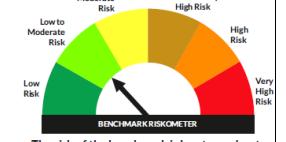


**SCHEME INFORMATION DOCUMENT**
**AXIS FIXED MATURITY PLAN - SERIES 129 (108 Days)**

(A Close ended debt scheme. Relatively Low interest rate risk and Moderate Credit Risk)  
Offer of Units of Rs. 10 each during the New Fund Offer  
BSE Symbol:

<b>This product is suitable for investors who are seeking*:</b>	<b>Scheme Risk-o-meter\$</b>	<b>Benchmark Risk-o-meter</b>	<b>POTENTIAL RISK CLASS</b>			
			<b>Credit Risk →</b>	<b>Relatively Low (Class A)</b>	<b>Moderate (Class B)</b>	<b>Relatively High (Class C)</b>
<ul style="list-style-type: none"> <li>Optimal returns over 108 Days</li> <li>Investment in debt &amp; money market instruments maturing on or before the maturity of the respective Plan.</li> </ul>	 <p>The risk of the scheme is low to moderate</p>	 <p>The risk of the benchmark is low to moderate</p> <p>CRISIL Ultra Short-Term Duration Debt A-I Index</p>	<b>Relatively Low (Class I)</b>		<b>B-I</b>	
			<b>Moderate (Class II)</b>			
			<b>Relatively High (Class III)</b>			

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

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

**New Fund Offer Opens on:** February 18, 2026

**New Fund Offer Closes on:** February 23, 2026

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

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

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

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

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

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

This Scheme Information Document is dated February 13, 2026.

**DISCLAIMER:**

BSE Limited has vide its letter number LO/IPO/AG/MF/IP/34/2024-25 dated September 02, 2025 read with BSE email dated October 13, 2025 given its permission to Axis Mutual Fund to use the Exchange's name in the SID of as one of the Stock Exchanges on which this Mutual Fund's Units 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: -

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

and it should not for any reason be deemed or construed that this SID has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any unit of Axis Fixed Maturity Plan - Series 129 (108 days) of this Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

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

<b>Sr. No.</b>	<b>Title</b>	<b>Description</b>
I.	<b>Name of the scheme</b>	Axis Fixed Maturity Plan - Series 129 (108 Days) ('Plans under the Scheme')
II.	<b>Category of the Scheme</b>	Close Ended Scheme
III.	<b>Scheme type</b>	A Close ended debt scheme. A Relatively Low interest rate risk and Moderate Credit Risk.)
IV.	<b>Scheme code</b>	AXIS/C/D/FTP/25/10/0106
V.	<b>Investment objective</b>	<p>The Plan(s) under the Scheme will endeavor to generate returns through a portfolio of debt &amp; money market instruments that are maturing on or before the maturity date of the respective plan(s).</p> <p>There is no assurance that the investment objective of the Plan(s) will be achieved.</p>
VI.	<b>Liquidity/listing details</b>	<p>The Units of the Plan(s) cannot be redeemed by the Unit holder directly with the Fund until the Maturity Date.</p> <p>The Units of the Plan(s) will be listed on the capital market segment of the BSE and/ or any other Stock Exchange. Unit holders can purchase / sell Units on a continuous basis on BSE and/or any other Stock Exchange(s) on which the Units are listed. The Units can be purchased / sold during the trading hours of the Stock Exchange(s) like any other publicly traded stock. The trading of Units on BSE and/or any other Stock Exchange(s) on which the Units are listed will automatically get suspended one Business Day prior to the record date for redemption of Units on Maturity Date/ Final Redemption Date. No separate notice will be issued by the AMC informing about Maturity Record Date or Suspension of trading by the stock exchange. However, the Fund reserves the right to change the record date for maturity by issue of suitable notice. The Unit holders whose name(s) appear on the list of beneficial owners as per the Depositories (NSDL/CDSL) on records date shall be entitled to receive redemption proceeds of Units.</p> <p>The price of the Units on the Stock Exchange(s) will depend on demand and supply at that point of time and underlying NAV. There is no minimum investment limit, although Units are normally traded in round lots of 1 Unit.</p> <p>Please refer to para "Settlement of purchase / sale of Units of the Plan(s) on BSE" and "Rolling Settlement" under the section "Cut off timing for subscriptions/ redemption/ switches" for further details.</p>

VII.	<b>Benchmark (Total Return Index)</b>	<p><b>Benchmark</b> CRISIL Ultra Short-Term Duration Debt A-I Index</p> <p><b>Justification for Benchmark:</b> The Scheme intend to invest in a portfolio of instruments which is best captured by CRISIL Ultra Short-Term Duration Debt A-I Index.</p> <p>The Trustee/AMC reserves the right to change the benchmark for the evaluation of the performance of the Plan(s) from time to time, keeping in mind the investment objective of the Plan(s) and the appropriateness of the benchmark, subject to SEBI guidelines and other prevalent guidelines.</p>
VIII.	<b>NAV disclosure</b>	<p>First NAV of the respective Plan(s) under the Scheme within a period of 5 business days from the date of allotment and subsequently by 11.00 p.m. on every Business Day on AMC (<a href="http://www.axismf.com">www.axismf.com</a>) and AMFI website.</p> <p>Further Details in Section II.</p>
IX.	<b>Applicable timelines</b>	<p>Timeline for</p> <p><b>Dispatch of redemption proceeds:</b> As the Scheme is closed ended scheme, investors will not be able to redeem their units during the tenor of the Plan(s). Units under the Plans will be compulsorily and without any further act by the Unit holder(s) redeemed on the Maturity Date of the respective Plan. The redemption proceeds shall be dispatched to the unit holders within three (3) working days from the Maturity Date of the respective Plan.</p> <p><b>Dispatch of IDCW:</b> The warrants/cheque/demand draft shall be dispatched to the Unit holders within 7 working days from the record date.</p>
X.	<p><b>Plans and Options</b> Plans/Options and sub options under the Scheme</p>	<p><b>Plans</b></p> <ol style="list-style-type: none"> <li>1. Axis Fixed Maturity Plan - Series 129 (108 Days) - Regular Plan</li> <li>2. Axis Fixed Maturity Plan - Series 129 (108 Days) - Direct Plan</li> </ol> <p>Each plan offers the following options:</p> <ul style="list-style-type: none"> <li>• Growth option</li> <li>• Income Distribution cum Capital Withdrawal (IDCW) option</li> </ul> <p>If IDCW payable under IDCW Payout option is equal to or less than Rs. 500/- then the IDCW would be compulsorily reinvested in the option of the Plan.</p> <p><b>Regular Plan</b> Regular Plan is available for investors who purchase /subscribe Units in a Plan through a Distributor.</p> <p><b>Direct Plan</b> Direct Plan is only for investors who purchase/ subscribe Units in a Plan directly with the Fund and is not available for investors who route their investments through a Distributor.</p> <p>Both the above plans will have a common portfolio.</p> <p><b>Eligible investors / modes for applying</b></p>

		<p>All categories of investors (whether existing or new Unitholders) as permitted under the Scheme Information Document of the Plan(s) are eligible to subscribe under Direct Plan. Investments under Direct Plan can be made through various modes offered by the Fund for investing directly with the Fund {except Platform(s) where investors' applications for subscription of units are routed through Distributors}.</p> <p><b>Default Option/Facility</b></p> <p>The investor must clearly specify his choice of option/facility. In the absence of such clear instruction, it will be assumed that the investor has opted for 'default' option / facility and the application will be processed accordingly. The default plan/ option / facility is:</p> <p><b>Default Option:</b> Growth</p> <p>Investors subscribing under Direct Plan of the Plan(s) will have to indicate "Direct Plan" against the Plan(s) name in the application form e.g. "<b>Axis Fixed Maturity Plan - Series 129 (108 Days) - Direct Plan</b>". Investors should also indicate "Direct" in the ARN column of the application form.</p> <p>For detailed disclosure on default plans and options, kindly refer SAI.</p>
XI.	<b>Load Structure</b>	<p><b>Entry Load: Not Applicable</b></p> <p>Para 10.4 of SEBI Master Circular on Mutual Funds as amended from time to time has decided that there shall be no entry load for all Mutual Fund schemes.</p> <p><b>Exit Load:</b> Not Applicable</p> <p>For more details on Load Structure, please refer paragraph "Load Structure".</p>
XII.	<b>Minimum Application Amount/switch in</b>	<p><b>During NFO:</b>  <b>Minimum Application Amount/switch in</b>  Rs. 5000 and in multiples of Re. 1/- thereafter</p> <p>Minimum application amount is applicable at the time of creation of new folio and at the time of first investment in a plan.</p> <p>Non CTS / Outstation Cheques/Demand Drafts will not be accepted.</p> <p>No MICR cheques will be accepted. Switch-in requests from equity schemes (T+2) will be accepted up to 20/02/2026, till the cut-off time applicable for switches. Switch-in requests from non-equity schemes (t+1) will be accepted up to 23/06/2026, till the cut-off time applicable for switches. Schemes having payout standard of T+5 will not be eligible.</p> <p>On an ongoing basis:  Not applicable.</p> <p>The Units of the respective Plan(s) will be listed on the capital market segment of the BSE and/ or any other Stock Exchange. Unit holders can purchase Units on a continuous basis on BSE and/or any other Stock Exchange(s) on which the Units are listed. The Units can be purchased</p>

		during the trading hours of the Stock Exchange(s) like any other publicly traded stock.
XIII.	<b>Minimum Additional Purchase Amount</b>	Not Applicable
XIV.	<b>New Fund Offer Period</b>	<p>NFO opens on: February 18, 2026 NFO closes on: February 23, 2026</p> <p>The AMC/Trustee reserves the right to change the New Fund Offer Period, subject to the condition that the New Fund Offer shall be kept open for a minimum of 3 working days and maximum 15 days.</p> <p>Any such changes shall be announced by way of an addendum on the website</p>
XV.	<b>New Fund Offer Price</b>	Rs. 10/- per unit
XVI.	<b>Segregated portfolio/ pocketing disclosure</b>	The Scheme has provision for segregated portfolio. For Details, kindly refer SAI.
XVI I	<b>Swing pricing disclosure</b>	The Plan(s) under the Scheme does not have provision for swing pricing disclosure. For Details, kindly refer SAI.
XVII I.	<b>Stock lending/short selling</b>	The Plan(s) under the Scheme will not engage in stock lending / short selling.
XIX.	<b>How to Apply and other details</b>	<p><b>During NFO:</b> Investors can undertake transactions in the Plan(s) under the Schemes of Axis Mutual Fund either through physical, online / electronic mode or any other mode as may be prescribed from time to time.</p> <p><b>Physical Transactions</b> For making application for subscription / redemption / switches, application form and Key Information Memorandum may be obtained from / submitted to the Official Points of Acceptance (OPAs) of AMC or downloaded from the website of AMC viz. <a href="http://www.axismf.com">www.axismf.com</a>.</p> <p><b>Online / Electronic Transactions</b> Investors can undertake transactions via electronic mode through various online facilities offered by Axis AMC / other platforms specified by AMC from time to time.</p> <p><b>Ongoing Basis:</b> The Units can be purchased / sold during the trading hours of the Stock Exchange(s) like any other publicly traded stock.</p> <p>For further details of online / electronic mode please refer SAI.</p>
XX.	<b>Investor services</b>	<p><b>Contact details for general service requests and complaints:</b> Investors can lodge any service request or complaints or enquire about NAVs, Unit Holdings, IDCW, etc by calling the Investor line of the AMC at contact number 8108622211 (chargeable) from 9.00 am to 6.00 pm (Monday to Saturday) or (022) 6311 1001 (at local call rate for enquiring at AMC ISC's) or email – <a href="mailto:customerservice@axismf.com">customerservice@axismf.com</a>. The service</p>

		<p>representatives may require personal information of the Investor for verification of his / her identity in order to protect confidentiality of information. The AMC will at all times endeavour to handle transactions efficiently and to resolve any investor grievances promptly.</p> <p><b>Investor Relations Officer:</b>          Mr. C P Sivakumar Nair          Address: Axis Asset Management Company Ltd.          One Lodha Place, 22nd &amp; 23rd Floor, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra, Pin Code – 400013          Phone no.: (022) 6311 1205</p> <p>For any grievances with respect to transactions through Stock exchanges, the investors / Unit Holders should approach either the stock broker or the investor grievance cell of the respective stock exchange.</p>
<b>XXI.</b>	<b>Specific attribute of the scheme</b>	<p>The Scheme is a close ended scheme and the tenure of the Scheme will be 108 days from the date of allotment of units. The Scheme will be fully redeemed / wound up at the end of the tenure of the scheme.</p>
<b>XXII</b> .	<b>Special product/facility available during the NFO and on ongoing basis</b>	<p><b>During NFO</b>          The facilities offered under the Plan(s) under the Scheme are as follows:</p> <p>A. SWITCHING OPTIONS          1) Inter – Scheme Switching option</p> <p>B. ONLINE SCHEDULE TRANSACTION FACILITY</p> <p><b>On a continuous basis</b>          Not Applicable</p> <p>For detail terms and condition of above facilities kindly refer SAI.</p>
<b>XXII</b> <b>I.</b>	<b>Weblink</b>	<ul style="list-style-type: none"> <li><b>TER for last 6 months / Daily TER:</b>                      Not applicable as the Scheme is a new scheme</li> <li><b>Scheme factsheet:</b>                      Not applicable as the Scheme is a new scheme.</li> </ul>

## INTERPRETATION

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

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

**DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY**

It is confirmed that:

- (i) The Scheme Information Document submitted to SEBI is in accordance with the SEBI (MF) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
- (ii) All legal requirements connected with the launching of the Plan(s) under the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
- (iii) The disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the Plan(s) under the Scheme.
- (iv) The intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.
- (v) The contents of the Scheme Information Document including figures, data, yields etc. have been checked and are factually correct
- (vi) The AMC has complied with the compliance checklist applicable for Scheme Information Documents and other than cited deviations/ that there are no deviations from the regulations
- (vii) Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (MF) Regulations, 1996 and the guidelines there under shall be applicable.

**Sd/-**

**Date: February 13, 2026**

**Place: Mumbai**

**Name: Darshan Kapadia**

**Designation: Compliance Officer**

## Part II. INFORMATION ABOUT THE SCHEME

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

<b>Instruments</b>	<b>Indicative Allocation (% of total assets)</b>	
	<b>Min</b>	<b>Max</b>
Debt * and Money Market Instruments	100	100

\*securitized debt up to 40% of the net assets of the Plan. The Plan under the Scheme shall not invest in foreign securitized debt.

#### **Investment in debt Derivatives:**

up to 50% of the net assets of the respective Plan. Investment in derivatives shall be for hedging and portfolio rebalancing. The cumulative gross exposure through debt (including money market instruments) and derivative positions shall not exceed 100% of the net assets of the respective Plan. 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.

#### **Investment in Repo in Corporate Debt Securities:**

The Plan(s) may undertake repo transactions in corporate debt securities in accordance with the directions issued by RBI and SEBI from time to time. The gross exposure of the Plan(s) to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the Plan or such higher limit as may be specified by SEBI. Further 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.

#### **Credit Enhancement / Structured Obligations:**

In accordance with the SEBI circular October 01, 2019, the investment by the Plan(s) under the Scheme in the following instruments shall not exceed 10% of the debt portfolio of the Plan(s) under the Scheme and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the respective Plan(s):

- Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade and
- Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade.

These limits shall not be applicable on investments in securitized debt instruments, as defined in SEBI (Public Offer and Listing of Securitized Debt Instruments) Regulations 2008. The Plan(s) under the Scheme shall invest in the abovementioned securities within such limits as may be revised by SEBI from time to time.

#### **Investment in Mutual Fund units:**

The Plan(s) under the Scheme may seek exposure in Mutual Fund units of debt schemes subject to applicable Regulations. Such investment shall not exceed 5% of the net assets of the respective Plan(s) under the Scheme.

#### **Investment in short term deposits:**

Pending deployment of the funds in securities in terms of investment objective of the Plan(s) under the Scheme, the AMC may in terms of SEBI circular dated April 16, 2007, June 23, 2008, August 16, 2019 and September 20, 2019 as may be amended from time to time, park the funds of the Scheme in short term deposits of the Scheduled Commercial Bank.

The Plan(s) under the Scheme will not invest in unrated debt instruments, Credit default Swaps (CDS), Debt instruments with special features AT1 & AT2 Bonds, REITs / InvITs, foreign Securities. The Plan(s) under the Scheme will not engage in short selling and securities lending.

The Plan(s) under the Scheme retain the flexibility to invest across all the securities in the debt, Money Markets Instruments, and units of mutual funds. The fund manager can use Derivative instruments to protect the downside risk.

The net assets of the Plan(s) under the Scheme will be invested in Debt & Money market instruments maturing on or before the maturity date of the respective Plan(s).

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

<b>Sr. No.</b>	<b>Type of Instrument</b>	<b>Percentage of exposure</b>	<b>Circular references</b>
1	Derivatives for non-hedging purposes	The Plan(s) under the Scheme will not invest in derivatives for non-hedging purposes. Please refer above para for exposure in derivatives.	Para 7.5, 7.6 & Para 12.25 of SEBI Master Circular for Mutual Funds
2	Securitized Debt	Securitized debt up to 40% of the net assets of the respective Plan(s).	Para 12.15 of SEBI Master Circular for Mutual Funds.
3	Credit Enhancement /Structured Obligations	<p>The investment by the Plan(s) under the Scheme in the following instruments shall not exceed 10% of the debt portfolio of the respective Plan(s) and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the respective:</p> <p>a. Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade and</p> <p>b. Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade.</p> <p>These limits shall not be applicable on investments in securitized debt instruments, as defined in SEBI (Public Offer and Listing of Securitized Debt Instruments) Regulations 2008.</p>	Para 12.3 of SEBI Master Circular for Mutual Funds.
4	Tri party Repo	The corpus of the Plan(s) under the Scheme pending for deployment may be invested in Tri-Party Repos (TREPS) on Government Securities.	-
5	Mutual Fund Units	The Plan(s) under the Scheme may invest units of debt and liquid mutual fund schemes managed by the AMC or in the schemes of any other mutual funds in conformity with the investment objective of the	Clause 4 of Seventh Schedule of SEBI (MF) Regulations, 1996

		respective Plan(s) and in terms of the prevailing SEBI (MF) Regulations.	
6	Repo and Reverse repo in corporate debt securities	The Plan(s) under the Scheme may undertake repo transactions in corporate debt securities in accordance with the directions issued by RBI and SEBI from time to time. The gross exposure of the Plan(s) under the Scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the respective Plan(s) or such higher limit as may be specified by SEBI. Further, such investment shall be made subject to the guidelines which may be prescribed by the Board of Directors of the Asset Management Company and Trustee Company.	Para 12.18 of SEBI Master Circular for Mutual Funds.

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

The Plan(s) under the Scheme shall not invest in following instruments:

<b>Sl. No.</b>	<b>Type of Instrument</b>
1	Credit default swaps
2	Overseas Securities
3	Securities Lending and borrowing & Short Selling
4	REITS and InVITS
5	Debt instruments with special features AT1 & AT2 Bonds

**Timelines for deployment of funds collected in New Fund Offer (NFO) as per asset allocation of the Plan(s) under the Scheme**

In terms of SEBI circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2025/23 dated February 27, 2025, the AMC shall deploy the funds garnered in an NFO within 30 business days from the date of allotment of units under the respective Plan under the Scheme. 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.

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

Subject to the SEBI (MF) Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. The Scheme may actively deviate from the stated asset allocation pattern outlined in the SID during extenuating circumstances. These instances may be beyond the control of the fund manager & the AMC and hence may require such deviations. Such changes in the investment pattern will be transitional in nature and will be undertaken as defensive considerations only in accordance with Para 1.14.1.2 of SEBI Master circular for Mutual Fund and as amended from time to time. Defensive considerations may be determined by the fund manager and /or AMC from time to time. In case of deviations on account of exogenous factors, the fund manager will endeavour to rebalance the Scheme within 30 calendar days from the date of such deviation. The intention being at all times to seek to protect the interests of the Unit holders.

**Portfolio rebalancing:**

In case of passive deviation from the asset allocation pattern or various prudential limits prescribed under SEBI (Mutual funds) regulations, 1996 and circulars issued there under the AMC shall follow process specified in Para 2.9 of SEBI Master circular for Mutual Fund as amended from time to time. In line with the circular, in the event of deviation from the mandated asset allocation limits mentioned in the SID or the prudential limits due to passive breaches such as corporate action, substantial rise/ fall in the price of an underlying scrip, maturity of any underlying security, large redemptions, etc., the portfolio would be rebalanced within 30 business days from the date of deviation. Where the portfolio is not rebalanced within mandated timelines, justification in writing including details of efforts taken to rebalance the portfolio shall be placed before the Investment Committee. The Investment Committee, if so desires, can extend the timelines up to sixty (60) business days from the date of completion of mandated rebalancing period. In case the portfolio of the Scheme is not rebalanced within aforementioned mandated plus extended timelines AMC shall adhere to the requirements as laid down in the aforesaid SEBI circular. However, at all times, the portfolio will adhere to the overall investment objective of the scheme.

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

The Plan(s) under the Scheme will invest in following instruments:

- Debt instruments & Money Market instruments maturing on or before the maturity date of the respective Plan
- Securitized Assets
- Derivatives
- Units of debt and liquid Mutual Fund Schemes
- Short Term Deposit
- Credit enhancement and Structured Obligations

The Plan(s) under the Scheme shall invest in any other instruments as may be permitted by SEBI/RBI from time to time.

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

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

The Plan(s) under the Scheme follows an Active Investment Strategy.

The fund manager will invest in debt & money market instruments maturing on or before the maturity date of the respective Plan(s) under the Scheme(s).

The fund manager will try to allocate assets of the Plan(s) under the Scheme(s) between various fixed income securities (which mature on or before the maturity of the respective Plan(s)) with an endeavor to achieve optimal risk adjusted returns. The Scheme does not assure or guarantee any returns.

### **Credit evaluation policy**

The investment team of the AMC will carry out rigorous in depth credit evaluation of the money market and debt instruments proposed to be invested in. The credit evaluation will essentially be a bottom up approach and include a study of the operating environment of the issuer, the past track record as well as the future prospects of the issuer and the short term / long term financial health of the issuer.

### **List of sectors the fund would not be investing**

Aviation and gems & jewelry.

### **Floors and ceilings within a range of 5% of the intended allocation (in %) against each sub asset class/rating**

As per the regulations, the Plan(s) under the Scheme are allowed to invest within a range of 5% of the intended allocation (floor and cap) against each sub asset class/credit rating.

<b>Instruments</b>	<b>Credit Rating</b>					
	<b>AAA</b>	<b>A1+</b>	<b>AA</b>	<b>A</b>	<b>BBB</b>	<b>Not applicable</b>
CDs		45-50				
CPs		50-55				
NCDs/ Bonds	5 - 10					
Securitized Debt						
Government of India dated Securities/ State Government Securities						
Tri Party Repos, T-Bills, Cash Management Bill, Repos						0-5

- i. Securities with rating A and AA shall include A+ and A- & AA+ and AA- respectively.
- ii. Positive variation in investment towards higher credit rating in the same instrument shall be allowed.
- iii. In case of non-availability of and taking into account the risk-reward analysis of CPs, NCDs (including securitized debt), the Plan(s) under the Scheme may invest in CDs and CBLO having equivalent or higher ratings.
- iv. At the time of building up the portfolio post NFO and towards the maturity of the respective Plan(s) under the Scheme, there may be a higher allocation to cash and cash equivalents.
- v. Subsequent to the initial portfolio construction, during the tenure of the respective Plan(s) under the Scheme, the allocation of the Plan(s) may vary due to instances like (i) coupon inflow; (ii) the instrument is called or bought back by the issuer; (iii) in anticipation of any adverse credit event, etc.
- vi. All investment shall be made based on the rating prevalent at the time of investment. Further, in case of an instrument having dual ratings, the most conservative publicly available rating would be considered.
- vii. Investment in, derivatives will be up to 50% of the net assets of the respective Plan. For details refer the Asset Allocation Pattern.
- viii. The Plan(s) under the Scheme will not invest in unrated debt instruments.
- ix. In the event of any deviations from the floor and ceiling of credit ratings specified for any instrument due to reasons other than those mentioned in points (i) to (vi), the same shall be rebalanced within 30 calendar days from the date of the said deviation.

#### **Derivatives Strategy:**

The Scheme may use Derivative instruments like interest rate swaps like Overnight Indexed Swaps ("OIS"), forward rate agreements, interest rate futures (as and when permitted) or such other Derivative instruments as may be permitted under the applicable regulations. Derivatives will be used for the purpose of hedging, and portfolio balancing or such other purpose as may be permitted under the regulations and guidelines from time to time.

The Fund will be allowed to take exposure in interest rate swaps only on a non-leveraged basis. A swap will be undertaken only if there is an underlying asset in the portfolio. In terms of circular no. MFD.BC.191/07.01.279/1999-2000 and MPD.BC.187/07.01.279/1999- 2000 dated November 1, 1999 and July 7, 1999 respectively issued by RBI permitting participation by Mutual Funds in interest rate swaps and forward rate agreements, the Plan(s) under the Scheme will use Derivative instruments for the purpose of hedging and portfolio balancing. The Plan(s) under the Scheme may also use derivatives for such purposes as maybe permitted from time to time. Further, the guidelines issued by RBI from time to time for forward rate agreements and interest rate swaps and other derivative products would be adhered to by the Mutual Fund.

IRS and FRA do also have inherent credit and settlement risks. However, these risks are substantially reduced as they are limited to the interest streams and not the notional principal amounts.

Investments in Derivatives will be in accordance with the extant SEBI Regulations / guidelines. Presently Derivatives shall be used for hedging and / or portfolio balancing purposes, as permitted under the Regulations. The circumstances under which such transactions would be entered into would be when, for example using the IRS route it is possible to generate better returns / meet the objective of the respective Plan(s) at a lower cost. e.g. if buying a 2 Yr MIBOR based instrument and receiving the 2 Yr swap rate yields better return than the 2 Yr AAA corporate, the Scheme would endeavor to do that. Alternatively, the Scheme would also look to hedge existing fixed rate positions if the view on interest rates is that it would likely rise in the future.

The following information provides a basic idea as to the nature of the Derivative instruments proposed to be used by the Plan(s) under the Scheme and the benefits and risks attached therewith. Please note that the examples have been given for illustration purposes only.

### **Using Overnight Indexed Swaps**

In a rising interest rate scenario, the Scheme may enhance returns for the Investor by hedging the risk on its fixed interest paying assets by entering into an OIS contract where the Scheme agrees to pay a fixed interest rate on a specified notional amount, for a pre determined tenor and receives floating interest rate payments on the same notional amount. The fixed returns from the Scheme assets and the fixed interest payments to be made by the Scheme on account of the OIS transaction offset each other and the Scheme benefits on the floating interest payments that it receives. The Scheme may enter into an opposite position in case of a falling interest rate scenario, i.e. to hedge the floating rate assets in its portfolio the Scheme enters into an OIS transaction wherein it receives a fixed interest rate on a specified notional amount for a specified time period and pays a floating interest rate on the same notional amount. The floating interest payments that the Scheme receives on its floating rate securities and the floating interest payments that the Scheme has to pay on account of the OIS transaction offset each other and the Scheme benefits on the fixed interest payments that it receives in such a scenario.

### **Swap**

Assume that the Scheme has a Rs. 20 crore floating rate investment linked to MIBOR (Mumbai Inter Bank Offered Rate). Hence, the Scheme is currently running an interest rate risk and stands to lose if the interest rate moves down. To hedge this interest rate risk, the Scheme can enter into a 6 month MIBOR swap. Through this swap, the Scheme will receive a fixed predetermined rate (assume 12%) and pays the "benchmark rate" (MIBOR), which is fixed by the NSE or any other agency such as Reuters. This swap would effectively lock-in the rate of 12% for the next 6 months, eliminating the daily interest rate risk. This transaction is usually routed through an intermediary who runs a book and matches deals between various counterparties.

The steps will be as follows:

Assuming the swap is for Rs. 20 Crores for June 1, 2022 to December 1, 2022. The Scheme is a fixed rate receiver at 12% and the counterparty is a floating rate receiver at the overnight rate on a compounded basis (say NSE MIBOR).

On June 1, 2022 the Scheme and the counterparty will exchange only a contract of having entered this swap. This documentation would be as per International Swap Dealers Association (ISDA) norms.

On a daily basis, the benchmark rate fixed by NSE will be tracked by them.

On December 1, 2022 they will calculate the following:

- The Scheme is entitled to receive interest on Rs. 20 Crores at 12% for 184 days i.e. Rs. 1.21 Crores, (this amount is known at the time the swap was concluded) and will pay the compounded benchmark rate.
- The counterparty is entitled to receive daily compounded call rate for 184 days & pay 12% fixed.

- On December 1, 2022, if the total interest on the daily overnight compounded benchmark rate is higher than Rs. 1.21 Crores, the Scheme will pay the difference to the counterparty. If the daily compounded benchmark rate is lower, then the counterparty will pay the Scheme the difference.
- Effectively the Scheme earns interest at the rate of 12% p.a. for six months without lending money for 6 months fixed, while the counterparty pays interest @ 12% p.a. for 6 months on Rs. 20 Crores, without borrowing for 6 months fixed.

The above example illustrates the use of Derivatives for hedging and optimizing the investment portfolio. Swaps have their own drawbacks like credit risk, settlement risk. However, these risks are substantially reduced as the amount involved is interest streams and not principal.

### **Forward Rate Agreement**

Assume that on June 30, 2022, the 30 day Commercial Paper (CP) rate is 4% and the Scheme has an investment in a CP of face value Rs. 50 Crores, which is going to mature on July 31, 2022. If the interest rates are likely to remain stable or decline after July 31, 2022, and if the fund manager, who wants to re-deploy the maturity proceeds for 1 more month does not want to take the risk of interest rates going down, he can then enter into a following Forward Rate Agreement (FRA) say as on June 30, 2022:

He can receive 1 X 2 FRA on June 30, 2022 at 4.00% (FRA rate for 1 months lending in 1 months time) on the notional amount of Rs. 50 Crores, with a reference rate of 30 day CP benchmark. If the CP benchmark on the settlement date i.e. July 30, 2022 falls to 3.75%, then the Scheme receives the difference 4.00 – 3.75 i.e. 25 basis points on the notional amount Rs. 50 Crores.

### **Interest Rate Futures**

Assume that the Scheme holds an Indian ten year benchmark and the fund manager has a view that the yields will go up in the near future leading to decrease in value of the investment and subsequent decrease in Net Asset Value of the Scheme. The fund manager decides to use Interest Rate Futures to mitigate the risk of decline of Net Asset Value of the Scheme.

#### **12<sup>th</sup> October 2020**

- A government security 6.88% 2020, is trading at INR 98.00 at a yield of 7.19%.
- December 2020 futures contract on the ten year notional 7% coupon bearing Government paper is trading at a yield of 7.29% at a price of INR 98.50.
- The mutual fund decides to hedge the exposure by taking a short position in December 2009 interest rate futures contract.

#### **25<sup>th</sup> November 2020**

- As expected by the fund manager the yield of the benchmark ten year paper has increased to 8% and the price has decreased to 92.70.
- The December 2020 futures contract is trading at a price of INR 93.17 indicating a yield of 8.05%
- The mutual fund unwinds the short position by buying the December 2020 futures contract. The transaction results in profit from the futures position, against the corresponding loss from the Government of India security position.

Certain risks are inherent to Derivative strategies viz. lack of opportunities, inability of Derivatives to correlate perfectly with the underlying and execution risks, whereby the rate seen on the screen may not be the rate at which the transaction is executed. For details of risk factors relating to use of Derivatives, the investors are advised to refer to Scheme Specific Risk Factors.

### **PORTFOLIO TURNOVER**

The scheme is a close-ended scheme and intends to buy securities that mature within the maturity date of the respective Plans under the scheme. Portfolio turnover may arise out of reinvestment of maturity / coupon proceeds as well as through selling and buying securities as part of active management of the scheme. It is anticipated that the turnover would be lower than an open-ended scheme. However, the scheme does not have a target for portfolio turnover.

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 measure accuracy, the likely turnover in the portfolio of the Plan(s) under the Scheme.

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

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

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

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

#### **E. WHO MANAGES THE SCHEME?**

<b>Name of Fund Manager</b>	<b>Age and Qualification</b>	<b>Experience of the Fund Manager in the last 10 years</b>	<b>Names of other schemes under his management</b>
Mr. Sachin Jain  (managing since inception)	39 Years PGDM, B.Tech	<p>Total number of years of experience: 10 years, his last 10 years' experience are as follows:</p> <ul style="list-style-type: none"> <li>· Dealer - Fixed Income, Axis Asset Management Company Ltd. (July 11, 2017 - till date)</li> <li>· Trader – Fixed Income, Sundaram Asset Management Company Ltd. (June 3, 2013 – July 10, 2017)</li> <li>· Dealer – Fixed Income, ICAP Ltd. (November 9, 2010 – May 31, 2013)</li> <li>· Dealer – Fixed Income, Sundhi Securities and Finance Ltd. (November 2, 2009 – October 29, 2010)</li> </ul>	Axis Arbitrage Fund Axis Conservative Hybrid Fund Axis CRISIL IBX50:50 Gilt Plus SDL Sep 2027 Index Fund Axis Fixed Term Plan - Series 112 (1143 Days) Axis Fixed Term Plan - Series 113 (1228 Days) Axis Gilt Fund Axis Liquid Fund Axis Money Market Fund Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF Axis Nifty SDL September 2026 Debt Index Fund Axis Overnight Fund Axis Strategic Bond Fund Axis Ultra Short Duration Fund

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

a. Reference list of existing close ended debt schemes of Axis Mutual Fund are as follows:

<b>S.R No.</b>	<b>Name of the Scheme(s)</b>
1	Axis Fixed Term Plan-Series 112 (1143 Days)
2	Axis Fixed Term Plan-Series 113 (1228 Days)

b. For detailed comparative table on 'How the Scheme is different from existing schemes of Axis Mutual Fund, please refer our website: Not Applicable

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

This Scheme is a new Scheme and does not have any performance track record

#### **H. ADDITIONAL SCHEME RELATED DISCLOSURES**

- i. Scheme's portfolio holdings (top 10 holdings by issuer and fund allocation towards various sectors)
  - Not applicable as the scheme is a new Scheme.
- ii. Disclosure of name and exposure to Top 7 issuers, stocks, groups and sectors as a percentage of NAV of the scheme in case of debt and equity ETFs/index funds through a functional website link that contains detailed description – Not Applicable.
- iii. Functional website link for Portfolio Disclosure - Fortnightly /Monthly/ Half Yearly - <https://www.axismf.com/statutory-disclosures>.
- iv. Portfolio turnover ratio for the period ended January 31, 2025: NA
- v. Aggregate investment in the Scheme by Concerned scheme's Fund Manager(s):

Sr. No.	Category of Persons (Axis Dynamic Bond Fund- Fund Manager(s))	Net Value		Market Value (in Rs.)
		Units	NAV (Rs. per unit)	
1.	Not Applicable			

Since the scheme is a new fund, the above disclosure is not applicable.

- vi. Investments of AMC in the Plan(s) under the Scheme

Subject to the applicable Regulations, the AMC may invest either directly or indirectly, in the Plan(s) under the Scheme during the NFO. However, the AMC shall not charge any investment management fee on such investments in the Plan(s).

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

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

**The above disclosures are not applicable as the Scheme is a new fund.**

#### **Part III. OTHER DETAILS**

##### **A. COMPUTATION OF NAV**

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

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

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

The NAV of all the Plans under the scheme shall be calculated up to four decimal places. Separate NAV will be calculated and disclosed for each Plan/Option.

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

#### **Illustration of Computation of NAV:**

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

<b>Particulars</b>	<b>Amount in Rs</b>
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 the respective Plan(s) on the Valuation Day: 100,00,000

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

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

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

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

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

#### **C. ANNUAL SCHEME RECURRING EXPENSES**

These are the fees and expenses for operating the scheme. These expenses include 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 upto 1.00% of the daily net assets of the Plan(s) will be charged to the respective Plan as expenses. For the actual current expenses being charged, the investor should refer to the website of the AMC.

<b>Expense Head</b>	<b>% of daily Net Assets</b>
Investment Management and Advisory Fees	Upto 1.00%
Trustee fees	
Audit fees	
Custodian fees	
RTA fees	
Marketing & Selling expense incl. agent commission**	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost of providing account statements and IDCW redemption cheques and warrants	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 2 bps)	
Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades resp.	

Goods & Service Tax (GST) on expenses other than investment and advisory fees	
GST on brokerage and transaction cost	
Other Expenses	
<b>Maximum total expense ratio (TER) permissible under Regulation 52(6)(d)(ii)</b>	<b>Upto 1.00%</b>

Any other expenses which are directly attributable to the Plan(s) under the Scheme may be charged with the approval of the Trustee within the overall limits as specified in the Regulations except those expenses which are specifically prohibited.

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

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

The expenses towards Investment Management and Advisory Fees under Regulation 52 (2) and the various sub-heads of recurring expenses mentioned under Regulation 52 (4) of SEBI (MF) Regulations can be apportioned under various expense heads/ sub heads without any sub limit, as permitted under the applicable regulations. Thus, there shall be no internal sub-limits within the expense ratio for expense heads mentioned under Regulation 52 (2) and (4) respectively.

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 Plan(s) under the Scheme such actual expenses incurred, subject to the statutory limit prescribed in the Regulations.

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

The total expenses of the Plan(s) under the Scheme including the investment management and advisory fee shall not exceed the limit stated in Regulation 52(6) of the SEBI (MF) Regulations and amendments thereto.

**Expenses charged to the Scheme:**

- A. In addition to the limits as specified in Regulation 52(6) of SEBI MF Regulations or the Total Recurring Expenses (Total Expense Limit) as specified above, the following costs or expenses may be charged to the respective Plan(s) under the Scheme namely-
  - a) GST payable on investment and advisory service fees ('AMC fees') charged by Axis Asset Management Company Ltd.;
  - b) Brokerage and transaction cost incurred for the purpose of execution shall be charged to the respective Plan(s) as provided under Regulation 52 (6A) (a) upto 12 bps and 5 bps for cash market transactions and derivatives transactions respectively. Any payment towards brokerage & transaction costs, over and above the said 12 bps and 5 bps for cash market transactions and derivatives transactions respectively within the maximum limit of Total Expense Ratio (TER) as prescribed under Regulation 52 of the Regulations
- B. Within the Total Expense Limit chargeable to the scheme, following will be charged to the Plan(s) under the Scheme:
  - (a) GST on other than investment and advisory fees, if any, (including on brokerage and transaction costs on execution of trades) shall be borne by the respective Plan(s).

(b) Investor education and awareness initiative fees of at least 2 basis points on daily net assets of respective Plan(s).

C. AMC fees charged by Axis AMC to the respective Plan(s) will be within the Total Expense Limit as prescribed by SEBI (MF) Regulations, as amended from time to time.

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

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

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

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

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

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

**Note(s):**

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

**D. LOAD STRUCTURE**

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

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

Type of Load	Load chargeable (as %age of NAV)
Exit Load	For details refer Point no. XI of Part – I of Section I of the Scheme Information Document

Being a closed ended scheme, Units of the Plan (s) under the Scheme cannot be redeemed directly with the Fund until the Maturity Date of the respective Plan. Each Plan will have a Maturity Date. The Plan will be compulsorily and without any further act by the Unit holder(s) be redeemed on the respective Maturity Date. On the Maturity Date of the Plan, the Units under the Plan will be redeemed at the Applicable NAV. No Exit Load will be levied on the Maturity Date.

The Units of the Plan(s) under the Scheme will be listed on the capital market segment of the BSE or any other Stock Exchange. The Plan(s) under the Scheme do not allow fresh subscription / redemption during the tenure of the respective Plan(s) and redemptions are permitted only on Maturity Date. Accordingly, provisions with respect to imposition or enhancement of load in future on a prospective basis are not applicable.

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

The Scheme/Series shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme/Series. These conditions will be complied with immediately after the close of the NFO itself i.e. at the time of allotment. In case of non-fulfillment with the condition of minimum 20 investors, the Scheme/Series shall be wound up in accordance with Regulation 39(2)(c) of SEBI (MF) Regulations automatically without any reference from SEBI. In case of non-fulfillment with the condition of 25% holding by a single investor on the date of allotment, the application to the extent of exposure in excess of the stipulated 25% limit would be liable to be rejected and the allotment would be effective only to the extent of 25% of the corpus collected. Consequently, such exposure over 25% limits will lead to refund within 5 business days from the date of closure of the New Fund Offer.

## Section II

### I. Introduction

#### A. Definitions/interpretation

For details refer website of Axis Mutual Fund: <https://www.axismf.com/statutory-disclosures>

#### B. Risk factors

##### Scheme Specific Risk Factors

###### **Risks associated with investments in Fixed Income Securities**

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

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

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

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

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

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

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

**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 Securitized Debt**

The Plan(s) under the Scheme may invest in domestic securitized debt such as Asset Backed Securities (ABS) or Mortgage Backed Securities (MBS). ABS are securitized debts where the underlying assets are receivables arising from various loans including automobile loans, personal loans, loans against consumer

durables, etc. MBS are securitized debts where the underlying assets are receivables arising from loans backed by mortgage of residential / commercial properties.

At present in Indian market, following types of loans are securitized:

1. Auto Loans (cars / commercial vehicles /two wheelers)
2. Residential Mortgages or Housing Loans
3. Consumer Durable Loans
4. Personal Loans
5. Corporate Loans

In terms of specific risks attached to securitization, each asset class would have different underlying risks. Residential Mortgages generally have lower default rates than other asset classes, but repossession becomes difficult. On the other hand, repossession and subsequent recovery of commercial vehicles and other auto assets is fairly easier and better compared to mortgages. Asset classes like personal loans, credit card receivables are unsecured and in an economic downturn may witness higher default. A corporate loan/receivable, depend upon the nature of the underlying security for the loan or the nature of the receivable and the risks correspondingly fluctuate.

The rating agencies define margins, over collateralisation and guarantees to bring risk in line with similar AAA rated securities. The factors typically analyzed for any pool are as follows:

- a. Assets securitized and Size of the loan: This indicates the kind of assets financed with the loan and the average ticket size of the loan. A very low ticket size might mean more costs in originating and servicing of the assets.
- b. Diversification: Diversification across geographical boundaries and ticket sizes might result in lower delinquency
- c. Loan to Value Ratio: Indicates how much % value of the asset is financed by borrower's own equity. The lower this value the better it is. This suggests that where the borrowers own contribution of the asset cost is high; the chances of default are lower.
- d. Average seasoning of the pool: This indicates whether borrowers have already displayed repayment discipline. The higher the number, the more superior it is.

The other main risks pertaining to Securitised debt are as follows:

Prepayment Risk: This arises when the borrower pays off the loan sooner than expected. When interest rates decline, borrowers tend to pay off high interest loans with money borrowed at a lower interest rate, which shortens the average maturity of ABS. However, there is some prepayment risk even if interest rates rise, such as when an owner pays off a mortgage when the house is sold or an auto loan is paid off when the car is sold.

Reinvestment Risk: Since prepayment risk increases when interest rates decline, this also introduces reinvestment risk, which is the risk that the principal can only be reinvested at a lower rate.

#### **Risks associated with investment in Derivatives**

**Credit Risk:** The credit risk is the risk that the counter party will default in it's obligations and is generally small as in a Derivative transaction there is generally no exchange of the principal amount.

**Interest rate risk:** Derivatives carry the risk of adverse changes in the price due to change in interest rates.

**Basis Risk:** Basis Risk associated with imperfect hedging using Interest Rate Futures (IRF): The imperfect correlation between the prices of securities in the portfolio and the IRF contract used to hedge part of the portfolio leads to basis risk. Thus, the loss on the portfolio may not exactly match the gain from the hedge position entered using the IRF.

**Liquidity risk:** This occurs where the derivatives cannot be transacted due to limited trading volumes and/or the transaction is completed with a severe price impact.

**Model Risk:** The risk of mis-pricing or improper valuation of Derivatives.

**Trade Execution:** Risk where the final execution price is different from the screen price leading to dilution in the spreads and hence impacting the profitability of the reverse arbitrage strategy.

**Systemic Risk:** For Derivatives, especially OTC ones the failure of one Counter Party can put the whole system at risk and the whole system can come to a halt.

**Counter party Risk:** This occurs when a counterparty fails to abide by its contractual obligations and therefore, the Scheme are compelled to negotiate with another counter party, at the then prevailing (possibly unfavourable) market price. For exchange traded derivatives, the risk is mitigated as the exchange provides the guaranteed settlement but one takes the performance risk on the exchange.

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the Investor. Execution of strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.

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

#### **Risks associated with Repo transactions in Corporate Bonds**

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

#### **Risks associated with Creation of 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 recognised stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further trading price of units on the stock market may be significantly lower than the prevailing NAV.

#### **Risk Factor associated with debt instruments having credit enhancement:**

The Plan(s) under the Scheme may invest in debt instruments having credit enhancement backed by equity shares/guarantees or other any assets as collateral. The profile of these issuers tend to be relatively weak and there may be a pledge of shares of a related party to enhance credit quality or guarantees provided or any other asset provided as security acceptable to lenders.

Where equity shares are provided as collateral there is the risk of sharp price volatility of underlying securities which may lead to erosion in value of collateral which may affect the ability of the fund to enforce collateral and recover capital and interest obligations. Also there is a possibility of guarantor going insolvent which also can impact the recovery value of exposure. In case of credit enhanced structures backed by equity share the liquidity of the underlying shares may be low leading to a lower recovery and a higher impact cost of liquidation. In case of other assets provided recovery value and enforce ability of asset can also be a risk factor which can lower the recovery value.

#### **Risks associated with investment in Derivatives Transactions**

**Credit Risk:** The credit risk is the risk that the counter party will default in its obligations and is generally small as in a Derivative transaction there is generally no exchange of the principal amount.

**Interest rate risk:** Derivatives carry the risk of adverse changes in the price due to change in interest rates.

**Basis Risk:** When a bond is hedged using a derivative, the change in price of the bond and the change in price of the Derivative may not be fully correlated leading to basis risk in the portfolio.

**Liquidity risk:** During the life of the derivative, the benchmark might become illiquid and might not be fully capturing the interest rate changes in the market, or the selling, unwinding prices might not reflect the underlying assets, rates and indices, leading to loss of value of the portfolio.

**Model Risk:** The risk of mis-pricing or improper valuation of Derivatives.

**Trade Execution:** Risk where the final execution price is different from the screen price leading to dilution in the spreads and hence impacting the profitability of the reverse arbitrage strategy.

**Systemic Risk:** For Derivatives, especially OTC ones the failure of one Counter Party can put the whole system at risk and the whole system can come to a halt.

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the Investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.

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5. Security comprises of segregated portfolio may not realise any value.
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## **Risks related to Listing of Mutual Fund units**

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 Fund may quote below its face value / NAV.

Trading in Units of the Plan(s) under 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 Plan(s) under the Scheme is not advisable. In addition, trading in Units of the Plan(s) under 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 Plan(s) under the Scheme will continue to be met or will remain unchanged. Any changes in trading regulations by the Stock Exchange(s) or SEBI may inter-alia result in wider premium/ discount to NAV. The Units of the Plan(s) under the Scheme may trade above or below their NAV. The NAV of the Plan(s) under the Scheme will fluctuate with changes in the market value of respective Plan(s) holdings. The trading prices of Units of the Plan(s) under the Scheme will fluctuate in accordance with changes in their NAV as well as market supply and demand for the Units of the Plan(s). 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 on the maturity date 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 Plan(s) under the Scheme(s), like any other listed security, is largely dependent on two factors, viz., (1) the intrinsic value of the Unit (or NAV), and (2) demand and supply of Units in the market. Sizeable demand or supply of the Units in the Exchange may lead to market price of the Units to quote at premium or discount to NAV. As the Units allotted under the Plan(s) under the Scheme will be listed on the Exchange, the Mutual Fund shall not provide for redemption / repurchase of Units prior to maturity date of the respective Plan(s).

## **Risk Factor associated with Close-ended Schemes**

Investing in close-ended Schemes is more appropriate for seasoned investors. A close-ended Scheme endeavors to achieve the desired returns only at the scheduled maturity of the Scheme. Investors who wish to exit/redeem before the scheduled maturity date may do so through the stock exchange mode, if they have opted to hold Units in a demat form, by mentioning their demat details on the NFO application form. For the units listed on the exchange, it is possible that the market price at which the units are traded may be at a discount to the NAV of such Units. Hence, Unit Holders who sell their Units in a Scheme prior to maturity may not get the desired returns.

## **Risks associated with transaction in Units through stock exchange(s)**

In respect of transaction in Units of the Scheme through BSE, allotment and redemption of Units on any Business Day will depend upon the order processing / settlement by BSE and their respective clearing corporations on which the Fund has no control.

## **C. Risk mitigation strategies**

### **Risk Control:**

Risk management is going to be an integral part of the investment process. Effective risk management is critical to fund management for achieving financial soundness. The investment team of the AMC will carry out rigorous in depth credit evaluation of the money market and debt instruments (other than G-Secs) proposed to be invested in. The credit evaluation will essentially be a bottom up approach and include a study of the operating environment of the issuer, the past track record as well as the future prospects of the issuer and the short term / long term financial health of the issuer. The AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process, which would be periodically evaluated. The Plan(s) under the Scheme will also use derivatives and other hedging instruments, as may

be permitted by RBI, from time to time, in order to protect the value of the portfolio. Investments by the Plan(s) under the Scheme shall be made as per the investment objectives of the respective Plan(s) and provisions of SEBI regulations. AMC has implemented the Bloomberg Portfolio Order Management System as Front Office System (FOS). The system has incorporated all the investment restrictions as per SEBI guidelines and "soft" warning alerts at appropriate levels for preemptive monitoring. The system enables identifying & measuring the risk through various risk measurement tools like various risk ratios, average duration and analyzes the same and acts in a preventive manner.

#### **Risk control measures 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 Plan(s) under 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 Plan(s) under the Scheme will ensure that these instruments are sufficiently backed by assets.

#### **Risk control with respect to derivatives**

As and when the Plan(s) under the Scheme trade 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 Plan(s) under the Scheme may invest in derivative for the purpose of hedging, portfolio balancing and other purposes as may be permitted under the Regulations.

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

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

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

The corpus of the Plan(s) under the Scheme will be invested in Debt Instruments, Money Market Instruments and other permitted securities which will include but not limited to:

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

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

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

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

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

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

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

The Plan(s) under 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 Plan(s) under 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.

**Further, the Scheme may undertake repo or reverse repo transactions in corporate debt, in accordance with the directions issued by RBI and SEBI from time to time.**

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

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

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

may be secured or unsecured against the assets of the Company and generally issued to meet the short term and long term fund requirements. The Plan(s) under the Scheme may also invest in the non-convertible part of convertible debt securities.

### **Securitized Assets**

Securitization is a structured finance process which involves pooling and repackaging of cash flow producing financial assets into securities that are then sold to investors. They are termed as Asset Backed Securities (ABS) or Mortgage Backed Securities (MBS). ABS are backed by other assets such as credit card, automobile or consumer loan receivables, retail installment loans or participations in pools of leases. Credit support for these securities may be based on the underlying assets and/or provided through credit enhancements by a third party. MBS is an asset backed security whose cash flows are backed by the principal and interest payments of a set of mortgage loans. Such Mortgage could be either residential or commercial properties. ABS/MBS instrument reflect the undivided interest in the underlying assets and do not represent the obligation of the issuer of ABS/MBS or the originator of underlying receivables. Securitization often utilizes the services of SPV.

### **Pass through Certificate (PTC)**

Pay through or other Participation Certificates represents beneficial interest in an underlying pool of cash flows. These cash flows represent dues against single or multiple loans originated by the sellers of these loans. These loans are given by banks or financial institutions to corporates. PTCs may be backed, but not exclusively, by receivables of personal loans, car loans, two wheeler loans and other assets subject to applicable regulations.

The following are certain additional disclosures w.r.t. investment in securitized debt:

#### **1. How the risk profile of securitized debt fits into the risk appetite of the Scheme**

Securitized debt is a form of conversion of normally non-tradable loans to transferable securities. This is done by assigning the loans to a special purpose vehicle (a trust), which in turn issues Pass-Through-Certificates (PTCs). These PTCs are transferable securities with fixed income characteristics. The risk of investing in securitized debt is similar to investing in debt securities. However, it differs in two respects.

Typically, the liquidity of securitized debt is less than similar debt securities. For certain types of securitized debt (backed by mortgages, personal loans, credit card debt, etc.), there is an additional pre-payment risk. Pre-payment risk refers to the possibility that loans are repaid before they are due, which may reduce returns if the re-investment rates are lower than initially envisaged.

Because of these additional risks, securitized debt typically offers higher yields than debt securities of similar credit rating and maturity. If the fund manager judges that the additional risks are suitably compensated by the higher returns, he may invest in securitized debt up to the limits specified in the asset allocation table above.

#### **2. Policy relating to originators based on nature of originator, track record, NPAs, losses in earlier securitized debt, etc.**

The originator is the person who has initially given the loan. The originator is also usually responsible for servicing the loan (i.e. collecting the interest and principal payments). An analysis of the originator is especially important in case of retail loans as this affects the credit quality and servicing of the PTC. The key risk is that of the underlying assets and not of the originator. For example, losses or performance of earlier issuances does not indicate quality of current series. However, such past performance may be used as a guide to evaluate the loan standards, servicing capability and performance of the originator.

Originators may be: Banks, Non-Banking Finance Companies, Housing Finance Companies, etc. The fund manager / credit analyst evaluates originators based on the following parameters

- Track record
- Willingness to pay, through credit enhancement facilities etc.
- Ability to pay
- Business risk assessment, wherein following factors are considered:

- Outlook for the economy (domestic and global)
- Outlook for the industry
- Company specific factors

In addition, a detailed review and assessment of rating rationale is done including interactions with the originator as well as the credit rating agency.

The following additional evaluation parameters are used as applicable for the originator / underlying issuer for pool loan and single loan securitization transactions:

- Default track record/ frequent alteration of redemption conditions / covenants
- High leverage ratios of the ultimate borrower (for single-sell downs) – both on a standalone basis as well on a consolidated level/ group level
- Higher proportion of reschedulement of underlying assets of the pool or loan, as the case may be
- Higher proportion of overdue assets of the pool or the underlying loan, as the case may be
- Poor reputation in market
- Insufficient track record of servicing of the pool or the loan, as the case may be.

### **3. Risk mitigation strategies for investments with each kind of originator**

An analysis of the originator is especially important in case of retail loans as the size and reach affects the credit quality and servicing of the PTC. In addition, the quality of the collection process, infrastructure and follow-up mechanism; quality of MIS; and credit enhancement mechanism are key risk mitigants for the better originators / servicers.

In case of securitization involving single loans or a small pool of loans, the credit risk of the underlying borrower is analyzed. In case of diversified pools of loans, the overall characteristic of the loans is analyzed to determine the credit risk. The credit analyst looks at ageing (i.e. how long the loan has been with the originator before securitization) as one way of evaluating the performance potential of the PTC. Securitization transactions may include some risk mitigants (to reduce credit risk). These may include interest subvention (difference in interest rates on the underlying loans and the PTC serving as margin against defaults), overcollateralization (issue of PTCs of lesser value than the underlying loans, thus even if some loans default, the PTC continues to remain protected), presence of an equity / subordinate tranche (issue of PTCs of differing seniority when it comes to repayment - the senior tranches get paid before the junior tranche) and / or guarantees.

### **4. The level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments**

In case of securitization involving single loans or a small pool of loans, the credit risk of the borrower is analyzed. In case of diversified pools of loans, the overall characteristic of the loans is analyzed to determine the credit risk.

The credit analyst looks at ageing (i.e. how long the loan has been with the originator before securitization) as one way of judging the performance potential of the PTC. Additional risk mitigants may include interest subvention, over collateralization, presence of an equity / subordinate tranche and / or guarantees. The credit analyst also uses analyses by credit rating agencies on the risk profile of the securitized debt.

Currently, the following parameters are used while evaluating investment decision relating to a pool securitization transaction. The Investment Review Committee may revise the parameters from time to time.

Characteristics/Type of Pool	Mortgage Loan	Commercial Vehicle and Construction Equipment	CAR	2 wheelers	Micro Finance Pools *	Personal Loans *	Single Sell Downs	Others

Approximate Average maturity (in Months)	Up to 10 years	Up to 3 years	Up to 3 years	Up to 3 years	NA	NA	Refer Note 1	Refer Note 2
Collateral margin (including cash, guarantees, excess interest spread, subordinate tranche)	>10%	>10%	>10%	>10%	NA	NA	“	“
Average Loan to Value Ratio	<90%	<80%	<80%	<80%	NA	NA	“	“
Average seasoning of the Pool	>3 months	>3 months	>3 months	>3 months	NA	NA	“	“
Maximum single exposure range	<1%	<1%	<1%	<1%	NA	NA	“	“
Average single exposure range %	<1%	<1%	<1%	<1%	NA	NA	“	“

\*Currently, the Plan(s) under the Scheme will not invest in these types of securitized debt

Note 1: In case of securitization involving single loans or a small pool of loans, the credit risk of the borrower is analyzed. The investment limits applicable to the underlying borrower are applied to the single loan sell-down.

Note 2: Other investments will be decided on a case-to-case basis

The credit analyst may consider the following risk mitigating measures in his analysis of the securitized debt:

- Size of the loan
- Average original maturity of the pool
- Loan to Value Ratio
- Average seasoning of the pool
- Default rate distribution
- Geographical Distribution
- Credit enhancement facility
- Liquid facility
- Structure of the pool

#### **5. Minimum retention period of the debt by originator prior to securitization**

Issuance of securitized debt is governed by the Reserve Bank of India. RBI norms cover the "true sale" criteria including credit enhancement and liquidity enhancements. In addition, RBI has proposed minimum holding period of between nine and twelve months for assets before they can be securitized. The minimum holding period depends on the tenor of the securitization transaction. The Plan(s) under the Scheme will invest in securitized debts that are compliant with the laws and regulations.

#### **6. Minimum retention percentage by originator of debts to be securitized**

Issuance of securitized debt is governed by the Reserve Bank of India. RBI norms cover the "true sale" criteria including credit enhancement and liquidity enhancements, including maximum exposure by the originator

in the PTCs. In addition, RBI has proposed minimum retention requirement of between five and ten percent of the book value of the loans by the originator. The minimum retention requirement depends on the tenor and structure of the securitization transaction. The Fund will invest in securitized debts that are compliant with the laws and regulations.

## **7. The mechanism to tackle conflict of interest when the mutual fund invests in securitized debt of an originator and the originator in turn makes investments in that particular scheme of the fund**

The key risk is securitized debt relates to the underlying borrowers and not the originator. In a securitization transaction, the originator is the seller of the debt(s) and the fund is the buyer. However, the originator is also usually responsible for servicing the loan (i.e. collecting the interest and principal payments). As the originators may also invest in the Plan(s) under the Scheme, the fund manager shall ensure that the investment decision is based on parameters as set by the Investment Review Committee (IRC) of the Asset Management Company and IRC shall review the same at regular interval.

## **8. The resources and mechanism of individual risk assessment with the AMC for monitoring investment in securitized debt**

The fund management team including the credit analyst has the experience to analyze securitized debt. In addition, credit research agencies provide analysis of individual instruments and pools. On an on-going basis (typically monthly) the servicer provides reports regarding the performance of the pool. These reports would form the base for ongoing evaluation where applicable. In addition, rating reports indicating rating changes would be monitored for changes in rating agency opinion of the credit risk.

### **Debt derivative instruments**

#### **Interest Rate Swap**

An Interest Rate Swap (IRS) is a financial contract between two parties exchanging or swapping a stream of interest payments for a "notional principal" amount on multiple occasions during a specified period. Such contracts generally involve exchange of a "fixed to floating" or "floating to fixed" rate of interest. Accordingly, on each payment date that occurs during the swap period, cash payments based on fixed/ floating and floating rates are made by the parties to one another.

#### **Forward Rate Agreement**

A Forward Rate Agreement (FRA) is a financial contract between two parties to exchange interest payments for a 'notional principal' amount on settlement date, for a specified period from start date to maturity date. Accordingly, on the settlement date, cash payments based on contract (fixed) and the settlement rate, are made by the parties to one another. The settlement rate is the agreed bench-mark/ reference rate prevailing on the settlement date.

#### **Interest Rate Futures:**

A futures contract is a standardized, legally binding agreement to buy or sell a commodity or a financial instrument in a designated future month at a market determined price (the futures price) by the buyer and seller. The contracts are traded on a futures exchange. An Interest Rate Future is a futures contract with an interest bearing instrument as the underlying asset.

#### **Characteristics of Interest Rate Futures**

1. Obligation to buy or sell a bond at a future date
2. Standardized contract.
3. Exchange traded
4. Physical settlement
5. Daily mark to market

### **Short Term Deposits**

Pending deployment of funds as per the investment objective of the respective Plan(s), the Funds may be parked in short term deposits of the Scheduled Commercial Banks, subject to guidelines and limits specified by SEBI.

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

The Plan(s) under the Scheme may invest in units of debt and liquid mutual fund schemes of Axis AMC or in the schemes of any other mutual funds in conformity with the investment objective of the Scheme and in terms of the prevailing SEBI (MF) Regulations.

Investment in unrated debt instruments shall be subject to complying with provisions of the Regulations and within the limit as specified in Schedule VII to the Regulations. All such investments shall be made with the prior approval of the Board of AMC and Trustees.

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

The Fund Manager reserves the right to invest in such securities as may be permitted from time to time and which are in line with the investment objectives of the respective Plan(s).

### **Debt and Money Market in India**

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

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

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

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

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

Apart from these, there are some other options available for short tenure investments that include MIBOR linked debentures with periodic exit options and other such instruments. Though not strictly classified as

Money Market Instruments, PSU / DFI / Corporate paper with a residual maturity of < 1 year, are actively traded and offer a viable investment option.

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

The following table gives approximate yields prevailing on January 28, 2026 on some of the instruments and further illustrates this point.

<b>Instrument</b>	<b>Current Yield range (%)</b>
Tri-party Repo	5.25/5.30
Repo	5.25/5.30
3M T-bill	5.48/5.52
1Y T-bill	5.70/5.75
10Y G-sec	6.68/6.72
3m PSU Bank CD	7.15/7.20
3m Manufacturing co. CP	7.30/ 7.35
1Y PSU Bank CD	7.10/7.15
1Y NBFC CP	7.65/7.70
1Y Manufacturing co. CP	7.25/7.30
5Y AAA Institutional Bond	7.30/7.35
10Y AAA Institutional Bond	7.40/7.45

Source: Bloomberg

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

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

Pursuant to Regulations, specifically the Seventh Schedule and amendments thereto, the following investment restrictions are currently applicable to the Plan(s) under the Scheme:

1. The Plan(s) under the Scheme shall not invest more than 10% of its NAV in debt instruments, issued by single issuer comprising money market instruments and non-money market instruments issued by a single issuer rated investment grade or above by a Credit Rating Agency (CRA). Such investment limit may be extended to 12% of the NAV of the respective Plan(s) with the prior approval of the Trustee and the Board of Directors of AMC.

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

Provided further that Investments within such limit can be made in the mortgaged backed securitized debt, which are rated not below investment grade by a credit rating agency, registered with SEBI.

2. In accordance with the Paragraph 12.8 of Master Circular for Mutual Fund as amended from time to time, the Plan(s) under the Scheme shall not invest more than:

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

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

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

3. The Plan(s) under the Scheme shall not invest in unlisted debt instruments including commercial papers, except Government Securities, and other money market instruments and derivative products such as Interest Rate Swaps, Interest Rate Futures, etc. which are used by mutual fund for hedging:

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

Provided further that the Plan(s) under 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 Plan(s) under the Scheme in unrated debt instruments shall be as specified by the Board from time to time.

Further the investments by the Plan(s) under the Scheme shall be in compliance with Paragraph 12.1 of Master Circular for Mutual Fund and as amended by SEBI from time to time.

4. The investment by the Plan(s) under the Scheme in the following instruments shall not exceed 10% of the debt portfolio of the respective Plan(s) and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the respective Plan(s):

- a. Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade and
- b. Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade.

These limits shall not be applicable on investments in securitized debt instruments, as defined in SEBI (Public Offer and Listing of Securitized Debt Instruments) Regulations 2008.

5. 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
6. Investment in debt instruments, having credit enhancements backed by equity shares directly or indirectly, shall have a minimum cover of 4 times considering the market value of such shares.
7. The Plan(s) under 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 Mutual Fund.

8. The Plan(s) under 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.
9. The Mutual Fund shall get the securities purchased transferred in the name of the Fund on account of the concerned Plan(s), wherever investments are intended to be of a long-term nature.
10. Transfer of investments from one scheme to another scheme in the same Mutual Fund is permitted provided:
  - a) such transfers are done at the prevailing market price for quoted instruments on spot basis (spot basis shall have the same meaning as specified by a Stock Exchange for spot transactions); and
  - b) the securities so transferred shall be in conformity with the investment objective of the respective Plan(s) to which such transfer has been made.

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

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

The Plan(s) under the Scheme shall not engage in short selling of securities or carry forward transactions.

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

12. The Plan(s) under the Scheme shall not make any investment in any fund of funds scheme.
13. Pending deployment of the funds of the Plan(s) under the Scheme in securities in terms of the investment objective of the respective Plan(s), the AMC may park the funds of the respective Plan(s) in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI.

The Plan(s) under 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 Plan(s) under 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 Plan(s) under 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 Plan(s) under the Scheme shall not park funds in short term deposit (STD) of a bank which has invested in that Plan. Further Trustees/ AMCs shall also ensure that the bank in which the Plan has STD do not invest in the said Plan until the Plan has STD with such bank.
- vi. The AMC will not charge any investment management and advisory fees for funds parked in short term deposits of scheduled commercial banks.

However, the above provisions will not apply to term deposits placed as margins for trading in cash and derivatives market.

14. The Plan(s) under the Scheme shall not advance any loans.
15. The Plan(s) under the Scheme shall not borrow except to meet temporary liquidity needs of the respective Plan(s) for the purpose of repurchase/redemption of Unit or payment of interest and/or IDCW to the Unit holders.

Provided that the Fund shall not borrow more than 20% of the net assets of the Plan(s) under the Scheme(s) and the duration of the borrowing shall not exceed a period of 6 months.

16. The Plan(s) under the Scheme shall invest only in such securities which mature on or before the date of the maturity of the respective Plan(s) in accordance to Paragraph 12.7 of Master Circular for Mutual Fund
17. The total exposure in a particular sector (excluding investments in Bank CDs, Tri-party repo, Government Securities, T-Bills, short term deposits of scheduled commercial banks and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the respective Plan(s).

Provided that an additional exposure to financial services sector (over and above the limit of 20%) not exceeding 10% of the net assets of the respective Plan(s) shall be allowed by way of increase in exposure to Housing Finance Companies (HFCs);

Provided further that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NBH) and the total Investment/exposure in HFCs shall not exceed 20% of the net assets of the respective Plan(s).

18. The total exposure in a group (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the respective Plan(s). Such investment limit may be extended to 25% of the net assets of the respective Plan(s) with the prior approval of the Trustees.

For this purpose, a group means a group as defined under regulation 2 (mm) of SEBI (MF) Regulations, 1996 and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates.

Further, limit for investment in debt and money market instruments of group companies of both the sponsor and AMC shall not exceed 10% of the net assets of the respective Plan(s). Such investment limit can be extended to 15% with the prior approval of the Board of Trustees.

19. SEBI vide its circular no. Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010 has prescribed the following investment restrictions w.r.t. investment in derivatives:

<b>S. No.</b>	<b>Particulars</b>
I	The cumulative gross exposure through debt (including money market instruments) and derivative positions shall not exceed 100% of the net assets of the respective Plan(s). Cash or cash equivalents with residual maturity of less than 91 days shall be treated as not creating any exposure.
II	The Plan(s) under the Scheme shall not write options or purchase instruments with embedded written options.

III	The total exposure related to option premium paid shall not exceed 20% of the net assets of the Respective Plan(s) .								
IV	<p>Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:</p> <ul style="list-style-type: none"> <li>a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.</li> <li>b. Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1.</li> <li>c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.</li> <li>d. The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.</li> </ul>								
V	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.								
VI	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:								
	<table border="1"> <thead> <tr> <th>Position</th><th>Exposure</th></tr> </thead> <tbody> <tr> <td>Long Future</td><td>Futures Price * Lot Size * Number of Contracts</td></tr> <tr> <td>Short Future</td><td>Futures Price * Lot Size * Number of Contracts</td></tr> <tr> <td>Option bought</td><td>Option Premium Paid * Lot Size * Number of Contracts.</td></tr> </tbody> </table>	Position	Exposure	Long Future	Futures Price * Lot Size * Number of Contracts	Short Future	Futures Price * Lot Size * Number of Contracts	Option bought	Option Premium Paid * Lot Size * Number of Contracts.
Position	Exposure								
Long Future	Futures Price * Lot Size * Number of Contracts								
Short Future	Futures Price * Lot Size * Number of Contracts								
Option bought	Option Premium Paid * Lot Size * Number of Contracts.								
VII	<p>(a) Mutual Funds may enter into plain vanilla Interest Rate Swaps (IRS) for hedging purposes. The value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the respective Plan(s) .</p> <p>(b) In case of participation in IRS is through over the counter transactions, the counter party has to be an entity recognized as a market maker by RBI and exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the respective Plan(s) . However, if mutual funds are transacting in IRS through an electronic trading platform offered by the Clearing Corporation of India Ltd. (CCIL) and CCIL is the central counterparty for such transactions guaranteeing settlement, the single counterparty limit of 10% shall not be applicable.</p>								

20. The Plan(s) under the Scheme shall participate in repos in corporate debt securities as per the guidelines issued by SEBI and/or RBI from time to time, and the guidelines framed by the Board of Directors of Trustee Company and the Asset Management Company, from time to time:

At present the following conditions and norms shall apply to repo in corporate debt securities:

- (i) The gross exposure of the Plan(s) under the Scheme to repo transactions in corporate debt securities shall not be more than 10 % of the net assets of the respective Plan(s).
- (ii) The cumulative gross exposure through repo transactions in corporate debt securities along with debt and derivatives shall not exceed 100% of the net assets of the respective Plan(s).
- (iii) The Plan(s) under the Scheme shall participate in repo transactions only in AA and above rated corporate debt securities.
- (iv) The Plan(s) under the Scheme shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.
- (v) The Trustees and the Asset Management Companies have framed the guidelines interalia considering the following aspects: -
  - i. Category of counterparty
  - ii. Credit rating of counterparty
  - iii. Tenor of collateral
  - iv. Applicable haircuts
- (vi) Counterparty selection & credit rating

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

**(vii) Collateral tenor & quality**

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

**(viii) Applicable haircuts**

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

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

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

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

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

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

21. 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 respective Plan(s) 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.

22. Close ended debt schemes shall not invest in perpetual bonds

23. In case of Close Ended Schemes, IST purchases would be allowed within "three" business days of allotment pursuant to New Fund Offer (NFO) and thereafter, no ISTs shall be permitted to/from Close Ended Schemes.
24. 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 respective Plan(s). 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 Plan(s) under the Scheme will comply with the other Regulations applicable to the investments of Mutual Funds from time to time.

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

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

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

### **C. Fundamental Attributes**

Following are the Fundamental Attributes of the Plan(s) under the Scheme, in terms of para 1.14 of SEBI Master Circular for Mutual Funds:

#### **(i) Type of a scheme**

- A Close ended debt scheme

#### **(ii) Investment Objective**

- Main Objective: The Plan(s) of the Scheme will endeavor to generate returns through a portfolio of debt & money market instruments that are maturing on or before the maturity of the respective plan(s).

There is no assurance that the investment objective of the respective Plan(s) will be achieved.

- Investment Pattern: Please refer to Section – I Part – II A. 'How will the Scheme Allocate its Assets?'.

#### **(iii) Terms of Issue**

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

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations and Regulation 25(26) of the SEBI (MF) Regulations, read with clause 1.14.1.4 and 17.10 of SEBI Master Circular the Trustees and AMC shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:

- SEBI has reviewed and provided its comments on the proposal
- A written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and

- The Unitholders are given an option for a period of at least 30 calendar days to exit at the prevailing Net Asset Value without any exit load.

**D. Index methodology (for index funds, ETFs and FOFs having one underlying domestic ETF) – Not Applicable**

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

**F. Floors and ceiling within a range of 5% of the intended allocation against each sub class of asset, as per para 13.6.2 of SEBI master circular for mutual funds (only for close ended debt schemes) –**

As per the regulations, the scheme is allowed to invest within a range of 5% of the intended allocation (floor and cap) against each sub asset class/credit rating.

Instruments	Credit Rating					
	AAA	A1+	AA	A	BBB	Not applicable
CDs		45-50				
CPs		50-55				
NCDs/ Bonds	5-10					
Securitized Debt						
Government of India dated Securities/ State Government Securities						
Tri Party Repos, T-Bills, Cash Management Bill, Repos						0-5

- i. Securities with rating A and AA shall include A+ and A- & AA+ and AA- respectively.
- ii. Positive variation in investment towards higher credit rating in the same instrument shall be allowed.
- iii. In case of non-availability of and taking into account the risk-reward analysis of CPs, NCDs (including securitized debt), the Plan(s) under the Scheme may invest in CDs and CBLO having equivalent or higher ratings.
- iv. At the time of building up the portfolio post NFO and towards the maturity of the Scheme, there may be a higher allocation to cash and cash equivalents.
- v. Subsequent to the initial portfolio construction, during the tenure of the respective Plan(s), the allocation of the Plan(s) under the Scheme may vary due to instances like (i) coupon inflow; (ii) the instrument is called or bought back by the issuer; (iii) in anticipation of any adverse credit event, etc.
- vi. All investment shall be made based on the rating prevalent at the time of investment. Further, in case of an instrument having dual ratings, the most conservative publicly available rating would be considered.
- vii. Investment in, derivatives will be up to 50% of the net assets of the respective Plan. For details refer the Asset Allocation Pattern.
- viii. In the event of any deviations from the floor and ceiling of credit ratings specified for any instrument due to reasons other than those mentioned in points (i) to (vi), the same shall be rebalanced within 30 calendar days from the date of the said deviation.

**G. Other Scheme Specific Disclosures:**

Listing and transfer of units	<b>Listing</b> The Units of the Plan(s) under the Scheme(s) will be listed on the Exchange within 5 business days from the date of allotment 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.
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	<p>The trading facility on the Exchange would be available from the date of listing till the date of suspension of trading by stock exchange(s) where the Plan(s) under the Scheme are listed.</p> <p>The trading of Units on BSE and/or any other Stock Exchange(s) on which the Units are listed will automatically get suspended one Business Day prior to the record date for redemption of Units on Maturity Date/ Final Redemption Date. No separate notice will be issued by the AMC informing about Maturity Record Date or Suspension of trading by the stock exchange. However, the Fund reserves the right to change the record date for maturity by issue of suitable notice. The Unit holders whose name(s) appear on the list of beneficial owners as per the Depositories (NSDL/CDSL) on records date shall be entitled to receive redemption proceeds of Units.</p> <p>The price of the Units in the market on Exchange will depend on demand and supply and market factors and forces. There is no minimum investment amount for investment through Exchange, although Units dealt in minimum in lots of 1.</p> <p><b>Transferability of units:</b></p> <p>Units unless otherwise restricted or prohibited shall be freely transferable by act of parties or by operation of law. Transfer of units will be subject to submission of valid documents and fulfillment of the eligibility requirements by the unitholder/investor as stated under AMFI best Practice guideline No.135/BP/ 116 /2024-25 dated August 14, 2024 and AMC internal processes, if any.</p>
Dematerialization of units	<p>The Unit holders are given an Option to hold the units by way of an Account Statement (Physical form) or in Dematerialized ('Demat') form. Mode of holding shall be clearly specified in the KIM cum application form. Unit holders holding the units in physical form will not be able to trade or transfer their units till such units are dematerialized.</p> <p>Unit holders opting to hold the units in demat form must provide their Demat Account details in the specified section of the application form. The Unit holder intending to hold the units in Demat form 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 the DP's name, DP ID Number and the beneficiary account number of the applicant with the DP. In case Unit holders do not provide their Demat Account details, an Account Statement shall be sent to them. Such investors will not be able to trade on the stock exchange till the holdings are converted in to demat form.</p>
Minimum Target amount	Rs. 20 crores per series/plan of the Scheme
Maximum Amount to be raised (if any)	Not Applicable
Dividend Policy (IDCW)	<p>Under the IDCW option, the Trustee will have the discretion to declare the IDCW, subject to availability of distributable surplus calculated in accordance with the Regulations. The actual declaration of IDCW and frequency will inter-alia, depend on availability of distributable surplus calculated in accordance with SEBI (MF) Regulations and the decisions of the Trustee shall be final in this regard. There is no assurance or guarantee to the Unit holders as to the rate of IDCW nor that it will be paid regularly.</p> <p>The AMC/Trustee reserves the right to change the frequency of declaration of IDCW or may provide for additional frequency for declaration of IDCW.</p>

	<p><b>IDCW Distribution Procedure</b></p> <p>In accordance with Chapter 11 of SEBI Master Circular on Mutual Funds as amended from time to time, the procedure for distribution would be as under:</p> <ol style="list-style-type: none"> <li>1. Quantum of IDCW and the record date will be fixed by the Trustee. IDCW so decided shall be paid, subject to availability of distributable surplus.</li> <li>2. Within one calendar day of the decision by the Trustees, AMC shall issue notice to the public communicating the decision including the record date. The record date shall be two (2) working days from the date of publication in at least one English newspaper or in a newspaper published in the language of the region where the Head Office of the mutual fund is situated, whichever is issued earlier.</li> <li>3. Record date shall be the date, which will be considered for the purpose of determining the eligibility of Investors whose names appear on the register of Unit holder for receiving IDCW.</li> <li>4. The notice will, in font size 10, bold, categorically state that pursuant to payment of IDCW, the NAV of the Plan(s) under the Scheme would fall to the extent of payout and statutory levy (if applicable).</li> <li>5. The NAV will be adjusted to the extent of IDCW distribution and statutory levy, if any, at the close of Business Hours on record date.</li> <li>6. Before the issue of such notice, no communication indicating the probable date of IDCW declaration in any manner whatsoever will be issued by Mutual Fund.</li> </ol> <p>However, the requirement of giving notice shall not be applicable for IDCW options having frequency up to one month.</p>
Allotment (Detailed procedure)	<ul style="list-style-type: none"> <li>• On acceptance of the application for subscription, an allotment confirmation specifying the number of units allotted by way of e-mail and/or SMS within 5 business days from the date of receipt of transaction request/allotment will be sent to the Unit Holders registered e-mail address and/or mobile number.</li> <li>• 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.</li> <li>• For those Unit holders who have provided an e-mail address, the AMC will send the account statement by e-mail.</li> <li>• Unit holders will be required to download and print the documents after receiving e-mail from the Mutual Fund. Should the Unit holder experience any difficulty in accessing the electronically delivered documents, the Unit holder shall promptly advise the Mutual Fund to enable the Mutual Fund to make the delivery through alternate means. It is deemed that the Unit holder is aware of all security risks including possible third party interception of the documents and contents of the documents becoming known to third parties.</li> <li>• The Unit holder may request for a physical account statement by writing/calling the AMC/ISC/Registrar. In case of specific request received from the Unit Holders, the AMC/Fund will provide the Account Statement to the Investors within 5 business days from the receipt of such request.</li> <li>• In cases where the email does not reach the Unit holder, the Fund / its Registrar &amp; Transfer Agents will not be responsible, but the Unit holder can request for fresh statement. The Unit holder shall from time to time intimate the Fund / its Registrar &amp; Transfer Agent about any changes in his e-mail address.</li> </ul>
Refund	<p>During NFO:</p> <p>Fund will refund the application money to applicants whose applications are found to be incomplete, invalid or have been rejected for any other reason whatsoever. Refund instruments will be dispatched within 5 business days of the closure of NFO period. In the event of delay beyond 5 business days, the AMC shall be liable to pay interest at 15% per annum or such other rate of interest as maybe prescribed from time to time. Refund orders will be marked "A/c Payee only" and drawn in the name of the applicant (in the case of a sole applicant) and in the name of the first</p>

	<p>applicant in all other cases. All refund orders will be sent by registered post or as permitted by Regulations.</p> <p><b>Ongoing Offer period:</b> Being a close ended Scheme, Investors can subscribe to the Units of the Plan(s) under the Scheme during the New Fund Offer Period only and such Plan(s) will not re-open for subscriptions after the closure of NFO. The redemption facility would be provided only on Maturity.</p> <p>However, subsequent to closure of NFO and upon listing of Units on Exchange, buying or selling of Units by Unit holders / Investors can be made on the Exchange. Units can be bought or sold like any other listed stock on the Exchange at prevailing market prices.</p> <p>The minimum number of Units that can be bought or sold on the Exchange is one Unit. The Units' market prices may be at a premium/discount to its NAV. Dealings by the Unit holders / Investors on the Exchange will be also subject to Exchange Rules and Regulations.</p> <p>Unit holders are requested to note that in respect of Switch in requests, made for the Units held in dematerialized form, into a Fixed Maturity Plan or into any other Scheme, the Units of which are or shall be listed on any recognized Stock Exchange(s), the balance amount represented for the fractional Units of the Switch-in Scheme will be refunded to the Unit holders.</p>
<p><b>Who can invest</b></p> <p>This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is Suitable to their risk profile.</p>	<p>The following persons (subject to, wherever relevant, purchase of units of mutual funds, being permitted under respective constitutions, and relevant statutory regulations) are eligible and may apply for Subscription to the units of the Plan(s) under the Scheme:</p> <ol style="list-style-type: none"> <li>1. Resident adult individuals either singly or jointly (not exceeding three) or on an Anyone or Survivor basis;</li> <li>2. Hindu Undivided Family (HUF) through Karta;</li> <li>3. Minor (as the first and the sole holder only) through a natural guardian (i.e. father or mother, as the case may be) or a court appointed legal guardian. There shall not be any joint holding with minor investments;</li> <li>4. Partnership Firms;</li> <li>5. Limited liability partnership firms;</li> <li>6. Proprietorship in the name of the sole proprietor;</li> <li>7. Companies, Bodies Corporate, Public Sector Undertakings (PSUs), Association of Persons (AOP) or Bodies of Individuals (BOI) and societies registered under the Societies Registration Act, 1860 (so long as the purchase of Units is permitted under the respective constitutions);</li> <li>8. Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions;</li> <li>9. Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of requisite approvals wherever applicable) and Private trusts authorised to invest in mutual fund schemes under their trust deeds;</li> <li>10. Non-Resident Indians (NRIs) / Persons of Indian origin (PIOs) / Overseas Citizens of India (OCIs) residing abroad on repatriation basis or on non-repatriation basis;</li> <li>11. Foreign Portfolio Investor (FPI) registered with SEBI on repatriation basis. These investments shall be subject to the conditions prescribed by SEBI, RBI, Income Tax authorities and the AMC, from time to time;</li> <li>12. Army, Air Force, Navy and other para-military units and bodies created by such institutions;</li> <li>13. Scientific and Industrial Research Organisations;</li> <li>14. Multilateral Funding Agencies / Bodies Corporate incorporated outside India with the permission of Government of India / RBI;</li> </ol>

	<p>15. Provident/ Pension/ Gratuity Fund to the extent they are permitted;</p> <p>16. Other schemes of Axis Mutual Fund or any other mutual fund subject to the conditions and limits prescribed by SEBI Regulations;</p> <p>17. Schemes of Alternative Investment Funds;</p> <p>18. The Trustee, AMC or Sponsor or their associates may subscribe to Units under the Scheme;</p> <p>19. Such other category of person(s) permitted to make investments and as may be specified by the AMC / Trustee from time to time.</p> <p>Subject to SEBI (MF) Regulations, 1996, any application for subscription of units may be accepted or rejected in the sole and absolute discretion of the AMC/ Trustee company. The AMC/ Trustee company may also reject any application for subscription of units if the application is invalid, incomplete, or if the AMC/ Trustee company for any other reason does not believe that it would be in the interest of the scheme or its unitholders to accept such an application.</p>
<p><b>Who cannot invest</b></p>	<p>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.</p> <p>2. Pursuant to RBI A.P. (DIR Series) circular no. 14 dated September 16, 2003, Overseas Corporate Bodies (OCBs) cannot invest in Mutual Funds.</p> <p>3. NRIs residing in Non-Compliant Countries and Territories (NCCTs) as determined by the Financial Action Task Force (FATF), from time to time.</p> <p>4. U.S. Persons and Residents of Canada as defined under the applicable laws of U.S. and Canada except the following:</p> <ul style="list-style-type: none"> <li>a. subscriptions received by way of lump sum / switches / systematic transactions received from Non-resident Indians (NRIs) / Persons of Indian origin (PIO) / Overseas Citizen of India (OCI) who at the time of such investment, are present in India and</li> <li>b. FPIs</li> </ul> <p>5. Such other persons as may be specified by AMC from time to time.</p> <p>These investors need to submit a physical transaction request along with such documents as may be prescribed by the AMC/ the Trustee/ the Fund from time to time.</p> <p>The AMC reserves the right to put the transaction requests on hold/reject the transaction request/reverse allotted units, as the case may be, as and when identified by the AMC, which are not in compliance with the terms and conditions notified in this regard.</p> <p>The Trustee / the AMC /the Fund reserve the right to change/ modify the above provisions at a later date.</p>
<p><b>How to Apply and other details (where can you submit the filled up applications including purchase/redemption switches be submitted.)</b></p>	<p><b>During the NFO period:</b> Investors can undertake transactions in the Schemes of Axis Mutual Fund either through physical, online / electronic mode or any other mode as may be prescribed from time to time.</p> <p><u><b>Physical Transactions</b></u> For making application for subscription / redemption / switches, application form and Key Information Memorandum may be obtained from / submitted to the Official Points of Acceptance (OPAs) of AMC or downloaded from the website of AMC viz. <a href="http://www.axismf.com">www.axismf.com</a>.</p> <p><u><b>Online / Electronic Transactions</b></u></p>

	<p>Investors can undertake transactions via electronic mode through various online facilities offered by Axis AMC/ other platforms specified by AMC from time to time.</p> <p>For name, address and contact no. of Registrar and Transfer Agent (R&amp;T), email id of R&amp;T, website address of R&amp;T, official points of acceptance, collecting banker details etc. refer back cover page.</p> <p>Please note it is mandatory for unitholders to mention their bank account numbers in their applications/requests for redemption.</p> <p><b>Ongoing basis:</b> the Units can be purchased / sold during the trading hours of the Stock Exchange(s) like any other publicly traded stock Please refer to the SAI and Application form for the instructions.</p>
<p>The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.</p>	<p>Units issued under the Plan(s) under the Scheme will be listed and therefore no repurchase facility is being provided. On maturity, the units held will be redeemed and proceeds paid to the investors.</p>
<p>Restrictions, if any, on the right to freely retain or dispose of units being offered.</p>	<p><b>Pledge or Hypothecation of Units</b> The Units held in demat mode can be pledged and hypothecated as per the provisions of Depositories Act and Depositories Rules and Regulations.</p> <p>As the Units of the Scheme will also be issued in dematerialized form, the Units will be transferable through the Stock Exchange(s) on which the said Units are listed in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time.</p> <p>The delivery instructions for transfer of Units will have to be lodged with the DP in the requisite form as may be required from time to time and transfer will be effected in accordance with such rules/regulations as may be in force governing transfer of securities in dematerialized form.</p> <p><b>SUSPENSION OF SALE / REDEMPTION OF THE UNITS</b> The Sale / Redemption of the Units may be temporarily suspended, on the stock exchange(s) on which the Units of the Plan(s) under the Scheme are Listed, under the following conditions:</p> <ul style="list-style-type: none"> <li>• During the period of Book Closure.</li> <li>• During the suspension of trading in units of the Plan(s) under the Scheme by Stock Exchange(s) prior to record date for determining the Unit holders whose name(s) appear on the list of beneficial owners as per the Depositories (NSDL/CDSL) records for the purpose of redemption of Units on Maturity / Final Redemption date/Declaration of IDCW.</li> <li>• In the event of any unforeseen situation that affects the normal functioning of the stock exchange(s).</li> <li>• If so directed by SEBI.</li> </ul> <p>The above list is not exhaustive and may also include other factors.</p>

Cut off timing for subscriptions/ redemptions/ switches	After close of NFO Period, the Fund will not provide facility for subscription / redemption / switches, and hence cut-off timing provisions do not apply.
This is the time before which your application (complete in all respects) should reach the official points of acceptance.	In case of switch-out proposed for investing the maturity proceeds in another scheme of the Fund, the switch-out request will be accepted upto 3.00 p.m. on the Maturity Date. The above mentioned cut off timing shall be applicable to transactions through the online trading platform also.
	The Date of Acceptance will be reckoned as per the date & time; the transaction is entered in stock exchange's infrastructure for which a system generated confirmation slip will be issued to the investor.
	Dealings by the Unit holders/ Investors on Exchange will be also subject to Exchange Rules and Regulations.
	<p><b>Settlement of purchase/ sale of Units of the Scheme on BSE</b></p> <p>Buying/ Selling of units of the Plan(s) under the Schemes on the BSE is just like buying/ selling any other normal listed security. If an investor has bought units, he has to pay the purchase amount to the trading member/ sub-broker, such that the amount paid is realised by the trading member who has bought the units before the funds pay-in day of the settlement cycle on the BSE. If an investor has sold units, he has to deliver the units to the broker/ sub-broker before the securities pay-in day of the settlement cycle on the BSE. The units (in the case of units bought) and the funds (in the case of units sold) are paid out to the trading member on the payout day of the settlement cycle on the BSE. The Exchange regulations stipulate that the trading member should pay the money or units to the investor within 24 hours of the payout.</p>
	<p>If an investor has bought units, he should give standing instructions for 'Delivery- In' to his DP for accepting units in his beneficiary account. An investor should give the details of his beneficiary account and the DP-ID of his DP to his trading member/ sub-broker. The trading member will transfer the units directly to the investor's beneficiary account on receipt of the same from Exchanges' Clearing Corporation.</p>
	<p>An investor who has sold units should instruct his (DP) to give 'Delivery Out' instructions to transfer the units from his beneficiary account to the Pool Account of his trading member through whom he has sold the units. The details of the Pool A/c of his trading member to which the units are to be transferred, unit quantity etc. should be mentioned in the Delivery Out instructions given by him to the DP. The instructions should be given well before the prescribed securities pay-in day.</p>
	<p><b>Rolling Settlement</b></p> <p>The Pay-in and Pay-out of funds and the securities/units takes 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 of the Exchange.</p>

<p>Ongoing price for subscription (purchase)/switch-in (from other schemes/plans of the mutual fund) by investors. This is the price you need to pay for purchase/switch-in.</p>	<p>Being a close ended Scheme, Investors can subscribe to the Units of the Plan(s) under the Scheme during the New Fund Offer Period only and such Plan(s) under the Scheme will not re-open for subscriptions after the closure of NFO. The redemption facility would be provided only on Maturity.</p> <p>However, subsequent to closure of NFO and upon listing of Units on Exchange, buying or selling of Units by Unit holders / Investors can be made on the Exchange. Units can be bought or sold like any other listed stock on the Exchange at prevailing market prices.</p> <p>The minimum number of Units that can be bought or sold on the Exchange is one Unit. The Units' market prices may be at a premium/discount to its NAV. Dealings by the Unit holders / Investors on the Exchange will be also subject to Exchange Rules and Regulations.</p>
<p>Ongoing price for redemption (sale) /switch outs (to other schemes/plans of the Mutual Fund) by investors. This is the price you will receive for redemptions/switch outs.</p>	<p>Unit holders are requested to note that in respect of Switch in requests, made for the Units held in dematerialized form, into a Fixed Maturity Plan or into any other Scheme, the Units of which are or shall be listed on any recognized Stock Exchange(s), the balance amount represented for the fractional Units of the Switch-in Scheme will be refunded to the Unit holders.</p>
<p>Minimum amount for purchase / redemption / switches</p>	<p><b>Refer Section I – Part I for Minimum amount for purchase/redemption/switches.</b></p> <p>The Units of the Plan(s) under the Scheme will not be available for subscriptions / switch-in after the closure of NFO Period.</p>
<p>Accounts Statements</p>	<p>The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form).</p> <p>The AMC/RTA shall dispatch a Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds and holding at the end of the month shall be sent to the Unit holders in whose folio(s) transaction(s) have taken place during the month by mail or email on or before 15th of the succeeding month.</p> <p>For investor having demat account, 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 (eCAS) 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.</p> <p>For folios where there are no transactions during the half – year, the AMC/RTA shall dispatch a half – yearly CAS at the end of every six months (i.e. September/March) on or before the 21st day of the succeeding month for holdings across all mutual funds at the end of the half-year.</p> <p>For folios where there are no transactions during the half – year , the depositories shall dispatch a consolidated statement (for investors having a demat account) 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</p>

	<p>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.</p> <p>For further details, refer SAI.</p>
IDCW	<p>The payment of IDCW to the unitholders shall be made within seven working days from the record date.</p> <p>The AMC shall be liable to pay interest to the Unit holders at 15% p.a. or such other rate as may be prescribed by SEBI from time to time, in the event of failure of despatch of dividend payments within the stipulated time period calculated from the record date.</p>
Redemption	<p>The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase.</p> <p>For list of exceptional circumstances refer para 14.1.3 of SEBI Master Circular for Mutual Funds.</p> <p>For detailed procedure on how to redeem, kindly refer SAI.</p>
Bank Mandate	<p>It is mandatory for investors to mention investor's bank account details on the form. Applications without this information are liable to be rejected. The Mutual Fund / AMC reserves the right to hold redemption proceeds in case requisite bank details are not submitted.</p>
Delay in payment of redemption / repurchase proceeds / dividend	<p>The Asset Management Company shall be liable to pay interest to the unitholders at rate as specified vide para 14.2 of SEBI Master Circular for Mutual Funds by SEBI for the period of such delay.</p> <p>The AMC shall pay interest to the Unit holders at 15% or such other rate as may be prescribed by SEBI from time to time, in case the Redemption / Repurchase proceeds are not made within three (3) working Days of the date of Redemption / Repurchase.</p> <p>However, the AMC will not be liable to pay any interest or compensation or any amount otherwise, in case the AMC / Trustee is required to obtain from the Investor / Unit holders verification of identity or such other details relating to Subscription for Units under any applicable law or as may be requested by a Regulatory Agency or any government authority, which may result in delay in processing the application.</p>
Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount	<p>The Unclaimed Redemption and IDCW amounts shall be deployed by the Fund in money market instruments and such other instruments/securities as maybe permitted from time to time. The investment management fee charged by the AMC for managing such unclaimed amounts shall not exceed 50 basis points. The circular also specifies that investors who claim these amounts during a period of three years from the due date shall be paid at the prevailing NAV. Thus, after a period of three years, this amount can be transferred to a pool account and the investors can claim the said amounts at the NAV prevailing at the end of the third year. In terms of the circular, the onus is on the AMC to make a continuous effort to remind investors through letters to take their unclaimed amounts. The details of such unclaimed amounts shall be disclosed in the annual report sent to the Unit Holders.</p> <p>Further, according to Para 14.3 of SEBI Master Circular for Mutual Funds as amended from time to time the unclaimed Redemption and IDCW amounts may be deployed in separate plan of Overnight scheme/Liquid scheme/Money market mutual fund scheme floated by Mutual Funds specifically for deployment of the unclaimed Redemption and IDCW amounts.</p>

Disclosure w.r.t investment by minors	<p>Following is the process for investments made in the name of a Minor through a Guardian: -</p> <ul style="list-style-type: none"> <li>Payment for investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian.</li> <li>Mutual Fund will send an intimation to Unit holders advising the minor (on attaining majority) to submit an application form along with prescribed documents to change the status of the account from 'minor' to 'major'.</li> <li>All transactions / standing instructions / systematic transactions etc. will be suspended i.e. the Folio will be frozen for operation by the guardian from the date of beneficiary child completing 18 years of age, till the status of the minor is changed to major. Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new bank account.</li> <li>No investments (lumpsum/SIP/ switch in/ STP in etc.) in the Plan(s) under the Scheme would be allowed once the minor attains majority i.e. 18 years of age till the status of folio is changed to major.</li> </ul>
Tenure	<p>108 Days.</p> <p>Tenure of the Scheme(s) is – 108 days from the date of allotment (including the date of allotment.) If the maturity / pay out date falls on a non-business day, the maturity / pay out date shall be the next business day.</p> <p>Units of respective Plans(s) will be redeemed only on the Maturity Date of the respective Plan(s)</p>
Liquidity	<p>The Units of the Plan(s) under the Scheme cannot be redeemed by the Unit holder directly with the Fund until the Maturity Date.</p> <p>The Units of the Plan(s) under the Scheme will be listed on the capital market segment of the BSE and/ or any other Stock Exchange. Unit holders can purchase / sell Units on a continuous basis on BSE and/or any other Stock Exchange(s) on which the Units are listed. The Units can be purchased / sold during the trading hours of the Stock Exchange(s) like any other publicly traded stock. The trading of Units on BSE and/or any other Stock Exchange(s) on which the Units are listed will automatically get suspended one Business Day prior to the record date for redemption of Units on Maturity Date/ Final Redemption Date. No separate notice will be issued by the AMC informing about Maturity Record Date or Suspension of trading by the stock exchange. However, the Fund reserves the right to change the record date for maturity by issue of suitable notice. The Unit holders whose name(s) appear on the list of beneficial owners as per the Depositories (NSDL/CDSL) on records date shall be entitled to receive redemption proceeds of Units.</p> <p>The price of the Units on the Stock Exchange(s) will depend on demand and supply at that point of time and underlying NAV. There is no minimum investment limit, although Units are normally traded in round lots of 1 Unit.</p> <p>Please refer to para "Settlement of purchase / sale of Units of the Scheme on BSE" and "Rolling Settlement" under the section "<b>Cut off timing for subscriptions/ redemption/ switches</b>" for further details.</p>
Any other disclosure in terms of Consolidated Checklist on	Nil

Standard Observations	
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### III. Other Details

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

### B. Periodic Disclosures

Fortnightly / Monthly and Half yearly Disclosures: Portfolio / Financial Results  This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.	<p>The AMC will disclose the portfolio of the Plan(s) under the Scheme (alongwith ISIN) on fortnightly, monthly and half yearly basis on the website of the Mutual Fund and AMFI within 5 days of every fortnight and within 10 days from the close of each month and half year (i.e. 31st March and 30th September) respectively in a user-friendly and downloadable spreadsheet format. Further, AMC shall publish an advertisement in an all-India edition of one national English daily newspaper and one Hindi newspaper, every half year, disclosing the hosting of the half-yearly statement of its schemes' portfolio on the website of the Mutual Fund and AMFI and the modes through which unitholder(s) can submit a request for a physical or electronic copy of the statement of scheme portfolio.</p> <p>The AMC will also provide a dashboard, in a comparable, downloadable (spreadsheet) and machine readable format, providing performance and key disclosures like Scheme's AUM, investment objective, expense ratios, portfolio details, scheme's past performance etc. on website</p> <p>For details, please refer our website: <a href="https://www.axismf.com/statutory-disclosures">https://www.axismf.com/statutory-disclosures</a></p>
Half Yearly Results	<p>The Mutual Fund shall within one month from the close of each half year, that is on 31st March and on 30th September, host a soft copy of its unaudited financial results on the website of the AMC and AMFI.</p> <p>The mutual fund shall publish an advertisement disclosing the hosting of such financial results on their website, in atleast one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the Mutual Fund is situated.</p> <p>The unaudited financial results will also be displayed on the website of the AMC and AMFI.</p> <p>For details, please refer our website: <a href="https://www.axismf.com/statutory-disclosures">https://www.axismf.com/statutory-disclosures</a></p>
Annual Report	<p>The Scheme wise annual report or an abridged summary thereof shall be mailed (emailed, where e-mail id is provided unless otherwise required) to all Unit holders not later than four months (or such other period as may be specified by SEBI from time to time) from the date of closure of the relevant accounting year (i.e. 31st March each year) and full annual report shall be available for inspection at the Head Office of the Mutual Fund and a copy shall be made available to the Unit holders on request on payment of nominal fees, if any. Scheme wise annual report shall also be displayed on the website of the AMC (<a href="http://www.axismf.com">www.axismf.com</a>) and Association of Mutual Funds in India (<a href="http://www.amfiindia.com">www.amfiindia.com</a>).</p> <p>Unitholders whose email addresses are not registered with the Mutual Fund may 'opt-in' to receive a physical copy of the annual report or an abridged summary thereof.</p>

	<p>Further, AMC shall provide a physical copy of the abridged summary of the Annual Report, without charging any cost, on a specific request received from a unitholder.</p> <p>AMC shall also publish an advertisement every year, in an all India edition of one national English daily newspaper and in one Hindi newspaper, disclosing the hosting of the scheme wise annual report on the website of the Mutual Fund and AMFI and the modes through which a unitholder can submit a request for a physical or electronic copy of the annual report or abridged summary thereof.</p> <p>For details, please refer our website: <a href="https://www.axismf.com/statutory-disclosures">https://www.axismf.com/statutory-disclosures</a></p>
Risk-o-meter	<p>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.</p>
Scheme Summary Document	<p>The AMC has provided on its website Scheme Summary Document which is a standalone scheme document for all the Schemes which contains all the details of the Scheme viz. Scheme features, Fund Manager details, investment details, investment objective, expense ratios, portfolio details, etc.</p> <p>For details, please refer our website: <a href="https://www.axismf.com/statutory-disclosures">https://www.axismf.com/statutory-disclosures</a></p>
Disclosure of Potential Risk Class (PRC) Matrix	<p>Pursuant to the provisions of Para 17.5 of SEBI Master Circular for Mutual Funds, all debt schemes are required to be classified in terms of a Potential Risk Class matrix consisting of parameters based on maximum interest rate risk (measured by Macaulay Duration (MD) of the scheme) and maximum credit risk (measured by Credit Risk Value (CRV) of the scheme). Mutual Funds are required to disclose the PRC matrix (i.e. maximum risk that a fund manager can take in a Scheme) along with the mark for the cell in which the Scheme resides on the front page of initial offering application form, SID, KIM, common application form and scheme advertisements in the manner as prescribed in the said circular. The scheme would have the flexibility to take interest rate risk and credit risk below the maximum risk as stated in the PRC matrix. Subsequently, once a PRC cell selection is done by the Scheme, any change in the positioning of the Scheme into a cell resulting in a risk (in terms of credit risk or duration risk) which is higher than the maximum risk specified for the chosen PRC cell, shall be considered as a fundamental attribute change of the Scheme in terms of Regulation 18(15A) of SEBI (MF) Regulations, 1996.</p> <p>The Mutual Funds shall be required to inform the unitholders about the PRC classification and subsequent changes, if any, through SMS and by providing a link on their website referring to the said change.</p> <p>The Mutual Fund/ AMC shall also publish the PRC Matrix in the scheme wise Annual Reports and Abridged summary.</p>
Any disclosure in terms of consolidated checklist of standard observations	Nil

### **C. Transparency/NAV Disclosure**

The AMC will calculate and disclose the first NAV of the Plan(s) under the Scheme within a period of 5 business days from the date of allotment. Subsequently, the AMC will calculate and disclose the NAVs on

all Business Days. The AMC shall update the NAVs on its website ([www.axismf.com](http://www.axismf.com)) and of the Association of Mutual Funds in India - AMFI ([www.amfiindia.com](http://www.amfiindia.com)) before 11.00 p.m. on every Business Day.

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

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

**D. Transaction charges and stamp duty-**

**Transaction Charges-** Not Applicable

**Stamp Duty**

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

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

For further details Stamp Duty, please refer SAI.

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

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

**Taxation of Specified Mutual Fund (Rates applicable for the Financial Year 2025-26)**

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

<b>Particulars</b>	<b>Taxability in the hands of Individuals / Non-corporates / Corporates</b>	
	<b>Resident</b>	<b>Non-Resident</b>
<b>Tax on distributed income (dividend income)</b>	Taxed in the hands of unitholders at applicable rate under the provisions of the Income-tax Act, 1961 (Act)	Taxed in the hands of unitholders at the rate of 20% u/s 115A/ 115AD of the Act (plus applicable surcharge and health and education cess)
<b>Acquired on or after 1 April 2023</b>		
Capital Gains on Specified Mutual Funds irrespective of period of holding (Refer Note 2)	Will be taxed at the applicable rates depending upon the slab of each individual (plus applicable surcharge and health and education cess)	Will be taxed at the applicable rates depending upon the slab of each individual (plus applicable surcharge and health and education cess)

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Note –

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

Finance Act (No.2) 2024 has amended the definition of 'specified mutual fund' under section 50AA of the Act with effect from financial year 2025-26 to mean:

- (i) a mutual fund scheme which invest more than sixty five percent of its total proceeds in debt and money market instruments; or
- (ii) a fund which invests sixty-five per cent or more of its total proceeds in units of fund referred above.

Provided that the percentage of investment in debt and money market instruments or in units of a fund, as the case may be, in respect of the Specified Mutual Fund, shall be computed with reference to the annual average of the daily closing figures.

The aforesaid definition will be applicable to units which will be sold from 1 April 2025.

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

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

	Where the total income exceeds Rs 20,000	Rs 3,000 plus 30% of the amount by which the total income exceeds Rs 20,000
Co-operative society availing concessional tax rate benefit (subject to prescribed conditions) under section 115BAD of the Act	22%	
Co-operative society availing concessional tax rate benefit (subject to prescribed conditions) under section 115BAE of the Act	15%	
Domestic Corporate (where the total turnover or gross receipts of such company for financial year 2023-24 exceeds Rs 400 crores)/ Partnership firm/ LLP/ Local authority/ FPIs	30%	
Domestic company, where the total turnover or gross receipts of such company for financial year 2023-24 does not exceed Rs 400 crores	25%	
Domestic company availing concessional tax rate benefit (subject to prescribed conditions) under section 115BAA of the Act	22%	
Domestic company engaged solely in the business of manufacture/ production and availing concessional tax rate benefit (subject to prescribed conditions) under section 115BAB of the Act	15%	
AOP/ BOI	30% or such higher rate of tax applicable to the individual members of the AOP/ BOI	
Foreign Corporates	35%	
FPIs	30%	

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

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

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

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

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

3. Surcharge at the following rate to be levied in case of individual / HUF/ non-corporate non-firm unit holders:

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

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

4. Surcharge rates for Companies

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

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

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

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

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

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

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

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

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

The Scheme under this Scheme Information Document was approved by the Trustee Company in the Board meeting dated July 11, 2025. Further, the Trustee granted its approval for the listing the Units of the scheme in dematerialized form. It is ensured by the Trustee that the Scheme has received in-principle approval for listing on September 02, 2025 read with BSE email dated October 13, 2025 and that the appropriate disclosures pertaining to listing of Units is made in this Scheme Information Document.

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

**For and on behalf of  
Axis Asset Management Company**

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

**Date: February 13, 2026**

One Lodha Place, 22nd & 23rd Floor, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra, Pin Code – 400013

TEL 022 6311 1001 and contact number 8108622211 (Chargeable) EMAIL [customerservice@axismf.com](mailto:customerservice@axismf.com) WEB [www.axismf.com](http://www.axismf.com)

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

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