



*Sectors that serve
your growth, now ready to
serve your portfolio*

AXIS SERVICES OPPORTUNITIES FUND

Sectors mentioned should not be considered as recommendation.



Agenda



01

Introduction to Services

02

Why Services?

03

Cause of the Growth

04

Growth Across Services Sector

05

About Axis Services Opportunities Fund

06

Investment Approach

07

Why Invest in Services Now?



Services – Pulse of Modern Living!

Services are experience,
expertise and support –
delivered to you.



Two Mega Value Creators Pronounced Impact in Services

Formalization and Technology have been key structural drivers in listed space

Formalization

Shift from
unorganized
to organized

GST implementation
is driving share gain
for organized
players

Along with revenue
share shift,
organized players
are gaining market
share through scale
advantages

Healthcare and
hospitality have large
opportunity for
organized players to
gain share

Driving reach,
productivity,
and operating
leverage

Enhanced
profitability
and enabled
innovation

Using technology,
services frequently
benefit from tech
disruption

E-commerce,
Quick commerce,
OTT media,
financial services -
beneficiary of tech
based innovation



Technology

Services significant
beneficiary of
technology



Evolution of Services

Financial

Physical banks & insurance agents



Net-banking, eKYC, online sale of policies including renewals, premium payments



Technology

ATM for withdrawals, POS for payments & hardware storage



Digital payments, Cloud infrastructure



Healthcare

In-person clinical consultations



Remote patient monitoring

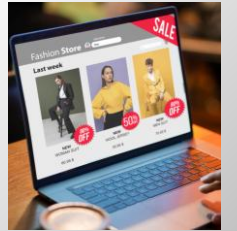


Retail

Offline shopping in malls & stores



Online shopping with virtual experiences

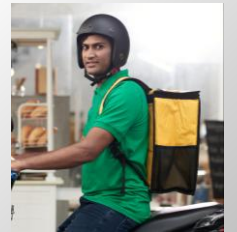


Hospitality

Dine-in at restaurants & weekly grocery run



Quick commerce & food delivery apps

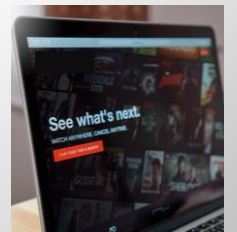


Entertainment

Cinema halls, drama, plays & concerts



Online streaming platforms



Services Sector: Driving Growth, Exports, and Transformation

- **55%** of India's GDP in FY25
- 2047E contribution is **60%** of India's GDP with manufacturing at **32%**
- Pivotal role in economic expansion

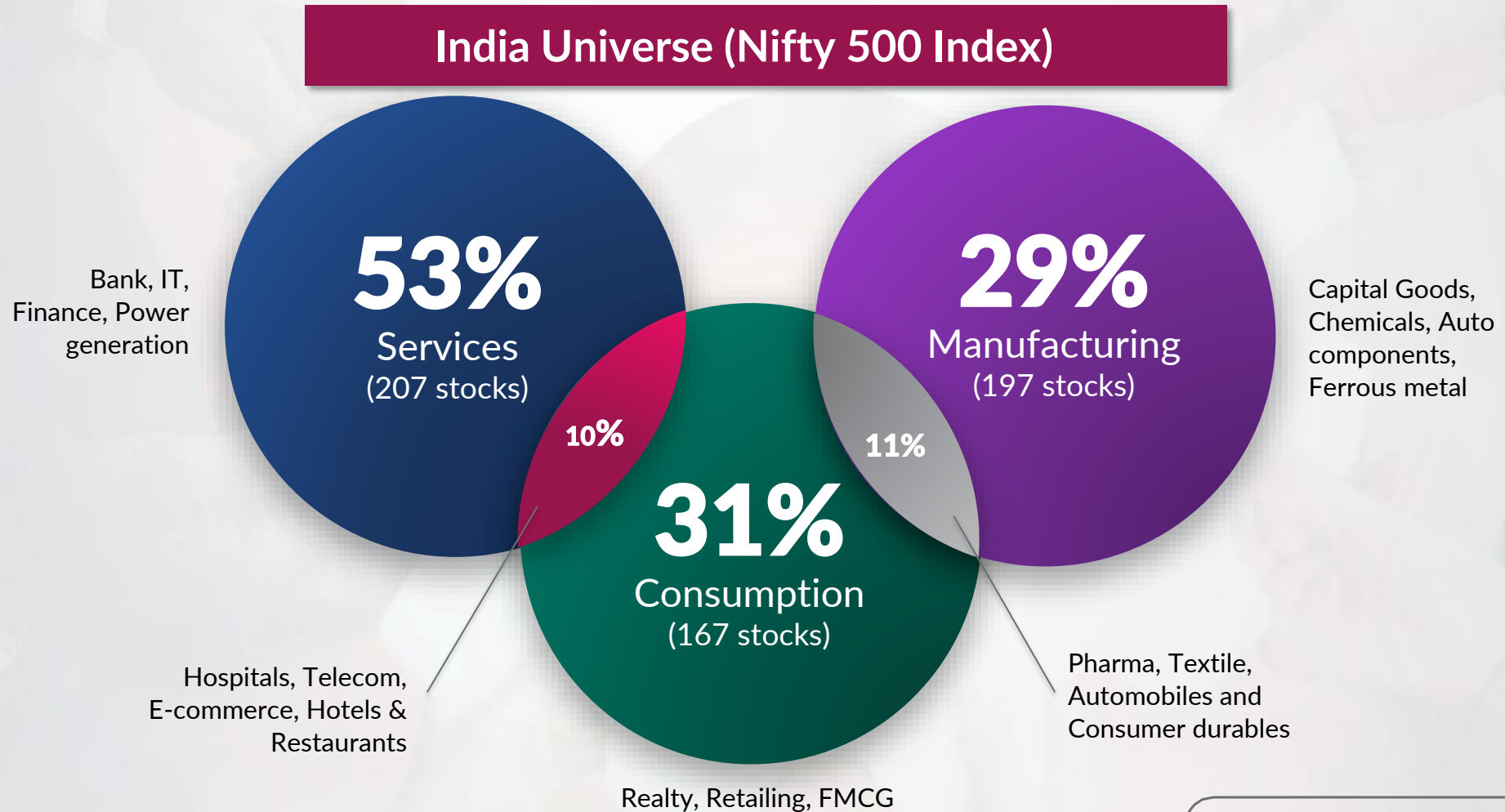


- With increased digital adoption and consumer spending, e-commerce to surpass **\$ 350 Bn by 2030**, reflecting a CAGR of 15%
- At the forefront of innovative consumer solutions, in areas like delivery services, quick commerce, digital platforms and fintech

- Services account for **44%** of total exports
- Service exports have nearly doubled (Since Dec 2020 from \$210 bn to \$414 bn in Jan 25) – outpacing goods exports growth
- India's export growth is increasingly driven by services

Why Services?

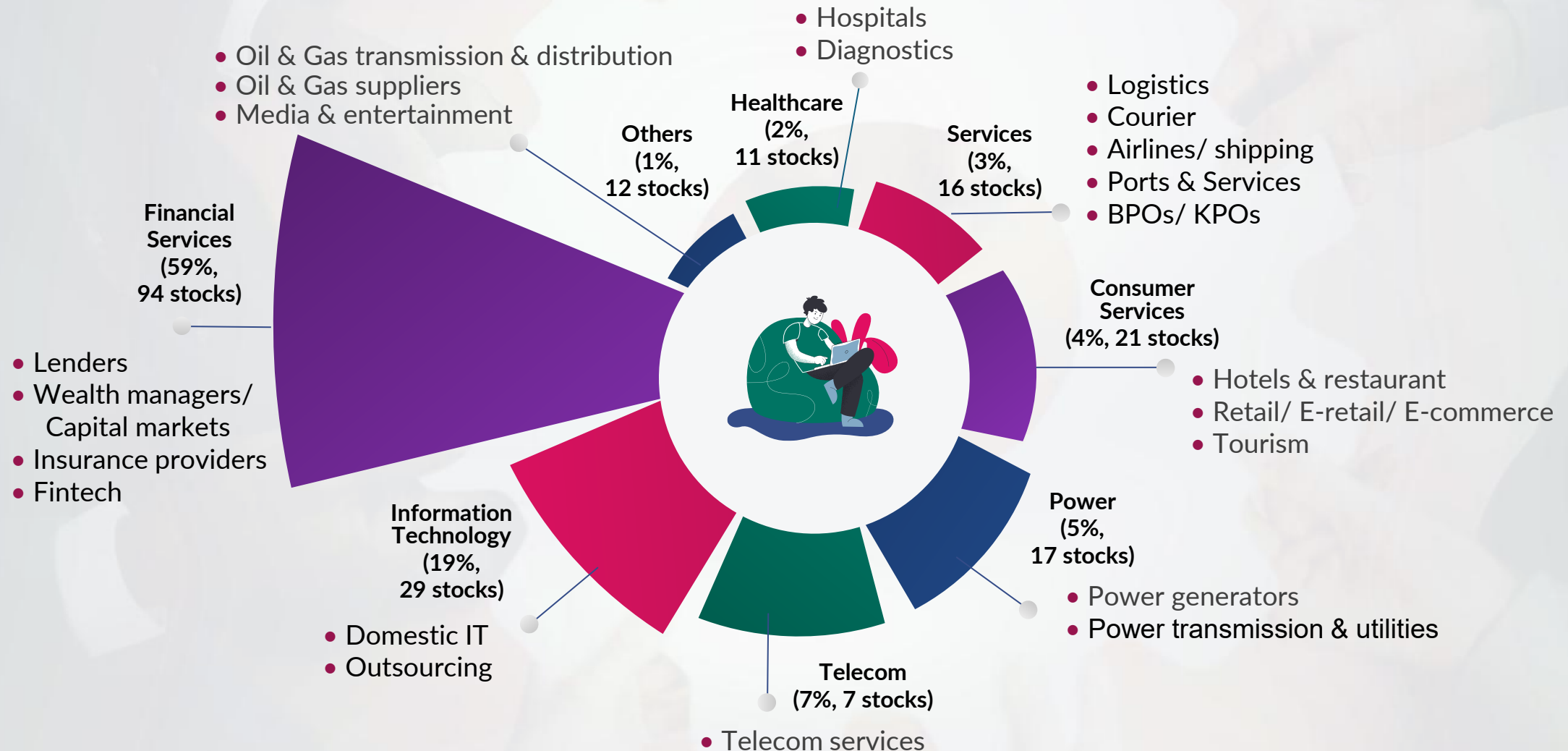
Broader and complementary theme with lower overlap





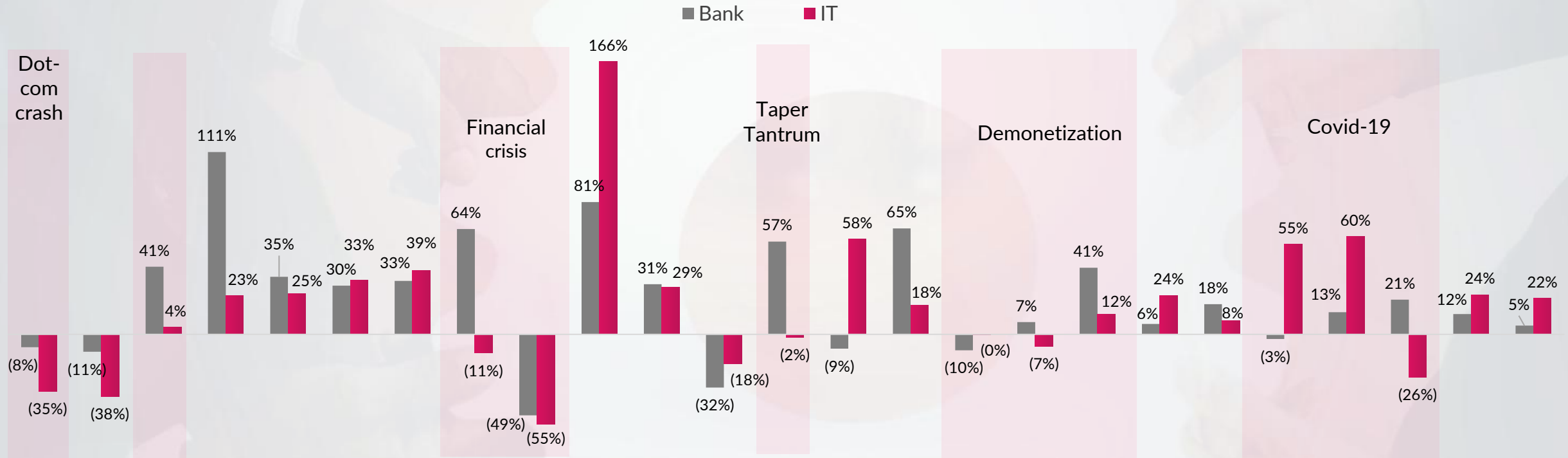
Widely Diversified Services Sector

% by weights in NSE Service Sector Index and number of stocks in Nifty 500



Diversified Theme: Contrast & Complement

Active management can benefit from contra performance



CY 2000 CY 2001 CY 2002 CY 2003 CY 2004 CY 2005 CY 2006 CY 2007 CY 2008 CY 2009 CY 2010 CY 2011 CY 2012 CY 2013 CY 2014 CY 2015 CY 2016 CY 2017 CY 2018 CY 2019 CY 2020 CY 2021 CY 2022 CY 2023 CY 2024

- Especially during volatile times, one of the sectors has generated exponential returns or protected the downside

Services: Strong Fundamentals & Financials

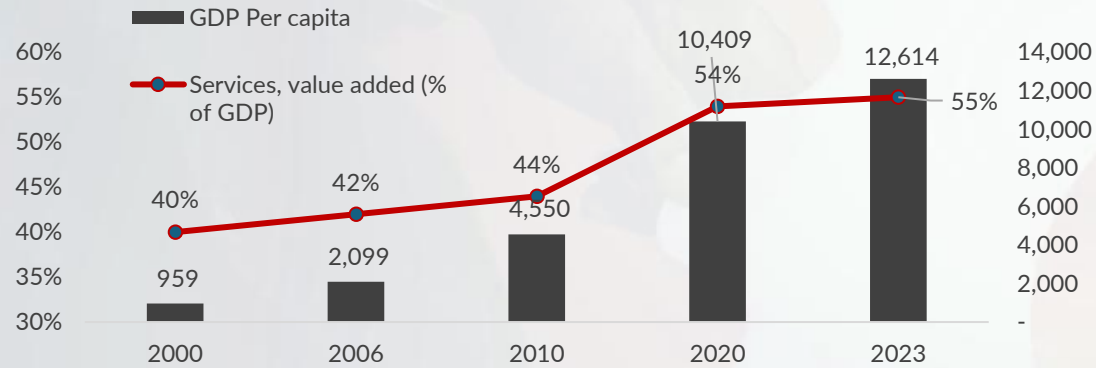
	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E
Revenue Growth	15.9%	9.8%	11.2%	2.0%	8.1%	22.5%	12.2%	8.1%	4.4%	23.8%	10.0%	10.2%
Operating Margin	30.4%	30.3%	30.5%	32.6%	30.0%	30.3%	30.1%	26.1%	25.7%	26.3%	23.7%	24.6%
ROE	22.3	22.5	22.7	20.9	18.9	21.2	17.2	19.1	23.2	22.5	21.3	21.3
Revenue Growth	12.1%	(7.4%)	(1.5%)	18.9%	13.6%	31.9%	2.8%	(4.7%)	33.1%	16.2%	19.6%	5.6%
Operating Margin	11.9%	12.4%	14.4%	12.9%	13.0%	12.6%	13.4%	12.8%	12.6%	11.8%	10.0%	9.3%
ROE	22.2	21.5	19.9	18.3	18.2	17.9	19.5	16.8	18.6	18.4	19.8	16.9

**Nifty Services
Sector Index
(Ex-Bank)**

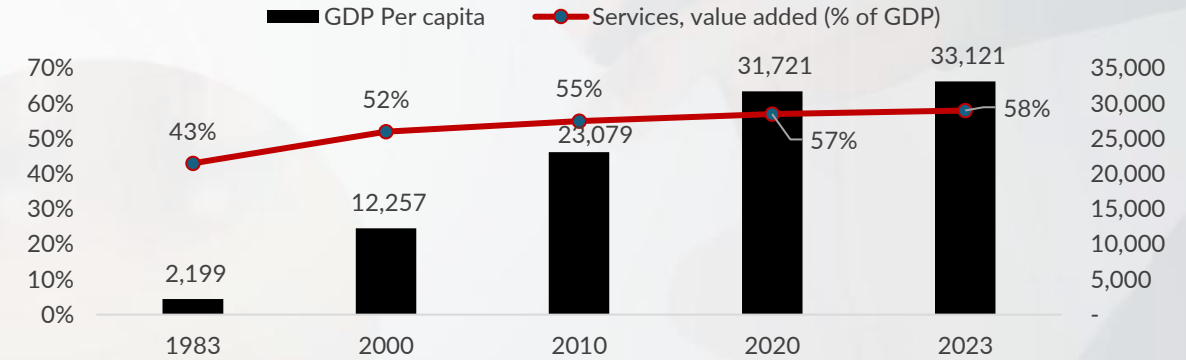
**Nifty 50
Index (Ex-
Bank)**

Share of Services Increase With Per Capita Income

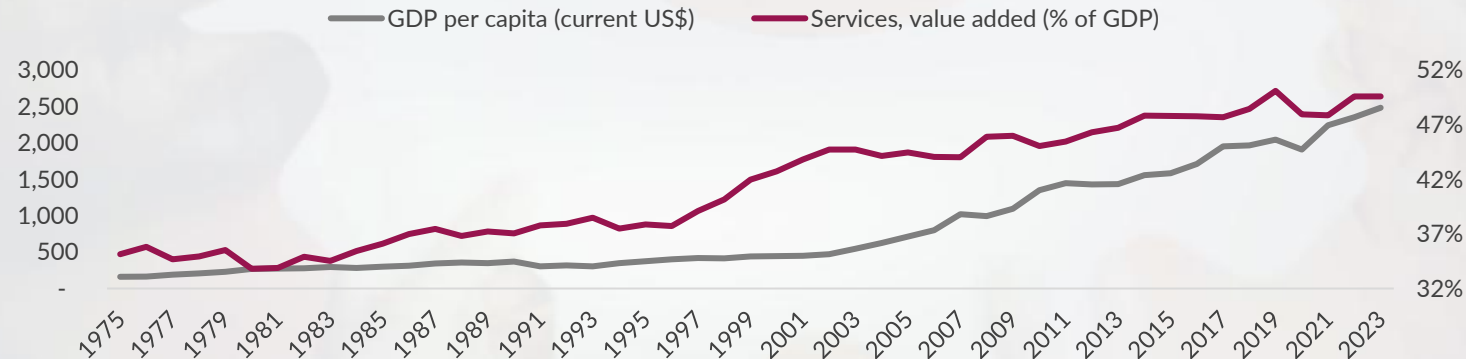
China 🇨🇳



S. Korea 🇰🇷

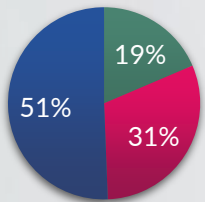


India 🇮🇳



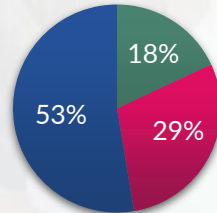
Service Sector: The Engine of India's Growth

FY14 – 103 lac Cr GVA



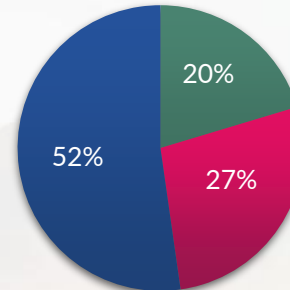
The service sector contributed 54% in FY24 compared to industry contribution of 28% and 18% of Agriculture

FY17 – 140 lac Cr GVA



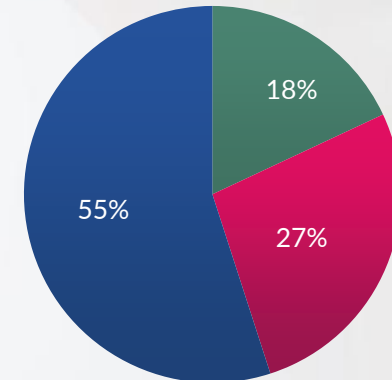
The Services Sector in India has grown by 11% in last 10 years (as of FY24) vs overall GVA growth of 10.2%

FY21 – 182 lac Cr GVA



An increase in service GVA to Rs. 165 Lakh Crore expected in FY25 from Rs 60 Lakh Crore in FY15

FY25E – 300 lac Cr GVA

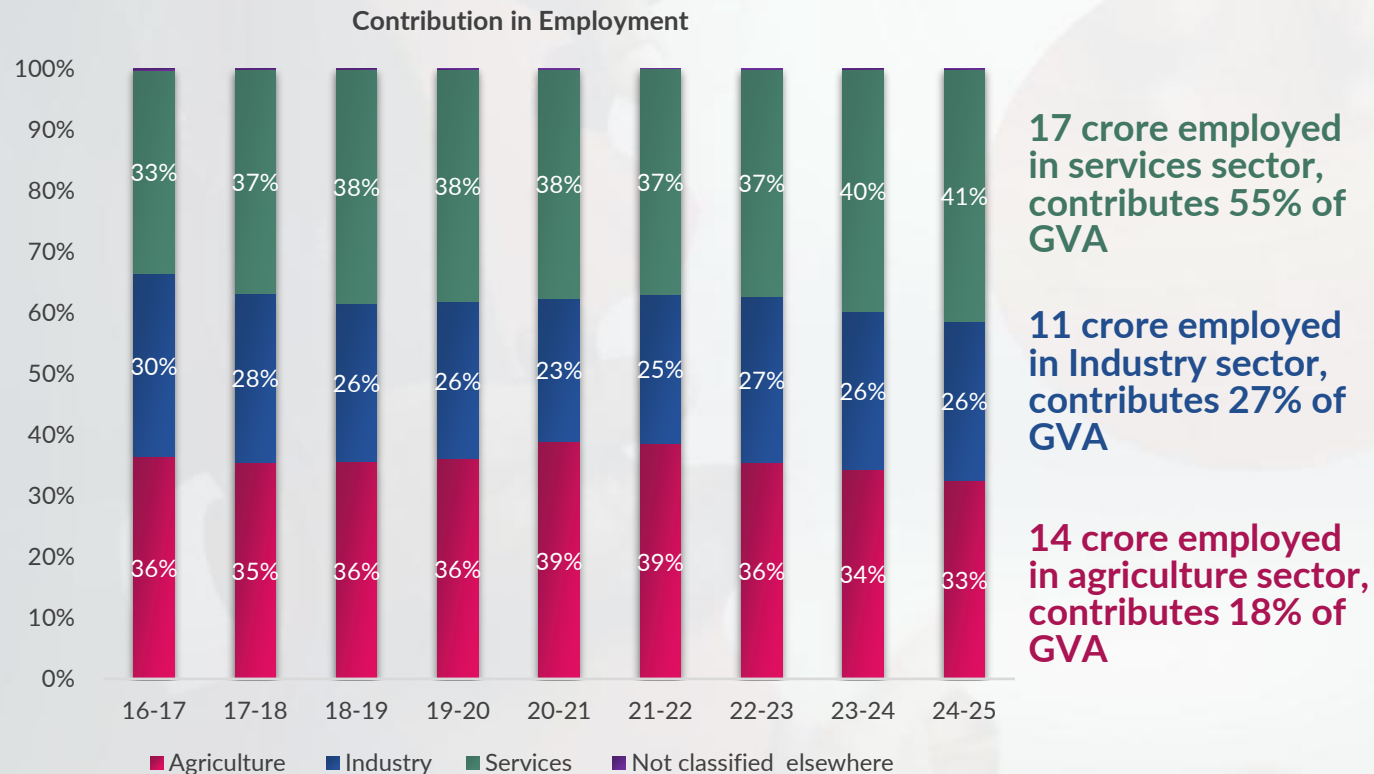


The average services growth rate in pre-pandemic years (FY05-19) was 14% vs later growth (FY-20 to FY25E) of 10%

Higher Employment By Service Sector: High Salience to Real Economy

A 22% increase is expected in overall employment by 2028* - service sector is expected to lead the surge in job creation, with every unit rise in services output contributing to a 0.12 % increase.

FY25 employment stands at 42 crore, up 2.3% in five years



Service Sector	Growth in employment from FY17	Employment numbers in FY25 (in Cr)
Retail Trade	66.7%	6.84
Financial services	49.1%	0.86
IT & ITES	48.1%	0.40
Hotels and restaurants	36.9%	0.55
Health care	18.3%	0.50

Diversified Theme With Growth Across Sectors



AXIS MUTUAL FUND

15
YEARS AS YOUR
INVESTMENT
PARTNER

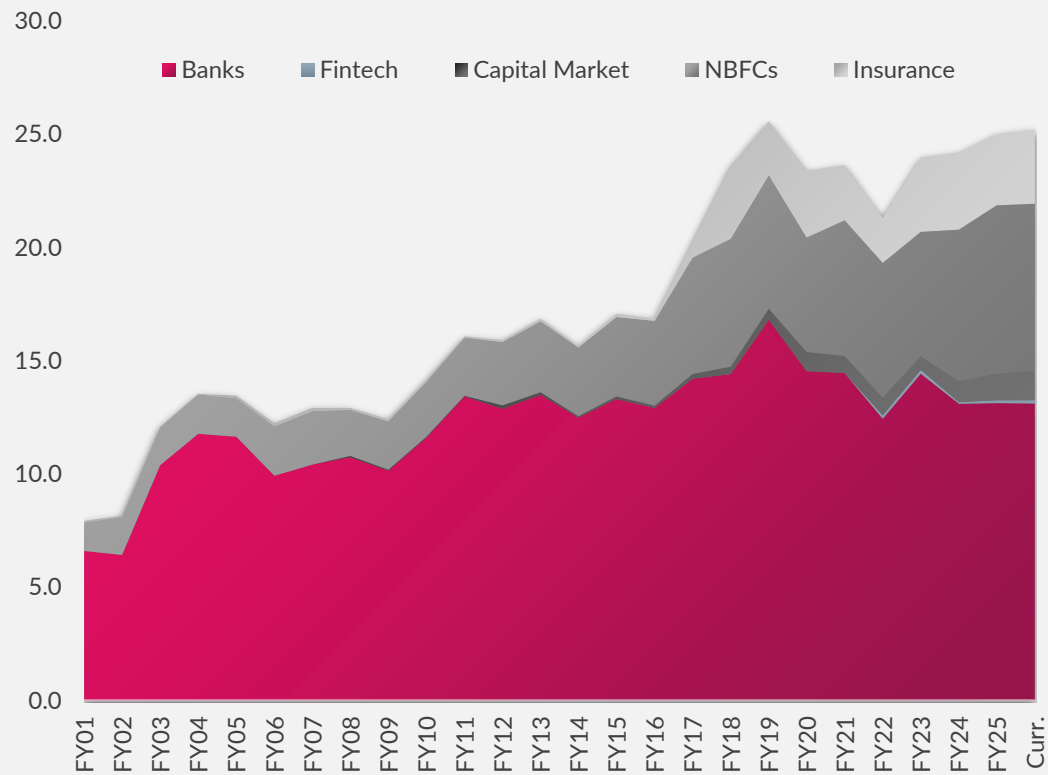


Diversified Theme With Growth Across Sectors

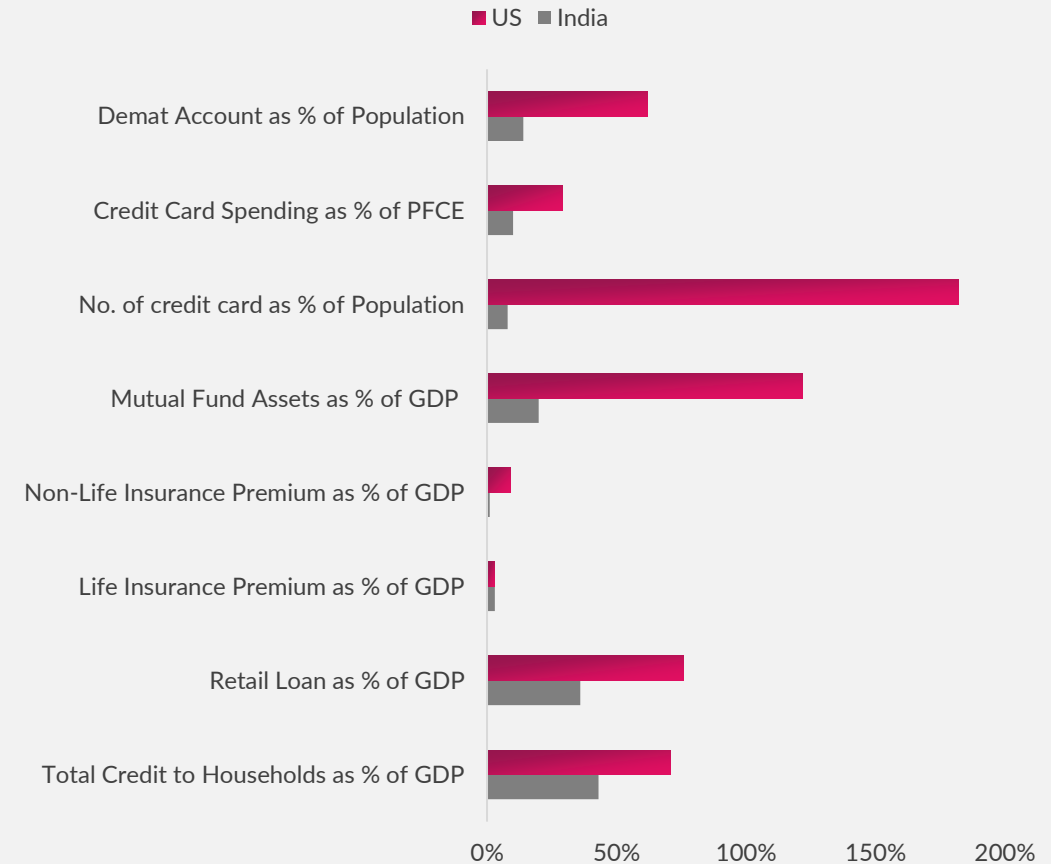


Financial Services: Broad & Growing Segment

Financial services- Market cap wise ~48% is non banking



Underpenetrated Banking & Financial Services in India





Growth Trend in Financial Services

Major NBFC loan AUM
growth by 17% in last 5



Unique MF investors
jumped 2.4x (50m) in last 5 years



Credit card spends grew by 20%
in last two years (Jan23-25)



Bank Profitability growth
from Rs. 109 Bn in FY20
to Rs. 3496 Bn in FY24

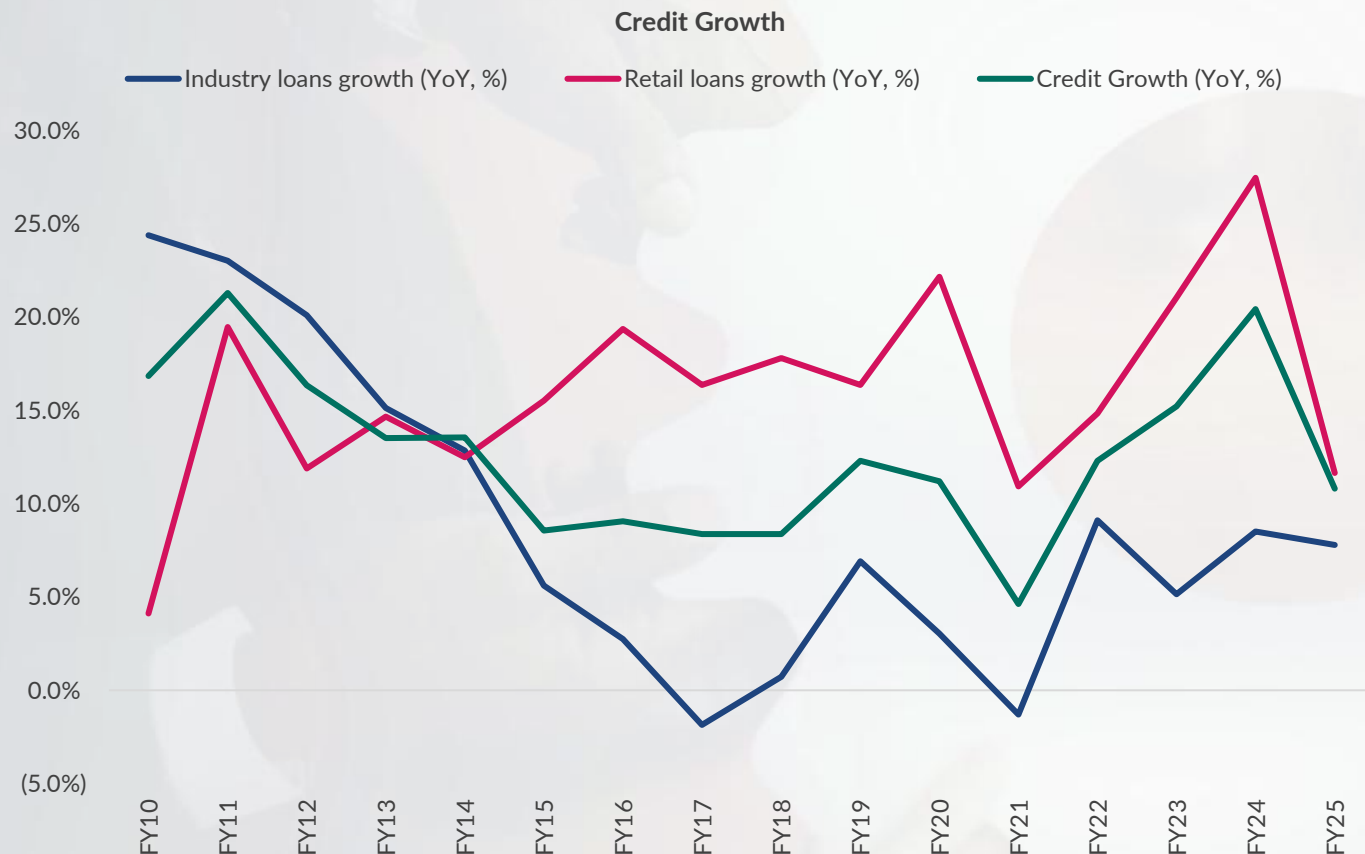


AUM of Life Insurance
increased by 12% in last
10 years (FY15-25E)



Demat accounts surged
4.4x (179m) in last 5 years

Expected Retail Credit Growth to Improve With Policy Maker Actions



- Credit growth has slowed from Mar-24, with moderation across segments
- Policy maker actions to push the credit growth
 - Liquidity infusion
 - Monetary easing
 - Reversal of changes in risk weightages
- An improved credit growth has direct impact on lenders – supporting the financial services

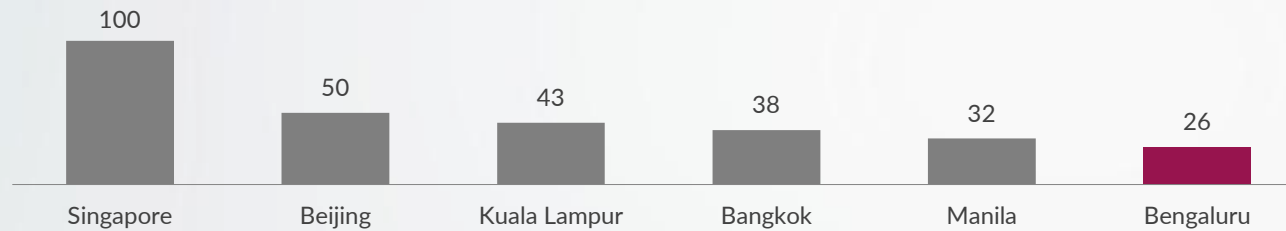
IT Services: Increasing Penetration With Better Cash Conversion



AXIS MUTUAL FUND

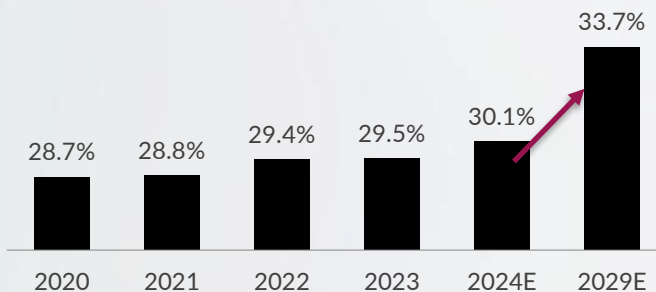
15 YEARS AS YOUR INVESTMENT PARTNER

India stands to gain from rising outsourcing with abundant talent which is digitally skilled (2mn+), and at lower costs



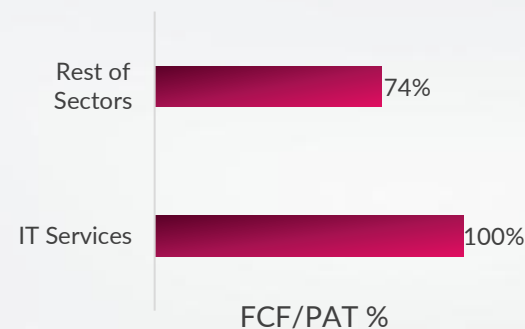
Operating cost per FTE for IT-ADM services, 2023 (Indexed to Singapore - 100)

Outsourcing penetration projected to increase to 34% by 2029E which should support growth for IT companies



Outsourced penetration (%)

IT services provides one of the best cash conversion within the different sectors despite various challenges

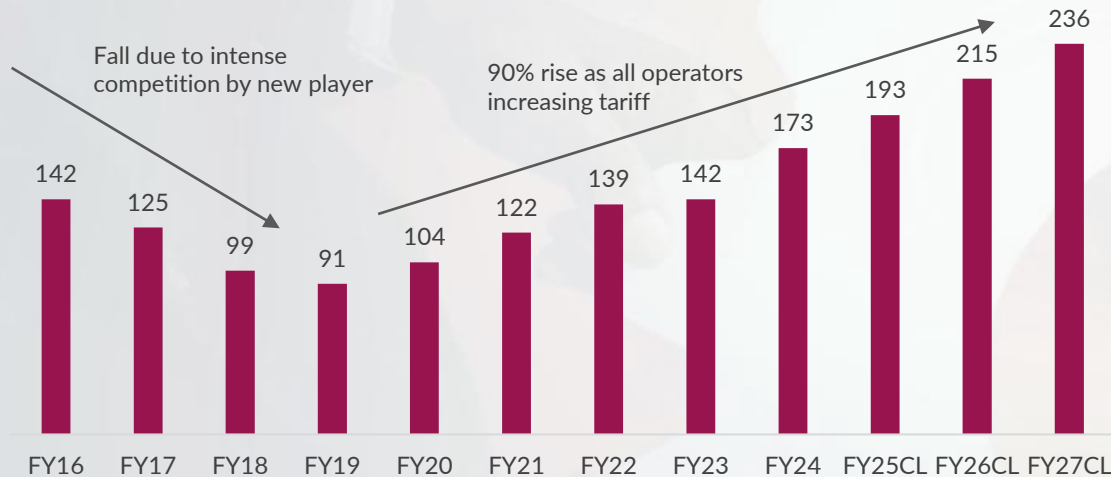


FCF/PAT %

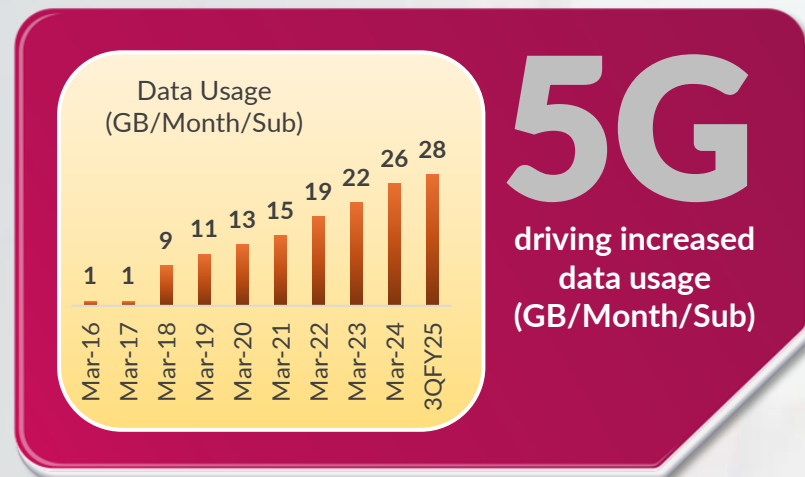
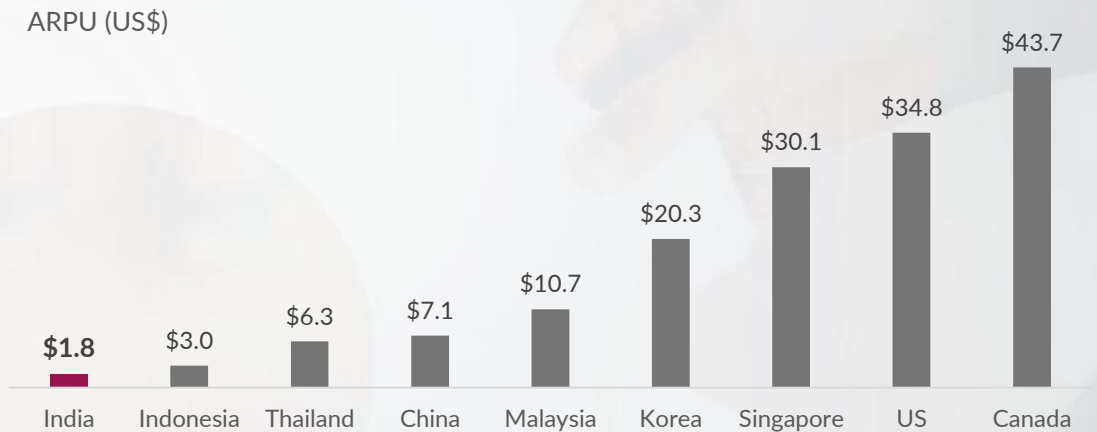
- **Tariff impact** : Limited impact on IT- service, tariff largely on goods
- **A multi-year technology cycle**: Global IT spends to grow at a healthy pace structurally driven by cloud migration and digital transformation across enterprises globally.
- **Outsourcing penetration to rise**: Technology is emerging as a competitive differentiator IT services firms can combine expertise with cost-effectiveness.
- **Adaptability to tech cycles**: Across various technology cycles, Indian IT firms have demonstrated ability to pivot their services offerings and reskill and upskill talent which positions them well for tapping into any new technology trends.

Telecom: Increasing Base & Data Usage

ARPU recovered from lows and increasing with tariff hikes



ARPU in India is amongst the lowest globally



600 Mn
Base in FY24

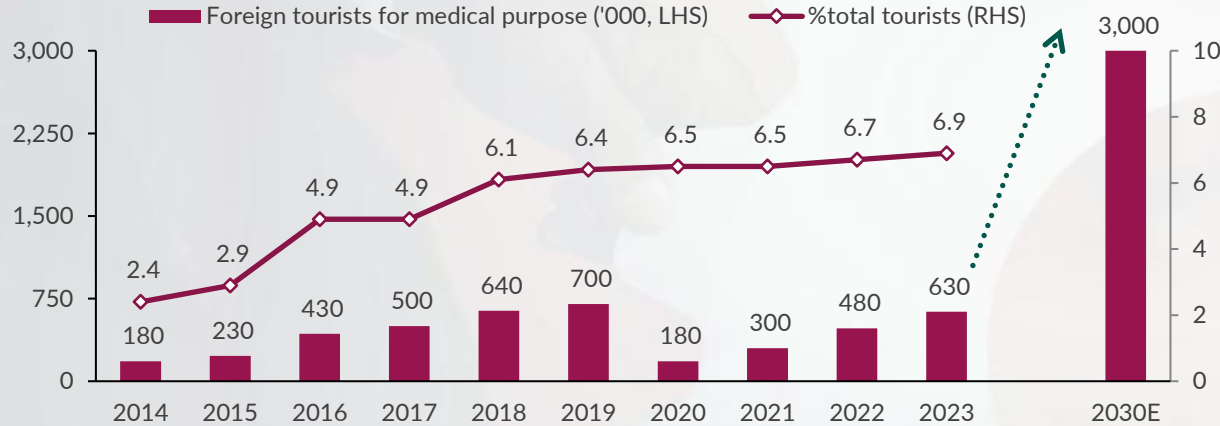
915 Mn
Base in FY27E

159 Mn
Base in FY15

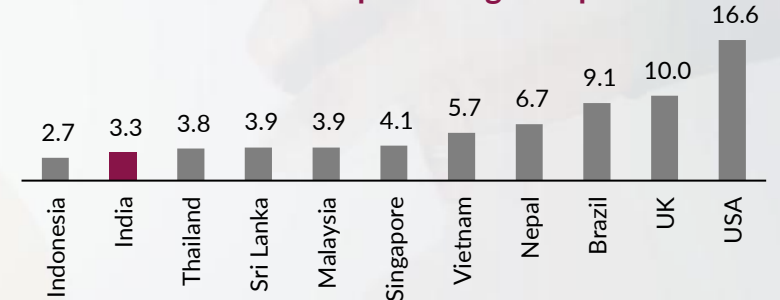
Smart Phone base expected to grow 40% by FY27E

Healthcare's Growth Drivers Point to High Opportunity

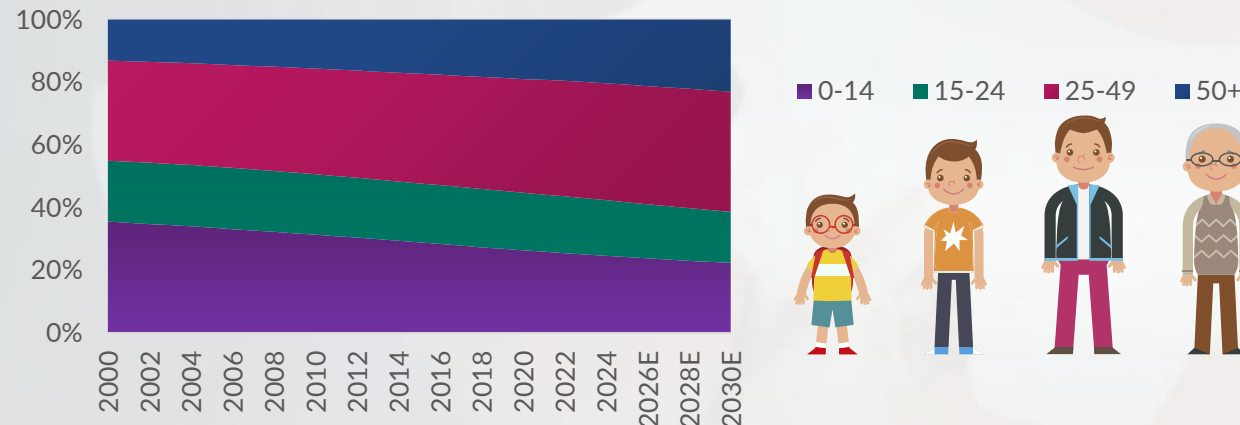
Medical Tourism is a decade long opportunities- poorer nations with lack of medical infrastructure and uninsured/high co-pay developed nations



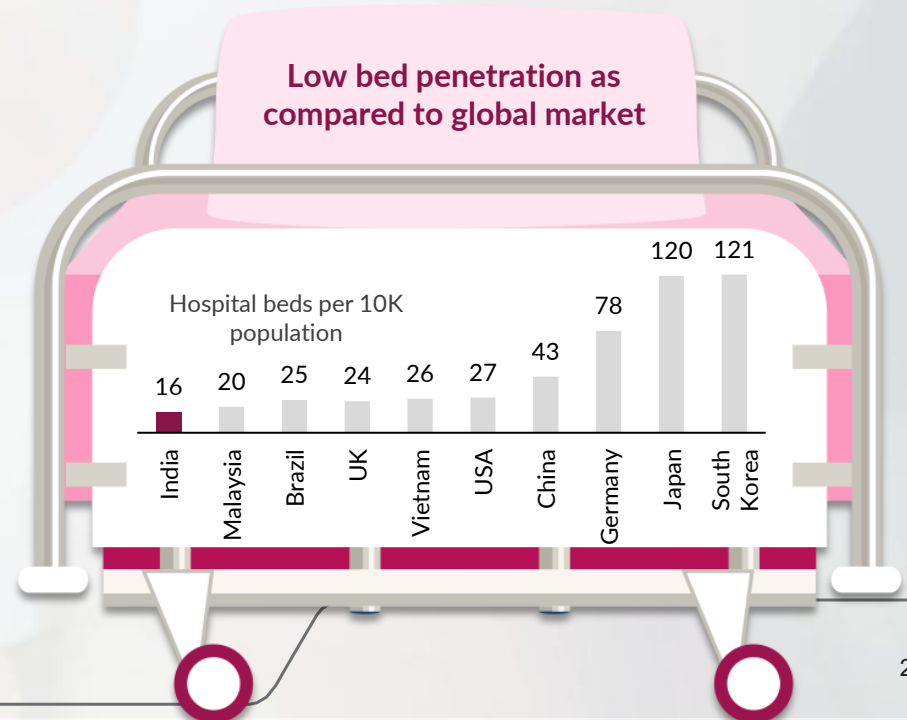
Healthcare expenditure as a % of GDP is lower in India as compared to global peers



Changing population dynamics: Ageing population



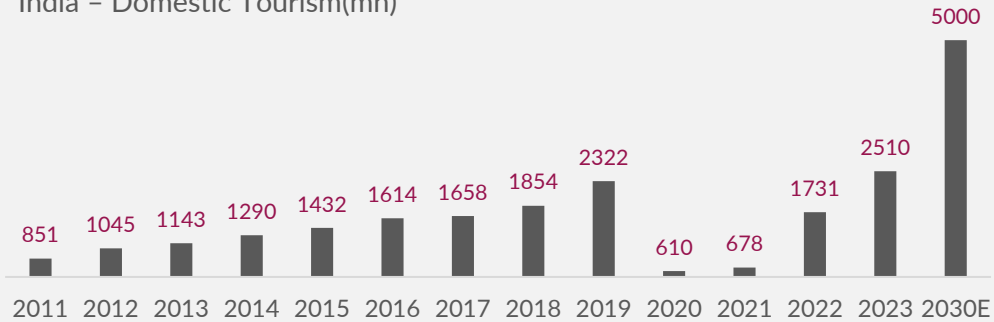
Low bed penetration as compared to global market



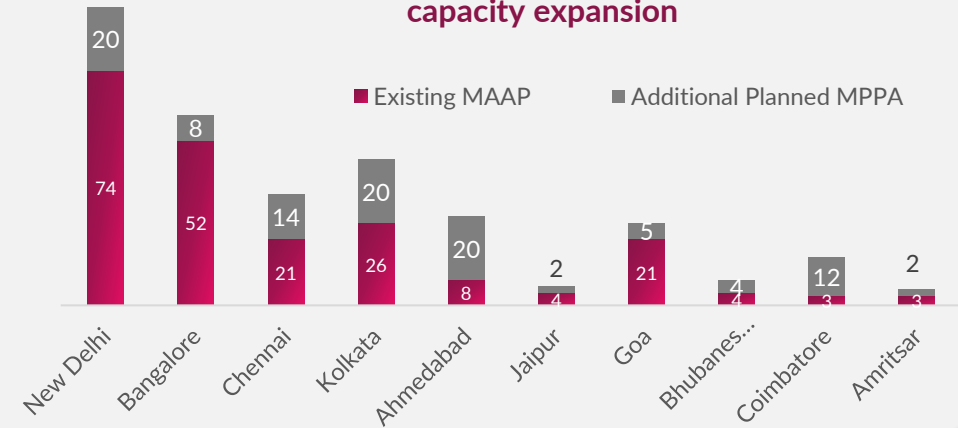
Hospitality continues to gain higher wallet share

Domestic Tourism is expected to grow at CAGR of 14.2%

India - Domestic Tourism(mn)

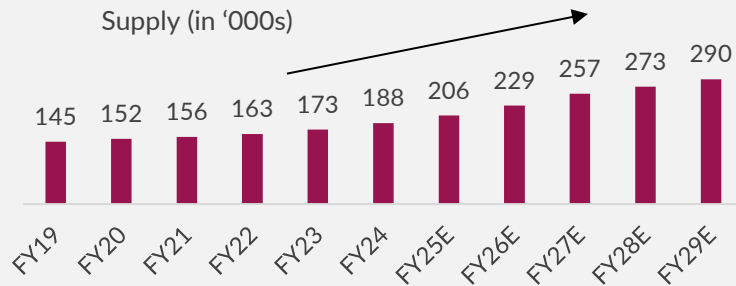


Increase in number of airports and capacity expansion



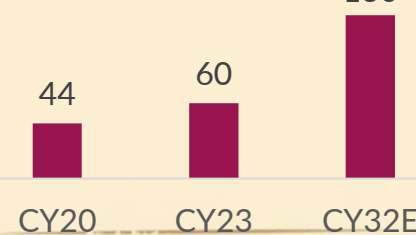
All India branded hotel supply expected to grow at 9.1% CAGR over FY24-29E

All India Chain Affiliated Rooms Supply (in '000s)



130
USD Bn

Expected Spiritual Tourism Market Size by CY 2032

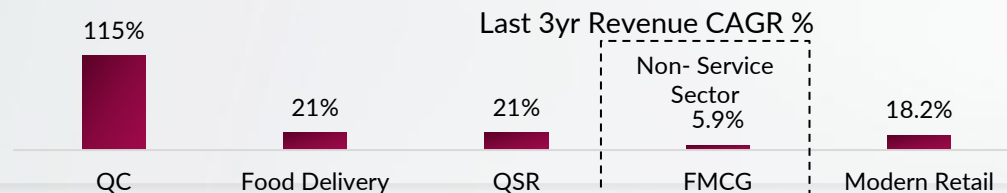


Spiritual Tourism Market Size (USD Bn)

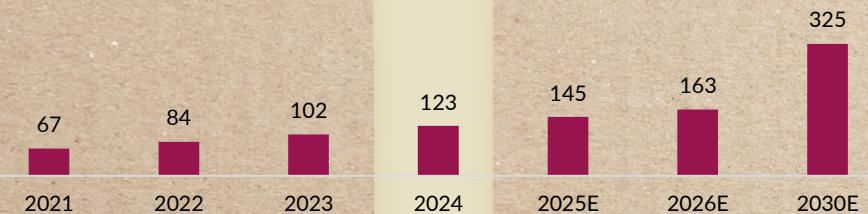
Digitalization in India: Long Runway for Growth

Rising digital penetration and robust digital payment infrastructure	2023	2028E
Access to Internet (Mn)	815	1,040-1080
% of Total population	58%	70-73%
Smartphone users (Mn)	675	950-990
% of Total population	47%	64-67%
Digital transactions (Mn)	430	810-850
% of Total population	30%	55-57%

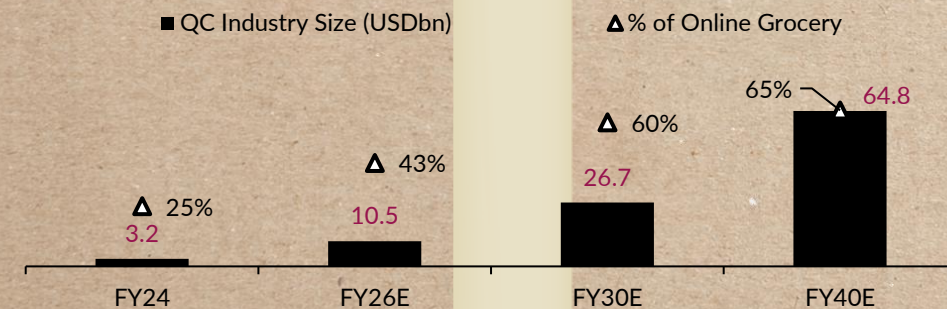
Investment Focused Sustained Revenue Expansion



Size of the Indian E-commerce Market is increasing (\$ Bn)

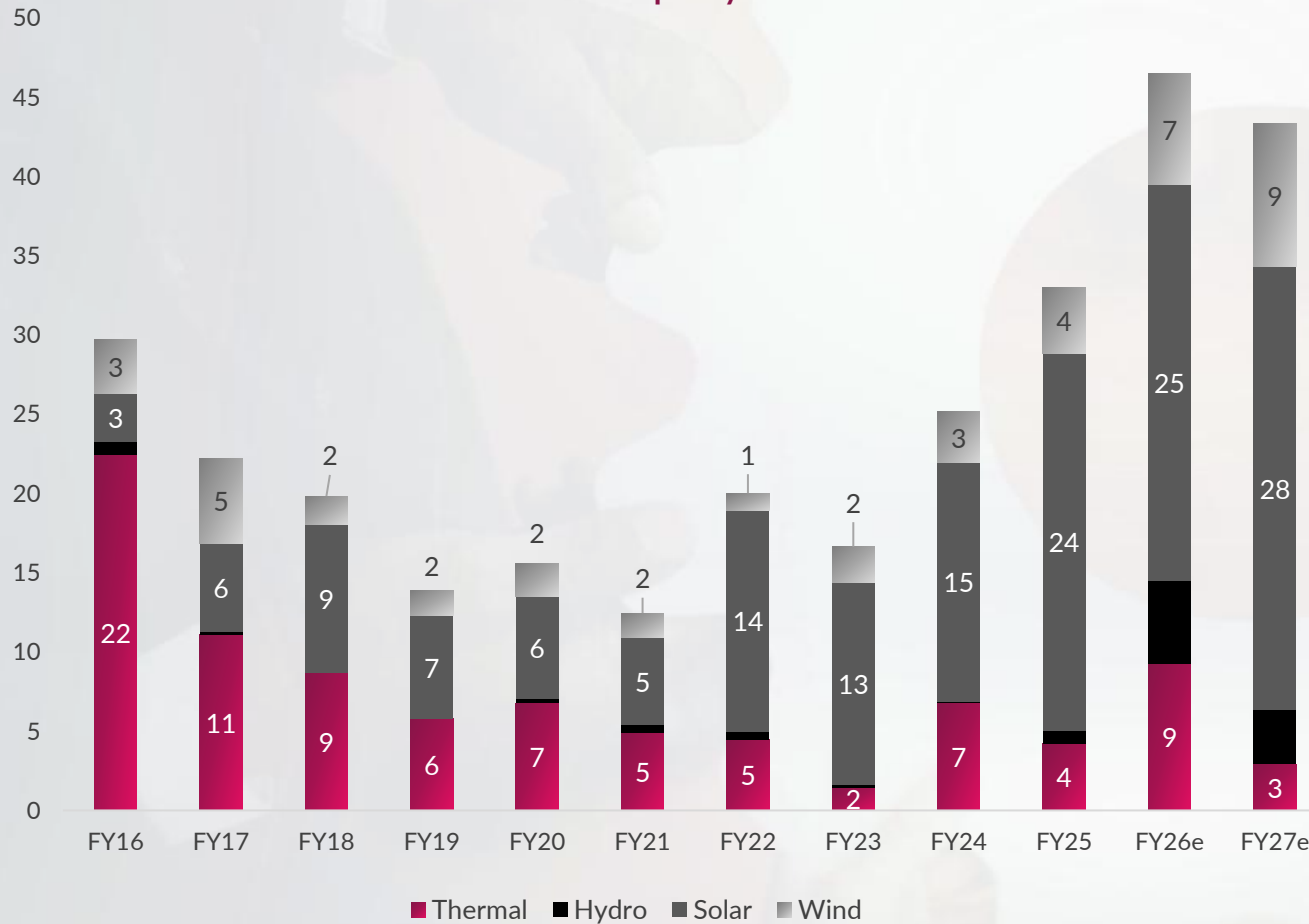


Quick commerce industry size is expected to rapidly scale during FY24-FY30E, at a CAGR of 44%

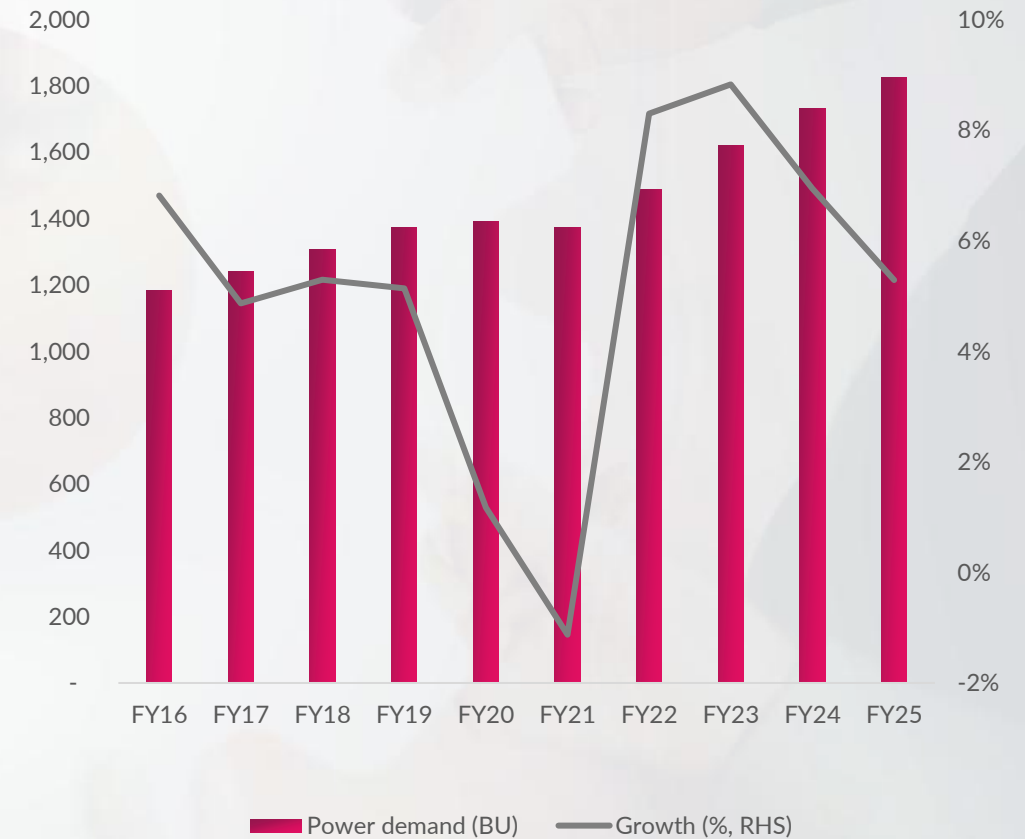


Indian Power Demand and Capex Remain Strong

India Generation capacity addition

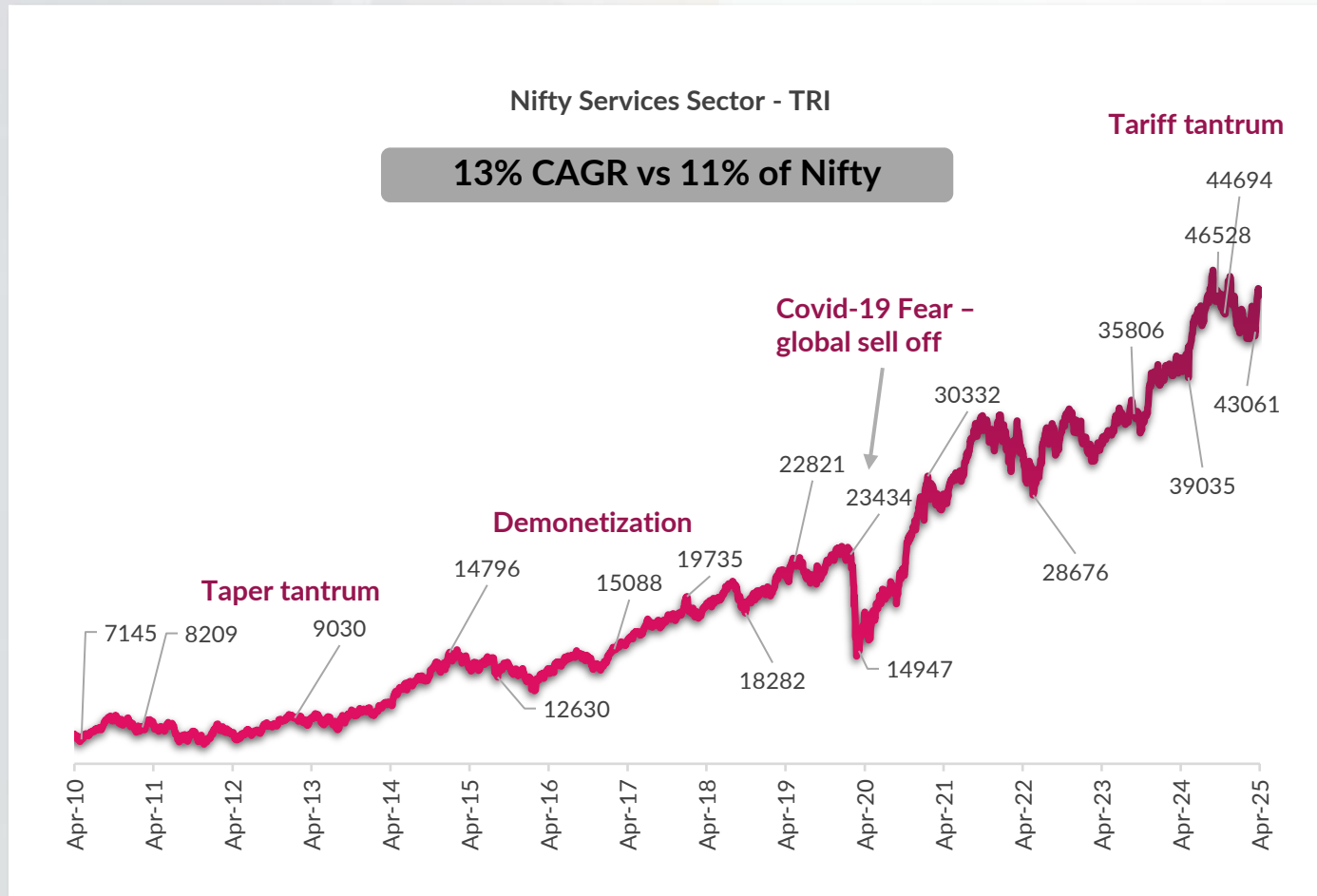


India Power demand



Services: Generating Wealth in the Long Run

Awareness towards the magnitude of the past performance



CY	Nifty 50	Nifty Services Sector
2010	17.9	19.1
2011	-24.6	-24.2
2012	27.7	26.9
2013	6.8	8.8
2014	31.4	37.8
2015	-4.1	-3.2
2016	3.0	1.0
2017	28.6	31.9
2018	3.2	8.7
2019	12.0	16.9
2020	14.9	12.5
2021	24.1	24.3
2022	4.3	1.8
2023	20.0	11.5
2024	8.8	13.5



INTRODUCING

AXIS SERVICES OPPORTUNITIES FUND



(An open-ended equity scheme following services theme)



How Will the Fund be Managed?

Investment Philosophy





What Do We Look For?





Actively Managed Thematic Funds

	Axis Consumption Fund	Axis India Manufacturing Fund
Active Share	59%	52%
Match Portfolio	67%	59%

Consumption Sector	Fund	BM
Automobile and Auto Components	13.8%	22.3%
Chemicals	1.0%	
Construction Materials	0.6%	
Consumer Durables	9.3%	9.3%
Consumer Services	15.9%	14.8%
Fast Moving Consumer Goods	25.2%	30.5%
Financial Services	4.7%	
Healthcare	7.1%	4.9%
Oil, Gas & Consumable Fuels	0.5%	
Power	1.7%	3.4%
Realty	1.0%	1.4%
Services	2.9%	3.3%
Telecommunication	10.0%	10.2%
Textiles	1.1%	

Manufacturing Sector	Fund	BM
Automobile and Auto Components	20.0%	27.9%
Capital Goods	18.7%	20.5%
Healthcare	18.6%	16.5%
Oil, Gas & Consumable Fuels	8.9%	8.8%
Metals & Mining	7.6%	12.1%
Chemicals	6.9%	7.8%
Construction Materials	4.3%	
Consumer Durables	3.9%	4.9%
Construction	2.5%	
Fast Moving Consumer Goods	2.1%	
Power	1.0%	
Consumer Services	0.5%	
Forest Materials	0.3%	0.3%
Textiles		1.1%

Why Invest Now?



Why Invest in Services Now?

Better placed valuations

Service Sector valuation over 2019 is lower compared to non-services

Higher earnings

Its not just profitability but also higher earnings that will drive services

Expected PAT to also increase

2 of the Top 3 sector of PAT growth are services

Improved Profitability

Services Sectors profit contribution has increased in NSE 500 Index pool, However, performance is yet to reflect it.



Services Sector Growth Potential

Policy Support

- RBI Push on credit growth
- Make in India – Support Renewal Power
- Tourism infrastructure projects
- Financialization
- ABPM-JAY^ to benefit the healthcare services

Increasing Investment

- 100% FDI in financial sector activity under the automatic route
- Power sector - investment opportunity driven by rising demand, infrastructure upgrades, and the transition to clean energy.

Competitive Advantage

- IT & BPM - Large pool of relatively low-cost skilled English-speaking manpower
- India has 2mn+ digitally skilled talent in the tech industry and generates 2.5mn+ STEM graduates per year.

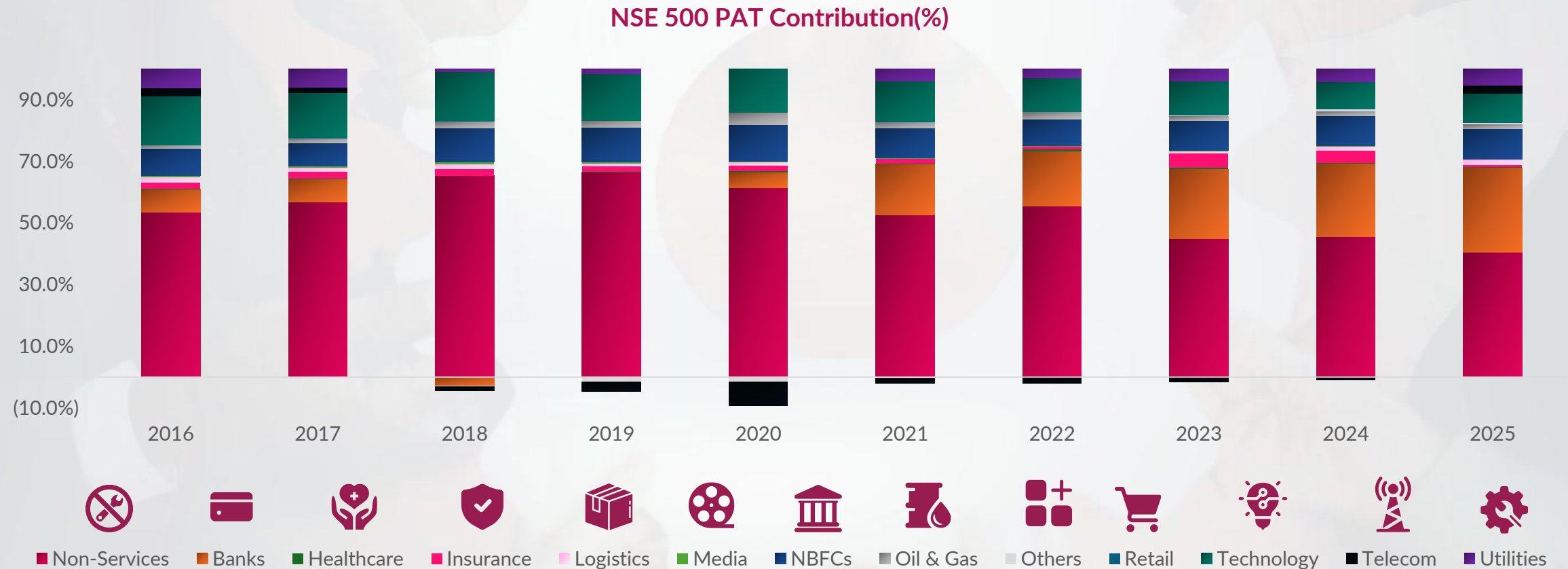
Robust Demand

- India's software service industry is expected to reach US\$ 1 trillion by 2030
- New service opportunities – Delivery, household service apps, logistics etc..
- IT services Outsourcing penetration is projected to increase to 34% by 2029



Shift in Profit Dynamics: Services on the Rise

Shift in profit dynamics driven by broadening sector and their improved profitability specially in telecom, quick commerce, hospitals, logistics and banks



Services Sector: Higher Profitability Growth

2 of the Top 3 sectors of PAT growth are services

Sector	FY22 PAT Growth	FY23 PAT Growth	FY24 PAT Growth	FY25E PAT Growth	FY26E PAT Growth	FY27E PAT Growth
Banks	55%	48%	31%	10%	3%	14%
Capital Markets	28%	5%	36%	15%	7%	12%
Diversified Financials	21%	50%	25%	24%	17%	21%
Health Care Services	167%	25%	11%	18%	27%	30%
Hotels & Restaurants	(85%)	(772%)	6%	17%	63%	38%
IT Services	15%	7%	4%	8%	7%	11%
Retailing	105%	60%	15%	17%	22%	22%
Telecommunication Services	(11%)	(19%)	(8%)	(113%)	549%	116%
Automobiles & Components	(32%)	152%	100%	10%	11%	15%
Capital goods	59%	27%	28%	14%	22%	24%
Consumer Staples	13%	16%	14%	(1%)	11%	11%
Pharmaceuticals	12%	(1%)	24%	16%	15%	12%
Specialty Chemicals	33%	1%	(6%)	6%	23%	22%
Consumer Durables & Apparel	34%	6%	(1%)	27%	27%	26%

Services

Non-services



Higher Earnings With High ROE

● Services sector ● Non-Services sector





Better Placed Valuation

Sector	Mar-15	Mar-19	Mar-25	Valuation over Mar-19
Private banks – P/B	3	3	2	-33%
Public banks – P/B	1	1	1	0%
IT services	18	19	23	21%
Health Care Services	39	33	50	51%
Telecom (EV/EBITA)	8	10	13	38%
Electric Utilities	12	10	16	60%
Pharmaceuticals	25	22	27	23%
Automobile	13	17	18	6%
Construction Materials	22	28	46	64%
Capital Goods	28	21	33	57%
Chemical	19	22	54	143%

Services

Non-services



Fund Facts

Category
Thematic



Typical Investment Horizon
5+ years

Benchmark
NIFTY Services Sector TRI



Min. application amount
Rs. 100 and in multiples of
Re. 1 thereafter

Fund Managers
Mr. Sachin Relekar, Mr. Shreyash Devalkar,
Ms. Krishnaa Narayan (for Foreign securities)



Exit Load
If redeemed / switched-out within 12 months from
allotment date: For 10% of investments: NIL for
remaining investments: 1%. If redeemed / switched-out
after 12 months from allotment date: NIL

Annexure – Other Concerns





Tariff Tension: Not Just About % Tariff

The objectives set out as Per 'the America First Trade Policy Document' is larger and complex -

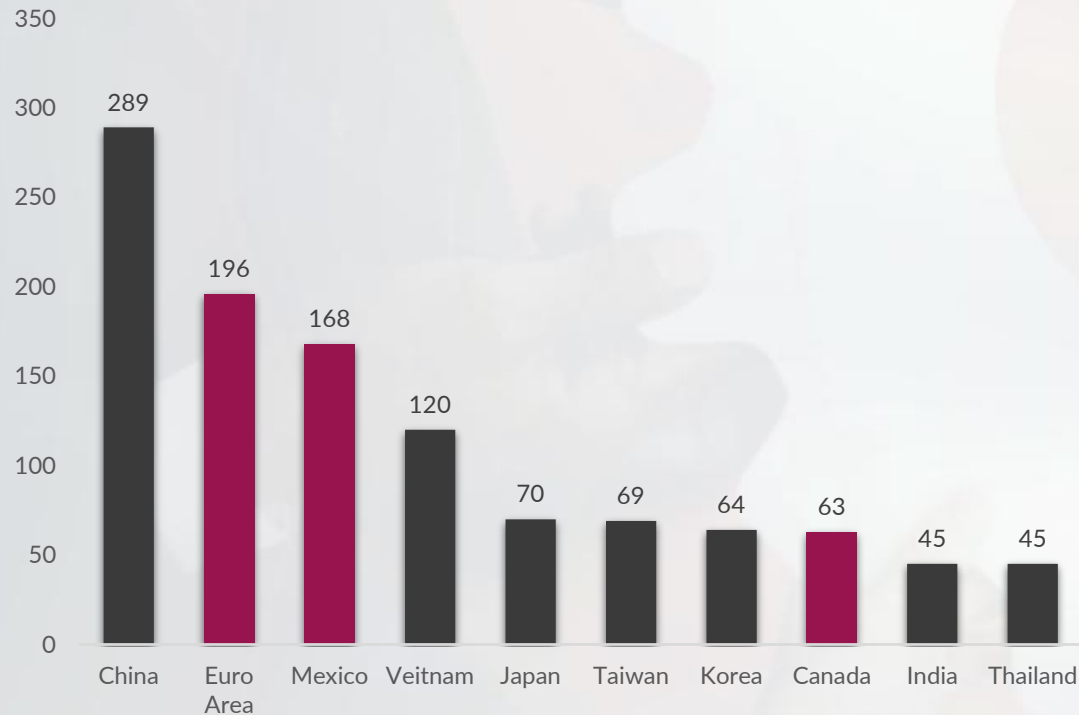
Investigate cause of country's large and persistent annual trade deficit

Economic and national security implication

Assess the policies of major trading partners with respect to rate of exchange

Asia Trade surplus with US – 7/10 from Asia - with significant rise from 2017

India has 7th largest trade surplus with US



Source: CIEC, Morgan Stanley, Axis Research. Trade surplus – \$USD Bn 12M trailing sum OCT-24.

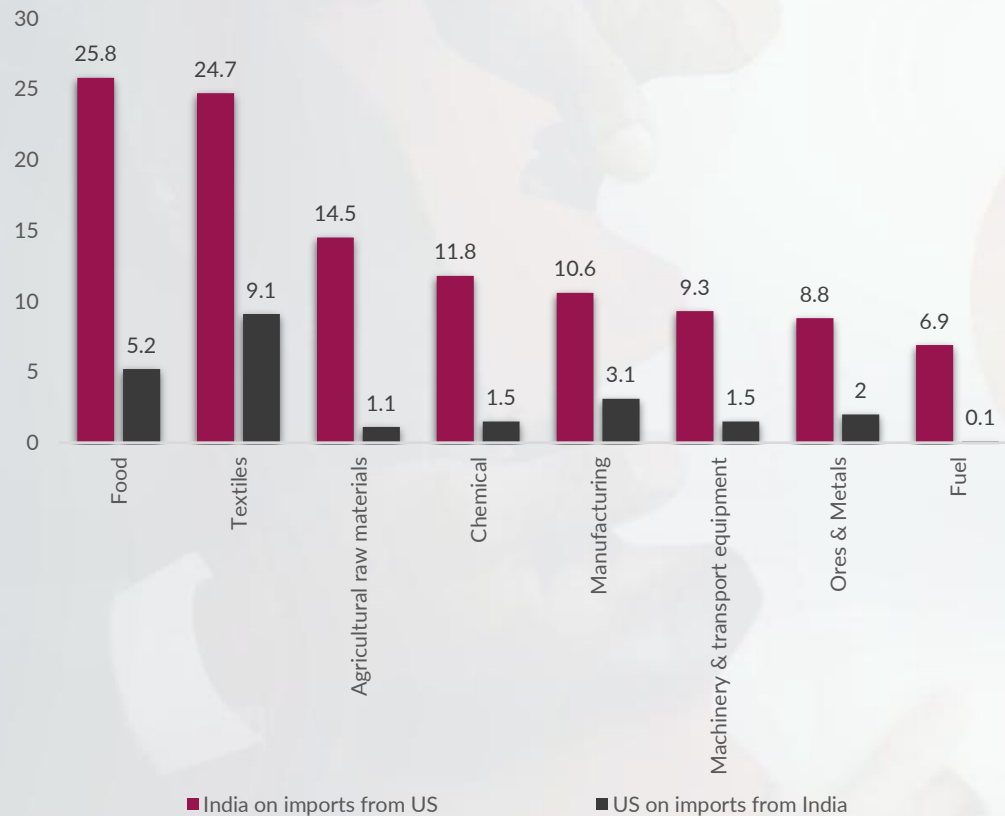
Emerging Asia's share in US imports is at 40.5%

	2015	2019	2024	2015	2019	2024
	(USD bn)	(USD bn)	(USD bn)	(% share)	(% share)	(% share)
Brazil	27	31	42	1.7	1.8	1.9
Canada	296	320	412	18.4	18.2	18.4
China	483	453	437	30.0	25.8	19.5
Germany	125	128	161	7.7	7.3	7.2
India	45	58	88	2.8	3.3	3.9
Japan	131	144	148	8.1	8.2	6.6
South Korea	72	78	131	4.4	4.4	5.8
Mexico	296	358	505	18.4	20.4	22.5
Taiwan	41	54	115	2.5	3.1	5.1
UK	58	63	68	3.6	3.6	3.0
Vietnam	38	66	137	2.4	3.8	6.1
Asia (ex-Japan)	679	709	907	42.1	40.5	40.5
Total	1,613	1,752	2,244			

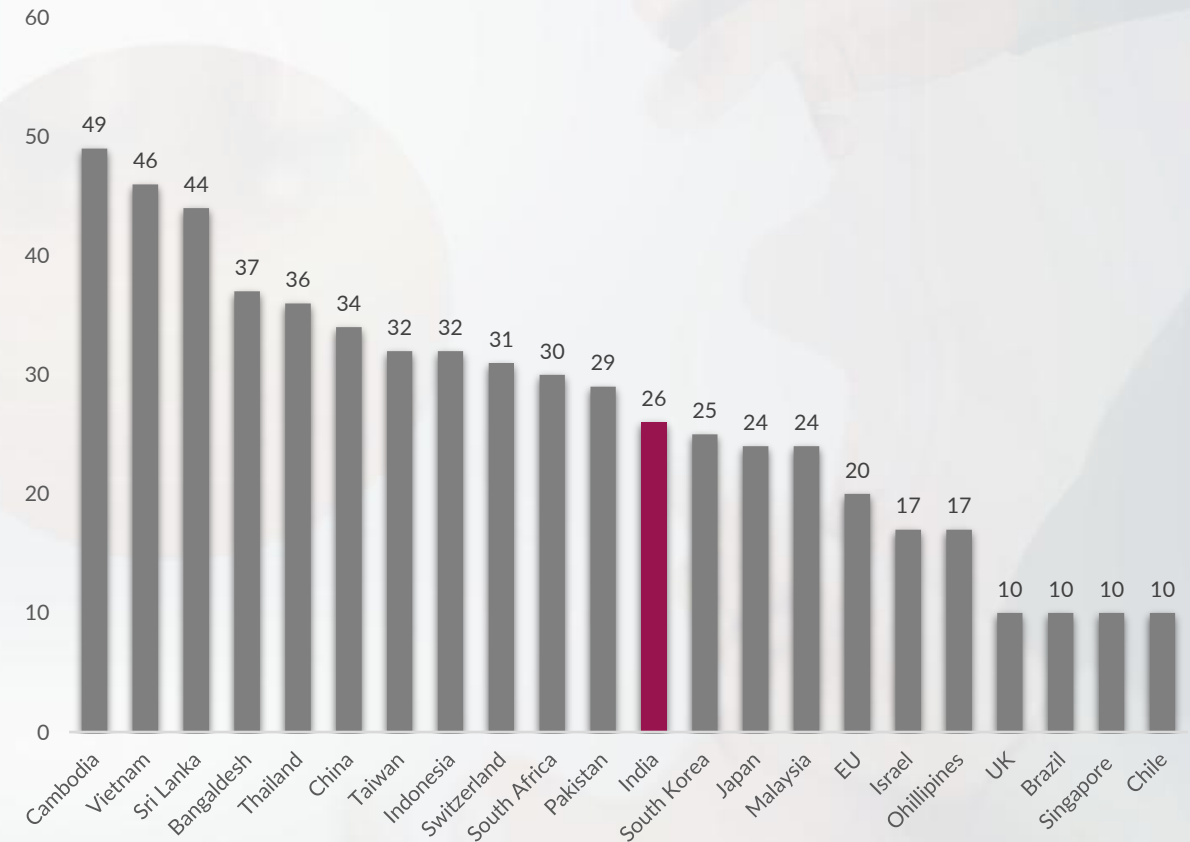


Assessing Impact of Tariffs on India

Applied weighted avg tariffs by India (7.7%) and US (2.8%)



Tariffs implemented by the US (now flat 10% for 90 days)





Assessing Impact of Tariffs on India



Well-positioned among emerging markets due to its relatively lower tariffs



Exports constituting a small portion of GDP - less susceptible to global trade disruptions



Global uncertainty - US capital outflow and depreciating dollar



Favourable for India - corrected valuation, lower crude oil prices and RBI monetary easing



US growth slowdown to more than India



Import tariffs on other countries are much higher than India's (26%)

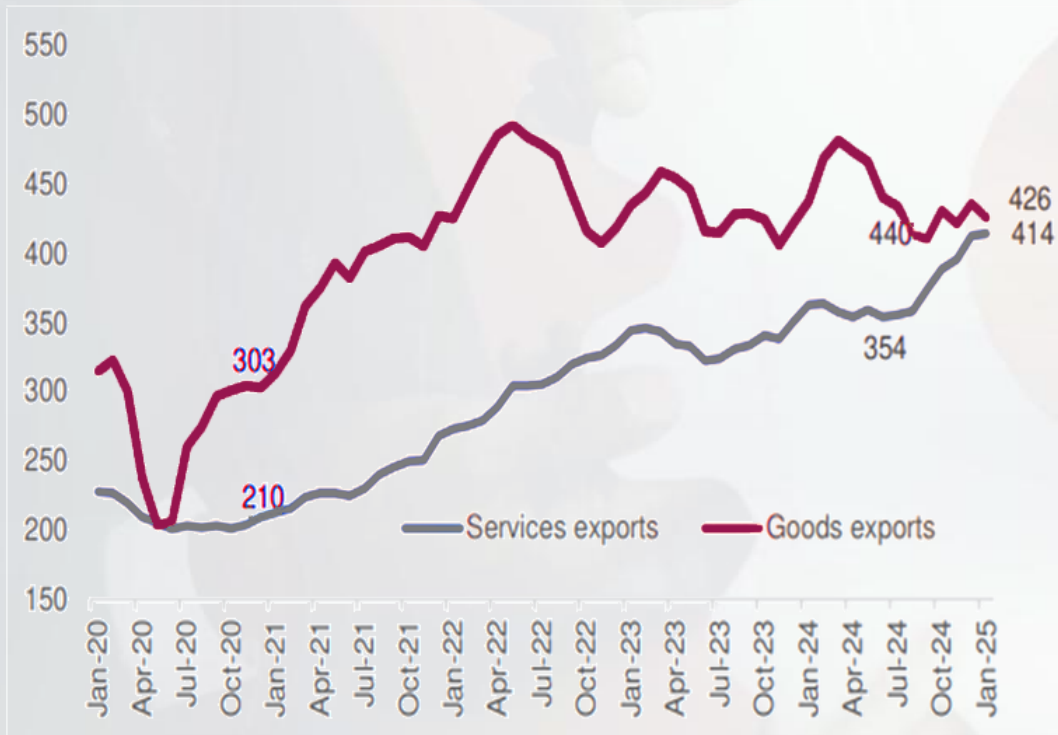


India has a trade surplus in Machinery and Electronics, Chemicals & Pharma, Textiles, Stone & Glass, Metals and Animal Products - highly labour-intensive sectors - US could face difficulties in finding a replacement as India is cost competitive

Service Sector: Huge Opportunity in Exports

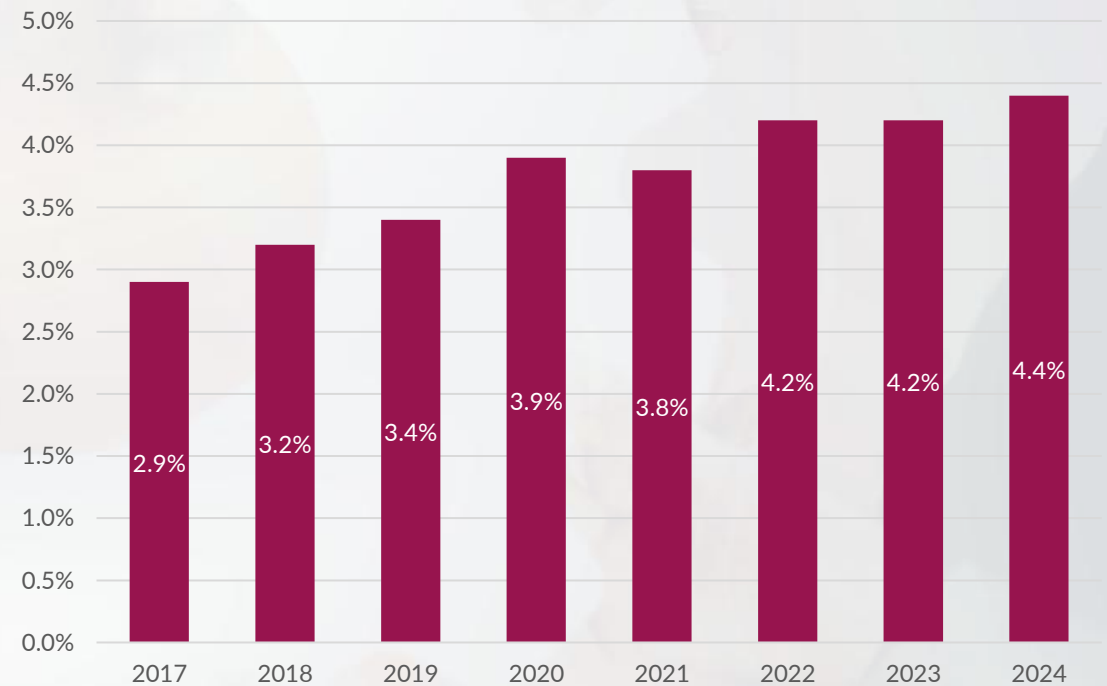
Services exports is now close in size with goods exports

India exports (3M trailing sum annualized, US\$bn)



India has continued to gain services export market share

India global services exports share (%)





Product Labelling

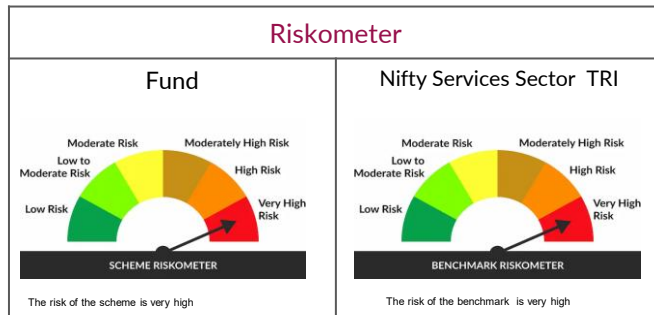
Axis Services Opportunities Fund

(An open-ended equity scheme following services theme)

Benchmark: NIFTY Services Sector TRI

This product is suitable for investors who are seeking*:

- Capital appreciation over long term
- An equity scheme investing in equity & equity related securities based on the theme that focuses on services industry.



Axis Consumption Fund

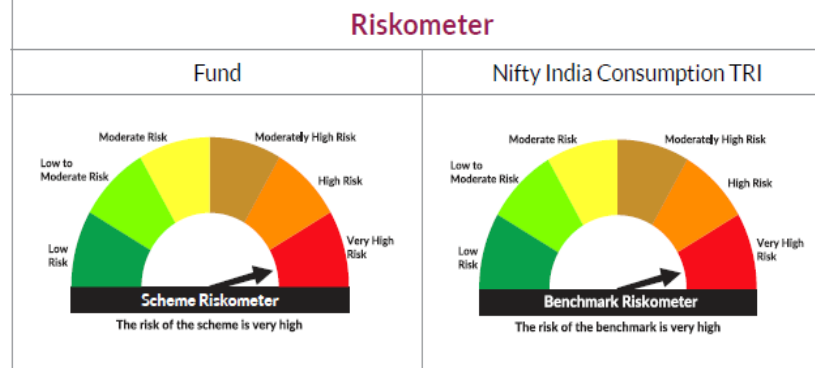
(An open-ended equity scheme following consumption theme)

Benchmark: Nifty India Consumption TRI

This product is suitable for investors who are seeking*

- Capital appreciation over long term
- An equity scheme investing in equity & equity related securities of companies engaged in consumption and consumption related sector or allied sectors.

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



Axis India Manufacturing Fund

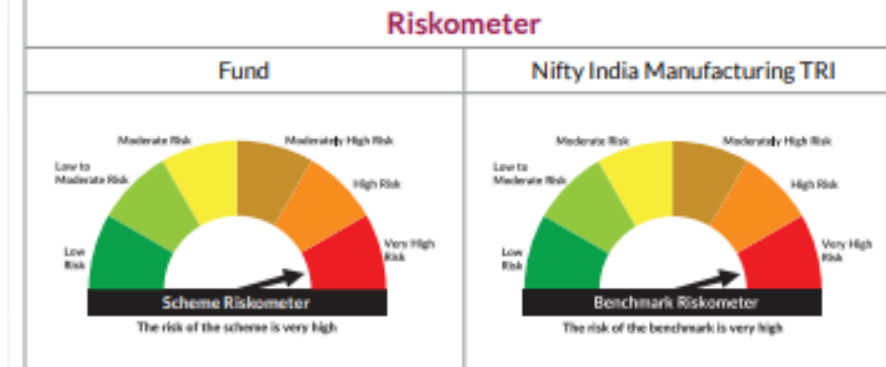
(An open-ended equity scheme representing the India manufacturing theme)

Benchmark: Nifty India Manufacturing TRI

This product is suitable for investors who are seeking*

- Capital appreciation over long term
- An equity scheme investing in Indian equity & equity related securities of companies engaged in manufacturing theme.

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



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



Statutory Details and Risk Factors

Data updated as on 31st July 2025

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.

Sachin Relekar is Managing Axis Focused Fund, Axis Flexi Cap Fund since 1st Feb, 2024 and Axis Nifty500 Momentum 50 Index Fund since 13th Feb, 2025.

Shreyash Devalkar is Managing Axis Large Cap Fund, Axis Mid Cap Fund since 23rd Nov, 2016, Axis Multicap Fund since 1st Mar, 2023, Axis ELSS Tax Saver Fund, Axis Large & Mid Cap Fund since 4th Aug, 2023, Axis India Manufacturing Fund since 21st Dec, 2023 and Axis Consumption Fund since 12th Sep, 2024.

Krishnaa N is Managing Axis Small Cap Fund, Axis Innovation Fund, Axis US Treasury Dynamic Bond ETF Fund of Fund, Axis Value Fund, Axis Large Cap Fund, Axis ESG Integration Strategy Fund, Axis Focused Fund, Axis Greater China Equity Fund of Fund, Axis Global Equity Alpha Fund of Fund, Axis Global Innovation Fund of Fund, Axis Large & Mid Cap Fund, Axis Midcap Fund, Axis Flexi Cap Fund, Axis NASDAQ 100 Fund of Fund, Axis Quant Fund, Axis Retirement Fund - Aggressive Plan, Axis Retirement Fund - Conservative Plan and Axis Retirement Fund - Dynamic Plan since 1st Mar, 2024, Axis Consumption Fund since 12th Sep, 2024 and Axis Multi Asset Allocation Fund, Axis Children's Fund, Axis Aggressive Hybrid Fund and Axis Equity Savings Fund since 16th Dec, 2024.

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.



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Thank You



AXIS MUTUAL FUND

15
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