



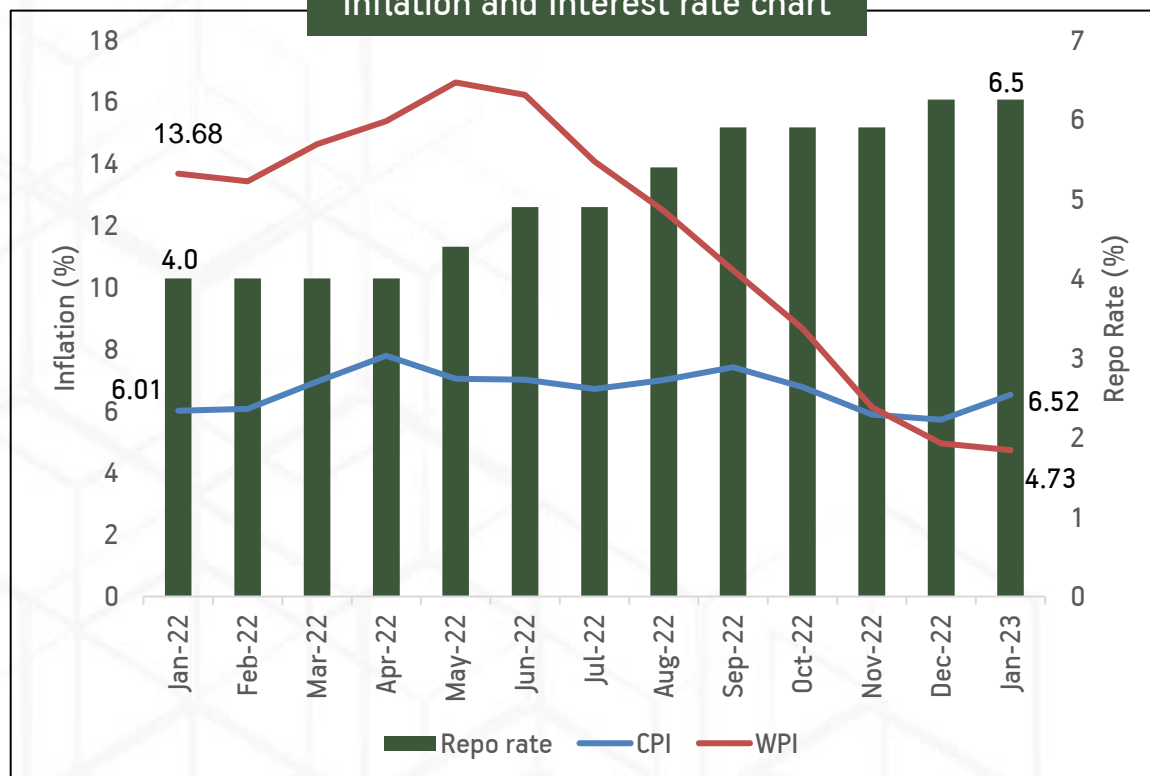
Aditya Birla Sun Life

## CRISIL IBX GILT APR 2028 INDEX FUND

(An open ended Target Maturity Index Fund tracking the CRISIL IBX Gilt Apr 2028 Index. A relatively high interest rate risk and relatively low credit risk.)

NFO Opens: March 08, 2023 | NFO Closes: March 14, 2023

Inflation and Interest rate chart



With moderating Inflation as well as GDP growth and expectations for rate easing cycle to follow, lock in relatively higher current yields

## Current trends driving Debt Markets in India



RBI has increased the Interest rates by 250 bps in FY 23. Current rate of 6.5% is expected to be the terminal rate.



**Inflation** – Inflation has started to cool off. It is expected to moderate further in FY 24 but still stay above the 4% target. Jan'23 CPI stood at 6.5%. WPI has come down to 4.73%.



**Interest Rates** – RBI hiked interest rates in Feb'23 by 25 bps but is expected to stay accommodative to normalize inflation.



**GDP Growth** – Real GDP is projected to grow at 7.1% for Q1 23-24, lower than earlier forecast



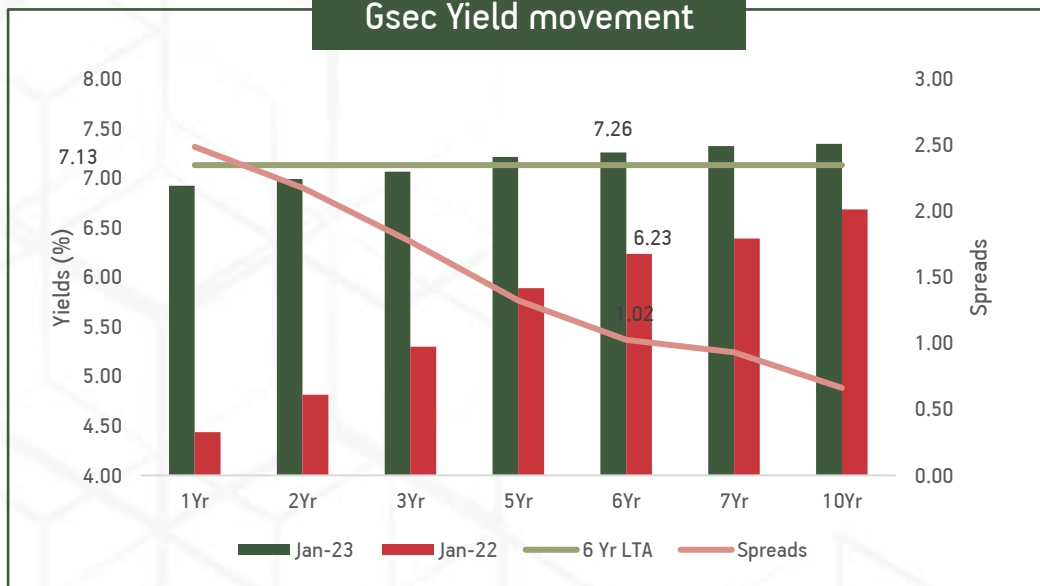
**Rate cycle easing** – Expectations for monetary policy easing have increased but also priced into the market.

# Sharp uptick in Gsec offering opportunity

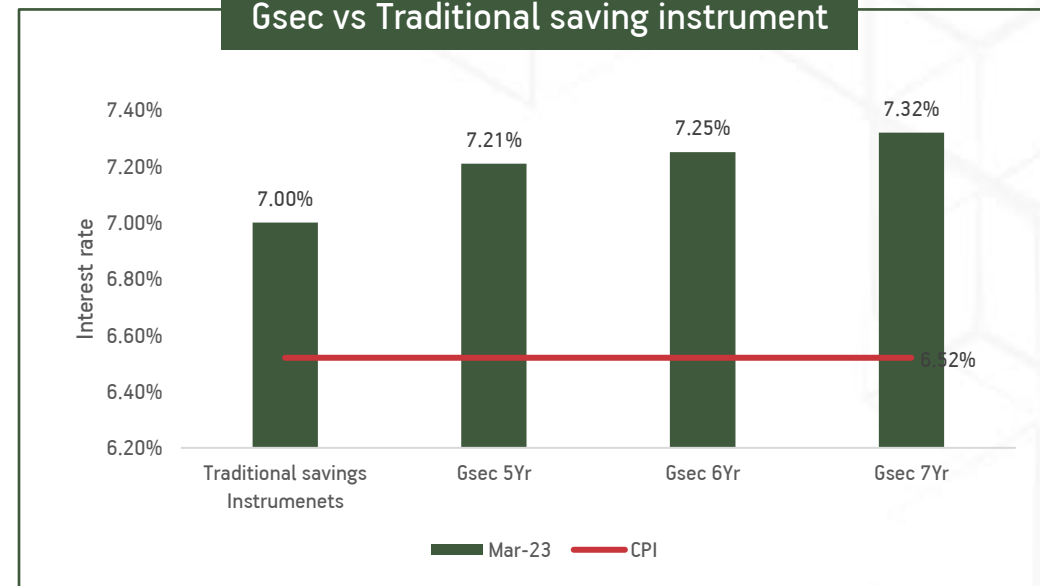
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## Gsec Yield movement



## Gsec vs Traditional saving instrument



Gsec curve is offering relatively better spreads for shorter and medium term



Current 6Yr curve has marginally higher yield compared to its long term average



Better returns can be earned on the current 6Yr Gsec compared to traditional savings instrument



Opportunity to add the benefit of duration to the portfolio



Lock in relatively higher yields by investing in sovereign credit rated portfolio

Source: SEBI, ABSLAMC Research, bloomberg as on Jan 31, 2023, Traditional Saving Instrument are the median of top 4 Bank FD rates over a 6yr period in the lowest deposit bucket.

Introducing

**Aditya Birla Sun Life**

**CRISIL IBX GILT APR 2028 INDEX FUND**

(An open ended Target Maturity Index Fund tracking the CRISIL IBX Gilt Apr 2028 Index. A relatively high interest rate risk and relatively low credit risk.)

## Overview

- CRISIL IBX Gilt Apr 2028 Index seeks to measure the performance of portfolio predominantly invested in G-Sec maturing between 06 September, 2027 and 05 April, 2028.
- It consists of **G-sec and T bill securities**, with a minimum outstanding of Rs. **25,000** crores in the eligible period of 7 months, having the security with the **highest liquidity\***

## Index Construction

- **G-sec (with 98% weight)** with a minimum total amount outstanding of Rs. 25,000 crores in the eligible period will be selected on the basis of liquidity. Eligible period of inclusion is from 6<sup>th</sup> September 2027 till 5<sup>th</sup> April 2028.
- Weights of the securities would be determined based on amount outstanding and liquidity score.
- Gsec would be rebalanced on 6 monthly basis
- Last three on the run 91-Day T-Bill will be selected by rebalancing on a bimonthly basis.
- 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 31<sup>st</sup> Jan 2023

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

# Benefit Of 6 Year Indexation

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## Traditional Savings

## Parameters

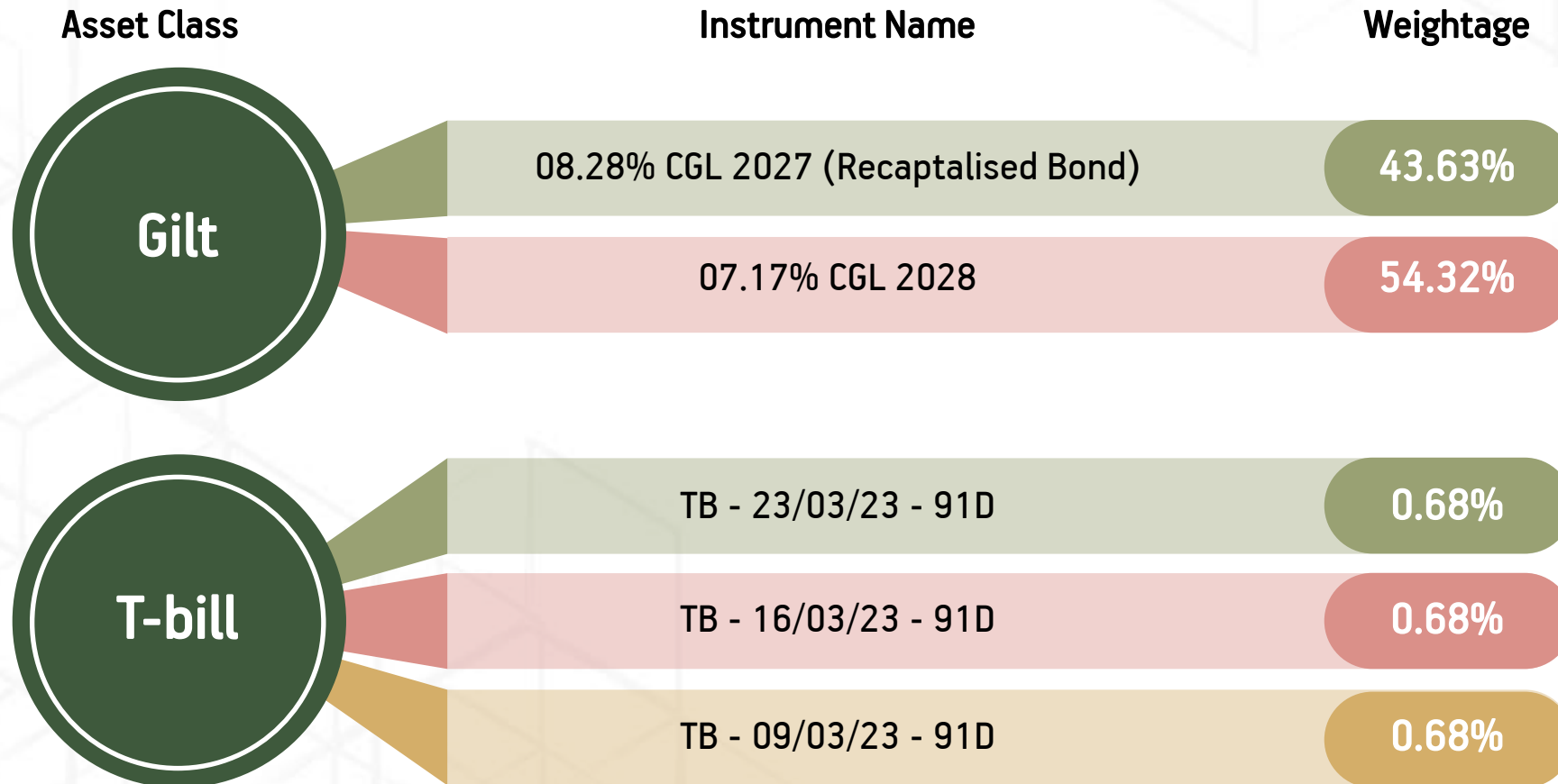
## Debt Index Funds - FTP

₹1,00,000	Investment Amount	₹ 1,00,000
7%	*Assumed Returns	7.48%
₹ 1,41,220	***Investment Value upon Maturity	₹ 1,44,482
₹ 1,00,000	**Indexation Cost	₹ 1,34,010
₹ 41,220	Taxable Gain	₹ 10,473
31%	Applicable Tax Rate	20%
₹ 12,778	Tax Amount	₹ 2095
₹ 1,28,442	Post Tax Value	₹ 1,42,388
5.03%	Post Tax Return (%)	7.17%

Disclaimer: The above calculations are only for illustration purposes. These are not be considered as investment advice, please consult your investment / tax advisers. \*These are tentative 6 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 (2028) / CII of purchase year (2021). They are 446 & 317.0 respectively. Index cost arrived at assuming 5% p.a. growth rate in CII. 6 year indexation benefit is only available to investors who invest in FY23 & remain invested in the fund until FY27-28. 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 5<sup>th</sup> April 2028.

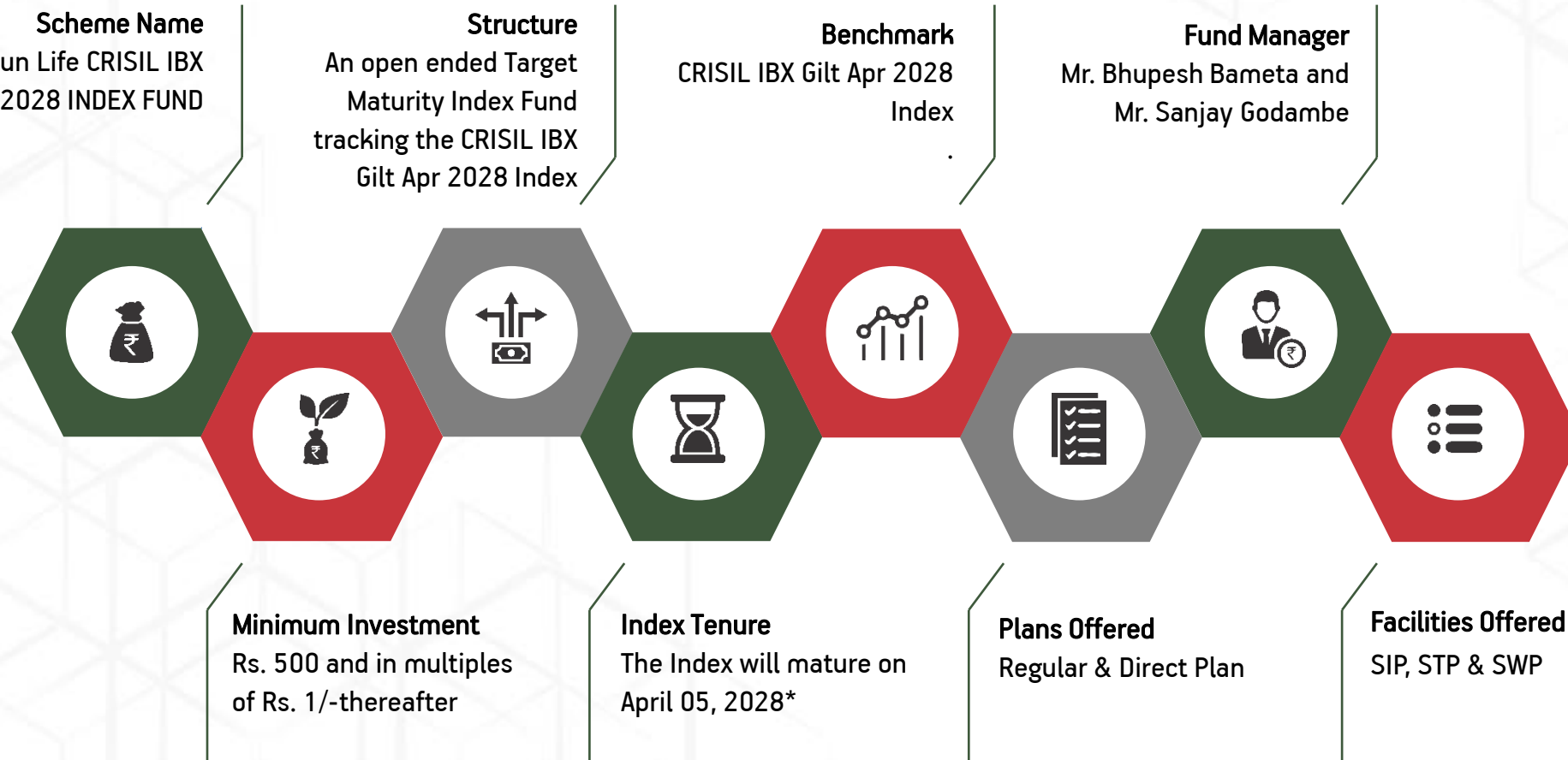
# Constituents of the Index

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Source: CRISIL. Portfolio as on 21<sup>st</sup> Feb 2023 / The fund may or may not have any future position in these security/issuer(s).





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

\* or the immediately following working day if that day is a non-working day.



# Key Reasons To Invest In ABSL CRISIL IBX GILT APR 2028 INDEX FUND

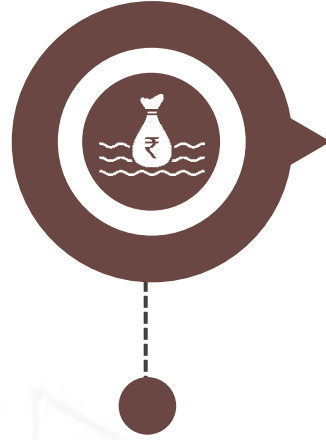
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Mutual Fund



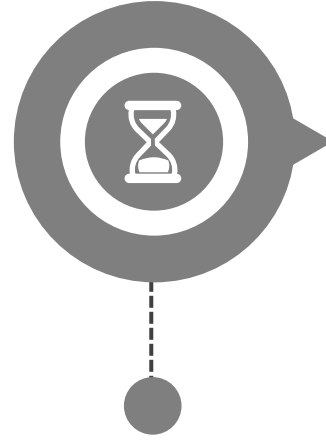
Target Maturity  
approach – ability  
to customize your  
investment as per  
your goals



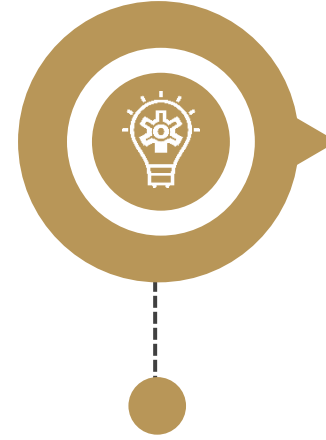
Credit risk  
mitigated as  
part of design



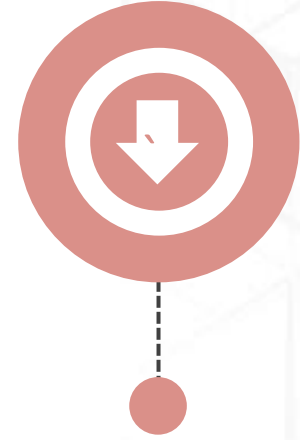
Liquidity  
available during  
the tenure of  
the fund



No Duration  
risk at time  
of maturity



Roll down  
approach -  
apt in the  
current  
interest rate  
environment



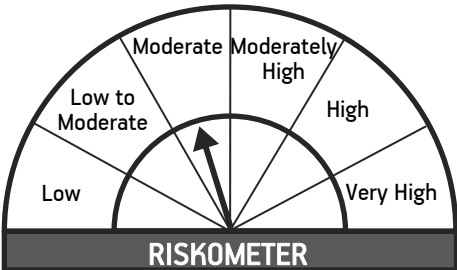
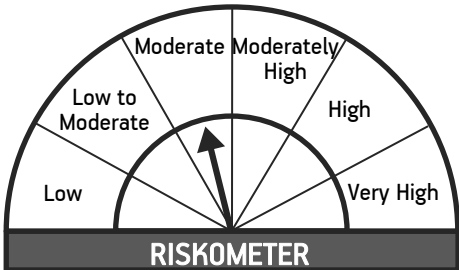
Low minimum  
investment\*

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

Scheme	Aditya Birla Sun Life CRISIL IBX GILT APR 2028 INDEX FUND			
Type of Scheme	An open ended Target Maturity Index Fund tracking the CRISIL IBX Gilt Apr 2028 Index. A relatively high 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 Gilt Apr 2028 Index before expenses, subject to tracking errors. 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.			
Investment Strategy	The Scheme will replicate income over the target maturity period of its underlying index i.e. CRISIL IBX Gilt Apr 2028 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 Gilt Apr 2028 Index	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 Apr 2028 Index			
Load	Entry Load: Nil Exit Load: Nil			
Fund Manager	Mr. Bhupesh Bameta and Mr. Sanjay Godambe			

## ADITYA BIRLA SUN LIFE CRISIL IBX GILT APR 2028 INDEX FUND

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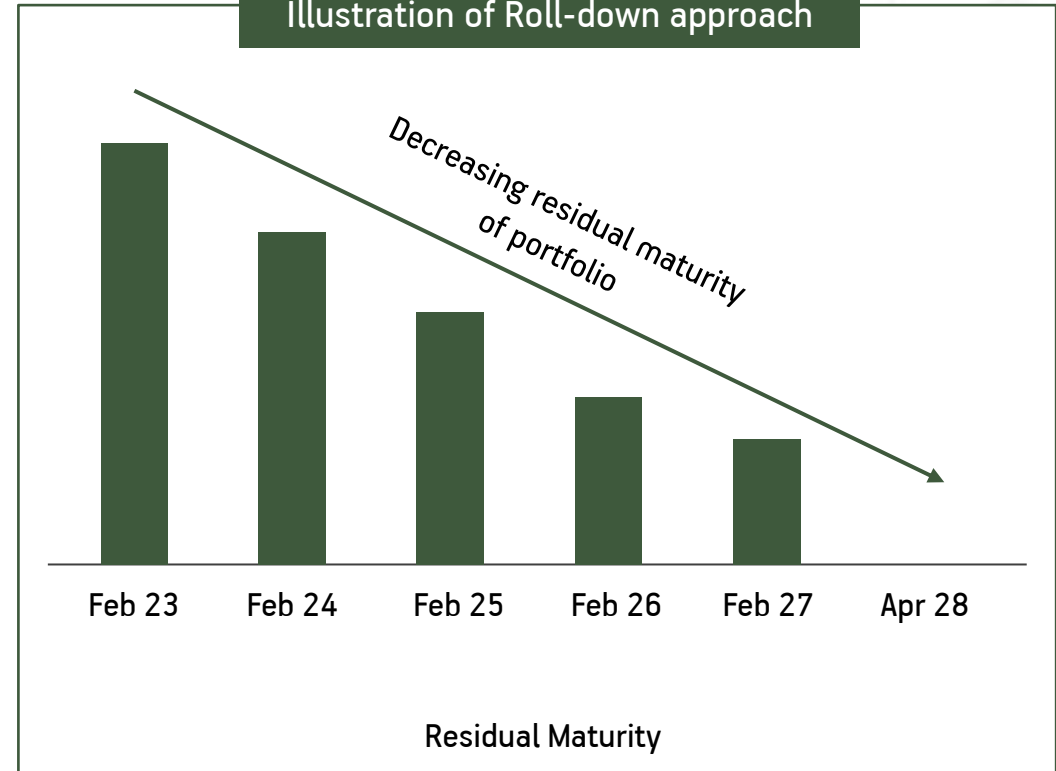
<b>This product is suitable for investors who are seeking*:</b>	<b>Riskometer</b>	<b>Benchmark Riskometer</b> CRISIL IBX Gilt Apr 2028 Index	<b>Potential Risk Class</b>			
<ul style="list-style-type: none"><li>Income over the target maturity period</li><li>Open ended Target Maturity Index Fund that seeks to track CRISIL IBX Gilt Apr 2028 Index</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>Investors understand that their principal will be at Moderate risk</p>	<b>Credit Risk of Scheme</b> ➡	<b>Relatively Low (Class A)</b>	<b>Moderate (Class B)</b>	<b>Relatively High (Class C)</b>
			<b>Interest Rate Risk of Scheme</b> ⬇			
			<b>Relatively Low (Class I)</b>			
			<b>Moderate (Class II)</b>			
			<b>Relatively High (Class III)</b>	<b>A-III</b>		
*Investors should consult their financial advisors if in doubt whether the product is suitable for them.						

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 approach** is an accrual approach 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 approach



# 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.

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