

Clear Positioning

Axis Equity Fund & Axis Focused 25 Fund

At Axis, all equity holdings across funds are selected based on bottom-up approach. We follow a growth style of investment. Quality biased with long term growth potential is the core fundamental behind every investment made. We employ a predominantly fundamental approach to the stock selection process to build portfolios that can add value across economic cycles.

Along with our quality bias, there is a prime focus on risk management at every stage of portfolio creation. Across all funds, the risk parameters are targeted to be reasonable by way of lower standard deviation and beta with tight tracking error.

Although all equity schemes are guided by a strong investment philosophy, each of the equity schemes is uniquely positioned. The table below provides the distinction in positioning between two of our key equity schemes: Axis Equity Fund and Axis Focused 25 Fund.

Positioning

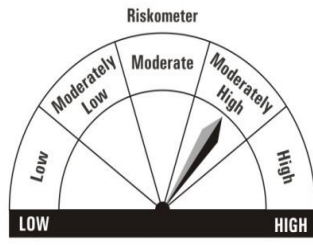
	Axis Equity Fund	Axis Focused 25 Fund
Positioning		
Market Segment	Large cap biased, diversified blue chip funds	Compact, Multicap alpha oriented funds
Positioning	<ul style="list-style-type: none"> – Core Portfolio : Quality businesses with secular growth prospects – Tactical positions : Quality cyclicals linked to fund manager views of cyclical factors and market positioning 	<ul style="list-style-type: none"> – High conviction investment strategy – Best Ideas Approach – Concentrated focus on sustainable businesses
Portfolio Construction		
Portfolio construction	<p>Balance between ROE & Beta</p> <p>Well-balanced between core quality and strategic opportunities in quality cyclicals</p> <p>Weighted Avg ROE : 18.69% (1.05x) Weighted Avg Beta : 0.95</p>	<p>Focused towards Higher ROE, Low Beta</p> <p>Target for companies that deliver ROE / ROCE's over the medium to long term on a continuous basis.</p> <p>Weighted Avg ROE : 19.69% (1.1x) Weighted Avg Beta : 0.93</p>
Diversification	Reasonably diversified portfolio with number of stocks typically around 30 - 40	Compact portfolio with no of stocks not more than 25
Top 5 exclusive holdings (Only in 1 of the 2 portfolios)	Asian Paints, SBI, ICICI Bank, Zee, Tata Motors	Shree Cement, Bosch, Page, Bajaj Finance, Gruh Finance

Portfolio Statistics		
Market Cap Split*	Large Caps:82% Midcaps:14%	Large Caps:66% Midcaps: 29%
Top 10 holdings	51% of AUM	58% of AUM
No of stocks	35	24
Sector Exposure	Across 11 sectors Top 3 sectors contribute to 65.5%	Across 7 sectors Top 3 sectors contribute to 69.7%
Sector preference	Strategic exposure in Quality PSUs & cyclicals Total PSU : 13% (mainly in Energy, bank and defence segments) PSUs (Non-bank) : 9%; PSU Bank: 5% B2C themes comprise 60% of fund	Typically avoid PSUs Total PSUs: Nil
No of stocks outside benchmark	17/35 contributing to 31% of AUM	19/24 contributing to 65% of AUM
Risk Parameters		
Matched Portfolio (Vs. Nifty 50 Index)	44%	15%
Standard Deviation (Vs. benchmark)	0.99x	1.03x
Tracking Error (Nifty 50 Index)	Benchmark aware portfolio Lower tracking error (4.4%)	Benchmark agnostic portfolio Relatively higher tracking error (5.8%)

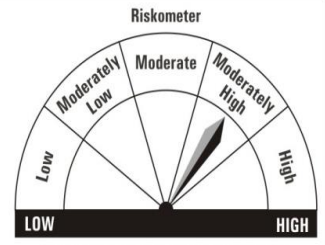
Disclaimer: Past performance may or may not be sustained in the future. Sector(s) / Stock(s) / Issuer(s) mentioned above are for the purpose of disclosure of the portfolio of the Scheme(s) and should not be construed as recommendation. The fund manager(s) may or may not choose to hold the stock/sector/issuer mentioned, from time to time. Investors are requested to consult their financial, tax and other advisors before taking any investment decision(s). Benchmark of both schemes is Nifty 50 Index. Please visit our website www.axismf.com for full portfolio details of the schemes.

Note: 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. Data updated as on 31st Jan 2017. *Large Cap: Large cap > Market Cap of 101st stock by market cap in Nifty 500 Index (currently 19,904 crs); Midcap: Market cap of 400th Stock in Nifty 500 Index (currently 2,248 crs) < Midcap <= Market Cap of 101st stock by market cap in Nifty 500 Index (currently 19,904 crs); Small Cap: Small Cap < = Market cap of 400th Stock in Nifty 500 Index (currently 2,248 crs). The range will be monitored quarterly based on average of last 4 quarters. The range is calculated based on average of last 4 quarters. Data as per Dec 2016 quarter end.

<p>Axis Equity Fund (an open-ended growth scheme)</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • capital appreciation over long term • investment in a diversified portfolio predominantly consisting of equity and equity related instruments <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	<p>Axis Focused 25 Fund (an open-ended equity scheme)</p> <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • capital appreciation over long term • Investment in a concentrated portfolio of equity & equity related instruments of up to 25 companies <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>
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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. The material is prepared for general communication and should not be treated as research report. 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.