

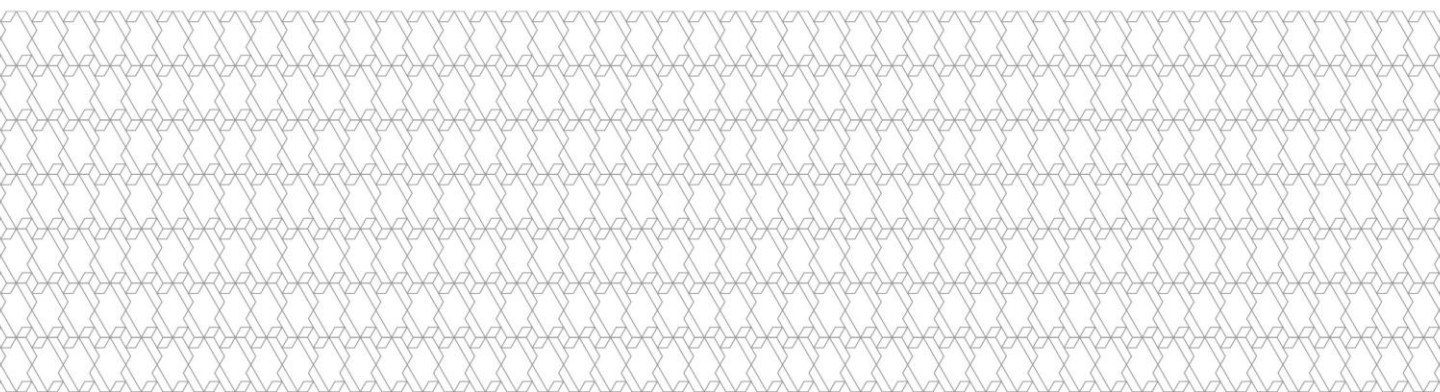


Burgundy

Wealth Management | Axis Bank

INVESTMENT PERSPECTIVES

October – December 2025



MARKET OVERVIEW



MARKET OVERVIEW

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- Indian equity markets ended the September 2025 quarter in negative territory, with benchmark indices like Nifty 50 and Sensex falling 3.6% and 4.0% respectively, while broader indices such as Nifty Midcap 150 and Smallcap 250 declined by 4.3% and 6.2%.
- The market decline was driven by weaker corporate earnings and global headwinds such as economic slowdown, trade policy uncertainty, and geopolitical tensions, which overshadowed brief domestic optimism from GST 2.0 reforms.
- Investor sentiment which was already impacted by delays in U.S. trade policy, was further weakened by the introduction of a one-time H1-B visa fee and a 100% tariff on branded drug imports, affecting globally exposed sectors.
- Despite near-term volatility, India remains well-positioned for long-term growth, supported by structural strengths, rising capital expenditure, and consumption boosts from the Union Budget and GST 2.0 reforms.
- Market sentiment remains cautious, with large-cap stocks offering relative safety and domestically focused sectors expected to outperform export-driven ones, reinforcing the view that while short-term turbulence may persist, India's long-term investment outlook remains strong.



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



- Domestic debt markets were shaped by tariff concerns, S&P's sovereign rating upgrade, GST rationalization, and resilient GDP growth, which supported investor sentiment.
- High-frequency indicators showed early signs of improvement, driven by GST reforms and past policy actions, while a weak inflation base set the stage for stronger prints ahead.
- The U.S. Fed initiated its first rate cut of 2025, signaling further easing, while the RBI maintained a steady rate stance with a bias toward easing amid trade and policy uncertainties.
- To stimulate credit growth and enhance liquidity, the RBI announced several banking reforms, including the relaxation of regulatory limits, which are expected to support lending and financial sector resilience.
- India's 10-year government bond yield closed the quarter at 6.63%, up 24 bps, but eased 9 bps post-policy amid dovish commentary. We favor a carry-focused strategy over duration plays, anticipating the 10-year yield to remain within the 6.20%–6.70% range. Our constructive stance on the 1–5-year segment is driven by the superior risk-reward offered by high-quality bonds.



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 September 2025 in a negative territory. Nifty 50 was down by 3.6% during the quarter while Nifty Mid Cap 150 index and Nifty Small Cap 250 index were down by 4.3% and 6.2%, respectively.

For H1FY26, Nifty 50 was up by 4.6%, whereas Nifty Mid Cap 150 index and Nifty Small Cap 250 index was up by 10.0% and 10.5%, respectively.

For 9MCY25, Nifty 50 was up by 4.1%, whereas Nifty Mid Cap 150 index and Nifty Small Cap 250 index was down by 0.5% and 6.0%, respectively.



On the sectoral front, the top performing sectors for the quarter ended September 2025 were Nifty Auto (+11.2%), Nifty Metal (+5.3%) and Nifty India Consumption (+1.9%), while Nifty IT (-13.6%), Nifty Realty (-12.1%) and Nifty Media (-12.1%) were the laggards.

For H1FY26, the top performing sectors were Nifty Auto (+24.6%), Nifty India Consumption (+12.5%) and Nifty Metal (+10.4%), while Nifty IT (-8.8%) was the laggard.

For 9MCY25, the top performing sectors were Nifty Auto (+16.2%), Nifty Metal (+16.0%) and Nifty Financial Services (+10.7%), while Nifty IT (-22.3%), Nifty Realty (-17.6%), Nifty Media (-15.1%) were the laggards.



In the Nifty 50 index, the top performing stocks for the quarter ended September 2025 were Maruti Suzuki (+29.3%), Eicher Motor (+23.8%) and Eternal (+23.2%), while Trent (-24.8%), HCL Technologies (-19.9%) and Tech Mahindra (-17.0%) were the laggards.

For H1FY26, Eternal (+61.4%), Maruti Suzuki (+39.1%) and Bharat Electron (+34.1%) were the top performers, while TCS (-19.9%), HCL Technologies (-13.0%) and Trent (-12.2%) were the laggards.

For 9MCY25, Maruti Suzuki (+47.6%), Bajaj Finance (+46.4%) and Eicher Motor (+45.3%) were the top performers, while Trent (-34.3%), TCS (-29.5%) and HCL Technologies (-27.8%) were the laggards.



During the quarter ended September 2025, FIIs were net sellers of equity to the tune of ₹61,051 Cr while DIIs were net buyers to the tune of ₹2,93,785 Cr; domestic MFs bought ₹2,07,491 Cr worth of equity.

For H1FY26, FIIs were net sellers of equity to the tune of ₹35,635 Cr while DIIs were net buyers to the tune of ₹3,89,656 Cr; domestic MFs bought ₹2,78,981 Cr worth of equity.

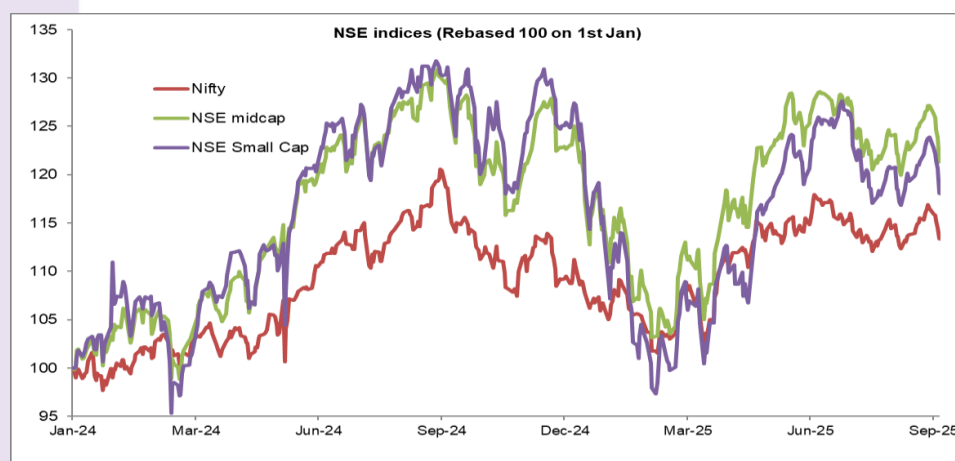
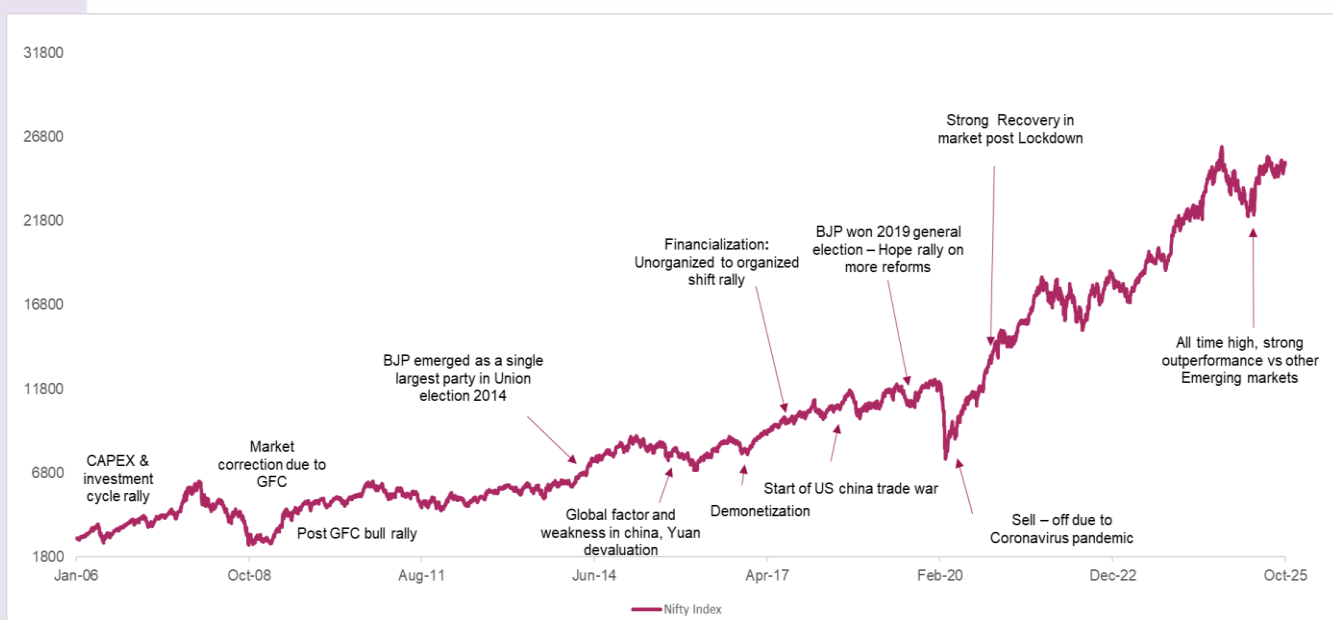


EQUITY INVESTMENT STRATEGY

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Market Update – Recap:

- The Indian equity market remained rangebound with a downward bias during the quarter, following a strong rally in the previous months. While September saw a mild recovery, it lacked conviction due to weak corporate earnings and persistent global headwinds including economic slowdown, trade policy uncertainty, and geopolitical tensions.
- Domestic sentiment was briefly lifted by GST 2.0 reforms, but gains were capped due to currency depreciation, FII outflows, and inventory overhang from GST rate cuts.
- Investor confidence was further shaken by recent US policy changes, notably the imposition of a one-time fee for new H1-B visa applicants and a 100% tariff on branded drug imports, which raised concerns for export-oriented sectors and dampened overall sentiment.
- We focus on 'Growth at a Reasonable Price', favoring quality corporates, market leaders, and domestically oriented companies, while selectively investing in capex-driven opportunities with clear growth visibility. Large caps offer valuation comfort, and we remain cautious on export-oriented sectors amid global uncertainties.



Correction from peak (26th Sep'25) till 28th Feb'25

Nifty 50: 16%

NSE Mid Cap 100: 21%

NSE Small Cap 250: 25%

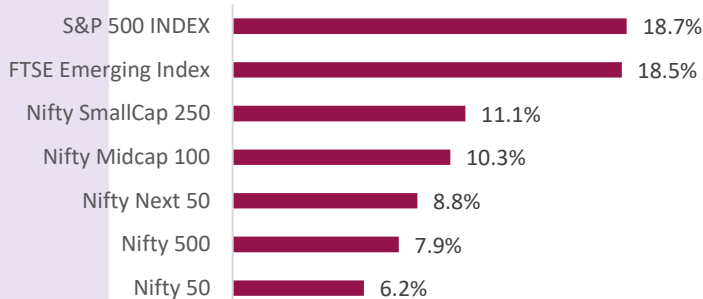
EQUITY MARKET UPDATE

EQUITY INVESTMENT STRATEGY

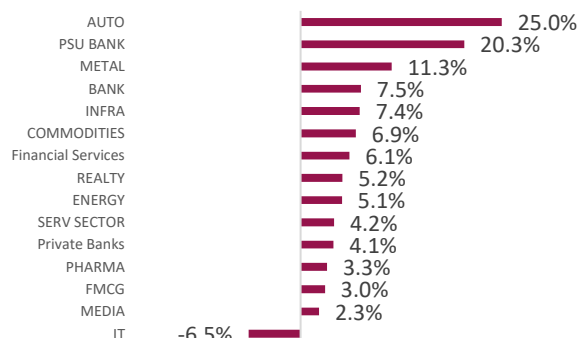
H1FY26 Market Performance:

- In H1FY26, the Indian market underperformed global peers, with Nifty 50 gaining 6.2% versus S&P 500's 18.7% and FTSE Emerging Index's 18.5%.
- The rally was led by cyclical and rate-sensitive sectors, supported by expectations of GST 2.0 reforms and a lower interest rate environment. Auto, Metals, Banks, Infrastructure, Financial Services, Realty, Energy, and Pharma were the top-performing sectors, while IT was the only major sector that lagged during the period.

Benchmark Returns in Q1FY26



Sector wise returns in Q1FY26



Top 500 stocks: 52 Week analysis:

- Following the recent market correction, only 31 stocks are currently trading near their 52-week highs, down from 73 stocks three months ago.
- Approximately 56% of the stocks are trading more than 20% below their 52-week highs, a notable improvement from 76% on April 1st.
- Around 28% of the stocks have declined over 30% from their 52-week highs, suggesting that most negative factors may now be priced in.
- Largecap valuations appear attractive at current levels.
- Among 55 PSU stocks, only 2 are near their 52-week highs, compared to 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	0	13	9	14
Auto & Anc	42	6	16	9	11
Banks	28	6	16	2	4
Build Mate	40	0	14	12	14
Discretionary	30	2	12	7	9
Healthcare	49	2	27	13	7
Industrials	46	0	16	13	17
IT	42	0	4	18	20
Metals & Min	25	5	15	3	2
NBFC	61	8	32	12	8
Oil & gas	16	1	3	9	3
Others	8	0	2	4	2
Staples	34	0	10	14	10
Tele & Media	15	0	2	5	8
Transport	10	0	5	4	1
Utilities	18	1	3	6	8
Total	500	31	190	140	138
Large cap	100	12	40	19	11
Mid cap	150	12	60	46	28
Small cap	250	7	88	74	99
PSUs	55	7	20	18	9

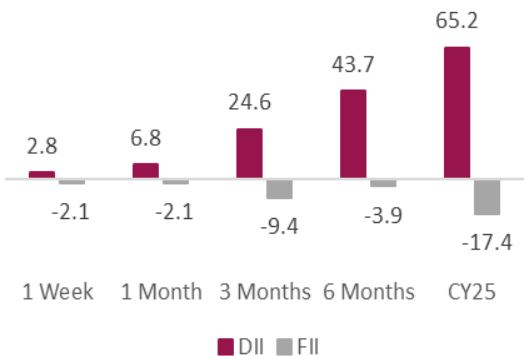
EQUITY INVESTMENT STRATEGY

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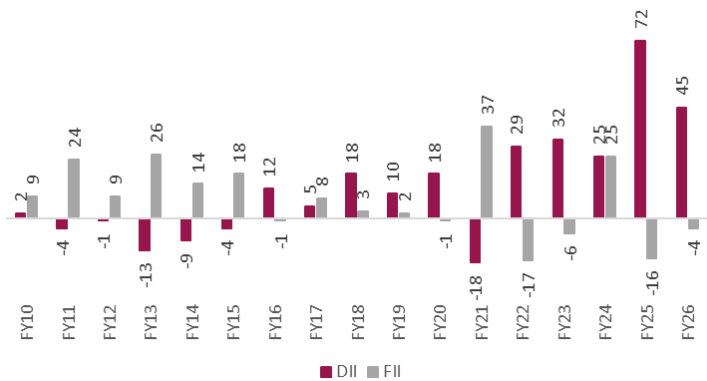
FII selling seen in the last 1M/3M:

- FII outflows continued for the third straight month in Sep'25, though at a slower pace of USD -1.6 bn, while DII inflows remained strong at USD 7.4 bn.
- In CY25, FIIs have pulled out only \$17 Bn, while DIIs have invested \$65 Bn in the Indian equity market.
- SIP contributions held steady at ₹28,265 crore in Aug'25. The market saw over 35 IPOs between Jul-Sep'25, raising ~₹45,500 crore.

FII/DII Flows in \$Bn

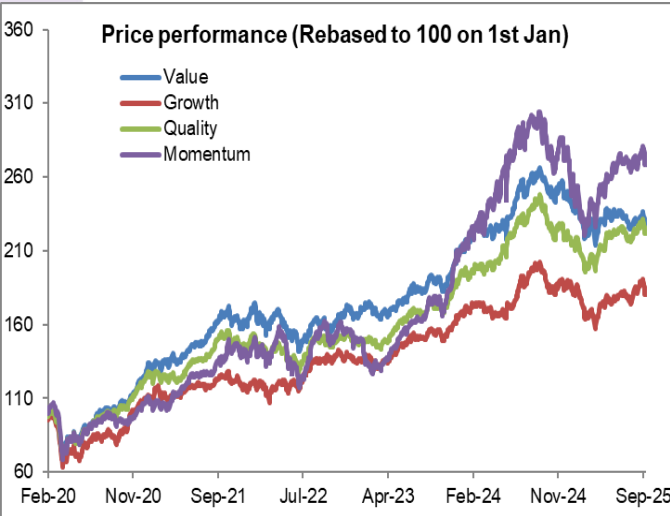


Financial Year flows in \$Bn



Quality Leads YTD Performance:

- 'Quality' has been the best-performing investment style in 2025, with both, 'Quality' and 'Growth' themes outperforming over the past three months.
- 'Growth at a Reasonable Price' strategy remains attractive, supported by strong growth outlook, easing inflation, rural recovery, and margin improvement.
- Despite recent market correction, value stocks in PSUs, Metals, Commodities, Utilities, and Cement, along with Auto, Metals, and PSU Banks, have shown relative strength.



Period	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%
YTD	-7.2%	-2.3%	1.7%	-1.8%
1 Mth	-0.1%	-0.5%	-0.2%	1.2%
3 Mths	-3.8%	0.4%	-1.2%	-2.7%
6 Mths	-0.3%	8.3%	7.5%	11.4%
1 Year	-13.6%	-9.7%	-9.8%	-10.6%
2 Years	20.0%	17.3%	29.3%	50.1%

EQUITY INVESTMENT STRATEGY

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Performance of Asset Classes: Focus on Asset Allocation for FY26:

- Asset class leadership continues to shift across market cycles, with gold emerging as the top performer in 2025 - driven by safe-haven demand amid geopolitical tensions and uncertainty surrounding the US protectionist agenda.
- Gold maintained its leadership after briefly losing momentum post May 2024, reclaiming the top spot by October. On a YTD basis, it remains the best-performing asset globally.
- Domestically, the broader market led returns in 2023 and most of 2024, but a sharp correction since October 2024 impacted overall performance. Signs of recovery have emerged over the past 3–4 months.
- Nifty 50 ranked at the bottom in 2024 for the first time, primarily due to sustained FII selling in the last quarter, reflecting global risk aversion and valuation concerns.
- Despite recent volatility, we remain constructive on India's long-term equity outlook, supported by rising capex, improving credit growth, and a favorable economic structure. However, earnings growth will be key to driving returns, given limited room for valuation expansion.
- Our outlook for CY25 is cautiously optimistic, with expectations of market consolidation. Strategic asset allocation and sector rotation will be critical, and investors should leverage volatility to build long-term positions.

Rank	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 (YTD)
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: 51.5%
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%	Midcap : 46.6%	Midcap: 23.8%	EM Index: 21.2%
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: 13.3%
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%	NSE G Sec compo site: 5.5%
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 compos ite: 9.9%	Nifty 50: 4.1%
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%	Midcap : -1.2%
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: -6.4%

EQUITY MARKET UPDATE

EQUITY MARKET OUTLOOK

 India remains well-positioned for long-term growth, supported by structural strengths, rising capex, and consumption tailwinds from the Union Budget and GST 2.0 reforms. Economic momentum is expected to revive in FY26, aided by policy rate cuts, improved liquidity, and fiscal support. However, risks persist from geopolitical tensions, trade negotiation delays—especially U.S. tariffs linked to oil imports—and increased visa fees impacting the IT sector. While fiscal and monetary measures are in place, delayed policy transmission may keep sentiment cautious. Encouragingly, rural demand is recovering, and continued government spending could help offset domestic risks. Despite near-term headwinds, corporate earnings are expected to remain healthy in H2FY26, with valuations likely supported by strong domestic flows and equities' relative appeal over bonds. The proposed GST rationalization and supportive policy measures are expected to cushion the economy and stimulate demand, though fiscal slippage remains a risk.

 Historically, large caps have outperformed mid and small caps during periods of uncertainty due to stronger balance sheets and higher institutional ownership. With ongoing global policy uncertainty, tariff risks, and uneven earnings, large caps remain relatively resilient. The midcap premium to large caps has declined from 72% in Sep'24 to ~30%, only slightly above the 10-year average of 25%. Small-cap valuations, with a 25% premium, also remain elevated versus historical norms, though significantly lower than 2024 highs. This leaves mid and small caps vulnerable if earnings momentum weakens or global risk appetite remains subdued.

 India's corporate earnings have seen downgrades over the past year, but signs of stabilization are emerging, with the latest revisions at their lowest in four quarters. Nifty 50's PAT growth is expected to be in the lower double digits for FY26, supported by improving macro conditions, policy measures, and strong corporate balance sheets. Financials and domestically focused sectors are likely to benefit from lower rates, surplus liquidity, and rising consumption. While export-oriented sectors face risks from geopolitical tensions and trade issues, upcoming quarterly results will be key in shaping market direction.

 From a market positioning standpoint, risk-reward is gradually shifting toward broader markets, while large caps continue to offer a safety net. Recovery is expected to be gradual, led by strong earnings, improving liquidity, and stable macro fundamentals. In the near term, markets may consolidate with narrow breadth. Our strategy remains focused on 'Growth at a Reasonable Price', favoring quality, market leaders, and domestic sectors like BFSI, Telecom, Consumption, Hospitals, and interest-rate proxies. We also prefer select capex-driven opportunities with clear growth visibility, while remaining cautious on export-oriented sectors due to macro and geopolitical risks.

Given the above, markets are expected to remain vigilant amid ongoing trade tariff developments and geopolitical shifts. In response, corporates are actively pursuing geographic diversification to mitigate external risks. Coordinated efforts between the government and private sector will be crucial in navigating these challenges and sustaining earnings momentum. The direction of tariff negotiations, progress on domestic policy reforms, and trends in high-frequency economic indicators will play a pivotal role in shaping market sentiment. While we maintain a cautious stance in the near term due to macro uncertainties, we remain constructive on Indian equities from a long-term perspective, 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 30TH SEPTEMBER 2025)

CAGR	1 Year	2 Years	3 Years
Large Cap Funds			
Aditya Birla Sun Life Large Cap Fund	-4.49	14.77	15.51
Axis Large Cap Fund	-4.90	13.36	11.41
Canara Robeco Large Cap Fund	-3.19	15.55	15.46
ICICI Prudential Large Cap Fund	-2.22	17.61	18.77
Kotak Large Cap Fund	-3.77	15.25	15.55
Mahindra Manulife Large Cap Fund	-5.62	12.76	13.60
Mirae Asset Large Cap Fund	-3.37	12.67	13.11
Motilal Oswal Large Cap Fund	3.10	--	--
Nippon India Large Cap Fund	-1.01	17.31	19.87
SBI Large Cap Fund	-3.77	12.79	14.55
Category Average	-4.17	14.56	15.06
Nifty 50 TRI	-3.45	13.28	14.21
Flexi Cap Funds			
360 ONE Flexicap Fund	-7.55	18.19	--
Aditya Birla Sun Life Flexi Cap Fund	-3.65	16.57	17.27
Axis Flexi Cap Fund	-3.79	16.63	13.70
Canara Robeco Flexi Cap Fund	-2.70	16.41	15.67
Franklin India Flexi Cap Fund	-5.35	16.65	18.41
HDFC Flexi Cap Fund	2.70	22.41	23.37
ICICI Prudential Flexicap Fund	-2.14	19.99	19.46
Invesco India Flexi Cap Fund	-1.36	23.56	22.47
Mirae Asset Flexi Cap Fund	-1.94	14.75	--
Nippon India Flexi Cap Fund	-6.86	13.55	15.83
Parag Parikh Flexi Cap Fund	3.23	20.15	21.74
WhiteOak Capital Flexi Cap Fund	-1.88	17.84	18.52
Category Average	-3.56	16.81	17.16
Nifty 500 TRI	-5.28	15.74	16.38
Multi Cap Funds			
Axis Multicap Fund	-4.38	22.13	21.88
Bajaj Finserv Multi Cap Fund	--	--	--
Canara Robeco Multi Cap Fund	-3.76	17.97	--
DSP Multicap Fund	-6.35	--	--
Edelweiss Multi Cap Fund	-7.74	--	--
Franklin India Multi Cap Fund	-3.04	--	--
HDFC Multi Cap Fund	-6.59	16.70	20.97
Kotak Multicap Fund	-4.02	20.96	23.51
LIC MF Multi Cap Fund	-4.77	19.91	--
Mirae Asset Multicap Fund	-1.79	16.85	--
Nippon India Multi Cap Fund	-3.14	18.76	22.09
UTI Multi Cap Fund	--	--	--
Category Average	-4.52	17.55	19.35
Nifty 500 TRI	-5.28	15.74	16.38

EQUITY ORIENTED SCHEMES

EQUITY FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 30TH SEPTEMBER 2025)

CAGR	1 Year	2 Years	3 Years
Large & Mid Cap Funds			
Axis Large & Mid Cap Fund	-3.69	17.86	17.61
Bajaj Finserv Large and Mid Cap Fund	-6.11	--	--
Bandhan Large & Mid Cap Fund	-3.96	22.50	23.81
HDFC Large and Mid Cap Fund	-4.82	17.30	20.52
HSBC Large & Mid Cap Fund	-4.29	19.13	20.32
ICICI Prudential Large & Mid Cap Fund.	-1.59	20.88	21.55
Kotak Large & Midcap Fund	-3.95	17.36	19.11
Mirae Asset Large & Midcap Fund	-4.38	14.77	16.63
Motilal Oswal Large and Midcap Fund (MOFLM)	-0.06	26.58	27.73
UTI Large & Mid Cap Fund	-5.90	19.17	21.17
Category Average	-4.25	17.98	18.60
NIFTY Large Midcap 250	-5.70	15.82	17.54
Focused Funds			
360 ONE Focused Fund	-7.63	13.08	16.33
Aditya Birla Sun Life Focused Fund	-5.53	15.62	15.75
Axis Focused Fund	-5.43	13.33	10.26
Canara Robeco Focused Fund	-1.19	18.61	17.52
Edelweiss Focused Fund	-6.52	16.39	17.05
Franklin India Focused Equity Fund	-5.43	15.34	16.39
HDFC Focused Fund	2.71	22.52	22.35
ICICI Prudential Focused Equity Fund	-0.17	23.38	22.83
Kotak Focused Fund	-2.29	17.31	16.06
Mahindra Manulife Focused Fund	-7.35	17.33	19.49
Mirae Asset Focused Fund	-4.01	10.93	11.72
Sundaram Focused Fund	-7.26	12.25	13.95
Tata Focused Fund	-7.96	14.08	16.14
UTI Focused Fund	-8.29	14.01	14.33
Category Average	-4.96	15.74	16.00
Nifty 50 TRI	-3.45	13.28	14.21
Contra / Value Funds			
Invesco India Contra Fund	-6.09	19.94	19.52
SBI Contra Fund	-6.93	15.79	20.05
HDFC Value Fund	-4.41	19.02	19.30
ICICI Prudential Value Fund	-1.45	19.12	21.97
Nippon India Value Fund	-5.51	20.95	21.98
Category Average	-5.76	17.42	19.43
Nifty 500 TRI	-5.28	15.74	16.38

EQUITY ORIENTED SCHEMES

EQUITY FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 30TH SEPTEMBER 2025)

CAGR	1 Year	2 Years	3 Years
ELSS (Tax Savings)			
Axis ELSS Tax Saver Fund	-5.17	14.73	12.75
Bandhan ELSS Tax saver Fund	-6.58	11.95	15.35
Canara Robeco ELSS Tax Saver	-5.21	15.30	14.81
DSP ELSS Tax Saver Fund	-5.09	19.02	19.57
HDFC ELSS Tax saver Fund	-0.09	21.50	21.96
Kotak ELSS Tax Saver Fund	-7.13	14.08	16.04
Mirae Asset ELSS Tax Saver Fund	-2.61	16.12	17.17
Parag Parikh ELSS Tax Saver Fund	-0.41	16.57	18.08
SBI ELSS Tax Saver Fund	-5.96	20.46	24.12
Union ELSS Tax Saver Fund	-4.16	14.03	15.35
WhiteOak Capital ELSS Tax Saver Fund	-1.21	19.85	--
Category Average	-4.60	16.29	17.10
Nifty 500 TRI	-5.28	15.74	16.38
Mid Cap Funds			
Axis Midcap Fund	-4.45	19.07	17.75
Bandhan Midcap Fund	-5.94	19.10	19.81
Edelweiss Mid Cap Fund	-2.85	24.70	23.59
HDFC Mid Cap Fund	-1.27	20.55	25.15
HSBC Midcap Fund	-4.14	23.01	23.27
Invesco India Midcap Fund	2.76	28.11	26.63
Kotak Midcap Fund	-0.91	21.53	21.41
Mahindra Manulife Mid Cap Fund	-8.43	18.61	22.67
Mirae Asset Midcap Fund	-3.65	16.82	19.38
Motilal Oswal Midcap Fund	-8.19	25.51	24.03
SBI Midcap Fund	-9.71	11.48	14.78
WhiteOak Capital Mid Cap Fund	0.13	22.59	24.02
Category Average	-4.74	19.92	20.91
Nifty Midcap 150 TRI	-5.18	18.49	22.44

EQUITY FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 30TH SEPTEMBER 2025)

CAGR	1 Year	2 Years	3 Years
Small Cap Funds			
Axis Small Cap Fund	-5.00	15.99	18.14
Bandhan Small Cap Fund	-5.14	27.70	28.91
ICICI Prudential Smallcap Fund	-6.51	13.09	17.18
Invesco India Smallcap Fund	-3.81	23.30	24.07
Mahindra Manulife Small Cap Fund	-11.50	18.77	--
Nippon India Small Cap Fund	-8.97	16.21	22.29
SBI Small Cap Fund	-10.12	12.16	14.11
UTI Small Cap Fund	-6.09	15.06	17.06
Category Average	-7.66	15.72	19.17
Nifty Smallcap 250 TRI	-8.82	17.48	22.72
Thematic Funds			
Tata Ethical Fund	8.67	10.67	16.85
Nifty 500 Shariah TRI	-14.55	11.27	12.11
Aditya Birla Sun Life Business Cycle Fund	-7.43	13.31	13.60
Aditya Birla Sun Life ESG Integration Strategy Fund	-7.10	14.33	13.19
Axis Business Cycles Fund	-5.03	15.91	--
Axis Consumption Fund	-6.07	--	--
Axis ESG Integration Strategy Fund	-8.50	13.58	13.71
Axis India Manufacturing Fund	-6.12	--	--
Axis Innovation Fund	-2.97	18.50	16.70
Axis Momentum Fund	--	--	--
Axis Quant Fund	-12.98	10.52	12.18
Axis Services Opportunities Fund	--	--	--
Canara Robeco Manufacturing Fund	-5.59	--	--
Edelweiss Business Cycle Fund	-15.67	--	--
HDFC Manufacturing Fund	-4.31	--	--
HSBC India Export Opportunities Fund	-4.25	--	--
ICICI Prudential Business Cycle Fund	2.24	22.67	23.32
ICICI Prudential ESG Exclusionary Strategy Fund	-4.48	19.20	19.28
ICICI Prudential India Opportunities Fund	-1.42	19.14	22.91
ICICI Prudential Innovation Fund	-1.87	24.49	--
ICICI Prudential Quality Fund	--	--	--
ICICI Prudential Rural Opportunities Fund	--	--	--
Invesco India ESG Integration Strategy Fund	-8.90	12.60	12.77
Kotak Business Cycle Fund	-1.60	18.80	--
Kotak ESG Exclusionary Strategy Fund	-5.55	13.18	14.42
Kotak Manufacture in India Fund	-3.70	19.61	19.78
Kotak MNC Fund	--	--	--
Kotak Special Opportunities Fund	-9.41	--	--
Sundaram Business Cycle Fund	-0.42	--	--
Tata Business Cycle Fund	-10.35	14.07	19.17
Tata India Innovation Fund	--	--	--
UTI Quant Fund	--	--	--

EQUITY FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 30TH SEPTEMBER 2025)

CAGR	1 Year	2 Years	3 Years
Index Funds			
Axis BSE Sensex Index Fund	-4.32	--	--
Axis Nifty 100 Index Fund	-5.66	13.85	13.31
Axis Nifty 50 Index Fund	-3.86	12.72	13.66
Axis Nifty 500 Index Fund	-6.15	--	--
Axis Nifty500 Momentum 50 Index Fund	--	--	--
Axis Nifty500 Value 50 Index Fund	--	--	--
DSP Nifty Midcap 150 Quality 50 Index Fund	-8.92	11.78	12.17
HDFC BSE Sensex Index Fund	-4.01	11.29	12.73
HDFC Nifty 50 Index Fund	-3.83	12.80	13.73
ICICI Prudential Nifty Next 50 Index Fund	-12.07	22.58	16.85
Motilal Oswal Nifty 500 Index Fund	-6.04	14.57	15.22
Motilal Oswal Nifty Midcap 150 Index Fund	-6.05	17.42	21.32
Motilal Oswal S&P 500 Index Fund(MOFSP500)	22.59	28.63	25.83
Nippon India Nifty Alpha Low Volatility 30 Index Fund	-16.78	13.94	15.06
Nippon India Nifty Smallcap 250 Index Fund	-10.30	15.67	20.93
SBI Nifty Index Fund	-3.93	12.68	13.61
UTI Nifty 50 Index Fund	-3.73	12.86	13.81
UTI Nifty Next 50 Index Fund	-11.77	22.69	16.88
Nifty 50 TRI	-3.45	13.28	14.21
Nifty 500 TRI	-5.28	15.74	16.38



EQUITY ORIENTED SCHEMES

HYBRID FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 30TH SEPTEMBER 2025)

CAGR	1 Year	2 Years	3 Years
Aggressive Hybrid Funds			
Axis Aggressive Hybrid Fund	-3.06	12.01	10.56
Canara Robeco Equity Hybrid Fund	-1.42	14.06	13.83
Edelweiss Aggressive Hybrid Fund	-1.25	16.16	17.35
HDFC Hybrid Equity Fund	-0.19	11.04	13.09
ICICI Prudential Equity & Debt Fund	2.02	18.48	19.98
Kotak Aggressive Hybrid Fund	-0.73	15.81	15.60
Mahindra Manulife Aggressive Hybrid Fund	-1.14	16.60	16.99
Mirae Asset Aggressive Hybrid Fund	-1.25	13.15	13.66
SBI Equity Hybrid Fund	3.79	15.23	13.63
Category Average	-1.23	14.39	14.67
NIFTY 50 Hybrid Composite Debt 65:35 Index	0.03	11.49	12.04
Dynamic Asset Allocation / Balanced Advantage Funds			
Aditya Birla Sun Life Balanced Advantage Fund	1.36	12.68	12.81
Axis Balanced Advantage Fund	-0.24	14.59	13.72
Bandhan Balanced Advantage Fund	0.64	10.63	10.32
Canara Robeco Balanced Advantage Fund	-2.11	--	--
Edelweiss Balanced Advantage Fund	-2.01	12.14	12.27
HDFC Balanced Advantage Fund	0.15	15.80	19.31
ICICI Prudential Balanced Advantage Fund	4.62	13.73	13.25
Kotak Balanced Advantage Fund	0.42	11.56	11.75
Mirae Asset Balanced Advantage Fund	1.82	11.41	12.43
Nippon India Balanced Advantage Fund	1.03	12.75	12.34
SBI Balanced Advantage Fund	1.95	12.24	13.82
Tata Balanced Advantage Fund	-1.49	9.69	10.76
UTI Balanced Advantage Fund	1.49	11.37	--
Category Average	-0.13	11.57	12.12
NIFTY 50 Hybrid Composite Debt 65:35 Index	0.03	11.49	12.04
Equity Savings			
Axis Equity Savings Fund	1.19	9.99	9.91
DSP Equity Savings Fund	3.08	10.38	10.10
Edelweiss Equity Savings Fund	5.92	11.58	11.31
HDFC Equity Savings Fund	2.38	9.96	10.43
HSBC Equity Savings Fund	3.68	13.88	13.43
ICICI Prudential Equity Savings Fund	5.48	8.23	8.94
Kotak Equity Savings Fund	3.74	11.67	11.92
UTI Equity Savings Fund	2.75	9.46	10.83
Category Average	3.47	9.82	10.15
1/3rd%age each of CRISIL Short Term Bond Fund Index + Nifty 50 TRI + Nifty 50 Arbitrage Index	4.12	9.56	9.81

HYBRID FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 30TH SEPTEMBER 2025)

CAGR	1 Year	2 Years	3 Years
Multi Asset Allocations Funds			
Aditya Birla Sun Life Multi Asset Allocation Fund	5.53	16.69	--
Axis Multi Asset Allocation Fund	4.19	15.24	12.55
Bajaj Finserv Multi Asset Allocation Fund	1.77	--	--
Bandhan Multi Asset Allocation Fund	6.11	--	--
Canara Robeco Multi Asset Allocation Fund	--	--	--
DSP Multi Asset Allocation Fund	10.81	19.99	--
Edelweiss Multi Asset Allocation Fund	7.42	7.55	--
HSBC Multi Asset Allocation Fund	4.26	--	--
ICICI Prudential Multi-Asset Fund	6.66	18.73	20.04
Kotak Multi Asset Allocation Fund	5.78	--	--
Mirae Asset Multi Asset Allocation Fund	7.31	--	--
Nippon India Multi Asset Allocation Fund	8.87	21.64	20.60
Tata Multi Asset Allocation Fund	4.03	14.97	15.14
Category Average	6.47	16.74	16.94
NIFTY 50 Hybrid Composite Debt 65:35 Index	0.03	11.49	12.04
Arbitrage Funds			
Aditya Birla Sun Life Arbitrage Fund	6.61	6.96	6.93
Axis Arbitrage Fund	6.50	6.95	6.83
Edelweiss Arbitrage Fund	6.59	6.99	6.99
ICICI Prudential Equity - Arbitrage Fund	6.67	6.99	6.98
Invesco India Arbitrage Fund	6.59	7.01	7.11
Kotak Arbitrage Fund	6.69	7.15	7.15
Nippon India Arbitrage Fund	6.37	6.83	6.82
SBI Arbitrage Opportunities Fund	6.72	7.02	7.13
Tata Arbitrage Fund	6.57	6.95	6.92
UTI Arbitrage Fund	6.73	7.10	7.04
Category Average	6.43	6.81	6.82
Nifty 50 Arbitrage Index	7.87	7.46	7.47



EQUITY ORIENTED SCHEMES

DEBT AND **MACRO ECONOMIC UPDATE**



INDIA INFLATION MILDLY HIGHER, RISKS TO THE UPSIDE IN FY27

- India's CPI inflation rose to 2.07% YoY, marking a modest uptick from July's 1.61%, largely driven by food price normalization. However, vegetable prices remain below August 2023 levels, and seasonal increases have been weaker than expected. Early September trends suggest a return to below-average levels, although a typical seasonal rise is still anticipated.
- Core inflation held steady at 4.21%, with gold prices contributing to the uptick in personal care inflation. Other core components, such as clothing, recreation, and education, showed signs of moderation. Supercore inflation measures, including the weighted median and core ex-petro and precious metals, also softened, indicating underlying price stability.
- These trends support expectations of FY26 inflation remaining below 3%, though FY27 inflation could rise to 4.5–5.0%, driven by base effects and consumption-supportive measures like GST rate shifts. While the RBI has signaled the end of rate cuts, markets are beginning to price in potential hikes within the next two years.
- On the wholesale side, WPI inflation rose to 0.52%, the highest since April 2025, reversing deflationary trends seen in previous months. This was led by higher manufacturing inflation and reduced food price deflation. Notably, vegetables contributed 0.69 percentage points to the monthly increase, while basic metals added 0.15 points, reflecting rising industrial metal prices and INR weakness. Gold added a further 0.04 points.
- The WPI uptick signals a shift toward domestically driven inflation and a reduction in imported deflation. This has implications for GDP calculations, as low WPI manufacturing inflation can lead to overestimation of manufacturing GVA due to the single deflation method. Sustained higher metals prices may suppress GVA growth.
- In summary, while inflation remains contained in the near term, upside risks for FY27 are emerging. The RBI's cautious stance reflects this balance.

**India CPI inflation
risks higher in FY27 with consumption, base**



Source: MOSPI, Axis Bank Research

FLECKS OF GREEN IN INDIA HIGH-FREQUENCY INDICATORS

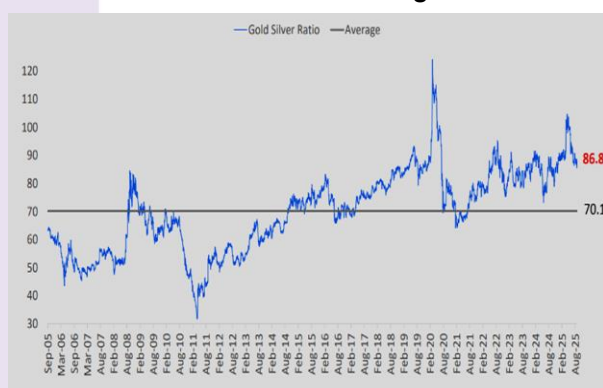
Leading Indicator	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
Gol Spends (Ex. Interest) (INR value)	25%	4%	31%	5%	30%	19%	-26%	17%	26%	11%	80%	-15%		
GST collections (value in INR)	10%	6%	9%	9%	7%	12%	9%	10%	13%	16%	6%	8%	6%	
Port Cargo (weight)	7%	6%	-3%	-5%	3%	6%	8%	12%	7%	4%	6%	4%	3%	
Passenger traffic: All airports	8%	8%	10%	13%	10%	13%	11%	9%	10%	2%	4%	-1%	1%	
Cargo traffic: All airports	12%	18%	15%	8%	8%	7%	-5%	4%	11%	5%	0%	4%	5%	
Hotel revenue per room	8%	12%	10%	23%	8%	10%	15%	14%	20%	5%	9%			
PMI Services	60.5	57.7	57.9	58.4	60.8	56.5	59.0	57.7	59.1	58.8	60.7	60.5	62.9	61.6
Non-food credit growth YoY%	14%	14%	12%	11%	11%	11%	11%	12%	10%	9%	9%	10%	9%	
Credit to industry YoY%	10%	10%	6%	6%	5%	6%	6%	7%	7%	5%	4%	6%		
Credit to wholesale & retail trade YoY%	26%	24%	17%	19%	18%	18%	15%	16%	14%	11%	10%	13%		
Credit to NBFCs YoY%	10%	8%	4%	5%	7%	8%	6%	6%	4%	0%	4%	3%		
Unsecured Household credit	17%	16%	12%	14%	12%	10%	9%	9%	9%	9%	9%	8%		
CV registrations (FADA) (units)	-3%	-8%	10%	-3%	-3%	11%	13%	4%	4%	-9%	38%	-5%	3%	
Diesel Consumption (volume)	-3%	-2%	0%	8%	6%	4%	-1%	0%	4%	2%	2%	2%	1%	
Petrol Consumption (volume)	9%	3%	9%	10%	11%	7%	4%	6%	5%	9%	7%	6%	5%	
Electricity Consumption (units)	-5%	1%	1%	0%	6%	3%	3%	7%	2%	-5%	-2%	5%	4%	
Tractor Sales (TMA) (Volume)	-6%	4%	22%	-1%	14%	11%	36%	25%	8%	9%	10%	8%	28%	
All India retail sales (RAI) YoY%	2%	5%	7%	7%	5%	5%	4%	6%	4%	5%	8%	8%		
Vehicle Registrations (VAHAN) (volume)	4%	-9%	33%	12%	-12%	8%	-6%	0%	4%	6%	6%	-4%	2%	
PV registration (FADA) (units)	-2%	-17%	36%	-11%	0%	18%	41%	9%	4%	0%	6%	3%	5%	
2-Whe registration (FADA) (units)	7%	-8%	37%	16%	-17%	5%	6%	-1%	-8%	8%	5%	-6%	3%	
Total Exports (Ex Oil, Gold)	4%	12%	25%	20%	13%	13%	3%	3%	13%	8%	6%	7%	11%	
Total Imports (Ex Oil, Gold)	6%	9%	11%	12%	7%	18%	1%	-2%	15%	9%	5%	6%	2%	
Cement Prodn (weight)	-3%	8%	3%	13%	10%	14%	11%	12%	6%	10%	9%	9%	9%	
Steel Prodn (weight)	4%	2%	6%	11%	7%	5%	7%	10%	4%	7%	9%	9%	8%	
Coal Prodn (weight)	-8%	3%	8%	7%	5%	5%	1%	2%	3%	3%	-7%	-3%	-3%	
IIP (Index)	0%	3%	4%	5%	4%	5%	3%	4%	3%	2%	2%	3%		
IIP capital goods	0%	3%	3%	9%	11%	10%	8%	4%	14%	13%	4%	5%		
PMI Manufacturing	57.9	56.5	57.5	56.5	57.4	56.4	56.3	57.6	58.4	57.6	58.4	59.1	59.3	58.5
Core IIP YoY%	-1%	2%	4%	6%	5%	5%	3%	5%	1%	1%	2%	4%	6%	
FASTag Payments	8%	10%	10%	14%	13%	19%	18%	14%	22%	20%	18%	20%	26%	
E-way Bills No.	13%	19%	17%	16%	18%	23%	23%	20%	23%	19%	19%	25%	22%	
MNREGA - Persons Demanded Work (Cr)	1.90	1.89	1.99	2.16	2.58	2.71	2.66	2.36	2.73	3.79	3.55	2.02	1.42	
Naukri Jobspeak Index	-3%	-4%	10%	2%	9%	4%	4%	-1%	9%	0%	11%	7%	3%	
UPI (value)	31%	31%	37%	24%	28%	28%	20%	25%	22%	23%	20%	22%	21%	

- High-frequency activity indicators are now showing signs of bottoming out, with better prints related to transportation, urban retail sales and the rural sector being seen.
- The HSBC Flash India Composite Output Index, which measures India's manufacturing and service sectors, fell to 61.9 in September from 63.2 in August, marking a modest slowdown but still indicating a sharp rate of expansion. Growth in factory output outpaced that of services, although the pace of increase moderated across both sectors. The HSBC Flash India Manufacturing PMI slipped to 58.5 in September from August's final 59.3, while the HSBC Flash India Services PMI fell to 61.6 in September from 62.9 in August 2025.
- India's GST collections hit Rs 1.89 lakh crore in September, a 9.1% YoY increase, defying expectations of a consumption slowdown. This robust growth, reflecting August transactions, indicates a resilient domestic economy and strong discretionary demand.
- The trends in digital transaction have shown signs of some cool-off, even though the UPI volumes have risen 33% on-year in Q2FY26 while values rose 20.9%. During September, UPI transactions slipped to 19.6 billion from 20.01 billion in August, with FASTag volumes too easing, growing at a slower pace of 4.6% in September from 12.8% in August.
- The auto sector capped the quarter on a strong note, with PV and rural economy stood out, as tractor sales surged over 40% across businesses. Two-wheeler makers too gained ground.
- India's overall unemployment rate was 5.1% in August 2025, a decline from the previous month's 5.2% and 5.6% in June, showing positive trends in the labor market.

RESURGANCE OF SAFE HAVENS : GOLD AND SILVER LEAD THE WAY

- Gold and silver have delivered exceptional returns in 2025, with gold rising nearly 50% and silver surging 65%. Both metals have outperformed major global equity indices, driven by a weaker dollar, stable interest rates, and heightened geopolitical uncertainty..
- Silver's gains are driven by rising industrial demand, especially from green energy applications, while gold's rally reflects safe-haven demand, central bank buying, and a softening dollar.
- Gold's performance in 2025 mirrors trends seen during past crisis periods, reaffirming its role as a reliable hedge. In India, prices have been bolstered by a weaker rupee and growing investment demand through ETFs and physical gold bars.
- According to our Economic Research team, gold surged sharply in September due to geopolitical risks and U.S. policy concerns, nearing USD 4,000/oz—hitting the medium-term target earlier than expected.
- With fiscal dominance and elevated money supply growth, gold is now forecasted to trend toward USD 5,000/oz, though intermediate corrections may occur due to rate expectations and dollar fluctuations.
- Silver is expected to follow gold's trajectory with higher volatility, and both metals are likely to sustain elevated levels through 2026, reinforcing their role as strategic portfolio diversifiers.
- 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.

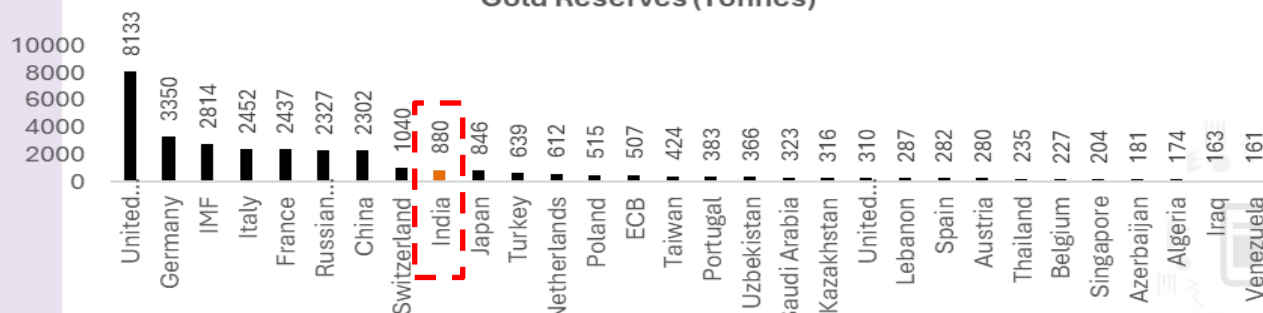
Gold/Silver Ratio : Indicates silver is undervalued relative to gold



Gold has historically proved to be a Safe Haven during crisis

Crisis	Falling Markets		Returns during Down Markets	
	From	To	Prices of Gold	Nifty 500 TRI
Global Inflation & Rate Hikes	14-Jun-06	14-Jun-06	23.40%	2.90%
GFC Crisis	31-Dec-07	31-Dec-09	25.40%	-8.90%
Fragile 5 Economies	29-Jan-10	30-Dec-11	30.50%	-6.30%
COVID	01-Jan-20	30-Jun-20	23.90%	-13.90%
2022 Market Pull Back	03-Jan-22	30-Dec-22	13.30%	2.80%

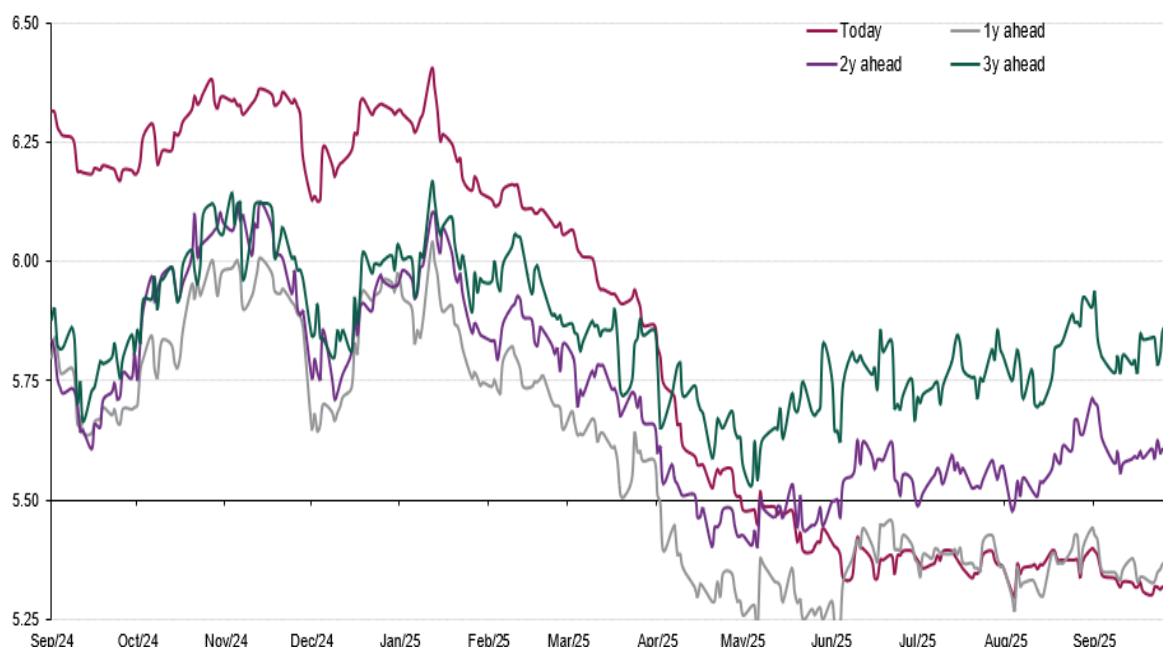
Gold Reserves (Tonnes)



WHAT DIRECTION IS THE NEXT INDIA RATE MOVE

- India's high-frequency indicators are improving, supported by GST reforms and past policy actions that continue to drive credit growth, while global trends point to steepening yield curves and currency weakness.
- September marked a turning point for fixed income markets, with the U.S. Fed initiating its first rate cut of 2025 and India receiving a sovereign rating upgrade from Japan's R&I, boosting sentiment.
- Rising SDL yields and INR depreciation reflect fiscal concerns, arriving earlier than expected; market positioning is stretched, with potential for short covering and OMO support.
- The RBI held rates steady with a dovish bias, revising FY27 growth upward and keeping inflation expectations at 4.5%, while liquidity remains tight due to tax flows and FX defense.
- Mixed trends in India's bond market continue, with shorter-duration issuance gaining traction, deposit growth staying weak, and liquidity management challenged by elevated CD/OIS spreads.
- OIS pricing suggests no further rate cuts, with expectations of a 25 bps hike in two years and possibly 50 bps in three, indicating a shift in rate expectations. Despite global volatility, 10-year G-sec yields are aggressively priced and may be near bottom compared to global benchmarks.
- India's bond yields are expected to remain range-bound, influenced by supply concerns and potential rate hikes. Global factors, including U.S. monetary policy, continue to shape sentiment, with longer-end rates already rising and 10-year G-sec yields trading below U.S. Treasuries on a fully hedged basis.

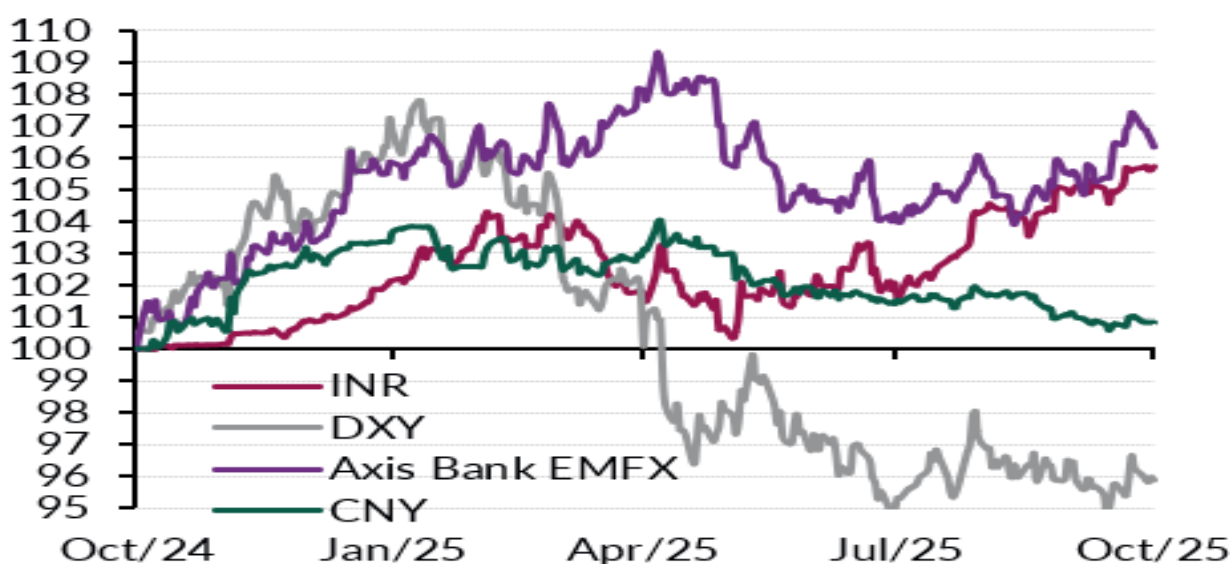
India curve steeper, long end up, near end down after MPC



INR WEAKENING, REGARDLESS OF USD RISING OR FALLING

- The US dollar experienced significant volatility in September, influenced by softer labour market data and declining consumer confidence, which were compounded by dovish comments from new Fed Governor Miran. Meanwhile, political developments in Japan suggested delayed rate hikes, and fiscal concerns in the UK added to global uncertainty.
- Indian markets initially reacted by selling USD, anticipating a shift toward easier Fed policy. However, this move was reversed as other FOMC members pushed back against dovish expectations, resulting in only one dissent in the final decision and restoring some strength to the dollar.
- In Asia, the PBOC and SAFE appeared comfortable with the Chinese yuan stabilising around the 7.10 level, similar to past cycles. In contrast, the ECB is turning more hawkish due to increased fiscal spending linked to the Ukraine war, while the yen is appreciating on expectations of policy continuity under a likely new Prime Minister Koizumi.
- The Indian rupee continues to face depreciation pressure, with the RBI actively intervening to defend spot levels, most recently capping the INR at around 88.80. Persistent financial outflows, muted ECB inflows, and structural issues in capital flows—such as FDI repatriation and strong domestic investor interest—have contributed to this pressure.
- Since mid-2023, India's core balance of payments (excluding interest payments to RBI, sterilisation flows, and FPI flows) has turned negative, making even small current account deficits difficult to finance. With the RBI continuing to ease domestic monetary conditions and liberalise capital flows, financial outflows are likely to persist. This, combined with the need to rebuild FX reserves—now approaching the lower bound of adequacy—suggests continued weakness in the INR, with a breach of 89.00 increasingly likely.

INR has been an underperformer when compared to all peer indices



DEBT AND MACRO ECONOMIC OUTLOOK



CPI inflation eases on food deflation reversal

- CPI inflation rose to 2.07% YoY in August 2025, primarily driven by a reversal in food deflation, indicating renewed price pressures in the food category.
- Core inflation remained sticky at 4.1% YoY, as services continued to exert upward pressure, reflecting persistent demand-side price rigidity.
- WPI inflation was mild at 0.52%, with upward momentum coming from non-food manufactured goods and rising input costs.



Export gained momentum led by electronics and minerals

- Exports growth was strong driven by electronics, cereals, minerals, tea. Service export contribution was strong.



CAD narrows, net capital flows turn negative

- India's CAD was at USD 9.8 bn. The narrower merchandise trade deficit is partly because imports fell more sharply than exports and gold imports in particular dipped.
- Net capital flows turned negative as sharp FPI outflows driven by US tariff tensions, weak corporate earnings and rupee depreciation outweighed modest debt inflows.



FOMC minutes highlight divergence among officials

- Most policymakers backed the recent 25bps cut and signaled further easing ahead, a minority urged caution over persistent inflation risks.



- Domestic debt markets were shaped by tariff concerns, GST rationalization, resilient GDP growth, and S&P's upgrade of India's sovereign rating from BBB- to BBB, which reflects confidence in fiscal discipline, capex-led spending (3.1% of GDP), and stable inflation expectations, although the direct impact on bond pricing has been limited.
- RBI maintained a neutral stance and held rates, lowering its inflation forecast to 2.6% and raising GDP growth expectations to 6.8%; despite a dovish tone, it chose not to cut rates immediately, allowing time for earlier easing measures to take full effect, while also introducing regulatory steps to support credit growth.
- Bond yields rose due to concerns over increased supply, particularly in state development loans (SDLs), and fiscal risks linked to GST redesign, with INR depreciation adding to expectations of future rate hikes; stretched investor positioning suggests that supportive actions like OMOs or auction calendar changes could help ease yields.
- The bond market is expected to remain in a consolidation phase, with limited room for further easing making carry-focused strategies more attractive than duration plays; the 10-year yield is likely to trade between 6.20%–6.70%, while 1–5-year yield curve offer better risk-reward, and the medium-term outlook remains stable, depending on inflation, fiscal signals, and global factors.
- **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 30TH SEPTEMBER 2025)

CAGR	1 Year	2 Years	3 Years
Gilt Funds			
Axis Gilt Fund	4.96	8.18	7.42
Bandhan Government Securities Fund Investment Plan	2.45	7.47	7.19
ICICI Prudential Gilt Fund	7.04	7.72	7.74
Kotak Gilt Fund	2.13	6.06	6.27
SBI Magnum Gilt Fund	4.38	7.40	7.49
UTI Gilt Fund	4.43	7.05	6.98
Category Average	3.91	7.06	6.88
CRISIL 10 Year Gilt Index	7.05	8.68	8.48

Long Duration Funds			
ICICI Prudential Long Term Bond Fund	5.71	8.12	7.69
Nippon India Nivesh Lakshya Long Duration Fund	3.85	8.01	8.12
Category Average	3.06	7.59	7.87
CRISIL 10 Year Gilt Index	7.05	8.68	8.48

Dynamic Bond Funds			
360 ONE Dynamic Bond Fund	8.14	9.12	8.25
Aditya Birla Sun Life Dynamic Bond Fund	6.57	8.09	7.65
Axis Dynamic Bond Fund	6.18	7.65	7.53
Bandhan Dynamic Bond Fund	2.08	6.98	6.73
ICICI Prudential All Seasons Bond Fund	7.49	8.00	7.76
Kotak Dynamic Bond Fund	5.06	7.98	7.40
Nippon India Dynamic Bond Fund	7.23	8.03	7.79
SBI Dynamic Bond Fund	5.17	7.48	7.46
Category Average	5.45	7.51	7.20
CRISIL Composite Bond Index	6.86	8.05	7.94

Medium to Long Duration Funds			
ICICI Prudential Bond Fund	6.82	7.98	7.76
Kotak Bond Fund	5.09	7.21	6.90
SBI Magnum Income Fund	5.76	7.22	7.32
Category Average	5.43	7.13	6.93
CRISIL Composite Bond Index	6.86	8.05	7.94

Medium Duration Funds			
Aditya Birla Sun Life Medium Term Plan	12.43	10.65	9.49
Axis Strategic Bond Fund	8.26	8.53	8.04
ICICI Prudential Medium Term Bond Fund	8.74	8.41	7.93
Category Average	7.98	8.12	7.64
CRISIL Composite Bond Index	6.86	8.05	7.94

DEBT FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 30TH SEPTEMBER 2025)

CAGR	1 Year	2 Years	3 Years
Corporate Bond Funds			
Aditya Birla Sun Life Corporate Bond Fund	7.45	8.02	7.79
Axis Corporate Bond Fund	8.11	8.09	7.63
Bandhan Corporate Bond Fund	7.65	7.66	7.34
HDFC Corporate Bond Fund	7.55	7.98	7.76
ICICI Prudential Corporate Bond Fund	8.11	7.96	7.80
Kotak Corporate Bond Fund	7.92	8.15	7.68
Nippon India Corporate Bond Fund	8.02	8.25	7.95
UTI Corporate Bond Fund	7.96	7.98	7.58
Category Average	7.80	7.91	7.53
CRISIL Short Term Bond Index	7.94	7.95	7.75

Short Duration Funds			
Axis Short Duration Fund	8.33	8.14	7.63
Bandhan Bond Fund - Short Term Plan	7.63	7.96	7.52
HDFC Short Term Debt Fund	7.97	8.13	7.79
ICICI Prudential Short Term Fund	8.04	7.94	7.73
Kotak Bond Short Term Fund	7.45	7.61	7.23
Nippon India Short Duration Fund	8.14	8.08	7.61
SBI Short Term Debt Fund	8.00	7.84	7.50
UTI Short Duration Fund	7.63	7.82	7.47
Category Average	7.66	7.75	7.35
CRISIL Short Term Bond Index	7.94	7.95	7.75

Banking & PSU Debt Funds			
Aditya Birla Sun Life Banking & PSU Debt Fund	7.52	7.74	7.41
Axis Banking & PSU Debt Fund	7.75	7.61	7.24
Bandhan Banking & PSU Debt Fund	7.38	7.49	7.19
HDFC Banking and PSU Debt Fund	7.53	7.70	7.37
ICICI Prudential Banking & PSU Debt Fund	7.86	7.70	7.52
UTI Banking & PSU Fund	7.95	7.86	7.49
Category Average	7.51	7.70	7.35
CRISIL Short Term Bond Index	7.94	7.95	7.75

EQUITY ORIENTED SCHEMES

DEBT FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 30TH SEPTEMBER 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	7.63	7.71	7.48
Axis CRISIL IBX 50:50 Gilt Plus SDL June 2028 Index Fund	7.88	8.26	--
Axis CRISIL IBX SDL June 2034 Debt Index Fund	5.66	--	--
Axis CRISIL IBX SDL May 2027 Index Fund	7.78	8.14	7.78
Axis CRISIL-IBX AAA Bond NBFC - Jun 2027 Index Fund	8.57	--	--
Axis Nifty SDL September 2026 Debt Index Fund	7.59	7.87	--
Bandhan CRISIL IBX Gilt April 2028 Index Fund	7.83	8.15	7.87
Bandhan CRISIL IBX Gilt June 2027 Index Fund	7.73	8.00	7.73
HDFC Nifty G-sec Dec 2026 Index Fund	7.42	7.82	--
Kotak Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index Fund	7.97	8.22	--
Mirae Asset Nifty SDL Jun 2027 Index Fund	7.75	8.12	7.81
Nippon India Nifty AAA CPSE Bond Plus SDL - Apr 2027 Maturity 60:40 Index Fund	7.84	7.85	7.53
Nippon India Nifty AAA PSU Bond Plus SDL - Sep 2026 Maturity 50:50 Index Fund	7.54	7.60	--
SBI CRISIL IBX Gilt Index June 2036 Fund	6.52	8.75	--
SBI CRISIL IBX Gilt Index April 2029 Fund	8.30	8.74	--
CRISIL Short Term Bond Index	7.94	7.95	7.75
CRISIL Composite Bond Index	6.86	8.05	7.94
Floater Funds			
Axis Floater Fund	6.68	8.56	8.04
Bandhan Floating Rate Fund	7.81	7.84	7.44
DSP Floater Fund	7.68	8.47	8.22
HDFC Floating Rate Debt Fund	8.14	8.05	7.89
Kotak Floating Rate Fund	8.47	8.18	7.81
Tata Floating Rate Fund	7.60	7.51	7.24
Category Average	7.94	7.95	7.75
CRISIL Short Term Bond Index	8.89	8.09	7.79

HYBRID FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 30TH SEPTEMBER 2025)

CAGR	1 Year	2 Years	3 Years
Conservative Hybrid Funds			
Axis Conservative Hybrid Fund	2.72	7.50	7.14
ICICI Prudential Regular Savings Fund	5.90	10.65	10.22
Kotak Debt Hybrid Fund	1.75	9.99	10.13
Parag Parikh Conservative Hybrid Fund	6.23	11.40	11.79
SBI Conservative Hybrid Fund	4.18	9.38	10.03
Category Average	3.85	9.25	9.23
NIFTY 50 Hybrid Composite Debt 15:85 Index	4.95	8.66	8.73

FUND OF FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 30TH SEPTEMBER 2025)

CAGR	1 Year	2 Years	3 Years
Equity Fund of Funds			
Axis Multi Factor Passive FoF	-11.44	11.66	12.82
ICICI Prudential Passive Strategy Fund (FOF)	-3.03	15.84	17.53
Mirae Asset Diversified Equity Allocator Passive FOF	-5.42	15.04	15.86
Mirae Asset Nifty MidSmallcap400 Momentum Quality 100 ETF FOF	-14.68	--	--
Mirae Asset Nifty Smallcap 250 Momentum Quality 100 ETF FOF	-16.84	--	--
Mirae Asset Nifty200 Alpha 30 ETF Fund of Fund	-17.36	--	--
Hybrid Fund of Funds			
HDFC Multi-Asset Active FOF	6.82	16.03	16.52
Nippon India Multi - Asset Omni FoF	7.01	18.90	19.76
Debt Fund of Funds			
Axis Income Plus Arbitrage Active FOF	6.89	8.50	7.82
Bandhan Income Plus Arbitrage Fund of Funds	7.21	7.63	7.25
BHARAT Bond ETF FOF - April 2033	7.88	8.82	--
BHARAT Bond FOF - April 2030	8.37	8.54	8.33
BHARAT Bond FOF - April 2031	8.10	8.69	8.49
Kotak Income Plus Arbitrage Omni FOF	6.53	8.27	--
CRISIL Short Term Bond Index	7.94	7.95	7.75
CRISIL Composite Bond Index	6.86	8.05	7.94
Equity International Fund of Funds			
Axis Global Equity Alpha Fund of Fund	25.73	26.26	24.98
Axis Global Innovation Fund of Fund	21.76	27.41	25.57
Axis Greater China Equity Fund of Fund	28.92	23.48	17.53
Axis US Specific Equity Passive FOF	29.06	32.09	--
Bandhan US specific Equity Active FOF	27.87	33.60	30.01
DSP Global Innovation Overseas Equity Omni FoF	26.11	31.50	32.70
Edelweiss Greater China Equity Offshore Fund	32.18	25.44	17.79
Edelweiss US Technology Equity Fund of Fund	38.70	36.21	36.70
Franklin U.S. Opportunities Equity Active Fund of Funds	16.48	28.18	26.17
Motilal Oswal Nasdaq 100 FOF	34.69	34.50	35.38
Nifty 500 TRI	-5.28	15.74	16.38
Debt International Fund of Funds			
Aditya Birla Sun Life US Treasury 1-3 Year Bond ETFs FOF	9.84	--	--
Aditya Birla Sun Life US Treasury 3-10 Year Bond ETFs FOF	9.20	--	--
Axis US Specific Treasury Dynamic Debt Passive FOF	8.29	--	--
Bandhan US Treasury Bond 0-1 year Fund of Fund	10.28	8.21	--

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