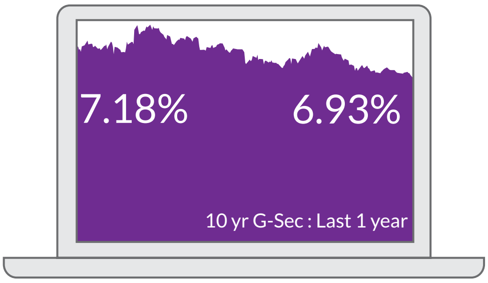
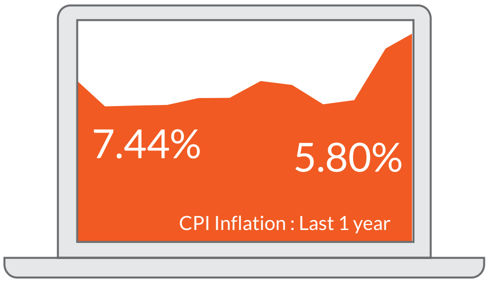
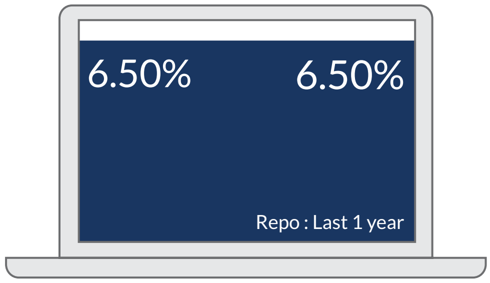
AXIS MUTUAL FUND

FIXED INCOME OUTLOOK

AUGUST 2024







QUICK TAKE

- Expect lower interest rates in the second half of FY25.
- Investors should add duration with every rise in yields, as yield upside limited.
- Mix of 10-year maturity and 1-3-year maturity assets are best strategies to invest in the current macro environment.
- Selective Credits continue to remain attractive from a risk reward perspective given the improving macro fundamentals.

Overall, the month was positive for Indian Bonds given a better demand supply outlook, weaker oil and commodity prices and lower fiscal deficit numbers in the budget. Consequently, the yields on the 10 year government bonds ended 8 bps lower at 6.93%. Foreign Portfolio Investors (FPI) flows was positive in July and stood at US$2.7 bn over the month. Year to date, cumulative debt inflows amounted to US$10.9 bn. Yields on US Treasuries ended 37 bps lower at 4.03% on weaker macroeconomic data.

Key Market Events

10 YEAR G-SEC YIELD

6.93%

Global interest rates : The gradual slowing of inflation and weakening pace of economic activity, particularly in the labour markets make a case for lower interest rates in the US. Yields on US Treasuries have started pricing in more than 250 bps rate cuts in next 12 months starting from September 2024. After having started the easing cycle, one can expect the central banks of Europe, Canada and Switzerland to further lower interest rates. In a surprise move, the Bank of Japan hiked interest rates. In India, higher growth coupled with sustained food inflation prompted the Reserve Bank of India (RBI) to remain on a pause in its August monetary policy.

Budget reaffirms path of consolidation and continuity : Budget continued on its path of fiscal consolidation and Policy continuity and the government reduced the fiscal deficit from 5.1% to 4.9% and the glide path suggested 4.5% in FY26. From the perspective of bond markets, there was no significant deviation from Interim budget both in terms of spending and borrowing numbers, hence the price reaction post the budget on yields was very muted.

Inflationary pressures persist : Headline inflation rose over the month to 5.1% from 4.75% in the previous month in light of higher food inflation. Nonetheless, we do not expect inflation to rise and a better monsoon coupled with favourable base effects could lead to lower CPI prints in July. Furthermore, crude oil was 6.6% lower over the month and we do not expect crude to add to inflationary pressures.

Banking liquidity moves to surplus : Banking liquidity moved to surplus and the Overnight funding rate eased from 6.65-6.7% to 6.4-6.45%. Given the huge increase in banking liquidity due to the dividend by RBI and FPI flows over last two months, the central bank conducted small amount of OMO sales of Rs 7,500 cr to neutralize some of surplus liquidity, impact of the same on yields was insignificant.

Separately, RBI also released a consultation paper tweaking Bank Liquidity Coverage Ratio (LCR) requirement which if implemented would lead to additional demand for liquid assets particularly, government bonds of Rs 2 trillion from FY26.

Indian currency weakens : In light of recent depreciation of Japanese Yen, Chinese Yuan, Indonesia rupiah and other emerging/developed markets currencies and looming fears of geopolitical risks/ trade wars and tariffs, markets are generally worried about possibility of near term rupee depreciation and its implications on monetary policy. We believe that rupee would continue to remain stable and do not expect any major volatility or depreciation in FY25.

Market view

Overall, the yields on 10-year Indian government bonds rallied by more than 10 bps over the month while those on the 10 year US Treasuries were down by more than 35 bps. Given the easing of banking liquidity, yields on short term/money market curve too saw a rally of 10-25 bps. Concurrent to our view, in its third policy of FY25, the RBI retained a pause on interest rates for the ninth consecutive time. The MPC noted that the outlook for domestic economic activity remains robust given strong domestic demand and a resilient macroeconomic environment. Expectations of La Nina and rising reservoir levels coupled with better kharif sowing would lead to better rural consumption. We believe that if monsoons are on track and food inflation subsides, there is very high probability of RBI changing its course on monetary policy from October. We expect RBI to deliver about 50 bps of rate cut in this rate cycle. Separately, rupee is at all-time low while the forex reserves are at an all time high of US$675 Bn, FPI flows in both debt and equity have been strong to the tune of US$7 bn and commodity prices weak

In light of weak macroeconomic data, US treasury yields have started pricing in more than 250 bps rate cuts in next 12 months starting from September 2024. US bond markets will continue to trade in a range of 3.75-4.25% as Fed starts to cut rate from September, high US fiscal deficits will not allow massive rally in US yields.

Our core view continues to remain constructive on rates due to positive demand supply dynamics especially for Indian government bonds, lower inflation and stable external sector outlook. Accordingly, we expect 50 bps of rate cut in this rate cut cycle. Our portfolio allocation has tilted towards a higher Gsec and 1-3 year corporate bonds in anticipation of continued FPI flows in government bonds due to JP Morgan inclusion and tweaking of LCR guidelines.

Risks to view

a) A depreciation in rupee could prompt RBI to be on a cautious mode delaying rate cuts

b) Geopolitical risks can cause a flare up in crude oil prices and the Fed could be slower in lowering rates leading to a rise in bond yields

c) Elections in the US could lead to volatility in bond yields

Positioning & Strategy

We do expect the 10-year bond yields to trade in a narrow range of 6.85-7% in the near term and to soften below 6.75% over the next few quarters.

From a strategy perspective, we have maintained an overweight duration stance within the respective scheme mandates. Accordingly, investors should continue to build and hold duration across their portfolios. Investors could use this opportunity to invest in Short to Medium term funds with tactical allocation to gilt funds.

Source: Bloomberg, Axis MF Research.

AXIS CORPORATE DEBT FUND

- Axis Corporate Debt Fund endeavors to capture opportunities by investing in best ideas across the corporate bond curve.
- The fund will typically maintain duration in the range of 2 - 5 years.
- High grade portfolio with 100% AAA/SOV/A1+ rating.
- Aims to capitalize on the 'carry' play at the shorter end and 'capital gain' from the longer end.
- Large portfolio allocation is in corporate bonds having maturity in the range of 2 – 5 years and G-Secs having maturity in the range of 5 - 10 years.
- The mispricing of select higher yield AAA bonds offers room for gains from market compression/ normalization in yields of such papers.
- Primary asset class: Corporate debt securities.
- Investment Horizon: 1 year and beyond.

Residual Maturity	Modified Duration
5.12 years	3.72 years
Annualized Portfolio YTM*	**Macaulay Duration**
7.54%	3.9 years

Why Invest?

Actively Managed Corporate Bonds with daily Liquidity endeavors to generate stable returns by following a high quality & low-risk strategy

Residual Maturity	Modified Duration
3.7 years	2.81 years
Annualized Portfolio YTM*	**Macaulay Duration**
7.46%	2.98 years

Why Invest?

Target stable returns with high credit quality and liquidity. Rigorous credit evaluation.

AXIS BANKING & PSU DEBT FUND

- The fund Invests primarily in debt and money market securities issued by Banks, PSUs and PFIs with tactical exposure upto 20% to G-Secs/SDLs depending on the market opportunity
- The fund will be deployed 100% into AAA/A1+ and equivalent rated instruments and maintain a Macaulay duration of 1-3 years.
- The fund is positioned to benefit from carry opportunity at the shorter end of the yield curve.
- Investment Horizon:1 year and beyond.

AXIS SHORT TERM FUND

- The fund is a combination of short duration as well as carry that can help mitigate interest rate risk and deliver a balanced return over a long run.
- Actively managed strategy with allocation primarily to 2 - 5 year corporate bonds and G-Secs, with no restriction on maturity of individual securities.
- The fund tracks corporate bonds, government securities and money market instruments spreads and takes an active view on the rates and liquidity to decide the allocation.
- The fund maintains a high proportion of AAA/SOV/A1+ & equivalents assets in the portfolio.
- Long term rating: Sub AAA assets (excl bank CDs) ≤ 20%, no exposure to below AA rated assets
- Primary asset class: Corporate Bonds, G-Secs and money market instruments
- Investment Horizon: 1 year and beyond

Residual Maturity	Modified Duration
4.0 years	2.79 years
Annualized Portfolio YTM*	**Macaulay Duration**
7.69%	2.93 years

Why Invest?

Actively Managed Short Duration Fund with Daily Liquidity endeavors to generate stable returns by following a high quality & low-risk strategy

Residual Maturity	Modified Duration
3.33 years	2.32 years
Annualized Portfolio YTM*	**Macaulay Duration**
8.47%	2.43 years

Why Invest?

To capture opportunities across accrual, credit and duration space. Monitors risk by controlling the overall portfolio duration

AXIS CREDIT RISK FUND

- The fund is positioned to benefit from its core allocation in short term corporate bonds (Below AA+) i.e. in the 2-3-year space.
- The focus of the fund is to capture the credit spreads compression in the 1-4 year corporate bonds and also have a higher 'carry'.
- In the current environment the fund has tactically allocated to AA & A names where we believe the risk reward is attractive from a carry play.
- Given our market view on improved credit environment, improving corporate profitability and looking at a favorable risk reward perspective the fund has an allocation to lower rated corporate bonds (below AAA rating).

AXIS STRATEGIC BOND FUND

- The fund as part of its investment mandate aims to invest 50-60% in AAA bonds with overall portfolio duration target range of 3- 4 years.
- The spreads in short non AAA corporate bonds over AAA currently looks attractive from a risk reward basis and hence the fund is allocated assets to these securities on an incremental basis.
- The portfolio design should help generate stable returns while bringing down volatility relative to a longer duration fund.

Residual Maturity	Modified Duration
5.61 years	3.73 years
Annualized Portfolio YTM*	**Macaulay Duration**
8.08%	3.89 years

Why Invest?

to target stable risk-return profile

Residual Maturity	Modified Duration
17.05 years	7.8 years
Annualized Portfolio YTM*	**Macaulay Duration**
7.20%	8.1 years

Why Invest?

"Go Anywhere" actively managed fund following a Best Ideas approach and can move across the yield curve

AXIS DYNAMIC BOND FUND

- The fund's duration will be actively managed in line with the evolving interest rate scenario.
- The fund will allocate 100% to AAA/Sovereign rated assets and investments will be across corporate bonds, Gsecs, SDLs etc based on the market opportunity/spreads.
- The fund is ideally suited for our current call to incrementally add duration in investor portfolios in a calibrated manner.
- Investment Horizon: 3 years and beyond.

AXIS ULTRA SHORT TERM FUND

- Targets an indicative portfolio duration of 3 – 6 months
- High quality portfolio with selective Sub AAA exposure: Sub AAA assets (excl bank CDs) ≤ 30%
- Primary asset class: Short term debt and money market instruments
- Elevated short term spreads offer higher yields at the shorter end of the curve. The fund aims for a low duration with low volatility and relatively higher carry.
- Investment Horizon: 3 – 6 months.

Residual Maturity	Modified Duration	Annualized Portfolio YTM*	Macaulay Duration
187 days	171 days	7.64%	176 days

Why Invest?

Short term solution for parking funds

AXIS TREASURY ADVANTAGE FUND

Residual Maturity	Modified Duration	Annualized Portfolio YTM*	Macaulay Duration
501 days	344 days	7.72%	364 days

Why Invest?

Target stable returns with high credit quality and liquidity. Rigorous credit evaluation. Suitable for investors with a holding period of 3-6 months or more.

- 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) ≤ 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.
- Primary asset class: Money Market and short term debt instruments
- Investment horizon: 6 – 12 months.

AXIS MONEY MARKET FUND

- Targets an indicative portfolio average maturity of 4 – 12 months.
- The fund has added duration in the portfolio as the interest rate cycle has peaked.
- 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
- Primary asset class: Short term debt and money market instruments with maturity of upto 1 year
- Investment horizon: 3 – 12 months.

Residual Maturity	Modified Duration	Annualized Portfolio YTM*	Macaulay Duration
200 days	198 days	7.51%	199 days

Why Invest?

Short term solution for parking funds

AXIS FLOATER FUND

Residual Maturity	Modified Duration	Annualized Portfolio YTM*	Macaulay Duration
23.6 years	9.43 years	7.16%	9.76 years

Why Invest?

To limit the interest rate risksin the debt portfolio.

- Axis Floater Fund is an ideal solution for investors looking at short to medium term investment solutions aimed at generating superior risk adjusted returns across market cycles.
- The fund is positioned as a market linked actively managed portfolio of high quality securities. The fund will dynamically manage the duration of the portfolio in accordance with the interest rate environment.

AXIS LONG DURATION FUND

- The fund is positioned as long only held to maturity strategy investing only in government securities.
- The high absolute yields at the longer end of the curve makes the current positioning of the strategy attractive for medium to long term investors.
- The fund is ideally suited for our current call to incrementally add duration in investor portfolios in a calibrated manner.

Residual Maturity	Modified Duration	Annualized Portfolio YTM*	Macaulay Duration
31.16 years	11.66 years	7.13%	12.07 years

Why Invest?

To create a long term income solution through investment in high quality debt instruments

*in case of semi annual YTM, it will be annualised. *The yield to maturity given above is based on the portfolio of funds as on 31st July 2024. 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 of the debt portfolio. For instruments with put/call option, the put/call date has been taken as the maturity date.

AXIS MUTUAL FUND

AT A GLANCE

	Axis Overnight Fund	Axis Liquid Fund	Axis Money Market Fund	Axis Ultra Short Term Fund	Axis Treasury Advantage Fund	Axis Corporate Debt Fund	Axis Banking & PSU Debt Fund	Axis Short Term Fund	Axis Credit Risk Fund	Axis Dynamic Bond Fund	Axis Strategic Bond Fund	Axis Gilt Fund	Axis Floater Fund	Axis Long Duration Fund
Why Invest?	Cash Managem ent	Cash Managem ent	Cash Managem ent	Short term solution for parking funds	For spare cash in your Bank Account	Capture opportunities in high quality corporate bond portfolio	Short term investment with high quality portfolio	Actively Managed Short Duration Fund with Daily Liquidity	To capture opportunities from credit spread while managing risk	"Go Anywhere" Fund following a Best Ideas Approach	To target stable risk-return profile	To capture opportunities from investments in government securities	To limit the interest rate risks in the debt portfolio	To create a long term income solution through investment in high quality debt instruments
Type of Scheme	Overnight Fund	Liquid Fund	Money Market Fund	Ultra Short Duration Fund	Low Duration Fund	Corporate Bond Fund	Banking and PSU Fund	Short Duration Fund	Credit Risk Fund	Dynamic Bond	Medium Duration Fund	Gilt Fund	Floater Fund	Long Duration Fund
Residual Maturity	2 days	39 days	200 days	187 days	501 days	5.12 years	3.70 years	4.00 years	3.33 years	17.05 years	5.61 years	21.07 years	23.60 years	31.16 years
Macaulay Duration	1 day	39 days	199 days	176 days	364 days	7.00 years	2.98 years	2.93 years	2.43 years	8.10 years	3.89 years	9.54 years	9.76 years	12.07 years
Modified Duration	1 day	39 days	198 days	171 days	344 days	3.72 years	2.81 years	2.79 years	2.32 years	7.80 years	3.73 years	9.22 years	9.43 years	11.66 years
Annualized Portfolio YTM*	6.45%	7.07%	7.51%	7.64%	7.72%	7.54%	7.46%	7.69%	8.47%	7.20%	8.08%	7.15%	7.16%	7.13%
Asset Mix														
Money Market Instruments	100.00%	98.85%	92.78%	54.55%	28.66%	3.23%	4.68%	4.05%	3.19%	3.41%	3.31%	2.75%	2.58%	5.20%
Corporate Bond	0.00%	1.15%	0.00%	37.86%	58.56%	69.21%	80.93%	63.95%	74.93%	26.81%	55.98%	0.00%	5.92%	0.00%
G-Sec	0.00%	0.00%	7.22%	6.51%	10.01%	27.53%	14.39%	30.03%	19.96%	69.78%	38.36%	97.25%	91.50%	94.80%
PTC	0.00%	0.00%	0.00%	1.08%	2.77%	0.00%	0.00%	1.98%	0.45%	0.00%	2.35%	0.00%	0.00%	0.00%
Rating Mix														
Sovereign /AAA & equivalent [$]	100.00%	100.00%	100.00%	83.45%	87.44%	100.00%	100.00%	86.34%	35.28%	100.00%	59.43%	100.00%	98.03%	100.00%
AA+	0.00%	0.00%	0.00%	9.68%	11.41%	0.00%	0.00%	11.87%	5.68%	0.00%	5.46%	0.00%	1.97%	0.00%
AA	0.00%	0.00%	0.00%	4.75%	1.15%	0.00%	0.00%	1.79%	29.91%	0.00%	15.83%	0.00%	0.00%	0.00%
AA-	0.00%	0.00%	0.00%	2.12%	0.00%	0.00%	0.00%	0.00%	17.08%	0.00%	10.07%	0.00%	0.00%	0.00%
A+	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	9.78%	0.00%	7.20%	0.00%	0.00%	0.00%
A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.27%	0.00%	2.01%	0.00%	0.00%	0.00%
A-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Below A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Load Structure														
Exit Load	NIL	Graded Exit Load^	NIL	NIL	NIL	NIL	NIL	NIL	If redeemed / switched-out within 12 months - For 10% of investment : Nil For remaining investment : 1% If redeemed/ switched out after 12 months from the date of allotment: Nil	NIL	If redeemed / switched-out within 12 months : - For 10% of investment : Nil - For remaining investment : 1% If redeemed/ switched out after 12 months from the date of allotment: Nil.	NIL	NIL	NIL

[$]AAA & Equivalent includes AAA/A1+-rated papers.

^Graded exit load for Axis Liquid fund as below:

Investor exit upon Subscription	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7 onwards
Exit load as a % of redemption proceeds	0.0070%	0.0065%	0.0060%	0.0055%	0.0050%	0.0045%	Nil

*in case of semi annual YTM, it will be annualised. *The yield to maturity given above is based on the portfolio of funds as on 31st July 2024. This should not be taken as an indication of the returns that may be generated by the fund and the securities bought by the fund may or may not be held till their respective maturities. The calculations are based on the invested corpus.

The cash adjusted Yield to Maturity given above is based on the portfolio of funds as on 31st July 2024 adjusted for cash & Net current assets.

AT A GLANCE

	Axis CRISIL IBX 70:30 CPSE Plus SDL April 2025 Index Fund	Axis CRISIL IBX SDL May 2027 Index Fund	Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF	Axis Nifty SDL September 2026 Debt Index Fund	Axis CRISIL IBX 50:50 Gilt Plus SDL September 2027 Index Fund	Axis CRISIL IBX 50:50 Gilt Plus SDL June 2028 Index Fund	Axis CRISIL IBX SDL June 2034 Debt Index Fund
Why Invest?	Low cost hassle free solution for investors looking to build their core fixed income portfolio in the debt portfolio	Focus on running a highly liquid portfolio of SDLs	Aim to earn better returns than bank fixed deposits of a similar duration	Focus on running a highly liquid portfolio of SDLs	Aim to earn better returns than bank fixed deposits of a similar duration	Aim to earn better returns than bank fixed deposits of a similar duration	Focus on running a highly liquid portfolio of SDLs
Type of Scheme	Index Fund	Index Fund	ETF	Index Fund	Index Fund	Index Fund	Index Fund
Residual Maturity	0.64 years	2.64 years	1.33 years	2.02 years	2.88 years	3.40 years	9.43 years
Macaulay Duration	0.63 years	2.39 years	1.25 years	1.85 years	2.60 years	2.99 years	6.73 years
Modified Duration	0.59 years	2.30 years	1.19 years	1.79 years	2.52 years	2.89 years	6.49 years
Annualized Portfolio YTM*	7.38%	7.16%	7.34%	7.19%	7.04%	7.11%	7.38%
Asset Mix							
Money Market Instruments	3.73%	2.54%	4.63%	4.02%	2.63%	5.44%	3.78%
Corporate Bond	73.46%	0.00%	48.58%	0.00%	0.00%	0.00%	0.00%
G-Sec	22.81%	97.46%	46.79%	95.98%	97.37%	94.56%	96.22%
PTC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Rating Mix							
Sovereign /AAA & equivalent $	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
AA+	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AA-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
A+	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
A-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Below A	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Load Structure							
Exit Load	NIL	NIL	NIL	NIL	NIL	NIL	NIL

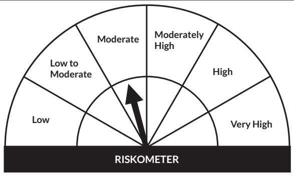
$AAA & Equivalent includes AAA/A1+-rated papers.

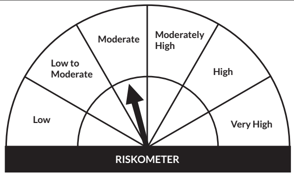
*in case of semi annual YTM, it will be annualised. *The yield to maturity given above is based on the portfolio of funds as on 31st July 2024. This should not be taken as an indication of the returns that may be generated by the fund and the securities bought by the fund may or may not be held till their respective maturities. The calculations are based on the invested corpus.

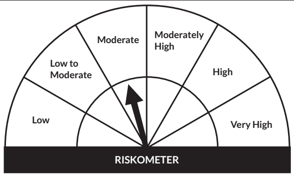
The cash adjusted Yield to Maturity given above is based on the portfolio of funds as on 31st July 2024 adjusted for cash & Net current assets.

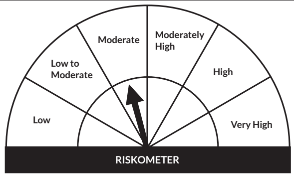
AXIS MUTUAL FUND

<table>
<tr><th>Fund Name & Benchmark</th><th>Product Labelling</th><th>Product Riskometer</th><th>Benchmark Riskometer</th><th>Potential Risk Class</th></tr>
<tr>
<td>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</td>
<td>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.</td>
<td>

Investors understand that their principal will be at moderate risk</td>
<td>
</td>
<td><table><tr><td>Credit Risk →
Interest Rate Risk ↓</td><td>Relatively Low (Class A)</td><td>Moderate (Class B)</td><td>Relatively High (Class C)</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></td>
</tr>
<tr>
<td>Axis Gilt Fund (An open-ended debt scheme investing in government securities across maturity. A relatively high interest rate risk and relatively low credit risk)

Benchmark: CRISIL Dynamic Gilt Index</td>
<td>This product is suitable for investors who are seeking*:
• Credit risk free returns over medium to long term.
• Investment mainly in government securities across maturities.</td>
<td>

Investors understand that their principal will be at moderate risk</td>
<td>
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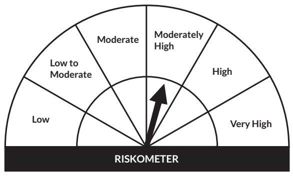
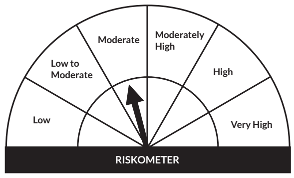
</tr>
<tr>
<td>Axis Strategic Bond Fund (An open-ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 years to 4 years. A relatively high interest rate risk and relatively high credit risk)

Benchmark: NIFTY Medium Duration Debt Index A-III</td>
<td>This product is suitable for investors who are seeking*:
• Optimal returns over medium term.
• Investment in diversified portfolio of debt and money market securities to generate optimal risk adjusted returns while maintaining liquidity.</td>
<td>

Investors understand that their principal will be at moderately high risk</td>
<td>
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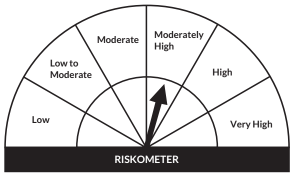
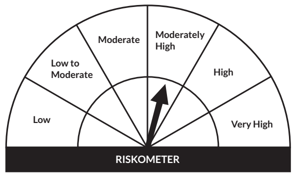
</tr>
<tr>
<td>Axis Credit Risk Fund (An open-ended debt scheme predominantly investing in AA and below rated corporate bonds (excluding AA+ rated corporate bonds. A relatively high interest rate risk and relatively high credit risk)

Benchmark: CRISIL Credit Risk Debt B-II Index</td>
<td>This product is suitable for investors who are seeking*:
• Stable returns in the short to medium term.
• Investment in debt and money market instruments across the yield curve and credit spectrum.</td>
<td>

Investors understand that their principal will be at moderately high risk</td>
<td>
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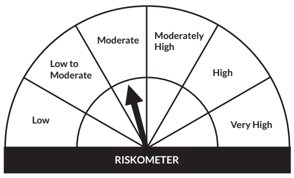
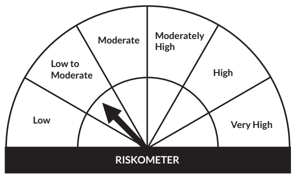
</tr>
<tr>
<td>Axis Banking & PSU Debt Fund (An open-ended debt scheme predominantly investing in debt instruments of banks, public sector undertakings & public financial institutions. A relatively high interest rate risk and moderate credit risk)

Benchmark: Nifty Banking & PSU Debt Index A-II</td>
<td>This product is suitable for investors who are seeking*:
• Regular income over short to medium term.
• Investment in debt and money market instruments issued by Banks, PFIs & PSUs.</td>
<td>

Investors understand that their principal will be at moderate risk</td>
<td>
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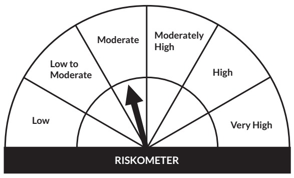
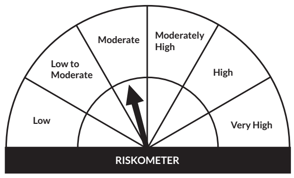
</tr>
<tr>
<td>Axis Corporate Debt Fund (An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds. A relatively high interest rate risk and moderate credit risk)

Benchmark: NIFTY Corporate Bond Index A-II</td>
<td>This product is suitable for investors who are seeking*:
• Regular income over short to medium term.
• Predominantly investing in corporate debt.</td>
<td>

Investors understand that their principal will be at moderate risk</td>
<td>
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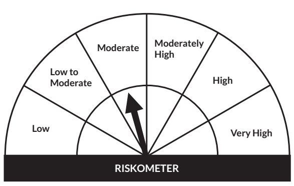
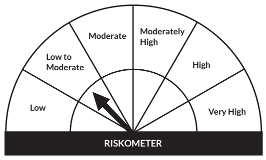
</tr>
<tr>
<td>Axis Short Term Fund (An open-ended short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 year to 3 years. A relatively high interest rate risk and moderate credit risk)

Benchmark: NIFTY Short Duration Debt Index A-II</td>
<td>This product is suitable for investors who are seeking*:
• Regular income while maintaining liquidity over short term.
• Investment in debt and money market instruments.</td>
<td>

Investors understand that their principal will be at moderate risk</td>
<td>
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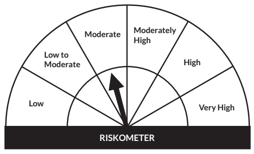
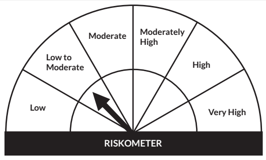
</tr>
<tr>
<td>Axis Liquid Fund (An open-ended liquid scheme. A relatively low interest rate risk and moderate credit risk)

Benchmark: NIFTY Liquid Index A-I</td>
<td>This product is suitable for investors who are seeking*:
• Regular income over short term.
• Investment in debt and money market instruments.</td>
<td>

Investors understand that their principal will be at moderate risk</td>
<td>
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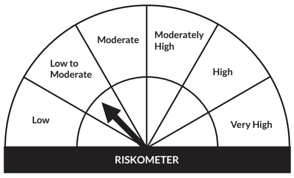
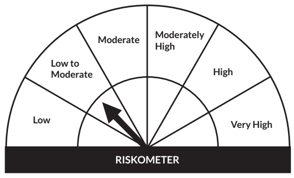
<tr>
<td>Axis Treasury Advantage Fund
(An open-ended low duration debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 6 to 12 months. A relatively high interest rate risk and moderate credit risk)

Benchmark: NIFTY Low Duration Debt Index A-I</td>
<td>This product is suitable for investors who are seeking*:
Regular income over short term.
Investment in debt and money market instruments.</td>
<td>

Investors understand that their principal will be at low to moderate risk</td>
<td>
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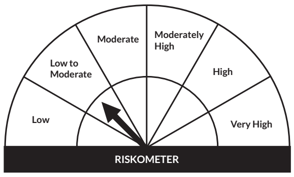
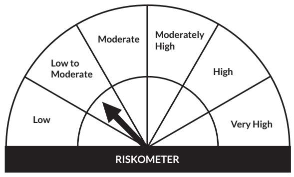
</tr>
<tr>
<td>Axis Money Market Fund (An open ended debt scheme investing in money market instruments. A relatively low interest rate risk and moderate credit risk)

Benchmark: NIFTY Money Market Index A-I</td>
<td>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.</td>
<td>

Investors understand that their principal will be at low to moderate risk</td>
<td>
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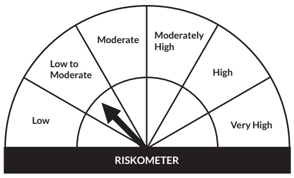
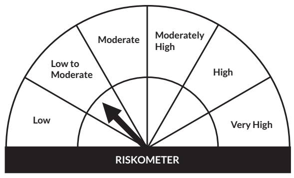
</tr>
<tr>
<td>Axis Ultra Short Term Fund (An open ended ultra-short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 months and 6 months. A moderate interest rate risk and moderate credit risk)

Benchmark: NIFTY Ultra Short Duration Debt Index A-I</td>
<td>This product is suitable for investors who are seeking*:
Regular income over short term.
Investment in Debt & Money Market instruments such that the Macaulay duration of the portfolio is between 3 months - 6 months.</td>
<td>

Investors understand that their principal will be at low to moderate risk</td>
<td>
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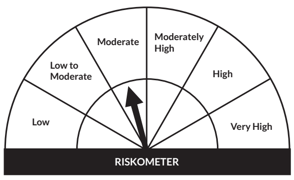
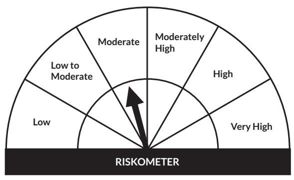
</tr>
<tr>
<td>Axis Floater Fund
(An open ended debt scheme predominantly investing in floating rate instruments. A relatively high interest rate risk and moderate credit risk)

Benchmark: NIFTY Medium to Long Duration Debt Index A-III</td>
<td>This product is suitable for investors who are seeking*:
Regular income over short term investment horizon.
To invest predominantly in floating rate instruments (including fixed rate instruments converted to floating rate exposures using swaps/derivatives)</td>
<td>

Investors understand that their principal will be at moderate risk</td>
<td>
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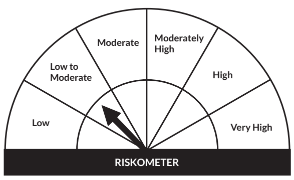
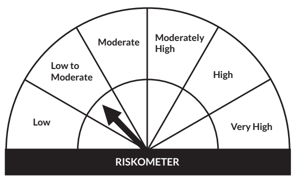
</tr>
<tr>
<td>Axis Overnight Fund (An open ended debt scheme investing in overnight securities. A relatively low interest rate risk and relatively low credit risk)

Benchmark: Nifty 1D Rate Index</td>
<td>This product is suitable for investors who are seeking*:
Regular income with high levels of safety and liquidity over short term.
Investment in debt and money market instruments with overnight maturity.</td>
<td>

Investors understand that their principal will be at low to moderate risk</td>
<td>
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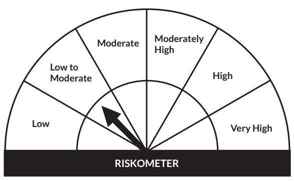
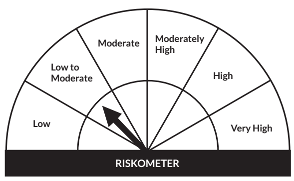
</tr>
<tr>
<td>Axis CRISIL IBX 70:30 CPSE Plus SDL April 2025 Index Fund (An open-ended Target Maturity Index Fund investing in constituents of CRISIL IBX 70:30 CPSE Plus SDL - April 2025. A moderate interest rate risk and relatively low credit risk)

Benchmark: CRISIL IBX 70:30 CPSE Plus SDL Index - April 2025</td>
<td>This product is suitable for investors who are seeking*:
Income over long term
Investments in state government securities (SDLs) similar to the composition of CRISIL IBX 70:30 CPSE Plus SDL – April 2025, subject to tracking errors.</td>
<td>

Investors understand that their principal will be at low to moderate risk</td>
<td>
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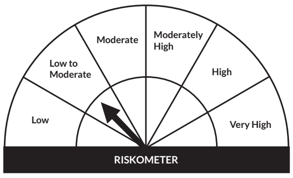
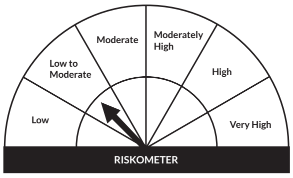
<tr>
<td>Axis CRISIL IBX SDL May 2027 Index Fund (An open-ended Target Maturity Index Fund investing in constituents of CRISIL IBX SDL Index – May 2027 A Relatively High Interest Rate Risk and Relatively Low Credit risk)

Benchmark: CRISIL IBX SDL Index - May 2027</td>
<td>This product is suitable for investors who are seeking*:
Income over long term
Investments in state government securities (SDLs) replicating the composition of CRISIL IBX SDL Index – May 2027, subject to tracking errors.</td>
<td>
Investors understand that their principal will be at low to moderate risk</td>
<td></td>
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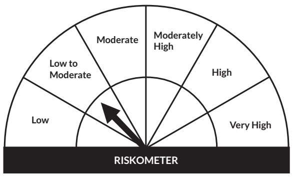
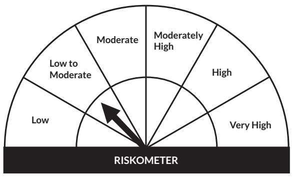
</tr>
<tr>
<td>Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF (An open-ended Target Maturity Exchange Traded Fund investing predominantly in constituents of Nifty AAA Bond Plus SDL Apr 2026 50:50 Index. A relatively high interest rate risk and relatively low credit risk.)

Benchmark: Nifty AAA Bond Plus SDL Apr 2026 50:50 Index</td>
<td>This product is suitable for investors who are seeking*:
Income over long term.
Investment in AAA rated Corporate Bonds & State Development Loans (SDLs) as represented by Nifty AAA Bond Plus SDL Apr 2026 50:50 Index, subject to tracking errors.</td>
<td>
Investors understand that their principal will be at low to moderate risk</td>
<td></td>
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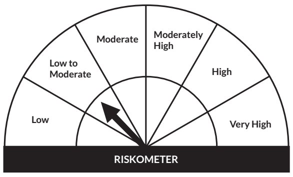
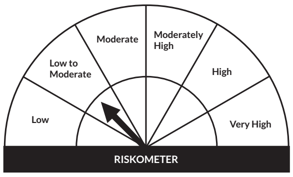
<tr>
<td>Axis Nifty SDL September 2026 Debt Index Fund (An open-ended Target Maturity Index Fund investing in constituents of Nifty SDL Sep 2026 Index; A Relatively High Interest Rate Risk and Relatively Low Credit Risk)

Benchmark: NIFTY SDL Sep 2026 Index</td>
<td>This product is suitable for investors who are seeking*:
Income over long term.
Investments in state government securities (SDLs) replicating the composition of Nifty SDL Sep 2026 Index subject to tracking errors.</td>
<td>
Investors understand that their principal will be at low to moderate risk</td>
<td></td>
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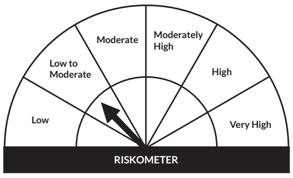
</tr>
<tr>
<td>Axis CRISIL IBX 50:50 Gilt Plus SDL June 2028 Index Fund (An open-ended Target Maturity index fund investing in constituents of CRISIL IBX 50:50 Gilt Plus SDL Index – June 2028. Relatively High interest rate risk and Relatively Low Credit Risk)

Benchmark: CRISIL IBX 50:50 Gilt Plus SDL - June 2028 Index</td>
<td>This product is suitable for investors who are seeking*:
Income over long term.
The scheme that seeks to provide Investment returns corresponding to the total returns of the securities as represented by CRISIL IBX 50:50 Gilt Plus SDL Index – June 2028, subject to tracking errors.</td>
<td>
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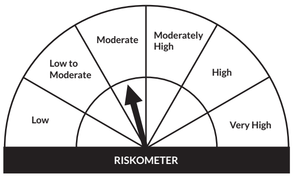
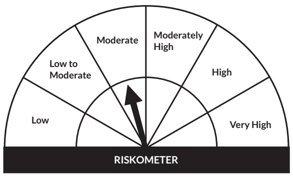
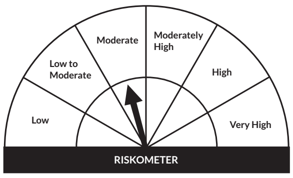
<td></td>
<td><table><tr><th>Credit Risk →
Interest Rate Risk ↓</th><th>Relatively Low (Class A)</th><th>Moderate (Class B)</th><th>Relatively High (Class C)</th></tr><tr><td>Relatively Low (Class I)</td><td></td><td></td><td></td></tr><tr><td>Moderate (Class II)</td><td></td><td></td><td></td></tr><tr><td>Relatively High (Class III)</td><td>A-III</td><td></td><td></td></tr></table></td>
</tr>
<tr>
<td>AXIS LONG DURATION FUND (An open ended debt scheme investing in instruments such that the Macaulay duration of the portfolio is greater than 7 years. A Relatively High interest rate risk and Relatively Low Credit Risk)

Benchmark: Nifty Long Duration Debt Index A-III</td>
<td>This product is suitable for investors who are seeking*:
Regular income over long term.
Investment in Debt and Money Market instruments with portfolio Macaulay duration of greater than 7 years.</td>
<td>
Investors understand that their principal will be at moderate risk</td>
<td></td>
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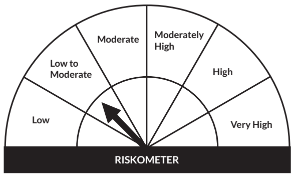
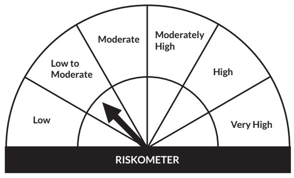
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

#For latest Risk-o-meter, investors may refer to the Monthly Portfolios disclosed on the website of the Fund viz. https://www.axismf.com/

AXIS MUTUAL FUND

<table>
<tr>
<td>AXIS CRISIL IBX50:50 GILT PLUS SDL SEP 2027 INDEX FUND (An open-ended Target Maturity index fund investing in constituents of CRISIL IBX 50:50 Gilt Plus SDL Index – September 2027. Relatively High interest rate risk and Relatively Low Credit Risk)

Benchmark: CRISIL IBX 50:50 Gilt Plus SDL Index - September 2027</td>
<td>This product is suitable for investors who are seeking*:
Income over long term.
The Scheme that seeks to provide investment returns corresponding to the total returns of the securities as represented by CRISIL IBX 50:50 Gilt Plus SDL Index – September 2027 , subject to tracking errors.</td>
<td>

Investors understand that their principal will be at low to moderate risk</td>
<td>
</td>
<td><table>
<tr><th>Credit Risk →
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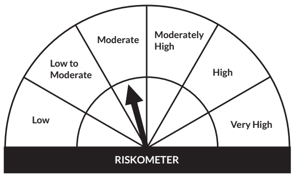
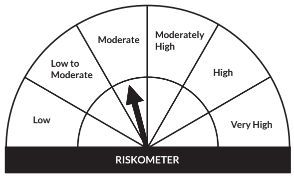
<tr><td>Relatively High (Class III)</td><td>A-III</td><td></td><td></td></tr>
</table></td>
</tr>
<tr>
<td>Axis CRISIL IBX SDL June 2034 Debt Index Fund
(An open-ended Target Maturity index fund investing in constituents of CRISIL IBX SDL Index – June 2034. A Relatively High Interest Rate Risk and Relatively Low Credit Risk)

Benchmark: CRISIL IBX SDL Index – June 2034</td>
<td>This product is suitable for investors who are seeking*:
Income over long term.
Investments in state government securities (SDLs) similar to the composition of CRISIL IBX SDL Index – June 2034, subject to tracking errors.</td>
<td>

Investors understand that their principal will be at moderate risk</td>
<td>
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<tr><th>Credit Risk →
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Data as on 31st July 2024. Source of data: Bloomberg, ACEMF

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 securities mentioned, from time to time. Investors are requested to consult their financial, tax and other advisors before taking any investment decision(s). This document should not be construed as research report.

Statutory Details: Axis Mutual Fund has been established as a Trust under the Indian Trusts Act, 1882, sponsored by Axis Bank Ltd. (liability restricted to ₹ 1 Lakh). **Trustee:** Axis Mutual Fund Trustee Ltd. **Investment Manager:** Axis Asset Management Co. Ltd. (the AMC) **Risk Factors:** Axis Bank Limited is not liable or responsible for any loss or shortfall resulting from the operation of the scheme.

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