

# India Investment Strategy

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October 2026

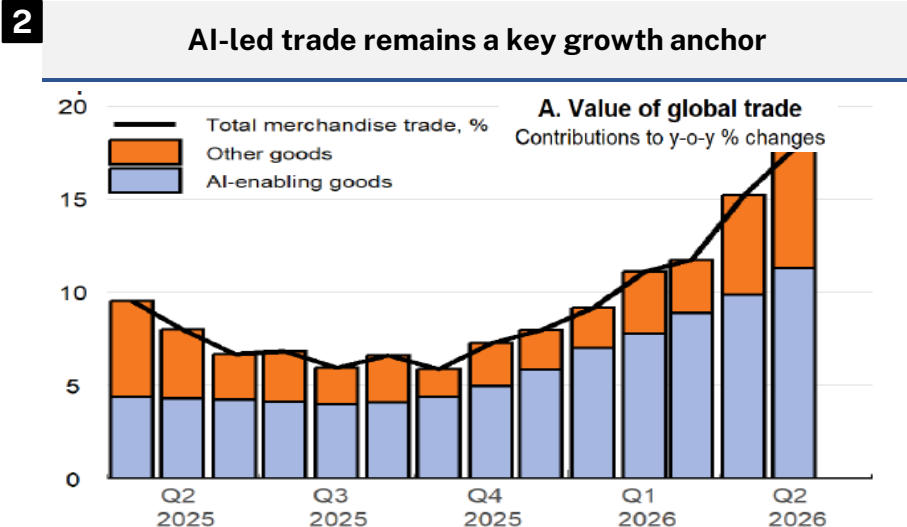
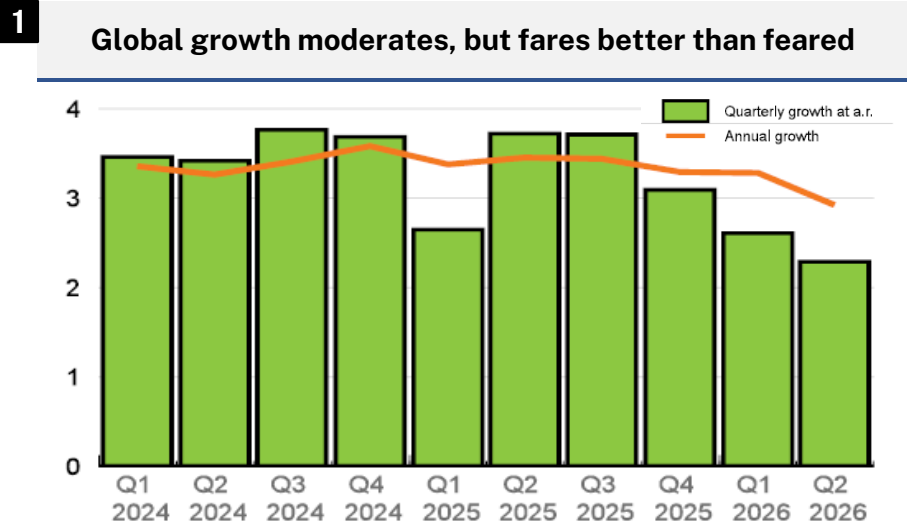
*Extraordinary returns come from repeating ordinary disciplines*

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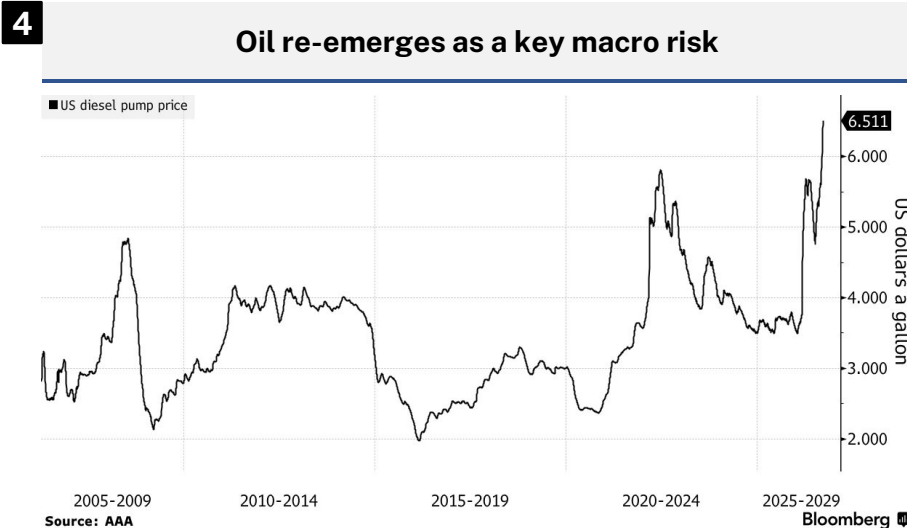
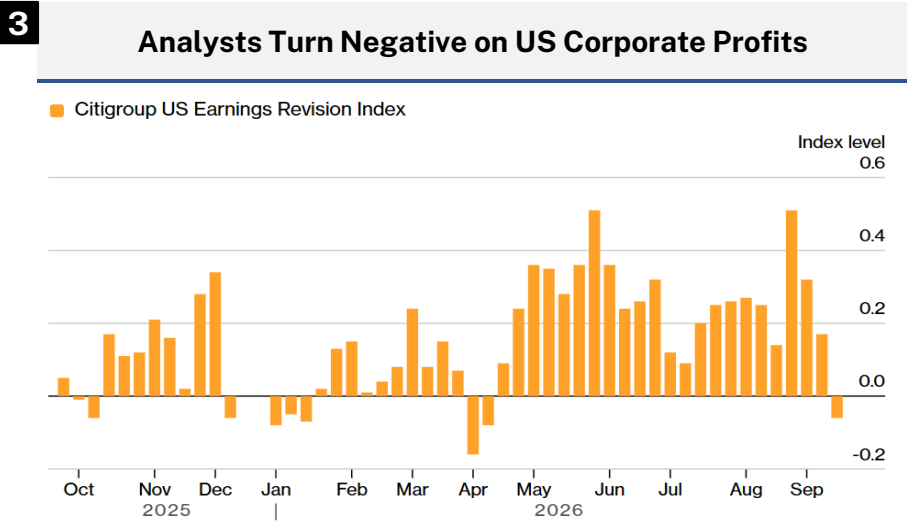
# External Cues – Global Growth: Resilient growth in the face of Geopolitical Disruptions

Global growth slowed to 2.6% in 1H-CY26 from 3.6% in 2H-CY25, primarily reflecting Middle East disruptions and higher energy prices. Lower Chinese energy imports, AI-led investment and resilient domestic demand in India, Brazil and parts of Europe have however cushioned the impact.



AI-enabling goods continue to drive global trade, particularly across Asian exporters. Non-AI shipments are also improving, supported by higher commodity prices and inventory rebuilding, despite renewed supply-chain pressures.

US flash PMIs and employment data indicate resilient growth, with CY26 GDP estimated at ~2.5–3%. However, fading tailwinds from tax refunds, higher rates and surging diesel prices could weigh on growth over the next 2–3 quarters. US corporate earnings estimates have seen a cut in Sep'26 after the longest streak of upgrades since COVID.



Brent has rebounded to USD 95–110/bbl amid escalating Middle East tensions and uncertainty around Hormuz shipments and Saudi supply. US diesel prices have risen more sharply to above USD 6.5/ gallon – highest ever, reflecting Russian export restrictions and refining-capacity disruptions – triggering talks of a possible diesel export ban by the US – particularly given mid-term elections around the corner.

# External Cues – Global Growth

## Facts

- Global growth has weathered the energy shock better than expected — CY26 global growth was revised 10 bps higher to 2.9%, underscoring continued resilience
- US growth momentum remains particularly strong, supported by AI-led investment and resilient consumption. OECD raised CY26 US growth to 2.2%, although some moderation is expected into CY27 as higher energy costs, softer income growth and elevated rates constrain consumption (latest consumer confidence index has fallen to levels last seen in 2014)
- China remains a two-speed economy — AI-related manufacturing and exports remain strong, with Aug'26 exports +25% y/y (trade surplus @ USD 806B in CY26 and expected to top USD 1T surplus of CY25); however, domestic consumption and investment remain considerably weaker – e.g retail sales grew by a weak 0.4% y/y , fixed asset investments continued to plunge while industrial profits rose by ~4% (50% lower than forecasts). Latest newsflows suggest likely roll-out of policy stimulus to support growth targets.
- US earnings outlook seems to have peaked recently – CY26 S&P 500 earnings estimates have seen a downgrade of 7% in Sep'26 with revisions in Consumers, Materials and Financials. On the other hand, European equities continue to see earnings upgrades (1H growth has been the highest in 3-yrs) while EM earnings continue to benefit from AI spending (earnings forecasts for Korean and Taiwan companies have been upgraded by 10% recently !!) and domestic-demand recovery in economies such as India and Brazil.

## Assessment

- Growth resilience remains predicated on a few, albeit powerful, engines. The US consumer remains a key monitorable : the CY26 boost from ~11% higher tax refunds fades in CY27, while higher food, fuel and mortgage costs could progressively constrain consumption. AI capex remains the other major engine, expected to rise towards US\$1tn in CY27 vs ~US\$750bn in CY26, supporting investment and productivity; however, rising electricity/water requirements and potentially uneven employment benefits introduce important social and environmental trade-offs. AI's impact on jobs is as yet unclear – for instance, as per Nomura, AI related hiring has topped AI-led attrition in Asia, while as per Mckinsey, the impact is likely to be very divergent across sectors and economies.
- Political economy is becoming increasingly central to the global cycle rather than an episodic source of volatility. Post-US midterms, the policy environment could evolve differently depending on Congressional control — either providing greater latitude for the existing policy agenda or imposing greater legislative constraints.
- Simultaneously, West Asia risks transitioning from an episodic shock to a persistent low-intensity conflict, potentially embedding structurally higher premia across energy, freight, inventories and supply-chain redundancy.

## Implication

- AI could raise potential growth and productivity but impact on jobs without the traditional commensurate boost to employment and consumption across regions, potentially increasing the burden on governments to address labour and income-distribution challenges.
- Growth could therefore remain stronger, but potentially more inflationary, implying a less favourable growth-inflation trade-off and limiting monetary-policy flexibility
- Earnings should remain supportive in the near-to-medium term, particularly as AI investment flows through to productivity; however, with rates remaining elevated, valuations could become tough to justify
- Crude is likely to remain highly sensitive to geopolitical developments in the near term, while CY27 average crude forecasts have moved higher as markets increasingly factor in the possibility of more persistent Middle East supply disruptions.

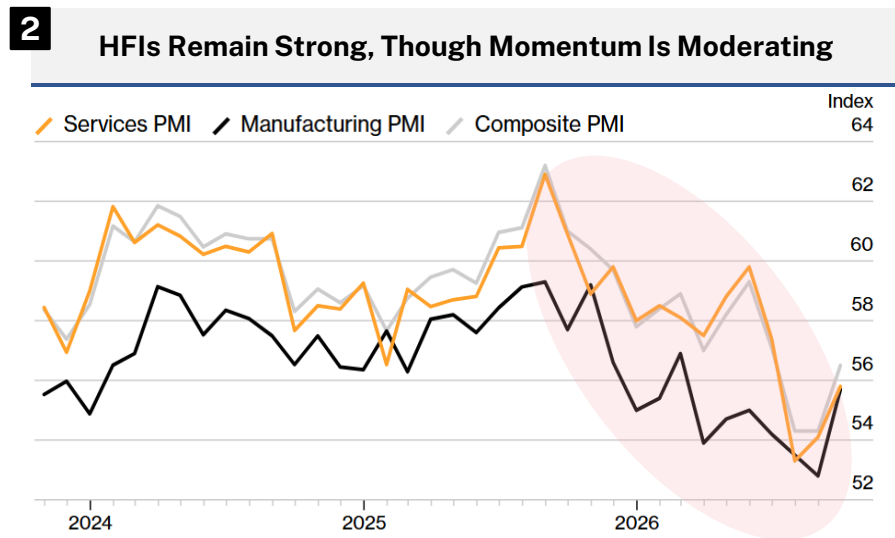
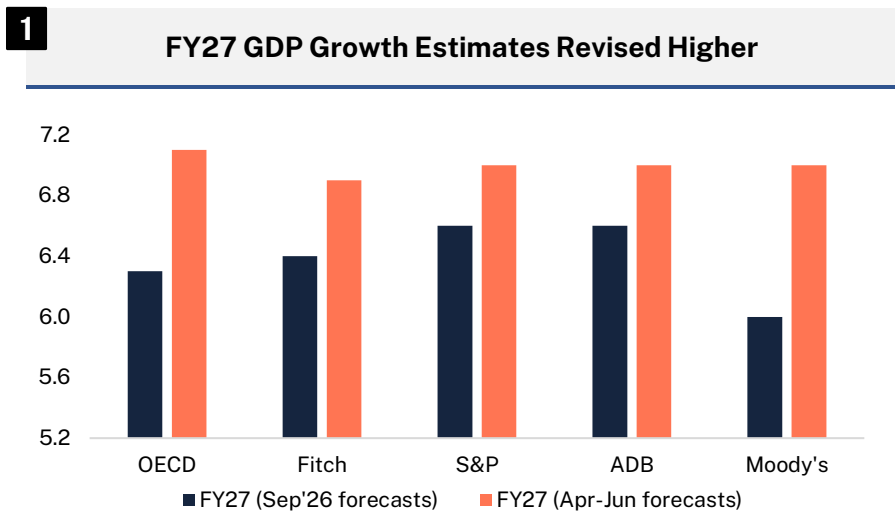
## Risks

- ✗ Rhetoric on tariffs and sanctions amplify geo-political uncertainty | Prolonged elevated energy prices could embed more structural inflation
- ✗ A sustained break of long-held US Treasury yield thresholds could trigger an institutional asset-allocation reset, with cascading implications across asset classes.
- ✗ Structural and/or cyclical slowdown in AI capex spends, alongside emerging employment, social and environmental challenges.
- ✗ Paradoxically, continued economic resilience could itself keep financial conditions tighter for longer, ultimately becoming a constraint on growth.

**Global growth and earnings remain resilient, providing an incremental tailwind to India's largely domestic-led growth. Longer-term outlook however is less predictable — with uncertain implications of AI for jobs, while semi-persistent West Asia tensions could structurally raise energy and supply-chain costs**

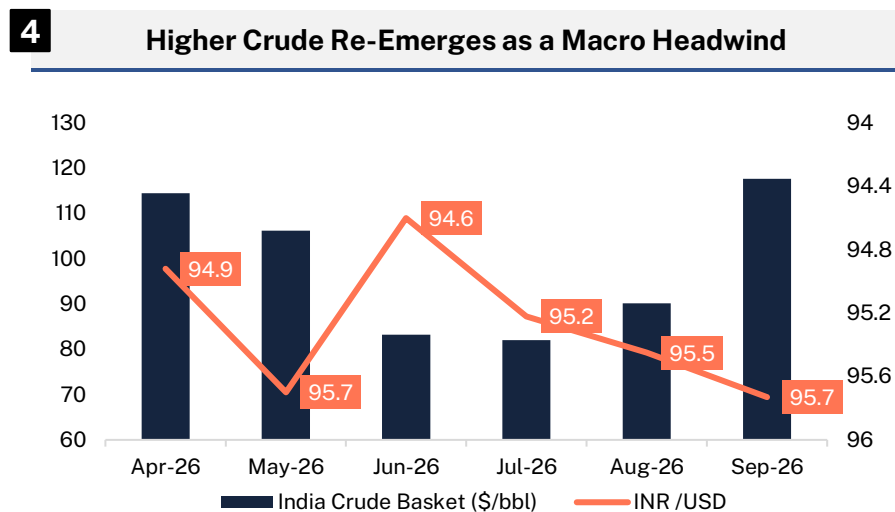
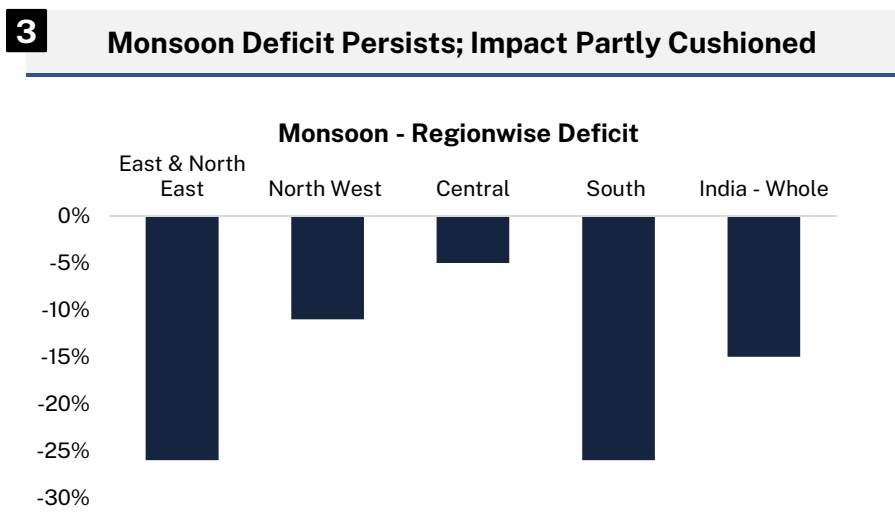
# Local Cues – Growth: Some moderation likely, but external risks take centre stage

FY27 India GDP growth estimates have been upgraded by ~50–100 bps, following strong 1QFY27 GDP growth of 7.8%, supported by ~12% investment growth, resilient domestic demand and robust electronics exports. Growth is expected to remain healthy, albeit with some moderation into 2HFY27 on high base effects.



September flash PMIs indicate renewed momentum across manufacturing and services, alongside healthy employment growth. Autos, retail sales and electricity demand remain supportive; however, several non-agri indicators are showing some sequential moderation even as y/y growth trends remains healthy.

CY26 monsoon rainfall remains ~15% below LTA, with significant regional divergence. However, higher irrigation coverage and proactive supply-side measures should partly cushion the impact on agricultural output and food inflation versus earlier deficient-monsoon episodes.



India crude rose to ~US\$114/bbl in September from ~US\$70/bbl a year ago amid the West Asia escalation. Prices have subsequently eased on ceasefire expectations and near-term domestic fuel-price hikes appear unlikely; however, sustained higher crude would eventually transmit through inflation, the current account and growth.

# Local Cues – Growth

## Facts

- 1QFY27 growth surprised strongly at 7.8%, supported by healthy investment and domestic demand. While India remains predominantly domestic-led, buoyant global growth is now an incremental tailwind rather than purely an external risk. On the other hand, fading of GST stimulus is likely to start fading from 2HFY27
- HFIs indicate some sequential moderation in last 2M, particularly across autos, construction, RE-presales, mining and air traffic—partly reflecting the festive-calendar shift and monsoon-related softness. However, early September y/y trends remain healthy: vehicle registrations +~20%, peak power demand +~17% and credit growth +~19%.
- External balances remain comfortable, despite the higher oil import bill. Strong FCNR-led inflows (~US\$133bn) keep the FY27 BoP outlook healthy, with CAD expected at <1.5%.
- Monsoon shortfall is concentrated in relatively well-irrigated regions, while sowing has remained resilient at only ~1% below CY25.
- A string of consumer facing industries are expected to hike prices by 5-8% over the next 1-2 months to pass-on higher input prices.

## Assessment

- Near-term growth could moderate into 2HFY27 as favourable base effects fade, higher crude begins to transmit and weaker monsoons weigh on rural demand.
- Monsoon risk is shifting from Kharif sowing towards Rabi/output and food prices. Reservoir levels remain somewhat lower (68% vs 70% in CY25), making the eventual harvest important; however, proactive supply-side measures—including cuts in edible-oil import duties—should help contain the inflationary impact.
- New investment pools are emerging across semiconductors, data centres, solar/high-value electronics, aerospace and space. Semiconductor investments already exceed US\$20bn; data-centre capacity could increase ~5x over five years; aerospace is already a ~US\$2bn export segment; and the space economy is targeted at ~US\$40bn over five years. Latest data indicates that pvt companies account for 90% of new projects announced in 1QFY27 (worth INR 14T) – led by data-centres, nuclear projects, OSATs etc
- Exports have proved more resilient than expected, supported by buoyant global growth, diversification towards Africa, Middle East and South-East Asia, and an expanding FTA network. The India–NZ FTA begins Oct’26, while the EU FTA is expected from Jan’27 and Canada FTA by Mar’27.
- Consumption demand would be tested by the spate of price hikes ahead (across metals, autos, cement etc), especially in the backdrop of a largely negative wealth effect from subdued equity and debt returns, while Gold-backed consumption could provide support at the lower end of the consumption basket

## Implication

- Nominal GDP growth of ~11–12% in FY27 should remain supportive of corporate earnings into FY27/FY28, with the quality of earnings potentially improving as the investment cycle—particularly private capex—broadens. Recent policy initiatives and reforms further strengthen the medium-term growth construct by creating new growth engines.
- Strong external buffers materially improve India’s ability to absorb an oil shock, but do not eliminate its impact. Healthy forex reserves, FCNR inflows and a comfortable CAD provide the first line of defence; however, persistently high crude would eventually transmit into inflation, rates, consumption and growth.

## Risks

- ✗ Growth in Global AI capex spend moderates – while India has been largely an Anti-AI trade, there have yet been large spillovers (exports) that may be at risk
- ✗ Prolonged West Asia tensions / structurally higher crude remain the principal macro risk, with potential transmission through inflation, CAD, the INR and domestic growth.
- ✗ Trade friction and tighter US sanctions on Russian crude could compound the energy shock by constraining India’s sourcing flexibility and raising landed energy costs.
- ✗ Higher global bond yields could tighten domestic financial conditions and accentuate capital outflows. India has not been a meaningful net recipient of global liquidity over the past three years; a further rise in yields could therefore intensify pressure on flows and the INR.

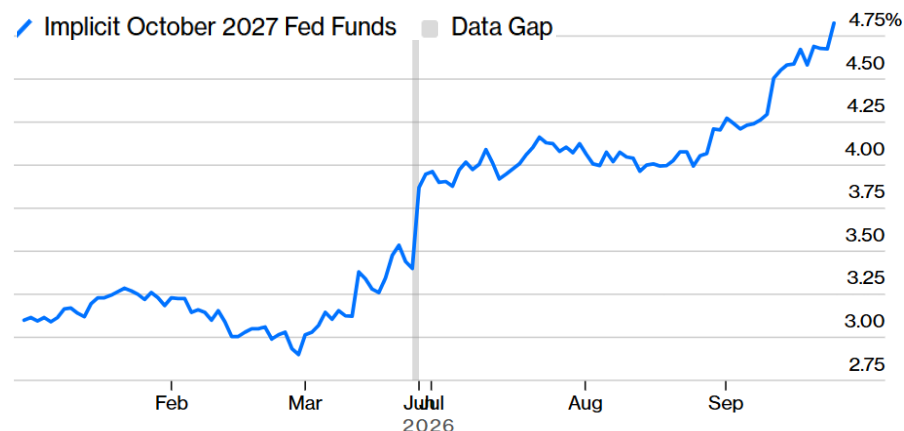
**Near-term growth may normalise, but India’s medium-term construct is strengthening as private capex broadens and global growth supports exports. Risks are increasingly external—crude, geopolitics and global yields**

# Inflation & Interest Rates – Global: Firmly in the rising interest cycle now

1

## How have US interest rate expectations tightened ?

Rate expectations have repriced sharply on resilient growth, sticky inflation and higher energy prices.



## Facts

- US inflation remains sticky - Core CPI rose 0.3% m/m in Aug'26, with robust growth and higher energy prices complicating the path back towards the Fed's inflation objective.
- The Fed has resumed tightening even as markets are pricing a materially more restrictive path into CY27. (at least 3 – 4 hikes more, while the FOMC indicates 1 more hike in Oct'26 and none into CY27)
- US long-end yields have spiked on the other hand owing to long-term fiscal concerns and the competition for debt capital primarily from issuers in the AI value chain. Besides, patient long-term investors (like central banks and pension funds) have reduced exposure in favour of highly price sensitive investors like hedge funds.

## Assessment

- The Fed outlook has become materially less predictable. The new Fed leadership has moved away from the traditional signalling framework—including reduced reliance on the dot plot—making the reaction function harder for markets to infer. Recent characterisation of the hike as removing a “dose of accommodation” has added to uncertainty around the future policy path.
- Political scrutiny of Fed policy further complicates the outlook with President Trump continuing to criticize rate hikes. Token support from the US Treasury to buyback bonds too have barely helped cap the rise in yields.
- Rising yields is a global phenomenon mostly centred around DM where increasing fiscal pressures is the common thread. EMs are viewed relatively better as real rates and fiscal issues are both better placed.

## Implication

- Higher Fed rates and global yields constrain monetary-policy flexibility elsewhere, particularly across EMs, including India – creating risks of policy errors and impact on growth
- Capital flows into Indian G-Secs have reversed with narrowing yield differentials.
- Higher US real/policy rates and a stronger USD could weigh on gold in the near term,

## Risks

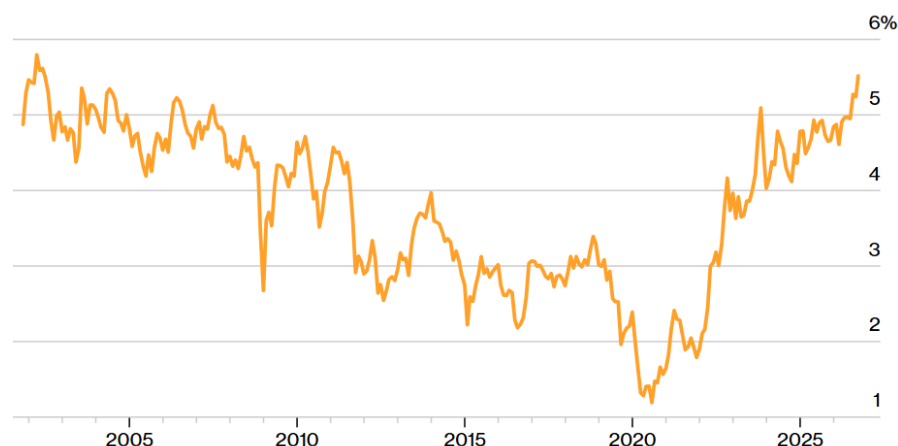
- Rapid rate hikes could have a disproportionate impact on growth, particularly given the trillions of dollars of investment currently directed towards AI- capex.
- A disorderly rise in long-end yields could destabilise risk assets and tighten financial conditions, with global private-credit markets particularly vulnerable given current leverage/liquidity sensitivities. (US private credit default is now @ 6.3% - highest in 3-yrs)

**Global rates are headed higher as inflation, Fed tightening and fiscal concerns converge — constraining domestic monetary policy flexibility.**

2

## US 30-yr is now close to 2004/2007 highs - edging closer to 6% mark

Long-end yields are increasingly reflecting inflation and fiscal/term-premium concerns — not merely Fed tightening.

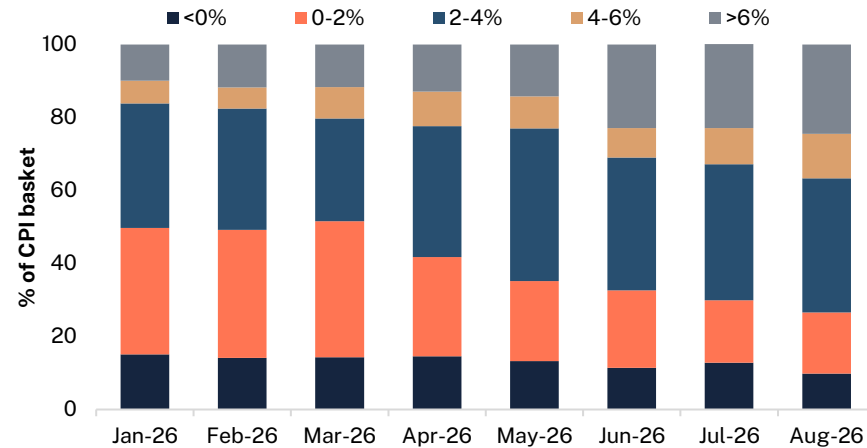


# Inflation & Interest Rates – Local: Pressures Building, Tightening Ahead

1

## Inflation pressures broadening

As input and food prices stay persistently high, end consumer prices are rising across increasing number of products



## Facts

- Inflation pressures are broadening: Headline CPI is at 4.8%, with food inflation at ~6% led by fruits, oils and sugar; core inflation (ex-gold) has also risen ~30 bps to 2.9%.
- Higher crude could push inflation materially higher near term: With crude around US\$100/bbl, inflation is expected to peak above 6.5% over the coming months before moderating below 6% in early CY27.
- RBI is actively managing surplus liquidity through a mix of VRRRs, OMO purchases and currency swaps following FCNR inflows, while keeping short-term rates supported.

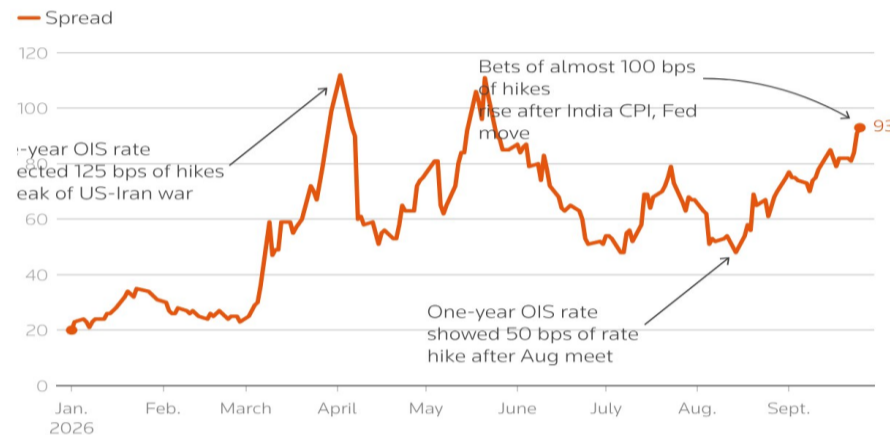
## Assessment

- Inflation remains within the 6% upper tolerance band, but price pressures are becoming increasingly broad-based: over 25% of the CPI basket is now experiencing >6% inflation vs ~10% in Jan'26. Despite proactive government supply-side measures, the inflation trajectory is moving higher (as evidenced by price hikes across sectors); the latest MPC commentary also flags gathering output-inflation pressures. Together, these support market expectations of 25–50 bps of tightening over Oct'26–Feb'27, with potential for more hikes increasing lately.
- Domestic bond yields are also being pulled higher by the global rates repricing, despite relatively credible fiscal fundamentals. Some opportunities could emerge as yields adjust, but higher inflation, global yields and crude are likely to maintain upward pressure; the 10-year benchmark is expected to retain a hardening bias towards ~7.25% amid continuing West Asia tensions. RBI has successfully stabilised the INR, supported by strong forex reserves (~US\$ 780 bn) and a comfortable CAD (<1.5%); however, higher global rates and a stronger USD will continue to suggest a gradual, calibrated depreciation bias.

2

## Markets Pricing Further RBI Tightening over next 12M

Strong growth and higher energy prices are reinforcing expectations of further RBI tightening.



## Implication

- Short-term rates could see some pressure as policy rates rise, while long-end yields remain increasingly driven by global yields and crude price trends.
- FCNR(B)-led liquidity (~₹12.7tn) should comfortably absorb strong credit growth, limiting liquidity-driven pressure on bank lending rates; however, higher policy rates will still transmit given the robust credit outlook.

## Risks

- ✗ A sharp energy-price shock and/or disorderly rise in global bond yields could accelerate domestic inflation and yield pressures.
- ✗ Sharper-than-expected growth moderation in 2HFY27 could complicate the policy and fiscal trade-off just as inflationary pressures are building.

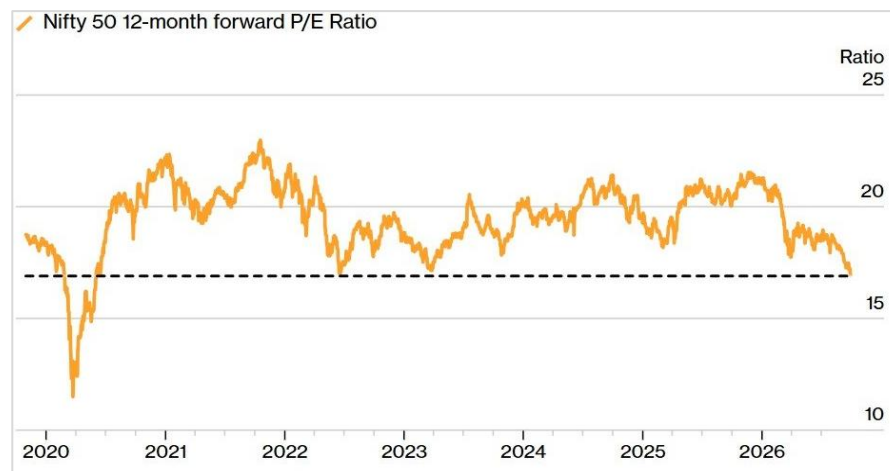
**Domestic rates are headed higher as broadening inflation and crude price pressures converge with rising global yields — constraining RBI policy flexibility.**

# Valuation & Earnings: Earnings Improve; but Macro Headwinds Test Sustenance

1

## Nifty 50 now close to COVID lows on forward PE basis

Post the sharp correction in Sep'26, the frontline large index – Nifty is close to COVID period valuations – although broader markets have not corrected as much. Even within Nifty, Banks and IT sectors are leading the valuation discount



## Facts

- Q1FY27 earnings were broad-based and ahead of expectations across market caps, with the strongest beat from Smallcaps; 20+ sectors exceeded consensus estimates. Earnings quality also improved: the beat-to-miss and upgrade-to-downgrade ratios were amongst the strongest in 6–8 quarters.
- Earnings growth in Q2FY27 (ex-O&G) is expected to moderate by ~400 – 500 bps vs Q1FY27 with incremental margin pressure but cushioned by strong demand.

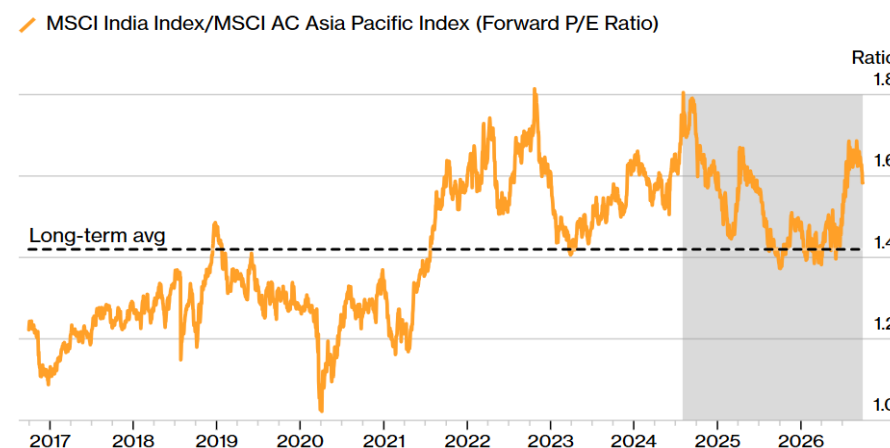
## Assessment

- The earnings revision cycle has turned mildly positive: ~40%+ of Nifty companies have seen upgrades and aggregate Nifty estimates are up ~1% post Q1. However, this follows cuts through Jun–Jul'26, leaving Nifty/Nifty 500 earnings estimates still ~5–7% below levels 12 months ago.
- Q1 margins did not fully reflect the recent macro deterioration as inventory gains partly cushioned higher crude costs; the impact of higher raw-material prices could therefore emerge with a lag in Q2/Q3FY27, with Smallcaps and economy-sensitive businesses relatively more exposed. This could coincide with fading GST-cut tailwinds, higher energy costs, rates and the impact of deficient monsoons.
- Specifically, from a Q2FY27 perspective, IT is expected to remain weak, banks could fare better vs. Q1; impact of price hikes across sectors to be closely monitored.
- Relative valuations favour Largecaps over SMIDs: Nifty's valuation premium to SMIDs is near historic lows at ~25%+, albeit partly reflecting sector composition (Banks, IT etc.). However on a peer EM comparison basis, Nifty-50 still commands a 77% valuation premium to MSCI EM index

2

## But, Indian Stocks Retain Valuation Premium Over Asian Peers

Despite significant relative underperformance, Indian stocks trade at a significant premium over EMs – with earnings growth (~13–15% in CY26) – lowest among major peers including China, South Korea and Taiwan.



## Implication

- Q2FY27 becomes an important earnings checkpoint, particularly for margins and management commentary on demand outlook; current valuations—especially across SMIDs—leave limited room for disappointment.
- Largecaps could see improving investor interest as few key index heavyweights approach company-specific/event triggers over the next few quarters, alongside a relatively more favourable valuation construct.

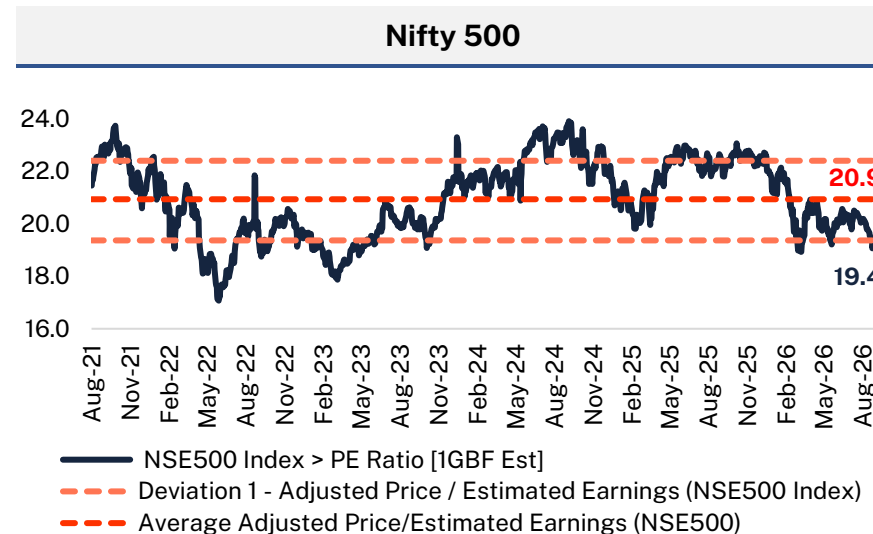
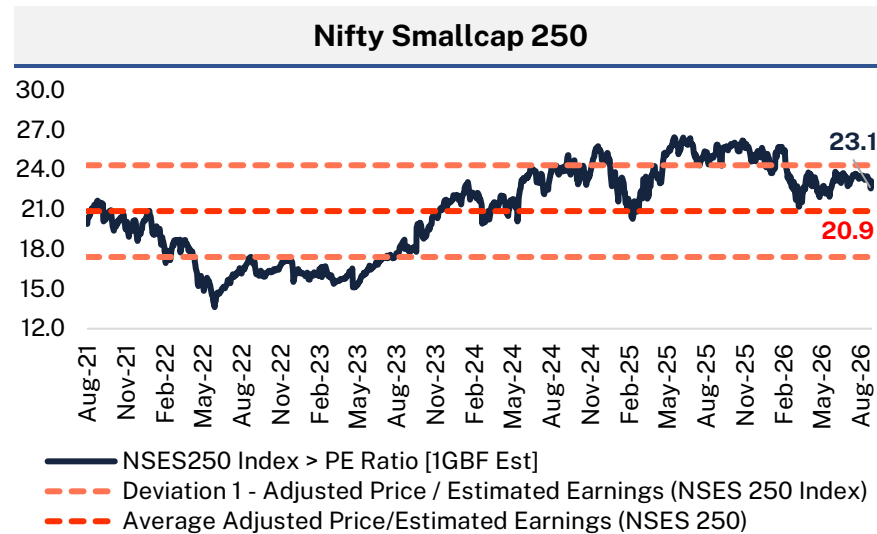
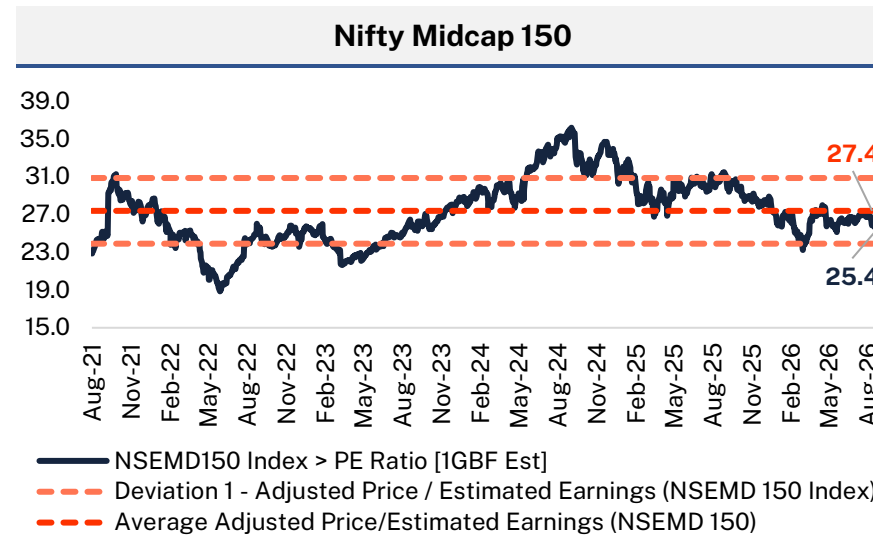
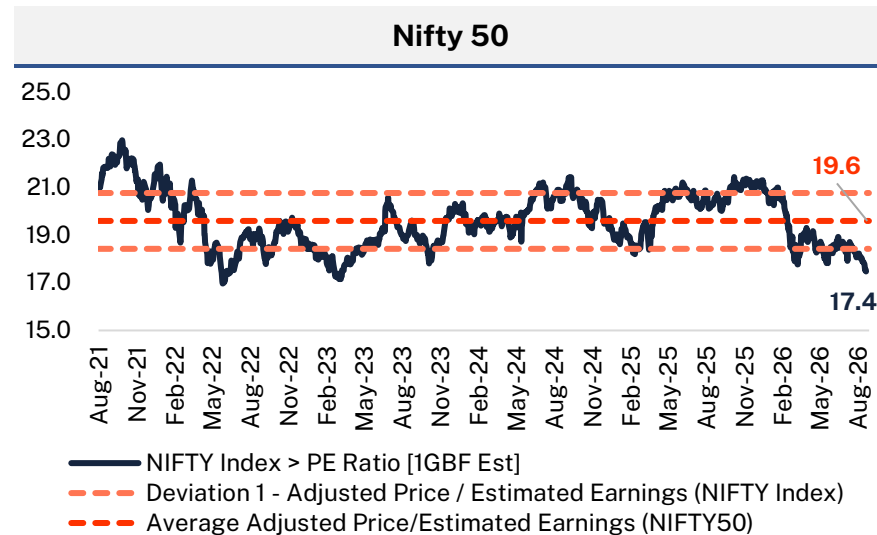
## Risks

- Q2FY27 margin/earnings disappointment, particularly if higher input costs begin to transmit faster than expected.
- Continued flows into SMID funds could further stretch already elevated valuations, increasing vulnerability to earnings disappointment.
- Sustained global preference for the AI trade at India's expense

**Earnings momentum is improving, but Q2 margin delivery is the key test. With valuations still demanding — particularly in SMIDs — earnings delivery, rather than re-rating, will drive returns.**

# Decoding Valuations

Large-cap valuations are below their -1SD forward P/E levels, offering relatively attractive valuations. Midcaps have moved below their mean forward P/E levels, whereas Smallcaps continue to trade above mean valuation band.



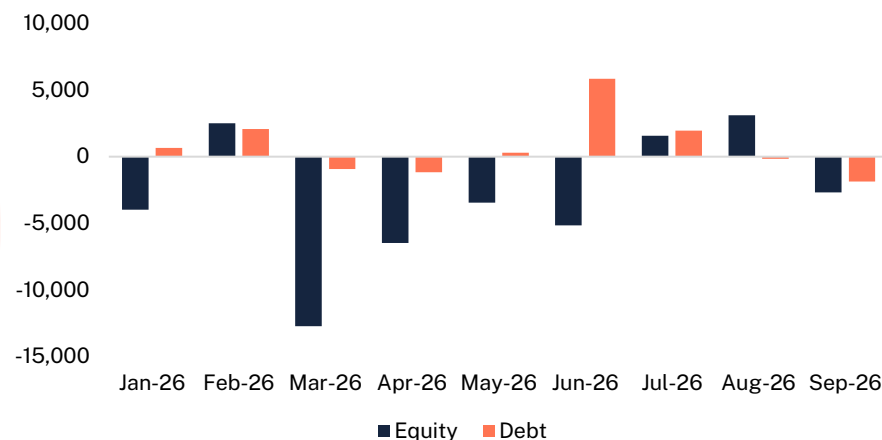
- **Large Caps:** Large-cap valuations (Nifty 50) are trading below their **-1SD forward P/E** levels, offering relatively attractive valuations.
- **SMID Caps:** Mid-cap valuations are below their **mean forward P/E** levels, while small-caps continue to trade near the **+1SD valuation band**, warranting a selective approach.
- While the near-term environment remains challenging amid ongoing uncertainty arising from the West Asia crisis, such periods of volatility often create attractive opportunities to accumulate high-quality businesses at reasonable valuations.
- We believe companies with strong fundamentals, resilient balance sheets and sustainable long-term growth drivers remain well positioned to compound value over the medium to long term despite short-term market disruptions.

# Allocation of Capital: FII Appetite Remains Weak; Domestic Flows crowding into SMIDs

1

## FII continue to withdraw money from India after 2 months

Rising energy prices has likely triggered a reversal in FII flows in Sep'26 while rising US yields has led to FII outflows from debt



## Facts

- FII flows into EMs turned negative in Sep'26, led primarily by redemptions from Taiwan and Korea; outflows from India moderated, but the outlook remains weak (most shunned market by FMs as per Blackrock FM survey – Aug'26). Cumulative equity FII flows into India since CY23 have now fully reversed, but Global EMs continue to receive inflows—indicating continued investor appetite for the broader EM basket. In fact, global FMs are dialing back their Chinese exposures with active global funds moving to “neutral” after a 4-yr ‘UW’ stance.
- Domestic equity MF flows remain strong at ~₹33,000 cr (~US\$3.4bn), with SMID funds accounting for >50% of net inflows.

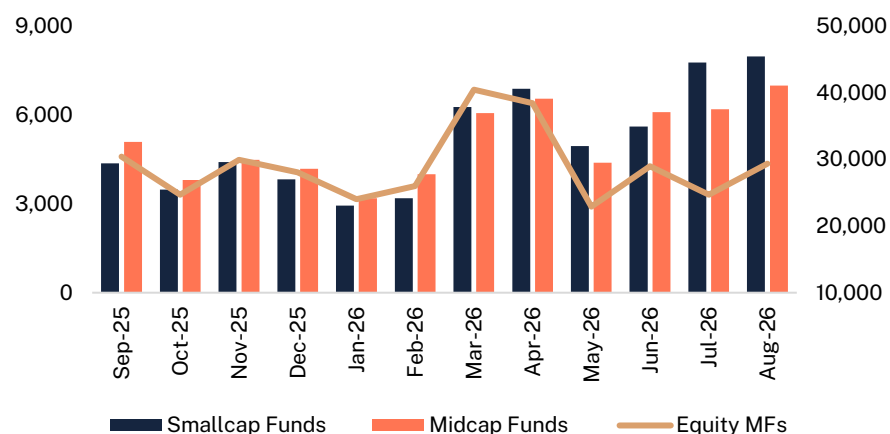
## Assessment

- FII selling has been concentrated in Financials, Telecom, Autos and Oil & Gas, while Healthcare and Construction have seen selective buying.
- Domestic MFs continue to favour Fintech/E-commerce, Capital Goods and Healthcare, while reducing exposure to traditional Consumer stocks—now at a 10-year low within MF portfolios.
- Despite strong inflows, MF cash levels have fallen to ~4.5%, with most large AMCs reducing cash across strategies. Even historically cash-heavy strategies such as PPFAS Flexicap have cut cash to below 10%; notably, cash levels in SMID funds receiving the strongest inflows have also remained largely steady

2

## Flows into Equity MFs surge (Net inflows – INR Cr)

MF flows have risen further – SIP contributions rising to INR 33K cr.



## Implication

- Gross SIP stoppage ratios have improved to ~81% from ~100% in May–Jun'26, although anecdotal AMC commentary suggests underlying SIP churn remains elevated.
- MF flows—particularly into SMIDs—remain concentrated: ~60–70% of flows are directed towards 3–4 schemes with very strong 1–2 year performance, increasing concentration within already well-owned segments.
- Stretched SMID valuations are pushing Managers lower down the market-cap curve in search of alpha—bringing attendant liquidity, research-coverage risks.

## Risks

- Investor fatigue: Equity funds have delivered only low-single-digit returns over the past two years, raising the risk of moderation in domestic flows if return outcomes remain weak.
- Increasing concentration within SMIDs: flows remain skewed towards a narrow set of ideas that have materially outperformed over the past 15–18 months, increasing concentration and valuation risk.

**Weak FII appetite contrasts with strong but increasingly concentrated domestic flows — stretching SMID valuations and pushing managers down the cap curve**

\*Source : AMFI, NSDL

# Where the Money Is Moving: Sector-Wise FII Trends

FIIs were net Sellers over the last fortnight, with strong outflows from Financial Services, Automobile & Auto Components & Oil, Gas & Consumer Fuels, while Healthcare witnessed most of the inflows.

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

| SECTOR / DATE                      | 15-Apr         | 30-Apr         | 15-May         | 31-May        | 15-Jun         | 30-Jun        | 15-Jul        | 31-Jul       | 15-Aug        | 31-Aug        | 15-Sep         |
|------------------------------------|----------------|----------------|----------------|---------------|----------------|---------------|---------------|--------------|---------------|---------------|----------------|
| Automobile and Auto Components     | -3,704         | -1,775         | -357           | -2,175        | -9,044         | -1,324        | -6,936        | 2,372        | 4,405         | -1,299        | -2,670         |
| Capital Goods                      | -328           | 4,667          | 2,645          | 154           | -2,586         | -1,442        | -2,657        | -3,618       | -1,556        | 2,162         | -108           |
| Chemicals                          | -266           | -121           | -700           | 90            | -773           | -514          | -114          | 532          | 315           | 543           | 228            |
| Construction                       | -1,273         | 2,199          | -991           | -220          | -603           | 3,484         | 403           | -1,602       | -404          | 442           | 930            |
| Construction Materials             | -601           | -670           | -1,207         | -434          | -2,426         | -650          | 1,574         | 871          | 384           | -250          | -358           |
| Consumer Durables                  | -361           | 441            | -1,162         | -287          | -634           | 2,564         | 2,384         | 4,958        | 1,472         | 2,431         | -397           |
| Consumer Services                  | -5,336         | -2,434         | -365           | -1,630        | -1,852         | 3,081         | 7,361         | 2,840        | 3,398         | 5,019         | 422            |
| Diversified                        | 5              | 3              | 33             | -14           | -13            | 7             | 29            | -1           | -18           | -4            | -23            |
| Fast Moving Consumer Goods         | -2,976         | -229           | -1,625         | -1,936        | -5,063         | -474          | -1,106        | 478          | -189          | -1,727        | -2,029         |
| Financial Services                 | -19,152        | -11,704        | -17,960        | -5,181        | -11,263        | 14,634        | 1,975         | -2,669       | 6,535         | 3,959         | -6,204         |
| Forest Materials                   | -19            | 73             | -41            | 1             | -12            | -12           | -11           | 40           | -9            | -7            | 7              |
| Healthcare                         | -4,481         | -2,445         | -418           | 601           | -4,501         | 1,435         | 4,101         | 3,654        | 2,910         | 3,021         | 2,114          |
| Information Technology             | -1,325         | -2,887         | -1,643         | -268          | -6,733         | -733          | 60            | 3,298        | 2,530         | 1,573         | -960           |
| Media, Entertainment & Publication | -59            | -149           | -12            | -110          | -232           | -127          | -289          | 24           | -6            | 72            | -93            |
| Metals & Mining                    | -1,198         | 2,416          | 1,698          | 4,999         | -4,722         | -4,371        | 5,993         | -1,056       | 720           | 1,087         | -681           |
| Oil, Gas & Consumable Fuels        | -3,352         | -3,351         | -6,885         | -2,093        | -10,488        | -2,789        | 258           | -513         | 490           | -2,251        | -2,385         |
| Power                              | 601            | 4,956          | -1,157         | 476           | -2,577         | -3,743        | -1,267        | -1,596       | -1,164        | -389          | -1,653         |
| Realty                             | -1,917         | -206           | -430           | 30            | -1,093         | 1,893         | 2,072         | -279         | -1,014        | 420           | -762           |
| Services                           | -591           | -362           | 7,019          | 185           | 302            | 2,592         | 2,405         | -1           | 590           | 1,193         | 905            |
| Telecommunication                  | -2,492         | -1,908         | -2,542         | 2,127         | 373            | -720          | -2,454        | -3,271       | -3,322        | -1,661        | -991           |
| Textiles                           | -50            | -48            | -112           | 39            | -146           | 241           | 248           | 206          | 1             | -294          | 10             |
| Utilities                          | 4              | -12            | -28            | -19           | 7              | 216           | 119           | -163         | 7             | -38           | 194            |
| Others                             | 918            | 894            | -683           | -212          | 657            | 658           | 1,441         | 170          | 614           | -938          | 437            |
| <b>Total</b>                       | <b>-47,951</b> | <b>-12,651</b> | <b>-26,923</b> | <b>-5,873</b> | <b>-63,422</b> | <b>13,904</b> | <b>15,588</b> | <b>4,672</b> | <b>16,692</b> | <b>13,064</b> | <b>-14,067</b> |

Source: Bloomberg, NSDL, Securities & Exchange Board of India, Spark PWM

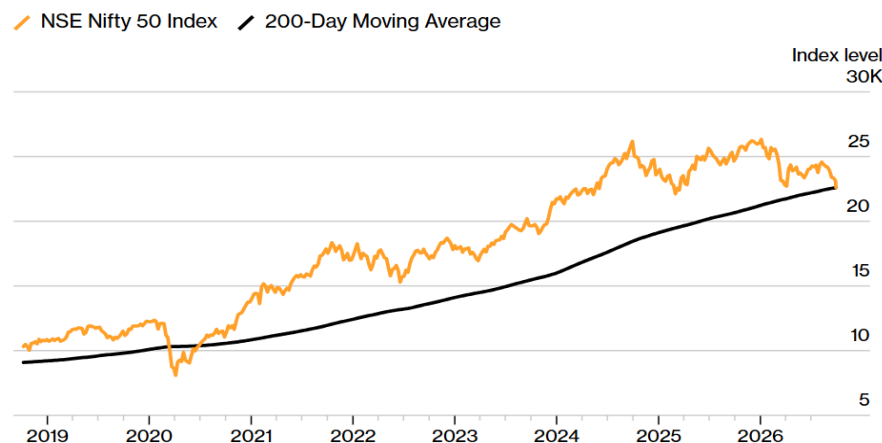
BSE has classified around 4800 number of issuers into 22 sectors. NSDL has decided to rely on the BSE classification. Any FPI investment outside those 4800 issuers, is classified under 'Others'.

# Trends & Sentiment: Macro Risks Weigh on Sentiment; Capital-Raising Remains Robust

1

## Nifty-50 is close to the key 200 DMA after a period of 6-yr

Nifty has now fallen for over 8 weeks in a row – last seen during periods of extreme stress (COVID, GFC etc)



## Facts

- Market sentiment worsened in Sep'26, impacted by a confluence of negatives—surging crude, higher global yields, persistence of the AI-trade overhang triggering massive FII selling apart from multiple regulatory developments including changes to insurance distribution etc that further .
- The IPO activity nevertheless remained exceptionally strong: 43 IPOs raised ~₹42,300 cr in Sep'26, surpassing the Oct'24 record of ~₹40,300 cr across 26 IPOs in Oct'24.
- The IPO pipeline remains robust, with Jio Platforms targeting ~₹35,000 cr in Nov'26, followed by PhonePe, Mahanadi Coalfields, Avada Electro and OYO aggregating another ~₹38,000 cr over the coming months.

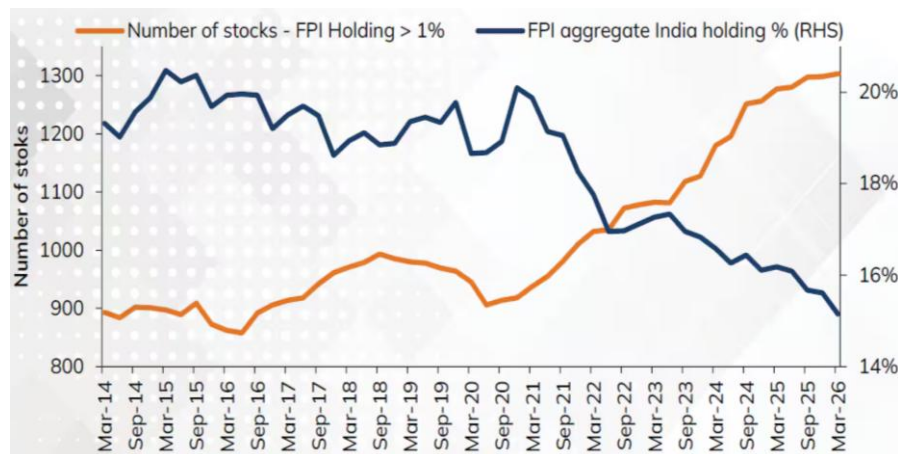
## Assessment

- Strong earnings commentary provided some support, but macro concerns increasingly dominated sentiment. US Treasury yields breaching key thresholds and renewed US sanctions threats on India pushed equities lower in the second fortnight, alongside intensified FII selling; although FIIs were sizeable buyers in primary markets.
- FII interest may nevertheless be broadening selectively. Anecdotal feedback from recent global broker conferences suggests improving interest beyond frontline index names, particularly across Industrials, Power, New-Age Businesses, Fintech and Healthcare, versus traditional Banks, IT and Consumer names.

2

## FII Ownership Falls to 13-Year Low, Even as Participation Broadens

. Aggregate FII ownership is at a 13-year low, even as ownership broadens beyond large caps



## Implication

- Heavy IPO supply is weighing on secondary-market liquidity, particularly alongside continued FII selling; however, this should help cap valuations, especially across SMIDs.
- The muted NSE listing may temper sentiment towards subsequent large issuances – although there is sizeable capital waiting on the sidelines—as reflected in ~₹90,000 cr of demand for NSE— suggests underlying appetite remains substantial.
- Sentiment is likely to remain on tenterhooks unless global crude prices ease meaningfully.

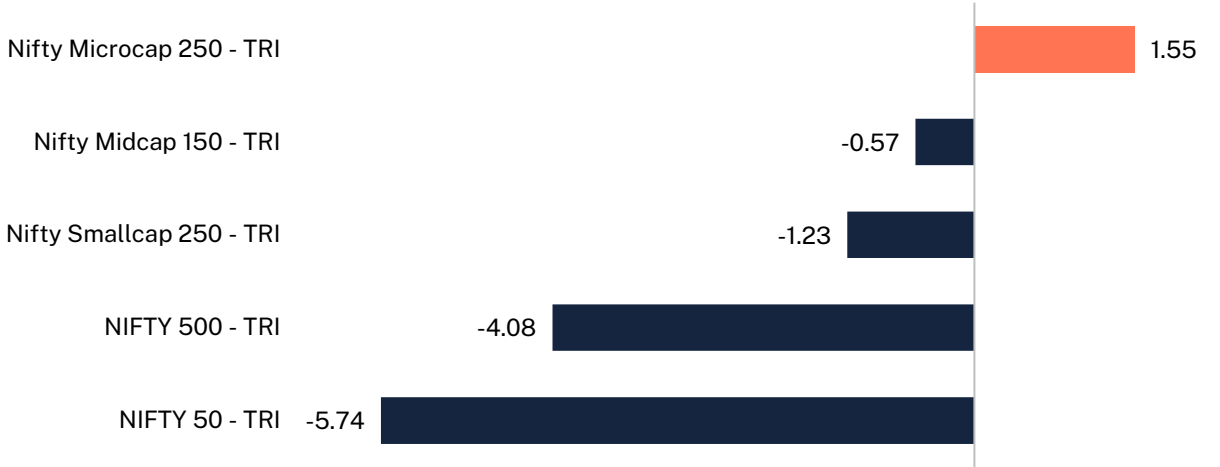
## Risks

- MF investors increasingly consider alternatives, particularly as domestic rates head higher.
- Lacklustre IPO performance weakens primary-market sentiment and appetite for the large pipeline ahead.

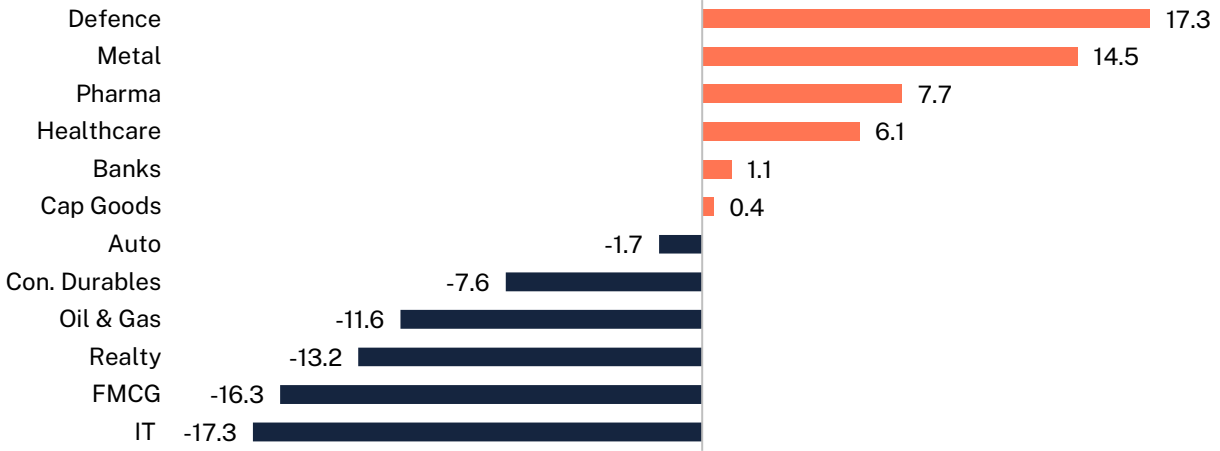
**Strong earnings and primary-market appetite are being overshadowed by crude, global yields and FII selling — keeping sentiment fragile and markets on tenterhooks.**

# Spotlight : Markets Flat-Line For 2-Years

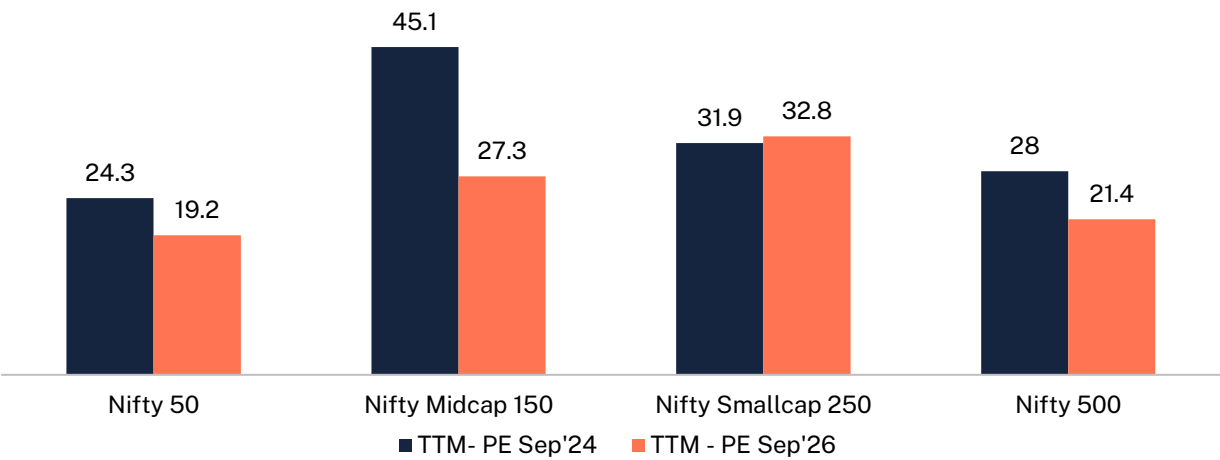
## BROAD MARKET PERFORMANCE (2-yr CAGR)



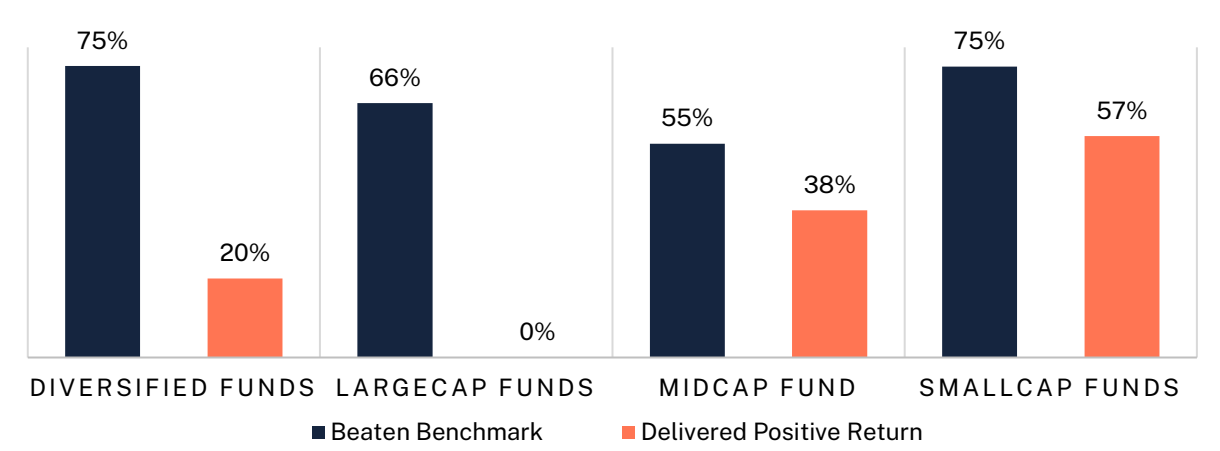
## SECTOR PERFORMANCE (2-yr CAGR)



## VALUATIONS



## Active Funds PERFORMANCE



Source: ACE MF, Trendlyne, Bloomberg | All date from 27<sup>th</sup> Sep'24 to 29<sup>th</sup> Sep'26| Nifty / BSE indices taken for sector performance | Diversified – Flexicaps, Large Midcaps, Multicaps, Business Cycle Funds

# Portfolio Strategy



# Guidance on Portfolio Strategy – Equities

- Markets have corrected sharply (Nifty 500 down 6%), but the key macro headwinds—largely global—are unlikely to see an immediate or durable resolution. While the recovery in domestic GDP growth and earnings remains encouraging, sustaining earnings momentum becomes more challenging against this backdrop, particularly as India's earnings growth remains below several competing EMs. The correction has improved entry levels at the margin, but does not materially alter the near-term macro construct or suggest an immediate reversal in FII appetite for Indian equities—implying that markets could grind for longer. A sharp decline in crude prices presents an upside risk to this view.
- That said, the domestic demand upcycle remains steady in the face of string of price hikes and global uncertainty. This, alongside green shoots in private capex and evidence of structural earnings growth across emerging sectors—including Power, Renewables, Manufacturing/Industrials/Precision Engineering, Defence and Aerospace—has provided SIGC with the confidence to retain the current marginally constructive on equities, although turning more selective within the asset class. The SIGC continues to favour staggered deployment & bottom-up opportunities with earnings visibility resilient to the prevailing challenging macro backdrop.
- The SIGC maintains its preference for high-active-share, bottom-up strategies over broad market-cap or index-oriented approaches, with portfolios retaining a balanced mix across: 1) High-quality Compounders with visibility of sustained earnings growth—the correction may have opened incremental opportunities in select pockets here; 2) Sector Rotation—focused on themes and sectors capable of delivering superior earnings growth over the next 4–6 quarters, across Growth, GARP and Value approaches—but with Fund Managers who have displayed their ability to be nimble 3) Domestic Cyclical—where the underlying earnings upcycle remains supportive although near-term macro challenges could drive higher volatility, warranting greater selectivity and bottom-up stock selection in this segment.
- The SIGC remains constructive on SMIDs given their meaningful medium-term growth potential, while recognising that manager selection, liquidity and valuation discipline are increasingly critical.

## Opportunity segments within equities:

- Multicap managers with high active management and a benchmark-agnostic portfolio construction approach | Sector rotation continues to remain central to our guidance portfolios, allowing managers to participate efficiently in contemporary opportunities, with a mix of Compounders and Cyclical
- EM equities remain relevant over the medium term, although we would prefer to wait for greater stability before adding fresh exposure.
- Selective opportunities emerging across Alternatives | PE, VC and late-stage growth, including pre-IPO and secondary transactions, are offering more attractive entry valuations while retaining strong growth potential.
- Newly minted portfolios — NFOs, near-NFOs with flexibility to build positions selectively.



# Guidance on Portfolio Strategy – Fixed Income & Gold

## Rates & Liquidity Backdrop:

- System liquidity has normalised to ~₹4tn from ~₹10tn, with RBI absorbing FCNR-led liquidity through VRRRs/OMOs/swaps — keeping short-term yields supported. Bank CD yields have, however, declined sharply on favourable bank liquidity.
- RBI is likely to continue absorbing surplus liquidity through the festive season, keeping system liquidity neutral-to-comfortable and preventing excess liquidity from pulling rates lower amid rising inflation. Markets currently expect ~25 bps of tightening in Oct'26.

## Fixed Income Strategy

- Short-end yields are likely to move higher with policy rates. Prefer low-MTM strategies and progressively declining-maturity / roll-down portfolios.
- Long-end yields remain vulnerable to global cues — US Treasuries, crude and inflation — even as domestic fiscal fundamentals remain credible. Narrower yield differentials are also making FII flows less supportive.
- Tactical opportunities may emerge on sharp spikes in the 10Y yield (>~7.25%), but the broader inflation/rates backdrop remains unfavourable. Consistent with our stance over the past six months, we would gradually dial down long-duration exposure.

## 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 and 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, creating some tactical downside risk. 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.
- China, for instance, has purchased >1,000 tonnes CYTD through Aug'26 vs ~885 tonnes in CY25. Accordingly, gold remains relevant as a strategic portfolio allocation despite near-term volatility

# Equity Ideas



# Preferred Equity Portfolio Allocation (1/4)

| Products                                    | Brief Rationale & 3-Month Attribution                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Bandhan Large &amp; Mid Cap</b>          | <ul style="list-style-type: none"> <li>Follows a GARP style of investing with focus on diversification across a wide range of themes</li> <li>Stock selection considers competitive positioning, industry tailwinds, management team, potential for re-rating</li> </ul>                                                                                                                                                          | <p>The fund underperformed the Nifty Large Midcap 250 TRI. This can be attributed to:</p> <ul style="list-style-type: none"> <li>An overweight stance on Industrials</li> <li>An underweight stance on Consumer Discretionary, IT</li> <li>Stock selection in Consumer Staples, Consumer Discretionary, Healthcare, Real Estate, Materials</li> </ul>                                       |
| <b>Invesco India Large &amp; Mid Cap</b>    | <ul style="list-style-type: none"> <li>A growth-oriented and tightly constructed portfolio of approximately 40–45 stocks</li> <li>Distinguished by a meaningful allocation to mid and small cap names (60–65%) and an emphasis on emerging business models even within established sectors</li> </ul>                                                                                                                             | <p>The fund outperformed the Nifty Large Midcap 250 TRI. This can be attributed to:</p> <ul style="list-style-type: none"> <li>An overweight stance on Real Estate, Consumer Discretionary, Healthcare</li> <li>An underweight stance on Consumer Staples, Utilities</li> <li>Stock selection in Industrials, Financials, IT</li> </ul>                                                     |
| <b>Aditya Birla Sun Life Flexi Cap Fund</b> | <ul style="list-style-type: none"> <li>A benchmark-conscious flexicap strategy with a large-cap tilt (~50%+)</li> <li>Combines top-down and bottom-up investing through in-house investment frameworks at the sector as well as stock level</li> <li>Seeks to capture potential returns across multiple sources, including market beta, earnings growth, valuation re-rating, and tactical/opportunistic opportunities</li> </ul> | <p>The fund outperformed the Nifty 500 TRI. This can be attributed to:</p> <ul style="list-style-type: none"> <li>An overweight stance on Consumer Discretionary</li> <li>An underweight stance on Energy, Utilities</li> <li>Stock selection in Consumer Discretionary, Consumer Staples, Industrials, Materials</li> </ul>                                                                |
| <b>Helios Flexicap Fund</b>                 | <ul style="list-style-type: none"> <li>Focus on high active share by dynamically investing across the market cap spectrum</li> <li>Broadly benchmark-aware, but open to taking active positions in or completely avoid select sectors</li> <li>Structural bias towards growth stocks</li> </ul>                                                                                                                                   | <p>The fund outperformed the Nifty 500 TRI. This can be attributed to:</p> <ul style="list-style-type: none"> <li>An overweight stance on Real Estate, Consumer Discretionary</li> <li>An underweight stance on Consumer Staples, Energy, Materials</li> <li>Stock selection in Consumer Discretionary, Financials, IT, Materials</li> </ul>                                                |
| <b>Old Bridge Flexi Cap Fund</b>            | <ul style="list-style-type: none"> <li>An actively managed diversified flexi-cap strategy which follows a bottom-up research philosophy</li> <li>Lays emphasis on companies exhibiting balance sheet strength and healthy cash flows</li> </ul>                                                                                                                                                                                   | <p>The fund outperformed the Nifty 500 TRI. This can be attributed to:</p> <ul style="list-style-type: none"> <li>An overweight stance on Consumer Discretionary, Healthcare, Real Estate</li> <li>An underweight stance on Energy, Utilities</li> <li>Stock selection in Consumer Staples, Financials, Healthcare, Industrials, Utilities</li> </ul>                                       |
| <b>Parag Parikh Flexi Cap Fund</b>          | <ul style="list-style-type: none"> <li>A valuation-conscious and low churn approach aimed at minimizing downside risk</li> <li>Offers exposure to international stocks, which helps in diversifying geographical risk</li> </ul>                                                                                                                                                                                                  | <p>The fund underperformed the Nifty 500 TRI. This can be attributed to:</p> <ul style="list-style-type: none"> <li>An overweight stance on Communication Services, Consumer Staples, Utilities</li> <li>An underweight stance on Consumer Discretionary, Healthcare</li> <li>Stock selection in Energy, Healthcare, Real Estate, Consumer Discretionary, Communication Services</li> </ul> |

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

## Preferred Equity Portfolio Allocation (2/4)

| Products                        | Brief Rationale & 3-Month Attribution                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Kotak Multicap</b>           | <ul style="list-style-type: none"> <li>Bottom-up, valuation-sensitive strategy to identify growth opportunities across market caps through a proprietary model</li> <li>Open to investing in select contrarian or non-consensus ideas where there is sufficient valuation buffer</li> </ul>                                                                            | <p>The fund underperformed the Nifty500 Multicap 50:25:25 TRI. This can be attributed to:</p> <ul style="list-style-type: none"> <li>An overweight stance on Consumer Staples, Utilities</li> <li>An underweight stance on Real Estate, Healthcare</li> <li>Stock selection in Communication Services, Consumer Discretionary, Materials, Utilities</li> </ul>     |
| <b>Union Multicap Fund</b>      | <ul style="list-style-type: none"> <li>Growth-oriented, SMID-tilted approach</li> <li>Top-down sector overlay with bottom-up stock selection</li> <li>~2/3<sup>rd</sup> of the allocation pertains to structural themes, while the balance comprises tactical opportunities and optionality bets</li> </ul>                                                            | <p>The fund outperformed the Nifty500 Multicap 50:25:25 TRI. This can be attributed to:</p> <ul style="list-style-type: none"> <li>An overweight stance on Consumer Discretionary</li> <li>An underweight stance on Consumer Staples, Energy, Utilities</li> <li>Stock selection in Consumer Discretionary, Consumer Staples, Financials, IT, Materials</li> </ul> |
| <b>DSP Business Cycle Fund</b>  | <ul style="list-style-type: none"> <li>A large cap-biased, benchmark agnostic strategy</li> <li>Uses an active sector-rotation framework, underpinned by a top-down macroeconomic approach, to capture inflection points across the business cycles</li> </ul>                                                                                                         | <p>The fund underperformed the Nifty 500 TRI. This can be attributed to:</p> <ul style="list-style-type: none"> <li>An overweight stance on Communication Services</li> <li>An underweight stance on Healthcare, Financials, IT</li> <li>Stock selection in Consumer Discretionary, Financials</li> </ul>                                                          |
| <b>Abakkus Small Cap Fund</b>   | <ul style="list-style-type: none"> <li>Stock selection is based on the MEETS framework, which encompasses variables such as Management, Earnings, Events, Timing, and Structural Opportunity.</li> <li>The portfolio shall comprise themes such as sunrise sectors, value plays with growth revival, exports, and special situations.</li> </ul>                       | <p>The fund outperformed the Nifty Smallcap 250 TRI. This can be attributed to:</p> <ul style="list-style-type: none"> <li>An overweight stance on Consumer Discretionary, IT</li> <li>An underweight stance on Financials, Utilities</li> <li>Stock selection in Consumer Discretionary, Financials, Healthcare, Industrials</li> </ul>                           |
| <b>Edelweiss Small Cap Fund</b> | <ul style="list-style-type: none"> <li>Prioritizes high active share at the stock level, while simultaneously being benchmark-aware sectorally</li> <li>Top-down sectoral overlay combined with bottom-up stock selection</li> <li>Within a sector, allocation is higher to leaders amid uncertain times at the expense of emerging leaders and challengers</li> </ul> | <p>The fund outperformed the Nifty Smallcap 250 TRI. This can be attributed to:</p> <ul style="list-style-type: none"> <li>An overweight stance on Consumer Discretionary, Real Estate</li> <li>An underweight stance on Utilities</li> <li>Stock selection in Consumer Discretionary, Healthcare, IT</li> </ul>                                                   |

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

# Preferred Equity Portfolio Allocation (3/4)

| Products                      | Brief Rationale & 3-Month Attribution                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Renaissance India Next</b> | <ul style="list-style-type: none"> <li>▪ Theme-based portfolio driven by macro trends and economic cycles</li> <li>▪ Blend of top-down (theme) and bottom-up (stock selection) to build a focused, high-conviction 20-25 stock portfolio</li> <li>▪ Selective cyclical bets may be taken based on valuation/macro tailwinds</li> </ul>                                                                                        | <ul style="list-style-type: none"> <li>▪ In last quarter, the fund outperformed the Nifty 50 TRI. This is led by:</li> <li>▪ Exposure to Auto Components &amp; Automobiles Varroc Engineering Ltd &amp; Tata Motors Ltd.</li> <li>▪ Exposure to BFSI Space Power Federal Bank, M&amp;M Financial Services, Paytm &amp; ICICI Bank.</li> <li>▪ Exposure to Coforge in IT-Software, Info Edge (India) &amp; Swiggy in Retailing, Balrampur Chini Mills in Agricultural Food &amp; Other Products.</li> </ul>                                                                                      |
| <b>Buoyant Opportunities</b>  | <ul style="list-style-type: none"> <li>▪ A core and satellite approach is followed to build a ~25-stock portfolio, with the flexibility to take cash calls from time to time.</li> <li>▪ Core allocation focuses on cos with predictable cash flows, industry leadership, and dividend yield preference</li> <li>▪ Satellite allocation pertains to cyclical segments, turnaround stories, and value opportunities</li> </ul> | <ul style="list-style-type: none"> <li>▪ In last quarter, the fund outperformed the BSE 500 TRI. This is led by:</li> <li>▪ Exposure to Interglobe Aviation in Transport Services &amp; Ramkrishna Forgings Ltd in Auto Components.</li> <li>▪ Exposure to BFSI in One97 Communications, ICICI Bank, Shriram Finance, Bajaj Finance, IDFC First Bank, State Bank of India.</li> <li>▪ Exposure to Kaynes Technology India Ltd in Industrial Manufacturing, PVR Inox Ltd in Entertainment.</li> </ul>                                                                                            |
| <b>Spark @75 Flexi Cap</b>    | <ul style="list-style-type: none"> <li>▪ Growth at reasonable Price.</li> <li>▪ Market-cap agnostic portfolio of 20 to 30 stocks</li> <li>▪ Fund manager times the market by taking active cash calls</li> <li>▪ Single stock allocation capped at 10%.</li> </ul>                                                                                                                                                            | <ul style="list-style-type: none"> <li>▪ In last quarter, the fund underperformed the Nifty 50 TRI. This is led by:</li> <li>▪ Exposure to NTPC Ltd, JSW Energy, Power Grid Corporation Of India Ltd, Coal India Ltd, National Aluminum Company Ltd in Power, Consumable fuels &amp; Non-Ferrous Metals</li> <li>▪ Exposure to SBI Life Insurance Company Ltd &amp; ICICI Lombard General Insurance Company Ltd. in BFSI.</li> <li>▪ Exposure to Dr. Reddy's Laboratories in Pharmaceuticals &amp; Biotechnology, Techno Electric &amp; Engineering Company in Construction Project.</li> </ul> |

# Preferred Equity Portfolio Allocation (4/4)

| Products                                 | Brief Rationale & 3-Month Attribution                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ICICI PIPE</b>                        | <ul style="list-style-type: none"> <li>Small cap focused Mandate managed by Anand Shah &amp; Team at ICICI Pru Alternate division</li> <li>The strategy will look for mispriced growth opportunities that can generate alpha on the back of earnings delivery and re-rating triggers</li> </ul>                                                                                                                                                                           | <ul style="list-style-type: none"> <li>In last quarter, the fund outperformed the BSE 500 TRI. This is led by:</li> <li>Exposure to Arvind Ltd, Indo Count Industries Ltd &amp; K.P.R. Mill Ltd in Textile space.</li> <li>Exposure to Honasa Consumer Ltd in Personal Products.</li> <li>Exposure to FSN E-Commerce Ventures in Retailing &amp; Ather Energy in Automobiles.</li> <li>Exposure to RateGain Travel Technologies Ltd &amp; Karur Vysya Bank in IT- Software and Banks.</li> <li>Exposure to Balrampur Chini Mills Ltd &amp; VRL Logistics Ltd in Agricultural Food &amp; other Products &amp; Transport Services Space.</li> </ul> |
| <b>Trivantage Capital Edge</b>           | <ul style="list-style-type: none"> <li>Barbell approach to portfolio construction</li> <li>Sector Rotation led, Flexicap strategy (typically 60 : 40 across Large and SMID</li> <li>Portfolio is constructed across Four Quadrants - Q1 (Defensive Anchors), Q2 (High-Growth Compounders with Upside), Q3 (Recovery / Cyclical Plays), Q4 (Optionality / Asymmetric Bets)</li> </ul>                                                                                      | <ul style="list-style-type: none"> <li>In last quarter, the fund outperformed the BSE 500 TRI. This is led by:</li> <li>Exposure to Apar Industries Ltd in Electrical Equipment Space &amp; TVS Motor Company Ltd in Automobiles Space.</li> <li>Exposure to Eternal Ltd in Retailing &amp; CE Info Systems Ltd in IT-Software Space.</li> <li>Exposure to Pearl Global Industries Ltd in Textiles &amp; Apparels, Interglobe Aviation Ltd in Transport Services &amp; Titan Company Ltd in Consumer Durables Space.</li> <li>Exposure to ICICI Bank Ltd, Cholamandalam Investment and Finance Company Ltd &amp; MCX in BFSI Space.</li> </ul>    |
| <b>Vedartha India Opportunities Fund</b> | <ul style="list-style-type: none"> <li>Mid &amp; small-cap focused portfolio, with selective large-cap exposure in specific sectors</li> <li>The fund will combine both bottom-up stock selection and a top-down overlay</li> <li>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</li> </ul> | <ul style="list-style-type: none"> <li>In last quarter, the fund underperformed the BSE 500 TRI. This is led by:</li> <li>Exposure to Dr. Reddy's Laboratories Ltd in Pharmaceuticals &amp; Biotechnology Space.</li> <li>Exposure to PI Industries Ltd in Pesticides &amp; Kansai Nerolac Paints Ltd in Consumer Durables.</li> <li>Exposure to HDFC Bank, SBI Life Insurance Company Ltd in BFSI Space.</li> <li>Exposure to Esab India Ltd in Industrial Products &amp; Atul Ltd in Chemicals &amp; Petrochemicals Space.</li> <li>Exposure to Maruti Suzuki India Ltd in Automobiles &amp; CE Info Systems Ltd in IT-Software</li> </ul>      |

3-month attribution is as on August 31, 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

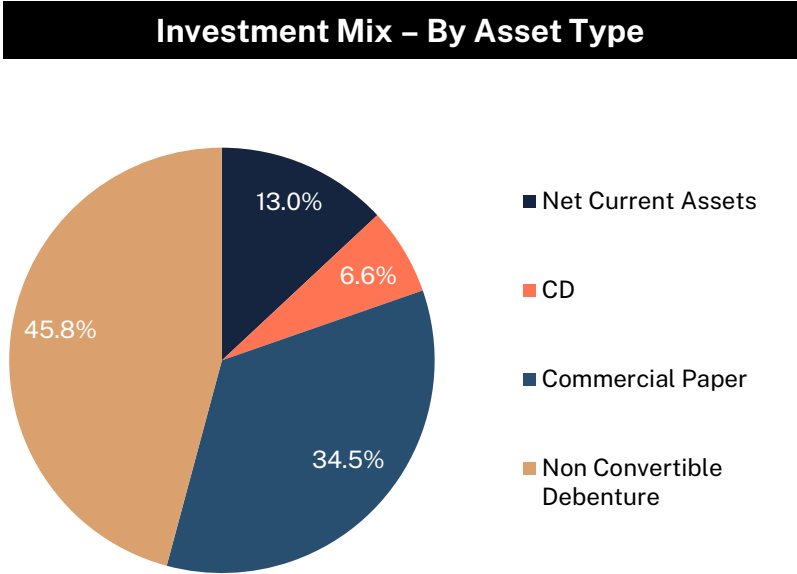
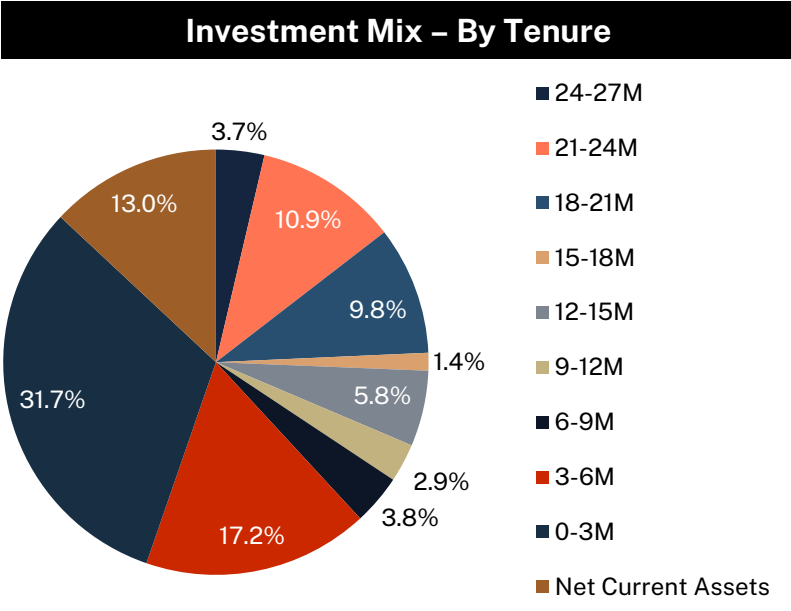
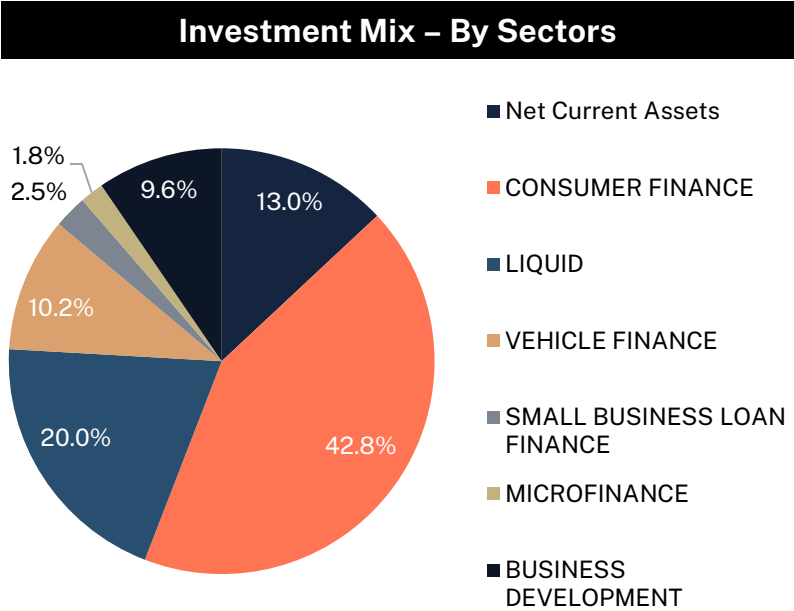


# Northern Arc Money Market Alpha Fund

| Fund Details       |                                                 |
|--------------------|-------------------------------------------------|
| Fund AUM           | 736.23 Cr                                       |
| Average Maturity   | 216.2 days                                      |
| Yield              | 9.95%                                           |
| Modified Duration  | 0.46 years                                      |
| Exit Load          | 0.25% before 84 days                            |
| Minimum Lock-in    | 25 days                                         |
| Management Fee     | 0.97% / 0.70%                                   |
| Redemption request | To be placed by 25 <sup>th</sup> of every month |

| Investment Philosophy & Strategy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>The fund will invest in commercial papers, certificate of deposits, fixed deposits, sovereign securities and non-convertible debentures</li> <li>Investments to be in securities having maturity of &lt;366 days; weighted average maturity of the portfolio of around 120 days</li> <li>Liquid Portion (Short-term rating A1+): 20%-25% &amp; Semi-Liquid : 10%-15%</li> <li>Credit Portion (Northern Arc’s investee companies): 40%-60%</li> <li>Monthly redemption option at the month end</li> </ul> |

| Fund Returns                |       |       |       |       |       |
|-----------------------------|-------|-------|-------|-------|-------|
|                             | 1M    | 3M    | 6M    | 1Y    | SI    |
| Class A5 (Investment < 5Cr) | 8.82% | 8.45% | 8.66% | 8.57% | 8.91% |
| Class A6 (Investment > 5Cr) | 9.12% | 8.77% | 9.00% | 8.91% | 9.25% |
| CRISIL Liquid Fund Index    | 6.02% | 6.20% | 6.19% | 6.07% | 5.86% |



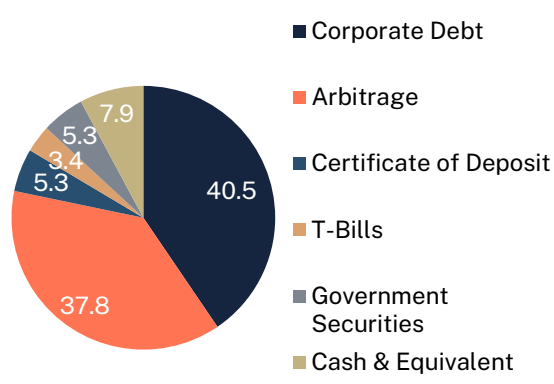
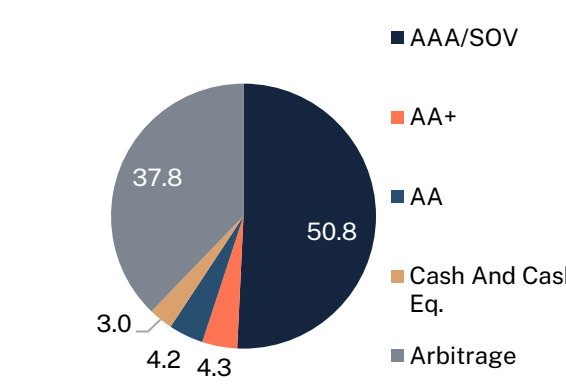
Data as of 31<sup>st</sup> August 2026

# Arudha Hybrid Long-short SIF

| Fund Details              |                                                                 |
|---------------------------|-----------------------------------------------------------------|
| Fund managers             | Brijesh Shah<br>Debraj Lahiri<br>Kapil Kankonkar<br>Nilesh Saha |
| Strategy's Inception Date | Feb - 2026                                                      |
| AUM (in Cr)               | 147                                                             |
| Taxation                  | Long term @ 12.5% post 12 months                                |
| Exit Load                 | Nil                                                             |
| Min. application          | INR 10 lacs                                                     |
| Subscription              | Daily                                                           |
| Redemption                | Twice Weekly – Monday & Thursday                                |

| Track Record                  |      |      |      |
|-------------------------------|------|------|------|
| Annualized Returns (%)        | 1M   | 3M   | 6M   |
| Arudha Hybrid LS SIF          | 0.68 | 6.10 | 5.64 |
| Income Plus Arbitrage Cat Avg | 1.30 | 6.03 | 5.41 |

| 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<br>Portfolio design emphasizes capital stability, low volatility, and post-tax efficiency, rather than return maximization                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Fixed Income Strategy: Upto 65% allocation</b> <ul style="list-style-type: none"><li>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.</li><li>Duration is actively managed within a 1-4 year band, focusing on predictable accrual, liquidity, and capital preservation.</li></ul> | <b>Arbitrage Strategy: Minimum 35% allocation</b> <ul style="list-style-type: none"><li>Maintained as a fully hedged, market-neutral equity exposure, with allocations dynamically adjusted based on arbitrage spreads and liquidity conditions.</li><li>Seeks to generate non-directional, tax-efficient returns without taking directional equity risk, supporting overall portfolio stability.</li></ul> |

| Asset Allocation                                                                     | Rating Allocation                                                                    | Portfolio Quants (Core Debt) |      |
|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|------------------------------|------|
|  |  | YTM (%)                      | 7.37 |
|                                                                                      |                                                                                      | Average maturity (years)     | 3.20 |
|                                                                                      |                                                                                      | Modified duration (years)    | 2.49 |

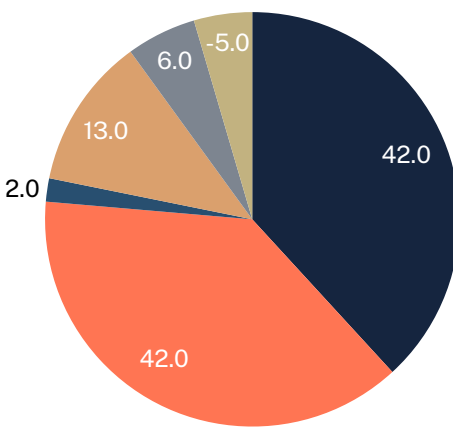
Source: ACE MF.  
Portfolio details as on 31<sup>st</sup> August 2026. Returns as on 15<sup>th</sup> September 2026  
Past track record are not an indicator of future performance

# Altiva Hybrid Long-short SIF

| Fund Details              |                                        |
|---------------------------|----------------------------------------|
| Fund managers             | Bhavesh Jain<br>Bhavesh Lahoti         |
| Strategy's Inception Date | 20-Oct-2025                            |
| AUM (INR Cr)              | 9,267                                  |
| Taxation                  | Long term @ 12.5% post 12 months       |
| Exit Load                 | 0.5% within 1 month,<br>Nil after that |
| Min. application          | INR 10 lacs                            |
| Subscription              | Daily                                  |
| Redemption                | Twice Weekly – Monday & Wednesday      |

| Track Record                             |       |       |       |       |
|------------------------------------------|-------|-------|-------|-------|
| Annualised Returns (%)                   | 1M    | 3M    | 6M    | SI    |
| Altiva Hybrid LS SIF                     | 5.82  | 16.54 | 14.95 | 11.61 |
| CRISIL Composite Bond Index              | -5.8  | 5.61  | 4.29  |       |
| CRISIL Hybrid 85+15 – Conservative index | -11.7 | 6.52  | 4.39  |       |

| 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 |                                                                                                                                                                                                                                                                                                             |
| <b>Core Strategy:</b><br>Target annual return: 7-7.5%<br><b>Cash-future arbitrage &amp; Covered call:</b> (20-40%)<br>Arbitrage strategies aiming to capture low-risk returns.<br><b>Fixed Income:</b> (40-60%)<br>Invest in quality debt instruments aiming to generate accrual and potential price appreciation                         | <b>Enhanced Drivers:</b><br>Enhance the core portfolio returns by 2.5-3%<br><b>Special Situations:</b> (0-10%)<br>IPO, Open Offer, Buyback, Merger/Demerger, QIP, Index inclusion/Exclusion etc.<br><b>Derivative Strategies:</b> (10-20%)<br>Long-Short equities, Straddle, Strangle, Put-call Parity etc. |

| Asset Allocation                                                                     |                          | Portfolio Quants (Core Debt) |      |
|--------------------------------------------------------------------------------------|--------------------------|------------------------------|------|
|  | Arbitrage & Covered Call | YTM (%)                      | 8.02 |
|                                                                                      | Fixed Income*            | Average maturity (years)     | 1.57 |
|                                                                                      | Special Situation        | Modified duration (years)    | 1.38 |
|                                                                                      | Other Derivatives        |                              |      |
|                                                                                      | REITs & INVITs           |                              |      |
|                                                                                      | Others                   |                              |      |

Source: ACE MF.  
Portfolio details as on 31<sup>st</sup> August 2026. Returns as on 15<sup>th</sup> September 2026  
Past track record are not an indicator of future performance  
\*Incl T-bill, TREPS & Net Receivables/(Payables) which is not considered as exposure. Market value + accrued interest considered for calculating Fixed Income exposure.  
Others Incl cash & Net Current Asset/Liabilities

# RedHex Hybrid Long-short SIF

## Fund Details

|                                  |                                         |
|----------------------------------|-----------------------------------------|
| <b>Fund managers</b>             | Venugopal Manghat<br>Shriram Ramanathan |
| <b>Strategy's Inception Date</b> | June-2026                               |
| <b>AUM(In Cr)</b>                | 1,072                                   |
| <b>Taxation</b>                  | Long term @ 12.5% post 12 months        |
| <b>Exit Load</b>                 | 2% within 12 months,<br>Nil after that  |
| <b>Min. application</b>          | INR 10 lacs                             |
| <b>Subscription</b>              | Daily                                   |
| <b>Redemption</b>                | Every Monday                            |

## Track Record

| Annualised Returns (%)                   | 1M    | SI   |
|------------------------------------------|-------|------|
| RedHex Hybrid LS SIF                     | 6.79  | 8.93 |
| CRISIL Composite Bond Index              | -5.8  |      |
| CRISIL Hybrid 85+15 – Conservative index | -11.7 |      |

## Investment Philosophy & Strategy

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

### Stable Yield Bucket (50%)

**Target annual return:** 7-7.5%

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

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

### Yield Enhancement Bucket (50%)

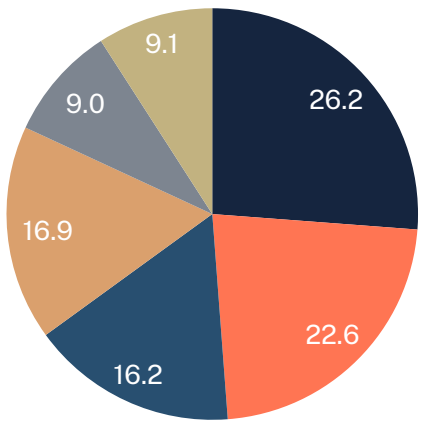
**Target annual return:** 10.75-11%

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

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

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

## Asset Allocation



- Equity Arbitrage
- AAA / SOV / Cash
- A rated papers
- AA rated papers
- REITs
- InVITs

## Portfolio Quants (Core Debt)

YTM (%) 9.95

Modified duration (years) 1.54

Source – HSBC AMC

\*\* FS means Financial Services

Portfolio details as on 31st August 2026. Returns as on 15th September 2026

# Suggested Target Maturity and Index Fund Ideas

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

| Type                        | Index Funds                                                                        | AUM (in Cr) | Category | Gross YTM | Average Maturity (Months) |
|-----------------------------|------------------------------------------------------------------------------------|-------------|----------|-----------|---------------------------|
| <b>3 to 6 Months Index</b>  | Axis CRISIL-IBX Financial Services 3-6 Months Debt Index Fund-Reg(G)               | 229.74      | 3-6 M    | 6.84      | 2.70                      |
|                             | Kotak CRISIL-IBX Financial Services 3-6 Months Debt Index Fund-Reg(G)              | 296.65      | 3-6 M    | 6.86      | 2.76                      |
|                             | Aditya Birla SL CRISIL-IBX Financial Services 3 to 6 Months Debt Index Fund-Reg(G) | 2164.46     | 3-6 M    | 6.84      | 2.70                      |
|                             | ICICI Pru CRISIL-IBX Financial Services 3-6 Months Debt Index Fund-Reg(G)          | 533.41      | 3-6 M    | 6.99      | 2.64                      |
|                             | Bandhan CRISIL-IBX Financial Services 3-6 Months Debt Index Fund-Reg(G)            | 353.77      | 3-6 M    | 6.86      | 2.70                      |
|                             | HDFC CRISIL-IBX Financial Services 3-6 Months Debt Index Fund-Reg(G)               | 2264.18     | 3-6 M    | 6.86      | 2.68                      |
|                             | SBI CRISIL-IBX Financial Services 3-6 Months Debt Index Fund                       | 1096.05     | 3-6 M    | 6.75      | 2.70                      |
| <b>9 to 12 Months Index</b> | Kotak CRISIL-IBX Financial Services 9 to 12 Months Debt Index Fund-Reg(G)          | 1055.65     | 9-12M    | 7.41      | 5.88                      |
|                             | Nippon India CRISIL-IBX Financial Services 9-12 Months Debt Index Fund-Reg(G)      | 534.71      | 9-12M    | 7.41      | 5.52                      |
|                             | Aditya Birla SL CRISIL-IBX Financial Services 9-12 Months Debt Index Fund-Reg(G)   | 1228.13     | 9-12M    | 7.31      | 5.50                      |

| Target Maturity Funds                                                          | AUM (in Cr) | Category             | Gross YTM | Maturity Month |
|--------------------------------------------------------------------------------|-------------|----------------------|-----------|----------------|
| <b>Upto 12M Bucket</b>                                                         |             |                      |           |                |
| Kotak CRISIL-IBX AAA Bond Financial Services Index - Dec 2026                  | 129         | Corporate Bond - TMF | 6.6       | Dec-26         |
| Edelweiss Nifty PSU Bond Plus SDL Apr 2027 50:50 Index Fund                    | 2121.80     | Gsec / SDL MF        | 6.48      | Apr-27         |
| Nippon India Nifty AAA CPSE Bond Plus SDL - Apr 2027 Maturity 60:40 Index Fund | 2897.33     | Gsec / SDL MF        | 6.42      | Apr-27         |
| Axis CRISIL-IBX AAA Bond NBFC - Jun 2027 Index Fund                            | 2295.15     | Corporate Bond - TMF | 7.57      | Jun-27         |
| Edelweiss CRISIL-IBX AAA Bond NBFC-HFC-Jun 2027 Index Fund                     | 81.25       | Corporate Bond - TMF | 7.61      | Jun-27         |
| <b>Bucket: 12-18M</b>                                                          |             |                      |           |                |
| Tata Nifty SDL Plus AAA PSU Bond Dec 2027 60:40 Index Fund                     | 645.78      | Gsec / SDL MF        | 6.82      | Dec-27         |
| Kotak CRISIL-IBX AAA Financial Services Index - Sep 2027 Fund                  | 467.92      | Corporate Bond - TMF | 7.39      | Sep-27         |
| Edelweiss CRISIL IBX AAA Financial Services Bond - Jan 2028 Index Fund         | 103.32      | Corporate Bond - TMF | 7.62      | Jan-28         |
| Kotak Nifty AAA Bond Financial Services Mar 2028 Index Fund                    | 257.52      | Corporate Bond - TMF | 7.74      | Mar-28         |
| <b>Bucket: 18-24M</b>                                                          |             |                      |           |                |
| Kotak Nifty SDL Plus AAA PSU Bond Jul 2028 60:40 Index Fund                    | 495.25      | Gsec / SDL MF        | 7.2       | Jul-28         |
| Nippon India Nifty SDL Plus G-Sec-Jun 2028 Maturity 70:30 Index Fund           | 332.94      | Gsec / SDL MF        | 6.71      | Jun-28         |
| <b>Bucket: 24-36M</b>                                                          |             |                      |           |                |
| ICICI Pru Nifty SDL Dec 2028 Index Fund                                        | 908.62      | Gsec / SDL MF        | 7.12      | Dec-28         |

Note - Yields as on 15<sup>th</sup> September 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                  | 1.5x                                                                                                                                                                                            |
| AMC Fee                   | 1.00% p.a. (AMC and Opex Charged as a part of NAV)                                                                                                                                              |
| Opex                      | 10 bps of subscription amount                                                                                                                                                                   |
| Exit Load                 | Year 1: 4%   Year 2: 3%   Year 3: 2%   Year 4: 1%                                                                                                                                               |
| Settlement                | T+5 from redemption date                                                                                                                                                                        |
| Auto-Redemption Option    | Semi-annual redemption of ~3.68% of par value of units originally issued (targeting ~7.5% p.a.); executed on 30 Nov & 31 May each year from 30-Nov-2026 to 30-Nov-2029; no exit load applicable |
| Typical AUM per SPC       | USD 5–10 Million                                                                                                                                                                                |
| Taxation – Fund Level     | Nil (Cayman Islands)                                                                                                                                                                            |
| Taxation – Investor Level | STCG (< 24 months): Marginal rate   LTCG (> 24 months): 12.5% **                                                                                                                                |
| Settlement / Remittance   | Via LRS into SPC account at SBI Mauritius; maturity proceeds returned to same account                                                                                                           |
| Liquidity                 | Exit available subject to exit loads; Auto-redemption plan available without exit load                                                                                                          |

# True Credit Private Limited

## Details of the Issuance

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Issuer / Company</b>     | True Credits Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Nature of instrument</b> | Senior, Secured, Unlisted, Transferable, Redeemable Non-Convertible Debentures ("Debentures/NCDs")                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Rating</b>               | CRISIL BBB+/Stable as of June 29, 2026                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Face value</b>           | INR. 1,00,000 /- (Indian Rupees One Lakh only)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Coupon Rate</b>          | 10.00% Per Annum Payable Monthly                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Tenor</b>                | ~15 Months (13th Nov 2027)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Investor Yield</b>       | 12.25% p.a.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Trade Date</b>           | 18 <sup>th</sup> September 2026                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Corporate Guarantee</b>  | True Balance Private Limited (has a net worth of INR 725 Cr owns and 100% of True Credits Private Limited)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Principal Payout</b>     | 50% of Principal at 12 months and the remaining 50% at 15 months                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Security Cover</b>       | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Financial Covenants</b>  | <ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ 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.</li> <li>▪ Minimum ₹25 crore of liquid funds must be maintained, with no cumulative ALM mismatch during the tenor.</li> <li>▪ GNPA should not exceed 7%, while PAR 90+ and gross write-offs on the trailing 12-month on-book disbursements should not exceed 9%.</li> <li>▪ AUM should remain above ₹650 crore throughout the tenure of the issuance.</li> <li>▪ All covenants are to be tested quarterly as of June 30, September 30, December 31 and March 31.</li> </ul> |
| <b>Additional Covenants</b> | <ul style="list-style-type: none"> <li>▪ Cheolwon Lee (Charlie) shall continue to retain his seat on the Board of Directors of the Issuer throughout the tenor of the Debentures.</li> <li>▪ Intimation in case of change in composition of Board of Directors</li> <li>▪ Prior approval in case of change in shareholding resulting the issuer not being a wholly-owned subsidiary of True Balance India Private Limited ("TBIPL") or Afnit ceases to hold 60% of shareholding in TBIPL.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                  |

# Nuvama All Weather Equity Linked MLD – Nifty 50

## Details of the Issuance

|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Issuer               | Nuvama Wealth Finance Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Credit Rating        | Rated PP-MLD – (AA)*                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Secured              | Yes, with a minimum 1x pari passu charge on Receivables, loans, securities, investments and other financial assets                                                                                                                                                                                                                                                                                                                            |
| Listing              | Listed on BSE                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Underlying           | Nifty 50 Index                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Principal Protection | Principal amount is protected at maturity, to the extent of Face Value                                                                                                                                                                                                                                                                                                                                                                        |
| Face Value           | 1,00,000/- per debenture                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Tenor in Months      | ~35/41M                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Max Coupon / Max IRR | 46.85% basis face value                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Entry Level          | Average of official closing levels of Nifty 50 Index as on 6th July and F&O expiry of Aug'26, Sep'26, Oct'26                                                                                                                                                                                                                                                                                                                                  |
| Exit Level           | Average of official closing levels of Nifty 50 Index as on F&O expiry of Apr'29, May'29, Jun'29, and Jul'29                                                                                                                                                                                                                                                                                                                                   |
| Return Profile       | <p>If Nifty returns between 7.01% - 14.99%; 3x participation on incremental underlying returns above 7%<br/>(e.g. if Nifty returns are 13% abs, AWE returns = <math>(13\% - 7\%) \times 3 = 18\%</math>)</p> <p>If Nifty returns <math>\geq 15\%</math>; 46.85% absolute return basis Face Value including <b>Digital coupon of ~22.85%</b> upon achieving 15% Nifty 50 returns</p> <p>If Nifty returns <math>\leq 7\%</math>; face value</p> |

# 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 **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**.

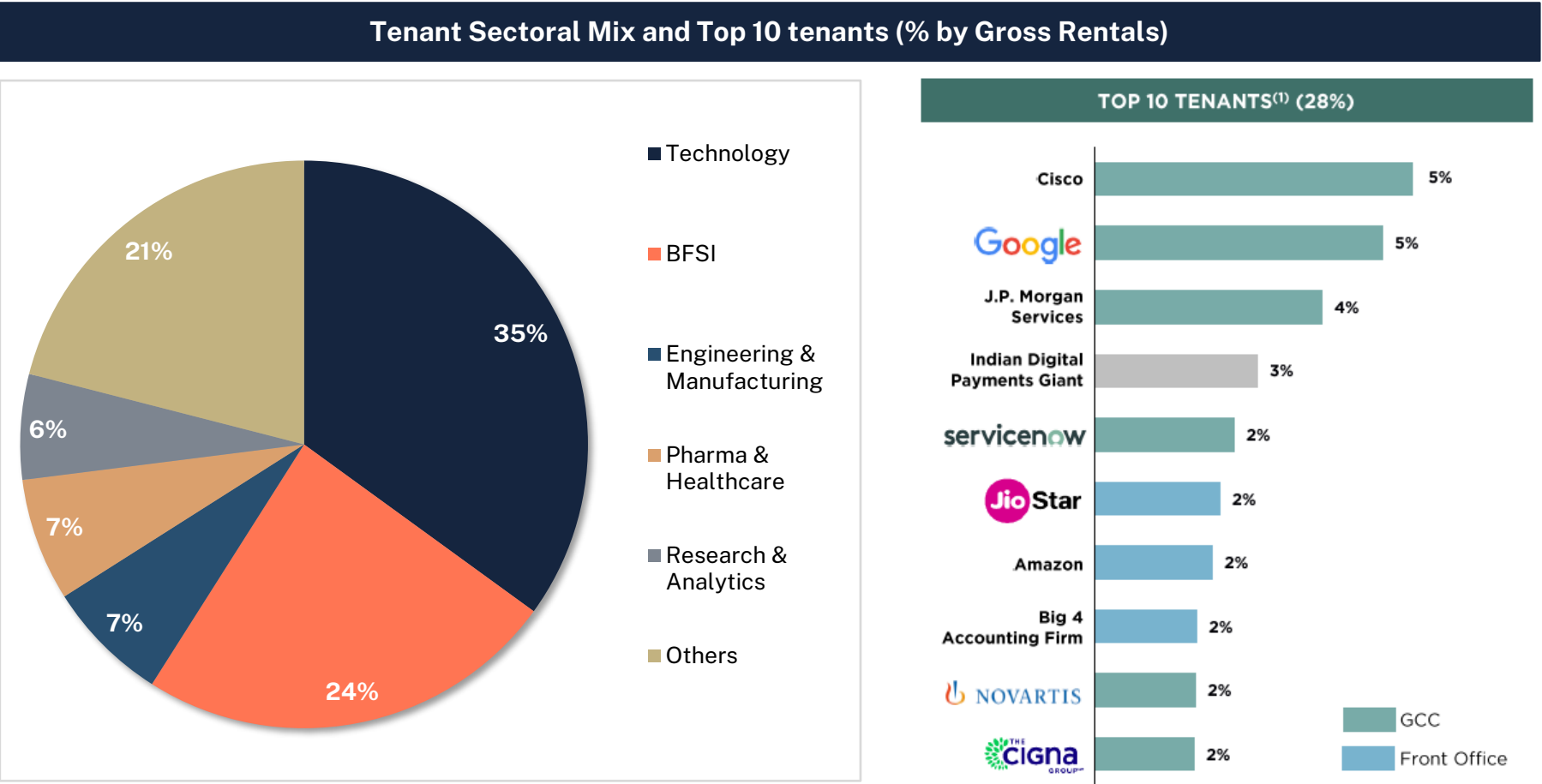
Source : Company Filings; Bloomberg; Avendus Report

# 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   |



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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>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.</li><li>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.</li><li>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.</li><li>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.</li><li>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.</li><li>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.</li><li>Toll rates are revised annually by 3% plus 40% of WPI, providing built-in inflation pass-through on revenue.</li><li>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.</li></ul> |

| Unitholding Pattern                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| NHAI Sponsor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | ~15%        |
| FIIIs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | ~0.9%       |
| DIIIs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | ~38.8%      |
| Public                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | ~45.3%      |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>100%</b> |
| As on 31-Mar-2026 (Q4 FY26 filing)                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |             |
| Return Profile (2-3 Years)                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |             |
| Target Return (%)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |             |
| ~13% – 14%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |             |
| InvIT Management Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |
| <b>Mr. NRVVMK Rajendra Kumar</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |             |
| <b>CEO, Raajmarg Infra Trust</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |             |
| <i>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</i> |             |

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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>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</li><li>Listed on NSE &amp; BSE on 17 January 2025 via an IPO worth ₹1,578 Cr; portfolio at listing comprised 9 HAM road assets</li><li>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.</li><li>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.</li><li>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.</li><li>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.</li><li>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).</li><li>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.</li></ul> |

| 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%      |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>100%</b> |
| As on 31-Mar-2026 (Q4 FY26 filing)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             |
| Implied IRR                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |             |
| Implied IRR (%) (Holding period – 2-3 years)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |             |
| ~12% – 14%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |             |
| InvIT Management Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |             |
| <b>Mr. Hare Krishna</b><br><b>Chief Executive Officer, Capital Infra Trust</b><br><i>Mr. Krishna has over 24+ years of experience in operations, investments and asset management across oil &amp; 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.</i> |             |

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

| Highlights of the Fund                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Category II AIF targeting ~<b>16% gross IRR</b>, with ~10% p.a. quarterly cash coupon and the balance through redemption premium, prepayment income and other fees.</li> <li>Focuses on businesses with 8–10+ years of operating track record, positive EBITDA/PAT and Debt/EBITDA <math>\leq 4.25x</math>, while avoiding distressed and turnaround credits.</li> <li>Provides flexible capital primarily in the Rs 50–100 Cr transaction segment for growth, acquisitions, bridge financing and balance-sheet requirements.</li> <li>The strategy is sector agnostic with a 25% sector cap, primarily targeting Manufacturing, Consumer, Services and Healthcare, with no real estate exposure.</li> <li>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.</li> </ul> |

| AMC Track Record                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Gross Capital deployed:<br/><b>~INR 16,500 Cr</b></p> <p><b>6 Funds Successfully Exited</b></p> <p><b>300+</b> Originator universe</p> <p><b>6 Active Funds – Current Gross YTM</b></p> <p>IFMR Fim pact LT Credit – 12.23%</p> <p>MMAF – 9.95%</p> <p>India Impact – 14.28%</p> <p>Emerging Corp Bond – 11.49%</p> <p>Finserv Fund – 14.27%</p> <p>Fintech NBFC – 11.58%</p> |
| Fund Manager Details                                                                                                                                                                                                                                                                                                                                                             |
| <p><b>Indranil Suryawanshi</b><br/><i>Fund Manager</i></p> <p><b>Work Experience</b><br/><b>20+ years</b></p> <p><b>Previous Stints</b><br/><i>Piramal Alts, Aditya Birla Finance</i></p>                                                                                                                                                                                        |

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

## Product Overview

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

## Highlights of the Fund

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

## Past Fund: Performing Credit Fund I

Total Capital deployed:  
**~INR 2,363 Cr**

Tenor:  
**~5 year – Maturing in Feb'2027**

**92%** proceeds already returned

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

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

## Fund Manager Details

**Abhishek Jain**  
*Fund Manager, PCOF-I Fund*

**Work Experience**  
**19+ years**

**Previous Stints**  
*Motilal Oswal PE, SBI*

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

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

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

| SpECS II Details (Previous Fund)                                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------|
| First Close: <b>Nov 2022</b>                                                                                                               |
| AUM Garnered: <b>~INR 594.5 Crs</b>                                                                                                        |
| <b>100%</b> amount drawn to date                                                                                                           |
| <b>18</b> Investments made including redeployment                                                                                          |
| Amount distributed: <b>INR 470 Crs</b>                                                                                                     |
| Portfolio <b>IRR: 15.5% (Gross)</b>                                                                                                        |
| Fund Manager Details                                                                                                                       |
| <b>Kapil Ramamurthy</b> <br>Co-founder, Spark Capital |
| <b>Work Experience</b><br><b>25+</b> years                                                                                                 |
| <b>Previous Stints</b><br>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

# 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>Acquires completed, operational K-12 school &amp; student housing assets via sale-and-leaseback, leased back to operators under long-term contracts</li><li>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)</li><li>Average operator vintage ~13 yrs; average residual lease / lock-in ~28 yrs / 17 yrs</li><li>Acquired from a global institutional investor – zero rent or escalation default throughout its ownership history</li><li>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)</li><li>Target Gross IRR ~20% over a 5-year hold; Net IRR ~14.7% (pre-tax) after all fees and carry</li></ul> |

| 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                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Risk Management</b> <ul style="list-style-type: none"><li>Concentration limits: 25% per investment, 30% per counterparty, 30% per city</li><li>EBITDAR/Rent coverage target: 1.45x (P1) and 1.6x (P1+P2 combined) in Year 1</li><li>Fee escrow with first charge over school revenues; interest-free security deposit escalating with rent</li><li>DSRA maintained at one quarter's debt service; max 15% of fund in under-construction assets</li></ul> | <b>Why EDIYF Now</b> <ul style="list-style-type: none"><li>Illiquidity premium over REITs: 7.5–8% quarterly income vs. 5–5.5% from listed REITs, plus capital appreciation upside</li><li>Defensive income: long-term school lease obligations – vacancy or default risk structurally lower than commercial or retail real estate</li><li>Tax-efficient structure designed to enhance post-tax investor returns.</li><li>First-mover advantage: organised, institutional-grade school infrastructure acquisition remains nascent in India</li></ul> |

| TBU                                                                                                                                                                                                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Mr. Ritesh Vohra</b><br><b>Managing Partner, Stoicap</b><br>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

# Disclaimer

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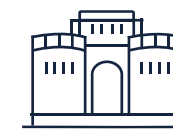
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