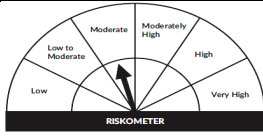
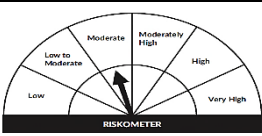


## SCHEME INFORMATION DOCUMENT

### Axis CRISIL-IBX AAA NBFC Index – Jun 2027 Fund

(An open-ended Target Maturity Index Fund investing in constituents of CRISIL-IBX AAA NBFC Index – Jun 2027. A moderate interest rate risk and relatively low credit risk.)

This product is suitable for investors who are seeking*:	Scheme Risk-o-meter	Benchmark Risk-o-meter	POTENTIAL RISK CLASS			
			Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
<ul style="list-style-type: none"> <li>• Income over the target maturity period</li> <li>• An open ended target maturity index fund tracking CRISIL-IBX AAA NBFC Index – Jun 2027, subject to tracking error.</li> </ul>	 <p style="font-size: small; text-align: center;">Investors understand that their principal will be at moderate risk</p>	 <p style="text-align: center;">CRISIL-IBX AAA NBFC Index – Jun 2027</p>	Interest Rate Risk ↓			
			Relative y Low (Class I)			
			Moderate (Class II)	<b>A-II</b>		
			Relative y High (Class III)			

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

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

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

New Fund Offer Opens on	: September 13, 2024
New Fund Offer Closes on	: September 23, 2024
Scheme re-opens on or before	: Within five Business Days from the date of allotment

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

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

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

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

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

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

This Scheme Information Document is dated September 09, 2024

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

Sr. No.	Title	Description
I.	<b>Name of the scheme</b>	Axis CRISIL-IBX AAA NBFC Index – Jun 2027 Fund ('the Scheme')
II.	<b>Category of the Scheme</b>	Index Fund
III.	<b>Scheme type</b>	An open-ended Target Maturity Index Fund investing in constituents of CRISIL-IBX AAA NBFC Index – Jun 2027. A moderate interest rate risk and relatively low credit risk.
IV.	<b>Scheme code</b>	AXIS/O/O/DIN/24/09/0089
V.	<b>Investment objective</b>	<p>The investment objective of the scheme is to provide investment returns before fees and expenses that closely corresponds to the total returns of the securities as represented by the CRISIL-IBX AAA NBFC Index – Jun 2027, subject to tracking errors.</p> <p>There is no assurance that the investment objective of the Scheme will be achieved.</p>
VI.	<b>Liquidity/listing details</b>	The Scheme offers Units for Subscription and Redemption at NAV based prices on all Business Days on an ongoing basis commencing not later than 5 business day from the date of allotment. Under normal circumstances the AMC shall dispatch the redemption proceeds within three (3) working days from the date of receipt of request from the Unit holder. The AMC shall adhere to guidelines published by AMFI /SEBI for exceptional circumstances under which the scheme is unable to transfer redemption or repurchase proceeds within prescribed timelines.
VII.	<b>Benchmark (Total Return Index)</b>	<p><b>Benchmark:</b> CRISIL-IBX AAA NBFC Index – Jun 2027</p> <p><b>Justifications of Benchmark:</b></p> <p>The fund aims to provide returns before expenses that closely correspond to the total returns of the CRISIL-IBX AAA NBFC Index – Jun 2027 subject to tracking errors. Hence the benchmark.</p> <p><b>Tier 2 Benchmark:</b> Not Applicable</p>
VIII.	<b>NAV disclosure</b>	<p>The AMC will calculate and disclose the first NAV of the Scheme within a period of 5 business days from the date of allotment. Subsequently the AMC will calculate and disclose the NAVs on all Business Days. The AMC shall update the NAVs on its website (<a href="http://www.axismf.com">www.axismf.com</a>) and of the Association of Mutual Funds in India - AMFI (<a href="http://www.amfiindia.com">www.amfiindia.com</a>) before 11.00 p.m. on every Business Day.</p> <p>Further Details in Section II.</p>
IX.	<b>Applicable timelines</b>	<p>Timeline for</p> <p><b>Dispatch of redemption proceeds:</b></p> <p>Under normal circumstances the AMC shall dispatch the redemption proceeds within three (3) working days from the date of receipt of request from the Unit holder.</p> <p><b>Dispatch of redemption proceeds in case of maturity of the Scheme:</b></p> <p>The redemption proceeds on maturity of the Scheme shall be dispatched within three (3) working Days from the Maturity Date.</p>

		<p>The AMC shall adhere to guidelines published by AMFI /SEBI for exceptional circumstances under which the scheme is unable to transfer redemption or repurchase proceeds within prescribed timelines</p> <p><b>Dispatch of IDCW:</b> The instruments for payment of IDCW shall be dispatched to the Unit holders within seven (7) working days from the record date.</p>
<b>X.</b>	<b>Plans and Options Plans/Options and sub options under the Scheme</b>	<p><b>Plans</b></p> <ul style="list-style-type: none"> <li>• Axis CRISIL-IBX AAA NBFC Index – Jun 2027 Fund - Direct Plan</li> <li>• Axis CRISIL-IBX AAA NBFC Index – Jun 2027 Fund - Regular Plan</li> </ul> <p>Each plan offers the following options: a) Growth Option b) Income Distribution cum Capital Withdrawal (IDCW) (IDCW Payout Facility and IDCW Re-Investment Facility)</p> <p><b>Regular Plan</b> Regular Plan is available for all type of investors investing through a Distributor.</p> <p><b>Direct Plan</b> Direct Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor.</p> <p>All the plans will have common portfolio.</p> <p><b>Growth Option</b> IDCWs will not be declared under this option. The income attributable to Units under this option will continue to remain invested in the Scheme and will be reflected in the NAV of Units under this option.</p> <p><b>IDCW Option</b> Under this option, IDCWs will be declared (subject to deduction of tax at source, if any) at specified frequencies at the discretion of the Trustee, subject to availability of distributable surplus calculated in accordance with SEBI (MF) Regulations. The amounts can be distributed out of investors capital (Equalization Reserve), which is part of sale price that represents realized gains. On payment of IDCW, the NAV of the Unit under IDCW option will fall to the extent of the IDCW payout and applicable statutory levies, if any. It must be distinctly understood that the actual declaration of IDCW and frequency thereof is at the sole discretion of the Board of Directors of Trustee Company. There is no assurance or guarantee to the Unit holders as to the rate of IDCW distribution nor that it be paid regularly. The Trustee reserves the right to declare a IDCW at any other frequency in addition to the frequencies mentioned above.</p> <p>If IDCW payable under IDCW Payout option is equal to or less than Rs. 500/- then the IDCW would be compulsorily reinvested in the option of the Scheme.</p> <p><b>Eligible investors / modes for applying</b> All categories of investors (whether existing or new Unitholders) as permitted under the Scheme Information Document of the Scheme are eligible to subscribe under Direct Plan. Investments under Direct Plan can be made</p>

		<p>through various modes offered by the Fund for investing directly with the Fund {except Platform(s) where investors' applications for subscription of units are routed through Distributors}.</p> <p>All the plans will have common portfolio.</p> <p><b>Default Option/Facility</b></p> <p>The investor must clearly specify his choice of option/facility. In the absence of such clear instruction, it will be assumed that the investor has opted for 'default' option / facility and the application will be processed accordingly. The default plan/ option / facility are:</p> <p>Default Option: Growth (between Growth and IDCW)          Default Facility: IDCW Re-investment facility (between IDCW Re-investment and IDCW Payout facility).</p> <p>For detailed disclosure on default plans and options, kindly refer SAI.</p>
<b>XI.</b>	<b>Load Structure</b>	<p><b>Entry Load:</b> Not Applicable          Para 10.4 of SEBI Master Circular on Mutual Funds as amended from time to time has decided that there shall be no entry load for all Mutual Fund schemes.</p> <p><b>Exit Load:</b> NIL</p> <p>For more details on Load Structure, please refer paragraph "Load Structure".</p>
<b>XII.</b>	<b>Minimum Application Amount/switch in</b>	<p><b>1. During NFO:</b>          Rs. 5,000 and in multiples of Re. 1/- thereof.</p> <p><b>2. On Continuous basis</b>          Rs. 5,000 and in multiples of Re. 1/- thereof.</p> <p>Minimum application amount is applicable at the time of creation of new folio and at the time of first investment in a plan.</p>
<b>XIII.</b>	<b>Minimum Additional Purchase Amount</b>	Rs. 1,000 and in multiples of Re. 1/- thereof.
<b>XIV.</b>	<b>Minimum Redemption/switch out amount</b>	There will be no minimum redemption criterion.
<b>XV.</b>	<b>New Fund Offer Period</b>	<p>NFO opens on: September 13, 2024          NFO closes on: September 23, 2024</p> <p>The AMC/Trustee reserves the right to extend the closing date of the New Fund Offer Period, subject to the condition that the New Fund Offer shall be kept open for a minimum of 3 working days and maximum 15 days.</p> <p>Any such changes shall be announced by way of an addendum on the website.</p>
<b>XVI.</b>	<b>New Fund Offer Price</b>	Rs. 10/- per Unit
<b>XVII.</b>	<b>Segregated portfolio/ side pocketing disclosure</b>	The Scheme has provision for segregated portfolio. For Details, kindly refer SAI

XVIII	<b>Swing pricing disclosure</b>	The Scheme does not have provision for swing pricing.
XIX.	<b>Stock lending/short selling</b>	The Scheme may engage in securities lending subject to percentage as specified in asset allocation, for details, kindly refer SAI. The Scheme shall not carry out short selling. For details, kindly refer SAI.
XX.	<b>How to Apply and other details</b>	<p>Investors can undertake transactions in the Schemes of Axis Mutual Fund either through physical, online / electronic mode or any other mode as may be prescribed from time to time.</p> <p><b>Physical Transactions</b></p> <p>For making application for subscription / redemption / switches, application form and Key Information Memorandum may be obtained from / submitted to the Official Points of Acceptance (OPAs) of AMC or downloaded from the website of AMC viz. <a href="http://www.axismf.com">www.axismf.com</a>.</p> <p><b>Online / Electronic Transactions</b></p> <p>Investors can undertake transactions via electronic mode through various online facilities offered by Axis AMC / other platforms specified by AMC from time to time.</p> <p>For further details of online / electronic mode please refer SAI.</p>
XXI.	<b>Investor services</b>	<p><b>Contact details for general service requests and complaints:</b> Investors can lodge any service request or complaints or enquire about NAVs, Unit Holdings, IDCW, etc by calling the Investor line of the AMC at contact number 8108622211 (chargeable) from 9.00 am to 6.00 pm (Monday to Saturday) or (022) 6649 6100 (at local call rate for enquiring at AMC ISC's) or email – <a href="mailto:customerservice@axismf.com">customerservice@axismf.com</a>. The service representatives may require personal information of the Investor for verification of his / her identity in order to protect confidentiality of information. The AMC will at all times endeavour to handle transactions efficiently and to resolve any investor grievances promptly.</p> <p><b>Investor Relations Officer:</b> Mr. C P Sivakumar Nair Address: Axis Asset Management Company Ltd. One Lodha Place, 22nd &amp; 23rd Floor, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra, Pin Code – 400013 Phone no.: (022) 6649 6102</p> <p>For any grievances with respect to transactions through BSE StAR and / or NSE MFSS, the investors / Unit Holders should approach either the stock broker or the investor grievance cell of the respective stock exchange.</p>
XXII	<b>Specific attribute of the scheme</b>	Not Applicable
XXIII	<b>Special product/facility available for NFO and on ongoing basis</b>	<p><b>A. For NFO:</b></p> <ul style="list-style-type: none"> <li>A. Systematic Investment Plan (SIP)</li> <li>B. Systematic Transfer Plan (STP)</li> <li>C. Smart Switch Option</li> </ul> <p>Smart switch is allowed only as Lumpsum Transaction in eligible</p>



		<p>Schemes. Currently, only Axis Overnight Fund acts as a Source Scheme. Investments would be allowed only under Growth Option of the Source and Target Scheme(s).</p> <p>D. Switching Option</p> <p>Switching Option During the NFO period (Switch request will be accepted upto 3.00 p.m. on the last day of the NFO), the Unit holders will be able to invest in the NFO under the Scheme by switching part or all of their Unit holdings held in the respective option(s) /plan(s) of the existing scheme(s) established by the Mutual Fund.</p> <p>E. Online Schedule Transaction Facility</p> <p><b>B. On ongoing basis:</b></p> <p>The facilities offered under the Scheme are as follows:</p> <p>F. SYSTEMATIC INVESTMENTS:</p> <ul style="list-style-type: none"> <li>• Systematic Investment Plan (SIP)</li> <li>• Systematic Investment Plan (SIP) Switch Facility</li> <li>• Systematic Investment Plan (SIP) Top-Up Facility</li> <li>• Systematic Investment Plan (SIP) Pause facility</li> </ul> <p>G. SYSTEMATIC TRANSFERS:</p> <ul style="list-style-type: none"> <li>• Systematic Transfer Plan</li> </ul> <p>H. SYSTEMATIC WITHDRAWAL PLAN (SWP)</p> <p>I. TRANSFER OF INCOME DISTRIBUTION CUM CAPITAL WITHDRAWAL PLAN (IDCW TRANSFER PLAN)</p> <p>J. SWITCHING OPTIONS</p> <ul style="list-style-type: none"> <li>• Inter – Scheme Switching option</li> <li>• Intra –Scheme Switching option</li> </ul> <p>K. ONLINE SCHEDULE TRANSACTION FACILITY</p> <p><b><u>SYSTEMATIC TRANSACTION REGISTRATION &amp; END DATE</u></b></p> <p>SIP/SWP/STP Registrations under the Scheme will be allowed only upto 31<sup>st</sup> December, 2026.</p> <p>The application for registration under Systematic Transactions will be processed subject to fulfilment of minimum number of instalment and minimum amount requirements applicable to the respective special product / facility, if any.</p> <p>If the period/dates are not specified by the unit holder then the SIP/STP/SWP enrolment will be deemed to be for instalment due upto last one month before maturity of the Scheme and processed accordingly. For example, if the maturity date of the Scheme is June10 2027, the SIP tenure will be upto May 10, 2027.</p> <p>The details pertaining to Frequency / Minimum installments / Minimum amount of SIP / STP / SWP are as follows:</p> <p><b>1. Systematic Investment Plan</b></p>
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	<p>An Investor shall have the option of choosing any date of the Month as his SIP date other than 29<sup>th</sup>, 30<sup>th</sup> or 31<sup>st</sup> of a month. Minimum amount and minimum installments for monthly and yearly frequency under SIP Facility is as follows</p> <table border="1"> <thead> <tr> <th>Frequency under SIP Facility</th> <th>Minimum Installments</th> <th>Minimum SIP amount</th> </tr> </thead> <tbody> <tr> <td>Monthly</td> <td>6 Installments</td> <td>Rs. 1,000/- and in multiple of Re. 1/-</td> </tr> </tbody> </table> <p><b>2. Systematic Transfer Plan</b></p> <p>Investors can opt for the Systematic Transfer Plan by investing a lumpsum amount in one scheme of the Fund and providing a standing instruction to transfer sums at following intervals into any other scheme (as may be permitted by the Scheme Information Document of the respective schemes) of the Fund.</p> <table border="1"> <thead> <tr> <th>STP Frequency</th> <th>Cycle Date</th> <th>Minimum Amount (in Rs.)</th> <th>Minimum Installment</th> </tr> </thead> <tbody> <tr> <td>Daily</td> <td>Monday To Friday</td> <td>1,000/-</td> <td>6</td> </tr> <tr> <td>Weekly</td> <td>Monday To Friday</td> <td>1,000/-</td> <td>6</td> </tr> <tr> <td>Fortnightly</td> <td>Alternate Wednesday</td> <td>1,000/-</td> <td>6</td> </tr> <tr> <td>Monthly</td> <td>1<sup>st</sup>, 7<sup>th</sup>, 10<sup>th</sup>, 15<sup>th</sup> or 25<sup>th</sup></td> <td>1,000/-</td> <td>6</td> </tr> <tr> <td>Quarterly</td> <td>1<sup>st</sup>, 7<sup>th</sup>, 10<sup>th</sup>, 15<sup>th</sup> or 25<sup>th</sup></td> <td>3,000/-</td> <td>2</td> </tr> </tbody> </table> <p><b>3. Systematic Withdrawal Plan</b></p> <p>There are five options available under SWP viz. Weekly, Monthly option, quarterly option, Half Yearly and Yearly option. The details of which are given below:</p> <table border="1"> <thead> <tr> <th></th> <th>Weekly Option</th> <th>Monthly Option</th> <th>Quarterly Option</th> <th>Half Yearly Option</th> <th>Yearly Option</th> </tr> </thead> <tbody> <tr> <td>Minimum value of SWP</td> <td colspan="5">Rs. 1,000/-</td> </tr> <tr> <td>Additional amount in multiples of</td> <td colspan="5">Re.1</td> </tr> <tr> <td>Dates of SWP Installment</td> <td>Any Business Day</td> <td colspan="4">1/5/10/15/25*</td> </tr> <tr> <td>Minimum No of SWP</td> <td>Five</td> <td>Six</td> <td>Four</td> <td>Four</td> <td>Two</td> </tr> </tbody> </table> <p>* In the event that such a day is a holiday, the withdrawals would be affected on the next business day.</p> <p>For detailed terms and condition of above facilities, kindly refer SAI.</p>	Frequency under SIP Facility	Minimum Installments	Minimum SIP amount	Monthly	6 Installments	Rs. 1,000/- and in multiple of Re. 1/-	STP Frequency	Cycle Date	Minimum Amount (in Rs.)	Minimum Installment	Daily	Monday To Friday	1,000/-	6	Weekly	Monday To Friday	1,000/-	6	Fortnightly	Alternate Wednesday	1,000/-	6	Monthly	1 <sup>st</sup> , 7 <sup>th</sup> , 10 <sup>th</sup> , 15 <sup>th</sup> or 25 <sup>th</sup>	1,000/-	6	Quarterly	1 <sup>st</sup> , 7 <sup>th</sup> , 10 <sup>th</sup> , 15 <sup>th</sup> or 25 <sup>th</sup>	3,000/-	2		Weekly Option	Monthly Option	Quarterly Option	Half Yearly Option	Yearly Option	Minimum value of SWP	Rs. 1,000/-					Additional amount in multiples of	Re.1					Dates of SWP Installment	Any Business Day	1/5/10/15/25*				Minimum No of SWP	Five	Six	Four	Four	Two
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Minimum No of SWP	Five	Six	Four	Four	Two																																																								
<b>XXIV.</b>	<b>Weblink</b>	<ul style="list-style-type: none"> <li><b>TER for last 6 months / Daily TER:</b> For details, please refer our website: <a href="https://www.axismf.com/total-expense-ratio">https://www.axismf.com/total-expense-ratio</a></li> <li><b>Scheme factsheet:</b> For details, please refer our website: <a href="https://www.axismf.com/downloads">https://www.axismf.com/downloads</a></li> </ul>																																																											

<b>XXV</b>	<b>Tenure/Duration of the Scheme</b>	<p>Axis CRISIL-IBX AAA NBFC Index – Jun 2027 Fund is an open-ended Target Maturity index fund investing in constituents of CRISIL-IBX AAA NBFC Index – Jun 2027. A moderate interest rate risk and relatively low credit risk.</p> <p>As a function of the underlying investments of the Scheme, the maturity of the Scheme will follow the maturity profile of the underlying Index. In line with maturity profile of the underlying Index, the maturity of the Scheme is expected to be June 30, 2027. Any modification to this date will be conveyed to investors through a notice. If the maturity / payout date falls on a non-business day, the maturity / payout date shall be the next business day.</p> <p>The Unit holders holding units in demat mode, whose name(s) appear on the list of beneficial owners as per the Depositories (NSDL/CDSL) on Record Date shall be entitled to receive redemption proceeds of Units. Record date will be two Business Days prior to the date for redemption of Units on Maturity Date. No separate notice will be issued by the AMC informing about Maturity Record Date. However, the Fund reserves the right to change the record date for maturity by issue of suitable notice.</p>
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**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.

**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 index that scheme intends to track/replicate is included in the approved Index List published by AMFI.
- (ix) 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: September 09, 2024**  
**Place: Mumbai**

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

## Part II. INFORMATION ABOUT THE SCHEME

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

Under normal circumstances, the asset allocation pattern will be:

Instruments	Indicative Allocation (% of total assets)	
	Minimum	Maximum
Fixed Income Instruments replicating CRISIL-IBX AAA NBFC Index – Jun 2027**	95	100
Debt and Money Market Instruments*^	0	5

\*\* Including Fixed Income Instruments not forming part of the Index, invested in compliance with Para 3.5 of SEBI Master circular for Mutual Funds and further amended from time to time.

\*During normal circumstances, the Scheme's exposure to money market instruments will be in line with the asset allocation table. However, in case of maturity of instruments in the Scheme portfolio, the reinvestment will be in line with the index methodology.

#### Investment in repo/ reverse repo in corporate debt securities

The Scheme may participate in repo/ reverse repo in corporate debt upto 5% of the net assets of the Scheme.

#### Securities Lending

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

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

#### Investment in Units of debt and liquid Mutual Fund

The Scheme may invest upto 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.

#### Investment in Short Term Deposits

Pending deployment of the funds in securities in terms of investment objective of the Scheme, the AMC may in terms of Para 12.16 of Master Circular for Mutual Fund Scheme as may be amended from time to time, park the funds of the Scheme in short term deposits of the Scheduled Commercial Banks

The cumulative gross exposure through debt & money market instruments and repo transactions in corporate debt securities, should not exceed 100% of the net assets of the Scheme in accordance 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.

Being a passively managed index 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 comprising the index. During such period, the AMC may invest funds as part of the total assets in the Tri-Party Repos (TREPS) on Government Securities.

^Residual portion of 5% of the net assets of the Scheme is provided for liquidity purposes.

The Scheme shall not carry out Short selling, Credit Default Swaps, Overseas Investments, REITs & InvITs, securitized debt, debt instruments having structured obligations / credit enhancement, debt instruments with special features as specified under Para 12.2 of SEBI Master Circular for Mutual Funds and exposure in derivative instruments.

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

Sr. No.	Type of Instrument	Percentage of exposure	Circular references
1.	Tri party Repo	Allocation may be made to TREPS from any amounts that are pending deployment or on account of any adverse market situation.	-
2.	Mutual Fund Units	The Scheme may invest upto 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.
3.	Securities Lending	The Scheme shall adhere to the following limits should it engage in securities Lending. 3. Not more than 20% of the net assets of the Scheme can generally be deployed in Securities Lending. 4. Not more than 5% of the net assets of the Scheme can generally be deployed in Securities 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.
4.	Repo and Reverse repo in corporate debt securities	The Scheme may participate in repo/ reverse repo in corporate debt upto 5% of the net assets of the Scheme.	Para 12.18 of SEBI Master Circular for Mutual Funds

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

The Scheme shall not invest in following instruments:

Sr. No.	Type of Instrument
1	Credit default swaps
2	Overseas Securities
3	REITS and InVITS
4	Securitized Debt
5	Debt instruments with special features AT1 & AT2 Bonds
6	Debt instruments having Credit Enhancement /Structured Obligations
7	The Scheme shall not carry out Short selling.
8	Derivatives

#### Short Term and 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 Funds, 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 3.5.3 of Master Circular for Mutual Funds as amended from time to time, the portfolio of the Scheme shall be rebalanced within 7 calendar days from the date of such deviation.

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

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

The Scheme will invest in following instruments:

- Fixed Income Instruments comprising CRISIL-IBX AAA NBFC Index – Jun 2027
- Debt & Money Market instruments
- Short Term Deposit
- Units of debt and liquid Mutual Fund Schemes

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

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

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

The Scheme follows a passive investment strategy

Axis CRISIL-IBX AAA NBFC Index – Jun 2027 Fund is a passively managed index fund which will employ an investment approach designed to track the performance of CRISIL-IBX AAA NBFC Index – Jun 2027.

The Scheme will follow Buy and Hold investment strategy in which debt instruments by NBFCs will be held till maturity unless sold for meeting redemptions/rebalancing.

The Scheme shall replicate the index. In case the Scheme is not able to replicate the index the Fund Manager may invest in other issuances within the limits specified and subject to conditions laid down by Para 3.5 of Master Circular for Mutual Funds as amended from time to time. During normal circumstances, the Scheme's exposure to money market instruments will be in line with the asset allocation table. However, in case of maturity of instruments in the scheme portfolio, the reinvestment will be in line with the index methodology.

Pursuant to Para 3.5 of SEBI Master Circular for Mutual Funds, as amended by SEBI from time to time the scheme shall be considered to be replicating the underlying index, provided

In case of Target Maturity Index Funds, the following norms for permissible deviation in duration shall apply:

- a) For portfolio with residual maturity of greater than 5 years: Either +/- 6 months or +/- 10% of duration, whichever is higher.
- b) For a portfolio with residual maturity of up to 5 years: Either +/- 3 months or +/- 10% of duration, whichever is higher.
- c) However, at no point of time, the residual maturity of any security forming part of the portfolio shall be beyond the target maturity date of the Index Fund.

## **PORTFOLIO TURNOVER**

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

There may be an increase in transaction cost such as brokerage paid, if trading is done frequently. However, the cost would be negligible as compared to the total expenses of the Scheme. Frequent trading may increase the profits which will offset the increase in costs. The fund manager will endeavor to optimize portfolio turnover to maximize gains and minimize risks keeping in mind the cost associated with it. However, it is difficult to estimate with reasonable accuracy, the likely turnover in the portfolio of the Scheme. The Scheme has no specific target relating to portfolio turnover.

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

#### D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

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

#### E. WHO MANAGES THE SCHEME?

Name of Fund Manager	Ages and Qualification	Experience of the Fund Manager	Names of other schemes under his management
Aditya Pagaria	40 years, Bachelor in Management Studies, Post Graduate Diploma in Business Management	Total number of years of experience: 15 years, his last 10 years' experience are as follows: <ul style="list-style-type: none"> <li>Axis Asset Management Company Ltd. (Fund Manager - Fixed Income) - (August 1, 2016 till date)</li> <li>ICICI Prudential Asset Management Company Ltd. (Fund Manager -Fixed Income) - (Nov. 30, 2011 - July 26, 2016)</li> <li>(Operations)- (May 03, 2007 - Nov. 29, 2011)</li> </ul>	<ul style="list-style-type: none"> <li>Axis Banking &amp; PSU Debt Fund</li> <li>Axis Overnight Fund</li> <li>Axis Ultra Short Term Fund</li> <li>Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF</li> <li>Axis Floater Fund</li> <li>Axis Gold Fund</li> <li>Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF FOF</li> <li>Axis Silver Fund of Fund</li> <li>Axis Nifty SDL September 2026 Debt Index Fund</li> <li>Axis CRISIL IBX50:50 Gilt Plus SDL Sep 2027 Index Fund</li> <li>Axis Liquid Fund</li> <li>Axis Short Term Fund</li> <li>Axis Treasury Advantage Fund</li> <li>Axis Money Market Fund</li> <li>Axis CRISIL IBX SDL May 2027 Index Fund</li> <li>Axis Equity Hybrid Fund</li> <li>Axis Gold ETF</li> <li>Axis Silver ETF</li> <li>Axis Multi Asset Allocation Fund</li> <li>Axis Fixed Term Plan - Series 113 (1228 Days)</li> </ul>

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

The fund is an open ended Index fund which intends to invest in fixed income instruments comprising the underlying index CRISIL-IBX AAA NBFC Index – Jun 2027 and endeavor to track the benchmark. Currently, Axis Mutual Fund doesn't have such a scheme.

a. Reference list of existing target maturity Index schemes of Axis Mutual Fund are as follows:

Sr. No.	Name of the scheme(s)
1.	Axis CRISIL IBX 70:30 CPSE Plus SDL April 2025 Index Fund
2.	Axis CRISIL IBX 50:50 Gilt Plus SDL Sep 2027 Index Fund
3.	Axis Nifty SDL September 2026 Debt Index Fund
4.	Axis CRISIL IBX 50:50 Gilt Plus SDL June 2028 Index Fund
5.	Axis CRISIL IBX SDL June 2034 Debt Index Fund
6.	Axis CRISIL IBX SDL May 2027 Index Fund



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

### G. HOW HAS THE SCHEME PERFORMED

The Scheme is a new Scheme to be launched hence the above disclosure is not required.

### H. ADDITIONAL SCHEME RELATED DISCLOSURES

- i. Scheme's portfolio holdings (top 10 holdings by issuer and fund allocation towards various sectors- Please refer the AMC website <https://www.axismf.com/statutory-disclosures> for said details
- ii. Disclosure of name and exposure to Top 7 issuers, stocks, groups and sectors as a percentage of NAV of the scheme in case of debt and equity ETFs/index funds through a functional website link that contains detailed description- Please refer the AMC website <https://www.axismf.com/statutory-disclosures> for said details.
- iii. Functional website link for Portfolio Disclosure - Fortnightly / Monthly / Half Yearly – Please refer the AMC website <https://www.axismf.com/statutory-disclosures> for said details
- iv. Portfolio turnover ratio for the one-year period: Not Applicable
- v. Aggregate investment in the Scheme by Concerned scheme's Fund Manager(s):

Sr. No.	Category of Persons	Net Value		Market Value (in Rs.)
		Units as on ____	NAV (Rs. per unit)	
1.	The Scheme is a new Scheme to be launched hence the above disclosure is not required.			

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 Regulations, the AMC may invest either directly or indirectly, in the Scheme during New Fund offer period or Ongoing Offer Period. However, the AMC shall not charge any investment management fee on such investment 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 Scheme is a new Scheme to be launched hence the above disclosure is not required.

### Part III. OTHER DETAILS

#### A. COMPUTATION OF NAV

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

The Net Assets Value (NAV) of the Units under the Scheme shall be calculated as shown below:

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

The NAV shall be calculated up to four decimal places. Separate NAV will be calculated and disclosed for each Option. The NAVs of the Growth Option and the IDCW Option under each of the Plans will be different after the declaration of the first IDCW.

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

#### Illustration of Computation of NAV:

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

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

No. of Units outstanding under Scheme on the Valuation Day: 100,00,000

The NAV per unit will be computed as follows:  $10,45,34,345.34 / 100,00,000 = \text{Rs. } 10.4534$  per unit (rounded off to four decimals)

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

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

#### B. NEW FUND OFFER (NFO) EXPENSES

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

In accordance with the provisions of SEBI circular, the Scheme, being an open-ended scheme, the NFO expenses has been borne by the AMC/Sponsor.

#### C. ANNUAL SCHEME RECURRING EXPENSES

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

The AMC has estimated that following expenses will be charged to the Scheme as expenses as permitted under Regulation 52 of SEBI (MF) Regulations. For the actual current expenses being charged, the investor should refer to the website of the AMC.

<b>Expense Head</b>	<b>% of daily Net Assets</b>
Investment Management and Advisory fees	Upto 1.00 %
Trustee fee	
Audit fees	
Custodian fees	
RTA fees	
Marketing & Selling expense incl. agent commission	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost of providing account statements and IDCW redemption cheques and warrants	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 1 bps)	
Brokerage & transaction cost over and above 12 bps for cash trades.	
Goods & Service Tax (GST) on expenses other than investment and advisory fees	
GST on brokerage and transaction cost	
Other Expenses*	
<b>Maximum total expense ratio (TER) permissible under Regulation 52(6)(b)</b>	<b>Upto 1.00%</b>
Additional expenses for gross new inflows from specified cities under Regulation 52(6A)(b)^	Upto 0.30%

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

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

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

The expenses towards Investment Management and Advisory Fees under Regulation 52(2) and the various sub-heads of recurring expenses mentioned under Regulation 52(4) of SEBI (MF) Regulations can be apportioned under various expense heads/ sub heads without any sub limit, as permitted under the applicable regulations. Thus, there shall be no internal sub-limits within the expense ratio for expense heads mentioned under Regulation 52 (2) and (4) respectively. Further, the additional expenses under Regulation 52(6A)(c) may be incurred either towards investment & advisory fees and/or towards other expense heads as stated above.

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

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

The recurring expenses of the Scheme (including the Investment Management and Advisory Fees) shall be as per the limits prescribed under the SEBI (MF) Regulations. It is as follows:

In case of an index fund scheme, the total expense ratio of the Scheme including the investment and advisory fees shall not exceed 1.00 per cent of the daily net assets.

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

#### **Expenses charged to the Scheme:**

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

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

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

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

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

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

Provided further that amount incurred as expense on account of inflows from such cities shall be credited back to the Scheme in case the said inflows are redeemed within a period of one year from the date of investment.

Provided further that, additional TER can be charged based on inflows only from retail investors from B30 cities in terms of SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2018/137 dated October 22, 2018 read with SEBI/HO/IMD/DF2/CIR/P/2019/42 dated March 25, 2019. For this purpose inflows of amount upto Rs 2,00,000/- per transaction, by individual investors shall be considered as inflows from "retail investor".

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

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

- B. Within the Total Expense Limit chargeable to the Scheme, following will be charged to the Scheme:
- (a) GST on other than investment and advisory fees, if any, shall be borne by the Scheme.
  - (b) Investor education and awareness initiative fees of at least 1 basis points on daily net assets of respective Scheme.
- C. AMC fees charged by Axis AMC to the Scheme will be within the Total Expense Limit as prescribed by SEBI (MF) Regulations, with no sub-limit on said AMC fees.

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

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

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

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

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

**Note(s):**

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

**D. LOAD STRUCTURE**

Load is an amount which is paid by the Investor to redeem the Units from the Scheme. This amount is used by the AMC to pay commission to the distributors and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time. For the current applicable structure, investors may refer to the website of the AMC (<https://www.axismf.com/statutory-disclosures>) or may call at contact number **8108622211** (Chargeable) from 9.00 am to 6.00 pm (Monday to Saturday) or can contact his distributor.

Para 10.4 of SEBI Master Circular For Mutual Funds as amended from time to time has decided that there shall be no entry Load for all Mutual Fund Schemes.

Type of Load	Load chargeable (as %age of NAV)
<b>Entry Load</b>	Not Applicable
<b>Exit Load</b>	As mentioned under Section I – Point No. XI.

Units issued on reinvestment of IDCW shall not be subject to Load. No load shall be levied on switches between options and sub-options of the Scheme. Thus, for switches between the Growth and IDCW Option, no load will be charged by the Scheme. However, for switches between the Plans i.e. between Regular and Direct Plan or vice versa, load will be charged by the Scheme.

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

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

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

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

Under the Scheme, the AMC/ Trustee reserves the right to change / modify the load structure if it so deem 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. The introduction of the Exit Load along with the details may be stamped in the acknowledgement slip issued to the Investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such Load.
4. A public notice shall be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated.
5. Any other measure which the Mutual Fund may consider necessary.

The Trustee/AMC reserves the right to change the load structure subject to the limits prescribed under the Regulations. Any change in load structure shall be only on a prospective basis i.e. any such changes would be chargeable only for Redemptions from prospective purchases (applying first in first out basis).

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

The Scheme shall have a minimum of 20 Investors and no single Investor shall account for more than 25% of the corpus of the Scheme. However, if such limit is breached during the NFO of the Scheme, the Fund will endeavour to ensure that within a period of three months or the end of the succeeding calendar quarter from the close of the NFO of the Scheme, whichever is earlier, the Scheme complies with these two conditions. In case the Scheme does not have a minimum of 20 Investors in the stipulated period, the provisions of Regulation 39(2)(c) of the SEBI (MF) Regulations would become applicable automatically without any reference from SEBI and accordingly the Scheme shall be wound up and the units would be redeemed at Applicable NAV. The two conditions mentioned above shall also be complied within each subsequent calendar quarter thereafter, on an average basis, as specified by SEBI. If there is a breach of the 25% limit by any Investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days' notice to redeem his exposure over the 25% limit. Failure on the part of the said Investor to redeem his exposure over the 25% limit within the aforesaid 15 days would lead to automatic Redemption by the Mutual Fund at the Applicable NAV on the 15th day of the notice period. The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

## 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**

##### **Risk associated with Passive Investments Strategy**

The Scheme will be a passively managed scheme providing exposure to constituents of CRISIL-IBX AAA NBFC Index – Jun 2027 and tracking its performance and yield, before expenses, as closely as possible. The scheme performance may be affected by the vagaries of the Indian markets relating to its underlying Index. The scheme invests in the underlying Index regardless of its investment merit.

##### **Tracking Error Risk**

The Fund Manager would not be able to invest the entire corpus exactly in the same proportion as in the underlying index due to certain factors such as delay in purchase or non-availability of underlying securities forming part of the index, the fees and expenses of the Scheme, corporate actions, cash balance, changes to the underlying index and regulatory restrictions, which may result in Tracking Error with the underlying index of the Scheme. The Scheme's returns may therefore deviate from its underlying index. "Tracking Error" is defined as the standard deviation of the difference between daily returns of the underlying index and the NAV of the Scheme. The Fund Manager would monitor the Tracking Error of the Scheme on an ongoing basis and would seek to minimize the Tracking Error to the maximum extent possible. Tracking Error may arise due to the following reasons:

1. Delay in purchase or non-availability of underlying securities forming part of the index.
2. Delay in liquidation of securities which have been removed by the Index.
3. Difference in valuation of underlying securities by the Index Provider and AMC's valuation providers.
4. Expenditure incurred by the Fund.
5. Available funds may not be invested at all times as the Scheme may keep a portion of the funds in cash to meet Redemptions, or corporate actions or otherwise.
6. Securities trading may halt temporarily due to circuit filters.
7. Corporate actions such as debenture or warrant conversion, rights issuances, mergers, change in constituents etc.
8. Rounding-off of the quantity of securities/shares in the underlying index.
9. Interest payout.
10. Index providers undertake a periodical review of the securities/scrips that comprise the underlying index and may either drop or include new securities/scrips.

In such an event, the Fund will try to reallocate its portfolio but the available investment/ reinvestment opportunity may not permit absolute mirroring immediately. SEBI Regulations (if any) may impose restrictions on the investment and/or divestment activities of the Scheme. Such restrictions are typically outside the control of the AMC and may cause or exacerbate the Tracking Error.

##### **Tracking difference:**

- I. Tracking difference i.e. the annualized difference of daily returns between the index and the NAV of the Scheme shall be disclosed on the website of the AMC and AMFI, on a monthly basis, for tenures 1 year, 3 years, 5 years, 10 years and since the date of allotment of units.
- II. For the Scheme the annualized tracking difference averaged over one-year period shall not exceed 1.25%. In case the average annualized tracking difference over one-year period for the Scheme is

higher than 1.25%, the same shall be brought to the notice of trustees with corrective actions taken by the AMC, if any.

### **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, corporate bonds, and money market instruments run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing fixed income securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices depends upon the coupon and maturity of the security. It also depends upon the yield level at which the security is being traded.

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

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

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

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

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

**Liquidity Risk on account of unlisted securities:** The liquidity and valuation of the Scheme investments due to their holdings of unlisted securities may be affected if they have to be sold prior to their target date of divestment. The unlisted security can go down in value before the divestment date and selling of these securities before the divestment date can lead to losses in the portfolio.

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

### **Risks associated with Segregated Portfolio**

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

### **Risks associated with Securities lending**

Securities Lending is lending of securities through an approved intermediary to a borrower under an agreement for a specified period with the condition that the borrower will return equivalent securities of the same type or class at the end of the specified period along with the corporate benefits accruing on the securities borrowed.

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 Factors associated with repo transactions in corporate debt securities**

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

## **C. Risk mitigation strategies**

### **RISK CONTROL**

The Scheme will be passively managed to track the performance of the CRISIL-IBX AAA NBFC Index – Jun 2027. The Scheme will endeavor to achieve its objective by replicating the index basket.

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

### **Risk control measures**

**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.

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

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

The Scheme would invest in securities comprising the CRISIL-IBX AAA NBFC Index – Jun 2027 in the same proportion (weightage) as in the Index and track the benchmark index.

The Scheme may also invest in money market instruments, in compliance with Regulations to meet liquidity requirements.

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

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

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

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

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

#### **Treasury Bill (T-Bills)**

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

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

#### **Commercial Usance Bills**

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

#### **Repos**

Repo (Repurchase Agreement) or Reverse Repo is a transaction in which two parties agree to sell and purchase the same security with an agreement to purchase or sell the same security at a mutually decided future date and price. The transaction results in collateralized borrowing or lending of funds. Presently in India, 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 participate in repo/ reverse repo in corporate debt upto 5% of the net assets of the Scheme.

**Securities created and issued by the Central and State Governments** as may be permitted by RBI, securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills). State Government securities (popularly known as State Development Loans or SDLs) are issued by the respective State Government in co-ordination with the RBI.

#### **Non-Convertible Debentures and Bonds**

Non-convertible debentures as well as bonds are securities issued by companies / institutions promoted / owned by the Central or State Governments and statutory bodies which may or may not carry a Central/State Government guarantee, Public and private sector banks, all India Financial Institutions and Private Sector Companies. These instruments may have fixed or floating rate coupon. These instruments

may be secured or unsecured against the assets of the Company and generally issued to meet the short term and long term fund requirements.

The Scheme may also invest in the non-convertible part of convertible debt securities.

#### **Units of debt and liquid mutual fund schemes**

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

#### **Repo in Corporate debt securities**

The Scheme may undertake repo transactions in corporate debt securities in accordance with the directions issued by RBI and SEBI from time to time. The gross exposure of the Scheme to repo transactions in corporate debt securities shall not be more than 05% of the net assets of the Scheme or such higher limit as may be specified by SEBI. Further, 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.

#### **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 in terms of Para 12.16 of Master Circular for Mutual Funds as may be amended from time to time.

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

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

Investment in unrated debt instruments shall be subject to complying with the norms as specified by the Board from time to time.

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

The Fund Manager may invest in any other security as maybe permitted from time to time and which are in line with the investment objectives of the Scheme.

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

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

The Government Securities (G-Secs) market, consists of G-Sec outstanding of Rs. 80,59,921.302cr as on Feb 28, 2022 (State Govt securities - Rs 38,31,895.100 cr, (as on Feb'21) Source: CCIL), is the oldest and the largest component (50% share in market cap) of the Indian debt market in terms of market capitalization, outstanding securities and trading volumes. The G-Secs market plays a vital role in the Indian economy as it provides the benchmark for determining the level of interest rates in the country through the yields on the Government Securities which are referred to as the risk-free rate of return in any economy. Over the years, there have been new products introduced by the RBI like zero coupon bonds, floating rate bonds, inflation indexed bonds, etc.

The corporate bond market, in the sense of private corporate sector raising debt through public issuance

in capital market, is only an insignificant part of the Indian Debt Market. A large part of the issuance in the non-Government debt market is currently on private placement basis.

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

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

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

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

The following table gives approximate yields prevailing on August 31, 2024 on some of the instruments and further illustrates this point.

<b>Instrument</b>	<b>Current Yield range (%)</b>
Tri-party Repo	6.25/35
Repo	6.30/35
3M T-bill	6.60/65
1Y T-bill	6.70/65
10Y G-sec	6.80/85
3m PSU Bank CD	7.20/25
3m Manufacturing co. CP	7.25/30
1Y PSU Bank CD	7.60/65
1Y NBFC CP	7.90/95
1Y Manufacturing co. CP	7.65/7.70
5Y AAA Institutional Bond	7.45/50
10Y AAA Institutional Bond	7.35/40

Source: Bloomberg

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

according to maturity profile, credit risk etc.

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

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

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

The scheme shall not invest more than:

1. 10% of its NAV in debt and money market securities rated AAA; or
2. 8% of its NAV in debt and money market securities rated AA; or
3. 6% of its NAV in debt and money market securities rated A and below issued by a single issuer.

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

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

Provided further that such limit shall not be applicable for investment in Government Securities, treasury bills and tri-party repo on government securities.

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

2. In terms of Para 3.5 of Master Circular for Mutual Funds which specifies the Norms for Debt Index Funds, following shall be complied with respect to the underlying Index:
  - A. Single issuer limit for debt indices shall be as follows:
    - a) For an index with at least 80% weight of corporate debt securities, single issuer limit shall be as under:
      - i. In respect of AAA rated securities, a single issuer shall not have more than 15% weight in the index.
      - ii. In respect of AA rated securities, a single issuer shall not have more than 12.5% weight in the index.
      - iii. In respect of A and below rated securities, a single issuer shall not have more than 10% weight in the index.
  - B. Debt Index Funds based on index comprising of only corporate debt securities shall be considered to be replicating the underlying debt index provided:
    - i. Investment in securities of issuers accounting for at least 60% of weight in the index, represents at least 80% of net asset value (NAV) of the Index Fund.
    - ii. At no point of time the securities of issuers not forming part of the index exceed 20% of NAV of the Index Fund.
    - iii. At least 8 issuers from the underlying index form part of the portfolio of the Index Fund.
    - iv. The investment in various securities are aggregated at issuer level for the purpose of exposure limits.

- v. The exposure limit to a single issuer by the Index Fund shall be as under:
    - a) For AAA rated securities, exposure to a single issuer by the Index Fund shall not have more than 15% weight in the portfolio.
    - b) For AA rated securities, exposure to a single issuer by the Index Fund shall not have more than 12.5% weight in the portfolio.
    - c) For A and below rated securities, exposure to a single issuer by the Index Fund shall not have more than 10% weight in the portfolio.
  - vi. Total exposure of the Index Fund in a particular group (excluding investments in securities issued by PSUs, PFIs and PSBs) shall not exceed 25% of NAV of the scheme. For the purpose of this provision, 'group' shall have the same meaning as defined in Paragraph 12.9.3.3 of SEBI Master Circular on Mutual Funds.
  - vii. The Macaulay Duration (hereinafter referred as "duration") of the portfolio of the Index Fund replicates the duration of the underlying index within a maximum permissible deviation of +/- 10%.
  - viii. The rating wise weightage of debt securities in the portfolio of Index Fund replicates the underlying index. However, greater allocation of up to 10% of the portfolio may be made to higher rated debt securities.
3. The Scheme shall not invest in unlisted debt instruments including commercial papers, except Government Securities and other money market instruments:

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

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

4. The Scheme shall not 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
5. 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.
6. 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 Paragraph 12.30 of Master Circular for Mutual Fund as amended from time to time

7. 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 specified by SEBI.

The scheme shall not enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by SEBI.

Provided further that sale of government security already contracted for purchase shall be permitted

in accordance with the guidelines issued by the Reserve Bank of India in this regard.

8. The Scheme may invest in other schemes of the Mutual Fund or any other mutual fund without charging any fees, provided the aggregate inter-scheme investment made by all the schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the Net Asset Value of the Fund.
9. The Scheme shall not make any investment in any fund of funds scheme.
10. Pending deployment of the funds of the Scheme in securities in terms of the investment objective of the Scheme, the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI.
  - The Scheme will comply with the following guidelines/restrictions for parking of funds in short term deposits:
  - "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.
  - 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.
  - 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.
  - 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.
  - The Scheme shall not park funds in short term deposit of a bank which has invested in that Scheme. Further Trustees/ AMCs shall also ensure that the bank in which the Scheme has STD do not invest in the said scheme until the Scheme has STD with such bank.
  - 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.

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.

11. The Scheme shall not advance any loans.
12. The Scheme shall not borrow except to meet temporary liquidity needs of the Scheme for the purpose of repurchase/redemption of Units or payment of interest and/or dividend to the Unit holders.

Provided that the Scheme shall not borrow more than 20% of the net assets of the individual Scheme and the duration of the borrowing shall not exceed a period of 6 month. The Scheme will comply with the other Regulations applicable to the investments of Mutual Funds from time to time.

13. Pursuant to Para 3.5 of Master Circular for Mutual Funds, following provisions of the shall be considered while replicating the underlying index, provided:
  - For portfolio with residual maturity of greater than 5 years: Either +/-6 months or +/-10% of duration, whichever is higher.
  - For a portfolio with residual maturity of up to 5 years: Either +/-3 months or +/-10% of duration, whichever is higher.
  - However, at no point of time, the residual maturity of any security forming part of the portfolio shall be beyond the target maturity date of the Index Fund
14. The Mutual Fund/AMC shall make investment out of the NFO proceeds only on or after the closure of the NFO period. The Mutual Fund/ AMC can however deploy the NFO proceeds in TREPS before the closure of NFO period. However, AMCs shall not charge any investment management and advisory fees on funds deployed in TREPS during the NFO period. The appreciation received from investment in TREPS shall be passed on to investors.

Further, in case the minimum subscription amount is not garnered by the scheme during the NFO period, the interest earned upon investment of NFO proceeds in TREPS shall be returned to investors, in proportion of their investments, along-with the refund of the subscription amount.

15. The Mutual Funds can participate in repos on following corporate debt securities:

- (i) Listed AA and above rated corporate debt securities
- (ii) Commercial Papers (CPs) and Certificate of Deposits (CDs)

For the purpose of consideration of credit rating of exposure on repo transactions for various purposes including for Potential Risk Class (PRC) matrix, liquidity ratios, Risk-o-meter etc., the same shall be as that of the underlying securities, i.e., on a look through basis.

For transactions where settlement is guaranteed by a Clearing Corporation, the exposure shall not be considered for the purpose of determination of investment limits for single issuer, group issuer and sector level limits

16. The Scheme shall participate in repos in corporate debt securities as per the guidelines issued by SEBI and/ or RBI from time to time and the guidelines framed by the Board of Directors of Trustee Company and the Asset Management Company, from time to time. At present the following conditions and norms shall apply to repo in corporate debt securities:

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

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

(vi) Counterparty selection & credit rating

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

(vii) Collateral tenor & quality

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

(viii) Applicable haircuts

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

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

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



historical volatility is given in the table below:

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

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

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

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

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

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

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

### C. Fundamental Attributes

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

**(i) Type of a scheme**

An open-ended Target Maturity index fund investing in constituents of CRISIL-IBX AAA NBFC Index – Jun 2027. A moderate interest rate risk and relatively low credit risk.

**(ii) Investment Objective**

• Main Objective:

The investment objective of the scheme is to provide investment returns before fees and expenses that closely corresponds to the total returns of the securities as represented by the CRISIL-IBX AAA NBFC Index – Jun 2027, 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 Point A ‘How will the Scheme Allocate its Assets?’.

**(iii) Terms of Issue**

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

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations and Clause 1.14.1.4 of SEBI Master Circular for Mutual Funds the Trustees shall ensure that no change in the fundamental

attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:

- SEBI has reviewed and provided its comments on the proposal
- A written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- The Unitholders are given an option for a period of at least 30 calendar days to exit at the prevailing Net Asset Value without any exit load.

In addition to the conditions specified above, for effecting any change in the fundamental attributes of the scheme, trustees shall take comments of the SEBI and any change suggested by SEBI would be incorporated before carrying such proposed change(s).

#### D. Index methodology

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

#### ABOUT THE INDEX:

CRISIL-IBX AAA NBFC Index – Jun 2027 is a sectoral/thematic target maturity index that seeks to track the performance of AAA issuers from the NBFC sector only, maturing near target date of the index.

#### Methodology

<b>Index Fund</b>	
<b>Asset Allocation</b>	100% Bonds
<b>Eligible period/ lookback period</b>	The index will have securities maturing between 1st January 2027 to 30th June 2027.
<b>Index Methodology</b>	
<b>Eligibility Criteria</b>	<ul style="list-style-type: none"> <li>• Issuers in the NBFC (as available in the RBI list of Non-Banking Financial Companies (NBFCs)) sector with long term conservative rating of AAA with a minimum total amount outstanding of Rs. 400 crores for securities maturing in the eligible period.</li> <li>• Minimum security level amount outstanding of Rs. 100 crores.</li> <li>• Only listed issuers shall be included in the index. An issuer will be considered to be listed if at least one security of such issuer is listed as evaluated at the inception date of the index.</li> </ul>
<b>Issuer selection at inception</b>	<ul style="list-style-type: none"> <li>• All issuers qualifying the eligibility criteria mentioned above will form a part of universe.</li> <li>• Up to 20 traded issuers from the universe will be ranked and selected based on liquidity score. If less than 8 issuers are available, then select remaining issuers (to bring the count to 8) based on the highest amount outstanding from the universe of outstanding securities as evaluated at the inception date of the index.</li> <li>• Liquidity score will be calculated based on the volume traded (70%), number of trades (15%) and days traded (15%) in the previous quarter.</li> </ul>
<b>Security selection at inception</b>	For each selected issuer, the security with highest residual maturity maturing in the eligible period will be selected from the eligible universe. The selected security must have a minimum amount outstanding of Rs. 100 crores.
<b>Weighing approach</b>	<ul style="list-style-type: none"> <li>• Weights to the issuers will be calculated in the ratio of amount outstanding as on the base date/review date of the index subject</li> </ul>

	<p>to issuer cap and group cap. Since it's a sectoral index sector caps are not applicable.</p> <ul style="list-style-type: none"> <li>• Issuers weights should not exceed 15% for AAA rated issuers. Group cap of 25% will be ensured.</li> <li>• Excess weight (if any) will be distributed amongst the remaining issuers of the index in the proportion of their existing weights such that all the caps are maintained</li> <li>• When any issuer is excluded, the weight of that issuer will be redistributed proportionally amongst the rest of the issuers of the index in the proportion of their existing weights, subject to issuer &amp; group cap.</li> <li>• Weights of the issuers will change with price movement and will be reset during the semi-annual rebalancing period.</li> </ul>
<b>Reconstitution/Rebalancing</b>	<ul style="list-style-type: none"> <li>• Issuer selection- In case less than 20 issuers are available in the index then, new issuers will be added based on the latest liquidity score of eligible issuers to bring the count to maximum 20. The index may have less than 20 issuers if sufficient issuers are not available. Amount outstanding based issuer selection will be used if total count falls below 8.</li> <li>• Treatment of existing issuers - Hold till maturity/will not exit the index unless there is a rating downgrade or change in status/classification of the issuer.</li> <li>• Security selection of new issuers - Same as the process followed during that on the inception of index.</li> <li>• Treatment of existing securities of existing issuers - Existing security will be replaced if there is another security of the issuer maturing nearer to the target date of the index</li> <li>• Reconstitution frequency- Semi-annual (April, October)</li> </ul>

#### Index Constituents as on September 04, 2024

ISIN	Issuer	Security Name	Maturity date	Sector	Weights
INE976I07CT9	Tata Capital Ltd.	TATA CAPITAL LIMITED SR C VIS-M 8.2850 NCD 10MY27 FVRS1LAC	10-May-27	NON BANKING FINANCIAL COMPANY (NBFC)	15.00%
INE296A08847	Bajaj Finance Ltd.	BAJAJ FINANCE LIMITED SR-220 8.15 NCD 22JU27 FVRS10LAC	22-Jun-27	NON BANKING FINANCIAL COMPANY (NBFC)	15.00%
INE774D07VE1	Mahindra & Mahindra Financial Services Ltd.	MAHINDRA AND MAHINDRA FINANCIAL SERVICES LIMITED SR AA2024 8.25 NCD 25MR27 FVRS1LAC	25-Mar-27	NON BANKING FINANCIAL COMPANY (NBFC)	15.00%
INE916DA7SO7	Kotak Mahindra Prime Ltd.	KOTAK MAHINDRA PRIME LIMITED 8.225 NCD 21AP27 FVRS1LAC	21-Apr-27	NON BANKING FINANCIAL COMPANY (NBFC)	8.96%
INE891K08042	Axis Finance Ltd.	AXIS FINANCE LIMITED SR-02 8.5 NCD 11MY27 FVRS10LAC	11-May-27	NON BANKING FINANCIAL COMPANY (NBFC)	7.86%

ISIN	Issuer	Security Name	Maturity date	Sector	Weights
INE860H07IY4	Aditya Birla Finance Ltd.	ADITYA BIRLA FINANCE LIMITED L1 8.30 NCD 19MY27 FVRS1LAC	19-May-27	NON BANKING FINANCIAL COMPANY (NBFC)	15.00%
INE756I07EY1	HDB Financial Services Ltd.	HDB FINANCIAL SERVICES LIMITED SR 208 8.3324 NCD 10MY27 FVRS1LAC	10-May-27	NON BANKING FINANCIAL COMPANY (NBFC)	10.31%
INE498L07038	L&T Finance Holdings Ltd.	L&T FINANCE LIMITED SR J 8.24 NCD 16JU27 FVRS1LAC	16-Jun-27	NON BANKING FINANCIAL COMPANY (NBFC)	7.10%
INE975F07IR8	Kotak Mahindra Investments Ltd.	KOTAK MAHINDRA INVESTMENTS LIMITED 8.3774 NCD 21JU27 FVRS1LAC	21-Jun-27	NON BANKING FINANCIAL COMPANY (NBFC)	5.77%

**E. Principles of incentive structure for market makers (for ETFs):** Not Applicable

**F. Floors and ceiling within a range of 5% of the intended allocation against each sub class of asset, as per para 13.6.2 of SEBI master circular for mutual funds (only for close ended debt schemes):** Not Applicable

**G. Other Scheme Specific Disclosures:**

Listing and transfer of units	<p><b>Listing</b> The Scheme is an open ended scheme under which Sale and Repurchase will be made on a continuous basis and therefore listing on stock exchanges is not envisaged. However, the Trustee reserves the right to list the Units as and when considered necessary in the interest of Unit holders of the Fund.</p> <p><b>Transferability of units:</b> Units unless otherwise restricted or prohibited shall be freely transferable by act of parties or by operation of law. The asset management company shall on production of instrument of transfer together with the relevant unit certificates, register the transfer and return the unit certificates to the transferee within timelines prescribed by SEBI from time to time.</p>
Dematerialization of units	<p>Investors shall have an option to receive allotment of Mutual Fund units in their demat account while subscribing to the Scheme in terms of the guidelines/ procedural requirements as laid by the Depositories (NSDL/CDSL) from time to time.</p> <p>Investors desirous of having the Units of the Scheme in dematerialized form should contact the ISCs of the AMC/Registrar.</p> <p>Where units are held by investor in dematerialized form, the demat statement issued by the Depository Participant would be deemed adequate compliance with the requirements in respect of dispatch of statements of account.</p> <p>In case investors desire to convert their existing physical units (represented by statement of account) into dematerialized form or vice versa, the request for conversion of units held in physical form into Demat (electronic) form or vice versa should be submitted along with a Demat/Remat Request Form to their Depository Participants. In case the units are desired to be held by investor in dematerialized form, the KYC performed by Depository Participant shall be considered compliance of the applicable SEBI norms.</p>

	<p>Further, demat option shall also be available for SIP transactions. Units will be allotted based on the applicable NAV as per Scheme Information Document and will be credited to investors Demat Account as per the settlement calendar.</p> <p>Units held in Demat form are freely transferable in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time. Transfer can be made only in favour of transferees who are capable of holding units and having a Demat Account. The delivery instructions for transfer of units will have to be lodged with the Depository Participant in requisite form as may be required from time to time and transfer will be affected in accordance with such rules / regulations as may be in force governing transfer of securities in dematerialized mode.</p> <p>For details, Investors may contact any of the Investor Service Centres of the AMC.</p>
Minimum Target amount	<p>Rs. 10 crores</p> <p>This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return. However, if AMC fails to refund the amount within 5 business days from date of closure of NFO, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of 5 business days from the date of closure of the NFO.</p>
Maximum Amount to be raised (if any)	Not Applicable
Dividend Policy (IDCW)	<p>Under the IDCW option, the Trustee will have the discretion to declare the IDCW, subject to availability of distributable surplus calculated in accordance with the Regulations. The actual declaration of IDCW and frequency will inter-alia, depend on availability of distributable surplus calculated in accordance with SEBI (MF) Regulations and the decisions of the Trustee shall be final in this regard. There is no assurance or guarantee to the Unit holders as to the rate of IDCW nor that it will be paid regularly.</p> <p>The AMC/Trustee reserves the right to change the frequency of declaration of IDCW or may provide for additional frequency for declaration of IDCW.</p> <p><b>IDCW Distribution Procedure</b></p> <p>In accordance with Chapter 11 of SEBI Master Circular for Mutual Funds, the procedure for distribution would be as under:</p> <ol style="list-style-type: none"> <li>1. Quantum of IDCW and the record date will be fixed by the Trustee. IDCW so decided shall be paid, subject to availability of distributable surplus.</li> <li>2. Within one calendar day of the decision by the Trustees, AMC shall issue notice to the public communicating the decision including the record date. The record date shall be 2 working days from the date of publication in at least one English newspaper or in a newspaper published in the language of the region where the Head Office of the mutual fund is situated, whichever is issued earlier.</li> <li>3. Record date shall be the date, which will be considered for the purpose of determining the eligibility of investors whose names appear on the register of Unit holders for receiving IDCW.</li> <li>4. The notice will, in font size 10, bold, categorically state that pursuant to payment of dividend, the NAV of the Scheme would fall to the extent of payout and statutory levy (if applicable).</li> <li>5. The NAV will be adjusted to the extent of IDCW distribution and statutory levy, if any, at the close of business hours on record date.</li> <li>6. Before the issue of such notice, no communication indicating the probable date of IDCW declaration in any manner whatsoever will be issued by Mutual Fund.</li> </ol>

	<p>7. The payment of dividend to the unitholders shall be made within seven working days from the record date. However, the requirement of giving notice shall not be applicable for IDCW options having frequency up to one month.</p>
<p>Allotment (Detailed procedure)  (During NFO)</p>	<p>Allotment will be made to all valid applications received during the New Fund Offer Period. Allotment of Units, shall be completed not later than 5 business days after the close of the New Fund Offer Period.</p> <p>On acceptance of the application for subscription, an allotment confirmation specifying the number of units allotted by way of e-mail and/or SMS within 5 business days from the date of receipt of transaction request/allotment will be sent to the Unit Holders registered e-mail address and/or mobile number.</p> <p>In cases where the email does not reach the Unit holder, the Fund / its Registrar &amp; Transfer Agents will not be responsible, but the Unit holder can request for fresh statement. The Unit holder shall from time to time intimate the Fund / its Registrar &amp; Transfer Agent about any changes in his e-mail address.</p>
Refund	<p><b>During NFO:</b></p> <p>The 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.</p> <p><b>During Ongoing Offer period:</b></p> <p>The AMC will refund the subscription money to applicants whose applications are found to be incomplete, invalid or have been rejected for any other reason whatsoever in accordance with the AMFI best practice guidelines in the matter.</p> <p>The AMC will endeavor to refund such amounts within 5 business days from the date of purchase transactions as per the timestamp / applicable NAV, where the application form / online transaction is received along with the payment and the funds have been realized. Where the subscription amount and the application/ online transaction are received separately, the period of 5 business days shall be reckoned from the later of the date of identifying the remitter details, based on the credit provided by the Bank or receipt and time stamping of application/ online transaction.</p> <p>In the event of delay beyond 5 business days, the AMC in line with AMFI best practice guidelines on the matter, will pay interest at 15% per annum or such other rate of interest as may be prescribed from time to time.</p>
<p>Who can invest  This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.</p>	<p>The following persons (subject to, wherever relevant, purchase of unit of mutual funds, being permitted under respective constitutions, and relevant statutory regulations) are eligible and may apply for Subscription to the Unit of the Scheme:</p> <ol style="list-style-type: none"> <li>1. Resident adult individuals either singly or jointly (not exceeding three) or on an Anyone or Survivor basis;</li> <li>2. Hindu Undivided Family (HUF) through Karta;</li> <li>3. Minor (as the first and the sole holder only) through a natural guardian (i.e. father or mother, as the case may be) or a court appointed legal guardian. There shall not be any joint holding with minor investments;</li> <li>4. Partnership Firms;</li> <li>5. Limited Liability Partnerships;</li> <li>6. Proprietorship in the name of the sole proprietor;</li> <li>7. Companies, Bodies Corporate, Public Sector Undertakings (PSUs), Association of Persons (AOP) or Bodies of Individuals (BOI) and societies registered under the</li> </ol>

	<p>Societies Registration Act, 1860 (so long as the purchase of Unit is permitted under the respective constitutions;</p> <ol style="list-style-type: none"> <li>8. Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions;</li> <li>9. Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as "Public Securities" as required) and Private trusts authorised to invest in mutual fund schemes under their trust deeds;</li> <li>10. Non-Resident Indians (NRIs) / Persons of Indian origin (PIOs) / Overseas Citizen of India (OCI) residing abroad on repatriation basis or on non-repatriation basis;</li> <li>11. Foreign Portfolio Investor (FPI) registered with SEBI on repatriation basis. These investments shall be subject to the conditions prescribed by SEBI, RBI, Income Tax authorities and the AMC, from time to time;</li> <li>12. Army, Air Force, Navy and other para-military units and bodies created by such institutions;</li> <li>13. Scientific and Industrial Research Organisations;</li> <li>14. Multilateral Funding Agencies / Bodies Corporate incorporated outside India with the permission of Government of India / RBI;</li> <li>15. Provident/ Pension/ Gratuity Fund to the extent they are permitted; Other schemes of Axis Mutual Fund or any other mutual fund subject to the conditions and limits prescribed by SEBI Regulations;</li> <li>16. Schemes of Alternative Investment Funds;</li> <li>17. Trustee, AMC or Sponsor or their associates may subscribe to Units under the Scheme(s);</li> <li>18. Such other person as maybe decided by the AMC from time to time.</li> </ol> <p>Subject to SEBI (Mutual Funds) Regulations, 1996, any application for subscription of units may be accepted or rejected in the sole and absolute discretion of the AMC/ Trustee company. The AMC/ Trustee company may also reject any application for subscription of units if the application is invalid, incomplete, or if the AMC/ Trustee company for any other reason does not believe that it would be in the interest of the scheme or its unitholders to accept such an application.</p>
<p>Who cannot invest</p>	<ol style="list-style-type: none"> <li>1. Any individual who is a foreign national or any other entity that is not an Indian resident under the Foreign Exchange Management Act, 1999 (FEMA Act) except where registered with SEBI as a FPI or otherwise explicitly permitted under FEMA Act/ by RBI/ by any other applicable authority.</li> <li>2. Pursuant to RBI A.P. (DIR Series) circular no. 14 dated September 16, 2003, Overseas Corporate Bodies (OCBs) cannot invest in Mutual Funds.</li> <li>3. NRIs residing in Non-Compliant Countries and Territories (NCCTs) as determined by the Financial Action Task Force (FATF), from time to time.</li> <li>4. U.S. Persons and Residents of Canada as defined under the applicable laws of U.S. and Canada except the following:             <ol style="list-style-type: none"> <li>a. subscriptions received by way of lump sum / switches / systematic transactions received from Non-resident Indians (NRIs) /Persons of Indian origin (PIO) / Overseas Citizen of India (OCI) who at the time of such investment, are present in India and</li> <li>b. FPIs</li> </ol> </li> <li>5. Such other persons as may be specified by AMC from time to time.</li> </ol> <p>These investors need to submit a physical transaction request along with such documents as may be prescribed by the AMC/ the Trustee/ the Fund from time to time.</p> <p>The AMC reserves the right to put the transaction requests on hold/reject the transaction request/reverse allotted units, as the case may be, as and when identified by the AMC, which are not in compliance with the terms and conditions notified in this regard.</p> <p>The Trustee / the AMC /the Fund reserve the right to change/ modify the above</p>

	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.)	<p>Investors can undertake transactions in the Schemes of Axis Mutual Fund either through physical, online / electronic mode or any other mode as may be prescribed from time to time.</p> <p><b>Physical Transactions</b></p> <p>For making application for subscription / redemption / switches, application form and Key Information Memorandum may be obtained from / submitted to the Official Points of Acceptance (OPAs) of AMC or downloaded from the website of AMC viz. <a href="http://www.axismf.com">www.axismf.com</a>.</p> <p><b>Online / Electronic Transactions</b></p> <p>Investors can undertake transactions via electronic mode through various online facilities offered by Axis AMC / other platforms specified by AMC from time to time.</p> <p>For name, address and contact no. of Registrar and Transfer Agent (R&amp;T), email id of R&amp;T, website address of R&amp;T, official points of acceptance, collecting banker details etc. refer back cover page.</p> <p>Please note it is mandatory for unitholders to mention their bank account numbers in their applications/requests for redemption.</p> <p><b>Please refer to the SAI and Application form for the instructions.</b></p>
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.
Restrictions, if any, on the right to freely retain or dispose of units being offered.	<p><b>Pledge of Units</b></p> <p>The Unit under the Scheme may be offered as security by way of a pledge / charge in favour of scheduled banks, financial institutions, non-banking finance companies (NBFCs), or any other body. 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 body concerned and the Mutual Fund assumes no responsibility thereof.</p> <p>The Pledger will not be able to redeem Units that are pledged until the entity to which the Units are pledged provides written realization to the Mutual Fund that the pledge / lien charge may be removed. As long as Units are pledged, the Pledgee will have complete authority to redeem such Units. IDCW declared on Units under lien will be paid / re-invested to the credit of the Unit Holder and not the lien holder unless specified otherwise in the lien letter.</p> <p><b>Lien on Units</b></p> <p>On an ongoing basis, when existing and new Investors make Subscriptions, a lien on Units allotted will be created and such unit shall not be available for redemption until the payment proceeds are realized by the Scheme. In case a unit holder redeems</p>



	<p>units soon after making purchases, the redemption cheque will not be dispatched until sufficient time has elapsed to provide reasonable assurance that cheques or drafts for Units purchased have been cleared.</p> <p>In case the cheque / draft is dishonoured by the bank, the transaction shall be reversed and the Units allotted earlier shall be cancelled, and a fresh Account Statement / Confirmation slip shall be dispatched to the Unit holder. For NRIs, the Scheme may mark a lien on Units in case documents which need to be submitted are not given in addition to the application form and before the submission of the redemption request. However, the AMC reserves the right to change operational guidelines for lien on Units from time to time.</p> <p><b>Suspension/Restriction on Redemption of Units of the Scheme</b>  Subject to the approval of the Boards of the AMC and of the Trustee and subject also to necessary communication of the same to SEBI, the redemption of / switch-out of Units of Scheme, may be temporarily suspended/ restricted. In accordance with Para 1.12 of Master Circular for Mutual Funds and subject to prevailing regulations, restriction on/suspension of redemptions / switch-out of Units of the Scheme, may be imposed when there are circumstances leading to systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as:</p> <ol style="list-style-type: none"> <li><b>Liquidity issues:</b> when market at large becomes illiquid affecting almost all securities rather than any issuer specific security;</li> <li><b>Market failures, exchange closures:</b> when markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies;</li> <li><b>Operational issues:</b> when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out).</li> </ol> <p>Restriction on / suspension of redemption of Units of the Scheme may be imposed for a specified period of time not exceeding 10 working days in any 90 days period.</p> <p>When restriction on / suspension of redemption of Units of the Scheme is imposed, the following procedure shall be applied</p> <ol style="list-style-type: none"> <li>No redemption / switch-out requests upto Rs. 2 lakhs shall be subject to such restriction.</li> <li>Where redemption / switch-out requests are above Rs. 2 lakhs, the AMC shall redeem the first Rs. 2 lakhs without such restriction and remaining part over and above Rs. 2 lakhs shall be subject to such restriction.</li> </ol> <p>In addition to the above, the AMC / Trustee may restrict / suspend redemptions / switch-out of Units of the Scheme pursuant to direction/ approval of SEBI. In case of any of the above eventualities, the general time limits for processing requests for redemption of Units will not be applicable.</p> <p>Also refer to the paragraph 'Suspension of Purchase and Redemption of Units' in the Statement of Additional Information.</p>
<p>Cut off timing for subscriptions/ redemptions/ switches</p> <p>This is the time before which your application (complete in all</p>	<p><b>Subscriptions/Purchases including Switch - ins:</b></p> <p>The following cut-off timings shall be observed by the Mutual Fund in respect of purchase of units of the Scheme and the following NAVs shall be applied for such purchase:</p> <ol style="list-style-type: none"> <li>where the application is received upto 3.00 pm on a Business day and funds are available for utilization before the cut-off time – the closing NAV of the Business day shall be applicable;</li> </ol>

<p>respects) should reach the official points of acceptance.</p>	<p>2. where the application is received after 3.00 pm on a Business day and funds are available for utilization on the same day or before the cut-off time of the next Business Day - the closing NAV of the next Business Day shall be applicable;</p> <p>3. irrespective of the time of receipt of application, where the funds are not available for utilization before the cut-off time - the closing NAV of Business day on which the funds are available for utilization shall be applicable.</p> <p>For determining the applicable NAV for allotment of units in respect of purchase / switch in the Scheme, it shall be ensured that:</p> <ol style="list-style-type: none"> <li>Application is received before the applicable cut-off time</li> <li>Funds for the entire amount of subscription/purchase as per the application are credited to the bank account of the Scheme before the cutoff time.</li> <li>The funds are available for utilization before the cut-off time.</li> </ol> <p>The aforesaid provisions shall also be applicable to systematic transactions like Systematic Investment Plan, Systematic Transfer Plan, etc offered by scheme(s).</p> <p><b>Redemptions including Switch - outs:</b></p> <p>The following cut-off timings shall be observed by the Mutual Fund in respect of Repurchase of units:</p> <ol style="list-style-type: none"> <li>where the application received upto 3.00 pm – closing NAV of the day of receipt of application; and</li> <li>an application received after 3.00 pm – closing NAV of the next Business Day.</li> </ol> <p>The above mentioned cut off timing shall also be applicable to transactions through the online trading platform.</p> <p>In case of Transaction through Stock Exchange Infrastructure, the Date of Acceptance will be reckoned as per the date &amp; time; the transaction is entered in stock exchange's infrastructure for which a system generated confirmation slip will be issued to the investor.</p>
<p>Ongoing price for subscription (purchase)/switch-in (from other schemes/plans of the mutual fund) by investors.</p> <p>This is the price you need to pay for purchase/switch-in.</p>	<p>At the Applicable NAV</p> <p>Para 10.4 of SEBI Master Circular for Mutual Funds has decided that there shall be no entry Load for all Mutual Fund Schemes. Hence, no entry load is levied for subscription transactions by the Scheme.</p> <p>Methodology of calculating subscription price:  Subscription Price = Applicable NAV*(1+Entry Load, if any)  Example: If the Applicable NAV is Rs. 10, Entry Load is NIL then the subscription price will be:  = Rs. 10* (1+NIL)  = Rs. 10</p>
<p>Ongoing price for redemption (sale) /switch outs (to other schemes/plans of the Mutual Fund) by investors.</p> <p>This is the price you will receive for redemptions/swit</p>	<p>At the Applicable NAV subject to prevailing Exit Load.</p> <p>Ongoing price for redemption /Switch out (to other Schemes/Plans of the Mutual Fund) is price which a Unit holder will receive for redemption/Switch-outs. During the continuous offer of the Scheme, the Unit holder can redeem the Units at Applicable NAV, subject to payment of Exit Load, if any.</p> <p>Methodology of calculating repurchase price:  Redemption Price = Applicable NAV*(1-Exit Load, if any)  Example: If the Applicable NAV is Rs. 10, Exit Load is 2% then redemption price will be:  = Rs. 10* (1-0.02)</p>

ch outs.	<p>= Rs. 9.80</p> <p>Investors/Unit holders should note that the AMC/Trustee has right to modify existing Load structure and to introduce Loads subject to a maximum limits prescribed under the SEBI Regulations.</p> <p>Any change in Load structure will be effective on prospective basis and will not affect the existing Unit holder in any manner.</p> <p>However, the Mutual Fund will ensure that the Redemption Price will not be lower than 95% of the Applicable NAV. The Purchase Price shall be at applicable NAV.</p>
Minimum amount for purchase / redemption / switches	<p><b>Refer Section I – Part I for Minimum amount for purchase/redemption/switches.</b></p> <p><b>Minimum Redemption Amount/Switch Out</b></p> <p>There will be no minimum redemption criterion. The Redemption / Switch-out would be permitted to the extent of credit balance in the Unit holder's account of the Plan(s) / Option(s) of the Scheme (subject to completion of Lock-in period or release of pledge / lien or other encumbrances). The Redemption / Switch-out request can be made by specifying the rupee amount or by specifying the number of Units of the respective Plan(s) / Option(s) to be redeemed. In case a Redemption / Switch-out request received is for both, a specified rupee amount and a specified number of Units of the respective Plan(s)/ Option(s), the specified number of Units will be considered the definitive request.</p> <p>In case of Units held in dematerialized mode, the Unit Holder can give a request for Redemption only in number of Units which can be fractional units also. Depository participants of registered Depositories can process only redemption request of units held in demat mode.</p> <p>The AMC/ Trustee reserves the right to change/ modify the terms of minimum redemption amount/switch-out.</p>
Accounts Statements	<p>The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form).</p> <p>A Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds (including transaction charges paid to the distributor) and holding at the end of the month shall be sent to the Unit holders in whose folio(s) transaction(s) have taken place during the month by mail or email on or before 15th of the succeeding month.</p> <p>Half-yearly CAS shall be issued at the end of every six months (i.e. September/ March) on or before 21st day of succeeding month, to all investors providing the prescribed details across all schemes of mutual funds and securities held in dematerialized form across demat accounts, if applicable</p> <p>For further details, refer SAL.</p>
IDCW	<p>The payment of IDCW to the unitholders shall be made within seven working days from the record date.</p> <p>The AMC shall be liable to pay interest to the Unit holders at 15% p.a. or such other rate as may be prescribed by SEBI from time to time, in the event of failure of despatch of dividend payments within the stipulated time period calculated from the record date</p>
Redemption	<p>The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase.</p>

	<p>For list of exceptional circumstances refer para 14.1.3 of SEBI Master Circular for Mutual Funds.</p> <p>For detailed procedure on how to redeem, kindly refer SAI.</p>
Bank Mandate	It is mandatory for investors to mention bank account details on the form. 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 / dividend	<p>The Asset Management Company shall be liable to pay interest to the unitholders at rate as specified vide para 14.2 of SEBI Master Circular for Mutual Funds by SEBI for the period of such delay.</p> <p>The AMC shall pay interest to the Unit holders at 15% or such other rate as may be prescribed by SEBI from time to time, in case the Redemption / Repurchase proceeds are not made within three (3) working Days of the date of Redemption / Repurchase.</p> <p>However, the AMC will not be liable to pay any interest or compensation or any amount otherwise, in case the AMC / Trustee is required to obtain from the Investor / Unit holders verification of identity or such other details relating to Subscription for Units under any applicable law or as may be requested by a Regulatory Agency or any government authority, which may result in delay in processing the application.</p>
Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount	<p>As per para 14.3 of master circular for mutual fund issued by SEBI, the unclaimed Redemption and IDCW amounts shall be deployed by the Fund in money market instruments only. The unclaimed Redemption and dividend amounts shall be deployed in money market instruments and such other instruments/securities as maybe permitted from time to time. The investment management fee charged by the AMC for managing such unclaimed amounts shall not exceed 50 basis points. The circular also specifies that investors who claim these amounts during a period of three years from the due date shall be paid at the prevailing NAV. Thus, after a period of three years, this amount can be transferred to a pool account and the investors can claim the said amounts at the NAV prevailing at the end of the third year. In terms of the circular, the onus is on the AMC to make a continuous effort to remind investors through letters to take their unclaimed amounts. The details of such unclaimed amounts shall be disclosed in the annual report sent to the Unit Holders.</p> <p>Further, according to para 14.3 of Master Circular for mutual fund as amended from time to time the unclaimed Redemption and IDCW amounts may be deployed in separate plan of Overnight scheme/ Liquid scheme/Money market mutual fund scheme floated by Mutual Funds specifically for deployment of the unclaimed Redemption and IDCW amounts.</p>

<p>Disclosure investment minors w.r.t by</p>	<p>Following is the process for investments made in the name of a Minor through a Guardian: -</p> <ul style="list-style-type: none"> <li>• Payment for investment by means of Cheque, Demand Draft or any other mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian.</li> <li>• Mutual Fund will send an intimation to Unit holders advising the minor (on attaining majority) to submit an application form along with prescribed documents to change the status of the account from 'minor' to 'major'.</li> <li>• All transactions / standing instructions / systematic transactions etc. will be suspended i.e. the Folio will be frozen for operation by the guardian from the date of beneficiary child completing 18 years of age, till the status of the minor is changed to major. Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new bank account.</li> <li>• No investments (lumpsum/SIP/ switch in/ STP in etc.) in the scheme would be allowed once the minor attains majority i.e. 18 years of age</li> </ul>
<p>Tracking Error &amp; Tracking Difference</p>	<p><b>Tracking Error Risk</b></p> <p>The Fund Manager would not be able to invest the entire corpus exactly in the same proportion as in the underlying index due to certain factors such as delay in purchase or non-availability of underlying securities forming part of the index, the fees and expenses of the Scheme, corporate actions, cash balance, changes to the underlying index and regulatory restrictions, which may result in Tracking Error with the underlying index of the Scheme. The Scheme's returns may therefore deviate from its underlying index. "Tracking Error" is defined as the standard deviation of the difference between daily returns of the underlying index and the NAV of the Scheme. The Fund Manager would monitor the Tracking Error of the Scheme on an ongoing basis and would seek to minimize the Tracking Error to the maximum extent possible. Tracking Error may arise due to the following reasons:</p> <ol style="list-style-type: none"> <li>1. Delay in purchase or non-availability of underlying securities forming part of the index.</li> <li>2. Delay in liquidation of securities which have been removed by the Index.</li> <li>3. Difference in valuation of underlying securities by the Index Provider and AMC's valuation providers.</li> <li>4. Expenditure incurred by the Fund.</li> <li>5. Available funds may not be invested at all times as the Scheme may keep a portion of the funds in cash to meet Redemptions, or corporate actions or otherwise.</li> <li>6. Securities trading may halt temporarily due to circuit filters.</li> <li>7. Corporate actions such as debenture or warrant conversion, rights issuances, mergers, change in constituents etc.</li> <li>8. Rounding-off of the quantity of securities/shares in the underlying index.</li> <li>9. Interest payout.</li> <li>10. Index providers undertake a periodical review of the securities/scrips that comprise the underlying index and may either drop or include new securities/scrips.</li> </ol> <p>In such an event, the Fund will try to reallocate its portfolio but the available investment/ reinvestment opportunity may not permit absolute mirroring immediately. SEBI Regulations (if any) may impose restrictions on the investment and/or divestment activities of the Scheme. Such restrictions are typically outside the control of the AMC and may cause or exacerbate the Tracking Error.</p>

	<p><b><u>Tracking difference:</u></b></p> <p>i. Tracking difference i.e. the annualized difference of daily returns between the index and the NAV of the Scheme shall be disclosed on the website of the AMC and AMFI, on a monthly basis, for tenures 1 year, 3 years, 5 years, 10 years and since the date of allotment of units.</p> <p>ii. For the Scheme the annualized tracking difference averaged over one-year period shall not exceed 1.25%. In case the average annualized tracking difference over one-year period for the Scheme is higher than 1.25%, the same shall be brought to the notice of trustees with corrective actions taken by the AMC, if any.</p>
Tenure/Duration of the Scheme	<p>Axis CRISIL-IBX AAA NBFC Index – Jun 2027 Fund is an open-ended Target Maturity index fund investing in constituents of CRISIL-IBX AAA NBFC Index – Jun 2027. A moderate interest rate risk and relatively low credit risk.</p> <p>As a function of the underlying investments of the Scheme, the maturity of the Scheme will follow the maturity profile of the underlying Index. In line with maturity profile of the underlying Index, the maturity of the Scheme is expected to be June 30, 2027. Any modification to this date will be conveyed to investors through a notice. If the maturity / payout date falls on a non-business day, the maturity / payout date shall be the next business day.</p> <p>The Unit holders holding units in demat mode, whose name(s) appear on the list of beneficial owners as per the Depositories (NSDL/CDSL) on Record Date shall be entitled to receive redemption proceeds of Units. Record date will be two Business Days prior to the date for redemption of Units on Maturity Date. No separate notice will be issued by the AMC informing about Maturity Record Date. However, the Fund reserves the right to change the record date for maturity by issue of suitable notice.</p>
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**

<p>Fortnightly, Monthly and Half yearly Disclosures: Portfolio / Financial Results</p> <p>This is a list of securities where the corpus of the</p>	<p>The AMC will disclose the portfolio of the Scheme (alongwith ISIN) on fortnightly, Monthly and half year on the website of the Mutual Fund and AMFI within 5 days of every fortnight, 10 days from the close of each month and 10 days from the close of each half year (i.e. 31st March and 30th September) respectively in a user-friendly and downloadable spreadsheet format. Further, AMC shall publish an advertisement in an all India edition of one national English daily newspaper and one Hindi newspaper, every half year, disclosing the hosting of the half-yearly statement of its schemes' portfolio on the website of the Mutual Fund and AMFI and the modes through which unitholder(s) can submit a request for a physical or</p>
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<p>scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.</p>	<p>electronic copy of the statement of scheme portfolio.</p> <p>The AMC will also provide a dashboard, in a comparable, downloadable (spreadsheet) and machine readable format, providing performance and key disclosures like Scheme's AUM, investment objective, expense ratios, portfolio details, scheme's past performance etc. on website.</p> <p>For details, please refer our website: <a href="https://www.axismf.com/statutory-disclosures">https://www.axismf.com/statutory-disclosures</a></p>
<p>Half Yearly Results</p>	<p>The Mutual Fund shall within one month from the close of each half year, that is on 31st March and on 30th September, host a soft copy of its unaudited financial results on the website of the AMC and AMFI.</p> <p>The mutual fund shall publish an advertisement disclosing the hosting of such financial results on their website, in atleast one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the Mutual Fund is situated.</p> <p>The unaudited financial results will also be displayed on the website of the AMC and AMFI.</p> <p>For details, please refer our website: <a href="https://www.axismf.com/statutory-disclosures">https://www.axismf.com/statutory-disclosures</a></p>
<p>Annual Report</p>	<p>The Scheme annual report or an abridged summary thereof shall be mailed (emailed, where e mail id is provided unless otherwise required)) to all Unit holders not later than four months (or such other period as may be specified by SEBI from time to time) from the date of closure of the relevant accounting year (i.e. 31st March each year) and full annual report shall be available for inspection at the Head Office of the Mutual Fund and a copy shall be made available to the Unit holders on request on payment of nominal fees, if any. Scheme wise annual report shall also be displayed on the website of the Mutual Fund (<a href="http://www.axismf.com">www.axismf.com</a>) and on the website of Association of Mutual Funds in India (<a href="http://www.amfiindia.com">www.amfiindia.com</a>).</p> <p>Unitholders whose email addresses are not registered with the Mutual Fund may 'opt-in' to receive a physical copy of the annual report or an abridged summary thereof.</p> <p>Further, AMC shall provide a physical copy of the abridged summary of the Annual Report, without charging any cost, on a specific request received from a unitholder.</p> <p>AMC shall also publish an advertisement every year, in an all India edition of one national English daily newspaper and in one Hindi newspaper, disclosing the hosting of the scheme wise annual report on the website of the Mutual Fund and AMFI and the modes through which a unitholder can submit a request for a physical or electronic copy of the annual report or abridged summary thereof.</p> <p>For details, please refer our website: <a href="https://www.axismf.com/statutory-disclosures">https://www.axismf.com/statutory-disclosures</a></p>
<p>Risk-o-meter</p>	<p>The AMC shall review Risk-o-meters on a monthly basis based on evaluation of risk level of Scheme's month end portfolio. Changes in Risk-o-meter, if any, shall be communicated by way of Notice cum Addendum. Investors may also refer to the website/portfolio disclosure for the latest Risk-o-meter of the Scheme.</p>
<p>Scheme Summary Document</p>	<p>The AMC has provided on its website Scheme summary document which is a standalone scheme document for all the Schemes which contains all the details of the Scheme viz. Scheme features, Fund Manager details, investment details, investment objective, expense ratios, portfolio details, etc.</p> <p>For details, please refer our website: <a href="https://www.axismf.com/statutory-disclosures">https://www.axismf.com/statutory-disclosures</a></p>

<p>"Tracking Error &amp; Tracking Difference"</p>	<p><b>Tracking error -</b> Tracking Error is defined as the standard deviation of the difference between daily returns of the underlying index and the NAV of the Scheme.</p> <p><b>Tracking difference -</b> Tracking difference i.e. the annualized difference of daily returns between the index and the NAV of the Scheme shall be disclosed on the website of the AMC and AMFI, on a monthly basis, for tenures 1 year, 3 years, 5 years, 10 years and since the date of allotment of units.</p> <p>The annualized tracking difference averaged over one year period shall not exceed 1.25%. In case the average annualized tracking difference over one year period for the Scheme is higher than 1.25%, the same shall be brought to the notice of trustees with corrective actions taken by the AMC, if any.</p>
<p>Disclosure of Potential Risk Class (PRC) Matrix</p>	<p>Pursuant to the provisions of Para 17.5 of SEBI Master Circular for Mutual Funds, all debt schemes are required to be classified in terms of a Potential Risk Class matrix consisting of parameters based on maximum interest rate risk (measured by Macaulay Duration (MD) of the scheme) and maximum credit risk (measured by Credit Risk Value (CRV) of the scheme). Mutual Funds are required to disclose the PRC matrix (i.e. maximum risk that a fund manager can take in a Scheme) along with the mark for the cell in which the Scheme resides on the front page of initial offering application form, SID, KIM, common application form and scheme advertisements in the manner as prescribed in the said circular. The scheme would have the flexibility to take interest rate risk and credit risk below the maximum risk as stated in the PRC matrix. Subsequently, once a PRC cell selection is done by the Scheme, any change in the positioning of the Scheme into a cell resulting in a risk (in terms of credit risk or duration risk) which is higher than the maximum risk specified for the chosen PRC cell, shall be considered as a fundamental attribute change of the Scheme in terms of Regulation 18(15A) of SEBI (Mutual Fund) Regulations, 1996.</p> <p>The Mutual Funds shall be required to inform the unitholders about the PRC classification and subsequent changes, if any, through SMS and by providing a link on their website referring to the said change.</p> <p>The Mutual Fund/ AMC shall also publish the PRC Matrix in the scheme wise Annual Reports and Abridged summary.</p> <p>Further as stated in Para 3.5 of SEBI Master Circular for Mutual Funds the positioning of the Index Fund in the Potential Risk Class (PRC) matrix shall be in the same cell as that of positioning of the index in the PRC matrix.</p>
<p>Disclosure of Tracking Error and Tracking Difference</p>	<p>Tracking Error - The tracking error based on past one year rolling data, on a daily basis shall be disclosed on the website of AMC (<a href="http://www.axismf.com">www.axismf.com</a>) and of the Association of Mutual Funds in India - AMFI (<a href="http://www.amfiindia.com">www.amfiindia.com</a>).</p> <p>Tracking Difference - the Scheme shall also disclose the tracking difference i.e. the annualized difference of daily returns between the underlying Index and the NAV of the Index Fund shall also be disclosed on the website of the AMC and AMFI, on a monthly basis, for tenures 1 year, 3 year, 5 year, 10 year and since the date of allotment of units.</p>
<p>Disclosure Norms as per para 3.6.8 SEBI Master Circular for mutual funds</p>	<p>The Index Fund shall disclose the following on monthly basis:</p> <ol style="list-style-type: none"> <li>I. Name and exposure to top 7 issuers and stocks respectively as a percentage of NAV of the scheme</li> <li>II. Name and exposure to top 7 groups as a percentage of NAV of the scheme.</li> <li>III. Name and exposure to top 4 sectors as a percentage of NAV of the scheme.</li> </ol> <p>Change in constituents of the index, if any, shall be disclosed on the AMC website i.e. <a href="https://www.axismf.com/statutory-disclosures">https://www.axismf.com/statutory-disclosures</a> on the day of change.</p>
<p>Any disclosure in terms of</p>	<p>NIL</p>



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### C. Transparency/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. Subsequently, the NAVs will be calculated and disclosed on all the Business Days. The AMC shall update the NAVs on the website Association of Mutual Funds in India - AMFI ([www.amfiindia.com](http://www.amfiindia.com)) before 11.00 p.m. on every Business Day and shall also update the NAVs on the website of AMC ([www.axismf.com](http://www.axismf.com)) for a given business day.

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

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

### D. Transaction charges and stamp duty-

**Transaction Charges:** Not Applicable

#### Stamp Duty:

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

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

For further details on Stamp Duty, please refer SAI.

### E. Associate Transactions

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

### F. Taxation

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

<b>Rates applicable for the FY 24-25.</b> The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or	<b>Particulars</b>	<b>Taxability in the hands of Individuals / Non-corporates / Corporates</b>	
		<b>Resident</b>	<b>Non-Resident</b>
	<b>Tax on distributed income (dividend income)</b>	Taxed in the hands of unitholders at applicable rate under the provisions of the Income-tax Act, 1961 (Act)	Taxed in the hands of unitholders at the rate of 20% u/s 115A/ 115AD of the Act (plus applicable surcharge and health and education cess)

her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.	Capital Gains on Specified Mutual Funds irrespective of period of holding (Refer Note 2)	Will be taxed at the applicable rates depending upon the slab of each individual  (plus applicable surcharge and health and education cess)	Will be taxed at the applicable rates depending upon the slab of each individual  (plus applicable surcharge and health and education cess)

**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. Explanation (ii) to Section 50AA of the Act has defined the terms 'specified mutual fund' to mean a mutual fund scheme where not more than thirty-five per cent of its total proceeds is invested in the equity shares of domestic companies.
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 50,000 plus 15% of the amount by which

Rs 10,00,000 but is less than or equal to Rs 12,00,000	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:

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

\*Surcharge rate shall not exceed 25% in case of individual and HUF opting for new tax regime under section 115BAC of the Act.

5. Surcharge rates for Companies

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

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

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

6. Health and Education cess @ 4% on aggregate of base tax and surcharge.
7. Withholding of Taxation by Mutual Fund will be as per applicable withholding tax rate.
8. All the above non-resident investors may also claim the tax treaty benefits available, if any.

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

**G. Rights of Unitholders**

- Please refer to SAI for details.

**H. List of official points of acceptance**

: For Details of official points of acceptance, please refer our website: <https://www.axismf.com/statutory-disclosures>

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

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

The Scheme under this Scheme Information Document was approved by the Trustee Company vide circular resolution dated August 13, 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.

**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: September 09, 2024**

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

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

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