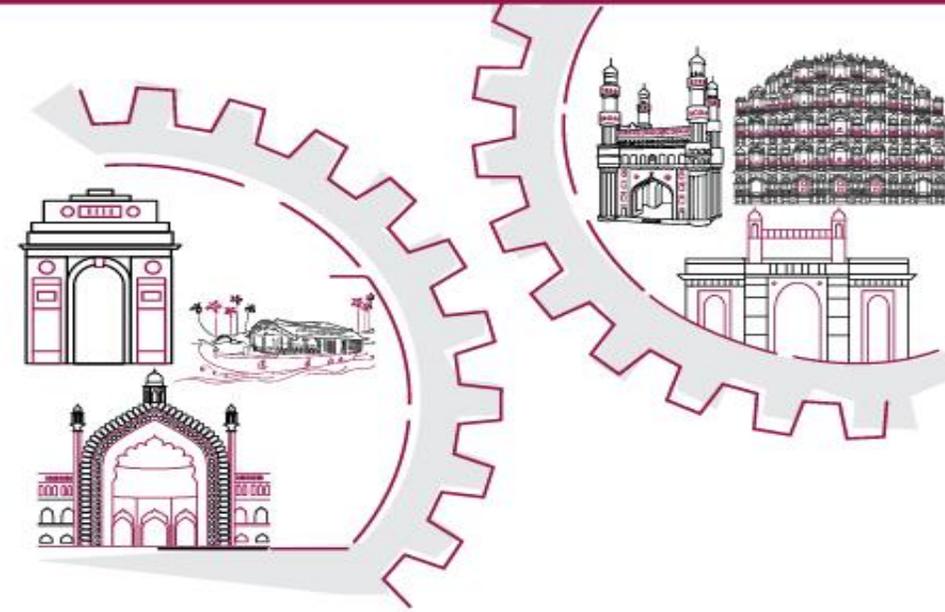


Axis CRISIL IBX 50:50 Gilt Plus SDL September 2027 Index Fund

(An open-ended Target Maturity index fund investing in constituents of CRISIL IBX 50:50 Gilt Plus SDL Index – September 2027. Relatively High interest rate risk and Relatively Low Credit Risk.)



NFO Opens: 8th February, 2023

NFO Closes: 21st February, 2023

Fund Name & Benchmark

Axis CRISIL IBX 50:50 Gilt Plus SDL September 2027 Index Fund
 (An open-ended Target Maturity index fund investing in constituents of CRISIL IBX 50:50 Gilt Plus SDL Index – June 2028. Relatively High interest rate risk and Relatively Low Credit Risk.)

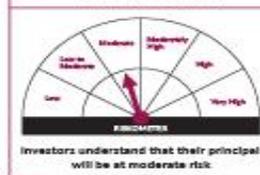
Benchmark Name:
 CRISIL IBX 50:50 Gilt Plus SDL Index – September 2027

Product Labelling

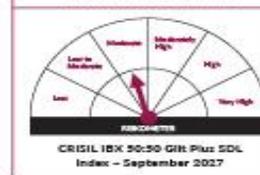
This product is suitable for investors who are seeking*:

- income over long term
- The Scheme that seeks to provide investment returns corresponding to the total returns of the securities as represented by CRISIL IBX 50:50 Gilt Plus SDL Index – September 2027, subject to tracking errors.

Product Risk-o-meter



Benchmark Risk-o-meter



Potential Risk Class (PRC) Matrix

Credit/Debt	Relatively Low (Class A)	Medium (Class B)	Relatively High (Class C)
Relatively Low (Class I)			
Medium (Class II)			
Relatively High (Class III)	A-11		

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

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

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

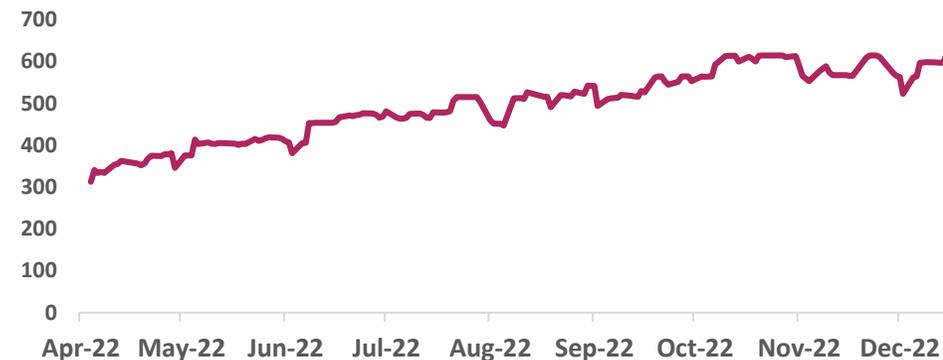
Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.

Fixed Income Landscape – Worst is behind us

RBI Policy Rate Action – Hike by 225 bps

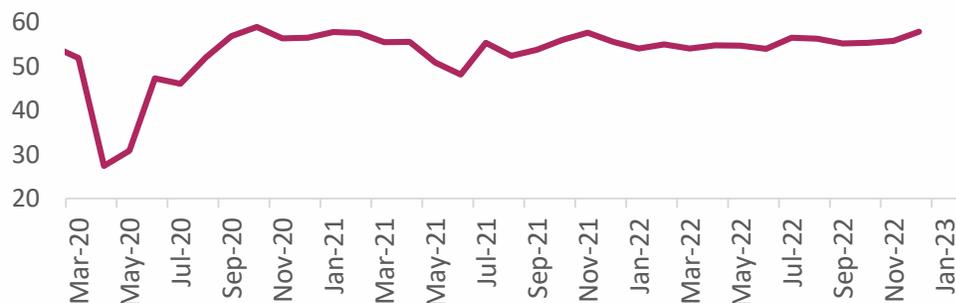
Policy Action	Apr '22	Dec '22
Policy Repo Rate	4.00%	6.25%
Standing Deposit Facility	3.75%	6.00%
MSF Rate	4.25%	6.50%

Operative rates effectively risen by about 300 bps



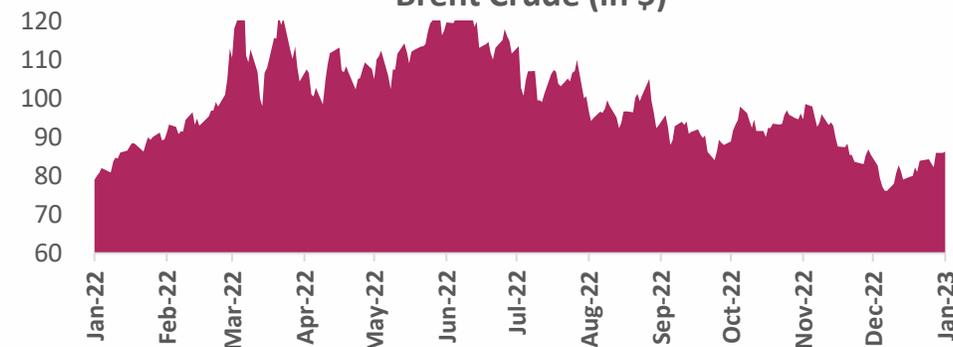
Robust Growth held by Domestic Demand

Manufacturing PMI



Substantial drop in Crude Oil prices from peak

Brent Crude (in \$)



Source: RBI & Bloomberg, Axis MF Research. Data as of 31st January 2023. The above graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

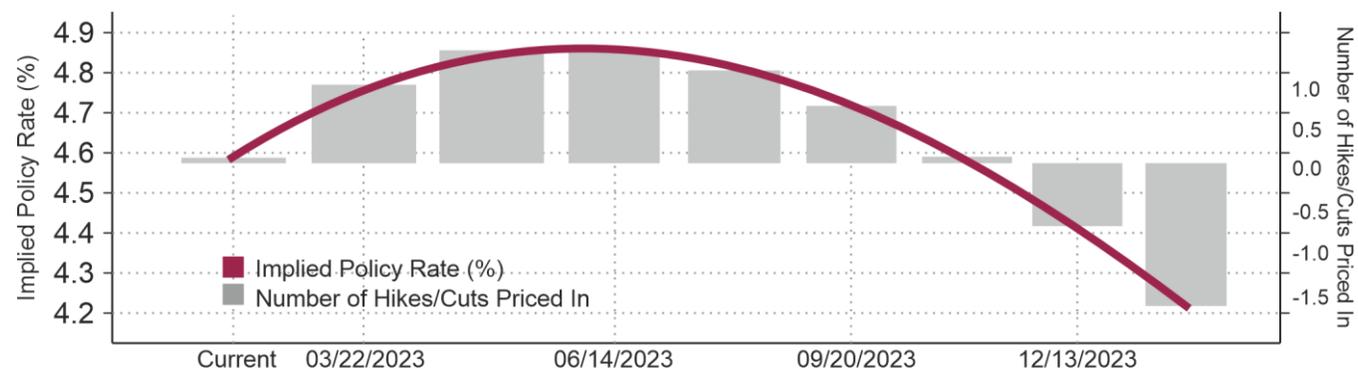
Global Rate Hikes – Peaking out?

Indian Bond Markets less affected by rate hikes globally

- Aggressive (larger quantum) and front loading of rate hikes were seen by central banks across the world last year
- US Fed has slowed down the pace of their hikes by increasing the rate by **25 bps** instead of **50 bps**. The US inflation numbers have also been showing a downward trend.
- Euro-zone inflation has also been trending downward with the Dec '22 numbers at **9.2%, the lowest in four months** and lower than the forecasts of **9.7%**.
- With inflation finally within the tolerance band and the pace of rate hikes slowing, RBI is expected to keep their rate decisions in line with Fed hikes and looks to settle the repo rate at **6.50-6.75% by Mar 2023**.

	Current Policy Rate (%)	Rate Hikes Apr - Dec'22 (in bps)
USA	4.75	400
Australia	3.10	310
Canada	4.25	325
Eurozone	2.50	250
India	6.25	225
UK	3.50	275
Japan	-0.10	Nil

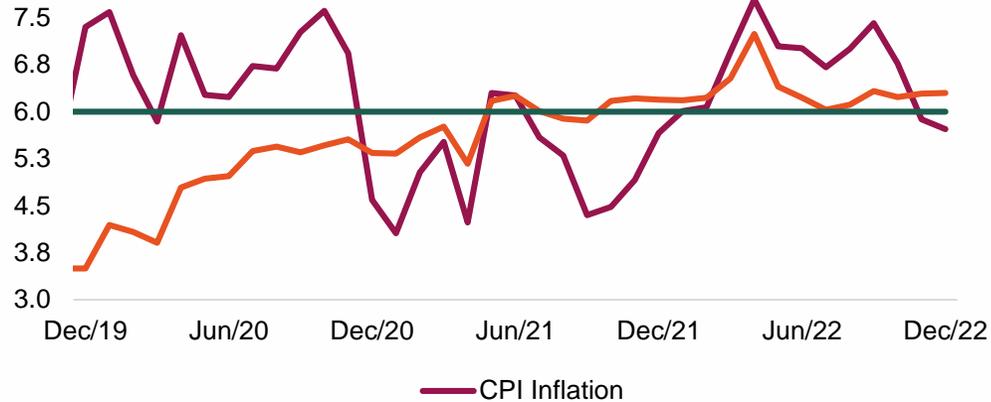
Implied Fed policy rate for 2023



Bloomberg Finance L.P.

Domestic Inflation – Under control

**Core inflation exhibits stickiness;
Headline Inflation slumps below expectations**



RBI QoQ Inflation Projection

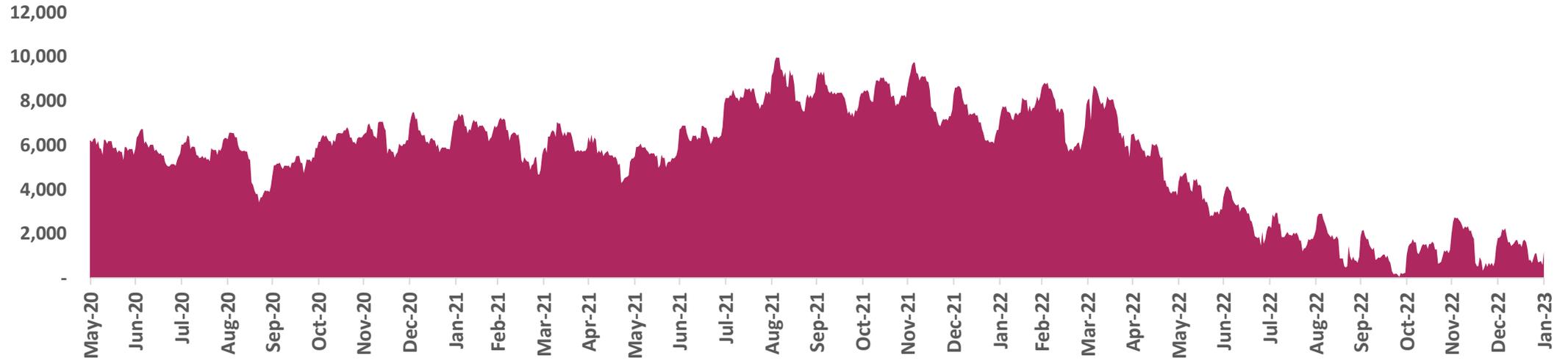
2022-2023	Inflation (in %)
Q3 - FY 2022-23	6.6
Q4 - FY 2022-23	5.9
Q1 - FY 2023-24	5.0
Q2 - FY 2023-24	5.4

Medium Term Inflation Outlook looks positive

- Inflation numbers for the month of **Dec '22 came at 5.72%**, much below RBI's upper tolerance band of 6%.
- FY23 CPI projection retained at 6.7%.
- Future inflation trajectory remains largely dependent on global pressures.

RBI Actions – On the Growth Trajectory

Reduction in Banking Liquidity



RBI Policy Action – Slowing the Pace

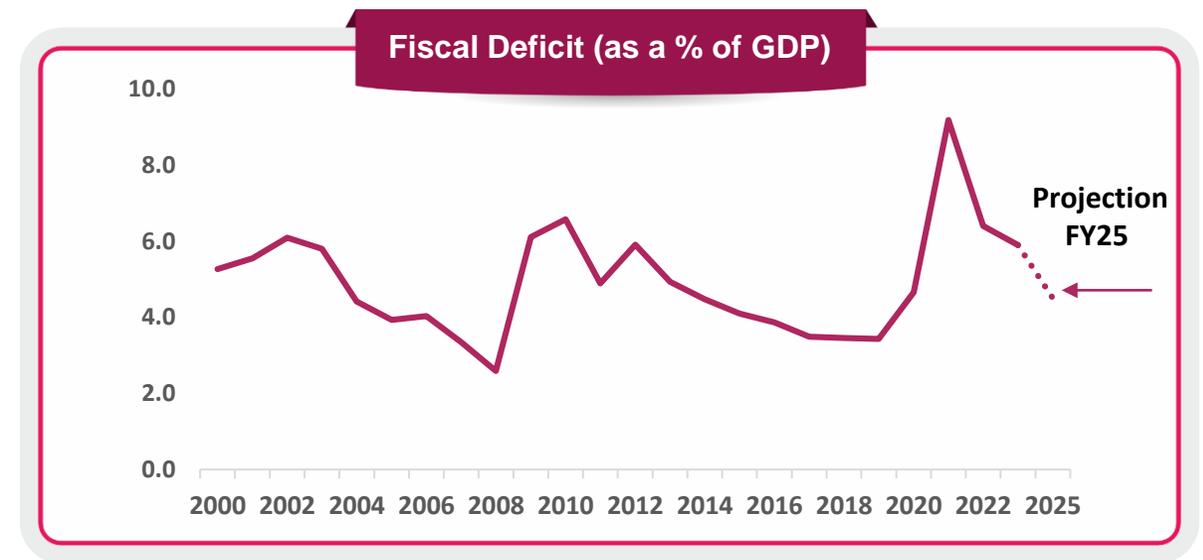
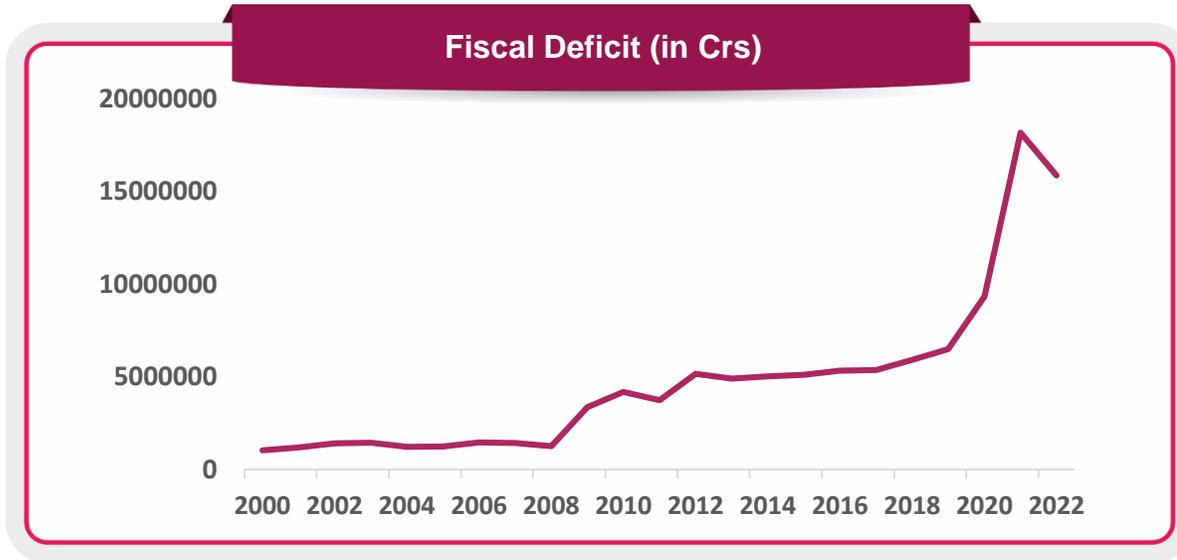
Slowing pace of rate hikes aimed at addressing threats of 2nd order inflation and persistency of core inflation

While the primary objective remains inflation targeting and system liquidity continues to be drained, the RBI will ensure sufficient liquidity for economic growth

RBI commentary on growth indicates, higher rates may have limited impact on growth projections for the year

Source: RBI & Bloomberg, Axis MF Research. Data as of 31st January 2023. The above graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

Glide Path to Fiscal Consolidation

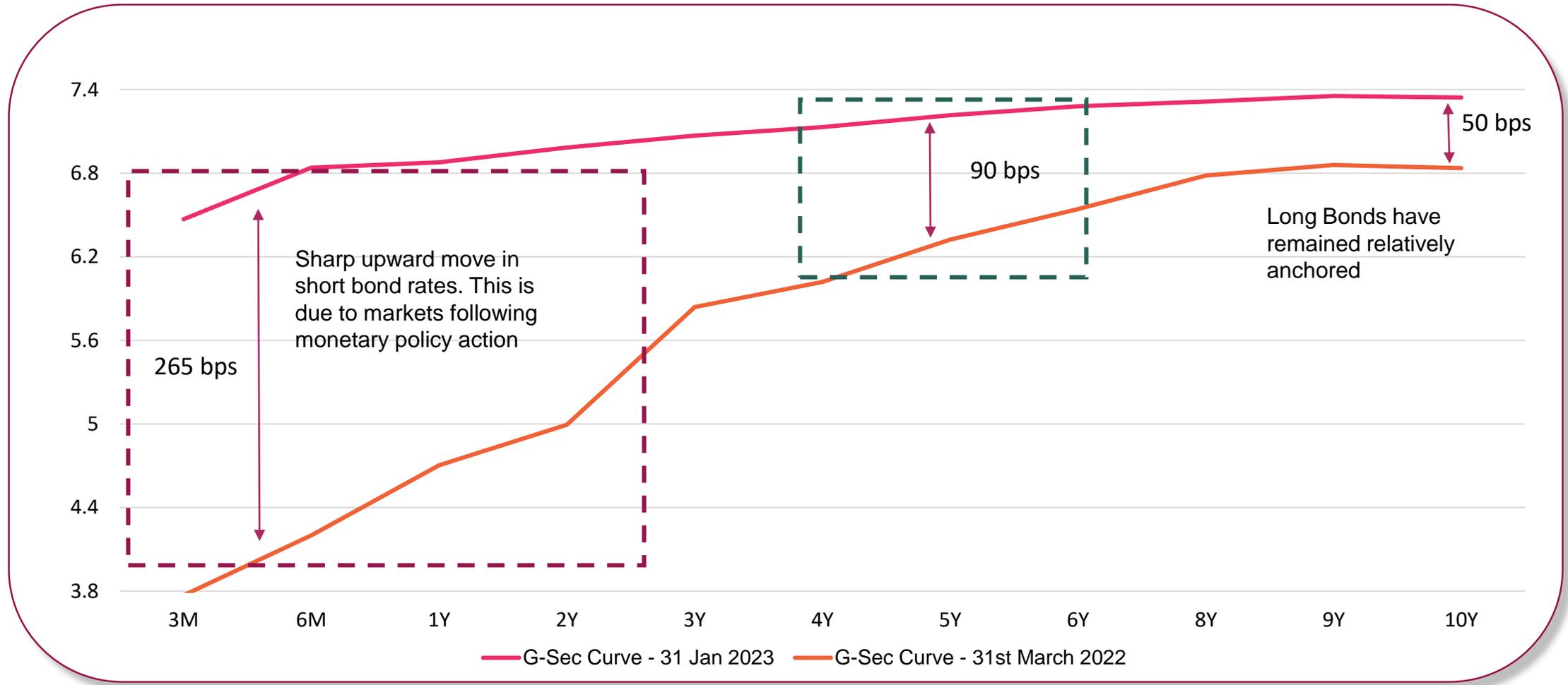


Fiscal Deficit retained @ 6.4% of GDP

- Government Deficits have been at near record highs as a percentage of GDP. Rise in deficit largely attributable to increased spending.
- Despite higher food and fuel subsidy burden, strong tax revenues has helped in managing the deficit
- The estimate for the next fiscal reduced to 5.9% of GDP and the target for 2025-26 is 4.5% of GDP

How have markets reacted?

Yield curve is flat

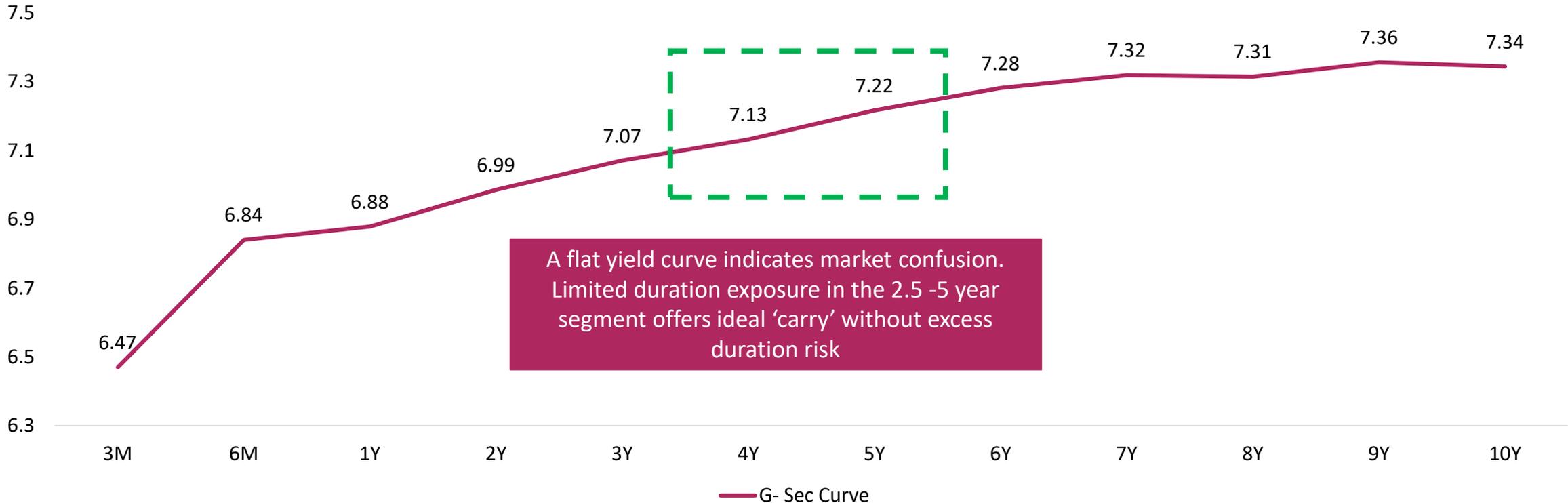


Source: Bloomberg, Axis MF Research. Data as of 31st January 2023. The above graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future. G-Sec – Government Securities.

Current opportunity set

Playing the 'Belly of the Curve'

Spread between 3 month and 10 year just 87 bps
Spread between 4 year and 10 year just 21 bps



Current yields indicate, adding long duration does not compensate for additional duration risk

Source: Bloomberg, Axis MF Research. Data as of 31st January 2023

The above graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future. G-Sec – Government Securities

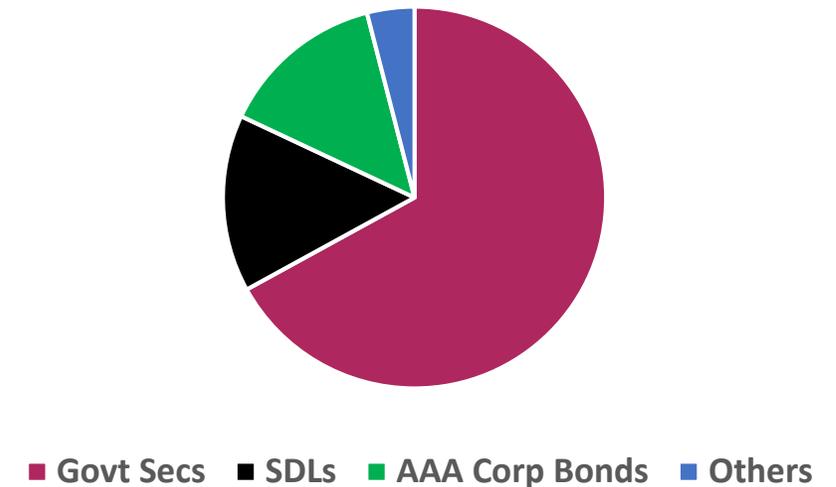
Why invest in a portfolio of G-Secs & SDLs?

- Sovereign instruments with minimal default risk
- Narrow spreads in comparison to AAA PSU Bonds
- Highly liquid portfolio (>80% of issuances in India are G-Secs + SDLs)

AAA PSU Bonds vs 5 Yr G-Sec & SDL Spreads



Bond Issuances in India



Axis CRISIL IBX 50:50 G-sec Plus SDL September 2027 Index Fund

(An open-ended target maturity index fund investing in constituents of CRISIL IBX 50:50 Gilt Plus SDL Index – September 2027. Relatively high interest rate risk and relatively low credit risk)



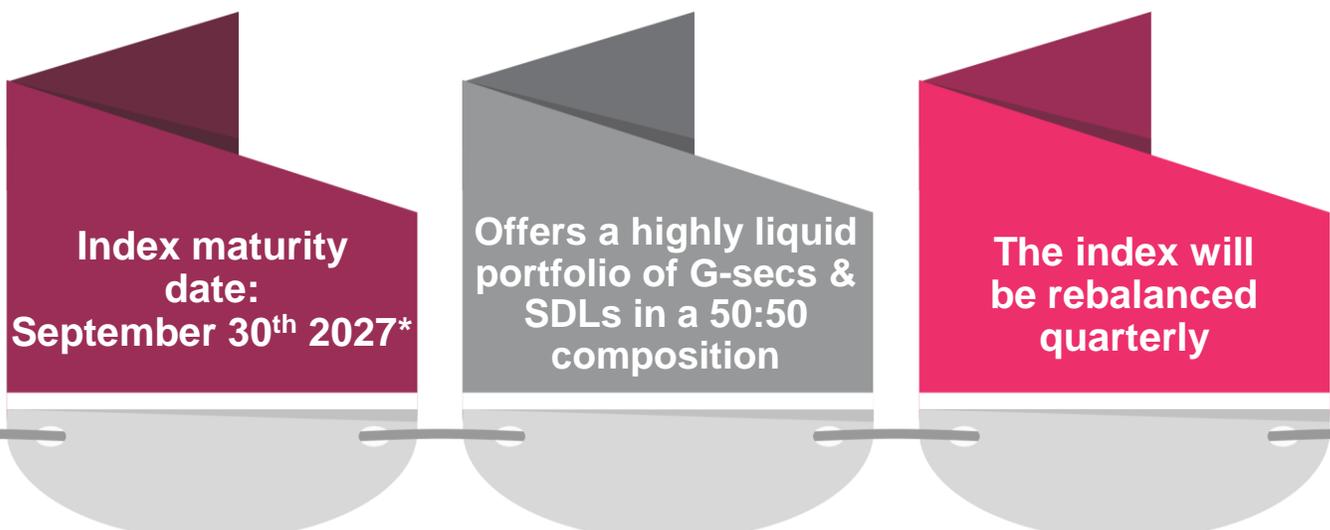
About the Index – CRISIL IBX 50:50 Gilt Plus SDL - September 2027

Overview

- **CRISIL IBX 50:50 Gilt Plus SDL September 2027 Index** is a portfolio of Government Securities & State Development Loans (SDLs) maturing between April 01, 2027 to September 30, 2027.
- The index will be managed by CRISIL Indices

How is the Index Constructed

- The index comprises of Govt. Securities and SDLs with an individual weightage of 50% to each of them respectively
- Minimum outstanding of **Rs. 25000 Crs** for G-Secs and **Rs.1000 Crs** for SDLs
- **Emphasis on liquidity** – Index will be evaluated basis volume and frequency of trading in underlying securities
- Weighted basis liquidity and size of issuance to **ensure portfolio liquidity**



Source: CRISIL Indices

Axis CRISIL IBX 50:50 Gilt Plus SDL September 2027 Index Fund will endeavor to replicate the performance of this index subject to tracking errors by replicating the allocation of Government securities and State Development Loans. For complete details on the index refer SID uploaded on website www.axismf.com. Data as on 31st January 2023. *In case the mentioned maturity date falls on a Non-Business Day, the immediate next Business Day will be considered. SDL – State Development Loans. G-Secs – Government Securities.

CRISIL IBX 50:50 Gilt Plus SDL September 2027 Index Constituents

As of January 31st 2023

50% G-secs

Central G-Secs – 7.38% 2027

Central G-Secs – 6.79% 2027

50% SDLs

MAHARASHTRA

TAMIL NADU

MADHYA PRADESH

GUJARAT

RAJASTHAN

ANDHRA PRADESH

UTTAR PRADESH

KARNATAKA

TELANGANA

HARYANA

PUNJAB

KERALA

CHHATISGARH

Source: CRISIL Indices.

Axis CRISIL IBX 50:50 Gilt Plus SDL September 2027 Index Fund will endeavor to replicate the performance of this index subject to tracking errors by replicating the composition of CRISIL IBX 50:50 Gilt Plus SDL September 2027 Index Issuers mentioned above are for illustrative purposes only. This document should not be treated as a recommendation to trade in securities issued by the above mentioned issuers. Data as on 31st January 2023. The Scheme shall track the underlying index in line with SEBI circular no. SEBI/HO/IMD/DOF2/P/CIR/2022/69 dated May 23, 2022. G-Secs – Government Securities. SDL – State Development Loans

Axis CRISIL IBX 50:50 Gilt Plus SDL September 2027 Index Fund

Fund Snapshot

Minimum Investment
Rs. 5,000 and in multiples of Re. 1/- thereafter

Exit Load
Nil

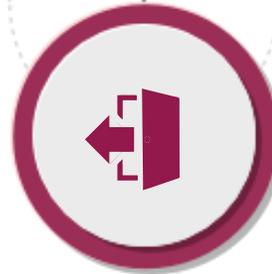
Maturity Date
30th September 2027*



Scheme Name
Axis CRISIL IBX 50:50 Gilt Plus SDL September 2027 Index Fund



Portfolio Mix
G-Secs + SDLs



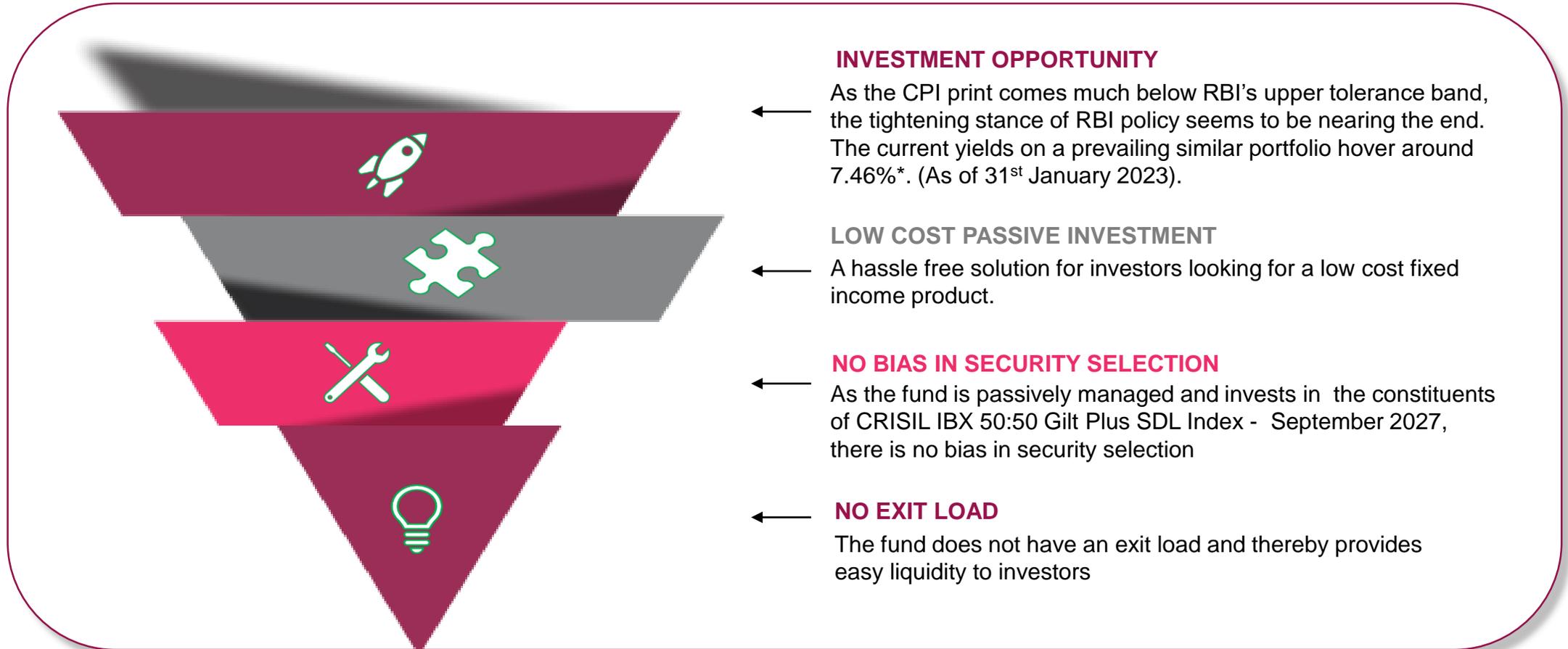
Benchmark
CRISIL IBX 50:50 Gilt Plus SDL Index - September 2027



Fund Manager
Aditya Pagaria & Sachin Jain

*In case the mentioned maturity date falls on a Non-Business Day, the immediate next Business Day will be considered.

Why Axis CRISIL IBX 50:50 Gilt Plus SDL September 2027 Index Fund ?



Source: Bloomberg, Axis MF Research. Data as of 31st January 2023. The above factors are not exhaustive.

Investors are advised to consult their tax advisors for advice on taxation matters relating to your portfolio and suitability of the product.

*Yields should not be taken as an indication of the returns that may be generated by the fund and the securities bought by the fund.

Annexures



Identifying which product is right for you?

Selecting the right product is essential to meet your investment objectives

	Target Maturity Products	Actively Managed Debt Mutual Funds	Individual Bonds
Return Trajectory*	✓	✗	✓
Liquidity	✓	✓	✗ [#]
Diversification	✓	✓	✗
Professional Management	✓	✓	✗
Defined Maturity	✓	✗	✓
Frequency of Income	At the time of redemption/maturity	Depending on plan of investment	Determinant on coupon frequency. Some bonds pay out cumulatively on maturity
Tax Efficiency	Indexation features available for LTCG	Indexation features available for LTCG	Indexation features available for LTCG for select bonds

*At Maturity **#Bond liquidity may vary due to vagaries of debt markets**

Investors must consult their financial advisors/ tax advisors regarding portfolio allocation and suitability of funds depending on the risk profile of the investor.

LTCG – Long Term Capital Gains.

Illustration on Power of Indexation

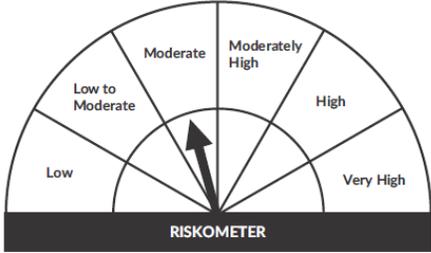
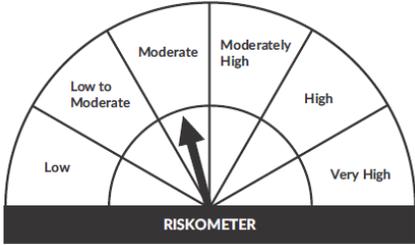
The fund will offer investors 5 indexations[@] during its lifetime.

	Traditional Savings Scheme	Debt Index Fund
Investment Amount (in Rs.)	1,00,000	1,00,000
Rate of Return (%) (Assumed)	7.45%	7.45%
Return on Maturity	1,39,089	1,39,089
Indexation Available	No	Yes
Indexed Value	NA	1,33,823
Taxable Income (in Rs.)	39,089	5,267
Tax Payable*	11,727	1,053
Post Tax Return	27,362	38,036
Effective Post tax Return (CAGR)	5.41%	7.27%

The above calculations are only for illustration purposes. The information given on Investment and rate of return are for the purpose on explaining the illustration only. These are not to be considered for investment advice or guarantee of returns. Investors are advised to consult their Investment / tax advisors. To be used for illustrative purposes only.

Data as on 31st January 2023. **Past performance may or may not be sustained in the future.** @ assuming investments are made before 31st March 2023 and held beyond April 1st 2027. *Tax Rate considered 30% exclusive of applicable surcharges & cess. ** Tax as per LTCG (Long Term Capital Gains) income tax provisions exclusive of applicable surcharges & cess. This computation is for resident individual investors. Cost inflation index assumed at 6% p.a. Fund related expenses ignored for this illustration.

Product Labelling

Fund Name & Benchmark	Product Labelling	Product Risk-o-meter	Benchmark Risk-o-meter
<p>Axis CRISIL IBX 50:50 Gilt Plus SDL September 2027 Index Fund</p> <p>(An open-ended Target Maturity Index Fund investing in constituents of CRISIL IBX 50:50 Gilt Plus SDL Index – September 2027. Relatively High Interest Rate Risk and Relatively Low Credit risk)</p>	<p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • income over long term • The scheme that seeks to provide Investment returns corresponding to the total returns of the securities as represented by CRISIL IBX 50:50 Gilt Plus SDL Index – September 2027, subject to tracking errors 	 <p>RISKOMETER</p> <p>Investors understand that their principal will be at moderate risk</p>	 <p>RISKOMETER</p> <p>CRISIL IBX 50:50 Gilt Plus SDL Index– September 2027</p>

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.
 (The product labelling assigned during the New Fund Offer is based on internal assessment of the Scheme Characteristics or model portfolio and the same may vary post NFO when actual investments are made)

Potential Risk Class Matrix

Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class I)			
Moderate (Class II)			
Relatively High (Class III)	A-III		

Statutory Details and Risk Factors

Past performance may or may not be sustained in the future.

Sector(s) / Stock(s) / Issuer(s) mentioned above are for the purpose of disclosure of the portfolio of the Scheme(s) and should not be construed as recommendation. The fund manager(s) may or may not choose to hold the stock mentioned, from time to time.

Disclaimer for CRISIL Indices: CRISIL Research, a division of CRISIL Limited (“CRISIL”) has taken due care and caution in preparing this report (“Report”) based on the information obtained by CRISIL from sources which it considers reliable (“Data”). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data or Report and is not responsible for any errors or omissions or for the results obtained from the use of Data or Report. The Report is not a recommendation to invest or disinvest in any company whether covered or not in the Report and no part of the Report should be construed as an investment advice or any form of investment banking. CRISIL especially states that it has no liability whatsoever, financial or otherwise, to the subscribers/ users/ transmitters/ distributors of this Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL’s Ratings Division / CRISIL Risk and Infrastructure Solutions Limited (“CRIS”), which may, in their regular operations, obtain information of a confidential nature. The views expressed in the Report are that of CRISIL Research and not of CRISIL’s Ratings Division / CRIS. The Report is confidential to the client. No part of this Report may be distributed, copied, reproduced or published (together, “Redistribute”) without CRISIL’s prior written consent, other than as permitted under a formal Agreement (if any) in place between the client and CRISIL. Where CRISIL gives such consent, the Client shall ensure that the recipient so permitted is responsible to ensure compliance with all applicable laws and regulations with respect to any such Redistribution. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. The Client will be responsible for ensuring compliances and any consequences of non-compliances for use and access of the Report or part thereof outside India.

Statutory Details: Axis Mutual Fund has been established as a Trust under the Indian Trusts Act, 1882, sponsored by Axis Bank Ltd. (liability restricted to `Rs.1 lakh).

Trustee: Axis Mutual Fund Trustee Ltd.

Investment Manager: Axis Asset Management Co. Ltd. (the AMC).

Risk Factors: Axis Bank Limited is not liable or responsible for any loss or shortfall resulting from the operation of the scheme. This document represents the views of Axis Asset Management Co. Ltd. and must not be taken as the basis for an investment decision. Neither Axis Mutual Fund, Axis Mutual Fund Trustee Limited nor Axis Asset Management Company Limited, its Directors or associates shall be liable for any damages including lost revenue or lost profits that may arise from the use of the information contained herein. No representation or warranty is made as to the accuracy, completeness or fairness of the information and opinions contained herein. The AMC reserves the right to make modifications and alterations to this statement as may be required from time to time.

"#It may be noted that risk-o-meter of the Scheme specified above is based on the scheme characteristics and may vary post NFO, when the actual investments are made. The same shall be updated in accordance with provisions of SEBI circular dated October 5, 2020 on Product labelling in mutual fund schemes on ongoing basis.":

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

Thank You