Axis Multicap Fund

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

Axis Mutual Fund - MF/061/09/02

Why Axis Multi Cap Fund

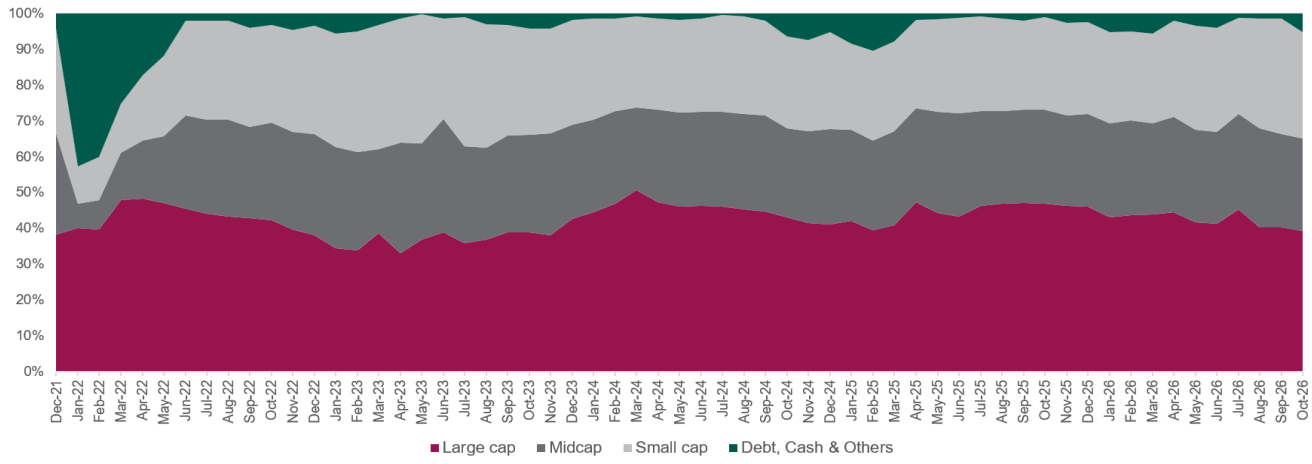
- Axis Multi Cap Fund has compared favourably against its benchmark across longer holding periods.
- By investing across large, mid and small caps, the scheme gives investors a balanced way to take part in equity markets.
- With a minimum 25% allocation to each market-cap segment, the strategy is well positioned to benefit from the current market scenario. Exposure to mid and small caps offers the potential for higher capital appreciation over the long term. Large-cap exposure aims to deliver reasonable returns with lower volatility.

Investment approach

- Investment across the entire market capitalization curve 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 mandate, the fund uses the full market-cap range as an active allocation tool rather than maintaining static exposure. The portfolio has moved toward the segment offering the better balance of earnings visibility, valuation comfort and upside potential at each stage of the cycle.



Source: Axis MF Research and ACE MF, data updated on 30th October 2026.

The market-cap shifts illustrate this valuation-led approach. Small-cap exposure rose as opportunities broadened after inception and peaked in late 2023, before being moderated when valuations became less supportive. The subsequent reallocation toward large caps created room to manage downside risk without giving up participation in structural growth.

- Some small cap stocks have moved up the curve into the mid cap segment.
- We had actively trimmed our allocation in the small cap segment, as we believed high-quality mid and small caps had turned expensive and large caps were a more compelling investment. Given current earnings growth, however, we have added to our small-cap exposure in auto ancillaries and industrial products.

Similarly, the fund has also dynamically managed its large cap allocation – from an initial ~50% to reduced allocation through 2022 and 2023. In 2024, the fund began to increase its large-cap allocation once again.

Valuation dispersion has since narrowed. Large caps continue to offer relative valuation comfort, while improving earnings growth in select mid- and small-cap businesses is reopening bottom-up opportunities. The present mix

therefore combines a large-cap anchor with selective exposure to emerging compounders, rather than taking a broad market-cap bet.

Data updated on 30th October 2026. *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

Portfolio positioning is centred on businesses where structural demand can translate into durable earnings growth. The common thread across the key themes is not simply exposure to a fast-growing industry, but participation through companies with execution capability, pricing power, scalable capacity and improving return ratios.

1. Energy Transition & Electrification Momentum

The post-war global reset has accelerated the urgency for energy security and sustainability. India is witnessing a decisive push towards Renewables energy, Transmission & Distribution (T&D) and the scaling of the Electric vehicle (EV) ecosystem. The government is now aligning policy towards building a future-ready energy infrastructure. This creates multi-sector opportunities across auto ancillaries, capital goods, and EV value chains.

2. Premiumization

As disposable incomes rise, consumption is gradually shifting from value and unorganized offerings towards branded, organized, higher-value products and experiences. This creates opportunities across discretionary consumption, lifestyle, travel, retail and consumer-facing platforms.

3. Localization & Import Substitution

India's strategic focus on self-reliance is accelerating domestic manufacturing. The government is emphasising on localizing critical components such as AC compressors and battery cells. This reduces dependence on imports across key industrial and auto segments.

This is driving a structural opportunity in manufacturing, industrials, and supply chain ecosystems, enabling domestic players to scale and improve margins. The fund is overweight export-based stories benefiting from rupee depreciation, as well as the power related supply chain(T&D), auto ancillaries and hospitals.

Within power-linked opportunities, the portfolio's exposure is expressed predominantly through the equipment and enabling supply chain rather than through power utilities. Holdings such as GE Vernova T&D India and APAR Industries illustrate participation in transmission, distribution and electrification capex, while the portfolio remains underweight the Power sector itself.

What has worked well?

- The fund benefited from being early in identifying businesses leveraged to India's investment cycle, particularly companies gaining from manufacturing scale-up, infrastructure spending and corporate capex revival.
- Several portfolio companies delivered stronger-than-expected earnings execution, enabling stock-specific alpha generation even in a market that became increasingly selective and less supportive of broad-based rallies.

What has not worked well?

- The fund's preference for earnings quality over market momentum proved a short-term headwind as several sharp rebound trades outperformed despite weaker underlying fundamentals.
- Some holdings in the financials space did not fully participate in the market rally amid moderating credit growth expectations and a slower earnings upgrade cycle.

Sector – Key Overweight	Oct-26	BM	OW/UW	Change in 6M
Auto Components	15.5%	7.7%	7.8%	4.0%
Capital Goods	13.1%	8.5%	4.6%	0.2%
Healthcare Services	13.1%	8.3%	4.8%	2.4%
Sector – Key Underweight	**Oct-26**	**BM**	**OW/UW**	**Change in 6M**
Financial Services	24.4%	28.4%	-4.0%	-5.1%

Metals & Mining	0.4%	3.6%	-3.2%	-1.1%
Petroleum Products	1.1%	5.6%	-4.5%	-0.9%

Disclaimer: Exposure as % of Net assets. Data updated on 31st Oct 2026. 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.

Performance has been driven primarily by stock selection rather than broad sector positioning. The strongest outcomes came from identifying companies with visible order books, capacity expansion or operating leverage before these improvements were fully reflected in earnings expectations. This also explains why alpha was concentrated in capital goods, auto components and healthcare despite a more selective market backdrop.

Sectors			
Top Alpha Generators – 1 Yr	OW/UW	Top Detractors – 1 Yr	OW/UW
Automobile And Auto Components	OW	Services	O/W
Capital Goods	OW	Consumer Durables	O/W
Financial Services	UW	Telecommunication	U/W
Stocks			
Top Alpha Generators – 1 Yr	OW/UW	Top Detractors – 1 Yr	OW/UW
Sansera Engineering Limited	OW	PB Fintech Limited	OW
Welspun Corp Limited	OW	Kaynes Technology India Ltd.	OW
Ather Energy Limited	OW	Awfis Space Solutions Ltd.	OW
Sona BLW Precision Forgings Ltd.	OW	Fortis Healthcare Ltd.	OW
APAR Industries Limited	OW	Kotak Mahindra Bank Limited	U/W

Data as on 31st October 2026. 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.

Portfolio valuation and growth

The portfolio follows a bottom-up approach across market caps, but the role of each segment differs. Large caps are used primarily for earnings resilience, balance-sheet strength and portfolio stability, while mid- and small-cap positions are selected for niche leadership, scalable business models and the potential for a sustained improvement in profitability.

While our PE ratio in comparison to the benchmark is high, it is mainly on account of a few stocks in the portfolio that currently have a significantly high PE like GE Vernova T&D India, Apar Industries, etc. At the same time, the fund has a higher earnings growth and ROE compared to benchmark, indicating stronger potential profitability and efficiency.

Parameter	**Fund**	**Benchmark**
P/E using Fwd1 yr Est	34.2	23.2
P/B using Fwd1 yr Est	5.4	3.4
ROE Fwd1 yr Est	15.8%	14.8%
EPS Growth FY28	23.5%	20.3%

The valuation premium should be read in the context of portfolio composition rather than as a broad willingness to pay more. It reflects exposure to selected businesses with niche leadership, stronger scalability or visible reinvestment opportunities. The modest ROE premium provides some support for this quality bias, but future returns will still depend on earnings delivery catching up with current valuations.

Data Updated on 31st October 2026. 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.

Axis Multicap Fund

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

Axis Mutual Fund - MF/061/09/02

Way Forward

The next phase of market returns is likely to be more dependent on earnings delivery than on broad-based valuation expansion. This favours a selective approach focused on execution, cash-flow conversion and balance-sheet discipline. Market volatility can consequently be used to build positions where long-term demand remains intact but near-term expectations have become more reasonable.

On-ground demand trends in select segments remain encouraging, with no visible slowdown in passenger vehicles (PV) and three-wheelers (3W). Premium discretionary consumption also continues to hold up , reflecting sustained underlying consumer strength.

The opportunity set extends beyond vehicle manufacturers. Auto-component suppliers can benefit from rising content per vehicle, premiumisation and localisation; hospitals can benefit from improving occupancy, case mix and capacity ramp-up; and transmission and distribution equipment companies can participate in grid modernisation and renewable-energy integration. These are the kinds of earning-linked opportunities the portfolio will evaluate selectively.

Our portfolio remains tilted toward domestic-facing businesses with expanding addressable markets, where visibility of growth is stronger. From a risk-reward perspective, we continue to hold a meaningful exposure to select financial companies. We expect volatility from global events to gradually subside. Financials therefore remain an important source of bottom-up ideas, but the portfolio is positioned below the benchmark at the sector level. This reflects selectivity rather than a negative view on the entire sector, with preference for businesses where asset quality, liability strength and earnings visibility justify the risk-reward.

We are incrementally adding to themes central to India's next growth phase, such as energy transition, electrification and renewables. Data Centre opportunities are also emerging, driven by US capex and a growing outsourcing trend.

The portfolio will therefore remain anchored in structural growth, but capital will be allocated selectively. The emphasis is on businesses where demand visibility can translate into earnings, valuations leave room for upside and management execution supports sustainable compounding, rather than relying on a thematic narrative alone.

Performance Snapshot:

		1 Year		3 Years		Since Inception	
Fund Name	**Date of 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	3.40%	10,339	17.53%	16,235	14.00%	18,930
Nifty 500 Multicap 50:25:25 TRI (BM)		-5.55%	9,447	11.29%	13,785	11.13%	16,717
Nifty 50 TRI (Additional BM)		-9.47%	9,055	7.74%	12,508	7.74%	14,379

Data as on 30th October 2026. *Past performance may or may not be sustained in future. Since Inception – 17th December 2021. Different plans have different expense structure. Mr. Shreyash Devalkar and is managing the scheme since 1st March 2023 and he manages 06 schemes of Axis Mutual Fund. Mr. Nitin Arora is managing the scheme since 26th May 2023 and he manages 04 schemes of Axis Mutual Fund. Mr. Pratik Tibrewal is managing the scheme since 26th August 2026 and he manages 26 schemes of Axis Mutual Fund. Returns greater than 1 year period are compounded annualised CAGR). Face Value per unit : ₹10. Please refer to the Annexure for returns of all the schemes managed.* ***Please click on https://www.axismf.com/1/5/464/627/WDP_Annexure_Oct_2026_9a85fe247d.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.*

Axis Multicap Fund

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

Axis Mutual Fund - MF/061/09/02

Product Labelling & Disclaimers

Axis Multicap Fund

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

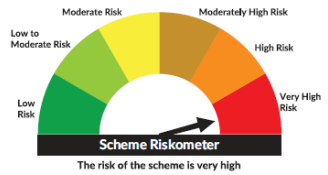
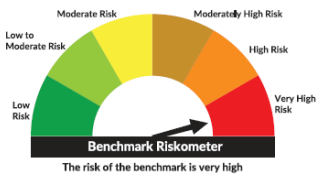
Benchmark: NIFTY 500 Multicap 50:25:25 TRI

This product is suitable for investors who are seeking*

- Capital appreciation over long term
- Investment in a portfolio of large, mid and small cap equity and equity related securities.

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Riskometer

Fund	NIFTY 500 Multicap 50:25:25 TRI
	

The risk of the scheme is very high

The risk of the benchmark is very high

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.