

Axis Treasury Advantage Fund

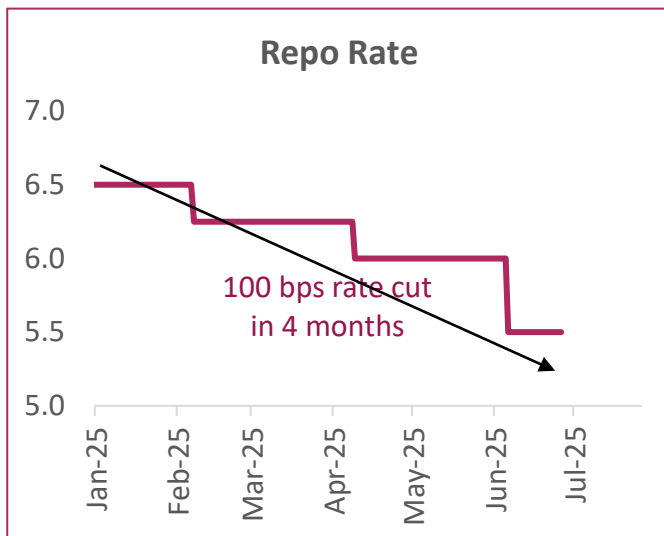
(An open ended low duration debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 6 to 12 months. A relatively high interest rate risk and moderate credit risk)

Fixed Income Market Update

Lower for Longer

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%

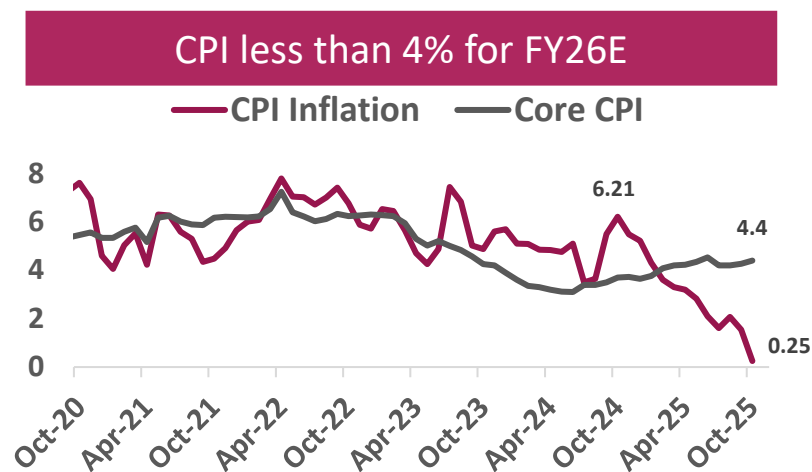
GST reforms expected to **lower Inflation by 50-70 bps**

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.



Inflation falls below 2% - Headline inflation eased to 1.54% in September vs 2.07% in August supported by a favourable base effect and continued moderation in food prices.



Looking ahead, with limited scope for further aggressive rate cuts, we expect the RBI to maintain its accommodative liquidity stance (+1% NDTL).



Uncertainty around tariffs and expectations of a softer inflation trajectory—partly due to anticipated GST rate rationalization—have created room for additional rate cut.



Significant part of the bond market rally is behind us and expect macro indicators like GDP, CPI to remain soft for FY26

Axis Treasury Advantage Fund

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Portfolio Construction

Discipline is the key

DIVERSIFICATION



- Cautious at selecting sectors
- Diversifying the exposure to manage potential risk
- Strict issuer/rating limits

CREDIT PLAY DIFFERENT FROM DURATION PLAY



- Pure accrual play with buy and hold approach
- No active duration call in lower rated papers

VALUATION



- Look at credit exposure only during favorable valuation scenario

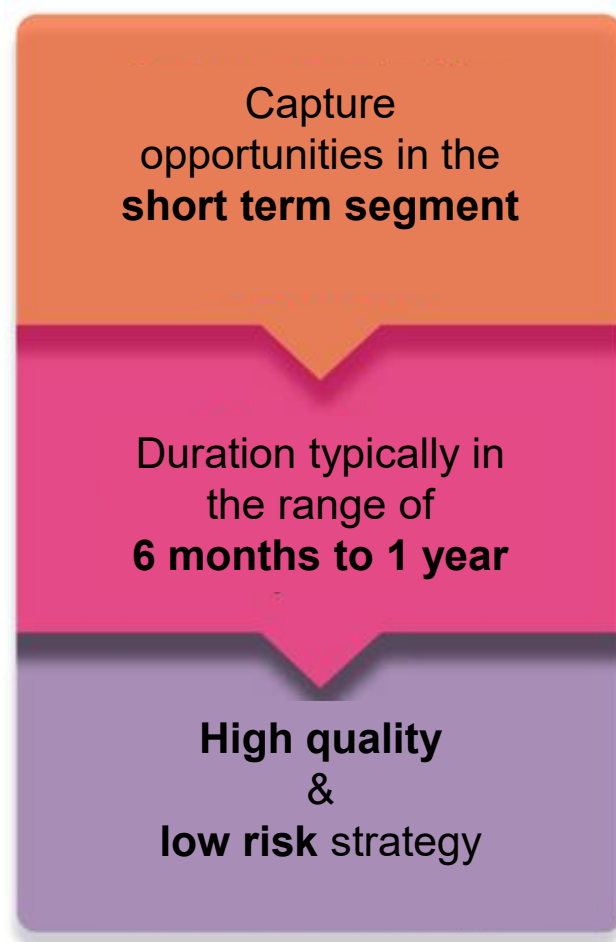
Risk Management

- Tight Duration Range (3 years)
- Stringent credit review
- Control credit risk through diversification and strict limits on issuer weighting based on rating

Risk Mitigation Framework

Sector	Credit	Diversification	Duration	Liquidity
<ul style="list-style-type: none">• Controlled through diversification and stringent review of investable sectors;• Regulatory limits on sector Exposure	<ul style="list-style-type: none">• Focus on High Quality Issuer• Investment universe based on credit research	<ul style="list-style-type: none">• Exposure to each issuer limited by its rating	<ul style="list-style-type: none">• Strictly adhere to duration limits specified by the investment mandate & investment policy	<ul style="list-style-type: none">• Liquidity/impact cost part of security selection/portfolio construction. <p>Optimize balance of credit quality, returns and liquidity</p>

Axis Treasury Advantage Fund



- The fund is well diversified with a portfolio mix of corporate bonds, certificate of deposits, commercial papers and government bonds.
- The fund will typically maintain duration in the range of 6 months to 1 year.
- Fund tracks corporate bond and Money market instruments spreads closely while making its allocations.
- The fund is likely to benefit from steepness of the rate/liquidity curve and its high accrual vs Money Market Funds.
- Long term rating: Sub AAA assets (excl. bank CDs) $\leq 20\%$, no exposure to below AA rated assets.
- The fund is ideally positioned for the current interest rate environment and has added duration to the portfolio as interest rate hike cycle has peaked.

Fund Positioning

31st October 2025

Duration in the range of 1 year

High quality & low-risk strategy

Capture opportunities in the short-term segment

Medium term horizon

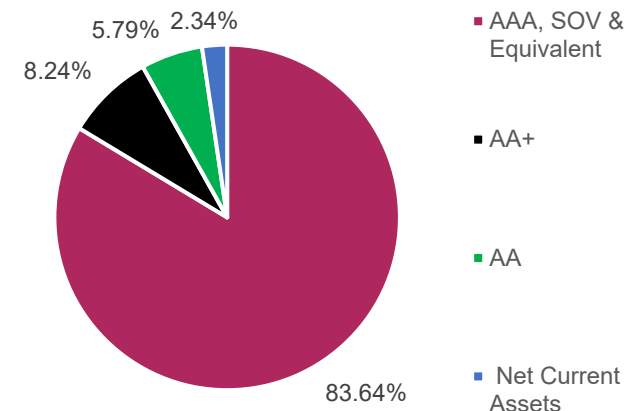
Portfolio Characteristics

Residual Maturity	383 days
Macaulay Duration	344 days
Modified Duration	325 days
Annualized Portfolio YTM [^]	6.68%

Allocation

AAA, SOV & Equivalent	83.64%
AA+/AA	14.02%
Net Current Assets	2.34%

Rating Profile



Allocation & maturity is based on the current market conditions and is subject to changes depending on the fund manager's view of the markets. [^]In case of semi-annualized YTM, it will be annualized. 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. For additional details, refer SID/KIM on our website www.axismf.com

Performance

31st October 2025

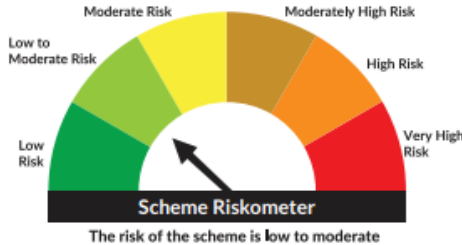
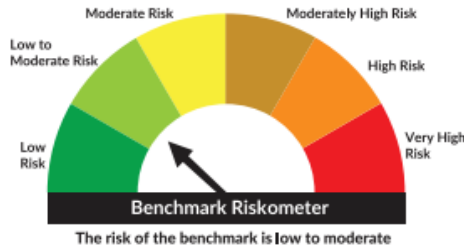
	1 Year			3 Year		5 Year		Since Inception	
	Inception	CAGR (%)	Current Value of investment of Rs. 10,000	CAGR (%)	Current Value of investment of Rs.10,000	CAGR (%)	Current Value of investment of Rs. 10,000	CAGR (%)	Current Value of investment of Rs. 10,000
Axis Treasury Advantage Fund - Regular Plan - Growth		7.70%	10,770	7.44%	12,406	6.00%	13,388	7.43%	31,653
NIFTY Low Duration Debt Index A-I (Benchmark)	9-Oct-09	7.35%	10,735	7.44%	12,404	5.83%	13,282	7.36%	31,293
NIFTY 1 Year T-Bill Index (Additional Benchmark)		6.79%	10,679	6.90%	12,219	5.58%	13,128	6.50%	27,503

Past performance may or may not be sustained in future. Different plans have different expense structure. Devang Shah is managing the scheme since 7th June 2016 and he manages 21 schemes & Aditya Pagaria is managing the scheme since 13th August 2016 and he manages 22 schemes.

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. Returns greater than 1 year are Compounded Annual Growth Rates (CAGR). Face Value per unit is Rs 1,000. 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 Treasury Advantage Fund</p> <p>(An open ended low duration debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 6 to 12 months. A relatively high interest rate risk and moderate credit risk)</p> <p>Benchmark: NIFTY Low Duration Debt Index A-I</p>	<p>This product is suitable for investors who are seeking*</p> <ul style="list-style-type: none">Regular income 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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Statutory Details and Risk Factors



Data updated As on 31st October 2025

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.

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

Thank You

