

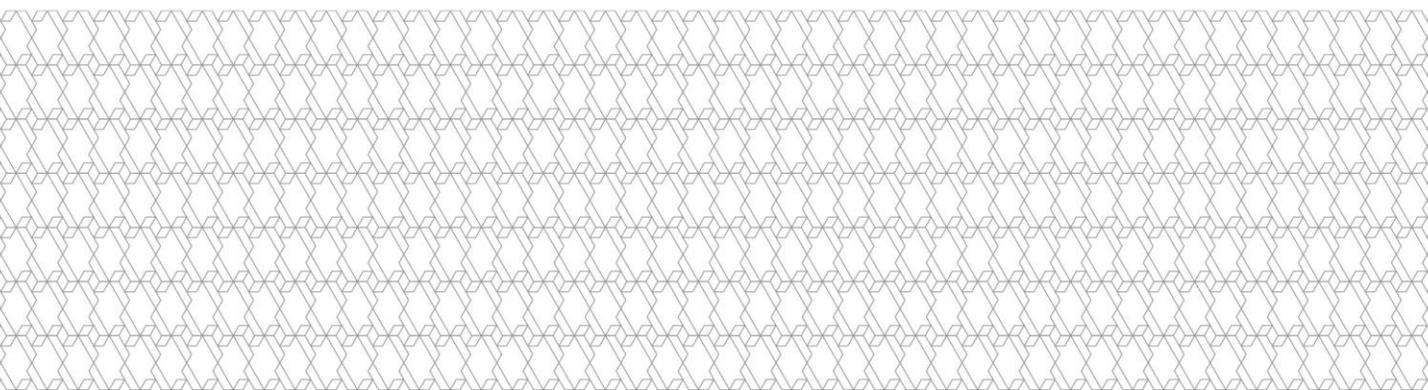


Burgundy

Wealth Management | Axis Bank

INVESTMENT PERSPECTIVES

January – March 2026



MARKET OVERVIEW



MARKET OVERVIEW



- After a volatile 2025, India enters 2026 with a constructive outlook, supported by easing inflation, rate cuts, GST reductions, and stable valuations, despite global risks and muted private capex. India's valuation premium over global peers has narrowed and stabilized, creating a favorable backdrop for long-term investors.
- Indices showed resilience in CY25, but underlying portfolios largely struggled. The Nifty 50 index gained over 10%, while the Nifty Mid Cap 150 was up by 5.4% and Nifty Small Cap 250 ended in negative territory. Experts anticipate improved performance in 2026, supported by healthy earnings, robust economic growth, and prospects of an India-US trade deal.
- Union Budget 2026 likely to focus on inclusive growth, boosting consumption, manufacturing, and capital market reforms while balancing fiscal prudence.
- Market sentiment remains optimistically cautious. Large-cap stocks offer relative safety, while domestically focused sectors are expected to outperform export-driven ones amid trade deal uncertainty. Short-term turbulence may persist, but India's long-term investment outlook remains strong.
- For CY26, market returns should align with earnings growth. Outlook remains constructive, supported by improving consumption, stable macro conditions, strong domestic liquidity, and easing geopolitical gridlock. A staggered accumulation strategy is prudent for mid and small caps to manage volatility.



We maintain a positive bias towards the Indian equity markets. Investors can consider investing in equities with a 3-to-5-year investment perspective.



- 2025 was a year of contrasts for India's rates and currency markets—early stability with aggressive RBI rate cuts and INR strength gave way to late-year challenges from tariff shocks, INR weakness, and tighter liquidity.
- Domestic macro fundamentals signal a strong phase for the economy; headwinds from fiscal and monetary tightening have eased, leading to a revival in FY26. FY27 GDP growth is expected at 7.5%, supported by reforms and monetary easing.
- The macro environment remains conducive for rates to stay lower for longer, though external risks and global developments could drive volatility.
- 10-year benchmark ended CY2025 at 6.59%, fall by 17 bps (YoY) and 4 bps (QoQ), after hitting a low near 6.20% during the year.
- Fixed income markets are likely to consolidate with wide trading range (6.0% - 6.5%) and higher volatility as the easing cycle ends.
- Accrual-based portfolio positioning is prudent for 2026, complemented by tactical duration calls on the long end based on risk appetite and market opportunities.



We remain constructive on the short to medium end of the yield curve. Short Duration funds, Banking & PSU Debt funds, Corporate Bond funds, Medium Duration funds, Money Market funds, Low Duration funds and Ultra Short Duration funds can be considered by investors with an investment horizon commensurate with the maturity profile of the schemes. Investors can consider investing in Medium Duration as per their risk appetite with an investment horizon of at least 2-3 years to avoid any intermittent volatility.

MARKET OVERVIEW

EQUITY MARKET UPDATE



EQUITY MARKET RECAP

 Indian equity markets ended the quarter of December 2025 on a positive note. Nifty 50 was up by 6.2% during the quarter while Nifty Mid Cap 150 index was up by 5.9% and Nifty Small Cap 250 index was flat.

For CY25, Nifty 50 was up by 10.5%, whereas Nifty Mid Cap 150 index was up by 5.4% and Nifty Small Cap 250 index was down -6.0%.

 On the sectoral front, the top performing sectors for the quarter ended December 2025 were Nifty IT (+12.6%), Nifty Metal (+11.3%) and Nifty Bank (+9.1%), while Nifty Media (-6.4%) and Nifty Consumption (-1.0%) were the laggards.

For CY25, the top performing sectors were Nifty Metal (+29.1%), Nifty Auto (+23.5%) and Nifty Financial Services (+17.4%), while Nifty Media (-20.5%), Nifty Realty (-16.6%), Nifty IT (-12.6%) were the laggards.

 In the Nifty 50 index, the top performing stocks for the quarter ended December 2025 were Shriram Finance (+61.7%), Titan Company (+20.3%) and Asian Paints (+17.9%), while Eternal (-14.6%), Tata Motors PV (-10.8%) and Interglobe Aviation (-9.6%) were the laggards.

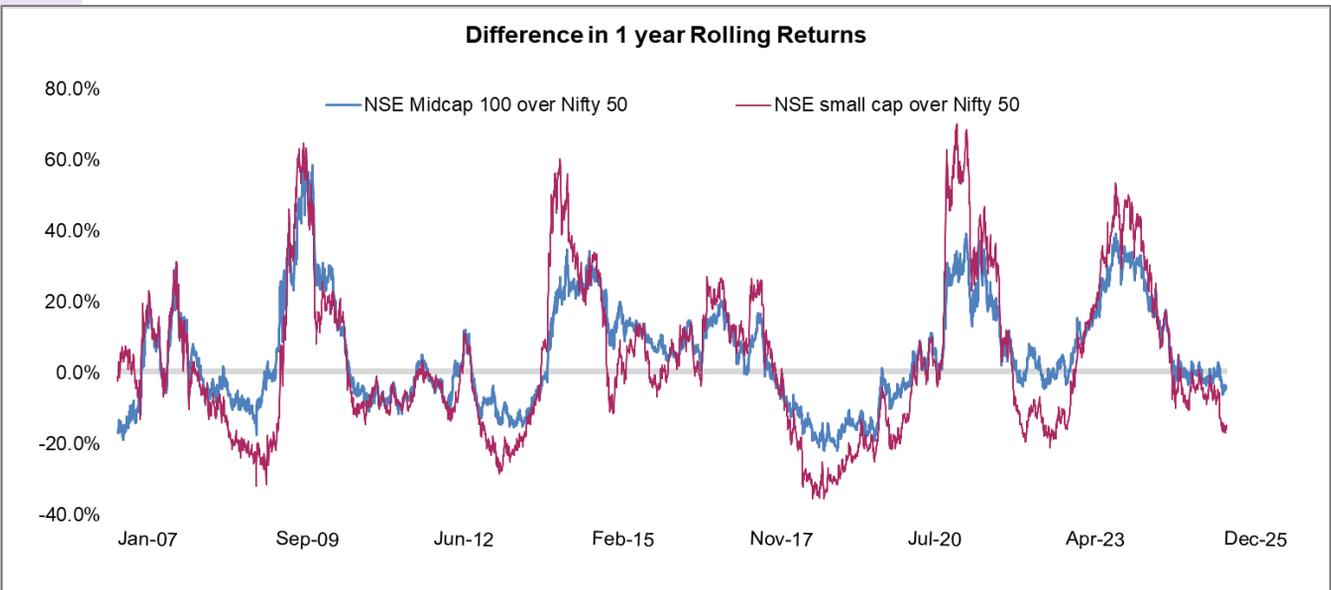
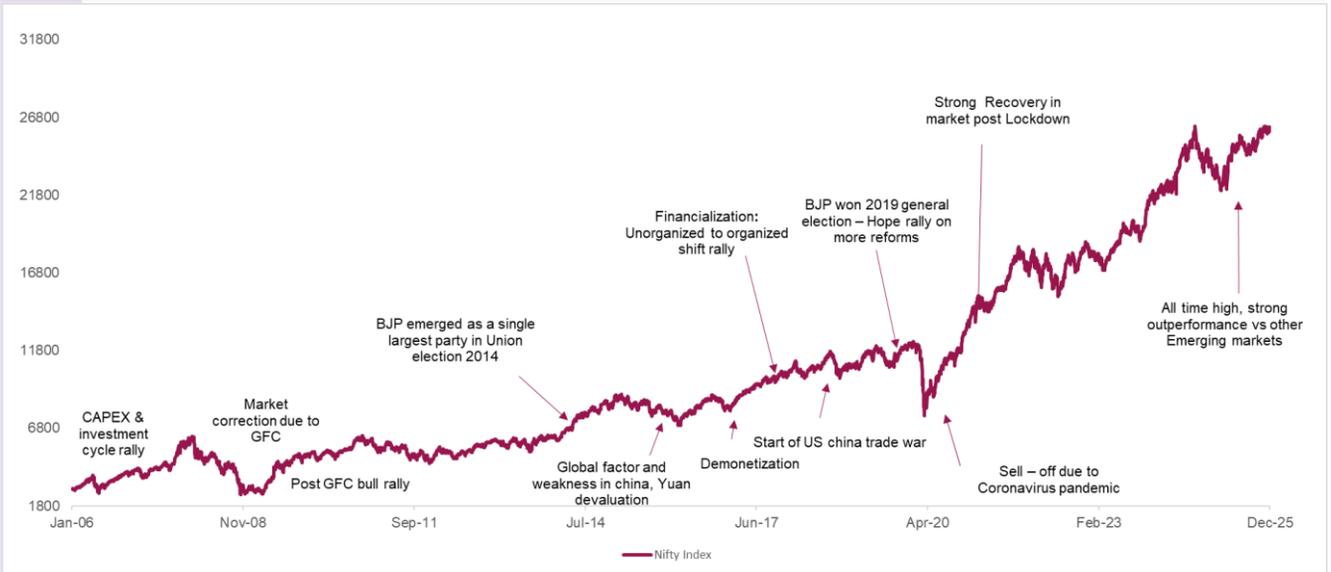
For CY25, Shriram Finance (+72.4%), Maruti Suzuki (+53.8%) and Eicher Motor (+51.7%) were the top performers, while Trent (-39.9%), TCS (-21.7%) and Tata Motors PV (-18.0%) were the laggards.

 During the quarter ended December 2025, FIIs were net sellers of equity to the tune of ₹12,307 Cr while DIIs were net buyers to the tune of ₹2,09,498 Cr; domestic MFs bought ₹97,965 Cr worth of equity.

For CY25, FIIs were net sellers of equity to the tune of ₹1,65,501 Cr while DIIs were net buyers to the tune of ₹7,88,184 Cr; domestic MFs bought ₹4,93,028 Cr worth of equity.

2026: A Better Setup for Earnings Revival Compared to The Last Year:

- Indian equities underperformed global and emerging markets in 2025 for the first time since the Covid era, reflecting relative weakness despite Nifty 50 crossing the 26,000 milestone after 15 months of consolidation (previous high: 26,217 on 26th Sep'24).
- Broader market performance was uneven, with Nifty 50 gaining 10.5% and Nifty Smallcap 250 declining by 5.6%, highlighting stress in smaller segments.
- The year tested investor resilience amid sharp sector rotations, currency volatility, global trade uncertainty, and intermittent foreign capital outflows, adding to market complexity.
- In contrast, global equities delivered strong returns, supported by AI-driven growth themes and accommodative policy measures across major economies.
- Safe-haven assets like gold posted stellar gains, driven by trade uncertainty and sustained central bank buying, reinforcing their role as a hedge during volatility.

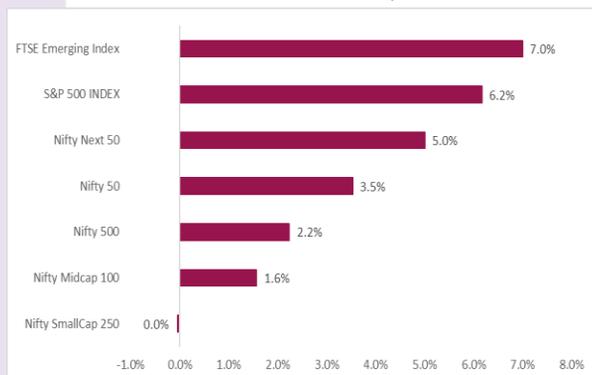


EQUITY INVESTMENT STRATEGY

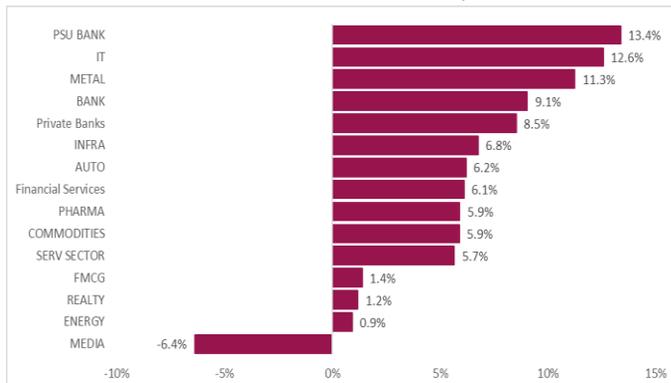
Q3FY26 Market Performance:

- Market returns in CY26 are expected to remain healthy and broadly aligned with earnings growth, supported by improving consumption, stable macro conditions, strong domestic liquidity, and easing geopolitical gridlock.
- Risks may arise from external factors, including a slowdown in AI capex impacting earnings and global markets, delayed geopolitical resolutions, interest-rate volatility, potential Fed delay in easing, and inflation reacceleration.
- In Q3FY26, Indian markets underperformed global peers, with Nifty 50 gaining 3.5% versus S&P 500's 6.2% and FTSE Emerging Index's 7.0%, while the broader market lagged further.

Benchmark Returns in Q3FY26



Sector wise returns in Q1FY26



Top 500 stocks: 52 Week analysis:

- Nifty crossed 26,000, and 85 stocks are now near their 52-week highs, up from 31 a couple of months ago.
- About 228 stocks (~46%) trade more than 20% below their 52-week highs, improving from 76% on April 1.
- Around 21% have corrected over 30%, suggesting most negatives are priced in.
- Large-cap valuations look attractive at current levels.
- Among 55 PSU stocks, 14 are near their 52-week highs, down from 35 in February 2024.

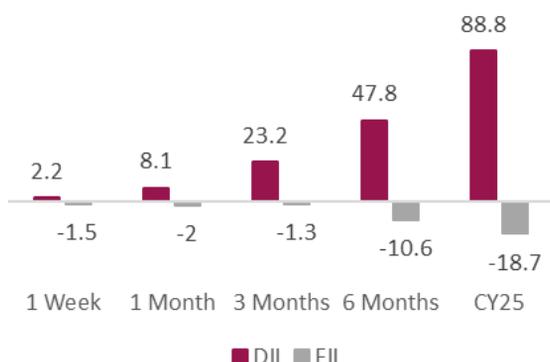
Current level of number of stocks as compared to 52W high

Sector	No of Stocks	Near to 52W high	5%-20% below 52W high	20%-30% below 52W high	Below 30%
Agri & Chem	36	3	14	12	7
Auto & Anc	42	13	15	10	4
Banks	28	17	6	2	3
Build Mate	40	3	14	9	14
Discretionary	30	2	9	9	10
Healthcare	49	4	26	12	7
Industrials	46	4	14	10	17
IT	42	2	13	14	13
Metals & min	25	12	10	2	1
NBFC	61	13	26	15	6
Oil & gas	16	4	6	6	0
Others	8	1	5	1	1
Staples	34	3	9	10	12
Tele & Media	15	2	4	2	7
Transport	10	1	7	1	1
Utilities	18	1	7	6	4
Total	500	85	185	121	107
Large cap	100	30	35	14	3
Mid cap	150	37	61	30	18
Small cap	250	17	88	77	85
PSUs	55	14	20	10	9

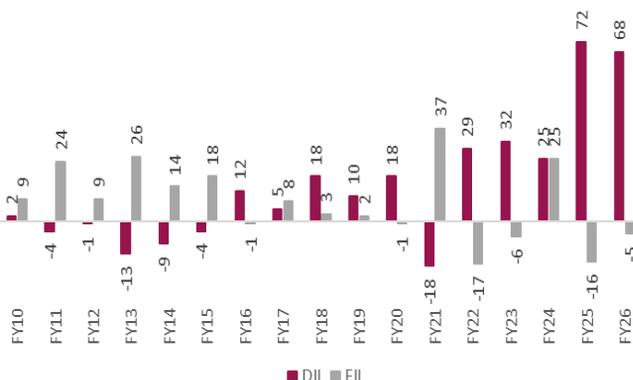
Record FII Outflows Offset by Strong Domestic Flows:

- FIIs were net sellers in Indian equities to the tune of ~USD 17 bn in CY2025, marking the highest annual outflow on record and the third instance in the last four years.
- Outflows were driven by trade uncertainty with the US, high valuations, and attractive opportunities in other markets offering AI-led themes.
- In contrast, DII flows remained robust, led by MFs, insurance companies, and sustained SIP inflows.
- DIIs have been net buyers for five consecutive years and 29 straight months—a record streak—providing structural support and cushioning FII outflows.
- SIP contributions held steady at ₹29,000 crore post Sep'25. The market saw over 103 IPOs between in CY25, raising ~₹1.76 trillion.

FII/DII Flows in \$Bn

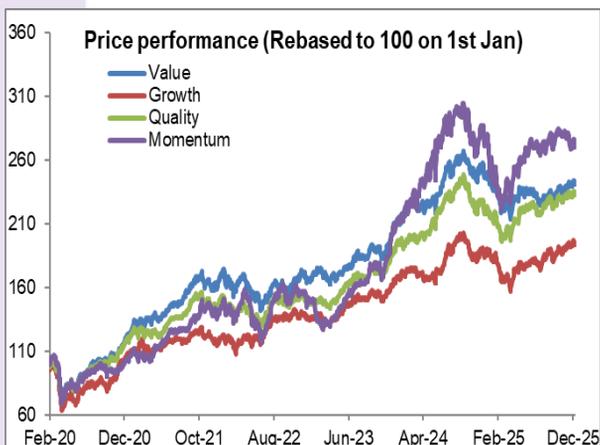


Financial Year flows in \$Bn



Quality is the Best-Performing Theme in 2025:

- Quality emerged as the best-performing theme in 2025, while Value and Growth styles outperformed others over the past three months.
- Over the last year, Growth and Quality delivered the highest returns.
- The “Growth at a Reasonable Price” theme looks attractive, supported by strong growth expectations, cooling commodity prices, easing inflation, rural recovery, and anticipated margin improvement.
- Select value stocks in PSU, Metals, Commodities, Utilities, and Cement sectors are well-positioned for superior performance.
- Structural growth plays offering long-term earnings visibility are expected to continue doing well.



Perf	Performance (%)			
	Value	Growth	Quality	Momentum
2022	-0.9%	12.4%	-0.9%	7.1%
2023	27.8%	24.8%	32.0%	39.0%
2024	15.6%	9.8%	11.3%	30.0%
2025	-1.2%	5.4%	7.3%	-0.7%
1m	1.1%	0.4%	0.5%	-3.3%
3m	6.4%	7.9%	5.4%	1.1%
6m	2.4%	8.3%	4.2%	-1.6%
1YR	-1.2%	5.4%	7.3%	-0.7%
2YR	14.3%	15.7%	19.5%	29.2%

EQUITY INVESTMENT STRATEGY

Performance of Asset Classes: Focus on Asset Allocation

- In CY25, gold emerged as an outlier, driven by geopolitical uncertainty and central banks in emerging markets accumulating reserves to diversify away from the dollar amid US protectionist risks.
- Domestically, broader markets led returns through 2023 and most of 2024, but a sharp correction since October 2024 impacted performance, though signs of recovery have appeared in the past 3–4 months.
- Nifty 50 ranked at the bottom in 2024 for the first time, weighed by sustained FII selling in the last quarter amid global risk aversion and valuation concerns.
- In 2025, emerging and developed markets have outperformed India by a notable margin.
- Despite recent volatility, India’s long-term equity outlook remains constructive, supported by rising capex, improving credit growth, and a favorable economic structure, though earnings growth will be critical given limited room for valuation expansion.
- Our CY26 outlook is cautiously optimistic, expecting market consolidation; strategic asset allocation and sector rotation will be key, and investors should leverage volatility to build long-term positions.

Yearly performance of Asset Classes (%)															
Rank	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
1	MCX Gold: 32%	Mid Cap: 39%	S&P 500: 30%	Mid Cap: 56%	Crisil Comp Bond: 9%	Crisil comp Bond: 13%	Small Cap: 57%	MCX Gold: 8%	S&P 500: 29%	MCX Gold: 28%	Small Cap: 59%	MCX Gold: 14.3%	Small Cap: 55.6%	Small Cap: 23.9%	MCX Gold: 76.5%
2	Crisil comp Bond: 7%	Small Cap: 37%	Nifty 50: 7%	Small Cap: 55%	Small Cap: 7%	EM Index: 10%	Mid Cap: 47%	Crisil comp Bond: 6%	MCX Gold: 25%	Mid Cap: 22%	Mid Cap: 46%	Nifty 50: 4.3%	Mid Cap: 46.6%	Mid Cap: 23.8%	EM Index: 22.9%
3	S&P 500: 0%	Nifty 50: 28%	Crisil comp Bond: 4%	Nifty 50: 31%	Mid Cap: 6%	MCX Gold: 10%	EM Index: 29%	Nifty 50: 3%	EM Index: 17%	Small Cap: 21%	S&P 500: 27%	Mid Cap: 3.5%	S&P 500: 24.6%	S&P 500: 23.8%	S&P 500: 16.4%
4	EM Index: -21%	EM Index: 14%	Mid Cap: -5%	Crisil comp Bond: 14%	S&P 500: -1%	S&P 500: 10%	Nifty 50: 29%	S&P 500: -6%	Nifty 50: 12%	S&P 500: 16%	Nifty 50: 24%	BSE Bond index: 2.9%	Nifty 50: 20%	MCX Gold: 20.9%	Nifty 50: 10.5%
5	Nifty 50: -25%	S&P 500: 13%	EM Index: -6%	S&P 500: 11%	Nifty 50: -4%	Mid Cap: 7%	S&P 500: 19%	Mid Cap: -15%	Crisil comp Bond: 11%	Nifty 50: 15%	Crisil comp Bond: 2%	Small Cap: -13.8%	MCX Gold: 14.9%	NSE G Sec Compo site: 9.9%	NSE G Sec Compo site: 6.5%
6	Mid Cap: -31%	MCX Gold: 12%	MCX Gold: -8%	EM Index: -1%	MCX Gold: -7%	Nifty 50: 3%	MCX Gold: 6%	EM Index: -16%	Mid Cap: -4%	EM Index: 13%	EM Index: -2%	S&P 500: -19.2%	BSE Bond index: 7.9%	EM Index: 9.5%	Mid Cap: 5.7%
7	Small Cap: -34%	Crisil comp Bond: 9%	Small Cap: -8%	MCX Gold: -6%	EM Index: -18%	Small Cap: 2%	Crisil comp Bond: 5%	Small Cap: -29%	Small Cap: -10%	Crisil Comp Bond: 12%	MCX Gold: -4%	EM Index: -19.6%	EM Index: 5.7%	Nifty 50: 8.8%	Small Cap: -5.6%

EQUITY MARKET UPDATE

EQUITY INVESTMENT STRATEGY

Key Drivers for India Equity Market 2026:

The Indian equity market in 2026 is expected to be driven by multiple factors:

Economic Growth Momentum: GDP growth projected at ~6.5%, supported by rising incomes, favorable demographics, and urbanization, with macro stability aided by fiscal consolidation, benign oil prices and steady global growth.

Corporate Earnings Revival: A major driver will be the anticipated acceleration in corporate earnings, with projections of 12–16% YoY growth for FY26–27. This marks a turning point after the subdued performance in 2025. Stabilization of earnings and selective upgrades are expected to create a constructive investment environment.

Robust Domestic Demand: India's strong internal growth engine, supported by a young demographic and rising middle class, remains a key tailwind. Government measures like income tax cuts and GST rationalization (from 5 slabs to 3 slabs) will boost disposable incomes and consumer spending. Premiumization trends and rural recovery, aided by good monsoon and fiscal support, will further strengthen demand.

Strong Domestic Liquidity: A structural shift in household savings toward financial assets such as mutual funds and SIPs continues to provide a stabilizing force against FII outflows.

Infrastructure and Capex Push: Government-led infrastructure spending and private investments in sectors like energy, semiconductors, defense, and data centers are expected to drive demand for cement, capital goods, and real estate. Capex momentum will remain a critical growth lever.

Benign Monetary Policy: The RBI's accommodative stance, reflected in a 125-bps repo rate cut and liquidity infusion, will support credit growth and economic momentum. Combined with fiscal measures like GST rationalization and MSME support, these steps lay a strong foundation for structural recovery.

Global Factors: A potential reversal of the global AI trade trend could favor India, as concerns over return on capital for AI investments rise globally. Additionally, resolution of tariff issues between the US and India could accelerate supply chain integration and boost exports, aided by rupee depreciation.

Potential FII Inflows: After significant outflows in 2025, FIIs may return if macro stability persists, the rupee stabilizes, and trade agreements materialize.

Digital Transformation: Rapid expansion of India's digital economy across e-commerce, EVs, and renewable energy.

Key Risks:

Despite the optimistic outlook, several risks could challenge market performance in 2026:

- Continued weakness and volatility of the Indian Rupee, impacting investor confidence and import costs;
- A potential resurgence of inflation beyond the RBI's target range, which may force a shift in monetary policy;
- Slower-than-expected recovery in corporate earnings, dampening sentiment;
- Persistent global economic slowdowns, geopolitical tensions, and trade-related uncertainties, which could weigh on capital flows and overall market stability.

EQUITY MARKET OUTLOOK

 After a turbulent 2025, marked by sharp market swings and uneven asset performance amid geopolitical tensions and global headwinds, India enters 2026 with a constructive outlook on equities and fixed income, even as private capex remains subdued. The economy stands at an inflection point, supported by lower GST rates, easing inflation, and accommodative monetary policy through rate cuts, though global developments such as the US-led tariff war and ongoing geopolitical tensions continue to weigh on sentiment. Key risks include the trajectory of US interest rates, the Russia–Ukraine conflict, currency volatility, and elevated valuations. The silver lining is that volatility linked to these factors has moderated, and India’s valuation premium over emerging markets and global peers has narrowed and stabilized, offering a relatively favorable backdrop for long-term investors.

 India’s corporate earnings faced downgrades over the past year, but signs of stabilization are emerging, with revisions now at their lowest level in four quarters. Nifty 50 PAT growth for FY26 is expected in the lower double digits, supported by improving macro conditions, policy measures, and strong corporate balance sheets. Financials and domestic sectors should benefit from lower rates, surplus liquidity, and rising consumption, while export-oriented sectors remain vulnerable to geopolitical and trade risks. Upcoming quarterly results will be crucial in shaping market direction. Post Q2FY26, there have been no significant downgrades, with Nifty earnings remaining largely stable. BFSI, IT, and Oil & Gas have seen upgrades, while Metals, Cement, and Power faced cuts. Earnings recovery in H2FY26 is anticipated, driven by fiscal and monetary reforms and potential GST cuts. FY26 is likely to outperform FY25, with stronger numbers expected from Q3FY26, aided by base effects, improving high-frequency indicators, higher government spending, and a pick-up in consumption.

 In a volatile global environment, market direction will hinge on key developments such as the trade deal on tariffs, RBI policy, and Union Budget 2026. The budget is expected to be transformative, prioritizing sustainable and inclusive growth over strict fiscal consolidation, while balancing prudence with growth and addressing external trade pressures. Key focus areas include managing fiscal discipline amid 8th Pay Commission costs and driving momentum through three pillars: boosting consumption, strengthening manufacturing, and reforming capital markets and banking.

From a positioning perspective, risk-reward is shifting toward broader markets, while large caps offer stability. Recovery is expected to be gradual, supported by strong earnings, improving liquidity, and stable macro fundamentals. Near-term consolidation with narrow breadth is likely. Our strategy remains centered on ‘Growth at a Reasonable Price,’ favoring quality, market leaders, and domestic sectors such as BFSI, Telecom, Consumption, Hospitals, and interest-rate proxies. We also prefer select capex-driven opportunities and discretionary consumption plays, while staying cautious on export-oriented sectors due to tariff and geopolitical risks.

Markets will remain vigilant amid trade and geopolitical developments, with corporates pursuing geographic diversification to mitigate external risks. Government–private sector coordination will be critical to sustain earnings momentum. Tariff negotiations, domestic policy reforms, and high-frequency indicators will shape sentiment. While near-term caution persists due to macro uncertainties, we remain constructive on Indian equities over the long term, supported by strong structural fundamentals and improving domestic drivers.

 **Investors can look at accumulating equities with a 3-to-5-year investment perspective**

EQUITY MARKET UPDATE

EQUITY ORIENTED SCHEMES



EQUITY FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER 2025)

CAGR	1 Year	2 Years	3 Years
Large Cap Funds			
Aditya Birla Sun Life Large Cap Fund	9.35	12.61	15.95
Axis Large Cap Fund	6.23	10.17	12.48
Canara Robeco Large Cap Fund	6.89	12.44	15.56
ICICI Prudential Large Cap Fund	10.99	14.13	18.38
Kotak Large Cap Fund	8.26	12.42	15.80
Mahindra Manulife Large Cap Fund	9.27	11.21	14.69
Mirae Asset Large Cap Fund	9.84	11.46	13.70
Motilal Oswal Large Cap Fund	8.35	--	--
Nippon India Large Cap Fund	8.74	13.50	19.44
SBI Large Cap Fund	9.66	11.33	14.88
Category Average	6.98	11.14	15.23
Nifty 50 TRI	11.88	10.94	14.29
Flexi Cap Funds			
360 ONE Flexicap Fund	0.89	13.19	--
Aditya Birla Sun Life Flexi Cap Fund	11.00	14.74	18.40
Axis Flexi Cap Fund	1.22	11.51	14.29
Canara Robeco Flexi Cap Fund	6.83	12.34	15.70
Franklin India Flexi Cap Fund	3.25	12.26	18.13
HDFC Flexi Cap Fund	11.38	17.41	21.63
ICICI Prudential Flexicap Fund	8.84	15.30	19.34
Invesco India Flexi Cap Fund	-0.84	15.86	21.37
Mirae Asset Flexi Cap Fund	8.38	12.96	--
Nippon India Flexi Cap Fund	2.44	8.94	16.41
Parag Parikh Flexi Cap Fund	7.53	15.42	22.16
WhiteOak Capital Flexi Cap Fund	4.03	13.77	19.30
Category Average	2.69	11.43	16.58
Nifty 500 TRI	7.76	11.87	16.68
Multi Cap Funds			
Axis Multicap Fund	0.95	16.11	22.34
Bajaj Finserv Multi Cap Fund	--	--	--
Canara Robeco Multi Cap Fund	4.56	12.97	--
DSP Multicap Fund	-0.43	--	--
Edelweiss Multi Cap Fund	1.53	14.12	--
Franklin India Multi Cap Fund	4.69	--	--
HDFC Multi Cap Fund	1.80	11.08	20.13
Kotak Multicap Fund	6.38	16.00	23.69
LIC MF Multi Cap Fund	0.11	15.31	20.39
Mirae Asset Multicap Fund	7.94	12.33	--
Nippon India Multi Cap Fund	3.66	14.26	21.80
UTI Multi Cap Fund	--	--	--
Category Average	1.93	12.59	18.84
Nifty 500 TRI	7.76	11.87	16.68

EQUITY ORIENTED SCHEMES

EQUITY FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31ST DECEMBER 2025)

CAGR	1 Year	2 Years	3 Years
Large & Mid Cap Funds			
Axis Large & Mid Cap Fund	3.74	14.43	19.58
Bajaj Finserv Large and Mid Cap Fund	5.13	--	--
Bandhan Large & Mid Cap Fund	7.06	17.35	23.50
HDFC Large and Mid Cap Fund	5.94	12.52	20.44
HSBC Large & Mid Cap Fund	-4.20	15.74	20.29
ICICI Prudential Large & Mid Cap Fund.	13.80	17.22	21.40
Kotak Large & Midcap Fund	5.54	14.55	19.33
Mirae Asset Large & Midcap Fund	8.97	12.21	17.72
Motilal Oswal Large and Midcap Fund (MOFLM)	-4.49	18.04	24.55
UTI Large & Mid Cap Fund	7.41	16.77	22.52
Category Average	3.95	13.45	18.68
NIFTY Large Midcap 250	8.19	13.26	19.39
Focused Funds			
360 ONE Focused Fund	5.11	9.88	16.14
Aditya Birla Sun Life Focused Fund	10.31	14.70	17.31
Axis Focused Fund	2.54	8.71	11.36
Canara Robeco Focused Fund	6.10	14.82	17.51
Edelweiss Focused Fund	3.08	12.80	18.07
Franklin India Focused Equity Fund	5.05	12.38	15.96
HDFC Focused Fund	10.99	17.45	21.33
ICICI Prudential Focused Equity Fund	15.72	21.06	23.38
Kotak Focused Fund	13.29	15.03	17.52
Mahindra Manulife Focused Fund	7.01	13.34	18.91
Sundaram Focused Fund	1.96	9.38	14.20
Tata Focused Fund	-0.09	8.74	14.84
UTI Focused Fund	6.64	9.98	15.88
Category Average	4.63	11.85	16.31
Nifty 50 TRI	11.88	10.94	14.29
Contra / Value Funds			
Invesco India Contra Fund	3.11	15.98	20.15
SBI Contra Fund	5.75	12.04	20.26
HDFC Value Fund	8.29	14.49	19.33
ICICI Prudential Value Fund	13.05	16.61	21.34
Nippon India Value Fund	4.09	12.81	22.06
Category Average	4.50	12.29	19.24
Nifty 500 TRI	7.76	11.87	19.39

EQUITY ORIENTED SCHEMES

EQUITY FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER 2025)

CAGR	1 Year	2 Years	3 Years
ELSS (Tax Savings)			
Axis ELSS Tax Saver Fund	4.31	10.88	14.41
Bandhan ELSS Tax saver Fund	7.53	10.50	16.10
Baroda BNP Paribas ELSS Tax Saver Fund	4.45	14.1	19.76
Canara Robeco ELSS Tax Saver	4.95	11.25	15.25
DSP ELSS Tax Saver Fund	7.46	15.35	20.15
HDFC ELSS Tax saver Fund	10.01	15.73	21.23
Kotak ELSS Tax Saver Fund	1.66	11.45	15.38
Mirae Asset ELSS Tax Saver Fund	9.22	13.12	17.68
Parag Parikh ELSS Tax Saver Fund	4.49	12.17	17.11
SBI ELSS Tax Saver Fund	6.54	16.43	23.94
Union ELSS Tax Saver Fund	4.07	10.53	15.59
WhiteOak Capital ELSS Tax Saver Fund	2.58	15.09	20.52
Category Average	3.00	11.12	16.64
Nifty 500 TRI	7.76	11.87	16.68
Mid Cap Funds			
Axis Midcap Fund	1.11	14.88	19.41
Bandhan Midcap Fund	-3.51	13.30	20.64
Edelweiss Mid Cap Fund	3.74	20.02	25.90
HDFC Mid Cap Fund	6.95	17.09	25.65
HSBC Midcap Fund	-2.31	17.24	24.34
Invesco India Midcap Fund	6.32	23.60	26.89
Kotak Midcap Fund	1.64	16.75	21.42
Mahindra Manulife Mid Cap Fund	1.06	14.15	24.46
Mirae Asset Midcap Fund	8.96	13.89	20.57
Motilal Oswal Midcap Fund	-12.18	17.72	25.06
SBI Midcap Fund	0.65	10.06	17.60
WhiteOak Capital Mid Cap Fund	4.46	18.50	25.66
Category Average	1.75	14.57	21.62
Nifty Midcap 150 TRI	5.98	14.79	23.97

EQUITY FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER 2025)

CAGR	1 Year	2 Years	3 Years
Small Cap Funds			
Axis Small Cap Fund	-2.50	10.81	17.99
Bandhan Small Cap Fund	-1.40	18.84	29.62
HDFC Small Cap Fund	-1.15	9.15	20.5
ICICI Prudential Smallcap Fund	-0.57	7.12	16.68
Invesco India Smallcap Fund	-3.34	15.64	24.50
Mahindra Manulife Small Cap Fund	-3.47	10.89	24.95
Nippon India Small Cap Fund	-5.48	9.27	21.29
SBI Small Cap Fund	-5.88	8.55	13.88
UTI Small Cap Fund	-6.25	9.27	17.42
Category Average	-5.16	9.83	19.30
Nifty Smallcap 250 TRI	-5.48	9.62	21.44
Thematic Funds			
Tata Ethical Fund	-1.42	5.63	12.35
Nifty 500 Shariah TRI	-2.84	6.87	12.59
Aditya Birla Sun Life Business Cycle Fund	3.89	11.27	13.85
Aditya Birla Sun Life ESG Integration Strategy Fund	4.21	12.81	15.79
Axis Business Cycles Fund	3.02	11.16	--
Axis Consumption Fund	-0.52	--	--
Axis ESG Integration Strategy Fund	3.33	9.65	14.35
Axis India Manufacturing Fund	3.28	17.86	--
Axis Innovation Fund	2.99	14.91	17.74
Axis Momentum Fund	-5.17	--	--
Axis Quant Fund	0.86	7.18	14.5
Axis Services Opportunities Fund	--	--	--
Canara Robeco Manufacturing Fund	0.4	--	--
Edelweiss Business Cycle Fund	-3.85	--	--
HDFC Manufacturing Fund	6.68	--	--
HSBC India Export Opportunities Fund	0.6	--	--
ICICI Prudential Business Cycle Fund	15.12	17.74	22.59
ICICI Prudential ESG Exclusionary Strategy Fund	5.66	13.56	19.48
ICICI Prudential India Opportunities Fund	12.75	17.24	23.22
ICICI Prudential Innovation Fund	10.21	19.21	--
ICICI Prudential Quality Fund	--	--	--
ICICI Prudential Rural Opportunities Fund	--	--	--
Invesco India ESG Integration Strategy Fund	-3.66	8.03	13.36
Kotak Business Cycle Fund	4.79	15.85	18.09
Kotak ESG Exclusionary Strategy Fund	8.03	10.3	13.55
Kotak Manufacture in India Fund	7.21	16.44	21.48
Kotak MNC Fund	6.15	--	--
Kotak Special Opportunities Fund	0.95	--	--
Sundaram Business Cycle Fund	0.71	--	--
Tata Business Cycle Fund	0.51	9.13	17.05
Tata India Innovation Fund	-2.31	--	--
UTI Quant Fund	--	--	--

EQUITY FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER 2025)

CAGR	1 Year	2 Years	3 Years
Index Funds			
Axis BSE Sensex Index Fund	9.08	--	--
Axis Nifty 100 Index Fund	8.95	10.59	13.62
Axis Nifty 50 Index Fund	10.96	10.45	13.77
Axis Nifty 500 Index Fund	6.44	--	--
Axis Nifty500 Momentum 50 Index Fund	--	--	--
Axis Nifty500 Value 50 Index Fund	15.9	--	--
DSP Nifty Midcap 150 Quality 50 Index Fund	-1.61	8.19	14.42
HDFC BSE Sensex Index Fund	9.39	9.42	12.77
HDFC Nifty 50 Index Fund	11.06	10.52	13.83
ICICI Prudential Nifty Next 50 Index Fund	2.16	14.11	18.05
Motilal Oswal Nifty 500 Index Fund	6.57	10.77	15.58
Motilal Oswal Nifty Midcap 150 Index Fund	4.93	13.7	22.97
Motilal Oswal S&P 500 Index Fund(MOFSP500)	21.71	24.03	24.26
Nippon India Nifty Alpha Low Volatility 30 Index Fund	-1.05	7.43	16.51
Nippon India Nifty Smallcap 250 Index Fund	-7.88	7.64	19.64
SBI Nifty Index Fund	10.95	10.4	13.7
UTI Nifty 50 Index Fund	11.18	10.6	13.91
UTI Nifty Next 50 Index Fund	2.21	14.21	18.08
Nifty 50 TRI	11.88	10.94	14.29
Nifty 500 TRI	7.76	11.87	16.68



EQUITY ORIENTED SCHEMES

HYBRID FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31ST DECEMBER 2025)

CAGR	1 Year	2 Years	3 Years
Aggressive Hybrid Funds			
Axis Aggressive Hybrid Fund	5.95	10.41	11.65
Canara Robeco Equity Hybrid Fund	6.56	10.91	13.85
Edelweiss Aggressive Hybrid Fund	5.56	12.83	16.86
HDFC Hybrid Equity Fund	5.53	9.26	12.02
ICICI Prudential Equity & Debt Fund	12.92	15.31	19.41
Kotak Aggressive Hybrid Fund	3.93	12.54	15.05
Mahindra Manulife Aggressive Hybrid Fund	7.81	13.59	16.90
Mirae Asset Aggressive Hybrid Fund	9.57	11.67	14.09
SBI Equity Hybrid Fund	12.35	13.46	14.37
Category Average	5.26	11.21	14.55
NIFTY 50 Hybrid Composite Debt 65:35 Index	9.85	9.79	11.94
Dynamic Asset Allocation / Balanced Advantage Funds			
Aditya Birla Sun Life Balanced Advantage Fund	10.16	11.60	13.23
Axis Balanced Advantage Fund	6.74	12.21	14.67
Bandhan Balanced Advantage Fund	4.95	9.79	11.44
Baroda BNP Paribas Balanced Advantage Fund	7.6	11.18	14.68
Canara Robeco Balanced Advantage Fund	4.69	--	--
Edelweiss Balanced Advantage Fund	6.99	10.11	12.90
HDFC Balanced Advantage Fund	7.00	11.70	17.99
ICICI Prudential Balanced Advantage Fund	12.17	12.35	13.71
Kotak Balanced Advantage Fund	5.73	10.10	12.04
Mirae Asset Balanced Advantage Fund	8.39	9.82	12.56
Nippon India Balanced Advantage Fund	7.16	10.11	12.56
SBI Balanced Advantage Fund	9.89	11.58	14.51
Tata Balanced Advantage Fund	6.00	8.39	11.19
UTI Balanced Advantage Fund	8.58	9.91	--
Category Average	5.21	9.21	12.14
NIFTY 50 Hybrid Composite Debt 65:35 Index	9.85	9.79	11.94
Equity Savings			
Axis Equity Savings Fund	5.32	8.29	10.3
DSP Equity Savings Fund	5.98	8.96	10.07
Edelweiss Equity Savings Fund	7.8	10.61	11.39
HDFC Equity Savings Fund	6.7	8.49	10.25
HSBC Equity Savings Fund	0.18	11.81	13.47
ICICI Prudential Equity Savings Fund	8.02	8.23	8.8
Kotak Equity Savings Fund	7.92	9.7	11.73
UTI Equity Savings Fund	8.43	8.86	11.08
Category Average	6.15	8.52	10.06
1/3rd%age each of CRISIL Short Term Bond Fund Index + Nifty 50 TRI + Nifty 50 Arbitrage Index	9.06	8.76	9.87

HYBRID FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER 2025)

CAGR	1 Year	2 Years	3 Years
Multi Asset Allocations Funds			
Aditya Birla Sun Life Multi Asset Allocation Fund	18.86	17.50	--
Axis Multi Asset Allocation Fund	15.16	15.43	14.61
Bajaj Finserv Multi Asset Allocation Fund	19.09	--	--
Bandhan Multi Asset Allocation Fund	19.15	--	--
Canara Robeco Multi Asset Allocation Fund	--	--	--
DSP Multi Asset Allocation Fund	23.15	19.66	--
Edelweiss Multi Asset Allocation Fund	6.85	7.36	--
ICICI Prudential Multi-Asset Fund	18.20	17.28	19.55
Kotak Multi Asset Allocation Fund	22.66	19.26	--
Mirae Asset Multi Asset Allocation Fund	17.90	--	--
Nippon India Multi Asset Allocation Fund	19.38	18.98	20.76
Tata Multi Asset Allocation Fund	14.69	14.61	15.87
Category Average	16.13	15.64	17.99
NIFTY 50 Hybrid Composite Debt 65:35 Index	9.85	9.79	11.94
Arbitrage Funds			
Aditya Birla Sun Life Arbitrage Fund	6.38	6.91	7.01
Axis Arbitrage Fund	6.27	6.88	6.91
Edelweiss Arbitrage Fund	6.28	6.94	7.03
ICICI Prudential Equity - Arbitrage Fund	6.40	6.97	7.03
Invesco India Arbitrage Fund	6.40	6.97	7.11
Kotak Arbitrage Fund	6.36	7.07	7.19
Nippon India Arbitrage Fund	6.16	6.78	6.88
SBI Arbitrage Opportunities Fund	6.47	6.98	7.14
Tata Arbitrage Fund	6.37	6.91	6.98
UTI Arbitrage Fund	6.48	7.06	7.12
Category Average	6.10	6.71	6.80
Nifty 50 Arbitrage Index	7.53	7.50	7.66



EQUITY ORIENTED SCHEMES

DEBT AND **MACRO ECONOMIC UPDATE**



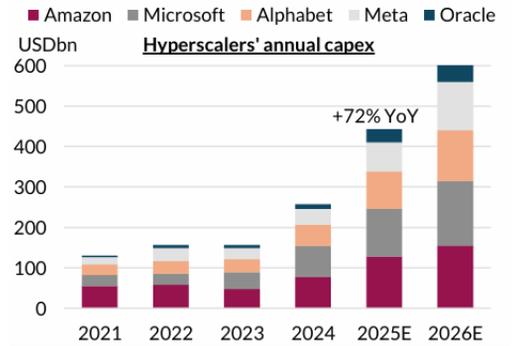
INDIA TO REMAIN THE FASTEST GROWING LARGE ECONOMY

- Growth headwinds from fiscal and monetary tightening in FY25 have eased, driving revival in FY26. Monetary easing and regulatory reforms are expected to support above-trend growth of 7.5% in FY27, while significant economic slack allows growth to stay elevated before inflationary pressures emerge.
- Trend growth is estimated at 7%, supported by TFP gains and a rebound in capital formation led by manufacturing, utilities, and real estate. FY27 consensus appears conservative given these structural and cyclical tailwinds.
- Global growth is projected to soften slightly, with IMF estimating 3.1% YoY for CY25E—about 30–40bps below pre-Covid levels. Growth mix will shift with slower expansion in India, China, and Japan, and steady performance in the US and EU. AI-driven capex has added nearly US\$100 bn annually to US growth.
- India will remain the fastest-growing major economy as policy tightening reverses. Fiscal drag has eased, monetary policy is supportive, and domestic cyclical revival matters more for demand than external factors. Actual growth can exceed this trend through fiscal and monetary measures without triggering inflation as long as economic slack persists. Indicators suggest significant slack, enabling above-trend growth supported by reduced fiscal drag, monetary easing, and macroprudential measures.

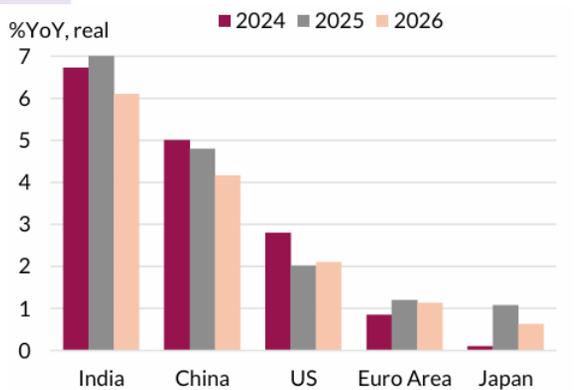
FY27E: India growth accelerates to 7.5%; inflation likely to average ~4%

Key macro indicators	FY23	FY24	FY25	FY26E	FY27E
GDP growth (%)	7.6	9.2	6.5	7.5	7.5
Average CPI inflation (%)	6.7	5.4	4.6	1.8	4.0
Current account deficit % of GDP	2.0	0.7	0.6	1.2	1.3
Fiscal deficit % of GDP	6.5	5.5	4.7	4.4	4.2
Repo rate year-end	6.50	6.50	6.25	5.25	5.25
10Y G-sec yield year-end	7.3	7.1	6.6	6.4	6.1

Hyperscalers' CY25 capex ~\$186bn up vs. CY24

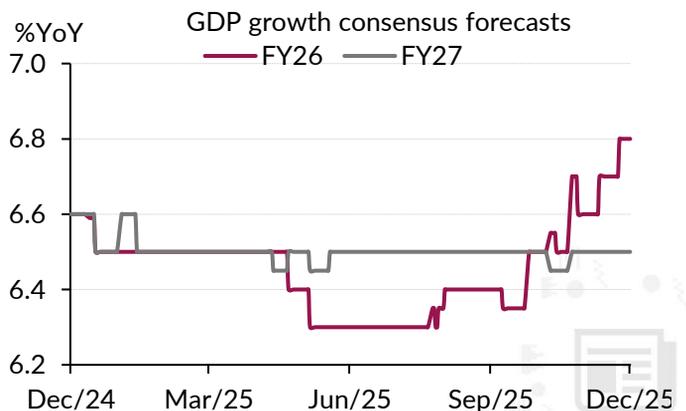


IMF projections: Economic growth in CY25/26



Source: IMF WEO Oct 2025, Axis Bank Research

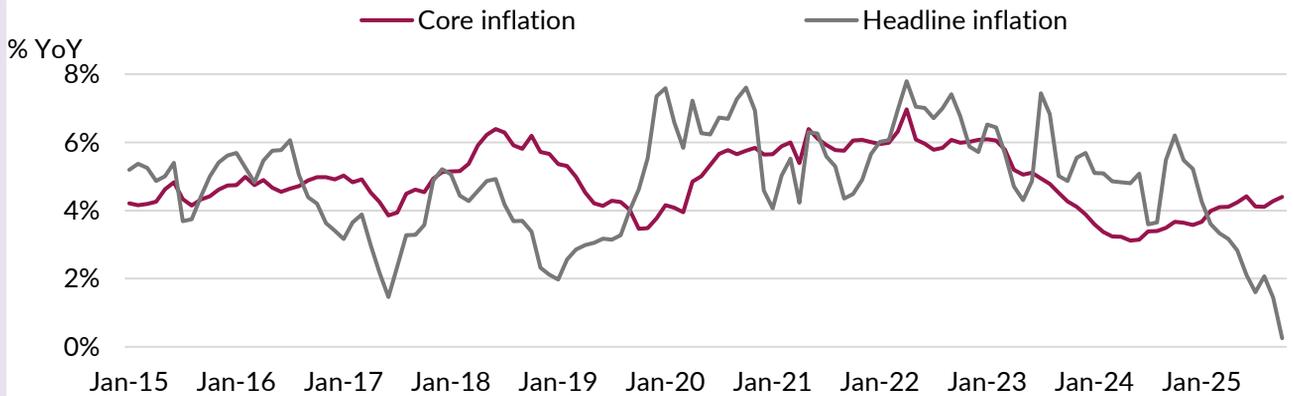
FY27 consensus growth estimates are likely conservative



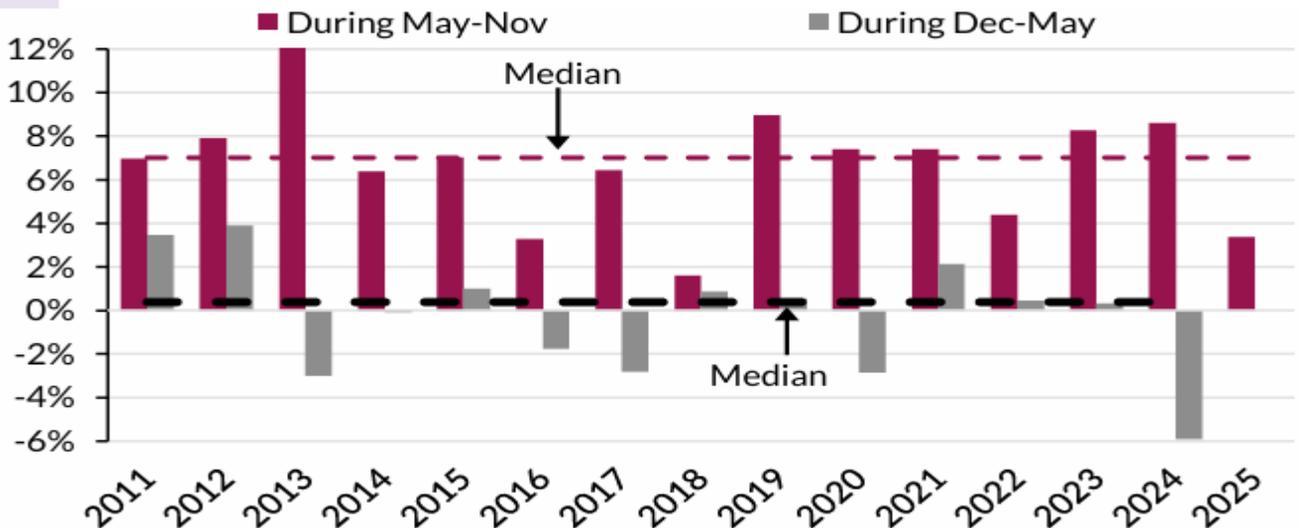
INFLATION DID NOT SURPRISE TO THE DOWNSIDE, BUT STILL TOO LOW

- November CPI inflation rose to 0.7% YoY from 0.25% in October, aligning with consensus and MPC expectations for the first time in months. Inflation remains low due to weak food prices, GST-driven cuts in core goods, and subdued core services inflation at 3.4% YoY.
- Price pressures have stayed below 4% for nearly two years, with demand-side inflation at 2.8%. Core inflation at 4.3% reflects a surge in precious metals, while most non-food items remain well below 4%.
- MoSPI will introduce a revised CPI series from February 2026, reducing food weight and incorporating price data from e-commerce and service portals for better accuracy.
- MPC is likely to hold rates in February as CPI aligns with forecasts, as our economist expects. We anticipate headline inflation to rise, averaging around 4% in FY27, which limits the scope for further rate cuts. Risks remain from potential supply-side shocks due to unseasonal weather and the recent increase in import duties on pulses, both of which could push food prices higher.

Standard “core” less volatile; rising for last 1.5Y



Food deflation to moderate going forward; supply side shocks key

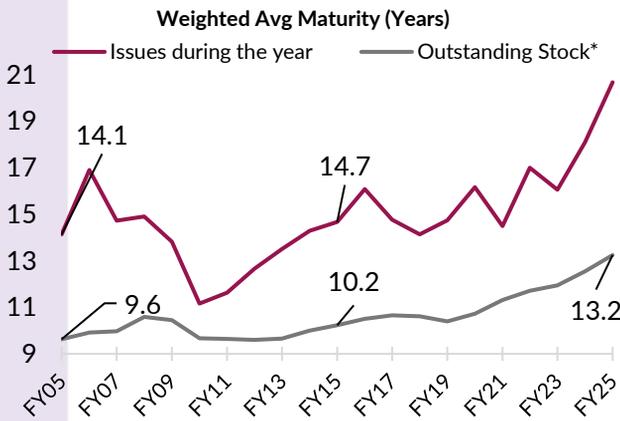


DEMAND/SUPPLY MIX FOR G-SECS

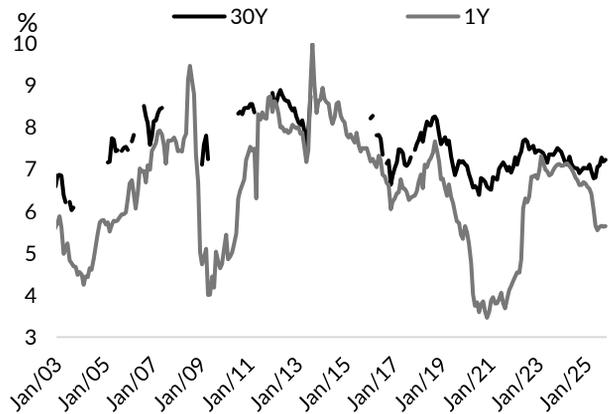
FAVORABLE; RATES TO MOVE LOWER

- India's policy rates have likely bottomed, but 10-year G-Sec yields may still move lower as duration extension has slowed monetary transmission.
- Policymakers increased sovereign debt duration post-2013 taper tantrum to reduce volatility, pushing weighted-average maturity to 13 years and annual issuances to 20–21 years in FY25 and 1HFY26, well above the earlier 14–16-year range. States' duration also rose to 17 years.
- Excessive duration keeps yields elevated, raising borrowing costs and limiting the impact of RBI's easing. Issuance duration needs to fall meaningfully in FY27.
- T-bill issuance should rise steadily as net issuance has been negative ₹2.5 trillion since March 2024, driving outstanding levels to 15-year lows due to just-in-time fund transfers to states.
- Positive demand-supply factors include fiscal consolidation, higher bank demand, financialization, RBI liquidity infusion via OMOs, and India's likely inclusion in Bloomberg Global Aggregate Index.
- Our economist expect 10-year G-Sec yields to approach 6% by FY27 as markets price a "lower-for-longer" policy path, issuance duration declines, and USDINR uncertainty and FX premia ease.

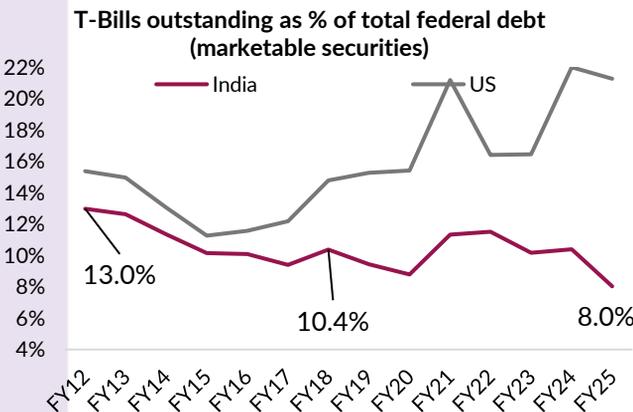
G-Sec WAM higher post FY23; needs to fall below 14Y



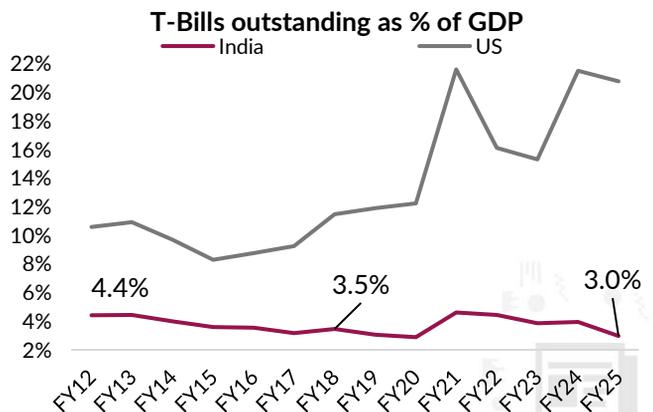
30Y-1Y G-Sec yield gap 40bps higher vs. the median



T-bills a smaller portion of overall issuances



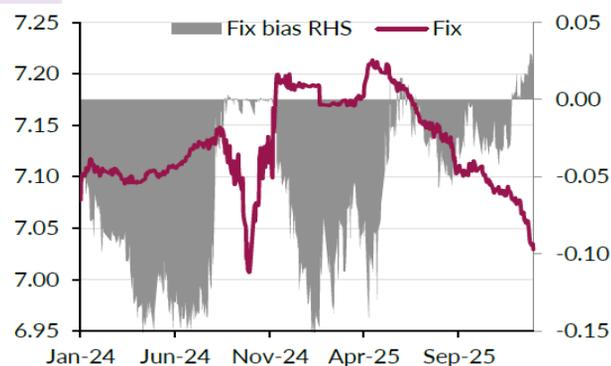
T-bills outstanding as % of GDP at its lowest



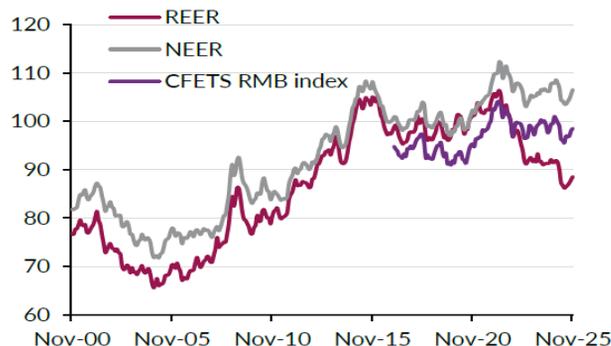
CNY AND INR: DIVERGENCE TO CONTINUE

- USD weakened early in the month on BOJ hike signals, stronger Eurozone inflation, and better UK PMI which later rebounded as BOJ lacked guidance and US CPI was inconclusive.
- FOMC comments led to selling as Powell emphasized labor risks over inflation and restarted QE; despite weaker USD, INR tested 90.50 despite intervention.
- Economist view of USD weakness remains intact due to high fiscal and lower US rate midpoint, though Eurozone politics and USD debt repayment limit downside; EUR strength likely while Ukraine war persists.
- GBP seen misaligned post-budget rally; JPY may rise before hawkish BOJ stance; CNY likely pushed toward appreciation to offset REER (real effective exchange rate) depreciation.
- INR depreciation expectations were too mild; FEER (fundamental equilibrium exchange rate) suggests structural REER shift lower, implying faster depreciation ahead.
- High domestic savings versus global norms and fiscal consolidation drive capital outflows; weaker INR needed to balance flows as core BOP stays negative despite mild CAD.
- Easing monetary policy worsens outflows under impossible trinity; risk of overcorrection if INR moves freely after long market suppression.
- Projections allow EUR strength, GBP weakness, watch JPY pain point; CNY near 7.00, INR likely to weaken faster and may see INR at 90-92 by Jun-26 and INR 92-94 by June-27, with the pace of depreciation dependent on the evolution of capital flows and global risk appetite.

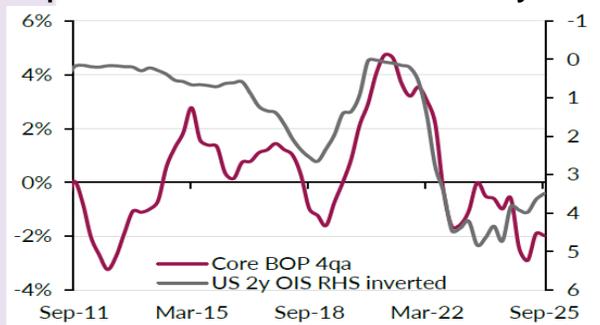
Fix bias only mildly discouraging strength



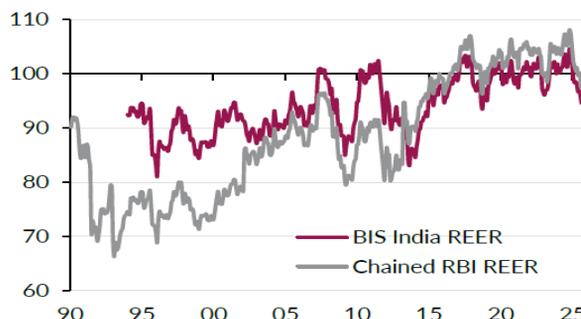
REER back at 2011 levels, NEER appreciation an offset



Core BOP suggests that external balance required for FEER is some distance away

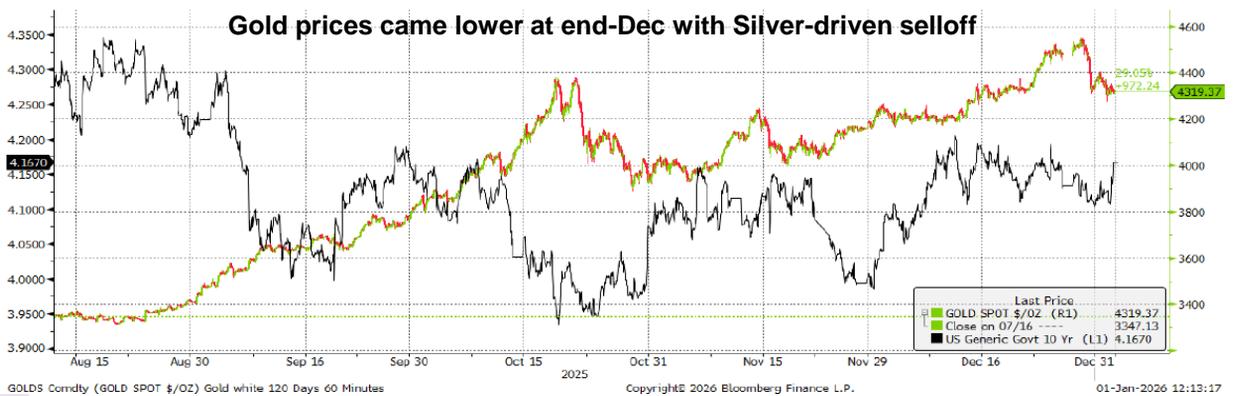


Driven by weak Chinese inflation – which will remain weak unless stimulus comes in

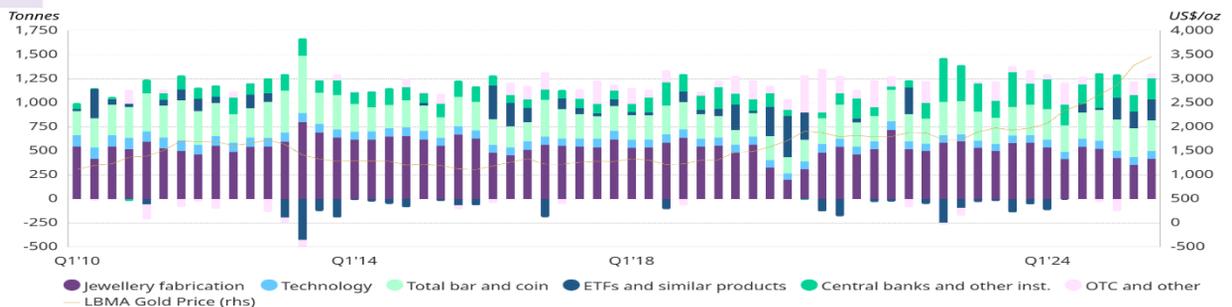


FISCAL DOMINANCE, GEOPOLITICS TO BOOST PRICES FURTHER

- Gold prices were stable early December but rose after a less-hawkish FOMC and comments from FRB Governor signaling rate cuts; geopolitical tensions around Venezuela added support later.
- A sharp silver selloff this week (in the 3rd week of December), partly due to higher margin requirements, triggered position squaring and impacted precious metals broadly.
- Global defense-driven fiscal spending and fiscal dominance are expected to keep rates below inflation targets, supporting gold prices across the US, EU, and Japan amid persistent political volatility.
- Use of FX reserves as geopolitical tools by the US and EU will likely drive central bank gold buying, with financial demand offsetting weaker physical demand; Chinese ETF flows remain mixed despite CNY appreciation.
- Geopolitical uncertainty persists with Ukraine war, Venezuela tensions, and Middle East unrest; EU debates on using frozen Russian assets for Ukraine aid highlight continued instability.
- Central banks are expected to keep buying gold even at elevated prices, compensating for softer household demand.
- Our gold price target moved from \$4,000/troy ounce in June to \$5,000/troy ounce as the next level; further upside is likely if fiscal dominance and defense spending trends continue.
- Investors should consider allocating 10–15% of their portfolio to precious metals via SIPs, depending on risk appetite and long-term goals, to hedge against uncertainty and enhance portfolio stability.



Central banks have emerged a key driver of demand



INDIAN FIXED INCOME: FROM RESILIENCE TO DOMINANCE

If 2024 was the year of resilience and 2025 marked global economic shifts, 2026 is shaping up as the year of lower rates for Indian Fixed Income. Bonds have evolved from niche institutional instruments to retail-friendly products, with the debt market crossing \$2.8 trillion and becoming a key driver for India's journey toward a \$7–8 trillion economy.

2025 in Retrospect

- **Benign Interest Rate Environment:** RBI cut repo rates by 125 bps and shifted its stance to “Neutral” to support growth. However, contrary to expectations, 10-year G-sec yields rose by 30 bps after a 50 bps cut in June, reflecting supply pressures and cautious investor sentiment.
- **Global Inclusion Milestone:** India gained global recognition with JP Morgan index inclusion, followed by Bloomberg EM Local Currency Index in January and FTSE Russell in September, attracting structural foreign inflows into domestic debt.
- **Supply Glut from SDLs:** Elevated state borrowing through SDLs created supply-demand mismatches, widening spreads over G-Secs beyond historical norms. Multiple maturities issued simultaneously compounded the imbalance, making SDL dynamics a critical theme for investors.
- **Lower Inflation:** Despite robust 6.5–7% growth, inflation averaged near 3.5%, below MPC's 4% target, aided by fiscal and monetary easing and stable commodity prices, though global tariff risks persisted.
- **Retail Participation:** Retail investors are reshaping India's bond market, aided by regulatory changes and digital platforms. Retail trades surged to 1.2 million in 2025 and are projected to reach 2.2 million in FY26, boosting liquidity and price discovery.

CY26 – A Fine Balancing Act

- **Monetary Policy Stabilization:** With inflation anchored (~3.8%) and GDP growth at 7%, RBI is nearing the end of its easing cycle. One final cut is expected in Feb or April before settling at a terminal rate of ~5%, creating a stable backdrop for long yields.
- **Supply-Demand Dynamics:** Elevated SDL issuance and a substantial OMO pipeline (₹1.5–2.5 lakh crore in Q1 and ₹2–3 lakh crore later) will influence yields. While the Centre aims to limit G-sec supply, state-level fiscal pressures will keep overall borrowing high.
- **Global Cues Remain Critical:** Fed policy, geopolitical risks, and global yield trends will continue to impact Indian bonds. India's inclusion in the Bloomberg Global Aggregate Index will enhance foreign participation and reinforce India's position in global markets.
- **Private Credit Expansion:** AIFs are emerging as a structural force, funding mid-sized corporates (A+ to BBB-) at 12–18% yields. This trend diversifies credit beyond banks and deepens market engagement, signaling a new era for private debt.



DEBT AND MACRO ECONOMIC OUTLOOK



November industrial output rebounds

- November IIP growth surged 6.7%, marking a strong recovery from October's modest pace and reaching a multi-quarter high, driven by robust gains in manufacturing and mining sectors.
- The rebound reflected normalization after festival-season slowdowns and suggests strengthening production momentum heading into Q4 FY26.



Exports surge; trade deficit narrows sharply

- Merchandise exports surged 19.4% YoY to about \$38.1 bn, supported by strong gains in electronics, engineering goods, pharmaceuticals, and gems & jewelry, while services exports remained robust.
- Merchandise trade deficit narrowed to a five - month low as imports of gold, oil and coal eased.



Geopolitical risk support oil prices amid Venezuela tensions

- Venezuela tensions lifted oil prices slightly by raising fears of supply disruptions.



- The fixed income outlook for 2026 builds on a turbulent 2025, which was marked by tariff shocks, a low inflation–high growth paradox, multiple RBI rate cuts totaling 125 bps, heightened INR volatility, and geopolitical tensions amid uncertainty over the India–US trade deal. Despite these challenges, global growth remains resilient. IMF projects US GDP at 2.1%, Europe at 1.7%, China at 4.5%, and India leading at 6.4%. Against this backdrop, monetary easing may stay limited as Fed is expected to cut rates by 50 bps, the BoJ could raise rates by 25 bps, and the ECB is anticipated to hold steady, ensuring policy stability across the Eurozone. For India, we anticipate limited scope for further rate cuts and a lower-for-longer rate environment.
- Fiscal policy will be a key growth driver in 2026 as the US continues front-loaded stimulus, Europe expands led by Germany despite fiscal stress, and China accelerates spending amid widening deficits. Disinflation has largely ended, with inflation near its trough, but rising commodity prices, especially gold, silver, and industrial metals may pose a risk, with any sustained increase likely to renew price pressures.
- India's macroeconomic fundamentals remain strong, offering resilience amid global uncertainty. The bond market is expected to consolidate, with limited scope for further easing making carry-focused strategies attractive, complemented by tactical duration calls on the long end based on risk appetite and market opportunities. The 10-year yield is likely to trade between 6.00%–6.50% range. The 1–5-year segment offers better risk-reward, with the medium-term outlook stable, contingent on inflation, fiscal signals, and global factors. Accrual-based portfolio positioning is prudent for 2026, complemented by tactical duration calls on the long end based on risk appetite and market opportunities.
- Key risks include heavy FY27 government borrowing that could lift yields if foreign inflows lag, prolonged domestic growth weakness prompting further easing & curve steepening, & possible delays in India's FAR securities inclusion in Bloomberg indices, impacting investor sentiment.
- **We remain constructive on the short to medium end of the yield curve. Short Duration funds, Banking & PSU Debt funds, Corporate Bond funds, Medium Duration funds, Money Market funds, Low Duration funds and Ultra Short Duration funds** can be considered by investors with an investment horizon commensurate with the maturity profile of the schemes. Investors can consider investing in **Medium Duration** as per their risk appetite with an investment horizon of at least 2-3 years to avoid any intermittent volatility.

FIXED INCOME ORIENTED SCHEMES



DEBT FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER 2025)

CAGR	1 Year	2 Years	3 Years
Gilt Funds			
Axis Gilt Fund	5.45	7.67	7.39
Bandhan Gilt Fund	3.94	7.22	6.97
Baroda BNP Paribas Gilt Fund	5.29	7.62	7.33
ICICI Prudential Gilt Fund	6.87	7.48	7.73
Kotak Gilt Fund	2.57	5.35	5.94
SBI Magnum Gilt Fund	4.79	6.80	7.01
UTI Gilt Fund	5.29	7.05	6.87
Category Average	4.40	6.62	6.61
CRISIL 10 Year Gilt Index	6.37	7.95	7.91
Long Duration Funds			
ICICI Prudential Long Term Bond Fund	5.19	7.64	7.30
Nippon India Nivesh Lakshya Long Duration Fund	4.29	7.76	7.51
Category Average	3.73	7.25	7.30
CRISIL 10 Year Gilt Index	6.37	7.95	7.91
Dynamic Bond Funds			
360 ONE Dynamic Bond Fund	8.45	9.02	8.24
Aditya Birla Sun Life Dynamic Bond Fund	7.15	7.96	7.55
Axis Dynamic Bond Fund	7.26	7.82	7.39
Bandhan Dynamic Bond Fund	3.66	6.78	6.54
ICICI Prudential All Seasons Bond Fund	7.27	7.71	7.66
Kotak Dynamic Bond Fund	6.09	7.63	7.23
Nippon India Dynamic Bond Fund	7.04	8.03	7.55
SBI Dynamic Bond Fund	5.65	7.11	7.06
Category Average	5.73	7.14	6.89
CRISIL Composite Bond Index	6.82	7.87	7.68
Medium to Long Duration Funds			
ICICI Prudential Bond Fund	6.78	7.68	7.65
Kotak Bond Fund	5.45	6.82	6.77
SBI Medium to Long Duration Fund	5.98	7.03	7.06
Category Average	5.68	6.91	6.72
CRISIL Composite Bond Index	6.82	7.87	7.68
Medium Duration Funds			
Aditya Birla Sun Life Medium Term Plan	11.05	10.76	9.44
Axis Strategic Bond Fund	8.32	8.49	8.06
ICICI Prudential Medium Term Bond Fund	9.01	8.51	8.00
Category Average	7.96	8.04	7.57
CRISIL Composite Bond Index	6.82	7.87	7.68

DEBT FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER 2025)

CAGR	1 Year	2 Years	3 Years
Corporate Bond Funds			
Aditya Birla Sun Life Corporate Bond Fund	7.40	7.95	7.72
Axis Corporate Bond Fund	7.97	7.98	7.58
Bandhan Corporate Bond Fund	7.41	7.49	7.27
HDFC Corporate Bond Fund	7.37	7.92	7.69
ICICI Prudential Corporate Bond Fund	7.98	7.97	7.85
Kotak Corporate Bond Fund	7.86	8.04	7.64
Nippon India Corporate Bond Fund	7.81	8.09	7.78
UTI Corporate Bond Fund	7.85	7.84	7.51
Category Average	7.63	7.79	7.46
CRISIL Short Term Bond Index	7.76	7.85	7.65
Short Duration Funds			
Axis Short Duration Fund	8.09	8.03	7.61
Bandhan Short Duration Fund	7.48	7.64	7.40
HDFC Short Term Debt Fund	7.84	8.04	7.74
ICICI Prudential Short Term Fund	8.01	7.89	7.73
Kotak Bond Short Term Fund	7.33	7.51	7.16
Nippon India Short Duration Fund	7.88	7.91	7.54
SBI Short Term Debt Fund	7.80	7.73	7.39
UTI Short Duration Fund	7.36	7.62	7.38
Category Average	7.46	7.55	7.23
CRISIL Short Term Bond Index	7.76	7.85	7.65
Banking & PSU Debt Funds			
Aditya Birla Sun Life Banking & PSU Debt Fund	7.36	7.59	7.35
Axis Banking & PSU Debt Fund	7.56	7.52	7.20
Bandhan Banking & PSU Debt Fund	7.14	7.32	7.13
HDFC Banking and PSU Debt Fund	7.49	7.64	7.37
ICICI Prudential Banking & PSU Debt Fund	7.65	7.74	7.60
UTI Banking & PSU Fund	7.80	7.69	7.35
Category Average	7.38	7.57	7.26
CRISIL Short Term Bond Index	7.76	7.85	7.65

EQUITY ORIENTED SCHEMES

DEBT FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER 2025)

CAGR	1 Year	2 Years	3 Years
Index Funds			
Aditya Birla Sun Life Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund	7.43	7.56	7.31
Axis CRISIL IBX 50:50 Gilt Plus SDL June 2028 Index Fund	8.24	8.19	--
Axis CRISIL IBX SDL June 2034 Debt Index Fund	5.38	--	--
Axis CRISIL IBX SDL May 2027 Index Fund	7.78	8.07	7.66
Axis CRISIL-IBX AAA Bond NBFC - Jun 2027 Index Fund	8.03	--	--
Axis Nifty SDL September 2026 Debt Index Fund	7.52	7.75	7.43
Bandhan CRISIL IBX Gilt April 2028 Index Fund	7.94	7.85	7.71
Bandhan CRISIL IBX Gilt June 2027 Index Fund	7.68	7.63	7.53
HDFC Nifty G-sec Dec 2026 Index Fund	7.33	7.39	7.35
Kotak Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index Fund	8.24	8.19	7.72
Mirae Asset Nifty SDL Jun 2027 Index Fund	7.70	8.03	7.65
Nippon India Nifty AAA CPSE Bond Plus SDL - Apr 2027 Maturity 60:40 Index Fund	7.67	7.76	7.37
Nippon India Nifty AAA PSU Bond Plus SDL - Sep 2026 Maturity 50:50 Index Fund	7.32	7.49	7.21
SBI CRISIL IBX Gilt Index June 2036 Fund	7.15	8.71	8.41
SBI CRISIL IBX Gilt Index April 2029 Fund	8.53	8.37	8.17
CRISIL Short Term Bond Index	7.76	7.85	7.65
CRISIL Composite Bond Index	6.82	7.87	7.68
Floater Funds			
Axis Floater Fund	7.76	8.48	7.99
Aditya Birla Sun Life Floating Rate Fund	7.59	7.75	7.65
DSP Floater Fund	7.64	8.35	8.17
HDFC Floating Rate Debt Fund	7.88	8.06	7.92
Kotak Floating Rate Fund	8.17	8.16	7.86
ICICI Prudential Floating Interest Fund	7.68	7.83	7.8
Category Average	7.67	7.89	7.69
CRISIL Short Term Bond Index	7.76	7.85	7.65

HYBRID FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER 2025)

CAGR	1 Year	2 Years	3 Years
Conservative Hybrid Funds			
Axis Conservative Hybrid Fund	6.74	7.12	7.55
ICICI Prudential Regular Savings Fund	7.75	9.58	10.19
Kotak Debt Hybrid Fund	5.28	8.24	10.12
Parag Parikh Conservative Hybrid Fund	7.31	9.84	11.13
SBI Conservative Hybrid Fund	6.76	8.86	9.96
Category Average	5.98	8.04	8.99
NIFTY 50 Hybrid Composite Debt 15:85 Index	6.83	7.89	8.38

FUND OF FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER 2025)

CAGR	1 Year	2 Years	3 Years
Equity Fund of Funds			
Axis Multi Factor Passive FoF	5.52	8.35	13.58
ICICI Prudential Passive Strategy Fund (FOF)	18.23	14.31	15.28
Mirae Asset Diversified Equity Allocator Passive FOF	8.22	11.63	16.11
Mirae Asset Nifty MidSmallcap400 Momentum Quality 100 ETF FOF	-8.72	--	--
Mirae Asset Nifty Smallcap 250 Momentum Quality 100 ETF FOF	-13.72	--	--
Mirae Asset Nifty200 Alpha 30 ETF Fund of Fund	-6.44	--	--
Hybrid Fund of Funds			
HDFC Multi-Asset Active FOF	13.66	13.87	16.24
Nippon India Multi - Asset Omni FoF	14.27	16.03	20.21
Debt Fund of Funds			
Axis Income Plus Arbitrage Active FOF	7.99	8.38	7.75
Bandhan Income Plus Arbitrage Fund of Funds	7.12	7.42	7.21
BHARAT Bond ETF FOF - April 2033	7.72	8.72	8.24
BHARAT Bond FOF - April 2030	8.17	8.60	8.06
BHARAT Bond FOF - April 2031	8.44	8.66	8.07
Kotak Income Plus Arbitrage Omni FOF	7.32	8.14	7.97
CRISIL Short Term Bond Index	7.76	7.85	7.65
CRISIL Composite Bond Index	6.82	7.87	7.68
Equity International Fund of Funds			
Axis Global Equity Alpha Fund of Fund	25.69	23.19	22.13
Axis Global Innovation Fund of Fund	20.03	21.40	23.67
Axis Greater China Equity Fund of Fund	37.47	23.33	11.68
Axis US Specific Equity Passive FOF	24.41	26.55	34.99
Bandhan US specific Equity Active FOF	19.38	26.69	29.23
DSP Global Innovation Overseas Equity Omni FoF	27.58	24.03	32.39
Edelweiss Greater China Equity Offshore Fund	37.93	25.73	12.38
Edelweiss US Technology Equity Fund of Fund	24.45	26.52	38.38
Franklin U.S. Opportunities Equity Active Fund of Funds	11.36	18.90	24.94
Motilal Oswal Nasdaq 100 FOF	9.56	29.61	36.86
Nifty 500 TRI	7.76	11.87	16.68
Debt International Fund of Funds			
Aditya Birla Sun Life US Treasury 1-3 Year Bond ETFs Passive FOF	10.16	8.51	--
Aditya Birla Sun Life US Treasury 3-10 Year Bond ETFs Passive FOF	12.75	8.39	--
Axis US Specific Treasury Dynamic Debt Passive FOF	13.69	8.25	--
Bandhan US Treasury Bond 0-1 year Fund of Fund	9.44	8.67	--

DISCLAIMER



DISCLAIMER

The report and information contained herein is of confidential nature and meant only for the selected recipient and should not be altered in any way, transmitted to, copied or distributed, in any manner and form, to any other person or to the media or reproduced in any form, without prior written approval of Axis Bank. The material in this document/report is based on facts, figures and information that are obtained from publicly available media or other sources believed to be reliable and hence considered true, correct, reliable and accurate but Axis Bank does not guarantee or represent (expressly or impliedly) that the same are true, correct, reliable and accurate, not misleading or as to its genuineness, fitness for the purpose intended and it should not be relied upon as such. The opinion expressed (including estimates, facts, figures and forecasts) is given as of the date of this document is subject to change without providing any prior notice of intimation. Axis Bank shall have the rights to make any kind of changes and alterations to this report/ information as may be required from time to time. However, Axis Bank is under no compulsion to maintain or keep the data/information updated. This report/document does not mean an offer or solicitation for dealing (purchase or sale) of any financial instrument or as an official confirmation of any transaction. Axis Bank or any of its affiliates/ group companies shall not be answerable or responsible in any way for any kind of loss or damage that may arise to any person due to any kind of error in the information contained in this document or otherwise. This document is provided for assistance only and should not be construed as the sole document to be relied upon for taking any kind of investment decision. The recipient is himself/herself fully responsible for the risks of any use made of this information. Each recipient of this document should make his/her own research, analysis and investigation as he/she deems fit and reliable to come at an independent evaluation of an investment in the securities of companies mentioned in this document (including the merits, demerits and risks involved), and should further take opinion of own consultants, advisors to determine the advantages and risks of such investment. The investment discussed or views expressed herein may not suit the requirements for all investors. Axis Bank and its group companies, affiliates, directors, and employees may: (a) from time to time, have long or short positions in, and deal (buy and/or sell the securities) thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn commission/brokerage or other compensation or act as advisor or lender/borrower to such company (ies) or have other potential conflict of interest with respect to any recommendation and related information and opinions. The applicable Statutory Rules and Regulations may not allow the distribution of this document in certain jurisdictions, and persons who are in possession of this document, should inform themselves about and follow, any such restrictions. This report is not meant, directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would not be in conformation to the law, regulation or which would require Axis Bank and affiliates/ group companies to obtain any registration or licensing requirements within such jurisdiction. Neither Axis Bank nor any of its affiliates, group companies, directors, employees, agents or representatives shall be held responsible, liable for any kind of consequential damages whether direct, indirect, special or consequential including but not limited to lost revenue, lost profits, notional losses that may arise from or in connection with the use of the information. Prospective investors and others are cautioned and should be alert that any forward-looking statements are not predictions and may be subject to change without providing any notice. Past performance should not be considered as a reference to future performance.

DISCLAIMER



DISCLAIMER

The disclosures of interest statements if any included in this document are provided only to enhance the transparency and should not be construed as confirmation of the views expressed in the report. The views expressed in this report reflect the personal views of the author of the report and do not reflect the views of Axis Bank or any of its associate and group companies about the subject company or companies and its or their securities.

This document is published by Axis Bank Limited ("Axis Bank") and is distributed in Singapore by the Singapore branch of Axis Bank. This document does not provide individually tailored investment advice. The contents in this document have been prepared and are intended for general circulation. The contents in this document do not take into account the specific investment objectives, financial situation, or particular needs of any particular person. The securities and/or instruments discussed in this document may not be suitable for all investors.

Axis Bank recommends that you independently evaluate particular investments and strategies and encourages you to seek advice from a financial adviser regarding the suitability of such securities and/or instruments, taking into account your specific investment objectives, financial situation and particular needs, before making a commitment to purchase any securities and/or instruments. This is because the appropriateness of a particular security, instrument, investment or strategy will depend on your individual circumstances and investment objectives, financial situation and particular needs. The securities, investments, instruments or strategies discussed in this document may not be suitable for all investors, and certain investors may not be eligible to purchase or participate in some or all of them.

This document is not an offer to buy or sell or the solicitation of an offer to buy or sell any security and/or instrument or to participate in any particular trading strategy. Axis Bank, its associates, officers and/or employees may have interests in any products referred to in this document by acting in various roles including as distributor, holder of principal positions, adviser or lender. Axis Bank, its associates, officers and/or employees may receive fees, brokerage or commissions for acting in those capacities. In addition, Axis Bank, its associates, officers and/or employees may buy or sell products as principal or agent and may effect transactions which are not consistent with the information set out in this document. Purchase of Mutual Funds by Axis Bank's customer is purely voluntary and not linked to availment of any other facility from the Bank.

Axis Bank and its affiliates do business that relates to companies and/or instruments covered in this document, including market making and specialized trading, risk arbitrage and other proprietary trading, fund management, commercial banking, extension of credit, investment services and investment banking. Axis Bank sells to and buys from customers the securities and/or instruments of companies covered in this document as principal or agent.

Axis Bank makes every effort to use reliable and comprehensive information, but makes no representation that it is accurate or complete. Axis Bank has no obligation to inform you when opinions or information in this document change. Facts and views presented in this document have not been reviewed by, and may not reflect information known to, professionals in other Axis Bank business areas, including investment banking personnel. Axis Bank accepts no liability whatsoever for any loss or damage of any kind arising out of the use of the contents in this document. Axis Bank's comments are an expression of opinion. While Axis Bank believes the statements to be true, they always depend on the reliability of Axis Bank's own credible sources.

Disclaimer for DIFC branch:

Axis Bank, DIFC branch is duly licensed and regulated in the Dubai International Financial Centre by the Dubai Financial Services Authority ("DFSA"). This document is intended for use only by Professional Clients (as defined by Rule 2.3.2 set out in the Conduct of Business Module of the DFSA Rulebook) who satisfy the regulatory criteria set out in the DFSA's rules, and should not be relied upon, acted upon or distributed to any other person(s) other than the intended recipient.

Axis Bank Ltd. is acting as an AMFI registered Mutual Fund Distributor under the ARN code of ARN-0019