

Axis Corporate Bond Fund

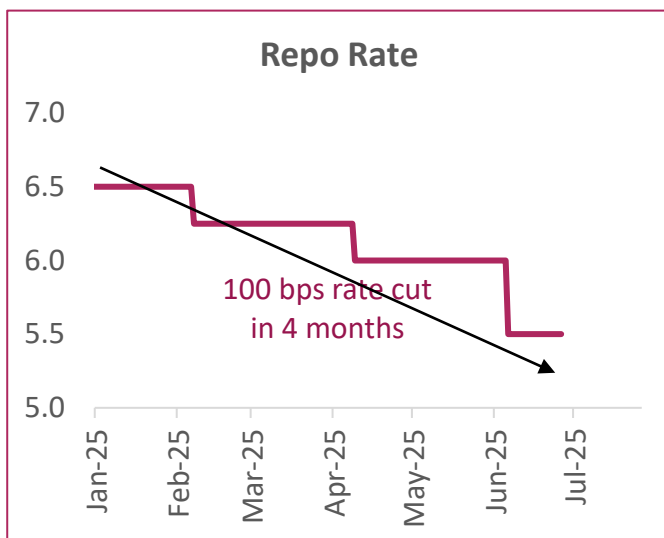
(An open-ended debt scheme predominantly investing in AA+ and above rated corporate bonds. A relatively high interest rate risk and moderate credit risk)

Market Outlook

Lower for Longer and Barbell

Front Loading of rate cuts & easing financial condition - Liquidity Infusion Tools and Tax Relief (Jan 2025)

Monitory Policy Tools



Liquidity Tool	Amount (INR Trillion)
VRR - 49 / 56 days	2
OMO Purchases	5
FX buy sell Swap – USD 25 BN	3.15
CRR Cut	2.5
Total Liquidity Support	12.65

Credit Impulse

- Monetary and fiscal tools **stimulating the economy through credit impulse**
- **Easing regulatory stance** - reversal of higher risk-weights for NBFCs/microfinance, diversification of funding sources, and lifting restrictions after corrective actions.

Fiscal Tools

	Impact on GDP
GST Reforms	+ 0.3–0.4%
Trade Policies	+ 0.2–0.3%

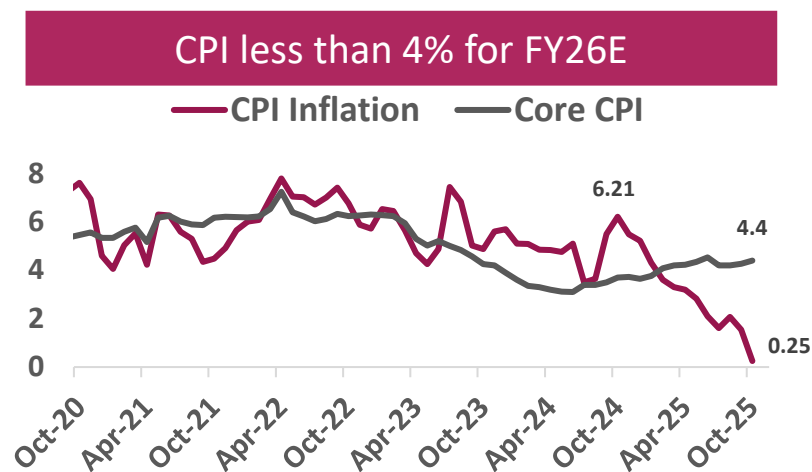
GST reforms expected to **lower Inflation by 50-70 bps**

Eyes on **Pay Commission** next year

Fiscal tools like **GST reforms and trade policies** will boost growth. Focus will also be on **Pay Commission** implementation.

Way Forward for Bond Markets

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



GDP for FY26E to remain below 6.5%

Tenure	GDP Growth Projection
FY22	9.7%
FY23	7.6%
FY24	9.2%
FY25	6.5%
FY26E	6.5% (Downward biased)

Category Of Investor	Total Demand for GSec + SDL	% of Long Bond Holding / Allocation	Demand for Long bonds (CG+SDL)- 10 year & above
Insurance Companies	5,50,000	60%	3,30,000
Provident Funds	3,80,000	90%	3,42,000
Pension Funds	2,00,000	55%	1,10,000
			7,82,000
Maturities Rollover			3,00,000
Total Gross Demand			10,82,000
Total Gross Supply			11,98,000
Demand Supply Gap			1,16,000

Heightened nervousness in Bond Markets due to the **imbalance in demand and supply dynamics**.

- ➡ Strong disinflationary impulse is expected to continue in 2026 due to GST cuts
- ➡ Growth is expected to moderate (6.2–6.5%), with patchy demand recovery.

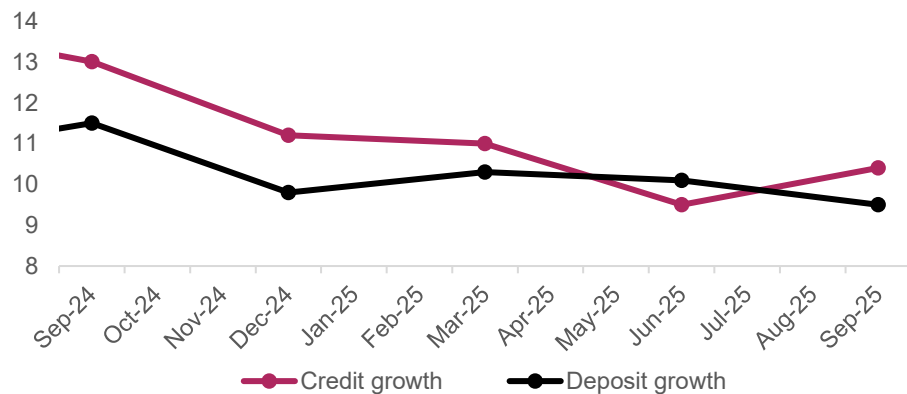
Way Forward for Bond Markets

Best of liquidity behind us

Liquidity to move into neutral zone by March 2026



Credit growth accelerating



Durable liquidity by March 2026

	Particulars	Amt (In Rs Crs)
	Core Liquidity -Oct 17 2025	3,60,648
Inflows	CRR cut (50 Bps cut in November)	1,20,000
Outflows	Expected CIC outflow (Oct 25 - March 26)	-2,25,000
	CRR outflow on Deposit Growth (Expected Oct 25 - March 26)	-50,000
	FX Intervention (Spot & forward)	-1,20,000
	Core Liquidity (expected)- March 2026	85,648

Liquidity could move into neutral zone due to outflows in CIC, forex interventions and CRR accretion. This transition could prompt RBI interventions through OMOs of upto Rs 2 trn by March 2026 to manage liquidity.

The probable inclusion of Fully Accessible Route (FAR) Indian government bonds in Bloomberg Global Aggregate Index (AUM ~US\$2.5 trillion) could attract US\$25-30 bn inflows into long-duration bonds, making the long bonds segment attractive.

Strategy for Funds

Favor Short term bonds for Accrual

A stable interest rate cycle, sustained liquidity normalization and the expected inclusion of FAR securities in the Bloomberg Global Aggregate Index are likely to result in a flatter yield curve in 2026.

Alongside this, the OMO's aimed at maintaining durable liquidity would further help bridge the gap between issuance and demand, ensuring smoother absorption of supply.

Long Bonds are now trading at neutral spreads over the 10-year benchmark G-Sec, with absolute yields in the 7.40–7.50% range and expectations of no rate hikes over the next 12 months, these instruments offer a compelling safety cushion for long term investors.

Moreover, with the curve-flattening theme gaining traction, we expect long bonds at 7.4–7.5% yields to provide meaningful protection in the current environment.

Securities	Yields (10th Nov 2025)	1 yr returns given change in Interest rates (Yields)				
		-25 bps	-15 bps	0 bps	15 bps	25 bps
30 Year Gsec	7.26	10.02	8.92	7.26	5.60	4.49
10 Year Gsec	6.49	8.06	7.43	6.49	5.54	4.91
5 Year AAA Corp	6.82	7.81	7.41	6.82	6.22	5.83
3 Year AAA Corp	6.69	7.17	6.98	6.69	6.40	6.20
2 Year AA Corp	7.53	7.78	7.68	7.53	7.38	7.28

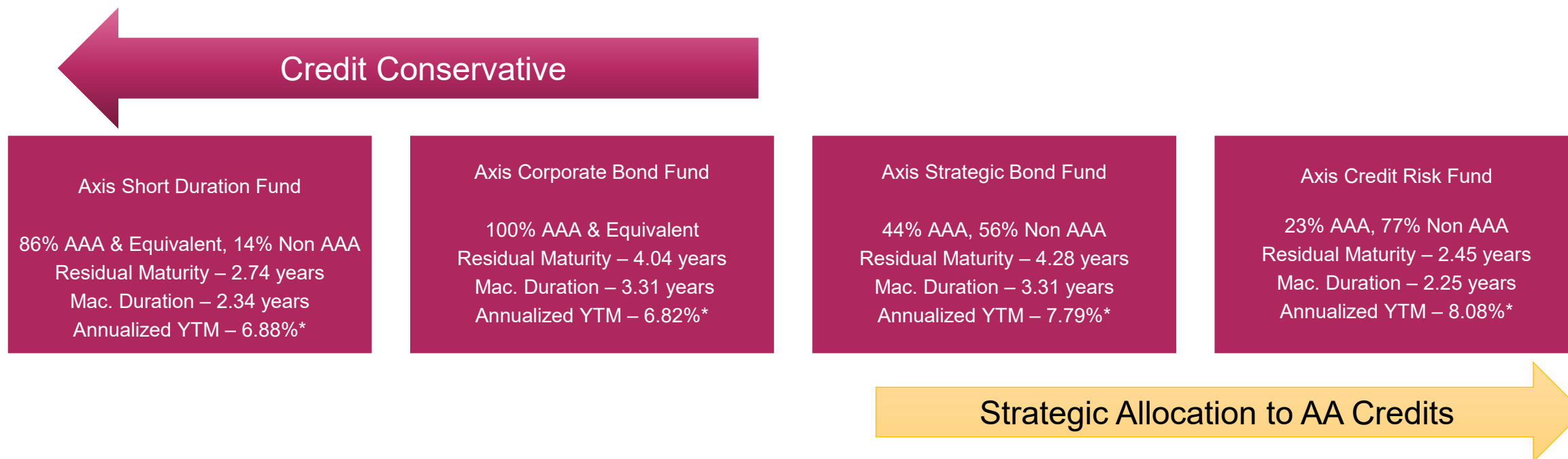
Against this backdrop, a barbell strategy—combining short-tenor bonds for accrual and long-duration bonds for tactical gains—will be the optimal approach, offering both steady accrual and potential upside. 2 year AA corporate bonds for accrual and long bonds government bonds for duration is the preferred strategy.

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



Data as on 31st October 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.
 - Actively managed with allocation primarily to corporate bonds and G-Secs having duration in the range of 2 – 5 years.
 - 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 October 2025

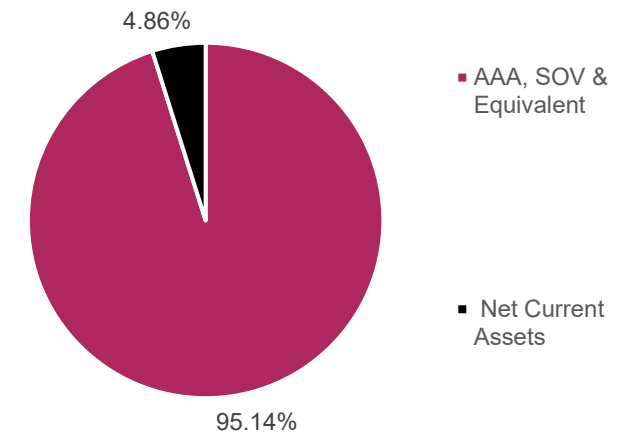
Portfolio Statistics

Average Maturity	4.04 years
Macaulay Duration	3.31 years
Modified Duration	3.14 years
YTM	6.82%

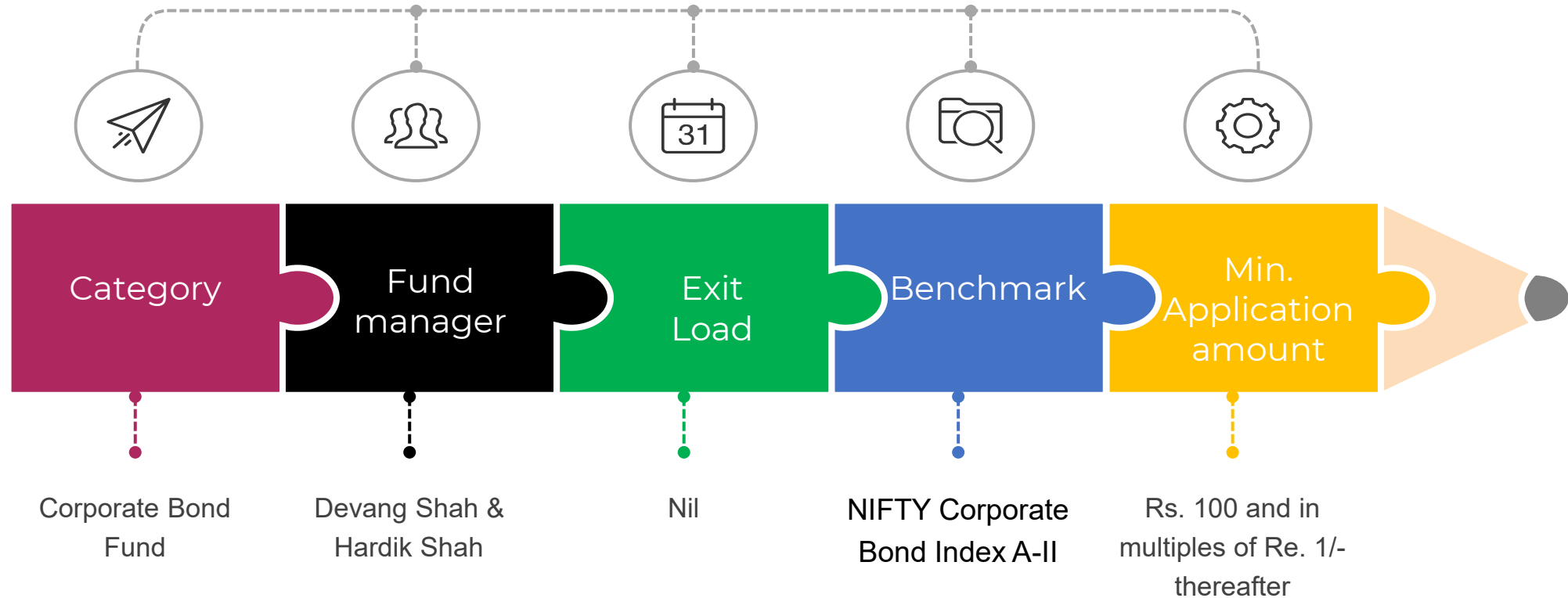
Instrument wise holdings

Corporate Bond	72.33%
Government Bond	14.63%
Pass Through Certificate	5.76%
Commercial Paper	1.52%
Certificate Of Deposit	0.49%
Government Bond Strips	0.41%
Net Current Assets	4.86%

Rating Profile



Features at a glance



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Performance

31st October 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 (%)	Current Value of investment of Rs. 10,000
Axis Corporate Bond Fund - Regular Plan - Growth		8.50%	10,850	7.79%	12,526	6.11%	13,457	6.96%	17,484
NIFTY Corporate Bond Index A-II (Benchmark)	13-Jul-17	7.65%	10,765	7.48%	12,418	5.86%	13,300	6.86%	17,356
NIFTY 10 yr Benchmark G-Sec (Additional Benchmark)		8.27%	10,827	8.82%	12,888	5.28%	12,940	5.64%	15,771

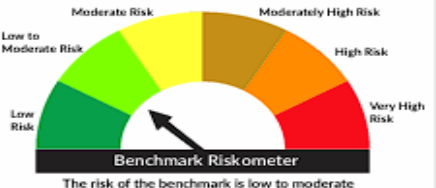
Past performance may or may not be sustained in future. Different plans have different expense structure. Inception Date: 13th July 2017. Devang Shah is managing the scheme since 13th July 2017 and he manages 21 schemes of Axis Mutual Fund & Hardik Shah is managing the scheme since 31st January 2022 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_Oct.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.


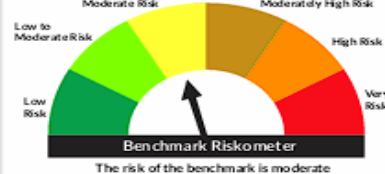
Product Labelling

Fund Name & Benchmark	Product Labelling	Product Riskometer	Benchmark Riskometer	Potential Risk Matrix (PRC)																					
<div>Axis Corporate Bond Fund</div> <div>(An Open Ended Debt Scheme Predominantly Investing In AA+ And Above Rated Corporate Bonds. A relatively high interest rate risk and moderate credit risk)</div> <div>Benchmark: NIFTY Corporate Bond Index A-II</div>	<div>This product is suitable for investors who are seeking*</div> <div><div>Regular income over short to medium term</div><div>Predominantly investing in corporate debt</div></div> <div>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them</div>	<div></div> <div>The risk of the scheme is moderate</div>	<div></div> <div>The risk of the benchmark is moderate</div>	<table><tr><th colspan="4">Potential Risk Class</th></tr><tr><td>Credit Risk →</td><td rowspan="2">Relatively Low (Class A)</td><td rowspan="2">Moderate (Class B)</td><td rowspan="2">Relatively High (Class C)</td></tr><tr><td>Interest Rate Risk ↓</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></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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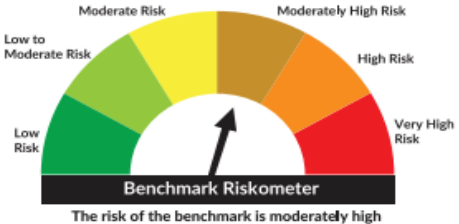
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<p>Axis Short Duration Fund</p> <p>(An open ended short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 year to 3 years. A relatively high interest rate risk and moderate credit risk)</p> <p>Benchmark: NIFTY Short Duration Debt Index A-II</p>	<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><small>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them</small></p>			<table><tr><th colspan="4">Potential Risk Class</th></tr><tr><td>Credit Risk →</td><td rowspan="2">Relatively Low (Class A)</td><td rowspan="2">Moderate (Class B)</td><td rowspan="2">Relatively High (Class C)</td></tr><tr><td>Interest Rate Risk ↓</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></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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<p>Axis Strategic Bond Fund</p> <p>(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> <p>Benchmark: NIFTY Medium Duration Debt Index A-III (AMFI tier I Benchmark)</p>	<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><tr><th colspan="4">Potential Risk Class</th></tr><tr><td>Credit Risk →</td><td rowspan="2">Relatively Low (Class A)</td><td rowspan="2">Moderate (Class B)</td><td rowspan="2">Relatively High (Class C)</td></tr><tr><td>Interest Rate Risk ↓</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></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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<p>Axis Credit Risk Fund</p> <p>(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))</p> <p>Benchmark: CRISIL Credit Risk Debt B-II Index</p>	<p>This product is suitable for investors who are seeking*</p> <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 <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them</p>			<table><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><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></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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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

