
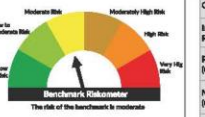


Axis Nifty AAA Bond Financial Services - Mar 2028 Index Fund

NFO Period - Feb 27, 2025 to Mar 04, 2025



Fund Name & Benchmark	Product Labelling	Product Riskometer	Benchmark Riskometer	Potential Risk Matrix (PRC)																								
<p>Axis Nifty AAA Bond Financial Services - Mar 2028 Index Fund</p> <p>(An open-ended Target Maturity Index Fund investing in constituents of Nifty AAA Financial Services Bond Mar 2028 Index. A moderate interest rate risk and relatively low credit risk)</p> <p>Benchmark: Nifty AAA Financial Services Bond Mar 2028 Index</p>	<p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> Income over the target maturity period An open ended target maturity index fund tracking Nifty AAA Financial Services Bond Mar 2028 Index, subject to tracking error/tracking difference. <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	 <p>Scheme Riskometer The risk of the scheme is moderate</p>	 <p>Benchmark Riskometer The risk of the benchmark is moderate</p>	<table border="1"> <thead> <tr> <th colspan="4">Potential Risk Class</th> </tr> <tr> <th>Credit Risk →</th> <th>Relatively Low (Class A)</th> <th>Moderate (Class B)</th> <th>Relatively High (Class C)</th> </tr> </thead> <tbody> <tr> <td>Interest Rate Risk ↓</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively Low (Class I)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Moderate (Class II)</td> <td>A-II</td> <td></td> <td></td> </tr> <tr> <td>Relatively High (Class III)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Potential Risk Class				Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓				Relatively Low (Class I)				Moderate (Class II)	A-II			Relatively High (Class III)			
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Axis Bank Ltd. is not liable or responsible for any loss or shortfall resulting from the operation of the scheme.

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

Understanding Sectoral Target Maturity Funds

How does the portfolio construct of Sectoral Target Maturity Funds differ from other Debt Funds?

Parameter	Sectoral Target Maturity Funds	Traditional Target Maturity Funds	Active Debt Funds
Instruments	AAA Bonds of defined sectors*	AAA Bonds (diversified across sectors), G-Secs, SDLs	Depends on the scheme type and its mandate
Sectoral limit	×	✓	✓
Portfolio Liquidity norms	×	×	✓

- Sector limits and portfolio liquidity norms lead to a drag on the YTM of active debt funds
- Traditional Target Maturity Funds have sector limits and generally invest in G-Secs/SDLs, thereby having a limited exposure to high quality carry assets

*Based on currently live indices.



Nifty AAA Financial Services Bond Mar 2028 Index



Average Maturity: ~3.02 years



Asset Quality: 95-100%* AAA



Break-up: NBFCs: 43.75% | HFCs: 31.25% | Fls: 25%



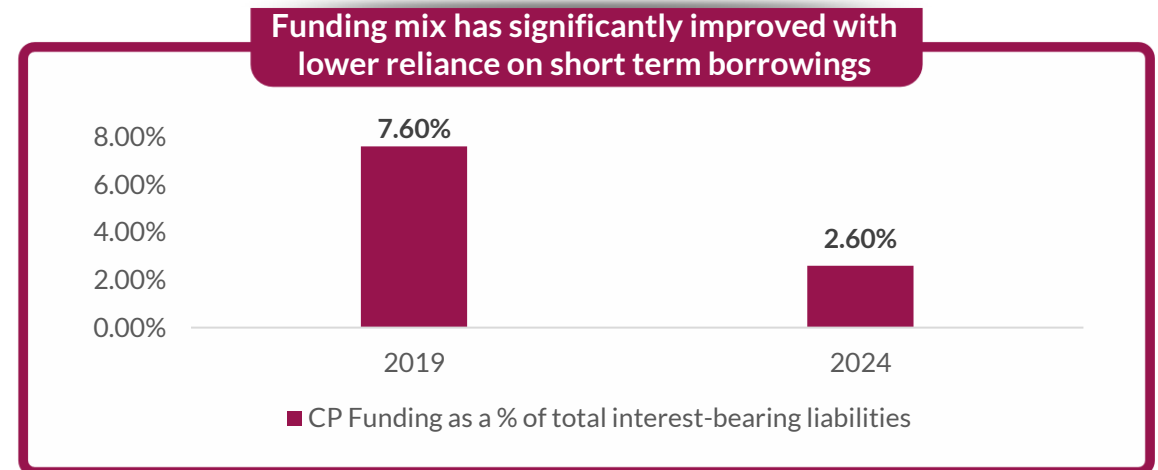
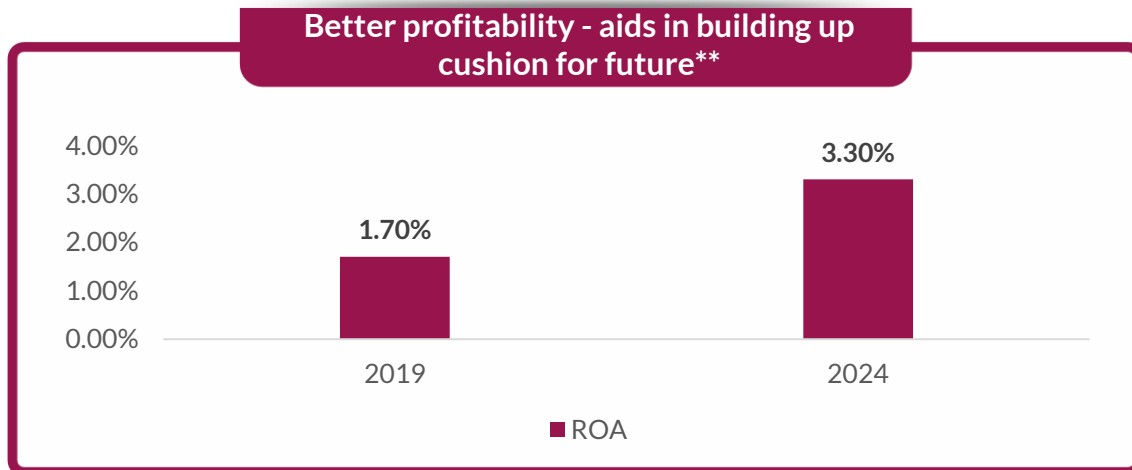
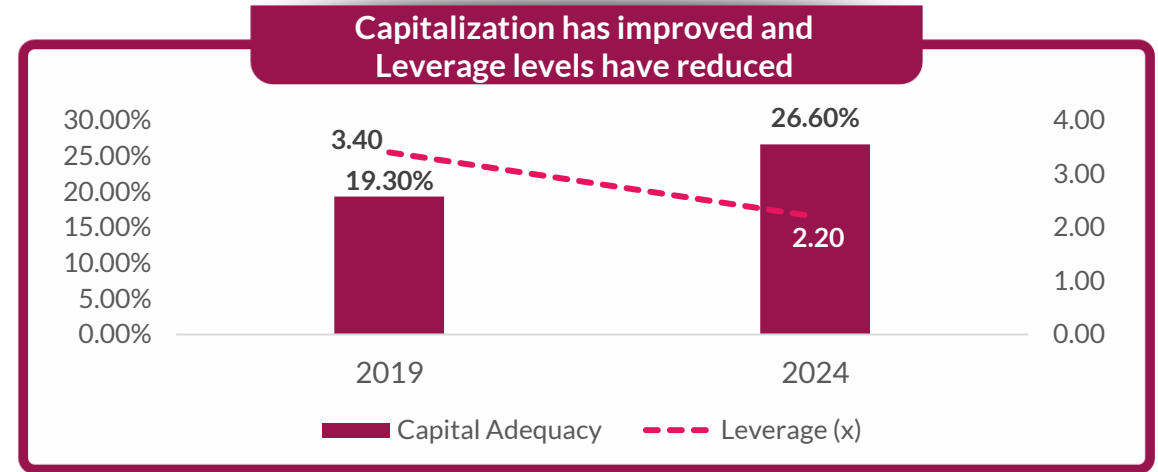
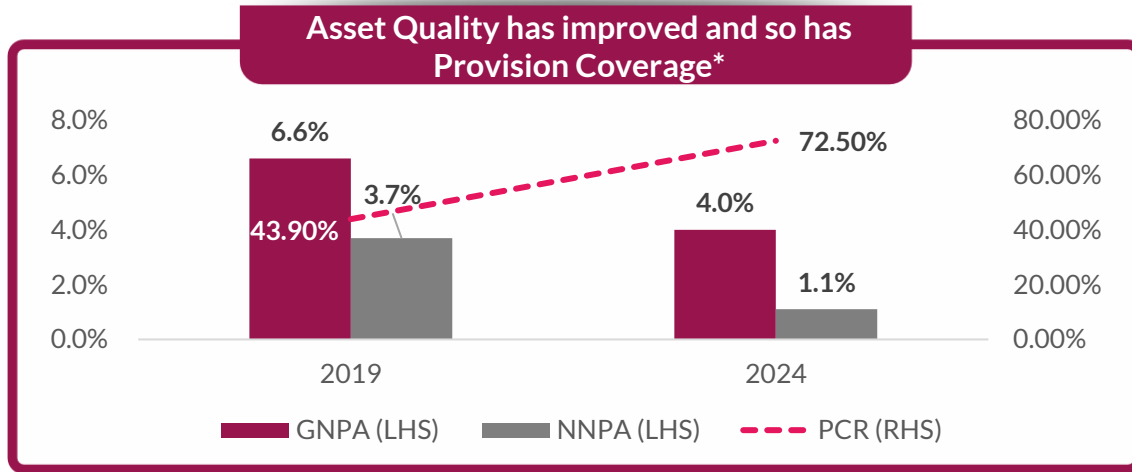
Higher carry without diluting the credit profile vis-à-vis active debt funds with similar duration / rating profile

*Up to 5% margin will be kept for liquidity purpose and will be invested in Debt and Money Market Instruments.
Data as of 31st Jan 2025 based on the composition of the underlying index. Sector(s) / Stock(s) / Issuer(s) mentioned above are for the purpose of disclosure of the portfolio of the Index/Scheme and should not be construed as recommendation.

Why invest in 3-year Financial Services Target Maturity Fund?



Change in NBFC landscape over the last 5 years



Proactive regulations are ensuring long-term stability of the sector



RBI's Scale-Based Regulation for NBFCs



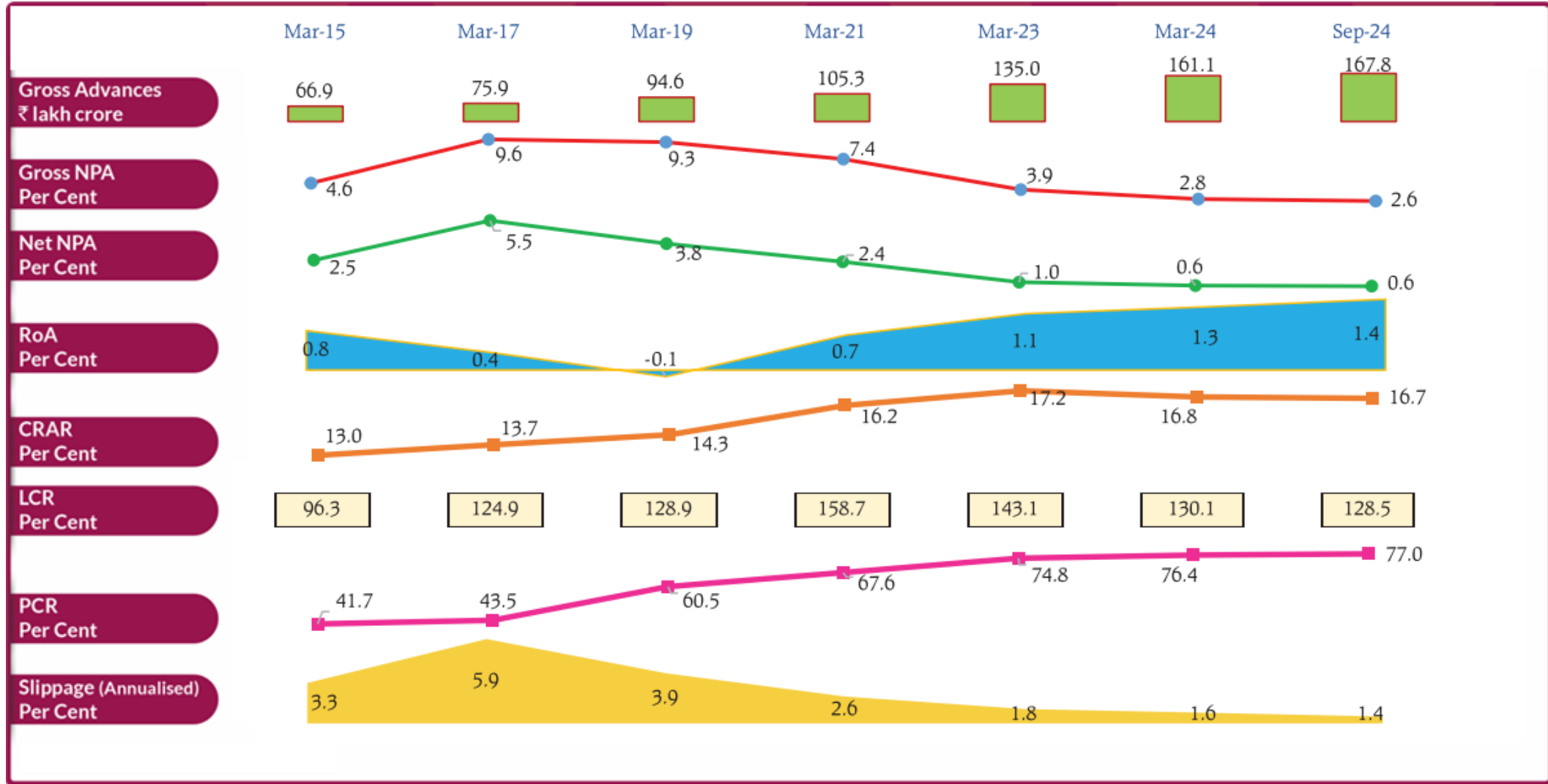
Tightening of provisioning norms



Tightening of Liquidity Risk Management Framework for NBFC's & CIC's.

Source: RBI, Axis MF Research. *Terminologies used: GNPA - Gross Non-Performing Assets, NNPA - Net Non-Performing Assets, PCR - Provisioning Coverage Ratio. **ROA - Return on Assets.

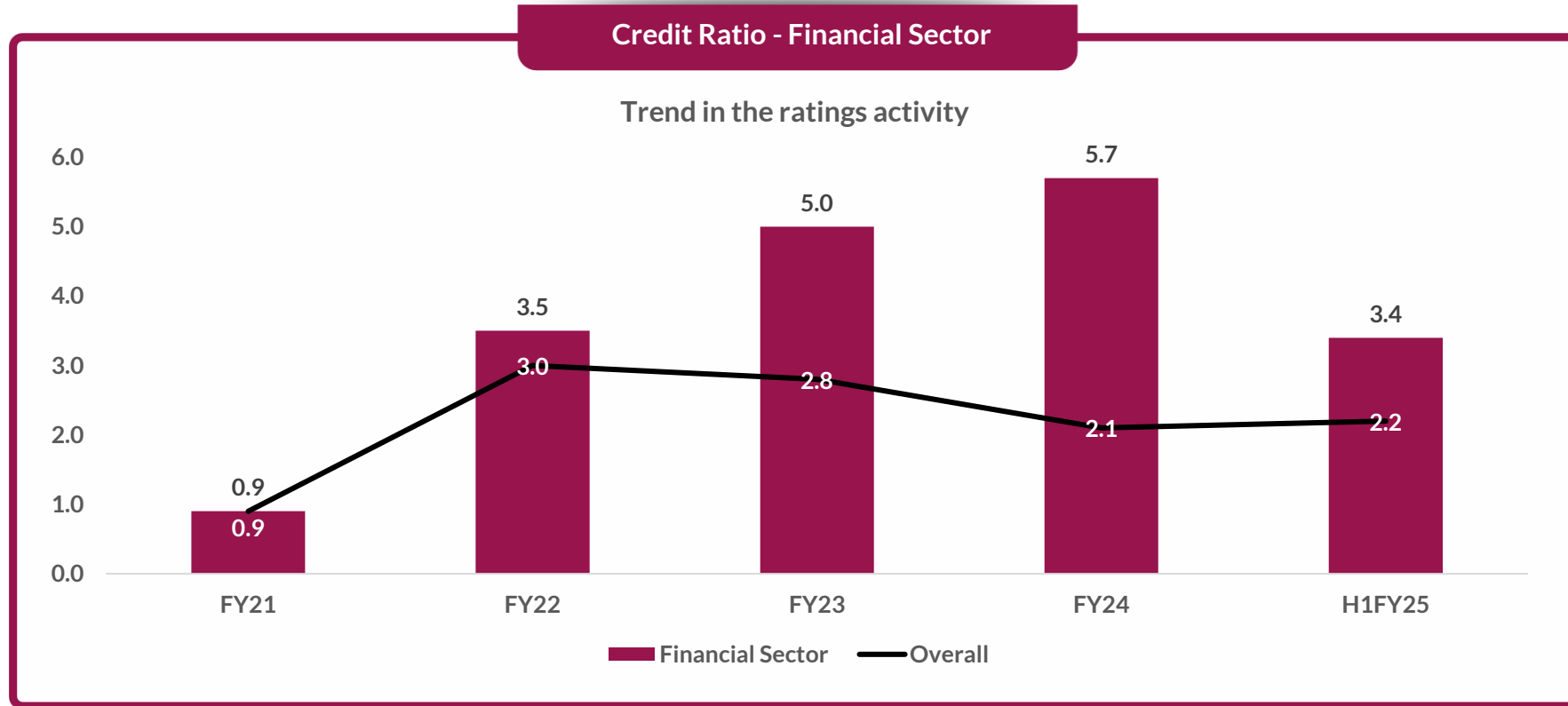
Banking Sector in best of health



Data as on 12th December 2024, Data pertains to domestic operations of SCBs (excluding SFBs).
Source: RBI Financial Stability Report December 2024.

Favorable Credit Ratio

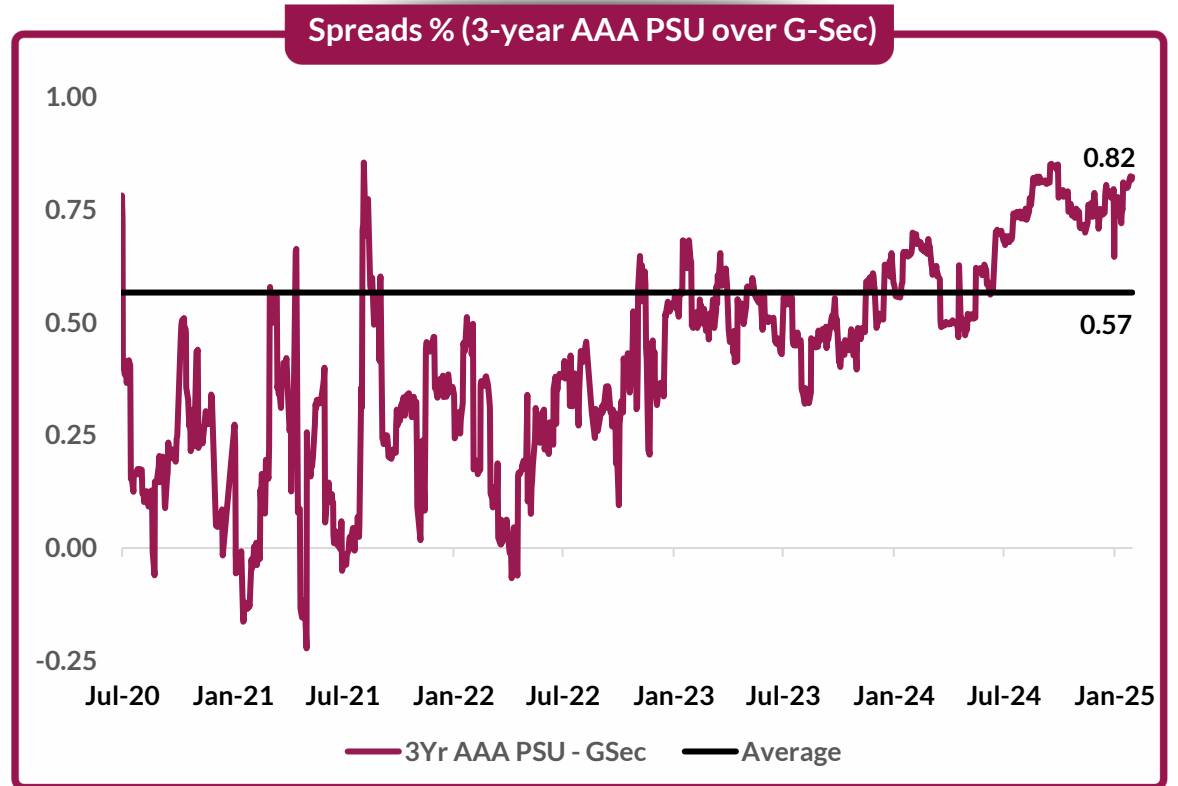
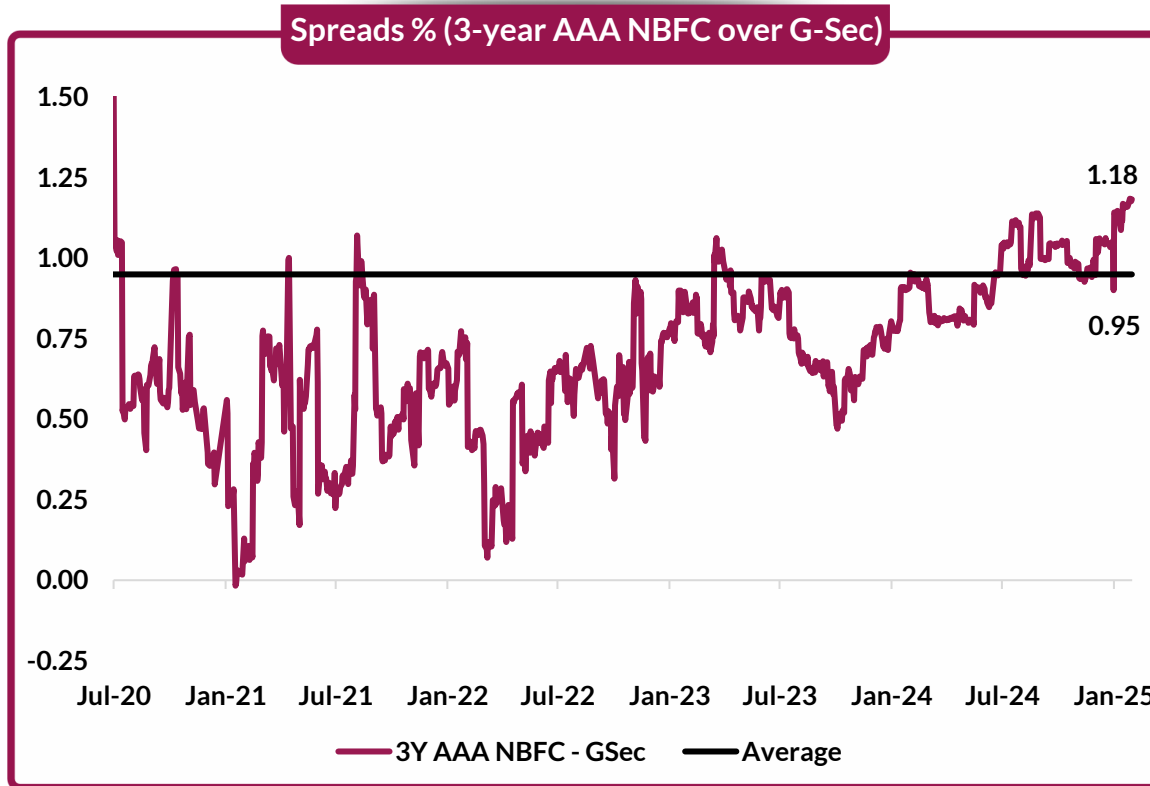
Significantly higher upgrades than downgrades



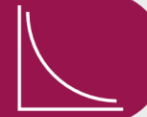
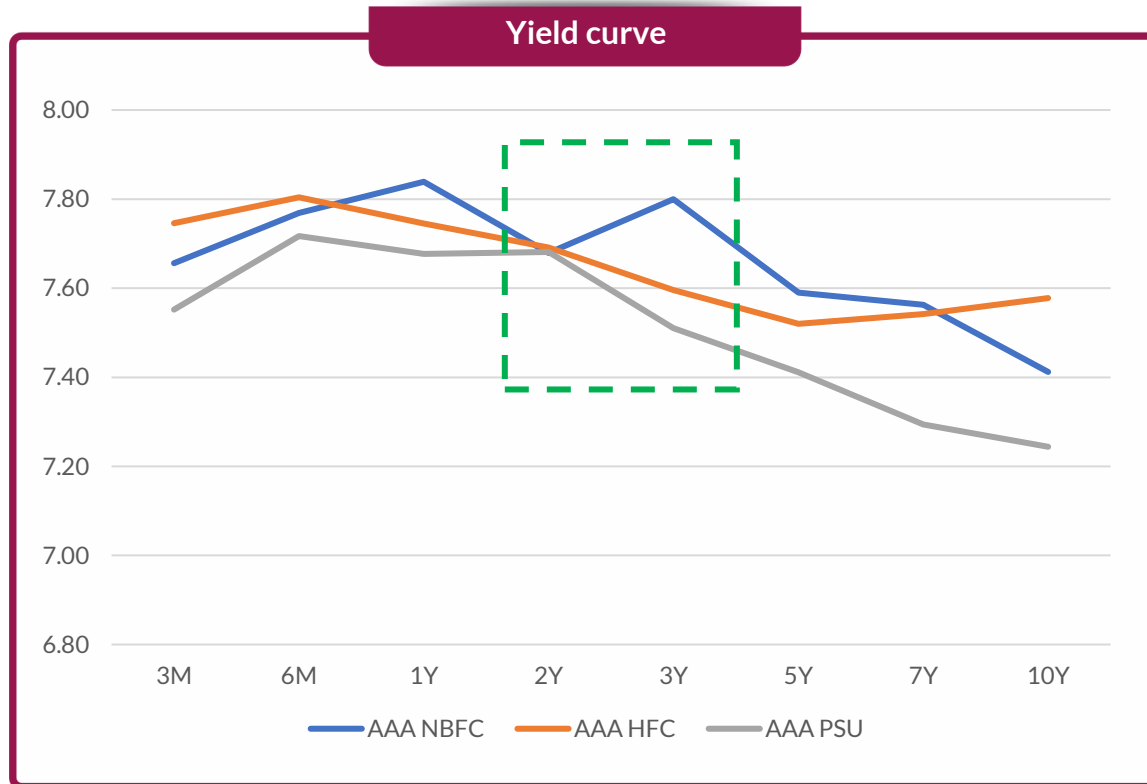
The steady improvement in asset quality and credit growth backed sufficiently by fresh equity capital issuances has enhanced credit profiles

Financial Services spreads are currently attractive

Risk-reward remains favorable due to strong fundamentals



3 years – Well placed on the yield curve



Corporate Bond yield curve is currently inverted



3-year segment is a soft spot as it offers a combination of optimal absolute yields and potential for capital gains due to:

- Additional anticipated rate cut
- Easing Liquidity Conditions

Axis Nifty AAA Bond Financial Services - Mar 2028 Index Fund



About the Index

Nifty AAA Financial Services Bond Mar 2028 Index



Nifty AAA Financial Services Bond Mar 2028 Index is a sectoral target maturity index that seeks to track the performance of AAA issuers from the financial services sector maturing near target date of the index

Constituents (31st Jan 2025)

Issuer	Weights
REC Limited	6.25%
Power Finance Corporation Limited	6.25%
National Bank For Agriculture And Rural Development	6.25%
Bajaj Housing Finance Limited	6.25%
India Infrastructure Finance Company Limited	6.25%
Aditya Birla Housing Finance Limited	6.25%
L&T Finance Limited	6.25%
LIC Housing Finance Limited	6.25%
Tata Capital Limited	6.25%
Sundaram Home Finance Limited	6.25%
Bajaj Finance Limited	6.25%
Tata Capital Housing Finance Limited	6.25%
Sundaram Finance Limited	6.25%
HDB Financial Services Limited	6.25%
Mahindra & Mahindra Financial Services Limited	6.25%
Indian Railway Finance Corporation Limited	6.25%

Index Attributes (31st Jan 2025)

Stats	
YTM	7.68%
Modified Duration	2.54 years
Average Maturity	3.02 years

About the Fund

Axis Nifty AAA Bond Financial Services - Mar 2028 Index Fund



Investment Philosophy

Target maturity index fund following 'Buy and Hold' investment approach subject to semi-annual index rebalancing



Interest Rate Risk

Duration of the securities will reduce as the scheme nears maturity; over the life of the product duration risk is minimized



Asset Quality

100%* allocation to AAA rated issuers from financial services sector only



Defined Maturity

Upon the scheme maturity in March 2028, the investment proceeds along with the potential returns will be paid back to the investors

*Up to 5% of the fund corpus will be invested in Debt and Money Market Instruments for liquidity purpose. Sector(s) / Stock(s) / Issuer(s) mentioned above are for the purpose of disclosure of the portfolio of the Index/Scheme and should not be construed as recommendation.

Identifying which product is right for you?

Financial Services Target Maturity Funds vs other investment avenues

	Financial Services Target Maturity Funds	Actively Managed Debt Mutual Funds	Individual Bonds	Small Savings Schemes	Fixed Deposits
Visibility of potential returns*	✓	✗	✓	✓	✓
Liquidity	✓	✓	✗ [#]	✗	✗ ⁺
Diversification	✓	✓	✗	✗	✗
Professional Management	✓	✓	✗	NA	✗
Defined Maturity	✓	✗	✓	✓	✓

Source: Axis MF Research. *At Maturity. [#]Bond liquidity may vary due to vagaries of debt markets. ⁺Penalty for premature withdrawal. There can be no assurance that the investment objective of the Scheme will be achieved. Investors must consult their financial advisors regarding portfolio allocation and suitability of funds depending on the risk profile of the investor.

To summarise

Why should investors consider Axis Nifty AAA Bond Financial Services - Mar 2028 Index Fund?



Higher carry vis-à-vis active debt funds with similar maturity/rating profile



High quality portfolio – 100%* AAA rated bonds from Financial Services Sector only



Visibility of potential returns, when held till maturity



Tactical play to benefit from falling interest rates



Liquidity – Open ended scheme with no exit load



Relatively lower expense ratio – scheme being passively managed

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Key Scheme Details



Fund Manager
Hardik Shah



Plans
Direct and Regular



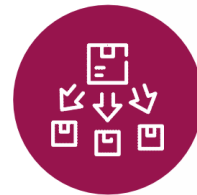
Min Application Amount
₹5,000 and in multiples of ₹1/- thereof



Exit Load
Nil



Benchmark
Nifty AAA Financial Services Bond Mar 2028 Index



Options
Growth and IDCW (Payout and Re-investment)

Annexure



Target Maturity Funds



Target Maturity Funds are open ended passive debt mutual fund schemes tracking an underlying bond index having a pre-defined maturity



Portfolio constituents have in aggregate, key characteristics of the underlying index



Maturity of individual securities is lower than the index's stated maturity



These funds follow a buy and hold approach. Coupons are reinvested, which adds to the compounding benefit and leads to deferment of taxes.



Units of the scheme are automatically redeemed at the applicable NAV on the maturity date

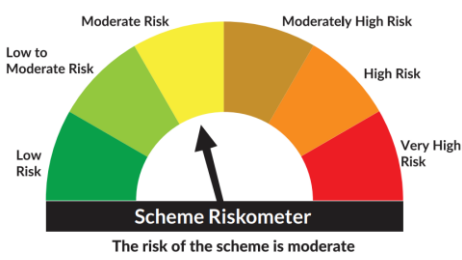
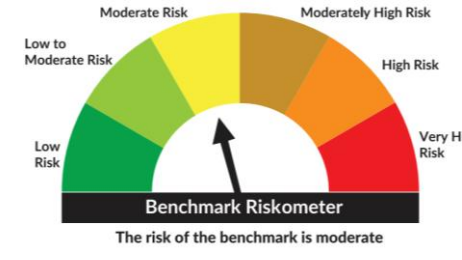


Minimal interest rate risk over the defined maturity

Product Labelling, Disclaimers & Risk Factors



Product Labelling

Product Label	Product Risk-o-meter	Benchmark Risk-o-meter	Potential Risk Class Matrix																								
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(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).

Disclaimer & Risk Factors

Past performance may or may not be sustained in the future.

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Thank You!