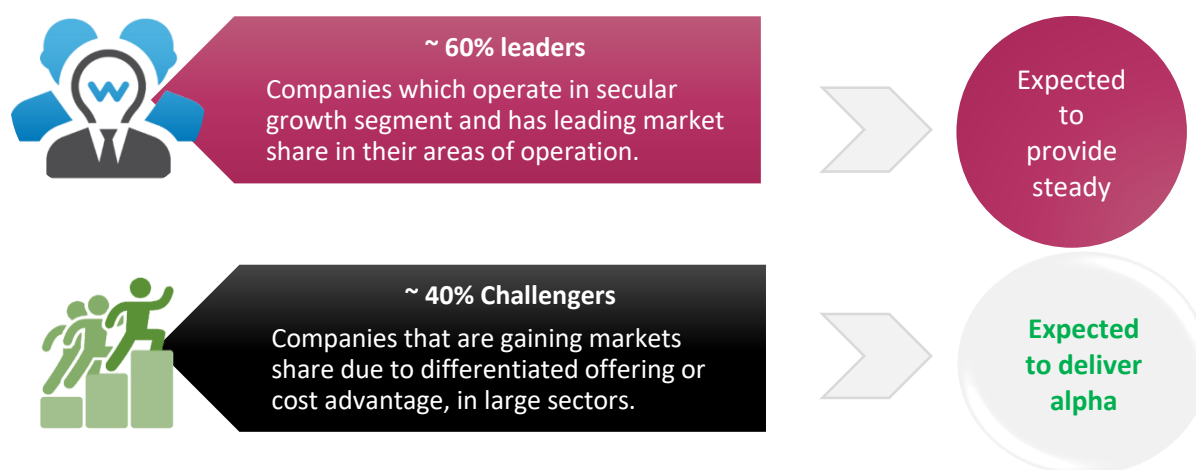


## Axis Bluechip Fund – Fund Update

- An open ended equity scheme predominantly investing in large cap stocks
- Fund Manager: Shreyash Devalkar, Hitesh Das (For Foreign Securities)

## Investment Strategy

- Predominantly **large cap strategy** with a moderate allocation to midcaps.
- Aims for delivering superior **risk adjusted returns**
- Uses **bottom-up stock selection** process (Focus on appreciation potential of individual stocks from a fundamental perspective)
- 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.
- Expected **earnings growth** of the portfolio is higher than that of the benchmark S&P BSE 100.



*The investment focus of the fund is subject to change on the discretion of the fund manager. The investment strategy of the fund will be in line with the strategy laid out in the scheme information document. For complete details on the scheme investment strategy refer the scheme information document.*

## Positioning– Portfolio Changes

Inflation remains a key risk across a lot of countries. While RBI has successfully managed domestic inflation through monetary policy thus far, roaring inflation across the developed world continues to remain worrisome. Despite hawkish policies, inflation across developed markets continues to remain at record levels. Extreme effects of inflation and hawkish monetary policy can potentially ravage demand economics in these countries, resulting in knock on effects to countries like India. Domestic consumption economy may benefit in case inflation gets under control.

Domestic demand has offset slower external demand. Growth in domestic-oriented high-frequency indicators continues to hold up amid slowing global growth. Factors supporting domestic demand are reopening vibrancy and pent up demand, favourable starting points for private and financial sector balance sheets, and stronger labour market coupled with favourable policy mix to support investment growth. Credit growth in the economy has been growing steadily and our fund is **Overweight** on retail credit growth and domestic consumption oriented sectors. Adverse move in crude and food inflation remains a risk.

Large caps have corrected more than mid/small due to FII outflow from that space. Now, as the FII flows are coming back to India, we expect the markets to recover. Standard deviation higher than historical average. Hence risk reward is expected to be favourable in them. Our portfolios represent our conviction of the ongoing domestic demand 'revival' story. While we remain cautious of external headwinds, strong discretionary demand evident

from high frequency indicators and stable government policies give us confidence that our portfolios are likely to weather the ongoing challenges.

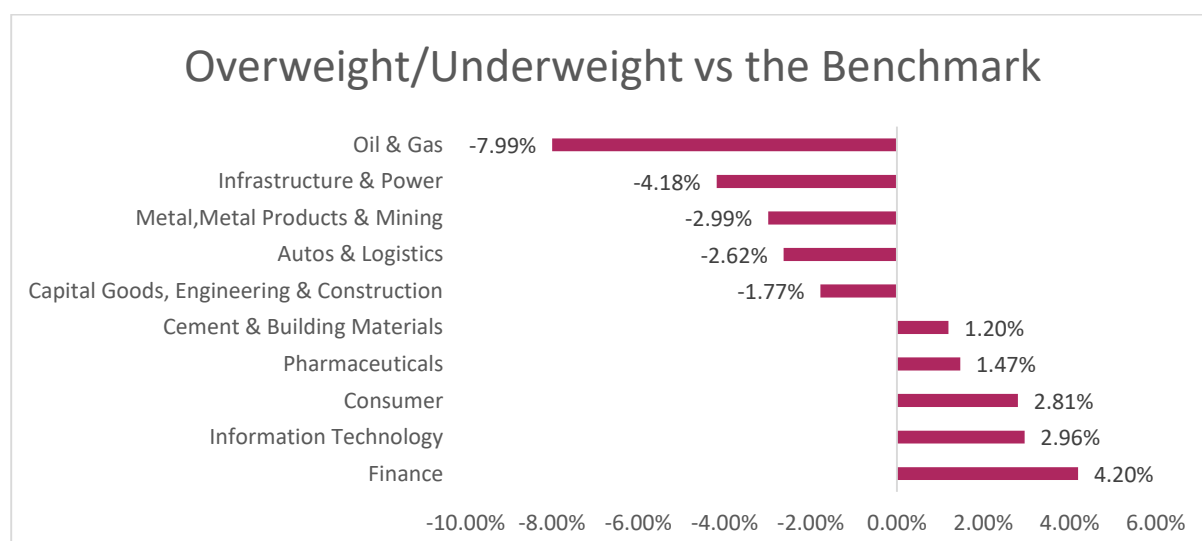
Markets have already digested several macro-economic negatives. Going forward, we believe, **oil inflation** and **currency** and the fiscal deficit will be key metrics to decide the trend for the Indian economy. While we keep a caution eye out for short term headwinds, we are now optimistic of an improving market trajectory.

SECTOR	Aug-22	Aug-21	Difference
AUTOMOBILE	6.00%	3.20%	2.70%
CHEMICALS	2.30%	1.80%	0.50%
CONSUMER	15.80%	15.70%	0.10%
OIL, GAS	3.70%	4.40%	-0.70%
CEMENT & CEMENT PRODUCTS	4.80%	5.50%	-0.70%
FINANCIAL SERVICES	37.40%	38.30%	-0.90%
TELECOM	1.60%	2.40%	-0.90%
METALS	0.00%	1.30%	-1.30%
HEALTHCARE	4.00%	6.60%	-2.60%
INFORMATION TECHNOLOGY	12.00%	19.80%	-7.80%

Disclaimer: Data as on 31<sup>st</sup> Aug 2022. Exposure as % of Net assets. Source: ValueFY, ACEMF. 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.

Top 10	Aug-22	Top 10	Aug-21
ICICI Bank Ltd	9.88%	Bajaj Finance Limited	10.19%
Bajaj Finance Ltd	9.35%	Infosys Limited	9.27%
Avenue Supermarts Ltd	7.44%	HDFC Bank Limited	9.11%
Infosys Ltd	6.75%	ICICI Bank Limited	8.36%
HDFC Bank Limited	6.82%	Tata Consultancy Services Ltd	8.03%
Kotak Mahindra Bank Ltd	4.46%	Avenue Supermarts Ltd	6.31%
Tata Consultancy Services Ltd	4.37%	Reliance Industries Limited	4.38%
Reliance Industries Ltd	3.68%	HDFC Limited	4.19%
Mahindra & Mahindra Limited	2.66%	Divi's Laboratories Limited	3.61%
Larsen & Toubro Limited	2.51%	Ultratech Cement Limited	3.50%

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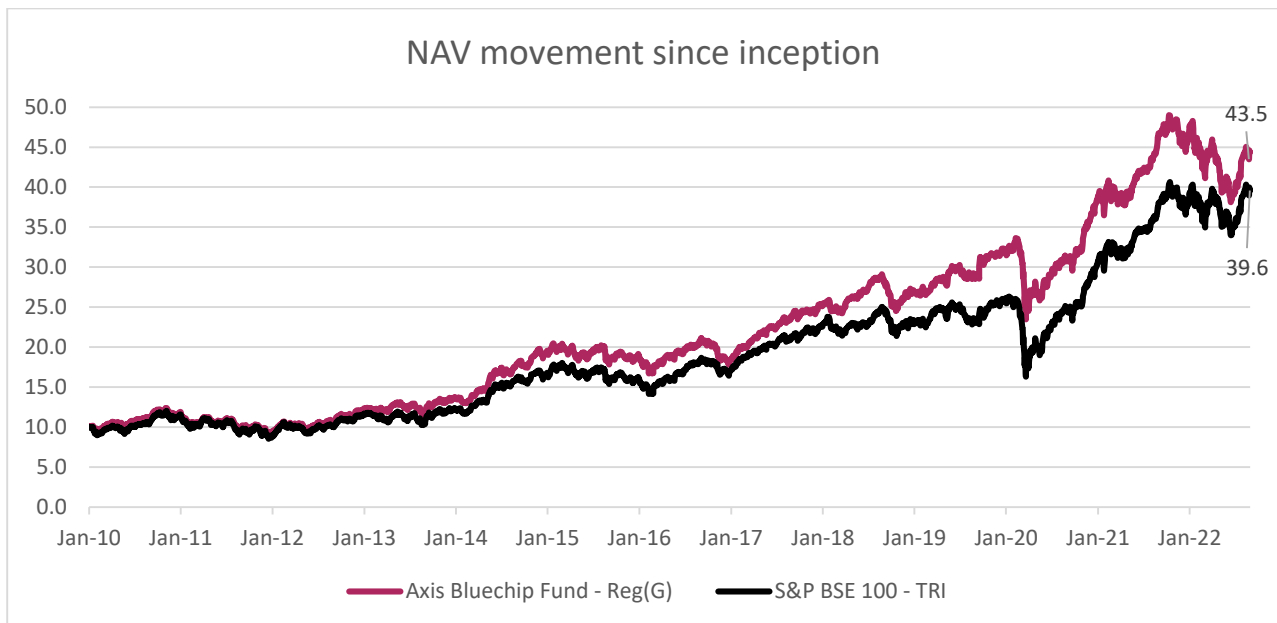
Source: Asia Index Pvt Limited, Axis MF Research. The benchmark for the scheme is S&P BSE Midcap 150 TRI. Data collated as on Aug 31<sup>st</sup> 2022. Exposure as % of Net Assets Sector(s) / Stock(s) / Issuer(s) mentioned above are for the purpose of disclosure of the portfolio of the Scheme(s) and should not be construed as recommendation. The fund manager(s) may or may not choose to hold the stock mentioned, from time to time.

## Performance & Snapshot

The fund has stuck to its investment philosophy of investing in companies with materially higher return ratios as compared to its benchmark (S&P BSE 100). Currently, the fund is overweight on Consumer and select Pharmaceutical names. On the underweight list, the overall portfolio is underweight on Oil & Gas and Autos & Logistics.

Company Name	
Top Alpha Generators	Top Detractors
ICICI Bank Limited	I T C Limited
Avenue Supermarts Limited	Divi's Laboratories Limited
H C L Technologies Limited	Gland Pharma Limited
Sector	
Top Alpha Generators	Top Detractors
Finance	Infrastructure & Power
Metal, Metal Products & Mining	Autos & Logistics
Telecom	Pharmaceuticals

*Disclaimer: Data as on 31<sup>st</sup> Aug 2022. Exposure as % of Net assets. Source: ValueFY, ACEMF. 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. The fund manager(s) may or may not choose to hold the stock mentioned, from time to time.*



	1 Year		3 Year		5 Year		Since Inception	
	CAGR (%)	Current Value of investment of Rs. 10,000	CAGR (%)	Current Value of investment of Rs. 10,000	CAGR (%)	Current Value of investment of Rs. 10,000	CAGR (%)	Current Value of investment of Rs. 10,000
Axis Bluechip Fund - Regular Plan - Growth	-3.62%	9,369	15.29%	15,332	13.42%	18,771	12.54%	44,600
S&P BSE 100 TRI (Benchmark)	6.50%	10,649	19.35%	17,009	13.52%	18,862	11.57%	39,960
Nifty 50 TRI (Additional Benchmark)	5.16%	10,514	18.63%	16,701	13.78%	19,071	11.43%	39,355

Data as on 31<sup>st</sup> Aug 2022. Past performance may or may not be sustained in future. Since Inception –5th January 2010. Different plans have different expense structure. Shreyash Devalkar is managing the scheme since 23rd November 2016 and he manages 4 schemes. Hitesh Das is managing the scheme since 2nd November 2020 and he manages 16 schemes of Axis Mutual Fund Returns greater than 1-year period are compounded annualised (CAGR). Face Value per unit: ₹10. Please refer to annexure on page 18 for performance of all schemes managed by the fund manager. Please click on the below link to view other schemes currently managed by the fund manager & relevant schemes for performance.

<https://www.axismf.com/cms/sites/default/files/Statutory/Annexure%20-%20DP.pdf>

Since inception, the fund has an alpha of **4.8% (absolute)** over the benchmark. Given the narrow market conditions, active fund managers have been beaten by frontline indices like the NIFTY 50 & S&P BSE Sensex. Although the 1 year and 3 year returns are distorted by various headwinds this year, the NAV came back to pre-YTD numbers as markets are recovering. And over longer term, the fund has outperformed the benchmark. On a relative basis the fund has continued to remain a top quartile fund in longer period return buckets.

## Risk Management

Risk Ratios	Axis Bluechip Fund	S&P BSE 100 TRI	Remarks
Standard Deviation	17.9%	21.4%	Longer term outperformance can be seen with limited risk
Beta	0.85		
Sharpe Ratio	0.53		
Information Ratio	-1.07		
Treynor Ratio	0.10		

Source: Internal Analysis. Data as on 31<sup>st</sup> Aug 2022. Above risk ratios are calculated based on daily return with daily rolling frequency for last 3-year period ending 30<sup>th</sup> June 2022. Risk free rate assumed to be 5.25% (MIBOR as on 31-08-2022), Source: [www.fimmda.org](http://www.fimmda.org). Please note that as per AMFI guidelines for factsheet, the ratios are calculated based on month rolling returns (absolute) for last 3 years. Past performance may or may not be sustained in the future.

## Product Labelling & Disclaimers

### Axis Bluechip Fund

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

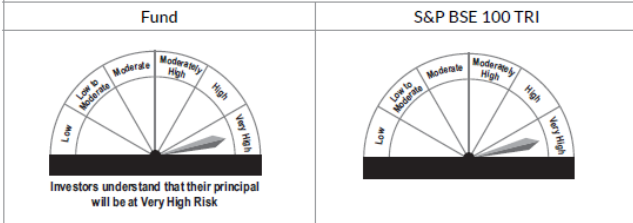
**Benchmark:** S&P BSE 100 TRI

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



*Disclaimer: Data updated as on 31<sup>st</sup> Aug 2022. 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. Note: Investors are hereby informed that as advised by SEBI vide email dated January 28, 2022, wherein, in order to avoid breach of industry-wide overseas limits as allowed by RBI and in terms of SEBI Circular no. SEBI/HO/IMD/IMD-II/DOF3/P/CIR/2021/571 dated June 03, 2021; lump-sum subscription, switch-ins and fresh registration of Systematic Investment Plan (SIP)/Systematic Transfer Plan (STP) or such other special product (where one of the below mentioned schemes is the target scheme) are being temporarily suspended with effect from February 02, 2022: 1. Axis Global Equity Alpha Fund of Fund, 2. Axis Global Innovation Fund of Fund, 3. Axis Greater China Equity Fund of Fund Further there will be no restriction on redemption / intra scheme switches between Plan(s) and Option(s) in the same scheme, registration of fresh systematic withdrawal plan and instalments of existing systematic withdrawal plan where one of the aforesaid schemes is the source scheme and to the existing registered SIP / STP or such other special product of the above mentioned Schemes.*

*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 maybe required from time to time.*

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