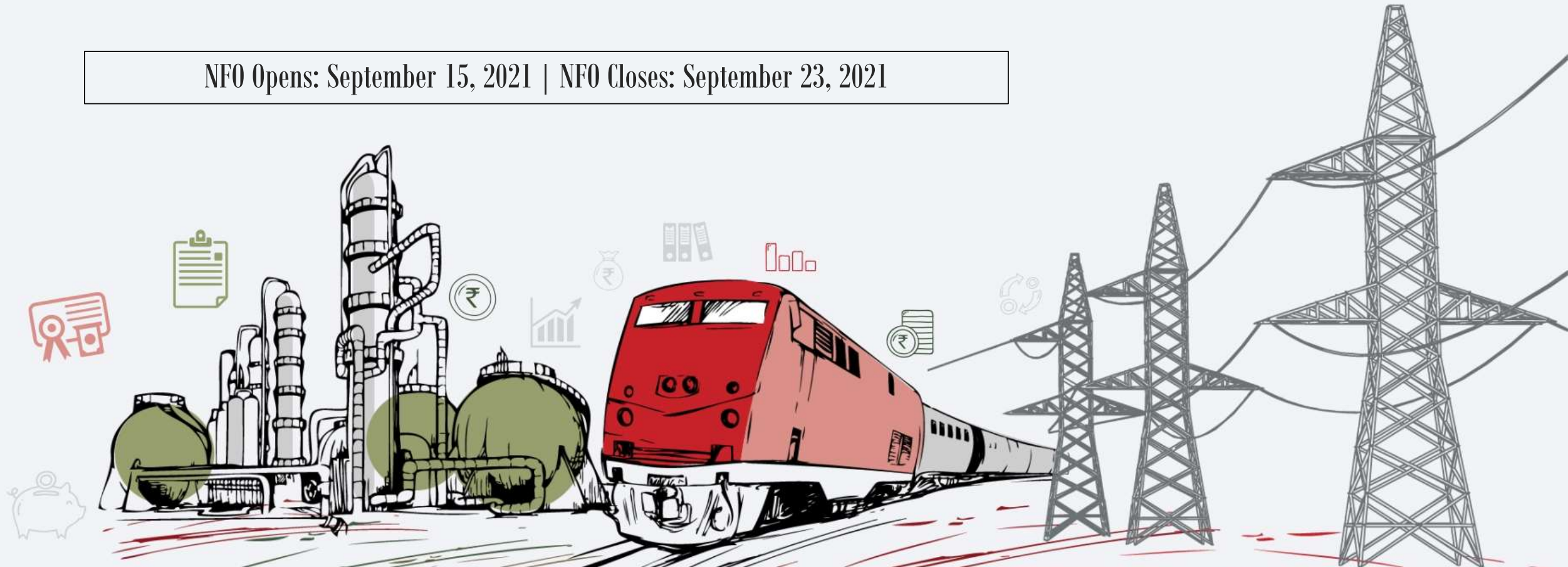


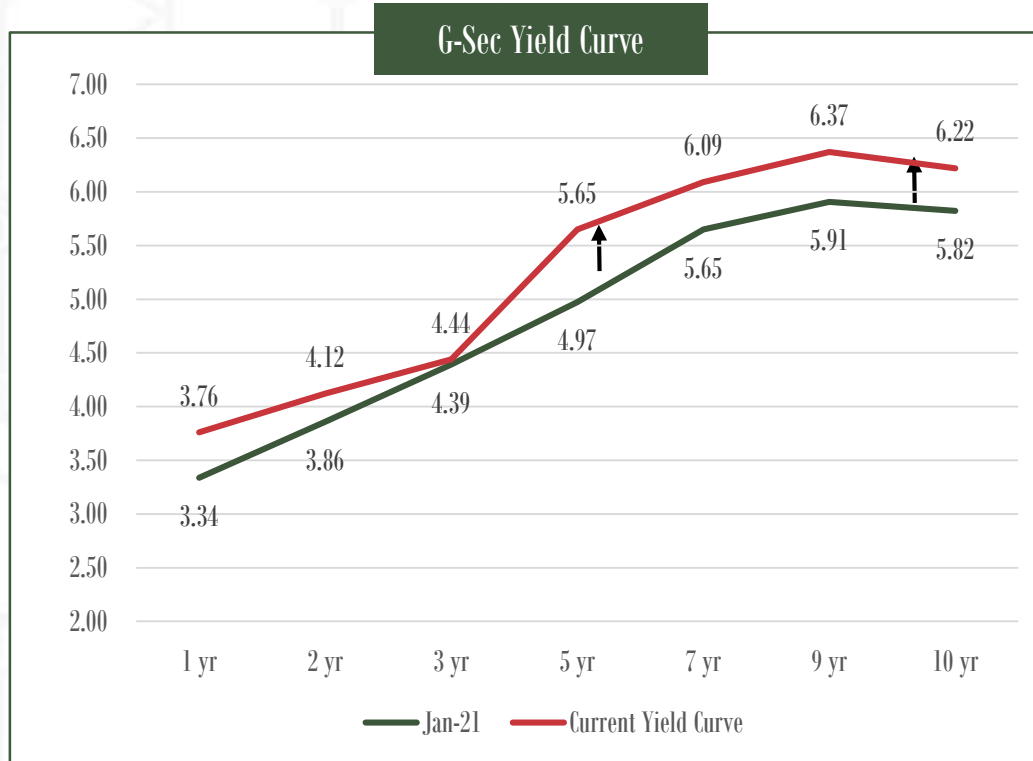
Aditya Birla Sun Life Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund

(An open ended scheme tracking the Nifty SDL Plus PSU Bond Sep 2026 60:40 Index)






NFO Opens: September 15, 2021 | NFO Closes: September 23, 2021



Why could Debt Funds be an attractive investment in India currently?



Current trends driving Debt Markets in India

-  Systemic **liquidity** position remains benign
-  **Inflation (CPI)** moderated to 5.6% in July-21 (YoY)
-  Sustained **economic growth** (7%) as a centerpiece of Budget FY22
-  **Fiscal deficit** for FY22 targeted at ~6.8% of GDP
-  RBI's commitment to **manage interest rates cycle** in an orderly manner

With yields becoming more attractive & inflation numbers cooling, investors' real returns have gone up. Investors can potentially benefit from the current steepness in rates with the safety & liquidity of debt funds!

Ways To Access This Fixed Income Opportunity



TRADITIONAL SAVINGS

- Interest taxable on annual basis
- Lower liquidity - Penalty on withdrawals
- Predictable returns
- Low risk



BONDS*

- Interest rate risk
- Little diversification
- Operationally challenging for investors
- High minimum investment amount
- Predictable returns
- Tax efficient

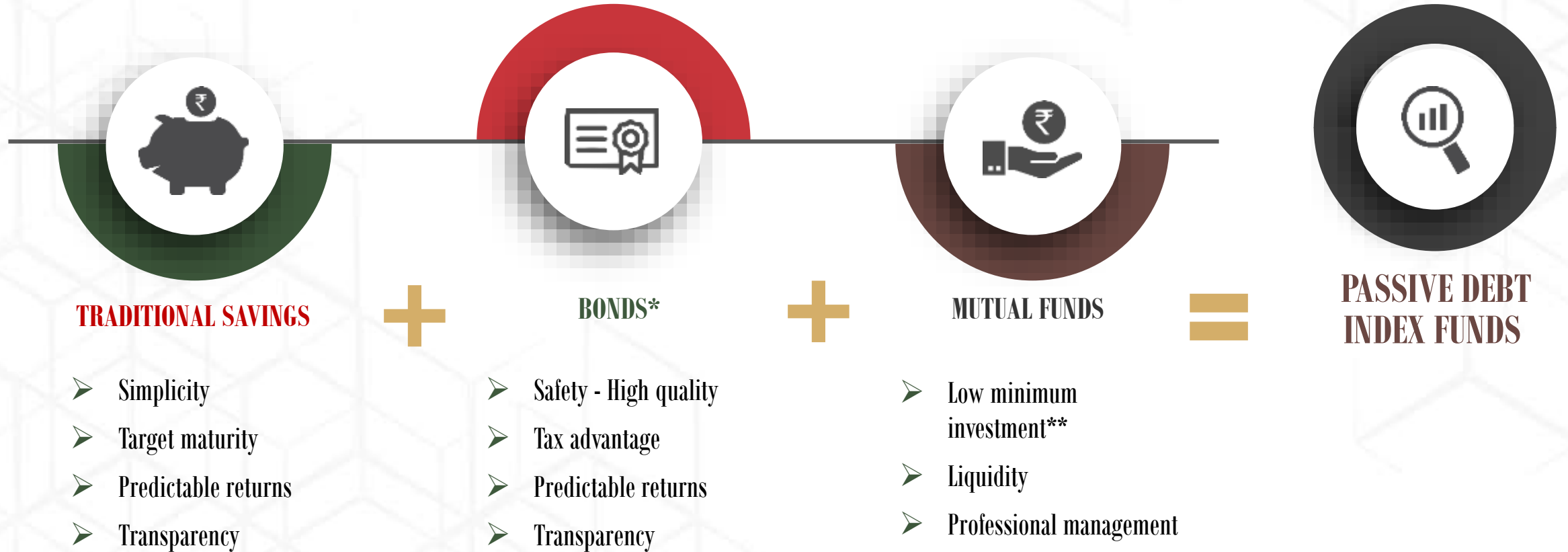


DEBT MUTUAL FUNDS

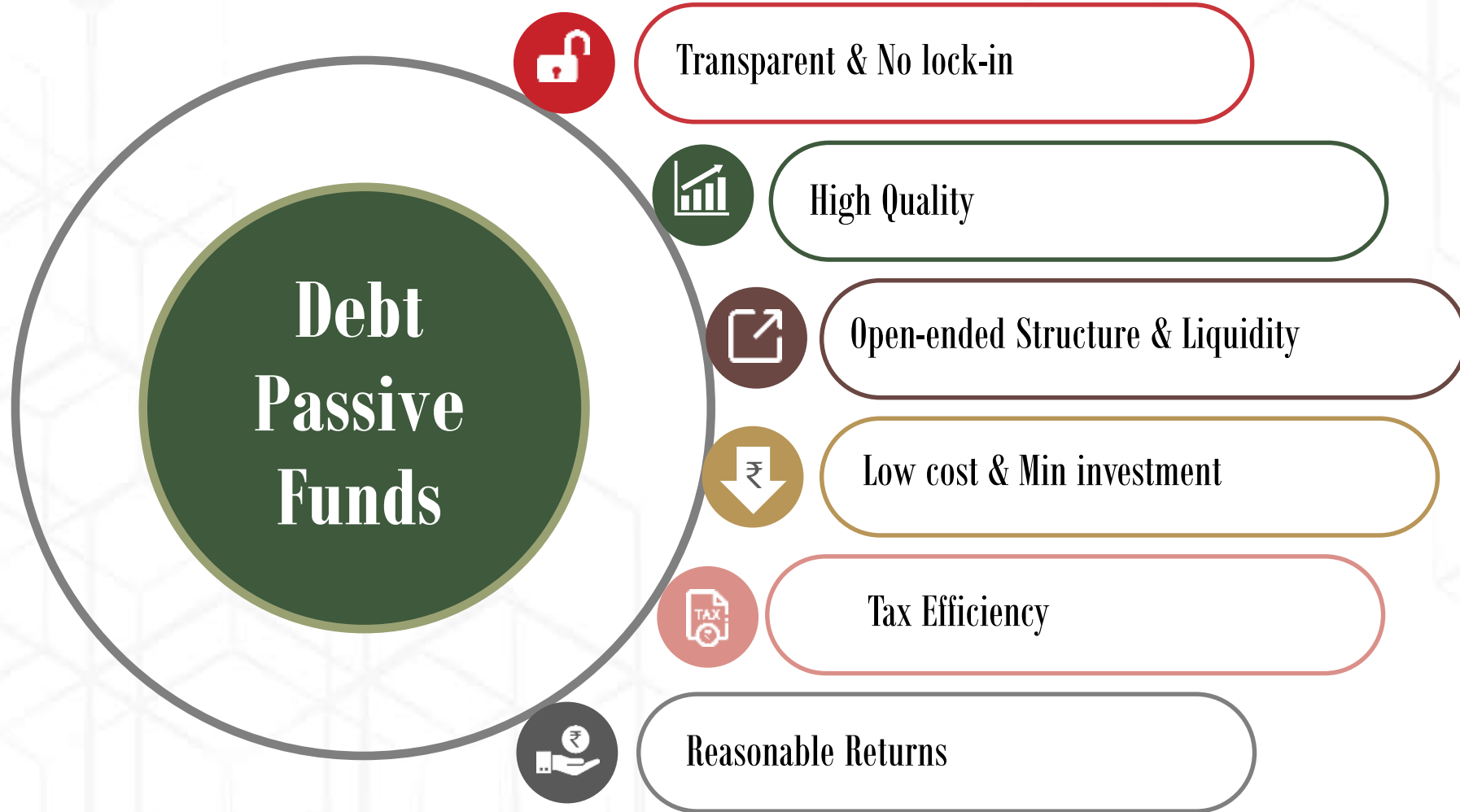
- Unpredictability of returns
- Tax efficient
- Liquidity
- Low minimum investment amount
- Transparency

*Bonds comprise of corporate / PSU debt instruments.

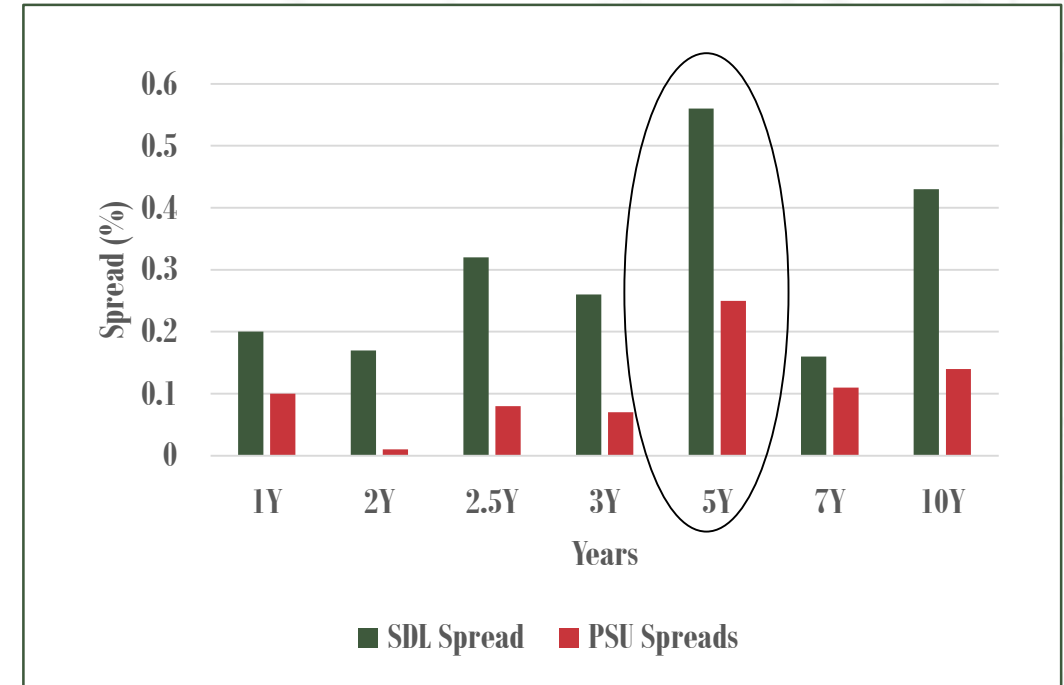
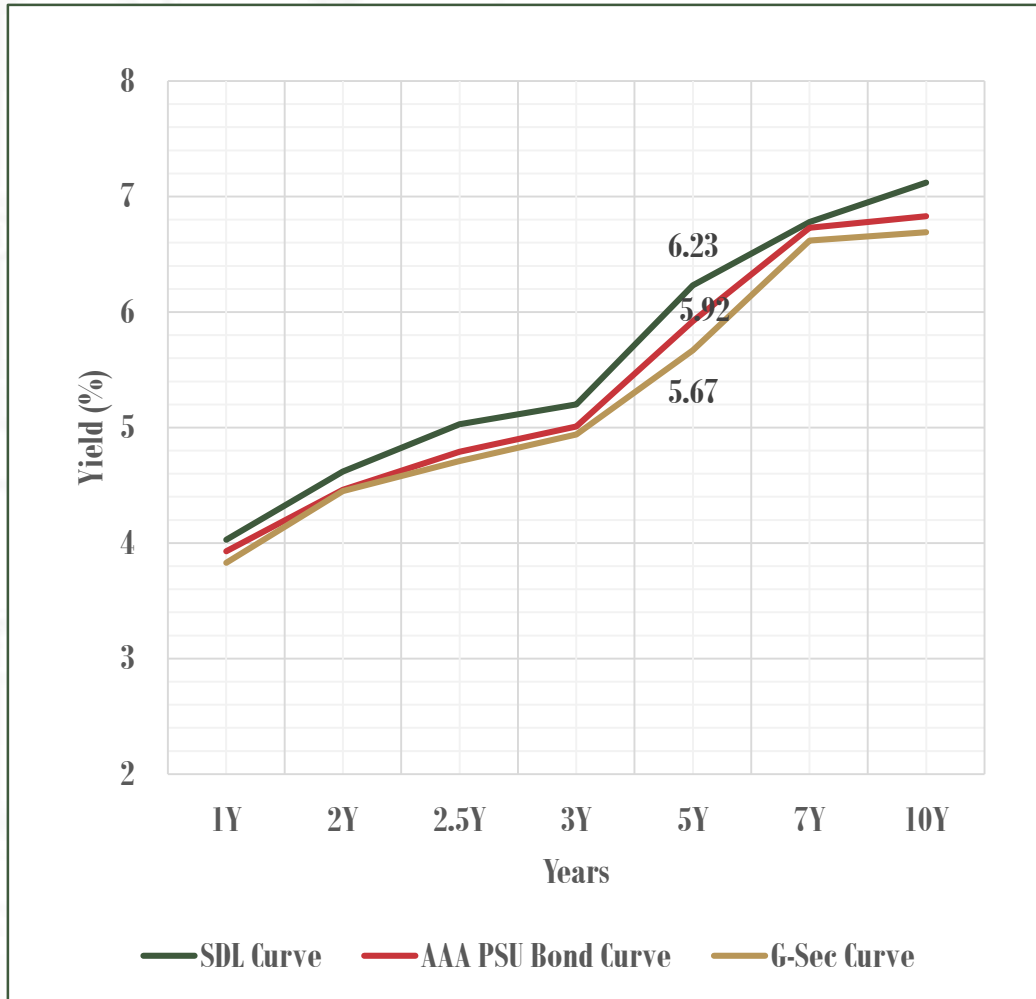
A Better Solution: Passive Debt Funds



*Bonds comprise of corporate / PSU debt instruments. **The minimum investment for this scheme is ₹500 & multiples of ₹1 thereof.



5 Years - The Ideal Investment Opportunity



- Unusually higher, relative steepness in both SDL & PSU yield curves at ~5-6 year end
- In a short & medium term investment horizon, the spreads for 5 years appear attractive, esp. for SDLs
- A roll down strategy* can be employed to take benefits of reasonable yields

Source: G-sec curve from CCH-ZCYC, Bloomberg, ABSLAMC Research, as on Aug 31, 2021 / Note: Spreads as calculated using the government securities as the base. * refer appendix

How To Make The Best Of This Investment Opportunity?



Introducing

Aditya Birla Sun Life

**Nifty SDL Plus PSU Bond Sep 2026
60:40 Index Fund**

NFO Opens: September 15, 2021 | NFO Closes: September 23, 2021

Overview

- It seeks to measure the performance of portfolio that consists of SDLs & AAA rated PSU bonds that mature between Sept 30, 2025 to Sept 30, 2026 & constitute Nifty SDL Plus PSU Bond Sep 2026 60:40 Index
- Computed using the total return methodology, including price & coupon return

Index Construction

- Two components with **equal weighted** constituents:
 - **SDL component (60%):** Top 10 states/UTs ranked based on composite liquidity score*. Minimum ISIN level o/s shall be ₹ 1500 crores.
 - **PSU Bonds component (40%):** Top 11 AAA rated PSU ranked based on composite liquidity score*. Minimum ISIN level o/s shall be ₹ 700 crores.
- Rebalanced on a quarterly basis.
- The coupons will be reinvested in the proportion of existing weights

[Know more about the Index](#)






*The liquidity score is calculated by allocating 80% weights to aggregate trading value, 10% weights to number of days traded and 10% to number of trades of the bond during the twelve-month period prior to the base date of the index.

Introducing Target Maturity Approach To Fund Investing







Tenure : 5 Years | Maturity: September 30, 2026

Aditya Birla Sun Life Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund

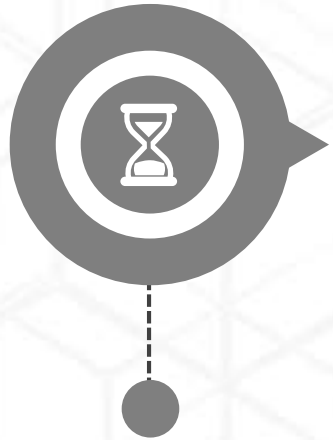
-  A new phenomenon
-  Tracks the underlying index
-  Portfolio of bonds selected on the basis of a predefined template
-  Focus on a specific tenor for investment
-  Subject to the same prudential norms as defined by SEBI

Nifty SDL Plus PSU Bond Sep 2026 60:40 Index

-  Bonds terminate at the same time period
-  Attention on credit curve of G-Secs / SDLs / PSU Bonds
-  Roll down focus*
-  Liquidity & safety are the key considerations while developing the strategy

*refer appendix

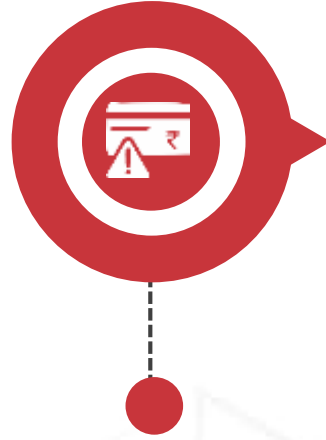
Key Reasons To Invest In ABSL Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund



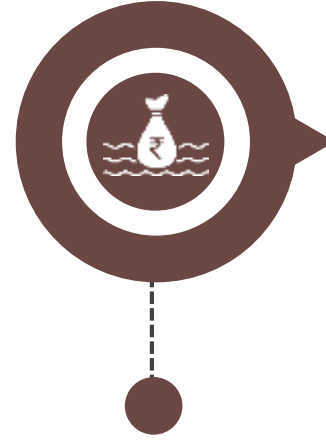
Target Maturity approach — ability to customize your investment as per your goals



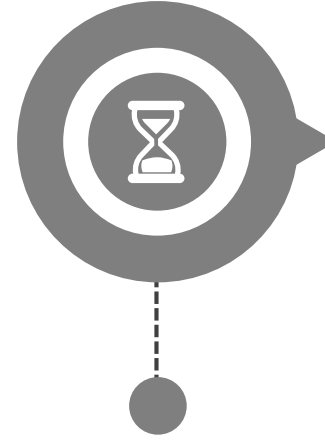
Benefit of 5-year indexation



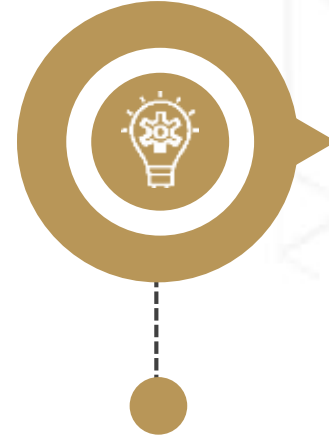
Credit risk mitigated as part of design



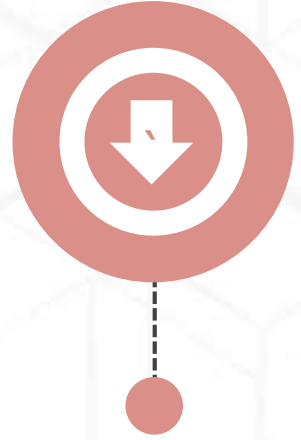
Liquidity available during the tenure of the fund



No Duration risk at time of maturity











Roll down strategy - apt in the current interest rate environment



Low minimum investment*

*The minimum investment amount is ₹500 and in multiples of ₹1 thereafter

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

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

Benefit Of 5 Year Indexation



Traditional Saving Instrument

Parameters

Debt Index Fund

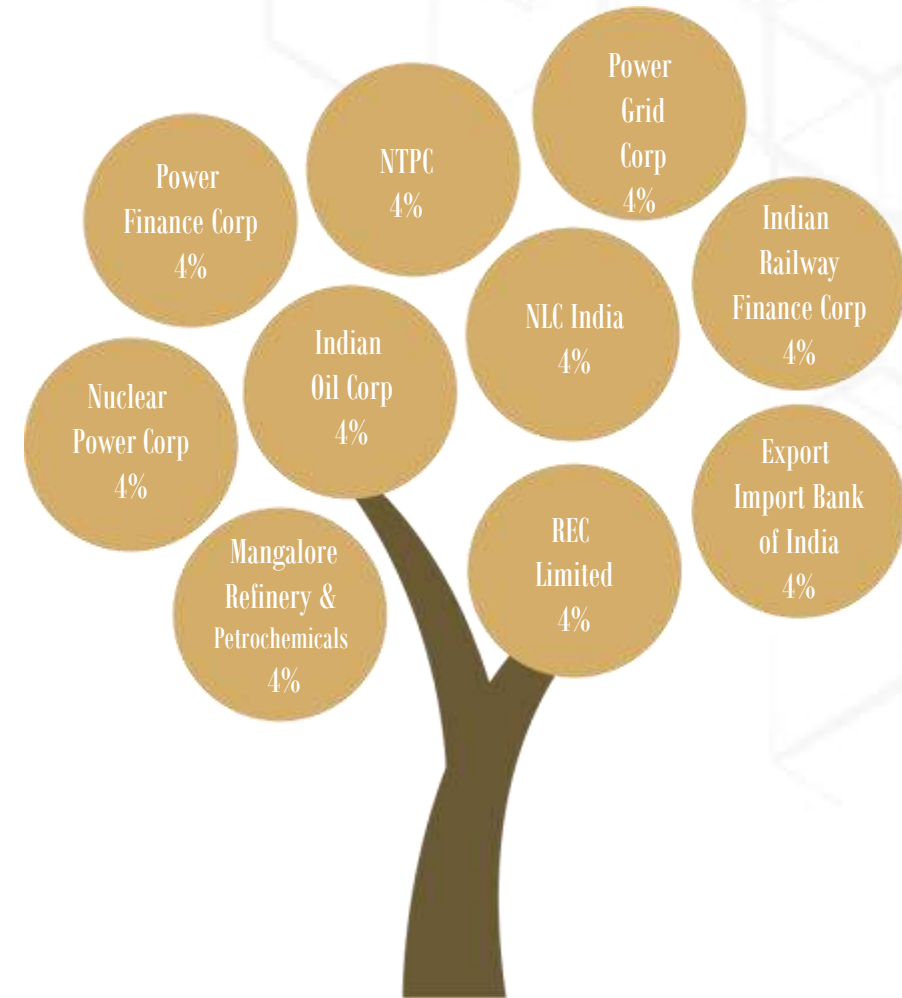
₹1,00,000	Investment Amount (A)	₹ 1,00,000
5.40%	*Assumed Returns (CAGR)	6.00%
₹ 1,30,078	Investment Value after 5 Years (B)	₹ 1,33,823
₹ 1,00,000	**Indexation Cost (C)	1,27,634
₹ 30,078	Taxable Gain (B) – (C)	₹ 6,188
31%	Applicable Tax Rate	20%
₹ 9,324	Tax Amount (D)	₹ 1,238
₹ 1,20,754	Post Tax Value (B) – (D)	₹ 1,32,585
3.84%	Post Tax Return (%)	5.80%

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 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 calculated as Cost Inflation Index (CII) of maturing year (2026) / CII of purchase year (2021). They are 404.6 & 317.0 respectively. 5 year indexation benefit is only available to investors who invest in FY21-22 & remain invested in the fund until FY26-27. 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.

Constituents of the Index



SDL Constituents 60%



AAA PSU Constituents 40%

Aditya Birla Sun Life Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund



Scheme Name

Aditya Birla Sun Life Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund

Structure

An open-ended scheme tracking the Nifty SDL Plus PSU Bond Sep 2026 60:40 Index

Benchmark

Nifty SDL Plus PSU Bond Sep 2026 60:40 Index

Fund Manager

Mohit Sharma



Minimum Investment

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

Scheme Tenure

The Scheme will mature on September 30, 2026

Plans Offered

Regular & Direct Plan

Options Offered

IDCW (Payout of IDCW) & Growth Options

NFO Opens: September 15, 2021 | NFO Closes: September 23, 2021

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

Aditya Birla Sun Life AMC Limited

Scheme Details

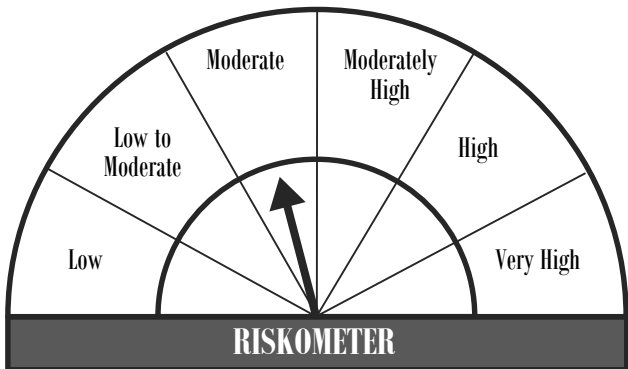


Scheme	Aditya Birla Sun Life Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund											
Structure	An open ended scheme tracking the Nifty SDL Plus PSU Bond Sep 2026 60:40 Index											
Investment Objective	The investment objective of the scheme is to track the Nifty SDL Plus PSU Bond Sep 2026 60:40 Index by investing in PSU Bonds and SDLs, maturing on or before September 2026, subject to tracking errors. The Scheme does not guarantee/indicate any returns. There can be no assurance that the schemes' objectives will be achieved.											
Investment Strategy	The Scheme seeks to track the Nifty SDL Plus PSU Bond Sep 2026 60:40 Index subject to tracking errors. Accordingly, the Scheme will invest in AAA rated PSU bonds and SDLs maturing within the maturity date of the Scheme. For detailed investment strategy, refer the SID of the scheme.											
Tenure of the scheme	The Scheme will mature on September 30, 2026											
Asset Allocation	<table border="1"> <thead> <tr> <th>Instrument</th> <th>Risk Profile</th> <th>% of total assets</th> </tr> </thead> <tbody> <tr> <td>Bonds issued by PSUs forming part of the bonds portion of the Nifty SDL Plus PSU Bond Sep 2026 60:40 Index SDLs forming part of the SDL portion of the Nifty SDL Plus PSU Bond Sep 2026 60:40 Index</td> <td>Moderate</td> <td>95-100%</td> </tr> <tr> <td>Cash & Money Market Instruments</td> <td>Low</td> <td>0-5%</td> </tr> </tbody> </table>			Instrument	Risk Profile	% of total assets	Bonds issued by PSUs forming part of the bonds portion of the Nifty SDL Plus PSU Bond Sep 2026 60:40 Index SDLs forming part of the SDL portion of the Nifty SDL Plus PSU Bond Sep 2026 60:40 Index	Moderate	95-100%	Cash & Money Market Instruments	Low	0-5%
	Instrument	Risk Profile	% of total assets									
	Bonds issued by PSUs forming part of the bonds portion of the Nifty SDL Plus PSU Bond Sep 2026 60:40 Index SDLs forming part of the SDL portion of the Nifty SDL Plus PSU Bond Sep 2026 60:40 Index	Moderate	95-100%									
	Cash & Money Market Instruments	Low	0-5%									
Plans Offered	Regular & Direct Plan											
Options Offered	IDCW (Payout of IDCW) & Growth Options											
Minimum Application	Minimum of ₹ 500 & in multiples of ₹ 1 thereafter											
Benchmark Index	Nifty SDL Plus PSU Bond Sep 2026 60:40 Index											
Load	Entry Load: Nil Exit Load: For redemption / switch-out of units on or before 30 days from the date of allotment: 0.5% of applicable NAV. For redemption / switch-out of units after 30 days from the date of allotment – Nil											
Fund Manager	Mohit Sharma											

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

ADITYA BIRLA SUN LIFE NIFTY SDL PLUS PSU BOND SEP 2026 60:40 INDEX FUND

An open ended scheme tracking Nifty SDL Plus PSU Bond Sep 2026 60:40 Index

This product is suitable for investors who are seeking*:	Riskometer
<ul style="list-style-type: none"> • Income over longer term • Open ended Target Maturity Index Fund that seeks to track Nifty SDL Plus PSU Bond Sep 2026 60:40 Index 	
<p>*Investors should consult their financial advisors if in doubt whether the product is suitable for them.</p>	<p>Investors understand that their principal will be at Moderate risk</p>

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

Appendix

Constituents of the Index



SDL

PSU BONDS

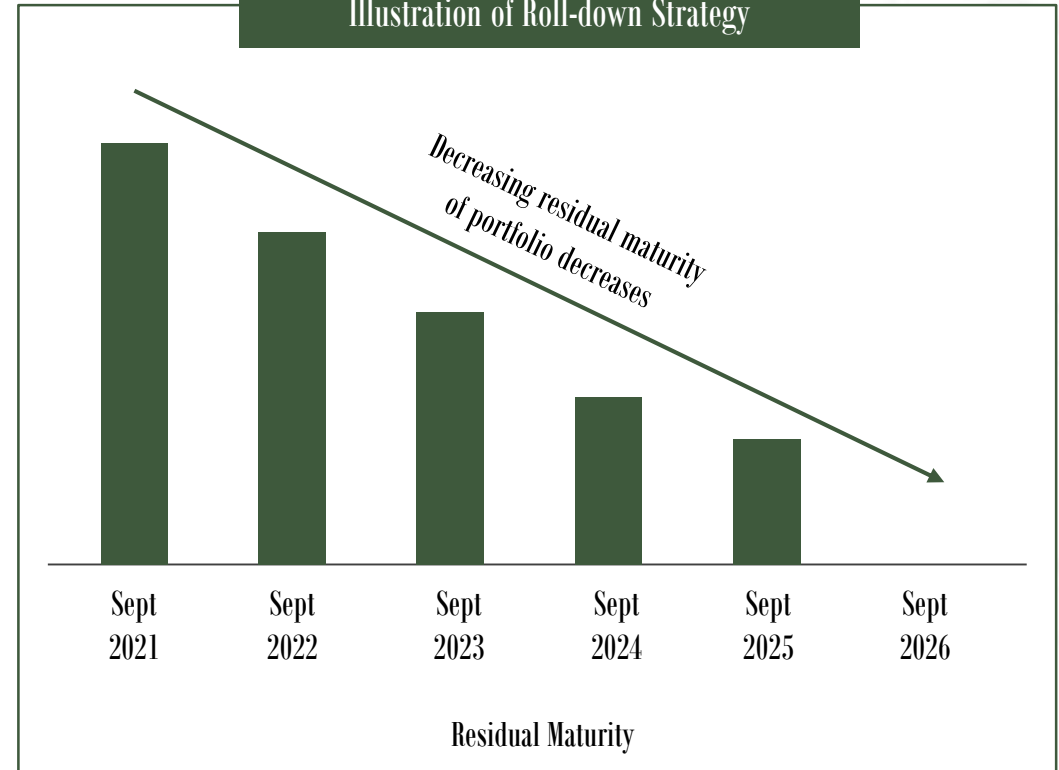
Sr. no.	Issuer Name	Macaulay's Duration
1	MAHARASHTRA GOVERNMENT	4.24
2	UTTAR PRADESH GOVERNMENT	4.24
3	RAJASTHAN GOVERNMENT	4.18
4	MADHYA PRADESH GOVERNMENT	4.18
5	TAMIL NADU GOVERNMENT	4.18
6	GUJARAT GOVERNMENT	4.13
7	ANDHRA PRADESH GOVERNMENT	4.03
8	BIHAR GOVERNMENT	3.74
9	KARNATAKA GOVERNMENT	3.75
10	HARYANA GOVERNMENT	3.80
11	POWER FINANCE CORPORATION LIMITED	4.14
12	NTPC LIMITED	4.33
13	NUCLEAR POWER CORPORATION OF INDIA LIMITED	4.16
14	POWER GRID CORPORATION OF INDIA LIMITED	4.21
15	INDIAN RAILWAY FINANCE CORPORATION LIMITED	3.77
16	NLC INDIA LIMITED	3.91
17	REC LIMITED	3.87
18	INDIAN OIL CORPORATION LIMITED	3.89
19	MANGALORE REFINERY AND PETROCHEMICALS LIMITED	3.77
20	EXPORT IMPORT BANK OF INDIA	3.60

As on September 02, 2021

The index is rebalanced on a quarterly basis.
Source: niftyindices.com

- **Roll Down/Run Down strategy** is an accrual strategy 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 security.
- The average maturity of the scheme's portfolio, as a consequence, decreases with the passage of time. Benefit of Rolling down the yield curve:
- **Low- interest rate risk:** The strategy avoids impact from the expected increase in interest rates over time. It is useful for capturing higher present yield at any point of curve and gradually moving towards shorter end of the curve which is less susceptible to interest rate risk.

Illustration of Roll-down Strategy





Thank You

NFO Opens: September 15, 2021 | NFO Closes: September 23, 2021

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

Issuer(s) / Bond(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 bond mentioned, from time to time.

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Risk Factors: Aditya Birla Sun Life AMC Limited is not liable or responsible for any loss or shortfall resulting from the operation of the scheme. This document represents the views of Aditya Birla Sun Life AMC Limited and must not be taken as the basis for an investment decision. Neither Aditya Birla Sun Life Mutual Fund, Aditya Birla Sun Life AMC 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.

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