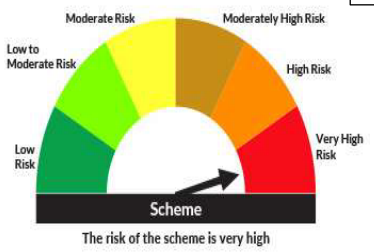
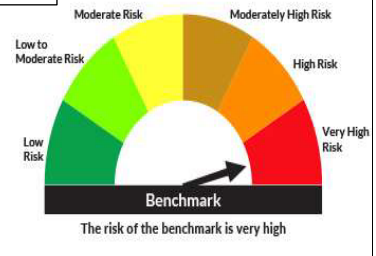
SCHEME INFORMATION DOCUMENT

SO - 1

Axis Nifty Private Bank ETF

(An open ended scheme replicating/ tracking Nifty Private Bank TRI)

****NSE Scrip Code/BSE Symbol:**

This product is suitable for investors who are seeking*:	**Scheme Risk-o-meter**	**Benchmark Risk-o-meter**
• Long term wealth creation solution. • An Exchange Traded Fund that invests in constituents of Nifty Private Bank Index and aims to achieve returns of the stated total return index, subject to tracking error/tracking difference.	SO - 3  The risk of the scheme is very high	 The risk of the benchmark is very high Nifty Private Bank TRI

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

**The scheme is proposed to be listed on NSE and BSE. Post listing of the scheme on the stock exchange NSE Scrip Code/BSE Symbol shall be updated.

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

Offer of Units of Rs. 10 each during the New Fund Offer and Continuous offer for Units at NAV based prices:

New Fund Offer Opens on	:	
New Fund Offer Closes on	:	
Scheme re-opens on or before	:	Within five Business Days from the date of allotment

Name of Mutual Fund	:	Axis Mutual Fund
Name of Asset Management Company	:	Axis Asset Management Company Ltd.
Name of Trustee Company	:	Axis Mutual Fund Trustee Ltd
Addresses, Website of the entities	:	One Lodha Place, 22nd & 23rd Floor, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra, Pin Code – 400013 www.axismf.com
Name of the Sponsor	:	Axis Bank Ltd.

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 2026, (herein after referred to as SEBI(MF) Regulations) as amended till date and circulars issued thereunder filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.

The Scheme Information Document sets forth concisely the information about the scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this Scheme Information Document after the date of this Document from the Mutual Fund / Investor Service Centres / Website / Distributors or Brokers.

The investors are advised to refer to the Statement of Additional Information (SAI) for details of Axis Mutual Fund, Standard Risk Factors, Special Considerations, Tax and Legal issues and general information on

www.axismf.com.

SAI is incorporated by reference (is legally a part of the Scheme Information Document). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website.

The Scheme Information Document (Section I and II) should be read in conjunction with the SAI and not in isolation.

This Scheme Information Document is dated _____.

NSE DISCLAIMER:

As required, a copy of this Scheme Information Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has vide its letter: NSE/LIST/6093 dated June 09, 2026, given permission to the Mutual Fund to use the Exchange's name in this Scheme Information Document as one of the stock exchanges on which the Mutual Fund's units are proposed to be listed subject to, the Mutual Fund fulfilling various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Scheme Information Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document; nor does it warrant that the Mutual Fund's units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its sponsors, its management or any scheme of the Mutual Fund.

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

BSE DISCLAIMER:

BSE Limited ("the Exchange") has given vide its letter dated LO/IPO/PJ/MF/IP/35/2026-27 dated June 9, 2026, permission to AXIS Mutual Fund to use the Exchange's name in this SID as one of the Stock Exchanges on which this Mutual Fund's Unit are proposed to be listed. The Exchange has scrutinized this SID for its limited internal purpose of deciding on the matter of granting the aforesaid permission to Axis Mutual Fund. The Exchange does not in any manner: -

- warrant, certify or endorse the correctness or completeness of any of the contents of this SID; or
- warrant that this scheme's unit will be listed or will continue to be listed on the Exchange; or
- take any responsibility for the financial or other soundness of this Mutual Fund, its promoters, its management or any scheme or project of this Mutual Fund;

and it should not for any reason be deemed or construed that this SID has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any unit of Axis Nifty Private Bank ETF of this Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

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- **Index reconstitution will be done on a semi-annual basis in the month of June and December based on six months data ending May and November respectively**Error! Bookmark not defined.
- **Stocks that do not qualify the eligibility criteria mentioned above will be compulsorily excluded from the index and replaced with non-member eligible stocks**Error! Bookmark not defined.
- **Top 25 ranked stocks on the basis of Quality score are compulsorily included in the index, whereas existing stocks in the index whose rank goes beyond 75 are compulsorily excluded from the index .....** Error! Bookmark not defined.
- **Apart from the scheduled semi-annual review, additional ad-hoc reconstitution and rebalancing of the index may be initiated in case any of the index constituents undergoes suspension or delisting or scheme of arrangement**Error! Bookmark not defined.
- **Further, on a quarterly basis, indices will be screened for compliance with the portfolio concentration norms for ETFs/ Index Funds announced by SEBI on January 10, 2019. In case of non-compliance of any of the stated norms, suitable corrective measures such as replacement of ineligible stock, re-alignment of constituent weights will be undertaken depending upon the nature of non-compliance to ensure the compliance of norms.**Error! Bookmark not defined.

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SECTION I

Part I. HIGHLIGHTS/SUMMARY OF THE SCHEME

Sr. No.	Title	Description
I.	**Name of the scheme**	Axis Nifty Private Bank ETF ('The Scheme')
II.	**Category of the Scheme**	Exchange Traded Fund (ETF)
III.	**Scheme type**	An open ended scheme replicating/ tracking Nifty Private Bank TRI index
IV.	**Scheme code**	SO - 7
V.	**Investment objective** SO - 5	To provide returns before expenses that correspond to the performance of Nifty Private Bank TRI subject to tracking errors. There is no assurance that the investment objective of the scheme will be achieved.
VI.	**Liquidity/listing details**	**On the exchange**: The Units of the scheme shall be listed on National Stock Exchange of India Limited, BSE Limited and/or any other recognized stock exchanges as may be decided by AMC from time to time. The Units of the scheme may be bought or sold on all trading days at prevailing price on such Stock Exchange(s). **Directly with the Mutual Fund**: The Scheme offers units for subscription / redemption directly with the AMC in Creation Unit Size / above a specified threshold to Authorized Participants / Market Makers and Large Investors respectively on all Business Days during an ongoing offer period. **Listing** Being an Exchange Traded Fund, the Units of the Scheme will be listed on the NSE, BSE and/or any other stock exchange within such time as the Exchange may allow or within such time as the Regulations permit. An investor can buy/sell Units on the Exchange during the trading hours like any other publicly traded stock. The AMC has proposed to engage Authorized Participants/Market Makers for creating liquidity for the ETF on the Stock Exchange(s) so that investors other than Authorized Participants / Market Makers and Large Investors are able to buy or redeem units on the Stock Exchange(s) using the services of a stock broker. The AMC may also decide to delist the Units from a particular Exchange, provided that the Units are listed on at least one Exchange. The price of the Units in the market on Exchange will depend on demand and supply and market factors and forces. There is no minimum investment amount for investment through Exchange, although Units dealt in minimum in lot of 1.
VII.	**Benchmark (Total Return Index)**	**Benchmark:** Nifty Private Bank TRI **Justifications of Benchmark:** The scheme aims to provide returns before expenses that closely

		correspond to Nifty Private Bank TRI subject to tracking errors. Hence, the benchmark. **Tier 2 Benchmark:** Not Applicable.
VIII.	**NAV disclosure**	First NAV of the Scheme: within a period of 5 Business days from the date of allotment. Subsequently, by 11.00 p.m. on every Business Day on AMC (www.axismf.com) and AMFI website. **iNAV** Indicative NAV (iNAV) is the per unit NAV based on the current market value of Scheme's portfolio during the trading hours of the ETF. AMC will update the iNAV periodically on its website and on Stock Exchange(s) (where units are listed and traded) within a maximum time lag of 15 seconds from underlying market. Further Details in Section II.
IX.	**Applicable timelines**	Timeline for **Dispatch of redemption proceeds:** Under normal circumstances the AMC shall dispatch the redemption proceeds within three (3) working days from the date of receipt of request from the Unit holder. The AMC shall adhere to guidelines published by AMFI /SEBI for exceptional circumstances under which the scheme is unable to transfer redemption or repurchase proceeds within prescribed timelines. **Dispatch of IDCW:** Not Applicable
X.	**Plans and Options** Plans/Options and sub options under the Scheme	None
XI.	**Load Structure**	**Entry Load:** Not Applicable Para 11.7 of SEBI Master Circular on Mutual Funds as amended from time to time has decided that there shall be no entry load for all Mutual Fund schemes. SO - 48 **Exit Load:** NIL For more details on Load Structure, please refer paragraph "Load Structure".
XII.	**Minimum Application Amount/switch in**	**1. <u>During NFO period -</u>** Rs. 5000/- and in multiples of Rs. 10/- thereof. Note: While allotting the Units, based on the Allotment Price, the number of Units may be rounded off to the nearest whole number on the lower side if the trustees feel so, with a view to avoid creation of fractional units. The amount due to rounding off may be refunded to the investor. **2. <u>On continuous basis –</u>** **Subscription / Redemption of Units directly with Mutual Fund:** Authorized Participants/Market Makers can directly purchase / redeem in multiples of Creation Unit Size on any business day.

		Large Investors can directly purchase / redeem in multiples of Creation Unit Size subject to the value of transaction is above Rs. 25 Crores on any business day. **Purchase / Sale of Units on Stock Exchange:** The units of the Scheme can be purchase / redeem in minimum lot of 1 unit on the Stock exchange.
XIII.	**Minimum Additional Purchase Amount**	Not applicable
XIV.	**Minimum Redemption/ switch out amount**	Kindly Refer point No. XII
XV.	**New Fund Offer Period** SO - 34	**NFO opens on:** **NFO closes on:** The New Fund Offer shall be kept open for a minimum of 3 working days. The AMC/Trustee reserves the right to extend the closing date of the New Fund Offer Period, subject to the condition that the New Fund Offer shall be not kept open for a minimum of 3 working days and maximum 15 days. Any changes in the NFO dates shall be announced by way of an addendum on the website of the AMC.
XVI.	**New Fund Offer Price This is the price per unit that the investors have to pay to invest during the NFO.**	The units being offered will have a face value of Rs. 10/- each and will be issued at a premium, if any, approximately equal to the difference between face value and allotment price. On allotment, value of each unit will be approximately equal to 1/1000th of the value of underlying index.
XVII.	**Segregated portfolio/ side pocketing disclosure**	The Scheme has the provision for segregated portfolio. For details kindly refer SAI. SO - 54
XVIII	**Swing pricing disclosure**	The Scheme does not have provision for swing pricing. SO - 55
XIX.	**Stock lending/short selling**	The Scheme may engage in stock lending subject to disclosure as specified in asset allocation. For Details, kindly refer SAI. The Scheme shall not carry out short selling.
XX.	**How to Apply** SO - 35	For making application for subscription / redemption / switches, application form and Key Information Memorandum may be obtained from / submitted to the Official Points of Acceptance (OPAs) of AMC or downloaded from the website of AMC viz. www.axismf.com. Details in section II
XXI.	**Investor services**	**Contact details for general service requests and complaints:** Investors can lodge any service request or complaints or enquire about NAVs, Unit Holdings, IDCW, etc by calling the Investor line of the AMC at contact number 8108622211 (chargeable) from 9.00 am to 6.00 pm (Monday to Saturday) or (022) 6311 1001 (at local call rate for enquiring at AMC ISC's) or email – customerservice@axismf.com. The service representatives may require personal information of the Investor for verification of his / her identity in order to protect confidentiality of information. The AMC will at all times endeavour to handle transactions efficiently

		and to resolve any investor grievances promptly. **Investor Relations Officer:** Mr. C P Sivakumar Nair Address : Axis Asset Management Company Ltd. One Lodha Place, 22nd & 23rd Floor, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra, Pin Code – 400013 Phone no.: (022) 6311 1001 For any grievances with respect to transactions through BSE StAR and / or NSE MFSS, the investors / Unit Holders should approach either the stock broker or the investor grievance cell of the respective stock exchange.
XXII	**Specific attribute of the scheme**	Not Applicable
XXIII	**Special product/facility available for NFO and on ongoing basis**	**A. During NFO:** 1. Switching Option Switching Option During the NFO period (Switch request will be accepted upto 3.00 p.m. till the last day of the NFO), the Unit holders will be able to invest in the NFO under the Scheme by switching part or all of their Unit holdings held in the respective option(s) /plan(s) of the existing scheme(s) established by the Mutual Fund. **B. On ongoing basis:** None For detailed terms and conditions of the above special products, kindly refer SAI.
XXIV.	**Weblink**	• **TER for last 6 months / Daily TER:** Not applicable as the Scheme is a new scheme • **Scheme factsheet:** Not applicable as the Scheme is a new scheme • **Addendums:** https://www.axismf.com/statutory-disclosures
XXV	**Creation Unit Size**	Creation Unit size is a fixed number of units of the Scheme, which is exchanged for a basket of securities of the underlying index called the Portfolio Deposit and a Cash component. For redemption of Units, it is vice versa i.e., fixed number of units of the Scheme and a cash component are exchanged for Portfolio Deposit. Creation Unit Size will be 76000 units and in multiples thereof. Every creation unit shall have a monetary value in Rupee terms equivalent to that day's portfolio deposit and cash component. For redemption of Units it is vice versa i.e. fixed number of Units of the Scheme are exchanged for Portfolio Deposit and Cash Component, if any. The Portfolio Deposit and Cash Component will change from time to time and is discussed separately in this SID.

		The Mutual Fund may from time to time change the size of the Creation Unit in order to equate it with marketable lots of the underlying instruments

INTERPRETATION

For all purposes of this Scheme Information Document, except as otherwise expressly provided or unless the context otherwise requires:

- all references to the masculine shall include the feminine and all references, to the singular shall include the plural and vice-versa.
- all references to "dollars" or "$" refer to United States Dollars and "Rs" refer to Indian Rupees. A "crore" means "ten million" and a "lakh" means a "hundred thousand".
- all references to timings relate to Indian Standard Time (IST).
- References to a day are to a calendar day including a non-Business Day.
- All reference to SEBI Master Circular would refer to SEBI Master Circular for Mutual Funds dated March 20, 2026 as amended from time to time.

DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

SO - 56

It is confirmed that:

(i) The Scheme Information Document submitted to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 2026 and the guidelines and directives issued by SEBI from time to time.

(ii) All legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.

(iii) The disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the Scheme.

(iv) The intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

(v) The contents of the Scheme Information Document including figures, data, yields etc. have been checked and are factually correct

(vi) A confirmation that the AMC has complied with the compliance checklist applicable for Scheme Information Documents and other than cited deviations/ that there are no deviations from the regulations

(vii) Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 2026 and the guidelines there under shall be applicable.

(viii) The Trustees have ensured that the Scheme approved by them is a new product offered by Axis Mutual Fund and is not a minor modification of any existing scheme/fund/product.

Sd/-

Date: _____
Place: Mumbai

Name: Darshan Kapadia
Designation: Compliance Officer

Part II. INFORMATION ABOUT THE SCHEME

A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

Under normal circumstances, the asset allocation pattern will be:

Instruments	Indicative allocations (% of total assets)	
	Minimum	Maximum
Securities covered under Nifty Private Bank Index*	95	100
Money Market Instruments^ and units of debt & liquid mutual fund schemes	0	5

*The net assets of the scheme will be invested in stocks constituting the Nifty Private Bank Index. This would be done by investing in all the stocks comprising the underlying index in the same weightage that they represent in the said index.

^Residual portion, upto 5% of the net assets of the Scheme are provided for liquidity purposes, to that extent the Scheme would invest in 'liquid assets' as per clause 5.6.1 of SEBI Master Circular of Mutual funds as amended from time to time. SO – 13 & 21

Investment in derivatives instruments shall be to the extent of 20% of the Net Assets of the Scheme as permitted by Regulations / guidelines issued by SEBI from time to time. The Scheme may use derivatives for such purposes as maybe permitted by the Regulations, including for the purpose of hedging and portfolio balancing and subject to guidelines issued by SEBI from time to time. Such exposure to equity derivatives of constituents or index derivatives of the underlying Index would be taken for short duration when securities of the Index are unavailable, insufficient, for rebalancing at the time of change in Index, in case of corporate actions, for hedging purposes or for efficient portfolio management, etc.

Pending deployment and/or in cases of extreme market conditions, special events or corporate events, like declaration of dividend by the companies comprising the index, additional ad-hoc reconstitution and rebalancing of the index, the AMC may invest funds as part of the total assets in cash and cash equivalents.

Further, due to corporate action in companies comprising the Underlying Index, the scheme may be allocated/allotted securities which are not part of the Underlying Index. Such security will be considered for asset allocation basis the security asset class. The scheme shall dispose the security not forming part of the underlying index within 7 days from the date of listing. Similarly, unlisted securities received in the event of corporate action will be disposed by the Fund Manager in line with the investment objective of the Scheme.

SO – 14

The cumulative gross exposure through equity, money market instruments, units of debt and liquid mutual fund schemes and derivative positions should not exceed 100% of the net assets of the Scheme in accordance with Para 13.8.1 of Master Circular of Mutual Fund as amended from time to time. Cash or cash equivalents with residual maturity of less than 91 days shall be treated as not creating any exposure. SEBI vide letter dated November 3, 2021, has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities having residual maturity of less than 91 days. The Scheme may take exposure through equity derivative transactions in the manner and up to the limit as specified above. SO – 17

Stock Lending

The Scheme shall adhere to the following limits should it engage in Stock Lending.

1. Not more than 20% of the net assets of the Scheme can generally be deployed in Stock Lending.
2. Not more than 5% of the net assets of the Scheme can generally be deployed in Stock Lending to any single counter party (as may be applicable).

Investment in Units of Mutual Fund

The Scheme may invest up to 5% of the net assets of the Scheme in units of debt and liquid mutual fund schemes of Axis AMC or of other mutual funds in terms of the prevailing SEBI (MF) Regulations.

In terms of Para 4.3 of Master Circular for Mutual Funds which specifies the portfolio concentration norms as follows, shall be complied with respect to the underlying Index:
• The index has a minimum of 10 stocks as its constituents.
• No single stock in the index shall have more than 35% weight in the index.
• The weightage of the top three constituents of the index, cumulatively shall not be more than 65% of the Index.
• The individual constituent of the index shall have a trading frequency greater than or equal to 80% and an average impact cost of 1% or less over previous six months.

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

Sr. No.	Type of Instrument	Percentage of exposure	Circular references
1.	Equity Derivatives for non- hedging purposes	The Scheme may take an exposure to equity derivatives of constituents of the underlying index upto 20% of the Net assets of the Scheme. Such exposure to equity derivatives of constituents of the underlying Index would be taken for a short duration when securities of the Index are unavailable for rebalancing at the time of change in the constituents of Index or in case of corporate actions.	Para 8.5 of Master Circular for Mutual Funds
2.	Securities Lending and borrowing	The Scheme shall adhere to the following limits to engage in Stock Lending. 1. Not more than 20% of the net assets of the Scheme can generally be deployed in Stock Lending. 2. Not more than 5% of the net assets of the Scheme can generally be deployed in Stock Lending to any single counter party/ intermediary (as may be applicable).	Para 13.6 of SEBI Master Circular for Mutual Funds as amended from time to time.
3.	Tri party Repo	Allocation may be made to TREPS from any amounts that are pending deployment or on account of any adverse market situation.	-
4.	Mutual Fund Units	The Scheme may invest up to 5% of the net assets of the Scheme in units of debt & liquid mutual fund schemes of Axis AMC or of other mutual funds in terms of the prevailing SEBI (MF) Regulations.	Clause 3 of Sixth Schedule of SEBI (MF) Regulations, 2026 and 13.14.1 of SEBI Master Circular dated March 20, 2026

SO – 19 & 20

The limits given above shall be subject to Schedule VI of the Regulations / circulars issued by SEBI and shall stand revised to the extent of changes in the Regulations/ circulars from time to time.

The scheme shall not invest in below securities/instruments:

SO – 11, 15, 16, 18 & 20

S. No.	Type of Instrument
1	Securitized Debt
2	Overseas Securities/ADR/GDR
3	InVITS
4	Credit default swaps
5	Debt Derivatives
6	Debt Instruments with special features AT1 and AT2 Bonds
7	Repo and Reverse repo in corporate debt securities
8	Debt instruments having Credit Enhancement /Structured Obligations
9	The Scheme shall not undertake short selling
10	Unrated Debt Securities

Timelines for deployment of funds collected in New Fund Offer (NFO) as per asset allocation of the scheme:

In terms of clause 7.24 of SEBI Master Circular, the AMC shall deploy the funds garnered in an NFO within 30 business days from the date of allotment of units. If the AMC is not able to deploy the funds in 30 business days, the AMC shall adhere to the requirements as laid down in the aforesaid SEBI circular.

Portfolio rebalancing due to short term defensive considerations:

Portfolio allocation may deviate from the asset allocation for a short-term period due to defensive considerations as per Para 1.9.1 of SEBI Master circular for Mutual Fund as amended from time to time or on account of inflows in and outflows from the Scheme due to the nature of accounting, involuntary corporate action, etc. Defensive considerations may be determined by the fund manager and/or AMC from time to time. In case of deviations on account of exogenous factors, the fund manager will endeavour to rebalance the scheme within 7 calendar days from the date of such deviation.

Portfolio rebalancing due to change in constituents of the underlying index: SO – 22, 23 and 24

In the event of deviation due to change in constituents of the index due to periodic review, in accordance with para 4.5.5 of SEBI Master circular for Mutual funds as amended from time to time, the portfolio of the Scheme shall be rebalanced within 7 calendar days from the date of such deviation.

Any transaction undertaken in the scheme portfolio of ETF/ Index Fund in order to meet the redemption and subscription obligations shall be done while ensuring that post such transactions replication of the portfolio with the index is maintained at all points of time.

B. WHERE WILL THE SCHEME INVEST? SO - 29

Following is list of all instruments in which the scheme will invest:

- Equity and Equity Related Instruments (securities covered under Nifty Private Bank Index)
- Money Market Instruments
- Units of debt and liquid Mutual Fund schemes
- Short Term Deposits

The Scheme shall invest in any other instruments as may be permitted by SEBI/RBI from time to time in line with the investment objective of the Scheme.

For detailed definitions and applicable regulations/guidelines for each instrument kindly refer Section II.

C. WHAT ARE THE INVESTMENT STRATEGIES?

The Scheme follows a passive investment strategy. SO - 27

The Scheme would invest in securities comprising the underlying index and shall track the benchmark index. The Scheme may also invest in money market instruments and units of debt and liquid schemes of mutual funds, in compliance with Regulations to meet liquidity and expense requirements and in line with the asset allocation pattern. The Scheme shall invest in securities forming part of the underlying Index in the same ratio as per the index to the extent possible and to that extent follow a passive investment strategy, except to the extent of meeting liquidity and expense requirements. Events like the constituent becoming illiquid in the cash market, the Index Provider changing the constituents, a large dividend going ex but lag in its receipts, etc. tend to increase the tracking error. In such events, it may be more prudent for the Scheme to take exposure through derivatives of its constituent stocks in order to minimize the long term tracking error.

DERIVATIVES STRATEGY

The Scheme may invest in various derivative instruments which are permissible under the applicable regulations. Such investments shall be subject to the investment objective and strategy of the Scheme

and the internal limits if any, as laid down from time to time. These include but are not limited to futures (both stock and Index) and options (stock and Index).

Derivatives are financial contracts of pre-determined fixed duration, like stock futures/options, whose values are derived from the value of an underlying primary financial instrument such as: interest rates, exchange rates, commodities, and equities.

Derivatives can be either exchange traded or can be over the counter (OTC). Exchange traded derivatives are listed and traded on stock exchanges whereas OTC derivative transactions are generally structured between two counterparties.

The objectives of the various strategies include hedge stock / portfolio against market gyrations.

The few risks of using derivative strategies could be on account of:

- Illiquidity.
- Potential mis - pricing of the Futures/Options.
- Lack of opportunity.
- Inability of derivatives to correlate perfectly with the underlying (Indices, Assets, Exchange Rates).
- Cost of hedges can be higher than adverse impact of market movements.
- An exposure to derivatives in excess of the hedging requirements can lead to losses.
- Exposure to derivatives can also limit the profits from a genuine investment transaction.
- The prices which are seen on the screen need not be the same at which execution will take place.

For detailed risks associated with use of derivatives, please refer paragraph "Scheme Specific Risk Factors". Exchange traded derivatives Contracts in stocks and indices in India are currently cash settled at the time of maturity.

Derivatives allowed for mutual funds are only exchange traded and not OTC.

Concepts and Examples of derivatives which may be used by the fund manager:

Futures

Futures (Index & Stocks) are forward contracts traded on the exchanges available on BSE and NSE, the two primary exchanges in India. NIFTY Futures follow a weekly or monthly settlement cycle. These futures expire on the working Thursday of the week or the last working Thursday of the respective months.

Illustration with Index Futures

In case the Nifty 50 near month future contract is trading at say, Rs. 17,500, and the fund manager has a view that it will depreciate going forward; the Scheme can initiate a sale transaction of Nifty futures at Rs. 17,500 without holding a portfolio of equity stocks or any other underlying long equity position. Once the price falls to Rs. 17,000 after say, 20 days, the Scheme can initiate a square-up transaction by buying the said futures and book a profit of Rs. 500.

Correspondingly, if the fund manager has a positive view he can initiate a long position in the index / stock futures without an underlying cash/ cash equivalent subject to the extant regulations.

There are futures based on stock indices as mentioned above as also futures based on individual stocks. The profitability of index /stock future as compared to an individual security will inter-alia depends upon:

- The carrying cost,
- The interest available on surplus funds, and
- The transaction cost.

Example of a typical future trade and the associated costs

Particulars	**Index Future**	**Actual Purchase of Stocks**
Index at the beginning of the month	17,500	17,500
Price of 1 month future	17,650	

A. Execution cost: Carry and other index future costs	150	
B. Brokerage cost: Assumed at	35.30	43.75
0.2% of Index Future		
0.25% for spot Stocks		
C. Gains on surplus fund: (Assumed 8% p.a. return on 85% of the money left after paying 15% margin) (8%*17650*85%*30 days/365)	98.65	0
Total Cost (A+B-C)	87	38.75

Some strategies that employ stock /index futures and their objectives:

(a) Use of derivatives for portfolio rebalancing and efficient portfolio management:
In case the Scheme holds the stock of a company "A" at say Rs. 100 while in the futures market it trades at a discount to the spot price say at Rs. 98, then the Scheme may sell the stock and buy the futures.

On the date of expiry of the stock future, the Scheme may reverse the transactions (i.e. buying at spot & selling futures) and earn a risk-free Rs. 2 (2% absolute) on its holdings without any dilution of the view of the fund manager on the underlying stock.

Further, the Scheme can still benefit from any movement of the price in the upward direction, i.e. if on the date of expiry of the futures, the stock trades at Rs. 110 which would be the price of the futures too, the Scheme will have a benefit of Rs 10 whereby the Scheme gets the 10% upside movement together with the 2% benefit on the arbitrage and thus getting a total return of 12%. The corresponding return in case of holding the stock would have been 10%.

Note: The same strategy can be replicated with a basket of Nifty- 50 stocks (Synthetic Nifty) and the Nifty future index.

(2) Buying spot and selling future: Where the stock of a company "A" is trading in the spot market at Rs. 100 while it trades at Rs. 102 in the futures market, and in case the scheme has a long position in the futures of that company, then the Scheme may buy the stock at spot and sell in the futures market to switch exposure to cash equity.

Risk: On the date of expiry, when the arbitrage is to be unwound, it is not necessary for the stock price and its future contract to coincide. There could be a discrepancy in their prices even a minute before the market closes. Thus, there is a possibility that the arbitrage strategy gets unwound at different prices.

(b) Buying/ Selling Stock/Index future:

Where the stock of a company "A" is trading in the spot market at Rs. 100 while it trades at Rs. 102 in the futures market, then the Scheme may buy the stock at spot and sell in the futures market thereby earning Rs. 2.

Buying the stock in cash market and selling the futures results into a hedge where the Scheme has locked in a spread and is not affected by the price movement of cash market and futures market. The arbitrage position can be continued till expiry of the future contracts when there is a convergence between the cash market and the futures market. This convergence enables the Scheme to generate the arbitrage return locked in earlier.

Risk: On the date of expiry, when the arbitrage is to be unwound, it is not necessary for the stock price and its future contract to coincide. There could be a discrepancy in their prices even a minute before the market closes. Thus, there is a possibility that the arbitrage strategy gets unwound at different prices.

Option Contracts (Stock and Index)
An Option gives the buyer the right, but not the obligation, to buy (call) or sell (put) a stock at an agreed-upon price during a certain period of time or on a specific date.

Options are used to manage risk or as an investment to generate income. The price at which underlying security is contracted to be purchased or sold is called the Strike Price.
Options that can be exercised on or before the expiration date are called American Options while, Options that can be exercised only on the expiration date are called European Options.

Options Risk / Return Pay-off Table

	Stock / Index Options	**Buy Call**	**Sell Call**	**Buy Put**	**Sell Put**
1	View on underlying	Positive	Negative	Negative	Positive
2	Premium	Pay	Receive	Pay	Receive
3	Risk Potential	Limited to premium paid	Unlimited	Limited to premium paid	Unlimited
4	Return Potential	Unlimited	Premium Received	Unlimited	Premium Received

Option contracts are of following two types - Call and Put.

Call Option: A call option gives the buyer, the right to buy specified quantity of the underlying asset at the set strike price on or before expiration date and the seller (writer) of call option however, has the obligation to sell the underlying asset if the buyer of the call option decides to exercise the option to buy.

Put Option: A put option gives the buyer the right to sell specified quantity of the underlying asset at the set strike price on or before expiration date and the seller (writer) of put option however, has the obligation to buy the underlying asset if the buyer of the put option decides to exercise his option to sell.

Risk: The options buyer's risk is limited to the premium paid. However the gains of an options writer are limited to the premiums earned. The exchange may impose restrictions on exercise of options and may also restrict the exercise of options at certain times in specified circumstances and this could impact the value of the portfolio. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the exercise price. The Scheme bears a risk that it may not be able to correctly forecast future market trends or the value of assets, indices or other financial or economic factors in establishing derivative positions for the Scheme.

Index Options / Stock Options
Index options / Stock options are termed to be an efficient way of buying / selling an index/stock compared to buying / selling a portfolio of physical shares representing an index for ease of execution and settlement. The participation can be done by buying / selling either Index futures or by buying a call/put option.

The risks are also different when index /stock futures are bought/sold vis-a-vis index/ stocks options as in case of an index future there is a mark to market variation and the risk is much higher as compared to buying an option, where the risk is limited to the extent of premium paid.

The illustration below explains how one can gain using Index call / put option. These same principles of profit / loss in an Index option apply in totality to that for a stock option.

Call Option
Suppose an investor buys a Call option on 1 lot of Nifty 50 (Lot Size: 50 units)
- Nifty index (European option).
- Nifty 1 Lot Size: 50 units
- Spot Price (S): 17,500
- Strike Price (x): 17,550 (Out-of-Money Call Option)
- Premium: 100

Total Amount paid by the investor as premium [50*100] =5,000
There are two possibilities i.e. either the index moves up over the strike price or remains below the strike price.

Case 1- The index goes up

• An investor sells the Nifty Option described above before expiry:
Suppose the Nifty 50 Index moves up to 17,600 in the spot market and the premium has moved to Rs 200 and there are 15 days more left for the expiry. The investor decides to reverse his position in the market by selling his 1 Nifty call option as the option now is In the Money.

His gains are as follows:
• Nifty Spot: 17,600
• Current Premium: Rs.200
• Premium paid: Rs.100
• Net Gain: Rs.200- Rs.100 = Rs.100 per unit
• Total gain on 1 lot of Nifty (50 units) = Rs. 5,000 (50*100)
In this case the premium of Rs.200 has an intrinsic value of Rs.100 per unit and the remaining Rs.100 is the time value of the option.
• An investor exercises the Nifty Option at expiry

Suppose the Nifty index moves up to 17,700 in the spot market on the expiry day and the investor decides to reverse his position in the market by exercising the Nifty call option as the option now is 'in The Money'.
His gains are as follows:
• Nifty Spot: 17,700
• Premium paid: Rs.100
• Exercise Price: 17,550
• Receivable on exercise: 17,700-17,550 = 150
• Total Gain: Rs. 2,500 {(150-100) *50}

In this case the realised gain is only the intrinsic value, which is Rs.50, and there is no time value.

Case 2 - The Nifty index moves to any level below 17,550
Then the investor does not gain anything but on the other hand his loss is limited to the premium paid: Net Loss is Rs. 5,000 (Loss is capped to the extent of Premium Paid)
(Rs 100 Premium paid*Lot Size: 50 units).

Put Option
Suppose an investor buys a Put option on 1 lot of Nifty 50.
• Nifty 1 Lot Size: 50 units
• Spot Price (S): 17,500
• Strike Price (x): 17,450 (Out-of-Money Put Option)
• Premium: 30
• Total Amount paid by the investor as premium [50*30] = Rs. 1,500
There are two possibilities i.e. either the index moves over the strike price or moves below the strike price.

Let us analyze these scenarios.

Case 1 - The index goes down
• An investor sells the Nifty Option before expiry:
Suppose the Nifty 50 Index moves down to 17,400 in the spot market and the premium has moved to Rs. 80 and there are 15 days more left for the expiry. The investor decides to reverse his position in the market by selling his 1 Nifty Put Option as the option now is In The Money.

His gains are as follows:
• Nifty Spot: 17,400
• Premium paid: Rs.30
• Net Gain: Rs.80 - Rs.30 = Rs.50 per unit
• Total gain on 1 lot of Nifty (50 units) = Rs. 2,500 (50*50)
In this case the premium of Rs.80 has an intrinsic value of Rs.50 per unit and the remaining Rs.30 is the time value of the option.

An investor exercises the Nifty Option at expiry (It is an European Option)
Suppose the Nifty index moves down to 17,400 in the spot market on the expiry day and the investor

decides to reverse his position in the market by exercising the Nifty Put Option as the option now is In The Money.

His gains are as follows:
- Nifty Spot: 17,400
- Premium paid: Rs.30
- Exercise Price: 17,450
- Gain on exercise: 17,450-17,400 = 50
- Total Gain: Rs. 1,000 {(50-30)*50}

In this case the realised amount is only the intrinsic value, which is Rs.50, and there is no time value in this case.

Case 2 - If the Nifty 50 index stays over the strike price which is 17,450, in the spot market then the investor does not gain anything but on the other hand his loss is limited to the premium paid.

- Nifty Spot: >17,450
- Net Loss Rs.1,500 (Loss is caped to the extent of Premium Paid)

(Rs 30 Premium paid*Lot Size: 50 units).

For details pertaining to Risk Controls and Risk Mitigation refer Point no. C Part I of Section II of the Scheme Information Document.

Investment in derivatives are subject to certain risks, details of which are enumerated under section 'Risks associated with investments in derivatives'.

PORTFOLIO TURNOVER

The Scheme is an open-ended scheme. It is expected that there would be a number of subscriptions and redemptions on a daily basis by Authorized Participants/ Market Makers and Large Investors. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio.

For details pertaining to Risk Controls and Risk Mitigation refer Point no. C Part I of Section II of the Scheme Information Document.

D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

For details refer Point no. VII – Part I - Section I of the Scheme Information Document.

E. WHO MANAGES THE SCHEME? SO - 33

Name of Fund Manager	Age and Qualification	Experience of the Fund Manager	Names of other schemes under their management
Mr. Nandik Malik (Managing since inception)	Age: 45 years Qualifications: • MS (London Business School) • PGDM (IIM Calcutta) • B Tech (IIT Kharagpur)	Total number of years of experience: 15 years, his last 10 years' experience is as follows: • Axis Asset Management Company Limited (December 09, 2025 till date) • Axis Asset Management	Axis NIFTY 100 Index Fund Axis NIFTY 50 ETF Axis NIFTY 50 Index Fund Axis Nifty Smallcap 50 Index Fund Axis Nifty Midcap 50 Index Fund Axis NIFTY Bank ETF Axis NIFTY Next 50 Index Fund Axis Nifty 500 Index Fund Axis NIFTY IT ETF Axis Nifty Bank Index Fund Axis BSE Sensex ETF Axis Nifty IT Index Fund Axis Nifty500 Momentum 50 Index Fund Axis Nifty500 Value 50 Index Fund

		Company Ltd. (March 04, 2025 to December 08, 2025) • Avendus Capital Public Markets Alternate Strategies LLP (March 20, 2023 to February 28, 2025) • ICICI Prudential Asset Management Company Ltd. (January 09, 2017 to March 15, 2023)	Axis Nifty500 Quality 50 Index Fund Axis BSE Sensex Index Fund Axis Nifty500 Value 50 ETF Axis NIFTY India Consumption ETF Axis BSE India Sector Leaders Index Fund Axis Quant Fund Axis Momentum Fund
Mr. Rohit Kumar Gautam (Managing since inception)	Age: 41 years Qualifications: • B. Tech. (IIT Bombay) • PGDM (IIM Ahmedabad)	Total number of years of experience: 14 years, his last 10 years' experience is as follows: • Axis Asset Management Company Limited (6-March-2026 to present) • Axis Asset Management Company Limited (5-May-2022 to 5-March-2026) • IndiaFirst Life Insurance Company Limited (19-Oct-2020 to 4-May-2022) • Shriram Asset Management Company Limited (12-Jun-2019 to 31-Jul-2020) • Aprrus Foods and Beverages Pvt. Ltd. (4-Oct-2016 to 11-Jun-2019) • Firestar	Axis NIFTY 100 Index Fund Axis NIFTY 50 ETF Axis NIFTY 50 Index Fund Axis Nifty Smallcap 50 Index Fund Axis Nifty Midcap 50 Index Fund Axis NIFTY Bank ETF Axis NIFTY Next 50 Index Fund Axis Nifty 500 Index Fund Axis NIFTY IT ETF Axis Nifty Bank Index Fund Axis BSE Sensex ETF Axis Nifty IT Index Fund Axis Nifty500 Momentum 50 Index Fund Axis Nifty500 Value 50 Index Fund Axis Nifty500 Quality 50 Index Fund Axis BSE Sensex Index Fund Axis Nifty500 Value 50 ETF Axis NIFTY India Consumption ETF Axis BSE India Sector Leaders Index Fund

		International Pvt. Ltd. 28-Jul-2014 to 1-Oct-2016	

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

Axis Nifty Private Bank ETF, an Open-Ended scheme replication/tracking Nifty Private Bank TRI is a new scheme offered by Axis Mutual Fund and is not a minor modification of any other existing scheme/product of Axis Mutual Fund. Differentiation is as follows:

a. Reference list of existing equity ETFs of Axis Mutual Fund are as follows:

Sr. No.	Name of the scheme(s)
1	Axis Nifty 50 ETF
2	Axis Gold ETF
3	Axis Nifty Bank ETF
4	Axis Nifty Healthcare ETF
5	Axis Silver ETF
6	Axis Nifty IT ETF
7	Axis Nifty India Consumption ETF
8	Axis BSE Sensex ETF
9	Axis Nifty500 Value 50 ETF

The Scheme is a passive ETF. The Scheme takes no active calls and manages the fund by tracking the underlying index. Hence the passive strategy differs from all other actively managed schemes offered by Axis Mutual Fund. Further, the other existing products of Axis Mutual Fund are either debt, liquid, equity or hybrid funds and hence the Scheme under consideration cannot be compared with any other existing schemes.

b. For detailed comparative table on 'How the Scheme is different from existing schemes of Axis Mutual Fund', please refer our website: https://www.axismf.com/statutory-disclosures

G. HOW HAS THE SCHEME PERFORMED?

This Scheme being a new scheme, it does not have any performance track record.

H. ADDITIONAL SCHEME RELATED DISCLOSURES

i. Scheme's portfolio holdings (top 10 holdings by issuer and fund allocation towards various sectors): - Not applicable as the scheme is a new Scheme.

ii. Disclosure of name and exposure to Top 7 issuers, stocks, groups and sectors as a percentage of NAV of the scheme in case of debt and equity ETFs/index funds through a functional website link that contains detailed description – Not applicable as the scheme is a new Scheme.

iii. Functional website link for Portfolio Disclosure - ~~Fortnightly~~ / Monthly/ Half Yearly: Not applicable as the scheme is a new Scheme.

iv. Portfolio turnover ratio for the one-year period - Not applicable as the scheme is a new Scheme.

v. Functional website link to the respective addendums to the SID after the last update of SID- Please refer our website: https://www.axismf.com/statutory-disclosures

vi. Aggregate investment in the Scheme by Concerned scheme's Fund Manager(s):

Sr. No.	Category Of Persons	Net Value		Market Value (in Rs.)*
		Units as on__	NAV (Rs. per unit)	
1	Axis Nifty Private Bank ETF– Fund Manager(s)	Not applicable as the scheme is a new Scheme.		

For any other disclosure w.r.t investments by key personnel and AMC directors including regulatory provisions in this regard kindly refer SAI.

vii. Investments of AMC in the Scheme – SO - 59

Subject to the applicable Regulations, the AMC may invest either directly or indirectly, in the Scheme during New Fund offer period or Ongoing Offer Period. However, the AMC shall not charge any investment management fee on such investments in the Scheme.

Further, in terms of requirement of the Regulations, the AMC shall invest such amounts in Scheme, based on the risks associated with the Scheme, as may be specified by the SEBI from time to time.

Please refer the AMC website https://www.axismf.com/statutory-disclosures for detailed AMC Investments in Scheme(s) of Axis Mutual Fund.

The above disclosers are not applicable as the Scheme is a new Scheme.

Part III. OTHER DETAILS

A.COMPUTATION OF NAV

The Net Asset Value (NAV) of the units issued under the scheme shall be calculated by determining the value of the assets of the fund and subtracting there from the liabilities of the fund taking into consideration the accruals and provisions.

The NAV per unit shall be calculated by dividing the NAV of the fund by the total number of units issued and outstanding on the valuation day. The Net Assets Value (NAV) of the Units under the Scheme shall be calculated as shown below:

$$\text{NAV (Rs.)} = \frac{\text{Market or Fair Value of Scheme's Investments} + \text{Current Assets including Accrued Income} - \text{Current Liabilities and Provisions}}{\text{No. of Units outstanding under Scheme on the Valuation Day}}$$

The NAV shall be calculated up to four decimal places. However, the AMC reserves the right to declare the NAVs up to additional decimal places as it deems appropriate.

The AMC will calculate and disclose the first NAV of the Scheme within a period of 5 business days from the date of allotment. Subsequently, the NAVs will be calculated and disclosed on all the Business Days.

Illustration of Computation of NAV: SO - 43

The computation of NAV per unit using various components is explained as follows:

Particulars	Amount in Rs
Market or Fair Value of Scheme's Investments ... (A)	10,00,00,000.00
Add: Current Assets including Accrued Income .. (B)	75,34,345.00
Less: Current Liabilities and Provisions. ..... (C)	(30,00,000.00)
Net Assets (A+B-C)	10,45,34,345.00

No. of Units outstanding under Scheme on the Valuation Day: 100,00,000
The NAV per unit will be computed as follows: 10,45,34,345.34 / 100,00,000 = Rs. 10.4534 per unit (rounded off to four decimals)

The Mutual Fund will ensure that the Redemption Price will not be lower than 97% of the Applicable NAV.

For other details such as policies w.r.t computation of NAV, rounding off procedure in case of delay

in disclosure of NAV etc. refer to SAI.

B. NEW FUND OFFER (NFO) EXPENSES

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationery, bank charges etc.

C. ANNUAL SCHEME RECURRING EXPENSES

These are the fees and expenses for operating the scheme. These expenses include but are not limited to Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc. as given in the table below:

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

Expense Head	**% of daily Net Assets**
Investment Management and Advisory fees	**Upto 0.90%**
Audit fees/fees and expenses of trustees	
Custodian fees	
Registrar & Transfer Agent Fees including cost of providing account statements / IDCW / redemption cheques/ warrants	
Marketing & Selling Expenses including fees, commission and charges towards distribution of mutual fund schemes	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost of providing account statements and IDCW redemption cheques and warrants	
Costs of statutory Advertisements	
listing fees, in case of schemes listed on a recognised stock exchange	
Cost towards investor education & awareness and financial inclusion (1 bps)	
Brokerage cost incurred towards execution of trades; over and above 6 bps and 2 bps of trade value for cash and derivative market trades respectively	
Other Expenses*	
Maximum base expense ratio permissible under Regulation 66#	**Upto 0.90%**
Statutory levies (including GST) on all expenses excluding brokerage and transaction cost	**As per prevaling rates**
Statutory levies (including GST) on brokerage and transaction cost	

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***Any other expenses which are directly attributable to the Scheme, may be charged with the approval of the Trustee within the overall limits as specified in the Regulations except those expenses which are specifically prohibited.

#Incentives, if any, to Market Makers shall be charged to the Scheme within this limit.

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

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

Total Expense Ratio:
"Total expense ratio" means the ratio of total of all expenses charged to the investors of the scheme to the total asset under management of the scheme, as may be specified by SEBI;

As per Regulation 67(1), the total of all expenses charged to the investors of the scheme, shall be total of expense charged within the base limit specified under regulation 66 (7), brokerage cost permitted for the purpose of execution of trade, over and above the base expense ratio subject to a maximum of 0.06 per cent of trade value in case of cash market transactions and 0.02 per cent of trade value in case of derivatives transactions under regulation 66 (9), transaction cost incurred for the purpose of execution of trade, as referred under regulation 66 (10), and statutory levies charged to the investors.

Statutory Levy:
"statutory levy" means levy imposed by state government and central government;

No charges other than the base expense ratio, brokerage cost, transaction cost, statutory levy and exit load including levies as may be specified by SEBI, shall be charged to the investors.

Any expenditure in excess of the expenses stated above shall be borne by the AMC or the trustees or sponsors. If any expense of the scheme is borne by the AMC or by the trustee or sponsors, the same shall be done only after the investment and advisory fees charged to the scheme, if any, is fully reversed.

The expenses towards Investment Management and Advisory Fees under Regulation 66(4) and the various sub-heads of recurring expenses mentioned under Regulation 66 (5) of SEBI (MF) Regulations can be apportioned under various expense heads/ sub heads without any sub limit, as permitted under the applicable regulations. Thus, there shall be no internal sub-limits within the expense ratio for expense heads mentioned under Regulation 66(4) and 66(5) respectively.

These estimates have been made in good faith as per the information available to the Investment Manager and are subject to change inter-se or in total subject to prevailing Regulations.

The AMC will charge the Scheme such actual expenses incurred, subject to the statutory limits, if any, prescribed in the Regulations **66 and 67** and amendments hereto.

Illustration: Impact of Expense Ratio on Scheme's return: SO - 45

For any scheme, NAV is computed on a daily basis factoring in all the assets as well as liabilities of the scheme (including expenses charged). Expenses charged to the scheme bring down its NAV and hence the investor's net returns on a corresponding basis.

Illustration:

Particulars	Amount (in Rs.)	No of units	NAV per unit (in Rs.)
Invested on March 31, 2022 (A)	10,000	1,000	10.00
Value of above investment as on March 31, 2023 (gross of all expenses) (B)	11,500	1,000	11.50
Total Expenses charged during the year @1% p.a. (assumed) (C)	100	-	0.10
Value of above investment as on March 31, 2023 (net of all expenses) (D) = (B-C)	11,400	1,000	11.40
Returns (%) (gross of all applicable expenses) (E) = ((B/A)-1)	**15.0%**		
Returns (%) (net of all applicable expenses) (F) = ((D/A)-1)	**14.0%**		

Note(s):

- The purpose of the above illustration is purely to explain the impact of expense ratio charged to the Scheme. The Total Expenses considered in the illustration is an hypothetical number and the actual expense may vary from the same. The Illustration should not be construed as providing any kind of investment advice or guarantee of returns on investments.
- Calculations are based on assumed NAV, and actual returns on your investment may be more, or less.
- Any tax impact has not been considered in the above example, in view of the individual nature of

the tax implications. Each investor is advised to consult his or her own financial advisor

- It is assumed that the expenses charged are evenly distributed throughout the year.

D. LOAD STRUCTURE

Load is an amount which is paid by the Investor to redeem the Units from the Scheme. This amount is used by the AMC to pay commission to the distributors and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time. For the current applicable structure, investors may refer to the website of the AMC (www.axismf.com) or may call at contact number **8108622211** (Chargeable) from 9.00 am to 6.30 pm (Monday to Saturday) or can contact his distributor.

Para 11.7.1 of SEBI Master Circular for Mutual Funds as amended from time to time has decided that there shall be no entry Load for all Mutual Fund Schemes.

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Type of Load	Load chargeable (as %age of NAV)
Exit Load	For details refer Point no. XI of Part – I of Section I of the Scheme Information Document.

The above mentioned load structure shall be equally applicable to the special products offered under the Scheme such as SIP, STP, SWP, etc. offered by the AMC.

Investors are requested to check the prevailing load structure of the Scheme before investing.

For any change in load structure AMC will issue an addendum and display it on the website/ Investor Service Centres.

Under the Scheme, the AMC/ Trustee reserves the right to change / modify the load structure if it so deems fit in the interest of smooth and efficient functioning of the Mutual Fund. The AMC/ Trustee reserves the right to introduce / modify the load depending upon the circumstances prevailing at that time subject to maximum limits as prescribed under the Regulations.

The Redemption Price however, will not be lower than 97% of the NAV. Any imposition or enhancement of Load in future shall be applicable on prospective investments only.

At the time of changing the Load Structure:

1. The AMC shall be required to issue an addendum and display the same on its website immediately;
2. The addendum shall be circulated to all the distributors / brokers so that the same can be attached to all Scheme Information Document and Key Information Memorandum already in stock.
3. Latest applicable addendum shall be a part of KIM and SID of the respective Scheme(s).
4. Further, the account statements shall continue to include applicable load structure.
5. Any change in Load structure shall be only on a prospective basis i.e. any such changes would be chargeable only for Redemptions from prospective purchases (applying first in first out basis).

E. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME

As per paragraph 7.19 of SEBI Master Circular for Mutual fund, with respect to minimum number of investors and no single investor shall account for more than 25% of the corpus of the Scheme are not applicable to exchange traded funds and hence do not apply to Axis Nifty Private Bank ETF.

SPECIAL CONSIDERATIONS

The applicant under the Scheme will be required to have a beneficiary account with a Depository Participant of NSDL/CDSL and will be required to indicate in the application the Depository Participants (DP's) name, DP ID Number and the beneficiary account number of the applicant.

The Scheme is not sponsored, endorsed, sold or promoted by NSE Indices Limited ("NSE Indices"). NSE Indices does not make any representation or warranty, express or implied, to the owners of the Scheme or any member of the public regarding the advisability of investing in securities

generally or in the Scheme particularly or the ability of the underlying Index to track general stock market performance in India. The relationship of NSE Indices to the Issuer is only in respect of the licensing of the Indices and certain trademarks and trade names associated with such Indices which is determined, composed and calculated by NSE Indices without regard to the Issuer or the Scheme. NSE Indices does not have any obligation to take the needs of the Issuer or the owners of the Scheme into consideration in determining, composing or calculating the underlying Index. NSE Indices is not responsible for or has participated in the determination of the timing of, prices at, or quantities of the Scheme to be issued or in the determination or calculation of the equation by which the Scheme is to be converted into cash. NSE Indices has no obligation or liability in connection with the administration, marketing or trading of the Scheme.

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Section II

I. Introduction

A. Definitions/interpretation

For details refer website of Axis Mutual Fund: https://www.axismf.com/statutory-disclosures

B. Risk factors SO - 8

i. Standard Risk Factors

- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rates of the securities in which the Scheme invests fluctuates, the value of your investment in the Scheme may go up or down.
- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the Scheme.
- The name of the Scheme does not in any manner indicate either the quality of the Scheme or its future prospects and returns.
- The sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of Rs. 1 lac made by it towards setting up the Fund.
- The present Scheme is not a guaranteed or assured return Scheme.

ii. Scheme Specific Risk Factors

Risks associated with Investment in Exchange Traded Funds
The Scheme are subject to the principal risks described below. Some or all of these risks may adversely affect Scheme's NAV, trading price, yield, total return and/or its ability to meet its objectives. These risks are associated with investment in equities.

Market Risk:
The Scheme's NAV will react to the stock market movements. The Investor could lose money over short periods due to fluctuation in the Scheme's NAV in response to factors such as economic and political developments, changes in interest rates and perceived trends in stock prices and market movements, and over longer periods during market downturns.

Regulatory Risk:
Any changes in trading regulations by the stock exchange (s) or SEBI may affect the ability of Authorized Participant / Market Makers resulting into wider premium/ discount to NAV.

Liquidity Risk:
Trading in units of Axis Nifty Private Bank ETF on the Exchange may be halted because of market conditions or for reasons that in the view of the Market Authorities or SEBI, trading in units of the Scheme is not advisable. In addition, trading in units of Axis Nifty Private Bank ETF is subject to trading halts caused by extraordinary market volatility and pursuant to NSE and SEBI ''circuit filter'' rules. There can be no assurance that the requirements of the Market necessary to maintain the listing of units of Axis Nifty Private Bank ETF will continue to be met or will remain unchanged.

Settlement Risk:
In certain cases, settlement periods may be extended significantly by unforeseen circumstances. The inability of the Scheme to make intended securities purchases due to settlement problems could cause the Scheme to miss certain investment opportunities as in certain cases, settlement periods may be extended significantly by unforeseen circumstances. Similarly, the inability to sell securities held in the Schemes portfolio may result, at times, in potential losses to the Scheme, and there can be a subsequent decline in the value of the securities held in the respective Scheme's portfolio.

Passive Investments
The Scheme will be a passively managed scheme by providing exposure to constituents of Nifty

Private Bank Index and tracking its total returns index, before expenses. The scheme performance may be affected by a general decline in the Indian markets relating to its underlying Index. The scheme invests in the underlying Index regardless of its investment merit.

Market Maker Risk

The Market Maker appointed would offer buy and sell quotes on the exchange for creating liquidity for investors. However, at times on account of technical issues or unforeseen events such quotes may deviate from iNAV or may not be available.

Risk pertaining to Nifty Private Bank Index

- The Nifty Private Bank Index is designed to reflect the performance of the banks from private sector.. Equities are volatile in nature and are subject to price fluctuations on a daily basis. The volatility in the value of the equity instruments is due to various micro and macroeconomic factors affecting the securities markets. This may have an adverse impact on individual securities /sector and consequently on the NAV of Scheme.
- Given the index may constitute mid and small cap stocks, it is a possibility that fund manager may take some time to purchase/sell some stocks because of liquidity issues or trading restrictions. This may lead to a temporary mismatch between the scheme's portfolio and the benchmark index.

Risks associated with investments in equity and equity related instruments

- Equity and equity related securities are volatile and prone to price fluctuations. The liquidity of investments made in the Scheme may be restricted by trading volumes and settlement periods. Settlement periods may be extended significantly by unforeseen circumstances. The inability of the Scheme to make intended securities purchases, due to settlement problems, could cause the Scheme to miss certain investment opportunities. Similarly, the inability to sell securities held in the Scheme portfolio would result at times, in potential losses to the Scheme, should there be a subsequent decline in the value of securities held in the Scheme portfolio. Also, the value of the Scheme investments may be affected by interest rates, currency exchange rates, changes in law/policies of the government, taxation laws and political, economic or other developments which may have an adverse bearing on individual Securities, a specific sector or all sectors.
- Investments in equity and equity related securities involve a degree of risk and investors should not invest in the equity Scheme unless they can afford to take the risk of losing their investment.

Risks associated with investments in derivatives

- The Scheme may invest in derivative products in accordance with and to the extent permitted under the Regulations. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself.
- The derivatives market in India is nascent and does not have the volumes that may be seen in other developed markets, which may result in volatility to the values.
- Investment in derivatives also requires the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. Even a small price movement in the underlying security could have an impact on their value and consequently, on the NAV of the Units of the Scheme.
- The Scheme may face execution risk, whereby the rates seen on the screen may not be the rate at which the ultimate execution of the derivative transaction takes place.
- Investments in stock futures face the same risk as the investments in a portfolio of shares representing an index. The extent of loss is similar to that of underlying stocks.
- The Scheme bears a risk that it may not be able to correctly forecast future market trends or the value of assets, indices or other financial or economic factors in establishing derivative positions for the Scheme.

- The risk of loss in trading futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and the potentially high volatility of the futures markets.
- Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
- Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor.
- Execution of investment strategies depends upon the ability of the fund manager(s) to identify such opportunities which may not be available at all times. Identification and execution of the strategies to be pursued by the fund manager(s) involve uncertainty and decision of fund manager(s) may not always be profitable. No assurance can be given that the fund manager(s) will be able to identify or execute such strategies.
- The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.

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Risks associated with investments for Money market instruments
The following are the risks associated with investment in fixed income securities:

Interest-Rate Risk: Fixed income securities such as government bonds and Money Market Instruments run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing fixed income securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices depends upon the coupon and maturity of the security. It also depends upon the yield level at which the security is being traded.

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

Liquidity Risk: The liquidity of money market instruments may change, depending on market conditions, leading to changes in the liquidity premium attached to the price of the instrument. At the time of selling the security, the security can become illiquid, leading to loss in value of the portfolio.

Credit Risk: This is the risk associated with the issuer of a Money Market Instrument defaulting on coupon payments or in paying back the principal amount on maturity. Even when there is no default, the price of a security may change with expected changes in the credit rating of the issuer. It is to be noted here that a Government Security is a sovereign security and is the safest.

Settlement Risk: Fixed income securities run the risk of settlement which can adversely affect the ability of the fund house to swiftly execute trading strategies which can lead to adverse movements in NAV

Risk associated with Listing of units on Stock Exchange
Listing of the units of the fund does not necessarily guarantee their liquidity and there can be no assurance that an active secondary market for the units will develop or be maintained. Consequently, the price quotes of the fund may deviate from its iNAV.

Trading in Units of the Scheme on the Exchange may be halted because of market conditions or for reasons that in view of Exchange Authorities or SEBI, trading in Units of the Scheme is not advisable. In addition, trading in Units of the Scheme is subject to trading halts caused by extraordinary market volatility and pursuant to Exchange and SEBI 'circuit filter' rules. There can be no assurance that the requirements of Exchange necessary to maintain the listing of Units of the Scheme will continue to be met or will remain unchanged. Any changes in trading regulations by the Stock Exchange(s) or SEBI may inter-alia result in wider premium/ discount to iNAV/NAV. The Units of the Scheme may trade above or below their iNAV/NAV. The NAV of the Scheme will fluctuate with changes in the market value of Scheme's holdings. The trading prices of Units of the Scheme will fluctuate in accordance with changes in their iNAV as well as market supply and demand for the Units of the Scheme. The Units will be issued in demat form through depositories.

The records of the depository are final with respect to the number of Units available to the credit of Unit holder. Settlement of trades, repurchase of Units by the Mutual Fund will depend upon the confirmations to be received from depository(ies) on which the Mutual Fund has no control.
The market price of the Units of the Scheme, like any other listed security, is largely dependent on two factors, viz., (1) the intrinsic value of the Unit (or NAV), and (2) demand and supply of Units in the market. Sizeable demand or supply of the Units in the Exchange may lead to market price of the Units to quote at premium or discount to iNAV/NAV.

Risks associated with Securities lending

The risks in lending portfolio securities, as with other extensions of credit, consist of the failure of another party, to comply with the terms of agreement entered into between the lenders of securities i.e. any scheme and the approved intermediary/counterparty. Such failure to comply can result in the possible loss of rights in the collateral put up by the borrower of the securities, the inability of the approved intermediary/counterparty to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary. The Scheme may not be able to sell such lent securities and this can lead to temporary illiquidity.

Risk associated with Redemption

Investors may note that even though this is an open-ended scheme, the Scheme would repurchase/redeem Units in Creation Unit Size / above a specified threshold. The AMC will ensure liquidity on the exchanges where units are listed by empaneling 2 or more market makers. The AMC may also incentivize these market makers within prescribed regulations so as to create a fair and liquid secondary market for units of the ETF. In the event of insufficient liquidity outlined below the AMC may permit direct redemption in less than creation unit size for investors. Thus, unit holdings less than the Creation Unit Size can only be sold through the secondary market on the Stock Exchange where these units are listed, subject to the rules and regulations of the Exchange.

Risks associated with Segregated portfolio

1. Investor holding units of segregated portfolio may not be able to liquidate their holding till the time recovery of money from the issuer.
2. Security comprises of segregated portfolio may not realize any value.
3. Listing of units of segregated portfolio on recognized stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further trading price of units on the stock market may be significantly lower than the prevailing NAV.

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Tracking Error Risk

Tracking error is a measure of the difference in returns from the Scheme and the returns from the index. It is computed as the standard deviation of the difference between the daily returns of the underlying benchmark and the NAV of the Scheme on an annualized basis.
Tracking error could be the result of a variety of factors including but not limited to:

- Delay in the purchase or sale of stocks within the benchmark due to:
- Illiquidity in the stock,
- Delay in realization of sale proceeds,
- The Scheme may buy or sell the stocks comprising the index at different points of time during the trading session at the then prevailing prices which may not correspond to its closing prices.
- The potential for trades to fail may result in the Scheme not having acquired the stocks at a price necessary to track the benchmark price.
- The holding of a cash position and accrued income prior to distribution of income and payment of accrued expenses.
- Disinvestments to meet redemptions, recurring expenses, etc.
- Execution of large buy / sell orders
- Transaction cost and recurring expenses
- Delay in realization of Unit holders' funds
- Levy of margins by exchanges

The Scheme will endeavor to minimize the tracking error by:

- Rebalancing of the portfolio.

- Setting off incremental subscriptions against redemptions.
- Use of derivatives for portfolio rebalancing and efficient portfolio management

The tracking error i.e. the annualized standard deviation of the difference in daily returns between Nifty Private Bank TRI and the NAV of ETF based on past one year rolling over data (For ETFs in existence for a period of less than one year, annualized standard deviation shall be calculated based on available data) shall not exceed 2% or as may be prescribed by regulations from time to time.
In case of unavoidable circumstances in the nature of force majeure which are beyond the control of the AMCs, the tracking error may exceed 2%, and the same shall be brought to the notice of Trustees with corrective actions taken by the AMC, if any.
Under normal circumstances, such tracking errors are not expected to exceed 2% p.a. for daily 12 month rolling return. However, in case of events like, dividend received from underlying securities, rights issue from underlying securities and market volatility during rebalancing of the portfolio following the rebalancing of the underlying index, redemptions directly with the Scheme not in Creation Unit Size, etc. or in abnormal market circumstances, the tracking error may exceed the above limits. There can be no assurance or guarantee that the Scheme will achieve any particular level of tracking error relative to performance of the Index.

Tracking difference - The ETF Scheme shall also disclose the tracking difference i.e. the difference of annualized returns between the underlying Index and the NAV of the ETF shall also be disclosed on the website of the AMC and AMFI, on a monthly basis, for tenures 1 year, 3 year, 5 year, 10 year and since the date of allotment of units.

C. Risk mitigation strategies SO - 9

RISK CONTROL

Risk is an inherent part of the investment function. Effective Risk Management is critical to Fund Management for achieving financial soundness. Investments by the Scheme shall be made as per the investment objectives of the Scheme and provisions of the Regulations.

The Scheme aims to track the Nifty Private Bank TRI as closely as possible before expenses. The index is tracked on a regular basis and changes to the constituents or their weights, if any, are replicated in the Scheme portfolio with the purpose of minimizing tracking error.

Investments in equity securities and money market securities carry various risks such as inability to sell securities, trading volumes and settlement periods, interest rate risk, liquidity risk, default risk, reinvestment risk etc. Whilst such risks cannot be eliminated, they may be mitigated by diversification.

In order to mitigate the various risks, the portfolio of the Scheme will be constructed in accordance with the investment restriction specified under the Regulations which would help in mitigating certain risks relating to investments in securities market.

The AMC has incorporated adequate safeguards to manage risk in the portfolio construction process. Risk control would involve managing risk in order to keep it in line with the investment objective of the Scheme.

Risk control measures for Equity investment

Market Risk / Interest Rate Risk:
The scheme is vulnerable to movements in the prices of securities invested by the scheme, which could have a material bearing on the overall returns from the scheme.

Mitigation- Market risk is inherent to an equity scheme. Being a passively managed scheme, it will invest in the securities included in its Underlying Index.

Liquidity or Marketability Risk: The liquidity of the Scheme's investments is inherently restricted by trading volumes in the securities in which it invests.

Mitigation- The Scheme will try to maintain a proper asset-liability match to ensure redemption payments are made on time and not affected by illiquidity of the underlying stocks.

Tracking error risk: The performance of the Scheme may not be commensurate with the performance of the index on any given day or over any given period.

Mitigation: The objectives of the Scheme are to closely track the performance of the Underlying Index over the same period, subject to tracking error. The Scheme would endeavour to maintain a low tracking error by actively aligning the portfolio in line with the Index**.**

Risk control measures with respect to Money Market Instruments

Market Risk / Interest Rate Risk: Changes in interest rates may affect the Scheme's Net Asset Value as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. The price movement up and down in fixed income securities will lead to possible movements in the NAV.

Mitigation - Being a passively managed scheme, it will invest in short-term securities for mitigating the price volatility due to interest rate changes.

Liquidity or Marketability Risk: This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM).

Mitigation- The scheme may invest in government securities, corporate bonds and money market instruments. While the liquidity risk for government securities, money market instruments and short maturity corporate bonds may be low, it may be high in case of medium to long maturity corporate bonds.

Credit risk or default risk: It refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security). Normally, the value of a fixed income security will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk.

Mitigation– Apart from the basic examination, management's past track record will also be studied. In order to assess financial risk a detailed assessment of the issuer's financial statements will be undertaken to review its ability to undergo stress on cash flows and asset quality. A detailed evaluation of accounting policies, off-balance sheet exposures, notes, auditors' comments and disclosure standards will also be made to assess the overall financial risk of the potential borrower.

Risk control with respect to derivatives

As and when the Scheme trades in the derivatives market there are risk factors and issues concerning the use of derivatives since derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The Scheme may invest in derivative for the purpose of hedging, portfolio balancing and other purposes as may be permitted under the Regulations.

Mitigation- Exposure with respect to derivatives shall be in line with regulatory limits and the limits specified in the SID. All equity derivatives trade will be done only on the exchange with guaranteed settlement.

II. Information about the scheme:

A. Where will the scheme invest – SO - 29

The corpus of the Scheme will be invested in Equity & Equity related instruments forming part of the constituents of the underlying index. The scheme will track Nifty Private Bank TRI and is a

passively managed scheme. In case of any change in the index due to corporate actions or change in the constituents of the underlying index the relevant investment decision will be determined considering the composition of the index.

The scheme would invest in stocks comprising the underlying index. The Fund may also invest in Money Market Instruments and units of debt and liquid schemes in compliance with Regulations to meet liquidity and expense requirements.

Equity and Equity Related Instruments:

1. *Equity share* is a security that represents ownership interest in a company.

2. *Equity Related Instruments* are securities which give the holder of the security right to receive Equity Shares on pre agreed terms. It includes convertible bonds, convertible debentures, equity warrants, convertible preference shares, etc. The Scheme shall invest in Equity shares of constituents of Nifty Private Bank TRI, however it may be entitled to and receive Equity Related instruments of such entities by way of corporate action.

Equity related instruments also include Real Estate Investment Trust (REITs). REIT is a trust which holds real estate assets which is managed by an investment manager. The unitholders in the trust have proportional interest in the underlying holdings of the trust.

3. *Equity Derivatives* are financial instruments, generally traded on an exchange, the price of which is directly dependent upon (i.e., "derived from") the value of equity shares or equity indices. Derivatives involve the trading of rights or obligations based on the underlying, but do not directly transfer property. The Scheme will take exposure to equity derivatives through stock futures/options of constituents of the underlying index.

Futures:
Futures are exchange-traded contracts to sell or buy financial instruments for future delivery at an agreed price. There is an agreement to buy or sell a specified quantity of financial instrument on a designated future date at a price agreed upon by the buyer and seller at the time of entering into a contract. To make trading possible, the exchange specifies certain standardized features of the contract. A futures contract involves an obligation on both the parties to fulfill the terms of the contract.

SEBI has permitted futures contracts on indices and individual stocks with maturity of 1 month, 2 months and 3 months on a rolling basis. The futures contracts are settled on last Thursday (or immediately preceding trading day if Thursday is a trading holiday) of each month. The final settlement price is the closing price of the underlying stock(s)/index.

Options:

Option is a contract which provides the buyer of the option (also called holder) the right, without the obligation, to buy or sell a specified asset at the agreed price on or upto a particular date. For acquiring this privilege, the buyer pays premium (fee) to the seller. The seller on the other hand has the obligation to buy or sell specified asset at the agreed price and for this obligation he receives premium. The premium is determined considering number of factors such as the market price of the underlying asset/security, number of days to expiry, risk free rate of return, strike price of the option and the volatility of the underlying asset. Option contracts are of two types viz:

Call Option - The option that gives the buyer the right but not the obligation to buy specified quantity of the underlying asset at the strike price is a call option. The buyer of the call option (known as the holder of call option) can call upon the seller of the option (writer of the option) and buy from him the underlying asset at the agreed price at any time on or before the expiry of the option.

The seller (writer of the option) on the other hand has the obligation to sell the underlying asset if the buyer of the call option decides to exercise his option to buy.

Put Option – The option that gives the buyer the right but not the obligation to sell is called put option. A Put option gives the holder (buyer) the right to sell specified quantity of the underlying asset at the strike price. The seller of the put option (one who is short Put) however, has the obligation to buy the underlying asset at the strike price if the buyer decides to exercise his option to sell.

There are two kind of options based on the date of exercise of right. The first is the European Option which can be exercised only on the maturity date. The second is the American Option which can be exercised on or before the maturity date.

Money Market Instruments

Treasury Bill (T-Bills)
Treasury Bills are issued by the Government of India to meet their short term borrowing requirements. T-Bills are issued for maturities of 14 days, 91 days, 182 days and 364 days.

The Scheme may also invest in Cash Management Bill (CMB) issued by the Government of India to meet their short term borrowing requirements. CMB are generally issued for maturities of less than 91 days.

Repos
Repo (Repurchase Agreement) or Reverse Repo is a transaction in which two parties agree to sell and purchase the same security with an agreement to purchase or sell the same security at a mutually decided future date and price. The transaction results in collateralized borrowing or lending of funds. Presently in India, corporate debt securities, Government Securities, State Government Securities and T-Bills are eligible for Repo/Reverse Repo.

Tri-party repo means a repo contract where a third entity (apart from the borrower and lender), called a Tri-Party Agent, acts as an intermediary between the two parties to the repo to facilitate services like collateral selection, payment and settlement, custody and management during the life of the transaction.

The Scheme may undertake repo or reverse repo transactions in accordance with the directions issued by RBI and SEBI from time to time. Such investment shall be made subject to the guidelines which may be prescribed by the Board of Directors of the Asset Management Company and Trustee Company.

Securities created and issued by the Central and State Governments as may be permitted by RBI, securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills). State Government securities (popularly known as State Development Loans or SDLs) are issued by the respective State Government in co-ordination with the RBI. Government Securities having an unexpired maturity up to one year are included in money market instruments.

Units of debt and liquid mutual fund schemes
The scheme may invest in units of debt and liquid mutual fund schemes of Axis AMC or of other mutual funds in conformity with the investment objective of the Scheme and in terms of the prevailing SEBI (MF) Regulations. Provided that such investment will be within the limits specified under SEBI (MF) Regulations and will be done for cash management purposes.

Short Term Deposits

Pending deployment of funds as per the investment objective of the Scheme, the funds may be parked in short term deposits of the Scheduled Commercial Banks, subject to guidelines and limits issued by Para 13.7 of Master Circular for Mutual Funds.

Units of liquid Mutual Fund schemes

The scheme may invest in units of liquid mutual fund schemes of Axis AMC or in the Scheme of

other mutual funds in conformity with the investment objective of the Scheme and in terms of the prevailing SEBI (MF) Regulations. Provided that such investment will be within the limits specified under SEBI (MF) Regulations and will be done for cash management purposes.

The securities / instruments mentioned above and such other securities the Scheme is permitted to invest in could be listed, unlisted, privately placed, secured , unsecured, rated or unrated and of any maturity (within the investment objective of the scheme).

The securities may be acquired through initial public offering (IPOs), secondary market, private placement, rights offers, negotiated deals etc. Further investments in fixed income securities will be in instruments which have been assigned investment grade rating by the Credit Rating Agency.

Investment in unrated debt instruments shall be subject to complying with the provisions of the Regulations and within the limit as specified in Schedule VII to the Regulations. The AMC may constitute committee(s) to approve proposals for investments in unrated debt instruments. The AMC Board and the Trustee shall approve the detailed parameters for such investments. However, in case any unrated debt security does not fall under the parameters, the prior approval of Board of AMC and Trustee shall be sought.

For applicable regulatory investment limits please refer paragraph "Investment Restrictions".

The Fund Manager reserves the right to invest in such instruments and securities as maybe permitted from time to time and which are in line with the investment objectives of the Scheme.

Debt and Money Markets in India

The Indian debt market is today one of the largest in Asia and includes securities issued by the Government (Central & State Governments), public sector undertakings, other government bodies, financial institutions, banks and corporates. Government and public sector enterprises are the predominant borrowers in the markets. The major players in the Indian debt markets today are banks, financial institutions, mutual funds, insurance companies, primary dealers, trusts, pension funds and corporates. The Indian debt market is the largest segment of the Indian financial markets. The debt market comprises broadly two segments, viz. Government Securities market or G-Sec market and corporate debt market. The latter is further classified as market for PSU bonds and private sector bonds.

The Government Securities (G-Secs) market, consists of G-Sec outstanding of Rs. 81,94,730.225 cr as on May 09, 2022(State Govt securities - Rs 42,19,393.100 cr, (as on Mar'22) Source: CCIL), is the oldest and the largest component (50% share in market cap) of the Indian debt market in terms of market capitalization, outstanding securities and trading volumes. The G-Secs market plays a vital role in the Indian economy as it provides the benchmark for determining the level of interest rates in the country through the yields on the Government Securities which are referred to as the risk-free rate of return in any economy. Over the years, there have been new products introduced by the RBI like zero coupon bonds, floating rate bonds, inflation indexed bonds, etc.

The corporate bond market, in the sense of private corporate sector raising debt through public issuance in capital market, is only an insignificant part of the Indian Debt Market. A large part of the issuance in the non-Government debt market is currently on private placement basis.

The money markets in India essentially consist of the call money market (i.e. market for overnight and term money between banks and institutions), repo transactions (temporary sale with an agreement to buy back the securities at a future date at a specified price), commercial papers (CPs, short term unsecured promissory notes, generally issued by corporates), certificate of deposits (CDs, issued by banks) and Treasury Bills (issued by RBI). In a predominantly institutional market, the key money market players are banks, financial institutions, insurance companies, mutual funds, primary dealers and corporates. In money market, activity levels of the Government and nongovernment debt vary from time to time.

Instruments that comprise a major portion of money market activity include but not limited to:
- Overnight Call
- Tri Party Repo
- Repo/Reverse Repo Agreement
- Treasury Bills
- Government securities with a residual maturity of < 1 year.
- Commercial Paper
- Certificate of Deposit

Apart from these, there are some other options available for short tenure investments that include MIBOR linked debentures with periodic exit options and other such instruments. Though not strictly classified as Money Market Instruments, PSU / DFI / Corporate paper with a residual maturity of < 1 year, are actively traded and offer a viable investment option.

The market has evolved in past 2-3 years in terms of risk premia attached to different class of issuers. Bank CDs have clearly emerged as popular asset class with increased acceptability in secondary market. PSU banks trade the tightest on the back of comfort from majority government holding. Highly rated manufacturing companies also command premium on account of limited supply. However, there has been increased activity in papers issued by private/foreign banks/NBFCs/companies in high-growth sector due to higher yields offered by them. Even though companies across these sectors might have been rated on a same scale, the difference in the yield onsssss the papers for similar maturities reflects the perception of their respective credit profiles.

The following table gives approximate yields prevailing on March 31, 2026 on some of the instruments and further illustrates this point.

Instrument	**Current Yield range (%)**
Tri-party Repo	6.10/6.25
Repo	6.25/6.50
3M T-bill	5.35/5.40
1Y T-bill	5.60/5.65
10Y G-sec	7/7.05
3m PSU Bank CD	7.20/7.25
3m Manufacturing co. CP	7.35/7.40
1Y PSU Bank CD	7.20/7.25
1Y NBFC CP	7.60/7.65
1Y Manufacturing co. CP	7.35/7.40
5Y AAA Institutional Bond	7.60/7.65
10Y AAA Institutional Bond	7.55/7.60

Source: Bloomberg

These yields are indicative and do not indicate yields that may be obtained in future as interest rates keep changing consequent to changes in macro-economic conditions and RBI policy. The price and yield on various debt instruments fluctuate from time to time depending upon the macro economic situation, inflation rate, overall liquidity position, foreign exchange scenario etc. Also, the price and yield vary according to maturity profile, credit risk etc.

B. What are the investment restrictions?

Pursuant to Regulations, specifically the Sixth Schedule and amendments thereto, the following investment restrictions are currently applicable to the Scheme:

1. The Mutual Fund under all its Scheme(s) shall not own more than ten per cent of any company's paid up capital carrying voting rights.

   Provided, investment in the asset management company or the trustee company of a mutual fund shall be governed by clause (a), of sub-regulation (1), of regulation 7B.

2. The Mutual Fund shall enter into transactions relating to Government Securities only in dematerialized form.

3. The Scheme shall not invest in unlisted debt instruments including commercial papers, except Government Securities and other money market instruments:

   Provided that the Scheme may invest in unlisted non-convertible debentures up to a maximum of 10% of the debt portfolio of the Scheme subject to such conditions as may be specified by the Board from time to time:

   Provided further that the Scheme shall comply with the norms under this clause within the time and in the manner as may be specified by the Board.

   Provided further that the norms for investments by the Scheme in unrated debt instruments shall be as specified by the Board from time to time.

   Note: According to the Asset Allocation of the Scheme, the indicative allocation of the Scheme to Debt and Money market instruments shall be in the range of 0% to 5% of the net assets of the Scheme, subject to conditions specified.

4. The Scheme shall not invest more than 10% of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the SEBI Act, 1992. Such investment limit may be extended to 12% of the NAV of the Scheme with the prior approval of the Trustee and the Board of Directors of AMC.

   Such limit shall not be applicable for investment in Government Securities, treasury bills and collateralized borrowing and lending obligations.

   Note: According to the Asset Allocation of the Scheme, the indicative allocation of the Scheme to Debt and Money market instruments shall be in the range of 0% to 5% of the net assets of the Scheme, subject to conditions specified.

5. Further, in accordance with Para 13.1 of SEBI Master Circular for Mutual Funds, the Scheme shall not invest more than:

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

   The above investment limits may be extended by up to 2% of the NAV of the scheme with prior approval of the Board of Trustees and Board of Directors of the AMC, subject to compliance with the overall 12% limit.

   Note: According to the Asset Allocation of the Scheme, the indicative allocation of the Scheme to Debt and Money market instruments shall be in the range of 0% to 5% of the net assets of the Scheme, subject to conditions specified.

6. The Scheme may invest in other schemes of the Mutual Fund or any other mutual fund without charging any fees, provided the aggregate inter-scheme investment made by all the schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the Net Asset Value of the Fund.

7. The Scheme shall not make any investment in:

i. any unlisted security of an associate or group company of the sponsor; or
ii. any security issued by way of private placement by an associate or group company of the sponsor; or
iii. the listed securities of group companies of the sponsor which is in excess of 25% of the net assets except for investments by equity-oriented exchange traded funds (ETFs) and Index Funds

Provided that, Equity oriented ETFs and Index Funds, based on widely tracked and non-bespoke indices, can make investments in accordance with the weightage of the constituents of the underlying index. However, such investments shall be subject to an overall cap of 35% of net asset value of the scheme, in the group companies of the sponsor.

8. The Mutual Fund shall get the securities purchased transferred in the name of the Fund on account of the concerned Scheme, wherever investments are intended to be of a long-term nature.

9. Transfer of investments from one scheme to another scheme in the same Mutual Fund is permitted provided:

a. such transfers are done at the prevailing market price for quoted instruments on spot basis (spot basis shall have the same meaning as specified by a Stock Exchange for spot transactions); and

b. the securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfer has been made.

Further, inter scheme transfers shall be in accordance with the guidelines issued by Para 13.19 of Master Circular for Mutual Funds as amended from time to time. SO - 30

10. The Mutual Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities.

The scheme shall not engage in in short selling of securities or carry forward transactions.

Provided that the Mutual Fund may engage in securities lending and borrowing specified by SEBI.

Provided further that the Mutual Fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by SEBI.

Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.

11. The Scheme shall not make any investment in any fund of funds scheme.

12. Pending deployment of the funds of the Scheme in securities in terms of the investment objective of the Scheme, the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI from time to time:

The Scheme will comply with the following guidelines/restrictions for parking of funds in short term deposits:

i. "Short Term" for such parking of funds by the Scheme shall be treated as a period not exceeding 91 days. Such short-term deposits shall be held in the name of the Scheme.
ii. The Scheme shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustee.
iii. Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
iv. The Scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
v. The Scheme shall not park funds in short term deposit of a bank which has invested in that Scheme. Further Trustees/ AMCs shall also ensure that the bank in which the Scheme has STD do not invest in the said scheme until the Scheme has STD with such bank.
vi. The AMC will not charge any investment management and advisory fees for funds parked in short term deposits of scheduled commercial banks.

However, the above provisions will not apply to term deposits placed as margins for trading in cash market.

13. The Scheme shall not advance any loans.

14. The Scheme shall not borrow except to meet temporary liquidity needs of the Scheme for the purpose of repurchase/redemption of Units or payment of interest to the Unit holders.

The Fund shall not borrow more than 20% of the net assets of the individual Scheme and the duration of the borrowing shall not exceed a period of 6 months..

15. The Scheme will comply with the following restrictions for trading in exchange traded derivatives, as specified by SEBI vide its circulars issued from time to time:

a) Position limit for the Mutual Fund in equity index options contracts

i. The Mutual Fund position limit in all index options contracts on a particular underlying index shall be Rs. 500 crores or 15% of the total open interest of the market in index options, whichever is higher, per stock exchange.
ii. This limit would be applicable on open positions in all options contracts on a particular underlying index.

b) Position limit for the Mutual Fund in equity index futures contracts:

i. The Mutual Fund position limit in all index futures contracts on a particular underlying index shall be Rs.500 crores or 15% of the total open interest of the market in index futures, whichever is higher, per stock exchange.
ii. This limit would be applicable on open positions in all futures contracts on a particular underlying index.

c) Additional position limit for hedging

In addition to the position limits at point (i) and (ii) above, the Mutual Fund may take exposure in equity index derivatives subject to the following limits:

i. Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Mutual Fund's holding of stocks.
ii. Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Mutual Fund's holding of cash, government securities, Treasury Bills and similar instruments.

d) Position limit for Mutual Fund for stock based derivative contracts

The Mutual Fund position limit in a derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts, is defined in the following manner:-

i. The combined futures and options position limit shall be 20% of the applicable Market Wide Position Limit (MWPL).

e) Position limit for each scheme of a Mutual Fund

The scheme-wise position limit / disclosure requirements shall be:

i. For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of a Mutual Fund shall not exceed the higher of 1% of the free float market capitalization (in terms of number of shares)

or

5% of the open interest in the derivative contract on a particular underlying stock (in terms of number of contracts).

ii. This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.
iii. For index based contracts, Mutual Funds shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

16. The Mutual Fund/AMC shall make investment out of the NFO proceeds only on or after the closure of the NFO period. The Mutual Fund/ AMC can however deploy the NFO proceeds in TREPS before the closure of NFO period. However, AMCs shall not charge any investment management and advisory fees on funds deployed in TREPS during the NFO period. The appreciation received from investment in TREPS shall be passed on to investors.

Further, in case the minimum subscription amount is not garnered by the scheme during the NFO

period, the interest earned upon investment of NFO proceeds in TREPS shall be returned to investors, in proportion of their investments, along-with the refund of the subscription amount.

Any transactions undertaken in the scheme portfolio in order to meet the redemption and subscription obligations shall be done while ensuring that post such transactions replication of the portfolio with the index is maintained at all points of time

17. Para 13.15 of its master circular for Mutual Fund as amended from time to time has prescribed the following investment restrictions w.r.t. investment in derivatives:

<table>
<tr><th>S. No.</th><th>Particulars</th></tr>
<tr><td>1</td><td>The cumulative gross exposure through equity, debt, derivative positions, and repo transactions, other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the Scheme. Cash or cash equivalents with residual maturity of less than 91 days shall be treated as not creating any exposure.</td></tr>
<tr><td>2</td><td>The Scheme shall not write options or purchase instruments with embedded written options.</td></tr>
<tr><td>3</td><td>The total exposure related to option premium paid shall not exceed 20% of the net assets of the Scheme.</td></tr>
<tr><td>4</td><td>Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:
a) Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
b) Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1.
c) Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
d) The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.</td></tr>
<tr><td>5</td><td>Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.</td></tr>
<tr><td>6</td><td>Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows:

<table><tr><th>Position</th><th>Exposure</th></tr><tr><td>Long Future</td><td>Futures Price * Lot Size * Number of Contracts</td></tr><tr><td>Short Future</td><td>Futures Price * Lot Size * Number of Contracts</td></tr><tr><td>Option bought</td><td>Option Premium Paid * Lot Size * Number of Contracts.</td></tr></table></td></tr>
<tr><td>7</td><td>(a) Mutual Funds may enter into plain vanilla Interest Rate Swaps (IRS) for hedging purposes. The value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme.
(b) In case of participation in IRS is through over the counter transactions, the counter party has to be an entity recognized as a market maker by RBI and exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme. However, if mutual funds are transacting in IRS through an electronic trading platform offered by the Clearing Corporation of India Ltd. (CCIL) and CCIL is the central counterparty for such transactions guaranteeing settlement, the single counterparty limit of 10% shall not be applicable</td></tr>
</table>

The Scheme will comply with the other Regulations applicable to the investments of Mutual Funds

from time to time.

All the investment restrictions will be applicable at the time of making investments.

Apart from the investment restrictions prescribed under SEBI (MF) Regulations, the fund may follow any internal norms vis-à-vis limiting exposure to a particular scrip or sector, etc. SO - 19

The AMC/Trustee may alter these above stated restrictions from time to time to the extent the Regulations change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments for mutual funds to achieve its respective investment objective.

C. Fundamental Attributes SO - 60

Following are the Fundamental Attributes of the scheme, in terms of Para 1.9 of SEBI Master Circular for Mutual Funds .:

(i) Type of a scheme
An open ended scheme replicating/ tracking Nifty Private Bank TRI

(ii) Investment Objective
Main Objective: To provide returns before expenses that correspond to the performance of Nifty Private Bank TRI subject to tracking error.

There is no assurance that the investment objective of the scheme will be achieved. SO - 5

- Investment Pattern: Please refer to Section – I Part – II A. 'How will the Scheme Allocate its Assets?'.

(iii) Terms of Issue
- Liquidity provisions such as listing, Repurchase, Redemption. '(Please refer to relevant provisions on listing, repurchase, redemption in Section II - Part II - Point G 'Other Details').
- Aggregate fees and expenses charged to the Scheme (please refer to Section I – Part III C "Annual Scheme Recurring Expenses").
- Any safety or guarantee net provided. – Not applicable for the Scheme

In accordance with Regulation 22(9)(c) of the SEBI (MF) Regulations read with clause 1.9 and 22.10 of SEBI Master Circular for Mutual Funds, the Trustees and AMC shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:
- SEBI has reviewed and provided its comments on the proposal
  - A written communication (including digital modes such as email/sms etc.) about the proposed change is sent to each Unitholder and details as specified by the Board are appropriately displayed on the website of the AMC; and
- and
- The Unitholders are given an option for a period of at least 30 calendar days to exit at the prevailing Net Asset Value without any exit load.

D. Index methodology - Disclosures regarding the index, index eligibility criteria, methodology, index service provider, index constituents, impact cost of the constituents.

About The Index
The Nifty Private Bank Index is designed to reflect the behavior and performance of the banks from private sector. The index comprises of 10 stocks and maximum weights of each company in the index were capped at 23% & weighting is done based on free-float market-cap.
Index Link - https://www.niftyindices.com/indices/equity/sectoral-indices/nifty-private-bank

Methodology Snapshot
- Stocks forming part of the Nifty 500 index at the time of review are eligible for inclusion in the

index

- Stocks classified under the basic industry 'Private Sector Bank' shall be eligible for inclusion
- In case of reconstitution of child indices, latest index composition including most recent changes in respective parent index whether announced or yet to be announced shall be considered. Child indices are defined as those indices where constituents are selected from a list of any other index.
- Minimum number of stocks within the index should be 10
- In case, the number of eligible stocks within Nifty 500 falls below 10, then deficit number of stocks shall be selected from the universe of stocks ranked within top 800 based on both average daily turnover and average daily full market capitalisation based on previous six months period data used for index rebalancing of Nifty 500, provided company meets the eligibility criteria of having minimum listing history of 1 calendar month and 90% trading frequency as the data cut-off date.
- Further, in case the number of eligible stocks in the universe is still less than 10, then the deficit number of stocks shall be selected from the universe of stocks ranked within top 1000, top 1100, top 1200 and so on, based on both average daily turnover and average daily full market capitalization based on previous six months period data, until at least 10 eligible stocks are obtained, subject to fulfilment of other inclusion criteria. If the number of eligible stocks is still less than 10, then the index may have less than 10 constituents.
- Companies should form part of respective sector universe.
- For all the Nifty sectoral indices, a preference shall be given to companies that are available for trading in NSE's Futures & Options segment at the time of final selection.
- On a prospective basis, Non - F&O stocks are eligible for inclusion only if the total instances of the stock hitting the upper or lower circuit (price band) * during the past 6 months as of the cut-off date is less than 20% of the number of total trading days over the same period

(*An instance is counted each time the stock hits the upper or lower price circuit on a given trading day. If a stock hits the upper and lower price circuit (price band) on the same trading day, it will be counted as two instances.)

- The companies are sorted in the descending order of the average free-float market capitalization (FF market capitalization) and final selection of companies shall be made based on the FF market capitalization to form part of the index.
- Companies will be included if free-float market capitalisation is at least 1.5 times the free float market capitalization of the smallest index constituent in respective index

Reconstitution and rebalancing

- The review of the index is undertaken semi-annually based on data for six months ending January and July.
- Reconstitution is done semi-annually in March and September.
- Apart from the scheduled semi-annual review, additional ad-hoc reconstitution and rebalancing of the index shall be initiated in case any of the index constituents is removed from Nifty 500 index due to any corporate action (scheme of arrangement, delisting etc.) or suspension by the exchange etc.
- Further, on a quarterly basis, indices will be screened for compliance with the portfolio concentration norms for ETFs/ Index Funds announced by SEBI on January 10, 2019. In case of non-compliance of any of the stated norms, suitable corrective measures such as replacement of ineligible stock, re-alignment of constituent weights will be undertaken depending upon the nature of non-compliance to ensure the compliance of norms.

Index Constituents as on 27th Feb 2026

ISIN Code	Company Name	Weightage (%)	Impact Cost (%)
INE238A01034	AXIS BANK LTD.	21.6	0.02
INE545U01014	BANDHAN BANK LTD.	1.2	0.03
INE171A01029	FEDERAL BANK LTD.	5.6	0.02
INE040A01034	HDFC BANK LTD.	19.0	0.01
INE090A01021	ICICI BANK LTD.	21.7	0.01
INE092T01019	IDFC FIRST BANK LTD.	3.7	0.02
INE095A01012	INDUSIND BANK LTD.	4.8	0.03

INE237A01036	KOTAK MAHINDRA BANK LTD.	18.4	0.01
INE976G01028	RBL BANK LTD.	1.5	0.04
INE528G01035	YES BANK LTD.	2.8	0.03

For detailed index methodology please refer to the index methodology document at www.niftyindices.com

INTRODUCTION TO EXCHANGE TRADED FUNDS

An ETF is a passively managed product that provides exposure to an index or a basket of securities with the objective of generating returns as close to the index as possible. The key benefit of an ETF over traditional open-ended index funds is liquidity and availability of real-time market price on stock exchange. They can be bought and sold on the exchange at prices that are usually close to the actual intra-day NAV of the Scheme. ETFs provide investors a fund that closely tracks the performance of an index with the ability to buy/sell on an intra-day basis. ETFs are structured in a manner which allows to create new units (called creation units) and redeem outstanding units directly with the fund, thereby ensuring that ETFs trade close to their actual NAVs.

ETFs are usually passively managed funds wherein subscription/redemption of units work on the concept of exchange with underlying securities. In other words, large investors/institutions can purchase units by depositing the underlying securities with the mutual fund/AMC and can redeem by receiving the underlying shares in exchange of units. Units can also be bought and sold directly on the exchange. ETFs have all the benefits of indexing such as diversification, low cost and transparency. As ETFs are listed on the exchange, costs of distribution are much lower and the reach is wider. These savings in cost are passed on to the investors in the form of lower costs. Furthermore, exchange traded mechanism helps reduce minimal collection, disbursement and other processing charges.

Tracking Error of ETFs is likely to be low as compared to a normal index fund. Due to the Creation/Redemption of units through the in-kind mechanism the mutual fund can keep lesser funds in cash. Also, time lag between buying/selling units and the underlying shares is much lower.

Benefits of ETFs

a) Can be easily bought / sold like any other stock on the exchange through terminals spread across the country.

b) Can be bought / sold anytime during market hours at prices that are expected to be close to actual NAV of the Scheme. Thus, an investor invests at nearly the real-time prices as opposed to end of day prices.

c) Ability to put limit orders.

d) Protects long-term investors from the inflows and outflows of short-term investors. This is because the fund does not bear extra transaction cost when buying/selling due to frequent subscriptions and redemptions.

e) Flexible as it can be used as a tool for gaining instant exposure to the equity markets, equitising cash, for arbitraging between the cash and futures market.

Market for ETFs:

The assets-under-management for ETFs which was approx. Rs 3,800 crores as of September 2010 has grown to over Rs. 1,70,000 crores in February 2020. The primary categories of ETFs in India are: ETFS tracking frontline indices like NIFTY 50, Sensex & NIFTY Bank. In addition, ETF`s designed specifically as part of the government divestment programme like the Bharat 22 & Central Public Sector Enterprises (CPSE) continue to manage significant assets within the ETF space. In all currently the Indian ETF market consists of 80 ETF`s tracking indices across Equity, debt and gold. With the guidelines for Provident Funds being liberalized, ETFs have been the preferred mode for long-term retirement funds to access the equity markets in a hassle free manner. Also, given the ETF market globally has grown significantly over the past few years,

there is a strong case that the size and breadth of the ETF market has a potential go up in India in years to come.

E. Principles of incentive structure for market makers (for ETFs) –
In accordance with the clause 3.6.1.4 of SEBI Master Circular for Mutual Funds, Incentives, if any, to Market Makers shall be charged to the Scheme within maximum permissible limit of TER.

a) Guiding Principles for incentive structure for Market Makers
Incentives to market maker will be linked to performance of the market maker in terms of generating liquidity in units of ETFs. Incentives, if any, to MM shall be charged to the scheme within the maximum permissible limit of Total Expense Ratio ("TER").

b) Determination of incentive for Market maker
It will be determined basis any or all of the below mentioned criteria:

i. It will be based on volume carried out by market maker on the exchange as compared to total volume of respective ETFs on exchange.
ii. Availability of bid & Ask as per the SEBI guidelines
iii. Average Spread between Bid & Ask
iv. Any other performance-based metric

Incentives to market maker shall be at the discretion of the AMC & to be decided between the AMC and the MM which may be variable in nature or fixed amount basis agreed performance standards and will adhere to maximum permissible limit of TER.

All scheme related expenses including commission paid to distributors, by whatever name it may be called and in whatever manner it may be paid, shall necessarily paid from the scheme only within the regulatory limits and not from the books of AMC, its associate, sponsor, trustees or any other entity through any route in terms of SEBI circulars and clarification issued thereon.

F. Floors and ceiling within a range of 5% of the intended allocation against each sub class of asset, as per clause 14.5 of SEBI master circular for mutual funds. (only for close ended debt schemes) – Not Applicable

G. Other Scheme Specific Disclosures:

Listing and transfer of units	**Listing** Being an Exchange Traded Fund, the Units of the Scheme is listed on the NSE, BSE and/or any other Stock exchange(s) within such time as the Exchange may allow or within such time as the Regulations permit. An investor can buy/sell Units on the Exchange during the trading hours like any other publicly traded stock. The AMC has proposed to engage Authorised Participants/Market Makers for creating liquidity for the ETF on the NSE, BSE and/or any other Stock Exchange(s) so that investors other than Authorised Participants/Market Makers and Large Investors are able to buy or redeem units on the NSE, BSE and/or any other Stock Exchange(s) using the services of a stock broker. The AMC may also decide to delist the Units from a particular Exchange, provided that the Units are listed on at least one Exchange. The price of the Units in the market on Exchange will depend on demand and supply and market factors and forces. There is no minimum investment amount for investment through Exchange, although Units dealt in minimum in lot of 1. **Transferability of units:** Units held in Demat form are freely transferable in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time. Transfer can be made only in favor of transferees who are capable of holding units and having a Demat Account. The delivery instructions for transfer of

	units will have to be lodged with the DP in requisite form as may be required from time to time and transfer will be affected in accordance with such rules / regulations as may be in force governing transfer of securities in dematerialized mode. For more details refer to the SAI.
Dematerialization of units SO - 58	The units of the Scheme will be available in dematerialized form only. Investors intending to invest in units of the Scheme are required to have a beneficiary account with the Depository Participant (DP) (registered with NSDL / CDSL as may be indicated by the Fund at the time of launch) and will be required to indicate in the application form the DP's name, DP ID Number and the beneficiary account number of the applicant with the DP at the time of purchasing units directly from the Fund on an ongoing basis in the Creation Unit Size/ above a specified threshold.. The units of the Scheme will be issued, traded and settled compulsorily in dematerialized form.
Minimum Target amount	Rs. 5 crore This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return. However, if AMC fails to refund the amount within 5 business days from date of closure of NFO, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of 5 business days from the date of closure of the NFO.
Maximum Amount to be raised (if any)	Not Applicable
Allotment (Detailed procedure) (During NFO)	Allotment will be made to all applicants in the New Fund Offer provided the applications are complete in all respects and are in order. Application for issue of Units will not be binding on the Fund and may be rejected on account of failure to fulfill the requirements as specified in the application form. Upon allotment, an Allotment Advice will be sent by ordinary post to each unit-holder, stating the number of units allotted, not later than 5 working days from the date of closure of NFO and the units will be credited to the DP account of the applicant as per the details provided in the application form. Any excess amount, if any, would be refunded to the investor. All Units would be allotted in whole numbers and no fractional Units will be allotted. The Scheme will determine the allotment price as follows: No. of Units to be Allotted = Net Assets in the Scheme on the date of allotment 500th of the benchmark Index on the date of Allotment Allotment Price = Amount Collected in the NFO – Refunds on account of application rejections, if any / Number of Units to be allotted in the NFO The allotment price will then be applied to the NFO proceeds collected from each Investor to arrive at the number of Units to be allotted. The Scheme will allot whole Units and balance amount will be refunded. Following is an example of Units allotted during the NFO Period (based on the assumption that the allotment price, is Rs. 59.37):

	Amount of Investment after deduction of transaction charges of Rs. 100/- on application of Rs. 10000/-	Rs. 9,900
	Allotment Price	Rs. 59.74
	Number of Units allotted	units 165*
	Value of Units allotted	Rs. 9857.92
	*Units would be allotted in whole numbers and no fractional Units will be allotted. Excess amount, if any, would be refunded to the Investor.	
Refund	**During NFO:** Fund will refund the application money to applicants whose applications are found to be incomplete, invalid or have been rejected for any other reason whatsoever. Refund instruments will be dispatched within 5 business days of the closure of NFO period. In the event of delay beyond 5 business days, the AMC shall be liable to pay interest at 15% per annum or such other rate of interest as maybe prescribed from time to time. **During Ongoing Offer period:** The AMC will refund the subscription money to applicants whose applications are found to be incomplete, invalid or have been rejected for any other reason whatsoever in accordance with the AMFI best practice guidelines in the matter. The AMC will endeavor to refund such amounts within 5 business days from the date of purchase transactions as per the timestamp / applicable NAV, where the application form / online transaction is received along with the payment and the funds have been realized. Where the subscription amount and the application/ online transaction are received separately, the period of 5 business days shall be reckoned from the later of the date of identifying the remitter details, based on the credit provided by the Bank or receipt and time stamping of application/ online transaction. In the event of delay beyond 5 business days, the AMC in line with AMFI best practice guidelines on the matter, will pay interest at 15% per annum or such other rate of interest as may be prescribed from time to time.	
Who can invest This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is Suitable to their risk profile.	The following persons (subject to, wherever relevant, purchase of units of mutual funds, being permitted under respective constitutions, and relevant statutory regulations) are eligible and may apply for Subscription to the units of the Scheme: 1. Resident adult individuals either singly or jointly (not exceeding three) or on an Anyone or Survivor basis; 2. Hindu Undivided Family (HUF) through Karta; 3. Minor (as the first and the sole holder only) through a natural guardian (i.e. father or mother, as the case may be) or a court appointed legal guardian. There shall not be any joint holding with minor investments; 4. Partnership Firms; 5. Limited liability partnership firms; 6. Proprietorship in the name of the sole proprietor; 7. Companies, Bodies Corporate, Public Sector Undertakings (PSUs.), Association of Persons (AOP) or Bodies of Individuals (BOI) and societies registered under the Societies Registration Act, 1860(so long as the purchase of Units is permitted under the respective constitutions); 8. Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions; 9. Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as "Public Securities" as required) and Private trusts authorised to invest in mutual fund schemes under their trust deeds; 10. Non-Resident Indians (NRIs) / Persons of Indian origin (PIOs))/ Overseas Citizens of India (OCI)residing abroad on repatriation basis or on non-repatriation basis;	

	11. Foreign Portfolio Investor (FPI) registered with SEBI on repatriation basis. These investments shall be subject to the conditions prescribed by SEBI, RBI, Income Tax authorities and the AMC, from time to time; 12. Army, Air Force, Navy and other para-military units and bodies created by such institutions; 13. Scientific and Industrial Research Organisations; 14. Multilateral Funding Agencies / Bodies Corporate incorporated outside India with the permission of Government of India / RBI; 15. Provident/ Pension/ Gratuity Fund to the extent they are permitted; Other schemes of Axis Mutual Fund or any other mutual fund subject to the conditions and limits prescribed by SEBI Regulations; 16. Schemes of Alternative Investment Funds; 17. The Trustee, AMC or Sponsor or their associates may subscribe to Units under the Scheme; 18. Such other person as maybe decided by the AMC from time to time. Subject to SEBI (Mutual Funds) Regulations, 2026, any application for subscription of units may be rejected if the application is found to be incomplete or due to unavailability of underlying security
Who cannot invest	1. Any individual who is a foreign national or any other entity that is not an Indian resident under the Foreign Exchange Management Act, 1999 (FEMA Act) except where registered with SEBI as a FPI or otherwise explicitly permitted under FEMA Act/ by RBI/ by any other applicable authority. 2. Pursuant to RBI A.P. (DIR Series) circular no. 14 dated September 16, 2003, Overseas Corporate Bodies (OCBs) cannot invest in Mutual Funds. 3. NRIs residing in Non-Compliant Countries and Territories (NCCTs) as determined by the Financial Action Task Force (FATF), from time to time. 4. U.S. Persons and Residents of Canada as defined under the applicable laws of U.S. and Canada except the following: a. subscriptions received by way of lump sum / switches / systematic transactions received from Non-resident Indians (NRIs) /Persons of Indian origin (PIO) / Overseas Citizen of India (OCI) who at the time of such investment, are present in India and b. FPIs 5. Such other persons as may be specified by AMC from time to time. These investors need to submit a physical transaction request along with such documents as may be prescribed by the AMC/ the Trustee/ the Fund from time to time. The AMC reserves the right to put the transaction requests on hold/reject the transaction request/reverse allotted units, as the case may be, as and when identified by the AMC, which are not in compliance with the terms and conditions notified in this regard. The Trustee / the AMC /the Fund reserve the right to change/ modify the above provisions at a later date.
How to Apply and other details (where can you submit the filled up applications including purchase/redemption switches be submitted.) SO - 35	During the NFO period the applications filled up and duly signed by the applicants should be submitted at the office of the Collection Centers / ISCs / Official Points of Acceptance, whose addresses are mentioned in the back cover page of the SID. Further, Investors may also apply through Applications Supported by Blocked Amount (ASBA) process during the NFO period of the Scheme by filling in the ASBA form and submitting the same to their respective banks, which in turn will block the amount in the account as per the authority contained in ASBA form, and undertake other tasks as per the procedure specified therein. For complete details and ASBA process, refer SAI. Ongoing Basis Application form and Key Information Memorandum may be obtained from

	the Official Points of Acceptance(OPAs) of AMC or downloaded from the website of AMC viz. www.axismf.com. For name, address and contact no. of Registrar and Transfer Agent (R&T), email id of R&T, website address of R&T, official points of acceptance, collecting banker details etc. refer back cover page. Please note it is mandatory for unitholders to mention their bank account numbers in their applications/requests for redemption. **Please refer to the SAI and Application form for the instructions.**
The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.	Units once redeemed will be extinguished and will not be reissued. The Scheme does not propose to reissue redeemed units. The number of Units held by the Unit holder in his Beneficiary (Demat) account will stand reduced by the number of Units redeemed.
Restrictions, if any, on the right to freely retain or dispose of units being offered.	Units held in Demat form are transferable in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time. Transfer can be made only in favour of transferees who are capable of holding units and have a Demat Account. The delivery instructions for transfer of units will have to be lodged with the DP in requisite form as may be required from time to time and transfer will be affected in accordance with such rules / regulations as may be in force governing transfer of securities in dematerialized mode. The Mutual Fund will not be bound to recognize any other transfer. In case a person (i.e. a transferee) becomes a holder of the units by operation of law or upon enforcement of pledge, then the AMC shall, subject to production of such satisfactory evidence and submission of such documents, proceed to effect the transfer, if the intended transferee is otherwise eligible to hold the units of the Scheme. The units held in demat mode can be pledged and hypothecated as per the provisions of Depositories Act, 1996 and Depositories Rules and Regulations. **Pledge or Hypothecation of Units** The Units held in demat mode can be pledged and hypothecated as per the provisions of Depositories Act and Depositories Rules and Regulations. **Manner of creating pledge or hypothecation:** 1) If a beneficial owner intends to create a pledge on a security owned by him he shall make an application to the depository through the participant who has his account in respect of such securities. 2) The participant after satisfaction that the securities are available for pledge shall make a note in its records of the notice of pledge and forward the application to the depository. 3) The depository after confirmation from the pledgee that the securities are available for pledge with the pledger shall within fifteen days of the receipt of the application create and record the pledge and send an intimation of the same to the participants of the pledger and the pledgee. 4) On receipt of the intimation under Clause (3) the participants of both the pledger and the pledgee shall inform the pledger and the pledgee respectively of the entry of creation of the pledge. 5) If the depository does not create the pledge, it shall send along with the reasons

an intimation to the participants of the pledger and the pledgee.
6) The entry of pledge made under Clause (3) may be cancelled by the depository if pledger or the pledgee makes an application to the depository through its participant.
7) Provided that no entry of pledge shall be cancelled by the depository without prior concurrence of the pledgee.
8) The depository on the cancellation of the entry of pledge shall inform the participant of the pledger.
9) Subject to the provisions of the pledge document, the pledgee may invoke the pledge and on such invocation, the depository shall register the pledgee as beneficial owner of such securities and amend its records accordingly.
10) After amending its records under Clause (8) the depository shall immediately inform the participants of the pledger and pledgee of the change who in turn shall make the necessary changes in their records and inform the pledger and pledge respectively.
11) (a) If a beneficial owner intends to create a hypothecation on a security owned by him he may do so in accordance with the provisions of Clauses (1) to (9).
(b) The provisions of Clauses (1) to (9) shall mutatis mutandis apply in such cases of hypothecation.
Provided that the depository before registering the hypothecatee as a beneficial owner shall obtain the prior concurrence of the hypothecator.
12) No transfer of security in respect of which a notice or entry of pledge or hypothecation is in force shall be effected by a participant without the concurrence of the pledgee or the hypothecatee, as the case may be.

Suspension/Restriction on Redemption of Units of the Scheme
Subject to the approval of the Boards of the AMC and of the Trustee and subject also to necessary communication of the same to SEBI, the redemption of / switch-out of Units of Scheme, may be temporarily suspended/ restricted. In accordance with Para 5.3 of SEBI Master Circular on Mutual Funds as amended from time to time and subject to prevailing regulations, restriction on/suspension of redemptions / switch-out of Units of the Scheme, may be imposed when there are circumstances leading to systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as:

a) **Liquidity issues:** when market at large becomes illiquid affecting almost all securities rather than any issuer specific security;
b) **Market failures, exchange closures:** when markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies;
c) **Operational issues:** when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out).

Restriction on / suspension of redemption of Units of the Scheme may be imposed for a specified period of time not exceeding 10 working days in any 90 days period.

When restriction on / suspension of redemption of Units of the Scheme is imposed, the following procedure shall be applied:
i. No redemption / switch-out requests upto Rs. 2 lakhs shall be subject to such restriction.
ii. Where redemption / switch-out requests are above Rs. 2 lakhs, the AMC shall redeem the first Rs. 2 lakhs without such restriction and remaining part over and above Rs. 2 lakhs shall be subject to such restriction.

In addition to the above, the AMC / Trustee may restrict / suspend redemptions / switch-out of Units of the Scheme pursuant to direction/ approval of SEBI.

In case of any of the above eventualities, the general time limits for processing

	requests for redemption of Units will not be applicable. Also refer to the paragraph 'Suspension of Purchase and Redemption of Units' in the Statement of Additional Information.
Cut off timing for subscriptions/ redemptions/ switches This is the time before which your application (complete in all respects) should reach the official points of acceptance.	**DIRECTLY FROM THE FUND:** The requirement of "cut-off" timing for NAV applicability as prescribed by SEBI from time to time shall not be applicable for direct transaction with AMCs in ETFs by MMs and other eligible investors. In line with SEBI circular dated July 30, 2021 transactions in units the Scheme by Authorized Participants / Market Makers and Large Investors, directly with the AMC, intra-day NAV, based on the executed price at which the securities representing the underlying index are purchased / sold, shall be applicable. The Fund may also allow Cash (through RTGS / Transfer / Cheque) subscription /redemption in creation unit size/ above a specified threshold by Authorised Participants/Market Maker /Large investors /. In line with clause 9.4.4 of SEBI master circular, transactions in units the Scheme by Authorized Participants / Market Makers and Large Investors, directly with the AMC, intra-day NAV, based on the executed price at which the securities representing the underlying index are sold, shall be applicable. **ON THE EXCHANGE:** As the Scheme is listed and traded on the NSE/other stock exchange, the provisions of cut-off time (3 P.M.) is not applicable for secondary market transactions but will be subject to the trading time/restrictions for purchase/sale of units as per the rules and regulations prescribed by the stock exchanges on which they are listed. **Settlement of purchase / sale of Units of the Scheme on NSE and/or any other stock exchange:** Buying/Selling of Units of the Scheme on NSE and/or any other stock exchange is just like buying/selling any other normal listed security. If an investor has bought Units, an investor has to pay the purchase amount to the broker/sub-broker such that the amount paid is realised before the funds pay-in day of the settlement cycle on the Stock Exchange(s). If an investor has sold Units, an investor has to deliver the Units to the broker/sub-broker before the securities pay in day of the settlement cycle on the Stock Exchange(s). The Units (in the case of Units bought) and the funds (in the case of Units sold) are paid out to the broker on the pay-out day of the settlement cycle on the Stock Exchange(s). The Stock Exchange(s) regulations stipulate that the trading member should pay the money or Units to the investor within 24 hours of the pay-out. If an investor has bought Units, he should give standing instructions for 'Delivery-In' to his /her/its DP for accepting Units in his/her/its beneficiary account. An investor should give the details of his/her beneficiary account and the DP-ID of his/her/its DP to his/ her/its trading member. The trading member will transfer the Units directly to his/her/ its beneficiary account on receipt of the same from NSE's and/or any other stock exchange's Clearing Corporation. An investor who has sold Units should instruct his/her/its Depository Participant (DP) to give 'Delivery Out' instructions to transfer the Units from his/her/its beneficiary account to the Pool Account of his/her/its trading member through whom he/she/it have sold the Units. The details of the Pool A/C (CM-BP-ID) of his/her trading member to which the Units are to be transferred, Unit quantity etc. should be mentioned in the Delivery Out instructions given by him/her to the DP. The instructions should be given well before the prescribed securities pay-in day. SEBI has advised that the Delivery Out instructions should be given at least 24 hours prior to the cut-off time for the prescribed securities pay-in to avoid any rejection of instructions due to data entry errors, network problems, etc.

	Rolling Settlement As per the SEBI's circular dated March 4, 2003, the rolling settlement on T+2 basis for all trades has commenced from April 1, 2003 onwards. The Pay-in and Pay-out of funds and the Units will take place within 2 working days after the trading date. The pay-in and pay-out days for funds and securities are prescribed as per the Settlement Cycle. A typical Settlement Cycle of Rolling Settlement is given below: Day Activity T — The day on which the transaction is executed by a trading member T+1 — Confirmation of all trades including custodial trades by 11.00 a.m. T+1 — Processing and downloading of obligation files to brokers/custodians by 1.30 p.m. T+2 — Pay-in of funds and securities by 11.00 a.m. T+2 — Pay out of funds and securities by 1.30 p.m. While calculating the days from the Trading day (Day T), weekend days (i.e. Saturday and Sundays) and bank holidays are not taken into consideration. **Suspension of Trading and Subscription/ Redemption** The trading of Units on NSE, BSE and/or any other Stock Exchange(s) on which the Units are listed will automatically get suspended one Business Day prior to the record date for redemption of Units on Maturity Date. No separate notice will be issued by the AMC informing about Maturity Record Date or Suspension of trading by the stock exchange. However, the Fund reserves the right to change the record date for maturity by issue of suitable notice. The Unit holders whose name(s) appear on the list of beneficial owners as per the Depositories (NSDL/CDSL) on records date shall be entitled to receive redemption proceeds of Units. The AMC shall, at its absolute discretion, announce a date, from which direct Subscription/Redemption of Units of the Scheme shall be suspended ("Mutual Fund Suspension Date") to enable settlement of Units which have been Subscribed /Redeemed directly with the Mutual Fund and to determine the Unit holders of the Scheme as on the Maturity Date to whom Redemption proceeds shall be sent.
Ongoing price for subscription (purchase) /switch-in (from other schemes/plans of the mutual fund) by investors. This is the price you need to pay for purchase/switch-in.	The Scheme has reopened for continuous subscription and redemption from____. **WITH THE MUTUAL FUND:** The Units can be purchased and redeemed directly with the Fund only in Creation Unit size /above a specified threshold on all Business Days, at applicable NAV, subject to applicable load, if any. **AUTHORISED PARTICIPANTS/MARKET MAKERS/LARGE INVESTORS:** Application for subscription of the units of the Scheme directly with the Fund by in Creation Unit Size/above a specified threshold at NAV based prices can be in exchange for Portfolio Deposit and Cash Component. Application for subscription of the units of the Scheme directly with the Fund shall be at NAV based prices by payment of requisite cash as determined by the AMC only by means of Real Time Gross Settlement (RTGS)/ National Electronics Funds Transfer (NEFT) or Funds Transfer Letter/ Transfer Cheque of a bank where the Scheme has a collection account. **OTHER INVESTORS:** Units of the Scheme can be traded (in lots of 1 unit) during the trading hours on all trading days of the stock exchange(s) on which the units are listed.

Ongoing price for redemption (sale) /switch outs (to other schemes/plans of the Mutual Fund) by investors. This is the price you will receive for redemptions/switch outs.	**SUBSCRIPTIONON THE EXCHANGE** As the units of the Scheme are proposed to be listed on NSE/BSE, the investor can buy units on an ongoing basis on the capital market segment of NSE /BSE at the traded prices in a minimum size of 1 unit and in multiples thereof. All categories of Investors may purchase the units through secondary market on any trading day. **DIRECTLY WITH THE FUND:** Ongoing purchases directly from the Mutual Fund would be restricted to Authorized Participants/ Market Makers /Large Investors provided the value of units to be purchased is in Creation Unit Size / above a specified threshold. Authorized Participants/Market Maker/ Large Investors may buy the units on any Business day of the scheme directly from the Mutual Fund by paying applicable transaction handling charges and cash component in cash and by depositing the prescribed basket of securities comprising Nifty Private Bank Index. Units may be allotted only after realization of cheque where the full consideration for creation unit is paid by cheque. In line with clause 9.4.4. of SEBI Master Circular, transactions in units the Scheme by Authorized Participants/Market Makers /Large Investors/Market Maker, directly with the AMC, shall be at intra-day NAV, based on the executed price at which the securities representing the underlying index . The number of Units of the Scheme that Investors can create in exchange of the Portfolio Deposit and Cash Component is on the basis of Creation Unit Size of the Scheme. Units of the Scheme in less than Creation Unit Size cannot be purchased directly with the Fund. The Fund may allow cash Purchases of Units of the Scheme in Creation Unit Size / above a specified threshold by Authorised Participants/Market Makers/ Large Investors. Purchase request for Creation Unit shall be made by such Investors to the Fund/AMC where upon the Fund/ AMC will arrange to buy the underlying portfolio Securities on behalf of the Investor. The Portfolio Deposit and Cash Component will be exchanged for the Units of the Scheme in Creation Unit Size. 'Creation Unit' is fixed number of units of the Scheme, which is exchanged for a basket of shares underlying the Index called the Portfolio Deposit and a Cash Component. Creation Unit Size fixed for AXIS NIFTY Nifty Private Bank ETF is 76000 units and in multiples thereof. The number of units of the Scheme that investors can create in exchange of the Portfolio Deposit and Cash Component is 76000 units and in multiples thereof. AMC / Trustees reserves the right to change the size of Creation of units in order to equate it with marketable lot of the underlying Index. No credit facility would be extended to Authorized Participant// Market Makers or Large investors. Also Authorized participants/ Market Makers or Large investors will get the NAV as and when they bring the Portfolio Deposit/ equivalent amount of cash and Cash Component. In line with clause 9.4.4, of SEBI Master circular, transactions in units of the Scheme by Authorized Participants / Market Makers / Large Investors, directly with the AMC, shall be at Intra-day NAV, based on the executed price at which the securities representing the underlying index are purchased.. Note: a) In addition to the NAV, any person transacting with the fund will have to

<table>
<tr><td></td><td>reimburse charges pertaining to transaction - brokerage, STT, NSDL charges etc.
b) Charges related to transactions payable by the investor is per creation request and will be as determined by the AMC at the time of transaction.
c)Switches are not allowed under the scheme. Units of the Scheme in less than Creation Unit cannot be purchased directly with the Fund.
d)Extension of credit facilities during creation of units would not be allowed.

<table><tr><td>Closing Price of Nifty Nifty Private Bank Index – as on ___</td><td></td></tr><tr><td>Hypothetical NAV (1/100th of Index)</td><td></td></tr><tr><td>Unit Creation Size</td><td>76000</td></tr><tr><td>Portfolio Value</td><td></td></tr><tr><td>Closing Value of Portfolio (Assumed)</td><td></td></tr><tr><td>Cash Component per creation unit size (D-E)</td><td></td></tr></table>
REDEMPTION:

ON THE EXCHANGE:
As the Scheme would be listed on BSE and NSE, the investor can sell units on an ongoing basis on the exchanges at the traded prices in multiples of 1 unit.

DIRECTLY WITH THE FUND:
The Authorized Participants/Market Makers / Large Investor can redeem the units of the Scheme directly with the Mutual Fund only in Creation Unit Size / above a specified threshold at the applicable NAV of the Scheme, subject to exit load, if any. The number of units of the Scheme that authorized participant/ Market Makers or large investor can redeem is 76000 units and in multiples thereafter subject to specified threshold, if applicable. In line with SEBI circular dated 9.4.4. of SEBI Master Circular, transactions in units of the Scheme by Authorized Participants/Market Makers / Large Investors, directly with the AMC, Intra-day NAV, based on the executed price at which the securities representing the underlying index are sold, shall be applicable.</td></tr>
<tr><td>Minimum amount for purchase / redemption / switches</td><td>Refer Section I – Part I for Minimum amount for purchase/redemption/switches.</td></tr>
<tr><td>Accounts Statements

SO - 61</td><td>The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form).

The depositories shall dispatch a monthly consolidated statement with details across all schemes of mutual funds and securities held in dematerialized form across demat accounts and dispatch the same to investors who have opted for delivery via electronic mode (e-CAS) by the 12th day from the month end and to investors who have opted for delivery via physical mode by the 15th day from the month end.
For folios where there are no transactions during the half – year , the depositories shall dispatch a consolidated statement i.e. half-yearly CAS at the end of every six months (i.e. September/ March) to investors that have opted for e-CAS on or before the 18th day of April and October and to investors who have opted for delivery via physical mode by the 21st day of April and October to all investors providing the prescribed details across all schemes of mutual funds and securities held in dematerialized form across demat accounts, if applicable.
For further details, refer SAI.</td></tr>
<tr><td>Redemption</td><td>The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase.

For list of exceptional circumstances refer para 15.3.3 of SEBI Master Circular for</td></tr>
</table>

	Mutual Funds. Investors may kindly note that Units can be redeemed with the fund house only in Creation Unit Size / above a specified threshold, as applicable. For detailed procedure on how to redeem, kindly refer SAI.
Bank Mandate SO - 62	It is mandatory for investors to mention investor's bank account details on the form. Applications without this information are liable to be rejected. The Mutual Fund / AMC reserves the right to hold redemption proceeds in case requisite bank details are not submitted.
Delay in payment of redemption / repurchase proceeds	The Asset Management Company shall be liable to pay interest to the unitholders at rate as specified vide clause 15.4 of SEBI Master Circular for Mutual Funds by SEBI for the period of such delay. The AMC shall pay interest to the Unit holders at 15% or such other rate as may be prescribed by SEBI from time to time, in case the Redemption / Repurchase proceeds are not made within three (3) working Days of the date of Redemption /Repurchase. However, the AMC will not be liable to pay any interest or compensation or any amount otherwise, in case the AMC / Trustee is required to obtain from the Investor / Unit holders verification of identity or such other details relating to Subscription for Units under any applicable law or as may be requested by a Regulatory Agency or any government authority, which may result in delay in processing the application.
Unclaimed Redemption Amount SO - 53	As per Para 15.5 of SEBI Master Circular on Mutual Funds as amended from time to time, the unclaimed Redemption shall be deployed by the Fund in money market instruments and such other instruments/securities as may be permitted from time to time. The investment management fee charged by the AMC for managing such unclaimed amounts shall not exceed 50 basis points. The circular also specifies that investors who claim these amounts during a period of three years from the due date shall be paid at the prevailing NAV. Thus, after a period of three years, this amount can be transferred to a pool account and the investors can claim the said amounts at the NAV prevailing at the end of the third year. In terms of the circular, the onus is on the AMC to make a continuous effort to remind investors through letters to take their unclaimed amounts. The details of such unclaimed amounts shall be disclosed in the annual report sent to the Unit Holders. AMC reserves the right to provide the facility of redeeming Units of the Scheme through an alternative mechanism including but not limited to online transactions on the Internet, as may be decided by the AMC from time to time. The alternative mechanism may also include electronic means of communication such as redeeming Units online through the AMC Website or any other website, etc. The alternative mechanisms would be applicable to only those investors who opt for the same in writing and/or subject to investor fulfilling such conditions as AMC may specify from time to time. Further, according to Para 15.5 of SEBI Master Circular on Mutual Funds as amended from time to time the unclaimed Redemption amounts may be deployed in separate plan of Overnight scheme/Liquid scheme/Money market mutual fund scheme floated by Mutual Funds specifically for deployment of the unclaimed Redemption amounts.
Disclosure w.r.t investment by minors SO - 37	Following is the process for investments made in the name of a Minor through a Guardian: - • Payment for investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian.

	• Mutual Fund will send an intimation to Unit holders advising the minor (on attaining majority) to submit an application form along with prescribed documents to change the status of the account from 'minor' to 'major'. • All transactions / standing instructions / systematic transactions etc. will be suspended i.e. the Folio will be frozen for operation by the guardian from the date of beneficiary child completing 18 years of age, till the status of the minor is changed to major. Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new bank account. • No investments (lumpsum/SIP/ switch in/ STP in etc.) in the scheme would be allowed once the minor attains majority i.e. 18 years of age, till the status of the minor is changed to major.
Procedure for creation and redemption of units of the scheme in Creation Unit Size	**Procedure for creation in Creation Unit Size:** The requisite securities constituting the Portfolio Deposit have to be transferred to the Fund's DP account while the Cash Component has to be paid to the Custodian/AMC. On confirmation of the same by the Custodian/AMC, the AMC will transfer the respective number of units of the Scheme into the investor's DP account. The Fund may, at its discretion allow cash purchases of units of the Scheme in Creation Unit Size /above a specified threshold by Large Investors/Authorised Participants / Market Makers. Purchase request for Creation Unit /above a specified threshold shall be made by such investor to the Fund/AMC where upon the Fund/AMC will arrange to buy the underlying portfolio securities. The portfolio deposit and cash component will be exchanged for the units of the Scheme in Creation Unit Size/ above a specified threshold. The AMC has the right to collect any cost incurred by the AMC in terms of the transaction charges, other incidental charges, the difference between the acquisition cost and closing prices of securities comprising of the Portfolio Deposit of each business day etc. Such costs may be adjusted by allotting proportionately lesser number of units to the investor. The AMC may levy a fee/charges, which may vary from time to time, for providing/arranging this facility. **Procedure for redeeming units of the Scheme in Creation Unit Size:** The Units of the Scheme in less than Creation Unit cannot be redeemed with the Fund. The Authorised Participant / Large Investor/Market Makers would transfer the requisite number of units of the Scheme equaling the creation unit /above a specified threshold, as applicable, to the Fund's designated DP account. The AMC has the right to collect any cost incurred by the AMC in terms of the transaction charges, other incidental charges, the difference between the sales proceeds and closing prices of securities comprising of the Portfolio Deposit of each business day etc. Such costs may be adjusted by redeeming proportionately additional number of units to the investor. Redemption proceeds in the form of basket of securities included in the Nifty Private Bank TRI in the same proportion will be credited to the designated DP account of the Authorised Participant/Large Investor/Market Makers. Any fractions in the number of securities transferable to Authorised Participant/ Market Maker and Large Investor will be rounded off to the lower integer and the value of the fractions will be added to the cash component payable.

	The Fund may, at its discretion, allow cash redemption of the units of the Scheme in Creation Unit Size by Large Investor/Authorised Participant/ Market Makers. Redemption request shall be made by such investor to the Fund whereupon the Fund shall arrange to sell the underlying portfolio of securities on behalf of the investor. The AMC may levy a fee/charges, which may vary from time to time, for providing/arranging this facility. In such a scenario, valid applications received by Mutual Fund upto 3 P.M. will be processed. The redemption request shall be processed on the basis of the closing NAV of the day of receipt of application. In case of redemptions by NRIs, requisite TDS will be deducted from the respective redemption proceeds. Such instances shall be tracked by the AMC on an ongoing basis and in case if any of the above mentioned scenario arises, the same shall be disclosed on the website of the AMC.
Tracking Error & Tracking Difference SO - 10	**Tracking Error** Tracking error is a measure of the difference in returns from the Scheme and the returns from the index. It is computed as the standard deviation of the difference between the daily returns of the underlying benchmark and the NAV of the Scheme on an annualized basis. Tracking error could be the result of a variety of factors including but not limited to: • Delay in the purchase or sale of stocks within the benchmark due to: o Illiquidity in the stock o Delay in realization of sale proceeds • The Scheme may buy or sell the stocks comprising the index at different points of time during the trading session at the then prevailing prices which may not correspond to its closing prices. • The potential for trades to fail, which may result in the Scheme not having acquired the stocks at a price necessary to track the benchmark price. • The holding of a cash position and accrued income prior to distribution of income and payment of accrued expenses. • Disinvestments to meet redemptions, recurring expenses etc. • Execution of large buy / sell orders • Transaction cost and recurring expenses • Delay in realization of Unit holders' funds • Levy of margins by exchanges The Scheme will endeavor to minimize the tracking error by: • Rebalancing of the portfolio. • Setting off of incremental subscriptions against redemptions. • Use of derivatives for portfolio rebalancing and efficient portfolio management The tracking error i.e. the annualised standard deviation of the difference in daily returns between underlying Index and the NAV of the Scheme based on past one year rolling over data (For the Scheme in existence for a period of less than one year, annualized standard deviation shall be calculated based on available data) shall not exceed 2% or as may be prescribed by regulations from time to time. **Tracking Difference** Tracking difference i.e. the annualized difference of daily returns between the index and the NAV of the Scheme shall be disclosed on the website of the AMC and AMFI, on a monthly basis, for tenures 1 year, 3 year, 5 year, 10 year and since the date of allotment of units.
Role of Authorized Participant / Market Makers	The role of Authorized Participants / Market Makers is to offer liquidity of the units of the Scheme on the Stock Exchange where the Units are listed. AMC will empanel at least two Authorised Participants/Market Makers. Authorised Participants / Market

	Makers may offer to buy and sell quotes (bid and ask quotes) on the Exchanges such that buy and sell orders get executed in the market subject to price compatibility. Authorised Participants/Market Makers may for the purpose of creating liquidity subscribe or redeem the units of the Scheme directly with the Mutual Fund. The AMC will empanel the Authorized Participants/ Market Makers at the time of launch of the Scheme. The AMC reserves right to appoint / remove any Authorised Participants/ Market Makers.
Liquidity window for Investors of all Exchange Traded Funds	Investors can directly approach the AMC for redemption of units of ETFs, for transaction of upto INR 25 Cr. without any exit load, in case of the following scenarios: 1. Traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7 continuous trading days, or 2. No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or 3. Total bid size on the exchange is less than half of creation units size daily, averaged over a period of 7 consecutive trading days. In case of the above scenarios, applications received from investors for redemption up to 3.00 p.m. on any trading day, shall be processed by the AMC at the closing NAV of the day. The above instances shall be tracked by the AMC on a continuous basis and in case if any of the above mentioned scenario arises, the same shall be disclosed on the website of AMC.
Rounding Off	While allotting the Units, based on the Allotment Price, the number of Units may be rounded off to the nearest whole number on the lower side if the trustees feel so, with a view to avoid creation of fractional units. The amount due to rounding off may be refunded to the investor.
Any other disclosure in terms of Consolidated Checklist on Standard Observations	Nil

III. Other Details

A. In case of Fund of Funds Scheme, Details of Benchmark, Investment Objective, Investment Strategy, TER, AUM, Year wise performance, Top 10 Holding/ link to Top 10 holding of the underlying fund should be provided – Not Applicable

B. Periodic Disclosures

Monthly and Half yearly Disclosures: Portfolio / Financial Results	The AMC will disclose the portfolio of the Scheme (alongwith ISIN) on fortnightly and, Monthly on the website of the Mutual Fund and AMFI within 5 days of every fortnight, 10 days from the close of each month respectively in a user-friendly and downloadable spreadsheet format. Further, The AMC shall send monthly/fortnightly statements of scheme portfolio to unitholders whose email addresses are registered via email within the timelines specified. The AMC shall also provide a link to investors to their registered mail to enable the investor to directly view/download only the portfolio of Schemes subscribed by the respective investor, along with the scheme risk-o-meter, name of

	benchmark and risk-o-meter of benchmark. The AMC shall issue a notification on its website, the hosting of the monthly/fortnightly statement of its scheme's portfolios on its respective website and on the website of AMFI. The investors can obtain a physical copy of the statement of its scheme portfolio, without charging any cost, on specific request received from a unit holder. The AMC will also provide a dashboard, in a comparable, downloadable (spreadsheet) and machine readable format, providing performance and key disclosures like Scheme's AUM, investment objective, expense ratios, portfolio details, scheme's past performance etc, on website. For details, please refer our website: https://www.axismf.com/statutory-disclosures
Half Yearly Results	The Mutual Fund shall within one month from the close of each half year, that is on 31st March and on 30th September, host a soft copy of its unaudited financial results on the website of the AMC and AMFI. The unaudited financial results will also be displayed on the website of the AMC and AMFI. For details, please refer our website: https://www.axismf.com/statutory-disclosures
Annual Report	The scheme wise annual report, in machine readable format, shall be hosted on the website of the AMC and on the website of AMFI. The AMC shall e-mail the scheme annual reports or abridged summary thereof, in machine readable formats, to all such unit holders, whose email addresses are registered with the Mutual Fund, within 4 months from the date of closure of the relevant financial year. The AMC shall send an email/SMS to all unitholders regarding the hosting of scheme wise annual report on their website and on the website of AMFI. Further, AMC shall provide a physical copy of the abridged summary of the Annual Report, on a specific request received from a unitholder. For details, please refer our website: https://www.axismf.com/statutory-disclosures
Risk-o-meter and Benchmark Risk-o-meter SO - 38	The AMC shall review Risk-o-meters on a monthly basis based on evaluation of risk level of Scheme's month end portfolio. Any change in risk-o-meter of the scheme or its benchmark shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders of that particular scheme. Investors may also refer to the website/portfolio disclosure for the latest Risk-o-meter of the Scheme
Scheme Summary Document	The AMC has provided on its website Scheme Summary Document which is a standalone scheme document for all the Schemes which contains all the details of the Scheme viz. Scheme features, Fund Manager details, investment details, investment objective, expense ratios, portfolio details, etc. For details, please refer our website: https://www.axismf.com/statutory-disclosures
Tracking Error and Tracking Difference SO - 39	**Tracking Error –** The tracking error based on past one year rolling data, on a daily basis shall be disclosed on the website of AMC (www.axismf.com) and of the Association of Mutual Funds in India - AMFI (www.amfiindia.com) **Tracking Difference –** the ETF Scheme shall also disclose the tracking difference i.e. the annualized difference of daily returns between the underlying index and the NAV of the ETF shall also be disclosed on the website of the AMC and AMFI, on a monthly basis, for tenures 1 year, 3 year, 5 year, 10 year and since the date of allotment of units.

Disclosure Norms as per para 4.5.6 SEBI Master Circular for mutual fund	The ETF shall disclose the following on monthly basis: I. Name and exposure to top 7 issuers and stocks respectively as a percentage of NAV of the scheme II. Name and exposure to top 7groups as a percentage of NAV of the scheme. III. Name and exposure to top 4 sectors as a percentage of NAV of the scheme. Change in constituents of the index, if any, shall be disclosed on the AMC website (i.e. www.axismf.com/) on the day of change.
Any disclosure in terms of consolidated checklist of standard observations	Nil

C. Transparency/NAV Disclosure SO – 41 & 42

The AMC will calculate and disclose the first NAV of the Scheme within a period of 5 Business days from the date of allotment under the NFO. Subsequently, the AMC will calculate and disclose the NAVs on all Business Days. The AMC shall update the NAVs on its website (www.axismf.com) and of the Association of Mutual Funds in India - AMFI (www.amfiindia.com) before 11.00 p.m. on every Business Day. In case NAVs are not disclosed before the commencement of business hours on the following day due to any reason, Mutual Funds shall issue a press release giving reasons for the delay and explain when they would be able to publish the NAVs.Indicative NAV (iNAV) is the per unit NAV based on the current market value of its portfolio during the trading hours of the ETF. AMC will update the Indicative NAV periodically on its website and on Stock Exchange(s) (where units are listed and traded) within a maximum time lag of 15 seconds from underlying market. However, disclosure of Indicative NAV will be subject to availability of relevant services like receipt of index value, technological feasibility and other input requirements with respect to uploading of Indicative NAV on AMC's website. Indicative NAV will not have any bearing on the creation or redemption of units directly with the Fund by the Authorized Participants / Market Makers and Large Investors.

Information regarding NAV can be obtained by the Unit holders / Investors by calling or visiting the nearest ISC.

D. Transaction charges and stamp duty-

Transaction Charges: Not Applicable

Stamp Duty
Pursuant to Notification No. S.O. 1226(E) and G.S.R. 226(E) dated March 30, 2020 issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019, stamp duty @0.005% of the transaction value would be levied on applicable mutual fund transactions.

Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase transactions (including IDCW reinvestment) to the unitholders would be reduced to that extent.

For further details on Stamp Duty, please refer SAI.

E. Associate Transactions- Please refer to Statement of Additional Information (SAI)

F. Taxation-

Taxation of Equity-Oriented Mutual Funds (Rates applicable for the Tax Year 2026-27)

This document primarily covers taxation of units of equity oriented mutual funds (Refer Note 2). The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors / authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.

Notes –

1. Axis Mutual Fund is a Mutual Fund registered with the Securities & Exchange Board of India and

Particulars	Taxability in the hands of Individuals / Non-corporates / Corporates	
	Resident	**Non-Resident**
Tax on distributed income	Taxed in the hands of unit holders at applicable rate under the provisions of the Income-tax Act, 2025 ("Act") (plus applicable surcharge and health and education cess) (Refer Note 3)	Taxed in the hands of unit holders at the rate of 20% u/s 207/ 210 of the Act (plus applicable surcharge and health and education cess)
Capital Gains		
Long Term Capital Gains: (Held for a period of more than 12 Months)	12.5% (plus applicable surcharge and health and education cess) without indexation (Refer Note 7)	12.5% (plus applicable surcharge and health and education cess) without indexation (Refer Note 7)
Short Term Capital Gains (Held for a period of 12 months or less)	20% (plus applicable surcharge and health and education cess)	20% (plus applicable surcharge and health and education cess)

hence the entire income of the Mutual Fund will be exempt from income tax in accordance with the provisions of section 11 read with Schedule VII, Table Sl. No. 20 of the Act.

2. An equity-oriented fund has been defined as:

   a) In case where the fund invests a minimum of 90% of the total proceeds in units of another fund, which is traded on recognized stock exchange, and such other fund also invests a minimum of 90% of its total proceeds in the equity shares of domestic companies listed on a recognized stock exchange; and
   b) In any other case, a minimum of 65% of the total proceeds of such fund is invested in the equity shares of domestic companies listed on a recognized stock exchange,

   and, for the purposes of this clause, the percentage of equity shareholding or unit held in respect of the fund, shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.
3. Applicable rates for individual, corporates and non-corporates are as under:

Particulars	Income slab	Rate of tax
Individual/ Hindu Undivided Family (HUF)/ AOP/ BOI#	Where total income for a tax year (April to March) is less than or equal to Rs 2,50,000* (the basic exemption limit)	Nil
	Where such total income is more than Rs 2,50,000* but is less than or	5% of the amount by which the total income exceeds Rs 2,50,000*

	equal to Rs 5,00,000	
	Where such total income is more than Rs 5,00,000* but is less than or equal to Rs 10,00,000	Rs 12,500 plus 20% of the amount by which the total income exceeds Rs 5,00,000*
	Where such total income is more than Rs 10,00,000	Rs 1,12,500 plus 30% of the amount by which the total income exceeds Rs 10,00,000
Co-operative society	Where total income for a tax year (April to March) is less than or equal to Rs 10,000	10% of the total income
	Where such total income is more than Rs 10,000 but is less than or equal to Rs 20,000	Rs 1,000 plus 20% of the amount by which the total income exceeds Rs 10,000
	Where the total income exceeds Rs 20,000	Rs 3,000 plus 30% of the amount by which the total income exceeds Rs 20,000
Co-operative society availing concessional tax rate benefit (subject to prescribed conditions) under section 203 of the Act	22%	
Co-operative society availing concessional tax rate benefit (subject to prescribed conditions) under section 204 of the Act	15%	
Domestic Corporate (where the total turnover or gross receipts of such company for tax year 2024-25 exceeds Rs 400 crores)/ Partnership firm/ LLP/ Local authority/ FPIs	30%	
Domestic company, where the total turnover or gross receipts of such company for tax year 2024-25 does not exceed Rs 400 crores	25%	

Domestic company availing concessional tax rate benefit (subject to prescribed conditions) under section 200 of the Act	22%
Domestic company engaged solely in the business of manufacture/ production and availing concessional tax rate benefit (subject to prescribed conditions) under section 201 of the Act	15%
AOP/ BOI	30% or such higher rate of tax applicable to the individual members of the AOP/ BOI
Foreign Corporates	35%
FPIs	30%

*In case of resident individuals of age 60 years or more, but less than 80 years, the basic exemption limit is Rs 3,00,000. Income between Rs 3,00,000 and Rs 500,000 will be taxable at the rate of 5%.

In case of resident individuals of age 80 years or more, the basic exemption limit is Rs 5.00,000. Income exceeding Rs 5,00,000 but less than or equal to Rs 10,00,000 will be taxable at the rate of 20%.

#Section 202 of the Act provides individuals and HUFs to pay tax in respect of their total income at the following rates (default regime):

Income slab	Tax rate
Where total income for a tax year (April to March) is less than or equal to Rs 4,00,000 (the basic exemption limit)	Nil
Where such total income is more than Rs 4,00,000 but is less than or equal to Rs 8,00,000	5% of the amount by which the total income exceeds Rs 4,00,000
Where such total income is more than Rs 8,00,000 but is less than or equal to Rs 12,00,000	Rs 20,000 plus 10% of the amount by which the total income exceeds Rs 8,00,000
Where such total income is more than Rs 12,00,000 but is less than or equal to Rs 16,00,000	Rs 60,000 plus 15% of the amount by which the total income exceeds Rs 12,00,000
Where such total income is more than Rs 16,00,000 but is less than or equal to Rs 20,00,000	Rs 1,20,000 plus 20% of the amount by which the total income exceeds Rs 16,00,000
Where such total income is more than	Rs 2,00,000 plus 25% of the amount by which

Rs 20,00,000 but is less than or equal to Rs 24,00,000	the total income exceeds Rs 20,00,000
Where such total income is more than Rs 24,00,000	Rs 3,00,000 plus 30% of the amount by which the total income exceeds Rs 24,00,000

Further, as per the section 156 of the Act, the threshold of total income for claiming the rebate under concessional tax regime (i.e. default regime) in case of resident individual is Rs 12,00,000 and the limit of rebate is Rs 60,000. However, the said rebate is not available on incomes chargeable to tax at special rates (for eg. capital gains under section 196, 197, etc.).

4. Surcharge at the following rate to be levied in case of individual /HUF /non-corporate non-firm unit holders for equity oriented mutual fund:

Income	**Individual /HUF / non-corporate non-firm unit holders**
(a) Above Rs 50 lakh upto 1 crore (including dividend income and capital gains income under section 196, 197 and 198 of the Act)	10%
(b) Above Rs 1 crore upto Rs 2 crores (including dividend income and capital gains income under section 196, 197 and 198 of the Act)	15%
(c) Above Rs 2 crores upto Rs 5 crores [excluding dividend income (dividend received from domestic companies only) and capital gains income under section 196, 197 and 198 of the Act)	25%
(d) Above Rs 5 crores [excluding dividend income (dividend received from domestic companies only) and capital gains income under section 196, 197 and 198 of the Act)	37%*
(e) Above Rs 2 crores [including dividend income (dividend received from domestic companies only) and capital gains income under section 196, 197 and 198 of the Act)] but not covered in point (c) and (d) above	15%

*Surcharge rate shall not exceed 25% in case of individual and HUF pays tax under section 202 of the Act.

5. Surcharge rates for Companies/ firm

Total Income	**Rate of Surcharge for Domestic companies***	**Rate of Surcharge for Foreign Companies**
Above Rs 1 crore upto Rs 10 crores	7%	2%
Above Rs 10 crores	12%	5%

*Surcharge rate shall be 10% in case domestic companies opting for taxation at lower tax rate (viz. 15% or 22%) under section 200 and section 201 of the Act on any income earned.

In case of firm with total income exceeding Rs 1 crore, surcharge rate shall be 12%.

6. Health and Education cess at 4% on aggregate of base tax and surcharge.

7. As per section 198 of the Act, long-term capital gains, exceeding Rs 1,25,000, arising from transfer of equity oriented mutual funds, shall be chargeable at the rate of 12.5%% (plus applicable surcharge and health and education cess).

8. The Scheme will attract securities transaction tax (STT) at 0.001% on the redemption value.

9. Withholding of Taxation by Mutual Fund will as per applicable withholding tax rate.

10. All the above non-resident investors may also claim the tax treaty benefits available, if any.

For further details on taxation please refer to the clause on Taxation in the SAI

G. Rights of Unitholders- Please refer to SAI for details.

H. List of official points of acceptance: For Details of official points of acceptance, please refer our websitehttps://www.axismf.com/statutory-disclosures/
https://www.axismf.com/1/5/464/537/545/546/OPA_List_SID_08_04_2026.pdf

I. Penalties, Pending Litigation or Proceedings, Findings of Inspections or Investigations For Which Action May Have Been Taken Or Is In The Process Of Being Taken By Any Regulatory Authority

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For details, please refer our website:
https://www.axismf.com/1/5/464/537/543/Extract_Litigations.pdf

The Scheme under this Scheme Information Document was approved by the Trustee Company on April 17, 2026. The Trustee has ensured that the Scheme is a new product offered by Axis Mutual Fund and is not a minor modification of its existing schemes. Further, the Trustee granted its approval for the listing the Units of the Scheme in dematerialized form. It is ensured by the Trustee that the Scheme has received in-principle approval for listing from National Stock Exchange of India Ltd. NSE/LIST/6093 dated June 09, 2026 and BSE Limited LO/IPO/PJ/MF/IP/35/2026-27 dated June 9, 2026 and that the appropriate disclosures pertaining to listing of Units is made in this Scheme Information Document.

Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 2026 and the guidelines there under shall be applicable.

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For and on behalf of
Axis Asset Management Company Limited
Sd/-
Gop Kumar Bhaskaran
Managing Director & Chief Executive Officer

Date: _____

Axis Asset Management Company Limited (Investment Manager to Axis Mutual Fund)
One Lodha Place, 22nd & 23rd Floor, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra, Pin Code – 400013

TEL 022 6311 1001 and contact number 8108622211 (Chargeable) EMAIL customerservice@axismf.com WEB www.axismf.com

Axis Bank Ltd. is not liable or responsible for any loss or shortfall resulting from the operation of the scheme.

Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.