until the position is closed or expired.

Illustration: Writing a Call Option Under a Covered Call Strategy

Assume the Scheme holds 10,000 shares of a NIFTY 50 constituent company, purchased at ₹1,400 per share, currently trading at ₹1,500. The Fund Manager writes a call option on 2,000 shares at a strike price of ₹1,600, receiving a premium of ₹30 per share. Total premium income = ₹60,000 (₹30 × 2,000 shares).

Scenario A — Stock price stays below ₹1,600 at expiry: The option expires unexercised. The Scheme retains all 2,000 shares and keeps the ₹60,000 premium as additional income, factored into the daily NAV.

Scenario B — Stock price rises to ₹1,750 at expiry: The option is exercised. The Scheme delivers 2,000 shares at ₹1,600. It earns a capital gain of ₹200 per share (₹1,600 − ₹1,400 cost) plus the ₹30 premium — an effective realisation of ₹1,630 per share. However, the Scheme foregoes the additional upside of ₹150 per share (₹1,750 − ₹1,600) thΩat it would have earned had the shares not been subject to the covered call.

The above illustration is for explanatory purposes only and does not represent an actual or assured return.

Risk associated with investing in exchange traded commodity derivatives risks

Volatility in the commodities markets may be caused by changes in overall market movements, domestic and foreign political and economic events and policies, war, acts of terrorism, changes in domestic or foreign interest rates and/or investor expectations concerning interest rates, domestic and foreign inflation rates, investment and trading activities of mutual funds, hedge funds and commodities funds, and factors such as drought, floods, weather, livestock disease, embargoes, tariffs and other regulatory developments, or supply and demand disruptions. Because the Fund's performance is linked to the performance of volatile commodities, investors should be willing to assume the risks of potentially significant fluctuations in the value of the Fund's shares. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of investment strategies depends upon the ability of the fund manager(s) to identify such opportunities which may not be available at all times. Identification and execution of the strategies to be pursued by the fund manager(s) involve uncertainty and the decision of the fund manager(s) may not always be profitable. No assurance can be given that the fund manager(s) 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.

Risk associated with Equity Arbitrage

For periods when the years to maturity of the Scheme are less than 10 years, the Scheme may take equity arbitrage exposure of up to 50% of total assets, subject to the overall equity allocation limits prescribed by SEBI. Investors should note the following risks specifically associated with the arbitrage component of the Scheme's portfolio.

Arbitrage opportunities in the equity cash and derivatives markets may not always be available in adequate measure. The profitability of arbitrage strategies depends on the existence of pricing inefficiencies between the cash and futures markets. In periods of low market volatility or reduced trading activity in derivatives markets, such opportunities may be limited or may offer lower spreads, resulting in returns from the arbitrage portion of the portfolio being lower than anticipated.

Changes in the regulatory framework governing equity derivatives, securities lending and borrowing, margin requirements or market microstructure may adversely impact the availability, execution or profitability of arbitrage strategies. Any such regulatory change could limit the Scheme's ability to deploy the intended allocation to arbitrage.

The execution of arbitrage strategies involves simultaneous transactions in the cash and derivatives segments of the exchange. Any failure or delay in executing one leg of an arbitrage transaction due to liquidity constraints, system failures, exchange disruptions or settlement issues may expose the Scheme to unintended directional market risk, resulting in losses.

Risks associated with Infrastructure Investment Trusts (InvITs)

The Scheme may invest in units of InvITs subject to the limits prescribed under the asset allocation table and applicable SEBI regulations. Investments in InvITs carry the following specific risks that investors should be aware of.

The performance of an InvIT is directly linked to the performance of the underlying infrastructure assets held by it such as roads, power transmission lines, gas pipelines or renewable energy assets. The revenues generated by these assets may be affected by project-specific risks, construction and completion risks, off-take risks, counterparty default by concession grantors or customers, changes in applicable regulations or government policy, force majeure events and macroeconomic conditions. A deterioration in the performance of the underlying infrastructure assets will directly impact the distributions and NAV of the InvIT, and consequently the value of the Scheme's investment.

InvIT units listed on stock exchanges may have significantly lower trading volumes compared to equity securities, which may limit the Scheme's ability to enter or exit InvIT positions at desired prices and in a timely manner. In the event of adverse market conditions or a broad decline in investor appetite for InvITs, the Scheme may be unable to liquidate its InvIT holdings without incurring a material impact cost.

Distributions from InvITs are not guaranteed and are dependent on the cash flows generated by the underlying assets after meeting debt obligations and operational expenses of the InvIT. A reduction, deferral or suspension of distributions by an InvIT could adversely impact the income and returns of the Scheme to the extent of its investment in that InvIT.

The valuation of InvIT units may be subject to significant fluctuations driven by changes in applicable regulations, tax treatment of InvIT distributions, interest rate movements, changes in the valuation of underlying infrastructure assets by independent valuers, and changes in the InvIT's distribution policy. As InvIT valuation methodologies differ from those applicable to equity or debt securities, the NAV impact of InvIT investments may not always be predictable or consistent with broader market movements.

Regulatory changes governing the InvIT framework including changes to SEBI (Infrastructure Investment Trusts) Regulations, 2014, concession agreements, or sector-specific regulations applicable to the underlying assets may adversely affect the structure, operations, distributions or valuation of InvITs in which the Scheme invests.

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