SCHEME INFORMATION DOCUMENT SO - 1

Axis Nifty Midcap 150 ETF

(An open-ended scheme replicating/ tracking Nifty Midcap 150 Index.)

BSE Symbol: _____

NSE Scrip Code: _____

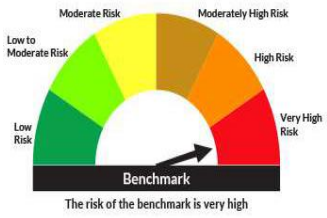
Name of Mutual Fund	:	Axis Mutual Fund
Name of Asset Management Company	:	Axis Asset Management Company Ltd.
Address of AMC	:	One Lodha Place, 22nd & 23rd Floor, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra, Pin code - 400013
Website of AMC	:	www.axismf.com
Name of Trustee Company	:	Axis Mutual Fund Trustee Ltd.
Address of Trustee Company	:	One Lodha Place, 22nd & 23rd Floor, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra, Pin code – 400013.
Name of the Scheme	:	**Axis Nifty Midcap 150 ETF**
Category of Scheme	:	ETF
Scheme Code	:	_____ SO - 7
NFO open date	:	_____
NFO close date	:	_____

(Any modification to the New Fund Offer Period shall be announced by way of an Addendum uploaded on website of the AMC) SO - 34

Note: The AMC may contribute the initial fund for unit creation without launching an NFO. Subsequently, the AMC may transfer the units of the Scheme to Market Makers or other investors, subject to compliance with all applicable provisions for launch of ETFs.

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

On allotment, value of each unit will be approximately equal to 1/1000th of the value of underlying index.

Investment objective	**Scheme Risk-o-meter**	**Benchmark Risk-o-meter**
Axis Nifty Midcap 150 ETF To provide returns before expenses that correspond to the performance of Nifty Midcap 150 TRI subject to tracking error/tracking difference. SO - 5 There is no assurance that the investment objective of the scheme will be achieved.	SO - 3  The risk of the scheme is very high	 The risk of the benchmark is very high Nifty Midcap 150 TRI

(The risk-o-meter 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)

**The scheme is proposed to be listed on _____. Post listing of the scheme on the stock exchange NSE Scrip Code/BSE Symbol shall be updated.

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

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 2026, (herein after referred to as SEBI (MF) Regulations) as amended till date and circulars issued thereunder filed with SEBI. 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.

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 should be read in conjunction with the SAI and not in isolation.

This Scheme Information Document is dated ____.

DISCLAIMER:

NSE Disclaimer:

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

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

NSE Indices Limited Disclaimer:

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

BSE DISCLAIMER:

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

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

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

HIGHLIGHTS/SUMMARY OF THE SCHEME

Sr. No.	Title	Description
I.	Benchmark (TRI)	Nifty Midcap 150 TRI **Justifications of Benchmark:** The scheme aims to provide returns before expenses that closely correspond to the Nifty Midcap 150 TRI subject to tracking errors. Hence, the benchmark. The Trustee/AMC reserves the right to change the benchmark for the evaluation of the performance of the Scheme from time to time, keeping in mind the investment objective of the Scheme and the appropriateness of the benchmark, subject to SEBI guidelines and other prevalent guidelines. **Tier 2 Benchmark:** Not Applicable.
II.	Plans and Options Plans/Options and sub options under the Scheme	None
III.	Load Structure	**Entry Load:** Not Applicable In accordance with para 11.7.1. of SEBI Master Circular on Mutual Funds as amended from time to time, there shall be no entry load. **Exit Load:** Nil. SO - 48 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 sent via email to all the distributors / brokers/ISCs, so that the same can be provided along with Scheme Information Document and Key Information Memorandum till it is updated. 3. Latest applicable addendum shall be a part of KIM and SID of the respective Scheme(s). 4. The digital copies of SID shall have a functional website link to the respective addendums to the SID issued after the last update of SID. 5. Further, the account statements shall continue to include applicable load structure. The Trustee/AMC reserves the right to change the load structure subject to the limits prescribed under the Regulations. Any change in load structure shall be only on a prospective basis i.e. any such changes would be chargeable only for Redemptions from prospective purchases

		(applying first in first out basis). Exit load charged to the investors will be credited back to the Scheme net of GST. Investors are requested to check the prevailing load structure of the Scheme before investing. SO - 48 The exit load of an open-ended mutual fund scheme shall not exceed 3% of the Net Asset Value of the scheme.
IV.	Minimum Application Amount/switch in	**1. During NFO period -** Rs. 5000/- and in multiples of Rs. 10/- thereof. Note: While allotting the Units, based on the Allotment Price, the number of Units may be rounded off to the nearest whole number on the lower side if the trustees feel so, with a view to avoid creation of fractional units. The amount due to rounding off may be refunded to the investor. **Note: The AMC may contribute the initial fund for unit creation without launching an NFO. Subsequently, the AMC may transfer the units of the Scheme to Market Makers or other investors, subject to compliance with all applicable provisions for launch of ETFs.** **2. On Continuous basis –** **Subscription / Redemption of Units directly with Mutual Fund:** Authorised Participants/ Market Makers and Large Investors can directly purchase / redeem in multiples of Creation Unit Size on any business day. Large Investors can directly purchase / redeem in Creation Unit Size subject to the value of transaction is above a specified threshold (of Rs. 25 Crores) or such other threshold as prescribed by SEBI from time to time. **Purchase / Sale of Units on Stock Exchange:** There is no minimum investment, although Units are purchased /sold in round lots of 1 Unit on stock exchange.
V.	Minimum Additional Purchase Amount	Not Applicable
VI.	Minimum Redemption/ switch out amount	Kindly Refer point No. IV.
VII.	Tracking Error	The tracking error i.e. the annualised standard deviation of the difference in daily returns between underlying Index and the NAV of the Scheme based on past one year rolling over data (For the Scheme in existence for a period of less than one year, annualized standard deviation shall be calculated based on available data) shall not exceed 2% or as may be prescribed by regulations from time to time.

<table>
<tr><td></td><td></td><td>Tracking Error as on: ____
The Scheme being a new scheme, this is not currently applicable.</td></tr>
<tr><td>VIII.</td><td>Tracking Difference</td><td>Tracking Difference shall be targeted to be 50 bps (over and above actual TER charged). In case the same is not maintained, it shall be brought to the notice of trustees along with corrective actions taken by the AMC, if any.

Tracking Difference as on: ____
The Scheme being a new scheme, this is not currently applicable.</td></tr>
<tr><td>IX.</td><td>Computation of NAV</td><td>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 VII 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: -

NAV (Rs.) = (Market or Fair Value of Scheme's Investments + Current Assets including Accrued Income - Current Liabilities and Provisions) / 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 Plan/Option.

The NAVs will be calculated and disclosed on all the Business Days.</td></tr>
<tr><td>X.</td><td>Asset Allocation</td><td>This scheme tracks Nifty Midcap 150 TRI.

95% allocation is to the constituents of index and 5% to Money Market Instruments and units of debt & liquid mutual fund schemes.

Under normal circumstances, the asset allocation pattern will be:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocation
(% of total assets)</th></tr>
<tr><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Securities covered under Nifty Midcap 150 Index*</td><td>95</td><td>100</td></tr>
<tr><td>Money Market Instruments^ and units of debt & liquid mutual fund schemes</td><td>0</td><td>5</td></tr>
</table>
</td></tr>
</table>

		*The net assets of the scheme will be invested in stocks constituting the Nifty Midcap 150 Index. This would be done by investing in all the stocks comprising the underlying index in the same weightage that they represent in the said index. ^Residual portion of upto 5% of the net assets of the Scheme are provided for liquidity purposes. For liquidity purposes, the Scheme would invest in 'liquid assets' as per clause 5.6.1 of SEBI Master Circular of Mutual funds as amended from time to time. SO – 13 and 21 The Scheme may take an exposure to equity derivatives of constituents of the underlying index upto 20% of the Net assets of the Scheme. Investment in equity derivatives of underlying securities forming part of the index shall be undertaken in case the underlying security is not available for purchase, in sufficient or for rebalancing in cases of events such as corporate action, etc. Such investment in derivatives shall be for short term and defensive considerations. The Scheme may use derivatives for such purposes as may be permitted by the Regulations, based on the opportunities available and subject to guidelines issued by SEBI from time to time. Pending deployment and/or in cases of extreme market conditions, special events or corporate events, like declaration of dividend by the companies comprising the index, additional ad-hoc reconstitution and rebalancing of the index, the AMC may invest funds as part of the total assets in cash and cash equivalents. Further, due to corporate action in companies comprising the Underlying Index, the scheme may be allocated/allotted securities which are not part of the Underlying Index. Such security will be considered for asset allocation basis the security asset class. The cumulative gross exposure through equity, Money Market Instruments and units of debt & liquid mutual fund schemes and equity derivative position should not exceed 100% of the net assets of the Scheme in accordance with Para 13.18.1. of Master Circular of Mutual Fund as amended from time to time. Cash or cash equivalents with residual maturity of less than 91 days shall be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities having residual maturity of less than 91 days. The Scheme may take exposure through equity derivative transactions in the manner and up to the limit as specified above. SO – 14 and 17 **Investment in short term deposits** Pending deployment of the funds in securities in terms of investment objective of the Scheme, the AMC may park the funds of the Scheme in short term deposits of the Scheduled Commercial Banks, subject to the guidelines issued by Para 13.7 of Master Circular for Mutual Funds.

The Scheme shall not invest in Overseas securities/ADR/GDR, Securitized debt, InvITs, Repo/ Reverse repo transactions in corporate debt, Unrated debt instruments, Unlisted debt instrument, Bespoke or complex debt products, Inter scheme transactions, Credit Default Swaps, debt instruments having Structured obligations / Credit enhancements and instruments with special features. The Scheme shall not engage in short selling.

Stock Lending

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

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

Investment in Units of Mutual Fund

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

In terms of Para 4.3. of Master Circular for Mutual Funds which specifies the portfolio concentration norms as follows and as amended from time to time, shall be complied with respect to the underlying Index:

- The index has a minimum of 10 stocks as its constituents.
- No single stock in the index shall have more than 25% weight in the index.
- The weightage of the top three constituents of the index, cumulatively shall not be more than 65% of the Index.
- The individual constituent of the index shall have a trading frequency greater than or equal to 80% and an average impact cost of 1% or less over the previous six months.

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

Sr. No.	Type of Instrument	Percentage of exposure	Circular references
1.	Equity Derivatives for non- hedging purposes. SO – 20	Not applicable. The Scheme may take an exposure to equity derivatives of constituents of the underlying index upto 20% of the Net assets of the Scheme for portfolio rebalancing and in case of unavailability of securities.	Para 20.5.5. of SEBI Master Circular for Mutual Funds. SO – 19

		2.	Securities Lending and borrowing	The Scheme shall adhere to the following limits to engage in Stock Lending. 1. Not more than 20% of the net assets of the Scheme can generally be deployed in Stock Lending. 2. Not more than 5% of the net assets of the Scheme can generally be deployed in Stock Lending to any single counter party/ intermediary (as may be applicable).	Para 13.6.2 of SEBI Master Circular for Mutual Funds as amended from time to time.
		3.	Tri party Repo	Allocation may be made to TREPS from any amounts that are pending deployment or on account of any adverse market situation.	-
		4.	Mutual Fund Units	The Scheme may invest up to 5% of the net assets of the Scheme in units of debt & liquid mutual fund schemes of Axis AMC or of other mutual funds in terms of the prevailing SEBI (MF) Regulations.	Clause 3 of Sixth Schedule of SEBI (MF) Regulations, 2026 and 13.14.1 of SEBI Master Circular dated March 20, 2026
		The limits given above shall be subject to Schedule VI of the Regulations / circulars issued by SEBI and shall stand revised to the extent of changes in the Regulations/ circulars from time to time. SO – 11, 15, 16 and 18			

The Scheme shall not invest in following instruments:

Sr. No.	Type of Instrument
1	Securitized Debt
2	Overseas Securities
3	InVITS

		4 Credit default swaps 5 Debt Derivatives 6 Debt Instruments with special features AT1 and AT2 Bonds 7 Repo and Reverse repo in corporate debt securities 8 Debt instruments having Credit Enhancement /Structured Obligations 9 The Scheme shall not undertake short selling 10 Unrated Debt Securities (except G-Secs, T-Bills and other money market instruments) 11 Unlisted debt instrument 12 Bespoke or complex debt products 13 The Scheme shall not undertake Inter scheme transactions For details, refer Annexure 1.
XI.	Fund Manager details SO - 33	Name: Mr. Nandik Malik Managing: since Inception Total experience: 15 Years Name: Mr. Rohit Gautam Managing: since Inception Total experience: 14 Years
XII.	Annual Scheme Recurring Expenses	**Maximum base expense ratio (TER) permissible under Regulation 66 -** Upto 0.90%. For detailed disclosure, kindly refer Annexure 2.
XIII.	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 to the unitholders would be reduced to that extent.
XIV.	Information available through weblink	Liquidity / listing details Detailed disclosure on Computation of NAV Applicable timelines for dispatch of redemption proceeds etc **www.axismf.com**

		Breakup of Annual Scheme Recurring expenses	
		Definitions	
		Applicable risk factors	
		Detailed disclosures regarding the index, index eligibility criteria, methodology, index service provider, index constituents, impact cost of the constituents/ underlying fund in case of fund of funds	
		List of official points of acceptance	
		Penalties, Pending Litigation or Proceedings, Findings of Inspections or Investigations	
		Investor services	
		Portfolio Disclosure	
		Detailed comparative table of the existing schemes of AMC	
		Scheme performance	
		Periodic Disclosures	
		Any disclosure in terms of Consolidated Checklist on Standard Observations: - What are the investment restrictions? - What are the Investment Strategies? - Disclosure Detailed - Who manages the scheme - Where will the Scheme Invest? - on Risk-o-meter and Benchmark Risk-o-meter - Disclosure on Scheme Summary Document (SSD) - Disclosure on Tracking Error and Tracking Difference - Fundamental Attributes	
		Scheme specific disclosures	
		Scheme Factsheet	
		Addendums	https://www.axismf.com/statutory-disclosures?tab=6

XV.	How to Apply SO - 35	Investors can undertake transactions in the Schemes of Axis Mutual Fund either through physical, online / electronic mode or any other mode as may be prescribed from time to time. **Physical Transactions** For making application for subscription / redemption / switches, application form and Key Information Memorandum may be obtained fr om / submitted to the Official Points of Acceptance (OPAs) of AMC or downloaded from the website of AMC viz. www.axismf.com. **Online / Electronic Transactions** Investors can undertake transactions via electronic mode through various online facilities offered by Axis AMC / other platforms specified by AMC from time to time. For further details of online / electronic mode please refer SAI.
XVI.	Where can applications for subscription/ redemption/ switches be submitted SO - 62	Application form and Key Information Memorandum may be obtained from the Official Points of Acceptance (OPAs) of AMC or downloaded from the website of AMC viz. www.axismf.com. For name, address and contact no. of Registrar and Transfer Agent (R&T), email id of R&T, website address of R&T, official points of acceptance, collecting banker details etc. refer back cover page. Please note it is mandatory for unitholders to mention their bank account numbers in their applications/requests for redemption. Please refer to the SAI and Application form for the instructions.
XVII.	Specific attribute of the scheme (such as lock in/ duration in case of target maturity scheme/close ended schemes etc.) (as applicable)	Not Applicable
XVIII.	Special product/facility available during the NFO and on ongoing basis	**A. During NFO:** **1. Switching Option** During the NFO period (Switch request will be accepted upto 3.00 p.m. till 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. Note: The AMC may contribute the initial fund for unit creation without launching an NFO. Subsequently, the AMC may transfer the units of the Scheme to Market Makers or other investors, subject to compliance with all applicable provisions for launch of ETFs. **B. On ongoing basis** None
XIX.	Segregated portfolio/side pocketing disclosure SO – 54	The Scheme has provision for segregated portfolio. For Details, kindly refer SAI.
XX.	Stock lending	The Scheme may engage in stock lending subject to disclosure as specified in asset allocation. For Details, kindly refer SAI.

The Scheme under this Scheme Information Document was approved by the Trustee Company on _____. 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, 2026 and the guidelines there under shall be applicable. SO – 64

For and on behalf of
Axis Asset Management Company

Gop Kumar Bhaskaran
Managing Director &
Chief Executive Officer

Date: _____

Annexure 1

Equity derivatives of underlying securities forming part of the index may also be available as an investment option in case the underlying security is not available for purchase.	
Calculation of cumulative gross exposure	The cumulative gross exposure through equity, Money Market Instruments and units of debt & liquid mutual fund schemes and equity derivative position should not exceed 100% of the net assets of the Scheme in accordance with Para 13.18.1. of Master Circular of Mutual Fund as amended from time to time. Cash or cash equivalents with residual maturity of less than 91 days shall be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities having residual maturity of less than 91 days. The Scheme may take exposure through equity derivative transactions in the manner and up to the limit as specified under the Asset Allocation Pattern.
Numerical example of risk involved	Concepts and Examples of derivatives: The few risks of using derivative strategies could be on account of: • Illiquidity. • Potential mis - pricing of the Futures/Options. • Lack of opportunity. • Inability of derivatives to correlate perfectly with the underlying (Indices, Assets, Exchange Rates). • Cost of hedges can be higher than adverse impact of market movements. • An exposure to derivatives in excess of the hedging requirements can lead to losses. • Exposure to derivatives can also limit the profits from a genuine investment transaction. • The prices which are seen on the screen need not be the same at which execution will take place. **Numerical Illustration:**

	Suppose an investor buys a **Call option on Nifty 50 Index**. • **Lot Size:** 50 units • **Spot Price:** 17,500 • **Strike Price:** 17,550 (Out-of-the-Money Call) • **Premium Paid:** Rs. 100 per unit • **Total Premium Paid:** Rs. 5,000 (50 × 100) **Outcome** If the Nifty 50 index rises to **17,700 at expiry**, the option becomes *In-the-Money*. • **Intrinsic Value:** 17,700 − 17,550 = Rs. 150 per unit • **Net Gain per unit:** 150 − 100 = Rs. 50 • **Total Gain:** Rs. 2,500 (50 × 50) If the Nifty 50 **remains at or below 17,550**, the option expires worthless and the investor **loses only the premium paid**, i.e., Rs. 5,000. **Risk:** The options buyer's risk is limited to the premium paid. However, the gains of an options writer are limited to the premiums earned. The exchange may impose restrictions on exercise of options and may also restrict the exercise of options at certain times in specified circumstances and this could impact the value of the portfolio. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the exercise price. The Scheme bears a risk that it may not be able to correctly forecast future market trends or the value of assets, indices or other financial or economic factors in establishing derivative positions for the Scheme.
Disclosure relating to extent and manner of participation in derivatives to be provided	The few risks of using derivative strategies could be on account of: • Illiquidity. • Potential mis - pricing of the Futures/Options. • Lack of opportunity.

	• Inability of derivatives to correlate perfectly with the underlying (Indices, Assets, Exchange Rates). • Cost of hedges can be higher than adverse impact of market movements. • An exposure to derivatives in excess of the hedging requirements can lead to losses. • Exposure to derivatives can also limit the profits from a genuine investment transaction. • The prices which are seen on the screen need not be the same at which execution will take place.

Annexure 2

Axis Nifty Midcap 150 ETF

Liquidity/listing details	**Liquidity** **On the exchange:** The Units of the Scheme is listed on National Stock Exchange of India Ltd. (NSE), BSE and/or any other recognized stock exchanges as may be decided by AMC from time to time. The Units of the scheme may be bought or sold on all trading days at prevailing listed price on such Stock Exchange(s). **Directly with the Mutual Fund:** The Scheme offers units for subscription / redemption directly with the Mutual Fund in Creation Unit Size / above a specified threshold to Authorized Participants / Market Makers and Large Investors, at NAV based prices on all Business Days during an ongoing offer period. The redemption consideration shall normally be the basket of securities represented by Nifty Midcap 150 TRI in the same weightage as in the Index and cash component. 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. **Listing** Being an Exchange Traded Fund, the Units of the Scheme is listed on the NSE, BSE and/or any other stock exchange within such time as the Exchange may allow or within such time as the Regulations permit. An investor can buy/sell Units on the Exchange during the trading hours like any other publicly traded stock. The AMC has proposed to engage Authorised Participants/Market Maker for creating liquidity for the ETF on the Stock Exchange(s) so that investors other than Authorised Participants/Market Maker and Large Investors are able to buy or redeem units on the Stock Exchange(s) using the services of a stock broker. The AMC may also decide to delist the Units from a particular Exchange, provided that the Units are listed on at least one Exchange. The price of the Units in the market on Exchange will depend on demand and supply and market factors and forces. There is no minimum investment amount for investment through Exchange, although Units dealt in minimum in lot of 1.
NAV disclosure SO – 41 and 42	**1. Disclosure Timings:** • The AMC will calculate and disclose the first NAV of the Scheme within a period of 5 business days from the date of allotment under the NFO. • Subsequently, by 11.00 p.m. on every Business Day on AMC (www.axismf.com) and AMFI website. **2. iNAV** AMC will update the Indicative NAV periodically on its website and on Stock Exchange(s) (where units are listed and traded) within a maximum time lag of 15 seconds from underlying market.

3. Illustration of Computation of NAV: SO - 43

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

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

No. of Units outstanding under Scheme on the Valuation Day: 100,00,000
The NAV per unit will be computed as follows: 10,45,34,345.34 / 100,00,000 = Rs. 10.45 per unit (rounded off to two decimals)

The exit load of an open-ended mutual fund scheme shall not exceed 3% of the Net Asset Value of the scheme. SO - 48

4. Methodology for calculation of sale and re-purchase price:

At the Applicable NAV subject to prevailing Exit Load.
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.

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 1% then redemption price will be:
= Rs. 10* (1-0.01)
= Rs. 9.99

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.

Any change in Load structure will be effective on prospective basis and will not affect the existing Unit holder in any manner.

However, the exit load of an open-ended mutual fund scheme shall not exceed 3% of the Net Asset Value of the scheme. The Purchase Price shall be at applicable NAV. SO - 48

The Mutual Fund will ensure that the Redemption Price will not be lower than 97% of the Applicable NAV. The Purchase Price shall be at applicable NAV.

<table>
<tr><td>Applicable timelines</td><td>Timeline for

Dispatch of redemption proceeds:
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.

Dispatch of IDCW: Not Applicable</td></tr>
<tr><td>Breakup of Annual Scheme Recurring expenses</td><td>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 expenses as permitted under Regulation 66 and 67 of SEBI (MF) Regulations. For the actual current expenses being charged, the investor should refer to the website of the Mutual Fund.
<table>
<tr><th>Expense Head</th><th>% of daily Net Assets</th></tr>
<tr><td>Investment Management and Advisory fees</td><td rowspan="14">Upto 0.90%</td></tr>
<tr><td>Audit fees/fees and expenses of trustees</td></tr>
<tr><td>Custodian fees</td></tr>
<tr><td>Registrar & Transfer Agent Fees including cost of providing account statements / IDCW / redemption cheques/ warrants</td></tr>
<tr><td>Marketing & Selling Expenses including fees, commission and charges towards distribution of mutual fund schemes</td></tr>
<tr><td>Cost related to investor communications</td></tr>
<tr><td>Cost of fund transfer from location to location</td></tr>
<tr><td>Cost of providing account statements and IDCW redemption cheques and warrants</td></tr>
<tr><td>Costs of statutory Advertisements</td></tr>
<tr><td>Listing fees</td></tr>
<tr><td>Cost towards investor education & awareness and ~~financial inclusion~~ (5% of total BER charged, subject to maximum of 0.5 bps of AUM.)</td></tr>
<tr><td>Brokerage cost incurred towards execution of trades; over and above 6 bps and 2 bps of trade value for cash and derivative market trades respectively</td></tr>
<tr><td>Other Expenses*</td></tr>
<tr><td>Maximum base expense ratio permissible under Regulation 66#</td><td>Upto 0.90%</td></tr>
</table>
SO - 44</td></tr>
</table>

	Statutory levies (including GST) on all expenses excluding brokerage and transaction cost	GST of 18% or any other rate as may be levied from time to time on the Taxable/Invoice/Contract amount. Additionally, levies such as Stamp Duty, STT etc.
	Statutory levies (including GST) on brokerage and transaction cost	Will be charged on Turnover of securities which will be at prescribed rates.

*****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.

#Incentives, if any, to Market Makers shall be charged to the Scheme within this limit.

The base expense ratio of the scheme shall be sum of expenses mentioned at regulation 66(4), 66(5) and 66 (6) but excluding statutory levy applicable, if any, on the said expenses and transaction cost^ specified under regulation 66(10).

^Transaction cost incurred for the purpose of execution of a trade shall mean regulatory levies and any other expenses charged by the stock exchanges, clearing corporation, and clearing
house, as applicable. Such transaction costs shall not form part of the base expense ratio.

Total Expense Ratio:
"Total expense ratio" means the ratio of total of all expenses charged to the investors of the
scheme to the total asset under management of the scheme, as may be specified by SEBI;

As per Regulation 67(1), the total of all expenses charged to the investors of the scheme, shall be total of expense charged within the base limit specified under 66 (7), brokerage cost permitted for the purpose of execution of trade, over and above the base expense ratio subject to a maximum of 0.06 per cent of trade value in case of cash market transactions and 0.02 per cent of trade value in case of derivatives transactions under regulation 66 (9), transaction cost incurred for the purpose of execution of trade, as referred under regulation 66 (10), and statutory levies charged to the investors.

Statutory Levy:
"statutory levy" means levy imposed by state government and central government;

No charges other than the base expense ratio, brokerage cost, transaction cost, statutory levy and exit load including levies as may be specified by SEBI, shall be charged to the investors.

Any expenditure in excess of the expenses stated above shall be borne by the AMC or the trustees or sponsors. If any expense of the scheme is borne by the AMC or by the trustee or sponsors, the same shall be done only after the investment and advisory fees charged to the scheme, if any, is fully reversed.

The expenses towards Investment Management and Advisory Fees under Regulation 66(4) and the various sub-heads of recurring expenses mentioned under Regulation 66 (5) 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 66(4) and 66(5) respectively.

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

The AMC will charge the Scheme such actual expenses incurred, subject to the statutory limits, if any, prescribed in the Regulations 66 and 67 and amendments thereto.

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

SO - 45

Illustration of impact of expense ratio on scheme's returns

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

Illustration:

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

	Returns (%) (net of all applicable expenses) (F) = ((D/A)-1)	14.0%
	Please Note: ● The purpose of the above illustration is purely to explain the impact of expense ratio charged to the Scheme. The Total Expenses considered in the illustration is an hypothetical number and the actual expense may vary from the same. The Illustration should not be construed as providing any kind of investment advice or guarantee of returns on investments. ● Calculations are based on assumed NAV, and actual returns on your investment may be more, or less. ● Any tax impact has not been considered in the above example, in view of the individual nature of the tax implications. Each investor is advised to consult his or her own financial advisor. **•TER for last 6 months:** Not applicable as the Scheme is a new scheme. **•Scheme factsheet:** Not applicable as the Scheme is a new scheme.	
Definitions	For details refer website of Axis Mutual Fund: https://www.axismf.com/statutory-disclosures.	
Risk factors	**Scheme Specific Risk Factors** SO - 8 **Risks associated with Investment in Exchange Traded Funds** The Scheme are subject to the principal risks described below. Some or all of these risks may adversely affect Scheme's NAV, trading price, yield, total return and/or its ability to meet its objectives. These risks are associated with investment in equities. **Market Risk:** The Scheme's NAV will react to the stock market movements. The Investor could lose money over short periods due to fluctuation in the Scheme's NAV in response to factors such as economic and political developments, changes in interest rates and perceived trends in stock prices and market movements, and over longer periods during market downturns. **Regulatory Risk:** Any changes in trading regulations by the stock exchange (s) or SEBI may affect the ability of Authorized Participant / Market Makers resulting into wider premium/ discount to NAV. **Liquidity Risk**: Trading in units of Axis Nifty Midcap 150 ETF on the Exchange may be halted because of market conditions or for reasons that in the view of the Market Authorities or SEBI, trading in units of the Scheme is not advisable. In addition, trading in units of Axis Nifty Midcap 150 ETF is subject to trading halts caused by extraordinary market volatility and pursuant to NSE and SEBI ''circuit filter'' rules. There can be no assurance that the requirements of the Market necessary to maintain the listing of units of Axis Nifty Midcap 150 ETF will continue to be met or	

	will remain unchanged. **Settlement Risk:** In certain cases, settlement periods may be extended significantly by unforeseen circumstances. The inability of the Scheme to make intended securities purchases due to settlement problems could cause the Scheme to miss certain investment opportunities as in certain cases, settlement periods may be extended significantly by unforeseen circumstances. Similarly, the inability to sell securities held in the Schemes portfolio may result, at times, in potential losses to the Scheme, and there can be a subsequent decline in the value of the securities held in the respective Scheme's portfolio **Passive Investments** The Scheme will be a passively managed scheme by providing exposure to constituents of Axis Nifty Midcap 150 TRI and tracking its performance and yield, before expenses. The scheme performance may be affected by a general decline in the Indian markets relating to its underlying Index. The scheme invests in the underlying Index regardless of its investment merit. **Market Maker Risk** The Market Maker appointed would offer buy and sell quote on the exchange for creating liquidity for investors. However, at times on account of technical issues or unforeseen events such quotes may deviate from iNAV or may not be available. **Risk pertaining to Nifty Midcap 150 Index** • Nifty Midcap 150 index intends to measure the performance of mid market capitalisation companies. Equities are volatile in nature and are subject to price fluctuations on a daily basis. The volatility in the value of the equity instruments is due to various micro and macroeconomic factors affecting the securities markets. This may have an adverse impact on individual securities /sector and consequently on the NAV of Scheme. • Given the index may constitute mid and small cap stocks, it is a possibility that fund manager may take some time to purchase/sell some stocks because of liquidity issues or trading restrictions. This may lead to a temporary mismatch between the scheme's portfolio and the benchmark index. **Risks associated with investments in equities** • Equity and equity related securities are volatile and prone to price fluctuations. The liquidity of investments made in the Scheme may be restricted by trading volumes and settlement periods. Settlement periods may be extended significantly by unforeseen circumstances. The inability of the Scheme to make intended securities purchases, due to settlement problems, could cause the Scheme to miss certain investment opportunities. Similarly, the inability to sell securities held in the Scheme portfolio would result at times, in potential losses to the Scheme, should there be a subsequent decline in the value of securities held in the Scheme portfolio. Also, the value of the Scheme investments may be affected by interest rates, currency exchange rates, changes in law/policies

	of the government, taxation laws and political, economic or other developments which may have an adverse bearing on individual Securities, a specific sector or all sectors. • Investments in equity and equity related securities involve a degree of risk and investors should not invest in the equity Scheme unless they can afford to take the risk of losing their investment. **Risks associated with investments in derivatives** • The Scheme may invest in derivative products in accordance with and to the extent permitted under the Regulations. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself. • The derivatives market in India is nascent and does not have the volumes that may be seen in other developed markets, which may result in volatility to the values. • Investment in derivatives also requires the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. Even a small price movement in the underlying security could have an impact on their value and consequently, on the NAV of the Units of the Scheme. • The Scheme may face execution risk, whereby the rates seen on the screen may not be the rate at which the ultimate execution of the derivative transaction takes place. • Investments in stock futures face the same risk as the investments in a portfolio of shares representing an index. The extent of loss is similar to that of underlying stocks. • The Scheme bears a risk that it may not be able to correctly forecast future market trends or the value of assets, indices or other financial or economic factors in establishing derivative positions for the Scheme. • The risk of loss in trading futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and the potentially high volatility of the futures markets. • Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. • Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. • Execution of investment strategies depends upon the ability of the fund manager(s) to identify such opportunities which may not be available at all times. Identification and execution of the strategies to be pursued by the fund manager(s) involve uncertainty and decision of fund manager(s) may not

always be profitable. No assurance can be given that the fund manager(s) will be able to identify or execute such strategies.

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

SO - 28

Risks associated with investments for Money market instruments
The following are the risks associated with investment in fixed income securities:

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

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

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

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

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

Trading in Units of the Scheme on the Exchange may be halted because of market conditions or for reasons that in view of Exchange Authorities or SEBI, trading in Units of the Scheme is not advisable. In addition, trading in Units of the Scheme is subject to trading halts caused by extraordinary market volatility and pursuant to Exchange and SEBI 'circuit filter' rules. There can be no assurance that the requirements of Exchange necessary to maintain the listing of Units of the Scheme will continue to be met or will remain unchanged. Any changes in trading regulations by the Stock Exchange(s) or SEBI may inter-alia result in wider premium/ discount to iNAV/NAV. The Units of the Scheme may trade above or below their iNAV/NAV. The NAV of the

Scheme will fluctuate with changes in the market value of Scheme's holdings. The trading prices of Units of the Scheme will fluctuate in accordance with changes in their iNAV as well as market supply and demand for the Units of the Scheme. The Units will be issued in demat form through depositories. The records of the depository are final with respect to the number of Units available to the credit of Unit holder. Settlement of trades, repurchase of Units by the Mutual Fund will depend upon the confirmations to be received from depository(ies) on which the Mutual Fund has no control.

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

Risks associated with Securities lending

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

Risk associated with Redemption

Investors may note that even though this is an open-ended scheme, the Scheme would repurchase/redeem Units in Creation Unit Size / above a specified threshold The AMC will ensure liquidity on the exchanges where units are listed by empaneling 2 or more market makers. The AMC may also incentivize these market makers within prescribed regulations so as to create a fair and liquid secondary market for units of the ETF. In the event of insufficient liquidity outlined below the AMC may permit direct redemption in less than creation unit size for investors. Thus, unit holdings less than the Creation Unit Size can only be sold through the secondary market on the Stock Exchange where these units are listed, subject to the rules and regulations of the Exchange.

Risks associated with Segregated portfolio

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

TRACKING ERROR Risk SO – 10

Tracking error is a measure of the difference in returns from the Scheme and the returns from the index. It is computed as the standard deviation of the difference between the daily returns of the underlying benchmark and the NAV of the

Scheme on an annualized basis.
Tracking error could be the result of a variety of factors including but not limited to:

- Delay in the purchase or sale of stocks within the benchmark due to:
  - Illiquidity in the stock,
  - Delay in realization of sale proceeds,
- The Scheme may buy or sell the stocks comprising the index at different points of time during the trading session at the then prevailing prices which may not correspond to its closing prices.
- The potential for trades to fail may result in the Scheme not having acquired the stocks at a price necessary to track the benchmark price.
- The holding of a cash position and accrued income prior to distribution of income and payment of accrued expenses.
- Disinvestments to meet redemptions, recurring expenses, etc.
- Execution of large buy / sell orders
- Transaction cost and recurring expenses
- Delay in realization of Unit holders' funds
- Levy of margins by exchanges

The Scheme will endeavor to minimize the tracking error by:

- Rebalancing of the portfolio.
- Setting off incremental subscriptions against redemptions.
- Use of derivatives for portfolio rebalancing and efficient portfolio management

The tracking error i.e. the annualized standard deviation of the difference in daily returns between Nifty Midcap 150 TRI and the NAV of ETF based on past one year rolling over data (For ETFs in existence for a period of less than one year, annualized standard deviation shall be calculated based on available data) shall not exceed 2% or as may be prescribed by regulations from time to time.
In case of unavoidable circumstances in the nature of force majeure which are beyond the control of the AMCs, the tracking error may exceed 2%, and the same shall be brought to the notice of Trustees with corrective actions taken by the AMC, if any.

Under normal circumstances, such tracking errors are not expected to exceed 2% p.a. for daily 12 month rolling return. However, in case of events like, dividend received from underlying securities, rights issue from underlying securities and market volatility during rebalancing of the portfolio following the rebalancing of the underlying index, redemptions directly with the Scheme not in Creation Unit Size, etc. or in abnormal market circumstances, the tracking error may exceed the above limits. There can be no assurance or guarantee that the Scheme will achieve any particular level of tracking error relative to performance of the Index.

SO – 10

Tracking difference - The ETF Scheme shall also disclose the tracking difference i.e. the annualized difference of daily returns between the underlying Index and the NAV of the ETF shall also be disclosed on the website of the AMC and AMFI, on a monthly basis, for tenures 1 year, 3 year, 5 year, 10 year and since the date of allotment of units.

SO - 9

Risk Mitigations:

Risk Control & Risk Mitigation:

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

The Scheme aims to track the Nifty Midcap 150 Index before expenses. The index is tracked on a regular basis and changes to the constituents or their weights, if any, are replicated in the Scheme portfolio with the purpose of minimizing tracking error. Investments in equity securities and money market securities carry various risks such as inability to sell securities, trading volumes and settlement periods, interest rate risk, liquidity risk, default risk, reinvestment risk etc. Whilst such risks cannot be eliminated, they may be mitigated by diversification. In order to mitigate the various risks, the portfolio of the Scheme will be constructed in accordance with the investment restriction specified under the Regulations which would help in mitigating certain risks relating to investments in securities market. The AMC has incorporated adequate safeguards to manage risk in the portfolio construction process. Risk control would involve managing risk in order to keep it in line with the investment objective of the Scheme.

Risk control measures with respect to investment in Equity instruments:

Market Risk: Equity and Equity related securities by nature are volatile and prone to price fluctuations on a daily basis due to both macro and micro factors.

Mitigation - Market risk is a risk which is inherent to an equity scheme. The scheme will try to reduce the market risk by undertaking active portfolio management as per the investment objective.

Liquidity risk: The liquidity of investments made in the Scheme may be restricted by trading volumes and settlement periods.

Mitigation- As such the liquidity of stocks that the scheme invests into could be relatively low. The scheme will try to maintain a proper asset-liability match to ensure redemption / Maturity payments are made on time.

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

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

Risk control measures with respect to Debt & Money Market Instruments

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

	Mitigation - In a rising interest rates scenario the scheme 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. In case of securitized debt instruments, the Scheme will ensure that these instruments are sufficiently backed by assets. **Risk control with respect to derivatives:** As and when the Scheme trades in the derivatives market there are risk factors and issues concerning the use of derivatives since derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The Scheme may invest in derivative for the purpose of portfolio balancing and other purposes as may be permitted under the Regulations. Mitigation- Exposure with respect to derivatives shall be in line with regulatory limits and the limits specified in the SID. All equity derivatives trade will be done only on the exchange with guaranteed settlement. **Risk control with respect to investment in REITs** Market Risk: REITs are volatile and prone to price fluctuations on a daily basis owing to market movements. Investors may note that AMC/Fund Manager's investment decisions may not always be profitable, as actual market movements may be at variance with the anticipated trends. The NAV of the Scheme is vulnerable to movements in the prices of securities invested by the scheme, due to various market related factors like changes in the general market conditions, factors and forces affecting capital market, level of interest rates, trading volumes, Real Estate,

	settlement periods and transfer procedures. Mitigation- The scheme will undertake active portfolio management as per the investment objective to reduce the market risk. Reinvestment Risk: Investments in REITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower returns. Mitigation- The reinvestment risk will be limited as the proceeds are not expected to be a large portion of the portfolio value. The Investment Manager also relies on their own research as well as third party research. The analysis will focus, amongst others, on the predictability and strength of cash flows, value of assets, capital structure, business prospects, policy environment, strength of management, responsiveness to business conditions, etc. Concentration Risk: Securities / Instruments of REITs run concentration risk as currently there very few issuers of REITs in India for investment in REITs. Mitigation- The scheme will undertake to diversify its allocation in REITs which are held as a part of the overall diversified portfolio. Interest Rate Risk: Securities / Instruments of REITs run interest rate risk. Generally, when interest rates rise, prices of units fall and when interest rates drop, such prices increase. Mitigation- In a rising interest rates scenario the Fund Manager may choose to invest in money market securities / debt securities with shorter maturity / floating rate bonds instead of REITs and thereby mitigating risk to that extent.

Index methodology / Details of underlying fund in case of Fund of Funds	**About The Index** Nifty Midcap 150 represents the next 150 companies (companies ranked 101-250) based on full market capitalisation from Nifty 500. This index intends to measure the performance of mid market capitalisation companies. Index Link - https://www.niftyindices.com/indices/equity/broad-based-indices/nifty-midcap-150 Methodology Snapshot • The company should be a constituent of Nifty 500 and Investible weight factor (IWF) of stock should be at least 0.10 (10% free float) OR • 6 month average free float market capitalization of the stock should be at least 25% of the 6 month average full market capitalization of the of the existing smallest index constituent (prior to index review) by full market capitalization in Nifty Midcap 150 as of the cut-off date. • Exclusion Criteria - Rank based on full market capitalisation is among top 225 or Full market capitalisation is at least 1.5 times the full market capitalization of the smallest index constituent (based on full market capitalization) in Nifty 150 • Inclusion Criteria - Rank based on full market capitalisation is among top 225 or Full market capitalisation is at least 1.5 times the full market capitalization of the smallest index constituent (based on full market capitalization) in Nifty 150 • Maximum replacement per review are restricted to 15 maximum **Reconstitution and rebalancing** • Index rebalancing and reconstitution takes place in March and September. • Further, on a quarterly basis, indices will be screened for compliance with the portfolio concentration norms for ETFs/ Index Funds announced by SEBI on January 10, 2019. In case of non-compliance of any of the stated norms, suitable corrective measures such as replacement of ineligible stock, re-alignment of constituent weights will be undertaken depending upon the nature of non-compliance to ensure the compliance of norms. • For detailed index methodology please refer to the index methodology document at www.niftyindices.com • Index Constituents as on July 31, 2026

ISIN	Security Name	Weight(%)	Impact Cost (%)
INE118H01025	BSE Ltd.	3.57	0.03
INE171A01029	The Federal Bank Ltd.	2.12	0.02
INE947Q01028	Laurus Labs Ltd.	1.69	0.03
INE158A01026	Hero MotoCorp Ltd.	1.68	0.02
INE745G01043	Multi Commodity Exchange Of India Ltd.	1.65	0.04
INE095A01012	IndusInd Bank Ltd.	1.60	0.03
INE262H01021	Persistent Systems Ltd.	1.44	0.03
INE591G01025	Coforge Ltd.	1.44	0.03
INE257A01026	Bharat Heavy Electricals Ltd.	1.42	0.02
INE949L01017	AU Small Finance Bank Ltd.	1.42	0.04
INE326A01037	Lupin Ltd.	1.41	0.02
INE465A01025	Bharat Forge Ltd.	1.41	0.03
INE040H01021	Suzlon Energy Ltd.	1.40	0.03
INE935N01020	Dixon Technologies (India) Ltd.	1.40	0.04
INE982J01020	One97 Communications Ltd.	1.35	0.03
INE092T01019	IDFC First Bank Ltd.	1.35	0.03
INE417T01026	PB Fintech Ltd.	1.33	0.03
INE200A01026	GE Vernova T&D India Ltd.	1.28	0.04
INE121J01017	Indus Towers Ltd.	1.21	0.04
INE061F01013	Fortis Healthcare Ltd.	1.18	0.03
INE455K01017	Polycab India Ltd.	1.17	0.02
INE208A01029	Ashok Leyland Ltd.	1.14	0.02
INE663F01032	Info Edge (India) Ltd.	1.13	0.03
INE196A01026	Marico Ltd.	1.10	0.02
INE388Y01029	FSN E-Commerce Ventures Ltd.	1.09	0.03
INE406A01037	Aurobindo Pharma Ltd.	1.05	0.02
INE00H001014	Swiggy Ltd.	0.97	0.04
INE07Y701011	Hitachi Energy India Ltd.	0.97	0.03
INE528G01035	Yes Bank Ltd.	0.96	0.04
INE180A01020	Max Financial Services Ltd.	0.95	0.03
INE765G01017	ICICI Lombard General Insurance Company Ltd.	0.95	0.04
INE647A01010	SRF Ltd.	0.91	0.03
INE776C01039	GMR Airports Ltd.	0.90	0.03

	INE094A01015	Hindustan Petroleum Corporation Ltd.	0.90	0.03
	INE669E01016	Vodafone Idea Ltd.	0.86	0.06
	INE211B01039	The Phoenix Mills Ltd.	0.85	0.04
	INE944F01028	Radico Khaitan Ltd.	0.81	0.03
	INE121E01018	JSW Energy Ltd.	0.81	0.04
	INE628A01036	UPL Ltd.	0.81	0.03
	INE540L01014	Alkem Laboratories Ltd.	0.81	0.04
	INE935A01035	Glenmark Pharmaceuticals Ltd.	0.81	0.03
	INE674K01013	Aditya Birla Capital Ltd.	0.80	0.04
	INE702C01027	APL Apollo Tubes Ltd.	0.79	0.04
	INE660A01013	Sundaram Finance Ltd.	0.77	0.05
	INE176B01034	Havells India Ltd.	0.76	0.03
	INE139A01034	National Aluminium Company Ltd.	0.75	0.02
	INE356A01018	Mphasis Ltd.	0.74	0.03
	INE878B01027	KEI Industries Ltd.	0.74	0.04
	INE376G01013	Biocon Ltd.	0.73	0.03
	INE226A01021	Voltas Ltd.	0.73	0.03
	INE01EA01019	Vishal Mega Mart Ltd.	0.72	0.05
	INE848E01016	NHPC Ltd.	0.71	0.03
	INE562A01011	Indian Bank	0.71	0.04
	INE466L01038	360 One Wam Ltd.	0.71	0.04
	INE974X01010	Tube Investments of India Ltd.	0.71	0.03
	INE584A01023	NMDC Ltd.	0.70	0.03
	INE484J01027	Godrej Properties Ltd.	0.68	0.04
	INE634S01028	Mankind Pharma Ltd.	0.67	0.04
	INE259A01022	Colgate-Palmolive (India) Ltd.	0.66	0.03
	INE811K01011	Prestige Estates Projects Ltd.	0.65	0.04
	INE813H01021	Torrent Power Ltd.	0.64	0.05
	INE881D01027	Oracle Financial Services Software Ltd.	0.64	0.03
	INE281B01032	Lloyds Metals & Energy Ltd.	0.64	0.05
	INE498L01015	L&T Finance Ltd.	0.64	0.04
	INE761H01022	Page Industries Ltd.	0.62	0.03
	INE883A01011	MRF Ltd.	0.62	0.03
	INE377N01017	Waaree Energies Ltd.	0.61	0.03
	INE774D01024	Mahindra & Mahindra Financial Services Ltd.	0.61	0.05

	INE274J01014	Oil India Ltd.	0.60	0.03
	INE016A01026	Dabur India Ltd.	0.60	0.02
	INE169A01031	Coromandel International Ltd.	0.59	0.04
	INE114A01011	Steel Authority Of India Ltd.	0.59	0.02
	INE571A01038	Ipca Laboratories Ltd.	0.58	0.05
	INE372A01015	Apar Industries Ltd.	0.58	0.04
	INE303R01014	Kalyan Jewellers India Ltd.	0.56	0.04
	INE220G01021	Jindal Stainless Ltd.	0.55	0.05
	INE823G01014	JK Cement Ltd.	0.55	0.05
	INE195A01028	Supreme Industries Ltd.	0.54	0.03
	INE603J01030	PI Industries Ltd.	0.54	0.04
	INE472A01039	Blue Star Ltd.	0.52	0.04
	INE405E01023	UNO Minda Ltd.	0.51	0.04
	INE093I01010	Oberoi Realty Ltd.	0.51	0.04
	INE347G01014	Petronet LNG Ltd.	0.50	0.03
	INE298J01013	Nippon Life India Asset Management Ltd.	0.50	0.03
	INE151A01013	Tata Communications Ltd.	0.49	0.04
	INE302A01020	Exide Industries Ltd.	0.49	0.03
	INE726G01019	ICICI Prudential Life Insurance Company Ltd.	0.49	0.04
	INE787D01026	Balkrishna Industries Ltd.	0.48	0.05
	INE018E01016	SBI Cards And Payment Services Ltd.	0.47	0.04
	INE0J1Y01017	Life Insurance Corporation of India	0.45	0.03
	INE956O01016	Lenskart Solutions Ltd.	0.45	0.04
	INE880J01026	JSW Infrastructure Ltd.	0.45	0.05
	INE09N301011	Gujarat Fluorochemicals Ltd.	0.44	0.06
	INE379A01028	ITC Hotels Ltd.	0.44	0.05
	INE111A01025	Container Corporation Of India Ltd.	0.43	0.04
	INE399L01023	Adani Total Gas Ltd.	0.43	0.05
	INE212H01026	AIA Engineering Ltd.	0.43	0.06
	INE006I01046	Astral Ltd.	0.42	0.04
	INE797F01020	Jubilant FoodWorks Ltd.	0.41	0.04
	INE084A01016	Bank Of India	0.40	0.03
	INE152A01029	Thermax Ltd.	0.40	0.04
	INE513A01022	Schaeffler India Ltd.	0.39	0.05
	INE457A01014	Bank Of Maharashtra	0.39	0.04

	INE115A01026	LIC Housing Finance Ltd.	0.38	0.03
	INE346A01027	ICICI Prudential Asset Management Company Ltd.	0.37	0.05
	INE324D01010	LG Electronics India Ltd.	0.36	0.05
	INE0HOQ01053	Billionbrains Garage Ventures Ltd.	0.36	0.04
	INE463A01038	Berger Paints India Ltd.	0.36	0.05
	INE335Y01020	Indian Railway Catering And Tourism Corporation Ltd.	0.35	0.04
	INE031B01049	Ajanta Pharma Ltd.	0.35	0.05
	INE756I01012	HDB Financial Services Ltd.	0.35	0.05
	INE358A01014	Abbott India Ltd.	0.34	0.05
	INE00R701025	Dalmia Bharat Ltd.	0.34	0.05
	INE206F01022	Authum Investment & Infrastructure Ltd.	0.34	0.07
	INE481Y01014	General Insurance Corporation of India	0.34	0.05
	INE473A01011	Linde India Ltd.	0.34	0.05
	INE438A01022	Apollo Tyres Ltd.	0.33	0.03
	INE338I01027	Motilal Oswal Financial Services Ltd.	0.32	0.04
	INE415G01027	Rail Vikas Nigam Ltd.	0.31	0.03
	INE670A01012	Tata Elxsi Ltd.	0.30	0.03
	INE619A01035	Patanjali Foods Ltd.	0.29	0.04
	INE343G01021	Bharti Hexacom Ltd.	0.29	0.06
	INE0BS701011	Premier Energies Ltd.	0.29	0.04
	INE704P01025	Cochin Shipyard Ltd.	0.29	0.04
	INE474Q01031	Global Health Ltd.	0.29	0.06
	INE930H01031	K.P.R. Mill Ltd.	0.28	0.06
	INE171Z01026	Bharat Dynamics Ltd.	0.28	0.03
	INE159A01016	Glaxosmithkline Pharmaceuticals Ltd.	0.26	0.05
	INE589A01014	NLC India Ltd.	0.26	0.05
	INE007A01025	CRISIL Ltd.	0.26	0.05
	INE699H01024	AWL Agri Business Ltd.	0.25	0.04
	INE042A01014	Escorts Kubota Ltd.	0.25	0.04
	INE686F01025	United Breweries Ltd.	0.25	0.06
	INE470A01017	3M India Ltd.	0.24	0.07
	INE010V01017	L&T Technology Services Ltd.	0.24	0.06
	INE04I401011	KPIT Technologies Ltd.	0.24	0.04

	INE031A01017	Housing & Urban Development Corporation Ltd.	0.23	0.05
	INE913H01037	Endurance Technologies Ltd.	0.23	0.06
	INE377Y01014	Bajaj Housing Finance Ltd.	0.23	0.04
	INE202E01016	Indian Renewable Energy Development Agency Ltd.	0.23	0.04
	INE672A01026	Tata Investment Corporation Ltd.	0.21	0.04
	INE260B01028	Godfrey Phillips India Ltd.	0.21	0.03
	INE671A01010	Honeywell Automation India Ltd.	0.21	0.06
	INE0ONG01011	NTPC Green Energy Ltd.	0.20	0.05
	INE093A01041	Hexaware Technologies Ltd.	0.20	0.07
	INE012A01025	ACC Ltd.	0.19	0.04
	INE0CZ201020	Anthem Biosciences Ltd.	0.17	0.06
	INE233A01035	Godrej Industries Ltd.	0.14	0.10
	INE002L01015	SJVN Ltd.	0.12	0.05
	INE470Y01017	The New India Assurance Company Ltd.	0.10	0.06

List of official points of acceptance:	For Details of official points of acceptance, please refer our website:- https://www.axismf.com/statutory-disclosures.
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	https://www.axismf.com/cms/sites/default/files/Statutory/Extract%20-%20Litigations%20.pdf SO – 49

Investor services	**Contact details for general service requests and complaints:** Investors can lodge any service request or complaints or enquire about NAVs, Unit Holdings, IDCW, etc by calling the Investor line of the AMC at contact number 8108622211 (chargeable) from 9.00 am to 6.00 pm (Monday to Saturday) or (022) 6311 1001 (at local call rate for enquiring at AMC ISC's) or email – customerservice@axismf.com. The service representatives may require personal information of the Investor for verification of his / her identity in order to protect confidentiality of information. The AMC will at all times endeavour to handle transactions efficiently and to resolve any investor grievances promptly. Investor Relations Officer: Mr. C P Sivakumar Nair Address : Axis Asset Management Company Ltd. One Lodha Place, 22nd & 23rd Floor, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra, Pin Code – 400013 Phone no.: (022) 6311 1001
Portfolio Disclosure	The AMC will disclose the portfolio of the Scheme (alongwith ISIN) as on the last day of the quarter on the website of the Mutual Fund and AMFI within 10 days from the close of each quarter in a user-friendly and downloadable spreadsheet format. **PORTFOLIO TURNOVER** The Scheme being an open ended scheme, it is expected that there would be a number of subscriptions and redemptions on a daily basis by Authorized Participants / Market Makers and Large investors. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. 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 Portfolio turnover ratio for the period ended _____: Currently, not Applicable since this is a new scheme.
Detailed comparative table of the existing schemes of AMC	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
Scheme performance	Currently, not applicable as this is a new scheme
Periodic Disclosures such as Half yearly	**Annual report:** The scheme wise annual report, in machine readable format, shall be hosted on the website of the AMC and on the website of AMFI.

disclosures, half yearly results, annual report	The AMC shall e-mail the scheme annual reports or abridged summary thereof, in machine readable formats, to all such unit holders, whose email addresses are registered with the Mutual Fund, within 4 months from the date of closure of the relevant financial year. The AMC shall send an email/SMS to all unitholders regarding the hosting of scheme wise annual report on their website and on the website of AMFI. Further, AMC shall provide a physical copy of the abridged summary of the Annual Report, on a specific request received from a unitholder For details, please refer our website: https://www.axismf.com/statutory-disclosures **Quarterly Portfolio disclosure:** The AMC will disclose the portfolio of the Scheme (alongwith ISIN) on a quarterly basis, on the website of the Mutual Fund and AMFI within, 10 days from the close of each quarter respectively in a user-friendly and downloadable spreadsheet format. Further, The AMC shall send monthly statements of scheme portfolio to unitholders whose email addresses are registered via email within the timelines specified. The AMC shall also provide a link to investors to their registered mail to enable the investor to directly view/download only the portfolio of Schemes subscribed by the respective investor, along with the scheme risk-o-meter, name of benchmark and risk-o-meter of benchmark. The AMC shall issue a notification on its website, the hosting of the statement of its scheme's portfolio on its respective website and on the website of AMFI. The investors can obtain a physical copy of the statement of its scheme portfolio, without charging any cost, on specific request received from a unit holder. The AMC will also provide a dashboard, in a comparable, downloadable (spreadsheet) and machine readable format, providing performance and key disclosures like Scheme's AUM, investment objective, expense ratios, portfolio details, scheme's past performance etc. on website. For details, please refer our website: https://www.axismf.com/statutory-disclosures
Scheme factsheet	For details, please refer our website: https://www.axismf.com/downloads
Scheme specific disclosures	Refer Note 1:

Note 1: Scheme specific disclosures:

<table>
<tr><td>1.</td><td>Portfolio rebalancing

SO – 22, 23 and 24</td><td>
<u>Timelines for deployment of funds collected in New Fund Offer (NFO) as per asset allocation of the scheme.</u>
In terms of clause 7.24 of SEBI Master Circular, the AMC shall deploy the funds garnered in an NFO within 30 business days from the date of allotment of units. If the AMC is not able to deploy the funds in 30 business days, the AMC shall adhere to the requirements as laid down in the aforesaid SEBI circular.

<u>Portfolio rebalancing due to short term defensive considerations:</u>
Portfolio allocation may deviate from the asset allocation for a short-term period due to defensive considerations as per para 1.9.1 (b)(ii) of SEBI Master circular as amended from time to time or on account of inflows in and outflows from the Scheme due to the nature of accounting, involuntary corporate action, etc. Defensive considerations may be determined by the fund manager and/or AMC from time to time. In case of deviations on account of exogenous factors, the fund manager will endeavor to rebalance the scheme within 7 calendar days from the date of such deviation.

<u>Portfolio rebalancing on account of change in constituents of underlying Index:</u>
As per Para 4.5.5. of Master Circular for Mutual Funds as amended from time to time, for rebalancing the portfolio by the Scheme, following norms shall apply:
a. In case of change in constituents of the index due to periodic review, the portfolio of the Scheme shall be rebalanced within 7 calendar days.
b. Any transactions undertaken in the scheme portfolio of ETF/ 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.
</td></tr>
<tr><td>2.</td><td>Disclosure w.r.t investments by key personnel and AMC directors including regulatory provisions</td><td>
<table>
<tr><th rowspan="2">Sr. No.</th><th rowspan="2">Category of persons –</th><th colspan="2">Net Value</th><th>Market Value (in Rs)</th></tr>
<tr><th>Units</th><th>NAV (Rs. per unit)</th><th></th></tr>
<tr><td>1.</td><td>Axis Nifty Midcap 150 ETF</td><td colspan="3">Not applicable</td></tr>
</table>
For any other disclosure w.r.t investments by key personnel and AMC directors including regulatory provisions in this regard kindly refer SAI.
</td></tr>
<tr><td>3.</td><td>Investments of AMC in the Scheme

SO – 59</td><td>Not Applicable since the Scheme is an ETF.

However, the AMC may at its discretion invest in the scheme during the New Fund Offer. The AMC shall not be entitled to charge any fees on such investments may be disclosed.</td></tr>
<tr><td>4.</td><td>Taxation</td><td>Equity-Oriented Mutual Funds (Rates applicable for the Financial Year 2026-27)
This document primarily covers taxation of units of equity oriented mutual funds (Refer Note 2). The information is provided for general information only.</td></tr>
</table>

However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors / authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.

Particulars	**Taxability in the hands of Individuals / Non-corporates / Corporates**	
	Resident	**Non-Resident**
Tax on distributed income	Taxed in the hands of unit holders at applicable rate under the provisions of the Income-tax Act, 2025 ("Act") (plus applicable surcharge and health and education cess) (Refer Note 3)	Taxed in the hands of unit holders at the rate of 20% u/s 207/ 210 of the Act (plus applicable surcharge and health and education cess)
Capital Gains		
Long Term Capital Gains: (Held for a period of more than 12 Months)	12.5% (plus applicable surcharge and health and education cess) without indexation (Refer Note 7)	12.5% (plus applicable surcharge and health and education cess) without indexation (Refer Note 7)
Short Term Capital Gains (Held for a period of 12 months or less)	20% (plus applicable surcharge and health and education cess)	20% (plus applicable surcharge and health and education cess)

Notes –

1. Axis Mutual Fund is a Mutual Fund registered with the Securities & Exchange Board of India and hence the entire income of the Mutual Fund will be exempt from income tax in accordance with the provisions of section 11 read with Schedule VII, Table Sl. No. 20 of the Act.

2. An equity-oriented fund has been defined as:

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

Provided that the percentage of equity shareholding or unit held in respect

of the fund, as the case may be, shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.

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

Particulars	Income slab	Rate of tax
Individual/ Hindu Undivided Family (HUF)/ AOP/ BOI#	Where total income for a tax year (April to March) is less than or equal to Rs 2,50,000* (the basic exemption limit)	Nil
	Where such total income is more than Rs 2,50,000* but is less than or equal to Rs 5,00,000	5% of the amount by which the total income exceeds Rs 2,50,000*
	Where such total income is more than Rs 5,00,000* but is less than or equal to Rs 10,00,000	Rs 12,500 plus 20% of the amount by which the total income exceeds Rs 5,00,000*
	Where such total income is more than Rs 10,00,000	Rs 1,12,500 plus 30% of the amount by which the total income exceeds Rs 10,00,000
Co-operative society	Where total income for a tax year (April to March) is less than or equal to Rs 10,000	10% of the total income
	Where such total income is more than Rs 10,000 but is less than or equal to Rs 20,000	Rs 1,000 plus 20% of the amount by which the total income exceeds Rs 10,000
	Where the total income exceeds Rs 20,000	Rs 3,000 plus 30% of the amount by which the total income exceeds Rs 20,000
Co-operative society availing concessional tax rate benefit (subject to prescribed conditions) under section 203 of the Act	22%	

		Co-operative society availing concessional tax rate benefit (subject to prescribed conditions) under section 204 of the Act	15%
		Domestic Corporate (where the total turnover or gross receipts of such company for tax year 2024-25 exceeds Rs 400 crores)/ Partnership firm/ LLP/ Local authority/ FPIs	30%
		Domestic company, where the total turnover or gross receipts of such company for tax year 2024-25 does not exceed Rs 400 crores	25%
		Domestic company availing concessional tax rate benefit (subject to prescribed conditions) under section 200 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 201 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 202 of the Act provides individuals and HUFs to pay tax in respect of their total income at the following rates (default regime):

Income slab	**Tax rate**
Where total income for a tax year (April to March) is less than or equal to Rs 4,00,000 (the basic exemption limit)	Nil
Where such total income is more than Rs 4,00,000 but is less than or equal to Rs 8,00,000	5% of the amount by which the total income exceeds Rs 4,00,000
Where such total income is more than Rs 8,00,000 but is less than or equal to Rs 12,00,000	Rs 20,000 plus 10% of the amount by which the total income exceeds Rs 8,00,000
Where such total income is more than Rs 12,00,000 but is less than or equal to Rs 16,00,000	Rs 60,000 plus 15% of the amount by which the total income exceeds Rs 12,00,000
Where such total income is more than Rs 16,00,000 but is less than or equal to Rs 20,00,000	Rs 1,20,000 plus 20% of the amount by which the total income exceeds Rs 16,00,000
Where such total income is more than Rs 20,00,000 but is less than or equal to Rs 24,00,000	Rs 2,00,000 plus 25% of the amount by which the total income exceeds Rs 20,00,000
Where such total income is more than Rs 24,00,000	Rs 3,00,000 plus 30% of the amount by which the total income exceeds Rs 24,00,000

Further, as per the section 156 of the Act, the threshold of total income for claiming the rebate under concessional tax regime (i.e. default regime) in case of resident individual is
Rs 12,00,000 and the limit of rebate is Rs 60,000. However, the said rebate is not available on incomes chargeable to tax at special rates (for eg. capital gains under section 196, 197, etc.).

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

Income	**Individual /HUF / non-corporate non-firm unit holders**
(a) Above Rs 50 lakh upto 1 crore (including dividend income and capital gains income under section 196,	10%

		197 and 198 of the Act)	
		(b) Above Rs 1 crore upto Rs 2 crores (including dividend income and capital gains income under section 196, 197 and 198 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 196, 197 and 198 of the Act)	25%
		(d) Above Rs 5 crores [excluding dividend income (dividend received from domestic companies only) and capital gains income under section 196, 197 and 198 of the Act)	37%*
		(e) Above Rs 2 crores [including dividend income (dividend received from domestic companies only) and capital gains income under section 196, 197 and 198 of the Act)] but not covered in point (c) and (d) above	15%

*Surcharge rate shall not exceed 25% in case of individual and HUF pays tax under section 202 of the Act.

5. Surcharge rates for Companies/ firm

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

*Surcharge rate shall be 10% in case domestic companies opting for taxation at lower tax rate (viz. 15% or 22%) under section 200 and section 201 of the Act on any income earned.

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

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

7. As per section 198 of the Act, long-term capital gains, exceeding Rs 1,25,000, arising from transfer of equity oriented mutual funds, shall be chargeable at the rate of 12.5% (plus applicable surcharge and health and education cess).

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

		9. Withholding of Taxation by Mutual Fund will as per applicable withholding tax rate. 10. All the above non-resident investors may also claim the tax treaty benefits available, if any. For further details on taxation please refer to the clause on Taxation in the SAI.
5.	Associate Transactions	For detailed disclosure, kindly refer SAI
6.	Listing and transfer of units	**Listing** Being an Exchange Traded Fund, the Units of the Scheme is listed on the NSE , BSE and/or any other stock exchange within such time as the Exchange may allow or within such time as the Regulations permit. An investor can buy/sell Units on the Exchange during the trading hours like any other publicly traded stock. The AMC has proposed to engage Authorised Participants/Market Maker for creating liquidity for the ETF on the Stock Exchange(s) so that investors other than Authorised Participants/Market Maker and Large Investors are able to buy or redeem units on the Stock Exchange(s) using the services of a stock broker. The AMC may also decide to delist the Units from a particular Exchange, provided that the Units are listed on at least one Exchange. The price of the Units in the market on Exchange will depend on demand and supply and market factors and forces. There is no minimum investment amount for investment through Exchange, although Units dealt in minimum in lot of 1. **Transferability of units:** Units held in Demat form are freely transferable in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time. Transfer can be made only in favour of transferees who are capable of holding units and having a Demat Account. The delivery instructions for transfer of units will have to be lodged with the DP in requisite form as may be required from time to time and transfer will be affected in accordance with such rules / regulations as may be in force governing transfer of securities in dematerialized mode. For more details refer to the SAI.
7.	Dematerialization of units SO – 58	The units of the Scheme will be available in dematerialized form only. Investors intending to invest in units of the Scheme are required to have a beneficiary account with the Depository Participant (DP) (registered with NSDL / CDSL as may be indicated by the Fund at the time of launch) and will be required to indicate in the application form the DP's name, DP ID Number and the beneficiary account number of the applicant with the DP at the time of purchasing units directly from the Fund on an ongoing basis in the Creation Unit Size / above a specified threshold. The units of the Scheme will be issued, traded and settled compulsorily in dematerialized form.

8.	Minimum Target amount	₹5 Crore 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. Note: The AMC may contribute the initial fund for unit creation without launching an NFO. Subsequently, the AMC may transfer the units of the Scheme to Market Makers or other investors, subject to compliance with all applicable provisions for launch of ETFs.
9.	Maximum Amount to be raised (if any)	Not Applicable
10	Dividend Policy (IDCW)	Not Applicable
11	Allotment (Detailed procedure) (During NFO)	• 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. • 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 closure of NFO/receipt of transaction request/allotment will be sent to the Unit Holders registered e-mail address and/or mobile number. • In case of Unit Holders holding units in the dematerialized mode, the Fund will not send the account statement to the Unit Holders. The statement provided by the Depository Participant will be equivalent to the account statement. • For those Unit holders who have provided an e-mail address, the AMC will send the account statement by e-mail. • Unit holders will be required to download and print the documents after receiving e-mail from the Mutual Fund. Should the Unit holder experience any difficulty in accessing the electronically delivered documents, the Unit holder shall promptly advise the Mutual Fund to enable the Mutual Fund to make the delivery through alternate means. It is deemed that the Unit holder is aware of all security risks including possible third party interception of the documents and contents of the documents becoming known to third parties. • The Unit holder may request for a physical account statement by writing/calling the AMC/ISC/Registrar. In case of specific request received from the Unit Holders, the AMC/Fund will provide the Account Statement to the Investors within 5 business days from the receipt of such request. • In cases where the email does not reach the Unit holder, the Fund / its Registrar & Transfer Agents will not be responsible, but the Unit holder can request for fresh statement. The Unit holder shall from time to time intimate the Fund / its Registrar & Transfer Agent about any changes in his e-mail address.

12	Refund	**During NFO:** 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 will be transferred within 5 business days of the closure of NFO period. In the event of delay beyond 5 business days, the AMC shall be liable to pay interest at 15% per annum or such other rate of interest as maybe prescribed from time to time. **Ongoing Offer period:** The AMC will refund the subscription money to applicants whose applications are found to be incomplete, invalid or have been rejected for any other reason whatsoever in accordance with the AMFI best practice guidelines in the matter. The AMC will endeavor to refund such amounts within 5 business days from the date of purchase transactions as per the timestamp / applicable NAV, where the application form / online transaction is received along with the payment and the funds have been realized. Where the subscription amount and the application/ online transaction are received separately, the period of 5 business days shall be reckoned from the later of the date of identifying the remitter details, based on the credit provided by the Bank or receipt and time stamping of application/ online transaction. In the event of delay beyond 5 business days, the AMC in line with AMFI best practice guidelines on the matter, will pay interest at 15% per annum or such other rate of interest as may be prescribed from time to time.
13	Who can invest This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is Suitable to their risk profile.	The following persons (subject to, wherever relevant, purchase of units of mutual funds, being permitted under respective constitutions, and relevant statutory regulations) are eligible and may apply for Subscription to the units of the Scheme: 1. Resident adult individuals either singly or jointly (not exceeding three) or on an Anyone or Survivor basis; 2. Hindu Undivided Family (HUF) through Karta; 3. Minor (as the first and the sole holder only) through a natural guardian (i.e. father or mother, as the case may be) or a court appointed legal guardian. There shall not be any joint holding with minor investments; 4. Partnership Firms; 5. Limited liability partnership firms; 6. Proprietorship in the name of the sole proprietor; 7. Companies, Bodies Corporate, Public Sector Undertakings (PSUs.), Association of Persons (AOP) or Bodies of Individuals (BOI) and societies registered under the Societies Registration Act, 1860(so long as the purchase of Units is permitted under the respective constitutions); 8. Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions;

		9. Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of requisite approvals wherever applicable) and Private trusts authorised to invest in mutual fund schemes under their trust deeds; 10. Non-Resident Indians (NRIs) / Persons of Indian origin (PIOs))/ Overseas Citizens of India (OCI)residing abroad on repatriation basis or on non-repatriation basis; 11. Foreign Portfolio Investor (FPI) registered with SEBI on repatriation basis. These investments shall be subject to the conditions prescribed by SEBI, RBI, Income Tax authorities and the AMC, from time to time; 12. Army, Air Force, Navy and other para-military units and bodies created by such institutions; 13. Scientific and Industrial Research Organisations; 14. Multilateral Funding Agencies / Bodies Corporate incorporated outside India with the permission of Government of India / RBI; 15. Provident/ Pension/ Gratuity Fund to the extent they are permitted; 16. Other schemes of Axis Mutual Fund or any other mutual fund subject to the conditions and limits prescribed by SEBI Regulations; 17. Schemes of Alternative Investment Funds; 18. The Trustee, AMC or Sponsor or their associates may subscribe to Units under the Scheme; 19. Such other category of person(s) permitted to make investments and as may be specified by the AMC / Trustee from time to time. Subject to SEBI (Mutual Funds) Regulations, 2026, 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.
14	Who cannot invest	1. Any individual who is a foreign national or any other entity that is not an Indian resident under the Foreign Exchange Management Act, 1999 (FEMA Act) except where registered with SEBI as a FPI or otherwise explicitly permitted under FEMA Act/ by RBI/ by any other applicable authority. 2. Pursuant to RBI A.P. (DIR Series) circular no. 14 dated September 16, 2003, Overseas Corporate Bodies (OCBs) cannot invest in Mutual Funds. 3. NRIs residing in Non-Compliant Countries and Territories (NCCTs) as determined by the Financial Action Task Force (FATF), from time to time. 4. U.S. Persons and Residents of Canada as defined under the applicable laws of U.S. and Canada except the following:

		a. subscriptions received by way of lump sum / switches / systematic transactions received from Non-resident Indians (NRIs) /Persons of Indian origin (PIO) / Overseas Citizen of India (OCI) who at the time of such investment, are present in India and b. FPIs 5. Such other persons as may be specified by AMC from time to time. The AMC reserves the right to put the transaction requests on hold/reject the transaction request/reverse allotted units, as the case may be, as and when identified by the AMC, which are not in compliance with the terms and conditions notified in this regard. The Trustee / the AMC /the Fund reserve the right to change/ modify the above provisions at a later date.
15	The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.	Units once redeemed will be extinguished and will not be reissued. The Scheme does not propose to reissue redeemed units. The number of Units held by the Unit holder in his Beneficiary (Demat) account will stand reduced by the number of Units redeemed.
16	Restrictions, if any, on the right to freely retain or dispose of units being offered.	Units held in Demat form are transferable in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time. Transfer can be made only in favour of transferees who are capable of holding units and have a Demat Account. The delivery instructions for transfer of units will have to be lodged with the DP in requisite form as may be required from time to time and transfer will be affected in accordance with such rules / regulations as may be in force governing transfer of securities in dematerialized mode. The Mutual Fund will not be bound to recognise any other transfer. In case a person (i.e. a transferee) becomes a holder of the units by operation of law or upon enforcement of pledge, then the AMC shall, subject to production of such satisfactory evidence and submission of such documents, proceed to effect the transfer, if the intended transferee is otherwise eligible to hold the units of the Scheme. The units held in demat mode can be pledged and hypothecated as per the provisions of Depositories Act, 1996 and Depositories Rules and Regulations. **Pledge or Hypothecation of Units** The Units held in demat mode can be pledged and hypothecated as per

		the provisions of Depositories Act and Depositories Rules and Regulations. **Manner of creating pledge or hypothecation:** 1) If a beneficial owner intends to create a pledge on a security owned by him he shall make an application to the depository through the participant who has his account in respect of such securities. 2) The participant after satisfaction that the securities are available for pledge shall make a note in its records of the notice of pledge and forward the application to the depository. 3) The depository after confirmation from the pledgee that the securities are available for pledge with the pledger shall within fifteen days of the receipt of the application create and record the pledge and send an intimation of the same to the participants of the pledger and the pledgee. 4) On receipt of the intimation under Clause (3) the participants of both the pledger and the pledgee shall inform the pledger and the pledgee respectively of the entry of creation of the pledge. 5) If the depository does not create the pledge, it shall send along with the reasons an intimation to the participants of the pledger and the pledgee. 6) The entry of pledge made under Clause (3) may be cancelled by the depository if pledger or the pledgee makes an application to the depository through its participant: 7) Provided that no entry of pledge shall be cancelled by the depository without prior concurrence of the pledgee. 8) The depository on the cancellation of the entry of pledge shall inform the participant of the pledger. 9) Subject to the provisions of the pledge document, the pledgee may invoke the pledge and on such invocation, the depository shall register the pledgee as beneficial owner of such securities and amend its records accordingly. 10) After amending its records under Clause (8) the depository shall immediately inform the participants of the pledger and pledgee of the change who in turn shall make the necessary changes in their records and inform the pledger and pledge respectively. 11) (a) If a beneficial owner intends to create a hypothecation on a security owned by him he may do so in accordance with the provisions of Clauses (1) to (9). (b) The provisions of Clauses (1) to (9) shall mutatis mutandis apply in such cases of hypothecation: Provided that the depository before registering the hypothecatee as a beneficial owner shall obtain the prior concurrence of the hypothecator. 12) No transfer of security in respect of which a notice or entry of pledge or hypothecation is in force shall be effected by a participant without the concurrence of the pledgee or the hypothecatee, as the case may be. **Suspension/Restriction on Redemption of Units of the Scheme** Subject to the approval of the Boards of the AMC and of the Trustee and subject also to necessary communication of the same to SEBI, the redemption of / switch-out of Units of Scheme, may be temporarily suspended/ restricted. In accordance with Para 5.3 of SEBI Master Circular on Mutual Funds as amended from time to time and subject to prevailing regulations, restriction on/suspension of redemptions / switch-out of Units of the Scheme, may be imposed when there are circumstances leading to systemic crisis or event that severely constricts market liquidity or the efficient

		functioning of markets such as: a) **Liquidity issues:** when market at large becomes illiquid affecting almost all securities rather than any issuer specific security; b) **Market failures, exchange closures:** when markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies; c) **Operational issues:** when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out). Restriction on / suspension of redemption of Units of the Scheme may be imposed for a specified period of time not exceeding 10 working days in any 90 days period. When restriction on / suspension of redemption of Units of the Scheme is imposed, the following procedure shall be applied i. No redemption / switch-out requests upto Rs. 2 lakhs shall be subject to such restriction. ii. Where redemption / switch-out requests are above Rs. 2 lakhs, the AMC shall redeem the first Rs. 2 lakhs without such restriction and remaining part over and above Rs. 2 lakhs shall be subject to such restriction. In addition to the above, the AMC / Trustee may restrict / suspend redemptions / switch-out of Units of the Scheme(s) pursuant to direction/ approval of SEBI. In case of any of the above eventualities, the general time limits for processing requests for redemption of Units will not be applicable. Also refer to the paragraph 'Suspension of Purchase and Redemption of Units' in the Statement of Additional Information.
17	Cut off timing for subscriptions/ redemptions/ switches This is the time before which your application (complete in all respects) should reach the official points of acceptance.	**DIRECTLY FROM THE FUND:** On an ongoing basis, the Scheme would be open for subscriptions/redemptions only for Authorised Participants/Market Maker and Large Investors in 'Creation Unit Size' on all Business Days. Large Investors can directly purchase / redeem in multiples of Creation Unit Size subject to the value of transaction is above Rs. 25 Crores. The requirement of "cut-off" timing for NAV applicability as prescribed by SEBI from time to time shall not be applicable for direct transaction with AMCs in ETFs by MMs and other eligible investors. The creation/redemption of units would be based on Portfolio deposit and the applicable cash component for the respective business day on which such creation/ redemption of units are made and the deposit and cash are credited to the Scheme's account. The Fund may also allow Cash (through RTGS / Transfer / Cheque) subscription /redemption in creation unit size/ above a specified threshold by Large investors / Authorised Participants/Market Maker.

		In line with clause 9.4.4 of SEBI master circular transactions in units the Scheme by Authorized Participants / Market Makers and Large Investors, directly with the AMC, intra-day NAV, based on the executed price at which the securities representing the underlying index are purchased / sold, shall be applicable. **ON THE EXCHANGE:** As the Scheme is listed and traded on the NSE/BSE/other stock exchange, the provisions of cut-off time (3 P.M.) is not applicable for secondary market transactions but will be subject to the trading time/restrictions for purchase/sale of units as per the rules and regulations prescribed by the stock exchanges on which they are listed. **Settlement of purchase / sale of Units of the Scheme on NSE/ BSE and/or any other stock exchange:** Buying/Selling of Units of the Scheme on NSE, BSE and/or any other stock exchange is just like buying/selling any other normal listed security. If an investor has bought Units, an investor has to pay the purchase amount to the broker/sub-broker such that the amount paid is realised before the funds pay-in day of the settlement cycle on the Stock Exchange(s). If an investor has sold Units, an investor has to deliver the Units to the broker/sub-broker before the securities pay in day of the settlement cycle on the Stock Exchange(s). The Units (in the case of Units bought) and the funds (in the case of Units sold) are paid out to the broker on the pay-out day of the settlement cycle on the Stock Exchange(s). The Stock Exchange(s) regulations stipulate that the trading member should pay the money or Units to the investor within 24 hours of the pay-out. If an investor has bought Units, he should give standing instructions for 'Delivery-In' to his /her/its DP for accepting Units in his/her/its beneficiary account. An investor should give the details of his/her beneficiary account and the DP-ID of his/her/its DP to his/ her/its trading member. The trading member will transfer the Units directly to his/her/ its beneficiary account on receipt of the same from NSE's, BSE's and/or any other stock exchange's Clearing Corporation. An investor who has sold Units should instruct his/her/its Depository Participant (DP) to give 'Delivery Out' instructions to transfer the Units from his/her/its beneficiary account to the Pool Account of his/her/its trading member through whom he/she/it have sold the Units. The details of the Pool A/C (CM-BP-ID) of his/her trading member to which the Units are to be transferred, Unit quantity etc. should be mentioned in the Delivery Out instructions given by him/her to the DP. The instructions should be given well before the prescribed securities pay-in day. SEBI has advised that the Delivery Out instructions should be given at least 24 hours prior to the cut-off time for the prescribed securities pay-in to avoid any rejection of instructions due to data entry errors, network problems, etc. **Rolling Settlement** As per the SEBI's circular dated March 4, 2003, the rolling settlement on T+2 basis for all trades has commenced from April 1, 2003 onwards. The Pay-in

<table>
<tr><td></td><td></td><td>and Pay-out of funds and the Units will take place within 2 working days after the trading date.

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

Day Activity

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

While calculating the days from the Trading day (Day T), weekend days (i.e. Saturday and Sundays) and bank holidays are not taken into consideration.</td></tr>
<tr><td>18</td><td>Minimum balance to be maintained and consequences of non-maintenance</td><td>There is no minimum balance requirement.

SO – 36</td></tr>
<tr><td>19</td><td>Accounts Statements

SO – 61</td><td>The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form).

The depositories shall dispatch a monthly consolidated statement with details across all schemes of mutual funds and securities held in dematerialized form across demat accounts and dispatch the same to investors who have opted for delivery via electronic mode (e-CAS) by the 12th day from the month end and to investors who have opted for delivery via physical mode by the 15th day from the month end.

For folios where there are no transactions during the half – year , the depositories shall dispatch a consolidated statement i.e. half-yearly CAS at the end of every six months (i.e. September/ March) to investors that have opted for e-CAS on or before the 18th day of April and October and to investors who have opted for delivery via physical mode by the 21st day of April and October to all investors providing the prescribed details across all schemes of mutual funds and securities held in dematerialized form across demat accounts, if applicable.

For further details, refer SAI.</td></tr>
</table>

20	Dividend/ IDCW	Currently. no IDCW will be declared under the Scheme.
21	Redemption	The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase. For list of exceptional circumstances refer para 15.3.3. of SEBI Master Circular for Mutual Funds. Investors may kindly note that Units can be redeemed with the fund house only in Creation Unit Size / above a specified threshold. For detailed procedure on how to redeem, kindly refer SAI
22	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.
23	Delay in payment of redemption/ repurchase proceeds/dividend	The Asset Management Company shall be liable to pay interest to the unitholders at rate as specified vide clause 15.4 of SEBI Master Circular for Mutual Funds by SEBI for the period of such delay. The AMC shall be liable to pay interest to the Unit holders at 15% or such other rate as may be prescribed by SEBI from time to time, in case the proceeds are not made within three (3) working Days of the date of redemption/ maturity. However, the AMC will not be liable to pay any interest or compensation or any amount otherwise, in case the AMC / Trustee is required to obtain from the Investor / Unit holders verification of identity or such other details relating to Subscription for Units under any applicable law or as may be requested by a Regulatory Agency or any government authority, which may result in delay in processing the application.
24	Unclaimed Redemption an Income Distribution cu Capital Withdrawal Amount SO – 53	As per Para 15.5 of SEBI Master Circular on Mutual Funds as amended from time to time, the unclaimed Redemption and IDCW amounts shall be deployed by the Fund in money market instruments and such other instruments/securities as may be 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. Further, according to Para 15.5 of SEBI Master Circular on Mutual Funds as amended from time to time the unclaimed Redemption amounts may be deployed in separate plan of Overnight scheme/Liquid scheme/Money

<table>
<tr><td></td><td></td><td>market mutual fund scheme floated by Mutual Funds specifically for deployment of the unclaimed Redemption amounts.

For further details, refer SAI</td></tr>
<tr><td>25</td><td>Disclosure w.r.t investment by minors

SO - 37</td><td>Following is the process for investments made in the name of a Minor through a Guardian: -

• Payment for investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian.
• Mutual Fund will send an intimation to Unit holders advising the minor (on attaining majority) to submit an application form along with prescribed documents to change the status of the account from ‘minor’ to ‘major’.
• All transactions / standing instructions / systematic transactions etc. will be suspended i.e. the Folio will be frozen for operation by the guardian from the date of beneficiary child completing 18 years of age, till the status of the minor is changed to major. Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new bank account.
• No investments (lumpsum/SIP/ switch in/ STP in etc.) in the scheme would be allowed once the minor attains majority i.e. 18 years of age till the status of the minor is changed to major.</td></tr>
<tr><td>26</td><td>Creation Unit</td><td>Creation Unit is a fixed number of units of the Scheme, which is exchanged for a basket of securities of the underlying index called the Portfolio Deposit and a Cash component. For redemption of Units, it is vice versa i.e., fixed number of units of the Scheme and a cash component are exchanged for Portfolio Deposit.

Creation Unit Size will be 3,50,000 units and in multiples thereof.

Every creation unit shall have a monetary value in Rupee terms equivalent to that day’s portfolio deposit and cash component.

For redemption of Units it is vice versa i.e. fixed number of Units of the Scheme are exchanged for Portfolio Deposit and Cash Component, if any.

The Portfolio Deposit and Cash Component will change from time to time and is discussed separately in this SID.

The Mutual Fund may from time to time change the size of the Creation Unit in order to equate it with marketable lots of the underlying instruments.

Example of Creation of Units as on:
<table>
<tr><td>A</td><td>Closing Price of Nifty Midcap 150 Index – September 30, 2026</td><td>8126</td></tr>
<tr><td>B</td><td>Hypothetical NAV (1/1000th of Index)</td><td>81.2680</td></tr>
<tr><td>C</td><td>Unit Creation Size</td><td>3,50,000</td></tr>
<tr><td>D</td><td>Portfolio Value</td><td>4,388,472</td></tr>
<tr><td>E</td><td>Closing Value of Portfolio (Assumed)</td><td>4,390,973</td></tr>
</table></td></tr>
</table>

		F	Cash Component per creation unit size (D-E)	2,501
27	Procedure for creation and redemption of units of the scheme in Creation Unit Size	**Procedure for creation in Creation Unit Size:** The requisite securities constituting the Portfolio Deposit have to be transferred to the Fund's DP account while the Cash Component has to be paid to the Custodian/AMC. On confirmation of the same by the Custodian/AMC, the AMC will transfer the respective number of units of the Scheme into the investor's DP account. The Fund may, at its discretion allow cash purchases of units of the Scheme in Creation Unit Size / above a specified threshold by Large Investors/Authorised Participants/ Market Makers. Purchase request for Creation Unit/ above a specified threshold shall be made by such investor to the Fund/AMC where upon the Fund/AMC will arrange to buy the underlying portfolio securities. The portfolio deposit and cash component will be exchanged for the units of the Scheme in Creation Unit Size / above a specified threshold. The AMC has the right to collect any cost incurred by the AMC in terms of the transaction charges, other incidental charges, the difference between the acquisition cost and closing prices of securities comprising of the Portfolio Deposit of each business day etc. Such costs may be adjusted by allotting proportionately lesser number of units to the investor. The AMC may levy a fee/charges, which may vary from time to time, for providing/arranging this facility. **Procedure for redeeming units of the Scheme in Creation Unit Size:** The Units of the Scheme in less than Creation Unit cannot be redeemed with the Fund. The Authorised Participant / Market Maker/ Large Investor would transfer the requisite number of units of the Scheme equaling the creation unit/ above a specified threshold to the Fund's designated DP account. The AMC has the right to collect any cost incurred by the AMC in terms of the transaction charges, other incidental charges, the difference between the sales proceeds and closing prices of securities comprising of the Portfolio Deposit of each business day etc. Such costs may be adjusted by redeeming proportionately additional number of units to the investor. Redemption proceeds in the form of basket of securities included in the Nifty Midcap 150 TRI in the same proportion will be credited to the designated DP account of the Authorised Participant/ Market Maker or Large Investor. Any fractions in the number of securities transferable to Authorised Participant/Large Investor/Market Makers will be rounded off to the lower integer and the value of the fractions will be added to the cash component payable. The Fund may, at its discretion, allow cash redemption of the units of the Scheme in Creation Unit Size/ above a specified threshold by Large Investor/Authorised Participant/ Market Maker. Redemption request shall be made by such investor to the Fund whereupon the Fund shall arrange to sell the underlying portfolio of securities on behalf of the investor. The AMC may levy a fee/ charges, which may vary from time to time, for providing/arranging this facility.	

		Such instances shall be tracked by the AMC on an ongoing basis and in case if any of the above mentioned scenario arises, the same shall be disclosed on the website of the AMC.
28	Principles of incentive structure for market makers (for ETFs)	In accordance with the clause 4.5.1.d of SEBI Master Circular for Mutual Funds, Incentives, if any, to Market Makers shall be charged to the Scheme within maximum permissible limit of TER. **a) Guiding Principles for incentive structure for Market Makers** Incentives to market maker will be linked to performance of the market maker in terms of generating liquidity in units of ETFs. Incentives, if any, to MM shall be charged to the scheme within the maximum permissible limit of Total Expense Ratio ("TER"). **b) Determination of incentive for Market maker It will be determined basis any or all of the below mentioned criteria:** i. It will be based on volume carried out by market maker on the exchange as compared to total volume of respective ETFs on exchange. ii. Availability of bid & Ask as per the SEBI guidelines iii. Average Spread between Bid & Ask iv. Any other performance-based metric. Incentives to market maker shall be at the discretion of the AMC & to be decided between the AMC and the MM which may be variable in nature or fixed amount basis agreed performance standards and will adhere to maximum permissible limit of TER. All scheme related expenses including commission paid to distributors, by whatever name it may be called and in whatever manner it may be paid, shall necessarily paid from the scheme only within the regulatory limits and not from the books of AMC, its associate, sponsor, trustees or any other entity through any route in terms of SEBI circulars and clarification issued thereon.
29	**What are the investment restrictions?**	Pursuant to Regulations, specifically the Sixth Schedule and amendments thereto, the following investment restrictions are currently applicable to the Scheme: 1. The Mutual Fund under all its Scheme(s) shall not own more than ten per cent of any company's paid up capital carrying voting rights or ten per cent of units of REITs issued by a single issuer. Provided, investment in the asset management company or the trustee company of a mutual fund shall be governed by para 13.1(5) of SEBI Master Circular for Mutual Funds. 2. No mutual fund scheme shall invest more than 10 per cent of its NAV in the equity shares or equity related instruments of any company: Provided that, the limit of 10 per cent shall not be applicable for investments in case of index fund or exchange traded fund or sector or thematic scheme. Investments by index funds shall be in accordance with the weightage of the scrips in the specific index.

		All investments by a mutual fund scheme in equity shares and equity related instruments shall only be made provided such securities are listed or to be listed. 3. The Scheme shall not invest in unlisted debt instruments including commercial papers, except Government Securities and other money market instruments: Provided further that the Scheme shall comply with the norms under this clause within the time and in the manner as may be specified by the Board. Provided further that the norms for investments by the Scheme in unrated debt instruments shall be as specified by the Board from time to time. Note: According to the Asset Allocation of the Scheme, the indicative allocation of the Scheme to Money Market Instruments and units of debt & liquid mutual fund schemes shall be in the range of 0% to 5% of the net assets of the Scheme, subject to conditions specified. 4. 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. 5. The Scheme shall not make any investment in: a) any unlisted security of an associate or group company of the sponsor; or b) any security issued by way of private placement by an associate or group company of the sponsor; or c) the listed securities of group companies of the sponsor which is in excess of 25% of the net assets except for investments by equity-oriented exchange traded funds (ETFs) and Index Funds Provided that, Equity oriented ETFs and Index Funds, based on widely tracked and non-bespoke indices, can make investments in accordance with the weightage of the constituents of the underlying index. However, such investments shall be subject to an overall cap of 25% of net asset value of the scheme, in the group companies of the sponsor. 6. 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. 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. Provided that the Mutual Fund may engage in securities lending and borrowing specified by SEBI.

		Provided further that the Mutual Fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by SEBI. Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard. 8. The Scheme shall not make any investment in any fund of funds scheme. 9. Pending deployment of the funds of the Scheme in securities in terms of the investment objective of the Scheme, the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued Para 13.7 of Master Circular for Mutual Funds and as amended from time to time: The Scheme will comply with the following guidelines/restrictions for parking of funds in short term deposits: i. "Short Term" for such parking of funds by the Scheme shall be treated as a period not exceeding 91 days. Such short-term deposits shall be held in the name of the Scheme. ii. The Scheme shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustee. iii. Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits. iv. The Scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries. v. The Scheme shall not park funds in short term deposit of a bank which has invested in that Scheme. Further Trustees/ AMCs shall also ensure that the bank in which the Scheme has STD do not invest in the said scheme until the Scheme has STD with such bank. vi. The AMC will not charge any investment management and advisory fees for funds parked in short term deposits of scheduled commercial banks. However, the above provisions will not apply to term deposits placed as margins for trading in cash market. 10. The Scheme shall not advance any loans. 11. 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 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.

12. The Scheme will comply with the following restrictions for trading in exchange traded derivatives, as specified by SEBI vide its circulars issued from time to time:

a) Position limit for the Mutual Fund in equity index options contracts

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

b) Position limit for the Mutual Fund in equity index futures contracts:

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

c) Additional position limit for hedging

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

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

d) Position limit for Mutual Fund for stock based derivative contracts

The Mutual Fund position limit in a derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts, is defined in the following manner:-

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

e) Position limit for each scheme of a Mutual Fund

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

i. For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of a Mutual Fund shall not exceed the higher of 1% of the free float market capitalization (in terms of number of shares)

or

5% of the open interest in the derivative contract on a particular underlying stock (in terms of number of contracts).

ii. This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.
iii. For index based contracts, Mutual Funds shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

13. 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.

14. In terms of Para 4.3 of Master Circular for Mutual Funds which specifies the portfolio concentration norms as follows, shall be complied with respect to the underlying Index:

- The index has a minimum of 10 stocks as its constituents.
- No single stock in the index shall have more than 25% weight in the index.
- The weightage of the top three constituents of the index, cumulatively shall not be more than 65% of the Index.
- The individual constituent of the index shall have a trading frequency greater than or equal to 80% and an average impact cost of 1% or less over the previous six months.

The benchmark shall be in compliance of the aforesaid norms.

15. Para 13.18.1. of its master circular for Mutual Fund as amended from time to time has prescribed the following investment restrictions w.r.t. investment in derivatives:

S. No.	Particulars
1	The cumulative gross exposure through equity, debt, derivative positions, and repo transactions, other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the Scheme. Cash or cash equivalents with residual maturity of less than 91 days shall be treated as not creating any exposure.
2	The Scheme shall not write options or purchase instruments with embedded written options.
3	The total exposure related to option premium paid shall not exceed 20% of the net assets of the Scheme.
4	Exposure due to hedging positions may not be included in the above mentioned limits subject to the following: Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains. Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged. The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.
5	Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position

			has been taken, shall be treated under the limits mentioned in point 1.
		6	Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows:

Position	Exposure
Long Future	Futures Price * Lot Size * Number of Contracts
Short Future	Futures Price * Lot Size * Number of Contracts
Option bought	Option Premium Paid * Lot Size * Number of Contrac

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

    The limits specified for debt and money market instruments are subject to the Asset Allocation of the Scheme.

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

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

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

Apart from the investment restrictions prescribed under SEBI (MF) Regulations, the fund may follow any internal norms vis-à-vis limiting exposure to a particular scrip or sector, etc. SO – 19

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.

30	**What are the Investment Strategies?**	The scheme follows a passive investment strategy. SO – 27 The Scheme would invest in stocks comprising the underlying index and shall track the benchmark index. The Scheme may also invest in Money Market Instruments and units of debt & liquid mutual fund schemes, in compliance with Regulations to meet liquidity and expense requirements and in line with the asset allocation pattern. The Scheme shall invest in stocks forming part of the underlying Index in the same ratio as per the index to the extent possible and to that extent follow a passive investment strategy, except to the extent of meeting liquidity and expense requirements. Events like the constituent stocks becoming illiquid in the cash market, the exchange Index Provider

		changing the constituents, a large dividend going ex but lag in its receipts, etc. tend to increase the tracking error. In such events, it may be more prudent for the Scheme to take exposure through derivatives of its constituent stocks in order to minimize the long term tracking error. **DERIVATIVES STRATEGY** The Scheme may invest in various derivative instruments which are permissible under the applicable regulations. Such investments shall be subject to the investment objective and strategy of the Scheme and the internal limits if any, as laid down from time to time. Investment in equity derivatives of underlying securities shall be undertaken in instances of portfolio rebalancing or unavailability of the securities, in cases of events such as corporate action, etc. for short term and defensive considerations. These include but are not limited to stock futures and stock options. Derivatives are financial contracts of pre-determined fixed duration, like stock futures/options, whose values are derived from the value of an underlying primary financial instrument such as: interest rates, exchange rates, commodities, and equities. Derivatives can be either exchange traded or can be over the counter (OTC). Exchange traded derivatives are listed and traded on stock exchanges whereas OTC derivative transactions are generally structured between two counterparties. The objectives of the various strategies include earning option premium / portfolio against market gyrations. The risks associated with derivatives are similar to those associated with underlying investments. The additional risks of using derivative strategies could be on account of: • Illiquidity; • Potential mis - pricing of the Futures/Options; • Lack of opportunity; • Inability of derivatives to correlate perfectly with the underlying (Indices, Assets, Exchange Rates); • An exposure to derivatives can also limit the profits from a genuine investment transaction; • The prices which are seen on the screen need not be the same at which execution will take place. For detailed risks associated with use of derivatives, please refer paragraph "Scheme Specific Risk Factors". Exchange traded derivatives Contracts in stocks and indices in India are currently cash settled at the time of maturity. Derivatives allowed for mutual funds are only exchange traded and not OTC. Concepts and Examples of derivatives which may be used by the fund manager: According to regulations, investment in equity derivatives of underlying securities shall be allowed in instances of portfolio rebalancing or unavailability of the securities.

Derivative Contract on underlying securities-

There are derivative contracts based on individual securities. The profitability of stock derivative as compared to individual security will inter-alia depend upon:

- The carrying cost,
- The interest available on surplus funds, and
- The transaction cost.

Example of a typical future trade and the associated costs:

Particulars	**Stock Future**	**Actual Purchase of Stock**
Stock at the beginning of the month	17,500	17,500
Price of 1 month stock future	17,650	
A. Execution cost: Carry and other stock future costs	150	
B. Brokerage cost: Assumed at -	35	43.75
0.2% for stock futures and 0.25% for spot Stocks		
C. Gains on surplus fund: (Assumed 8% p.a. return on 85% of the money left after paying 15% margin) (8%*17650*85%*30 days/365)	100	
Total Cost (A+B-C)	85	43.75

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

Option Contracts (Stock Options)

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

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

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

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

Options Risk / Return Pay-off Table

	Stock Options	Buy Call	Sell Call	Buy Put	Sell Put
1	Premium	Pay	Receive	Pay	Receive
2	Risk Potential	Limited to premium paid	Unlimited	Limited to premium paid	Unlimited
3	Return Potential	Unlimited	Premium Received	Unlimited	Premium Received

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

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

The illustration below explains call / put option for individual securities.

Call Option

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

Case 1- The stock goes up
• An investor sells the Stock XYZ Option described above before expiry:
Suppose the Stock XYZ moves up to 17,600 in the spot market and the premium has moved to Rs 200 and there are 15 days more left for the expiry. The investor decides to reverse his position in the market by selling his 1 Stock XYZ call option as the option now is In the Money.
His gains are as follows:
• Stock XYZ Spot: 17,600
• Current Premium: Rs.200
• Premium paid: Rs.100
• Net Gain: Rs.200- Rs.100 = Rs.100 per unit
• Total gain on 1 lot of Stock XYZ (50 units) = Rs. 5,000 (50*100)
In this case the premium of Rs.200 has an intrinsic value of Rs.100 per unit and the remaining Rs.100 is the time value of the option.

		• An investor exercises the Stock XYZ Option at expiry : Suppose the Stock XYZ moves up to 17,700 in the spot market on the expiry day and the investor decides to reverse his position in the market by exercising the Stock XYZ call option as the option now is 'in The Money'. His gains are as follows: • Stock XYZ Spot: 17,700 • Premium paid: Rs.100 • Exercise Price: 17,550 • Receivable on exercise: 17,700-17,550 = 150 • Total Gain: Rs. 2,500 {(150-100) *50} In this case the realised gain is only the intrinsic value, which is Rs.50, and there is no time value. Case 2 - The Stock XYZ moves to any level below 17,550 Then the investor does not gain anything but on the other hand his loss is limited to the premium paid: Net Loss is Rs. 5,000 (Loss is capped to the extent of Premium Paid) (Rs 100 Premium paid*Lot Size: 50 units). **Put Option** Suppose an investor buys a Put option on 1 lot of Stock XYZ. • Stock XYZ 1 Lot Size: 50 units • Spot Price (S): 17,500 • Strike Price (x): 17,450 (Out-of-Money Put Option) • Premium: 30 • Total Amount paid by the investor as premium [50*30] = Rs. 1,500 There are two possibilities i.e. either the Stock XYZ moves over the strike price or moves below the strike price. Let us analyze these scenarios. Case 1 - The Stock XYZ goes down • An investor sells the Stock XYZ Option before expiry: Suppose the Stock XYZ moves down to 17,400 in the spot market and the premium has moved to Rs. 80 and there are 15 days more left until the expiry. The investor decides to reverse his position in the market by selling his 1 Stock XYZ Put Option as the option now is In The Money. His gains are as follows: • Stock XYZ Spot: 17,400 • Premium paid: Rs.30 • Net Gain: Rs.80 - Rs.30 = Rs.50 per unit • Total gain on 1 lot of Stock XYZ (50 units) = Rs. 2,500 (50*50) In this case the premium of Rs.80 has an intrinsic value of Rs.50 per unit and the remaining Rs.30 is the time value of the option. •An investor exercises the Stock XYZ Option at expiry (It is an European Option): Suppose the Stock XYZ moves down to 17,400 in the spot market on the expiry day and the investor decides to reverse his position in the market by exercising the Stock XYZ Put Option as the option now is In The Money. His gains are as follows:

		• Stock XYZ Spot: 17,400 • Premium paid: Rs.30 • Exercise Price: 17,450 • Gain on exercise: 17,450-17,400 = 50 • Total Gain: Rs. 1,000 {(50-30)*50} In this case the realised amount is only the intrinsic value, which is Rs.50, and there is no time value in this case. Case 2 - If the Stock XYZ stays over the strike price which is 17,450, in the spot market then the investor does not gain anything but on the other hand his loss is limited to the premium paid. • Stock XYZ Spot: >17,450 • Net Loss Rs.1,500 (Loss is caped to the extent of Premium Paid) (Rs 30 Premium paid*Lot Size: 50 units). Investment in derivatives are subject to certain risks, details of which are enumerated under section 'Risks associated with investments in derivatives'. For details of risk factors relating to use of Derivatives, the investors are advised to refer to Scheme Specific Risk Factors.
31	**Where will the Scheme Invest?** SO - 29	The corpus of the Scheme will be invested in Equity & Equity related instruments forming part of the constituents of the underlying index. The scheme will track Nifty Midcap 150 TRI and is a passively managed scheme. In case of any changes in the index due to corporate actions or change in the constituents of the underlying index the relevant investment decision will be determined considering the composition of the index. The scheme would invest in stocks comprising the underlying index. The Fund may also invest in Money Market Instruments, units of debt & liquid mutual fund schemes in compliance with Regulations to meet liquidity and expense requirements. **Equity Instruments** 1. Equity share is a security that represents ownership interest in a company. 2. Equity Related Instruments are securities which give the holder of the security right to receive Equity Shares on pre agreed terms. It includes convertible bonds, convertible debentures, equity warrants, convertible preference shares, etc. The Scheme shall invest in Equity shares of constituents of Nifty500 Momentum 50 Index, however it may be entitled to and receive Equity Related instruments of such entities by way of corporate action. Equity related instruments also include Real Estate Investment Trust (REITs). REIT is a trust which holds real estate assets which is managed by an investment manager. The unitholders in the trust have proportional interest in the underlying holdings of the trust. 3. Equity Derivatives are financial instruments, generally traded on an exchange, the price of which is directly dependent upon (i.e., "derived from") the value of equity shares or equity indices. Derivatives involve the trading of rights or obligations based on the underlying, but do not directly transfer property. The Scheme will take exposure to equity derivatives through stock futures/options and index futures and options of constituents

		of the underlying index. **Futures:** Futures are exchange-traded contracts to sell or buy financial instruments for future delivery at an agreed price. There is an agreement to buy or sell a specified quantity of financial instrument on a designated future date at a price agreed upon by the buyer and seller at the time of entering into a contract. A futures contract involves an obligation on both the parties to fulfill the terms of the contract. SEBI has permitted futures contracts on indices and individual stocks with maturity of 1 month, 2 months and 3 months on a rolling basis. The futures contracts are settled on last Thursday (or immediately preceding trading day if Thursday is a trading holiday) of each month. The final settlement price is the closing price of the underlying stock(s)/index. **Debt & 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. TBills are issued for maturities of 14 days, 91 days, 182 days and 364 days. The Scheme may also invest in Cash Management Bill (CMB) issued by the Government of India to meet their short term borrowing requirements. CMB are generally issued for maturities of less than 91 days. **Commercial Usance Bills** Bill (bills of exchange/promissory notes of public sector and private sector corporate entities) Rediscounting, usance bills and commercial bills. **Repos** Repo (Repurchase Agreement) or Reverse Repo is a transaction in which two parties agree to sell and purchase the same security with an agreement to purchase or sell the same security at a mutually decided future date and price. The transaction results in collateralized borrowing or lending of funds. Presently in India, corporate debt securities, Government Securities, State Government Securities and T-Bills are eligible for Repo/Reverse Repo. Tri-party repo means a repo contract where a third entity (apart from the borrower and lender), called a Tri-Party Agent, acts as an intermediary between the two parties to the repo to facilitate services like collateral

		selection, payment and settlement, custody and management during the life of the transaction. The Scheme may undertake repo or reverse repo transactions in accordance with the directions issued by RBI and SEBI from time to time. Such investment shall be made subject to the guidelines which may be prescribed by the Board of Directors of the Asset Management Company and Trustee Company. **The Scheme may invest in securities created and issued by the Central and State Governments** as may be permitted by RBI, securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills). State Government securities (popularly known as State Development Loans or SDLs) are issued by the respective State Government in co-ordination with the RBI. **Non-Convertible Debentures** Non-convertible debentures are securities issued by companies / institutions promoted / owned by the Central or State Governments and statutory bodies which may or may not carry a Central/State Government guarantee, Public and private sector banks, all India Financial Institutions and Private Sector Companies. These instruments may 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 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. **Short Term Deposits** Pending deployment of funds as per the investment objective of the Scheme, the funds may be parked in short term deposits of the Scheduled Commercial Banks, subject to guidelines and limits issued by Para 13.7 of Master Circular for Mutual Funds. The securities / instruments mentioned above and such other securities the Scheme is permitted to invest in could be listed, unlisted, privately placed, secured, unsecured, rated 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. 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.
32	**Disclosure on Risk-o-meter and Benchmark Risk-o-meter:** SO - 38	The AMC shall review Risk-o-meters on a monthly basis based on evaluation of risk level of Scheme's month end portfolio. Any change in risk-o-meter of the scheme or its benchmark shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders of that particular scheme. Investors may also refer to the website/portfolio disclosure for the latest Risk-o-meter of the Scheme.
33	**Disclosure on Scheme Summary Document (SSD)**	The AMC has provided on its website Scheme Summary Document which is a standalone scheme document for all the Schemes which contains all the details of the Scheme viz. Scheme features, Fund Manager details, investment details, investment objective, expense ratios, portfolio details, etc. https://www.axismf.com/statutory-disclosures
34	**Disclosure on Tracking Error and Tracking Difference** SO - 39	Tracking Error - The tracking error based on past one year rolling data, on a daily basis shall be disclosed on the website of AMC (www.axismf.com) and of the Association of Mutual Funds in India - AMFI (www.amfiindia.com). Tracking Difference - the Scheme shall also disclose the tracking difference i.e. the annualized difference of daily returns between the underlying Index and the NAV of the 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.
35	**Fundamental Attributes** SO - 60	Following are the Fundamental Attributes of the scheme, in terms of Regulation 22(9)(c) of the SEBI (MF) Regulations: **i. Type of a scheme** An open-ended scheme replicating/ tracking Nifty Midcap 150 TRI. **ii. Investment Objective** Main Objective: To provide returns before expenses that correspond to the performance of Nifty Midcap 150 TRI subject to tracking error/tracking difference. There is no assurance that the investment objective of the Scheme will be achieved. SO - 5 Investment Pattern: Please refer to Section – I Part – II A 'How will the Scheme Allocates its Asset?' **iii. Terms of Issue** iv. 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'). v. Aggregate fees and expenses charged to the Scheme (please refer to Section I – Part III C "Annual Scheme Recurring Expenses"). vi. Any safety or guarantee net provided. – Not applicable for the Scheme In accordance with Regulation 22(9)(c) of the SEBI (MF) Regulations read with clause 1.9 and 22.10 of SEBI Master Circular for Mutual Funds, the Trustees and AMC shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the

		trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless: SO - 5 a. SEBI has reviewed and provided its comment on the proposal b. a written communication (including digital modes such as email/sms etc.) about the proposed change is sent to each Unitholder and details as specified by the Board are appropriately displayed on the website of the AMC; and c. The Unitholders are given an option for a period of atleast 30 calendar days to exit at the prevailing Net Asset Value without any exit load

The Sponsor-Axis Bank Ltd, 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.