

*Let those in form, form your portfolio*



## **AXIS MOMENTUM FUND**

**NFO PERIOD: 22<sup>nd</sup> Nov to 6<sup>th</sup> Dec 2024**

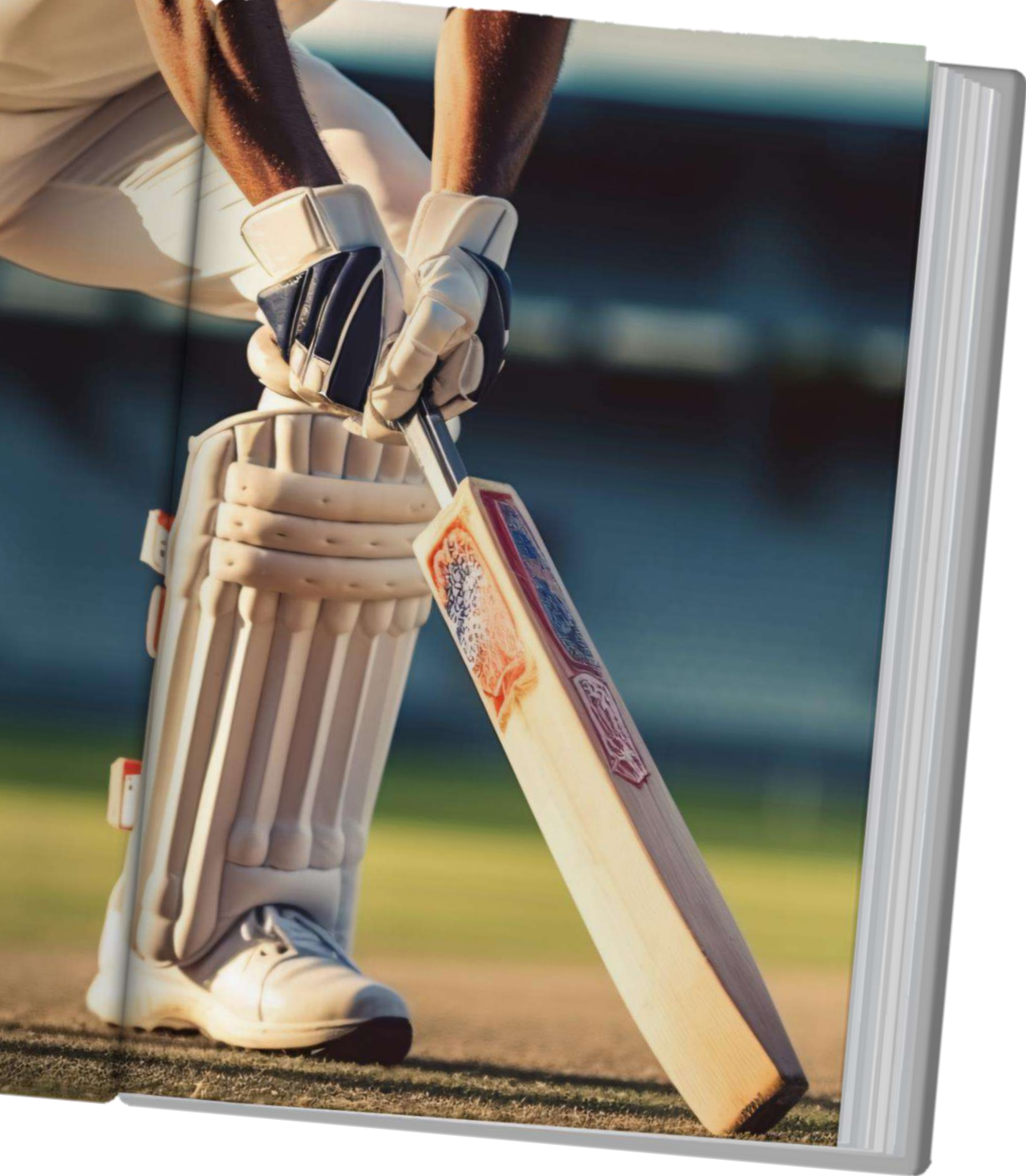
For Riskometer and Product Label, refer to page no.23

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



**AXIS MUTUAL FUND** |

**15**  
YEARS AS YOUR  
INVESTMENT  
PARTNER



## What is Momentum?

Momentum is all about keeping a winning streak going just like that of a cricket batsman in great form



Remember this?

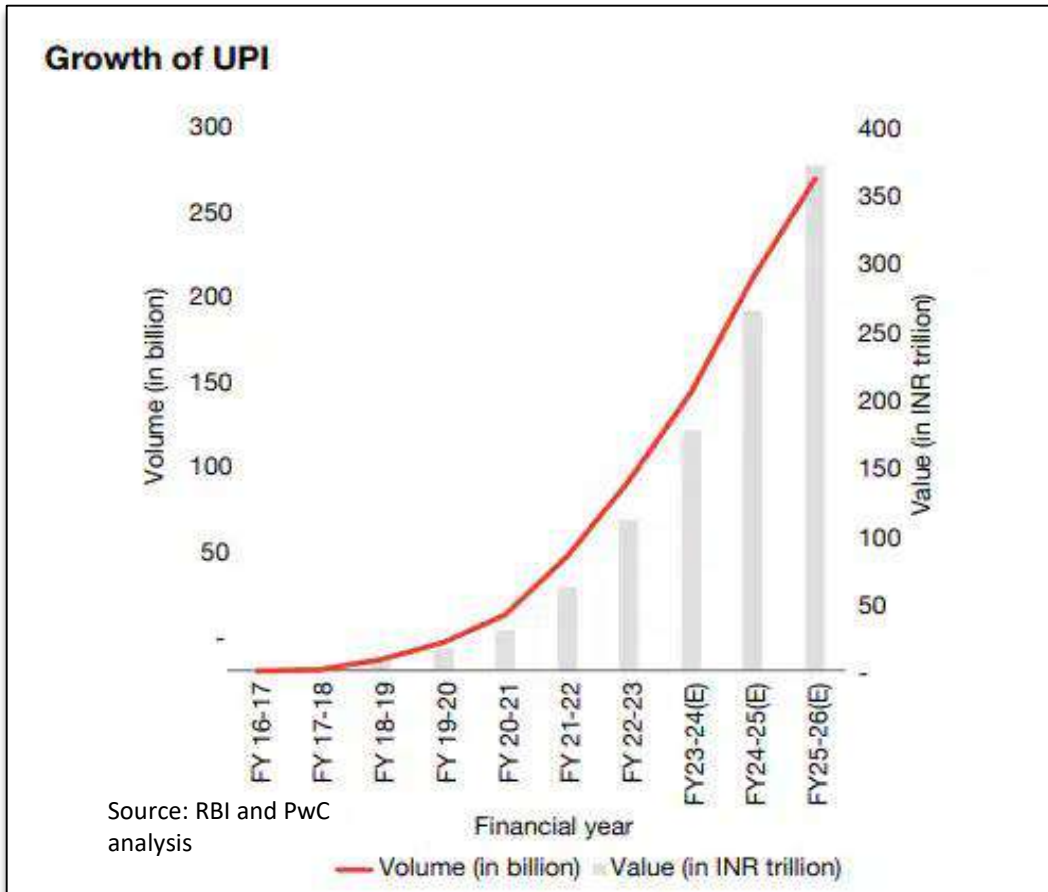


### Newton's 1<sup>st</sup> Law

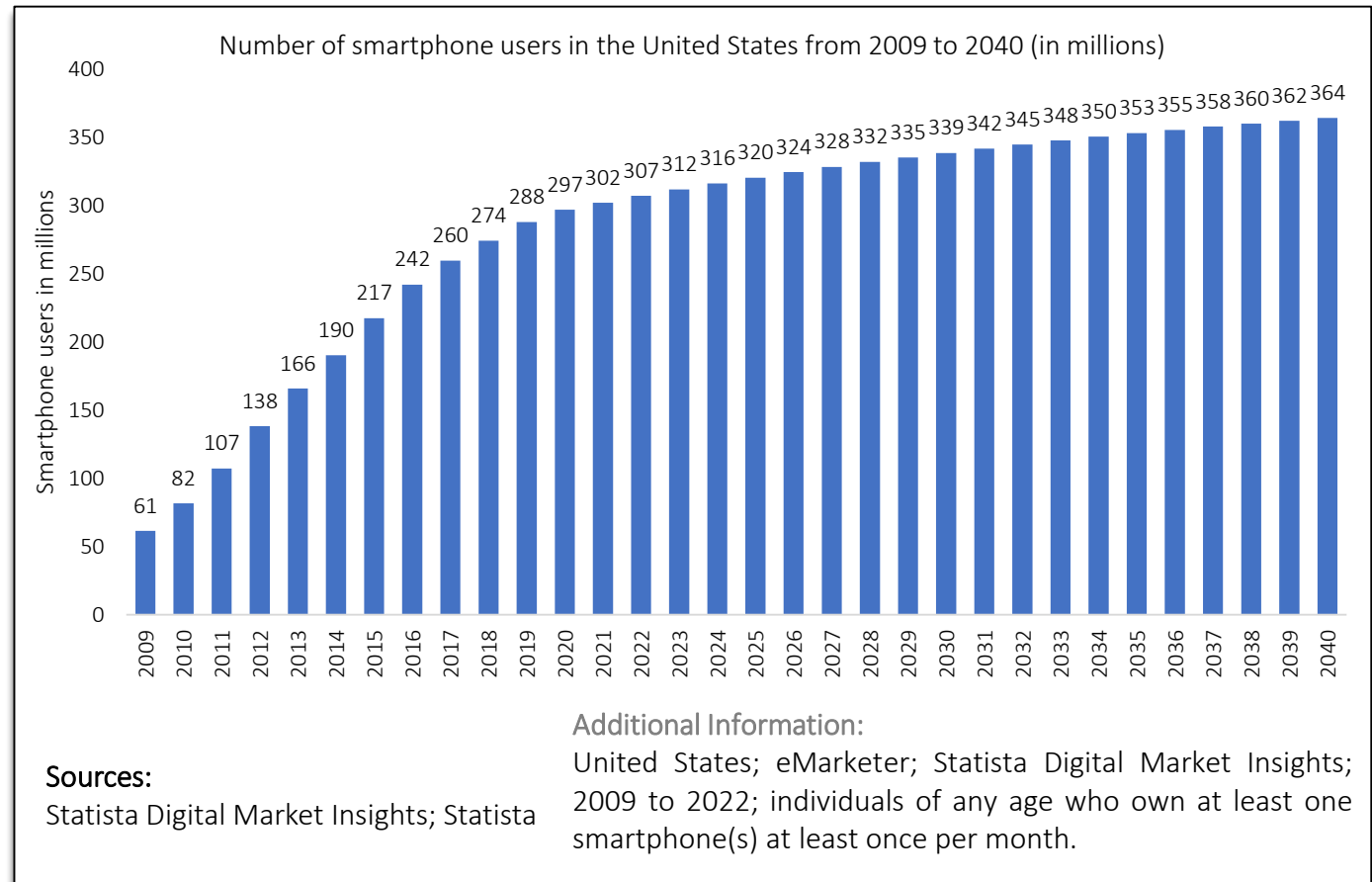
An object at rest stays at rest, and an object in motion stays in motion unless acted upon by an external force.

# Momentum in daily life

## UPI Adoption

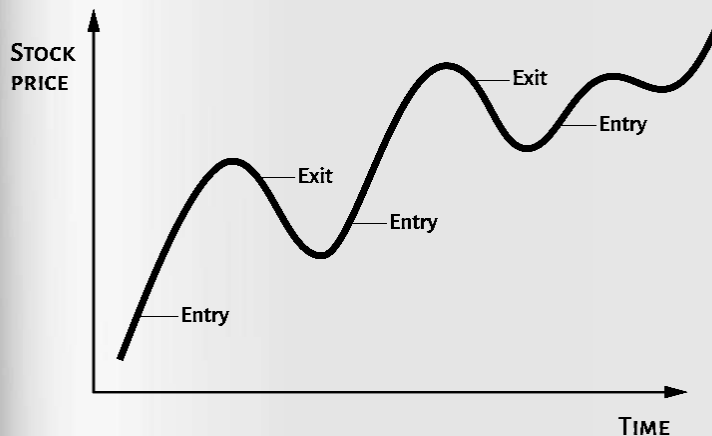


## Smartphone Adoption



Adoption of new technology often starts slowly, but as the trend gains traction, acceptance accelerates rapidly, demonstrating significant momentum.

# Understanding Momentum investing



**Buy High, Sell Higher**

For illustration purpose only

Recent winners in stock markets will continue to remain winners in the near term, and similarly losers will remain losers.

Momentum factor investing refers to taking advantage of this market behaviour to generate better returns than markets.

It is essentially based on owning securities that have shown favourable price trends.

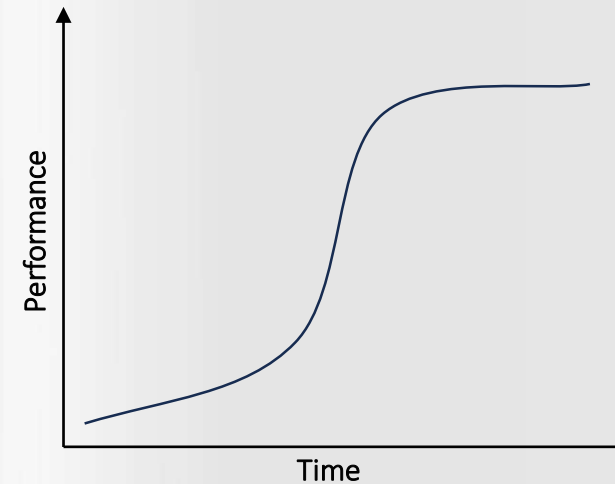
# Why Momentum strategy works?

A strategy that persists across asset classes and geographies

## Investor behaviour at the center

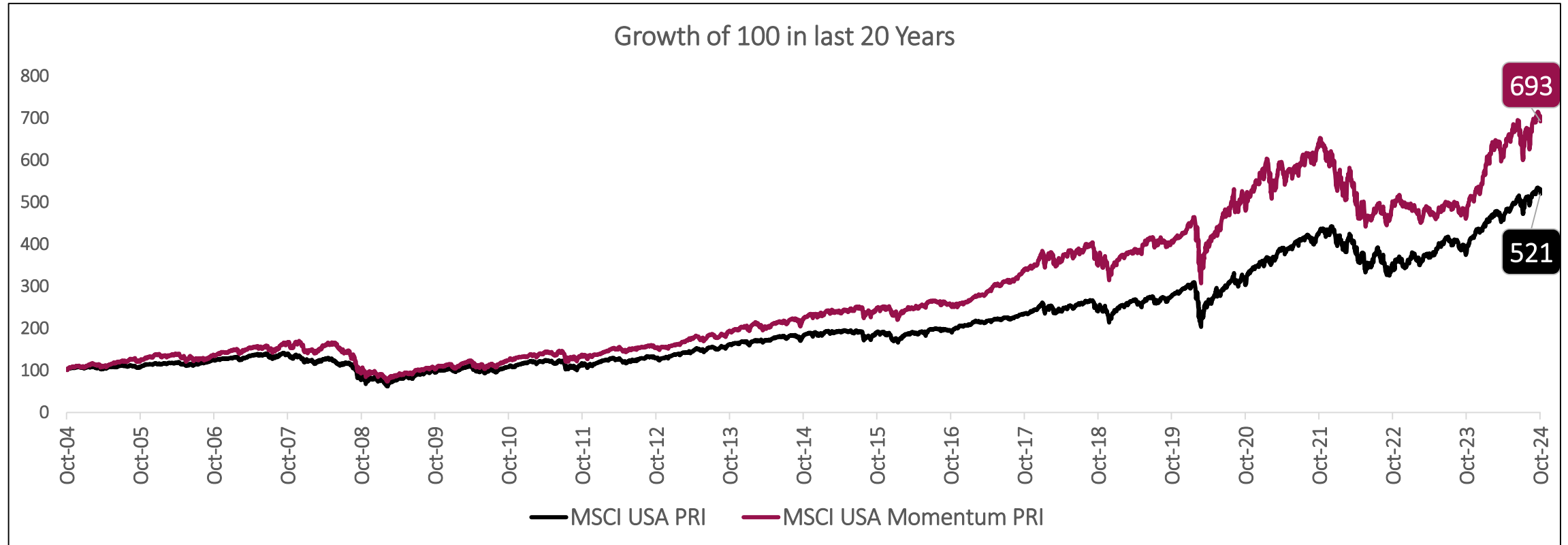
- Overreact / Underreact to important information
- Investors react properly to news that confirms to their belief and underreact to news that disconfirms their belief

## Momentum Adoption Effect



The curve shows how investment adoption often starts slow but rises quickly in a short time.

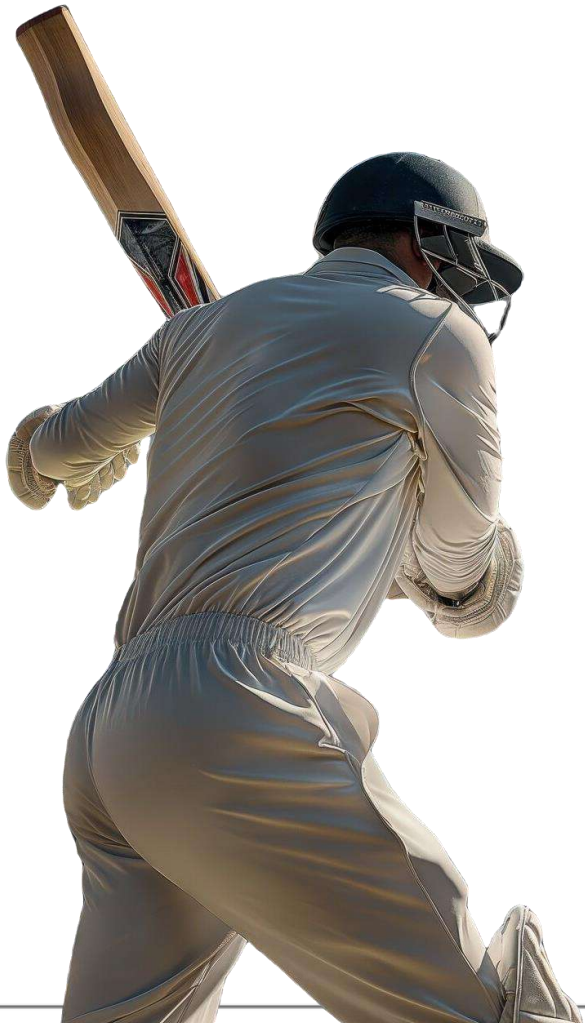
# Proven strategy in a developed market



In the past 20 years, the momentum strategy in a well-established market has outperformed the broad market, achieving a 10.08% CAGR compared to the broad market's 8.52% CAGR

Source: Bloomberg. Data as of October 24. **Past performance may or may not be sustained in the future.** The MSCI USA Index is designed to measure the performance of the large and mid cap segments of the US market. With 593 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in the US. The MSCI USA Momentum Index is based on MSCI USA Index, its parent index, which captures large and mid cap stocks of the US market.

# Key characteristics of Momentum strategy



## Focuses on Trends

A momentum strategy targets top performing stocks, much like a cricket team selecting its best players based on pitch and weather conditions.

## Adaptability

This strategy evolves with market trends by changing the style, sectors and stocks in the portfolio, much like a cricket team adjusts its tactics based on match conditions.



# Highlights of Momentum investing



Momentum adapts to different styles

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Momentum strategy has generated better risk adjusted return

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Momentum adapts to different market caps



Momentum need not significantly underperform in negative market phases

# Momentum adapts to different styles

Momentum picks up different factor styles depending on the phase of the cycle

Period	Quality	Momentum	Value
2010	28.4%	19.8%	34.5%
2011	-10.1%	-16.1%	-33.9%
2012	31.4%	38.8%	45.6%
2013	19.6%	12.9%	-10.8%
2014	40.5%	49.6%	53.7%
2015	2.4%	10.8%	-20.1%
2016	1.0%	9.6%	24.1%
2017	30.3%	57.5%	35.4%
2018	8.9%	-1.7%	-18.5%
2019	5.6%	10.6%	-8.8%
2020	26.3%	20.0%	4.0%
2021	26.2%	53.8%	48.0%
2022	-4.4%	-5.4%	25.2%
2023	31.7%	41.7%	62.8%
2024	17.0%	27.4%	29.2%
<b>CAGR</b>	<b>16.2%</b>	<b>20.2%</b>	<b>14.2%</b>

Over the long term & across cycles, Momentum strategy has outperformed Quality and Value, despite not being the top performer every single year.

Source: MFI, Data from December 2009 to October 2024; **Past performance may or may not be sustained in the future.** The above information should not be construed as promise, guarantee or forecast of returns. Table / Charts mentioned above are used to explain the concept and is for illustration purpose only. Factors Indices > Momentum = Nifty200 Momentum 30 TR Index, Quality = Nifty200 Quality 30 TR Index and Value = Nifty200 Value 30 TR Index

# Momentum adapts to different market caps

Momentum picks up different market cap depending on the phase of the cycle

Market cap	Jun-20	Dec-20	Jun-21	Dec-21	Jun-22	Dec-22	Jun-23	Dec-23	Jun-24
Large cap (%)	54.9	70.6	34.6	39.9	51.3	29.8	26.8	27.3	56.4
Mid cap (%)	33.7	18.6	33.8	40.0	28.1	45.5	45.6	36.7	29.7
Small Cap (%)	11.5	10.7	31.7	20.2	20.6	24.7	27.6	36.0	13.9

Source: NSE Indices, Data from Jun 2020 to Jun-2024; Past performance may or may not be sustained in the future. Total may not sum up to 100, due to rounding off effect. The above information should not be construed as promise, guarantee or forecast of returns. Table / Charts mentioned above are used to explain the concept and is for illustration purpose only. Momentum = Nifty500 Momentum 50 TR Index

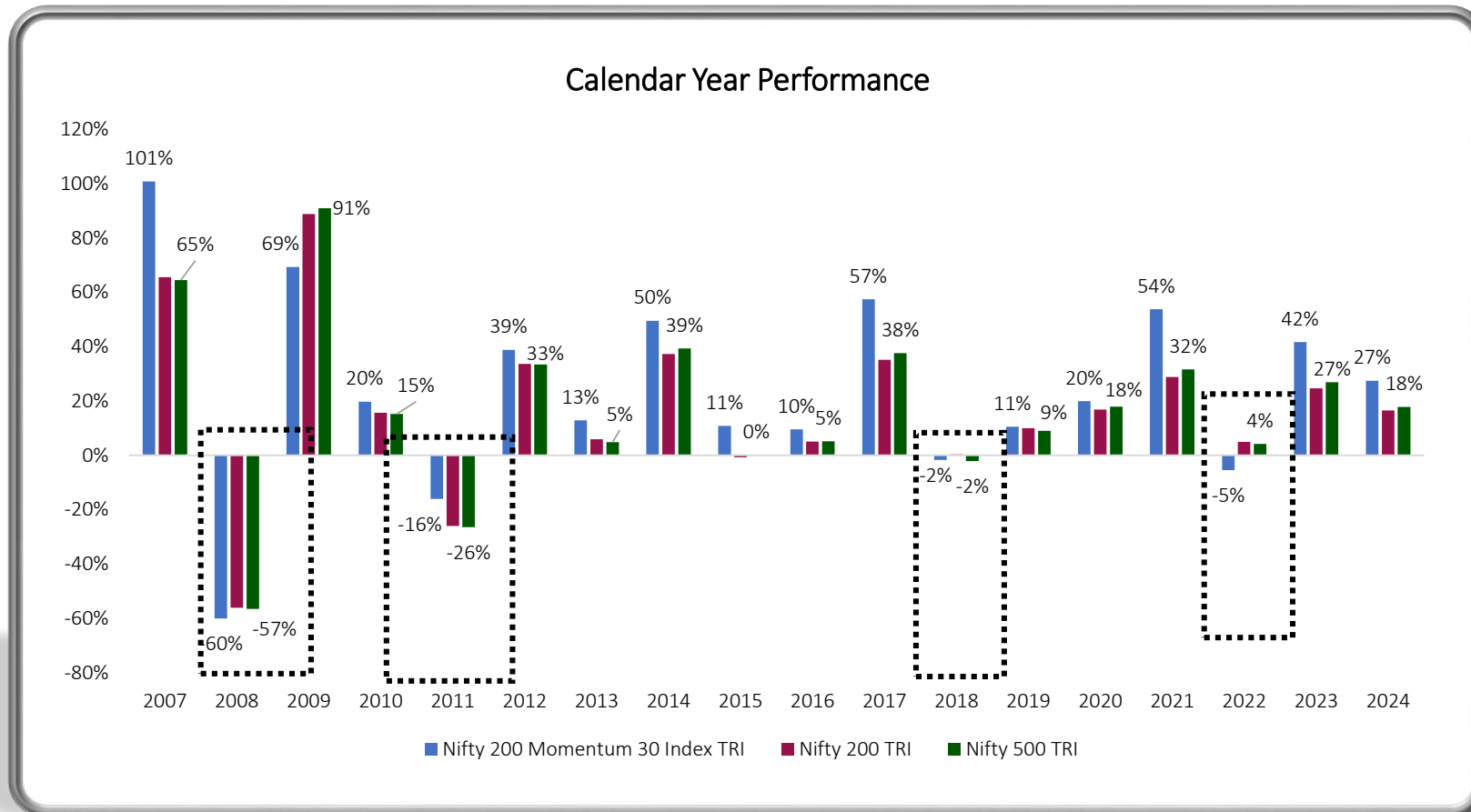
# Momentum strategy has generated better risk adjusted return

Nifty200 Momentum 30 TRI has delivered better risk adjusted return than broader indices over longer time horizon

	Nifty200 Momentum 30 TRI	Nifty 200 TRI	Nifty 500 TRI	Nifty200 Momentum 30 TRI	Nifty 200 TRI	Nifty 500 TRI	Nifty200 Momentum 30 TRI	Nifty 200 TRI	Nifty 500 TRI
	1Y			3Y			5Y		
Return	56.0%	34.9%	36.3%	31.4%	23.9%	25.3%	21.4%	15.2%	15.7%
Volatility	16.6%	13.3%	13.2%	18.0%	13.7%	13.7%	19.2%	18.8%	18.9%
Sharpe	3.0	2.1	2.3	1.37	1.26	1.36	0.77	0.46	0.48

Source: MFI Data as of October-2024; **Past performance may or may not be sustained in the future. Risk free rate taken as Mibor rate at 6.61%.** The above information should not be construed as promise, guarantee or forecast of returns. Table / Charts mentioned above are used to explain the concept and is for illustration purpose only.

# Momentum need not significantly underperform in negative market phases



of times Momentum Strategy has **outperformed** NIFTY 500 in last 18 calendar years.

Source: MFI, Data from Dec-2006 to October-2024; **Past performance may or may not be sustained in the future.** The above information should not be construed as promise, guarantee or forecast of returns. Table / Charts mentioned above are used to explain the concept and is for illustration purpose only.

# Introducing Axis Momentum Fund

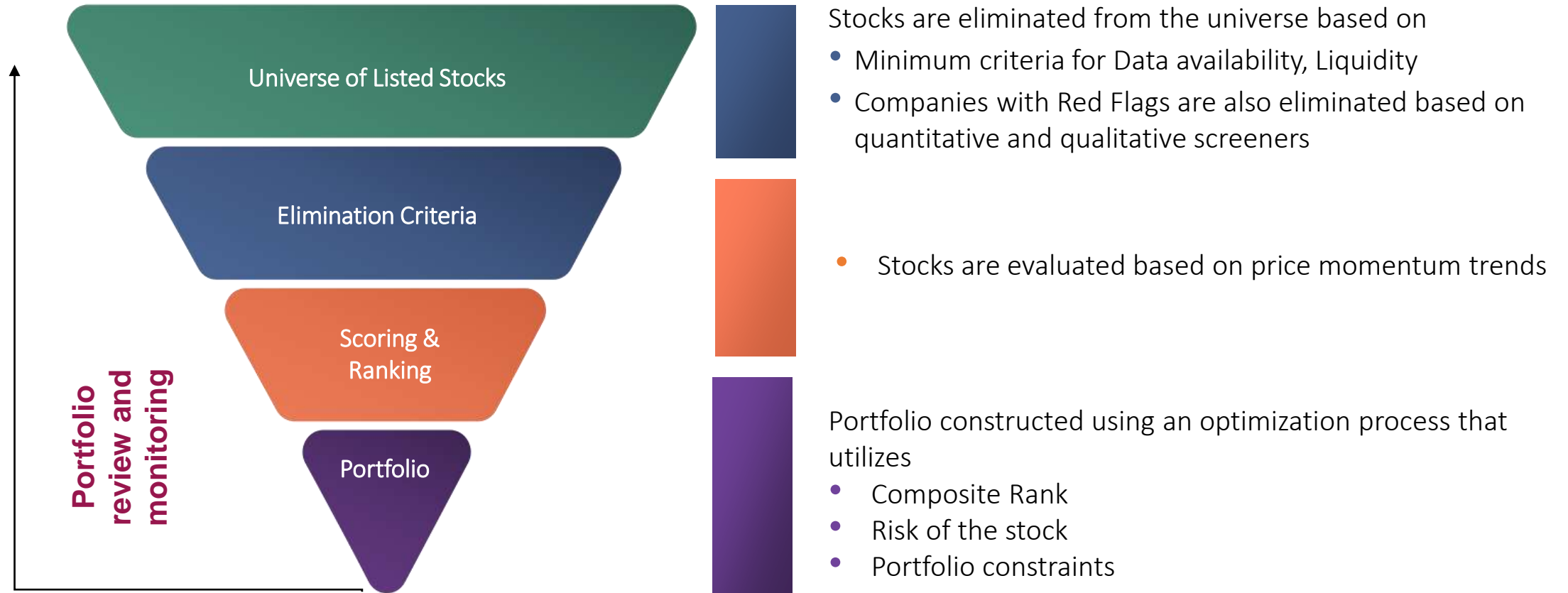


The parameters given above are for explaining quantitative model proposed to be used by the Scheme. The fund manager at his discretion may modify parameters to be used in quantitative model. Investors are requested to refer to detailed asset allocation and investment strategy given in Scheme Information Document for complete details.

# Model based approach for a strong framework



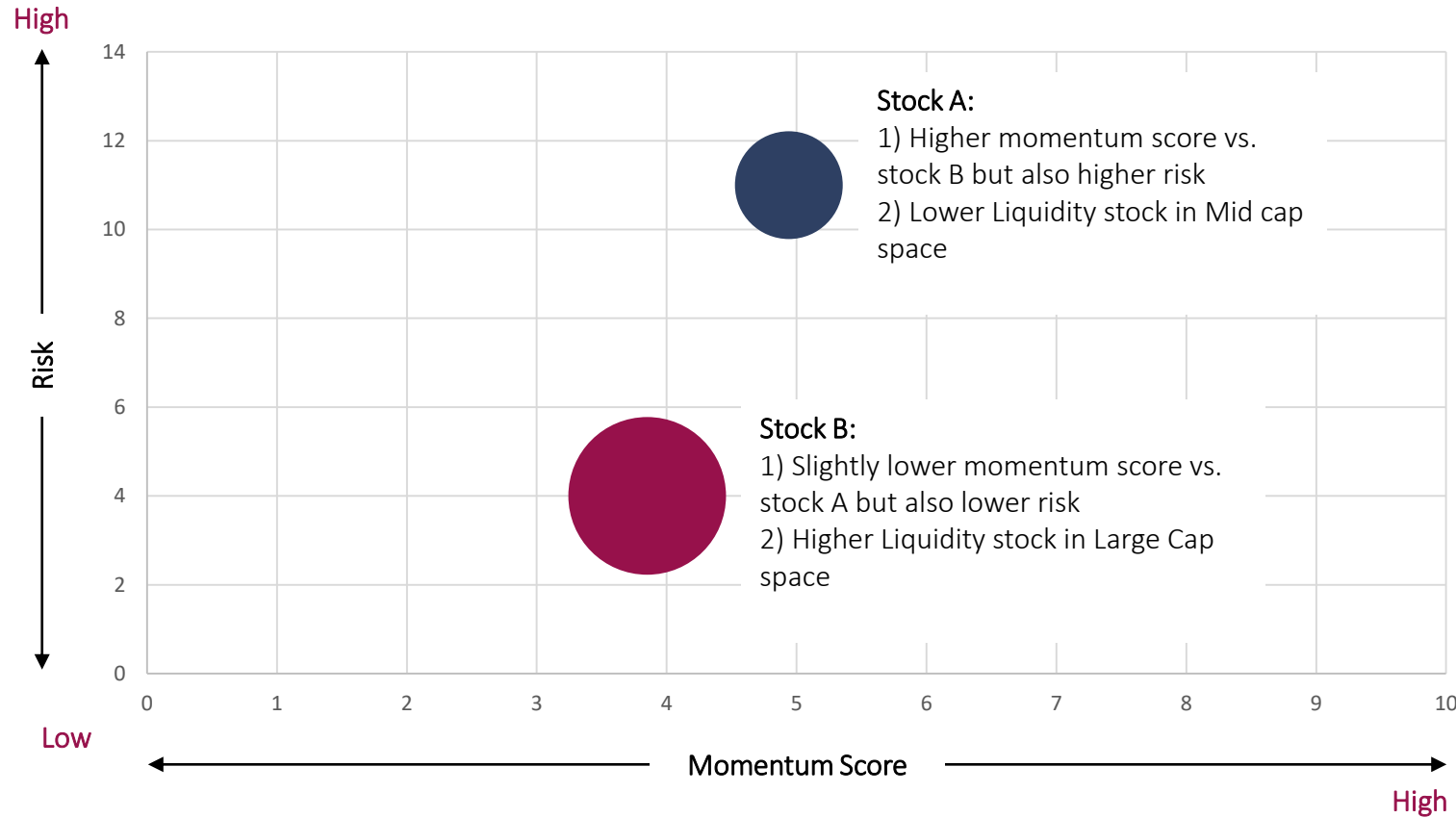
# Portfolio construction approach



For detailed asset allocation and investment strategy, please refer Scheme Information Document of the Scheme.



# Efficient risk management



**Stock A:**  
 1) Higher momentum score vs. stock B but also higher risk  
 2) Lower Liquidity stock in Mid cap space

**Stock B:**  
 1) Slightly lower momentum score vs. stock A but also lower risk  
 2) Higher Liquidity stock in Large Cap space

## Stock A

- Has higher risk and higher score

## Stock B

- Has lower risk and slightly lower score
- Hence, may have higher portfolio exposure

The risk of the stock is a function of its volatility. Size of the circle represents the expected exposure of the stock. The parameters given above are for explaining quantitative model proposed to be used by the Scheme. The above graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future

# Model performance: Historic record



The model has managed to beat the benchmark

**12 times**

in the last 15 years with a cumulative outperformance of

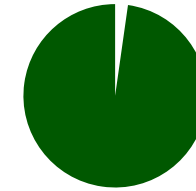
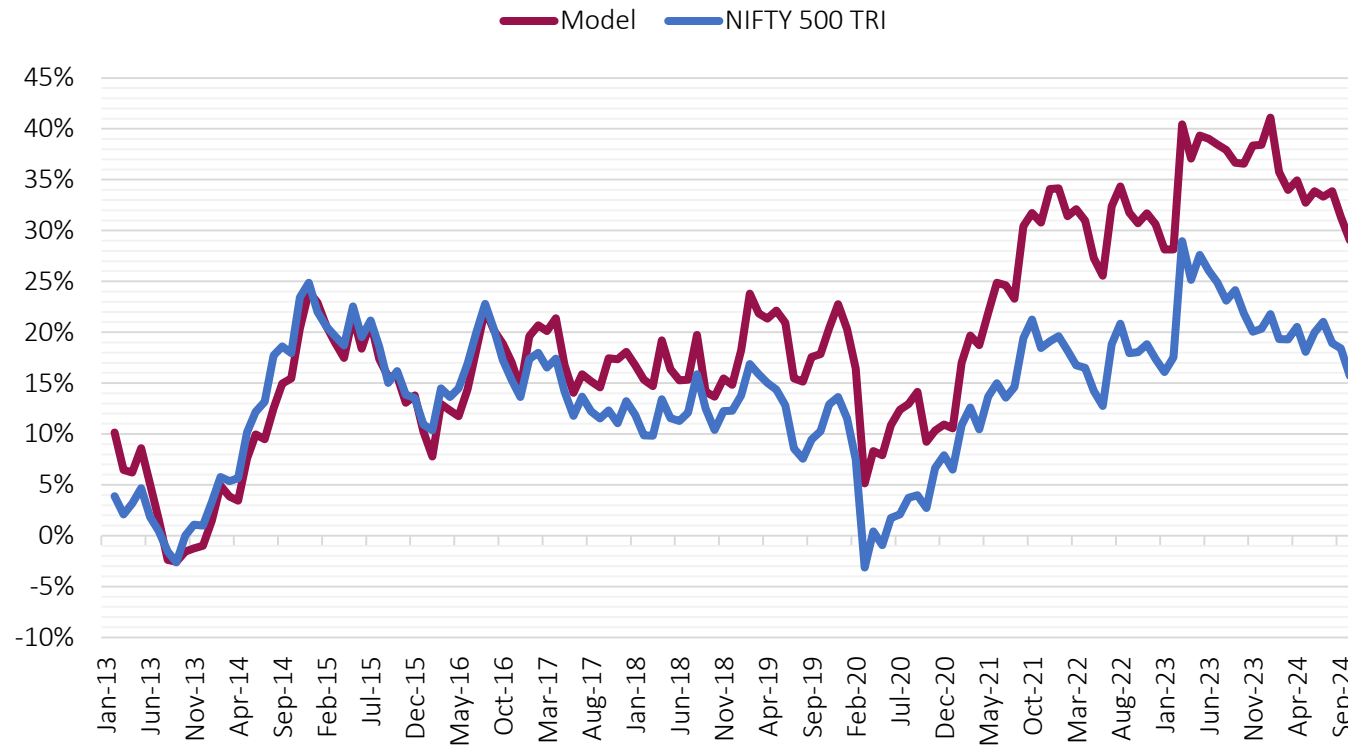
**6.62%**

Period	Model	Nifty 500 TRI	Outperformance
2010	35.43%	20.02%	15.41%
2011	-22.38%	-26.39%	4.01%
2012	34.67%	33.49%	1.18%
2013	-7.12%	4.82%	-11.93%
2014	52.50%	39.30%	13.20%
2015	4.01%	0.23%	3.78%
2016	-5.40%	5.14%	-10.54%
2017	67.23%	37.65%	29.58%
2018	-4.28%	-2.13%	-2.15%
2019	15.65%	8.96%	6.69%
2020	23.46%	17.89%	5.57%
2021	68.96%	31.61%	37.36%
2022	6.81%	4.21%	2.60%
2023	46.69%	26.93%	19.76%
2024	24.61%	17.81%	6.80%
<b>Cumulative Performance</b>	<b>20.06%</b>	<b>13.44%</b>	<b>6.62%</b>

Source: MFI, Axis AMC Research. **Past performance may or may not sustain in future.** All information contained in this slide is for illustration purpose only to show how momentum model functions. The model performance is derived based on back tested result and does not include expenses incurred by the fund. The back tested result does not in any way indicate the performance of the Scheme. The actual model and the Scheme portfolio shall be constructed based on the provisions in the Scheme Information Document. Data is from Jan 2010 to Oct 2024.

# Model performance: Rolling return

### 3 Years Rolling Return



On a 3-year rolling return, the model has delivered **96%** times positive return



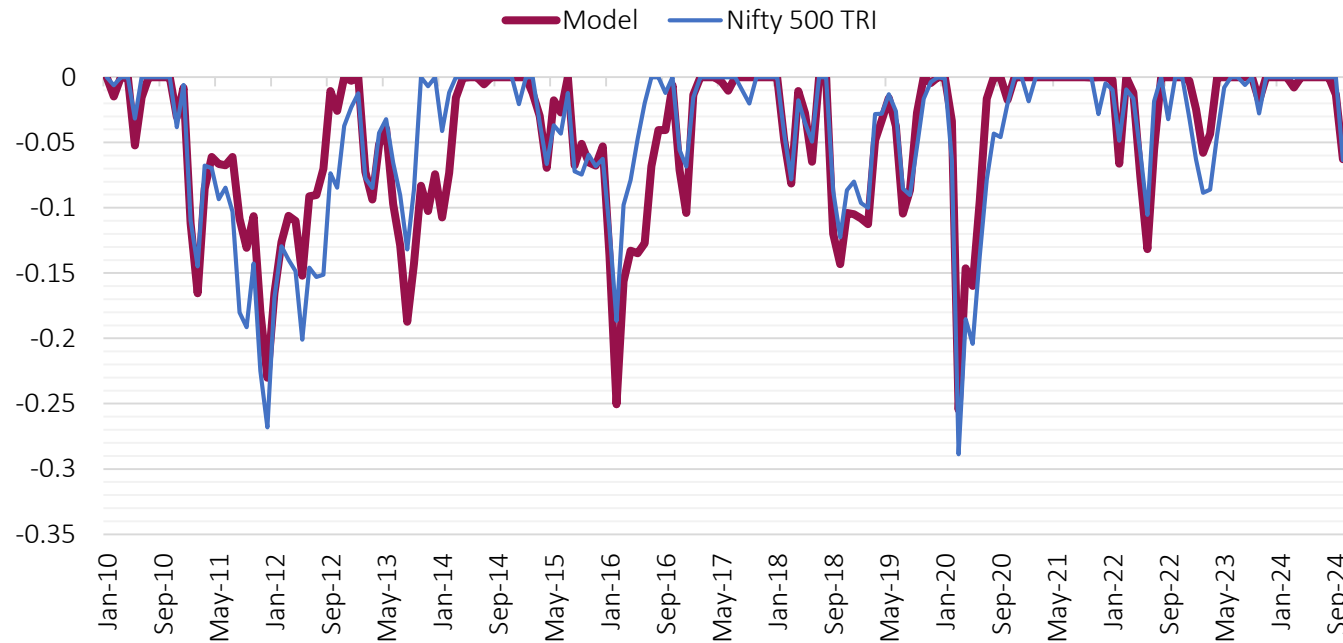
In the past 11 years, the model has **outperformed the benchmark on 76.8%** instances

	Model	Nifty 500 TRI
Min	-2.55%	-3.14%
Max	41.11%	28.96%
Average	19.61%	13.74%
Median	18.15%	14.20%

Source: MFI, Axis AMC Research. **Past performance may or may not sustain in future.** All information contained in this slide is for illustration purpose only to show how momentum model functions. The model performance is derived based on back tested result and does not include expenses incurred by the fund. The back tested result does not in any way indicate the performance of the Scheme. The actual model and the Scheme portfolio shall be constructed based on the provisions in the Scheme Information Document. Data is from Jan 2010 to Oct 2024.

# Model performance: Lower max drawdown

Drawdown of Model vs Nifty 500 TRI



Model's maximum drawdown is -25%, whereas the benchmark's maximum drawdown is -29%.

Source: MFI, Axis AMC Research. **Past performance may or may not sustain in future.** All information contained in this slide is for illustration purpose only to show how momentum model functions. The model performance is derived based on back tested result and does not include expenses incurred by the fund. The back tested result does not in any way indicate the performance of the Scheme. The actual model and the Scheme portfolio shall be constructed based on the provisions in the Scheme Information Document. Data is from Jan 2010 to Oct 2024.

# Why Axis Momentum Fund?

**1**

Unlock the potential for higher returns

Benefit from agile re-adjustments and rebalancing to capture new opportunities

**2**

**3**

Controls exposure to sector/stock concentration, market cap skewness, and liquidity risk.

**4**

Complements other strategies, enhancing your portfolio's overall potential.

**Ensures the portfolio remains responsive to market changes, potentially leading to better performance and risk management.**

# Fund Facts

## AXIS MOMENTUM FUND

(An open-ended equity scheme following the momentum theme)



**NFO Dates:**  
Nov 22, 2024  
to  
Dec 06, 2024



**Minimum application:**

₹100 & in multiples of ₹1 thereafter (during NFO and on a continuous basis)

**Benchmark:**

NIFTY  
500 TRI



**Asset Allocation:**



**80% to 100%**  
Equity & Equity related instruments of companies selected based on momentum theme

**0% to 20%**  
Other Equity & Equity related instruments

**0% to 20%**  
Debt & Money Market Instruments

**0% to 10%**  
Units issued by REITs & InvITs



**Investment Objective:**

- To generate long term capital appreciation for investors from a portfolio of equity and equity related securities selected based on the momentum theme.
- There is no assurance that the investment objective of the scheme will be achieved.

**Fund Managers:**

Karthik Kumar & Mayank Hyanki



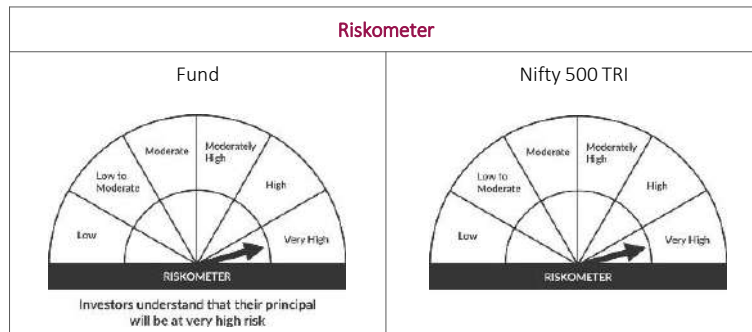
**Product Labelling:**  
**Axis Momentum Fund**

(An open-ended equity scheme following the momentum theme)

Benchmark: NIFTY 500 TRI

This product is suitable for investors who are seeking\*:

- Capital appreciation over long term
- An equity scheme investing in equity & equity related securities selected based on the momentum theme.



\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them. The product labelling assigned during the New Fund Offer is based on internal assessment of the Scheme Characteristics or model portfolio and the same may vary post NFO when actual investments are made.

**Statutory Details and Risk Factors**

Data updated As on 31<sup>st</sup> October 2024

**Past performance may or may not be sustained in the future.** Sector(s) / Stock(s) / Issuer(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 stock mentioned, from time to time.

**Statutory Details:** Axis Mutual Fund has been established as a Trust under the Indian Trusts Act, 1882, sponsored by Axis Bank Ltd. (liability restricted to ₹1 Lakh). **Trustee:** Axis Mutual Fund Trustee Ltd. **Investment Manager:** Axis Asset Management Co. Ltd. (the AMC). **Risk Factors:** Axis Bank Limited is not liable or responsible for any loss or shortfall resulting from the operation of the scheme. This document represents the views of Axis Asset Management Co. Ltd. and must not be taken as the basis for an investment decision. Neither Axis Mutual Fund, Axis Mutual Fund Trustee Limited nor Axis Asset Management Company 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.

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

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Thank you