

Axis Brand Equity Portfolio

As on 31st December 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 Types of securities	Equity & Equity related instruments 80-100% & Debt & Money market instruments 0-20%.
Type of Securities	Equity & Equity Related instruments, Debt Instruments including Securitized debt, TREPS and Money market instruments, units of liquid/overnight funds/ other debt and /or equity funds including ETF.
Primary Benchmark*	NIFTY 50 TRI
Secondary Benchmark*	NIFTY 500 Multicap 50:25:25

Portfolio Details

AUM	₹890 crores
Avg Market Capitalization	₹2,74,559 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 equities and equity related instruments
- Risks associated with Debt and money market securities
- Risks associated with Investments in Securitized 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 joined Axis AMC in 2022 as SVP & Head - Listed Equity Alternatives. He is responsible for managing the Axis PMS portfolios along with CAT-3 AIF 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

After three consecutive months of positive returns, equities ended the month lower. For most part of the month, equities remained rangebound impacted by concerns over the India-US trade deal. Large caps outperformed mid and small caps. The BSE Sensex and Nifty 50 closed 0.6% and 0.3% down, while the NSE Midcap 100 fell by 0.9% and the NSE Smallcap 100 by 0.6%. On the sectoral front, metals, oil & gas and auto were the top gainers, whereas capital goods, consumer durables and realty were the top losers. Foreign Portfolio Investors (FPIs) sold equities to the tune of US\$2.5bn while Domestic Institutional Investors (DIIs) remained supportive with US\$8.1bn in equity purchases. Year to date, FPI outflows total US\$19bn while the DIIs bought to the tune of US\$89.5bn.

As we enter 2026, markets reflect the recovery from a challenging 2025. Equities regained their previous highs in 2025 following correction seen in 2024, while valuations, though off their peaks, remain in line with long-term averages. Importantly, India's valuation premium over emerging markets and global peers has narrowed considerably and appears to have stabilized. The earnings cycle seems to have bottomed out, with signs of a sustained recovery ahead. This optimism is underpinned by coordinated policy measures from the RBI and the government rate cuts, CRR reduction, liquidity infusion, accelerated capex and nearly Rs 1.5 trillion in GST reductions aimed at boosting mass consumption. Adding to the positive backdrop are easing geopolitical tensions with China and its anti-involution reforms, while a potential India - US trade agreement could further strengthen sentiment.

A lower tax regime and benign inflation have created a goldilocks environment of strong GDP growth and lower inflation prompting the RBI to revise growth forecasts upward. As these measures take hold, India is poised not just to sustain momentum but to emerge as one of the most resilient economic growth stories globally.

Globally, all countries had a stellar year with India being an outlier. AI was the key theme of 2025 and India did not have much to offer on this theme. The 'Magnificent 7' have accounted for more than half of total market returns, including dividends, since 2023, a rally largely driven by surging optimism around artificial intelligence.

The Reserve Bank of India's accommodative stance, characterized by proactive rate cuts and ample liquidity, has created a supportive backdrop for growth. Coupled with fiscal measures like GST rationalization, tax cuts, MSME support, and regulatory reforms by RBI and SEBI, these initiatives have laid a strong foundation for India's structural recovery. India's macroeconomic stability will be underpinned by fiscal consolidation efforts, benign oil prices, and steady global growth. Domestic consumption demand is expected to remain buoyant, driven by premiumization trends, rural recovery supported by agricultural activity, and fiscal support from state governments. These factors collectively create a favourable backdrop for sustained economic expansion. The resolution of tariff issues between the US and India can help accelerate recovery.

Earnings have likely bottomed in India and we could see a broad-based recovery in CY26. Markets expect mid-teen EPS growth 2026, with reduced risks of downgrades compared to 2025. Over the 18 months, earnings estimates in India were lowered. However, the picture is looking better over the last three months with positive developments, such as GST rate cuts (key beneficiaries being autos, followed by consumer staples). High frequency indicators are reflecting improvements. Financials, IT services and auto estimates have been stable in the last three months, while construction materials, realty and metals have seen upgrades.

The market is expected to continue its focus on high earnings visibility, sustained profitability and structural growth catalysts along with reasonable valuations. While bottom-up stock picks around popular themes remain expensive, underperformers due to slower growth with relatively attractive valuations offer selective opportunities. Stock picking with a focus on growth at reasonable valuations will remain the cornerstone of performance, with a clear preference for domestic-oriented sectors over export-heavy plays.

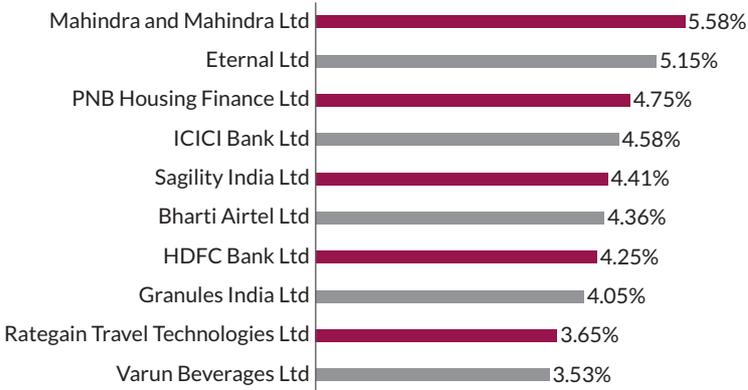
Market Outlook

We believe India's GDP growth will accelerate in 2026, driven by a combination of economic reforms and cumulative RBI rate cuts implemented so far. Free trade agreements (FTAs), especially with the EU, along with export-oriented FDI—supported by the INR's competitiveness—should contribute to strengthening trade, which was disrupted by recent US actions. The positive macro environment (GDP growth stronger than expected at 8.2% in 2QFY26 and benign inflation), along with a moderation in consensus downward earnings revisions for corporates, supportive domestic macros, and an improving geopolitical situation, leads us to believe that Indian markets are well poised to retrace the underperformance seen in Cy2025. For December, analysts trimmed their earnings estimates for Nifty companies slightly for FY26 and FY27, with month-on-month (MoM) revisions of -0.3% and -0.1%, respectively. In contrast, calendar year 2025 (CY25) estimates saw a sharp downgrade, with revisions of -11.6% and -6.4%, indicating a significant reduction in expected earnings for that period. Valuations, particularly for large caps, are not demanding (Nifty PE at 21.3x versus a long-term average of 20.8x), while earnings appear well positioned to deliver mid-teens growth over FY26-27. Small-cap performance is likely to catch up with a lag during the year, providing opportunities to position appropriately in this segment. On the sectoral front, financials, metals, passenger vehicles (autos), insurance, mid-cap IT, and Indian pharmaceuticals are expected to perform better, supported by accommodative conditions for credit growth and benefits from the commodity cycle. We are approaching the market cautiously at the current juncture and continue to scout for bottom-up opportunities in companies with strong order books, earnings visibility, and a domestic focus.

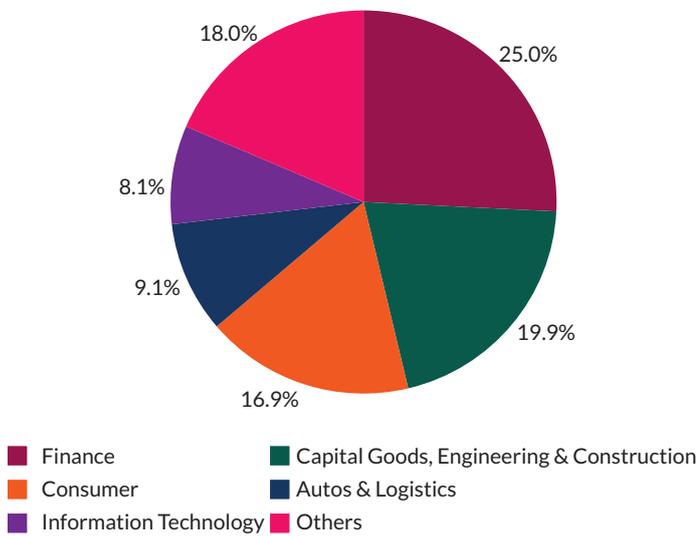
Portfolio Positioning

For the month, we added ITC Hotels, as its owned portfolio remains luxury-focused and is well positioned to benefit from higher demand in the segment, driven by increased corporate travel and discretionary spending, alongside slower supply additions (8% versus the industry average of 9%). Growth in Average Room Rate (ARR) is expected to support double-digit growth in Revenue per Available Room (RevPAR). We also added Kaynes Technology, given its niche positioning in the low-volume, high-value EMS space. During the month, we exited Polycap India Limited, as upcoming capacity additions by new entrants could lead to margin pressures over the medium term.

Top 10 Holdings



Sector Mix



Risk Ratios

Beta	0.92
Standard deviation	11.3%
Sharpe ratio	0.44

All risk ratios are calculated on a 3 year basis.

Month on Month Performance

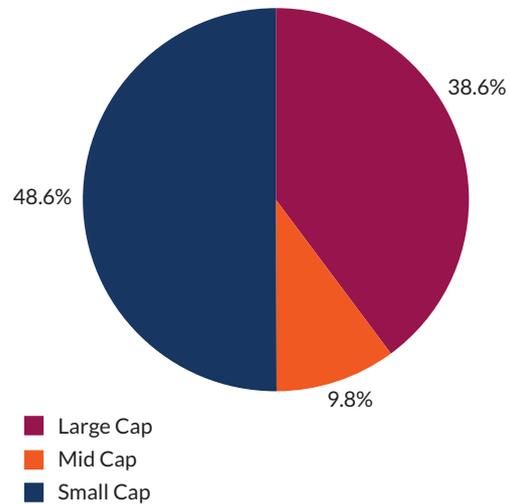
Period	Axis Brand Equity Portfolio	NIFTY 50 TRI (Primary Benchmark)	NIFTY 500 Multicap 50:25:25 (Secondary Benchmark)
Dec-25	-2.06	-0.28	-0.29
Nov-25	-0.19	1.92	0.33
Oct-25	3.35	4.62	4.31
Sep-25	0.10	0.77	1.24
Aug-25	-3.33	-1.21	-2.24
Jul-25	-0.80	-2.77	-2.95
Jun-25	2.72	3.37	4.18
May-25	6.15	1.92	5.09
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

Source: Axis Internal Research

Holding Analysis

Parameters	Portfolio
No. of Stocks	33
Top 5 Stock Holding	24.5%
Top 10 Stock Holding	44.3%
Top 3 Sectors	61.8%

Market Cap Mix



Attribution

Top contributors	Top detractors
Granules India Limited	Eternal Limited
PNB Housing Finance Limited	BSE Ltd.
EPL Limited	APAR Industries Limited

Performance (As on 31st December 2025)

Period	Axis Brand Equity Portfolio	NIFTY 50 TRI (Primary Benchmark)	NIFTY 500 Multicap 50:25:25 (Secondary Benchmark)
1 month	-2.06	-0.28	-0.29
3 month	1.04	6.33	4.34
6 month	-3.01	2.92	0.22
1 year	-1.41	11.88	5.29
2 year	4.22	10.97	12.10
3 year	10.62	14.32	18.89
4 year	8.4	12.1	14.66
5 year	11.23	14.68	19.43
Since inception*	10.64	14.65	15.95

*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 December 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 December 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. The secondary benchmark was introduced from 11th August 2025.

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.