

## **Scheme Information Document (SID)**

# 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)*

**BSE Symbol / Scrip Code** : LIQUIDCASE / 544089 , **NSE Symbol** : LIQUIDCASE



## Scheme Information Document

### SECTION - I

#### **Zerodha Nifty 1D Rate Liquid ETF**

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**BSE Symbol / Scrip Code : LIQUIDCASE / 544089 , NSE Symbol : LIQUIDCASE**

This product is suitable for investors who are seeking*:	Risk-o-meter of the Scheme	Risk-o-meter of the Benchmark (Nifty 1D Rate Index)
Short Term savings solution		
Investment in securities covered by NIFTY 1D Rate Index		
Investors should understand that their principal will be at <b>Low Risk</b>		

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

#### **Potential Risk Class ('PRC') Matrix of the Scheme**

Credit Risk	Relatively Low (Class A)	Moderate (Class B)	Relatively High Class (Class C)
Interest Rate Risk			
Relatively Low (Class I)	A-I		
Moderate (Class II)			
Relatively High Class (Class III)			

Continuous offer for units at iNAV based prices.

The Units of the Scheme are listed on the National Stock Exchange of India Ltd. (NSE) and BSE Limited (BSE). All investors including Market Makers and Large Investors can subscribe (buy) / redeem (sell) units on a continuous basis on the NSE/BSE on which the Units are listed during the trading hours on all the trading days. In addition, Market Makers and Large Investors can directly subscribe to / redeem units of the Scheme on all Business Days with the Fund at Intraday NAV based prices on an ongoing basis.

<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>Indiqube Penta, New No. 51 (Old No. 14), 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 May 29, 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 Ref No.: NSE/LIST/5622 dated December 01, 2023 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 scrutinised 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. ("the Exchange") has given its letter no. LO/IPO/AH/MF/IP/67/2023-24 dated December 21, 2023 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 scrutinised 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.

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## I. HIGHLIGHTS OF THE SCHEME

Name of the Scheme	Zerodha Nifty 1D Rate Liquid ETF
Category of Scheme	Other Schemes - ETFs
Type of Scheme	An open-ended Exchange Traded Fund replicating/ tracking Nifty 1D Rate Index. A relatively low interest rate risk and relatively low credit risk.
Scheme Code	ZERO/O/O/DET/23/12/0003
Investment Objective	<p>The investment objective of the Scheme is to invest in Tri Party repo on Government securities or treasury bills (TREPS). The Scheme aims to provide investment returns that, before expenses, correspond to the returns of the NIFTY 1D Rate 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>On the Exchange</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 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 prevailing market prices.</p> <p><b>Directly with the Mutual Fund</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	Nifty 1D Rate Index

<p>Transparency/ NAV Disclosure</p>	<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. 53 of Section II for details.</p>
<p>Applicable Timelines</p>	<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>
<p>Plans and Options</p> <p><i>Plans/Options and sub options under the Scheme</i></p>	<p>There are no plans under the Scheme.</p> <p>The scheme offers only Growth Option.</p> <p>The Trustees/ AMC reserves the right to introduce/withdraw further Plan/ Options as and when deemed fit, subject to the SEBI (MF) Regulations.</p> <p>For detailed disclosure on default plans and options, kindly refer to SAI.</p>
<p>Loads</p>	<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. 26-27.</p>
<p>Minimum Application Amount /Switch In</p>	<p><b>During NFO:</b></p> <p>This section does not apply, as the ongoing offer of the Scheme has commenced after the NFO, and the Units are available for continuous subscription and redemption.</p> <p><b>During ongoing offer</b></p> <ol style="list-style-type: none"> <li>1. <b>Directly with Fund:</b> Only Market maker(s) and large investors subject to following:</li> </ol>

	<p>a. <u>Market Maker(s)</u>: Market maker(s) can directly purchase units with the Fund in “Creation Unit Size”. 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” 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>No switch (switch-in/switch-out) requests will be accepted under the Scheme.</p>
<p>Minimum Additional Purchase Amount</p>	<p><b>Directly with Fund by Market makers and Large investors:</b></p> <p>Purchase: 5,000 Units (Creation Unit Size) and in multiples thereof provided amount is greater than ₹ 25 Crore.</p> <p>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>On the Exchange:</b> The Units of the Scheme can be Purchased in minimum lot of 1 Unit and in multiples thereof.</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>
<p>Minimum Redemption/Switch Out Amount</p>	<p><b>Through Stock Exchange(s):</b></p> <p>Investors can redeem (sell) Units on a continuous basis on the National Stock Exchange of India Limited (NSE Limited) and BSE Limited and any other recognised Stock Exchange(s) as may be decided by the AMC from time to time on which the Units are listed. Redemptions made through Stock Exchange(s) will be made by specifying the number of Units to be redeemed and not the amount to be invested. On the Stock Exchange(s), the Units of the Scheme can be sold in a minimum lot of 1 (one) Unit and in multiples thereof.</p> <p><b>Directly from the Mutual Fund:</b></p>

	<p>The Scheme offers redemptions only for Market Makers and Large Investors in 'Creation Unit Size' on all Business Days at applicable NAV (along with applicable charges and execution variations) during the Ongoing Offer for applications directly received at AMC.</p> <p>Large investors can redeem directly with the AMC for an amount greater than ₹25 crores. Additionally, transaction handling charges, if any, will have to be borne by the Market Makers /Large Investor.</p> <p>The Portfolio Deposit and Cash Component for the Scheme may change from time to time due to change in NAV.</p> <p>The subscription/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>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>No switch (switch-in/switch-out) requests will be accepted under the Scheme.</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>New Fund Offer Period</p> <p><i>This is the period during which a new scheme sells its units to the investors.</i></p>	<p>This section does not apply, as the ongoing offer of the Scheme has commenced after the NFO, and the Units are available for continuous subscription and redemption.</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>This section does not apply, as the ongoing offer of the Scheme has commenced after the NFO, and the Units are available for continuous subscription and redemption.</p>
<p>Segregated portfolio/ pocketing disclosure</p> <p style="text-align: right;">side</p>	<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 or stock lending as detailed in the section ‘How will the scheme allocate its assets?’ on Page no. 14</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. 46 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>
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:</p> <p>Investor Relations Officer Zerodha Asset Management Private Limited New No.51, IndiQube Penta, 2nd Floor, Richmond Road, Bangalore - 560025 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></p>

	if they do not receive a response/ not satisfied with the response from the Investor Relations Team.
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>

**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 1D Rate Liquid 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: May 29 , 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 May 29 , 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
Tri-Party Repo on Government Securities or T-bills, Reverse repo & Cash and Cash equivalents	95%	100%
G-sec(s) and/or T-bills with a residual maturity of upto 30 days#	0%	5%

# In accordance with the provisions of Para 2.6 of the Master Circular, as amended from time to time, the scheme may deploy upto 5% of its net assets in G-secs and/or T-bills with a residual maturity of upto 30 days for the purpose of placing the same as margin and collateral for certain transactions.

The Scheme would invest all its funds in Tri-Party Repo on Government Securities or T-bills/Repo & Reverse Repo predominantly and other money market instruments\*.

\*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.

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

S.No.	Type of Instrument	Percentage of exposure	Circular references
1.	Derivatives	The Scheme will not invest/engage in these instruments.	
2.	Securitized Debt		
3.	Short selling of securities		
4.	Stock Lending and Borrowing		
5.	Repo in corporate debt		

6.	Unrated instruments (except TREPs/ Government Securities/ SDL / Repo in Government Securities);	
7.	Foreign securities/ADR/GDR	
8.	REITs and InVITs	
9.	Instruments having Special Features as defined in SEBI Circular no. SEBI/HO/IMD/DF4/CIR/P/2021/032 dated March 10, 2021;	
10.	Credit Enhancements & Structured Obligations; and	
11.	Credit Default Swap transactions	

The cumulative gross exposure through TREPS, money market instruments and such other securities/assets as may be permitted by the Board from time to time shall 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.

As per SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2019/101 dated September 20, 2019, Liquid Funds and Overnight Funds shall not park funds pending deployment in short term deposits of scheduled commercial banks.

As per SEBI Circular no. SEBI/HO/IMD/DOF2/P/CIR/2022/69 dated May 23, 2022, the Scheme shall be considered to be replicating the index if the duration of the portfolio of the Scheme replicates the duration of the underlying index within a maximum permissible deviation of +/- 10%.

The scheme may invest upto 5% of net assets in Overnight schemes of the Mutual Fund without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the management of Zerodha Asset Management Private Limited or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of Zerodha Mutual Fund. The AMC shall not charge any investment management fees with respect to such investment.

#### **Portfolio Rebalancing:**

As per SEBI Circular dated May 23, 2022, the Scheme shall be considered to be replicating the index if the duration of the portfolio of the Scheme replicates the duration of the underlying index within a maximum permissible deviation of +/- 10%.

Post any transactions undertaken in the scheme portfolio, in order to meet the redemption and subscription obligations, it shall be ensured that replication of the portfolio with the index is maintained at all points of time, subject to permissible deviations.

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

- In case of change in constituents of the index due to periodic review, the portfolio of the scheme shall be rebalanced within 7 calendar days.
- In case the rating of any security is downgraded to below the rating mandated in the index methodology (including downgrade to below investment grade), the portfolio can be rebalanced within 30 calendar days.
- In case the rating of any security is downgraded to below investment grade, the said security may be segregated in accordance with SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2018/160 dated December 28, 2018 on “Creation of segregated portfolio in mutual fund schemes.

#### **Change in Asset Allocation:**

The above mentioned investment pattern is indicative and subject to the SEBI (MF) Regulations, the asset allocation pattern indicated above may vary from time to time, on account of receipt of maturity proceeds, interest and/or receipt of subscription. As per SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 4, 2021, the Fund Manager, may deviate from the above investment pattern for short term period on defensive considerations. The same will be rebalanced within 7 Business 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 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.

#### **B. WHERE WILL THE SCHEME INVEST?**

The Scheme will invest its corpus in the below instruments:

1. Securities which are constituents of Nifty 1D Rate Index
2. Tri-Party Repo on Government Securities
3. T-bills/Repo & Reverse Repo
4. Other money market instruments\*
5. Cash & Cash equivalents.

*\*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.*

Please refer to Section II in page no. 35-37 for more details on the above instruments.

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

The Scheme will track Nifty 1D Rate Index and will use a “passive” or indexing approach to endeavour to achieve the scheme's investment objective. The AMC does not make any judgments about the investment merit of a particular security nor will it attempt to apply any economic, financial or market analysis. Indexing eliminates active management risks with regard to over/ underperformance vis-à-vis a benchmark.

The fund manager’s endeavor would be to rebalance the portfolio in order to mirror the index; however, there may be a short period where the constituents of the portfolio may differ from that of the asset allocation of the scheme. In case of any deviation from the asset allocation pattern, the portfolio shall be rebalanced by AMC within 7 days from the date of said deviation.

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

### **PORTFOLIO TURNOVER:**

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

Portfolio Turnover Ratio: Not Applicable

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

The performance of the scheme will be benchmarked against the Nifty 1D Rate Index.

The NIFTY 1D Rate Index measures the return generated by market participants lending in the overnight market. The index uses the overnight rate provided through Triparty Repo Dealing System for computation of index values. Thus, the aforesaid benchmark is most suited for comparing the performance of the Scheme.

Please refer to the Section on Index Methodology at Page No. 41-42 for more details.

## E. WHO MANAGES THE SCHEME?

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

Name and Age	Educational Qualification	Experience (in years)	Fund (s) Managed
Kedarnath Mirajkar  42 Years	PGDBM - Finance	19 years  Zerodha AMC - Current Aditya Birla Sun Life AMC - April 2010 to June 2022 Fund Manager/ Dealer Passive - December 2020 to June 2022 Chief Manager - Risk Management November 2018 to December 2020 Trade Operations - April 2010 to Nov 2018  HDFC Bank (Custody Department) August 2007 to March 2010  Bombay Dyeing - September 2005 to August 2007	1. Zerodha Nifty LargeMidcap 250 Index Fund; 2. Zerodha ELSS Tax Saver Nifty LargeMidcap 250 Index Fund; 3. Zerodha Nifty 100 ETF; 4. Zerodha Nifty Midcap 150 ETF; 5. Zerodha Gold ETF (Co-fund Manager); 6. Zerodha Gold ETF FoF; 7. Zerodha Silver ETF; 8. Zerodha Overnight Fund.

## 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 Gold ETF	An open-ended scheme replicating/tracking domestic price of Physical Gold.

Zerodha Nifty 100 ETF	An open-ended scheme replicating/tracking Nifty 100 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.

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

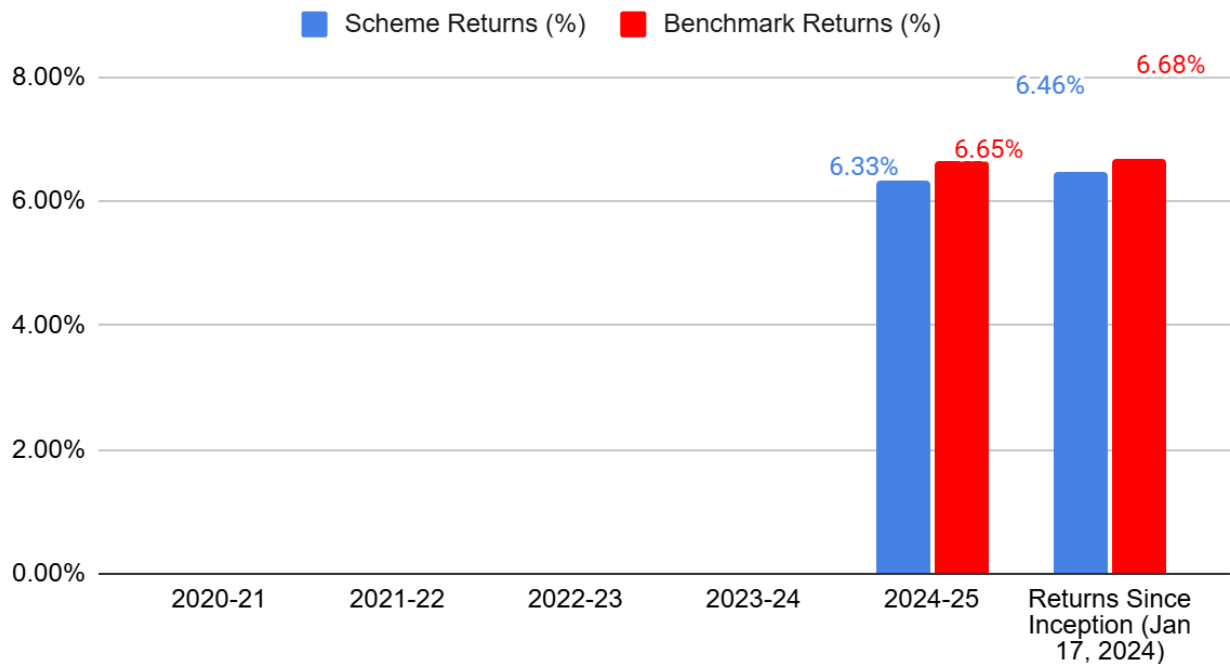
#### G. HOW HAS THE SCHEME PERFORMED?

Performance of the Scheme as on March 31, 2025.

The Performance of the Scheme has been benchmarked against Nifty 1D Rate Index. The Compounded Annualised Growth Rate (CAGR) as on March 31, 2025 are as below:

<b>Compounded Annualised Returns*</b>	<b>Scheme Returns (%)</b>	<b>Benchmark Returns (%)</b>
Returns for the last 1 year	6.33%	6.65%
Returns for the last 3 years	Not Applicable	Not Applicable
Returns for the last 5 years	Not Applicable	Not Applicable
Returns since inception ( <i>January 17, 2024</i> )	6.46%	6.68%

### Scheme Returns (%) and Benchmark Returns (%)



**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 - Fortnightly / Monthly

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

### iv. Portfolio Turnover Rate

Not Applicable

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

S.No.	Category of Persons	Net Value		Market Value ( in ₹)
		Units	NAV per unit	
1.	Fund Manager of the Scheme	80	107.8127	8,625.016/-

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.

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### 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.

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:

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

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 :

<p>Applicable NAV - ₹ 10 Exit Load - 1%</p> <p>= 10 - (10 X 1%) = 10 - (0.1) <b>= ₹ 9.9</b></p>
---

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

<p>No. Of Units - 1,000 Repurchase Price = ₹9.9</p> <p>=1000 X 9.9 <b>= ₹ 9,900</b></p>
---

*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**

This section does not apply, as the ongoing offer of the Scheme has commenced after the NFO, and the Units are available for continuous subscription and redemption.

## **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	
Maximum Total Expense Ratio (TER) permissible under Regulation 52 (6) <sup>4</sup>	

<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 SEBI 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 1% expenses charged will be as under:

Particulars	Direct Plan
Amount invested at the beginning of the year (Rs.)	10,000
Returns before expenses (Rs.)	1,500
Expenses (Rs.)	115

Returns after expenses at the end of the year (Rs.)	11,385
Returns (per annum in %)	13.85%

Note(s):

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

All scheme related expenses including commission paid to distributors, by whatever name it may be called and in whatever manner it may be paid, shall necessarily 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	Not Applicable

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:

- (i) The addendum detailing the changes will be attached to Scheme Information Document and Key Information Memorandum and displayed on our website [www.zerodhafundhouse.com](http://www.zerodhafundhouse.com).
- (ii) The introduction of the Load along with the details will be mentioned in the acknowledgement issued to the investors on submission of the application and will also be disclosed in the Account Statement or in the covering letter issued to the Unit holders after the introduction of such Load.

- (iii) A public notice shall be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated.
- (iv) Any other measures which the mutual fund may feel necessary.

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## SECTION - II

### I. Introduction

#### A. Definitions/Interpretations

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

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

#### B. Risk Factors

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

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

##### **Risk associated with Exchange Traded Fund:**

- a) **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.
- b) **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.
- c) **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.
- d) **Regulatory Risk:** Any changes in trading regulations by the Exchange or SEBI may affect ability of the market maker to arbitrage resulting into wider premium/ discount to NAV. Although Zerodha Nifty 1D Rate Liquid 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.

- e) **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.
- f) **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.
- g) **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.
- h) **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.
- i) **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.
- j) **Tracking Error/ Tracking Difference Risk:** Tracking Error & Tracking Difference may arise including but not limited to the following reasons:
- Expenditure incurred by the fund.
  - 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.
  - 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).
  - Execution of large buys / sell orders.
  - Transaction cost.
  - Realization of Unit holders funds.

Risk specific to investing in securities forming part of Nifty 1D Rate Index:

- a. Zerodha Nifty 1D Rate Liquid 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.

Tracking Error Risk: The Fund Manager would not be able to invest the entire corpus exactly in the same proportion as in the underlying index due to certain factors such as the fees and expenses of the respective scheme, corporate actions, cash balance, changes to the underlying index and regulatory policies which may affect AMC's ability to achieve close correlation with the underlying index of the scheme. The scheme's returns may therefore deviate from those of its underlying index.

Tracking Difference Risk: The Fund Manager may not be able to invest the entire corpus exactly in the same proportion as in the underlying index or goods due to certain factors such as the fees and expenses of the scheme, corporate actions, cash balance, changes to the underlying index and regulatory policies which may affect AMC's ability to achieve close correlation with the underlying index of the scheme. The scheme's returns may therefore deviate from those of its underlying index. Tracking Difference is the Difference of returns between the Scheme and the Benchmark Index annualized over 1 year, 3 Year, 5 Year, 10 year and Scheme Since Inception period.

The fund manager will endeavour to limit the tracking difference over one-year period within 1.25%. In case the average annualized tracking difference over 1-year period for Scheme is higher than 1.25%, the same will be brought to the notice of trustees with corrective actions taken by the AMC. However, there can be no assurance or guarantee that the Scheme will achieve any particular level of tracking error/ difference relative to performance of the Underlying Index. Tracking Difference shall be disclosed only if the scheme has completed 1 year period. The Tracking difference shall be disclosed on a monthly basis on the AMC's website viz. [www.zerodhafundhouse.com](http://www.zerodhafundhouse.com) and AMFI website [www.amfiindia.com](http://www.amfiindia.com).

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

**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.

**Price-Risk or Interest-Rate Risk:** From the perspective of coupon rates, debt securities can be classified in two categories, i.e. Fixed Income Bearing securities and floating rate securities. In Fixed Income bearing securities, the coupon rate is determined at the time of investment and paid/received at the predetermined frequency. In the Floating Rate Securities, on the other hand,

the coupon rate changes - 'floats' – with the underlying benchmark rate, e.g., MIBOR, 1 yr. Treasury Bill.

Fixed Income Securities (such as Government Securities, bonds, debentures and money market instruments) where a fixed return is offered, run price-risk. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, the payment-frequency of such coupon, days to maturity and the increase or decrease in the level of interest rates. The prices of Government Securities (existing and new) will be influenced only by movement in interest rates in the financial system. Whereas, in the case of corporate or institutional fixed income securities, such as bonds or debentures, prices are influenced not only by the change in interest rates but also by credit rating of the security and liquidity thereof.

However, debt securities in the scheme are intended to be held till maturity. For such securities held till maturity, there will not be any interest rate risk at the end of the tenure.

Floating rate securities issued by a government have the least sensitivity to interest rate movements, as compared to other securities. The Government of India has already issued a few such securities and the Investment Manager believes that such securities may become available in future as well. These securities can play an important role in minimising interest rate risk on a portfolio.

**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.

Following table illustrates the impact of change of rating on the price of a hypothetical ‘AA’ rated security with a maturity period of 3 years, a coupon of 9.00% p.a. and a market value of ₹ 100. If it is downgraded to ‘A’ category, which commands a market yield of, say, 10.00% p.a., its market value would drop to ₹ 97.51 (i.e. 2.49%) If the security is up-graded to ‘AAA’ category which commands a market yield of, say, 8.00% p.a. its market value would increase to ₹ 102.58 (i.e. by 2.58%). The

figures shown in the table are only indicative and are intended to demonstrate how the price of a security can be affected by change in credit rating.

Rating	Yield (% p.a.)	Market Value (Rs.)
Existing Rating of AA	9.00	100.00
If upgraded to AAA	8.00	102.58
If downgraded to A	10.00	97.51

**Counterparty and Settlement Risk:** Counterparty and settlement risk is the probability that the other party may not fulfil its part of the deal and may default on the contractual obligations. This risk comprises credit and liquidity risk both. 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 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.

**Prepayment risk:** Certain fixed income securities give an issuer the right to call back its securities before their maturity date, in periods of declining interest rates. The possibility of such prepayment may force the fund to reinvest the proceeds of such investments in securities offering lower yields, resulting in lower interest income for the fund.

Different types of securities in which the scheme would invest as given in the SID carry different levels and types of risk. Accordingly the scheme's risk may increase or decrease depending upon its investment pattern. E.g. corporate bonds carry a higher amount of risk than Government securities. Further even among corporate bonds, bonds, which are AA rated, are comparatively more risky than bonds, which are AAA rated.

#### Risks associated with investing in Tri Party Repo through CCIL (TREPS)

The mutual fund is a constituent member of the securities segment and Tri-party Repo trade settlement of the Clearing Corporation of India (CCIL). All transactions of the mutual fund in government securities and in Tri-party Repo trades are settled centrally through the infrastructure and settlement systems provided by CCIL; thus, reducing the settlement and counterparty risks considerably for transactions in the said segments.

CCIL maintains prefunded resources in all the clearing segments to cover potential losses arising from the default member. In the event of a clearing member failing to honour his settlement obligations, the default Fund is utilised to complete the settlement. The sequence in which the above resources are used is known as the "Default Waterfall".

As per the waterfall mechanism, after the defaulter's margins and the defaulter's contribution to the default fund have been appropriated, CCIL's contribution is used to meet the losses. Post utilisation of CCIL's contribution if there is a residual loss, it is appropriated from the default fund contributions of the non-defaulting members.

Thus, the scheme is subject to risk of the initial margin and default fund contribution being invoked in the event of failure of any settlement obligations. In addition, the fund contribution is allowed to be used to meet the residual loss in case of default by the other clearing member (the defaulting member).

Further, it may be noted that, CCIL periodically prescribes a list of securities eligible for contributions as collateral by members. Presently, all Central Government securities and Treasury bills are accepted as collateral by CCIL. The risk factors may undergo change in case the CCIL notifies securities other than Government of India securities as eligible for contribution as collateral.

#### Risks associated with investing in Government of India Securities

Market Liquidity risk with fixed rate Government of India Securities even though the Government of India Securities market is more liquid compared to other debt instruments, on certain occasions, there could be difficulties in transacting in the market due to extreme volatility leading to constriction in market volumes. Also, the liquidity of the Scheme may suffer in case the relevant guidelines issued by Reserve Bank of India undergo any adverse changes.

#### Risk factors associated with processing of transactions through Stock Exchange Mechanism

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

#### 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:

- C. 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.
- D. The security comprising the segregated portfolio may not realise any value.

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

### G. 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 mitigation
<b>Debt and Money Market instruments</b>	<ul style="list-style-type: none"> <li>• Credit Risk: Management analysis will be used for identifying company specific risks. 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.</li> <li>• Price-Risk or Interest-Rate Risk: Securities invested in are short term in nature thereby mitigating the price volatility due to interest rate changes generally associated with long-term securities.</li> <li>• Risk of Rating Migration: TREPS and Sovereign securities do not have rating and other eligible money market instruments and overnight funds the scheme have time to maturity lower than 91 days which results in a very low probability of rating migration. This risk is generally associated with long-term securities.</li> <li>• Basis Risk: Securities invested in are fixed rate securities and hence basis risk does not apply. This risk is generally associated with floating rate securities and has a higher bearing on long-term securities.</li> <li>• Spread Risk: Securities invested in are fixed rate securities and hence spread risk does not apply. This risk is generally associated with floating rate securities and has a higher bearing on long-term securities.</li> <li>• Reinvestment Risk: Scheme will primarily invest in securities maturing below 91 days. Reinvestment risk becomes more</li> </ul>

	<p>prevalent in long-term securities and lower time to maturity reduces the impact for the scheme.</p> <ul style="list-style-type: none"> <li>• Liquidity Risk: The Scheme will primarily invest in TREPS, government securities, overnight funds and other money market instruments thereby limiting liquidity risk. The liquidity risk for government securities and money market instruments may be low.</li> </ul>
<b>Segregated Portfolio</b>	In such an eventuality it will be AMC's endeavour to realise the segregated holding in the best interest of the investor at the earliest.
<b>Tracking Errors</b>	Over a short period, the Scheme may carry the risk of variance between portfolio composition and Benchmark. The objective of the Scheme is to track the performance of the Underlying Index over the same period, subject to tracking error. The Scheme would endeavour to maintain a low tracking error by actively aligning the portfolio in line with the Index.
<b>Risks associated with investing in Tri Party Repo through CCIL (TREPS)</b>	As a member of the securities segment and Tri Party repo segment, maintenance of sufficient margin is a mandatory requirement. CCIL monitors these on a real time basis and requests the participants to provide sufficient margin to enable the trades, etc. Also there are stringent conditions / requirements before registering any participants by CCIL in these segments. Since settlement is guaranteed the loss on this account could be minimal though there could be an opportunity loss.

## II. Information about the Scheme

### A. Where will the Scheme Invest

The Scheme will invest in securities which are constituents of Nifty 1D Rate Index, Tri-Party Repo on Government Securities or T-bills/Repo & Reverse Repo, other money market instruments\* and Cash & Cash equivalents.

*\*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.*

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

Listed debt or money market securities, in accordance with seventh schedule to the SEBI (Mutual Funds) 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 below paragraph "What are the Investment Restrictions".

### **B. What are the investment restrictions?**

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

As per Clause 1 of the Seventh Schedule of MF Regulation, the Scheme shall not invest more than 10% of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the Act. Such investment limit may be extended to 12% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of directors of the asset management company.

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

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

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

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

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

1. The Scheme may invest in another scheme under the same AMC 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.
2. The Scheme shall not make any investments in:
  - a. any unlisted security of an associate or group company of the Sponsors; or
  - b. any security issued by way of private placement by an associate or group company of the Sponsors; or
  - c. the listed securities of group companies of the Sponsors which is in excess of upto 25% of the net assets.
3. The Scheme shall not invest in any Fund of Funds Scheme.
4. 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 (spot basis shall have the same meaning as specified by Stock Exchange for spot transactions.)
  - b. the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.
  - c. IST purchases would be allowed subject to the guidelines as specified in SEBI Circular SEBI/HO/IMD/DF4/CIR/P/2020/202 dated October 08, 2020.
5. 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. Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.

6. No loans for any purpose may be advanced by the Mutual Fund and the Mutual Fund shall not borrow except to meet temporary liquidity needs of the Schemes for the purpose of payment of interest or IDCW to Unit Holders, provided that the Mutual Fund shall not borrow more than 20% of the net assets of each of the Schemes and the duration of such borrowing shall not exceed a period of six months.
7. The Mutual Fund shall enter into transactions relating to Government Securities only in dematerialised form.
8. The mutual fund shall get the securities purchased / transferred in the name of the fund on account of the concerned scheme, where investments are intended to be of long term nature.
9. In accordance with the guidelines as stated under SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 01, 2019, investments in following instruments as specified in the said circular, as may be amended from time to time, shall be applicable:
  - i. The scheme shall not invest in unlisted debt instruments including commercial papers (CPs), other than (a) government securities, (b) other money market instrument and (c) derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. which are used by mutual funds for hedging.
  - ii. All fresh investments by mutual fund schemes in CPs would be made only in CPs which are listed or to be listed.
  - iii. Further, investment in unrated debt and money market instruments, other than government securities, treasury bills, derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. by mutual fund schemes shall be subject to the conditions as specified in the said circular:
    - a. Investments should only be made in such instruments, including bills rediscounting, usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in SEBI (Mutual Fund) Regulations, 1996 and various circulars issued thereunder.
    - b. Exposure of mutual fund schemes in such instruments shall not exceed 5% of the net assets of the schemes. All such investments shall be made with the prior approval of the Board of AMC and the Board of trustees.
10. Pursuant to SEBI Circular no. SEBI/HO/IMD/DOF2/P/CIR/2022/69 dated May 23, 2022 replication of the Index by the Scheme shall be as follows:
  - i. The duration of the portfolio of ETF/ Index Fund replicates the duration of the underlying
  - ii. index within a maximum permissible deviation of +/- 10%.
  - iii. ETFs/Index Funds replicating a Constant Maturity index may invest in securities with residual maturity within +/- 10% of maturity range of the index.
  - iv. In case of Target Maturity (or Target Date) ETFs/ Index Funds, the following norms for permissible deviation in duration shall apply:
    - a) For portfolio with residual maturity of greater than 5 years: Either +/- 6 months or +/- 10% of duration, whichever is higher.
    - b) For a portfolio with residual maturity of up to 5 years: Either +/- 3 months or +/- 10% of duration, whichever is higher.
    - c) However, at no point of time, the residual maturity of any security forming part of the

- d) portfolio shall be beyond the target maturity date of the ETF/ Index Fund.
- v. For an index based on G-Sec and SDLs, a single issuer limit shall not be applicable.

The Scheme shall endeavour to follow the guidelines prescribed under SEBI Circular no. SEBI/HO/IMD/DOF2/P/CIR/2022/69 dated May 23, 2022 and circular issued thereunder from time to time.

These investment restrictions shall be applicable at the time of investment. Changes, if any, do not have to be effected merely because, owing to appreciating or depreciations in value, or by reason of the receipt of any rights, bonuses or benefits in the nature of capital or of any Schemes of arrangement or for amalgamation, reconstruction or exchange, or at any repayment or redemption or other reason outside the control of the Fund, any such limits would thereby be breached. If these limits are exceeded for reasons beyond its control, AMC shall as soon as possible take appropriate corrective action, taking into account the interests of the Unit holders.

In addition, certain investment parameters may be adopted internally by AMC, and amended from time to time, to ensure appropriate diversification / security for the Fund. The Trustee Company / AMC may alter these above stated limitations from time to time, and also to the extent the SEBI (Mutual Funds) Regulations, 1996 change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments for Mutual Funds to achieve its investment objective. As such all investments of the Scheme will be made in accordance with SEBI (Mutual Funds) Regulations, 1996.

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

### **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 1D Rate Index. A relatively low interest rate risk and relatively low credit risk

(ii) Investment Objective:

- a) Main Objective - The investment objective of the Scheme is to invest in Tri Party repo on Government securities or treasury bills (TREPS). The Scheme aims to provide investment returns that, before expenses, correspond to the returns of the NIFTY 1D Rate 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 (MF) 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 calendar days to exit at the prevailing Net Asset Value without any Exit Load.

**D. Index methodology**

The performance of the scheme will be benchmarked against the Nifty 1D Rate Index.

**About the Index**

The objective of the Nifty 1D Rate Index is to measure the returns generated by market participants lending in the overnight market. The index uses “Tri-Party Repo on Government Securities or T-bills” overnight rate for computation of index values.

The index uses the overnight rate published on “Triparty Repo Dealing System (TREPS)", platform of CCIL, with government securities as underlying, for computation of index values. The details of TREPS are available on CCIL.

**Index Methodology:**

- 1) Annualised weighted average rate published by CCIL at end of the day is considered for computation of index
- 2) The annualised rate is converted to the daily rate for index calculation, by dividing the annual rate by 365 days
- 3) The daily rate is added to the index value of the previous day
- 4) TREPS with T+0 settlement is considered
- 5) If next day is a working day then rate with 1-day maturity is considered
- 6) If the next day is a holiday or Saturday, the rate of “n” days maturity is considered, where “n” is the number of days until the next working day.
- 7) The index is computed daily at end of the day
- 8) The base date for index is January 03, 2011 and base value is 1000

### Index Calculation

$$Index\ Value\ T = \left\{ Index\ value_{T-1} * \left( 1 + \frac{Rate_T}{36500} * Number\ of\ days \right) \right\}$$

Where: T = current working day and T-1 is previous working day  
Rate = TREPS Rate

### 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.

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

The 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 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 (only for close ended debt schemes)

Not Applicable

### G. Other Scheme Specific Disclosures

<p>Listing and transfer of units</p>	<p>The Units of the Scheme are listed on the National Stock Exchange of India Limited (NSE 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 prevailing market prices.</p>
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Dematerialization of units	<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>Please note that the application without relevant details will be liable to be rejected.</p>
<p>Minimum Target amount <i>(This is the minimum amount required to operate the Scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return.)</i></p>	<p>This section does not apply, as the ongoing offer of the Scheme has commenced after the NFO, and the Units are available for continuous subscription and redemption.</p>
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	This section does not apply, as the ongoing offer of the Scheme has commenced after the NFO, and the Units are available for continuous subscription and redemption.
<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> <li>3. Minor (as the first and the sole holder only) through a natural guardian (i.e. father or mother, as the case may be) or a court appointed legal guardian. There shall not be any joint holding with minor investments. Further, all other requirements for investments by minor and process of transmission shall be followed in line with SEBI Master Circular dated June 27, 2024 read with SEBI Circular dated May 12, 2023 as amended from time to time.</li> </ol> <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>4. Proprietorship in the name of Sole Proprietor;</li> <li>5. Partnership Firms &amp; Limited Liability Partnerships (LLPs);</li> <li>6. Companies, Bodies Corporate, Public Sector Undertakings, Association of Persons (AOP) or Bodies of Individuals (BOI) and societies registered under</li> </ol>

	<p>the Societies Registration Act, 1860, Co-Operative Societies registered under the Co-Operative Societies Act, 1912;</p> <ol style="list-style-type: none"> <li>7. Banks &amp; Financial Institutions;</li> <li>8. Mutual Funds/ Alternative Investment Funds registered with SEBI;</li> <li>9. Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) and Private trusts authorised to invest in mutual fund schemes under their trust deeds;</li> <li>10. Non-resident Indians (NRIs)/Persons of Indian Origin residing abroad (PIO)/ Overseas Citizen of India (OCI) on repatriation basis or on non-repatriation basis;</li> <li>11. Foreign Portfolio Investors (FPI) registered with SEBI in accordance with applicable laws;</li> <li>12. Army, Air Force, Navy and other paramilitary units and bodies created by such institutions;</li> <li>13. Scientific and Industrial Research Organizations;</li> <li>14. Council of Scientific and Industrial Research, India;</li> <li>15. Multilateral Financial Institutions/ Bilateral Development Corporation Agencies/ Bodies Corporate incorporated outside India with the permission of Government of India/Reserve Bank of India;</li> <li>16. Provident/ Pension/ Gratuity Fund to the extent they are permitted;</li> <li>17. Qualified Foreign Investor (QFI);</li> <li>18. Other Schemes of Zerodha Mutual Fund subject to the conditions and limits prescribed by SEBI (MF) Regulations;</li> <li>19. Such other category of investors as may be decided by the AMC / Trustee from time to time provided their investment is in conformity with the applicable laws and SEBI (MF) Regulations.</li> </ol> <p>The list given above is indicative and the applicable laws, if any, as amended from time to time shall supersede the list.</p>
<p>Who cannot invest</p>	<ol style="list-style-type: none"> <li>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;</li> </ol>

	<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>
<p>How to Apply and other details</p>	<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> <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. 57 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>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.</p>	<p>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.</p>

<p>Restrictions, if any, on the right to freely retain or dispose of units being offered.</p>	<p>The Units of the Scheme held in electronic (demat) mode are transferable. The Mutual Fund at its sole discretion reserves the right to suspend sale and switching of Units in the Scheme temporarily or indefinitely when any of the following conditions exist. However, the suspension of sale of Units either temporarily or indefinitely will be with the approval of the Trustee.</p> <ol style="list-style-type: none"> <li>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.</li> <li>When, as a result of political, economic or monetary events or any circumstances outside the control of the Trustee and the AMC, the disposal of the assets of the Scheme are not reasonable, or would not reasonably be practicable without being detrimental to the interests of the Unit holders.</li> <li>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.</li> <li>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.</li> <li>In case of natural calamities, strikes, riots and bandhs.</li> <li>In the event of any force majeure or disaster that affects the normal functioning of the AMC.</li> <li>If so directed by SEBI.</li> </ol> <p>The AMC/ Trustee reserves the right in its sole discretion to withdraw the facility of Sale option of Units into the Scheme, temporarily or indefinitely, if AMC views that changing the size of the corpus further may prove detrimental to the existing Unit holders of the Scheme.</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>Investors / Unit holders to note that the below mentioned Cut-off time are <u>not applicable to transactions undertaken on a recognised stock exchange</u> and are only applicable to transactions undertaken at the Official Points of Acceptance.</p> <p><b>Cut off timing for Subscriptions:</b></p> <table border="1" data-bbox="395 1758 1449 2007"> <thead> <tr> <th data-bbox="395 1758 885 1825">Particulars</th> <th data-bbox="885 1758 1449 1825">Applicable NAV</th> </tr> </thead> <tbody> <tr> <td data-bbox="395 1825 885 2007">1. Where the application is received up to cut-off time of 2:30 p.m. on a Business Day at the official point(s) of acceptance and funds</td> <td data-bbox="885 1825 1449 2007">NAV at the close of the day immediately preceding the day of receipt of application shall be applicable.</td> </tr> </tbody> </table>	Particulars	Applicable NAV	1. Where the application is received up to cut-off time of 2:30 p.m. on a Business Day at the official point(s) of acceptance and funds	NAV at the close of the day immediately preceding the day of receipt of application shall be applicable.
Particulars	Applicable NAV				
1. Where the application is received up to cut-off time of 2:30 p.m. on a Business Day at the official point(s) of acceptance and funds	NAV at the close of the day immediately preceding the day of receipt of application shall be applicable.				

<p>for the entire amount of subscription/purchase are available for utilization before the cut-off time.</p>	
<p>2. Where the application is received at the official point(s) of acceptance on a Business Day, irrespective of the time of receipt of subscription/purchase application, and the funds are not available for utilization before the cut-off time of 2:30 p.m. on the same Business Day.</p>	<p>NAV at the close of the day immediately preceding the Business Day on which the funds are available for utilization shall be applicable.</p>
<p>3. Where the application is received after 2:30 p.m. on a day at the Official Point(s) of Acceptance and the entire funds are available for utilization on the same day without availing any credit facility, whether, intra-day or otherwise.</p>	<p>NAV at the close of the day immediately preceding the next Business Day.</p>
<p>The above provisions of Cut-off timings for Subscriptions are applicable for Purchase of Units directly with Fund. However, Zerodha Nifty 1D Rate Liquid ETF, being an Exchange Traded Fund (ETF), the above provisions will not be applicable for Purchase of Units on the stock exchanges in which case the timings of the stock exchange will be applicable.</p>	
<p><b><u>Cut off timing for Redemptions:</u></b></p>	
<p><b>Particulars</b></p>	<p><b>Applicable NAV</b></p>
<p>Where the application is received upto 3.00 p.m.</p>	<p>The closing NAV of the day immediately preceding the next business day.</p>
<p>Where the application is received after 3.00 p.m.</p>	<p>The closing NAV of the next business day.</p>
<p><i>Note: In case the application is received on a Non-Business Day, it will be considered as if received on the Next Business Day.</i></p>	
<p>As the units issued under the scheme are listed, the provisions of the Cut-off timing are not applicable for transactions on the stock exchange.</p>	

	<p>Pursuant to SEBI circular no. SEBI/HO/IMD/DOF2/P/CIR/2022/69 dated May 23, 2022, the aforesaid cut off timing shall not be applicable for direct transaction with AMCs by Market-Makers and other eligible investors.</p> <p><b>Purchase/Sale of Units of the Scheme on NSE/ BSE:</b> An investor can buy/sell Units on a continuous basis on the NSE / BSE or any other stock exchange on which the Units are listed during the trading hours on all trading days like any other publicly traded stock at prices which may be close to the NAV of the Scheme. Therefore, the provisions of Cut-off timing for subscriptions/redemptions will not be applicable.</p>
Minimum amount for purchase/redemption	<p><b>Directly with Fund by Market makers and Large investors:</b></p> <p>Purchase: 5,000 Units and in multiples thereof provided amount is greater than ₹ 25 Crore.</p> <p>Redemption: 5,000 Units and in multiples thereof provided amount is greater than ₹ 25 Crore.</p> <p>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 and 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> The Units of the Scheme can be Purchased/ sold in minimum lot of 1 Unit and in multiples thereof.</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>
Accounts Statements	<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>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.</p>

	<p>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.</p> <p>For further details, refer to SAI.</p>
Dividend/ IDCW	Not Applicable
Redemption	<p>The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase.</p> <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	Please refer to SAI for details.
Disclosure w.r.t investment by minors	<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>
Any other disclosure in terms of Consolidated Checklist Standard Observations	<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 email the Scheme Annual Report or Abridged Summary thereof to the unitholders registered email address with the Mutual Fund. Mutual Fund / AMC will provide a physical copy of the abridged summary of the Annual Report, without charging any cost, on specific request received from a unitholder through any mode. A physical copy of the scheme wise annual report shall be made available for inspection to the investors at the registered office of the AMC. A link of the scheme annual report or abridged summary thereof shall be displayed prominently on the website of the Fund and shall also be displayed on the website of Association of Mutual Funds in India (AMFI).

##### b. Half Yearly Results

Not applicable, as this scheme is categorised as a passive scheme as per SEBI Circular dated December 31, 2024.

##### c. Half Yearly Portfolio Statement

Not applicable, as this scheme is categorised as a passive scheme as per SEBI Circular dated December 31, 2024.

#### C. Transparency/NAV Disclosure

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 for details.

#### **F. Taxation**

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

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

	<b>Resident Investors</b>	<b>Foreign Institutional Investor (FII)</b>	<b>Non-Resident (other than FII)</b>	<b>Mutual Fund</b>
Tax on dividend	NA	NA	NA	NIL <sup>@</sup>
Capital gain Tax (irrespective of the holding period)*	Normal tax rates applicable to investor	30%	Normal tax rates applicable to investor	NIL <sup>@</sup>

*@ 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:*

*If taxpayer (Individual/HUF/AOP/BOI/AJP) opts for Old Tax Regime, then Surcharge to be levied on basic tax at:*

- 37% where specified income exceeds Rs.5 crore;*
- 25% where specified income exceeds Rs.2 crore but does not exceed Rs.5 crore;*
- 15% where total income exceeds Rs.1 crore but does not exceed Rs.2 crore; and*
- 10% where total income exceeds Rs.50 lakhs but does not exceed Rs.1 crore.*

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

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

*Surcharge for companies to be levied on basic tax:*

- *Domestic Company: 12% where income exceeds Rs.10 crore and 7% where income exceeds Rs.1 crore but less than Rs.10 crore. If a domestic company opts for concessional tax regime 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*

*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.*

## **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 April 03, 2024. 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: May 29, 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