
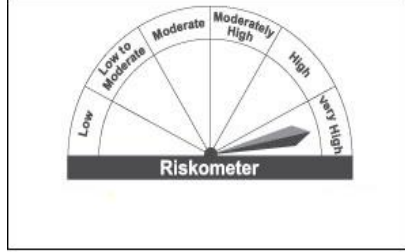


**SCHEME INFORMATION DOCUMENT  
AXIS BSE SENSEX ETF**

An Open Ended Exchange Traded Fund Tracking BSE Sensex TRI

**BSE Scrip Code: 543853  
NSE Symbol: AXSENSEX**

<b>This product is suitable for investors who are seeking*:</b>	Scheme Riskometer	Benchmark Riskometer
<ul style="list-style-type: none"> <li>• Long term wealth creation solution</li> <li>• The Scheme that seeks to track returns by investing in a basket of BSE Sensex TRI stocks and aims to achieve returns of the stated index, subject to tracking error</li> </ul>		

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

Continuous offer for Units at NAV based prices

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

**The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date and circulars issued thereunder filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.**

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

**The investors are advised to refer to the Statement of Additional Information (SAI) for details of Axis Mutual Fund, Standard Risk Factors, Special Considerations, Tax and Legal issues and general information on [www.axismf.com](http://www.axismf.com).**

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

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

This Scheme Information Document is dated November 28, 2024.

**Please refer to NSE & BSE disclaimer overleaf****NSE DISCLAIMER:**

"As required, a copy of this Scheme Information Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter NSE/LIST/5450 dated June 09, 2022 permission to the Mutual Fund to use the Exchange's name in this Scheme Information Document as one of the stock exchanges on which the Mutual Fund's units are proposed to be listed subject to, the Mutual Fund fulfilling various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Scheme Information Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document; nor does it warrant that the Mutual Fund's units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its sponsors, its management or any scheme of the Mutual Fund.

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

**BSE DISCLAIMER:**

"BSE Limited ("the Exchange") has given vide its letter dated June 08, 2022 permission to AXIS Mutual Fund to use the Exchange's name in this SID as one of the Stock Exchanges on which this Mutual Fund's Unit are proposed to be listed. The Exchange has scrutinized this SID for its limited internal purpose of deciding on the matter of granting the aforesaid permission to AXIS Mutual Fund. The Exchange does not in any manner: -

warrant, certify or endorse the correctness or completeness of any of the contents of this SID; or

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

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

**Asia Index Private Limited Disclaimer:**

The BSE Indices are published by Asia Index Private Limited ("AIPL"), which is a wholly owned subsidiary of BSE Limited ("BSE"). BSE® and SENSEX® are registered trademarks of BSE. The trademarks have been licensed to AIPL and have been sublicensed for use for certain purposes by Licensee. Licensee's "[Insert Product]" (the "Product") is/are not sponsored, endorsed, sold or promoted by AIPL or BSE. None of AIPL or BSE makes any representation or warranty, express or implied, to the owners of the Product(s) or any member of the public regarding the advisability of investing in securities generally or in the Product particularly or the ability of the Index to track general market performance. AIPL's and BSE's only relationship to Licensee with respect to the Index is the licensing of the Index and certain trademarks, service marks and/or trade names of AIPL, BSE and/or their licensors. The BSE Indices are determined, composed and calculated by AIPL or its agent without regard to Licensee or the Product. None of AIPL or BSE are responsible for and have not participated in the determination of the prices, and amount of the

Product or the timing of the issuance or sale of the Product or in the determination or calculation of the equation by which the Product is to be converted into cash, surrendered or redeemed, as the case may be. AIPL and BSE have no obligation or liability in connection with the administration, marketing or trading of the Product. There is no assurance that investment products based on the Index will accurately track index performance or provide positive investment returns. AIPL and BSE are not investment advisors. Inclusion of a security within an index is not a recommendation by AIPL or BSE to buy, sell, or hold such security, nor is it considered to be investment advice.

AIPL, BSE AND THEIR THIRDPARTY LICENSORS DO NOT GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE INDEX OR ANY DATA RELATED THERETO. AIPL, BSE AND THEIR THIRDPARTY LICENSORS SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. AIPL, BSE AND THEIR THIRDPARTY LICENSORS MAKE NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIM ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY LICENSEE, OWNERS OF THE PRODUCT, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL AIPL, BSE OR THEIR THIRD PARTY LICENSORS BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. THERE ARE NO THIRDPARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN AIPL AND LICENSEE, OTHER THAN THE LICENSORS OF AIPL (INCLUDING BSE)

**TABLE OF CONTENTS**

<b>SECTION I</b> .....	<b>5</b>
<b>Part I. HIGHLIGHTS/SUMMARY OF THE SCHEME</b> .....	<b>5</b>
<b>DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY</b> .....	<b>10</b>
<b>Part II. INFORMATION ABOUT THE SCHEME</b> .....	<b>11</b>
<b>A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?</b> .....	<b>11</b>
<b>B. WHERE WILL THE SCHEME INVEST?</b> .....	<b>13</b>
<b>C. WHAT ARE THE INVESTMENT STRATEGIES?</b> .....	<b>13</b>
<b>D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?</b> .....	<b>14</b>
<b>E. WHO MANAGES THE SCHEME?</b> .....	<b>14</b>
<b>F. HOW IS THE SCHEME DIFFERENT FROM EXISTING SCHEMES OF THE MUTUAL FUND?</b> .....	<b>15</b>
<b>G. HOW HAS THE SCHEME PERFORMED?</b> .....	<b>16</b>
<b>H. ADDITIONAL SCHEME RELATED DISCLOSURES</b> .....	<b>17</b>
<b>Part III- OTHER DETAILS</b> .....	<b>18</b>
<b>A. COMPUTATION OF NAV</b> .....	<b>18</b>
<b>B. NEW FUND OFFER (NFO) EXPENSES</b> .....	<b>18</b>
<b>C. ANNUAL SCHEME RECURRING EXPENSES</b> .....	<b>18</b>
<b>D. LOAD STRUCTURE</b> .....	<b>20</b>
<b>E. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME</b> .....	<b>21</b>
<b>SPECIAL CONSIDERATIONS, if any</b> .....	<b>21</b>
<b>SECTION II</b> .....	<b>23</b>
<b>I. Introduction</b> .....	<b>23</b>
<b>A. Definitions/interpretation:</b> .....	<b>23</b>
<b>B. Risk factors:</b> .....	<b>23</b>
<b>C. Risk Mitigation strategies:</b> .....	<b>25</b>
<b>II. Information about the scheme:</b> .....	<b>27</b>
<b>A. WHERE WILL THE SCHEME INVEST?</b> .....	<b>27</b>
<b>B. What are the investment restrictions?</b> .....	<b>31</b>
<b>C. Fundamental Attributes</b> .....	<b>34</b>
<b>D. Index methodology:</b> .....	<b>35</b>
<b>E. Principle of incentive structure for market maker</b> .....	<b>37</b>
<b>F. Floors and ceiling within a range of 5% of the intended allocation against each sub class of asset, as per clause 13.6.2 of SEBI master circular for mutual funds dated May 19, 2023 (only for close ended debt schemes) – Not Applicable</b> .....	<b>38</b>
<b>G. Other Scheme Specific Disclosure</b> .....	<b>38</b>
<b>III. Other Details</b> .....	<b>52</b>
<b>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> .....	<b>52</b>
<b>B. Periodic Disclosures such as Half yearly disclosures, half yearly results, annual report</b> .....	<b>52</b>
<b>C. Transparency/NAV Disclosure (Details with reference to information given in Section I)</b> .....	<b>53</b>
<b>D. Transaction charges and stamp duty-</b> .....	<b>53</b>
<b>E. Associate Transactions- Please refer to Statement of Additional Information (SAI)</b> .....	<b>54</b>
<b>F. Taxation-</b> .....	<b>54</b>
<b>G. Rights of Unitholders- Please refer to SAI for details.</b> .....	<b>58</b>
<b>H. List of official points of acceptance: For Details of official points of acceptance, please refer our website:- <a href="https://www.axismf.com/statutory-disclosures">https://www.axismf.com/statutory-disclosures</a>.</b> .....	<b>58</b>
<b>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</b> .....	<b>58</b>
<b>For details, please refer our website: <a href="https://www.axismf.com/statutory-disclosures">https://www.axismf.com/statutory-disclosures</a></b> .....	<b>58</b>

**SECTION I**

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

Sr. No.	Title	Description
I.	<b>Name of the scheme</b>	AXIS BSE SENSEX ETF ('the Scheme')
II.	<b>Category of the Scheme</b>	Exchange Traded Fund (ETF)
III.	<b>Scheme type</b>	An Open Ended Exchange Traded Fund tracking BSE Sensex TRI.
IV.	<b>Scheme code</b>	AXIS/O/O/EET/22/09/0073
V.	<b>Investment objective</b>	<p>To provide returns before expenses that correspond to the total returns of the BSE Sensex TRI subject to tracking errors.</p> <p>There is no assurance that the investment objective of the Scheme will be achieved.</p>
VI.	<b>Liquidity/listing details</b>	<p><b><u>Liquidity</u></b>  <b><u>On the exchange:</u></b>            The Units of the scheme is listed on BSE Limited and National Stock Exchange of India Limited 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</p> <p><b><u>Directly with the Mutual Fund:</u></b>            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 Intra day NAV based prices on all Business Days during an ongoing offer period. The redemption consideration shall normally be the basket of securities represented by BSE Sensex TRI in the same weightage as in the Index and cash component.</p> <p><b><u>Listing</u></b>            Being an Exchange Traded Fund, the Units of the Scheme are listed on the National Stock Exchange of India Limited 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.</p> <p>The AMC has proposed to engage Authorized Participants/Market Makers for creating liquidity for the ETF on the Stock Exchange(s) so that investors other than Authorized Participants / Market Makers and Large Investors are able to buy or redeem units on the Stock Exchange(s) using the services of a stock broker.</p> <p>The AMC may also decide to delist the Units from a particular Exchange, provided that the Units are listed on at least one Exchange.</p> <p>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.</p>

<b>VII.</b>	<b>Benchmark (Total Return Index)</b>	<p><b>Benchmark:</b> BSE Sensex TRI</p> <p><b>Justification of Benchmark:</b> As the Scheme primarily invests in constituents of BSE Sensex TRI &amp; the investment objective is to provide returns before expenses that correspond to the total returns of the BSE Sensex TRI, the Scheme will be benchmarked against the BSE Sensex TRI.</p> <p><b>Tier 2 Benchmark:</b> Not Applicable</p> <p>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.</p>
<b>VIII.</b>	<b>NAV disclosure</b>	<p>By 11.00 p.m. on every Business Day on AMC (<a href="http://www.axismf.com">www.axismf.com</a>) and AMFI website.</p> <p>Further Details in Section II.</p>
<b>IX.</b>	<b>Applicable timelines</b>	<p>Timeline for</p> <p><b>Dispatch of redemption proceeds:</b> 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 BSE Sensex TRI in the same proportion will be credited to the designated DP account of the Authorized Participants / Market Makers and Large Investors. Any fractions in the number of securities transferable to Authorized Participants / Market Makers and 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 Intra day NAV will be paid by way of cheque or direct credit or through electronic mode i.e. RTGS/NEFT. However, only Authorized Participants/Market Makers and Large Investors can directly redeem from the AMC in Creation Unit Size / above a specified threshold</p> <p>The AMC shall adhere to guidelines published by AMFI /SEBI for exceptional circumstances under which the scheme is unable to transfer redemption or repurchase proceeds within prescribed timelines.</p> <p><b>Dispatch of IDCW:</b> Not Applicable</p>
<b>X.</b>	<b>Plans and Options</b> Plans/Options and sub options under the Scheme	None
<b>XI.</b>	<b>Load Structure</b>	<p><b>Entry Load:</b> Not Applicable</p> <p>Para 10.4 of SEBI Mater circular for Mutual Funds has decided that there shall be no entry Load for all Mutual Fund Scheme.</p> <p><b>Exit Load:</b> Nil</p> <p>For more details on Load Structure, please refer paragraph "Load Structure".</p>

XII.	<b>Minimum Application Amount/switch in</b>	<p><b><u>On Continuous basis –</u></b>  <b>Subscription / Redemption of Units directly with Mutual Fund:</b>            Authorised Participants/ Market Makers and Large Investors can directly purchase / redeem in multiples of Creation Unit Size on any business day.</p> <p>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.</p> <p><b><u>Purchase / Sale of Units on Stock Exchange:</u></b>            There is no minimum investment, although Units are purchased /sold in round lots of 1 Unit on stock exchange.</p>
XIII.	<b>Minimum Additional Purchase Amount</b>	Not applicable
XIV.	<b>Minimum Redemption/switch out amount</b>	Refer Section II – Part II G for Minimum Redemption/switch out amount.
XV.	<b>New Fund Offer Period This is the period during which a new scheme sells its units to the investors.</b>	<p>This section does not apply to the Scheme as it has already been launched.</p> <p>The New Fund offer opened on March 10, 2023 and closed on March 21, 2023. The units of the scheme were allotted on March 24, 2023</p> <p>The Scheme is now available for Subscription and Redemption at NAV based prices on all Business Days.</p>
XVI.	<b>New Fund Offer Price: This is the price per unit that the investors have to pay to invest during the NFO.</b>	<p>This section does not apply to the Scheme as it has already been launched.</p> <p>The Scheme is now available for Subscription and Redemption at NAV based prices on all Business Days.</p>
XVII.	<b>Segregated portfolio / side pocketing disclosure</b>	The Scheme has provision for segregated portfolio. For Details, kindly refer SAI.
XVIII.	<b>Swing pricing disclosure</b>	The Scheme does not have provision for swing pricing.
XIX.	<b>Stock lending/short selling</b>	The Scheme may engage in stock lending / short selling subject to disclosure as specified in asset allocation. For Details, kindly refer SAI.
XX.	<b>How to Apply and other details</b>	<p>Investors can undertake transactions in the Schemes of Axis Mutual Fund either through physical, online / electronic mode or any other mode as may be prescribed from time to time.</p> <p><b>Physical Transactions</b></p> <p>For making application for subscription / redemption / switches, application form and Key Information Memorandum may be obtained from / submitted to the Official Points of Acceptance (OPAs) of AMC or downloaded from the website of AMC viz. <a href="http://www.axismf.com">www.axismf.com</a>.</p> <p><b>Online / Electronic Transactions</b></p>

		<p>Investors can undertake transactions via electronic mode through various online facilities offered by Axis AMC / other platforms specified by AMC from time to time.</p> <p>For further details of online / electronic mode please refer SAI.</p>
XXI.	<b>Investor services</b>	<p><b>Contact details for general service requests and complaints:</b>  Investors can lodge any service request or complaints or enquire about NAVs, Unit Holdings, IDCW, etc by calling the Investor line of the AMC at contact number 8108622211 (chargeable) from 9.00 am to 6.00 pm (Monday to Saturday) or (022) 6649 6100 (at local call rate for enquiring at AMC ISC's) or email – 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.</p> <p><b>Investor Relations Officer:</b>  Mr. C P Sivakumar Nair  Address : Axis Asset Management Company Ltd.  One Lodha Place, 22nd &amp; 23rd Floor, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra, Pin Code – 400013  Phone no.: (022) 6649 6102</p> <p>For any grievances with respect to transactions through BSE StAR and / or NSE MFSS, the investors / Unit Holders should approach either the stock broker or the investor grievance cell of the respective stock exchange.</p>
XXII.	<b>Specific attribute of the scheme (such as lock in, duration in case of target maturity scheme/close ended schemes) (as applicable)</b>	Not Applicable
XXIII.	<b>Special product/facility available during the NFO and on ongoing basis</b>	None
XXIV.	<b>Weblink</b>	<ul style="list-style-type: none"> <li>• <b>TER for last 6 months:</b>  <a href="https://www.axismf.com/total-expense-ratio">https://www.axismf.com/total-expense-ratio</a></li> <li>• <b>Scheme factsheet:</b>  <a href="https://www.axismf.com/downloads">https://www.axismf.com/downloads</a></li> </ul>
XXV.	<b>Creation Unit</b>	<p>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.</p> <p>Creation Unit Size will be 40,000 units and in multiples thereof.</p> <p>Every creation unit shall have a monetary value in Rupee terms equivalent to that day's portfolio deposit and cash component.</p> <p>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.</p>



		<p>The Portfolio Deposit and Cash Component will change from time to time and is discussed separately in this SID.</p> <p>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.</p>
--	--	--

**INTERPRETATION**

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

- all references to the masculine shall include the feminine and all references, to the singular shall include the plural and vice-versa.
- all references to "dollars" or "\$" refer to United States Dollars and "Rs" refer to Indian Rupees. A "crore" means "ten million" and a "lakh" means a "hundred thousand".
- all references to timings relate to Indian Standard Time (IST).
- References to a day are to a calendar day including a non Business Day.
- All references to SEBI Master Circular would refer to SEBI Master Circular for Mutual Funds dated June 27, 2024 as amended from time to time.

**DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY**

It is confirmed that:

- (i) The Scheme Information Document submitted to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
- (ii) All legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
- (iii) The disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the Scheme.
- (iv) The intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.
- (v) The contents of the Scheme Information Document including figures, data, yields etc. have been checked and are factually correct
- (vi) A confirmation that the AMC has complied with the compliance checklist applicable for Scheme Information Documents and other than cited deviations/ that there are no deviations from the regulations
- (vii) Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.
- (viii) The Trustees have ensured that the Scheme approved by them is a new product offered by Axis Mutual Fund and is not a minor modification of any existing scheme/fund/product.

**Date: November 28, 2024**  
**Place: Mumbai**

**Name: Darshan Kapadia**  
**Designation: Compliance Officer**

## Part II. INFORMATION ABOUT THE SCHEME

### A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

Under normal circumstances, the asset allocation will be:

Instruments	Indicative Allocation (% of net assets)	
Equity instruments covered by BSE Sensex TRI	95	100
Debt & Money Market Instruments	0	5

The Scheme may take an exposure to equity derivatives of constituents of the underlying index for short duration when securities of the index are unavailable, insufficient or for rebalancing at the time of change in index or in case of corporate actions, as permitted subject to rebalancing within 7 days (or as specified by SEBI from time to time). The exposure of scheme in derivative instruments shall be up to 20% of the net assets of the scheme.

The gross cumulative exposure through equity, debt and money market and derivative position should not exceed 100% of the net assets of the Scheme in accordance with Para 12.24 of SEBI Master circular for Mutual fund dated May 19, 2023 and March 04, 2021 as amended from time to time.

The Scheme shall not carry out short selling, invest in securitized debt, in debt instruments having Structured Obligations / Credit Enhancements, invest in Overseas securities/ADR/GDR, Repo in corporate debt, invest in unrated debt instruments, Credit default swaps (CDS), securities covered under SEBI circular SEBI/HO/IMD/DF4/CIR/P/2021/032 dated March 10, 2021 or invest in REITs and InvITs.

#### 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 and
- Not more than 5% of the net assets of the Scheme can generally be deployed in Stock Lending through a single intermediary, should it engage in stock lending.

#### Investment in Units of Mutual Fund

The Scheme may invest up to 5% of the net assets of the Scheme in units of debt and liquid mutual fund schemes of Axis AMC or 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.

The net assets of the Scheme will be invested in stocks constituting the BSE Sensex TRI. This would be done by investing in all the stocks comprising the BSE Sensex TRI in the same weightage that they represent in the BSE Sensex TRI. The Scheme may take exposure through derivative transactions in the manner and up to the limit as specified above. 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 circular dated April 16, 2007, June 23, 2008, August 16, 2019 and September 20, 2019 as may be amended from time to time.

#### Portfolio concentration norms:

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

- The index has a minimum of 10 stocks as its constituents.
- No single stock in the index shall have more than 25% weight in the index.

- The weightage of the top three constituents of the index, cumulatively shall not be more than 65% of the Index.
- The individual constituent of the index shall have a trading frequency greater than or equal to 80% and an average impact cost of 1% or less over previous six months.

Indicative Table (Actual investment/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: <ul style="list-style-type: none"> <li>• Not more than 20% of the net assets of the scheme can generally deployed in stock lending and</li> <li>• Not more than 5% of the net assets of the Scheme can generally be deployed in Stock Lending through a single intermediary, should it engage in stock lending.</li> </ul>	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 up to 5% of the net assets of the Scheme in units of debt and 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.	Clause 4 of Seventh Schedule of SEBI (MF) Regulations, 1996

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 below securities/instruments:

Sr. No.	Type of Instrument
1	Overseas Securities
2	Securitized Debt
3	Credit Enhancement /Structured Obligations
4	Repo and Reverse repo in corporate debt securities
5	REITS and InVITS
6	Credit Default Swap
7	Debt instruments with special features AT1 & AT2 Bonds
8	The Scheme shall not carry out short selling.

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

Due to market conditions, the AMC may invest beyond the range set out in the asset allocation. Such deviations shall normally be for a short term and defensive considerations as per SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 4, 2021, and the fund manager will rebalance the portfolio within 7 calendar days (as the case may be) from the date of deviation.

**Portfolio rebalancing:**

In the event of deviation due to change in constituents of the index due to periodic review, in accordance with SEBI circular dated May 23, 2022 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 Instruments
- Derivatives
- Debt and Money Market Instruments
- Short Term Deposits
- Units of debt & liquid Mutual Fund Schemes

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

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

## **C. WHAT ARE THE INVESTMENT STRATEGIES?**

The Scheme follows a passive investment strategy.

The Scheme would invest in stocks comprising the underlying index and shall 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 shall invest in stocks forming part of the underlying Index 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 dividend going ex but lag in its receipts, etc. tend to increase the tracking error. In such events, it may be more prudent for the Scheme to take exposure through derivatives of its constituent stocks in order to minimize the long term tracking error.

### **Derivatives Strategy:**

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

Derivatives are financial contracts of pre-determined fixed duration, like stock futures and index futures, whose values are derived from the value of an underlying primary financial instrument.

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.

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

### **Futures**

Stock futures are contracts traded on the exchanges available on NSE, the primary exchanges in India. Stock 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 Stock Futures**

In case the Reliance Industries near month future contract is trading at say, Rs. 2,600, and the fund manager has to reduce his exposure on account of rebalancing; the Scheme can initiate a sale transaction of Reliance futures at Rs. 2,600. On expiry, the fund can tender shares for physical settlement and exit the position.

Correspondingly, if the fund manager has to add shares to the portfolio on account of rebalancing, he may take long positions and request for physical delivery on expiry date.

The determinants to such trades may include one or more factors:

- The carrying cost,
- Liquidity of the stock, and
- The transaction cost
- Impact cost of the trade

The use of derivatives is aimed at executing rebalancing strategies in the most efficient manner and minimize tracking error.

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

**(a) Use of derivatives for portfolio rebalancing and efficient portfolio management:**

**Buying/ Selling Stock/Index future:**

When the Scheme wants to initiate a long position in a stock whose spot price is at say, Rs.100 and futures is at 98, then the Scheme may just buy the futures contract instead of the spot thereby benefiting from a lower cost.

**Risk:** While the cash market stock price and the futures price have a high degree of correlation, they may often trade at premium/discount. Hence exposures via futures contract could impact the tracking error of the fund.

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

**Portfolio Turnover:**

The Scheme 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 Markers 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 of Part 1 of Section I of the Scheme Information Document

**E. WHO MANAGES THE SCHEME?**

Name of Fund Manager	Ages and Qualification	Experience of the Fund Manager	Names of other schemes under his management																			
Mr. Ashish Naik	Age: 41 BE Computers (Mumbai University), PGDBM (XLRI), FRM (GARP)	Total number of years of experience: 21 years, his last 10 years' experience are as follows: <ul style="list-style-type: none"> <li>Equity Analyst - Axis Asset Management Company Ltd. (August 2009 to June 21, 2016)</li> <li>Business Analyst - Goldman Sachs India Securities Ltd. (April 2007 to July 2009)</li> <li>Software Engineer - Hexaware Technologies Ltd. (August 2003 to May 2005)</li> </ul>	<table border="1"> <tr><td>Axis Aggressive Hybrid Fund</td></tr> <tr><td>Axis Arbitrage Fund</td></tr> <tr><td>Axis Balanced Advantage Fund</td></tr> <tr><td>Axis BSE SENSEX ETF</td></tr> <tr><td>Axis BSE Sensex Index Fund</td></tr> <tr><td>Axis Business Cycles Fund</td></tr> <tr><td>Axis Children's Fund</td></tr> <tr><td>Axis Conservative Hybrid Fund</td></tr> <tr><td>Axis ELSS Tax Saver fund</td></tr> <tr><td>Axis Innovation Fund</td></tr> <tr><td>Axis Multi Asset Allocation Fund</td></tr> <tr><td>Axis NIFTY 100 Index Fund</td></tr> <tr><td>Axis NIFTY 50 ETF</td></tr> <tr><td>Axis NIFTY Bank ETF</td></tr> <tr><td>Axis Nifty Bank Index Fund</td></tr> <tr><td>Axis NIFTY India Consumption ETF</td></tr> <tr><td>Axis Quant Fund</td></tr> </table>	Axis Aggressive Hybrid Fund	Axis Arbitrage Fund	Axis Balanced Advantage Fund	Axis BSE SENSEX ETF	Axis BSE Sensex Index Fund	Axis Business Cycles Fund	Axis Children's Fund	Axis Conservative Hybrid Fund	Axis ELSS Tax Saver fund	Axis Innovation Fund	Axis Multi Asset Allocation Fund	Axis NIFTY 100 Index Fund	Axis NIFTY 50 ETF	Axis NIFTY Bank ETF	Axis Nifty Bank Index Fund	Axis NIFTY India Consumption ETF	Axis Quant Fund		
Axis Aggressive Hybrid Fund																						
Axis Arbitrage Fund																						
Axis Balanced Advantage Fund																						
Axis BSE SENSEX ETF																						
Axis BSE Sensex Index Fund																						
Axis Business Cycles Fund																						
Axis Children's Fund																						
Axis Conservative Hybrid Fund																						
Axis ELSS Tax Saver fund																						
Axis Innovation Fund																						
Axis Multi Asset Allocation Fund																						
Axis NIFTY 100 Index Fund																						
Axis NIFTY 50 ETF																						
Axis NIFTY Bank ETF																						
Axis Nifty Bank Index Fund																						
Axis NIFTY India Consumption ETF																						
Axis Quant Fund																						
Mr. Karthik Kumar	Age: 41 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: <ul style="list-style-type: none"> <li>Axis Asset Management Company Limited June 2019 – Till date</li> <li>SilverTree Hong Kong April 2017 – May 2019</li> <li>Asiya Investment, Hong Kong Sept 2008 – Feb 2017"</li> </ul>	<table border="1"> <tr><td>Axis Arbitrage Fund</td></tr> <tr><td>Axis BSE SENSEX ETF</td></tr> <tr><td>Axis BSE Sensex Index Fund</td></tr> <tr><td>Axis Equity ETFs FoF</td></tr> <tr><td>Axis NIFTY 100 Index Fund</td></tr> <tr><td>Axis NIFTY 50 ETF</td></tr> <tr><td>Axis NIFTY 50 Index Fund</td></tr> <tr><td>Axis Nifty 500 Index Fund</td></tr> <tr><td>Axis NIFTY Bank ETF</td></tr> <tr><td>Axis Nifty Bank Index Fund</td></tr> <tr><td>Axis NIFTY Healthcare ETF</td></tr> <tr><td>Axis NIFTY India Consumption ETF</td></tr> <tr><td>Axis NIFTY IT ETF</td></tr> <tr><td>Axis Nifty IT Index Fund</td></tr> <tr><td>Axis Nifty Midcap 50 Index Fund</td></tr> <tr><td>Axis NIFTY Next 50 Index Fund</td></tr> <tr><td>Axis Nifty Smallcap 50 Index Fund</td></tr> <tr><td>Axis Quant Fund</td></tr> <tr><td>Axis Nifty500 Value 50 Index Fund</td></tr> </table>	Axis Arbitrage Fund	Axis BSE SENSEX ETF	Axis BSE Sensex Index Fund	Axis Equity ETFs FoF	Axis NIFTY 100 Index Fund	Axis NIFTY 50 ETF	Axis NIFTY 50 Index Fund	Axis Nifty 500 Index Fund	Axis NIFTY Bank ETF	Axis Nifty Bank Index Fund	Axis NIFTY Healthcare ETF	Axis NIFTY India Consumption ETF	Axis NIFTY IT ETF	Axis Nifty IT Index Fund	Axis Nifty Midcap 50 Index Fund	Axis NIFTY Next 50 Index Fund	Axis Nifty Smallcap 50 Index Fund	Axis Quant Fund	Axis Nifty500 Value 50 Index Fund
Axis Arbitrage Fund																						
Axis BSE SENSEX ETF																						
Axis BSE Sensex Index Fund																						
Axis Equity ETFs FoF																						
Axis NIFTY 100 Index Fund																						
Axis NIFTY 50 ETF																						
Axis NIFTY 50 Index Fund																						
Axis Nifty 500 Index Fund																						
Axis NIFTY Bank ETF																						
Axis Nifty Bank Index Fund																						
Axis NIFTY Healthcare ETF																						
Axis NIFTY India Consumption ETF																						
Axis NIFTY IT ETF																						
Axis Nifty IT Index Fund																						
Axis Nifty Midcap 50 Index Fund																						
Axis NIFTY Next 50 Index Fund																						
Axis Nifty Smallcap 50 Index Fund																						
Axis Quant Fund																						
Axis Nifty500 Value 50 Index Fund																						

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

Axis BSE Sensex ETF, An Open Ended Exchange Traded Fund tracking BSE Sensex TRI is a new scheme offered by Axis Mutual Fund and is not a minor modification of any other existing scheme/product of Axis Mutual Fund.

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

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

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

b. Please refer the AMC website <https://www.axismf.com/statutory-disclosures> for detailed comparative table on Differentiation with existing open ended equity schemes of Axis Mutual Fund

**G. HOW HAS THE SCHEME PERFORMED?**

Performance of Axis BSE Sensex ETF as at September 30, 2024 is as follows	<table border="1"> <thead> <tr> <th>Period</th> <th>Axis BSE Sensex ETF<sup>^</sup></th> <th>BSE Sensex TRI</th> </tr> </thead> <tbody> <tr> <td>1 Year returns</td> <td>29.18%</td> <td>29.48%</td> </tr> <tr> <td>3 Year returns</td> <td>-</td> <td>-</td> </tr> <tr> <td>5 Year returns</td> <td>-</td> <td>-</td> </tr> <tr> <td>Returns since Inception (24-Mar-23)</td> <td>29.92%</td> <td>30.38%</td> </tr> </tbody> </table>	Period	Axis BSE Sensex ETF <sup>^</sup>	BSE Sensex TRI	1 Year returns	29.18%	29.48%	3 Year returns	-	-	5 Year returns	-	-	Returns since Inception (24-Mar-23)	29.92%	30.38%
	Period	Axis BSE Sensex ETF <sup>^</sup>	BSE Sensex TRI													
	1 Year returns	29.18%	29.48%													
	3 Year returns	-	-													
	5 Year returns	-	-													
Returns since Inception (24-Mar-23)	29.92%	30.38%														
<p><b>Absolute Returns for Last 5 Financial Years</b></p> <table border="1"> <thead> <tr> <th>Financial Year</th> <th>Axis BSE Sensex ETF</th> <th>BSE Sensex TRI</th> </tr> </thead> <tbody> <tr> <td>FY 22-23*</td> <td>2.31</td> <td>2.55</td> </tr> <tr> <td>FY 23-24</td> <td>26.26</td> <td>26.50</td> </tr> </tbody> </table>		Financial Year	Axis BSE Sensex ETF	BSE Sensex TRI	FY 22-23*	2.31	2.55	FY 23-24	26.26	26.50						
Financial Year	Axis BSE Sensex ETF	BSE Sensex TRI														
FY 22-23*	2.31	2.55														
FY 23-24	26.26	26.50														
<p>* from Fund inception to 31st Mar 2024</p>																

**^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 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 September 30, 2024: 0.03 times\*

\*Based on Equity, Equity derivatives and Fixed Income securities transactions only. TREPS/Repo/FD/Margin FD/MFU/SLB are not considered.

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

Sr. No.	Category of persons (Axis BSE SENSEX 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.

- v. 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 four decimal places. However, the AMC reserves the right to declare the NAV up to additional decimal places as it deems appropriate.

The AMC will calculate and disclose the first NAV of the Scheme within a period of 5 business days from the date of allotment. Subsequently, the NAV 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:  $10,45,34,345.34 / 100,00,000 = \text{Rs. } 10.4534$  per unit (rounded off to four 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 & Transfer Agent 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 the following expenses will be charged of the Scheme will be charged to the Scheme as expenses. For the actual current expenses being charged, the Investor should refer to the website of the AMC.

<b>Expense Head</b>	<b>% of daily Net Assets</b>
Investment Management and Advisory Fees	Up to 1.00%
Trustee fee	
Audit fees	
Custodian fees	
RTA Fees	
Marketing & Selling expense incl. agent commission, if any	
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)	
<b>Maximum total expense ratio (TER) permissible under Regulation 52 (6)(b)</b>	<b>Up to 1.00%</b>

No distribution expenses/ commission would be paid by the Scheme.

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

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.

- Within the Total Expense Limit chargeable to the scheme, following will be charged to the Scheme:

- (a) GST on other than investment and advisory fees, if any, shall be borne by the Scheme
- (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.

A. AMC fees charged by Axis AMC to the Scheme will be within the Total Expense Limit as prescribed by SEBI Regulations, as amended from time to time.

The mutual fund would update the notice of change in base TER on its website ([www.axismf.com](http://www.axismf.com)) at least 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 of impact of expense ratio on scheme's returns

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 presently paid by the investor to redeem the Units from the Scheme. This amount is used by the AMC to pay commission to the distributors and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time. For the current applicable structure, Investors may refer to the website of the AMC ([www.axismf.com](http://www.axismf.com)) or may call at contact number 8108622211 (chargeable) from 9.00 am to 6.00 pm (Monday to Saturday) or you can contact your distributor.

Para 10.4 of SEBI Master Circular for Mutual Funds dated May 19, 2023 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 Centers.

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

The Redemption Price however, will not be lower than 95% of the NAV. Any imposition or enhancement of Load in future shall be applicable on prospective investments only.

At the time of changing the Load Structure:

1. The AMC shall be required to issue an addendum and display the same on its website immediately;
2. The addendum shall be circulated to all the distributors / brokers so that the same can be attached to all Scheme Information Document and Key Information Memorandum already in stock.
3. Latest applicable addendum shall be a part of KIM and SID of the respective Scheme(s).
4. Further, the account statements shall continue to include applicable load structure.

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 for Mutual fund dated May 19, 2023, 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 BSE Sensex ETF.

#### **SPECIAL CONSIDERATIONS, if any**

- 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 BSE Indices Limited ("BSE Indices"). BSE 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 BSE Sensex TRI to track general stock market performance in India. The relationship of BSE 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 BSE Indices without regard to the Issuer or the Scheme. BSE 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 BSE Sensex TRI. BSE 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. BSE Indices has no obligation or liability in connection with the administration, marketing or trading of the Scheme.

BSE Indices do not guarantee the accuracy and/or the completeness of the BSE Sensex TRI or any data included therein and BSE Indices shall have not have any responsibility or liability for any errors, omissions, or interruptions therein. BSE 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 BSE Sensex TRI or any data included therein. BSE 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, BSE 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 Authorized Participant / Market Makers resulting into wider premium/ discount to NAV.

##### **Liquidity Risk**

Trading in units of Axis BSE Sensex 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 BSE Sensex 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 BSE Sensex ETF will continue to be met or will remain unchanged.

##### **Settlement Risk:**

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

##### **Passive Investments**

The Scheme will be a passively managed scheme by providing exposure to constituents of BSE Sensex TRI and tracking its performance and yield, before expenses. The scheme performance may be affected by a general decline in the Indian markets relating to its underlying Index. The scheme invests in the underlying Index regardless of its investment merit.

##### **Market Maker Risk**

The Market Maker(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 BSE Sensex TRI**

BSE Sensex TRI comprises of 30 stocks from the Sensex theme across a variety of sectors linked to end user Sensex. Equities are volatile in nature and are subject to price fluctuations on a daily basis. The volatility in the value of the equity instruments is due to various micro and macroeconomic factors affecting the securities markets. This may have an adverse impact on individual securities /sector and consequently on

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

#### **Risks associated with investments in derivatives**

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

#### **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.

**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. 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 The AMC will ensure liquidity on the exchanges where units are listed by empaneling 2 or more market makers. The AMC may also incentivize these market makers within prescribed regulations so as to create a fair and liquid secondary market for units of the ETF. In the event of insufficient liquidity outlined below the AMC may permit direct redemption in less than creation unit size for investors. Thus unit holdings less than the Creation Unit Size can only be sold through the secondary market on the Stock Exchange where these units are listed, subject to the rules and regulations of the Exchange.

#### **Risks associated with Segregated portfolio**

1. Investor holding units of segregated portfolio may not be able to liquidate their holding till the time recovery of money from the issuer.
2. Security comprises of segregated portfolio may not 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:**

The scheme aims to track the BSE Sensex TRI 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**

The Scheme will be passively managed to track the performance of the the BSE Sensex TRI before expenses. The Scheme will endeavour to achieve its objective by replicating the index basket.

The AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process, which would be periodically evaluated. Investments by the Scheme shall be made as per the investment objectives of the Scheme and provisions of SEBI regulations. AMC has implemented the Bloomberg Portfolio Order Management System as Front Office System (FOS). The system has incorporated all the investment restrictions as per SEBI guidelines and "soft" warning alerts at appropriate levels for pre-emptive monitoring. The system enables identifying & measuring the risk through various risk measurement tools like various risk ratios, average duration and analyses the same and acts in a preventive manner.

### **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 BSE SENSEX 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 endeavor 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 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 track the BSE Sensex TRI and is a passively managed scheme. In case of any change in the index due to corporate actions or change in the constituents of BSE Sensex TRI (as communicated by AIPL), the relevant investment decision will be determined considering composition of BSE Sensex TRI.

The Scheme would invest in stocks comprising the underlying index. The Fund may also invest in debt and money market instruments, in compliance with Regulations to meet liquidity and expense requirements.

### **Equity 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 BSE Sensex TRI, 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. The Scheme will take exposure to equity derivatives through stock futures of constituents of the underlying index. The Scheme will not take any exposure in equity derivatives through Index futures or Index / stock options.

### **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. 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.

### **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 the AMC may park the funds of the scheme in short term deposits of the Scheduled Commercial Banks, in terms of para 12.16 of SEBI Master Circular for Mutual Fund dated May 19, 2023 as may be amended from time to time.

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

The scheme may invest in units of debt and 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".

### **Debt and Money Markets in India**

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

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

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

The money markets in India essentially consist of the call money market (i.e. market for overnight and term money between banks and institutions), repo transactions (temporary sale with an agreement to buy back the securities at a future date at a specified price), commercial papers (CPs, short term unsecured promissory notes, generally issued by corporates), certificate of deposits (CDs, issued by banks) and Treasury Bills (issued by RBI). In a predominantly institutional market, the key money market players are banks, financial institutions, insurance companies, mutual funds, primary dealers and corporates. In money market, activity levels of the Government and nongovernment debt vary from time to time. Instruments that comprise a major portion of money market activity include but not limited to:

- Overnight Call
- Tri Party Repo
- Repo/Reverse Repo Agreement
- Treasury Bills
- Government securities with a residual maturity of < 1 year.
- Commercial Paper
- Certificate of Deposit

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

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

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

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

Source: Bloomberg

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

## **B. What are the investment restrictions?**

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. No mutual fund scheme shall invest more than 10 per cent of its NAV in the equity shares or equity related instruments of any company:

**Provided** that, the limit of 10 per cent shall not be applicable for investments in case of index fund or exchange traded fund or sector or industry specific scheme.

3. All investments by a mutual fund scheme in equity shares and equity related instruments shall only be made provided such securities are listed or to be listed.
4. 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:

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

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

Considering the nature of the Scheme, investments in such instruments will be permitted up to 5% of its NAV.

6. Further, in accordance with para 12.8 of SEBI Master Circular for Mutual Funds dated May 19, 2023, 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.

The long term rating of issuers shall be considered for the money market instruments. However, if there is no long term rating available for the same issuer, then based on credit rating mapping of CRAs between short term and long term ratings, the most conservative long term rating shall be taken for a given short term rating. Exposure to government money market instruments such as TREPS on G-Sec/ T-bills shall be treated as exposure to government securities.

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.

7. 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.
8. 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

9. 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.
10. Transfer of investments from one scheme to another scheme in the same Mutual Fund is permitted provided:
  - a. such transfers are done at the prevailing market price for quoted instruments on spot basis (spot basis shall have the same meaning as specified by a Stock Exchange for spot transactions); and
  - b. the securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfer has been made.

Further, inter scheme transfers shall be in accordance with the para 12.30 of SEBI master Circular on Mutual Funds dated May 19, 2023 as amended from time to time.

11. 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.

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



13. 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 circular dated April 16, 2007, June 23, 2008, August 16, 2019 and September 20, 2019 as may be amended 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.

14. The Scheme shall not advance any loans.
15. 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 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.

16. Pursuant to SEBI Circular no. SEBI/HO/IMD/DF3/CIR/P/2019/147 dated November 29, 2019, In terms of SEBI Circular dated January 10, 2019 which specifies the portfolio concentration norms as follows, shall be complied with respect to the underlying Index:
- The index has a minimum of 10 stocks as its constituents.
  - No single stock in the index shall have more than 25% weight in the index.
  - The weightage of the top three constituents of the index, cumulatively shall not be more than 65% of the Index.
  - The individual constituent of the index shall have a trading frequency greater than or equal to 80% and an average impact cost of 1% or less over previous six months.

17. The Scheme will comply with the following restrictions for trading in exchange traded derivatives, as specified by in para 7.5 of SEBI Master circular for Mutual Funds dated May 19, 2023 .

#### **Position limit for Mutual Fund for stock based derivative contracts**

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

#### **Position limit for each scheme of a Mutual Fund**

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

- ii. For 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).

- iii. This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.
  - iv. 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.
18. The gross cumulative exposure through equity, debt and derivative position should not exceed 100% of the net assets of the Scheme in accordance with SEBI circular no. Cir/MD/DF/11/2010 dated August 18, 2010 as amended from time to time
19. 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 of the Regulations change.

### **C. Fundamental Attributes**

Following are the Fundamental Attributes of the scheme, in terms of Clause 1.14 of SEBI Master Circular for Mutual Funds dated May 19, 2023:

#### **i.Type of a scheme**

An Open Ended Exchange Traded Fund tracking BSE Sensex TRI

#### **ii.Investment Objective**

Main Objective: To provide returns before expenses that correspond to the total returns of the BSE Sensex TRI 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 Allocates its Asset?’

#### **iii.Terms of Issue**

- o Liquidity provisions such as listing, Repurchase, Redemption.
- o Aggregate fees and expenses charged to the scheme (please refer to section I – Part III C Annual Scheme Recurring Expenses").
- o Any safety net or guarantee 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:

The BSE Sensex TRI is designed It is designed to measure the performance of the 30 largest, most liquid and financially sound companies across key sectors of the Indian economy that are listed at BSE Ltd. The index is calculated based on float adjusted market cap weighted methodology.

##### Eligibility Criteria for Selection of Constituent Stocks

The index is derived from the constituents of the BSE 100. The inclusion of DVRs in the index will result in more than 30 stocks in the index. However, the number of companies in the index remains fixed at 30. Stocks in the eligible universe must satisfy the following eligibility factors in order to be considered for index inclusion:

- **Listing History.** Stocks must have a listing history of at least six months at BSE.
- **Trading Days.** The stock must have traded on every trading day at BSE during the six-month reference period.
- **Multiple Share Classes.** DVRs satisfying the above eligibility criteria are aggregated with the company's common stock and index construction is done based on the aggregated company data as detailed below.

##### Index Methodology-

1. All companies meeting the eligibility factors are ranked based on their average six-month float adjusted market capitalization. The top 75 are identified.
2. All companies meeting the eligibility factors are ranked again based on their average six-month total market capitalization. The top 75 are identified.
3. All companies identified based on steps 1 and 2 are then combined and sorted based on their annualized traded value. Companies with a cumulative annualized traded value greater than 98% are excluded.
4. The remaining companies are then sorted by average six-month float-adjusted market capitalization. Companies with a weight of less than 0.5% are excluded.
5. The remaining companies from step 4 are then ranked based on their average six-month float adjusted market capitalization, and are selected for index inclusion according to the following rules:
  - a. The top 21 companies (whether a current index constituent or not) are selected for index inclusion with no sector consideration.
  - b. Existing constituents ranked 22 – 39 are selected in order of highest rank until the target constituent count of 30 is reached.
  - c. If after this step the target constituent count is not achieved, then non-constituents ranked 22 – 30 are selected by giving preference to those companies whose sector is underrepresented in the index as compared to the sector representation in the BSE All Cap.
  - d. If after this step, the target constituent count is still not achieved, non-constituents are selected in order of highest rank until the target constituent count is reached.

Annualized traded value is calculated by taking the median of the monthly medians of the daily traded values over the six-month period. The annualization is calculated using 250 trading days in a year.

All additions and deletions are made at the discretion of index committee.

**Rebalancing:** Frequency of rebalancing is Semi-annual and is effective on Monday following the third Friday of June and December. The reference date is last trading day of April and October.

##### Constituents of BSE Sensex TRI as on September 30, 2024

ISIN	Security Name	Weightage (%)	Impact Cost
INE296A01024	BAJAJ FINANCE LIMITED	2.21	0.02
INE062A01020	STATE BANK OF INDIA	3.11	0.03
INE280A01028	TITAN COMPANY LIMITED	1.64	0.02
INE040A01034	HDFC BANK LTD.	13.45	0.01

INE009A01021	INFOSYS LTD.	6.97	0.02
INE019A01038	JSW STEEL LTD.	1.01	0.03
INE237A01028	KOTAK MAHINDRA BANK LTD.	2.80	0.01
INE002A01018	RELIANCE INDUSTRIES LTD.	10.28	0.01
INE081A01020	TATA STEEL LTD.	1.43	0.03
INE018A01030	LARSEN & TOUBRO LTD.	4.42	0.02
INE101A01026	MAHINDRA & MAHINDRA LTD.	3.09	0.02
INE155A01022	TATA MOTORS LTD.	2.10	0.02
INE030A01027	HINDUSTAN UNILEVER LTD.	2.72	0.02
INE239A01024	NESTLE INDIA LTD.	0.99	0.03
INE021A01026	ASIAN PAINTS LTD.	1.54	0.02
INE154A01025	ITC LTD.	4.93	0.02
INE044A01036	SUN PHARMACEUTICAL INDUSTRIES	2.14	0.02
INE090A01021	ICICI BANK LTD.	9.23	0.02
INE095A01012	INDUSIND BANK LTD.	0.99	0.03
INE238A01034	AXIS BANK LTD.	3.61	0.02
INE860A01027	HCL TECHNOLOGIES LTD.	1.95	0.02
INE397D01024	BHARTI AIRTEL LTD.	4.71	0.02
INE585B01010	MARUTI SUZUKI INDIA LTD.	1.80	0.02
INE481G01011	ULTRATECH CEMENT LTD.	1.37	0.03
INE467B01029	TATA CONSULTANCY SERVICES LTD.	4.45	0.02
INE733E01010	NTPC LTD.	2.17	0.04
INE669C01036	TECH MAHINDRA LTD.	1.03	0.03
INE752E01010	POWER GRID CORPORATION OF INDI	1.66	0.03
INE742F01042	ADANI PORTS AND SPECIAL ECONOM	1.09	0.04
INE918I01026	BAJAJ FINSERV LTD.	1.10	0.03

For complete methodology, please refer [https://www.niftyindices.com/Methodology/Method\\_NIFTY\\_Equity\\_Indices.pdf](https://www.niftyindices.com/Methodology/Method_NIFTY_Equity_Indices.pdf)

### Index Service Provider

ASIA INDEX PRIVATE LIMITED, a company incorporated under laws of India having its registered office at 14<sup>th</sup> Floor , P.J. Towers , Dalal Street, Fort, Mumbai – 400001, Maharashtra, India ("AIPL")

BSE Limited ("BSE") and Dow Jones Indices LLC ("SODJI") are engaged in the business of, inter alia, developing, computing, distributing, marketing & maintaining indices and data products relating to capital, financial and commodity markets in India, South Asia and other markets around the world

### 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 tracking the underlying index. 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 real time prices. ETFs provide investors a fund that 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 at iNAV.

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 at iNAV of the Scheme. Thus, investor invests at 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.

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.

For complete methodology, please refer [https://www.niftyindices.com/Methodology/Method\\_NIFTY\\_Equity\\_Indices.pdf](https://www.niftyindices.com/Methodology/Method_NIFTY_Equity_Indices.pdf)

## **E. Principle of incentive structure for market maker**

### **Incentive 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 clause 13.6.2 of SEBI master circular for mutual funds dated May 19, 2023 (only for close ended debt schemes) – Not Applicable**

**G. Other Scheme Specific Disclosure**

Listing and transfer of units	<p><b>Listing</b> 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.</p> <p>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.</p> <p>The AMC may also decide to delist the Units from a particular Exchange, provided that the Units are listed on at least one Exchange.</p> <p>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.</p> <p><b>Transferability of units:</b> Units held in Demat form are freely transferable in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time. Transfer can be made only in favor of transferees who are capable of holding units and having a Demat Account. The delivery instructions for transfer of units will have to be lodged with the DP in requisite form as may be required from time to time and transfer will be affected in accordance with such rules / regulations as may be in force governing transfer of securities in dematerialized mode.</p>
Dematerialization of units	<p>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..</p> <p>The units of the Scheme will be issued, traded and settled compulsorily in dematerialized form.</p>
Minimum amount	Not Applicable
Maximum Amount to be raised (if any)	Not Applicable
Dividend Policy (IDCW)	Not Applicable
Allotment (Detailed procedure)	<ul style="list-style-type: none"> <li>On acceptance of the application for subscription, an allotment confirmation specifying the number of units allotted by way of e-mail and/or SMS within 5 business days from the date of receipt of transaction request/allotment will be sent to the Unit Holders registered e-mail address and/or mobile number.</li> <li>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.</li> <li>For those Unit holders who have provided an e-mail address, the AMC will send the account statement by e-mail.</li> </ul>

	<ul style="list-style-type: none"> <li>• Unit holders will be required to download and print the documents after receiving e-mail from the Mutual Fund. Should the Unit holder experience any difficulty in accessing the electronically delivered documents, the Unit holder shall promptly advise the Mutual Fund to enable the Mutual Fund to make the delivery through alternate means. It is deemed that the Unit holder is aware of all security risks including possible third party interception of the documents and contents of the documents becoming known to third parties.</li> <li>• The Unit holder may request for a physical account statement by writing/calling the AMC/ISC/Registrar. In case of specific request received from the Unit Holders, the AMC/Fund will provide the Account Statement to the Investors within 5 business days from the receipt of such request.</li> <li>• The AMC shall issue Unit certificates within 5 business days from the date of receipt of request where the applicant so desires.</li> </ul> <p>In cases where the email does not reach the Unit holder, the Fund / its Registrar &amp; Transfer Agents will not be responsible, but the Unit holder can request for fresh statement. The Unit holder shall from time to time intimate the Fund / its Registrar &amp; Transfer Agent about any changes in his e-mail address.</p>
Refund	<p><b>Ongoing Offer period:</b> The AMC will refund the subscription money to applicants whose applications are found to be incomplete, invalid or have been rejected for any other reason whatsoever in accordance with the AMFI best practice guidelines in the matter.</p> <p>The AMC will endeavor to refund such amounts within 5 business days from the date of purchase transactions as per the timestamp / applicable NAV, where the application form / online transaction is received along with the payment and the funds have been realized. Where the subscription amount and the application/ online transaction are received separately, the period of 5 business days shall be reckoned from the later of the date of identifying the remitter details, based on the credit provided by the Bank or receipt and time stamping of application/ online transaction.</p> <p>In the event of delay beyond 5 business days, the AMC in line with AMFI best practice guidelines on the matter, will pay interest at 15% per annum or such other rate of interest as may be prescribed from time to time.</p>
<p>Who can invest</p> <p>This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is Suitable to their risk profile.</p>	<p>The following persons (subject to, wherever relevant, purchase of units of mutual funds, being permitted under respective constitutions, and relevant statutory regulations) are eligible and may apply for Subscription to the units of the Scheme:</p> <ol style="list-style-type: none"> <li>1. Resident adult individuals either singly or jointly (not exceeding three) or on an Anyone or Survivor basis;</li> <li>2. Hindu Undivided Family (HUF) through Karta;</li> <li>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;</li> <li>4. Partnership Firms;</li> <li>5. Limited liability partnership firms;</li> <li>6. Proprietorship in the name of the sole proprietor;</li> <li>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);</li> <li>8. Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions;</li> <li>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;</li> </ol>

	<ol style="list-style-type: none"> <li>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;</li> <li>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;</li> <li>12. Army, Air Force, Navy and other para-military units and bodies created by such institutions;</li> <li>13. Scientific and Industrial Research Organisations;</li> <li>14. Multilateral Funding Agencies / Bodies Corporate incorporated outside India with the permission of Government of India / RBI;</li> <li>15. Provident/ Pension/ Gratuity Fund to the extent they are permitted;</li> <li>16. Other schemes of Axis Mutual Fund or any other mutual fund subject to the conditions and limits prescribed by SEBI Regulations;</li> <li>17. Schemes of Alternative Investment Funds;</li> <li>18. The Trustee, AMC or Sponsor or their associates may subscribe to Units under the Scheme;</li> <li>19. Such other category of person(s) permitted to make investments and as may be specified by the AMC / Trustee from time to time.</li> </ol> <p>Subject to SEBI (Mutual Funds) Regulations, 1996, any application for subscription of units may be accepted or rejected in the sole and absolute discretion of the AMC/ Trustee company. The AMC/ Trustee company may also reject any application for subscription of units if the application is invalid, incomplete, or if the AMC/ Trustee company for any other reason does not believe that it would be in the interest of the scheme or its unitholders to accept such an application.</p>
Who cannot invest	<ol style="list-style-type: none"> <li>1. Any individual who is a foreign national or any other entity that is not an Indian resident under the Foreign Exchange Management Act, 1999 (FEMA Act) except where registered with SEBI as a FPI or otherwise explicitly permitted under FEMA Act/ by RBI/ by any other applicable authority.</li> <li>2. Pursuant to RBI A.P. (DIR Series) circular no. 14 dated September 16, 2003, Overseas Corporate Bodies (OCBs) cannot invest in Mutual Funds.</li> <li>3. NRIs residing in Non-Compliant Countries and Territories (NCCTs) as determined by the Financial Action Task Force (FATF), from time to time.</li> <li>4. U.S. Persons and Residents of Canada as defined under the applicable laws of U.S. and Canada except the following: <ol style="list-style-type: none"> <li>a. subscriptions received by way of lump sum / switches / systematic transactions received from Non-resident Indians (NRIs) /Persons of Indian origin (PIO) / Overseas Citizen of India (OCI) who at the time of such investment, are present in India and</li> <li>b. FPIs</li> </ol> </li> <li>5. Such other persons as may be specified by AMC from time to time.</li> </ol> <p>These investors need to submit a physical transaction request along with such documents as may be prescribed by the AMC/ the Trustee/ the Fund from time to time.</p> <p>The AMC reserves the right to put the transaction requests on hold/reject the transaction request/reverse allotted units, as the case may be, as and when identified by the AMC, which are not in compliance with the terms and conditions notified in this regard.</p> <p>The Trustee / the AMC /the Fund reserve the right to change/ modify the above provisions at a later date.</p>
How to Apply and other details (where can you submit the filled up applications including	Investors can undertake transactions in the Schemes of Axis Mutual Fund either through physical, online / electronic mode or any other mode as may be prescribed from time to time.



<p>purchase/redemption switches be submitted.)</p>	<p><b>Physical Transactions</b></p> <p>For making application for subscription / redemption / switches, application form and Key Information Memorandum may be obtained from / submitted to the Official Points of Acceptance (OPAs) of AMC or downloaded from the website of AMC viz. <a href="http://www.axismf.com">www.axismf.com</a>.</p> <p><b>Online / Electronic Transactions</b></p> <p>Investors can undertake transactions via electronic mode through various online facilities offered by Axis AMC / other platforms specified by AMC from time to time.</p> <p>For name, address and contact no. of Registrar and Transfer Agent (R&amp;T), email id of R&amp;T, website address of R&amp;T, official points of acceptance, collecting banker details etc. refer back cover page.</p> <p>Please note it is mandatory for unitholders to mention their bank account numbers in their applications/requests for redemption.</p> <p><b>Please refer to the SAI and Application form for the instructions.</b></p>
<p>The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.</p>	<p>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.</p>
<p>Restrictions, if any, on the right to freely retain or dispose of units being offered.</p>	<p>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.</p> <p>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.</p> <p>The units held in demat mode can be pledged and hypothecated as per the provisions of Depositories Act, 1996 and Depositories Rules and Regulations.</p> <p><b>Pledge or Hypothecation of Units</b></p> <p>The Units held in demat mode can be pledged and hypothecated as per the provisions of Depositories Act and Depositories Rules and Regulations.</p> <p><b>Manner of creating pledge or hypothecation:</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>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</li> </ol>

- application to the depository.
- 3) The depository after confirmation from the pledger that the securities are available for pledge with the pledger shall within fifteen days of the receipt of the application create and record the pledge and send an intimation of the same to the participants of the pledger and the pledgee.
  - 4) On receipt of the intimation under Clause (3) the participants of both the pledger and the pledgee shall inform the pledger and the pledgee respectively of the entry of creation of the pledge.
  - 5) If the depository does not create the pledge, it shall send along with the reasons an intimation to the participants of the pledger and the pledgee.
  - 6) The entry of pledge made under Clause (3) may be cancelled by the depository if pledger or the pledgee makes an application to the depository through its participant:
  - 7) Provided that no entry of pledge shall be cancelled by the depository without prior concurrence of the pledgee.
  - 8) The depository on the cancellation of the entry of pledge shall inform the participant of the pledger.
  - 9) Subject to the provisions of the pledge document, the pledgee may invoke the pledge and on such invocation, the depository shall register the pledgee as beneficial owner of such securities and amend its records accordingly.
  - 10) After amending its records under Clause (8) the depository shall immediately inform the participants of the pledger and pledgee of the change who in turn shall make the necessary changes in their records and inform the pledger and pledgee respectively.
  - 11) (a) If a beneficial owner intends to create a hypothecation on a security owned by him he may do so in accordance with the provisions of Clauses (1) to (9).  
(b) The provisions of Clauses (1) to (9) shall mutatis mutandis apply in such cases of hypothecation:  
Provided that the depository before registering the hypothecatee as a beneficial owner shall obtain the prior concurrence of the hypothecator.
  - 12) No transfer of security in respect of which a notice or entry of pledge or hypothecation is in force shall be effected by a participant without the concurrence of the pledgee or the hypothecatee, as the case may be.

**Pledge of Units - in case of issue of Unit Certificate**

The Unit under the Scheme (subject to completion of Locking Period, if any) may be offered as security by way of a pledge / charge in favor of scheduled banks, financial institutions, non-banking finance companies (NBFCs), or any other person. The AMC and / or the ISC will note and record such Pledged Units. The AMC shall mark a lien only upon receiving the duly completed form and documents as it may require. Disbursement of such loans will be at the entire discretion of the bank / financial institution / NBFC or any other person concerned and the Mutual Fund assumes no responsibility thereof.

The Pledger will not be able to redeem Units that are pledged until the entity to which the Unit are pledged provides written authorisation to the Mutual Fund that the pledge / lien charge may be removed. As long as Unit are pledged, the Pledgee will have complete authority to redeem such Units.

**Suspension/Restriction on Redemption of Units of the Scheme**

Subject to the approval of the Boards of the AMC and of the Trustee and subject also to necessary communication of the same to SEBI, the redemption of / switch-out of Units of Scheme, may be temporarily suspended/ restricted. In accordance with Para 1.12 of SEBI Master Circular for Mutual fund dated May 19, 2023 and subject to prevailing regulations, restriction on/suspension of redemptions / switch-out of Units of the Scheme, may be imposed when there are circumstances leading to systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as:

	<p>a) <b>Liquidity issues:</b> when market at large becomes illiquid affecting almost all securities rather than any issuer specific security;</p> <p>b) <b>Market failures, exchange closures:</b> when markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies;</p> <p>c) <b>Operational issues:</b> when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out).</p> <p>Restriction on / suspension of redemption of Units of the Scheme may be imposed for a specified period of time not exceeding 10 working days in any 90 days period.</p> <p>When restriction on / suspension of redemption of Units of the Scheme is imposed, the following procedure shall be applied</p> <ol style="list-style-type: none"> <li>i. No redemption / switch-out requests upto Rs. 2 lakhs shall be subject to such restriction.</li> <li>ii. Where redemption / switch-out requests are above Rs. 2 lakhs, the AMC shall redeem the first Rs. 2 lakhs without such restriction and remaining part over and above Rs. 2 lakhs shall be subject to such restriction.</li> </ol> <p>In addition to the above, the AMC / Trustee may restrict / suspend redemptions / switch-out of Units of the Scheme(s) pursuant to direction/ approval of SEBI.</p> <p>In case of any of the above eventualities, the general time limits for processing requests for redemption of Units will not be applicable.</p> <p>Also refer to the paragraph 'Suspension of Purchase and Redemption of Units' in the Statement of Additional Information.</p>
<p>Cut off timing for subscriptions/ redemptions/ switches</p> <p>This is the time before which your application (complete in all respects) should reach the official points of acceptance.</p>	<p><b>DIRECTLY FROM THE FUND:</b></p> <p>On an ongoing basis, the Scheme would be open for subscriptions/redemptions only for Authorised Participants and Large Investors in 'Creation Unit Size' on all Business Days.</p> <p>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/ above a specified threshold by Large investors / Authorised Participants/Market Maker.</p> <p>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 and Large Investors, directly with the AMC, intra-day NAV, based on the executed price at which the securities representing the underlying index are sold, shall be applicable.</p> <p><b>ON THE EXCHANGE:</b></p> <p>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.</p> <p><b>Settlement of purchase / sale of Units of the Scheme on NSE and/or any other stock exchange:</b></p>

	<p>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.</p> <p>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.</p> <p>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.</p> <p><b>Rolling Settlement</b> 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.</p> <p>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:</p> <p><b>Day Activity</b></p> <table border="1" data-bbox="435 1485 1477 1720"> <tr> <td>T</td> <td>The day on which the transaction is executed by a trading member</td> </tr> <tr> <td>T+1</td> <td>Confirmation of all trades including custodial trades by 11.00 a.m.</td> </tr> <tr> <td>T+1</td> <td>Processing and downloading of obligation files to brokers/custodians by 1.30 p.m.</td> </tr> <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> <p>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.</p>	T	The day on which the transaction is executed by a trading member	T+1	Confirmation of all trades including custodial trades by 11.00 a.m.	T+1	Processing and downloading of obligation files to brokers/custodians by 1.30 p.m.	T+2	Pay-in of funds and securities by 11.00 a.m.	T+2	Pay out of funds and securities by 1.30 p.m.
T	The day on which the transaction is executed by a trading member										
T+1	Confirmation of all trades including custodial trades by 11.00 a.m.										
T+1	Processing and downloading of obligation files to brokers/custodians by 1.30 p.m.										
T+2	Pay-in of funds and securities by 11.00 a.m.										
T+2	Pay out of funds and securities by 1.30 p.m.										
<p>Ongoing Offer Period This is the date from which the Scheme will reopen for Subscriptions / Redemptions after the closure of the NFO</p>	<p>The Scheme has reopened for continuous subscription and redemption from March 29, 2023.</p> <p><b>WITH THE MUTUAL FUND:</b> The Units can be purchased and redeemed directly with the Fund only in Creation Unit size /above a specified threshold on all Business Days, at</p>										

<p>period.</p>	<p>applicable NAV, subject to applicable load, if any.</p> <p><b>AUTHORISED PARTICIPANTS/MARKET MAKERS/LARGE INVESTORS:</b>  Application for subscription of the units of the Scheme directly with the Fund in Creation Unit Size at NAV based prices can be in exchange for Portfolio Deposit and Cash Component.</p> <p>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.</p> <p><b>OTHER INVESTORS:</b>  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.</p>
<p>Ongoing price for purchase and sale or creation/redemption of Units by investors. This is the price you need to pay for purchase/redemption.</p>	<p><b>SUBSCRIPTION ON THE EXCHANGE</b>  As the units of the Scheme is listed on NSE, the investor can buy units on an ongoing basis on the capital market segment of NSE &amp; BSE at the traded prices in a minimum size of 1 unit and in multiples thereof.</p> <p>All categories of Investors may purchase the units through secondary market on any trading day.</p> <p><b>DIRECTLY WITH THE FUND:</b></p> <p>Ongoing purchases directly from the Mutual Fund would be restricted to Authorized Participants / Market Maker and Large Investors provided the value of units to be purchased is in Creation Unit Size/ above a specified threshold.</p> <p>Authorized Participants/Market Makers/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 BSE Sensex TRI. Units may be allotted only after realization of cheque where the full consideration for creation unit is paid by cheque.</p> <p>In line with SEBI circular dated October 11, 2006 read with circular dated July 30, 2021, for transactions in units of the Scheme by Authorized Participants / Market Makers / Large Investors, directly with the AMC, shall be at intra-day NAV, based on the executed price at which the securities representing the underlying index are purchased.</p> <p>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.</p> <p>The Fund may allow cash Purchases of Units of the Scheme in Creation Unit Size/ above a specified threshold by Large Investors/Authorized Participants/Market Makers. 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.</p> <p>'Creation Unit' is fixed number of units of the Scheme, which is exchanged for a</p>

basket of shares underlying the Index called the Portfolio Deposit and a Cash Component. Creation Unit Size fixed for Axis BSE Sensex ETF is 40,000 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 40,000 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 Maker and 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

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.

**Example of Creation of Units as on:**

A	Closing Price of BSE Sensex Index – September 29, 2023	65828.41
B	Hypothetical NAV (1/1000th of Index)	65.83
C	Unit Creation Size	40,000
D	Portfolio Value	26,33,136
E	Closing Value of Portfolio (Assumed)	25,71,252
F	Cash Component per creation unit size (D-E)	61,884

**REDEMPTION:  
ON THE EXCHANGE:**

As the Scheme is listed on NSE & BSE, 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 Participant / 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 Intraday NAV of the Scheme, subject to exit load, if any. The number of units of the Scheme that Authorized Participant/ Market Makers / large investor can redeem is 40,000 units and in multiples thereafter.

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

Minimum amount for purchase / redemption / switches	<b>Refer Section I – Part I for Minimum amount for purchase/redemption/switches.</b>
Accounts Statements	<p>The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form).</p> <p>A Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds (including transaction charges paid to the distributor) and holding at the end of the month shall be sent to the Unit holders in whose folio(s) transaction(s) have taken place during the month by mail or email on or before 15th of the succeeding month.</p> <p>Half-yearly CAS shall be issued at the end of every six months (i.e. September/ March) on or before 21st day of succeeding month, to all investors providing the prescribed details across all schemes of mutual funds and securities held in dematerialized form across demat accounts, if applicable</p> <p>For further details, refer SAI.</p>
Dividend/ IDCW	No IDCW will be declared under the Scheme.
Redemption	<p>The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase.</p> <p>For list of exceptional circumstances refer para 14.1.3 of SEBI Master Circular for Mutual Funds dated May 19, 2023</p> <p>Investors may kindly note that Units can be redeemed with the fund house only in Creation Unit Size / above a specified threshold.</p> <p>For detailed procedure on how to redeem, kindly refer SAI</p>
Bank Mandate	It is mandatory for investors to mention bank account details on the form as per directives issued by SEBI. Applications without this information are liable to be rejected. The Mutual Fund / AMC reserve the right to hold redemption proceeds in case requisite bank details are not submitted.
Delay in payment of redemption / repurchase proceeds	<p>The Asset Management Company shall be liable to pay interest to the unitholders at rate as specified vide clause 14.2 of SEBI Master Circular for Mutual Funds dated May 19, 2023 by SEBI for the period of such delay.</p> <p>The AMC shall be liable to 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/ maturity.</p> <p>However, the AMC will not be liable to pay any interest or compensation or any amount otherwise, in case the AMC / Trustee is required to obtain from the Investor / Unit holders verification of identity or such other details relating to Subscription for Units under any applicable law or as may be requested by a Regulatory Agency or any government authority, which may result in delay in processing the application.</p>
Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount	As per Para 14.3 of SEBI Master Circular on Mutual Funds as amended from time to time, the unclaimed Redemption and IDCW amounts shall be deployed by the Fund in money market instruments and such other instruments/securities as maybe permitted from time to time. The investment management fee charged by the AMC for managing such unclaimed amounts shall not exceed 50 basis points. The circular also specifies that investors who claim these amounts during

	<p>a period of three years from the due date shall be paid at the prevailing NAV. Thus, after a period of three years, this amount can be transferred to a pool account and the investors can claim the said amounts at the NAV prevailing at the end of the third year. In terms of the circular, the onus is on the AMC to make a continuous effort to remind investors through letters to take their unclaimed amounts. The details of such unclaimed amounts shall be disclosed in the annual report sent to the Unit Holders.</p> <p>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.</p> <p>Further, according to Para 14.3 of SEBI Master Circular on Mutual Funds as amended from time to time the unclaimed Redemption and IDCW amounts may be deployed in separate plan of Overnight scheme/Liquid scheme/Money market mutual fund scheme floated by Mutual Funds specifically for deployment of the unclaimed Redemption and IDCW amounts.</p>
<p>Disclosure w.r.t investment by minors</p>	<p>Following is the process for investments made in the name of a Minor through a Guardian: -</p> <ul style="list-style-type: none"> <li>• Payment for investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian.</li> <li>• Mutual Fund will send an intimation to Unit holders advising the minor (on attaining majority) to submit an application form along with prescribed documents to change the status of the account from 'minor' to 'major'.</li> <li>• All transactions / standing instructions / systematic transactions etc. will be suspended i.e. the Folio will be frozen for operation by the guardian from the date of beneficiary child completing 18 years of age, till the status of the minor is changed to major. Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new bank account.</li> <li>• No investments (lumpsum/SIP/ switch in/ STP in etc.) in the scheme would be allowed once the minor attains majority i.e. 18 years of age.</li> </ul>
<p>Procedure for creation and redemption of units of the scheme in Creation Unit Size</p>	<p><b>Procedure for creation in Creation Unit Size:</b></p> <p>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.</p> <p>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.</p> <p>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</p>



	<p>proportionately lesser number of units to the investor.</p> <p>The AMC may levy a fee//charges, which may vary from time to time, for providing/arranging this facility.</p> <p><b>Procedure for redeeming units of the Scheme in Creation Unit Size:</b> The Units of the Scheme in less than Creation Unit cannot be redeemed with the Fund.</p> <p>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.</p> <p>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.</p> <p>Redemption proceeds in the form of basket of securities included in the BSE Sensex TRI in the same proportion will be credited to the designated DP account of the Authorised Participant/Large Investor/Market Makers. Any fractions in the number of securities transferable to Authorised Participant/ Market Maker and Large Investor will be rounded off to the lower integer and the value of the fractions will be added to the cash component payable.</p> <p>The Fund may, at its discretion, allow cash redemption of the units of the Scheme in Creation Unit Size by Large Investor/Authorised Participant/ Market Makers. Redemption request shall be made by such investor to the Fund whereupon the Fund shall arrange to sell the underlying portfolio of securities on behalf of the investor.</p> <p>The AMC may levy a fee/ charges, which may vary from time to time, for providing/arranging this facility.</p> <p>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.</p> <p>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.</p>
Tracking Error and Tracking Difference	<p><b>TRACKING ERROR</b></p> <p>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.</p> <p>Tracking error could be the result of a variety of factors including but not limited to:</p> <ul style="list-style-type: none"> <li>▪ Delay in the purchase or sale of stocks within the benchmark due to: <ul style="list-style-type: none"> <li>» Illiquidity in the stock,</li> <li>» Delay in realisation of sale proceeds,</li> </ul> </li> <li>▪ 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.</li> </ul>

	<ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ The holding of a cash position and accrued income prior to distribution of income and payment of accrued expenses.</li> <li>▪ Disinvestments to meet redemptions, recurring expenses, etc.</li> <li>▪ Execution of large buy / sell orders</li> <li>▪ Transaction cost and recurring expenses</li> <li>▪ Delay in realisation of Unit holders' funds</li> <li>▪ Levy of margins by exchanges</li> </ul> <p>The Scheme will endeavor to minimise the tracking error by:</p> <ul style="list-style-type: none"> <li>• Rebalancing of the portfolio.</li> <li>• Setting off of incremental subscriptions against redemptions.</li> <li>• Use of derivatives for portfolio rebalancing and efficient portfolio management</li> </ul> <p>The tracking error i.e. the annualised standard deviation of the difference in daily returns between BSE Sensex TRI and the NAV of ETF based on past one year rolling over data (For ETFs in existence for a period of less than one year, annualized standard deviation shall be calculated based on available data) shall not exceed 2% or as may be prescribed by regulations from time to time.</p> <p>In case of unavoidable circumstances in the nature of force majeure which are beyond the control of the AMCs, the tracking error may exceed 2%, and the same shall be brought to the notice of Trustees with corrective actions taken by the AMC, if any.</p> <p>Under normal circumstances, such tracking errors are not expected to exceed 2% p.a. for daily 12 month rolling return. However, in case of events like, dividend received from underlying securities, rights issue from underlying securities and market volatility during rebalancing of the portfolio following the rebalancing of the underlying index, redemptions directly with the Scheme not in Creation Unit Size, etc. or in abnormal market circumstances, the tracking error may exceed the above limits. There can be no assurance or guarantee that the Scheme will achieve any particular level of tracking error relative to performance of the Index.</p> <p><b>Tracking difference</b> - The ETF Scheme shall also disclose the tracking difference i.e. the annualized difference of daily returns between the underlying index and the NAV of the ETF shall also be disclosed on the website of the AMC and AMFI, on a monthly basis, for tenures 1 year, 3 year, 5 year, 10 year and since the date of allotment of units.</p>
<p>Role of Authorized Participant / Market Makers</p>	<p>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.</p> <p>The AMC reserves right to appoint / remove any Authorised Participants/ Market Makers.</p>

Liquidity window for Investors of all Exchange Traded Funds	<p>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:</p> <ul style="list-style-type: none"> <li>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</li> <li>ii. No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or</li> <li>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.</li> </ul> <p>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.</p> <p>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.</p>
Rounding Off	<p>While allotting the Units, based on the Allotment Price, the number of Units may be rounded off to the nearest whole number on the lower side if the trustees feel so, with a view to avoid creation of fractional units. The amount due to rounding off may be refunded to the investor.</p>
Any other disclosure in terms of Consolidated Checklist on Standard Observations	NIL

### III. Other Details

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

#### **B. Periodic Disclosures such as Half yearly disclosures, half yearly results, annual report**

<p>Monthly and Half yearly Disclosures: Portfolio / Financial Results</p> <p>This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.</p>	<p>The AMC will disclose the portfolio of the Scheme (along with 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 in one Hindi newspaper, every half year disclosing the hosting of the half-yearly statement of its schemes portfolio on the website of the Mutual Fund and AMFI and the modes through which unitholder can submit a request for a physical or electronic copy of the statement of scheme portfolios.</p> <p>The AMC will also provide a dashboard, in a comparable, downloadable (spreadsheet) and machine readable format, providing performance and key disclosures like Scheme's AUM, investment objective, expense ratios, portfolio details, scheme's past performance etc. on its website.</p> <p><a href="https://www.axismf.com/statutory-disclosures">https://www.axismf.com/statutory-disclosures</a>.</p>
<p>Half Yearly Results</p>	<p>The Mutual Fund shall within one month from the close of each half year, that is on 31st March and on 30th September, host a soft copy of its unaudited financial results on the website of the AMC and AMFI.</p> <p>The mutual fund shall publish an advertisement disclosing the hosting of such financial results on their website, in atleast one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the Mutual Fund is situated.</p> <p>The unaudited financial results will also be displayed on the website of the AMC and AMFI.</p> <p><a href="https://www.axismf.com/statutory-disclosures">https://www.axismf.com/statutory-disclosures</a>.</p>
<p>Annual Report</p>	<p>Pursuant to Regulation 56 of SEBI (Mutual Funds) Regulations, 1996 read with para 5.4 of SEBI Master Circular for Mutual funds dated May 19, 2023 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 (<a href="http://www.axismf.com">www.axismf.com</a>) and on the website of Association of Mutual Funds in India (<a href="http://www.amfiindia.com">www.amfiindia.com</a>).</p> <p>Unitholders whose email addresses are not registered with the Mutual Fund may 'opt-in' to receive a physical copy of the annual report or an abridged summary thereof.</p> <p>Further, AMC shall provide a physical copy of the abridged summary of the Annual Report, without charging any cost, on a specific request received from a unitholder.</p> <p>AMC shall also publish an advertisement every year, in an all India edition</p>

	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.
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. Changes in Risk-o-meter, if any, shall be communicated by way of Notice cum Addendum. Investors may also refer to the website/portfolio disclosure for the latest Risk-o-meter of the Scheme.
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. <a href="https://www.axismf.com/statutory-disclosures">https://www.axismf.com/statutory-disclosures</a> .
Tracking error and tracking difference	The tracking error based on past one year rolling data, on a daily basis shall be disclosed on the website of AMC ( <a href="http://www.axismf.com">www.axismf.com</a> ) and of the Association of Mutual Funds in India - AMFI ( <a href="http://www.amfiindia.com">www.amfiindia.com</a> )  Tracking difference - the ETF Scheme shall also disclose the tracking difference i.e. the annualized difference of daily returns between the underlying index and the NAV of the ETF shall also be disclosed on the website of the AMC and AMFI, on a monthly basis, for tenures 1 year, 3 year, 5 year, 10 year and since the date of allotment of units.
Disclosure Norms as per SEBI Circular dated May 23, 2022	A. The ETF Fund shall disclose the following on monthly basis: I. Name and exposure to top 7 issuers and stocks respectively as a percentage of NAV of the scheme II. Name and exposure to top 7 groups 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. <a href="http://www.axismf.com/">www.axismf.com/</a> ) on the day of change.
Any disclosure in terms of consolidated checklist of standard observations	Nil

### C. Transparency/NAV Disclosure (Details with reference to information given in Section I)

The AMC will calculate and disclose the NAV on all the Business Days. The AMC shall update the NAV on its website ([www.axismf.com](http://www.axismf.com)) and of the Association of Mutual Funds in India - AMFI ([www.amfiindia.com](http://www.amfiindia.com)) before 11.00 p.m. on every Business Day. If the NAV 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 Maker / 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 Charge: Not Applicable****Stamp Duty**

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

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

For further details on Stamp Duty, please refer SAI.

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

**F. Taxation-**

Taxation Rates applicable for the FY 24-25.	Taxability in the hands of Individuals / Non-corporates / Corporates		
	Resident	Non-Resident	
The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors / authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.	<b>Tax on distributed income</b>	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)
	<b>Capital Gains</b>		
	<b>Sold before 23 July 2024</b>		
	<b>Long Term Capital Gains:</b> (Held for a period of more than 12 Months)	10% (plus applicable surcharge and health and education cess) without indexation (Refer Note 7)	10% (plus applicable surcharge and health and education cess) without indexation (Refer Note 7)
	<b>Short Term Capital Gains</b> (Held for a period of 12 months or less)	15% (plus applicable surcharge and health and education cess)	15% (plus applicable surcharge and health and education cess)
	<b>Sold on or after 23 July 2024</b>		
	<b>Long Term Capital Gains:</b> (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)
	<b>Short Term Capital Gains</b> (Held for a period of	20% (plus applicable surcharge and health and education cess)	20% (plus applicable surcharge and health and education cess)

12 months or less)

**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 2022-23 exceeds Rs 400 crores)/ Partnership firm/ LLP/ Local authority/ FPIs	30%
Domestic company, where the total turnover or gross receipts of such company for financial year 2022-23 does not exceed Rs 400 crores	25%
Domestic company availing concessional tax rate benefit (subject to prescribed conditions) under section 115BAA of the Act	22%
Domestic company engaged solely in the business of manufacture/ production and availing concessional tax rate benefit (subject to prescribed conditions) under section 115BAB of the Act	15%
AOP/ BOI	30% or such higher rate of tax applicable to the individual members of the AOP/ BOI
Foreign Corporates	35%
FPIs	30%

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

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

#Section 115BAC of the Act provides individuals and HUFs to pay tax in respect of their total income at the following rates (default regime):

Income slab	Tax rate
Where total income for a tax year (April to March) is less than or equal to Rs 3,00,000 (the basic exemption limit)	Nil
Where such total income is more than Rs 3,00,000 but is less than or equal to Rs 7,00,000	5% of the amount by which the total income exceeds Rs 3,00,000
Where such total income is more than Rs 7,00,000 but is less than or equal to Rs 10,00,000	Rs 20,000 plus 10% of the amount by which the total income exceeds Rs 7,00,000



Where such total income is more than Rs 10,00,000 but is less than or equal to Rs 12,00,000	Rs 50,000 plus 15% of the amount by which the total income exceeds Rs 10,00,000
Where such total income is more than Rs 12,00,000 but is less than or equal to Rs 15,00,000	Rs 80,000 plus 20% of the amount by which the total income exceeds Rs 12,00,000
Where such total income is more than Rs 15,00,000	Rs 1,40,000 plus 30% of the amount by which the total income exceeds Rs 15,00,000

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

<b>Income</b>	<b>Individual /HUF / non-corporate non-firm unit holders</b>
(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 paying tax under section 115BAC of the Act.

5. Surcharge rates for Companies/ firm

<b>Total Income</b>	<b>Rate of Surcharge for Domestic companies*</b>	<b>Rate of Surcharge for Foreign Companies</b>
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 to tax.

8. The Scheme will attract securities transaction tax (STT) at 0.001% on the redemption value.
9. Withholding of Taxation by Mutual Fund will be 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 June 03, 2022. 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 June 9, 2022 & June 8, 2022 from National Stock Exchange of India Limited & Bombay Stock Exchange respectively 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: November 28, 2024**

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

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

**Statutory Details:** Axis Mutual Fund has been established as a Trust under the Indian Trusts Act, 1882, sponsored by Axis Bank Ltd. (liability restricted to Rs. 1 Lakh). **Trustee:** Axis Mutual Fund Trustee Ltd. **Investment Manager:** Axis Asset Management Co. Ltd. (the AMC) **Risk Factors:** Axis Bank Limited is not liable or responsible for any loss or shortfall resulting from the operation of the scheme.

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