

Axis Technology ETF

(An Open Ended Exchange Traded Fund tracking NIFTY IT Index)

Invest in the brightest names in
IT at your pace

NFO Opens
18th March 2021

NFO Closes
23rd March 2021

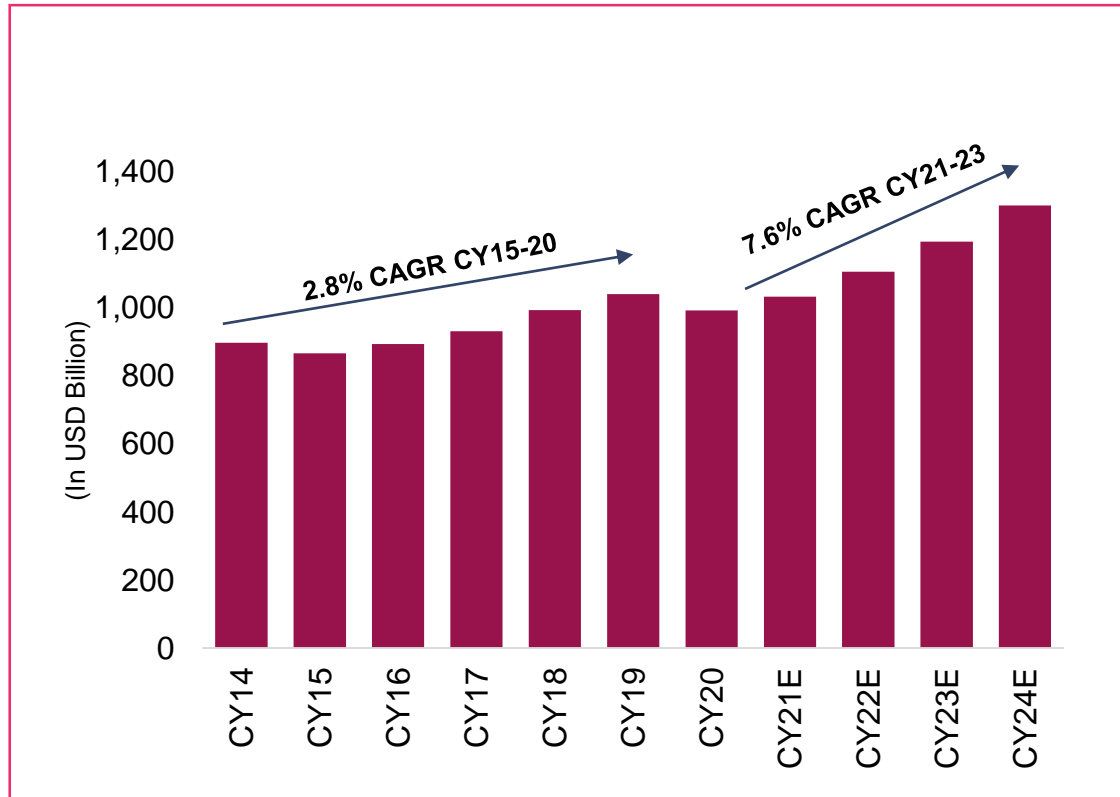
Why Technology Sector?



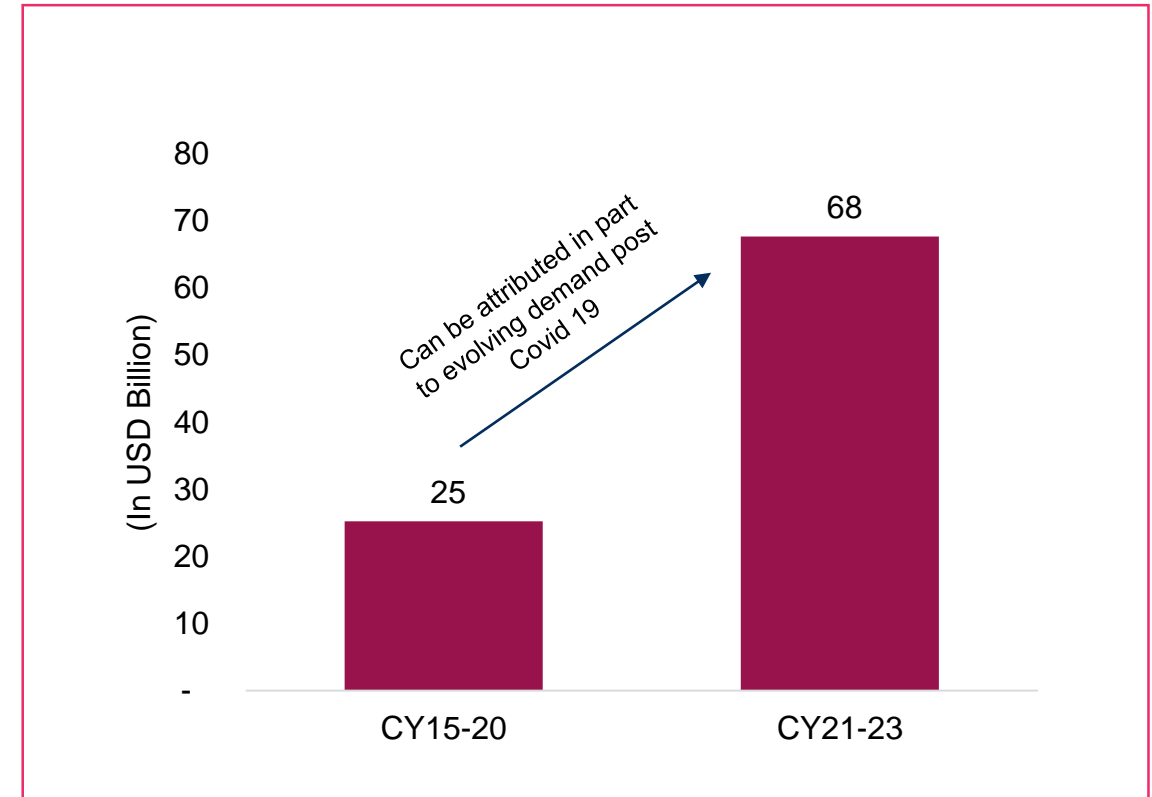
Global Technology Demand

While many industries are slowing, demand for Global IT services has grown significantly

Demand for Global IT services



Annual Contracts Issued/ Renewed



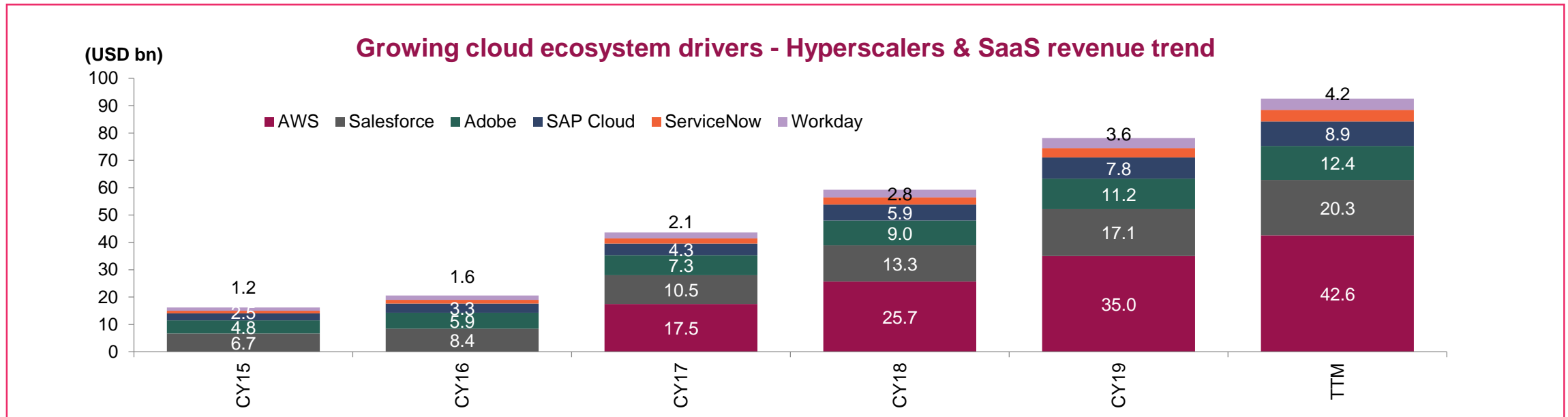
Source: Gartner, HDFC Sec, Axis MF Research. Data as on 28th February 2021. E- Estimates

Past performance may or may not be sustained in the future. Sector(s) mentioned above are for the purpose of illustration and should not be construed as recommendation. Investors are requested to consult their financial, tax and other advisors before taking any investment decision(s).

Changing Frontiers

New age technologies driving incremental growth. Covid a significant trigger

- Technology platforms like cloud computing, enterprise solutions & AI are driving incremental growth for the sector
- Use of Software as a Service and other machine driven services (Hyperscalers) has grown exponentially.
- Indian companies which have invested extensively in capabilities have seen larger client additions/order wins



Source: Company annual reports, HDFC Sec, Axis MF Research. Data as on 28th February 2021. TTM- Trailing Twelve Months

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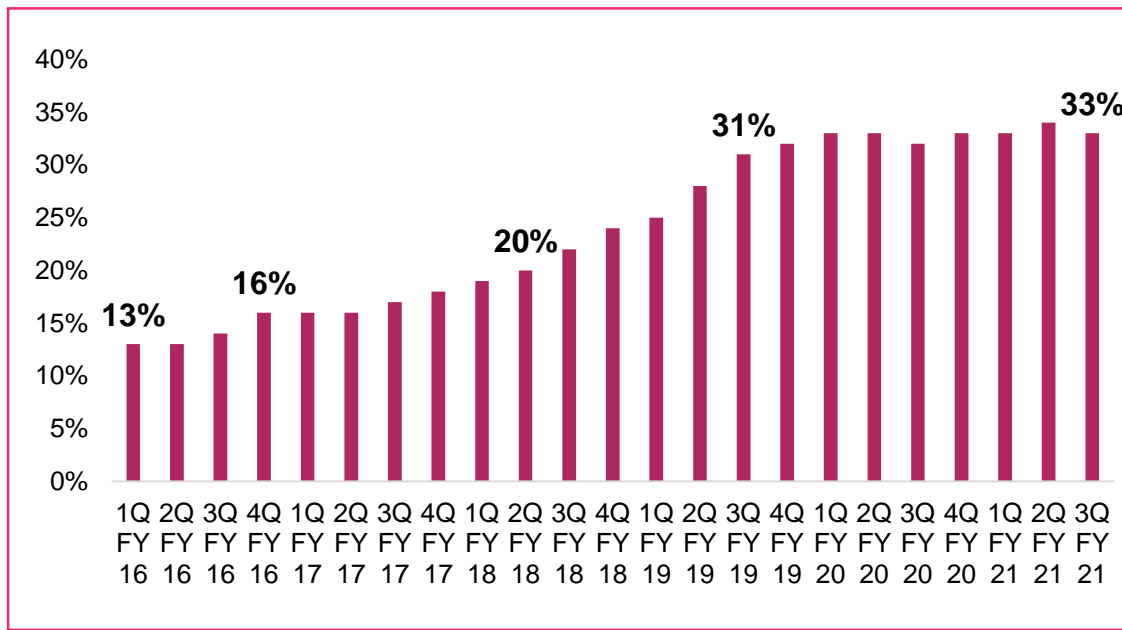
How do Indian Players Stack Up?

Pivot from traditional services paying off

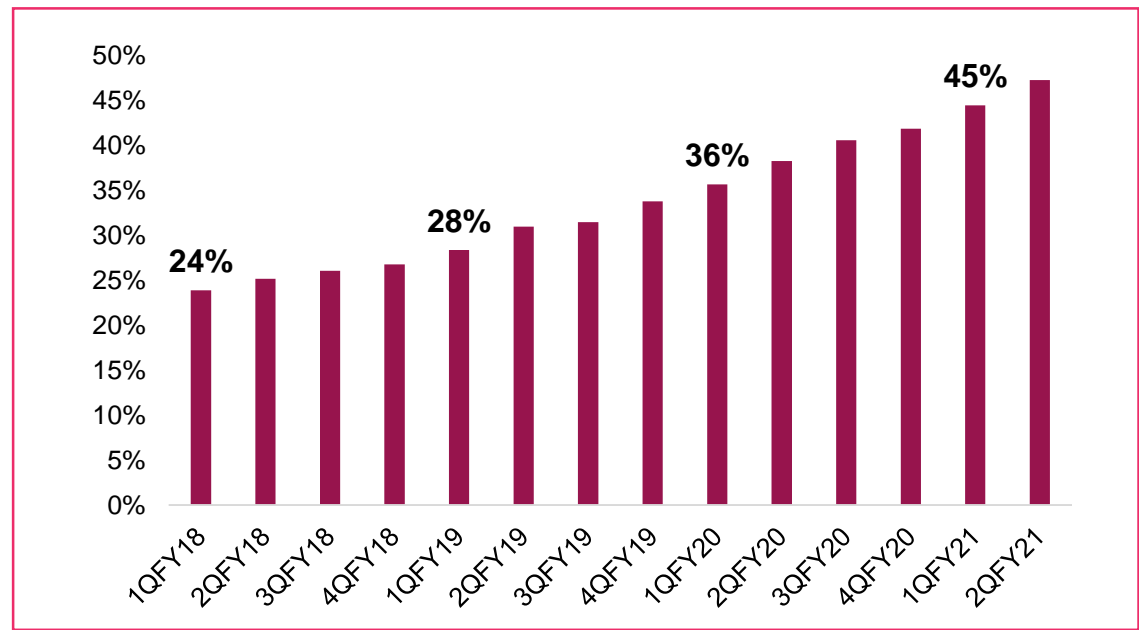
Infosys and TCS have helped with large scale transformation of companies.

Enabled clients to effectively manage disruptions like the Covid-19 pandemic.

TCS: % of Revenue from Digital



Infosys: % of Revenue from Digital



Source: Goldman Sachs, Motilal, Bloomberg, Axis AMC Research. Data as on 28th February 2021.

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Recognizing Indian Capability

Good Execution = Happy Customers

Indian IT Scores High on most project execution parameters

Rank	Overall HFS Top 10 position	Methodology & Approach	Partnerships	Scale & Breadth	Client Results	Commercial Models & Price	Overall Execution
1	Infosys	Accenture	Accenture	IBM	HCL Tech	Mindtree	HCL Tech
2	HCL Tech	IBM	Capgemini	Accenture	Infosys	HCL Tech	Infosys
3	Accenture	HCL Tech	TCS	Capgemini	Tech Mahindra	Virtuse	TCS
4	IBM	NTT Data	Infosys	TCS	Accenture	Cognizant	Accenture
5	Cognizant	Cognizant	HCL Tech	Infosys	TCS	Infosys	IBM
6	Wipro	Mindtree	NTT Data	Wipro	IBM	L&T Infotech	Wipro
7	TCS	Infosys	IBM	Cognizant	Wipro	Mphasis	Cognizant
8	NTT Data	Capgemini	Cognizant	HCL Tech	Virtuse	NIIT Tech	Capgemini
9	Tech Mahindra	TCS	Atos	DXC Technologies	NTT Data	Zensar Tech	NTT Data
10	Capgemini	Mphasis	DXC Technologies	Atos	Mindtree	Wipro	Tech Mahindra

Companies in **bold** are Indian listed IT companies

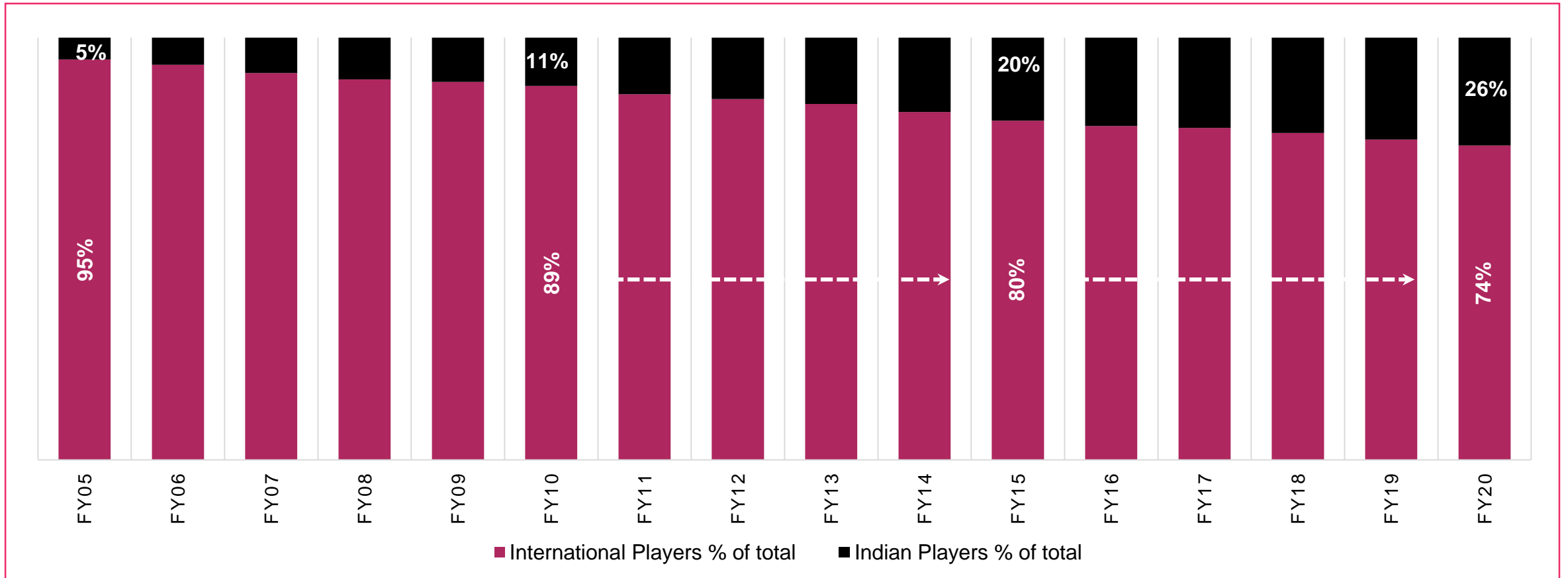
Source: HDFC Sec, HFS Research, Axis AMC Research. Data as on 28th February 2021.

Past performance may or may not be sustained in future. The sector(s)/stock(s)/issuer(s) mentioned in this presentation should not be construed as any research report/recommendation to buy / sell / hold. The fund's exposure will be determined by the weight of underlying companies in the NIFTY IT Index.

The Result

Indian companies gaining market share

Consistent Market-share Gains By Indian IT



Source: HDFC Sec, Axis AMC Research. Data as on 28th February 2021.

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To Summarize

Indian IT has significant long term tailwinds for growth & is attractively valued

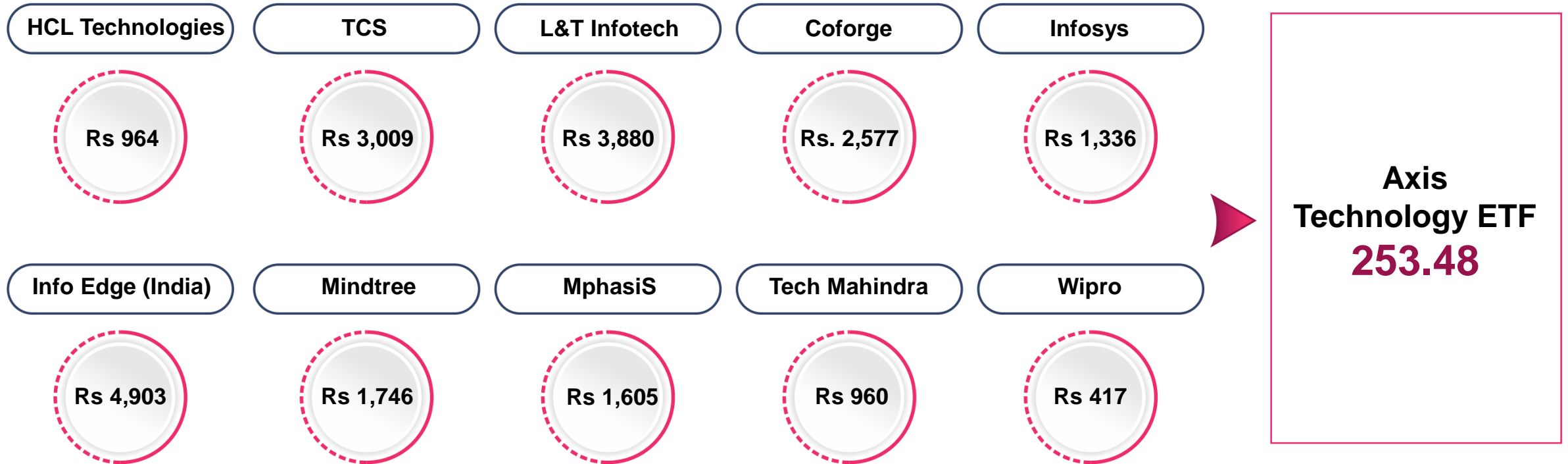
- **Revenue growth momentum is strong**
 - Deal pipeline is trending above pre-pandemic levels; Digitization theme likely to remain dominant
 - 5G rollout by global telecom companies, likely to see significant deal opportunities
 - Covid has reemphasized cost optimization. Indian companies known for efficient cost solutions
- **Capital return remains an attractive theme**
 - Indian IT companies continue to return significant capital by way of dividends & buybacks to optimize capital use
 - Despite investments & M&A activity, Indian IT companies generate significant cash flows and low debt
- **Valuations factoring in higher growth prospects**
 - PEG for NIFTY IT Index at 1.9x v/s 10 year average of 1.5x
 - Higher PEG reflects resilient business models, return of growth & scale of operations
- **Under-ownership by institutional investors (FII + DIIs)**
 - Significant under ownership as compared to global peers

Introducing Axis Technology ETF



Axis Technology ETF

Take exposure to IT bellwethers^{\$} in a neatly packed bite sized exchange traded fund



Source: NSE, Axis MF Research

Stock prices taken as of close on 8th March 2021. Axis Technology ETF unit value will correspond to roughly 1/100th value of NIFTY IT Index. Value of NIFTY IT Index as on close of March 8th 2021 was Rs 25,348. Price of Axis Technology ETF mentioned above is for illustrative purposes only. Allotment price and subsequent price upon listing may vary from illustrative price. \$ Largest companies by free float market capitalization. Prices rounded off to nearest whole number.

About NIFTY IT Index



India's Information Technology (IT) industry plays a major role in the Indian economy.



With exports of over US\$ 100 billion annually, the information technology space is the largest single service exporter industry in India.



NIFTY IT Index comprises of the 10 largest IT companies by free float market capitalization.

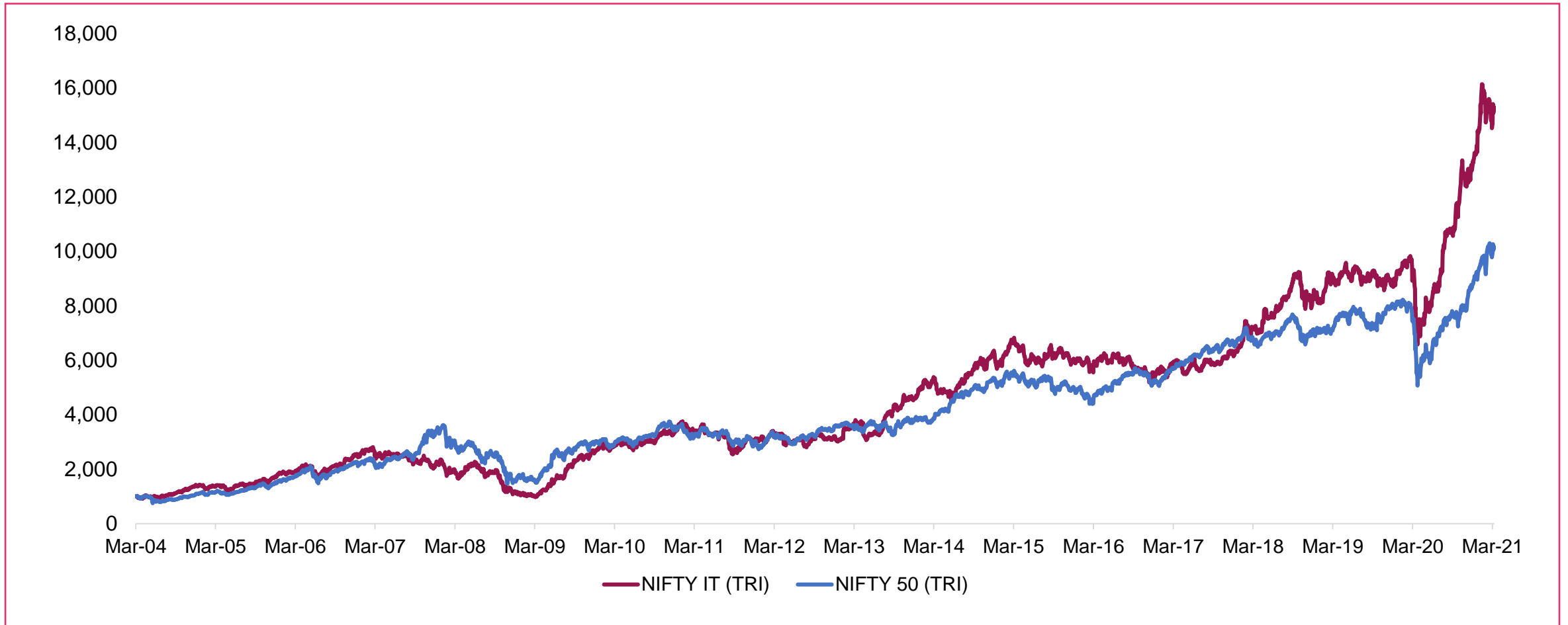
Parameters

NIFTY IT Index

Index Inception Date	01-Jan-96
Base Date	01-Jan-96
Dividend Yield	1.74%
Number of Stocks	10
<hr/>	
Top Stock Weight (%)	26.42%
Top 3 Stocks Weight (%)	62.18%
Top 5 Stocks Weight (%)	80.53%
<hr/>	
Correlation (NIFTY 50)	0.66
Beta (Nifty 50)	0.97

Performance

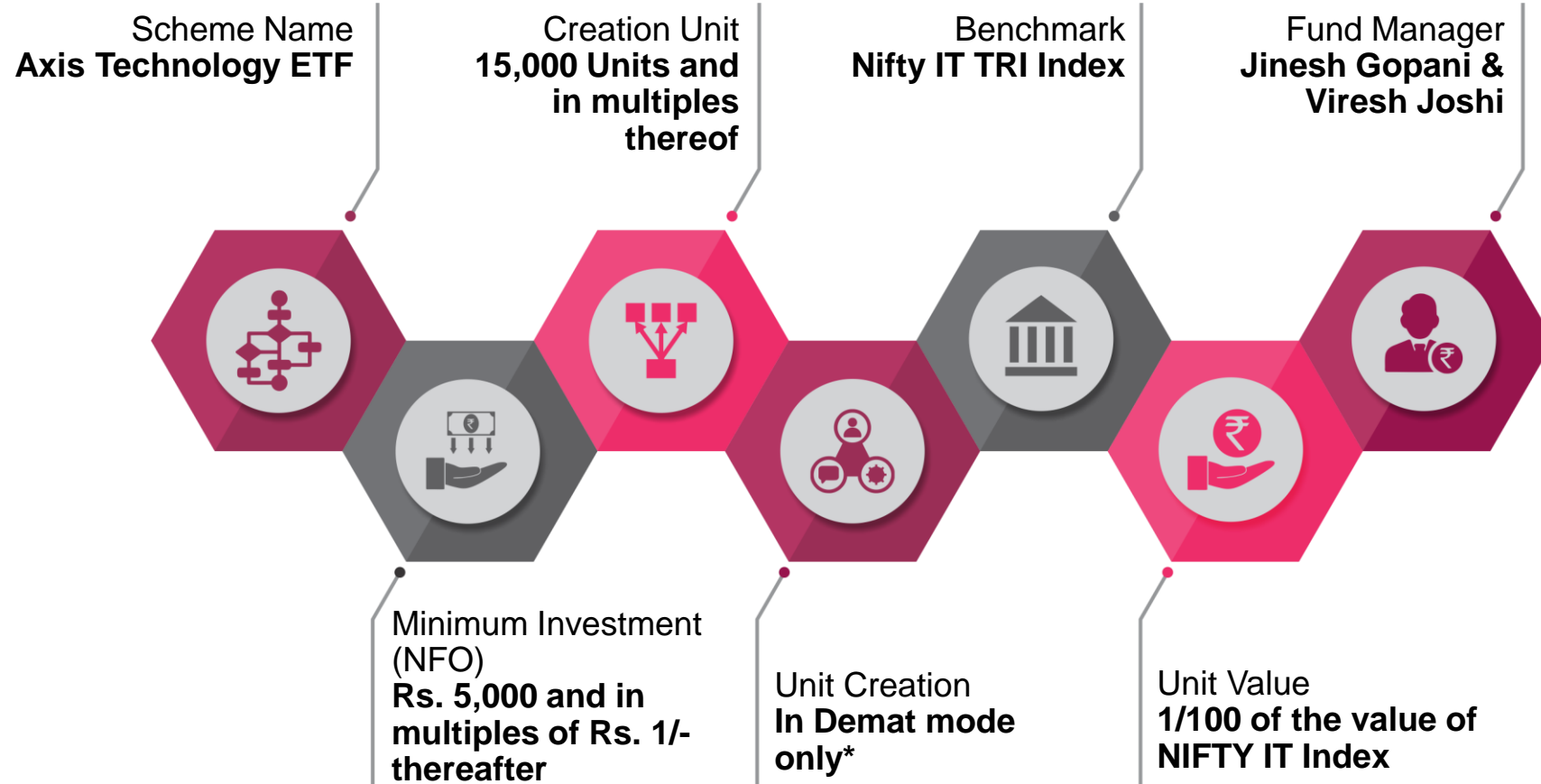
NIFTY IT Index has been a Long Term Wealth Creator



Past performance may or may not be sustained in the future. Values normalized to 100 as on May 28th 2004. Data as of 28th February 2021. The base value of the index was revised from 1000 to 100 with effect from May 28, 2004.

Axis Technology ETF

An Open Ended Exchange Traded Fund tracking NIFTY IT Index



*Units of the Scheme will be available in Dematerialized (electronic) form only. The applicant under the Scheme will be required to have a beneficiary account with a Depository Participant of NSDL/CDSL and will be required to indicate it in the application form.

Passive Investing With Axis MF



Introduction to Passive Investing

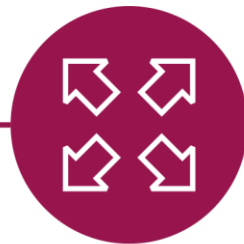
Passive Investing is a low friction investment strategy tracking a specific index as closely as possible



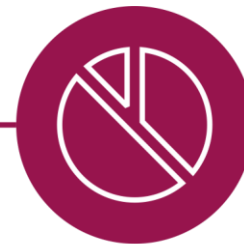
Efficient low cost strategy



Removes the risk of security selection



Relies on broader market wisdom



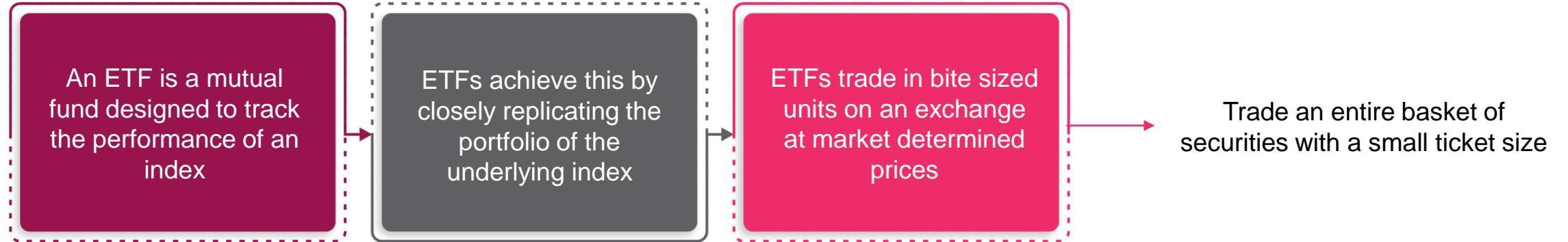
Participates in the constituents in the same proportion as the index



ETFs and Index Funds are popular vehicles to passive investing

What is an ETF?

The Basics



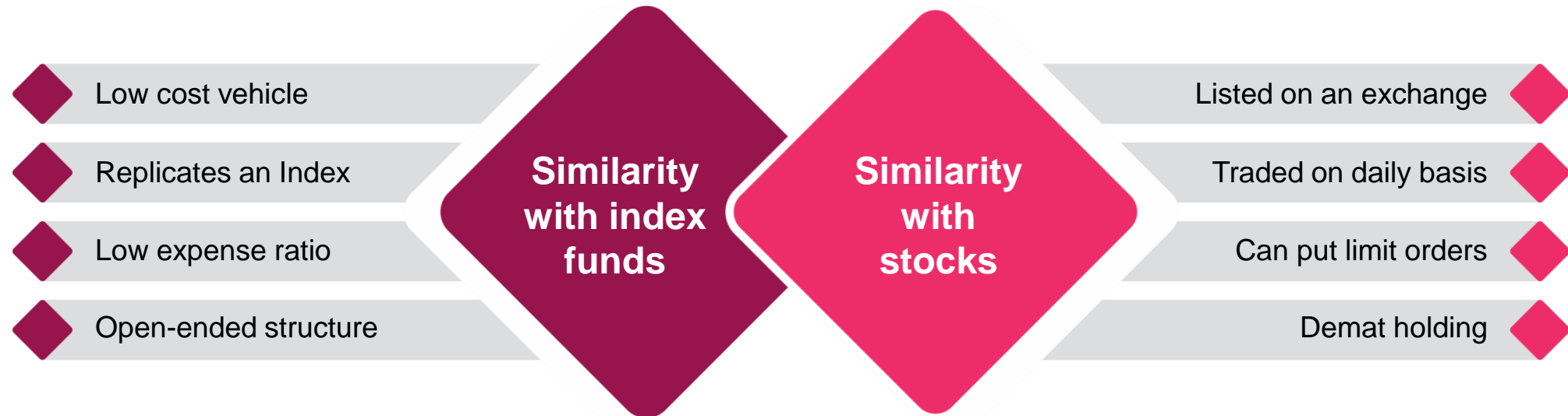
Key Differences	ETFs	Active Mutual Funds
What's on Offer?	Track an Index	Portfolio aimed to beat broad market indices
Trading Frequency	Actively traded on an exchange	Trade once a day on NAV Prices
Style of Management	Passive	Active
Costs	Less Expensive	More Expensive

*Actively managed equity funds do not include index funds
 Like Actively managed equity funds, ETFs carry price risks. In view of the individual circumstances and risk profile, each investor is advised to consult his / her professional advisor before making a decision to invest.

ETF Investing

The best of both worlds

Combines benefits of index based investing with stock listing



Benefits of ETFs



Exchange-traded

Investor invests at nearly the real-time prices as opposed to end of day price



Removes bias

Best suited to earn asset class performance-linked return



Efficient

Protects long-term investors from the inflows and outflows of short-term investors



Flexible

Tool for gaining instant exposure to the markets, equitizing cash

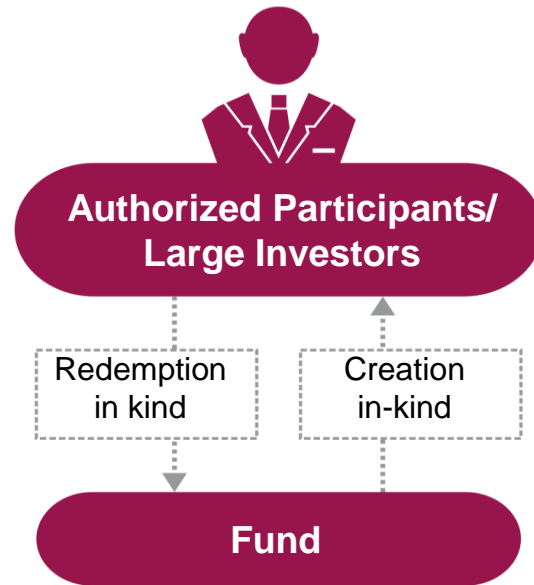


Cost

Low expense ratio

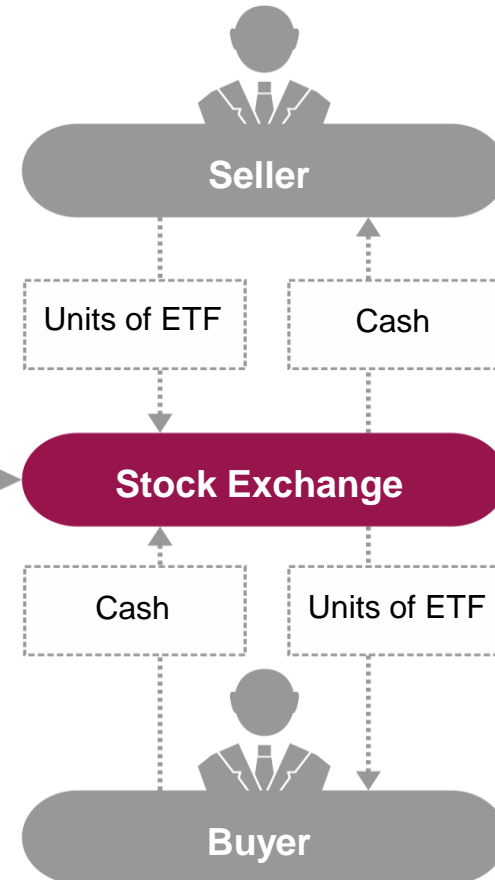
The ETF Mechanism

Primary Market



Market Making
Buy/Sell

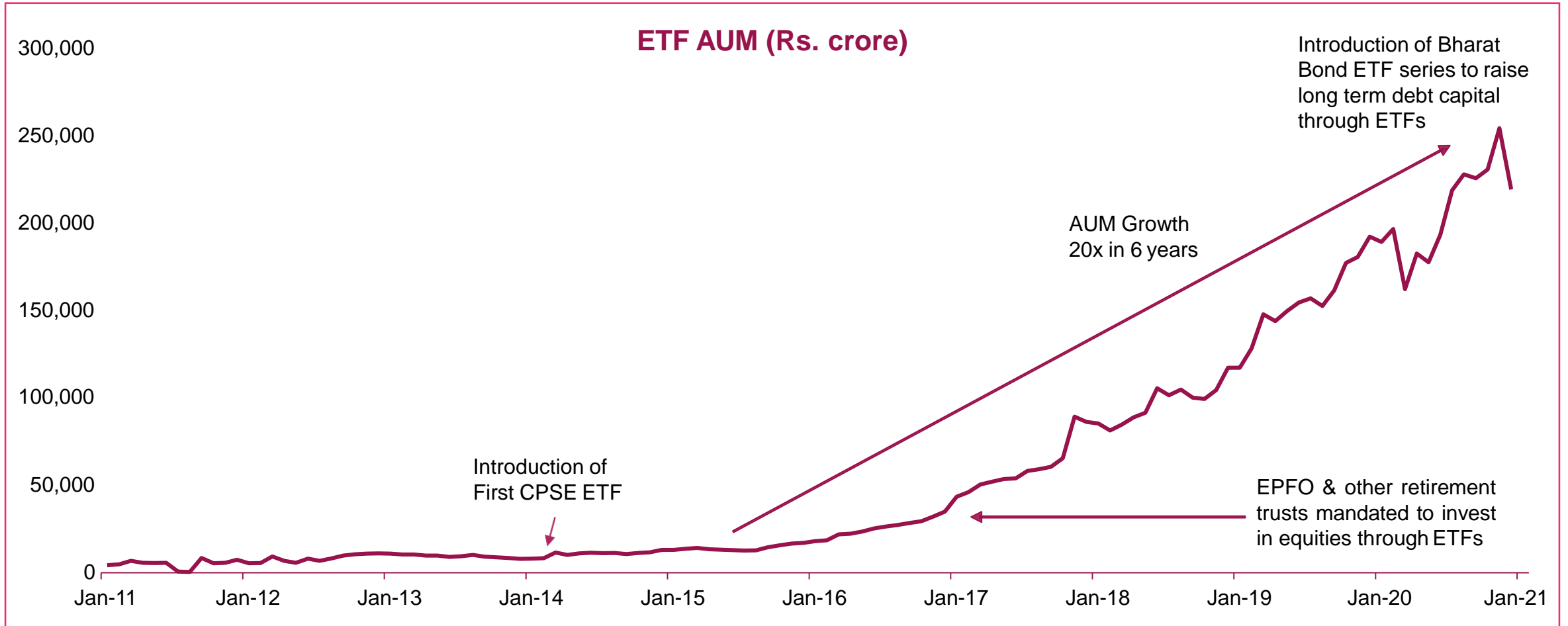
Secondary Market



The process outlined will be in effect once the fund reopens post the NFO launch. During the NFO investors may subscribe through all physical channels and through distribution agents of Axis Mutual Fund and at ISCs.

ETFs In India

Passive Investing has been gaining traction in India due to wider participation of retirement trusts and increasing investor awareness



Sector Investing

ETF v/s Sector Funds

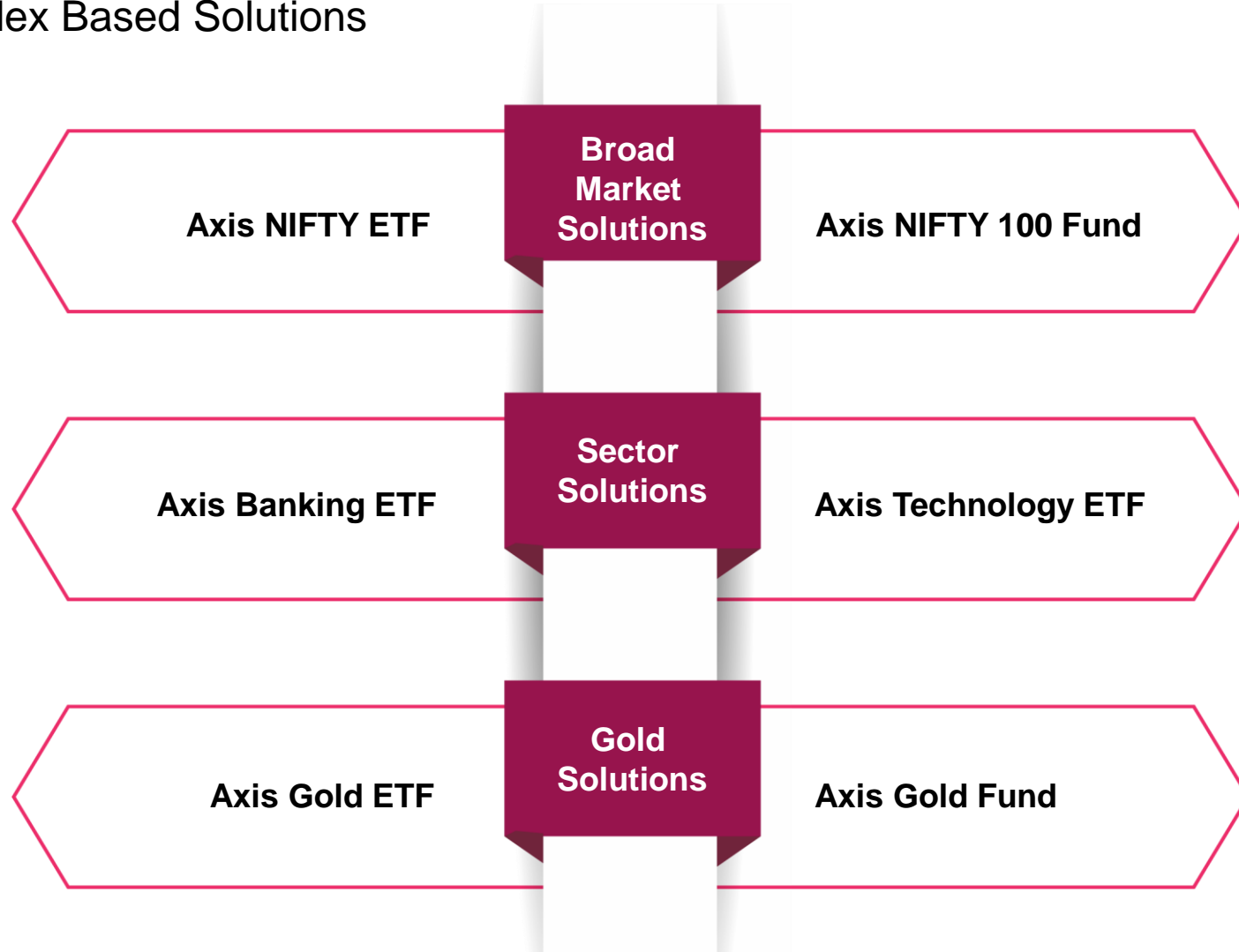
Sector ETFs	Differences	Sector Funds
Systematic allocation to a basket of stocks within the sector	Investing Strategy	Limited active call on portfolio stocks within a sector
No Limits	Limits to Investing	Sector funds subject to 20/25 rule*
Nil	Exit Load	Applicable
Available	Intra day trading	Not Available
On demand trading through exchange	Tradability	Transact with the mutual fund
Low cost products	Costs	Higher costs products

Current sector universe may add limited scope to active management and hence a sector ETFs can add value at low cost

*Mutual funds are required to have at least 20 investors and a maximum of 25% of fund corpus from a single investor.

Axis MF Product Basket

Growing Range of Index Based Solutions



Note: Investors will be bearing the recurring expenses of the scheme, in addition to the expenses of the schemes, in which Fund of Funds schemes make investments.

Product Labelling

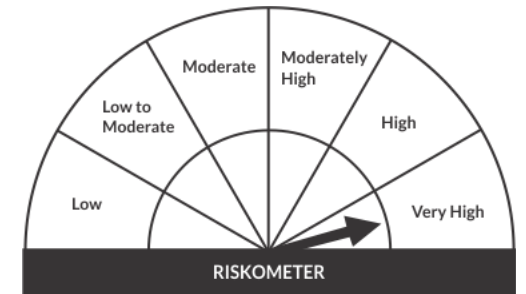
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This product is suitable for investors who are seeking*:



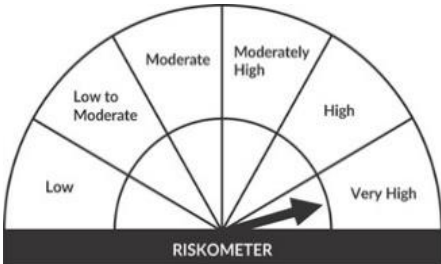
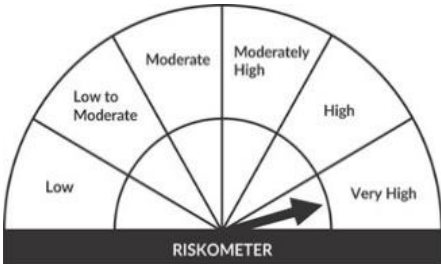
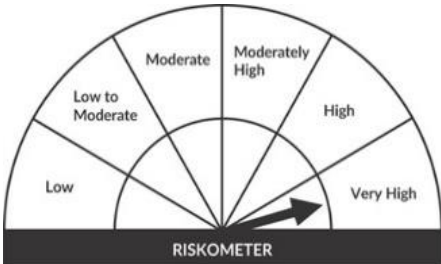
- Long term wealth creation solution
- The fund that seeks to track returns by investing in a basket of NIFTY IT Index stocks and aims to achieve returns of the stated index, subject to tracking error

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



Investors understand that their principal will be at very high risk

Product Labelling

Fund Name	Riskometer	Product Labelling
Axis Gold ETF (An open ended scheme replicating/tracking Domestic Price of Gold)	 <p style="text-align: center;">RISKOMETER</p> <p style="text-align: center;">Investors understand that their principal will be at moderately high risk</p>	This product is suitable for investors who are seeking* <ul style="list-style-type: none"> • Capital appreciation over medium to long term • Investment predominantly in gold in order to generate returns similar to the performance of gold, subject to tracking error
Axis Gold Fund (An open ended fund of fund scheme investing in Axis Gold ETF)	 <p style="text-align: center;">RISKOMETER</p> <p style="text-align: center;">Investors understand that their principal will be at moderately high risk</p>	This product is suitable for investors who are seeking* <ul style="list-style-type: none"> • Capital appreciation over medium to long term • Investment predominantly in Axis Gold ETF in order to generate returns similar to the underlying fund, subject to tracking error
Axis Nifty ETF (An open ended Scheme replicating/ tracking Nifty 50 Index)	 <p style="text-align: center;">RISKOMETER</p> <p style="text-align: center;">Investors understand that their principal will be at very high risk</p>	This product is suitable for investors who are seeking* <ul style="list-style-type: none"> • Capital appreciation over medium to long term • Investments in Equity & Equity related instruments covered by Nifty 50 Index
Axis NIFTY 100 Index Fund (An Open Ended Index Fund tracking the NIFTY 100 Index)	 <p style="text-align: center;">RISKOMETER</p> <p style="text-align: center;">Investors understand that their principal will be at very high risk</p>	This product is suitable for investors who are seeking* <ul style="list-style-type: none"> • Long term wealth creation solution • An index fund that seeks to track returns by investing in a basket of Nifty 100 Index stocks and aims to achieve returns of the stated index, subject to tracking error.
Axis Banking ETF (An Open Ended scheme replicating / tracking NIFTY Bank Index)	 <p style="text-align: center;">RISKOMETER</p> <p style="text-align: center;">Investors understand that their principal will be at very high risk</p>	This product is suitable for investors who are seeking* <ul style="list-style-type: none"> • Long term wealth creation solution • An index fund that seeks to track returns by investing in a basket of NIFTY Bank Index stocks and aims to achieve returns of the stated index, subject to tracking error

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

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.

Axis Technology ETF offered by Axis Mutual Fund is not sponsored, endorsed, sold or promoted by NSE INDICES LIMITED (formerly known as India Index Services & Products Limited (IISL)). NSE INDICES LIMITED does not make any representation or warranty, express or implied (including warranties of merchantability or fitness for particular purpose or use) and disclaims all liability to the owners of Axis Technology ETF or any member of the public regarding the advisability of investing in securities generally or in the Axis Technology ETF linked to the NIFTY IT Index or particularly in the ability of the NIFTY IT Index to track general stock market performance in India. Please read the full Disclaimers in relation to the NIFTY IT Index in the in the Offer Document / Prospectus / Information Statement.

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 ` 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