
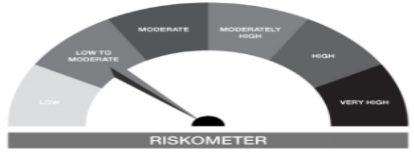


KEY INFORMATION MEMORANDUM

GROWW SHORT DURATION FUND

(An open ended short term debt scheme investing in instruments such that the Macaulay Duration of the portfolio is between 1 year and 3 years. A Moderate Interest Rate Risk and Moderate Credit Risk.)

This product is suitable for investors who are seeking*:	Scheme Riskometer	Benchmark Riskometer
<ul style="list-style-type: none"> • Stable returns over short term while maintaining liquidity. • Through investment in debt and money market instruments. 		<p>As per AMFI Tier I Benchmark CRISIL Short Duration Debt A-II Index</p> 
	Scheme Benchmark is at Moderate Risk	Benchmark Risk-o-meter is at Low to Moderate

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

Potential Risk Matrix

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

Continuous offer for Units at NAV based prices

Name of Mutual Fund	Groww Mutual Fund
Name of Asset Management Company	Groww Asset Management Limited CIN: U65991KA2008PLC180894 Registered Office: Vaishnavi Tech Park, South Tower, 3rd Floor, Survey No.16/1 and 17/2, Ambalipura Village, Varthur Hobli, Bellandur, Bangalore South, Bangalore-560103, Karnataka, India;
Name of Trustee Company	Groww Trustee Limited CIN: U65991KA2008PLC183561 Registered Office: Vaishnavi Tech Park, South Tower, 3rd Floor, Survey No.16/1 and 17/2, Ambalipura Village, Varthur Hobli, Bellandur, Bangalore South, Bangalore-560103, Karnataka, India
Corporate Office/Address	1202A - 12A Floor, One World Centre, Lower Parel, Mumbai – 400013, Maharashtra Tele:+91 22 69744435
Website	www.growwmf.in

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

The Scheme particulars have been prepared in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations 1996, as amended till date, and filed with Securities and Exchange Board of India (SEBI). The units being offered for public subscription have not been approved or disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of this KIM.

This Key Information Memorandum is dated June 26, 2024

Investment Objective	The Scheme will endeavor to generate stable returns over short term with a low risk strategy while maintaining liquidity through a portfolio comprising debt and money market instruments such that the Macaulay duration of the portfolio is between 1 year – 3 years. However, there can be no assurance that the investment objective of the scheme will be achieved.	
Asset Allocation Pattern of the scheme	Types of Instruments	Normal Allocation (% of Net Assets)
	Money market instruments	0% to 75%
	Debt instruments including government securities, corporate debt, securitized debt* and other debt instruments	25% to 100 %
<p>*securitized debt cumulative allocation not to exceed 50% of the net assets of the Scheme (No investment in foreign securitized debt). Investment in Debt Derivatives – upto 50% of the net assets of the Scheme.</p> <p># Macaulay duration of the portfolio shall be between 1 year – 3 years Investment in debt derivatives shall be strictly in compliance with paragraph 12.25 of SEBI Master Circular for Mutual Funds Dated May 19, 2023. The Fund shall not take any leveraged position. The cumulative gross exposure of the scheme through debt instruments and debt derivatives, if any, shall not exceed 100% of the net assets under management in the scheme. The scheme shall not be investing in foreign securities and also the scheme shall not be engaging in any short-selling.</p> <p>NOTE:</p> <p>Duration is defined as the average time it takes to receive all the cash flows of a bond, weighted by the present value of each of the cash flows. Essentially, it is the payment-weighted point in time at which an investor can expect to recoup his or her original investment.</p> <p>Given its relative ability to predict price changes based on changes in interest rates, duration allows for the effective comparison of bonds with different maturities and coupon rates. For example, a 5-year zero coupon bond may be more sensitive to interest rate changes than a 7-year bond with a 6% coupon. By comparing the bonds' durations, you may be able to anticipate the degree of price change in each bond assuming a given change in interest rates. Accordingly, duration calculations may help you more precisely structure your portfolios against the backdrop of their overall investment objectives and risk tolerance.</p> <p>Duration can be used as a measure of risk in bond investing. While it comes in many forms, the ones most commonly used by public fund in Macaulay Duration (Mac Duration). Developed in 1938 by Frederic Macaulay, this form of duration measures the number of years required to recover the true cost of a bond, considering the present value of all coupon and principal payments received in the future.</p> <p>Macaulay Duration of Instrument:-</p> <p>How the Macaulay Duration is calculated at instrument level is shown below:</p> <p>E.g. Suppose you are in the month of April-2017. A 5 year ABC bond Maturing on 01-March-2022 with coupon of 7.50% p.a. payable on semi-annual basis is available in market at Rs.100. Investment in the bond will entail the investor the coupon of</p>		

Rs.3.75 for 5 Years on coupon payment date & in the 5th year the investor shall receive back his principal i.e. Rs .100 (Face value of bond)

Bond Terms

Name of Bond	Coupon	Maturity	YTM	Bond Price
ABC	7.50%	01-Mar-22	7.50%	100.00

Bond Cash flow

Coupon Payment Date	Term in Years (T)	Coupon + Principal	P.V.	P.V.* T
01-Sep-17	0.50	3.75	3.61	1.81
01-Mar-18	1.00	3.75	3.48	3.48
01-Sep-18	1.50	3.75	3.36	5.04
01-Mar-19	2.00	3.75	3.24	6.47
01-Sep-19	2.50	3.75	3.12	7.80
01-Mar-20	3.00	3.75	3.01	9.02
01-Sep-20	3.50	3.75	2.90	10.14
01-Mar-21	4.00	3.75	2.79	11.17
01-Sep-21	4.50	3.75	2.69	12.12
01-Mar-22	5.00	3.75	2.60	12.98
01-Mar-22	5.00	100	69.20	346.01

Interest / Coupon Payment

Principal

Sum of PV *T	426.04
Bond Price	100.00

Mac Duration of Instrument in Years	4.26
Mac Duration of Instrument in Months	51.12

This means though the original maturity of the bond is 5 Years but it takes 4.26 years or 51.12 months to recover the true cost of the bonds or in other terms the cash flow+ principle associated with bonds can be recouped in 4.26 years or 51.12 months.

Macaulay Duration Formula

$$\text{Macaulay Duration} = \sum_{t=1}^n \frac{(\text{PV})(\text{CF}_t) \times t}{\text{Market Price of Bond}}$$

Definitions:
 (PV)(CF_t) = present value of coupon at period t
 t = time to each cash flow (in years)
 n = number of periods to maturity

Bond Pricing Formula

$$\text{Bond Price} = \sum_{t=1}^N \frac{\text{CPN}_t}{\{1 + \text{YTM}_t\}^t} + \frac{P_n}{\{1 + \text{YTM}_n\}^n}$$

Definitions: | Coupon Cash | | Principal |
| Flows | | Repayment |
 CPN = coupon payment
 P = principal payment
 YTM = yield to maturity
 n = number of compounding periods
 t = time period

Macaulay Duration of Portfolio:-

We have seen above, how the mac duration of instrument is calculated, now we will take this further. Now assume you have 3 different instruments in the portfolio with different weightage & with different Mac duration as per table mentioned below.

Instruments	Duration of Instruments in Years	Weightage in Portfolio
ABC	4	30%
XYZ	3	20%
CDE	2	50%

The Macaulay duration of the portfolio can be calculated as below :-

Instruments	Duration of Instruments in Years (A)	Weightage in Portfolio (B)	A*B
ABC	4	30%	1.20
XYZ	3	20%	0.60
CDE	2	50%	1.00

Sum of (A*B) = Portfolio Mac Duration	2.80 Years
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The portfolio Mac duration of 2.80 years means that it will take 2.80 years to recover the cash flows associated with the portfolio.

By understanding DURATION, you can more effectively structure the interest rate sensitivity of your portfolio as it relates to your overall investment objectives and risk tolerance. However, duration is only one factor among many to be considered in determining whether a given security is right for your portfolio. Duration is only

meant to describe the interplay between a security's price and prevailing interest rates, and does not give any indication regarding an issuer's ability to make interest and principal

payments in a timely fashion. A security's duration is only an estimate, and the change in price in response to an interest rate change may be more or less than indicated by the security's duration.

Few Rules of Duration:-

When thinking about duration, a few general rules apply. With everything else being equal:

- The duration of any bond that pays a coupon will be less than its maturity, because some amount of coupon payments will be received before the maturity date.
- The lower a bond's coupon, the longer its duration, because proportionately less payment is received before final maturity. The higher a bond's coupon, the shorter its duration, because proportionately more payment is received before final maturity.
- Because zero coupon bonds make no coupon payments, a zero coupon bond's duration will be equal to its maturity.
- The longer a bond's maturity, the longer its duration, because it takes more time to receive full payment. The shorter a bond's maturity, the shorter its duration, because it takes less time to receive full payment.

Participation in Repo Transactions in Corporate Debt Securities:

Paragraph 12.18 of SEBI Master Circular for Mutual Funds dated May 19, 2023 permitted mutual funds to participate in repos in corporate debt securities as per the guidelines issued by RBI and SEBI from time to time. Accordingly, this Scheme shall be participating in repo transactions in corporate debt securities subject to the following conditions:

- a. The gross exposure of the scheme to repo transactions in corporate debt securities shall not be more than 10 % of the net assets of the scheme.
- b. The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt and debt derivatives shall not exceed 100% of the net assets of the scheme.
- c. The scheme shall participate in repo transactions only in AA and above rated corporate debt securities.
- d. The scheme shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.
- e. The Scheme shall be participating in the repo transactions in corporate debt securities in accordance with the following guidelines framed by the Trustee and the AMC keeping in mind the interest of investors in their schemes.

Accordingly, Trustees of Groww Mutual Fund (formerly known as Indiabulls Mutual Fund) approved guidelines for participation in repos in corporate debt securities vide their resolution dated December 02, 2011. In the light of SEBI Cir. dated November 15, 2012, the Trustees modified these guidelines vide their resolution dated February 16, 2013. These guidelines are given below:

A. Category of Counterparty:

The following entities shall be eligible to undertake repo transactions in corporate debt securities:

- a. Any scheduled commercial bank excluding RRBs and LABs;
- b. Any Primary Dealer authorised by the Reserve Bank of India;
- c. Any non-banking financial company registered with the Reserve Bank of India (other than Government companies as defined in section 617 of the Companies Act, 1956);
- d. All-India Financial Institutions, namely, Exim Bank, NABARD, NHB and SIDBI;
- e. Other regulated entities, subject to the approval of the regulators concerned, viz.,
 - i. Any mutual fund registered with the Securities and Exchange Board of India;
 - ii. Any housing finance company registered with the National Housing Bank; and
 - iii. Any insurance company registered with the Insurance Regulatory and Development Authority
- f. Any other entity specifically permitted by the Reserve Bank

B. Credit Rating of Counterparty:

Since the eligible security has to be AA rated by a recognized rating agency with appropriate haircuts and the repo can be undertaken only with the approved entities as above, it is not necessary to have additional requirement of counter party credit rating.

However credit rating of the counterparty becomes crucial in extreme cases and thus it is advisable to deal with counter parties having investment grade credit rating from a recognized rating agency. If counter party is not rated, one should check the track record, financial soundness and standing of the party.

Rationale: In extreme cases, for example, when the market price of the underlying security moves down more than the haircut applicable in the transaction, there arises a possibility of a loss in the transaction if the counterparty fails to honor the second leg of the transaction. Further, if there is a risk of default on the collateral bond, there is a possibility of the counterparty not honoring the deal. In both the above cases, the rating of the counterparty serves as a strong parameter for the deal to get honored.

C. Tenor of the Collateral:

Listed corporate debt securities which are rated 'AA' by the rating agencies, Commercial Papers (CPs), Certificates of Deposit (CDs) and Non-Convertible Debentures (NCDs) of less than one year of original maturity, that are held in the security account of the repo seller, in demat form, shall be eligible securities for undertaking repo. At the time of entering into Repo transaction, the residual time to maturity of the underlying corporate debt security shall exceed the tenure of such Repo transaction.

D. Applicable Haircuts:

- a) A haircut, as prescribed by RBI/SEBI or higher as maybe decided by the participants depending on the term of the repo, shall be applicable on the market value of the corporate debt security prevailing on the date of trade of 1st leg. Presently, RBI has prescribed a minimum haircut of 7.5% for AAA rated corporate debt securities, 8.5% for AA+ rated debt security &

10% for AA rated debt security.

- b) Participants may refer to the rating-haircut matrix that may be published by the Fixed Income Money Market and Derivatives Association of India (FIMMDA), to determine the appropriate haircut.

Rationale:

By providing haircut, the lender safeguards its interest against any adverse market movement.

The scheme shall ensure compliance with the Seventh Schedule of the Mutual Funds Regulations about restrictions on investments, wherever applicable, with respect to repo transactions in corporate debt securities.

Subject to the SEBI (MF) Regulations as applicable from time to time, the Scheme may, if the Trustee permits, participate in securities lending. The AMC shall comply with all reporting requirements and the Trustee shall carry out periodic review as required by SEBI guidelines. Securities lending means the lending of stock to another person or entity for a fixed period of time, at a negotiated compensation. The securities lent will be returned by the Borrower on expiry of the stipulated period. The Investment Manager will apply the following limits, should it desire to engage in Securities lending:

Not more than 20% of the net assets of the Scheme can generally be deployed in securities lending; and

Not more than 5% of the net assets of the Scheme can generally be deployed in securities lending to any single counter party.

The AMC shall engage in securities lending only through Approved Intermediary in accordance with the provisions of Securities Lending Scheme 1997 and the Broad Framework for Securities lending and borrowing issued by SEBI vide its Cir. No. MRD/DoP/SE/Dep/Cir-14/2007 dated 20th December, 2007.

Pending deployment of the funds as per the investment objective of the Scheme, the funds of the Scheme may be parked in short term deposits of the scheduled commercial banks, subject to the guidelines and limits specified by SEBI from time to time.

Subject to limits prescribed by SEBI, the maturity profile of the Scheme can undergo a change in case the market conditions warrant and at the discretion of the fund manager.

The Scheme may review the above pattern of investments based on views on interest rates and asset liability management needs. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. Subject to the Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations, legislative amendments and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute. These proportions can vary substantially depending upon the perception of the fund manager; the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the investment pattern will be for short term and for defensive considerations only. The rebalancing of the portfolio in accordance with the asset allocation pattern indicated above shall be done within a period of 30 days.

The cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), repo transactions in corporate debt securities, other permitted securities/assets 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.

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

Sl. no	Type of Instrument	Percentage of exposure	Circular references*
1.	Securities Lending	0%	Paragraph 12.11 of SEBI Master Circular for Mutual Funds dated May 19, 2023.
2.	Equity Derivatives for non-hedging purposes	0%	Paragraph 12.25 of SEBI Master Circular for Mutual Funds dated May 19, 2023.
3.	Securitized Debt	50%	Paragraph 12.15 of SEBI Master Circular for Mutual Funds dated May 19, 2023
4.	Overseas Securities	0%	Paragraph 12.19 of SEBI Master Circular for Mutual Funds dated May 19, 2023.
5.	ReITS and InVITS	0%	Paragraph 12.21 of SEBI Master Circular for Mutual Funds dated May 19, 2023.
6.	AT1 and AT2 Bonds	0%	Paragraph 12.2 of SEBI Master Circular for Mutual Funds dated May 19, 2023.
7.	Any other instrument repo transactions in corporate debt securities	10%	

Investment Strategy

The scheme proposes to invest in a diversified portfolio of high quality debt and money market securities to generate stable risk adjusted returns with a low risk strategy.

The Indian debt market is in a phase of rapid transformation with liquidity and investment opportunities arising in various debt segments along with the introduction of new instruments. The fund manager will try to allocate assets of the scheme between various fixed income securities with the objective of achieving optimal risk adjusted returns. After doing a thorough research on the general macroeconomic condition, political environment, systemic liquidity, inflationary expectations, corporate performance and other economic and market considerations the portfolio duration and credit exposures will be decided.

The portfolio construction will seek to play out the shape of the yield curve of different issuer classes. The fund manager will seek to look for investment opportunities at different maturities of the same yield curve (e.g. the government securities yield curve) as well as look at the differentiated levels of risk premium offered by the market to different class of issuers (e.g. 2 year yields offered by a government security, an NBFC and a manufacturing corporate).

The investment team of the AMC will carry out rigorous in depth credit evaluation of the money market and debt instruments proposed to be invested in. The credit evaluation will essentially be a bottom up approach and include a study of the operating environment of the issuer, the past track record as well as the future prospects of the issuer and the short term / long term financial health of the issuer.

Derivatives Strategy:

The Scheme may use Derivative instruments like interest rate swaps like Overnight Indexed Swaps (“OIS”), forward rate agreements, interest rate futures (as and when permitted) or such other Derivative instruments as may be permitted under the applicable regulations. Investments in Derivatives shall strictly be in compliance with the paragraph 5.2 of SEBI Master Circular for Mutual Funds dated May 19, 2023. Derivatives will be used for the purpose of hedging, and portfolio balancing or such other purpose as may be permitted under the regulations and Guidelines from time to time.

The Fund will be allowed to take exposure in interest rate swaps only on a non-leveraged basis. A swap will be undertaken only if there is an underlying asset in the portfolio. In terms of Circular No. MFD.BC.191/07.01.279/1999-2000 andMPD.BC.187/07.01.279/1999-2000 dated November 1, 1999 and July 7, 1999 respectively issued by RBI permitting participation by Mutual Funds in interest rate swaps and forward rate agreements, the Fund will use Derivative instruments for the purpose of hedging and portfolio balancing. In case of Interest Rate Swaps, the exposure to a single counter-party shall not exceed 10% of the net assets of the scheme.

The Fund may also use derivatives for such purposes as maybe permitted from time to time. Further, the guidelines issued by RBI from time to time for forward rate agreements and interest rate swaps and other derivative products would be adhered to by the Mutual Fund.

IRS and FRA do also have inherent credit and settlement risks. However, these risks are substantially reduced as they are limited to the interest streams and not the notional principal amounts.

Investments in Derivatives will be in accordance with the extant Regulations / guidelines. Presently Derivatives shall be used for hedging and / or portfolio balancing purposes, as permitted under the Regulations. The circumstances under which such transactions would be entered into would be when, for example using the IRS route it is possible to generate better returns / meet the objective of the Scheme at a lower cost. e.g. if buying a 2 Yr Mibor based instrument and receiving the 2 Yr swap rate yields better return than the 2 Yr AAA corporate, the Scheme would endeavor to do that. Alternatively, the Scheme would also look to hedge existing fixed rate positions if the view on interest rates is that it would likely rise in the future.

The following information provides a basic idea as to the nature of the Derivative instruments proposed to be used by the Fund and the benefits and risks attached therewith. Please note that the examples have been given for illustration purposes only.

For detailed derivative strategies, please refer to SAI

Using Overnight Indexed Swaps

In a rising interest rate scenario, the Scheme may enhance returns for the Investor by hedging the risk on its fixed interest paying assets by entering into an OIS contract where the Scheme agrees to pay a fixed interest rate on a specified notional amount,

for a predetermined tenor and receives floating interest rate payments on the same notional amount. The fixed returns from the Scheme assets and the fixed interest payments to be made by the Scheme on account of the OIS transaction offset each other and the Scheme benefits on the floating interest payments that it receives. The Scheme may enter into an opposite position in case of a falling interest rate scenario, i.e. to hedge the floating rate assets in its portfolio the Scheme enters into an OIS transaction wherein it receives a fixed interest rate on a specified notional amount for a specified time period and pays a floating interest rate on the same notional amount. The floating interest payments that the Scheme receives on its floating rate securities and the floating interest payments that the Scheme has to pay on account of the OIS transaction offset each other and the Scheme benefits on the fixed interest payments that it receives in such a scenario.

Swap

Assume that the Scheme has a Rs. 20 crore floating rate investment linked to MIBOR (Mumbai Inter Bank Offered Rate). Hence, the Scheme is currently running an interest rate risk and stands to lose if the interest rate moves down. To hedge this interest rate risk, the Scheme can enter into a 6 month MIBOR swap. Through this swap, the Scheme will receive a fixed predetermined rate (assume 10%) and pays the “benchmark rate”(MIBOR), which is fixed by the NSE (“National Stock Exchange of India Limited”) or any other agency such as Reuters. This swap would effectively lock-in the rate of 10% for the next 6 months, eliminating the daily interest rate risk. This transaction is usually routed through an intermediary who runs a book and matches deals between various counterparties. The steps will be as follows:

Assuming the swap is for Rs. 20 Crores for November 1, 2013 to May 1, 2014. The Scheme is a fixed rate receiver at 10% and the counterparty is a floating rate receiver at the overnight rate on a compounded basis (say NSE MIBOR).

On November 1, 2013 the Scheme and the counterparty will exchange only a contract of having entered this swap. This documentation would be as per International Swap Dealers Association (“ISDA”) norms.

On a daily basis, the benchmark rate fixed by NSE will be tracked by them.

On May 1, 2014 they will calculate the following:

The Scheme is entitled to receive interest on Rs. 20 Crores at 10% for 181 days i.e. Rs.99.18 lakhs, (this amount is known at the time the swap was concluded) and will pay the compounded benchmark rate.

The counterparty is entitled to receive daily compounded call rate for 181 days & pay 10% fixed.

On May 1, 2014, if the total interest on the daily overnight compounded benchmark rate is higher than Rs. 99.18 lakhs, the Scheme will pay the difference to the counterparty. If the daily compounded benchmark rate is lower, then the counterparty will pay the Scheme the difference.

Effectively the Scheme earns interest at the rate of 10% p.a. for six months without lending money for 6 months fixed, while the counterparty pays interest @ 10% p.a. for 6 months on Rs. 20 Crores, without borrowing for 6 months fixed.

The above example illustrates the use of Derivatives for hedging and optimizing the investment portfolio. Swaps have their own drawbacks like credit risk, settlement risk. However, these risks are substantially reduced as the amount involved is interest streams and not principal.

Forward Rate Agreement

Assume that April 01, 2014, the 30 day commercial paper (CP) rate is 8% and the Scheme has an investment in a CP of face value Rs. 50 Crores, which is going to mature on May 01, 2013. If the interest rates are likely to remain stable or decline after May 01, 2014, and if the fund manager, who wants to re-deploy the maturity

proceeds for 1 more month does not want to take the risk of interest rates going down, he can then enter into a following Forward Rate Agreement (FRA) say as on April 01, 2014:

He can receive 1 X 2 FRA on April 01, 2014 at 8.00 % (FRA rate for 1 months lending in 1 months time) on the notional amount of Rs. 50 Crores, with a reference rate of 30 day CP benchmark. If the CP benchmark on the settlement dates i.e. May 01, 2013 falls to 7.00%, then the Scheme receives the difference 8.00 – 7.00 i.e. 100 basis points on the notional amount Rs. 50 Crores.

Interest Rate Futures

Assume that the Fund holds an Indian ten year benchmark and the fund manager has a view that the yields will go up in the near future leading to decrease in value of the investment and subsequent decrease in Net Asset Value (NAV) of the fund. The fund house decides to use Interest Rate Futures to mitigate the risk of decline of Net Asset Value (NAV) of the fund.

12th April 2014

The benchmark ten year paper 7.80 2023, is trading at INR 100.00 at a yield of 7.80%. June 2014 futures contract on the ten year notional 7.80% coupon bearing Government paper is trading at a yield of 8.00% at a price of INR 98.75.

The mutual fund decides to hedge the exposure by taking a short position in June 2014 interest rate futures contract.

24th June 2014

The yield of the benchmark ten year paper has increased to 8.10% and the price has decreased to 98.15

The June 2014 futures contract is trading at a price of INR 97.25 indicating a yield of 8.25%.

The mutual fund unwinds the short position by buying the June 2014 futures contract. The transaction results in profit from the futures position, against the corresponding loss from the Government of India security position.

Certain risks are inherent to Derivative strategies viz. lack of opportunities, inability of Derivatives to correlate perfectly with the underlying and execution risks, whereby the rate seen on the screen may not be the rate at which the transaction is executed. For details of risk factors relating to use of Derivatives, the investors are advised to refer to Scheme Specific Risk Factors.

Investment Decision making process:

The Fund Managers shall take a view on the broad direction of the markets including interest rate outlook. Fund Managers shall have the responsibility of individual security analysis, while the dealers shall execute the trading mandates with a view to obtaining the best execution in terms of price and quantity. The Fund Managers, while buying / selling securities for a particular scheme shall take into account the following main factors:

1. Interest Rate Outlook
2. Compliance with SEBI Guidelines
3. Risk Management Guidelines
4. Yield to Maturity of the instrument
5. Yield curve analysis
6. Liquidity of the instrument
7. Credit Rating
8. Credit spreads

	<p>Credit Research and Monitoring of Money Market and Debt Instruments: The investment team will look at each issue in detail; the following broad framework shall help the team in managing the funds. Following are the key aspects of the process:</p> <ol style="list-style-type: none"> 1. Creation and Maintenance of an Investment Universe 2. In-house credit appraisal 3. Tier system of monitoring 4. Exposure Norms
<p>Risk Profile of the Scheme</p>	<p>Mutual Fund Units involve investment risks including the possible loss of principal. Please read the SID carefully for details on risk factors before investment. Scheme specific Risk Factors are summarized below:</p> <ol style="list-style-type: none"> 1. Risk Associated with Securitized Debt 2. Risks associated with Derivatives Transactions 3. Risk associated with Securities Lending 4. Risk factors associated with repo transactions in corporate bonds <p>For details on risk factors and risk mitigation measures, please refer SID.</p>
<p>Plans/Options</p>	<p>The Scheme offers following two plans for investment into the Scheme:</p> <p>A. Direct Plan: This Plan is suitable for investors who wish to invest directly in the scheme without routing their investment through any distributor. The Direct Plan shall have lower expense ratio compared to the Regular Plan and no commission shall be paid out of the Direct Plan.</p> <p>B. Regular Plan: This Plan is suitable for investors who wish to invest in the Scheme through any distributor. This Plan shall have higher expense ratio compared to the Direct Plan and distributor commission may be paid out of this Plan. The Direct Plan and Regular Plan shall have separate NAVs. However, there will be a common portfolio for both plans. The various options available under the Direct Plan and Regular Plan and the salient features common to both plans are given below.</p> <p>The Scheme has the following Options across a common portfolio:</p> <p><u>Growth Option:</u> This option is suitable for investors who are not looking for current income but who invest only with the intention of capital appreciation. However, there can be no assurance of the capital appreciation.</p> <p><u>IDCW Option:</u> This option is suitable for investors seeking income through IDCW declared by the Scheme. Under this Option, the Scheme will endeavor to declare IDCWs from time to time. The IDCW shall be dependent on the availability of distributable surplus.</p> <p>The IDCW Option has the following Facilities:</p> <ul style="list-style-type: none"> • Groww Short Duration Fund - Direct Plan- Weekly IDCW Option (Payout & Reinvestment) • Groww Short Duration Fund - Direct Plan- Fortnightly IDCW Option (Payout & Reinvestment) • Groww Short Duration Fund - Direct Plan- Monthly IDCW Option (Payout & Reinvestment) • Groww Short Duration Fund - Regular Plan- Weekly IDCW Option (Payout & Reinvestment) • Groww Short Duration Fund - Regular Plan- Fortnightly IDCW Option (Payout & Reinvestment) • Groww Short Duration Fund - Regular Plan- Monthly IDCW Option (Payout & Reinvestment)

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If IDCW payable under IDCW Payout option is equal to or less than Rs. 250/- then the IDCW would be compulsorily reinvested in the option of the Scheme.

The frequencies of IDCW payment and the respective Record Dates under the different Facilities are as follows:

Frequency	Date/Days	Record date	Ex-date	Exceptions in case of Holiday
Weekly	Every Monday	Same	Same	Any of the date falls on holiday, next business date to be considered.
Fortnightly	10th & 25th of the Month	10th & 25th of the Month	Record Date + 1 day	
Monthly	25th of the Month	25th of the Month	Record Date + 1 day	

The amounts can be distributed under Income Distribution cum capital withdrawal option (IDCW) out of investors capital (Equalization Reserve), which is part of sale price that represents realized gains. However, investors are requested to note that amount (IDCW) distribution under IDCW option is not guaranteed and subject to availability of distributable surplus.

A clear segregation between income distribution (appreciation on NAV) and capital distribution (Equalization Reserve) shall be suitably disclosed in the Consolidated Account Statement provided to the investors, whenever distributable surplus is distributed.

Applicable NAV (after the scheme opens for subscriptions and redemptions)

For Purchase (including switch-in) of any amount:

- In respect of valid applications received upto 3.00 p.m. and where the funds for the entire amount are available for utilization before the cut-off time i.e. credited to the bank account of the Scheme before the cut-off time - the closing NAV of the day shall be applicable.
- In respect of valid applications received after 3.00 p.m. and where the funds for the entire amount are credited to the bank account of the Scheme either on the same day or before the cut-off time of the next Business Day i.e. available for utilization before the cut-off time of the next Business Day - the closing NAV of the next Business Day shall be applicable.
- Irrespective of the time of receipt of application, where the funds for the entire amount are credited to the bank account of the Scheme before the cut-off time on any subsequent Business Day i.e. available for utilization before the cut-off time on any subsequent Business Day - the closing NAV of such subsequent Business Day shall be applicable.

For Switch-ins of any amount:

For determining the applicable NAV, the following shall be ensured:

- Application for switch-in is received before the applicable cut-off time.
- Funds for the entire amount of subscription / purchase as per the switch-in request are credited to the bank account of the Scheme before the cut-off time.
- The funds are available for utilization before the cut-off time.
- In case of „switch“ transactions from one scheme to another, the allocation shall be in line with redemption payouts.

For investments through systematic investment routes such as Systematic Investment Plans (SIP), Systematic Transfer Plans (STP), etc. the units will be allotted as per the closing NAV of the day on which the funds are available for utilization by the Target Scheme irrespective of the instalment date of the SIP, STP or record date of IDCW etc.”

Note: For Purchase / switch in applications received on Thursday, December 31, 2020 after cut-off timings for less than ` 2 lakhs, the NAV shall be allotted as per above revised rule i.e. based on availability of funds for utilization. Thus, for e.g. if funds are credited to the Scheme after cut-off timings on Friday, January 1, 2021, the applicable NAV shall be of Monday, January 04, 2021.

The Trustee reserves the right to change / modify the aforesaid requirements at a later date in line with SEBI directives from time to time

For allotment of units, it shall be ensured that:

- a) For all valid applications of investment amount less than Rs. 2 Lakh the application is received before the applicable cut-off time;
- b) For all valid applications of investment amount equal to or more than Rs. 2 Lakh
 - i. the application is received before the applicable cut-off time,
 - i. Funds for the entire amount of subscription / purchase as per the application / switch-in request are credited to the bank account of the Scheme before the cut-off time,
 - iii. The funds are available for utilisation before the cut-off time without availing any credit facility whether intra-day or otherwise, by the Scheme.

Redemptions including Switch - outs:

The following cut-off timings shall be observed by the Mutual Fund in respect of Repurchase of Units:

1. Where the application received upto 3.00 pm – closing NAV of the day of receipt of application; and
2. An application received after 3.00 pm – closing NAV of the next Business Day.

Minimum Application Amount/ Number of Units	Purchase	Additional Purchase	Redemption
	Minimum amount for new purchase / switch in Rs. 500 and in multiples of Re. 1/- thereafter.	Minimum additional amount for purchase / switch in Rs. 500 and in multiples of Re. 1/- thereafter.	Rs. 100/- and in multiples of Re. 1/- thereafter or account balance, whichever is lower. In case of investors / unitholders having available balance less than Rs. 5,000 in their respective folio on the day of submission of valid redemption request, the minimum redemption limit would be the available balance
Despatch of Redemption Request	Redemption: Within 03 working days of the receipt of the redemption request at the authorised centre of the Groww Mutual Fund.		
Benchmark Index	CRISIL Short Duration Debt A-II Index		
Dividend Policy	<p>The Trustee will endeavour to declare IDCW under the IDCW Option as per the specified frequencies, subject to availability of distributable surplus calculated in accordance with the Regulations.</p> <p>The AMC/Trustee reserves the right to change the frequency of declaration of IDCW or may provide for additional frequencies for declaration of IDCW. IDCW Declaration Procedure:-</p> <p>IDCW Distribution Procedure: In accordance with Chapter 11 of SEBI Master Circular for Mutual Funds dated May 19, 2023, the procedure for IDCW distribution will be as follows:</p> <ol style="list-style-type: none"> 1. Quantum of IDCW and record date shall be fixed by the Board of Trustees. IDCW so decided shall be paid, subject to availability of distributable surplus as on the date of declaration of IDCW. 2. Within 1 calendar day of the decision by the Board of Trustees, the AMC shall issue notice to the public communicating the decision about the IDCW including the record date, in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where Head Office of the Mutual Fund is situated. 3. Record date shall be the date, which will be considered for the purpose of determining the eligibility of investors whose name appear on the register of unit holders for receiving IDCWs. The Record Date will be two working days from the date of issue of notice. 4. The NAV will be adjusted to the extent of IDCW distribution and statutory levy, if any at the close of business hours on record date. 5. Before the issue of such notice, no communication indicating the probable date of IDCW declaration in any manner whatsoever will be issued by the Mutual Fund. 6. The payment of dividend to the unitholders shall be made within seven working days from the record date. <p>However, please note that in case of IDCW option/s where the frequency of IDCW declaration is up to and including Monthly basis, the requirement of issuing a notice, as mentioned above communicating the decision of declaring IDCW including the record date, is not mandatory. Accordingly, no notice as mentioned above will be published by AMC in case of IDCW declared under the Scheme under IDCW option where the frequency of IDCW declaration is up to and including Monthly basis. Even though the asset portfolio will be common, the NAVs of the growth option and IDCW option in the Scheme will be distinctly different after declaration of the first IDCW to the extent of distributed income, applicable tax and statutory levy, if any, and expenses relating to the distribution of the IDCWs.</p> <p>All the IDCW declaration and payments shall be in accordance and in compliance with SEBI regulations, as amended from time to time.</p>		

Name of the Fund Manager	Mr. Kaustubh Sule																										
Name of the Trustee Company	Groww Trustee Limited (Formerly known as Indiabulls Trustee Company Limited)																										
Performance of the scheme :	Compounded Annualised Returns	Scheme Returns % (Regular Plan)	Scheme Returns % (Direct Plan)	Benchmark Returns %																							
	Returns for last 1 year	5.51	6.67	7.07																							
	Returns for last 3 year	3.88	5.12	5.35																							
	Returns for last 5 year	3.99	5.24	6.52																							
	Returns since inception	6.24	7.50	7.64																							
	<table border="1"> <caption>Absolute Returns for each Financial year for the last 5 years</caption> <thead> <tr> <th>Financial Year</th> <th>Existing Plan</th> <th>Direct Plan</th> <th>Crisil Short Term Bond Fund Index</th> </tr> </thead> <tbody> <tr> <td>FY 19-20</td> <td>1.51</td> <td>2.16</td> <td>4.67</td> </tr> <tr> <td>FY 20-21</td> <td>4.99</td> <td>6.44</td> <td>7.84</td> </tr> <tr> <td>FY 21-22</td> <td>2.99</td> <td>4.16</td> <td>5.12</td> </tr> <tr> <td>FY 22-23</td> <td>3.33</td> <td>4.58</td> <td>4.84</td> </tr> <tr> <td>FY 23-24</td> <td>5.51</td> <td>6.67</td> <td>7.64</td> </tr> </tbody> </table>				Financial Year	Existing Plan	Direct Plan	Crisil Short Term Bond Fund Index	FY 19-20	1.51	2.16	4.67	FY 20-21	4.99	6.44	7.84	FY 21-22	2.99	4.16	5.12	FY 22-23	3.33	4.58	4.84	FY 23-24	5.51	6.67
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Expenses of the Scheme	<p>New Fund Offer Period: The scheme has already been launched Continuous Offer: Rs. 100 and in multiples of Re. 1/- thereafter Rs. 100 and in multiples of Re. 1 thereafter (For Systematic Investment Plan (SIP) <u>Minimum amount for Daily SIP facility shall be Rs 10/- and in multiples of Re 1/- thereof</u></p>																										
Load Structure	<p>Entry load : Not Applicable Exit load : Nil. CDSC (if any): Nil Entry load : Nil Exit load : Nil CDSC (if any): Nil</p>																										
Recurring expenses	<p>First Rs. 500 crores of the Daily net assets : 2.00 % Next Rs. 250 crores of the daily net assets : 1.75 % Next Rs. 1250 crores of the daily net assets : 1.50 % Next Rs. 3,000 crores of the daily net assets : 1.35% Next Rs.5,000 crores of the daily net assets : 1.25% Next Rs.40,000 crores of the daily net assets : ratio reduction of 0.05% for every increase of Rs.5,000 crores. On balance of the assets: 0.80%</p>	<p>Actual expenses for the previous financial year: Direct Plan: 0.40% Regular Plan: 1.60%</p>																									
Waiver of Load for Direct Applications	<p>In accordance with Paragraph 10.4.1(a) of SEBI Master Circular for Mutual Funds dated May 19, 2023 no entry load will be charged for purchase/ additional purchase/ switch-in transactions accepted by the Fund. The upfront commission on investment</p>																										

	made by the investor, if any, shall be paid to the ARN Holder directly by the investor, based on the investor's assessment of various factors including service rendered by the ARN Holder.
Tax treatment for the Investors (Unitholders)	Investor will be advised to refer to the details in the Statement of Additional Information and also independently refer to his tax advisor.
Daily Net Asset Value (NAV) Publication	The AMC shall update the NAVs on the website of the Mutual Fund https://www.growwmf.in/ and on the website of Association of Mutual Funds in India - AMFI (www.amfiindia.com) by 11.00 p.m. on every Business Day.
For Investor Grievances please contact	Name and Address of Registrar KFin Technologies Ltd. Karvy Selenium, Tower B, Plot number 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad- 500032
Unitholders' Information	<p>For normal transactions (other than SIP/STP/SWP) during ongoing sales and repurchase:</p> <ul style="list-style-type: none"> ● The AMC shall issue to the investor whose application (other than SIP/STP/SWP) has been accepted, an account statement specifying the number of units allotted by physical/ e-mail to those unitholders who have provided an e-mail address. <p>For SIP/STP / SWP transactions:</p> <ul style="list-style-type: none"> ● The first Account Statement under SIP/STP/ SWP shall be issued within 10 working days of the initial investment/ transfer. <p>Consolidated Account Statement (CAS):</p> <p>In accordance paragraph 14.4.3 of SEBI Master Circular for Mutual Fund dated May 19, 2023 the following shall be applicable with respect to dispatch of Consolidated Account Statement (CAS):</p> <ul style="list-style-type: none"> ● The CAS shall be generated on a monthly basis. The Consolidated CAS across various AMCs shall be delivered by the depositories within fifteen days from the month end. ● Each CAS issued to the investors shall also provide the total purchase value / cost of investment in each scheme. ● Further, CAS issued for the half-year (ended September/ March) shall be delivered to the Unitholders on or before twenty-one days of succeeding month. CAS shall also provide <ul style="list-style-type: none"> - The amount of actual commission paid by AMCs/Mutual Funds (MFs) to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme. The term 'commission' here refers to all direct monetary payments and other payments made in the form of gifts / rewards, trips, event sponsorships etc. by AMCs/MFs to distributors. Further, a mention may be made in such CAS indicating that the commission disclosed is gross commission and does not exclude costs incurred by distributors such as GST (wherever applicable, as per existing rates), operating expenses, etc. - The scheme's average Total Expense Ratio (in percentage terms) for the half-year period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in. ● Such half-yearly CAS shall be issued to all MF investors, excluding those investors who do not have any holdings in MF schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period. ● Where statements are presently being dispatched by email either by the Mutual Funds or by the Depositories, CAS shall be sent through email. However, where an investor does not wish to receive CAS through email, option shall be given to the investor to receive the CAS in physical form at the address registered in the Depository system.

- A CAS shall not be issued to the investor who has not updated their Permanent Account Number (PAN) in their respective folio. Investor may opt out of CAS facility if they do not wish to avail the same.

Note:

- If an applicant so desires, the AMC will issue an Account Statement to the applicant within 5 working days from the receipt of such request without any charges.
- The unitholder may request for a physical Account Statement by writing/calling the AMC/ ISC/ Registrar & Transfer Agent.
- For normal transactions and SIP/ STP/ SWP transactions as stated above, in the event the account has more than one registered holder, the first-named Unit holder shall receive the Account Statement.

Where units are held by investor in demat form, the demat statement issued by the Depository Participant will be deemed adequate compliance with the requirements in respect of dispatch of statements of account.

Monthly / Half - Yearly Portfolio Disclosures

The Mutual Fund and AMC shall publish the Scheme Portfolio within ten days from the close of month. Mutual Fund / AMC shall disclose portfolio (along with ISIN) as on the last day of the month / half year of the scheme on its website (www.growwmf.in) and on the website of AMFI within 10 days from the close of each month / half year respectively in a downloadable spreadsheet format.