Spark Capital
Private Wealth Management

India Investment Strategy

January 2025

Index

Summary

External Influences

US

- **Current Economic Conditions are in Balance, as such a Soft Landing Continues to Remain the Base Case Scenario**
  - High credit dependency appears to begin weighing on consumption.
  - Payroll gains rebounded sharply after last month's one-off job market print.
  - American equities appear euphoric.
- **What might the Fed do next?** The Fed delivered another 25 bps rate cut in December. However, given the stickiness in services inflation and the continued strength of the labor market, the Fed has revised its forecasts for inflation in 2025 from 2.1% to 2.5% and signaled fewer rate cuts. For further details please refer to our Inflation and Rates segment.

Europe

- **We Continue to Maintain a Cautious Stance Towards Europe:**
  - Composite PMI dipped in November, entering contractionary territory for the 3rd time this year.
  - Industrial production growth (YoY) remained negative for the 18th consecutive month.
  - Real GDP growth (YoY) for Europe is expected to be relatively flat for the next 4 quarters as core economies such as Germany continue to remain weak and peripheries like Spain are expected to outperform.

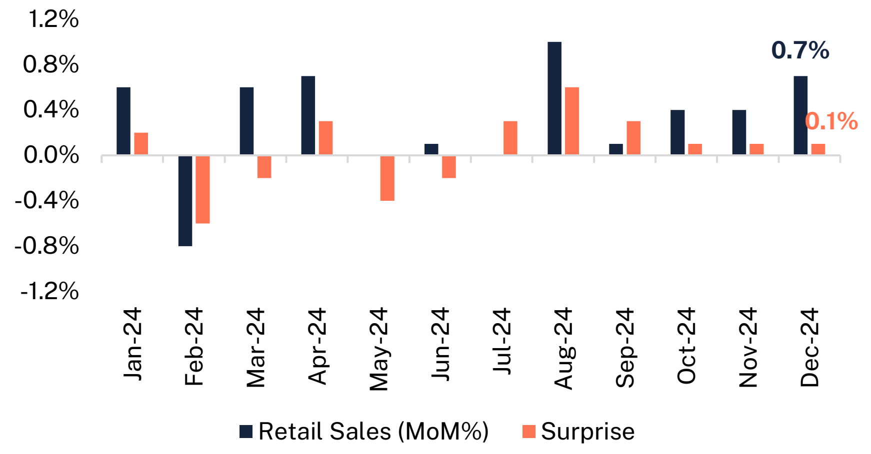
China

- **We Continue to Maintain a Neutral Stance Towards China:**
  - The monetary easing announced in Sept-Oct continued to help industrial activity and domestic consumption improve.
  - China's trade balance with the US continued to improve as American businesses have been stocking up inventories before Trump imposes his proposed 60% tariffs after taking office in January 2025.
  - In December, the government discussed its fiscal outlook for 2025, wherein it shifted its tone towards making financial conditions 'more relaxed'. The last time the government adopted this tone was in the mid-2010s, when a plethora of measures ranging from currency devaluation, reverse repo rate cuts, and deficit spending were taken to support domestic consumption. However, this time the government hasn't mentioned specific ways through which it hopes to achieve this goal other than raising the fiscal deficit up to 4%.

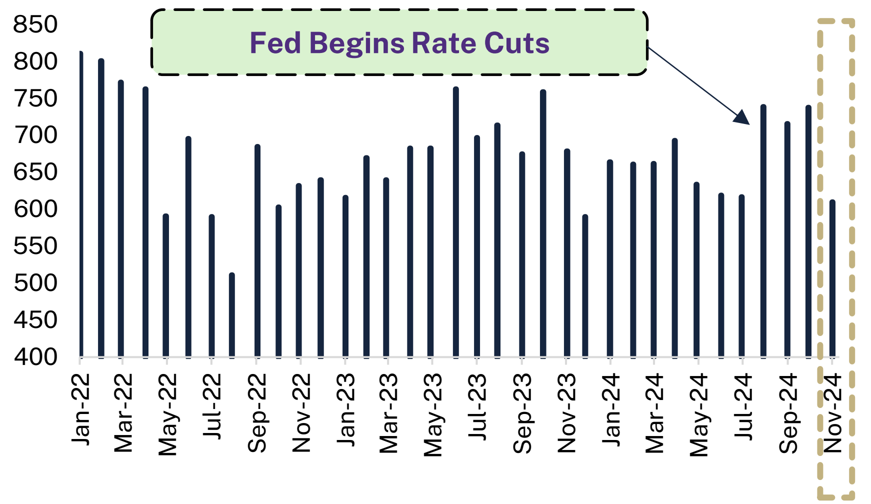
US: High Credit Dependency Appears to Begin Weighing on Consumption

Although retail sales were better than expected, the surprise relative to expectations has been diminishing over the past 6 months. Moreover, the decline in home sales also point towards unsustainable consumption growth as credit use and delinquency rates continue rising.

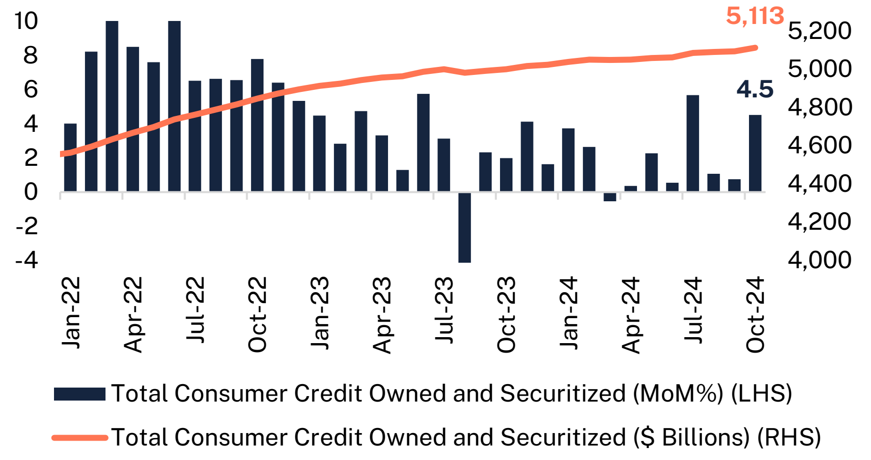
Retail Sales Picked Up 0.7% MoM in Nov-24, Marginally Beating Expectations by 0.1% MoM



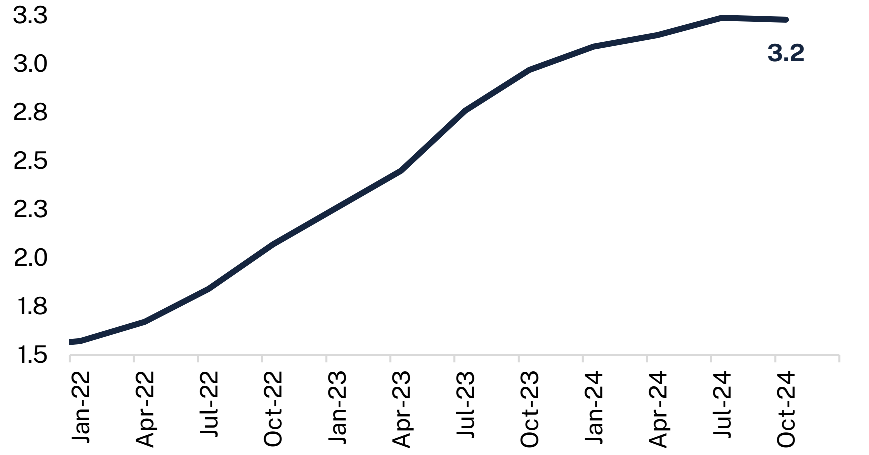
New Home Sales Declined 17% MoM in November



Total Consumer Credit Rose 4.5% MoM, Pushing the Notional Amount Above $5 Trillion for the First Time in History



Credit Card Delinquencies Rates Continued Rising, Indicating Consumption Growth Could Slow Down



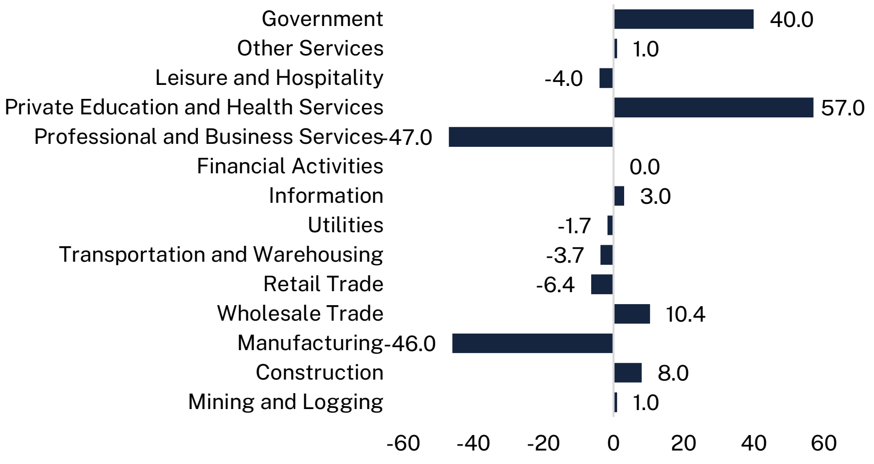
- **What have we been saying?** The US will achieve soft landing as consumption has been strong. However, given that a growing proportion of consumption is driven by credit, we believe this momentum could slow down.
- **What still holds?** Consumption continues to improve as Americans are increasingly resorting to expensive credit and saving lesser amounts of their disposable income.
- **What's shifted?** New home sales posted a 17% MoM decline as lower expectations of rate cuts from the Fed have driven mortgage costs higher. Moreover, the amount by which monthly retail sales growth have been beating market expectations has been tapering off, as credit card delinquency rates have continued rising.

Source: US Bureau of Economic Analysis, US Census Government Data, US Federal Reserve Economic Database, Archives from the Financial Accounts of the United States, Bloomberg, Spark PWM

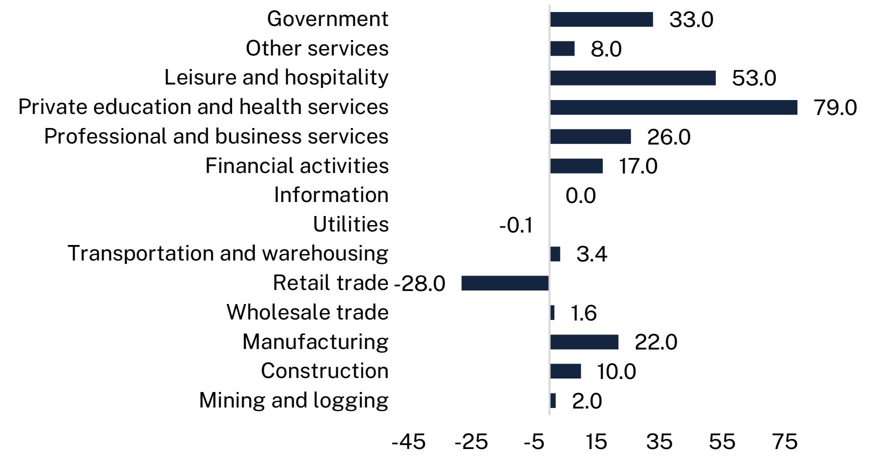
US: Payroll Gains Rebounded Sharply after Last Month's One-Off Job Market Print

Last month, we highlighted that October's payroll gain of only 12k, was not reflective of the labor market because the print was impacted by the occurrence of Hurricane Milton. We expected this to normalize based on data of previous hurricane-impacted payroll prints.

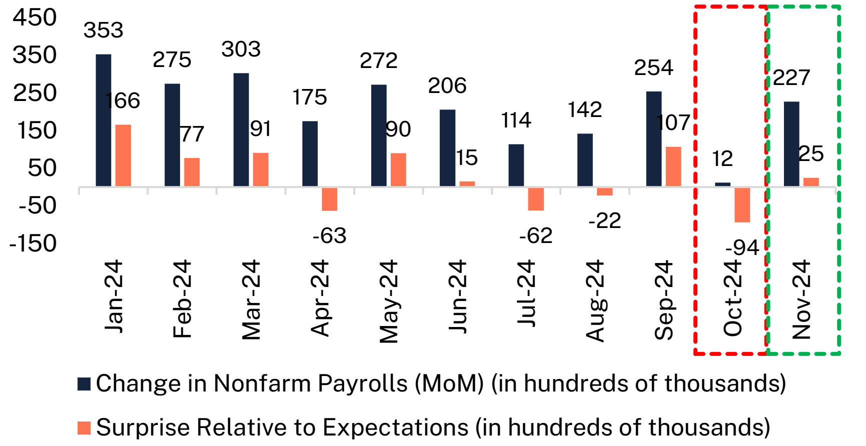
October Nonfarm Payroll Employment Change Across Industries



November Nonfarm Payroll Employment Change Across Industries



Nonfarm Payrolls Beat Expectations by 25k in November After Missing by 96k in October due to Hurricane Milton



Past Impacts of Hurricanes on US Nonfarm Payrolls

Date	Hurricane	Storm-Impacted Payrolls Change	Prior 3M Average Payrolls Change	Payrolls Change During Recovery
August-1992	Andrew	+31000	+92000	+181000
August-2005	Katrina	+57000	+269000	+94000
October-2012	Sandy	+159000	+173000	+243000
October-2016	Matthew	+108000	+270000	+119000
August-2017	Irma	+92000	+173000	+147000
September-2018	Florence	+87000	+173000	+164000

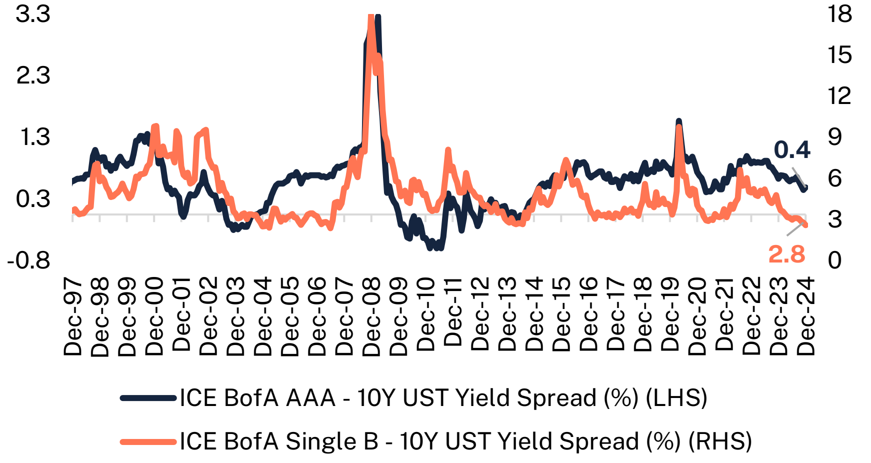
- **What have we been saying?** The US labor market has shown resilience over the past few months with higher-than expected nonfarm payroll change, fewer jobless claims and moderation in the unemployment rate. Although October's figures were very weak, we believed that this would normalize quickly as the print was impacted by the onset of a hurricane. In the past, hurricane-impacted payroll figures rebounded almost instantly.
- **What still holds?** The job market remains stable as payroll growth normalized after last month's figures missed expectations.
- **What's shifted?** Nonfarm payroll change in November bounced back above 200k and beat estimates as job growth picked-up after October's payroll miss, which was impacted by the onset of Hurricane Milton.

Source: US Bureau of Economic Analysis, US Federal Reserve Economic Database, Bloomberg, Spark PWM

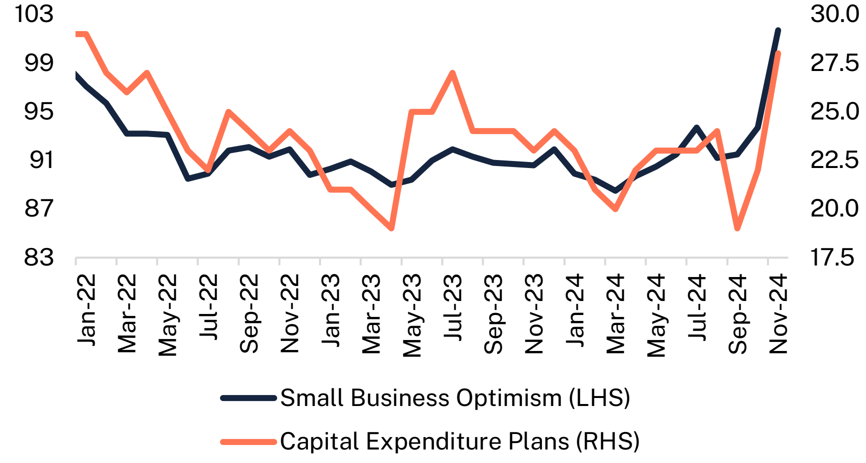
US: American Equities Appear Euphoric

Spreads between corporate and sovereign debt have reached multi-decade lows as the outlook towards business environment and capex have soared since Trump's re-election. The euphoria has pushed the S&P500's P/E close to record levels even though earnings yields are relatively low.

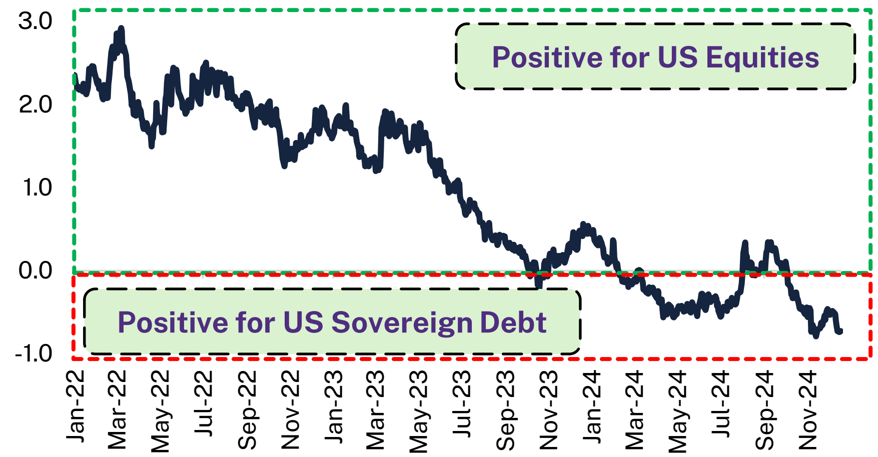
Risk Premium for IG and HY Corporate Bonds at All-Time Low



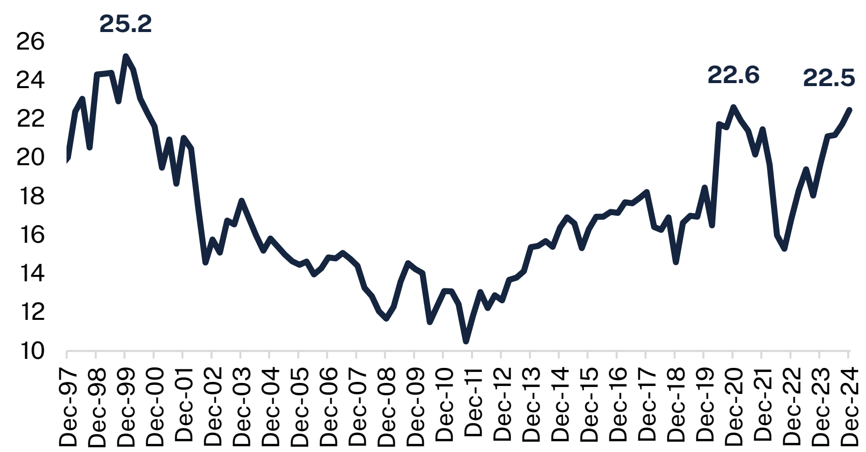
Market Expectations for Business Environment and Capex Picked Up Sharply Following US Presidential Election



Yield on 10Y US Treasuries Has Surpassed Earnings Yield for S&P 500, Indicating Bonds Should be More Attractive



S&P 500 12M Blended Forward P/E is Close to All-Time Highs



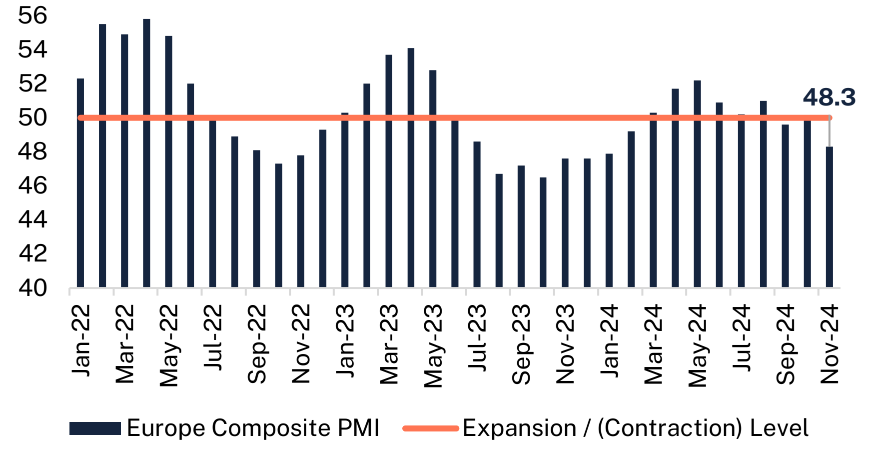
- **What have we been saying?** Since the US economy has been performing well and the Dollar has been gaining strength since Trump's re-election, inflows to US assets have been very strong. This is because Trump's policies like lowering corporate taxes and imposing tariffs to protect domestic businesses have led to more business optimism and capex plans.
- **What still holds?** The US economy and equities are continuing to perform very well. Optimism for business conditions are also reflected in the fact that corporate bonds are trading at multi-decade low yields relative to Treasury bonds.
- **What's shifted?** Equity valuations are quickly approaching multi-year highs. As a result, the earnings yield from them are lower than those from 10Y Treasuries, which would imply that sovereign debt should be more attractive than stocks.

Source: Bloomberg, Spark PWM

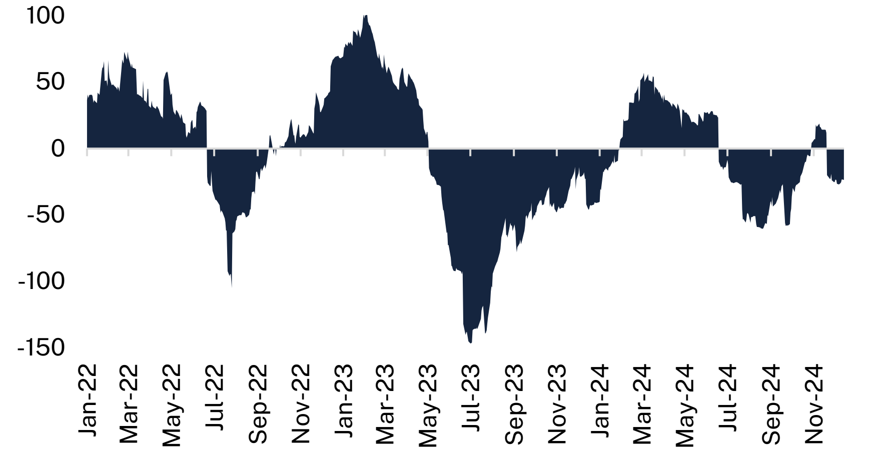
Europe: Economic Activity Takes a Turn for the Worse as 2025 Outlook is Lackluster

PMI, industrial production, and other economic data, as per the economic surprise index, were mostly underwhelming in November. Moreover, GDP growth for the next 4 quarters is expected to be flattish.

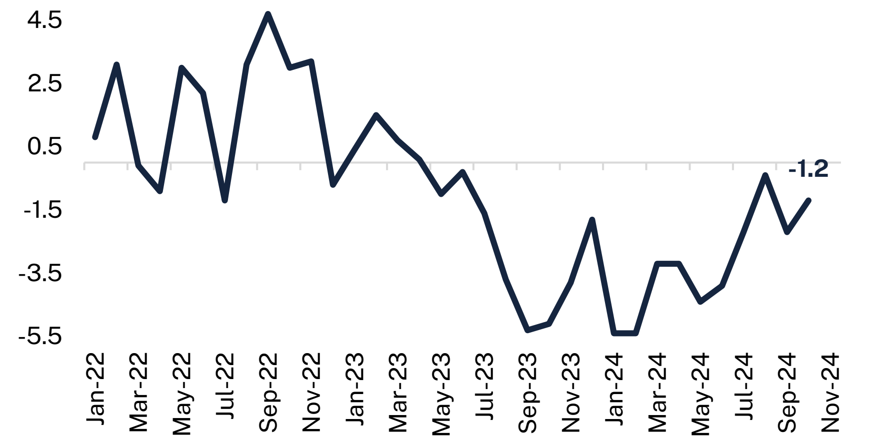
Composite PMI Dipped in November, Entering Contractionary Territory for the 3rd Time This Year



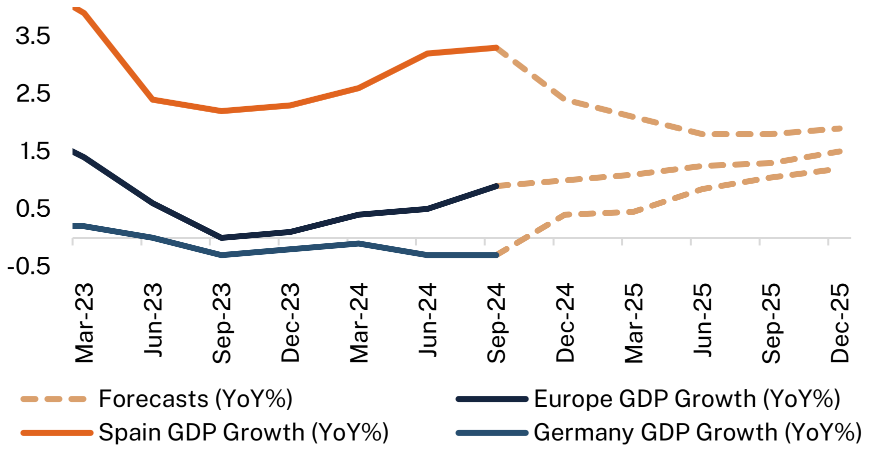
Europe Economic Surprise Index Back in Negative Territory due to Weaker than Expected Data



Industrial Production Growth (YoY%) Remained Negative for the 18th Consecutive Month



Real GDP Growth for Europe is Expected to be Relatively Flat as Peripheries Expected to Outperform Core Economies



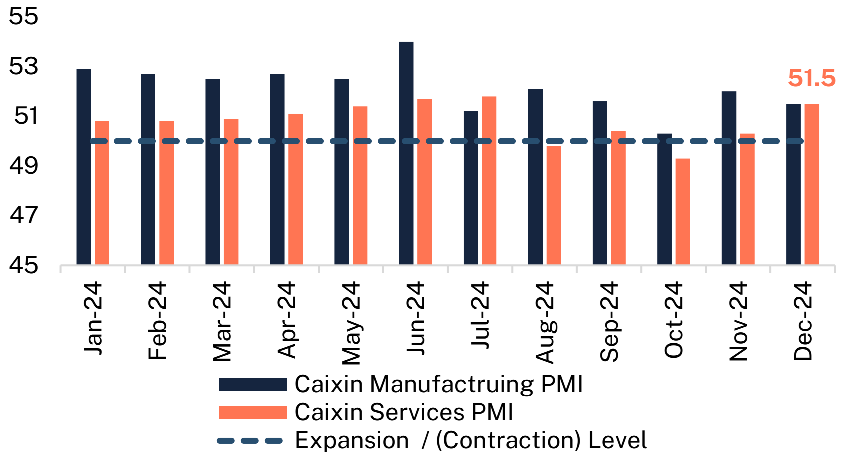
- **What have we been saying?** PMI and other economic data releases have been showing signs of weaknesses in the core economies. With inflation dipping below 2% and unemployment steadily rising in core economies like Germany, France, and Italy, the outlook for Europe in 2025 is weak.
- **What still holds?** Core economies like Germany continue to exhibit weakness and are largely the reason behind why industrial production growth for Europe has remained negative since April 2023. Peripheries like Spain are expected to outperform in terms of GDP growth.
- **What's shifted?** PMI data has slipped back into contractionary territory after it briefly regained some footing above the neutral 50-level in October.

Source: Eurostat, Bloomberg, Spark PWM

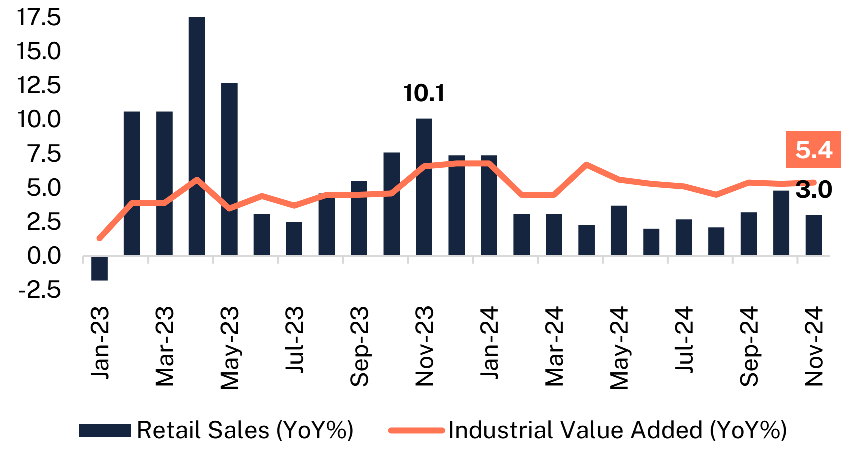
China: Economic Indicators Show Improvement & Government Signals Fiscal Stimulus

Industrial activity improved as US businesses loaded up on Chinese goods before Trump enforces tariffs. Domestic consumption remained stable as retail sales rose 3% YoY. The Chinese government unveiled a new wave of fiscal measures that will be dedicated to improving consumption.

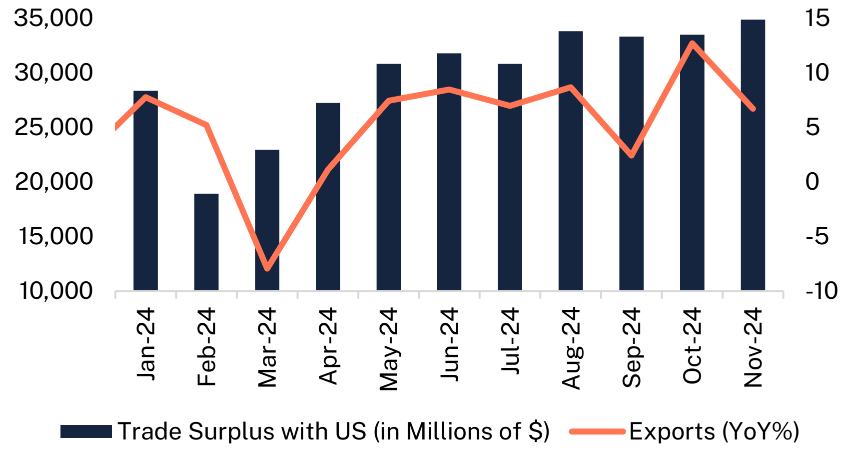
Both Manufacturing and Services PMI Remained Above the 50 Level at 51.5 in December



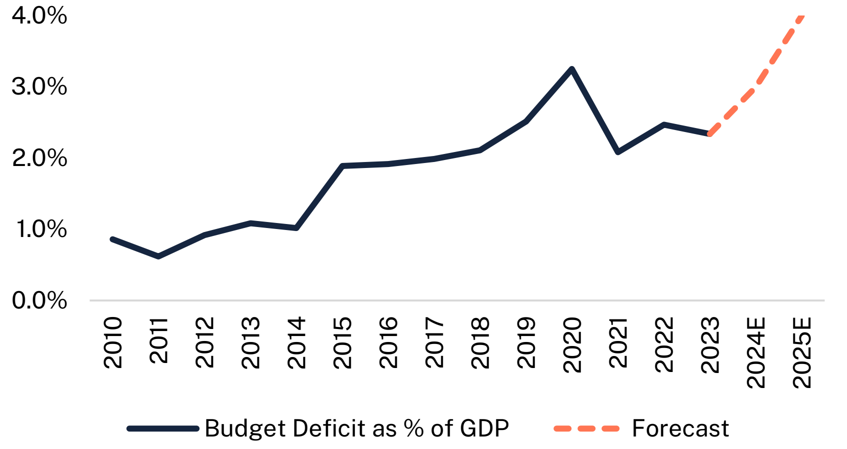
Industrial Value Added Grew Strongly YoY, But Retail Sales Slowed Down Due to High Base Effect from Nov 2023



China's Trade Surplus ($ mn) with US Rose due to Expected Tariffs Soon, But Overall Export Growth Weakened



Government Announced that 2025 Budget Deficit Will be 4% of GDP, Up From 2024 Target of 3%



- **<u>What have we been saying?</u>** The PBOC's monetary easing policies that were introduced between September-October will not be sufficient in stimulating the economy without announcements of ample fiscal expenditure in the near-term.
- **<u>What still holds?</u>** Retail sales and industrial value added continue to remain positive. Moreover, China's trade balance with the US has also improved as American businesses attempt to stock up their inventories before Trump's tariffs make Chinese goods more expensive.
- **<u>What's shifted?</u>** The government said it would pursue 'more relaxed' policies in 2025 and raised its fiscal deficit target to 4% of GDP to focus on domestic consumption.

Source: People's Bank of China, Bloomberg, Spark PWM

Summary

Local Story

Government Finances: Revenues Remain Strong & Capex Continues to Pick Up

- Revenues: Cumulative Corporate Tax receipts and Personal Income Tax Collections increased 1.24% YoY and 20.15% YoY for 7MFY25, respectively.
- Expenses: Cumulative Government Capex for 7MFY25 was >13% higher than the figure noted for 6MFY25.

Economic Activity: Stable in November After Showing Strong Recovery in October

- (i) Composite PMI was broadly stable, changing slightly from 59.1 in October to 58.6 in November, (ii) Industrial production picked up to 3.5% YoY, maintaining its recovery from the weak print seen 2 months ago, (iii) E-Way Bills generation moderated in November as the festive season came to an end, and (iv) GST Collection grew 7.1% YoY in November.

Trade Deficit in Focus: CAD Under Pressure from Export-Import Imbalance

- Trade deficit reached an all-time low, declining from -$27 billion in October to -$37 billion in November. The unexpected drop was led by declining petroleum exports and rising gold imports. Overall, exports declined -4.9% YoY and imports rose 27% YoY. However, recent reports have suggested that officials likely double-counted gold stored in warehouses, thereby negatively skewing import figures. Exports excl. petroleum grew 4.7% YoY while imports excl. gold grew 8.1% YoY.

Insights from Q2FY25 & 1HFY25 GDP Prints: Drivers, Challenges & Bright Spots

- India's GDP grew 5.4% YoY in Q2FY25, marking the slowest pace of growth since Q3FY23.
- Drivers: Private Final Consumption Expenditure (PFCE) rose 6.0% YoY in Q2FY25 and 6.7% YoY for 1HFY25, showing significant improvement over the 2.6% and 4.0% YoY growth rates in Q2 and H1 of FY24. Moreover, FCE for Government grew 4.4% YoY in Q2FY25, following low or negative growth rates in the previous quarters.
- Challenges: Manufacturing grew 2.2% YoY, down from stronger performances seen in previous quarters. Meanwhile, the 'Mining & Quarrying' segment contracted -0.1% YoY, highlighting challenges in the extraction and processing of minerals.
- Bright Spots: The 'Agriculture and Allied' sector grew 3.5% YoY in Q2FY25, reversing the subdued performance of 0.4-2.0% YoY growth seen over the 4 quarters. The 'Construction' sector grew 7.7% YoY in Q2FY25 and 9.1% YoY in 1HFY25 on the back of sustained domestic consumption of finished steel goods. Lastly, the 'Tertiary' sector consisting of trade, hotels, transport, and communications, grew 7.1% YoY in Q2FY25, up from 6.0% YoY growth seen in Q2FY24.

Liquidity Spotlight: RBI Takes Action to Help Banking System's Liquidity Deficit

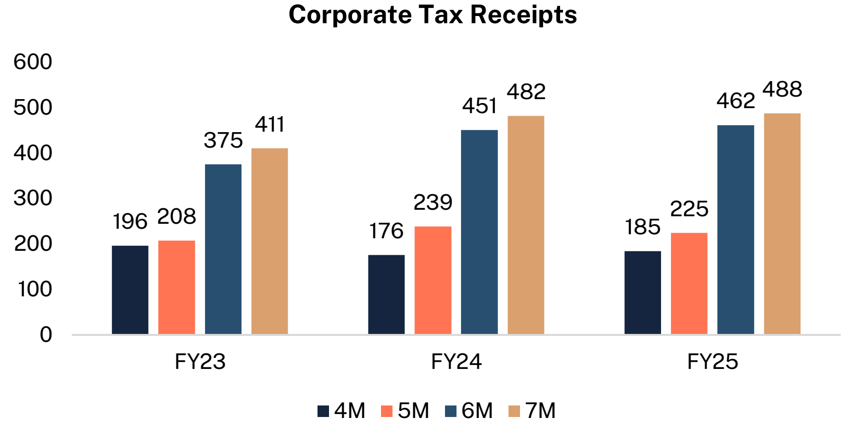
- Banking sector liquidity has shifted into a slight deficit and is expected to remain in neutral-to-deficit range till March 2025 on the back of outflows in December in the form of excise payments, advance tax and GST collections; strong seasonal growth in currency-in-circulation and build-of government balance in Q4.

Government Finances: Revenues Remain Strong & Capex Continues to Pick Up

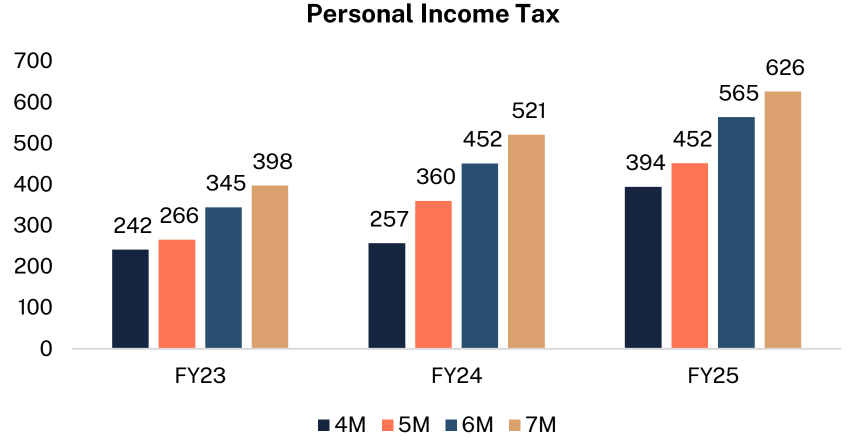
Fiscal Deficit on Lower Side, but Showing Early Signs of Improvement

Government finances (INR Bn)	Apr-Oct'24	Apr-Oct'25	Increase	Budget Estimates (FY25)	% of Budgeted Estimates
Total Expenditure	**23,944**	**24,739**	**3%**	**48,205**	**51%**
Revex	18,475	20,074	9%	37,094	54%
Capex	5,469	4,665	-15%	11,111	42%
Total Revenues	**15,907**	**17,231**	**8%**	**32,072**	**54%**
Tax Revenue	13,020	13,050	0%	25,835	51%
Non Tax Revenue	2,658	3,993	50%	5,457	73%
Others	230	188	-18%	780	24%
Fiscal Deficit	**8,037**	**7,508**	**-7%**	**16,133**	**47%**

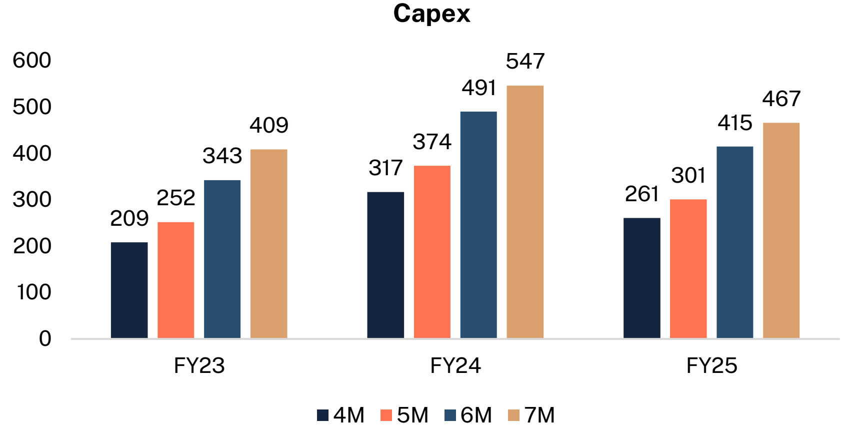
Cumulative Corporate Tax Receipts for 7MFY25 Increased 1.24% YoY



Cumulative Personal Income Tax Collection for 7MFY25 Grew 20.15% YoY



Cumulative Government Capex for 7MFY25 was >13% Higher Than the Figure Noted for 6MFY25



- **What have we been saying?** Government spending was constrained due to elections being underway and strong revenues in 1HFY25 suggested that GOI is capable of ramping up its average monthly capex in 2HFY25.

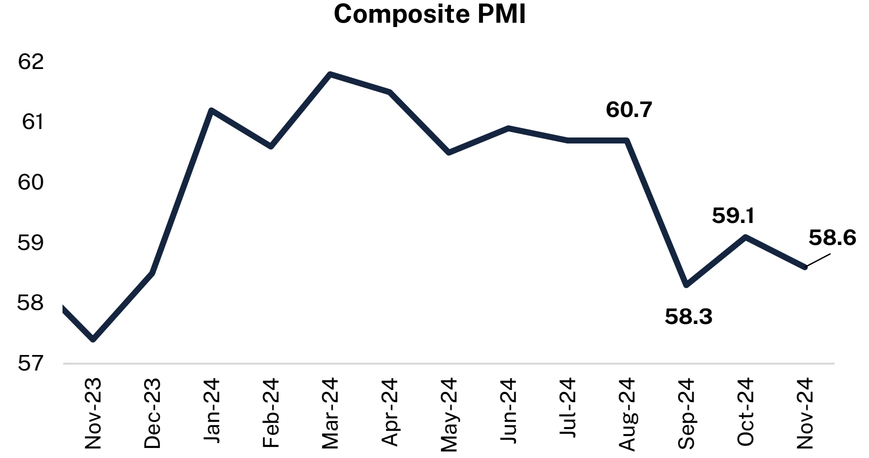
- **What still holds?** Government revenues continue to be strong as personal income and corporate tax receipts from 6MMFY25 to 7MFY25 maintained their upward trajectory.

- **What's shifted?** Although cumulative FYTD capex for 7MFY25 is 14.6% lower on a YoY basis, the figure for 7MFY25 was >13% higher than that observed for 6MFY25. Moreover, cumulative FYTD capex for 6MFY25 was 15.4% lower on a YoY basis, indicating improvement in the rate by which monthly capex has been rising.

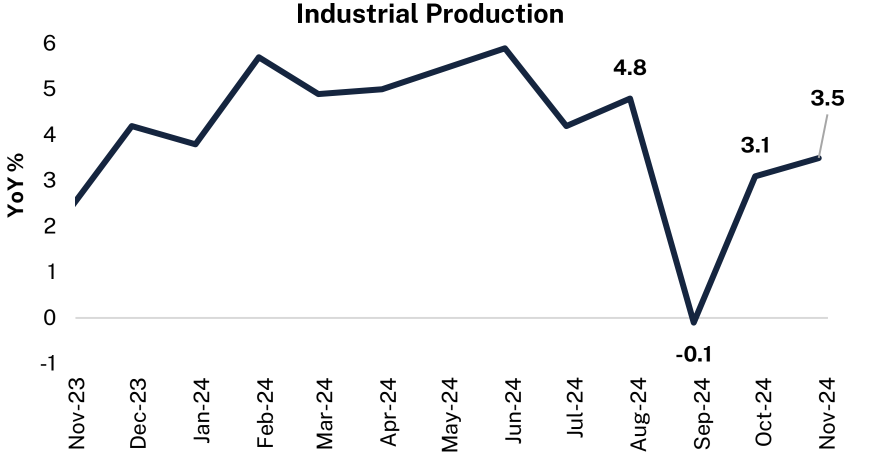
Source: India Government Controller General of Accounts, Spark PWM

Economic Activity: Stable in November After Showing Strong Recovery in October

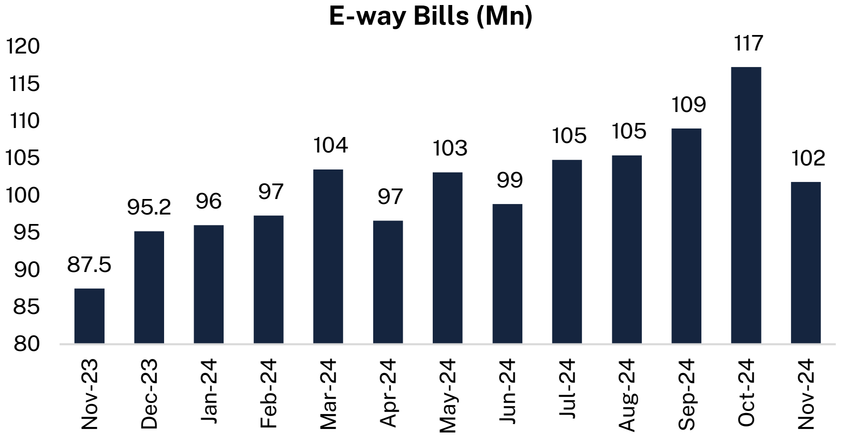
Composite PMI was Broadly Stable, Changing from 59.1 in October to 58.6 in November



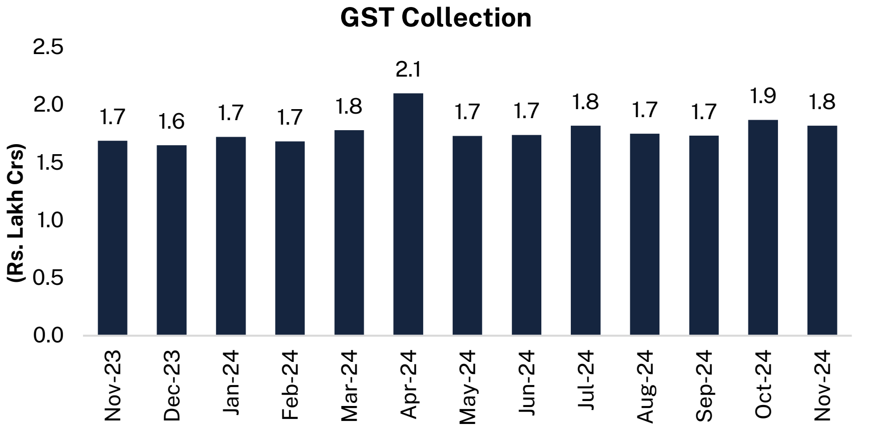
Industrial Production Picked Up to 3.5% YoY, Maintaining its Recovery from the Weak Print Seen 2 Months Ago



E-Way Bills Generation Moderated in November as the Festive Season Came to an End



GST Collection Grew 7.1% YoY in November



- **What have we been saying?** There was above normal rainfall in September, as Northern India witnessed 29.2% more rainfall than its long-period average. This explains the slight slowdown in industrial activity and retail foot-traffic that was observed in September. We emphasized that the drop in PMI and industrial production would normalize once the effects of the excess rainfall subside.

- **What still holds?** GST collections continue to remain robust, while PMI and industrial production growth have picked up since September.

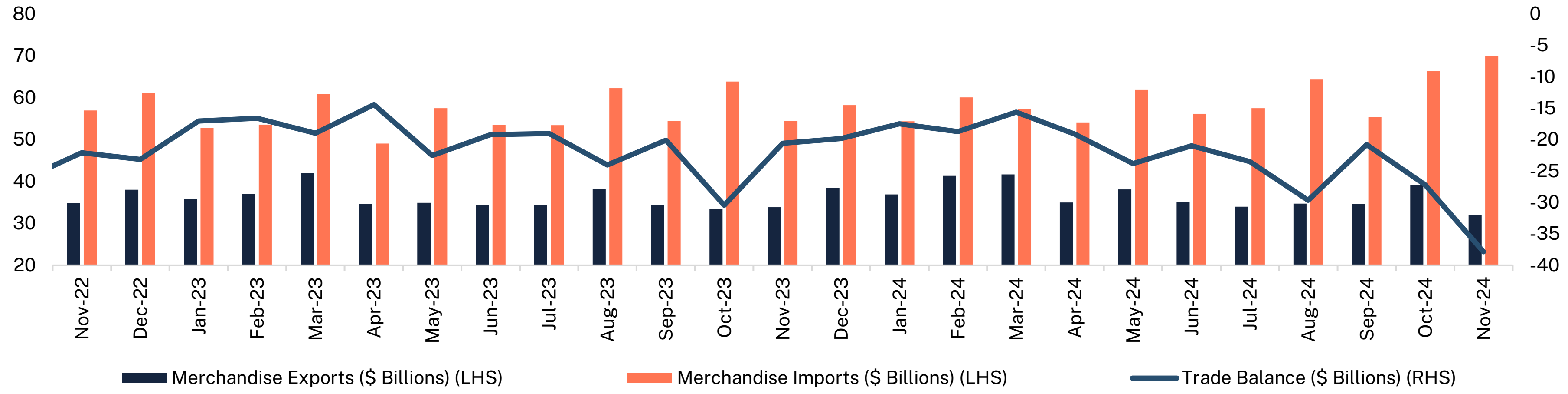
- **What's shifted?** E-Way Bills moderated in November to levels that were last seen in June 2024. However, this is normal as it reflects a cool-off from the surge in previous months that was led by the festive season.

Source: Bloomberg, Spark PWM

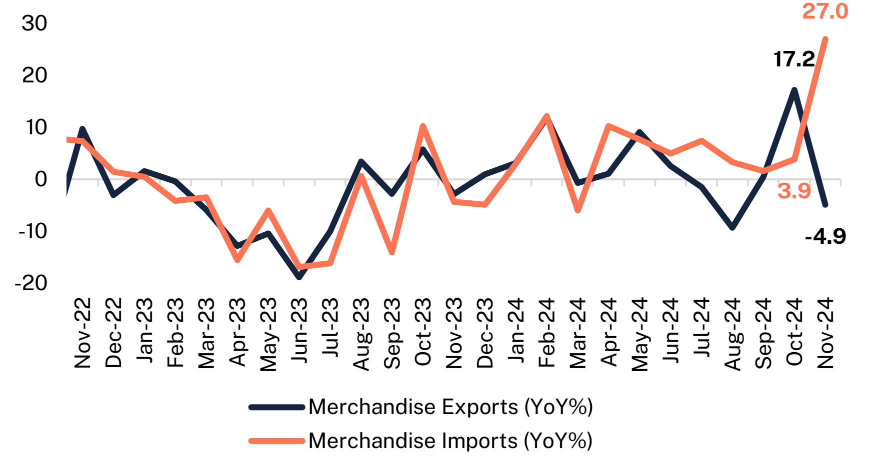
Trade Deficit in Focus: CAD Under Pressure from Export-Import Imbalance

India’s trade deficit reached a new high of $37.84 billion as exports declined -4.9% YoY and imports rose 23% YoY. The print is attributed to weak petroleum exports and strong gold imports. Excluding petroleum, exports actually grew 4.7% YoY, while imports excluding gold rose 8.1% YoY.

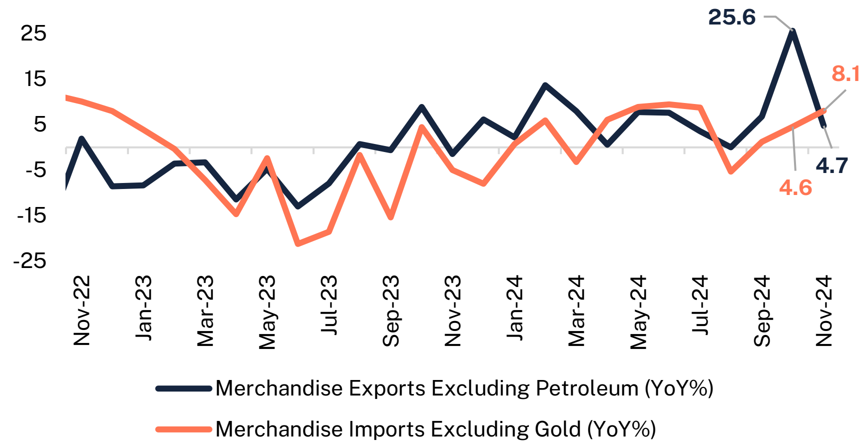
Trade Deficit Reached an All-Time Low, Declining From -$27 Billion in October to -$37 Billion in November
The Unexpected Drop was Led by Declining Petroleum Exports and Rising Gold Imports



Exports Declined -4.9% YoY and Imports Rose 27% YoY



Exports Excl. Petroleum Grew 4.7% YoY While Imports Excl. Gold Grew 8.1% YoY, Indicating Better Consumption



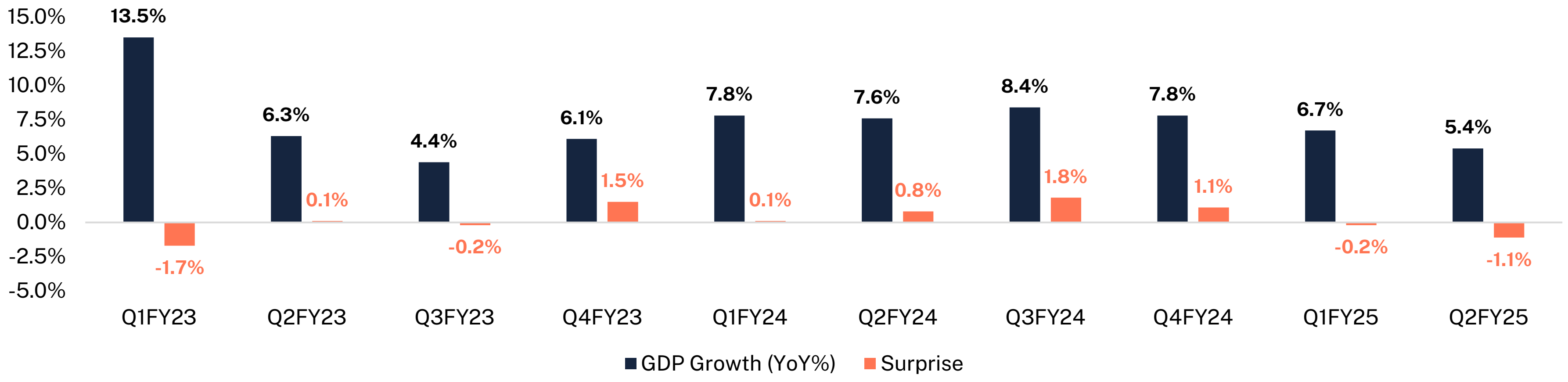
- **What have we been saying?** Lower crude prices typically support India’s petroleum export growth. Moreover, this year’s rally in gold has raised investor demand for it, thereby causing higher imports of the metal.
- **What still holds?** Developments in India’s trade balance excluding petroleum exports and gold imports suggests other segments are in good shape. Excluding petroleum, exports grew 4.7% YoY, and excluding gold, imports rose 8.1% YoY, showing strong demand for Indian goods and positive consumption growth.
- **What’s shifted?** The economic slowdown in Europe has led to a drop in demand for India’s petroleum exports, thereby resulting in the -4.9% YoY decrease in November. Moreover, recent reports suggest that an accounting error for gold stored in warehouses has negatively skewing the import print to a 27% YoY increase.

Source: Bloomberg, Spark PWM

Insights from Q2FY25 & 1HFY25 GDP Prints: Drivers, Challenges & Bright Spots

Barring manufacturing and mining, Q2FY25's GDP figures show significant improvements in agriculture, construction and services. Meanwhile, on the expenditure side, both private and government consumption showed robust growth. Relative to previous quarters.

India's GDP Grew 5.4% YoY in Q2FY25, Marking the Slowest Pace of Growth Since Q3FY23



Main Takeaways

- **DRIVERS - Private and Government Consumption:** Private Final Consumption Expenditure (PFCE) rose 6.0% YoY in Q2FY25 and 6.7% YoY for 1HFY25, showing significant improvement over the 2.6% and 4.0% YoY growth rates in Q2 and H1 of FY24. Moreover, FCE for Government grew 4.4% YoY in Q2FY25, following low or negative growth rates in the previous quarters.
- **CHALLENGES - Manufacturing and Mining:** Manufacturing grew 2.2% YoY, down from stronger performances seen in previous quarters. Meanwhile, the 'Mining & Quarrying' segment contracted -0.1% YoY, highlighting continued challenges in the extraction and processing of minerals.
- **BRIGHT SPOTS - Agriculture, Construction, and Services:** The 'Agriculture and Allied' sector grew 3.5% YoY in Q2FY25, reversing the subdued performance of 0.4-2.0% YoY growth seen over the 4 quarters. The 'Construction' sector grew 7.7% YoY in Q2FY25 and 9.1% YoY in 1HFY25 on the back of sustained domestic consumption of finished steel goods. Lastly, the 'Tertiary' sector consisting of trade, hotels, transport, and communications, grew 7.1% YoY in Q2FY25, up from 6.0% YoY growth seen in Q2FY24.

- **What have we been saying?** We expected real GDP to be stronger than 5.4% as private consumption continues to show strength. However, we have also highlighted how the abnormal rainfall in September weighed down on manufacturing and mining activity as well as retail foot traffic, as shown by our analysis of why PMI dipped sharply in September.
- **What still holds?** Private consumption remains strong, and we continue to believe that government spending will pick up in 2HFY25, thereby posing India for strong growth in 2025.
- **What's shifted?** With the excess rainfall's effects normalizing since October, industrial production and manufacturing activity have sharply recovered. This improvement will likely be reflected in the upcoming GDP prints. Moreover, recent reports have suggested that several government infrastructure awards are underway, which should support construction.

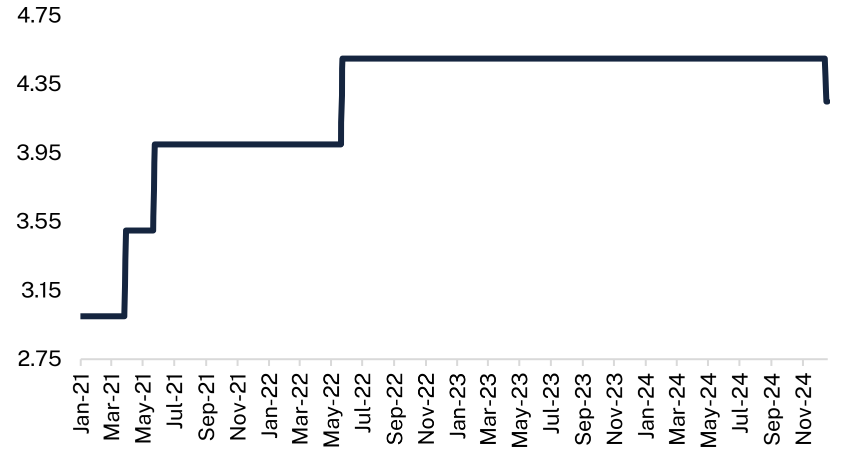
Source: Bloomberg, MoSPI, Spark PWM

Liquidity Spotlight: RBI Takes Action to Help Banking System's Liquidity Deficit

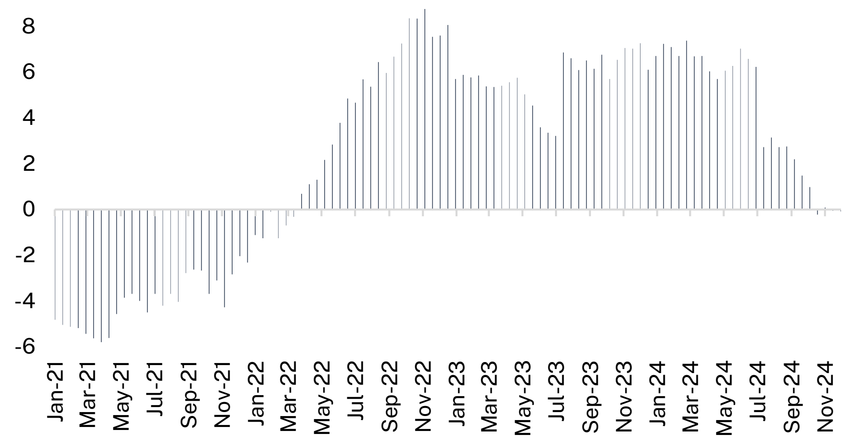
With GDP growth slowing and INR/USD under pressure, RBI cut the cash reserve ratio. The move eases monetary conditions without lowering rates, which would have caused further depletion of FX reserves to stabilise INR. Moreover, this will improve the banking system's liquidity deficit.

RBI Has Been Intervening in FX Markets With its Reserves to Prevent INR From Depreciating Too Sharply Against USD

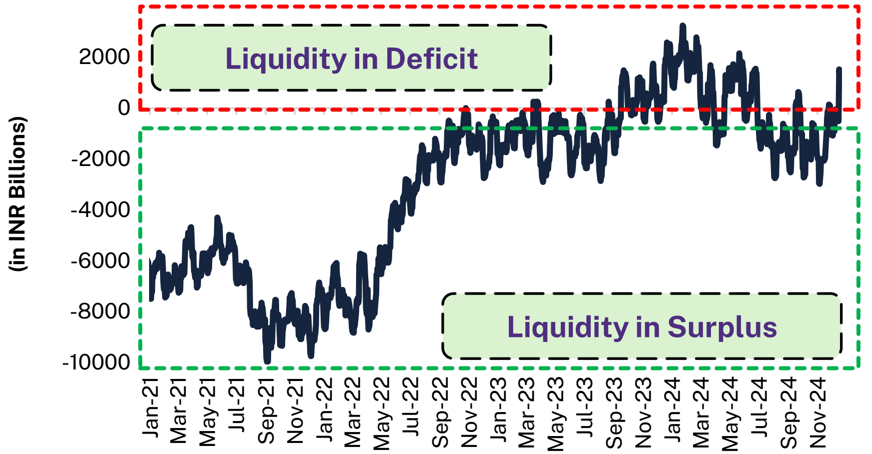
Since FX Intervention is Unsustainable, RBI Lowered the Cash Reserve Ratio to Ease Monetary Conditions Without Rates



Spread Between YoY Growth in Credit and Deposits Remained Flat in November, Which is Positive for Liquidity



CRR Cut and Flattening Spread Between Credit-Deposit YoY Growth Should Help Ease Deficit Banking System Liquidity



- **What have we been saying?** We previously highlighted that RBI was warning banks about their credit-deposit ratios as inflation was running too hot for rates to be lowered.
- **What still holds?** Inflation is still a bit high, but cutting the CRR to inject liquidity is a valid approach to balance liquidity while the credit-deposit growth spread continues to moderate.
- **What's shifted?** Banking sector liquidity has shifted into a slight deficit and is expected to remain in neutral-to-deficit range till March 2025 on the back of outflows in December in the form of excise payments, advance tax and GST collections; strong seasonal growth in currency-in-circulation and build-of government balance in Q4.

Source: Bloomberg, RBI, Spark PWM

Summary

Inflation and Rates

Fed Signals 'Higher for Longer' Narrative for Rates is Back as Inflation Risks Picked Up

- Fed signals only 50 bps of easing in 2025, compared to 100 bps as per September's projections.
- PCE inflation forecast for 2025 revised upwards from 2.1% YoY to 2.5% YoY.
- In September, 16 out of 19 Fed members said that risks to inflation were 'broadly balanced'. Following the latest FOMC, 15 out of 19 members believe that these risks are now 'weighted to the upside', with 1 member dissenting the December cut.

RBI Rate Cut Likely in February 2025: Food Prices Declined For the 1st Time in 10 Months

- CPI rose 5.48% YoY in November 2024, and the 'Food & Beverages' segment continues to account for a large portion of price level changes.
- CPI decreased on a MoM basis for the 1st time in 10 months, adding conviction for RBI to lower rates in February 2025.
- Since RBI's most recent meeting on 6th December, markets are divided between expecting a 25 bps or 50 bps cut in Feb 2025. While a 25 bps cut appears to be the base case, there is a 28% probability of seeing a jumbo cut.

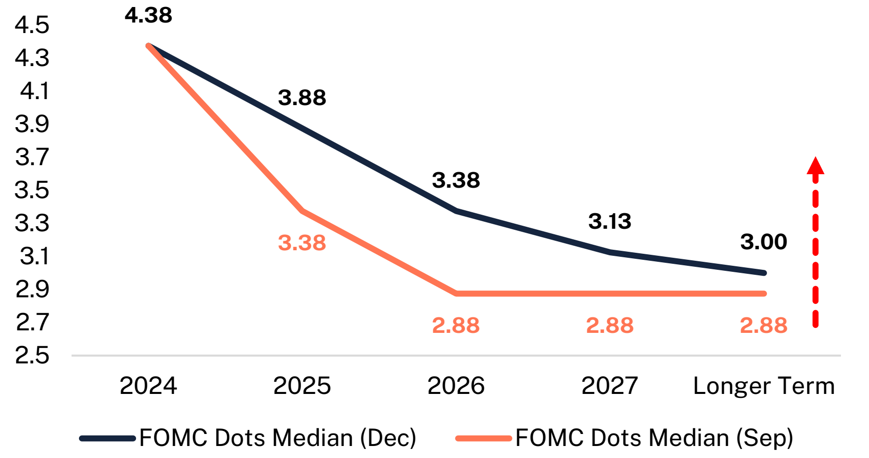
G-Sec: Year Gone By

- Benchmark 10Y yield has already declined by ~44 bps in CY24, owing to stable macro-economic scenario favorable demand supply dynamics.
- Investors can consider adding duration as and when yields spike using the longer tenor G-Secs or Mutual Funds.
- Favorable Factors: (i) Easing of policy rates by global central banks, (ii) reduced domestic fiscal deficit number of 4.9%, (iii) strong index related inflows by FPIs, (iv) favorable G-Sec demand-supply dynamics, (v) possible incremental G-Sec purchase by banks to increase HQLA assets, and (vi) benign core inflation along with expectations of a better than normal monsoon resulting in undershooting of RBI's inflation estimates.
- Risk Factors: (i)Rupee depreciation and (ii) escalation in global trade tensions on the back of policies of Donald Trump led US Govt. leading to rise in global inflation.

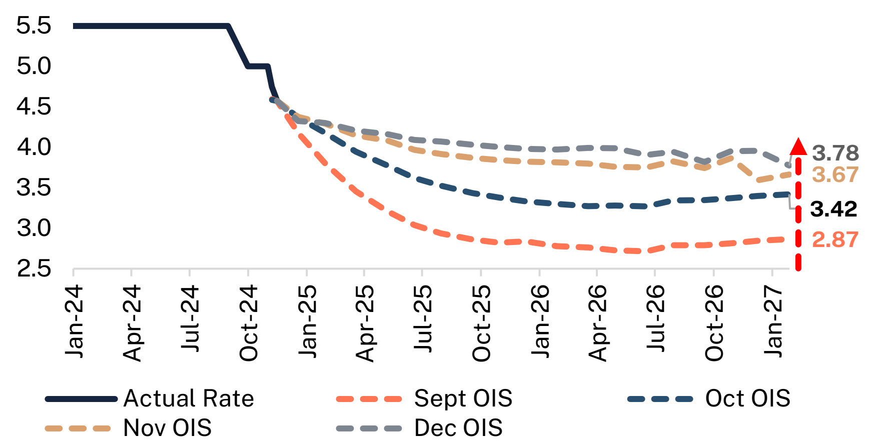
Fed Signals ‘Higher for Longer’ Narrative for Rates is Back as Inflation Risks Picked Up

The Fed’s latest quarterly ‘Summary of Economic Projections’ reveals that inflation concerns have risen sharply relative to September. Due to higher inflation forecasts, the Fed has signaled only 50 bps of easing in 2025. Markets expect the next 25 bps cut to take place in June 2025.

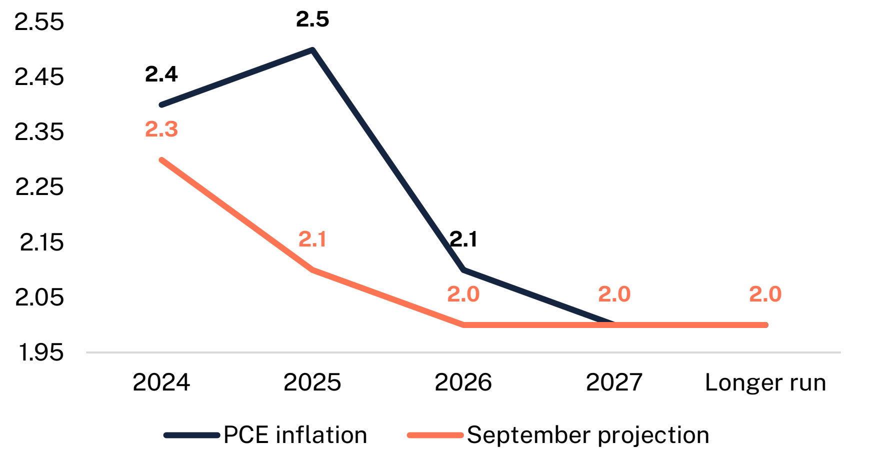
Fed Signals Only 50 bps of Easing in 2025, Compared to 100 bps as per September’s Projections



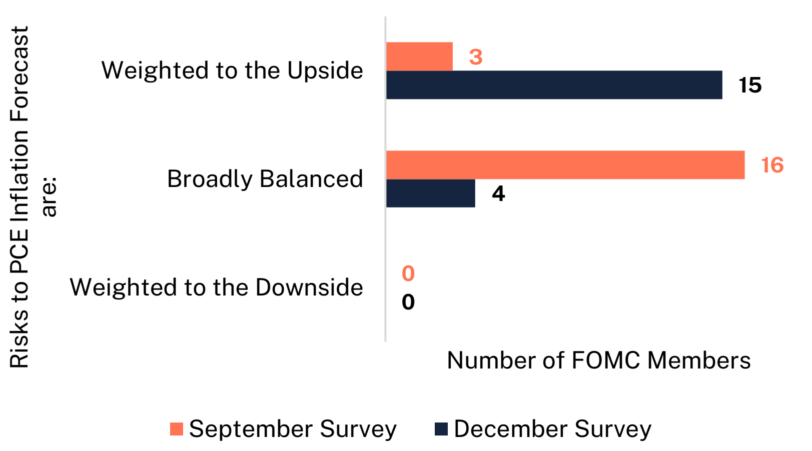
Markets Are Also Pricing in Fewer Rate Cuts



PCE Inflation Forecast for 2025 Revised Upwards From 2.1% YoY to 2.5% YoY



Most Fed Members Now Believe That Risks to Inflation Are ‘Weighted to the Upside’



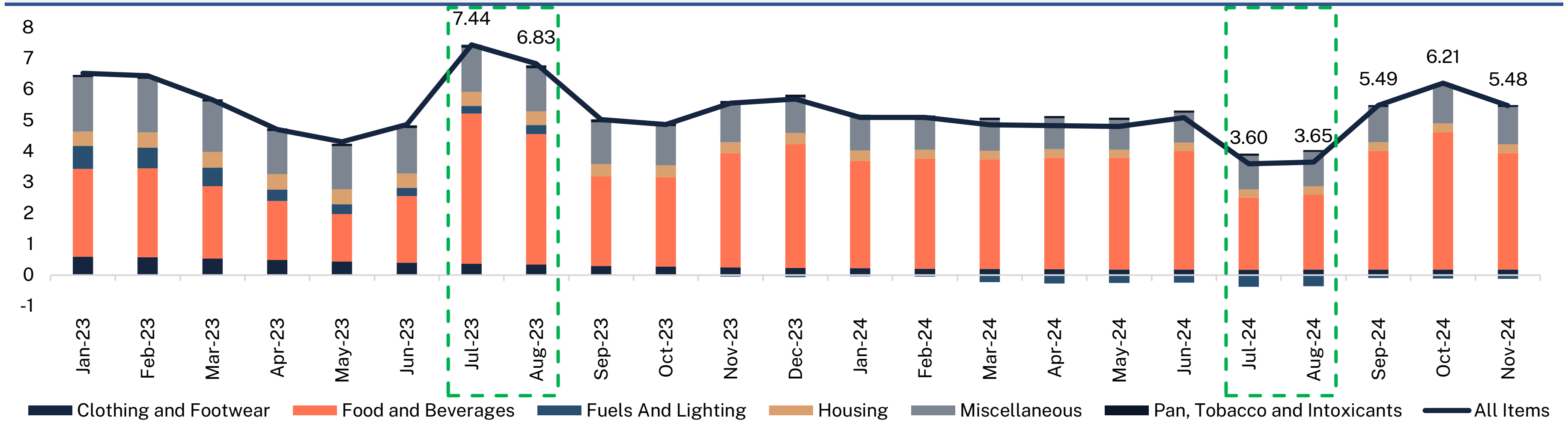
- **What have we been saying?** Given the US economy’s strength, the Fed has a case to keep rates slightly elevated to focus on bringing inflation back to 2%.
- **What still holds?** Over the past 4 months, markets have been pricing in fewer and fewer rate cuts as the US economy’s growth and labor market continue to show positive data.
- **What’s shifted?** In September, the Fed believed risks to inflation were ‘broadly balanced’. However, now the risks are weighted to the upside, causing the Fed to revise its forecasts for inflation in 2025 to 2.5%, up from 2.1% in September’s projections. As a result, markets can expect 50 bps of easing in 2025, instead of 100 bps that were signaled in September.

Source: Bloomberg, US Federal Reserve Summary of Economic Projections Archive, Spark PWM

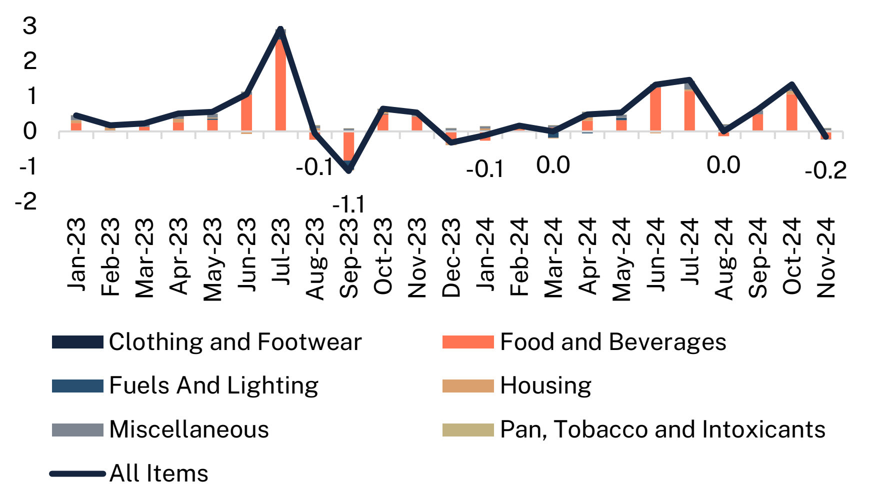
RBI Rate Cut Likely in February 2025: Food Prices Declined For the 1st Time in 10 Months

For the first time in 10 months, price levels for the ‘Food and Beverages’ segment of CPI showed a MoM decline, adding to the case for RBI to cut rates by 25 bps in Feb 2025. However, markets appear a bit optimistic as traders have assigned 25% probability that RBI will cut rates by 50 bps.

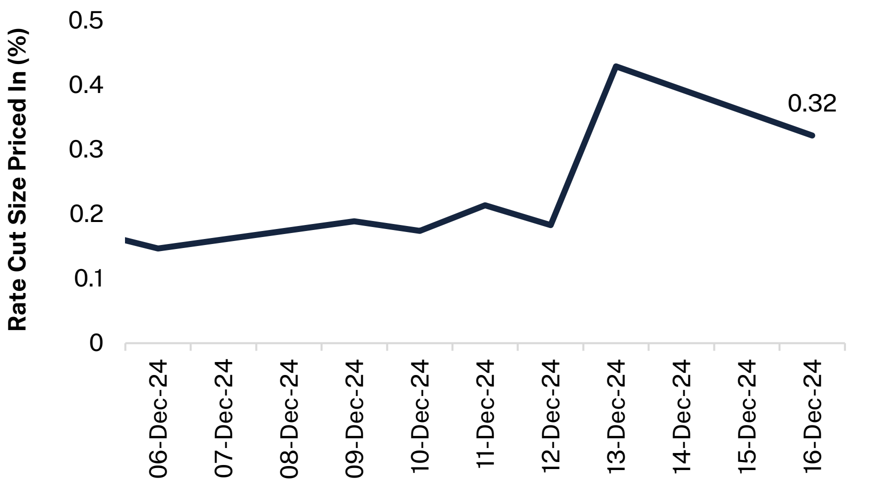
CPI Rose 5.48% YoY in November 2024, and the ‘Food & Beverages’ Segment Continues to Account for a Large Portion of Price Level Changes



CPI Decreased on a MoM Basis for the First Time in 10 Months, Adding Conviction for RBI to Lower Rates in February 2025



Since RBI’s Most Recent Meeting on 6th December, Markets Are Divided Between Expecting a 25 bps or 50 bps Cut in Feb 2025

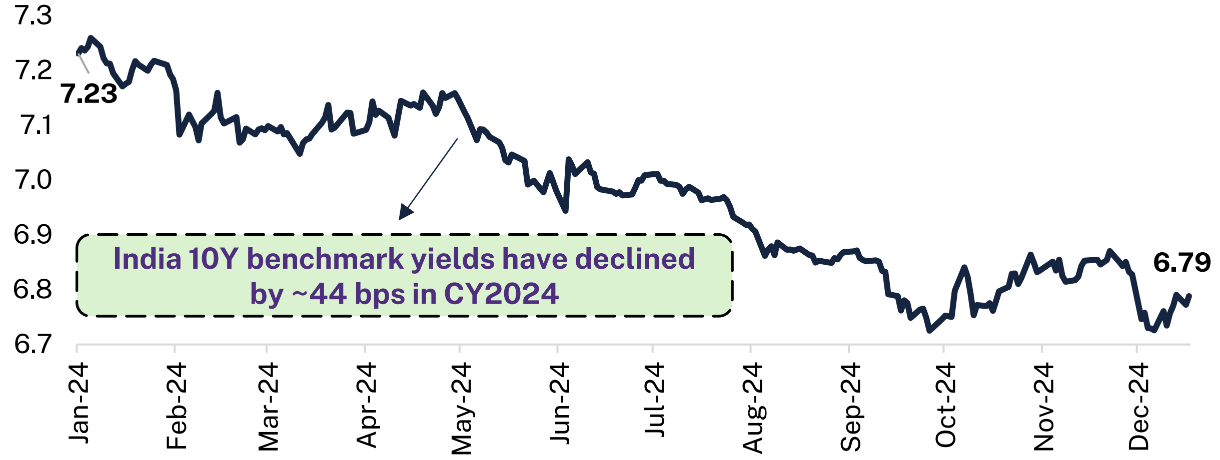


- **What have we been saying?** The dips in inflation observed during July and August were due to a high YoY base effect and not a moderation in price levels. Since that base effect is no longer in play since September, we thought that seeing higher than expected inflation prints should not be surprising. Moreover, with abnormal rainfall in September, we thought a positive price shock in food prices would be visible for a few months.
- **What still holds?** Price levels continue to remain elevated and are primarily being driven by food and beverages.
- **What’s shifted?** While price levels continue to remain elevated on a YoY basis, the November print showed the first MoM decline in 10 months. If this continues for the next 2 months, RBI will have a plausible case to cut rates by 25 bps. Markets are currently pricing in a 28% chance that RBI will cut rates by 50 bps in February.

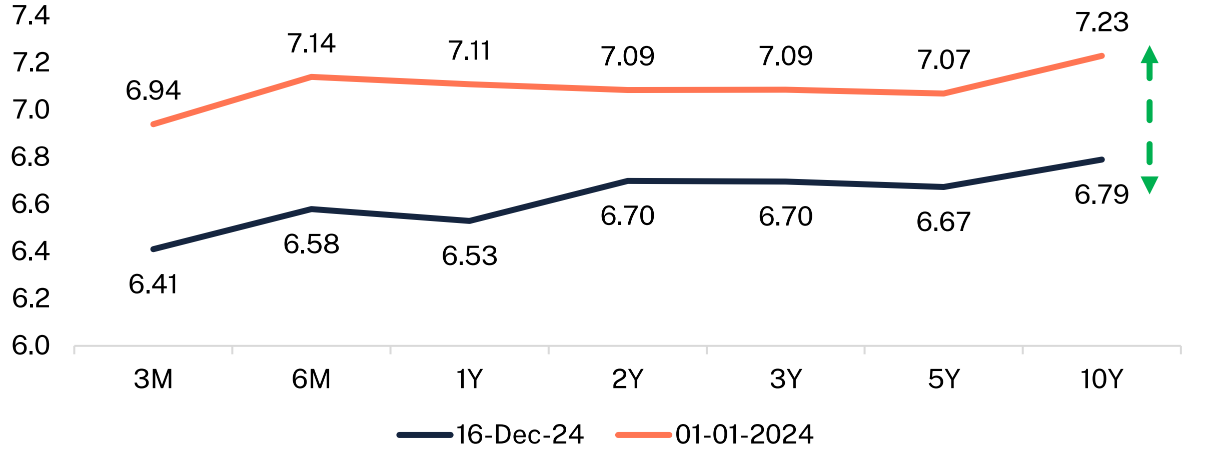
Source: Bloomberg, RBI, Spark PWM

G-Sec: Year Gone By

India 10-year G-sec Yield movement



India G-sec Yield Curve



- Benchmark 10Y yield has already declined by ~44 bps in CY24, owing to stable macro-economic scenario favorable demand supply dynamics
- Investors can consider adding duration as and when yields spike using the longer tenor G-Secs or Mutual Funds

Factors impacting yields

Favorable Factors

- Easing of policy rates by Global Central Banks
- Reduced domestic Fiscal deficit number of 4.9%
- Strong index related inflows by FPIs
- Favorable G-Sec demand-supply dynamics
- Possible incremental G-Sec purchase by Banks to increase HQLA assets
- Benign core inflation along with expectations of a better than normal monsoon resulting in undershooting of RBI's inflation estimates

Risk Factors

- Rupee depreciation
- Escalation in global trade tensions on the back of policies of Donald Trump led US Govt. leading to rise in global inflation

Source: NSDL, Bloomberg, Spark PWM
Data till 16th December 2024

Summary

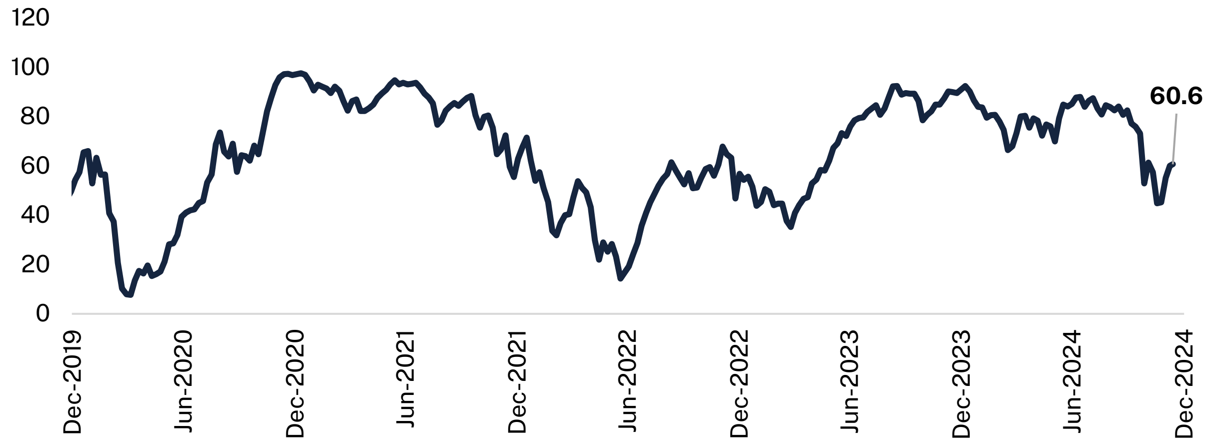
Valuation and Earnings

Decoding Valuations

- Out of the Nifty 500 stocks, 60.6% are trading above their 200 day Moving Average.
- The recent market pullback coupled with lower earnings revisions has led to the Nifty 50 trading very close to its long-term historical average P/E. Moreover, Nifty Midcap 150 is also within +1 SD of its long-term historical average P/E.

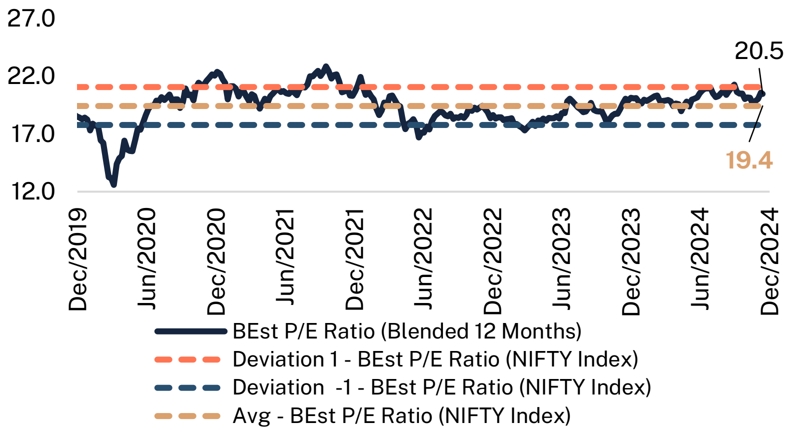
Decoding Valuations

58.9% of Nifty 500 Members are Trading Above their 200 Day Moving Average

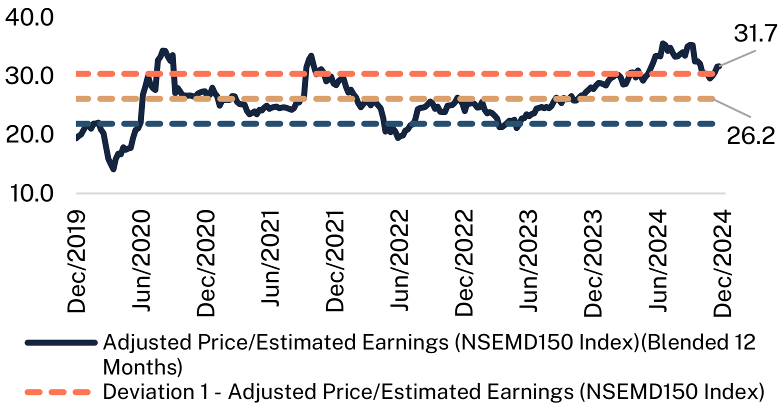


- Out of Nifty 500 stocks, 60.6% are trading above their 200-day Moving Average.
- Following the recent market pullback, the Nifty has shown signs of recovery and is now trading above its historical average. Additionally, the Nifty Midcap 150 index is hovering just above its 1-standard-deviation price-to-earnings (P/E) level.

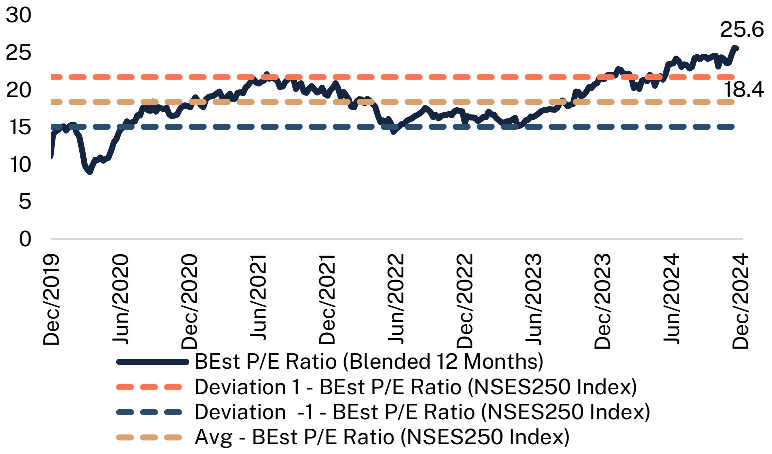
Nifty 50



Nifty Midcap 150



Nifty Smallcap 250



Source: Bloomberg, Spark PWM

Summary

Allocation of Capital

FPIs End the Year on a Positive Note by Turning Into Buyers; SIPs & Equity MF Flows Still Resilient

- FPIs net bought 23.8k Rs Cr worth of equities in December, while DIIs net bought worth 5.4k Rs Cr (as of 15th Dec, 2024).
- Gross SIP inflows rose 48% YoY to INR 25,320 Cr in November 2024.

FIIs Turned Into Equity Buyers Since Mid-November: Flows Concentrated in Banking & IT

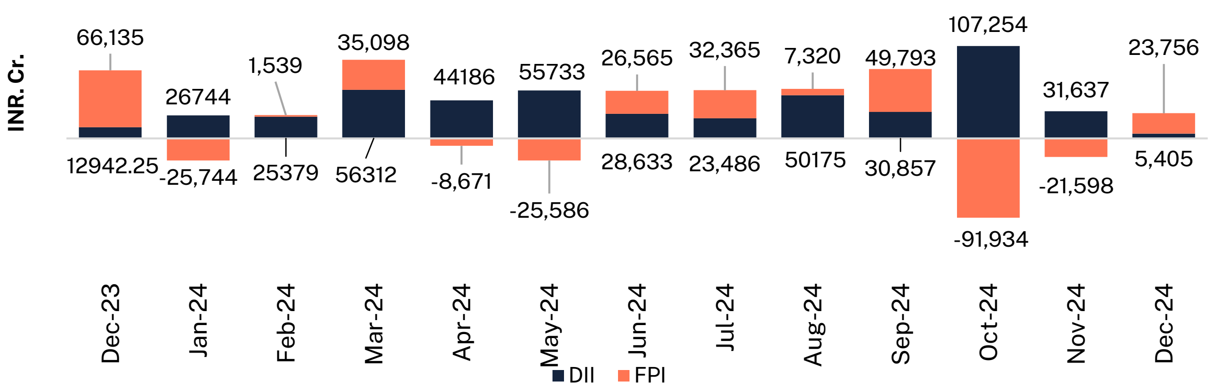
- As of 15th December, there was a slight moderation in DXY and US Treasury yields, which led to FIIs becoming net buyers since 15th November. Majority of FII buying was directed towards the financial services and IT sectors, wherein FIIs net bought INR 7.4k Cr and INR 6.7k Cr worth of equities, respectively, during the first 2 weeks of December. Oil & Gas equities saw outflows totaling INR 5.3k Cr during the same period.

FPI Flows to Debt Rebounded in December

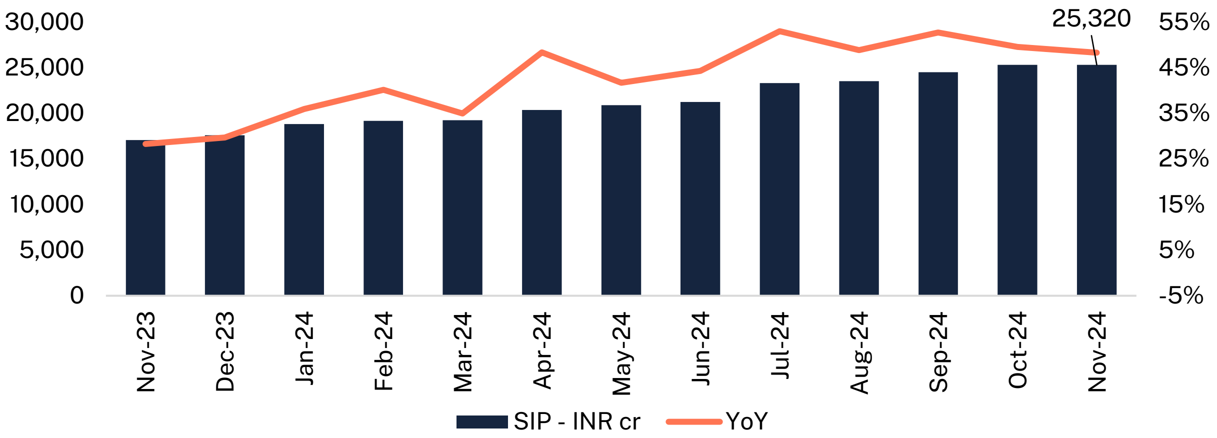
- After 2 months of selling, FPI's returned to the Indian Debt Market with a net investment of ~$1.6 bn on the back of stabilizing global conditions and expectations of potential US federal Reserve Rate cut.
- Positives for Indian Bonds: Favorable demand supply dynamics, beginning of rate cut cycle, market positioning neutral to light.
- Risks to Indian Bonds: Shallow rate cut cycle, currency depreciation, rise in CPI inflation, muted FPI flows as other developed markets become more attractive post sell-off.

FPIs End the Year on a Positive Note by Turning Into Buyers; SIPs & Equity MF Flows Still Resilient

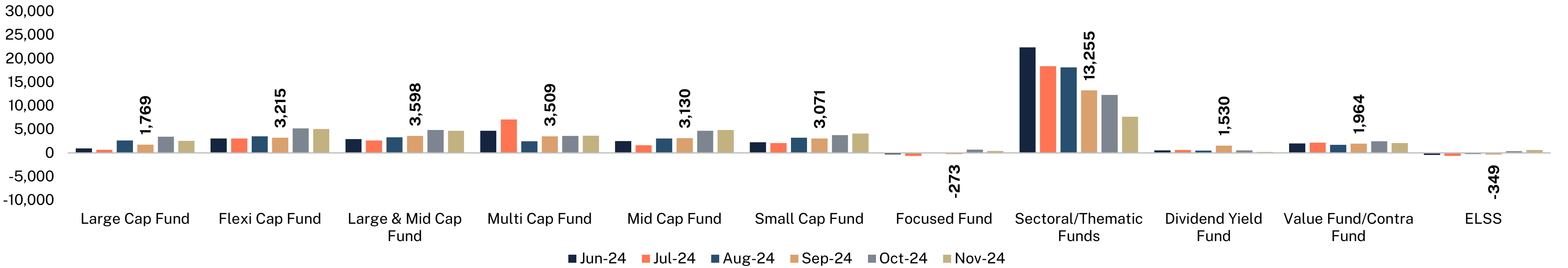
FPIs Turned Into Net Buyers in December, Completely Offsetting the Sell-Off Seen in November, DIIs Have Been Net Buyers in Each Month of 2024



Gross SIP Inflows Rose 48% YoY to INR 25,320 Cr in November 2024



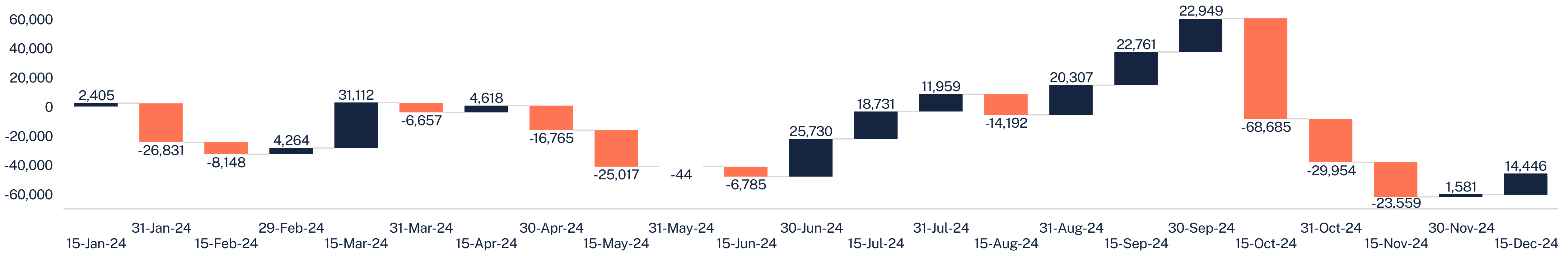
Equity Mutual Fund Flows - November 2024 (Rs. Crore)



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

FIIs Turned Into Equity Buyers Since Mid-November: Flows Concentrated in Banking & IT

YTD Net FII Flows to Equities (Rs Crore)



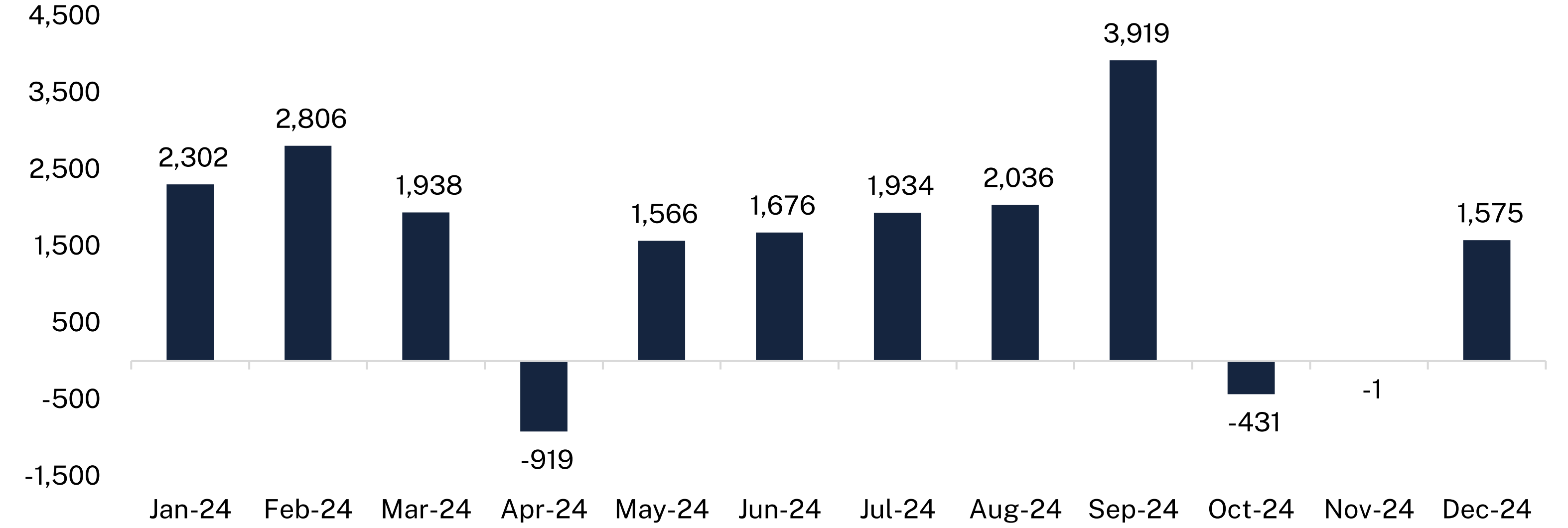
Breakdown of Fortnightly FII Flows to Indian Equities Across Sectors (Rs Crore)

	15-Jan-24	31-Jan-24	15-Feb-24	29-Feb-24	15-Mar-24	31-Mar-24	15-Apr-24	30-Apr-24	15-May-24	31-May-24	15-Jun-24	30-Jun-24	15-Jul-24	31-Jul-24	15-Aug-24	31-Aug-24	15-Sep-24	30-Sep-24	15-Oct-24	31-Oct-24	15-Nov-24	30-Nov-24	15-Dec-24
Automobile & Auto Components	-1630	-437	2539	3003	3697	-2085	1679	-560	-706	-3323	-315	2054	2993	3155	-1628	-751	-1983	-123	-8131	-2,309	-4,411	-3,053	-1,823
Capital Goods	-304	1000	921	2985	2838	951	1228	2408	376	5648	-137	2929	3612	1315	-1089	780	1778	2224	-853	-1,933	-1,004	681	2,657
Chemicals	-91	-1036	-790	-1	45	868	373	405	-96	568	923	1037	-118	-394	-204	182	699	746	552	31	210	-197	646
Construction	-218	-75	-4251	-243	633	173	827	-547	-3811	1125	-2660	-63	-902	-627	-699	835	191	3	-3149	-4,941	1,115	-1,824	974
Consumer Durables	386	-1445	180	931	-167	-1175	-1624	-111	-659	-102	-953	1038	125	-313	-584	5297	2226	1510	-846	-2,017	-433	426	-748
Consumer Services	1015	-97	3041	4497	4117	524	1713	-386	733	2026	1607	3097	1642	1787	2196	1962	-156	-2784	-4633	-4,230	-629	471	2,715
Fast Moving Consumer Goods	-634	-2016	-3011	-1461	11180	-4939	-4351	-3563	-1158	-3015	-245	-677	1809	-834	1785	1815	1372	3528	-6818	-4,764	-3,589	2,184	-1,655
Financial Services	1248	-31261	-7536	-2441	5365	-1900	3212	-12550	-9687	1104	1008	8162	471	-8119	-14790	2782	12253	14947	-23274	-2,865	-7,092	9,597	7,424
Healthcare	-304	-58	4212	987	-1577	627	61	-768	172	-11	413	2886	2378	2676	3462	2369	3652	2987	-2376	2,321	734	-254	1,917
Information Technology	-492	4977	3240	-1043	-1104	-555	-4658	-4915	-5574	-228	-2559	1578	2765	8998	-493	4529	48	-1267	-2727	-172	3087	2429	6754
Metals & Mining	322	-1949	-1067	391	275	931	279	-520	-735	-218	-1861	-1128	1969	5341	-2668	-1105	-1857	3012	222	-75	-1291	86	847
Oil, Gas & Consumable Fuels	1455	2012	1035	-4578	-1110	-1169	-923	-1443	-2808	-2746	-3683	1048	1944	-325	-1311	2518	1672	-2312	-12371	-9,073	-7,214	-6,132	-5,337
Power	1040	1521	-2895	1404	272	-227	5143	-834	-792	-2250	-59	-2439	-891	-2905	1169	-2305	1167	242	-2678	1,168	-906	109	-552
Telecommunication	612	2033	-3766	-167	6648	1319	1659	6619	-272	1378	1736	6208	934	2204	662	1399	1699	236	-1603	-1,095	-2,136	-2,942	627
Total	2405	-26831	-8148	4264	31112	-6657	4618	-16765	-25017	-44	-6785	25730	18731	11959	-14192	20307	22761	22949	-68685	-29954	-23559	1581	14446

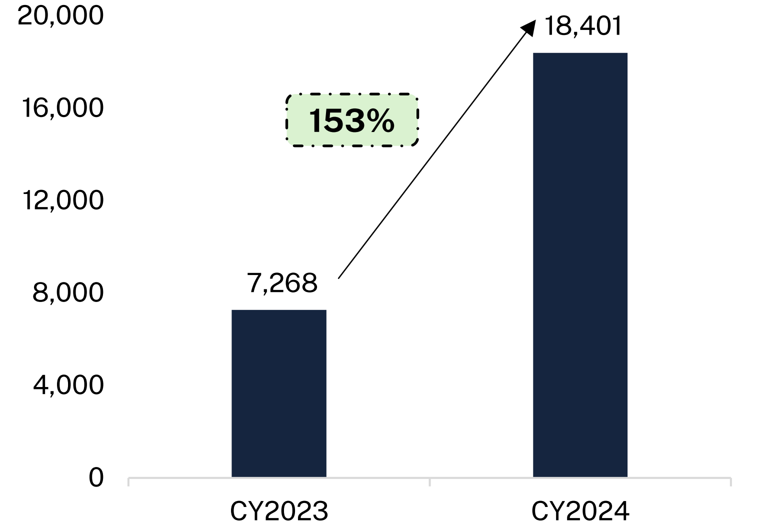
Source: NSDL, SEBI, Bloomberg, Spark PWM
Data as of 15th Dec, 2024

FPI Flows to Debt Rebounded in December

FII Flows to Indian Debt (USD Million)



Calendar Year wise FII Flows (USD Million)



- After 2 months of selling, FPI's returned to the Indian Debt Market with a net investment of ~$1.6 bn on the back of stabilizing global conditions and expectations of potential US federal Reserve Rate cut.
- FPI flows in the FAR route also rebounded with an inflow of ~$1.5 bn as compared to a Net outflow of ~$507 Mn in Nov'24.
- From a Calendar year perspective, FII flows have witnessed a sharp rise in inflows of 153% on a YoY basis. FII flows in debt stood at ~$18 bn as compared to $7 bn in CY23.
- While Passive flows should continue on the back of India's inclusion in major Debt indices, Active flows will depend on polices implemented in US under Donald Trump presidency, evolving geopolitical landscape and progress on Macro-Economics indicators.

Source: NSDL, Bloomberg, Spark PWM
Data till 17th December 2024

Implications of Geopolitics and Trump's Policies on Chinese Exports and the Yuan

- The Fed's geopolitical and policy uncertainty index has risen sharply in when events like Trump's 1st victory, tariffs during his 1st Presidential term, COVID-19, Russia's invasion of Ukraine, and the Fed's 2022 hiking cycle took place. Since Trump's 2nd victory, the index has been picking up.

- While Trump's tariffs and the Fed's renewed 'higher for longer' stance towards rates have likely contributed to the policy uncertainty aspect of the index, it is worth noting that recent events such as the no-confidence vote in France, the upcoming snap-elections in Germany, and calls for impeachment of South Korea's leader are adding to the geopolitical risks apart from Russia's ongoing conflict with Ukraine and the situation in Israel.

- Tariffs: Consensus forecasts suggest the US will earn a revenue of $300-500 billion in 2025 if Trump implements a 60% tariff on China and 10% universally.

- Department of Government Efficiency: The 'DOGE' Administration, led by Elon Musk, aims to reduce government spending by $524 billion in 2025 by cutting on programs whose Congressional authorization has expired. This could be positive for the US's fiscal health as public debt stands at $36 trillion and annual government spending is around $7 trillion.

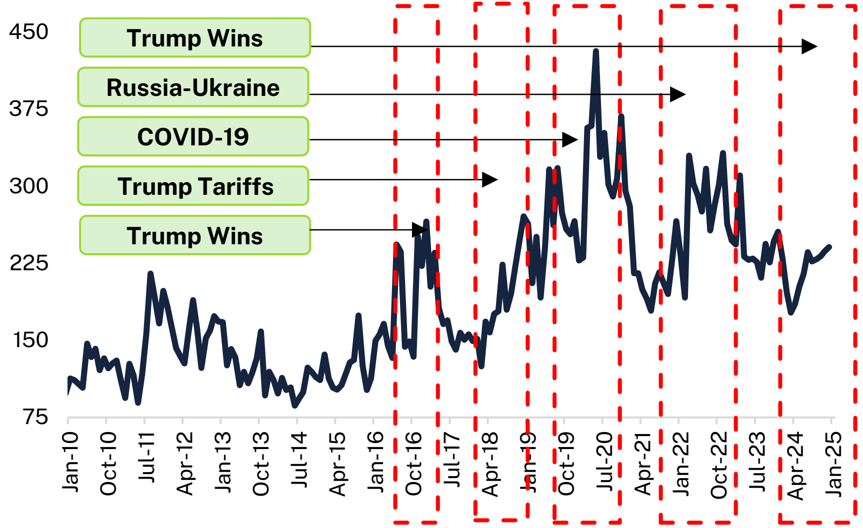
- As a result, Chinese government bond yields have been plunging since Trump won in early November, reaching levels below that of Japanese bonds, which are known to historically have the lowest yields in Asia. Since bond yields move in sync with their respective currency, the Chinese sovereign debt market is flashing signs of a Yuan weakening to offset the impact of US tariffs on demand for Chinese exports.

- Due to the uncertainty around how much the Chinese economy might be affected by these tariffs and whether the government will really devalue the Yuan, OPEC has revised its forecast for growth in global crude oil consumption in 2025 from 1.8 to 1.4 million barrels per day.

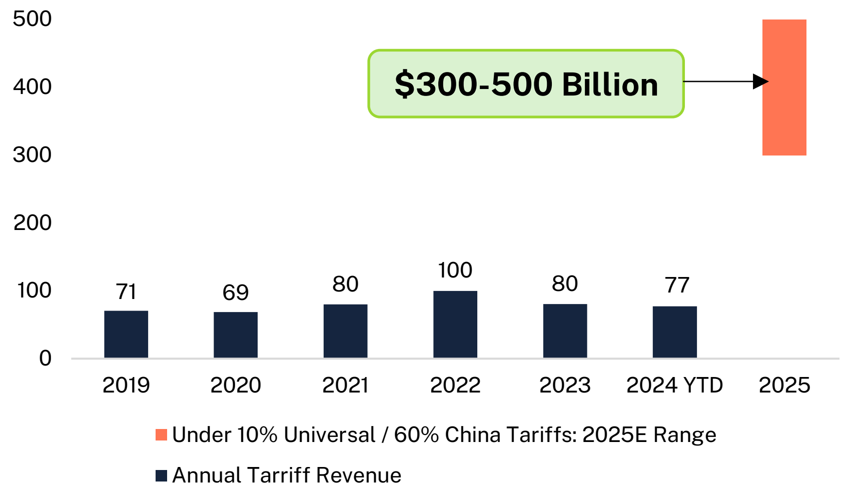
Implications of Geopolitics and Trump’s Policies on Chinese Exports and the Yuan

The Fed’s uncertainty index has picked up since Trump’s victory. His tariffs are expected to raise revenues by 4-7x, while ‘DOGE’ aims to reduce spending by $524 billion in 2025. Consequently, markets are pricing a Yuan devaluation, which would help China maintain price competitiveness.

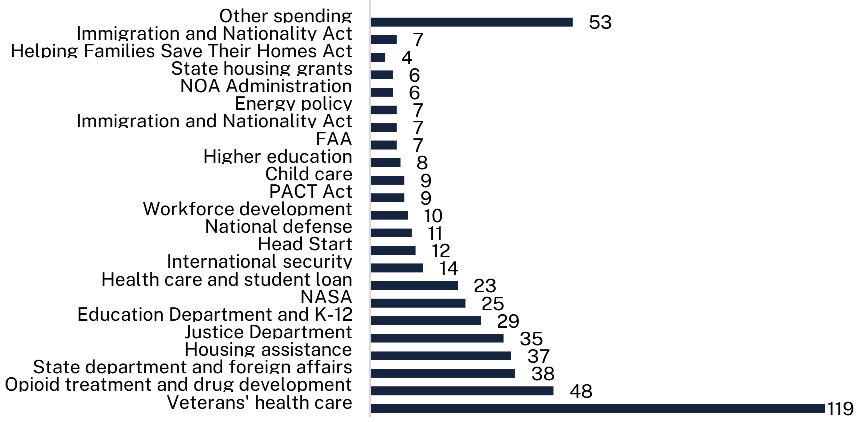
Global Geopolitical and Policy Uncertainty Index Has Risen Sharply in Recent Months



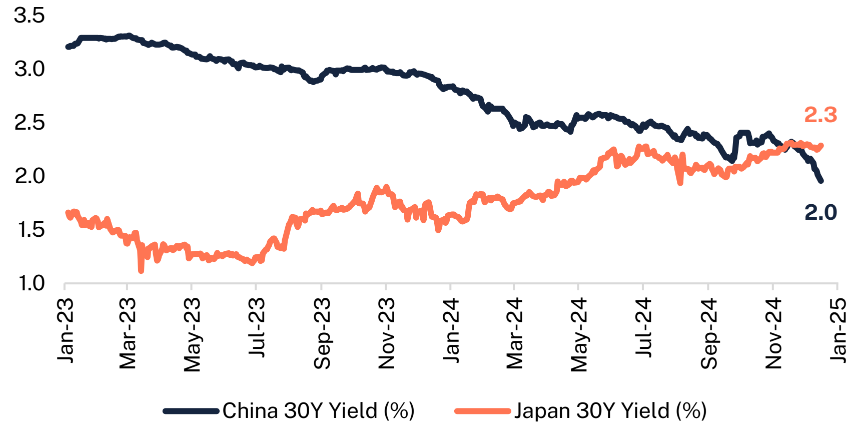
Trump’s Proposed Tariffs Are Expected to Rise Tariff Revenues by a Factor of 4-7x



Department of Government Efficiency (DOGE) First Proposal for 2025 Suggests Expenditure Could Drop by $524 Billion



Chinese Govt. Bond Yields Have Been Declining Since Trump Won, Indicating Market Expectations of CNY Depreciation



- The Fed’s geopolitical and policy uncertainty index has risen sharply when events like Trump’s 1st victory, tariffs during his 1st Presidential term, COVID-19, Russia’s invasion of Ukraine, and the Fed’s 2022 hiking cycle took place. It is now picking up again.
- Forecasts suggest the US will earn a revenue of $300-500 billion in 2025 if Trump implements a 60% tariff on China and 10% universally. Moreover, the ‘DOGE’ Administration expects to cut spending by $524 billion in 2025.
- As a result, Chinese government bond yields have been plunging, reaching levels below that of Japanese bonds, which are known to historically have the lowest yields in Asia. Since bond yields move in sync with their respective currency, the Chinese sovereign debt market is flashing signs of a Yuan weakening to offset tariffs.

Source: US Federal Reserve Economic Database, Bloomberg, Spark PWM

Spark Capital
Private Wealth Management

EW India Fixed-Income & Equities

Portfolio Exposures

01 EXTERNAL INFLUENCE

- US: The economy remains stable, supporting a soft-landing scenario. Consumption continues to show improvement despite rising borrowing costs, while the labor market stays resilient. Fed Chair Powell has shifted to a neutral policy stance, indicating fewer rate cuts in 2025.
- Europe: Core economies continue to struggle while PMI and other economic data disappoint. Euro Area economic growth is expected to be tepid as core economies are expected to be laggards and peripheries are expected to do marginally better.
- China: A recent equity rally has corrected as announcements of fiscal spending lacked specifics. Growth relies on trade surplus, which faces risks from US tariffs, prompting a neutral stance despite improved industrial activity and consumption.

02 LOCAL STORY

- Government capex is picking up, with FY2025 spending projected to meet 95% of FY2024's target. Tax revenues are robust, with corporate and personal income tax collections rising 1.24% and 20.15% YoY, respectively, in 7MFY25.
- Economic activity remained stable in November after rebounding sharply in October, with industrial production recovering to 3.5% YoY and GST collections growing 7.1% YoY.
- Banking system liquidity has entered deficit territory on account of advance taxes. However, RBI's CRR cut and moderation in credit and deposit growth spreads should alleviate some pressure. Moreover, weak petroleum exports and higher gold imports have put pressure on CAD.

03 INFLATION & RATES

- The Fed lowered rates by 25 bps in December in a hawkish manner, signaling only 50 bps of easing in 2025 as opposed to 100 bps forecasted in September. A survey of FOMC members showed that most believe risks to inflation have shifted from broadly balanced to weighted to the upside.
- India's November CPI rose to 5.48% YoY, though core inflation remains within RBI's target. Markets anticipate an RBI rate cut in February 2025 as food prices and overall inflation showed its 1st MoM decline in 10 months. G-Sec yields are expected to decline as inflation moderates and India's inclusion in global bond indices boosts demand.

04 VALUATION & EARNING

- Valuations are near historical averages for large caps, but still above average for mid and small caps. Nifty 50 EPS expected to grow 9.9% by FY26, driven by a potential H2 recovery.

05 ALLOCATION OF CAPITAL

- FPIs were net buyers of Indian equities since mid-November, driven by DXY moderation. Flows were primarily concentrated to IT and banking sector for equities. Domestic buying and SIP inflows continue to remain robust. Indian bonds remained stable despite rising US yields, supported by favorable demand-supply dynamics and expectations of lower inflation. While FPI investments in bonds were positive in December, risks include a shallow rate cut cycle, currency depreciation, and muted FPI flows amid global market shifts.

06 TRENDS & SENTIMENTS

- The Fed's geopolitical and policy uncertainty indicator has picked up in recent months as no-confidence votes in Germany and France, calls for impeachment in South Korea, the Fed's renewed hawkishness, and Trump's tariffs add to the ongoing tensions surrounding Ukraine and Israel. With uncertainty in global markets increasing, OPEC has slashed their crude consumption growth forecasts for 2025.
- Moreover, Trump's tariffs are expected to raise revenues to $300-500 billion in 2025, while his new 'DOGE' Administration is expected to cut expenses by $524 billion in the same period. As a result, Chinese government bond yields have dropped sharply as markets are pricing in a potential Yuan depreciation to offset the tariffs and maintain the price competitiveness of Chinese exports.

Spark PWM Portfolio Exposure

India Equities Earnings Outlook

- We estimate that NIFTY 50 will deliver **earnings growth of 9.9%** over CY24-26E.
- Domestic liquidity chasing Indian equities have led to asset getting re-priced in the near term. The valuations do not appear euphoric but remain marginally above the fair valuations.
- Strong macro environment and ample liquidity continue to support equities.
- 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, Utilities, Metals and Infra (through Cement, Building Materials)

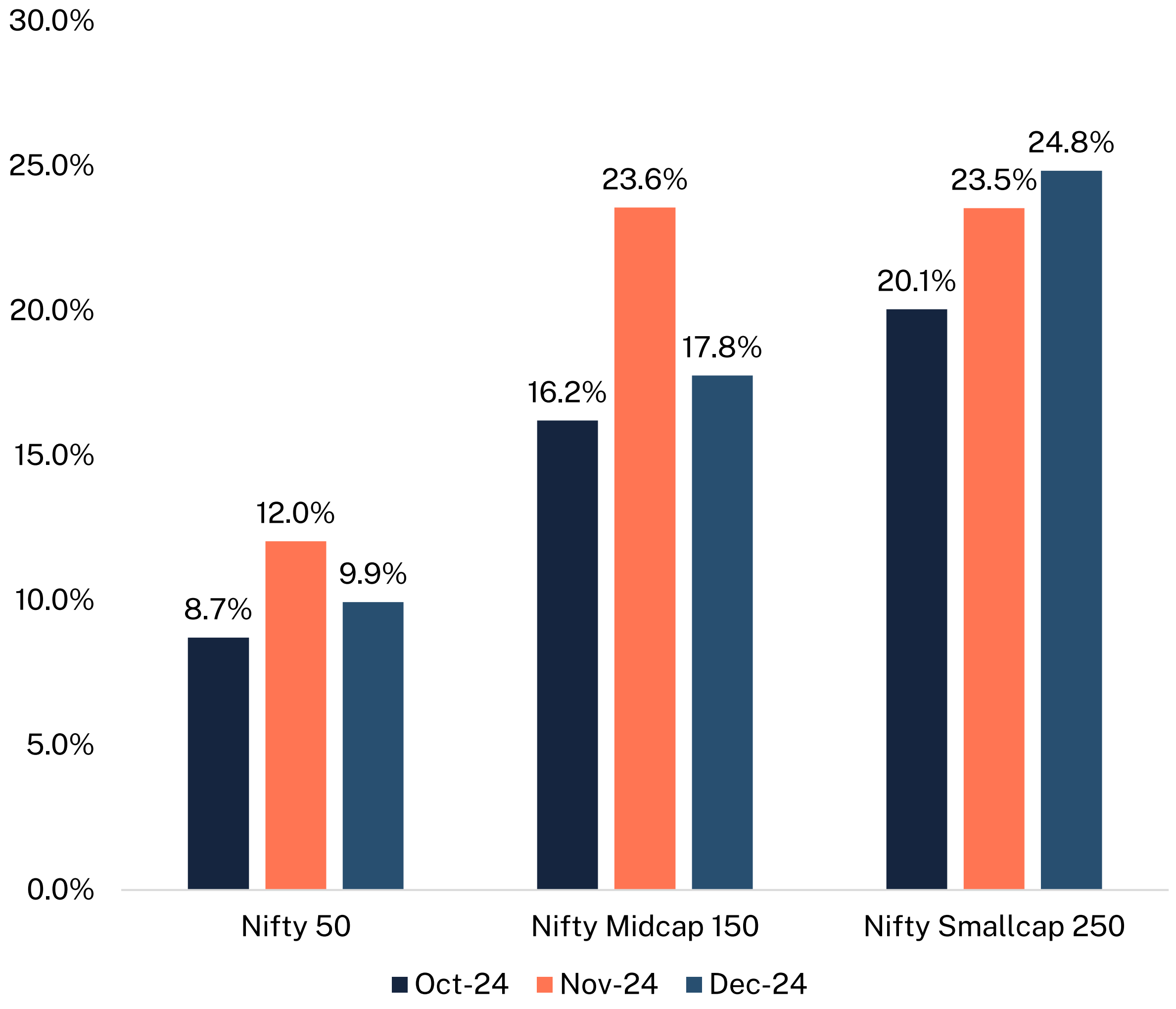
India Fixed Income Outlook

- The inclusion of Indian bonds in global indices, alongside it being one of the best major macroeconomic stories in the world, is expected to drive substantial investment flows over the next few years.
- Banking liquidity moved to surplus due to the dividend by RBI and FPI flows over last two months. To neutralize the surplus liquidity, RBI conducted OMO and VRRR sales.
- We continue to remain constructive on rates due to positive demand supply dynamics and lower inflation.
- Investors should continue to build a mix of Carry and Duration in their portfolios.

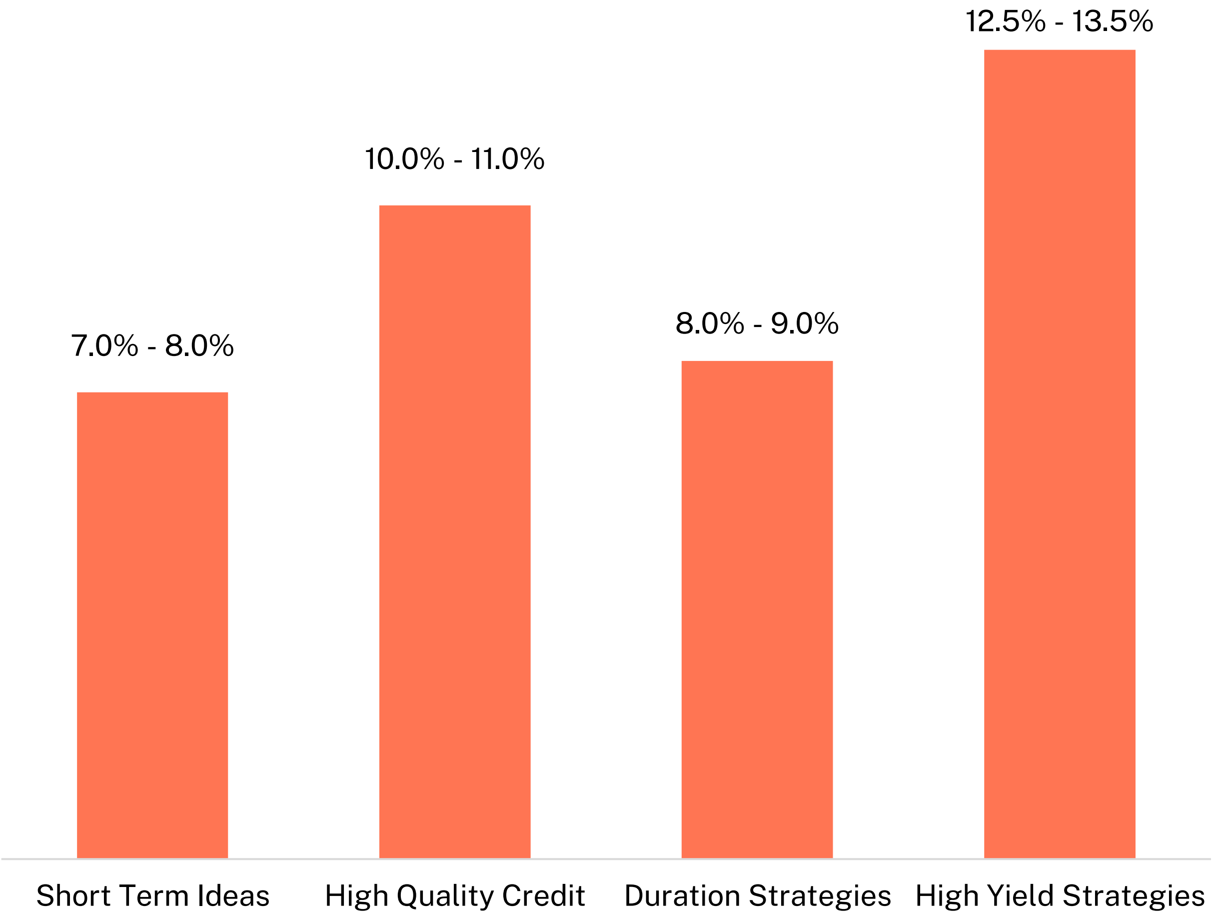
Source: Spark PWM, Bloomberg

Expected Return & Asset Allocation

Index Expected Earnings (CY24-26E %)



Debt Yield Expectations

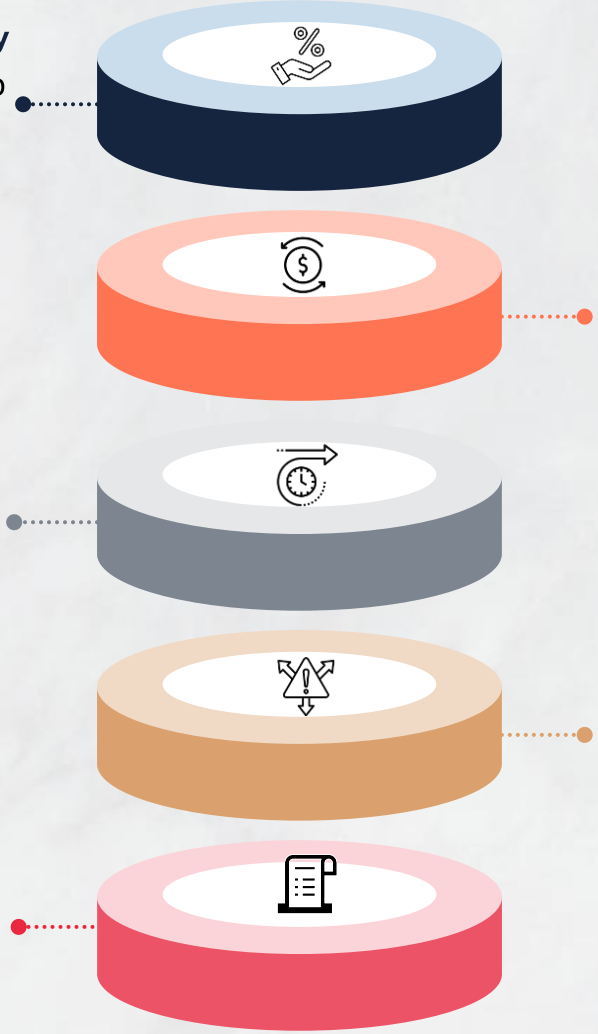


Source: Bloomberg, Spark PWM

Summary

India Fixed Income

Key Focus Points and Portfolio Actions – Strike a balance between "Carry" and "Duration"



Liquidity management – Carry Opportunity

- The RBI is actively intervening to absorb excess liquidity.
- Opportunity in money market instruments as the carrying yields appear attractive.
- Corporate Bond Fund offer attractive carry opportunity plus additional capital gains as yield curve normalizes.

Constructive on Duration

- Favorable demand supply dynamics appear to be playing out, leading to a downward parallel shift.
- **We suggest focusing on Carry and adding Duration as and when yields spike using the longer tenor G-Secs or Mutual Funds.**

Positive on REITs

- Historically, REITs have had an inverse correlation with interest rate hikes majority of the time.

Strong Inflows and path of fiscal consolidation

- After witnessing outflow in the month of Oct'24 and Nov'24, FPI investments have turned back positive in the month of Dec'24 with an inflow of ~$1.5bn*. India sovereign bonds inclusion in JP Morgan EM bond index, Bloomberg index and now in FTSE Russel EM Govt Bond Index should continue to attract foreign flows and put lower pressure on yields going forward
- Bond yields should continue to take cues from stable demand and supply environment for Govt securities.

Risk-reward in Credit Space

- Spreads in the 3 year AA & A rated space trade higher than 10 year average.
- Recent actions by RBI on select NBFCs indicate active monitoring.
- **A "Carry" trade in the 3Y maturity using quality credit papers appears attractive.**

FII flows data source: NSDL
** Data as of 17th December 2024*

Debt Portfolio Construction

Category	Product Ideas	Indicative Allocation	Indicative Yield
Liquidity Bucket: Upto 12 Months		**25%**	
Arbitrage MF	Bandhan Arbitrage Fund, Edelweiss Arbitrage		7.10% - 7.40%
Perpetual Bond	SBI Bank - Perp (AA+) Sept 2025		8.05%
Money market fund	ICICI Pru / Bandhan Money Manager Fund		7.45% - 7.60%
Liquid Plus AIF	Northern Arc Money Market Alpha Fund		9.00%*
CP	Northern Arc Capital Limited – 6 M [ICRA A1+]		8.7%
Absolute Return AIF	Alpha Alternatives – Multi-Strategy Absolute Return Fund (MSAR)		10.5% to 11.5%^
12-36 Months		**30%**	
Corporate FDs	Bajaj Finance FD [CRISIL FAAA] 36M		8.05%
High Quality NCD & Perps (AA & above)	Shriram Finance – Avg Maturity 2Y - [CRISIL AA+]		8.75%
	Hinduja Leyland Finance - Avg Mat 3 Years - [CRISIL AA+]		8.70%
	Muthoot Finance - Avg Mat 2. 5 Years - [CRISIL AA+]		8.40%
	State Bank of India – Call Date 14th Dec 2026 [CARE AA+]		8.08%
Curated NCD & Equity Linked MLD	Secured, Rated, Listed Indel Money Ltd. NCD [CRISIL BBB+ Stable]		12.00%
	Nuvama – All Weather Equity linked MLD 39 Months		Max Coupon 47.00%
Corporate Bond Fund	ICICI Pru / HDFC Corporate Bond Fund		7.5% - 7.7%
Hybrid Mutual Funds	ICICI Pru / Mirae Asset Equity Savings Fund		7.0% - 11.0%
	Tata BAF / White Oak Multi asset / ICIC Multi asset		10.0% - 14.0%
REITs	Mindspace REIT		6% Pre-tax dividend yield + 5% upside to NAV**
Duration Strategies: 36-60 Months		**30%**	
Medium Duration	HDFC Medium Term Debt Fund		7.80% - 7.90%
Dynamic Bond Fund	Bandhan Dynamic Bond Fund		7.20% - 7.30%
High Yield Strategies: > 60 Months		**15%**	
Credit AIF	SpECS Fund III		13.50%*
	Neo Income Plus Fund		12.95%*
	Northern Arc Finserv Fund		12.20%*
Real Asset AIF	ICICI Prudential Office Yield Optimiser Fund		13.00%*
	Neo Infra Income Opportunities Fund		16%*

**Indicative yields of funds is post expense*
^Targeted post-expense return of the fund
Hybrid MFs suggested are Equity oriented hybrid funds, taxed at 12.5%++ after holding of 1 year
***As per Avendus Spark report at CMP as of 30th June 2024, Mindspace REIT offers 1-year forward pre-tax dividend yield of 6% and 5% upside of NAV. (NAV of Rs 380.5 as of 31st March 2024.*

Spreads : Lucrative in the 3 Year AA & A Rated Space as Spreads trade above 10 Year mean

3Yr Credit Spreads over G-Sec

Rating : AAA

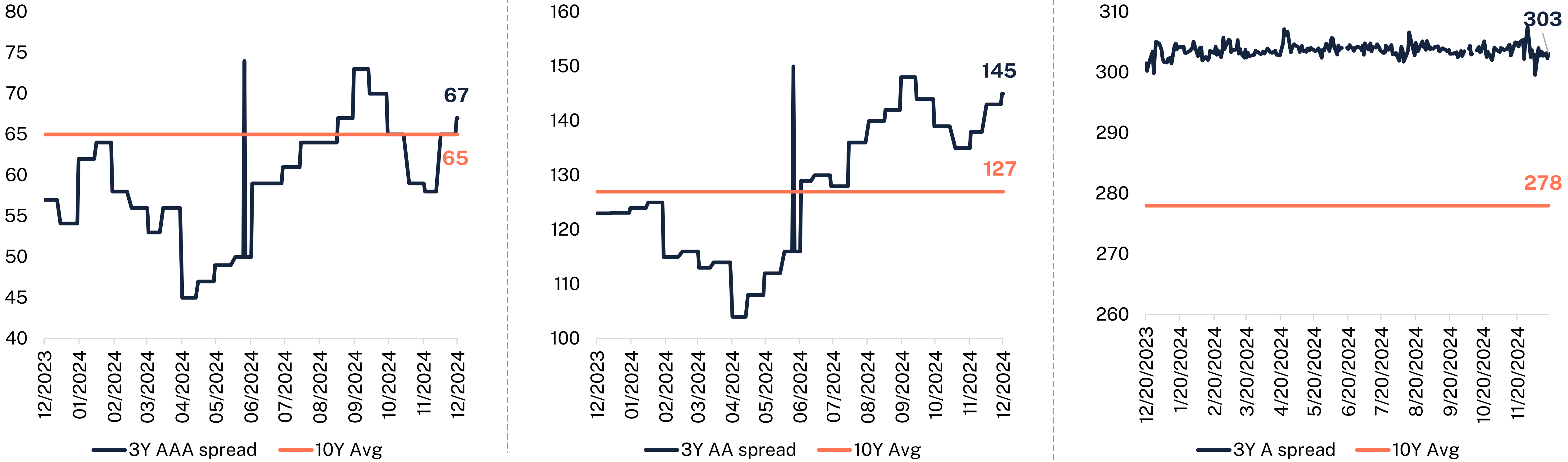
Spread of 2 bps over 10 Yr Avg.

Rating : AA

Spread of 18 bps over 10 Yr Avg.

Rating : A

Spread of 25 bps over 10 Yr Avg.



- Spread in 3-year A rated space continues to remain attractive at levels higher than long term average
- As compared to last month, spreads in AAA and AA segments have increased by 8 bps and 10 bps respectively

Source: Bloomberg
Data till 18th December 2024

Multi Asset Allocation Funds

Performance of various Asset Classes (CY wise)

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
NASDAQ 58.2	Equity – India 32.9	NASDAQ 12.1	US Equity 14.9	Equity – India 30.3	Gold 7.9	NASDAQ 39.7	NASDAQ 48.6	US Equity 31.2	Gold 13.9	NASDAQ 45.5
US Equity 49.5	NASDAQ 17.3	Real Estate 9.8	MSCI – EM 14.1	MSCI – EM 29.0	NASDAQ 6.0	US Equity 34.4	Gold 28.0	Equity – India 25.6	Equity – India 5.7	US Equity 27.0
MSCI – DM 43.0	Real Estate 16.9	Debt 8.6	Debt 12.9	NASDAQ 21.8	Debt 5.9	MSCI – DM 30.5	US Equity 21.4	NASDAQ 24.6	Real Estate 2.8	MSCI – DM 24.5
Real Estate 10.1	US Equity 16.2	US Equity 6.2	NASDAQ 11.7	MSCI – DM 15.0	Real Estate 5.1	Gold 23.8	MSCI – EM 21.3	MSCI – DM 24.2	Debt 2.5	Equity – India 21.3
MSCI – EM 10.0	Debt 14.3	MSCI – DM 3.8	Gold 11.3	US Equity 14.4	Equity – India 4.6	MSCI – EM 21.0	MSCI – DM 18.9	Debt 3.4	US Equity -9.1	Gold 15.4
Equity – India 8.1	MSCI – DM 7.3	Equity – India -3.0	MSCI – DM 10.3	Real Estate 7.2	US Equity 4.4	Equity – India 13.5	Equity – India 16.1	Real Estate 3.1	MSCI – DM -9.1	MSCI – EM 10.9
Debt 3.8	MSCI – EM 0.0	Gold -6.6	Real Estate 8.3	Gold 5.1	MSCI – DM -0.4	Debt 10.7	Debt 12.3	MSCI – EM -0.6	MSCI – EM -11.3	Debt 7.4
Gold -4.5	Gold -7.9	MSCI – EM -10.9	Equity – India 4.4	Debt 4.7	MSCI – EM -6.8	Real Estate 3.0	Real Estate 2.2	Gold -4.2	NASDAQ -25.1	Real Estate 3.8

- Due to the fluctuating global markets and economic cycles, consistently timing the top-performing asset class is challenging.
- A right mix of these asset classes may help investors achieve an optimal level of risk-adjusted return.
- Different asset classes have varying correlations with one another. Investors can leverage these correlations to build a portfolio that aims for steady returns with moderate volatility over the long term.

Correlation of Select Asset Classes with each other

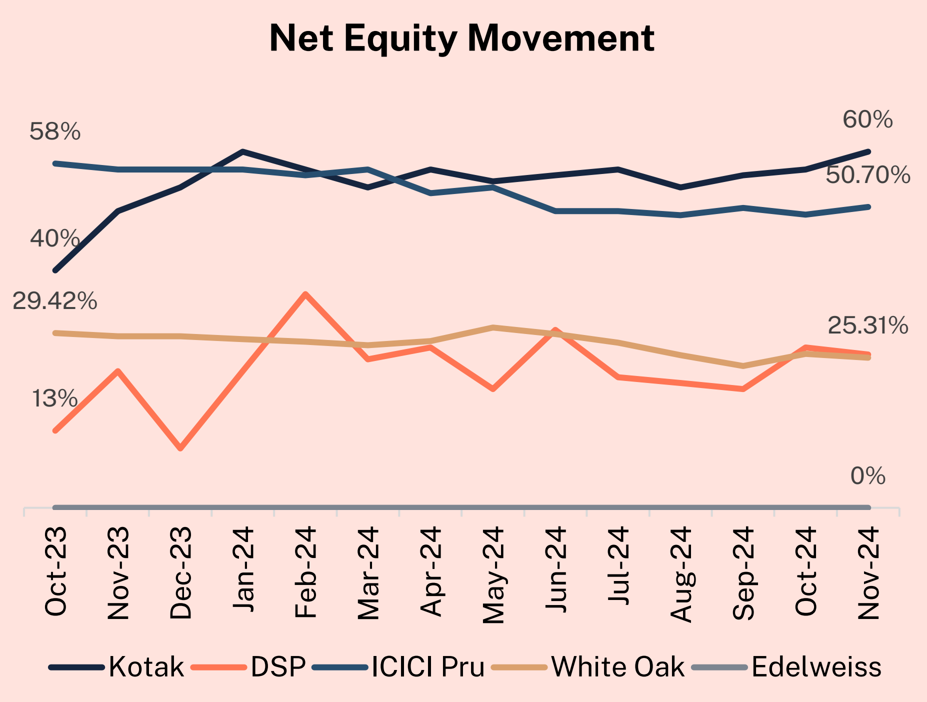
Asset Classes	Indian Equity	Debt	Gold	US Equity
Indian Equity	-	-0.07	-0.50	+0.40
Debt	-0.07	-	+0.05	+0.13
Gold	-0.5	+0.05	-	-0.09
US Equity	+0.40	+0.13	-0.09	-

Source: White Oak research deck - Equity IND: Nifty 50 TRI, Equity – US: S&P 500 INR, MSCI DM: MSCI World Index (Developed) INR, MSCI EM: MSCI Emerging Index INR, Gold: Gold INR, Debt: CRISIL Composite Bond Index, NASDAQ: NASDAQ Composite Index INR, Real Estate: RBI House Price Index (All India).
Correlation of asset classes based on their annual return from Jan 2010 to September 2024.

Multi Asset Allocation Funds : Our Recommendations

Why Multi Asset Funds?

- **Diversification**
  - Access to different asset classes: Includes equities, bonds, commodities, REITs, INVITs etc.
  - Correlation Advantage: Adds low or negatively correlated assets, reducing overall portfolio risk.
  - Enhanced Stability: Balances the impact of asset-specific volatility
- **Reduced Volatility**
  - Risk Mitigation: Spreads risk across multiple asset classes.
  - Reduced Drawdowns: Limits the impact of market downturns in any single asset class.
  - Consistent Returns: Provides a smoother investment journey with fewer dramatic swings.
- **Optimized Returns**
  - Tax Efficiency: Hassel-free and tax efficient way of investing across asset classes
  - Rebalancing: Fund manager does the rebalancing between asset classes based on market dynamics without attracting taxes to investors


Net Equity Movement

Multi Asset Fund	Taxation	AUM (Nov'24)	Current Asset Allocation						Trailing Returns (%)			
			Net Equity	Foreign Equity	Hedged Equity	Fixed Income	Commodities	REITs & INVITs	1M	3M	6M	1Y
White Oak Multi Asset Fund	LT @ 12.5% in 2 years	1,053	25.3	2.1	9.50	42.0	12.5	8.6	3.11	2.73	7.83	19.54
DSP Multi Asset Fund	LT @ 12.5% in 2 years	2,355	25.8	11.64	22.8	24.8	14.9	0	3.32	1.33	7.65	20.49
ICICI Pru Multi Asset Fund	LT @ 12.5% in 1 year	50,987	50.7	0	16.7	27.7	4.8	0.1	2.56	-1.25	4.78	19.75
Kotak Multi Asset Fund	LT @ 12.5% in 1 year	7,652	60.0	0	8.9	12.9	18.2	0.1	4.84	-0.36	4.59	20.88
Edelweiss Multi Asset Fund	LT @ 12.5% in 2 years	1,428	0	0	27.1	66.2	6.7*	0	0.74	1.95	4.07	8.01

Source: ACE MF and AMCs
Data as on 30th November'2024. Net Equity is India equity that is Unhedged equity.
** Exposure is through Commodities Arbitrage*

Multi Asset Allocation Funds: Our Recommendations

Fund Name	Highlights	Asset Allocation Strategy and Fund Positioning			
		Equity	International Equity	Fixed Income	Commodities
White Oak Multi Asset Fund	▪ Allocation to domestic and US equity, REITs & INVITs, Gold, Silver and Debt ▪ Use parameters like PB ratio, Yield ratio, Gold to Dollar ratio etc ▪ No allocation to Emerging economies	▪ Unhedged equity range : 15% - 45% based on Adjusted PB ratio and Yield ratio. ▪ Diversified across sectors and market capitalizations.	▪ Foreign Equity range : 0% - 10%, invested in Developed markets.	▪ Fixed income range : 10% - 55%, with allocation to REITs and INVITs (0% - 10%) ▪ Invested in High credit quality portfolio.	▪ Gold allocation range : 10% - 40% based on Gold to Dollar ratio and Gold to Equity ratio.
DSP Multi Asset Fund	▪ Allocation to domestic and international equity, REITs & INVITs, Gold, Silver and Debt ▪ Use parameters like Volatility, Long term expected returns and Correlation ▪ Tactical allocation to commodities like Silver, Crude oil, Natural gas and emerging international themes and countries	▪ Gross equity range : 35% - 80% based on parameters like Volatility, Long term expected returns and correlation of asset classes. ▪ Diversified across sectors and market capitalizations.	▪ Foreign Equity range 0% - 50%, ▪ Core Allocation to diversified overseas ETFs/Funds/baskets ;	▪ Fixed income range : 10% - 50%, with allocation to REITs and INVITs (0% - 10%) ▪ Invested in High credit quality portfolio with dynamic duration management.	▪ Tactical allocation to Commodities and derivatives in the range of 10% - 50%
ICICI Pru Multi Asset Fund	▪ Exposure to Covered call options and REITs / INVITs to enhance yields ▪ Counter cyclical approach in equity investments ▪ No allocation to International equity	▪ Unhedged equity range : 10% - 80%. Follows counter cyclical approach and hence is not a Value or Growth oriented scheme. ▪ Diversified across sectors and market capitalizations.	▪ Fund takes exposure to REITs / INVITs and Covered Call option to enhance portfolio yield.	▪ Fixed income range : 10% - 35%, with allocation to REITs and INVITs (0% - 10%) ▪ Invested in High credit quality portfolio with dynamic duration management.	▪ Gold / Silver / Derivatives allocation range : 10% - 30% bases on market dynamics and as a hedge against high inflation.
Kotak Multi Asset Fund	▪ Exposure to domestic equity, Gold & Silver, high quality debt ▪ Use multi factor approach based on P/E, Yield gap, momentum, Gold silver ratio ▪ Tactical allocation to International equity	▪ Unhedged equity range: 20% - 80%. Fund follows a multi factor approach to decide net equity allocation like P/E levels, Yield gap and momentum. ▪ Diversified across sectors and market capitalizations with 50-60 stocks.	▪ Tactical allocation in the range of 0% - 15%.	▪ Fixed income range : 10% - 25%	▪ Gold / Silver / Derivatives allocation range :10% - 25% based on Gold - Silver ratio and macro-economic factors.
Edelweiss Multi Asset Fund	▪ No open net equity or commodity exposure ▪ Tax efficient product to invest into Fixed income ▪ 100% AAA rated and SOV portfolio	▪ Unhedged Equity of the fund is always 0%. ▪ Equity arbitrage allocation in the range of 35%-40%.	▪ No allocation to International equity.	▪ Fixed income range : 45% - 55%, invested in 1-3 years Mac duration with portfolio of Gsec, SDL and AAA rated corporate bonds.	▪ Allocation to Gold & Silver derivatives in the range of 10% - 15%. No open exposure to commodity.

Source: Fund presentations and Internal Research

Fixed Income: AMC-Wise view

	HDFC AMC	Bandhan AMC	Axis AMC	ICICI Pru AMC
Yields	Likely to trade with a downward bias	Expected to decline on the back of rate cut expectation	Expect lower interest rates in the second half of FY25	Expect bond yields to be influenced by the upcoming inflation print and other data releases
RBI Policy rate	Expects RBI to reduce rate in H1CY25 when inflation is expected to align durably to the target	Expects RBI to cut rate in February 2025	From February, the likelihood of rate cut is on the higher side	Expect the RBI to maintain its status quo on policy rates, unless there is a shift in the growth/inflation dynamics
Duration/Accrual	Positive on duration with expectation of long end of the yield curve to outperform over the medium term	Positive on Duration	Recommends adding duration with every rise in yields, as yield upside seem limited.	Neutral stance on longer-duration
Opportunities Present	Investors with a relatively longer investment horizon, could continue to increase allocation to longer duration funds in line with individual risk appetite	Corporate bond curve, with elevated front-end rates (up to 2 years), presents an attractive Opportunity	Mix of 10-year maturity and 1- 2-year maturity assets are best strategies to investing the current macro environment.	Prefer the shorter-end of the duration curve.
Key Risk	Regular food price shocks, USD strengthening further, Significant rise in commodity prices especially oil driven by escalation of geopolitical tensions.	Higher rates in US leading to Stronger dollar	Rupee can see some depreciation which can delay the rate cuts and lower the quantum of rate cuts too	China's stimulus, rebound in oil prices, strong dollar

Fixed Income Landscape

Type of Instruments		Gsec	AAA rated Bonds	AA- rated MLDs	A+ / A Debt PMS	Direct Bonds				Northern Arc Finserv Fund	Other Private Credit Funds			Real Asset Funds
						AA- rated NCDs	A+ rated NCDs	A rated NCDs	A- rated NCDs		Target IRR < 14%	Target IRR 14% - 16%	Target IRR > 16%	Target IRR > 16%
											Axis / UTI / ICICI Pru / AK Credit Funds	Edelweiss CSIP / Investec II / 360 One / Vivriti II	SPECS II / ASK Sr A / Incred II / True North	ICICI Pru Neo Infra
Post Expense Pre Tax Yield / YTM		6.80%	6.75%	11.0%	10.80%	9.15%	10.4%	10.6%	11.0%	12.2%	11.5%	11.9%	13.6%	14.8%
Post Tax	**Individual**	4.15%	4.12%	6.71%	6.59%	5.58%	6.34%	6.47%	6.71%	7.46%	7.03%	7.30%	8.30%	12.50%
	Corporate	5.09%	5.05%	8.23%	8.08%	6.85%	7.78%	7.93%	8.23%	9.18%	8.65%	8.95%	10.2%	12.5%
Positioning		Exposure to duration through Gsec can lead to cap gains	High Quality Credit; Liquid; For Treasury and FO	Debt substitute MLD generating alpha of 50 bps in the rating band	Curatedport folio of 5 – 8 issuers with wtd avg rating of A+	Rated, Listed, Senior secured, Curated High yield NCDs with Quarterly or Monthly interest payout options				Diversified; Regulated; Rated Underlying; Quarterly payouts; 85% of portfolio is BBB and above	Performing Credit funds with regular coupon paying and back-ended structures * SPECS being the only fund paying out regular quarterly interest			Operating cash flow generating assets with Nil execution risk
Ideal Holding Period		24 - 36 M	36 M	HTM	24 – 36 M	18 – 24 M				48 M	48 – 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.*

Product in Focus – Credit AIF: Northern Arc Finserv Fund

Product Overview

Fund	**Northern Arc Finserv Fund**
Category	Category II AIF
Target Corpus	INR 1000 Cr + 500 Cr greenshoe
Min Investments	INR 1 Cr
Management Fees	Upto 1.75% p.a.
Targeted Yield (Gross)	14% - 14.50% XIRR (Pre-taxes and Pre-expenses)
Tenure	4 years from First Close
Operating Expense	At actuals, 0.2% p.a.
Nature of Investments	Debt instruments like NCD, CP, CD, PTC, MLD etc
First Close	Target - Q2 FY25
Final Close	Target – Q4 FY25
Sponsors	Northern Arc Capital

Highlights of Northern Arc Finserv Fund

- A 4-year close ended fund with **quarterly cashflows** targeting higher risk-adjusted returns by investing in a diversified pool of debt securities of financial institutions for supporting their growth.
- 3-monthly coupon payments followed by bullet repayment of principal on maturity
- Target sectors: MSME Financing, Affordable housing loans, Vehicle Finance, Microfinance, Agri-finance, Consumer finance, Fintech
- Investment in a mix of securities: Providing growth capital for Portfolio Entities in the form of investments in secured and unsecured bonds, redeemable preference shares, pass through certificates (PTCs), market linked debentures, debt funds and other permissible securities.
- Average ticket size of INR 25 - 40 Cr size
- Diversified portfolio of ~45 – 55 companies

Past Funds Managed

No. Of Funds: **10 (6 have matured, 4 are deployed)**

AUM Garnered: **~INR 3,636 Cr**

Portfolio **IRR (Gross): 14% - 17.5% (Matured Funds)**

Portfolio **IRR (Gross): 11% - 18% (Deployed Funds)**

Fund Manager Details

Saurabh Agarwal
CIO, Northern Arc Investments

Work Experience
***16+** years*

Previous Stints
Yes Bank & RBL

Product in Focus – Credit AIF: Neo Income Plus Fund (AA- rated)

Product Overview

Fund	**Neo Income Plus Fund**
Category	Category II AIF
Structure	Close Ended
Target Corpus	INR 700 Cr
Min Investments	INR 1 Cr
Management Fees	1.5% - 1.75% per annum fixed
Targeted Yield (Gross)	~15 - 16% pa (Pre-taxes and Pre-expenses)
Tenure	4 years from first close
Deployment	1 year deployment period
Return Profile	Interest Income
Investment Manager	Neo Asset Management Private Limited
Sponsor Commitment	**~6% of fund size absorbs potential losses**
Current Investments	4 deals

Highlights of the Fund

- The fund aims to provide flexible capital for various purposes such as last-mile funding, holdco level funding, capex equity, non-dilutive capital for acquisitions, bridge financing, and PE takeout.
- Fund focuses on short-tenor trades (2-4 years) and offers regular income distribution (approximately 1% monthly, payable monthly.
- **CRISIL AA- Rating** is backed by Neo's 6% sponsor commitment which acts as a first protection against capital loss.
- The scheme is expected to invest a minimum of 65% in entities rated 'BBB-' or higher, including a minimum of 30% in instruments rated 'BBB+' or higher.
- Minimum 12 investments, Sector cap of max 30%
- Avoid sectors like Early-stage companies, Real estate, cyclical industries, distressed calls

Past Fund: Neo Special Credit Oppo Fund Details

Final Close: **May 2024**

AUM Garnered: **~INR 2575 Crs**

Partly deployed

12 Investments made

Avg Ticket Size: **INR 100-200 Crs**

Expected Returns **IRR: 18-20% (Gross)**

Fund Manager Details

Ashutosh Ojha
Fund Manager

Work Experience
19+ *years of experience of investing across Mutual Fund and Performing Credit Fund, Zero default track record, ~8000 Cr Funds deployed*

Previous Stints
Edelweiss Alternates, Edelweiss MF

Product in Focus – Real Asset AIF: ICICI Pru Office Yield Optimiser Fund II

Product Overview

Fund	**ICICI Pru OYO Fund II**
Category	Category II AIF
Target Corpus	INR 2000 Cr + 500 Cr green shoe
Min Investments	INR 1 Cr
Management Fees	Upto 2% p.a.
Targeted Yield (Gross)	15% - 18% (Pre-taxes and Pre-expenses)
Tenure	6+1+1 years
Operating Expense	At actuals, 0.1% - 1% of AUM
Nature of Investments	Listed and Unlisted Equity and Debt instruments
Sponsors	ICICI Trusteeship Services Limited

Highlights of ICICI Pru OYO Fund II

- The Fund will invest in equity, equity-linked, and debt instruments in companies that own, construct, or operate commercial properties in major Indian cities, aiming to earn rental income and benefit from yield compression and rising rents.
- The target properties include offices, retail assets, logistic parks, life-sciences facilities, warehouses, and data centers.
- Investment in companies which owns or will own :
  - Pre-leased commercial real estate with potential for capital appreciation
  - Not more than 30% of the fund to be invested in companies which owns or will own built-to-suit / completed - vacant properties
- Significant skin in the game – Sponsor contribution of 10% of the fund size
- Average ticket size of INR 100 - 300 Cr size
- Average investment tenor of 36 – 60 months

OYO Fund I Details (Previous Fund)

First Close: **Oct 2022**

AUM Garnered: **~INR 1,716 Mn**

Fully deployed

4 Investments made

Avg Ticket Size: **INR 400 Crs**

Portfolio **IRR: 13% (Gross)**

Fund Manager Details

Vishal Gupta
Principal - Investments, ICICI Pru AMC

Work Experience
19+ years

Previous Stints
Kotak Mahindra Prime & ICICI Bank

Summary

India Equity

Macro Story: Stable in November; Visible Recovery in H2

- Consumption - GST collections grew 7.1% YoY in November, indicating steady consumption.
- Private Capex - Signs of improvement in industrial activity and exports excluding petroleum suggest potential support for private capex recovery.
- Industrial Activity – Industrial production continued rising upwards to 3.5% YoY in November and PMI data continues to be in the high-50s. Overall, the economy remains in expansion mode.
- Government Capex – Government revenues remain strong, and capex for FY25 is projected to achieve 95% of the allocated target. In the past month, FYTD capex rose >13%.
- Trade Balance – Weakened sharply in November. Lower crude and higher gold prices remain as key drivers.

Micro Story: Valuation Close to Historic Average, Justified by Growth in the Indian Economy

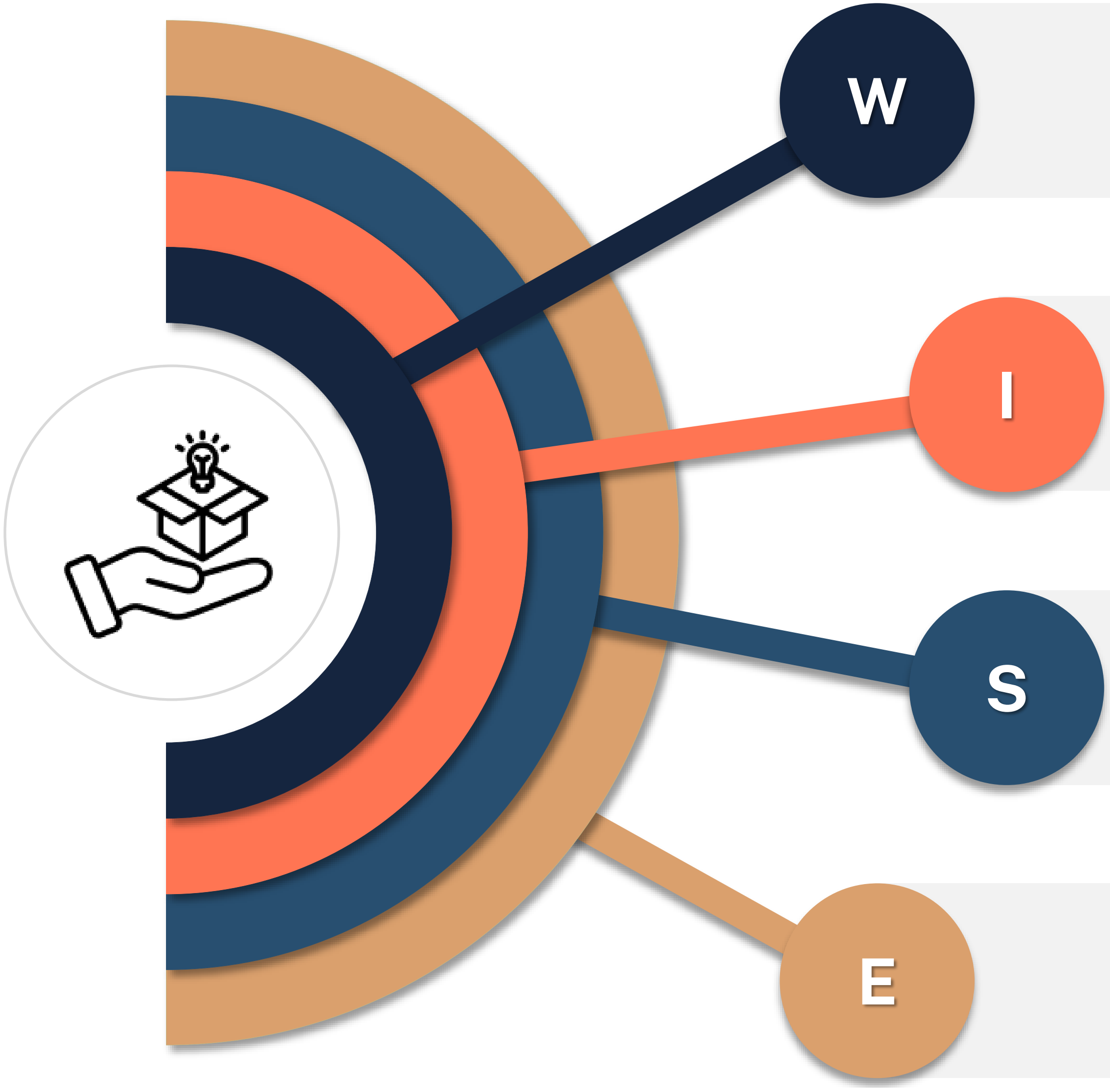
- Valuation – The recent market pullback coupled with lower earnings revisions has led to the Nifty 50 trading very close to its long-term historical average P/E.

Liquidity & Sentiment: FIIs Turned Into Net Buyers

- FIIs – Net bought worth Rs. 23.8k Cr worth of equities in December.
- DIIs – Net bought worth Rs. 5.4k Cr worth of equities in December.

Our view: Large-cap stocks currently offer more stability compared to mid and small caps. Although earnings have been subpar in 2QFY25, we believe stable macro environment and ample liquidity continues to provide significant support to the markets. As a result, we can expect earnings to eventually align with these supportive factors, leading to a more balanced market outlook.

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



Wealth Core Allocation

Focus on strategies and products designed to compound wealth and minimize risk in the portfolio

Index Investing

Utilizing investment vehicles that track a specific market index, offering broad market exposure

Strategic Allocation

Invests in companies poised to benefit from long-term trends & structural shifts within the economy or specific industries

Enhancers

Differentiated alpha generating ideas to enhance the overall return profile of the portfolio

Source: Spark PWM

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

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

WISE Framework	Category	Products	Product Type	Allocation	Returns (%)			
					1M	3M	6M	1Y
Wealth Core (10% to 20%)	**Large cap**	ICICI Pru Bluechip	MF	10%	-0.84	-3.24	7.59	28.41
Index Investing (5% to 10%)	**Smart Beta**	Bandhan Nifty100 Low Volatility 30	MF	10%	-2.34	-6.63	7.99	21.13
Strategic Allocation (45% to 75%)	**Large & Midcap**	ICICI Pru Large & Midcap	MF	10%	-1.36	-4.20	7.36	31.52
		Alchemy Smart Alpha 250	D PMS		1.25	-7.41	5.29	37.63
	Flexi Cap/Multicap	Spark@75 Core and Satellite	D PMS	10%	-1.24	-6.94	5.33	19.03
		ICICI EIP/	D PMS	25%	-0.08	-	-	-
		Abakkus All cap /			-0.70	-3.30	5.70	22.10
		Buoyant			1.58	-0.28	11.79	23.61
		Renaissance India Next			0.30	-0.50	19.10	41.30
		Nippon India Multi Cap	MF		0.06	-1.61	8.31	35.07
		Parag Parikh Flexi Cap	MF		-0.17	1.15	10.31	28.57
		Old Bridge Focused Equity	MF		-0.34	-5.03	15.87	-
		Spark GEMS/	ND PMS	10%	0.47	-3.81	8.06	28.70
		Bespoke/			-2.28	-1.99	12.37	36.20
		HCI			0.30	-4.00	4.60	24.80
	Mid & Small Cap	AAA Budding Beast	D PMS	5%	0.80	-2.40	18.70	36.40
Enhancer (10% to 25%)	**Theme Focused**	Carnelian Shift PMS/	D PMS	5%	5.36	5.20	32.71	45.20
		Franklin India Opportunities			2.29	-1.10	10.72	51.03
	Near IPO	Spark Near IPO	Cat II AIF	10%	-	-	-	-
	Unlisted	NSE & Other Unlisted	Non-Blind Pool Alternates	5%	-	-	-	-
Benchmark	-	Nifty 500 – TRI	-	-	-0.40	-3.86	7.37	27.80
		Nifty 50 – TRI	-	-	-0.26	-4.23	7.79	21.27

Performance as on November 30, 2024

W.I.S.E Recommended Equity Products – Calendar Year Performance

		Absolute Return (%)			
Fund	**Category**	**CY 2021**	**CY 2022**	**CY 2023**	**CY 2024 YTD***
ICICI Pru Bluechip	Large Cap Fund	29.2	6.9	27.4	19.3
Bandhan Nifty100 Low Volatility 30 Index	Large Cap Fund	-	-	29.6	11.8
ICICI Pru Large & Mid Cap	Large & Mid Cap	41.8	11.7	29.9	23.1
Alchemy Smart Alpha 250	Flexi Cap Fund	-	-	22.5	27.5
Spark India@75 Core and Satellite Strategy	Flexi Cap Fund	32.0	16.3	41.9	12.3
ICICI Enterprising India	Flexi Cap Fund	-	-	-	-6.3**
Abakkus All Cap	Flexi Cap Fund	71.4	-1.4	36.2	15.2
Buoyant Opportunities Scheme	Flexi Cap Fund	69.4	3.2	40.3	20.3
Renaissance India Next	Flexi Cap Fund	67.4	22.4	28.5	35.9
Nippon India Multi Cap	Multi Cap Fund	48.9	14.1	38.1	27.0
Parag Parikh Flexi Cap	Flexi Cap Fund	45.5	-7.2	36.6	22.7
Old Bridge Focused Equity	Focused Fund	-	-	-	19.0**
Spark GEMS	NDPMS			11.2**	20.6
Bespoke	NDPMS	-	-	6.6**	28.3
HCI	NDPMS	-	1.1**	18.3	17.4
AAA Budding Beasts Portfolio	Mid and Small Cap	50.5	4.7	47.1	32.3
Carnelian Shift	Flexi Cap Fund	79.3	-4.2	65.6	40.7
Franklin India Opportunities	Thematic Fund	29.7	-1.9	53.6	37.1
NIFTY 500 - TRI	**Benchmark**	**31.6**	**4.2**	**26.9**	**17.9**
NIFTY 50 – TRI	**Benchmark**	**25.6**	**5.7**	**21.3**	**12.4**

**As on November 30, 2024*

***Some funds were launched in the middle of a calendar year. Examples in this regard include the ICICI Enterprising India (September 25, 2024), Old Bridge Focused Equity Fund (January 24, 2024), Spark GEMS PMS (September 1, 2023), HCI (September 19, 2022), and Bespoke (September 6, 2023). Accordingly, calendar year returns for the respective years have been calculated since the inception dates.*

Source: Ace MF, Spark PWM Products

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

Products	Rationale
ICICI Pru Bluechip	▪ A combination of growth & quality and value styles of investing ▪ Has been one of the most consistent performers within the large cap funds space ▪ In Nov 2024, the fund, despite delivering negative return, outperformed the benchmark. This can be attributed to an overweight stance on Industrials, an underweight stance on select sectors (Utilities, Consumer Staples, Energy), and good stock selection in Industrials and Materials
Bandhan Nifty100 Low Volatility 30	▪ 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 ▪ In Nov 2024, the fund underperformed the Nifty 100 TRI. This can be attributed to a lower skew towards Industrials and higher skew towards some sectors (Consumer Staples, Materials, Healthcare)
ICICI Pru Large & Midcap Fund	▪ 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 ▪ In Nov 2024, the fund delivered a negative return and underperformed the benchmark as well. This can be attributed to an underweight stance on IT and Industrials, coupled with weak stock selection in Financials and Consumer Discretionary
Alchemy Smart Alpha 250	▪ 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 ▪ In Nov 2024, the fund outperformed the benchmark. The key contributors were Zomato, Mazagaon Dock Shipbuilders, Dixon Technologies (India), and PB Fintech
Spark@75 Core and Satellite	▪ 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 ▪ In Nov 2024, the fund underperformed the benchmark. The key detractors were SBI Life Insurance, NTPC, and PNB Housing Finance.
ICICI EIP/Abakkus All cap/ Buoyant/Renaissance India Next	▪ **ICICI EIP** – Flexi cap mandate to cherry pick the high conviction ideas across all flagship ICICI PMS strategies (Contra/PIPE/Growth Leader) – In Nov 2024, the fund underperformed the benchmark. The key detractors were Honasa Consumer, Redtape, NTPC, and Kalpatru Projects ▪ **Abakkus All cap** – Flexi cap portfolio managed by Mr. Sunil Singhania with bias towards large and mid caps; employs a bottom-up approach towards portfolio construction – In Nov 2024, the fund underperformed the benchmark. The exposure to financial sector, Power and Agro & chemical space has led to underperformance last month ▪ **Buoyant** – 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 Nov 2024, the fund outperformed the benchmark. The key contributors were One97 Communications, V2 Retail, Camlin Fine Sciences, and Sequent Scientific ▪ **Renaissance** – 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 Nov 2024, the fund outperformed the benchmark. The key contributors was on the back of allocation and stock selection in IT space. The performance also enhanced by exposure to select name in banking space

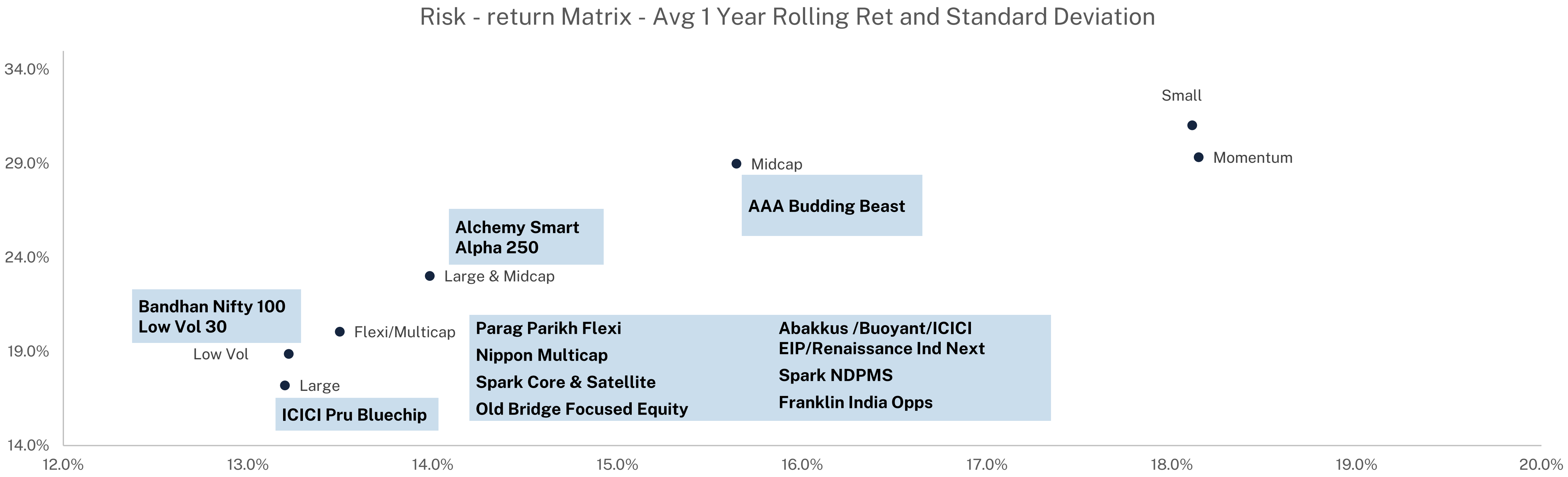
W.I.S.E. – Preferred Equity Portfolio Allocation (2/2)

Products	Rationale
Nippon India Multi Cap	▪ Exposure spans multiple themes, sectors, and stocks ▪ Skewed toward large caps to minimize downside risk ▪ Minimum 50% exposure to the broader markets ▪ In Nov 2024, the fund outperformed the benchmark. This can be attributed to higher exposure to Industrials, lower exposure to some sectors (Energy, Materials, Consumer Staples), and good stock selection in some themes (Consumer Discretionary, Healthcare)
Parag Parikh Flexi Cap	▪ A valuation-conscious and low churn approach aimed at minimizing downside risk ▪ Offers exposure to international stocks, which helps in diversifying geographical risk ▪ In Nov 2024, despite delivering negative return, the fund outperformed the benchmark. This can be attributed to an underweight stance on Materials, an overweight stance on some sectors (Communication Services, IT), and good stock selection in some themes (Utilities, Financials, Consumer Discretionary)
Old Bridge Focused Equity	▪ Investment approach lays emphasis on value themes and is skewed towards broader markets ▪ Select contrarian and turnaround plays may be looked at too ▪ The portfolio construct predominantly comprises market leaders and export-focused players ▪ In Nov 2024, the fund outperformed the benchmark. This can be attributed to an overweight stance on Industrials and IT, coupled with good stock selection in Healthcare and Consumer Staples
Spark GEMS/Bespoke/HCI	▪ Bespoke solution for UHNI clients who would require higher touch of engagement with Fund Manager(s) ▪ In Nov 2024, GEMS and HCI outperformed the benchmark, whereas Bespoke didn't
AAA Budding Beast	▪ Diversified portfolio of high quality, established, and emerging leaders with low debt and net profit greater than Rs 50 crore ▪ In Nov 2024, the fund outperformed the benchmark. The key contributors were Artemis Medicare, V2 Retail, Safari Industries, and Dee Devlopement Engineers
Carnelian Shift PMS/Franklin India Opportunities	▪ **Carnelian** – Theme exposure to Manufacturing and IT with a flexi cap mandate while having a mid and small cap bias across 25- 30 stocks – In Nov 2024, the fund outperformed the benchmark. The key contributors were Shaily Engineering, Concorde Biotech, Laurus Labs, and Stylam Industries ▪ **Franklin India Opportunities** – Exposure spans themes across market capitalization, such as Rising Affluence, Digitalization, Make in India, Sustainable Living (Energy) – In Nov 2024, the fund outperformed the benchmark. This can be attributed to an underweight stance on Energy and Utilities, and good stock selection in some sectors(Consumer Discretionary, Healthcare, Industrials, Materials)
Spark Near IPO	▪ Exposure to Near IPO ideas in the mid market segment and where there is a visibility of an exit through Ipo in next 1-3 years at a valuation of ~INR 4000 Crs (0.5 Bn USD)

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

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

Risk - return Matrix – Last 3 year Avg Monthly 1 year Rolling Ret and Standard Deviation (Annualized)



- Returns are based on average of monthly 1 Year rolling returns of indices as on 30th Nov 2024
- 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 product highlighted in green are corresponding to the specific benchmark of a category(blue dot) can have a higher risk return profile

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We have taken the following Indices Monthly return data since 1Jan 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 Nov 2024

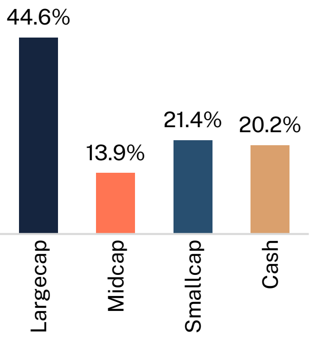
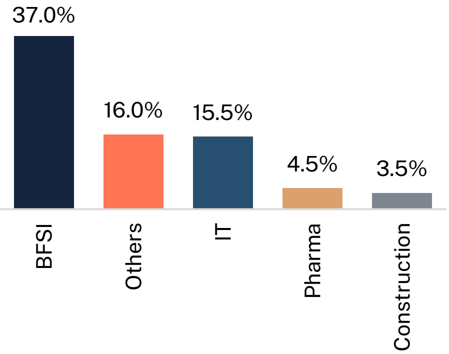
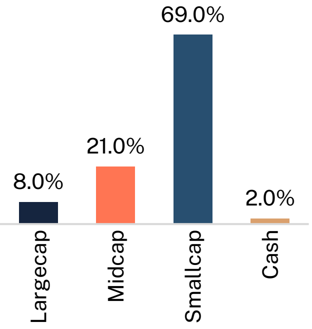
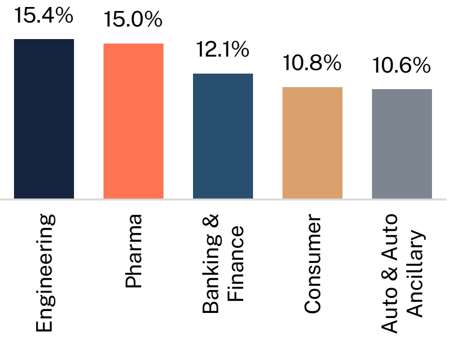
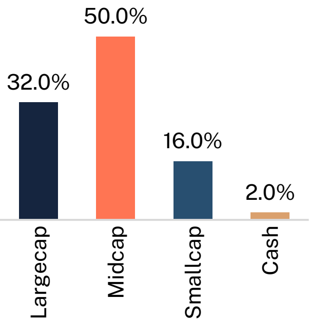
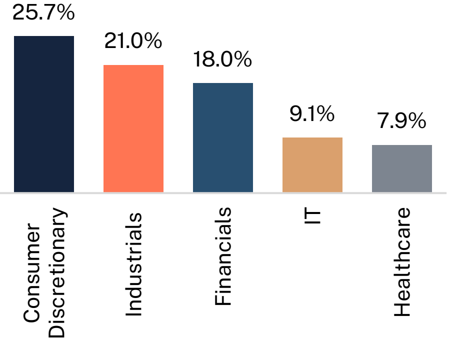
Views of Major Equity Mutual Fund Houses

AMC	Views
SBI	▪ India's corporate profits, as a proportion of GDP, have reverted higher over the past 4 years ▪ Sluggishness in corporate earnings and consequent cuts in growth expectations weighing on the market ▪ Focus may shift towards companies with strong business models, long-term earnings growth visibility, and sustainable cash flows ▪ Revival in manufacturing, rising per capita GDP, and recovery in global EMs support a constructive earnings growth outlook over the long term
HDFC	▪ Softness in consumption in Q2 FY25 can be partly attributable to weakness in urban areas, while investment was impacted due to low govt capex ▪ Rural demand has shown resilience recently - as reflected by higher registrations of two-wheelers and tractors, easing unemployment rate ▪ Private capex has potential to accelerate owing to low leverage, increasing capacity utilization, strong profitability, and robust balance sheets ▪ India's external sector remains steady on the back of a comfortable current account deficit and adequate forex reserves ▪ Policy continuity, PLI, China+1, capex, and an uptick in consumption bode well for India from a long-term standpoint ▪ In light of Donald Trump coming to power, global growth may be impacted owing to trade tensions, policy uncertainty, and anti-immigration policies
ICICI	▪ Moderating fiscal support due to a slimmer fiscal deficit and the peak impact of RBI's past rate hikes is expected to cap growth ▪ Ongoing selling pressure from FIIs is due to aggressive Chinese stimulus measures cheaper valuations vs India, and growth slowdown ▪ Favorable demographic dividend, rising per capita income, under-control inflation, and strong corporate balance sheets augur well for India ▪ The US Govt's ability to navigate through weak macros like high fiscal deficit, ballooning debt, and high current account deficit would be a key monitorable ▪ Current sell-off by FPIs has made large cap valuations reasonable compared to mid and small caps
Nippon	▪ For Indian equities, recent volatility has been on account of FII outflows, global uncertainty, elevated valuations, and weaker earnings ▪ There is some slowdown in discretionary spending and core inflation has gone up ▪ Mid caps trading at a significant premium, followed by small and large caps ▪ Current valuations leave low room to absorb any disappointments ▪ Recovery in international demand conditions and local rural recovery can provide some upside
Axis	▪ FPI outflows in Nov 2024 attributable to steep valuations, disappointing Q2 results, and an evolving geopolitical landscape ▪ Q2 FY25 was characterized by slowdown across all three major economic pillars - consumption, capex, and exports ▪ For India Inc, weakness in top-line as well as earnings growth seen in Q2 FY25 ▪ Valuations remain relatively high for mid and small caps, while they are reasonable for large caps ▪ Overweight on Premium Consumption, Power, and Pharma & Healthcare; underweight on Banks, FMCG, Oil & Gas

Manager Outlook Takeaways: Equity PMS

AMC (Manager)	Market Outlook	Positioning & Deployment
Abakkus (Sunil Singhania)	▪ H2 FY25 is expected to be stronger, as demand shifts due to delayed monsoon and the festive/wedding season ▪ Valuations remain elevated in certain sectors ▪ Positive monsoon could boost the agricultural sector, with potential to drive increased consumer spending in H2 FY25 ▪ The Federal Reserve is closely monitoring inflation after its recent rate cut	▪ Positive on Infrastructure, Technology, and Finance ▪ Oil prices likely to remain soft due to growth in renewables, battery storage, hydrogen, and nuclear power
Spark (P. Krishnan)	▪ Valuations of mid and small cap stocks seem expensive relative to large cap stocks ▪ Growth is yet to catch up to earlier levels ▪ Q3 and Q4 FY25 may not spring any major positive surprises ▪ Global risk would be a key monitorable ▪ India is likely to witness a shallow rate cut cycle ▪ Post recent rally, any headwinds in the US market could have a spillover effect on domestic markets	▪ Positioned in BFSI ▪ Exposure to IT space though though valuations are not as attractive as they were earlier ▪ Certain pockets in the market, previously overlooked, remain expensive - will selectively build exposure on these fronts ▪ Maintains a 30% cash allocation in new accounts, whereas older accounts have ~15% cash
Carnelian (Vikas Khemani)	▪ The current market outlook looks strong and healthy from a long-term perspective ▪ Consumption has evolved from traditional methods to modern approaches rather than slowing down ▪ Booming real estate market, driven by record-low inventory and 40%+ CAGR in pre-sales, has been a major boost for companies in Paints, Tiles, Cables & Wires, Plywood, and related sectors	▪ Remains positive on: – Private Banks, select NBFCs, Life Insurance Companies – IT, ER&D, and Cybersecurity – Manufacturing – Pharma, CDMO, Chemicals, Auto – Power – Consumption space (rural and discretionary)
Renaissance (Pankaj Murarka)	▪ Recent correction is perceived to be healthy as markets were expensive ▪ Rate cut cycle is likely to be shallow in India ▪ GDP slowdown is on account of government capex falling short of targets, along with weak rural and urban consumption ▪ Nifty growth is likely to be in single digits in FY25 ▪ Earnings growth has moderated in recent quarters ▪ Trump government likely to benefit India ▪ Expectations of rate cuts by the US Fed in 2025 have reduced	▪ Positive on IT (Services, Products, and tech-enabled consumer names) ▪ Positive on large private banks ▪ Avoiding Auto, FMCG, and Defence ▪ Cautious on small caps
AAA (Rajesh Kothari)	▪ Long term outlook for mid and small cap stocks is positive ▪ India emerging as the global hub for businesses with a growing number of GCCs (Global Capability Centers) ▪ Government capex is expected to increase in the near term	▪ Positive on Solar, IT, Renewable Energy, Manufacturing, and BFSI

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*	**Suitable For** Conservative investors seeking a large cap bias portfolio and consistent long-term return generation **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 **Positioning** - Bullish on BFSI, Pharma, and IT	**AUM - 386** **Stocks - 18** **Sectors - 9** **Up / Down Capture -3Y** **95 / 105**		Entry: - Craftsman Exit: - -		- HDFC Bank - Federal Bank - Updater Services Limited - ICICI Lombard General Insurance Company - Kotak Mahindra Bank
AAA BB	**Suitable For** Balanced investors seeking broader market exposure through quality and established leaders **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 **Positioning** - Positive on Capital Goods, Healthcare, and Finance - Underweight in FMCG	**AUM - 478** **Stocks - 57** **Sectors - 14** **Up / Down Capture -3Y** **120 / 72**		Entry: - Craftsmen Automation Ltd - Gland Pharma Ltd - E2E Networks Ltd - GE Vernova T&D India Limited Exit: - Thomas Cook India Ltd - Bharat Bijlee Ltd - Roto Pumps Ltd		- Strides Pharma Science - Mastek - CG Power and Industrial Solutions - Vesuvius India - Max Estates
Alchemy Smart Alpha	**Suitable For** Balanced to Aggressive investors seeking long-term alpha generation in large and midcap space **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 **Positioning** - Bullish on Consumer Durables and Finance - Negative on IT and Auto	**AUM - 453** **Stocks - 25** **Sectors - 10** **Up / Down Capture –SI^** **126 / 80**		Entry: - Zomato - Persistent Systems - Coforge Exit: - HAL - RVNL - Cochin Shipyard		- Dixon Technologies India - Trent - Power Finance Corporation - PB Fintech - Divis Laboratories

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Data – 30 Nov 2024
**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

MF Key Ideas for the Month

Bandhan Nifty100 Low Volatility 30 Index -Reg(G)

Overview

Suitable For
Conservative investors seeking to limit downside risk through a low-cost passive product

Strategy
The securities are selected from Nifty 100 index and should be available for trading in derivative segment (F&O). Stock weights are based on volatility, which is calculated as the standard deviation of daily price returns for the last one year. Weightage of a stock is capped at 3% in instances where its turnover is less than the stock with the lowest turnover in the Nifty 50 index. Rebalancing is undertaken at quarterly intervals.

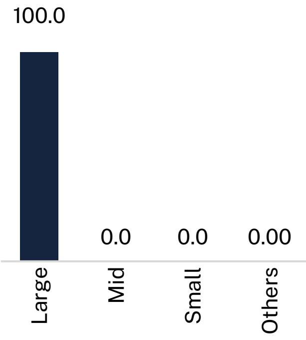
Details

AUM – 1,350

Stocks - 30
Sectors - 13

Up / Down Capture - NA

Market Cap Allocation (%)

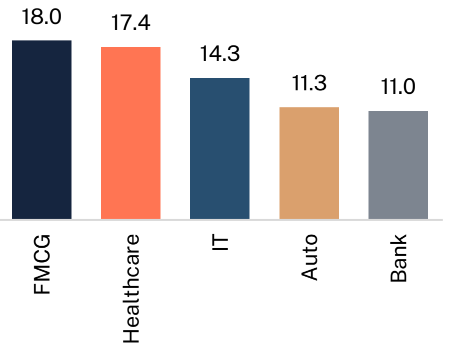


Entry / Exit in the Month

Entry: The replicates the benchmark, which is rebalanced at quarterly intervals

Exit: The replicates the benchmark, which is rebalanced at quarterly intervals

Top 5 Sectors (%)



Top 5 Stocks

- Sun Pharma
- ICICI Bank
- ITC
- TCS
- Hindustan Unilever

ICICI Pru Bluechip (G)

Overview

Suitable For
Conservative and Balanced investors seeking to compound wealth steadily through large caps

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.

Positioning
- Overweight on Construction, Infra, and Auto
- Underweight on IT, FMCG, and Financials

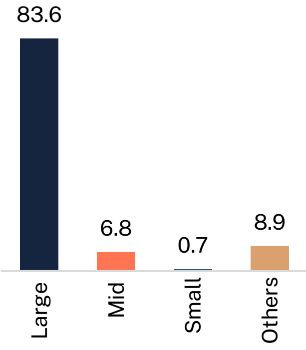
Details

AUM – 63,938

Stocks - 68
Sectors - 26

Up / Down Capture - 97.3 / 68.0

Market Cap Allocation (%)

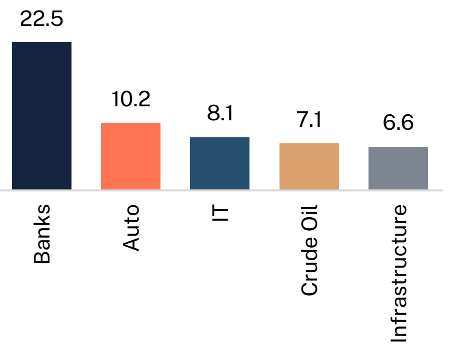


Entry / Exit in the Month

Entry:
- GAIL (India)
- Hindustan Unilever
- ICICI Lombard General Insurance

Exit:
- -

Top 5 Sectors (%)



Top 5 Stocks

- HDFC Bank
- ICICI Bank
- Larsen & Toubro
- Infosys
- Reliance Industries

Parag Parikh Flexi Cap - Reg(G)

Overview

Recommended For
Conservative and Balanced investors seeking to participate across the market cap spectrum, while simultaneously being cautious about risk factors

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.

Positioning
- Overweight on Mining, Banks, and Power
- Underweight on Crude Oil, Capital Goods, and Infra

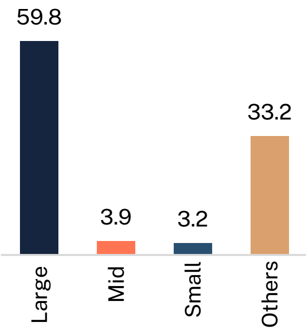
Details

AUM – 84,640

Stocks - 76
Sectors - 26

Up / Down Capture - 83.2 / 67.5

Market Cap Allocation (%)

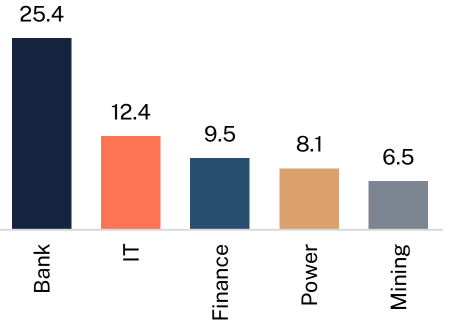


Entry / Exit in the Month

Entry:
- GMR Airports
- Manappuram Finance
- Steel Authority of India

Exit:
- Indraprastha Gas

Top 5 Sectors (%)



Top 5 Stocks

- HDFC Bank
- Power Grid Corp
- Bajaj Holdings & Invt
- Coal India
- ITC

Data as on November 30, 2024
Capture ratios: Represent average of 1–month values (calculated monthly) for the last 3 years
Source: Ace MF, Spark PWM Products

W.I.S.E – Product in Focus: TVS Capital

Why we like TVS Capital?

Firm

- **Founder:** Gopal Srinivasan, a third-generation entrepreneur from the TVS Group.
- ~17 years experience and track record as a growth investor in the private equity space; raised ~Rs 6000 crore till date
- Successfully managed 3 funds with a focus on top-quartile performance, delivering consistent returns (Fund 2 & 3).
- **Strong Exit Track Record**: Exited 2 funds fully and 4 out of 12 exits made in Fund 3 already
- **Some Key Investments:** Go Digit, Yubi, Leap, Phone pe, Insurance Dekho, Five Star
- **ABC Assessment process**
  - **A(AAA):** The best founder (Ambition, Ability to Execute, Attract and retain people)
  - **B (BBB):** Building Better Business
  - **C(CCC):** Consistent Capital Compounding

Manager

- Experienced leadership led by Mr. Gopal Srinivasan with a mix of investing and operating experience
- 7-member in an experienced investment team
- Dedicated Research team to conduct in-depth value chain analysis in focus sectors, as the fund manager believes in deriving alpha from depth and expertise in focus sectors/themes
- 27 successful exits out of 35 deals made across 3 funds
- Funds 2 & 3 are top quartile performers in their respective vintage

Fund

- **Focus**
  - Leveraging the expertise built in earlier years to focus in-depth across the Financial services space
  - Technology space (Tech services and Tech for financial service and business services)
- **Stage**
  - Across Stages : Early- growth to Late- Stage, Series B+ investing
  - 1st cheque to businesses focused on NBFCs, Insurance and IT services
- **Raising:.**
  - Size: 3000+2000 Crs
  - Currently raised ~₹3,000 Cr, all from domestic capital.
- **Investment Strategy:** 12-15 companies in Finance and Tech space with a cheque size of INR 200-400 Crores
- **Positioning:** Amongst India's largest Rupee capital focusing on next generation of entrepreneurs building resilient and multidecadal model to drive India’s growth

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 delas 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

Why we like Spark Midas Investment 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 approach**
  - Numerous transactions executed in late stage which has gone on to get 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 Market cap 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 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

Disclaimer

Spark PWM Private Limited *(formerly known as Spark Family Office and Investment Advisors (India) Private Limited)* ("Spark PWM") is registered with SEBI as a Portfolio Manager, Stock Broker, Research Analyst, and Mutual Fund Distributor with Association of Mutual Funds of India.

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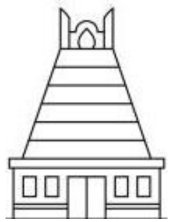
Our Offices



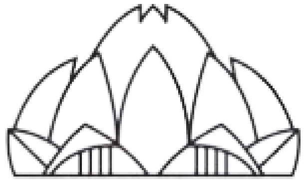
Chennai

No. 1, 3rd Floor,
First Crescent Park Road,
Gandhi Nagar, Adyar,
Chennai – 600 020

Mumbai

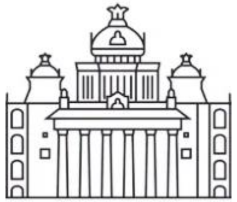
No. 302, 3rd Floor,
‘Windsor House’, CST Road,
Kalina, Santacruz (East),
Mumbai – 400 098

No. 1252, 5th Floor,
Building No. 12, Solitaire Corporate Park,
Andheri Kurla Road, Chakala, Andheri East,
Mumbai – 400 093



Delhi

No. 23, 1st Floor,
Community Centre,
Basant Lok, Vasant Vihar,
New Delhi – 110 057



Bengaluru

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Prestige Emerald,
Madras Bank Road,
Bengaluru – 560 001

Hyderabad

No – 25 & 42, 3rd Floor, Lumbini Avenue,
Adjacent to Preston Prime Mall,
Main Road, Gachibowli,
Hyderabad – 500032

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Near Jodhpur Cross Road,
Satellite,
Ahmedabad – 380 015

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