

# Axis Flexi Cap Fund – Fund Update

(An open-ended dynamic equity scheme investing across large cap, midcap, small cap stocks)

## Investment Strategy

- Aims to look for stocks that are at **inflection point**, across market cap spectrum.
- Focus on Top-down alignment (Sector selection) with a Bottom-up approach (stock selection)
- Stocks are selected in the portfolio based on their ability to **grow earnings on a sustainable basis** while maintaining a **highly liquid and risk managed** portfolio.
- Look for stocks that are expected to report the faster growth relative to the benchmark.

## Positioning– Portfolio Changes

Sectors	Jul-24	Sep-23	Difference
Aerospace & Defense	5.27%	1.98%	3.29%
Power	3.87%	0.81%	3.06%
Automobiles	8.65%	5.76%	2.89%
Realty	4.64%	1.85%	2.79%
Telecom - Services	3.58%	1.15%	2.43%
Electrical Equipment	2.11%	-	2.11%
Beverages	1.91%	0.05%	1.86%
Financial Technology (Fintech)	1.29%	-	1.29%
Transport Services	2.21%	1.09%	1.12%
Industrial Products	2.71%	1.71%	1.00%

Sectors	Jul-24	Sep-23	Difference
Banks	14.52%	19.56%	-5.04%
Finance	9.55%	12.65%	-3.10%
Healthcare Services	3.52%	6.24%	-2.72%
Retailing	6.80%	9.46%	-2.66%
IT - Software	6.21%	8.50%	-2.29%
Chemicals & Petrochemicals	2.58%	4.55%	-1.97%
Construction	1.04%	2.62%	-1.58%
Fertilizers & Agrochemicals	0.00%	1.48%	-1.48%
Food Products	0.50%	1.86%	-1.35%
Insurance	0.00%	1.09%	-1.09%

Source: Axis MF Internal Research. Data as on 31<sup>st</sup> July 2024. Current portfolio allocation is based on the prevailing market conditions and is subject to changes depending on the fund manager's view of the equity markets.

- Energy transition, urbanisation and policy focus on domestic manufacturing are some of the big themes playing out globally and domestically. Fund will actively look to incorporate these themes.
- The scheme has maintained a larger allocation to the large cap segment with a relatively stable allocation to the mid cap segment.
- Fund has also diversified its holding, for instance top 10 holding at the July-23 end was 50% last year vs 43% July-24 end.

## Focus themes

### Manufacturing

- Continuity of government policies
- Pickup in private Capex

- Government incentivizing domestic manufacturing

### Real Estate

- With the RBI pressing the pause button on rate hikes, we believe realty sales would improve going ahead
- Deleveraging of balance sheet

### Defence

- Likely increased policy focus on defence
- Increased export and order book

### Energy Transition

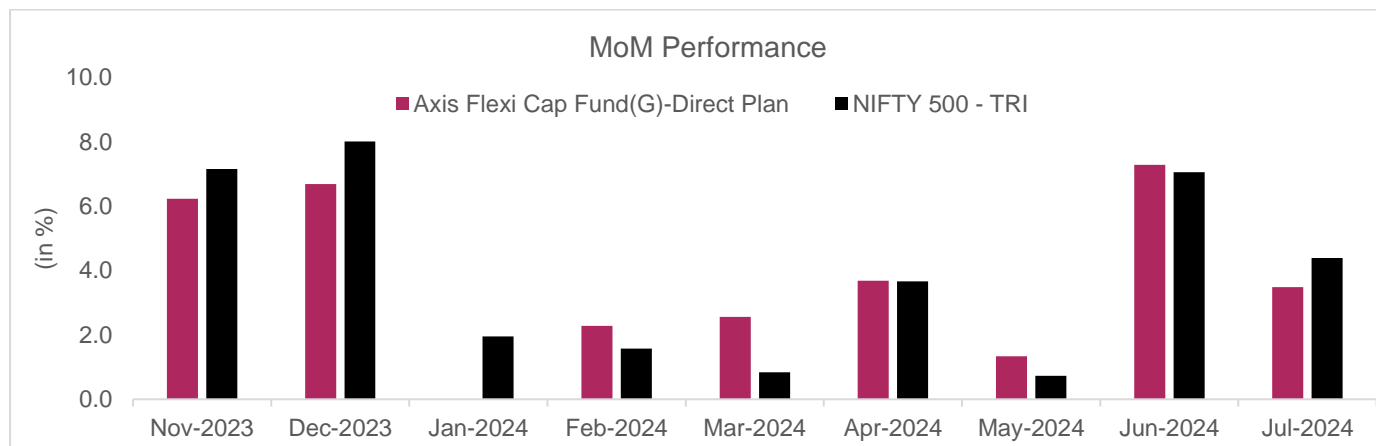
- PLI Focus on green energy
- Pickup in private and PSU Capex in power segment

## Improved performance

Fund changes have shown the impact and the performance have improved on that account

- Fund has reduced the IT exposure as we believe downgrade cycle may continue

Overall consumption has increased but fund has reduced its allocation in FMCG and consumer discretionary as we believe that competition dynamics are worsening. Within consumption, fund has conviction in realty, telecom services, Auto sector®.



Fund Name	Date of inception	1 Year		3 Years		5 Years		Since Inception	
		CAGR (%)	Point-to-Point returns on Standard Investment of Rs. 10,000/-	CAGR (%)	Point-to-Point returns on Standard Investment of Rs. 10,000/-	CAGR (%)	Point-to-Point returns on Standard Investment of Rs. 10,000/-	CAGR (%)	Point-to-Point returns on Standard Investment of Rs. 10,000/-
Axis Flexicap Fund - Regular Plan - Growth	20-Nov-17	34.57%	13,468	14.17%	14,891	17.75%	22,661	15.37%	26,060
Nifty 500 TRI (Benchmark)		39.15%	13,928	21.05%	17,755	22.32%	27,411	16.38%	27,632
Nifty 50 TRI (Additional Benchmark)		27.76%	12,784	17.86%	16,387	18.90%	23,784	15.51%	26,278

Source: ACEMF, as on 31<sup>st</sup> July 2024. Past performance may or may not be sustained in future. Please refer to factsheet for the SEBI format performance.  
<https://www.axismf.com/cms/sites/default/files/pdf-factsheets/Axis%20Regular%20Fund%20Factsheet%20July-2024.pdf>

Note: In case you require physical copy of this document request you to kindly take the printout to review the fund managers performance of other schemes managed by him from the above link given.

@this is based on the current market view of the Fund Manager, it should not construed as an investment advice or recommendation. The fund may or may not have current or future positions in the stocks/sectors mentioned.

The last three years have been tough for the fund, given that the high quality & growth-oriented approach has not found favour in the market in this cycle. However, we continue to remain optimistic on this approach from a long-term perspective and therefore we will continue with our investment philosophy. The growth style picking up and changes in fund have attributed to the improved performance of the fund.

## Attribution Sept-23 to July-24

Top Contributors	Top Detractors
<b>Stocks</b>	
Trent Limited	Bajaj Finance Limited
Bharat Electronics Limited	Krishna Institute of Medical Sciences Limited
Torrent Power Limited	Avenue Supermarts Limited
Brigade Enterprises Limited	ICICI Bank Limited
Tata Motors Limited	Sona BLW Precision Forgings Limited
<b>Sectors</b>	
Consumer Services	Financial Services
Realty	Healthcare
Capital Goods	Oil, Gas & Consumable Fuels

Source: Axis MF Internal Research. Data as on 31<sup>st</sup> July 2024. Sept-23 to July-24 attribution. The current portfolio allocation is based on the prevailing market conditions and is subject to changes depending on the fund manager's view of the equity markets. 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.

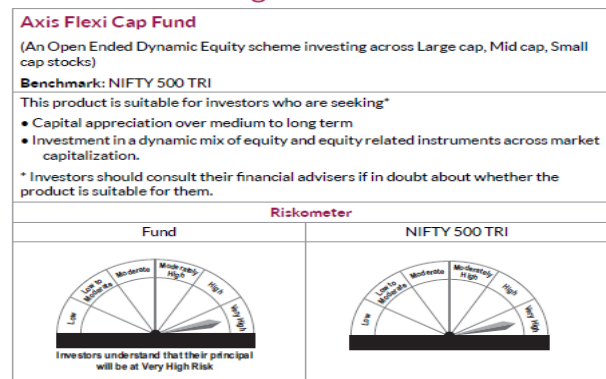
All the increase in exposure or new exposure resulted in positive attribution.

## Way Forward

The fund portfolio has been tweaked, weeding out companies where longer-term pressures persist and focusing on segments benefitting from the manufacturing and consumption segment. The pro-cyclical market outlook has also led to the portfolio becoming granular & 70:30 mix between large caps and mid/small caps. This segment also offers us the comfort of valuation at current juncture while offering us high-quality sustainable businesses with good growth prospects. However, we will continue to be opportunistic towards mid-cap segment and small cap allocation.

The tile of the fund in favour of growth and quality remains unchanged and is visible in the portfolio growth estimates.

## Product Labelling & Disclaimers



## Disclaimer

Past performance may or may not be sustained in the future. Data updated as on 31<sup>st</sup> July 2024. The fund manager(s) may or may not choose to hold the stock mentioned, from time to time.

a) Large Cap:1<sup>st</sup>-100<sup>th</sup> company in terms of full market capitalization b) Mid Cap:101<sup>st</sup>-250<sup>th</sup> company in terms of full market capitalization c) Small Cap: 251<sup>st</sup> company onwards in terms of full market capitalization. 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.

Sachin Relekar is Managing Axis Focused Fund, Axis Flexi Cap Fund since 1st Feb, 2024, Axis Value Fund, Axis Nifty Next 50 Index Fund since 5th Apr, 2024 and Axis Nifty 500 Index Fund since 16th Jul, 2024.

Krishnaa N is Managing Axis BlueChip Fund, Axis Focused Fund, Axis Midcap Fund, Axis Flexi Cap Fund, Axis Growth Opportunities Fund, Axis Small Cap Fund, Axis ESG Integration Strategy Fund, Axis Global Equity Alpha Fund of Fund, Axis Innovation Fund, Axis Greater China Equity Fund of Fund, Axis Global Innovation Fund of Fund, Axis Quant Fund, Axis Value Fund, Axis NASDAQ 100 Fund of Fund and Axis US Treasury Dynamic Bond ETF Fund of Fund since 1st Mar, 2024 and Axis Retirement Savings Fund - Dynamic Plan, Axis Retirement Savings Fund - Conservative Plan and Axis Retirement Savings Fund - Aggressive Plan since 5th Apr, 2024.

Hitesh Das is Managing Axis ESG Integration Strategy Fund since 12th Feb, 2020, Axis Equity Saver Fund since 17th Jan, 2023, Axis Multicap Fund since 26th May, 2023, Axis Nifty IT Index Fund since 18th Jul, 2023, Axis Focused Fund, Axis Flexi Cap Fund and Axis Growth Opportunities Fund since 3rd Aug, 2023 and Axis NIFTY IT ETF, Axis Nifty 50 Index Fund since 5th Apr, 2024.

**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.

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