

# Axis Multicap Fund – Three years of wealth creation Journey

(An open ended equity scheme investing across large cap, midcap, small cap stocks)

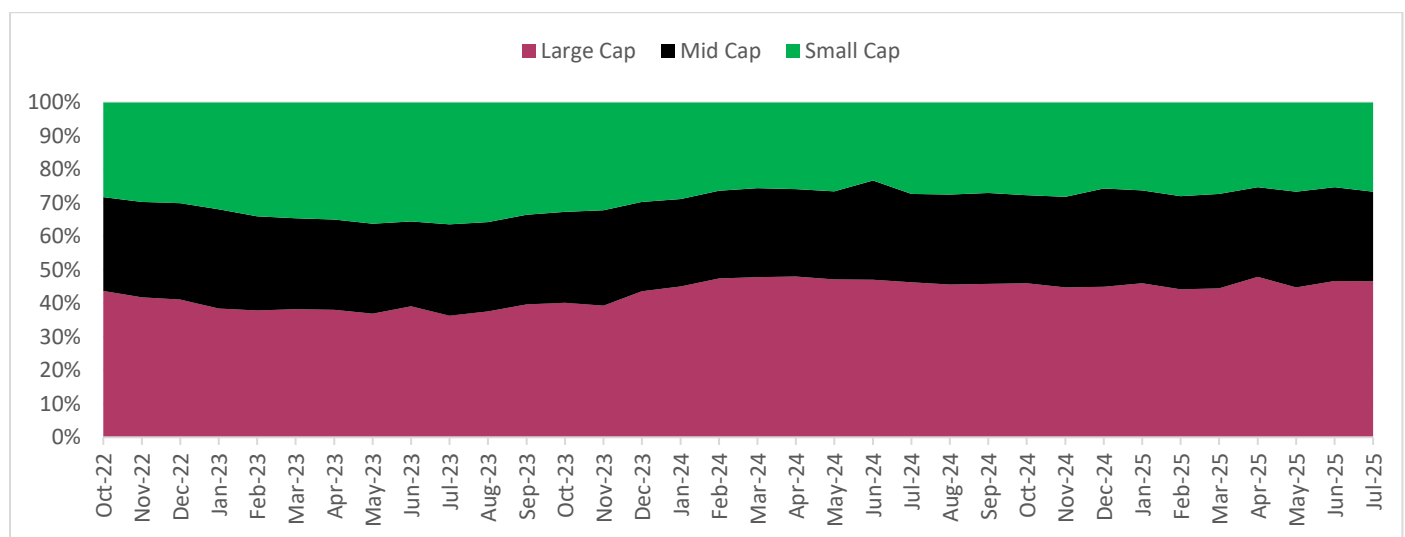
Fund Manager: Mr. Nitin Arora, Mr. Shreyash Devalkar & Mr. Hitesh Das

## Investment approach

- Investment across the entire market capitalization curve and in a disciplined manner
- Target companies that have the potential to become leaders
- Aims to capture opportunities moving from unorganized to organized
- Aims to capture the ideas regardless of size
- Target leaders or challengers in respective market segments

## How the fund is being managed?

True to its name and mandate, the Fund has invested across the market capitalization curve taking active calls to shift between the market caps based on Fund Manager's views.



Source: Axis MF Research and ACE MF, data updated on 31<sup>st</sup> July 2025.

Since its inception, the fund has increased its allocation to small-cap stocks, reaching a peak of 36% by late 2023. However, this allocation has since been reduced to 25%-26% in last one year. Over the last year, exposure to small cap has come off on account of two aspects:

- Small cap stocks moving up the curve into Mid cap segment.
- We have also actively trimmed our allocation in the small cap segment, as we believe high-quality mid and small caps have turned expensive and large caps are more compelling investment.

Similarly, the fund initially allocated ~50% to large-cap stocks but decreased this allocation throughout 2022 and 2023. In 2024, the fund began to increase its large-cap allocation once again.

The valuation in Mid and Small cap stocks continue to remain high. Currently, the Midcap 1 yr fwd PE is at +1 SD while that of the Smallcap is above +2 SD\*. Earnings growth has remained weak in the current earning session. However, valuation in large cap is less of a concern and hence it is an attractive space. Accordingly, the fund holds 46% in large cap, 27% in midcap and 26% in Smallcap, diversified across 121 stocks.

Data updated on 31<sup>st</sup> July, 2025. \*Source: Bloomberg. 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.

## Fund Positioning– Portfolio Changes

The fund focuses on high-conviction ideas across market caps and has dynamically adjusted its sector allocations to capitalize on market opportunities. We believe that market is currently in a consolidation phase, with selected pockets of opportunity. The fund accordingly increased its allocation to high conviction stocks/themes. This reflects in top 5 holding which increased from 16% to 19% in last one year. As market experienced both performance cycle in last one year, we believe market dynamics have completely changed, it's no longer broad-based market with multiple themes working. Rather this is more stock specific market. The fund has also changed its positioning in line with it. Fund has largely increased its positioning in banks and electronic equipment's. We have strong conviction in Leisure services, healthcare services, Pharma and Retails.

Sector	Jul-25	BM	OW/UW
Electrical Equipment	8.0%	2.3%	5.6%
Auto Components	5.7%	2.8%	2.9%
Healthcare Services	5.2%	2.4%	2.8%
Commercial Services & Supplies	2.7%	0.5%	2.2%
Retailing	4.5%	2.3%	2.2%
Industrial Manufacturing	2.8%	0.9%	1.8%
Consumer Durables	4.8%	3.4%	1.4%
Realty	2.8%	1.5%	1.2%
Leisure Services	2.3%	1.3%	1.0%
Pharmaceuticals & Biotechnology	7.0%	6.0%	1.0%
Household Products	1.0%	0.1%	0.8%
Transport Services	1.6%	1.1%	0.5%
Miscellaneous	0.3%	0.0%	0.3%
Aerospace & Defense	1.5%	1.2%	0.3%
Fertilizers & Agrochemicals	1.4%	1.1%	0.3%
Chemicals & Petrochemicals	2.5%	2.4%	0.1%
Textiles & Apparels	0.5%	0.5%	(0.0%)
Beverages	0.7%	0.8%	(0.0%)
Banks	16.1%	16.3%	(0.1%)
Financial Technology (Fintech)	0.5%	0.7%	(0.2%)
Agricultural Food & other Products	0.9%	1.0%	(0.2%)
Personal Products	0.4%	0.8%	(0.4%)
Non - Ferrous Metals	0.3%	0.7%	(0.4%)
Cement & Cement Products	1.4%	1.8%	(0.4%)
Telecom - Services	2.2%	2.8%	(0.6%)
Ferrous Metals	0.4%	1.4%	(1.0%)
Automobiles	2.4%	3.4%	(1.0%)
Insurance	0.5%	1.6%	(1.1%)
Petroleum Products	3.3%	4.4%	(1.1%)
IT - Software	5.6%	6.7%	(1.1%)
Capital Markets	2.2%	3.4%	(1.2%)
Construction	1.4%	2.8%	(1.4%)
Diversified FMCG	0.8%	2.2%	(1.4%)
Industrial Products	0.9%	3.2%	(2.3%)
Power	0.5%	2.9%	(2.5%)
Finance	3.3%	6.7%	(3.4%)

Disclaimer: Exposure as % of Net assets. Data updated on 31st July 2025. Source: Factset. 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.

## Portfolio Action

The fund uses bottom-up stock selection process and invest in high quality and high ROE businesses with steady earnings (large caps) and with a blend of niche companies as well as scalable business models backed by strong fundamentals (mid & small caps).

Our PE ratio in comparison to the benchmark is optically high mainly on account of a few stocks in the portfolio that have a significantly high current PE like PB Fintech, Hitachi, Jubliant Foodworks, Eternal etc. However, the fund also boasts higher earnings and similar ROE, indicating stronger potential profitability and efficiency.

Parameter	Fund	Benchmark
P/E using Fwd1 yr Est	23.2	22.2
Est Fwd1 yr EPS Growth	18	11
ROE Fwd1 yr Est	13.9	14.2

Data Updated on 31<sup>st</sup> July, 2025. Source: Internal Sector(s) / Stock(s) mentioned above are for the purpose of disclosure of the portfolio of the Scheme(s) and should not be construed as a recommendation. The fund manager(s) may or may not choose to hold the stock mentioned, from time to time. The fund manager(s) may or may not choose to hold the stock mentioned, from time to time.

## What worked for Fund?

The market rebound was primarily led by momentum stocks—those that had experienced sharp declines during the earlier fall. As these stocks bounced back, the fund saw some short-term impact, as it stick to its quality style. Despite this temporary pressure, the fund’s long-term outlook remains robust.

In Comparison to the benchmark, a large portion of our portfolio’s outperformance can be attributed to the selection effect. Our stock selection particularly in the capital goods, services and healthcare segment has positively contributed to our performance.

Sectors	
Top Alpha Generators – 1 Yr	Top Detractors – 1 Yr
Capital Goods	Financial Services
Services	Realty
Healthcare	FMCG
Consumer services	
Automobile And Auto Components	
Stocks	
Top Alpha Generators – 1 Yr	Top Detractors – 1 Yr
Fortis Healthcare Ltd.	Kotak Mahindra Bank Limited
GE Vernova T&D India Limited	Granules India Limited
Kaynes Technology India Ltd.	Brigade Enterprises Limited
Multi Commodity Exchange of India Limited	HDFC Bank Limited
Solar Industries India Limited	Laurus Labs Ltd.

Data as on 31st July 2025. Exposure as % of Net assets. Source: Factset. Sector(s) / Stock(s) mentioned above are for the purpose of disclosure of the portfolio of the Scheme(s) and should not be construed as a recommendation. The fund manager(s) may or may not choose to hold the stock mentioned, from time to time. The fund manager(s) may or may not choose to hold the stock mentioned, from time to time. please refer <https://www.axismf.com/statutory-disclosures> for detailed portfolio of the scheme.

## Way Forward

As expected, global economy focus has shifted to evolving geopolitical tensions, the impact of policy changes and tariff implementation. We believe at this juncture; impact of the global events is highly unpredictable. We believe that domestic growth stories will remain resilient, especially for companies delivering strong earnings growth. Portfolio tilt is towards companies with higher dependence on domestic markets/consumers and expanding addressable market opportunities.

## Performance Snapshot:

Fund Name	Date of inception	1 Year		3 Years		Since Inception	
		CAGR (%)	Point-to-Point returns on Standard Investment of Rs. 10,000/-	CAGR (%)	Point-to-Point returns on Standard Investment of Rs. 10,000/-	CAGR (%)	Point-to-Point returns on Standard Investment of Rs. 10,000/-
Axis Multicap Fund - Regular Plan (G)	17-Dec-21	2.36%	10,236	22.84%	18,567	17.17%	17,750
Nifty 500 Multicap 50:25:25 TRI (BM)		-1.86%	9,814	20.00%	17,305	16.04%	17,142
Nifty 50 TRI (Additional BM)		0.54%	10,054	14.29%	14,946	12.35%	15,247

Data as on 31<sup>st</sup> July, 2025. Past performance may or may not be sustained in future. Since Inception – 17<sup>th</sup> December 2021. Different plans have different expense structure. Nitin Arora is managing the scheme since 26th May 2023 and he manages 4 schemes of Axis Mutual Fund & Shreyash Devalkar is managing the scheme since 1st March 2023 and he manages 7 schemes of Axis Mutual Fund & Hitesh Das is managing the scheme since 26th May 2023 and he manages 4 schemes of Axis Mutual Fund. Returns greater than 1 year period are compounded annualised (CAGR). Face Value per unit : ₹10.. Please refer to the link below for returns of all the schemes managed. **Please click on [https://www.axismf.com/cms/sites/default/files/Statutory/WDP\\_Annexure\\_Jul.pdf](https://www.axismf.com/cms/sites/default/files/Statutory/WDP_Annexure_Jul.pdf) to view the performance of other schemes currently managed by the fund managers.** 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 & Disclaimers

<b>Axis Multicap Fund</b> (An open ended equity scheme investing across large cap, mid cap, small cap stocks) <b>Benchmark:</b> NIFTY 500 Multicap 50:25:25 TRI	
This product is suitable for investors who are seeking* <ul style="list-style-type: none"> <li>Capital appreciation over long term</li> <li>Investment in a portfolio of large, mid and small cap equity and equity related securities.</li> </ul> *Investors should consult their financial advisers if in doubt about whether the product is suitable for them.	
<b>Riskometer</b>	
<b>Fund</b>	<b>NIFTY 500 Multicap 50:25:25 TRI</b>
<p><b>Scheme Riskometer</b> The risk of the scheme is very high</p>	<p><b>Benchmark Riskometer</b> The risk of the benchmark is very high</p>

Past performance may or may not be sustained in the future. Instruments and companies mentioned may or may not form part of the portfolio and are subject to the discretion of the fund manager and the fund's current investment strategy. The note should not be treated as a recommendation and investors are advised to consult their financial advisers with regards to the suitability of the product in their financial portfolio. Data updated as on 31st July 2025. Axis Bank Ltd. is not liable or responsible for any loss or shortfall resulting from the operation of the schemes. This document represents the views of Axis Asset Management Co. Ltd. and must not be taken as the basis for an investment decision. Neither Axis Mutual Fund, Axis Mutual Fund Trustee Limited nor Axis Asset Management Company Limited, its Directors or associates shall be liable for any damages including lost revenue or lost profits that may arise from the use of the information contained herein. No representation or warranty is made as to the accuracy, completeness or fairness of the information and opinions contained herein. The AMC reserves the right to make modifications and alterations to this statement as may be required from time to time.

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