

India Investment Strategy

May 2025

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Summary

External Influences



US

- **Given the current environment of heightened uncertainty, we remain cautious in assessing the economic trajectory.**
 - **Economic Uncertainty from Tariffs:** President Trump's tariff policy, intended to protect domestic industries and reduce the federal deficit, is creating economic uncertainty—hurting GDP forecasts, consumer sentiment, and housing, despite a temporary retail sales boost driven by pre-tariff spending.
 - **Labor and Currency Pressures:** Cracks in the labor market and a weakening U.S. dollar despite high bond yields indicate deeper systemic stress, with increased reliance on credit and rising delinquencies further challenging economic stability.
 - The Fed is facing a difficult balancing act, managing the dual risks of rising inflation and slowing economic growth. In a speech in Chicago, Powell cautioned that President's tariff policies risked pushing inflation and employment further from the central bank's goals..

Europe

- **We Continue to Maintain a Cautious Stance Towards Europe:**
 - **Economic Activity:** While core economies like Germany are stagnating, peripheral countries provide resilience. The ECB has cut rates further to support growth.
 - **Market Sentiment:** Optimism prevails in equities due to fiscal stimulus and defense spending. Valuations have normalized

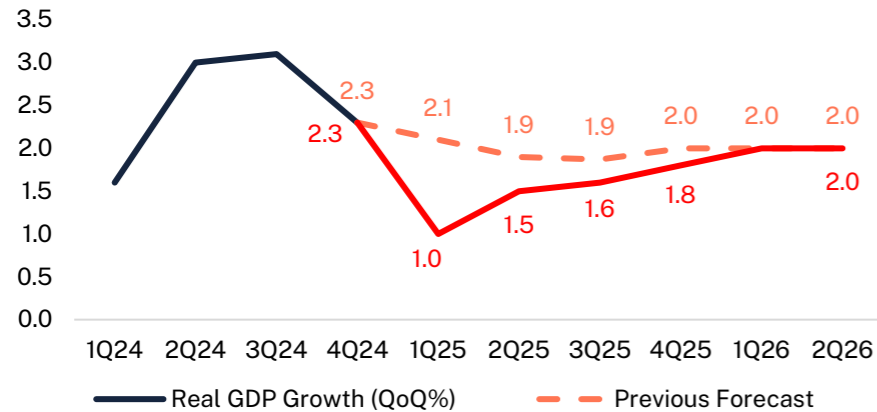
China

- **We Continue to Maintain a Neutral Stance Towards China:**
 - **Post-Tariff Rally:** Markets are buoyed by expectations of fiscal stimulus. Retail sales and industrial production exceeded expectations.
 - The Trump administration has unexpectedly raised tariffs on most Chinese goods to 145%, intensifying trade tensions. The full economic impact remains uncertain as markets await resolution of the tariff standoff. Meanwhile, China's stronger-than-anticipated first-quarter growth and new stimulus measures provide Beijing with more flexibility in deciding when to implement further economic support.

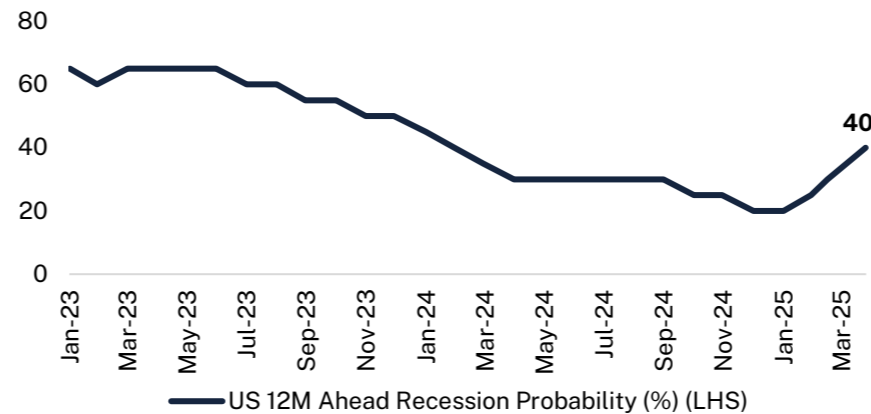
US: Tariff Fears Spark Economic Uncertainty

Although President Trump announced a 90-day pause on the retaliatory tariffs, prolonged uncertainty continues to dampen spending and poses a risk to economic growth

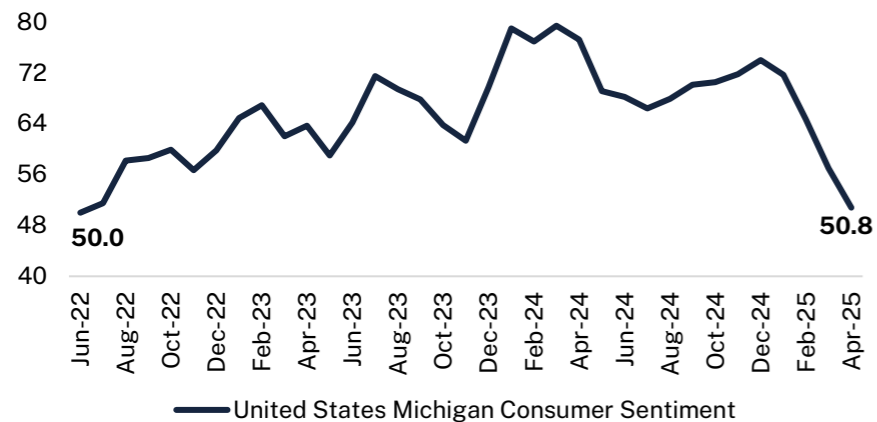
Real GDP Growth (QoQ%) Estimates Revised Lower as Tariffs are Expected to Have a Negative Impact on the Economy



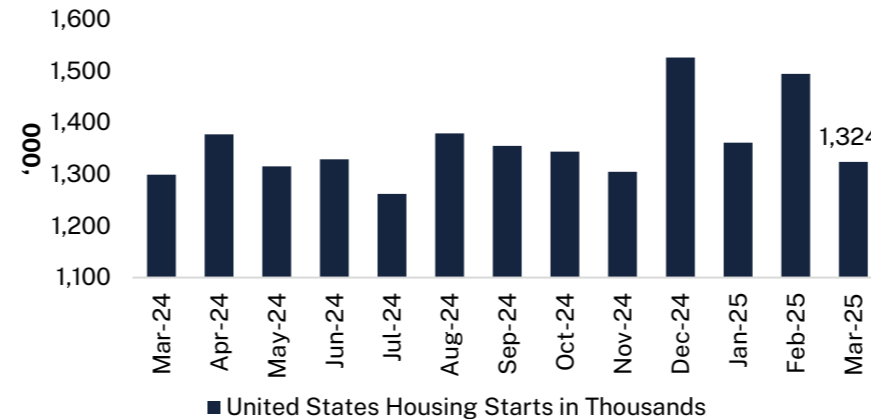
Odds of a US Recession have spiked from 20% in Dec-24 to 40% in April-25.



Consumer sentiments fell lowest since June 22 and below forecast of 54.2 amid growing worries about trade war development.



Policy uncertainty weighs on housing starts data as new home starts decreased by 11% Mom falling short of consensus estimate for 1420K.



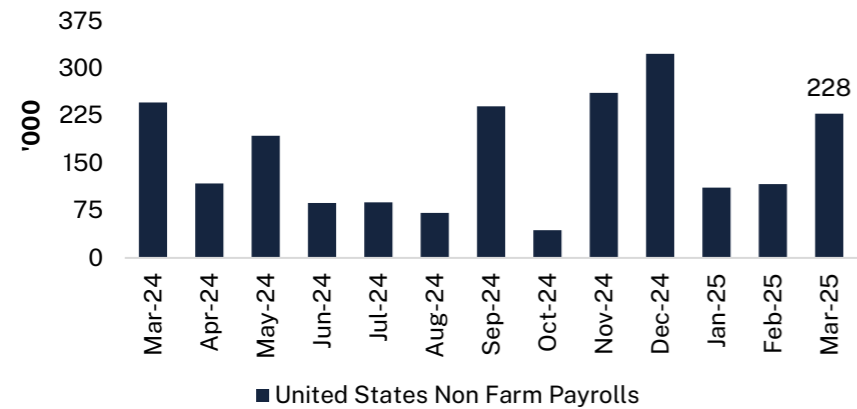
- What have we been saying?** Trump had made it abundantly clear that he plans to use tariffs to protect American businesses and simultaneously fix the government's \$36 trillion deficit.
- What still holds?** President Trump remains committed to the tariff-driven policy framework outlined in November 2024, reaffirming his stance on economic protectionism.
- What's shifted?** While the short-term impact was initially expected to be limited, ongoing policy uncertainty has had a more noticeable effect than anticipated. This includes downward revisions to GDP forecasts, softening in consumer sentiment, cooling in the housing sector. Uncertainty around tariffs continues to weigh on key economic indicators, potentially affecting the recovery outlook into late 2025.

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

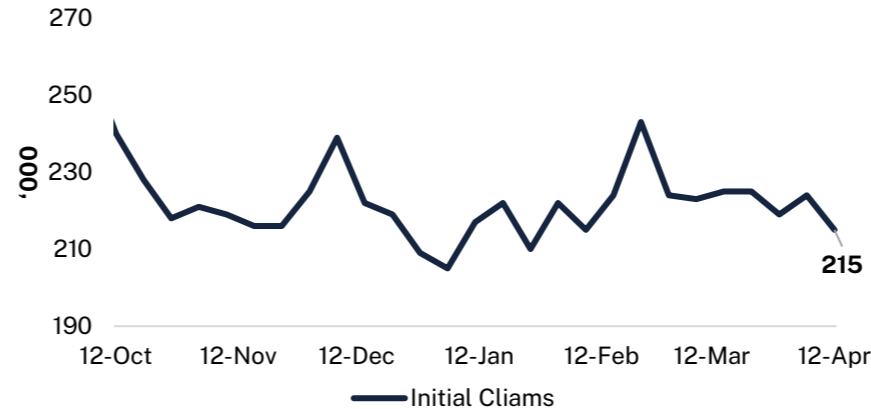
US: Policy uncertainty test US Labour market Resilience

U.S. job growth rose in March-25, but trade turmoil and federal spending cuts are straining the labor market and threatening economic growth recovery in H2CY25

Job adds beats forecast of 135K



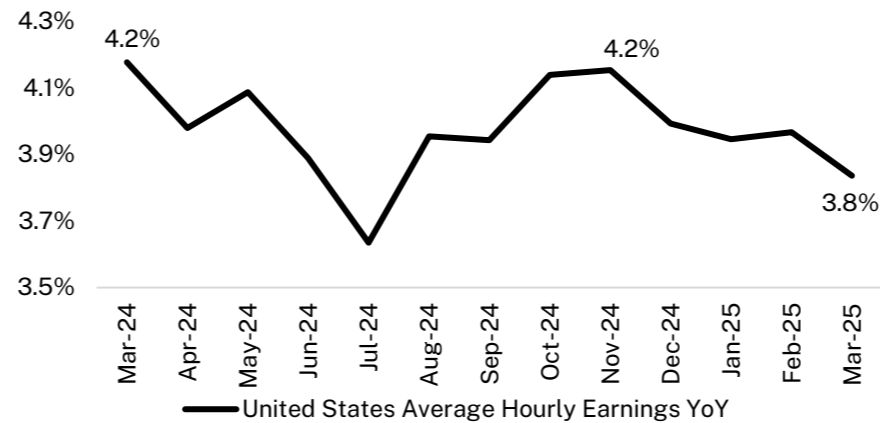
New applications for unemployment benefits fell to a two-month low



Unemployment remains in FED's comfort range, despite upward bias in YoY



Average earning growth continues to moderate.



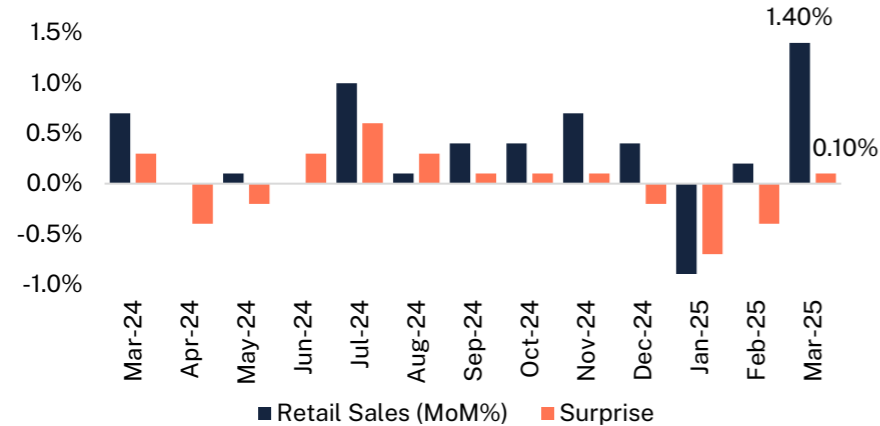
- **What have we been saying?** The US labor market has shown resilience over the past few months with fewer jobless claims and moderation in the unemployment rate.
- **What still holds?** The job market remains stable despite the slight uptick in unemployment.
- **What's shifted?** Post Trump's April 2 tariff announcement the shifts in trade policy creates uncertainty, making it hard for businesses to plan. Trade war with China and impact on the economy is still unfolding. The scenario although has not resulted in layoffs, however; companies are cutting worker hours – evident from a sharp decline in factory workweeks and future employment expectations hitting a low last seen since in 2016 as per Philadelphia FED report, hinting to uncertainty led cracks in the labor market.

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

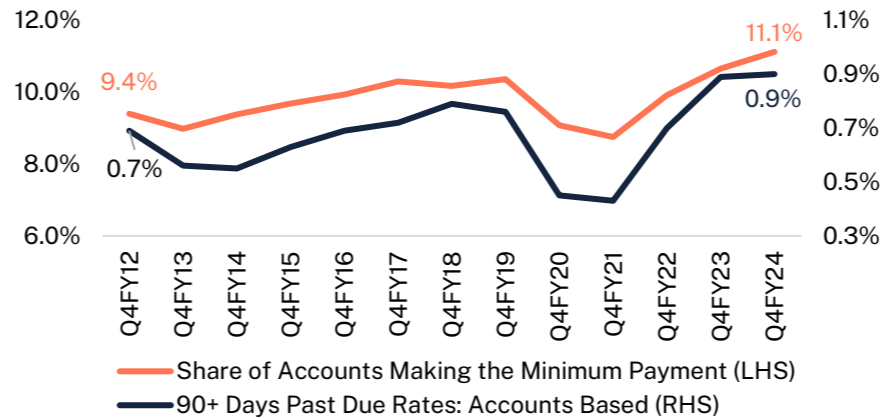
Retail Sales Surge, Impulse Buying or Sustained Demand?

Retail sales continue to signal strong demand despite consumer being over leveraged.

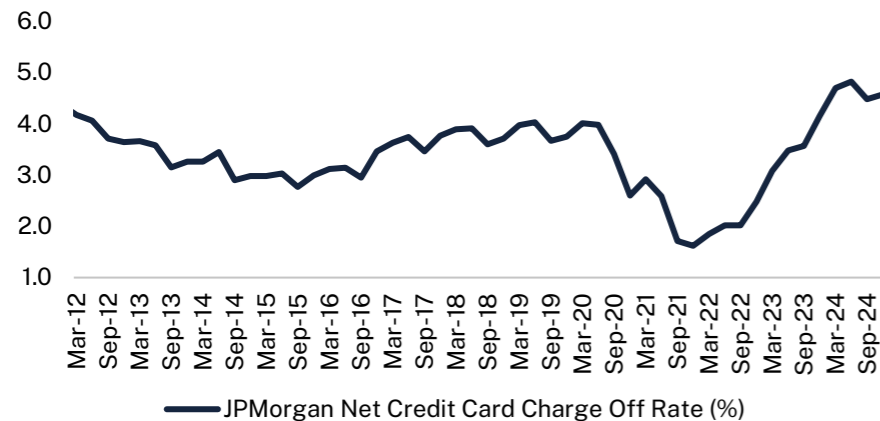
Retail Sales Increased 1.4% highest since Jan 2023



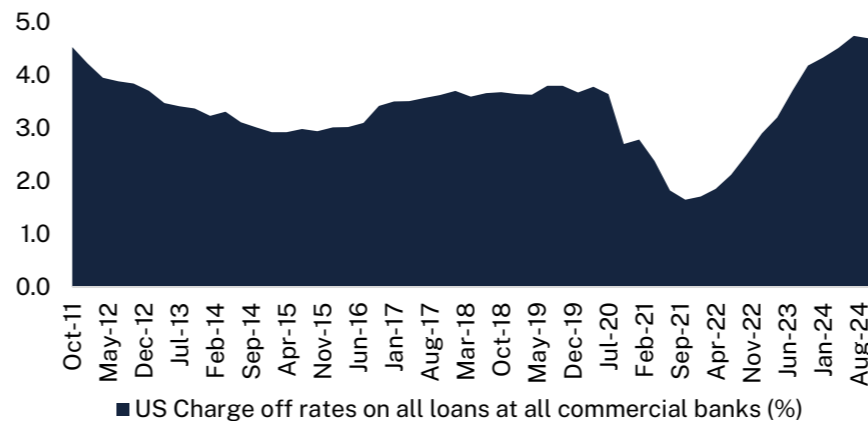
Share of credit card accounts making the minimum payment rose to 11.1% in 4Q24, the highest level since 2012



JP Morgans portion of loans in its credit card business deemed unrecoverable rose to a 13-year high of 3.58% in 1Q25



Industry-wide, the rate of charge-offs is now higher than the level before the Covid-19 outbreak.



What have we been saying? We have highlighted in our previous editions of IIS that the average US consumer is highly dependent on credit, which would be unsustainable in the long-term. We noted delinquency rates on consumer loans taken across all commercial banks has surpassed COVID-19 levels.

What still holds? Credit usage continues to rise. Delinquency rate remains high.

What's shifted? The retail sales strength is debated to be on account of tariff expectation or continued consumer consumption. Verdict will be out in the next few months.

However; Increased risk to retail sales on account of

1. higher tariffs on imports impacting prices leaving indebted American consumer vulnerable to rising inflation.
2. The concentration of wealth making the economy more sensitive to the "wealth effect" — meaning that falling financial asset prices could start to weigh heavily on spending.

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

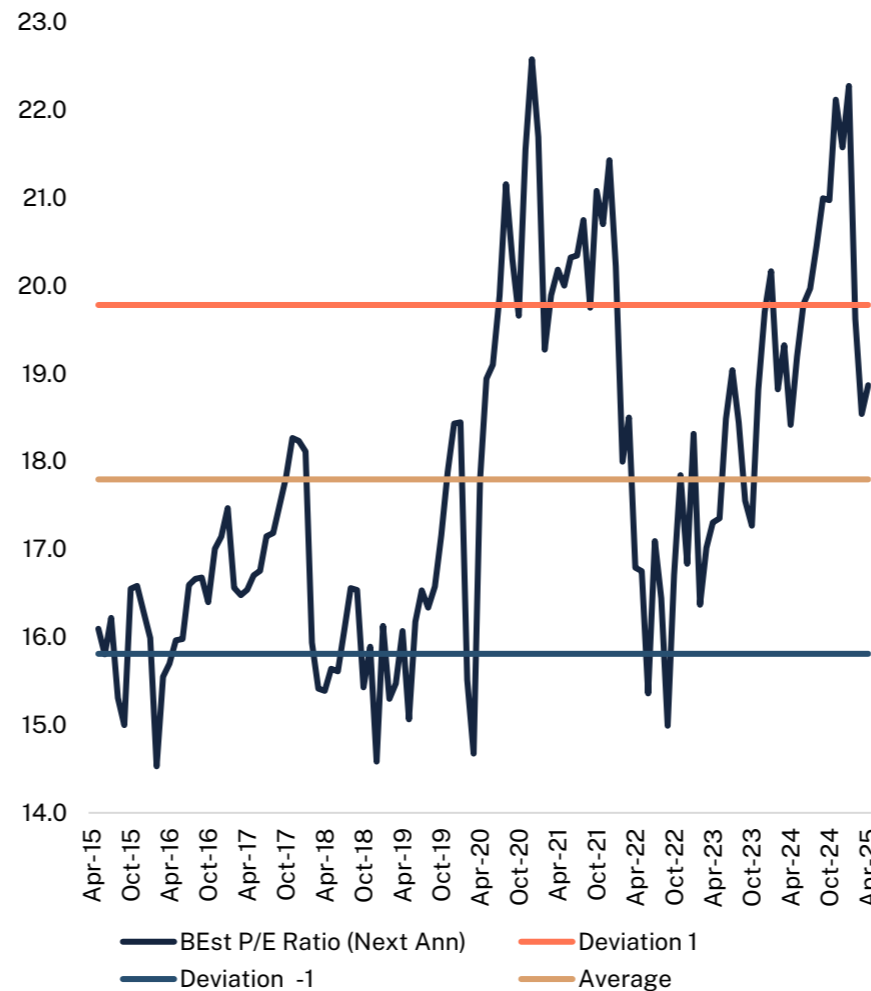
US: Divergence emerge between DXY and G-Sec Yields

Despite rising US bond yields and elevated tariffs, the dollar is weakening. This unusual disconnect is fueling global uncertainty and prompting investors to reassess their portfolio allocations.

The divergence between 10 Yr yields and DXY driven by rising US deficits and policy unpredictability.



In Jan 2025 we noted that US Equity valuations looked euphoric, since then it has moderated but still above long-term average.



What have we been saying? US equity valuations appeared euphoric post-election, trading at stretched levels versus historical averages. In January 2025, we flagged that the earnings yield on the S&P 500 had fallen below the yield on 10Y US Treasury bonds – indicating potential for rotation from equities to fixed income.

What still holds? The earnings yield on equities remains lower than 10Y Treasury yields, making bonds a more attractive investment on a fundamental basis.

What's shifted? Although bonds are fundamentally better positioned than equities, they are under pressure due to the dollar's eroding safe-haven appeal. As highlighted by recent market movements:

- Investors are increasingly reallocating toward alternative assets like gold and non-USD bonds.

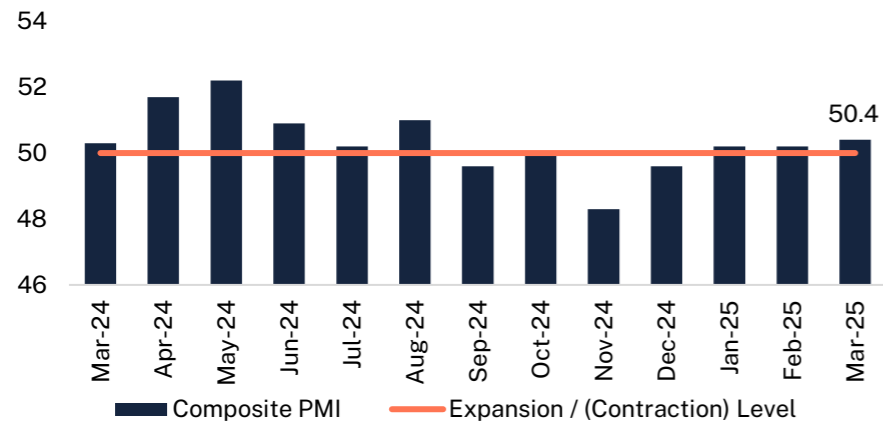
However, a complete global shift away from the dollar remains far-fetched due to lack of scale and liquidity in alternative assets.

Source: Bloomberg, Spark PWM

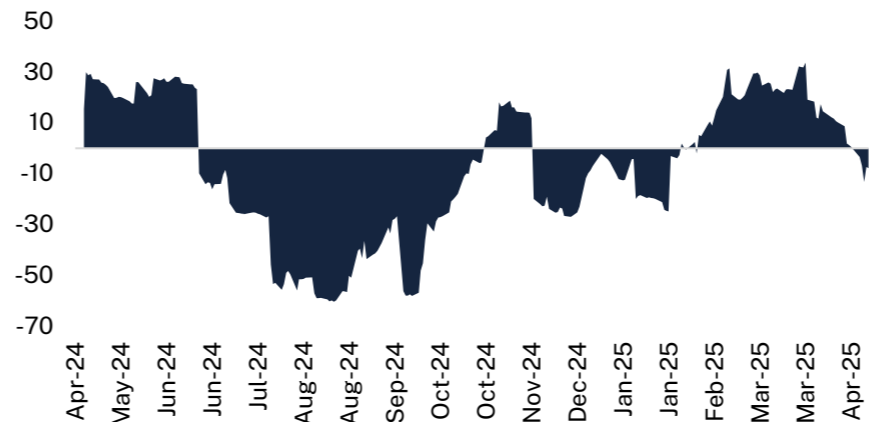
Europe: Market Optimism Prevails in Weak Economic Environment

Fiscal stimulus from Germany/EU is a new norm. This along with renewed hopes that higher defense spending has caused European equities to rally sharply in 2025.

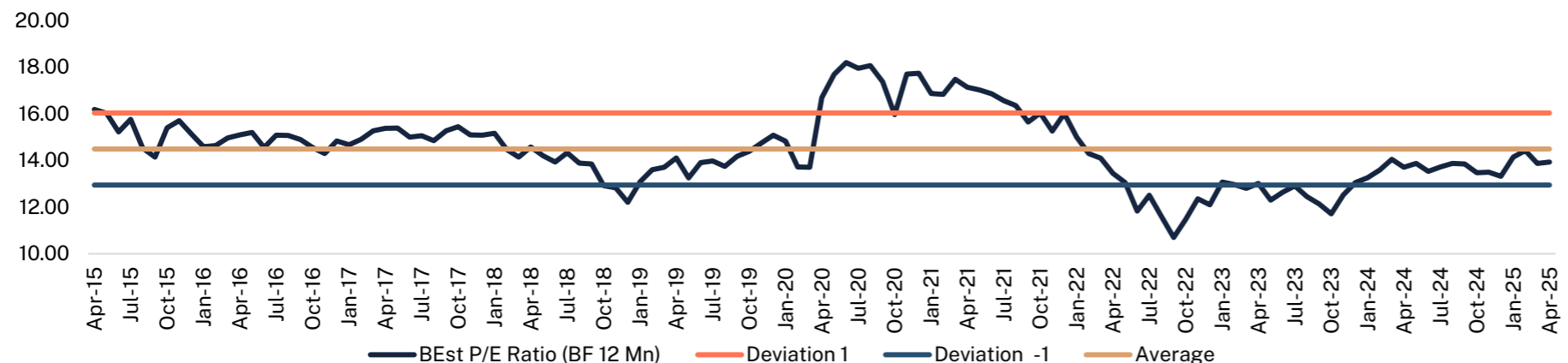
Eurozone Composite PMI Remains Unchanged & Marginally in Expansionary Zone for 3rd Consecutive Month



Europe Economic Surprise Index turns negative as eurozone business activity dips but still stable



EuroStoxx 600 12M BF P/E Ratio Catches Up to Long-Term Mean



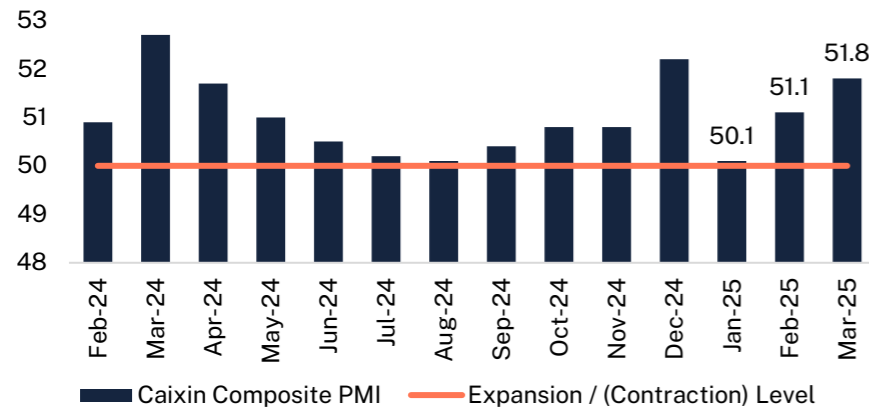
- **What have we been saying?** PMI and other economic data releases have been showing signs of weaknesses in the core economies. However, periphery economies such as Spain are exhibiting strength, and are likely preventing the continent from entering a recession.
- **What still holds?** Core economies like Germany continue to exhibit weakness and are largely the reason behind why economic activity in Europe has been damp.
- **What's shifted?** ECB has cut interest rates to 2.25%, its seventh reduction since June, aiming to counteract the economic slowdown. In light of U.S. trade tariffs, the German government cut its GDP forecast for this year and now expects stagnation, rather than the 0.3% expansion that it projected in January.

Source: Bloomberg, Spark PWM

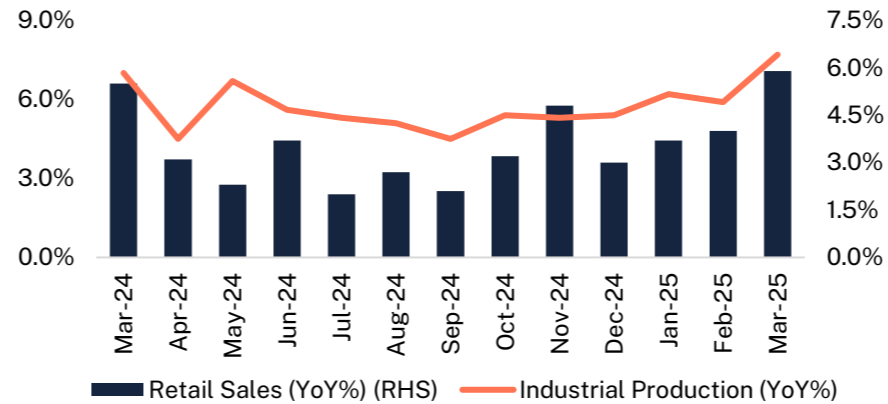
China: Markets Rally post Tariff shock Amid Stimulus Expectation

China continued to report improving economic data.

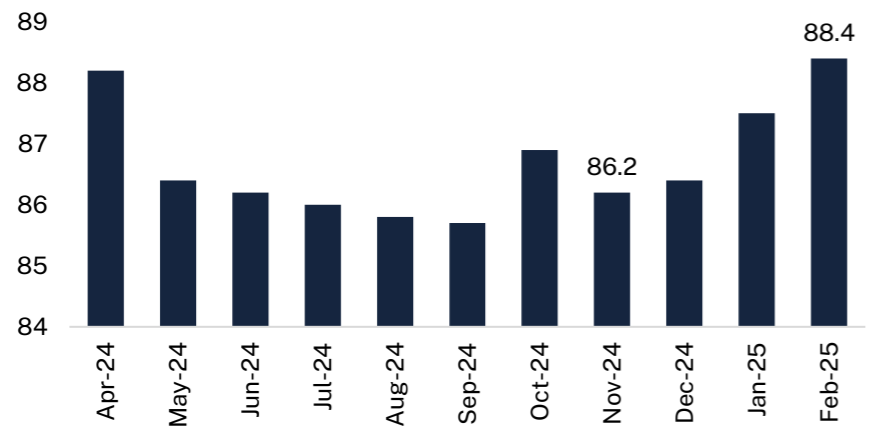
Composite PMI Remained in Expansionary Zone



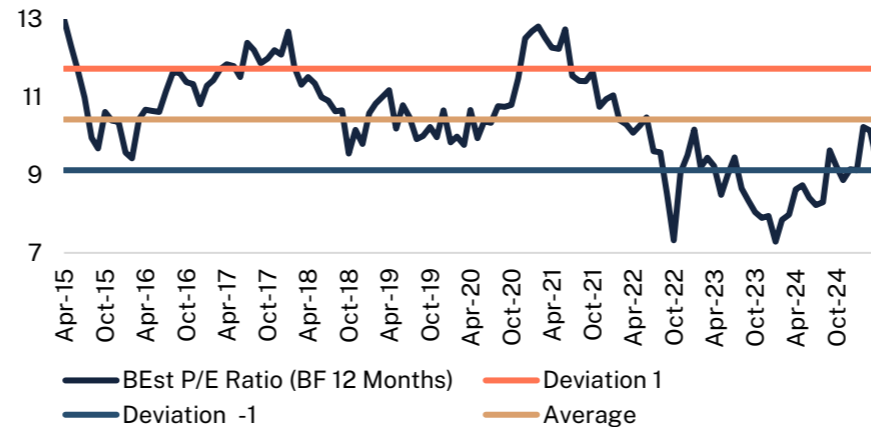
Retail Sales & Industrial Production Maintain Strong Upward Trend beating expectations



Consumer confidence index up ticked for 3rd straight month.



Hang Seng 12M BF P/E Ratio Still below its long term average.



- What have we been saying?** The PBOC's monetary easing policies that were introduced between September-October will not be sufficient in stimulating the economy without announcements of ample fiscal expenditure in the near-term.
- What still holds?** Retail sales and industrial value added continue to remain positive. Moreover, China's trade balance with the US has been positive as American businesses attempted to stock up their inventories before Trump's tariffs make Chinese goods more expensive.
- What's shifted?** The Trump administration has raised total tariffs on most Chinese goods to 145% which is more than expected. We await clarity on tariff deadlock to quantify its impact on the economy. Stronger-than-expected first-quarter growth and recently announced stimulus measures have given Beijing greater flexibility in timing additional economic support.

Source: Bloomberg, Spark PWM

Summary

Local Story



Government Finances: Revenues Remain Strong & Capex Shows Positive Surprise

- Revenues: Cumulative Corporate Tax receipts increased by 1.9% YoY, while Personal Income Tax Collections increased 22% YoY for 11MFY25, respectively.
- Expenses: Cumulative Government Capex for 11MFY25 was 7.2% higher than the figure noted for 10MFY25 and 0.7% up YoY.

India Growth Expectations

- Inflation expectations have moderated and now within the RBI's target range, providing monetary policy flexibility. Additionally, despite global uncertainty and tariff-related concerns, India's growth outlook for FY26 remains robust, underpinned by strong domestic fundamentals and continued public investment momentum.

Economic Activity: Slower Pace of Recovery Seen in March 2025

- (i) Composite PMI improved to 59.5 in Mar from 58.8 in February, (ii) Industrial production dipped to 2.9% YoY, the lowest since Aug-24, (iii) E-Way Bills generation increased to 124.5 million highest in last 12 months, (iv) GST Collection grew 9.9% YoY in March and 6.6% MoM.

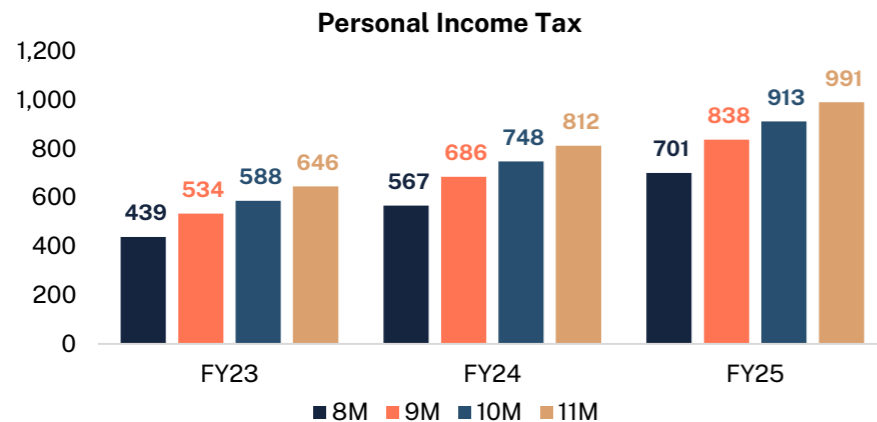
India on a Strong Foot as Government Finances Remains Robust..

Strong tax collections and steady capital expenditure are helping maintain the fiscal deficit close to budgeted levels.

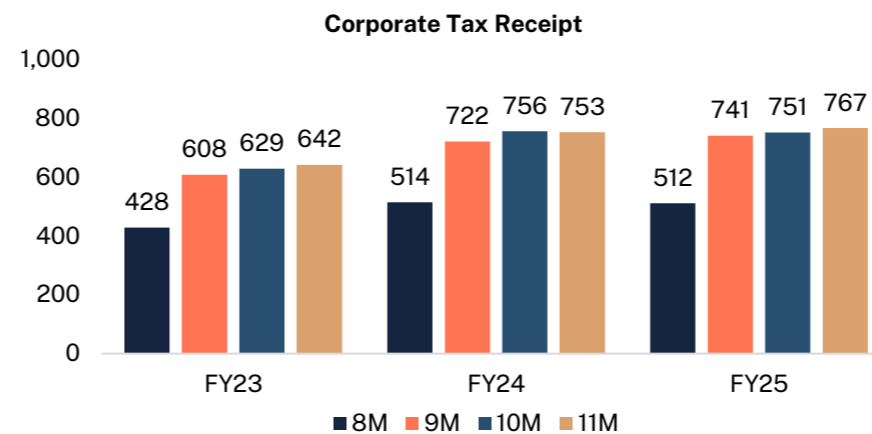
Government on track to meet its Fiscal Deficit target

| Government finances (INR Bn) | Apr-Feb'24 | Apr-Feb'25 | Increase | Budget Estimates (FY25) | % of Budgeted Estimates |
|------------------------------|---------------|---------------|-------------|-------------------------|-------------------------|
| Total Expenditure | 37,473 | 38,932 | 4% | 47,165 | 83% |
| Revex | 29,417 | 30,813 | 5% | 36,981 | 83% |
| Capex | 8,056 | 8,119 | 1% | 10,184 | 80% |
| Total Revenues | 22,224 | 25,247 | 14% | 31,210 | 81% |
| Tax Revenue | 18,495 | 20,156 | 9% | 25,570 | 79% |
| Non Tax Revenue | 3,603 | 4,933 | 37% | 5,310 | 93% |
| Others | 127 | 157 | 24% | 330 | 48% |
| Fiscal Deficit | 15,248 | 13,685 | -10% | 15,955 | 86% |

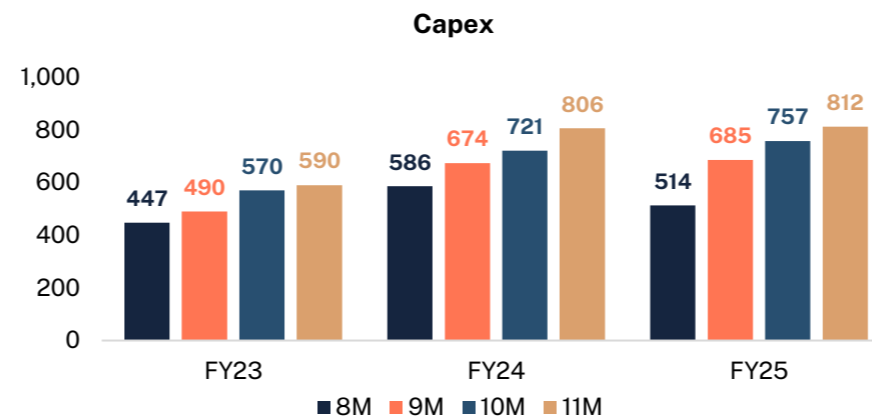
Cumulative Personal Income Tax Collection for 11MFY25 Grew 22% YoY



Cumulative Corporate Tax Receipts for 11MFY25 Grew by 1.9% YoY



Despite slower capex in H1 FY25, for 11MFY25 capex remains slightly higher than 11MFY24



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 while still maintaining its fiscal deficit target.

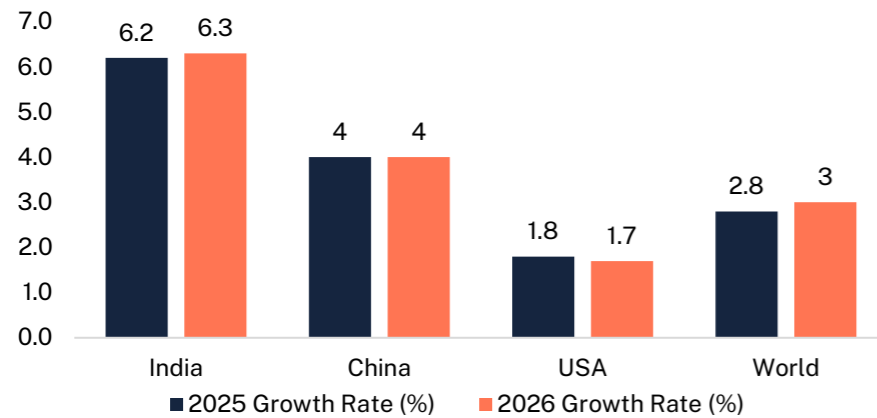
What still holds? GOI continues to ramp up capex in H2FY25.

What's shifted? Cumulative FYTD capex for 11MFY25 is higher than the figures seen in FY24. This is very encouraging because up until 8MFY25, capex had been lower on a YoY basis. Moreover, the incremental monthly capex growing by 18.5% between 9MFY25 and 11MFY25 is very positive

India Growth Expectations In 2026

With inflation easing and domestic fundamentals firm, India's FY26 growth outlook stays resilient despite global uncertainties.

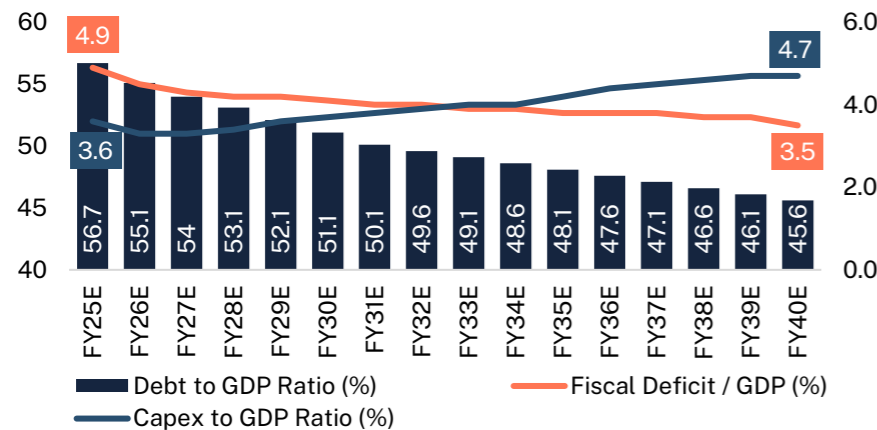
IMF projects India to grow by 6.3%



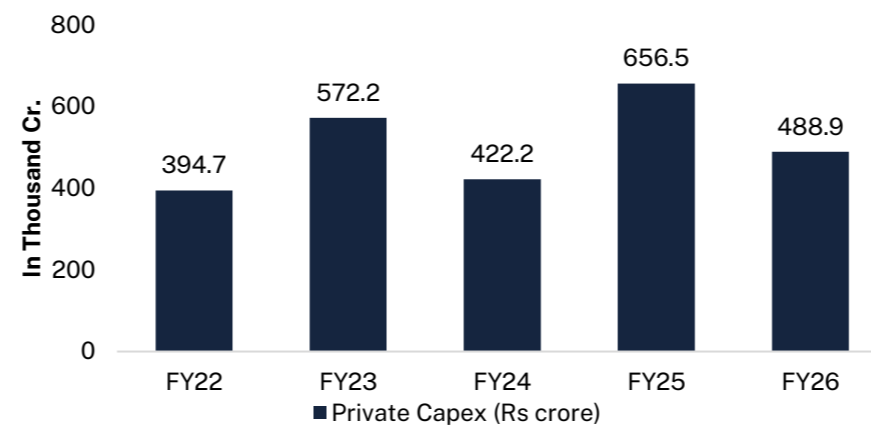
Inflation is projected to be within RBI target range, repo rate to moderate while Credit growth to pickup

| Reserve Bank's Baseline Projections | 2024-25 | 2025-26 | 2026-27 |
|-------------------------------------------------------------|---------|---------|---------|
| Inflation | 4.7 | 4 | 4.3 |
| Real GDP growth | 6.5 | 6.5 | 6.7 |
| Median Projections of Professional Forecasters | | | |
| Inflation, Q4 (y-o-y) | 3.9 | 4.5 | - |
| Real GDP growth | 6.4 | 6.5 | 6.6 |
| Gross domestic saving (per cent of GNDI) | 30.2 | 30.4 | 30.3 |
| Gross capital formation (per cent of GDP) | 31 | 30.7 | 31.1 |
| Credit growth of scheduled commercial banks | 11.5 | 12.3 | 13.5 |
| Combined gross fiscal deficit (per cent of GDP) | 7.8 | 7.4 | 7.1 |
| Central government gross fiscal deficit (per cent of GDP) | 4.8 | 4.4 | 4.3 |
| Repo rate (end-period) | 6.25 | 5.75 | - |
| Yield on 91-days treasury bills (end-period) | 6.5 | 6 | 6.4 |
| Yield on 10-year central government securities (end-period) | 6.6 | 6.4 | 6.5 |
| Overall balance of payments (US\$ billion) | 4.1 | 17 | 24.1 |
| Merchandise exports growth | -0.2 | 3.5 | 5 |
| Merchandise imports growth | 4.6 | 4.5 | 5.5 |
| Current account balance (per cent of GDP) | -0.8 | -1 | -1 |

GOI capex spends, as per a % of GDP, rising well through debt-GDP consolidation cycle



Intended private capex rose to Rs.6.6 Lakh Cr. in FY25 but is expected to decrease in FY26

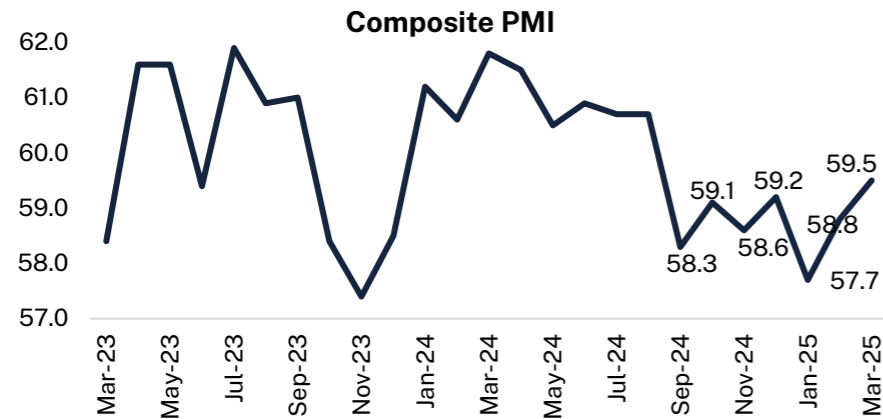


- What have we been saying?** India's GDP growth remains resilient. However, private sector capital investment has consistently lagged, indicating an uneven investment landscape.
- What still holds?** The Government of India (GoI) remains committed to boosting public infrastructure through sustained and aggressive capital outlays. In contrast, private sector capex continues to show weakness,
- What's shifted?** Inflation expectations have moderated and now within the RBI's target range, providing monetary policy flexibility. Additionally, despite global uncertainty and tariff-related concerns, India's growth outlook for FY26 remains robust, underpinned by strong domestic fundamentals and continued public investment momentum.

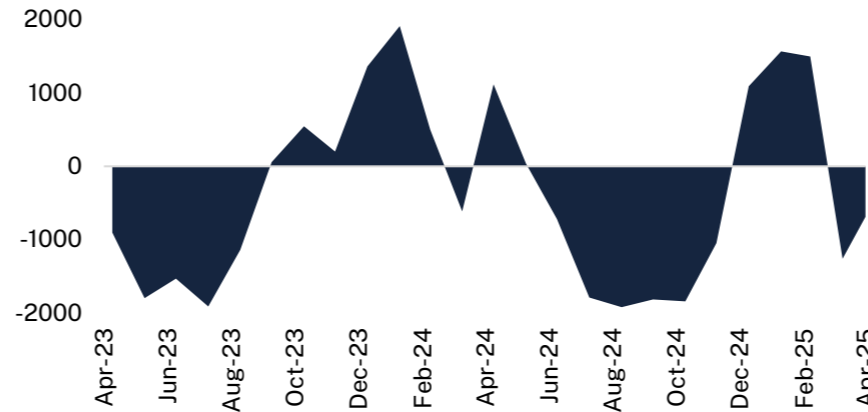
Economic Activity Strong Backed By Robust Domestic Outlook

High-frequency data signals recovery momentum as liquidity eases and core indicators remain strong

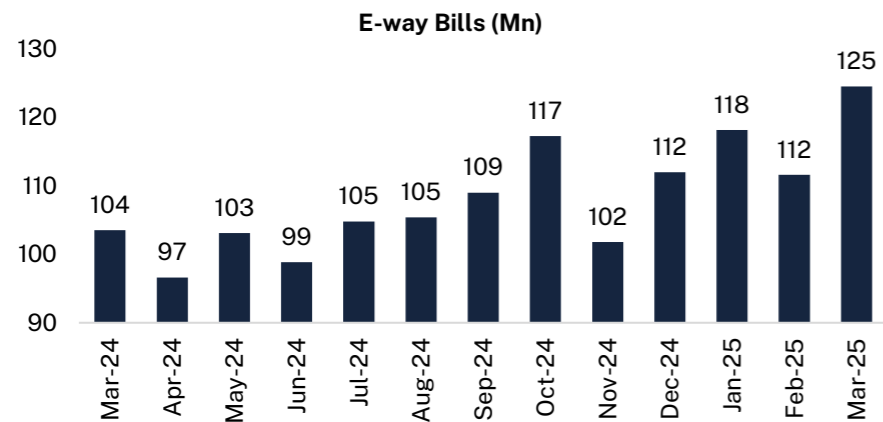
Composite PMI Reached 59.5 highest level since August



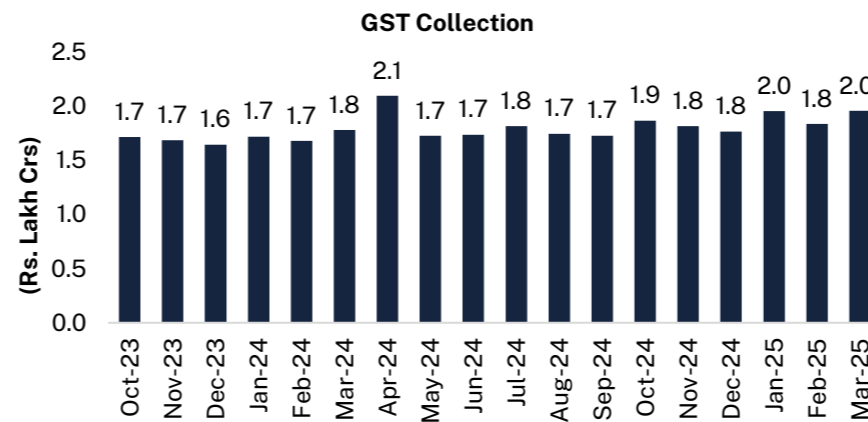
Banking liquidity remains in excess on April 25



E-way bills hit a record 124.5 million in March, highest in 12Months.



GST Collection Grew 9.9% YoY in February



- What have we been saying?**

The surge in high frequency indicators during Dec 2024 and Jan 2025 suggest that at a macroeconomic level, conditions are better than they were before the slight slowdown seen in September 2024.
- What still holds?**

GST collections and E-Way Bills continue to remain robust, while industrial production growth has continued picking up since September.
- What's shifted?**

RBI has turned systemic liquidity from deficit to ~₹1T surplus via FX swaps and CRR cut. This shall aid credit growth, stabilize bond yields and improve liquidity in G-Secs.

Source: Bloomberg, Spark PWM

Summary

Inflation and Rates



Fed at a Crossroads: Balancing Inflation Pressures and Growth Risks

- **Conflicting Signals: Inflation Easing but Expectations Rising:** While headline inflation has moderated (CPI down to 2.4% YoY in Mar 2025), rising consumer inflation expectations (UMich 1Y ahead) suggest lingering fears of price pressures, complicating the Fed's path amid tariff-driven cost risks.
- **Growth Outlook Weakens, Yet Fed Stays Cautious on Rate Cuts:** Despite a sharp downgrade in 1Q25 GDP estimates (from +2.9% to -2.5% YoY) and recession odds rising from 20% to 40%, the Fed views growth risks as "broadly balanced" and is holding off on rate cuts, signalling a wait-and-see approach to preserve economic stability.

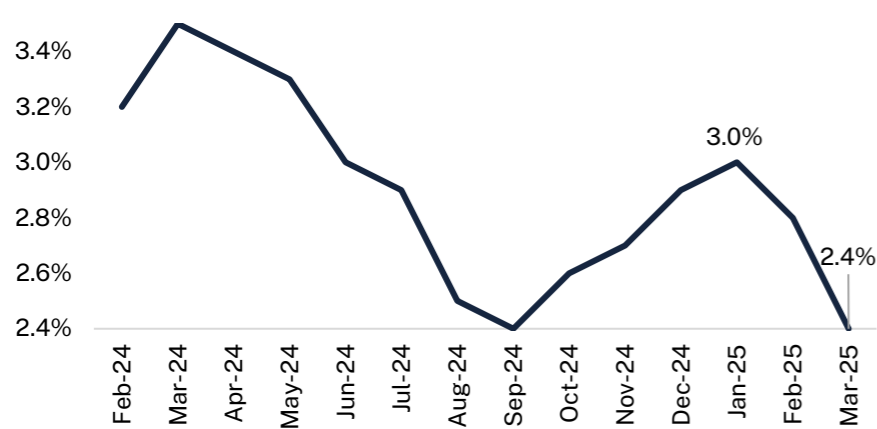
RBI Turns Accommodative as Inflation Cools and Growth Support Becomes Priority

- **RBI Eases Policy Amid Benign Inflation:** With CPI easing from 6.21% in Oct 2024 to 3.3% in Mar 2025 and FY26 forecasts pointing to further moderation, the RBI has cut the repo rate to 6% and shifted its stance to "accommodative," signalling a clear pivot toward growth support.
- **Market Pricing Signals More Easing Ahead:** Markets indicate expectations of two additional rate cuts over the next two quarters, boosting prospects for improved banking system liquidity, lower G-Sec yields, and a more supportive environment for equities.
- The RBI remains cautious about global tariff uncertainties, which could create challenges for India's growth outlook.

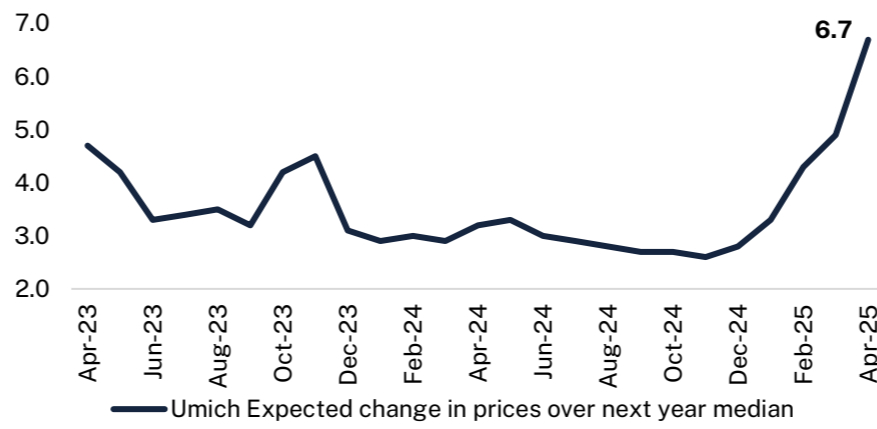
US: Fed in Wait-and-See Mode

The Fed is facing a difficult balancing act, managing the dual risks of rising inflation and slowing economic growth. In a speech in Chicago, Powell cautioned that President's tariff policies risked pushing inflation and employment further from the central bank's goals..

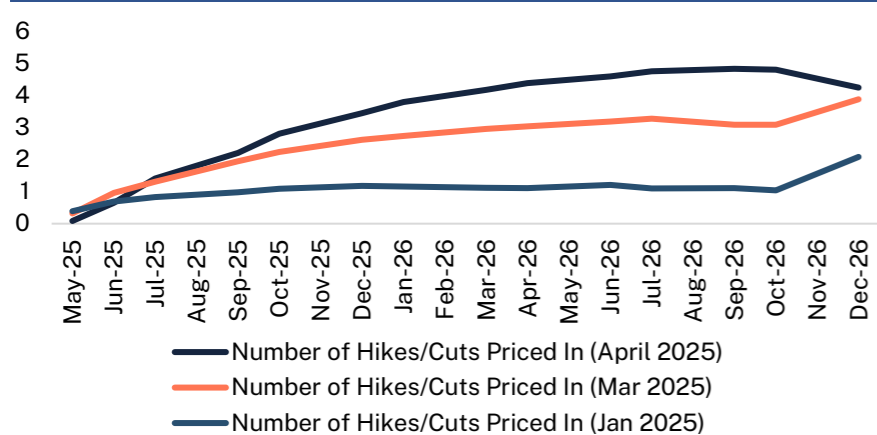
US CPI Moderated From 3% YoY in Jan 2025 to 2.4% YoY in Mar 2025..



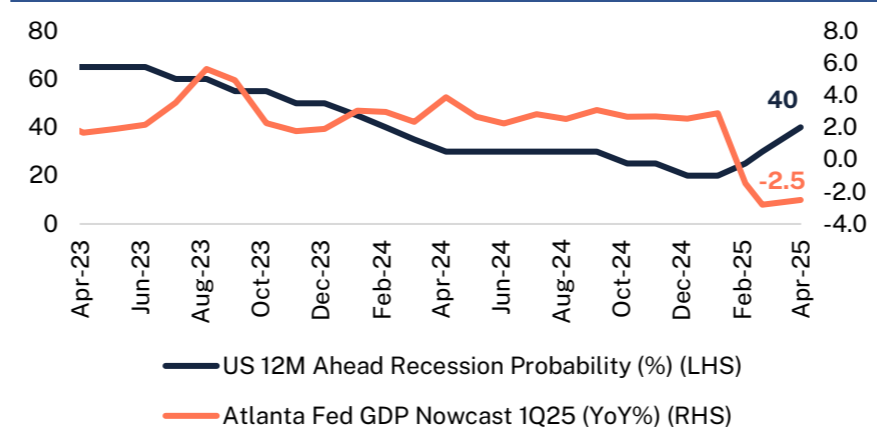
But UMich 1Y Ahead Inflation Expectations Rose Sharply, Indicating Consumer Fears that Price Levels Will Pick Up



Markets Are Pricing in higher number of Rate Cuts Between Now and EoY 2026 In Comparison to Jan and March 2025



Odds of a US Recession have spiked to 40% in April-25, While expectations of 1Q25 GDP Fell From 2.9% YoY to -2.5% YoY



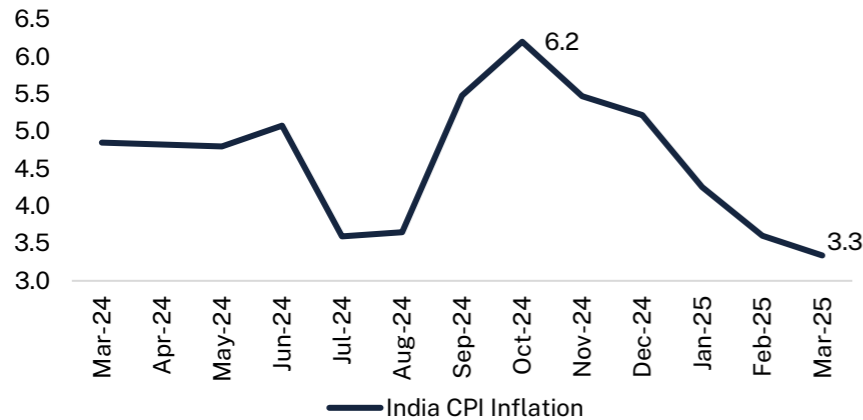
- What have we been saying?** The Fed signaled 2 rate cuts in 2025 during the Dec 2024 FOMC as members stated that risks to inflation were 'weighted to the upside' and not 'broadly balanced'. However, risks to unemployment and GDP growth were 'broadly balanced'.
- What still holds?** The Fed continues to believe that risks to inflation are 'weighted to the upside'. While the Fed did lower GDP growth forecasts, members stated that they still expect the US economy to grow (albeit at a slower pace than before), indicating that risks to GDP growth remain 'broadly balanced' and not 'weighted to the downside'.
- What's shifted?** Despite markets pricing in higher rate cuts on the belief that GDP growth risks are higher than what the Fed believes. The odds of the US entering a recession have increased from 20% to 40%. It seems from Powell's latest commentary that Fed is prepared to wait for greater clarity and can keep rates higher in interest of the economy.

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

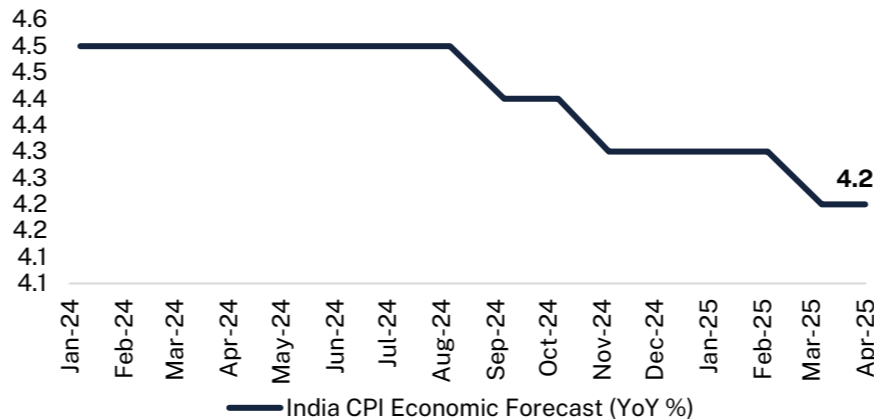
RBI cuts interest rate amid moderating Inflation, Changes stance to “Accommodative”

RBI cuts interest rates to 6% and hinted at further rate cuts. This could be very positive for 10Y G-Secs as well as stocks as liquidity to India’s banking system can improve from easing monetary policy.

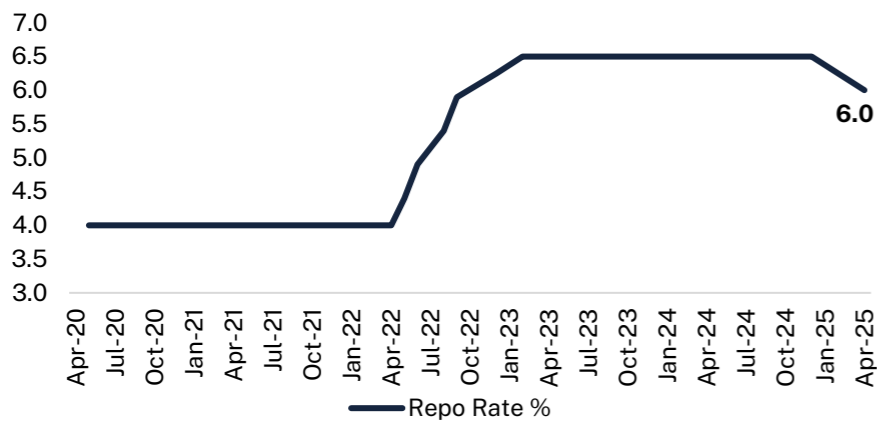
CPI moderated to 3.3% YoY in Mar 2025 from Oct 2024 Peak of 6.21% YoY.



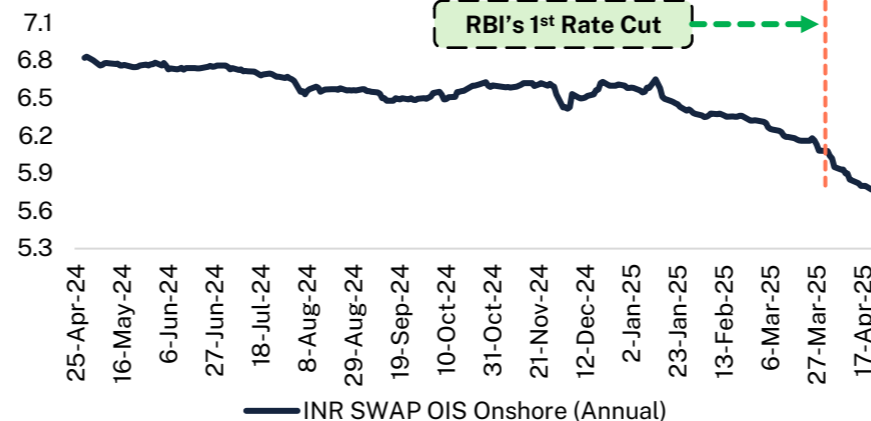
India YoY CPI Forecast suggests further moderation in FY26, Adding to the Case for More Rate Cuts From RBI



RBI reduces repo rates to 6% and changes its stance from “Neutral” to “Accommodative”



Onshore INR 6M Forward Swap Rates Suggest RBI Will Deliver 2 More Rate Cuts in the Next 2 Quarters



- **What have we been saying?** The moderation in inflation on both a YoY and MoM basis along with increasing stress in the banking system’s liquidity conditions made a plausible case for RBI to cut rates.
- **What still holds?** We continue to see signs to confirm the view that inflation is currently on sustainable path of moderation.
- **What’s shifted?** Although the Reserve Bank of India (RBI) has shifted its monetary policy stance from 'neutral' to 'accommodative' in an effort to support economic growth, it remains cautious about potential downside risks due to global tariff uncertainties, which could pose headwinds to its growth outlook.

Source: Bloomberg, RBI, Spark PWM

Summary

Valuation and Earnings



Decoding Valuations

- Large Caps: Currently trading slightly below long-term average valuation multiples.
- SMID Caps: Still trading above their respective long-term fair valuation multiples.

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

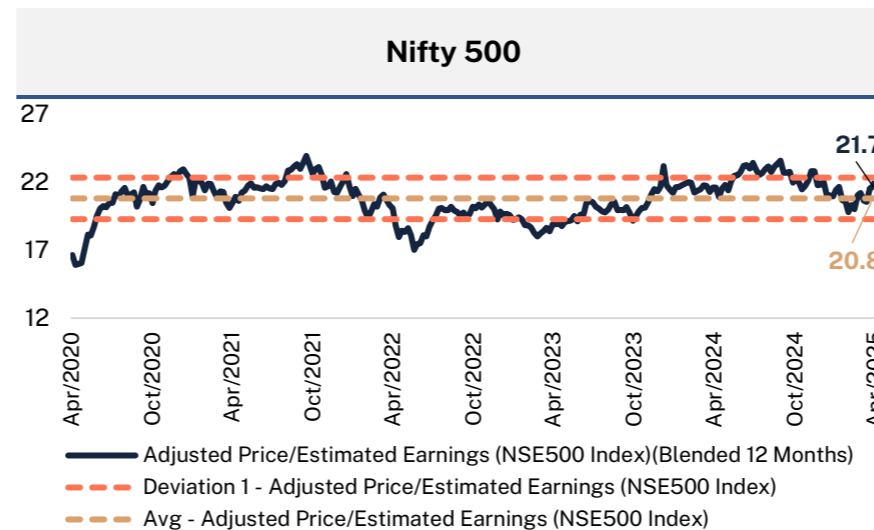
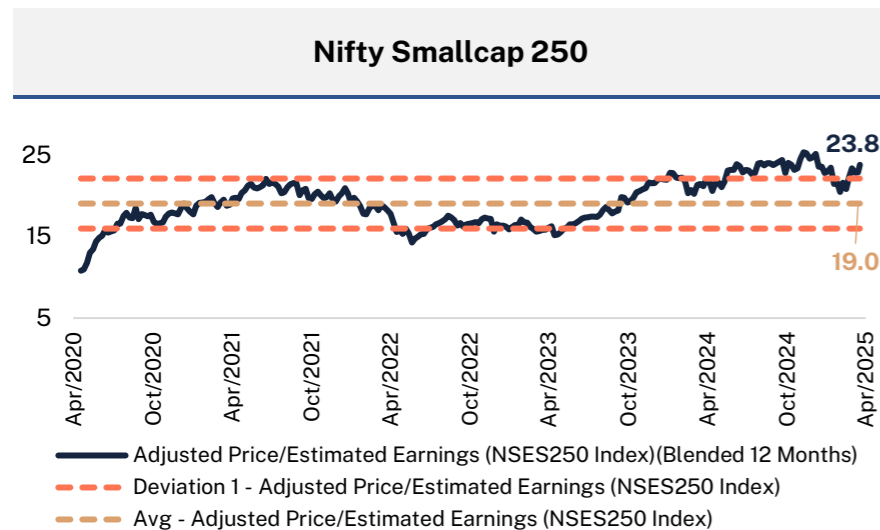
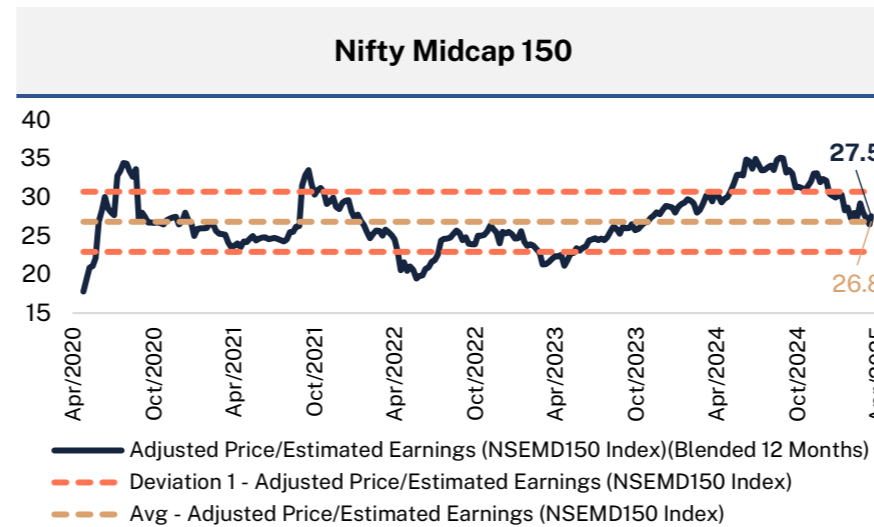
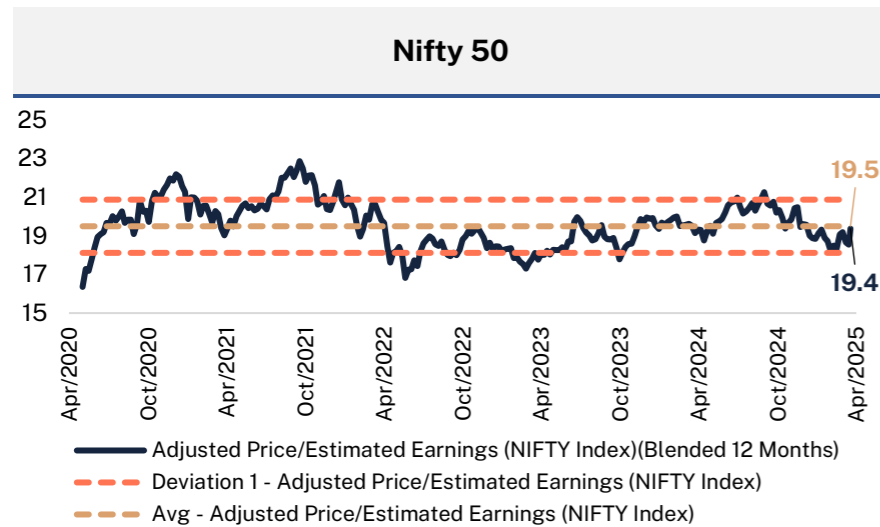
- Relative Performance: The absolute relative performance of large to small & mid caps appears to have bounced sharply from an all-time low reached in 2HCY24.

4QFY25 Nifty 50 Companies Earnings So Far...

- Among the companies that have reported, there is a trend of modest earnings growth, with certain sectors outperforming others.
- Reliance Industries: Reported stronger-than-expected profits, driven by robust performance in its telecom and retail segments. Financial Sector: Major banks like ICICI Bank and HDFC Bank have reported better-than-expected earnings
- Some IT companies have reported weaker earnings, with some positive commentary on deal wins.

Decoding Valuations

Large-caps continue to provide valuation comfort while SMID valuation remain slightly concerning



Large Caps:

- Large caps have rebounded from 1 SD below their long-term average valuations to just below average, driven by strong FII inflows in late April.
- Despite this, valuations remain attractive, keeping the risk-reward favourable

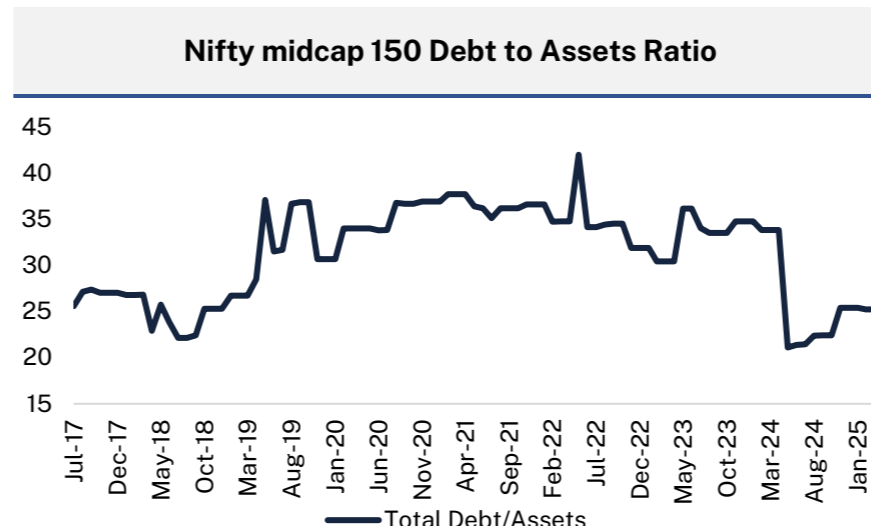
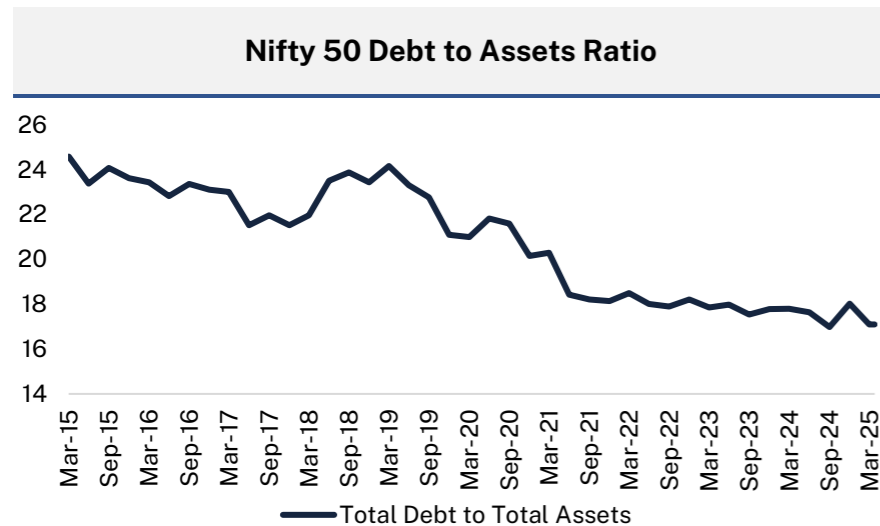
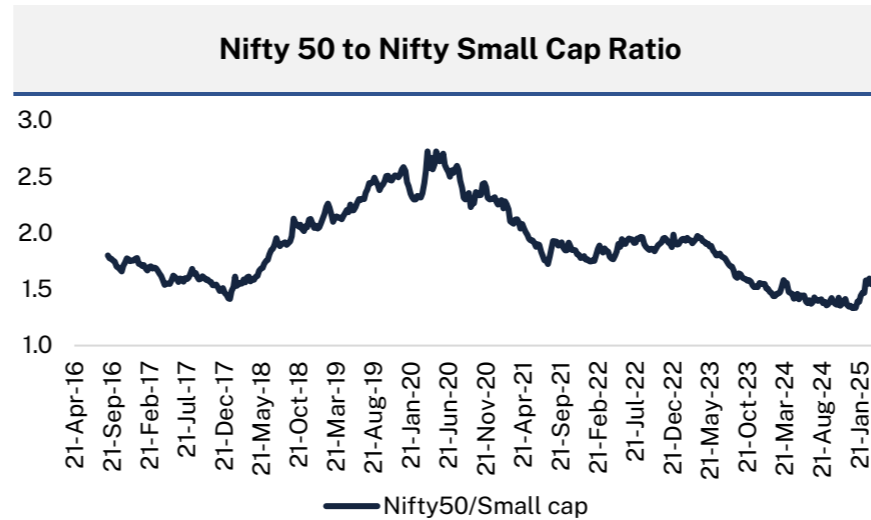
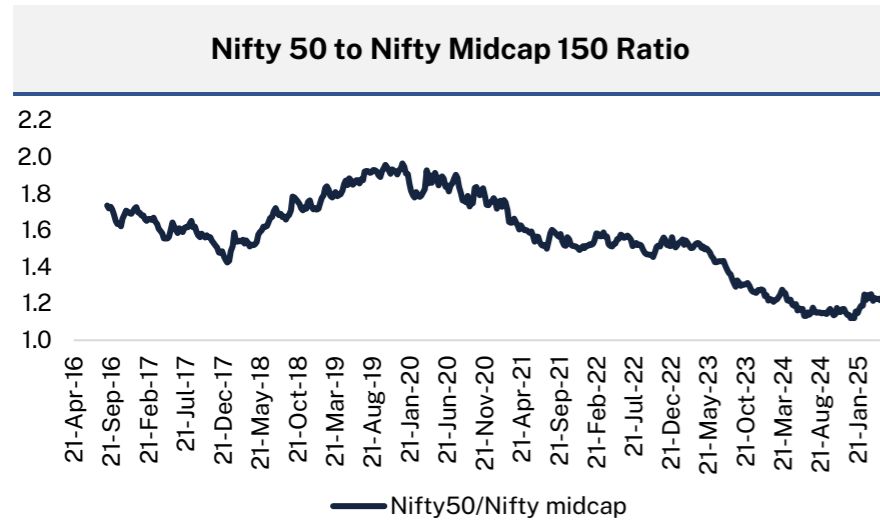
SMID Caps:

- Still trading above their respective long-term fair valuation multiples.
- However, a market recovery led by large-caps could prevent SMID caps from correcting significantly.

Source: Bloomberg, Spark PWM

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

On an absolute relative performance basis, it appears that large caps may have bottomed out vs mid caps and small caps. Further balance sheet of large cap and mid caps have improved steadily.



- Looking at the relative performance of Nifty 50 vs Nifty Midcap 150 & Small-cap 250, the absolute relative performance of large to small/mid caps appears to have bounced sharply from an all-time low reached in 2HCY24.
- Further Debt-to-asset ratios have steadily declined for both Nifty 50 and Nifty Midcap 150 companies over recent years.
- However small and midcaps still remains stock pickers market.

Source: Bloomberg, Spark PWM

Q4FY25 Earnings Outlook (1/2)

| Sector | Outlook |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Banks & NBFCs | <ul style="list-style-type: none"> ▪ Banks and NBFCs have largely outperformed expectations in Q4FY25 so far, driven by strong loan growth, improving asset quality, resilient NIMs, and contained credit costs and slippages. Management commentary indicates that RBI's liquidity support is beginning to flow through the system, but the focus ahead will continue to be on prudent underwriting. The key monitorable for FY26 remains potential NIM pressure, as rate cut expectations build in the backdrop of easing inflation. |
| IT | <ul style="list-style-type: none"> ▪ The IT sector largely reported in-line to below estimated revenue growth. The sector is navigating a complex landscape marked by global trade uncertainties and sector-specific challenges. While some firms exhibit optimism with strong deal pipelines, others remain cautious, focusing on cost optimization and strategic investments to drive future growth. The recent tariff-related developments have heightened macro uncertainty, which could keep discretionary spending subdued through FY26. |
| Healthcare | <ul style="list-style-type: none"> ▪ In Q4 FY25, the Indian pharmaceutical sector is expected to deliver solid growth across segments. Domestic formulations should see YoY growth of 7.8%, driven by acquisitions and in-licensing. US generics are projected to grow 2–7% sequentially, though EBITDA margins may moderate due to seasonal domestic weakness and higher R&D spend. CDMO/API businesses are set to post 11–16% YoY growth, aided by seasonal strength. Hospitals are likely to report strong revenue and EBITDA growth of 19% and 25% YoY, respectively. Diagnostics are expected to grow ~10% YoY in revenue with margin improvement, while the pharmacy retail segment may deliver 10–17% YoY revenue growth and robust EBITDA gains from scale and efficiency. |
| Oil & Gas | <ul style="list-style-type: none"> ▪ The quarter is expected to surpass estimates on both refining and marketing fronts, aided by crude prices staying largely below ~\$75 per barrel. However, continued under-recoveries in LPG remain a drag, with no clear resolution yet from the government. |

Q4FY25 Earnings Outlook (2/2)

| Sector | Outlook |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Automobiles | <ul style="list-style-type: none"> The Indian automobile sector is undergoing a gradual transformation driven by electrification, capacity expansion, and changing consumer preferences. Demand is shifting toward SUVs, MPVs, and EVs, while hatchback sales are declining. OEMs are investing heavily in new plants, renewable energy, and product innovation. Margin improvement is expected as portfolios mature and cost efficiencies improve. Overall, the sector is poised for steady long-term growth despite short-term affordability pressures. |
| Cement / Building Materials | <ul style="list-style-type: none"> The cement sector is poised for strong growth over the next 3–4 years, driven by a projected 7–8% CAGR in demand, supported by a recovery in rural housing and rising urban infrastructure activity. Pricing has improved, and EBITDA per ton is expected to rise significantly due to cost-saving initiatives, operational efficiencies, and synergies from recent consolidations. Companies are undertaking major capex plans to expand capacity and invest in renewable energy, indicating long-term confidence. Despite short-term demand softness from heatwaves, the sector's fundamentals remain robust, with low leverage and strong cash flows supporting growth. Overall, the industry outlook remains positive with improving margins and increasing market consolidation. |
| Chemicals | <ul style="list-style-type: none"> The agrochemicals sector remains under pressure from weak global farm economics and elevated Chinese exports. Despite this, select players are expected to report modest revenue growth with stable to slightly improved margins. The fertiliser segment shows better profitability per tonne, indicating operational gains. In specialty and bulk chemicals, performance is mixed. Some companies are likely to post strong revenue growth driven by volume recovery or better realizations, especially in chemicals and packaging films, though margins remain largely flat. Others face revenue and EBITDA declines due to pricing and volume headwinds. Segments like palm oil derivatives and fluoropolymers show stable to modest growth, with margin trends varying across the board. Overall, the sector reflects selective recovery amid continued margin pressures. |
| Realty | <ul style="list-style-type: none"> The industry continues to witness moderate new launches, capping overall sales momentum; however, the premium segment remains resilient, supported by strong demand and low inventory levels, ensuring price stability. Real estate players have largely met or exceeded their FY2025 pre-sales targets, with continued strong demand in the luxury segment, as highlighted by management commentary. Collections remain healthy, though the pace has moderated slightly for some. In commercial real estate, earnings are expected to be stable, while demand trends from the GCCs, IT hirings, etc remain a key monitorable going forward. |

Summary

Allocation of Capital



FPIs Make a Comeback & DIIs Continue Buying; SIPs & MF Flows Still Strong

- FPIs net sold 637 Rs Cr worth of equities while DIIs net bought worth 25k Rs Cr in Apr -25.
- Gross SIP inflows rose 35% YoY to INR 25,926 Cr in March 2025, but remained flat MoM.

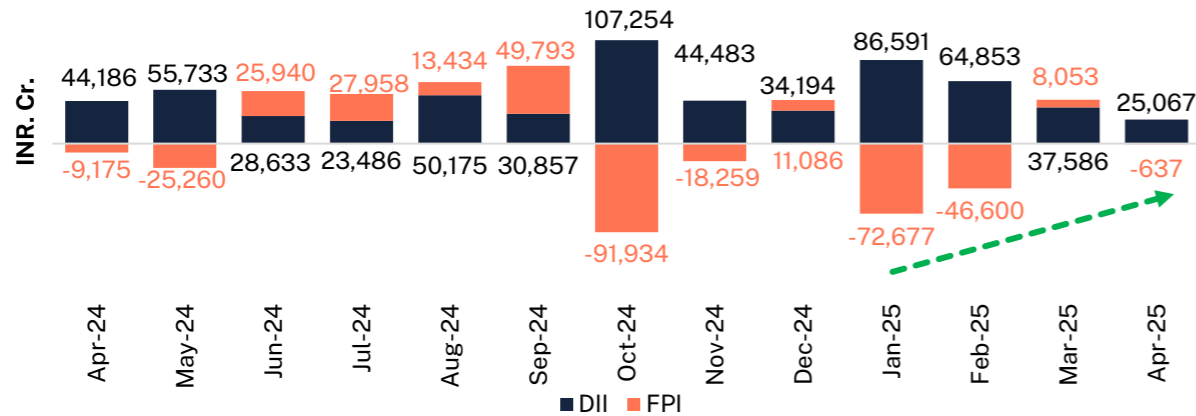
DXY Weakened Amidst Tariff Uncertainty & US Growth Fears: Could Flows Find Their Way to EMs?

- DXY declined by 4.7% in the Month of April. A weaker US Dollar has traditionally been positive for FII flows to Indian assets as it indicates that the currency's carry has worsened and makes foreign domiciled assets more attractive. As such there has been a visible rotation from US assets to other AEs and EMs.

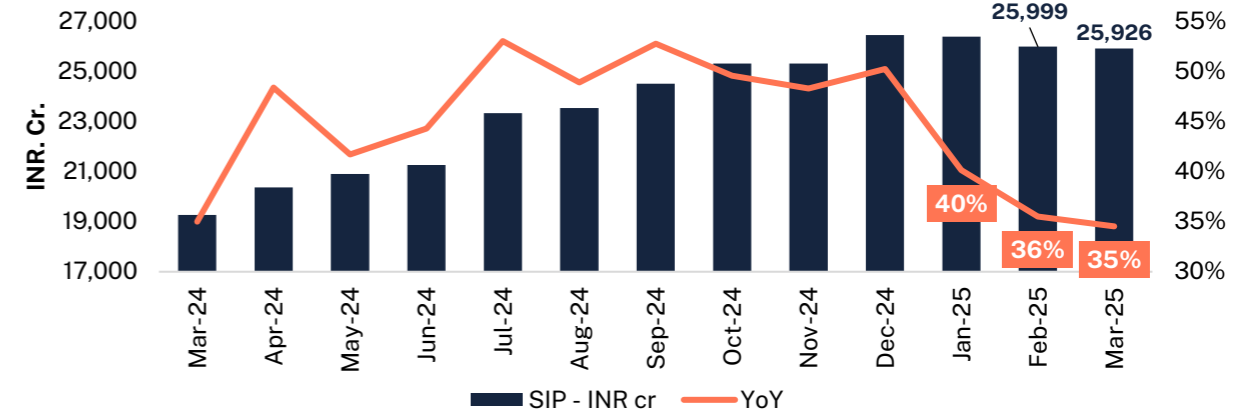
FPIs make a comeback & DIIs Continue Buying; SIPs & MF Flows Still Strong

Renewed FPI interest joins steady DII support, while robust SIP and mutual fund inflows reflect sustained retail participation

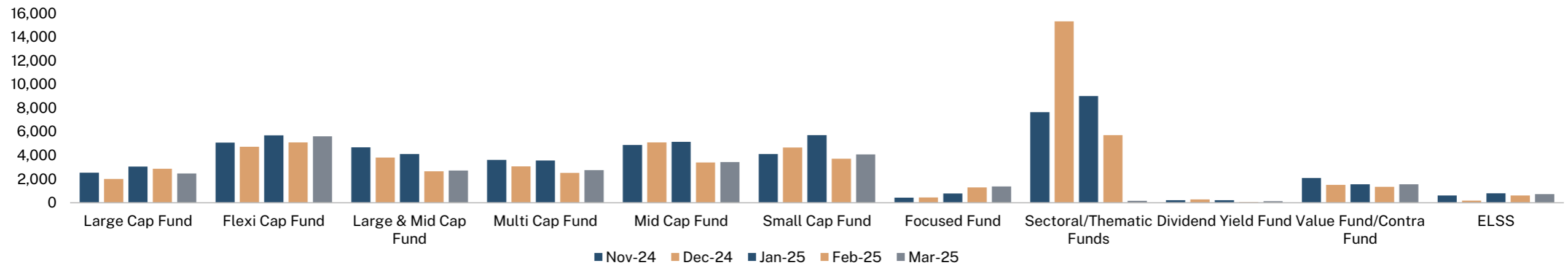
FPI inflows gained momentum post 15th April while DII buying remains resilient



Gross SIP Inflows Rose 35% YoY to INR 25926 Cr in Mar 2025



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

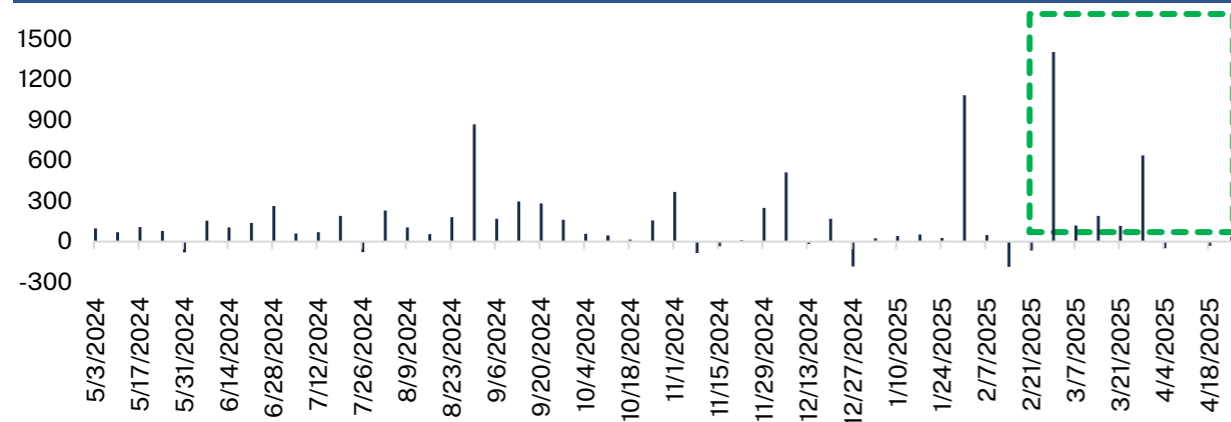


Source: Bloomberg, Association of Mutual Funds in India, NSDL, SEBI, Spark PWM

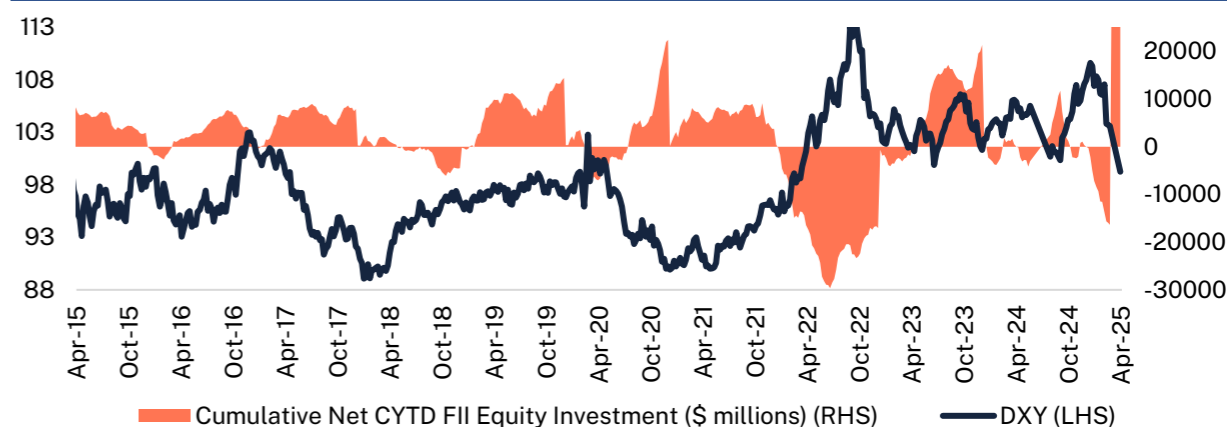
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Daily Net Foreign Investment (\$ millions) in Indian Debt cooled off after a sharp rise.



FII Investments in Indian Equities Are Inversely Proportional to USD Strength so the Current Decline in DXY Could Make FIIs Return



Breakdown of Fortnightly FII Flows to Indian Equities by Sectors (Rs Crore) in 2025

| Sector / Date | 30-Jan-25 | 15-Feb-25 | 28-Feb-25 | 15-Mar-25 | 31-Mar-25 | Trailing 12M |
|--------------------------------|----------------|----------------|----------------|----------------|---------------|------------------|
| Automobile and Auto Components | -3,899 | -690 | -3,279 | -3,640 | 776 | -34,439 |
| Capital Goods | -3,077 | -3,206 | -1,258 | -1,912 | 1,613 | 10,631 |
| Chemicals | 313 | 337 | 92 | -129 | 620 | 6,592 |
| Construction | -2,533 | -3,910 | -3,285 | -2,329 | 483 | -28,079 |
| Consumer Durables | -2,869 | -1,049 | -1,241 | -1,566 | 48 | -5,528 |
| Consumer Services | -4,840 | -2,262 | -595 | -1,900 | -1,158 | -6,626 |
| Fast Moving Consumer Goods | -4,294 | -4,336 | -2,568 | -5,106 | -487 | -37,235 |
| Financial Services | -12,745 | -5,344 | -1,647 | -3,311 | 17,585 | -39,421 |
| Healthcare | -2,912 | 1,534 | -2,996 | -2,049 | 2,138 | 18,724 |
| Information Technology | -4,544 | 693 | 112 | -6,934 | -1,517 | -4,226 |
| Metals & Mining | -385 | -558 | -606 | 1,179 | 722 | -1,223 |
| Oil, Gas & Consumable Fuels | -369 | -2,434 | -943 | -970 | -2,449 | -62,353 |
| Power | -1,083 | -1,852 | -1,234 | -1,867 | 1,627 | -16,447 |
| Telecommunication | 643 | 2,337 | 5,661 | -340 | 3,413 | 28,273 |
| Total | -42,594 | -20,740 | -13,787 | -30,874 | 23,414 | -1,71,357 |

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

Summary

Trends and Sentiments

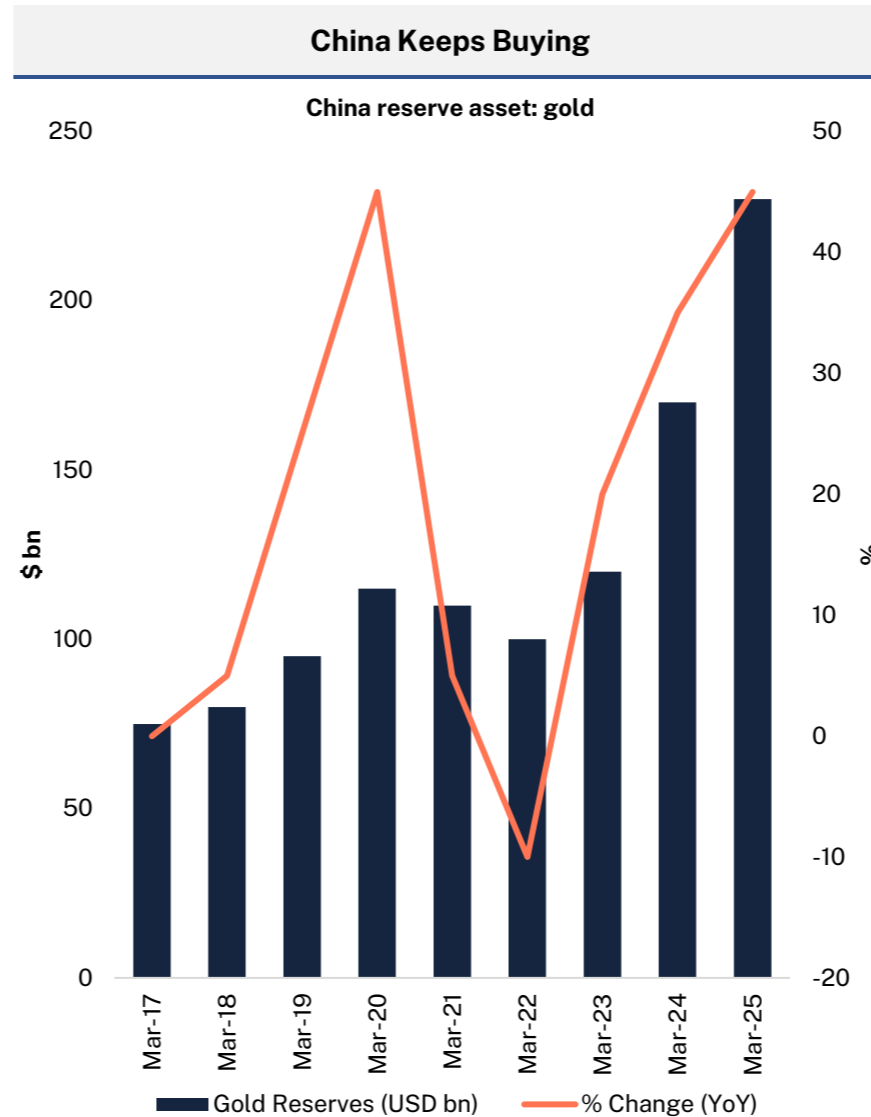
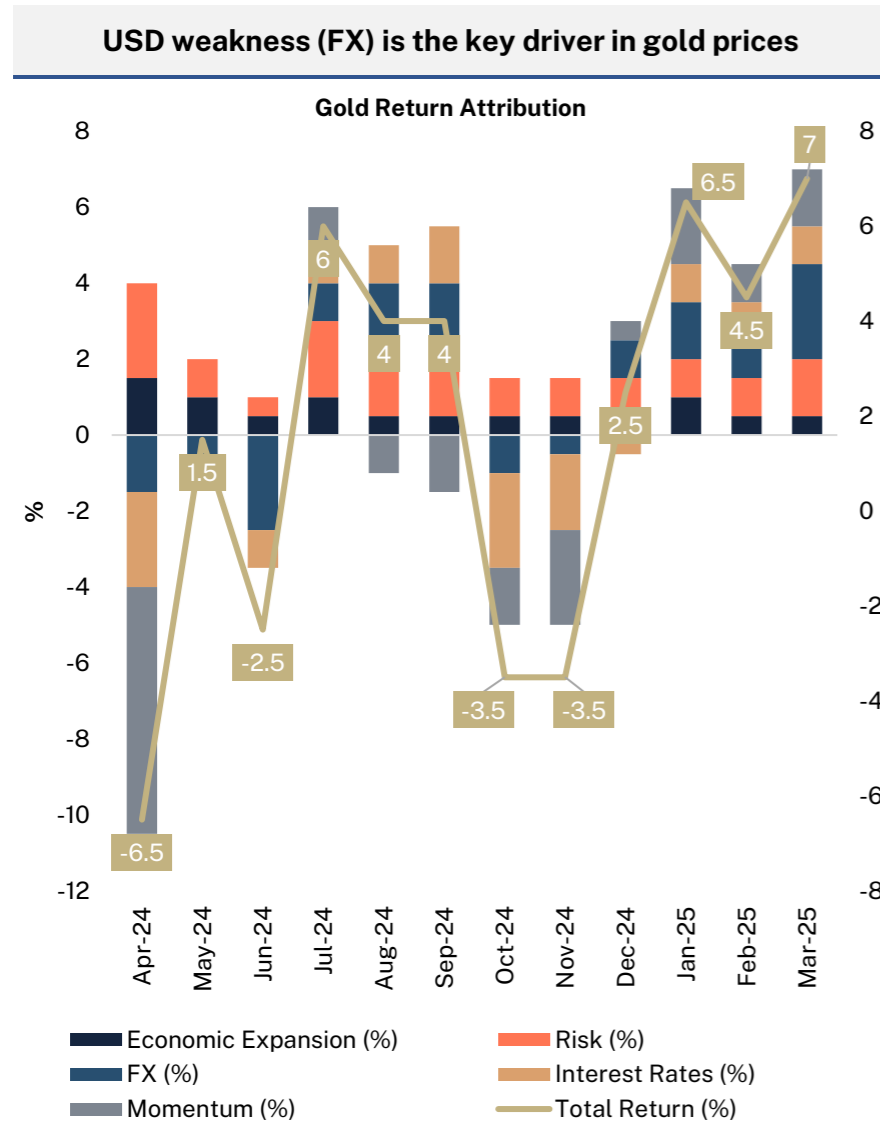


Gold's Relentless Rally Continues:

- Gold prices surged 32% CYTD25, driven by elevated global uncertainty and persistent central bank buying.
- USD weakness is a key driver—extreme bearish positioning and expectations of Fed rate cuts are undermining trust in the Dollar.
- China's gold demand remains strong, with record ETF inflows of USD 2.3bn in Q1CY25 and 29 tonnes added in early April alone.
- Structural tailwinds like a high US fiscal deficit, regionalization, and de-dollarization are expected to sustain high gold prices.

Gold touched Rs. 1,00,000! What caused it?

Gold prices have surged 32% CYTD25, on the back of elevated global uncertainty and persistent central bank purchases



Why did it happen?

Weakness in USD

- Recent surge in gold prices was mainly attributed to weakness in USD.
- the recent shift to bearish USD positioning was the most extreme on record, indicating global markets are recalibrating their long-held trust on the USD

China's Relentless Buying

- China's Gold ETFs continue to buy gold at a robust pace. As per data from the WGC, Q1CY25 saw USD 2.3bn inflows amounting to 23 tonne of incremental holding - at a record high. During the first two weeks of April, holdings rose by 29 tonne incrementally.

Gold will hold up due to factors like - regionalized world, high US fiscal deficit, and waning trust in the US Dollar as well as UST persisting

Source: Bloomberg, WGC, Spark PWM



01 EXTERNAL INFLUENCE

- US- Elevated Uncertainty: Tariff policies are dampening growth prospects, consumer sentiment, and housing. Labor market cracks and a weakening dollar add stress, while the Fed struggles to balance inflation risks with slowing growth.
- Europe - Cautious Optimism: Core economies like Germany are stagnating, but peripheral strength and ECB rate cuts provide support. Equity markets remain buoyant on fiscal stimulus and normalized valuations.
- China - Neutral but Watchful: Despite intensified U.S. tariffs (up to 145%), China's strong Q1 growth and stimulus expectations are supporting markets. Uncertainty remains until trade tensions ease.

02 LOCAL STORY

- Strong Fiscal Momentum: Corporate and personal tax collections remain robust, with government capex showing a positive surprise — up 7.2% from the previous period and 0.7% YoY.
- Resilient Growth Outlook: Despite global headwinds, India's FY26 growth remains strong, supported by moderated inflation, accommodative monetary policy, and sustained public investment.
- Economic Signals strong in March: Composite PMI improved, GST collections and E-Way bill generation hit 12-month highs, indicating underlying activity strong

03 INFLATION & RATES

- US - Fed Holds Steady Amid Mixed Signals: Despite easing inflation (CPI at 2.4%), rising expectations and a sharp GDP downgrade (from +2.9% to -2.5%) are complicating the Fed's stance. It remains cautious, opting for a wait-and-see approach on rate cuts.
- India - RBI Turns Accommodative as Inflation Falls: With CPI down to 3.3%, the RBI has cut rates to 6% and adopted an accommodative stance. Markets anticipate further easing, though external tariff risks remain a watchpoint for India's growth outlook.

04 VALUATION & EARNING

- Valuation Landscape: Large caps are trading slightly below long-term averages, while SMID caps remain relatively overvalued — making selectivity key in the latter segment.
- Favorable Shift Toward Large Caps: Relative performance has rebounded strongly from 2HCY24 lows.

05 ALLOCATION OF CAPITAL

- Strong Domestic Flows, and FPI Activity: DIIs remained aggressive buyers (₹25k Cr in April 2025), while SIP inflows surged 35% YoY. FPIs showed mild net selling but overall sentiment is improving.
- Weaker Dollar Boosting EM Appeal: The DXY fell 4.7% in April amid U.S. growth concerns and tariff uncertainty, prompting a rotation from U.S. assets toward emerging markets like India.

06 TRENDS & SENTIMENTS

- Gold Rally Fueled by Uncertainty and De-Dollarization: Gold is up 32% CYTD25, driven by central bank buying, USD weakness, and strong Chinese demand, with structural trends like de-dollarization and fiscal concerns supporting sustained strength.

Spark PWM Portfolio Exposure



India Equities Earnings Outlook

- We estimate that NIFTY 50 will deliver **earnings growth of 11.0%** over CY24-26E.
- On the risk adjusted return based on the 'ELIVATE' framework, we continue to maintain our equal weight stance on equities. We will try to mitigate the correction risk by increasing allocation to large-cap and participating through lower beta products and fund managers.
- On a sectoral basis, we are OW on Banks, Auto, and Pharma.

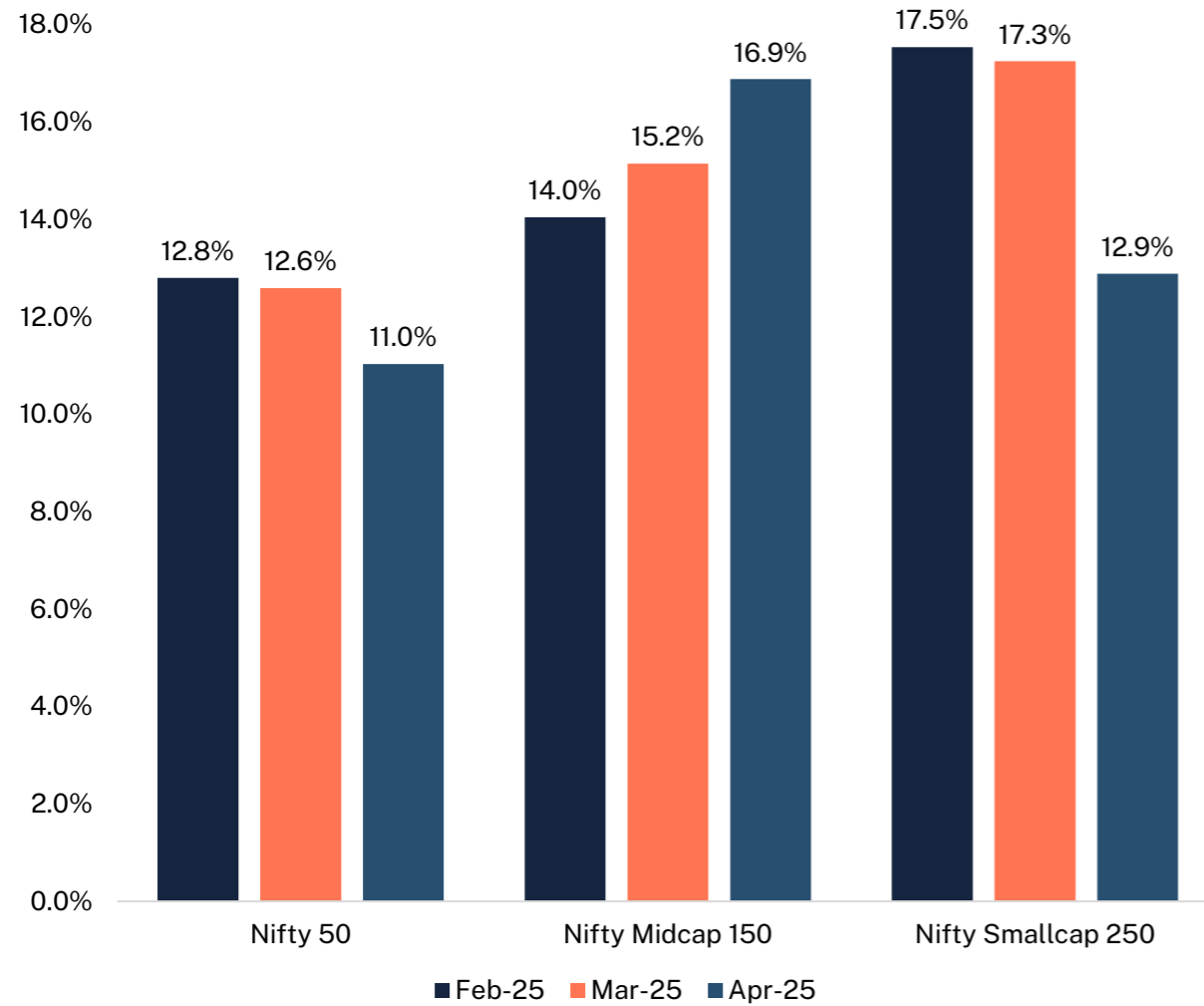


India Fixed Income Outlook

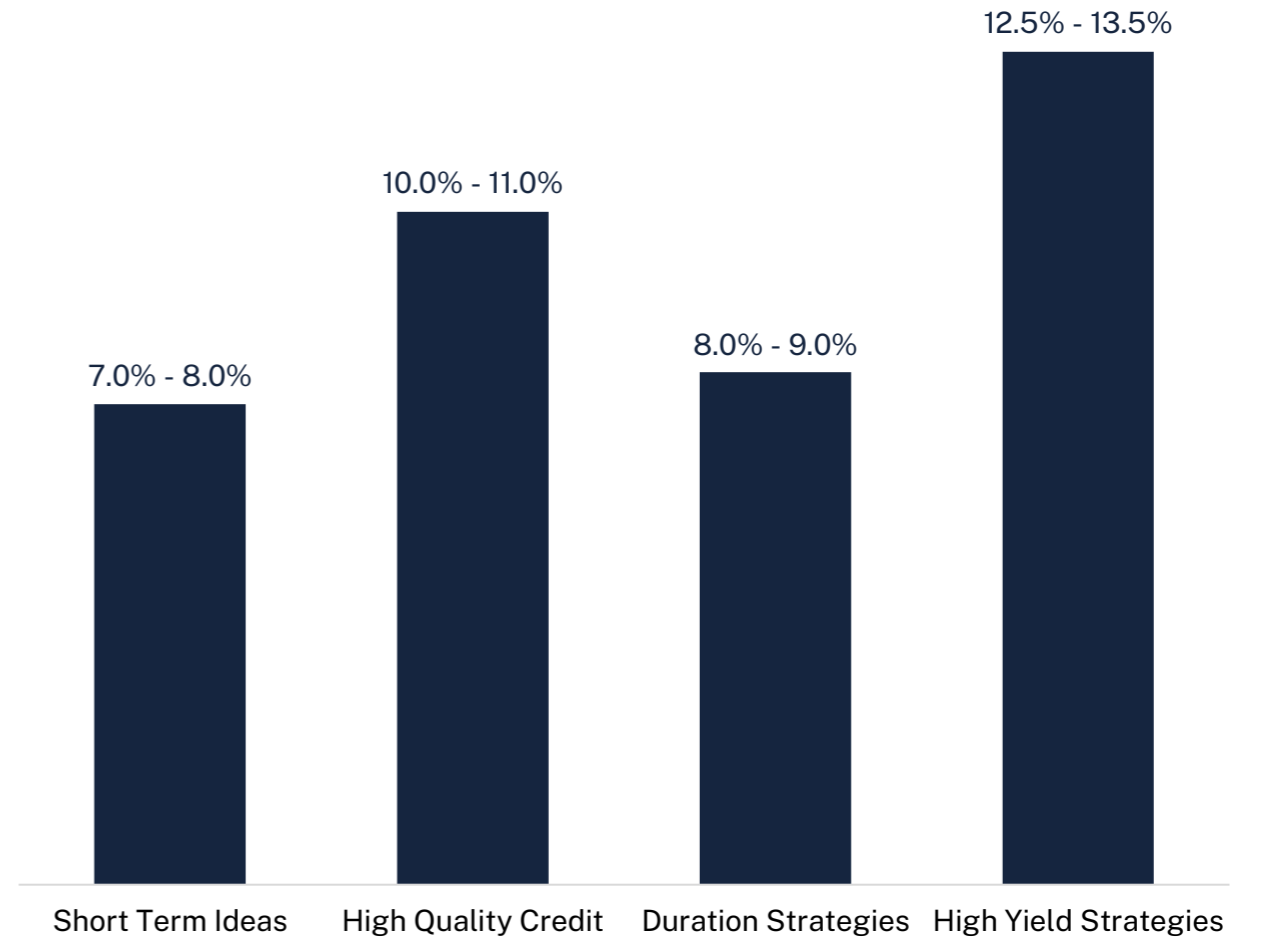
- RBI cut repo rate by 25 bps for 2nd consecutive time to 6% and changed its stance from neutral to “accommodative”, supported unanimously by all MPC members.
- Banking System Liquidity turned surplus after 3 months on the back of aggressive fund infusion by RBI. Markets are expecting a further rate cut of 25 bps in June 2025.
- Widened credit spreads at the shorter end of the yield curve offers attractive carry opportunities in the corporate bond segment along with potential capital gains
- We suggest focusing on Carry and adding Duration selectively as and when yields spike using the longer tenor G-Secs or Mutual Funds.

Expected Return & Asset Allocation

Index Expected Earnings (CY24-26E %)



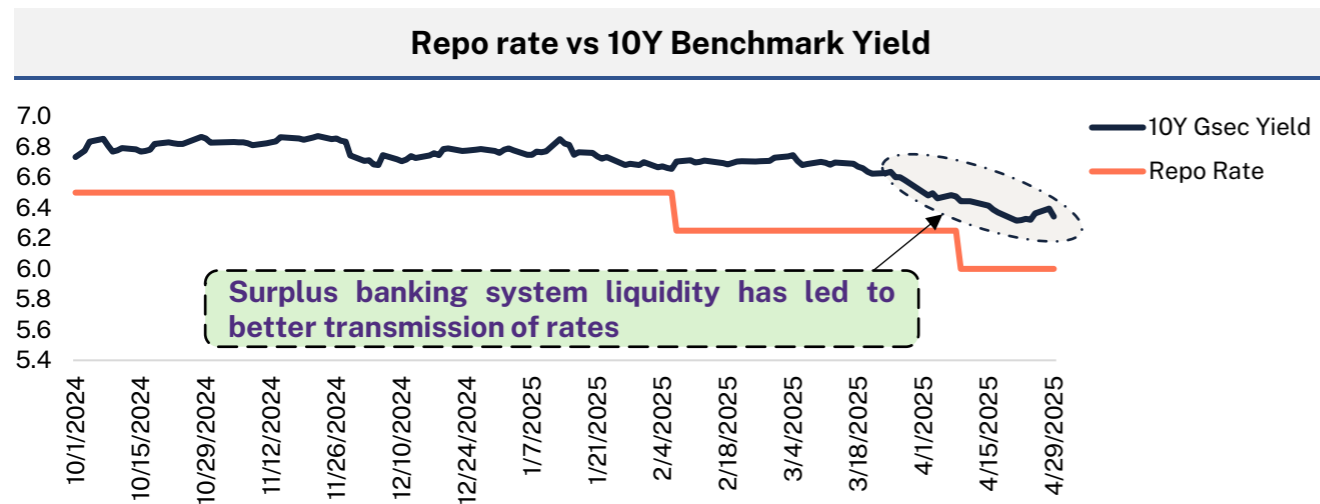
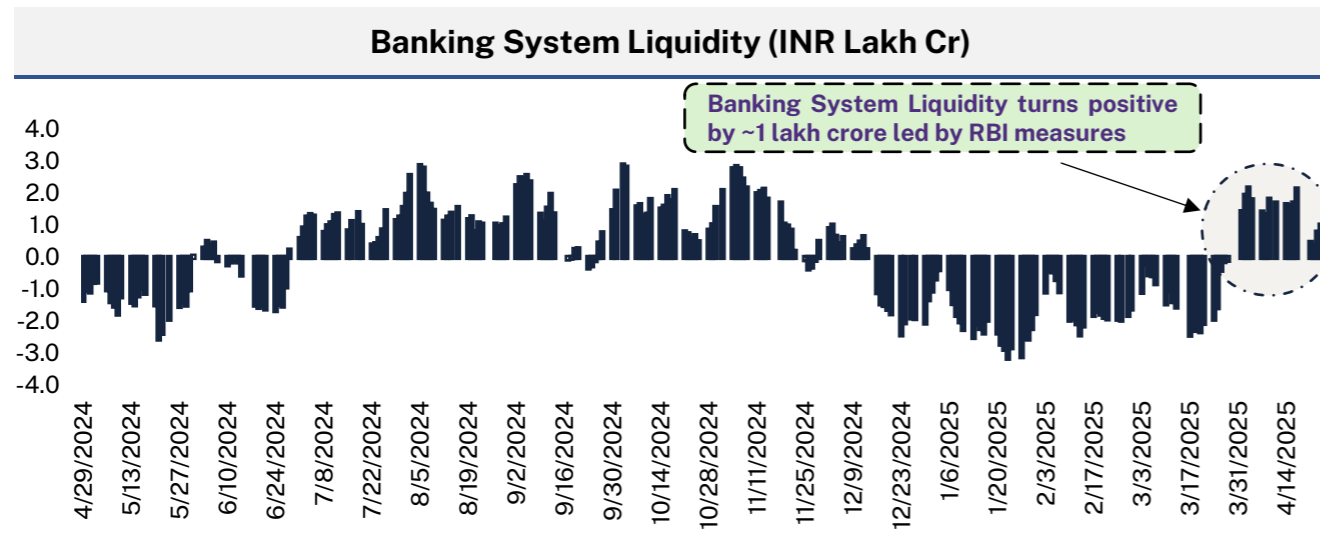
Debt Yield Expectations



Source: Bloomberg, Spark PWM

Banking System liquidity turns positive led by RBI measures

Banking System liquidity position turned surplus after 3-months led by RBIs aggressive fund infusion measures



- In a widely expected move, RBI cut repo rate by 25 bps to 6% for the second consecutive time and changed its stance from neutral to “accommodative”, supported unanimously by all MPC members.
- The central banks change in stance is suggestive of proactively supporting growth with further rate cuts given the challenges that could be faced amidst trade war.
- RBI additionally announced 1.25 lakh crore of OMOs to be carried out in May in four tranches due to the following possible reasons:
 - RBI has a substantial forward short dollar book of almost \$79 billion as of February 2025 with a significant chunk of this maturing within 3 months. It is possible that the central bank is in the process of extinguishing some part of this and is neutralizing the consequent impact on rupee liquidity with OMO operations
 - The central bank could be targeting a much larger sustained liquidity surplus (2-3% NDTL) in order to ensure that there are no constraints for broad based transmission of rate cuts.

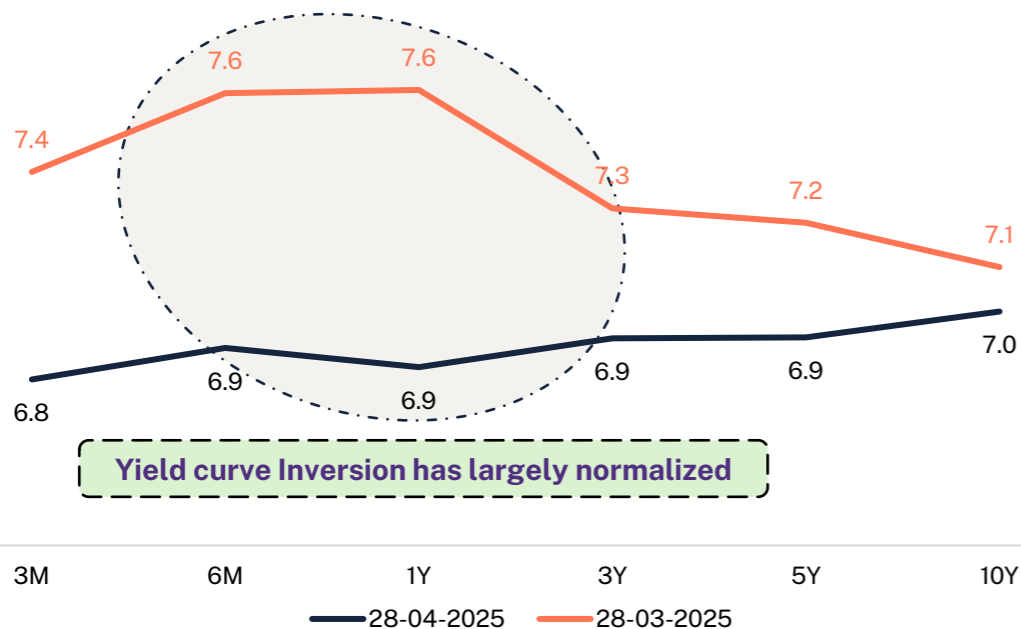
Including the newly announced OMOs, RBI would have conducted more than INR 5 lakh crores of OMOs over the first 5 months of this calendar year

Source:, Bloomberg, Spark PWM.
Data as of 28th April 2025

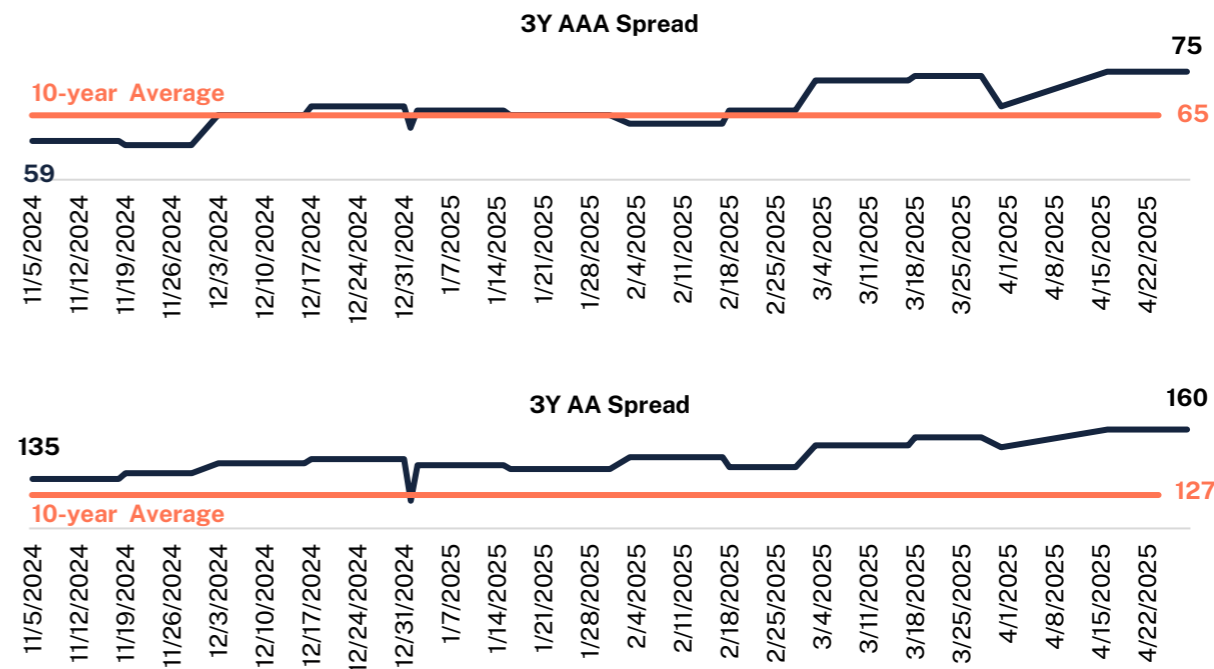
Shorter end of yield curve continues to offers attractive Carry opportunity

Corporate bond spreads remain elevated offering room for further softening.

AAA Corporate Bond Yield Curve



3Y AAA and AA Corporate Bond spreads

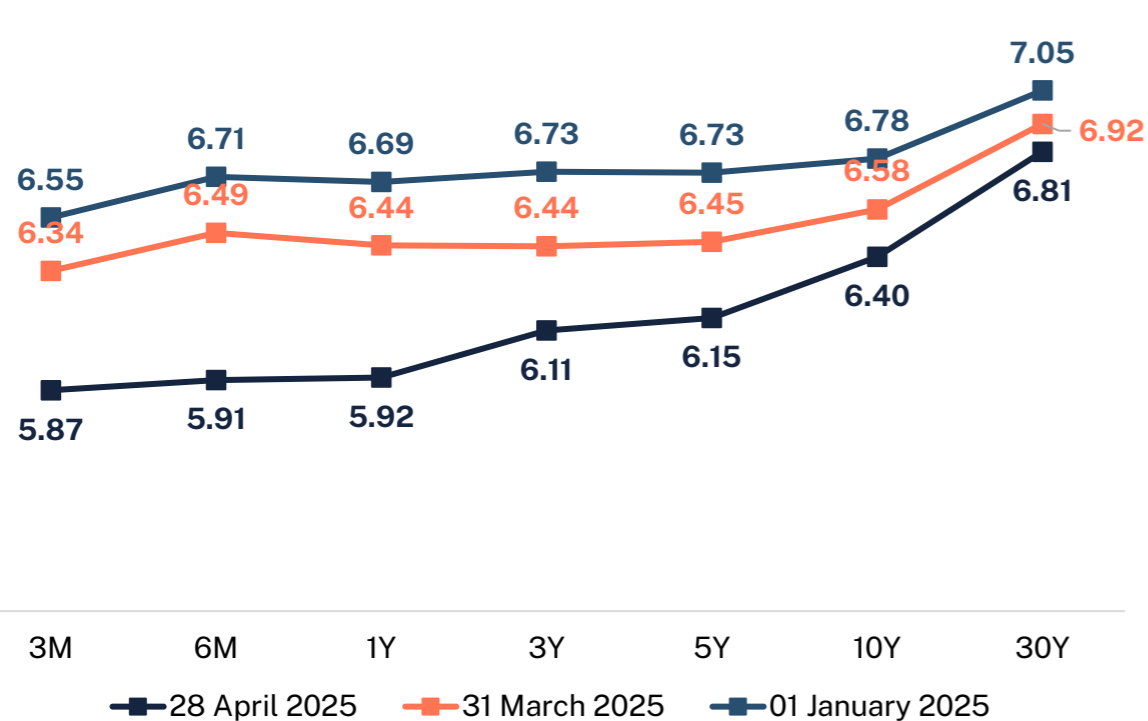


- The inversion in the corporate bond curve has now normalized to a great extent on the back of liquidity infusion by RBI
 - However, Credit spreads widened at the shorter-end of the yield curve due to fall in overnight and T-bill yields after repo rate cut in April 2025 and shift in system liquidity to surplus.
 - The 3Y AAA and AA spread is currently at 75 and 160bps which is above its 10-year average of 65 and 127bps respectively
- Even though we have seen yield compression in the 2-3 years segment which has led to capital gains in the last one month, it continues to offer attractive carry opportunities with potential of capital gains as on the back of better transmission of rates

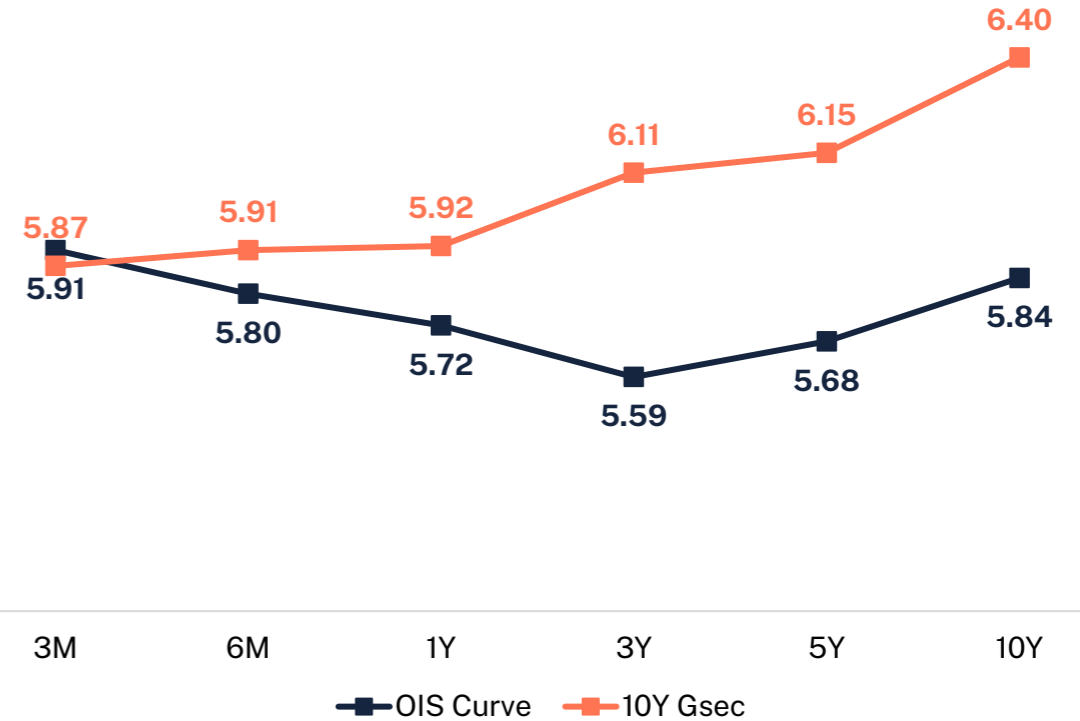
India G-Sec Yields have declined sharply MoM

India G-Sec Yield Curve has shifted downward owing to rate cut and large OMOs conducted by the RBI

Sov Yield curve movements over time



OIS curve across maturities



- India 10Y G-Sec yield declined sharply by ~22 bps in April. On CYTD basis, it has fallen by ~42bps, supported by RBI's rate cut and OMO purchases
- OIS Curve suggests markets are expecting another 25 bps of rate cut in 2025 which can lead to further fall in yields

Summary

India Fixed Income



Carry Opportunity

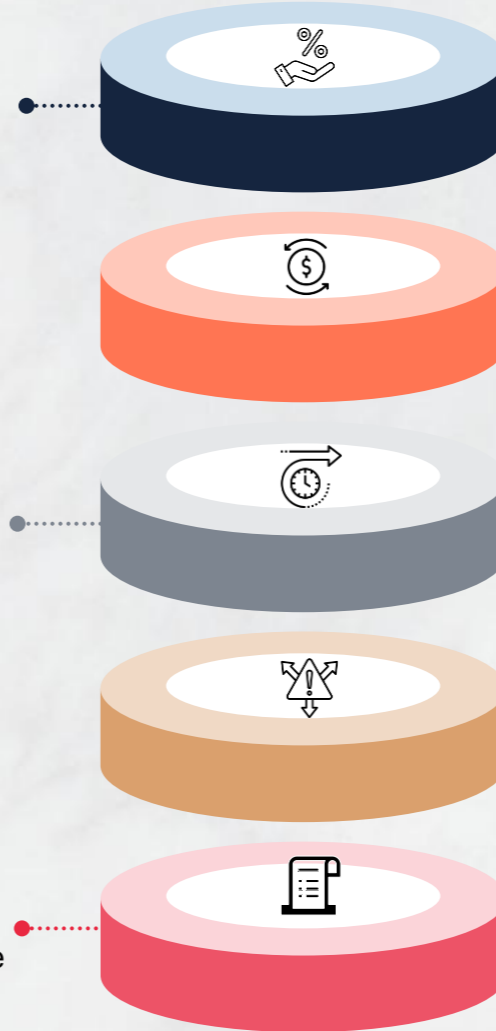
- Corporate Bonds offer attractive carry opportunity plus additional capital gains on the back of better transmission of rates

Neutral on Duration

- While Central banks across the globe are expected to cut rates further this year, Trade tensions and geo-political developments can keep yields volatile
- **We suggest focusing on Carry and adding Duration selectively 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.



Domestic factors favourable for yields

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

Risk-reward in Credit Space

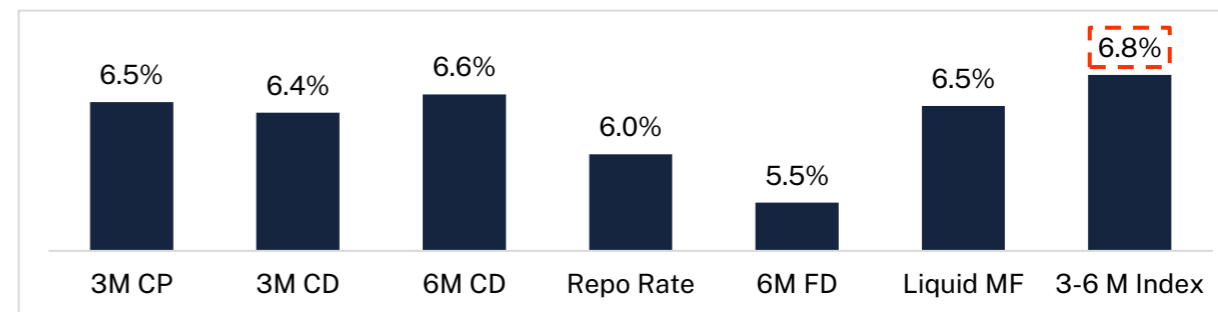
- Spreads in the 3 year AAA & AA rated space trade higher than 10 year average.
- **A “Carry” trade in the 3Y maturity using quality credit papers appears attractive.**

Passive Debt Solution for Short-term Investment Needs

Presenting ABSL CRISIL IBX Financial Services 3 to 6 months Debt Index Fund

Ideal for Corporate Treasuries liquidity management

- **Investment Horizon** : 3 months to 6 months
- **Asset allocation** : 100% allocation to CPs, CDs and Bonds
- **Credit Quality** : Only AAA rated issuers in financial services sector
- **Issuers constituents** : 8 – 20 Issuers | 15% Issuer cap | 25% Group cap
- **Quarterly rebalancing** – Jan, Apr, July, Oct



Rates are elevated in current market scenario; for papers with maturity of 3M or less there is high demand from Liquid funds; Roll down strategy from 6M to 3M can monetize the structural divergence

Key Features of the Fund

- **High-Quality Credit Portfolio:** The fund exclusively invests in AAA-rated financial services sector issuers, with a minimum outstanding requirement of 1500 crores per issuer. This ensures a high-quality portfolio focused on top-tier financial institutions.
- **Roll-Down Strategy Advantage:** The fund employs a roll-down strategy from 6 months to 3 months maturity, capturing the yield premium in the 3-6 month segment. This structural feature helps monetize the yield curve's natural kink around the 3-month mark.
- **Current Market Opportunity:** With yields at elevated levels (current YTM of 6.82%) and improving credit quality across financial institutions, the fund offers attractive returns potential while maintaining relatively low risk through its short-duration strategy.
- **Strong Sector Fundamentals:** The financial services sector shows robust health with improving asset quality (bank GNPA at 2.8%, NBFC at 4.0%), strong capital buffers, and near-decadal high returns (ROA at 1.3%, ROE at 13.8%).
- **Liquidity and Flexibility:** The fund offers daily liquidity with no entry/exit loads, while maintaining a constant maturity profile through quarterly rebalancing in January, April, July, and October.
- **Low Interest Rate Risk:** With a Macaulay Duration of 0.38 years, the fund maintains relatively low interest rate sensitivity while capturing the credit spread of high-quality financial sector issuers.

ABSL CRISIL IBX Financial Services 3 to 6 months Debt Index Fund

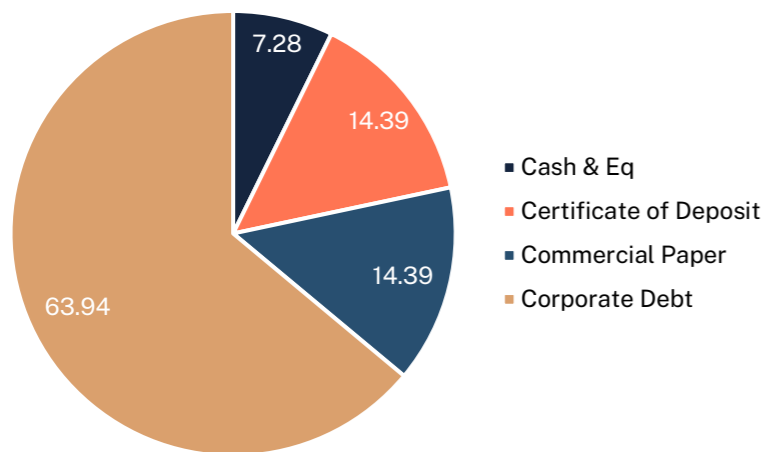
Fund Details

Fund managers Harshil Suvarnkar

Strategy's Inception Date 17-12-2024

AUM (INR Cr) 3,500

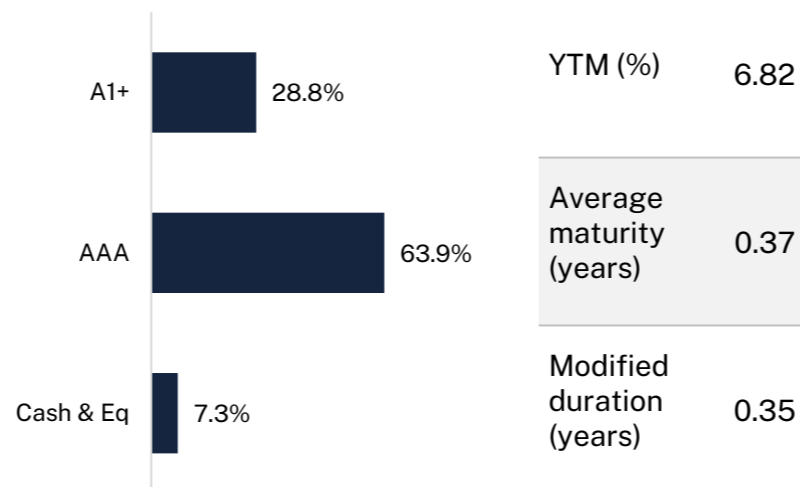
Asset Type Allocation



Investment Philosophy & Strategy

- The scheme will invest in securities(CP, CD & Bonds) of AAA-rated issuers from Financial services sector with residual maturity from 6 to 3 months using a roll-down approach.
- It's an Open-Ended Debt Index fund with a Low-Moderate Risk rating
- Issuers in Financial service sector of AAA rating with Min outstanding – 1500 Crores
- With a Macaulay Duration of 0.38 years, the fund maintains relatively low interest rate sensitivity while capturing the credit spread of high-quality financial sector issuers.

Rating Allocation



Underlying Issuer Holdings

| Particulars | Holding % |
|------------------------------------------|------------|
| Power Finance Corporation Ltd. | 12.92 |
| NABARD | 11.60 |
| LIC Housing Finance Ltd. | 10.83 |
| HDB Financial Services Ltd. | 8.64 |
| SIDBI | 8.00 |
| SMFG India Credit Company Ltd. | 7.29 |
| HDFC Bank Ltd. | 7.06 |
| Barclays Investments & Loans (India) Ltd | 5.23 |
| Axis Bank Ltd. | 4.52 |
| Bajaj Finance Ltd. | 2.91 |
| Canara Bank | 2.83 |
| Deutsche Investments India Pvt Ltd | 2.82 |
| Kotak Mahindra Prime Ltd. | 2.77 |
| Mahindra & Mahindra Financial Serv Ltd. | 1.75 |
| Bajaj Housing Finance Ltd. | 1.45 |
| Tata Capital Housing Finance Ltd. | 1.41 |
| Bank Of Baroda | 0.71 |
| Net Current Assets | 7.28 |
| Grand Total | 100 |

Tax-Free Bonds: Quietly Regaining Appeal

The **rate-cut transmission** in tax-free bonds is **lagging**, offering a **narrow window of opportunity** to lock in attractive post-tax yields **before prices rise** and yields fall further.

| Tenure | Tax Free Bonds | | | AAA rated Corporate Bond | | | AA+ rated Corporate Bond | | |
|---------|----------------|---------|-------------|--------------------------|---------|-------------|--------------------------|---------|-------------|
| | 01-Jan-25 | Current | Compression | 01-Jan-25 | Current | Compression | 01-Jan-25 | Current | Compression |
| 2 Year | 5.50% | 5.35% | 15 bps | 7.65% | 7.10% | 55 bps | 8.40% | 7.80% | 60 bps |
| 3 Year | 5.40% | 5.30% | 10 bps | 7.80% | 7.15% | 65 bps | 8.50% | 8.00% | 50 bps |
| 5 Year | 5.35% | 5.25% | 10 bps | 7.75% | 7.10% | 65 bps | 8.70% | 8.10% | 60 bps |
| 10 Year | 5.30% | 5.20% | 10 bps | 7.70% | 7.25% | 45 bps | 8.80% | 8.20% | 60 bps |

| Indicative Bond Quotes | | | | | |
|------------------------|-----------|----------|------------|-------|------------------|
| Security | Maturity | IP DATES | RATINGS | YIELD | Tenure in Months |
| 7.04% IRFC 2026 | 03-Mar-26 | ANNUALLY | CRISIL AAA | 5.35% | 10.2 |
| 8.20% HUDCO Mar 27 | 05-Mar-27 | ANNUALLY | Crisil AAA | 5.30% | 22.2 |
| 7.51 HUDCO 2028 | 16-Feb-28 | ANNUALLY | CARE AAA | 5.27% | 33.7 |
| 8.46% NHB Aug 28 | 30-Aug-28 | ANNUALLY | Crisil AAA | 5.25% | 40.1 |
| 8.46 NHB 2028 | 30-Aug-28 | ANNUALLY | CARE AAA | 5.30% | 40.1 |
| 8.46 PFC 2028 | 30-Aug-28 | ANNUALLY | CARE AAA | 5.30% | 40.1 |
| 8.54 NHPC 2028 | 02-Nov-28 | ANNUALLY | CARE AAA | 5.30% | 42.2 |
| 8.40% IRFC Feb 29 | 18-Feb-29 | ANNUALLY | Crisil AAA | 5.25% | 45.8 |
| 8.40% IRFC 2029 | 18-Feb-29 | ANNUALLY | CRISIL AAA | 5.25% | 45.8 |

Features of Tax Free Bonds

1. Tax Efficiency

- Interest income is fully exempt from income tax under Section 10 of the Income Tax Act
- Especially beneficial for investors in 20% to 30%+ tax brackets
- Higher post-tax yield compared to FDs, debt mutual funds, and corporate bonds

2. Issuer Profile & Safety

- Issued by government-backed entities such as NHAI, PFC, and REC with AAA credit rating
- Near-zero default risk due to sovereign backing

3. Fixed and Predictable Income

- Offers regular annual or semi-annual interest payouts
- Ideal for senior citizens and income-focused investors

4. Interest Rate Advantage

- Rate-cut transmission is still pending, making current yields attractive
- Bond prices tend to rise as interest rates fall, offering capital appreciation
- Lock in higher yields before further RBI rate cuts

Bond Quotes as on 28th April 2025.
Instruments are subject to availability
Yields are indicative in nature

Fixed Income Landscape

Preferred Categories based on investment horizon



- Low Duration Funds
- Money Market Funds
- Arbitrage Funds
- CPs and NCDs
- Liquid Plus AIFs



- G-Secs, Corp. Bonds
- Curated NCDs & MLDS
- Corporate Bond MF
- Multi-asset Funds
- Equity Savings Funds
- REITs & INVITs



- Private Credit Funds
- Real Asset Funds (invest in operating assets)

Our Recommendation: Tenure Upto 1 Year

| Category | Strategy | Highlights | Expected Return |
|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| Low Duration Funds: ICICI / HDFC / ABSL | <ul style="list-style-type: none"> Investors can consider this category for short term parking as the yields are higher vs Liquid funds Slight uptick in returns due to ~10% allocation to AA rated instruments | <ul style="list-style-type: none"> Redemption in T+1 days (same as Liquid MF) Higher yields than Liquid funds | ~6.90% |
| Money Market Funds: Bandhan / ICICI / HDFC | <ul style="list-style-type: none"> Opportunity in money market instruments as the carrying yields appear attractive. Investors can consider this category for short term parking as the yields are higher vs Liquid funds | <ul style="list-style-type: none"> Redemption in T+1 days (same as Liquid MF) Higher yields than Liquid funds | ~6.80% |
| Arbitrage Funds: Bandhan / Edelweiss | <ul style="list-style-type: none"> Min 65% allocation to arbitrage strategies and ~35% allocation to cash, Money Market instruments, and Short Maturity Debt. Arbitrage funds give debt-like returns but are taxed as equity mutual funds | <ul style="list-style-type: none"> Higher Post Tax returns vs Debt MFs and Fixed Deposits Volatility often works in favour for this category Ideal for time horizon of 3 months – 1 year | 6.3% |
| Commercial Papers: A1+ rated | <ul style="list-style-type: none"> CPs from rated issuers for tenure ranging from 3 months to 1 Year CP rates have increased by 10-13 bps recently, reflecting the impact of tightening liquidity in the market | <ul style="list-style-type: none"> Higher yields than comparable Debt MFs and FDs Helps in matching Cash outflows with CP maturities | 6.60% (3M) 6.70% (6M) 6.80% (9M) |
| Liquid Plus AIF : Northern Arc MMAF | <ul style="list-style-type: none"> Open ended CAT III AIF, targeting reasonable return and liquidity by investing into Money market instruments such as G-Secs, T-bills, CPs, CDs, NCDs, PTCs etc. that have residual maturity of less than 1 year | <ul style="list-style-type: none"> Attractive investment to generate alpha over ultra short-term mutual funds Managing high liquidity, low risk and superior return Diversified across issuers and sectors | ~9.00% |
| Absolute Return Fund: AA - MSAR | <ul style="list-style-type: none"> ~60% allocation to Low-risk strategies like Arbitrage and Fixed Income; ~40% allocation to medium risk strategies like Absolute return strategies (Options, Special situations) | <ul style="list-style-type: none"> Monthly liquidity strategy, being consistent & aiming monthly positive returns with an ~6years track record Fund structured as LLP, sharing profits post deducting tax at LLP level, leading to better post tax returns | 10.5% - 11% |

Note - Yields updated as of 25th April 2025.
Past performance does not guarantee future returns

Our Recommendation: Tenure 1 - 3 Years (1/2)

| Category | Strategy | Highlights | Expected Return |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Gsec & Corporate Bonds: | <ul style="list-style-type: none"> Exposure to Sovereign rated Gsec and High Quality Corporate Bonds | <ul style="list-style-type: none"> Helps in planning Cash outflows with maturities Regular cash flow through interest payouts | 6.95% - 7.10% |
| Curated NCD Whizdm Finance | <ul style="list-style-type: none"> Curated NCD from rated and listed issuers at attractive yields | <ul style="list-style-type: none"> Higher yields than comparable Debt MFs and FDs Helps in planning Cash outflows with maturities Regular cash flow through interest payouts | 12.5% |
| Corporate Bond Funds: Bandhan / ICICI / HDFC | <ul style="list-style-type: none"> The fund invests minimum 80% in corporate bonds only in AA+ and above rated corporate Offer attractive carry opportunity plus additional capital gains as yield curve normalizes | <ul style="list-style-type: none"> Maintain optimum balance of yield, safety and liquidity Redemption in T+1 days Funds with Mod Dur within 2-4 years offers a sweet spot with carry at attractive levels | 6.8% - 7.0% |
| Income Plus Arbitrage FoF: Bandhan/DSP | <ul style="list-style-type: none"> FoF with ~65% allocation to Corporate Bond Fund and ~35% allocation to Arbitrage Fund Attracts LTCCG @ 12.5% post holding period of 24 months | <ul style="list-style-type: none"> Tax efficient way of taking Debt exposure Allows fund manager to navigate market conditions with investors taxed only during redemption. | 6.4% - 6.5% |

Note - Yields updated as of 25th April 2025.
Past performance does not guarantee future returns

Our Recommendation: Tenure 1 - 3 Years (2/2)

| Category | Strategy | Highlights | Expected Return |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| Hybrid Funds: Multi asset funds | <ul style="list-style-type: none"> Allocation to multiple asset classes like Equity, Debt, Gold, Silver, Developed market equity, Emerging markets, REITs & INVITs etc | <ul style="list-style-type: none"> Tax efficient way of investing across asset classes Adds low or negatively correlated assets, reducing overall portfolio risk, Limits market drawdowns | 10.0% - 12.0% |
| Hybrid Funds: Equity Savings Funds | <ul style="list-style-type: none"> Funds provide a flavour of Equity (roughly invests one-third of its portion each in equity, arbitrage and debt) Variety of funds with different net equity ranges; fund can be selected based on investors risk and time horizon | <ul style="list-style-type: none"> Beating inflation on consistent basis and provides arbitrage plus returns Ideal for time horizon of 1-3 years | 7.0% - 10.5% |
| REITs: MindSPACE / Embassy | <ul style="list-style-type: none"> Pooled investment vehicle that invests in commercial properties, such as offices, malls, and special economic zones. Distributes 90% of the cash flows in form of interest, dividends and capital repayment | <ul style="list-style-type: none"> Adds diversification to portfolio without hassle of owning and managing the commercial property Provides steady income through regular distributions and has growth potential in form of capital appreciation High liquidity since listed on stock exchange | 6% Pre-tax dividend yield + 5% upside to NAV* |
| INVITs: Indigrid | <ul style="list-style-type: none"> Pooled investment vehicle that invests in infrastructure projects like roads, highways, bridges, or power plants. Distributes 90% of the cash flows in form of interest, dividends and capital repayment | <ul style="list-style-type: none"> Adds diversification to portfolio without hassle of owning and managing the asset Provides steady income through regular distributions and has growth potential in form of capital appreciation High liquidity since listed on stock exchange | 10% - 11% |

Note - Yields updated as of 25th April 2025.

Past performance does not guarantee future returns

**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.

Our Recommendation: Tenure > 3 Years

| Category | Strategy | Highlights | Expected Return |
|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Private Credit Funds: Northern Arc / Neo / SpECS / Sundaram | <ul style="list-style-type: none"> Banks focus On High Grade Credits, while MFs focus on Listed Securities; creating a unique opportunity for Private Credit AIFs Close ended fund with regular cashflows targeting higher risk-adjusted returns by investing in a diversified pool of debt securities of financial institutions | <ul style="list-style-type: none"> Regular income distributions Reduced cash drag with shorter deployment period Well curated and diversified portfolio across issuers and sectors | 12.2% - 13.0% |
| Real Asset Funds: ICICI Pru OYO | <ul style="list-style-type: none"> Invest in entities owning/operating substantially leased rent-yielding commercial properties (offices, retail, logistics, life-sciences, warehouses, data centers, etc.) for regular rental cash flows and potential appreciation from yield compression and rent increases | <ul style="list-style-type: none"> Opportunity to invest in companies that buy mid-sized high quality commercial real estate due to lower availability of capital in this segment Opportunity to lock in yields at higher end of interest rate cycle | 13.0% |
| Real Asset Funds: EAAA – Infra & Real Asset Fund | <ul style="list-style-type: none"> Upto 80% allocation to infrastructure sectors including renewable power generation, power transmission and roads & highways segments. Upto 35% allocation to Privately listed INVITs with high governance and potential for growth, which provides steady yields along with capital gains opportunity. | <ul style="list-style-type: none"> Diversified exposure across renewable power generation, power transmission and roads & highways segments. Focused on operating assets, low development & construction risk | 16% - 18% |

Note – Yields are post expense.
 Past performance does not guarantee future returns

Real Asset AIF: EAAA Infrastructure & Real Asset Fund

| Product Overview | |
|-------------------------------|--------------------------------------------------|
| Fund | EAAA Infrastructure & Real Asset Fund |
| Category | Category II AIF |
| Structure | Close Ended |
| Target Corpus | ~INR 1000 Cr + 1000 Cr |
| Min Investments | INR 1 Cr |
| Management Fees | 0.75% to 1.75% per annum fixed |
| Targeted Yield (Gross) | ~18- 20% + (Pre-taxes and Pre-expenses) |
| Hurdle rate | 10.0% |
| Carried Interest | 11% to 17.5% without catchup |
| Tenure | 8 years from first close |
| Return Profile | Coupon Distribution + Capital Appreciation |
| Investment Manager | EAAA India Alternatives Limited |

| Highlights of EAAA Infrastructure & Real Asset |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> Upto 80% allocation to infrastructure sectors including renewable power generation, power transmission and roads & highways segments. Upto 35% allocation to Privately listed INVITs with high governance and potential for growth, which provides steady yields along with capital gains opportunity. The fund is expected to generate regular cash flows every year in the range of 7-8 % paid semiannually with total return of ~18 to 20%. Average ticket size of assets INR 100-200 Cr size Average holding period of underlying investments is 3.5 – 4.5 years |

| Infrastructure Yield Plus Fund I Details (Previous Fund) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Launch Date: August 2027</p> <p>AUM Garnered: ~INR 3,280 Crs</p> <p>INR 3,173 Crs deployed</p> <p>18 Investments made</p> <p>Target Returns IRR: 18-20% (Gross)</p> <p>MTM IRR (Dec'2024): 17.90% (Gross)</p> |
| Fund Manager Details |
| <p>Subahoo Chordia Fund Manager</p> <p>Work Experience 21+ years infrastructure investing, Private fund management, corporate finance, M&A, capital markets and advisory</p> <p>Previous Stints Axis Bank Limited, IDBI Limited</p> |

Fixed Income Landscape

| Type of Instruments | | G-Sec | Tax Free Bond | Direct Bonds | | Multi-Asset Mutual Fund | Other Private Credit Funds | | | Real Asset Funds |
|----------------------------------|------------|---------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------|-----------------------------------|---------------------------------------------------------------|
| | | | | AAA rated NCDs | AA- to A- rated NCDs | Indicative 10%-14% | Target IRR < 14% | Target IRR 14% - 16% | Target IRR > 16% | Target IRR > 16% |
| | | | | | | White Oak, Edelweiss Multi-Asset Allocation Fund | Axis / UTI / ICICI Pru / AK Credit Funds | SpECS III, Neo Income Plus, Sundaram PCOF, Northern Arc Finserv, | ASK Sr A / Incred II / True North | ICICI Pru OYO II, EAAA Infra and Real Asset Fund |
| Post Expense Pre Tax Yield / YTM | | 6.32% - 6.38% | 5.35% | 7.10% | 9.00% - 11.00% | 8.5% - 12.5% | 11.5% | 11.9% | 13.6% | 14.8% |
| Post Tax | Individual | 3.86% - 3.89% | 5.35% | 4.33% | 5.49% - 6.71% | 7.44%-10.94% | 7.03% | 7.30% | 8.30% | 12.50% |
| | Corporate | 4.73% - 4.78% | 5.35% | 5.31% | 6.74% to 8.23% | 7.44%-10.94% | 8.65% | 8.95% | 10.2% | 12.5% |
| Positioning | | Exposure to duration through Gsec can lead to cap gains | Rate-cut transmission yet to happen, making current yields attractive | High Quality Credit; Liquid; For Treasury and FO | Rated, Listed, Senior secured, Curated High yield NCDs with Quarterly or Monthly interest payout options | Access to different asset class with low or negative correlation thereby reducing volatility | Performing Credit funds with regular coupon paying and back-ended structures | | | Operating cash flow generating assets with Nil execution risk |
| Ideal Holding Period | | 24 - 36 M | HTM | 12 M - 36 M | 18 - 24 M | >24 M | 36 - 60 M | | | 60 - 72 M |

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

Summary

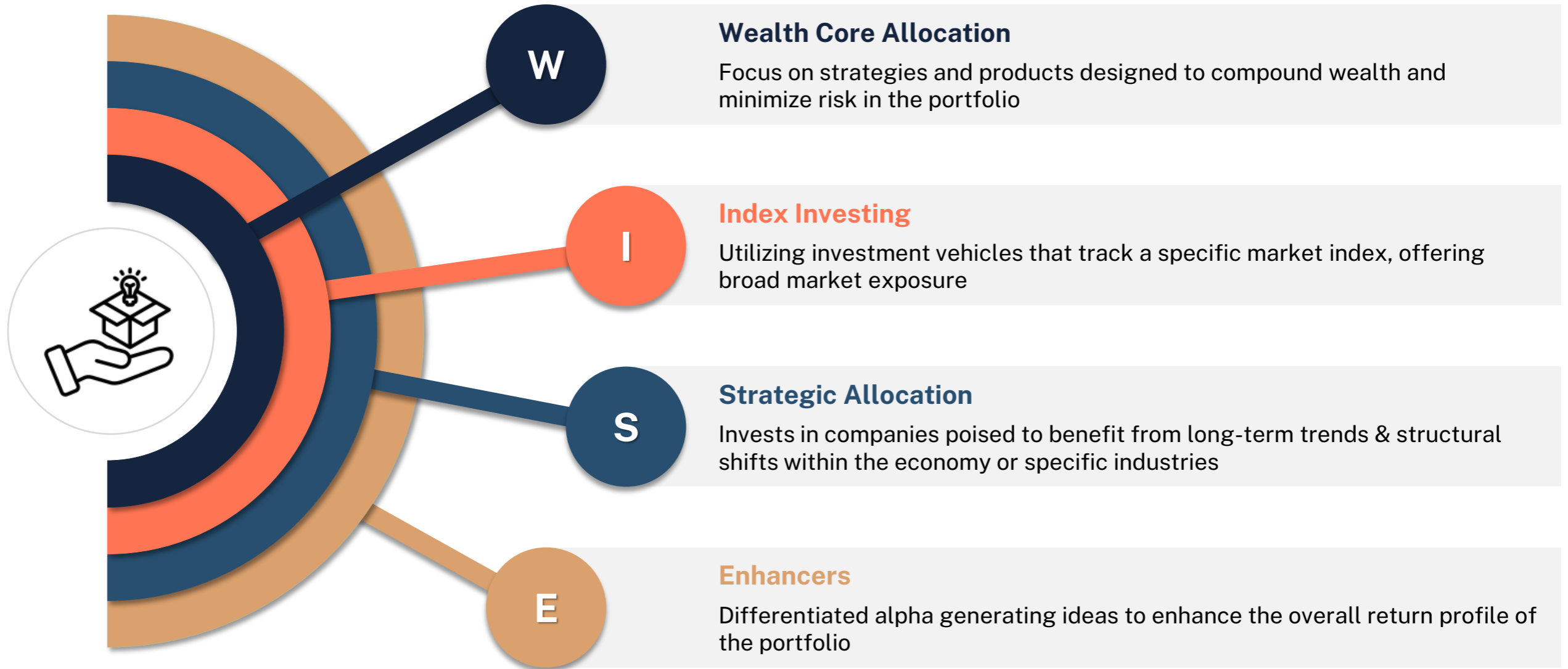
India Equity



Our view:

- **Market Outlook:** Markets saw a sharp correction following the tariff announcement, but rebounded quickly on the 90-day pause, with India emerging as one of the better-positioned economies among EMs. We believe the next phase will be shaped by FTAs and global trade negotiations. As the earnings season unfolds, market direction in the near term will be driven by corporate results and FY26 management commentary. Given global trade uncertainties but India's relative strength, we remain cautiously optimistic – favoring large caps and select opportunities in mid and small caps.
- **Key Sectors:** Financials and Auto are two sectors where we observe pockets with low valuations and strong growth, given positive trends in ROEs and robust balance sheets. Moreover, consumption appears to be a key theme in the coming quarters, given recent policy actions.
- **Policy Actions:**
 - Capex set to increase in continue but and fiscal deficit remains under control.
 - RBI adopting accomodative strategy that will help address tight liquidity. Moreover, easing of lending regulations, such as reducing the risk weight on loans to NBFCs, will free up significant lending capacity.
- **Liquidity and Flows:** Liquidity will play a crucial role in the near-term market movements. Mutual fund flows continue but need to monitor as domestic flows are a key driver. Market's flow of new securities are inversely correlated to market; unfavorable market conditions may reduce new issuances.

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



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

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

| WISE Framework | Category | Products | Product Type | Allocation | Returns (%) | | | | |
|---------------------------------------------|---------------------------|------------------------------------|---------------------------|------------|-------------|-------------|--------------|-------------|------|
| | | | | | 1M | 3M | 6M | 1Y | |
| Wealth Core (10% to 20%) | Large cap | ICICI Pru Bluechip | MF | 10% | 6.9 | -0.8 | -8.3 | 7.1 | |
| Index Investing (5% to 10%) | Smart Beta | Bandhan Nifty100 Low Volatility 30 | MF | 10% | 5.0 | -2.1 | -12.5 | 3.4 | |
| Strategic Allocation (45% to 75%) | Large & Midcap | ICICI Pru Large & Midcap | MF | 10% | 6.2 | 0.6 | -8.9 | 11.6 | |
| | | Alchemy Smart Alpha 250 | D PMS | | 7.0 | -17.5 | -18.2 | 3.3 | |
| | Flexi Cap/Multicap | Spark@75 Core and Satellite | D PMS | 10% | 4.8 | -3.7 | -12.2 | 3.2 | |
| | | ICICI Contra | D PMS | 25% | 7.7 | -3.1 | -11.4 | 7.0 | |
| | | Abakkus All cap | | | 8.0 | -7.0 | -13.3 | 1.8 | |
| | | Buoyant | | | 8.4 | -1.6 | -5.8 | 15.6 | |
| | | Renaissance India Next | | | 7.4 | -8.0 | -12.0 | 13.0 | |
| | | Nippon India Multi Cap | | | MF | 7.4 | -6.8 | -12.1 | 10.1 |
| | | Parag Parikh Flexi Cap | | | MF | 2.8 | -2.3 | -3.5 | 13.9 |
| | | WhiteOak Capital Flexi Cap | MF | 7.0 | 6.7 | -9.1 | 11.3 | | |
| | | Old Bridge Focused Equity | MF | 7.6 | -4.3 | -11.3 | 13.0 | | |
| | | GEMS | ND PMS | 10% | 3.1 | -11.4 | -19.0 | -1.2 | |
| | | Bespoke | | | 9.9 | -13.3 | -28.7 | -7.36 | |
| | | HCI | | | 5.9 | -8.7 | -16.3 | 1.1 | |
| Mid & Small Cap | AAA Budding Beast | D PMS | 5% | 8.2 | -11.8 | -8.9 | 17.9 | | |
| Enhancer (10% to 25%) | Theme Focused | Carnelian Shift PMS | D PMS | 5% | 8.9 | -12.4 | -10.8 | 18.2 | |
| | | Franklin India Opportunities | | | 6.7 | -9.6 | -12.0 | 15.1 | |
| | Near IPO | Spark Near IPO | Cat II AIF | 10% | - | - | - | - | |
| | Unlisted | NSE & Other Unlisted | Non-Blind Pool Alternates | 5% | - | - | - | - | |
| Benchmark | - | Nifty 500 – TRI | - | - | 7.4 | -4.4 | -12.0 | 15.1 | |
| | - | Nifty 50 – TRI | - | - | 6.3 | -0.3 | -8.5 | 6.7 | |

Performance as on March 31, 2025

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

| Fund | Category | CY 2021 | CY 2022 | CY 2023 | CY 2024 | CY 2025 YTD |
|--------------------------------------------|-------------------|-------------|------------|-------------|-------------|-------------|
| ICICI Pru Bluechip | Large Cap Fund | 29.2 | 6.9 | 27.4 | 16.9 | -0.8 |
| Bandhan Nifty100 Low Volatility 30 Index | Large Cap Fund | - | - | 29.6 | 10.8 | -2.1 |
| ICICI Pru Large & Mid Cap | Large & Mid Cap | 41.8 | 11.7 | 29.9 | 20.4 | 0.6 |
| Alchemy Smart Alpha 250 | Flexi Cap Fund | - | - | 22.5 | 31.6 | -17.5 |
| Spark India@75 Core and Satellite Strategy | Flexi Cap Fund | 32.0 | 16.3 | 42.0 | 9.8 | -3.6 |
| ICICI Contra | Flexi Cap Fund | 36.1 | 20.0 | 34.8 | 18.6 | -3.1 |
| Abakkus All Cap | Flexi Cap Fund | 71.5 | -1.4 | 36.2 | 13.5 | -7.0 |
| Buoyant Opportunities Scheme | Flexi Cap Fund | 69.4 | 3.2 | 40.4 | 18.8 | -1.6 |
| Renaissance India Next | Flexi Cap Fund | 67.4 | 22.4 | 28.5 | 32.4 | -8.0 |
| Nippon India Multi Cap | Multi Cap Fund | 48.9 | 14.1 | 38.1 | 25.8 | -6.8 |
| Parag Parikh Flexi Cap | Flexi Cap Fund | 45.5 | -7.2 | 36.6 | 23.9 | -2.3 |
| WhiteOak Capital Flexi Cap | Flexi Cap Fund | - | - | 31.2 | 23.7 | -6.7 |
| Old Bridge Focused Equity | Focused Fund | - | - | - | 17.0** | -4.3 |
| Spark GEMS | NDPMS | - | - | 11.2** | 16.1 | -11.4 |
| Bespoke | NDPMS | - | - | 6.6** | 28.3 | -13.3 |
| HCI | NDPMS | - | 1.1** | 18.3 | 14.2 | -8.7 |
| AAA Budding Beasts Portfolio | Mid and Small Cap | 50.5 | 4.7 | 47.1 | 31.4 | -11.9 |
| Carnelian Shift | Flexi Cap Fund | 79.3 | -4.2 | 65.6 | 38.0 | -12.2 |
| Franklin India Opportunities | Thematic Fund | 29.7 | -1.9 | 53.6 | 37.3 | -9.6 |
| NIFTY 500 - TRI | Benchmark | 31.6 | 4.2 | 26.9 | 16.2 | -4.4 |
| NIFTY 50 – TRI | Benchmark | 25.6 | 5.7 | 21.3 | 10.1 | -0.3 |

**Some funds were launched in the middle of a calendar year. Examples in this regard include the 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.

2025 YTD returns are as on March 31, 2025

All returns are in absolute terms

Source: Ace MF, Spark PWM Products

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

| Products | Brief Rationale & 1-Month Attribution | |
|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ICICI Pru Bluechip | <ul style="list-style-type: none"> A combination of growth & quality and value styles of investing Has been one of the most consistent performers within the large cap funds space | <ul style="list-style-type: none"> In Mar 2025, the fund marginally underperformed the Nifty 100 TRI. This can be attributed to: <ul style="list-style-type: none"> An overweight stance on Healthcare An underweight stance on Financials, Utilities Stock selection not playing out - Consumer Discretionary, Industrials, IT |
| Bandhan Nifty100 Low Volatility 30 | <ul style="list-style-type: none"> Factor-based exposure within the large cap space Builds a portfolio 30 stocks which exhibit the lowest volatility over the last 12 months Rebalanced on a quarterly basis | <ul style="list-style-type: none"> In Mar 2025, the fund underperformed the Nifty 100 TRI. This can be attributed to: <ul style="list-style-type: none"> A higher skew towards Consumer Discretionary A lower skew towards Financials, Industrials, Utilities Weakness exhibited by Consumer Staples, Discretionary Consumption, Materials stocks |
| ICICI Pru Large & Midcap Fund | <ul style="list-style-type: none"> A countercyclical investing style with a bias towards large caps The fund manager takes positions in stocks where there is valuation comfort and business improvement is expected | <ul style="list-style-type: none"> In Mar 2025, the fund underperformed the Nifty Large & Midcap 250 TRI. This can be attributed to: <ul style="list-style-type: none"> An overweight stance on Consumer Discretionary An underweight stance on Industrials, Utilities Stock selection not playing out - Financials, IT, Materials |
| Alchemy Smart Alpha 250 | <ul style="list-style-type: none"> Quant Driven Approach that aims to dynamically managing weights to factors such as Quality, Growth and Momentum in the top 250 stocks The fund is rebalanced daily and selects the top 25 stocks as per the ranking of the model, with minimal fund manager intervention | <ul style="list-style-type: none"> In Mar 2025, the fund has underperformed the BSE 500 TRI. The key detractors were BSE, Dixon Technologies, GE Vernova and Zomato. |
| Spark@75 Core and Satellite | <ul style="list-style-type: none"> Flexi cap mandate managed by a fund manager with over 3 decades of experience across Indian and global markets The fund manager dynamically rotates across sectors and market cap, while taking a valuation conscious approach towards portfolio construction | <ul style="list-style-type: none"> In Mar 2025, the fund outperformed the Nifty 50 TRI. A significant amount of cash has cushioned performance. Key contributors were PNB Housing Finance, Larsen & Toubro, Kotak Bank and EID Parry. |
| ICICI Contra /Abakkus All cap/ Buoyant/ Renaissance India Next | <ul style="list-style-type: none"> ICICI Contra <ul style="list-style-type: none"> Flexi cap mandate to cherry pick the high conviction ideas via contrarian approach. In Mar 2025, the fund outperformed the BSE 500 TRI. The key contributors were Ambuja Cements, Coromandel International, Interglobe Aviation and NTPC Ltd. Abakkus All cap <ul style="list-style-type: none"> Flexi cap portfolio managed by Mr. Sunil Singhania with bias towards large and mid caps; employs a bottom-up approach towards portfolio construction In Mar 2025, the fund outperformed the BSE 500 TRI. Key contributors were Akzo Nobel, Birla Corporation, KEC, Max Financial Services and NTPC Ltd. | <ul style="list-style-type: none"> Buoyant <ul style="list-style-type: none"> Managed by 3 FMs who bring their unique set of expertise to manage the portfolio with a flexi cap mandate A core and satellite approach is followed, and the fund manager has flexibility to take cash calls In Mar 2025, the fund outperformed the BSE 500 TRI. Key contributors were Ramkrishna Forgings, Vedanta Ltd, Blue Jet Healthcare and Solar Industries. Renaissance <ul style="list-style-type: none"> Managed by an experienced fund manager with a sector-agnostic approach Focuses on key themes that will drive the economy - Manufacturing, Exports, Revival of Investment Cycle, Technology Adoption, Digital Ecosystem In Mar 2025, the fund outperformed the Nifty 50 TRI. Key contributors were Alembic Pharma, Balrampur Chimni, PNB Housing Finance and One 97 communications. |

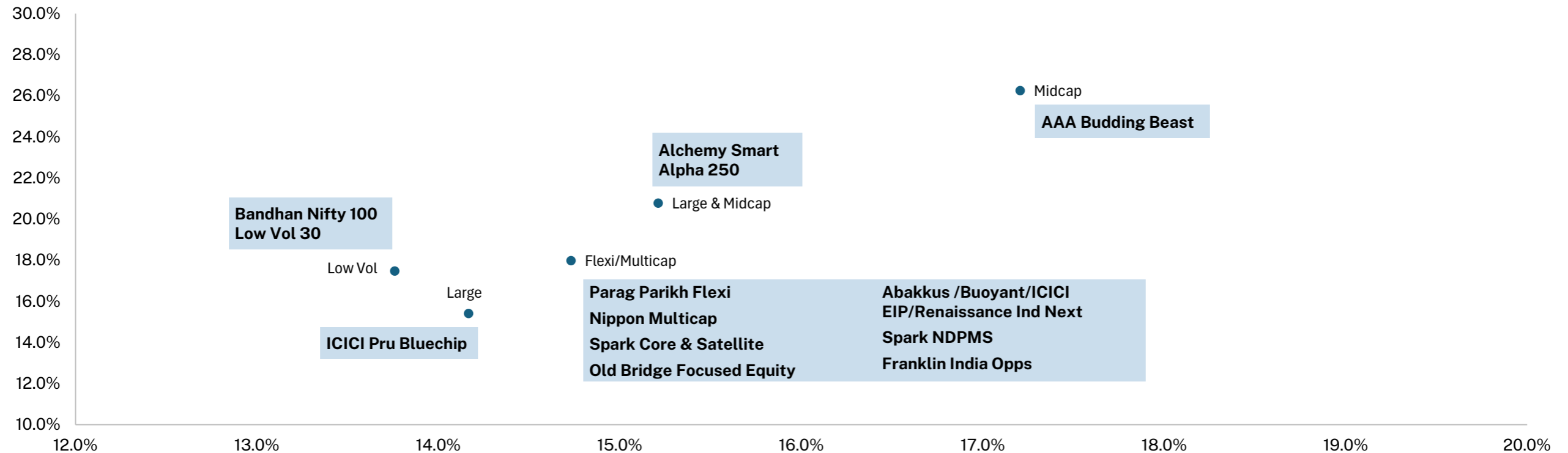
W.I.S.E. – Preferred Equity Portfolio Allocation (2/2)

| Products | | Brief Rationale & 1-Month Attribution |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Nippon India Multi Cap | <ul style="list-style-type: none"> Exposure spans multiple themes, sectors, and stocks Skewed toward large caps to minimize downside risk Minimum 50% exposure to the broader markets | <ul style="list-style-type: none"> In Mar 2025, the fund marginally outperformed the Nifty 500 TRI. This can be attributed to: <ul style="list-style-type: none"> An overweight stance on Industrials, Utilities An underweight stance on IT Stock selection playing out - Financials, Consumer Discretionary |
| Parag Parikh Flexi Cap | <ul style="list-style-type: none"> A valuation-conscious and low churn approach aimed at minimizing downside risk Offers exposure to international stocks, which helps in diversifying geographical risk | <ul style="list-style-type: none"> In Mar 2025, the fund underperformed the Nifty 500 TRI. This can be attributed to: <ul style="list-style-type: none"> An overweight stance on Consumer Discretionary An underweight stance on Industrials, Materials Stock selection not playing out - Communication Services, Consumer Discretionary, Healthcare |
| WhiteOak Capital Flexi Cap | <ul style="list-style-type: none"> Growth style of investing followed with emphasis on bottom-up stock picking Key stock selection parameters include Superior return on incremental capital, Scalable long-term opportunities, Strong governance and Price at a substantial discount to intrinsic value | <ul style="list-style-type: none"> In Mar 2025, the fund underperformed the Nifty 500 TRI. This can be attributed to: <ul style="list-style-type: none"> An overweight stance on Consumer Discretionary An underweight stance on Materials, Utilities Stock selection playing out - Consumer Discretionary, Industrials, Real Estate |
| Old Bridge Focused Equity | <ul style="list-style-type: none"> Investment approach lays emphasis on value as a style and is skewed towards broader markets The fund manager may select contrarian and turnaround plays as well The portfolio construct predominantly comprises market leaders and export-focused players | <ul style="list-style-type: none"> In Mar 2025, the fund outperformed the Nifty 500 TRI. This can be attributed to: <ul style="list-style-type: none"> An overweight stance on Healthcare, Materials An underweight stance on Consumer Discretionary Stock selection playing out - IT, Consumer Staples, Healthcare |
| Spark GEMS/ Bespoke/HCI | <ul style="list-style-type: none"> Bespoke solution for UHNI clients who would require higher touch of engagement with Fund Manager(s) | <ul style="list-style-type: none"> In Mar 2025, Bi Spoke outperformed the BSE 500 index while GEMS and HCI underperformed the index. |
| AAA Budding Beast | <ul style="list-style-type: none"> Diversified portfolio of high quality, established, and emerging leaders with low debt and net profit greater than Rs 50 crore | <ul style="list-style-type: none"> In Mar 2025, the fund outperformed the BSE 500 TRI. The key contributors were Sumitomo Chemical, Man Industries, Carborundum Universal Ltd, PNB Housing Finance and Amber Enterprises. |
| Carnelian Shift PMS/Franklin India Opportunities | <ul style="list-style-type: none"> Carnelian <ul style="list-style-type: none"> Theme exposure to Manufacturing and IT with a flexi cap mandate while having a mid and small cap bias across 25- 30 stocks In March 2025, the fund outperformed the BSE 500 TRI. The key contributors were ASK Automotive, Kirloskar Pneumatic Company, Laurus Labs and Neuland Labs. | <ul style="list-style-type: none"> Franklin India Opportunities <ul style="list-style-type: none"> Exposure spans themes across market capitalization, such as Rising Affluence, Digitalization, Make in India, Sustainable Living (Energy) In Mar 2025, the fund underperformed the Nifty 500 TRI. This can be attributed to: <ul style="list-style-type: none"> An overweight stance on Consumer Discretionary An underweight stance on Utilities, Industrials Stock selection not playing out - Materials, Communication Services, Energy |
| Spark Near IPO | <ul style="list-style-type: none"> 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 - Avg 1 Year Rolling Ret and Standard Deviation



- Returns are based on average of monthly 1 Year rolling returns of indices as on March 31, 2025
- The risk(standard deviation) is plotted in x-axis which is the annualized monthly standard deviation over last 3 years
- Ideal Product should have lower risk while generating higher return to enhance risk adjusted return profile of the portfolio
- The funds highlighted in blue boxes above correspond to the blue dots of the respective category. Funds are mapped based on their risk-return profile

We have taken the following Indices Monthly return data since 1 Jan 2014, to arrive at the average annualized return and standard deviation to construct the risk-return matrix:
 Large: Nifty 100 TRI; Mid: Nifty Midcap 150 TRI; Small: Nifty Small cap 250 TRI; Multi/Flexi: Nifty 500 TRI; Large & Mid: Nifty Large Midcap 250 TRI; Low Vol: Nifty100 Low Volatility 30 TRI; Momentum: Nifty200 Momentum 30 TRI
 Buyout, PE s and Venture Capital s have no benchmark we have positioned as per the industry risk reward historically based on the return profile and probability of writeoffs
 Data as on 31st March 2025

Manager Outlook Takeaways: Equity PMS

| AMC (Manager) | Market Outlook | Positioning & Deployment |
|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Abakkus (Sunil Singhania) | <ul style="list-style-type: none"> Markets have witnessed a recovery in April FPIs turned net buyers after several months; flows from DIIs have been steady U.S. Federal Reserve maintained interest rates, but signaled the possibility of two rate cuts later in 2025 One of the largest negative impacts of tariffs could be felt by the U.S. Liquidity infusion by the RBI is expected to drive strong economic recovery over the next few quarters Corporate profit growth is projected to remain subdued, though it may show an improvement compared to the past two quarters | <ul style="list-style-type: none"> ✓ Positive on Banks and Industrials |
| Spark Asia Impact (P. Krishnan) | <ul style="list-style-type: none"> Global shifts in interest rates, trade, and geopolitics bode well for India as an attractive long-term investment destination India's past resilience, ongoing reforms, and reduced protectionism could unlock significant growth notwithstanding short-term disruptions Markets have seen a healthy correction that likely reflects some of the current risks, but investors should remain cautious given the macro uncertainties Certain segments, especially in mid and small caps, still appear stretched in terms of valuations and risk | <ul style="list-style-type: none"> ✓ Reduced IT exposure ✓ Positive on Financials & Insurance ✓ Maintaining 10-12% cash in older accounts while in new accounts deployment is moderate. |
| Carnelian (Vikas Khemani) | <ul style="list-style-type: none"> Tariff wars and rising nationalism have created market instability, especially with concerns over a potential global slowdown India's minimal exports to the US, coupled with a tariff advantage over most other nations, could be an advantage RBI has room to maintain its accommodative monetary policy stance to support growth A low current account deficit, controlled fiscal deficit, a robust banking system with low NPAs, a moderate debt-to-GDP ratio, and benign inflation work in favour of India | <ul style="list-style-type: none"> ✓ Positive outlook on BFSI, pharma, CDMO, infrastructure, consumption ✓ Export-dependent sectors may face some short-term challenges ✓ Reducing IT exposure and increased healthcare holdings. |
| Renaissance (Pankaj Murarka) | <ul style="list-style-type: none"> Tariff announcements by Donald Trump are aimed at incentivizing domestic manufacturing and reducing budget deficits Expected improvements in macroeconomic indicators and earnings growth in the coming quarters are positives for India From a global standpoint, uncertainty in terms of growth and US bond yield trajectory, among other factors, could have a bearing on valuations | <ul style="list-style-type: none"> ✓ Positive on Private sector financials, Housing NBFCs, IT, Pharma, and Telecom ✓ Increased exposure to Consumption ✓ Underweight on capital goods, Defense, PSU and infra and Equal weight on IT |
| AAA (Rajesh Kothari) | <ul style="list-style-type: none"> India's exports to the U.S. are much lower compared to China and Vietnam, thus reducing vulnerability to tariff announcements Declining crude oil price works well for India, given its status as a net importer of the commodity Nifty is trading at the lower end of its 10-year average price-to-earnings multiple | <ul style="list-style-type: none"> ✓ Positive on Banking & Finance, Chemicals and Pharma ✓ Reduced exposure in Auto, Consumer and Engineering |

Views of Major Equity Mutual Fund Houses

| AMC | Views |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SBI | <ul style="list-style-type: none"> ▪ The new fiscal year has seen the emergence of Tariffs and trade uncertainty as a new source of volatility ▪ The second order impact of tariffs on inflation and possible stagflation risks is likely to influence decision making by global central banks ▪ Prolonged uncertainty and slower global trade could dent corporate confidence and potentially derail capex plans ▪ Market turbulence may provide much saner entry levels for long term investors versus six months ago ▪ Advocate equity exposure through quality businesses, i.e. companies with strong business models, long-term earnings growth visibility, and sustainable cash flows |
| HDFC | <ul style="list-style-type: none"> ▪ US policies on trade and immigration could have bearing on growth inflation dynamics for US and all major economies ▪ For India, growth in FY26 is expected to moderate compared to FY25, but is likely to be better than most global peers ▪ Private capex has potential to accelerate in view of low leverage, increasing capacity utilization, healthy profitability, and a robust banking sector balance sheet ▪ India's external sector remains robust on the back of comfortable current account deficit (due to better-than-expected services exports) and adequate forex reserves ▪ Policy continuity, PLI, shift in global supply chain, capex resurgence, consumption boost, and lower borrowing cost bode well over the medium term |
| ICICI | <ul style="list-style-type: none"> ▪ India's GDP growth is estimated at 6.4% in FY25 and 6.5% in FY26, compared with 8.2% in FY24 ▪ Income tax cuts, lower inflation and the RBI's rate cuts are expected to support growth in fiscal 2026, assuming a normal monsoon and lower crude oil prices ▪ The Union Budget 2025-26 has focused on consumption revival, fiscal prudence, export promotion, tax rationalization, and boosting domestic manufacturing ▪ Large caps have suffered of late due to aggressive FPI selling, which makes them reasonably valued |
| Nippon | <ul style="list-style-type: none"> ▪ Downturn in Indian equities is primarily attributed to uncertainty in US policies, interest rate challenges, and weak near-term earnings growth ▪ Global policy stance, especially the tariff actions by the US and responses from impacted countries, is likely to impact the market sentiments ▪ US tariff related factors can lead to changes in global supply chains, thereby impacting near-term growth ▪ Large Cap and Large Cap oriented strategies appear better placed on a risk-reward basis, while Mid/Small cap allocation may be considered in a staggered manner ▪ While the market may consolidate in the near term, domestic fundamentals and lead indicators remain supportive from a medium-term perspective |
| Axis | <ul style="list-style-type: none"> ▪ Markets remain overvalued across the investment part of the economy, and therefore, normalization in some segments is likely ▪ The impact of tariffs on India's exports may be muted in near-term, but global growth and trade slowdown could hurt medium-term growth prospects ▪ Sectors such as chemicals, electronics, gems and jewelry, etc. face a relatively larger increase in tariffs, whereas pharmaceuticals have been kept out of the ambit of tariffs ▪ India's premium has also adjusted and is now much closer to the average compared to other emerging markets ▪ The AMC's portfolio construction is geared towards capturing growth tailwinds in various sectors – both structural and opportunistic ▪ In the current scenario, earnings growth is unlikely to support valuation expansion in near term ▪ India's long term growth story is supported by strong macros, healthy expected earnings growth, an emerging private capex cycle, and higher discretionary spends |

PMS/AIF Key Ideas for the Month

| | Overview | Details | Market Cap Allocation | Entry / Exit in the Month | Top 5 Sectors | Top 5 Stocks | | | | | | | | | | | | | | | | | | | | | | |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------|--------------|-------|--------|-------|----------|-------|------|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|------------|-------------|-------|-------------------|-------|------------|-------|------------------------|-------|------------------------|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Spark C&S* | <p>Suitable For Conservative investors seeking a large cap bias portfolio and consistent long-term return generation</p> <p>Strategy 12-20 stocks portfolio, sector agnostic portfolio with a market cap agnostic mandate, manager will rebalance the "Satellite" portion if the weight exceed the intended allocation</p> <p>Positioning</p> <ul style="list-style-type: none"> Bullish on Financials and Insurance | <p>AUM - 352</p> <p>Stocks - 19 Sectors - 11</p> <p>Up / Down Capture -3Y 116 / 75</p> | <table border="1"> <tr><th>Market Cap</th><th>Allocation</th></tr> <tr><td>Largecap</td><td>38.5%</td></tr> <tr><td>Midcap</td><td>30.5%</td></tr> <tr><td>Smallcap</td><td>13.0%</td></tr> <tr><td>Cash</td><td>18.0%</td></tr> </table> | Market Cap | Allocation | Largecap | 38.5% | Midcap | 30.5% | Smallcap | 13.0% | Cash | 18.0% | <p>Entry / Exit in the Month</p> <ul style="list-style-type: none"> CIPLA Reliance SBIN Axis Bank | <table border="1"> <tr><th>Sector</th><th>Allocation</th></tr> <tr><td>BFSI</td><td>45.5%</td></tr> <tr><td>Pharma/Healthcare</td><td>13.0%</td></tr> <tr><td>IT</td><td>5.5%</td></tr> <tr><td>Consumer Discretionary</td><td>4.0%</td></tr> <tr><td>Others</td><td>10.0%</td></tr> </table> | Sector | Allocation | BFSI | 45.5% | Pharma/Healthcare | 13.0% | IT | 5.5% | Consumer Discretionary | 4.0% | Others | 10.0% | <ul style="list-style-type: none"> Kotak Mahindra Bank HDFC Bank Ltd Abbott India Ltd Federal Bank Ltd ICICI Lombard General Insurance Ltd |
| Market Cap | Allocation | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Largecap | 38.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Midcap | 30.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Smallcap | 13.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 18.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sector | Allocation | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| BFSI | 45.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pharma/Healthcare | 13.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| IT | 5.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Consumer Discretionary | 4.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Others | 10.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| AAA BB | <p>Suitable For Balanced to Aggressive investors seeking broader market exposure through quality and established leaders</p> <p>Strategy Mid and small cap focused portfolio, where portfolio is constructed to deliver risk adjusted return by navigating volatile market through diversified portfolio construction and disciplined exit approach</p> <p>Positioning</p> <ul style="list-style-type: none"> Banking & Finance, Chemicals and Pharma | <p>AUM - 456</p> <p>Stocks - 56 Sectors - 22</p> <p>Up / Down Capture -3Y 119 / 80</p> | <table border="1"> <tr><th>Market Cap</th><th>Allocation</th></tr> <tr><td>Largecap</td><td>11.0%</td></tr> <tr><td>Midcap</td><td>18.0%</td></tr> <tr><td>Smallcap</td><td>70.0%</td></tr> <tr><td>Cash</td><td>1.0%</td></tr> </table> | Market Cap | Allocation | Largecap | 11.0% | Midcap | 18.0% | Smallcap | 70.0% | Cash | 1.0% | <p>Entry / Exit in the Month</p> <ul style="list-style-type: none"> Avalon Technologies PG Electroplast Intellect Design Arena Aditya Vision <ul style="list-style-type: none"> International Gemmological Institute India | <table border="1"> <tr><th>Sector</th><th>Allocation</th></tr> <tr><td>Engineering</td><td>16.3%</td></tr> <tr><td>Banking & Finance</td><td>14.6%</td></tr> <tr><td>Pharma</td><td>14.2%</td></tr> <tr><td>Consumer</td><td>12.7%</td></tr> <tr><td>Auto Ancillary</td><td>11.7%</td></tr> </table> | Sector | Allocation | Engineering | 16.3% | Banking & Finance | 14.6% | Pharma | 14.2% | Consumer | 12.7% | Auto Ancillary | 11.7% | <ul style="list-style-type: none"> Cholamandalam Investment CG Power and Industrial Solutions Vesuvius India Ltd Sumitomo Chemical India Ltd Sudarshan Chemical Industries Ltd |
| Market Cap | Allocation | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Largecap | 11.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Midcap | 18.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Smallcap | 70.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 1.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sector | Allocation | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Engineering | 16.3% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Banking & Finance | 14.6% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pharma | 14.2% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Consumer | 12.7% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Auto Ancillary | 11.7% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Alchemy Smart Alpha | <p>Suitable For Balanced to Aggressive investors seeking long-term alpha generation in large and midcap space</p> <p>Strategy A quant-focused approach to build a portfolio of ~25 stocks in the large and midcap space. Rebalancing is undertaken daily by dynamically changing factor weightage as per the prevailing macro environment</p> <p>Positioning</p> <ul style="list-style-type: none"> Increased exposure to Healthcare, Finance, Consumer Discretionary and IT | <p>AUM - 528</p> <p>Stocks - 25 Sectors - 10</p> <p>Up / Down Capture -SI^ 134 / 124</p> | <table border="1"> <tr><th>Market Cap</th><th>Allocation</th></tr> <tr><td>Largecap</td><td>26.0%</td></tr> <tr><td>Midcap</td><td>59.0%</td></tr> <tr><td>Smallcap</td><td>14.0%</td></tr> <tr><td>Cash</td><td>1.0%</td></tr> </table> | Market Cap | Allocation | Largecap | 26.0% | Midcap | 59.0% | Smallcap | 14.0% | Cash | 1.0% | <p>Entry / Exit in the Month</p> <ul style="list-style-type: none"> Abott India SRF Blue Star <ul style="list-style-type: none"> Kalyan Jewels UNO Minda Infosys | <table border="1"> <tr><th>Sector</th><th>Allocation</th></tr> <tr><td>Financials</td><td>23.4%</td></tr> <tr><td>Industrials</td><td>20.8%</td></tr> <tr><td>Healthcare</td><td>18.2%</td></tr> <tr><td>Consumer Discretionary</td><td>17.7%</td></tr> <tr><td>Information Technology</td><td>12.8%</td></tr> </table> | Sector | Allocation | Financials | 23.4% | Industrials | 20.8% | Healthcare | 18.2% | Consumer Discretionary | 17.7% | Information Technology | 12.8% | <ul style="list-style-type: none"> Dixon Technologies India Ltd Trent Ltd Interglobe Aviation Ltd BSE Ltd PB Fintech Ltd |
| Market Cap | Allocation | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Largecap | 26.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Midcap | 59.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Smallcap | 14.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 1.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sector | Allocation | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Financials | 23.4% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Industrials | 20.8% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Healthcare | 18.2% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Consumer Discretionary | 17.7% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Information Technology | 12.8% | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Data - February 28, 2025

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

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

PMS/AIF Ideas Dashboard

| | Overview | Details | Market Cap Allocation | Entry / Exit in the Month | Top 5 Sectors | Top 5 Stocks | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------|--------------|-------|--------|-------|----------|-------|------|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|------------|---------|-------|--------------------|-------|------------------------|-------|------------------------|------|------------------|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Buoyant | <p>Suitable For Balanced investors seeking a large cap bias portfolio and consistent long-term return generation</p> <p>Strategy It uses core & satellite strategy, where core consists of stable, cash-generating industry leaders, while the satellite includes cyclical companies or those poised for turnaround.</p> <p>Positioning</p> <ul style="list-style-type: none"> Bullish on IT, Cements and Consumption | <p>AUM - 4330</p> <p>Stocks - 38 Sectors - 16</p> <p>Up / Down Capture -3Y 103 / 68</p> | <table border="1"> <tr><th>Market Cap</th><th>Allocation</th></tr> <tr><td>Largecap</td><td>45.6%</td></tr> <tr><td>Midcap</td><td>19.1%</td></tr> <tr><td>Smallcap</td><td>25.0%</td></tr> <tr><td>Cash</td><td>10.3%</td></tr> </table> | Market Cap | Allocation | Largecap | 45.6% | Midcap | 19.1% | Smallcap | 25.0% | Cash | 10.3% | <p>Entry / Exit in the Month</p> <ul style="list-style-type: none"> Glenmark Pharmaceuticals Ltd Abb India Ltd Blue Jet Healthcare Ltd Aadhar Housing Finance Ltd | <table border="1"> <tr><th>Sector</th><th>Allocation</th></tr> <tr><td>Banking</td><td>18.6%</td></tr> <tr><td>NBFC</td><td>9.6%</td></tr> <tr><td>Insurance</td><td>7.8%</td></tr> <tr><td>Building Materials</td><td>7.2%</td></tr> <tr><td>Info Tech</td><td>6.5%</td></tr> </table> | Sector | Allocation | Banking | 18.6% | NBFC | 9.6% | Insurance | 7.8% | Building Materials | 7.2% | Info Tech | 6.5% | <ul style="list-style-type: none"> State Bank Of India HDFC Bank Ltd. ICICI Bank Ltd. Ramkrishna Forgings L Manappuram Finance |
| Market Cap | Allocation | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Largecap | 45.6% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Midcap | 19.1% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Smallcap | 25.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 10.3% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sector | Allocation | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Banking | 18.6% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| NBFC | 9.6% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Insurance | 7.8% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Building Materials | 7.2% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Info Tech | 6.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Renaissance India | <p>Suitable For Balanced investors seeking a large cap bias portfolio and consistent long-term return generation</p> <p>Strategy Concentrated SQGARP Portfolio focuses on Sustainable Quality Growth at a Reasonable Price. It combines top-down theme selection with a bottom-up approach to stock picking.</p> <p>Positioning</p> <ul style="list-style-type: none"> Private sector financials, Housing NBFCs, IT, Pharma, and Telecom | <p>AUM - 442</p> <p>Stocks - 28 Sectors - 14</p> <p>Up / Down Capture -3Y 138 / 86</p> | <table border="1"> <tr><th>Market Cap</th><th>Allocation</th></tr> <tr><td>Largecap</td><td>55.4%</td></tr> <tr><td>Midcap</td><td>19.4%</td></tr> <tr><td>Smallcap</td><td>25.0%</td></tr> <tr><td>Cash</td><td>0.1%</td></tr> </table> | Market Cap | Allocation | Largecap | 55.4% | Midcap | 19.4% | Smallcap | 25.0% | Cash | 0.1% | <p>Entry / Exit in the Month</p> <ul style="list-style-type: none"> Tata Motors Nil | <table border="1"> <tr><th>Sector</th><th>Allocation</th></tr> <tr><td>BFSI</td><td>37.5%</td></tr> <tr><td>Pharma & Chemicals</td><td>12.3%</td></tr> <tr><td>Information Technology</td><td>11.4%</td></tr> <tr><td>Consumer Discretionary</td><td>9.3%</td></tr> <tr><td>Auto & Logistics</td><td>6.6%</td></tr> </table> | Sector | Allocation | BFSI | 37.5% | Pharma & Chemicals | 12.3% | Information Technology | 11.4% | Consumer Discretionary | 9.3% | Auto & Logistics | 6.6% | <ul style="list-style-type: none"> HDFC Bank Tech Mahindra Infosys Reliance Industries HDFC AMC |
| Market Cap | Allocation | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Largecap | 55.4% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Midcap | 19.4% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Smallcap | 25.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 0.1% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sector | Allocation | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| BFSI | 37.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pharma & Chemicals | 12.3% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Information Technology | 11.4% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Consumer Discretionary | 9.3% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Auto & Logistics | 6.6% | | | | | | | | | | | | | | | | | | | | | | | | | | | |

MF Key Ideas for the Month

| | Overview | Details | Market Cap Allocation | Entry / Exit in the Month | Top 5 Sectors | Top 5 Stocks |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| WhiteOak Capital Flexi Cap Fund | <p>Suitable For Balanced and aggressive investors seeking to participate across the market cap spectrum</p> <p>Strategy The fund follows a growth style of investing. Stock picking is bottom-up in nature. Key stock selection parameters include superior return on incremental capital, scalable long-term opportunity, strong governance, well-managed businesses, and price at a substantial discount to intrinsic value.</p> <p>Positioning</p> <ul style="list-style-type: none"> Overweight on Financials, Capital Goods Underweight on Crude Oil, Power, Auto | <p>AUM – 4,399.54</p> <p>Stocks - 113 Sectors - 29</p> <p>Up / Down Capture – NA*</p> | | <p>-</p> <ul style="list-style-type: none"> Godavari Biorefineries ICICI Securities Kewal Kiran Clothing Sai Life Sciences | | <ul style="list-style-type: none"> ICICI Bank HDFC Bank Kotak Mahindra Bank Bharti Airtel Reliance Industries |
| ICICI Pru Bluechip Fund | <p>Suitable For Conservative and Balanced investors seeking to compound wealth steadily through large caps</p> <p>Strategy The fund includes exposure to growth and value stocks. Growth portion of the portfolio lays emphasis on sector leadership, profitability, and compounding potential. For the value portion, stocks are shortlisted based on temporary headwinds, undemanding multiples, and scope for mean reversion.</p> <p>Positioning</p> <ul style="list-style-type: none"> Overweight on Construction Materials, Auto Underweight on FMCG, IT, Financials | <p>AUM – 64,962.52</p> <p>Stocks - 63 Sectors - 26</p> <p>Up / Down Capture - 100.7 / 75.5</p> | | <p>-</p> <ul style="list-style-type: none"> Ambuja Cements HPCL ICICI Lombard General Insurance ICICI Securities | | <ul style="list-style-type: none"> HDFC Bank ICICI Bank Larsen & Toubro Reliance Industries Bharti Airtel |
| Parag Parikh Flexi Cap Fund | <p>Recommended For Conservative and Balanced investors seeking to participate across the market cap spectrum, while simultaneously being cautious about risk factors</p> <p>Strategy & Positioning The exposure predominantly pertains to mega and large caps. In addition, the fund offers exposure to select US-based tech stocks, thereby ensuring geographical diversification. Active cash calls may be taken when there are not enough investment opportunities.</p> <p>Positioning</p> <ul style="list-style-type: none"> Overweight on Mining, Power, Financials Underweight on Crude Oil, IT, Capital Goods | <p>AUM – 93,440.89</p> <p>Stocks - 83 Sectors - 31</p> <p>Up / Down Capture - 81.3 / 48.9</p> | | <ul style="list-style-type: none"> BPCL Grasim Industries Vedanta Varun Beverages <ul style="list-style-type: none"> Manappuram Finance | | <ul style="list-style-type: none"> HDFC Bank Bajaj Holdings & Investment Coal India Power Grid Corporation Of India ICICI Bank |

Data as on March 31, 2025

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

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

Source: Ace MF, Spark PWM Products

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

Why we like Samara Capital III?

Firm

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

Manager

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

Fund

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

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

Why we like Spark Midas Investment Fund I

Firm

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

Manager

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

Fund

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

Disclaimer

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