



**SCHEME INFORMATION DOCUMENT**

**Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF FOF**

(An Open ended Target Maturity Fund of Fund Scheme investing in units of Axis AAA Bond Plus SDL ETF - 2026 Maturity)

This product is suitable for investors who are seeking*:	Scheme Risk-o-meter	Benchmark Risk-o-meter
<ul style="list-style-type: none"> <li>Income over long term</li> <li>Investments in units of Axis AAA Bond Plus SDL ETF - 2026 Maturity ETF, an open ended Target Maturity ETF investing predominantly in constituents of Nifty AAA Bond Plus SDL Apr 2026 50:50 Index.</li> </ul>	 <p align="center">Investors understand that their principal will be at low to moderate risk</p>	 <p align="center">Nifty AAA Bond Plus SDL Apr 2026 50:50 Index</p>

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

Continuous offer for Units at NAV based prices

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 <a href="http://www.axismf.com">www.axismf.com</a>
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 1996, (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](http://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 November 28, 2024.**

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**SECTION I**
**Part I. HIGHLIGHTS/SUMMARY OF THE SCHEME**

Sr. No.	Title	Description
I.	<b>Name of the scheme</b>	Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF FOF ('The Scheme')
II.	<b>Category of the Scheme</b>	Fund of Funds - Domestic
III.	<b>Scheme type</b>	An Open ended Target Maturity Fund of Fund Scheme investing in units of Axis AAA Bond Plus SDL ETF - 2026 Maturity
IV.	<b>Scheme code</b>	AXIS/O/O/FOD/21/09/0057
V.	<b>Investment objective</b>	To invest in units of Axis AAA Bond Plus SDL ETF - 2026 Maturity ETF, an open-ended Target Maturity Exchange Traded Fund with objective to replicate Nifty AAA Bond Plus SDL Apr 2026 50:50 Index by investing in bonds of issuers rated AAA and state development loans (SDL), subject to tracking errors.  There is no assurance that the investment objective of the Scheme will be achieved.
VI.	<b>Liquidity/listing-details</b>	The Scheme offers Units for Subscription and Redemption at NAV based prices on all Business Days. Under normal circumstances the AMC shall dispatch the redemption proceeds three (3) working days from 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.
VII.	<b>Benchmark (Total Return Index)</b>	<b>Benchmark:</b> Nifty AAA Bond Plus SDL Apr 2026 50:50 Index  <b>Justifications of Benchmark:</b> The fund aims to invest in an ETF which aims to generate returns before expenses that closely correspond to the total returns of the Nifty AAA Bond Plus SDL Apr 2026 50:50 Index subject to tracking errors. Hence the benchmark.  <b>Tier 2 Benchmark:</b> Not Applicable  The Trustee/AMC reserves the right to change the benchmark for the evaluation of the performance of the Scheme from time to time, keeping in mind the investment objective of the Scheme and the appropriateness of the benchmark, subject to SEBI guidelines and other prevalent guidelines.
VIII.	<b>NAV disclosure</b>	By 10.00 a.m. on the next Business Day on AMC (www.axismf.com) and AMFI website.  Further Details in Section II.
IX.	<b>Applicable timelines</b>	Timeline for <b>Dispatch of redemption proceeds:</b> 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.

		<p><b>Payment of Redemption Proceeds</b> The AMC shall dispatch the Redemption proceeds within 3 Working Days from the date of receipt of request from the unit holder.</p> <p>The redemption proceeds on maturity of the Scheme shall be dispatched within 3 working Days from the Maturity Date.</p> <p><b>Dispatch of IDCW:</b> The warrants/cheque/demand draft shall be dispatched to the Unit holders within 7 working from the record date.</p> <p><b>Tenure of the Scheme</b> Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF FOF is an open ended Target Maturity Fund of Fund Scheme investing in Axis AAA Bond Plus SDL Apr – 2026 ETF Maturity.</p> <p>As a function of the underlying investments of the Scheme, the maturity of the Scheme will follow the maturity profile of the underlying ETF. In line with maturity profile of the underlying ETF, the maturity of the Scheme is expected to be no greater than 4.5 years from the date of allotment (“Maturity Date”). The maturity of the underlying ETF &amp; Scheme will therefore decline over time up to the Maturity Date.</p> <p>Details of the Maturity Date of the Scheme will be published in one national English daily newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated.</p> <p>The Unit holders holding units in demat mode, whose name(s) appear on the list of beneficial owners as per the Depositories (NSDL/CDSL) on Record Date shall be entitled to receive redemption proceeds of Units. Record date will be two Business Days prior to the date for redemption of Units on Maturity Date. No separate notice will be issued by the AMC informing about Maturity Record Date. However, the Fund reserves the right to change the record date for maturity by issue of suitable notice.</p>				
<b>X.</b>	<b>Plans and Options</b> Plans/Options and sub options under the Scheme	<p><b>Plans</b> Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF FOF - Regular Plan Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF FOF - Direct Plan</p> <p><b>Options under each Plans</b> Each plan offers the following options: Growth option Income Distribution cum Capital Withdrawal (IDCW) – (Payout and Reinvestment facility)</p> <table border="1" data-bbox="528 1693 1385 1765"> <thead> <tr> <th>Options</th> <th>Sub-options/Facility</th> </tr> </thead> <tbody> <tr> <td>Growth</td> <td>Nil</td> </tr> </tbody> </table> <p>If IDCW payable under IDCW Payout option is equal to or less than Rs. 500/- then the IDCW would be compulsorily reinvested in the option of the Scheme.</p> <p><b>Regular Plan</b> Regular Plan is available for investors who purchase /subscribe Units in a</p>	Options	Sub-options/Facility	Growth	Nil
Options	Sub-options/Facility					
Growth	Nil					

		<p>Scheme through a Distributor.</p> <p><b>Direct Plan</b> Direct Plan is only for investors who purchase/ subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor.</p> <p><b>Eligible investors / modes for applying</b> All categories of investors (whether existing or new Unitholders) as permitted under the Scheme Information Document of the Scheme are eligible to subscribe under Direct Plan. Investments under Direct Plan can be made through various modes offered by the Fund for investing directly with the Fund {except Platform(s) where investors' applications for subscription of units are routed through Distributors}.</p> <p>All the plans will have a common portfolio.</p> <p><b>Default Option/Facility</b> The investor must clearly specify his choice of option/facility. In the absence of such clear instruction, it will be assumed that the investor has opted for 'default' option / facility and the application will be processed accordingly. The default plan/ option / facility are:</p> <p><b>Default Option:</b> Growth <b>Default Facility:</b> IDCW Re-investment facility (between IDCW Re-investment and IDCW Payout facility).</p> <p>For detailed disclosure on default plans and options, kindly refer SAI.</p>
XI.	<b>Load Structure</b>	<p><b>Entry Load: Not Applicable</b> Para 10.4 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.</p> <p><b>Exit Load:</b> Nil</p> <p>For more details on Load Structure, please refer paragraph "Load Structure".</p>
XII.	<b>Minimum Application Amount/switch in</b>	<p><b><u>On Continuous basis</u></b> <b><u>Minimum Application Amount/switch in</u></b> Rs. 5,000 and in multiples of Re. 1/- thereafter</p> <p>Minimum application amount is applicable at the time of creation of new folio and at the time of first investment in a plan.</p>
XIII.	<b>Minimum Additional Purchase Amount</b>	Rs. 1,000 and in multiples of Re. 1/- thereafter
XIV.	<b>Minimum Redemption/switch out amount</b>	There will be no minimum redemption criterion.
XV.	<b>New Fund Offer Period</b>	<p>This section does not apply to the Scheme as it has already been launched.</p> <p>The New Fund Offer opened on September 30, 2021 and closed on</p>

		<p>October 13, 2021. The units under the Scheme were allotted on October 18, 2021.</p> <p>The Scheme is now available for Subscription and Redemption at NAV based prices on all Business Days.</p>
<b>XVI.</b>	<b>New Fund Offer Price</b>	<p>This section does not apply to the Scheme as it has already been launched.</p> <p>The Scheme is now available for Subscription and Redemption at NAV based prices on all Business Days.</p>
<b>XVII.</b>	<b>Segregated portfolio/ side pocketing disclosure</b>	<p>The Scheme has the provision for Segregated portfolio/ side pocketing disclosure. For Details, kindly refer SAI.</p>
<b>XVIII.</b>	<b>Swing pricing disclosure</b>	<p>The Scheme does not have provision for swing pricing.</p>
<b>XIX.</b>	<b>Stock lending/short selling</b>	<p>The Scheme does not have provision for Stock lending/short selling.</p>
<b>XX.</b>	<b>How to Apply</b>	<p>Investors can undertake transactions in the Schemes of Axis Mutual Fund either through physical, online / electronic mode or any other mode as may be prescribed from time to time.</p> <p><b>Physical Transactions</b> 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. <a href="http://www.axismf.com">www.axismf.com</a>.</p> <p><b>Online / Electronic Transactions</b> Investors can undertake transactions via electronic mode through various online facilities offered by Axis AMC / other platforms specified by AMC from time to time.</p> <p>For further details of online / electronic mode please refer SAI.</p>
<b>XXI.</b>	<b>Investor services</b>	<p><b>Contact details for general service requests and complaints:</b> 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) 6649 6100 (at local call rate for enquiring at AMC ISC's) or email – <a href="mailto:customerservice@axismf.com">customerservice@axismf.com</a>. 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.</p> <p><b>Investor Relations Officer:</b> Mr. C P Sivakumar Nair Address : Axis Asset Management Company Ltd. One Lodha Place, 22nd &amp; 23rd Floor, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra, Pin Code – 400013 Phone no.: (022) 6649 6102</p> <p>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.</p>

XXII	<b>Specific attribute of the scheme</b>	Not Applicable																														
XXIII	<b>Special product/facility available during the NFO and on ongoing basis</b>	<p>The facilities offered under the Scheme are as follows:</p> <p>A. SYSTEMATIC INVESTMENTS</p> <ol style="list-style-type: none"> <li>1) Systematic Investment Plan (SIP)</li> <li>2) Systematic Investment Plan (SIP) Switch Facility</li> <li>3) Systematic Investment Plan (SIP) Top-Up Facility</li> <li>4) Systematic Investment Plan (SIP) Pause/Un pause facility</li> </ol> <p>B. SYSTEMATIC TRANSFERS</p> <ol style="list-style-type: none"> <li>1) SYSTEMATIC TRANSFER PLAN</li> <li>2) FLEX - SYSTEMATIC TRANSFER PLAN ("FLEX STP")</li> </ol> <p>C. SYSTEMATIC WITHDRAWAL PLAN (SWP)</p> <p>D. SWITCHING OPTIONS</p> <ol style="list-style-type: none"> <li>1) Inter – Scheme Switching option</li> <li>2) Intra –Scheme Switching option</li> </ol> <p>E. ONLINE SCHEDULE TRANSACTION FACILITY</p> <p>The details pertaining to Frequency / Minimum installments / Minimum amount of SIP / SWP / STP are as follows:</p> <p><b>1. Systematic Investment Plan</b></p> <p>Investors shall have an option of choosing any date of the Month from 1st to 28th or last date of the Month as his SIP date. Minimum amount and minimum installments for monthly frequency under SIP Facility is as follows:</p> <table border="1" data-bbox="512 1171 1465 1272"> <thead> <tr> <th>Frequency under SIP Facility</th> <th>Minimum Installments</th> <th>Minimum SIP amount</th> </tr> </thead> <tbody> <tr> <td>Monthly</td> <td>6 Installments</td> <td>Rs. 1,000/- and in multiple of Re. 1/-</td> </tr> </tbody> </table> <p><b>2. Systematic Transfer Plan</b></p> <p>Investors can opt for the Systematic Transfer Plan by investing a lumpsum amount in one scheme of the Fund and providing a standing instruction to transfer sums at following intervals into any other scheme (as may be permitted by the Scheme Information Document of the respective schemes) of the Fund.</p> <table border="1" data-bbox="512 1534 1465 1774"> <thead> <tr> <th>STP Frequency</th> <th>Cycle Date</th> <th>Minimum Amount* (in Rs.)</th> <th>Minimum Installment</th> </tr> </thead> <tbody> <tr> <td>Daily</td> <td>Monday To Friday</td> <td>1,000/-</td> <td>6</td> </tr> <tr> <td>Weekly</td> <td>Monday To Friday</td> <td>1,000/-</td> <td>6</td> </tr> <tr> <td>Fortnightly</td> <td>Alternate Wednesday</td> <td>1,000/-</td> <td>6</td> </tr> <tr> <td>Monthly</td> <td>1<sup>st</sup>, 7<sup>th</sup>, 10<sup>th</sup>, 15<sup>th</sup> or 25<sup>th</sup></td> <td>1,000/-</td> <td>6</td> </tr> <tr> <td>Quarterly</td> <td>1<sup>st</sup>, 7<sup>th</sup>, 10<sup>th</sup>, 15<sup>th</sup> or 25<sup>th</sup></td> <td>3,000/-</td> <td>2</td> </tr> </tbody> </table> <p><b>3. Systematic Withdrawal Plan</b></p> <p>There are five options available under SWP viz. Weekly option, Monthly option, quarterly option, Half Yearly and Yearly option. The details of which are given below:</p>	Frequency under SIP Facility	Minimum Installments	Minimum SIP amount	Monthly	6 Installments	Rs. 1,000/- and in multiple of Re. 1/-	STP Frequency	Cycle Date	Minimum Amount* (in Rs.)	Minimum Installment	Daily	Monday To Friday	1,000/-	6	Weekly	Monday To Friday	1,000/-	6	Fortnightly	Alternate Wednesday	1,000/-	6	Monthly	1 <sup>st</sup> , 7 <sup>th</sup> , 10 <sup>th</sup> , 15 <sup>th</sup> or 25 <sup>th</sup>	1,000/-	6	Quarterly	1 <sup>st</sup> , 7 <sup>th</sup> , 10 <sup>th</sup> , 15 <sup>th</sup> or 25 <sup>th</sup>	3,000/-	2
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			<b>Weekly Option</b>	<b>Monthly Option</b>	<b>Quarterly Option</b>	<b>Half Yearly Option</b>	<b>Yearly Option</b>
		Minimum value of SWP	Rs. 1,000/-				
		Additional amount in multiples of	Re.1				
		Dates of SWP Installment	Any Business Day	1/5/10/15/25*			
		Minimum No. of SWP	Five	Six	Four	Four	Two
		<p>* In the event that such a day is a holiday, the withdrawals would be affected on the next business day.</p> <p><b>SYSTEMATIC TRANSACTION REGISTRATION &amp; END DATE</b> SIP/STP/SWP Registrations under the Scheme will be allowed only upto 30th September 2025.</p> <p>If the SIP/STP (in &amp; out)/SWP period is not specified by the unit holder then the SIP/STP/SWP enrolment will be deemed to be for instalment due upto last one month before maturity of the Scheme and processed accordingly. For example if the maturity date of the Scheme is May 10, 2026, the SIP tenure will be upto April 10, 2026.</p> <p>For further details of special products / facilities / Modes of Transactions, kindly refer SAI.</p>					
<b>XXIV.</b>	<b>Weblink</b>	<ul style="list-style-type: none"> <li>• <b>TER for last 6 months / Daily TER:</b> For details, please refer our website: <a href="https://www.axismf.com/total-expense-ratio">https://www.axismf.com/total-expense-ratio</a></li> <li>• <b>Scheme factsheet:</b> For details, please refer our website: <a href="https://www.axismf.com/downloads">https://www.axismf.com/downloads</a></li> </ul>					

### 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 references to SEBI Master Circular would refer to SEBI Master Circular for Mutual Funds dated June 27, 2024 as amended from time to time.



**DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY**

It is confirmed that:

- (i) The Scheme Information Document submitted to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
- (ii) All legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
- (iii) The disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the Scheme.
- (iv) The intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.
- (v) The contents of the Scheme Information Document including figures, data, yields etc. have been checked and are factually correct
- (vi) A confirmation that the AMC has complied with the compliance checklist applicable for Scheme Information Documents and other than cited deviations/ that there are no deviations from the regulations
- (vii) Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines 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.

**Date: November 28, 2024**  
**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 Allocation (% of total assets)	
	Minimum	Maximum
Units of Axis AAA Bond Plus SDL ETF - 2026 Maturity ETF	95	100
Debt and Money Market Instruments	0	5

#### Repo in Corporate debt securities

The Scheme may undertake repo transactions in corporate debt securities in accordance with the directions issued by RBI and SEBI from time to time. The gross exposure of the Scheme to repo transactions in corporate debt securities shall not be more than 5% of the net assets of the Scheme

The Scheme will not invest in derivatives, securitised debt, debt instruments having structured obligation / credit enhancements, Credit Default Swaps, foreign securities and instruments having special features as specified under para 4.4.4 of Master Circular for Mutual Funds. Further, the Scheme shall not carry out Short Selling and securities lending and borrowing.

#### Investment in Short Term Deposits

Pending deployment of the funds in securities in terms of investment objective of the Scheme, the AMC may park the funds of the Scheme in short term deposits of the Scheduled Commercial Banks, subject to the guidelines issued by SEBI from time to time.

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

Sr. No.	Type of Instrument	Percentage of exposure	Circular references
1.	Tri party Repo	Allocation may be made to TREPS from any amounts that are pending deployment or on account of any adverse market situation.	-
2.	Mutual Fund Units	The scheme may in addition to the units of the Underlying Fund, 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	Clause 4 of Seventh Schedule of SEBI (MF) Regulations, 1996
3.	Repo and Reverse repo in corporate debt securities	The Scheme may undertake repo transactions in corporate debt securities in accordance with the directions issued by RBI and SEBI from time to time. The gross exposure of the Scheme to repo transactions in corporate debt securities shall not be more than 5% of the net assets of the Scheme	Para 12.18 of SEBI Master Circular for Mutual Funds .

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

The Scheme shall not invest in following instruments:

<b>Sr. No.</b>	<b>Type of Instrument</b>
1	Securities Lending & borrowing and Short Selling
2	Derivatives
3	Securitized Debt
4	Overseas Securities
5	REITS and InVITS
6	Debt instruments with special features AT1 & AT2 Bonds
7	Credit Enhancement /Structured Obligations
8	Credit Default swaps

**Portfolio rebalancing due to short term defensive considerations:**

Subject to the SEBI MF Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. The Scheme may actively deviate from the stated asset allocation pattern outlined in the SID and may take higher allocation in debt and money market during extenuating circumstances which may include substantial subscription/redemption, adverse market conditions etc. These instances may be beyond the control of the fund manager & the AMC and hence may require such deviations. Such changes in the investment pattern will be transitional in nature and will be undertaken as defensive considerations only in accordance with Para 1.14.1.2 of SEBI Master circular for Mutual Fund and as amended from time to time. Defensive considerations may be determined by the fund manager and. In case of deviations on account of exogenous factors, the fund manager will endeavor to rebalance the Scheme within 30 calendar days from the date of such deviation. The intention being at all times to seek to protect the interests of the Unit holders.

**Portfolio rebalancing due to passive breaches:**

In case of passive deviation from the asset allocation pattern, the AMC shall follow process specified in Para 2.9 of SEBI Master circular for Mutual Fund as amended from time to time. In line with the circular, in the event of deviation from the mandated asset allocation mentioned in the SID due to passive breaches, the portfolio would be rebalanced within 30 business days from the date of deviation. Where the portfolio is not rebalanced within mandated timelines, justification in writing including details of efforts taken to rebalance the portfolio shall be placed before the Investment Committee. The Investment Committee, if so desires, can extend the timelines up to sixty (60) business days from the date of completion of mandated rebalancing period. In case the portfolio of the Scheme is not rebalanced within aforementioned mandated plus extended timelines AMC shall adhere to the requirements as laid down in the aforesaid SEBI circular. However, at all times, the portfolio will adhere to the overall investment objective of the scheme.

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

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

- Units of Axis AAA Bond Plus SDL ETF - 2026 Maturity ETF
- Debt Instruments & Money Market Instruments
- Short Term Deposits
- Units of liquid Mutual Fund schemes

The Scheme shall invest in any other instruments as may be permitted by SEBI/RBI from time to time.

Kindly refer detailed definitions and applicable regulations/guidelines for each instruments given in the Section II.

### C. WHAT ARE THE INVESTMENT STRATEGIES?

The Scheme will follow a passive investment strategy and will invest in units of Axis AAA Bond Plus SDL ETF - 2026 Maturity ETF. The fund manager will not make any judgments about the investment merit of the underlying securities or ETF nor will it attempt to apply any economic, financial or market analysis. The Scheme shall invest all of its funds' assets in units of Axis AAA Bond Plus SDL ETF - 2026 Maturity ETF, except to meet its liquidity requirements.

### PORTFOLIO TURNOVER

Portfolio turnover in the scheme will be a function of market opportunities. It is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. The AMC will endeavor to optimize portfolio turnover to optimize risk adjusted return keeping in mind the cost associated with it. A high portfolio turnover rate is not necessarily a drag on portfolio performance and may be representative of investment opportunities that exist in the market.

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 of – Part I - Section I of the Scheme Information Document.

### E. WHO MANAGES THE SCHEME?

Sr. No	Name of Fund Manager	Age and Qualification	Experience of the Fund Manager	Names of other schemes under his/her management
1	Mr. Aditya Pagaria	Age: 40 years  Bachelor in Management Studies, Post Graduate Diploma in Business Management	Total number of years of experience: 17 years, his last 10 years' experience are as follows:  • Axis Asset Management Company Ltd. (Fund Manager - Fixed Income) - (August 1, 2016 till date)  • ICICI Prudential Asset Management Company Ltd. (Fund Manager - Fixed Income) - (Nov. 30, 2011 - July 26, 2016)  • (Operations)- (May 03, 2007 - Nov. 29, 2011)	Axis Aggressive Hybrid Fund Axis Banking & PSU Debt Fund Axis CRISIL-IBX AAA NBFC Index - June 2027 Fund Axis CRISIL IBX SDL May 2027 Index Fund Axis CRISIL IBX50:50 Gilt Plus SDL Sep 2027 Index Fund Axis Fixed Term Plan - Series 113 (1228 Days) Axis Floater Fund Axis Gold ETF Axis Gold Fund Axis Liquid Fund Axis Money Market Fund Axis Multi Asset Allocation Fund Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF FOF Axis Nifty SDL September 2026 Debt Index Fund Axis Short Duration Fund Axis Silver ETF Axis Silver Fund of Fund Axis Treasury Advantage Fund Axis CRISIL-IBX AAA Bond Financial Services – Sep 2027 Index Fund

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

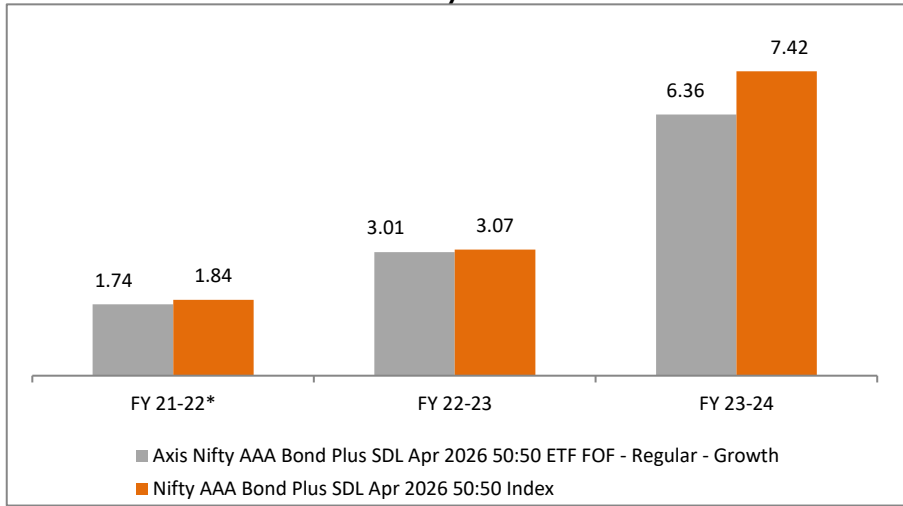
Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF FOF, An Open ended Target Maturity Fund of Fund Scheme investing in units of Axis AAA Bond Plus SDL ETF - 2026 Maturity, is a new scheme offered by the Fund and is not a minor modification of any other existing scheme/product of the Fund.

a. Reference list of existing open ended fund of fund schemes of Axis Mutual Fund are as follows:

Sr. No.	Name of the scheme(s)
1	Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF FOF
2	Axis All Seasons Debt Fund of Funds
3	Axis Global Equity Alpha Fund of Fund
4	Axis Greater China Equity Fund of Fund
5	Axis Global Innovation Fund of Fund
6	Axis Gold Fund
7	Axis Silver Fund Of Fund
8	Axis Equity ETFs FoF
9	Axis NASDAQ 100 Fund of Fund
10	Axis US Treasury Dynamic Bond ETF Fund of Fund

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>

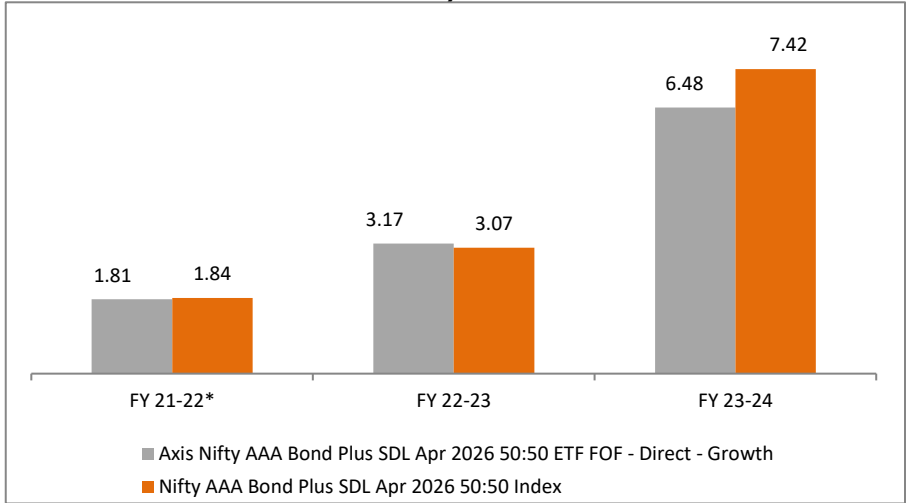
## G. HOW HAS THE SCHEME PERFORMED?

Performance of Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF FOF - Regular Plan - Growth as at September 30, 2024 is as follows:	<table border="1"> <thead> <tr> <th>Period</th> <th>Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF FOF - Regular Plan - Growth Option<sup>^</sup></th> <th>Nifty AAA Bond Plus SDL Apr 2026 50:50 Index</th> </tr> </thead> <tbody> <tr> <td>1 Year returns</td> <td>7.33%</td> <td>7.88%</td> </tr> <tr> <td>3 Year returns</td> <td>-</td> <td>-</td> </tr> <tr> <td>5 Year returns</td> <td>-</td> <td>-</td> </tr> <tr> <td>Returns since Inception (20-Oct-21)</td> <td>5.05%</td> <td>5.55%</td> </tr> </tbody> </table>	Period	Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF FOF - Regular Plan - Growth Option <sup>^</sup>	Nifty AAA Bond Plus SDL Apr 2026 50:50 Index	1 Year returns	7.33%	7.88%	3 Year returns	-	-	5 Year returns	-	-	Returns since Inception (20-Oct-21)	5.05%	5.55%
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<p><b>Absolute returns for last 5 financial years</b></p>  <table border="1"> <thead> <tr> <th>Financial Year</th> <th>Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF FOF - Regular - Growth</th> <th>Nifty AAA Bond Plus SDL Apr 2026 50:50 Index</th> </tr> </thead> <tbody> <tr> <td>FY 21-22*</td> <td>1.74</td> <td>1.84</td> </tr> <tr> <td>FY 22-23</td> <td>3.01</td> <td>3.07</td> </tr> <tr> <td>FY 23-24</td> <td>6.36</td> <td>7.42</td> </tr> </tbody> </table>	Financial Year	Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF FOF - Regular - Growth	Nifty AAA Bond Plus SDL Apr 2026 50:50 Index	FY 21-22*	1.74	1.84	FY 22-23	3.01	3.07	FY 23-24	6.36	7.42				
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	* from Fund inception to 31st Mar 2022															
Performance of Axis Nifty AAA Bond Plus SDL Apr																

2026 50:50 ETF FOF - Direct Plan - Growth as at September 30, 2024 is as follows:	<b>Period</b>	<b>Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF FOF -Direct Plan - Growth Option<sup>^</sup></b>	<b>Nifty AAA Bond Plus SDL Apr 2026 50:50 Index</b>
	1 Year returns	7.45%	7.88%
	3 Year returns	-	-
	5 Year returns	-	-
	Returns since Inception (20-Oct-21)	5.20%	5.55%

**Absolute returns for last 5 financial years**



Financial Year	Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF FOF - Direct - Growth	Nifty AAA Bond Plus SDL Apr 2026 50:50 Index
FY 21-22*	1.81	1.84
FY 22-23	3.17	3.07
FY 23-24	6.48	7.42

\*from Fund inception to 31st Mar 2022.

**^Past performance may or may not be sustained in future.** Returns are compounded annualized for period more than or equal to 1 year. Calculations are based on Growth Option NAVs. The performance of Scheme is benchmarked to the Total Return Variant (TRI) of the Benchmark Index in terms of Para 1.9 and Para 6.14 of SEBI Master Circular on Mutual Funds as amended from time to time.

#### H. ADDITIONAL SCHEME RELATED DISCLOSURES

- Scheme's portfolio holdings (top 10 holdings by issuer and fund allocation towards various sectors: - Please refer the AMC website <https://www.axismf.com/statutory-disclosures> for said details.
- 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
- Functional website link for Portfolio Disclosure - Fortnightly / Monthly/ Half Yearly: - Please refer the AMC website (<https://www.axismf.com/statutory-disclosures>) for said details.
- Portfolio turnover ratio for the one-year period ended: Not Applicable
- Aggregate investment in the Scheme by Concerned scheme's Fund Manager(s):

Sr. No.	Category of persons (Axis Nifty AAA Bond Plus SDL April 2026 50:50 ETF FOF – Fund Manager(s))	Net Value*		Market Value (In Rs.)*
		Units	NAV (Rs. per unit)	
NIL				

\*as on September 30, 2024

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

vi. Investments of AMC in the Scheme –

Subject to the applicable Regulations, the AMC may invest either directly or indirectly, in the Scheme during 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.

**Part III. OTHER DETAILS**

**A. COMPUTATION OF NAV**

The Net Asset Value (NAV) per Unit under the Scheme will be computed by dividing the net assets of the Scheme by the number of Units outstanding on the valuation day. The Mutual Fund will value its investments according to the valuation norms, as specified in Schedule VIII of the SEBI (MF) Regulations, or such norms as may be specified by SEBI from time to time.

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. Separate NAV will be calculated and disclosed for each Option.

The NAVs will be calculated and disclosed on all the Business Days.

**Illustration of Computation of NAV:**

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)

Disclosure pertaining to illustration on computation of NAV and Methodology for calculation of sale and re-purchase price of the units of mutual fund scheme.

Disclosure to the effect that the repurchase price shall not be lower than 95% of the 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 as expenses as permitted under Regulation 52 of SEBI (MF) Regulations. For the actual current expenses being charged, the investor should refer to the website of the AMC.

<b>Expense Head</b>	<b>% of daily Net Assets</b>
Investment Management and Advisory fees	Upto 1.00%
Trustee fees	
Audit fees	
Custodian fees	
RTA fees	
Marketing & Selling expense incl. agent commission	
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	
Brokerage & transaction cost over and above 12 bps for cash market trades	
Goods & Service Tax (GST) on expenses other than investment and advisory fees	
GST on brokerage and transaction cost (over & above 12bps limit mentioned above)	
Other Expenses*	
<b>Maximum total expense ratio (TER) permissible under Regulation 52 (6)(a)</b>	<b>Upto 1.00%</b>
Additional expenses under regulation 52(6A)(c)^	Upto 0.05%
Additional expenses for gross new inflows from specified cities under regulation 52(6A)(b)#	Upto 0.30%

\*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.

^The AMC shall not charge additional expenses under Regulation 52(6A)(c) in case exit load is not levied/ not applicable.

All fees and expenses charged in a Direct Plan (in percentage terms) under various heads including the investment and advisory fee shall not exceed the fees and expenses charged under such heads in Regular Plan.

Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc. and no commission for distribution of Units will be paid/ charged under Direct Plan.

The expenses towards Investment Management and Advisory Fees under Regulation 52 (2) and the various sub-heads of recurring expenses mentioned under Regulation 52 (4) of SEBI (MF) Regulations 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 52 (2) and (4) respectively. Further, the additional expenses under Regulation 52(6A)(c) may be incurred either towards investment & advisory fees and/or towards other expense heads as stated above.

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 limit prescribed in the Regulations.

The investors will bear the recurring expenses of the scheme in addition to the expenses of other scheme in which Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF FOF will make investment.

The total expense ratio of the Scheme including weighted average of the total expense ratio levied by the underlying scheme(s) shall not exceed 1.00 per cent of the daily net assets of the Scheme.

Provided that the total expense ratio to be charged over and above the weighted average of the total expense ratio of the underlying scheme shall not exceed two times the weighted average of the total expense ratio levied by the underlying scheme(s), subject to the overall ceilings as stated above.

The total expenses of the Scheme including the investment management and advisory fee shall not exceed the limit stated in Regulation 52(6) of the SEBI (MF) Regulations and amended thereto.

The AMC will charge the Scheme such actual expenses incurred, subject to the statutory limit prescribed in the Regulations.

**Expenses charged to the Scheme:**

- A. In addition to the limits as specified in Regulation 52(6) of SEBI (MF) Regulations 1996 or the Total Recurring Expenses (Total Expense Limit) as specified above, the following costs or expenses may be charged to the Scheme namely-

**Additional expenses for gross new inflows from specified cities**

- a) expenses not exceeding of 0.30 per cent of daily net assets, if the new inflows from such cities as specified by SEBI/AMFI from time to time are at least -
- i. 30 per cent of gross new inflows in the Scheme, or;
  - ii. 15 per cent of the average assets under management (year to date) of the Scheme, whichever is higher.

Provided that if inflows from such cities is less than the higher of sub-clause (i) or sub-clause (ii), such expenses on daily net assets of the Scheme shall be charged on proportionate basis.

Provided further that, expenses charged under this clause shall be utilised for distribution expenses incurred for bringing inflows from such cities.

Provided further that, amount incurred as expense on account of inflows from beyond top cities as specified by SEBI/AMFI, so charged shall be credited back to the Scheme, in case the said inflow is redeemed within a period of one year from the date of investment.

Provided further that, additional TER can be charged based on inflows only from retail investors from B30 cities in terms of Para 10.1.3 of SEBI master Circular for Mutual Funds . as amended from time to time. For this purpose inflows of amount upto Rs. 2,00,000/- per transaction, by individual investors shall be considered as inflows from "retail investor".

**#Note:** Pursuant to SEBI letter dated February 24, 2023 read with AMFI communication dated March 02, 2023, w.e.f March 01, 2023 no additional expense shall be charged on the new inflows received on or after March 01, 2023 from specified cities as per Regulation 52 (6A) (b) till any further guidance is received from SEBI in this regard.

**Additional expenses under regulation 52 (6A) (c)**

- a) additional expenses, incurred towards different heads mentioned under Regulations 52(2) and 52(4), not exceeding 0.05 per cent of daily net assets of the Scheme;

GST payable on investment and advisory service fees ('AMC fees') charged by Axis Asset Management Company Ltd.;

Brokerage and transaction cost incurred for the purpose of execution shall be charged to the schemes as provided under Regulation 52 (6A) (a) upto 12 bps for cash market transactions. Any payment towards brokerage & transaction costs, over and above the said 12 bps for cash market transactions will be charged within the maximum limit of Total Expense Ratio (TER) as prescribed under Regulation 52 of the Regulations.

- B. Within the Total Expense Limit chargeable to the Scheme, following will be charged to the Scheme:
- a) GST on other than investment and advisory fees, if any, shall be borne by the Scheme
- C. AMC fees charged by Axis AMC to the Scheme will be within the Total Expense Limit as prescribed by SEBI Regulations, as amended from time to time.

The mutual fund would update the notice of change in base TER on its website ([www.axismf.com](http://www.axismf.com)) atleast three working days prior to the effective date of the change. Investors can refer 'Total Expense Ratio of Mutual Fund Schemes' section on <https://www.axismf.com/total-expense-ratio> for Total Expense Ratio (TER) details.

**Illustration: Impact of Expense Ratio on Scheme's return:**

Expense ratio, normally expressed as a percentage of Average Assets under Management, is calculated by dividing the permissible expenses under the Regulations by the average net assets.

To further illustrate in rupee terms the above, for the Scheme under reference, suppose an Investor invested Rs. 10,000/- (after deduction of stamp duty and transaction charges, if any) under the Growth Option, the impact of expenses charged will be as under:

Sr. No.1	Particulars	Regular Plan	Direct Plan
A.	Amount invested at the beginning of the year (Rs.)	10,000	10,000
B.	Returns before expenses (Rs.)	1,500	1,500
C.	Expenses other than the expenses mentioned in 'D' below (Rs.)	50	50
D.	Marketing & Selling expense incl. agent commission (Rs.)	150	0
E.	<b>Returns after expenses at the end of the year (Rs.) [B – (C + D)]</b>	<b>1300</b>	<b>1450</b>
	<b>Returns after expenses at the end of the year (in %) [(E/A) – 1]</b>	<b>13%</b>	<b>14.5%</b>

**Note(s):**

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

**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](http://www.axismf.com)) or may call at contact number **8108622211** (Chargeable) from 9.00 am to 6.00 pm (Monday to Saturday) or can contact his distributor.

Para 10.4 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.

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.

Units issued on reinvestment of IDCW shall not be subject to Load. No load shall be levied on switches between options and sub-options of the Scheme.

The above mentioned load structure shall be equally applicable to the special products such as switches, STP, SWP, etc. offered by the AMC. Further, for switches between the Growth and IDCW Option, no load will be charged by the Scheme. However, for switches between the Plans i.e. between Regular and Direct Plan or vice versa, load will be charged by the Scheme.

Exit load charged to the investors will be credited back to the scheme net of GST. The Investor is requested to check the prevailing Load structure of the Scheme before investing.

Para 10.4 of SEBI Master Circular For Mutual Funds .has decided that there shall be no entry Load for all Mutual Fund schemes.

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 95% 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.

The Trustee/AMC reserves the right to change the load structure subject to the limits prescribed under the Regulations. 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**

The Scheme shall have a minimum of 20 Investors and no single Investor shall account for more than 25% of the corpus of the Scheme. The aforesaid conditions should be complied with in each calendar quarter on an average basis. In case the Scheme does not have a minimum of 20 Investors on an ongoing basis for each calendar quarter, the provisions of Regulation 39(2)(c) of the SEBI (MF) Regulations would become applicable automatically without any reference from SEBI and accordingly the Scheme shall be wound up and the units would be redeemed at Applicable NAV. If there is a breach of the 25% limit by any Investor over the quarter, a rebalancing period of one month would be allowed and thereafter the Investor who is in breach of the rule shall be given 15 days' notice to redeem his exposure over the 25% limit. Failure on the part of the said investor to redeem his exposure over the 25% limit within the aforesaid 15 days would lead to automatic Redemption by the Mutual Fund at the Applicable NAV on the 15th day of the notice period. The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard

#### **SPECIAL CONSIDERATIONS**

The investors will bear the recurring expenses of the Underlying Fund in addition to the recurring expenses charged by Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF FOF.

## Section II

### I. Introduction

#### A. Definitions/interpretation

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

#### B. Risk factors

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

##### **Risks associated with investments in Units of Mutual Fund schemes**

The Scheme will invest in units of Axis AAA Bond Plus SDL ETF – 2026 Maturity and money market instruments. Hence the performance of the Scheme would depend upon the performance of the underlying scheme. Any change in the investment policies or fundamental attributes of the underlying scheme will affect the performance of the Scheme.

Investment in the debt schemes will have all the risks associated with the debt markets including price risk, credit risk and reinvestment risk.

Periodical rebalancing could result in higher transaction costs.

This being a Fund of Funds scheme, the investors are bearing the recurring expenses of the Scheme in addition to the expenses of underlying scheme in which the Scheme shall make investment. However, in line with the SEBI Regulations, the total expense ratio of the Scheme including weighted average of the total expense ratio levied by the underlying scheme shall not exceed the eligible percent of the daily net assets of the Scheme.

##### **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 debt securities.

##### **Risks associated with investments in Fixed Income Securities**

**Interest-Rate Risk:** Fixed income securities such as government bonds, corporate bonds, 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.

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

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

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

**Liquidity Risk on account of unlisted securities:** The liquidity and valuation of the Schemes' investments due to their holdings of unlisted securities may be affected if they have to be sold prior to their target date of

divestment. The unlisted security can go down in value before the divestment date and selling of these securities before the divestment date can lead to losses in the portfolio.

**Credit Risk:** This is the risk associated with the issuer of a debenture/bond or a Money Market Instrument defaulting on coupon payments or in paying back the principal amount on maturity. Even when there is no default, the price of a security may change with expected changes in the credit rating of the issuer. It is to be noted here that a Government Security is a sovereign security and is the safest. Corporate bonds carry a higher amount of credit risk than Government Securities. Within corporate bonds also there are different levels of safety and a bond rated higher by a particular rating agency is safer than a bond rated lower by the same rating agency.

**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.

#### **Risks associated with Repo transactions in Corporate Bonds**

The Scheme may be exposed to counter party risk in case of repo lending transactions in the event of the counterparty failing to honour the repurchase agreement. However, in repo transactions, the collateral may be sold and a loss is realized only if the sale price is less than the repo amount. The risk is further mitigated through over-collateralization (the value of the collateral being more than the repo amount).

#### **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 realise any value.
3. Listing of units of segregated portfolio on recognised 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.

#### **Risks associated with transaction in Units through stock exchange(s)**

In respect of transaction in Units of the Scheme through BSE and / or NSE, allotment and redemption of Units on any Business Day will depend upon the order processing / settlement by BSE and / or NSE and their respective clearing corporations on which the Fund has no control.

### **C. Risk mitigation strategies**

#### **Risk Control**

The fund will be passively managed to track the performance of the benchmark of the underlying Scheme i.e. Nifty AAA Bond Plus SDL Apr 2026 50:50 Index by investing in units of Axis AAA Bond + SDL ETF – 2026 Maturity (underlying Scheme).

As a risk mitigation measure for portfolio volatility, the fund will endeavour to remain fully deployed to keep the performance deviation from the underlying funds at the minimum.

For managing the liquidity risk, fund manager may keep some portion of the portfolio in debt and money market instruments and/or cash within the specified asset allocation framework for the purpose of meeting redemptions. The liquidity would be monitored and necessary action would be taken on the portfolio as and when required.

As a risk control measure for investment strategy, the AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process, which would be periodically evaluated. Investments by the Scheme shall be made as per the investment objectives of the Scheme and provisions of SEBI regulations. Necessary systemic controls have been put in place for pre-emptive monitoring of such SEBI norms and also to monitor other relevant risk parameters

**Market Risk:** The scheme is vulnerable to movements in the prices of US treasury securities invested by the underlying scheme, which could have a material bearing on the overall returns from the scheme. Investments in US treasury securities are subject to price fluctuation on daily basis.



Mitigation - ETFs being passively managed carry lesser risk compared to active management. The underlying ETF scheme(s) where the Scheme intends to invest follow the underlying benchmarks and therefore the level of portfolio volatility would be same as that of the underlying benchmark. The fund manager would also endeavour to keep minimal cash levels to keep performance deviation from the underlying ETF's to minimal.

**Liquidity 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 will invest in units of the underlying scheme which will invest in US treasury securities and the liquidity risk for these units / securities will be relatively low.

### **Risk control measures with respect to Debt Investments – i.e investment in Debt, 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 - In a rising interest rates scenario the Scheme / underlying scheme may increase its investment in money market securities whereas if the interest rates are expected to fall the allocation to debt securities with longer maturity may be increased thereby mitigating risk to that extent.

**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 / underlying 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.

## **II. Information about the scheme:**

### **A. Where will the scheme invest –**

The Scheme will invest in Units of Axis AAA Bond Plus SDL ETF - 2026 Maturity ETF and debt and money market instruments 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.

### **Debt Instruments & Money Market Instruments**

#### **Certificate of Deposit (CD)**

Certificate of Deposit is a negotiable money market instrument issued by scheduled commercial banks and select all-India Financial Institutions that have been permitted by the RBI to raise short term resources. The maturity period of CDs issued by the Banks is between 7 days to one year, whereas, in case of FIs,



maturity is one year to 3 years from the date of issue.

### **Commercial Paper (CP)**

Commercial Paper is an unsecured negotiable money market instrument issued in the form of a promissory note, generally issued by the corporates, primary dealers and all India Financial Institutions as an alternative source of short term borrowings. CP is traded in secondary market and can be freely bought and sold before maturity.

### **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.

### **Commercial Usance Bills**

Bill (bills of exchange/promissory notes of public sector and private sector corporate entities) Rediscounting, usance bills and commercial bills.

### **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.

### **Non-Convertible Debentures**

Non convertible debentures are securities issued by companies / institutions promoted / owned by the Central or State Governments and statutory bodies which may or may not carry a Central/State Government guarantee, Public and private sector banks, all India Financial Institutions and Private Sector Companies. These instruments may be secured or unsecured against the assets of the Company and generally issued to meet the short term and long term fund requirements. These instruments may have fixed or floating rate coupon. The Scheme may also invest in the non convertible part of convertible debt securities. The Scheme will invest in instruments of original or initial maturity up to one year.

Further the Scheme may invest in such other debt instrument of original or initial maturity up to one year as the RBI / SEBI may specify from time to time.

### **Short Term Deposits**

Pending deployment of funds as per the investment objective of the Scheme, the Funds may be parked in short term deposits of the Scheduled Commercial Banks, subject to guidelines and limits specified by SEBI.

### **Units of Mutual Fund schemes**

The scheme may in addition to the units of the Underlying Fund, 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.

The securities may be acquired through primary market, secondary market, private placement, rights offers, negotiated deals etc. Further investments in debentures, bonds and other fixed income securities will be in instruments which have been assigned investment grade rating by the Credit Rating Agency.

Investment in unrated debt instruments shall be subject to complying with provisions of the Regulations and within the limit as specified in Schedule VII to the Regulations. All such investments shall be made with the prior approval of the Board of AMC and Trustees. 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 may invest in any other security 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. 80,59,921.302cr as on Feb 28, 2022 (State Govt securities - Rs 38,31,895.100 cr, (as on Feb'21) 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 on the papers for similar maturities reflects the perception of their respective credit profiles.

The following table gives approximate yields prevailing on September 30, 2024 on some of the instruments and further illustrates this point.

<b>Instrument</b>	<b>Current Yield range (%)</b>
Tri-party Repo	6.50-6.60
Repo	6.50-6.60
3M T-bill	6.65-6.70
1Y T-bill	6.50-6.55
10Y G-sec	6.75-6.80
3m PSU Bank CD	7.00-7.10
3m Manufacturing co. CP	7.20-7.25
1Y PSU Bank CD	7.50-7.55
1Y NBFC CP	7.80-7.85
1Y Manufacturing co. CP	7.60-7.65
5Y AAA Institutional Bond	7.35-7.40
10Y AAA Institutional Bond	7.20-7.25

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 Seventh Schedule and amendments thereto, the following investment restrictions are currently applicable to the Scheme:

1. 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 authorized 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.

Provided further that such limit shall not be applicable for investment in Government Securities, treasury bills and triparty repo on Government securities or treasury bills.

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

2. The Scheme shall not invest in unlisted debt instruments including commercial papers, except Government Securities, 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.

Further the investments by the Scheme shall be in compliance with Para 12.1 of SEBI Master Circular for Mutual funds and as amended from time to time.

3. A mutual fund scheme shall not invest more than:
- 10% of its NAV in debt and money market securities rated AAA; or
  - 8% of its NAV in debt and money market securities rated AA; or
  - 6% of its NAV in debt and money market securities rated A and below issued by a single issuer.

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

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

4. As the scheme is a fund of fund scheme, it shall be subject to the following investment restrictions:
- The Scheme shall not invest its assets other than in schemes of mutual funds, except to the extent of funds required for meeting the liquidity requirements for the purpose of repurchases or redemptions, as disclosed in the given Scheme Information Document.
5. The Scheme shall not invest in any other fund of funds scheme;
6. The Scheme shall not make any investment in:
- any unlisted security of an associate or group company of the sponsor; or
  - any security issued by way of private placement by an associate or group company of the sponsor; or
  - the listed securities of group companies of the sponsor which is in excess of 25% of the net assets.
7. 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.
8. 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 Para 12.30 of SEBI Master circular for Mutual Funds . and as amended from time to time.

9. 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:
10. 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.
11. The Scheme shall not advance any loans.
  12. 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 and/or IDCW to the Unit holders.

Provided that the Scheme 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.

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

13. The Scheme shall participate in repos in corporate debt securities as per the guidelines issued by SEBI and/ or RBI from time to time and the guidelines framed by the Board of Directors of Trustee Company and the Asset Management Company, from time to time.

At present the following conditions and norms shall apply to repo in corporate debt securities:

- (i) The gross exposure of the Scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the Scheme.
- (ii) The cumulative gross exposure through repo transactions in corporate debt securities along with shares / units of Underlying Fund, debt and money market instrument shall not exceed 100% of the net assets of the Scheme.
- (iii) The Scheme shall participate in repo transactions only in AA and above rated corporate debt securities.
- (iv) The Scheme shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.
- (v) The Trustee and the Asset Management Company have framed guidelines inter alia considering the following aspects:

- i. Category of counterparty
- ii. Credit rating of counterparty
- iii. Tenor of collateral
- iv. Applicable haircuts

(vi) Counterparty selection & credit rating

The counterparty must be an acceptable counterparty for debt transactions. The Mutual Fund follows a counterparty empanelment process for fixed income transactions and the same shall be used for selection of counterparties for corporate bond repos. All repo transactions in corporate bonds will be governed by a repo agreement as specified by FIMMDA and / or other specified authorities.

(vii) Collateral tenor & quality

The exposure limit/investment restrictions prescribed under the Seventh Schedule of the Regulations and circulars issued there under (wherever applicable) shall be applicable to repo transactions in corporate bonds. The Scheme shall further follow guidelines framed by Trustee and the AMC from time to time.

(viii) Applicable haircuts

Currently mutual funds are permitted to carry out repo transactions in government securities without any haircuts. The Reserve Bank of India has notified a minimum haircut based on rating of the corporate bond and other securities. In addition, the Fixed Income and Money Market Dealers Association (FIMMDA) would maintain a rating-haircut matrix on an ongoing basis. The Scheme shall further follow guidelines framed by Trustee and the AMC from time to time.

The haircuts seek to protect the lender of funds from the event of the counterparty failing to honor the repurchase leg of the repo. In such a circumstance, the Fund would suffer a loss if the value of the collateral depreciates by more than the haircut. The fall in the value of the collateral could be on account of higher yields and/ or deterioration of credit quality.

As the typical tenor of repos is short (typically overnight), the haircuts represent a relatively high degree of safety in relation to the interest rate risk on the collateral. The risk of collateral depreciation based on historical volatility is given in the table below:

Bond Tenor (yrs)	1	3	5	10
Price Volatility (%) (annualized)	0.6	1.2	1.7	3.4
Repo Tenor	Number of standard deviations needed to lose 10%			
1 day	258	136	94	48
7 days	98	52	36	18

In the above table, the price volatility of a 10-year bond is about 3.4% annualized. That is a 10% price move represents nearly a 3-sigma event on an annualized basis. For overnight tenors, this represents a 48-sigma event (for comparison a 6-sigma event occurs about once in a million observations).

It is apparent that the haircuts stipulated by RBI are more than sufficient to mitigate interest rate risk. Credit event risk remains (the collateral could default during the tenor of the repo). This risk is to be mitigated by ensuring that the collateral is acceptable from a credit point of view.

Note: According to the Asset Allocation of the Scheme, the gross exposure of the Scheme to repo transactions in corporate debt securities shall not be more than 5% of the net assets of the Scheme.

14. 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.



The exposure limit/ investment restrictions prescribed under the Seventh Schedule of the Regulations and circulars issued there under (wherever applicable) shall be applicable to repo transactions in corporate bonds.

15. Investment in Partly Paid Debenture, if undertaken, will be subject to a cap on maximum investment of Mutual Fund Scheme at 5% of the AUM of the scheme. However, once the Partly Paid Debentures are fully paid up, the cap on maximum investment of Mutual Fund Scheme at 5% of the AUM of the scheme will not apply.

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

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

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

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**

Following are the Fundamental Attributes of the scheme, in terms of Para 1.14 of SEBI Master Circular for Mutual Funds .:

#### **(i) Type of a Scheme**

- An Open ended Target Maturity Fund of Fund Scheme investing in units of Axis AAA Bond Plus SDL ETF - 2026 Maturity.

#### **(ii) Investment Objective**

- Main Objective: To invest in units of Axis AAA Bond Plus SDL ETF - 2026 Maturity ETF, an open-ended Target Maturity Exchange Traded Fund with objective to replicate Nifty AAA Bond Plus SDL Apr 2026 50:50 Index by investing in bonds of issuers rated AAA and state development loans (SDL), subject to tracking errors.
- There is no assurance that the investment objective of the Scheme will be achieved.
- 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 18(15A) of the SEBI (MF) Regulations and Regulation 25(26) of the SEBI (MF) Regulations, read with clause 1.14.1.4 and 17.10 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 about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a



newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; 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 (for index funds, ETFs and FOFs having one underlying domestic ETF)**- Disclosures regarding the index, index eligibility criteria, methodology, index service provider, index constituents, impact cost of the constituents.

## **ABOUT THE INDEX:**

### **Introduction**

Nifty AAA Bond Plus SDL Apr 2026 50:50 Index seeks to measure the performance of portfolio of AAA rated bonds issued by Public Sector Undertakings (PSUs), Housing Finance Companies (HFCs), Corporates and State Development Loans (SDLs) maturing between May 01, 2025 to April 30, 2026. The index shall mature on April 30, 2026.

The index is computed using the total return methodology including price return and coupon return.

### **Methodology**

The methodology is in compliance with the Norms for Debt Exchange Traded Funds (ETFs)/Index Funds announced by SEBI vide circular no. SEBI/HO/IMD/DOF2/P/CIR/2022/69 on May 23, 2022

### **Index Structure**

The index contains 2 equal weighted components as on the base date of index

1) AAA rated Bond component: Bonds issued by AAA rated PSUs, Housing Finance Companies (HFCs), Corporates with minimum ISIN level outstanding amount of Rs. 1250 crs. maturing between May 01, 2025 to April 30, 2026.

2) SDL component: SDLs with outstanding amount of more than or equal to Rs. 1000 crs. issued by top 7 states/UTs selected based on their total outstanding amount maturing between May 01, 2025 to April 30, 2026. Most recently issued SDL of each eligible State/UT to be part of the index.

1) Methodology for AAA rated Bond component – Constituting 50% of the Index

### **Eligibility Norms**

#### *• Issuer eligibility*

§ Issuing entity should be domiciled in India and should satisfy either of the following:

1. PSUs including:

a. Central Public Sector Enterprises (CPSEs) as listed on DPE & DIPAM website

b. Maharatna, Navratna and Miniratna as listed on DPE website, if not included in CPSEs list as mentioned in point 1

c. Public Financial Institutions (PFIs) owned and managed by GOI and not included in points 1 and 2 above

d. Statutory body set-up by Act of Parliament and included in the list of public enterprises sourced from <https://www.indiabudget.gov.in/> having outstanding bonds of more than Rs. 100 crores

2. Housing Finance Companies (HFCs)

3. Corporate issuers

#### *• Bond eligibility*

Bond should be

1. Plain vanilla with fixed coupon and fixed maturity

2. Denominated in INR

3. Be listed and traded on NSE and/or BSE and should be rated

Bond should not be

1. Tax Free

2. Floating Rate Bond

3. Partially Paid up

4. Perpetual

5. Having Single Option (Call/Put)

6. Having step up/step down coupon which is linked to any contingent event

7. Convertible bonds

8. Having staggered redemption

Selection Criteria

#### *• Issuer Shortlisting*

o Eligible issuers having credit rating of "AAA" (Triple A) at the time of index creation/review are

shortlisted. In case an entity is rated by multiple rating agencies, the lowest rating assigned to the Non-Convertible Debenture/Long Term Debt of the entity is considered for the index selection purpose

o Further, issuers from the above step which have any outstanding in eligible bonds maturing between May 01, 2025 to April 30, 2026 are shortlisted for the index

- Bond Selection

o For every shortlisted issuer, bond with largest outstanding amount is selected to be part of the index provided its ISIN level outstanding is more than or equal to Rs. 1250 crs. Only one bond per issuer to be part of the index.

Weight Assignment

- Each bond of the selected issuer that is part of the AAA rated Bond component (constituting 50% of index) is given equal weight as of the base date of the index. This will be subject to issuer/group/sector limit in compliance with the Norms for Debt Exchange Traded Funds (ETFs)/Index Funds announced by SEBI vide circular no. SEBI/HO/IMD/DOF2/P/CIR/2022/69 on May 23, 2022

- Subsequently, the security level weights may drift due to price movement and accordingly, the total 50% weight of the AAA rated Bond component may also drift and will not get reset

- Any coupon amount received is assumed to be reinvested in the portfolio on the same date, in the proportion of the existing weights

2) Methodology for SDLs component – Constituting 50% of the Index

Eligibility norms

SDL should not be a special bond

Issuer Shortlisting

Top 7 States/UTs are first shortlisted based on their total outstanding amount maturing between May 01, 2025 to April 30, 2026.

Security Selection

Most recently issued SDL of each of the above shortlisted states/UTs from the above universe maturing between May 01, 2025 to April 30, 2026 and having minimum ISIN level outstanding amount of Rs. 1000 crs. to be included in the index as on the base date of the index. Each State/UT to have only one SDL as part of the index. Any State/UT from the above list whose most recently issued SDL has ISIN level outstanding less than Rs. 1000 crs. will not be part of the index.

Weight Assignment

- Each state that is part of the SDL component (constituting 50% of index) is given equal weight within 50% weights assigned to SDLs as of the base date of the index

- Subsequently, the security level weights may drift due to price movement and accordingly, the total 50% weight of the SDL component may also drift and will not get reset

- Any coupon amount received is assumed to be reinvested in the portfolio on the same date, in the proportion of the existing weights

Index Rebalancing/Reconstitution

- On a quarterly basis, index will be screened for compliance with the Norms for Debt Exchange Traded Funds (ETFs)/Index Funds in accordance with Para 3.5 of SEBI Master Circular for Mutual Funds . and as amended from time to time. In case of non-compliance, suitable corrective measures will be taken to ensure compliance with the norms.

- In case there is a breach of 15% in weight of any AAA PSU issuer or breach of 10% in weight of any AAA HFC/Corporate issuer, excess weight will be redistributed in rest of the AAA rated issuers proportionally. Similarly, in case there is a breach of 15% in weight of any State/UT, excess weight will be redistributed in rest of the States/UTs proportionally

- Based on the governments 'in principle approval' to disinvest its stake in some of the government owned entities, such entities are not included to be part of the index at launch/inception of the index. On account of disinvestment in an existing constituent, such issuer shall be excluded from the index effective next rebalancing/reconstitution only if the disinvestment process has been completed

- In case a new eligible issuer gets downgraded before the portfolio disclosure date (T-3), such issuer shall not be included in the index

- Apart from scheduled review, in case an existing issuer gets downgraded below AAA, bonds of such issuer to be excluded from the index within 5 working days of such downgrade, in compliance with the Norms for Debt Exchange Traded Funds (ETFs)/Index Funds in accordance with Para 3.5 of SEBI Master Circular for Mutual Funds . and as amended from time to time

- Due to the above stated reasons, if the index is rebalanced and issuer/s move out of the index,

o If the total number of AAA rated issuers in the index is 4 and above, then the total weight of the AAA

rated securities being excluded will be redistributed among the remaining AAA rated securities proportionally. This will be subject to issuer/group/sector limit in compliance with the Norms for Debt Exchange Traded Funds (ETFs)/Index Funds in accordance with Para 3.5 of SEBI Master Circular for Mutual Funds . and as amended from time to time

o If the total number of AAA rated issuers in the index fall below 4, then new AAA rated issuers will be included in the index based on the issuer selection and bond selection criteria mentioned in the AAA rated Bond component index methodology section above, to take the AAA rated issuer count to 4 and the total running weightage of AAA rated Bond component will be divided equally amongst all the AAA rated issuers in the index. This will be subject to issuer/group/sector limit in compliance with the Norms for Debt Exchange Traded Funds (ETFs)/Index Funds in accordance with Para 3.5 of SEBI Master Circular for Mutual Funds . and as amended from time to time

· Expect for above stated reasons, there will be no inclusion and exclusion in the index during the quarterly review

· If there is no inclusion or exclusion on the review date, the weights will not get reset and existing weights will continue. This will be subject to issuer/group/sector limit in compliance with the Norms for Debt Exchange Traded Funds (ETFs)/Index Funds in accordance with Para 3.5 of SEBI Master Circular for Mutual Funds . and as amended from time to time

· As the index includes securities that shall mature during the twelve month period ending on the final maturity date of the index, any proceeds from the security redemption prior to the final maturity date of the index shall be re-invested using the following waterfall approach:

o The proceeds from security redemption will be reinvested in the longest maturity outstanding security issued by the same issuer (SDL in case of state/UT and Bond/money market instrument in case of corporate bond) and maturing on or just before the index maturity date with the same weightage. This will be subject to single issuer limit in compliance with the Norms for Debt Exchange Traded Funds (ETFs)/Index Funds in accordance with Para 3.5 of SEBI Master Circular for Mutual Funds . and as amended from time to time

o In case a replacement in the form of outstanding security of the same issuer cannot be found for reinvestment then the proceeds from such redemption shall be reinvested in the remaining entire portfolio on the same date in the proportion of the existing weights. This will be subject to single issuer limit in compliance with the Norms for Debt Exchange Traded Funds (ETFs)/Index Funds in accordance with Para 3.5 of SEBI Master Circular for Mutual Funds . and as amended from time to time

o In case due to any reason, it is not possible to meet any norms in accordance with Para 3.5 of SEBI Master Circular for Mutual Funds . and as amended from time to time, then the proceeds from such redemption shall be reinvested in a T-Bill maturing on or just before the index maturity date

o If the last outstanding security (including T-Bill) in the index matures before the final index maturity date, all redemption proceeds shall be re-invested in The Clearing Corporation of India Ltd.'s (CCIL) TREPS overnight rate tracked by Nifty 1D Rate Index for any subsequent days till the maturity of the index

Index Termination

The index shall mature on April 30, 2026

#### **Constituents of Nifty AAA Bond Plus SDL Apr 2026 50:50 Index as on September 30, 2024:**

<b>ISIN</b>	<b>Issuer</b>	<b>Final Maturity</b>	<b>Weights</b>
INE514E08FV4	EXPORT-IMPORT BANK OF INDIA	12-09-2025	9.84
IN1920200061	KARNATAKA	10-06-2025	8.49
IN3120200057	TAMIL NADU	13-05-2025	8.47
INE134E08LD7	POWER FINANCE CORPORATION LIMITED	17-09-2025	9.63
INE733E08163	NTPC LIMITED	15-10-2025	10.49
IN2220150204	MAHARASHTRA	09-03-2026	7.95
INE242A08486	INDIAN OIL CORPORATION LIMITED	20-10-2025	10.48
IN3420150176	WEST BENGAL	23-03-2026	8.00
IN3320160010	UTTAR PRADESH	20-04-2026	8.08
INE020B08DF6	REC LIMITED	20-12-2025	10.32
IN1520190233	GUJARAT	31-03-2026	8.25

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

– Not Applicable

**F. Floors and ceiling within a range of 5% of the intended allocation against each sub class of asset, as per clause 13.6.2 of SEBI master circular for mutual funds . (only for close ended debt schemes)**

– Not Applicable

**G. Other Scheme Specific Disclosures:**

Listing and transfer of units	<p><b>Listing</b> The Scheme is an open ended scheme under which Sale and Repurchase will be made on a continuous basis and therefore listing on stock exchanges is not envisaged. However, the Trustee reserves the right to list the Units as and when considered necessary in the interest of Unit holders of the Fund.</p> <p><b>Transferability of units:</b> Units unless otherwise restricted or prohibited shall be freely transferable by act of parties or by operation of law. Transfer of units will be subject to submission of valid documents and fulfillment of the eligibility requirements by the unitholder/investor as stated under AMFI best Practice guideline No.135/BP/ 116 /2024-25 dated August 14, 2024 and AMC internal processes, if any</p>
Dematerialization of units	<p>Investors shall have an option to receive allotment of Mutual Fund units in their demat account while subscribing to the Scheme in terms of the guidelines/ procedural requirements as laid by the Depositories (NSDL/CDSL) from time to time.</p> <p>Investors desirous of having the Units of the Scheme in dematerialized form should contact the ISCs of the AMC/Registrar.</p> <p>Where units are held by investor in dematerialized form, the demat statement issued by the Depository Participant would be deemed adequate compliance with the requirements in respect of dispatch of statements of account.</p> <p>In case investors desire to convert their existing physical units (represented by statement of account) into dematerialized form or vice versa, the request for conversion of units held in physical form into Demat (electronic) form or vice versa should be submitted along with a Demat/Remat Request Form to their Depository Participants. In case the units are desired to be held by investor in dematerialized form, the KYC performed by Depository Participant shall be considered compliance of the applicable SEBI norms.</p> <p>Further, demat option shall also be available for SIP transactions. Units will be allotted based on the applicable NAV as per Scheme Information Document and will be credited to investors Demat Account as per the settlement calendar.</p> <p>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 favour 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 Depository Participant 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.</p> <p>For details, Investors may contact any of the Investor Service Centres of the AMC.</p>
Minimum Target	Not Applicable

amount	
Maximum Amount to be raised (if any)	Not Applicable
Dividend Policy (IDCW)	<p>Under the IDCW option, the Trustee will have the discretion to declare the IDCW, subject to availability of distributable surplus calculated in accordance with the Regulations. The actual declaration of IDCW and frequency will inter-alia, depend on availability of distributable surplus calculated in accordance with SEBI (MF) Regulations and the decisions of the Trustee shall be final in this regard. There is no assurance or guarantee to the Unit holders as to the rate of IDCW nor that it will be paid regularly.</p> <p>The AMC/Trustee reserves the right to change the frequency of declaration of IDCW or may provide for additional frequency for declaration of IDCW.</p> <p><b>IDCW Distribution Procedure</b></p> <p>In accordance with Chapter 11 of SEBI Master Circular on Mutual Funds as amended from time to time, the procedure for distribution would be as under:</p> <ol style="list-style-type: none"> <li>1. Quantum of IDCW and the record date will be fixed by the Trustee. IDCW so decided shall be paid, subject to availability of distributable surplus.</li> <li>2. Within one calendar day of the decision by the Trustees, AMC shall issue notice to the public communicating the decision including the record date. The record date shall be three (3) working days from the date of publication in at least one English newspaper or in a newspaper published in the language of the region where the Head Office of the mutual fund is situated, whichever is issued earlier.</li> <li>3. Record date shall be the date, which will be considered for the purpose of determining the eligibility of investors whose names appear on the register of Unit holders for receiving IDCW.</li> <li>4. The notice will, in font size 10, bold, categorically state that pursuant to payment of IDCW, the NAV of the Scheme would fall to the extent of payout and statutory levy (if applicable).</li> <li>5. The NAV will be adjusted to the extent of IDCW distribution and statutory levy, if any, at the close of business hours on record date.</li> </ol> <p>Before the issue of such notice, no communication indicating the probable date of IDCW declaration in any manner whatsoever will be issued by Mutual Fund.</p> <p>However, the requirement of giving notice shall not be applicable for IDCW options having frequency up to one month.</p>
Allotment (Detailed procedure)	<ul style="list-style-type: none"> <li>• On acceptance of the application for subscription, an allotment confirmation specifying the number of units allotted by way of e-mail and/or SMS within 5 business days from the date of receipt of transaction request/allotment will be sent to the Unit Holders registered e-mail address and/or mobile number.</li> <li>• In case of Unit Holders holding units in the dematerialized mode, the Fund will not send the account statement to the Unit Holders. The statement provided by the Depository Participant will be equivalent to the account statement.</li> <li>• For those Unit holders who have provided an e-mail address, the AMC will send the account statement by e-mail.</li> <li>• Unit holders will be required to download and print the documents after receiving e-mail from the Mutual Fund. Should the Unit holder experience any difficulty in accessing the electronically delivered documents, the Unit holder shall promptly advise the Mutual Fund to enable the Mutual Fund to make the delivery through alternate means. It is deemed that the Unit holder is aware of all security risks including possible third party interception of the documents and contents of the documents becoming known to third parties.</li> <li>• The Unit holder may request for a physical account statement by writing/calling the AMC/ISC/Registrar. In case of specific request received from the Unit Holders,</li> </ul>



	<p>the AMC/Fund will provide the Account Statement to the Investors within 5 business days from the receipt of such request.</p> <ul style="list-style-type: none"> <li>In cases where the email does not reach the Unit holder, the Fund / its Registrar &amp; Transfer Agents will not be responsible, but the Unit holder can request for fresh statement. The Unit holder shall from time to time intimate the Fund / its Registrar &amp; Transfer Agent about any changes in his e-mail address.</li> </ul>
Refund	<p>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.</p> <p>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.</p> <p>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.</p>
<p>Who can invest</p> <p>This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.</p>	<p>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:</p> <ol style="list-style-type: none"> <li>Resident adult individuals either singly or jointly (not exceeding three) or on an Anyone or Survivor basis;</li> <li>Hindu Undivided Family (HUF) through Karta;</li> <li>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;</li> <li>Partnership Firms;</li> <li>Limited liability partnership firms;</li> <li>Proprietorship in the name of the sole proprietor;</li> <li>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);</li> <li>Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions;</li> <li>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;</li> <li>Non-Resident Indians (NRIs) / Persons of Indian origin (PIOs) // Overseas Citizens of India (OCI)residing abroad on repatriation basis or on non-repatriation basis;</li> <li>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;</li> <li>Army, Air Force, Navy and other para-military units and bodies created by such institutions;</li> <li>Scientific and Industrial Research Organisations;</li> <li>Multilateral Funding Agencies / Bodies Corporate incorporated outside India with the permission of Government of India / RBI;</li> <li>Provident/ Pension/ Gratuity Fund to the extent they are permitted;</li> <li>Other schemes of Axis Mutual Fund or any other mutual fund subject to the conditions and limits prescribed by SEBI Regulations;</li> <li>Schemes of Alternative Investment Funds;</li> </ol>

	<p>18. The Trustee, AMC or Sponsor or their associates may subscribe to Units under the Scheme;</p> <p>19. Such other category of person(s) permitted to make investments and as may be specified by the AMC / Trustee from time to time.</p> <p>Subject to SEBI (Mutual Funds) Regulations, 1996, any application for subscription of units may be accepted or rejected in the sole and absolute discretion of the AMC/ Trustee company. The AMC/ Trustee company may also reject any application for subscription of units if the application is invalid, incomplete, or if the AMC/ Trustee company for any other reason does not believe that it would be in the interest of the scheme or its unitholders to accept such an application.</p>
<p>Who cannot invest</p>	<ol style="list-style-type: none"> <li>1. Any individual who is a foreign national or any other entity that is not an Indian resident under the Foreign Exchange Management Act, 1999 (FEMA Act) except where registered with SEBI as a FPI or otherwise explicitly permitted under FEMA Act/ by RBI/ by any other applicable authority.</li> <li>2. Pursuant to RBI A.P. (DIR Series) circular no. 14 dated September 16, 2003, Overseas Corporate Bodies (OCBs) cannot invest in Mutual Funds.</li> <li>3. NRIs residing in Non-Compliant Countries and Territories (NCCTs) as determined by the Financial Action Task Force (FATF), from time to time.</li> <li>4. U.S. Persons and Residents of Canada as defined under the applicable laws of U.S. and Canada except the following: <ol style="list-style-type: none"> <li>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</li> <li>b. FPIs</li> </ol> </li> <li>5. Such other persons as may be specified by AMC from time to time.</li> </ol> <p>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.</p> <p>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.</p> <p>The Trustee / the AMC /the Fund reserve the right to change/ modify the above provisions at a later date.</p>
<p>How to Apply and other details (where can you submit the filled up applications including purchase/redemption switches be submitted.)</p>	<p>Investors can undertake transactions in the Schemes of Axis Mutual Fund either through physical, online / electronic mode or any other mode as may be prescribed from time to time.</p> <p><b>Physical Transactions</b> 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. <a href="http://www.axismf.com">www.axismf.com</a>.</p> <p><b>Online / Electronic Transactions</b> Investors can undertake transactions via electronic mode through various online facilities offered by Axis AMC / other platforms specified by AMC from time to time.</p> <p>For name, address and contact no. of Registrar and Transfer Agent (R&amp;T), email id of R&amp;T, website address of R&amp;T, official points of acceptance, collecting banker details etc. refer back cover page.</p>



	<p>Please note it is mandatory for unitholders to mention their bank account numbers in their applications/requests for redemption.</p> <p>Please refer to the SAI and Application form for the instructions</p>
<p>The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.</p>	<p>Units once redeemed will be extinguished and will not be reissued.</p>
<p>Restrictions, if any, on the right to freely retain or dispose of units being offered.</p>	<p><b>Pledge of Units</b></p> <p>The Unit under the Scheme (subject to completion of Lock in Period, if any) may be offered as security by way of a pledge / charge in favour of scheduled banks, financial institutions, non-banking finance companies (NBFCs), or any other person. The AMC and / or the ISC will note and record such Pledged Units. The AMC shall mark a lien only upon receiving the duly completed form and documents as it may require. Disbursement of such loans will be at the entire discretion of the bank / financial institution / NBFC or any other person concerned and the Mutual Fund assumes no responsibility thereof.</p> <p>The Pledger will not be able to redeem Units that are pledged until the entity to which the Units are pledged provides written authorisation to the Mutual Fund that the pledge / lien charge may be removed. As long as Units are pledged, the Pledgee will have complete authority to redeem such Units. IDCW declared on Units under lien will be paid / re-invested to the credit of the Unit Holder and not the lien holder unless specified otherwise in the lien letter.</p> <p><b>Lien on Units</b></p> <p>On an ongoing basis, when existing and new Investors make Subscriptions, a lien on Units allotted will be created and such unit shall not be available for redemption until the payment proceeds are realised by the Scheme. In case a unit holder redeems units soon after making purchases, the redemption cheque will not be dispatched until sufficient time has elapsed to provide reasonable assurance that cheques or drafts for Units purchased have been cleared.</p> <p>In case the cheque / draft is dishonoured by the bank, the transaction shall be reversed and the Units allotted earlier shall be cancelled, and a fresh Account Statement / Confirmation slip shall be dispatched to the Unit holder. For NRIs, the Scheme may mark a lien on Units in case documents which need to be submitted are not given in addition to the application form and before the submission of the redemption request. However, the AMC reserves the right to change operational guidelines for lien on Units from time to time.</p> <p><b>Suspension/Restriction on Redemption of Units of the Scheme</b></p> <p>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 1.12 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</p>

	<p>functioning of markets such as:</p> <ol style="list-style-type: none"> <li>a) <b>Liquidity issues:</b> when market at large becomes illiquid affecting almost all securities rather than any issuer specific security;</li> <li>b) <b>Market failures, exchange closures:</b> 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;</li> <li>c) <b>Operational issues:</b> when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out).</li> </ol> <p>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.</p> <p>When restriction on / suspension of redemption of Units of the Scheme is imposed, the following procedure shall be applied:</p> <ol style="list-style-type: none"> <li>i. No redemption / switch-out requests upto Rs. 2 lakhs shall be subject to such restriction.</li> <li>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.</li> </ol> <p>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.</p> <p>In case of any of the above eventualities, the general time limits for processing requests for redemption of Units will not be applicable.</p> <p>Also refer to the paragraph 'Suspension of Purchase and Redemption of Units' in the Statement of Additional Information.</p>
<p>Cut off timing for subscriptions/ redemptions/ switches</p> <p>This is the time before which your application (complete in all respects) should reach the official points of acceptance.</p>	<p><b>Subscriptions/Purchases including Switch - ins:</b></p> <p>The following cut-off timings shall be observed by the Mutual Fund in respect of purchase of units of the Scheme and the following NAVs shall be applied for such purchase:</p> <ol style="list-style-type: none"> <li>1. where the application is received upto 3.00 pm on a Business day and funds are available for utilization before the cut-off time – the closing NAV of the Business day shall be applicable;</li> <li>2. where the application is received after 3.00 pm on a Business day and funds are available for utilization on the same day or before the cut-off time of the next Business Day - the closing NAV of the next Business Day shall be applicable;</li> <li>3. irrespective of the time of receipt of application, where the funds are not available for utilization before the cut-off time - the closing NAV of Business day on which the funds are available for utilization shall be applicable.</li> </ol> <p>For determining the applicable NAV for allotment of units in respect of purchase / switch in the Scheme, it shall be ensured that:</p> <ol style="list-style-type: none"> <li>i. Application is received before the applicable cut-off time.</li> <li>ii. Funds for the entire amount of subscription/purchase as per the application are credited to the bank account of the Scheme before the cut-off time.</li> <li>iii. The funds are available for utilization before the cut-off time.</li> </ol> <p>The aforesaid provisions shall also be applicable to systematic transactions like Systematic Investment Plan, Systematic Transfer Plan, etc offered by scheme.</p>

	<p><b>Redemptions including Switch - outs:</b></p> <p>The following cut-off timings shall be observed by the Mutual Fund in respect of Repurchase of units:</p> <ol style="list-style-type: none"> <li>where the application received upto 3.00 pm – closing NAV of the day of receipt of application; and</li> <li>an application received after 3.00 pm – closing NAV of the next Business Day.</li> </ol> <p>The above mentioned cut off timing shall also be applicable to transactions through the online trading platform.</p> <p>In case of Transaction through Stock Exchange Infrastructure, the Date of Acceptance will be reckoned as per the date &amp; time; the transaction is entered in stock exchange's infrastructure for which a system generated confirmation slip will be issued to the investor.</p>
<p>Ongoing price for subscription (purchase) /switch-in (from other schemes/plans of the mutual fund) by investors.</p> <p>This is the price you need to pay for purchase/switch-in.</p>	<p>At the Applicable NAV</p> <p>Para 10.4 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. Hence, no entry load is levied for subscription transactions by the Scheme.</p> <p>Methodology of calculating subscription price:  Subscription Price = Applicable NAV*(1+Entry Load, if any)  Example: If the Applicable NAV is Rs. 10, Entry Load is NIL then the subscription price will be:  = Rs. 10* (1+NIL)  = Rs. 10</p>
<p>Ongoing price for redemption (sale) /switch outs (to other schemes/plans of the Mutual Fund) by investors.</p> <p>This is the price you will receive for redemptions/switch outs.</p>	<p>At the Applicable NAV subject to prevailing Exit Load.</p> <p>Ongoing price for redemption /Switch out (to other Schemes/Plans of the Mutual Fund) is price which a Unit holder will receive for redemption/Switch-outs. During the continuous offer of the Scheme, the Unit holder can redeem the Units at Applicable NAV, subject to payment of Exit Load, if any. It will be calculated as follows:</p> <p>Methodology of calculating repurchase price:  Redemption Price = Applicable NAV*(1-Exit Load, if any)  Example: If the Applicable NAV is Rs. 10, Exit Load is 2% then redemption price will be:  =Rs. 10* (1-0.02) = Rs. 9.80</p> <p>-</p> <p>Investors/Unit holders should note that the AMC/Trustee has right to modify existing Load structure and to introduce Loads subject to a maximum limits prescribed under the SEBI Regulations.</p> <p>Any change in Load structure will be effective on prospective basis and will not affect the existing Unit holder in any manner.</p> <p>However, the Mutual Fund will ensure that the Redemption Price will not be lower than 95% of the Applicable NAV. The Purchase Price shall be at applicable NAV.</p>
<p>Minimum amount for purchase / redemption /</p>	<p><b>Refer Section I – Part I for Minimum amount for purchase/redemption/switches.</b></p> <p><b>Minimum Redemption Amount/Switch Out</b></p>

switches	<p>There will be no minimum redemption criterion. The Redemption / Switch-out would be permitted to the extent of credit balance in the Unit holder's account of the Plan(s) / Option(s) of the Scheme (subject to release of pledge / lien or other encumbrances). The Redemption / Switch-out request can be made by specifying the rupee amount or by specifying the number of Units of the respective Plan(s) / Option(s) to be redeemed. In case a Redemption / Switch-out request received is for both, a specified rupee amount and a specified number of Units of the respective Plan(s)/ Option(s), the specified number of Units will be considered the definitive request.</p> <p>In case of Units held in dematerialized mode, the Unit Holder can give a request for Redemption only in number of Units which can be fractional units also. Depository participants of registered Depositories can process only redemption request of units held in demat mode.</p> <p>The AMC/ Trustee reserves the right to change/ modify the terms of minimum redemption amount/switch-out.</p>
Accounts Statements	<p>The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form).</p> <p>A Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds (including transaction charges paid to the distributor) and holding at the end of the month shall be sent to the Unit holders in whose folio(s) transaction(s) have taken place during the month by mail or email on or before 15th of the succeeding month.</p> <p>Half-yearly CAS shall be issued at the end of every six months (i.e. September/ March) on or before 21st day of succeeding month, to all investors providing the prescribed details across all schemes of mutual funds and securities held in dematerialized form across demat accounts, if applicable</p> <p>For further details, refer SAI.</p>
Dividend/ IDCW	<p>The payment of dividend/IDCW to the unitholders shall be made within seven working days from the record date.</p> <p>The AMC shall be liable to pay interest to the Unit holders at 15% p.a. or such other rate as may be prescribed by SEBI from time to time, in the event of failure of despatch of dividend payments within the stipulated time period calculated from the record date.</p>
Redemption	<p>The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase.</p> <p>For list of exceptional circumstances refer para 14.1.3 of SEBI Master Circular for Mutual Funds .</p> <p>For detailed procedure on how to redeem, kindly refer SAI.</p>
Bank Mandate	<p>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.</p>
Delay in payment of redemption / repurchase proceeds /	<p>The Asset Management Company shall be liable to pay interest to the unitholders at rate as specified vide clause 14.2 of SEBI Master Circular for Mutual Funds . by SEBI for the period of such delay.</p>

dividend	<p>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.</p> <p>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.</p>
Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount	<p>As per Para 14.3 of SEBI Master Circular on Mutual Funds as amended from time to time, the unclaimed Redemption and IDCW amounts shall be deployed by the Fund in money market instruments and such other instruments/securities as maybe 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.</p> <p>Further, according to Para 14.3 of SEBI Master Circular on Mutual Funds as amended from time to time the unclaimed Redemption and IDCW 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 and IDCW amounts.</p>
Disclosure w.r.t investment by minors	<p>Following is the process for investments made in the name of a Minor through a Guardian: -</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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'.</li> <li>• 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.</li> <li>• 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.</li> </ul>
<b>Switch out facility</b>	<p><b>Switch out facility</b></p> <p>Unit holders under the Scheme have the option to Switch part or all of their Unit holdings in the Scheme to any other Scheme offered by the Mutual Fund from time to time on the date of maturity.</p> <p>The Switch will be effected by way of a Redemption of Units from the Scheme at Applicable NAV, subject to Exit Load, if any and reinvestment of the Redemption proceeds into another Scheme offered by the Mutual Fund at Applicable NAV and accordingly the Switch must comply with the Redemption rules of the Switch Out Scheme and the Subscription rules of the Switch in Scheme.</p>

	<p><b>Automatic Switch of Redemption proceeds on Maturity (Auto Maturity Switch)</b></p> <p>The Mutual Fund provides the investors the flexibility to switch their redemption proceeds receivable on maturity of the scheme to any of the Open ended schemes of Axis Mutual Fund. Investor can choose to avail of this facility only at the time of making the application to subscribe to the units of the scheme. To make the switch effective, investor needs to hold all the units till maturity of the scheme. The switch shall be subject to the applicable terms and conditions of both the switch-out scheme and switch-in scheme as regards the minimum number of Units that may be redeemed or issued, Exit / Entry Load etc.</p> <p>However, investor shall have an option to alter his preference from auto maturity switch to Payout Option by submitting a written request, at any time during the tenure of the scheme, not later than 7 working days from the maturity of the scheme.</p> <p>This Auto switch facility shall be affected by way of a Redemption of Units from the Scheme on its maturity and investment of the Redemption proceeds to any of the Open ended schemes of Axis Mutual Fund. (or the next business day if date of maturity is a non-business day).</p> <p>For details of the facility, please contact any ISC of Axis Mutual Fund.</p>
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:

<b>Fund Name</b>	Axis Nifty AAA Bond Plus SDL Apr 2026 50-50 ETF
<b>Investment Objective</b>	To replicate Nifty AAA Bond Plus SDL Apr 2026 50:50 Index by investing in bonds of issuers rated AAA and state development loans (SDL), subject to tracking errors. However, there is no assurance or guarantee that the investment objective of the Scheme will be achieved.
<b>Investment Strategy</b>	Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF is a passively managed exchange traded fund which will employ an investment approach designed to track the performance of Nifty AAA Bond Plus SDL Apr 2026 50:50 Index. The Scheme will follow Buy and Hold investment strategy in which debt instruments by AAA rated corporate borrowers & state development loans will be held till maturity unless sold for meeting redemptions/rebalancing. The Scheme shall replicate the index completely. In case the Scheme is not able to replicate the index the Fund Manager may invest in other issuances within the limits specified and subject to conditions laid down by SEBI circular dated May 23, 2022 as amended from time to time. During normal circumstances, the Scheme's exposure to money market instruments will be in line with the asset allocation table. However, in case of maturity of instruments in the Scheme portfolio, the reinvestment will be in line with the index methodology.
<b>Inception Date</b>	11-May-21
<b>AUM (INR Cr) 31-May-2024</b>	1300.74
<b>Benchmark</b>	NIFTY AAA BOND PLUS SDL APR 2026 50:50 INDEX



Performance	Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF								
	1 Year		3 Years		5 Years		Since Inception		Date of Inception
	CAGR(%)	Current Value of Investment of ₹10,000/-	CAGR(%)	Current Value of Investment of ₹10,000/-	CAGR(%)	Current Value of Investment of ₹10,000/-	CAGR(%)	Current Value of Investment of ₹10,000/-	
Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF	7.70%	10774	5.22%	11652	NA	NA	5.73%	12078	11-May-21
Nifty AAA Bond Plus SDL Apr 2026 50:50 Index (Benchmark)	7.88%	10792	5.39%	11707	NA	NA	5.60%	12031	
NIFTY 10 yr Benchmark G-Sec (Additional Benchmark)	10.25%	11030	5.42%	11718	NA	NA	4.89%	11760	
<small>Past performance may or may not be sustained in future. Different plans have different expense structure. Aditya Pagaria is managing the scheme since 11th May 2021 and he manages 20 schemes of Axis Mutual Fund &amp; Sachin Jain is managing the scheme since 1st February 2023 and he manages 15 schemes of Axis Mutual Fund. Please refer to annexure on Page 38 for performance of all schemes managed by the fund manager. Returns greater than 1 year period are compounded annualized (CAGR). Face Value per unit: ₹10.</small>									
<b>TER</b>	0.14%								
<b>Other Details (TER, Performance, Top 10 Holdings, Asset Allocation etc)</b>	<a href="https://www.axismf.com/cms/sites/default/files/pdf-factsheets/Axis%20Fund%20Factsheet%20September-2024.pdf">https://www.axismf.com/cms/sites/default/files/pdf-factsheets/Axis%20Fund%20Factsheet%20September-2024.pdf</a>								

## B. Periodic Disclosures

<p>Fortnightly, Monthly and Half yearly Disclosures: Portfolio / Financial Results</p> <p>This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.</p>	<p>The AMC will disclose the portfolio of the Scheme (alongwith ISIN) on fortnightly, monthly and half year basis on the website of the Mutual Fund and AMFI within 5 days of every fortnight and 10 days from the close of each month and half year (i.e. 31st March and 30th September) respectively in a user-friendly and downloadable spreadsheet format. Further, AMC shall publish an advertisement, in an all India edition of one national English daily newspaper and in one Hindi newspaper, every half year disclosing the hosting of the half-yearly statement of its schemes portfolio on the website of the Mutual Fund and AMFI and the modes through which unitholder can submit a request for a physical or electronic copy of the statement of scheme portfolios.</p> <p>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 its website.</p> <p>For details, please refer our website: <a href="https://www.axismf.com/statutory-disclosures">https://www.axismf.com/statutory-disclosures</a></p>
Half Yearly Results	<p>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.</p> <p>The mutual fund shall publish an advertisement disclosing the hosting of such financial results on their website, in at least one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the Mutual Fund is situated.</p> <p>The unaudited financial results will also be displayed on the website of the AMC and AMFI.</p> <p>For details, please refer our website: <a href="https://www.axismf.com/statutory-disclosures">https://www.axismf.com/statutory-disclosures</a></p>
Annual Report	<p>The Scheme annual report or an abridged summary thereof shall be mailed (emailed, where e mail id is provided unless otherwise required)) to all Unit holders not later than four months (or such other period as may be specified by SEBI from time to time) from the date of closure of the relevant accounting year (i.e. 31st March each year) and full annual report shall be available for inspection at the Head Office of the Mutual Fund and a copy shall be made available to the Unit holders on request on payment of nominal fees, if any. Scheme wise annual report shall also be displayed on the website of the Mutual Fund (www.axismf.com) and</p>



	<p>on the website of Association of Mutual Funds in India (<a href="http://www.amfiindia.com">www.amfiindia.com</a>).</p> <p>Unitholders whose email addresses are not registered with the Mutual Fund may 'opt-in' to receive a physical copy of the annual report or an abridged summary thereof.</p> <p>Further, AMC shall provide a physical copy of the abridged summary of the Annual Report, without charging any cost, on a specific request received from a unitholder.</p> <p>AMC shall also publish an advertisement every year, in an all India edition of one national English daily newspaper and in one Hindi newspaper, disclosing the hosting of the scheme wise annual report on the website of the Mutual Fund and AMFI and the modes through which a unitholder can submit a request for a physical or electronic copy of the annual report or abridged summary thereof.</p> <p>For details, please refer our website: <a href="https://www.axismf.com/statutory-disclosures">https://www.axismf.com/statutory-disclosures</a></p>
Risk-o-meter	<p>The AMC shall review Risk-o-meters on a monthly basis based on evaluation of risk level of Scheme's month end portfolio. Changes in Risk-o-meter, if any, shall be communicated by way of Notice cum Addendum. Investors may also refer to the website/portfolio disclosure for the latest Risk-o-meter of the Scheme.</p>
Scheme Summary Document	<p>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.</p> <p>For details, please refer our website: <a href="https://www.axismf.com/statutory-disclosures">https://www.axismf.com/statutory-disclosures</a></p>
Any disclosure in terms of consolidated checklist of standard observations	<p>NIL</p>

### C. Transparency/NAV Disclosure

The AMC will calculate and disclose the NAVs on all Business Days. The AMC shall update the NAVs on its website ([www.axismf.com](http://www.axismf.com)) and of the Association of Mutual Funds in India - AMFI ([www.amfiindia.com](http://www.amfiindia.com)) before 10.00 a.m. on the next Business Day.

If the NAVs are not available on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAV.

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

<b>Taxation of Specified Mutual Fund other than Equity-Oriented Mutual Funds (Rates applicable for the FY 24-25)</b> 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.	<b>Taxation of Specified Mutual Fund other than Equity-Oriented Mutual Funds</b>		
	<b>Particulars</b>	<b>Taxability in the hands of Individuals / Non-corporates / Corporates</b>	
		<b>Resident</b>	<b>Non-Resident</b>
	<b>Tax on distributed income (dividend income)</b>	Taxed in the hands of unitholders at applicable rate under the provisions of the Income-tax Act, 1961 (Act)	Taxed in the hands of unitholders at the rate of 20% u/s 115A/ 115AD of the Act (plus applicable surcharge and health and education cess)
	<b>Acquired before 1 April 2023 and sold before 23 July 2024</b>		
	<b>Long term capital gains</b>		
	Listed units (Holding period > 36 months)	20% (plus applicable surcharge and health and education cess) with indexation benefit	20% (plus applicable surcharge and health and education cess) without foreign currency benefit but with indexation benefit
Unlisted units (Holding period > 36 months)	20% (plus applicable surcharge and health and education cess) with indexation benefit	10% (plus applicable surcharge and health and education cess) without foreign currency benefit and indexation benefit	
<b>Short term capital gains</b>			
Listed/ Unlisted units (Holding period <= 36 months)	Will be taxed at the applicable rates depending upon the slab of each individual (plus applicable surcharge and health and education cess)	Will be taxed at the applicable rates depending upon the slab of each individual (plus applicable surcharge and health and education cess)	
<b>Acquired before 1 April 2023 and sold after 23 July 2024</b>			

	<b>Long term capital gains</b>		
	Listed units (Holding period > 12 months)	12.5% (plus applicable surcharge and health and education cess) without indexation benefit	12.5% (plus applicable surcharge and health and education cess) without foreign currency benefit and indexation benefit
	Unlisted units (Holding period > 24 months)	12.5% (plus applicable surcharge and health and education cess) without indexation benefit	12.5% (plus applicable surcharge and health and education cess) without foreign currency benefit and indexation benefit
	<b>Short term capital gains</b>		
	Listed (Holding period <= 12 months)/ Unlisted units (Holding period <= 24 months)	Will be taxed at the applicable rates depending upon the slab of each individual  (plus applicable surcharge and health and education cess)	Will be taxed at the applicable rates depending upon the slab of each individual  (plus applicable surcharge and health and education cess)
<b>Acquired on or after 1 April 2023</b>			
	Capital Gains on Specified Mutual Funds irrespective of period of holding  (Refer Note 2)	Will be taxed at the applicable rates depending upon the slab of each individual  (plus applicable surcharge and health and education cess)	Will be taxed at the applicable rates depending upon the slab of each individual  (plus applicable surcharge and health and education cess)

Note –

1. Axis Mutual Fund is a Mutual Fund registered with the Securities & Exchange Board of India and hence the entire income of the Mutual Fund will be exempt from income tax in accordance with the provisions of section 10(23D) of the Act.
2. Finance Act 2023 has inserted Section 50AA with effect from financial year 2023-24 which provides taxation of units of Specified Mutual Funds acquired on or after 1 April 2023. Explanation (ii) to Section 50AA of the Act provides definition of Specified Mutual Fund as under:

'Specified Mutual Fund' is defined to mean a mutual fund scheme where not more than thirty-five per cent of its total proceeds is invested in the equity shares of domestic companies. The said definition is applicable to units which are sold on or before 31 March 2025

Further, the Finance Act (No.2) 2024 has amended the definition of 'specified mutual fund' with effect from financial year 2025-26 to mean:

- (i) a mutual fund scheme which invest more than sixty five percent of its total proceeds is invested debt and money market instruments; or

- (ii) a fund which invests sixty five per cent or more of its total proceeds in units of fund referred above.

The aforesaid definition will be applicable to units which will be sold from 1 April 2025.

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 equal to Rs 5,00,000	5% of the amount by which the total income exceeds Rs 2,50,000*
	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 115BAD of the Act	22%	
Co-operative society availing concessional tax rate benefit (subject to prescribed conditions) under section 115BAE of the Act	15%	
Domestic Corporate (where the total turnover or gross receipts of such company for financial year 2022-23 exceeds Rs 400 crores)/ Partnership firm/ LLP/ Local authority/ FPIs	30%	
Domestic company, where the total turnover or gross receipts of such company for financial year 2022-23 does not exceed Rs 400 crores	25%	

Domestic company availing concessional tax rate benefit (subject to prescribed conditions) under section 115BAA 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 115BAB 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 115BAC 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 3,00,000 (the basic exemption limit)	Nil
Where such total income is more than Rs 3,00,000 but is less than or equal to Rs 7,00,000	5% of the amount by which the total income exceeds Rs 3,00,000
Where such total income is more than Rs 7,00,000 but is less than or equal to Rs 10,00,000	Rs 20,000 plus 10% of the amount by which the total income exceeds Rs 7,00,000
Where such total income is more than Rs 10,00,000 but is less than or equal to Rs 12,00,000	Rs 50,000 plus 15% of the amount by which the total income exceeds Rs 10,00,000
Where such total income is more than Rs 12,00,000 but is less than or equal to Rs 15,00,000	Rs 80,000 plus 20% of the amount by which the total income exceeds Rs 12,00,000
Where such total income is more than Rs 15,00,000	Rs 1,40,000 plus 30% of the amount by which the total income exceeds Rs 15,00,000

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

<b>Income</b>	<b>Individual/ HUF / non-corporate non-firm unit holders</b>
---------------	--

(a) Above Rs 50 lakh upto Rs 1 crore (including dividend income and capital gains income under section 111A, 112 and 112A of the Act)	10%
(b) Above Rs 1 crore upto Rs 2 crores (including dividend income and capital gains income under section 111A, 112 and 112A 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 111A, 112 and 112A of the Act]	25%
(d) Above Rs 5 crores [excluding dividend income (dividend received from domestic companies only) and capital gains income under section 111A, 112 and 112A of the Act]	37%*
(e) Above Rs 2 crores [including dividend income (dividend received from domestic companies only) and capital gains income under section 111A, 112 and 112A 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 opting for new tax regime under section 115BAC of the Act.

#### 5. Surcharge rates for Companies

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 resident companies opting taxation under section 115BAA and section 115BAB 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 @ 4% on aggregate of base tax and surcharge.
7. Withholding of Taxation by Mutual Fund will be as per applicable withholding tax rate.
8. 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 website: <https://www.axismf.com/statutory-disclosures>

#### 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

For details, please refer our website: <https://www.axismf.com/statutory-disclosures>

The Scheme under this Scheme Information Document was approved by the Trustee Company on April 16, 2021. 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.

Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.

For and on behalf of  
Axis Asset Management Company

Sd/-  
Gop Kumar Bhaskaran  
Managing Director &  
Chief Executive Officer

Date: November 28, 2024

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, India.

TEL 022 6649 6100 and contact number 8108622211 (Chargeable) EMAIL [customerservice@axismf.com](mailto:customerservice@axismf.com) WEB  
[www.axismf.com](http://www.axismf.com)

**Statutory Details:** Axis Mutual Fund has been established as a Trust under the Indian Trusts Act, 1882, sponsored by Axis Bank Ltd. (liability restricted to Rs. 1 Lakh). **Trustee:** Axis Mutual Fund Trustee Ltd. **Investment Manager:** Axis Asset Management Co. Ltd. (the AMC) **Risk Factors:** Axis Bank Limited 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.**