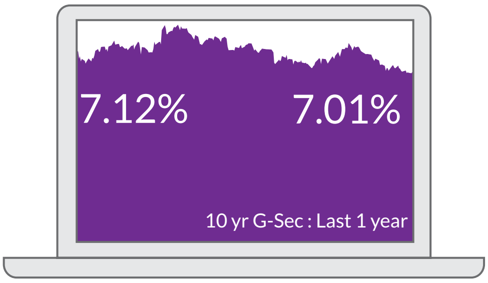
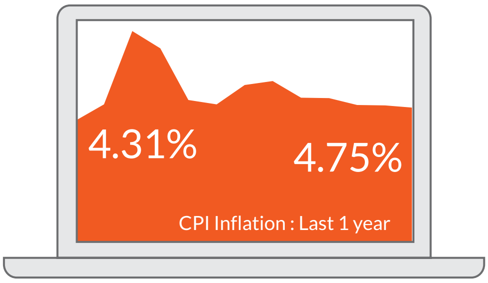
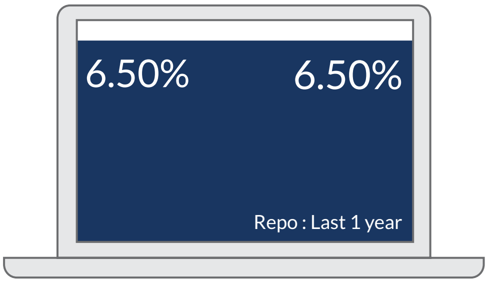
AXIS MUTUAL FUND

FIXED INCOME OUTLOOK

JULY 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.

Bond markets witnessed an action packed month on account of the electoral outcome, monetary policy and the inclusion of Indian government bonds in JP Morgan Indices. The ruling party secured a third consecutive term albeit with a lower number of seats than expected. The volatility seen on the day of election results was reversed through the course of the month. Nonetheless, the yields on the 10 year government bonds ended 3 bps higher at 7.03%. Foreign Portfolio Investors (FPI) flows was positive in June and stood at US$1.8 bn over the month. Year to date, cumulative debt inflows amounted to US$8.3 bn. The month also finally saw the first of the interest rate cuts coming from the central banks in developed economies. Yields on US Treasuries ended 19 bps lower on weaker macroeconomic data.

10 YEAR G-SEC YIELD

7.01%

Key Market Events

The start of Interest rate cuts : The central banks of Europe, Switzerland and Canada pivoted on the interest rate cycle, with all of them delivering rate cuts and guidance for further cuts due to falling inflation trajectory. In the US, macro data including retail sales, employment and inflation, continued to be weak with the second quarter data weaker than the first quarter. Meanwhile, the Reserve Bank of India (RBI) kept interest rates unchanged but upgraded the growth outlook. In contrast, the Bank of Japan remain an outlier and expecting to raise interest rates based on macro data underscoring its ability to push up borrowing costs from near zero levels.

Inflationary pressures down : Headline inflation was lower at 4.75% vs 4.83% in the previous month. Both headline and core inflation came a tad softer than expected and unless we see any surprises from monsoon we do not expect any upside in CPI trajectory in near term.

Opec+ extended their cut which led to rise in Brent prices by 5% over last one month. Other commodities especially base metals lost shine in the last month and most of them corrected by 2-5%. Overall, we do not expect crude to add to inflationary pressures.

Banking liquidity continues to be in deficit : Banking liquidity has remained in deficit for last three months due to lack of spending due to elections. In addition, we had an announcement of more than expected RBI dividend last month, which has led to build up of government balances over Rs 5 trn as of June 21, 2024. In next one month, we have approx. Rs 1.5 trn of government bond maturities and we would also have accelerated spending as government is already trailing on its expenditure spending for the year. This could lead to improvement in banking liquidity which should be positive for short end - bond market curve (up to 2 years)

Inclusion in JP Morgan indices : Finally, Indian govt bonds were included in JP Morgan Indices from 28 June and we should expect approx. US$ 15-20 bn of inflows till March 2025. So far, approx. US$ 10 bn of inflows have already been seen till date and we expect another US$15-20 bn of flows till March 2025.

Market view

Overall, bond markets traded in a narrow range through June with little movement both at the shorter and longer end of the curve. Looking ahead, we anticipate that bond yields will trend lower due to sustained foreign portfolio investor (FPI) debt inflows and increased spending in July. All eyes are on the upcoming budget, and we do not foresee significant market movements before its release. Our expectation is that the government will prioritize fiscal consolidation, infrastructure investment, and policy continuity. Specifically, we believe that the fiscal deficit target for FY25 will be maintained at 5.1%, with the additional buffer of 0.3-0.4% of GDP resulting from excess RBI dividends allocated to welfare and capex spending.

Although few central banks have initiated rate cuts, we anticipate that neither the US nor India will implement rate cuts until December 2024. The RBI will remain cautious due to robust growth indicators and monsoon uncertainties. Meanwhile, in the US, a larger-than-expected fiscal deficit will likely maintain US yields within a certain range, despite softer macroeconomic data.

Our core view continues to remain constructive on rates due to positive demand supply dynamics especially for Indian government bonds, lower headline and a stable outlook on the external front. We expect 50 bps of rate cut in this cycle in next 12 months. In anticipation of continued FPI flows due to JP Morgan inclusion and expectations of improvement in banking liquidity our portfolio has tilted towards a higher allocation to Gsecs and 1-3 year corporate bonds.

Risks to view

Market positioning is heavy (both traders and investors), which means everyone is positioned for rally in bonds. Any surprises on borrowing in the budget, like additional borrowing can lead to volatility and rise in yields by 10-20 bps.

Positioning & Strategy

We do expect the 10-year bond yields to trade in a narrow range of 7.00-7.20% in the near term and to soften to 6.75% over the next few quarters. Investors need to be patient on the rate cut cycle which could be delayed to the second half of FY25.

Accordingly, from a strategy perspective, we will maintain an overweight duration stance within the respective scheme mandates. Accordingly, investors should continue to build and hold duration across their portfolios. In addition, investors should be patient for further rally as rate cuts have been delayed to H2FY25. With positive demand supply outlook for bonds, FPI flows via JP Morgan Indices starting June 2024 and possibility of a lower government borrowing in July, 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
4.85 years	3.5 years
Annualized Portfolio YTM*	**Macaulay Duration**
7.61%	3.68 years

Why Invest?

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

AXIS BANKING & PSU DEBT FUND

Residual Maturity	Modified Duration
3.61 years	2.8 years
Annualized Portfolio YTM*	**Macaulay Duration**
7.56%	2.98 years

Why Invest?

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

- 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
3.69 years	2.74 years
Annualized Portfolio YTM*	**Macaulay Duration**
7.73%	2.87 years

Why Invest?

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

AXIS CREDIT RISK FUND

Residual Maturity	Modified Duration
2.84 years	1.96 years
Annualized Portfolio YTM*	**Macaulay Duration**
8.45%	2.06 years

Why Invest?

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

- 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
6.1 years	3.73 years
Annualized Portfolio YTM*	**Macaulay Duration**
8.17%	3.89 years

Why Invest?

to target stable risk-return profile

AXIS DYNAMIC BOND FUND

Residual Maturity	Modified Duration
16.8 years	7.61 years
Annualized Portfolio YTM*	**Macaulay Duration**
7.35%	7.94 years

Why Invest?

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

- 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
196 days	177 days	7.86%	184 days

Why Invest?

Short term solution for parking funds

AXIS TREASURY ADVANTAGE FUND

Residual Maturity	Modified Duration	Annualized Portfolio YTM*	Macaulay Duration
409 days	337 days	7.75%	355 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
215 days	213 days	7.59%	214 days

Why Invest?

Short term solution for parking funds

AXIS FLOATER FUND

Residual Maturity	Modified Duration	Annualized Portfolio YTM*	Macaulay Duration
15.2 years	7.25 years	7.30%	7.51 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
30.5 years	11.67 years	7.16%	12.08 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 May 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.

AT A GLANCE

	Axis Overnight Fund	Axis Liquid Fund	Axis Money Market Fund	Axis Ultra Short Term Fund	Axis Floater 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 Long Duration Fund
Why Invest?	Cash Managem ent	Cash Managem ent	Cash Managem ent	Short term solution for parking funds	To limit the interest rate risks in the debt portfolio	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 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	Floater Fund	Low Duration Fund	Corporate Bond Fund	Banking and PSU Fund	Short Duration Fund	Credit Risk Fund	Dynamic Bond	Medium Duration Fund	Gilt Fund	Long Duration Fund
Residual Maturity	2 days	63 days	215 days	196 days	15.2 years	409 days	4.85 years	3.61 years	3.69 years	2.84 years	16.8 years	6.1 years	16.45 years	30.5 years
Macaulay Duration	1 day	63 days	214 days	184 days	7.51 years	355 days	3.68 years	2.98 years	2.87 years	2.06 years	7.94 years	3.89 years	8.08 years	12.08 years
Modified Duration	1 day	63 days	213 days	177 days	7.25 years	337 days	3.5 years	2.8 years	2.74 years	1.96 years	7.61 years	3.73 years	7.81 years	11.67 years
Annualized Portfolio YTM*	6.77%	7.30%	7.59%	7.86%	7.30%	7.75%	7.61%	7.56%	7.73%	8.45%	7.35%	8.17%	7.20%	7.16%
Asset Mix														
Money Market Instruments	100.00%	99.25%	91.23%	49.82%	7.59%	40.65%	5.21%	5.51%	6.43%	3.75%	2.82%	3.25%	4.17%	4.93%
Corporate Bond	0.00%	0.75%	0.00%	43.03%	5.88%	49.34%	67.83%	81.27%	64.77%	78.15%	44.16%	58.27%	0.00%	0.00%
G-Sec	0.00%	0.00%	8.77%	7.02%	86.53%	9.26%	26.96%	13.22%	27.54%	16.36%	53.02%	36.08%	95.83%	95.07%
PTC	0.00%	0.00%	0.00%	0.13%	0.00%	0.74%	0.00%	0.00%	1.26%	0.44%	0.00%	2.40%	0.00%	0.00%
Rating Mix														
Sovereign /AAA & equivalent $	100.00%	100.00%	100.00%	79.83%	98.05%	87.50%	100.00%	100.00%	85.32%	38.19%	100.00%	58.75%	100.00%	100.00%
AA+	0.00%	0.00%	0.00%	11.35%	1.95%	9.98%	0.00%	0.00%	12.74%	2.45%	0.00%	5.72%	0.00%	0.00%
AA	0.00%	0.00%	0.00%	6.53%	0.00%	2.52%	0.00%	0.00%	1.94%	32.74%	0.00%	17.64%	0.00%	0.00%
AA-	0.00%	0.00%	0.00%	2.29%	0.00%	0.00%	0.00%	0.00%	0.00%	16.91%	0.00%	10.67%	0.00%	0.00%
A+	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	9.71%	0.00%	7.22%	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%
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	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

$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 30th June 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 30th June 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	0.73 years	2.73 years	1.45 years	2.11 years	2.9 years	3.5 years	9.6 years
Macaulay Duration	0.71 years	2.48 years	1.37 years	1.94 years	2.63 years	3.04 years	6.87 years
Modified Duration	0.67 years	2.39 years	1.3 years	1.87 years	2.54 years	2.94 years	6.63 years
Annualized Portfolio YTM*	7.49%	7.34%	7.49%	7.31%	7.18%	7.22%	7.44%
Asset Mix							
Money Market Instruments	3.34%	2.02%	3.91%	3.48%	4.54%	4.76%	2.83%
Corporate Bond	73.75%	0.00%	48.19%	0.00%	0.00%	0.00%	0.00%
G-Sec	22.91%	97.98%	47.90%	96.52%	95.46%	95.24%	97.17%
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	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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 30th June 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 30th June 2024 adjusted for cash & Net current assets.

AXIS MUTUAL FUND

Fund Name & Benchmark	Product Labelling	Product Riskometer	Benchmark Riskometer	Potential Risk Class

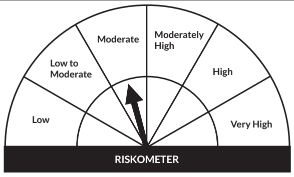
Axis Dynamic Bond Fund

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

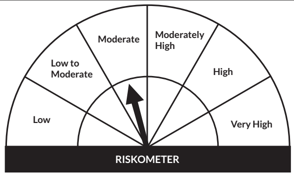
Benchmark: NIFTY Composite Debt Index A-III

This product is suitable for investors who are seeking*:

- Optimal returns over medium to long term.
- To generate stable returns while maintaining liquidity through active management of a portfolio of debt and money market instruments.



Investors understand that their principal will be at moderate risk



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

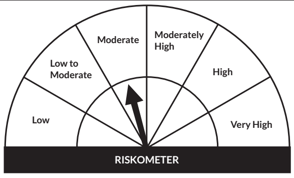
Axis Gilt Fund

(An open-ended debt scheme investing in government securities across maturity. A relatively high interest rate risk and relatively low credit risk)

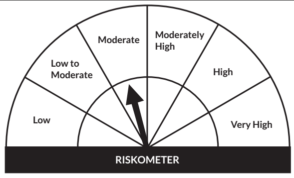
Benchmark: CRISIL Dynamic Gilt Index

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.



Investors understand that their principal will be at moderate risk



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

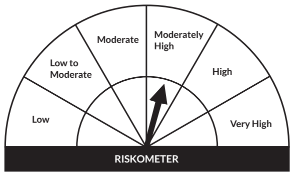
Axis Strategic Bond Fund

(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)

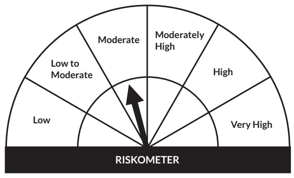
Benchmark: NIFTY Medium Duration Debt Index A-III

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.



Investors understand that their principal will be at moderately high risk



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

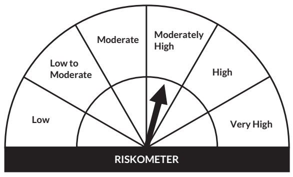
Axis Credit Risk Fund

(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)

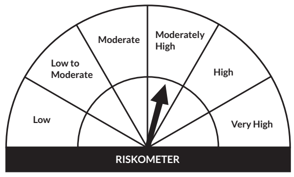
Benchmark: CRISIL Credit Risk Debt B-II Index

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.



Investors understand that their principal will be at moderately high risk



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

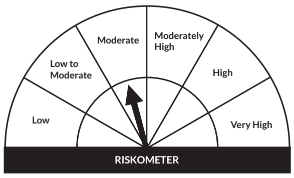
Axis Banking & PSU Debt Fund

(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)

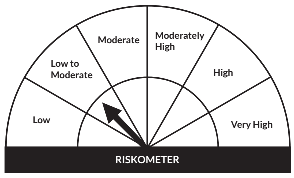
Benchmark: Nifty Banking & PSU Debt Index A-II

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.



Investors understand that their principal will be at moderate risk



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

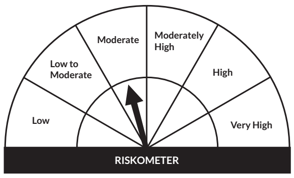
Axis Corporate Debt Fund

(An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds. A relatively high interest rate risk and moderate credit risk)

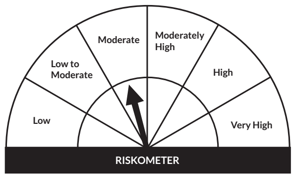
Benchmark: NIFTY Corporate Bond Index A-II

This product is suitable for investors who are seeking*:

- Regular income over short to medium term.
- Predominantly investing in corporate debt.



Investors understand that their principal will be at moderate risk



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

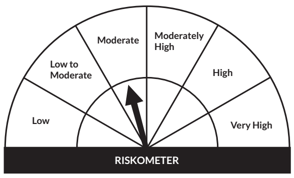
Axis Short Term Fund

(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)

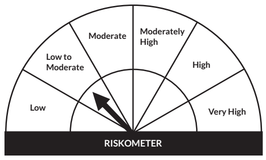
Benchmark: NIFTY Short Duration Debt Index A-II

This product is suitable for investors who are seeking*:

- Regular income while maintaining liquidity over short term.
- Investment in debt and money market instruments.



Investors understand that their principal will be at moderate risk



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

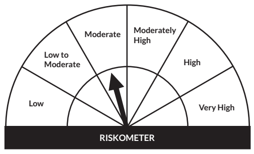
Axis Liquid Fund

(An open-ended liquid scheme. A relatively low interest rate risk and moderate credit risk)

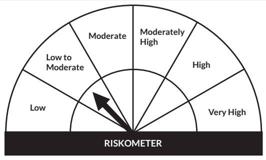
Benchmark: NIFTY Liquid Index A-I

This product is suitable for investors who are seeking*:

- Regular income over short term.
- Investment in debt and money market instruments.



Investors understand that their principal will be at moderate risk

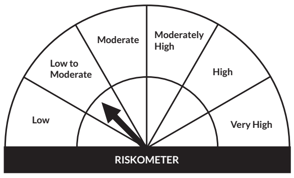


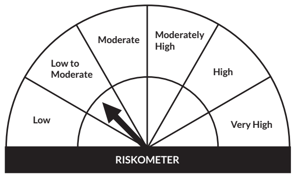
Credit Risk → / Interest Rate Risk ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Relatively Low (Class I)		B-I	
Moderate (Class II)			
Relatively High (Class III)			

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

PRODUCT LABELLING & DISCLAIMERS (CONTD.)

<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 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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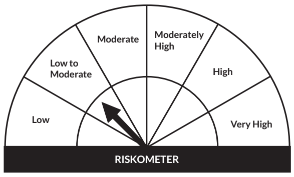
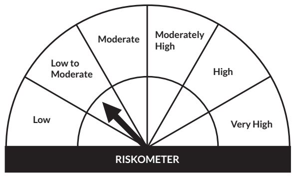
<td><table><tr><th>Credit Risk →
Interest Rate Risk ↓</th><th>Relatively Low (Class A)</th><th>Moderate (Class B)</th><th>Relatively High (Class C)</th></tr><tr><td>Relatively Low (Class I)</td><td></td><td></td><td></td></tr><tr><td>Moderate (Class II)</td><td></td><td></td><td></td></tr><tr><td>Relatively High (Class III)</td><td></td><td>B-III</td><td></td></tr></table></td>
</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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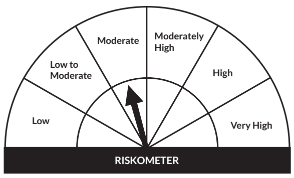
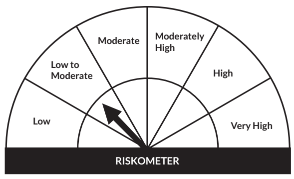
</tr>
<tr>
<td>Axis Ultra Short Term Fund (An open ended ultra-short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 months and 6 months. A moderate interest rate risk and moderate credit risk)

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 moderate risk</td>
<td>
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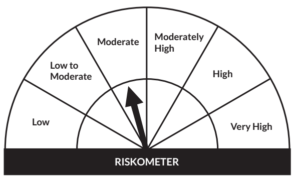
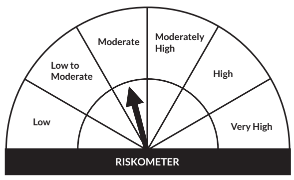
</tr>
<tr>
<td>Axis Floater Fund (An open ended debt scheme predominantly investing in floating rate instruments. A relatively high interest rate risk and moderate credit risk)

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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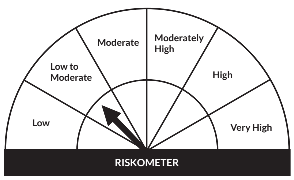
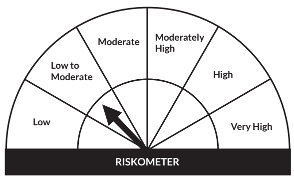
</tr>
<tr>
<td>Axis Overnight Fund (An open ended debt scheme investing in overnight securities. A relatively low interest rate risk and relatively low credit risk)

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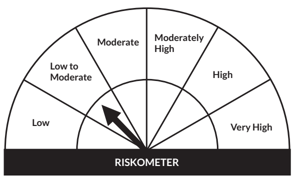
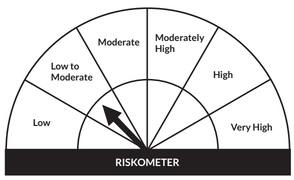
</tr>
<tr>
<td>Axis CRISIL IBX 70:30 CPSE Plus SDL April 2025 Index Fund (An open-ended Target Maturity Index Fund investing in constituents of CRISIL IBX 70:30 CPSE Plus SDL - April 2025. A moderate interest rate risk and relatively low credit risk)

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>
</table>

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

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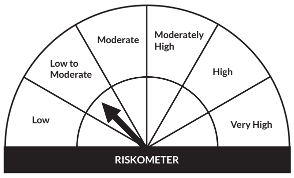
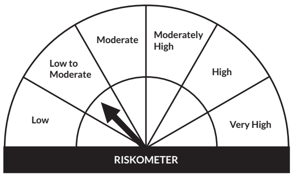
<table>
<tr><th>Fund Name
& Benchmark</th><th>Product Labelling</th><th>Product Riskometer</th><th>Benchmark Riskometer</th><th>Potential Risk Class</th></tr>
<tr>
<td>Axis CRISIL IBX SDL May 2027 Index Fund (An open-ended Target Maturity Index Fund investing in constituents of CRISIL IBX SDL Index – 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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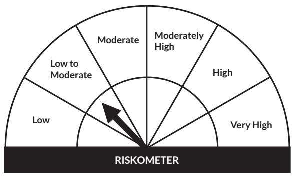
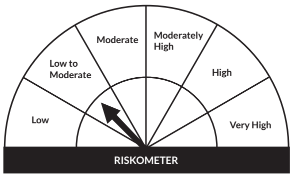
</tr>
<tr>
<td>Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF (An open-ended Target Maturity Exchange Traded Fund investing predominantly in constituents of Nifty AAA Bond Plus SDL Apr 2026 50:50 Index. A relatively high interest rate risk and relatively low credit risk.)

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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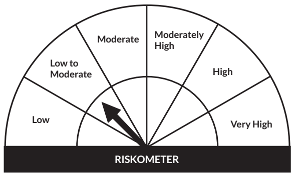
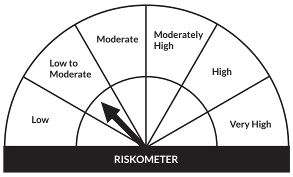
</tr>
<tr>
<td>Axis Nifty SDL September 2026 Debt Index Fund (An open-ended Target Maturity Index Fund investing in constituents of Nifty SDL Sep 2026 Index; A Relatively High Interest Rate Risk and Relatively Low Credit Risk)

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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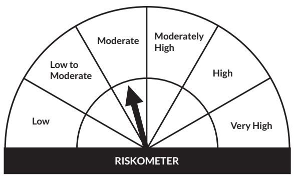
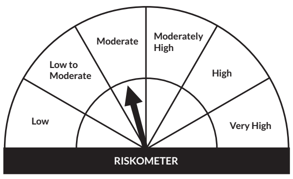
</tr>
<tr>
<td>Axis CRISIL IBX 50:50 Gilt Plus SDL June 2028 Index Fund (An open-ended Target Maturity index fund investing in constituents of CRISIL IBX 50:50 Gilt Plus SDL Index – June 2028. Relatively High interest rate risk and Relatively Low Credit Risk)

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>
Investors understand that their principal will be at moderate risk</td>
<td></td>
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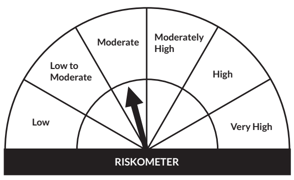
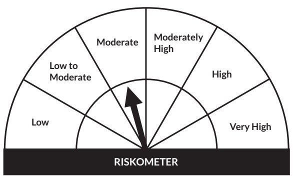
</tr>
<tr>
<td>AXIS LONG DURATION FUND (An open ended debt scheme investing in instruments such that the Macaulay duration of the portfolio is greater than 7 years. A Relatively High interest rate risk and Relatively Low Credit Risk)

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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</tr>
</table>

*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/

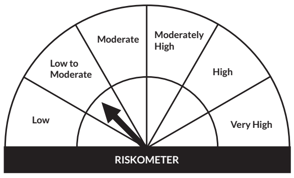
AXIS CRISIL IBX50:50 GILT PLUS SDL SEP 2027 INDEX FUND

(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)

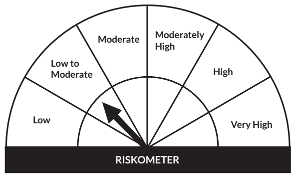
Benchmark: CRISIL IBX 50:50 Gilt Plus SDL Index - September 2027

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.



Investors understand that their principal will be at low to moderate risk



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

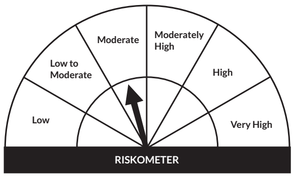
Axis CRISIL IBX SDL June 2034 Debt Index Fund

(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)

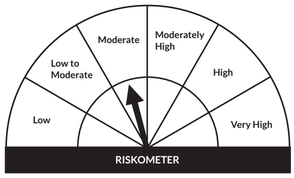
Benchmark: CRISIL IBX SDL Index – June 2034

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.



Investors understand that their principal will be at moderate risk



Credit Risk → / Interest Rate Risk ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
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.

^with effect from June 05, 2024 the Benchmark will be changed to NIFTY Long Duration Debt Index A-III.

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

Data as on 30th June 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.