



Axis Business Cycles Fund

(An open ended equity scheme following business cycles based investing theme)

NFO opens: 2nd February 2023

NFO closes: 16th February 2023

Fund Name & Benchmark	Product Labelling	Product Risk-o-meter	Benchmark Risk-o-meter
AXIS BUSINESS CYCLES FUND (An open ended equity scheme following business cycles based investing theme) Benchmark: Nifty 500 TRI	This product is suitable for investors who are seeking* <ul style="list-style-type: none">• Capital appreciation over long term• An equity scheme investing in equity & equity related securities with focus on riding business cycles through dynamic allocation between various sectors and stocks at different stages of business cycles in the economy	 <p>Riskometer</p> <p>Investors understand that their principal will be at Very High risk</p>	 <p>Riskometer</p> <p>Investors understand that their principal will be at Very High risk</p> <p>Nifty 500 TRI</p>

Understanding a Business Cycle?



Business cycles in an economy are typically characterized by the fluctuations in economic activity measured by real GDP growth and other macroeconomic variables

A business cycle **determines the fortunes** of a company and by extension the performance of its stock price **over the medium term**

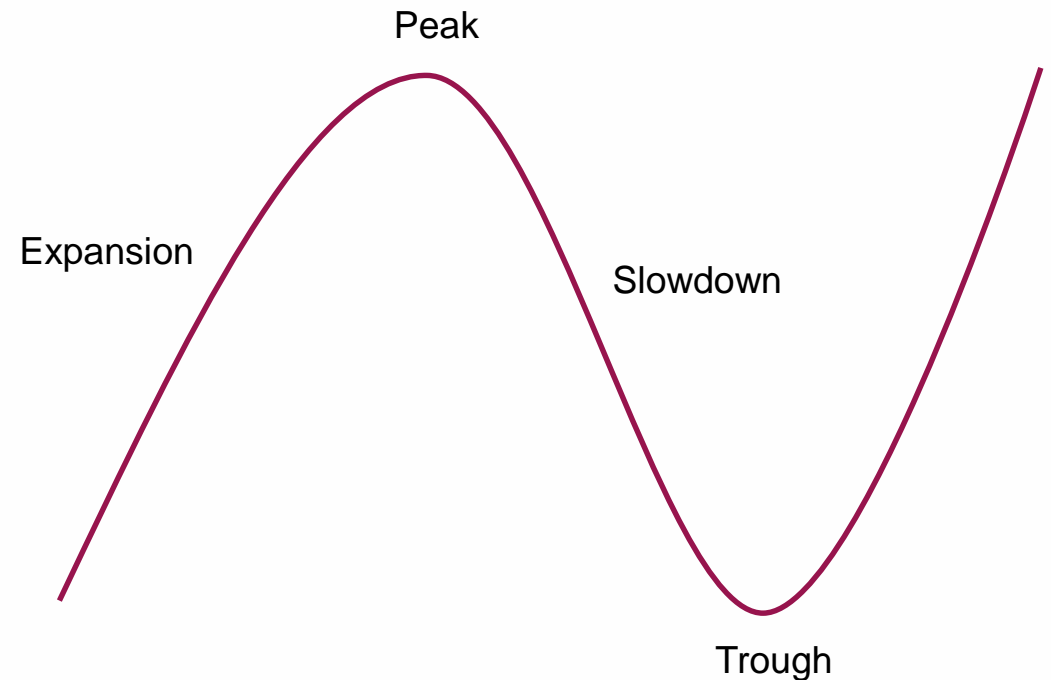


During these ups and downs, individual companies and sectors **often perform differently** depending on various factors affecting their business

A thematic fund targeting '**Business Cycle investing**' aims to create wealth by identifying a portfolio of companies that are most suited to perform within a prevailing business cycle

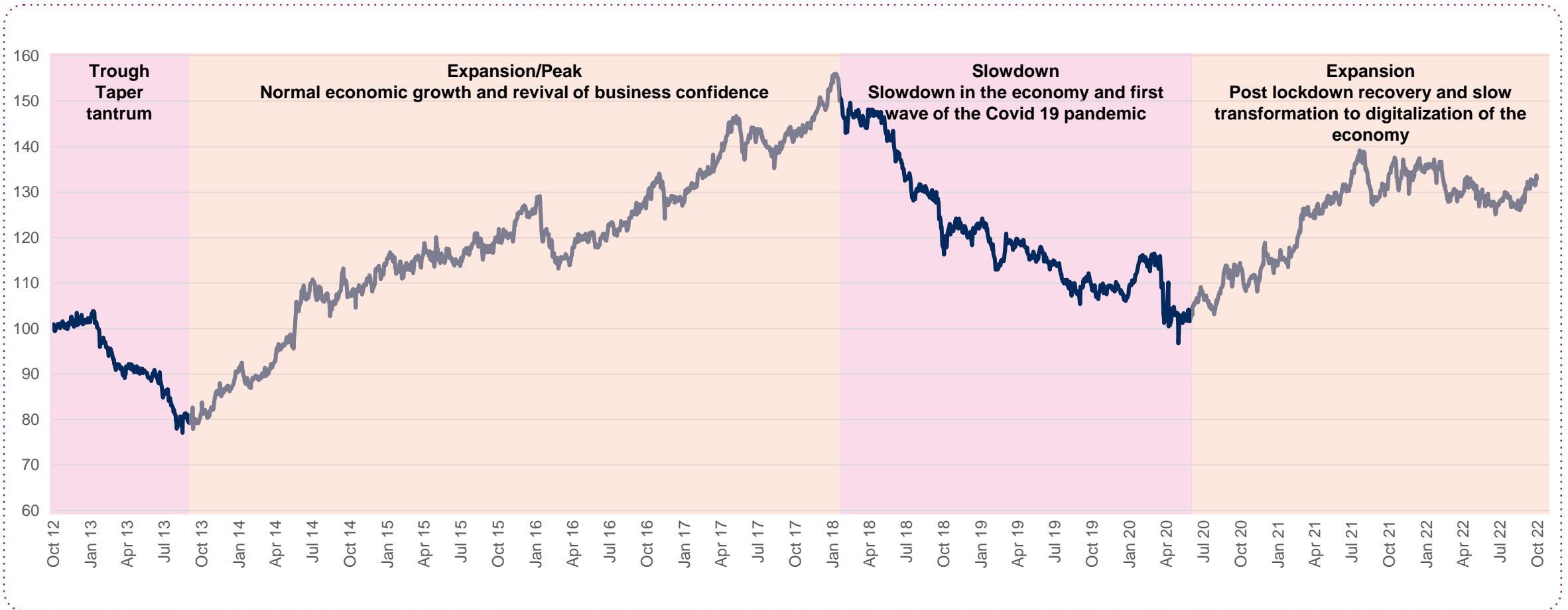


Phases of business cycle



India's Business Cycle

A Lookback at India's growth through a 'business cycle' lens



Source: Bloomberg, Government of India, Axis MF Research. Data as on 31st October 2022

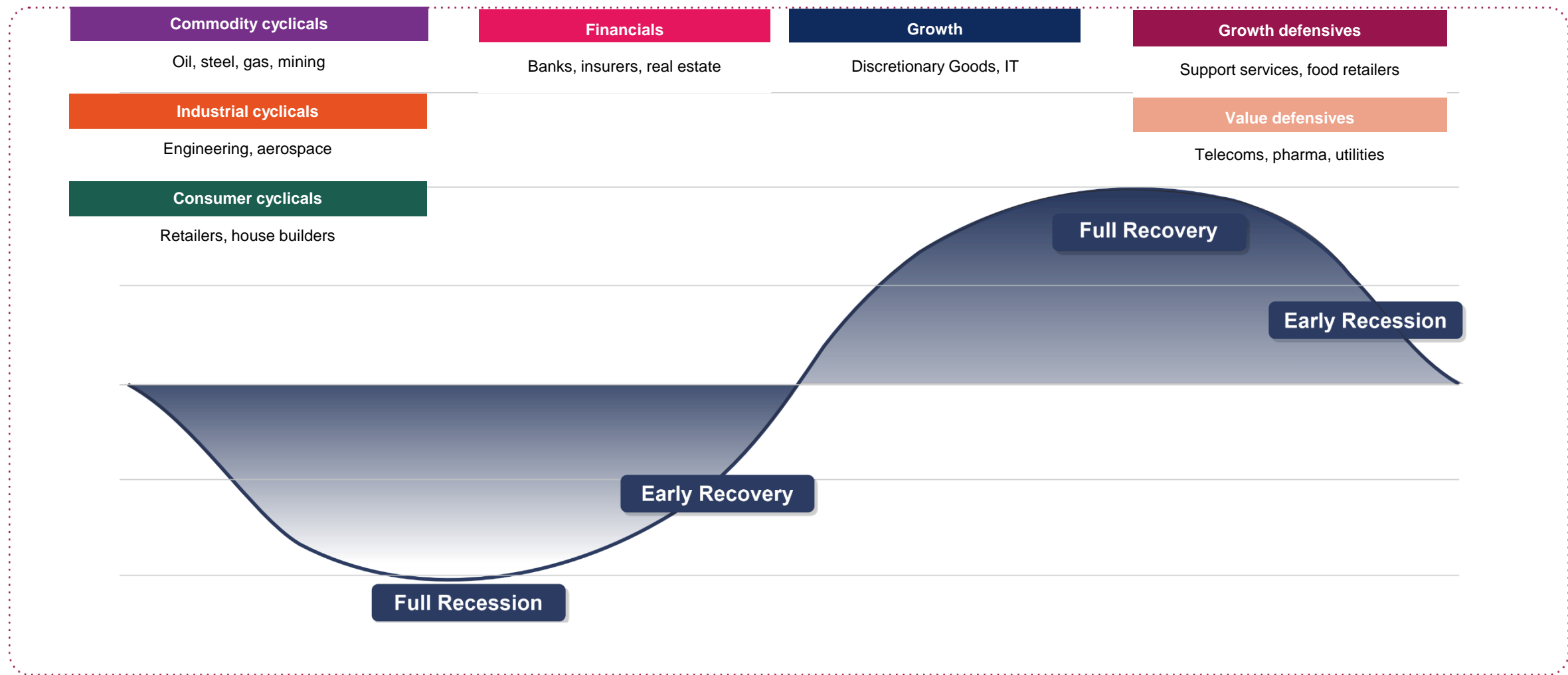
Past performance may or may not be sustained in the future. The trend line indicates MSCI Smallcap rebased to 100 on 31st October 2012. Segmentation into a business cycle is based on an internal evaluation of macro parameters. The Analysis should not be treated as a form of recommendation or investment advice.

Indicators of an Economic cycle

	Expansion	Peak	Slowdown	Trough
Economic Activity	Rebounding	Stabilizing	Declining	Bottoming out
Capacity utilization	Rising	Above Normal	Above normal but falling	Below normal
Credit Growth	Begins to grow	Strong	Declining	Weak
Interest rate	Low	Rising	High	Declining
Unemployment	Declining	Low	Rising	High
Capex	Rise in government capex	Rise in private capex	Moderation in private capex	No private capex, Rise in government capex

Building a Cycle Driven Portfolio

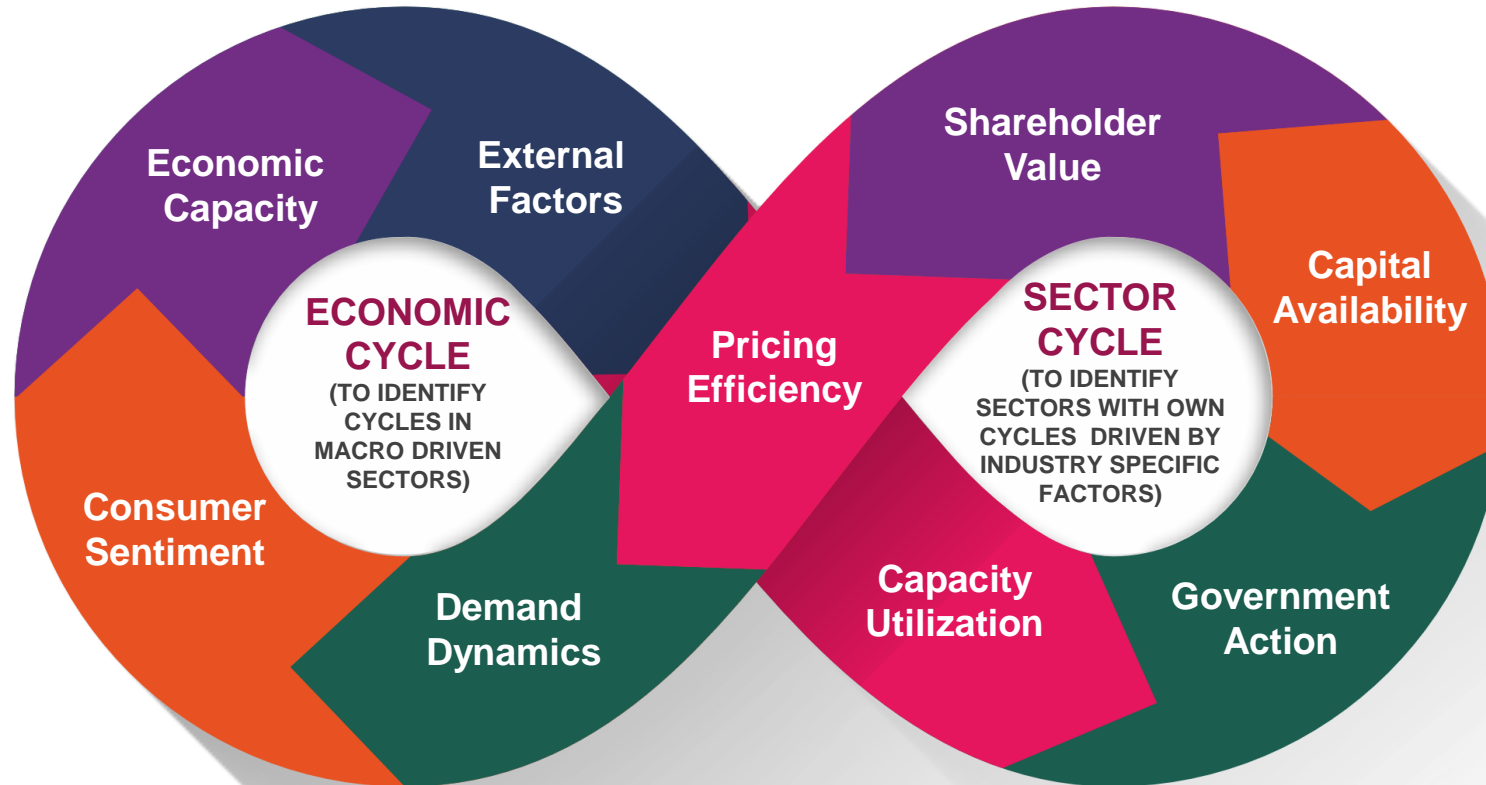
Typical business cycle funds, identifies sectors on the basis of the economic cycle



Source: Bloomberg, Axis MF Research. Chart is for illustrative purposes only
Past performance may or may not be sustained in the future. Segmentation into a business cycle is based on an internal evaluation of macro parameters. Sectors mentioned are for illustrative purposes only. The Analysis should not be treated as a form of recommendation or investment advice.

Investing - A Game of Identification

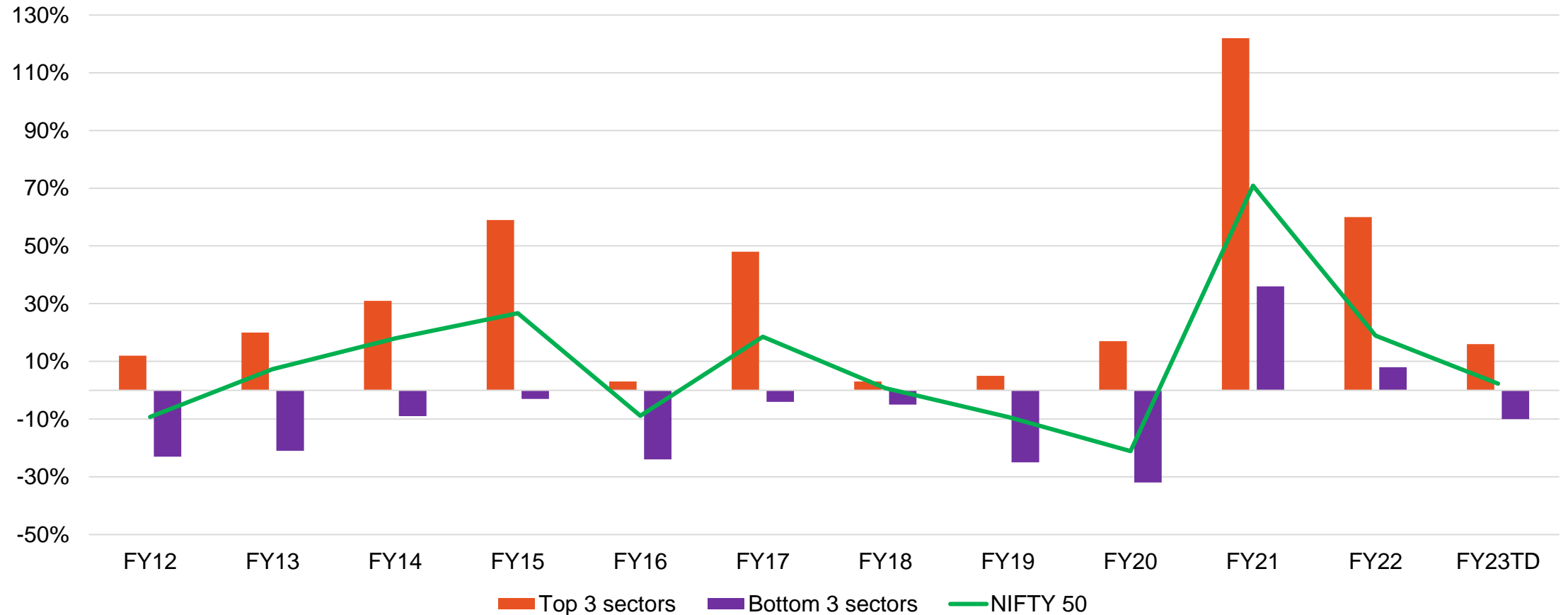
Right place, right time critical to investing success



The fund will endeavour to identify economic trends and sector specific cycles coupled with a bottom up stock specific approach to build a portfolio

Why sector selection is critical?

Favorable alpha* can be generated by picking the right sectors at right time



Source: BSE, NIFTY Indices, Axis MF Research, Data for FY23TD as of 30th November 2022

Past performance may or may not be sustained in the future. BSE sectoral indices used as proxy for sectoral performance. Average of top 3 performing sectors; Average of bottom 3 performing sectors; NIFTY 50 performance for every financial year is considered for the above illustration. *Alpha is defined as the difference between fund returns and benchmark returns. Sectors mentioned are for illustrative purposes only

Sectors do not follow a fixed template

FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23TD
FMCG	FMCG	Capital Goods	Pharma	Cons Durables	Metals	Cons Durables	Pharma	Telecom	Metals	Power	Capital Goods
Auto	Pharma	Auto	Cons Durables	IT	Oil & Gas	Capital Goods	Power	Auto	Auto	Utilities	Auto
Pharma	IT	IT	Auto	FMCG	Infra	Power	Utilities	Power	IT	Metals	FMCG
Cons Durables	Banks	Pharma	Capital Goods	Oil & Gas	Cons Durables	Infra	Infra	Metals	Realty	Telecom	Banks
Infra	Cons Durables	Telecom	Banks	Auto	Banks	Banks	Telecom	Infra	Capital Goods	Realty	Nifty
IT	Nifty	Nifty	IT	Utilities	Utilities	Telecom	Oil & Gas	Utilities	Infra	IT	Power
Telecom	Oil & Gas	FMCG	Nifty	Nifty	Realty	Utilities	Auto	Capital Goods	Power	Capital Goods	Telecom
Nifty	Realty	Metals	Telecom	Banks	Power	Oil & Gas	Nifty	Oil & Gas	Pharma	Cons Durables	Cons Durables
Banks	Infra	Oil & Gas	Power	Pharma	Capital Goods	FMCG	FMCG	Pharma	Nifty	Infra	Pharma
Utilities	Auto	Banks	Utilities	Telecom	Auto	Nifty	Banks	FMCG	Banks	Oil & Gas	Realty
Oil & Gas	Capital Goods	Power	FMCG	Power	FMCG	Realty	Capital Goods	Nifty	Cons Durables	Nifty	Utilities
Power	Telecom	Utilities	Realty	Infra	Nifty	Auto	Metals	Realty	Utilities	Pharma	Infra
Realty	Utilities	Infra	Infra	Metals	Pharma	Metals	IT	Banks	Oil & Gas	Banks	Oil & Gas
Capital Goods	Power	Cons Durables	Oil & Gas	Capital Goods	Telecom	IT	Realty	IT	Telecom	Auto	IT
Metals	Metals	Realty	Metals	Realty	IT	Pharma	Cons Durables	Cons Durables	FMCG	FMCG	Metals

Source: BSE, NIFTY Indices, Axis MF Research, Data for FY23TD as of 30th November 2022

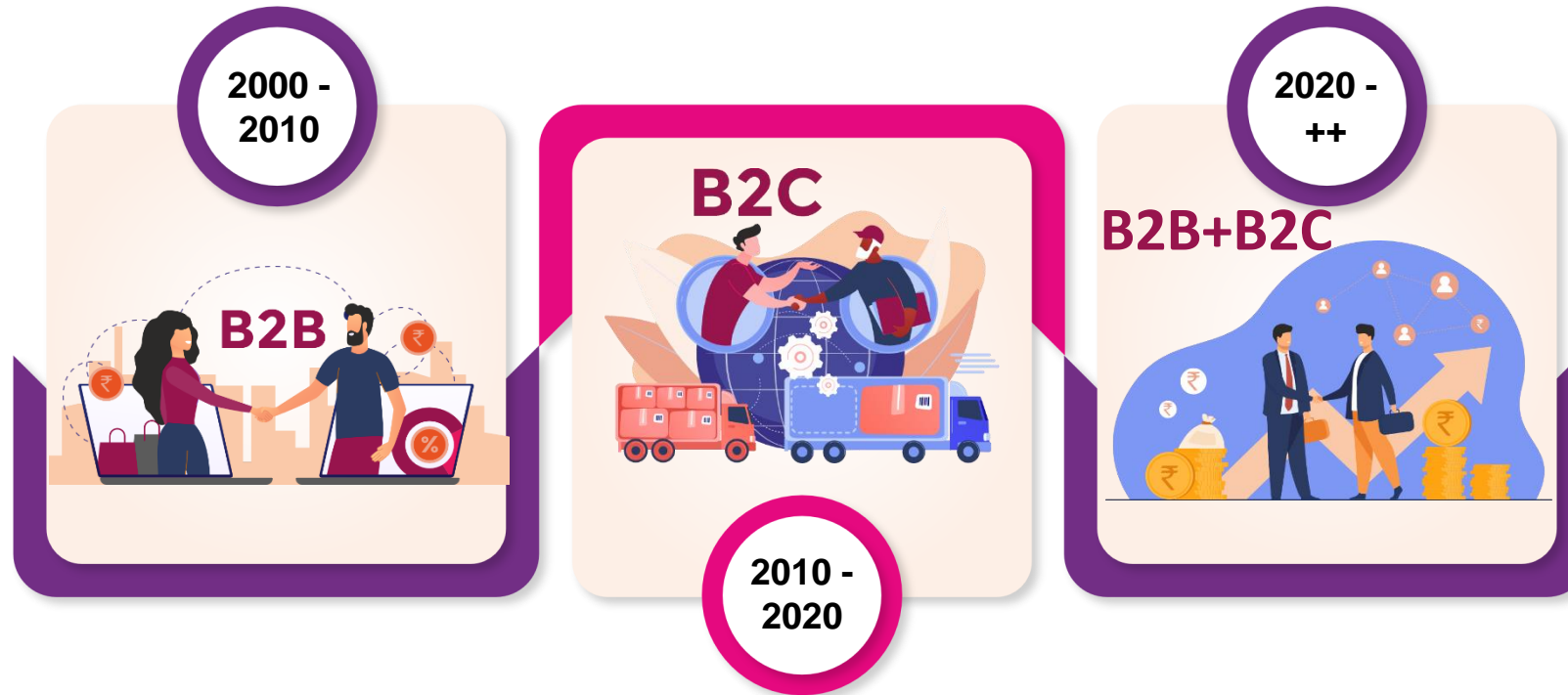
Past performance may or may not be sustained in the future. BSE sectoral indices used as proxy for sectoral performance. Sectors mentioned are for illustrative purposes only. IT – Information Technology, FMCG – Fast Moving Consumer Goods

The Current Business Cycle



The Current Context

How We See India's Business Cycle Today?



Source: Axis MF Research. Picture is for illustrative purpose only. B2B – Business to Business; B2C – Business to Consumer; B2B + B2C – Business to Business to Consumer

B2B V/s B2C

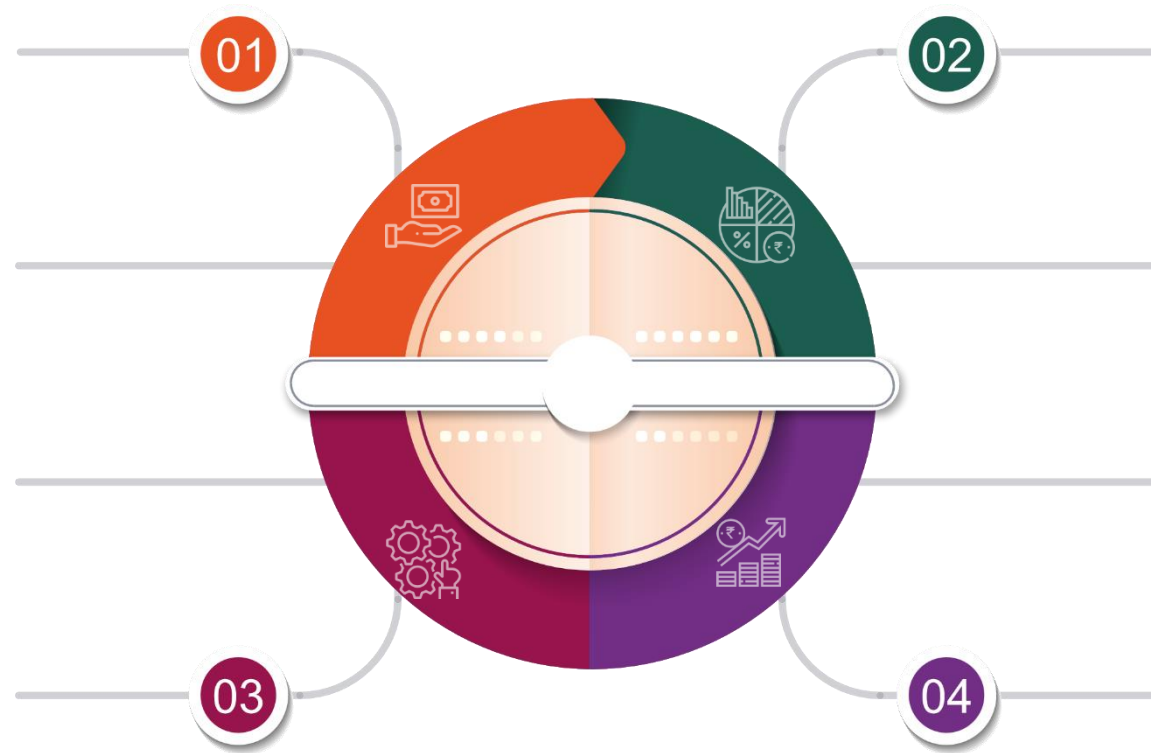
Investing Differences

B2C companies typically have pricing power and stable margins

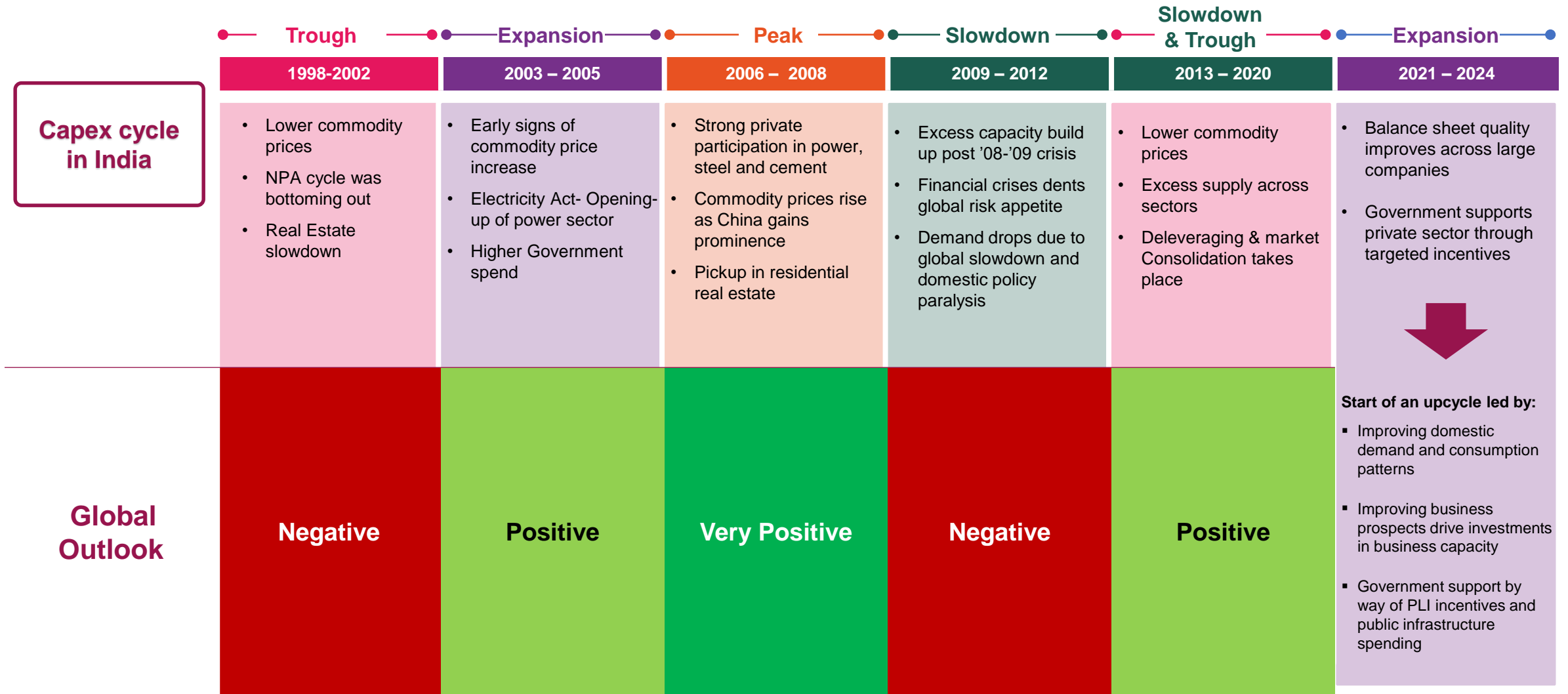
B2C companies typically have relatively a lower debt profile

B2B business models typically have cyclicalities due to the overall demand environment

B2B business can often be capital intensive businesses and might have longer gestation cycles



Multiple drivers for investment cycle pick-up



Factors Expected To Unleash Capex Upcycle

48%

Low Corporate debt/
GDP

18.4%

Low Household
debt to GDP

Decadal high sales in
real estate and Best
affordability in
25 years

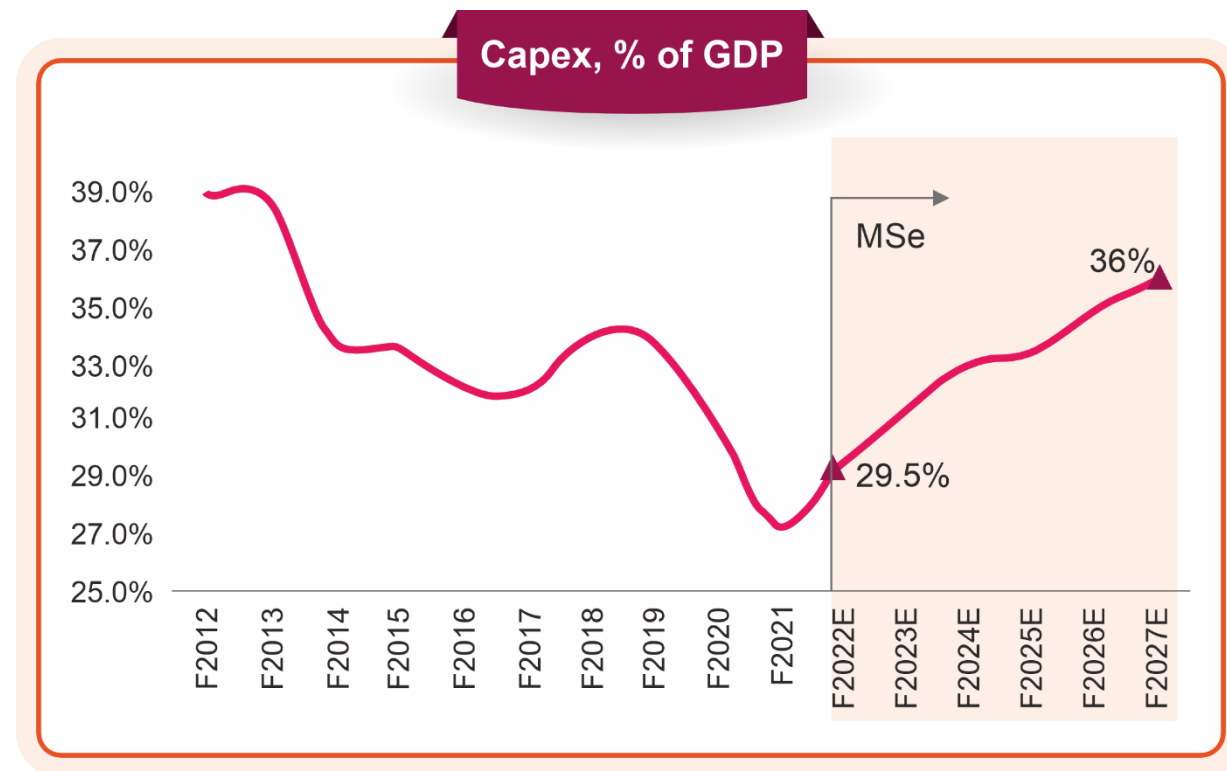
Private consumption is
7.5% above
pre-pandemic levels

Export share has
risen to **2.2%**

Pickup in Supply-side
Government Reforms

Impaired loans at
10-year low

Capacity utilization
@78.4 above
long term average



Total Capex as a share of GDP is expected to leapfrog to 36% of GDP FY27 from 29.5% of GDP in FY22

Source: Morgan Stanley, Data as of 31st October 2022

Past performance may or may not be sustained in the future. 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. Mse – Morgan Stanley estimates

Key focus areas

4 Pronged Investment Opportunity



Integrating India in global supply chain



Made In India



Rapid infrastructure ramp up



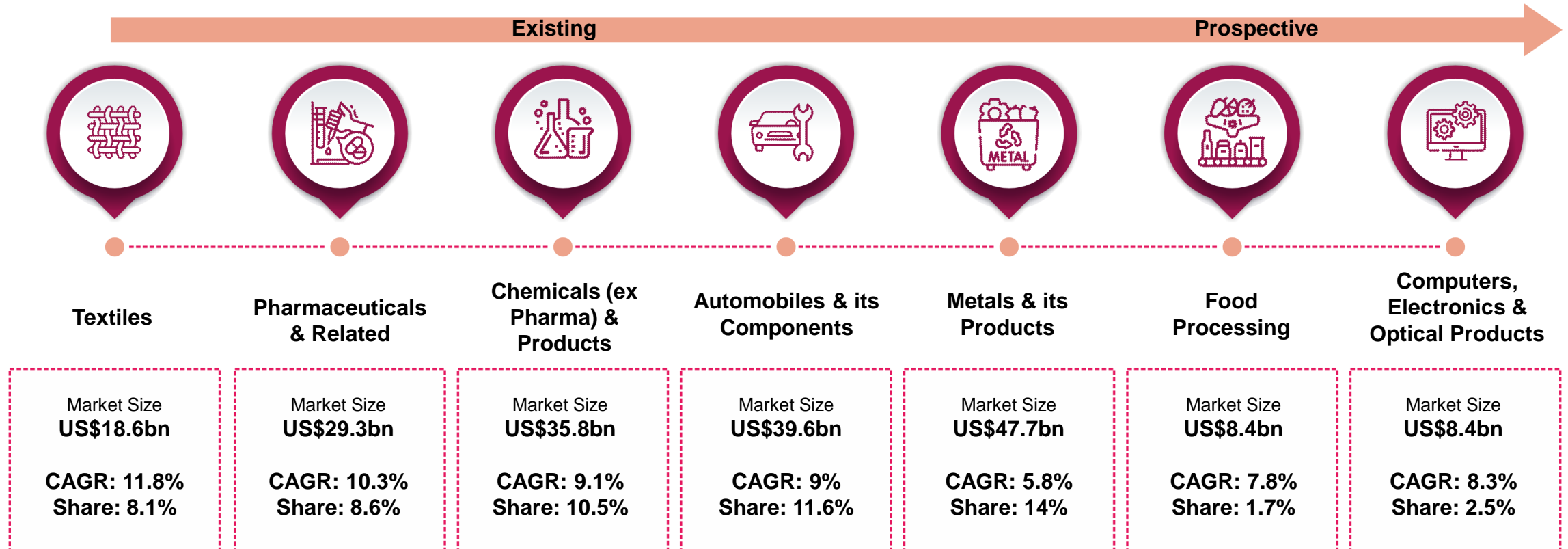
Focusing on de-carbonisation

Integrating India in global supply chain



India's export market share is expected to rise from 2.2%(2021) to 4.5% by 2031

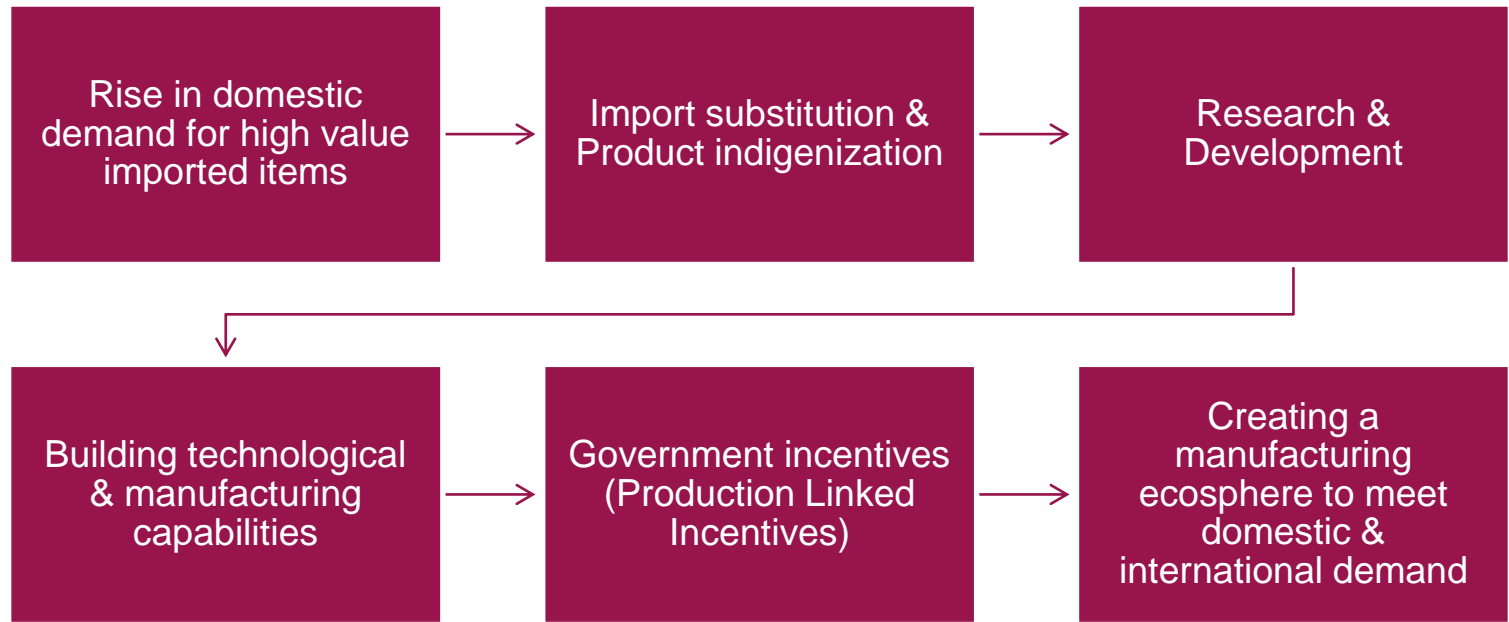
This implies that the **next decade** may be led by the manufacturing sector, just as the 2000s were led by the emergence of new service sectors.



Source: CSO, CMIE Axis MF Research. Note: Market size is as of F21 and CAGR is for F2012-2021. Share is the share of respective sectors in manufacturing GVA; **Past performance may or may not be sustained in the future.** Sectors mentioned are for illustrative purposes only. The Analysis should not be treated as a form of recommendation or investment advice. CAGR – Compounded annual growth rate

Made In India

India is holistically addressing issues around production. Focusing on indigenization, launching PLI scheme may provide potential to lower fiscal & current account deficits

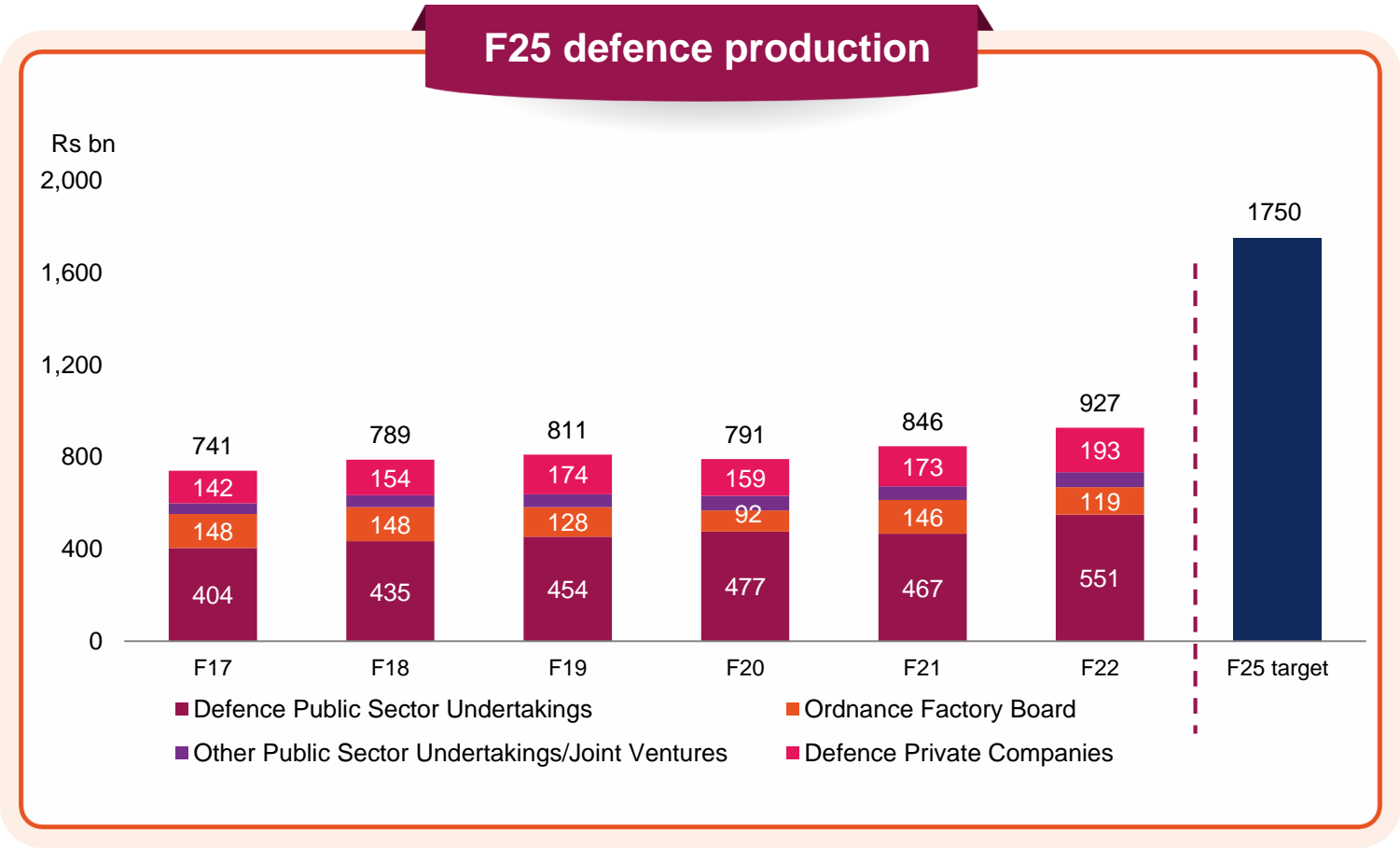


Sectors exposed to this theme:

- Chemicals
- Machinery and Equipment
- Auto Ancillaries
- Electronics

Source: CSO, AxisMF Research; **Past performance may or may not be sustained in the future.** Sectors mentioned are for illustrative purposes only. The Analysis should not be treated as a form of recommendation or investment advice. Indigenization - Indigenization is the act of making something more native

Defence - Strong thrust toward local manufacturing

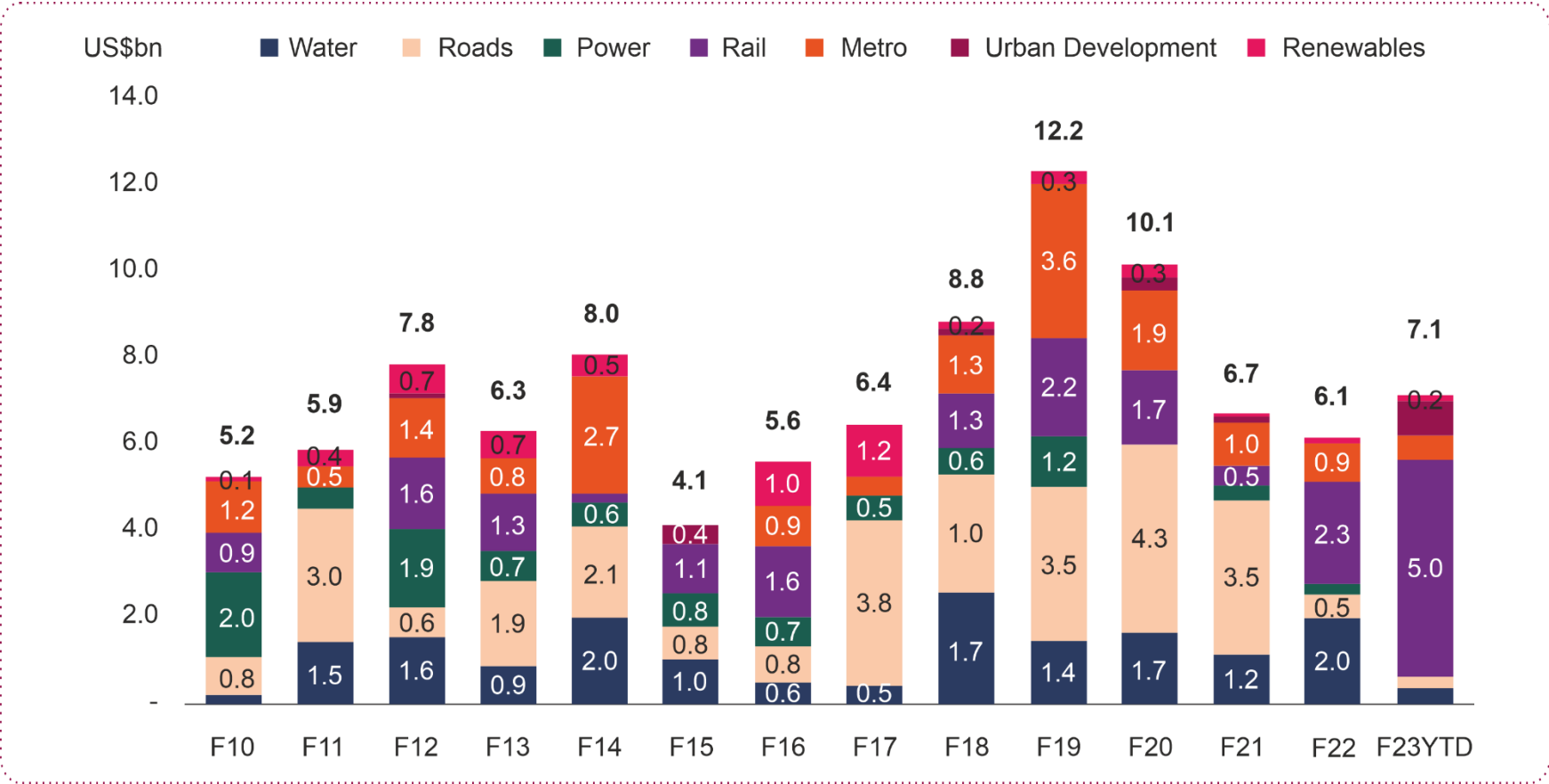


- The government has plans to procure Rs 5 lakh crore of military equipment domestically over the next 5 years.
- It is currently also reviewing all 'Buy Global' (termed by the government) products for indigenization.
- The target is to reach zero imports and 90% of equipment approvals over the last two years have been for 'Make in India' products.

Source: Ministry of Defence, Axis MF Research. Data as on 31st October 2022

Rapid infrastructure ramp up

Multilateral funding to infra



Government Infra focus through NIP, NMP, PM Gatishakti & others.

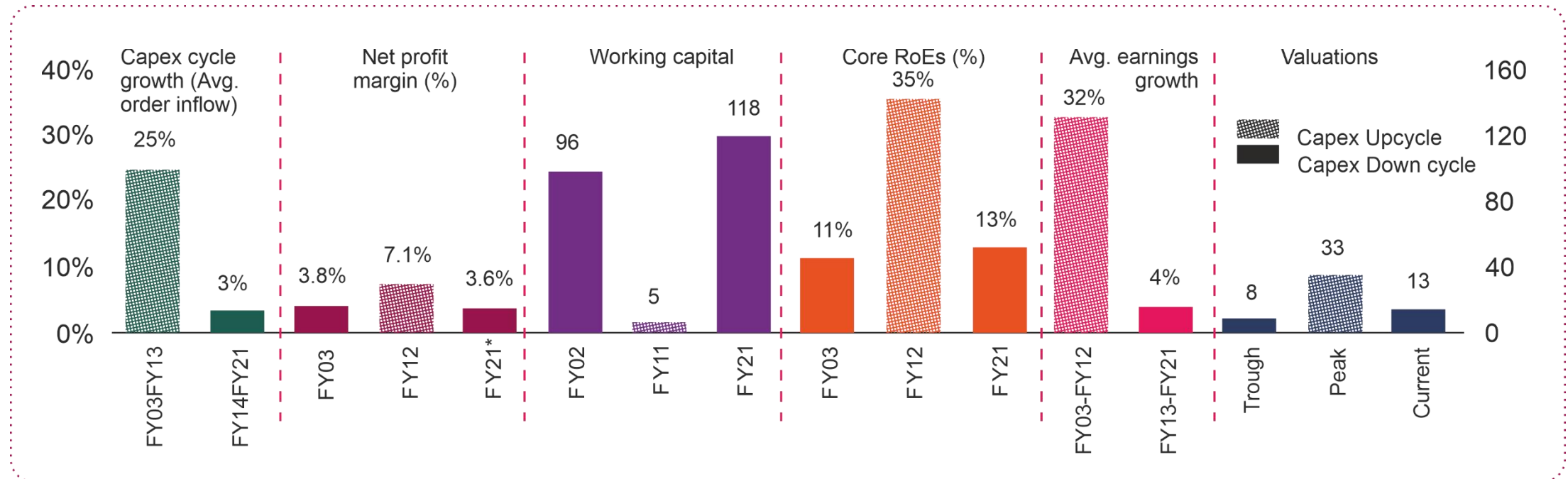
Source: BofA, Axis MF Research. Data as on 31st October 2022. **Past performance may or may not be sustained in the future.** Sectors mentioned are for illustrative purposes only. The Analysis should not be treated as a form of recommendation or investment advice

Advantage → Heavy Industries

Multilateral funding to infra



Historically in a capex upcycle, Industrial sector's margins double, working capital reduces by 20x, ROEs triple and valuation multiples quadruples



Sectors exposed to this theme:

Industrials

Railways

Electricals

Metals

Utilities

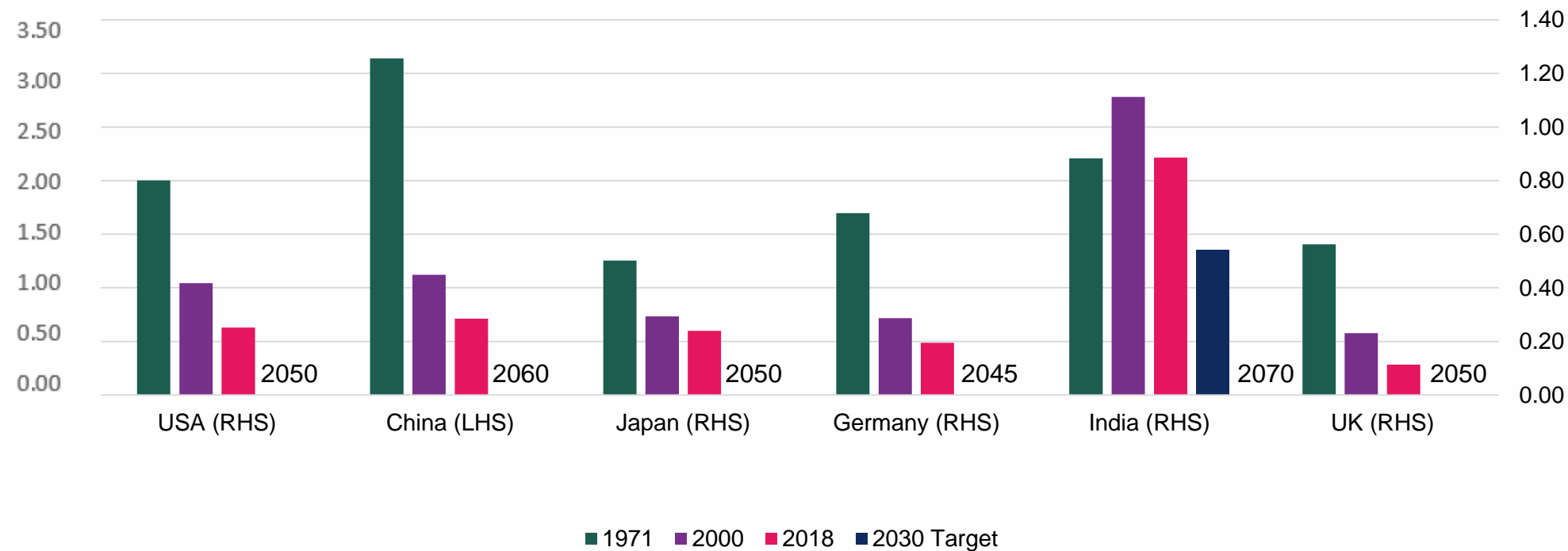
Source: BofA Global Research Company - L&T, **Past performance may or may not be sustained in the future.** Sectors mentioned are for illustrative purposes only. Note: *FY21 other income inflated on back of extraordinary cash buffers maintained by L&T Adjusted to normal run rate by assuming 50% post tax other income.

Focus on de-carbonization

India now aligned with large economies on de-carbonization efforts



CO2 emission/ GDP & carbon neutral targets



Source: BofA Global Research, **Past performance may or may not be sustained in the future.** Sectors mentioned are for illustrative purposes only. The Analysis should not be treated as a form of recommendation or investment advice. RHS – Right Hand Side; LHS – Left Hand Side;

Focus on de-carbonization



Business theme	Sub-theme	Key products/ service
Energy efficiency	Industries	Motors, drives, robots, sensors, automation and control systems
	Buildings	Building Management system, retrofits
Emission reduction	Power gensets	CPCB IV complaint diesel gensets, natural gas gensets
	Highly polluting industries	Electrostatic precipitators, Flue-gas desulfurizers, waste-heat recovery systems
Renewable Energy	Increasing share of renewables in electricity mix	EPC, design and O&M
		Automation and control systems
		High energy materials and power density
		Equipment providers in transmission and distribution

Sectors exposed to this theme:

- Renewables
- Industrials
- Automation

Past performance may or may not be sustained in the future. Sectors mentioned are for illustrative purposes only. The Analysis should not be treated as a form of recommendation or investment advice

Introducing Axis Business Cycles Fund

(An open ended equity scheme following business cycles based investing theme)



Business Cycle Investing

A Case for Conviction Driven Investing



Forward Looking Investing

- Focus on Medium term Growth triggers
- Identify opportunities to benefit from earnings upgrades and/or valuation re-rating



Need For High Conviction

- Meaningful allocation to sectors basis research indicators
- Always Plan for Contingency - Nothing goes to Plan. Plan to diversify

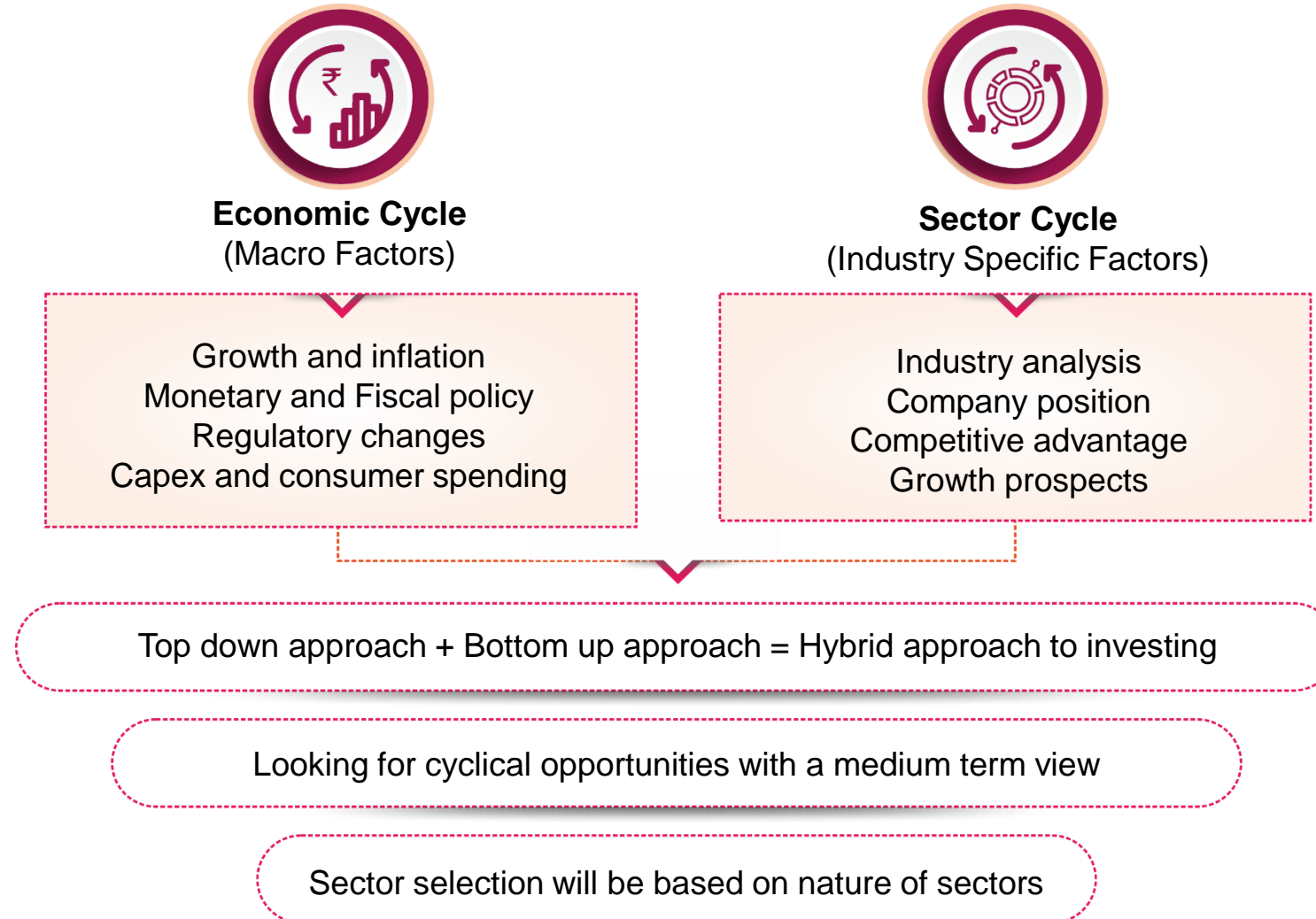


Sell Discipline

- Restructure portfolios once industry cycle plays out
- Transition to new portfolio basis a changing business cycle

Investment Approach

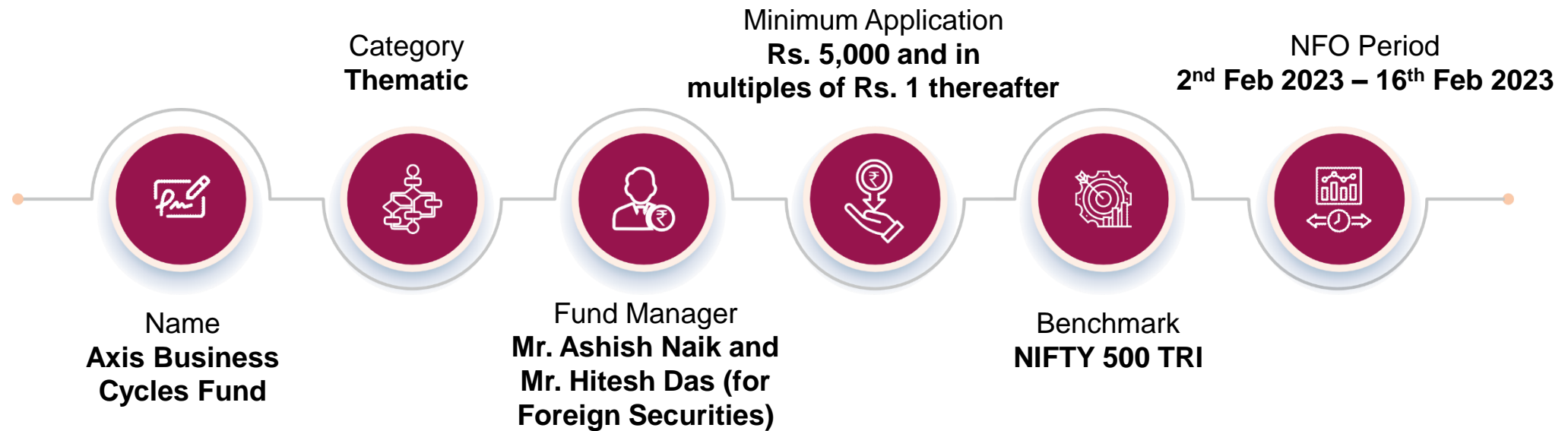
Our Approach to Business Cycle Investing



Why Axis Business Cycles Fund?

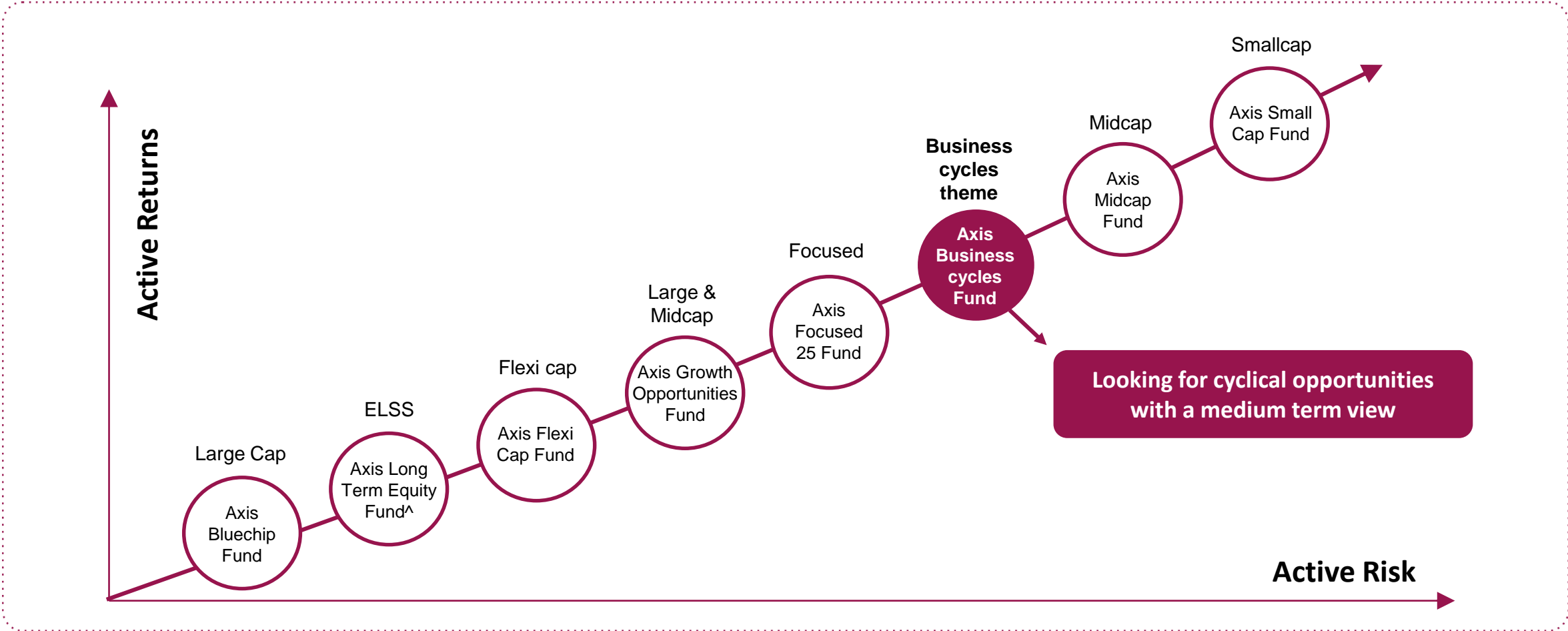


Fund Facts




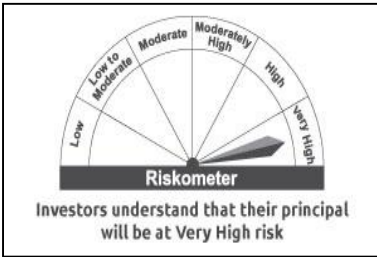
Axis Strategies

The right strategy for the right time



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. ^Open-ended Equity-Linked Savings Scheme with a 3-year lock in. The bubbles in the chart are proportionate to their sizes respectively. Market caps are defined as per SEBI regulations as below: a. Large Cap: 1st -100th company in terms of full market capitalization. b. Mid Cap: 101st -250th company in terms of full market capitalization. c. Small Cap: 251st company onwards in terms of full market capitalization. Please refer annexure for type of scheme for each of the above-mentioned schemes.

Product Labelling

Fund Name & Benchmark	Product Labelling	Product Risk-o-meter	Benchmark Risk-o-meter
AXIS BUSINESS CYCLES FUND (An open ended equity scheme following business cycles based investing theme) Benchmark: Nifty 500 TRI	This product is suitable for investors who are seeking* <ul style="list-style-type: none"> • Capital appreciation over long term • An equity scheme investing in equity & equity related securities with focus on riding business cycles through dynamic allocation between various sectors and stocks at different stages of business cycles in the economy 	 <p>Riskometer Investors understand that their principal will be at Very High risk</p>	 <p>Riskometer Investors understand that their principal will be at Very High risk</p> <p>Nifty 500 TRI</p>

*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

Product Labelling

Axis Bluechip Fund

(An open Ended equity scheme predominantly investing in large cap stocks)

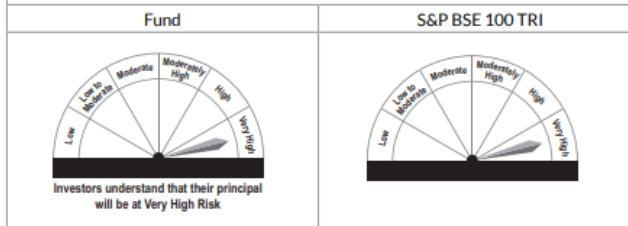
Benchmark: S&P BSE 100 TRI

This product is suitable for investors who are seeking*

- Capital appreciation over long term
- Investment in a diversified portfolio predominantly consisting of equity and equity related instruments of large cap companies

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

Riskometer



Axis Focused 25 Fund

(An open Ended equity scheme investing in maximum 25 stocks investing in large cap, mid cap and small cap companies)

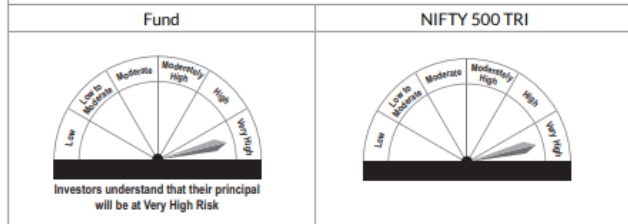
Benchmark: NIFTY 500 TRI

This product is suitable for investors who are seeking*

- Capital appreciation over long term
- Investment in a concentrated portfolio of equity & equity related instruments of up to 25 companies.

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

Riskometer



Axis Growth Opportunities Fund

(An open Ended equity scheme investing in both large cap and mid cap stocks)

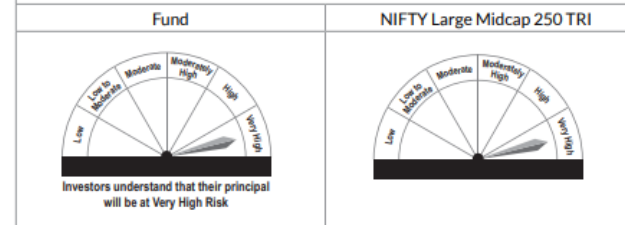
Benchmark: NIFTY Large Midcap 250 TRI

This product is suitable for investors who are seeking*

- Capital appreciation over long term
- Investment in a diversified portfolio predominantly consisting of equity and equity related instruments both in India as well as overseas.

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

Riskometer



Axis Flexi Cap Fund

(An Open Ended Dynamic Equity scheme investing across Large cap, Mid cap, Small cap stocks)

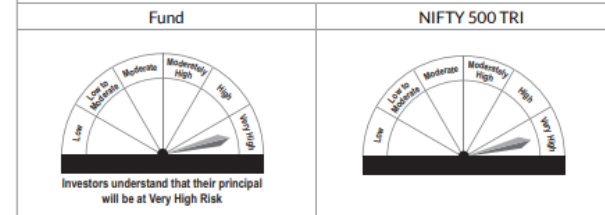
Benchmark: NIFTY 500 TRI

This product is suitable for investors who are seeking*

- Capital appreciation over medium to long term
- Investment in a dynamic mix of equity and equity related instruments across market capitalization.

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

Riskometer



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

Product Labelling

Axis Long Term Equity Fund

(An Open Ended Equity Linked Savings Scheme With A Statutory Lock In Of 3 Years And Tax Benefit)

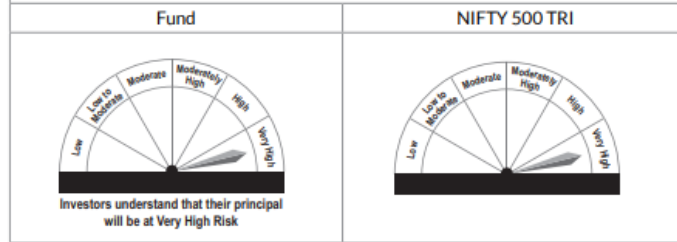
Benchmark: NIFTY 500 TRI

This product is suitable for investors who are seeking*

- Capital appreciation & generating income over long term
- Investment in a diversified portfolio predominantly consisting of equity and equity related instruments.

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

Riskometer



Axis Midcap Fund

(An Open Ended Equity Scheme Predominantly Investing In Mid Cap Stocks)

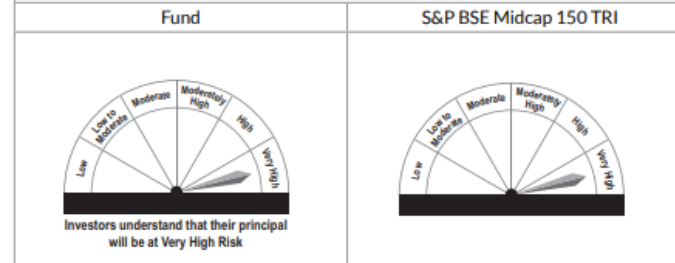
Benchmark: S&P BSE Midcap 150 TRI

This product is suitable for investors who are seeking*

- Capital appreciation over long term
- Investing predominantly in equity & equity related instruments of Mid Cap companies.

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

Riskometer



Axis Small Cap Fund

(An open ended equity scheme predominantly investing in small cap stocks)

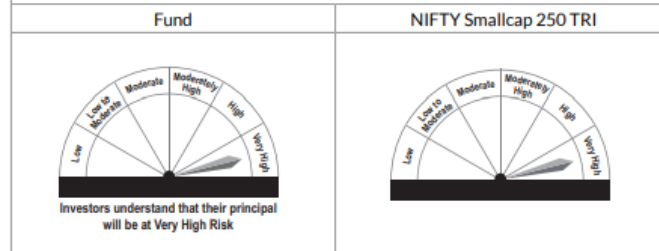
Benchmark: NIFTY Smallcap 250 TRI

This product is suitable for investors who are seeking*

- Capital appreciation over long term
- Investment in a diversified portfolio predominantly consisting of equity and equity related instruments of small cap companies

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

Riskometer



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

Disclaimer and Risk Factors

Data as on 30th Nov 2022.

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 mentioned, from time to time. Investors are requested to consult their financial, tax and other advisors before taking any investment decision(s).

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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. 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.

Thank You