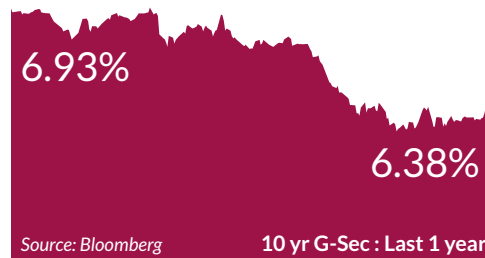


FIXED INCOME MARKET REVIEW & OUTLOOK

AUGUST 2025

Fixed Income Review

The month saw bond yields rise in the US ahead of the monetary policy outcome of the US Federal Reserve (Fed). Overall, 10 year Treasuries ended 14 bps higher at 4.37%. In India, the 10-year government bond yields ended 6 basis points higher at 6.38% given abundant banking liquidity and receding inflation.



Key Market Events

RBI keeps rates steady, banking liquidity in surplus : The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) maintained a neutral stance, keeping interest rates unchanged amid ample liquidity and ongoing transmission of the 100 basis points of cumulative easing implemented thus far. The central bank acknowledged that while global uncertainties have moderated, supply chain disruptions persist, and the imposition of tariffs on India could marginally temper growth.

The RBI highlighted that average daily liquidity has remained above Rs 3 lac crore since the June policy review. The upcoming phased CRR reductions, beginning in September, are expected to further augment this surplus.

Inflation falls further : Headline inflation fell to 2.1% in June from 2.8% in May, led by a faster than expected moderation in food prices especially vegetables. The IMD's forecast of an above-normal monsoon is likely to support the crop harvests, which, in addition to the healthy buffer stocks, is likely to ensure that food prices remain benign. We expect headline inflation to remain near 3% by the end of 2025 driven by benign food prices and due to favourable outlook for crop production.

Crude oil prices rose 7.3% over the month. The US has imposed a tariff of 25% (and additional 25%) on Indian exports to the US. A penalty has also been levied due to India's energy and defense imports from Russia. While the final numbers could change, these developments may exert upward pressure on inflation to some extent.

Macro data mixed : High frequency indicators remained mixed. PMIs remained in an expansionary zone with both manufacturing and services PMIs rising in June. GST collections slowed while credit growth improved marginally. External demand too showed a pickup in June, led by services exports, while goods exports were largely flat on a YoY basis.

Rupee depreciates in July : The rupee depreciated against the US dollar weighed down by the announcement of 25% tariff against India and a penalty for buying Russian crude. Subsequently, this figure now stands revised at 50% after another additional tariff of 25%. The dollar outperformed most currencies, with the DXY rising 3.3%.

US treasury yields move higher : The yields on US Treasuries rose higher tracking the interest rate expectations ahead of monetary policy. The FOMC maintained target range for fed fund rate at 4.25-4.5% and highlighted a cautious approach while focusing on dual mandate on inflation and employment. The Fed chair emphasized that the Fed is "being pulled in two directions," balancing the need to control inflation with the goal of sustaining employment.

Market view

The Fed continues to navigate the dual challenge of stubborn inflation and slowing growth. Despite holding rates steady in recent months, we expect two rate cuts in 2025. Indicators such as a softening labor market and tariff-related growth headwinds support this view. The cumulative easing could total 75–100 basis points, especially if trade tensions persist and fiscal policy remains tight.

As expected by us, the central bank kept interest rates unchanged. Given the absence of significant economic vulnerabilities and considering the cumulative 100 basis points rate reduction already implemented, the RBI is well-positioned to maintain a neutral approach. With operative rates already eased by ~150 bps, any further cuts may be limited to just one more or two at best in case the growth surprises on downside. Moreover, the implications of elevated tariffs warrant careful evaluation, with key macroeconomic variables—such as currency dynamics, capital flows, and evolving trade relationships—requiring close monitoring. As rightly noted by the Governor, monetary policy transmission operates with a lag and must be allowed to fully play out.

In our view, we are at the fag end of the rate cut cycle and an additional 25 basis points rate cut would have had limited incremental impact under prevailing liquidity conditions. That said, we continue to believe that interest rates are likely to remain lower for an extended period.

Since the monetary policy in June policy, spreads on long bonds have widened significantly—from 30–40 bps to nearly 70 bps. Historical data shows that spreads tend to widen at the tail end of rate-cut cycles. The previous rate cut cycles saw

spreads (between 10 year and 30 year Gsecs) widen by 58 and 77 basis points, respectively. In the current cycle (Dec 2024 – Jul 2025), spreads have already widened by 54 basis points, indicating a similar steepening trend.

The tactical tailwinds that worked in favour of duration have been fading. With Rs12 trillion injected via CRR cuts and other tools, and a current liquidity surplus of Rs 6 trillion, the need for OMOs is minimal. We do not expect any major OMOs until March 2026. FPI flows have dried up, with net outflows of Rs 27,643 crore over the last four months. Most JP Morgan and Bloomberg-related flows are already in, leaving little room for incremental demand.

In our recently released Acumen, “Is the rally over in Long Duration Bonds?” We have highlighted that the primary concern for long-duration bonds is no longer about spreads or yield levels—it lies in the deteriorating demand-supply dynamics, both structurally and tactically. While interest rates are likely to remain lower for an extended period, the structural rally in long bonds appears to have largely played out. That said, tactical opportunities offering 10–15 basis points may still emerge intermittently. For investors focused on yield and near-term capital appreciation, alternative strategies as explained above may present a more compelling risk-reward profile.

We believe that only those investors with long-term liabilities may still find value in long bonds, especially if they can withstand short-term volatility. Investors in mutual funds should consider shifting to short-duration or accrual strategies. The steepening yield curve favors 2–5-year corporate bonds, which offer better risk-adjusted returns.

Risks to our view: The risks to our view at this point are as below

- 1) Currency
- 2) Growth shocks globally and in India
- 3) Inclusion in Bloomberg indices

Strategy – We have gradually reduced duration in our portfolios since February 2025 transitioning from long duration strategies to accrual-based strategies.

We believe that the current year’s demand-supply mismatch is worsening, with limited tactical support and rising issuance. This imbalance could increase pressure on yields, especially in long-duration segments.

We have been adding 2-5 year corporate bonds to the portfolio as we expect surplus banking liquidity, lower supply of corporate bonds/ CDs due to slowdown and delay in implementation of LCR guidelines and attractive spreads and valuations. Incrementally short bonds can outperform long bonds from risk-reward perspective due to a shallow rate cut cycle, lower OMO purchases in the second half of the year and a shift in focus to Govt Debt to GDP targets.

What should investors do?

- In line with our core macro view, we continue to advise short- to medium-term funds with tactical allocation of gilt funds to our clients.

- IN SUMMARY -

- Rate cycle on a pause for the next few policies.
- Yield upside limited; investors should add short term bonds with every rise in yields.
- Short term 2-5-year corporate bonds and tactical mix of 8-10 yr Gsecs and 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.

- PRODUCT OVERVIEW -

Axis Overnight Fund

- Axis Overnight Fund is an open ended scheme investing in overnight securities such as TREPS/Repo/Overnight maturity papers.
- Maturity: Invests in securities with residual maturity of one business day*
- Provides a high level of liquidity with reasonable returns commensurate with low risk through a portfolio of money market and debt securities.
- Enables investors to earn accrual for every day of investment.
- Primary Asset class: Money Market & Short Term Debt Instruments with residual maturity of 1 business day
- The current duration of the fund is 2 days.

*As per regulation, Overnight funds can deploy upto 5% of net assets in G-secs and/or T-bills with a residual maturity of upto 30 days for the purpose of placing the same as margin and collateral for certain transactions.

Axis Liquid Fund

- Axis Liquid Fund is an open ended liquid scheme which invests in debt and money market instruments with a maturity up to 91 days.
- High quality portfolio with 100% allocation to A1+ rated assets.
- Long Term Rating: Sub AAA assets (excl bank CDs) \leq 20%, no exposure to below AA rated assets
- It provides a high level of liquidity with reasonable returns commensurate with low interest rate risk.
- Primary asset class: Debt and Money Market Instruments \leq 91 days
- The current duration of the fund is 46 days.

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) \leq 20%, no exposure to below AA rated assets
- Primary asset class: Short term debt and money market instruments with maturity of upto 1 year
- The current duration of the fund is 197 days.

Axis Ultra Short Duration Fund

- Targets an indicative portfolio duration of 3 – 6 months
- High quality portfolio with selective Sub AAA exposure: Sub AAA assets (excl bank CDs) \leq 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.
- The current duration of the fund is 181 days.

Axis Treasury Advantage Fund

- 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.

- PRODUCT OVERVIEW -

- Long term rating: Sub AAA assets (excl bank CDs) \leq 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
- The current duration of the fund is 340 days.

Axis Short Duration 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+ & equivalent assets in the portfolio.
- Long term rating: Sub AAA assets (excl bank CDs) \leq 20%, no exposure to below AA rated assets
- Primary asset class: Corporate Bonds, G-Secs and money market instruments
- The current duration of the fund is 2.3 Years.

Axis Corporate Bond Fund

- Axis Corporate Bond 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 2-5 year maturity and G-Secs in the range of 5-10 year maturity.
- The mispricing of select higher yield AAA bonds offers room for gains from market compression/normalization in yields of such papers.
- The current duration of the fund is 3.24 Years.

Axis Floater Fund

- Axis Floater Fund is 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.
- The current duration of the fund is 5.48 Years.

Axis Banking & PSU Debt Fund

- The fund targets stable returns with high credit quality and liquidity predominantly through investment in Debt & Money Market Instruments issued by Banks, Public Financial Institutions (PFIs) and Public Sector Undertakings (PSUs).
- The fund will be deployed into AAA/A1+ and equivalent rated instruments and maintain a Macaulay duration of 1-3 years.
- The space is a sweet spot, such a strategy is ideal for medium term investors looking to take advantage of the current opportunities in the debt markets with overall elevated short term yields and improved durable banking liquidity.
- The current duration of the fund is 2.7 years.

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.
- Currently, the fund has duration of 3.14 years.

- PRODUCT OVERVIEW -

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).
- The current duration of the fund is 2.08 Years.

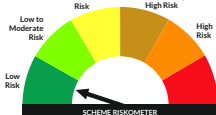
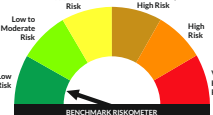





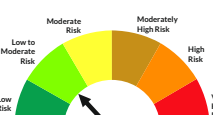
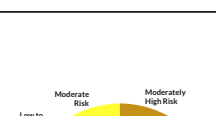
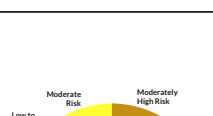
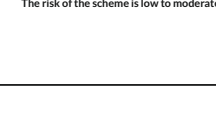
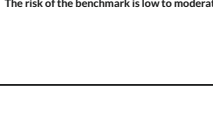




Axis Dynamic Bond Fund

- 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 investors who are seeking dynamic management of the debt portfolio.
- Currently the fund's duration is 5.68 years.

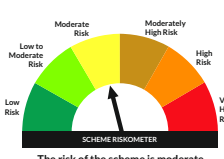
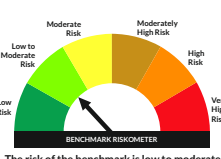
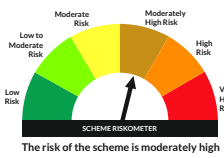
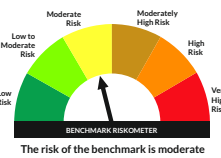
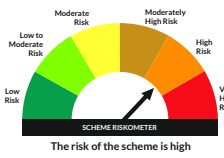
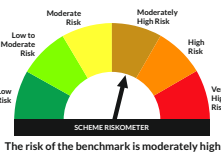
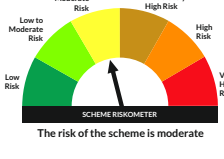
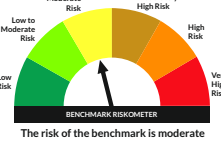
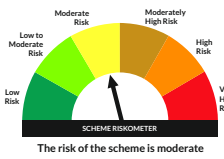
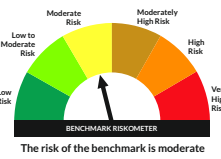
Axis Long Duration Fund

- The fund is positioned as long only held to maturity strategy investing only in government securities.
- The high absolute yield 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.
- Currently the fund's duration is 11.75 years.

- PRODUCT LABELLING & DISCLAIMERS -

Fund Name & Benchmark	Product Labelling	Product Riskometer	Benchmark Riskometer	Potential Risk Class																				
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	This product is suitable for investors who are seeking*: <ul style="list-style-type: none">Regular income with high levels of safety and liquidity over short term.Investment in debt and money market instruments with overnight maturity.	 <p>The risk of the scheme is Low</p>	 <p>The risk of the benchmark is Low</p>	<table><tr><th>Credit Risk</th><th>Relatively Low (Class A)</th><th>Moderate (Class B)</th><th>Relatively High (Class C)</th></tr><tr><td>Interest Rate Risk</td><td></td><td></td><td></td></tr><tr><td>Relatively Low (Class I)</td><td>A-I</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></td><td></td></tr></table>	Credit Risk	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk				Relatively Low (Class I)	A-I			Moderate (Class II)				Relatively High (Class III)			
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Axis Liquid Fund (An open-ended liquid scheme. A relatively low interest rate risk and moderate credit risk) Benchmark: NIFTY Liquid Index A-I	This product is suitable for investors who are seeking*: <ul style="list-style-type: none">Regular income over short term.Investment in debt and money market instruments.	 <p>The risk of the scheme is low to moderate</p>	 <p>The risk of the benchmark is low to moderate</p>	<table><tr><th>Credit Risk</th><th>Relatively Low (Class A)</th><th>Moderate (Class B)</th><th>Relatively High (Class C)</th></tr><tr><td>Interest Rate Risk</td><td></td><td></td><td></td></tr><tr><td>Relatively Low (Class I)</td><td></td><td>B-I</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></td><td></td></tr></table>	Credit Risk	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk				Relatively Low (Class I)		B-I		Moderate (Class II)				Relatively High (Class III)			
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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*: <ul style="list-style-type: none">Regular income over short termInvestment in money market instruments with maturity up to one year.	 <p>The risk of the scheme is low to moderate</p>	 <p>The risk of the benchmark is low to moderate</p>	<table><tr><th>Credit Risk</th><th>Relatively Low (Class A)</th><th>Moderate (Class B)</th><th>Relatively High (Class C)</th></tr><tr><td>Interest Rate Risk</td><td></td><td></td><td></td></tr><tr><td>Relatively Low (Class I)</td><td></td><td>B-I</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></td><td></td></tr></table>	Credit Risk	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk				Relatively Low (Class I)		B-I		Moderate (Class II)				Relatively High (Class III)			
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Axis Ultra Short Duration 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	This product is suitable for investors who are seeking*: <ul style="list-style-type: none">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.	 <p>The risk of the scheme is moderate</p>	 <p>The risk of the benchmark is low to moderate</p>	<table><tr><th>Credit Risk</th><th>Relatively Low (Class A)</th><th>Moderate (Class B)</th><th>Relatively High (Class C)</th></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>B-II</td><td></td></tr><tr><td>Relatively High (Class III)</td><td></td><td></td><td></td></tr></table>	Credit Risk	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk				Relatively Low (Class I)				Moderate (Class II)		B-II		Relatively High (Class III)			
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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	This product is suitable for investors who are seeking*: <ul style="list-style-type: none">Regular income over short term.Investment in debt and money market instruments.	 <p>The risk of the scheme is low to moderate</p>	 <p>The risk of the benchmark is low to moderate</p>	<table><tr><th>Credit Risk</th><th>Relatively Low (Class A)</th><th>Moderate (Class B)</th><th>Relatively High (Class C)</th></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>	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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Axis Short Duration 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	This product is suitable for investors who are seeking*: <ul style="list-style-type: none">Regular income while maintaining liquidity over short term.Investment in debt and money market instruments.	 <p>The risk of the scheme is moderate</p>	 <p>The risk of the benchmark is low to moderate</p>	<table><tr><th>Credit Risk</th><th>Relatively Low (Class A)</th><th>Moderate (Class B)</th><th>Relatively High (Class C)</th></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>	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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Axis Corporate Bond 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	This product is suitable for investors who are seeking*: <ul style="list-style-type: none">Regular income over short to medium term.Predominantly investing in corporate debt.	 <p>The risk of the scheme is moderate</p>	 <p>The risk of the benchmark is moderate</p>	<table><tr><th>Credit Risk</th><th>Relatively Low (Class A)</th><th>Moderate (Class B)</th><th>Relatively High (Class C)</th></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>	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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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	This product is suitable for investors who are seeking*: <ul style="list-style-type: none">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)	 <p>The risk of the scheme is moderate</p>	 <p>The risk of the benchmark is moderate</p>	<table><tr><th>Credit Risk</th><th>Relatively Low (Class A)</th><th>Moderate (Class B)</th><th>Relatively High (Class C)</th></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>	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	
Credit Risk	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)																					
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Moderate (Class II)																								
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- PRODUCT LABELLING & DISCLAIMERS -

Fund Name & Benchmark	Product Labelling	Product Riskometer	Benchmark Riskometer	Potential Risk Class																				
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	<p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none">Regular income over short to medium term.Investment in debt and money market instruments issued by Banks, PFIs & PSUs.	 <p>The risk of the scheme is moderate</p>	 <p>The risk of the benchmark is low to moderate</p>	<table><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>	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	
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																						
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	<p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none">Optimal returns over medium term.Investment in diversified portfolio of debt and money market securities to generate optimal risk adjusted returns while maintaining liquidity.	 <p>The risk of the scheme is moderately high</p>	 <p>The risk of the benchmark is moderate</p>	<table><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></td><td>C-III</td></tr></table>	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)			C-III
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)			C-III																					
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	<p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none">Stable returns in the short to medium term.Investment in debt and money market instruments across the yield curve and credit spectrum.	 <p>The risk of the scheme is high</p>	 <p>The risk of the benchmark is moderately high</p>	<table><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></td><td>C-III</td></tr></table>	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)			C-III
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)			C-III																					
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 (AMFI Tier I Benchmark)	<p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none">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.	 <p>The risk of the scheme is moderate</p>	 <p>The risk of the benchmark is moderate</p>	<table><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>	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	
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																						
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	<p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none">Regular income over long term.Investment in Debt and Money Market instruments with portfolio Macaulay duration of greater than 7 years.	 <p>The risk of the scheme is moderate</p>	 <p>The risk of the benchmark is moderate</p>	<table><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>A-III</td><td></td><td></td></tr></table>	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)	A-III		
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)	A-III																							

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

Note: Schemes & Benchmark Riskometer(s) mentioned are as per the latest details available with the AMC. For latest riskometer(s), kindly visit www.axismf.com.

Data as on 31st July 2025. Source of data: Bloomberg, ACEMF

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