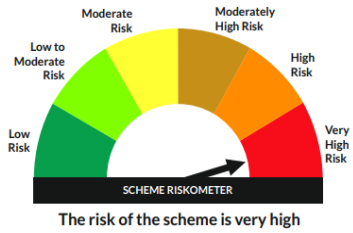
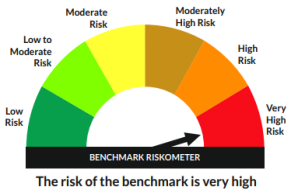
SCHEME INFORMATION DOCUMENT

AXIS NIFTY HEALTHCARE ETF

(An open ended Exchange Traded Fund tracking NIFTY Healthcare Index)

BSE Scrip Code: 543348

NSE Symbol: AXISHCETF

This product is suitable for investors who are seeking*:	**Scheme Risk-o-meter**	**Benchmark Risk-o-meter**
• Long term wealth creation solution • The Fund that seeks to track returns by investing in a basket of NIFTY Healthcare Index stocks and aims to achieve returns of the stated index, subject to tracking error		 NIFTY HEALTHCARE TRI

***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 www.axismf.com
Name of the Sponsor	:	Axis Bank Ltd.

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 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.

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 May 30, 2025.

Please refer to the NSE disclaimer overleaf.

DISCLAIMER

As required, a copy of this Scheme Information Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter NSE/LIST/5266 dated November 26, 2020 permission to the Mutual Fund to use the Exchange's name in this Scheme Information Document as one of the stock exchanges on which the Mutual Fund's units are proposed to be listed subject to, the Mutual Fund fulfilling various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Scheme Information Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document; nor does it warrant that the Mutual Fund's units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its sponsors, its management or any scheme of the Mutual Fund.

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

The Performance of NIFTY Healthcare Index will have a direct bearing on the performance of the Scheme. In the event the NIFTY Healthcare Index is dissolved or is withdrawn by NSE Indices, the Trustee reserves a right to modify the Scheme so as to track a different and suitable index and the procedure stipulated in the Regulations shall be complied with.

NSE Indices Limited Disclaimer:

The AXIS NIFTY HEALTHCARE ETF (Products) is not sponsored, endorsed, sold or promoted by NSE INDICES LIMITED (formerly known as India Index Services & Products Limited ("IISL"). NSE INDICES LIMITED does not make any representation or warranty, express or implied, to the owners of the AXIS NIFTY HEALTHCARE ETF or any member of the public regarding the advisability of investing in securities generally or in the Product(s) particularly or the ability of the NIFTY Healthcare Index to track general stock market performance in India. The relationship of NSE INDICES LIMITED to the Issuer is only in respect of the licensing of the Indices and certain trademarks and trade names associated with such Indices which is determined, composed and calculated by NSE INDICES LIMITED without regard to the Issuer or the Product(s). NSE INDICES LIMITED does not have any obligation to take the needs of the Issuer or the owners of the Product(s) into consideration in determining, composing or calculating the NIFTY Healthcare Index. NSE INDICES LIMITED is not responsible for or has participated in the determination of the timing of, prices at, or quantities of the Product(s) to be issued or in the determination or calculation of the equation by which the Product(s) is to be converted into cash. NSE INDICES LIMITED has no obligation or liability in connection with the administration, marketing or trading of the Product(s). NSE INDICES LIMITED do not guarantee the accuracy and/or the completeness of the NIFTY Healthcare Index or any data included therein and NSE INDICES LIMITED shall not have any responsibility or liability for any errors, omissions, or interruptions therein. NSE INDICES LIMITED does not make any warranty, express or implied, as to results to be obtained by the Issuer, owners of the product(s), or any other person or entity from the use of the NIFTY Healthcare Index or any data included therein. NSE INDICES LIMITED makes no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the index or any data included therein. Without limiting any of the foregoing, NSE INDICES LIMITED expressly disclaim any and all liability for any claims, damages or losses arising out of or related to the Products, including any and all direct, special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages. An investor, by subscribing or purchasing an interest in the Product(s), will be regarded as having acknowledged, understood and accepted the disclaimer referred to in Clauses above and will be bound by it.

TABLE OF CONTENTS

SECTION I 4
Part I. HIGHLIGHTS/SUMMARY OF THE SCHEME 4
DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY 9
Part II. INFORMATION ABOUT THE SCHEME 10
A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS? 10
B. WHERE WILL THE SCHEME INVEST? 12
C. WHAT ARE THE INVESTMENT STRATEGIES? 12
D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE? 17
E. WHO MANAGES THE SCHEME? 17
F. HOW IS THE SCHEME DIFFERENT FROM EXISTING SCHEMES OF THE MUTUAL FUND? 17
H. ADDITIONAL SCHEME RELATED DISCLOSURES 19
Part III. OTHER DETAILS 21
A. COMPUTATION OF NAV 21
B. NEW FUND OFFER (NFO) EXPENSES 21
C. ANNUAL SCHEME RECURRING EXPENSES 21
D. LOAD STRUCTURE 23
E. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME 24
Section II 26
I. Introduction 26
A. Definitions/interpretation 26
B. Risk factors 26
C. Risk mitigation strategies 30
II. Information about the scheme: 31
A. Where will the scheme invest – 31
What are the investment restrictions? 35
B.
C. Fundamental Attributes 39
D. Index methodology 40
E. Principles of incentive structure for market makers 42
F. Floors and ceiling within a range of 5% of the intended allocation against each sub class of asset, as per para 13.6.2 of SEBI master circular for mutual funds (only for close ended debt schemes) – Not Applicable 43
G. Other Scheme Specific Disclosures: 43
III. Other Details 56
A. In case of Fund of Funds Scheme, Details of Benchmark, Investment Objective, Investment Strategy, TER, AUM, Year wise performance, Top 10 Holding/ link to Top 10 holding of the underlying fund should be provided-Not Applicable 56
B. Periodic Disclosures 56
C. Transparency/NAV Disclosure 58
D. Transaction charges and stamp duty- 58
E. Associate Transactions- Please refer to Statement of Additional Information (SAI) 58
F. Taxation- For details on taxation please refer to the clause on Taxation in the SAI apart from the following: 58
G. Rights of Unitholders- Please refer to SAI for details. 63
H. List of official points of acceptance: For Details of official points of acceptance, please refer our website: https://www.axismf.com/statutory-disclosures 63
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 63

SECTION I

Part I. HIGHLIGHTS/SUMMARY OF THE SCHEME

Sr. No.	Title	Description
I.	**Name of the scheme**	Axis Nifty Healthcare ETF ('the Scheme')
II.	**Category of the Scheme**	Exchange Traded Fund (ETF)
III.	**Scheme type**	An open ended Exchange Traded Fund tracking NIFTY Healthcare Index.
IV.	**Scheme code**	AXIS/O/O/EET/21/03/0055
V.	**Investment objective**	The investment objective of the Scheme is to provide returns before expenses that closely correspond to the total returns of the NIFTY Healthcare Index subject to tracking errors. There is no assurance that the investment objective of the scheme will be achieved.
VI.	**Liquidity/listing details**	**<u>Liquidity</u>** **On the exchange:** The Units of the Scheme are listed on National Stock Exchange of India Ltd. (NSE) and/or any other recognized stock exchanges as may be decided by AMC from time to time. The Units of the scheme may be bought or sold on all trading days at prevailing listed price on such Stock Exchange(s). 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. **Directly with the Mutual Fund:** The Scheme offers units for subscription / redemption directly with the Mutual Fund in Creation Unit Size/ above a specified threshold to Authorized Participants / Market Makers and Large Investors, at NAV based prices on all Business Days during an ongoing offer period. The redemption consideration shall normally be the basket of securities represented by NIFTY Healthcare Index in the same weightage as in the Index and cash component. **<u>Listing</u>** Being an Exchange Traded Fund, the Units of the Scheme is listed on the NSE and/or any other stock exchange within such time as the Exchange may allow or within such time as the Regulations permit. An investor can buy/sell Units on the Exchange during the trading hours like any other publicly traded stock. The AMC has proposed to engage Authorised Participants / Market Makers for creating liquidity for the ETF on the Stock Exchange(s) so that investors other than Authorised Participants / Market Makers and Large Investors are able to buy or redeem units on the Stock Exchange(s) using the services of a stock broker. The AMC may also decide to delist the Units from a particular Exchange, provided that the Units are listed on at least one Exchange. The price of the Units in the market on Exchange will depend on demand and supply and market factors and forces. There is no minimum investment

		amount for investment through Exchange, although Units dealt in minimum in lot of 1.
VII.	**Benchmark (Total Return Index)**	**Benchmark:** Nifty Healthcare TRI. **Justifications of Benchmark:** As the Scheme primarily invests in constituents of NIFTY Healthcare Index & the investment objective is to provide returns before expenses that closely correspond to the total returns of the NIFTY Healthcare Index, the Scheme will be benchmarked against the NIFTY Healthcare Index. **Tier 2 Benchmark:** 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.	**NAV disclosure**	By 11.00 p.m. on every Business Day on AMC (www.axismf.com) and AMFI website. **iNAV** AMC will update the Indicative NAV periodically on its website and on Stock Exchange(s) (where units are listed and traded) within a maximum time lag of 15 seconds from underlying market. Further Details in Section II.
IX.	**Applicable timelines**	Timeline for **Dispatch of redemption proceeds:** The AMC shall dispatch the Redemption proceeds within three (3) working Days from the date of receipt of request from the unit holder. Redemption proceeds in the form of baskets of securities included in NIFTY Healthcare Index in the same proportion will be credited to the designated DP account of the Authorized Participants / Market Makers/ Large Investors. Any fractions in the number of securities transferable to Authorized Participants/ Market Makers / Large Investors will be rounded off to the lower integer and the value of the fraction will be added to the cash component payable. The cash component of the proceeds at applicable NAV will be paid by way of cheque or direct credit or through electronic mode i.e. RTGS/NEFT. However, only Authorised Participants/Market Maker and Large Investors can directly redeem from the AMC in Creation Unit Size/ above a specified threshold. The AMC shall adhere to guidelines published by AMFI /SEBI for exceptional circumstances under which the scheme is unable to transfer redemption or repurchase proceeds within prescribed timelines. **Dispatch of IDCW:** Not Applicable
X.	**Plans and Options** Plans/Options and sub options under the Scheme	None

XI.	**Load Structure**	**Entry Load:** Not Applicable Para 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. **Exit Load:** NIL For more details on Load Structure, please refer paragraph "Load Structure
XII.	**Minimum Application Amount/switch in**	**Minimum Application Amount/switch in** **Subscription / Redemption of Units directly with Mutual Fund:** Authorised Participants/ Market Makers and Large Investors can directly purchase / redeem in multiples of Creation Unit Size on any business day. Large Investors can directly purchase / redeem in Creation Unit Size subject to the value of transaction is above a specified threshold (of Rs. 25 Crores) (Not applicable to Employee Provident Fund Organization, India, Recognised Provident Funds, approved Gratuity Funds, approved Superannuation Funds under Income Tax Act 1961 till such time as prescribed by SEBI from time to time) or such other threshold as prescribed by SEBI from time to time. **Purchase / Sale of Units on Stock Exchange:** There is no minimum investment, although Units are purchased /sold in round lots of 1 Unit on stock exchange.
XIII.	**Minimum Additional Purchase Amount**	Not applicable
XIV.	**Minimum Redemption/ switch out amount**	Refer Section II – Part II G for Minimum Redemption/switch out amount.
XV.	**New Fund Offer Period**	This section does not apply to the Scheme as it has already been launched. The New Fund Offer opened on April 30, 2021 and closed on May 10, 2021. The units under the Scheme were allotted on May 17, 2021. The Scheme is now available for Subscription and Redemption at NAV based prices on all Business Days.
XVI.	**New Fund Offer Price**	This section does not apply to the Scheme as it has already been launched. The Scheme is now available for Subscription and Redemption at NAV based prices on all Business Days.
XVII.	**Segregated portfolio/ side pocketing disclosure**	The Scheme has provision for segregated portfolio. For Details, kindly refer SAI.
XVIII	**Swing pricing disclosure**	The Scheme does not have provision for swing pricing.
XIX.	**Stock lending/short selling**	The Scheme may engage in stock lending subject to disclosure as specified in asset allocation. The Scheme will not undertake short selling. For Details, kindly refer SAI.
XX.	**How to Apply and other details**	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.

		Physical Transactions For making application for subscription / redemption / switches, application form and Key Information Memorandum may be obtained from / submitted to the Official Points of Acceptance (OPAs) of AMC or downloaded from the website of AMC viz. www.axismf.com. **Online / Electronic Transactions** Investors can undertake transactions via electronic mode through various online facilities offered by Axis AMC / other platforms specified by AMC from time to time. For further details of online / electronic mode please refer SAI.
XXI.	**Investor services**	**Contact details for general service requests and complaints:** Investors can lodge any service request or complaints or enquire about NAVs, Unit Holdings, IDCW, etc by calling the Investor line of the AMC at contact number 8108622211 (chargeable) from 9.00 am to 6.00 pm (Monday to Saturday) or (022) 6649 6100 (at local call rate for enquiring at AMC ISC's) or email – customerservice@axismf.com. The service representatives may require personal information of the Investor for verification of his / her identity in order to protect confidentiality of information. The AMC will at all times endeavour to handle transactions efficiently and to resolve any investor grievances promptly. **Investor Relations Officer:** Mr. C P Sivakumar Nair Address : Axis Asset Management Company Ltd. One Lodha Place, 22nd & 23rd Floor, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra, Pin Code – 400013 Phone no.: (022) 6649 6102 For any grievances with respect to transactions through BSE StAR and / or NSE MFSS, the investors / Unit Holders should approach either the stock broker or the investor grievance cell of the respective stock exchange.
XXII.	**Specific attribute of the scheme**	Not Applicable.
XXIII.	**Special product/facility available during the NFO and on ongoing basis**	Not Applicable
XXIV.	**Weblink**	• **TER for last 6 months / Daily TER:** For details, please refer our website: https://www.axismf.com/total-expense-ratio • **Scheme factsheet:** For details, please refer our website: https://www.axismf.com/downloads
XXV.	**Creation Unit**	Creation Unit is a fixed number of units of the Scheme, which is exchanged for a basket of securities of the underlying index called the Portfolio Deposit and a Cash component. For redemption of Units, it is vice versa i.e., fixed number of units of the Scheme and a cash component are exchanged for Portfolio Deposit.

		Creation Unit Size will be 50,000 units and in multiples thereof. Every creation unit shall have a monetary value in Rupee terms equivalent to that day's portfolio deposit and cash component. For redemption of Units it is vice versa i.e. fixed number of Units of the Scheme are exchanged for Portfolio Deposit and Cash Component, if any. The Portfolio Deposit and Cash Component will change from time to time and is discussed separately in this SID. The Mutual Fund may from time to time change the size of the Creation Unit in order to equate it with marketable lots of the underlying instruments.

INTERPRETATION

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

- all references to the masculine shall include the feminine and all references, to the singular shall include the plural and vice-versa.
- all references to "dollars" or "$" refer to United States Dollars and "Rs" refer to Indian Rupees. A "crore" means "ten million" and a "lakh" means a "hundred thousand".
- all references to timings relate to Indian Standard Time (IST).
- references to a day are to a calendar day including a non-Business Day.
- All 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) 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: May 30, 2025
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 will be:

Instruments	Indicative Allocation (% of total assets)	
	Minimum	Maximum
Equity instruments covered by NIFTY Healthcare Index	95	100
Debt & Money Market Instruments	0	5

Derivative:
Investment in derivatives instruments shall be to the extent of 5% of the Net Assets of the Scheme as permitted by Regulations / guidelines issued by SEBI from time to time. The Scheme may use derivatives for such purposes as maybe permitted by the Regulations, including for the purpose of hedging and portfolio balancing and subject to guidelines issued by SEBI from time to time. Such exposure to equity derivatives of constituents or index derivatives of the underlying Index would be taken for short duration when securities of the Index are unavailable, insufficient, for rebalancing at the time of change in Index, in case of corporate actions, for hedging purposes or for efficient portfolio management, etc.

The cumulative gross exposure through equity, debt and derivative position should not exceed 100% of the net assets of the Scheme in accordance with Regulations / guidelines issued by SEBI from time to time.

The Scheme shall not carry out short selling. The scheme will also not invest in foreign securities securitized debt and in debt instruments having structured obligations / credit enhancements.

Stock Lending by the Fund

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

Not more than 20% of the net assets of the Scheme can generally be deployed in Stock Lending.

The net assets of the Scheme will be invested predominantly in stocks constituting the NIFTY Healthcare Index. This would be done by investing in all the stocks comprising the NIFTY Healthcare Index in approximately the same weightage that they represent in the NIFTY Healthcare Index. The Scheme may take exposure through derivative transactions in the manner and upto the limit as may be specified by SEBI from time to time. A small portion of the net assets of the Scheme will be invested in debt and money market instruments permitted by SEBI / RBI including call money market or in alternative investment for the call money market as may be provided by the RBI, to meet the liquidity requirements of the Scheme.

Being a passively managed exchange traded fund, change in investment pattern is normally not foreseen. However, for short durations part of the corpus may be pending for deployment, in cases of extreme market conditions, special events or corporate events, like declaration of dividend by the companies comprising the index.

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. Pending deployment, such funds may also be invested in units of debt and liquid mutual fund schemes.

In the event NIFTY Healthcare Index is dissolved or is withdrawn by NSE Indices Limited or is not published due to any reason whatsoever, the Trustee reserves the right to modify the Scheme so as to track a different and suitable index or to suspend tracking the respective index and appropriate intimation will be sent to the unitholders of the Scheme. In such a case, the investment pattern will be modified suitably to match the composition of the securities that are included in the new index to be tracked and the Scheme will be subject to tracking errors during the intervening period.

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

Sr. No.	Type of Instrument	Percentage of exposure	Circular references*
1	Securities Lending and borrowing	The Scheme shall adhere to the following limits should it engage in Stock Lending: Not more than 20% of the net assets of the Scheme can generally be deployed in Stock Lending.	Para 12.11 of SEBI Master Circular for Mutual Funds as amended from time to time.
2	Derivatives for non-hedging purposes	There is no separate limit for derivatives for non-hedging purposes. Please refer above para for exposure in derivatives	Para 7.5, Para 7.6 and Para 12.25 of SEBI Master Circular for Mutual Funds.
3	Tri party Repo	Allocation may be made to TREPS from any amounts that are pending deployment or on account of any adverse market situation.	
4	Mutual Fund Units	The scheme may invest in units of debt and liquid mutual fund schemes.The scheme may invest in units of liquid mutual fund schemes of Axis AMC or in the Scheme of other mutual funds in conformity with the investment objective of the Scheme and in terms of the prevailing SEBI (MF) Regulations. Provided that such investment will be within the limits specified under SEBI (MF) Regulations and will be done for cash management purposes.	Clause 4 of Seventh Schedule of SEBI (MF) Regulations

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

The Scheme shall not invest in following instruments:

Sl. No.	Type of Instrument
1	Credit default swaps
2	Securitized Debt
3	Overseas Securities
4	REITS and InVITS
5	Debt instruments with special features AT1 & AT2 Bonds
6	Credit Enhancement / Structured Obligations
7	Repo & Reverse Repo in corporate debt
8	The scheme shall not undertake Short Selling

Portfolio rebalancing due to short term defensive considerations:

Portfolio allocation may deviate from the asset allocation for a short term period due to defensive considerations as per Para 1.14.1.2 of SEBI Master circular for Mutual Fund as amended from time to time or on account of inflows in and outflows from the Scheme due to the nature of accounting, involuntary corporate action, etc. Defensive considerations may be determined by the fund manager and/or AMC from time to time. In case of deviations on account of exogenous factors, the fund manager will endeavour to rebalance the scheme within 7 calendar days from the date of such deviation.

Portfolio rebalancing:

In the event of deviation due to change in constituents of the index due to periodic review, in accordance

with para 3.6.7 of SEBI Master circular for Mutual funds as amended from time to time, the portfolio of the Scheme shall be rebalanced within 7 calendar days from the date of such deviation.

B. WHERE WILL THE SCHEME INVEST?

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

- Equity and Equity Related Instruments (forming part of the underlying index)
- Derivatives
- Debt Instruments & Money Market Instruments
- Units of liquid Mutual Fund Schemes
- Short Term Deposits

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

Kindly refer detailed definitions and applicable regulations/guidelines for each instruments kindly refer Section II.

C. WHAT ARE THE INVESTMENT STRATEGIES?

The Scheme follows a passive investment strategy.

The Scheme would invest in stocks comprising the underlying index and shall endeavor to track the benchmark index. The Scheme may also invest in debt and money market instruments, in compliance with Regulations to meet liquidity and expense requirements. The Scheme endeavors to invest in stocks forming part of the underlying in the same ratio as per the index to the extent possible and to that extent follows a passive investment strategy, except to the extent of meeting liquidity and expense requirements. Events like the constituent stocks becoming illiquid in cash market, the exchange changing the constituents, a large IDCW going ex but lag in its receipts, etc tend to increase the tracking error. In such events, it may be more prudent for the Scheme to take exposure through derivatives of the index itself or its constituent stocks in order to minimize the long term tracking error.

Derivatives Strategy:
The Scheme may invest in various derivative instruments which are permissible under the applicable regulations. Such investments shall be subject to the investment objective and strategy of the Scheme and the internal limits if any, as laid down from time to time. These include but are not limited to futures (both stock and index) and options (stock and index).

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

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

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

The risks associated with derivatives are similar to those associated with underlying investments. The additional risks of using derivative strategies could be on account of:

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

- In case of option writing, the downside of the strategy could be more than the option premium earned. As per the extant SEBI Regulations / circulars, Mutual Funds cannot write options.

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

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

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

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

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

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

There are futures based on stock indices as mentioned above as also futures based on individual stocks. The profitability of index /stock future as compared to an individual security will inter-alia depends upon:
• The carrying cost,
• The interest available on surplus funds, and
• The transaction cost.

Example of a typical future trade and the associated costs

Particulars	Index Future	Actual Purchase of Stocks
Index at the beginning of the month	17,500	17,500
Price of 1 month future	17,650	
A. Execution cost: Carry and other index future costs	150	
B. Brokerage cost: Assumed at	35.30	43.75
0.2% of Index Future		
0.25% for spot Stocks		
C. Gains on surplus fund: (Assumed 8% p.a. return on 85% of the money left after paying 15% margin) (8%*17650*85%*30 days/365)	98.65	0
Total Cost (A+B-C)	87	38.75

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

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

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

fund manager on the underlying stock.

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

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

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

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

(b) Buying/ Selling Stock/Index future:
Where the stock of a company "A" is trading in the spot market at Rs. 100 while it trades at Rs. 102 in the futures market, then the Scheme may buy the stock at spot and sell in the futures market thereby earning Rs. 2.

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

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

Option Contracts (Stock and Index)

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

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

Options Risk / Return Pay-off Table

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

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

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

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

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

Index Options / Stock Options

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

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

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

Call Option

Suppose an investor buys a Call option on 1 lot of Nifty 50 (Lot Size: 50 units)

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

Total Amount paid by the investor as premium [50*100] =5,000

There are two possibilities i.e. either the index moves up over the strike price or remains below the strike price.

Case 1- The index goes up

- An investor sells the Nifty Option described above before expiry:

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

His gains are as follows:

- Nifty Spot: 17,600
- Current Premium: Rs.200
- Premium paid: Rs.100
- Net Gain: Rs.200- Rs.100 = Rs.100 per unit
- Total gain on 1 lot of Nifty (50 units) = Rs. 5,000 (50*100)

In this case the premium of Rs.200 has an intrinsic value of Rs.100 per unit and the remaining Rs.100 is the time value of the option.

- An investor exercises the Nifty Option at expiry

Suppose the Nifty index moves up to 17,700 in the spot market on the expiry day and the investor decides to reverse his position in the market by exercising the Nifty call option as the option now is 'in The Money'.

His gains are as follows:

- Nifty Spot: 17,700
- Premium paid: Rs.100
- Exercise Price: 17,550

• Receivable on exercise: 17,700-17,550 = 150
• Total Gain: Rs. 2,500 {(150-100) *50}

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

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

Put Option

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

Let us analyze these scenarios.

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

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

An investor exercises the Nifty Option at expiry (It is an European Option)
Suppose the Nifty index moves down to 17,400 in the spot market on the expiry day and the investor decides to reverse his position in the market by exercising the Nifty Put Option as the option now is In The Money.

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

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

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

• Nifty Spot: >17,450
• Net Loss Rs.1,500 (Loss is caped to the extent of Premium Paid)
(Rs 30 Premium paid*Lot Size: 50 units).

For details of risk factors relating to use of Derivatives, the investors are advised to refer to Scheme Specific

Risk Factors.

PORTFOLIO TURNOVER

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

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

D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

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

E. WHO MANAGES THE SCHEME?

Name of Fund Manager	Age and Qualification	Experience of the Fund Manager in the last 10 years	Names of other schemes under his management
Mr. Karthik Kumar Managing the Scheme since August 3, 2023	Age: 42 years Qualifications: • M.B.A – Krannert School of Management, Purdue University, USA • C.F.A (USA) • B.E (Mechanical) – Sardar Patel College of Engg, Mumbai University	Total number of years of experience: 16 years, his last 10 years' experience are as follows: • Axis Asset Management Company Limited June 2019 – Till date • SilverTree Hong Kong April 2017 – May 2019 • Asiya Investment, Hong Kong Sept 2008 – Feb 2017"	Axis Arbitrage Fund Axis Quant Fund Axis NIFTY 100 Index Fund Axis NIFTY 50 Index Fund Axis NIFTY 50 ETF Axis NIFTY Next 50 Index Fund Axis NIFTY Bank ETF Axis Nifty Smallcap 50 Index Fund Axis Nifty Midcap 50 Index Fund Axis NIFTY IT ETF Axis NIFTY Healthcare ETF Axis Equity ETFs FoF Axis NIFTY India Consumption ETF Axis BSE SENSEX ETF Axis Nifty IT Index Fund Axis BSE Sensex Index Fund Axis Nifty Bank Index Fund Axis Nifty 500 Index Fund Axis Nifty500 Value 50 Index Fund AXIS MOMENTUM FUND Axis Nifty500 Momentum 50 Index Fund Axis Nifty500 Value 50 ETF Axis Income Plus Arbitrage Active FOF

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

Axis Nifty Healthcare ETF, An Open Ended scheme replicating / tracking NIFTY Healthcare Index is a new scheme offered by Axis Mutual Fund and is not a minor modification of any other existing scheme/product

of Axis Mutual Fund.

a. Reference list of existing Exchange Traded Funds of Axis Mutual Fund are as follows:

Sr. No.	Name of the scheme(s)
1	Axis Nifty Healthcare ETF
2	Axis Gold ETF
3	Axis Nifty Bank ETF
4	Axis Nifty 50 ETF
5	Axis Silver ETF
6	Axis Nifty IT ETF
7	Axis Nifty India Consumption ETF
8	Axis BSE Sensex ETF
9	Axis Nifty500 Value 50 ETF
10	Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF

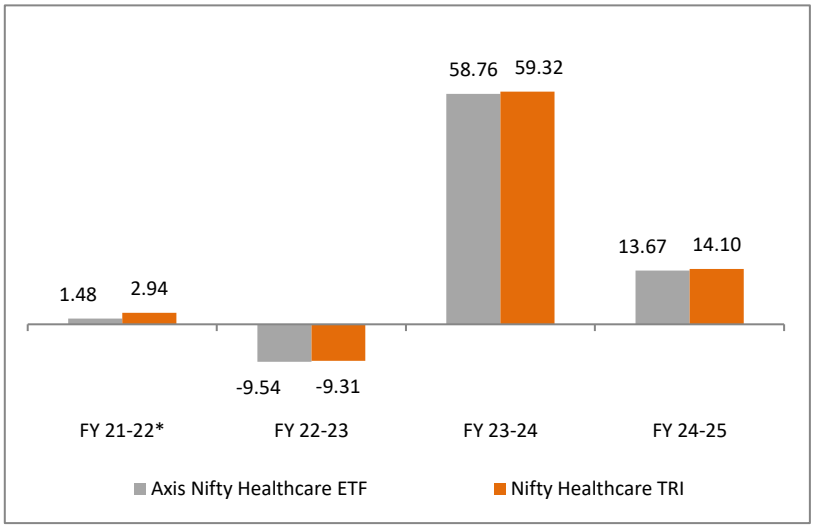
b. For detailed comparative table on 'How the Scheme is different from existing schemes of Axis Mutual Fund', please refer our website : https://www.axismf.com/statutory-disclosures

G. HOW HAS THE SCHEME PERFORMED

Performance of Axis Nifty Healthcare ETF on March 31, 2025 is as follows

Period	Axis Nifty Healthcare ETF^	Nifty Healthcare TRI
1 Year returns	13.67%	14.10%
3 Year returns	17.73%	18.17%
5 Year returns	-	-
Returns since Inception (17-May-21)	13.92%	14.66%

Absolute Returns for Last 5 Financial Years



* from Fund inception to 31st Mar 2022

For risk-o-meter and benchmark risk-o-meter of the scheme refer cover page.

^Past performance may or may not be sustained in future. Returns are compounded annualized for period more than or equal to 1 year. 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

i. 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

ii. Disclosure of name and exposure to Top 7 issuers, stocks, groups and sectors as a percentage of NAV of the scheme in case of debt and equity ETFs/index funds through a functional website link that contains detailed description – Please refer the AMC website https://www.axismf.com/statutory-disclosures for said details

iii. Functional website link for Portfolio Disclosure - ~~Fortnightly~~ / Monthly/ Half Yearly – Please refer the AMC website https://www.axismf.com/statutory-disclosures for said details

iv. Portfolio turnover ratio for the one-year period ended March 31, 2025: 0.12 times*
*Based on Equity, Equity derivatives and Fixed Income securities transactions only. TREPS/Repo/FD/Margin FD/MFU/SLB are not considered.

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

Sr. No.	Category of Persons(Axis Nifty Healthcare ETF – Fund Manager(s))	Net Value		Market Value (In Rs.)
		Units	NAV (Rs. per unit)	
Not applicable				

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

The NAV per unit shall be calculated by dividing the NAV of the fund by the total number of units issued and outstanding on the valuation day. 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 two decimal places. However, the AMC reserves the right to declare the NAVs up to additional decimal places as it deems appropriate.

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. 10.45 per unit (rounded off to two decimals)

The Mutual Fund will ensure that the Redemption Price will not be lower than 95% of the Applicable NAV.

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

B. NEW FUND OFFER (NFO) EXPENSES

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

C. ANNUAL SCHEME RECURRING EXPENSES

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

The AMC has estimated that following expenses will be charged to the Scheme 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 Mutual Fund.

Expense Head	% of daily Net Assets
Investment Management and Advisory Fees	Upto 1.00%

Trustee fee	
Audit fees	
Custodian fees	
RTA Fees	
Marketing & Selling expense	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost of providing account statements and redemption cheques and warrants	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 1 bps)	
Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades resp.	
Listing Fees	
Goods and Services tax (GST) on expenses other than investment and advisory fees	
GST on brokerage and transaction cost (**over & above 12bps and 5bps limit mentioned above**)	
Maximum total expense ratio (TER) permissible under Regulation 52 (6)	**Upto 1.00%**
Additional expenses for gross new inflows from specified cities	Upto 0.30%

No distribution expenses/ commission would be paid by the Scheme except for subscriptions received from specified cities.

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 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) may be incurred either towards investment & advisory fees and/or towards other expense heads as stated above.

The total expenses of the Scheme including the investment management and advisory fee shall not exceed 1.00% of the daily net assets.

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 amendments thereto.

Expenses charged to the Scheme

- In addition to the limits as specified in Regulation 52(6) of SEBI (Mutual Funds) Regulations 1996 ['SEBI Regulations'] 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 under regulation 52 (6A)

a) 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 to the Scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under Regulation 52 of the Regulations.

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

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, (including on brokerage and transaction costs

on execution of trades) shall be borne by the Scheme
(b) Investor education and awareness initiative fees of at least 1 basis points on daily net assets of Scheme.
(c) Incentives, if any, to Market Makers shall be charged to the Scheme within maximum permissible limit of TER.

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

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

Illustration:

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

Please Note:
•The purpose of the above illustration is purely to explain the impact of expense ratio charged to the Scheme and should not be construed as providing any kind of investment advice or guarantee of returns on investments.
•It is assumed that the expenses charged are evenly distributed throughout the year.
•Calculations are based on assumed NAVs, and actual returns on your investment may be more, or less.
•Any tax impact has not been considered in the above example, in view of the individual nature of the tax implications. Each investor is advised to consult his or her own financial advisor.

D. LOAD STRUCTURE

Load is an amount which is paid by the investor to redeem the Units from the Scheme. This amount is used by the AMC to pay commission to the distributors and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time. For the current applicable structure, investors may refer to the website of the AMC (www.axismf.com) or may call at contact number **8108622211** (Chargeable) from 9.00 am to 6.00 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.

The above mentioned load structure shall be equally applicable to the special products such as switches, etc. offered by the AMC.

The Investor is requested to check the prevailing Load structure of the Scheme before investing.

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

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

The Redemption Price however, will not be lower than 95% of the NAV. , as provided for under the Regulations. 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.

Any change in Load structure shall be only on a prospective basis i.e. any such changes would be chargeable only for Redemptions from prospective purchases (applying first in first out basis).

E. **REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME**

As per Para 6.11 of SEBI Master Circular, with respect to minimum number of investors and no single investor shall account for more than 25% of the corpus of the Scheme are not applicable to exchange traded funds and hence do not apply to AXIS HEALTHCAREETF.

SPECIAL CONSIDERATIONS

- The applicant under the Scheme will be required to have a beneficiary account with a Depository Participant of NSDL/CDSL and will be required to indicate in the application the Depository Participants (DP's) name, DP ID Number and the beneficiary account number of the applicant.
- The Scheme is not sponsored, endorsed, sold or promoted by NSE Indices Limited ("NSE Indices"). NSE Indices does not make any representation or warranty, express or implied, to the owners of the Scheme or any member of the public regarding the advisability of investing in securities generally or in the Scheme particularly or the ability of the NIFTY Healthcare Index to track general stock market performance in India. The relationship of NSE Indices to the Issuer is only in respect of the licensing of the Indices and certain trademarks and trade names associated with such Indices which is determined, composed and calculated by NSE Indices without regard to the Issuer or the Scheme. NSE Indices does not have any obligation to take the needs of the Issuer or the owners of the Scheme into consideration in determining, composing or calculating the NIFTY Healthcare Index. NSE Indices is not responsible for or has participated in the determination of the timing of, prices at, or quantities of the Scheme to be issued or in the determination or calculation of the equation by which the Scheme is to be converted into cash. NSE Indices has no obligation or liability in connection with the administration, marketing or trading of the Scheme.

  NSE Indices do not guarantee the accuracy and/or the completeness of the NIFTY Healthcare Index or any data included therein and NSE Indices shall have not have any responsibility or liability for any errors, omissions, or interruptions therein. NSE Indices does not make any warranty, express or implied, as to results to be obtained by the Issuer, owners of the Scheme, or any other person or entity from the use of the NIFTY Healthcare Index or any data included therein. NSE Indices makes no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or

use with respect to the index or any data included therein. Without limiting any of the foregoing, NSE Indices expressly disclaim any and all liability for any claims, damages or losses arising out of or related to the Products, including any and all direct, special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

An investor, by subscribing or purchasing an interest in the Scheme, will be regarded as having acknowledged, understood and accepted the disclaimer referred to in Clauses above and will be bound by it.

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

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

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

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

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

Passive Investments
AXIS NIFTY HEALTHCARE ETF will be a passively managed scheme by providing exposure to NIFTY Healthcare Index and tracking its performance and yield, before expenses, as closely as possible. The scheme performance may be affected by a general decline in the Indian markets relating to its underlying Index. The Scheme invests in the underlying Index regardless of its investment merit.

Market Maker Risk

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

Risk pertaining to NIFTY Healthcare Index

NIFTY Healthcare Index comprises of 20 stocks. Equities are volatile in nature and are subject to price

fluctuations. The volatility in the value of the equity instruments is due to various micro and macroeconomic factors affecting the securities markets. This may have an adverse impact on individual securities /sector and consequently on the performance of Scheme. Since this is a sectoral index, adverse risks associated with the sector will also have an impact on the performance of the Index and hence the ETF.

Risks *associated with investments in equities*

- Equity and equity related securities are volatile and prone to price fluctuations. The liquidity of investments made in the Scheme may be restricted by trading volumes and settlement periods. Settlement periods may be extended significantly by unforeseen circumstances. The inability of the Scheme to make intended securities purchases, due to settlement problems, could cause the Scheme to miss certain investment opportunities. Similarly, the inability to sell securities held in the Scheme portfolio would result at times, in potential losses to the Scheme, should there be a subsequent decline in the value of securities held in the Scheme portfolio. Also, the value of the Scheme investments may be affected by interest rates, currency exchange rates, changes in law/policies of the government, taxation laws and political, economic or other developments which may have an adverse bearing on individual Securities, a specific sector or all sectors.

- Investments in equity and equity related securities involve a degree of risk and investors should not invest in the equity Scheme unless they can afford to take the risk of losing their investment.

Risks associated with investments in derivatives

- The Scheme may invest in derivative products in accordance with and to the extent permitted under the Regulations and by RBI. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself. Trading in derivatives carries a high degree of risk although they are traded at a relatively small amount of margin which provides the possibility of great profit or loss in comparison with the principal investment amount. Thus, derivatives are highly leveraged instruments.

- The derivatives market in India is nascent and does not have the volumes that may be seen in other developed markets, which may result in volatility to the values.

- Investment in derivatives also requires the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. Even a small price movement in the underlying security could have an impact on their value and consequently, on the NAV of the Units of the Scheme.

- The Scheme may face execution risk, whereby the rates seen on the screen may not be the rate at which the ultimate execution of the derivative transaction takes place.

- The Scheme may find it difficult or impossible to execute derivative transactions in certain circumstances. For example, when there are insufficient bids or suspension of trading due to price limit or circuit breakers, the Scheme may face a liquidity issue.

- The options buyer's risk is limited to the premium paid, while the risk of an options writer is unlimited. However the gains of an options writer are limited to the premiums earned.

- The exchange may impose restrictions on exercise of options and may also restrict the exercise of options at certain times in specified circumstances and this could impact the value of the portfolio.

- The writer of a put option bears the risk of loss if the value of the underlying asset declines below the exercise price. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the exercise price.

- Investments in index futures face the same risk as the investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks.

- The Scheme bears a risk that it may not be able to correctly forecast future market trends or the value of assets, indices or other financial or economic factors in establishing derivative positions for the Scheme.

- The risk of loss in trading futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and the potential high volatility of the futures markets.

- There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. The counter party may default on a transaction before settlement and therefore, the Scheme is compelled to negotiate with another counterparty at the then prevailing (possibly unfavourable) market price.

- Derivatives also carry a market liquidity risk where the derivatives cannot be sold (unwound) at prices that reflect the underlying assets, rates and indices.

- Where derivatives are used for hedging, such use may involve a basis risk where the instrument used as a hedge does not match the movement in the instrument/underlying asset being hedged. The risk may be inter-related also e.g. interest rate movements can affect equity prices, which could influence specific issuer/industry assets.

- Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

- Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor / unitholder. Execution of investment strategies depends upon the ability of the fund manager(s) to identify such opportunities which may not be available at all times. Identification and execution of the strategies to be pursued by the fund manager(s) involve uncertainty and decision of fund manager(s) may not always be profitable. No assurance can be given that the fund manager(s) will be able to identify or execute such strategies.

- The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.

Risks associated with investments in Fixed Income Securities

The following are the risks associated with investment in fixed income securities:

Interest-Rate Risk: Fixed income securities such as government 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.

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

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

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

Risk associated with Listing of units on Stock Exchange

Listing of the units of the fund does not necessarily guarantee their liquidity and there can be no assurance that an active secondary market for the units will develop or be maintained. Consequently, the price quotes of the fund may deviate from its face value / NAV.

Trading in Units of the Scheme on the Exchange may be halted because of market conditions or for reasons that in view of Exchange Authorities or SEBI, trading in Units of the Scheme is not advisable. In addition, trading in Units of the Scheme is subject to trading halts caused by extraordinary market volatility and pursuant to Exchange and SEBI 'circuit filter' rules. There can be no assurance that the requirements of Exchange necessary to maintain the listing of Units of the Scheme will continue to be met or will remain unchanged. Any changes in trading regulations by the Stock Exchange(s) or SEBI may inter-alia result in wider premium/ discount to NAV. The Units of the Scheme may trade above or below their NAV. The NAV of the Scheme will fluctuate with changes in the market value of Scheme's holdings. The trading prices of Units of the Scheme will fluctuate in accordance with changes in their NAV as well as market supply and demand for the Units of the Scheme. However, the Units of the Scheme can be subscribed / redeemed in Creation Unit Size/ above a specified threshold directly with the Scheme, which provides efficient arbitrage between the traded prices and the NAV, thereby reducing the incidence of the units of the Scheme being traded at premium/discounts to NAV. However, any changes in the trading regulations by NSE/Stock Exchange/SEBI may affect the ability of the market makers/Authorized Participants to arbitrage resulting into wider premium or discount to NAV. The Units will be issued in demat form through depositories. The records of the depository are final with respect to the number of Units available to the credit of Unit holder. Settlement of trades, repurchase of Units by the Mutual Fund will depend upon the confirmations to be received from depository(ies) on which the Mutual Fund has no control.

The market price of the Units of the Scheme, like any other listed security, is largely dependent on two factors, viz., (1) the intrinsic value of the Unit (or NAV), and (2) demand and supply of Units in the market. Sizeable demand or supply of the Units in the Exchange may lead to market price of the Units to quote at premium or discount to NAV.

Risks associated with Securities lending

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

Risk associated with Redemption

Investors may note that even though this is an open-ended scheme, the Scheme would repurchase/redeem Units in Creation Unit Size / above a specified threshold Thus unit holdings less than the Creation Unit Size can only be sold through the secondary market on the Stock Exchange where these units are listed, subject to the rules and regulations of the Exchange.

Risks associated with segregated portfolio

1. Investor holding units of segregated portfolio may not 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.

C. Risk mitigation strategies

Risk Control

The scheme aims to track the NIFTY Healthcare Index as closely as possible before expenses. The index is tracked on a regular basis and changes to the constituents or their weights, if any, are replicated in the underlying portfolio with the purpose of minimizing tracking error.

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

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

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

Risk control measures for Equity investment

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

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

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

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

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

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

Risk control measures for Debt investment

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

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

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

Mitigation- The scheme may invest in government securities, corporate bonds and money market instruments. While the liquidity risk for government securities, money market instruments and short maturity corporate bonds may be low, it may be high in the 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. In case of securitized debt instruments, the Scheme will ensure that these instruments are sufficiently backed by assets.

Risk control with respect to derivatives

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

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

II. Information about the scheme:

A. Where will the scheme invest –

The corpus of the Scheme will be invested in Equity & Equity related instruments forming part of the constituents of the underlying index. The Scheme will endeavor to track the NIFTY Healthcare Index and is a passively managed scheme. In case of any change in the index due to corporate actions or change in the constituents of NIFTY Healthcare Index (as communicated by IISL), the relevant investment decision will be determined considering composition of NIFTY Healthcare Index. The Scheme will also invest in Debt Instruments & Money Market Instruments.

Equity and Equity Related Instruments:

1. *Equity share* is a security that represents ownership interest in a company.
2. *Equity Related Instruments* are securities which give the holder of the security right to receive Equity Shares on pre agreed terms. It includes convertible bonds, convertible debentures, equity warrants, convertible preference shares, etc. The Scheme shall invest in Equity shares of constituents of NIFTY Healthcare Index, however it may be entitled to and receive Equity Related instruments of such entities by way of corporate action.
3. *Equity Derivatives* are financial instruments, generally traded on an exchange, the price of which is directly dependent upon (i.e., "derived from") the value of equity shares or equity indices. Derivatives involve the trading of rights or obligations based on the underlying, but do not directly transfer property.

Futures:
Futures are exchange-traded contracts to sell or buy financial instruments for future delivery at an agreed

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

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

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

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

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

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

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

Debt and money market Instruments

Certificate of Deposit (CD)
Certificate of Deposit (CD) is a negotiable money market instrument issued by scheduled commercial banks and select all-India Financial Institutions that have been permitted by the RBI to raise short term resources. The maturity period of CDs issued by the Banks is between 7 days to one year, whereas, in case of FIs, maturity is one year to 3 years from the date of issue.

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

Treasury Bill (T-Bill)
Treasury Bills (T-Bills) are issued by the Government of India to meet their short term borrowing requirements. T-Bills are 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.

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.

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 in terms of Para 12.16 of SEBI Master Circular on Mutual Funds.

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

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

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

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

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

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

Debt and Money Markets in India

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

The Government Securities (G-Secs) market, consists of G-Sec outstanding of Rs. 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 March 31, 2025 on some of the instruments and further illustrates this point.

Instrument	Current Yield range (%)
Tri-party Repo	6-6.25
Repo	6-6.25
3M T-bill	6.50-55
1Y T-bill	6.55-60
10Y G-sec	6.50-55
3m PSU Bank CD	7-7.05
3m Manufacturing co. CP	7.10-15
1Y PSU Bank CD	7.05-10
1Y NBFC CP	7.40-45
1Y Manufacturing co. CP	7.15-20
5Y AAA Institutional Bond	7.10-15
10Y AAA Institutional Bond	7.10-15

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?

The following are the restrictions as are laid out in Schedule Seven to the SEBI (Mutual Funds) Regulations, 1996.

1. The Mutual Fund under all its Scheme(s) shall not own more than ten per cent of any company's paid up capital carrying voting rights. Provided, investment in the asset management company or the trustee company of a mutual fund shall be governed by clause (a), of sub-regulation (1), of regulation 7B.

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

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

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

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

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

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

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

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

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

5. Further, in accordance with Para 12.8 of SEBI Master Circular for Mutual Funds, the Scheme shall not invest more than:

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

   The above investment limits may be extended by up to 2% of the NAV of the scheme with prior approval of the Board of Trustees and Board of Directors of the AMC, subject to compliance with the overall 12% limit 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 and Money market instruments shall be in the range of 0% to 35% of the net assets of the Scheme, subject to conditions specified.

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

7. The Scheme shall not make any investment in :
   a. any unlisted security of an associate or group company of the sponsor; or
   b. any security issued by way of private placement by an associate or group company of the sponsor; or
   c. the listed securities of group companies of the sponsor which is in excess of 25% of the net assets except for investments by equity-oriented exchange traded funds (ETFs) and Index Funds.
   Provided that, Equity oriented ETFs and Index Funds, based on widely tracked and non-bespoke indices, can make investments in accordance with the weightage of the constituents of the underlying index. However, such investments shall be subject to an overall cap of 35% of net asset value of the scheme, in the group companies of the sponsor.

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

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

   a. such transfers are done at the prevailing market price for quoted instruments on spot basis (spot basis shall have the same meaning as specified by a Stock Exchange for spot transactions); and
   b. the securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfer has been made.

Further, inter scheme transfers shall be in accordance para 12.30 of SEBI Master Circular on Mutual Funds as amended from time to time.

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

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

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

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

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

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

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

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

    i. "Short Term" for such parking of funds by the Scheme shall be treated as a period not exceeding 91 days. Such short-term deposits shall be held in the name of the Scheme.
    ii. The Scheme shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustee.
    iii. Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
    iv. The Scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
    v. The Scheme shall not park funds in short term deposit (STD) 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 and Derivatives market.

13. The Scheme shall not advance any loans.

14. The Fund shall not borrow except to meet temporary liquidity needs of the Fund for the purpose of Repurchase/Redemption of Unit or payment of interest and/or IDCW to the Unit holder.

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

15. The Scheme will comply with the following restrictions for trading in exchange traded derivatives, as specified in para 7.5 and 7.6 of SEBI Master circular for Mutual Funds.

i. Position limit for the Mutual Fund in equity index options contracts

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

b. This limit would be applicable on open positions in all options contracts on a particular underlying index.

ii. Position limit for the Mutual Fund in equity index futures contracts:

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

iii. Additional position limit for hedging

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

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

iv. Position limit for Mutual Fund for stock based derivative contracts

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

v. Position limit for each scheme of a Mutual Fund

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

b. For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of a Mutual Fund shall not exceed the higher of 1% of the free float market capitalization (in terms of number of shares)
or
5% of the open interest in the derivative contract on a particular underlying stock (in terms of number of contracts).
c. This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.
d. For index based contracts, Mutual Funds shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

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

17. Para 12.25 of SEBI Master Circular for Mutual Funds has prescribed the following investment restrictions w.r.t. investment in derivatives:

1	The cumulative gross exposure through equity, debt and derivative positions shall not exceed 100% of the net assets of the scheme. Cash or cash equivalents with residual maturity of less than 91 days shall be treated as not creating any exposure.
2	The Scheme shall not write options or purchase instruments with embedded written options.
3	The total exposure related to option premium paid shall not exceed 20% of the net assets of the scheme.
4	Exposure due to hedging positions may not be included in the above mentioned limits subject to the following: a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.

	b. Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1. c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged. d. The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.
5	Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.
6	Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows: **Position** — **Exposure** Long Future — Futures Price * Lot Size * Number of Contracts Short Future — Futures Price * Lot Size * Number of Contracts Option bought — Option Premium Paid * Lot Size * Number of Contracts.
7	(a) Mutual Funds may enter into plain vanilla Interest Rate Swaps (IRS) for hedging purposes. The value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. (b) In case of participation in IRS is through over the counter transactions, the counter party has to be an entity recognized as a market maker by RBI and exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme. However, if mutual funds are transacting in IRS through an electronic trading platform offered by the Clearing Corporation of India Ltd. (CCIL) and CCIL is the central counterparty for such transactions guaranteeing settlement, the single counterparty limit of 10% shall not be applicable.

18. 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.

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

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

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 Clause 1.14 of SEBI Master Circular for Mutual Funds:

(i) Type of a scheme

An open ended Scheme tracking NIFTY Healthcare Index

(ii) Investment Objective

Main Objective: The investment objective of the Scheme is to provide returns before expenses that closely correspond to the total returns of the NIFTY Healthcare Index 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 atleast 30 calendar days to exit at the prevailing Net Asset Value without any exit load

D. Index methodology

ABOUT THE INDEX: Nifty Healthcare Index

The index consists of top 20 companies from the Healthcare sector within the Nifty 500 index. Stocks are selected based on their average free-float market capitalization. The weight of each stock in the index is based on its free float market capitalization. The single stock weight shall be capped at 33% and the total weight of top 3 stocks shall not be more than 62% at the time of rebalancing. The base date for the index is April 01, 2005 and base value is 1000. The index composition is reconstituted on a semi-annual basis and weights are rebalanced on a quarterly basis. Nifty Healthcare Index aims to reflect the performance of the Healthcare sector. This new index, along with the existing Nifty sector indices, will help market participants gauge the riskreturn dynamics of various sectors across time. This index will appeal to investors looking to invest in the healthcare sector through ETFs or index funds.

Nifty Healthcare Index will be calculated on an end-of day basis. The index is expected to act as a benchmark for asset managers looking for reliable metrics that measure the performance of sectoral funds. The index is also expected to be a reference index which can be tracked by passive funds in the form of Exchange Traded Funds (ETFs), index funds and structured products.

The Nifty Healthcare Index is designed to reflect the behaviour and performance of the Healthcare companies. The Nifty Healthcare Index comprises of maximum of 20 tradable, exchange listed companies.

Methodology

Nifty Healthcare Index is computed using free float market capitalization method, wherein the level of the index reflects the total free float market value of all the stocks in the index relative to particular base market capitalization value.

Eligibility Criteria

i. Companies should form a part of Nifty 500 at the time of reconstitution.
ii. Companies should form a part of the Healthcare (Macro-economic) sector.
iii. Final selection of 20 companies shall be done based on the free-float market capitalization of the companies.
iv. Weightage of each stock in the index is be calculated based on its free-float market capitalization such that no single stock shall be more than 33% and weightage of top 3 stocks cumulatively shall not be more than 62% at the time of rebalancing.

Index Re-Balancing

Index is re-balanced on semi-annual basis. The cut-off date is January 31 and July 31 of each year, i.e. For semi-annual review of indices, average data for six months ending the cut-off date is considered. Four weeks prior notice is given to market from the date of change.

Constituent Capping

In terms of Para 3.4 of SEBI Master Circular on Mutual Funds, which specifies the portfolio concentration norms as follows, shall be complied with respect to the underlying Index:

i. The Index shall have a minimum of 10 stocks as its constituents.
ii. For a sectoral / thematic Index, no single stock shall have more than 35% weight in the index. For other than sectoral / thematic indices, no single stock shall have more than 25% weight in the index.
iii. The weightage of the top three constituents of the Index, cumulatively shall not be more than 65% of the Index.
iv. The individual constituent of the Index shall have a trading frequency greater than or equal to 80% and an average impact cost of 1% or less over previous six months.

For complete methodology, please refer https://www.niftyindices.com/Methodology/Method_NIFTY_Equity_Indices.pdf

Index Service Provider

NSE Indices Limited, a subsidiary of National Stock Exchange of India Limited was setup in May 1998 to provide a variety of indices and index related services and products for the Indian capital markets.

Constituents of Nifty Healthcare Index weights as on March 28, 2025 (weights can be higher than capped levels due to price drift*)

ISIN	Security	Weightage (%)	Impact Cost
INE358A01014	ABBOTT INDIA LTD.	1.77	0.05
INE540L01014	ALKEM LABORATORIES LTD.	2.86	0.03
INE437A01024	APOLLO HOSPITALS ENTERPRISE LTD.	7.37	0.02
INE406A01037	AUROBINDO PHARMA LTD.	3.58	0.03
INE376G01013	BIOCON LTD.	1.70	0.04
INE059A01026	CIPLA LTD.	8.95	0.02
INE361B01024	DIVI'S LABORATORIES LTD.	8.08	0.03
INE089A01031	DR. REDDY'S LABORATORIES LTD.	7.70	0.02
INE061F01013	FORTIS HEALTHCARE LTD.	4.01	0.05
INE935A01035	GLENMARK PHARMACEUTICALS LTD.	2.56	0.04
INE101D01020	GRANULES INDIA LTD.	0.78	0.05
INE571A01038	IPCA LABORATORIES LTD.	2.30	0.04
INE947Q01028	LAURUS LABS LTD.	2.65	0.05
INE326A01037	LUPIN LTD.	5.40	0.03
INE634S01028	MANKIND PHARMA LTD.	3.02	0.05
INE027H01010	MAX HEALTHCARE INSTITUTE LTD.	8.99	0.04
INE044A01036	SUN PHARMACEUTICAL INDUSTRIES LTD.	20.62	0.02

INE398R01022	SYNGENE INTERNATIONAL LTD.	1.51	0.05
INE685A01028	TORRENT PHARMACEUTICALS LTD.	3.72	0.03
INE010B01027	ZYDUS LIFESCIENCES LTD.	2.44	0.03

INTRODUCTION TO EXCHANGE TRADED FUNDS

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

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

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

Benefits of ETFs

a) Can be easily bought / sold like any other stock on the exchange through terminals spread across the country.
b) Can be bought / sold anytime during market hours at prices that are expected to be close to actual NAV of the Scheme. Thus, investor invests at nearly the real-time prices as opposed to end of day prices.
c) Ability to put limit orders.
d) Protects long-term investors from the inflows and outflows of short-term investors. This is because the fund does not bear extra transaction cost when buying/selling due to frequent subscriptions and redemptions.
e) Flexible as it can be used as a tool for gaining instant exposure to the equity markets, equitising cash, for arbitraging between the cash and futures market.

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

E. Principles of incentive structure for market makers

In accordance with the clause 3.6.1.4 of SEBI Master Circular for Mutual Funds, Incentives, if any, to Market Makers shall be charged to the Scheme within maximum permissible limit of TER.

a) Guiding Principles for incentive structure for Market Makers

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

b) Determination of incentive for Market maker

It will be determined basis any or all of the below mentioned criteria:

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

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

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

F. Floors and ceiling within a range of 5% of the intended allocation against each sub class of asset, as per para 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	**Listing** Being an Exchange Traded Fund, the Units of the Scheme is listed on the NSE and/or any other stock exchange within such time as the Exchange may allow or within such time as the Regulations permit. An investor can buy/sell Units on the Exchange during the trading hours like any other publicly traded stock. The AMC has proposed to engage Authorised Participants/ Market Makers for creating liquidity for the ETF on the Stock Exchange(s) so that investors other than Authorised Participants/Market Maker and Large Investors are able to buy or redeem units on the Stock Exchange(s) using the services of a stock broker. The AMC may also decide to delist the Units from a particular Exchange, provided that the Units are listed on at least one Exchange. The price of the Units in the market on Exchange will depend on demand and supply and market factors and forces. There is no minimum investment amount for investment through Exchange, although Units dealt in minimum in lot of 1. **Transferability of units:** Units held in Demat form are freely transferable in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time. Transfer can be made only in 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 DP in requisite form as may be required from time to time and transfer will be affected in accordance with such rules / regulations as may be in force governing transfer of securities in dematerialized mode. For more details refer to the SAI

Dematerialization of units	The units of the Scheme will be available in dematerialized form only. Investors intending to invest in units of the Scheme are required to have a beneficiary account with the Depository Participant (DP) (registered with NSDL / CDSL as may be indicated by the Fund at the time of launch) and will be required to indicate in the application form the DP's name, DP ID Number and the beneficiary account number of the applicant with the DP at the time of purchasing units directly from the Fund on an ongoing basis in the Creation Unit Size / above a specified threshold. The units of the Scheme will be issued, traded and settled compulsorily in dematerialized form.
Minimum Target amount	Not Applicable
Maximum Amount to be raised (if any)	Not Applicable
Dividend Policy (IDCW)	Not Applicable
Allotment (Detailed procedure)	• 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. • As the units of the Scheme will be issued, traded and settled compulsorily in dematerialized (electronic) form, the statement provided by the Depository Participant will be equivalent to the account statement. • For those Unit holders who have provided an e-mail address, the AMC will send the account statement by e-mail. • 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. • 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, the AMC/Fund will provide the Account Statement to the Investors within 5 business days from the receipt of such request. • The AMC shall issue Unit certificates within 5 business days from the date of receipt of request where the applicant so desires. In cases where the email does not reach the Unit holder, the Fund / its Registrar & 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 & Transfer Agent about any changes in his e-mail address. •
Refund	**Ongoing Offer period**: The AMC will refund the subscription money to applicants whose applications are found to be incomplete, invalid or have been rejected for any other reason whatsoever in accordance with the AMFI best practice guidelines in the matter. The AMC will endeavor to refund such amounts within 5 business days from the date of purchase transactions as per the timestamp / applicable NAV, where the application form / online transaction is received along with the payment and the funds have been realized. Where the subscription amount and the application/ online transaction are received separately, the period of 5 business days shall be reckoned from the later of the date of identifying the remitter details, based on the credit provided by the Bank or receipt and time stamping of application/ online

	transaction. In the event of delay beyond 5 business days, the AMC in line with AMFI best practice guidelines on the matter, will pay interest at 15% per annum or such other rate of interest as may be prescribed from time to time.
Who can invest This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is Suitable to their risk profile.	The following persons (subject to, wherever relevant, purchase of units of mutual funds, being permitted under respective constitutions, and relevant statutory regulations) are eligible and may apply for Subscription to the units of the Scheme: 1. Resident adult individuals either singly or jointly (not exceeding three) or on an Anyone or Survivor basis; 2. Hindu Undivided Family (HUF) through Karta; 3. Minor (as the first and the sole holder only) through a natural guardian (i.e. father or mother, as the case may be) or a court appointed legal guardian. There shall not be any joint holding with minor investments; 4. Partnership Firms; 5. Limited liability partnership firms; 6. Proprietorship in the name of the sole proprietor; 7. Companies, Bodies Corporate, Public Sector Undertakings (PSUs.), Association of Persons (AOP) or Bodies of Individuals (BOI) and societies registered under the Societies Registration Act, 1860(so long as the purchase of Units is permitted under the respective constitutions); 8. Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions; 9. Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as "Public Securities" as required) and Private trusts authorised to invest in mutual fund schemes under their trust deeds; 10. Non-Resident Indians (NRIs) / Persons of Indian origin (PIOs))/ Overseas Citizens of India (OCI)residing abroad on repatriation basis or on non-repatriation basis; 11. Foreign Portfolio Investor (FPI) registered with SEBI on repatriation basis. These investments shall be subject to the conditions prescribed by SEBI, RBI, Income Tax authorities and the AMC, from time to time; 12. Army, Air Force, Navy and other para-military units and bodies created by such institutions; 13. Scientific and Industrial Research Organisations; 14. Multilateral Funding Agencies / Bodies Corporate incorporated outside India with the permission of Government of India / RBI; 15. Provident/ Pension/ Gratuity Fund to the extent they are permitted; 16. Other schemes of Axis Mutual Fund or any other mutual fund subject to the conditions and limits prescribed by SEBI Regulations; 17. Schemes of Alternative Investment Funds; 18. The Trustee, AMC or Sponsor or their associates may subscribe to Units under the Scheme; 19. Such other category of person(s) permitted to make investments and as may be specified by the AMC / Trustee from time to time. 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.
Who cannot invest	1. Any individual who is a foreign national or any other entity that is not an Indian resident under the Foreign Exchange Management Act, 1999 (FEMA Act) except where registered with SEBI as a FPI or otherwise explicitly permitted under FEMA Act/ by RBI/ by any other applicable authority. 2. Pursuant to RBI A.P. (DIR Series) circular no. 14 dated September 16, 2003, Overseas Corporate Bodies (OCBs) cannot invest in Mutual Funds.

	3. NRIs residing in Non-Compliant Countries and Territories (NCCTs) as determined by the Financial Action Task Force (FATF), from time to time. 4. U.S. Persons and Residents of Canada as defined under the applicable laws of U.S. and Canada except the following: a. subscriptions received by way of lump sum / switches / systematic transactions received from Non-resident Indians (NRIs) /Persons of Indian origin (PIO) / Overseas Citizen of India (OCI) who at the time of such investment, are present in India and b. FPIs 5. Such other persons as may be specified by AMC from time to time. These investors need to submit a physical transaction request along with such documents as may be prescribed by the AMC/ the Trustee/ the Fund from time to time. The AMC reserves the right to put the transaction requests on hold/reject the transaction request/reverse allotted units, as the case may be, as and when identified by the AMC, which are not in compliance with the terms and conditions notified in this regard. The Trustee / the AMC /the Fund reserve the right to change/ modify the above provisions at a later date.
How to Apply and other details (where can you submit the filled up applications including purchase/redemption switches be submitted.)	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. **Physical Transactions** For making application for subscription / redemption / switches, application form and Key Information Memorandum may be obtained from / submitted to the Official Points of Acceptance (OPAs) of AMC or downloaded from the website of AMC viz. www.axismf.com. **Online / Electronic Transactions** Investors can undertake transactions via electronic mode through various online facilities offered by Axis AMC / other platforms specified by AMC from time to time. For name, address and contact no. of Registrar and Transfer Agent (R&T), email id of R&T, website address of R&T, official points of acceptance, collecting banker details etc. refer back cover page. Please note it is mandatory for unitholders to mention their bank account numbers in their applications/requests for redemption. **Please refer to the SAI and Application form for the instructions.**
The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.	The Scheme does not propose to reissue redeemed units. The number of Units held by the Unit holder in his Beneficiary (Demat) account will stand reduced by the number of Units redeemed.

Restrictions, if any, on the right to freely retain or dispose of units being offered.	Units held in Demat form are transferable in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time. Transfer can be made only in favour of transferees who are capable of holding units and have a Demat Account. The delivery instructions for transfer of units will have to be lodged with the DP in requisite form as may be required from time to time and transfer will be affected in accordance with such rules / regulations as may be in force governing transfer of securities in dematerialized mode. The Mutual Fund will not be bound to recognise any other transfer. In case a person (i.e. a transferee) becomes a holder of the units by operation of law or upon enforcement of pledge, then the AMC shall, subject to production of such satisfactory evidence and submission of such documents, proceed to effect the transfer, if the intended transferee is otherwise eligible to hold the units of the Scheme. The units held in demat mode can be pledged and hypothecated as per the provisions of Depositories Act, 1996 and Depositories Rules and Regulations. **Pledge or Hypothecation of Units** The Units held in demat mode can be pledged and hypothecated as per the provisions of Depositories Act and Depositories Rules and Regulations. **Manner of creating pledge or hypothecation:** 1) If a beneficial owner intends to create a pledge on a security owned by him he shall make an application to the depository through the participant who has his account in respect of such securities. 2) The participant after satisfaction that the securities are available for pledge shall make a note in its records of the notice of pledge and forward the application to the depository. 3) The depository after confirmation from the pledgee that the securities are available for pledge with the pledger shall within fifteen days of the receipt of the application create and record the pledge and send an intimation of the same to the participants of the pledger and the pledgee. 4) On receipt of the intimation under Clause (3) the participants of both the pledger and the pledgee shall inform the pledger and the pledgee respectively of the entry of creation of the pledge. 5) If the depository does not create the pledge, it shall send along with the reasons an intimation to the participants of the pledger and the pledgee. 6) The entry of pledge made under Clause (3) may be cancelled by the depository if pledger or the pledgee makes an application to the depository through its participant: Provided that no entry of pledge shall be cancelled by the depository without prior concurrence of the pledgee. 7) The depository on the cancellation of the entry of pledge shall inform the participant of the pledger. 8) Subject to the provisions of the pledge document, the pledgee may invoke the pledge and on such invocation, the depository shall register the pledgee as beneficial owner of such securities and amend its records accordingly. 9) After amending its records under Clause (8) the depository shall immediately inform the participants of the pledger and pledgee of the change who in turn shall make the necessary changes in their records and inform the pledger and pledge respectively. 10) (a) If a beneficial owner intends to create a hypothecation on a security owned by him he may do so in accordance with the provisions of Clauses (1) to (9). (b) The provisions of Clauses (1) to (9) shall mutatis mutandis apply in such cases of hypothecation: Provided that the depository before registering the hypothecatee as a beneficial owner shall obtain the prior concurrence of the hypothecator.

	11) No transfer of security in respect of which a notice or entry of pledge or hypothecation is in force shall be effected by a participant without the concurrence of the pledgee or the hypothecatee, as the case may be. **Suspension/Restriction on Redemption of Units of the Scheme(s)** 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(s) of the Fund, may be temporarily suspended/ restricted. In accordance with Para1.12 of SEBI Master Circular for Mutual Funds and subject to prevailing regulations, restriction on/suspension of redemptions / switch-out of Units of the Scheme(s) of the Fund, may be imposed when there are circumstances leading to systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as: a) **Liquidity issues:** when market at large becomes illiquid affecting almost all securities rather than any issuer specific security; b) **Market failures, exchange closures:** when markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies; c) **Operational issues:** when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out). Restriction on / suspension of redemption of Units of the Scheme(s) may be imposed for a specified period of time not exceeding 10 working days in any 90 days period. When restriction on / suspension of redemption of Units of the Scheme(s) is imposed, the following procedure shall be applied i. No redemption / switch-out requests upto Rs. 2 lakhs shall be subject to such restriction. ii. Where redemption / switch-out requests are above Rs. 2 lakhs, the AMC shall redeem the first Rs. 2 lakhs without such restriction and remaining part over and above Rs. 2 lakhs shall be subject to such restriction. In addition to the above, the AMC / Trustee may restrict / suspend redemptions / switch-out of Units of the Scheme(s) pursuant to direction/ approval of SEBI. In case of any of the above eventualities, the general time limits for processing requests for redemption of Units will not be applicable. Also refer to the section 'Suspension of Purchase and Redemption of Units' in the Statement of Additional Information.
Cut off timing for Subscriptions/ redemptions/ Switches This is the time before which your application (complete in all respects) should reach the Official Points of Acceptance.	**DIRECTLY FROM THE FUND**: On an ongoing basis, the Scheme would be open for subscriptions/redemptions only for Authorised Participants/Market Maker and Large Investors in 'Creation Unit Size / / above a specified threshold' on all Business Days. The cut-off time for receipt of valid application for subscriptions / redemptions is 3.00 p.m. The creation/redemption of units would be based on Portfolio deposit and the applicable cash component for the respective business day on which such creation/ redemption of units are made and the deposit and cash are credited to the Scheme's account. The Fund may also allow Cash (through RTGS / Transfer / Cheque) subscription /redemption in creation unit size / specified threshold by Large investors / Authorised Participants/Market Maker.

In line with SEBI circular dated October 11, 2006 read with circular dated July 30, 2021 transactions in units the Scheme by Authorized Participants / Market Makers / Large Investors, directly with the AMC, intra-day NAV, based on the executed price at which the securities representing the underlying index are purchased / sold, shall be applicable.

ON THE EXCHANGE:

As the Scheme is listed and traded on the NSE/other stock exchange, the provisions of cut-off time (3 P.M.) is not applicable for secondary market transactions but will be subject to the trading time/restrictions for purchase/sale of units as per the rules and regulations prescribed by the stock exchanges on which they are listed.

Settlement of purchase / sale of Units of the Scheme on NSE and/or any other stock exchange:

Buying/Selling of Units of the Scheme on NSE and/or any other stock exchange is just like buying/selling any other normal listed security. If an investor has bought Units, an investor has to pay the purchase amount to the broker/sub-broker such that the amount paid is realised before the funds pay-in day of the settlement cycle on the Stock Exchange(s). If an investor has sold Units, an investor has to deliver the Units to the broker/sub-broker before the securities pay in day of the settlement cycle on the Stock Exchange(s). The Units (in the case of Units bought) and the funds (in the case of Units sold) are paid out to the broker on the pay-out day of the settlement cycle on the Stock Exchange(s). The Stock Exchange(s) regulations stipulate that the trading member should pay the money or Units to the investor within 24 hours of the pay-out.

If an investor has bought Units, he should give standing instructions for 'Delivery-In' to his /her/its DP for accepting Units in his/her/its beneficiary account. An investor should give the details of his/her beneficiary account and the DP-ID of his/her/its DP to his/her/its trading member. The trading member will transfer the Units directly to his/her/its beneficiary account on receipt of the same from NSE's and/or any other stock exchange's Clearing Corporation.

An investor who has sold Units should instruct his/her/its Depository Participant (DP) to give 'Delivery Out' instructions to transfer the Units from his/her/its beneficiary account to the Pool Account of his/her/its trading member through whom he/she/it have sold the Units. The details of the Pool A/C (CM-BP-ID) of his/her trading member to which the Units are to be transferred, Unit quantity etc. should be mentioned in the Delivery Out instructions given by him/her to the DP. The instructions should be given well before the prescribed securities pay-in day. SEBI has advised that the Delivery Out instructions should be given at least 24 hours prior to the cut-off time for the prescribed securities pay-in to avoid any rejection of instructions due to data entry errors, network problems, etc.

Rolling Settlement

As per the SEBI's circular dated March 4, 2003, the rolling settlement on T+2 basis for all trades has commenced from April 1, 2003 onwards. The Pay-in and Pay-out of funds and the Units will take place within 2 working days after the trading date.

The pay-in and pay-out days for funds and securities are prescribed as per the Settlement Cycle. A typical Settlement Cycle of Rolling Settlement is given below:

Day Activity

T	The day on which the transaction is executed by a trading member
T+1	Confirmation of all trades including custodial trades by 11.00 a.m.
T+1	Processing and downloading of obligation files to brokers/custodians by 1.30 p.m.

	<table><tr><td>T+2</td><td>Pay-in of funds and securities by 11.00 a.m.</td></tr><tr><td>T+2</td><td>Pay out of funds and securities by 1.30 p.m.</td></tr></table> While calculating the days from the Trading day (Day T), weekend days (i.e. Saturday and Sundays) and bank holidays are not taken into consideration.
Ongoing Offer Period This is the date from which the Scheme will reopen for Subscriptions / redemptions after the closure of the NFO period.	The Scheme has reopened for continuous subscription and redemption from May 21, 2021. WITH THE MUTUAL FUND: The Units can be purchased and redeemed directly with the Fund only in Creation Unit size on all Business Days, at applicable NAV, subject to applicable load, if any. AUTHORISED PARTICIPANTS/MARKET MAKERS/LARGE INVESTORS: Application for subscription of the units of the Scheme directly with the Fund in Creation Unit Size / above a specified threshold at NAV based prices can be in exchange for Portfolio Deposit and Cash Component. Application for subscription of the units of the Scheme directly with the Fund shall be at NAV based prices by payment of requisite cash as determined by the AMC only by means of Real Time Gross Settlement (RTGS)/ National Electronics Funds Transfer (NEFT) or Funds Transfer Letter/ Transfer Cheque of a bank where the Scheme has a collection account. OTHER INVESTORS: Units of the Scheme can be traded (in lots of 1 unit) during the trading hours on all trading days of the stock exchange(s) on which the units are listed.
Ongoing price for purchase and sale or creation/redemption of Units by investors. This is the price you need to pay for purchase/redemption.	**SUBSCRIPTION** **ON THE EXCHANGE** As the units of the Scheme are proposed to be listed on NSE, the investor can buy units on an ongoing basis on the capital market segment of NSE at the traded prices in a minimum size of 1 unit and in multiples thereof. All categories of Investors may purchase the units through secondary market on any trading day. **DIRECTLY WITH THE FUND:** Ongoing purchases directly from the Mutual Fund would be restricted to Authorized Participants/ Market Makers /Large Investors provided the value of units to be purchased is in Creation Unit Size / above a specified threshold. Authorised Participants/Market Maker/ Large Investors may buy the units on any Business day of the scheme directly from the Mutual Fund by paying applicable transaction handling charges and cash component in cash and by depositing the prescribed basket of securities comprising NIFTY Healthcare Index. Units may be allotted only after realization of cheque where the full consideration for creation unit is paid by cheque. In line with SEBI circular dated October 11, 2006 read with circular dated July 30, 2021 transactions in units the Scheme by Authorized Participants/Market Makers / Large Investors/Market Maker , directly with the AMC, intra-day NAV, based on the executed price at which the securities representing the underlying index are purchased. The number of Units of the Scheme that Investors can create in exchange of the Portfolio Deposit and Cash Component is on the basis of Creation Unit Size of the Scheme. Units of the Scheme in less than Creation Unit Size cannot be purchased directly with the Fund.

The Fund may allow cash Purchases of Units of the Scheme in Creation Unit Size / above a specified threshold by Authorised Participants/Market Makers/ Large Investors. Purchase request for Creation Unit shall be made by such Investors to the Fund/AMC where upon the Fund/ AMC will arrange to buy the underlying portfolio Securities on behalf of the Investor. The Portfolio Deposit and Cash Component will be exchanged for the Units of the Scheme in Creation Unit Size.

'Creation Unit' is fixed number of units of the Scheme, which is exchanged for a basket of shares underlying the Index called the Portfolio Deposit and a Cash Component. Creation Unit Size fixed for AXIS NIFTY HEALTHCARE ETF is 50,000 units and in multiples thereof

The number of units of the Scheme that investors can create in exchange of the Portfolio Deposit and Cash Component is 50,000 units and in multiples thereof.

AMC / Trustees reserves the right to change the size of Creation of units in order to equate it with marketable lot of the underlying Index.

No credit facility would be extended to Authorized Participant// Market Makers or Large investors. Also Authorized participants/ Market Makers or Large investors will get the NAV as and when they bring the Portfolio Deposit/ equivalent amount of cash and Cash Component

In line with SEBI circular dated July 30, 2021, transactions in units of the Scheme by Authorized Participants / Market Makers / Large Investors, directly with the AMC, Intra-day NAV, based on the executed price at which the securities representing the underlying index are purchased, shall be applicable

Note :

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

Closing Price of Nifty Healthcare Index – September 29, 2023	9719.05
Hypothetical NAV (1/100th of Index)	97.19
Unit Creation Size	50,000
Portfolio Value	48,59,525
Closing Value of Portfolio (Assumed)	47,99,252
Cash Component per creation unit size (D-E)	60,273

REDEMPTION:

ON THE EXCHANGE:

As the Scheme would be listed on NSE, the investor can sell units on an ongoing basis on the NSE at the traded prices in multiples of 1 unit.

	DIRECTLY WITH THE FUND: The Authorized Participants/Market Makers / Large Investor can redeem the units of the Scheme directly with the Mutual Fund only in Creation Unit Size / above a specified threshold at the applicable NAV of the Scheme, subject to exit load, if any. The number of units of the Scheme that authorized participant/ Market Makers orlarge investor can redeem is 50,000 units and in multiples thereafter.. In line with SEBI circular dated October 11, 2006 read with circular dated July 30, 2021 transactions in units the Scheme by Authorized Participants/Market Makers / Large Investors, directly with the AMC, Intra-day NAV, based on the executed price at which the securities representing the underlying index are sold, shall be applicable.
Minimum amount for purchase / redemption / switches	**Refer Section I – Part I for Minimum amount for purchase/redemption/switches**.
Accounts Statements	The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form). . The depositories shall dispatch a monthly consolidated statement with details across all schemes of mutual funds and securities held in dematerialized form across demat accounts and dispatch the same to investors who have opted for delivery via electronic mode (e-CAS) by the 12th day from the month end and to investors who have opted for delivery via physical mode by the 15th day from the month end. For folios where there are no transactions during the half – year , the depositories shall dispatch a consolidated statement i.e. half-yearly CAS at the end of every six months (i.e. September/ March) to investors that have opted for e-CAS on or before the 18th day of April and October and to investors who have opted for delivery via physical mode by the 21st day of April and October to all investors providing the prescribed details across all schemes of mutual funds and securities held in dematerialized form across demat accounts, if applicable. For further details, refer SAI.
Dividend/ IDCW	No IDCW will be declared under the Scheme.
Redemption	The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase. For list of exceptional circumstances refer para 14.1.3 of SEBI Master Circular for Mutual Funds. Investors may kindly note that Units can be redeemed with the fund house only in Creation Unit Size / above a specified threshold. For detailed procedure on how to redeem, kindly refer SAI.

Bank Mandate	It is mandatory for investors to mention investor's bank account details on the form. Applications without this information are liable to be rejected. The Mutual Fund / AMC reserves the right to hold redemption proceeds in case requisite bank details are not submitted.
Delay in payment of redemption / repurchase proceeds / dividend	The Asset Management Company shall be liable to pay interest to the unitholders at rate as specified vide para 14.2 of SEBI Master Circular for Mutual Funds by SEBI for the period of such delay. The AMC shall pay interest to the Unit holders at 15% or such other rate as may be prescribed by SEBI from time to time in case the proceeds are not made within three (3) working days of the date of redemption. 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.
Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount	As per Para 14.3 of SEBI Master Circular for Mutual Funds, 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 unclaimed Redemption and IDCW amounts shall be deployed 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. AMC reserves the right to provide the facility of redeeming Units of the Scheme through an alternative mechanism including but not limited to online transactions on the Internet, as may be decided by the AMC from time to time. The alternative mechanism may also include electronic means of communication such as redeeming Units online through the AMC Website or any other website, etc. The alternative mechanisms would be applicable to only those investors who opt for the same in writing and/or subject to investor fulfilling such conditions as AMC may specify from time to time. Further, according to circular no. Para 14.3 of SEBI Master Circular for Mutual Fundsas amended from time to time the unclaimed Redemption and IDCW amounts may be deployed in separate plan of Overnight schemes/Liquid scheme/Money market mutual fund scheme floated by Mutual Funds specifically for deployment of the unclaimed Redemption and IDCW amounts.
Disclosure w.r.t investment by minors	Following is the process for investments made in the name of a Minor through a Guardian: - • Payment for investment by means of Cheque, Demand Draft or any other mode shall be accepted from the bank account of the minor or from a joint account of the minor with the guardian only. • Mutual Fund will send an intimation to Unit holders advising the minor (on attaining majority) to submit an application form along with prescribed documents to change the status of the account from 'minor' to 'major'. • All transactions / standing instructions / systematic transactions etc. will be

	suspended i.e. the Folio will be frozen for operation by the guardian from the date of beneficiary child completing 18 years of age, till the status of the minor is changed to major. Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new bank account. • No investments (lump sum/SIP/ switch in/ STP in etc.) in the scheme would be allowed once the minor attains majority i.e. 18 years of age.
Procedure for creation and redemption of units of the scheme in Creation Unit Size	**Procedure for creation in Creation Unit Size:** The requisite securities constituting the Portfolio Deposit have to be transferred to the Fund's DP account while the Cash Component has to be paid to the Custodian/AMC. On confirmation of the same by the Custodian/AMC, the AMC will transfer the respective number of units of the Scheme into the investor's DP account. The Fund may, at its discretion allow cash purchases of units of the Scheme in Creation Unit Size /above a specified threshold by Large Investors/Authorised Participants/ Market Makers. Purchase request for Creation Unit /above a specified threshold shall be made by such investor to the Fund/AMC where upon the Fund/AMC will arrange to buy the underlying portfolio securities. The portfolio deposit and cash component will be exchanged for the units of the Scheme in Creation Unit Size/ above a specified threshold. The AMC has the right to collect any cost incurred by the AMC in terms of the transaction charges, other incidental charges, the difference between the acquisition cost and closing prices of securities comprising of the Portfolio Deposit of each business day etc. Such costs may be adjusted by allotting proportionately lesser number of units to the investor. The AMC may levy a fee//charges, which may vary from time to time, for providing/arranging this facility. **Procedure for redeeming units of the Scheme in Creation Unit Size:** The Units of the Scheme in less than Creation Unit cannot be redeemed with the Fund. The Authorised Participant / Large Investor/Market Makers would transfer the requisite number of units of the Scheme equaling the creation unit /above a specified threshold to the Fund's designated DP account. The AMC has the right to collect any cost incurred by the AMC in terms of the transaction charges, other incidental charges, the difference between the sales proceeds and closing prices of securities comprising of the Portfolio Deposit of each business day etc. Such costs may be adjusted by redeeming proportionately additional number of units to the investor. Redemption proceeds in the form of basket of securities included in the Nifty 50 TRI in the same proportion will be credited to the designated DP account of the Authorised Participant/Large Investor/Market Makers. Any fractions in the number of securities transferable to Authorised Participant/Market Maker/Large Investor will be rounded off to the lower integer and the value of the fractions will be added to the cash component payable. The Fund may, at its discretion, allow cash redemption of the units of the Scheme in Creation Unit Size by Large Investor/Market Maker/Authorised Participant. Redemption request shall be made by such investor to the Fund whereupon the Fund shall arrange to sell the underlying portfolio of securities on behalf of the investor.

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

	The AMC reserves right to appoint / remove any Authorised Participants/ Market Makers.
Liquidity window for Investors of all Exchange Traded Funds	Investors can directly approach the AMC for redemption of units of ETFs, for transaction of upto INR 25 Cr. without any exit load, in case of the following scenarios: i. Traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7 continuous trading days, or ii. No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or iii. Total bid size on the exchange is less than half of creation units size daily, averaged over a period of 7 consecutive trading days. In case of the above scenarios, applications received from investors for redemption up to 3.00 p.m. on any trading day, shall be processed by the AMC at the closing NAV of the day. The above instances shall be tracked by the AMC on a continuous basis and in case if any of the above mentioned scenario arises, the same shall be disclosed on the website of AMC.
Any other disclosure in terms of Consolidated Checklist on Standard Observations	Nil

III.<u>Other Details</u>

A. In case of Fund of Funds Scheme, Details of Benchmark, Investment Objective, Investment Strategy, TER, AUM, Year wise performance, Top 10 Holding/ link to Top 10 holding of the underlying fund should be provided

-Not Applicable

B. Periodic Disclosures

Monthly and Half yearly Disclosures: Portfolio / Financial Results 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.	The AMC will disclose the portfolio of the Scheme (alongwith ISIN) as on the last day of the month / half year on the website of the Mutual Fund and AMFI within 10 days from the close of each month/ 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 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(s) can submit a request for a physical or electronic copy of the statement of scheme portfolio. The AMC will also provide a dashboard, in a comparable, downloadable (spreadsheet) and machine readable format, providing performance and key disclosures like Scheme's AUM, investment objective, expense ratios, portfolio details, scheme's past performance etc. on website. For details, please refer our website: https://www.axismf.com/statutory-disclosures
Half Yearly Results	The Mutual Fund shall within one month from the close of each half year, that is on 31st March and on 30th September, host a soft copy of its unaudited financial results on the website of the AMC and AMFI. The 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. The unaudited financial results will also be displayed on the website of the AMC and AMFI. For details, please refer our website: https://www.axismf.com/statutory-disclosures
Annual Report	Pursuant to Regulation 56 of SEBI (Mutual Funds) Regulations, 1996 read with para 5.4 of SEBI Master Circular for Mutual fund. 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 on the website of Association of Mutual Funds in India (www.amfiindia.com). 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. 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. 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. For details, please refer our website: https://www.axismf.com/statutory-disclosures
Risk-o-meter and Benchmark Risk-o-meter	The AMC shall review Risk-o-meters on a monthly basis based on evaluation of risk level of Scheme's month end portfolio. Any change in risk-o-meter of the scheme or its benchmark shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders of that particular scheme. Investors may also refer to the website/portfolio disclosure for the latest Risk-o-meter of the Scheme.
Scheme Summary Document	The AMC has provided on its website Scheme Summary Document which is a standalone scheme document for all the Schemes which contains all the details of the Scheme viz. Scheme features, Fund Manager details, investment details, investment objective, expense ratios, portfolio details, etc. For details, please refer our website: https://www.axismf.com/statutory-disclosures
Tracking Error and Tracking Difference	Tracking Error - The tracking error based on past one year rolling data, on a daily basis shall be disclosed on the website of AMC (www.axismf.com) and of the Association of Mutual Funds in India - AMFI (www.amfiindia.com). Tracking Difference - The Scheme shall also disclose the tracking difference i.e. the annualized difference of daily returns between the underlying Index and the NAV of the ETF shall also be disclosed on the website of the AMC and AMFI, on a monthly basis, for tenures 1 year, 3 year, 5 year, 10 year and since the date of allotment of units.
Disclosure Norms	The Scheme shall disclose the following on monthly basis:

as per SEBI Circular	I. Name and exposure to top 7 issuers and stocks respectively as a percentage of NAV of the scheme II. Name and exposure to top 7groups as a percentage of NAV of the scheme. III. Name and exposure to top 4 sectors as a percentage of NAV of the scheme. Change in constituents of the index, if any, shall be disclosed on the AMC website (i.e. www.axismf.com/) on the day of change.
Any disclosure in terms of consolidated checklist of standard observations	Nil

C. Transparency/NAV Disclosure

NAVs will be calculated and disclosed on all the Business Days. The AMC shall update the NAVs on the website of the AMC (www.axismf.com) and of the Association of Mutual Funds in India - AMFI (www.amfiindia.com) before 11.00 p.m. on every Business Day. If the NAVs are not available before the commencement of Business Hours 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.

Indicative NAV (iNAV) is the per unit NAV based on the current market value of its portfolio during the trading hours of the ETF. AMC will update the Indicative NAV periodically on its website and on Stock Exchange(s) (where units are listed and traded) within a maximum time lag of 15 seconds from underlying market. However, disclosure of Indicative NAV will be subject to availability of relevant services like receipt of index value, technological feasibility and other input requirements with respect to uploading of Indicative NAV on AMC's website. Indicative NAV will not have any bearing on the creation or redemption of units directly with the Fund by the Authorized Participants /Market Makers /Large Investors.

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

D. Transaction charges and stamp duty-

Transaction Chargers
- 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.

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:

Taxation of Equity-Oriented Mutual Funds (Rates applicable for the Financial Year 2025-26)

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.

Particulars	Taxability in the hands of Individuals / Non-corporates / Corporates	
	Resident	**Non-Resident**
Tax on distributed income	Taxed in the hands of unitholders at applicable rate under the provisions of the Income-tax Act, 1961 (Act) (Refer Note 3)	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)
Capital Gains		
Long Term Capital Gains: (Held for a period of more than 12 Months)	12.5% (plus applicable surcharge and health and education cess) without indexation (Refer Note 7)	12.5% (plus applicable surcharge and health and education cess) without indexation (Refer Note 7)
Short Term Capital Gains (Held for a period of 12 months or less)	20% (plus applicable surcharge and health and education cess)	20% (plus applicable surcharge and health and education cess)

Notes –

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. An equity-oriented fund has been defined as:

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

Provided that the percentage of equity shareholding or unit held in respect of the fund, as the case may be, shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.

3. Applicable rates for individual, corporates and non-corporates are as under:

Particulars	Income slab	Rate of tax
Individual/ Hindu Undivided Family (HUF)/ AOP/ BOI#	Where total income for a tax year (April to March) is less than or equal to Rs 2,50,000* (the basic exemption limit)	Nil
	Where such total income is more than Rs 2,50,000* but is less than or 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 2023-24 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 2023-24 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 4,00,000 (the basic exemption limit)	Nil
Where such total income is more than Rs 4,00,000 but is less than or equal to Rs 8,00,000	5% of the amount by which the total income exceeds Rs 4,00,000
Where such total income is more than Rs 8,00,000 but is less than or equal to Rs 12,00,000	Rs 20,000 plus 10% of the amount by which the total income exceeds Rs 8,00,000
Where such total income is more than Rs 12,00,000 but is less than or equal to Rs 16,00,000	Rs 60,000 plus 15% of the amount by which the total income exceeds Rs 12,00,000
Where such total income is more than Rs 16,00,000 but is less than or equal to Rs 20,00,000	Rs 1,20,000 plus 20% of the amount by which the total income exceeds Rs 16,00,000
Where such total income is more than Rs 20,00,000 but is less than or equal to Rs 24,00,000	Rs 2,00,000 plus 25% of the amount by which the total income exceeds Rs 20,00,000
Where such total income is more than Rs 24,00,000	Rs 3,00,000 plus 30% of the amount by which the total income exceeds Rs 24,00,000

Further, Finance Bill 2025 has proposed to enhance the threshold of total income for claiming the rebate under concessional tax regime (i.e. default regime) in case of resident individual from Rs 7,00,000 to Rs 12,00,000 and increased the limit of rebate from Rs 25,000 to
Rs 60,000. However, the said rebate is not available on incomes chargeable to tax at special rates (for eg. capital gains under section 111A, 112 etc.).

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

Income	**Individual /HUF / non-corporate non-firm unit holders**
(a) Above Rs 50 lakh upto 1 crore (including dividend income and capital gains income under section 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 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 pays tax under section 115BAC of the Act.

5. Surcharge rates for Companies/ firm

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

*Surcharge rate shall be 10% in case resident companies opting taxation under section 115BAA and section 115BAB of the Act on any income earned.

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

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

7. As per section 112A of the Act, long-term capital gains, exceeding Rs 1,25,000, arising from transfer of equity oriented mutual funds, shall be chargeable at the rate of 12.5%% (plus applicable surcharge and health and education cess).

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

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

	10. All the above non-resident investors may also claim the tax treaty benefits available, if any. **For further details on taxation please refer to the clause on Taxation in the SAI**

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

H. List of official points of acceptance
: For Details of official points of acceptance, please refer our 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 October 16, 2020. The Trustee has ensured that the Scheme is a new product offered by Axis Mutual Fund and is not a minor modification of its existing schemes. Further, the Trustee granted its approval for the listing the Units of the Scheme in dematerialized form. It is ensured by the Trustee that the Scheme has received in-principle approval for listing on November 26, 2020 from National Stock Exchange of India Limited and that the appropriate disclosures pertaining to listing of Units is made in this Scheme Information Document.

Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 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: May 30, 2025

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

TEL 022 6649 6100 and contact number 8108622211(Chargeable) EMAIL customerservice@axismf.com WEB www.axismf.com

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.