

Axis Corporate Bond Fund

(An open-ended debt scheme predominantly investing in AA+ and above rated corporate bonds. A relatively high interest rate risk and moderate credit risk)



AXIS ASSET MANAGEMENT

Fixed Income Market Outlook

2024: The Year of Duration

Rally driven by favourable demand-supply dynamics and policy easing expectations

Inclusion in
JP Morgan
EM Bond
Index

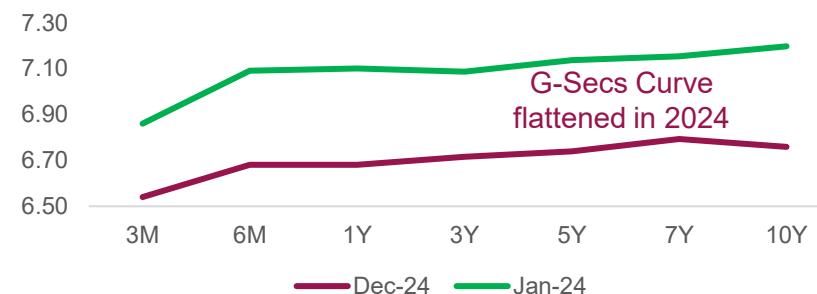
Fiscal
Consolidation

Rate cut
expectations +
Tight banking
liquidity

Long
Duration
Strategies
outperformed

Flat G-Sec and SDL curves and inverted Corporate Bond Curve

Sovereign Curve



Corporate Curve



2025: The Year of Abundant Liquidity

Rally driven by liquidity

Monetary easing-
Lower GDP and benign
CPI

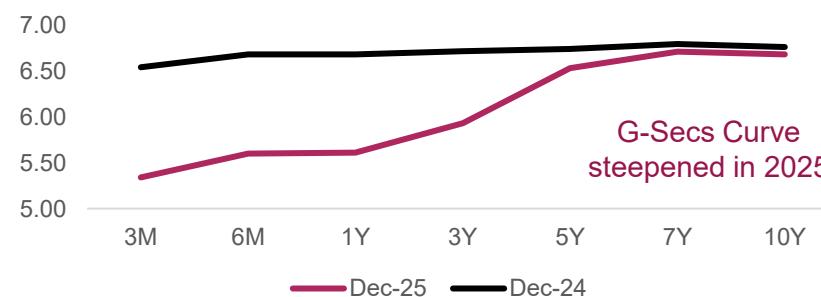
Surplus Liquidity

Steep Yield
Curve – flag
end of rate
cut cycle

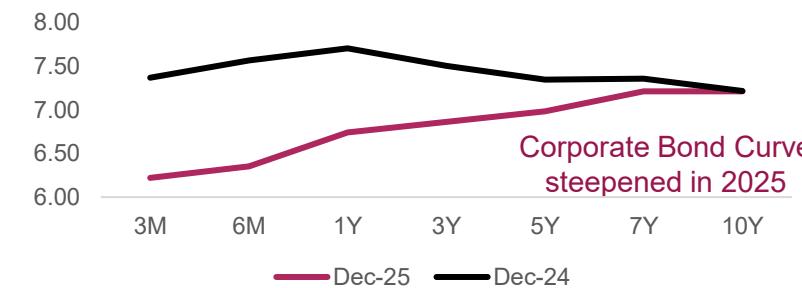
3 – 5 year
corporate
bonds
outperformed

G-Sec, SDL curves and Corporate Bond Curve Steepened

Sovereign Curve

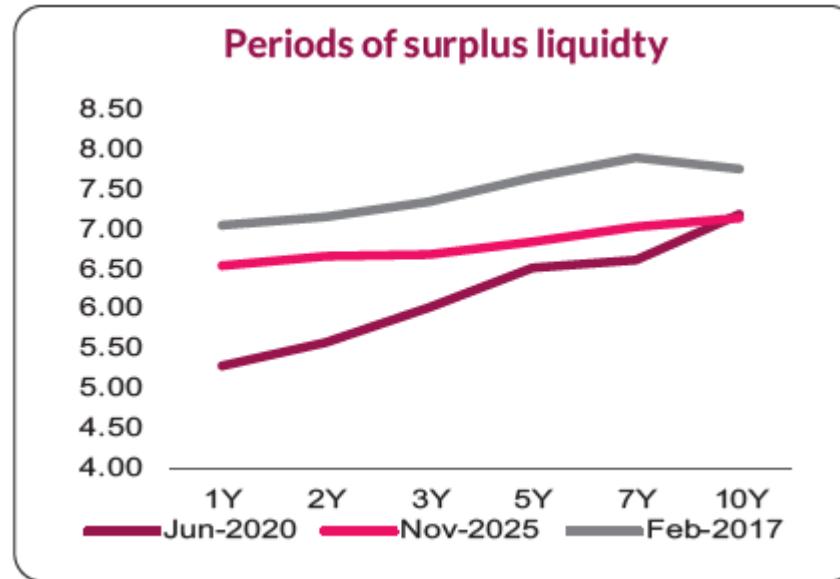


Corporate Curve



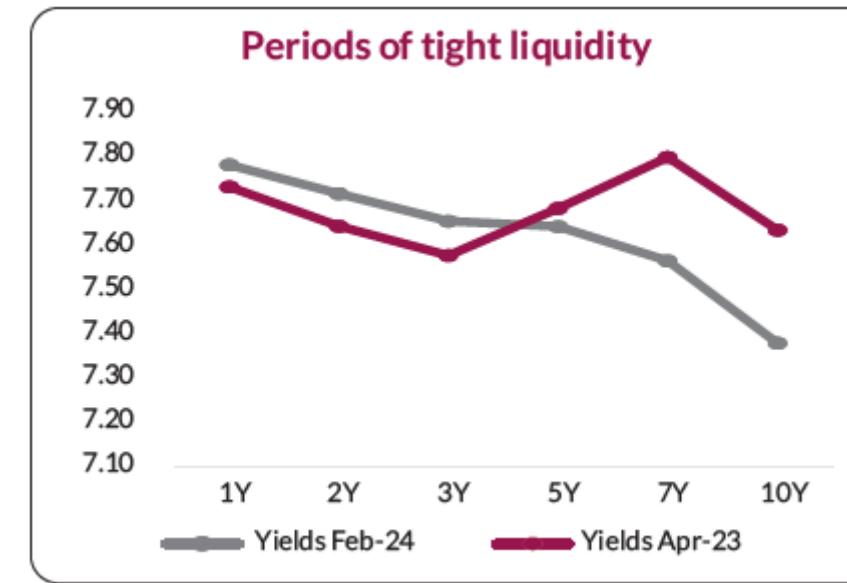
Yield Curve to flatten

Driven by neutral liquidity and increase in credit growth



Steep yield curve

Excess funds keep short-term rates suppressed



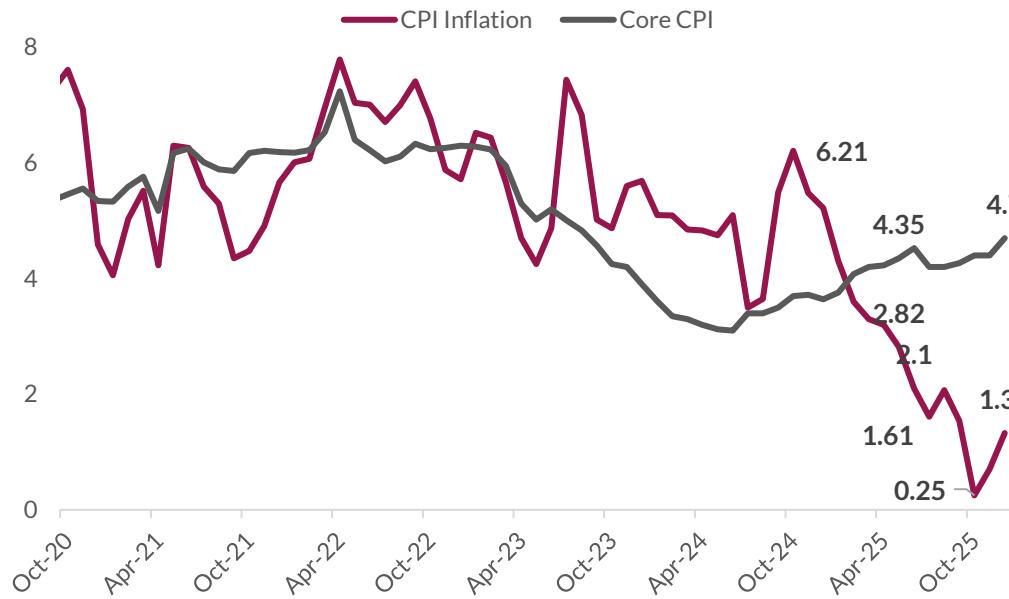
Flat yield curve

Short-term rates rise relative to long-term rates

Rates - Lower for Longer

Stable rate regime, RBI to maintain extended pause after December 2025

CPI less than 4% for FY26E



GDP for FY26E revised upwards by RBI

Tenure	GDP Growth Projection
FY22	9.7%
FY23	7.6%
FY24	9.2%
FY25	6.5%
FY26E	7.3% (upward bias)

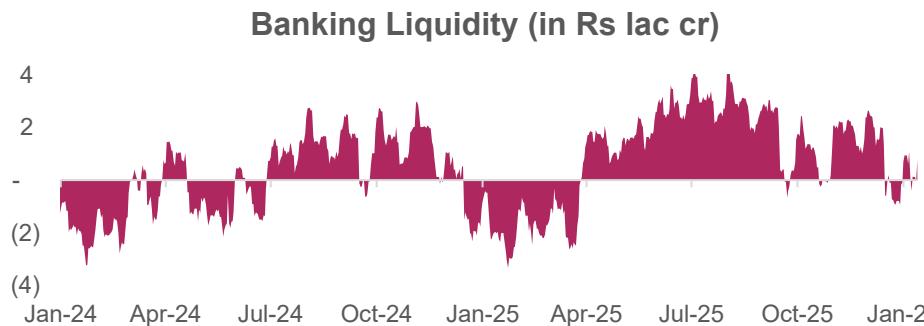
The RBI raised its growth projections and FY26 growth is now expected at 7.3%, up from 6.8% (October policy) and Q1FY27 growth at 6.7%, up from 6.4%.

Inflation is anticipated to rise over the next two quarters. FY26 and Q1FY27 projections have been revised down by 50–60 basis points. The inflation projection for FY26 now stands at 2%, down from 2.6% and for Q1FY27 at 3.9%, down from 4.5%, both comfortably below the RBI's threshold.

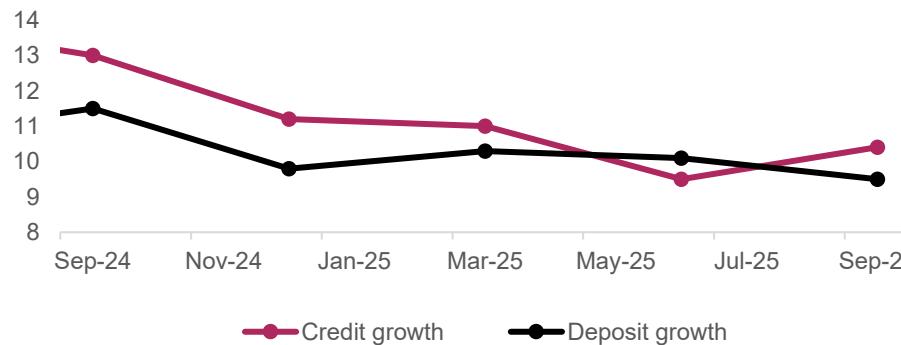
Best of Liquidity behind us?

RBI interventions will keep liquidity positive

Liquidity to remain positive till March 2026



Credit growth accelerating

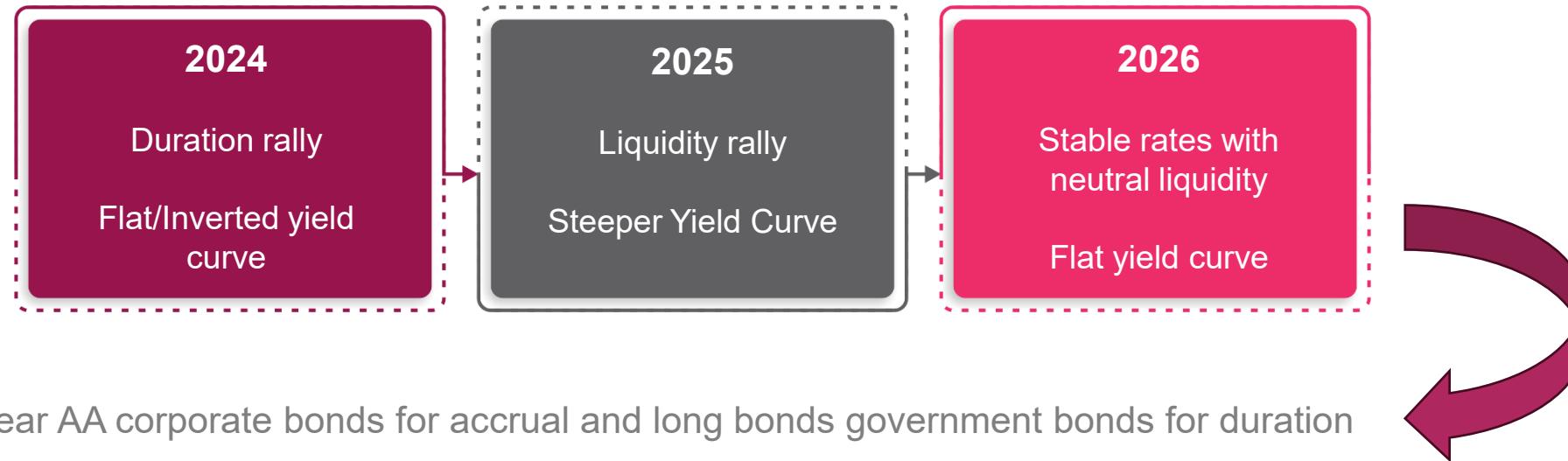


Durable liquidity by March 2026

	Particulars	Amt (In Rs Crs)
	Net Durable Liquidity - Dec 12, 2025	3,25,000
Inflow	FX Buy Sell \$10Bn + \$5Bn	1,35,000
	OMOs	3,00,000
Outflows	Expected CIC outflow (Dec 25 - Mar 26)	1,50,000
	Increase in CRR maintenance on Deposit Growth	50,000
	FX Intervention (Spot & forward)	2,50,000
	Durable Liquidity (expected) - March 2026	3,10,000

Shifting gears for 2026

Prefer Barbell Strategies



2-year AA corporate bonds for accrual and long bonds government bonds for duration

	Mod	Yield (21st Jan 2026)	1 Yr returns given change in Interest rates				
			-25 bps	-15 bps	0 bps	15 bps	25 bps
30 Year Gsec	11.25	7.42	10.18	9.08	7.42	5.75	4.64
10 Year Gsec	6.85	6.65	8.23	7.60	6.65	5.71	5.07
5 Year AAA Corp	4.65	7.23	8.22	7.82	7.23	6.63	6.23
3 Year AAA Corp	2.75	7.04	7.52	7.33	7.04	6.75	6.55
2 Year AA Corp	1.85	7.99	8.23	8.13	7.99	7.83	7.73

Accrual important in a lower rate regime

Long bonds provide meaningful protection at current levels

Inclusion in Bloomberg Global Aggregate Index could attract US\$25-30 bn inflows could lead to tactical rally in bond markets

Key Risks to our view

Potential Headwinds

Weakening of domestic growth



Non-inclusion of FAR securities in Bloomberg

Fiscal push to support growth



Rupee Depreciation



Axis Corporate Bond Fund

(An open-ended debt scheme predominantly investing in AA+ and above rated corporate bonds. A relatively high-interest rate risk and moderate credit risk)

Product Offerings



Fund Positioning

Credit Conservative

Axis Short Duration Fund 86% AAA & Equivalent, 14% Non AAA Residual Maturity – 2.84 years Mac. Duration – 2.41 years Annualized YTM – 7.04%*	Axis Corporate Bond Fund 100% AAA & Equivalent Residual Maturity – 3.80 years Mac. Duration – 3.08 years Annualized YTM – 6.96%*	Axis Strategic Bond Fund 45% AAA, 55% Non AAA Residual Maturity – 4.60 years Mac. Duration – 3.46 years Annualized YTM – 7.86%*	Axis Credit Risk Fund 24% AAA, 76% Non AAA Residual Maturity – 2.49 years Mac. Duration – 2.26 years Annualized YTM – 8.22%*
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Strategic Allocation to AA Credits

Data as on 31st December 2025. Current Portfolio Allocation/Positioning is based on the prevailing market conditions and is subject to changes depending on the fund manager's view of the fixed income markets without any notice to investors. Please refer SID of respective schemes for detailed investment strategies on our website www.axismf.com. *In case of semi-annualized YTM, it will be annualized. The yield to maturity and Macaulay duration given above is based on the portfolio of funds.

This should not be taken as an indication of the returns that may be generated by the fund and the securities bought by the fund may or may not be held till their respective maturities. \$ Exposure includes Cash & NCA and G-Sec.

Axis Corporate Bond Fund



Current Portfolio Strategy

- Axis Corporate Bond Fund endeavours to capture opportunities by investing in best ideas across the corporate bond curve.
- The fund will typically maintain duration in the range of 2 - 5 years
- High-grade portfolio with 100% AAA/SOV/A1+ rating.
- Large portfolio allocation is in corporate bonds having duration in range of 2 – 5 years, G-Sec allocation is actively managed.
- Aims to capitalize on the 'carry' play at the shorter end and 'capital gain' from the longer end.
- The mispricing of select high-yield AAA-rated bonds offers opportunity to gain from potential yield compression in the market.

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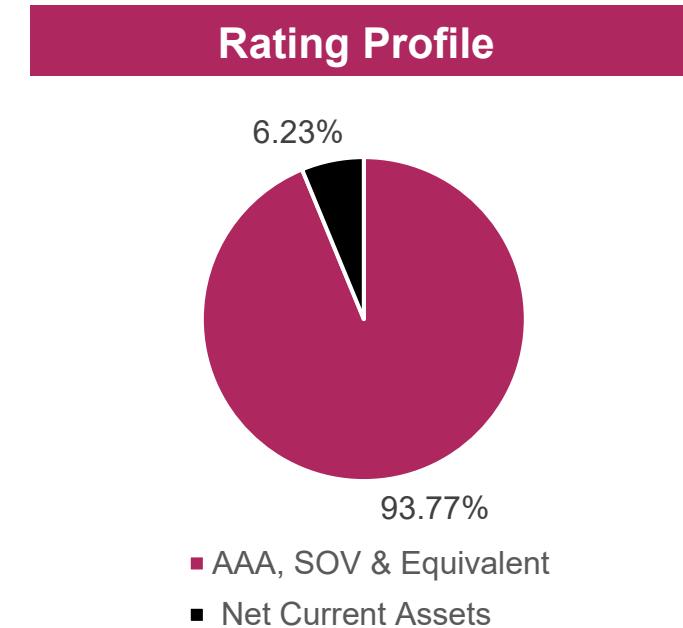
Portfolio Facts

31st December 2025



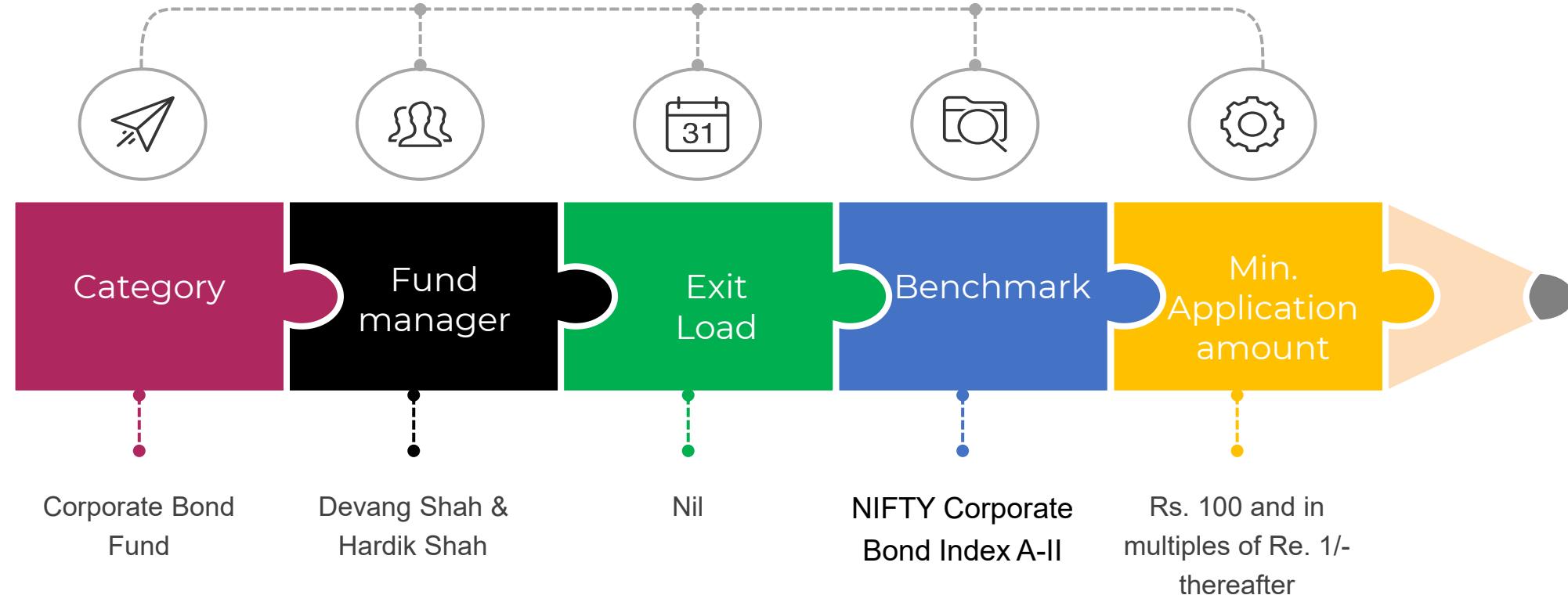
Portfolio Statistics	
Average Maturity	3.80 years
Macaulay Duration	3.08 years
Modified Duration	2.92 years
YTM	6.96%

Instrument wise holdings	
Corporate Bond	72.06%
Government Bond	13.06%
Pass Through Certificate	5.95%
Certificate of Deposit	2.26%
Government Bond Strips	0.44%
Net Current Assets	6.23%



Current Portfolio Allocation/Positioning is based on the prevailing market conditions and is subject to changes depending on the fund manager's view of the fixed income markets without any notice to investors.

Features at a glance



Current Portfolio Allocation/Positioning is based on the prevailing market conditions and is subject to changes depending on the fund manager's view of the fixed income markets without any notice to investors. Please refer to SID/KIM for additional details on our website www.axismf.com.

Performance



31st December 2025

	1 Year		3 Year		5 Year		Since Inception	
	Inception	CAGR (%)	Current Value of investment of Rs. 10,000	CAGR (%)	Current Value of investment of Rs.10,000	CAGR (%)	Current Value of investment of Rs. 10,000	CAGR (%)
Axis Corporate Bond Fund - Regular Plan - Growth		7.91%	10,791	7.57%	12,451	6.00%	13,385	6.89%
NIFTY Corporate Bond Index A-II (Benchmark)	13-Jul-17	7.27%	10,727	7.29%	12,354	5.74%	13,223	6.81%
NIFTY 10 yr Benchmark G-Sec (Additional Benchmark)		6.85%	10,685	8.14%	12,651	5.17%	12,871	5.54%

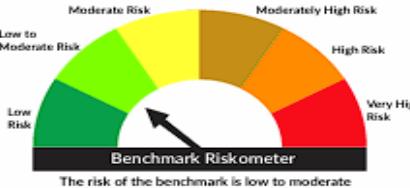
Past performance may or may not be sustained in future. Different plans have different expense structure. Inception Date: 13th July 2017. Devang Shah is managing the scheme since 13th July 2017 and he manages 23 schemes of Axis Mutual Fund & Hardik Shah is managing the scheme since 31st January 2022 and he manages 18 schemes of Axis Mutual Fund. Returns greater than 1 year are Compounded Annual Growth Rates (CAGR). Inception date of the fund 13th July 2017. Face value per unit is Rs 10. Calculations are based on Regular Plan - Growth Option NAV and Direct Plan - Growth Option NAV, as applicable. Different plans have different expense structure.

Please click on link https://www.axismf.com/cms/sites/default/files/Statutory/WDP_Annexure_Dec.pdf to view the performance of other schemes currently managed by the fund manager. Note: In case you require physical copy of this document request you to kindly take the printout to review the fund managers performance of other schemes managed by him from the above link given.

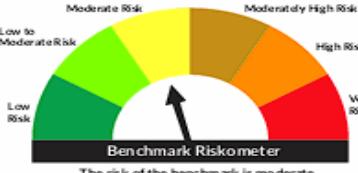
Product Labelling

Fund Name & Benchmark	Product Labelling	Product Riskometer	Benchmark Riskometer	Potential Risk Matrix (PRC)																								
Axis Corporate Bond Fund (An Open Ended Debt Scheme Predominantly Investing In AA+ And Above Rated Corporate Bonds. A relatively high interest rate risk and moderate credit risk) Benchmark: NIFTY Corporate Bond Index A-II	<p>This product is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> • Regular income over short to medium term • Predominantly investing in corporate debt <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them</p>			<table border="1"> <thead> <tr> <th colspan="4">Potential Risk Class</th> </tr> </thead> <tbody> <tr> <td>Credit Risk →</td> <td>Relatively Low (Class A)</td> <td>Moderate (Class B)</td> <td>Relatively High (Class C)</td> </tr> <tr> <td>Interest Rate Risk ↓</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively Low (Class I)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Moderate (Class II)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively High (Class III)</td> <td></td> <td>B-III</td> <td></td> </tr> </tbody> </table>	Potential Risk Class				Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓				Relatively Low (Class I)				Moderate (Class II)				Relatively High (Class III)		B-III	
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Axis Short Duration Fund (An open ended short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 year to 3 years. A relatively high interest rate risk and moderate credit risk) Benchmark: NIFTY Short Duration Debt Index A-II	<p>This product is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> • Regular income while maintaining liquidity over short term • Investment in debt and money market instruments <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them</p>			<table border="1"> <thead> <tr> <th colspan="4">Potential Risk Class</th> </tr> <tr> <td>Credit Risk →</td> <td>Relatively Low (Class A)</td> <td>Moderate (Class B)</td> <td>Relatively High (Class C)</td> </tr> </thead> <tbody> <tr> <td>Interest Rate Risk ↓</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively Low (Class I)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Moderate (Class II)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively High (Class III)</td> <td></td> <td>B-III</td> <td></td> </tr> </tbody> </table>	Potential Risk Class				Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓				Relatively Low (Class I)				Moderate (Class II)				Relatively High (Class III)		B-III	
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Axis Strategic Bond Fund (An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 years to 4 years. A relatively high interest rate risk and relatively high credit risk.)	<p>This product is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> • Optimal Returns over medium • Investment in diversified portfolio of debt and money market securities to generate optimal risk adjusted returns while maintaining liquidity <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them</p>	 <p>Scheme Riskometer The risk of the scheme is moderately high</p>	 <p>Benchmark Riskometer The risk of the benchmark is moderate</p>	<table border="1"> <thead> <tr> <th colspan="4">Potential Risk Class</th> </tr> <tr> <td>Credit Risk →</td> <td>Relatively Low (Class A)</td> <td>Moderate (Class B)</td> <td>Relatively High (Class C)</td> </tr> </thead> <tbody> <tr> <td>Interest Rate Risk ↓</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively Low (Class I)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Moderate (Class II)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively High (Class III)</td> <td></td> <td></td> <td>C-III</td> </tr> </tbody> </table>	Potential Risk Class				Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓				Relatively Low (Class I)				Moderate (Class II)				Relatively High (Class III)			C-III
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Axis Credit Risk Fund (An Open Ended Debt Scheme Predominantly Investing In AA And Below Rated Corporate Bonds (Excluding AA+ Rated Corporate Bonds). A relatively high interest rate risk and relatively high credit risk))	This product is suitable for investors who are seeking* <ul style="list-style-type: none"> Stable returns in the short to medium term. Investment in debt and money market instruments across the yield curve and credit spectrum *Investors should consult their financial advisers if in doubt about whether the product is suitable for them	 <p>Scheme Riskometer The risk of the scheme is high</p>	 <p>Benchmark Riskometer The risk of the benchmark is moderately high</p>	Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Benchmark: CRISIL Credit Risk Debt B-II Index				Interest Rate Risk ↓			
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Statutory Details and Risk Factors



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.

Axis Bank Ltd. is not liable or responsible for any loss or shortfall resulting from the operation of the scheme.

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

Thank You

