ALTERNATES_

by AXIS ASSET MANAGEMENT

Axis Brand Equity Portfolio

As on 31st August 2026

Investment Manager

Axis Asset Management Company Limited
Portfolio Manager - INP000003534

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	₹801 crores
Avg Market Capitalization	₹1,17,761 crores
Performance Reporting Structure	Weighted Rate of Return (TWRR)
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

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.

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

Market Commentary

Indian equity markets delivered muted returns in August amid rising crude oil prices and heightened geopolitical tensions, with broader markets outperforming large caps. The BSE Sensex and Nifty 50 declined 1.5% and 1.2%. The broader market outperformed, with mid-cap and small-cap indices gaining 2.1% and 3.1% respectively. Sector performance was mixed, as FMCG and power lagged while capital goods and metals posted gains.

Foreign institutional investors were net buyers during the month, infusing US$3 bn in equities and providing an additional boost to market sentiment despite ongoing concerns around crude oil prices and geopolitical developments. Domestic institutional investors poured in US$ 6.1 bn in August.

Key domestic developments included changes to the derivative market closing-price mechanism, the RBI maintaining policy rates, government initiatives worth US 130 bn to support infrastructure and address inflationary pressures following sharp rise in sugar prices and measures by the US government to encourage long-duration government bond issuance.

The earnings season concluded on a strong note, with healthy year-on-year earnings growth and nearly 60% of companies reporting profit surprises, led largely by commodities and financials. More importantly, demand trends remained robust across financials, consumer, pharma, industrials and textiles. Industrials and capital goods continue to benefit from a broad-based capex cycle spanning power, transmission & distribution, data centres, infrastructure and manufacturing.

The bigger concern, however, is margins rather than growth. Banks continue to face pressure on net interest margins due to higher funding costs, while consumer and industrial companies are grappling with rising input costs and limited ability to fully pass these through. As a result, the key earnings debate for the remainder of FY27 is likely to centre on the pace and extent of margin recovery, which will be influenced by commodity price trends and the evolving global backdrop.

West Asia continues to be the key global macro risk, keeping oil prices, energy costs and supply chain uncertainties elevated. At the same time, a more hawkish US rate environment has pushed bond yields and the US dollar higher, tightening global financial conditions. Meanwhile, the AI investment cycle remains a powerful structural theme, although investors are becoming more selective, favouring clear beneficiaries over companies pursuing aggressive capex without visible monetisation. As a result, oil prices, interest rates, global liquidity and the sustainability of AI-driven investments remain the key variables shaping market direction.

Nonetheless, domestic fundamentals are becoming increasingly supportive after a softer FY26. Economic activity indicators remain encouraging, with strong momentum in credit growth, healthy trends in housing and consumption, and sustained strength in power demand and investment activity. Inflation normalisation is expected to lift nominal GDP growth in FY27, creating a more favourable environment for businesses and household spending. The combination of improving liquidity, stronger economic activity and a more supportive nominal growth environment provides an important foundation for the next phase of the economic cycle.

India's premium vs world remains compressed, while premium vs EMs remains elevated after the correction in Taiwan and Korea. Looking ahead, we expect improving earnings momentum, relatively low valuation premiums and better FII/DII flows to support market returns despite rising equity supply and persistent global risks. At a domestic level, valuation dispersion across market caps remains elevated. While pockets of the mid- and small-cap universe continue to trade at rich valuations despite recent corrections, large caps offer a relatively more balanced risk-reward profile, supported by reasonable valuations, stronger earnings visibility and healthy balance sheets. That said, we do not view this as a large-cap-only market. Opportunities exist across market segments.

Market Outlook

Volatility was the name of the game during the month of August, with the Nifty 50 ending its two-month winning streak and declining 1.2% MoM to close at 24,080. Despite weakness in the benchmark indices, broader markets continued to demonstrate resilience, with the Nifty Midcap 100 and Nifty Smallcap 100 gaining 2.1% and 3.1%, respectively. This divergence in performance highlights the ongoing preference for earnings-driven opportunities outside the large-cap space, as mid- and small-cap stocks continued to outperform over the long term. Market sentiment was supported by sustained domestic liquidity and improving earnings visibility, even as geopolitical uncertainties, valuation concerns and FII positioning weighed on index heavyweights.

Macroeconomic conditions and liquidity remained benign during the month. Foreign investors remained net buyers for the second consecutive month, with inflows of USD 2.4 billion in August, while domestic institutional investors continued to provide strong support with inflows of USD 6.1 billion. However, India was among the weaker-performing global markets during the month, underperforming key markets such as Taiwan, China, Korea, Japan and the US. This reflected a combination of valuation sensitivity and investor preference for other emerging markets. Nevertheless, the return of FII inflows after an extended period of selling suggests that India's relative attractiveness is gradually improving as earnings growth broadens and valuation premiums moderate.

The corporate earnings season proved to be a positive catalyst for markets. The 1QFY27 earnings season concluded on a strong note, with broad-based earnings outperformance across most sectors. Financials, Metals, Automobiles and Oil & Gas (excluding OMCs) led earnings growth, while sectors such as Chemicals, Textiles and Real Estate also delivered encouraging results. The improving breadth of earnings growth is particularly significant, as it indicates that profit expansion is becoming more diversified across the economy rather than being concentrated in a handful of sectors.

The Nifty currently trades at around 18.4x one-year forward earnings, representing a 12% discount to its long-term average valuation. However, future market re-rating is likely to be driven more by earnings growth than by valuation expansion. While headline valuations have moderated, nearly two-thirds of sectors continue to trade above their historical averages, particularly Healthcare, Capital Goods, Automobiles, Metals and PSU Banks. In contrast, Consumer, Private Banks, IT, Retail and Real Estate trade at discounts to their long-term valuation averages, creating selective opportunities beyond momentum-driven segments.

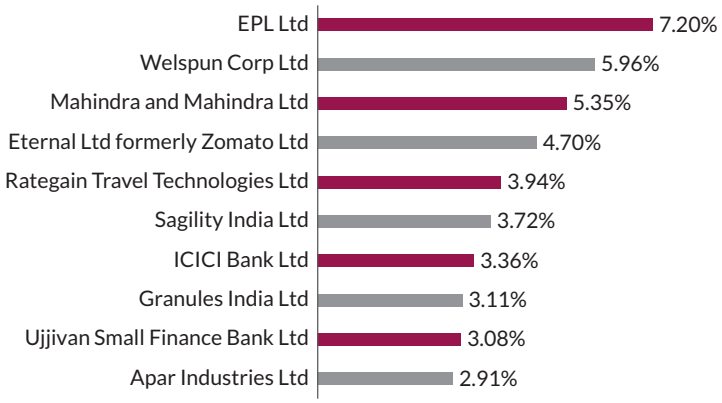
Overall, we remain constructive on Indian equities over the medium term. The combination of improving earnings growth, strengthening foreign investor participation, resilient domestic liquidity and reasonable benchmark valuations enhances the market's risk-reward profile. We continue to prefer businesses with strong earnings visibility, healthy balance sheets and structural growth drivers.

Portfolio Positioning

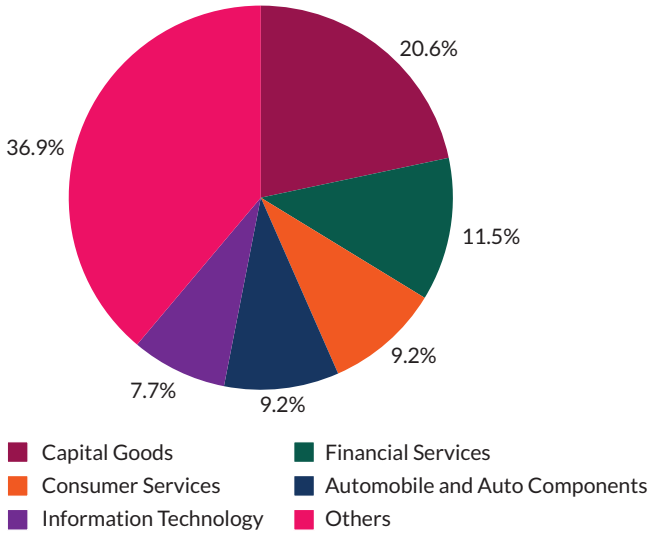
For the month we exited Maruti, as while the company continues to execute well operationally, its market leadership is increasingly being challenged by stronger growth from SUV-focused peers. In addition, the stock's performance has lagged its peers, while near-term margin pressures are likely to weigh on earnings growth.

Source: Axis Internal Research

Top 10 Holdings



Sector Mix



Risk Ratios

Beta	0.98
Standard deviation	13.0%
Sharpe ratio	0.23

All risk ratios are calculated on a 3 year basis.

Month on Month Performance

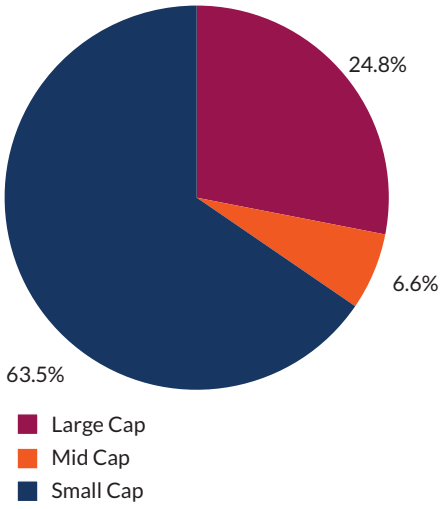
Period	Axis Brand Equity Portfolio	NIFTY 50 TRI *(Primary Benchmark)*	NIFTY 500 Multicap 50:25:25 *(Secondary Benchmark)*
Aug-26	2.61	-1.14	0.66
Jul-26	2.39	2.36	2
Jun-26	5.63	1.67	2.08
May-26	0.18	-1.72	0.6
Apr-26	15.14	7.49	12.03
Mar-26	-10.71	-11.3	-11.09
Feb-26	-0.71	-0.51	0.67
Jan-26	-5.21	-3.04	-3.7
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

Source: Axis Internal Research

Holding Analysis

Parameters	Portfolio
No. of Stocks	41
Top 5 Stock Holding	27.2%
Top 10 Stock Holding	43.3%
Top 3 Sectors	41.2%

Market Cap Mix



Attribution

Top contributors	Top detractors
Welspun Corp Limited	Varun Beverages Ltd.
EPL Limited	Senco Gold Limited
APAR Industries Limited	P N Gadgil Jewellers Limited

The Attribution has been done against the secondary benchmark, i.e., NIFTY 500 Multicap 50:25:25.

Performance *(As on 31st August 2026)*

Period	Axis Brand Equity Portfolio	NIFTY 50 TRI *(Primary Benchmark)*	NIFTY 500 Multicap 50:25:25 *(Secondary Benchmark)*
1 month	2.61	-1.14	0.66
3 month	10.97	2.89	4.81
6 month	14.3	-3.6	5.02
1 year	8.8	-0.35	7.56
2 year	-1.53	-1.19	1.07
3 year	8.2	9	13.98
4 year	10.42	9.13	14.70
5 year	8.47	8.32	13.21
7 year	12.94	13.11	18.59
Since inception*	10.71	12.71	14.98

**Inception Date: 27th January 2017*

Key Team Members

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.

Mr Naveen Kulkarni - CIO – PMS and Listed Equity Alternatives

Naveen joined Axis AMC as Chief Investment Officer (CIO) – PMS and Listed Equity Alternatives, where he will be responsible for steering investment policy, driving product innovation, and leading strategic growth for the business.

Naveen brings over 23 years of extensive experience in Fund Management, Equity Research, and Capital Markets. Prior to this role, he served as the CIO for Axis Securities PMS, scaling the PMS business from `70 crores to over `5,000 crores, while contributing to the research and advisory functions to build unique product offerings. Before his successful tenure at Axis Securities, Naveen served as the Head of Research at Reliance Securities and spent over a decade as the Co-Head of Research at Phillip Capital India. In his research analyst career, he has been consistently voted among the top research analysts for the Telecom, Consumer, and Strategy sectors in global surveys, including Asia Money and Institutional Investor.

Educational Qualification: BE (Electrical Engineering); MBA from International Management Institute (IMI), New Delhi; Chartered Financial Analyst (CFA) Charterholder; Financial Risk Manager (FRM) Certified.

Ranju Rajan - Head - Managed Accounts

Ranju joined Axis AMC as Head – Managed Accounts across PMS and listed AIF strategies, overseeing a wide spectrum of investment solutions designed to meet evolving investor needs.

His expertise spans capital markets, investment strategy, distribution and customer experience. Prior to his current role, he served as Head – Managed Accounts at Axis Securities, Product Head – NDPMS at Axis Bank, and has held senior positions at ICICI Securities, Narnolia, Sundaram Finance and Dawnay Day AV Financial Services.

Educational Qualification: Bachelor's degree from St. Xavier's College Kolkata and a PGDM/MBA in International Business from Jain Group of Institutions. He is also a Certified Portfolio Manager (Distribution), a Certified AIF Category III Fund Manager and a Six Sigma Green Belt professional.

DISCLAIMER:

The above returns are calculated on a consolidated Time Weighted Rate of Return (TWRR) basis and are as on 31st August 2026. 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 2026. The portfolio data mentioned above is general representation of client holdings and data of an individual client may vary significantly depending on time of entry in portfolio. 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.

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#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 based on AMFI Classification of sectors.