

Axis Dynamic Bond Fund

(An open-ended dynamic debt scheme investing across duration. A relatively high-interest rate risk and moderate credit risk)

Effective 26th August 2026, the name of the fund will be changed to Axis Dynamic Term Fund.



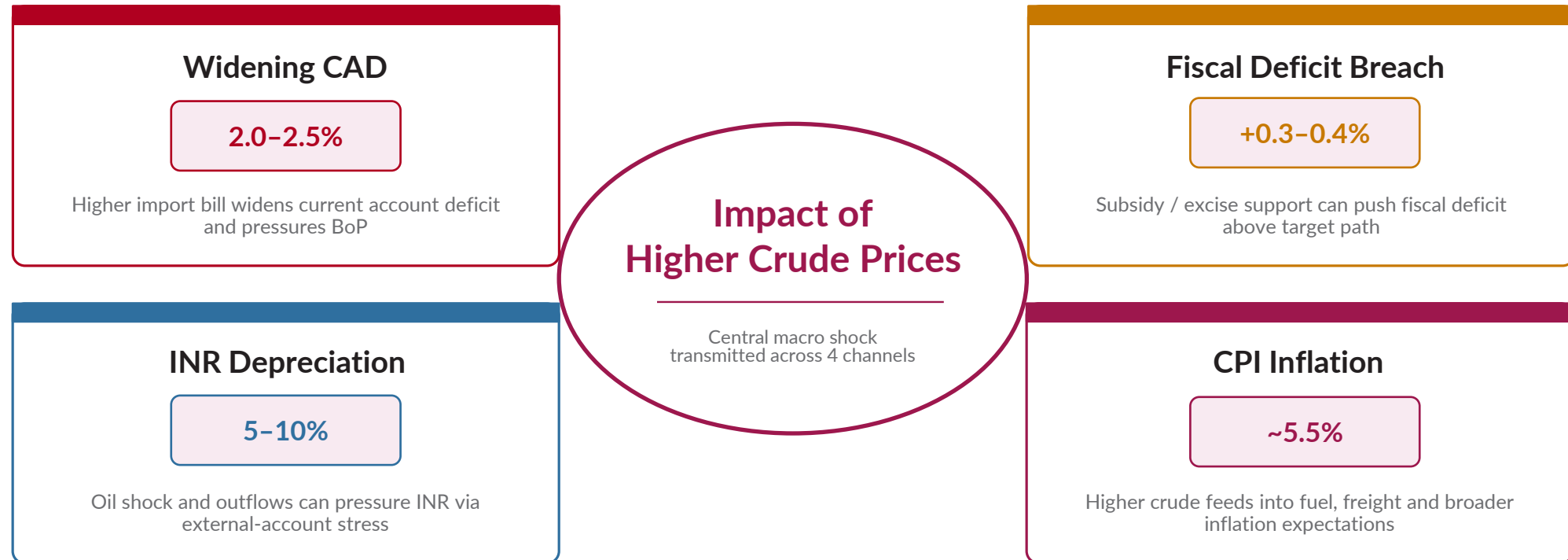
Registration Number: MF/061/09/02

**For riskometer and Product Labelling, please refer slide no 18.*

Fixed Income Market Outlook

Higher Crude Prices put a crack on macros **AXIS ASSET MANAGEMENT**

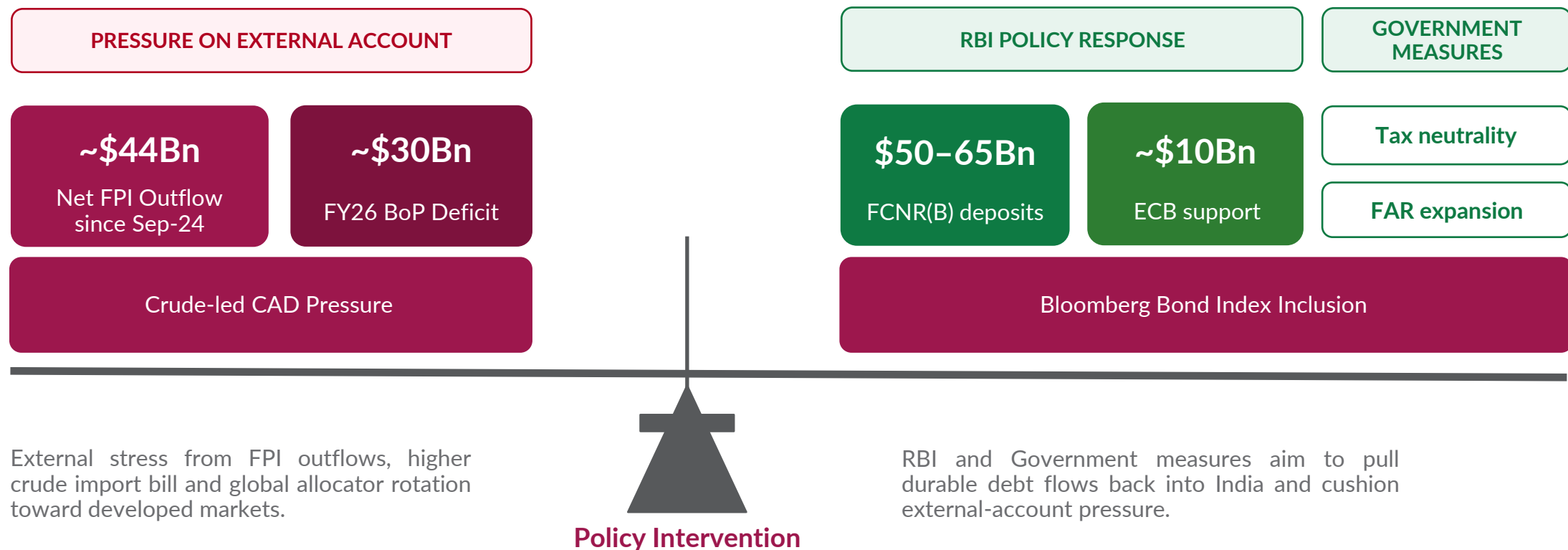
Every \$10/bbl rise adds ~50bps to CPI and ~27bps to the fiscal deficit; higher crude widens CAD and weakens BoP



Crude below \$90/bbl keeps the BoP equation manageable; a move toward \$100/bbl materially widens CAD to ~2.2% of GDP and turns BoP negative.

A Master Stroke from the Regulator

Coordinated RBI and Government measures in response to widening external gap



RBI's approach to attracting capital inflows is both timely and appropriate, and India's inclusion into Bloomberg Global Aggregate Bond Index; we expect these measures to collectively attract inflows to the tune of ~\$80-100Bn

RBI measures Keep Ample Banking Liquidity



Oil remains the key trigger for any RBI liquidity absorption measures

Change in Durable Liquidity (July-Dec 2026, in INR Cr.)

	Net Durable Liquidity as of June 2026	500,000
Outflows	Currency In circulation Growth (July- Dec 2026 Seasonal trend)	(100,000)
	Increase in CRR maintenance on Deposit Growth (3% on 12 Lacs Cr.)	(40,000)
	FX intervention (\$40Bn FX forward Maturity up to 3 months)	(380,000)
Inflows	FCNR + ECB Deposit Mobilization (Assumed \$65Bn)	617,500
	Closing Durable Liquidity as of Dec 2026	597,500
	Durable Liquidity required as per 1% of NDTL liquidity	250,000
	Excess Liquidity	3,47,500

- Policy measures to bring in foreign flows have improved the liquidity outlook
- If oil prices remain above \$90/ bbl, BoP drain can wipe out excess liquidity (around \$30/35Bn)
- Any measures to absorb excess liquidity by RBI (OMO sales, CRR hike) likely to be contingent on inflationary risks (crude, el-nino)

Market Concerns & Volatility

Oil and US policy risks to be key drivers of market volatility

Potential headwinds: oil risk premium ion and a hawkish Fed-led global yield volatility

OIL

Crude-led Volatility

MOU breached

- Brent moved from ~\$70 to above \$90 levels
- Hormuz risk premium is back

Raises inflation risk and limits room for policy easing

FED

Fed & Global Yields

Policy uncertainty

- New Fed Chair, policy pivot uncertainty and sticky inflation keep markets on edge
- US 10Y yields touched 4.62%

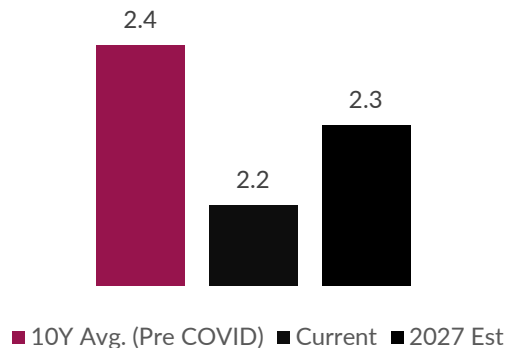
Higher global yields can cap FI and risk-asset rallies

Crude-led Volatility

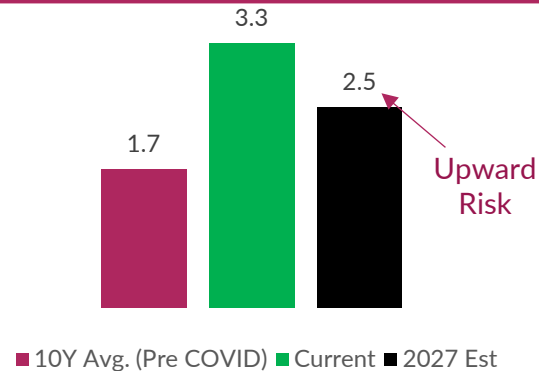
Will Crude go above \$100/bbl, again?

Why US can't afford a prolonged war

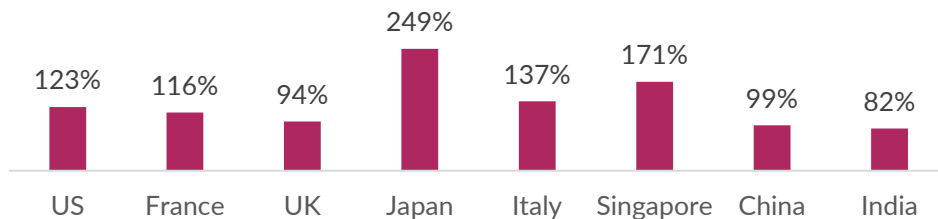
Moderating GDP growth



Inflation sticky



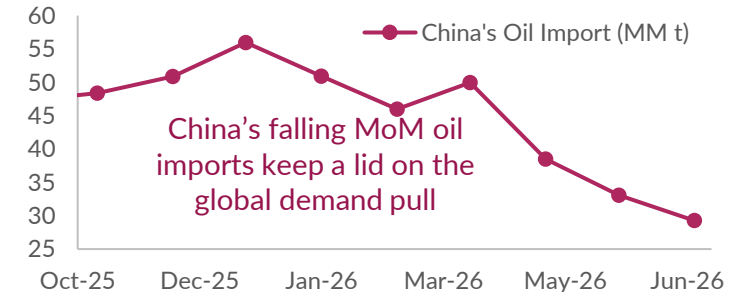
High Debt remain a concern



2026 Midterm Elections

A sustained energy-price shock is politically costly for US heading into 2026 midterms

China — A Demand Stabiliser



Supply Glut Building: Venezuela & OPEC+

- CY27 supply could outpace demand by ~5%
- Pre-war excess (~3.0) + UAE (post-OPEC exit) (+1.4) + Venezuela (+0.6)
- OPEC ramp-up adds further ~0.3%

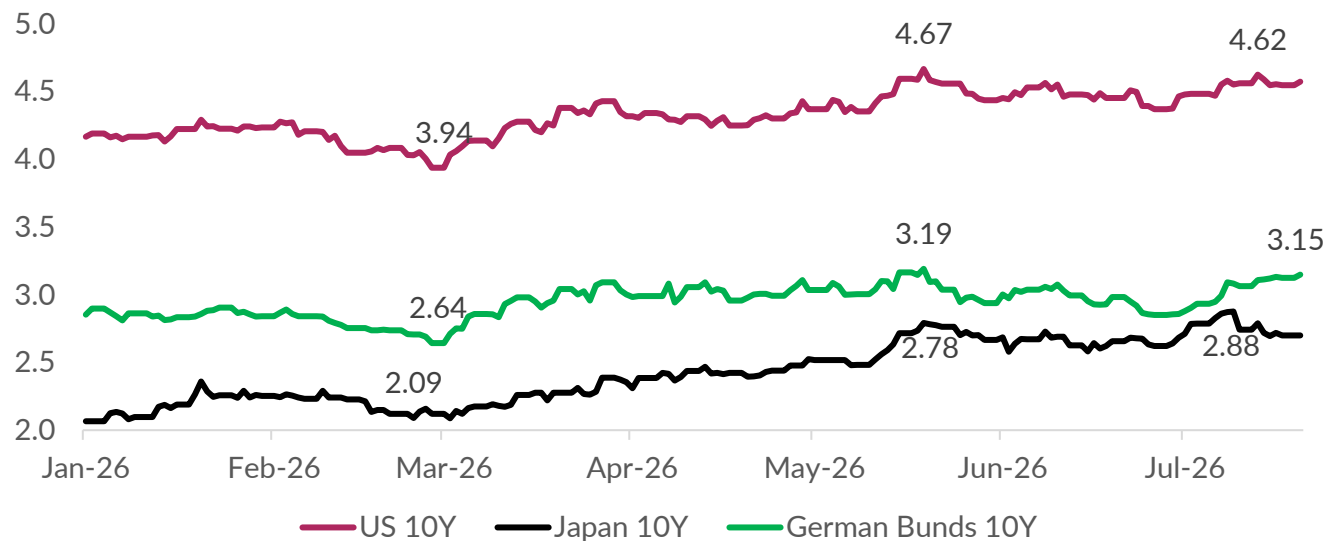
US midterm elections, rising bond yields, slower growth, increasing debt and expanding oil supply—will make a sustained move above \$100/bbl unlikely.

Policy Uncertainty: Fed & Global Yields

Global Rise in Bond Yields: Still a Crude Story

The next leg in global yields is likely to be driven less by growth and more by oil-linked inflation risk.

Global Benchmark Yields



Change in Global Yields (since Feb-26)

Market	Benchmark	Change
US	10Y Treasury	~+75 bps
Japan	10Y JGB	~+80 bps
Germany	10Y Bund	~+55 bps

What it means?

- Higher oil can delay the disinflation path
- Central banks may stay cautious on easing
- Higher discount rates cap FI and risk-asset rallies

Unless the oil shock fades quickly; global yields may remain sticky – limiting the scope for a sustained rally in bonds and broader risk assets.

Portfolio Positioning

Overweight 3–5-year Corporate Bonds; cautious on Long Bonds

OVERWEIGHT

3–5Y Corporate Bonds & SDLs

- Lack of CD issuance
- Ample liquidity remains supportive
- Potential asset purchases can aid demand

NEUTRAL / TACTICAL

Government Securities

- (Positive) Asset Purchase due to FCNR flows
- (Negative) Deferment of Bloomberg inclusion
- (Negative) No immediate OMO purchases
- (Negative) Fiscal breach risk

AVOID / UNDERWEIGHT

Long SDLs

- High SDL supply likely to keep yields elevated
- Spread compression limited

Key Risks to our view

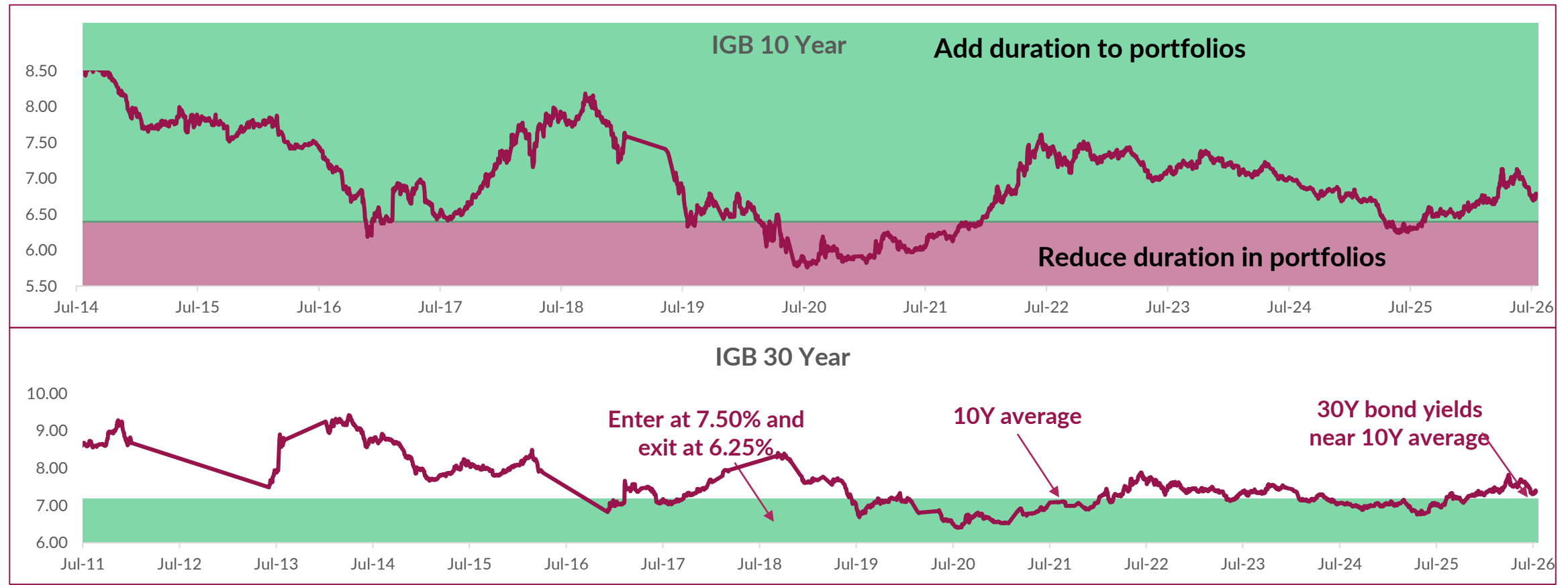
Potential Headwinds



Principle for better investor experience

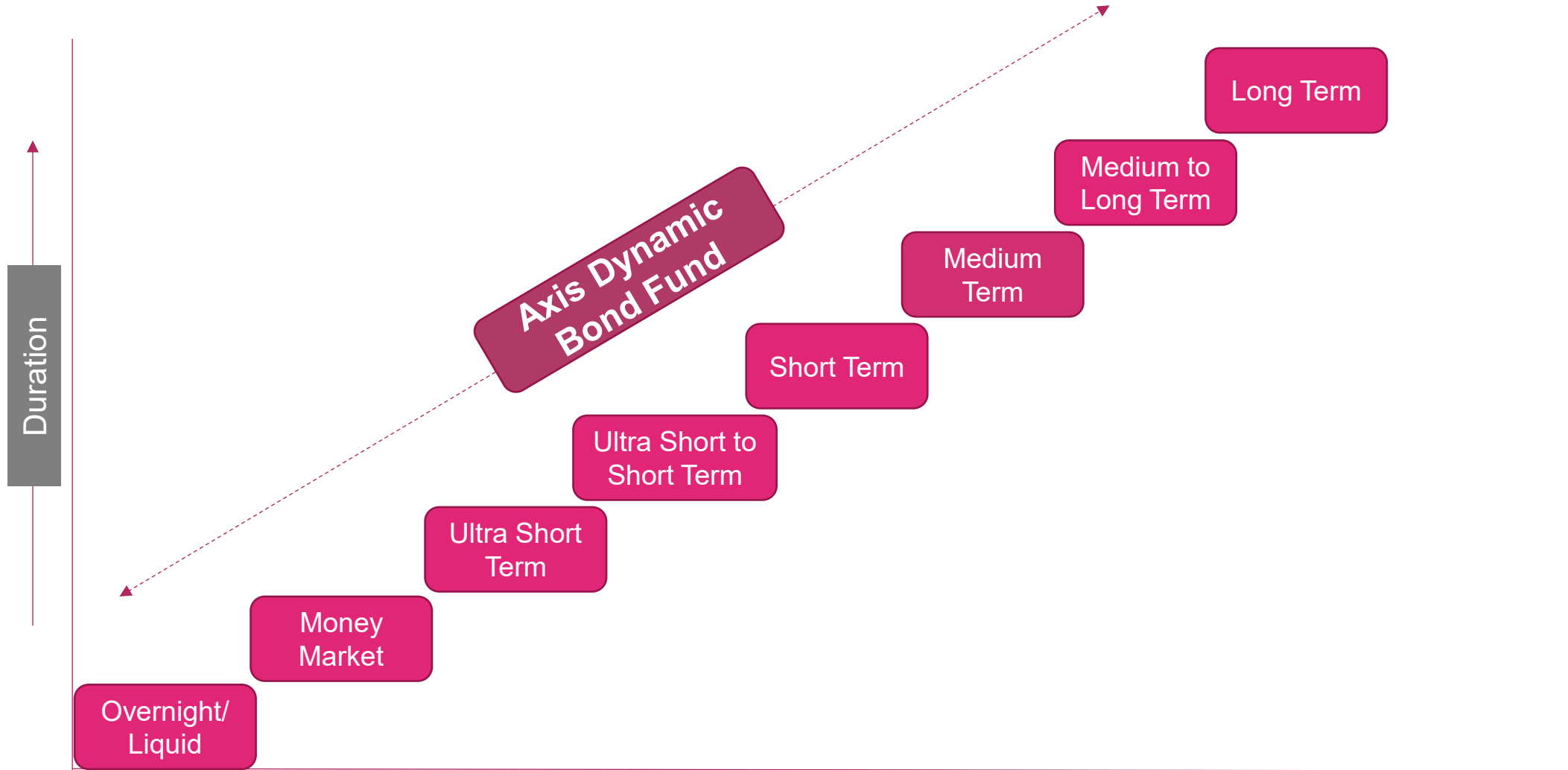
Enter at 7.50% and exit at 6.25%

CPI (4-6%) + Real Rate (100-200bps) → Repo (5.50-7%) + Term Premia (50-100 bps) → G-Secs (6.25-7.50%)



Axis Dynamic Bond Fund Overview

Unique Positioning



Portfolio Construct

Dynamically managed High-quality Portfolio



Duration

Duration will be actively managed in line with evolving interest rate scenario.



Individual Securities

No restriction on maturity of individual securities.



Asset Quality

Portfolio will be quality biased with 100% AAA/SOV rated assets.



Asset Allocation

Investment across Corporate Bonds, G-Secs, SDLs, etc. based on the market opportunity / spreads.

Why consider Axis Dynamic Bond Fund? **AXIS ASSET MANAGEMENT**

An all-weather proposition
aiming to generate optimal
risk adjusted returns
across market cycles

High quality portfolio

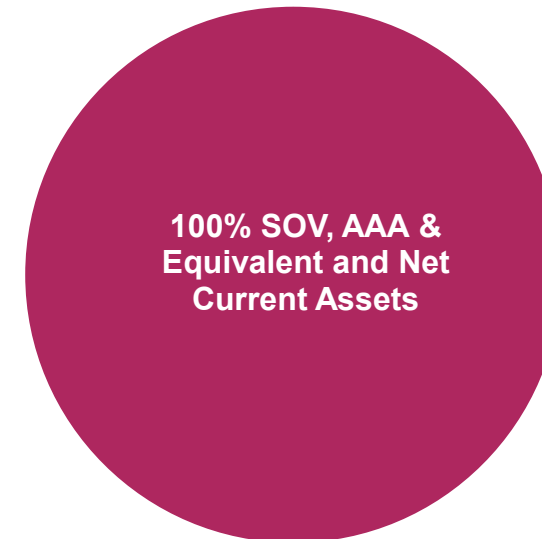
Positioned to benefit from
easing rates scenario

Investment Horizon:
3 years and beyond

Axis Dynamic Bond Fund

Portfolio characteristics	As on 31 st July 2026
Residual Maturity	9.42 years
Modified Duration	4.48 years
Macaulay Duration	4.67 years
Annualized YTM*	6.94%

Rating Mix



Source: Axis MF Research. Data as of 31st July 2026

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.

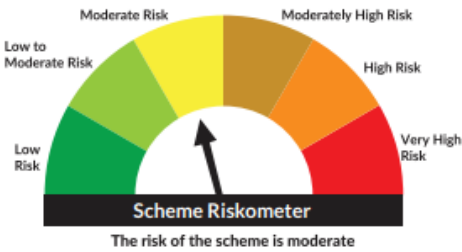
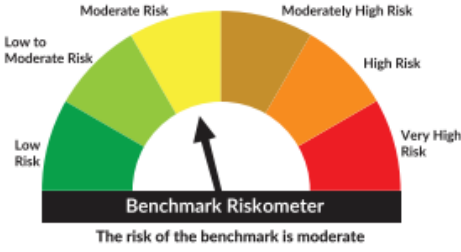
Performance

31st July 2026

		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 Dynamic Bond Fund - Regular Plan – Growth			5.73%	10,573	7.30%	12,355	6.20%	13,512	7.81%
NIFTY Composite Debt Index A-III (Benchmark)	27-Apr-11		3.63%	10,363	6.83%	12,193	5.84%	13,285	7.67%
NIFTY 10 yr Benchmark G-Sec (Additional Benchmark)			2.71%	10,271	7.06%	12,274	5.50%	13,075	6.59%

Past performance may or may not be sustained in future. Since inception (27 April 2011) 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. Hardik Shah is managing the scheme since 5th April 2024 and he manages 16 schemes of Axis Mutual Fund. Please click on link https://www.axismf.com/1/5/464/627/WDP_Annexure_Jul_2026.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. Source: Axis MF Research.

Product Labelling

Fund Name & Benchmark	Product Labelling	Product Riskometer	Benchmark Riskometer	Potential Risk Matrix (PRC)																								
Axis Dynamic Bond Fund (An Open-Ended Dynamic Debt Scheme Investing Across Duration. A relatively high interest rate risk and moderate credit risk.) Benchmark: NIFTY Composite Debt Index A-III	This product is suitable for investors who are seeking* - Optimal Returns over medium to long term - To generate stable returns while maintaining liquidity through active management of a portfolio of debt and money market instruments *Investors should consult their financial advisers if in doubt about whether the product is suitable for them			<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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Disclaimer and Risk Factors



Disclaimer: 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. Investors are requested to consult their financial, tax and other advisors before taking any investment decision(s).

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

