

India Investment Strategy

July 2026

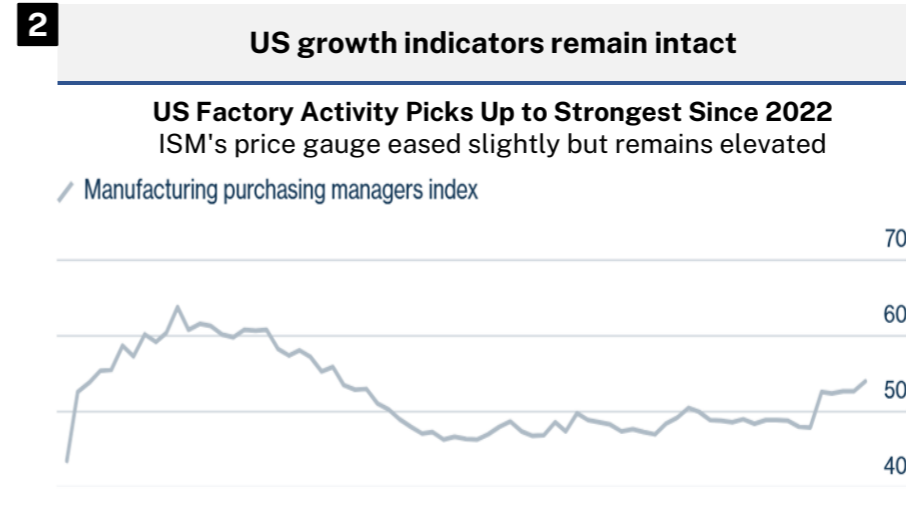
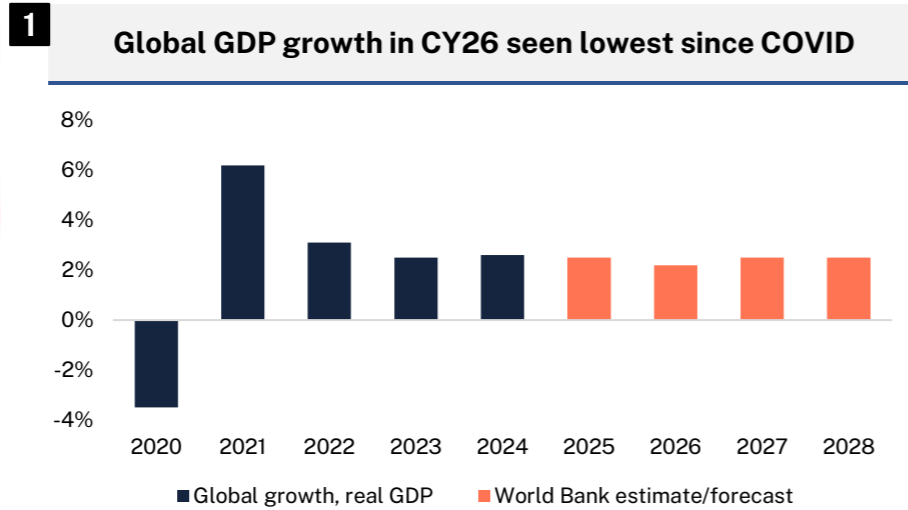
You can't predict, but you can prepare - Howard Marks

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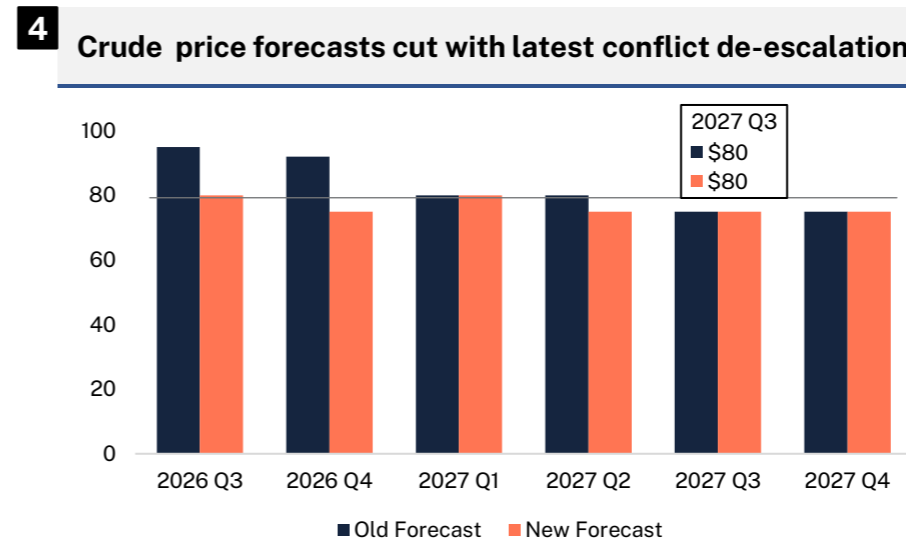
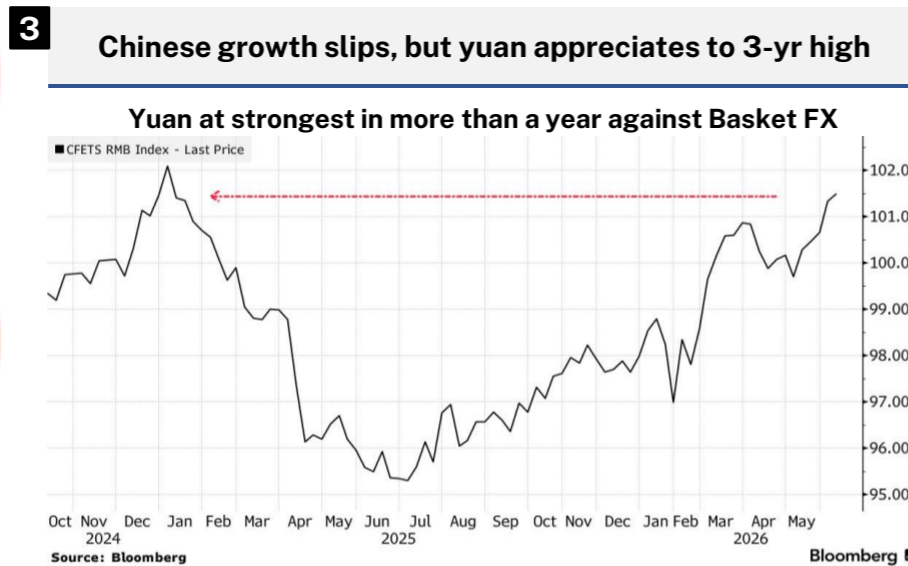
External Cues – Global Growth : Tepid, but cessation in US-Iran conflict to add cheer

Recent growth downgrades were primarily driven by the energy and supply-chain disruptions arising from the US-Iran conflict. With hostilities now de-escalating, a portion of these headwinds may reverse over the coming quarters, potentially improving the growth outlook at the margin. Nevertheless, CY27 growth expectations remain moderate and below long-term averages



US growth continues to exhibit resilience, with GDP expected at ~2.2% in CY26 and labour market indicators remaining broadly supportive. Lower energy prices following the ceasefire could provide an incremental boost to sentiment and spending, although the AI-led capex cycle remains the primary driver of growth expectations.

Recent economic indicators point to a moderation in Chinese growth momentum. However, the CNY has appreciated materially, supported by strong trade surpluses and policy tolerance for currency strength. This could have meaningful implications for regional competitiveness, capital flows and India's external sector dynamics.



Oil market expectations have adjusted sharply following the ceasefire, with Brent forecasts for CY26 revised lower to ~USD 80/bbl from levels above USD 90/bbl previously. Markets are increasingly pricing a faster normalisation in energy flows and with deliveries of 'floating' supplies.

External Cues – Global Growth

Facts

- Global growth forecasts were revised lower following the Middle East conflict and the associated energy shock. However, the recent US-Iran ceasefire and the sharp correction in crude prices could partially reverse these downgrades, with Persian Gulf energy flows expected to normalise by mid/end-Jul'26.
- US growth indicators remain resilient, with Factory PMI at a 4-year high, job openings at a 2-year high and Big Tech AI capex expected to reach **~USD 754bn**. While consumer confidence has softened, lower energy prices could provide incremental support. China's recovery has lost momentum after a strong 1QCY26, although exports – particularly AI-linked hardware – remain a bright spot.
- Corporate earnings expectations remain robust. US earnings are forecast to grow **24% in CY26 and 13% in CY27**, while AI remains the key driver (Mag-7 earnings growth of ~35% vs ~18% for the remaining S&P 493). EM earnings outlook also remains strong, supported by AI and semiconductor supply chains, with forecast earnings growth of **320% for Kospi and 48% for Taix** in CY26.

Assessment

- From a cyclical perspective, the US-Iran ceasefire is incrementally positive for global growth, particularly given that over two-thirds of the global economy had faced deteriorating growth expectations owing to the energy shock. However, meaningful scepticism remains over the agreement's durability as it suggests a strategic shift in US policy toward Iran and the Middle East.
- However, the longer-term implications could prove more significant. Repeated energy disruptions over the past four years are accelerating the search for alternative energy sources and supply diversification, potentially reshaping global energy markets, trade flows and industrial competitiveness. Geopolitical realignments also appear to be underway, with OPEC's influence moderating, newer suppliers entering the market and China increasingly emerging as a stabilising force within the global energy ecosystem.
- On AI, while hyperscaler spending remains strong, concerns around eventual returns on capital continue to build. AI-related debt issuance is expected to exceed **USD 500bn in CY26**, with implications for bond yields, corporate cash flows and equity valuations. The decline in Big Tech buybacks to decade lows reinforces this concern.

Implication

- Growth expectations for CY26 could improve modestly over the coming months as lower energy prices feed through to business sentiment, consumer spending and broader economic activity. Markets are likely to increasingly focus on identifying beneficiaries of the evolving energy, manufacturing and geopolitical landscape, rather than merely positioning for a cyclical recovery.
- Lower energy prices could help alleviate inflation concerns and broaden earnings recovery beyond the AI and semiconductor ecosystem. Equity market leadership may gradually shift back toward growth and earnings outcomes, particularly in the US, with greater focus on the sustainability of AI investments and their eventual impact on productivity, employment and corporate profitability.

Risks

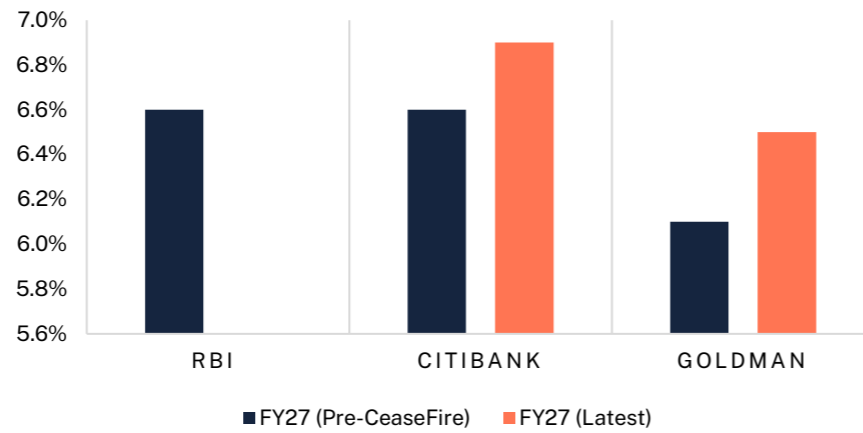
- × The USD is at a 1-year high- owing to rising rate hike expectations. Strengthening USD is typically negative for global capital flows, esp. for EMs like India.
- × The ceasefire proves temporary, resulting in renewed disruptions to energy markets, supply chains and global growth expectations
- × Sharp rise in US equity issuances recently, coupled with worries of peak optimism on the AI trade- setting up a disruptive shakeout for risk markets globally.

While global growth remains below trend, a cessation of the US-Iran conflict meaningfully improves the outlook at the margin. Lower energy prices, resilient US growth and strong earnings provide support for risk assets, although questions around AI returns and the evolving geopolitical order remain important medium-term monitorable.

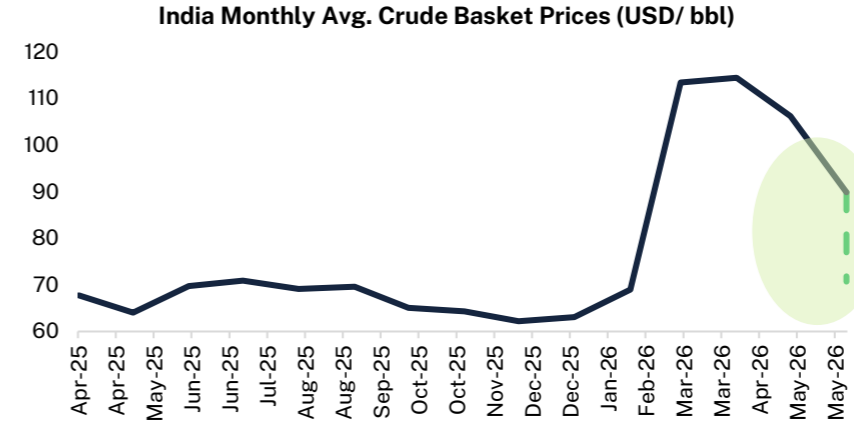
Local Cues – Growth : US-Iran ceasefire hopes trigger growth upgrades in India

A confluence of favourable developments—including lower energy prices, an improving INR/BoP outlook, easing rate expectations and the imminent conclusion of the US trade negotiations—is prompting a reversal of recent FY27 GDP downgrades. The monsoon, however, remains the key monitorable.

1 Upward revisions to GDP growth forecasts underway



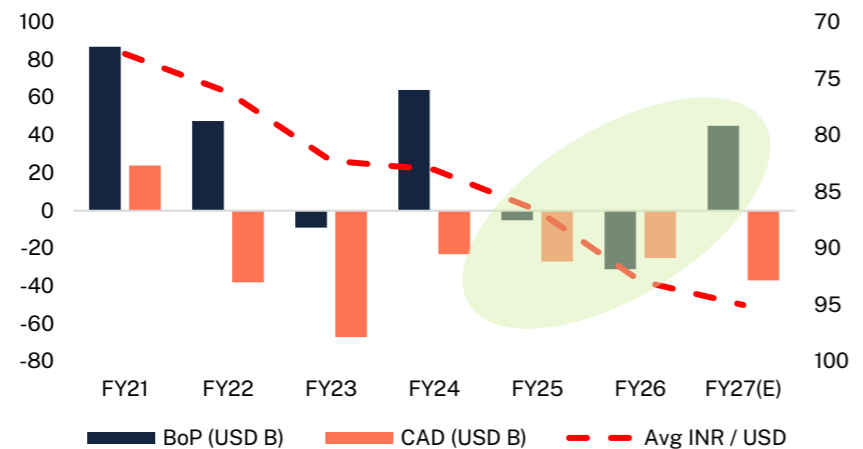
2 India energy prices have corrected sharply



India is amongst the largest beneficiaries of the sharp correction in crude prices. Global Brent forecasts for Jul'26–Mar'27 have declined to ~USD 72/bbl from ~USD 90/bbl earlier, while India's crude basket has already corrected by ~60% from its Apr'26 peak.

RBI measures to attract capital flows (FCNR(B), ECBs), alongside lower energy prices, a narrowing CAD and improving debt-market inflows, are expected to return the Balance of Payments to surplus after two consecutive years of deficit – supportive for INR stability into FY27.

3 India's external position to improve into FY27



4 Latest moderation in HFIs** to likely reverse

Moneycontrol Advance Business Index				
(% change y-o-y)				
ABI	PMI MANUFACTURING	PMI SERVICES	PMI COMPOSITE	4W SALES
100.6	55.0	59.8	59.3	30.8
2W SALES	PETROL	DIESEL	ATF	NAUKRI JOB SPEAK
11.1	3.4	1.6	0.9	1.0
E-WAY BILL...	UPI VOLUME	CREDIT CARD...	NON-FOOD CREDIT	COAL OUTPUT
10.9	24.2	2.8	16.0	-11.6

High-frequency indicators suggest a moderation in activity through May'26, with softness visible in fuel consumption, two-wheeler sales, GST collections and employment indicators. However, PMI readings, credit growth and passenger vehicle sales remain supportive. With energy-related headwinds now easing, INR stability and a gradual recovery in activity appear likely, although the monsoon remains a key risk.

Local Cues – Growth

Facts

- GDP growth forecasts for India are likely to be revised upwards following the sharp correction in crude prices. The outlook for India's external position has also improved meaningfully, with a modest BoP surplus now expected by FY27-end and INR forecast to stabilise in the **93–95/USD** range.
- While select high-frequency indicators moderated in May'26 – particularly fuel consumption and financial conditions – the combination of easing geopolitical tensions, lower energy prices and the likely conclusion of the US trade agreement could help reverse this weakness in the coming quarters. In this context, important to note that the ECLGS scheme has provided significant cushion to the domestic economy by offering critical liquidity to MSMEs during this Middle East crisis related disruption (close to 1 L guarantees have been issued in the last 2M worth INR 49K cr)
- The monsoon season has commenced with rainfall tracking ~40% below normal. Global weather models continue to indicate abnormal dryness through July and August, raising concerns for the kharif crop season, particularly as reservoir levels have declined to ~28% of capacity.

Assessment

- While RBI measures and the Iran ceasefire should provide near-term support to INR stability, India's medium-term macro resilience will increasingly depend on its ability to participate meaningfully in the global AI value chain, attract long-term foreign capital and reduce its structural dependence on imported energy.
- Agriculture growth could slow to **1–1.5% in FY27 versus ~3% in FY26** if monsoon outcomes remain close to current forecasts. The second-order effects could be meaningful through higher food inflation, erosion in rural purchasing power, weaker demand for tractors, two-wheelers and mass-market goods resulting in pressure on the broader MSME ecosystem. Lower energy prices could likely provide the Government with additional fiscal flexibility to support vulnerable segments of the economy and/or accelerate spending. In this context, a complete and immediate rollback of recent fuel price hikes appears unlikely.

Implication

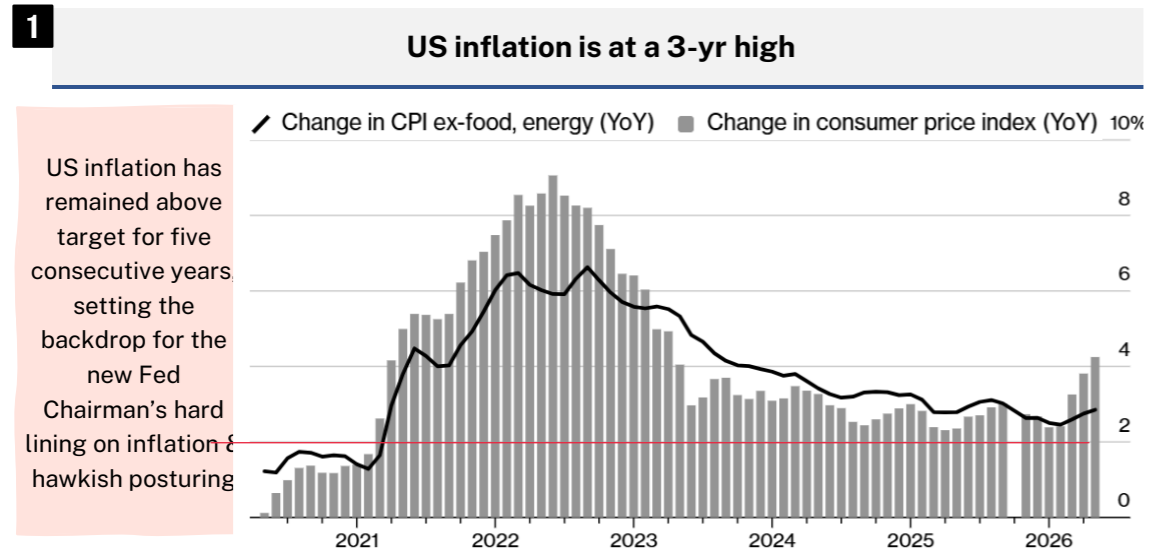
- Manufacturing and services activities could witness a further leg-up as geopolitical stability improves and lower energy prices reduce input-cost pressures.
- India's growing network of FTAs/PTAs – including agreements with the EU, UK, Australia, UAE, Oman, New Zealand and EFTA, alongside the expected interim arrangement with the US – could provide a meaningful boost to exports through H2-FY27 and FY28. (India had FTAs covering just 11% of the global economy – this has moved to ~60% of global nominal GDP now) . Alongside, the competitiveness of the INR (**REER at 88.0, lowest since 2013**) combined with improving external balances augurs well for exports and import substitution, particularly relative to a stronger CNY.
- If monsoon conditions remain challenging, the recovery is likely to be uneven. Equity market leadership may therefore continue to favour businesses with: strong pricing power, domestic resilience, lower input-cost vulnerability, stronger balance sheets, meaningful participation in government-led investment programs, and exposure to structural themes such as **AI, technology manufacturing, exports (including textiles and specialty chemicals), AI/digitalisation, defence and energy security/transition. The FCNR program is seen as a positive for banks and is expected to spur credit growth in the coming quarters.**

Risks

- × Stronger than expected El Nino – resulting in widespread water shortages and droughts (e.g. RE in select cities already impacted owing to widespread water cuts) and significantly impacting demand conditions
- × Re-escalation of geopolitical tensions leading to renewed spikes in commodity and energy prices. RBI measures failing to attract the anticipated quantum of capital flows, delaying the expected improvement in external balances and INR stability.

India appears poised to resume the growth upturn that was taking shape since 4QCY26. However, monsoons have emerged now as the key swing factor, implying that any recovery maybe uneven and increasingly selective across sectors and themes.

Inflation & Interest Rates – Global : Price stability is now Fed policy priority



Facts

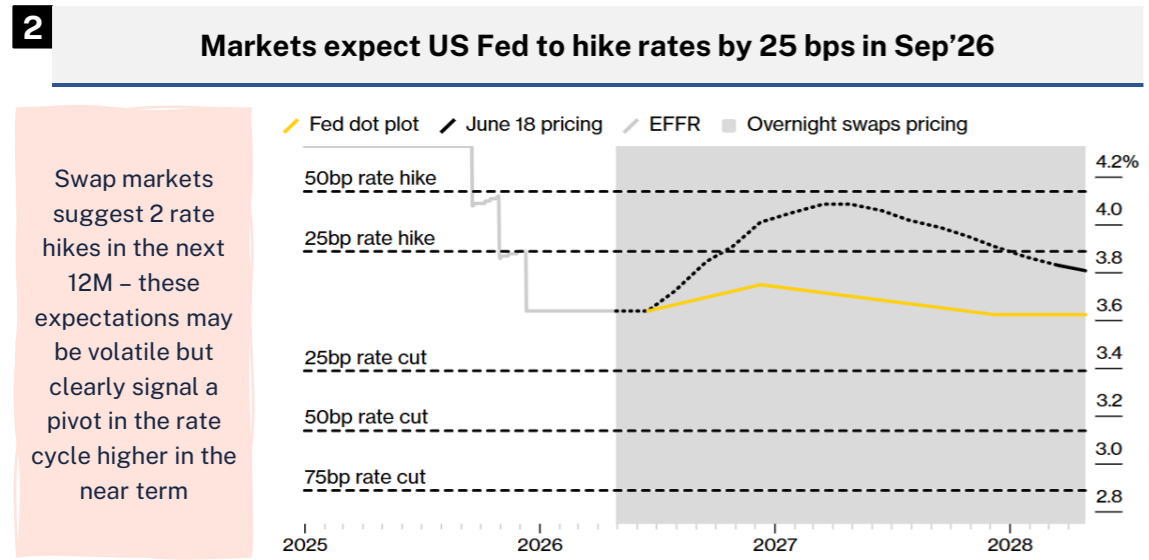
- US inflation has accelerated at its fastest pace in three years. While the recent correction in energy prices may provide some relief at the margin, inflation has now remained above the Fed's **2% target for five consecutive years**, raising questions around policy credibility.
- New Fed Chair **Kevin Warsh** has explicitly positioned price stability as the primary policy objective, reinforcing expectations of a more restrictive rates environment.
- The global policy cycle is also turning higher.** The ECB and BoJ raised rates in Jun'26 citing inflation concerns, while Indonesia has already hiked rates to arrest currency weakness and the Philippines is expected to follow in the coming months.

Assessment

- The Fed's policy stance has become increasingly hawkish, with a shift away from any forward guidance on rates and dot-plot signalling. This suggests greater uncertainty around the future policy path and potentially higher volatility in bond yields.
- Beyond the Fed, several major Central Banks – including the ECB, BoJ (31-yr high) and Bank of England – are expected to tighten further through CY26. Across Asia, countries facing currency and inflation pressures continue to move toward tighter policy settings, with China remaining a notable exception.

Implication

- The USD has strengthened following the latest FOMC meeting and now trades at over a 1-year high, creating a less favourable backdrop for EM currencies, capital flows and policy flexibility.
- While markets may welcome the renewed focus on inflation control, long-term bond yields are likely to remain elevated as large fiscal deficits, debt issuance requirements and inflation uncertainty persist across major economies.
- Financial conditions are therefore likely to remain tighter for longer, with the impact gradually transmitting across currencies, credit markets and broader risk assets.
- Inflation-control focused policy settings could also prove modestly negative for gold in the near term, although continued Central Bank demand remains an important structural support.



Risks

- Inflation proves more persistent than currently expected, forcing central banks into a more aggressive tightening cycle.
- Higher policy rates begin to weigh more meaningfully on growth, labour markets and corporate profitability.

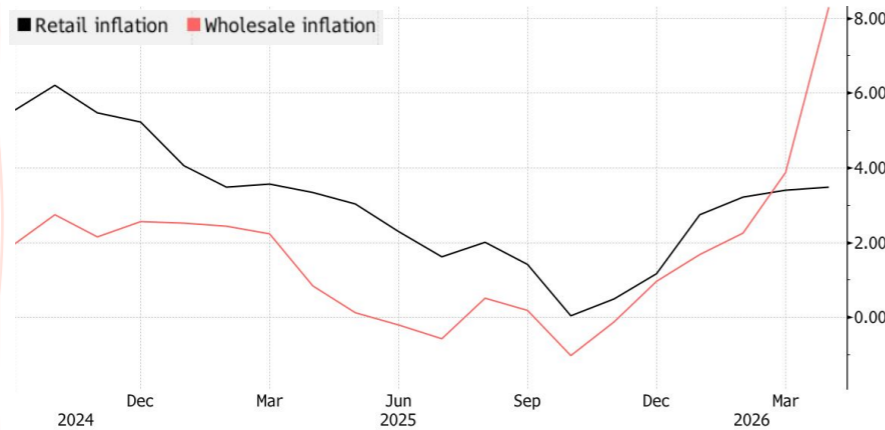
Inflation control has re-emerged as the dominant global policy priority and may represent a key inflection point as its effects increasingly transmit across currencies, bond markets and broader risk assets.

Source : Bloomberg

Inflation & Interest Rates – Local : Easing Middle East tensions pushback policy pivot

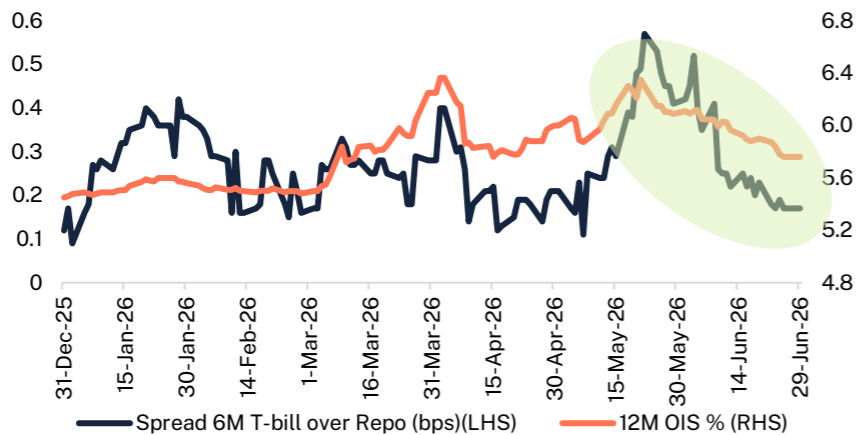
1 CPI rises but remains within target; Producer prices zoom to 4-yr highs

Food prices – 40% of CPI basket has risen by ~4.7% | Latest fall in energy prices & INR stability to moderate recent spike in WPI; El Nino impact to be monitored



2 Rate hike expectations seem to have been deferred for now

Prospects of improved liquidity conditions have further helped ease short term yields



Source : Bloomberg, Reuters

Facts

- RBI maintained status quo in the Jun'26 policy while announcing a **broad-based package of measures to attract foreign capital flows**. These were complemented by Government measures to improve the attractiveness of G-Secs for foreign investors. Collectively, FCNR-B, ECB and debt-flow measures are expected to attract ~**USD 70–80bn** of inflows between Jun–Sep'26. CPI inflation printed at **3.93% in May'26** versus 3.5% in Apr'26, while WPI inflation surged to a 4-year high of ~9%, driven primarily by higher energy prices.
- System liquidity remained volatile. While RBI intervention to support INR tightened liquidity, this was partly offset by month-end tax outflows easing. Consequently, both short and long-term yields softened modestly, aided by lower crude prices.

Assessment

- Growth remains the immediate policy priority. Policymakers appear reluctant to undertake a premature policy pivot, particularly given the risk of exacerbating the economic impact of the recent energy shock. At the same time, the RBI remains mindful of any **generalization of inflation risks**, especially the prospect of higher food inflation if El Niño conditions intensify.
- Prior to the Iran ceasefire, markets had priced **75–100 bps of rate hikes over the next 12 months**. With INR pressures easing and crude prices correcting sharply, the urgency for rate actions have receded, providing greater policy flexibility. However, the path for policy rates is higher towards CY27.

Implication

- Improved liquidity conditions should continue to support lower short-term yields in the near term. Higher FCNR(B) inflows could also reduce the need for elevated bank CD issuance. Improved fiscal and external-sector dynamics, coupled with stronger foreign participation in debt markets- aided by the BBG bond index inclusion, could help anchor long-term yields, although this segment remains vulnerable to global bond market developments.

Risks

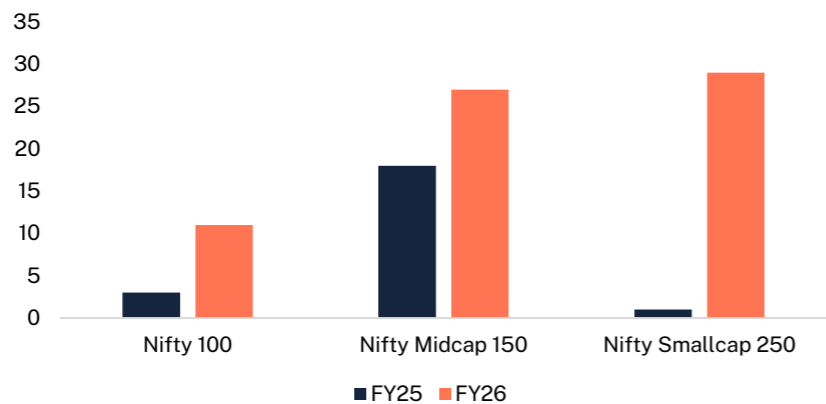
- A stronger-than-expected El Niño leading to a sharper rise in food inflation.
- Re-escalation of geopolitical tensions
- Global bond yields moving materially higher, limiting RBI flexibility and exerting upward pressure on domestic rates.

The immediate risk of a policy tightening cycle has receded. For now, the RBI has regained flexibility, although the path higher for policy rates over the next 12-15 months remains intact for now.

Valuation & Earnings : Earnings Resilient; Valuations Still Demanding

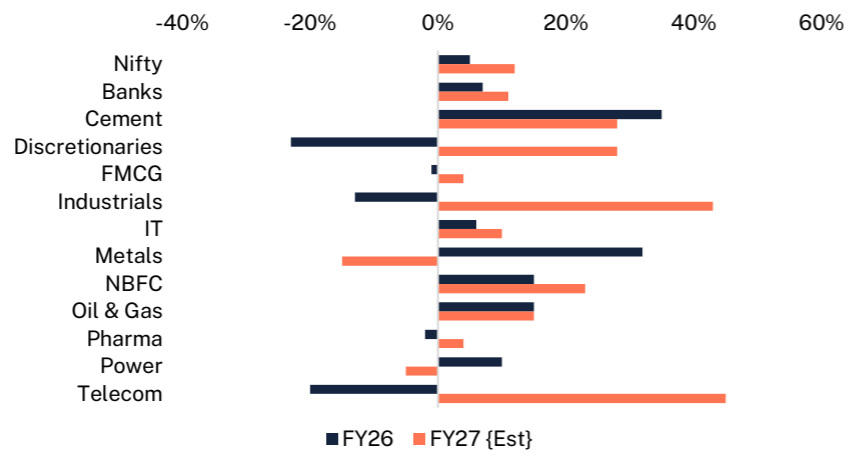
1 India Inc. – Market Cap wise Earnings Profile in FY26

Midcaps have been key driver of broader earnings growth - smallcaps have done well but have been a tad lower than expectations



2 Sectoral PAT Growth highly divergent in FY26 ; likely to persist into FY27

While Index level y/y PAT growth has been very muted between FY26 - 27 ; trends have varied significantly across sectors and is likely to shift meaningfully into FY27



Facts

- The 4QFY26 earnings season concluded on a strong note, with **NSE-500 PAT growth of ~16% and sales growth of ~12%**, the strongest performance in over three years. Earnings growth was broad-based, led by commodities – Metals (+55% YoY) and OMCs (+61% YoY) – while Private Banks/NBFCs, IT, Autos (ex-TAMO), Telecom and Utilities also contributed meaningfully. Healthcare, Chemicals and EMS remained relatively weak. Midcaps were the key driver of earnings growth, with **Nifty Midcap-150 earnings rising ~34% YoY**, the strongest in nine quarters. Nifty-100 and Smallcap-250 earnings grew ~12% and ~13% YoY respectively. Consensus expectations currently peg Nifty earnings growth at ~15% for FY27 and ~12% for FY28.

Assessment

- Expectations of stronger earnings growth in FY27 despite a softer GDP outlook appear counterintuitive. However, this is largely explained by the composition of the index, where several heavyweight sectors remain relatively insulated from domestic growth conditions and/or benefit from global linkages. The sharp correction in energy prices and the improving outlook for the Middle East could lead markets to treat the Q1FY27 earnings season as a transitory disruption, particularly if margin pressures prove short-lived. Management commentary on demand trends, however, will remain a key monitorable.
- Valuations remain mixed. While Nifty valuations have moderated (12M forward PE ~19.7x), India continues to command a steep ~60% premium to EM peers, while SMIDs remain meaningfully above long-term average valuations.

Implication

- Consensus FY27/FY28 earnings estimates have begun moving higher over the past few weeks, reflecting the improvement in energy prices, INR stability and the broader macro outlook. More meaningful upgrades could emerge through Jul-Aug'26 if the ceasefire holds, monsoon outcomes remain manageable and management commentary remains constructive. Markets are likely to remain increasingly **sector and stock specific**, with divergence persisting across sectors.
- While India's macro outlook has improved, equity returns remain significantly dependent on earnings, as valuations likely continue to de-rate steadily in line with normalized earnings growth and global earnings/valuations differentials.

Risks

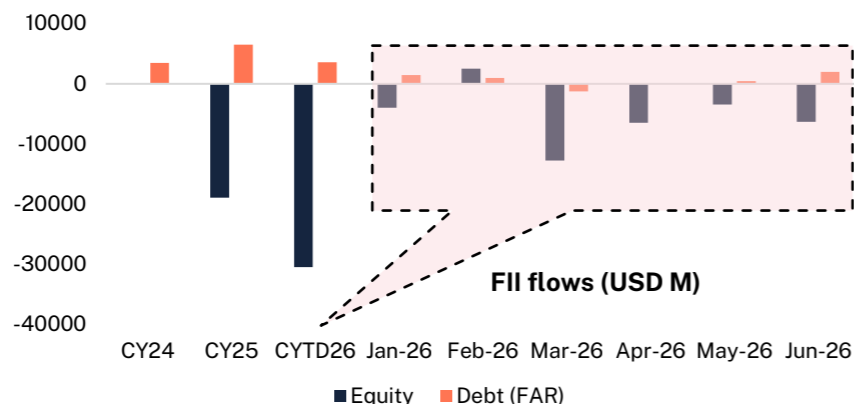
- A disruptive pullback in the global AI trade –esp. after the huge equity supply in the coming months in the US.
- Monsoons are way lower than expected | Middle East crisis re-escalates

Earnings resilience remains intact, but elevated valuations imply that future returns are likely to be increasingly earnings-led, resulting in a more selective and dispersed opportunity set.

Allocation of Capital : Macro tailwinds emerging but equity FII flows remain elusive

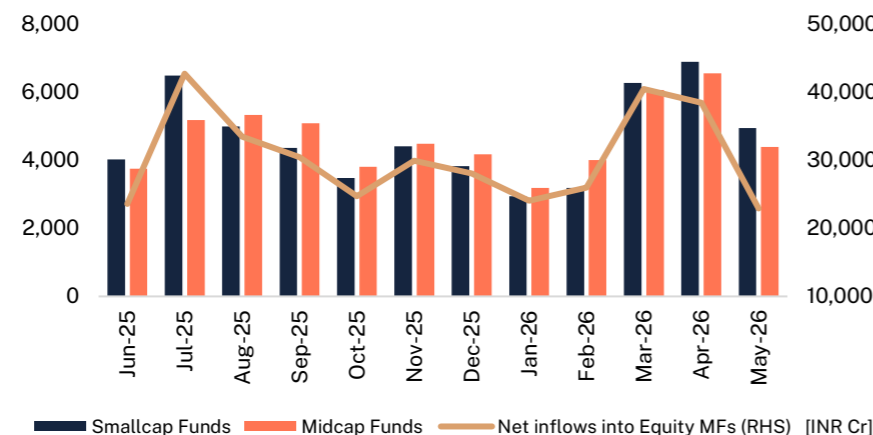
1 Pace of FII Equity outflows moderate ; Debt outflows have reversed

Debt inflows have recovered boosted by the tax respite ; equity outflows have moderated but a firm reversal in direction of flows is not in sight



2 Pace of retail flows into MFs is slowing gradually

Weak returns on MF folios created in the last 18M – esp. SIPs likely beginning to impact incremental flows into MFs



Facts

- Global EM flows turned negative in May'26 (-USD 27bn) following the sharp rebound in Apr'26 (+USD 70bn) esp. with AI heavy markets including Korea & Taiwan witnessing outflows, while US equities continue to attract record inflows (~USD 740bn CY26TD).
- FII remain structurally underweight India, with anecdotal evidence suggesting that nearly **60% of tracked EM funds (~USD 350bn AUM)** continue to cite valuation and earnings-growth concerns.
- FII equity outflows persisted in Jun'26 (~USD 6bn), although the pace moderated toward month-end. In contrast, debt inflows rebounded sharply (~USD 2bn) following tax exemptions on FII g-sec investments
- Retail equity MF inflows declined ~40% m/m to ~INR 23,000 crore in May'26, although early indications suggest some recovery in Jun'26.

Assessment

- While India's macro outlook has improved appreciably, FII equity flows appears unlikely in the near term.
- Policy measures aimed at attracting FDI flows can be a key catalyst to help improve equity market sentiment (e.g. recent FDI relaxation on insurance).
- Sectorally, FII positioning has remained cautious toward Banks/NBFCs and IT. Going forward, hard asset sectors – Power, Energy, Hospitals, RE etc) are likely to attract greater interest. The 'HALO'* trade seems to be in play in India and globally too.
- Equity MF cash levels declined marginally in May'26, with AMCs such as PPFAS, SBI, Nippon, Bandhan and Tata increasing equity deployments during the month

Implication

- Equity SIPs have largely delivered negative to low single-digit returns over the past 12-18 months, contributing to SIP closure ratios of 95-110% in recent months and the slowest pace of investor additions since Jun'23.
- With flow support moderating and valuations still elevated, earnings delivery is likely to remain the key support for SMIDs.

Risks

- Strengthening USD is a monitorable risk
- Continued moderation in retail participation and SIP growth.
- Renewed global risk aversion

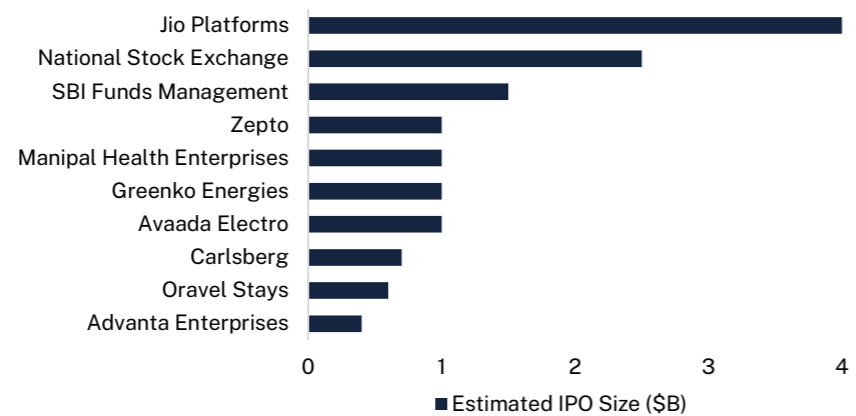
Macros have stabilized but earnings trajectory has to improve materially to trigger rotation of capital from AI-driven EM peers; Waning local MF flow support is a concern esp. for SMIDs

* HALO – Heavy Assets, Low Obsolescence
Source : Bloomberg, Newspapers, ACE MF, IIF, Reuters

Trends & Sentiment : Improving Macro Narrative Meets Emerging Supply Overhang

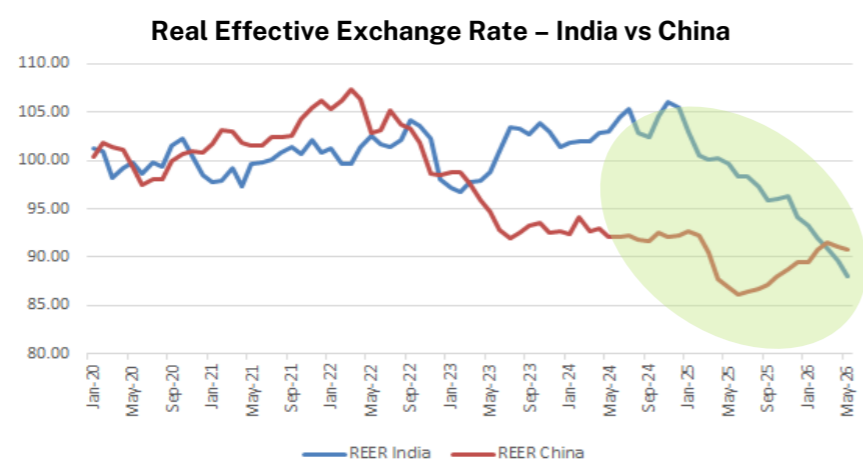
1 Large supply pipeline over next 2 – 3 quarters

Jio is entirely primary issuance ; Zepto has a small OFS component but NSE, SBI and Phonepe are entirely OFS only



2 Key macro shift – INR more competitive vs. Chinese Yuan

Shift in INR –CNY dynamic strengthens the medium-term case for domestic manufacturing, exports and import substitution themes.



Facts

- Global sentiment remains cautious, as markets balance easing geopolitical tensions, continued AI-led optimism and a more hawkish shift in Central Bank expectations.
- Domestic sentiment has improved led by the strengthening macro backdrop. However, persistent FII outflows, concerns around a potentially deficient monsoon and a sizeable IPO/OFS pipeline continue to temper enthusiasm. Notably, cumulative net FII investments in India now stand at ~INR 7T, the lowest level since 2016.

Assessment

- Global sentiment remains fragile with AI-trade getting disrupted in Asia amidst significantly high margin trading in markets such as Korea (for e.g. daily forced liquidation ratio spiked to 4-5% of total outstanding margin loans, well above the ~1% seen under normal conditions)
- Back home, lock-up expiries from earlier listings are expected to release shares worth ~USD 8.5bn by Aug'26, adding to concerns around a potential supply overhang. Also, the planned IPOs coincide with a strong global IPO calendar, including names such as Anthropic and OpenAI, implying that these issuers will be competing for FII allocations against these most sought-after growth assets globally.
- Separately, periods of macro-economic stress have historically sown the seeds for India's next growth cycle. Markets are therefore increasingly looking for reforms that deepen capital formation, accelerate manufacturing and exports, and improve employment generation and external balances—without which India risks remaining stuck in a structurally lower-growth trajectory

Implication

- The combination of fresh equity issuance and lock-up expiries is likely to weigh on secondary market valuations, notwithstanding healthy cash balances within domestic mutual funds.
- Fund managers are increasingly seeking to raise active share and position portfolios toward segments expected to lead the next phase of earnings growth, including **Renewables, Logistics, Textiles, Data Centres, Wealth Management etc.**

Risks

- ✗ Poor listing performance of these IPOs impacts sentiment negatively
- ✗ Policy reforms fail to materialise delaying the next leg of the investment cycle.
- ✗ Renewed deterioration in global liquidity or risk sentiment

Sentiment has improved alongside the macro backdrop, but a sizeable supply pipeline and continued FII caution are likely to keep markets selective as incremental capital gravitates towards themes expected to drive the next phase of earnings growth and capital formation

Source : Moneycontrol

Portfolio Strategy



Guidance on Portfolio Strategy

- The Middle-East conflict interrupted India's nascent cyclical recovery that was taking shape since 4QCY25 and thus, the imminent resolution of the conflict should signal **a resumption of the recovery**. Demand conditions viewed through growth in PV sales, bank credit, IIP, housing sales seem to indicate a stable/improving environment. The sharp fall in crude oil price has **spurred GDP upgrades for FY27** alongside a major easing of worries on the CAD and the Government's fiscal deficit. The timely intervention through the FCNR(B) and the ECB dispensations has also put paid to fears of a BOP deficit for the third consecutive year – in the process allaying concerns around the USD/INR. This has also shifted out the expectations of a policy rate hike into late FY27/mid CY27. Overall therefore the domestic growth, inflation, external account and fiscal outlook reflected a meaningful improvement through June.
- The global outlook suggested a widespread upturn in interest rates, led prominently by the US and Europe, driven largely by incoming inflation printing persistently higher than policy target levels. Markets now attach a 77% probability that US policy rates would be higher by end-CY26 (vs 48% a month ago). This has pushed up the **USD index to over a one-year high**. Alongside this, the **AI trade globally showed increasing nervousness** in June with rising concerns over the profitability of the AI infrastructure providers, the cost of tokens and the seeping of such concerns into private credit markets. Thus, while the hardware companies in Asia remained in favor, the AI companies in the US were down by 10-15% in June.
- In the circumstances, the SIGC* noted the meaningful improvement in India's outlook, while wanting to watch the upcoming results season for trends on demand, pricing, margins and management outlook for FY27 in the aftermath of the Middle-east conflict. Members hoped for **the resumption of the cyclical recovery**, even while focusing on the increased export competitiveness of companies, given the 17% depreciation of the INR vs the CNY over the last 1-year and the INR's REER now at 13-year lows. Given however the recent nervousness in global markets around the AI trade, the sharply higher AI-equity supply and the USD strength, there was a **preference to retain the marginal overweight position on equities unchanged for now**.
- Within this, the key observations surrounded 1) **the creeping active share of portfolios by fund managers**, 2) the **increasing preference for SMIDs** (despite their higher valuations) given the higher incidence of **emerging sector opportunities** in this space (new energy, energy transition, power ancillary, exports).
- **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 Cyclical bringing up the balance.
 - EM equities remain relevant given their strong earnings outlook, reasonable valuations and an INR hedge | 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



Guidance on Portfolio Strategy – Fixed Income & Gold

- **Rates & Liquidity Backdrop** : System liquidity has improved meaningfully in the last 1 month mainly led by stabilizing INR and hopes of reduced CD issuances with the expected FCNR(B) flows seen to help improve bank deposit growth meaningfully. While tax related outflows led to some transient liquidity tightening, the broader favorable outlook on INR, liquidity and push-back in rate hike expectations have led short term rates lower by 25 – 90 bps across the curve. This is now clearly reflected in the sharply improved performance of money market funds in the last 4 – 6 weeks.
- We expect the easing in system liquidity to continue and short-term rates to remain comfortable as the flows materialize but having said that we don't expect a collapse in rates as these USD flows materialize as the RBI will look to sterilize these flows (build forex reserves in the coming months). From an incremental investments into this segment, we expect returns to be largely in line with portfolio YTM's with the major part of the reset in short term yields largely behind us.
- **Long Duration View** : The outlook on the **longer end of the curve has seen a bump up with energy prices having cooled and a revival in FII g-sec flows**, but having said that fiscal arithmetic remains tricky and global bond dynamics are likely to build the upward pressure on 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**, curated and tightly structured real estate credit. We remain **constructive but selective** in this space. The local private credit market remains structurally distinct from the US — with **limited leverage at the fund level, focus on cash-flow-generating businesses with adequate collateral, and no ALM mismatches** given the closed-ended structure of these AIFs.
 - **Real assets / hybrid yield strategies** : Constructive on income-oriented real assets (REITs / InvITs) and hybrid strategies targeting “debt-plus” returns through market-neutral or derivative-led overlays, with defined downside guardrails and tax efficiency.
 - **Gold – Strategic Allocation** : Reprioritising of inflation by the US Fed and prospects of Fed rate hikes have weighed on gold in recent weeks but the **medium-term backdrop remains supportive** — driven by elevated inflation, geopolitical uncertainty and diversification away from USD assets (China has been a net buyer of gold for 19 months in a row in May'26). 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



Suggested Equity Products (1/3)

Products	Brief Rationale & 3-Month Attribution	
Renaissance India Next	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> In last quarter, the fund outperformed the Nifty 50 TRI. This can be attributed to : <ul style="list-style-type: none"> Exposure to Thermax Ltd & Balrampur Chini Mills. Exposure to BFSI Space Power Finance Corporation Ltd, PNB Housing, City union bank. Exposure to Crompton Greaves Consumer Electricals Ltd, Tata Power, Coforge Ltd, Exide Industries Ltd.
Buoyant Opportunities	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> In last quarter, the fund underperformed the BSE 500 TRI. This can be attributed to : <ul style="list-style-type: none"> Exposure to BFSI Space SBI,HDFC Bank, Axis Bank & ICICI Lombard General Insurance Company Ltd. Exposure to Britannia Industries Ltd, Hindustan Unilever Ltd & Trent Ltd. Exposure to Dalmia Bharat Ltd & Ultratech Cement Ltd in Cement Products Space.
ICICI Growth Leader Fund VI	<ul style="list-style-type: none"> In a bid to adapt to changing market dynamics, the strategy invests on the following 3 fronts: <ul style="list-style-type: none"> Established businesses with above-average growth prospects Companies with potential to scale significantly Category leaders that have been through time or price corrections 	<ul style="list-style-type: none"> In last quarter , the fund has underperformed the BSE 500 TRI. This can be attributed to: <ul style="list-style-type: none"> Exposure to Jindal Stainless Ltd & Vedanta in Metals Space. Exposure to SBI, ICICI Bank & SBI Life Insurance Company Ltd in BFSI Space. Exposure to Trent Ltd, TVS Motor Company Ltd, Ultratech Cement Ltd & BlackBuck Ltd.
Spark @75 Flexi Cap	<ul style="list-style-type: none"> 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%. 	<ul style="list-style-type: none"> In last quarter, the fund outperformed the Nifty 50 TRI. This can be attributed to: <ul style="list-style-type: none"> Exposure to Bank Of Maharashtra & PNB Housing Finance in BFSI Space Exposure to National Aluminum Company Ltd, Dr. Lal Pathlabs Ltd, Narayana Hrudayalaya Ltd, Bajaj Auto Ltd Persistent Systems Ltd. Exposure to JSW Energy, NTPC Ltd & Coal India Ltd in Power & Consumable Fuels Space
AAA Budding Beast	<ul style="list-style-type: none"> Diversified portfolio of high quality, established, and emerging leaders with low debt and net profit greater than Rs 50 crore 	<ul style="list-style-type: none"> In last quarter, the fund has Outperformed the BSE 500 TRI. This can be attributed to: <ul style="list-style-type: none"> Hitachi Energy India Ltd & CG Power and Avalon Technologies Ltd in Electrical Equipment space Exposure to Onesource Specialty Pharma Ltd, Senores Pharmaceuticals Ltd, & Supriya Lifescience Ltd in Pharma Space Exposure to Aditya Infotech Ltd, BSE, Syrma SGS Technology Ltd & Timex Group India Ltd

3-month attribution is as on May 31, 2026
Source: Bloomberg (for Equity MFs), Spark PWM Products

Suggested Equity Products (2/3)

Products		Brief Rationale & 3-Month Attribution
ICICI PIPE	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> In last quarter, the fund has outperformed the BSE 500 TRI. This can be attributed to: <ul style="list-style-type: none"> Exposure to Vardhman Textile & Arvind Ltd in Textile space Exposure to Usha Martin Ltd & AIA Engineering Ltd in Industrial Products Space. Exposure to Kalpataru Projects International Ltd in power. Exposure to RateGain Travel Technologies Ltd, Honasa Consumer Ltd & Angel One Ltd. Exposure to National Aluminium Company Ltd & Gujarat Narmada Valley Fertilizers & Chemicals Ltd.
Bandhan Large & Mid Cap	<ul style="list-style-type: none"> 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 	<p>The fund outperformed the Nifty LargeMidcap 250 TRI. This can be attributed to:</p> <ul style="list-style-type: none"> An overweight stance on Industrials, Real Estate, Utilities An underweight stance on Consumer Staples, Consumer Discretionary Stock selection in Consumer Discretionary, Consumer Staples, Energy, Industrials, IT
Invesco India Large & Mid Cap	<ul style="list-style-type: none"> 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 	<p>The fund outperformed the Nifty LargeMidcap 250 TRI. This can be attributed to:</p> <ul style="list-style-type: none"> An overweight stance on Healthcare An underweight stance on Consumer Staples, Energy Stock selection in Consumer Discretionary, Financials, IT
Parag Parikh Flexi Cap Fund	<ul style="list-style-type: none"> A valuation-conscious and low churn approach aimed at minimizing downside risk Offers exposure to international stocks, which helps in diversifying geographical risk 	<p>The fund underperformed the Nifty 500 TRI. This can be attributed to:</p> <ul style="list-style-type: none"> An underweight stance on Industrials, Materials, Healthcare Stock selection in Utilities, Financials, IT
Kotak Multicap	<ul style="list-style-type: none"> 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 	<p>The fund underperformed the Nifty500 Multicap 50:25:25 TRI. This can be attributed to:</p> <ul style="list-style-type: none"> An underweight stance on Healthcare, Industrials, Materials Stock selection in Communication Services, Consumer Discretionary, Industrials

3-month attribution is as on May 31, 2026
Source: Bloomberg (for Equity MFs), Spark PWM Products

Suggested Equity Products (3/3)

Products		Brief Rationale & 3-Month Attribution
Nippon India Multi Cap Fund	<ul style="list-style-type: none"> Exposure spans multiple themes, sectors, and stocks Skewed toward large caps to minimize downside risk Minimum 50% exposure to the broader markets 	<p>The fund underperformed the Nifty500 Multicap 50:25:25 TRI. This can be attributed to:</p> <ul style="list-style-type: none"> An overweight stance on Consumer Discretionary An underweight stance on Communication Services, Materials Stock selection in Financials, IT
DSP Business Cycle Fund	<ul style="list-style-type: none"> 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 	<p>The fund underperformed the Nifty 500 TRI. This can be attributed to:</p> <ul style="list-style-type: none"> An overweight stance on Consumer Discretionary, IT An underweight stance on Materials, Utilities Stock selection in Communication Services, Consumption, Industrials, Utilities
ICICI Pru Business Cycle	<ul style="list-style-type: none"> A large-cap-biased strategy that follows an active sector rotation framework, rooted in a top-down macroeconomic perspective Aims to capture cyclical inflection points across sectors 	<p>The fund underperformed the Nifty 500 TRI. This can be attributed to:</p> <ul style="list-style-type: none"> An underweight stance on Healthcare, Materials Stock selection in Financials, Utilities, Industrials, Materials
Edelweiss Mid Cap Fund	<ul style="list-style-type: none"> Sector and industry cycles tracked to identify shifts in profit pools Bottom-up stock selection guided by the FAIR framework – spanning Forensics, Acceptable Price, Investment Style Agnostic, and Robustness characteristics Within sectors, leaders, emerging leaders, and challengers chosen to balance stability with alpha generation opportunities 	<p>The fund underperformed the Nifty Midcap 150 TRI. This can be attributed to:</p> <ul style="list-style-type: none"> An overweight stance on Materials, Energy An underweight stance on IT, Utilities Stock selection in Financials, Healthcare, Utilities
Edelweiss Small Cap Fund	<ul style="list-style-type: none"> 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 	<p>The fund underperformed the Nifty Smallcap 250 TRI. This can be attributed to:</p> <ul style="list-style-type: none"> An overweight stance on Consumer Discretionary, Consumer Staples An underweight stance on Communication Services Stock selection in Financials, Healthcare, Materials

3-month attribution is as on May 31, 2026

With regards to Old Bridge Flexi Cap Fund and Abakkus Small Cap Fund (two funds which are a part of the Focused Funds list), 3-month attribution will be available with effect from June 30, 2026. Reason – both funds were launched in and added to the Equity MF Whitelist in March 2026.

Source: Bloomberg (for Equity MFs), Spark PWM Products

Spark Midas Investment Fund II

Strategy

- **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**

Investment Style

- 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

Other Key Details

- 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

Spark Midas Investment Fund – II : Terms

Target Fund Size	₹ 750 Cr Target Corpus + ₹ 750 Cr Green Shoe
Fund Life	5+1+1 years
Sponsor & Sponsor Contribution	Spark Financial Holdings Pvt Ltd Min of 2.5% of corpus or ₹ 5 Cr
Annual Mgt Fee	<ul style="list-style-type: none"> ▪ Until Commitment Period: Fees on Commitment Amt basis the class structure ▪ Post Commitment Period: on Aggregate Contribution basis the class structure
Annual Operational Fee	Actuals, estimated at 0.5% p.a. of aggregate capital commitment***
Setup Fee	Actuals, capped at 0.5% of committed capital
Hurdle Rate	10% Pre-tax IRR and post-expenses in ₹ terms
Carried Interest	20% above the Hurdle Rate; No catch up
Equalisation Premium	Applies ONLY to investors entering after first close Min 7% p.a – Max 10% p.a or latest NAV, on daily basis, at IM Discretion
Co-Investment Opportunity	<ul style="list-style-type: none"> ▪ CIV holding shall be co-terminus with the fund; CIV investors must be accredited and may be invest upto 3x of fund exposure in the portfolio company ▪ Large co-investment maybe routed through Co-PMS , where carry may not apply with fee terms broadly aligned to the fund

Class	Type	Min Amount (INR Cr)	Close	Mgt Fee (Distribution)	Partner Share	Co-invest via CIV	Co-invest via COPMS
A1	Core Investor	1	ALL	2.00%		>3Cr	No
A2	Large Value	5	ALL	1.75%		Yes	No
A3	Large Value Select	10	ALL	1.60%		Yes	Yes
A4	High Conviction Investor	25	ALL	1.25%		Yes	Yes
A5	Lead Anchor	50	After	0.80%		Yes	Yes
A6	Partner Anchor	50	First	1.00%	Up to 20.00%*	Yes	Yes
D	USD-INR Class	\$100k	ALL	2.00%		>3Cr	>10Cr

*Subject to a minimum fee of 0.20% for Distribution class

**Extendable twice by 1 year each subject to SEBI guidelines

***As per PPM, actuals, capped at 1% p.a of aggregate capital commitment

Source – Spark Midas Investment Fund II Note

Samara Capital III

Why we like Samara Capital III?

Strategy Overview

- **Expertise** : 15 years of experience in Mid market PE space in India
- **Scale**: Invested INR 10,000 Cr till date
- **Stake**: 51 to 100% stake in a company
- **Experience**: 9 senior MDs with cumulative ~136 years of experience
- **Stability and continuity** of the team
- Presence of **Offshore Institutional** and **Global Family offices** in the
- Ability to **source proprietary** deals
- **Network of CEOs** who have proven track record of business transformation
- Track record of creating market leading businesses such as **Sapphire Foods, First Meridian, Marengo Asia**
- **Ability to source exits** in tough times
- **Strong inhouse** research team
- Inhouse **Operating partner** team

Rationale

- Ability to execute **Rollup** plays in sectors ripe for consolidation
 - E.g. Sapphire, First Meridian & Iron Mountain
 - **Valuation conscious**
 - Not lost money in any deals made **since 2010**
 - Expertise in **Consumer, Financial, Healthcare & Business Services**
 - **Value addition** framework enables to replicate success
 - Ability to **onboard high-quality CEOs** to transform portfolio companies
 - Key traits of deals made:
 - INR 300-2000 Cr Revenue
 - Profitable with **20% ROIC**
 - Growing at **15% p.a.**
 - Preference for control
 - Exit orientation

Risk & Suitability

- Cat II AIF
- Focus on Buyout deals and Roll-up Plays
- 10+1+1 year time Tenure
- Investment time frame : 4 years
- Exits will be from end of 5th year
- Drawdown Schedule: 65% in first 2 years and rest in Year 3 and 4
- Current Drawdown is 15%
- Average expected holding period is **4-6** years
- Investment Themes:
 - **Unorganized to Organized**
 - **Rising penetration on the back of awareness**
- Fees:
 - 2% management fees
 - 10 % Hurdle and 20% profit share with catchup

ValueQuest Scale Fund II

Why we like ValueQuest Scale Fund II?

Strategy Overview

- **Expertise** : Public & Private market expertise developed over the course of firm's 15+ year history
- **Scale**: Raised INR 1,300 Cr till date in Fund I
- **Stake**: ~10% stake
- **Experience**: 9-member team of senior MDs and mid level associates with a cumulative ~90 years of experience
- Highly **experienced team** in **Private Equity** Segment
- Presence of **Family offices and Institutional** clients
- Consistent **source of deal flows**
- **Ability to source exits** through IPOs (5 companies listed in Fund I, 2 have filed for DRHP) out of **14 investments**
- **Strong pedigree of IC members** (All Fund managers in listed and Private Equity space in ValueQuest)

Rationale

- Ability to source and stitch deals in mid market PE segment across both **Late Stage** and **Growth stage**
 - E.g. Waree Energies, TBO tek, RR kabel
 - **Valuation conscious**
 - Ability to execute large ticket size deals at earlier stints
 - Prior Stints: Oman India Joint Investment Fund, Khazanah National, TVS Capital, Mckinsey, Fidelity
 - Expertise in **New Age and Classic Economy sector**
 - Performance Track record of **SCALE Fund I** is **Gross IRR 35%** and **Net IRR of 32%**
 - S.C.A.L.E approach by identifying **Scalable** companies, that exhibit **Competitive Advantage**, **Adaptive** to changing dynamics as well as tap into new avenues with a **long runway of growth** coupled with **superior Execution** on the back of **Quality of Management team and Balance sheet**

Risk & Suitability

- Cat II AIF
- **High Quality** companies across both **Late and Growth** stage
 - **Growth Stage Companies** - Established business model, product market fit and positive unit economics with a 4-5-year investment horizon.
 - **Late-stage Growth Companies** - Similar as growth stage but will be potentially larger with a preferable timeline to IPO within 24-30 months.
- Target Fund raise: INR 3000+1000 crs
- Tenure: 8+1+1 year
- Min Ticket size: INR 2 crs
- Investment time frame : 4 years
- Exits will be likely from 4th to 5th year onwards
- Drawdown Schedule: 1/3rd every year and 30% drawdown at the time of subscription
- Focus Stage: ~60% Growth Stage and ~40% Late Stage

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

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

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

Quick Overview of Select Debt Ideas



Northern Arc Money Market Alpha Fund

Fund Details

Fund AUM	706 Cr
Average Maturity	192 days
Yield	9.87%
Modified Duration	0.36 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 25 th of every month

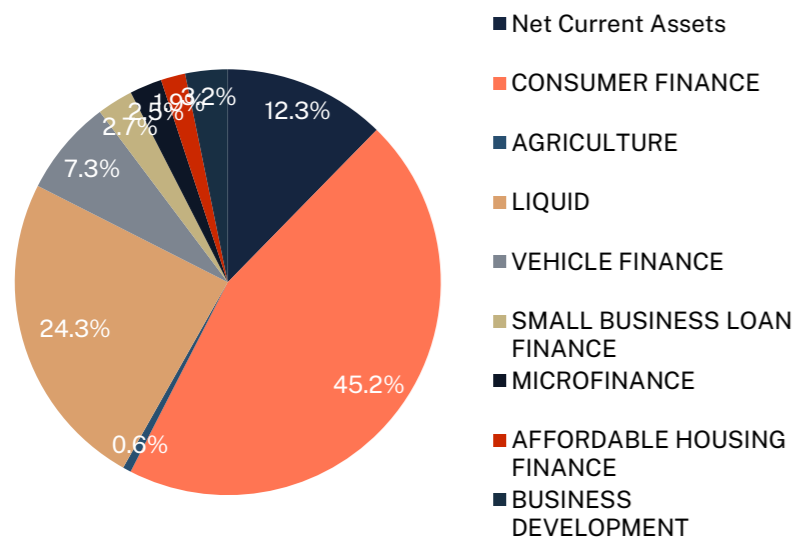
Investment Philosophy & Strategy

- 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

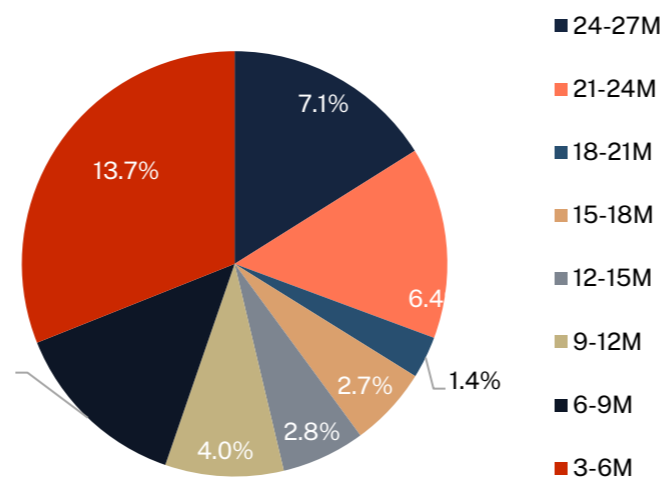
Fund Returns

	1M	3M	6M	1Y	SI
Class A5 (Investment < 5Cr)	8.43%	8.70%	8.60%	8.42%	8.93%
Class A6 (Investment > 5Cr)	8.79%	9.02%	8.93%	8.77%	9.28%
CRISIL Liquid Fund Index	5.56%	6.08%	5.98%	5.96%	5.85%

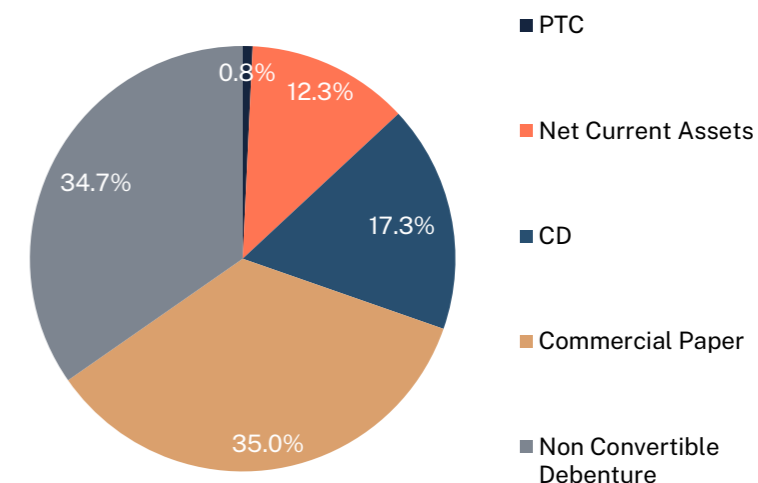
Investment Mix – By Sectors



Investment Mix – By Tenure



Investment Mix – By Asset Type



Data as of 31st May 2026

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)	130
Taxation	Long term @ 12.5% post 12 months
Exit Load	Nil
Min. application	INR 10 lacs
Subscription	Daily
Redemption	Twice Weekly – Monday & Thursday

Track Record

Annualized Returns (%)	1M	3M
Arudha Hybrid LS SIF	10.1	5.86
Income Plus Arbitrage Cat Avg	10.0	5.40

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

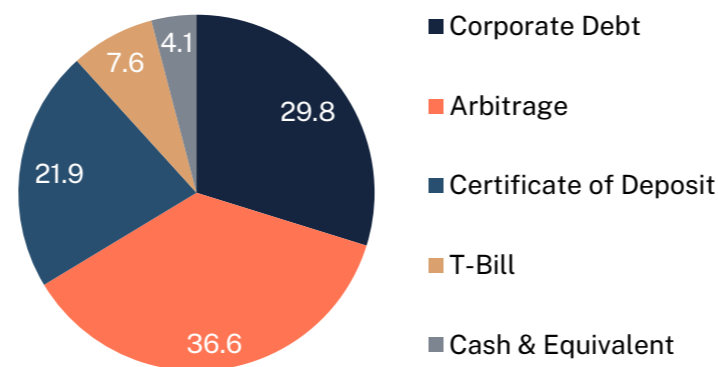
Fixed Income Strategy: Upto 65% allocation

- 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.

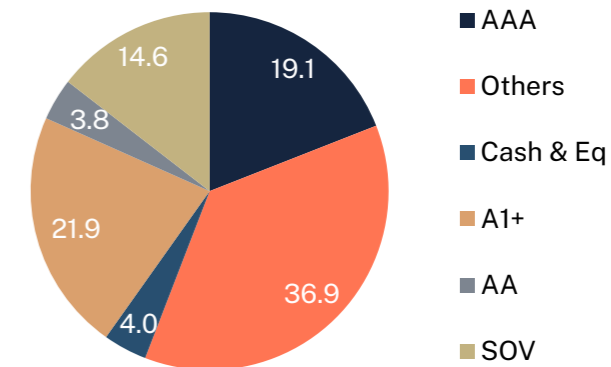
Arbitrage Strategy: Minimum 35% allocation

- 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.

Asset Allocation



Rating Allocation



Source: ACE MF.
Portfolio details as on 31st May 2026. Returns as on 15th June 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)	4,507
Taxation	Long term @ 12.5% post 12 months
Exit Load	0.5% within 3 months, Nil after that
Min. application	INR 10 lacs
Subscription	Daily
Redemption	Twice Weekly – Monday & Wednesday

Track Record

Annualised Returns (%)	1M	3M	6M
Altiva Hybrid LS SIF	17.41	18.62	9.68
CRISIL Composite Bond Index	18.14	5.51	4.22
CRISIL Hybrid 85+15 – Conservative index	18.97	8.05	2.59

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%

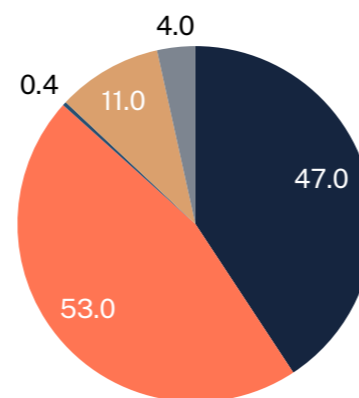
Special Situations: (0-10%)

IPO, Open Offer, Buyback, Merger/Demerger, QIP, Index inclusion/Exclusion etc.

Derivative Strategies: (10-20%)

Long-Short equities, Straddle, Strangle, Put-call Parity etc.

Asset Allocation



- Arbitrage & Covered Call
- Fixed Income*
- Special Situation
- Other Derivatives
- REITs & INVITs

Portfolio Quants (Core Debt)

YTM (%)	8.39
Average maturity (years)	1.89
Modified duration (years)	1.65

Source: ACE MF.

Portfolio details as on 31st May 2026. Returns as on 15th June 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.

RedHex Hybrid Long-short SIF

Fund Details

Fund managers	Venugopal Manghat Shriram Ramanathan
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.

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	Category	Gross YTM (June – post MPC)	Average Maturity (Months)
3 to 6 Months Index	Axis CRISIL-IBX Financial Services 3-6 Months Debt Index Fund-Reg(G)	271	3-6 M	7.17	2.52
	Kotak CRISIL-IBX Financial Services 3-6 Months Debt Index Fund-Reg(G)	341	3-6 M	7.06	2.52
	Aditya Birla SL CRISIL-IBX Financial Services 3 to 6 Months Debt Index Fund-Reg(G)	2667	3-6 M	7.33	2.50
	ICICI Pru CRISIL-IBX Financial Services 3-6 Months Debt Index Fund-Reg(G)	542	3-6 M	7.21	2.40
	Bandhan CRISIL-IBX Financial Services 3-6 Months Debt Index Fund-Reg(G)	390	3-6 M	7.21	2.80
	HDFC CRISIL-IBX Financial Services 3-6 Months Debt Index Fund-Reg(G)	2737	3-6 M	7.20	2.63
	SBI CRISIL-IBX Financial Services 3-6 Months Debt Index Fund	211	3-6 M	7.03	2.40
9 to 12 Months Index	Kotak CRISIL-IBX Financial Services 9 to 12 Months Debt Index Fund-Reg(G)	1005	9-12M	7.35	8.64
	Nippon India CRISIL-IBX Financial Services 9-12 Months Debt Index Fund-Reg(G)	537	9-12M	7.42	8.64
	Aditya Birla SL CRISIL-IBX Financial Services 9-12 Months Debt Index Fund-Reg(G)	1455	9-12M	7.28	8.60

Target Maturity Funds	AUM	Category	Gross YTM (May end)	Gross YTM (June – post MPC)	Maturity Month
Upto 12M Bucket					
Edelweiss Nifty PSU Bond Plus SDL Apr 2027 50:50 Index Fund	2168	Gsec / SDL MF	7.12	6.83	Apr-27
Axis CRISIL-IBX AAA Bond NBFC - Jun 2027 Index Fund	1785	Corporate Bond - TMF	7.97	7.52	Jun-27
Edelweiss CRISIL-IBX AAA Bond NBFC-HFC-Jun 2027 Index Fund	83	Corporate Bond - TMF	8.08	7.77	Jun-27
Bucket: 12-18M					
ICICI Pru Nifty PSU Bond Plus SDL Sep 2027 40:60 Index Fund	8856	Gsec / SDL MF	7.24	7.06	Sep-27
Kotak CRISIL-IBX AAA Financial Services Index - Sep 2027 Fund	484	Corporate Bond - TMF	8.02	7.85	Sep-27
Bucket: 18-24M					
Kotak Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index Fund	519	Gsec / SDL MF	7.45	7.21	Jul-28
Kotak Nifty AAA Bond Financial Services Mar 2028 Index Fund	225	Corporate Bond - TMF	7.97	7.78	Mar-28
Nippon India Crisil IBX AAA Financial Services Jan 2028 Index Fund	83	Corporate Bond - TMF	7.70	7.66	Jan-28
Bucket: 24-36M					
ICICI Pru Nifty SDL Dec 2028 Index Fund	823	Gsec / SDL MF	7.38	7.17	Dec-28

Note - Note – Yields for MFs updated as of May and June 2026
Source: AMFI, Ace MF
Past performance does not guarantee future returns

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	1.5x
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

Indel Money Limited (“Indel”)

Details of the Issuance

Issuer Name	Indel Money Limited (“Indel”)
Type of Instrument	Senior, Secured, Rated, Listed Non-Convertible Debentures
Rating	India Rating , IND A-/ Stable
Face Value/Debenture	INR 10,000
Printed Coupon	10.00% papm
Investor Yield	11.00% XIRR
Principal Payout	Bullet, at Maturity
Interest Payout	Monthly
Maturity	24 th May 2028
Trade date	TBC
Covenants	<p>I.The Issuer shall always maintain a CRAR (Capital to Risk-Weighted Assets Ratio) of at least 20% and Tier 1 CRAR should be at 15% during the tenure of the Debentures.</p> <p>II.The Issuer shall maintain Net NPA ratio not exceeding 4% during the tenure of the debenture.</p> <p>III.The Issuer shall ensure that the Debt-to-Equity ratio does not exceed 5 times during the tenure of the debenture.</p> <p>IV.The gold loan portfolio shall consistently constitute at least 80% of the total loan book</p> <p>(All above covenant shall be tested on quarterly basis)</p>
Security Cover	The issue shall be secured by way of a first-ranking, exclusive, and continuing charge over hypothecated receivables (Gold Loan Receivable and Cash and Bank balance) , with a minimum Security Cover of 1.10x (110%) of the aggregate outstanding principal and accrued interest/obligations.

Spandana Sphoorty Financial Limited NCD

Details of the Issuance

Issuer Name	Spandana Sphoorty Financial Limited
Type of Instrument	Listed, Rated, Senior, Secured, Redeemable Non-Convertible Debentures
Rating	CARE BBB+; Stable (assigned on December 18, 2025) and [ICRA]BBB+ (Negative) assigned on April 24, 2026
Face Value/Debenture	INR 10,000
Coupon	11.25% p.a.
Investor Yield	11.85% p.a - XIRR
Principal Payout	25% principal repayment in four equal half-yearly instalments commencing October 2026, followed by April 2027, October 2027, and April 2028
Interest Payout	Monthly
Residual Tenor (Maturity)	24 Months (26 th April 2028)
Trade date	TBC
Covenants	<ol style="list-style-type: none"> 1. Capital adequacy ratio to be above 24% on quarterly basis 2. GNPA to be less than 7% on quarterly basis. 3. NNPA to be less than 3% on quarterly basis. 4. Half yearly audited standalone PAT to be positive from financial year 2027 and on trailing 12 months from September 27. 5. Mr. Venkatesh Krishnan (MD and CEO) shall continue to remain in an executive position and as a Director on the Board, while Mr. Ashish Damani (President and CFO) shall continue to hold a Key Managerial Personnel (KMP) position. 6. Kangchenjunga Limited's and/or Kedaara Capital's shareholding in the company to not fall below 26% on a fully diluted basis during the tenor of the facility.
Security Cover	1.1x cover on Standard Receivables

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	~14.28% of the principal shall be repaid each quarter, and the balance of ~42.85% shall be repayable upon exercise of put option on the put option exercise date
Maturity Date	16th December 2027 (24 Months from Deemed Allotment)
Put Option Exercise Date	16th June 2027 (18 months from deemed allotment)
Balance Tenor for Put Option Exercise Date	~12 Months
Trade Date	25th June 2026
Covenants	<p>Shareholding & Management Covenants:</p> <ul style="list-style-type: none"> 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. <p>Financial Covenants:</p> <ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 - MLD

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	<p>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%)</p> <p>If underlying returns >=30%; 52.2% absolute return basis Face Value</p> <p>If underlying returns <= 0%; face value</p>

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

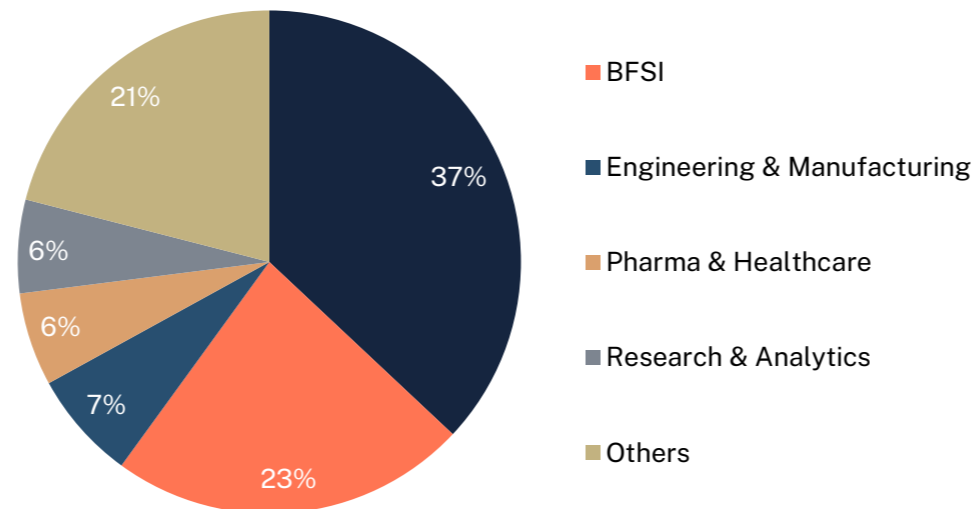
Knowledge Realty Trust REIT

REIT Overview

- Knowledge Realty Trust REIT is jointly sponsored by Sattva Developers and Blackstone, with an equal 50:50 partnership.
- KRT owns 30 Grade A Office assets across 6 cities: Bengaluru, Hyderabad, Mumbai, Chennai, Gurugram, and GIFT City.
- KRT launched a ₹4,800 crore IPO (REIT public issue) in August 2025 and raised a total of ₹6,200 crore, including ₹4,800 crore through India's largest-ever REIT IPO and a ₹1,400 crore pre-IPO.
- Out of the total 46.3 msf leasable area, 37.1 msf is completed, while 1.2 msf is under construction and 8.0 msf as future development area.
- The REIT is the second-largest office REIT in Asia and among the largest office REITs globally in terms of leasable area.
- The REIT is the largest office REIT in India in terms of Gross Asset Value of ₹64,551 crore as of 30th Sep 2025.
- In H1 FY26, it recorded a net operating income of ₹1,954 crores.



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



450+ Clients
20+ Sectors



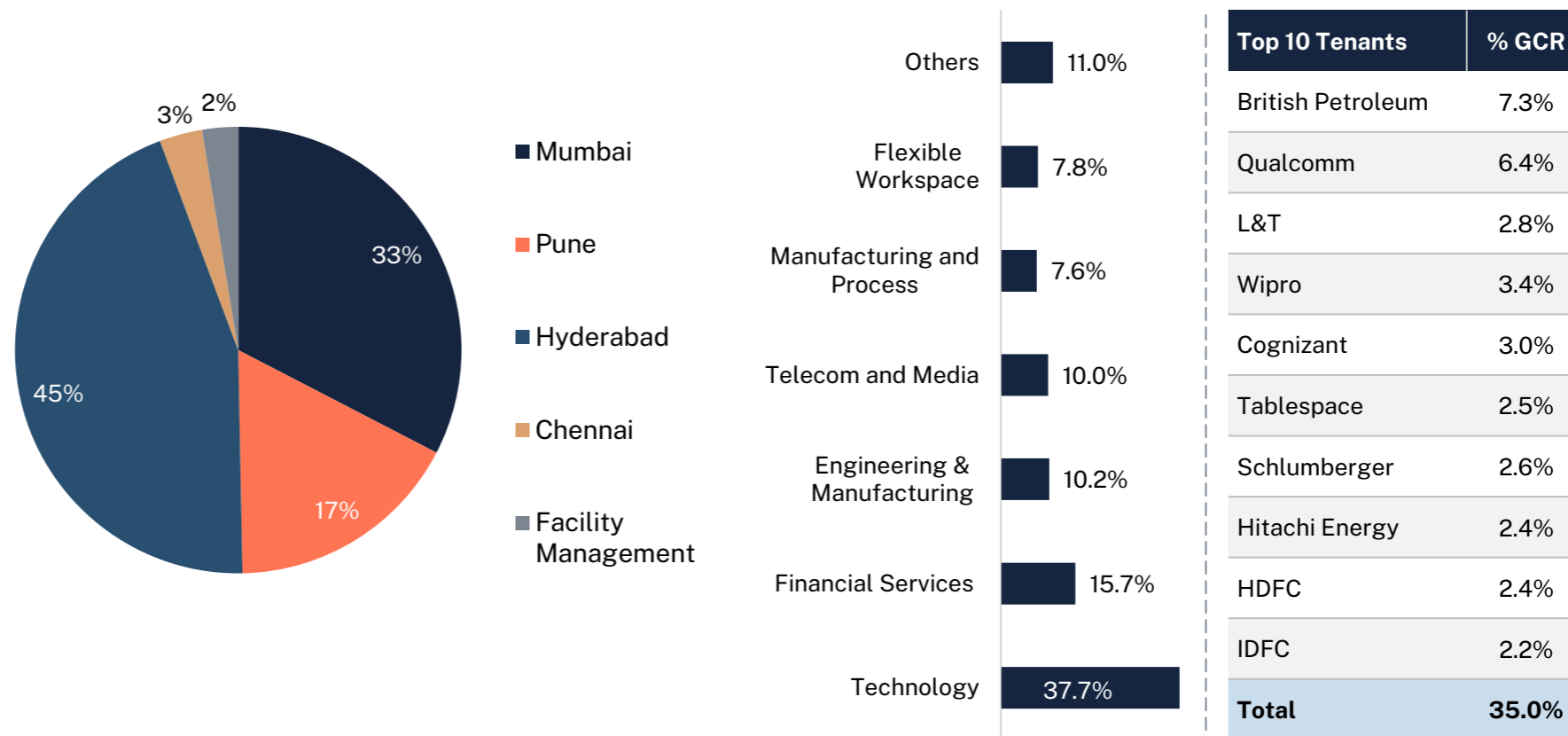
Mindspace Business Parks REIT

REIT Overview

- The K Raheja Corp group sponsors Mindspace REIT. The REIT owns eleven special purpose vehicles (asset SPVs) comprising integrated business parks and quality independent office assets and houses the facility management division.
- Out of the total area of 39.0 msf; 31.9 msf is completed, 7.1 msf is under construction and future development area.
- The ownership of units is distributed as follows: Sponsors hold 64.5%, FIIs hold 14.3%, DIIs hold 2.9%, NIIs hold 9.7%, mutual funds hold 5.1%, AIFs hold 0.2%, and insurance companies hold 3.5% of the total units.
- In Q3 FY26, Mindspace Business Parks REIT acquired three premium office assets (~0.8 msf) from its sponsor K Raheja Corp for ₹2,916 crore, strengthening its Mumbai and Pune portfolio.

Total Area	Committed Occupancy	WALE	Avg in place Rent PSF	DPU in Q3 FY26	Tax-Free Component
39.0 msf	94.5%⁽¹⁾	7.3 Years	74.7 INR psf	INR 5.83/unit	93%

Breakup of Market value basis geography, Tenant Sector Concentration and Top 10 tenants by GCR*



*Gross Contracted Rentals Contribution
Source: Corporate Presentation
(1) Excluding Potential divestment Pocharam

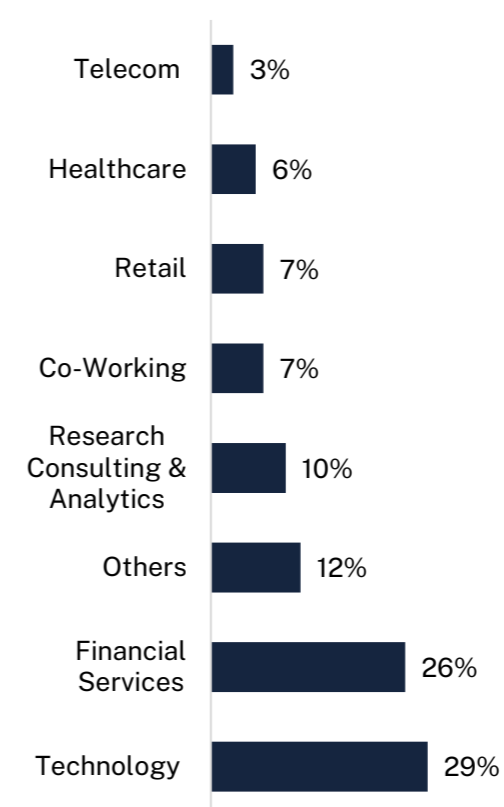
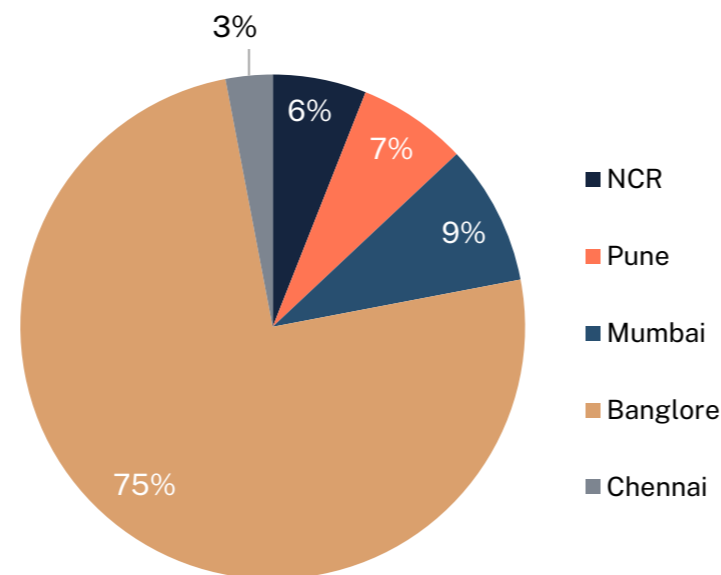
Embassy Office Parks REIT

REIT Overview

- Embassy REIT is India's **first publicly listed Real Estate Investment Trust** and the **largest office REIT in Asia, by area**. Embassy REIT owns and operates a portfolio of over 50 million square feet of office spaces across India's key gateway markets, including Bengaluru, Mumbai, Pune, the National Capital Region (NCR) and Chennai.
- The portfolio comprises 14 premium office ecosystems, including large, integrated office parks and city-centre office assets, and is home to approximately 280 leading global and domestic corporations. In addition to office assets, the portfolio includes strategic amenities such as four operational business hotels, three hotels under development, and a 100 MW solar park that supplies renewable energy to tenants.

Total Area	Committed Occupancy	WALE	In-Place Rent psf	DPU for FY26	NAV Per Unit
52.5 msf	90.0%	8.5 years	95 Rs. psf	INR 25.3	491.62

GAV Break-up by Geography, Tenant Sector Concentration and Top 5 tenants by GLR



Top 5 Tenants	% GLR
JP Morgan	6.2%
IBM India	5.9%
ANSR	4.9%
Major Australian Bank	4.5%
Fortune 500 Retail Major	3.6%
Total	25.1%

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
<ul style="list-style-type: none"> 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
<p>Total Capital deployed: ~INR 2,363 Cr</p> <p>Tenor: ~5 year – Maturing in Feb'2027</p> <p>92% proceeds already returned</p> <p>Portfolio IRR (Gross): ~19.5% + upside; DPI ~0.92x</p> <p>Deals: 17 deals across 12 sectors, 11 exited, 5 deals had equity upside</p>
Fund Manager Details
<p>Abhishek Jain Fund Manager, PCOF-I Fund</p> <p>Work Experience 19+ years</p> <p>Previous Stints Motilal Oswal PE, SBI</p>

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

Real Asset AIF: ICICI Pru Office Yield Optimiser Fund II

Product Overview	
Fund	ICICI Pru OYO Fund II
Category	Category II AIF
Target Corpus	INR 2000 Cr + 500 Cr green shoe
Min Investments	INR 2 Cr
Management Fees	Upto 2% p.a.
Targeted Yield (Gross)	15% - 18% (Pre-taxes and Pre-expenses)
Hurdle rate	8%
Carried Interest	10% without catchup
Tenure	6+1+1 years
Operating Expense	At actuals, 0.1% - 1% of AUM
Nature of Investments	Listed and Unlisted Equity and Debt instruments
Sponsors	ICICI Trusteeship Services Limited

Highlights of ICICI Pru OYO Fund II
<ul style="list-style-type: none"> ▪ The Fund will invest in equity, equity-linked, and debt instruments in companies that own, construct, or operate commercial properties in major Indian cities, aiming to earn rental income and benefit from yield compression and rising rents. ▪ The target properties include offices, retail assets, logistic parks, life-sciences facilities, warehouses, and data centers. ▪ Investment in companies which owns or will own : <ul style="list-style-type: none"> - Pre-leased commercial real estate with potential for capital appreciation - Not more than 30% of the fund to be invested in companies which owns or will own built-to-suit / completed - vacant properties ▪ Significant skin in the game – Sponsor contribution of 10% of the fund size ▪ Average ticket size of INR 100 - 300 Cr size ▪ Average investment tenor of 36 – 60 months

OYO Fund I Details (Previous Fund)
First Close: Oct 2022
AUM Garnered: ~INR 1,716 Mn
Fully deployed
4 Investments made
Avg Ticket Size: INR 400 Crs
Portfolio IRR: 13% (Gross)
Fund Manager Details
Vishal Gupta Principal - Investments, ICICI Pru AMC
Work Experience 19+ years
Previous Stints Kotak Mahindra Prime & ICICI Bank

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

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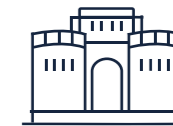
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