Spark Capital
Private Wealth Management

India Investment Strategy

November 2026

There are no magic words in investing - Howard Marks (Is it a bubble, Dec'25)

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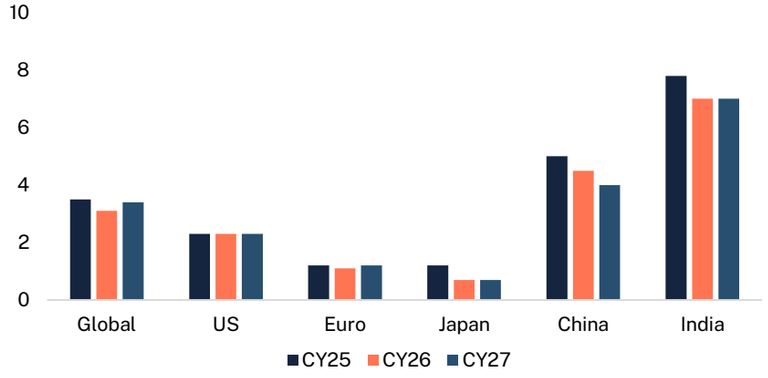
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External Cues – Global Growth: Holding up, but uneasy as limits of resilience being tested

Strong AI spending is helping the global economy absorb higher energy prices and supply-chain disruptions, but the cushion is finite (IMF). Global growth is projected at **3.1% in CY26 and 3.4% in CY27**, with rising downside risks from a reassessment of AI spending, higher food and energy prices, and deteriorating fiscal conditions.

1 **Growth outlook stable; downside risks rising**



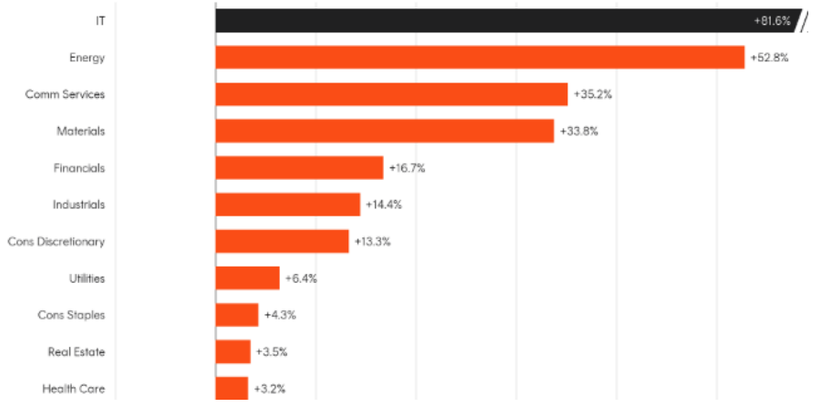
2 **Global demand growth at 5-year highs despite higher input prices**



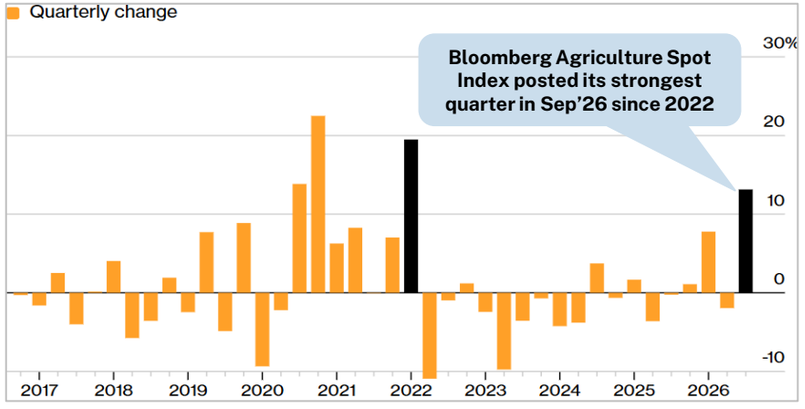
The **JPM Global Composite PME rose to the highest since Nov'21**. Manufacturing (highest since Feb'22) and Services across sectors are seeing growth, while technology leads the pack. Consumption and defence sectors growth too saw good growth. Apart from the US, Europe and Japan too saw strong growth, while manufacturing growth was noteworthy in US, China, Taiwan & Japan.

MSCI World index EPS grew by 29% in the year ended Sep'26. Even excluding IT, EPS growth was a solid 15.1% - reflecting a broad-based growth across few other sectors.

3 **Growth has been broad-based across sectors**



4 **Global Agriculture squeezed by Climate & Conflicts**



A rare Super El Niño threatens to raise global temperatures by **~1.5–2°C** and disrupt rainfall patterns as seen in India. Alongside this, the Iran conflict is disrupting fertiliser and chemical supplies, while the continuing Russia–Ukraine conflict is constraining **~25% of global wheat trade**. Together, these forces threaten global food security and renewed inflation, adding to gasoline-price pressures and complicating fiscal and monetary policy.

Source : Bloomberg, OECD, FT | Weekly average hyperscaler linked CDS traded volumes have gone up from ~USD 3B in Aug'26 to USD 10B in Oct'26 | DM – Developed Markets

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External Cues – Global Growth

Facts

- **AI has helped stabilise CY26 global growth, but the benefits remain concentrated to fewer economies.** Taiwan and South Korea account for two-thirds of incremental AI hardware trade growth, while the US and China account for 75% of AI-related imports. Only 32 economies now contribute 95% of global growth, versus 54 six months ago.
- **AI capex estimates have doubled from the earlier USD 630bn for CY27, while monetisation concerns have intensified.** Revenues increasingly appear likely to fall well short of the USD 6tn required by 2031 to justify investment; Gartner estimates potential write-offs of USD 4tn over six–seven years. While Meta's latest results support its capex push, Anthropic's sales growth slowdown to 50% from 140% earlier in CY26, OpenAI's lower revenue guidance, software companies' planned AI-usage cuts and declining free-cash-flow yields — 3% versus 5% in CY22 — have heightened concerns, reflected in CDS spreads and sharp AI-equity corrections.
- **S&P 500 earnings growth is expected to slow from 35% in CY26 to 17% in CY27.** Q3CY26 growth is estimated at 29%, but early earnings beats of ~2.6% are well below the five-year average of 7.5%.
- **Political and geopolitical risks remain key wildcards ahead of the US midterms.** A likely shift in Congress's composition could increase policy and decision-making uncertainty as growth moderates, while the US–Iran war shows little sign of resolution
- **Brent has risen to USD 111/bbl as the West Asia conflict intensifies and spreads**, including Saudi–Houthi hostilities alongside Iran, and inventory drawdowns increase. A sevenfold rise in freight costs is expected to weigh on demand beyond the near term.

Assessment

- **AI presents a difficult trade-off for the US economy.** AI capex contributed over 50% of GDP growth in 2Q26; a collapse would leave growth vulnerable. MTM gains to only Alphabet and Amazon from the AI-LLM companies accounted for a whopping 15% of the S&P500 earnings in Q2. With both Anthropic and OpenAI listing soon, share price swings in them itself will likely impact S&P500 earnings growth quite substantially.
- **Higher inflation** is getting passed on to consumers gradually and will test demand and growth going forward – suggesting some moderation hereon
- **The cushion for US equities is narrowing.** While valuations have derated, rising headwinds (interest rates, AI cycle maturation) hint at moderated growth going forward. Nowcast GDP estimates reflect this trend.

Implication

- **Earnings and cash flows must validate AI spending.** Continued capex supports activity; monetisation will determine whether valuations hold.
- **Crude should moderate into CY27 as Middle East exports adapt, but remain elevated.** CY27 prices are estimated at ~USD 90/bbl, while six-month futures remain near USD 95/bbl.
- **Higher bond yields (notwithstanding the recent softening in UST), slowing growth and sharply higher inflation complicate policy, particularly in DMs.** Recent social unrest could portent higher Govt. spending, pushing yields higher and challenging country-specific sovereign risk premiums — echoing the 2011 euro-area debt crisis.

Risks

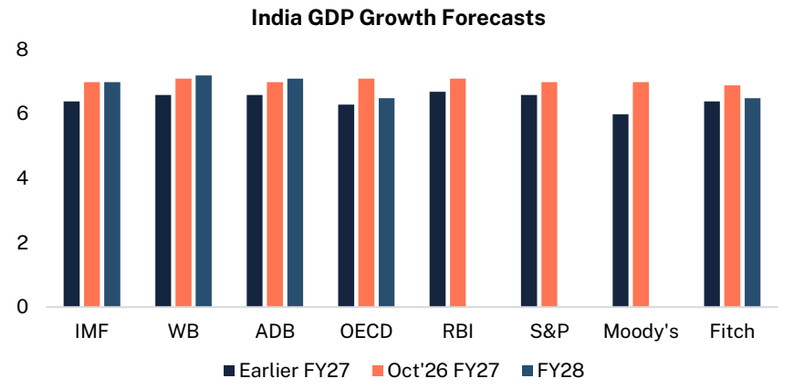
- AI monetisation disappointments trigger capex cuts with implications for GDP growth + corporate earnings outlook
- **Prolonged conflict sustains energy and freight inflation**, squeezing real incomes and corporate margins while weakening demand.
- **Political or geopolitical surprises coincide with earnings disappointment**, prompting a broader repricing of risk.

Global growth has held up well, but seem to be moderating in the face of multiple headwinds. For India, a strong global backdrop has been a tailwind, but has also increased the expected growth hurdle to be able to attract capital

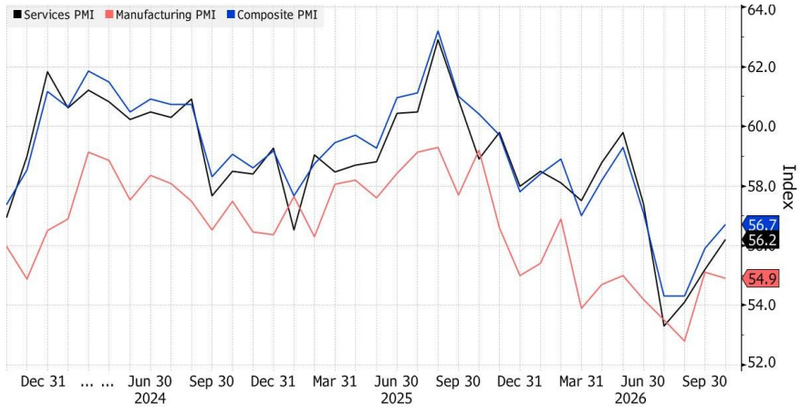
Local Cues – Growth: Domestic Momentum Holds; External Pressures Build

Recent GDP upgrades reflect greater resilience in India's domestic growth drivers than initially anticipated. Newly introduced **FY28 forecasts suggest this momentum can be sustained**. Global PMI data suggest that India has benefitted from the AI buildout, even on employment.

1 **Domestic resilience drives growth upgrades**



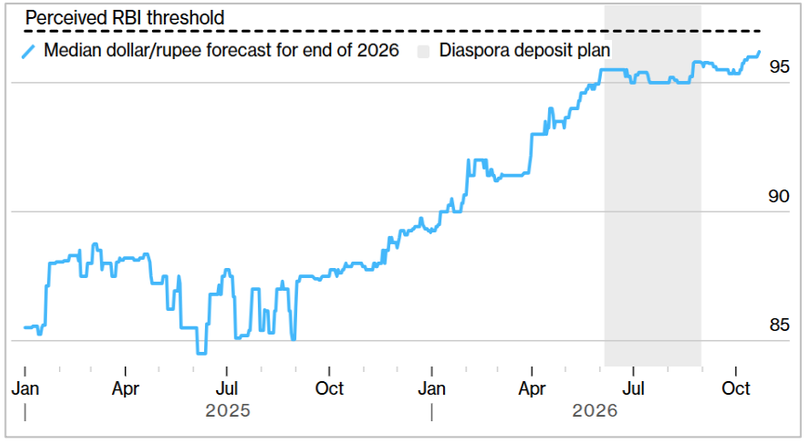
2 **High-frequency indicators signal firm momentum**



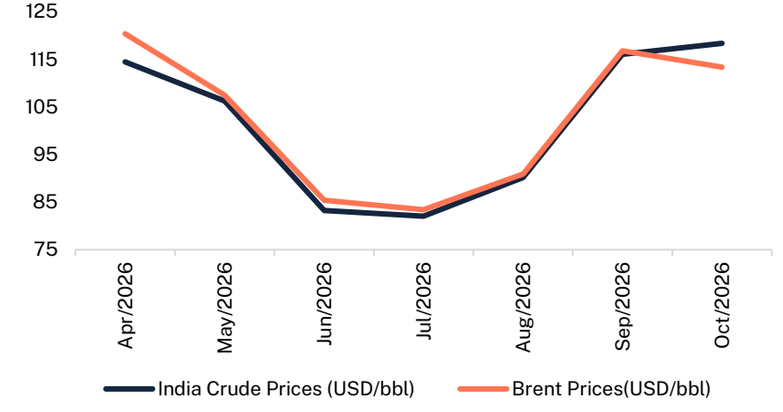
Auto sales, credit growth, online festive sales, IIP, core imports and steel production point to continued economic strength. **A few indicators, particularly rural, remain softer.**

Crude above **USD 100/bbl for two months**, higher global bond yields and a stronger dollar (**DXY above 102**) have reinforced expectations of further INR weakness. Strong RBI measures have, however, supported a near-term rebound.

3 **INR pressures resurface**



4 **Crude Prices : Most Decisive Variable for India's Macros**



India's crude basket is **~5% above April 2026 levels**, which preceded the ~8% pump-price increase in May. A further **3–4% fuel-price hike appears likely after Diwali in November**.

Source : Moneycontrol Pro, PPAC, Bloomberg

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Local Cues – Growth

Facts

- **Growth support is rotating.** Softer informal-sector consumption is being offset by government capex (18%FYTD), goods exports **up 18–20% FYTD**, and a private-capex turnaround; announcements have risen **~40%**, led by ITES and power projects.
- **High-frequency indicators remain strong, but consumption is uneven.** Auto sales rose 2% despite last year's GST-cut-led high base, which explains the PV decline. Flash PMI improved, with export orders recording their strongest rise in six months; bank credit grew ~20%, power demand 23% and gross tax collections ~15% YTD. Despite constructive FMCG commentary, inventory stocking suggests rural demand trails urban demand, weighed down by weak monsoons and price hikes.
- **The INR outlook has weakened again.** Persistent crude-price pressures, capital outflows amidst a negative Balance of Payment underpin forecasts of **INR 97–98/USD by end-FY27,** though RBI measures to stamp out speculation in the forex markets & rate hikes should provide some support. In the near term, weakness in the INR remains a key concern – RBI has sold USD worth USD 18.2B in the first fortnight of Oct'26 to support the INR (highest in 2026). On the positive side, gross/net FDI in FYTD* rose 20% /44% to USD 55 B/14B indicating some recovery from FY25/FY26 levels
- **The weakest monsoon in 11 years threatens rabi output**. Reservoir levels are 25% below CY25, particularly in the South**.**
- **FY27 fiscal deficit reached 42%** of the full-year target in five months — the highest since FY21 – can potentially weigh on capex spending into 2HFY27

Assessment

- **India's structural growth outlook remains intact**. Five consecutive years of 7%+ growth would mark the first such run since 2003–07, at a much larger economic scale — ~USD 4tn versus USD 1tn. India is projected to become the third-largest economy by 2030
- **Export recovery has multiple drivers, but remains exposed to global AI capex**. INR depreciation of ~12% against CNY, five major FTAs signed in two years and global AI investment are supporting industrials, power and niche engineering exporters. Slower AI spending could temper this recovery. However, an India–US trade deal, widely expected by FY27 and supported by recent political developments and receding Russian-oil-related tariff risks, could partly offset that drag.
- **Consensus expects GDP growth to moderate to 5.5–6% in 2HFY27, from 7–7.5% in 1HFY27.** Government capex growth is expected to ease to ~4% after a front-loaded boost. Softer rural conditions, an adverse 2H-FY26 base following GST cuts and higher fuel prices add to the slowdown.
- Most importantly, **policy rates could see an upside risk** given 1) the US rate cycle and 2) the persistent pressure on the INR – both of which may compel the RBI to hike more than they would otherwise desire.

Implication

- **Pockets of earnings growth to vary as growth drivers rotate** – specifically, a near-term slowdown in global AI capex to have ripple effect on sectors that have been second-order beneficiaries of this wave
- **Weaker INR offers an uneven cushion**: it supports export competitiveness but raises imported costs, particularly with crude elevated.
- The structural growth case remains intact, but near-term moderation warrants selective positioning, with emphasis on demand visibility and margin resilience. Yet again, **growth and opportunities seem to be polarizing/dispersing**.

Risks

- ✕ Disruptive collapse in the global AI capex + delayed US-India trade deal. Obversely, this can lead to a sharp fall in interest rates, which can be a tailwind.
- ✕ Private-capex execution fails to compensate for slower government spending.
- ✕ Weak reservoirs weigh on rabi output and rural incomes, further softening consumption.
- ✕ Crude prices remain persistently above USD 100/bbl

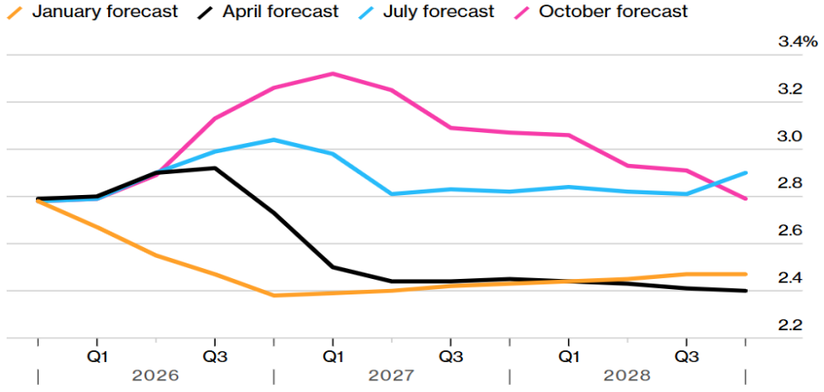
India appears relatively better placed amid fragile global macros, with exports and private capex offsetting softer government spending and informal consumption. Yet growth could face a difficult interim patch into 1Q/1HFY28, given the AI-spend led updrift in exports, softer rural conditions and elevated crude — before high oil prices curb global demand and bring cyclical relief.

**Apr-Aug'26*

Inflation & Interest Rates – Global: Headed higher, but hopefully not longer

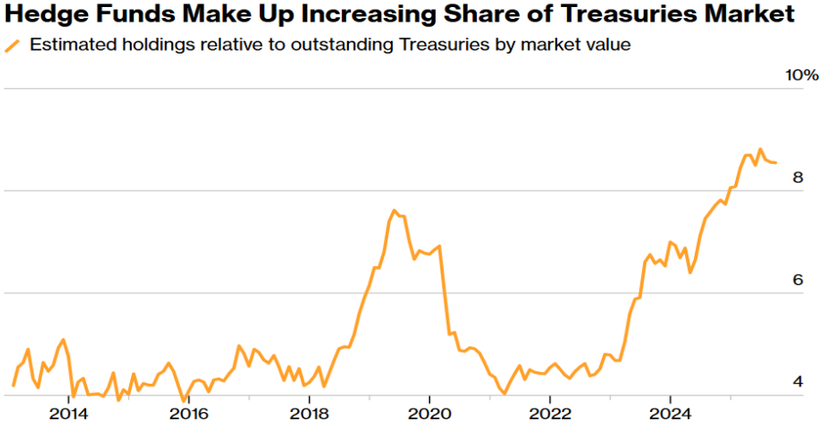
1 Developed Market policy-rate expectations shift higher

CY27 policy-rate expectations across the US, euro area and Japan are now at least **50 bps above earlier estimates**, driven by higher energy and food prices and, partly, AI-capex-led inflation.



2 Shifting US Treasury ownership adds yield pressure

US Treasuries increasingly depend on **more price-sensitive buyers**, while central-bank ownership declines.



Facts

- **US inflation strengthened in Sept'26:** CPI rose to 3.7% vs. 3.4% in Aug'26, reflecting higher energy costs; core inflation also increased to 2.6%.
- After the widely expected pause in Oct'26 and strong 3.4% GDP growth in Q3, **consensus expects a Fed hike in Dec'26**, followed by two–three hikes in CY27, taking the Fed funds rate to **4.5–4.75%**. The ECB and BoJ are also expected to hike once more in December.
- **Global bond yields were mixed in October.** Yield increases in France, Italy and Germany have been particularly steep, as social unrest has heightened concerns over public finances. US treasury yields eased from their mid-month peaks on safe haven trade with a build-up in risk-off sentiment as investor concerns around the AI complex intensified.

Assessment

- **Broadening price pressures point to persistent US inflation.** Services inflation of 3.2% reinforces this trend, while strong demand allows manufacturers to pass through price increases and protect margins.
- **Shifting Treasury demand adds to yield pressure.** Investors are rotating towards higher-yielding tech-backed debt as official demand declines and price-sensitive buyers gain share. Estimates suggest that this rotation has added **~105 bps to the 10-year US term premium at one point**.
- **October's safe-haven-led decline in US yields masks unfavourable fundamentals.** Annual Treasury interest expense has crossed **USD 1tn — exceeding US defence spending**.

Implication

- **Bond volatility to remain elevated**, as inflation, fisc and shifting investor dynamics lead to yield repricing
- **As growth concerns surface and alongwith the need for AI-hedging, long yields maybe capped (and could eventually ease too), even as policy rates turn sticky with an upward bias owing to near-term inflation concerns**
- **Higher global yields raise the hurdle for equity valuations and keep external financing conditions tight**, including for emerging markets.

Risks

- ✕ Persistent inflation could **more tightening than priced**
- ✕ Further rotation away from Treasuries
- ✕ Fiscal slippage or renewed social unrest **widens sovereign spreads**

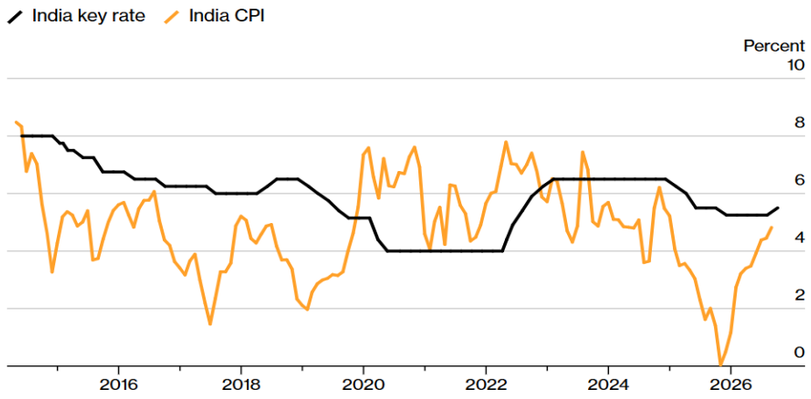
Safe-haven demand has eased long-term US Treasury yields, but sticky inflation, fiscal strains and declining official demand keep underlying yield pressures intact — pointing to persistent bond volatility and elevated funding costs into CY27.

Source : Bloomberg

Inflation & Interest Rates – Local: A Higher Rate Path Takes Shape

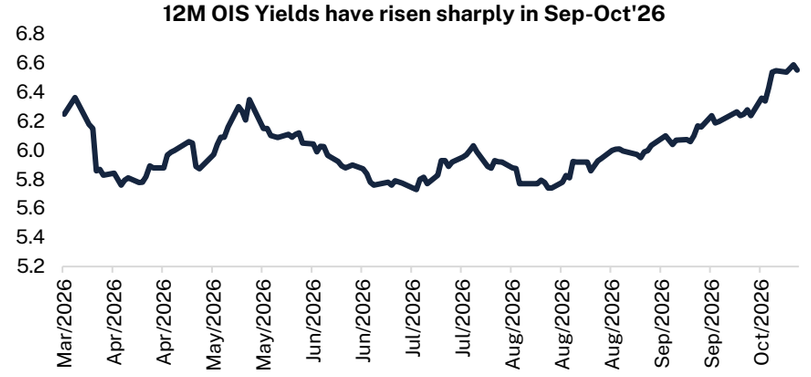
1 **Rising inflation and risks to the tolerance ceiling prompt RBI tightening**

Inflation is approaching the **6% ceiling**, while the real repo rate remains near zero — triggering the need for further tightening.



2 **Markets price three–four hikes over the next 12 months**

12-month OIS at ~6.50% signals a firmer rate path than consensus repo forecasts of **6.00–6.25%**.



Facts

- The **RBI raised repo by 25 bps to 5.50% in Oct'26** — the first hike since February 2023 — and shifted to **calibrated tightening**. The policy direction is now a pause or a hike, ruling out further cuts for now.
- CPI rose every month from January to September, with price pressures broadening. Around 30% of the basket now exceeds 6% inflation, versus 12% a year ago. Core momentum has risen to ~0.5% MoM, against a six-month average of 0.3%.
- Inflation is projected at 6.0% in Q3FY27, 5.7% in Q4FY27 and 5.6% in Q1FY28. The December quarter leaves no cushion below the tolerance ceiling; fuel-price hikes could lift inflation above 6.2% in Q3FY27.
- Consensus **expects two–three hikes in FY27**, taking repo to ~6.00–6.25%. The 12-month **OIS at ~6.50% signal that markets are expecting a firmer tightening path**.
- Liquidity absorption has lifted short-term yields, reinforcing the stance change. Long-term yields have also hardened on global cues, elevated crude and rising inflation.

Assessment

- October appears to mark **a reset towards higher rates, rather than a tactical hike**.
- The concern is inflation breadth, beyond food and energy alone. Persistent supply shocks could increasingly influence expectations and pricing, although evidence of such transmission remains limited.
- **Policy is not yet restrictive. The real repo rate is near zero and could turn negative if the RBI's inflation projections materialise.** Supportive growth provides room to tighten
- Persistent INR weakness has stoked fears of more hikes that what RBI may desire

Implication

- Expect **two–three further hikes, potentially through a stop-start cycle**
- Duration exposure warrants caution. Sustained yield relief requires narrower inflation breadth, softer underlying momentum and greater external stability.
- Market pessimism remains high - this along with RBI-led liquidity tightening suggests that **some opportunities could emerge in the short-medium term yields in the near future**

Risks

- **Renewed INR weakness**
- **Excessive rate and liquidity tightening** impairs the medium-term growth trajectory.
- **Conversely, decisive crude-price relief or softer-than-expected inflation** could justify a pause.

Broadening inflation and external pressures favour further RBI tightening, reinforced by liquidity withdrawal. Temporary injections can ease funding frictions, but policy must balance inflation control and INR support against the strain on moderating growth.

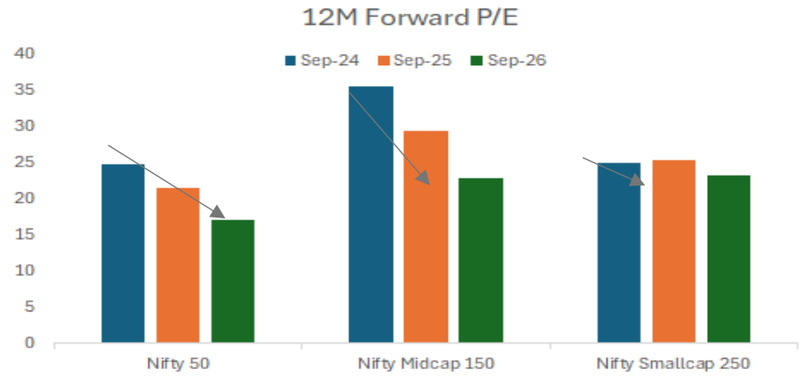
Source : Bloomberg, Reuters

Valuation & Earnings: Valuation Relief Is Largely Optical; Earnings Upgrades Hold the Key

1

Valuations Correct; Relative Premiums Persist

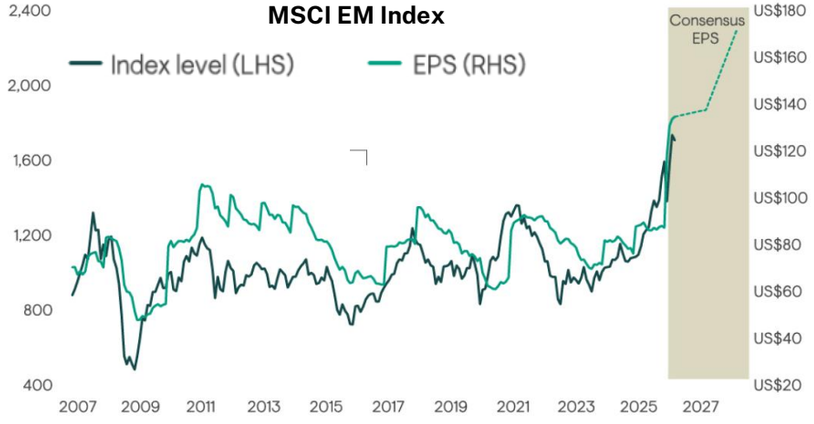
Forward P/Es have fallen **~30% for Nifty 50, 36% for midcaps and 7% for smallcaps** since September 2024.



2

EM Earnings Strengthen; Valuations Remain Discounted

EM earnings are projected to grow **26.3% in CY26**, while valuations stand at **9x forward earnings — 45% discount to developed markets**



Facts

- **Nifty 50 earnings are expected to grow 27% YoY in Q2FY27 — the strongest in four years**, led by financials, telecom, technology and retail, with margins maintained.
- **Midcap and smallcap earnings are projected to grow ~12% and ~30%, respectively.** Midcap growth moderates from 31% in Q1FY27. Higher raw-material costs could mildly compress margins, despite price hikes across sectors over the past two–three months.
- **Earnings growth is expected across almost all sectors.** Real estate, autos, consumer, capital goods, logistics, healthcare and utilities are likely to deliver modest growth of **3–8%**.
- **FY27 Nifty EPS estimates are unchanged, implying ~17% growth.** FY28 estimates have been cut ~1%, implying ~14% growth, with downgrades led by autos, private banks, cement and capital markets.
- **Early-reporting companies* posted 25.5% YoY net profit growth in Q2FY27**, supported by higher commodity and energy prices that boosted power, metals and refining earnings

Assessment

- **Earnings have recovered over three quarters, but upgrades remain weak.** FY27 and FY28 Nifty EPS estimates are still **~1% and ~2% below** their respective levels at the start of FY27.
- **Valuations have eased but remain elevated relative to other markets.** Nifty remains the **third-most expensive market globally**.
- **Other EMs offer a competitive earnings–valuation proposition.** MSCI EM earnings growth is projected at **26.3% in CY26**, with a widening contribution from non-technology businesses, alongside a **record 53% valuation discount to the US at 9x forward earnings**.

Implication

- **Tax relief and India's appeal as a global AI hedge are positive at the margin**, but may not be sufficient conditions for attracting foreign inflows.
- **India's valuation premium requires sustained earnings delivery and, more importantly, a strong earnings upgrade cycle** — critical to attracting FII interest.

Risks

- ✕ Earnings disappointments or further downgrades erode the support from lower valuations.
- ✕ Raw-material inflation exceeds pricing offsets, compressing margins more than expected.
- ✕ Stronger earnings delivery in cheaper EMs weighs on India's relative appeal.

Valuations have corrected and earnings are recovering, but India's continuing premium makes a strong earnings upgrade cycle critical to renewed FII interest. Tax relief and the AI-hedge narrative offer only marginal support.

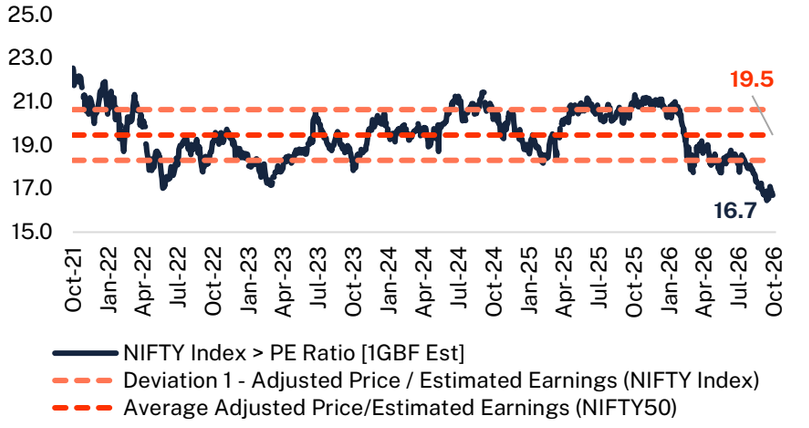
*Source : Bajaj AMC, FT , Bloomberg, *337 companies, Business Standard (25/10/26)*

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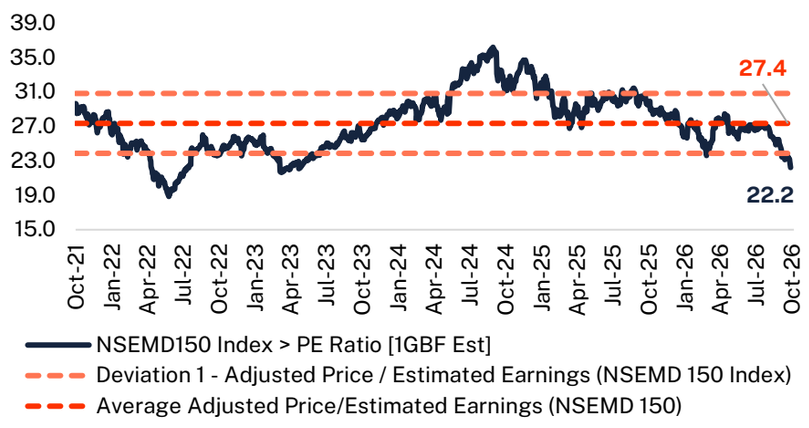
Decoding Valuations

Large-cap and Mid-cap valuations have fallen below their -1SD forward P/E levels, offering relatively attractive valuations. Small-caps have corrected sharply and are now trading below their mean valuation levels.

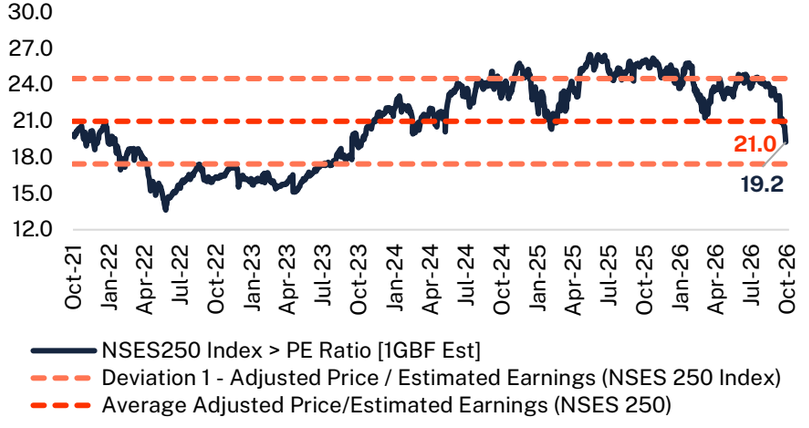
Nifty 50



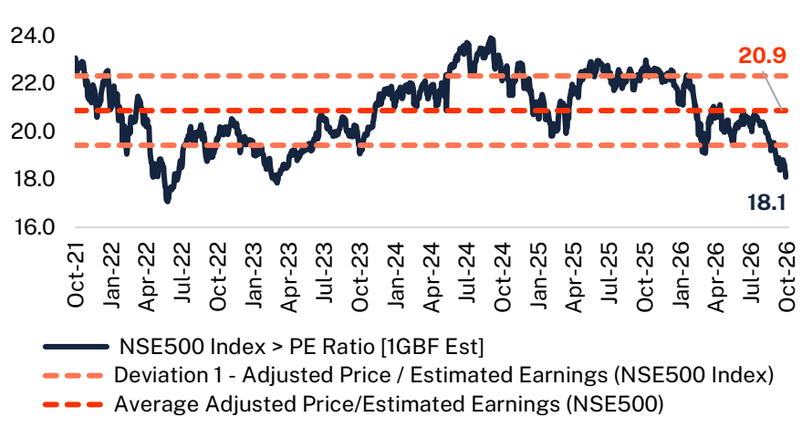
Nifty Midcap 150



Nifty Smallcap 250



Nifty 500



- **Large Caps:** Large-cap valuations (Nifty 50) are trading below their **-1SD forward P/E** levels, offering relatively attractive valuations.
- **SMID Caps:** Mid-cap valuations have moved below their **-1SD forward P/E** levels, while small-cap valuations have fallen below their mean valuation levels, 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.

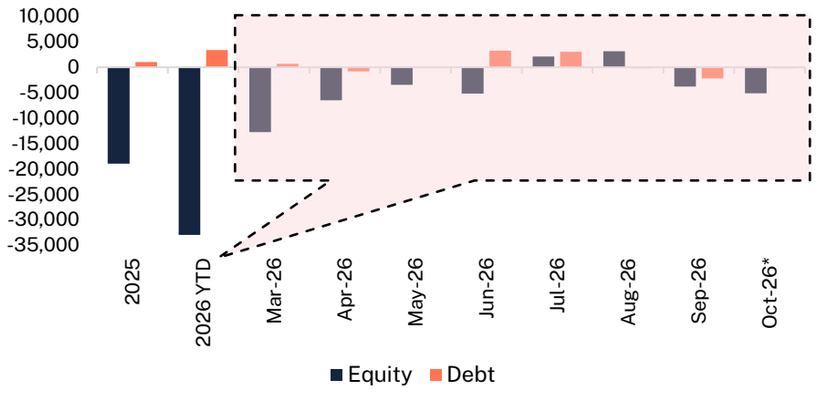
Source: Bloomberg, Spark PWM

Allocation of Capital: FII Selling Persists, Domestic Flows Cushion the Impact

1

FII selling resumes after a brief Jul–Aug reprieve

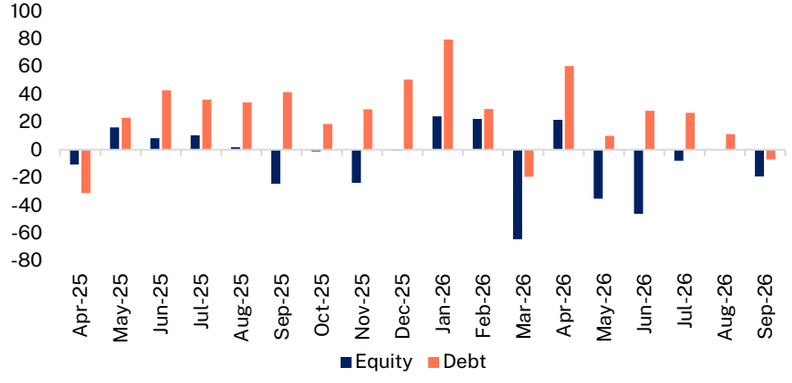
FIIs sold ~$8.9bn in Sep–Oct'26, taking 2026 YTD equity outflows to a record ~$33bn; debt flows also turned negative.



2

FPI flows into EMs

EM flows reversed in Sep'26 (–$26bn, first outflow since Jun) as a hawkish Fed lifted US real yields and the dollar.



Facts

- **FII selling has intensified:** FIIs recorded outflows of ₹35.8k cr in Sep'26 and ₹48k cr in Oct'26 MTD, reversing ~₹50k cr of net purchases in Jul–Aug. CY26 YTD outflows of ~₹3.1 lakh cr (~$33bn) are at record levels, nearly twice the full-year 2025 figure, although FIIs remain net buyers in the primary market, with IPO investments of ~₹56k cr YTD.
- **Domestic flows remain resilient:** Equity MF inflows rose 31% MoM to ₹38k cr in Sep'26, led by small-cap funds (₹9k cr), while SIP contributions reached a record ₹32,490 cr (+11% YoY). DIIs purchased ~₹59k cr in Oct'26 MTD, absorbing a substantial part of FII selling of ~₹51.5k cr and extending their net-buying streak to 10 consecutive weeks.
- Emerging markets recorded $26.3bn of portfolio outflows in Sep'26, including $19.2bn from equities, driven partly by heavy selling in South Korea.

Assessment

- Higher US yields, dollar strength and profit-booking in south Korea weighed on Emerging Market flows. Meanwhile, US equity concentration remains elevated, with the S&P 500's top 10 stocks accounting for ~38% of the index, highlighting the market's reliance on a narrow group of mega-cap stocks.
- **In India, FII selling remains heavy but selective:** In Sep'26, outflows were concentrated in financials, oil & gas and autos, while consumer services and healthcare attracted inflows. In 1H Oct'26, selling extended to FMCG and autos, while IT attracted inflows, indicating continued sector rotation amid broad-based FII outflows.

Implication

- Sustained FII selling, coupled with any moderation in DII inflows and weakening retail participation, could put pressure on market valuations and liquidity.
- **Overseas diversification accelerates:** LRS remittances for overseas equity and debt investments more than doubled YoY to $322mn in Aug'26, with Apr–Aug FY27 outflows reaching $1.73bn.
- Globally, continued concentration of capital in US equities and a narrow group of mega-cap technology stocks may limit the breadth of market gains and increase concentration risk.

Risks

- ✕ Further Fed tightening, higher US yields or elevated crude keep pressure on the rupee and FII flows.
- ✕ Continued concentration of global capital in AI and technology-led themes
- ✕ A slowdown in SIP/MF inflows / retail participation

FII selling has been continuous but selective, leading to ongoing sector rotation opportunities. However, further external risks or a slowdown in DII flows could have a significant impact.

**Source : NSDL, AMFI, NSE/BSE, IIF, RBI, Bloomberg, Reuters. FII data in USD mn FPI EM data in USD bn *Oct-26 MTD to 23-Oct.*

Spark Capital
Private Wealth Management

Where the Money Is Moving: Sector-Wise FII Trends

FIIs were net Sellers over the last fortnight, with strong outflows from Financial Services & Fast Moving Consumer Goods, while Information Technology witnessed most of the inflows.

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

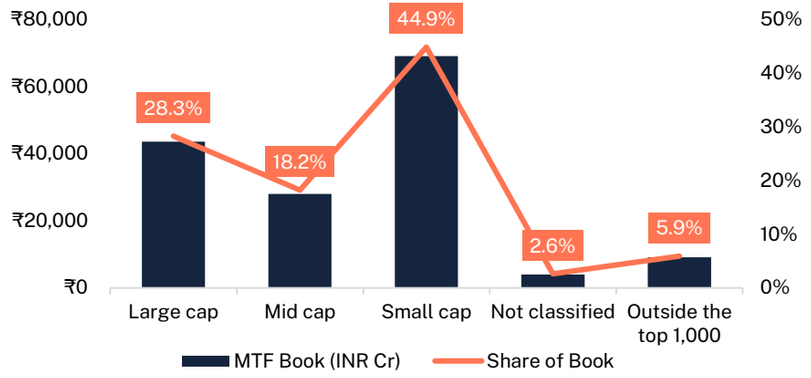
SECTOR / DATE	15-May	31-May	15-Jun	30-Jun	15-Jul	31-Jul	15-Aug	31-Aug	15-Sep	30-Sep	15-Oct
Automobile and Auto Components	-357	-2,175	-9,044	-1,324	-6,936	2,372	4,405	-1,299	-2,670	-3,542	-6,533
Capital Goods	2,645	154	-2,586	-1,442	-2,657	-3,618	-1,556	2,162	-108	-1,353	-3,886
Chemicals	-700	90	-773	-514	-114	532	315	543	228	-133	41
Construction	-991	-220	-603	3,484	403	-1,602	-404	442	930	381	-1,224
Construction Materials	-1,207	-434	-2,426	-650	1,574	871	384	-250	-358	-847	-564
Consumer Durables	-1,162	-287	-634	2,564	2,384	4,958	1,472	2,431	-397	-1,508	-586
Consumer Services	-365	-1,630	-1,852	3,081	7,361	2,840	3,398	5,019	422	1,911	-1,931
Diversified	33	-14	-13	7	29	-1	-18	-4	-23	115	43
Fast Moving Consumer Goods	-1,625	-1,936	-5,063	-474	-1,106	478	-189	-1,727	-2,029	-972	-8,172
Financial Services	-17,960	-5,181	-11,263	14,634	1,975	-2,669	6,535	3,959	-6,204	-6,943	-8,634
Forest Materials	-41	1	-12	-12	-11	40	-9	-7	7	6	-50
Healthcare	-418	601	-4,501	1,435	4,101	3,654	2,910	3,021	2,114	3	-5,497
Information Technology	-1,643	-268	-6,733	-733	60	3,298	2,530	1,573	-960	-38	2,599
Media, Entertainment & Publication	-12	-110	-232	-127	-289	24	-6	72	-93	31	252
Metals & Mining	1,698	4,999	-4,722	-4,371	5,993	-1,056	720	1,087	-681	-2,322	-3,693
Oil, Gas & Consumable Fuels	-6,885	-2,093	-10,488	-2,789	258	-513	490	-2,251	-2,385	-4,469	-3,680
Power	-1,157	476	-2,577	-3,743	-1,267	-1,596	-1,164	-389	-1,653	-570	-1,732
Realty	-430	30	-1,093	1,893	2,072	-279	-1,014	420	-762	19	-578
Services	7,019	185	302	2,592	2,405	-1	590	1,193	905	1,397	262
Telecommunication	-2,542	2,127	373	-720	-2,454	-3,271	-3,322	-1,661	-991	-2,423	-3,928
Textiles	-112	39	-146	241	248	206	1	-294	10	636	-59
Utilities	-28	-19	7	216	119	-163	7	-38	194	-33	-34
Others	-683	-212	657	658	1,441	170	614	-938	437	-893	-204
Total	**-26,923**	**-5,873**	**-63,422**	**13,904**	**15,588**	**4,672**	**16,692**	**13,064**	**-14,067**	**-21,547**	**-47,787**

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 & Sentiments: Global Caution Rising, India Still Under-owned

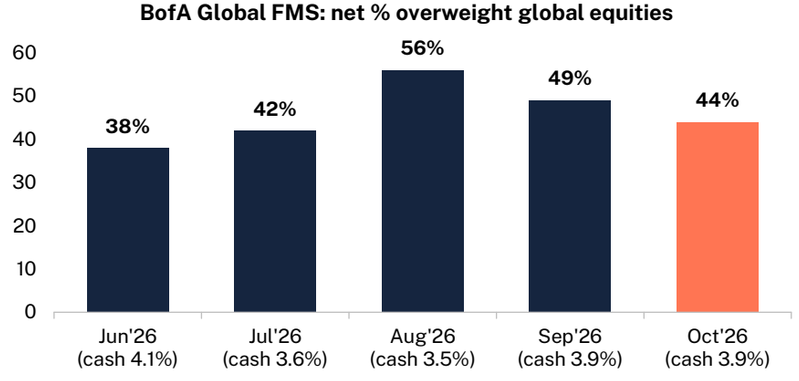
1 **Concentration of MTF Book in the small cap and microcaps**

The MTF book is predominantly concentrated in small- and micro-cap stocks, making it particularly vulnerable to liquidity risks.



2 **Global fund managers have cut equity risk since Aug**

BofA global FMS: equity net OW fell to 44% in Oct from 56% in Aug; cash rose marginally to 3.9%.



Facts

- **Global investor sentiment remains weak:** The Nifty (USD) is down ~14.5% since Jul'25, while MSCI EM is up ~39% — a ~54% gap. Despite MSCI India's 12-month forward P/E falling to a six-year low of ~18.5x, India remains the world's third-most-expensive market
- Domestic investor sentiment has weakened, approaching Mar'25 levels in Oct'26.. As of Oct 26, India's MTF book is at 1.51 Lakh Crore down from 1.58 lakh crore in Sep end, with ~50% of the book is concentrated in small and microcap stocks.
- **Heavy supply, absorbed by domestic liquidity:** 104 IPOs have raised over ₹1.4 lakh cr in 2026, including Jio Platforms' record ₹30,213 cr issue. That said~3/4 of Jan–Sep IPO proceeds were OFS, and ~237 companies plan ~₹4.48 lakh cr more.

Assessment

- **Global sentiment has cooled, not capitulated:** BofA's Oct'26 FMS shows cash flat at 3.9% and equity OW down to 44% (Aug: 56%); tech allocation is the highest since Aug'20 while EM OW slipped to 34% from 38%. Limited AI exposure is the top reason cited for India underweights.
- **Primary-market appetite remains strong:** Robust domestic participation signals ample liquidity, but post-listing returns and the share of offer-for-sale (OFS) issuances will determine sustainability.
- MTF growth has tracked the small-cap rally. Retail investors are using borrowed money to ride the rally while the large-cap index have underperformed

Implication

- **India is a contrarian, mean-reversion opportunity:** Under-ownership, and reasonable valuations provide a foundation for recovery, but a sustained re-rating requires catalysts such as earnings upgrades, softer US yields or a broadening of the AI trade.
- **Leverage raises small-cap fragility:** Borrowing-funded gains leave the segment vulnerable; if the rally stalls, margin calls in illiquid stocks could amplify the correction.

Risks

- A disorderly rise in US bond yields or a hawkish Fed extends EM outflows.
- IPO/OFS supply outpacing domestic inflows, or SIP fatigue, weakens the domestic flow
- A sharp small-cap sell-off, could become a cascade of margin calls in illiquid stocks.

Global risk appetite has cooled, and India remains Asia's least-preferred market — but record under-ownership and 6-year-low valuations leave room for mean reversion once FII flows turn.

Source : BofA Global Fund Manager Survey Oct'26, NSDL, Bloomberg, IndiaMTF.com, Financial Express, Tipsheet.markets

Spark Capital
Private Wealth Management

Portfolio Strategy

Guidance on Portfolio Strategy – Equities – Darkest hour before dawn

Buffeted by a continued rise in crude oil prices, rising global yields and local interest rate hikes, equity markets remained subdued through October, even as the on-ground growth picture remained intact. Of the ~750+ companies that have declared results thus far for 2QFY27, revenue and profit grew by 23% and 28% yoy respectively suggesting that the earnings recovery that began three quarters ago remains intact. This is all the more so given the steep rise in crude prices and a generally adverse environment. Growth has been strong across large, mid and small-caps indicating broad-based growth. Largely, management commentary seems to suggest that demand conditions are intact although there is a certain degree of caution on margins, given the rise in raw material prices.

Market sentiment through October though remained nervous with some despondency creeping in over the lack of foreign investor interest. Reflecting these concerns, FPIs remained sellers. This coupled with rising imports and muted FDI has kept the pressure on the INR in recent months despite the huge mobilization through the FCNR program. In its monetary policy the RBI hiked rates and subsequent interactions hinted at using interest rates to defend the currency if required. Rising local inflation (coupled with El-Nino related concerns), higher global yields and a weak INR have led to markets building in expectations of a rate normalization path through 3 rate hikes (by the RBI) over the next 1-year.

On the one hand therefore, the earnings recovery trajectory and overall growth conditions seem to be intact even as near-term headwinds cloud sentiment. On the other, valuations have reasonably moderated over the last 2-years, with largecaps for instance now trading lower than long-term averages. While SMIDs remain expensive, when seen relative to earnings expectations, pockets of opportunities have recently emerged here too.

Given this, the SIGC preferred to repose continuing confidence on the conducive earnings/growth and thus retained the marginally overweight stance on equities. Near term volatility is expected to continue owing largely to global factors (geopolitics, crude oil price) and this could be used to build portfolios along the following lines.

Our preference remains for:

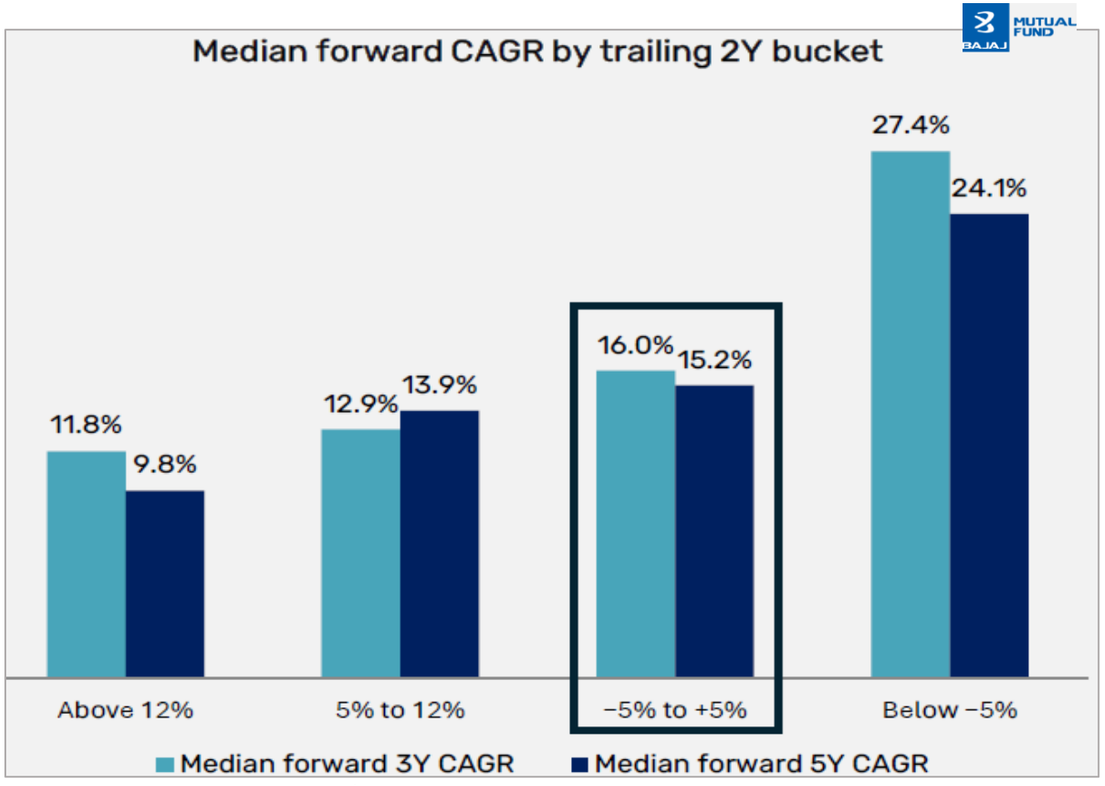
- High active share, multicap portfolios that are nimble to rotate across sectoral opportunities
- Portfolios tilted towards the ongoing buildout of manufacturing capabilities across sectors
- Relatively new strategies that have the flexibility to build portfolios ground-up aligned to new/emerging sectors
- Emerging market equities that offer superior earnings growth and reasonable valuations
- Private equity strategies across early stage deep-tech, mid/ growth /late stage strategies across manufacturing and diversified sectors

**Spark Investment Guidance Committee*

Spotlight – Muted Returns have historically offered better starting points (Study by Bajaj MF)

Trailing 2Y CAGR bucket Of Nifty500	Subsequent 3-year Nifty 500 performance		Subsequent 5-year Nifty 500 performance	
	% times the index delivered positive returns	% times returns were > 12%	% times the index delivered positive returns	% times returns were > 12%
Above 12%	89.7%	48.7%	97.1%	31.9%
5% to 12%	92%	58.3%	100.0%	77.7%
-5% to 5%	100.0%	67.1%	100.0%	81.7%
Below -5%	100.0%	89.6%	100.0%	90.7%

Source: Bajaj AMC, www.bajajamc.com | Based on Data from 1st Jan 2000 to 30th September 2026.



Source: Bajaj AMC, www.bajajamc.com | Based on Data from 1st Jan 2000 to 30th September 2026.

Past returns are not indicative of future returns

Guidance on Portfolio Strategy – Fixed Income & Gold

- **Rates & Liquidity Backdrop**:
  - System liquidity has reduced meaningfully towards the month-end (Oct'26) to ~INR 35K cr (down to 0.2% of NDTL) – down 95% vs. 12T in Sep'26 led by dollar sales by the RBI, GST payment outflows and festive season cash withdrawals even as RBI infused lesser than expected liquidity via repo auctions – this seems to be in line with the changed policy stance of calibrated tightening as indicated in the Oct'26 policy statement. This liquidity tightness has virtually translated into a stealth hike of another 25 bps with call rates @5.75% vs. policy repo rate at 5.5%.
  - Markets expect this 'targeted' / 'intentional' liquidity tightness to persist in the near term as a part of RBI's efforts to further stamp out speculative positions in the forex market even as this results in pushing yields even further higher over the shorter end of the curve,
- **Fixed Income Strategy:**
  - In the immediate near term, prefer low-MTM strategies and portfolios with progressively declining maturity or a roll-down approach. Sharp liquidity tightening and expectations of steep rate hikes over the next one–two quarters could create attractive opportunities in the short-to-medium segment of the curve over the coming weeks and months.
  - Remain neutral on long duration for now. Although yields have risen sharply and could likely present an opportunity, current inflation dynamics and uncertainty around global yields warrant caution. We will reassess this view over the next few weeks.
- **Portfolio Positioning:**
  - **Accrual remains the core:** Prefer high-quality short-to-medium-duration accrual strategies, with selective exposure to performing credit, including hybrid structures offering potential equity upside or capital protection layers.
  - While we remain constructive on private credit, we are selective : India remains structurally different from the US w.r.t private credit — with Indian funds having nil - limited fund-level leverage, focus on cash-flow-generating underlying businesses, adequate collateral, broad sector diversification and limited ALM mismatch given closed-ended AIF structures.
  - **Real Assets / Hybrid Yield:** Remain constructive on income-oriented REITs/InvITs, with a selective approach to long-term InvITs given their vulnerability to rising rates. Also favour hybrid "debt-plus" SIF strategies combining market-neutral/derivative overlays with defined downside protection and tax-efficient structures.
- **Gold – Remains a Strategic Allocation:**
  - Near-term upside may be constrained by Fed tightening and also as a part of the broad global risk unwinding as traders are lightening bullion to cover losses elsewhere - creating some tactical downside to gold prices. However, the medium-term strategic case remains intact, supported by persistent core inflation, geopolitical uncertainty, diversification away from USD assets and continued central-bank buying. Anecdotal evidence suggests that global central bank monthly gold purchases are more than 4 times the pre-CY2022 average (Russia –Ukraine war) – with China being amongst the largest purchasers of the precious metal.

Equity Ideas

Spark Capital
Private Wealth Management

Preferred Equity Portfolio Allocation (1/4)

Products	Brief Rationale & 3-Month Attribution	
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 outperformed the Nifty Large Midcap 250 TRI. This can be attributed to: ▪ An overweight stance on Fintech, Pharma ▪ An underweight stance on Electrical Equipment, Power, Petroleum, Cement ▪ Stock selection in Auto, Capital Markets, Fintech, Industrials
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 Large Midcap 250 TRI. This can be attributed to: ▪ An overweight stance on Retailing, Pharma ▪ An underweight stance on Petroleum, Power, Construction, Diversified FMCG ▪ Stock selection in Pharma, Banks, Electrical Equipment, Petroleum Products
Aditya Birla Sun Life Flexi Cap Fund	▪ A benchmark-conscious flexicap strategy with a large-cap tilt (~50%+) ▪ Combines top-down and bottom-up investing through in-house investment frameworks at the sector as well as stock level ▪ Seeks to capture potential returns across multiple sources, including market beta, earnings growth, valuation re-rating, and tactical/opportunistic opportunities	The fund outperformed the Nifty 500 TRI. This can be attributed to: ▪ An overweight stance on Retailing, IT ▪ An underweight stance on Power, Diversified FMCG, Electrical Equipment, Capital Markets ▪ Stock selection in Auto, Industrial Products, Banks, IT
Helios Flexicap Fund	▪ Focus on high active share by dynamically investing across the market cap spectrum ▪ Broadly benchmark-aware, but open to taking active positions in or completely avoid select sectors ▪ Structural bias towards growth stocks	The fund outperformed the Nifty 500 TRI. This can be attributed to: ▪ An overweight stance on Fintech, Retailing ▪ An underweight stance on Banks, Petroleum Products, Insurance, Diversified FMCG ▪ Stock selection in Auto, Consumer Durables, Diversified FMCG, Retailing
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 outperformed the Nifty 500 TRI. This can be attributed to: ▪ An overweight stance on Commercial Supplies, Pharma ▪ An underweight stance on Banks, Petroleum Products, Electrical Equipment ▪ Stock selection in Banks, Power, Finance, Pharma
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 outperformed the Nifty 500 TRI. This can be attributed to: ▪ An overweight stance on IT, Pharma ▪ An underweight stance on Petroleum Products, Electrical Equipment, Construction ▪ Stock selection in Retailing, Finance, Electrical Equipment, Construction

3-month attribution is as on September 30, 2026
Source: AceMF, Spark PWM Products

Preferred Equity Portfolio Allocation (2/4)

Products	Brief Rationale & 3-Month Attribution	
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 outperformed the Nifty500 Multicap 50:25:25 TRI. This can be attributed to: ▪ An overweight stance on Entertainment, Fintech , IT ▪ An underweight stance on Electrical Equipment, Petroleum Products, Capital Markets ▪ Stock selection in Healthcare Services, Electrical Equipment, Retailing
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 Nifty500 Multicap 50:25:25 TRI. This can be attributed to: ▪ An overweight stance on Auto Components, Industrial Products, Fintech ▪ An underweight stance on Power, Petroleum Products, Diversified FMCG ▪ Stock selection in Banks, Auto, IT, Capital Markets, Power
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 overweight stance on Banks, Insurance, Construction ▪ An underweight stance on IT, Pharma, Retailing ▪ Stock selection in Banks, Consumer Durables, IT
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 overweight stance on Commercial Services, Industrial Products, Auto (CVs) ▪ An underweight stance on Finance, Cement, Capital Markets ▪ Stock selection in Finance, Chemicals, IT, Healthcare
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 Electrical Equipment, Food Products, Healthcare Services ▪ An underweight stance on Telecom, Industrial Manufacturing ▪ Stock selection in Industrial Products, Aerospace & Defence, Telecom

3-month attribution is as on September 30, 2026
Source: AceMF, Spark PWM Products

Preferred Equity Portfolio Allocation (3/4)

Products	Brief Rationale & 3-Month Attribution	
Equinova	▪ A market-cap and sector-agnostic, earnings- growth led strategy where sector rotation is central to portfolio construction ▪ A top-down assessment identifies contemporary themes and sectors with the strong earnings growth potential over the next 6–8 quarters ▪ Seeks to invest before the market fully recognizes an improvement in earnings	▪ In last quarter, the fund outperformed the BSE 500 TRI. This is led by: ▪ Exposure to Sigma Advanced Systems Ltd in Aerospace & Defense. ▪ Exposure to SML Mahindra Ltd in Agricultural, Commercial & Construction Vehicles space. ▪ Exposure to Sansera Engineering Ltd, Wheels India Ltd, SPR Auto Technologies Ltd, NRB Bearings, Rolex Rings & Ather Energy Ltd in Auto Space ▪ Exposure to Precision Wires India Ltd & Dynamatic Technologies Ltd in Industrial Products & Manufacturing Space. ▪ Exposure to Eternal Ltd in Retailing, Wockhardt Ltd in pharma & Ujjivan Small Finance Bank Ltd in Banking Space.
Buoyant Opportunities	▪ A core and satellite approach is followed to build a ~25-stock portfolio, with the flexibility to take cash calls from time to time. ▪ Core allocation focuses on cos with predictable cash flows, industry leadership, and dividend yield preference ▪ Satellite allocation pertains to cyclical segments, turnaround stories, and value opportunities	▪ In last quarter, the fund outperformed the BSE 500 TRI. This is led by: ▪ Exposure to BFSI in One97 Communications & IDFC First Bank ▪ Exposure to Ramkrishna Forgings Ltd, Bajaj Auto Ltd & Varroc Engineering Ltd in Auto Space. ▪ Exposure to PVR Inox Ltd, Kaynes Technology India Ltd, Indegene Ltd & Indo Mim in Entertainment, Industrial Manufacturing, Healthcare Services & Industrial Products. ▪ Exposure to Glenmark Pharmaceuticals Ltd. & Aurobindo Pharma Ltd in Pharmaceuticals & Biotechnology Space.
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 Outperformed the Nifty 50 TRI. This is led by: ▪ Exposure to Dr. Lal Path labs Ltd in Healthcare Services, Abbott India Ltd in Pharmaceuticals & Biotechnology, Bajaj Auto in Automobiles, Indo-Mim Ltd in Industrial Products. ▪ Exposure to Kotak Mahindra Bank, RBL bank, Federal bank & PNB Housing Finance in BFSI Space.
Emkay Capital Builder	▪ A concentrated, low churn, large-cap-biased flexi-cap strategy ▪ High-quality compounders selected using bottom –up stock picking ▪ 70%+ active share maintained by the strategy	▪ In last quarter, the fund outperformed the BSE 500 TRI. This is led by: ▪ Exposure to Divi's Laboratories Ltd, Laurus Labs Ltd, Sun Pharmaceutical Industries Ltd & Akums Drugs & Pharmaceuticals Ltd in Pharmaceuticals & Biotechnology Space. ▪ Exposure to Eternal Ltd, Sundram Fasteners Ltd, Eicher Motors Ltd, HCL Technologies Ltd, Infosys Ltd & Borosil Ltd in Retailing, Auto Component, Automobiles, IT-Software & Consumer Durables

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

Preferred Equity Portfolio Allocation (4/4)

Products	Brief Rationale & 3-Month Attribution	
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 outperformed the BSE 500 TRI. This is led by: ▪ Exposure to Ather Energy Ltd, Graphite India Ltd, Brigade Enterprises Ltd in Automobiles, Industrial Products & Realty Space. ▪ Exposure to VRL Logistics Ltd & BlackBuck Ltd in Transport Services Space. ▪ Exposure to Balrampur Chini Mills Ltd in Agricultural Food & other Products & Karur Vysya Bank Ltd in Banking Space. ▪ Exposure to Gujarat Narmada Valley Fertilizers & Chemicals Ltd, Jindal Stainless Ltd & Indo Count Industries Ltd in Chemicals & Petrochemicals, Ferrous Metals & Textile-Cotton Space.
Trivantage Capital Edge	▪ Barbell approach to portfolio construction ▪ Sector Rotation led, Flexicap strategy (typically 60 : 40 across Large and SMID ▪ Portfolio is constructed across Four Quadrants - Q1 (Defensive Anchors), Q2 (High-Growth Compounders with Upside), Q3 (Recovery / Cyclical Plays), Q4 (Optionality / Asymmetric Bets)	▪ In last quarter, the fund outperformed the BSE 500 TRI. This is led by: ▪ Exposure to TVS Motor Company Ltd, CE Info Systems Ltd, Eternal Ltd in Automobiles, IT – Software & Retailing Space. ▪ Exposure to Apar Industries Ltd, Pearl Global Industries Ltd, Syrma SGS Technology Ltd in Electrical Equipment, Textiles & Apparels & Industrial Manufacturing Space. ▪ Exposure to MCX & ICICI Bank Ltd in BFSI Space. ▪ Exposure to Unimech Aerospace and Manufacturing Ltd & Blackbuck Ltd in Aerospace & Defense, Transport Services Space.
Vedartha India Opportunities Fund	▪ Mid & small-cap focused portfolio, with selective large-cap exposure in specific sectors ▪ The fund will combine both bottom-up stock selection and a top-down overlay ▪ The fund's exposure Predominantly comprises themes pertaining to facing temporary earnings headwinds with potential for demand recovery, structurally strong sectors with sustained growth visibility and market share gains	▪ In last quarter, the fund Outperformed the BSE 500 TRI. This is led by: ▪ Exposure to Mrs. Bectors Food Specialities Ltd in Food Products, Arvind SmartSpaces Ltd in Realty & Indo Count Industries Ltd in Textiles – Cotton Space. ▪ Exposure to Gujarat Pipavav Port Ltd, Mahindra & Mahindra Ltd & Ajax Engineering Ltd in Transport Infrastructure, Automobiles & Agricultural, Commercial & Construction Vehicles Space. ▪ Exposure to Fedbank Financial Services Ltd & Home First Finance Company India Ltd in BFSI Space.

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

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

Fixed Income Ideas

Spark Capital
Private Wealth Management

Northern Arc Money Market Alpha Fund

Fund Details	
Fund AUM	656 Cr
Average Maturity	260 days
Yield	10.54%
Modified Duration	0.54 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

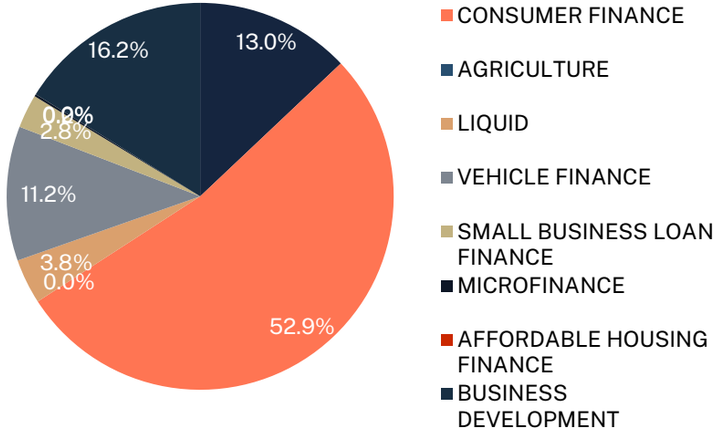
Investment Philosophy & Strategy

- 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

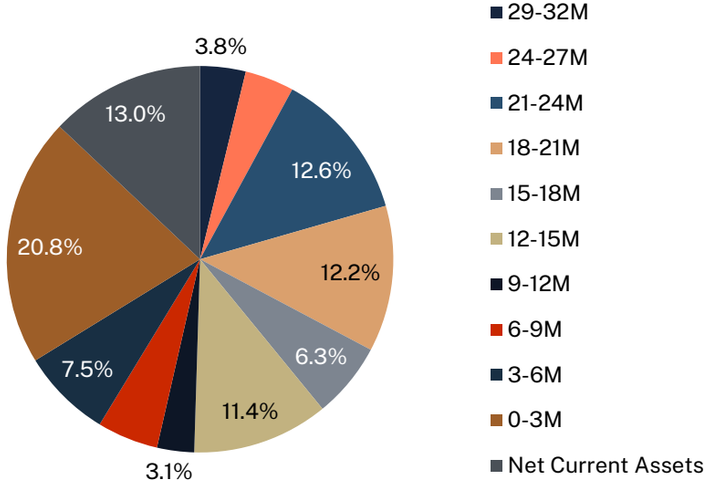
Fund Returns

	1M	3M	6M	1Y	SI
Class A5 (Investment < 5Cr)	10.52 %	9.15%	9.03%	8.87%	8.96%
Class A6 (Investment > 5Cr)	11.02%	9.49%	9.37%	9.21%	9.31%
CRISIL Liquid Fund Index	5.60%	5.78%	6.02%	6.07%	5.86%

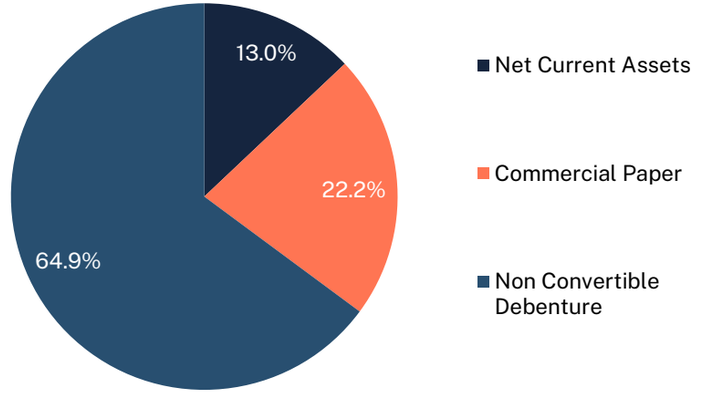
Investment Mix – By Sectors



Investment Mix – By Tenure



Investment Mix – By Asset Type



Data as of 30th September 2026

Spark Capital
Private Wealth Management

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)	158
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.

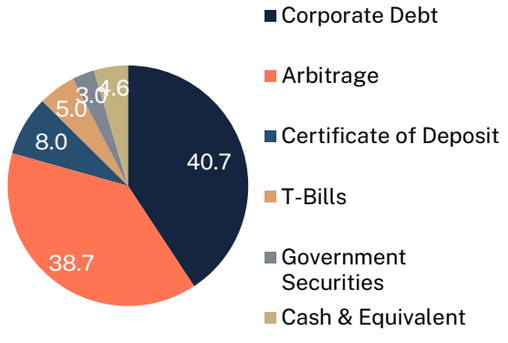
Arbitrage Strategy: Minimum 35% allocation

- 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.

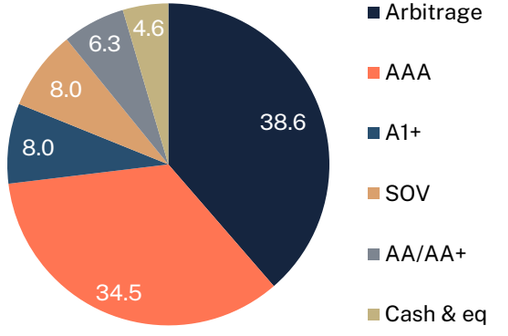
Track Record

Annualized Returns (%)	1M	3M	6M
Arudha Hybrid LS SIF	**2.23**	**3.19**	**5.12**
Income Plus Arbitrage Cat Avg	1.35	3.10	4.86

Asset Allocation



Rating Allocation



Portfolio Quants (Core Debt)

YTM (%)	7.64
Average maturity (years)	2.54
Modified duration (years)	2.01

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

Spark Capital
Private Wealth Management

Altiva Hybrid Long-short SIF

Fund Details

Fund managers	Bhavesh Jain Bhavesh Lahoti
Strategy's Inception Date	20-Oct-2025
AUM (INR Cr)	11,231
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.

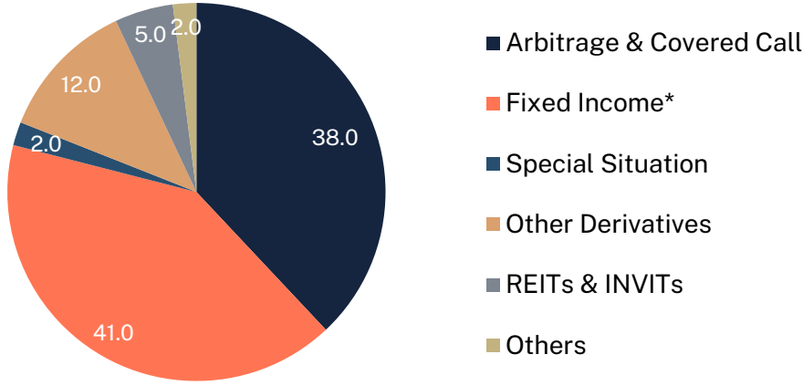
Derivative Strategies: (10-20%)

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

Track Record

Annualised Returns (%)	1M	3M	6M	SI
Altiva Hybrid LS SIF	**-2.64**	**5.12**	**9.93**	**9.65**
CRISIL Composite Bond Index	-9.7	-3.9	2.54	
CRISIL Hybrid 85+15 – Conservative index	-9.96	-5.6	1.5	

Asset Allocation



Portfolio Quants (Core Debt)

YTM (%)	8.17
Average maturity (years)	1.53
Modified duration (years)	1.35

Source: ACE MF.
Portfolio details as on 30th September ,25. Returns as on 15th October 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

Spark Capital
Private Wealth Management

RedHex Hybrid Long-short SIF

Fund Details

Fund managers	Venugopal Manghat Shriram Ramananthan
Strategy's Inception Date	June-2026
AUM(In Cr)	1,504
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.

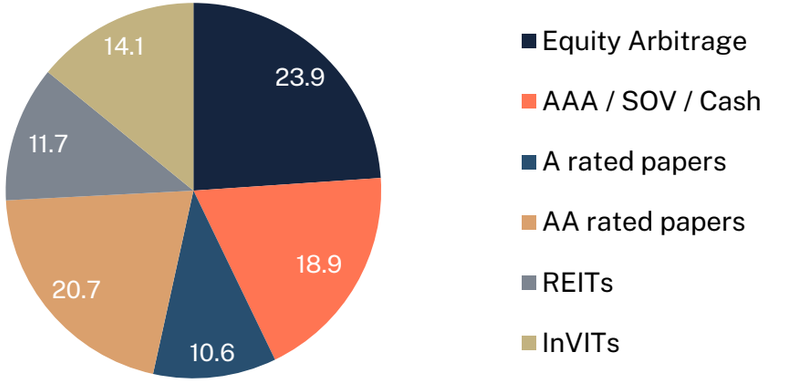
PTCs: (10-15%) - AA / AA- rated PTCs - offer better yields vs corporate bonds with stronger credit enhancement

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

Track Record

Annualised Returns (%)	1M	3M	SI
RedHex Hybrid LS SIF	**0.83**	**6.63**	**6.84**
CRISIL Composite Bond Index	-9.7	-3.9	
CRISIL Hybrid 85+15 – Conservative index	-9.96	-5.6	

Asset Allocation



Portfolio Quants (Core Debt)

YTM (%)	9.86
Modified duration (years)	1.51

Source – HSBC AMC
*** FS means Financial Services*
Portfolio details as on 30th September 2026. Returns as on 15th October 2026

Spark Capital
Private Wealth Management

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)	218	3-6 M	7.14	4.80
	Kotak CRISIL-IBX Financial Services 3-6 Months Debt Index Fund-Reg(G)	236	3-6 M	7.18	5.16
	Aditya Birla SL CRISIL-IBX Financial Services 3 to 6 Months Debt Index Fund-Reg(G)	2220	3-6 M	7.24	4.56
	ICICI Pru CRISIL-IBX Financial Services 3-6 Months Debt Index Fund-Reg(G)	539	3-6 M	7.19	4.44
	Bandhan CRISIL-IBX Financial Services 3-6 Months Debt Index Fund-Reg(G)	387	3-6 M	7.00	4.60
	HDFC CRISIL-IBX Financial Services 3-6 Months Debt Index Fund-Reg(G)	1972	3-6 M	7.14	5.08
	SBI CRISIL-IBX Financial Services 3-6 Months Debt Index Fund	2318	3-6 M	7.3	4.6
9 to 12 Months Index	Kotak CRISIL-IBX Financial Services 9 to 12 Months Debt Index Fund-Reg(G)	1106	9-12M	7.67	9.48
	Nippon India CRISIL-IBX Financial Services 9-12 Months Debt Index Fund-Reg(G)	543	9-12M	7.70	9.20
	Aditya Birla SL CRISIL-IBX Financial Services 9-12 Months Debt Index Fund-Reg(G)	1329	9-12M	7.87	10.08

Target Maturity Funds	AUM (in Cr)	Category	Gross YTM	Maturity Month
Upto 12M Bucket				
Kotak CRISIL-IBX AAA Bond Financial Services Index - Dec 2026	89.84	Corporate Bond - TMF	6.72	Dec-26
Edelweiss Nifty PSU Bond Plus SDL Apr 2027 50:50 Index Fund	2083.52	Gsec / SDL MF	7.03	Apr-27
Aditya Birla SL CRISIL IBX 60:40 SDL + AAA PSU - Apr 2027 Index Fund	1306	Gsec / SDL MF	6.86	Apr-27
Nippon India Nifty AAA CPSE Bond Plus SDL - Apr 2027 Maturity 60:40 Index Fund	2930.57	Gsec / SDL MF	6.89	Apr-27
Axis CRISIL-IBX AAA Bond NBFC - Jun 2027 Index Fund	2397.91	Corporate Bond - TMF	7.92	Jun-27
Edelweiss CRISIL-IBX AAA Bond NBFC-HFC-Jun 2027 Index Fund	81.89	Corporate Bond - TMF	7.99	Jun-27
Bucket: 12-18M				
Tata Nifty SDL Plus AAA PSU Bond Dec 2027 60:40 Index Fund	644.61	Gsec / SDL MF	7.16	Dec-27
Kotak CRISIL-IBX AAA Financial Services Index - Sep 2027 Fund	606.31	Corporate Bond - TMF	7.86	Sep-27
Edelweiss CRISIL-IBX AAA Financial Services Bond - Jan 2028 Index Fund	102.87	Corporate Bond - TMF	8.15	Jan-28
Kotak Nifty AAA Bond Financial Services Mar 2028 Index Fund	286.49	Corporate Bond – TMF	8.07	Mar-28
Bucket: 18-24M				
Kotak Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index Fund	502.54	Gsec / SDL MF	7.53	Jul-28
Nippon India Nifty SDL Plus G-Sec-Jun 2028 Maturity 70:30 Index Fund	333.07	Gsec / SDL MF	7.15	Jun-28
Bucket: 24-36M				
ICICI Pru Nifty SDL Dec 2028 Index Fund	898.91	Gsec / SDL MF	7.39	Dec-28

Note – Yields as on 15th October 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

True Credit Private Limited

Details of the Issuance	
Issuer / Company	True Credits Private Limited
Nature of instrument	Senior, Secured, Unlisted, Transferable, Redeemable Non-Convertible Debentures (“Debentures/NCDs”)
Rating	CRISIL BBB+/Stable
Face value	INR. 1,00,000 /- (Indian Rupees One Lakh only)
Coupon Rate	10.00% Per Annum Payable Monthly
Tenor	~15 Months (13th Nov 2027)
Investor Yield	12.50% p.a.
Trade Date	16th October 2026
Corporate Guarantee	True Balance Private Limited (has a net worth of INR 725 Cr owns and 100% of True Credits Private Limited)
Principal Payout	50% of principal to be repaid at end of 10th month remaining 50% principal to be paid at end of 13 months – (On Maturity)
Security Cover	• The debentures will be secured by a first-ranking, exclusive and continuing charge over identified receivables of the company, with the hypothecated receivables required to maintain a minimum cover of 1.10x the outstanding principal amount of the debentures at all times. ▪ Corporate Guarantee - True Balance Private Limited (has a net worth of INR 507 Cr as of March 2026 owns and 100% of True Credits Private Limited)
Financial Covenants	▪ PBT must remain positive for both True Credits (standalone) and True Balance India (consolidated). Failure to restore profitability in the following quarter constitutes a covenant breach and may result in a 0.50% p.a. coupon step-up. ▪ CRAR must be maintained at a minimum of 18%, Debt/Tangible Net Worth should not exceed 3.25x, and Net Worth should remain above ₹250 crore. ▪ Minimum ₹25 crore of liquid funds must be maintained, with no cumulative ALM mismatch during the tenor. ▪ GNPA should not exceed 7%, while PAR 90+ and gross write-offs on the trailing 12-month on-book disbursements should not exceed 9%. ▪ AUM should remain above ₹650 crore throughout the tenure of the issuance. ▪ All covenants are to be tested quarterly as of June 30, September 30, December 31 and March 31.

Nuvama All Weather Gold Linked 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	Near month future of Gold on MCX
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	48.72% basis face value / 12.00% IRR
Entry Level	Average closing level of underlying future of Gold MCX on primary allotment date and subsequent 5 monthly F/O expiries
Exit Level	Average closing level of underlying future of Gold MCX from 31st to 36th month F&O expiries.
Return Profile	If underlying returns between 0.01% - 29.99%; 1.624x participation (e.g. if underlying returns are 27% abs, AWE returns = (27%)*1.624 = 43.85%) If underlying returns >=30%; 48.72% absolute return basis Face Value If underlying returns <= 0%; face value

*NWFL MLD is rated PP-MLD AA/Stable by CARE, CRISIL, ICRA, rating in the term sheet will be either off

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	98.7%	6.8 years	4.0%	40,260	18.0%

Asset Detail & Geographical Presence

BAGMANE

BAGMANE REIT

- 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 **four 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

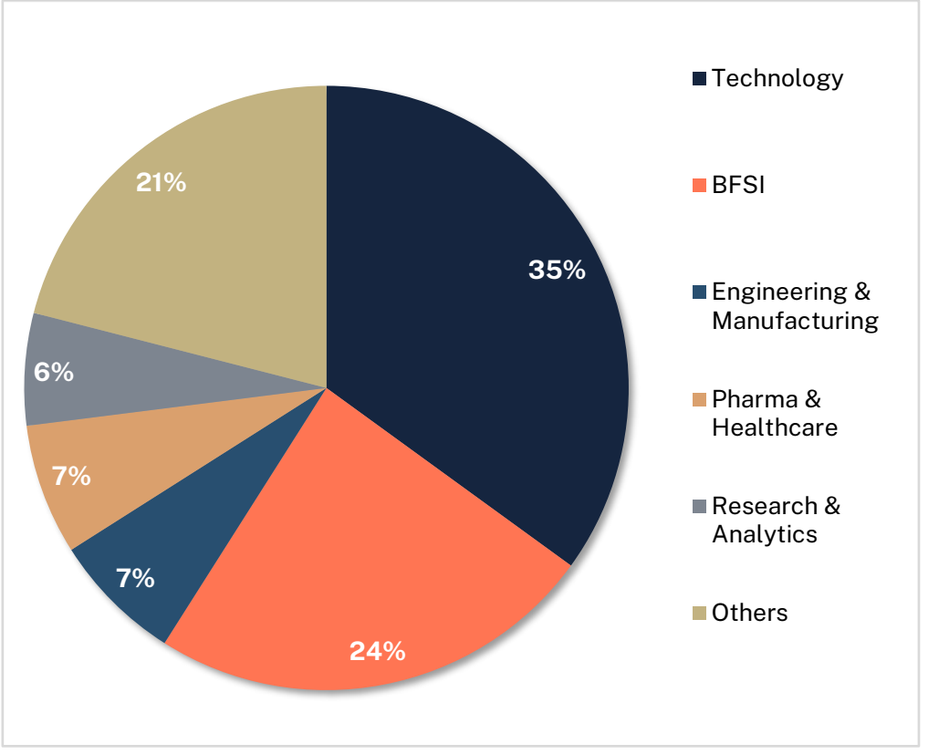
Knowledge Realty Trust REIT

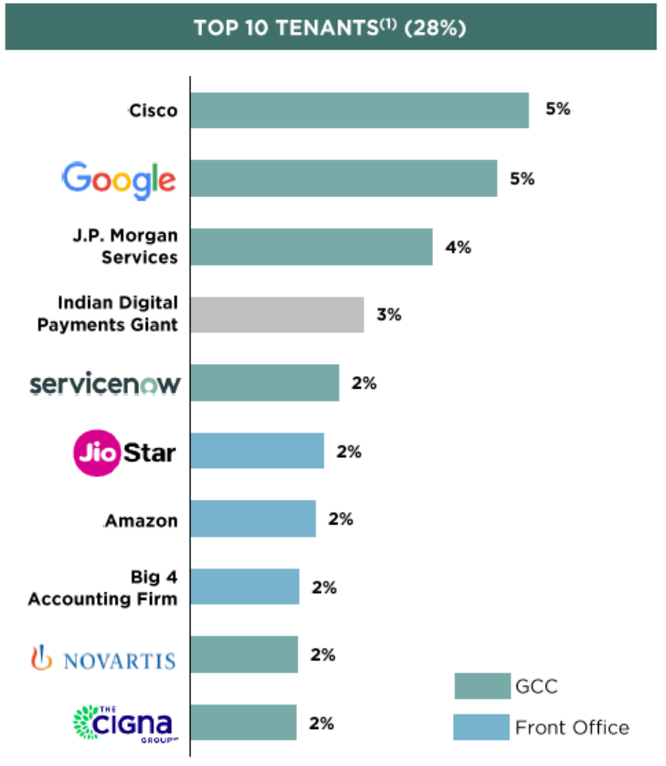
REIT Overview

- 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	93%	7.9 years	18%	99 INR	INR 67,400

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





Source : Company Filings; Bloomberg; Avendus Report

Publicly Listed InvIT: Raajmarg Infrastructure Trust

Product Overview	
InvIT	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)
Credit Rating	AAA Rated
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 Infra Trust

- 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 major stretches across the country.
- 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%**

As on 31-Mar-2026 (Q4 FY26 filing)

Return Profile (2-3 Years)

Target Return (%)

~13% – 14%

InvIT Management Details

Mr. NRVVMK Rajendra Kumar

CEO, Raajmarg Infra Trust

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

Sources: Raajmarg Infra Trust exchange filings & investor presentations (Q4 FY26 / FY26 results), CARE Ratings, company website.

Publicly Listed InvIT: Capital Infra Trust

Product Overview

InvIT	Capital Infra Trust ("CIT")
Category	Publicly Listed InvIT
Sponsor	Gawar Construction Limited (GCL)
Industry	Road and Highways Infrastructure (HAM)
Revenue Model	Fixed annuity revenue under HAM; no traffic risk
Portfolio Assets	12 operational HAM road assets, ~2,745 km
Established	25 Sept 2023 (listed 17 Jan 2025)
AUM	₹6,635 Cr (as of 30-Jun-2026)
Net Debt / EV	41.1% (as of 30-Jun-2026)
Credit Rating	AAA Rated (CRISIL / ICRA)
FY27 DPU Guidance	₹9.00–9.25 per unit
Target Investor Profile	Investors seeking govt-backed, annuity-linked income

Highlights of Capital Infra Trust

- Established Sept 2023 as National Infrastructure Trust, renamed Capital Infra Trust Oct 2024; sponsored by Gawar Construction Limited (GCL), a road/highway EPC major active across 19 Indian states
- Listed on NSE & BSE on 17 January 2025 via an IPO worth ₹1,578 Cr; portfolio at listing comprised 9 HAM road assets
- Portfolio comprises 12 operational HAM road assets spanning ~2,745 km across 8 states, with average residual concession life of ~12.9 years as of Jun'26; entire portfolio is HAM, eliminating traffic risk.
- Completed a ₹1,250 Cr QIP in Dec 2025 (~17.29 Cr units at ₹72.30/unit), diluting sponsor holding from ~49.98% to ~32% while broadening institutional participation.
- AUM stood at ₹6,635 Cr as of Jun'26 (vs ₹6,611 Cr in Mar'26), targeted to grow ~50% to ~₹9,500 Cr by Mar'27E, supported by a healthy ROFO pipeline.
- Q1FY27 consolidated total income of ₹294.9 Cr, EBITDA of ₹180.7 Cr and PAT of ₹125.6 Cr, reflecting the predictable, annuity-linked nature of HAM cash flows.
- Q1FY27 distribution of ₹2.32/unit (₹114 Cr); Net Debt/EV at 41.1% as of 30-Jun-2026, with effective interest cost reduced further to 7.24% from 7.33% (FY 26).
- FY27 DPU guided at ₹9.00–9.25/unit with yield of ~13–13.5%; Trust has 6 further HAM assets from the sponsor's ROFO pipeline, extending annuity visibility largely to 2040.

Unitholding Pattern

Sponsor Group (GCL)	~32.0%
Mutual Funds	~17.0%
Insurance Companies	~11.0%
Financial Institutions / Banks	~4.0%
Other Institutional (Corporates, PF, FPI, AIF)	~22.0%
Non-Institutional (Retail & Others)	~14.0%
Total	**100%**

As on 31-Mar-2026 (Q4 FY26 filing)

Implied IRR

Implied IRR (%) (Holding period – 2-3 years)

~12% – 14%

InvIT Management Details

Mr. Hare Krishna

Chief Executive Officer, Capital Infra Trust

Mr. Krishna has over 24+ years of experience in operations, investments and asset management across oil & gas, real estate, infrastructure and financial services. He previously held leadership roles at Ivanhoé Cambridge, Hines India, SITQ India, Yes Bank and JP Morgan, having managed offshore capital exceeding USD 3 billion in the Indian market. He holds a B.Tech from IIT Kanpur and an MBA from IIM Lucknow. Appointed Joint CEO in Oct 2025 and CEO with effect from 1 December 2025.

Sources: Capital Infra Trust Q1 FY27 Investor Presentation (July 2026), exchange filings, CRISIL / ICRA Ratings, company website.

Credit AIF: Northern Arc Diversified Debt Fund (Provisional Fund rating - CARE AA (SO))

Product Overview

Category	**Category II AIF**
Target Corpus	INR 1500 Cr + 500 Cr greenshoe
Min Investments	INR 1 Cr
Management Fees	Up to 1.60% p.a.
Targeted Yield (Gross)	16% (Pre-taxes and Pre-expenses)
Hurdle rate	12% on Gross XIRR
Carried Interest	15% without catchup
Distribution	10% per annum | Quarterly
Tenure	~5 years (Maturity – Aug'2031)
Operating Expense	At actuals, up to 0.30% p.a.
Sponsors	Northern Arc Capital Limited
Sponsor Commitment	Upto 5% of Fund size as Capital Preservation Layer

Highlights of the Fund

- Category II AIF targeting **~16% gross IRR**, with ~10% p.a. quarterly cash coupon and the balance through redemption premium, prepayment income and other fees.
- Focuses on businesses with 8–10+ years of operating track record, positive EBITDA/PAT and Debt/EBITDA ≤4.25x, while avoiding distressed and turnaround credits.
- Provides flexible capital primarily in the Rs 50–100 Cr transaction segment for growth, acquisitions, bridge financing and balance-sheet requirements.
- The strategy is sector agnostic with a 25% sector cap, primarily targeting Manufacturing, Consumer, Services and Healthcare, with no real estate exposure.
- The sponsor commits ~5% of the fund (~₹75 Cr) as a dedicated CPL, designed to absorb the first 33% of outstanding principal losses per instrument before investor capital is impacted. Combined with another ~5% pari-passu investment, the Group has ~10% total skin in the game.

AMC Track Record

Gross Capital deployed:
~INR 16,500 Cr

6 Funds Successfully Exited

300+ Originator universe

6 Active Funds – Current Gross YTM
IFMR Fimpact LT Credit – 12.23%
MMAF – 9.95%
India Impact – 14.28%
Emerging Corp Bond – 11.49%
Finserv Fund – 14.27%
Fintech NBFC – 11.58%

Fund Manager Details

Indranil Suryawanshi
Fund Manager

Work Experience
***20+** years*

Previous Stints
Piramal Alts, Aditya Birla Finance

Source: Northern Arc 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

Stoicap–NDR Edu-Infra Rental Yield Fund “EDIYF”

Product Overview

Fund	Stoicap–NDR Edu-Infra Rental Yield Fund “EDIYF”
Category	Category-I AIF (Infrastructure Fund), SEBI-registered
Sponsors	Stoicap Ventures LLP (IM) & NDR Group (Co-Sponsor)
Target Corpus	₹500 Cr base + ₹250 Cr greenshoe (₹750 Cr total)
Minimum Investment	₹1 Cr
Fund Life	6 yrs from First Close | 2-yr commitment period
Capital Structure	2/3 Equity + 1/3 OCDs @ 10% p.a.
Distributions	Quarterly, 7.5–8.0% p.a. on invested capital
Sponsor Commitment	₹27.5 Cr (Stoicap ₹2.5 Cr + NDR ₹25 Cr)

Strategy Overview

- Acquires completed, operational K-12 school & student housing assets via sale-and-leaseback, leased back to operators under long-term contracts
- Seed portfolio: 7 schools + 2,000 hostel beds across 5 states; ~11,300 student capacity, 1.11 msf built area; EV ~₹900 Cr (P1 ~₹300 Cr + P2 ~₹600 Cr)
- Average operator vintage ~13 yrs; average residual lease / lock-in ~28 yrs / 17 yrs
- Acquired from a global institutional investor – zero rent or escalation default throughout its ownership history
- Sponsored by Stoicap Ventures (IM, ~₹2,000 Cr AUM advised) and NDR Group (Co-Sponsor, ~₹7,100 Cr GAV; sponsors NDR InvIT, ~23 msf of logistics assets)
- Target Gross IRR ~20% over a 5-year hold; Net IRR ~14.7% (pre-tax) after all fees and carry

Portfolio Snapshot

No. of Assets / Operators	7 assets / 5 operators
Total Land Area	~52.7 acres
Built-Up Area	~1,126,000 sq.ft.
Aggregate NTM NOI	₹77.3 Cr
Aggregate Enterprise Value	₹905 Cr
Total Debt Sanctioned	₹397 Cr
Implied Blended NOI Yield	~8.5%
Rent Escalation	4% – 5% p.a. (locked)

Return Profile

TARGET GROSS IRR (5-YR HOLD)

~20%

Quarterly distributions 7.5–8.0% p.a. | Net IRR ~14.7% pre-tax (B1 investor)

Risk Management & Why EDIYF Now

Risk Management

- Concentration limits: 25% per investment, 30% per counterparty, 30% per city
- EBITDAR/Rent coverage target: 1.45x (P1) and 1.6x (P1+P2 combined) in Year 1
- Fee escrow with first charge over school revenues; interest-free security deposit escalating with rent
- DSRA maintained at one quarter's debt service; max 15% of fund in under-construction assets

Why EDIYF Now

- Illiquidity premium over REITs: 7.5–8% quarterly income vs. 5–5.5% from listed REITs, plus capital appreciation upside
- Defensive income: long-term school lease obligations – vacancy or default risk structurally lower than commercial or retail real estate
- Tax-efficient structure designed to enhance post-tax investor returns.
- First-mover advantage: organised, institutional-grade school infrastructure acquisition remains nascent in India

TBU

Mr. Ritesh Vohra

Managing Partner, Stoicap

28 years in Indian real assets investing; most recently Head of Real Estate Funds at Investcorp India. Previously with IDFC Alternatives, Saffron Advisors and JLL. Board member, NDR InvIT since 2023. MBA, MDI Gurgaon; MRICS.

Source: Stoicap AMC

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