

Debt Market Outlook

October 2024

Global Update



Fed finally kicks off rate cuts

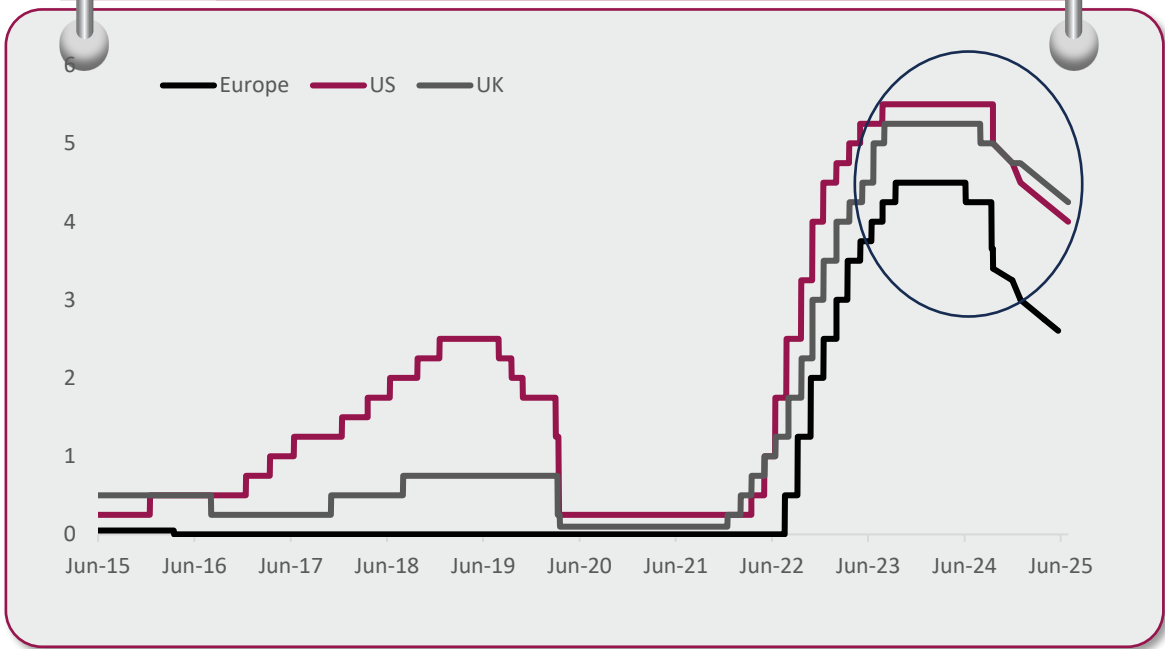
After a long pause, the Fed set the rate cycle in motion with a 50 bps cut. Decision driven by cooling inflation and desire to support economic growth

Fed Chair Jerome Powell highlighted growing confidence that inflation is continuing to decline, allowing the Fed to act more aggressively in reducing borrowing costs

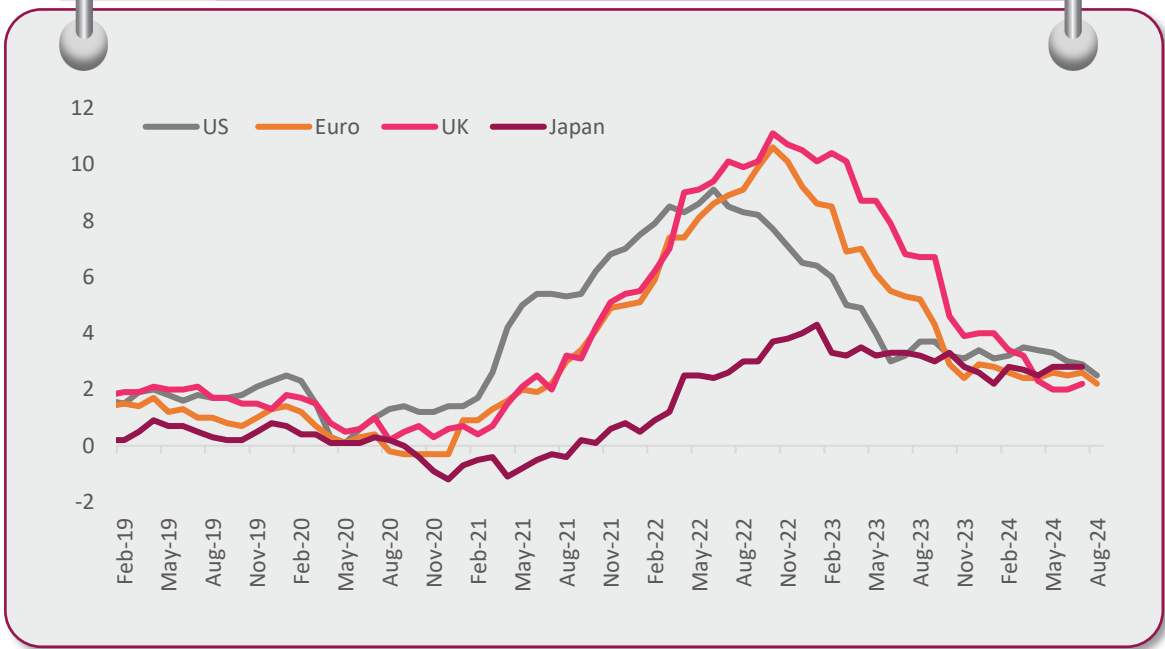
High fiscal deficits, rising debt to GDP and tepid macro data could lead to a weak US\$

10 year US Treasury yields rose beyond 4% for the first time since July 2024 on expectations of strength in the economy

Rates start heading lower



Globally inflation is moderating



Source: Bloomberg, Data as on 18 September 2024. The above graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not sustain in future.

Commodity prices firm up



After a sharp 13% appreciation against the US\$ since mid July, Yen has reversed some of its gains.

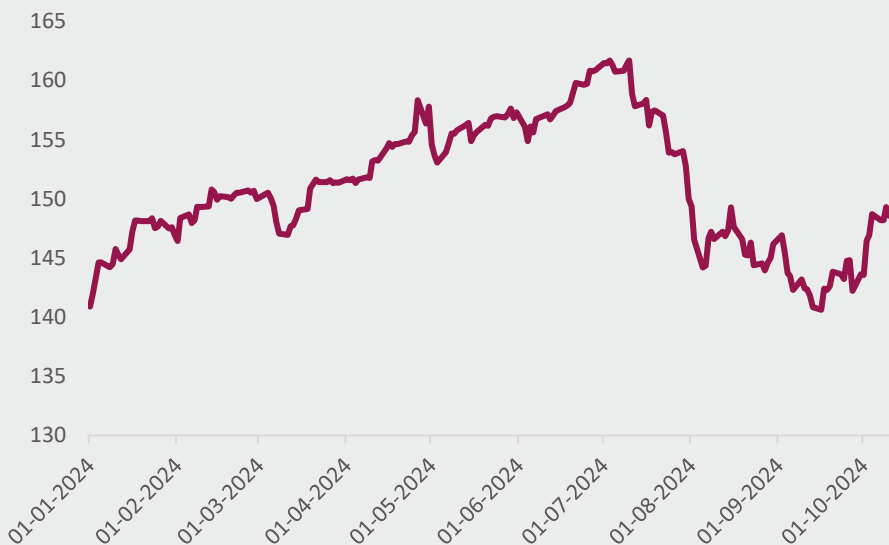


Geopolitical risk premium drives global commodity prices higher over the month adding to YTD gains



Crude caught between geopolitical stress and fluctuating supply dynamics, gains 9% in a month; hurricane in the US also adds to rising prices

Yen appreciates against the US\$



Commodities prices – A key monitorable

| Metals | 1 mth | YTD (% change) |
|---------------|-------|----------------|
| LME Tin | 7.3 | 30.7 |
| Silver | 2.5 | 32.3 |
| LME Copper | 7.7 | 14.4 |
| LME Nickel | 10.9 | 7.6 |
| Gold | 3.0 | 29.1 |
| LME Zinc | 13.9 | 18.7 |
| LME Lead | 5.5 | 1.4 |
| LME Aluminium | 11.1 | 10.4 |
| Crude | | |
| Brent Crude | 8.6 | 1.0 |

Source: HSBC, Bloomberg, Data as on 11 October 2024. The above graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not sustain in future.

China – broader economy needs to recover



The latest easing policies are no doubt helpful, especially in boosting market sentiment and lifting the near-term outlook for Chinese economy

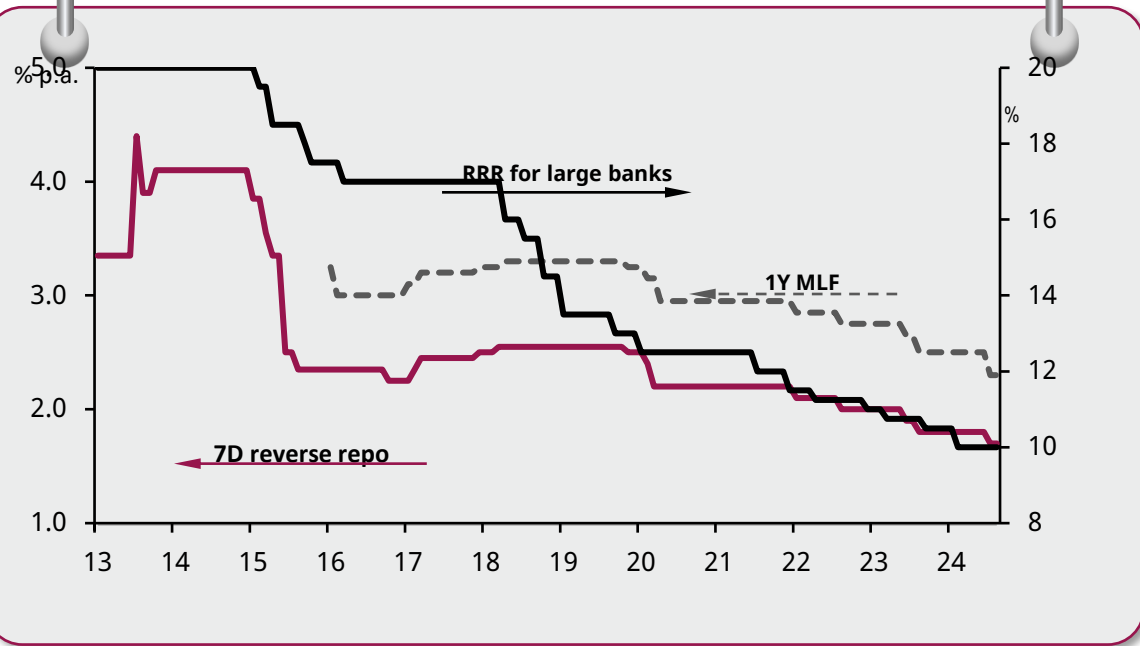


However, fiscal policies should be more effective in turning around the economic situation as demand remains sluggish and industrial overcapacity across a wide range of sectors persists

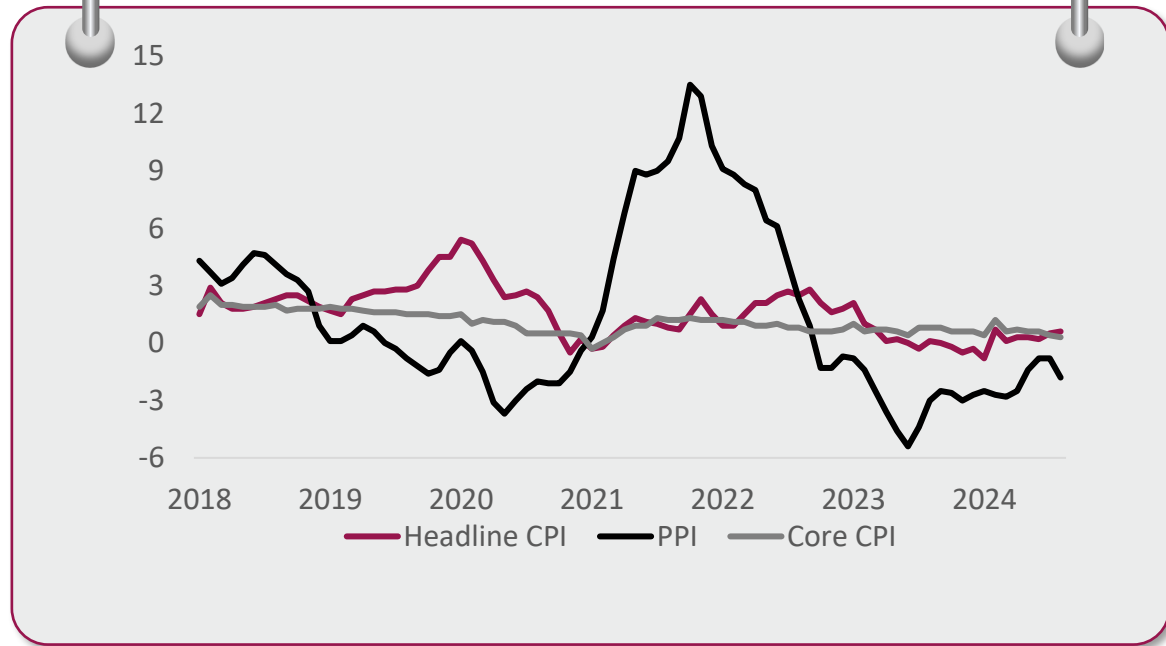


Domestic consumption and investment demand will need to pick up for the economy to bottom out

Policy rate and RRR down since 2022



Inflation dynamics need to improve



Source: PBoC, JP Morgan, August 2024

Policy announcements buoy markets

| | 24 th September Finance 3 bureaus announced measures | 26 th September Politburo statement |
|---|---|--|
| Assessment on current economic situation | | - Economic progression emerged new problems/situation.... Face straight to difficulties Intensify introduction of accretive policies |
| Fiscal policy | | - Ensure fiscal spending on important areas |
| Monetary policy | - Lower RRR 50bps, provide long-term liquidity additional Rmb 1trn, could lower RRR by 25-50bps more. Lower 7-day repo rate 20bps, LPR/MLF rate could down 30 bps, deposit rates lower | - Implement impactful interest rate cuts |
| Property market | - Lower existing mortgage rates to newly issuance level, average down 50bps, 1st/2nd home downpayment ratio united to 15%, Rmb 300bn refinancing loans for inventory clearance, ratio increase from 60% to 100% to commercial banks | - Promote real estate market to cease price correction and resume stability |
| | | - Enlarge "White List" projects credit extension efforts |
| Capital market | - Create equity swap mechanisms for brokerage, funds, insurance companies to pledge equity assets to PBOC to enhance liquidity, further increase equity positions. | - Strongly revive capital market confidence, promote mid/long term capital entering stock market |
| | - Create stock buy back loans supporting listed companies repurchase activities | - Clear obstacles for SSF, Insurance, bank wealth products to enter stock market |
| | - Devise plan to induce more 'long-term capital' participation in equity market | - Support M&A of listed companies |

Domestic Update




RBI – Monetary Policy Minutes

Assessment & Outlook

Policy Decision

- RBI kept the Repo rate unchanged at 6.50% for the tenth consecutive time in its October monetary policy meeting
- **Stance changed from 'withdrawal of accommodation' to 'neutral'**
- RBI retained GDP growth for FY25 at 7.2% and Inflation at 4.5%
- RBI has moved from evolving inflation outlook to evolving market forces
- Geopolitical events and their impact on supply chains and commodity prices are key risks to inflation



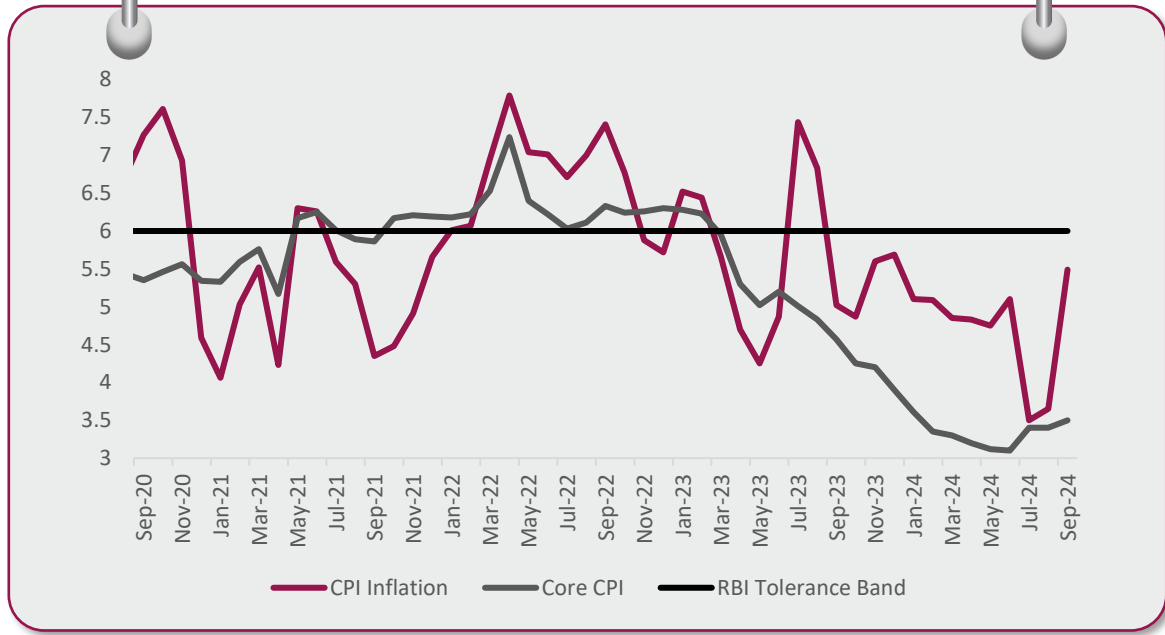
| RBI Projections | Q2 FY25 | Q3 FY25 | Q4 FY25 | FY 24-25 | Q1 FY26 |
|-----------------|---------|---------|---------|----------|---------|
| Real GDP Growth | 7.0% | 7.4% | 7.4% | 7.2% | 7.3% |
| CPI Inflation | 4.1% | 4.8% | 4.2% | 4.5% | 4.3% |

Domestic Inflation trending lower

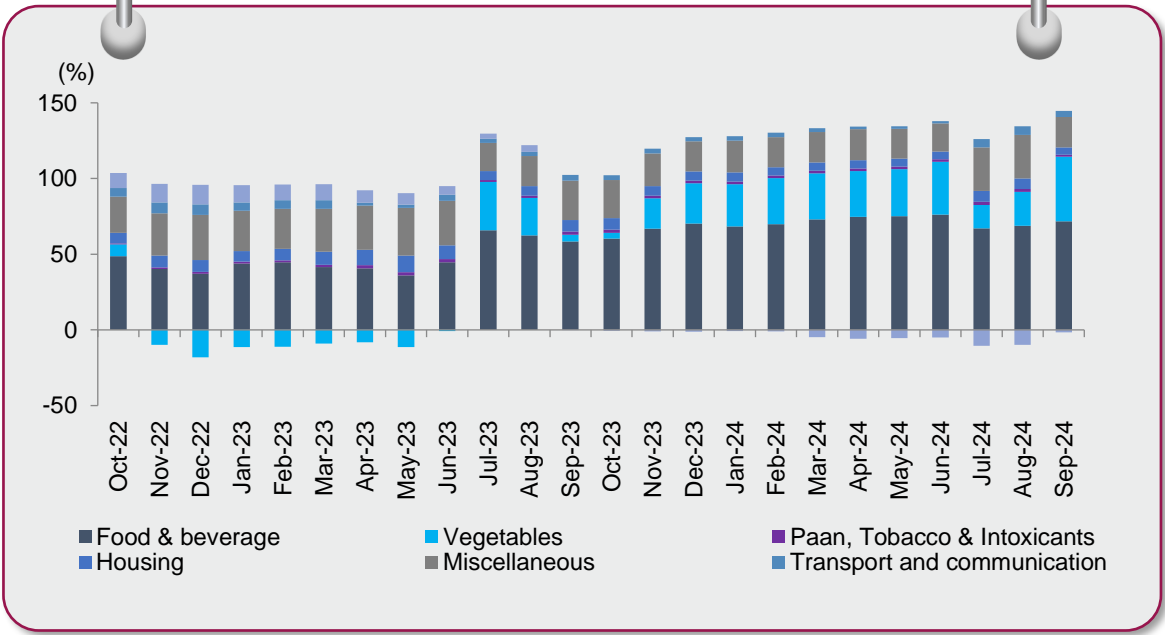
Although CPI rose sharply in September, we believe that it will head lower. Food prices should ease given good kharif sowing and a good monsoon.

While RBI has projected GDP growth of 7.2% for FY 25, we believe it will be lower at ~6.5% as we see the impact of fiscal consolidation

Inflation slightly up



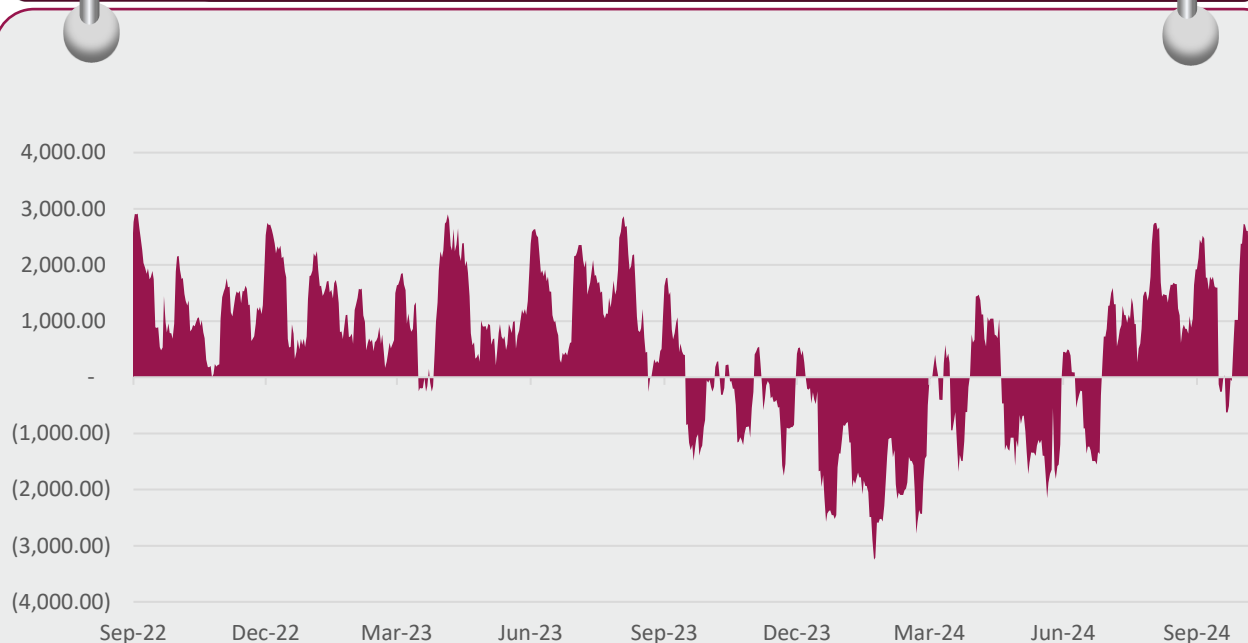
Contribution of food Inflation



Source: Inflation data as on 15 September 2024, Nirmal Bang. The above graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy.

Banking Liquidity in surplus

Banking Liquidity in surplus



Liquidity projections

| Banking liquidity Projection - July-Sep 2024 | Amt (Rs crs) |
|--|----------------|
| Opening Banking liquidity as of July 1,2024 | -92,000 |
| Inflows | |
| + Expenditure spending for the quarter | 10,50,000 |
| + RBI liquidity operations (due to JP Morgan flows) | 35,000 |
| + Reversal of currency in circulation (3 yr trend) | 75,000 |
| + Scheduled Govt Bond maturities + coupon inflows | 207,877 |
| Outflows | |
| - Scheduled Govt Bond + Net Tbill auctions | -353,000 |
| - Tax outflows (GST + Excise + Direct Tax) | -450,000 |
| - Quarterly corporated tax outflows | -150,000 |
| - Increase in CRR on acct of growth in deposits | -30,000 |
| Closing banking liquidity as of Sept 30, 2024 | 292,877 |

Rupee and external sector relatively stable

Health indicators of the economy are quite resilient especially GDP, Inflation and twin deficits and has undergone a massive transformation over years and cycles

Stable economic measures along with policy continuity has led to strong flows in India YTD ~USD 15 Bn flows (Debt & equity). We expect the BOP situation to continue to remain positive

Policy Continuity, FPI flows due to JP Morgan inclusion and Weaker China Macros will provide a cushion to forex reserves

Macro indicators remain strong

| | FY09 (GFC) | FY13 (Taper tantrum) | FY21 (Covid) | Latest |
|-------------------------------------|------------|----------------------|--------------|-----------------|
| Real GDP Growth | 3.5% | 4.3% | 3.3% | 7.2% (FY 25E) |
| Consumer Price Inflation | 9.1% | 9.4% | 5.5% | 4.5% (FY 26E) |
| Current Account Balance as % of GDP | -1.9% | -4.8% | 0.9% | -0.7% (Q1'24) |
| Fiscal deficit as % of GDP | 6.0% | 4.8% | 9.2% | 4.9% (FY 25 BE) |
| Forex reserves(USD bn) | 252 | 292 | 579 | 705 (Sep'24) |
| Currency: INR / USD | 50.7 | 54.3 | 73.1 | 83.8 (Sep' 24) |
| Brent Crude (US\$ / barrel) | 49 | 110 | 64 | 71.8 (Sep'24) |
| Policy rates | 5% | 7.5% | 4.0% | 6.5% (Oct'24) |

Source: Bloomberg, Axis MF Research. Data as of 30 Sep 2024

The above graph is used to explain the concept and is for illustration purpose only and should not used for development or implementation of an investment strategy. **Past performance may or may not be sustained in future.**

Way Forward for Fixed Income Markets



Goldilocks period for Fixed Income Markets

What factors do Central Banks consider for rates?



Consumer Price Inflation

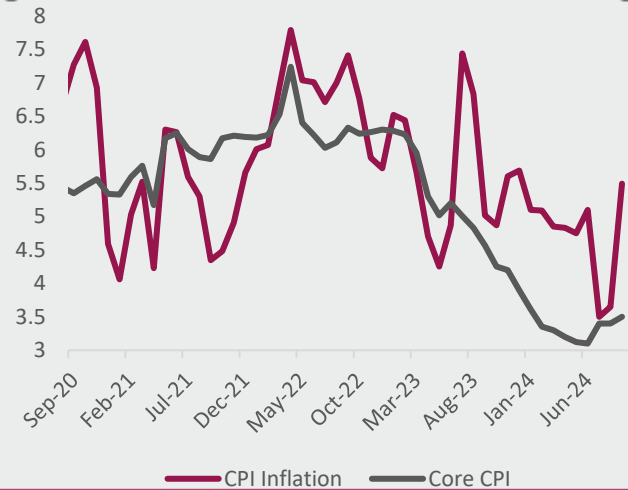


External environment



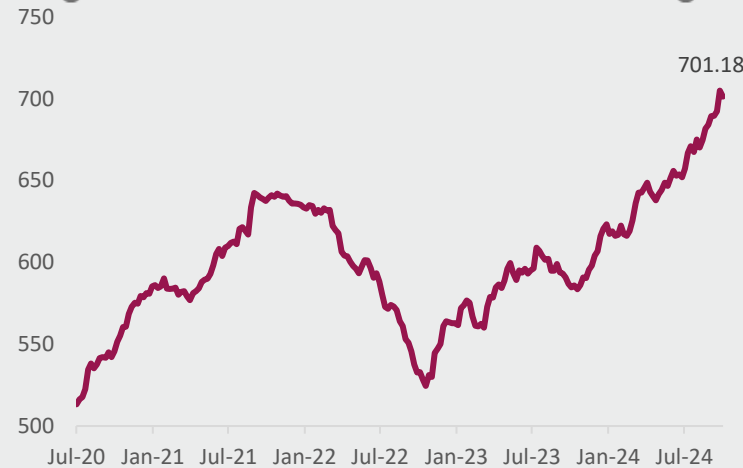
Rate action by peer Central Banks

Inflation expected to fall



CPI trajectory for FY25 is projected at 4.5%

Forex reserves at record high



BoP and JP Morgan flows to keep forex reserves stable

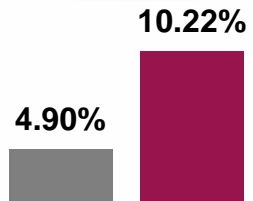
Rate actions

| | |
|---------------------|---------------------------|
| BOE | ➤ Started rate cuts |
| ECB | ➤ Started rate cuts |
| Bank of Canada | ➤ Started rate cuts |
| Swiss National Bank | ➤ Started rate cuts |
| PBOC | ➤ Started rate cuts |
| Fed | ➤ Started rate cuts |
| India | ➤ Moved to neutral stance |

India may not follow the US rate trajectory

Spread between US and India to remain narrow due to Sovereign rating outlook change and probable rating upgrade in future

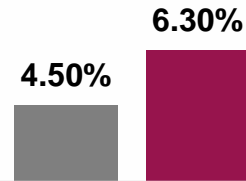
US Fiscal Deficit above long term average



US Fiscal Deficit (%)

■ Pre Covid 10 Year Average
■ Post Covid Average

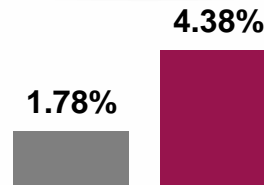
India Fiscal Deficit has been narrowing gradually



India Fiscal Deficit (%)

■ Pre Covid 10 Year Average
■ Post Covid Average

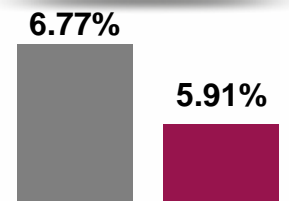
US inflation has been significantly higher



US Inflation

■ Pre Covid 10 Year Average
■ Post Covid Average

India inflation trending lower



India Inflation

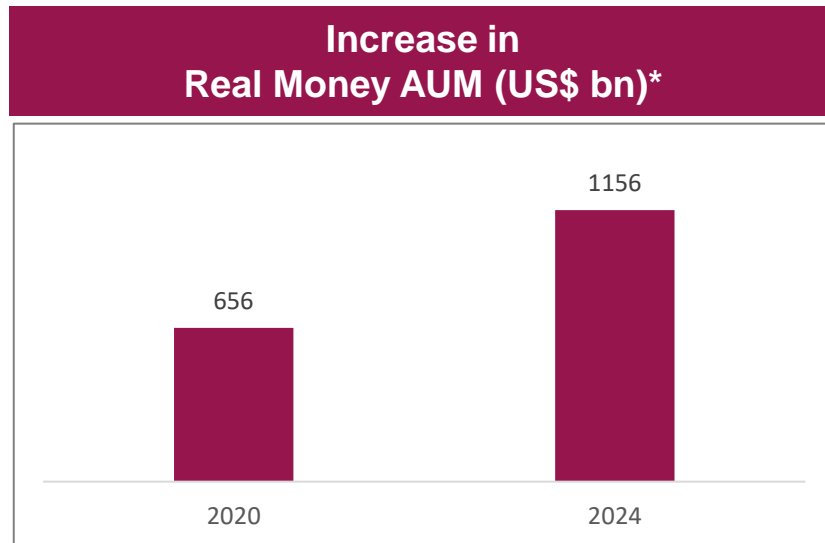
■ Pre Covid 10 Year Average
■ Post Covid Average

| | June 2022 | Sep 2024 | Change in yields |
|-----------|-----------|----------|------------------|
| 10 yr UST | 3.01% | 4.10% | 109 bps |
| 10 yr GOI | 7.45% | 6.80% | -64 bps |

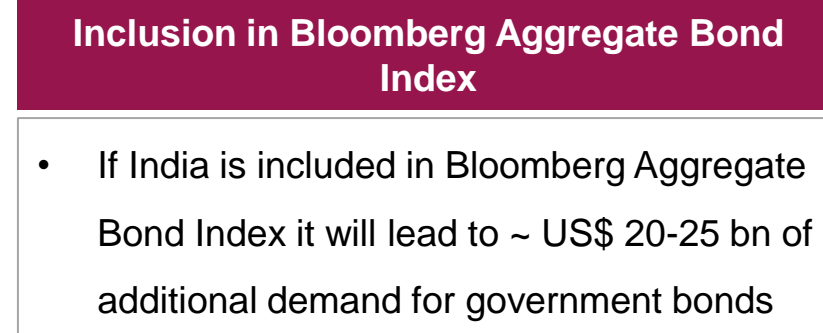
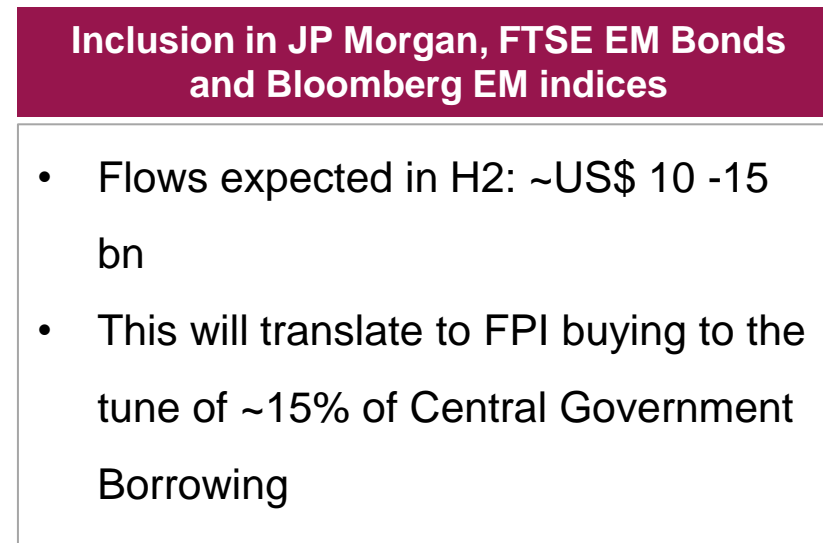
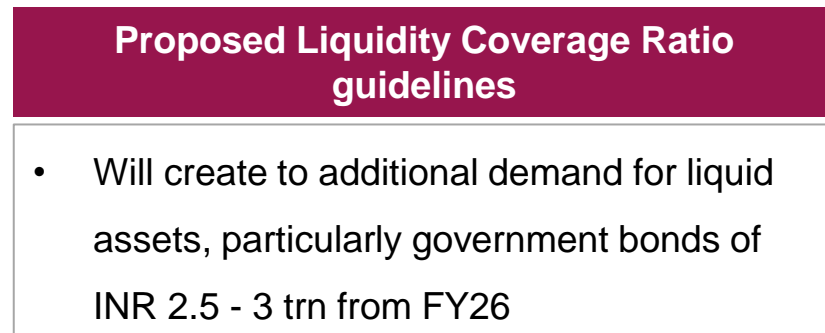
High fiscal deficit and continued pace of Quantitative Tightening will keep US treasury yields higher

Supportive Demand-Supply dynamics

Higher demand



*AUM with insurance cos., PFs, and pension funds



Term premia compression possible without rate cuts

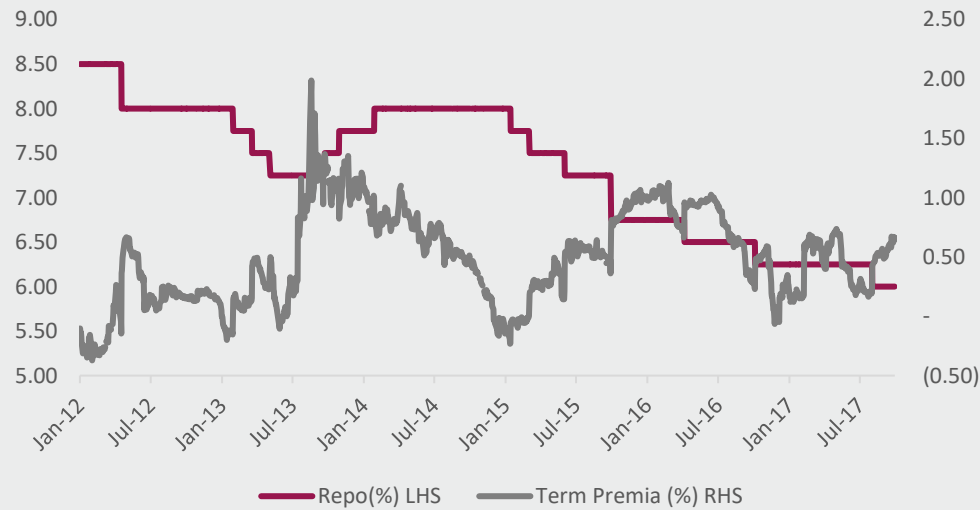


Term premia generally tends to be lower during easing rate cycles. We have seen term premia below 25 bps during positive demand supply environment and rate cut cycles.

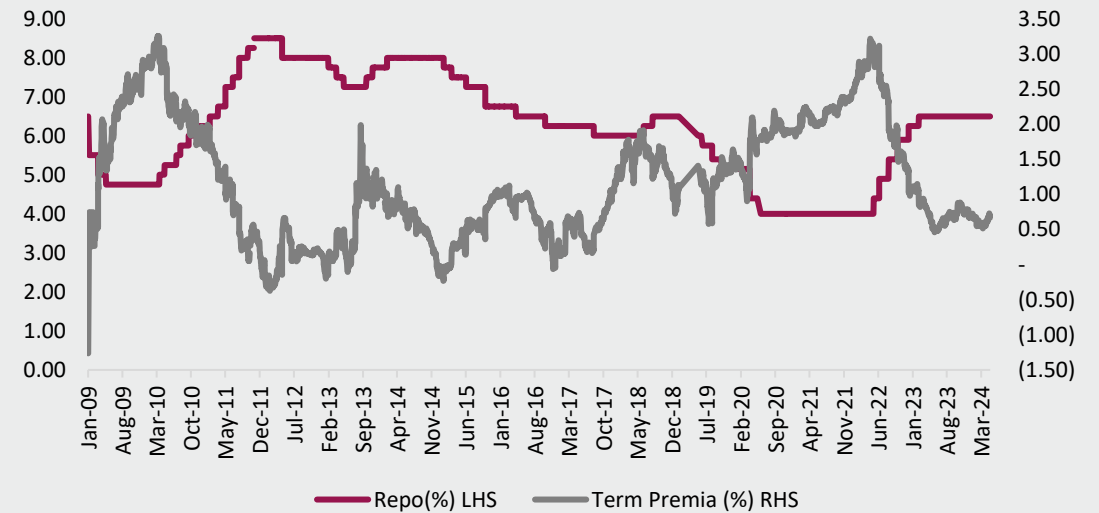


Current term premia @ 36 bps may contract going forward aided by anticipated easing and improving demand-supply dynamics

Term premia (10 yr G-Sec – Repo) during rate cuts



Term premia (10 yr G-Sec – Repo) ahead of rate cuts

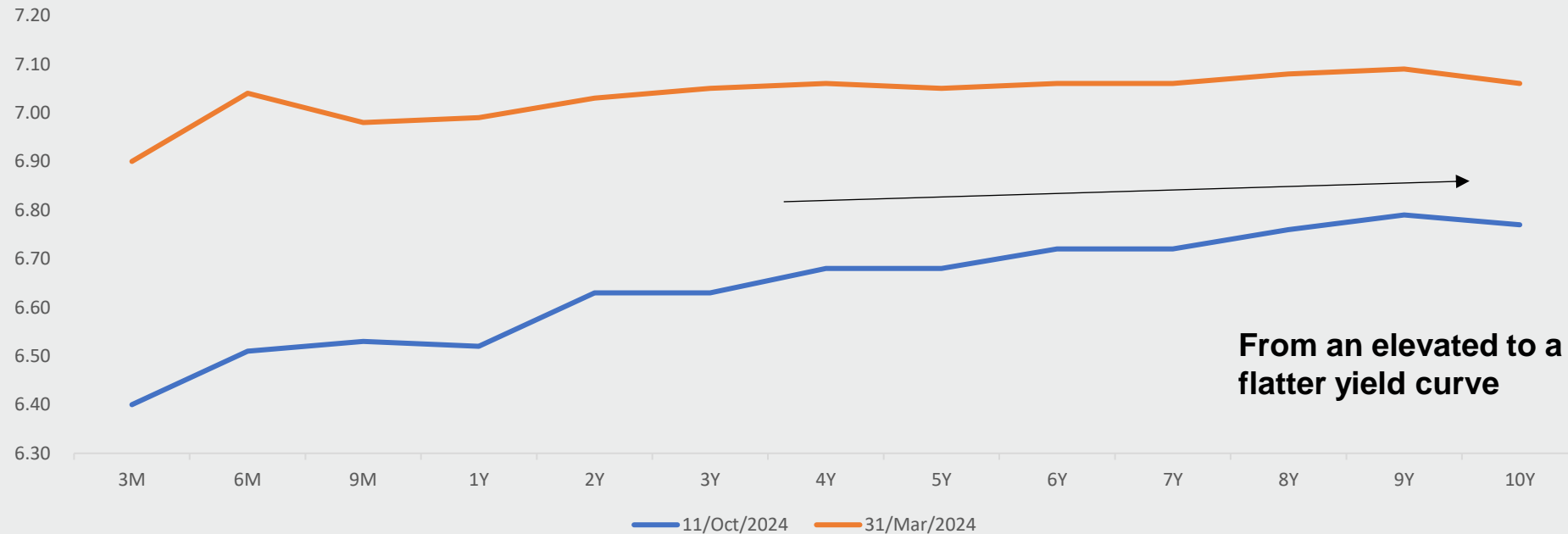


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Flatter Yield Curve

Rates adjustment of the yield curve will offer opportunities to generate alpha

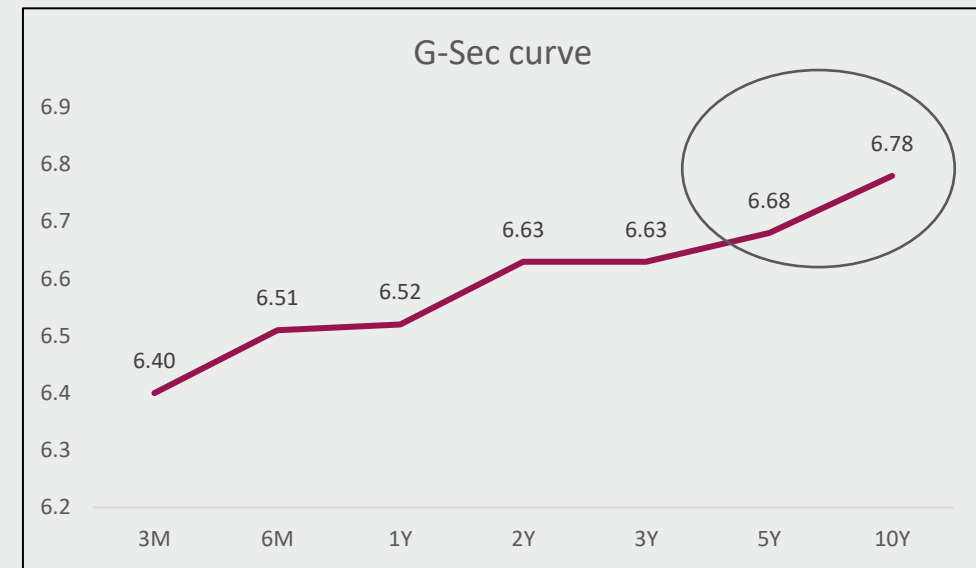
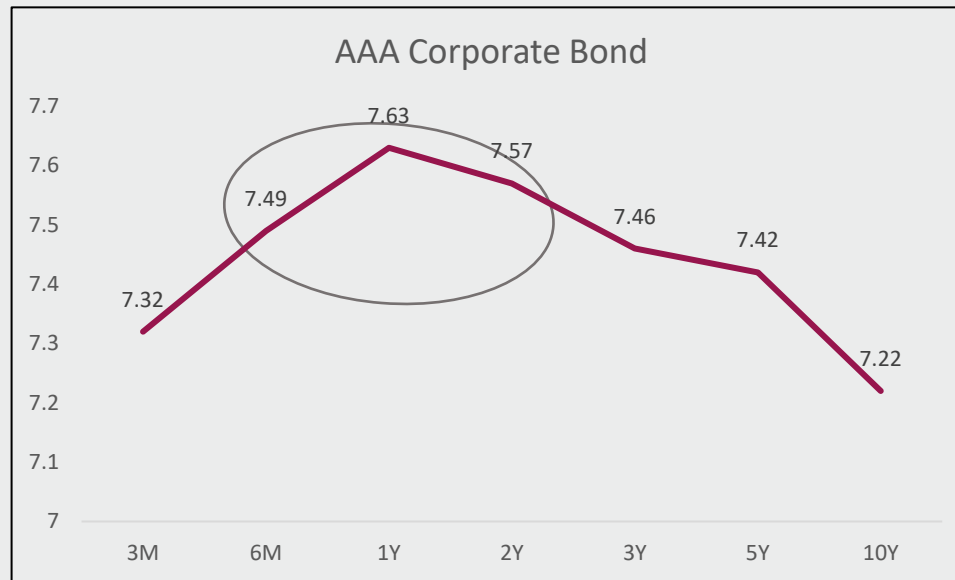
Yield curve flat due to tight liquidity conditions



From an elevated to a flatter yield curve

Current opportunity set

“Carry” and “Long duration” given current market scenario



Playing the short end of corporate bond for “carry” and long end of Gsec for “duration”

In Summary

A Case to add duration to portfolios



Current Interest Rate Environment – Interest rate cuts have started across most economies and even the US has joined the fray. Expect gains in bonds to be staggered and not in a straight line



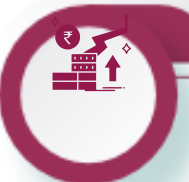
Bond Yields to fall further given fiscal prudence, lower market borrowings and inflows through inclusion in JP Morgan Global Bond Indices (estimated \$25 bln) and in Bloomberg EM indices (estimated \$5 bln)



Inflation to head lower as per expectations. We expect this rate cycle to be shallow and expect 50 bps of rate cuts by RBI in this rate cycle.

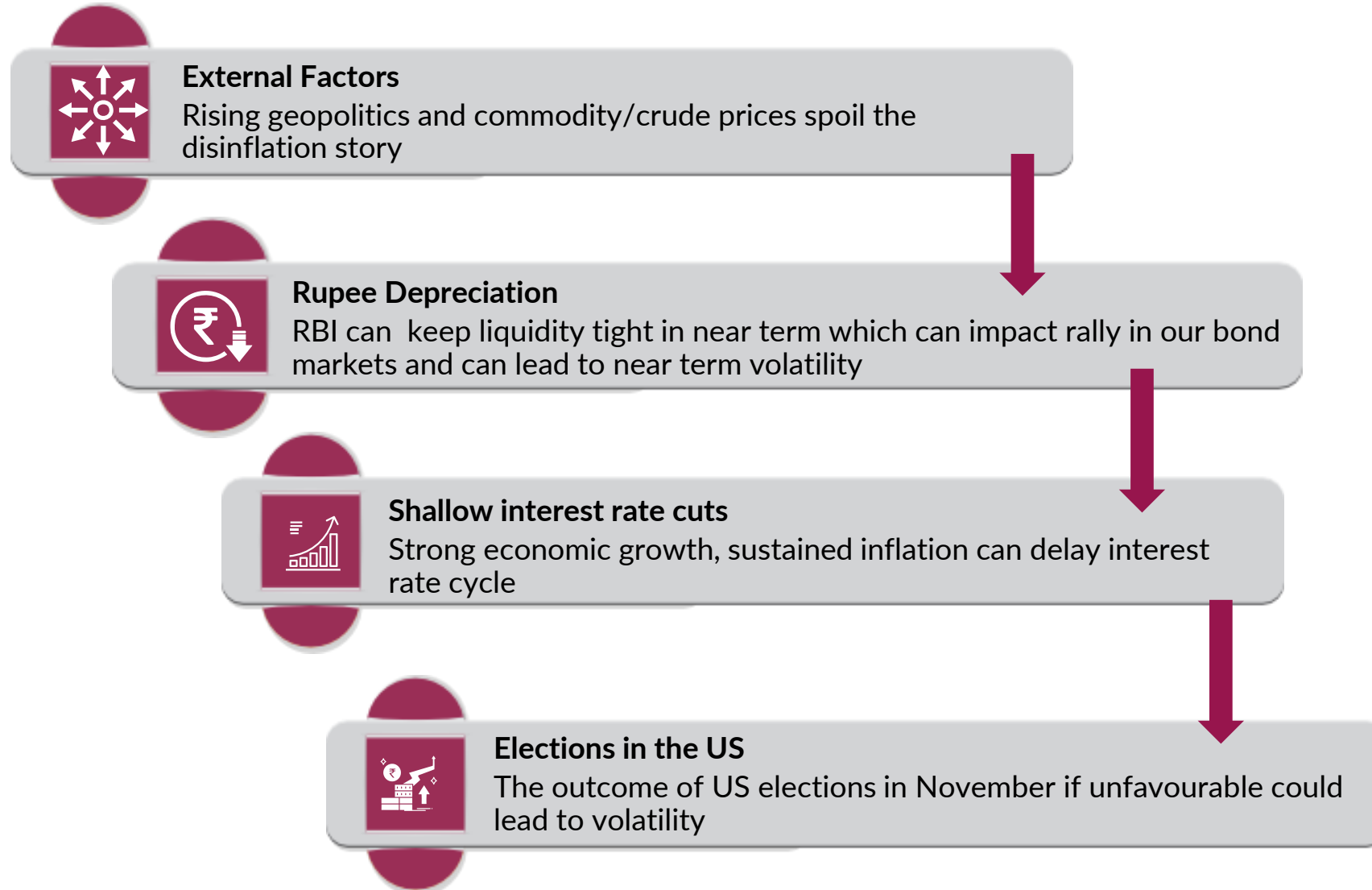


Banking liquidity to remain comfortable in the near to medium term



Ideal balance between “carry” opportunity & duration risk

Risks to Indian Debt Markets



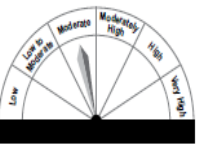
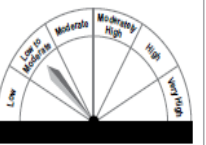
Investment approach and Funds in focus

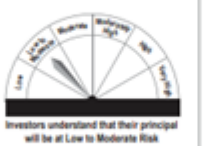



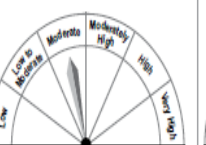
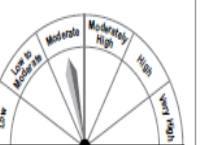
Debt Funds In Focus

| Tenure | Changes have | Current Positioning |
|-------------------------|--|--|
| Money Market Strategies | Axis Ultra Short Duration Fund (Mac. Dur 176 Days) | Suitable strategy to park surplus funds with a high quality portfolio and selective non-AAA exposure |
| | Axis Money Market Fund (Mac Dur: 167 Days) | Actively managed high quality money market strategy |
| Active short Strategies | Axis Corporate Bond Fund (Mac Dur: 3.87 Yrs) | High Quality Portfolio with a mix of Govt. Bonds & Corp Bonds |
| | Axis Strategic Bond Fund (Mac Dur: 3.89 Years) | 50% AAA % 50% non-AAA portfolio actively managed best ideas fixed income strategy |
| | Axis Short Duration Fund (Mac Dur: 2.88 Years) | High Quality Portfolio (80% AAA) with a mix of Govt. Bonds & Corp Bonds |
| Long Strategies | Axis Long Duration Fund (Mac Dur: 12.33 Years) | Fund aimed at investing in long dated Govt. securities with 30+ yrs horizon with a buy and hold approach |
| | Axis Gilt Fund (Mac Dur: 10.43 Years) | High Quality sovereign strategy with investments across the G-Sec curve |


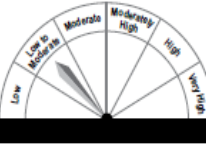
Product Labelling


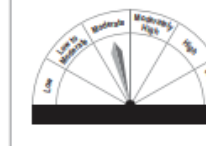
| Fund Name & Benchmark | Product Labelling | Product Riskometer | Benchmark Riskometer | Potential Risk Matrix (PRC) | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|---|---|--|----------------------|--|--|--|---------------|--------------------------|--------------------|---------------------------|----------------------|--|--|--|--------------------------|--|--|--|---------------------|--|-------------|--|-----------------------------|--|--|--|
| 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 and Money Market instruments such that Macaulay duration of the portfolio is between 3 months - 6 months. *Investors should consult their financial advisers if in doubt about whether the product is suitable for them |  <p>Investors understand that their principal will be at Moderate Risk</p> |  | <table border="1"> <thead> <tr> <th colspan="4">Potential Risk Class</th> </tr> <tr> <th>Credit Risk →</th> <th>Relatively Low (Class A)</th> <th>Moderate (Class B)</th> <th>Relatively High (Class C)</th> </tr> </thead> <tbody> <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> </tbody> </table> | Potential Risk Class | | | | 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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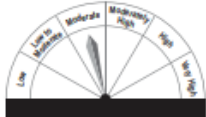
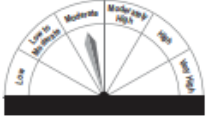
| Fund Name & Benchmark | Product Labelling | Product Riskometer | Benchmark Riskometer | Potential Risk Matrix (PRC) | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|--|--|----------------------|--|--|--|---------------|--------------------------|--------------------|---------------------------|----------------------|--|--|--|--------------------------|--|--|--|---------------------|--|--|--|-----------------------------|--|-------------|--|
| 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 *Investors should consult their financial advisers if in doubt about whether the product is suitable for them |  <p>Investors understand that their principal will be at Moderate Risk</p> |  | <table border="1"> <thead> <tr> <th colspan="4">Potential Risk Class</th> </tr> <tr> <th>Credit Risk →</th> <th>Relatively Low (Class A)</th> <th>Moderate (Class B)</th> <th>Relatively High (Class C)</th> </tr> </thead> <tbody> <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-II</td> <td></td> </tr> </tbody> </table> | Potential Risk Class | | | | 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-II | |
| Potential Risk Class | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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-II | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Fund Name & Benchmark | Product Labelling | Product Riskometer | Benchmark Riskometer | Potential Risk Matrix (PRC) | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|---|---|----------------------|--|--|--|---------------|--------------------------|--------------------|---------------------------|----------------------|--|--|--|--------------------------|--|--|--|---------------------|--|--|--|-----------------------------|--|--|--------------|
| 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* <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 *Investors should consult their financial advisers if in doubt about whether the product is suitable for them. |  <p>Investors understand that their principal will be at Moderately High Risk</p> |  | <table border="1"> <thead> <tr> <th colspan="4">Potential Risk Class</th> </tr> <tr> <th>Credit Risk →</th> <th>Relatively Low (Class A)</th> <th>Moderate (Class B)</th> <th>Relatively High (Class C)</th> </tr> </thead> <tbody> <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> </tbody> </table> | Potential Risk Class | | | | 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 |
| Potential Risk Class | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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 | | | | | | | | | | | | | | | | | | | | | | | | | |

| Fund Name & Benchmark | Product Labelling | Product Riskometer | Benchmark Riskometer | Potential Risk Matrix (PRC) | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---|---|--|----------------------|--|--|--|---------------|--------------------------|--------------------|---------------------------|----------------------|--|--|--|--------------------------|--|--|--|---------------------|--|--|--|-----------------------------|--|-------------|--|
| 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 *Investors should consult their financial advisers if in doubt about whether the product is suitable for them |  <p>Investors understand that their principal will be at Moderate Risk</p> |  | <table border="1"> <thead> <tr> <th colspan="4">Potential Risk Class</th> </tr> <tr> <th>Credit Risk →</th> <th>Relatively Low (Class A)</th> <th>Moderate (Class B)</th> <th>Relatively High (Class C)</th> </tr> </thead> <tbody> <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-II</td> <td></td> </tr> </tbody> </table> | Potential Risk Class | | | | 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-II | |
| Potential Risk Class | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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-II | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Fund Name & Benchmark | Product Labelling | Product Riskometer | Benchmark Riskometer | Potential Risk Matrix (PRC) | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|---|----------------------|--|--|--|---------------|--------------------------|--------------------|---------------------------|----------------------|--|--|--|--------------------------|--|--|--|---------------------|--|--|--|-----------------------------|--|--------------|--|
| 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. Relatively High interest rate risk and Relatively Low Credit Risk) Benchmark: Nifty Long Duration Debt Index A-III | This product is suitable for investors who are seeking* <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. *Investors should consult their financial advisers if in doubt about whether the product is suitable for them. |  <p>Investors understand that their principal will be at Moderate Risk</p> |  | <table border="1"> <thead> <tr> <th colspan="4">Potential Risk Class</th> </tr> <tr> <th>Credit Risk →</th> <th>Relatively Low (Class A)</th> <th>Moderate (Class B)</th> <th>Relatively High (Class C)</th> </tr> </thead> <tbody> <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>A-III</td> <td></td> </tr> </tbody> </table> | Potential Risk Class | | | | 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 | |
| Potential Risk Class | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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 | | | | | | | | | | | | | | | | | | | | | | | | | | |

Product Labelling

| Fund Name & Benchmark | Product Labelling | Product Riskometer | Benchmark Riskometer | Potential Risk Matrix (PRC) | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---|--|---|----------------------|--|--|--|---------------|--------------------------|--------------------|---------------------------|----------------------|--|--|--|--------------------------|--|--|--|---------------------|--|--|--|-----------------------------|--------------|--|--|
| <p>AXIS GILT FUND</p> <p>(An open ended debt scheme investing in government securities across maturity. A relatively high interest rate risk and relatively low credit risk.)</p> <p>Benchmark: CRISIL Dynamic Gilt Index</p> | <p>This product is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> Credit risk free returns over medium to long term Investment mainly in Government securities across maturities <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p> |  <p>Investors understand that their principal will be at Moderate Risk</p> |  | <table border="1"> <thead> <tr> <th colspan="4">Potential Risk Class</th> </tr> <tr> <th>Credit Risk →</th> <th>Relatively Low (Class A)</th> <th>Moderate (Class B)</th> <th>Relatively High (Class C)</th> </tr> <tr> <th>Interest Rate Risk ↓</th> <td></td> <td></td> <td></td> </tr> <tr> <th>Relatively Low (Class I)</th> <td></td> <td></td> <td></td> </tr> <tr> <th>Moderate (Class II)</th> <td></td> <td></td> <td></td> </tr> <tr> <th>Relatively High (Class III)</th> <td>A-III</td> <td></td> <td></td> </tr> </thead></table> | Potential Risk Class | | | | 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 | | |
| Potential Risk Class | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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 | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Disclaimer & Risk Factors

Past performance may or may not be sustained in the future.

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 Rs. 1 Lakh).

Trustee: Axis Mutual Fund Trustee Ltd.

Investment Manager: Axis Asset Management Co. Ltd. (the AMC)

Risk Factors

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

Thank You