

Axis Brand Equity Portfolio

As on 31st August 2025

Investment Manager

Axis Asset Management company Limited

Investment Objective

To generate long term capital appreciation by investing in a diversified portfolio of equity instruments of companies with brands.

Key Terms

| | |
|--------------------------------|---|
| Investment Approach | Axis Brand Equity Portfolio |
| Inception Date | 27th January 2017 |
| Strategy | Equity |
| Allocation of Portfolio across | Equity & Equity related instruments |
| Types of securities | 80-100% & Debt & Money market instruments 0-20% |
| Primary Benchmark* | NIFTY 50 TRI |
| Secondary Benchmark* | NIFTY 500 Multicap 50:25:25 |

Portfolio Details

| | |
|--------------------------------------|--------------------------------|
| AUM | ₹ 1,052 crores |
| Avg Market Capitalization | ₹ 2,53,169 crores |
| Performance Reporting Structure Time | Weighted Rate of Return (TWRR) |
| Certificate Registration No. | INP000003534 |
| Indicative Inv. Horizon | 3 years |
| Min. Investment Amount | ₹ 50 Lakhs |
| STO Options | 5/10 installments |
| Fee Structure | As per the term sheet |
| Exit Load | As per the term sheet |

Risks associated with the Investment Approach

Evaluation of companies from a Brand perspective may exclude securities of certain issuers for non-investment reasons and therefore the strategy may forgo some market opportunities available to strategy that don't fit the Brand theme. Stocks of companies with Brand attributes may shift into and out of favor with stock market investors depending on market and economic conditions, and the strategy's performance may at times be better or worse than the performance of stocks that do not have brand attributes.

General Risk Factors

- Risks associated with investments in Equities
- Risks associated with investments in Fixed Income Instruments
- Risks associated with Investments in Securitised Debt Instruments
- Risk Factor associated with debt instruments having credit enhancement
- Risk Factor associated with investing in Tier I and Tier II Bonds
- Risk associated with Investment in Mutual Fund Units
- General Risks associated with investments

Portfolio Manager Profile

Mr. Hitesh Zaveri - SVP & Head - Listed Equity Alternatives

Hitesh Zaveri joined Axis AMC in 2022 as SVP & Head - Listed Equity Alternatives with relevant CAT-3 AIF strategies and listed equities for CAT-2 strategies. Hitesh has over 25 years of experience in portfolio management, investment banking and equity research. Prior to joining Axis AMC, he served as Head of Investments in the PMS business at Aditya Birla Mutual Fund. Hitesh has also worked with Enam Asset Management as Executive Director & Portfolio Manager and Edelweiss Capital as Senior VP & Co-Head of Institutional Research. He has managed large equity funds, authored research reports and executed a number of transactions in M&A, IPO and IB assignments that involved Restructuring and Delisting in his past roles. Hitesh has contributed his research to a book co-authored by two Harvard Business School Professors - 'Wall Street Research - Past Present & Future', co-authored by Prof. Boris Groysberg and Prof. Paul Healy, published by Stanford Press.

Qualification:- MBA from Mumbai University, Hitesh has also completed Advanced Management Program, Investment Management Program, and General Management Program from the Harvard Business School and Executive Development Program from The Wharton School. Also, he is an alumnus of Harvard Business School and an Advisor to the Board of HBS Club of India.

Source: Axis Internal Research

Investment Strategy (Basis of selection of securities)

Axis 'Brand Equity' Portfolio is a compact portfolio investing in equity that endeavors to achieve long term capital appreciation through investment in companies with 'established and emerging brands.' The allocation will consist of best ideas within this space. While the portfolio will consist of bottom-up best ideas, portfolio construction will target reasonable diversification across sectors. Investments will be across market capitalizations.

The portfolio seeks to buy businesses with strong brands that provide:

- Sustainable competitive advantage
- Capable Management Team
- Good Corporate governance

The Portfolio Manager does not indicate any guarantee for capital/returns.

Market Commentary

Market Overview

Indian equities continued to remain impacted by the evolving tariff scenario particularly with the additional 25% tariffs kicking in. The BSE Sensex and Nifty 50 ended the month with declines of 1.7% and 1.4%, respectively. The mid and small-cap indices underperformed, with the NSE Midcap 100 declining by 2.9% and NSE Smallcap 100 falling by 4.1%, reflecting heightened caution among investors. Consumption-oriented sectors saw a rally on the government's plan for rationalization of GST. Auto and consumer durables sectors were up 5.8% and 2%, respectively. Oil & gas, power and realty were down 4.7%, 4.6% and 4.5%, respectively.

Uncertainty around tariffs emerged as a key concern over the past month, weighing on investor sentiment and overshadowing some positive developments. Despite this, India continues to pursue a calibrated and pragmatic trade strategy, focused on expanding market access while protecting domestic interests.

During the month, the government announced a major overhaul of the GST framework, introducing a simplified two-slab system aimed at making essential goods more affordable, reducing tax-related disputes, and boosting domestic consumption. Notably, this reform follows the Rs 1 trillion in income tax incentives unveiled in Budget 2025, marking a direct policy push to accelerate India's consumption-driven growth cycle. The key test is whether this fiscal push, reinforced by monetary easing and a good monsoon, can finally unlock India's muted consumption cycle. The proposed GST reforms are expected to significantly benefit sectors such as consumer durables, automobiles (including two-wheelers, small cars, tractors, and commercial vehicles), cement, staples/FMCG, and retail. As most of these categories move into lower tax slabs, improved affordability is likely to drive higher consumption and support volume growth.

Nifty 50 EPS grew 7% in Q1FY26, the proportion of misses in small caps was the largest, followed by large caps and midcaps; 43% of small-cap companies missed expectations, while the misses were relatively lower in midcaps and large caps at 28% and 29% respectively. The quarter saw earnings downgrades for FY26/27, indicating rising global uncertainty, with Auto ancillaries, Capital Goods, Pharma and IT witnessing the highest downgrades. Alongside weak earnings, tariff uncertainty, given the absence of an extension on the additional 25% duty deadline for India, continues to weigh on sentiment.

Valuations remain expensive on an absolute basis and trading well above long-term averages. The challenge faced by domestic fund managers is that they are receiving substantial monthly inflows, hitting record highs of late, while they are faced with deploying the cash into a relatively thin equity market. India's equity risk premium has risen significantly above its ten-year average, suggesting that current index levels may not fully reflect the strength of underlying fundamentals. This divergence indicates that investors could be undervaluing the long-term growth potential and macro stability embedded in the economy, despite elevated market valuations.

India's Q2 real GDP growth came in at 7.8% yoy, significantly above expectations and mainly driven by strong private consumption and services sector growth. While strong consumption growth was partly driven by the revival in mass consumption, robust services growth came as surprise amid expectations of muted tourism and transport following multiple airport closures due to the India-Pakistan border conflict in May.

The current earnings momentum, combined with supportive policy measures, has laid the groundwork for a potential revival in the second half of FY26. Key enablers include easing interest rates, anticipated income-tax relief, GST rationalization, post-election fiscal initiatives, improved liquidity conditions, and a likely rebound in rural demand following a favorable monsoon, all of which could collectively boost consumption and economic activity.

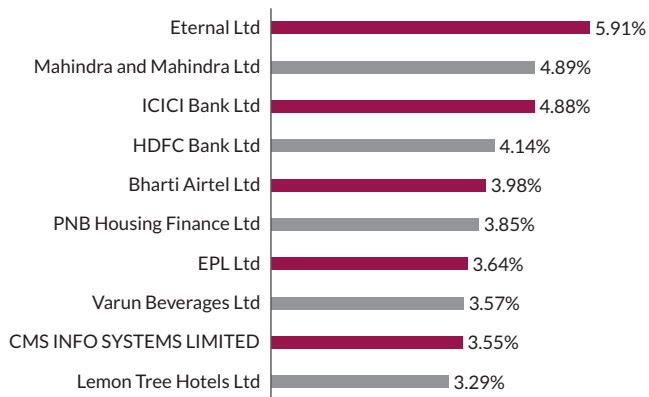
Market Outlook

Post completion of Q1FY26 results season, earnings were relatively better on a quarter-on-quarter basis, marking a transition from the subdued low-single-digit earnings growth of FY25 to a sustainable double-digit growth trajectory. A key highlight of the quarter was the broader sectoral breadth of earnings growth. Among the sectors, banks have entered FY26 on a cautious but optimistic note, anticipating asset-quality easing from 2H as collections normalize. IT services companies maintain a cautiously optimistic outlook while recognizing that ongoing macroeconomic headwinds continue to pressure overall demand. In automobiles, we expect a revival in domestic demand across the majority of segments, supported by GST rationalization and direct tax incentives. Growth is expected in the 2W market over the next few quarters. For the consumer segment, demand remained steady, indicating a slow sequential improvement supported by positive macroeconomic indicators. Also, public capital spending is beginning to increase, while private sector interest is expected to emerge in the upcoming quarters, benefiting capital goods sector companies operating in power T&D, renewable energy, data centers, cement, steel, construction, oil & gas, and defense segments. Nifty-500 companies delivered a healthy performance in Q1FY26 despite significant geopolitical headwinds and weak consumption trends, improving from a muted quarterly performance during FY25. India's GDP growth of 7.8% in Q1FY26 exceeded market expectations of 6.7%. Consumption-led growth indicates strength in the domestic economy. We expect robust growth to restrict RBI's ability to ease policy. But the external sector continues to remain challenging, with 25% secondary tariffs on India being implemented from this month; its impact was evident in FI outflows in equity, a fall in equity markets in the last week of the month, and depreciation of the INR to 88.2/USD. The current Nifty valuations at ~20.8x (vs. LPA of 20.7x) are reasonable and have room to expand given optimism in the second half of the financial year.

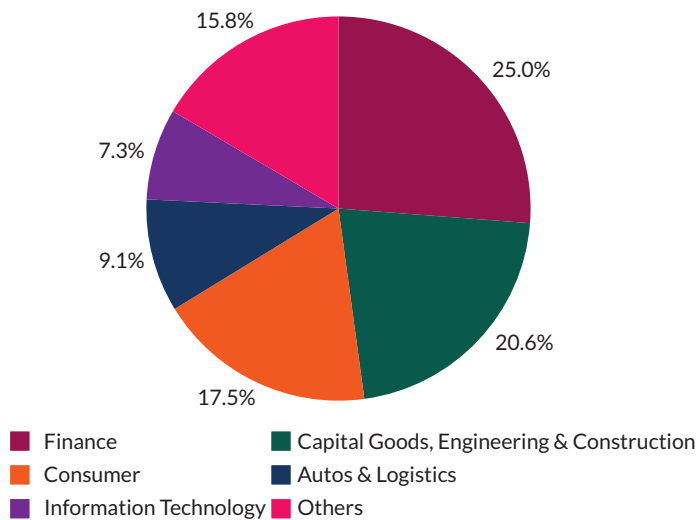
Portfolio Positioning

For the month, we added Coforge Limited, as it continues to scale up large deals as a core growth lever, and its strong executable order book and resilient client spending across verticals bode well for its organic growth. We exited FSN E-Commerce Ventures, as weak consumer sentiment and increased competition are expected to drive earnings cuts.

Top 10 Holdings



Sector Mix



Risk Ratios

| | |
|--------------------|-------|
| Beta | 0.91 |
| Standard deviation | 11.5% |
| Sharpe ratio | 0.47 |

All risk ratios are calculated on a 3 year basis.

Month on Month Performance

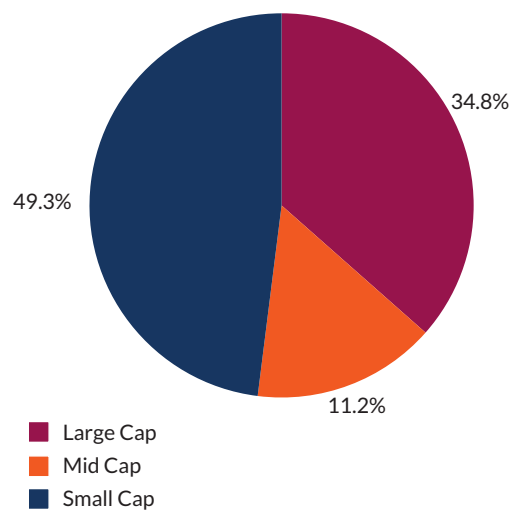
| Period | Axis Brand Equity Portfolio | NIFTY 50 TRI (Primary Benchmark) | NIFTY 500 Multicap 50:25:25 (Secondary Benchmark) |
|--------|-----------------------------|-------------------------------------|---|
| Aug-25 | -3.33 | -1.21 | -2.24 |
| Jul-25 | -0.80 | -2.77 | -2.95 |
| Jun-25 | 2.72 | 3.37 | 4.18 |
| May-25 | 6.15 | 1.92 | 5.09 |
| Apr-25 | 3.85 | 3.48 | 3.05 |
| Mar-25 | 5.21 | 6.31 | 7.67 |
| Feb-25 | -9.75 | -5.79 | -8.91 |
| Jan-25 | -5.46 | -0.45 | -5.06 |
| Dec-24 | -2.07 | -2.02 | -0.78 |
| Nov-24 | -1.62 | -0.26 | 0.03 |
| Oct-24 | -6.21 | -6.12 | -5.85 |
| Sep-24 | 1.20 | 2.30 | 1.98 |

Source: Axis Internal Research

Holding Analysis

| Parameters | Portfolio |
|----------------------|-----------|
| No. of Stocks | 38 |
| Top 5 Stock Holding | 23.8% |
| Top 10 Stock Holding | 41.7% |
| Top 3 Sectors | 63.1% |

Market Cap Mix



Attribution

| Top contributors | Top detractors |
|-----------------------------------|-----------------------------|
| RateGain Travel Technologies Ltd. | PNB Housing Finance Limited |
| Lemon Tree Hotels Ltd. | CMS Info Systems Ltd. |
| Eternal Limited | APAR Industries Limited |

Performance (As on 31st August 2025)

| Period | Axis Brand Equity Portfolio | NIFTY 50 TRI (Primary Benchmark) | NIFTY 500 Multicap 50:25:25 (Secondary Benchmark) |
|------------------|-----------------------------|-------------------------------------|---|
| 1 month | -3.33 | -1.21 | -2.24 |
| 3 month | -1.49 | -0.71 | -1.16 |
| 6 month | 14.25 | 11.33 | 15.25 |
| 1 year | -10.88 | -2.01 | -5.02 |
| 2 year | 7.90 | 14.00 | 17.33 |
| 3 year | 10.96 | 12.49 | 17.18 |
| 4 year | 8.38 | 10.61 | 14.67 |
| 5 year | 16.12 | 17.91 | 23.32 |
| Since inception* | 10.93 | 14.61 | 19.88 |

*Inception Date: 27th January 2017

DISCLAIMER AND RISK FACTORS:

The above returns are calculated on a consolidated Time Weighted Rate of Return (TWRR) basis and are as on 31st August 2025. The returns for one year or less are on absolute basis, while returns more than one year are on annualized basis. Please note that performance of your portfolio may vary from that of other investors and that generated by the Investment Approach across all investors because of 1) the timing of inflows and outflows of funds; and 2) differences in the portfolio composition because of restrictions and other constraints. The returns are net of all fees and all expenses (including taxes). Returns for individual clients may differ depending on time of entry in strategy. Past performance may or may not be sustained in future and should not be used as basis for comparison with other investments. The performance related information provided herein has not been verified by SEBI.

Investments in Securities are subject to market and other risks and there is no assurance or guarantee that the objectives of any of the strategies of the Portfolio Management Services will be achieved. The stocks referred in this document are a part of the existing PMS strategy as on 31st August 2025. The portfolio data mentioned above is of client representing general holdings and data of an individual client may vary significantly from the above. These Stocks may or may not be bought for new clients. The stocks may or may not be forming part of the current or future portfolio and portfolio manager can exit any of the stocks without notice. The companies/sectors referred herein above should not be construed as recommendations from Axis Asset Management Company Limited (AAMCL). Name of the PMS Strategy does not in any manner indicate its future prospects and returns.

Any information contained in this material shall not be deemed to constitute an advice, an offer to sell/purchase or as an invitation or solicitation to do for security of any entity and further AAMCL and its employees/directors shall not be liable for any loss, damage, liability whatsoever for any direct or indirect loss arising from the use of this information. Recipients of this information should exercise due care and caution and read the disclosure document, client agreement and annexure to the said document (if necessary obtaining the advice of finance/other professionals) prior to taking any decision on the basis of this information and to understand the risks associated with the investment approach.

The portfolio's strategy is to invest in a diversified portfolio of companies across sectors. Fund manager finds it most suitable as per the strategy and is the closest benchmark among the APMI circular list of benchmarks.

* As the portfolio's strategy is Multicap the above benchmark is more suitable for performance comparison amongst the list for secondary benchmark.

DIRECT CLIENTS: Clients can invest directly with Portfolio Manager, without intermediation of persons engaged in distribution services. For investing directly with the Portfolio Manager, client can visit any of the branches of Axis AMC or contact Relationship Manager of Axis AMC.

Please click on the below link to view the performance relative to other Portfolio Managers -
<https://www.apmiindia.org/apmi/welcomeiaperformance.htm?action=PMSmenu>

Market caps are defined as below: a. Large Cap: 1st -100th company in terms of full market capitalization. b. Mid Cap: 101st -250th company in terms of full market capitalization. c. Small Cap: 251st company onwards in terms of full market capitalization.

The Sector Mix is Axis Internal bifurcation based on AMFI Classification of sectors.