

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)



**For riskometer and Product Labelling, please refer slide no 15*

Fixed Income Market Outlook

2024: The Year of Duration

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

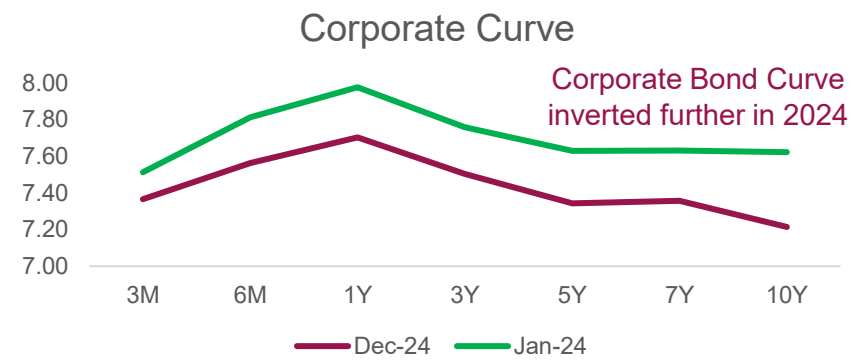
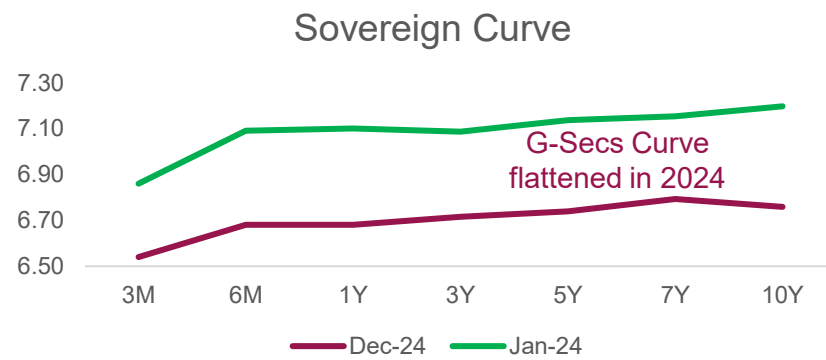
Inclusion in
JP Morgan
EM Bond
Index

Fiscal
Consolidation

Rate cut
expectations +
Tight banking
liquidity

**Long
Duration
Strategies**
outperformed

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



2025: The Year of Abundant Liquidity

Rally driven by liquidity

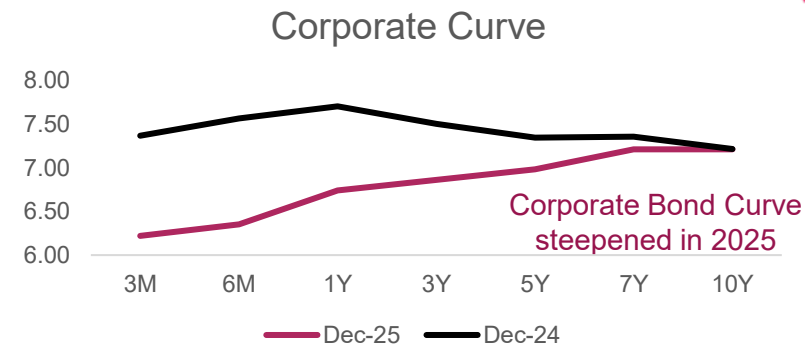
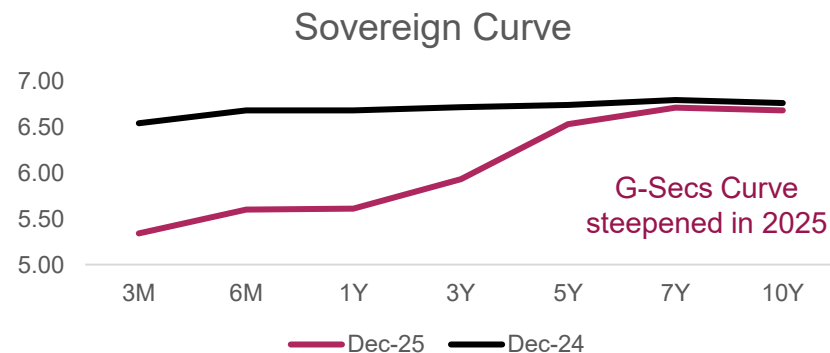
Monetary easing-
Lower GDP
and benign
CPI

Surplus
Liquidity

Steep Yield
Curve – fog
end of rate
cut cycle

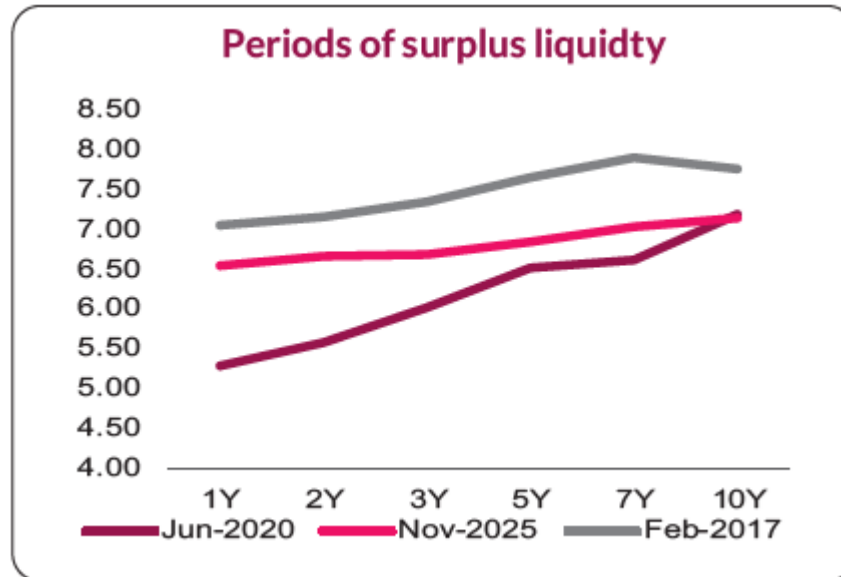
**3 – 5 year
corporate
bonds**
outperformed

G-Sec, SDL curves and Corporate Bond Curve Steepened



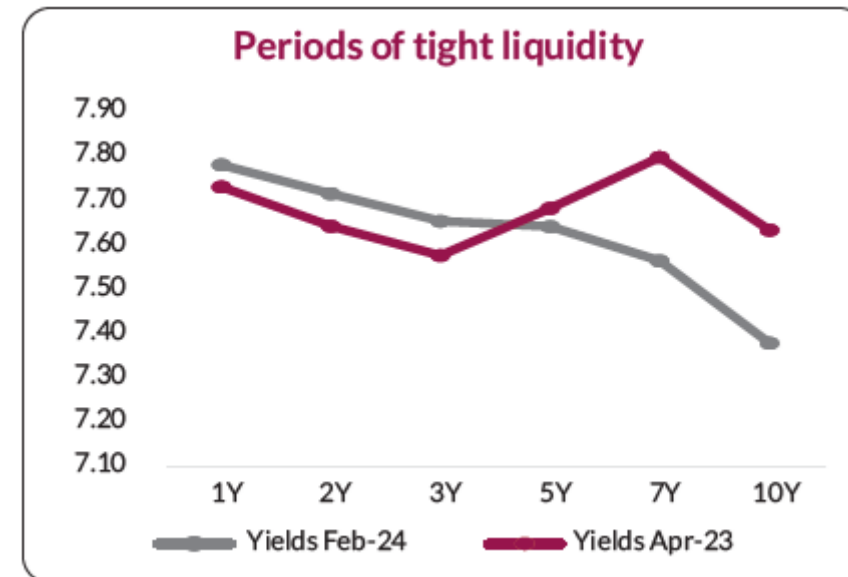
Yield Curve to flatten

Driven by neutral liquidity and increase in credit growth



Steep yield curve

Excess funds keep short-term rates suppressed



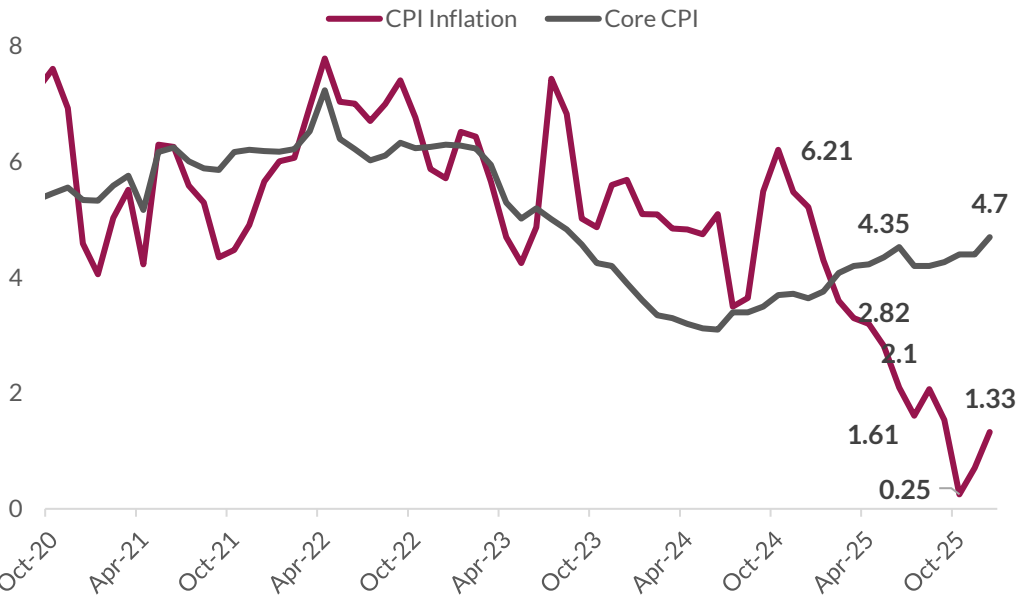
Flat yield curve

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

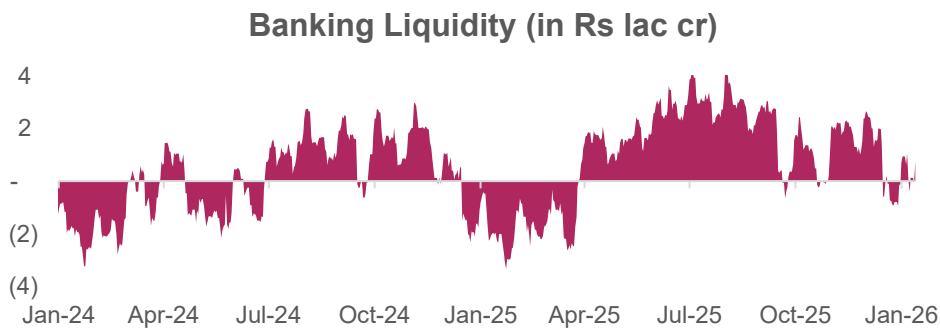
Tenure	GDP Growth Projection
FY22	9.7%
FY23	7.6%
FY24	9.2%
FY25	6.5%
FY26E	7.3% (upward bias)

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.

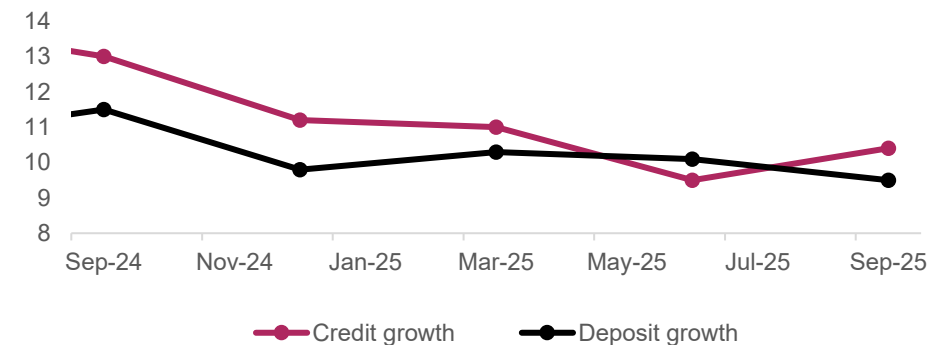
Best of Liquidity behind us?

RBI interventions will keep liquidity positive

Liquidity to remain positive till March 2026



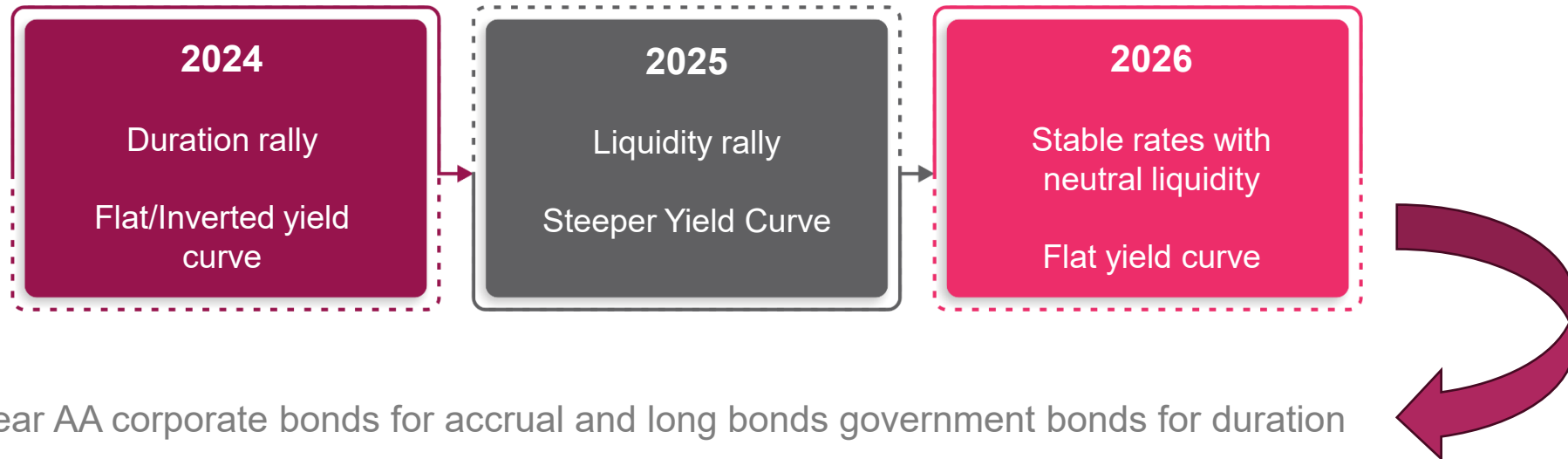
Credit growth accelerating



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



	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

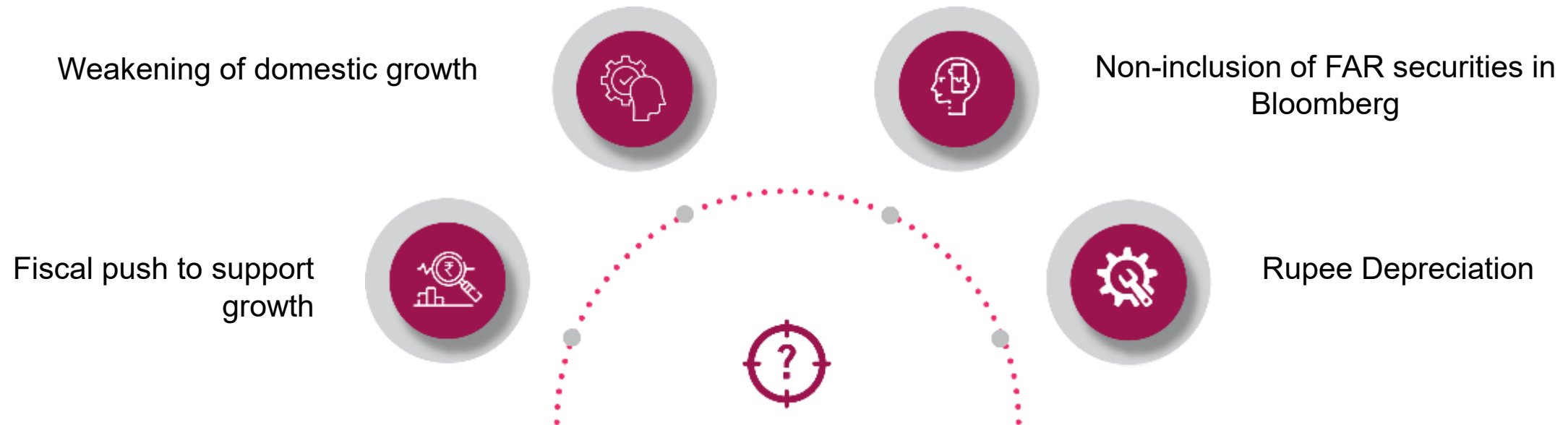
Accrual important in a lower rate regime

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

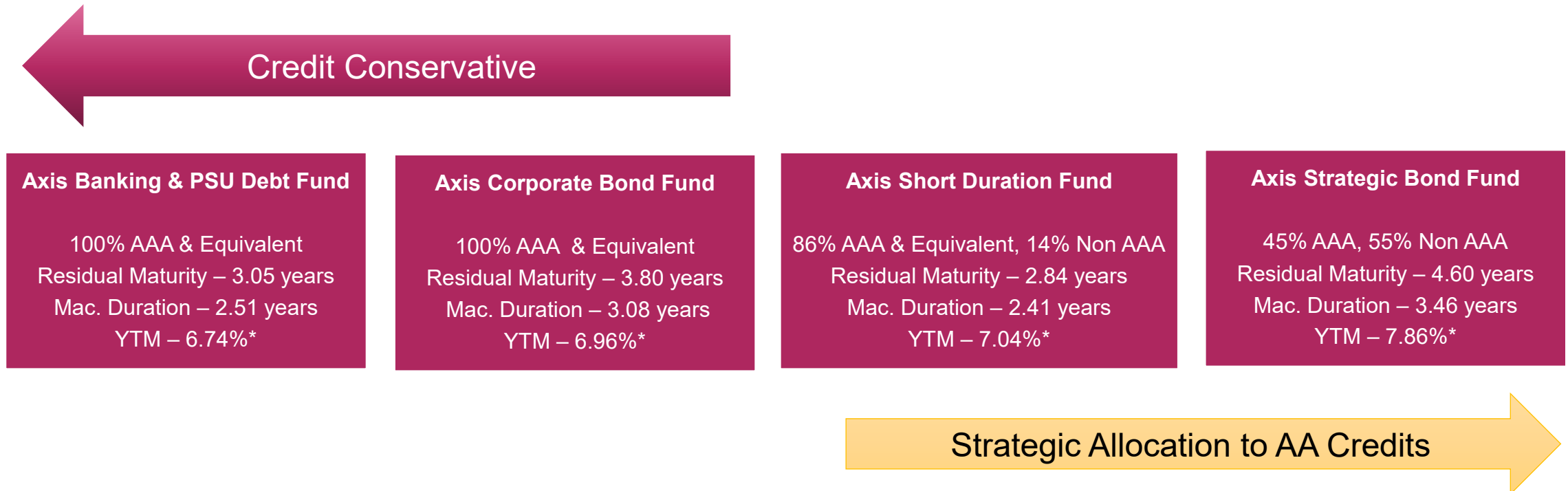


Axis Short Duration Fund

(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)

Product Offerings

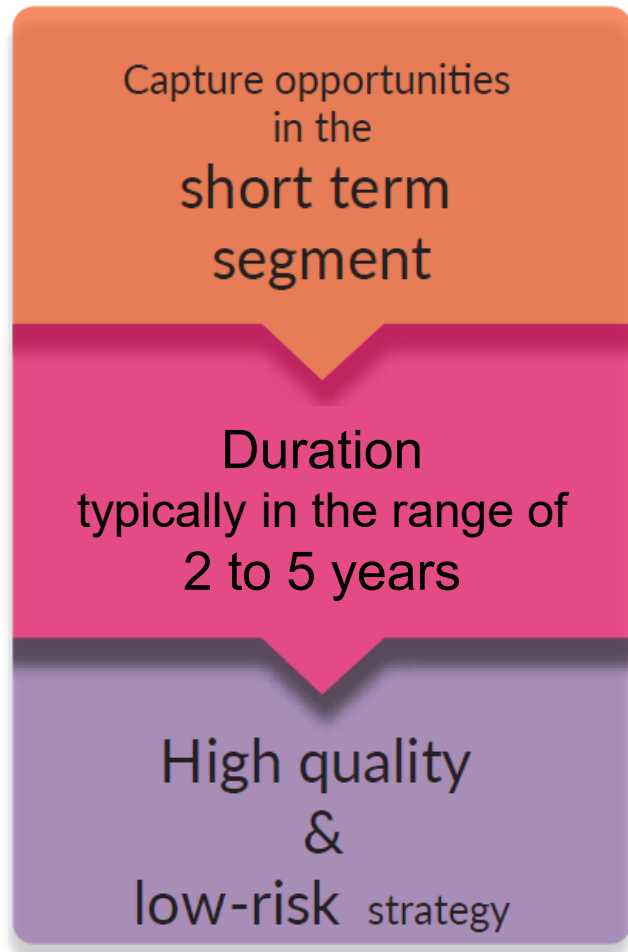
Fund Positioning



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. *The yield to maturity and Macaulay duration given above is based on the portfolio of funds As on 31st December 2025. 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.

Axis Short Duration Fund

An Introduction



- The fund is a combination of short duration as well as carry that can help mitigate interest rate risk and deliver a balanced return over a long run.
- Actively managed strategy with allocation primarily to 2 - 5 years corporate bonds and G-Secs, with no restriction on maturity of individual securities.
- The fund tracks corporate bonds, government securities and money market instruments' spreads and takes an active view on the rates and liquidity to decide the allocation.
- The fund maintains a high proportion of AAA/SOV/A1+ & equivalents assets in the portfolio.
- Long term rating: Sub AAA assets (excl bank CDs) $\leq 20\%$, no exposure to below AA rated assets.

Fund Positioning

31st December 2025

Duration in the range of 1 to 3 years

High quality & moderate-risk strategy

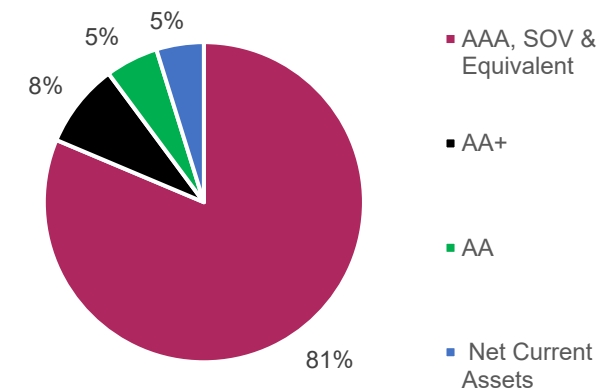
Capture opportunities in the short-term segment

Medium term horizon

Portfolio Characteristics

Average Maturity	2.84 years
Macaulay Duration	2.41 years
Modified Duration	2.29 years
Yield to Maturity [^]	7.04%

Rating Profile



Data As on 31st December 2025. Allocation & maturity is based on the current market conditions and is subject to changes depending on the fund manager's view of the markets. [^]The yield to maturity given above is based on the portfolio of funds as on date given above. This should not be taken as an indication of the returns that maybe generated by the fund and the securities bought by the fund may or may not be held till their respective maturities. The calculation is based on the invested corpus.

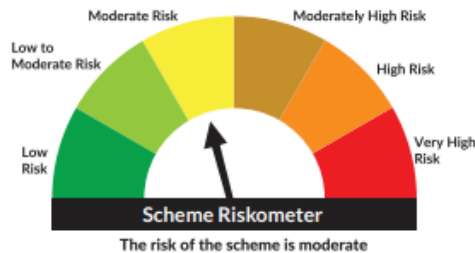
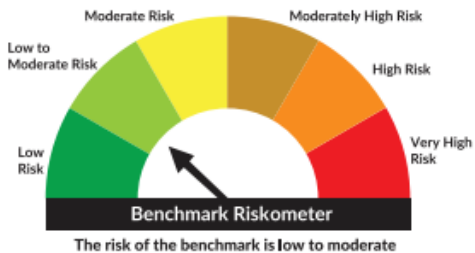
Performance

31st December 2025


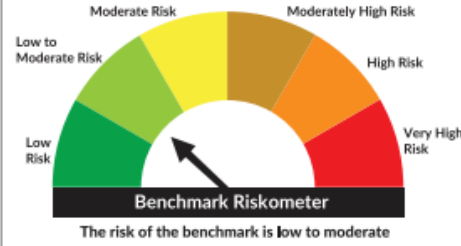
	1 Year		3 Year		5 Year		Since Inception		
	Inception	CAGR (%) Current Value of investment of Rs. 10,000	CAGR (%) Current Value of investment of Rs.10,000	CAGR (%) Current Value of investment of Rs.10,000	CAGR (%) Current Value of investment of Rs. 10,000	CAGR (%) Current Value of investment of Rs. 10,000			
Axis Short Duration Fund - Regular Plan – Growth		8.05%	10,805	7.60%	12,463	5.98%	13,373	7.54%	31,893
NIFTY Short Duration Debt Index A-II (Benchmark)	22-Jan-10	7.27%	10,727	7.35%	12,374	5.79%	13,254	7.47%	31,543
NIFTY 10 yr Benchmark G-Sec (Additional Benchmark)		6.85%	10,685	8.14%	12,651	5.17%	12,871	6.38%	26,819

Past performance may or may not be sustained in future. Since inception (22 January 2010). Different plans have different expense structure. Devang Shah is managing the scheme since 5th November 2012 and he manages 23 schemes of Axis Mutual Fund & Aditya Pagaria is managing the scheme since 3rd July 2023 and he manages 25 schemes of Axis Mutual Fund. Returns greater than 1 year are Compounded Annual Growth Rates (CAGR). Face Value per unit is Rs 10. 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)																								
<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>*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>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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Product Labelling

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<p>Axis Banking & PSU Debt Fund</p> <p>(An Open Ended Debt Scheme Predominantly Investing In Debt Instruments Of Banks, Public Sector Undertakings & Public Financial Institutions. A relatively high interest rate risk and moderate credit risk.)</p> <p>Benchmark: Nifty Banking & PSU Debt Index A-II</p>	<p>This product is suitable for investors who are seeking*</p> <ul style="list-style-type: none">Regular income over short to medium term.Investment in debt and money market instruments issued by Banks, PFIs & PSUs. <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>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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Product Labelling

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<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><ul style="list-style-type: none">Regular income over short to medium termPredominantly investing in corporate debt</div> <div>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them</div>	<div></div> <div>Scheme Riskometer</div> <div>The risk of the scheme is moderate</div>	<div></div> <div>Benchmark Riskometer</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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Product Labelling

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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</p>	<p>This product is suitable for investors who are seeking*</p> <ul style="list-style-type: none">• Optimal returns over medium term• 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>			<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

