

Axis Special Situations Fund

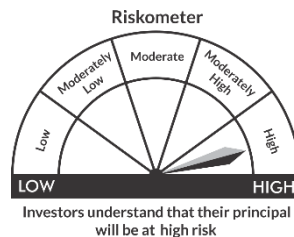
(An open ended equity scheme following special situations theme)

Target the Power of Disruptive Growth[^]

This product is suitable for investors who are seeking*:

- Capital appreciation over long term
- Investment in stocks based on special situations theme.

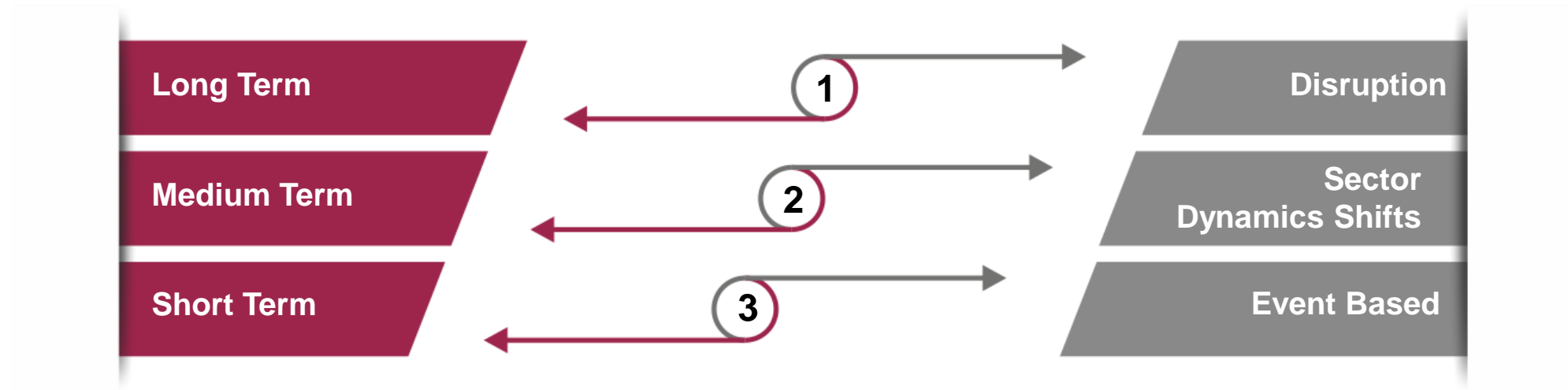
* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



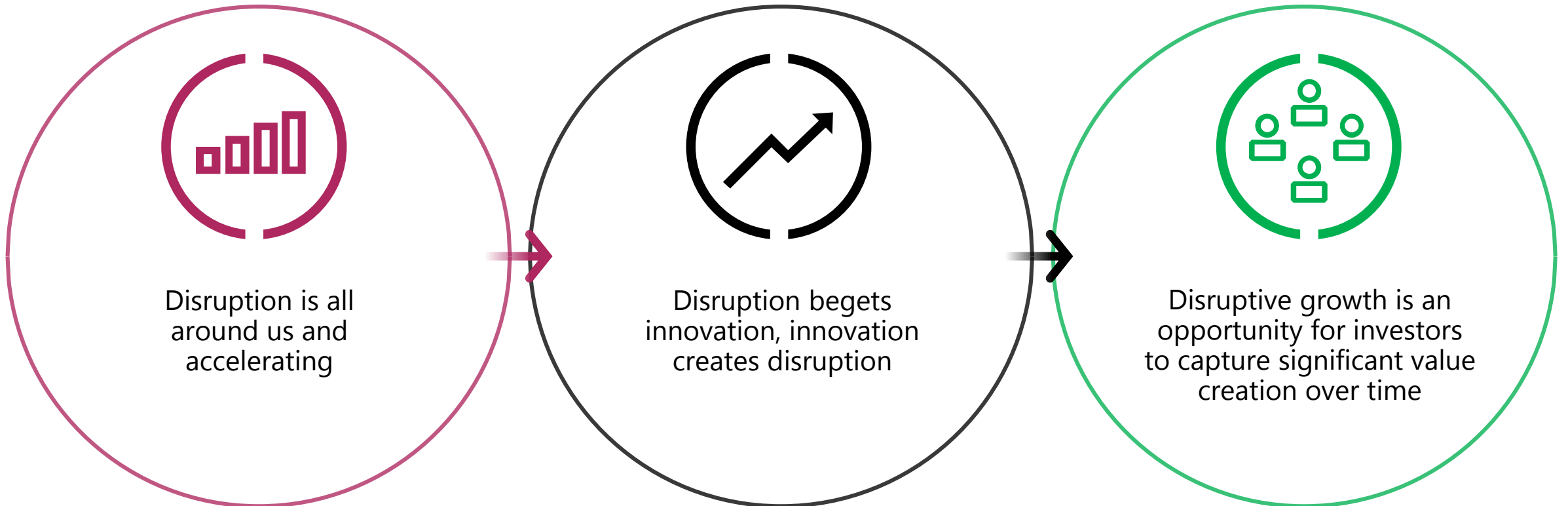
How do we define Special Situations?

Looking at change agents
over multiple horizons

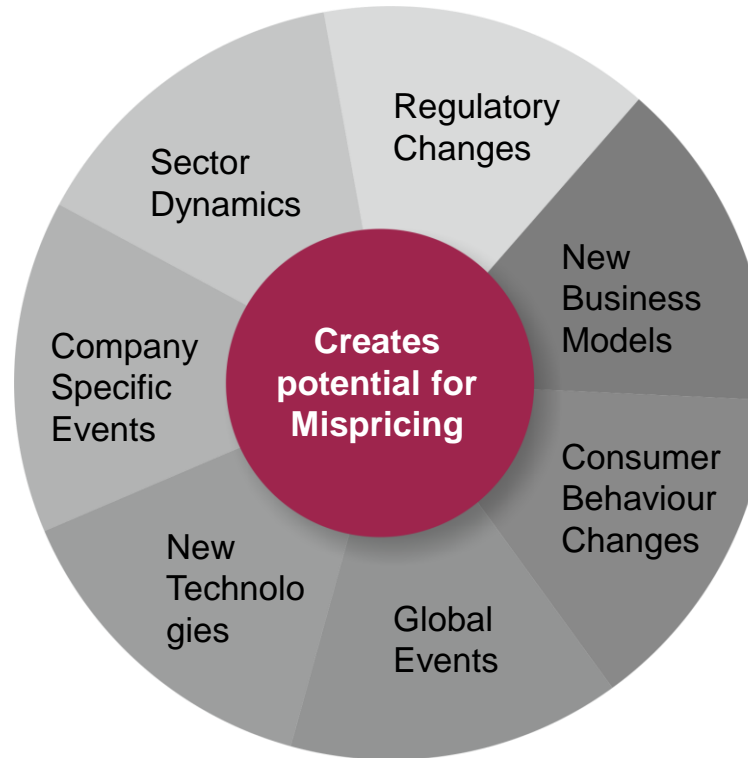
Opportunities presented by
changing business environment



An opportunity to capture the value created by disruptive growth



Markets are inefficient at factoring in disruptive change



Financial Markets are slow to recognize disruptive innovation

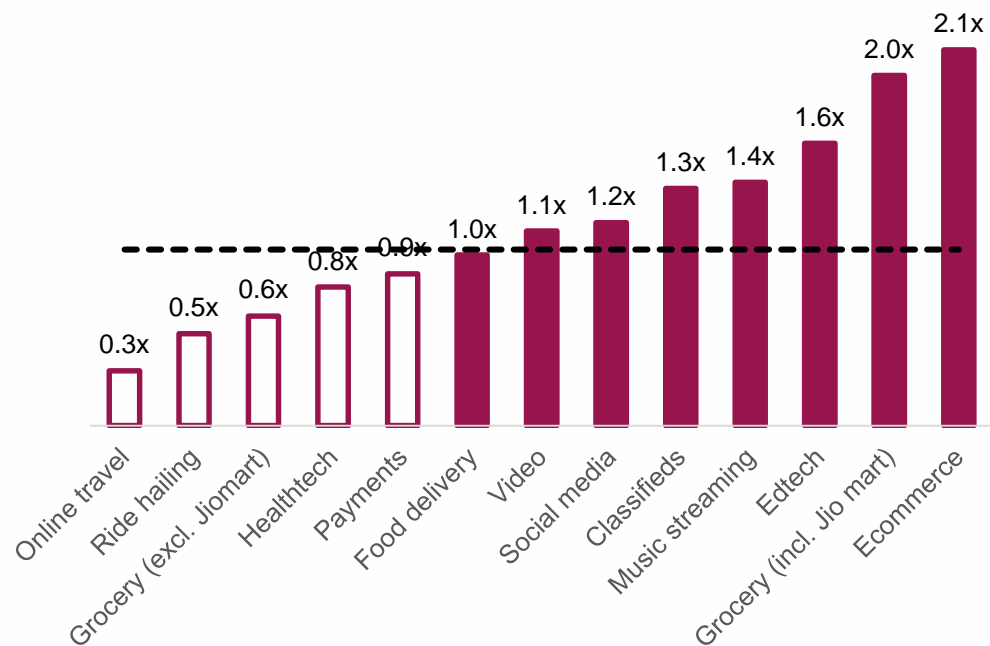
The impact of unanticipated change is often overlooked

Can lead to a gap between market expectations and actual growth potential

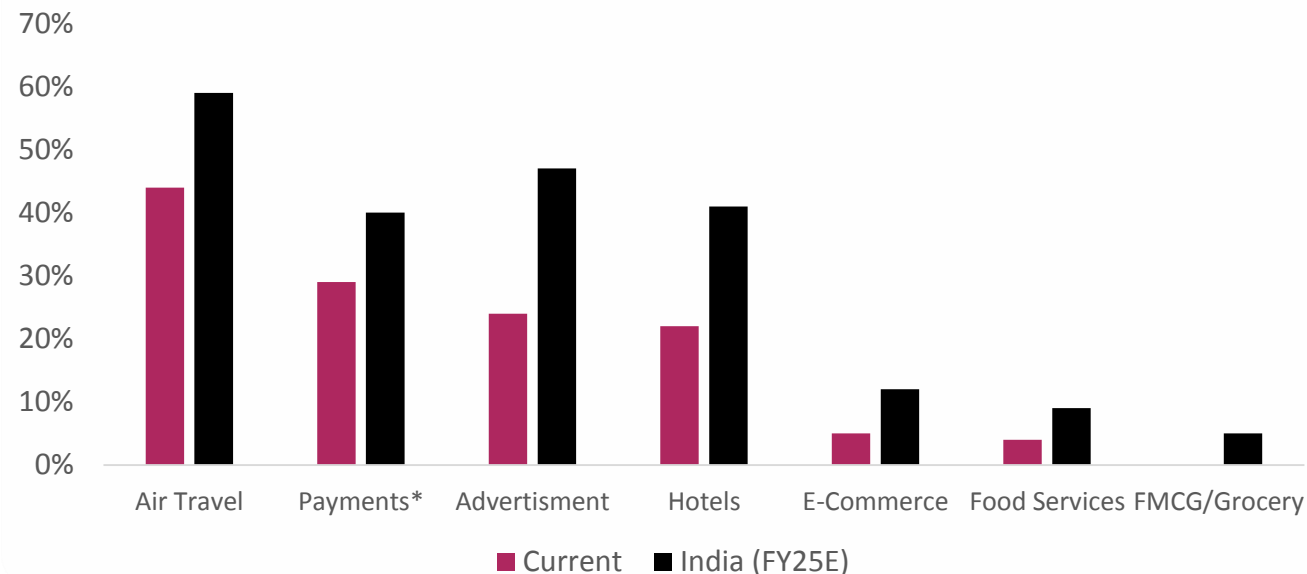
Indian economy primed for Disruption

Pandemic has changed the narrative

High User Engagement: App Downloads Now Vs Pre-Covid Levels (3QCY20 vs 1QCY20)



Accelerated Adoption of digital platforms



Source: Goldman Sachs, Axis AMC Research. Data as on 30th October 2020.

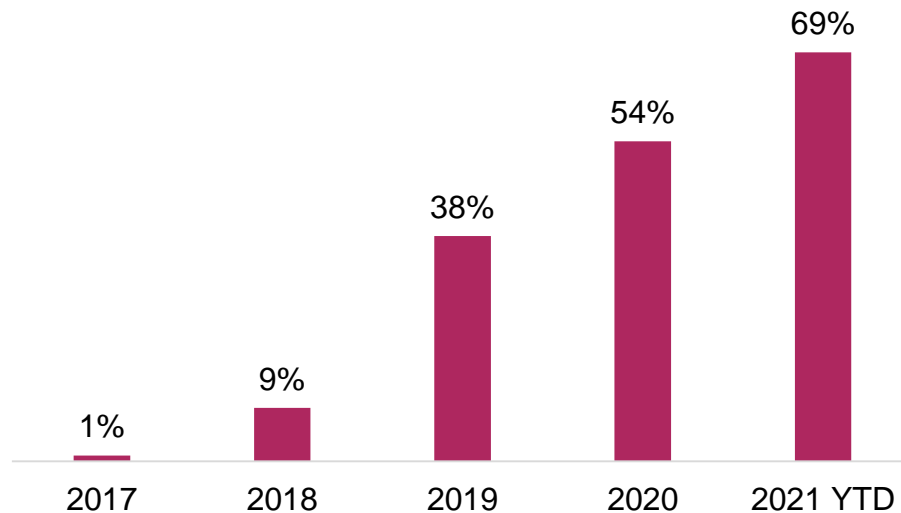
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Disrupting the way we transact

Digital Payments are rising as people enjoy their convenience

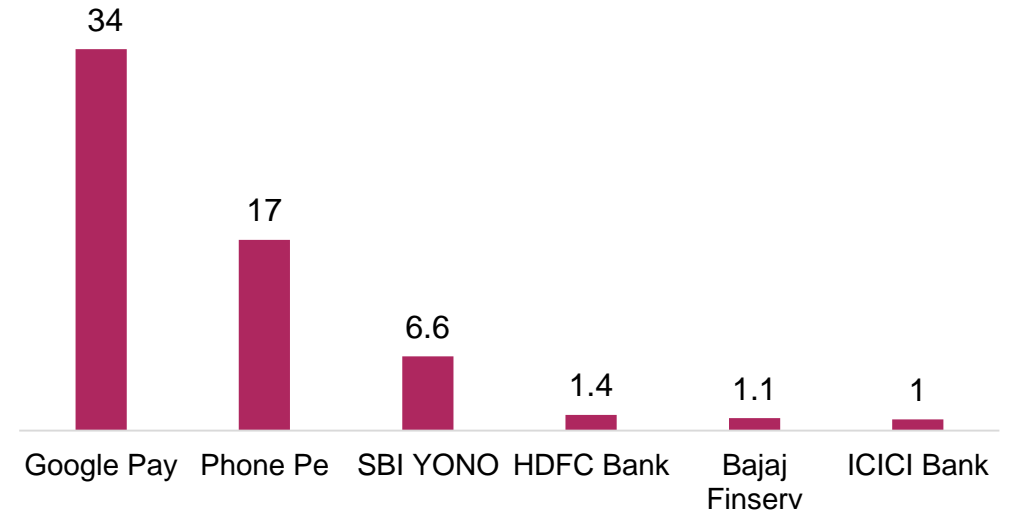
Government push helping India being ahead of the world

UPI Share of Transactions



Monthly Active Users for key payment and bank apps

Million Users



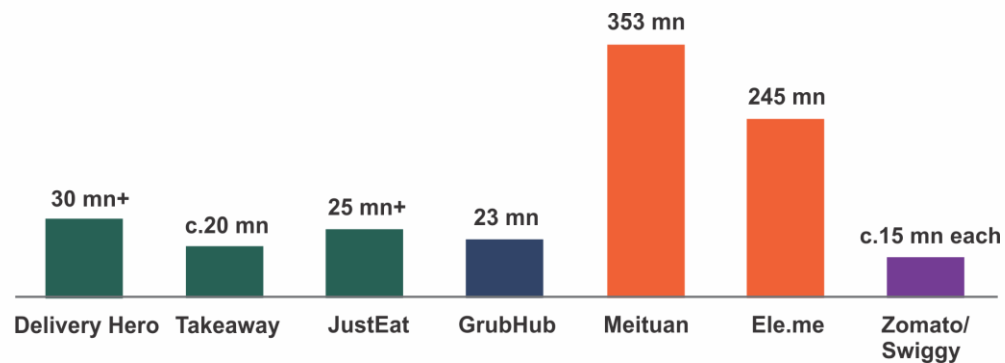
Source: NPCI, Axis MF Research

Data as of 30th October 2020. The sector(s)/stock(s)/issuer(s) mentioned in this presentation are for the purpose of illustration only and should not be construed as any research report/recommendation to buy / sell / hold. The Fund manager may or may not choose to have any future position in these sector(s)/stock(s)/issuer(s).

Disrupting the way we eat/shop

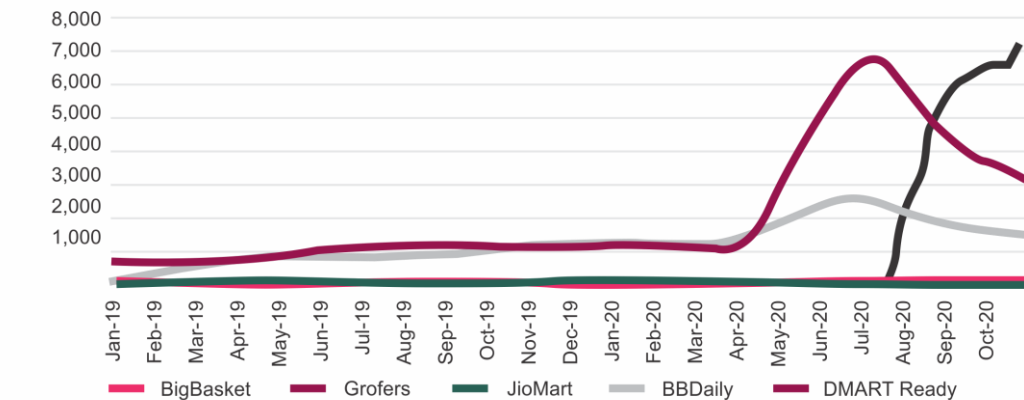
Post COVID, Average Order Value has increased, Promotions have reduced, and Profitability has risen

India (Zomato/Swiggy) vs Global Players



E-grocery penetration is <0.5% in India, significantly lower than other categories

Online Grocery Number of app downloads (3 month average indexed to DMART)



Source: Appropia

Source: Goldman Sachs, Bernstein, Bloomberg, Axis AMC Research. Data as on 30th October 2020. GS Report on India Internet -The curve continues to steepen. The sector(s)/stock(s)/issuer(s) mentioned in this presentation are for the purpose of illustration only and should not be construed as any research report/recommendation to buy / sell / hold. The Fund manager may or may not choose to have any future position in these sector(s)/stock(s)/issuer(s).

Future Market Potential

Segment	Revenue Size in 2020	Revenue Size in 2030
Online Food Delivery	1.0	10.0
Shared Mobility:	0.7	1.8
E-Commerce Logistics	2.0	15.4
Online Education	1.0	19.7
Ecommerce Retail	3.9	37.7
Unorganized Retail (Digital)	0.0	25.1
Renewable Power	10.0	30.0
OTT	0.2	1.2
Online Gaming	0.9	9.2
- in \$bn including EVs and Renewables	20	180
Target market influenced by new economy in \$bn	83	1,324

Current size of Indian Economy pegged at US\$2.8 trillion. In effect new economy is likely to influence/create ~46% of India current GDP value terms

Source: Bernstein, Bloomberg, Axis AMC Research. Data as on 30th October 2020. The sector(s)/stock(s)/issuer(s) mentioned in this presentation are for the purpose of illustration only and should not be construed as any research report/recommendation to buy / sell / hold. The Fund manager may or may not choose to have any future position in these sector(s)/stock(s)/issuer(s).

Opportunity in the Indian Disruptors

Potential Future Listed Players

Company	Segment	Valuation (\$bn)*	Global major peers	Market Cap (\$ bn)
Delhivery	Ecommerce logistics	1.5	ZTO Express	26
Flipkart	Ecommerce	25.0	Amazon US	1,560
Ola	Ride Hailing service	6.5	Uber	81
Zomato	Online food delivery	3.3	Meituan	230
Byju's	EdTech	10.8	Yuanfudao*	7.8
Paytm	FinTech	16.0	Ant Financials*	279
Policybazar	Online Insurance	1.5	ZhongAn	7.5
Bigbasket	Inline Grocery	1.2	Sun Art*	10.1
Pepperfry	Online furniture	0.5		
Oyo	Online Hotel Aggregator	8.4	AirBnb	18

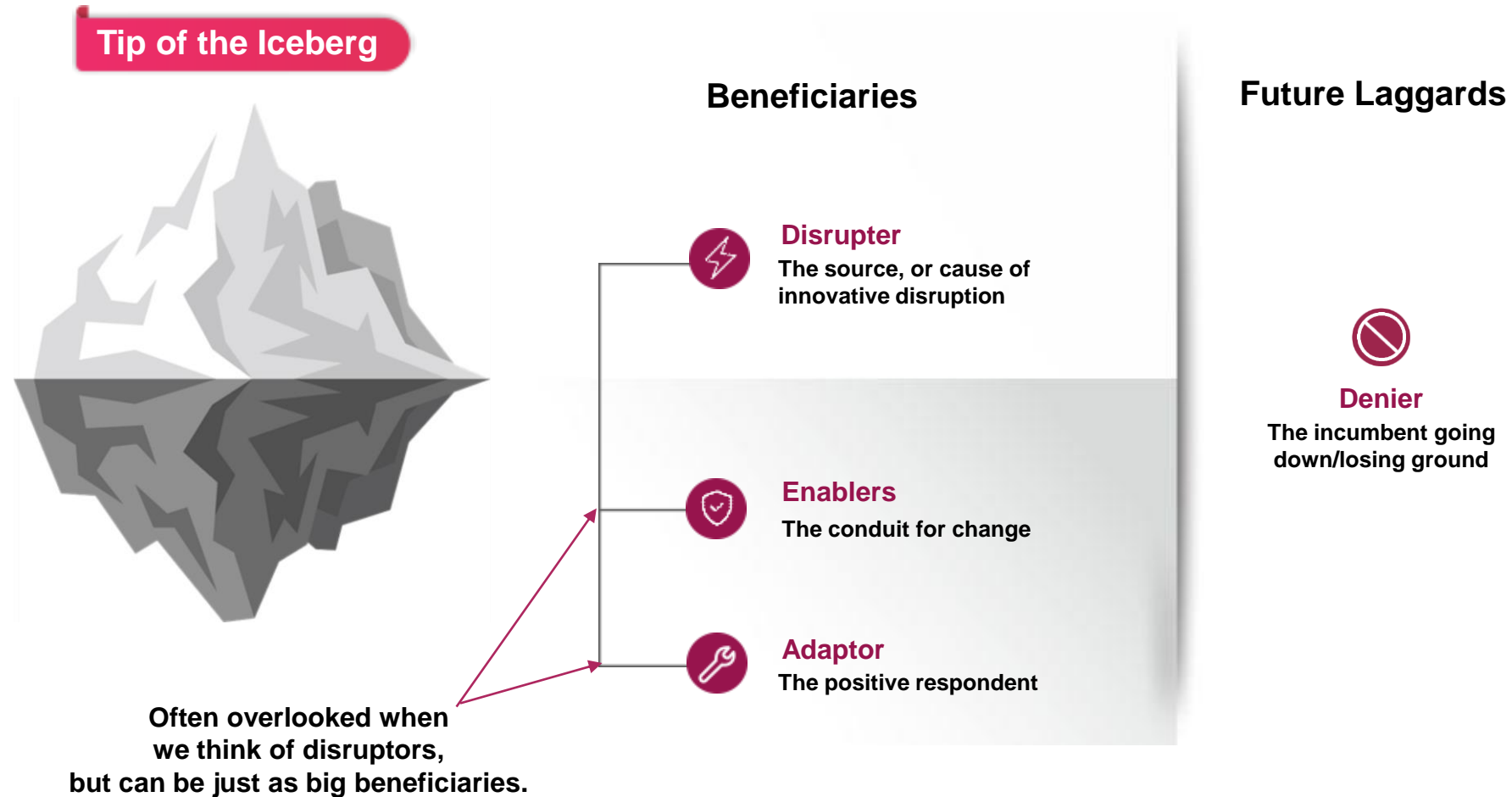
Source: Bernstein, Axis AMC Research. Data as on 20th November, 2020.

*Sun Art is mix of online + offline grocery retail, Valuation of Ant Financials is based on IPO price, Yuanfudao is not listed. For all unlisted players valuation is as of last funding date. The sector(s)/stock(s)/issuer(s) mentioned in this presentation are for the purpose of illustration only and should not be construed as any research report/recommendation to buy / sell / hold. The Fund manager may or may not choose to have any future position in these sector(s)/stock(s)/issuer(s).

How do you capture value of disruptive growth?



Capturing the value of disruptive growth



Innovation in existing business

Reliance disrupting telecom and now other industries



Disruptor



Case Study

2019-2020 Reliance Industries

Revenue (\$ bn)



Retail

\$22.3bn



Digital Services

\$9.4bn



Media and Entertainment

\$734mm



Refining and
Marketing

\$53.1bn



Petrochemicals

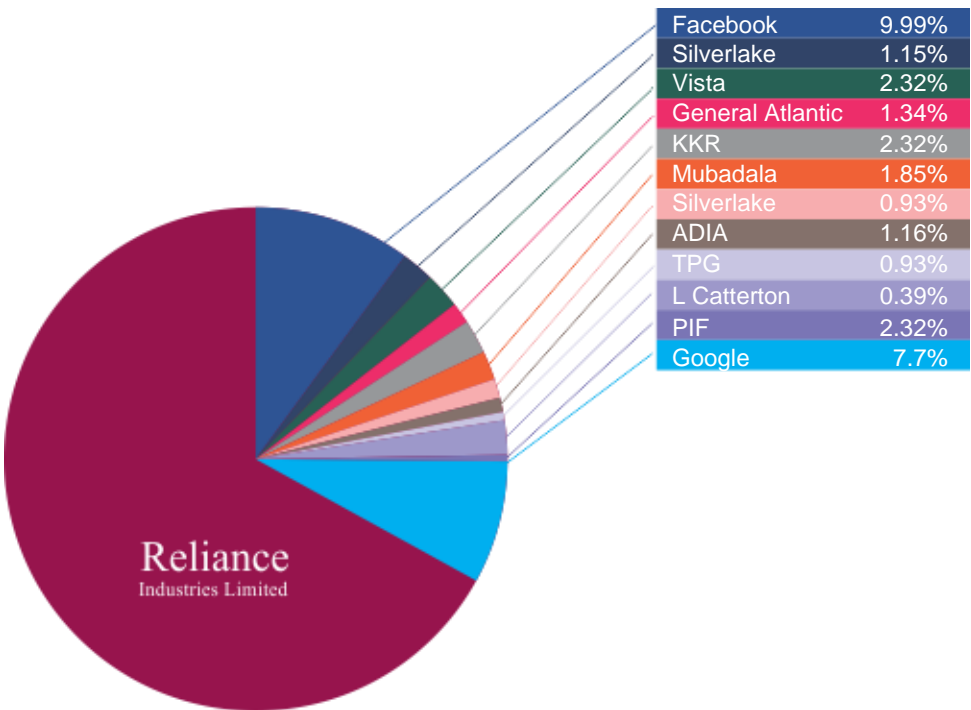
\$19.9bn



Exploration and
Production

\$440mm

Jio Platforms Ownership



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Past performance may or may not be sustained in future. The sector(s)/stock(s)/issuer(s) mentioned in this presentation should not be construed as any research report/recommendation to buy / sell / hold. The Fund manager may or may not choose to have any future position in these sector(s)/stock(s)/issuer(s).

Source: Reliance Annual Report, Bloomberg, Axis AMC Research. Data as on 30th October 2020.

Dexcom Continuous Glucose Monitoring System

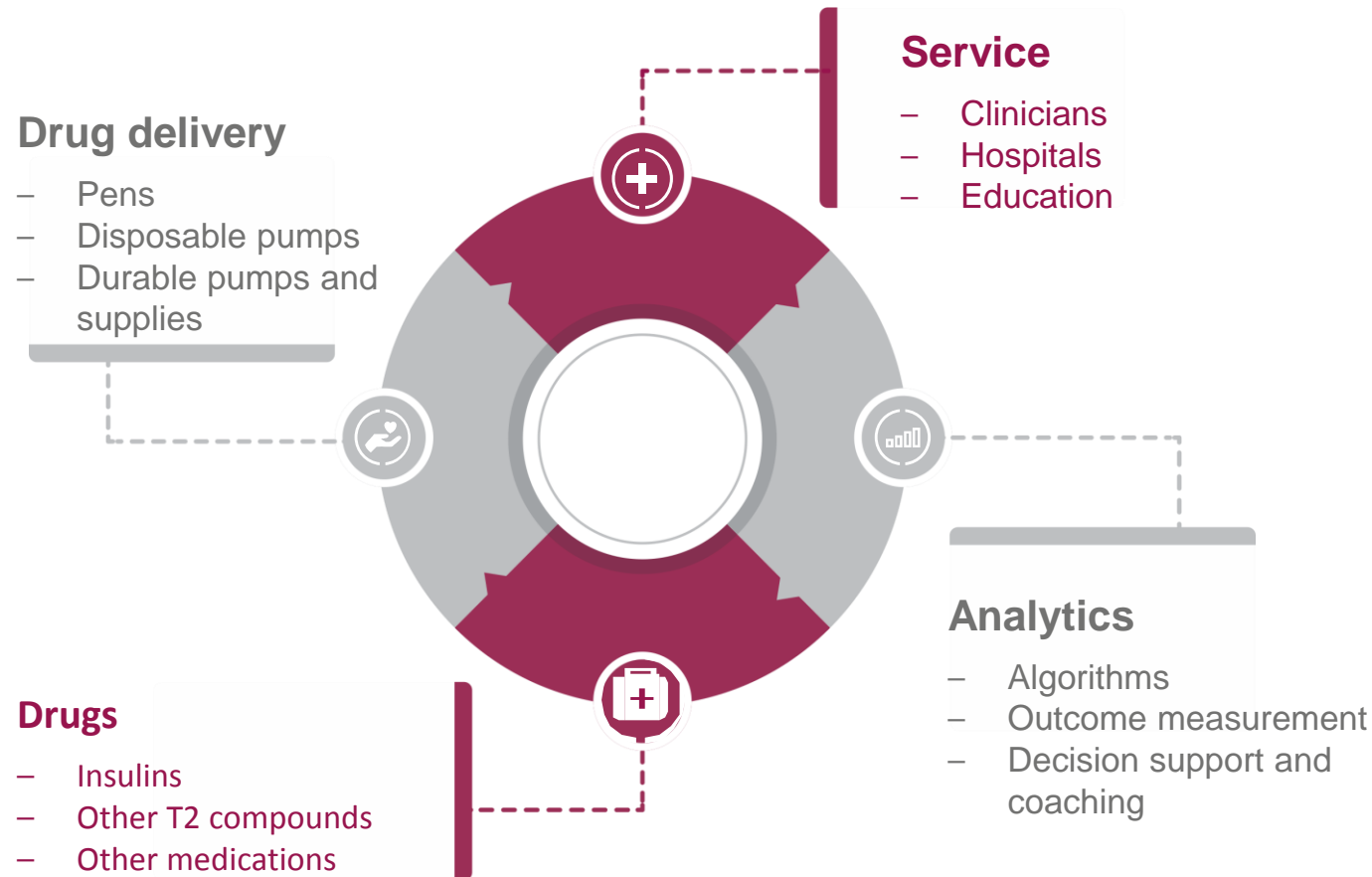
A radical improvement in Diabetes Management



Global Disruptor



Case Study



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Enabling digital disruption

Indian Information Technology



Enabler

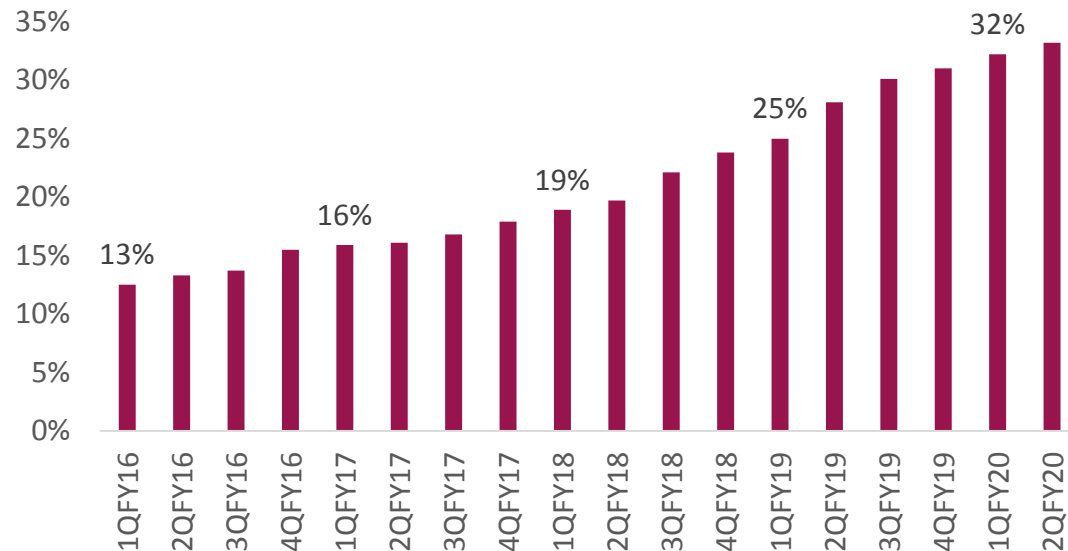


Case Study

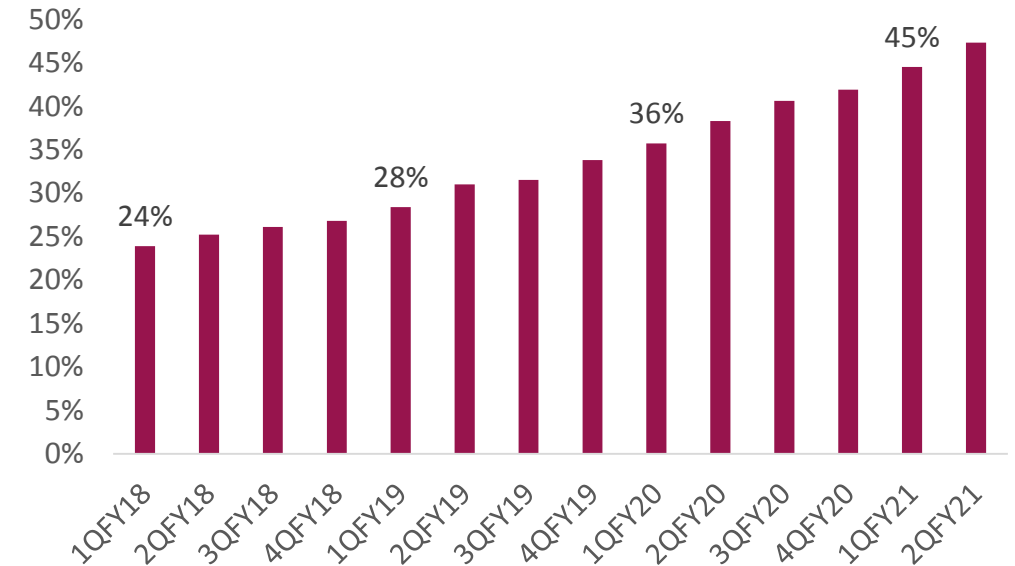
Infosys and TCS has helped with large scale transformation of companies.

Enabled clients to effectively manage disruptions like the Covid-19 pandemic.

TCS: % of Revenue from Digital



Infosys: % of Revenue from Digital



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Enablers in Transportation: the shift to electric vehicles

Serving a pool of potential winners, not a single name



Global
Enabler

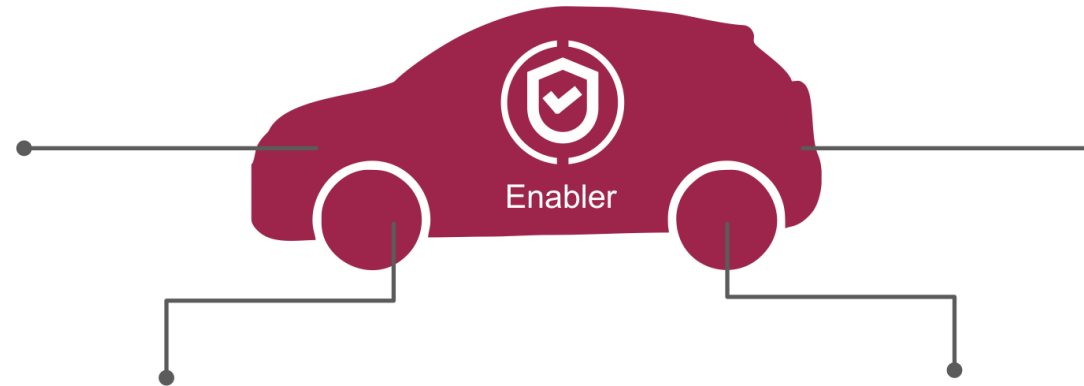


Case Study

Samsung SDI

\$29.57bn

Specialist battery
manufacturer



Texas Instruments

\$123.22bn

Semiconductor design
and manufacturer

IPG Photonics

\$7.40bn

High-performance fiber laser
developer and manufacturer

TE Connectivity

\$31.18bn

Designer and producer
of connectivity and
sensor products

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Adapting to new age distribution

HDFC Life adapted to the coming times
in life insurance sector

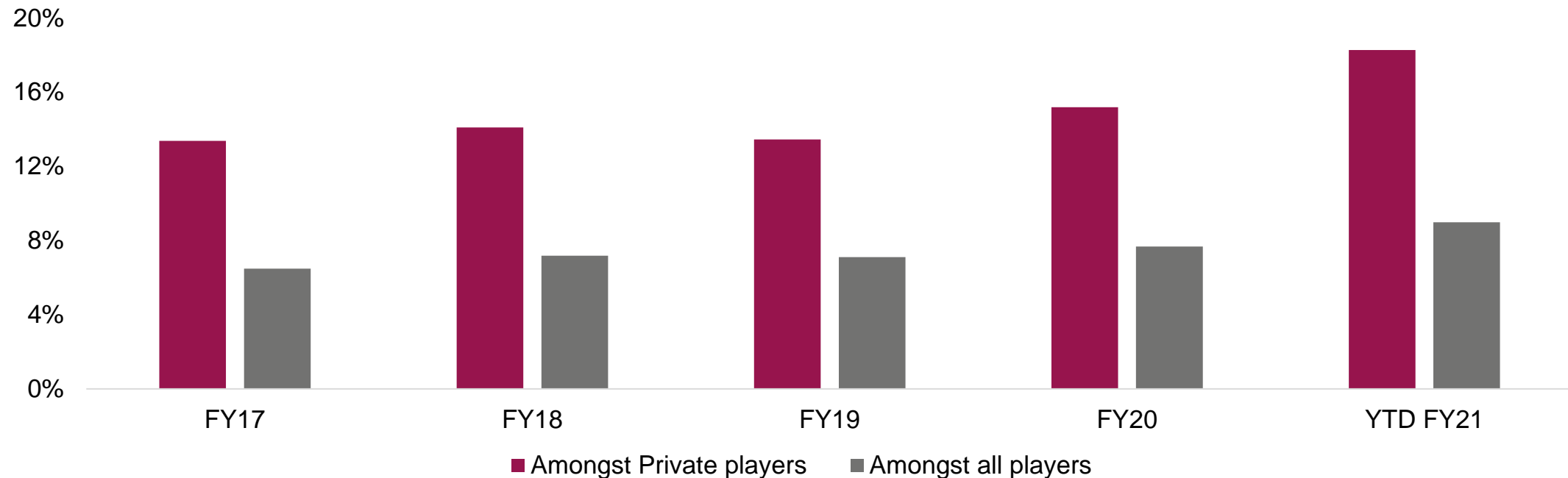


Adaptor



Case Study

Market Share



HDFC Life was the first to identify the distribution opportunity in new age channels like Web aggregators such as Ola/Uber, Payments ecosystem like PayTM, & Telecom companies like Airtel.

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Adapting to disruptive change

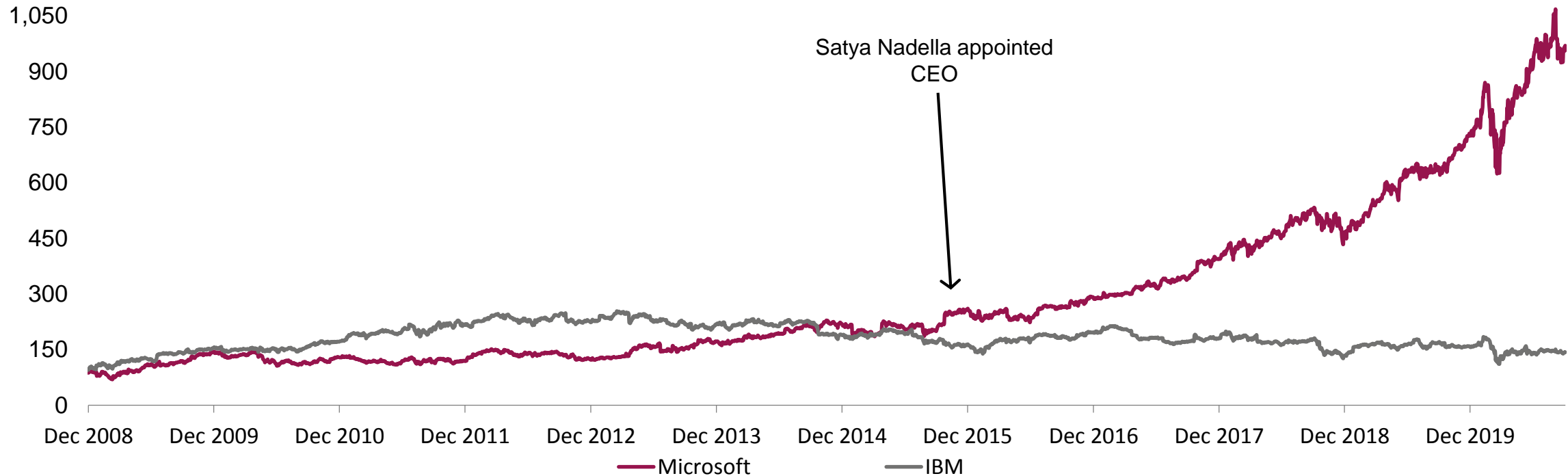
Microsoft successfully transitions to the Cloud



Global
Adaptor



Case Study



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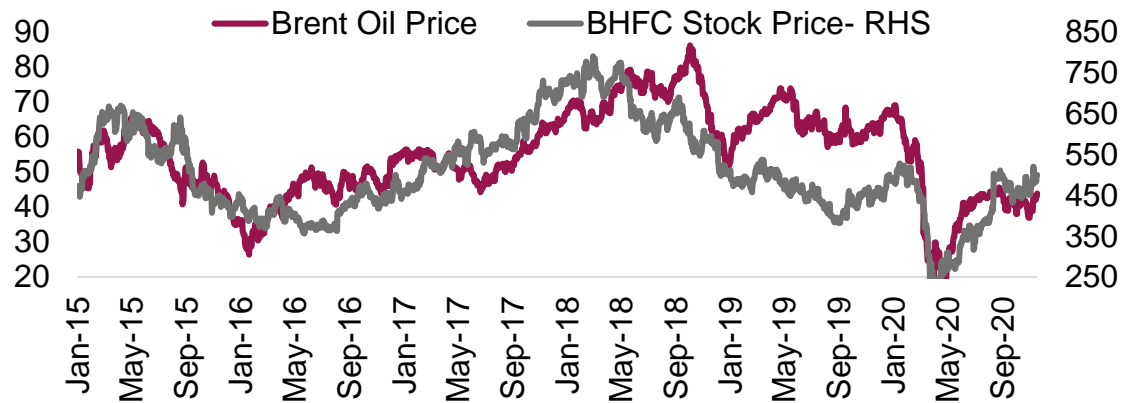
Sector Dynamic Shifts



Case Study

Cyclical: Bharat Forge and Cycles

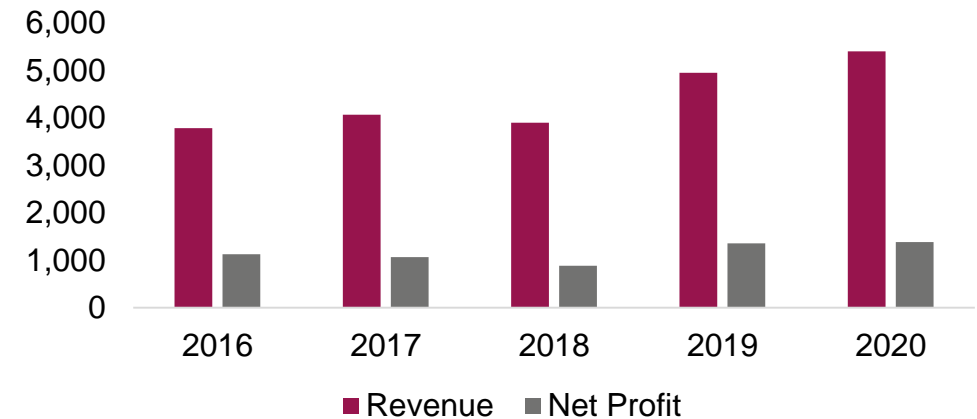
Strong link with the cyclical nature of US and India commercial vehicles sales and global economic cycles (Oil)



Structural: Divi's Laboratories

COVID-19 led supply disruption from China is a tailwind for Indian API companies including Divi's as global pharmaceutical companies look to diversify their sourcing vendors and reduce dependency on a single country

Proven track record, well positioned for the shift



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Event Based

Wipro change in management



Case Study

Wipro has announced a new operating model and structure



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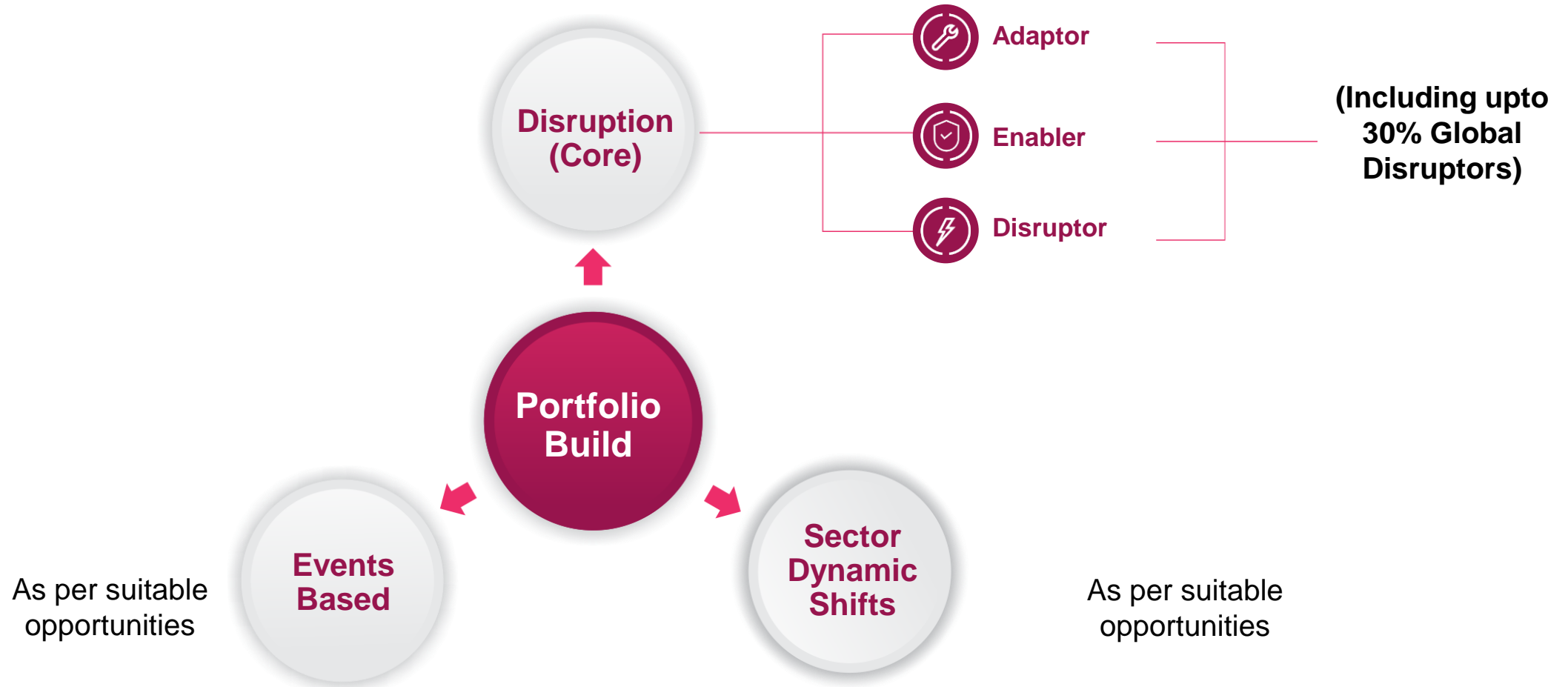
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Source: Bloomberg, Axis AMC Research. Data as on 30th September 2020. Price Movement (Rebased to 100)

About the Fund



Fund Construct

Multi Faceted, Multi Cap, Multi Sector



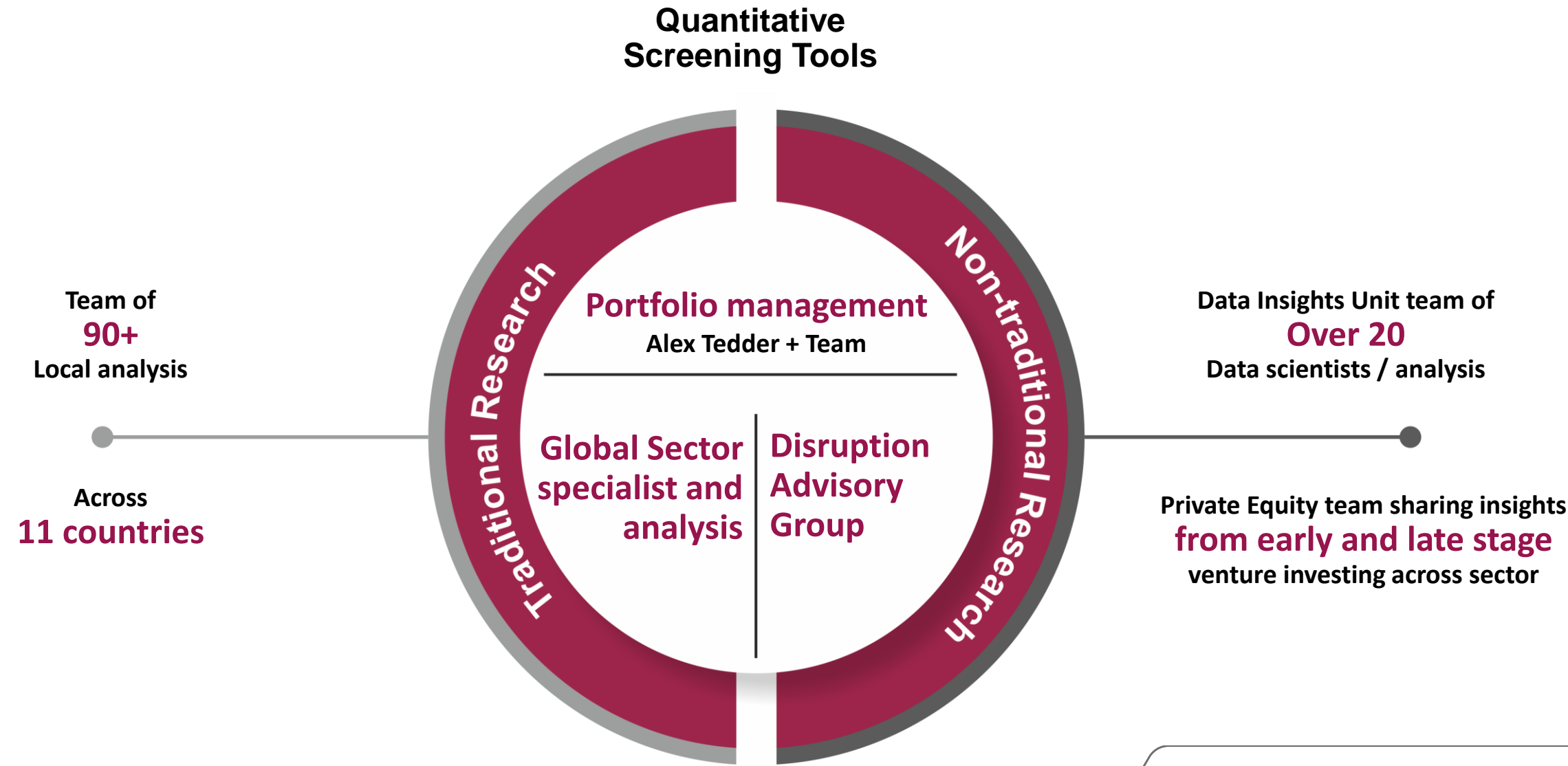
How will we manage overseas allocation?

Multi Faceted, Multi Cap, Multi Sector



Please refer to the Scheme Information document of the document for detailed asset allocation and investment strategy. Axis AMC may appoint investment advisors for overseas investments. Axis AMC proposes to appoint Schroders to provide investment advice for investment in foreign securities. The scheme will Invest directly in overseas securities

Schroder Global Disruption Team



Fund Facts



Name

Axis Special
Situation Fund



Category

Thematic Scheme



Fund Manager

Mr. Ashish Naik &
Mr. Hitesh Das
(For foreign securities)

Minimum Application

Rs. 5,000 and
in multiples of Rs. 1 thereafter



Benchmark

NIFTY 500 TRI



NFO Period

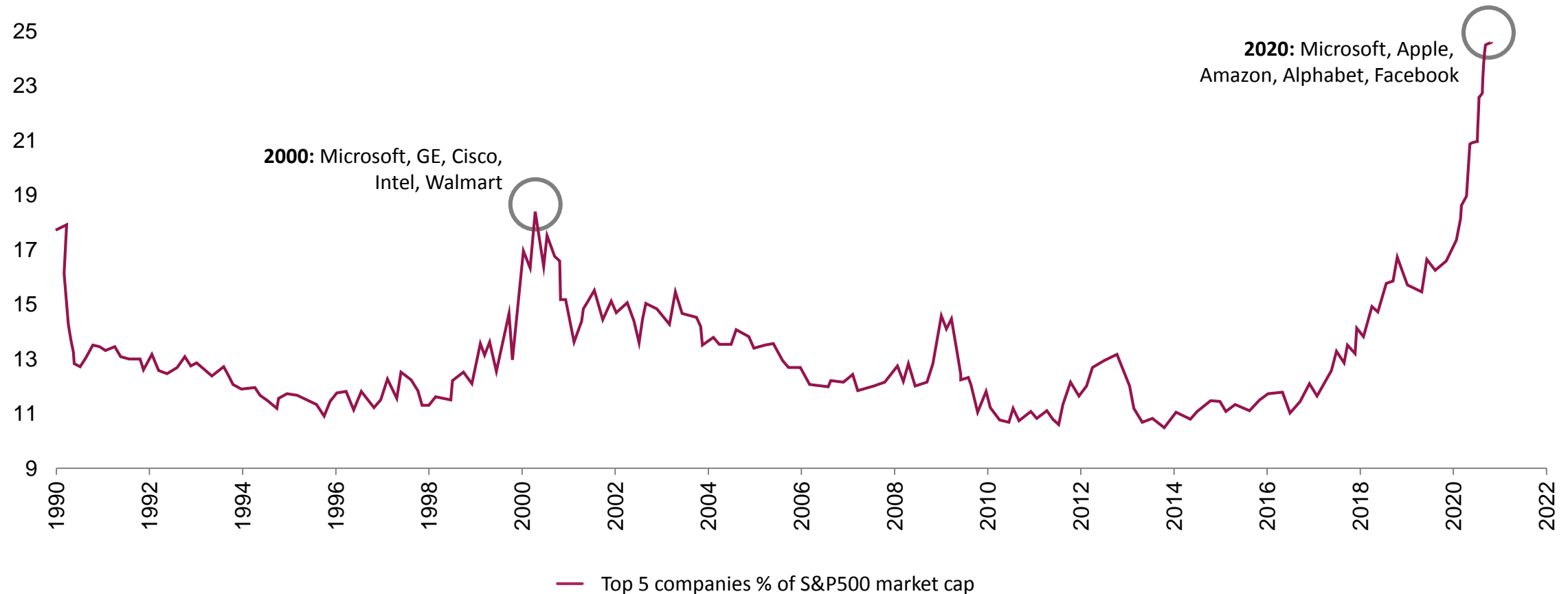
4th December 2020
18th December 2020



Annexure



Tech in the forefront of global equities



Source: BofA Global Investment Strategy, Bloomberg. As at 30th September 2020.

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Unprecedented Dominance of a single sector

Top 5 stocks rarely come from similar line of business

Top five US publicly traded stocks by market cap

Rank	1960	1970	1980	1990	2000	2010	2020
1	AT & T	IBM	IBM	Exxon	Microsoft	Exxon Mobile	Apple
2	General Motors	AT & T	AT & T	General Electric	General Electric	Microsoft	Microsoft
3	Dupont	General Motors	Exxon	IBM	CISCO	Walmart	Amazon
4	Exxon	Eastman Kodak	General Motors	AT & T	Walmart	Apple	Facebook
5	General Electric	Exxon	Amoco	Philip Morris	Exxon Mobile	Johnson & Johnson	Alphabet
Index Weight	27%	24%	17%	13%	15%	11%	25%

Source: Refinitiv Datastream, S&P Dow Jones and Schroders.

Weights based on S&P 500 as at start of year, except for 2020 as on 15th September 2020. Blue shading denotes companies from tech sector (note officially Amazon is consumer discretionary, while Facebook/Alphabet are communication services). The sector(s)/stock(s)/issuer(s) mentioned in this presentation are for the purpose of illustration only and should not be construed as any research report/recommendation to buy / sell / hold. The Fund manager may or may not choose to have any future position in these sector(s)/stock(s)/issuer(s).

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