

Diversify your portfolio with investments in SDLs from across the country.



AXIS NIFTY SDL SEPTEMBER 2026 DEBT INDEX FUND

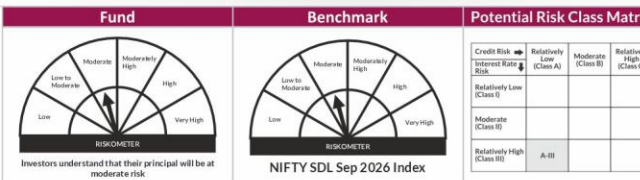
(An open-ended target maturity debt index fund predominantly investing in constituents of NIFTY SDL - Sep 2026 Index. A Relatively High Interest Rate Risk and Relatively Low Credit risk.)

Benchmark: NIFTY SDL Sep 2026 Index

This product is suitable for investors who are seeking*:

- Income over long term.
- Investments in State Development Loans (SDLs) similar to the composition of NIFTY SDL Sep 2026 Index, subject to tracking errors.

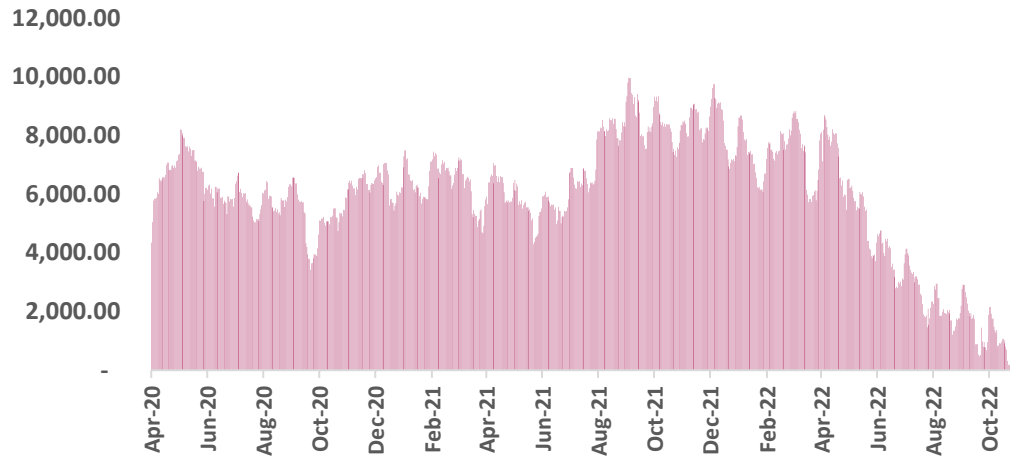
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



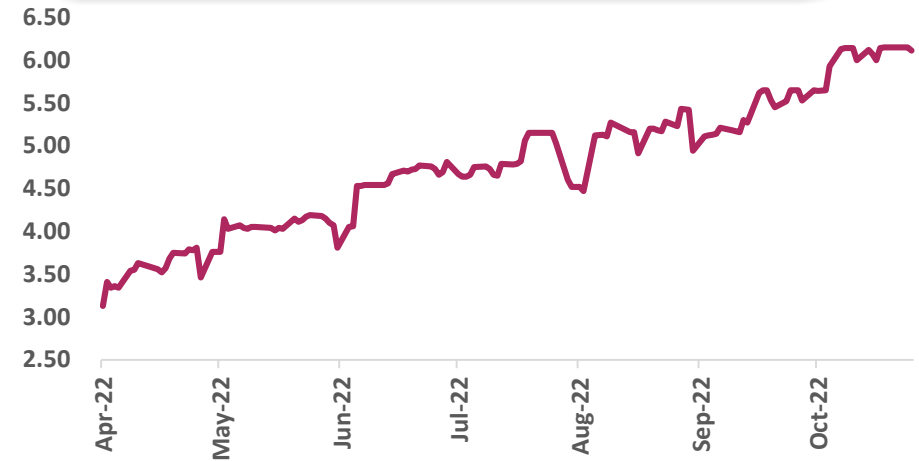
The product labelling assigned during the New Fund Offer is based on internal assessment of the Scheme Characteristics or model portfolio and the same may vary post NFO when actual investments are made.

Current Fixed Income Landscape

Covid related liquidity measures reversed



Operative rates risen by 300 bps



Policy Actions focused on inflation

RBI reversed most of the covid related policy action

Withdrawal of accommodation in a phased manner by reduction of system liquidity

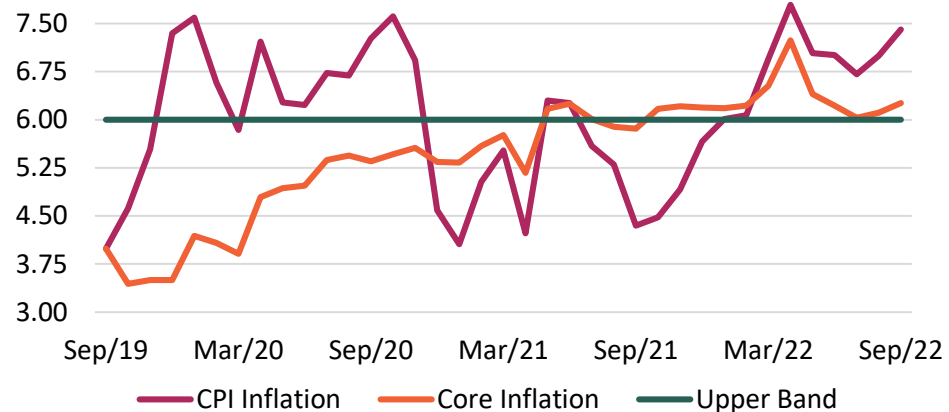
Rate hikes to tackle inflation while supporting growth

Trigger # 1: Inflation

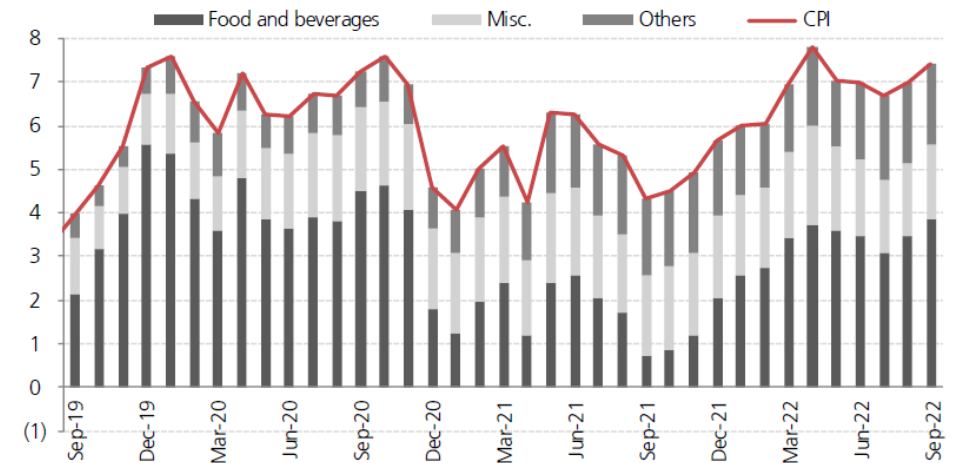
Medium Term Inflation Outlook remains uncertain

- Inflation numbers for the month of Sep '22 came at 7.4%; way above RBI's tolerance band of 2-6%
- Inflation now majorly domestically driven due to food prices and is unlikely to sustain at this level for a long time.
- Monetary policy effect will trickle down soon on these numbers.
- FY23 inflation projection retained at 6.7%

Headline & Core inflation continue to remain Elevated



Food inflation remains key driver of CPI inflation



Trigger # 2: Global Central Banks

Hawkish Stance by Central Banks across the world

- Aggressive rate hikes seen by global central banks across the world to combat inflation.
- US Fed hiked rates by 0.75% thrice in this year taking its policy rate to 3.25% in a span of 4 months and is expected to remain hawkish over the next few policies.
- The European central bank raised its rate by another 75 bps in Oct 2022 as inflation surges to an all time high
- 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 Since Apr 2022 (In Bps)
USA	3.25	275
Australia	2.60	260
Canada	3.75	325
Eurozone	2.00	200
India	5.90	190
UK	2.25	150
Japan	-0.10	Nil

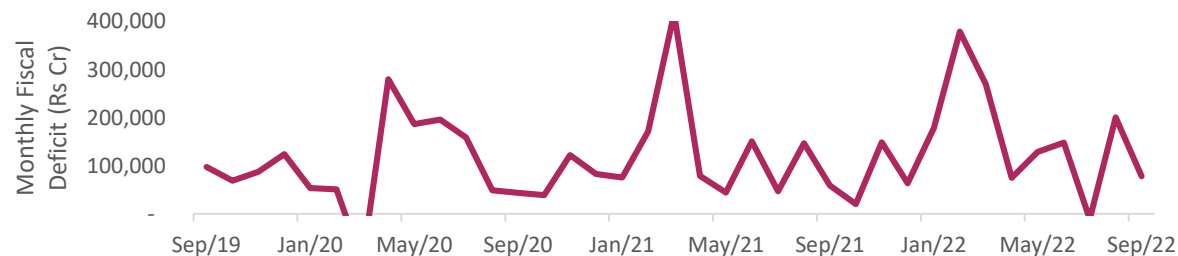
Current Market Focus

MPC Action

RBI raised the repo rate by 190 bps between Apr '22 to Sep '22. The decisions were largely in line with the focus on withdrawal of accommodation to combat inflation, while supporting growth.

Policy Action	Apr '22	Sep '22
Policy Repo Rate	4.00%	5.90%
Standing Deposit Facility	3.75%	5.65%
Marginal Standing Facility	4.25%	6.15%

Government Finances – Fiscal Deficit in line



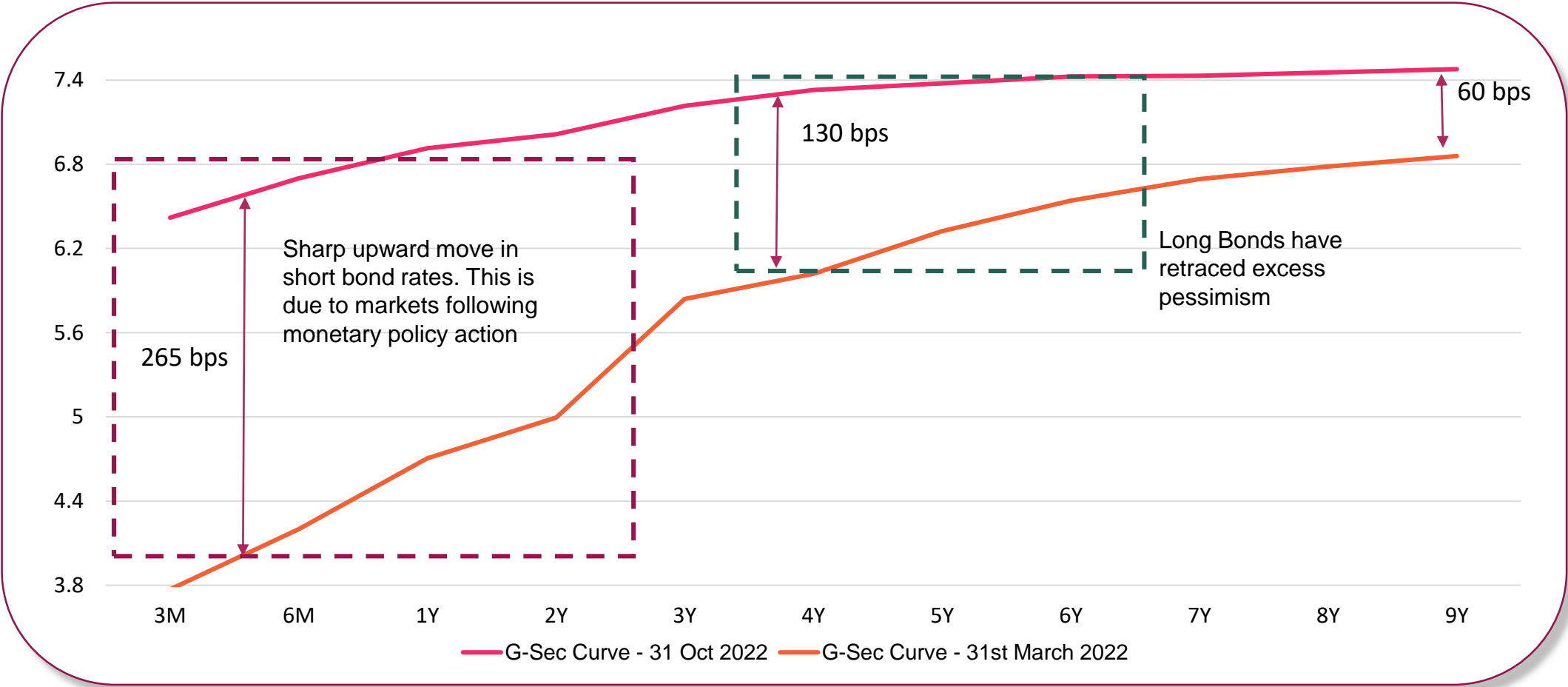
Currency

Although the INR has depreciated in the last 1 year against the dollar, the emerging markets have clearly outperformed those in G9.

Currency	YTD%
Russian Ruble	20.23
Brazil Real	4.61
Mexican Peso	2.66
Indonesian Rupiah	-7.95
Canadian Dollar	-8.57
Swiss Franc	-8.89
Indian Rupee	-9.79
China Renminbi	-11.74
Australian Dollar	-14.09
Euro	-14.33
Danish Krone	-14.34
British Pound	-16.83
Norwegian Krone	-17.04
South Korean Won	-17.10
New Zealand Dollar	-18.12
Swedish Krona	-19.89
Japanese Yen	-22.61

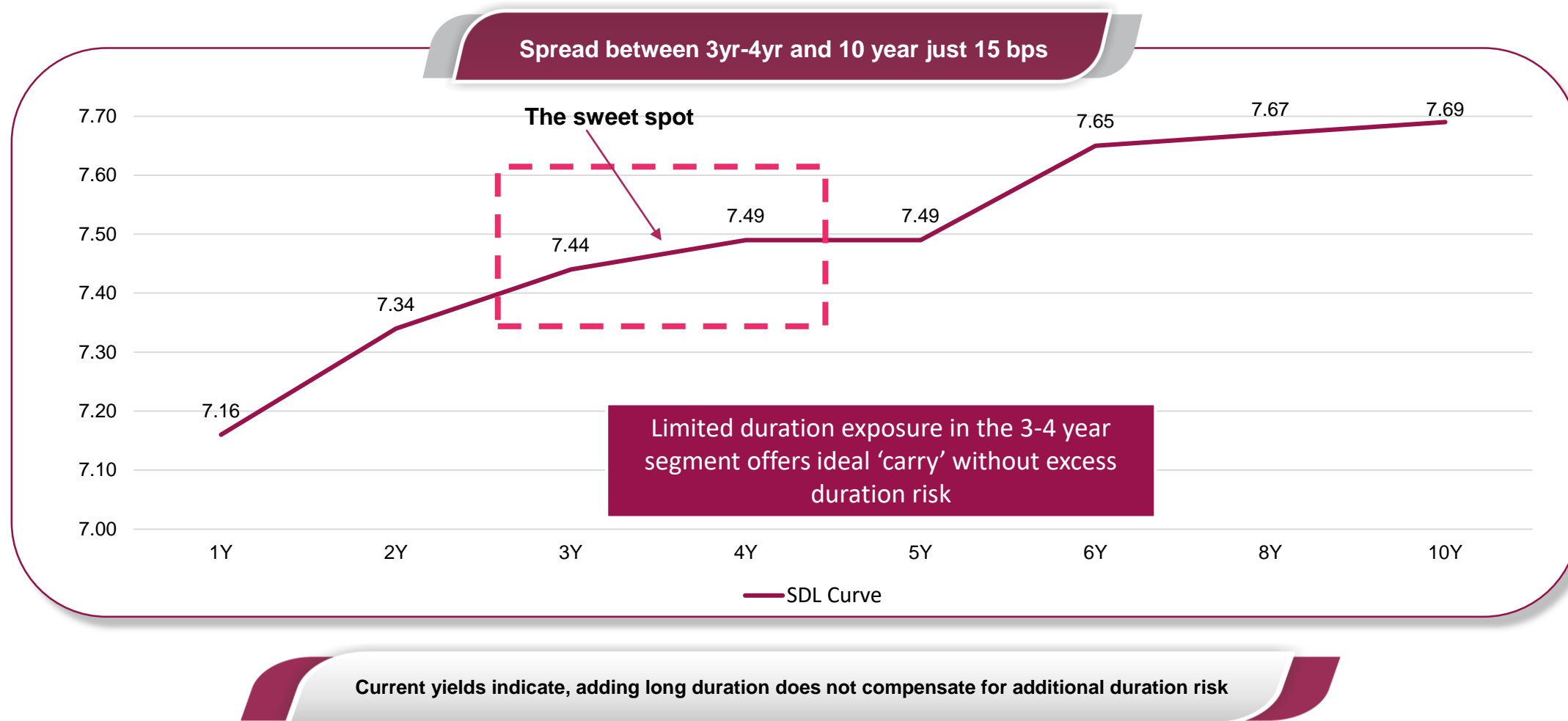
How have markets reacted?

Yield curve is flat



How have markets reacted?

Playing the 'Belly of the Curve'



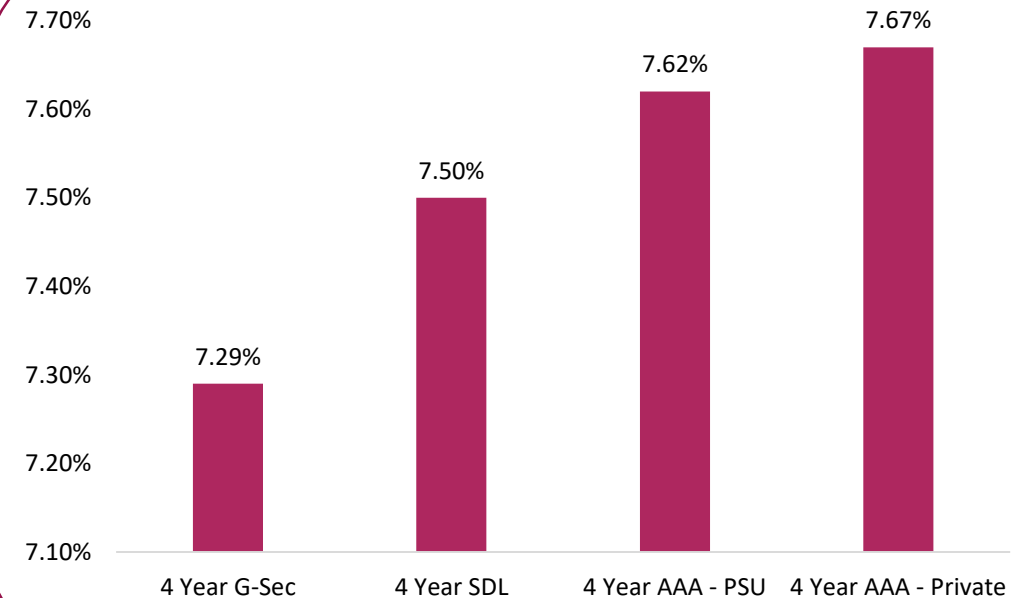
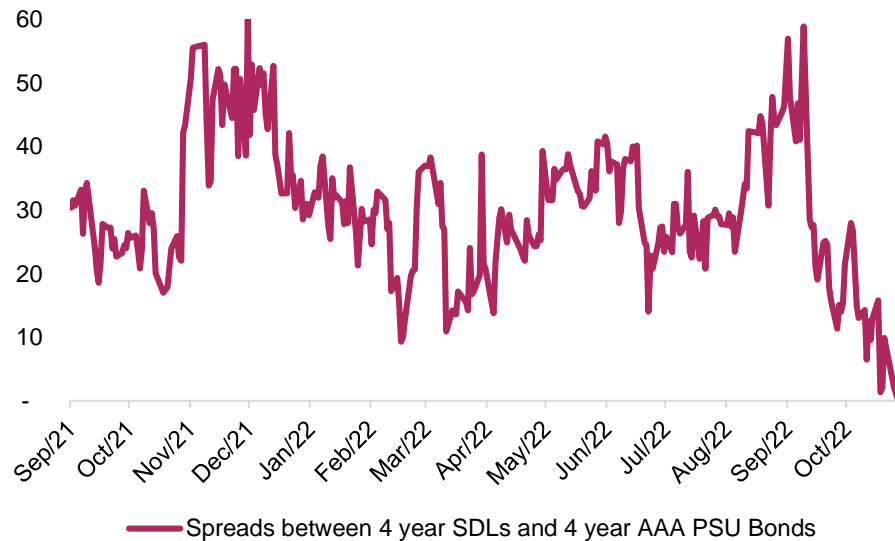
Source: Bloomberg, Axis MF Research. Data as of 28th October 2022. The above graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

Why invest in SDLs?

- Quasi Sovereign instruments with minimal default risk
- Positive demand supply dynamics

- Credit spreads V/s SDL's insignificant
- Risk reward in the 4 year segment favorable

AAA PSU Bonds vs SDLs



Axis Nifty SDL September 2026 Debt Index Fund



About the Index – Nifty SDL - Sep 2026

Overview

- **Nifty SDL Sep 2026 Index** is a portfolio of State Development Loans (SDLs) maturing between April 01, 2026 to September 30, 2026.
- The index will be managed by NSE Indices Limited.

How is the Index Constructed

- The index comprises of SDLs issued by 15 states based on the following parameters
 - Minimum issue size of **Rs. 500 Cr**
 - **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**

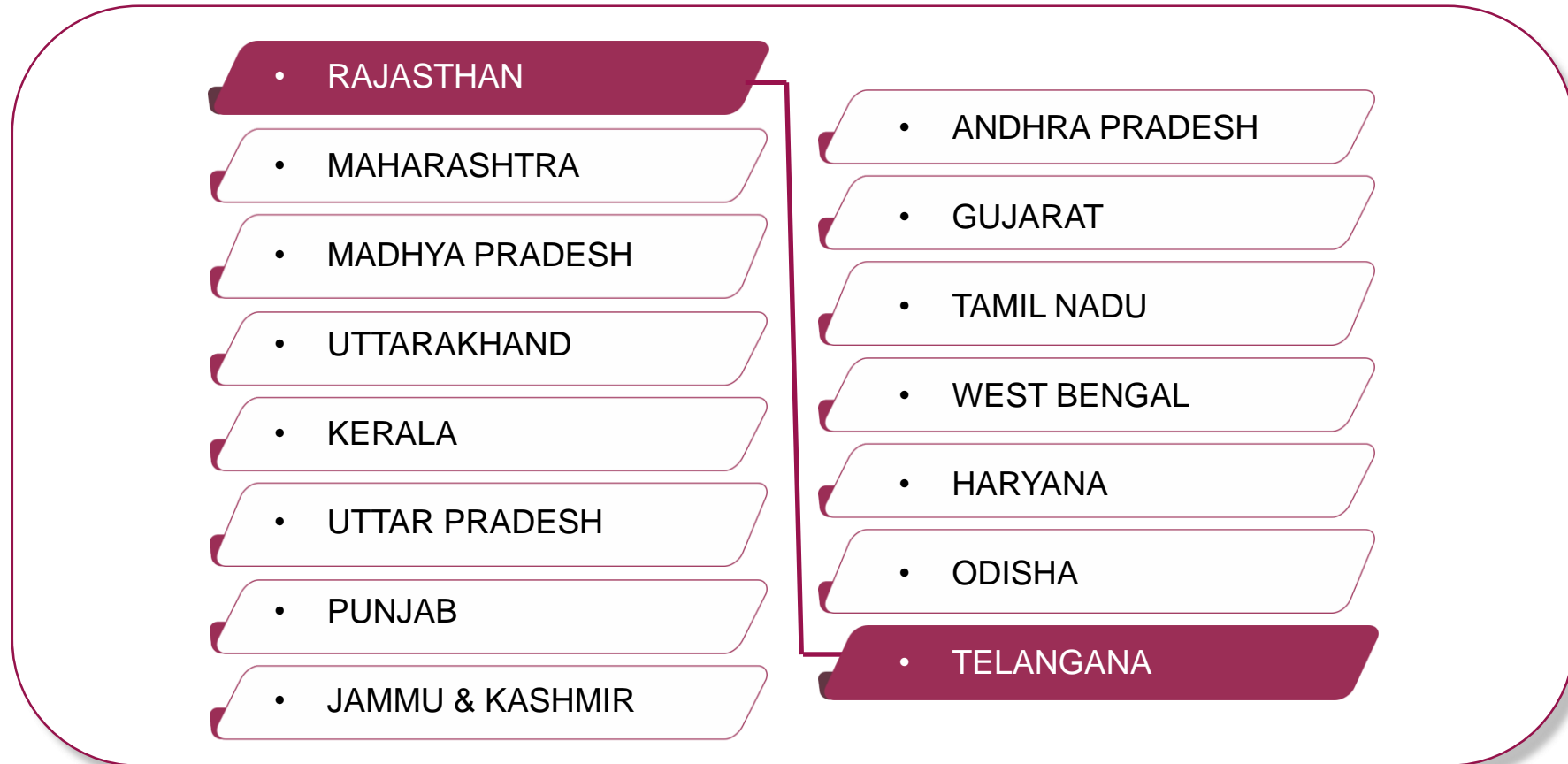


Source: www.nseindia.com

Axis NIFTY SDL September 2026 Debt Index Fund will endeavour to replicate the performance of this index subject to tracking errors by replicating the allocation of SDL's. For complete details on the index refer SID. Data as on 31st Oct 2022.

Nifty SDL Sep 2026 Index Constituents

As of September 30th 2022



Source: www.nseindia.com

Axis NIFTY SDL September 2026 Debt Index Fund will endeavour to replicate the performance of this index subject to tracking errors by replicating the composition of NIFTY SDL Sep 2026 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 October 2022. 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.

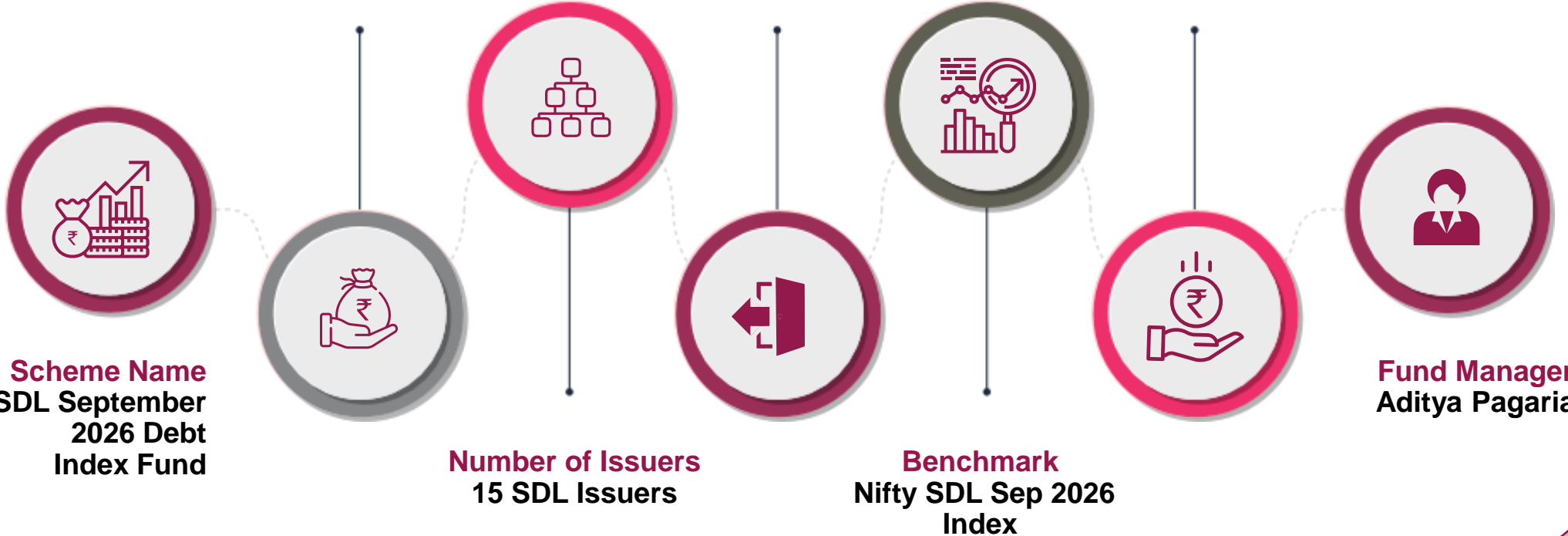
Axis Nifty SDL September 2026 Debt Index Fund

Fund Snapshot

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

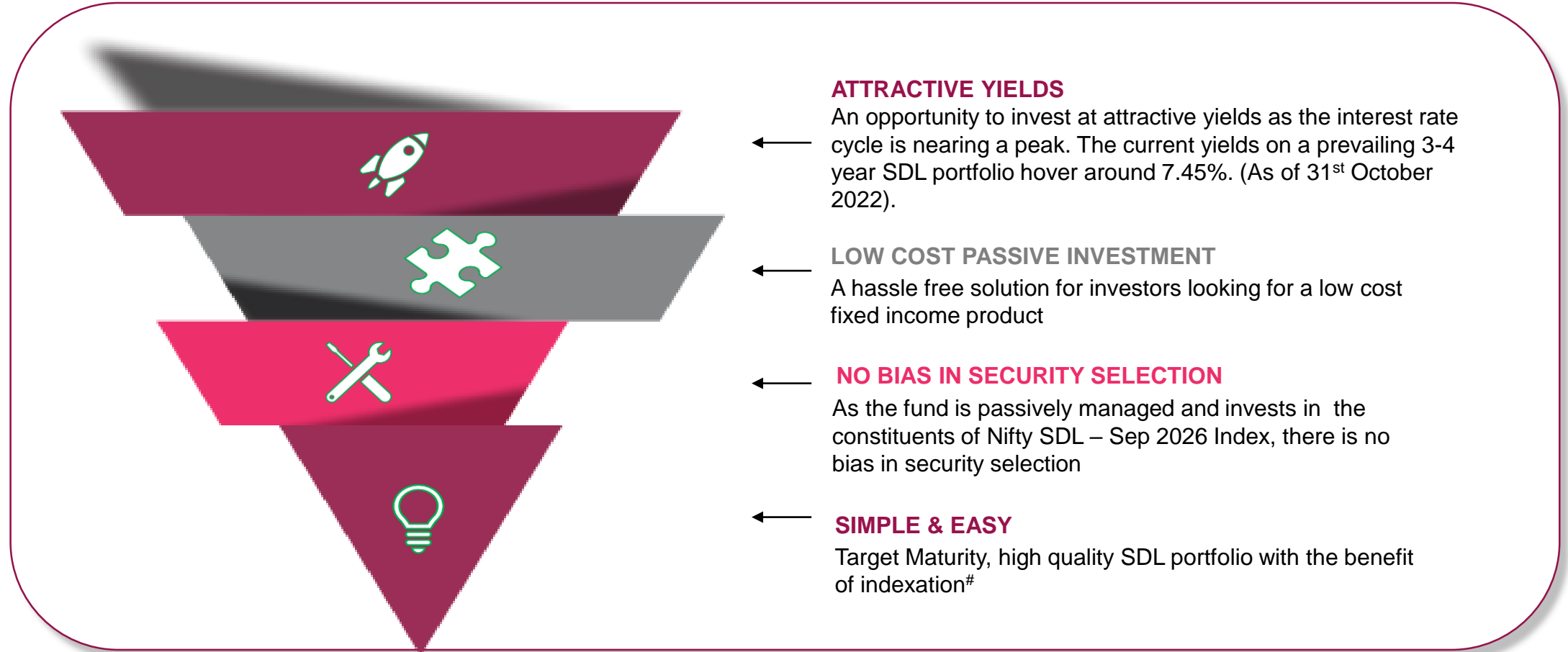
Exit Load
Nil

Maturity Date
30th Sep 2026*



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

Why Axis Nifty SDL September 2026 Debt Index Fund ?



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

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.

Illustration on Power of Indexation

The fund will offer investors 4 indexations[@] during its lifetime.

	5 Year Traditional Savings Scheme	Debt Index Fund
Investment Amount	1,00,000	1,00,000
Rate of Return (%) (Assumed)	7.45%	7.45%
Return on Maturity	1,31,967	1,31,967
Indexation Available	No	Yes
Indexed Value	NA	1,31,080
Taxable Income	31,967	887
Tax Payable*	9,519	177
Post Tax Return	22,377	31,790
Effective Post tax Return (CAGR)	5.37%	7.41%

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 October 2022. **Past performance may or may not be sustained in the future.** @ assuming investments are made before 31st March 2023 and held beyond April 1st 2026. *Tax Rate considered 30% exclusive of applicable surcharges & cess. ** Tax as per LTCG income tax provisions exclusive of applicable surcharges & cess. This computation is for resident individual investors. Cost inflation index assumed at 7%p.a. Fund related expenses ignored for this illustration.

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.

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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.

"#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