



# Aditya Birla Sun Life

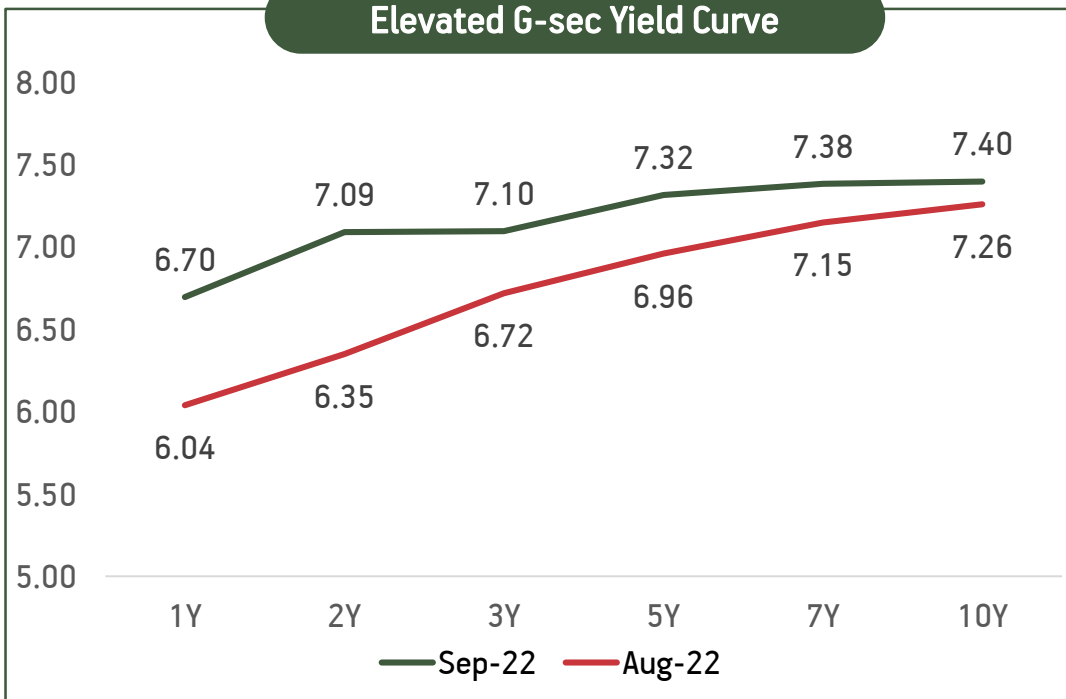
## CRISIL IBX GILT APR 2029 Index Fund

(An open ended Target Maturity Index Fund tracking the CRISIL IBX Gilt Index – April 2029.

A relatively high interest rate risk and relatively low credit risk)

**NFO Opens: October 11, 2022 | NFO Closes: October 18, 2022**

## Elevated G-sec Yield Curve



## Drivers of the yield uptick in India



**Hawkish global banks especially aggressive US Fed** has been shaping the yield curve and is likely to keep doing so in the future



**Strong high frequency indicators** with resilient domestic demand. Expected growth rate for FY23 is at 7% with inflation expectation moderated to 6.7% (Sep 22)



**RBI remains data dependant** with inflation, forex & growth prints dictating their actions for stabilising inflation as well as rupee.



**Curve is elevated and yields are attractive**, recent MPC followed suit of global central bank with a 50 bps hike

**Investors can potentially benefit from the current yield levels by investing in target maturity funds!  
Current levels have generally proven to be good entry points from a long-term allocation perspective.**

Source: India G-Sec Curve Index data from ABSLAMC Research (as on 30th Sept, 2022), the source for all other data is ABSLAMC Research.

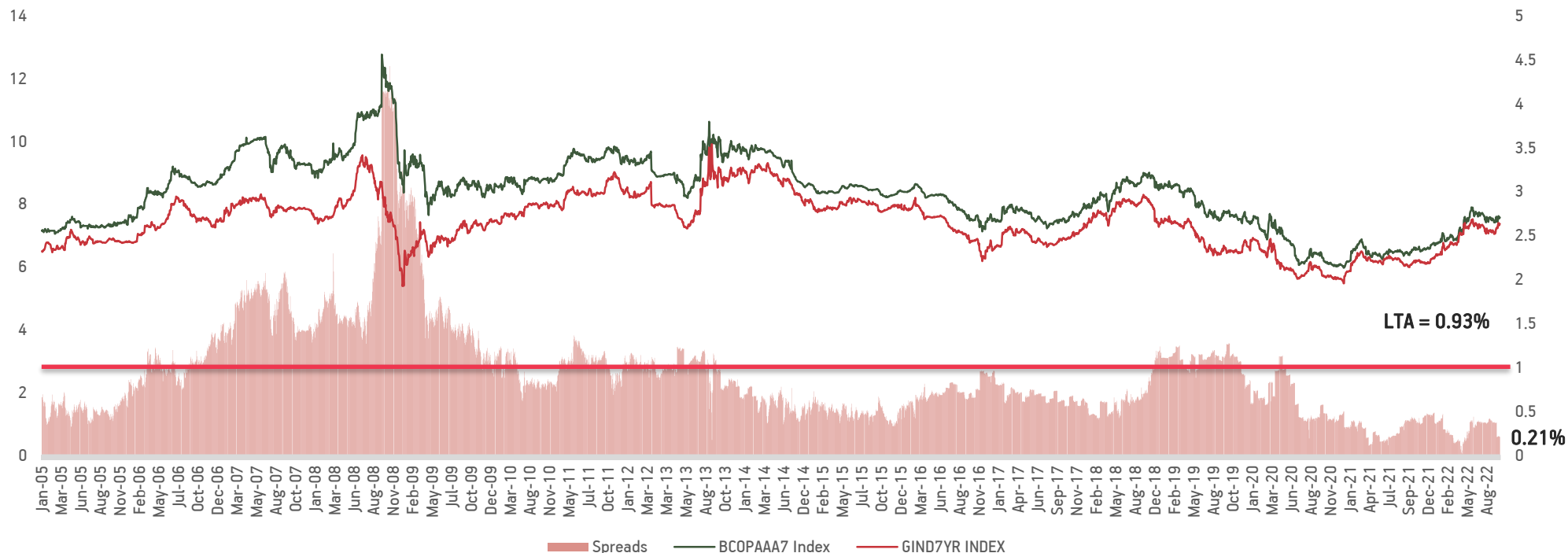
GSec 7 Yr - Repo rate spread



**Spread on 7 year G Sec v/s repo rate is at an elevated level v/s its Long Term Average (LTA), indicating that future RBI rate hikes are already being priced in the curve.**

Source: ABSLAMC Research, as on Sept 30, 2022 / Note: Spreads as calculated using the repo rates as the base. / Past performance may or may not be sustained in the future.

## 7 Year AAA-GSec Spread



- Returns on traditional saving instruments have not moved proportionately with rising interest rates, and offer little real returns
- G-Secs are at the sweet spot offering the benefits of liquidity as well as elevated yields
- G-Secs are expected to be included in global indices soon. Increase in demand may lead to capital appreciation for cotemporary investors.

Source: ABSLAMC Research, as on Sept 30, 2022 / Note: Spreads as calculated using the government securities as the base.

## Ways To Access Long Term Fixed Income Opportunity

Aditya Birla Sun Life  
Mutual Fund



Parameter	Tax Free Bond	Long Term Fixed Deposit	Public Provident Fund (PPF)	Aditya Birla Sun Life CRISIL IBX Gilt Apr 2029 Index Fund
Feature	Tenure ranging from 5 to 20 years	Maximum tenure of 10 years	Investment Period - 15 years Investment Limit - 1.5 Lacs/year	1. Open ended structure with High safety & liquidity - Only Gilt Securities 2. Investment horizon - 7 Years 3. Transparency
Constraints	On tap availability limited	Not available for 10 years	Maximum Limit of Rs. 1.5 Lacs with a lock in of 15 years	Nil
Tax Efficiency	Very High	Low	Very High	High <sup>#</sup>
Lock-in	NA	Lock-in as per the tenor	15 years	No Lock-in, No exit Load
Liquidity	Tradable on Exchange	Early redemption with penalty	Illiquid – Only 1 redemption allowed in years	Daily Liquidity
Current Yield	5.50%	5.65%*	7.10%**	7.56%***

\*/\*\* Source: ABSLAMC Research, Data as on 30<sup>th</sup> September 2022

\*\*\*Source: CRISIL Indices. Data as on 01 October 2022/Yield mentioned is of Index . <sup>#</sup>Tax efficiency if held more than 3 years



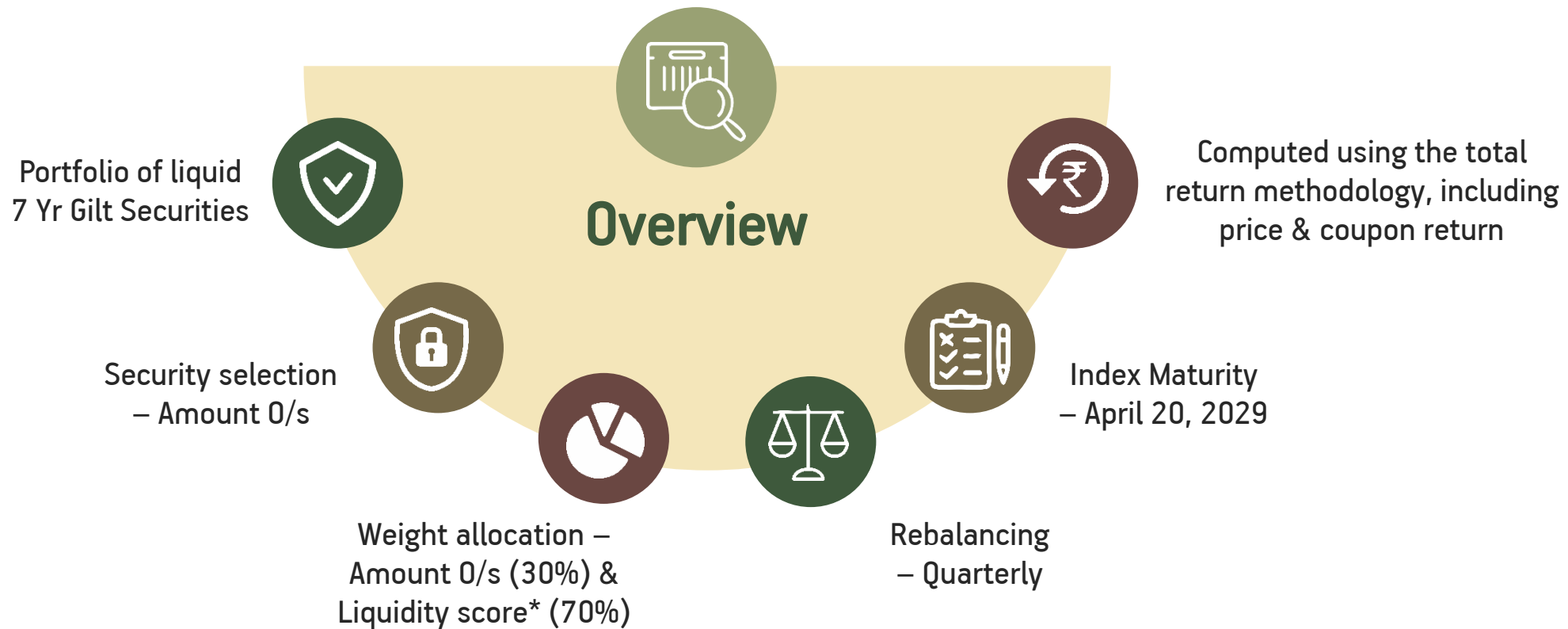
\*Tax efficiency if held more than 3 years

# Introducing

## Aditya Birla Sun Life

### CRISIL IBX GILT APR 2029 Index Fund

(An open ended Target Maturity Index Fund tracking the CRISIL IBX Gilt Index – April 2029. A relatively high interest rate risk and relatively low credit risk.)



Please refer to the index disclaimer// \*Please refer to the SID for further detailed methodology

Aditya Birla  
Sun Life  
CRISIL IBX GILT  
APR 2029  
Index Fund



Tracks the underlying index



Portfolio of G-sec issuances selected on the basis of a predefined template



Focus on a specific tenor for investment



Subject to the same prudential norms as defined by SEBI

**Index Maturity:  
20<sup>th</sup> April 2029**

CRISIL IBX Gilt  
Index – April 2029



Attention on yields offered by G-secs



Roll down focus\* with a Target Maturity approach



Liquidity & safety are the key considerations while developing the strategy

\*refer appendix



07.10% CGL 2029  
**58.46%**



07.26% CGL 2029  
**16.42%**



07.59% CGL 2029 -  
New 14 G-Sec  
**12.20%**



08.60% CGL 2028 -  
New 14 Year Bond  
**9.74%**



06.13% CGL 2028  
**3.18%**

Source: CRISIL Indices. Portfolio as on 01st Oct'2022

## Illustration of Benefit of 7 year Indexation

Traditional Saving Instrument

Parameters		
₹1,00,000	Investment Amount (A)	₹ 1,00,000
5.65%	*Assumed Returns (CAGR)	7.56%
₹ 1,43,122	***Investment Value at Maturity (B)	₹ 1,60,867
₹ 1,00,000	**Indexation Cost (C)	₹ 1,40,710
₹ 43,122	Taxable Gain (B) – (C)	₹ 20,157
31%	Applicable Tax Rate	20%
₹ 13,368	Tax Amount (D)	₹ 4,031
₹ 1,29,754	Post Tax Value (B) – (D)	₹ 1,56,836
4.07%	Post Tax Return (%)	7.14%

Debt Index Fund

Disclaimer: The above calculations are only for illustration purposes. These are not to be considered as investment advice, please consult your investment / tax advisers. \*These are tentative 5 year upto 10 year rates assumed for traditional saving instruments, compounded annually. The yield mentioned for the debt index fund is indicative. It may or may not be realized. \*\*The indexation cost is arrived at assuming inflation growth at 5% p.a. for next 7 years. Indexation is not available on traditional saving instruments. The income tax rate for investment between ₹10 lakhs to ₹50 lakhs is 30.99%, between ₹50 lakh to ₹1 crore is 33.99% & above ₹1 crore is 35.59%. Past Performance may or may not be sustained in the future, Aditya Birla Sun Life AMC Limited / Aditya Birla Sun Life Mutual Fund is not guaranteeing/offering/communicating any indicative yield/returns on investments. \*\*\*Maturity date 20<sup>th</sup> Apr 2029 / Data as on 1<sup>st</sup> October 2022

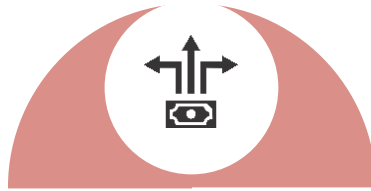
## Scheme Name

Aditya Birla Sun Life CRISIL IBX  
Gilt – April 2029 Index Fund



## Structure

An open-ended Target Maturity  
Index Fund tracking the CRISIL  
IBX Gilt Index – April 2029.



## Benchmark

CRISIL IBX Gilt Index –  
April 2029



## Fund Manager

Mr Harshil Suvarnkar &  
Mr Sanjay Godambe



## Minimum Investment

Rs. 500 and in multiples  
of Rs. 1/-thereafter



## Index Tenure

The Index will mature on  
April 20, 2029



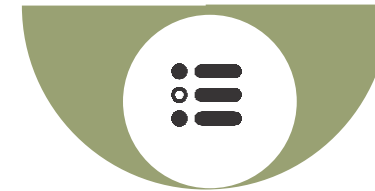
## Plans Offered

Regular & Direct Plan



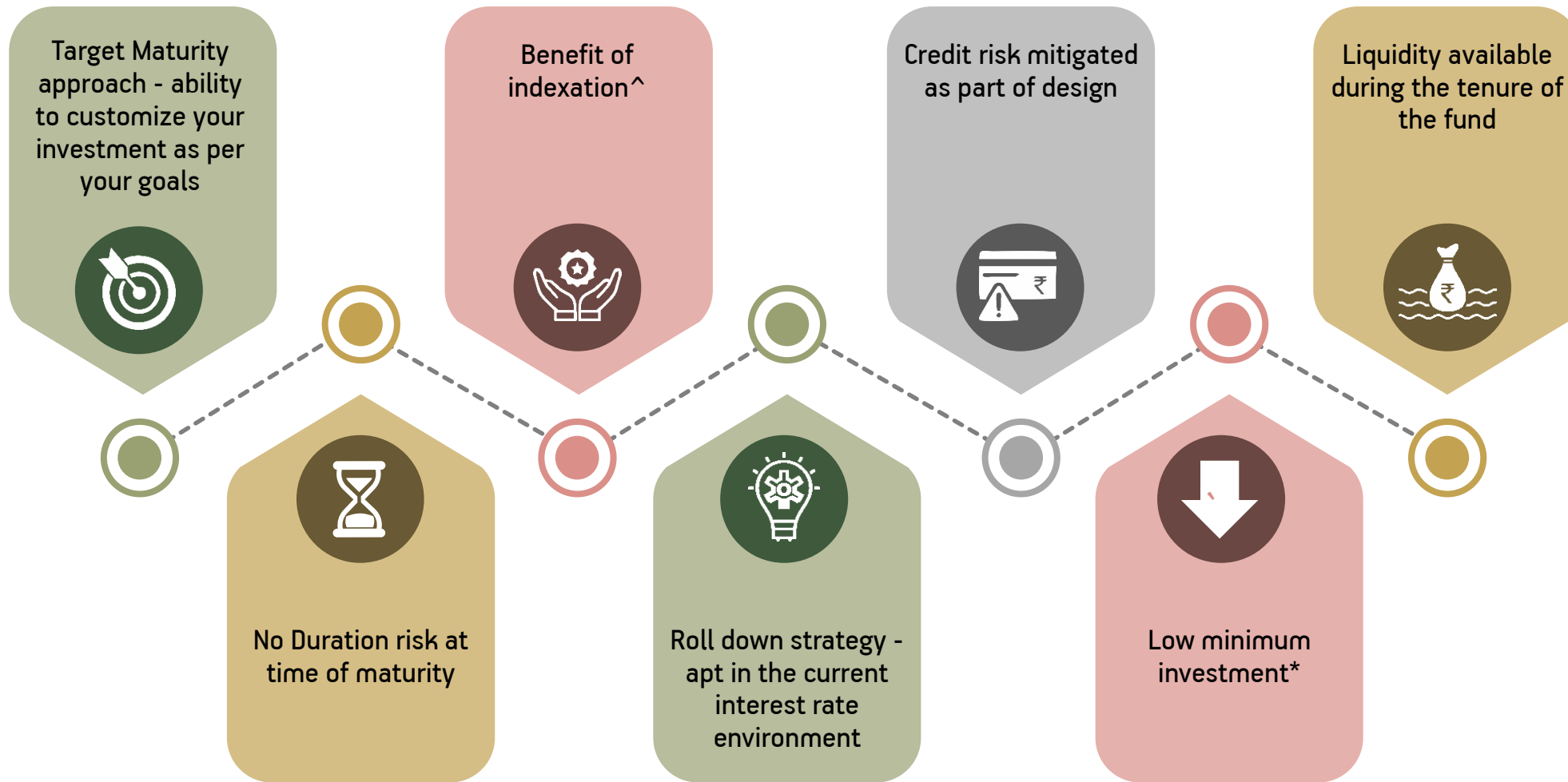
## Facilities Offered

SIP, STP & SWP



For more information, please refer the SID & KIM of the scheme

## Key Reasons To Invest in target maturity funds



<sup>\*</sup>The minimum investment amount is ₹500 and in multiples of ₹1 thereafter. <sup>^</sup>For applicable tenors basis the investment date, min holding period of 3 Yrs is mandatory


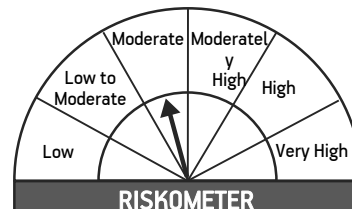
Scheme	Aditya Birla Sun Life CRISIL IBX GILT APR 2029 Index Fund			
Type of Scheme	An open ended Target Maturity Index Fund tracking the CRISIL IBX Gilt Index – April 2029. A relatively high interest rate risk and relatively low credit risk.			
Investment Objective	<p>The investment objective of the Scheme is to generate returns corresponding to the total returns of the securities as represented by the CRISIL IBX Gilt Index – April 2029 before expenses, subject to tracking errors.</p> <p>The Scheme does not guarantee/indicate any returns. There can be no assurance or guarantee that the investment objective of the Scheme will be achieved.</p>			
Investment Strategy	The Scheme will replicate income over the target maturity period of its underlying index i.e. CRISIL IBX Gilt Index – April 2029, subject to tracking errors. Accordingly, the Scheme will invest in securities in line with the benchmark index of the Scheme.			
Asset Allocation	Instrument	Risk Profile	Allocation (% of total Assets)	
			Minimum	Maximum
	Instruments forming part of the CRISIL IBX Gilt Index – April 2029	Moderate	95%	100%
	Cash and Debt/Money Market Instruments	Low	0%	5%
Plans Offered	Regular & Direct Plan			
Options Offered	IDCW* (Payout of IDCW) & Growth Options			
Facilities Offered	SIP, STP & SWP			
Minimum Application	Minimum of ₹ 500 & in multiples of ₹ 1 thereafter			
Benchmark Index	CRISIL IBX Gilt Index – April 2029			
Load	<p>Entry Load: Nil</p> <p>Exit Load: Nil</p>			
Fund Manager	Mr Harshil Suvarnkar & Mr Sanjay Godambe			

\*Income Distribution cum Capital Withdrawal Option. For more information, please refer the SID & KIM of the scheme

# Aditya Birla Sun Life

## CRISIL IBX GILT APR 2029 Index Fund









An open ended Target Maturity Index Fund tracking the CRISIL IBX Gilt Index – April 2029.  
A relatively high interest rate risk and relatively low credit risk

This product is suitable for investors who are seeking*:	Scheme Riskometer		Benchmark Riskometer CRISIL IBX Gilt Index – April 2029
<ul style="list-style-type: none"><li>Income over the target maturity period</li><li>Open ended Target Maturity Index Fund that seeks to track CRISIL IBX Gilt Index – April 2029</li></ul>	 <p><b>RISKOMETER</b></p> <p>Investors understand that their principal will be at Moderate risk</p>	 <p><b>RISKOMETER</b></p> <p>Benchmark riskometer will be at Moderate risk</p>	
*Investors should consult their financial advisors if in doubt whether the product is suitable for them.			
Potential Risk Class			
Credit Risk of Scheme ➡	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk of Scheme ⬇			
Relatively Low (Class I)			
Moderate (Class II)			
Relatively High (Class III)	A-III		

The product labelling assigned during the NFO is based on internal assessment of the Scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.

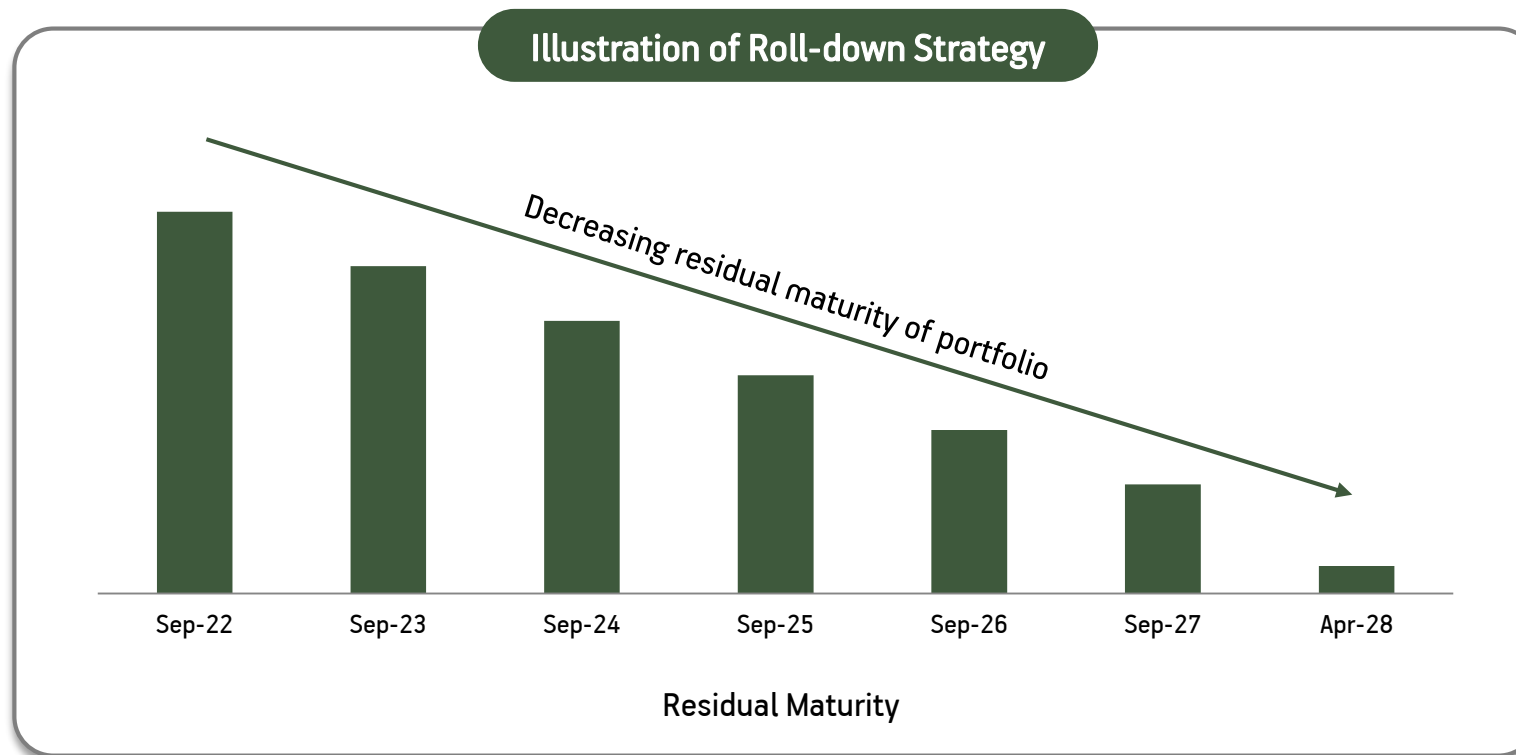
# Appendix

# Debt Index Compared With Other Debt Options With Target Maturity Approach

	Basis	Closed-ended FMP	Index Funds
	<b>Taxation</b>	Indexation features available for LTCG	Indexation features available for LTCG
	<b>Fund Management</b>	Generally, buy & hold with activism enabled for event risk	Passively managed
	<b>Regulatory focus</b>	Compliance with MF portfolio norms	Compliance with MF norms, subject to tracking errors*
	<b>Portfolio Construction</b>	MF limits apply dependent on fund manager view	MF limits apply as per design provided by index provider
	<b>Liquidity</b>	Lock-in funds with entry & exit possible at NFO & redemption respectively	Available through AMC like MFs, subject to exit loads
	<b>Investor Concentration</b>	20-25 rules apply	20-25 rules apply
	<b>Key product proposition</b>	Intended to deliver target return over fixed period, like traditional saving instruments	Typically, indented to deliver accrual portfolio return over period along with market-based liquidity Investors can benefit from interim MTM (Mark to Market) movements also during the fund tenure
	<b>Operational Ease</b>	MF like onboarding & KYC	MF like onboarding & KYC

\*Tracking error is defined as the standard deviation of active returns, measured from the benchmark. The objective of ETFs & Index Funds is to minimize the tracking errors from their respective benchmarks. The same can not be construed as base for non-compliance of the respective fund.

- **Roll Down/Run Down** is an accrual approach that is generally used in an elevated rates environment and seeks to earn only coupons/yield at regular intervals from its underlying portfolio by buying and holding the security.
- The average maturity of the scheme's portfolio, as a consequence, decreases with the passage of time. The benefit of Rolling down the yield curve:
- **Low- interest rate risk:** The approach avoids the impact of the expected increase in interest rates over time. It is useful for capturing a higher present yield at any point of the curve and gradually moving towards the shorter end of the curve which is less susceptible to interest rate risk.



Source: ABSLAMC Research

# Thank You

**Past performance may or may not be sustained in the future.** For more details, please refer the SID / KIM of the scheme.

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