Aditya Birla Sun Life Mutual Fund

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Aditya Birla Sun Life

Nifty SDL Sep 2027 Index Fund

(An open-ended Target Maturity Index Fund tracking the Nifty SDL Sep 2027 Index. A relatively high interest rate risk and relatively low credit risk)

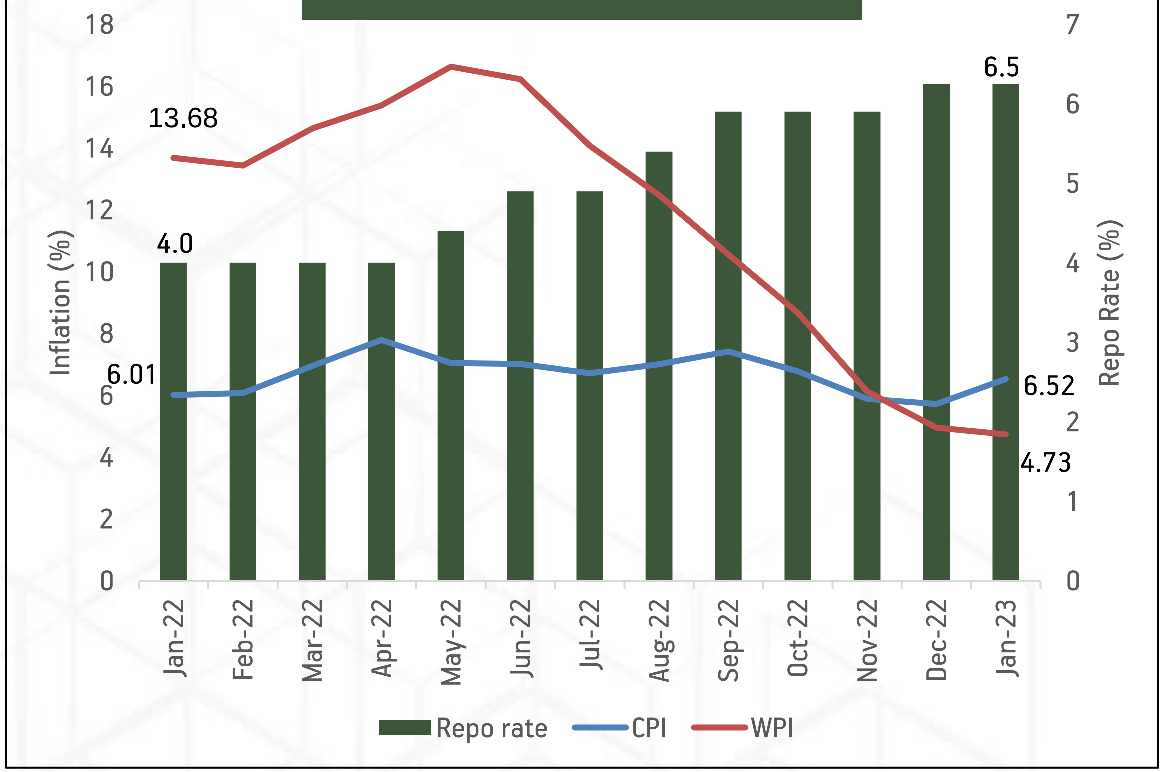
NFO Opens: March 06, 2023

NFO Closes: March 09, 2023

Map of India is used for illustrative purpose only. It is not a political map of India.

Investment opportunity in India's Debt Market?

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%.

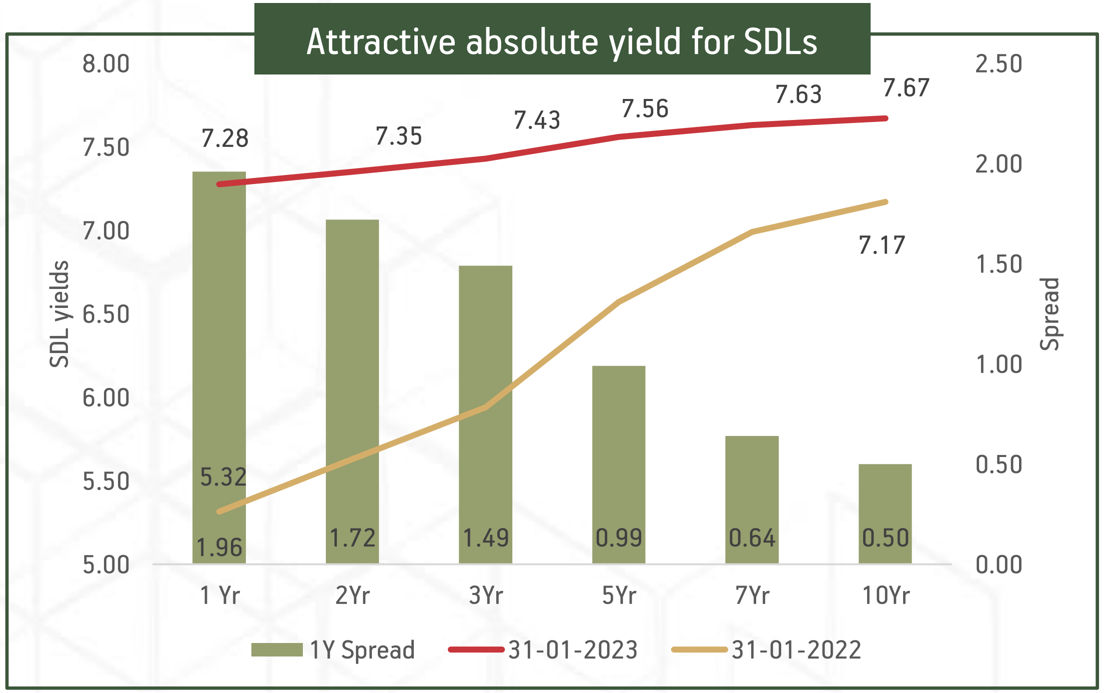
Interest Rates – RBI hiked interest rates in Feb'23 by 25 bps but is expected to stay accommodative to normalize inflation.

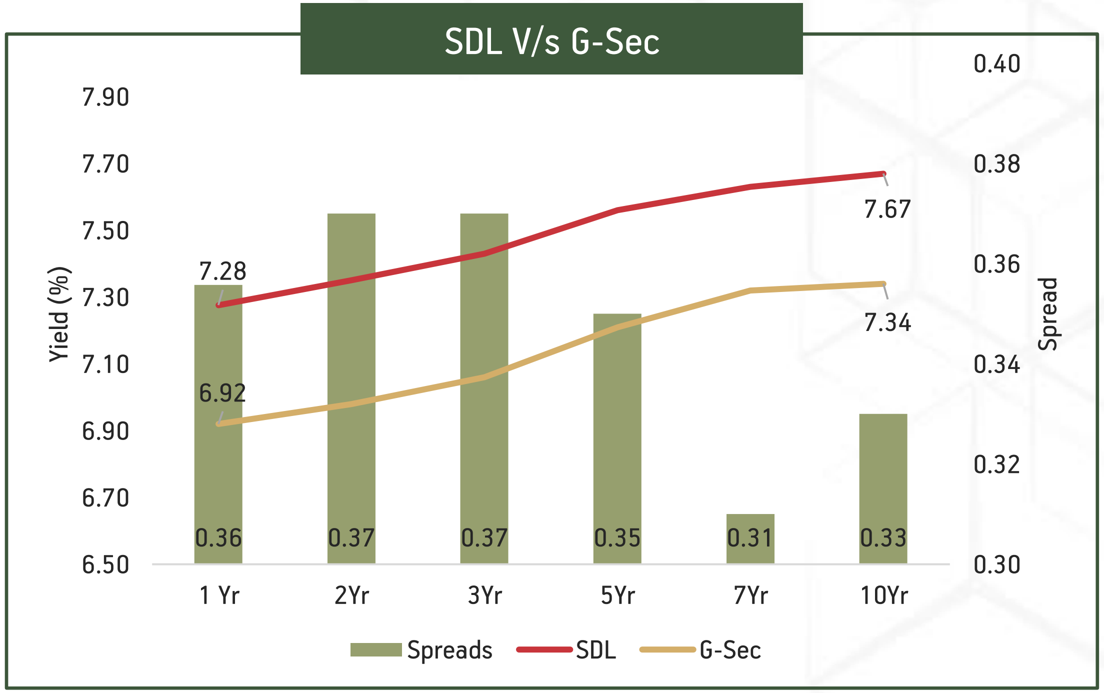
GDP Growth – Real GDP is projected to grow at 7.1% for Q1 23-24, lower than earlier forecast

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

Source: India CPI and WPI data from Bloomberg, ABSLAMC Research (as on Jan 31, 2023) Trends figures as on Jan 31, 2023 / CPI – Consumer Price Index & WPI – Wholesale Price Index

SDLs - The Investment Opportunity





SDL curve looks attractive till the 5-year point as better spreads over Gsec are offered for shorter and medium term.

Opportunity to add the benefit of duration to the portfolio.

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

Source: ABSLAMC Research and Bloomberg data, as on Jan 31, 2023 / **Past Performance may or may not sustain in the near future**

Introducing

Aditya Birla Sun Life
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Overview

- It seeks to measure the performance of portfolio of Nifty SDL Sep 2027 Index
- Computed using the total return methodology, including price & coupon return

Index Construction

- Top **15 states/UTs** are selected based on their outstanding amount maturing during the 6-month period ending Sep 30, 2027
- For every selected state/UT, **most recently issued SDL** maturing during the 6-month period ending September 30, 2027 is selected to be part of the index
- Each state/UT that is part of the index is given equal weight as on the base date of the index.
- Rebalanced on a quarterly basis
- The coupons will be reinvested in the proportion of existing weights

Know more about the fund

Please refer to the index disclaimer

Benefit Of 5 Year Indexation

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Traditional Savings	Parameters	Debt Index Funds - FTP
₹1,00,000	Investment Amount	₹ 1,00,000
7%	*Assumed Returns	7.67%
₹ 1,36,409	***Investment Value upon Maturity	₹ 1,40,373
₹ 1,00,000	**Indexation Cost	₹ 1,27,628
₹ 36,409	Taxable Gain	₹ 12745
31%	Applicable Tax Rate	20%
₹ 11,287	Tax Amount	₹ 2549
₹ 1,25,122	Post Tax Value	₹ 1,37,824
5.01%	**Post Tax Return (%)**	**7.24%**

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 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 (2027) / CII of purchase year (2021). They are 424.8 & 317.0 respectively. Index cost arrived at assuming 5% p.a. growth rate in CII. 4 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 30th September 2027

Constituents of the Index

PUNJAB 6.62%

HARYANA 6.60%

RAJASTHAN 6.65%

GUJARAT 6.85%

MADHYA PRADESH 6.61%

MAHARASHTRA 6.87%

KARNATAKA 6.66%

KERALA 6.60%

UTTAR PRADESH 6.59%

BIHAR 6.64%

WEST BENGAL 6.62%

CHHATTISGARH 6.60%

TELANGANA 6.63 %

ANDHRA PRADESH 6.63%

TAMIL NADU 6.83%

Disclaimer: The map of India shown is for illustration purpose only.
The fund may or may not have any future position in these security/issuer(s).
Source: NSE Indices. Portfolio as on 21st Feb 2023

Aditya Birla Sun Life Nifty SDL Sep 2027 Index Fund

Aditya Birla Sun Life Mutual Fund

Scheme Name
Aditya Birla Sun Life Nifty SDL Sep 2027 Index Fund

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

Structure
An open-ended Target Maturity Index Fund tracking the Nifty SDL Sep 2027 Index

Index Tenure
The Index will mature on September 30, 2027*

Benchmark
Nifty SDL Sep 2027 Index

Plans Offered
Regular & Direct Plan

Fund Manager
Mr Mohit Sharma & Mr Sanjay Godambe

Facilities Offered
SIP, STP & SWP

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 Nifty SDL Sep 2027 Index Fund

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- 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 approach - apt in the current interest rate environment
- Low minimum investment*

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

Scheme Details

<table>
<tr><th>Scheme</th><th colspan="4">Aditya Birla Sun Life Nifty SDL Sep 2027 Index Fund</th></tr>
<tr><td>Type of Scheme</td><td colspan="4">An open-ended Target Maturity Index Fund tracking the Nifty SDL Sep 2027 Index. A relatively high interest rate risk and relatively low credit risk</td></tr>
<tr><td>Investment Objective</td><td colspan="4">The investment objective of the Scheme is to generate returns corresponding to the total returns of the securities as represented by the Nifty SDL Sep 2027 Index before expenses, subject to tracking errors. The Scheme does not guarantee/indicate any returns. There can be no assurance that the investment objective of the Scheme will be achieved.</td></tr>
<tr><td>Investment Strategy</td><td colspan="4">The Scheme will replicate income over the target maturity period of its underlying index i.e., Nifty SDL Sep 2027 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.</td></tr>
<tr><td rowspan="4">Asset Allocation</td><td rowspan="2">Instrument</td><td rowspan="2">Risk Profile</td><td colspan="2">Allocation
(% of total Assets)</td></tr>
<tr><td>Minimum</td><td>Maximum</td></tr>
<tr><td>Instruments forming part of the Nifty SDL Sep 2027 Index</td><td>Moderate</td><td>95%</td><td>100%</td></tr>
<tr><td>Cash and Debt/Money Market Instruments</td><td>Low</td><td>0%</td><td>5%</td></tr>
<tr><td>Plans Offered</td><td colspan="4">Regular & Direct Plan</td></tr>
<tr><td>Options Offered</td><td colspan="4">IDCW* (Payout of IDCW) & Growth Options</td></tr>
<tr><td>Facilities Offered</td><td colspan="4">SIP, STP & SWP</td></tr>
<tr><td>Minimum Application</td><td colspan="4">Minimum of ₹ 500 & in multiples of ₹ 1 thereafter</td></tr>
<tr><td>Benchmark Index</td><td colspan="4">Nifty SDL Sep 2027 Index</td></tr>
<tr><td>Load</td><td colspan="4">Entry Load: Nil
Exit Load: Nil</td></tr>
<tr><td>Fund Manager</td><td colspan="4">Mr Mohit Sharma & Mr Sanjay Godambe</td></tr>
</table>

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

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Nifty SDL Sep 2027 Index Fund

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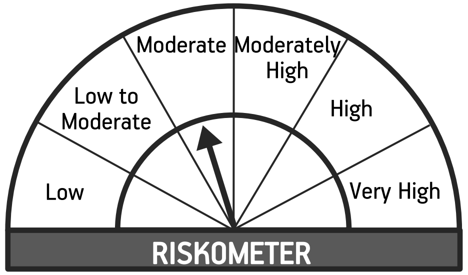
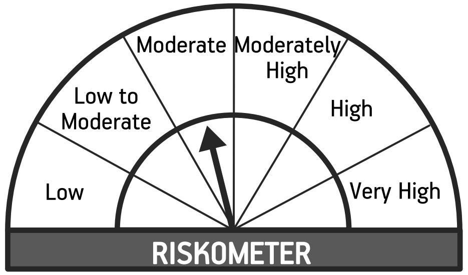
This product is suitable for investors who are seeking*:	Riskometer	Benchmark Riskometer Nifty SDL Sep 2027 Index
• Income over the target maturity period • Open ended Target Maturity Index Fund that seeks to track Nifty SDL Sep 2027 Index	 Investors understand that their principal will be at Moderate risk	 Investors understand that their principal will be at Moderate risk

*Investors should consult their financial advisors if in doubt whether the product is suitable for them.

Potential Risk Class			
Credit Risk of Scheme → / Interest Rate Risk of Scheme ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Relatively Low (Class I)			
Moderate (Class II)			
Relatively High (Class III)	A-III		

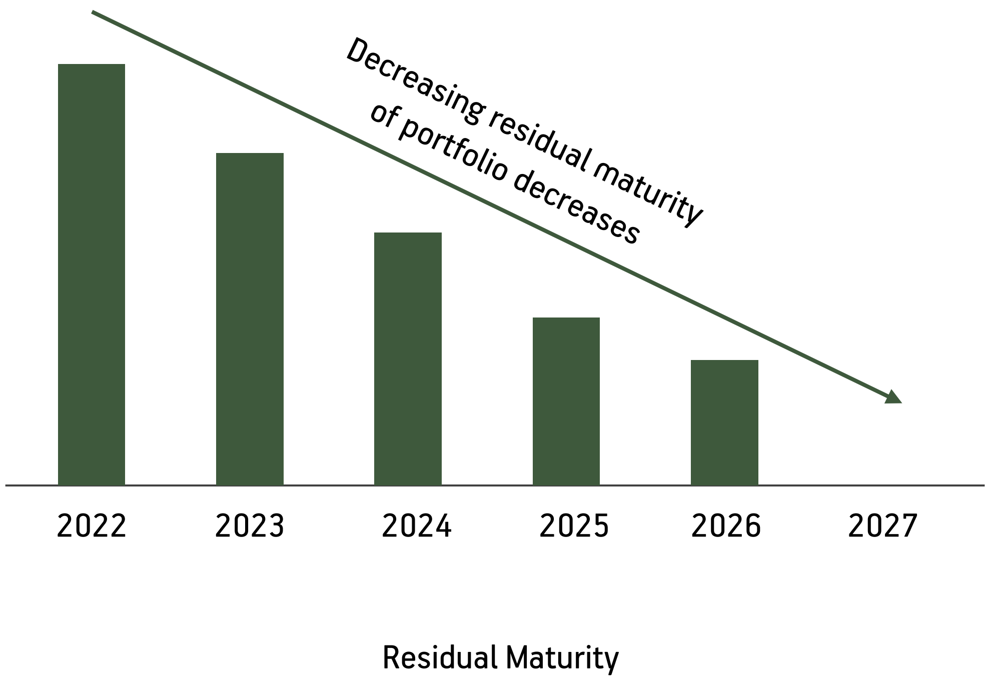
The product labelling assigned during the NFO is based on internal assessment of the Scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.

Appendix

Roll-down Approach

- **Roll Down/Run Down Approach** is an accrual approach that us 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 approach 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



Source: ABSLAMC Research

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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