

AXIS ELSS TAX SAVER FUND

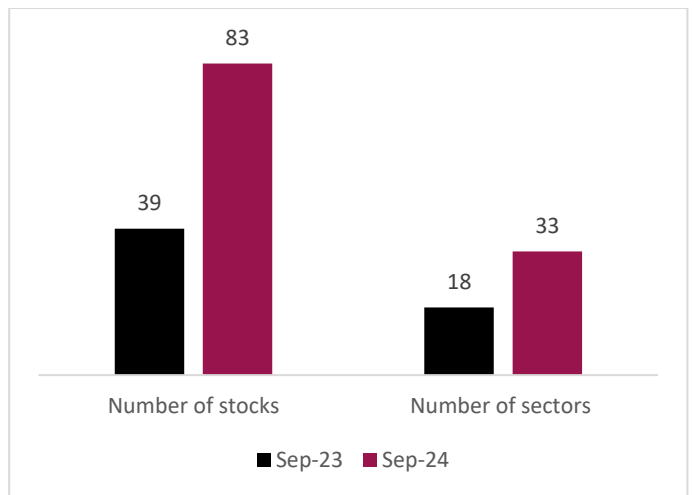
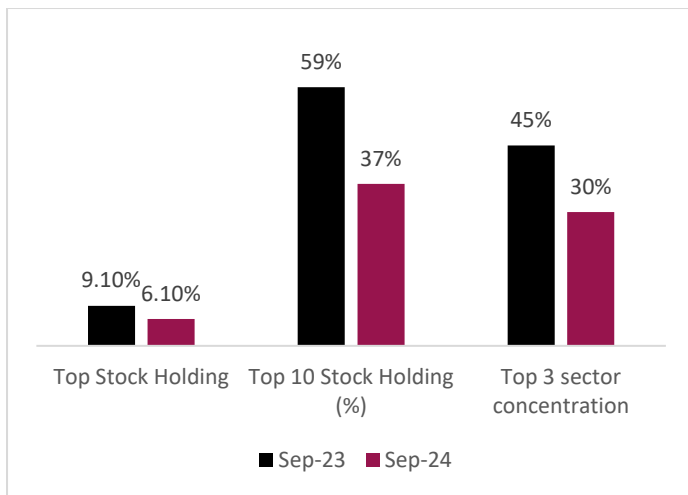
An open ended equity linked savings scheme with a statutory lock in of 3 years and tax benefit

Investment Strategy

- Invests in quality businesses for the long term through bottom-up stock picking
- Invests across market cap, with predominant allocation towards large caps
- Focused on long term earnings growth prospects and quality as key criteria for stock selection
- Long term Investment approach to support quality businesses through their market cycle

Granular Fund Positioning

The fund is actively managed, focusing on identifying long term themes and opportunities currently at play in the equity markets. In the last year, as market offered opportunities across sectors making it critical that the portfolio is diversified. The fund has enhanced diversification and increased the depth, by shifting approach from a concentrated holding to a broader number of stocks that has led to a wider exposure across sectors. It has also reduced concentration level by decreasing the exposure to the top 10 holdings, indicating a more balanced allocation across various investments.



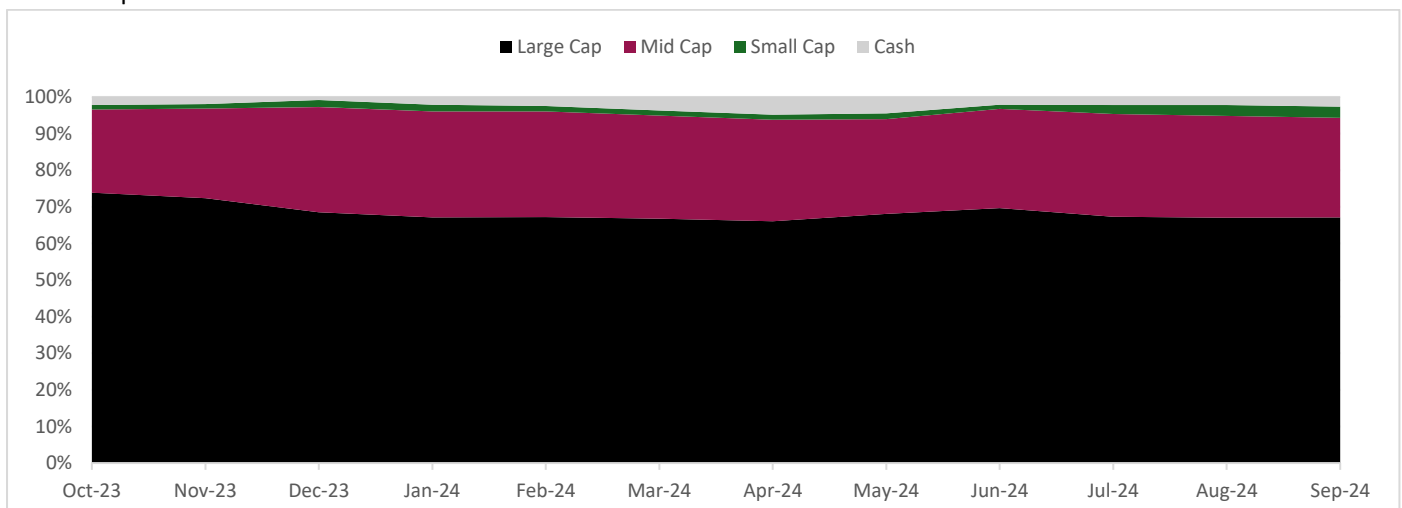
Source: Internal, as on 30th September 2024

The Fund will continue to maintain a diversified portfolio. However, given the high valuation and market's lower tolerance to growth disappointment, going forward the fund's further diversification might be calibrated.

As a result of increase in granularity of portfolio, the concentration of alpha has reduced, leading to improved risk adjusted returns. In the last 3 months, the alpha contribution from new stocks has increased by 20%.

Action in the fund

The fund has increased its allocation towards small and midcap over the past year. This increased midcap allocation has generated alpha, contributing positively to the fund's performance in last 3 months. The fund will continue to take active market cap call based on market view.



The fund has not only increased its breadth of sector exposure but also has done active churn in the exposure based on the sector view

- We have reduced our allocation to NBFC segment and increased our allocation to the banking segment, insurance and fintech segment as well.
- Given the well-distributed monsoon and upcoming festive season we remain overweight on consumer services segment, specifically in the retailing. However, we have reduced our allocation based on stock specific call, and added to consumer durables
- We maintain our OW positioning to Pharma and have also increased it further. Telecom sector weightage has gone up, as well.

Sector	Sep-24	Jun-24	% change	OW/UW
Banks	13.2%	12.0%	1.2%	-5.3%
Finance	9.4%	13.0%	-3.7%	3.4%
IT - Software	7.8%	8.2%	-0.5%	-1.4%
Retailing	7.4%	9.2%	-1.7%	4.7%
Pharmaceuticals & Biotechnology	7.1%	6.3%	0.8%	2.5%
Automobiles	6.8%	6.2%	0.6%	1.7%
Power	6.1%	6.4%	-0.2%	2.4%
Telecom - Services	3.3%	2.3%	1.0%	0.4%
Insurance	2.9%	1.0%	1.9%	1.3%
Chemicals & Petrochemicals	2.7%	3.8%	-1.1%	1.2%
Industrial Products	2.7%	3.4%	-0.7%	0.7%
Food Products	2.5%	2.6%	-0.1%	1.5%
Electrical Equipment	2.4%	2.5%	-0.1%	0.5%
Fertilizers & Agrochemicals	2.3%	2.5%	-0.2%	1.6%
Auto Components	2.3%	3.6%	-1.4%	-0.1%
Healthcare Services	2.0%	1.9%	0.1%	0.7%
Construction	1.9%	1.7%	0.2%	-1.0%
Leisure Services	1.6%	1.6%	0.1%	0.8%
Cement & Cement Products	1.6%	1.7%	-0.1%	-0.4%
Petroleum Products	1.5%	2.6%	-1.1%	-4.6%
Transport Services	1.5%	0.8%	0.7%	0.7%
Consumer Durables	1.4%	0.5%	0.9%	-1.8%
Beverages	1.1%	0.6%	0.5%	0.4%
Realty	1.1%	0.1%	1.0%	-0.3%

Top 5 New Entry	% (Sept-24)	Top 5 Exits	% (June-24)
The Federal Bank Ltd.	0.9	Tube Investments of India Ltd.	1.5
HDFC Life Insurance Company Ltd.	0.7	Shree Cement	0.5
Multi Commodity Exchange Of India Ltd.	0.7	JIO Financial Services Ltd.	0.5
ICICI Prudential Life Insurance Company Ltd.	0.7	Bharat Petroleum Corporation Ltd.	0.4
Crompton Greaves Consumer Electricals Ltd.	0.5	Coforge Ltd.	0.3

Top 5 stocks with Increased allocation	% Change	Top 5 stocks with decreased allocation	% change
Infosys Ltd	1.7	Tata Consultancy Services Ltd	-1.9
TVS Motor Company Ltd	1.1	Avenue Supermarts Limited	-1.8
Bharti Airtel Ltd	1.1	Bajaj Finserv Ltd	-1.5
ICICI Bank Ltd	0.8	Cholamandalam Investment and Finance Company Ltd	-1.0

Bajaj Auto Ltd
0.7
Mahindra & Mahindra Ltd
-1.0

Disclaimer: Exposure as % of Net assets. Source: MFI, as on 30th Sept, 2024. 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. Stocks highlighted above are the additions/deletions in the Top 10 holdings. For complete portfolio refer to our website www.axismf.com

What worked for the Fund?

We have strong conviction in the theme of the fund, and we continue to be OW on the same. Active bets in sectors like consumer services, chemicals, and power have generated significant alpha, contributing to the fund's performance. Fund has also increased its allocation towards Banks, however remains underweight from benchmark. It has also increased its allocation in Construction, telecom, real estate and Pharma.

The alpha generation has become more granular, with contributions from both new and old stocks. The recent improvement in performance is a result of changes in the fund and strategic active bets.

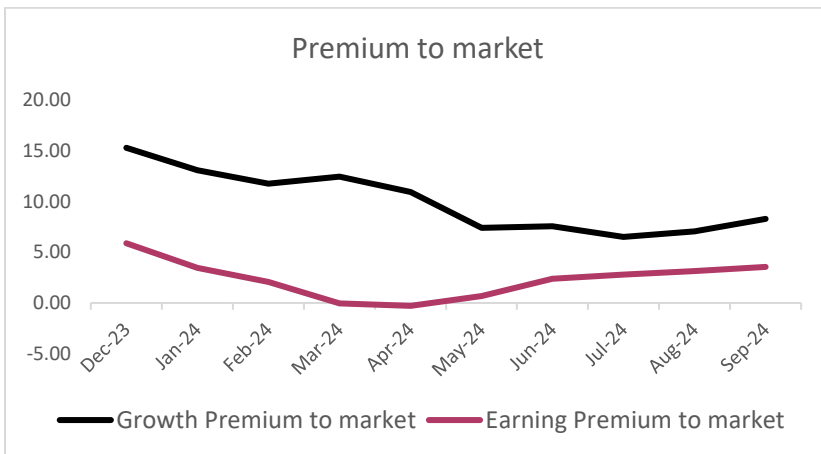
Active Bets of last year	Alpha (3M)	Comments
Power	0.9	OW on Torrent Power have generated Alpha for the fund
Healthcare	0.4	Exposure to Divi's Lab and last one year port action in Sun pharma, Lupin and Fortis has led to alpha
Consumer Services	0.3	Active bets on Zomato& Info edge have contributed towards the Alpha.
Chemicals	0.2	PI industries active position has helped the fund
Automobile & Auto Components	0.1	New stock like Bajaj Auto has contributed to Alpha

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Valuation and earnings

In an overvalued market, the portfolio has strengthened its fundamentals as valuation normalized compared to market while earning premium has increased, reflecting stronger profitability and operational resilience.

Fund has down capture ratio of 96% i.e portfolio declined only 96% as much as the index during last 3 years (one day return).

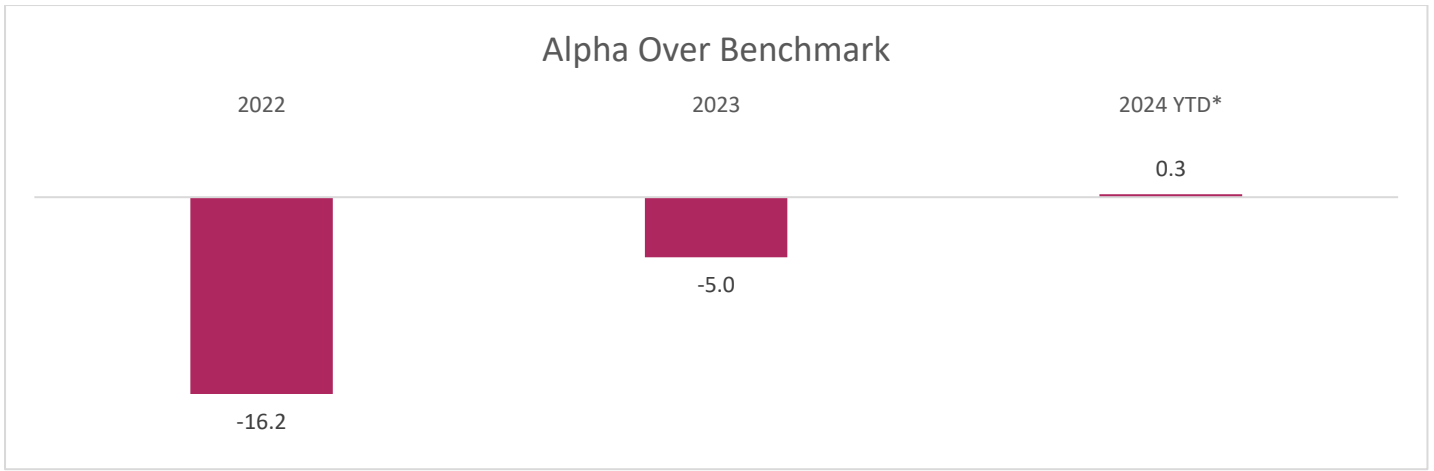


	Fund	BM
P/E using FY1 Est	34.2	25.9
Est EPS Growth	19.3	15.8
Port. Ending Active Share	54.56	--

Source: Factset, Axis MF Research, as on 30th Sept 2024.

Performance

As a result of the changes in the fund and active calls, Fund covered the gap of underperformance with Benchmark.



*2024 YTD performance is 29th Dec 2023 to 30th Sept 2024

Fund Name	Date of inception	1 Year		3 Years		5 Years		10 Years		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/-	CAGR (%)	Current value of Investment of Rs. 10,000/-
Axis ELSS Tax Saver Fund - Regular Plan - Growth	29-Dec-09	38.67%	13,891	9.80%	13,242	16.35%	21,342	14.44%	38,554	16.88%	1,00,050
Nifty 500 TRI (Benchmark)		41.27%	14,154	18.42%	16,614	22.25%	27,335	15.47%	42,194	13.67%	66,321
Nifty 50 TRI (Additional Benchmark)		32.80%	13,300	14.92%	15,184	18.95%	23,839	13.83%	36,578	12.84%	59,489

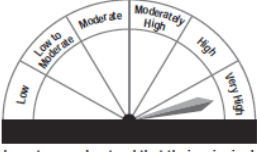
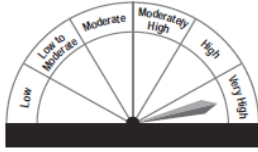
Past performance may or may not be sustained in future. Different plans have different expense structure. Shreyash Devalkar is managing the scheme since 4th August 2023 and he manages 10 schemes of Axis Mutual Fund & Ashish Naik is managing the scheme since 3rd August 2023 and he manages 18 schemes of Axis Mutual Fund . Please refer to <https://www.axismf.com/cms/sites/default/files/Statutory/Annexure%20Sep%202024%20ALL%20ANNEXURE%20Sep%202024.pdf> for performance of all schemes managed by the fund manager. Returns greater than 1 year period is compounded annualised (CAGR). Face Value per unit : ₹10.

Going Forward

Since the last couple of months, we believe that there will be recovery in rural consumption, with several indicators suggesting the same. This includes increasing FMCG volumes, improving two-wheeler sales, favourable monsoon trends, and kharif sowing. Additionally, moderating inflation and positive management commentary from FMCG firms further support this outlook. Furthermore, with the beginning of festive season, we expect demand to be broad-based. The trend of premiumisation continues, benefiting various segments within consumer discretionary. Automobiles, real estate, and high-end retail have all experienced growth. The housing sector is witnessing increased absorption across India, and with the government's emphasis on affordable housing, building materials and related industries are poised to benefit. Axis ELSS Tax Saver Fund has a tilt towards consumption-oriented segment and is geared to benefit from the potential growth opportunities arising in this space. Further, with private investments showing signs of revival with improving investment intentions, increasing order books, and supporting the robust trend in public and household capital expenditure, the portfolio is also positioned to benefit from the industrial segment.

Axis ELSS Tax Saver Fund aims to invest in high quality leaders, with solid growth and impeccable execution, strong finances especially decent Operating Cash Flows and less geared. The fund tends to have lower exposure towards highly regulated and cyclical stocks. This ensures that the fund portfolio remains robust and endeavours to deliver a sustainable return over longer tenures.

Product Labelling & Disclaimers

Axis ELSS Tax Saver Fund (An Open Ended Equity Linked Savings Scheme With A Statutory Lock In Of 3 Years And Tax Benefit)	
Benchmark: NIFTY 500 TRI	
This product is suitable for investors who are seeking*	
<ul style="list-style-type: none"> • Capital appreciation & generating income over long term • Investment in a diversified portfolio predominantly consisting of equity and equity related instruments. 	
* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.	
Riskometer	
Fund	NIFTY 500 TRI
 <p>Investors understand that their principal will be at Very High Risk</p>	

Past performance may or may not be sustained in future. Calculations are based on Regular Plan - Growth Option NAV and Direct Plan - Growth Option NAV, as applicable. Different plans have different expense structure. Face value is Rs. 10 per unit. Shreyash Devalkar is Managing Axis BlueChip Fund, Axis Midcap Fund since 23rd Nov, 2016, Axis Equity ETFs FoF since 24th Feb, 2022, Axis Multicap Fund since 1st Mar, 2023, Axis ELSS Tax Saver Fund, Axis Growth Opportunities Fund, Axis ESG Integration Strategy Fund and Axis NIFTY Healthcare ETF since 4th Aug, 2023 and Axis India Manufacturing Fund since 21st Dec, 2023. Ashish Naik is Managing Axis Multi Asset Allocation Fund, Axis Regular Saver Fund since 22nd Jun, 2016, Axis Children Gift Fund since 6th Jul, 2016, Axis NIFTY 50 ETF since 3rd Jul, 2017, Axis Equity Hybrid fund since 9th Aug, 2018, Axis Nifty 100 Index Fund since 18th Oct, 2019, Axis Innovation Fund since 24th Dec, 2020, Axis Arbitrage Fund, Axis NIFTY Bank ETF, Axis Quant Fund and Axis NIFTY India Consumption ETF since 4th May, 2022, Axis Business Cycles Fund since 22nd Feb, 2023, Axis Balanced Advantage Fund since 1st Mar, 2023, Axis BSE SENSEX ETF since 24th Mar, 2023, Axis BlueChip Fund, Axis ELSS Tax Saver Fund since 3rd Aug, 2023, Axis BSE Sensex Index Fund since 27th Feb, 2024 and Axis Nifty Bank Index Fund since 24th May, 2024.

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. Market caps are defined as per SEBI regulations as below: a. Large Cap: 1st -100th company in terms of full market capitalization. b. Mid Cap: 101st -250th company in terms of full market capitalization. c. Small Cap: 251st company onwards in terms of full market capitalization.

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Investment Manager: Axis Asset Management Co. Ltd. (the AMC). 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.