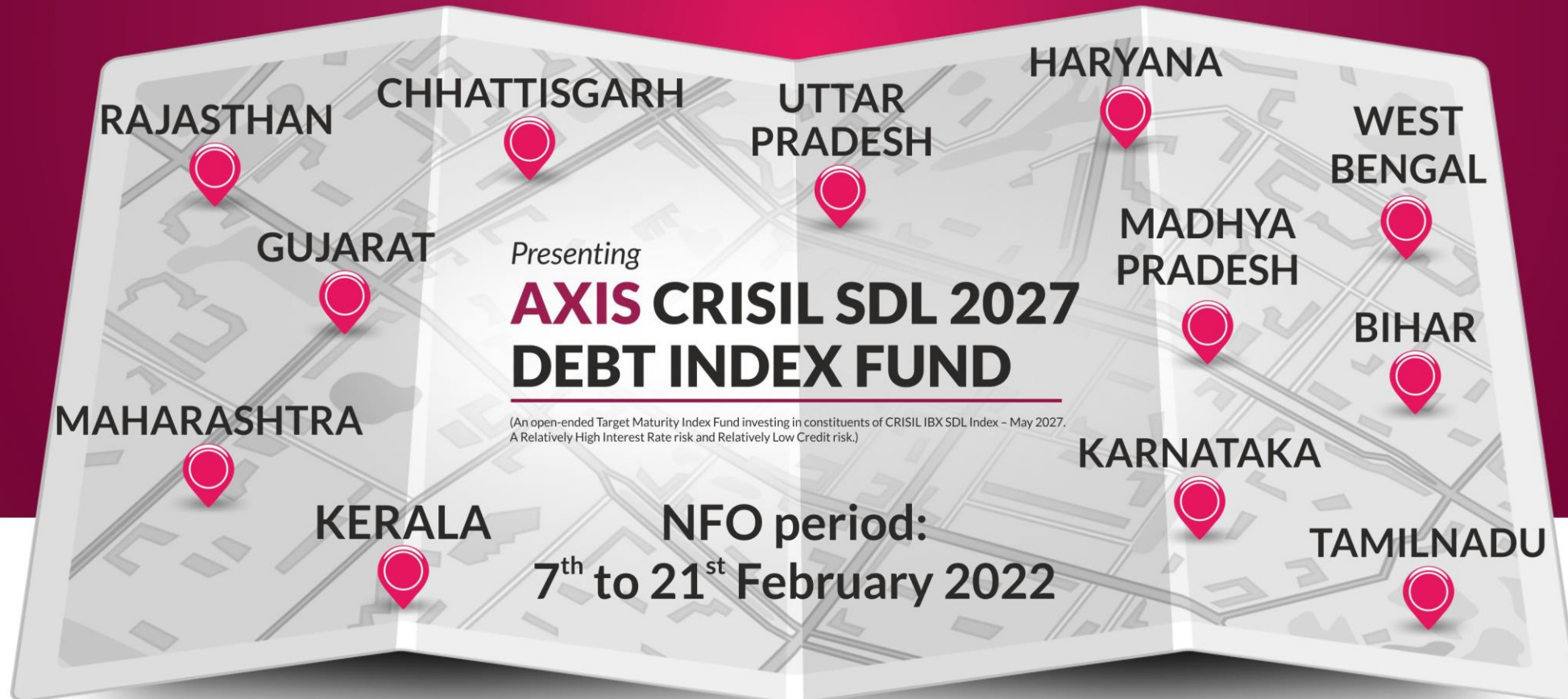
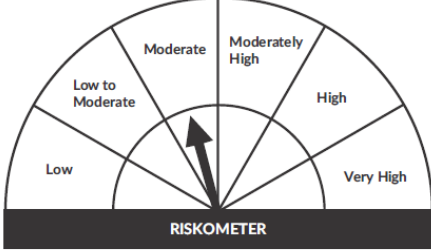
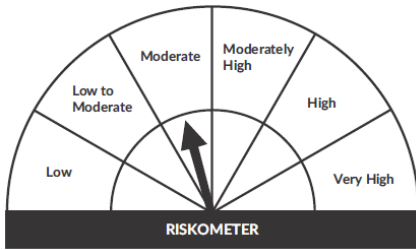


Leverage your portfolio with investments in SDLs from across the country.



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.

Product Labelling

| Fund Name & Benchmark | Product Labelling | Product Risk-o-meter | Benchmark Risk-o-meter |
|--|--|---|---|
| <p>Axis CRISIL SDL 2027 Debt Index Fund</p> <p>(An open-ended Target Maturity Index Fund investing in constituents of CRISIL IBX SDL Index – May 2027 A Relatively High Interest Rate Risk and Relatively Low Credit risk)</p> <p>Benchmark Name: CRISIL IBX SDL Index– May 2027</p> | <p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • income over long term • Investments in state government securities (SDLs) replicating the composition of CRISIL IBX SDL Index – May 2027, subject to tracking errors. |  <p>Investors understand that their principal will be at moderate risk</p> |  |

*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)

Potential Risk Class Matrix

| Credit Risk → | Relatively Low (Class A) | Moderate (Class B) | Relatively High (Class C) |
|-----------------------------|--------------------------|--------------------|---------------------------|
| Interest Rate Risk ↓ | | | |
| Relatively Low (Class I) | | | |
| Moderate (Class II) | | | |
| Relatively High (Class III) | A-III | | |

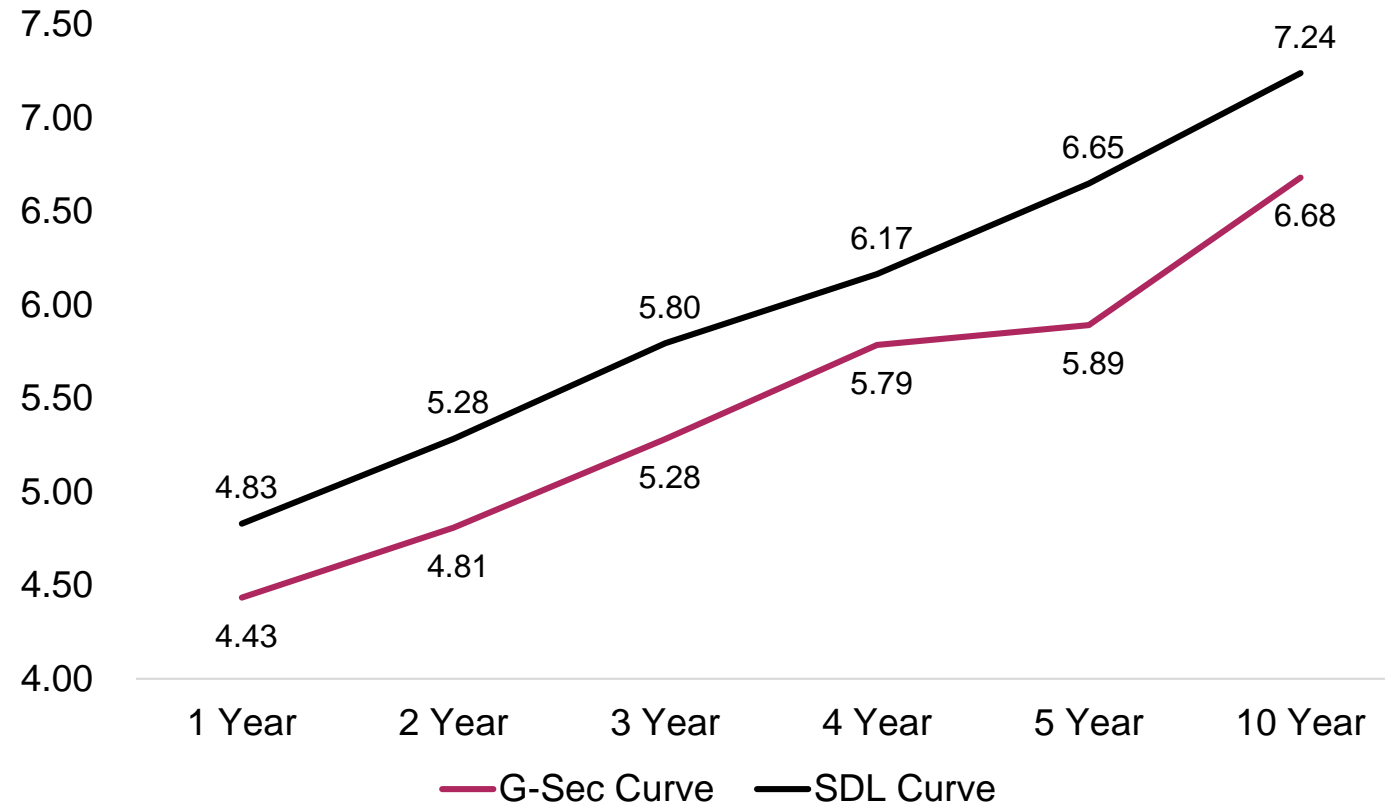
Introducing SDLs

State government debt issued to meet budgetary expenses and implement development projects

Key Features

- Sovereign rating similar to G-Sec
- Highly liquid instruments that trade above the G-Sec Curve
- Trading managed by RBI
- Used by Banks & financial institutions as collateral for SLR
- Market linked Returns

SDL's trade at a healthy Premium to G-Secs



Rising Rate Environment

Market Factors Affecting Rates

Liquidity Trade Played Out

System liquidity now close to Rs 2 lakh Cr. Short to medium term rates have been repriced as demand supply imbalance has been taken care of by RBI

India Inclusion into Global Debt Indices Likely

Government steps to attract foreign investors to Indian debt will likely create a large demand for Indian bonds, anchoring bond yields



Inflation A Concern

Structural inflation on account of elevated commodity prices and global supply chain issues will keep RBI on their toes

Global Rates Rising

Global central banks raising rates to combat global inflation. EM markets have seen largest foreign outflows in 3 years

RBI's path to normalization

RBI's Action is in Lock-Step with our forecasts so far

We are moving to Phase 2 of the Normalization Process

Phase 1
Sucking out
Excess Liquidity



Calibrated withdrawal in durable liquidity via variable reverse repos (VRR) sucking out the liquidity cushion that has been in place since March 2019

Phase 2
Narrow repo/ reverse
repo corridor



Repo/reverse repo corridor currently stands at 65 bps. Through a series of gradual hikes in the reverse repo rate we anticipate that the spread is likely to normalize to 25bps (The long term average)

Phase 3
Normalize Rates



Simultaneous rate hikes across Repo and Reverse Repo which we anticipate will happen in the latter half of CY 22. Market rates will also likely trend higher toeing RBI action.

Playing The Opportunity through Quality

About the Index – CRISIL IBX SDL Index– May 2027

Overview

- **CRISIL IBX SDL Index– May 2027** is a portfolio of State Development Loans (SDLs) maturing between December 01, 2026 to May 31st, 2027.
- The index will be managed by CRISIL Indices Limited.

How is the Index Constructed

- The index comprises of SDLs issued by 12 states based on the following parameters
 - Minimum issue size of **Rs 1,000 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**

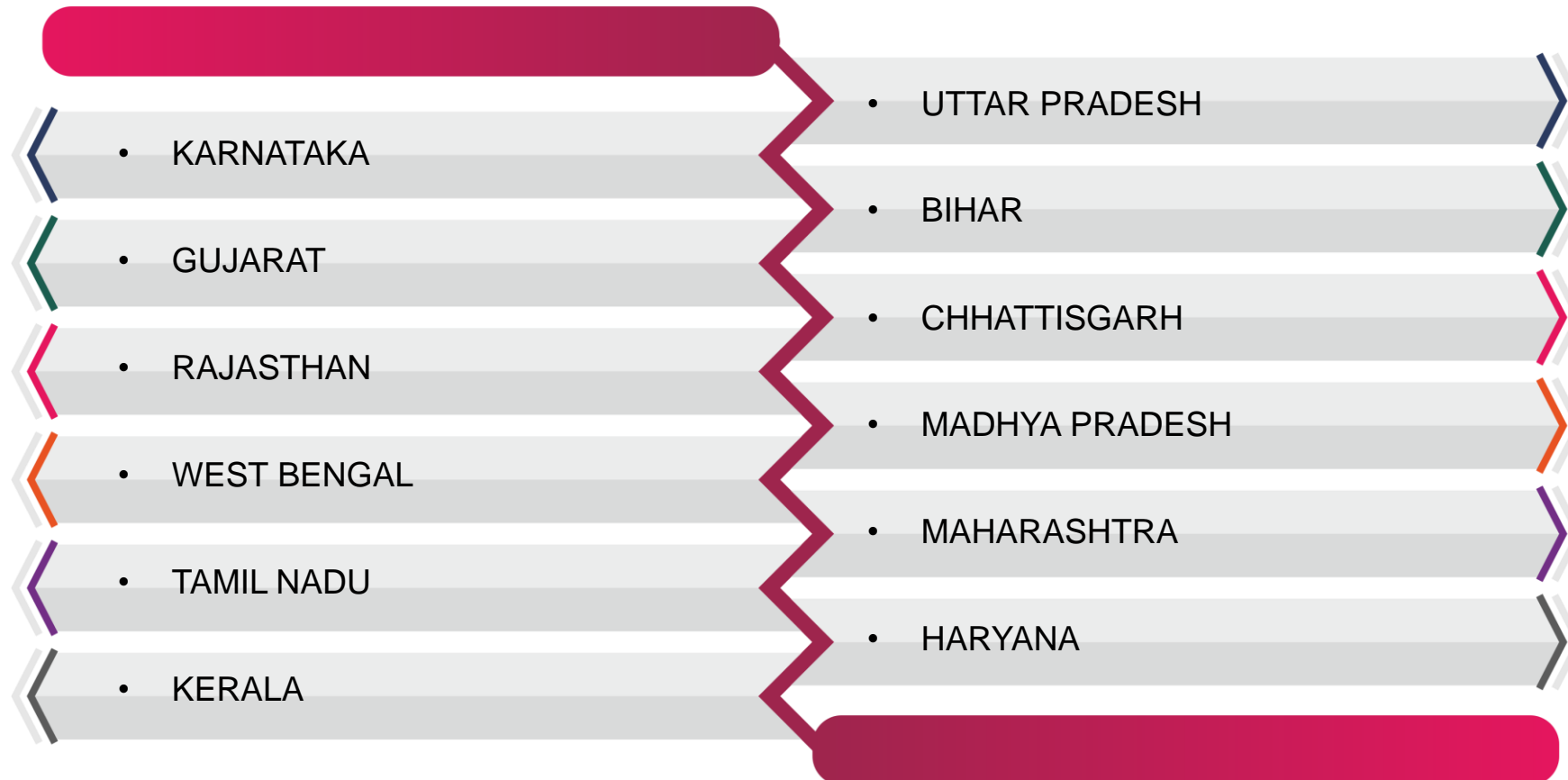
All Papers will mature on or before May 31st 2027

Focus on running a highly liquid portfolio of SDLs

The index will be rebalanced every quarter

Current Index Constituent Issuers

As of January 13th 2022



Source: CRISIL Indices

Axis CRISIL SDL 2027 Debt Index Fund will endeavour to replicate the performance of this index subject to tracking errors by replicating the composition of CRISIL IBX SDL Index-May 2027.. 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

Why a target maturity fund makes sense?



Introducing Target Maturity Index Funds

An Ideal Solution for investors with a set Investment horizon

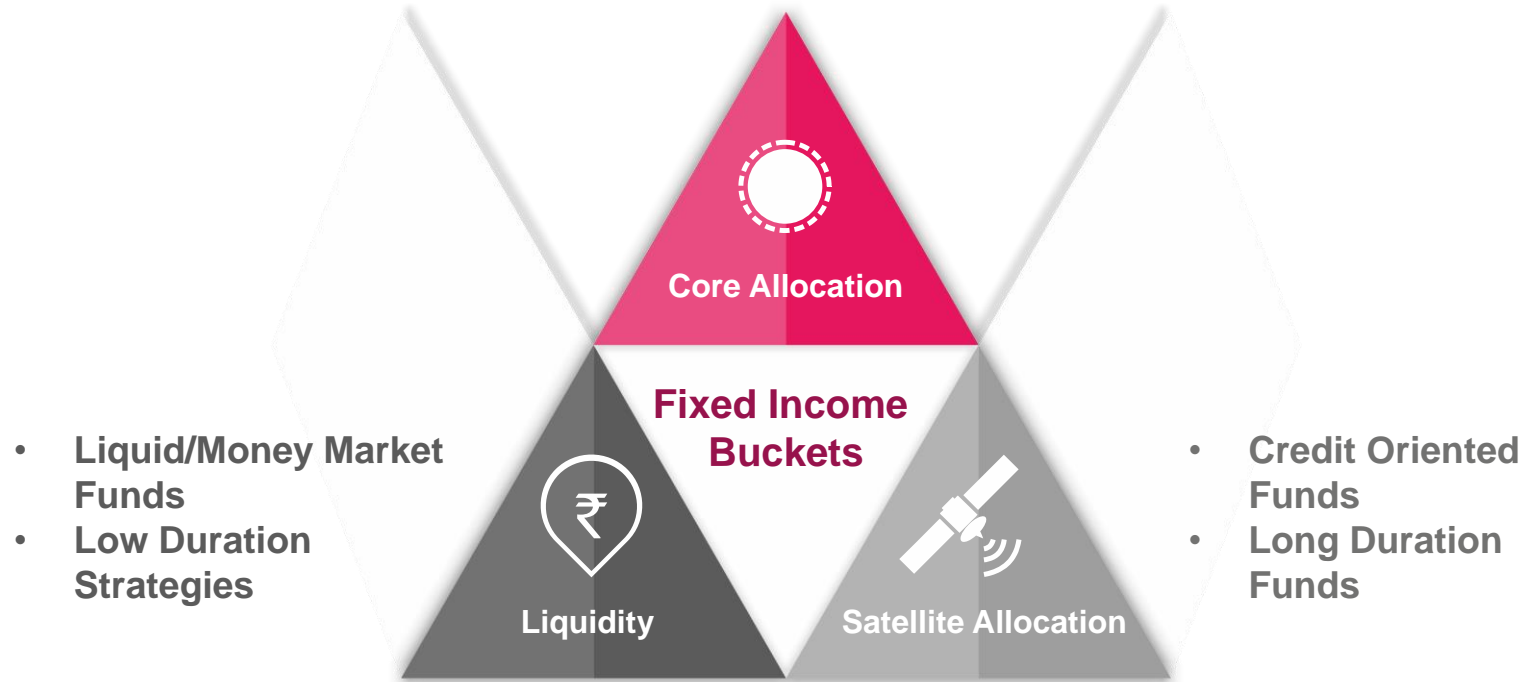
- A target maturity Index fund is a portfolio designed to terminate at a pre-defined date.
- The fund manager achieves this by buying securities with similar maturities as close to the defined maturity date and holds them to maturity.
- As time passes, the fund may add/delete securities basis the methodology criteria
- As the fund progresses the duration of the securities diminishes until the fund matures
- The strategy aims to negate any duration risk for investors who remain invested through the life of the fund



Building Your Debt Portfolio

Target maturity products ideally suited to build core fixed income portfolio

- Short bond strategies
- **Target maturity/Roll down strategy funds**



Suggested allocation is for illustrative purposes only. Investors must consult their financial advisors regarding portfolio allocation and suitability of funds depending on the risk profile of the investor. Should not be treated as an investment recommendation

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 6 indexations[@] during its lifetime.

| | 5 Year Traditional Savings Scheme | Debt Index Fund |
|---|-----------------------------------|-----------------|
| Investment Amount | 1,00,000 | 1,00,000 |
| Rate of Return (%) (Assumed) | 6.65% | 6.65% |
| Return on Maturity | 1,29,461 | 1,37,975 |
| Indexation Available | No | Yes |
| Indexed Value | NA | 1,34,009 |
| Taxable Income | 37,975 | 3,967 |
| Tax Payable | 11,393 | 793 |
| Post Tax Return | 26,583 | 37,182 |
| Effective Post tax Return (CAGR) | 4.83% | 6.53% |

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 January 2022. **Past performance may or may not be sustained in the future.** @ assuming investments are made before 31st March 2022 and held beyond April 1st 2027. \$ Prevailing SBI 5 year fixed deposit rate as of used. *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 5%p.a. Fund related expenses ignored for this illustration.

To Summarize

Why Invest in Axis CRISIL SDL 2027 Debt Index Fund?

OPPORTUNITY

5 Year space has seen yields rise by over 50 bps since December 2021. Yields attractive as compared to other tenors

CORE ALLOCATION

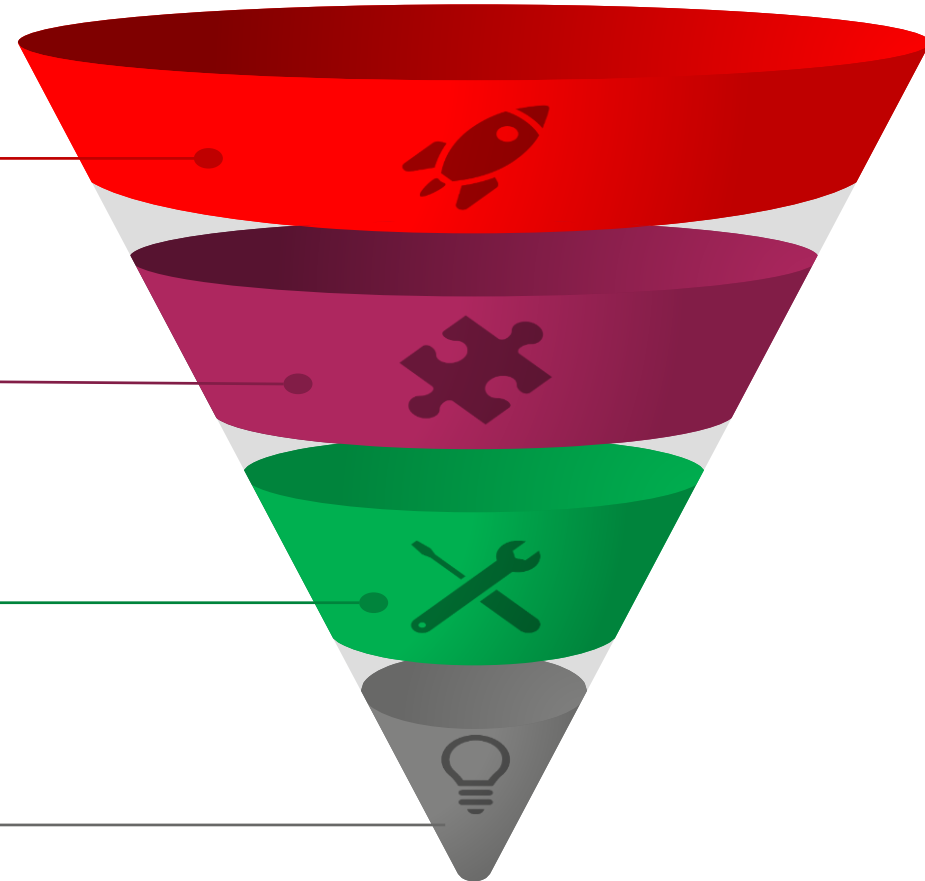
Ideal solution for investors looking to invest with a 5 year investment horizon

PRODUCT MECHANICS

Low cost hassle free solution for investors looking to build their core fixed income portfolio

SIMPLE & EASY

Target Maturity, high quality portfolio with the benefit of indexation[#]



Fund Snapshot

Key Highlights

Scheme Name
Axis CRISIL SDL 2027
Debt Index Fund

Number of Issuers
12 SDL Issuers

Benchmark
CRISIL IBX SDL
Index– May 2027

Fund Manager
Hardik Shah &
Kaustubh Sule

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

Exit Load
Nil

Expected Maturity Date
31st May 2027

Passive Investing With Axis MF



Passive investing

Low friction investment strategy tracking a pre-specified benchmark/index as closely as possible



Efficient low cost strategy

Removes the risk of security selection



Relies on broader market wisdom

Participates in the constituents in the same proportion as the index



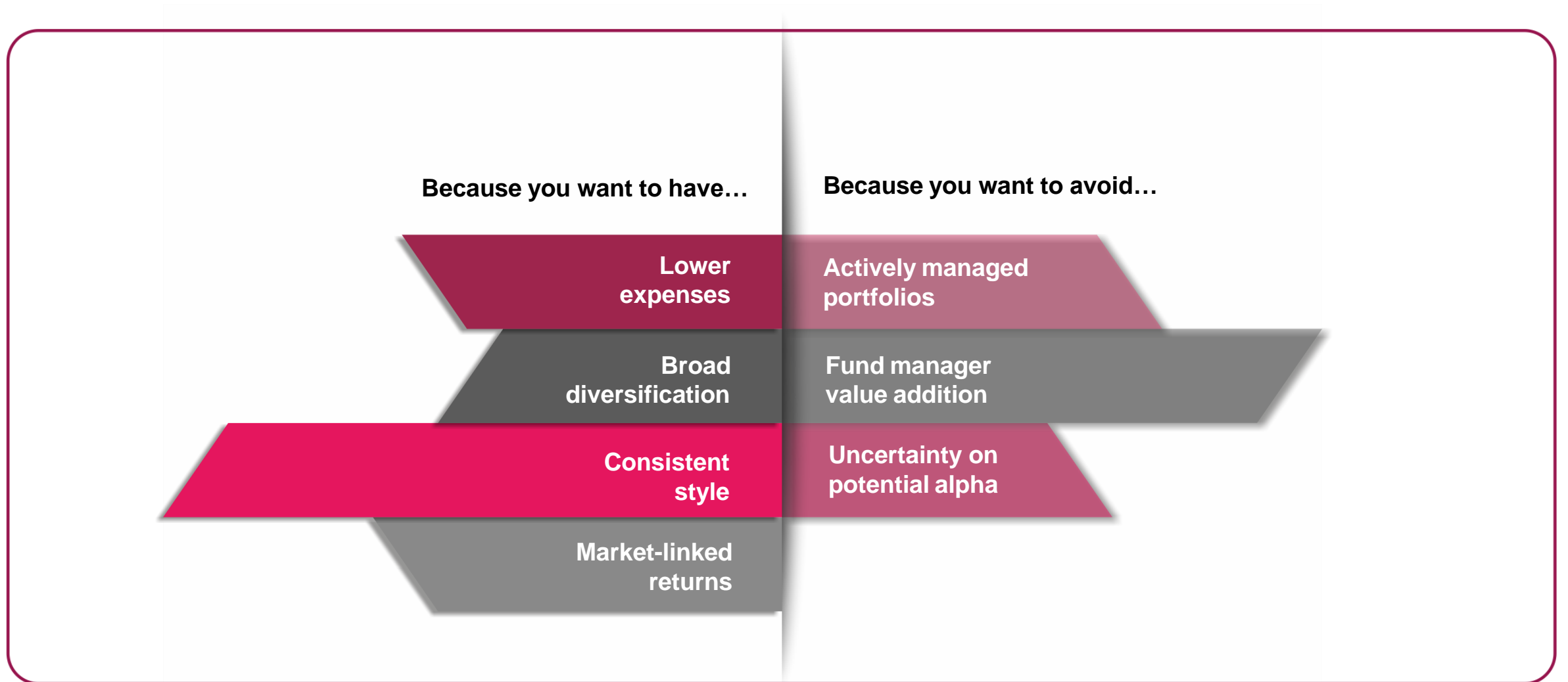
ETFs and Index Funds are popular vehicles to passive investing



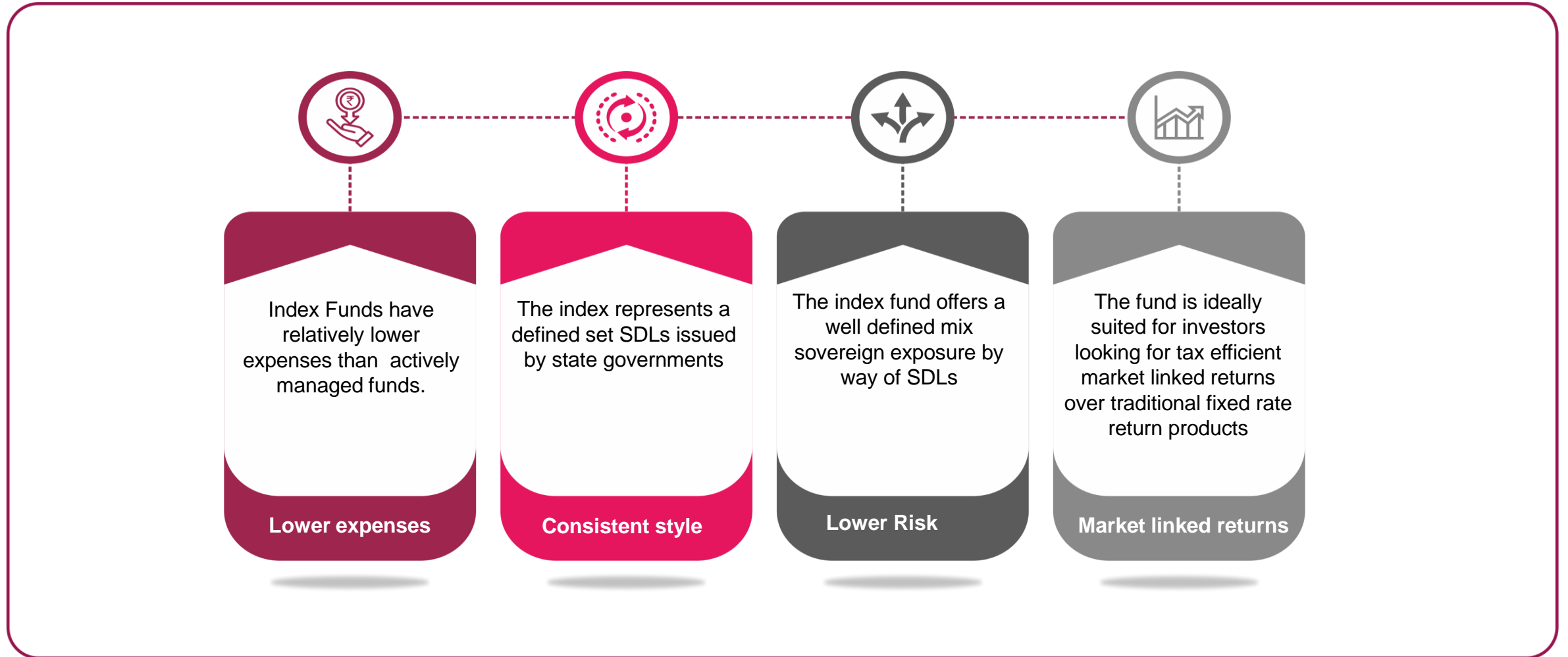
Passive strategies: Index funds and ETFs

| | Exchange Traded Funds | Index Funds |
|---|--|---|
| What are they? | Passive funds tracking an index | |
| How to invest? | Trade like a stock on the exchange | NAV based investment like Mutual Fund |
| Cost of investing | Fund TER + trading costs (brokerage etc.) | Fund TER (Direct/Regular plan) |
| Brokerage Account | Brokerage account is required to trade in ETFs | Not required |
| MF special products availability | Not available | Along with lumpsum, facilities such as SIP, STP, SWP etc. are available |

Why invest in an index fund?



Achieving investor objectives with an Index Fund



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.

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

Thank You