

Aditya Birla Sun Life

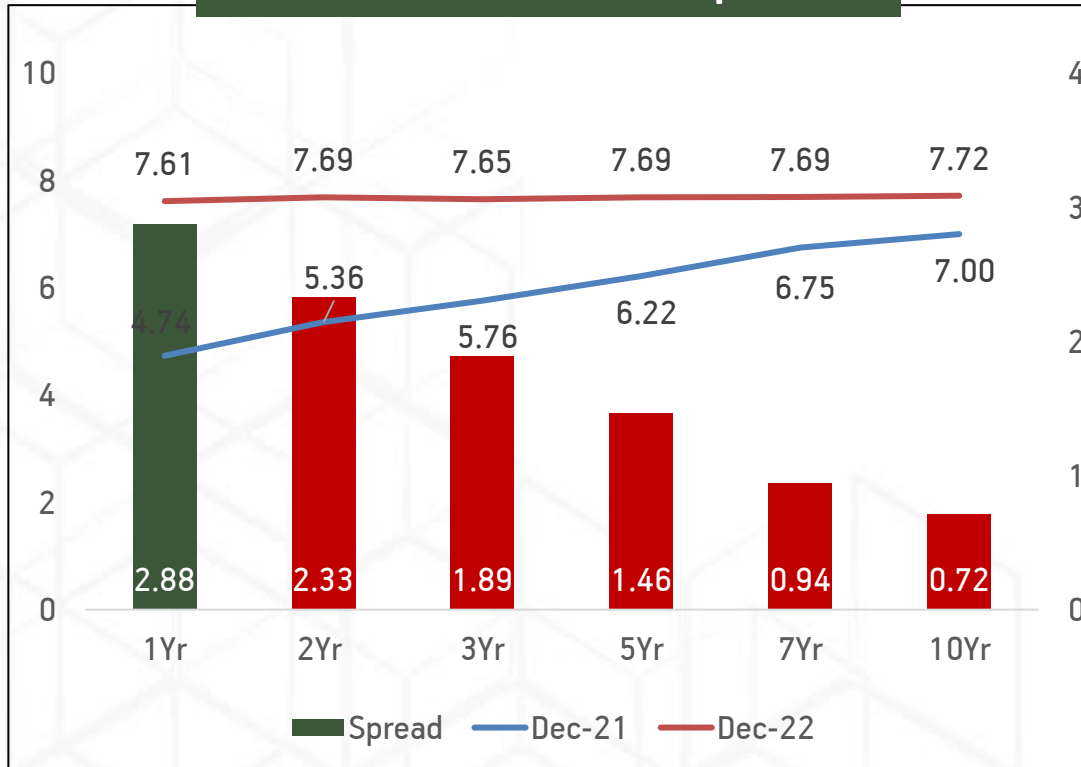
CRISIL IBX AAA MAR 2024 Index Fund

(An open ended Target Maturity Index Fund tracking the
CRISIL IBX AAA Index - March 2024. A moderate interest rate
risk and relatively low credit risk)








NFO Opens: January 30, 2023 | NFO Closes: February 02, 2023

AAA rated bond Index spread



Current trends driving Debt Markets in India

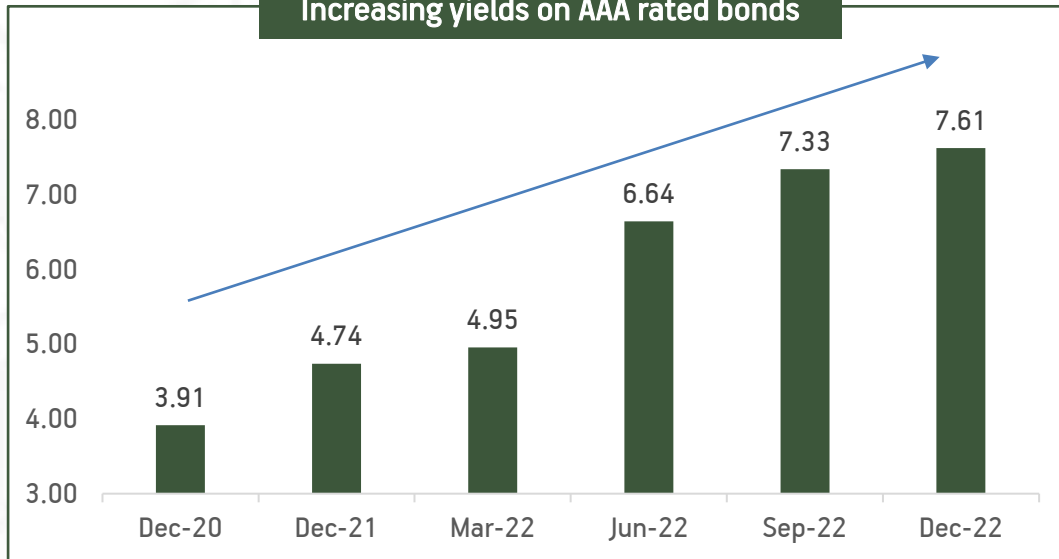
- 
 Central policy makers have combated inflation bubble by increasing interest rates, liquidity tightening and restrictive policy approach
- 
 Interest rates are currently positioned at the fag end of the curve and post peaking out, the rate cut cycle may kick off in 2024.
- 
 GDP growth has shown some contraction recently, and inflation has begun to cool off after the continuous rate hike cycle.
- 
 CPI inflation reduced from 7.79% in April 22 to 5.72% in Dec 22 , much within RBI acceptable band.
- 
 Spreads for AAA rated bonds are higher at the short end of the curve narrowing at long end of the curve

With interest rate at peak end and Inflation cooling down, the shorter end of the curve is best placed point to invest right now

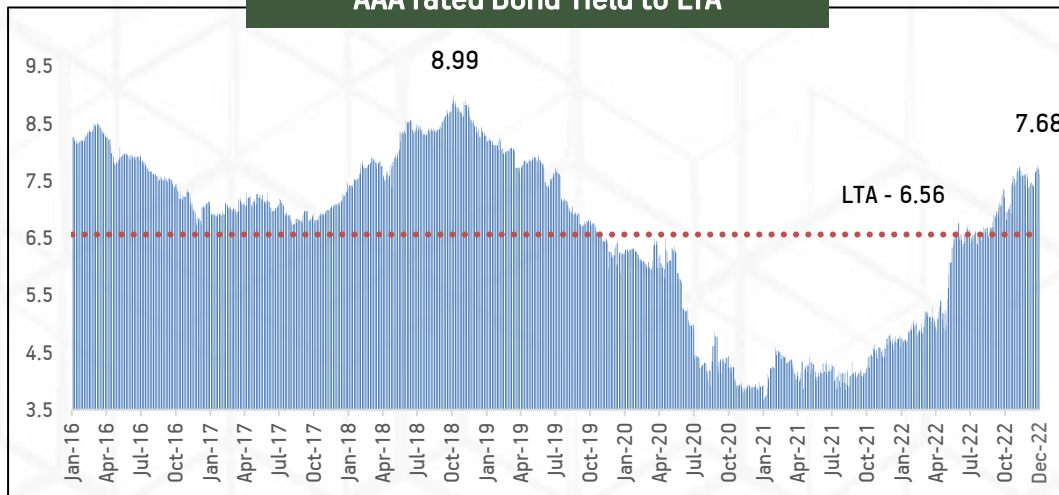
Source: India Corporate AAA Curve Index data from Bloomberg, as on 31st December 2022.

Short End – The Sweet Spot

Increasing yields on AAA rated bonds



AAA rated Bond Yield to LTA



With Interest rates at decade high, 1-year rate is offering similar returns compared to 7–10-year rate with better risk to reward ratio.



Absolute returns are higher for shorter end of the curve, especially at the 1-year point.



Roll down strategy for a 1-year maturity will help to earn higher returns



AAA bond yields are trading above 7-year average providing current opportunity for higher returns



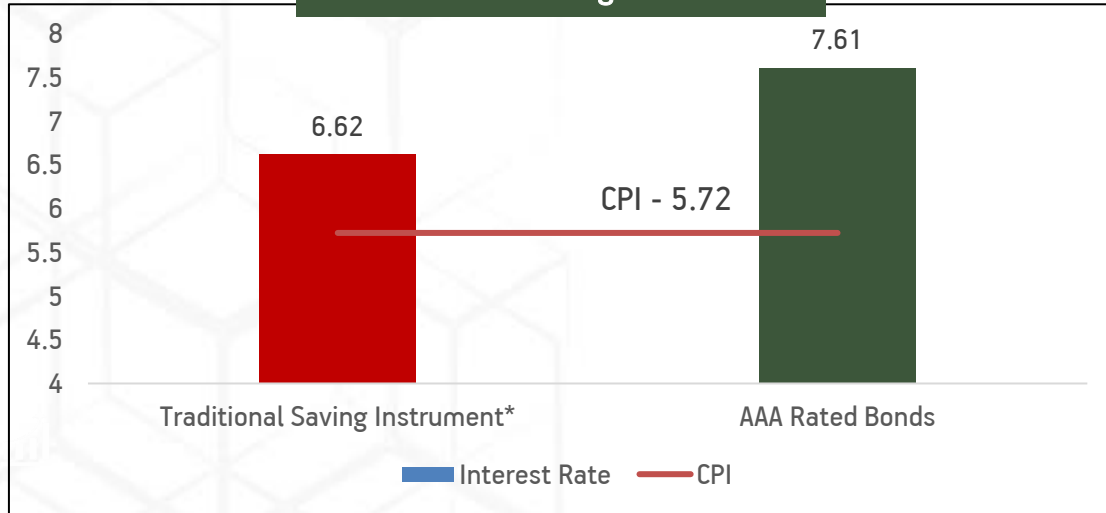
Shorter duration investment will not attract any significant duration risk

AAA rated bonds with shorter maturity can be seen as a great opportunity to earn higher absolute returns given the yield curve dislocation so far

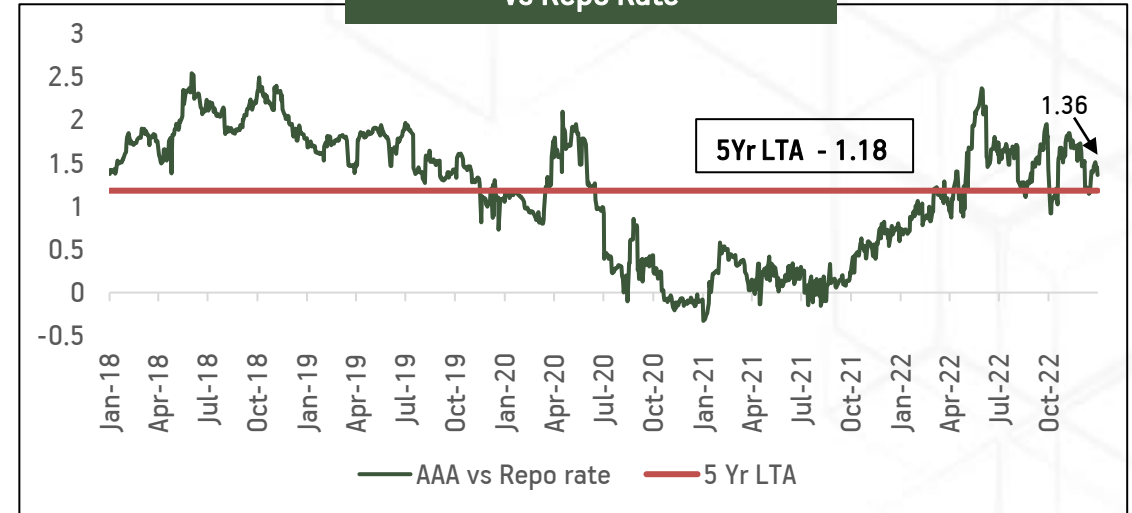
Source: Bloomberg, RBI, ABSLAMC Research as on 31st Dec 2022 / Past performance may or may not sustain in the near future.

The Investment Opportunity in AAA Rated Bonds

Vs Traditional Saving Instruments



Vs Repo Rate



AAA rated bonds continue to provide higher yields compared to traditional instruments



With credit growth outpacing bank deposits and positioned at peak end of the elevated yield curve, traditional instruments rates are increasing but still below AAA bond yields



Spreads between AAA bond and Repos are increasing and are placed well above 5-Year average



AAA bond yields are well poised to deliver higher return when compared to long term average return and against any other short term investment vehicle.

Source: SEBI, ABSLAMC Research as on Dec 31, 2022, Traditional Saving Instrument are the average of top 6 Bank FD rates over a 1yr period in the lowest deposit bucket.

Introducing

Aditya Birla Sun Life

CRISIL IBX AAA MAR 2024 INDEX FUND

(An open ended Target Maturity Index Fund tracking the CRISIL IBX AAA Index – March 2024. A moderate interest rate risk and relatively low credit risk.)

Overview

- It seeks to track the performance of **AAA rated issuers** near to the maturity date of the index
- It consists of Corporate issuers with rating of AAA, with a minimum outstanding of Rs. 1,000 crores in the eligible period, having the security with the **highest liquidity***

Index Construction

- **20 most liquid issuers** with a minimum total amount outstanding of Rs. 1,000 crores in the eligible period will be selected on the basis of liquidity*.
- For each issuer selected, security having maturity nearest to the target date shall be selected, from securities maturing in eligible period, with minimum amount outstanding of Rs. 700 crores.
- Weights to the issuers will be **divided equally**
- Weights will be reset every quarter
- The rebalancing period will be semi-annual.
- The securities will be held till maturity or till they are replaced by security during semi-annual rebalancing

Know more about the Index**



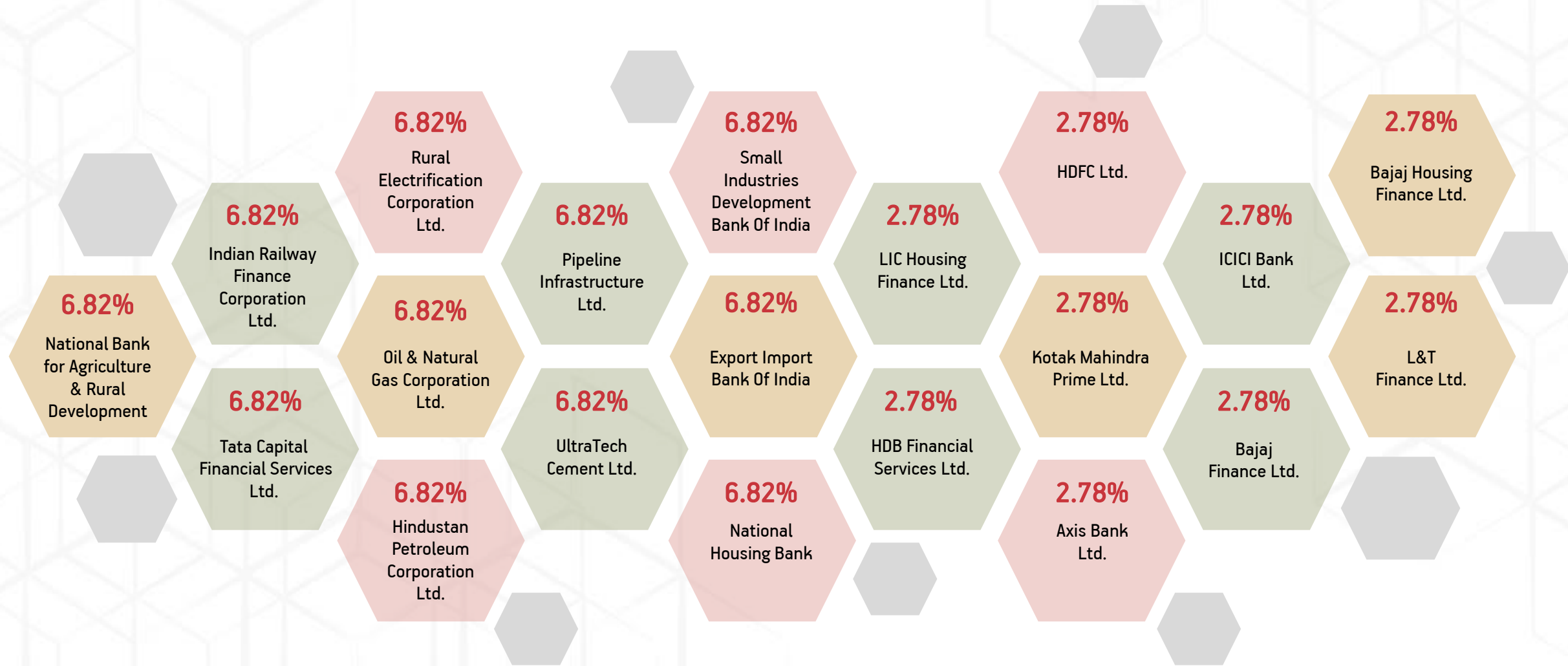
*Liquidity score will be calculated based on the volume traded (70%), number of trades (15%) and days traded (15%) in the previous quarter. Please refer to the index disclaimer

**Index parameters will be published from 31st Jan 2023

For detailed methodology of the Index, please refer to the Scheme Information Document.

Constituents of the Index

Aditya Birla Sun Life
Mutual Fund



Source: CRISIL. Portfolio as on 30th Dec 2022 / The fund may or may not have any future position in these security/issuer(s).

Aditya Birla Sun Life CRISIL IBX AAA MAR 2024 Index Fund

Aditya Birla Sun Life
Mutual Fund



Scheme Name
Aditya Birla Sun Life CRISIL IBX
AAA Mar 2024 Index Fund

Structure
An open ended Target
Maturity Index Fund
tracking the CRISIL IBX
AAA Index – March 2024

Benchmark
CRISIL IBX AAA Index –
March 2024

Fund Manager
Mr. Mohit Sharma and
Mr. Sanjay Godambe



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

Index Tenure
The Index will mature on
March 31, 2024

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 ABSL CRISIL IBX AAA Mar 2024 Index Fund

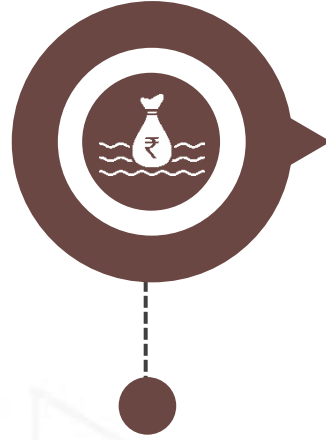
Aditya Birla Sun Life
Mutual Fund



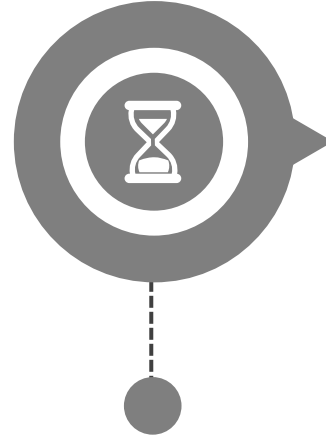
Target Maturity approach – ability to customize your investment as per your goals



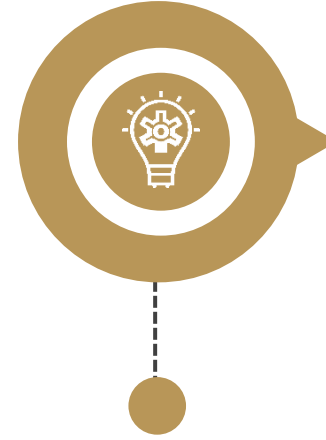
Credit risk mitigated as part of design



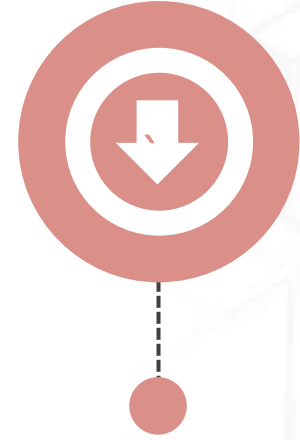
Liquidity available during the tenure of the fund



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

Scheme	Aditya Birla Sun Life CRISIL IBX AAA Mar 2024 Index Fund			
Type of Scheme	An open ended Target Maturity Index Fund tracking the CRISIL IBX AAA Index – March 2024. A moderate interest rate risk and relatively low credit risk			
Investment Objective	The investment objective of the Scheme is to generate returns corresponding to the total returns of the securities as represented by the CRISIL IBX AAA Index – March 2024 before expenses, subject to tracking errors. The Scheme does not guarantee/indicate any returns. There can be no assurance that the objective of the Scheme will be achieved.			
Investment Strategy	The Scheme will replicate income over the target maturity period of its underlying index i.e. CRISIL IBX AAA Mar 2024 Index, subject to tracking errors. Accordingly, the Scheme will invest in securities in line with the benchmark index of the Scheme. For detailed investment strategy, refer the SID of the Scheme.			
Asset Allocation		Instrument	Risk Profile	Allocation (% of total Assets)
				Minimum Maximum
		Instruments forming part of the CRISIL IBX AAA Index – March 2024	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 AAA Index – March 2024			
Load	Entry Load: Nil Exit Load: Nil			
Fund Manager	Mr Mohit Sharma & Mr Sanjay Godambe			

ADITYA BIRLA SUN LIFE CRISIL IBX AAA MAR 2024 Index Fund

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A moderate interest rate risk and relatively low credit risk

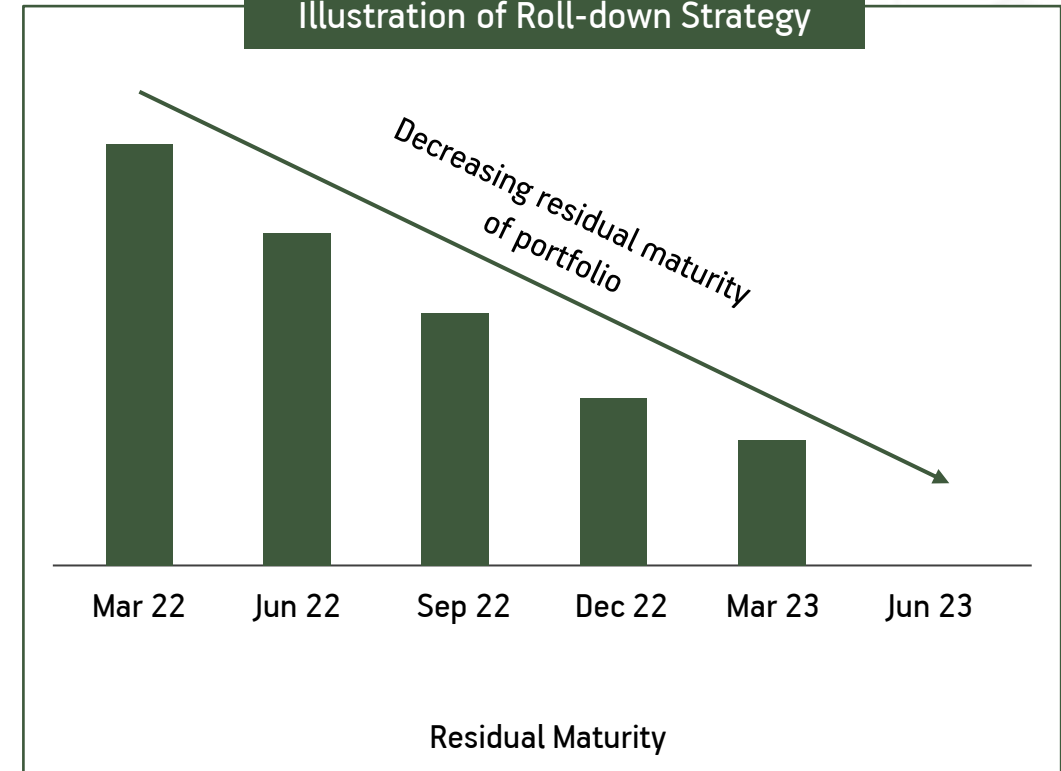
<p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> Income over the target maturity period Open ended Target Maturity Index Fund that seeks to track CRISIL IBX AAA Index – March 2024 	<p>Riskometer</p> <p>Investors understand that their principal will be at Low to Moderate risk</p>	<p>Benchmark Riskometer CRISIL IBX AAA Index – March 2024</p> <p>Investors understand that their principal will be at Low to Moderate risk</p>	Potential Risk Class		
			<p>Credit Risk of Scheme →</p>	<p>Relatively Low (Class A)</p>	<p>Moderate (Class B)</p>
<p>Interest Rate Risk of Scheme ↓</p>	<p>Relatively Low (Class I)</p>	<p>Moderate (Class II)</p>	<p>Relatively High (Class III)</p>		
<p>*Investors should consult their financial advisors if in doubt whether the product is suitable for them.</p>			<p>A-II</p>		

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

- **Roll Down/Run Down strategy** is an accrual strategy that is generally used in elevated rates environment and seek 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 avoid 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 move towards shorter end of the curve which is less susceptible to interest rate risk.

Illustration of Roll-down Strategy



Thank You

Disclaimers

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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