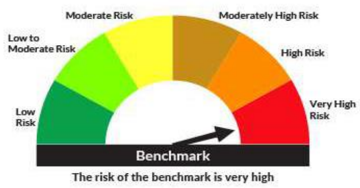
SCHEME INFORMATION DOCUMENT

Axis Nifty500 Value 50 ETF

(An Open-Ended Exchange Traded Fund replicating/tracking Nifty500 Value 50 TRI.)

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

This product is suitable for investors who are seeking*:	Scheme Riskometer	Benchmark Riskometer
• Long term wealth creation solution • to track returns by investing in a basket of Nifty500 Value 50 Index securities and aims to achieve total returns of the stated index, subject to tracking error		 Nifty500 Value 50 TRI

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

**The scheme is proposed to be listed on National Stock Exchange of India Limited and BSE Limited. Post listing of the scheme on the stock exchange NSE and BSE Symbol shall be updated.

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

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

New Fund Offer Opens on	:	March 10, 2025
New Fund Offer Closes on	:	March 12, 2025
Scheme re-opens on	:	Within five Business Days from the date of allotment

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

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

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

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

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

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

This Scheme Information Document is dated March 04, 2025.

NSE DISCLAIMER:

As required, a copy of this Scheme Information Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has vide its letter: NSE/LIST/5714 dated August 28, 2024 given permission to the Mutual Fund to use the Exchange's name in this Scheme Information Document as one of the stock exchanges on which the Mutual Fund's units are proposed to be listed subject to, the Mutual Fund fulfilling various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Scheme Information Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document; nor does it warrant that the Mutual Fund's units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its sponsors, its management or any scheme of the Mutual Fund.

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

NSE Indices Limited Disclaimer:

The Axis Nifty500 Value 50 ETF is not sponsored, endorsed, sold or promoted by NSE INDICES LIMITED (formerly known as India Index Services & Products Limited ("IISL"). NSE INDICES LIMITED does not make any representation or warranty, express or implied, to the owners of the Axis Nifty500 Value 50 ETF or any member of the public regarding the advisability of investing in securities generally or in the Product(s) particularly or the ability of the Axis Nifty500 Value 50 ETF to track general stock market performance in India. The relationship of NSE INDICES LIMITED to the Issuer is only in respect of the licensing of the Indices and certain trademarks and trade names associated with such Indices which is determined, composed and calculated by NSE INDICES LIMITED without regard to the Issuer or the Product(s). NSE INDICES LIMITED does not have any obligation to take the needs of the Issuer or the owners of the Product(s) into consideration in determining, composing or calculating the Axis Nifty500 Value 50 ETF. NSE INDICES LIMITED is not responsible for or has participated in the determination of the timing of, prices at, or quantities of the Product(s) to be issued or in the determination or calculation of the equation by which the Product(s) is to be converted into cash. NSE INDICES LIMITED has no obligation or liability in connection with the administration, marketing or trading of the Product(s). NSE INDICES LIMITED do not guarantee the accuracy and/or the completeness of the Axis Nifty500 Value 50 ETF or any data included therein and NSE INDICES LIMITED shall not have any responsibility or liability for any errors, omissions, or interruptions therein. NSE INDICES LIMITED does not make any warranty, express or implied, as to results to be obtained by the Issuer, owners of the product(s), or any other person or entity from the use of the Axis Nifty500 Value 50 ETF or any data included therein. NSE INDICES LIMITED makes no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the index or any data included therein. Without limiting any of the foregoing, NSE INDICES LIMITED expressly disclaim any and all liability for any claims, damages or losses arising out of or related to the Products, including any and all direct, special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages. An investor, by subscribing or purchasing an interest in the Product(s), will be regarded as having acknowledged, understood and accepted the disclaimer referred to in Clauses above and will be bound by it.

BSE DISCLAIMER:

"BSE Limited ("the Exchange") has given vide its letter dated August 28, 2024, 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 Nifty500 Value 50 ETF of this Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever"

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SECTION I

Part I. HIGHLIGHTS/SUMMARY OF THE SCHEME

Sr. No.	Title	Description
I.	**Name of the scheme**	Axis Nifty500 Value 50 ETF ('the Scheme')
II.	**Category of the Scheme**	Exchange Traded Fund (ETF)
III.	**Scheme type**	An Open-Ended Exchange Traded Fund replicating/tracking Nifty500 Value 50 TRI.
IV.	**SEBI Scheme code**	AXIS/O/O/EET/24/09/0096
V.	**Investment objective**	To provide returns before expenses that correspond to Nifty500 Value 50 TRI, subject to tracking errors. There is no assurance that the investment objective of the scheme will be achieved.
VI.	**Liquidity/listing details**	**<u>On the exchange:</u>** The Units of the scheme shall be listed on National Stock Exchange of India Limited, BSE Limited and/or any other recognized stock exchanges as may be decided by AMC from time to time. The Units of the scheme may be bought or sold on all trading days at prevailing price on such Stock Exchange(s). **<u>Directly with the Mutual Fund:</u>** The Scheme offers units for subscription / redemption directly with the AMC in Creation Unit Size or above a specified threshold to Authorized Participants / Market Makers and Large Investors respectively, at Intra day NAV based prices on all Business Days during the ongoing offer period. **<u>Listing</u>** Being an Exchange Traded Fund, the Units of the Scheme will be listed on the NSE, BSE and/or any other stock exchange within such time as the Exchange may allow or within such time as the Regulations permit. An investor can buy/sell Units on the Exchange during the trading hours like any other publicly traded stock. The AMC has proposed to engage Authorized Participants/Market Makers for creating liquidity for the ETF on the Stock Exchange(s) so that investors other than Authorized Participants / Market Makers and Large Investors are able to buy or redeem units on the Stock Exchange(s) using the services of a stock broker. The AMC may also decide to delist the Units from a particular Exchange, provided that the Units are listed on at least one Exchange. The price of the Units in the market on Exchange will depend on demand and supply and market factors and forces. There is no minimum investment amount for investment through Exchange, although Units dealt in minimum in lot of 1.
VII.	**Benchmark (Total Return Index)**	**Benchmark:** Nifty500 Value 50 TRI **Justification of Benchmark:** The scheme aims to provide returns before expenses that closely

		correspond to Nifty500 Value 50 TRI Index subject to tracking errors. Hence, the benchmark. **Tier 2 Benchmark:** Not Applicable
VIII.	**NAV disclosure**	The AMC will calculate and disclose the first NAV of the Scheme within a period of 5 business days from the date of allotment under the NFO. Subsequently, by 11.00 p.m. on every Business Day on AMC (www.axismf.com) and AMFI website. iNAV AMC will update the Indicative NAV periodically on its website and on Stock Exchange(s) (where units are listed and traded) within a maximum time lag of 15 seconds from underlying market. Further Details in Section II.
IX.	**Applicable timelines**	Timeline for **Dispatch of redemption proceeds:** The AMC shall dispatch the Redemption proceeds within three (3) working Days from the date of receipt of request from the unit holder. The AMC shall adhere to guidelines published by AMFI /SEBI for exceptional circumstances under which the scheme is unable to transfer redemption or repurchase proceeds within prescribed timelines. **Dispatch of IDCW:** **Not Applicable**
X.	**Plans and Options** Plans/Options and sub options under the Scheme	None
XI.	**Load Structure**	**Entry Load:** Not Applicable Para 10.4 of SEBI Mater circular for Mutual Funds has decided that there shall be no entry Load for all Mutual Fund Scheme. **Exit Load:** Nil For more details on Load Structure, please refer paragraph "Load Structure".
XII.	**Minimum Application Amount**	**1. <u>During NFO period -</u>** Rs. 500/- and in multiples of Rs. 1/- thereof. Note: While allotting the Units, based on the Allotment Price, the number of Units may be rounded off to the nearest whole number on the lower side if the trustees feel so, with a view to avoid creation of fractional units. The amount due to rounding off may be refunded to the investor. **2. <u>On Continuous basis –</u>** **Subscription / Redemption of Units directly with Mutual Fund:** Authorized Participants/Market Makers can directly purchase / redeem in in multiples of Creation Unit Size on any business day. Large Investors can directly purchase / redeem in multiples of Creation Unit

		Size subject to the value of transaction is above 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 upto August 31, 2025 or till such time as prescribed by SEBI from time to time) or such other threshold as prescribed by SEBI from time to time **Purchase / Sale of Units on Stock Exchange:** The units of the Scheme can be purchase / redeem in minimum lot of 1 unit on Stock exchange.
XIII.	**Minimum Additional Purchase Amount**	Not applicable
XIV.	**Minimum Redemption**	Kindly Refer point No. XII
XV.	**New Fund Offer Period This is the period during which a new scheme sells its units to the investors.**	**NFO opens on:** March 10, 2025 **NFO closes on:** March 12, 2025 The New Fund Offer shall be kept open for a minimum of 3 working days. The AMC/Trustee reserves the right to extend the closing date of the New Fund Offer Period, subject to the condition that the New Fund Offer shall not be kept open for more than 15 days. Any changes in the NFO dates shall be announced by way of a notice on AMC website.
XVI.	**New Fund Offer Price: This is the price per unit that the investors have to pay to invest during the NFO.**	The units being offered will have a face value of Rs. 10/- each and will be issued at a premium, if any, approximately equal to the difference between face value and allotment price. On allotment, value of each unit will be approximately equal to 1/500th of the value of underlying index.
XVII.	**Segregated portfolio/side pocketing disclosure**	The Scheme has the provision for Segregated portfolio/side pocketing disclosure. For Details, kindly refer SAI.
XVIII	**Swing pricing disclosure**	The Scheme does not have provision for swing pricing.
XIX.	**Stock lending/short selling**	The Scheme may engage in stock lending subject to disclosure as specified in asset allocation. For Details, kindly refer SAI. The Scheme shall not carry out short selling.
XX.	**How to Apply and other details**	For making application for subscription / redemption / switches, application form and Key Information Memorandum may be obtained from the Official Points of Acceptance (OPAs) of AMC or downloaded from the website of AMC viz. www.axismf.com. Details in section II
XXI.	**Investor services**	**Contact details for general service requests and complaints:** Investors can lodge any service request or complaints or enquire about NAVs, Unit Holdings, IDCW, etc by calling the Investor line of the AMC at contact number 8108622211 (chargeable) from 9.00 am to 6.00 pm (Monday to Saturday) or (022) 6649 6100 (at local call rate for enquiring at AMC ISC's) or email – customerservice@axismf.com. The service

		representatives may require personal information of the Investor for verification of his / her identity in order to protect confidentiality of information. The AMC will at all times endeavour to handle transactions efficiently and to resolve any investor grievances promptly. **Investor Relations Officer:** Mr. C P Sivakumar Nair Address : Axis Asset Management Company Ltd. One Lodha Place, 22nd & 23rd Floor, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra, Pin Code – 400013 Phone no.: (022) 6649 6102 For any grievances with respect to transactions through BSE StAR and / or NSE MFSS, the investors / Unit Holders should approach either the stock broker or the investor grievance cell of the respective stock exchange.
XXII.	**Specific attribute of the scheme (such as lock in, duration in case of target maturity scheme/close ended schemes) (as applicable)**	Not Applicable
XXIII.	**Special product/facility available during the NFO and on ongoing basis**	**A. During NFO:** **1. Switching Option** None. **B. On ongoing basis** None For detailed terms and conditions of the above special products, kindly refer SAI.
XXIV.	**Weblink**	• **TER for last 6 months:** Not applicable as the Scheme is a new scheme. • **Scheme factsheet:** Not applicable as the Scheme is a new scheme.

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: March 04, 2025
Place: Mumbai

Name: Darshan Kapadia
Designation: Compliance Officer

Part II. INFORMATION ABOUT THE SCHEME

A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

Under normal circumstances, the asset allocation pattern will be:

Instruments	Indicative Allocation (% of total assets)	
	Minimum	Maximum
Securities covered by Nifty500 Value 50 Index$	95%	100%
Debt & Money Market Instruments^	0%	5%

In terms of Para 3.4 of Master Circular for Mutual Funds which specifies the portfolio concentration norms as follows and as amended from time to time, 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.

$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.

^Residual portion of 5% of the net assets of the Scheme is provided for liquidity purposes. For liquidity purposes, the Scheme would invest in 'liquid assets' as per clause 4.5.1 of SEBI Master Circular of Mutual funds as amended from time to time.

The gross cumulative exposure through equity, debt and money market instruments and derivative position should not exceed 100% of the net assets of the Scheme in accordance with Para 12.24 of Master Circular of Mutual Fund as amended from time to time. Cash or cash equivalents with residual maturity of less than 91 days shall be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities having residual maturity of less than 91 days.

The net assets of the Scheme will be invested in stocks constituting the underlying Index. This would be done by investing in all the stocks comprising the underlying index in the same weightage that they represent in the said index. 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.
Further, due to corporate action in companies comprising the Underlying Index, the scheme may be allocated/allotted securities which are not part of the Underlying Index. Such security will be considered for asset allocation basis the security asset class.

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.

Investment in Short Term Deposits
Pending deployment of the funds in securities in terms of investment objective of the Scheme, the AMC may park the funds of the Scheme in short term deposits of the Scheduled Commercial Banks, subject to the guidelines issued by Para 12.16 of Master Circular for Mutual Funds as may be amended from time to

time.

Stock Lending

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

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

Investment in Units of debt and liquid Mutual Fund

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

The Scheme shall not invest in Overseas securities/ADR/GDR, Securitized debt, REIT / InvITs, Repo/ Reverse repo transactions in corporate debt, Unrated debt instruments, Credit Default Swaps, debt instruments having Structured obligations / Credit enhancements and instruments with special features as specified in Para 12.2 of Master circular for Mutual Fund. The Scheme shall not carry out short selling.

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

Sr. No.	Type of Instrument	Percentage of exposure	Circular references
1.	Securities Lending and borrowing	The Scheme shall adhere to the following limits should it engage in Stock Lending. 1. Not more than 20% of the net assets of the Scheme can generally be deployed in Stock Lending. 2. Not more than 5% of the net assets of the Scheme can generally be deployed in Stock Lending to any single counter party / intermediary (as may be applicable).	Para 12.11 of SEBI Master Circular for Mutual Funds as amended from time to time (SEBI Master Circular).
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 and Para 12.25 of (SEBI Master Circular).
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 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	Debt instruments having Credit Enhancement /Structured Obligations
4	Repo and Reverse repo in corporate debt securities

5	REITS and InVITS
6	Credit Default Swaps
7	Debt instruments with special features AT1 & AT2 Bonds
8	The Scheme shall not undertake 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 Para 1.14.1.2 of Master Circular for Mutual Fund or as may be amended from time to time, and the fund manager will rebalance the portfolio within 7 calendar days 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 Para 3.6.7 of Master Circular for Mutual Funds as amended from time to time, the portfolio of the Scheme shall be rebalanced within 7 calendar days.

In the event of involuntary corporate action, the scheme shall dispose the security not forming part of the underlying index within 7 days from the date of listing. Similarly, unlisted securities received in the event of corporate action will be disposed by the Fund Manager in line with the investment objective of the Scheme.

B. WHERE WILL THE SCHEME INVEST?

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

- Equity and Equity Related Instruments (securities covered under Nifty500 Value 50 Index)
- 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 and in line with the asset allocation pattern. 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 follow a passive investment strategy, except to the extent of meeting liquidity and expense requirements. Events like the constituent stocks becoming illiquid in the cash market, the Index Provider changing the constituents, a large dividend going ex but lag in its receipts, etc. tend to increase the tracking error. In such events, it may be more prudent for the Scheme to take exposure through derivatives of its constituent stocks in order to minimize the long term tracking error.

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

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

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

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

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

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

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

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

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

Futures

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

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

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

Example of a typical future trade and the associated costs

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

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

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

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

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

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

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

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

(b) Buying/ Selling Stock/Index future:

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

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

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

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

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

Options Risk / Return Pay-off Table

	Stock / Index Options	Buy Call	Sell Call	Buy Put	Sell Put
1	View on underlying	Positive	Negative	Negative	Positive
2	Premium	Pay	Receive	Pay	Receive

3	Risk Potential	Limited to premium paid	Unlimited	Limited to premium paid	Unlimited
4	Return Potential	Unlimited	Premium Received	Unlimited	Premium Received

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

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

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

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

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

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

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

Call Option
Suppose an investor buys a Call option on 1 lot of Nifty 50 (Lot Size: 50 units)
• Nifty index (European option).
• Nifty 1 Lot Size: 50 units
• Spot Price (S): 17,500
• Strike Price (x): 17,550 (Out-of-Money Call Option)
• Premium: 100
Total Amount paid by the investor as premium [50*100] =5,000
There are two possibilities i.e. either the index moves up over the strike price or remains below the strike price.

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

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

In this case the premium of Rs.200 has an intrinsic value of Rs.100 per unit and the remaining Rs.100 is the time value of the option.
• An investor exercises the Nifty Option at expiry

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

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

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

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

Let us analyze these scenarios.

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

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

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

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

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

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

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

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 Makers and Large investors. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio.

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

D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

For details refer Point no. VII 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
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: 14 years, his last 10 years' experience are as follows: • Axis Asset Management Company Limited June 2019 – Till date • SilverTree Hong Kong April 2017 – May 2019 • Asiya Investment, Hong Kong Sept 2008 – Feb 2017"	Axis Arbitrage Fund Axis Quant Fund Axis NIFTY 50 Index Fund Axis NIFTY Next 50 Index Fund Axis NIFTY Bank ETF Axis Nifty Smallcap 50 Index Fund Axis Nifty Midcap 50 Index Fund Axis NIFTY IT ETF Axis NIFTY Healthcare ETF Axis Equity ETFs FoF Axis BSE SENSEX ETF Axis BSE Sensex Index Fund Axis NIFTY 100 Index Fund Axis NIFTY 50 ETF Axis NIFTY India Consumption ETF Axis Nifty IT Index Fund Axis NIFTY Bank Index Fund Axis Nifty 500 Index Fund Axis Nifty500 Value 50 Index Fund Axis Momentum Fund

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

Axis Nifty500 Value 50 ETF, An Open-Ended scheme replicating / tracking Nifty500 Value 50 TRI is a different 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 open ended Equity Exchange Traded Funds of Axis Mutual Fund are as follows:

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

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?

This scheme is a new scheme, does not have any performance track record.

H. ADDITIONAL SCHEME RELATED DISCLOSURES

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

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

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

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

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

Sr. No.	Axis Nifty500 Value 50 ETF - Fund Manager(s)	Net Value		Market Value (in Rs.)
		Units as on May _______	NAV (Rs. per unit)	
Not applicable as the scheme is a new Scheme.				

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

vi. Investments of AMC in the Scheme –

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

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

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

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

Part III- OTHER DETAILS

A. COMPUTATION OF NAV

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

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

<table>
<tr><td rowspan="2">NAV (Rs.) =</td><td>Market or Fair Value of Scheme's Investments</td><td>+</td><td>Current Assets including Accrued Income</td><td>-</td><td>Current Liabilities and Provisions</td></tr>
<tr><td colspan="5">No. of Units outstanding under Scheme on the Valuation Day</td></tr>
</table>

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

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

Illustration of Computation of NAV:

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

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

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

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 stationary, 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 to the Scheme as expenses as permitted under Regulation 52 of SEBI (MF) Regulations. For the actual current expenses being charged, the Investor should refer to the website of the Mutual Fund.

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

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.

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

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)
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 and upto 5 bps for cash market transactions and derivatives transactions respectively. Any payment towards brokerage & transaction costs, over and above the said 12 bps and 5 bps for cash market transactions and derivatives transactions respectively will be charged to the Scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under Regulation 52 of the Regulations.

A. 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.

B. 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.

Expenses over and above the prescribed limit shall be charged / borne in accordance with the Regulations prevailing from time to time.

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

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.

Incentive structure for Market Makers

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.

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.

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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.

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

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

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

The Redemption Price however, will not be lower than 95% of the NAV . 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 paragraph 6.11 of SEBI Master Circular for Mutual funds 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 Nifty500 Value 50 ETF.

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 Nifty500 Value 50 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 Nifty500 Value 50 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 Nifty500 Value 50 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 Axis Nifty500 Value 50 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 Nifty500 Value 50 TRI:

- The Nifty500 Value 50 index consists of 50 companies from its parent Nifty 500 index, selected based on their 'value' scores. Equities are volatile in nature and are subject to price fluctuations. The volatility in the value of the equity instruments is due to various micro and macroeconomic factors affecting the securities markets. This may have an adverse impact on individual securities /sector and consequently on the performance of Scheme.

- Given that the index may also constitute of mid and small cap stocks, it is a possibility that fund manager may take some time to purchase/sell some stocks because of liquidity issues or trading restrictions. This may lead to a temporary mismatch between the scheme's portfolio and the benchmark index.

Risks associated with investments in equities:

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

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

Risks associated with investments in derivatives

- The Scheme may invest in derivative products in accordance with and to the extent permitted under the Regulations. 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.

- Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor.

- Execution of investment strategies depends upon the ability of the fund manager(s) to identify such opportunities which may not be available at all times. Identification and execution of the strategies to be pursued by the fund manager(s) involve uncertainty and decision of fund manager(s) may not always be profitable. No assurance can be given that the fund manager(s) will be able to identify or execute such strategies.

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

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

C. Risk Mitigation strategies:

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

The Scheme aims to track the benchmark Index before expenses. The index is tracked on a regular basis and changes to the constituents or their weights, if any, are replicated in the Scheme portfolio with the purpose of minimizing tracking error.

Risk control would include managing risk in order to keep it in line with the investment objective of the Scheme. The AMC has incorporated adequate safeguards to manage risk in the portfolio construction process. The risk control process involves identifying & measuring the risk through various Risk Measurement Tools. Further, the AMC has implemented the Bloomberg Portfolio Management System as Front Office System (FOS) for managing risk. The system has inbuilt feature which enables the Fund Manager calculate various risk ratios and analyze the same.

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 Nifty500 Value 50 TRI 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 investment in Debt and Money Market Instruments

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

Mitigation - In a rising interest rates scenario the scheme may increase its investment in money market securities whereas if the interest rates are expected to fall the allocation to debt securities with longer maturity may be increased thereby mitigating risk to that extent.

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

Mitigation- The scheme 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.

Tracking error risk: The performance of the Scheme may not commensurate with the performance of the benchmark index on any given day or over any given period. Such variation, referred to as tracking error may impact the performance of the Scheme.

Mitigation: The Investment Manager would monitor the tracking error of the Scheme on an ongoing basis and would seek to minimize tracking error to the maximum extent possible.

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 Nifty500 Value 50 TRI and is a passively managed scheme. In case of any changes in the index due to corporate actions or changes in the constituents of the underlying index, the relevant investment decision will be determined considering the composition of the index.

The scheme would invest in stocks comprising the underlying index. The Fund may also invest in Debt Instruments, Money Market Instruments in compliance with Regulations to meet liquidity and expense requirements.

Equity and Equity Related Instruments

1. *Equity share* is a security that represents ownership interest in a company.
2. *Equity Related Instruments* are securities which give the holder of the security right to receive Equity Shares on pre agreed terms. It includes convertible bonds, convertible debentures, equity warrants, convertible preference shares, etc. The Scheme shall invest in Equity shares of constituents of Nifty500 Value 50 Index, however it may be entitled to and receive Equity Related instruments of such entities by way of corporate action.
3. *Equity Derivatives* are financial instruments, generally traded on an exchange, the price of which is directly dependent upon (i.e., "derived from") the value of equity shares or equity indices. Derivatives involve the trading of rights or obligations based on the underlying, but do not directly transfer property. The Scheme will take exposure to equity derivatives through stock futures/options and index futures and options of constituents of the underlying index.

Futures:

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

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

Options:

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

Option contracts are of two types viz:

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

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

Put Option – The option that gives the buyer the right but not the obligation to sell is called put option. A Put option gives the holder (buyer) the right to sell specified quantity of the underlying asset at the strike price.

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

Debt Instruments & Money Market Instruments

Treasury 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.

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.

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

Short Term Deposits
Pending deployment of funds as per the investment objective of the Scheme, the funds may be parked in short term deposits of the Scheduled Commercial Banks, subject to guidelines and limits specified by SEBI. The funds may also be parked in units of debt and liquid mutual fund schemes (offered by Axis Mutual Fund or any other mutual fund) in terms of para 12.16 of SEBI Master Circular for Mutual Fund.

Units of debt & liquid Mutual Fund schemes

The scheme may invest in units of debt & 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 or negotiated deals, etc. Further investments in fixed income securities will be in instruments which have been assigned investment grade rating by the Credit Rating Agency.

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

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.

Investments by index funds shall be in accordance with the weightage of the scrips in the specific index as disclosed in the SID.

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 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.

6. 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.

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

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

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

Further, inter scheme transfers shall be in accordance with the guidelines issued by Para 12.30 of Master Circular for Mutual Funds as amended from time to time .

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

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

Provided that the Mutual Fund may engage in securities lending and borrowing as may be 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.

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

11. 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 Para 12.16 of Master Circular for Mutual Funds and as 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.

12. The Scheme shall not advance any loans.

13. 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.

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

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

15. The Scheme will comply with the following restrictions for trading in exchange traded derivatives, as specified by SEBI vide its circular DNPD/Cir-29/2005 dated September 14, 2005, as amended from time to time:

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:

i. 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).

ii. This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.

iii. For index based contracts, Mutual Funds shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

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.

16. 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.

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

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:

i. Type of a scheme
An Open-Ended Exchange Traded Fund replicating/tracking Nifty500 Value 50 TRI

ii. Investment Objective
Main Objective: To provide returns before expenses that correspond to Nifty500 Value 50 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

- Liquidity provisions such as listing, Repurchase, Redemption.
- Aggregate fees and expenses charged to the scheme (Please refer to section I – Part III C **ANNUAL SCHEME RECURRING EXPENSES"**).
- 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 comment 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: Nifty500 Value 50 Index

TThe Nifty500 Value 50 Index represents 50 companies from its parent Nifty 500 index, selected based on their 'value' scores. The value score of each company is determined based on Earnings to Price ratio (E/P), Book Value to Price ratio (B/P), Sales to Price ratio (S/P) and Dividend Yield.

Methodology

- Stocks from Nifty 500 index at the time of review are eligible for inclusion in the index.
- 50 companies with higher Earnings to Price ratio (E/P), Book Value to Price ratio (B/P), Sales to Price ratio (S/P) and Dividend Yield are selected to be part of the index.
- The weight of each stock in the index is based on the combination of stock's 'value' score and its free float market capitalization.
- Each sector in the index is capped at 25%.
- Each stock in the index is capped at the lower of 5% or 3 times the weight of the stock in the index based only on free float market capitalization.

Eligibility Criteria

- Stocks should form part of Nifty 500 index at the time of review
- Constituents should have a minimum listing history of 1 month
- Stocks should have ranked within top 400 based on both average daily turnover and average daily free-float market capitalisation based on previous six months data ending May and November.

Reconstitution and rebalancing

- Index reconstitution will be done on a semi-annual basis in the month of June and December based on six months data ending May and November respectively
- Stocks that do not qualify the eligibility criteria mentioned above will be compulsorily excluded from the index and replaced with non-member eligible stocks
- Top 25 ranked stocks on the basis of value score are compulsorily included in the index, whereas existing stocks in the index whose rank goes beyond 75 are compulsorily excluded from the index
- Apart from the scheduled semi-annual review, additional ad-hoc reconstitution and rebalancing of the index shall be initiated in case any of the index constituents undergoes suspension or delisting or scheme of arrangement

  Further, on a quarterly basis, indices will be screened for compliance with the portfolio concentration norms for ETFs/ Index Funds announced by SEBI on January 10, 2019. In case of non-compliance of any of the stated norms, suitable corrective measures such as replacement of ineligible stock, re-alignment of constituent weights will be undertaken depending upon the nature of non-compliance to ensure the compliance of norms.

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

Index Service Provider

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

The constituents as on February 28, 2025.

SECURITY_NAME	WEIGHTAGE	IMPACT COST
BANDHAN BANK LTD.	0.41	0.04
BANK OF BARODA	2.00	0.03
BANK OF INDIA	0.63	0.04
BHARAT PETROLEUM CORPORATION LTD.	4.58	0.03
CANARA BANK	1.62	0.03
CESC LTD.	0.87	0.04
CHAMBAL FERTILIZERS & CHEMICALS LTD.	0.70	0.04
COAL INDIA LTD.	5.45	0.03
CITY UNION BANK LTD.	0.29	0.04
E.I.D. PARRY (INDIA) LTD.	0.91	0.05
FEDERAL BANK LTD.	1.17	0.02
GAIL (INDIA) LTD.	1.15	0.03
GREAT EASTERN SHIPPING CO. LTD.	1.16	0.05
GUJARAT NARMADA VALLEY FERTILIZERS AND CHEMICALS LTD.	0.58	0.04
GRASIM INDUSTRIES LTD.	5.30	0.03
GUJARAT STATE PETRONET LTD.	0.22	0.06
HINDALCO INDUSTRIES LTD.	5.75	0.02
HINDUSTAN PETROLEUM CORPORATION LTD.	1.74	0.03
IIFL FINANCE LTD.	0.24	0.06
INDIAN BANK	0.74	0.05
INDUSIND BANK LTD.	2.60	0.03
INDIAN OIL CORPORATION LTD.	4.69	0.02
KARUR VYSYA BANK LTD.	0.45	0.05
LIC HOUSING FINANCE LTD.	0.64	0.03
MANAPPURAM FINANCE LTD.	0.54	0.04
MAHANAGAR GAS LTD.	0.18	0.05
NATIONAL ALUMINIUM CO. LTD.	1.10	0.03
NCC LTD.	0.53	0.04
NMDC LTD.	2.36	0.04
NTPC LTD.	5.31	0.03
OIL INDIA LTD.	0.48	0.05
OIL & NATURAL GAS CORPORATION LTD.	5.35	0.02
PIRAMAL ENTERPRISES LTD.	0.30	0.04
PETRONET LNG LTD.	0.57	0.03
POWER FINANCE CORPORATION LTD.	2.62	0.04
PUNJAB NATIONAL BANK	1.21	0.03
POWER GRID CORPORATION OF INDIA LTD.	4.61	0.03
RBL BANK LTD.	0.56	0.05
REC LTD.	1.66	0.04
STEEL AUTHORITY OF INDIA LTD.	2.26	0.03
SAMMAAN CAPITAL LTD.	0.36	0.05
STATE BANK OF INDIA	4.83	0.02
TATA CHEMICALS LTD.	0.93	0.03
TATA MOTORS LTD.	4.78	0.02
TATA STEEL LTD.	5.57	0.02
UJJIVAN SMALL FINANCE BANK LTD.	0.27	0.05
UNION BANK OF INDIA	1.23	0.03
UPL LTD.	2.97	0.04

SECURITY_NAME	WEIGHTAGE	IMPACT COST
VEDANTA LTD.	4.89	0.02
ZEE ENTERTAINMENT ENTERPRISES LTD.	0.63	0.04
Total	**100.00**	**--**

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.

c) 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").

d) 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 (only for close ended debt schemes)

– Not Applicable

G. Other Scheme Specific Disclosure

Listing and transfer of units	**Listing** Being an Exchange Traded Fund, the Units of the Scheme will be listed on the NSE, BSE and/or any other stock exchange within such time as the Exchange may allow or within such time as the Regulations permit. An investor can buy/sell Units on the Exchange during the trading hours like any other publicly traded stock. The AMC has proposed to engage Authorized Participants / Market Makers for creating liquidity for the ETF on the NSE, BSE and/or any other stock exchange so that investors other than Authorized Participants / Market Maker and Large Investors are able to buy or redeem units on the NSE, BSE and/or any other stock exchange using the services of a stock broker. The AMC may also decide to delist the Units from a particular Exchange, provided that the Units are listed on at least one Exchange. The price of the Units in the market on Exchange will depend on demand and supply and market factors and forces. There is no minimum investment amount

	for investment through Exchange, although Units dealt in minimum in lot of 1. **Transferability of units:** Units held in Demat form are freely transferable in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time. Transfer can be made only in favor of transferees who are capable of holding units and having a Demat Account. The delivery instructions for transfer of units will have to be lodged with the DP in requisite form as may be required from time to time and transfer will be affected in accordance with such rules / regulations as may be in force governing transfer of securities in dematerialized mode.
Dematerialization of units	The units of the Scheme will be available in dematerialized form only. Investors intending to invest in units of the Scheme are required to have a beneficiary account with the Depository Participant (DP) (registered with NSDL / CDSL as may be indicated by the Fund at the time of launch) and will be required to indicate in the application form the DP's name, DP ID Number and the beneficiary account number of the applicant with the DP at the time of purchasing units directly from the Fund on an ongoing basis in the Creation Unit Size / above a specified threshold. The units of the Scheme will be issued, traded and settled compulsorily in dematerialized form.
Minimum Target amount	Rs. 5 crore
Maximum Amount to be raised (if any)	Not Applicable
Dividend Policy (IDCW)	Not Applicable
Allotment (Detailed procedure) (During NFO)	Allotment will be made to all applicants in the New Fund Offer provided the applications are complete in all respects and are in order. Application for issue of Units will not be binding on the Fund and may be rejected on account of failure to fulfill the requirements as specified in the application form. Upon allotment, an Allotment Advice will be sent by ordinary post to each unit-holder, stating the number of units allotted, not later than 5 working days from the date of closure of NFO and the units will be credited to the DP account of the applicant as per the details provided in the application form. Any excess amount, if any, would be refunded to the investor. All Units would be allotted in whole numbers and no fractional Units will be allotted. The Scheme will determine the allotment price as follows: No. of Units to be Allotted = <u>Net Assets in the Scheme on the date of allotment</u> 500th of the benchmark Index on the date of Allotment Allotment Price = Amount Collected in the NFO – Refunds on account of application rejections, if any / Number of Units to be allotted in the NFO The allotment price will then be applied to the NFO proceeds collected from each Investor to arrive at the number of Units to be allotted. The Scheme will allot whole Units and balance amount will be refunded. Following is an example of Units allotted during the NFO Period (based on the assumption that the allotment price, is Rs. 59.37):

<table>
<tr>
<td></td>
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<tr><td>Amount of Investment after deduction of transaction charges of Rs. 100/- on application of Rs. 10000/-</td><td>Rs. 9,900</td></tr>
<tr><td>Allotment Price</td><td>Rs. 59.74</td></tr>
<tr><td>Number of Units allotted</td><td>units 165*</td></tr>
<tr><td>Value of Units allotted</td><td>Rs. 9857.92</td></tr>
</table>
*Units would be allotted in whole numbers and no fractional Units will be allotted. Excess amount, if any, would be refunded to the Investor.
</td>
</tr>
<tr>
<td>Refund</td>
<td>
During NFO:
Fund will refund the application money to applicants whose applications are found to be incomplete, invalid or have been rejected for any other reason whatsoever. Refund instruments will be dispatched within 5 business days of the closure of NFO period. In the event of delay beyond 5 business days, the AMC shall be liable to pay interest at 15% per annum or such other rate of interest as maybe prescribed from time to time.

Ongoing Offer period:
The AMC will refund the subscription money to applicants whose applications are found to be incomplete, invalid or have been rejected for any other reason whatsoever in accordance with the AMFI best practice guidelines in the matter.

The AMC will endeavor to refund such amounts within 5 business days from the date of purchase transactions as per the timestamp / applicable NAV, where the application form / online transaction is received along with the payment and the funds have been realized. Where the subscription amount and the application/ online transaction are received separately, the period of 5 business days shall be reckoned from the later of the date of identifying the remitter details, based on the credit provided by the Bank or receipt and time stamping of application/ online transaction.

In the event of delay beyond 5 business days, the AMC in line with AMFI best practice guidelines on the matter, will pay interest at 15% per annum or such other rate of interest as may be prescribed from time to time.

Further, no fractional units will be allotted and excess amount, if any, would be refunded to the investor.
</td>
</tr>
<tr>
<td>Who can invest

This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is Suitable to their risk profile.</td>
<td>
The following persons (subject to, wherever relevant, purchase of units of mutual funds, being permitted under respective constitutions, and relevant statutory regulations) are eligible and may apply for Subscription to the units of the Scheme:
1. Resident adult individuals either singly or jointly (not exceeding three) or on an Anyone or Survivor basis;
2. Hindu Undivided Family (HUF) through Karta;
3. Minor (as the first and the sole holder only) through a natural guardian (i.e. father or mother, as the case may be) or a court appointed legal guardian. There shall not be any joint holding with minor investments;
4. Partnership Firms;
5. Limited liability partnership firms;
6. Proprietorship in the name of the sole proprietor;
7. Companies, Bodies Corporate, Public Sector Undertakings (PSUs.), Association of Persons (AOP) or Bodies of Individuals (BOI) and societies registered under the Societies Registration Act, 1860(so long as the purchase of Units is permitted under the respective constitutions);
8. Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions;
9. Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as "Public Securities" as required) and Private trusts authorised to invest in mutual fund schemes under their trust deeds;
</td>
</tr>
</table>

	10. Non-Resident Indians (NRIs) / Persons of Indian origin (PIOs))/ Overseas Citizens of India (OCI)residing abroad on repatriation basis or on non-repatriation basis; 11. Foreign Portfolio Investor (FPI) registered with SEBI on repatriation basis. These investments shall be subject to the conditions prescribed by SEBI, RBI, Income Tax authorities and the AMC, from time to time; 12. Army, Air Force, Navy and other para-military units and bodies created by such institutions; 13. Scientific and Industrial Research Organisations; 14. Multilateral Funding Agencies / Bodies Corporate incorporated outside India with the permission of Government of India / RBI; 15. Provident/ Pension/ Gratuity Fund to the extent they are permitted; 16. Other schemes of Axis Mutual Fund or any other mutual fund subject to the conditions and limits prescribed by SEBI Regulations; 17. Schemes of Alternative Investment Funds; 18. The Trustee, AMC or Sponsor or their associates may subscribe to Units under the Scheme; 19. Such other category of person(s) permitted to make investments and as may be specified by the AMC / Trustee from time to time. Subject to SEBI (Mutual Funds) Regulations, 1996, any application for subscription of units may be accepted or rejected in the sole and absolute discretion of the AMC/ Trustee company. The AMC/ Trustee company may also reject any application for subscription of units if the application is invalid, incomplete, or if the AMC/ Trustee company for any other reason does not believe that it would be in the interest of the scheme or its unitholders to accept such an application.
Who cannot invest	1. Any individual who is a foreign national or any other entity that is not an Indian resident under the Foreign Exchange Management Act, 1999 (FEMA Act) except where registered with SEBI as a FPI or otherwise explicitly permitted under FEMA Act/ by RBI/ by any other applicable authority. 2. Pursuant to RBI A.P. (DIR Series) circular no. 14 dated September 16, 2003, Overseas Corporate Bodies (OCBs) cannot invest in Mutual Funds. 3. NRIs residing in Non-Compliant Countries and Territories (NCCTs) as determined by the Financial Action Task Force (FATF), from time to time. 4. U.S. Persons and Residents of Canada as defined under the applicable laws of U.S. and Canada except the following: a. subscriptions received by way of lump sum / switches / systematic transactions received from Non-resident Indians (NRIs) /Persons of Indian origin (PIO) / Overseas Citizen of India (OCI) who at the time of such investment, are present in India and b. FPIs 5. Such other persons as may be specified by AMC from time to time. The AMC reserves the right to put the transaction requests on hold/reject the transaction request/reverse allotted units, as the case may be, as and when identified by the AMC, which are not in compliance with the terms and conditions notified in this regard. The Trustee / the AMC /the Fund reserve the right to change/ modify the above provisions at a later date.
How to Apply and other details (where can you submit the filled up applications including purchase/redemption switches be submitted.)	During the NFO period the applications filled up and duly signed by the applicants should be submitted at the office of the Collection Centers / ISCs / Official Points of Acceptance, whose addresses are mentioned in the back cover page of the SID. Further, Investors may also apply through Applications Supported by Blocked Amount (ASBA) process during the NFO period of the Scheme by filling in the ASBA form and submitting the same to their respective banks, which in turn will block the amount in the account as per the authority contained in ASBA form,

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

	5) If the depository does not create the pledge, it shall send along with the reasons an intimation to the participants of the pledger and the pledgee. 6) The entry of pledge made under Clause (3) may be cancelled by the depository if pledger or the pledgee makes an application to the depository through its participant: 7) Provided that no entry of pledge shall be cancelled by the depository without prior concurrence of the pledgee. 8) The depository on the cancellation of the entry of pledge shall inform the participant of the pledger. 9) Subject to the provisions of the pledge document, the pledgee may invoke the pledge and on such invocation, the depository shall register the pledgee as beneficial owner of such securities and amend its records accordingly. 10) After amending its records under Clause (8) the depository shall immediately inform the participants of the pledger and pledgee of the change who in turn shall make the necessary changes in their records and inform the pledger and pledge respectively. 11) (a) If a beneficial owner intends to create a hypothecation on a security owned by him he may do so in accordance with the provisions of Clauses (1) to (9). (b) The provisions of Clauses (1) to (9) shall mutatis mutandis apply in such cases of hypothecation: Provided that the depository before registering the hypothecatee as a beneficial owner shall obtain the prior concurrence of the hypothecator. 12) No transfer of security in respect of which a notice or entry of pledge or hypothecation is in force shall be effected by a participant without the concurrence of the pledgee or the hypothecatee, as the case may be. **Pledge of Units - in case of issue of Unit Certificate** The Unit under the Scheme 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 Para1.12 of SEBI Master Circular for Mutual fund and subject to prevailing regulations, restriction on/suspension of redemptions / switch-out of Units of the Scheme, may be imposed when there are circumstances leading to systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as: a) **Liquidity issues:** when market at large becomes illiquid affecting almost all securities rather than any issuer specific security; b) **Market failures, exchange closures:** when markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies;

	c) **Operational issues:** when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out). Restriction on / suspension of redemption of Units of the Scheme may be imposed for a specified period of time not exceeding 10 working days in any 90 days period. When restriction on / suspension of redemption of Units of the Scheme is imposed, the following procedure shall be applied i. No redemption / switch-out requests upto Rs. 2 lakhs shall be subject to such restriction. ii. Where redemption / switch-out requests are above Rs. 2 lakhs, the AMC shall redeem the first Rs. 2 lakhs without such restriction and remaining part over and above Rs. 2 lakhs shall be subject to such restriction. In addition to the above, the AMC / Trustee may restrict / suspend redemptions / switch-out of Units of the Scheme(s) pursuant to direction/ approval of SEBI. In case of any of the above eventualities, the general time limits for processing requests for redemption of Units will not be applicable. Also refer to the paragraph 'Suspension of Purchase and Redemption of Units' in the Statement of Additional Information.
Cut off timing for subscriptions/ redemptions/ switches This is the time before which your application (complete in all respects) should reach the official points of acceptance.	The requirement of "cut-off" timing for NAV applicability are not applicable . **Settlement of purchase / sale of Units of the Scheme on NSE and/or any other stock exchange:** Buying/Selling of Units of the Scheme on NSE, BSE and/or any other stock exchange is just like buying/selling any other normal listed security. If an investor has bought Units, an investor has to pay the purchase amount to the broker/sub-broker such that the amount paid is realised before the funds pay-in day of the settlement cycle on the Stock Exchange(s). If an investor has sold Units, an investor has to deliver the Units to the broker/sub-broker before the securities pay in day of the settlement cycle on the Stock Exchange(s). The Units (in the case of Units bought) and the funds (in the case of Units sold) are paid out to the broker on the pay-out day of the settlement cycle on the Stock Exchange(s). The Stock Exchange(s) regulations stipulate that the trading member should pay the money or Units to the investor within 24 hours of the pay-out. If an investor has bought Units, he should give standing instructions for 'Delivery-In' to his /her/its DP for accepting Units in his/her/its beneficiary account. An investor should give the details of his/her beneficiary account and the DP-ID of his/her/its DP to his/ her/its trading member. The trading member will transfer the Units directly to his/her/ its beneficiary account on receipt of the same from NSE's, BSE's and/or any other stock exchange's Clearing Corporation. An investor who has sold Units should instruct his/her/its Depository Participant (DP) to give 'Delivery Out' instructions to transfer the Units from his/her/its beneficiary account to the Pool Account of his/her/its trading member through whom he/she/it have sold the Units. The details of the Pool A/C (CM-BP-ID) of his/her trading member to which the Units are to be transferred, Unit quantity etc. should be mentioned in the Delivery Out instructions given by him/her to the DP. The instructions should be given well before the prescribed securities pay-in day. SEBI has advised that the Delivery Out instructions should be given at least 24 hours prior to the cut-off time for the prescribed securities pay-in to avoid any rejection of instructions due to data entry errors, network problems, etc.

Rolling Settlement

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

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

Day Activity

T	The day on which the transaction is executed by a trading member
T+1	Confirmation of all trades including custodial trades by 11.00 a.m.
T+1	Processing and downloading of obligation files to brokers/custodians by 1.30 p.m.
T+2	Pay-in of funds and securities by 11.00 a.m.
T+2	Pay out of funds and securities by 1.30 p.m.

While calculating the days from the Trading day (Day T), weekend days (i.e. Saturday and Sundays) and bank holidays are not taken into consideration.

Suspension of Trading and Subscription/ Redemption

The trading of Units on NSE, BSE and/or any other Stock Exchange(s) on which the Units are listed will automatically get suspended one Business Day prior to the record date for redemption of Units on Maturity Date. No separate notice will be issued by the AMC informing about Maturity Record Date or Suspension of trading by the stock exchange. However, the Fund reserves the right to change the record date for maturity by issue of suitable notice. The Unit holders whose name(s) appear on the list of beneficial owners as per the Depositories (NSDL/CDSL) on records date shall be entitled to receive redemption proceeds of Units.

The AMC shall, at its absolute discretion, announce a date, from which direct Subscription/Redemption of Units of the Scheme shall be suspended ("Mutual Fund Suspension Date") to enable settlement of Units which have been Subscribed /Redeemed directly with the Mutual Fund and to determine the Unit holders of the Scheme as on the Maturity Date to whom Redemption proceeds shall be sent.

Ongoing Offer Period
This is the date from which the Scheme will reopen for Subscriptions / redemptions after the closure of the NFO period.

AUTHORISED PARTICIPANTS/MARKET MAKERS/LARGE INVESTORS:

Directly with the mutual fund: The Units can be purchased and redeemed directly with the Fund only in Creation Unit size (or in multiples thereof) or above a specified threshold by Authorised Participants / Market Makers and Large Investors*, respectively, on all Business Days. Units of the Scheme in less than Creation Unit Size cannot be purchased and redeemed directly with the Fund.

*Large Investors can directly purchase / redeem in multiples of 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 upto August 31, 2025 or till such time as prescribed by SEBI from time to time) or such other threshold as prescribed by SEBI from time to time

	OTHER INVESTORS: Units of the Scheme can be traded (in lots of 1 unit) during the trading hours on all trading days of the stock exchange(s) on which the units are listed.
Ongoing price for purchase and sale or creation/redemption of Units by investors. This is the price you need to pay for purchase/redemption.	**SUBSCRIPTION** **ON THE EXCHANGE** As the units of the Scheme are listed on NSE, BSE and/or any other stock exchange*, the investor can buy units on an ongoing basis on the capital market segment of NSE, BSE and/or any other stock exchange* at the traded prices in a minimum size of 1 unit and in multiples thereof. *Currently, the Scheme is listed on NSE and BSE. All categories of Investors may purchase the units through secondary market on any trading day. **DIRECTLY WITH THE FUND:** Authorised Participants/Market Maker and Large Investors may buy the units on any Business day in multiples of Creation Unit size or above a specified threshold, respectively, directly from the Mutual Fund in exchange of the Portfolio deposit or in exchange of cash (as determined by the AMC to enable purchase of securities representing the underlying index) and cash component. In line with SEBI circular dated October 11, 2006 read with circular dated July 30, 2021 transactions in units of the Scheme directly with the AMC by Authorized Participants / Market Maker / Large Investors, shall be at intra-day NAV, based on the executed price at which the securities representing the underlying index are purchased. 'Creation Unit' is fixed number of units of the Scheme, which is exchanged for a basket of shares underlying the Index called the Portfolio Deposit and a Cash Component. Creation Unit Size fixed for Axis Nifty500 Value 50 ETF is 60,000 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 60,000 units and in multiples thereof. Units of the Scheme in less than Creation Unit Size cannot be purchased directly with the Fund. 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 / Large investors. **REDEMPTION:** **On the Exchange**: As the Scheme would be listed on NSE, BSE and/or any other stock exchange,, the investor can sell units on an ongoing basis on the NSE, BSE and/or any other stock exchange, at the traded prices in multiples of 1 unit. **DIRECTLY WITH THE FUND** The Authorized Participant/Market Makers and Large Investor can redeem the units of the Scheme directly with the Mutual Fund only in multiples of Creation Unit Size / above a specified threshold, respectively at the applicable NAV of the Scheme in exchange of the Portfolio deposit / or in exchange of cash (amount received by AMC on sale of securities

	representing the underlying index) and cash component. In line with SEBI circular dated July 30, 2021 transactions in the units of the Scheme by Authorized Participants / Market Makers / Large Investors, directly with the AMC, intra-day NAV, based on the executed price at which the securities representing the underlying index are sold.
Procedure for creation and redemption of units of the scheme in Creation Unit Size	**Procedure for creation in Creation Unit Size:** **A. <u>Procedure for Subscription in exchange of Portfolio Deposit:</u>** 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. Investors shall have to additionally pay applicable transaction handling charges. Units will be allotted only after realization of full consideration for creation of unit. The requisite securities constituting the Portfolio Deposit have to be transferred to the Fund's DP account while the Cash Component and Transaction Charges 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. **B. <u>Procedure for Subscription in exchange of Cash:</u>** The Fund may, at its discretion allow cash purchases of units of the Scheme in Creation Unit Size / above a specified threshold by Authorised Participants / Market Maker and Large Investors , respectively. Purchase request shall be made by such investor to the Fund/AMC where upon the Fund/AMC will arrange to buy the underlying portfolio securities. Application for subscription of the units of the Scheme directly with the Fund shall be at intra-day 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. The AMC has the right to collect any cost incurred by the AMC in terms of the transaction charges, other incidental charges etc. The AMC may levy a fee/charges, which may vary from time to time, for providing/arranging this facility. Note : a) In addition to the NAV, any person transacting with the fund will have to reimburse charges pertaining to transaction - brokerage, STT, Depository charges etc. b) Switches are not allowed under the scheme. c) 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 Nifty500 Value 50 Index – Feb 28, 2025	12,010.65
B	Hypothetical NAV (1/500th of Index)	24.0213
C	Unit Creation Size	60,000
D	Portfolio Value	14,41,671
E	Closing Value of Portfolio (Assumed)	14,41,278

	F | Cash Component per creation unit size (D-E) | 393 **Procedure for redeeming units of the Scheme in Creation Unit Size:** The Authorised Participant/ Market Maker / Large Investor would transfer the requisite number of units of the Scheme equaling the creation unit size (subject to applicable specified threshold) to the Fund's designated DP account. The AMC has the right to collect any cost incurred by the AMC in terms of the transaction charges, other incidental charges etc. **A. <u>Procedure for redemption in exchange of Portfolio Deposit:</u>** Redemption 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 by paying the prescribed basket of securities comprising underlying index. **B. <u>Procedure for redemption in exchange of Cash:</u>** The Fund may, at its discretion allow cash redemption of units of the Scheme in Creation Unit Size / above a specified threshold by Authorised Participants / Market Maker and Large Investors, respectively. Redemption request shall be made by such investor to the Fund/AMC where upon the Fund/AMC will arrange to sell the underlying portfolio securities. The AMC may levy a fee/ charges, which may vary from time to time, for providing/arranging this facility. In case of redemptions by NRIs, requisite TDS will be deducted from the respective redemption proceeds. The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase.
Minimum amount for purchase / redemption / switches	Refer Section I – Part I for Minimum amount for purchase/redemption/switches.
Accounts Statements	The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form). 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. 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 For further details, refer SAI.

Dividend/ IDCW	The Trustee may declare IDCW to the unitholders under the Scheme subject to the availability of distributable surplus and the actual distribution of IDCW.
Redemption	The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase. For list of exceptional circumstances refer para 14.1.3 of SEBI Master Circular for Mutual Funds. Investors may kindly note that Units can be redeemed with the fund house only in Creation Unit Size / above a specified threshold. For detailed procedure on how to redeem, kindly refer SAI
Bank Mandate	It is mandatory for investors to mention 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	The Asset Management Company shall be liable to pay interest to the unitholders at rate as specified vide clause 14.2 of SEBI Master Circular for Mutual Funds by SEBI for the period of such delay. 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. However, the AMC will not be liable to pay any interest or compensation or any amount otherwise, in case the AMC / Trustee is required to obtain from the Investor / Unit holders verification of identity or such other details relating to Subscription for Units under any applicable law or as may be requested by a Regulatory Agency or any government authority, which may result in delay in processing the application.
Unclaimed Redemption 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 a period of three years from the due date shall be paid at the prevailing NAV. Thus, after a period of three years, this amount can be transferred to a pool account and the investors can claim the said amounts at the NAV prevailing at the end of the third year. In terms of the circular, the onus is on the AMC to make a continuous effort to remind investors through letters to take their unclaimed amounts. The details of such unclaimed amounts shall be disclosed in the annual report sent to the Unit Holders. AMC reserves the right to provide the facility of redeeming Units of the Scheme through an alternative mechanism including but not limited to online transactions on the Internet, as may be decided by the AMC from time to time. The alternative mechanism may also include electronic means of communication such as redeeming Units online through the AMC Website or any other website, etc. The alternative mechanisms would be applicable to only those investors who opt for the same in writing and/or subject to investor fulfilling such conditions as AMC may specify from time to time. Further, according to Para 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.

Disclosure w.r.t investment by minors	Following is the process for investments made in the name of a Minor through a Guardian: - • Payment for investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian. • Mutual Fund will send an intimation to Unit holders advising the minor (on attaining majority) to submit an application form along with prescribed documents to change the status of the account from 'minor' to 'major'. • All transactions / standing instructions / systematic transactions etc. will be suspended i.e. the Folio will be frozen for operation by the guardian from the date of beneficiary child completing 18 years of age, till the status of the minor is changed to major. Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new bank account. • No investments (lumpsum/SIP/ switch in/ STP in etc.) in the scheme would be allowed once the minor attains majority i.e. 18 years of age.
Role of Authorized Participants / Market Makers	The role of Authorized Participants / Market Makers is to offer liquidity of the units of the Scheme on the Stock Exchange where the Units are listed. AMC will empanel at least two Authorised Participants/Market Makers. Authorised Participants/Market Makers may offer to buy and sell quotes (bid and ask quotes) on the Exchanges such that buy and sell orders get executed in the market subject to price compatibility. Authorised Participants/Market Makers may for the purpose of creating liquidity subscribe or redeem the units of the Scheme directly with the Mutual Fund. The AMC will empanel the Authorized Participants/ Market Makers at the time of launch of the Scheme. The AMC reserves right to appoint / remove any Authorised Participants/Market Makers.
Liquidity window for Investors of all Exchange Traded Funds	Investors can directly approach the AMC for redemption of units of ETFs, for transaction of upto Rs. 25 crores without any exit load, in case of the following scenarios: i. Traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7 continuous trading days, or ii. No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or iii. Total bid size on the exchange is less than half of creation units size daily, averaged over a period of 7 consecutive trading days. In case of the above scenarios, applications received from investors for redemption up to 3.00 p.m. on any trading day, shall be processed by the AMC at the closing NAV of the day. The above instances shall be tracked by the AMC on a continuous basis and in case if any of the above mentioned scenario arises, the same shall be disclosed on the website of AMC.
Tracking Error and Tracking Difference	**TRACKING ERROR** Tracking error is a measure of the difference in returns from the Scheme and the returns from the index. It is computed as the standard deviation of the difference between the daily returns of the underlying benchmark and the NAV of the Scheme on an annualized basis. Tracking error could be the result of a variety of factors including but not limited to: • Delay in the purchase or sale of stocks within the benchmark due to:

	- Illiquidity in the stock, - Delay in realisation of sale proceeds, • The Scheme may buy or sell the stocks comprising the index at different points of time during the trading session at the then prevailing prices which may not correspond to its closing prices. • The potential for trades to fail, which may result in the Scheme not having acquired the stocks at a price necessary to track the benchmark price. • The holding of a cash position and accrued income prior to distribution of income and payment of accrued expenses. • Disinvestments to meet redemptions, recurring expenses, etc. • Execution of large buy / sell orders • Transaction cost and recurring expenses • Delay in realisation of Unit holders' funds • Levy of margins by exchanges The Scheme will endeavor to minimise the tracking error by: • Rebalancing of the portfolio. • Setting off of incremental subscriptions against redemptions. • Use of derivatives for portfolio rebalancing and efficient portfolio management The tracking error i.e. the annualised standard deviation of the difference in daily returns between Nifty500 Value 50 TRI and the NAV of ETF based on past one year rolling over data (For ETFs in existence for a period of less than one year, annualized standard deviation shall be calculated based on available data) shall not exceed 2% or as may be prescribed by regulations from time to time. In case of unavoidable circumstances in the nature of force majeure which are beyond the control of the AMCs, the tracking error may exceed 2%, and the same shall be brought to the notice of Trustees with corrective actions taken by the AMC, if any. Under normal circumstances, such tracking errors are not expected to exceed 2% p.a. for daily 12 month rolling return. However, in case of events like, dividend received from underlying securities, rights issue from underlying securities and market volatility during rebalancing of the portfolio following the rebalancing of the underlying index, redemptions directly with the Scheme not in Creation Unit Size, etc. or in abnormal market circumstances, the tracking error may exceed the above limits. There can be no assurance or guarantee that the Scheme will achieve any particular level of tracking error relative to performance of the Index. **Tracking difference** - The ETF Scheme shall also disclose the tracking difference i.e. the annualized difference of daily returns between the underlying Index and the NAV of the ETF. Tracking Difference shall be disclosed on the website of the AMC and AMFI, on a monthly basis, for tenures 1 year, 3 year, 5 year, 10 year and since the date of allotment of units.
Rounding Off	While allotting the Units, based on the Allotment Price, the number of Units may be rounded off to the nearest whole number on the lower side if the trustees feel so, with a view to avoid creation of fractional units. The amount due to rounding

	off may be refunded to the investor.
Creation Unit	Creation Unit is a fixed number of units of the Scheme, which is exchanged for a basket of securities of the underlying index called the Portfolio Deposit and Cash component. For redemption of Units, it is vice versa i.e., fixed number of units of the Scheme and a cash component are exchanged for Portfolio Deposit. Creation Unit Size will be 60,000 units and in multiples thereof. Every creation unit shall have a monetary value in Rupee terms equivalent to that day's Portfolio Deposit and Cash component. For redemption of Units it is vice versa i.e. fixed number of Units of the Scheme are exchanged for Portfolio Deposit and Cash component, if any. The Portfolio Deposit and Cash component will change from time to time and is discussed separately in this SID. The Mutual Fund may from time to time change the size of the Creation Unit in order to equate it with marketable lots of the underlying instruments.
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

Monthly and Half yearly Disclosures: Portfolio / Financial Results This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.	The AMC will disclose the portfolio of the Scheme (alongwith ISIN) as on the last day of the month and 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. 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. https://www.axismf.com/statutory-disclosures.
Half Yearly Results	The Mutual Fund shall within one month from the close of each half year, that is on 31st March and on 30th September, host a soft copy of its unaudited financial results on the website of the AMC and AMFI. The mutual fund shall publish an advertisement disclosing the hosting of such financial results on their website, in 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. The unaudited financial results will also be displayed on the website of the AMC and AMFI. https://www.axismf.com/statutory-disclosures.
Annual Report	Pursuant to Regulation 56 of SEBI (Mutual Funds) Regulations, 1996 read with para 5.4 of SEBI Master Circular for Mutual 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 (www.axismf.com) and on the website of Association of Mutual Funds in India (www.amfiindia.com). Unitholders whose email addresses are not registered with the Mutual Fund may 'opt-in' to receive a physical copy of the annual report or an abridged summary thereof. Further, AMC shall provide a physical copy of the abridged summary of the Annual Report, without charging any cost, on a specific request received from a unitholder.

	AMC shall also publish an advertisement every year, in an all India edition of one national English daily newspaper and in one Hindi newspaper, disclosing the hosting of the scheme wise annual report on the website of the Mutual Fund and AMFI and the modes through which a unitholder can submit a request for a physical or electronic copy of the annual report or abridged summary thereof.
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. https://www.axismf.com/statutory-disclosures.
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 (www.axismf.com) and of the Association of Mutual Funds in India - AMFI (www.amfiindia.com) Tracking difference - the ETF Scheme shall also disclose the tracking difference i.e. the annualized difference of daily returns between the underlying index and the NAV of the ETF shall also be disclosed on the website of the AMC and AMFI, on a monthly basis, for tenures 1 year, 3 year, 5 year, 10 year and since the date of allotment of units.
Disclosure Norms as per 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 7groups as a percentage of NAV of the scheme. III. Name and exposure to top 4 sectors as a percentage of NAV of the scheme. Change in constituents of the index, if any, shall be disclosed on the AMC website (i.e. www.axismf.com) on the day of change.

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

The AMC will calculate and disclose the first Net Asset Value within a period of 5 business days from the date of allotment under the NFO. Subsequently, the AMC will calculate and disclose the NAV on all Business Days. The AMC shall update the NAV on its website (www.axismf.com) and of the Association of Mutual Funds in India - AMFI (www.amfiindia.com) before 11.00 p.m. on every Business Day. If the NAV is 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.

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

F. Taxation-

Taxation **Rates applicable for the FY 2024-25**

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

Particulars	**Taxability in the hands of Individuals / Non-corporates / Corporates**	
	Resident	**Non-Resident**
Tax on distributed income	Taxed in the hands of unitholders at applicable rate under the provisions of the Income-tax Act, 1961 (Act) (Refer Note 3)	Taxed in the hands of unitholders at the rate of 20% u/s 115A/ 115AD of the Act (plus applicable surcharge and health and education cess)
Capital Gains		
Sold before 23 July 2024		
Long Term Capital Gains: (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)
Short Term Capital Gains (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)
Sold on or after 23 July 2024		

implications arising out of his or her participation in the schemes.	**Long Term Capital Gains:** (Held for a period of more than 12 Months)	12.5% (plus applicable surcharge and health and education cess) without indexation (Refer Note 7)	12.5% (plus applicable surcharge and health and education cess) without indexation (Refer Note 7)
	Short Term Capital Gains (Held for a period of 12 months or less)	20% (plus applicable surcharge and health and education cess)	20% (plus applicable surcharge and health and education cess)

Notes –

1. Axis Mutual Fund is a Mutual Fund registered with the Securities & Exchange Board of India and hence the entire income of the Mutual Fund will be exempt from income tax in accordance with the provisions of section 10(23D) of the Act.

2. An equity oriented fund has been defined as:

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

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

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

Particulars	Income slab	Rate of tax
Individual/ Hindu Undivided Family (HUF)/ AOP/ BOI#	Where total income for a tax year (April to March) is less than or equal to Rs 2,50,000* (the basic exemption limit)	Nil
	Where such total income is more than Rs 2,50,000* but is less than or equal to Rs 5,00,000	5% of the amount by which the total income exceeds Rs 2,50,000*
	Where such total income is more than Rs 5,00,000* but is less than or equal to Rs 10,00,000	Rs 12,500 plus 20% of the amount by which the total income exceeds Rs 5,00,000*
	Where such total income is more than Rs 10,00,000	Rs 1,12,500 plus 30% of the amount by which the total income exceeds Rs 10,00,000
Co-operative society	Where total income for a tax year (April to March) is less than or equal to Rs 10,000	10% of the total income
	Where such total income is more than Rs 10,000 but is less than or equal to Rs 20,000	Rs 1,000 plus 20% of the amount by which the total income exceeds Rs 10,000

	Where the total income exceeds Rs 20,000	Rs 3,000 plus 30% of the amount by which the total income exceeds Rs 20,000
Co-operative society availing concessional tax rate benefit (subject to prescribed conditions) under section 115BAD of the Act	22%	
Co-operative society availing concessional tax rate benefit (subject to prescribed conditions) under section 115BAE of the Act	15%	
Domestic Corporate (where the total turnover or gross receipts of such company for financial year 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:

Income	**Individual /HUF / non-corporate non-firm unit holders**
(a) Above Rs 50 lakh upto 1 crore (including dividend income and capital gains income under section 111A, 112 and 112A of the Act)	10%
(b) Above Rs 1 crore upto Rs 2 crores (including dividend income and capital gains income under section 111A and 112A of the Act)	15%
(c) Above Rs 2 crores upto Rs 5 crores [excluding dividend income (dividend received from domestic companies only) and capital gains income under section 111A, 112 and 112A of the Act)	25%
(d) Above Rs 5 crores [excluding dividend income (dividend received from domestic companies only) and capital gains income under section 111A, 112 and 112A of the Act)	37%*
(e) Above Rs 2 crores [including dividend income (dividend received from domestic companies only) and capital gains income under section 111A, 112 and 112A of the Act)] but not covered in point (c) and (d) above	15%

*Surcharge rate shall not exceed 25% in case of individual and HUF paying tax under section 115BAC of the Act.

5. Surcharge rates for Companies/ firm

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

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

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

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

7. As per section 112A of the Act, long-term capital gains, exceeding Rs 1,25,000, arising from transfer of equity oriented mutual funds, shall be chargeable 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 July 11, 2024. 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 August 28, 2024 from National Stock Exchange of India Ltd and BSE Limited and that the appropriate disclosures pertaining to listing of Units is made in this Scheme Information Document.

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

For and on behalf of
Axis Asset Management Company

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

Date: March 04, 2025

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

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

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

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