

Axis Income Plus Arbitrage Active FOF*

(An open-ended fund of funds scheme investing in debt oriented mutual fund schemes and arbitrage funds)



*Formerly known as Axis Income Advantage Fund of Funds, the name of the fund has been changed to Axis Income Plus Arbitrage Active FOF w.e.f. 09th May 2025. For Product Label and risk-o-meter, refer slide 18.



Strained by Taxes

- Higher taxation on stable return products like fixed income

Switch during cycle change

- Difficult to anticipate market cycles and timely portfolio rebalancing for individual investors, leading to sub-optimal asset allocation in different market cycles

Stability against Equity downside

- Exposure to equity markets can lead to significant downside during market downturn or volatility

The fund's flexibility to switch between debt mutual fund schemes and exposure to arbitrage funds aims to offer relatively stable and better post-taxation returns over a holding period of more than 24 months* by efficiently navigating different market cycles and mitigating equity market risks.

The portfolio allocation would be based on prevailing market conditions and would be subject to changes depending on the fund managers views. Please refer SID for detailed asset allocation and investment strategy.

*Investors are advised to check the portfolio of the scheme and consult their tax advisor to determine the taxation applicable to them.

One Stop Solution to 3S problems

Axis Income Plus Arbitrage Active FOF

Axis Income Plus Arbitrage Active FOF invests in a variety of **debt oriented mutual fund schemes** of different AMCs through a single fund. The fund actively manoeuvres duration and credit based on the prevailing market environment.

The fund also invests in units of **arbitrage funds with 35-50%* allocation**, broadening its investment universe and making it tax-efficient as compared to debt mutual funds.

50-65% Allocation

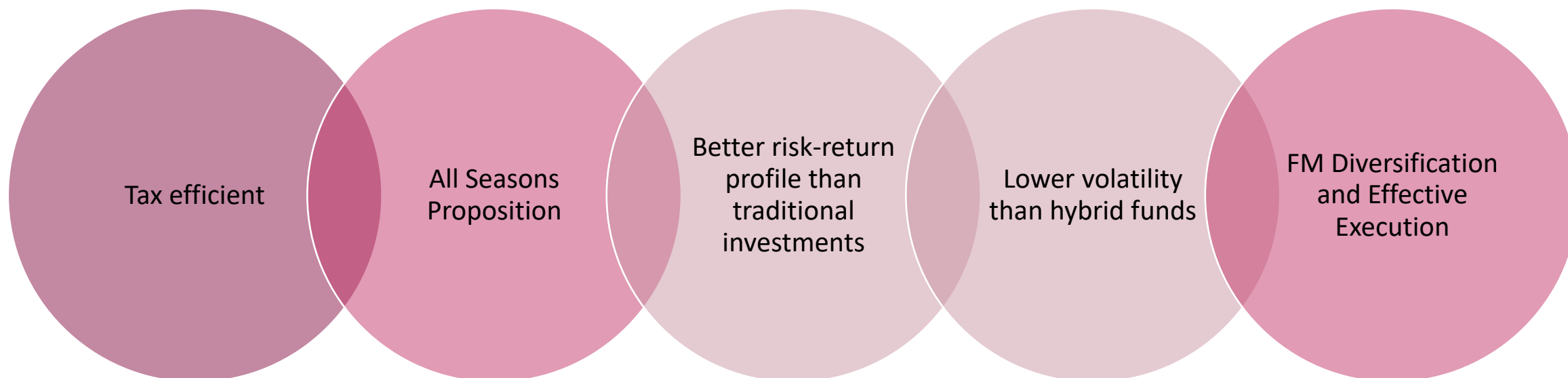
Debt Mutual fund schemes

35-50% Allocation

Arbitrage Schemes

Addressing Investor Challenges

Product USP



The portfolio allocation would be based on prevailing market conditions and would be subject to changes depending on the fund managers views. Please refer SID for detailed asset allocation and investment strategy. In view of individual nature of tax consequences, each unit holder is advised to consult his/her own professional tax advisors.

Tax Efficient and Advantage over Traditional investments



Better Post Taxation returns with Arbitrage Allocation

Tax Impact of 65% Debt & 35 Arbitrage Exposure* (Investment Duration >24 Months)		
	Individual	Corporate
Net YTM (Axis Income Plus Arbitrage Active FoF)*	6.63%	6.63%
Post Tax return*	5.59%	5.70%
Net YTM (All Seasons Debt Funds/FoFs)#	6.24%	6.24%
Post Tax return (All Seasons Debt Funds/FoFs)#	3.90%	4.15%
Corporate FD^	7.63%	7.63%
Post Tax (plus surcharge) return	4.77%	5.07%
Traditional Investment Instruments\$	6.90%	6.90%
Post Tax (plus surcharge) return	4.31%	4.58%

- **Tax-efficient returns over 24 months, LTCG taxed at 12.5%**
- Better risk-return profile than traditional investments.
 - Better post-tax returns
 - Ability to navigate credit cycles and leverage duration strategies
 - Flexibility to enter or exit at any time

Taxation considered under new regime. Tax rate on Fund (Debt + Arb): 12.5%, Debt Funds and Traditional Instruments & FDs: 30% (tax slab). Surcharge on Individual Tax: 25%, Surcharge on Corporate Tax: 12%.

*65% Debt & 35% Arbitrage exposure – YTM of Axis Income Plus Arbitrage Active FoF, as on 30th April 2025, is considered solely for the purpose of comparing taxation impact and is not an indication of proposed allocation. Note that portfolio allocation would be based on prevailing market conditions and would be subject to changes depending on the fund managers' views. Please refer SID for detailed asset allocation and investment strategy. ^Corporate FD – 24 months FD rate (Shriram Finance). \$Traditional Investment Instrument – 2 years to less than 3 years Bank FD rate (SBI).

#Portfolio YTM and FD rates considered as on 30th Apr 2025. #YTM for Axis Income Plus Arbitrage Active FoF, as on 31st Jan 2025, without allocation to Arbitrage Funds. Fundamental Attributes of the fund has been changed effective from 14th Feb 2025. For complete returns of the schemes in SEBI prescribed format, please refer slide 16.

Past performance may or may not sustain in future. This is for illustration purpose only.

Data as on 30th Apr 2025. Source: AMFI, Axis MF Internal Analysis. Source for Tax rates: Income Tax Department, Government of India.

Lower variability in returns across interest rate cycles

Different strategies perform in different market cycles

Period	Duration strategy	Short strategy	Credit strategy	Arbitrage	Conservative hybrid	Equity savings	65% Debt + 35% Arb
FY06-08	5.3%	5.6%	3.8%	7.7%	5.6%	7.0%	7.0%
FY07-09	9.6%	7.1%	4.5%	7.2%	3.0%	6.1%	10.3%
FY08-10	8.9%	6.3%	4.6%	5.0%	6.6%	6.9%	9.0%
FY09-11	4.2%	4.4%	4.2%	5.1%	8.8%	8.2%	5.2%
FY10-12	4.0%	5.0%	5.2%	6.7%	4.1%	5.7%	6.6%
FY11-13	6.4%	6.6%	6.4%	7.7%	5.2%	6.6%	7.9%
FY12-14	4.1%	6.5%	6.5%	8.2%	6.3%	6.1%	8.2%
FY13-15	6.1%	6.7%	7.1%	8.0%	10.2%	9.7%	8.5%
FY14-16	8.0%	6.5%	7.0%	6.9%	8.0%	7.6%	8.9%
FY15-17	6.4%	5.9%	6.6%	5.7%	5.8%	6.9%	7.4%
FY16-18	6.2%	5.4%	5.7%	5.4%	6.7%	8.4%	7.0%
FY17-19	4.4%	4.4%	3.6%	5.4%	3.6%	5.0%	5.5%
FY18-20	7.4%	4.4%	1.2%	5.4%	0.8%	(0.8%)	7.9%
FY19-21	6.5%	4.8%	2.1%	4.3%	5.5%	7.3%	6.8%
FY20-22	2.4%	4.7%	5.5%	3.3%	9.8%	16.5%	5.6%
FY21-23	1.9%	3.5%	4.8%	4.1%	4.4%	6.3%	5.3%
FY22-24	4.2%	3.9%	5.3%	5.7%	5.8%	8.2%	6.3%
FY23-25	7.5%	7.2%	8.8%	7.2%	10.7%	11.9%	7.5%

65% Debt and 35% Arbitrage allocation gives consistent post-tax returns across interest rate cycle compared to other strategies.

Past performance may or may not sustain in future. This is for illustration purpose only.

Data as on 28th March 2025. Source: Axis MF Internal Analysis. Proxies considered for Arbitrage, Duration, Short, Credit, Conservative Hybrid and Equity Savings Strategy – Average returns of all the active funds in the category during the time-period considered. 65% Debt + 35% Arb – 65% Debt: 65% in performing category across Duration, Short and Credit based on market cycles; 35% Arbitrage: category average.

All Seasons Proposition: Different Segments perform during different times

Flexibility to invest across the fixed income curve and take advantage of duration and credit cycle enabling fund to capture opportunities in all market scenarios. **Fund has invested on an average more than 75% in top 2 best performing strategy.**

Category – Wise Annualized Performance

Calendar Year	Duration	Credit	Short Term (including Roll-down)	Money Market	Fund allocation**
2020*	9.04%	10.39%	10.10%	4.70%	~70%
2021	1.33%	7.05%	4.07%	3.36%	~67%
2022	0.42%	6.25%	3.75%	4.69%	~88%
2023	8.08%	8.68%	7.22%	7.28%	~68%
2024	9.53%	7.84%	7.65%	7.58%	~98%

Data as of 31st Dec 2024. Source: AMFI, Axis MF Internal Analysis. *Annualized returns for CY20 from 28th Jan 2020 (Scheme Inception) to 31st Dec 2020. Past performance may or may not sustain in future. Nifty 10-year benchmark G-Sec Index, NIFTY Credit Risk Bond Index B-II, Nifty Short Duration Debt Index and CRISIL Low Duration Debt Index are considered as proxy for Duration, Credit, Short Term and Money Market Strategies, respectively. **avg allocation to highlighted sub-asset classes.

Strategy Diversification and Effective Execution

Advantages of Multi Strategy Fund over Single Strategy Funds

Single Strategy Funds

- Portfolio rebalancing is difficult given the stringent fund mandates
- Investor allocations to duration often tend to chase past returns rather than market trend / view
- Challenges in taking corrective action in case of credit event / adverse situations
- Taxation impact in case of rebalancing / switch by investors

Axis Income Plus Arbitrage Active FOF (Multi Strategy)

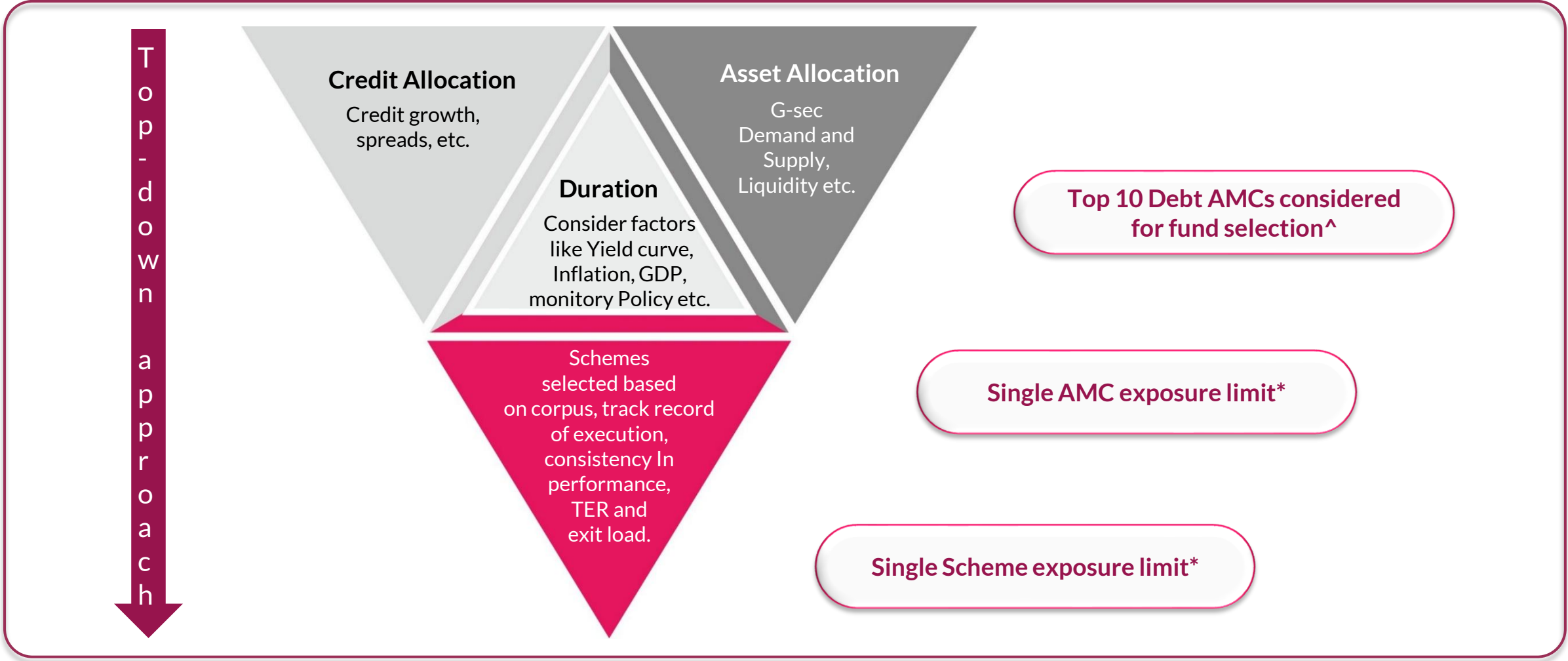
- No tax impact to investor when a Fund of Funds redeems from one fund to shift to another.
- Ease of rebalancing portfolio based on market changes
- Better diversification & lower single manager risk in case of credit events
- Fund Manager Diversification with our overlay on the overall duration and credit risk of the fund
- Better post-tax returns over a holding period of 24 months

Fund Stats



Fund Philosophy

Top-Down Approach



The portfolio allocation would be based on prevailing market conditions and subject to changes depending on the fund managers views. Please refer SID for detailed asset allocation and investment strategy. In view of individual nature of tax consequences, each unit holder is advised to consult his/her own professional tax advisors.*These are internal limits, excludes Axis funds and Liquid, Overnight, Money Market schemes with <1 year duration and Arbitrage schemes. ^only considering options beyond this group if similar strategies are unavailable within the top 10 AMC's.

Current Strategy

Dynamically managed in terms of duration and accrual, adapting to the current market conditions

Current Strategy

Aims to build a core portfolio with a duration of 3-6 years (currently at 5.18 years). However, due to its active management approach, the fund may adjust its duration based on the prevailing macroeconomic environment.

Due to the current favorable demand-supply dynamics and OMOs, we have had a higher bias towards government bonds in our portfolio. However, we are gradually reducing duration and building positions in the corporate bonds segment.

Recently, the RBI has significantly infused liquidity into the system, amounting to approximately INR 9 lakh crore, a level last seen during the Covid period. Additionally, the RBI aims to maintain liquidity over 1% of NDTL at all times. This will drive asset demand, benefiting the 3–6-year segment.

Furthermore, we believe the corporate bond segment will become more attractive due to the reduced supply of corporate bonds/CDs given the slowdown and the delay in implementing LCR guidelines.

The portfolio allocation would be based on prevailing market conditions and would be subject to changes depending on the fund managers views. Please refer SID for detailed asset allocation and investment strategy. In view of individual nature of tax consequences, each unit holder is advised to consult his/her own professional tax advisors. Investors are advised to check the portfolio of the scheme and consult their tax advisor to determine the taxation applicable.

Fund Suitability

An All-Seasons Proposition

Fund Suitability

Investors looking to benefit from debt-like stability with efficient taxation (12.5% LTCG after 2 years)*

Suitable for investors with an investment horizon of 2 years or more

Investors seeking a multi-manager model to reduce FM bias and diversify the risk emanating from any credit events

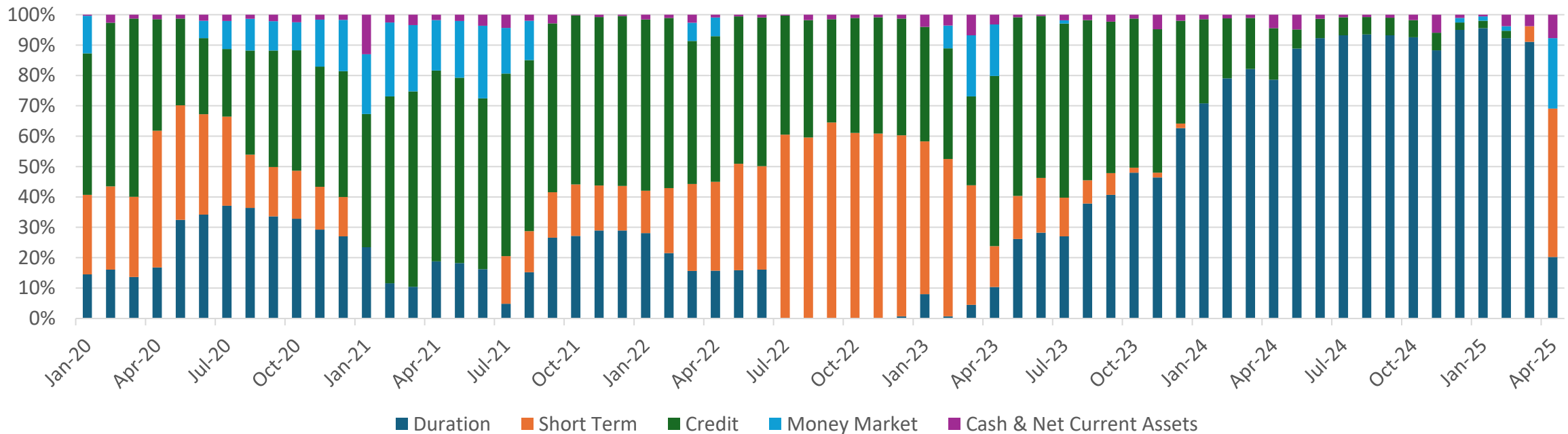
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Historical Asset Allocation

Active debt management through dynamic allocations to top performing strategies

The fund is dynamically managed, allowing us to adjust our asset allocation in response to changing market conditions. Since May-24, we had maintained over 85% of debt portfolio allocation* to duration strategy, however, we are gradually reducing duration and building positions in the corporate bonds segment (3-6 years) in line with current favorable demand-supply dynamics and OMOs, significant infusion of liquidity into the system by RBI and our view that corporate bond segment will become more attractive due to reduced supply of corporate bonds/CDs given the slowdown and delay in implementing LCR guidelines.

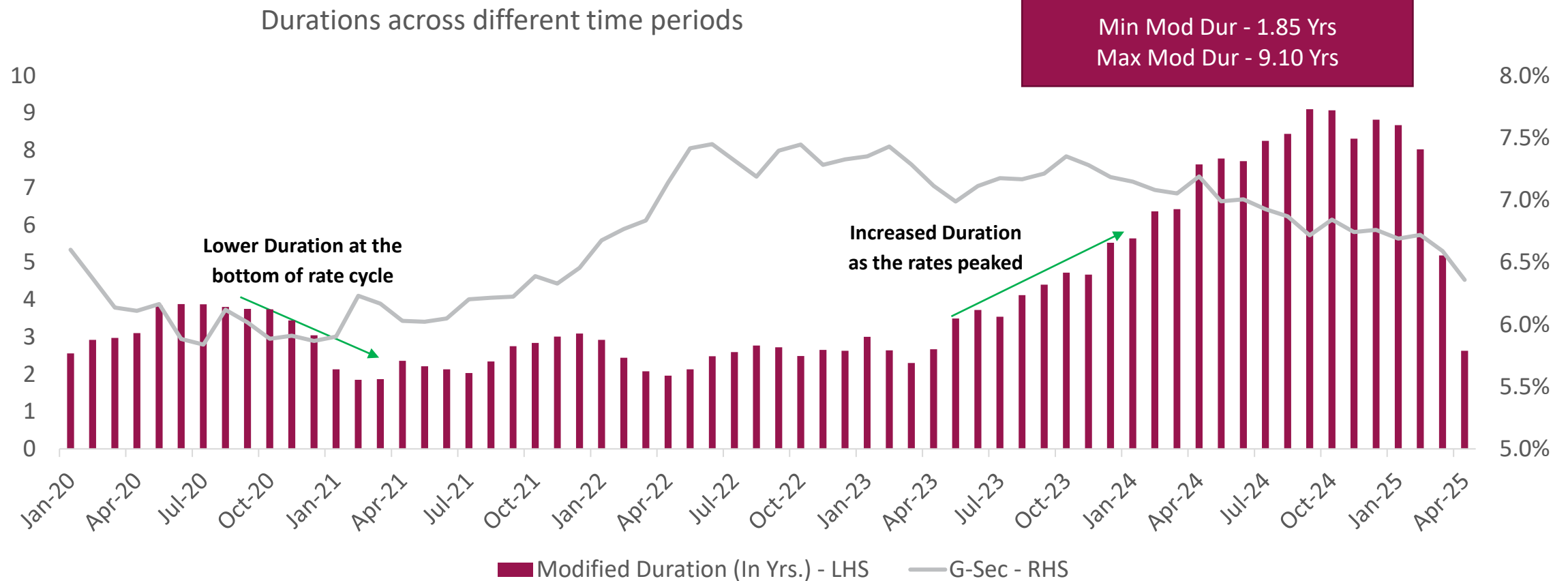
Jan'20 - Mar'25 (Allocation to different categories)



Source: Axis MF Internal Analysis. Data as on 30th Apr 2025. *w.e.f. May 9, 2025, investment in debt-oriented schemes will be restricted up to 65% of the portfolio. The above graph is for illustration purpose only. The above portfolio allocation would be based on prevailing market conditions and would be subject to changes depending on the fund managers views. Please refer SID for detailed asset allocation and investment strategy. For complete portfolio please refer to our website www.axismf.com.

Navigating through interest rate cycles

Playing duration to manage the impact of interest rate cycles



Source: Axis MF Internal Analysis. Data as on 30th Apr 2025. The above graph is for illustration purpose only. The above portfolio allocation would be based on prevailing market conditions and would be subject to changes depending on the fund managers views. Please refer SID for detailed asset allocation and investment strategy.

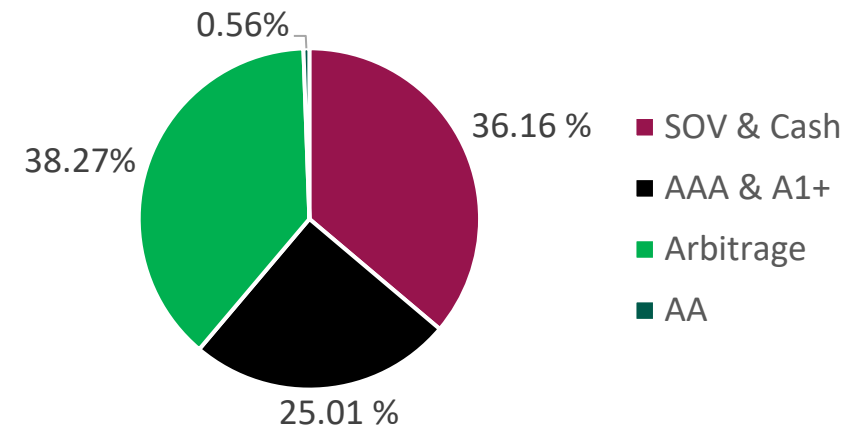
Portfolio Stats

As on 30th April 2025

Fund Name	% of NAV
Mutual Fund Units	
Axis Corporate Bond Fund	18.33%
Kotak Equity Arbitrage Fund	17.66%
Bandhan Arbitrage Fund	14.20%
Nippon India Corporate Bond Fund	10.84%
Axis Overnight Fund	10.84%
Axis Arbitrage Fund	6.41%
Axis Long Duration Fund	6.15%
Axis Ultra Short Duration Fund	3.46%
SBI Magnum Constant Maturity Fund	3.29%
Bandhan Government Securities Fund - Constant Maturity Plan	3.04%
Axis Floater Fund	1.01%
Net Current Assets	
Cash & NCAs	4.77%

Quants	
Average Maturity	4.53 Years
Modified Duration	2.67 Years
Mac Duration	2.70 Years
YTM	6.63%
Underlying Expenses	0.30%

Rating Allocation



The portfolio allocation would be based on prevailing market conditions and would be subject to changes depending on the fund managers views. Please refer SID for detailed asset allocation and investment strategy.

Key Scheme Details



Scheme Name

Axis Income Plus Arbitrage Active FOF[^]
(formerly known as Axis Income Advantage Fund of Funds)



Fund Manager

Devang Shah, Hardik Shah, Anagha Darade,
Karthik Kumar



Exit load

Nil



Benchmark

**65% NIFTY Composite Debt Index + 35% Nifty 50
Arbitrage TRI**



TER

0.05% (Direct), 0.45% (Regular)
(As on 08th May 2025)



Asset Allocation*

Units of Debt Oriented Mutual Fund Schemes: **50-65%**
Units of Arbitrage Funds: 35-50%
Money Market Instruments: 0-5%

Data as on 30th April 2025 ([^]w.e.f. 09th May 2025, the name of the fund has been changed to Axis Income Plus Arbitrage Active FOF).

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Performance

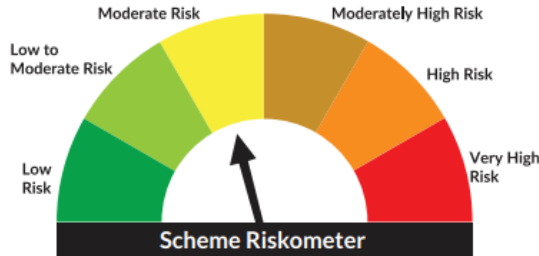
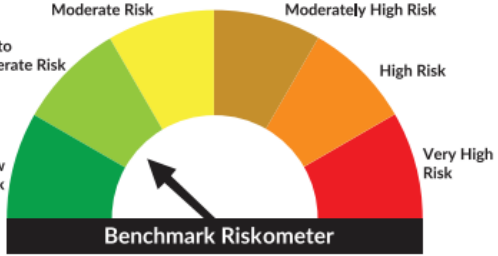
30th April 2025

		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 Income Plus Arbitrage Active FOF - Regular Plan – Growth*			10.82%	11,082	7.52%	12,433	7.14%	14,123	7.05%
65% NIFTY Composite Debt Index +35% Nifty 50 Arbitrage TRI (Benchmark)	28-Jan-2020		9.55%	10,955	7.54%	12,441	6.49%	13,698	6.68%
NIFTY 10 yr Benchmark G-Sec (Additional Benchmark)			12.58%	11,258	8.62%	12,822	5.48%	13,060	6.19%

- **Past performance may or may not be sustained in future.** Different plans have different expense structure. Returns greater than 1 year period are compounded annualized (CAGR).
- The performance of the fund may not be strictly comparable to its benchmark currently since the scheme did not have allocation to arbitrage strategies during the above-mentioned periods.
- W.e.f. 14th Feb 2025, the scheme is managed by Devang Shah, Hardik Shah, Anagha Darade and Karthik Kumar. Devang Shah is managing scheme since 1st February 2023, and he manages 22 schemes of Axis Mutual Fund, Hardik Shah is managing the scheme since 5th April 2024, and he manages 18 schemes of Axis Mutual Fund, Anagha Darade is managing the scheme since 5th April 2024, and she manages 1 schemes of Axis Mutual Fund, Karthik Kumar is managing the scheme since 14th Feb 2025, and he manages 21 schemes of Axis Mutual Fund.
- Refer https://www.axismf.com/cms/sites/default/files/Statutory/WDP_ANNEXURE_Apr%2025.pdf to view the performance of other schemes currently managed by the fund manager.
- Note: In case physical copy of this document is required, kindly take the printout from the above link to review the performance of other schemes managed by the fund managers.
- Calculations are based on Regular Plan - Growth Option NAV and Direct Plan - Growth Option NAV, as applicable. Face Value per unit: ₹10/-.

*Effective from 14th Feb 2025, benchmark of the fund has been changed to 65% NIFTY Composite Debt Index + 35% Nifty 50 Arbitrage TRI.

Product Labelling

Product Label	Scheme Riskometer	Benchmark Riskometer
<p>Axis Income Plus Arbitrage Active FOF</p> <p>(An open ended fund of funds scheme investing in debt oriented mutual fund schemes and arbitrage funds)</p> <p>Benchmark: 65% NIFTY Composite Debt Index +35% Nifty 50 Arbitrage TRI</p>	<p>Fund</p>  <p>Scheme Riskometer</p> <p>The risk of the scheme is moderate</p>	<p>65% NIFTY Composite Debt Index +35% Nifty 50 Arbitrage TRI</p>  <p>Benchmark Riskometer</p> <p>The risk of the benchmark is low to moderate</p>
<p>This product is suitable for investors who are seeking*</p> <ul style="list-style-type: none">• To generate optimal returns over medium term• Investment primarily in debt oriented mutual fund schemes and arbitrage funds <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>		

Statutory Details and Risk Factors

Data as on 30th April 2025 (unless otherwise specified).

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!