

**LETTER TO ALL THE UNITHOLDERS OF ALL MERGING MUTUAL FUND SCHEME/S AND SURVIVING MUTUAL FUND SCHEME**

Dear Unitholder,

Date: 14/10/2024

**Sub: Merger of Navi Overnight Fund (merging Scheme/s), an open-ended debt scheme investing in overnight securities (A relatively low-interest rate risk and relatively low credit risk) into Navi Liquid Fund, an open-ended liquid scheme (A relatively Low-interest rate risk and moderate Credit Risk)**

Unit holders are requested to note that the following scheme will be undergoing a merger as detailed in the table below.

Unit holders are requested to note that the merger of the scheme/s will tantamount to a change in the fundamental attributes in accordance with Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996 ("MF Regulations"). The proposed merger shall be carried out by implementing a change in the fundamental attributes of the Scheme(s).

The Board of Navi AMC Limited (the AMC) and Navi Trustee Limited (the Trustee) have approved the said proposal on July 29, 2024. Further, SEBI has also issued its no objection to the said merger vide its letter number SEBI/HO/IMD/IMD-RAC-2/P/OW/2024/0000030715/1 dated September 27, 2024.

In addition to the conditions specified under regulation 18(15A), the Trustees have also taken into consideration the comments of SEBI, prior to effecting a change in fundamental attributes of the Scheme(s). For further details with respect to the merger please refer to the points below:

- 1. Name of the Merging Scheme and Surviving Scheme:** Navi Overnight Fund (Merging Scheme) and Navi Liquid Fund (Surviving Scheme)
- 2. Proposal:** To merge Navi Overnight Fund ("Merging Scheme") into Navi Liquid Fund ("the Surviving Scheme").
- 3. Rationale for the merger:**

As per SEBI Master Circular for Mutual Funds-

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An average AUM of 20 crore on half yearly rolling basis shall be maintained for open ended debt-oriented schemes. The scheme has achieved the minimum Assets Under Management (AUM) of Rs. 20 crores during its launch i.e. at the time of NFO, however after the launch of this scheme the AUM has reduced below Rs. 20 crores from August 2023. As on July 31, 2024, the AUM for Navi Overnight Fund is 9.91 crores. Overnight funds are typically favored by institutional investors seeking short-term parking for their funds. Despite our efforts, we haven't been able to attract sufficient AUM for Navi Overnight Fund. Our primary investor base is retail investors, who are more suited to liquid funds.

Navi Liquid Fund invests in debt and money market instruments with maturities up to 91 days.

Merging Navi Overnight Fund into Navi Liquid Fund would align investors with similar investment objectives, while maintaining a comparable risk-reward profile. Considering the above in the interest of investors, the management has proposed to merge Navi Overnight Fund with Navi Liquid Fund.

#### **4. Public notice:**

A public notice shall be given in respect of the changes in one English daily newspaper having nationwide circulation as well as in a regional language newspaper. An Addendum for the same would be published on the website of the Navi Mutual Fund at <https://navi.com/mutual-fund>.

#### **5. Consequences of merger:**

The proposed merger will not result in emergence of any new scheme as the Merging Scheme on maturity will be merged in the Surviving Scheme without any changes to the features of the Surviving Scheme. Further, the Fund Manager shall ensure that after merger the asset allocation of the Surviving Scheme will be in accordance with the provisions of the Scheme Information Document and applicable regulations/ circulars. Thus, there will be no impact of the merger on the units held by the unit holders of the Surviving Scheme.

On the effective date of the merger of schemes, the Merging Scheme will cease to exist and the unit holders of Merging Scheme as at the close of business hours will be allotted units under the corresponding option of the Surviving Scheme at the last available applicable Net Asset Value ("NAV") on the effective date.

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Plan/option wise allocation of units will be as follows:

Holding in Plan and option under the Merging Scheme	Allocation in Plan and option under the Surviving Scheme
Navi Overnight Fund-Direct Daily IDCW	Navi Liquid Fund-Direct Daily IDCW
Navi Overnight Fund-Direct Growth	Navi Liquid Fund-Direct Growth
Navi Overnight Fund-Direct Monthly IDCW	Navi Liquid Fund-Direct Monthly IDCW
Navi Overnight Fund-Direct Weekly IDCW	Navi Liquid Fund-Direct Weekly IDCW
Navi Overnight Fund-Regular Plan Daily IDCW	Navi Liquid Fund-Regular Plan Daily IDCW
Navi Overnight Fund-Regular Plan Growth Option	Navi Liquid Fund-Regular Plan Growth Option
Navi Overnight Fund-Regular Plan Monthly IDCW	Navi Liquid Fund-Regular Plan Monthly IDCW
Navi Overnight Fund-Regular Plan Weekly IDCW	Navi Liquid Fund-Regular Plan Weekly IDCW

- IDCW = Income Distribution cum capital withdrawal option
- IDCW Payout = Payout of Income Distribution cum capital withdrawal option
- IDCW Reinvestment = Reinvestment of Income Distribution cum capital withdrawal option

## 6. Exit Period (Open Ended Scheme):

In accordance with Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996, the existing unitholders of the Merging Scheme and Surviving Scheme (i.e. whose names appear in the register of unitholders as on close of business hours on October 14, 2024 under the Scheme are hereby given an option to exit, i.e. either redeem their investments or switch their investments to the surviving scheme of Navi Mutual Fund, within the Exit Option Period (minimum 30 days) starting from October 15, 2024 till November 14, 2024 (both days inclusive and up to 3.00 pm on November 14, 2024) at Applicable NAV, without payment of any exit load.

The Exit Option can be exercised during the Exit Option Period by submitting a valid redemption/switch request at any Official Point of Acceptance of the Fund. For list of Official Points of Acceptance, please visit our website <http://www.navimutualfund.com>. Unitholders who do not exercise the exit option by

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3.00 pm on November 14, 2024 would be deemed to have consented to the proposed merger. It may also be noted that no action is required in case the Unitholders are in agreement with the proposed merger, which shall be deemed as consent being given by them for the proposed merger.

**7. Effective Date of merger:**

The proposed merger will be effective from close of business hours on November 15, 2024 ("Effective Date").

**8. Basis of allotment of new units by way of a numerical illustration:**

Illustration on Basis of Allotment of units upon Merger for a consenting Unitholder:

Activity	Investment Value (in Rs. )	At NAV	No. of Units
Value of Holdings in Navi Overnight Fund (on July 15, 2024)	10,000.00	15.00	666.67
Navi Liquid Fund on date of Merger (July 15, 2024)	15,00,000.00	20.00	75,000.00
Fresh Allotment to investor (in Navi Liquid Fund)	10,000.00	20.00	500.00

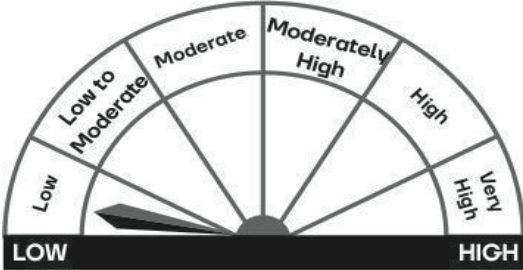
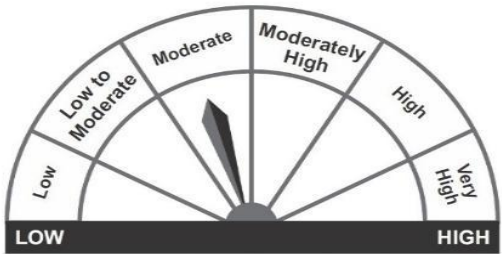
**9. The comparison between merging scheme/s features and surviving scheme features is as follows:**

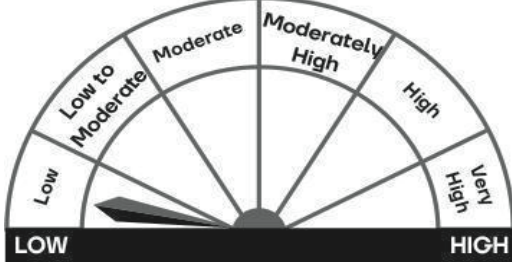

Particulars	Merging Scheme Features	Surviving Scheme Features
Name of the scheme	Navi Overnight Fund	Navi Liquid Fund
Category of Scheme	Debt- Overnight Fund	Debt – Liquid Fund
Type of the Scheme	An open-ended debt scheme investing in overnight securities.	An open-ended liquid scheme

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<p>Product labelling</p>	<p>This product is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> <li>• Regular income over short term that may be in line with the overnight call rates.</li> <li>• To generate returns by investing in debt and money market instruments with overnight maturity</li> </ul> <p><b>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</b></p> <p><b>Scheme Risk-o-Meter</b></p>  <p>Investors understand that their principal will be at Low risk</p> <p><b>Benchmark Risk-o-Meter</b></p>	<p>This product is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> <li>• Income over short term.</li> <li>• Investments in debt and money market Instruments</li> </ul> <p><b>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</b></p> <p><b>Scheme Risk-o-Meter</b></p> <p><b>Riskometer</b></p>  <p>Investors understand that their principal will be at Moderate risk</p> <p><b>Benchmark Risk-o-Meter</b></p>
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	<div><p>Investors understand that their principal will be at Low risk</p></div>	<div><p>Investors understand that their principal will be at Moderate risk</p></div>			
Potential Risk Class Matrix	<b>Potential Risk Class (PRC) [PRC Description-A-I]</b>				
	Credit Risk	→	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
	Interest Rate Risk	↓			
	Relatively Low (Class I)		Class A-I		
	Moderate (Class II)				
	Relatively High (Class III)				
Investment Objective	<b>Potential Risk Class</b>				
	Credit Risk	→	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
	Interest Rate Risk	↓			
	Relatively Low (Class I)			Class B-I	
	Moderate (Class II)				
	Relatively High (Class III)				

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	There is no assurance that the investment objective of the Scheme will be achieved.			and debt securities. There is no assurance that the investment objective of the Scheme will be achieved.		
Asset allocation pattern	<b>Instruments</b>	<b>Indicative Allocation (% of total assets)</b>		<b>Instruments</b>	<b>Indicative Allocations (% of total assets)</b>	
		<b>Minimum</b>	<b>Maximum</b>		<b>Minimum</b>	<b>Maximum</b>
	Debt and Money Market instruments with overnight maturity	0%	100%	Debt & Money Market instruments with maturity / residual maturity up to 91 days*	0%	100%
				Cash & Cash Equivalents	0%	100%
	<p>The scheme shall participate in the corporate bond repo transactions and in accordance with extant SEBI / RBI guidelines and any subsequent amendments thereto specified by SEBI and / or RBI from time to time.</p> <p>The gross exposure of the scheme to repo transactions in corporate debt securities shall not be more than 5% of the net assets of the concerned scheme.</p> <p>The cumulative gross exposure through, repo transactions in corporate debt securities debt and money market instruments and such 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 in line with paragraph 12.18.1.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024.</p> <p><b>Indicative Table</b> (Actual instrument/percentages may vary subject to applicable SEBI circulars)</p>			<p>*Securitized debt cumulative allocation not to exceed 25% of the net assets of the scheme (excluding foreign securitized debt).</p> <p>*Investments in Repo in Corporate debt and corporate reverse repo shall be within the limits prescribed as per SEBI circulars and guidelines issued from time to time.</p> <p><b>Indicative Table</b> (Actual instrument/percentages may vary subject to applicable SEBI circulars)</p>		
	<b>Sl.no</b>	<b>Type of Instrument</b>	<b>Percentage of Exposure</b>	<b>Circular References</b>		

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Sl.no	Type of Instrument	Percentage of Exposure	Circular References						
1	Overnight funds*	Overnight funds shall hold at least 20% of its net assets in liquid assets	Paragraph 4.5 of SEBI Master Circular dated June 27, 2024		1	Securities and Lending Option&	upto 20% of its net assets in securities lending and not more than 5% of the net assets	Paragraph 12.11 of SEBI Master Circular dated June 27, 2024	
2	Derivatives	The scheme shall not invest in this instrument	-		2	Derivatives#	Upto 50 % of net assets.	Paragraph 12.25 of SEBI Master Circular dated June 27, 2024.	
3	Credit Default Swaps.	The scheme shall not invest in this instrument	-		3	Foreign Securities	up to 50% of net assets	Paragraph 12.19 of SEBI Master circular dated June 27, 2024	
4	Securitized Debt	The scheme shall not invest in this instrument	-		4	Debt and money market instruments of group companies of both the sponsor and the asset	Not exceeding 10% of the net assets of the scheme. Such investment limit may be extended to 15% of the net assets of the scheme with the	Paragraph 12.9.3.3 of SEBI Master circular dated June 27, 2024.	
5	Debt Instrument with Special Features (AT1 & AT2 Bonds)	The scheme shall not invest in this instrument	-						
6	Debt Instruments with SO/CE	The scheme shall not invest in this instrument	-						

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	7	Stock Lending and Borrowings	The scheme shall not invest in this instrument	-		management company*	prior approval of the Board of Trustees.	
	8	Foreign Securities	The scheme shall not invest in this instrument	-	5	Schemes of the Mutual Fund or any other mutual fund (restricted to only debt and Ultra Short Term funds)	Not exceeding 5% of the Net Asset Value of the Mutual Fund.	Seventh schedule of SEBI (Mutual Fund) Regulations, 1996
	9	ReIT & InvITs	The scheme shall not invest in this instrument	-	6	Securitized Debt (based on retail housing loan portfolio and/or affordable housing loan portfolio.)	additional exposure of 5% of the net assets of the scheme	Paragraph 12.5 of SEBI Master Circular dated June 27, 2024.
	10	Other Mutual Funds	The scheme shall not invest in this instrument	-	7	Financial services sector- Housing Finance Companies (HFCs) (over and above the limit of 20% )@	Not exceeding 10% of the net assets of the Scheme	Paragraph 12.19 of SEBI Master Circular dated June 27, 2024.
	<p>*For this purpose, 'liquid assets' shall include Cash, Government Securities, T-bills and Repo on Government Securities. In case, the exposure in such liquid assets falls below 20% of net assets of the scheme, the AMC shall ensure compliance with the above requirement before making any further investments.</p>				8	Debt and money market instruments of group companies. (excluding	Not exceeding 20% of the net assets of the scheme	Paragraph 12.18 of SEBI Master Circular

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		investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks) **	dated June 27, 2024.
		<p><b>&amp;</b>The Scheme may also engage in Securities Lending wherein the Scheme shall not deploy more than 20% of its net assets in securities lending and not more than 5% of the net assets of the Scheme will be deployed in securities lending to any single counterparty.</p> <p><b>#</b>Investment in derivatives shall be for hedging, portfolio balancing and such other purposes as maybe permitted from time to time. The Fund shall not take any leveraged position. The total investments in the Fund including investment in debt, money market and other securities and gross exposure of derivatives , if any, shall not exceed the net assets under management in the scheme.</p> <p><b>*For this purpose "Group" means a group as defined under Regulation 2(mm) of SEBI (Mutual Fund) Regulations, 1996 and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates. Such investment limit may be extended to 15% of the net assets of the scheme with the prior approval of the Board of Trustees.</b></p> <p><b>@</b>Provided further that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank and the total investment/exposure in HFCs shall not exceed 20% of the net assets of the Scheme.</p>	

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		<p><b>**For this purpose "Group" means a group as defined under Regulation 2(mm) of SEBI (Mutual Fund) Regulations, 1996 and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates.</b></p> <p>Such investment limit may be extended to 25% of the net assets of the scheme with the prior approval of the Board of Trustees.</p> <p>The Scheme shall not have total exposure exceeding 20% of its net assets in a particular sector (excluding investments in Bank Certificate of Deposits Short Term Deposits with scheduled commercial banks, TREPS, Government of India Securities, Treasury Bills and AAA rated Securities issued by Public Financial Institutions and Public Sector Banks).</p> <p>In case of deviation from the above asset allocation pattern, the portfolio would be rebalanced within 30 days from the date of deviation. The Scheme retains the flexibility to invest across all the securities in the debt and Money Market Instruments.</p> <p>The Scheme may engage in Short selling of securities in accordance with the framework relating to Short Selling and securities lending and borrowing specified by SEBI.</p> <p>The Scheme may review the above pattern of investments based on views on interest rates and asset liability management needs.</p>
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	<p><b>Corporate Debt Market Development Fund ('CDMDF')-</b></p> <p>NA</p>	<p>However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.</p> <p><b>Corporate Debt Market Development Fund ('CDMDF')-</b></p> <p>In accordance with the requirement of regulation 43A of SEBI (Mutual Funds) Regulations, 1996 read with SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/129 dated July 27, 2023 on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, scheme shall invest 25 bps of its AUM as on December 31, 2022 in the units of the Corporate Debt Market Development Fund ('CDMDF') within 10 working days from the request of CDMDF. Further, an incremental contribution to CDMDF shall be made every six months within 10 working days from the end of half year starting from December 2023 to ensure 25 bps of scheme AUM is invested in units of CDMDF. However, if AUM decreases there shall be no return or redemption from CDMDF. Contribution made to CDMDF, including the appreciations on the same, if any, shall be locked-in till winding up of the CDMDF.</p> <p>However, in case of winding up of a contributing Scheme, inter-scheme transfers within the same Mutual Fund or across Mutual Funds may be undertaken.</p> <p>For calculation of asset allocation limits of the scheme in terms of Part IV of Chapter 2 on 'Categorization and Rationalization of Mutual Fund Schemes' of Master Circular for Mutual Funds dated June 27, 2024,</p>
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	<p><b>Changes in Investment Pattern:</b></p> <p>Due to market conditions, the AMC may invest beyond the range set out in the asset allocation. Such deviations shall normally be for a short term and defensive considerations as per paragraph 2.9.1 of SEBI Master Circular on Mutual Funds dated June 27, 2024, and the fund manager will rebalance the portfolio within 30 calendar days from the date of deviation.</p>	<p>investment in units of CDMDF shall be excluded from base of net assets.</p> <p>Further, investments in CDMDF units shall not be considered as violation while considering maturity restriction as applicable for various purposes (including applicable Investment limits) and the calculations of Potential Risk Class (PRC) Matrix, Risk-o-meter, Stress testing and Duration for various purposes shall be done after excluding investments in units of CDMDF.</p> <p><b>Pending deployment of the funds in securities in terms of investment objective of the Scheme, the AMC may park the funds of the Scheme in short term deposits of the Scheduled Commercial Banks, subject to the paragraph 12.16, 12.16.1.6, 12.16.1.8 and 12.16.1.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024 as may be amended from time to time.</b></p> <p><b>Changes in Investment Pattern:</b></p> <p><b>Rebalancing due to Short term defensive consideration:</b></p> <p>Subject to the SEBI regulations, the asset allocation pattern indicated above may change from time to time, keeping in view the market conditions, market opportunities, applicable regulations and political and macroeconomic factors. Such changes in the investment pattern will be for short term and defensive considerations only and will be rebalanced within 30 calendar days without any further extension and the intention being at all times to seek to protect the interests of the</p>
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	<p>Further, as per paragraph 2.9.1 of SEBI Master Circular on Mutual Funds dated June 27, 2024, Mandated Rebalancing Period with respect to any deviation due to passive breaches, is not applicable for Overnight Schemes.</p>	<p>Unit holders in line with Paragraph 1.14.1.2 of SEBI Master circular on Mutual Funds dated June 27, 2024.</p> <p><b>Rebalancing due to Passive Breaches</b></p> <p>Pursuant to Paragraph 2.9 of SEBI Master circular on Mutual Funds dated June 27, 2024, in case of any deviation due to passive breaches, the asset allocation would be restored in line with the above-mentioned asset allocation pattern within 30 business days from the date of deviation.</p> <p>In case the asset allocation is not rebalanced within the above mandated timelines, justification in writing, including details of efforts taken to rebalance the portfolio shall be placed before Investment Committee. The Investment Committee, if so desires, can extend the timelines up to sixty (60) business days from the date of completion of mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objective of the scheme.</p> <p>In case the scheme is not rebalanced within the aforementioned mandate plus extended timelines:</p> <ol style="list-style-type: none"> <li>The AMC shall not be permitted to launch any new scheme till the time the portfolio is rebalanced.</li> <li>The AMC shall not levy any exit load, (if any), on the investor exiting the Scheme.</li> </ol> <p>In case the AUM of the deviated portfolio is more than 10% of the AUM of the main portfolio of the scheme.</p>
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		<ul style="list-style-type: none"> <li>i. The AMC shall immediately communicate the same to the investors of the scheme after the expiry of the mandated rebalancing period (i.e. 30 Business Days) through SMS and email/ letter including details of portfolio not rebalanced.</li> <li>ii. The AMC shall also immediately communicate to the investors through SMS and email/letter when the portfolio is rebalanced.</li> <li>iii. The AMC shall disclose scheme wise deviation of the portfolio (beyond aforesaid 10% limit) from the mandated asset allocation beyond 30 business days, on the AMC 's website i.e. <a href="https://navi.com/mutual-fund">https://navi.com/mutual-fund</a>.</li> </ul> <p>The AMC shall also disclose any deviation from the mandated asset allocation to investors along with periodic portfolio disclosures as specified by SEBI from the date of lapse of mandated plus extended rebalancing timelines.</p> <p>The above mentioned norms shall be applicable to main portfolio only and not to segregated portfolio(s), if any.</p> <p>It may be noted that no prior intimation/indication would be given to investors when the composition/asset allocation pattern under the scheme undergo changes within the permitted band as indicated above and for defensive considerations owing to changes in factors such as market conditions, market opportunities, applicable regulations and political and economic factors.</p> <p>Provided further and subject to the above, any change in the asset allocation affecting the investment profile of the Scheme shall be</p>
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		<p>effected only in accordance with the provisions of sub regulation (15A) of Regulation 18 of the Regulations The portfolio duration will undergo a change according to the expected movement in interest rates. Liquidity conditions and other macro-economic factors affecting interest rates shall be taken into account for varying the portfolio duration. It is expected that the average maturity for the fund will be in the range of 1-3 months depending on the interest rate view. However, this can undergo a change in case the market conditions warrant and according to the fund manager's view.</p> <p><b>Rebalancing in case of involuntary corporate action.</b> In the event of involuntary corporate action of involuntary corporate action, the scheme shall dispose the security not forming part of the underlying index within a day from the date of allotment of Listing.</p> <p>In case of any breaches in asset allocation, the norms as specified in para 2.9 and 3.5.3.11 of SEBI Master circular dated June 27, 2024 shall be applicable.</p> <p><b>Asset Allocation –</b> Pursuant to SEBI circular No. SEBI/IMD/CIR No. 13/150975/09 dated January 19, 2009, the Scheme shall make investment in / purchase debt and money market securities with maturity of up to 91 days only.</p> <p><b><u>Explanation:</u></b></p> <p>a. In case of securities where the principal is to be repaid in a single payout, the maturity of the securities shall mean residual</p>
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		<p>maturity. In case the principal is to be repaid in more than one payout then the maturity of the securities shall be calculated on the basis of weighted average maturity of the security.</p> <p>b. In case of securities with put and call options (daily or otherwise) the residual maturity of the securities shall not be greater than 91 days.</p> <p>In case the maturity of the security falls on a Non Business Day, then settlement of securities will take place on the next Business Day</p>
Investment Strategy	<p>The Fund shall be actively managed according to the Investment Objective - to generate reasonable returns commensurate with the low risk of the portfolio. This scheme is positioned to meet the needs of those investors who want to deploy their funds for a short period of time with the least amount of risk. The returns would match the levels of risk taken in the portfolio. The primary investment objective of the scheme is to generate regular returns in line with the overnight rates. In line with this objective the scheme would be investing in debt and money market instruments with overnight maturity</p>	<p>The Fund shall be managed according to the Investment Objective - to generate reasonable returns commensurate with the low risk of the portfolio. This scheme is positioned to meet the needs of those investors who want to deploy their funds for a short period of time with the least amount of risk. The returns would match the levels of risk taken in the portfolio.</p> <p>The composition of the Indian Debt market (both the primary and secondary) is dominated by money market instruments in the short end of the yield curve and by medium and long term bonds and debentures in the long end of the curve. Since the objective of the scheme is generate reasonable returns with the least commensurate risk, the scheme would invest in money market instruments. As the turnover of the portfolio would be high, given the fact the investors in a liquid fund would deploy their funds for a short period of time, the portfolio would be structured to incorporate high liquidity b the use of cash and cash equivalents.</p>

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		The yield curve in the short end (overnight to 3 months) of the curve tends to remain flat with the least amount of volatility. In such a scenario, the fund manager would make attempts to invest the scheme proceeds uniformly across all the maturity buckets. The investment team would carry out rigorous in-depth credit evaluation of the money market and debt instruments the scheme proposes to invest 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.	
Benchmark (Tier 1)	CRISIL Liquid Overnight Index	CRISIL Liquid Debt A-I Index	
Fund Manager	Mr. Tanmay Sethi is the Fund Manager of the Scheme.	Mr. Tanmay Sethi is the Fund Manager of the Scheme.	
Exit Load	Nil Redemption of units would be done on First in First out Basis (FIFO).	Investment period i.e. number of days from the date of subscription NAV	Exit load as a % of redemption proceeds*
		1 Day	0.0070%
		2 Days	0.0065%
		3 Days	0.0060%
		4 Days	0.0055%
		5 Days	0.0050%
		6 Days	0.0045%
		7 Days or more	NIL
		*As prescribed by AMFI and amended from time to time.	
Plans & Options	Plans: Regular and Direct.	Plans: Regular and Direct.	
	Options: The Scheme would offer Growth and IDCW Option.	Options: The Scheme would offer Growth and IDCW Option.	

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	<p><b>Sub-Options:</b> The IDCW Option would provide the following sub-options:</p> <p><b>Daily</b> (Reinvestment of Income Distribution cum capital withdrawal option),</p> <p><b>Weekly</b> (Payout of Income Distribution cum capital withdrawal option and Reinvestment of Income Distribution cum capital withdrawal option),</p> <p><b>Monthly</b> (Payout of Income Distribution cum capital withdrawal option and Reinvestment of Income Distribution cum capital withdrawal option).</p>	<p><b>Sub-Options:</b> The IDCW Option would provide the following sub-options:</p> <p><b>Daily</b> (Reinvestment of Income Distribution cum capital withdrawal option),</p> <p><b>Weekly</b> (Payout of Income Distribution cum capital withdrawal option and Reinvestment of Income Distribution cum capital withdrawal option),</p> <p><b>Monthly</b> (Payout of Income Distribution cum capital withdrawal option and Reinvestment of Income Distribution cum capital withdrawal option).</p>
Expense Ratio (As per SID)	<p>Maximum Total Expense Ratio under Regulation 52 (6):</p> <p>The AMC has estimated that upto 2.00 % of the daily net assets of the scheme will be charged to the scheme as expenses</p>	<p>Maximum Total Expense Ratio under Regulation 52 (6):</p> <p>The AMC has estimated that upto 2.00 % of the daily net assets of the Scheme.</p>
Expense Ratio (Actual Charged)	<p><b>Actual expenses FY 2023-2024 (% Weightage) (Excluding GST)</b></p> <p><b>Regular Plan</b> – 0.25%</p> <p><b>Direct Plan</b> – 0.05%</p>	<p><b>Actual expenses for FY 2023-24 (% Weightage) (Excluding GST)</b></p> <p><b>Regular Plan</b> – 0.20 %</p> <p><b>Direct Plan</b> – 0.15%</p>
No. of Folios along with AUM	<p>Folios-34350</p> <p>AUM- Rs. 9.91 crores</p>	<p>Folios-36463</p> <p>AUM- Rs. 77.16 crores</p>
Unclaimed Redemptions and IDCW	<p>Amount – Rs. 6450.14</p>	<p>Amount – Rs. 647571.88</p>
Segregated Portfolio	<p>The AMC has a written down policy on Creation of segregated portfolio which is approved by the Trustees.</p>	<p>The AMC has a written down policy on Creation of segregated portfolio which is approved by the Trustees.</p>

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	The legal charges related to recovery of the investments of the segregated portfolio may be charged to the segregated portfolio in proportion to the amount of recovery. However, the same shall be within the maximum TER 7 limit as applicable to the main portfolio. The legal charges in excess of the TER limits, if any, shall be borne by the AMC	The legal charges related to recovery of the investments of the segregated portfolio may be charged to the segregated portfolio in proportion to the amount of recovery. However, the same shall be within the maximum TER 7 limit as applicable to the main portfolio. The legal charges in excess of the TER limits, if any, shall be borne by the AMC
Percentage of Total exposure to securities classified as below Investment grade or default s and %of total illiquid assets to net assets of the individual schemes as well as in the consolidate scheme	0%	0%
Swing Pricing Framework	Not Applicable	Not Applicable
Latest portfolio of the scheme	Annexure A	Annexure A
Performance of the Scheme vis-à-vis the benchmark (since inception)	Annexure B	Annexure B
Any other disclosure	NA	NA

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specified by trustees		
Any other disclosure as directed by SEBI	Pursuant to the SEBI letter issued to Navi AMC Limited dated March 21, 2024, Navi AMC Limited was advised to scale up the AUM in the next 6 months failing which the scheme was required to be wound up. The Board of AMC and Trustee proposed to merge the Scheme with Navi Liquid Fund.	

10. In accordance with Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996, all the existing unit holders under the Merging [open ended] Scheme(s) and unitholders of Surviving Scheme, if applicable, are given an option to exit the Scheme at the applicable Net Asset Value without any exit load on such redemption. This option is valid for a period of 30 days.
11. Please note that unit holders of the Merging [open ended] Scheme(s) and Surviving Scheme, if applicable, who do not opt for redemption on or before November 14, 2024 (up to 3:00 p.m.) shall be deemed to have consented to the changes specified herein above and shall continue to hold units in the Surviving Scheme.
12. In case the unitholders, who have been given an exit option without any exit load, disagree with the aforesaid changes, they may redeem all or part of the units of the scheme held by them by exercising the Exit Option, without exit load, within the Exit Option period. Unitholders need to submit a redemption / switch request online or through a physical application form at any official point of acceptance/investor service center of the AMC or the Registrar and Transfer Agents of the Fund or to the depository participant (DP) (in case of units held in Demat mode). The above information is also available on the website of Navi Mutual Fund viz., <https://navi.com/mutual-fund>. The redemption warrant/cheque will be mailed, or the amount of redemption will be credited to the unit holders bank account (as registered in the records of the Registrar) within 3 (three working days from the date of receipt of redemption request).
13. Unit holders can also submit the normal redemption form for this purpose. The redemption/ switch requests shall be processed at applicable NAV as per time stamping provisions contained in the SID of the Scheme. Unit holders should ensure that any changes in address or pay-out bank details if required by them, are updated in Navi Mutual Fund's records at least 10 (Ten) working days before exercising the Exit Option. Unit holders holding Units in dematerialized form may approach their DP for such changes.

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14. Unit holders who have pledged / encumbered their units will not have the option to exit unless they submit a release of their pledges / encumbrances prior to submitting their redemption / switch requests.
15. In case investors, who had registered for Systematic investment facilities such as SIP/STP/SWP in the Merging Scheme, decide to continue their investments i.e. do not opt for the Exit Option, then such SIP/STP/SWP registrations will continue to be processed under the respective Plan/Option of the surviving scheme from the Effective Date and no fresh registration will be required. Further, investors who have registered for Systematic investment facilities in the Scheme and who do not wish to continue their future investment facilities must apply for cancellation of such registrations.
16. It may however be noted that the offer to exit is purely optional and not compulsory. If the Unit holder has no objection to the aforesaid change, no action is required to be taken and it would be deemed that such Unit holder has consented to the aforesaid change other than closed ended scheme/s. However, we, at Navi Mutual Fund would like the Unit holders to continue their investments with us to help them achieve their financial goals.
17. The expenses related to the proposed changes and other consequential changes as outlined above will not be charged to the unit holders of the scheme of Navi Mutual Fund.

**18. Tax Consequences:**

As regards the unitholders who redeem their investments during the Exit Option Period, the tax consequences as set forth in the Statement of Additional Information (SAI) of Navi Mutual Fund and Scheme Information Document of relevant scheme of Navi Mutual Fund would apply. In view of the individual nature of tax consequences, you are advised to consult your professional tax advisor for detailed tax advice.

The following provisions would apply in case of consolidation of mutual fund schemes.

As per section 47(xviii) of Income Tax Act, 1961 (the Act), any transfer of units held by the investor in the consolidating scheme of the mutual fund in consideration of allotment of units in the consolidated scheme, shall not to be regarded as a taxable transfer, provided that the consolidation is of two or more schemes of an equity oriented fund or two or more schemes of a fund other than equity oriented fund.

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Further, as per section 49(2AD) of the Act, the cost of acquisition of units in the consolidated scheme shall be deemed to be the cost of acquisition of the units in the consolidating scheme. Also, as per section 2(42A) of the Act, the period of holding of the units in the consolidated scheme shall include the period of holding of the units in the consolidating scheme.

'Consolidating scheme' has been defined under section 47(xviii) of the Act as the scheme of a Mutual Fund which merges under the process of consolidation of the schemes of mutual fund in accordance with the SEBI (Mutual Funds) Regulations, 1996. 'Consolidated scheme' has been defined as the scheme with which the consolidating scheme merges or which is formed as a result of such merger.

Securities Transaction Tax (STT) on extinguishment of units under Merging Scheme and allotment under the Surviving Scheme upon merger of schemes, shall not be levied.

In case of Non Resident Indians, tax, if any at applicable rates, shall be deducted by Navi Mutual Fund/ the AMC.

Redemption / switch-out of units from the Scheme may entail capital gain/loss in the hands of the unitholder. For unit holders who redeem their investments during the Exit Option Period, the tax consequences as set forth in the Statement of Additional Information of Navi Mutual Fund and Scheme Information Document of the scheme of Navi Mutual Fund would be applicable.

In view of the individual nature of tax consequences, Unitholders are advised to consult their professional tax advisors for tax advice. The redemption / switch-out of units from the Scheme are liable for deduction of Securities Transaction Tax (STT), wherever applicable; however, such STT shall be borne by AMC and will not be borne by the investor.

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Unit holders who require any further information may contact:

**Navi Mutual Fund:**

**Address - Vaishnavi Tech Square, 7th Floor, Iballur Village, Taluk, Begur, Hobli, Bengaluru, Karnataka 560102**

**Email - [mf@navi.com](mailto:mf@navi.com)**

**Tel No. - 8045113400**

Yours faithfully,

**Navi AMC Limited**

**Sd/-**

**Authorized Signatory**

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

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## ANNEXURE A

Navi Overnight Fund		
Portfolio Holdings	Rating	% of Net Assets
TREPS (including TBILL held as Collateral)/Reverse Repo/Net Current Assets/Cash/Cash Equivalent		100.00%
<b>Total</b>		<b>100.00%</b>

Navi Liquid Fund		
Portfolio Holdings	Rating	% of Net Assets
<b>CERTIFICATE OF DEPOSITS</b>		<b>15.16%</b>
KOTAK MAHINDRA BANK LIMITED	CRISIL A1+	8.84%
PUNJAB NATIONAL BANK	CRISIL A1+	6.32%
<b>COMMERCIAL PAPERS</b>		<b>27.72%</b>
MOTILAL OSWAL FINANCIAL SERVICES	CRISIL A1+	8.82%
NABARD	CRISIL A1+	6.32%

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HSBC INVEST DIRECT FINANCIAL SERVICES	ICRA A1+	6.31%
TIME TECHNOPLAST LIMITED	ICRA A1+	6.27%
<b>NON-CONVERTIBLE DEBENTURE / ZCB</b>		<b>21.00%</b>
REC LIMITED	ICRA AAA	9.55%
TATA MOTORS LIMITED	CARE AA+	6.36%
POWER FINANCE CORPORATION LIMITED	ICRA AAA	5.09%
<b>TREASURY BILLS</b>		<b>31.64%</b>
182 DAYS TREASURY BILL 12-SEP-2024	SOVEREIGN	12.62%
182 DAYS TREASURY BILL 01-AUG-2024	SOVEREIGN	6.36%
91 DAYS TREASURY BILL 02-AUG-2024	SOVEREIGN	6.36%
182 DAYS TREASURY BILL 19-SEP-2024	SOVEREIGN	6.30%
<b>Alternative Investment Fund Units</b>		<b>0.41%</b>

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SBI FUNDS MANAGEMENT PVT LMTD		0.41%
<b>TREPS (including TBILL held as Collateral)/Reverse Repo/Net Current Assets/Cash/Cash Equivalent</b>		<b>4.07%</b>
<b>Total</b>		<b>100.00%</b>

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**ANNEXURE B****a. Compounded Annualized Returns (%) for last 1 year, 3 years, 5 years and since inception of the Schemes along with the Benchmark returns:**

<b>Scheme Name</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>Since Inception</b>	<b>Inception Date</b>
<b>Navi Overnight Fund - Regular Growth</b>	6.21%	-	-	6.25%	July 17, 2023
<b>Navi Overnight Fund - Direct Growth</b>	6.39%	-	-	6.44%	July 17, 2023
<b>CRISIL Liquid Overnight Index Regular</b>	6.84%	-	-	6.84%	-

**Notes:** Expense structure for Direct & Regular Plan may vary.

Past performance may or may not be sustained in future.

Benchmark: CRISIL Liquid Overnight TRI.

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Scheme Name	1 Year	3 Years	5 Years	Since Inception	Inception Date
Navi Liquid Fund - Regular Growth	6.85%	5.82%	5.00%	7.04%	19-Feb-10
Navi Liquid Fund - Direct Growth	6.90%	5.86%	5.05%	6.81%	01-Jan-13
CRISIL Liquid Debt A-I Index - Regular	7.38%	6.04%	5.44%	6.94%	

**Notes:** Expense structure for Direct & Regular Plan may vary.

Past performance may or may not be sustained in future.

Benchmark: CRISIL Liquid Debt A-I TRI

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**b. Annual Returns (%) for last 5 financial years:**

Scheme Name	2023-24	2022-23	2021-22	2020-21	2019-20
<b>Navi Overnight Fund - Regular Growth</b>	4.52%	NA	NA	NA	NA
<b>Navi Overnight Fund - Direct Growth</b>	4.64%	NA	NA	NA	NA

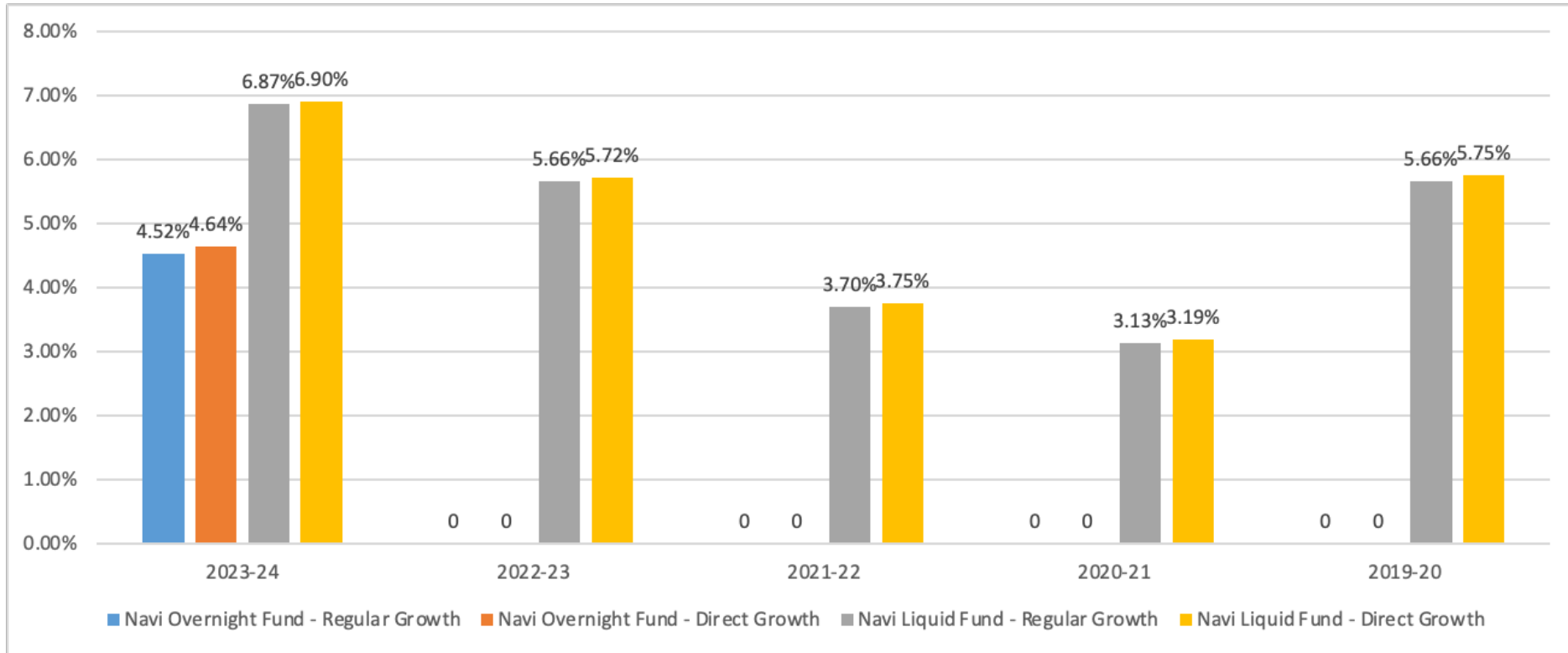
Scheme Name	2023-24	2022-23	2021-22	2020-21	2019-20
<b>Navi Liquid Fund - Regular Growth</b>	6.87%	5.66%	3.70%	3.13%	5.66%
<b>Navi Liquid Fund - Direct Growth</b>	6.90%	5.72%	3.75%	3.19%	5.75%

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**c. Graphical presentation of the annualized performance:**



*Past performance may or may not be sustained in future.*

Overnight Fund has not completed 5 years however Liquid Fund has completed 5 years.

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