

India Investment Strategy

August 2025

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Summary

External Influences



US

- **Given The Current Environment Of Heightened Uncertainty, We Remain Cautious In Assessing The Economic Trajectory:**
 - **Tariffs uncertainty:** The U.S. has extended its tariff deadline to August 1, adding market uncertainty. Tariff revenues surged in June, and inflation is showing early signs of tariff pass-through while the DXY remains weak and yields stay elevated.
 - **Labour & Consumer Market:** The U.S. job market remains resilient, with overall labour conditions still healthy at headline level. However, hiring rates are low and labor force participation has declined. Retail sales rose modestly in June, likely reflecting higher prices due to tariffs while the housing market shows clear signs of cooling with rising inventories and sequential home price declines.
 - **Fed to be in “Wait n Watch” mode:** The Fed remains in a “wait-and-watch” mode, projecting a total of 50 bps rate cuts in 2025, but continues to caution that inflation risks remain tilted to the upside.

Europe

- **We Continue to Maintain a Cautious Stance Towards Europe:**
 - **Economic Activity:** Mixed economic signals persist in Europe, with uncertainty around trade policies weighing on investment and exports, rising unemployment, and household confidence below the 5-year average; however, government spending in defence and infrastructure offers medium-term support. While inflation remains near the ECB’s 2% target and a 25-bps rate cut is expected in Sep-25, the outlook remains cautious amid volatile economic environment, though the Composite PMI staying in expansion offers a silver lining.

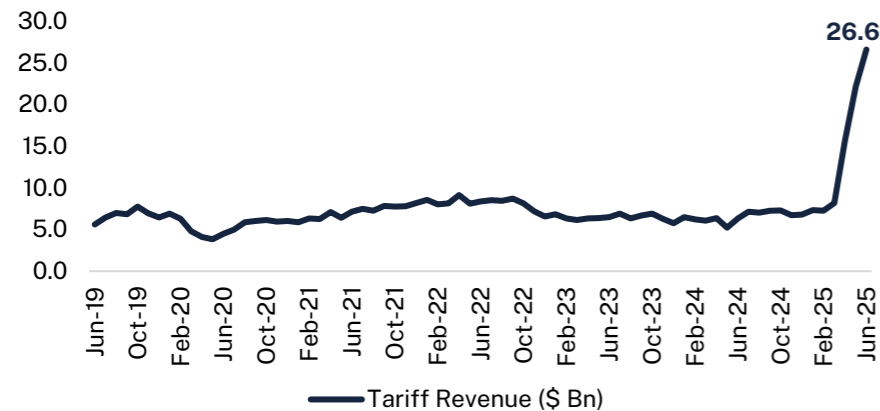
China

- **We Continue to Maintain a Neutral Stance Towards China:**
 - **Economic Activity:** Despite economic and trade headwinds, China’s equity markets remain resilient, continuing to trade near long-term averages. Following the trade truce with the US, exports and manufacturing PMI improved in June-25, but rising core inflation and weak retail sales keep consumer sentiment fragile.

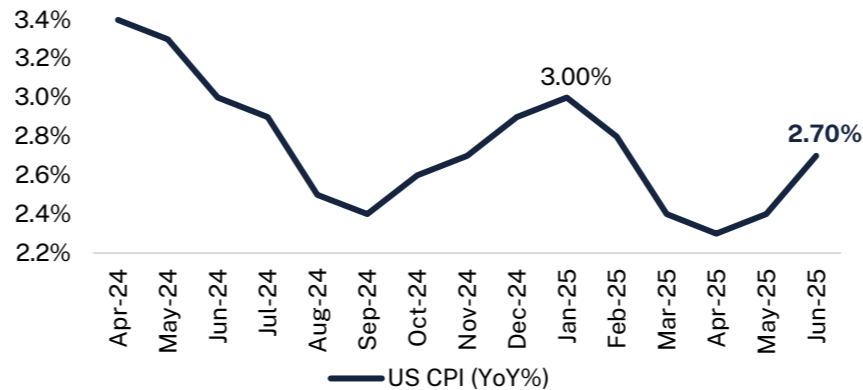
US: Tariffs Take Centre Stage, Early Impact On Inflation Visible

The U.S. administration has pushed back its trade deadline to August 1 for most of its global trading partners, creating another source of uncertainty for investors, amid which yields continue to hold up and the DXY moderates.

U.S. tariff revenues rose significantly, with collections surpassing \$26 billion in June



Inflation showed modest signs of first passthrough of tariffs into domestic prices. The impact of tariff maybe more visible over coming months.



US yields remains elevated amid inflation expectation due to tariffs.



DXY remained weak in July amidst increase debt concern.



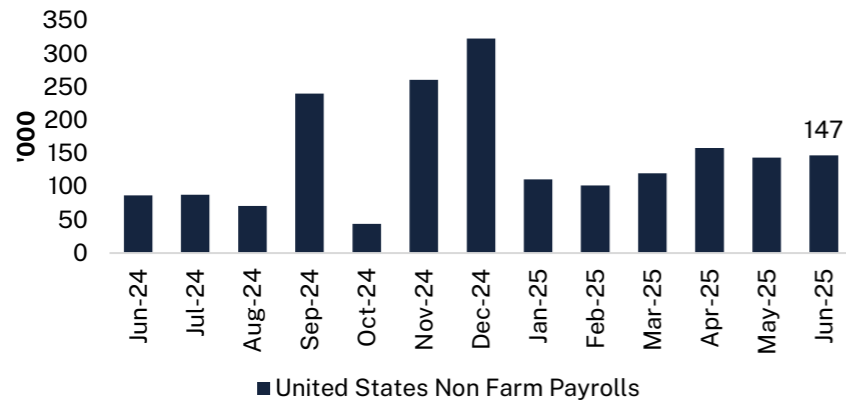
- **What have we been saying?** Trump had made it abundantly clear that he plans to use tariffs to protect American businesses and simultaneously fix the government's \$36 trillion deficit.
- **What still holds?** President Trump remains committed to the tariff-driven policy framework outlined in November 2024, reaffirming his stance on economic protectionism.
- **What's shifted?** The U.S. has extended its trade deadline to August 1 for most global partners, adding to investor uncertainty. While limited deals have been struck (UK, EU, Vietnam) and frameworks outlined (China), broader negotiations with India, Indonesia, and the other nations continue. Meanwhile, average U.S. tariff rates have surged from 2.4% to 20.6% — the highest since 1910 — driven by blanket 10% duties and elevated levies on China, steel, aluminum, and autos. As a result, tariff revenues hit nearly \$27 billion in June.

Source: Bureau of Fiscal Service, Bloomberg, Spark PWM

US: Labour Markets Continue To Hold Up At Headline Level

The U.S. job market in June 2025 saw a continued expansion

US nonfarm payroll rose by 147K beating expectations



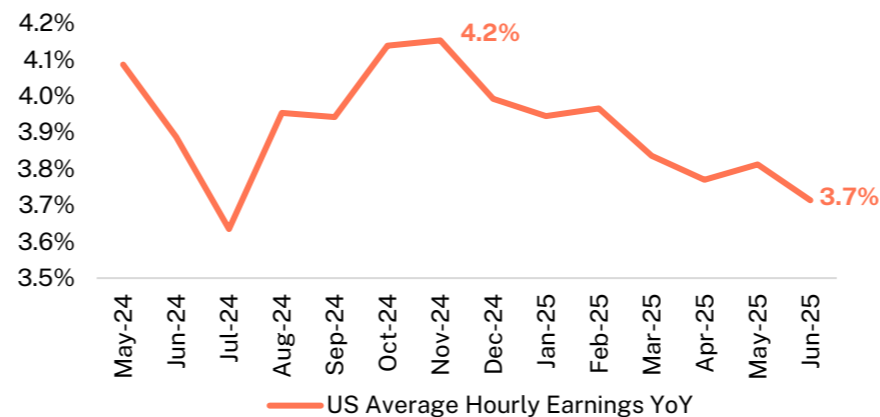
The unemployment rate held steady at 4.1%, staying within the Fed's comfort range



Though US Hiring rate remain low



And hourly earnings continue to moderate



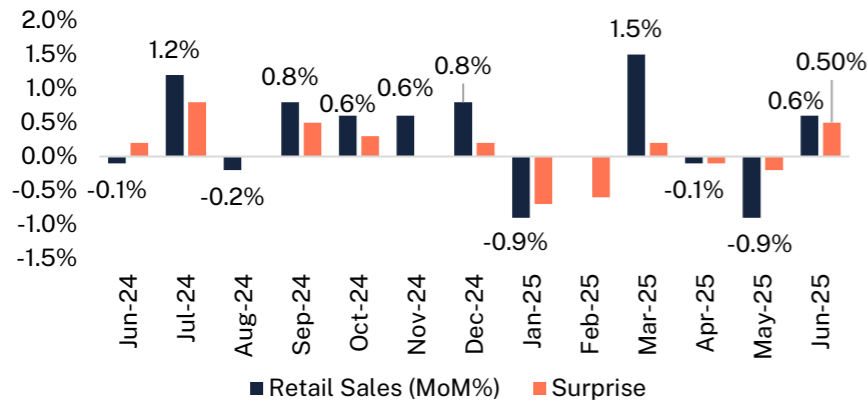
- **What have we been saying?** The US labour market has shown resilience over the past months with fewer jobless claims and healthy job adds.
- **What still holds?** The job market remains stable as payroll additions remains and unemployment rate remains within Fed's comfort zone.
- **What's shifted?** The U.S. job market in July 2025 remains mixed. Job gains are concentrated in government and healthcare, while private sector hiring slows. Unemployment edged down, but a drop in labour force participation suggests some workers are exiting the workforce. Wage growth continues, though inflation still weighs on purchasing power.

Source: US Federal Reserve Economic Database, US Bureau of Labor Statistics, US Bureau of Economic Analysis, Philadelphia fed, Bloomberg, Spark PWM

US: Consumer Holds Steady, But Housing Market Shows Clear Signs of Cooling

Retail sales show nominal gains, but credit-reliant consumers and rising home inventories signal mounting pressure — raising red flags for sustained demand and housing resilience.

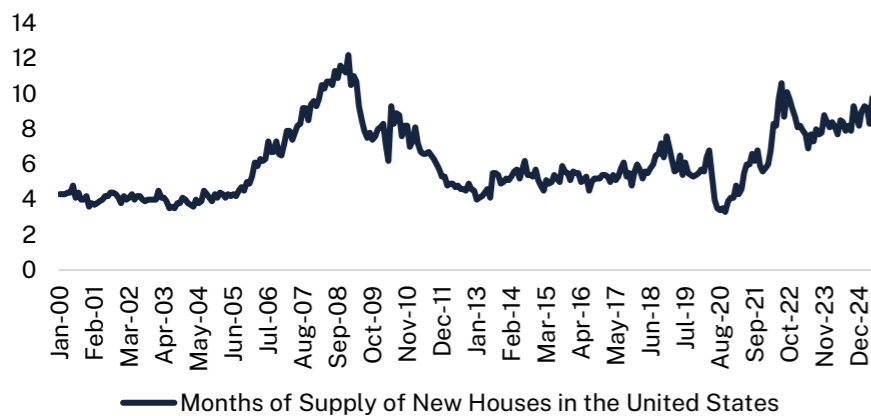
U.S. retail sales rose 0.6% in June, rebounding from a 0.9% drop in May. The increase, unadjusted for inflation, likely reflects higher prices amid elevated tariffs.



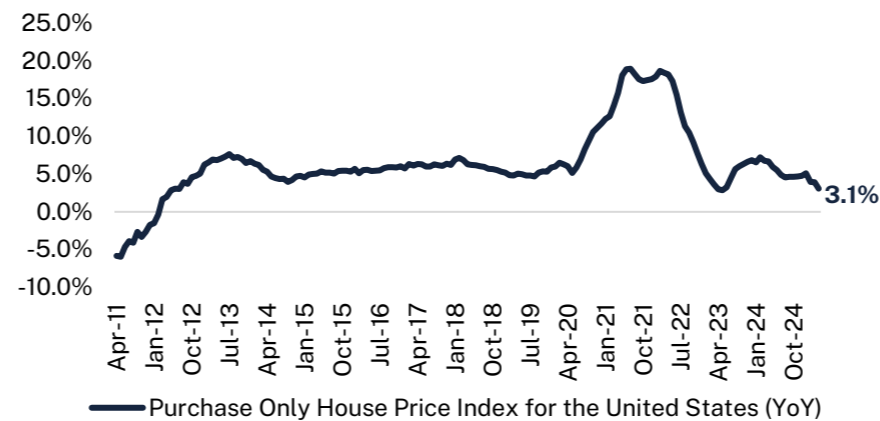
Existing Home Sales came below market expectations of 4.01 million. This marked the lowest sales pace since September 2024



New home inventory is rising



home prices have started to contract on a sequential basis.



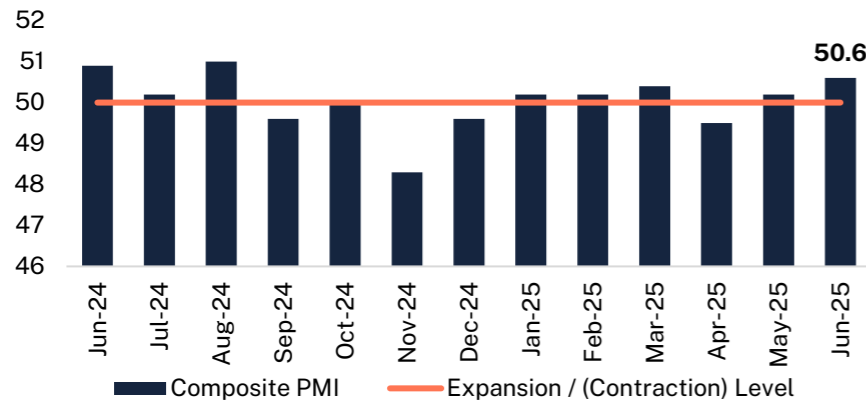
- **What have we been saying?** We have noted that the average US consumer is highly dependent on credit, which maybe unsustainable in the long-term.
- **What still holds?** US consumer continues to remain highly leveraged
- **What's shifted?** US housing market too is softening. While home sales have been weak for some time now, inventory build-up has started to pile up as a result, home prices have started to contract on a sequential basis.

Source: US Federal Reserve Economic Database, US Bureau of Labor Statistics, US Bureau of Economic Analysis, Philadelphia fed, Bloomberg, Spark PWM

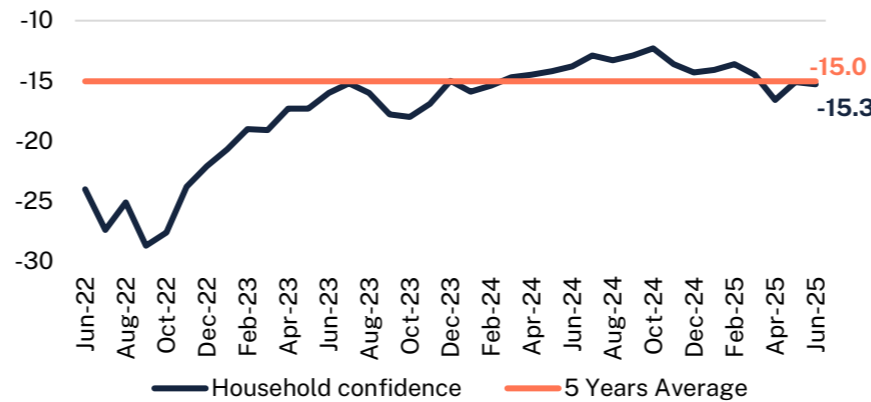
Europe: Mixed Data Calls for a Wait-and-Watch Situation

Business climate remains stable in first half of 2025 whereas inflation and labour markets show contradictory data

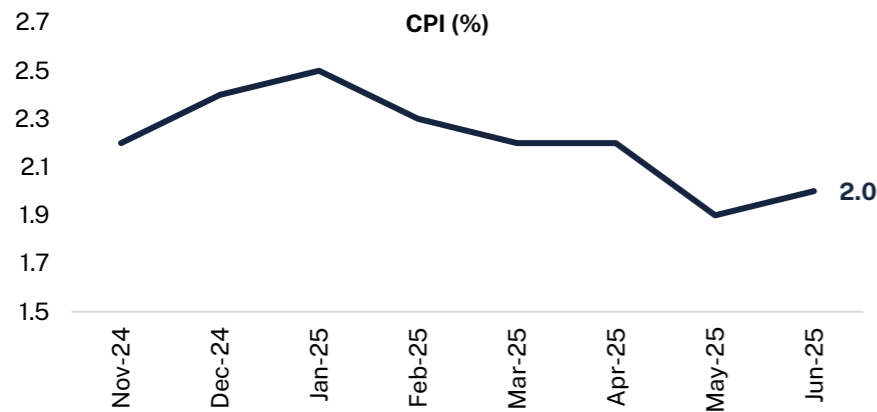
Eurozone Composite PMI above the expansion level



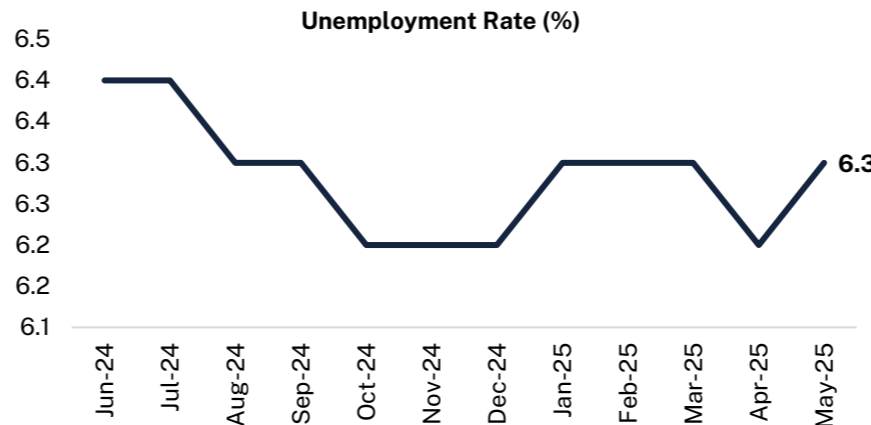
Household confidence fell slightly in June and remains below its 5-year average



Inflation rose slightly to 2.0%, driven mainly by higher services & energy prices, while food & non-energy prices moderated



Labour markets remain uncertain as unemployment rate rises to 6.3% in May below the estimate of 6.2%



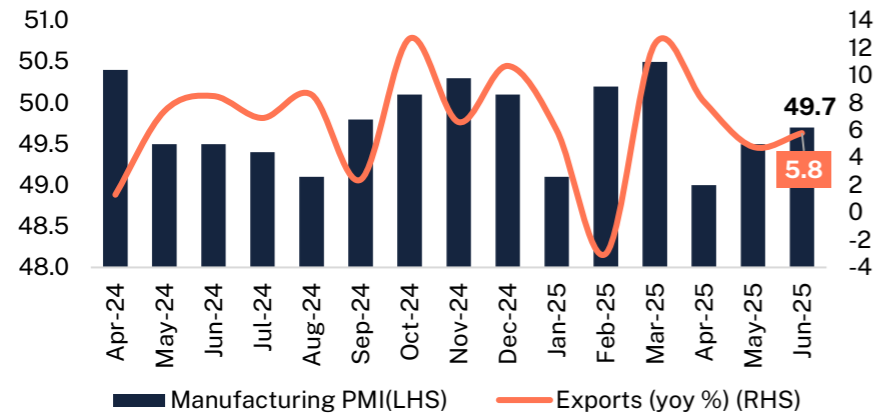
- What have we been saying?** Influx of exports ahead of the tariff increases helped strong Q1 GDP growth, however moderation is expected for the rest of the year as the uncertainty around the trade policy still looms over Eurozone.
- What still holds?** The uncertainty surrounding trade policies is expected to weigh on business investment and exports, especially in the short term. Rising government investment in defence and infrastructure will increasingly support growth over the medium term.
- What's shifted?** Inflation showed a slight uptick in June-25 and remains anchored to the ECB target of 2%. Economists expect a 25-bps rate cut in Sep-25. Labour markets remain volatile as unemployment rate rose to 6.3% (above the estimate of 6.2%). Given the uncertain macro environment, household confidence remains below its 5-year average. On a positive side, Composite PMI stayed in the expansion zone. We maintain a cautious stance on Europe given mixed data indicating no clear signs of revival.

Source: Bloomberg, Spark PWM

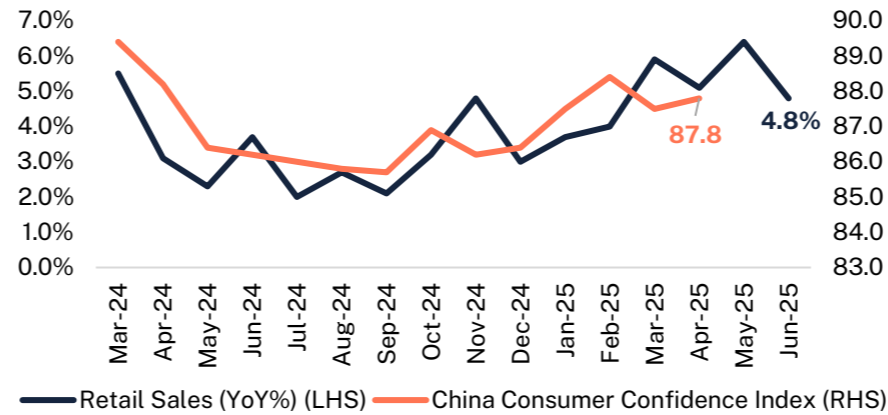
China: External Strength Offset by Domestic Fragility

Despite an uptick in manufacturing and exports, domestic demand remains volatile

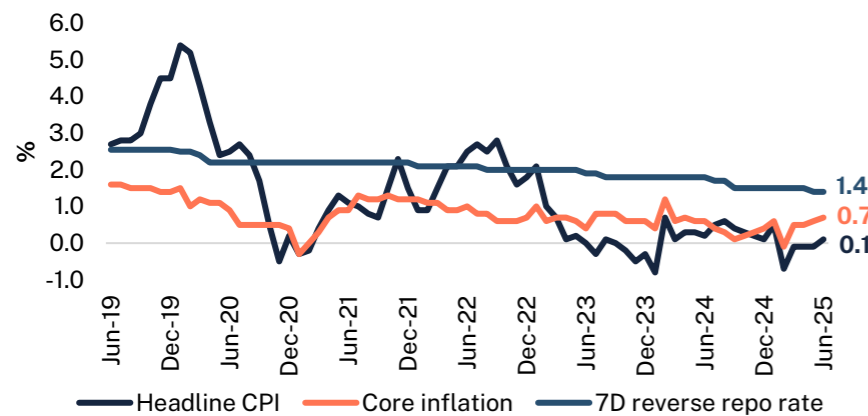
After a dip from highs of Mar-25 both Manufacturing PMI & Exports are showing signs of recovery following the trade truce with the US



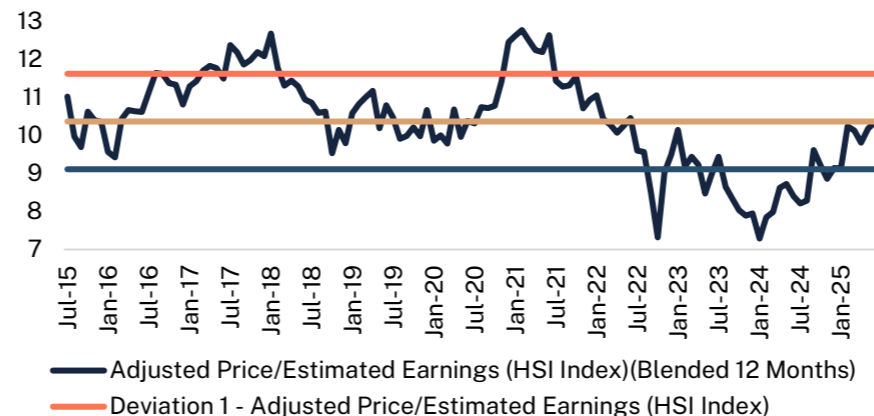
However, Retail Sales dipped in June-25 and consumer confidence remains fragile



Headline CPI rose 0.1% YoY in June 2025 surpassing market forecasts of a flat reading. Core inflation rose 0.7% YoY, marking the highest reading in 14 months



Hang Seng 12M Forward P/E Ratio now trading near its long-term average, reflecting a stabilizing market outlook



- **What have we been saying?** The PBOC's monetary easing policies that were introduced between September-October will not be sufficient in stimulating the economy. The trade tensions severely disrupted China's international trade with both exports and imports dipping since April-25
- **What still holds?** Despite weakness in the economy, equity markets remain stable and continue to trade near its long-term averages.
- **What's shifted?** Post the trade truce with US, both exports and manufacturing PMI has seen an uptick in June-25. Inflation rose to 0.1% in June-25 led by higher core inflation print. On the domestic front, retail sales dipped to 4.8% in June-25 and consumer sentiment remained fragile. Overall, we have a neutral stance on China.

Source: Bloomberg, Spark PWM

Summary

Local Story



Government Finances In Good Shape

- The Central Government's finances remain strong, with revenues exceeding expenditures even as capital spending surged in the first two months of the fiscal year.
- Trade deficit narrowed to four months low at USD 18.8 Bn.

Indicators Show Sustained Business Momentum and Consumer Growth

- High-frequency indicators point to sustained business momentum with composite PMI at 61 and E-Way bills up 19.3% YoY.
- Retail sales hit a 12-month high in June, with a positive H2 outlook supported by festive demand, tax cuts, and a good monsoon, amid ongoing India-US trade talks.

Good Monsoon To Support Rural Growth

- Rural FMCG volume growth has remained strong in the past few quarters and has significantly outpaced urban growth.
- The India Meteorological Department (IMD) has forecast above-normal monsoon rainfall for 2025, with expected rainfall exceeding 106% of the long-period average (LPA) which further suggests positive momentum for rural demand growth.

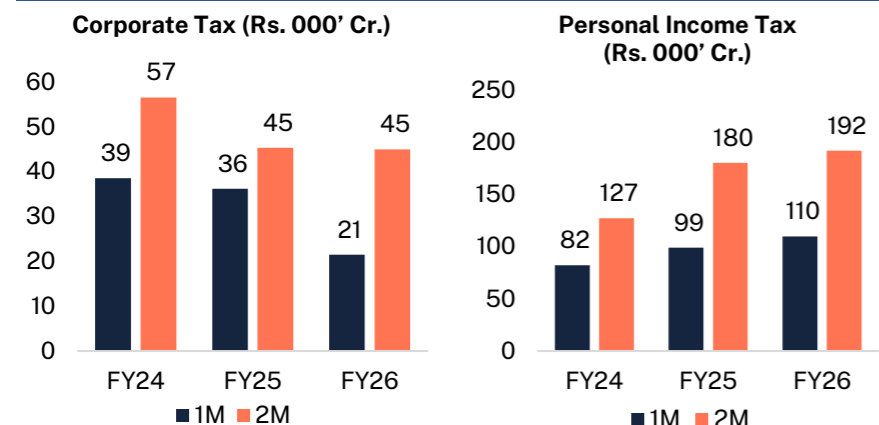
Government Finances Show Stable Start to FY26 With Strong Revenue and Capex Trends

The Central Government's finances remain strong, with revenues exceeding expenditures even as capital spending surged in the first two months of the fiscal year.

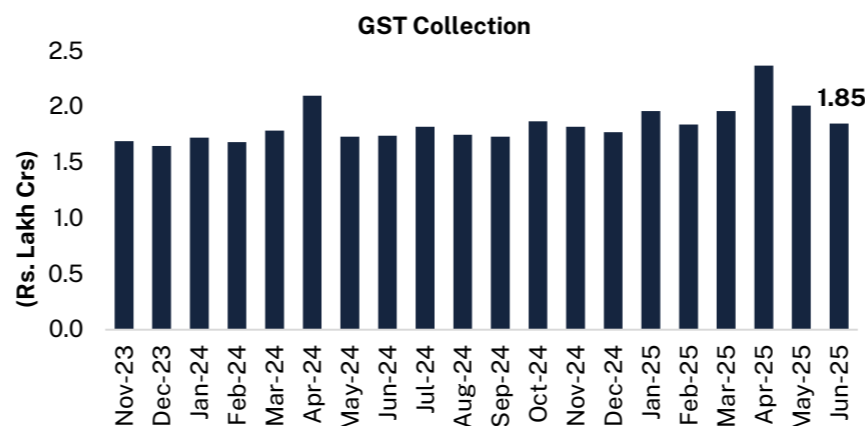
20% of budgeted capex already done in first two months of FY26 signaling a good start to the year

| Government finances (INR Bn) | Apr-May'24 | Apr-May'25 | Increase | Budget Estimates (FY26) | % of Budgeted Estimates |
|------------------------------|--------------|--------------|-------------|-------------------------|-------------------------|
| Total Expenditure | 6,235 | 7,461 | 20% | 50,653 | 15% |
| Revenx | 4,798 | 5,248 | 9% | 39,443 | 13% |
| Capex | 1,436 | 2,214 | 54% | 11,211 | 20% |
| Total Revenues | 5,708 | 7,304 | 28% | 34,674 | 21% |
| Tax Revenue | 3,190 | 3,509 | 10% | 28,374 | 12% |
| Non Tax Revenue | 2,517 | 3,569 | 42% | 5,830 | 61% |
| Others | 0 | 226 | NA | 470 | 48% |
| Fiscal Deficit | 527 | 158 | -70% | 15,979 | 1% |

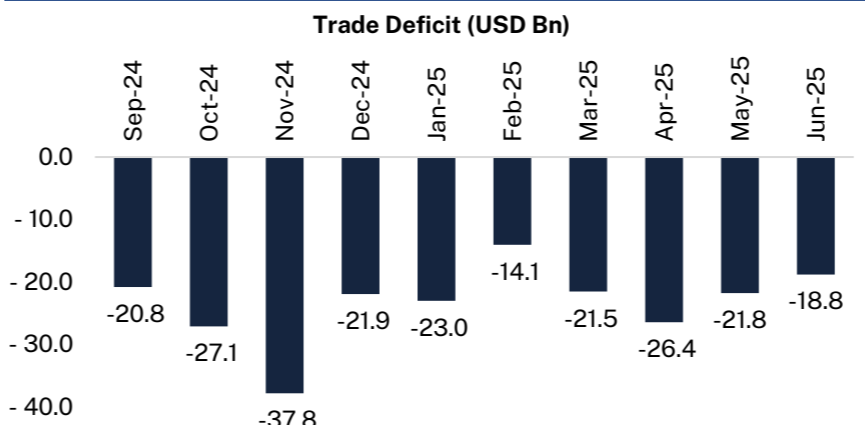
2M FY26 corporate tax nearly flat and personal income tax revenue grew 6% (YoY).



GST Collection Grew 6.4% YoY in June



Trade deficit narrowed from May driven by reduction in global crude oil prices



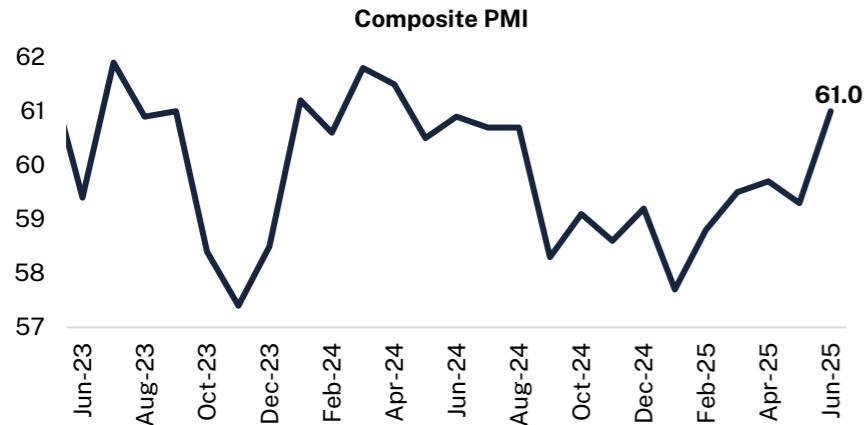
- **What have we been saying?** Government finances remained robust in FY25, comfortably meeting the fiscal deficit target. The sharp increase in capital expenditure during March and April 2025 reflects the government's continued commitment to infrastructure-led growth.
- **What still holds?** Government finances continue to be in a good shape.
- **What's shifted?** Trade deficit narrowed to four months low at USD 18.8 Bn due to steeper drop in non-oil imports and even as the value of exports slipped to a seven-month low following a drop in global commodity prices. The government has set a \$1 trillion export target for FY26, after India's total exports touched an all-time high of \$824.9 billion in FY25, marking a 6.01% increase over \$778.1 billion in FY24.

Source: India Government Controller General of Accounts, Spark PWM, Bloomberg, RBI

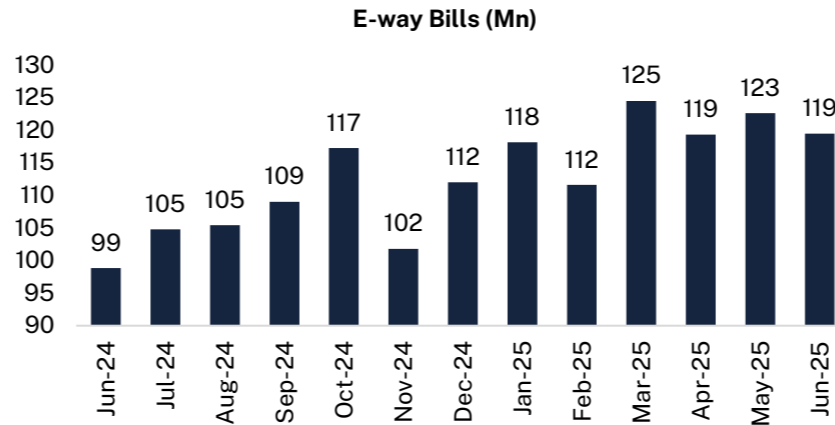
Indicators Show Sustained Business Momentum and Consumer Growth

High-frequency indicators point to sustained business momentum. Retail sales data indicate strengthening consumption and growing optimism.

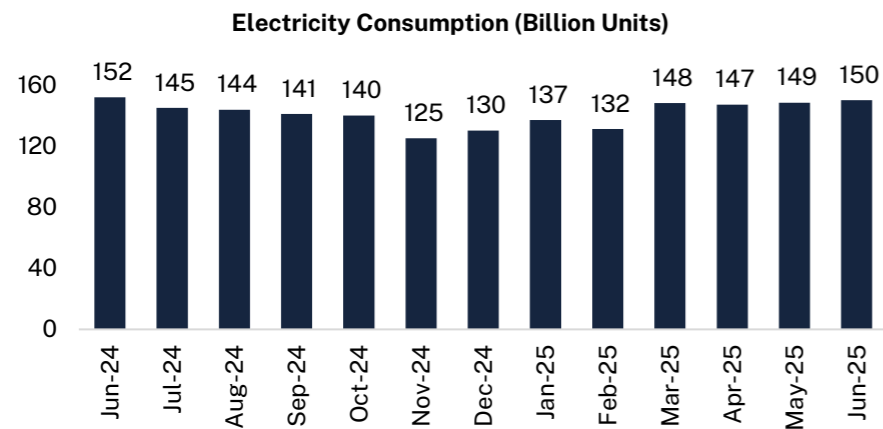
Composite PMI at 61.0 driven by strong momentum in services sector



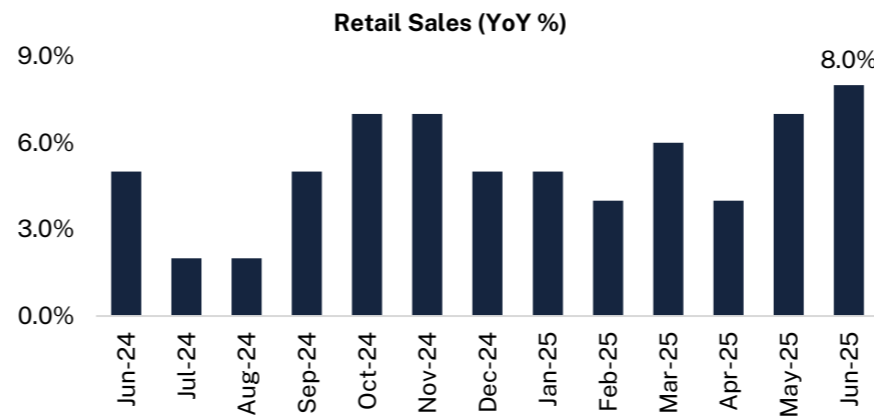
E-Way Bill Generation Eases 2.6% in June; YoY Growth Remains Robust at 19%



Monsoon Cools Demand: Power Consumption Dips 1.5% in June (YoY)



Retail Sales clocked 8% YoY growth in June-25; highest in last 12 months



▪ **What have we been saying?**

Economic activity has gained significant traction since January 2025, with strong performance across manufacturing and services, alongside a pickup in trade activity.

▪ **What still holds?**

Economic activity has again geared up in June with composite PMI reaching 61 staying well above the expansion zone largely driven by services sector. Good growth in E-way bills continues to hold up signaling sustained trade momentum.

▪ **What's shifted?**

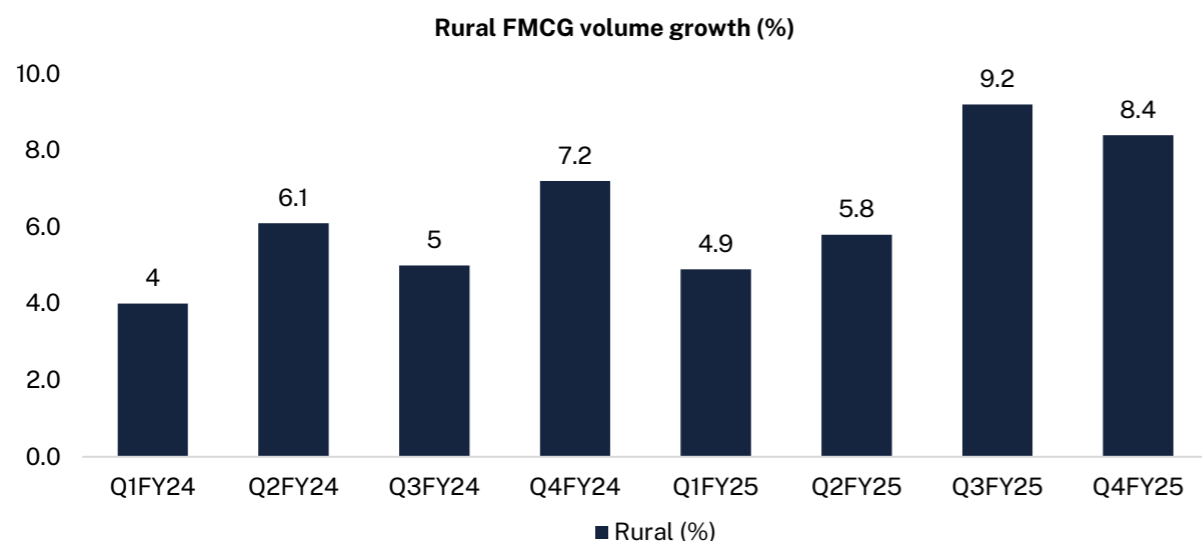
Retail sales growth reached a 12-month high in June. India continues to engage in active trade negotiations with the US, a key near-term event to monitor. While E-way bill generation and electricity consumption saw a slight moderation in June, the outlook for the second half of the year remains positive – supported by a favorable monsoon, festive season demand, and the boost from recent tax cuts.

Source: Retailer association of India, Spark PWM, Bloomberg, RBI

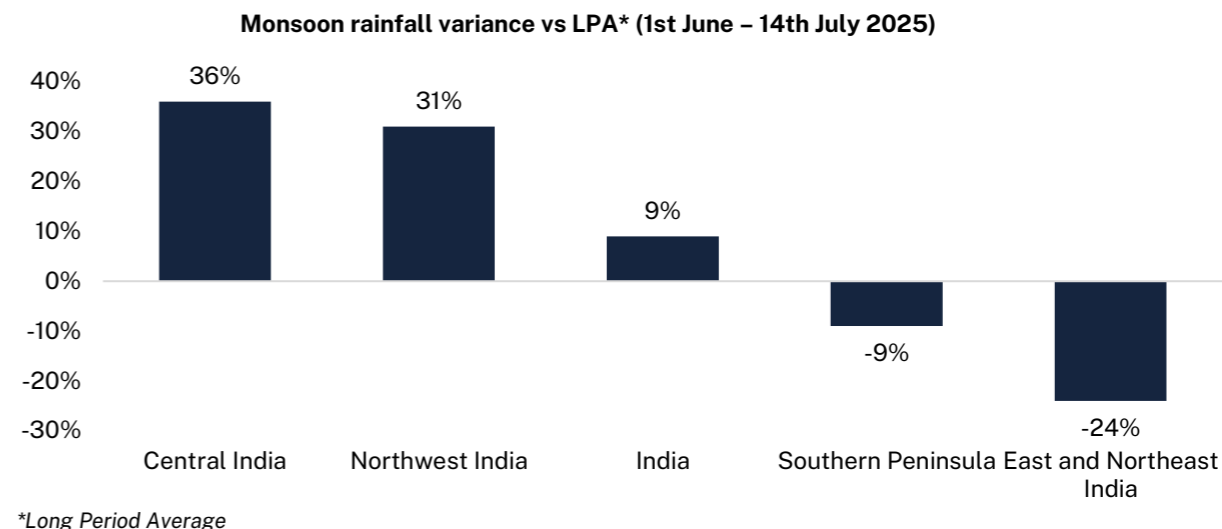
Weathering Well: Monsoon Above Normal, Rural Demand Strong

Easing inflation has fueled strong rural FMCG growth, above-normal monsoon bodes well for near term consumption trends

Rural consumption growth remains strong...



Favorable monsoon trends in majority of regions indicates positive momentum to continue in rural consumption.



- Rural FMCG volume grew 8.4% in Q1 FY25, significantly outpacing urban growth which slowed to 2.6%.
- Rural demand surged even four times faster than urban driven by easing inflation, favorable monsoon conditions, and resilient consumption of staples and personal care products.
- The India Meteorological Department (IMD) has forecast above-normal monsoon rainfall for July 2025, with expected rainfall exceeding 106% of the long-period average (LPA) which further suggests positive momentum for rural demand growth.
- This comes after June saw 9% more rainfall than the LPA, though the distribution was skewed – with Central and Northwest India receiving surplus rains, while Eastern and Peninsular regions experienced deficiencies.

Summary

Inflation and Rates



Fed: Tariff Impact Emerges as CPI Rises, But Fed Holds Course

- **Mixed Inflation Signals:** U.S. CPI rose to 2.7% in June (from 2.4% in May), indicating early signs of tariff-driven price pressures, while PPI eased to 2.3% — it's lowest since September.
- **Fed Policy Outlook Unchanged:** The Fed remains in a “wait-and-watch” mode, projecting a total of 50 bps rate cuts in 2025, but continues to caution that inflation risks remain tilted to the upside.

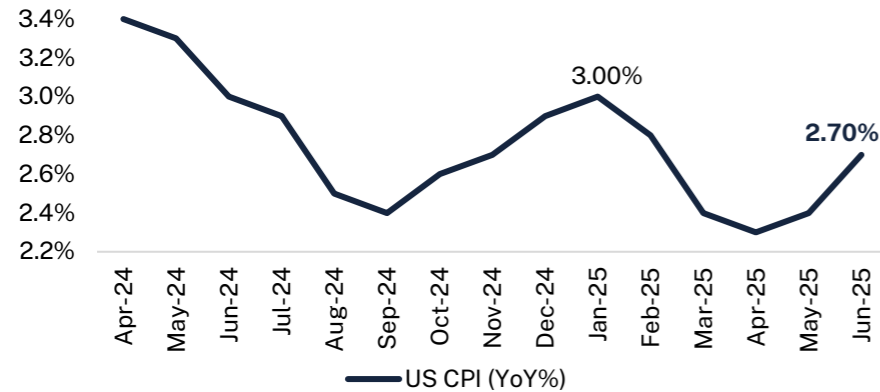
Inflation Cools Further, But Markets Signal RBI Rate Pause

- **Headline CPI fell to 2.1% in June 2025,** driven by a steep decline in food inflation, while core inflation remained steady — signaling continued price stability.
- **Despite disinflation, markets expect no further RBI rate cuts,** as the OIS curve reflects a policy pause following 100 bps of frontloaded easing.

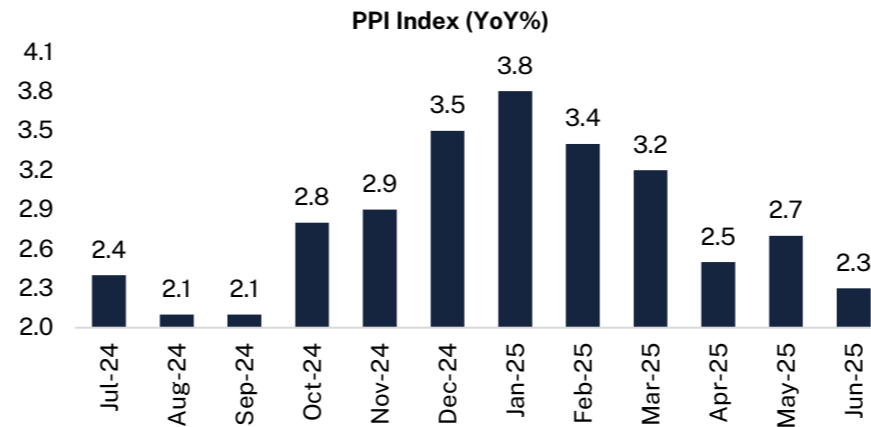
US: Inflation Conundrum, Rate Cut Expectations Remains Unchanged

Inflation data was mixed in June: consumer prices rose to 2.7% from 2.4% in May, hinting at tariff-driven cost pressures, while PPI inflation eased to 2.3% – the lowest since last September due to soft service prices.

US CPI rose at an annual rate of 2.7% in June 25

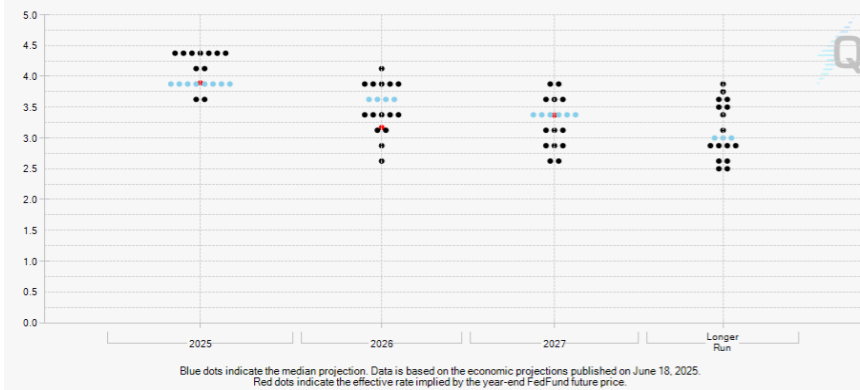


June's PPI inflation were up just 2.3% YoY



Latest dot plot indicates that the Fed is projecting a total of 50 bps rate cuts for 2025

FOMC PARTICIPANTS' ASSESSMENTS OF APPROPRIATE MONETARY POLICY: "DOT-PLOT"



Market expectations have been pulled forward

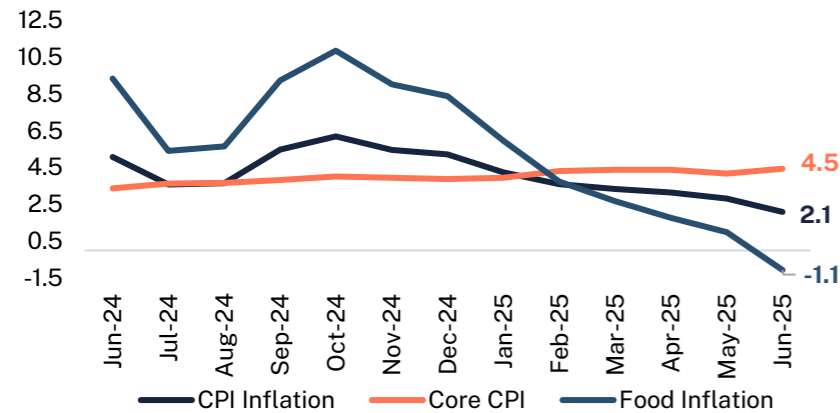
| Target Rate (bps) | Probability(%) | | | |
|-------------------|----------------|-----------|-----------|-----------|
| | Now * | 1 Day | 1 Week | 1 Month |
| | | 23-Jul-25 | 17-Jul-25 | 24-Jun-25 |
| 375-400 | 1.6% | 2.5% | 2.1% | 15.2% |
| 400-425 | 60.4% | 59.9% | 50.8% | 70.0% |
| 425-450 (Current) | 38.0% | 37.6% | 47.1% | 14.8% |

- **What have we been saying?** The Federal Reserve maintained the status quo on interest rates, signaling a continued 'wait-and-watch' approach. While labor market conditions remain solid, the Fed reiterated that inflation is still "somewhat elevated," warranting caution before any policy pivot.
- **What still holds?** The Fed continues to believe that risks to inflation are 'weighted to the upside'. The labor market continues to show resilience.
- **What's shifted?** June inflation showed early signs of tariff passthrough, with core goods (excluding used cars) rising at their fastest monthly pace since spring 2022. While some, like Fed Governor Waller, see the impact as short-lived and support a rate cut soon, most FOMC members remain cautious and prefer keeping policy moderately tight. Market believe as long as the Fed acts independently to meet its inflation and employment goals, tariffs are may not cause lasting inflation or market concerns.

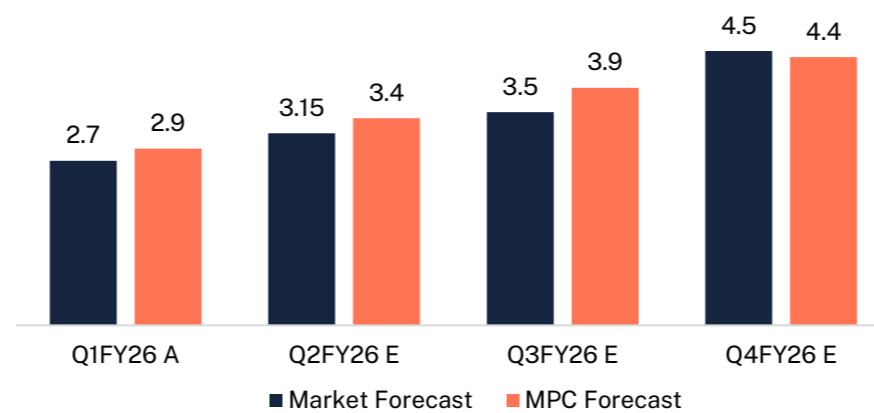
Soft Inflation Print, But Market Sees No Rate Cuts in Aug 2025

June CPI drops to 2.1% amid sharp food disinflation, but stable core inflation and OIS curve projections suggest no further rate cuts in the near term.

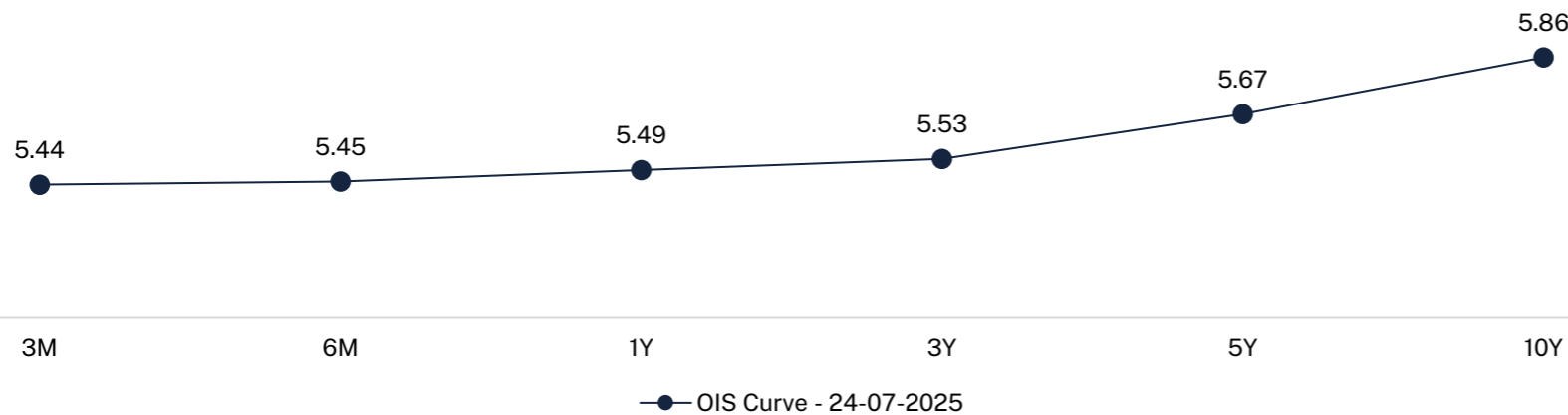
CPI inflation further moderated to 2.1% in Jun 2025, driven by a significant drop in food inflation, while core CPI remained steady



India YoY CPI Forecast suggests inflation to remain within MPC range



OIS Curve suggests markets are expecting no further rate cuts in the near term



- **What have we been saying?** The moderation in inflation on both a YoY and MoM basis along with prudent fiscal position made a plausible case for RBI to cut rates.
- **What still holds?** We continue to see signs that inflation to remain stable.
- **What's shifted?** Despite a sharper-than-expected decline in headline inflation, markets have significantly revised their expectations for monetary policy. With the RBI having frontloaded 100 bps of rate cuts thus far, market participants now anticipate a pause, expecting no further rate cuts in the near term. However, early signs of a demand slowdown in the economy could provide the RBI with room to resume rate cuts going forward.

Source: Bloomberg, RBI, Spark PWM

Summary

Valuation and Earnings



Decoding Valuations

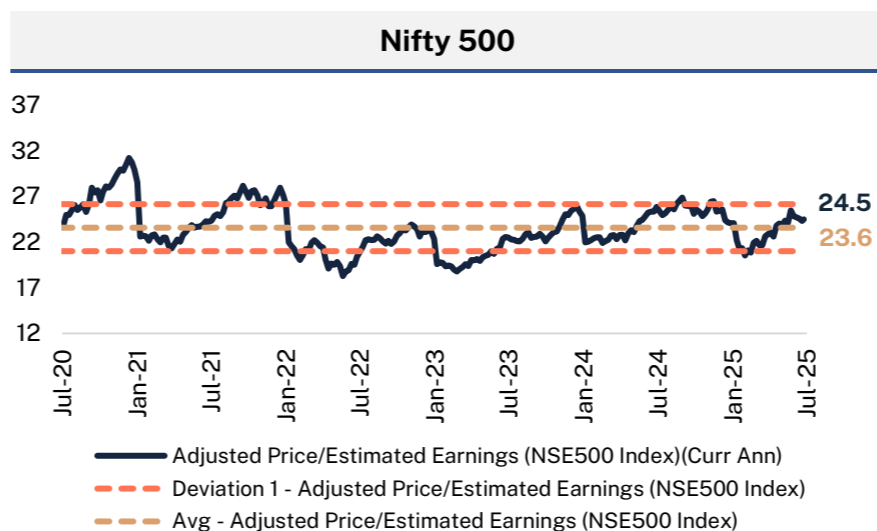
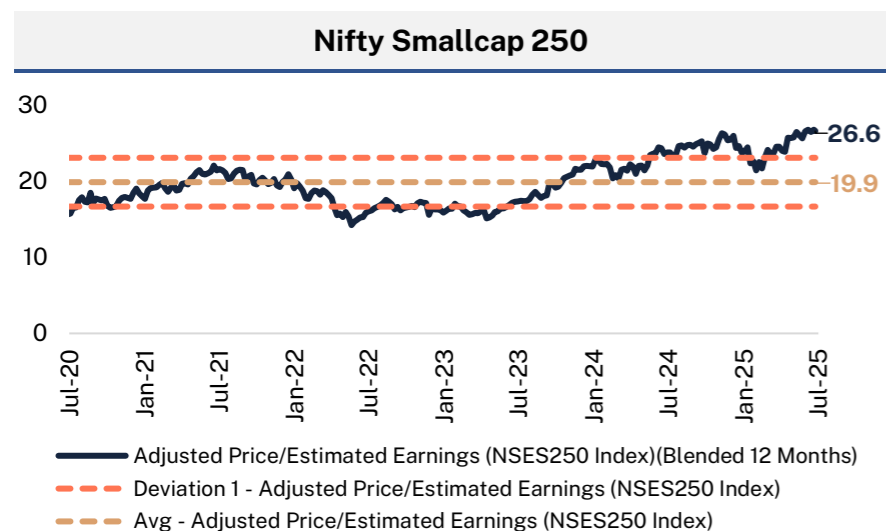
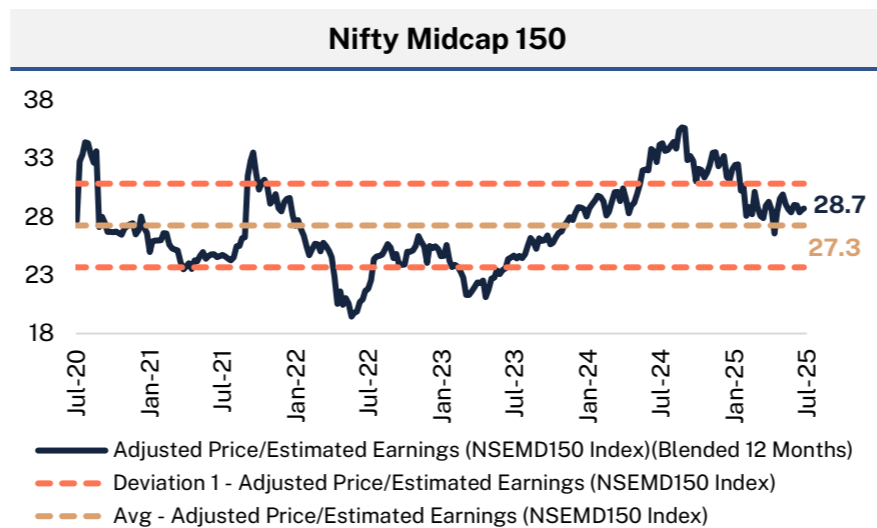
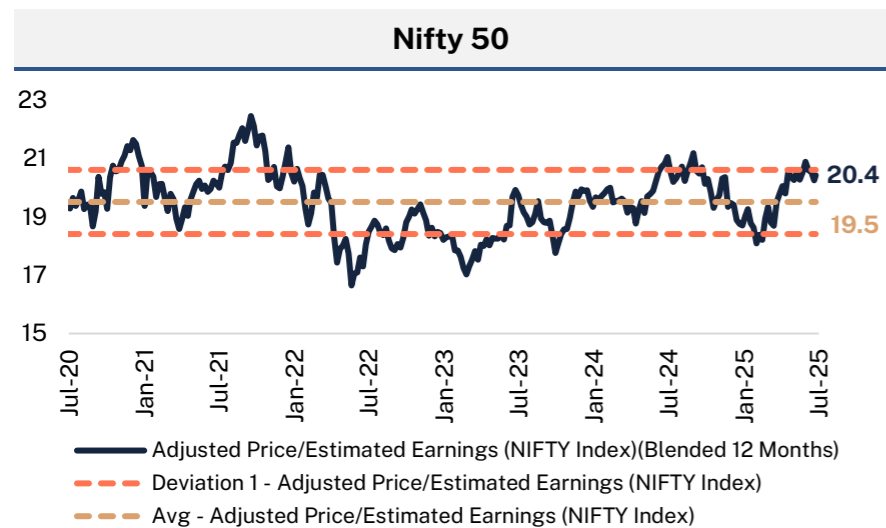
- **Large-Cap:** Currently trading near +1 SD above long-term average multiples.
- **Small-cap stocks:** Still trading above their respective long-term fair valuation multiples.
- **Mid-cap stocks:** Remain relatively less concerning compared to large and small caps.

Optimistic on Large Caps; Small & Mid caps Remain a Stock Picker's Market

- Despite Nifty-50 trading above long-term fair value on an absolute basis, the Nifty Top 10 Equal-Weighted Index is well below its historical average relative to the broader market, offering a more favorable risk-reward setup.
- Backed by robust balance sheets and a supportive macro environment, large caps provide scale, stable return ratios, and greater resilience—making them compelling picks amid market volatility.

Decoding Valuations

Large-cap stocks are trading at relatively high valuations, but the levels don't appear to be alarming. Small-cap stocks are trading at elevated valuations, warranting caution, while Mid-cap valuations, though slightly stretched, remain relatively less concerning.



Large Caps:

- Valuations are slightly below +1SD above the mean.
- Nifty 50 has been trading sideways during the month of July as FIIs are net sellers for the first time since Mar-25 suggesting caution while DIIs continues to be net buyers.

SMID Caps:

- Small caps are still trading above their respective long-term fair valuation multiples while midcap are trading just above their long-term fair valuation. We continue to believe that it remains as a stock pickers market.

Q1FY26 Earnings Outlook (1/2)

| Sector | Outlook |
|-------------|---|
| BFSI | <ul style="list-style-type: none"> Q1 FY26 is likely to be a transition quarter for Indian banks, marked by margin compression due to repo rate cuts but supported by strong credit growth, especially in SME and secured retail. NIMs are expected to decline modestly, while operating leverage and stable fee income should cushion profitability. Asset quality remains strong with high PCRs and adequate buffers despite some slippage pressure. Q1 FY26 was a muted quarter for life insurers, with subdued APE growth and VNB margin pressure due to regulatory changes and weak product mix. While MTM gains supported EV growth, operational metrics like RoEV remain under pressure. Q1 FY26 was a transitional quarter with banks facing NIM pressure amid moderate credit growth, while life insurers saw muted APE growth and margin headwinds. |
| IT | <ul style="list-style-type: none"> Q1 FY26 results for the Indian IT sector showed muted revenue growth and margin pressure, driven by weak discretionary spending and sector-specific headwinds. Overall, the sector remains in a low-growth phase, but strong deal pipelines and cost realignments point to gradual recovery in FY27, favoring selective large-cap exposure. |
| Oil & Gas | <ul style="list-style-type: none"> Q1 FY26 is likely to be strong for OMCs with a 35–50% QoQ EBITDA surge led by improved marketing margins and stronger GRMs. City Gas players may see 10–15% QoQ earnings growth on better realizations and lower gas sourcing costs. |
| Automobiles | <ul style="list-style-type: none"> The auto sector is likely to have a muted Q1 FY26, with profitability under pressure from rising commodity and regulatory costs. While overall demand stays uneven, tractors may offer some support due to improved rural sentiment and favorable monsoons. OEMs may see margin contraction, and broader segment performance is expected to be moderate to weak. |
| Consumer | <ul style="list-style-type: none"> The consumption sector is likely to post a modest sequential improvement in value growth in Q1 FY26, supported by better pricing, continued rural resilience, and a mild pickup in urban demand. However, unseasonal rains impacted summer portfolios across categories. Volume growth is expected to remain in the low to mid-single digits, with topline growth slightly ahead due to pricing actions. Operating margins are likely to contract, affected by high-cost inventory and weak operating leverage, though raw material cost benefits should emerge in coming quarters. In QSR, demand remained soft with limited signs of recovery, and profitability continues to be impacted by low store throughput and poor cost absorption. Consumption saw modest value growth in Q1 FY26 amid rural resilience and pricing gains, but margins remained under pressure due to soft volumes, high-cost inventory, and weak QSR demand. |
| Metals | <ul style="list-style-type: none"> In Q1 FY26, the metals sector is expected to see a margin uptick in steel driven by improved HRC and rebar prices along with stable raw material costs. EBITDA per ton for steel producers is likely to improve sequentially. In contrast, the aluminum segment may witness margin pressure due to a sharp decline in Aluminum and Alumina prices. Additional headwinds include adverse tariff impacts on imported aluminum, leading to a likely drop in overall profitability for the segment. In Q1 FY26, steel margins are set to improve on better prices and stable costs, while aluminum faces profitability pressure from price declines and adverse tariffs. |

Q1FY26 Earnings Outlook (2/2)

| Sector | Outlook |
|-----------------------------|---|
| Telecom | <ul style="list-style-type: none"> The telecom sector is expected to deliver strong YoY growth in Q1 FY26, driven by the recent tariff hikes and steady subscriber additions. ARPU is set to improve meaningfully, aiding revenue and EBITDA expansion. 4G/5G upgrades and rural penetration continue to support user growth. African operations may contribute positively, while tower firms benefit from higher co-locations despite margin pressure. |
| Pharma/ Healthcare | <ul style="list-style-type: none"> Q1 FY26 is expected to be stable for the healthcare sector with 7–10% domestic pharma growth, aided by acquisitions (e.g., Mankind–BSV, Alkem–Adroit). US formulation sales (ex-Revlimid) likely saw ~2% QoQ growth, supported by stable pricing and volumes. EBITDA margins should improve sequentially due to seasonality and lower R&D spends. CRDMOs posted mixed results, with Divi’s and Laurus leading, while others saw inventory normalization impact. Hospitals likely delivered ~15% YoY revenue growth, driven by new beds and acquisitions. |
| Cement / Building Materials | <ul style="list-style-type: none"> Cement volumes are expected to grow 6% YoY, aided by a low base, while realizations may rise ~3% QoQ due to stable pricing; however, margins face pressure from rising costs and weak operating leverage. The building materials sector saw sluggish demand, with wood panel players standing out due to BIS-led import curbs and market share gains. Pipe and tile companies likely posted low single-digit volume growth, impacted by weak rural demand and cautious channel stocking amid volatile PVC prices. |
| Chemicals | <ul style="list-style-type: none"> The chemicals sector is expected to show moderate revenue growth driven by normalization in demand and volume gains across specialty and basic chemicals. Pricing pressures persist due to elevated Chinese exports and subdued end-market conditions, impacting margins unevenly. While some segments benefit from volume growth and stable input costs, others may face margin compression due to rising raw material expenses. Overall, the sector is likely to deliver steady top-line performance with mixed margin trends in Q1 FY26.. |
| Realty | <ul style="list-style-type: none"> The real estate sector saw moderate overall launches, with premium developers driving strong pre-sales momentum, hitting record booking values. Key projects in major cities witnessed quick sell-outs and robust demand, though some launches contributed less due to late-quarter timing. Consumption growth improved significantly, supported by new capacities and stable occupancy rates around 70%. Focus remains on pre-sales guidance, launch pipelines, collections growth, land acquisitions, and office leasing momentum from domestic and GCC tenants. |

Summary

Allocation of Capital



FPIs recorded net outflows, while DIIs remained net buyers, though at a slower pace. SIP and MF inflows continue to show strong momentum.

- In July 2025, FPIs posted net equity outflows of INR 7,333 Crs, while DIIs, following two months of strong buying, continued their momentum with net purchases amounting to INR 39,826 Crs.
- Gross SIP inflows rose 28% YoY to INR 27,269 Crs in June 2025.

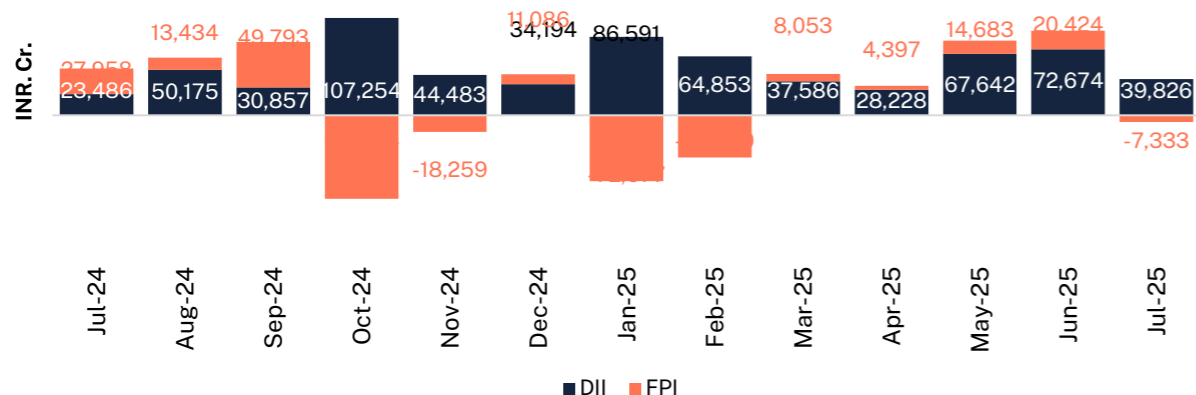
Where the Money's Moving: Sector-Wise FII Trends

- FII flows remained mixed, with sustained inflows into Financial Services, Oil & Gas, Services, and Telecommunication, while Consumer Durables, Information Technology, and FMCG experienced persistent outflows.

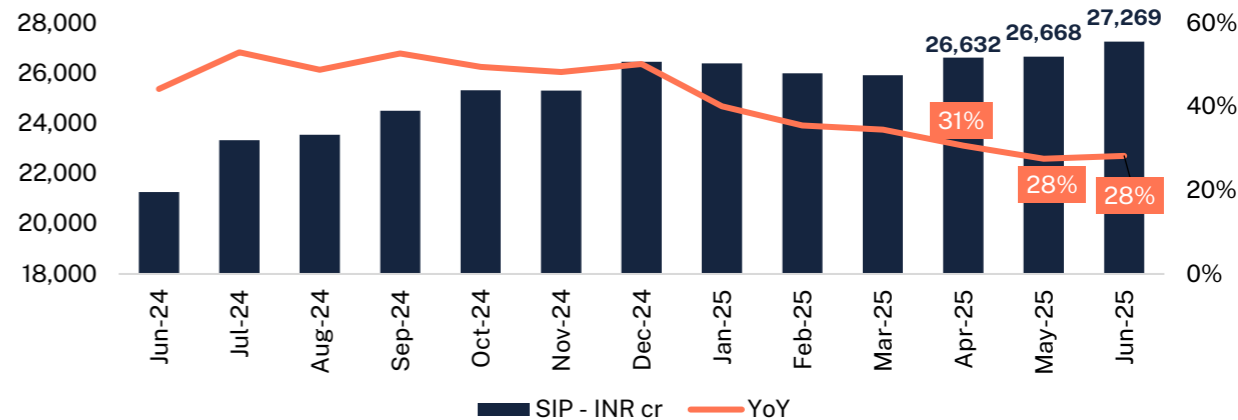
Institutional activity moderates, retail flows stay resilient

FII and DII are turning cautiously optimistic, signaling a preference for quality and valuation-driven strategies; SIP and mutual fund inflows continue to show strength

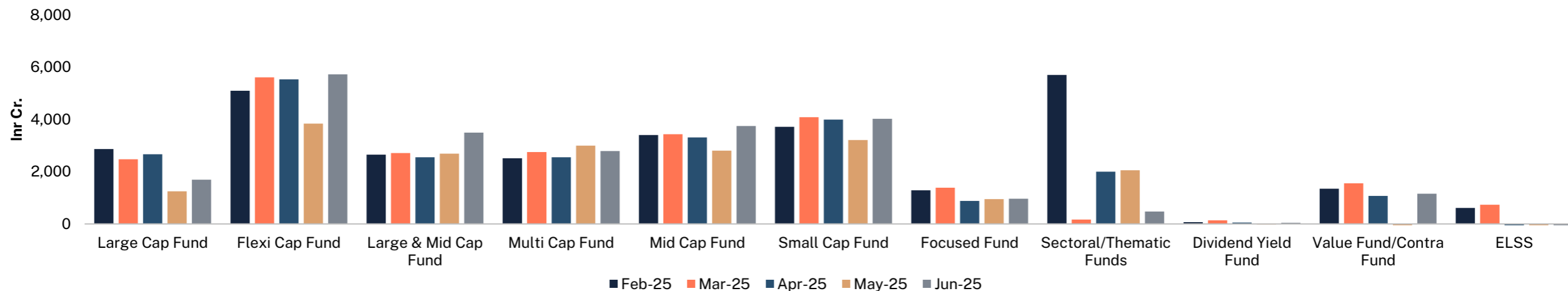
Slow down by FIIs & DIIs is signalling a shift to quality and valuation driven strategies



Gross SIP Inflows Rose 28% YoY to INR 27,269 Cr in June 2025



Equity Mutual Fund Flows - June 2025 (Rs. Crore)



Source: Bloomberg, Association of Mutual Funds in India, NSDL, SEBI, Spark PWM

Where the Money's Moving: Sector-Wise FII Trends

FII flows remained mixed, with sustained inflows into Financial Services, Oil & Gas, Services, and Telecommunication, while Consumer Durables, Information Technology, and FMCG experienced persistent outflows.

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

| SECTOR / DATE | 15-May-25 | 31-May-25 | 15-Jun-25 | 30-Jun-25 | 15-Jul-25 |
|--------------------------------|---------------|---------------|-----------------|---------------|------------|
| Automobile and Auto Components | 1,610 | (1,509) | (296) | 5,014 | (1,134) |
| Capital Goods | 2,229 | 3,089 | 1,188 | (3,022) | 899 |
| Chemicals | 833 | 475 | 1,405 | 987 | 168 |
| Construction | (191) | 456 | (225) | 237 | (137) |
| Construction Materials | 155 | 420 | (584) | 842 | 136 |
| Consumer Durables | (622) | (1,112) | (1,893) | (600) | (1,292) |
| Consumer Services | 1,198 | (1,731) | (1,461) | 2,809 | 949 |
| Fast Moving Consumer Goods | (1,057) | 1,872 | (3,626) | (371) | (1,428) |
| Financial Services | 2,901 | 969 | 3,235 | 4,615 | 1,458 |
| Healthcare | (682) | (2,008) | 39 | (485) | (757) |
| Information Technology | 289 | (2,725) | (1,713) | 2,879 | (5,479) |
| Metals & Mining | 104 | (39) | (458) | (1,059) | 1,709 |
| Oil, Gas & Consumable Fuels | 2,334 | 390 | 921 | 4,938 | 854 |
| Power | (517) | (1,792) | (3,153) | (3,198) | 165 |
| Realty | (824) | (1,490) | 538 | 1,000 | (752) |
| Services | 1,756 | 6,203 | 403 | (57) | 2,734 |
| Telecommunication | 1,037 | 7,052 | (887) | 3,620 | 283 |
| Others | (24) | 28,218 | (13,570) | 3,438 | 2,481 |
| Total | 10,529 | 36,738 | (20,137) | 21,587 | 857 |

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

Summary

Trends and Sentiments



Thesis in Action: Silver Outpaces Gold as Expected

- Silver remained inexpensive relative to gold, presenting a compelling contrarian investment opportunity.
- In the past month, silver has rallied ~9%, significantly outpacing gold's ~2% gain.
- This recent outperformance reiterates our bullish view on silver's relative upside potential in the ongoing metals bull market.

Weakening Dollar: Impact on Asset Prices, Policy Rates and Real Economy

- A 5–10% decline in the USD since Jan-2025 has boosted EM liquidity, driving a 16% rally in EM equities and supporting global monetary easing, with policy rates cut by 50–100 bps.
- Despite range-bound PMIs and nascent trade recovery, reflating asset prices and easing policies are expected to gradually expand global economic activity.

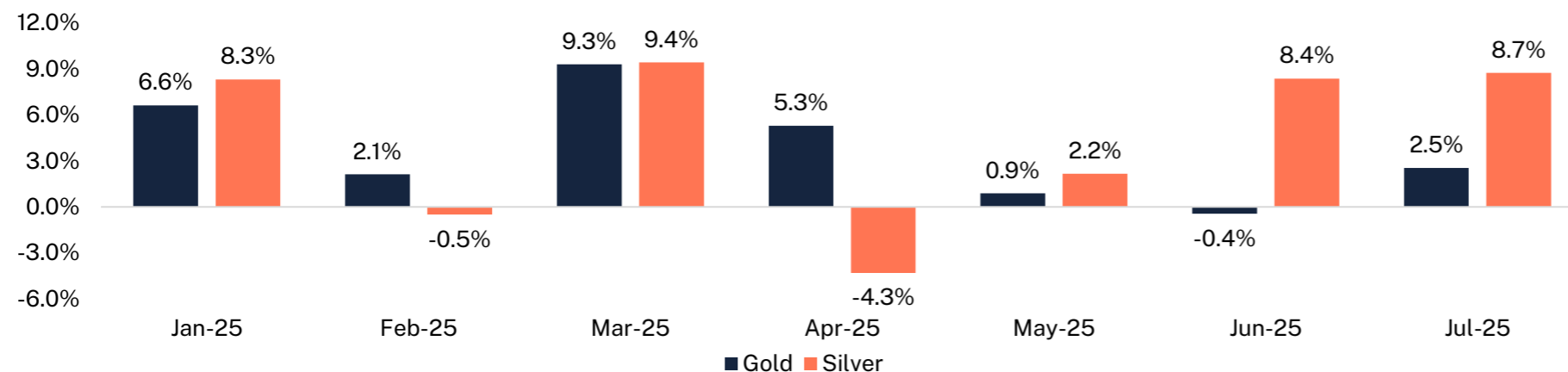
Thesis in Action: Silver Outpaces Gold as Expected

Silver's recent outperformance vs gold reaffirms our bullish stance on its undervaluation and upside potential in the ongoing metals bull market

Elevated Gold To Silver Ratio Indicating Good Times For Silver Ahead



In the last 3 months, silver has outperformed gold...



What was our stand?

- Elevated gold-to-silver ratios often indicate that silver is undervalued and tends to outperform gold in such phases.
- Silver remained inexpensive relative to gold, presenting a compelling contrarian investment opportunity.
- Historically, silver has outperformed gold during precious metals bull markets, and current macro trends supported that setup.

What has happened?

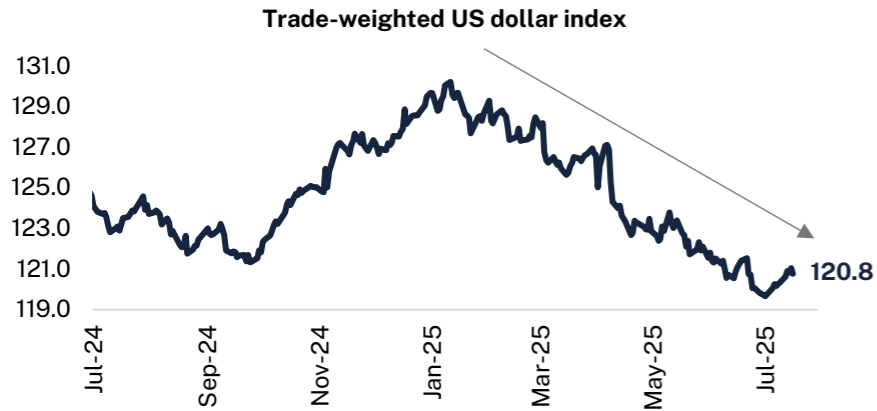
- In the past month, silver has rallied ~9%, significantly outpacing gold's ~2% gain.
- Gold has reached a new inflation-adjusted all-time high in 2024, but silver still trades below its 2011 peak.
- This recent outperformance reiterates our bullish view on silver's relative upside potential in the ongoing metals bull market.
- We continue to reiterate our view on silver outperforming gold due to elevated gold to silver ratio and we expect the ratio to narrow down in the near term.

Source: Bloomberg, Spark PWM, The Silver Institute

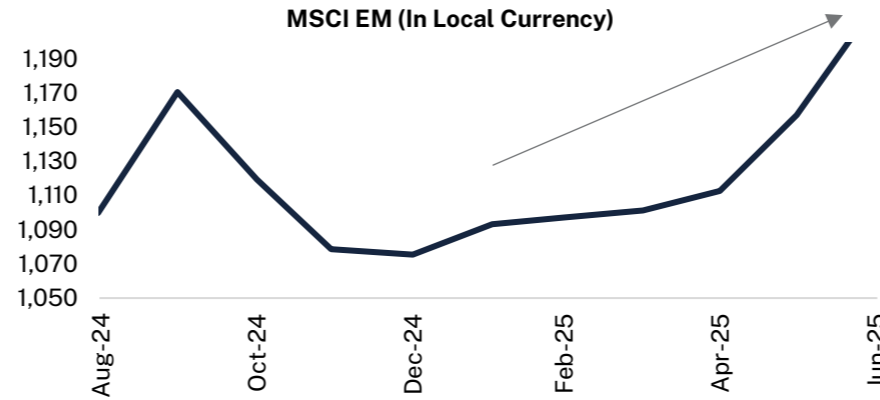
Weakening Dollar: Impact on Asset Prices, Policy Rates and Real Economy

USD weakness transmits through 3 key channels: it lifts asset prices, supports monetary easing, and the real economy expands

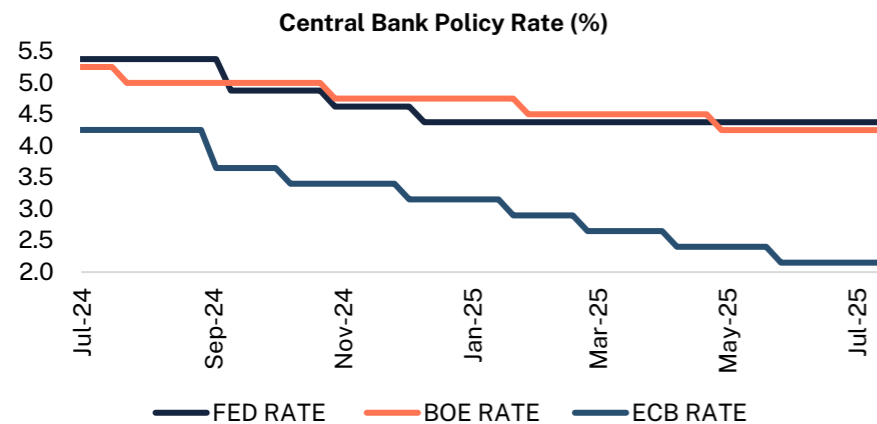
USD has weakened meaningfully from peak



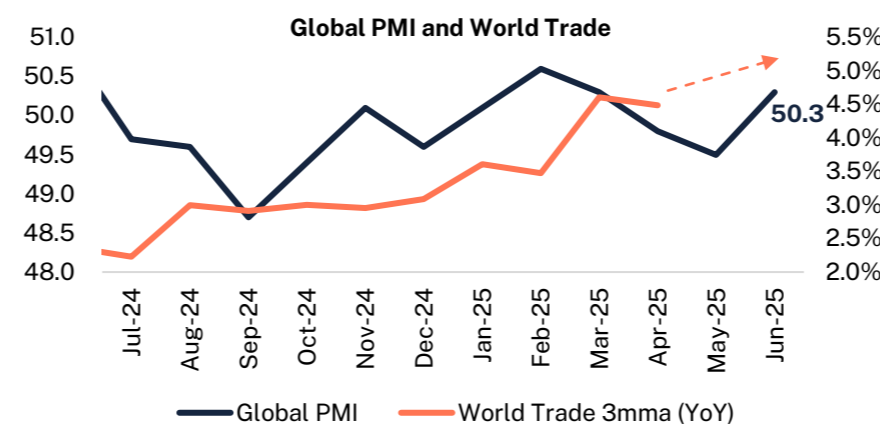
USD weakness has certainly lifted equities



Weak USD has also resulted in global central banks cutting rates by 50–100bps in 2025 despite the Fed staying on a pause



Economic expansion: Global PMI has remained range-bound however world trade growth looks decent



Weakening Dollar Positive Sign For EMs

USD: The US Dollar has corrected sharply from its January 2025 highs, declining 5–10% against both EM and DM currencies.

EM Equities: Historically, such broad-based USD weakness supports EM liquidity – and this time is no different. EM equities, which had been under pressure, have rebounded strongly, rising 16% since January.

Policy Rates: The softer USD has also coincided with global central banks cutting policy rates by 50–100 bps in 2025, even as the Fed remains on hold.

Real Economy Expands: The combination of reflating asset prices and easing by global central banks lifts global money supply and world trade growth.

Although, as per recent data, Global PMI has remained range-bound and world trade is only beginning to show early signs of recovery, we expect the global economy to gradually gain momentum and expand over time.



01 EXTERNAL INFLUENCE

- US- Cautious Amid Fiscal and Trade Uncertainty: Tariff-related uncertainty are clouding the economic trajectory. The Fed remains in “wait and watch” mode, with market participants seeking clarity on trade impacts not yet visible in key indicators.
- Europe – Cautious: Europe’s outlook remains cautious amid weak demand and rising unemployment, with some support from stable inflation, government spending, and a resilient PMI; policy decisions will remain data-driven.
- China – Neutral: China’s markets remain stable amid early signs of recovery post-US trade truce, but weak domestic demand keeps the outlook neutral.

02 LOCAL STORY

- Strong Macro Fundamentals: Government finances are healthy with surplus revenues despite higher capital spending; trade deficit narrowed to a 4-month low. High-frequency indicators, including a 61 composite PMI and 19.3% YoY rise in E-Way bills, reflect robust business momentum and improving consumer sentiment.
- Rural Demand Outlook Positive: Above-normal monsoon forecast and strong rural FMCG volume growth – outpacing urban areas – signal continued strength in rural consumption.

03 INFLATION & RATES

- US- Inflation Eases, But FOMC cautious: CPI rose to 2.7% in June amid early tariff effects, but with PPI easing, the Fed maintains its cautious stance and steady rate cut outlook for 2025.
- India- June CPI drops to 2.1% amid sharp food disinflation, but stable core inflation and OIS curve projections suggest no further rate cuts in the near term.

04 VALUATION & EARNING

- Large caps offer a favourable risk-reward setup: Despite Nifty-50’s premium valuation, the Nifty Top 10 Equal-Weighted Index trades below its historical average, supported by strong balance sheets and macro tailwinds.
- Selective approach key in small & mid caps: With valuations still elevated, small and mid caps remain a stock picker’s market, while mid caps are relatively better placed than small caps.

05 ALLOCATION OF CAPITAL

- Domestic Flows Remain Strong Despite FPI Outflows: In July 2025, FPIs saw net equity outflows of ₹7,333 Cr, while DIIs remained steady buyers with ₹39,826 Cr in net purchases. SIP inflows stayed robust, rising 28% YoY to ₹27,269 Cr in June.
- Sectoral FII Trends Diverge: FIIs showed consistent buying in Telecom, Healthcare, and Chemicals, while Auto, Oil & Gas, and Construction sectors faced sustained outflows over the past 12 months.

06 TRENDS & SENTIMENTS

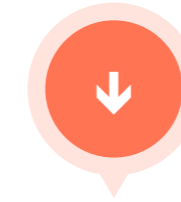
- Silver Outperforms Gold: Silver has surged ~9% over the past month, outperforming gold’s ~2% gain, reinforcing our bullish view on its relative value in the ongoing metals rally.
- USD Weakness Fuels Risk Assets: A 5–10% drop in the USD since Jan-2025 has boosted EM equities (+16%) and supported global rate cuts, setting the stage for a gradual economic recovery.

Spark PWM Portfolio Exposure



India Equities Earnings Outlook

- We estimate that NIFTY 50 will deliver **earnings growth of 9.3%** over CY24-26E.
- On the risk adjusted return based on the 'ELIVATE' framework, we continue to maintain our equal weight stance on equities. We will try to mitigate the correction risk by increasing allocation to large-cap and participating through lower beta products and fund managers.
- On a sectoral basis, we are OW on Banks, Auto, and Pharma.

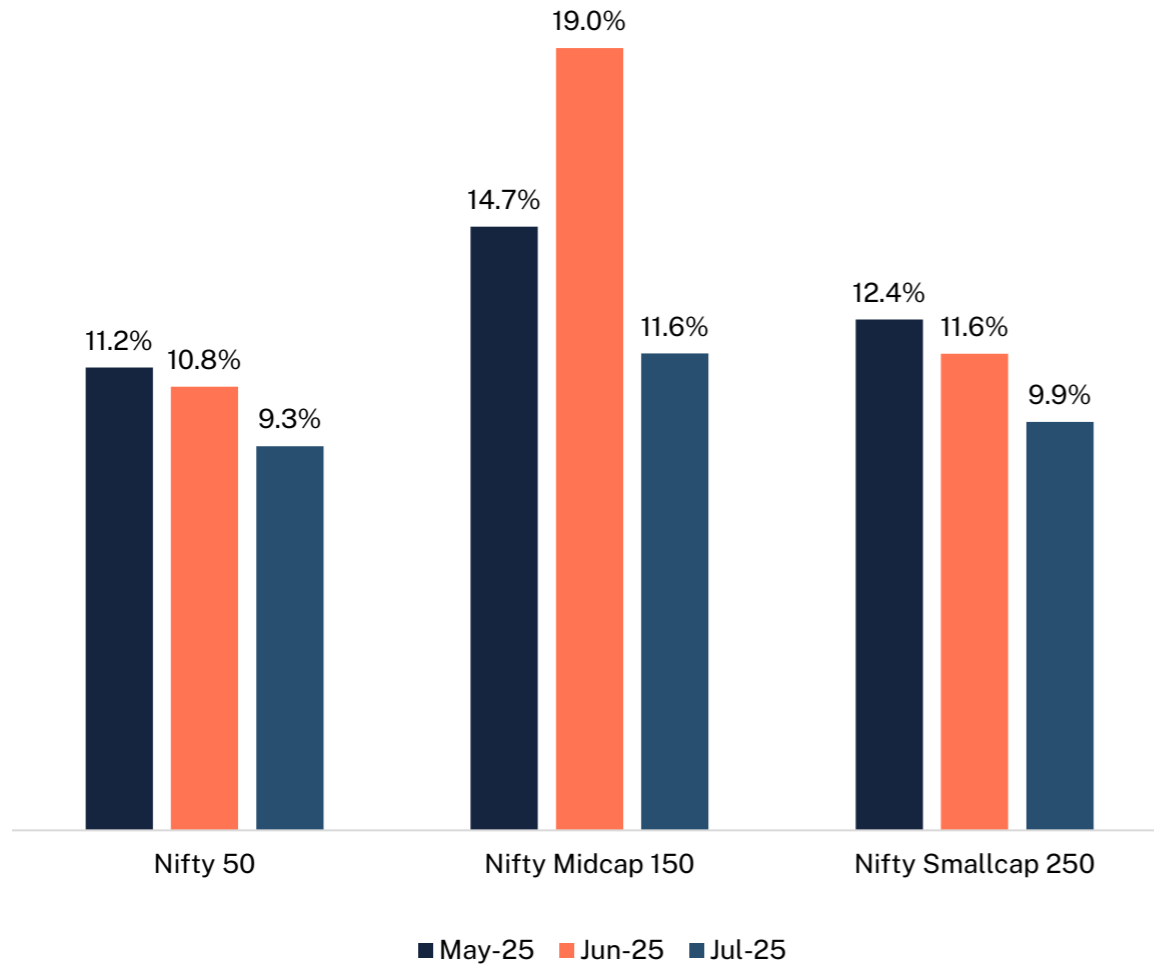


India Fixed Income Outlook

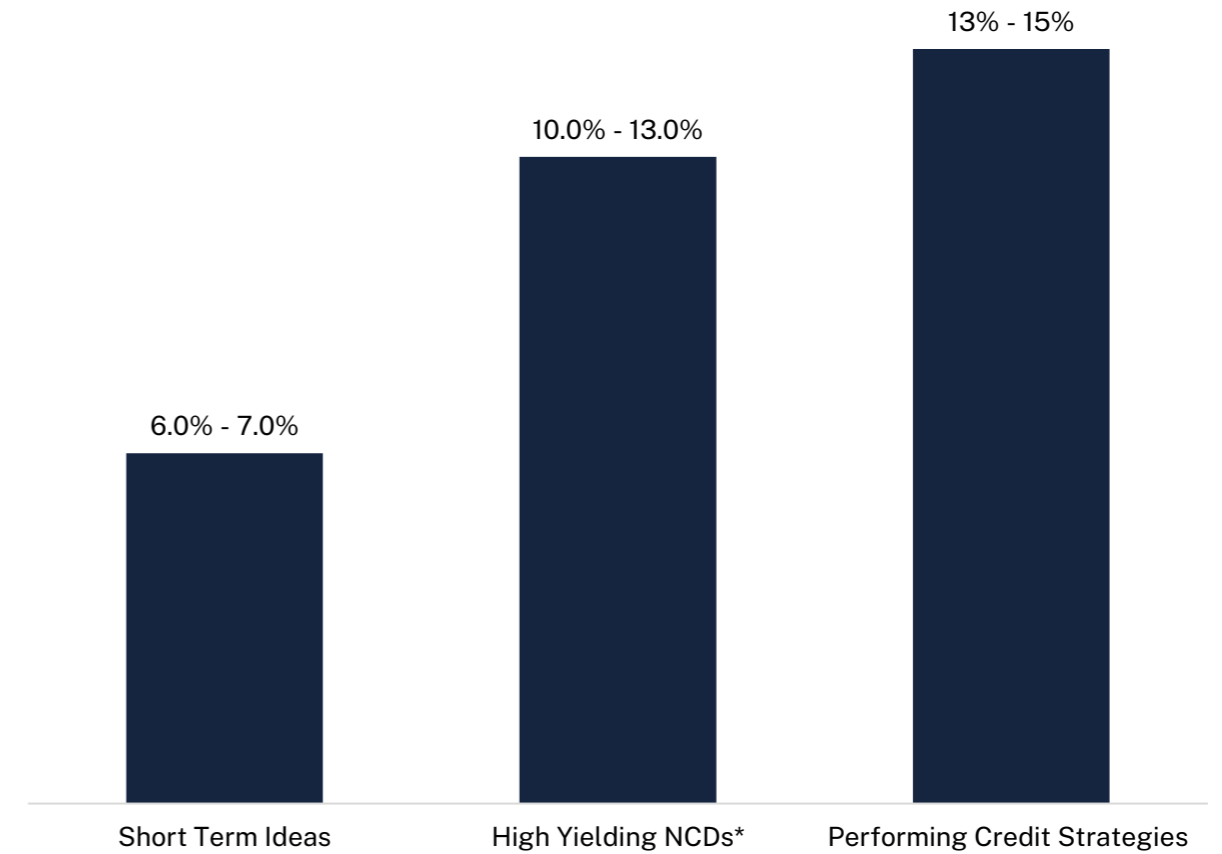
- Banking system liquidity continues to remain in surplus at ~2.17 Lakh Cr, with RBI actively managing it through VRRR and VRR operations
- On the back of surplus banking system liquidity, the inversion in the corporate bond curve has now normalized, however, it continues to offer attractive carry opportunities
- With bulk of the duration gains now behind us, we suggest focusing on accrual in the corporate bond segment

Expected Return & Asset Allocation

Index Expected Earnings (CY24-26E %)



Debt Yield Expectations (Accrual)



Source: Bloomberg, Spark PWM
 * High Yielding NCDs with indicative rating ranging from BBB+ to A+

Summary

India Equity



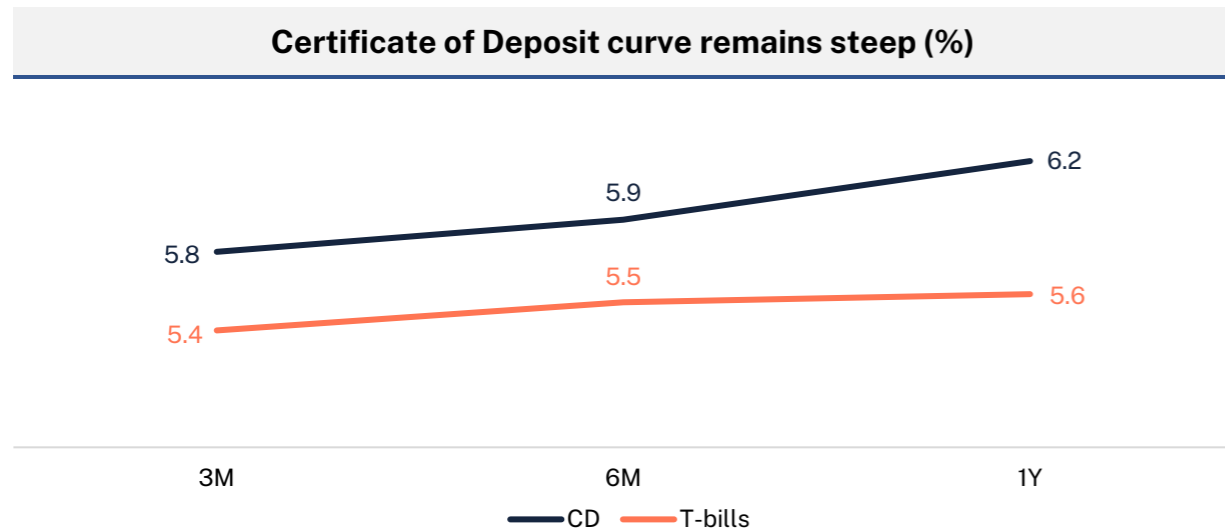
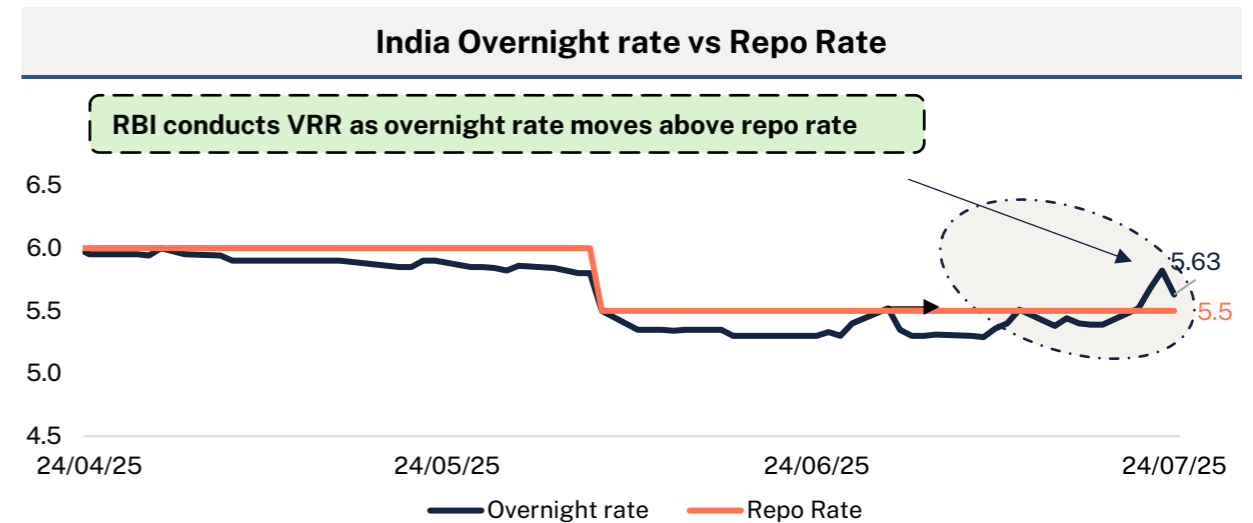
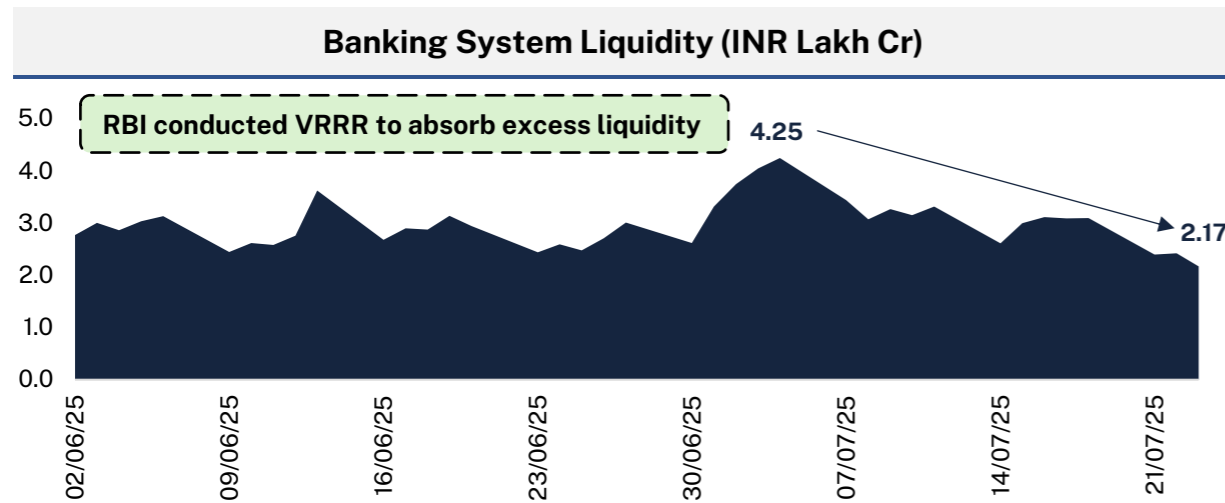
Our view:

Market Outlook:

- Markets are expected to remain a volatile and wait for triggers on either side. We expect large caps to outperform over mid- and small caps on back of better valuation comfort.
- While sector positioning supports our positive stance on Banking, Auto, and Telecom, we believe that execution and delivery will matter more than thematic alignment, especially in a market transitioning from hope to performance-based re-rating. We recommend avoiding aggressive fresh exposure to overbought SMIDs unless backed by strong earnings and consistent execution.
- **Key Sectors:** Financials, Industrials, Energy and Auto are some sectors where we observe strong growth, given positive trends in ROEs and robust balance sheets.
- **Quality stocks**—characterized by profitability, scalability, and operational resilience—are expected to lead any market recovery, given their earnings durability. However, the ongoing broad market correction also opens selective opportunities in value stocks, many of which are trading below intrinsic value, especially in cyclical or under-owned segments.
- **Fundamentals Intact: Foundation for Long-Term Gains:** Despite recent volatility, the long-term market underpinnings remain robust, driven by:
 - Healthy corporate and bank balance sheet
 - Improving Return on Equity (RoE) metrics
 - Controlled leverage and strong free cash flow generation

RBI Actively managing liquidity through VRRR and VRR Operations

Short-Term Rate Pressure Amid VRRR Absorption and GST Outflows



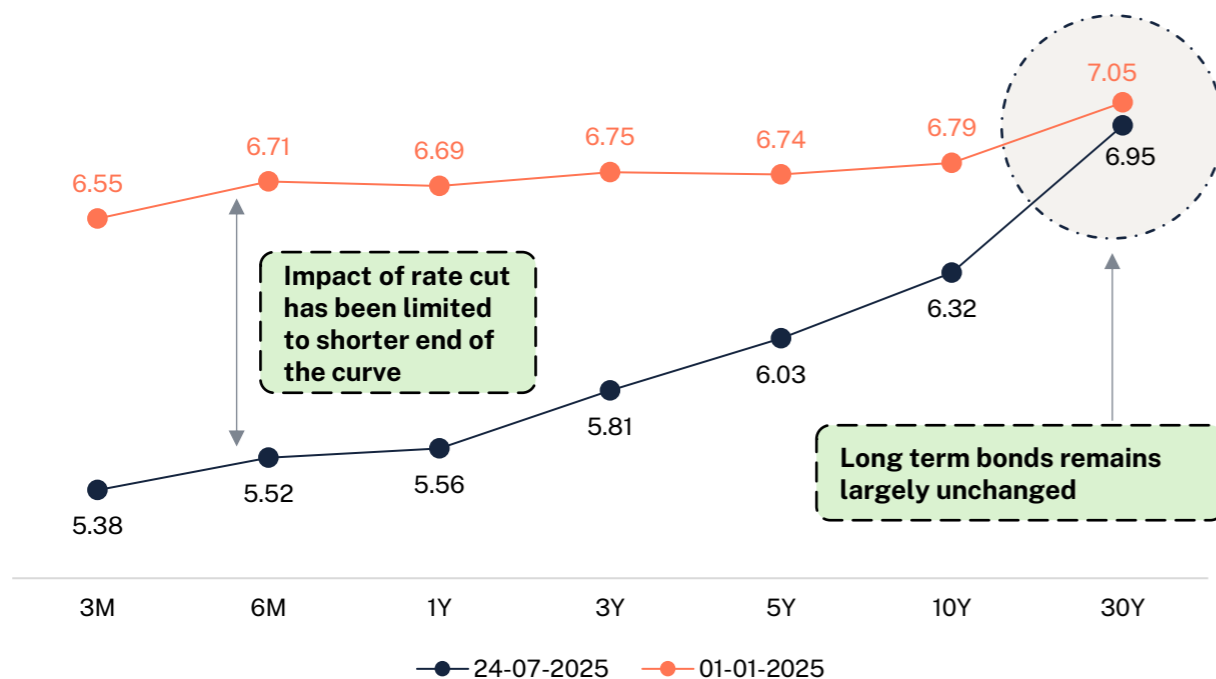
- RBI has conducted multiple VRRR auctions to absorb surplus liquidity, as overnight market rates had been drifting below the repo rate – prompting the central bank to steer them closer to the repo rate.
- RBI conducted a surprise VRR auction in late July infusing ~50,000 Cr, actively responding to evolving liquidity pressures and hardening overnight rates, further strained by GST led outflows
- Overnight rates may face upward pressure due to GST outflows and continued VRRR absorption by RBI. Despite tight liquidity in the short term, the steepness in the CD curve versus T-bills suggest attractive risk-reward profiles in money market instruments with up to 1 year maturity

Source: Bloomberg, Spark PWM.
Data as of 24th July 2025

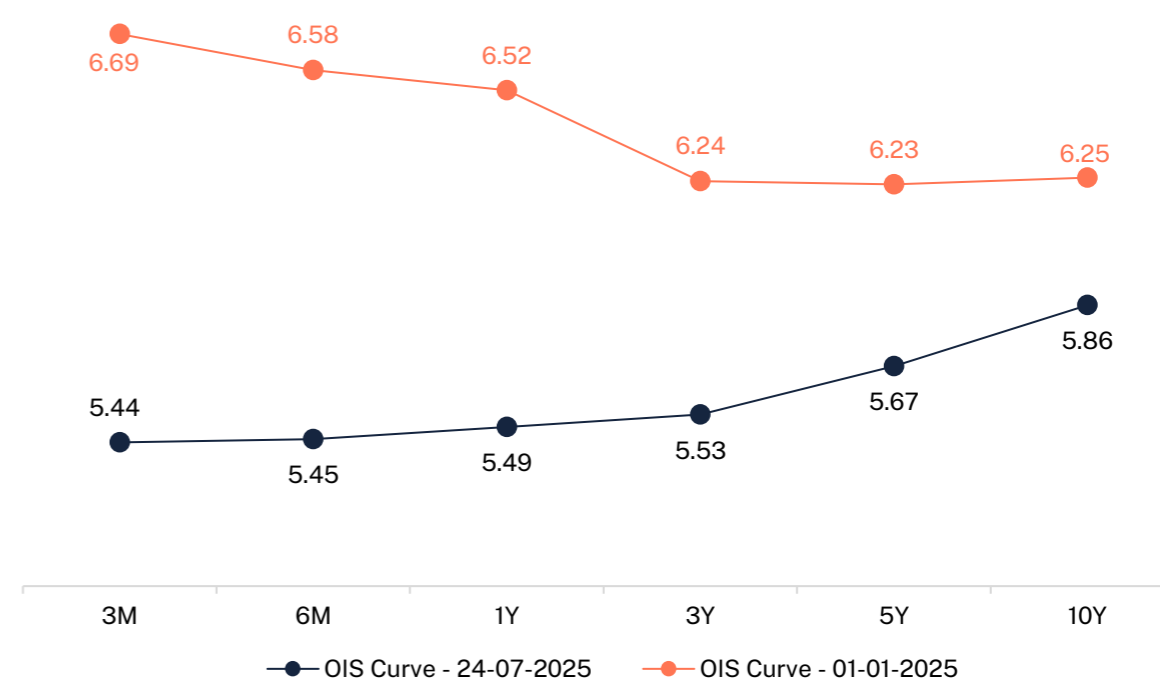
Sovereign Yield Curve continues to remain steep

OIS Curve Signals Pause in the near term and Short-End Remains Anchored

Sov Yield curve movements over time



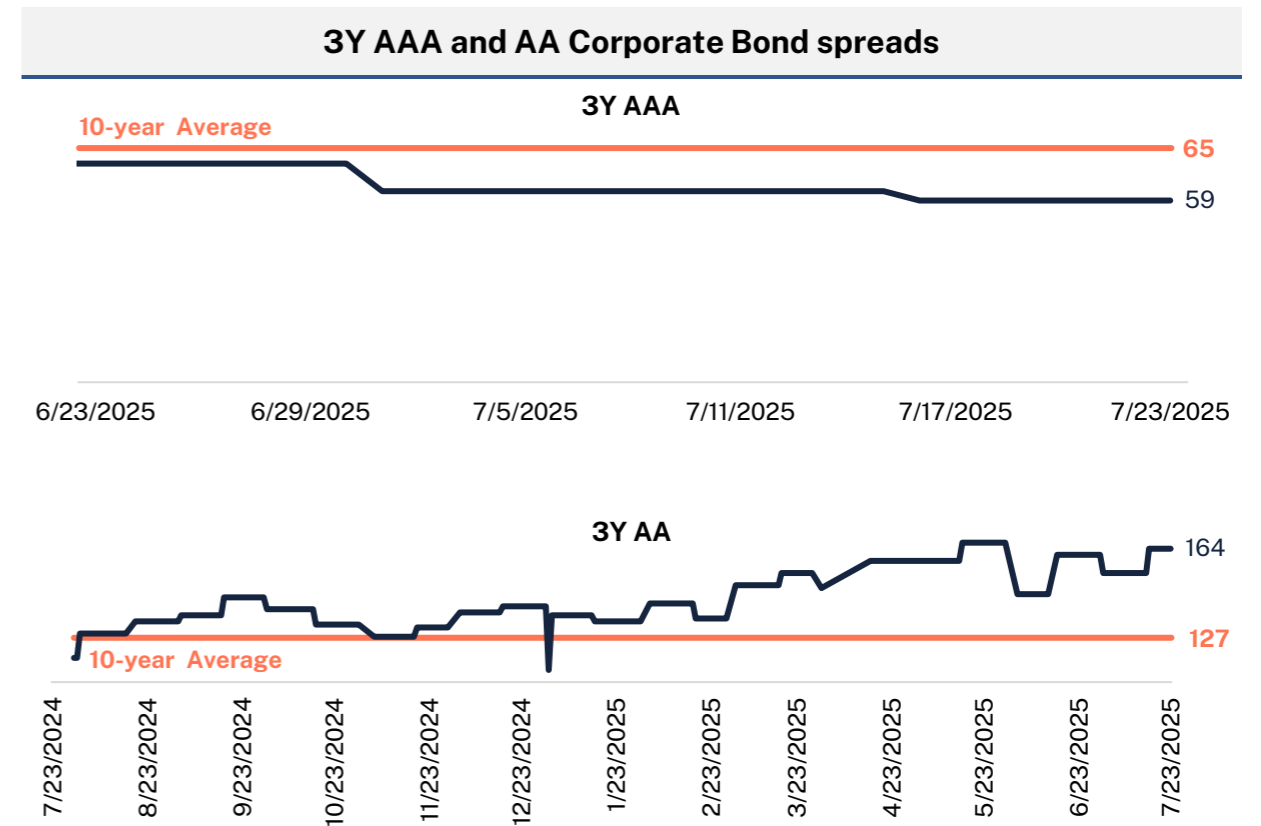
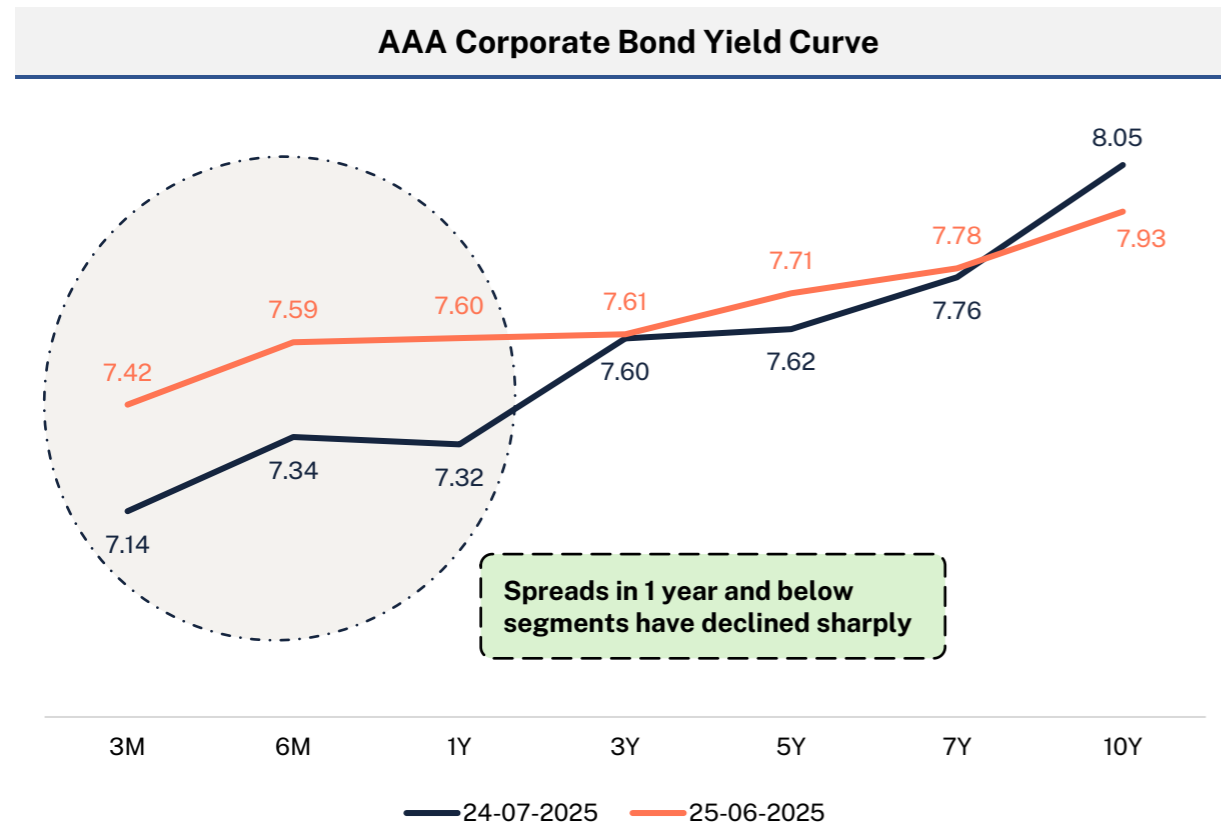
OIS curve across maturities



- Sovereign yield curve continues to remain steep owing to decline in short term rates led by the accommodative monetary stance (rates + liquidity) but yields have stayed sticky at the longer end of the curve due to higher supply of G-Secs
- OIS Curve suggests markets are expecting no further rate cuts in the near term

Credit spread continues to remain attractive in Corporate bonds

Spread in the 3Y AA segment offers favorable risk reward



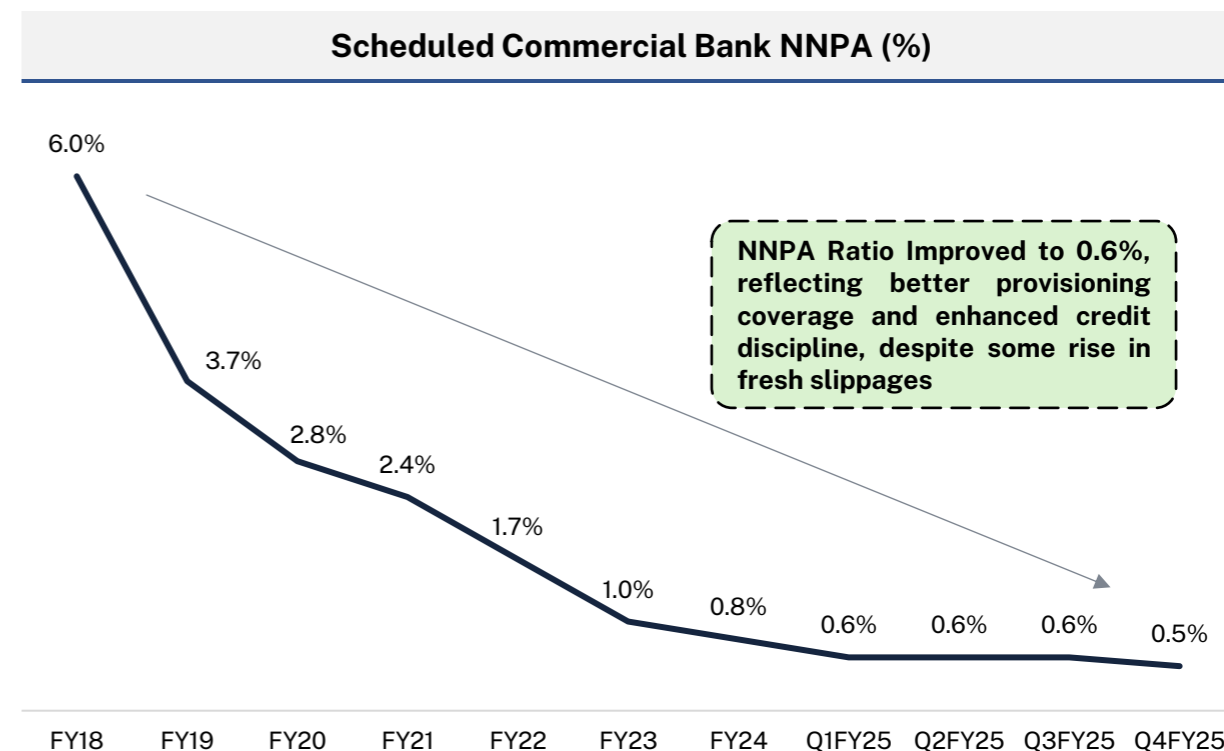
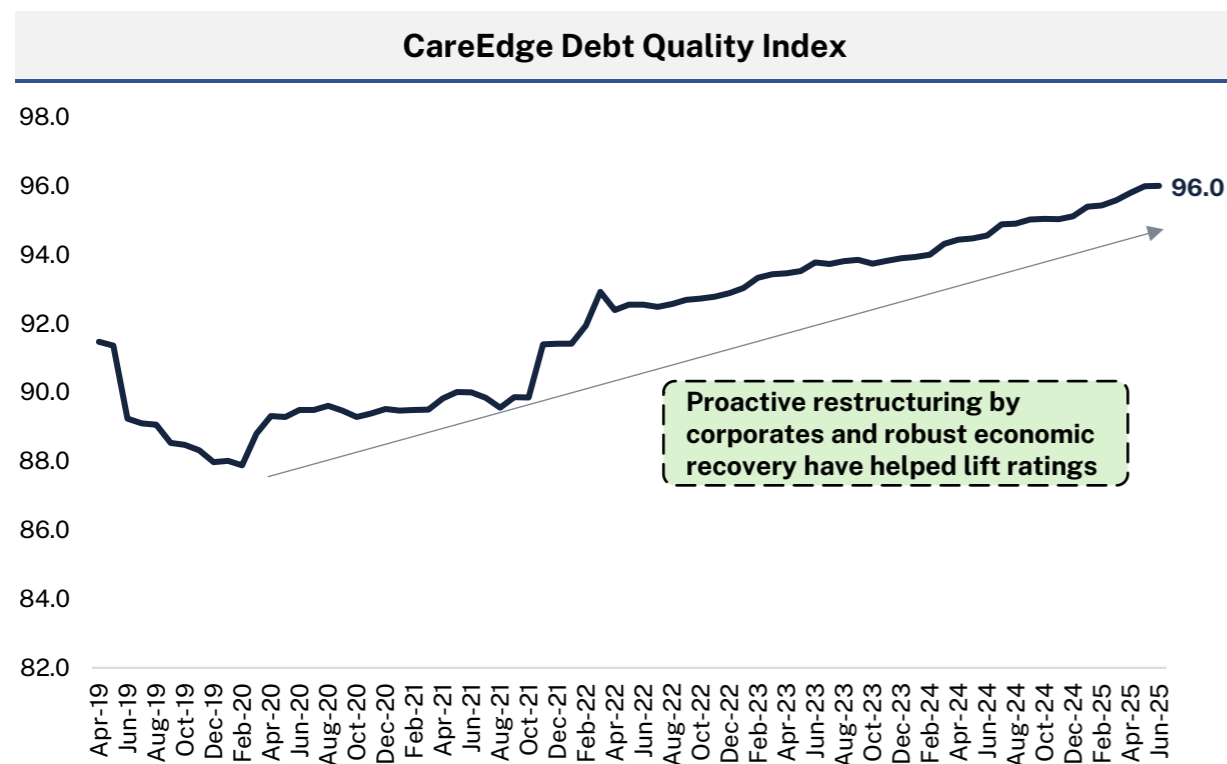
- The inversion in the corporate bond curve has now normalized to a great extent on the back of liquidity infusion by RBI
- However, Credit spreads in the 3Y AA spread continue to remain attractive with the current spreads at ~164bps which is above its 10-year average of ~127bps

Even though we have seen yield compression in the 3-5 years segment which has led to capital gains in the last couple of month, it continues to offer attractive carry opportunities with potential of limited capital gains

Source: Bloomberg, Spark PWM
Data as on 24th July 2025

Corporate credit quality remains healthy

Corporate Debt Health remains strong; Banking Sector Maintains Asset Quality




- The CareEdge Debt Quality Index (CDQI) rose to 96.02 in June 2025, up marginally from 96.01 in May 2025, signaling a continued improvement in the overall quality of rated corporate debt
- The improvement in debt quality reflects stable macroeconomic conditions and prudent corporate financial management, with no significant credit events or large-scale downgrades reported during the month.
- GNPA Ratio Declined to 2.3% in March 2025, down from 2.8% a year earlier, indicating improved asset quality across the banking sector. NNPA Ratio also improved to 0.5%, reflecting better provisioning coverage and enhanced credit discipline despite some rise in fresh slippages – particularly in Retail, Microfinance and MSME segments

Source: CareEdge report, Bloomberg, Spark PWM
Data as on 25th July 2025

Spark Equitized Credit Solutions Fund III (SpECS III)

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

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

| SpECS II Details (Previous Fund) |
|--|
| First Close: Nov 2022 |
| AUM Garnered: ~INR 594.5 Crs |
| 100% amount drawn to date |
| 18 Investments made including redeployment |
| Amount distributed: INR 166.1 Crs |
| Portfolio IRR: 14.8% (Gross) |
| Fund Manager Details |
| Kapil Ramamurthy  Co-founder, Spark Capital |
| Work Experience 25+ years |
| Previous Stints HDFC Bank & Standard Chartered Bank |

Source: Spark Alternative Assets Advisors India Pvt Ltd

Sundaram Performing Credit Opportunities Fund (PCOF) Series I – rated AA+ SO by CARE

| Product Overview | |
|-------------------------------|--|
| Category | Category II AIF |
| Target Corpus | INR 1500 Cr + 500 Cr greenshoe |
| Min Investments | INR 1 Cr |
| Management Fees | Up to 1.85% p.a. |
| Targeted Yield (Gross) | 15% - 16% IRR (Pre-taxes and Pre-expenses) |
| Distribution | Quarterly distribution of 2.0-2.5% |
| Tenure | 5 years + 2 years |
| Operating Expense | At actuals, up to 0.25% p.a. |
| Sponsors | Sundaram Finance |
| Sponsor Commitment | Up to 15%* of aggregate capital commitment |

| Highlights of the Fund |
|---|
| <ul style="list-style-type: none"> The fund aims to invest in high yielding debentures (including equity warrants) to MSME / SME / Fintech / Manufacturing / Services companies backed by a combination of business cash flows, promoter assets, guarantees, share pledges and other security structures Portfolio of ~12 – 15 investments over fund life Quarterly distribution of cash coupon, capital distributions after 4th year Sector/Geography: <ul style="list-style-type: none"> Focus on 'core sectors' with group synergies 'Growth' focus on MSME/SME, bridge funding to larger companies Pan India Focus on urban and major cities Single investment concentration limit: 10-15%**. Single Industry Concentration limit: 25%** Balance between short-term quick churn & HTM to maximize portfolio returns |

| Past Fund :Sundaram AMC |
|--|
| <p>No. Of Funds: 5 (1 has matured, 4 are deployed)</p> <p>AUM Garnered: ~INR 3,150 Cr</p> <p>Portfolio IRR (Gross): ~15.2% (Matured Funds)</p> <p>Portfolio IRR (Gross): ~17% (Deployed Funds)</p> |
| Fund Manager Details |
| <p>Vaatsal Tandon Fund Manager, PCOF-I Fund</p> <p>Work Experience 12+ years</p> <p>Previous Stints JM Financial, ARKA Fincap Ltd</p> |

*Subject to Sundaram Finance Board Approvals

**Additional concentration limit of 5% in one-off situations with higher thresholds of approval

Summary

India Fixed Income



Carry Opportunity

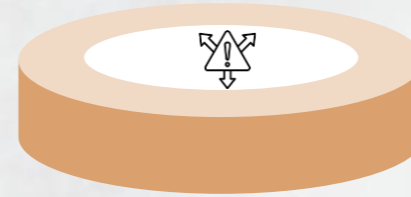
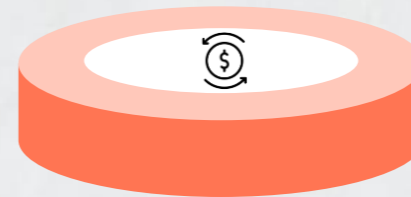
- Corporate Bonds offer attractive carry opportunity plus limited capital gains on the back of better transmission of rates

Neutral on Duration

- While Central banks across the globe are expected to cut rates further this year, Trade tensions and geo-political developments can keep yields volatile
- **We suggest focusing on Carry in the corporate bond segment with possibility of limited capital gains**

Positive on InVITS & REITs

- Historically, InVITS & REITs have had an inverse correlation with interest rates majority of the time.



Domestic factors favourable for yields

- Bond yields should continue to take cues from stable demand and supply environment for Govt securities., controlled fiscal deficit, neutral monetary stance on the back of moderating GDP growth
- FPI flows were turned positive in July. Fears of new trade tariffs and Geopolitical tension contributed to heightened market volatility globally, however domestic macros continued to remain strong. Indian bonds inclusion in JP Morgan EM bond index, Bloomberg index and FTSE Russel EM Govt Bond Index should continue to attract foreign flows

Risk-reward in Credit Space

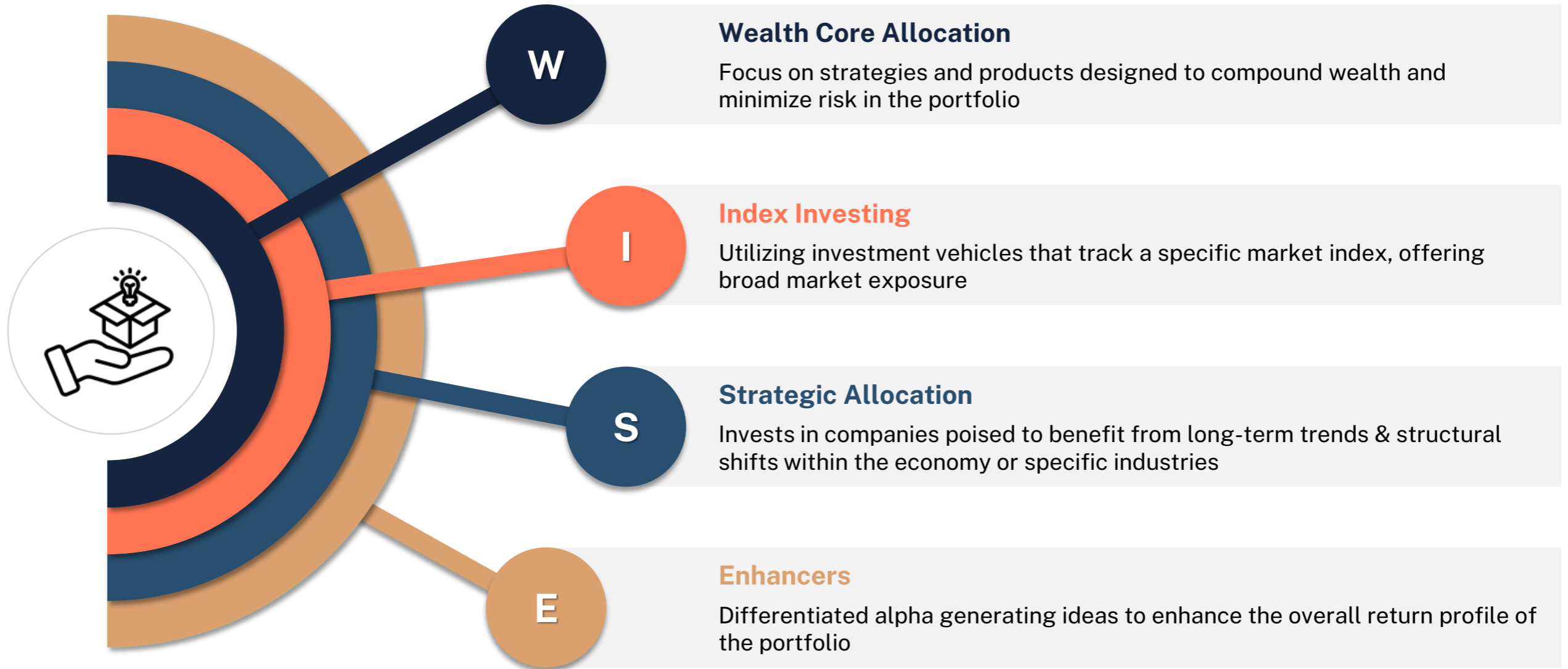
- Spreads in the 3 year AA rated space trade higher than 10 year average.
- **A “Carry” trade in the 3Y maturity using quality credit papers appears attractive.**

Fixed Income Landscape

| Type of Instruments | | G-Sec | Tax Free Bond | Direct Bonds | | Multi-Asset Mutual Fund | Other Private Credit Funds | | | Real Asset Funds |
|----------------------------------|------------|---|---|--|--|--|--|--|-----------------------------------|---|
| | | | | AAA rated NCDs | AA- to A- rated NCDs | Indicative 10%-14% | Target IRR < 14% | Target IRR 14% - 16% | Target IRR > 16% | Target IRR > 16% |
| | | | | | | White Oak, Edelweiss Multi-Asset Allocation Fund | Axis / UTI / ICICI Pru / AK Credit Funds | SpECS III, Neo Income Plus, Sundaram PCOF, Northern Arc Finserv, | ASK Sr A / Incred II / True North | ICICI Pru OYO II, EAAA Infra and Real Asset Fund |
| Post Expense Pre Tax Yield / YTM | | 6.35% - 6.38% | 5.15% | 6.90% | 9.00% - 11.00% | 8.5% - 12.5% | 11.5% | 11.9% | 13.6% | 14.8% |
| Post Tax | Individual | 3.88% - 3.89% | 5.15% | 4.21% | 5.49% - 6.71% | 7.44%-10.94% | 7.03% | 7.30% | 8.30% | 12.50% |
| | Corporate | 4.75% - 4.78% | 5.15% | 5.16% | 6.73% to 8.23% | 7.44%-10.94% | 8.65% | 8.95% | 10.2% | 12.5% |
| Positioning | | Exposure to duration through Gsec can lead to cap gains | Rate-cut transmission yet to happen, making current yields attractive | High Quality Credit; Liquid; For Treasury and FO | Rated, Listed, Senior secured, Curated High yield NCDs with Quarterly or Monthly interest payout options | Access to different asset class with low or negative correlation thereby reducing volatility | Performing Credit funds with regular coupon paying and back-ended structures | | | Operating cash flow generating assets with Nil execution risk |
| Ideal Holding Period | | 24 - 36 M | HTM | 12 M - 36 M | 18 - 24 M | >24 M | 36 - 60 M | | | 60 - 72 M |

Tax rate considered for Individual with Income > 5 Crore and For Corporate with highest tax slab, as per Finance Bill 2024
Yields are indicative in nature and are subject to change.

W.I.S.E. Equity Product Offering Framework



W.I.S.E. – Preferred Equity Portfolio Allocation

W = Wealth Core Allocation, I = Index Investing, S = Strategic Allocation, E = Enhancer

| Pillar | Category | Product Type | Fund | 1M (%) | 3M (%) | 6M (%) | 1Y (%) | CY25 YTD (%) | CY24 (%) | CY23 (%) | CY22 (%) |
|--------------------------------|-------------------------------------|---------------------------------|---|--------------------------------------|--------|--------|--------|--------------|----------|----------|----------|
| Wealth Core (10-20%) | Large Cap (10%) | MF | ICICI Pru Large Cap Fund(G) | 2.8 | 8.5 | 7.6 | 7.9 | 7.6 | 16.9 | 27.4 | 6.9 |
| Index Investing (5-10%) | Large Cap (10%) | MF | Bandhan Nifty100 Low Volatility 30 Index Fund-Reg(G) | 2.7 | 7.3 | 5.1 | 5.5 | 5.1 | 10.8 | 29.6 | - |
| Strategic Allocations (45-75%) | Large & Mid Cap (10%) | MF | ICICI Pru Large & Mid Cap Fund(G) | 2.2 | 9.1 | 9.8 | 9.8 | 9.8 | 20.4 | 29.9 | 11.7 |
| | | DPMS | Alchemy Smart Alpha 250 | 5.8 | 20.5 | -0.5 | 1.9 | -0.5 | 31.7 | 22.5 | - |
| | Flexi & Multi Cap - MF & DPMS (25%) | MF | Nippon India Multi Cap Fund(G) | 2.7 | 12.4 | 4.8 | 5.9 | 4.8 | 25.8 | 38.1 | 14.1 |
| | | MF | Old Bridge Focused Fund-Reg(G) | 3.7 | 9.1 | 4.4 | 9.1 | 4.4 | - | - | - |
| | | MF | Parag Parikh Flexi Cap Fund-Reg(G) | 3.4 | 8.1 | 5.6 | 12.6 | 5.6 | 23.9 | 36.6 | -7.2 |
| | | MF | WOC Flexi Cap Fund-Reg(G) | 3.6 | 10.8 | 3.4 | 10.8 | 3.4 | 23.7 | 31.2 | - |
| | | DPMS | Abakkus All Cap | 4.8 | 13.5 | 5.6 | 4.2 | 5.6 | 13.5 | 36.2 | -1.4 |
| | | DPMS | Buoyant | 5.4 | 12.7 | 10.8 | 14.5 | 10.8 | 18.8 | 40.3 | 3.2 |
| | | DPMS | ICICI Contra | 3.2 | 10.0 | 6.6 | 3.5 | 6.6 | 18.6 | 34.8 | 20.0 |
| | | DPMS | Renaissance India Next | 3.3 | 11.0 | 2.0 | 10.0 | 2.0 | 32.4 | 28.5 | 22.4 |
| | | DPMS | Spark@75 Core & Satellite | 3.8 | 10.1 | 6.1 | 1.6 | 6.1 | 9.7 | 41.9 | 16.3 |
| | | Flexi & Multi Cap - NDPMS (10%) | NDPMS | Bespoke | 4.0 | 14.2 | -0.9 | -11.7 | -0.9 | 28.3 | 6.6* |
| | NDPMS | | HCI | 3.6 | 10.7 | 1.1 | -1.3 | 1.1 | 14.2 | 18.3 | - |
| | Mid & Small Cap (5%) | DPMS | AAA Budding Beast | 2.7 | 16.3 | 2.4 | 9.4 | 2.4 | 31.4 | 47.1 | 4.7 |
| | Enhancers (10-25%) | Theme Focused (5%) | MF | Franklin India Opportunities Fund(G) | 2.7 | 11.1 | 0.5 | 3.7 | 0.5 | 37.3 | 53.6 |
| DPMS | | | Carnelian Shift | 4.9 | 11.9 | -1.9 | 14.5 | -1.9 | 38.0 | 65.6 | -4.2 |
| PE VC Ideas (10%) | | Cat II AIF | ValueQuest SCALE II/Samara Fund III/Spark Midas Fund I/Navam Capital Fund I | - | - | - | - | - | - | - | - |
| Unlisted (5%) | | Non-Blind Pool Alternates | NSE & Other Ideas | - | - | - | - | - | - | - | - |
| Benchmarks | Broader Market | - | NIFTY 500 - TRI | 3.8 | 11.1 | 6.1 | 5.7 | 6.1 | 16.2 | 26.9 | 4.2 |
| | Large Cap | - | NIFTY 100 - TRI | 3.4 | 9.1 | 7.4 | 5.7 | 7.4 | 13.0 | 21.2 | 4.9 |
| | Large Cap | - | NIFTY 50 - TRI | 3.4 | 9.0 | 8.7 | 7.5 | 8.7 | 10.1 | 21.3 | 5.7 |
| | Mid Cap | - | Nifty Midcap 150 - TRI | 4.1 | 15.2 | 4.3 | 6.1 | 4.3 | 24.5 | 44.6 | 3.9 |
| | Small Cap | - | Nifty Smallcap 250 - TRI | 5.8 | 17.9 | 0.4 | 4.6 | 0.4 | 27.2 | 49.1 | -2.6 |

Returns are in absolute terms and are as on June 30, 2025
Source: AceMF, Spark PWM Products

W.I.S.E. – Preferred Equity Portfolio Allocation (1/2)

| Products | Brief Rationale & 1-Month Attribution | |
|---|--|--|
| ICICI Pru Large Cap Fund | <ul style="list-style-type: none"> A combination of growth & quality and value styles of investing Has been one of the most consistent performers within the large cap funds space | <ul style="list-style-type: none"> In June 2025, the fund underperformed the Nifty 100 TRI. This can be attributed to: <ul style="list-style-type: none"> An overweight stance on Healthcare, Industrials, Real Estate An underweight stance on Consumer Discretionary Stock selection in Consumer Discretionary, Financials, Healthcare, Utilities |
| Bandhan Nifty100 Low Volatility 30 Index Fund | <ul style="list-style-type: none"> Factor-based exposure within the large cap space Builds a portfolio 30 stocks which exhibit the lowest volatility over the last 12 months Rebalanced on a quarterly basis | <ul style="list-style-type: none"> In June 2025, the fund underperformed the Nifty 100 TRI. This can be attributed to: <ul style="list-style-type: none"> A higher skew towards Healthcare, Consumer Staples A lower skew towards Energy, Communication Services Performance of Materials, Financials, Industrials, Consumer Discretionary stocks |
| ICICI Pru Large & Midcap Fund | <ul style="list-style-type: none"> A countercyclical investing style with a bias towards large caps The fund manager takes positions in stocks where there is valuation comfort and business improvement is expected | <ul style="list-style-type: none"> In June 2025, the fund underperformed the Nifty Large & Midcap 250 TRI. This can be attributed to: <ul style="list-style-type: none"> An overweight stance on Real Estate, Healthcare, Industrials An underweight stance on Energy, Communication Services Stock selection in Financials, Industrials, Healthcare, Consumer Discretionary |
| Alchemy Smart Alpha 250 | <ul style="list-style-type: none"> Quant Driven Approach that aims to dynamically managing weights to factors such as Quality, Growth and Momentum in the top 250 stocks The fund is rebalanced daily and selects the top 25 stocks as per the ranking of the model, with minimal fund manager intervention | <ul style="list-style-type: none"> In June 2025, the fund has outperformed the BSE 500 TRI. The key contributors were Multi Commodity Exchange of India, Narayana Hrudayalaya Hospitals and Interglobe Aviation. |
| Spark@75 Core and Satellite | <ul style="list-style-type: none"> Flexi cap mandate managed by a fund manager with over 3 decades of experience across Indian and global markets The fund manager dynamically rotates across sectors and market cap, while taking a valuation conscious approach towards portfolio construction | <ul style="list-style-type: none"> In June 2025, the fund outperformed the Nifty 50 TRI. Key contributors were Abott India, EID Parry and ICICI Lombard General Insurance. |
| ICICI Contra /Abakkus All cap/ Buoyant/ Renaissance India Next | <ul style="list-style-type: none"> ICICI Contra <ul style="list-style-type: none"> Flexi cap mandate to cherry pick the high conviction ideas via contrarian approach. In June 2025, the fund underperformed the BSE 500 TRI. The key detractors were Appollo Tyres, Medplus Health Services and Indian Energy Exchange Abakkus All cap <ul style="list-style-type: none"> Flexi cap portfolio managed by Mr. Sunil Singhania with bias towards large and mid caps; employs a bottom-up approach towards portfolio construction In June 2025, the fund outperformed the BSE 500 TRI. Key contributors were Aditya Birla Capital, DCM Shriram and KEC International | <ul style="list-style-type: none"> Buoyant <ul style="list-style-type: none"> Managed by 3 FMs who bring their unique set of expertise to manage the portfolio with a flexi cap mandate A core and satellite approach is followed, and the fund manager has flexibility to take cash calls In June 2025, the fund outperformed the BSE 500 TRI. Key contributors were Camlin LiveScience, Manappuram Finance, Ramkrishna Forgings, Max Financial Services and Glenmark Pharma Renaissance <ul style="list-style-type: none"> Managed by an experienced fund manager with a sector-agnostic approach Focuses on key themes that will drive the economy - Manufacturing, Exports, Revival of Investment Cycle, Technology Adoption, Digital Ecosystem In June 2025, the fund underperformed the Nifty 50 TRI. Key detractors were Alembic Pharma, Qess Corp, Godrej Consumer and Tata Motors |

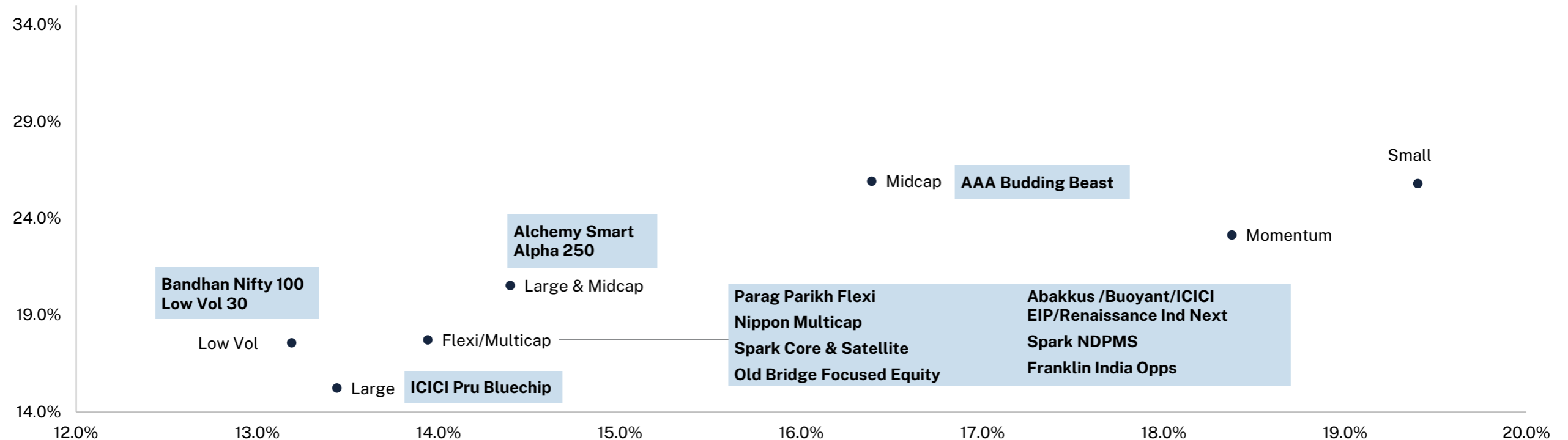
W.I.S.E. – Preferred Equity Portfolio Allocation (2/2)

| Products | Brief Rationale & 1-Month Attribution | |
|--|--|---|
| Nippon India Multi Cap Fund | <ul style="list-style-type: none"> Exposure spans multiple themes, sectors, and stocks Skewed toward large caps to minimize downside risk Minimum 50% exposure to the broader markets | <ul style="list-style-type: none"> In June 2025, the fund underperformed the Nifty 500 TRI. This can be attributed to: <ul style="list-style-type: none"> An overweight stance on Industrials, Consumer Discretionary An underweight stance on Communication Services, Materials Stock selection in Financials, Communication Services, Materials, Utilities |
| Parag Parikh Flexi Cap Fund | <ul style="list-style-type: none"> A valuation-conscious and low churn approach aimed at minimizing downside risk Offers exposure to international stocks, which helps in diversifying geographical risk | <ul style="list-style-type: none"> In June 2025, the fund underperformed the Nifty 500 TRI. This can be attributed to: <ul style="list-style-type: none"> An overweight stance on Utilities An underweight stance on Materials Stock selection in Consumer Staples, Energy, Real Estate |
| WhiteOak Capital Flexi Cap Fund | <ul style="list-style-type: none"> Growth style of investing followed with emphasis on bottom-up stock picking Key stock selection parameters include Superior return on incremental capital, Scalable long-term opportunities, Strong governance and Price at a substantial discount to intrinsic value | <ul style="list-style-type: none"> In June 2025, the fund outperformed the Nifty 500 TRI. This can be attributed to: <ul style="list-style-type: none"> An overweight stance on Real Estate, Communication Services An underweight stance on Utilities, Consumer Staples Stock selection in IT, Consumer Discretionary, Industrials |
| Old Bridge Focused Fund | <ul style="list-style-type: none"> Investment approach lays emphasis on value as a style and is skewed towards broader markets The fund manager may select contrarian and turnaround plays as well The portfolio construct predominantly comprises market leaders and export-focused players | <ul style="list-style-type: none"> In June 2025, the fund outperformed the Nifty 500 TRI. This can be attributed to: <ul style="list-style-type: none"> An overweight stance on Communication Services, Materials, Healthcare An underweight stance on Utilities, Industrials Stock selection in IT, Industrials, Real Estate |
| Spark GEMS/ Bespoke/HCI | <ul style="list-style-type: none"> Bespoke solution for UHNI clients who would require higher touch of engagement with Fund Manager(s) | <ul style="list-style-type: none"> In June 2025, Bespoke and HCI outperformed index |
| AAA Budding Beast | <ul style="list-style-type: none"> Diversified portfolio of high quality, established, and emerging leaders with low debt and net profit greater than Rs 50 crore | <ul style="list-style-type: none"> In June 2025, the fund underperformed the BSE 500 TRI. The key detractors were Suven Pharma, Artemis Medicare Services, Godavari Biorefineries, Linde India and Gokaldas Exports. |
| Carnelian Shift PMS/Franklin India Opportunities Fund | <ul style="list-style-type: none"> Carnelian <ul style="list-style-type: none"> Theme exposure to Manufacturing and IT with a flexi cap mandate while having a mid and small cap bias across 25- 30 stocks In June 2025, the fund outperformed the BSE 500 TRI. The key contributors were R Systems International, Quickheal technologies, ASK Automotive and Hyundai Motor india | <ul style="list-style-type: none"> Franklin India Opportunities <ul style="list-style-type: none"> Exposure spans themes across market capitalization, such as Rising Affluence, Digitalization, Make in India, Sustainable Living (Energy) In June 2025, the fund underperformed the Nifty 500 TRI. This can be attributed to: <ul style="list-style-type: none"> An underweight stance on Financials, Energy Stock selection in IT, Materials, Financials |

W.I.S.E. Product Suite – Risk Return Matrix

W = Wealth Core Allocation, I = Index Investing, S = Strategic Allocation, E = Enhancer

Risk - return Matrix - Avg 1 Year Rolling Ret and Standard Deviation



- Returns are based on average of monthly 1 Year rolling returns of indices as on June 30, 2025
- The risk(standard deviation) is plotted in x-axis which is the annualized monthly standard deviation over last 3 years
- Ideal Product should have lower risk while generating higher return to enhance risk adjusted return profile of the portfolio
- The funds highlighted in blue boxes above correspond to the blue dots of the respective category. Funds are mapped based on their risk-return profile

We have taken the following Indices Monthly return data since 1 Jan 2014, to arrive at the average annualized return and standard deviation to construct the risk-return matrix:
 Large: Nifty 100 TRI; Mid: Nifty Midcap 150 TRI; Small: Nifty Small cap 250 TRI; Multi/Flexi: Nifty 500 TRI; Large & Mid: Nifty Large Midcap 250 TRI; Low Vol: Nifty100 Low Volatility 30 TRI; Momentum: Nifty200 Momentum 30 TRI
 Buyout, PE s and Venture Capital s have no benchmark we have positioned as per the industry risk reward historically based on the return profile and probability of writeoffs
 Data as on 30th June 2025

Manager Outlook Takeaways: Equity PMS

| AMC (Manager) | Market Outlook | Positioning & Deployment |
|---|---|---|
| Abakkus (Sunil Singhania) | <ul style="list-style-type: none"> Liquidity remained robust on the back of healthy FPI and DII participation Rate cuts by the RBI have helped support market sentiments Cautious about India's forthcoming Tariff proposal with the US The market is likely to be stock specific, with earnings growth assuming importance | <ul style="list-style-type: none"> Positive on Bank, Finance, Infrastructure and Healthcare Reduced exposure in iron & steel |
| Spark Asia Impact (P. Krishnan) | <ul style="list-style-type: none"> Domestic market has been resilient despite geopolitical challenges Benign inflation and the possibility of further rate cuts could boost demand Investor sentiment has been supported by macroeconomic stability After a sharp market rally, earnings delivery will be key to sustaining valuations | <ul style="list-style-type: none"> Remains positive on Power chain, Bank and healthcare Increased exposure in Auto & Auto Ancillaries and Agri Reduced exposure in hospitality |
| Carnelian (Vikas Khemani) | <ul style="list-style-type: none"> RBI's June MPC meeting maintained a pro-growth stance by cutting the repo rate and CRR to boost liquidity and lower borrowing costs, supporting economic activity amid global uncertainties Private sector capex has shown signs of revival FII's have been net buyers for the past four consecutive months The outcome of the Bilateral Trade Agreement (BTA) with the US will be a key monitorable | <ul style="list-style-type: none"> Positive on Auto & Auto Ancillaries, Capital goods, Healthcare, IT and Chemicals |
| Renaissance (Pankaj Murarka) | <ul style="list-style-type: none"> RBI rate cuts would boost banks willingness to lend and also drive pickup in credit demand These cuts will also spur growth in home loans and consumer credit thus driving household consumption Private and government capex picking up After a good recovery, markets are likely to consolidate in the near-term | <ul style="list-style-type: none"> Positive on Consumer sector, select financials Portfolio is skewed towards credit growth, select consumer plays and export/outsourcing |
| AAA (Rajesh Kothari) | <ul style="list-style-type: none"> India is currently experiencing a favorable macroeconomic environment In FY25, government capex exceeded the budgetary allocation Equity markets appear well-positioned for a robust recovery in corporate earnings Investor sentiment is turning more positive amid better liquidity, benign inflation, stable rates, and rising policy confidence | <ul style="list-style-type: none"> Reduced exposure in Auto & Auto Ancillaries, IT, Capital goods and healthcare Positive on Finance and Chemicals |

Source: Monthly fund newsletter dated 30th June 2025

Views of Major Equity Mutual Fund Houses



Positives

Economic Perspective

- Manufacturing and Services PMIs holding up well
- Moderating inflation, especially wrt food prices
- RBI easing rates and infusing liquidity
- Expectations of normal monsoon and Kharif output
- Benign commodity prices, especially wrt crude oil
- Current account deficit scenario not worrisome
- Forex reserves closer to USD 700 billion
- Fiscal prudence

Market Perspective

- Wider breadth of participation in the recently seen recovery
- Bilateral trade agreements with foreign countries (India – UK)
- Depreciation in the Dollar Index
- Sustained FPI and DII flows
- Healthy corporate and banking balance sheets
- Govt capex recovery



Risks

Global Factors

- Donald Trump's tariff announcements
- US fiscal deficit situation
- Inflation and interest rate outlook
- Policy actions by central banks
- Geopolitical skirmishes
- In China:
 - New export orders in contraction mode
 - Deflationary trends persist

Domestic Factors

- Moderation in power demand
- Tax collections have cooled off
- Subdued urban demand
- Sluggish credit growth
- Export-oriented sectors facing uncertain times
- Surge in primary market activity, with promoters and private equity players reducing their stakes



View

Earnings – Q1 FY26

- Likely to grow in low double-digits for the broader universe and in mid-single digits for Nifty
- Favorable base effect could come into play with effect from Q2 FY26

Valuation

- Indian equities trading at a premium to most global peers, implying that profit booking may be sharp
- Multiples for most sectors, except private banks, have inched higher vs their long-term averages

Market Cap

- Large caps better poised from a risk-reward standpoint vs mid and small caps

In Conclusion

- Bottom-up stock picking to assume importance
- Narrative shifting from valuation re-rating to earnings growth potential
- Management commentary during the Q1 FY26 result season, especially wrt top-line growth prospects and sentiment, would be a key monitorable

PMS/AIF Key Ideas for the Month

| | Overview | Details | Market Cap Allocation | Entry / Exit in the Month | Top 5 Sectors | Top 5 Stocks |
|----------------------------|---|---|-----------------------|---|---------------|---|
| Spark C&S* | <p>Suitable For Conservative investors seeking a large cap bias portfolio and consistent long-term return generation</p> <p>Strategy 12-20 stocks portfolio, sector agnostic portfolio with a market cap agnostic mandate, manager will rebalance the "Satellite" portion if the weight exceed the intended allocation</p> <p>Positioning</p> <ul style="list-style-type: none"> Power chain, Bank and healthcare | <p>AUM - 405</p> <p>Stocks - 23 Sectors - 10</p> <p>Up / Down Capture -3Y 116 / 66</p> | | <p>Entry / Exit in the Month</p> <ul style="list-style-type: none"> Techno electric JSW energy Dr Lal pathlabs Nil | | <ul style="list-style-type: none"> HDFC Bank Kotak Mahindra Bank Federal Bank Abbott India EID Parry |
| AAA BB | <p>Suitable For Balanced to Aggressive investors seeking broader market exposure through quality and established leaders</p> <p>Strategy Mid and small cap focused portfolio, where portfolio is constructed to deliver risk adjusted return by navigating volatile market through diversified portfolio construction and disciplined exit approach</p> <p>Positioning</p> <ul style="list-style-type: none"> Bullish on Financials and Chemicals | <p>AUM - 573</p> <p>Stocks - 58 Sectors - 20</p> <p>Up / Down Capture -3Y 127 / 74</p> | | <p>Entry / Exit in the Month</p> <ul style="list-style-type: none"> MTAR Technologies Jubilant Ingrevia Arvind Fashions R Systems International Senores Pharmaceuticals GNA Axles Sheela Foam Carborundum Universal Timken India Healthcare Global Enterprises Cyient Ltd | | <ul style="list-style-type: none"> Multi Commodity Exchange Of India Cholamandalam Investment And Finance CG Power and Industrial Solutions Hitachi Energy India Sumitomo Chemical India |
| Alchemy Smart Alpha | <p>Suitable For Balanced to Aggressive investors seeking long-term alpha generation in large and midcap space</p> <p>Strategy A quant-focused approach to build a portfolio of ~25 stocks in the large and midcap space. Rebalancing is undertaken daily by dynamically changing factor weightage as per the prevailing macro environment</p> <p>Positioning</p> <ul style="list-style-type: none"> Bullish on Finance and Capital Goods | <p>AUM -</p> <p>Stocks - 25 Sectors - 10</p> <p>Up / Down Capture -SI^ 152 / 124</p> | | <p>Entry / Exit in the Month</p> <ul style="list-style-type: none"> JK Cement Garden Reach AU Small Finance Bank Indian Hotels Kaynes Technologies Persistnet Systems | | <ul style="list-style-type: none"> BSE Ltd Hitachi Energy India Ltd Trent Ltd Mazagon Dock Shipbuilders Ltd PB Fintech Ltd |

Data - June 30, 2025

*Old client Portfolio is used for Entry and Exit analysis in Spark C&S analysis, New client portfolio entry and exit may differ

^Up/down capture for Alchemy smart alpha 250 is since inception

PMS/AIF Ideas Dashboard

| | Overview | Details | Market Cap Allocation | Entry / Exit in the Month | Top 5 Sectors | Top 5 Stocks | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------|--|--|--|---------------------------|---------------|--------------|-------|--------|-------|----------|-------|------|-------|--|--|--------|------------|---------|-------|--------------------|-------|------------------------|-------|------------------------|------|------------|------|--|
| Buoyant | <p>Suitable For Balanced investors seeking a large cap bias portfolio and consistent long-term return generation</p> <p>Strategy It uses core & satellite strategy, where core consists of stable, cash-generating industry leaders, while the satellite includes cyclical companies or those poised for turnaround.</p> <p>Positioning</p> <ul style="list-style-type: none"> Bullish on Bank, Telecom and Healthcare | <p>AUM - 5436</p> <p>Stocks - 32 Sectors - 16</p> <p>Up / Down Capture -3Y 105 / 57</p> | <table border="1"> <tr> <th>Market Cap</th> <th>Allocation</th> </tr> <tr> <td>Largecap</td> <td>40.6%</td> </tr> <tr> <td>Midcap</td> <td>24.6%</td> </tr> <tr> <td>Smallcap</td> <td>22.3%</td> </tr> <tr> <td>Cash</td> <td>12.5%</td> </tr> </table> | Market Cap | Allocation | Largecap | 40.6% | Midcap | 24.6% | Smallcap | 22.3% | Cash | 12.5% | <p>Entry / Exit in the Month</p> <ul style="list-style-type: none"> Infosys Ltd Dr Reddys Laboratories Ltd | <table border="1"> <tr> <th>Sector</th> <th>Allocation</th> </tr> <tr> <td>Banking</td> <td>16.7%</td> </tr> <tr> <td>Info Tech</td> <td>8.3%</td> </tr> <tr> <td>Building Materials</td> <td>6.7%</td> </tr> <tr> <td>Insurance</td> <td>6.8%</td> </tr> <tr> <td>HealthCare</td> <td>6.8%</td> </tr> </table> | Sector | Allocation | Banking | 16.7% | Info Tech | 8.3% | Building Materials | 6.7% | Insurance | 6.8% | HealthCare | 6.8% | <ul style="list-style-type: none"> State Bank Of India Hdfc Bank Icici Bank Max Financial Services Glenmark Pharmaceuticals |
| Market Cap | Allocation | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Largecap | 40.6% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Midcap | 24.6% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Smallcap | 22.3% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 12.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sector | Allocation | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Banking | 16.7% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Info Tech | 8.3% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Building Materials | 6.7% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Insurance | 6.8% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| HealthCare | 6.8% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Renaissance India | <p>Suitable For Balanced investors seeking a large cap bias portfolio and consistent long-term return generation</p> <p>Strategy Concentrated SQGARP Portfolio focuses on Sustainable Quality Growth at a Reasonable Price. It combines top-down theme selection with a bottom-up approach to stock picking.</p> <p>Positioning</p> <ul style="list-style-type: none"> Consumer sector, select financials | <p>AUM - 607</p> <p>Stocks - 30 Sectors - 15</p> <p>Up / Down Capture -3Y 139 / 88</p> | <table border="1"> <tr> <th>Market Cap</th> <th>Allocation</th> </tr> <tr> <td>Largecap</td> <td>55.0%</td> </tr> <tr> <td>Midcap</td> <td>21.0%</td> </tr> <tr> <td>Smallcap</td> <td>24.0%</td> </tr> <tr> <td>Cash</td> <td>0.0%</td> </tr> </table> | Market Cap | Allocation | Largecap | 55.0% | Midcap | 21.0% | Smallcap | 24.0% | Cash | 0.0% | <p>Entry / Exit in the Month</p> <ul style="list-style-type: none"> Federal Bank ICICI Bank L&T ICICI Pru Life Qess Corp | <table border="1"> <tr> <th>Sector</th> <th>Allocation</th> </tr> <tr> <td>BFSI</td> <td>35.9%</td> </tr> <tr> <td>Pharma & Chemicals</td> <td>12.0%</td> </tr> <tr> <td>Information Technology</td> <td>11.5%</td> </tr> <tr> <td>Consumer Discretionary</td> <td>8.6%</td> </tr> <tr> <td>Internet</td> <td>6.8%</td> </tr> </table> | Sector | Allocation | BFSI | 35.9% | Pharma & Chemicals | 12.0% | Information Technology | 11.5% | Consumer Discretionary | 8.6% | Internet | 6.8% | <ul style="list-style-type: none"> HDFC Bank Tech Mahindra Reliance Industries HDFC AMC Infosys |
| Market Cap | Allocation | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Largecap | 55.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Midcap | 21.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Smallcap | 24.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 0.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sector | Allocation | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| BFSI | 35.9% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pharma & Chemicals | 12.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Information Technology | 11.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Consumer Discretionary | 8.6% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Internet | 6.8% | | | | | | | | | | | | | | | | | | | | | | | | | | | |

MF Key Ideas for the Month

| | Overview | Details | Market Cap Allocation | Entry / Exit in the Month | Top 5 Sectors | Top 5 Stocks |
|--|---|---|-----------------------|--|---------------|---|
| WhiteOak Capital Flexi Cap Fund | <p>Suitable For Balanced and aggressive investors seeking to participate across the market cap spectrum</p> <p>Strategy The fund follows a growth style of investing. Stock picking is bottom-up in nature. Key stock selection parameters include superior return on incremental capital, scalable long-term opportunity, strong governance, well-managed businesses, and price at a substantial discount to intrinsic value.</p> <p>Positioning</p> <ul style="list-style-type: none"> Overweight on Electrical Equipment, Healthcare Underweight on FMCG, Auto, Cement | <p>AUM – 5,446</p> <p>Stocks - 120 Sectors - 29</p> <p>Up / Down Capture – NA*</p> | | <ul style="list-style-type: none"> Elgi Equipments Sambhvi Steel Tubes | | <ul style="list-style-type: none"> HDFC Bank Kotak Mahindra Bank Federal Bank Abbott India EID Parry |
| ICICI Pru Large Cap Fund | <p>Suitable For Conservative and Balanced investors seeking to compound wealth steadily through large caps</p> <p>Strategy The fund includes exposure to growth and value stocks. Growth portion of the portfolio lays emphasis on sector leadership, profitability, and compounding potential. For the value portion, stocks are shortlisted based on temporary headwinds, undemanding multiples, and scope for mean reversion.</p> <p>Positioning</p> <ul style="list-style-type: none"> Overweight on Construction, Auto, Insurance Underweight on FMCG, IT, Financials | <p>AUM – 72,336</p> <p>Stocks - 65 Sectors - 24</p> <p>Up / Down Capture – 99.9 / 74.0</p> | | <ul style="list-style-type: none"> Swiggy Syngene International | | <ul style="list-style-type: none"> Multi Commodity Exchange Of India Cholamandalam Investment And Finance CG Power and Industrial Solutions Hitachi Energy India Sumitomo Chemical India |
| Parag Parikh Flexi Cap Fund | <p>Recommended For Conservative and Balanced investors seeking to participate across the market cap spectrum, while simultaneously being cautious about risk factors</p> <p>Strategy & Positioning The exposure predominantly pertains to mega and large caps. In addition, the fund offers exposure to select US-based tech stocks, thereby ensuring geographical diversification. Active cash calls may be taken when there are not enough investment opportunities.</p> <p>Positioning</p> <ul style="list-style-type: none"> Overweight on Consumable Fuels, Auto, Financials Underweight on IT, Consumer Durables, Construction | <p>AUM – 1,10,392</p> <p>Stocks - 83 Sectors - 30</p> <p>Up / Down Capture – 80.5 / 29.6</p> | | <ul style="list-style-type: none"> Zydus Wellness BPCL Hero Motocorp Birlasoft | | <ul style="list-style-type: none"> BSE Ltd Hitachi Energy India Ltd Trent Ltd Mazagon Dock Shipbuilders Ltd PB Fintech Ltd |

Data as on June 30, 2025

Capture ratios: Represent average of 1-month values (calculated monthly) for the last 3 years

*WhiteOak Capital Flexi Cap Fund has not been in existence for 3 years, and therefore, capture ratios have not been mentioned

Source: Ace MF, Spark PWM Products

W.I.S.E. Framework – PE & VC Landscape

| Particulars | Parameters | Samara Capital Fund III | Spark Near IPO Fund | ValueQuest Scale Fund II | Navam Capital Fund I |
|---------------|---------------------|---|------------------------------|--|---|
| Stage | Early Stage | No | - | - | Seed, Series A and Series B |
| | Growth Stage | - | - | Yes | - |
| | Late Stage | - | Yes | Yes | - |
| | Buyout | Yes | - | - | - |
| Fund Details | Min Investment | 1 Cr | 1 Cr | 2 Cr | 1 Cr |
| | Tenure | 10+1+1 | 5+1+1 | 8+1+1 | 10+1+1 |
| | Spaces | Consumer, Financials, Healthcare, Business Services | Sector Agnostic | Classic Sectors: Consumer, Pharma, Niche Manufacturing, BFSI New-Age Economy Sectors: Energy Transition, Tech Driven Businesses | Deep Tech |
| | Commitment Period | 4 Years | 2 Years | 4 Years | 3 Years (Extendable By 1 Year) |
| | Ideal Stake | 51-100% | Up To 10% | 8-10% | 3 to 5% with rest reserved for follow on rounds |
| | Exit (Indicative) | 5 th Year Onwards | 3 rd Year Onwards | 4 th and 5 th Year Onwards | 6 th Year Onwards |
| | Avg Holding Period | 5-6 Years | 2-3 Years | 4 -5 Years | 6-7 Years |
| | Average Ticket Size | INR 500-1,500 Cr (Including Offshore + Core Investment) | INR 30-70 Cr | INR 150 - 400 Cr | INR 2-20 Cr |
| | No. of Investments | 8 - 10 | 7 - 9 | 12 - 15 | 12 - 15 |
| | Target IRR | 25% | 25% | 25-30% | 30-35% |
| Target Corpus | INR 2,000 Cr | INR 250+250 Cr | INR 3,000+1,000 Cr | INR 250+150 Cr | |

W.I.S.E - Product in Focus: Navam Capital Fund I

Why we like Navam Capital Fund I?

Firm

- **Expertise** : Backs original thinker who are shaping India IP led future
- **AUM**: Raising first fund of INR 250 Cr + INR 150 Cr
- **Stake**: ~1.5% to 19% stake
- **Experience**: **2** Investment Partners and **5** member Advisory team
- Highly **experienced team** to identify high potential IP led tech ideas in the **early-stage space and deep tech space**
- Backing of marquess LPs such as **Godrej Family office, Enam Family office, TCIL**
- Proprietary deal flow from academia, R&D institutions, and industry networks.
- **Ability to** leverage network and relations hip across Academia, Incubators, and Industry thought leaders
- Access to later stage capital through relationship built

Fund Manager/Advisory Members

- Rajeev Mantri has demonstrated ability to source and stitch deals in **Early stage and Deep tech space** (9 pre fund and 7 investment in Fund I)
 - E.g. Ather Energy, Alyssum, Vyom Therapeutic, Agnikul Cosmos, Fasal
 - Understand Technical nuances i.e. difference between Drone Assembly and IP led Drone technology
 - Blend of **Investing** and **Operating** experience
 - Prior Stints: Lux capital, US based Deep tech VC
 - **Investment Partner**: Dr. Anjan Ray, ex CSIR Director, Phd in Chemistry, led R&D in sustainable fuel powered aircraft in India
 - **Strong Advisory Board** led by **Dr. R.A. Mashelkar** (Padma Vibhushan), Ex DG CSIR; **Dr. Shiladitya Sengupta** –inhouse Biotech expert; **Amay Mashelkar** Head of JioGenNext (Reliance’s accelerator to early-stage tech start ups); **Malav Dani** (Co-Promoter Asian Paints) and **Tarun Mehta** (Co-founder &CEO Ather Energy)

Fund

- Cat II AIF
- **Differentiated Early-stage VC** fund built to capitalize on opportunities led by India’s transformation into **Knowledge driven Innovation led** economy
- Target Fund raise: INR 250+150 Crs
- Tenure: 10+1+1 year
- Min Ticket size: INR 1 Crs
- Investment time frame : By Jan’27 (extendable by 1 yr)
- Exits is likely to start be from 6th year onwards
- Drawdown Schedule: Current 33% and rest expected by Jan’27
- Focus Stage: Seed, Series A and opportunistic Series B bets
- **Capital arbitrage** combining cost efficient structure with quality tech talent pool available in India
- **IP-led differentiation** with strong technical moats and scalable global use cases.

W.I.S.E - Product in Focus: Samara Capital III

Why we like Samara Capital III?

Firm

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

Manager

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

Fund

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

W.I.S.E - Product in Focus: Spark Near IPO Fund

Why we like Spark Midas Investment Fund I

Firm

- **Expertise** : Practitioner heritage of >2 decades in deal making and sourcing
- **Established ecosystem across** Corporates, VC investors and wealth clients
- **Scale:** Consummated ~INR 64,000 Cr worth of Investment banking deals till date
- **Experience:** 9 senior MDs with diverse experience bring in a cumulative ~230 years of experience
- **Stability and continuity** of the team with 6 out of 9 have been associated with spark for more than a decade
- Ability to **source proprietary** deals
- **Ability** to partner with family offices ,CVCs, and HNIs for co-investments
- Track record of curating successful transactions, exits and create shareholder value for leading businesses such as **Craftsman Automation, Suryodyay, Veritas Finance, Unicommerce, Jana SFB, Shadowfax, Shiprocket and Sutherland**

Manager

- Successful deal making heritage
 - Expertise in sourcing, structuring and facilitating exits
 - **Valuation conscious**
 - Numerous transactions executed in late stage which has gone on to be listed, are at near listing stage or have seen successful strategic sale.
 - Expertise in **Consumer, Tech and BFSI space**
 - **Value addition** framework enables to replicate success
 - Track record of advising on value creation pathways for entrepreneurs and investors alike
 - Strong post transaction performance of companies dealt with indicating a robust deal selection process
 - Evaluation matrices, deal making and due diligence DNA

Fund

- **Target Opportunities:**
 - INR 25-75 Cr ticket size having potential to list around INR 4000 cr Mcap or above
 - Estimated time to IPO is 1-3 years for underlying companies
- **Ownership:**
 - <10% stake; Not to be deemed as promoter at IPO
 - <25% of fund corpus in a single investment
 - Existing presence of Institutional investor in cap table
- **Investment criteria:**
 - Reasonable scale with 3 years vintage
 - Profitable
 - Target Returns >25% IRR (Pre -Tax)
- **Drawdown Schedule:** 100% in 2 years from first draw down
- Average expected holding period is **1-3** years

W.I.S.E - Product in Focus: ValueQuest Scale Fund II

Why we like ValueQuest Scale Fund II?

Firm

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

Manager

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

Fund

- Cat II AIF
- **High Quality** companies across both **Late and Growth** stage
 - **Growth Stage Companies** - Established business model, product market fit and positive unit economics with a 4-5-year investment horizon.
 - **Late-stage Growth Companies** - Similar as growth stage but will be potentially larger with a preferable timeline to IPO within 24-30 months.
- Target Fund raise: INR 3000+1000 crs
- Tenure: 8+1+1 year
- Min Ticket size: INR 2 crs
- Investment time frame : 4 years
- Exits will be likely from 4th to 5th year onwards
- Drawdown Schedule: 1/3rd every year and 305 drawdown at the time of subscription
- Focus Stage: ~60% Growth Stage and ~40% Late Stage

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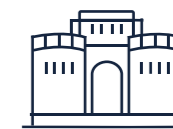
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