Axis Money Market Fund

(An open ended debt scheme investing in money market instruments. A relatively low interest rate risk and moderate credit risk)

Registration Number: MF/061/09/02

**For riskometer and Product Labelling, please refer slide no. 16*

AXIS ASSET MANAGEMENT

Fixed Income Market Outlook

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RBI steps up support for INR

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A coordinated package targets spot-dollar demand, speculative FX positioning and banking-system liquidity

MEASURES ANNOUNCED

1 PSU OMC dollar window

RBI meets the entire daily dollar requirement through designated banks from 12 Oct.

Removes US$10–12bn of monthly demand from spot FX markets.

2 20% FERR on larger hedges

Applies to INR derivative contracts above US$2mn where users buy FX.

Could lock up ₹400–500bn and lift hedging costs by 1–1.5%.

3 Rebooking restrictions

Cancelled INR-linked deliverable / non-deliverable contracts cannot be rebooked.

Reduces repeated positioning but also lowers hedging flexibility.

4 Lower no-underlying threshold

Threshold cut to US$5mn from US$100mn across dealers and exchanges.

Constrains positions not backed by genuine exposure.

5 Higher daily CRR maintenance

Daily maintenance raised to 99% from 90% from the 16 Oct fortnight.

Reduces banks' daily liquidity cushion and should align call rate closer to repo.

6 OMO sales

₹250bn announced for October, with scope for additional sales.

Withdraws durable liquidity while retaining flexibility.

EXPECTED TRANSMISSION

Policy impact map

Near-term relief, with medium-term vulnerabilities still present

SPOT FX DEMAND — **US$10–12bn**

monthly demand shifted away from the spot market

DURABLE LIQUIDITY — **> ₹1.5tn**

potential monthly withdrawal from the system

USD–INR — **97 → below 95**

near-term support range described in the report

Watchpoint Higher hedging costs may reduce importer hedging and defer some pressure to the spot market.

Source: Kotak Institutional Equities

RBI measures ensure Ample Banking Liquidity

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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 (USD 40 Bn FX forward Maturity up to 3 months)	(380,000)
	OMO supply	(125,000)
Inflows	FCNR + ECB Deposit Mobilization	12,35,000
	Closing Durable Liquidity as of Dec 2026	**12,15,500**
	Durable Liquidity required as per 1% of NDTL liquidity	250,000
	Excess Liquidity	**13,20,500**

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

Source: Bloomberg, RBI, Axis MF Research, data as on 15th October 2026

Macro Backdrop

Best of interest rate cycle is behind us

Rate-hike cycle beginning

The rate hike cycle has started, and we expect the RBI to raise rates by another 50-75 bps

Growth is strong

Resilient domestic activity gives the central bank room to prioritise inflation control.

Concerns over inflation

Tailwind fading as crude, commodities and higher global food prices push prices up.

Global central banks hiking

Resilient US growth, sticky inflation and hawkish Fed expectations reinforced the higher-for-longer rates narrative

Potential fiscal slippages

Little room left to consolidate further; crude prices and pay commission adds to spending pressure.

Heavy H2 borrowing supply

H2 FY27 supply of ~Rs 8 lakh cr G-Sec and ~Rs 8 lakh cr SDL weighs on yields.

Source: Axis MF Fixed Income house view, Sep 2026. For internal consumption only.

Interest Rate Outlook

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+75 bps

Expected policy rate hikes over the next 6-12 months

+20-30 bps

Expected rise in absolute yields on G-Sec and corporate bonds

Flatter

Yield curve expected to flatten as the short-end reprices faster

Excess FCNR liquidity will be drained by the RBI

Over the next 2-3 months the surplus liquidity from FCNR flows is expected to be absorbed through **OMO sales** and **FX sell-buy swaps** — reinforcing the tightening bias at the short end.

Key Risks to our view

- Prolonged West Asia conflict
- Hawkish Fed and global rise in yields
- Hawkish Fed policy
- Excessive Rupee depreciation

Source: Axis MF Fixed Income house view, Sep 2026. For internal consumption only.

Building your Fixed Income portfolio

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Adapting to structural shifts and staying ahead of the curve

Money Market Fund

Gilt Fund

Income plus Arbitrage Omni FoF*
Corporate Bond Fund

Investors will be bearing the recurring expenses of the scheme in addition to the expenses of other schemes in which Fund of Funds scheme makes investment. *Hybrid FoF investing up to 65% in debt-oriented schemes.

Axis Money Market Fund

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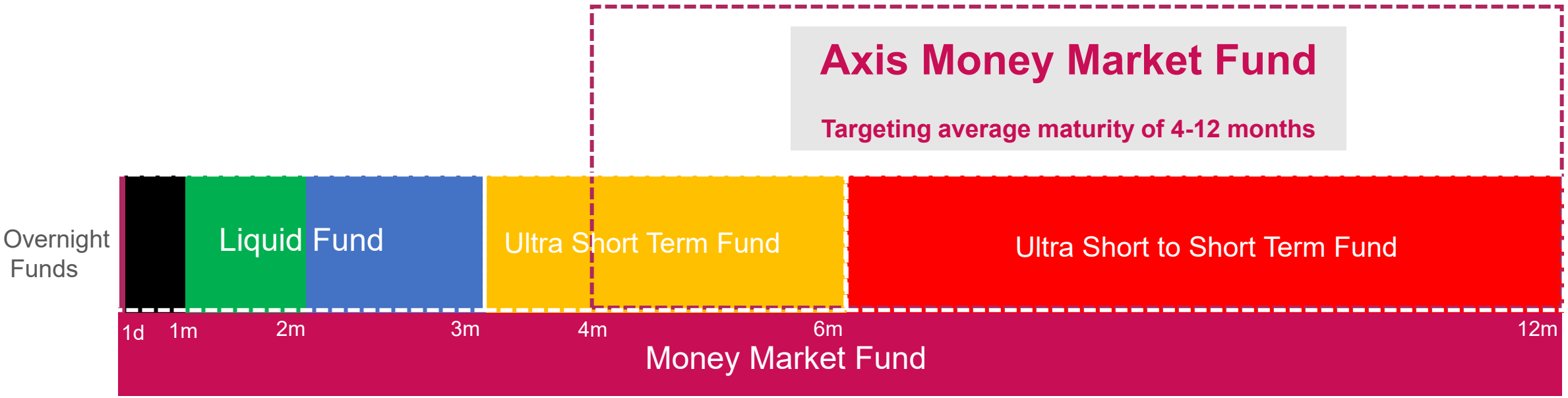
A relatively low-interest rate risk and moderate credit risk)

Axis Money Market Fund

Fund Positioning



Above mentioned positioning aspects of the portfolio are based on the prevailing market conditions and are subject to changes depending on the fund manager's view of the markets. Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

Portfolio Positioning

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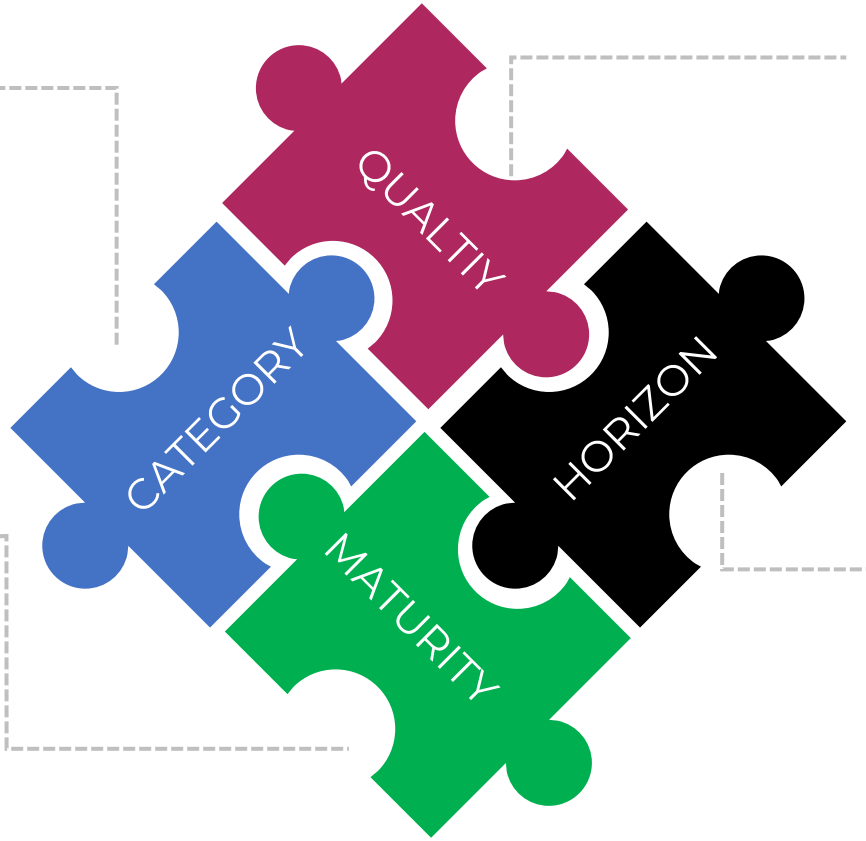
CATEGORY

Money Market Funds

QUALITY

Targets 100% A1+ high quality short term securities. Long term rating: Sub AAA assets (excl. bank CDs) ≤ 20%, no exposure to below AA- rated assets



AVERAGE MATURITY

Targets a portfolio average maturity of 4-12 months

INVESTMENT HORIZON

Investment horizon of 3-12 months

Above mentioned positioning aspects of the portfolio are based on the prevailing market conditions and are subject to changes depending on the fund manager's view of the markets

Fund Positioning

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30th September 2026

100% A1+ portfolio

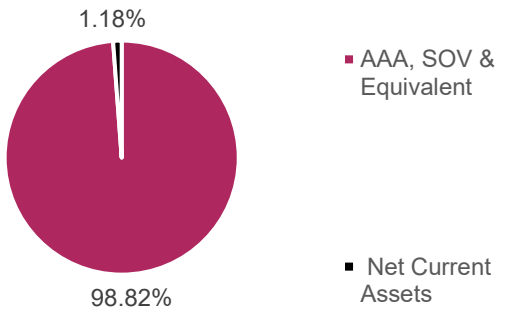
Captures opportunities in Money market Instruments

Ideal short-term solution for 3 - 12 months horizon

Portfolio Characteristics	
Residual Maturity	134 days
Macaulay Duration	134 days
Modified Duration	126 days
Annualized Portfolio YTM*	6.95%

Rating Mix	
AAA, SOV & Equivalent	98.82%
Net Current Assets	1.18%

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. #High Rated Papers refers to instruments which are rated AAA/A1+ & equivalent or G-sec. For all scheme related information, please refer to SID/KIM on our website www.axismf.com

Illustration

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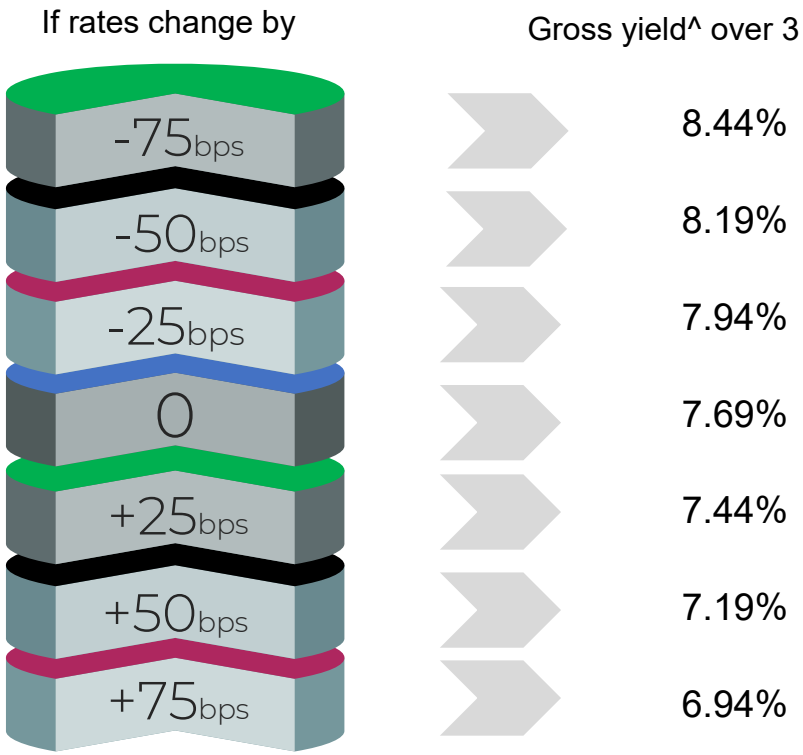
How does yield of a typical bond behave in various rate scenarios?



Consider a typical bond with 6 months duration with a yield^ of **7.69%** (Assumption).

The illustration alongside shows the change in yield of the bond considering various changes in interest rate.

Past performance may or may not be sustained in future. Source: Axis MF Research. Above numbers are for illustration purpose only and does not indicate any future returns of any fund. Please note that the above calculation is done considering the portfolio modified duration of 0.25 years. ^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.

Benefits and Suitability

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BENEFITS

HIGH LIQUIDITY

No exit load
Investments in up to 1 year maturity papers
Targets a portfolio average maturity of 4-12 months

HIGH QUALITY, LOW CREDIT RISK

Targets 100% A1+ high-quality short-term securities
Carefully crafted universe of money market instruments

SUPERIOR RISK REWARDS

Attempts to offer better risk reward opportunity over other traditional alternatives in short term space

SUTABILITY

ROBUST CASH MANAGEMENT

Efficient cash management vehicle with limited impact from interest rate changes

EFFICIENT WAY TO PARK MONEY

Suitable to park money for short term

SUITABLE FOR STPs

Can be invested for STPs in Equity Funds

Features at a glance

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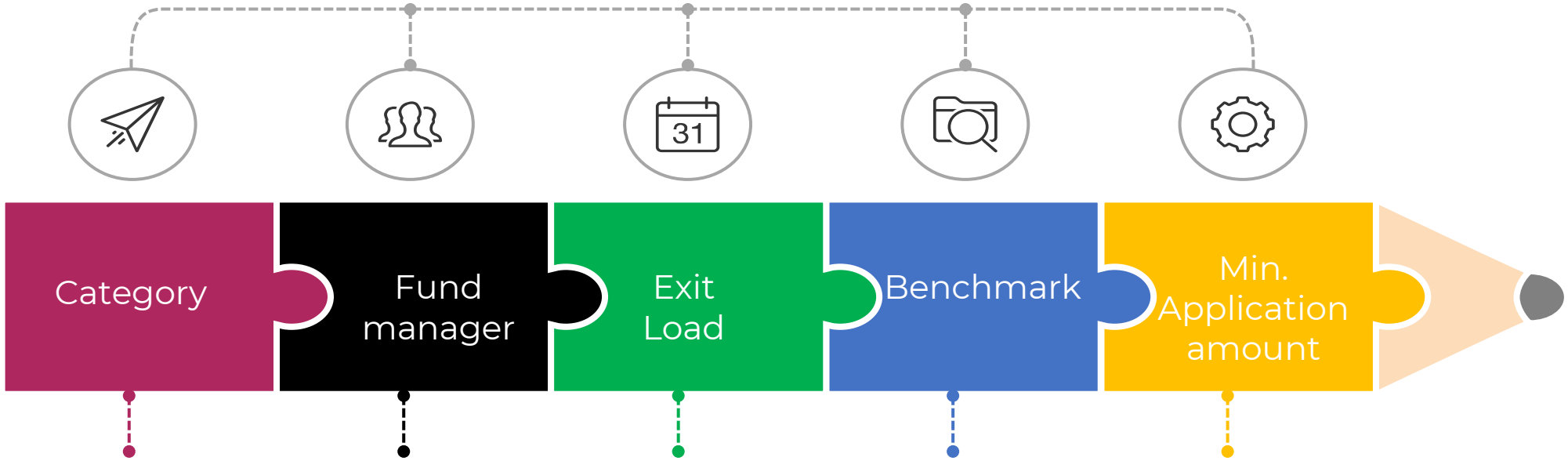

Performance

30th September 2026

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		7 Days		15 Days		1 Month		1 Year		3 Year		5 Year		Since Inception	
	Inception	Annualised	Current Value of investment of Rs. 10,000		Current Value of investment of Rs. 10,000		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 Money Market Fund - Regular Plan - Growth	06/08/19	4.28%	10,008	5.77%	10,023	6.12%	10,049	6.42%	10,642	7.27%	12,347	6.61%	13,772	6.31%	15,497
NIFTY Money Market Index A-I (Benchmark)		4.38%	10,008	5.68%	10,023	6.26%	10,050	6.50%	10,650	7.12%	12,295	6.46%	13,679	5.87%	15,044
NIFTY 1 Year T-Bill Index (Additional Benchmark)		1.11%	10,002	0.94%	10,004	2.29%	10,019	5.13%	10,513	6.39%	12,046	5.76%	13,234	5.75%	14,919

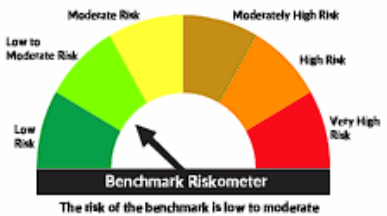
Past performance may or may not be sustained in future. Since inception (6th August 2019). Different plans have different expense structure. Aditya Pagaria is managing the scheme since 6th August 2019 and he manages 20 schemes of Axis Mutual Fund. Devang Shah is managing the scheme since 6th August 2019 and he manages 23 schemes of Axis Mutual Fund. Sachin Jain is managing the scheme since 9th November 2021 and he manages 10 schemes of Axis Mutual Fund. Returns greater than 1 year are Compounded Annual Growth Rates (CAGR). Face value ₹1000 per unit.

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 https://www.axismf.com/1/5/464/627/WDP_Annexure_Sep_2026_b590564ebc.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: AxisMF Research.

Product Labelling

AXIS MUTUAL FUND

Fund Name & Benchmark	Product Labelling	Product Riskometer	Benchmark Riskometer	Potential Risk Matrix (PRC)
Axis Money Market Fund (An open ended debt scheme investing in money market instruments. A relatively low interest rate risk and moderate credit risk.) **Benchmark:** NIFTY Money Market Index A-I	This product is suitable for investors who are seeking* • Regular income over short term • Investment in Money Market instruments with maturity up to one year *Investors should consult their financial advisers if in doubt about whether the product is suitable for them	 The risk of the scheme is moderate	 The risk of the benchmark is low to moderate	

Potential Risk Class

Credit Risk → / Interest Rate Risk ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Relatively Low (Class I)		**B-I**	
Moderate (Class II)			
Relatively High (Class III)			

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).

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

Thank You

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