Spark Capital
Private Wealth Management

India Investment Strategy

August 2026

The Great Moderation Era slowly giving way to the Temperamental Era

INDEX

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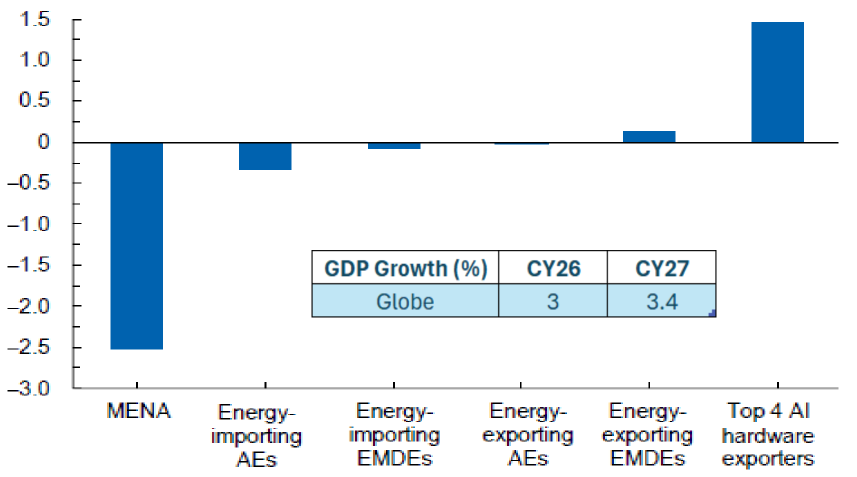
Private Wealth Management

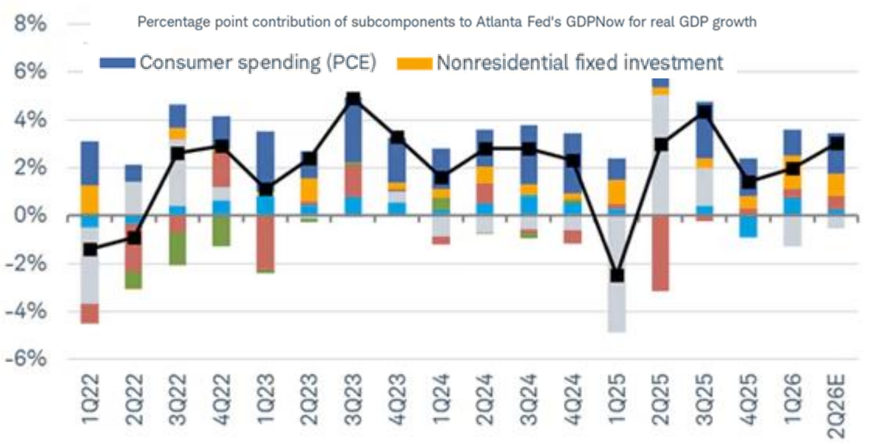
External Cues – Global Growth: Back to March - Navigating Wars, Tech Spends & Tariffs

Global growth has remained more resilient than feared. While the CY26 global GDP forecast remains broadly unchanged at ~3%, this masks increasing regional divergence. Economies integrated into the AI ecosystem continue to see upgrades, while non-AI and energy-importing economies face a growing drag.

1 Higher AI capex cushions impact of geopolitical tensions



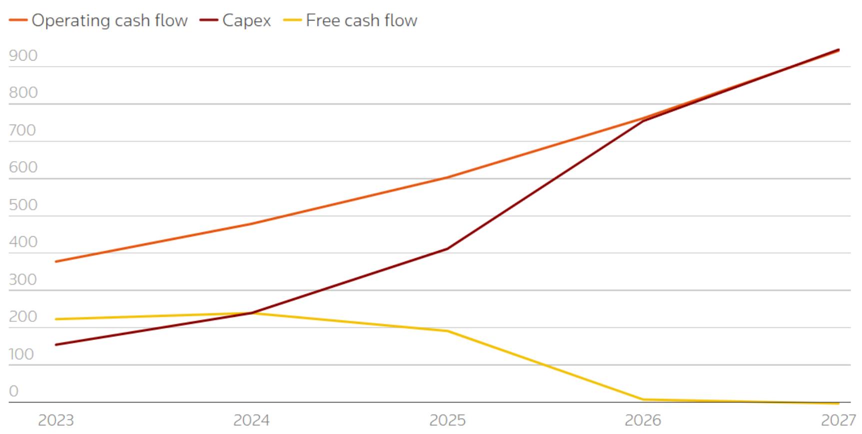
2 AI spends & resilient consumer demand underpin US growth



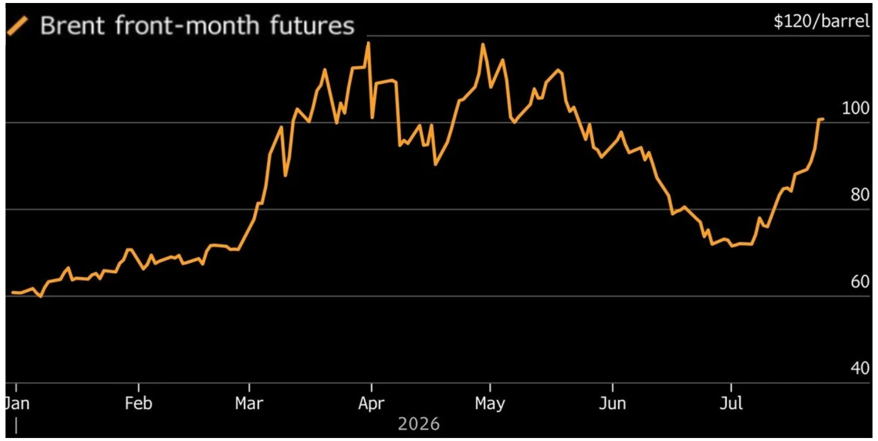
US GDP growth seen @ ~2.5%, supported by healthy consumer spending, aided by higher tax refunds despite higher energy costs. Looking ahead, AI-led capital expenditure is expected to remain the principal driver of growth, even as energy prices and mixed labour market conditions remain a worry

AI investment is fundamentally reshaping technology business models and valuations. However, recent quarterly results have also highlighted rising AI-related cash burn, while attempts to monetise surplus compute amid rapid progress in lower-cost Chinese LLMs have raised questions around the sustainability of future cash flows.

3 ...even as rising AI capex pressures free cash flows



4 US-Iran war escalates ; trade tensions return



Brent crude has rebounded nearly 40% from its June lows as the Middle East ceasefire proved short-lived. That said, 6M Brent futures prices continue to trade in the USD 80 - 85/ bbl range. Asides, US has announced fresh tariffs of 10–12.5% on 80 countries from July 2026 through an alternative legal route after the US Supreme Court struck down the earlier tariff framework.

Source : Bloomberg, IMF (Top 4 AI hardware exporters are Korea, Malaysia, Taiwan Province of China, and Thailand), Reuters

External Cues – Global Growth

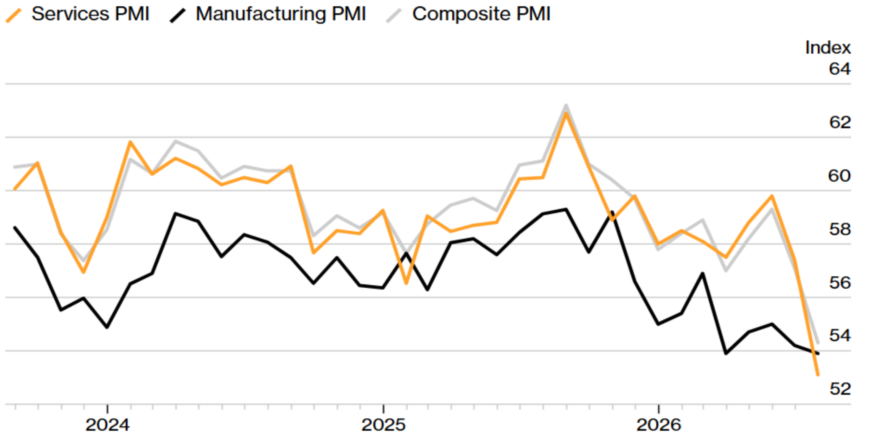
Facts	▪ **Global growth remains resilient**, with CY26 GDP expected at ~3%. AI-led investment, business confidence and wealth effects have largely cushioned the impact of higher energy prices. However, growth is expected to moderate into H2CY26 as elevated energy costs and a softer US labour market weigh on consumption. ▪ **China's growth slowed to 4.3% in Q2CY26**, the weakest in three years, but the economy remains sharply bifurcated. AI-led exports (25%) and industrial production (5%) remain robust, while domestic consumption and housing continue to weaken. China's expanding trade surplus (USD 125bn in Jun'26) also has important implications for the CNY and global trade flows. ▪ **Strong Corporate earnings.** S&P 500 earnings are expected to grow ~26% in Q2CY26, with growth broadening beyond the hyperscalers as S&P 493 companies are expected to deliver ~22% earnings growth & despite rising scrutiny around AI returns. European and Japanese companies are expected to report ~12% earnings growth, while Emerging Markets — led by Korea and Taiwan — are expected to deliver ~60% y/y growth in Q2.
Assessment	▪ **Global macro resilience is being supported by three pillars** — AI-led capex, resilient US demand and strong corporate earnings — which continue to offset the drag from geopolitical tensions, tariffs and higher bond yields. However, this resilience is becoming increasingly narrow and vulnerable to any disappointment in the AI investment cycle. ▪ **The re-escalation of conflict in the Gulf**, coupled with renewed tensions across alternative shipping routes, has not only pushed crude oil prices higher but also revived concerns of a prolonged, low-intensity regional conflict (similar to Russia–Ukraine), with significant implications for energy prices and global growth, particularly in Europe and Asia. Expectations of an early resolution continue to fade, while anecdotal evidence suggests that higher energy costs have largely offset the benefits of recent US tax refunds, potentially increasing political risks for the ruling Republican Party ahead of the November 2026 mid-term elections. ▪ **The latest round of US tariffs has been broadly in line with** expectations and is expected to raise the average effective US tariff rate by ~10 bps to 10.7%. While the immediate macroeconomic impact is likely to be limited, it reintroduces tariff-related policy uncertainty after a 3-month hiatus potentially weighing on corporate sentiment, capital expenditure and global trade.
Implication	▪ **Global growth is likely to mildly moderate through H2CY26**, as geopolitical tensions and tariffs offset part of the AI-led tailwind. Much of the optimism around AI now appears embedded in market expectations. But no recession risks seen. With the recent ceasefire proving short-lived, energy prices are likely to remain elevated and range-bound in the near term, even if there are intermittent geopolitical de-escalations. ▪ The AI-capex trade is likely to face increasing scrutiny as materially cheaper frontier AI models — particularly from China — reshape the economics of AI. For example, on a like-for-like basis, Kimi K3's per-task cost is estimated at roughly 50% of Anthropic's Claude, shifting investor focus from the scale of AI investment towards monetisation, capital efficiency and sustainable returns on AI capex. The AI trade appears to be undergoing a regime shift - Markets are increasingly penalising companies announcing higher AI capex, reflecting a shift in focus from AI investment to AI monetisation, capital discipline and return on invested capital
Risks	× **DXY near a one-year high**, alongside elevated global bond yields, remains a clear headwind for EMs, including India. × Further **escalation in the US–Iran conflict** could drive crude back to USD 110–120/bbl. × Slowdown in AI capex could significantly slow US growth & further slow Chinese growth that has been significantly led by AI-exports

The balance of global macro risks is becoming increasingly delicately poised. Through H2CY26, the focus is likely to shift towards broadening growth impulses, evidence of AI monetisation, energy prices and geo-political developments.

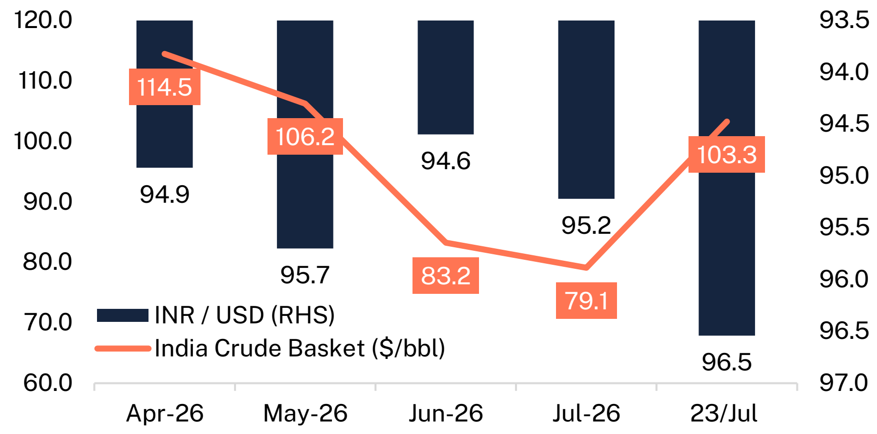
Local Cues – Growth: Higher crude prices weigh but medium term outlook improves

The recovery witnessed in Jun'26 has cooled with the recent spike in crude prices weighing on urban discretionary demand, leading to moderation in services activity. Manufacturing has remained relatively resilient, supported by an improvement in export orders.

1 Domestic demand softens; exports support manufacturing



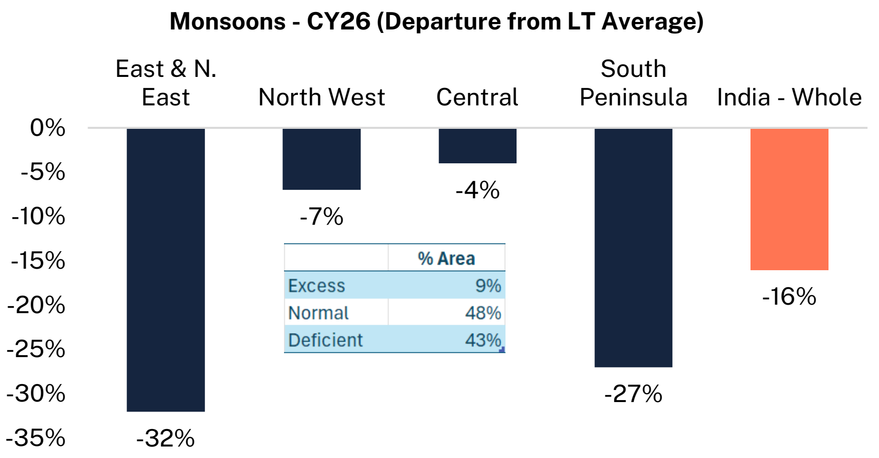
2 Crude rebounds; INR comes under renewed pressure



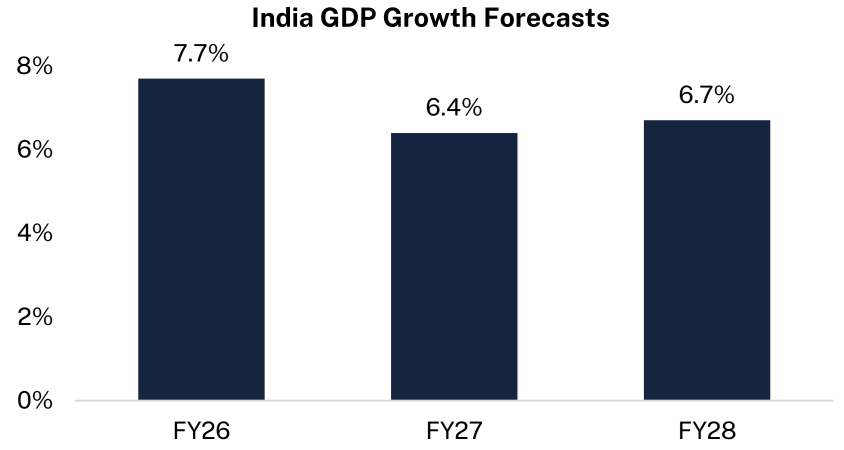
The recent spike in global crude prices has reversed the temporary relief witnessed in Jun'26, increasing India's import bill and exerting renewed pressure on the INR. The threshold for India's macro stability continues to remain around an average crude price of ~USD 85/bbl, even as long term (into CY27) crude price expectations remain at USD 80 – 85 / bbl.

Although India continues to face a monsoon deficit as of end-Jul'26, the recent formation of an extensive rain band (approximately 10,000 km across the Himalayas, China and South Korea) points to one of the strongest phases of the CY26 southwest monsoon, improving the prospects for seasonal rainfall following a weak and uneven start.

3 Weak monsoon start; rainfall outlook improving



4 Energy price volatility impacting FY27 GDP growth



Consensus expectations continue to point towards mildly lower real GDP growth in FY27 by approximately 100–125 bps versus FY26 – largely attributable to high & volatile crude prices.

Nominal GDP growth, however, is likely to be better (~10.5 – 11%), supported by relatively higher inflation – boding well for corporate earnings

Source : Moneycontrol, PPAC.in, HSBC, Bloomberg,

Local Cues – Growth

Facts

- The sharp recovery in economic momentum witnessed in **Jun'26 moderated in Jul'26** as energy prices spiked weighing on the INR and broader business sentiment as reflected in flash PMI data. However, auto retail sales for July'26 rose ~29% y/y, bank credit growth rose by a whopping 18% - largely driven by corporate credit (signalling a revival in pvt. Capex) , exports rose (particularly capital goods exports), power demand remained robust etc. offering confidence that a broader cyclical turn is likely underway despite some hiccups
- Uneven monsoon conditions affected Kharif sowing, with area coverage still **~6–8% below** year-ago levels. Importantly, sowing of key food crops such as pulses remains **~16% lower**, with potential implications for procurement and imports of these items during the year.
- The Government has undertaken a **mega import-substitution programme** aimed at reducing external vulnerabilities and strengthening domestic supply chains by targeting **USD 190bn of imports across 1,272 products** spanning chemicals, electronics and machinery. **The initiative, headed by former RBI Governor Shaktikanta Das,** also includes an additional **USD 20bn allocation towards semiconductor manufacturing**, alongside incentives to promote domestic fertiliser production.

Assessment

- While elevated crude prices are likely to remain a near-term headwind, domestic economic momentum is expected to improve into **2HFY27**, supported by festive demand, relatively stable domestic financial conditions and hopefully better than feared monsoon outcomes. The accelerated pursuit of FTAs with major global economies is expected to strengthen India's long-term competitiveness. In this context, India has already been placed in the **lower US tariff slab of 10% versus 12.5% for China**, while the much-awaited **India–US trade agreement** is widely expected to be concluded over the next **3–4 months**.
- On the external front, RBI measures to encourage USD inflows through **FCNR-B and ECB** have already resulted in inflows of approximately **USD 40bn+* -** higher than the total collections in 2013 setting up the stage for a fairly meaningful bounty @ **USD 70 – 80 bn by Sep'26.** That said, medium-term concerns around INR depreciation remain relevant as the USD continues to strengthen. Interestingly, RBI appears to have utilised a large part of these inflows to reduce its short USD positions rather than materially augment forex reserves, that have remained largely steady during this period.

Implication

- Pressure on operating margins is likely to become more evident through **2HFY27** as raw material cost pressures continue to persist. This is already visible in the pace of output price increases during Jul'26 — the strongest in three months — driven primarily by higher raw material and wage costs. Although the **INR REER** has recovered modestly from the decadal lows recorded in May'26, it is expected to remain close to these levels. Together with targeted policy support and improving competitiveness relative to China, this should remain supportive for exports. For instance, India has emerged as the **world's fourth-largest toy exporter**, compared with being a net importer until 2021.
- The key drivers of medium-term growth are likely to emerge from relatively smaller but strategically important sectors, including **technology manufacturing, the datacentre and AI ecosystem, exports (particularly textiles and speciality chemicals), defence, aerospace, and energy security/transition**. In the near term, an improving monsoon outlook relative to earlier concerns around a significant El Niño could also support rural demand conditions during FY27. While the AI trade may be abating at the margin globally, this may not necessarily translate into a constructive outlook for India that remains contingent on a structural revival earnings cycle.

Risks

- ✕ Crude prices remain elevated through the rest of FY27 (**>USD 90–100/bbl**).
- ✕ The recent improvement in monsoon activity loses momentum.
- ✕ Further appreciation in the US Dollar
- ✕ Setbacks in the proposed **India–US trade agreement**.

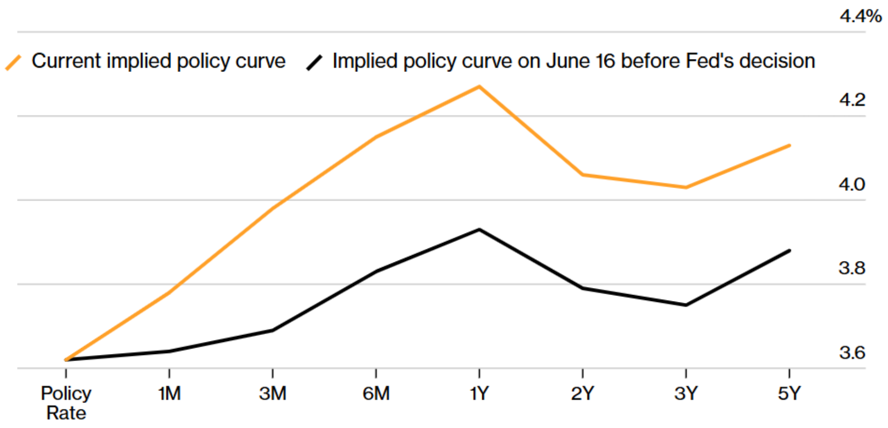
India's near-term growth headwinds remain predominantly external — driven by geopolitics, higher crude prices and climate disruptions — but they are being amplified by persistent structural vulnerabilities. Recent instances of social unrest further underscore the urgency of accelerating reforms across key sectors (education, judiciary etc.) The next 2 quarters present a critical policy window to address these challenges; without sustained reforms, the current cyclical recovery risks fading beyond the next 2–3 quarters

Source : Moneycontrol | Bloomberg

Inflation & Interest Rates – Global: War Delays Policy Pivot; Bond Markets Reprice Higher

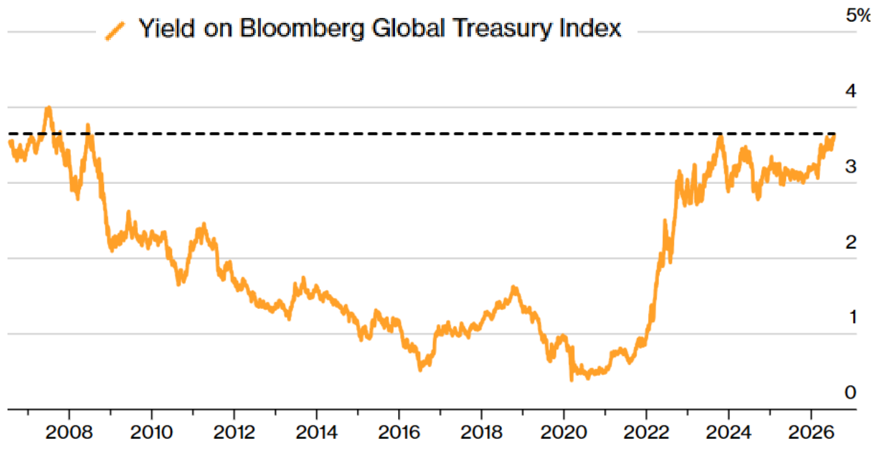
1 **US Fed rate hikes are coming in the next 2 quarters**

Markets expect US Fed to hike rates into 2H-CY26. but are increasingly worried about their ability to curtain inflation within the 2% target



2 **Global Bond Yields Are Surging to GFC highs**

Higher energy prices, tighter monetary policy rising global debt levels and dwindling monetary policy credibility are driving a broad-based repricing of global bond yields across the curve – esp. over the longer end



Facts

- US CPI inflation fell in Jun'26 for the first time post COVID – driven the sharp fall in crude prices which has subsequently reversed – **core inflation remained unchanged** suggesting that underlying price pressures continue to persist.
- While the Fed Chair had earlier indicated zero tolerance for above target inflation, the **absence of credible follow through actions** have resulted in US treasury yields surging to 20-yr highs. For now, markets expect 1 - 2 hikes by the Fed in CY26.
- The ECB remained on hold in Jul'26 amid geopolitical uncertainty but is expected to resume tightening in Sep'26, while the BoJ is expected to continue gradual policy normalisation into Dec'26.

Assessment

- While weaker crude prices could soften headline inflation, **sticky core inflation** and **AI-led demand** for chips, software and technology continue to sustain underlying price pressures.
- It appears that the **new Fed Chair is allowing bond markets lead policy action**– this eventually could force the Fed to react (i.e. hike rates) but it does not bode well for the US Fed's inflation fighting credibility and is potentially negative for the USD.
- Major central banks are converging towards a common inflation-control stance. Several EM central banks that have been hitherto been hiking rates—including South Africa and Indonesia seemed to have temporarily paused their tightening cycles amidst heightened geopolitical risks

Implication

- Sharp rise in bond yields & flow reversal is a threat to EM assets including India
- Restrictive monetary policy is a near-term headwind for gold, although continued central bank buying remains a key structural support. Mid-2026 gold forecasts have been revised lower by GS($4,900), HSBC ($4,560) and J.P. Morgan ($4,500).

Risks

- ✕ Disorderly rise in global bond yields (30-year UST now above **5.2%**).
- ✕ Inflation remains stickier than expected, forcing additional policy tightening.
- ✕ Deeper cracks emerge in the AI-led investment cycle, particularly in private credit.

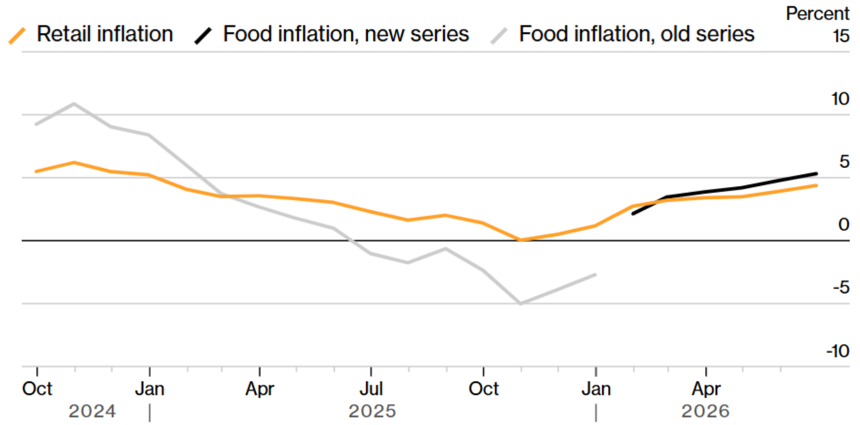
Global central banks are prioritising inflation control over growth. While the pace of tightening may vary, persistent inflation and geopolitical risks have materially raised the bar for policy easing, reinforcing a prolonged period of restrictive global financial conditions.

Source : Bloomberg

Inflation & Interest Rates – Local: War keep policy rates on pause, but bond yields harden

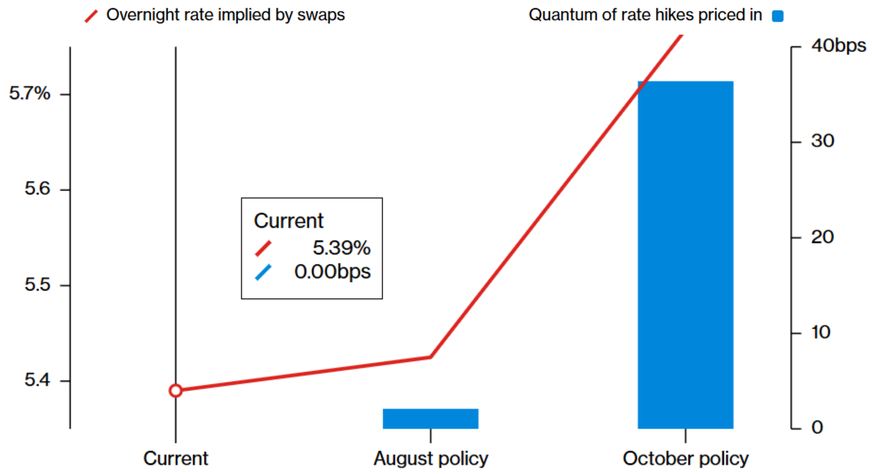
1 **Headline retail inflation exceeds the 4% policy target**

Food prices, which account for nearly half of the CPI basket, rose ~5.3% in Jun'26 and were the primary driver of the latest inflation spike.



2 **RBI expected to hike rates in Q3FY27**

While markets do not expect any policy action in Aug'26, an Oct'26 rate hike is increasingly being priced in



Facts

- Retail CPI inflation accelerated to **4.4% in Jun'26** from **3.9% in May'26**, driven by a sharp rise in food prices and the pass-through of higher fuel prices. Banking system liquidity tightened towards end-Jul'26, reflecting strong credit growth, RBI forex intervention and elevated Government cash balances. Short-term T-bill yields rose **10–20 bps**, while CD yields remained stable, supported by expectations of sustained FCNR(B) and ECB inflows over the next two months.

Assessment

- If crude prices remain elevated (**above USD 100/bbl**), further retail inflation pressures are likely. While FY27 average inflation is currently projected at **5.0–5.2%**, upside risks remain, particularly from the monsoon and food prices.
- Although the RBI Governor has indicated that rate hikes would be considered only if price pressures broaden, markets are pricing **at least 50 bps** of hikes beginning **Oct'26**. For now, a policy pause in Aug'26 appears the most likely outcome.
- Long-term bond yields have risen **~10 bps**, reflecting expectations of higher inflation following the crude price spike & the move higher in global bond yields. Nevertheless, FII inflows into Indian bonds remained positive at **USD 700 M** in Jul'26, albeit lower than Jun'26.

Implication

- Short-term yields may be supported by expected FCNR(B) and ECB inflows, while long-term bond yields stay vulnerable to higher crude and global yield movements.
- Although the RBI is likely to remain on hold in Aug'26, the **rate trajectory into 2HFY27 appears biased upwards & remain heavily dependent on crude prices.**

Risks

- × FCNR(B) and ECB inflows fall short of expectations
- × A sharp rise in global bond yields, the US Dollar or crude prices reduces RBI policy flexibility and exerts upward pressure on domestic rates.
- × A stronger-than-expected El Niño triggers a sharper increase in food inflation.

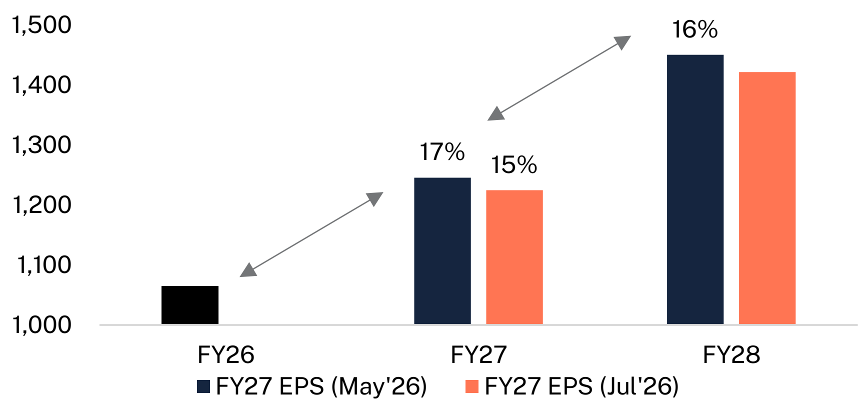
The current policy pause appears tactical - Inflation risks and the global rates backdrop continue to tilt the RBI's policy bias towards higher rates into CY27.

Source : Bloomberg, Reuters

Valuation & Earnings: Valuation support remains limited; earnings must now deliver

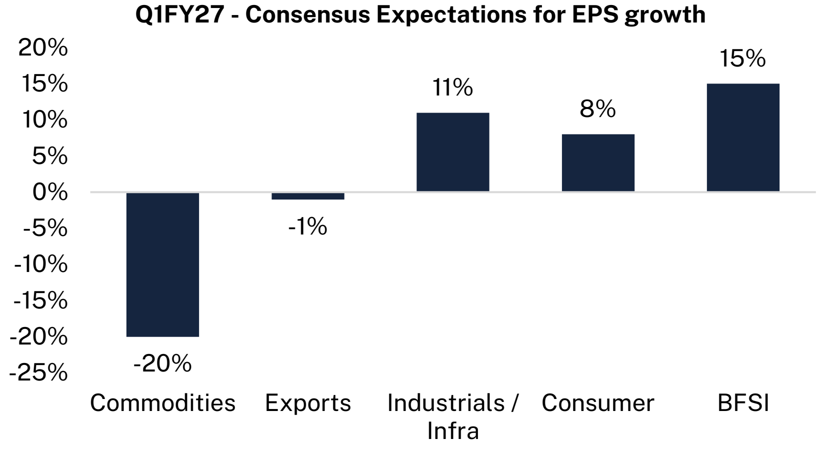
1 **Consensus* earnings growth expectations for Nifty @ 15% - at risk ?**

Earnings growth expectations for Nifty in FY27 currently remain robust – albeit some minor cuts owing to elevated energy prices



2 **Divergence in Earnings Outcomes**

Domestic-facing sectors are expected to remain the key earnings drivers. Within exporters, IT remains relatively better placed due to INR depreciation, while OMCs continue to be the principal drag within commodities.



Facts

- **Small-caps** expected to deliver the **strongest PAT growth in Q1FY27**, supported by a favourable base and led by financials. **Mid-caps** are likely to remain relatively subdued as OMC losses offset the benefits of higher crude prices.
- The early **Q1FY27** earnings season (**156 companies**) has been encouraging, with **net profit up 19% YoY** and **revenues up ~18% YoY**, led by cyclical sectors including **banks, Reliance and metals**.
- Sectorally, **Telecom, Metals, NBFCs, Banks** are expected to lead earnings growth, while **O&G, Autos, Healthcare and Cement** remain areas of weakness.

Assessment

- While top-line growth across sectors is expected to remain healthy in **1HFY27**, sustaining revenue momentum into **2HFY27** will be critical as the benefits of FY26 tax cuts fade. Incremental earnings growth is increasingly expected to come from sectors with relatively lower representation in benchmark indices—particularly **mid- and small-cap companies**—with important implications for portfolio positioning.
- Post the **40% underperformance vs MSCI EM (Sep'24–Jul'26)**, India's valuation premium has compressed to **~20%**, well below its long-term average of **~70%**.

Implication

- Consensus expects **Q1FY27 EPS growth of ~10% y/y** versus **~15% for FY27**, implying demanding earnings growth for the balance of the year (**>20%**) and therefore an elevated risk of EPS downgrades.
- However, a renewed ceasefire, easing crude prices and a better-than-expected monsoon could support selective earnings upgrades. Markets will remain **sector- and stock-specific**, with performance driven more by earnings delivery than broad macro developments.

Risks

- ✕ Q1FY27 management commentary fails to reinforce confidence in the expected FY27 earnings recovery.
- ✕ Weak monsoons and sustained higher crude prices further pressure earnings and margins.

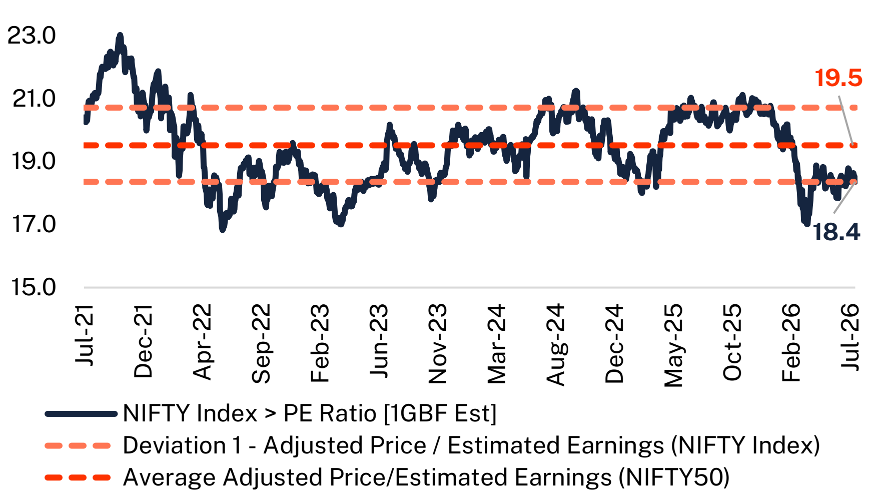
The valuation reset has improved but not eliminated valuation risk. Sustaining earnings growth into 2HFY27 will be essential, with incremental earnings increasingly expected from under-owned sectors and mid-/small-cap pockets rather than index heavyweights.

Source : Internal, Newspapers, AMCs, X

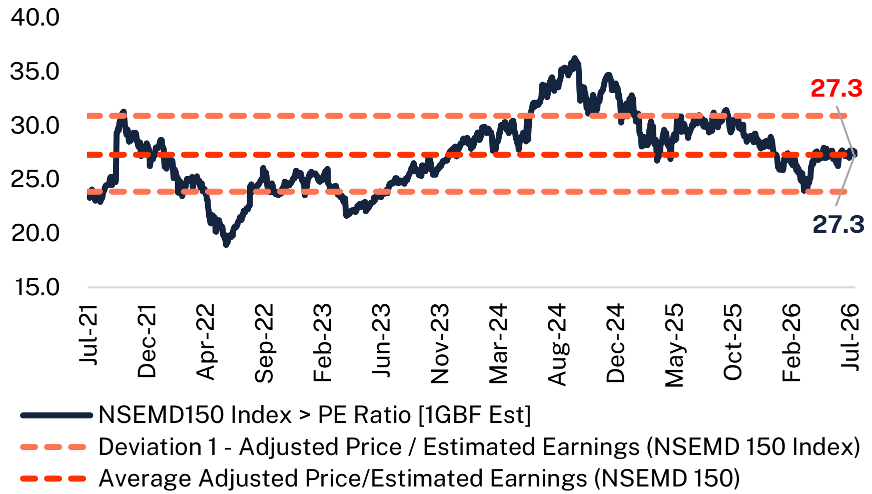
Decoding Valuations

Large-cap valuations are near their -1SD forward P/E levels, offering relatively attractive valuations. Midcaps are trading around their 5-year average, whereas Smallcaps continue to trade near the +1SD valuation band, warranting caution.

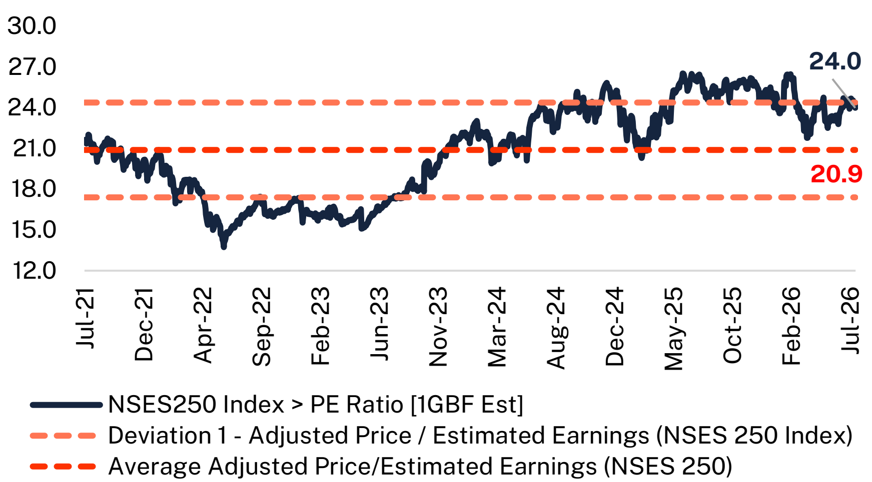
Nifty 50



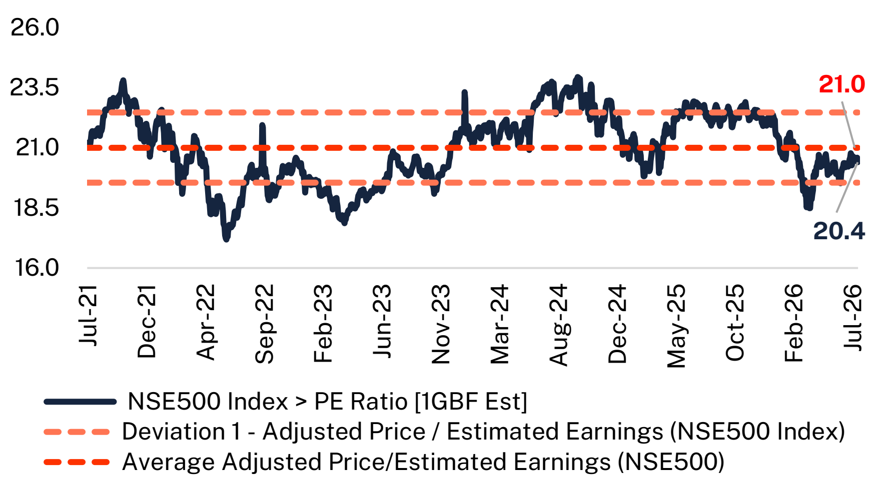
Nifty Midcap 150



Nifty Smallcap 250



Nifty 500



Large Caps: Large-cap valuations (Nifty 50) are trading near their **-1SD forward P/E** levels, offering relatively attractive valuations.

SMID Caps: Mid-cap valuations are around their **5-year average**, while small-caps continue to trade near the **+1SD valuation band**, warranting a selective approach.

While the near-term environment remains challenging amid ongoing uncertainty arising from the West Asia crisis, such periods of volatility often create attractive opportunities to accumulate high-quality businesses at reasonable valuations.

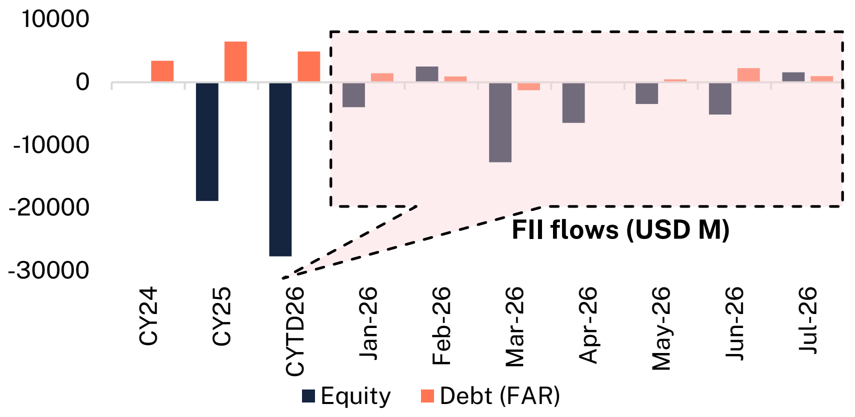
We believe companies with strong fundamentals, resilient balance sheets and sustainable long-term growth drivers remain well positioned to compound value over the medium to long term despite short-term market disruptions.

Source: Bloomberg, Spark PWM

Allocation of Capital: Domestic liquidity remains the anchor as FII sentiment stabilises

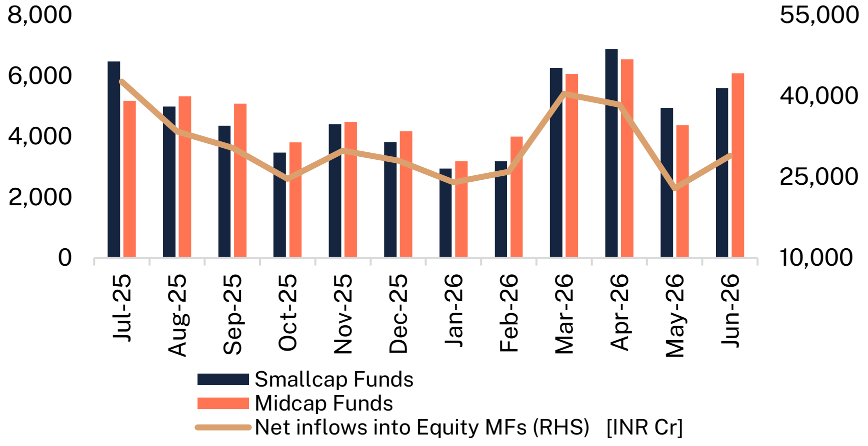
1 **FII Equity Flows Turn Marginally Positive; Debt Inflows Moderate**

Debt inflows have moderated versus Jun'26, while equity flows have turned modestly positive after four consecutive months of net outflows



2 **Domestic Equity Flows Rebound; SIP Momentum Remains Resilient**

Headline equity inflows recovered in Jun'26, with monthly SIP contributions rising to ~₹32,000 crore.



Facts

- FII flows into EMs remained negative in Jun'26 (-USD 18bn), albeit improving from **-USD 25bn in May'26**. Anecdotal evidence suggests equity flows into EMs turned modestly positive in **Jul'26**. FII outflows from Korea and Taiwan remain persistent and there are signs of roatational trade into ASEAN. Flows into India-dedicated funds have also stabilised, although they remain modest and largely confined to India ETFs. Notably, US-focused equity funds recorded **three consecutive weeks of redemptions** in Jul'26, indicating some loss of momentum following the SpaceX listing.
- Domestic MF inflows recovered after the sharp correction in May'26, led by **SMID funds**, which now account for **~40% of monthly equity inflows**.

Assessment

- Several prominent global institutions—including **HSBC, Jefferies and Goldman Sachs**—have turned **Neutral** on India (from Underweight earlier), supported by the revival in private capex, improving earnings expectations and a healthy IPO pipeline. However, this appears to be a **tactical** upgrade, partly reflecting concerns around the sustainability of the AI trade globally and seems hinged on India's role as an effective "AI hedge."
- Sectorally, FIIs have favoured **Consumer Services & Durables, Healthcare, Realty, Renewables, Industrial Manufacturing and Select Financials**, while **Autos, FMCG and Telecom** have continued to witness outflows.
- Equity cash balances across major AMCs declined to a **1.5-yr low in Jun'26**, reflecting higher deployment by large managers including **SBI, HDFC, PPFAS, Kotak and DSP**.

Implication

- Equity SIP stoppage ratios declined to **91% in Jun'26** from **101% in Mar'26**, alongside an increase in active SIP accounts. Counter-intuitively, this also highlights the extent to which recent return outcomes are influencing incremental retail investments, particularly as the **SMID index has recovered ~10% from its Mar'26 lows.**

Risks

- ✕ A strong resurgence in the global AI trade or weaker-than-expected earnings could reverse the nascent recovery in FII flows.
- ✕ A disruptive global risk-off episode could once again weigh on flows into India

Domestic flows continue to underpin the market, while FII flows are turning cautiously positive. Whether this marks a durable allocation shift will depend on meaningful and sustained earnings delivery

**Source : Bloomberg, Newspapers, ACE MF, IIF, Reuters*

Where the Money Is Moving: Sector-Wise FII Trends

FIIs were net buyers over the last fortnight, with strong inflows into Consumer Services, Metals & Mining and Healthcare, while Automobile & Auto Components, Capital Goods and Telecommunication witnessed the largest outflows.

Breakdown of Fortnightly FII Flows to Indian Equities by Sectors (INR Crs)

SECTOR / DATE	31-Jan	15-Feb	15-Mar	31-Mar	15-Apr	30-Apr	15-May	31-May	15-Jun	30-Jun	15-Jul
Automobile and Auto Components	(3,094)	511	(4,807)	(7,691)	(3,704)	(1,775)	(357)	(2,175)	(9,044)	(1,324)	(6,936)
Capital Goods	2,435	8,032	3,897	(749)	(328)	4,667	2,645	154	(2,586)	(1,442)	(2,657)
Chemicals	71	642	225	(457)	(266)	(121)	(700)	90	(773)	(514)	(114)
Construction	(1,077)	1,745	(2,975)	(6,179)	(1,273)	2,199	(991)	(220)	(603)	3,484	403
Construction Materials	(376)	378	(1,492)	(1,652)	(601)	(670)	(1,207)	(434)	(2,426)	(650)	1,574
Consumer Durables	(1,372)	(434)	(1,727)	(1,175)	(361)	441	(1,162)	(287)	(634)	2,564	2,384
Consumer Services	(3,561)	1,066	531	(2,672)	(5,336)	(2,434)	(365)	(1,630)	(1,852)	3,081	7,361
Diversified	5	(2)	-	(21)	5	3	33	(14)	(13)	7	29
Fast Moving Consumer Goods	(1,369)	(1,182)	(2,403)	(3,016)	(2,976)	(229)	(1,625)	(1,936)	(5,063)	(474)	(1,106)
Financial Services	(5,402)	6,175	(31,831)	(28,824)	(19,152)	(11,704)	(17,960)	(5,181)	(11,263)	14,634	1,975
Forest Materials	12	30	(4)	(13)	(19)	73	(41)	1	(12)	(12)	(11)
Healthcare	(5,113)	(1,051)	(2,436)	(2,202)	(4,481)	(2,445)	(418)	601	(4,501)	1,435	4,101
Information Technology	240	(10,956)	(1,263)	(611)	(1,325)	(2,887)	(1,643)	(268)	(6,733)	(733)	60
Media, Entertainment & Publication	(55)	134	(57)	40	(59)	(149)	(12)	(110)	(232)	(127)	(289)
Metals & Mining	8,837	3,279	876	(4,041)	(1,198)	2,416	1,698	4,999	(4,722)	(4,371)	5,993
Oil, Gas & Consumable Fuels	(391)	4,678	(2,932)	(1,197)	(3,352)	(3,351)	(6,885)	(2,093)	(10,488)	(2,789)	258
Power	(1,527)	3,272	602	(832)	601	4,956	(1,157)	476	(2,577)	(3,743)	(1,267)
Realty	(1,956)	786	(2,133)	(2,560)	(1,917)	(206)	(430)	30	(1,093)	1,893	2,072
Services	(384)	1,286	(1,275)	(1,300)	(591)	(362)	7,019	185	302	2,592	2,405
Telecommunication	(3,280)	(106)	(3,856)	(1,747)	(2,492)	(1,908)	(2,542)	2,127	373	(720)	(2,454)
Textiles	(99)	(67)	(177)	(142)	(50)	(48)	(112)	39	(146)	241	248
Utilities	24	(14)	(14)	3	4	(12)	(28)	(19)	7	216	119
Others	726	1,647	620	1,788	918	894	(683)	(212)	657	658	1,441
Total	**(16,707)**	**19,849**	**(52,632)**	**(65,250)**	**(47,951)**	**(12,651)**	**(26,923)**	**(5,873)**	**(63,422)**	**13,904**	**15,588**

Source: Bloomberg, NSDL, Securities & Exchange Board of India, Spark PWM
BSE has classified around 4800 number of issuers into 22 sectors. NSDL has decided to rely on the BSE classification. Any FPI investment outside those 4800 issuers, is classified under 'Others'.

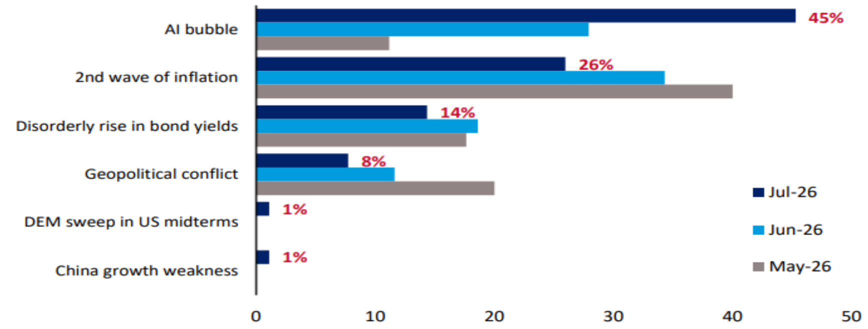
Trends & Sentiment: From an 'Anti-AI trade' to 'AI hedge'

1

AI trade unwinding concerns are slowly building up

The AI trade is now viewed as the largest global tail risk, overtaking concerns around inflation, rising bond yields and the US-Iran conflict

45% of FMS investors say AI bubble is the biggest tail risk
What do you consider the biggest tail risk?



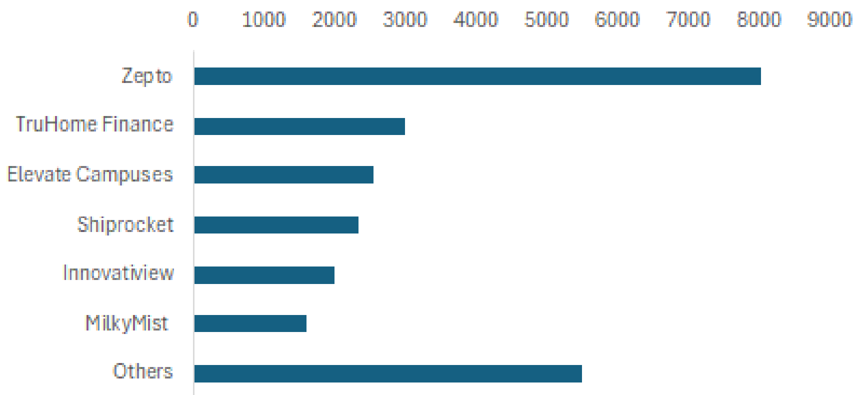
Source: BofA Global Fund Manager Survey

2

IPO Pipeline seen active in Aug'26 @ INR 25K across OFS/Primary

Indian companies are expected to raise nearly **USD 20 bn** through IPOs in 2026, including marquee listings such as **Jio, NSE and Razorpay**.

Planned IPO Mobilisation (Aug'26)



Facts

- Global sentiment remained mixed. While growth impulses remained positive, concerns around AI capex/ AI trade, rising bond yields and renewed US-Iran tensions continued to keep markets on edge.
- Domestic sentiment turned more cautious following the surge in crude oil prices and renewed INR concerns. Although the early Q1FY27 earnings season provided some reassurance, overall market sentiment remained fragile.

Assessment

- Recent developments suggest a clear improvement in sentiment towards Indian equities. This reflects both **absolute factors** — including valuation and time correction since Sep'24, constructive earnings expectations, a robust IPO pipeline and stronger nominal GDP growth — and **relative factors**, as concerns around AI capex, rising token costs and AI productivity have prompted a reassessment of the global AI trade. While FII flows have turned marginally positive, it remains premature to conclude that a durable trend reversal is underway, particularly given renewed Middle East tensions.
- A contrarian view is gradually emerging on traditional IT services, supported by more reasonable valuations (**13–17x**) despite expectations of low single-digit revenue growth. However, this remains a minority view, with markets continuing to respond cautiously to earnings announcements.
- Historically, periods of macroeconomic stress have laid the foundation for India's next growth cycle. The focus now shifts to structural reforms that can sustain growth beyond the current cyclical recovery, making the upcoming Monsoon Session an important monitorable.

Implication

- While a large IPO pipeline could temporarily impound secondary market liquidity, marquee listings such as **NSE, Jio and Razorpay** also have the potential to attract incremental FII allocations into India.
- Portfolio positioning is increasingly shifting towards higher active share with a focus on growth pockets but at reasonable valuations (under owned / underrepresented) .

Risks

- × A disorderly rise in global bond yields triggers a broader risk-off environment.
- × A sharp unwinding of the AI trade results in renewed outflows from emerging markets.
- × Recent social unrest escalates into a broader political risk event in India.

India's relative attractiveness is improving and while global investors are beginning to re-engage selectively, the sustainability of this trend will depend on continued reform momentum and sustained earnings execution. Active share strategies gaining relevance

Source : Moneycontrol, BoFAML Global Fund Manager Survey Jul'26 – hedgefundtips.com, Bloomberg

Portfolio Strategy

Guidance on Portfolio Strategy – Equities

- The combination of strong high frequency indicators and corporate earnings despite the global geo-political headwinds, have materially boosted the confidence around the earnings recovery underway from 4QCY25. Revenue growth at ~18% was at a 15-quarter high, while operating profit growth at 18% was at a 11-quarter high (for 574 companies, excluding banks and oil & gas companies). The results seem to indicate that companies have been able to pass on price rises (caused by input cost pressures), which in turn point to healthy demand conditions. Trends in corporate capex also suggest that corporate capex grew by a healthy 18% in FY26 (ex-oil & gas). Alongside this, healthy growth in bank credit, auto sales (expected to be strong in July too), power demand, GST collections, e-way bills and real estate as of June '26, reinforce the healthy demand assessment. Although unrelated (and probably alarmist!), the Government's political capital/response/policy initiatives could come in for added scrutiny in light of recent social/political protests, esp. in the backdrop key state elections in early '27.
- If locally stabilizing macros was an incremental positive in June, global events in July chipped away at that expectation. The resumption of hostilities in the Middle East, accompanied by a spurt in crude oil prices and more importantly, the US Fed's non-committal, almost abdicative stance has spiked bond yields and hastened expectations of rate hikes in CY26. The only saving grace amidst this is the weakening USD, that partially offsets the impact of the above two headwinds. Rising US bond yields (15-20 bp rise in Jul) is typically negative for EM flows including FDI, while persistently high crude oil prices may necessitate higher pump prices in India.
- In its meeting towards end of July, the SIGC* noted the strong earnings outcome in 1QFY27, coupled with rising capex growth in select pockets such as power and energy transition, defence, electronics, semi-conductors etc. At the same time, members noted that valuations excluding certain traditional/out-of-favour pockets such as banking and IT, suggested that execution and earnings delivery expectations leave low scope for disappointments – in a market that remains fairly polarized. As such, the committee decided to retain the marginally constructive view on equities with the preference for select small and mid cap strategies over large caps, given the superior earnings expectations in this space.

  Opportunity segments within equities:

  - Active, multicap strategies across market caps | Sector rotation strategies remain at the center of our guidance portfolios with Compounders/Anchors and Cyclicals bringing up the balance with a mild skew towards the latter.
  - While EM equities remain relevant given their strong earnings outlook, reasonable valuations and an INR hedge, fresh investments can however await some stability to emerge | Alternate ideas across PE/VC/Late stage growth equities – including pre-IPO/Secondaries that offer good valuations and growth
  - Newly minted portfolios – NFOs, near NFOs

*Spark Investment Guidance Committee

Guidance on Portfolio Strategy – Fixed Income & Gold

- **Rates & Liquidity Backdrop** : **System liquidity eased in Jul'26**, supported by a gradual pick-up in **FCNR(B)** and **ECB** inflows. However, liquidity improvement is likely to remain measured as the RBI appears to be utilising a part of these inflows to reduce its short USD positions rather than fully adding to forex reserves. Asides, CD issuances have remained subdued leading to easing of bank CD yields, reflecting expectations of stronger deposit mobilisation under the FCNR(B) scheme through **Sep'26.** However, 6 – 12M T-bill yields have risen **20–30 bps** over the past month, pricing in **1–2 RBI rate hikes from Oct'26.** Thus, returns from money market funds normalised in Jul'26 after a spike in Jun'26 and going forward, returns from the funds may likely broadly track portfolio YTMs, with limited scope for further yield resets

- **Long Duration View** : The long end of the curve is likely to remain sensitive to **crude oil prices** in the near term. Beyond this, challenging fiscal arithmetic and elevated global bond yields should continue to exert upward pressure on domestic yields. Accordingly, we **continue to avoid the long end of the curve** and would use any sharp, interim rally to **gradually reduce exposure to this segment.**

- **Portfolio Positioning**

  - **Accrual as the core**: We prefer **locking in attractive carry** as liquidity conditions improve, which should support gradual spread compression. Focus remains on **high-quality short- to medium-term accrual strategies**, with selective exposure to performing credit — including **hybrid structures with potential equity upside**. We remain **constructive but selective** in this space. The local private credit market remains structurally distinct from that in the US — with **limited leverage at the fund level, focus on a cash-flow-generating businesses with adequate collateral and widely spread across sectors, and no ALM mismatches** given the closed-ended structure of these AIFs.

  - **Real assets / hybrid yield strategies** : Remain constructive on **income-oriented REITs/InvITs** and **hybrid "debt-plus" strategies** employing market-neutral or derivative-based overlays, supported by defined downside protection and tax-efficient structures

  - **Gold – Strategic Allocation** : Near-term prospects remain constrained by the Fed's renewed focus on inflation and the possibility of additional US rate hikes. However, the medium-term outlook remains constructive, supported by persistent core inflation, geopolitical uncertainty and continued diversification away from USD assets. Thus, while gold may face **near-term tactical downside risks**, its **relevance in a portfolio as a strategic asset class remains intact.**

Quick Overview of Suggested Equity Ideas

Preferred Equity Portfolio Allocation (1/3)

Products	Brief Rationale & 3-Month Attribution	
Renaissance India Next	▪ Managed by an experienced Fund manager with a sector agnostic approach ▪ Focuses on key themes that will drive the economy - Manufacturing, Exports, Revival of Investment Cycle, Technology Adoption, Digital Ecosystem	▪ In last quarter, the fund outperformed the Nifty 50 TRI. This can be attributed to : ▪ Exposure to Auto Components Exide Industries Ltd & Varroc Engineering Ltd ▪ Exposure to BFSI Space Power Finance Corporation Ltd, PNB Housing, HDFC Bank & Federal Bank ▪ Exposure to Thermax Ltd, Coforge Ltd, One97 Communications Ltd & Alembic Pharmaceuticals Ltd
Buoyant Opportunities	▪ Managed by 3 FMs who bring their unique set of expertise to manage the portfolio with a flexi cap mandate ▪ A core and satellite approach is followed, and the fund manager has flexibility to take cash calls in last quarter , the fund has outperformed the BSE 500 TRI.	▪ In last quarter, the fund underperformed the BSE 500 TRI. This can be attributed to : ▪ Exposure to Insurance Go Digit General Insurance Ltd, SBI Life Insurance Company Ltd & ICICI Lombard General Insurance Company Ltd ▪ Exposure to Astral Ltd, Kaynes Technology India Ltd & Dilip Buildcon Ltd ▪ Exposure to Britannia Industries Ltd, Medplus Health Services Ltd & Chambal Fertilizers And Chemicals Ltd.
Spark @75 Flexi Cap	▪ Growth at reasonable Price. ▪ Market-cap agnostic portfolio of 20 to 30 stocks ▪ Fund manager times the market by taking active cash calls ▪ Single stock allocation capped at 10%.	▪ In last quarter, the fund Underperformed the Nifty 50 TRI. This can be attributed to: ▪ Exposure to NTPC Ltd, Power Grid Corporation Of India Ltd, Coal India Ltd & National Aluminum Company Ltd in Power, Consumable fuels & Non-Ferrous Metals. ▪ Exposure to ICICI Prudential Life Insurance Company Ltd, SBI Life Insurance Company Ltd, ICICI Lombard General Insurance Company Ltd in insurance & Abbott India Ltd, Lupin in Pharmaceuticals & Biotechnology.
ICICI PIPE	▪ Small cap focused Mandate managed by Anand Shah & Team at ICICI Pru Alternate division ▪ The strategy will look for mispriced growth opportunities that can generate alpha on the back of earnings delivery and re-rating triggers	▪ In last quarter, the fund has outperformed the BSE 500 TRI. This can be attributed to: ▪ Exposure to Vardhman Textile, Arvind Ltd, Indo Count Industries Ltd & K.P.R. Mill Ltd in Textile space ▪ Exposure to Usha Martin Ltd & Honasa Consumer Ltd in Industrial products & Personal Products ▪ Exposure to Kalpataru Projects International Ltd in power. ▪ Exposure to RateGain Travel Technologies Ltd & Angel One Ltd in IT – Software and Capital Markets ▪ Exposure to Gujarat Narmada Valley Fertilizers & Chemicals Ltd & FSN E-Commerce Ventures Ltd
Bandhan Large & Mid Cap	▪ Follows a GARP style of investing with focus on diversification across a wide range of themes ▪ Stock selection considers competitive positioning, industry tailwinds, management team, potential for re-rating	The fund underperformed the Nifty LargeMidcap 250 TRI. This can be attributed to: ▪ An overweight stance on Energy ▪ An underweight stance on Communication Services ▪ Stock selection in Financials, Healthcare, Real Estate, Utilities

3-month attribution is as on June 30, 2026
Source: Bloomberg (for Equity MFs), Spark PWM Products

Preferred Equity Portfolio Allocation (2/3)

Products	Brief Rationale & 3-Month Attribution	
Invesco India Large & Mid Cap	▪ A growth-oriented and tightly constructed portfolio of approximately 40–45 stocks ▪ Distinguished by a meaningful allocation to mid and small cap names (60–65%) and an emphasis on emerging business models even within established sectors	The fund outperformed the Nifty LargeMidcap 250 TRI. This can be attributed to: ▪ An overweight stance on Real Estate ▪ An underweight stance on Consumer Staples, Energy ▪ Stock selection in Consumer Discretionary, Financials, IT
Old Bridge Flexi Cap Fund*	▪ An actively managed diversified flexi-cap strategy which follows a bottom-up research philosophy ▪ Lays emphasis on companies exhibiting balance sheet strength and healthy cash flows	The fund underperformed the Nifty LargeMidcap 250 TRI. This can be attributed to: ▪ An overweight stance on Consumer Staples ▪ An underweight stance on Financials ▪ Stock selection in Consumer Discretionary, Healthcare
Parag Parikh Flexi Cap Fund	▪ A valuation-conscious and low churn approach aimed at minimizing downside risk ▪ Offers exposure to international stocks, which helps in diversifying geographical risk	The fund underperformed the Nifty 500 TRI. This can be attributed to: ▪ An overweight stance on Communication Services, IT ▪ An underweight stance on Industrials ▪ Stock selection in Utilities, IT, Real Estate, Consumer Discretionary
Kotak Multicap	▪ Bottom-up, valuation-sensitive strategy to identify growth opportunities across market caps through a proprietary model ▪ Open to investing in select contrarian or non-consensus ideas where there is sufficient valuation buffer	The fund underperformed the Nifty500 Multicap 50:25:25 TRI. This can be attributed to: ▪ An overweight stance on Communication Services, Consumer Staples ▪ An underweight stance on Healthcare, Industrials, Real Estate ▪ Stock selection in Communication Services, Consumer Discretionary, Materials, Utilities
Nippon India Multi Cap Fund	▪ Exposure spans multiple themes, sectors, and stocks ▪ Skewed toward large caps to minimize downside risk ▪ Minimum 50% exposure to the broader markets	The fund underperformed the Nifty500 Multicap 50:25:25 TRI. This can be attributed to: ▪ An overweight stance on Consumer Staples ▪ An underweight stance on Financials, Real Estate ▪ Stock selection in Financials, Healthcare, IT, Utilities
Union Multicap Fund	▪ Growth-oriented, SMID-tilted approach ▪ Top-down sector overlay with bottom-up stock selection ▪ ~2/3rd of the allocation pertains to structural themes, while the balance comprises tactical opportunities and optionality bets	The fund outperformed the Nifty LargeMidcap 250 TRI. This can be attributed to: ▪ An overweight stance on Industrials ▪ An underweight stance on Consumer Staples, Energy, IT ▪ Stock selection in Consumer Discretionary, Consumer Staples, Industrials, Materials

3-month attribution is as on June 30, 2026
**Attribution is for 2 months*
Source: Bloomberg (for Equity MFs), Spark PWM Products

Preferred Equity Portfolio Allocation (3/3)

Products	Brief Rationale & 3-Month Attribution	
DSP Business Cycle Fund	▪ A large cap-biased, benchmark agnostic strategy ▪ Uses an active sector-rotation framework, underpinned by a top-down macroeconomic approach, to capture inflection points across the business cycles	The fund underperformed the Nifty 500 TRI. This can be attributed to: ▪ An underweight stance on Materials, Utilities, Healthcare ▪ Stock selection in Communication Services, Consumption, Utilities
Abakkus Small Cap Fund*	▪ Stock selection is based on the MEETS framework, which encompasses variables such as Management, Earnings, Events, Timing, and Structural Opportunity. ▪ The portfolio shall comprise themes such as sunrise sectors, value plays with growth revival, exports, and special situations.	The fund outperformed the Nifty Smallcap 250 TRI. This can be attributed to: ▪ An underweight stance on Utilities, Materials, IT, Healthcare, Consumer Staples ▪ Stock selection in Industrials, IT, Consumer Discretionary, Real Estate
Edelweiss Small Cap Fund	▪ Prioritizes high active share at the stock level, while simultaneously being benchmark-aware sectorally ▪ Top-down sectoral overlay combined with bottom-up stock selection ▪ Within a sector, allocation is higher to leaders amid uncertain times at the expense of emerging leaders and challengers	The fund underperformed the Nifty Smallcap 250 TRI. This can be attributed to: ▪ An overweight stance on Financials, Consumer Staples ▪ An underweight stance on Communication Services, Industrials ▪ Stock selection in Financials, Healthcare, Materials

3-month attribution is as on June 30, 2026
**Attribution is for 2 months*
Source: Bloomberg (for Equity MFs), Spark PWM Products

Spark Midas Investment Fund II- CAT II AIF

Why we like Spark Midas Investment Fund II

Strategy Overview

Core – Late-Stage unlisted (upto 100%)

- Invest in profitable scalable businesses that are approaching a liquidity event
- Revenue >250 cr
- EBITDA positive
- 12-60 Months to exit
- Minority stake in underlying (<24%)
- <25% allocation to any single deal

Optional : Listed companies (upto 25%)

- Ex top 100 stocks universe
- Only if market conditions are conducive

Invests where earnings growth, valuation discovery, and liquidity events can create significant value

Rationale

- GARP Style of investment
- Leverages Spark Capital's network and private market access
- Companies which exhibit:
- Promoter and governance quality
- Business maturity (Scale, profitability)
- Valuation discipline
- Exit visibility with a target IRR at each investment level of >25% with protective covenants

Risk & Suitability

- Ticket size per deal – INR 50 - 250 including co investments
- Exit Pathways: IPO, Strategic Sale, Secondary Market, Buyback (including Contracted Puts)
- The fund will avoid:
  - Weak/unaligned management team
  - Turnaround situation with no clear path to profitability
  - Businesses with no visible exit paths
  - Persistent capex/cash burn
  - High Retail/Individual investor dependence

PixelSky Capital Fund - CAT II AIF

Why we like Pixel Capital Fund

Strategy Overview

- PixelSky Capital Fund I is a pre-crossover secondaries fund investing in 8–10 scaled tech and consumer companies that are nearing IPO or strategic liquidity
- Strategy Focus : on category leading businesses with strong founders, institutional governance, high growth, and profitability / near-term path to ₹50 Cr EBITDA.
- Superior Team & Sourcing Edge: Led by an experienced team and backed by Indigo Edge, providing strong sourcing, diligence, and disciplined entry valuations.
- ₹400 Cr fund with ₹40–50 Cr ticket sizes targets an underserved mid-market opportunity between HNIs and large PE funds.
- Fund tenure: 6 years from first close (June 2025), with ~2–3 years deployment and 3–4 years exit period

Rationale

- **Unique Positioning:** Positioned between VC and pre-IPO funds by investing in scaled companies with proven revenues, improving profitability, and visible IPO potential in 3–4 years.
- **IndigoEdge — The Real Moat:** Backed by Indigo Edge, enabling proprietary sourcing, strong diligence, and founder access.
- **Direct deal sourcing:** Sources deals directly from founders and GPs, creating stronger underwriting and allocation advantages.
- **Team Pedigree:** Blend of investment banking sourcing and institutional buy-side investing expertise.
- **Fund Size, Deal Size, and simple structure with no continuation vehicles:** ₹400 Cr corpus with ₹40–50 Cr cheque sizes supports fast execution and efficient exits
- **Visibility on Three Deals — No Compensatory Contribution:** Three quality deals already identified, supporting faster deployment and DPI visibility.

Risk & Suitability

Keyman Risks: Exit of key investment professionals may impact continuity, deal sourcing, execution and investor relationships.

Multiple Compression Risk: A broader market de-rating or weaker listed peer valuations could reduce exit multiples and impact returns.

Exit-Related Risks: Weak IPO markets during the exit period may delay liquidity, extend holding periods or lead to lower exit valuations.

Product Suitability

- PixelSky Fund offers exposure to India's late-stage technology and consumer companies with a 3–4-year IPO visibility.
- Focuses on scalable businesses with visibility towards ~₹50 Cr EBITDA, beyond early-stage execution risk.
- Investors should be comfortable with illiquidity, execution risk and IPO market volatility.
- Positioned between VC/Growth and Pre-IPO funds in the risk-return spectrum
- Suitable as a satellite allocation for investors seeking asymmetric upside

Vedartha India Opportunities Fund – Series I CAT III AIF

Why we like Vedartha India Opportunities Fund – Series I

Strategy Overview

- Vedartha India Opportunities Fund is Actively managed, mid-small cap-oriented Cat III listed equities AIF (Close-ended)
- Backed (directly or structurally) by Bandhan AMC's alternatives platform, giving some institutional credibility.
- The strategy seeks to employ a contrarian approach to build a portfolio of 25-30 stocks:
- Investment Team with a collective experience of more than 75 years with 5 Analyst, 1 Dealer & 1 Data Analyst.
- **Investment Framework (MBV)**-
  Management: strong, transparent management with proven execution and governance.
  Business & Business cycle: Focus on scalable industries with strong market position, sustainable growth, and ability to outperform inflation.
  Valuation: Adequate margin of safety, Growth, Macro sensitivity & Profitability ROCE/Free Cashflow

Rationale

- Led by Mr. Mrinal Singh (Ex ICICI MF & Ex-Incred AMC), Head Alternates (Listed Equities), with over two decades of experience across equity research and value driven management
- Mr. Akash Kumar (ICICI AMC, LIC MF & Incred AMC), Fund Manager, with over a decade of hands-on experience in Indian equities

Risk & Suitability

- The fund will combine both bottom-up stock selection + a top-down overlay, using macro and cyclical indicators to identify sectors experiencing peak pessimism. The fund at any point will be diversified across 4-7 distinct pockets of value.
- **Portfolio Characteristics** - Mid & small-cap focused portfolio (~50%+), with selective large-cap exposure in specific sectors.
- **Earnings Revival + Structural Growth** Focuses on (i) sectors facing temporary earnings headwinds with potential for demand recovery and operating leverage-driven rebound (e.g., urban consumption, chemicals, auto ancillaries), and (ii) structurally strong sectors with sustained growth visibility and market share gains, where valuations remain reasonable (e.g., private banks, housing finance).
- **Current positioning:** The fund is getting constructed currently however there is a likely tilt towards the following sectors Capital Goods, Chemicals, Urban Consumption, Financial Services, Logistics, Healthcare, and Auto components

Whiteoak GEM Ex India –GIFT CITY CAT III AIF

Why we like Whiteoak Gem Ex India

Strategy Overview

- Whiteoak AMC is a boutique asset management company with approximately USD 10 billion in assets under management across domestic mutual funds, alternate strategies, and offshore mandates
- Founded in 2017 by Mr. Prashant Khemka, former CIO and Lead Portfolio Manager at Goldman Sachs Asset Management (GSAM)
- The firm employs its proprietary Opco-Finco framework to value companies — a model based on asset-light multiples that facilitates comparisons across industries and geographies
- The firm has a large investment team comprising of 50-members. Within this, over 22 members focus on emerging markets, with 15 out of 22 members exclusively dedicated to opportunities outside India.
- Built a stable and experienced team, skilled in bottom-up research across both Indian and emerging market mandates.

Rationale

- **Experience**: Hiren Dasani serves as the Chief Investment Officer (CIO) for Emerging Markets at White Oak, bringing 24 years of experience to the role
- **Expertise :** Mr. Dasani's professional background provides significant institutional credibility, particularly from his previous tenure at Goldman Sachs Asset Management (GSAM), where he held senior roles, including Co-Head of Global Emerging Markets Equity
- He oversaw portfolios totaling approximately $22 billion across various strategies, including Global EM, EM ex-China, and India equities
- The scale and diversity of his previous mandates at a leading institutional asset management firm underscore his capability to manage large pools of capital and adeptly navigate the complex geopolitical and market dynamics of emerging markets

Risk & Suitability

- **Sharp, well-articulated strategy & clear approach** – Exposure to Sectoral leaders while being opportunistic in the mid and small cap segment in Emerging markets excluding India.
- Positioned to benefit from exposure to sectors in Emerging markets such as **Semiconductor Value Chain (For e.g. Taiwan), Select opportunities available through Latin America markets as well as High End discretionary consumption play opportunities bigger than ones present in India**
- Fund offer opportunities to own high quality companies that are available at reasonable valuations.
- The portfolio emphasizes markets where corporate governance, corporate structure and fundamentals are showing tangible improvement such as China private sector reform, Korea corporate governance enhancement, Taiwan tech dividend yield opportunities - rather than purely macro or index bets
- Strategy can be positioned as a **Core/All Seasons** allocation, aiming to capture both visible earnings growth and potential valuation re-rating, rather than a cyclical or tactical bet on emerging markets

Quick Overview of Select Debt Ideas

Northern Arc Money Market Alpha Fund

Fund Details

Fund AUM	672 Cr
Average Maturity	195 days
Yield	10.01%
Modified Duration	0.38 years
Exit Load	0.25% before 84 days
Minimum Lock-in	25 days
Management Fee	0.97% / 0.70%
Redemption request	To be placed by 25th of every month

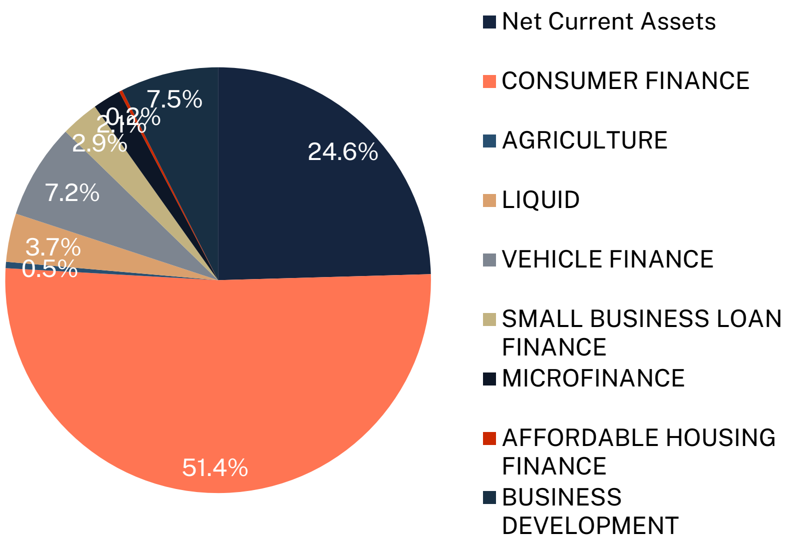
Investment Philosophy & Strategy

- The fund will invest in commercial papers, certificate of deposits, fixed deposits, sovereign securities and non-convertible debentures
- Investments to be in securities having maturity of <366 days; weighted average maturity of the portfolio of around 120 days
- Liquid Portion (Short-term rating A1+): 20%-25% & Semi-Liquid : 10%-15%
- Credit Portion (Northern Arc's investee companies): 40%-60%
- Monthly redemption option at the month end

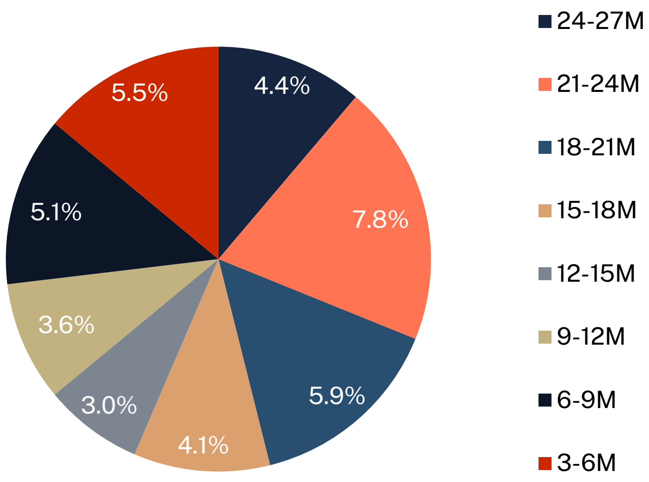
Fund Returns

	1M	3M	6M	1Y	SI
Class A5 (Investment < 5Cr)	8.32%	8.72%	8.66%	8.43%	8.92%
Class A6 (Investment > 5Cr)	8.64%	9.04%	8.99%	8.78%	9.27%
CRISIL Liquid Fund Index	6.73%	6.43%	6.15%	6.02%	5.86%

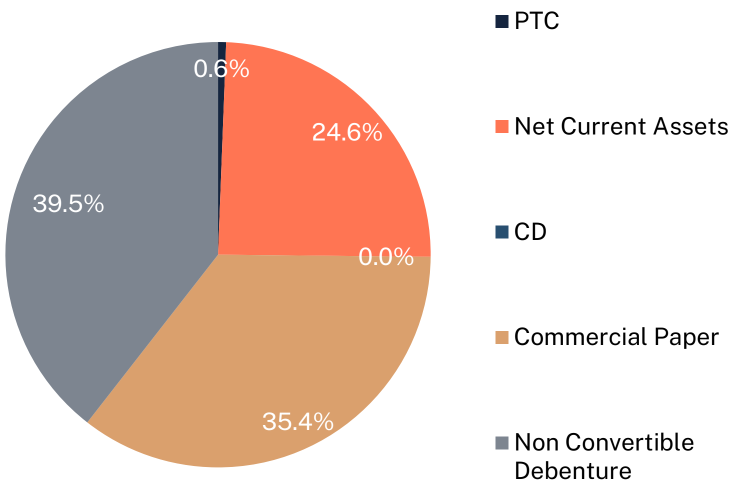
Investment Mix – By Sectors



Investment Mix – By Tenure



Investment Mix – By Asset Type



Arudha Hybrid Long-short SIF

Fund Details

Fund managers	Brijesh Shah Debraj Lahiri Kapil Kankonkar Nilesh Saha
Strategy's Inception Date	Feb - 2026
AUM (in Cr)	109
Taxation	Long term @ 12.5% post 12 months
Exit Load	Nil
Min. application	INR 10 lacs
Subscription	Daily
Redemption	Twice Weekly – Monday & Thursday

Investment Philosophy & Strategy

Positioned as Debt-oriented strategy – seeking to deliver relatively stable, debt-like outcomes over a 1-year+ holding period, supported by a blended construct of debt accrual and market-neutral equity arbitrage
Portfolio design emphasizes capital stability, low volatility, and post-tax efficiency, rather than return maximization

Fixed Income Strategy: Upto 65% allocation

- Forms the core stability anchor of the portfolio, invested primarily in short- to medium-term SOV/AAA instruments, with AA+/AA exposure capped at ~10% of the overall portfolio.
- Duration is actively managed within a 1-4 year band, focusing on predictable accrual, liquidity, and capital preservation.

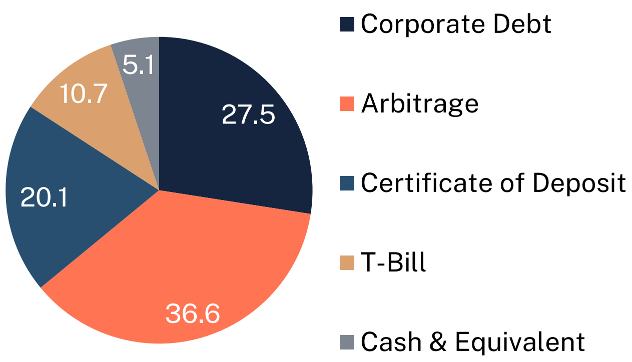
Arbitrage Strategy: Minimum 35% allocation

- Maintained as a fully hedged, market-neutral equity exposure, with allocations dynamically adjusted based on arbitrage spreads and liquidity conditions.
- Seeks to generate non-directional, tax-efficient returns without taking directional equity risk, supporting overall portfolio stability.

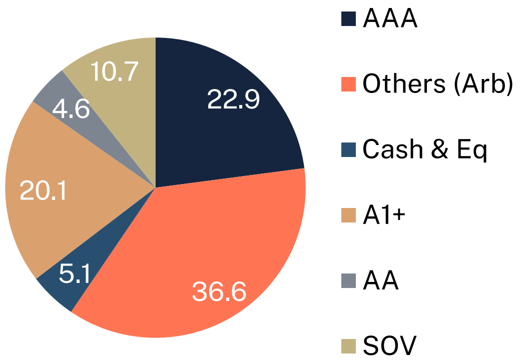
Track Record

Annualized Returns (%)	1M	3M
Arudha Hybrid LS SIF	**11.3**	**7.93**
Income Plus Arbitrage Cat Avg	10.3	7.43

Asset Allocation



Rating Allocation



Portfolio Quants (Core Debt)

YTM (%)	7.02
Average maturity (years)	3.81
Modified duration (years)	2.71

Source: ACE MF.
Portfolio details as on 30th June 2026. Returns as on 15th July 2026
Past track record are not an indicator of future performance

Altiva Hybrid Long-short SIF

Fund Details

Fund managers	Bhavesh Jain Bhavesh Lahoti
Strategy's Inception Date	20-Oct-2025
AUM (INR Cr)	5,599
Taxation	Long term @ 12.5% post 12 months
Exit Load	0.5% within 1 month, Nil after that
Min. application	INR 10 lacs
Subscription	Daily
Redemption	Twice Weekly – Monday & Wednesday

Investment Philosophy & Strategy

Positioned as Debt-oriented strategy – seeking to deliver low volatile, debt plus returns (post tax) across market cycles | Strategy is constructed to prioritize capital preservation, income stability, and tax efficiency, while selectively enhancing returns through market-neutral equity and income oriented derivative strategies

Core Strategy:
Target annual return: 7-7.5%

Cash-future arbitrage & Covered call: (20-40%)
Arbitrage strategies aiming to capture low-risk returns.

Fixed Income: (40-60%)
Invest in quality debt instruments aiming to generate accrual and potential price appreciation

Enhanced Drivers:
Enhance the core portfolio returns by 2.5-3%

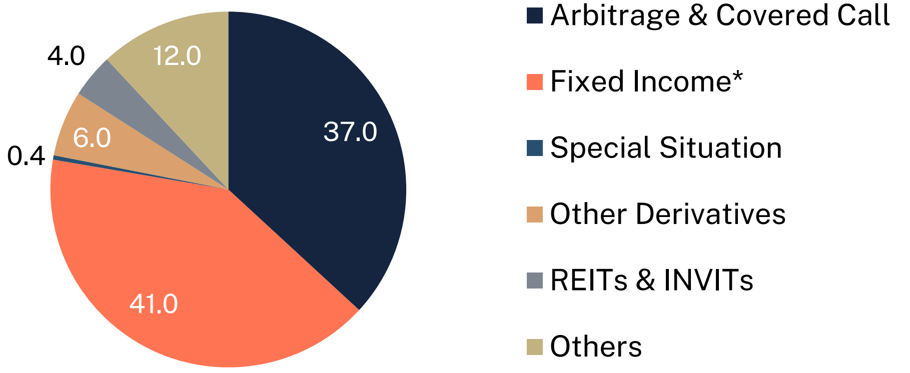
Special Situations: (0-10%)
IPO, Open Offer, Buyback, Merger/Demerger, QIP, Index inclusion/Exclusion etc.

Derivative Strategies: (10-20%)
Long-Short equities, Straddle, Strangle, Put-call Parity etc.

Track Record

Annualised Returns (%)	1M	3M	6M	SI
Altiva Hybrid LS SIF	**25.05**	**16.08**	**10.64**	**11.39**
CRISIL Composite Bond Index	17.41	10.61	6.37	
CRISIL Hybrid 85+15 – Conservative index	20.63	11.03	4.92	

Asset Allocation



Portfolio Quants (Core Debt)

YTM (%)	7.85
Average maturity (years)	1.84
Modified duration (years)	1.62

Source: ACE MF.
Portfolio details as on 30th June 2026. Returns as on 15th July 2026
Past track record are not an indicator of future performance
**Incl T-bill, TREPS & Net Receivables/(Payables) which is not considered as exposure. Market value + accrued interest considered for calculating Fixed Income exposure.*
Others Incl cash & Net Current Asset/Liabilities

RedHex Hybrid Long-short SIF

Fund Details	
Fund managers	Venugopal Manghat Shriram Ramananthan
Strategy's Inception Date	June-2026
Taxation	Long term @ 12.5% post 12 months
Exit Load	2% within 12 months, Nil after that
Min. application	INR 10 lacs
Subscription	Daily
Redemption	Every Monday

Investment Philosophy & Strategy

Positioned as Debt-oriented strategy – The strategy is well positioned to deliver stable, tax efficient, debt-plus outcomes over an 18–24 month holding period via a blended portfolio construct that combines short term, high quality debt accrual along with high yield NCDs / PTCs and REITs/ INVITs.

Stable Yield Bucket (50%)

Target annual return: 7-7.5%

Cash-future arbitrage: (25-35%) - Arbitrage strategies aiming to capture low-risk returns.

AAA / Gsec Bonds: (10-15%) - Acts as the liquidity sleeve, supports margin requirements and helps reduce overall portfolio volatility

Yield Enhancement Bucket (50%)

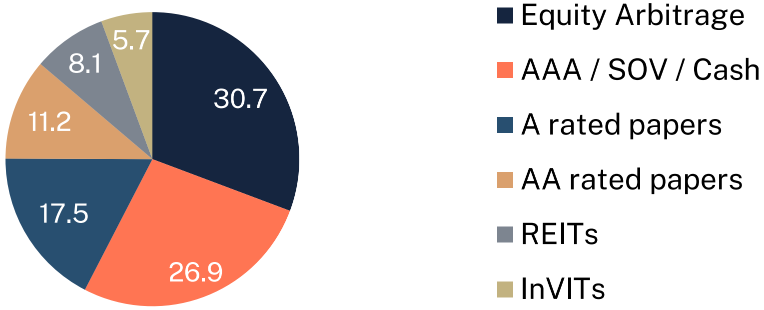
Target annual return: 10.75-11%

High Yield FS and Non FS Bonds: (25-35%) - A+/A rated issuers - aim to capture spread compression and potential credit rating migration opportunities.

PTCs: (10-15%) - AA / AA- rated PTCs - offer better yields vs corporate bonds with stronger credit enhancement

REITs / InVITs: (0-20%) - Source of yield through infrastructure-linked cash-generating assets. Combination of optimal distribution yields and capital appreciation potential.

Asset Allocation



Portfolio Quants (Core Debt)

YTM (%)	9.56
Modified duration (years)	1.54

Source – HSBC AMC
*** FS means Financial Services*
Portfolio details as on 30th June 2026

Suggested Target Maturity and Index Fund Ideas

Focus on **high-quality AAA / PSU** securities, low duration risk, and offer comfortable liquidity (T+1 redemptions, no exit loads) while following clearly defined passive mandates. While there could be interim MTM volatility, Target Maturity Funds typically deliver returns in line with the net YTM at the time of the maturity of the fund.

Type	Index Funds	AUM (in Cr)	Category	Gross YTM	Average Maturity (Months)
3 to 6 Months Index	Axis CRISIL-IBX Financial Services 3-6 Months Debt Index Fund-Reg(G)	241	3-6 M	6.80	4.92
	Kotak CRISIL-IBX Financial Services 3-6 Months Debt Index Fund-Reg(G)	341	3-6 M	6.81	4.56
	Aditya Birla SL CRISIL-IBX Financial Services 3 to 6 Months Debt Index Fund-Reg(G)	2544	3-6 M	6.96	4.56
	ICICI Pru CRISIL-IBX Financial Services 3-6 Months Debt Index Fund-Reg(G)	502	3-6 M	6.91	4.92
	Bandhan CRISIL-IBX Financial Services 3-6 Months Debt Index Fund-Reg(G)	381	3-6 M	6.83	4.97
	HDFC CRISIL-IBX Financial Services 3-6 Months Debt Index Fund-Reg(G)	2512	3-6 M	6.92	5.01
	SBI CRISIL-IBX Financial Services 3-6 Months Debt Index Fund	555	3-6 M	7.02	4.60
9 to 12 Months Index	Kotak CRISIL-IBX Financial Services 9 to 12 Months Debt Index Fund-Reg(G)	689	9-12M	7.49	10.44
	Nippon India CRISIL-IBX Financial Services 9-12 Months Debt Index Fund-Reg(G)	460	9-12M	7.14	7.80
	Aditya Birla SL CRISIL-IBX Financial Services 9-12 Months Debt Index Fund-Reg(G)	1123	9-12M	7.12	7.60

Target Maturity Funds	AUM (in Cr)	Category	Gross YTM (June end)	Maturity Month
Upto 12M Bucket				
Edelweiss Nifty PSU Bond Plus SDL Apr 2027 50:50 Index Fund	2163	Gsec / SDL MF	6.45	Apr-27
Axis CRISIL-IBX AAA Bond NBFC - Jun 2027 Index Fund	1785	Corporate Bond - TMF	7.62	Jun-27
Edelweiss CRISIL-IBX AAA Bond NBFC-HFC-Jun 2027 Index Fund	83	Corporate Bond - TMF	6.47	Jun-27
Bucket: 12-18M				
ICICI Pru Nifty PSU Bond Plus SDL Sep 2027 40:60 Index Fund	8088	Gsec / SDL MF	6.69	Sep-27
Tata Nifty SDL Plus AAA PSU Bond Dec 2027 60:40 Index Fund	645	Gsec / SDL MF	6.73	Dec-27
Kotak CRISIL-IBX AAA Financial Services Index - Sep 2027 Fund	489	Corporate Bond - TMF	7.46	Sep-27
Bucket: 18-24M				
Kotak Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index Fund	523	Gsec / SDL MF	6.87	Jul-28
Kotak Nifty AAA Bond Financial Services Mar 2028 Index Fund	219	Corporate Bond - TMF	7.45	Mar-28
Nippon India Crisil IBX AAA Financial Services Jan 2028 Index Fund	81	Corporate Bond - TMF	7.48	Jan-28
Bucket: 24-36M				
ICICI Pru Nifty SDL Dec 2028 Index Fund	828	Gsec / SDL MF	6.80	Dec-28

Note – Yields as on 30th June 2026
Source: AMFI, Ace MF

Varanium Newport Global Fund SPC – Class 35 (4-yr USD denominated Debt FMP)

Cayman Island domiciled structure (Segregated Portfolio Company) - akin to MF scheme designed for India-based LRS investments

Strategy

- **4-year fixed-maturity portfolio** comprising predominantly **high-quality USD bonds**, targeting a **net USD yield of ~7.5% p.a.** through a prudent **1.5x leverage structure**
- Diversified portfolio of 15–20 coupon-bearing bonds with an average maturity broadly aligned to the fund tenor of approximately 4 years. The portfolio includes sovereign and quasi-sovereign issuers, investment-grade corporates, and well-regulated global financial institutions.
- Perpetual securities are capped at 30% of the portfolio and limited to systemically important global financial institutions.
- A minimum 40% allocation is maintained in investment-grade securities, with the current portfolio at approximately 45%. The overall portfolio targets an average credit rating of around BB+, with high-yield exposure restricted to select B- to BB+ rated issuers.
- A robust risk framework limits concentration risk, with single issuer exposure capped at 10% for non-perpetual bonds and 5% for perpetual bonds.
- Geographic exposure is diversified across multiple markets, with India capped at 40% of the portfolio and exposure to any other individual country limited to 25%.

Key Terms	Details
Fund Currency	USD
Issue Date	End-Jun'2026 (to be decided)
Maturity Date	4-yrs from date of allotment / issue date
Tenor	4 Years
Issue NAV	1.2962
Target Yield	~7.5% p.a. (±0.25%) – subject to yields at time of trade execution
Minimum Subscription	USD 100,000 (USD 1,000,000 for US/Canada-based investors; reverse solicitation only)
NAV Frequency	Monthly; units allotted at NAV
Leverage	1.5×
AMC Fee	1.00% p.a. (AMC and Opex Charged as a part of NAV)
Opex	10 bps of subscription amount
Exit Load	Year 1: 4% | Year 2: 3% | Year 3: 2% | Year 4: 1%
Settlement	T+5 from redemption date
Auto-Redemption Option	Semi-annual redemption of ~3.68% of par value of units originally issued (targeting ~7.5% p.a.); executed on 30 Nov & 31 May each year from 30-Nov-2026 to 30-Nov-2029; no exit load applicable
Typical AUM per SPC	USD 5–10 Million
Taxation – Fund Level	Nil (Cayman Islands)
Taxation – Investor Level	STCG (< 24 months): Marginal rate | LTCG (> 24 months): 12.5% **
Settlement / Remittance	Via LRS into SPC account at SBI Mauritius; maturity proceeds returned to same account
Liquidity	Exit available subject to exit loads; Auto-redemption plan available without exit load

Sadbhav Futuretech Limited

Details of the Issuance	
Issuer Name	**M/s Sadbhav Futuretech Limited**
Type of Instrument	Senior, Secured, Rated, Unlisted, Redeemable, Taxable, Non-Convertible Debentures (NCDs)
Rating	**CRISIL BBB/Positive**
Face Value / Debenture	₹1,00,000 per NCD
Printed Coupon	**11.00% - Payable Monthly**
Investor XIRR (Yield to Put)	**12.75% YTP**
Principal Payout	After six months from the deemed date of allotment, ~ 14.28% of the principal amount shall be repaid at quarterly basis. The remaining ~ 42.85% of the principal shall be repayable upon the exercise of the put option on the put option exercise date.
Maturity Date	**19th June 2028** (24 Months from Deemed Allotment)
Put Option Exercise Date	**19th Dec 2027** (18 months from deemed allotment)
Balance Tenor for Put Option Exercise Date	**~18 Months**
Trade Date	**21st July 2026**
Covenants	**Shareholding & Management Covenants:** ▪ Promoters shall **maintain a minimum 60% unencumbered shareholding in the company** throughout the tenure of the facility. ▪ Any promoter/related **party loans exceeding ₹20 crore (cumulative) can be undertaken only with the consent of debenture holders**. ▪ Such **promoter/related party loans shall remain subordinated to the NCDs** for the entire tenure. **Financial Covenants:** ▪ Total Outside Liabilities / Tangible Net Worth (TOL/TNW) **≤ 3.5x** ▪ Net Debt / Tangible Net Worth (Net Debt/TNW) **≤ 2.5x** ▪ Total Debt / EBITDA **< 3.0x** ▪ Interest Coverage Ratio (ICR) **≥ 3.0x** ▪ DSCR **≥ 1.2x**
Security Cover	▪ **First pari-passu charge on all current and fixed assets** of SFL ▪ **Personal Guarantee** provided by all 3 promoters ▪ Exclusive **mortgage over a residential property** (valued at ~51 crores) ▪ **Fixed Deposit (FD) lien** equivalent to six months' interest to be created upfront ▪ **Corporate guarantee provided by promoter entity** - Betericon Consultancy Private Limited (14.6% stake in Sadbhav) ▪ **Pledge of 10% of the fully diluted shareholding** of SFL held by promoters in favor of debenture holders.

Nuvama Wealth Finance Ltd

Details of the Issuance	
Issuer	**Nuvama Wealth Finance Ltd.**
Credit Rating	Rated PP-MLD – (AA)*
Secured	**Yes, with a minimum 1x pari passu charge on Receivables, loans, securities, investments and other financial assets**
Listing	Listed on BSE
Underlying	Nifty Midcap Select Index
Principal Protection	Principal amount is protected at maturity, to the extent of Face Value
Face Value	1,00,000/- per debenture
Tenor in Months	~36/42M
Max Coupon / Max IRR	52.2% basis face value / ~12.75% IRR
Entry Level	Average of official closing levels of Nifty Midcap Select Index as on 18th Jun'26 and F&O expiry of Jul'26, Aug'26, Sep'26.
Exit Level	Average of official closing levels of Nifty Midcap Select Index as on F&O expiry of Mar'29, Apr'29, May'29 and Jun'29.
Return Profile	If underlying returns between 0.00% - 30%; 1.74x participation (e.g. if underlying returns are 20% abs, AWE returns = 20%*1.74 = 34.8%) If underlying returns >=30%; 52.2% absolute return basis Face Value If underlying returns <= 0%; face value

*NWFL MLD is rated PP-MLD AA/Stable by ICRA and CARE. Rating mentioned in term sheet will be either of

Bagmane Prime Office REIT

REIT Overview

- Bagmane REIT is **backed by the Bagmane Group, the largest office developer in Bengaluru**, bringing expertise in Grade A+ commercial offices.
- The REIT was **established on 30 May 2025** in Bengaluru, Karnataka. And subsequently **raised ₹3,405 crore through its IPO**, with the issue priced at ₹100 per unit.
- The offering was **oversubscribed by 23.7 times** (the highest participation recorded among Indian REIT listings to date).
- Following this response, the REIT **listed** on both the NSE and BSE on **14 May 2026, debuting at 3.5% premium over its issue price.**

Total Leasable Area	Committed Occupancy	WALE	LTV (%)	GAV (INR Cr)	MTM Potential
19.6 msf	98.8%	7.4 years	7.0%	40,260	18.0%

Asset Detail & Geographical Presence

- Bagmane **owns and operates a portfolio of six premium Grade A office business parks in Bengaluru**. The portfolio **comprises 19.6 msf of leasable area**, including 16.6 msf of completed space, 1.0 msf under construction, and 2.0 msf earmarked for future development. Bengaluru accounts for 100% of the REIT's completed leasable area.
- The REIT also **owns two under-construction hotels comprising 607 keys, which are expected to become operational from FY2029.** The portfolio includes **three operational solar assets** with an aggregate installed capacity of 91.9 MW DC.
- The REIT is further **developing one solar asset with a capacity of 72.5 MW DC.**

Source : Company Filings; Bloomberg; Avendus Report

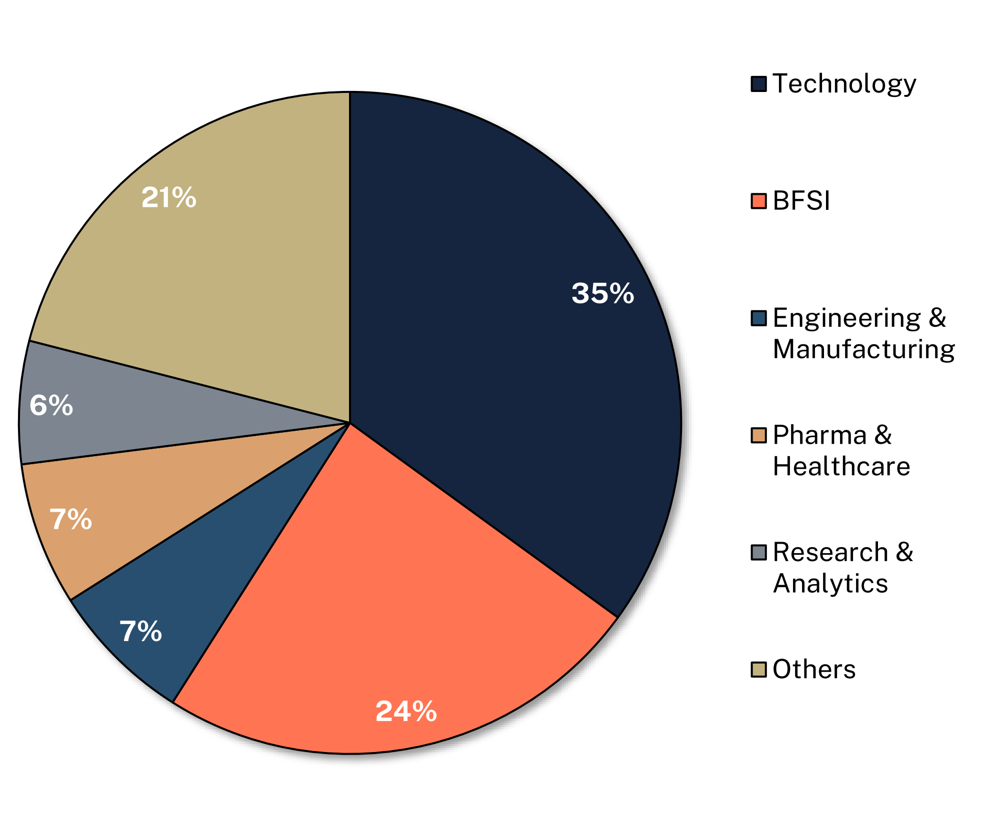
Knowledge Realty Trust REIT

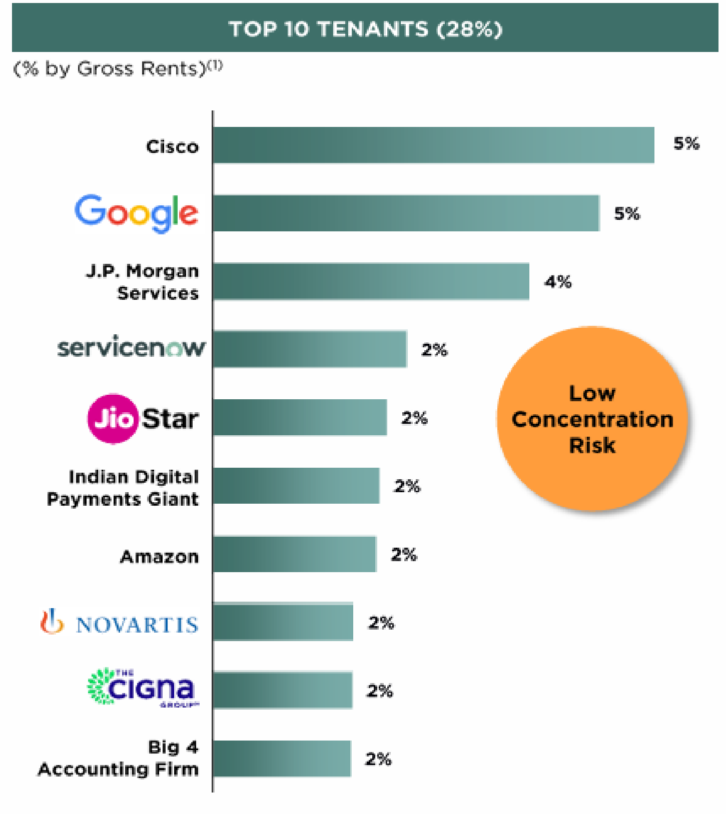
REIT Overview

- Knowledge Realty Trust, **co-sponsored by Sattva and Blackstone,** is **India's largest REIT and most geographically diverse office REIT.**
- Its **portfolio comprises 29 best-in-class Grade-A office assets totalling 46.5 million square feet as of March 31, 2026,** with 37.2 million square feet of Completed Area, 2.6 million square feet under construction area and 6.6 million square feet of future development area spread across 6 cities in India.
- With a multi-market geographical presence and assets **comprising both front offices and integrated business parks/centres,** their portfolio reflects a broad proxy of the Indian office market.
- KRT portfolio **comprises 6 city-centre offices and 23 integrated business parks/centres, in the best sub-markets of the country. KRT portfolio houses over 475 tenants** comprising prominent multinational tenants, including Fortune 500 companies and GCCs, as well as leading domestic corporates.

Total Leasable Area	Committed Occupancy	WALE	Loan to value	In-place Rent PSF per month	GAV (INR Cr)
46.5 msf	92%	8.0 years	18%	97 INR	INR 67,400

Tenant Sectoral Mix and Top 10 tenants (% by Gross Rentals)





Privately Listed InvIT: NDR InvIT Trust

Product Overview

Fund	**NDR InvIT Trust**
Category	Privately Listed InvIT
Sponsor:	NDR Warehousing Pvt. Ltd.
Industry	Warehousing & Industrial Park Assets
Revenue Model	Rental income from logistics and warehousing assets
Portfolio Assets	Asset portfolio is diversified across 60+ warehouses and 39 Industrial parks
AUM	~22.0 msf
WALE	10.9 Years
Past Returns	An overall IRR of ~22% in last 2 years *includes distribution yield of 7% and price appreciation
Target Investor Profile	Stable, tax-efficient income with growth and capital appreciation

Highlights of NDR InvIT Trust

- NDR Warehousing Pvt. Ltd. launched India's first perpetual warehousing and industrial parks InvIT, which has been privately listed on NSE since February 2024. The sponsor has operated in logistics infrastructure for more than 70 years.
- The InvIT was launched in February 2024 with a portfolio of ~17 msf and expanded to ~21.5 msf within two years through the addition of ~4.5 msf of ROFO assets. Based on the latest acquisition pipeline, the portfolio is expected to reach ~23 msf.
- The platform also has a ROFO pipeline of ~9 msf. Its tenant base includes more than 100 tenants across logistics, e-commerce, FMCG, auto and industrial sectors, while the top 10 tenants contribute 31% of gross rentals, reflecting diversification across occupiers.
- For 9M FY26, revenue stood at ₹311.1 Cr, representing 96% of full-year FY25 revenue, while EBITDA stood at ₹285.6 Cr. Occupancy remained at ~99% with a WALE of 10.89 years.
- The InvIT's debt has been rated AAA (Stable) by CARE Ratings. Total borrowings stood at ₹1,355 Cr at an average cost of 8.1%, while Net Debt/GAV stood at 17.7%, within the regulatory requirements.
- The InvIT is also expected to launch a public round later this year to provide liquidity.

Key Investors

NDR Warehousing Pvt. Ltd. (Sponsor)	40.4%
Non-Institutional Investors	36.6%
Investcorp	14.0%
Institutional Investors	3.4%
FPI	0.7%

Target Returns

HTM XIRR: ~**13.6%**

Exit (in 2.5 Years): **~15.6%**

InvIT Management Details

Mr. Krishnan Iyer

CEO & Director

- Holds a master's degree in Management Studies from The Birla Institute of Technology and Science, and advanced certificate for executives in management, innovation and technology from the Sloan School of Management, Massachusetts Institute of Technology, and a certificate from Ernst & Young on International Financial Reporting Standards.
- Director on the board of directors of Emmbi Industries Limited since 2018, a company listed on NSE and BSE, engaged in the manufacturing sector. He has been with the NDR Group since 2015 and has been in an executive position with the group since 2021.

Privately Listed InvIT: Nxt-Infra Trust “NIT”

Product Overview

Fund	**Nxt-Infra Trust “NIT”**
Category	Privately Listed InvIT
Sponsor:	Actis Highway Infra Limited (AHIL)
Industry	Highways InvIT
Revenue Model	HAM Annuity (60%) + Toll Revenue (40%)
Portfolio Assets	6 Operational Road Assets (5 HAM + 1 Toll)
Length	2,067 Lane Kms across 5 States (3,101 lane kms post-acquisition)
Concession Period	9.6 Years (Wtd. Avg.); 10.8 years post-acquisition
Distribution Yield	~20% p.a. on issue price (LTM Dec’25)
Past Returns	~30.9% cumulative DPU since listing (Jul 2024) *Incl. ₹30.89/unit distributions over 6 quarters*
Target Investor Profile	Investors seeking high-yield, inflation-linked infrastructure income with sovereign-backed cash flows

Highlights of NDR InvIT Trust

- Registered with SEBI as a privately listed InvIT in November 2023, the trust was listed on NSE in July 2024. It is sponsored by Actis Highway Infra Limited (AHIL), a subsidiary of General Atlantic through its infrastructure platform, Actis, with assets under management of ~USD 118 bn.
- The portfolio covers economic corridors including the Golden Quadrilateral, North-South Corridor and Maha Samruddhi Marg, and is rated CRISIL AAA (Stable).
- The trust has proposed the acquisition of 5 assets comprising 3 HAM assets and 2 Toll assets. Following the acquisition, the portfolio is expected to increase to 11 assets comprising 8 HAM assets and 3 Toll assets across 10 states, covering 3,101 lane kms. Post-acquisition, the combined enterprise value is expected to be ~₹11,300 Cr with revenue of ~₹1,760+ Cr and EBITDA of ~₹1,560+ Cr.
- Since listing, the trust has announced 6 quarterly distributions totaling ₹30.89 per unit up to Q3 FY26. Based on the issue price, the annualized yield stands at ~20%, while the XIRR over the last 4 quarters, including distributions, stands at ~22%.
- As of LTM Dec’25, Net Debt/AUM stood at 48%, Debt/EBITDA stood at 3.7x and the blended cost of debt was 7.31%. Post-acquisition, the trust expects debt headroom of ₹600–700 Cr for future acquisitions. . The sponsor is currently undertaking an OFS of ~₹300 Cr, reducing its stake from 86% to ~75%, to undertake a pref issuance of ~700 crore to acquire five operational road assets from the sponsor group.

Key Investors

Actis Highway Infra Limited (Sponsor)	85.96%
Body Corporates	10.20%
Individuals	2.07%
Mutual Funds	1.75%
Non-Resident Indians	0.07%

Target Returns

HTM XIRR: **~13.3%**

InvIT Management Details

Mr. Jayanta Neelkanth Dixit
CEO

Work Experience

- 36+ years of experience in large infrastructure projects including nuclear power, railways, tunnels, national highways, expressways, and road O&M. He has technical knowledge on design and performance of rigid and flexible pavements and has been responsible for P&L of the projects for over 25 years with projects spread across Indian peninsula.

Publicly Listed InvIT: Raajmarg Infra Trust "RIIT"

Product Overview

Fund	**Raajmarg Infra Investment Trust "RIIT"**
Category	Publicly Listed InvIT
Sponsor	National Highways Authority of India (NHAI)
Industry	Highways InvIT (TOT model)
Revenue Model	Toll Revenue (100%)
Portfolio Assets	5 Operational Toll Road Assets (7 toll plazas)
Length	~260.2 Kms across 4 States (JH, AP, TN, KA)
Concession Period	15 Years from Appointed Date (01-Apr-2026)
Distribution Policy	Min. 90% of NDCF
Listing Gain	+8% (Issue Rs.100 -> Listed Rs.108, 24-Mar-26); CMP ~Rs.116.5 (13-July-26)
Target Investor Profile	Investors seeking government-backed, inflation-linked toll income

Highlights of Raajmarg InvIT

- Registered with SEBI as India's first publicly listed InvIT sponsored by NHAI, set up to manage operational road assets under the Toll-Operate-Transfer (TOT) model.
- Holds an initial portfolio of five operational toll road assets through its wholly-owned Project SPV, Raajmarg 1 Projects Pvt. Ltd., handed over by NHAI on 01 April 2026 for a 15-year concession.
- All five assets form part of the Golden Quadrilateral, connecting Delhi, Mumbai, Chennai and Kolkata across a ~5,846 km corridor under the National Highways Development Programme.
- Portfolio spans ~260.2 km/ ~1,528 lane km across four states - Jharkhand, Andhra Pradesh, Tamil Nadu and Karnataka - covering the Gorhar-Barwa Adda, Chilakaluripet-Vijayawada, Chennai Bypass, Chennai-Tada and Nelamangala-Tumkur stretches.
- Made a debut on BSE and NSE on 24 March 2026; the Rs.6,000 Cr IPO was subscribed 13.7x, and units listed at Rs.108, an 8% premium to the Rs.100 issue price.
- NHAI holds a Right of First Offer (ROFO) to transfer up to 1,500 km of additional road assets to RIIT over the next 3-5 years, providing a defined growth pipeline.
- Toll rates are revised annually by 3% plus 40% of WPI, providing built-in inflation pass-through on revenue.
- Combined revenue of the five assets is projected to grow at ~8.1% CAGR (FY27-FY41), from Rs.925.8 Cr to Rs.2,738.7 Cr, with EBITDA margins of ~89-95%. NHAI guarantees minimum revenue for the first 30 months post-acquisition.

Unitholding Pattern

NHAI Sponsor	**~15%**
FIIs	~0.9%
DIIs	~38.8%
Public	~45.3%
Total	**100%**

Listing Gain

LISTING DAY GAIN

+8.0%

Issue Rs.100 -> Listing Rs.108 (24-Mar-26)

InvIT Management Details

Mr. NRVVMK Rajendra Kumar

MD & CEO, Raajmarg Infra Investment Managers Pvt. Ltd.

Work Experience

Mr. N.R.V.V.M.K. Rajendra Kumar is a finance and infrastructure professional with over 29 years of experience in financial management, asset monetisation and public policy. He currently serves as Member Finance, NHAI and has held directorship roles in various NHAI sponsored infrastructure platforms. He holds a Doctorate in Economics from the University of Hyderabad and a Master's degree in Public Management from Harvard Kennedy School and Lee Kuan Yew School of Public Policy.

Note: Figures compiled from RIIT's RHP, exchange filings and public market data as of Jun-Jul 2026. Raajmarg Infra Trust was listed on March 24, 2026; therefore, distribution history is not yet available.

Credit AIF: Piramal Performing Credit Fund II (PCF II)

Product Overview

Category	**Category II AIF**
Target Corpus	INR 2000 Cr + 500 Cr greenshoe
Min Investments	INR 1 Cr
Management Fees	Up to 1.75% p.a.
Targeted Yield (Gross)	18% plus upside (Pre-taxes and Pre-expenses)
Hurdle rate	11%
Carried Interest	15% - 20% with 50% catchup
Distribution	10-12% per annum | Monthly
Tenure	4.5 years (Maturity – Oct'2030)
Operating Expense	At actuals, up to 0.40% p.a.
Sponsors	Piramal Alternatives Private Limited
Sponsor Commitment	Up to 15%* of aggregate capital commitment

Highlights of the Fund

- Category II AIF following a differentiated hybrid credit strategy, combining stable yield from performing credit with incremental upside through selective equity-linked structures.
- Targets high-quality mid-market companies that are operationally strong and bankable but constrained by rigid lending structures, requiring flexible capital for growth, acquisitions, or balance sheet optimisation.
- Provides 2-4 year structured, non-dilutive capital tailored to cash flows, positioning the strategy as a bridge between private equity and traditional lending — capturing value through credit improvement and refinancing visibility rather than distressed situations.
- The fund avoids cyclical sectors, low-margin businesses (single-digit EBITDA), and name-lending to large conglomerates, while steering clear of zero/low coupon structures, greenfield capex, and direct equity exposure.
- Significant skin in the game – Sponsor contribution of 15% of the fund size

Past Fund: Performing Credit Fund I

Total Capital deployed:
~INR 2,363 Cr

Tenor:
~5 year – Maturing in Feb'2027

92% proceeds already returned

Portfolio
IRR (Gross): ~19.5% + upside; DPI ~0.92x

Deals:
17 deals across 12 sectors, 11 exited,
5 deals had equity upside

Fund Manager Details

Abhishek Jain
Fund Manager, PCOF-I Fund

Work Experience
19+ years

Previous Stints
Motilal Oswal PE, SBI

Source: Piramal Alternatives AMC

Credit AIF: Spark Equitized Credit Solutions Fund III (SpECS III)

Product Overview

Fund	**SpECS III**
Category	Category II AIF
Target Corpus	INR 750 Crs + Greenshoe option INR 250 Crs
Min Investments	INR 1 Cr; in multiple drawdowns
Management Fees	1.5% on drawn down capital
Targeted Yield (Gross)	15.0%+ (Pre-taxes and Pre-expenses)
Hurdle rate	10.0% IRR (INR terms)
Carried Interest	15.0% over hurdle rate; no catch-up
Tenure	5+1+1 years
Set-up cost	Capped at 0.5% of committed capital
Nature of Investments	Structured Debt in the form of NCDs, FCDs, CCPS
Sponsors	Spark Asia Impact Pvt. Ltd.

Highlights of SpECS Fund III

Product Positioning	Private Structured Credit for Mid-market enterprises
Ticket Size	**INR 15-120 Cr**
Investee Segment	Mid-market corporates of Revenues between **INR 50-2,000 Cr**
Sectors	Predominantly in Manufacturing, Consumer, Business & Technology services, Pharma & Healthcare, BFSI#
Concentration	**< 25% of fund's corpus** in single group
Collateral	**Primary** - operating cash flows and escrows **Secondary** - Hard assets, Pledge of shares
Take-outs	Upfront fees + coupon + back-ended premium/ warrants
Investing Instruments* **	NCD, OCD, CCD, CCPS, OCPS
Tenor	**24-48** months

SpECS II Details (Previous Fund)

First Close: **Nov 2022**

AUM Garnered: **~INR 594.5 Crs**

100% amount drawn to date

18 Investments made including redeployment

Amount distributed: **INR 470 Crs**

Portfolio **IRR: 15.5% (Gross)**

Fund Manager Details

Kapil Ramamurthy
Co-founder, Spark Capital

Work Experience
25+ *years*

Previous Stints
HDFC Bank & Standard Chartered Bank

Source: Spark Alternative Assets Advisors India Pvt Ltd

Real Asset AIF: Neo Infra Income Opportunities Fund II

Product Overview

Fund	**Neo Infra Income Opp Fund II**
Category	Category II AIF
Target Corpus	INR 5000 Cr
Min Investments	INR 1 Cr
Management Fees	A1: 1-2.99 Crs – 2.00% A2: 3-9.99 Crs – 1.75%
Targeted Yield (Gross)	18% - 20% (Pre-taxes and Pre-expenses)
Hurdle rate	10%
Carried Interest	15%-20% without catchup
Tenure	7 years from first close
Performance fee (without catch-up)	A1: 1-2.99 Crs –20% A2: 3-9.99 Crs –15%
Distribution % and frequency	10-12% pa. post complete deployment / Quarterly – Semi-annual
Sponsor Commitment	INR 5 Crores

Highlights of Neo Infra Income Opp Fund II

- Investment Strategy: Focus on operational infrastructure assets, primarily HAM road projects with contracted government cash flows, supplemented by selective exposure to privately listed InvITs, solar/BESS assets and secured last-mile project funding, with value creation through active asset management and strategic exits.
- Return Objective: Target ~18–20% gross IRR, comprising ~10–12% p.a. periodic distributions (post deployment) and ~7–8% back-ended capital gains from asset monetization.
- Assets will be directly owned and actively managed, enabling operational improvements, refinancing opportunities and value enhancement, with exits typically through InvIT monetization or strategic sales.
- Proven Strategy & Pipeline: Builds on the experience of the previous fund, with a strong pipeline of operating HAM roads and renewable assets, supported by deep industry relationships and an experienced infra team.

Neo Infra Income Opp Fund I Details (Previous Fund)

First Close: **Sep 2023**

Final Close: **May 2025**

AUM Garnered: **~INR 2,827 Crs**

5 Investments made, 2 Committed

18-20% pa Target Return (Gross)

10-12% pa Distributions post deployment

Portfolio **IRR: 21% (Gross)**

Fund Manager Details

Abishek Goel

Head – Infrastructure & Real Assets, Neo AMC

Work Experience

***23+** years*

Previous Stints

Global Infrastructures Partners, HSBC, actis

Source: Neo AMC

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