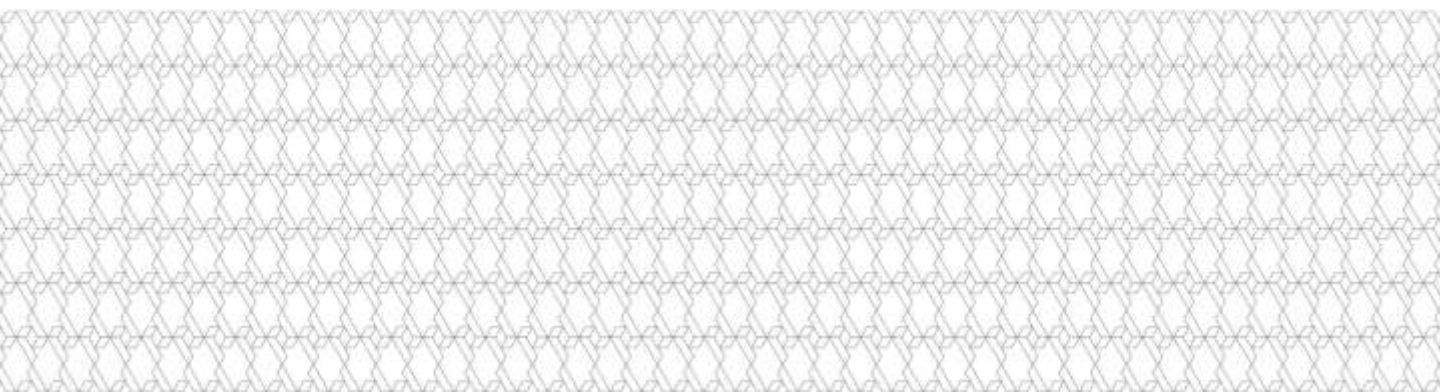


Burgundy

Wealth Management | Axis Bank

INVESTMENT PERSPECTIVES

January – March 2025



MARKET OVERVIEW



MARKET OVERVIEW



- CY24 was a roller-coaster ride for investors due to numerous events impacting global and Indian equity markets, such as elections in major economies (India, USA, UK, Japan among others), the global rate-cut cycle, strong US markets, China's stimulus, Japan's yen carry trade, and geopolitical tensions, causing volatility in FII flows into India.
- Indian markets corrected from Sep'24 highs but ended the year on a positive note. For CY24, the Nifty 50 index gained 8.80%; Nifty Midcap 150 index rose by 23.80% and Nifty Smallcap 250 index increased by 26.43%, while for Q3FY25 all the indices were negative.
- Looking ahead to 2025, the outlook remains cautiously optimistic as India is expected to sustain growth, while global growth in developed countries may remain weak. Key global factors to watch out for include US policies under the Trump presidency, trajectory of US Fed rate cuts, global trade policy and currency/oil price trends. Domestically, focus will be on the union budget, higher government capex allocation, RBI policy, inflation-growth dynamics, post-monsoon activities, expectation on earnings recovery and rural pick-up.
- The current valuations suggest limited room for further expansion and growth in corporate earnings will be crucial for market returns. With mid and small caps showing strong performance, their current valuations are at a reduced margin of safety compared to their larger counterparts, thus indicating time corrections in certain segments. Given that, we remain constructive on equities over the long term (3 to 5 years and above) and volatility is expected to remain in the near term.



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



- India's 10-year benchmark bond yields saw its steepest decline in four years in 2024 which was driven by the government's fiscal discipline, inclusion of debt papers in global indices, and rising demand, while investors anticipate the start of domestic rate cuts cycle in 2025.
- As we enter the new calendar year, markets will closely monitor key US data, such as inflation and labour market data prints, with the FED becoming more data dependent. Trump's statement on tariffs, corporate tax cuts and immigration will also be watched for their impact on global trade and local macroeconomics. Domestically, India's CPI is expected to trend lower due to falling food prices which may be the key data point ahead of February policy. Corporate earnings for Q3FY25 will be closely watched for signs of economic strength after weak Q2 GDP numbers.
- Indian bond yields which are currently at 6.76%, are expected to remain volatile, with inflation risks from food and global prices limiting the likelihood of near-term rate cuts. Domestic FPI sell-offs continue to pressure yields, and in the absence of strong domestic cues, yields are likely to follow US bond trends. Given that, we believe the 10-year benchmark yields are expected to remain volatile and range bound in the near-term with gradual rate cuts likely in the latter part of CY25. We believe the 3 to 6 years segment offers favorable position from a risk-reward perspective, with a quality approach on bonds.




We remain constructive on the short to medium end of the yield curve. Short Duration funds, Banking & PSU Debt funds, Corporate Bond funds, Debt Index funds (Target Maturities), Medium Duration funds, Floating Rate 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/Long Duration** funds as per their risk appetite with an investment horizon of at least 2-3 years to avoid any intermittent volatility. One should also consider aspects such as exit load, capital gains tax and asset allocation amongst others while evaluating their investment options.

MARKET OVERVIEW

EQUITY MARKET UPDATE



EQUITY MARKET RECAP

 Indian equity markets ended the quarter of December 2024 in a negative territory. Nifty 50 was down by 8.4% during the quarter while Nifty Mid Cap 150 index and Nifty Small Cap 250 index were down by 5.2% and 3.6%, respectively.


For 9MFY25, Nifty 50 was up by 5.9%, whereas Nifty Mid Cap 150 index and Nifty Small Cap 250 index was up by 19.0% and 23.9%, respectively.

 On the sectoral front, top performing sectors for the quarter ended December 2024 were Nifty IT (+3.3%), Nifty Healthcare (+1.4%) and Nifty Pharma (+0.6%), while Nifty Energy (-20.1%), Nifty Oil & Index (-17.6%) and Nifty Auto (-15.5%) were the laggards.

For 9MFY25, top performing sectors were Nifty Consumer Durables (+29.3%), Nifty IT (+24.2%) and Nifty Healthcare (+24.0%), while Nifty Energy (-9.8%) and Nifty Oil & Gas (-6.1%) were the laggards.

 In the Nifty 50 index, top performing stocks for the quarter ended December 2024 were Wipro (+11.5%), Tech Mahindra (+8.2%) and HCL Technologies (+6.8%), while Indusind Bank(-33.7%), Asian Paints (-31.5%) and Bajaj Auto (-28.7%) were the laggards.

For 9MFY25, Trent (+80.4%), Mahindra & Mahindra (+56.5%) and Bharat Electron (+45.5%) were the top performers, while Indusind Bank (-38.2%), Tata Motors (-25.4%) and Adani Enterprises (-20.9%) were the laggards.

 During the quarter ended December 2024, FIIs were net sellers of equity to the tune of Rs.99,106 Cr while DIIs were net buyers to the tune of Rs.1,85,933 Cr; domestic MFs bought Rs.1,54,541 Cr worth of equity.

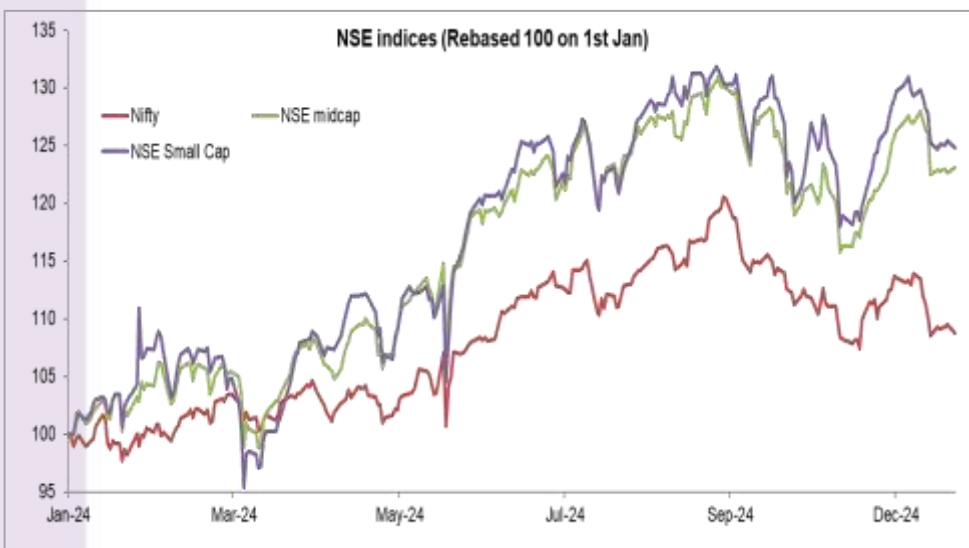
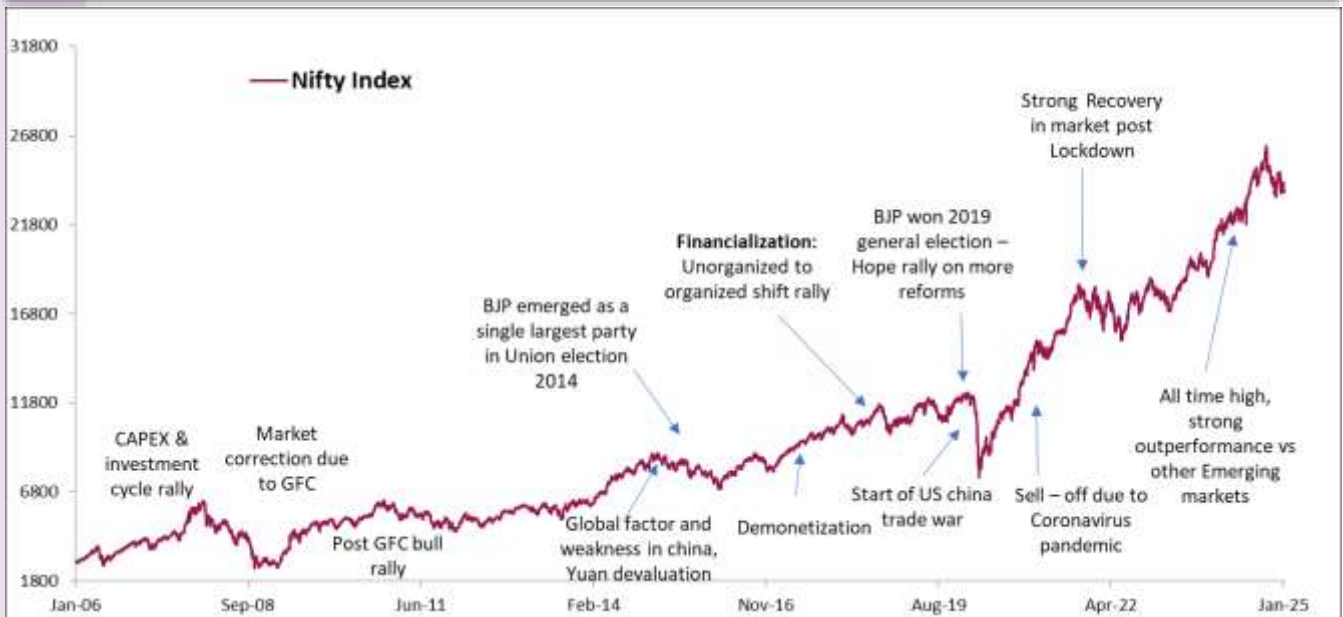
For 9MFY25, FIIs were net sellers of equity to the tune of Rs.18,173 Cr while DIIs were net buyers to the tune of Rs.4,18,111 Cr; domestic MFs bought Rs.3,44,861 Cr worth of equity.

EQUITY INVESTMENT STRATEGY

Wealth Management | Axis Bank

What happened in the last one year

- Nifty 50 reached an all-time high of 26,216 on 26th Sep'24. Post that the market have seen a correction of 9.8% from the top, while Mid and Smallcap indices corrected by 5.4%/3.7%, respectively. The correction was led by 1) FII selling, 2) Lower-than-expected Q2FY25 earnings, 3) rise in the US 10-year bond yields, and 4) rise in dollar index.
- Over the past year, Value, Quality, and Momentum themes delivered the highest returns. However, value and growth have been the dominating themes in the previous 6 months. Looking ahead, Sector and Style Rotation strategies are expected to deliver superior returns over the next 12 months. Currently, 'Growth at a Reasonable Price' and 'Quality' themes seem particularly attractive given the prevailing market conditions.
- Based on the recent developments, some market positioning in the next 6 months is likely to shift again towards domestic cyclicals and defensive names from the export-oriented theme until we get clarity from the US policies.



Correction from peak (26th Oct'24)

Nifty 50: 9.8%

NSE MidCap 100: 5.4%

NSE SmallCap 250: 3.7%

EQUITY MARKET UPDATE

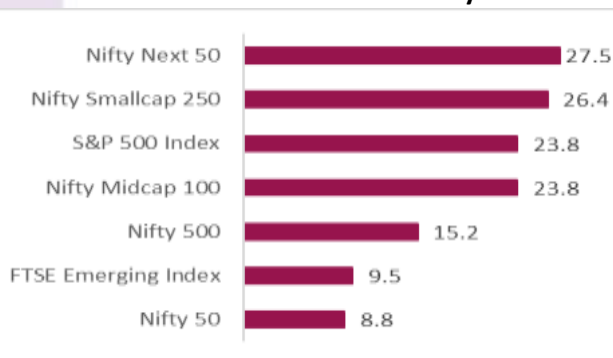
EQUITY INVESTMENT STRATEGY

Wealth Management | Axis Bank

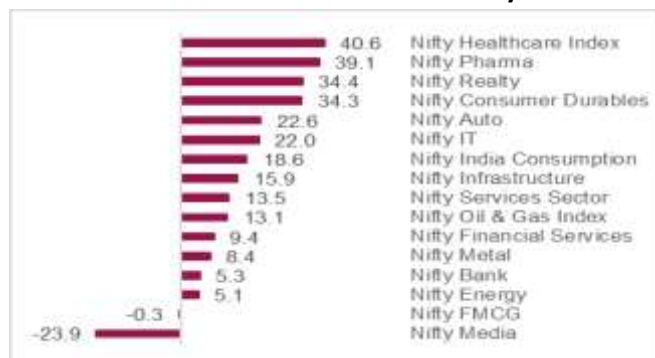
Broader Market Outperformed:

- Over the past year, S&P 500 (23.8%) has outperformed the Nifty 50 (8.8%) by a notable margin while the broader Indian market has outperformed S&P where Nifty Small Cap 250 is up by 26.4% and Nifty Midcap 150 is up by 23.8%. On the other hand, FTSE Emerging Market Index rose by 9.5%.
- Across sectors, all major segments closed positively, with Nifty Pharma, Nifty Realty and Nifty Auto were the top 3 performer while Nifty Media was the laggard.
- Domestic cyclicals have outperformed the broader market; however, some profit booking is likely to occur in certain pockets due to the current run-up.

Benchmark Returns in last one year



Sector wise returns in last one year



Top 500 stocks: 52 Week analysis:

- After a recent correction, only 24 stocks are trading near the 52W high against 141 stocks at the end of Sep'24.
- 255 stocks that translates to ~50% are trading between 5%-20% below their 52W highs.
- While close to 44% of the stocks are corrected by more than 20% from their 52W high, indicating all negatives are in price.
- Out of 55 PSUs, only one stock is near to its 52W high vs. 35 stocks during Feb'24

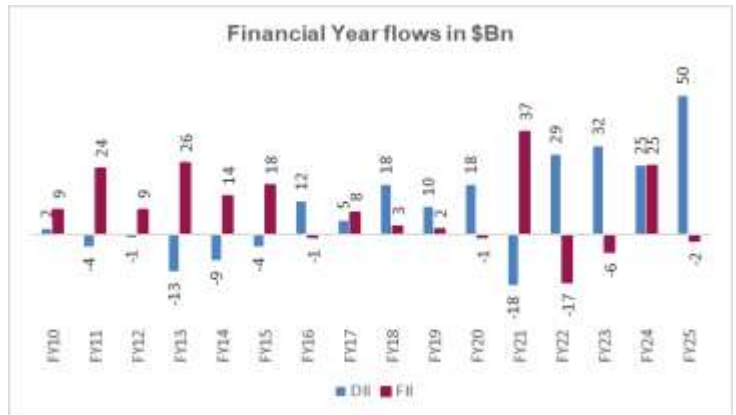
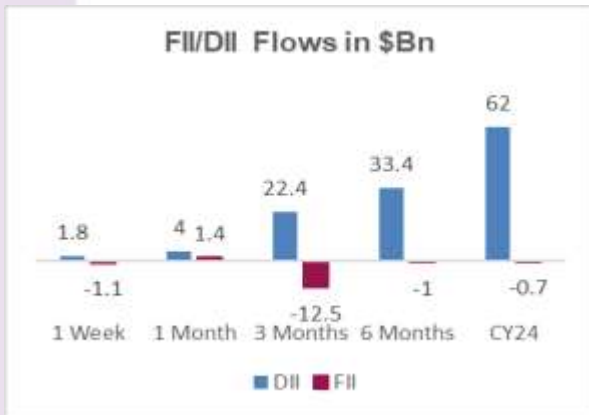
Current level of number of stocks as compared to 52W high

Sector	No of Stocks	Near to 52W high	5%-20% below 52W high	20%-30% below 52W high	Below 30%
Agri & Chem	43	1	26	12	4
Auto & Anc	43	1	15	23	4
Banks	28	4	6	6	12
Build Mate	37	1	20	9	7
Discretionary	43	0	24	12	7
Healthcare	47	9	30	7	1
Industrials	55	0	23	26	6
IT	36	2	21	10	3
Metals & min	23	1	14	4	4
NBFC	60	4	32	14	10
Oil & gas	16	0	6	6	4
Others	14	0	7	4	3
Staples	18	1	14	3	0
Tele & Media	16	0	7	3	6
Transport	7	0	3	3	1
Utilities	14	0	7	4	3
Total	500	24	255	146	75
Large cap	100	4	66	22	9
Mid cap	150	7	75	49	19
Small cap	250	13	114	75	46
PSUs	55	1	11	17	25

EQUITY INVESTMENT STRATEGY

FII Flows Pulled Out \$2 Bn FYTD:

- FIIs & DIIs have actively demonstrated their confidence in India's long-term growth narrative.
- In FY24, both FIIs and DIIs have invested \$25 Bn each in the Indian equity market.
- In FY25 so far, FIIs have pulled out only \$2 Bn, while DIIs have invested \$50 Bn in the Indian equity market.
- SIP flows for Aug'24 has crossed Rs 24,000 Cr for the first time.



After taking A backseat for a while, Value & Growth have regained prominence in the last 6 months:

- In the quarter, 'Value' style has outperformed the other styles by notable margins.
- In the last one year, Value, Quality, and Momentum themes delivered the highest returns. However, Value and Growth have been the dominating themes in the last 6 months.
- The theme 'Growth at a Reasonable Price' looks attractive on account of the robust growth expectation, the cool-off in commodity prices, lowering inflation, rural recovery, and the expectation of margin recovery in the upcoming quarters.
- Selected value stocks from PSU, metals, commodities, utility, and cement sectors are positioned for strong performance. Value stocks in the BFSI (Banking, Financial Services, and Insurance) sector have outperformed other themes in the recent months and are expected to continue performing well. Additionally, structural growth plays offering long-term earnings visibility are likely to thrive.



Perf	Performance (%)			
	Value	Growth	Quality	Momentum
2020	24.9%	10.2%	22.6%	6.6%
2021	34.1%	8.8%	22.2%	32.6%
2022	-0.9%	12.4%	-0.9%	7.1%
1m	-1.9%	-0.5%	-3.0%	-1.0%
3m	-6.9%	-7.6%	-11.4%	-8.9%
6m	3.0%	6.8%	-1.2%	-0.1%
1YR	15.6%	9.8%	11.3%	30.0%
2YR	47.7%	37.1%	47.0%	80.7%

EQUITY INVESTMENT STRATEGY


Performance of Asset Classes: Focus on Asset Allocation for FY25:


- While asset class leadership continues to change in different market cycles, the broader market has emerged as the best-performing asset class for the second consecutive year after volatile movement throughout the year amongst Gold, Broader market and S&P 500.
- Nifty 50 is positioned at the bottom for the first time in history which was led by FII selling in the last 3 months.
- We maintain our confidence in the long-term growth story of the Indian equity market, underpinned by a favourable emerging structure. The increasing Capex is empowering banks to improve credit growth, further supporting the positive outlook for the market. However, with current valuations offering a limited scope for further expansion, an increase in corporate earnings will be the primary driver of the market returns going forward.
- Given the above, we believe the trend for the markets in the coming year is cautiously optimistic, as we may see some consolidation due to rich valuations. Asset allocation and sector rotation will be the key to generate outperformance in CY25. Investors should focus on asset allocation and take advantage of volatility to build long-term positions.

Rank	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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%
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%
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%
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%
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%
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%
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%


EQUITY MARKET OUTLOOK

Wealth Management | Axis Bank

 The Indian economy continued to show resilience and growth compared to other emerging markets. Moreover, we firmly believe it is likely to continue its growth momentum in 2025 and amid the volatile global economy. Political stability after state elections and expected fiscal support are boosting confidence. Overall, the growth prospects are likely to improve in the forthcoming quarters. FY26 is expected to be better than FY25, driven by fiscal tailwinds, private capex revival, and easing credit conditions post-CRR cuts.

 The year 2024 proved to be a robust year, both for the global and Indian equity markets. As we concluded 2024, most of the returns were front-loaded, and higher volatility was seen in the second half. However, in 2025, the reverse trend is likely to be observed; the first half of 2025 is expected to be more volatile, and more returns will be backloaded in the year. Keeping this in mind, we see a near-term consolidation in the market, with the breadth of the market narrowing further.

If we divide the CY performance of the Indian equity market into two halves, the first half of 2024 was marked with strong outperformance. This was driven by 1) Robust macroeconomic environment, 2) Narrative around the policy continuity, 3) Strong domestic and foreign liquidity, 4) Improving high-frequency indicators, and 5) Sustenance of earning momentum. However, the second half witnessed heightened volatility which was led by 1) setback for the NDA in the Lok Sabha elections, 2) Slowdown in high-frequency indicators, 3) earnings moderation, 4) valuation concerns in mid/small caps, and volatile FII flows, 5) Tactical rise of China vs. India, 6) Rise in US bond yields and the dollar index, 7) increased capital gains taxes, 8) a consumption slowdown, 9) a strengthening USD, 10) persistent inflation and high interest rates. As a result, Indian markets corrected from their record highs in Sep'24, while closing the year with positive returns.

 As we embark on CY25, the outlook remains cautiously optimistic as most of the negatives related to earnings already factored into the price. Going forward, the market will closely monitor the global developments around the following events: 1) Policies in the US government during the Trump presidency, 2) Trade policy, 3) Further rate cut by the US FED and 4) Direction of Currency and Oil prices in 2025.

On the domestic front, the market will closely monitor developments towards the upcoming budget and the rate cut trajectory. These events are expected to keep the Indian equity market volatile, and it could respond in either direction based on the developments. Some allocations will likely shift towards China in the near term based on recent developments. Nonetheless, we continue to believe in the long-term growth story of the Indian equity market. With increasing capex enabling banks to improve credit growth, we believe it is well-supported by a favourable structure emerging. However, with current valuations offering limited scope for further expansion, growth in corporate earnings will be the primary driver of the market returns moving forward. Conversely, at the current valuations, largecaps appear to provide more margin of safety as compared to mid and small caps. Style and Sector Rotation continue to remain the key amidst a volatile macro outlook. Despite near-term volatility, we maintain a constructive outlook on equities over the long term. Therefore, any interim volatility or correction resulting from external events should be viewed as an opportunity to accumulate equity gradually over the next 3 to 6 months, (via STP or SIP).

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

EQUITY MARKET UPDATE

EQUITY ORIENTED SCHEMES



EQUITY FUNDS

Wealth Management | Axis Bank

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2024)

CAGR	1 Year	2 Years	3 Years
Large Cap Funds			
Aditya Birla Sun Life Frontline Equity Fund	15.58	19.20	13.76
Axis Bluechip Fund	13.86	15.53	8.00
Canara Robeco Bluechip Equity Fund	17.83	19.93	13.21
ICICI Prudential Bluechip Fund	16.78	21.96	16.72
Kotak Bluechip Fund	16.19	19.47	13.36
Mahindra Manulife Large Cap Fund	12.63	17.21	11.88
Mirae Asset Large Cap Fund	12.72	15.49	10.68
Motilal Oswal Large Cap Fund	--	--	--
Nippon India Large Cap Fund	17.99	24.93	20.25
SBI Bluechip Fund	12.61	17.38	12.89
UTI Large Cap Fund	11.29	15.85	9.66
Category Average	15.38	19.36	13.13
Nifty 50 TRI	10.03	15.51	12.16
Flexi Cap Funds			
360 ONE Flexicap Fund	26.61	--	--
Aditya Birla Sun Life Flexi Cap Fund	18.28	22.12	13.85
Axis Flexi Cap Fund	22.37	21.19	10.30
Canara Robeco Flexi Cap Fund	17.87	20.28	12.49
Franklin India Flexi Cap Fund	21.56	26.10	18.79
HDFC Flexi Cap Fund	23.40	26.91	24.00
ICICI Prudential Flexicap Fund	21.12	24.44	19.01
Invesco India Flexi Cap Fund	34.63	33.90	--
Mirae Asset Flexi Cap Fund	17.14	--	--
Nippon India Flexi Cap Fund	15.45	23.88	15.04
SBI Flexicap Fund	14.08	18.39	12.19
Sundaram Flexicap Fund	14.60	19.22	--
WhiteOak Capital Flexi Cap Fund	23.52	27.28	--
Category Average	20.87	24.03	15.01
Nifty 500 TRI	16.00	21.40	15.41
Multi Cap Funds			
Axis Multicap Fund	32.63	34.21	20.98
Canara Robeco Multi Cap Fund	21.40	--	--
DSP Multicap Fund	--	--	--
Edelweiss Multi Cap Fund	27.84	--	--
Franklin India Multi Cap Fund	--	--	--
HDFC Multi Cap Fund	20.44	30.08	22.90
Kotak Multicap Fund	26.17	33.19	24.97
LIC MF Multi Cap Fund	31.62	31.41	--
Mirae Asset Multicap Fund	16.62	--	--
Nippon India Multi Cap Fund	25.39	31.74	25.62
Category Average	23.78	28.73	20.16
Nifty 500 TRI	16.00	21.40	15.41

EQUITY ORIENTED SCHEMES

EQUITY FUNDS

Wealth Management | Axis Bank

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2024)

CAGR	1 Year	2 Years	3 Years
Large & Mid Cap Funds			
Axis Growth Opportunities Fund	25.76	28.13	14.40
Bajaj Finserv Large and Mid Cap Fund	--	--	--
Bandhan Core Equity Fund	28.08	32.36	23.31
HDFC Large and Mid Cap Fund	19.01	28.15	21.14
HSBC Large & Mid Cap Fund	38.82	34.28	20.19
ICICI Prudential Large & Mid Cap Fund	19.98	24.99	20.42
Kotak Equity Opportunities Fund	23.88	26.64	19.75
Mirae Asset Large & Midcap Fund	15.25	22.19	13.77
Motilal Oswal Large and Midcap Fund (MOFLM)	45.25	41.89	27.01
Category Average	24.20	27.16	17.86
NIFTY Large Midcap 250 TRI	18.30	25.40	18.03
Focused Funds			
360 ONE Focused Equity Fund	14.68	21.97	13.83
Aditya Birla Sun Life Focused Fund	18.86	20.77	13.59
Axis Focused Fund	15.08	15.96	4.78
Canara Robeco Focused Equity Fund	23.77	23.42	15.70
Edelweiss Focused Fund	22.84	26.05	--
Franklin India Focused Equity Fund	19.81	21.61	17.23
HDFC Focused 30 Fund	23.94	26.67	23.84
ICICI Prudential Focused Equity Fund	26.44	27.29	19.79
Kotak Focused Equity Fund	16.24	19.42	13.18
Mahindra Manulife Focused Fund	19.63	25.13	19.32
Mirae Asset Focused Fund	16.02	16.65	8.27
Sundaram Focused Fund	17.02	20.69	13.26
Tata Focused Equity Fund	17.87	22.87	16.53
UTI Focused Fund	12.89	20.51	13.12
Category Average	19.47	22.52	14.50
NIFTY 50 TRI	10.03	15.51	12.16
Contra / Value Funds			
Invesco India Contra Fund	29.86	29.39	20.26
SBI Contra Fund	18.36	28.06	22.77
HDFC Capital Builder Value Fund	20.54	25.00	17.45
ICICI Prudential Value Discovery Fund	19.86	25.49	21.90
Nippon India Value Fund	21.71	31.88	22.18
Category Average	22.09	27.94	20.46
NIFTY 500 TRI	16.00	21.40	15.41

EQUITY ORIENTED SCHEMES

EQUITY FUNDS

Wealth Management | Axis Bank

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2024)

CAGR	1 Year	2 Years	3 Years
ELSS (Tax Savings)			
Axis ELSS Tax Saver Fund	17.48	19.62	8.02
Bandhan ELSS Tax saver Fund	13.11	20.41	14.77
Canara Robeco ELSS Tax Saver	17.42	20.50	13.20
DSP ELSS Tax Saver Fund	23.38	26.82	18.93
HDFC ELSS Tax saver Fund	21.34	27.04	21.29
Kotak ELSS Tax Saver Fund	21.68	22.66	17.19
Mirae Asset ELSS Tax Saver Fund	16.81	21.97	14.24
SBI Long Term Equity Fund	27.16	33.63	24.10
Union ELSS Tax Saver Fund	16.75	21.48	14.45
WhiteOak Capital ELSS Tax Saver Fund	28.10	30.10	--
Category Average	21.05	24.28	15.99
NIFTY 500 TRI	16.00	21.40	15.41
Mid Cap Funds			
Axis Midcap Fund	30.44	29.71	16.93
Bandhan Midcap Fund	32.42	34.57	--
Edelweiss Mid Cap Fund	38.57	38.54	25.29
HSBC Midcap Fund	39.66	39.75	25.49
Invesco India Midcap Fund	43.33	38.45	24.48
Kotak Emerging Equity Fund	33.54	32.42	22.65
Mahindra Manulife Mid Cap Fund	28.24	37.74	23.94
Mirae Asset Midcap Fund	18.85	26.73	19.02
Motilal Oswal Midcap Fund	57.48	49.06	35.04
SBI Magnum Midcap Fund	20.39	27.13	18.56
WhiteOak Capital Mid Cap Fund	33.35	37.27	--
Category Average	30.16	33.71	22.07
NIFTY Midcap 150 TRI	23.75	34.06	23.18
Small Cap Funds			
Axis Small Cap Fund	25.13	29.37	19.79
Bandhan Small Cap Fund	42.28	48.12	27.28
ICICI Prudential Smallcap Fund	15.03	26.19	19.00
Kotak Small Cap Fund	24.85	29.97	17.90
Mahindra Manulife Small Cap Fund	26.57	41.70	--
Nippon India Small Cap Fund	25.45	36.91	25.97
SBI Small Cap Fund	23.99	24.65	18.91
UTI Small Cap Fund	26.36	30.89	19.44
Category Average	27.09	33.53	21.64
NIFTY Smallcap 250 TRI	26.41	37.61	22.66

EQUITY FUNDS

Wealth Management | Axis Bank

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2024)

CAGR	1 Year	2 Years	3 Years
Thematic Funds			
Tata Ethical Fund	12.74	19.71	10.26
NIFTY 500 Shariah TRI	17.15	21.19	12.02
Aditya Birla Sun Life Business Cycle Fund	18.31	18.74	13.99
Aditya Birla Sun Life ESG Integration Strategy Fund	21.67	21.83	8.75
Axis Business Cycles Fund	19.46	--	--
Axis Consumption Fund	--	--	--
Axis ESG Integration Strategy Fund	16.00	20.11	8.32
Axis India Manufacturing Fund	33.48	--	--
Axis Innovation Fund	27.93	25.74	11.13
Axis Momentum Fund	--	--	--
Axis Quant Fund	13.56	21.81	13.05
Canara Robeco Manufacturing Fund	--	--	--
Edelweiss Business Cycle Fund	--	--	--
HDFC Manufacturing Fund	--	--	--
HSBC India Export Opportunities Fund	--	--	--
ICICI Prudential Business Cycle Fund	19.93	26.24	20.71
ICICI Prudential ESG Exclusionary Strategy Fund	21.24	26.63	15.65
ICICI Prudential India Opportunities Fund	21.39	28.54	25.49
ICICI Prudential Innovation Fund	28.23	--	--
Invesco India ESG Integration Strategy Fund	20.21	22.48	10.32
Kotak Business Cycle Fund	27.17	24.91	--
Kotak ESG Exclusionary Strategy Fund	12.24	16.22	10.04
Kotak Manufacture in India Fund	25.78	28.94	--
Kotak MNC Fund	--	--	--
Kotak Special Opportunities Fund	--	--	--
Sundaram Business Cycle Fund	--	--	--
Tata Business Cycle Fund	18.06	26.08	21.75
Tata India Innovation Fund	--	--	--
NIFTY 500 TRI	16.00	21.40	15.41



EQUITY ORIENTED SCHEMES

HYBRID FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2024)

CAGR	1 Year	2 Years	3 Years
Aggressive Hybrid Funds			
Axis Aggressive Hybrid Fund	14.61	14.39	7.48
Canara Robeco Equity Hybrid Fund	15.23	17.56	11.91
Edelweiss Aggressive Hybrid Fund	20.09	22.70	16.64
HDFC Hybrid Equity Fund	12.85	15.26	13.11
ICICI Prudential Equity & Debt Fund	17.21	22.52	18.82
Kotak Equity Hybrid Fund	21.41	20.82	15.33
Mahindra Manulife Aggressive Hybrid Fund	19.11	21.44	15.41
Mirae Asset Aggressive Hybrid Fund	13.46	16.25	11.44
SBI Equity Hybrid Fund	14.30	15.26	10.78
Category Average	17.40	19.24	13.34
NIFTY 50 Hybrid Composite Debt 65:35 Index	9.73	13.00	10.24
Dynamic Asset Allocation / Balanced Advantage Funds			
Aditya Birla Sun Life Balanced Advantage Fund	12.90	14.71	11.11
Axis Balanced Advantage Fund	17.65	18.69	11.96
Bandhan Balanced Advantage Fund	14.58	14.70	8.92
Canara Robeco Balanced Advantage Fund	--	--	--
Edelweiss Balanced Advantage Fund	13.06	15.85	11.10
HDFC Balanced Advantage Fund	16.26	23.72	22.07
ICICI Prudential Balanced Advantage Fund	12.25	14.35	12.17
Kotak Balanced Advantage Fund	14.28	15.15	11.24
Mirae Asset Balanced Advantage Fund	11.00	14.56	--
Nippon India Balanced Advantage Fund	12.81	15.19	11.73
SBI Balanced Advantage Fund	13.18	16.83	12.79
Tata Balanced Advantage Fund	10.68	13.80	10.97
UTI Balanced Advantage Fund	10.94	--	--
Category Average	12.98	15.80	11.71
NIFTY 50 Hybrid Composite Debt 65:35 Index	9.73	13.00	10.24
Equity Savings			
Axis Equity Savings Fund	11.12	12.76	8.29
Edelweiss Equity Savings Fund	13.25	13.11	9.74
HDFC Equity Savings Fund	10.13	11.98	9.98
ICICI Prudential Equity Savings Fund	8.35	9.15	8.48
Kotak Equity Savings Fund	11.41	13.63	11.32
Mahindra Manulife Equity Savings Fund	8.24	11.40	8.29
UTI Equity Savings Fund	9.18	12.37	10.33
Category Average	11.03	12.21	9.10
1/3rd%age each of CRISIL Short Term Bond Fund Index + Nifty 50 TRI + Nifty 50 Arbitrage Index	8.48	10.28	8.32

HYBRID FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2024)

CAGR	1 Year	2 Years	3 Years
Multi Asset Allocations Funds			
Aditya Birla Sun Life Multi Asset Allocation Fund	16.03	--	--
Axis Multi Asset Allocation Fund	15.27	14.12	7.09
Bajaj Finserv Multi Asset Allocation Fund	--	--	--
Bandhan Multi Asset Allocation Fund	--	--	--
DSP Multi Asset Allocation Fund	16.31	--	--
Edelweiss Multi Asset Allocation Fund	7.90	--	--
HSBC Multi Asset Allocation Fund	--	--	--
ICICI Prudential Multi-Asset Fund	15.97	20.02	18.97
Kotak Multi Asset Allocation Fund	15.66	--	--
Mirae Asset Multi Asset Allocation Fund	--	--	--
Nippon India Multi Asset Allocation Fund	18.40	21.36	15.01
Tata Multi Asset Opportunities Fund	14.32	16.35	13.14
Category Average	14.26	17.31	12.86
NIFTY 50 Hybrid Composite Debt 65:35 Index	9.73	13.00	10.24
Arbitrage Funds			
Aditya Birla Sun Life Arbitrage Fund	7.40	7.31	6.22
Axis Arbitrage Fund	7.47	7.22	6.20
Edelweiss Arbitrage Fund	7.57	7.39	6.38
HSBC Arbitrage Fund	7.23	7.18	6.08
Invesco India Arbitrage Fund	7.51	7.45	6.68
Kotak Equity Arbitrage Fund	7.74	7.58	6.56
Nippon India Arbitrage Fund	7.37	7.22	6.20
SBI Arbitrage Opportunities Fund	7.45	7.46	6.51
Tata Arbitrage Fund	7.40	7.27	6.19
Category Average	7.30	7.20	6.17
NIFTY 50 Arbitrage Index	7.48	7.72	6.54



EQUITY ORIENTED SCHEMES

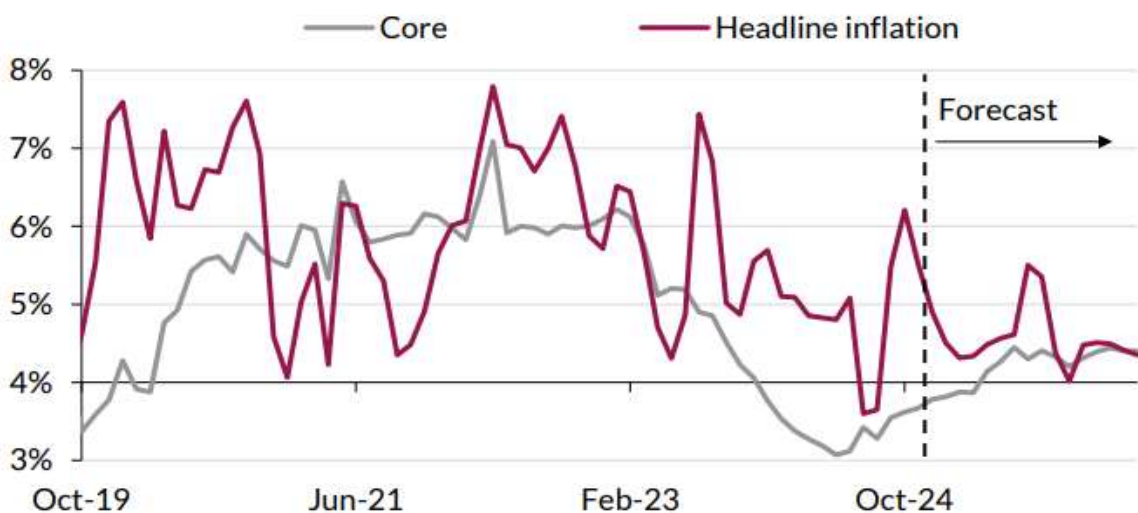
DEBT AND **MACRO ECONOMIC UPDATE**



ELEVATED INFLATION TO PUSH BACK ON RATE CUTS EXPECTATIONS

- Inflation continues to be a problem, with food prices remaining high, and the normalised core inflation momentum is exposed to a cyclical recovery. In addition, risks to the INR are back at the fore as the buffer of FX reserves is now less and BOP trends weak. These factors together limit the extent of financial easing. At the same time, concerns around peaking of asset quality might also limit the extent of macroprudential easing ahead.
- November 2024 consumer price inflation rose by 5.5%, in line with consensus expectations, moderating from Oct print (6.2%) which was the highest since Aug-23. The headline is still driven by food (9% YoY) which is primarily driven by vegetables. In addition, higher edible oil prices (13% Y/Y) are now a worry which would not only offset some of the disinflation coming from vegetables in the next four months but if global price pressures persist, would add to food inflation in FY26 as well; transmission is via high imports.
- Core inflation inched up to 3.7% Y/Y. However, the core measure is being weighed down by lower growth in rents. The super-core measure of inflation (this excludes food group, fuel & light group and petrol, diesel & other fuels for vehicle and house rent) is now at 4.1% Y/Y (vs. 3.5% Y/Y in Jun) and likely to rise further. RBI has raised inflation projections for both Q4 FY25 and Q1 FY26 by 30 bps. Thus, a rate cut by the RBI which was expected by markets in Feb/Apr is very unlikely to materialize.
- WPI inflation fell to 1.89% YoY in November 2024, down from 2.36% in October 2024 led by drop in vegetable inflation from 63% YoY in October to 28.6% YoY in November. Average wholesale inflation during Apr-Nov FY25 stands at 2.1%, up from -1.28% during Apr-Nov FY24. Soft international crude prices and industrial metal prices bode well for WPI inflation.
- For a time in FY25, inflation was hoped to be below 4.5%, in line with subdued core inflation and the good monsoon. However, later shocks to vegetable prices, coupled with increase in global edible oil prices, increase of edible oil duties, higher gold and silver prices, and increase in prices of other food items has made this. Even now, food prices are above levels of last year on a normalised basis though vegetables are no longer the only culprit. Given that, our economist expect CPI to rise above 4% in 1H FY26, averaging ~4.5%. Thus, inflation continues to push back on expected rate cuts and maintain rate cuts are unlikely in H1CY25.

Projections of CPI inflation – continue to expect FY25 inflation at 4.5%



HIGH FREQUENCY INDICATORS: IMPROVING RURAL CONSUMPTION, GOVT SPENDING TO SUPPORT Q3 GDP GROWTH

Description	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
Consumption											
Pass. Vehicles YoY%	13.9%	9.5%	8.9%	1.2%	4.2%	4.9%	-1.9%	-1.6%	-0.4%	1.1%	4.3%
Domestic Air Pass YoY%	4.4%	5.4%	3.7%	2.4%	3.9%	7.1%	6.6%	5.6%	6.4%	8.1%	12.1%
Petrol Cons YoY%	9.8%	8.9%	7.0%	14.2%	2.4%	4.6%	10.4%	8.6%	3.0%	8.6%	9.5%
2 Wheeler's YoY%	26.2%	34.6%	15.3%	30.8%	10.1%	21.3%	12.5%	9.3%	15.8%	14.2%	-1.1%
Tractor Sales YoY%	-14.5%	-25.7%	-19.5%	-2.9%	0.5%	3.5%	1.4%	-5.5%	2.4%	21.0%	-0.9%
Business/Investment											
Eight Core Industries YoY%	4.2%	7.1%	6.3%	6.9%	6.9%	5.0%	6.3%	-1.5%	2.4%	3.7%	4.3%
Steel Production YoY%	14.7%	18.0%	11.4%	13.1%	8.9%	9.8%	7.0%	3.4%	0.9%	3.3%	6.0%
Cement Production YoY%	4.1%	7.8%	10.6%	0.2%	-0.6%	1.8%	5.1%	-2.5%	7.2%	3.1%	13.0%
Coal Production YoY%	10.6%	11.6%	8.7%	7.5%	10.2%	14.8%	6.8%	-8.1%	2.6%	7.8%	7.5%
IIP YoY%	4.2%	5.6%	5.5%	5.2%	6.3%	4.9%	5.0%	-0.1%	3.1%	3.5%	
Energy Consumption YoY%	6.1%	8.6%	1.7%	10.5%	15.4%	8.6%	8.3%	-4.8%	0.4%	1.0%	4.0%
Diesel Cons YoY%	3.5%	6.3%	3.1%	1.4%	1.8%	0.9%	4.4%	-2.5%	-1.8%	0.1%	8.5%
Bitumen Cons YoY%	19.2%	13.2%	6.1%	12.8%	-5.5%	3.8%	-4.4%	-25.1%	-8.5%	-2.6%	10.8%
Port Cargo Traffic YoY%	3.3%	2.1%	2.7%	2.1%	5.8%	4.3%	5.7%	6.7%	5.9%	-3.2%	-4.7%
Government Spending											
Central Expenditure YoY%	-15.1%	18.6%	0.0%	33.1%	-47.6%	-20.4%	0.1%	19.0%	2.6%	27.5%	3.6%
Trade											
Merchandise Exports YoY%	3.1%	11.9%	-0.7%	1.1%	9.1%	2.5%	-1.5%	-9.3%	0.5%	17.2%	-4.8%
Merchandise imports YoY%	3.0%	12.2%	-6.0%	10.3%	7.7%	5.0%	7.5%	3.3%	1.6%	3.9%	27.0%
Service Exports YoY%	10.8%	3.4%	-1.4%	17.1%	9.7%	3.2%	16.6%	5.7%	14.6%	22.3%	13.9%
Service Import YoY%	0.1%	1.7%	-2.1%	20.0%	6.2%	-3.1%	16.0%	9.1%	13.5%	27.9%	26.0%
PMI											
PMI Services	61.8	60.6	61.2	60.8	60.2	60.5	60.3	60.9	57.7	58.5	58.4
PMI Manufacturing	56.5	56.9	59.1	58.8	57.5	58.3	58.1	57.5	56.5	57.5	56.5
PMI Composite	61.2	60.6	61.8	61.5	60.5	60.9	60.7	60.7	58.3	59.1	58.6
Macro											
FX Reserves (US\$ Bn)	616.74	619.09	645.58	637.93	651.5	651.97	667.39	684.01	704.93	684.8	658.1
FDI (US\$ Mn)	6301	1544	-143	4880	4972	652	1285	3950	-1042	181	
CPI YoY%	5.1%	5.1%	4.9%	4.8%	4.8%	5.1%	3.6%	3.7%	5.5%	6.2%	5.5%
WPI YoY%	0.3%	0.2%	0.3%	1.2%	2.7%	3.4%	2.1%	1.2%	1.9%	2.4%	1.9%

- As 2025 begins amidst heightened global uncertainties, India continues to be in a much stronger position with high-frequency indicators showing a pick-up in the pace of growth in the Q3FY25.
- Services PMI for December 2024 rose to 59.3 points, an increase from 58.4 points recorded in November, signaling growth in the services sector continued by demand buoyancy that propelled new business inflows, supported output growth, and encouraged firms to expand their workforce.
- Manufacturing PMI for December 2024 slipped to a 12-month low at 56.4. The drop was attributed to softer expansion rates in production and fresh business orders.
- GST collections have jumped by 8.3% (YoY) in Q3 to Rs 5.5 lakh crore, and are also up from Rs 5.3 lakh crore in Q2, signaling further improvement in consumption patterns.
- Apart from this, helped by festive demand, other indicators of urban consumption have also improved. Air passenger air traffic registered 11.6 per cent growth in Q3, compared with 7.8 per cent growth registered in Q2. Services PMI averaged 59.2 in Q3 versus 58.1 in the same period last year.
- Non-food credit growth remained strong ~12% in Nov'24, with healthy growth across sectors. Further, Credit growth to the industrial segment was primarily driven by the chemical, infrastructure, petroleum, coal, and engineering sectors. Credit growth to the services sector stood at ~13%, compared to ~25% in November 2023, reflecting a slowdown in lending to NBFCs and the trade segment.
- Furthermore, with the expectation of a pick-up in government spending followed by improvement in both government and private investment in H2, the IIP growth will perform a lot better in H2 FY25 from H1FY25.

COOL-OFF IN COMMODITY PRICES WITH EASING SUPPLY SIDE CONSTRAINTS

- Commodity prices have stayed weak or range-bound over the past two years, except for precious metals. Energy prices have been buffeted by multiple forces, ferrous metals await substantive news out of China, and agriculture prices have corrected with improving harvests (though edible oils are up) and steady demand. With correlations with TIPS yields/ETF flows seemingly broken, gold prices appear to be behaving less as a financial asset and more geopolitically driven, with demand from central banks taking up the slack, especially following the US elections.
- The surge in commodity prices last year was majorly driven by supply side issues due to geopolitical conflicts, climate change impacts and global rate cut expectations. The prices for most commodities have already cooled off significantly compared to their 52W highs. Oil prices have dropped below levels of \$90-100/bbl. However, geopolitical events, colder weather in the Northern Hemisphere and China's revival story is keeping oil prices volatile. Precious metals which also surged in 2024 on back of "central banks buying" and their safe haven appeal, are now 6% and 17% below their 52W highs respectively.

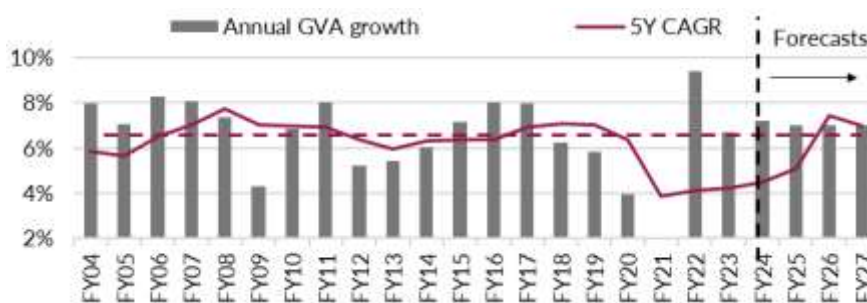
	Commodity	Unit of Measurement	CMP	52w High Price	% from 52w High
Base Metals	Aluminium	\$/metric ton	2527	2721	-7.1%
	Copper	\$/metric ton	8653	10801	-19.9%
	Zinc	\$/metric ton	2954	3202	-7.8%
	Lead	\$/metric ton	1925	2290	-16.0%
	Nickel	\$/metric ton	15111	21339	-29.2%
	Iron Ore	\$/metric ton	100	141	-29.4%
Energy	Natural Gas	\$/MMBtu	3	3	0.0%
	Crude oil brent	\$/bbl.	75	91	-18.1%
	Heating OIL	\$/gallon	232	296	-21.7%
Precious Metals	Gold	\$/OZ	2625	2788	-5.9%
	Silver	\$/OZ	29	35	-17.1%
Agricultural	Cotton	INR/bale (170 kg)	54370	62820	-13.5%
	Corn	\$/bu.	459	476	-3.7%
	Soyabean Meal	\$/ton	317	388	-3.2%
	Soyabean oil	\$/lb.	40	49	-18.3%
	Soyabeans	\$/bu.	1011	1256	-19.6%
	Wheat	\$/bu.	552	700	-21.2%
	Sugar	\$/lb.	19	24	-21.3%
	Cocoa	\$/metric ton	11675	12565	-7.1%
	coffee	\$/lb.	320	334	-4.3%
	Rice	\$/cwt	14	19	-27.5%
	Oats	\$/bu.	331	426	-22.4%

TURBULENCE GLOBALLY BUT DRIVERS REMAIN LOCAL

- Global growth in CY25e is currently projected to be unchanged from CY24 at 3.2%, ~30-40 bps below pre-Covid levels. Under the new US President, with a mandate to course-correct or disrupt on trade, taxes, regulations, immigration and energy among others, possible policy pronouncements after 20-Jan-25 could cloud visibility. Trade tariffs may be ineffective in isolation (fiscal deficits, FX, industrial policy matter too), but can disrupt, as nearly all trade growth post-2016 has been US (imports) & China driven (exports). In India, a nearly empty state-election calendar provides a window to push reforms. However, uncertainty in global trade and financial markets may remain elevated; our economist also expect higher global rates and USD INR volatility.
- China's fiscal support measures announced so far are not in the 'stimulus' category, as no direct support for consumption has been granted, though the revival in property sales, especially in Tier-1 cities, is a stabilizing force. The default preference is to play the long game, aligned with 'high-quality' growth (better quality investments) and overcoming structural depressants to domestic demand such as falling population and a low GDP share of household income. A need to pre-empt/respond to economic shocks from the incoming US administration could also prompt policy action and it is expected that more measures will be announced.
- The 1H FY24 loss in momentum for the Indian economy, in our view, is cyclical, and due to unintended fiscal and monetary tightening; the latter due to a focus on macro stability risks which hurt credit growth. Fiscal spending is already rising and the CRR cut should ease growth headwinds due to shortage of money. We maintain that potential growth is 7%, with capital formation boosted by the restart of the capex cycle. We forecast an above-consensus 7% growth in FY26, with the tailwinds from back-ended fiscal spending in FY25, and some further macro-prudential easing to help re-accelerate credit growth.
- The growth rebound is expected for India, with a consensus forecast of above 7% in FY26, is primarily dependent on local policies. The H1FY25 slowdown was driven by unintended fiscal and credit tightening. With fiscal spending already rising, the CRR cut should ease growth headwinds due to shortage of money. Tailwinds from back-ended fiscal spending in FY25 and some further macro-prudential easing should help credit growth.

FY26E: India growth accelerates to 7%; inflation moderates to 4.5%

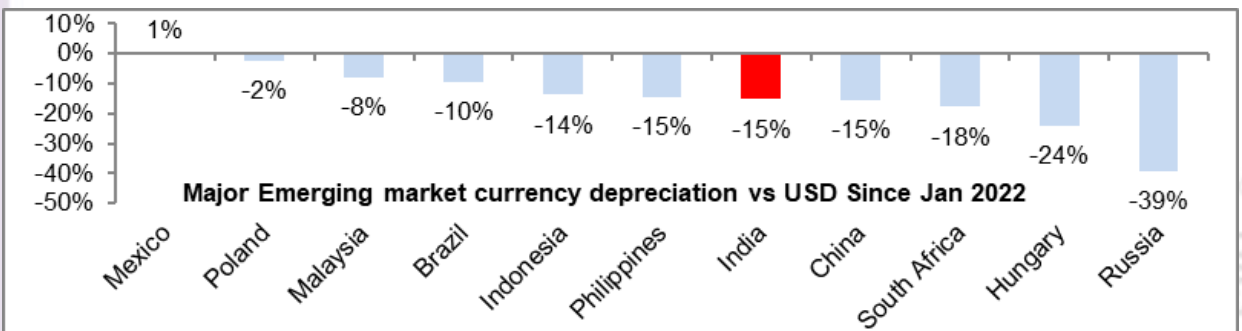
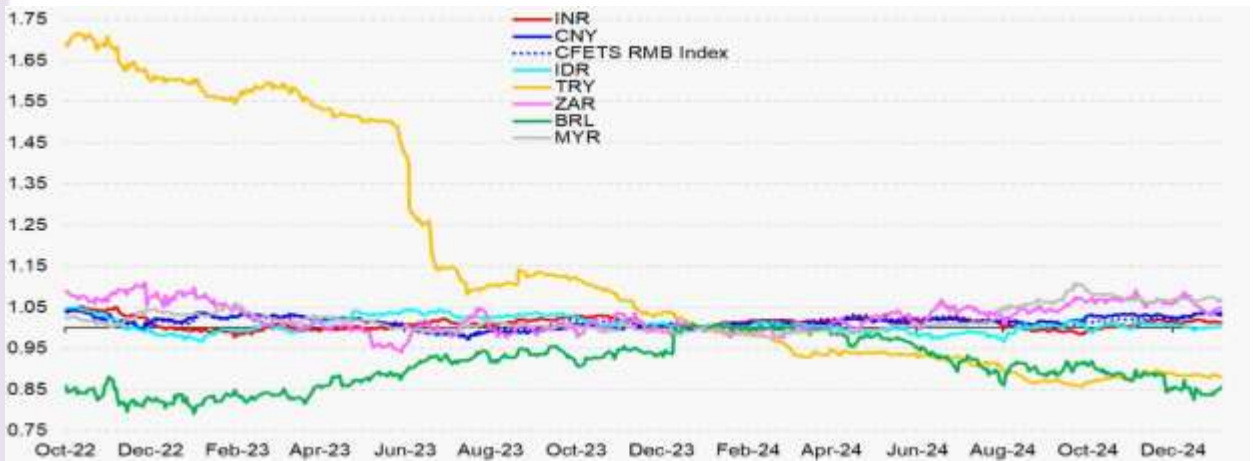
Key macro indicators	FY22	FY23	FY24	FY25E	FY26E
GDP growth (%)	9.7	7.0	8.2	6.6	7.0
Average CPI inflation (%)	5.5	6.7	5.4	4.8	4.5
Current account deficit % of GDP	1.2	2.0	0.7	0.8	1.1
Fiscal deficit (Gen. Govt.) % of GDP	8.7	8.8	8.0	7.3	7.0
Repo rate year-end	4.0	6.5	6.5	6.5	6.5
USD/INR year-end	75.81	82.22	83.37	85.5	86.5
10Y G-sec yield year-end	6.9	7.3	7.1	6.6	6.5



FINANCIAL UNCERTAINTY, HIGHER RATES, USDINR VOLATILITY

- The INR was characterised by being extraordinarily stable through 2024, with implied volatility falling to record lows and breaking away from peer FX market volatilities. With significant volatility possible in the coming quarters, not just due to US policies but also second-order effects, say due to a bigger-than-expected move in the CNY, the INR is likely to become more volatile.
- Neutral rates have risen by more than 1 price points across developed economies and may remain well above those seen last decade (more US tax cuts likely; rising supply of longer-term paper). In India, we do not see inflation easing quickly over the longer term, core and food price indices may move by similar quantum. Food relative to core and vegetables relative to food are both at cyclical highs currently, but the supply response may remain deficient given a demand boost from income-transfer schemes. G-Sec demand-supply should help reduce yields.
- The USD strengthened in December in line with the increase in US interest rates along with the cautious Fed stance, as well as opposingly doveish comments from the Bank of England (BOE) and Bank of Japan (BOJ). Our economists have expressed a view of the necessity of increased volatility since at least Jul'24, which was actualised in the month. At current pricing of long-term interest rates, markets have an unusually hawkish view of the Fed at the same time as an unusually doveish view of the European Central Bank (ECB) – contributing to the strong USD. With these reversing, the USD is also likely to come off in the coming year. As opposed to consensus views of a weaker CNY, we see the potential for a stable currency as the path of least resistance.

BIS NEER indices of various EMFX currencies



DEBT AND MACRO ECONOMIC OUTLOOK



India 2Q GDP growth slowed to 5.4%, with negative surprise from manufacturing.

- Weaker growth was on the effect of the good monsoon on electricity and mining, slower credit growth hurting finance, and surprisingly weak prints for manufacturing.
- Numbers take 1H growth to 6% YoY.



Inflation at 5.70% around expected levels, with food continuing to play bugbear.

- India's CPI inflation slowed with changes in the base and seasonal fluctuation but food inflation remained elevated on vegetables, fruits and edible oils, core inflation continued with momentum.
- WPI inflation was at 0.73% which was slower than expected and this impacts GDP through the deflator route.



IIP also came in softer than expected, along with softness in high-frequency trends after Diwali.

- High-frequency trends showed good festive demand in auto, travel, hotels, retail sales, etc.
- Apart from the rural economy, high-frequency numbers have slowed elsewhere again.



India CAD limited despite gold imports, BOP trends weak

- India's CAD is stable at 1.2% of GDP in 2Q, with high gold imports offset by services and remittances.



MPC hold rates, RBI cuts CRR and eases FCNR rules

- The MPC held rates in a 4-2 vote, but cut CRR 50 bps as expected to ease liquidity.
- Language continued to indicate an unambiguous focus on inflation ahead.



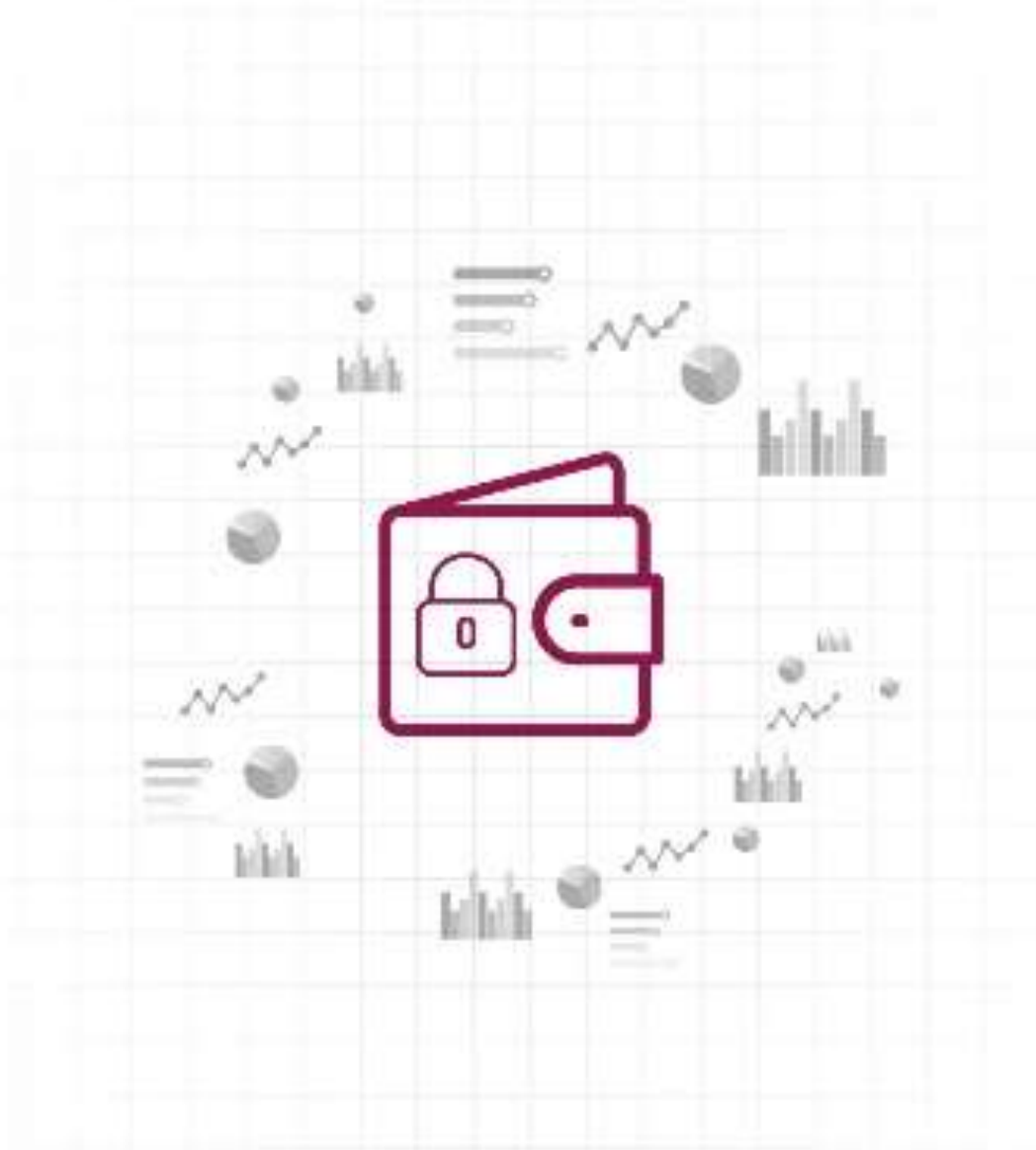
January will be the start of a new calendar year and as the US Fed has again become data dependent, markets will be keenly watching key data points like inflation and labour markets in the US. While Trump has already talked about his immediate action on tariffs, corporate tax cuts and immigration, the market will likely watch out for implementation and impact on global trade and local macro-economic numbers.

RBI will remain vigilant regarding the external global environment. With the new RBI governor at helm, markets will be looking forward to the upcoming policy and his stance on rate cuts. The domestic liquidity has remained tight, which may prompt some durable action from the RBI including OMO (Open Market Operations) purchases along with other tools. Government is expected to continue the fiscal consolidation at the Union budget, which shall be a positive cues for debt markets and with the Govt borrowing programme ending soon, the demand supply imbalance is likely to remain favourable. However, the rate cut cycle in India will likely be shallow. Global factors such as tariff hikes, the fiscal situation in the US under the new administration, China's fiscal expenditure composition and lingering global geopolitical risks will play a pivotal role in determining the timing and depth of India's rate cut cycle in the forthcoming quarters.

Indian bond yields, which are currently trading at around 6.76%, are expected to remain volatile with emphasis on upside risks to inflation from food and global prices, these adverse events suggest that rate cuts are unlikely in the near-term. The market will watch out for the upcoming union budget for the forward trajectory, till then the yields will continue to move in sync with the US yields. CPI print will also be keenly watched to understand the dynamics after a more than expected rise. Given that, we believe the 10-year benchmark yields to remain volatile and likely to trade in the range in the near-term and eventually see gradual rate cuts in latter half of the new calendar year.

We remain constructive on the short to medium end of the yield curve. Short Duration funds, Banking & PSU Debt funds, Corporate Bond funds, Debt Index funds (Target Maturities), Medium Duration funds, Floating Rate 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/Long Duration funds** as per their risk appetite with an investment horizon of at least 2-3 years to avoid any intermittent volatility. Having said this, one should consider aspects such as exit load, capital gains tax and asset allocation amongst others while evaluating their investment options.

FIXED INCOME ORIENTED SCHEMES



DEBT FUNDS

Wealth Management | Axis Bank

PAST PERFORMANCE (CAGR % RETURNS AS ON 31ST DECEMBER, 2024)

CAGR	1 Year	2 Years	3 Years
Gilt Funds			
Bandhan Government Securities Fund Investment Plan	10.86	8.64	6.16
ICICI Prudential Gilt Fund	8.16	8.20	6.67
Kotak Gilt Fund	8.41	7.76	5.97
SBI Magnum Gilt Fund	9.07	8.24	6.90
UTI Gilt Fund	9.05	7.77	6.15
Category Average	9.10	7.86	6.02
ICRA Composite Gilt Index	10.03	8.85	6.64
Long Duration Funds			
ICICI Prudential Long Term Bond Fund	10.27	8.43	6.00
Nippon India Nivesh Lakshya Fund	11.51	9.24	6.92
Category Average	11.10	9.02	6.46
ICRA Composite Gilt Index	10.03	8.85	6.64
Dynamic Bond Funds			
360 ONE Dynamic Bond Fund	9.59	8.13	6.59
Aditya Birla Sun Life Dynamic Bond Fund	8.91	7.82	7.21
Axis Dynamic Bond Fund	8.56	7.54	5.71
Bandhan Dynamic Bond Fund	10.25	8.14	5.71
ICICI Prudential All Seasons Bond Fund	8.19	7.88	6.76
Kotak Dynamic Bond Fund	9.30	7.86	6.05
Nippon India Dynamic Bond Fund	9.04	7.81	5.99
SBI Dynamic Bond Fund	8.77	7.85	6.62
Category Average	9.58	8.12	6.06
ICRA Composite Bond Fund Index	9.61	8.40	6.47
Medium to Long Duration Funds			
Bandhan Bond Fund - Income Plan	8.08	6.92	4.78
ICICI Prudential Bond Fund	8.66	8.11	6.43
Kotak Bond Fund	8.26	7.46	5.52
SBI Magnum Income Fund	8.18	7.65	6.10
Category Average	8.10	7.37	6.24
ICRA Composite Bond Fund Index	9.61	8.40	6.47
Medium Duration Funds			
Axis Strategic Bond Fund	8.79	7.93	6.27
ICICI Prudential Medium Term Bond Fund	8.08	7.52	6.07
Invesco India Medium Duration Fund	8.19	7.17	4.90
Category Average	8.27	7.47	5.99
ICRA Composite Bond Fund Index	9.61	8.40	6.47

DEBT FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2024)

CAGR	1 Year	2 Years	3 Years
Corporate Bond Funds			
Aditya Birla Sun Life Corporate Bond Fund	8.53	7.89	6.61
Axis Corporate Bond Fund	8.02	7.40	6.15
Bandhan Corporate Bond Fund	7.60	7.22	5.67
HDFC Corporate Bond Fund	8.50	7.86	6.31
Kotak Corporate Bond Fund	8.25	7.55	6.25
Nippon India Corporate Bond Fund	8.39	7.77	6.62
Union Corporate Bond Fund	7.94	7.19	5.57
UTI Corporate Bond Fund	7.87	7.36	6.03
Category Average	7.99	7.36	5.96
CRISIL Short Term Bond Index	7.94	7.60	6.25
Short Duration Funds			
Axis Short Duration Fund	7.99	7.38	6.14
Bandhan Bond Fund - Short Term Plan	7.80	7.36	5.82
HDFC Short Term Debt Fund	8.25	7.69	6.29
ICICI Prudential Short Term Fund	7.78	7.59	6.61
Kotak Bond Short Term Fund	7.70	7.07	5.71
Nippon India Short Term Fund	7.94	7.38	5.98
SBI Short Term Debt Fund	7.68	7.20	5.97
UTI Short Duration Fund	7.86	7.38	6.18
Category Average	7.71	7.19	5.86
CRISIL Short Term Bond Index	7.94	7.60	6.25
Banking & PSU Debt Funds			
Aditya Birla Sun Life Banking & PSU Debt Fund	7.82	7.35	6.11
Axis Banking & PSU Debt Fund	7.49	7.02	5.93
Bandhan Banking & PSU Debt Fund	7.52	7.14	5.96
HDFC Banking and PSU Debt Fund	7.81	7.32	5.96
ICICI Prudential Banking & PSU Debt Fund	7.84	7.58	6.48
UTI Banking & PSU Fund	7.58	7.13	8.18
Category Average	7.81	7.23	5.97
CRISIL Short Term Bond Index	7.94	7.60	6.25

DEBT FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2024)

CAGR	1 Year	2 Years	3 Years
Index Funds			
Aditya Birla Sun Life Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund	7.67	7.24	5.50
Axis CRISIL IBX 50:50 Gilt Plus SDL June 2028 Index Fund	8.15	--	--
Axis CRISIL IBX SDL June 2034 Debt Index Fund	--	--	--
Axis CRISIL IBX SDL May 2027 Index Fund	8.32	7.58	--
Axis CRISIL-IBX AAA Bond NBFC - Jun 2027 Index Fund	--	--	--
Axis Nifty SDL September 2026 Debt Index Fund	7.95	7.37	--
Bandhan CRISIL IBX Gilt April 2028 Index Fund	7.76	7.60	5.71
Bandhan CRISIL IBX Gilt June 2027 Index Fund	7.56	7.44	5.53
HDFC Nifty G-sec Dec 2026 Index Fund	7.47	7.37	--
Kotak Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index Fund	8.17	7.47	--
Mirae Asset Nifty SDL Jun 2027 Index Fund	8.32	7.60	--
Nippon India Nifty AAA CPSE Bond Plus SDL - Apr 2027 Maturity 60:40 Index Fund	7.83	7.21	--
Nippon India Nifty AAA PSU Bond Plus SDL - Sep 2026 Maturity 50:50 Index Fund	7.64	7.15	--
SBI CRISIL IBX Gilt Index June 2036 Fund	10.37	9.08	--
SBI CRISIL IBX Gilt Index April 2029 Fund	8.29	8.03	--
CRISIL Short Term Bond Index	7.94	7.60	6.25
ICRA Composite Bond Fund Index	9.61	8.40	6.47
Floater Funds			
Axis Floater Fund	9.39	8.20	6.98
Bandhan Floating Rate Fund	7.89	7.33	6.12
DSP Floater Fund	9.02	8.45	6.62
Kotak Floating Rate Fund	8.12	7.69	6.27
Tata Floating Rate Fund	7.71	7.36	6.39
Category Average	8.12	7.72	6.50
CRISIL Short Term Bond Index	7.94	7.60	6.25

HYBRID FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2024)

CAGR	1 Year	2 Years	3 Years
Conservative Hybrid Funds			
Axis Conservative Hybrid Fund	7.47	7.93	5.40
ICICI Prudential Regular Savings Fund	11.26	11.34	9.24
Kotak Debt Hybrid Fund	11.26	12.61	9.77
SBI Conservative Hybrid Fund	10.96	11.57	9.19
Category Average	10.18	10.45	8.00
NIFTY 50 Hybrid Composite Debt 15:85 Index	8.96	9.17	7.22

FUND OF FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2024)

CAGR	1 Year	2 Years	3 Years
Equity Fund of Funds			
Axis Equity ETFs FoF	11.05	17.73	--
ICICI Prudential Passive Strategy Fund (FOF)	15.67	22.37	16.01
Mirae Asset Equity Allocator Fund of Fund	14.66	20.02	14.58
Mirae Asset Nifty MidSmallcap400 Momentum Quality 100 ETF FOF	--	--	--
Mirae Asset Nifty Smallcap 250 Momentum Quality 100 ETF FOF	--	--	--
Mirae Asset Nifty200 Alpha 30 ETF FOF	--	--	--
Hybrid Fund of Funds			
HDFC Asset Allocator Fund Of Funds	13.85	17.44	14.59
Debt Fund of Funds			
Axis All Seasons Debt Fund of Funds	8.97	7.73	6.31
BHARAT Bond ETF FOF - April 2033	9.67	8.47	--
BHARAT Bond FOF - April 2025	7.69	7.32	5.61
BHARAT Bond FOF - April 2030	8.83	7.90	6.46
BHARAT Bond FOF - April 2031	8.96	7.93	6.37
CRISIL Short Term Bond Index	7.94	7.60	6.25
ICRA Composite Bond Fund Index	9.61	8.40	6.47
Equity International Fund of Funds			
Axis Global Equity Alpha Fund of Fund	20.77	20.39	9.84
Axis Global Innovation Fund of Fund	22.78	25.54	7.56
Axis Greater China Equity Fund of Fund	10.75	0.69	-4.59
Axis NASDAQ 100 Fund of Fund	28.74	40.61	--
Bandhan US Equity Fund of Fund	34.42	34.45	13.86
DSP Global Allocation Fund of Fund	11.47	12.14	5.53
Edelweiss Greater China Equity Offshore Fund	14.67	1.46	-6.69
Edelweiss US Technology Equity Fund of Fund	28.62	45.91	9.04
Franklin India Feeder - Franklin U.S. Opportunities Fund	26.90	32.33	6.89
Motilal Oswal Nasdaq 100 FOF	54.70	53.65	20.40
NIFTY 500 TRI	16.00	21.40	15.41
Debt International Fund of Funds			
Aditya Birla Sun Life US Treasury 1-3 Year Bond ETFs FOF	6.84	--	--
Aditya Birla Sun Life US Treasury 3-10 Year Bond ETFs FOF	4.15	--	--
Axis US Treasury Dynamic Bond ETF Fund of Fund	3.11	--	--
Bandhan US Treasury Bond 0-1 year Fund of Fund	7.91	--	--

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