TEMPO

Trends | Economy | Markets | Performance | Outlook

September 2026

Edelweiss Mutual Fund – SEBI Registration No. MF/057/08/02

Trends | Economy | Markets | Performance | Outlook

Global equity markets at a glance

	Countries	Exchange Name	Index Level	Valuation (12-month forward)					Absolute Performance (%)			
				P/E (x)	P/E (x) 10yr Avg	P/B (x)	P/B (x) 10yr Avg	ROE (%)	1 Month	3 Months	6 Months	1 Year
Developed Market	USA	S&P500	7,686	19.4	19.2	4.7	3.6	22.9	2.6%	1.4%	11.7%	19.0%
	USA	Nasdaq	26,371	23.8	25.6	15.9	4.9	63.0	3.9%	-2.2%	16.3%	22.9%
	Europe	STOXX 600	651	14.9	14.5	2.2	1.8	14.5	0.3%	4.2%	2.7%	18.4%
	UK	FTSE 100	10,824	12.9	12.7	2.2	1.8	16.1	-0.4%	4.0%	-0.8%	17.8%
	Germany	DAX	26,258	15.5	13.4	1.9	1.6	11.9	2.5%	4.6%	3.9%	9.9%
	France	CAC 40	8,335	14.3	14.1	1.9	1.6	12.7	-2.1%	1.8%	-2.9%	8.2%
	Japan	Topix	4,156	16.2	14.8	1.7	1.3	10.2	3.8%	5.0%	5.5%	35.2%
	Australia	ASX 200	9,076	17.9	16.5	2.1	1.9	11.7	1.1%	3.9%	-1.3%	1.1%
	Singapore	STI Index	5,755	16.5	12.8	1.8	1.2	11.0	2.3%	14.2%	15.2%	34.8%
	Hong Kong	Hang Seng	25,567	10.7	10.4	1.2	1.1	10.9	-1.2%	1.5%	-4.0%	2.0%
Emerging Market	India	Sensex	76,957	18.1	19.4	2.6	2.9	14.2	-1.5%	2.9%	-5.3%	-3.6%
	China	Shanghai Composite	3,986	13.1	11.7	1.3	1.3	10.3	4.0%	-2.0%	-4.2%	3.3%
	Brazil	Bovespa	1,77,419	8.4	10.1	1.4	1.6	16.0	-0.3%	2.1%	-6.0%	25.5%
	Korea	KOSPI	6,820	5.4	10.0	1.4	1.0	26.4	3.4%	-19.5%	9.2%	114.1%
	Mexico	IPC	65,430	12.3	13.6	2.1	2.0	17.5	-2.3%	-4.6%	-8.4%	11.4%
	Philippines	PCOMP	5,956	8.9	13.9	1.1	1.6	12.3	-4.5%	3.3%	-9.9%	-3.2%
	Turkey	XU100	14,334	2.3	5.4	0.2	0.9	3.7	6.5%	4.9%	4.5%	27.0%
	Thailand	SET	1,595	13.9	15.0	1.5	1.4	10.7	-1.8%	1.7%	4.4%	29.0%
	Vietnam	VN30	1,983	10.0	10.8	1.7	1.9	17.8	5.9%	-0.7%	-3.8%	6.3%
	Indonesia	JCI	6,525	10.0	14.5	1.4	1.9	13.9	4.6%	6.5%	-20.8%	-16.7%

Source: Bloomberg. Data as of 31st Aug 2026. Performance in home currency. All foreign indices are price returns.

Global equity markets at a glance

EDELWEISS MUTUAL FUND

	Countries	Exchange Name	CAGR Performance (%, in USD)											
			3Y	Rank	5Y	Rank	7Y	Rank	10Y	Rank	15Y	Rank	20Y	Rank
Developed Market	USA	S&P500	19%	5	11%	4	15%	3	12%	2	13%	2	9%	2
	USA	Nasdaq	23%	3	12%	3	19%	1	15%	1	17%	1	13%	1
	Europe	STOXX 600	15%	8	6%	11	9%	8	5%	9	5%	8	3%	14
	UK	FTSE 100	16%	7	8%	7	8%	11	4%	12	3%	11	1%	18
	Germany	DAX	21%	4	10%	6	13%	4	8%	5	9%	3	7%	3
	France	CAC 40	7%	15	4%	12	7%	12	5%	11	5%	9	2%	16
	Japan	Topix	18%	6	8%	9	9%	7	6%	8	7%	6	3%	13
	Australia	ASX 200	11%	13	3%	14	6%	15	4%	14	2%	13	3%	15
	Singapore	STI Index	24%	2	15%	1	11%	5	6%	7	4%	10	5%	6
	Hong Kong	Hang Seng	12%	11	0%	17	0%	17	-1%	18	1%	16	2%	17
Emerging Market	India	Sensex	1%	17	1%	16	6%	13	5%	10	6%	7	6%	5
	China	Shanghai Composite	11%	12	2%	15	6%	14	3%	15	3%	12	5%	7
	Brazil	Bovespa	13%	10	8%	8	5%	16	7%	6	0%	17	4%	11
	Korea	KOSPI	37%	1	13%	2	17%	2	11%	3	7%	5	7%	4
	Mexico	IPC	7%	14	8%	10	9%	9	4%	13	2%	15	4%	12
	Philippines	PCOMP	-4%	19	-7%	20	-6%	20	-5%	20	0%	19	4%	10
	Turkey	XU100	0%	18	11%	5	9%	10	1%	16	0%	18	1%	19
	Thailand	SET	2%	16	-1%	18	-2%	18	1%	17	2%	14	5%	8
	Vietnam	VN30	14%	9	4%	13	10%	6	10%	4	9%	4	-	-
	Indonesia	JCI	-7%	20	-3%	19	-3%	19	-1%	19	-1%	20	4%	9

Source: Bloomberg. Data as of 31st Aug 2026. Performance in USD. All foreign indices are price returns.

Indian equity markets at a glance

EDELWEISS MUTUAL FUND

Market cap and Sector performance – Trailing period

	Segment	Absolute Performance (%)				CAGR (%)		
		1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years
Market-cap	Large-cap (NIFTY 50)	-1.14%	2.89%	-3.60%	-0.35%	8.99%	8.32%	11.95%
	Large-cap (NIFTY Next 50)	0.26%	4.19%	6.52%	13.20%	19.40%	13.12%	13.52%
	Large-cap (NIFTY 100)	-0.88%	3.13%	-1.81%	1.98%	10.73%	8.97%	12.17%
	Midcap (NIFTY Midcap 150)	1.79%	4.57%	8.09%	14.13%	17.67%	17.82%	17.50%
	Large & Midcap (NIFTY Large Midcap 250)	0.46%	3.83%	3.09%	7.96%	14.25%	13.43%	14.93%
	Small-cap (NIFTY Smallcap 250)	2.62%	8.44%	16.10%	11.95%	16.15%	16.55%	15.07%
	Multicap (NIFTY 500)	0.05%	4.00%	1.87%	5.34%	12.54%	11.12%	13.31%
	Micro-cap (NIFTY Microcap250)	5.49%	12.52%	24.96%	15.97%	19.16%	23.83%	20.18%
Themes/Sector	Auto (NIFTY AUTO)	0.50%	10.30%	3.36%	16.77%	23.64%	24.64%	12.47%
	Banks (NIFTY Bank)	1.49%	7.51%	-3.51%	8.85%	10.52%	10.63%	12.00%
	Commodities (NIFTY Commodities)	-1.69%	-5.45%	-2.11%	14.14%	16.92%	13.39%	14.16%
	Consumption (NIFTY India Consumption)	-2.25%	5.39%	2.96%	-1.36%	13.50%	12.43%	12.76%
	Energy (NIFTY Energy)	-1.93%	-6.84%	2.82%	14.04%	15.28%	15.16%	16.92%
	Healthcare (NIFTY Healthcare)	1.14%	10.38%	14.26%	18.65%	22.02%	13.80%	11.18%
	Infrastructure (NIFTY Infrastructure)	-2.40%	-1.45%	-3.16%	4.31%	16.51%	15.43%	13.60%
	Information Technology (NIFTY IT)	1.59%	7.61%	2.81%	-9.44%	2.18%	-0.01%	13.71%
	Manufacturing (NIFTY India Manufacturing)	1.66%	4.89%	5.86%	17.40%	20.35%	17.65%	14.47%
	Oil & Gas (NIFTY Oil & Gas)	-1.19%	-0.57%	-9.08%	3.72%	13.82%	10.49%	14.56%
	Pharma (NIFTY Pharma)	2.50%	12.04%	18.87%	25.45%	22.45%	14.46%	9.76%
	Realty (NIFTY Realty)	0.39%	16.01%	16.32%	4.34%	17.85%	18.92%	16.43%
	Transportation (NIFTY Transportation & Logistics)	0.92%	11.03%	5.31%	9.83%	21.63%	22.31%	14.14%

Source: NSE. Performance up to 1 year is absolute and above 1 year is CAGR. Data as of 31st Aug 2026. The above indices are TR Indices.

Indian equity markets at a glance

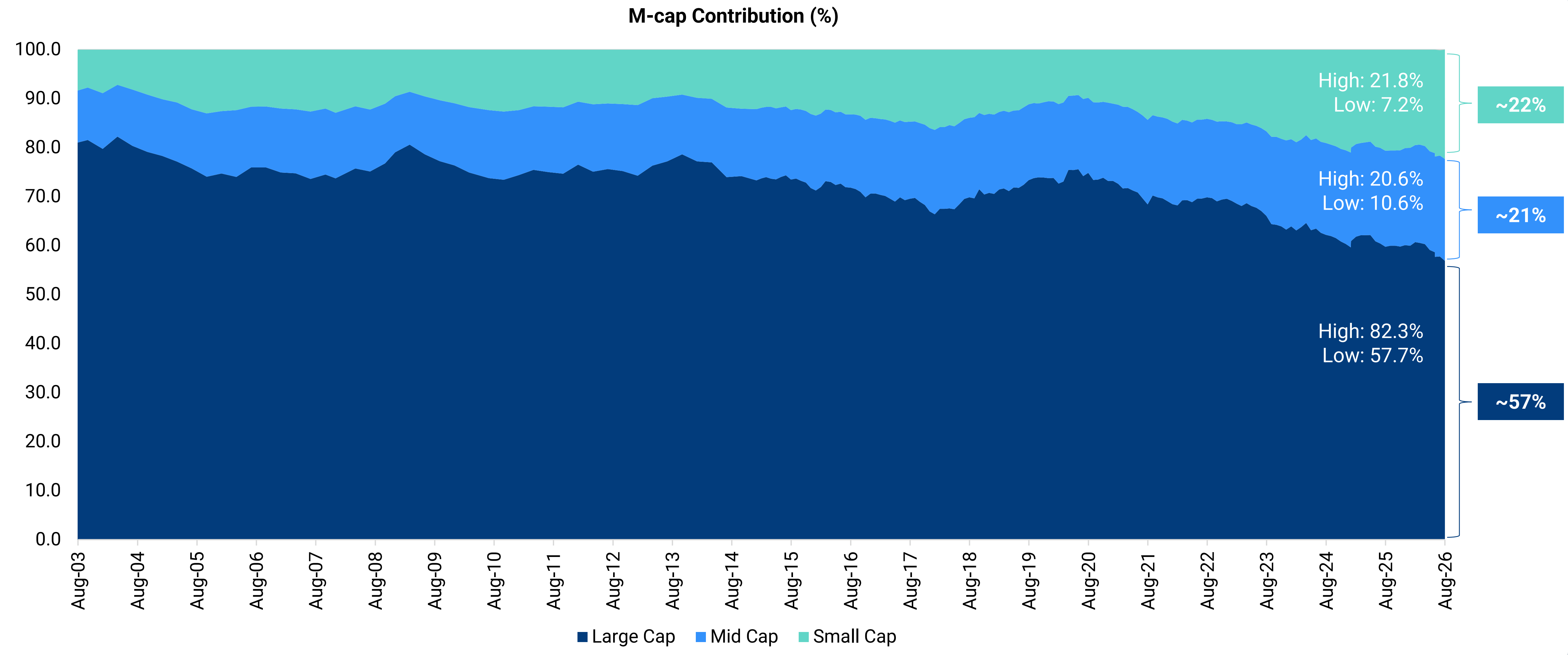
EDELWEISS MUTUAL FUND

Factor performance – Trailing period

	Segment	Absolute Performance (%)				CAGR (%)		
		1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years
Single Factor	Value (NIFTY 50 Value 20 Index)	-1.07%	-0.91%	-7.59%	-4.04%	7.67%	8.18%	14.36%
	Quality (NIFTY 100 Quality 30 Index)	0.91%	4.12%	3.72%	3.80%	11.25%	9.51%	11.49%
	Low Vol (NIFTY 100 Low Vol 30 Index)	-1.63%	4.19%	-0.57%	0.92%	12.28%	10.46%	12.98%
	Alpha (NIFTY 100 Alpha 30)	0.30%	1.13%	0.58%	1.79%	15.72%	9.03%	15.05%
	Alpha (NIFTY 200 Alpha30)	3.71%	4.73%	7.12%	11.98%	18.82%	15.59%	19.18%
	Momentum (NIFTY 200 Momentum30)	2.53%	3.22%	0.42%	6.38%	13.06%	11.02%	16.62%
	Quality (NIFTY 200 Quality30)	-0.13%	2.88%	3.03%	2.51%	10.65%	8.87%	12.34%
	Value (NIFTY 200 Value30)	-1.92%	-3.75%	-7.32%	21.15%	26.86%	26.21%	16.98%
	Momentum (NIFTY Midcap150 Momentum50)	3.87%	3.20%	6.16%	10.49%	18.13%	18.10%	20.76%
	Quality (NIFTY Midcap150 Quality50)	0.93%	4.22%	5.93%	5.46%	10.42%	8.67%	13.61%
	Quality (NIFTY Smallcap250 Quality50)	0.48%	2.98%	6.08%	-1.58%	10.89%	13.66%	15.86%
	Momentum (NIFTY500 Momentum 50)	5.05%	5.80%	7.29%	12.02%	14.85%	14.62%	18.95%
	Value (NIFTY500 Value 50)	-0.72%	-2.95%	-4.27%	19.61%	25.80%	25.82%	16.62%
Multi- Factor	Alpha Low Vol (NIFTY Alpha Low Vol 30)	-0.93%	6.43%	0.63%	4.97%	13.36%	10.61%	13.51%
	Quality Low Vol (NIFTY Quality Low Vol 30)	-1.29%	4.72%	0.13%	-1.02%	8.49%	7.71%	10.79%
	Momentum Quality (NIFTY500 Multicap Momentum Quality 50)	4.05%	0.07%	5.12%	6.79%	14.28%	11.75%	17.25%
	Momentum Quality (NIFTY MidSmallcap 400 Momentum Quality 100)	3.32%	3.80%	12.35%	13.33%	15.51%	15.22%	18.16%
	Momentum Quality (NIFTY Smallcap 250 Momentum Quality 100)	4.29%	9.11%	17.59%	11.82%	12.07%	13.66%	17.40%

Source: NSE. Performance up to 1 year is absolute and above 1 year is CAGR. Data as of 31st Aug 2026. The above indices are TR Indices.

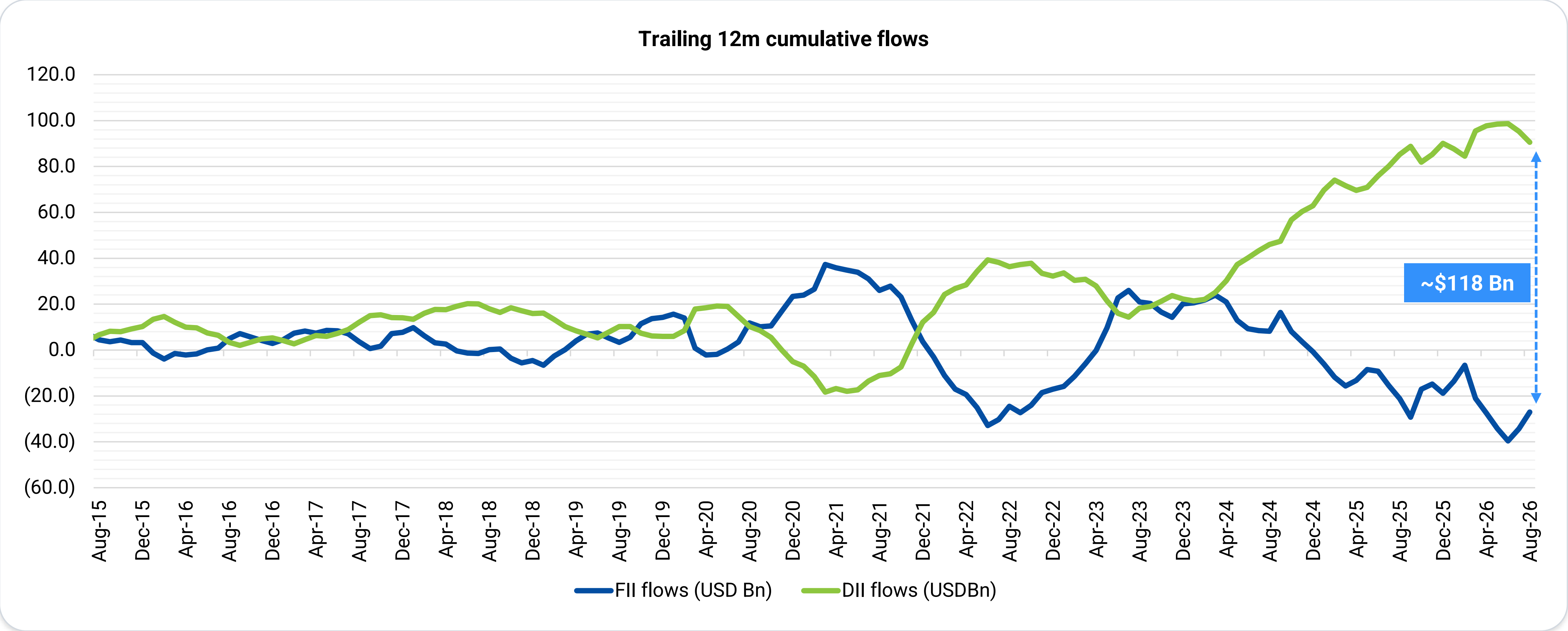
Trends in % share to total M-cap



Source: Bloomberg | Data as on 31st Aug 2026.

Trends in FII & DII flows

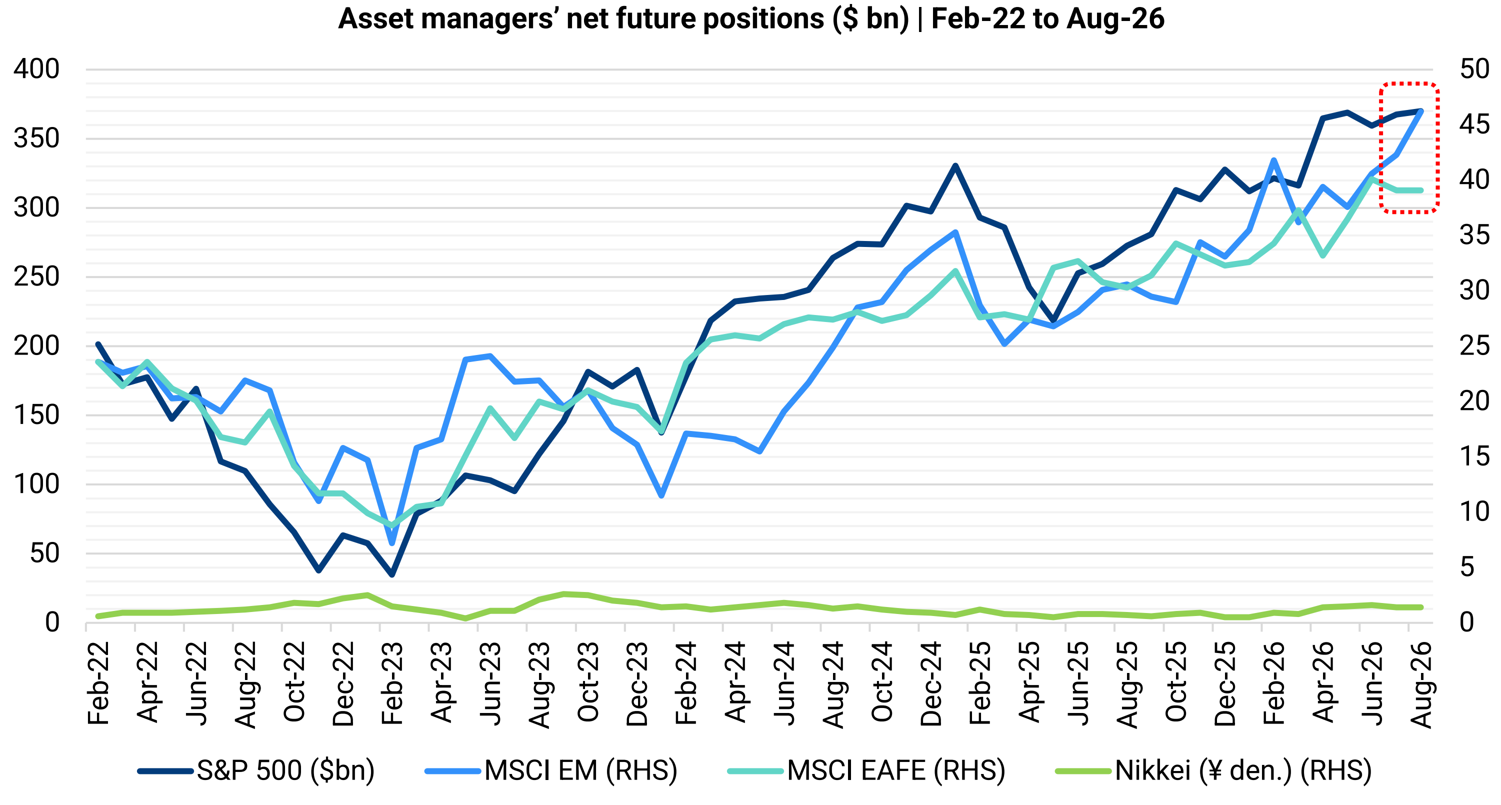
Tug of war between FIIs & DIIs has been the story of Indian markets



Source: Bloomberg | Data as on 31st Aug 2026.

Institutional investors are piling into equities globally

Net long positioning sits at or near record highs across the US, EM and EAFE



Positioning by region
Latest net long futures ($ bn)

United States
~$375bn
S&P 500 · near record high

Emerging Markets
~$44bn
MSCI EM · near record high

EAFE
~$39bn
MSCI EAFE · record high

Since Apr-2025
~$160bn+
S&P 500 net long · +74%

Source: Goldman Sachs Global Investment Research | Note: EM – Emerging Market; EAFE – Acronym for Europe, Australasia, and the Far East

Do FPIs control the Indian market?

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FPI Outflow

FPI driven market

When FPI sold market delivered negative returns

Market is changing

Outflows remain but return turn positive

CY	FPI Equity Flow (In Cr)	Nifty 100 TRI	Nifty Midcap 150 TRI	Nifty 500 TRI
2008	-52,987	-53.07%	-64.94%	-56.54%
2009	83,431	84.88%	113.87%	90.96%
2010	1,33,260	19.28%	20.07%	15.27%
2011	-2,714	-24.93%	-31.01%	-26.40%
2012	1,28,361	32.51%	46.69%	33.48%
2013	1,13,134	7.89%	-1.28%	4.82%
2014	97,059	34.88%	62.67%	39.30%
2015	17,801	-1.26%	9.70%	0.22%
2016	20,563	5.01%	6.53%	5.12%
2017	51,252	32.88%	55.73%	37.65%
2018	-33,014	2.57%	-12.62%	-2.14%
2019	1,01,122	11.83%	0.62%	8.97%
2020	1,70,262	16.08%	25.56%	17.89%
2021	25,752	26.45%	48.16%	31.60%
2022	-1,21,439	4.94%	3.91%	4.25%
2023	1,71,107	21.24%	44.61%	26.91%
2024	-191	12.95%	24.46%	16.24%
2025	-1,64,041	10.24%	5.98%	7.76%
2026*	-2,23,563	-4.61%	6.17%	10.60%

Source: NSDL, Bloomberg | *Data as on 31st Aug 2026 | For a more detailed analysis visit EMF CUE on FIIs.

Do FPIs control the Indian market?

CY	FPI Equity Flow (In Cr)	% of Mcap bought/sold by FPIs
2008	-52,987	1.70%
2009	83,431	1.37%
2010	1,33,260	1.83%
2011	-2,714	0.05%
2012	1,28,361	1.86%
2013	1,13,134	1.61%
2014	97,059	0.99%
2015	17,801	0.18%
2016	20,563	0.19%
2017	51,252	0.34%
2018	-33,014	0.23%
2019	1,01,122	0.65%
2020	1,70,262	0.90%
2021	25,752	0.10%
2022	-1,21,439	0.43%
2023	1,71,107	0.47%
2024	-191	0.00%
2025	-1,64,041	0.34%
2026*	-2,23,563	0.45%

FPI driven market

FPIs had a larger influence on Indian equities during earlier market cycles with flows forming a larger share of m-cap

Market is changing

Despite large FPI flows, their relative impact on market cap has declined

Source: NSDL, Bloomberg | *Data as on 31st Aug 2026 | For a more detailed analysis visit EMF CUE on FIIs.

Equity flows

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FPI Flows (USD Mn)

Months	India - DIIs	India - FIIs	Brazil	Indonesia	Malaysia	Philippines	S.Korea	Taiwan	Thailand	Vietnam
CY26TD*	**60,168**	**(24,118)**	**3,238**	**(4,092)**	**(1,582)**	**(400)**	**(1,09,692)**	**(34,590)**	**1,595**	**(3,478)**
Jan'26	7,617	(3,260)	4,962	(589)	259	226	449	1,809	141	(239)
Feb'26	4,230	1,688	2,965	21	43	144	(13,690)	7,999	1,743	(304)
Mar'26	15,412	(14,218)	2,235	(1,380)	(11)	(231)	(23,767)	(28,720)	(1,243)	(593)
Apr'26	5,453	(5,221)	592	(990)	76	(211)	593	8,423	(80)	(544)
May'26	8,672	(4,909)	(2,990)	(217)	(945)	(150)	(27,904)	8,385	110	(721)
Jun'26	9,021	(3,045)	(1,514)	(1,094)	(592)	(22)	(30,492)	(18,256)	211	(566)
Jul'26	3,659	2,453	499	89	74	67	(6,243)	(23,288)	1,459	(444)
Aug'26	6,104	2,394	(3,511)	68	(486)	(223)	(8,638)	9,058	(746)	(67)

- **Domestic inflows continue to provide stability**: Despite moderating from recent highs, DII flows remained positive in Aug'26 with US$ ~6,104 mn. inflows.
- **Foreign flows turn positive in India**: After months of outflows, **India recorded FPI inflows for the 2nd consecutive month** with cumulative flows of US$ ~4,847 mn in Jul-Aug 2026, indicating an improvement in overseas investor participation.
- **August saw some improvement in select markets, but flows remained uneven:** South Korea saw US$ ~9,058 mn. inflow in August, while Brazil (US$ ~3,238 mn. CY26TD) and Thailand (US$ ~1,595 mn.) remained among the few markets with positive CY26TD foreign flows

Source: Bloomberg and Kotak Institutional Equities | *Data as on 31st Aug 2026 | Flows data in USD mn.

Trends in the Commodity market

	Current Rate	1M	3M	6M	1Y	CYTD*
Gold (USD/oz)	4,437	9.7%	-2.3%	-15.9%	28.7%	2.7%
Silver (USD/oz)	67	15.6%	-11.6%	-29.0%	67.6%	-7.1%
Brent Crude (USD/bbl)	90	0.4%	-1.7%	24.8%	32.8%	48.7%
Aluminium (USD/ton)	3,234	0.5%	-14.2%	3.4%	23.5%	9.0%
Copper (USD/ton)	14,446	4.4%	6.2%	8.7%	47.1%	16.0%
Lead (USD/ton)	1,873	2.2%	-6.7%	-2.3%	-3.9%	-4.8%
Zinc (USD/ton)	4,084	10.1%	16.1%	23.8%	44.6%	32.5%

Key Highlights

- **Gold and silver showed moderate recovery** during the month of Aug'26, yet they are down in 6-month period.
- **Brent crude remained range-bound during Aug'26**, driven by concerns over supply disruptions and key energy trade routes.
- **Industrial metals are holding up better** recently, with Copper and Zinc remaining positive across period in the last 1 year.

Source: Bloomberg. Data as on 31st Aug 2026.

Trends in the Forex market

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Performance of currencies against the USD

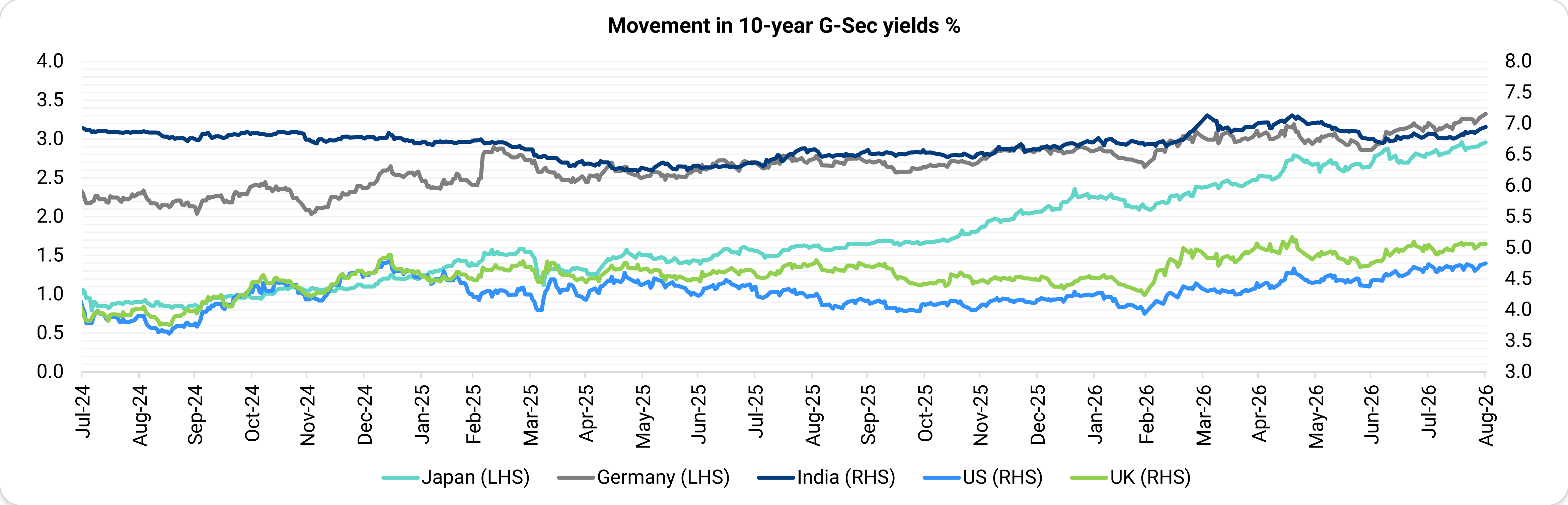
	Currency Rate	1M	3M	6M	1Y	CYTD*
INR	95.17	0.23%	-0.18%	-4.41%	-7.32%	-5.90%
Euro	0.86	0.79%	-0.35%	-1.64%	-0.58%	-1.09%
GBP	0.74	0.49%	0.69%	0.50%	0.33%	2.54%
JPY	159.74	-1.46%	-0.29%	-2.31%	-7.94%	-2.68%
CNY	6.72	0.48%	0.70%	2.13%	6.12%	4.02%
DXY	99.43	-0.49%	0.49%	1.86%	1.69%	0.01%
CAD	1.39	1.21%	-0.44%	-1.54%	-0.81%	1.04%
AUD	1.40	2.11%	-0.25%	0.69%	9.59%	9.52%
CHF	0.81	-0.10%	-3.38%	-4.83%	-0.97%	-0.46%

Key Highlights

- The **INR remained under pressure over the past year**, while the **Chinese Yuan and Australian Dollar were among the stronger performers.**
- The **Japanese yen has depreciated 7.9% over 1Y**, broadly in line with the INR, while **Swiss Franc (-1.0%) and Euro (-0.6%)** have been relatively stable
- The DXY weakened during the month but has broadly remained range-bound across period in the last 1 year.

Source: Bloomberg. Data as on 31st Aug 2026 | GBP – Great Britain Pound, JPY – Japanese Yen, CNY – Chinese Yuan, DXY – US Dollar Index, CAD – Canadian Dollar, AUD – Australian Dollar, CHF – Swiss Franc

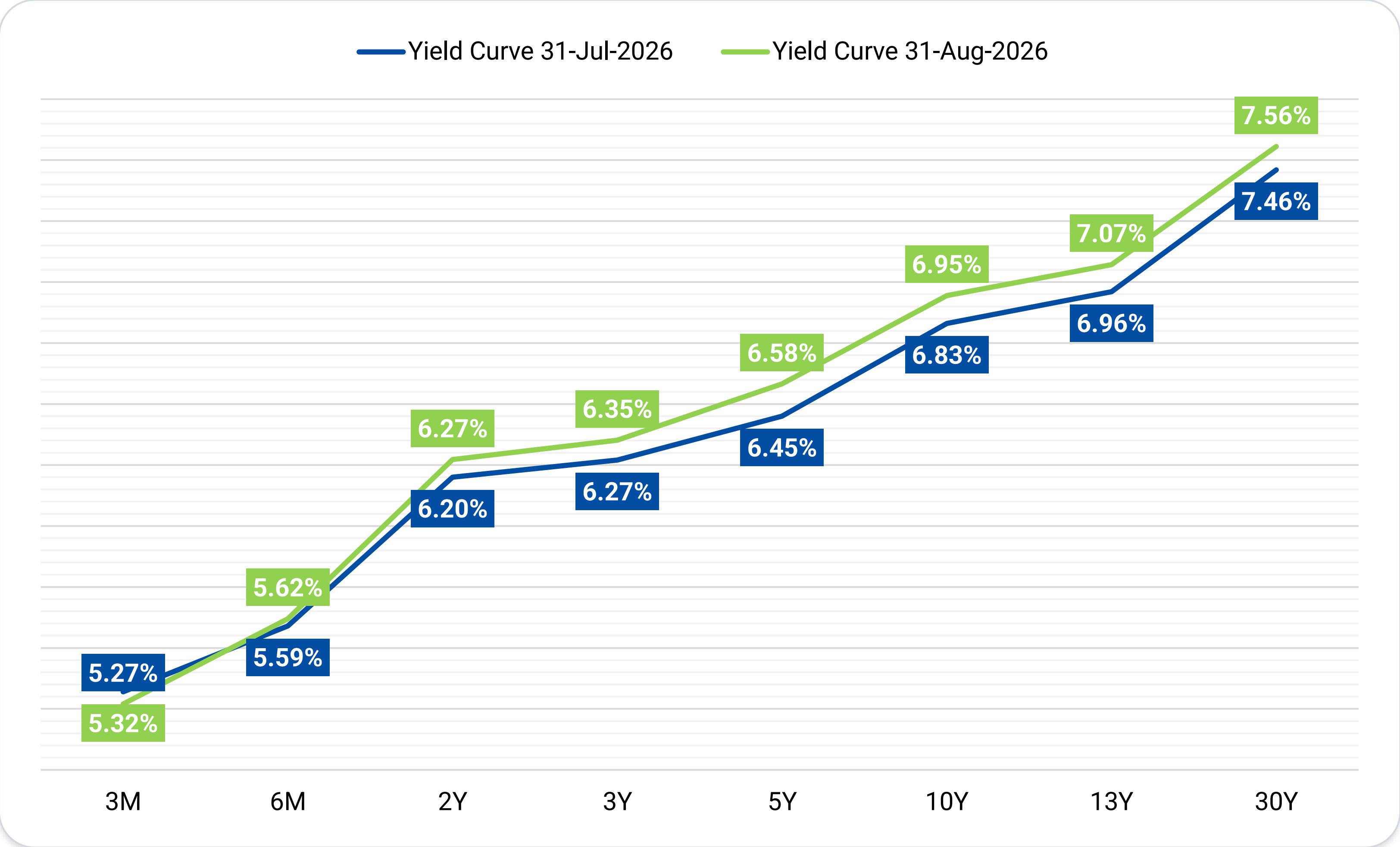
Tracking the 10-year G-sec yields across major economies



	India	US	Japan	UK	Germany
Current YTM	6.95%	4.75%	2.96%	5.06%	3.32%
M-o-M (bps)	10.70	1.53	15.20	1.30	11.80
Q-o-Q (bps)	(5.90)	31.45	29.00	25.10	38.60
Y-o-Y (bps)	37.70	52.16	135.50	34.10	60.00

Source: Bloomberg. Data as on 31st Aug 2026.

Tracking India's yield curve



Key Highlights

- Bond yields firmed up 3–13 bps across the curve in August 2026
- The rise was driven by a sharp jump in crude oil prices, worries about imported inflation, the closure of the FCNR-B deposits swap facility, and rising expectations of rates staying tighter for longer.

Source: Bloomberg. Data as on 31st Aug 2026.

Asset class returns

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026*
8.66%	19.57%	41.29%	7.91%	31.49%	44.40%	31.60%	13.90%	26.91%	25.02%	167.27%	16.44%
8.63%	14.97%	37.65%	6.65%	23.79%	27.97%	28.71%	9.74%	26.29%	22.93%	74.73%	13.14%
7.39%	12.94%	21.83%	6.03%	21.75%	18.40%	4.38%	4.25%	15.37%	20.61%	32.51%	3.39%
1.38%	11.96%	6.05%	5.91%	13.04%	17.89%	3.44%	3.59%	7.82%	17.57%	17.88%	2.98%
0.22%	11.35%	5.11%	-0.21%	10.72%	12.29%	1.35%	2.51%	7.73%	16.24%	7.76%	2.91%
-3.92%	9.85%	4.71%	-2.14%	10.46%	10.42%	-4.21%	0.46%	7.29%	9.57%	7.76%	1.96%
-6.65%	5.12%	-0.05%	-4.38%	9.53%	9.26%	-8.20%	-12.55%	7.26%	8.95%	6.82%	1.64%
-9.68%	4.30%	-2.76%	-10.54%	8.97%	-0.29%	-11.83%	-18.11%	-10.46%	7.96%	6.37%	-1.02%

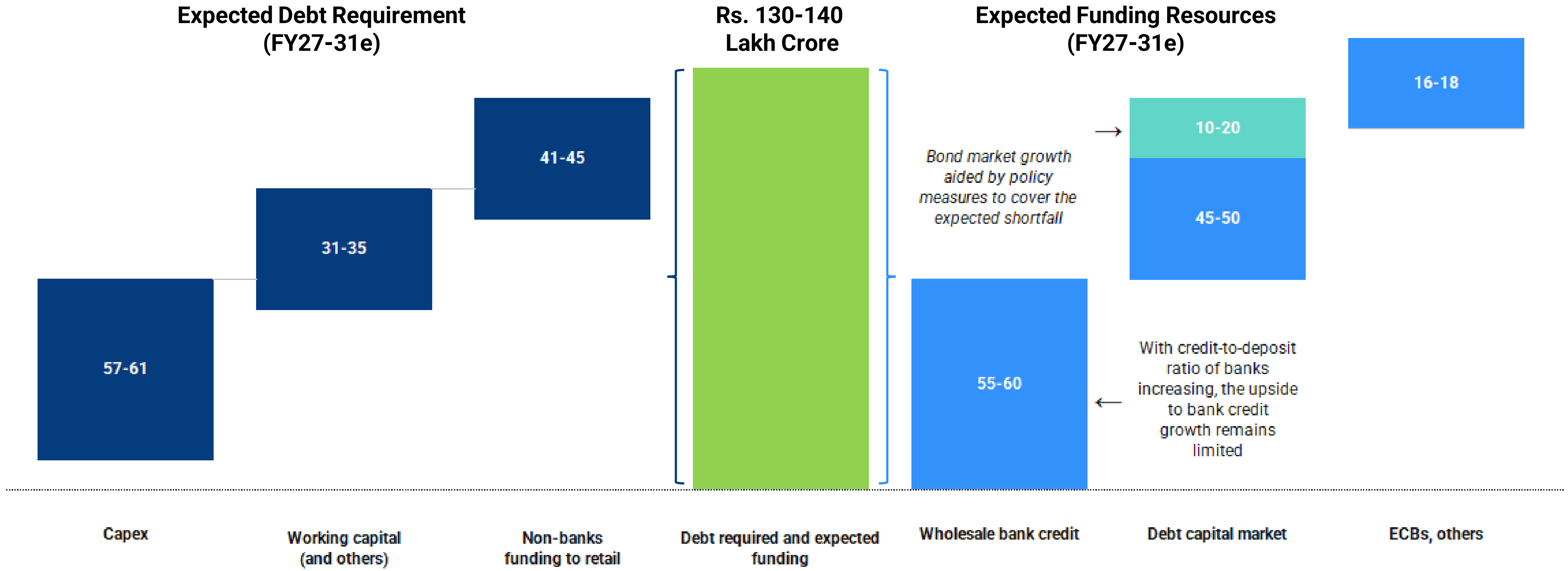
- Gold (Domestic Price)
- US Equity
- ST Bonds
- Silver (Domestic Price)
- Corporate Bond
- China Equity
- G-Sec
- Indian Equity

Note: ST Bonds: CRISIL Short Term Bond Index, G-Sec: CRISIL 10 Year Gilt Index, Corporate Bond: CRISIL Composite Bond Index, India Equity: NSE 500 TRI, China Equity: Hang Seng TRI, US Equity: S&P 500 TRI, Gold: Domestic Gold Prices, Silver: Domestic Silver Prices

Source: Bloomberg. *Data as on 31st Aug 2026.

Trends | **Economy** | Markets | Performance | Outlook

India's growth ambition creates debt funding opportunity



FUNDING NEED

₹130–140 lakh crore

Debt funding required during FY27–31, a significant financing opportunity for lenders and debt markets.

DEMAND DRIVERS

Infra & industrial capex

Key drivers of debt demand as investment accelerates to support the Viksit Bharat vision.

BALANCE SHEETS

0.4–0.5x gearing

Median gearing down from 1.05x in FY15 to 0.4–0.5x in FY26, improving financial flexibility.

CREDIT QUALITY

BBB+ → AA-

Median infrastructure ratings up from BBB+ in FY18 to AA- in FY26, reducing credit risk.

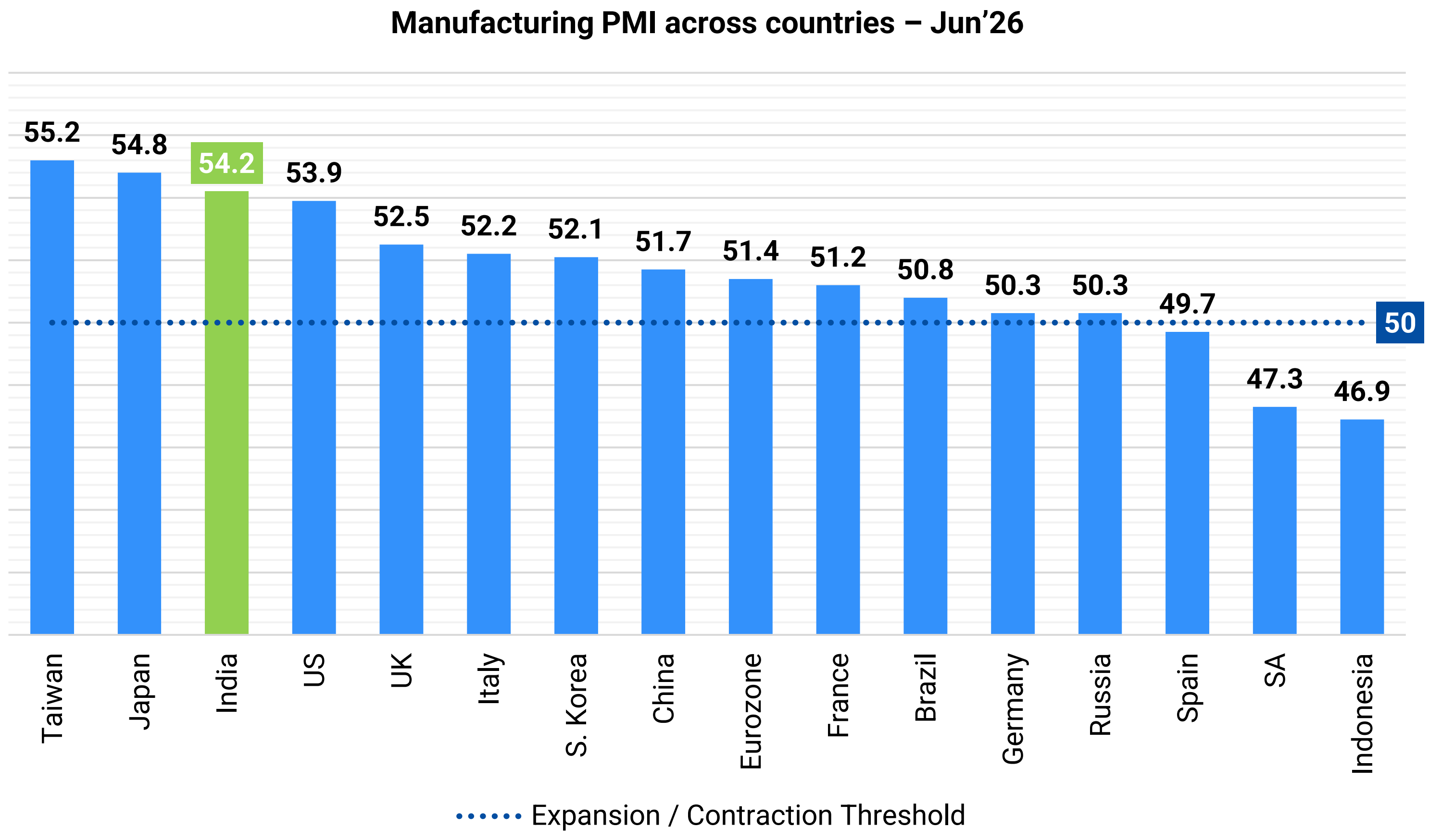
FUNDING GAP

₹10–20 lakh crore

Ecosystem could fall short, needing deeper and more diversified debt capital including corporate bonds and non-bank channels.

Source: Crisil

Most major economies remain in expansion territory



ASIA LEADS THE CYCLE

Manufacturing strength is increasingly shifting towards Asia, with Taiwan, Japan and India leading global PMI rankings.

INDIA AMONG THE STRONGEST

India remains one of the strongest manufacturing economies globally, outperforming China, the Eurozone and most developed markets.

BROAD-BASED EXPANSION

Broad-based expansion across major economies signals a **supportive backdrop for industrial, capital goods and export-oriented sectors.**

Source: Creed Capital | Note: For PMI (Purchasing Managers' Index), 50 is the key threshold, PMI > 50: Expansion, PMI < 50: Contraction, PMI = 50: No change

Tracking the key macro indicators

Indicator	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
CPI Inflation (YoY %)	2.1	1.5	0.3	0.7	1.3	2.7	3.2	3.4	3.5	3.9	4.4	4.5
Crude Indian Basket ($)	69.1	69.6	65.1	64.3	62.2	63.1	69.0	113.5	114.5	106.2	83.2	82.0
GST Collection (lkh Crs.)	1.9	1.9	2.0	1.7	1.7	1.9	1.8	2.0	2.4	1.9	2.0	2.1
FX Reserve ($ bn)	694	700	690	686	697	724	728	688	698	682	667	693
Trade Balance ($Bn)	-26.5	-32.1	-41.7	-24.6	-25.1	-34.6	-27.1	-20.7	-28.3	-28.2	-30.4	-32.0
Bank Credit %	10.0	10.4	11.3	11.5	14.5	14.6	15.4	16.1	16.0	17.7	18.6	19.3
Bank Deposit %	10.2	9.5	9.7	10.2	12.7	12.5	13.0	13.5	12.3	12.2	13.3	15.4
CD Ratio %	79%	80%	80%	81%	82%	82%	82%	83%	83%	83%	83%	82%
Manufacturing PMI	59.3	57.7	59.2	56.6	55.0	55.4	56.9	53.9	54.7	55.0	54.2	53.5
Services PMI	62.9	60.9	58.9	59.8	58.0	58.5	58.1	57.5	58.8	59.8	57.4	53.3

Source: RBI and Bloomberg

Indian debt market indicators

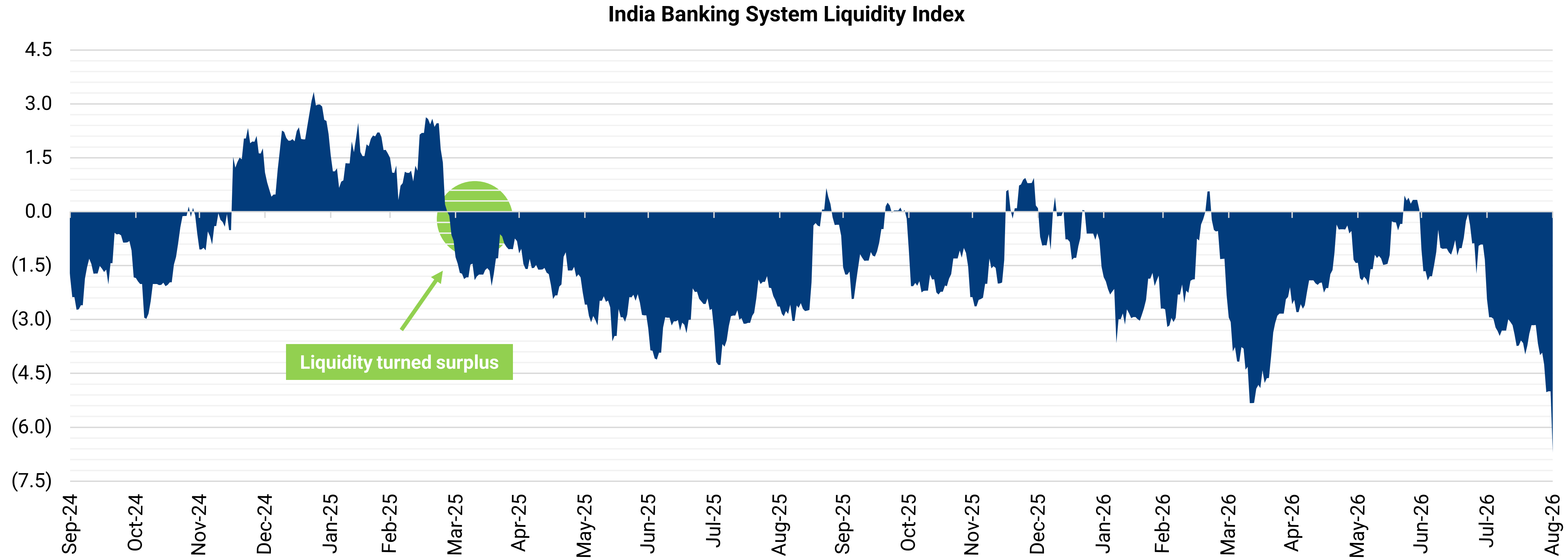
Bond yields rose on hawkish Fed signals and higher crude amid renewed U.S.-Iran tensions, though ample liquidity and strong RBI-driven dollar inflows capped the rise

Broad Indices	04-Sep-2026	Week Ago	Month Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	7.60%	7.62%	7.47%	7.03%	6.95%
3 Year AAA Corporate Bond	7.46%	7.36%	7.38%	7.05%	6.88%
5 Year AAA Corporate Bond	7.45%	7.39%	7.31%	7.13%	7.02%
10 Year AAA Corporate Bond	7.84%	7.86%	7.57%	7.37%	7.16%
1 Year G-Sec	5.80%	5.82%	5.79%	5.63%	5.71%
3 Year G-Sec	6.43%	6.30%	6.27%	5.96%	6.05%
5 Year G-Sec	6.51%	6.54%	6.41%	6.35%	6.33%
10 Year G-Sec	6.96%	6.91%	6.82%	6.67%	6.50%

Source: CCIL, Refinitiv

Banking system liquidity continues to remain in surplus

System liquidity stayed in surplus through 2026 and should remain comfortable, with room to improve further. The RBI is likely to sterilize a part of this surplus.



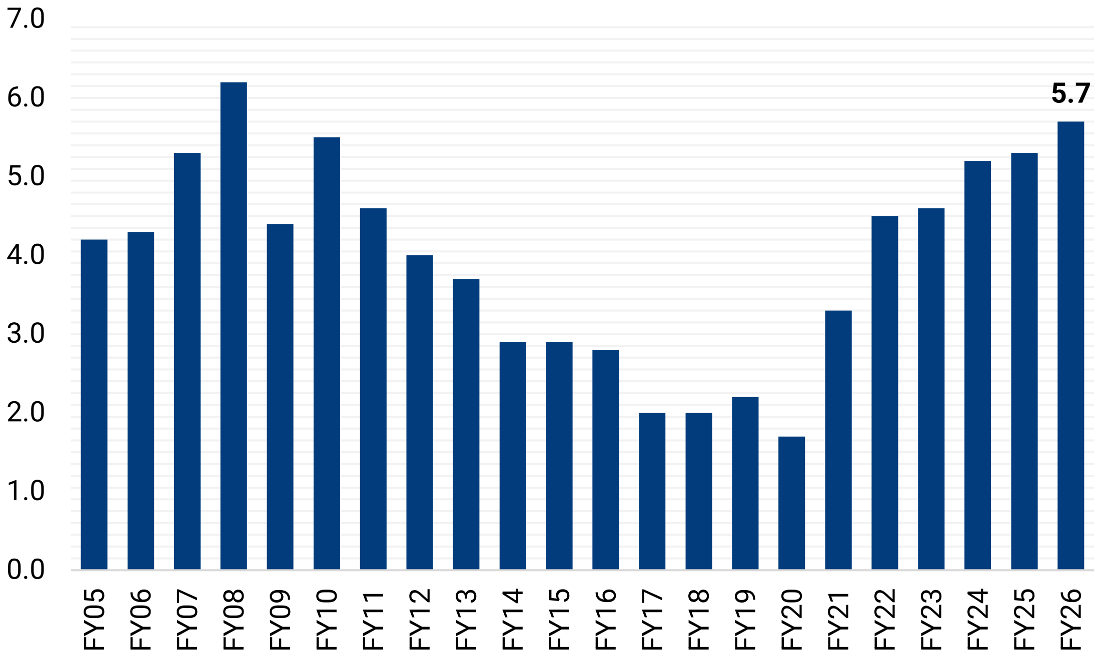
Source: Bloomberg. Bloomberg Intelligence India Banking System Liquidity index is considered. Data as on 31st Aug 2026.

Trends | Economy | **Markets** | Performance | Outlook

Corporate balance sheet remains robust for India Inc.

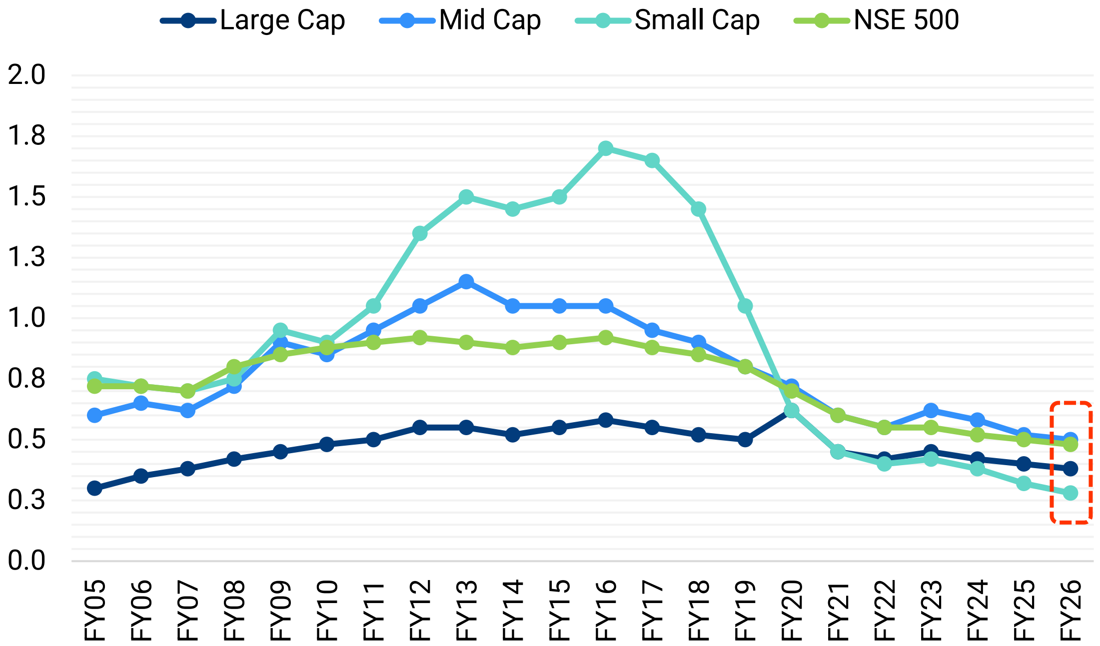
EDELWEISS MUTUAL FUND

Corporate profit to GDP near decadal highs



Profit-to-GDP back at 5.7% — near the 2008 cycle peak

Corporate leverage near multi-year low



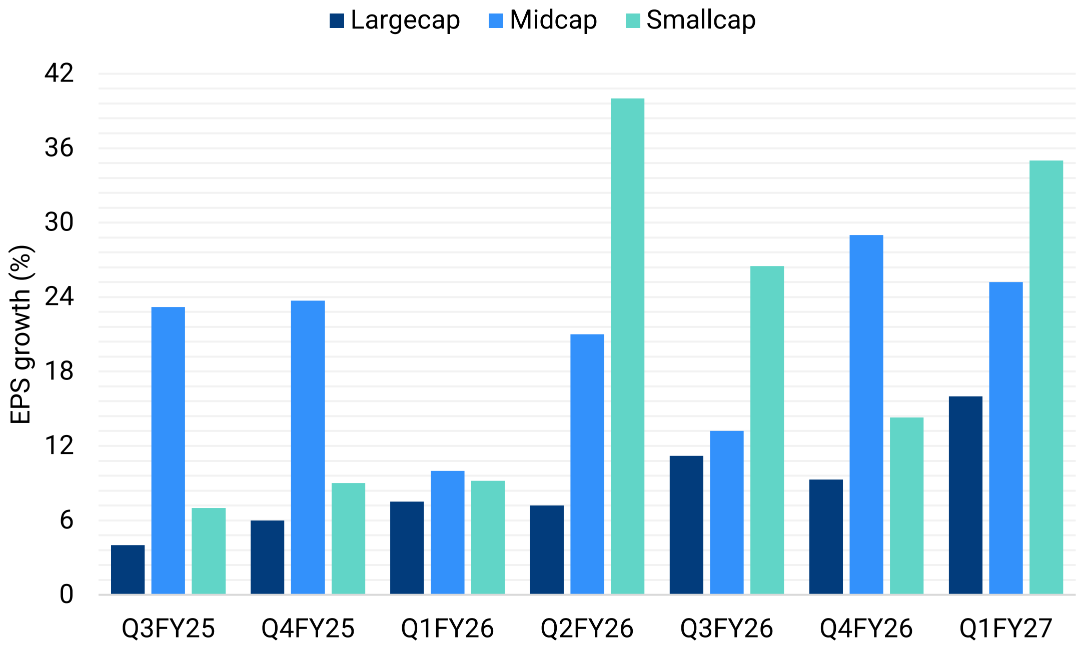
Small-cap companies have seen the sharpest deleveraging

Source: Ambit Asset Management

Earnings growth and forecasts across Market caps

Earnings growth by market capitalisation

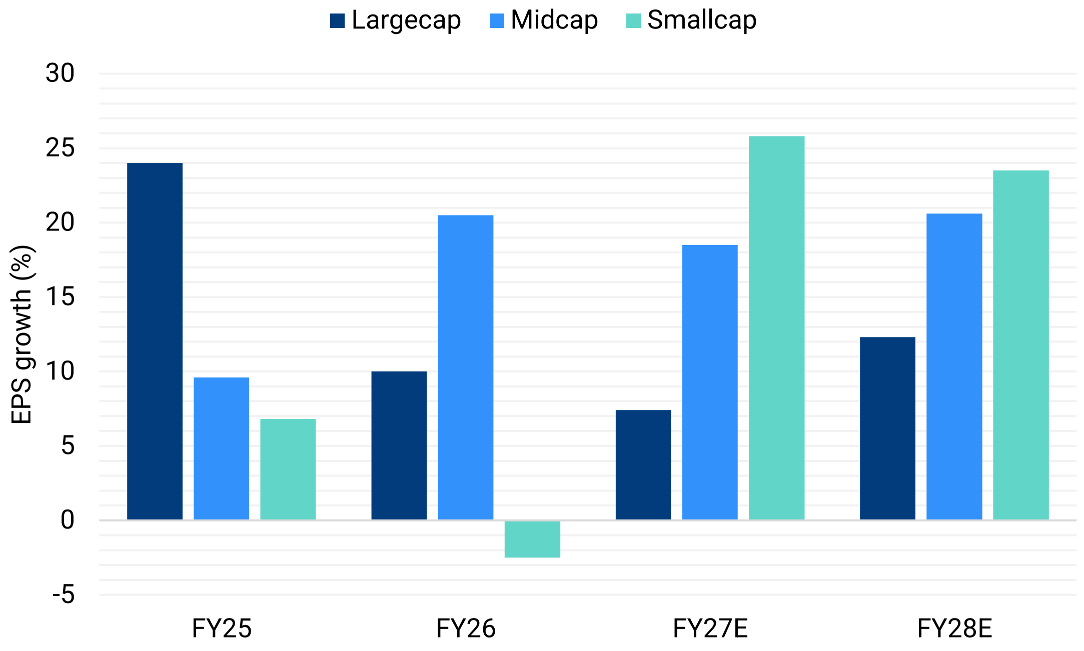
Quarterly EPS growth (%), ex-oil & gas



Q1FY27: Small caps ~35.0% and Midcaps ~25% vs Large caps ~16.0%

Market cap-wise earnings forecasts

Full-year EPS growth forecasts (%)

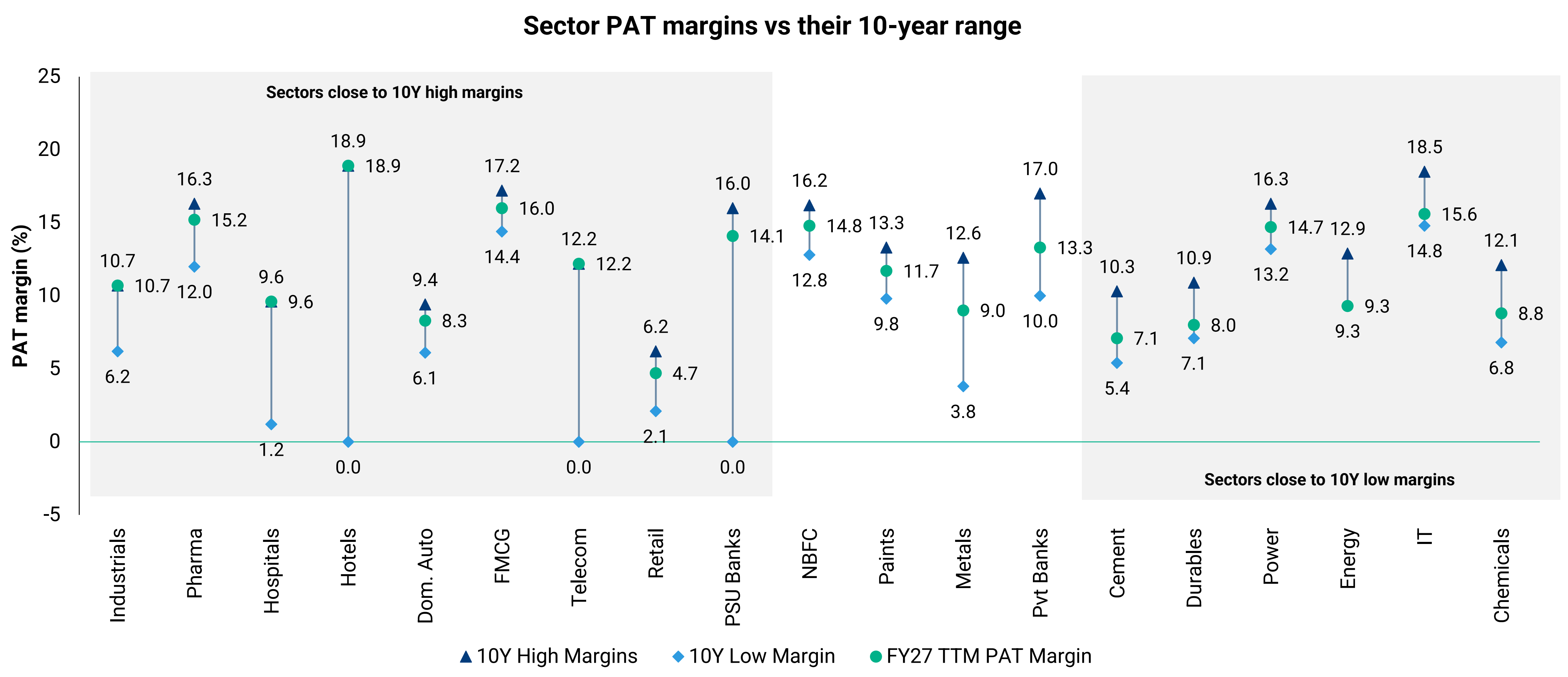


FY27–FY28 (Forecasted): Small & Midcaps to sustain ~20–25% growth

Source: Capitaline, Emkay Research | Note: Large Cap – Nifty 100; Midcap – Nifty Midcap 150; Smallcap – Nifty Smallcap 250

Most cyclical sectors are running at or near their 10-year peak margins

EDELWEISS MUTUAL FUND

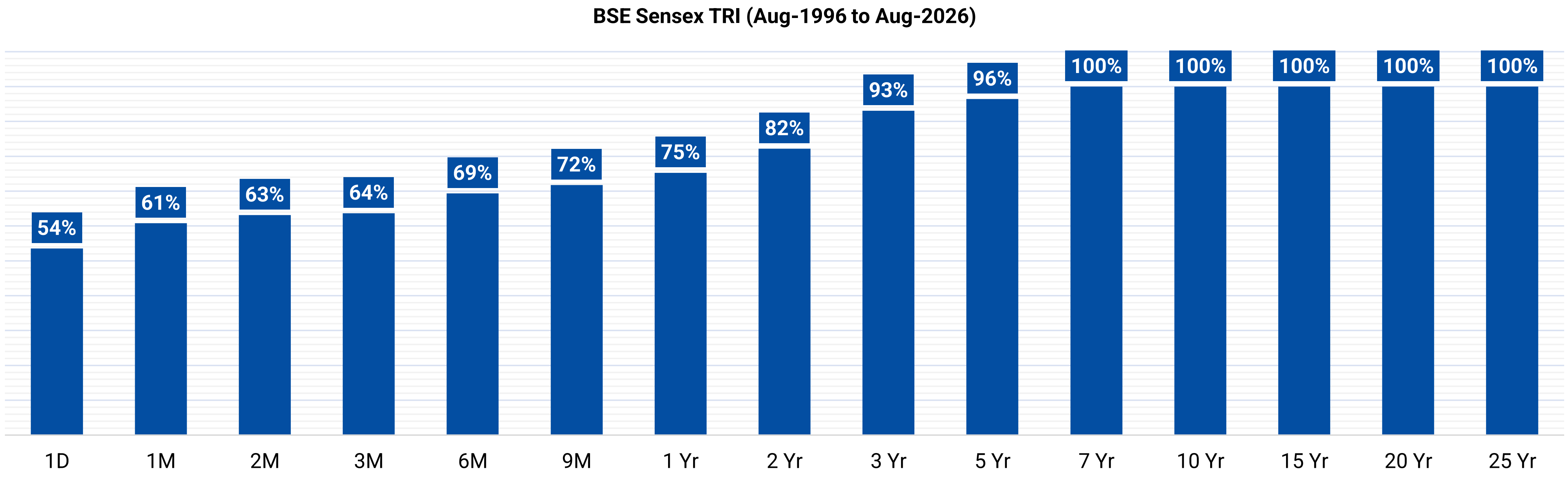


Source: Nuvama Research; For Banks and NBFCs, ROE is used as a metric.

Short-term returns are a coin toss; long-term returns have never disappointed

EDELWEISS MUTUAL FUND

Share of rolling periods with a positive return — odds rise from 54% at 1 day to 100% at 7 years



≈ Under 1 year, outcomes are noise: 54% odds at 1 day and only 75% at 1 year — sentiment, not fundamentals, sets the price

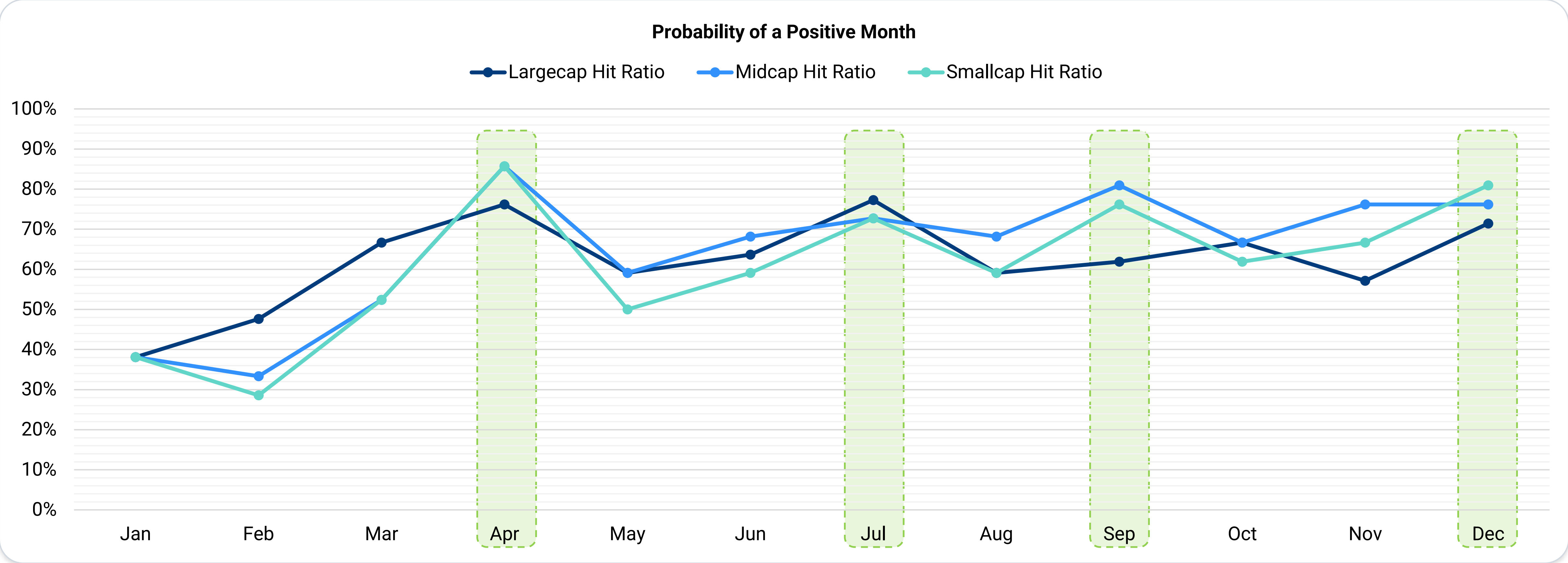
↑ Odds compound with time: 82% at 2 years, 93% at 3 and 96% at 5 — earnings growth steadily overwhelms valuation swings

✓ At 7 years and beyond, no rolling period has lost money — time in the market, not timing it, converts volatility into returns

Source: AceMF, Internal Analysis. Data as of 31st Aug 2026 | Note: D – Day; M – Month; Yr – Year | Past performance may or may not be sustained in the future.

Does seasonality offer an edge in equities?

Positive-return probabilities strengthen across market-cap segments in the later half of the year, with midcaps and small caps generally exhibiting stronger seasonal outcomes



Source: Bloomberg, Internal Analysis | Period considered: 1st April 2005 to 31st Aug 2026 | Note: Hit Ratio refers to the percentage of instances where the signal correctly identifies the market direction | Past performance may or may not be sustained in the future.

What happens after a large-cap correction of ≥15%?

EDELWEISS MUTUAL FUND

Last 21 years data suggests, broad sell-offs have historically favoured an initial mid/small-cap tilt, with midcaps the more persistent 1–3 year allocation

Absolute Returns >>			6-month From Bottom			1-year From Bottom			3-year From Bottom		
Peak Date	Bottom Date	Peak-to-Bottom Fall	Large cap	Midcap	Smallcap	Large cap	Midcap	Smallcap	Large cap	Midcap	Smallcap
10-May-06	14-Jun-06	-30.8%	54.7%	57.3%	58.4%	70.7%	76.4%	84.5%	71.3%	55.4%	52.5%
07-Feb-07	05-Mar-07	-15.3%	45.1%	46.3%	48.1%	32.9%	26.7%	35.4%	55.6%	53.7%	47.4%
07-Jan-08	27-Oct-08	-61.1%	45.1%	30.6%	18.9%	89.8%	110.0%	88.9%	125.6%	144.2%	122.4%
05-Nov-10	20-Dec-11	-28.9%	18.2%	23.9%	22.5%	34.6%	48.1%	41.5%	95.8%	137.9%	127.2%
03-Mar-15	25-Feb-16	-20.6%	28.8%	35.4%	37.0%	31.8%	45.0%	48.5%	61.9%	63.3%	40.0%
17-Jan-20	23-Mar-20	-37.9%	48.3%	56.3%	67.6%	93.7%	117.5%	133.7%	130.0%	179.5%	200.9%
18-Oct-21	17-Jun-22	-16.8%	19.3%	23.1%	21.7%	25.0%	38.2%	34.6%	74.8%	129.4%	130.1%
26-Sep-24	28-Feb-25	-17.2%	13.1%	19.4%	21.3%	14.9%	21.8%	13.2%	-	-	-
Average Return			**34%**	**37%**	**37%**	**49%**	**60%**	**60%**	**88%**	**109%**	**103%**
% of instances SMIDs beat Large cap			**-**	**7 / 8**	**7 / 8**		**7 / 8**	**6 / 8**		**5 / 7**	**3 / 7**

Most recent instance:
Since the February 2025 low, large caps have gained ~15%, while mid- and small caps have more than doubled the recovery, rising ~32%.

Source: Internal Research, AceMF | Past performance may or may not be sustained in the future. Note: Bottom is defined as the deepest bottom before the previous peak is regained.

Small caps offer greater exposure to overall FTA-linked sectors

EDELWEISS MUTUAL FUND

Sector	Nifty Small Cap 250	Nifty 50	Export Exposure
A. With less to no Impact of FTA	**%**	**%**	
Financial Services	24	34	–
Healthcare (incl. Pharma)	13	8	~40–60%
Automobile	0	8	~5–15%
IT	5	11	~80–90%
Services	4	–	~5–15%
Construction	4	–	~5–15%
FMCG	3	–	~19%
Consumer Durables	3	10	~15–30%
Oil, Gas & Fuels	2	9	~15%
Sub Total (A)	**58**	**80**	
B. Likely to benefit from FTA	**%**	**%**	
Capital Goods	12	8	~20–35%
Auto Components	9	–	~30–45%
Chemicals	6	4	~35–50%
Textiles	1	–	~50%
Power	2	–	~10%
Metals & Mining (select metals)	2	4	~30–50%
Others	10	4	~5–15%
Sub Total (B)	**42**	**20**	
Total (A+B)	**100**	**100**	

Why could small caps benefit?

42%
Small Cap 250 weight in FTA beneficiary sectors

20%
Nifty 50 weight in the same sectors

* Small caps carry meaningful exposure to export-oriented industries and global supply chains, making them primary beneficiaries of India's widening trade agreements.
* Textiles, chemicals, auto components and capital goods — the highest export-intensity sectors — are far better represented in the Small Cap 250 than in the Nifty 50.

Over 2x the FTA-linked exposure of the Nifty 50 — a wider opportunity set for export-driven growth for Small caps!

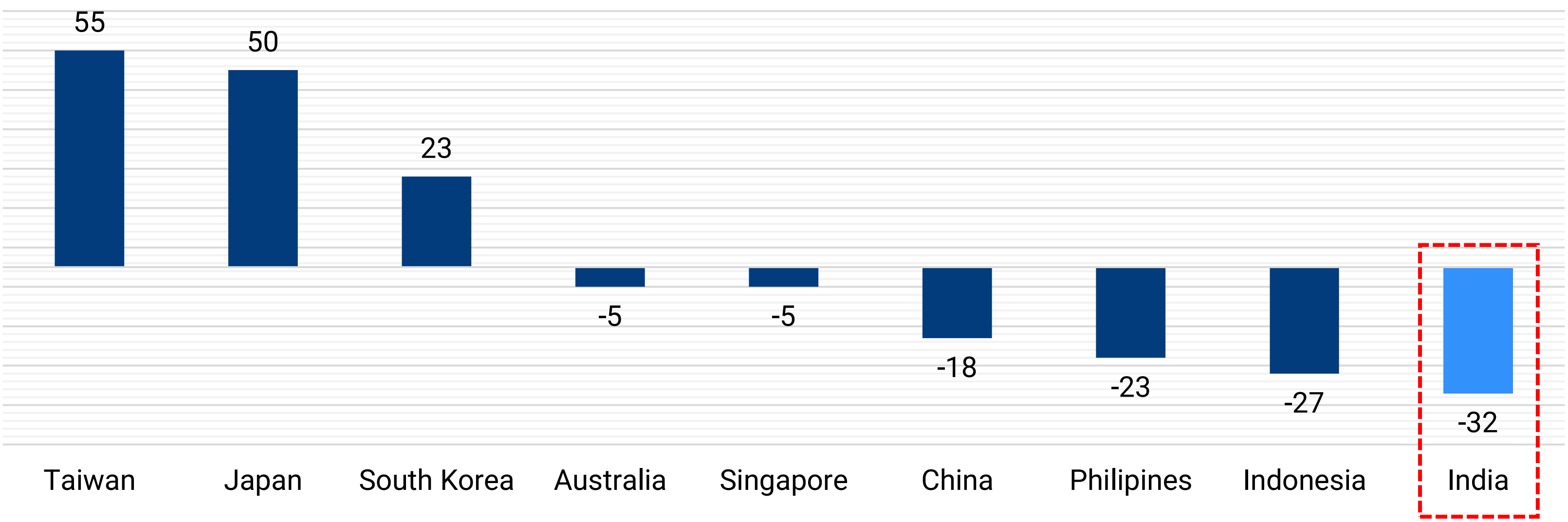
Source: Ambit Asset Management | Note: FTA – Free Trade Agreement

India most underweight market in global fund managers' portfolio

EDELWEISS MUTUAL FUND

Global investors own very little India today. With this, further selling has little room — a setup that offers downside protection

Net % overweight by market — BofA global fund manager survey



-32
India · Most underweight market

+55
Taiwan · Most overweight market

6 of 9
Markets · Net underweight in the survey

Source: Bloomberg, Emkay Research; Note: Net % OW = % saying OW - % saying UW

Factor Alpha vs Macro Sensitivity: 3M correlation map

3M Rolling Alpha Correlation

Factor	Crude	VIX	USD/INR	Dollar Index (DXY)
Momentum	-0.4%	12.4%	10.8%	18.4%
Quality	-21.5%	2.1%	15.0%	9.5%
Growth	3.8%	-1.3%	-12.1%	4.0%
Low Volatility	-37.5%	37.0%	55.0%	23.5%
Value	34.8%	-11.8%	-33.3%	-17.4%

Key observations

Low Vol is the most macro sensitive

Low Vol shows the strongest relationships across all macro variables, with particularly high positive correlations to USDINR (+55%), VIX (+37%), and DXY (+24%)

Value stands to benefit from improving growth and inflation expectations

Value has the strongest positive relationship with crude at 34.8% on the 3M measure but is negatively correlated with USD/INR (-33.3%) and DXY (-17.4%)

Momentum, Quality, and Growth show relatively weak macro dependence

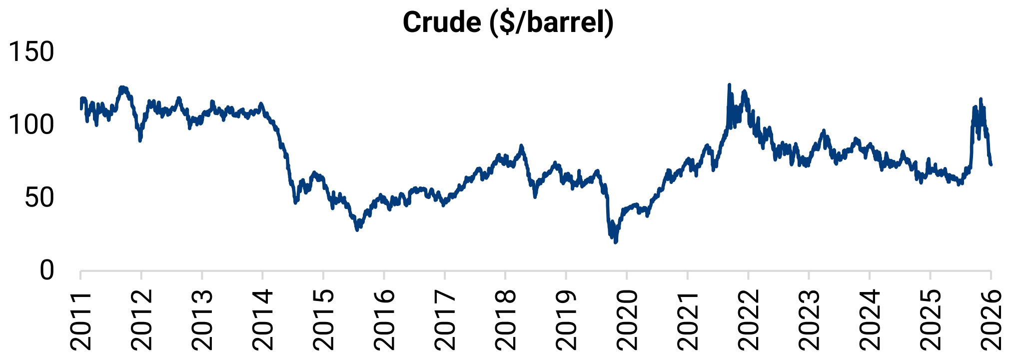
Momentum correlations remain modest across variables (largest: DXY +18%), and Quality is largely neutral except for Crude (-22%)

Source: Internal Research | Factor Universe – Top 250 stocks by market cap; Analysis period – Jul'11 – Jun'26

Factor leadership shifts across macro regimes over Nifty LargeMidcap 250 Index

Crude

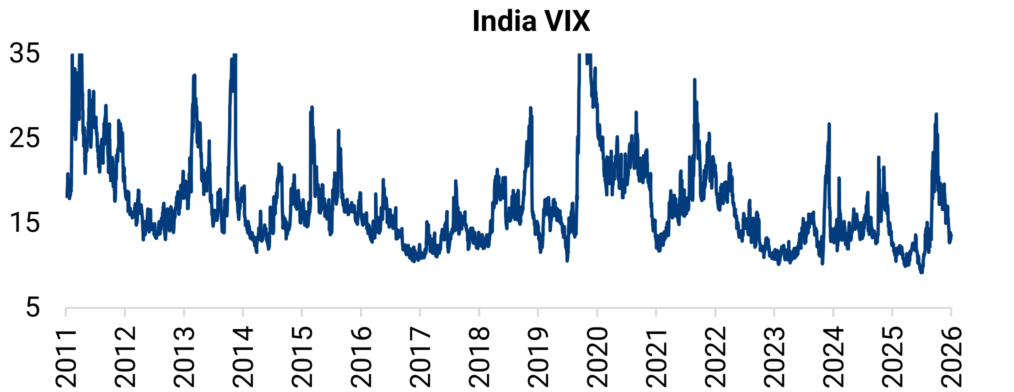
Crude	<$60		$60-$100		>$100	
	Quartile 1		Quartile 2+ Quartile 3		Quartile 4	
	Fwd 3M Alpha	Hit Rate	Fwd 3M Alpha	Hit Rate	Fwd 3M Alpha	Hit Rate
Mom	1.9%	62.8%	2.5%	71.8%	2.1%	66.5%
Qual	0.8%	66.2%	0.9%	59.7%	1.7%	77.3%
Growth	0.7%	55.5%	1.2%	63.5%	1.6%	65.0%
Low Vol	-0.6%	44.2%	0.8%	58.5%	1.4%	60.0%
Value	1.6%	59.0%	0.8%	51.8%	-0.3%	37.0%



- Low Vol and Value show the largest divergence across crude regimes.
- Momentum relatively stable across crude regimes.

India VIX

VIX	<13.7		13.7-19.3		>19.3	
	Quartile 1		Quartile 2+ Quartile 3		Quartile 4	
	Fwd 3M Alpha	Hit Rate	Fwd 3M Alpha	Hit Rate	Fwd 3M Alpha	Hit Rate
Mom	3.2%	76.7%	1.7%	66.8%	2.6%	62.6%
Qual	0.5%	53.6%	1.5%	70.5%	0.7%	68.6%
Growth	1.4%	68.8%	1.1%	59.2%	1.1%	60.1%
Low Vol	0.5%	52.1%	1.0%	58.6%	-0.1%	51.7%
Value	1.8%	58.5%	-0.1%	44.1%	1.5%	53.5%



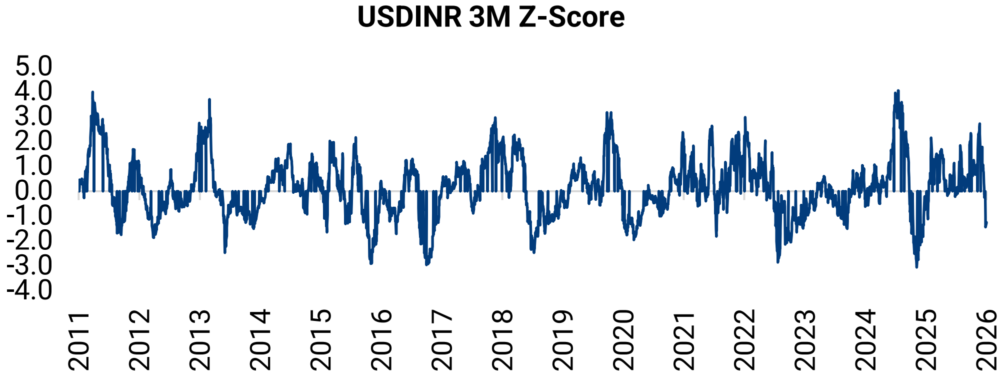
- Low Vol worst performer in high VIX regimes.
- Momentum and Value provide upside potential in high vix regimes.

Source: Internal Research | Factor Universe – Top 250 stocks by market cap; Analysis period – Jul’11 – Jun’26.

Factor leadership shifts across macro regimes over Nifty LargeMidcap 250 Index

USDINR – 3M Trend

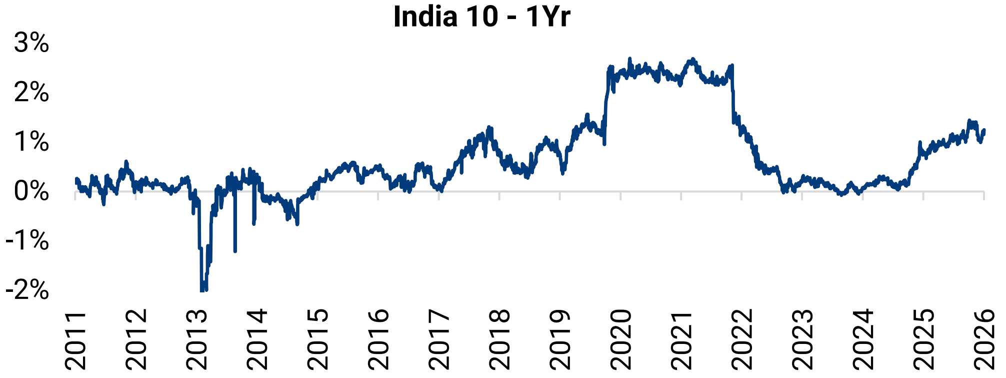
USDINR	Improving				Worsening	
	Quartile 1		Quartile 2+ Quartile 3		Quartile 4	
	Fwd 3M Alpha	Hit Rate	Fwd 3M Alpha	Hit Rate	Fwd 3M Alpha	Hit Rate
Mom	3.0%	81.0%	3.0%	72.3%	0.2%	47.6%
Qual	0.8%	64.2%	1.5%	69.0%	0.6%	60.1%
Growth	1.3%	63.8%	1.6%	66.6%	0.3%	50.3%
Low Vol	-0.5%	43.8%	1.5%	63.2%	-0.1%	51.1%
Value	2.2%	56.5%	0.6%	49.5%	-0.3%	45.3%



- Momentum & Value adversely impacted by worsening USDINR trend.
- Quality best performer during worsening trend.

Yield Spread (10Y – 1Y)

Spread: GIND 10Y – GIND 1Y	Flat				Steep	
	Quartile 1		Quartile 2+ Quartile 3		Quartile 4	
	Fwd 3M Alpha	Hit Rate	Fwd 3M Alpha	Hit Rate	Fwd 3M Alpha	Hit Rate
Mom	3.1%	73.1%	1.4%	62.0%	3.3%	77.7%
Qual	2.0%	80.5%	0.9%	62.2%	0.3%	55.8%
Growth	2.5%	82.1%	0.3%	49.7%	1.5%	63.1%
Low Vol	1.6%	67.2%	0.6%	56.8%	-0.4%	40.0%
Value	-0.1%	43.8%	1.3%	52.8%	0.6%	51.0%

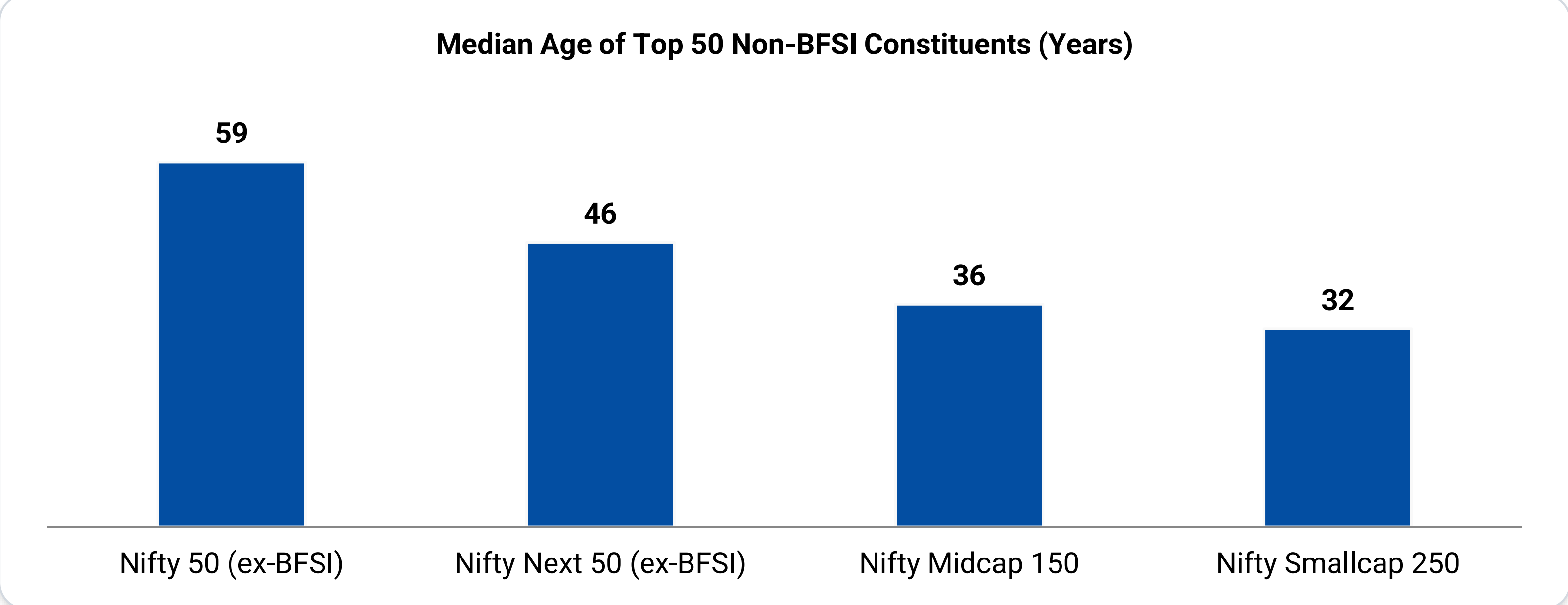


- Quality and Low Vol show significant divergence across regimes.
- Value underperforms in flat curve environments.

Source: Internal Research | Factor Universe – Top 250 stocks by market cap; Analysis period – Jul'11 – Jun'26.

New India lives beyond the Nifty 50

Index	# of cos. (ex-BFSI)	# of cos. with history < 25 yrs	# of cos. with history < 15 yrs	Wt. of cos. with history <25y	Wt. of cos. with history <15y
Nifty 50	38	1	-	1.4%	-
Nifty Next 50	40	8	3	16.0%	7.0%
Nifty Midcap 150	50	10	4	9.0%	3.9%
Nifty Smallcap 250	50	11	5	7.6%	4.0%

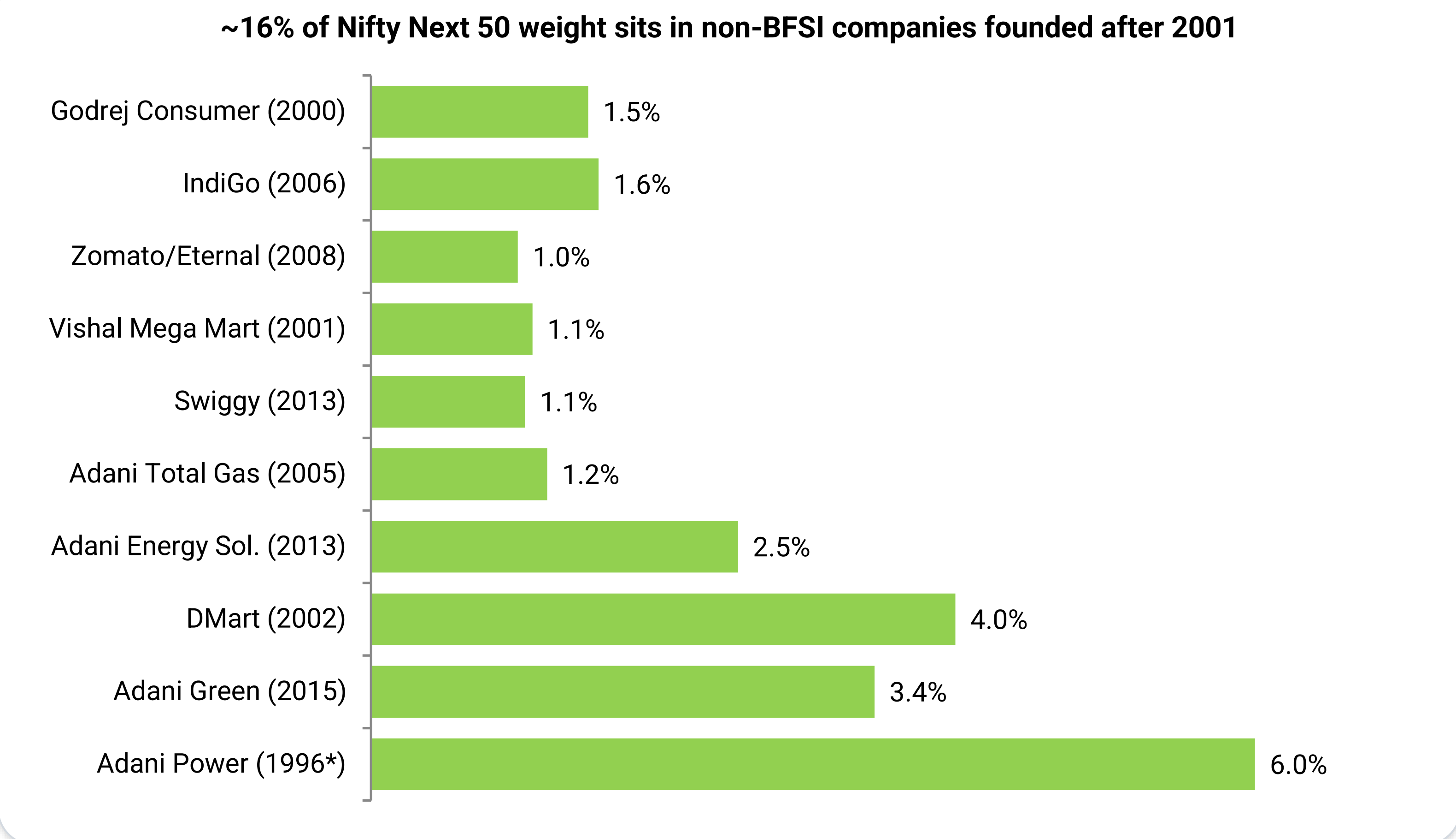


Key Highlights

- While the **Nifty 50** continues to represent India's blue-chip companies, it has limited exposure to several emerging growth sectors.
- Structural themes such as **renewables, digital commerce, defence, modern logistics and new-age mobility** are more meaningfully represented beyond the headline index.
- As India's economy transforms, broadening exposure beyond the Nifty 50 may better capture future growth opportunities.

Source: NSE, Internal Analysis. Note: BFSI (banks, NBFCs, insurance, AMCs, wealth, exchanges) excluded. Top 50 stocks (ex-BFSI) across indices considered for analysis.

Nifty Next 50 is where 'New India' has scale.



Key Highlights

- Nifty Next 50 isn't a second-tier index. It is the incubation ground for the next generation of market leaders.
- From **renewables** (Adani Green, Adani Total Gas), and **digital platforms** (Info Edge) to **new-age consumption** (DMart, IndiGo, Swiggy, Zomato), Nifty Next 50 already houses businesses operating at meaningful scale.

Source: NSE, Internal Analysis. *Note: Adani Power operating since 1996; listed 2009 | Stocks mentioned are for illustrative purposes only and may or may not be the part of the portfolio.

Large caps are more than just the Nifty 50...

Total Return Index	Market Cap	3-Year Returns (Abs.)
Nifty Next 50	**Large cap**	**~65%**
Nifty Midcap 150	Mid cap	~58%
Nifty Smallcap 250	Small cap	~55%
Nifty 50	Large cap	~27%
Nifty Top 10 Equal Weight	Large cap	~12%

65%

Nifty Next 50 led the market

Ahead of Midcap 150 (58%) and Smallcap 250 (55%) over 3 years.

12%

Top 10 dragged the headline

Nifty Top 10 returned just 12%. The source of the large-cap underperformance story.

27%

Nifty 50 masks the dispersion

The headline index trails Nifty Next 50 by 38 percentage points.

38 pp. difference

Large cap is not one bucket

Selection within large caps mattered far more than the cap label itself.

Source: AceMF, Internal Analysis | Data as on 04th Sep 2026.

Mid and Small caps house the youngest India

EDELWEISS MUTUAL FUND

36 yrs	32 yrs	21	9
Median age of top 50 non-BFSI in Midcap 150	Median age of top 50 non-BFSI in Smallcap 250	Non-BFSI companies <25 yrs old (combined)	Non-BFSI companies <15 yrs old (combined)

Where New-Economy India lives — by theme

GREEN / RENEWABLES

- **NTPC Green (2022)**
- **Adani Green (2015)**
- **ACME Solar (2015)**
- **Adani Energy Sol (2013)**
- Waaree Energies (1989)
- JSW Energy (1994)

DIGITAL & E-COMMERCE

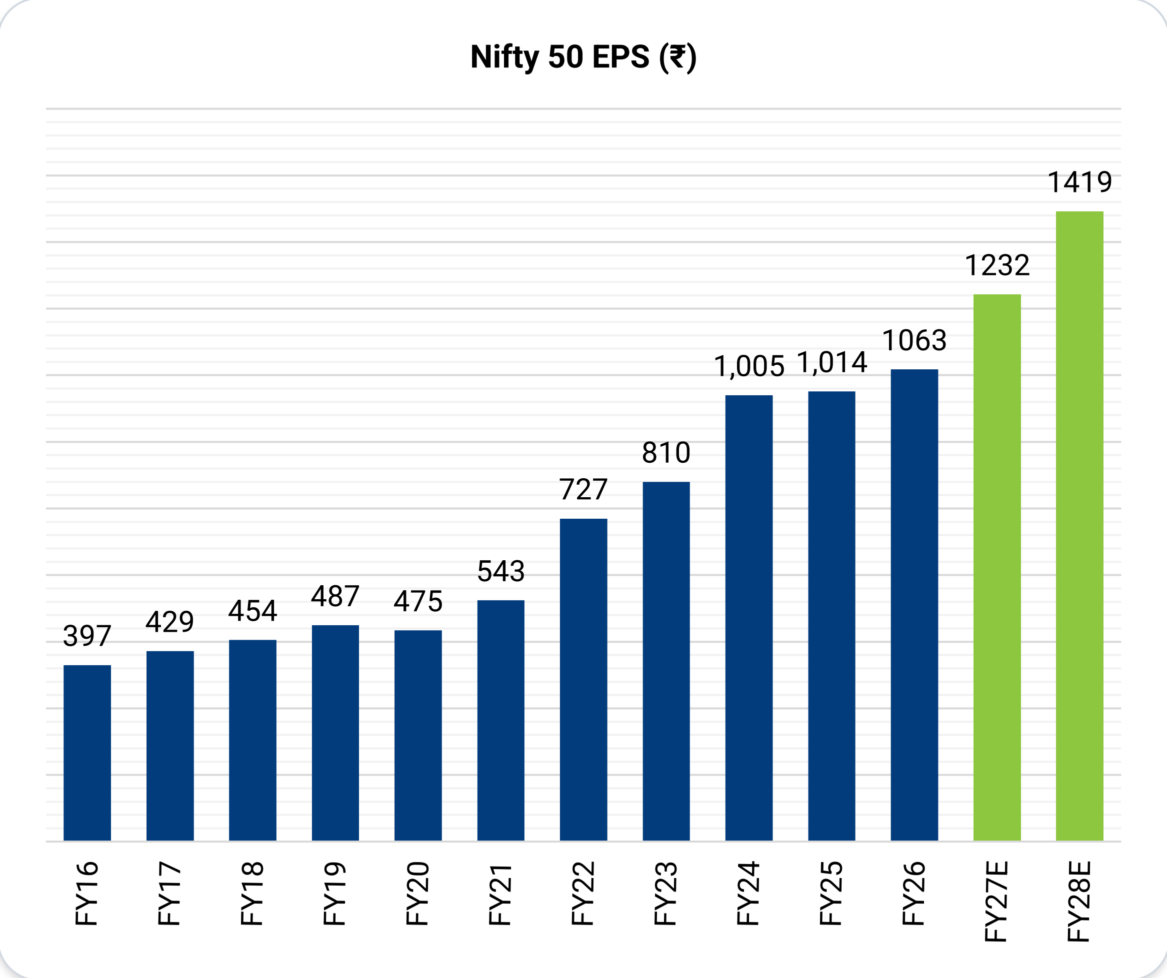
- **PhysicsWallah (2020)**
- **Meesho (2015)**
- **Swiggy (2013)**
- **Nykaa (2012)**
- **Delhivery (2011)**
- Lenskart (2010)
- Zomato/Eternal (2008)

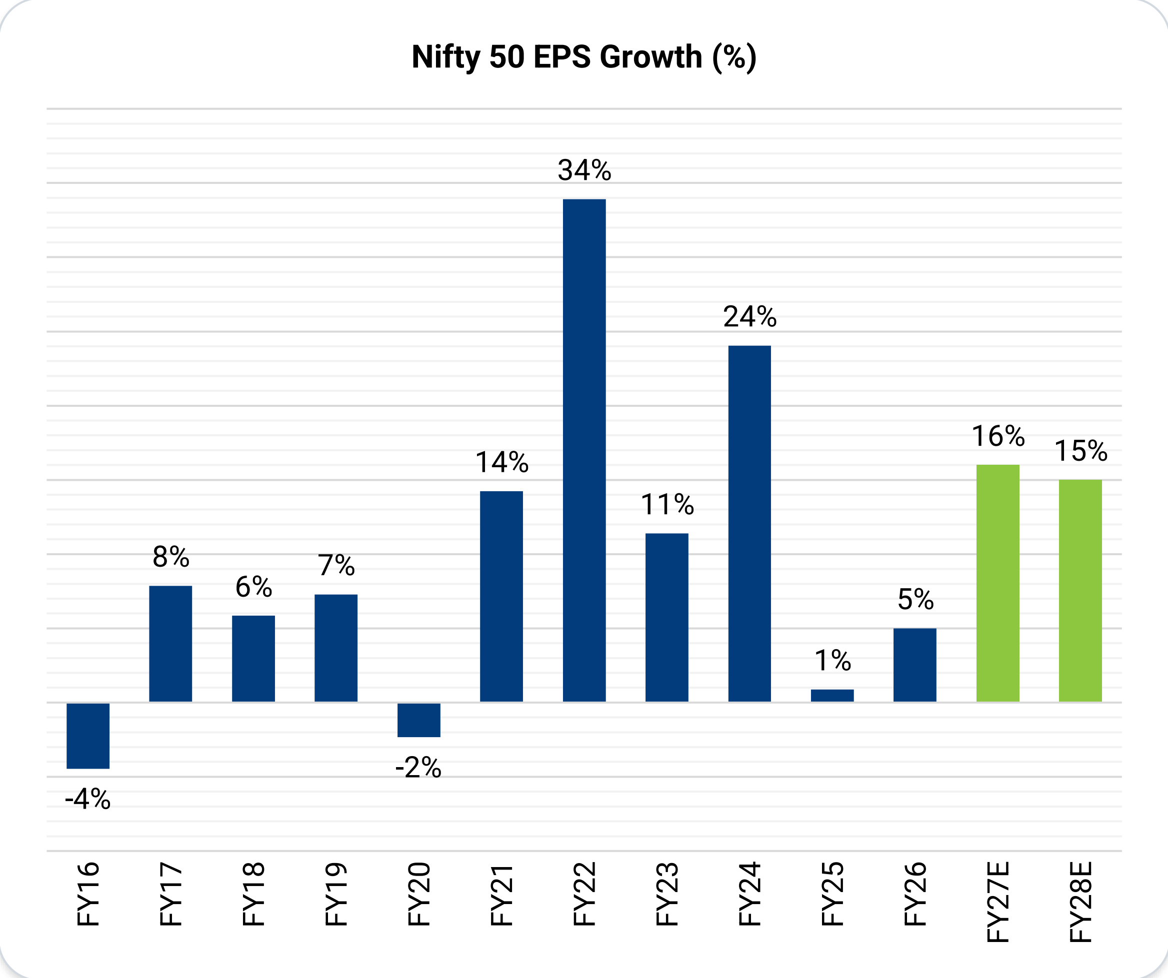
MODERN INFRA & MOBILITY

- **Motherson Sumi Wiring (2020)**
- **ABB Power Products (2019)**
- **Aegis Vopak (2013)**
- **Schneider Electric Infra (2011)**
- ZF Comm. Vehicles (2008)
- Indus Towers (2007)
- JSW Infrastructure (2006)

Source: NSE, Internal Analysis. Note: Companies in Bold/highlighted represents founded in the last 15 years | Stocks mentioned are for illustrative purposes only and may or may not be the part of the portfolio.

Earnings growth

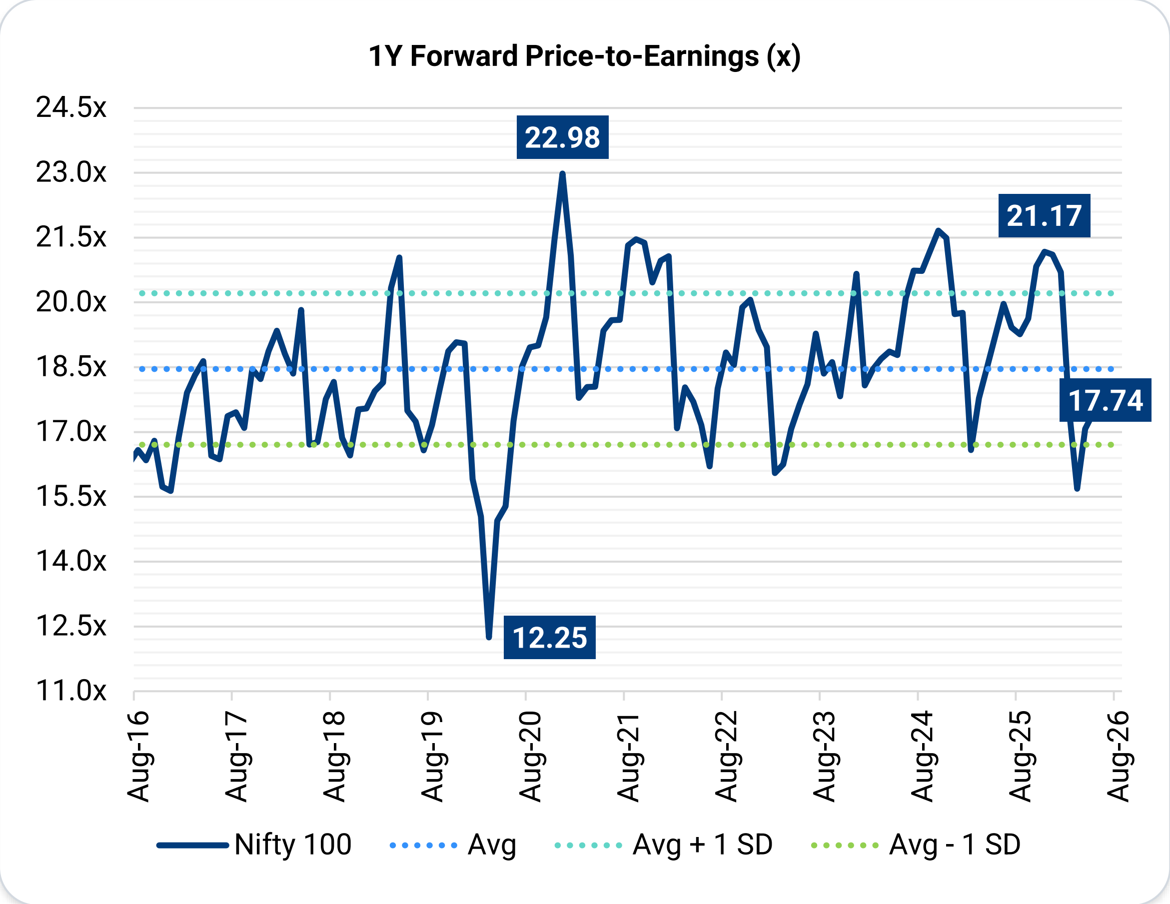


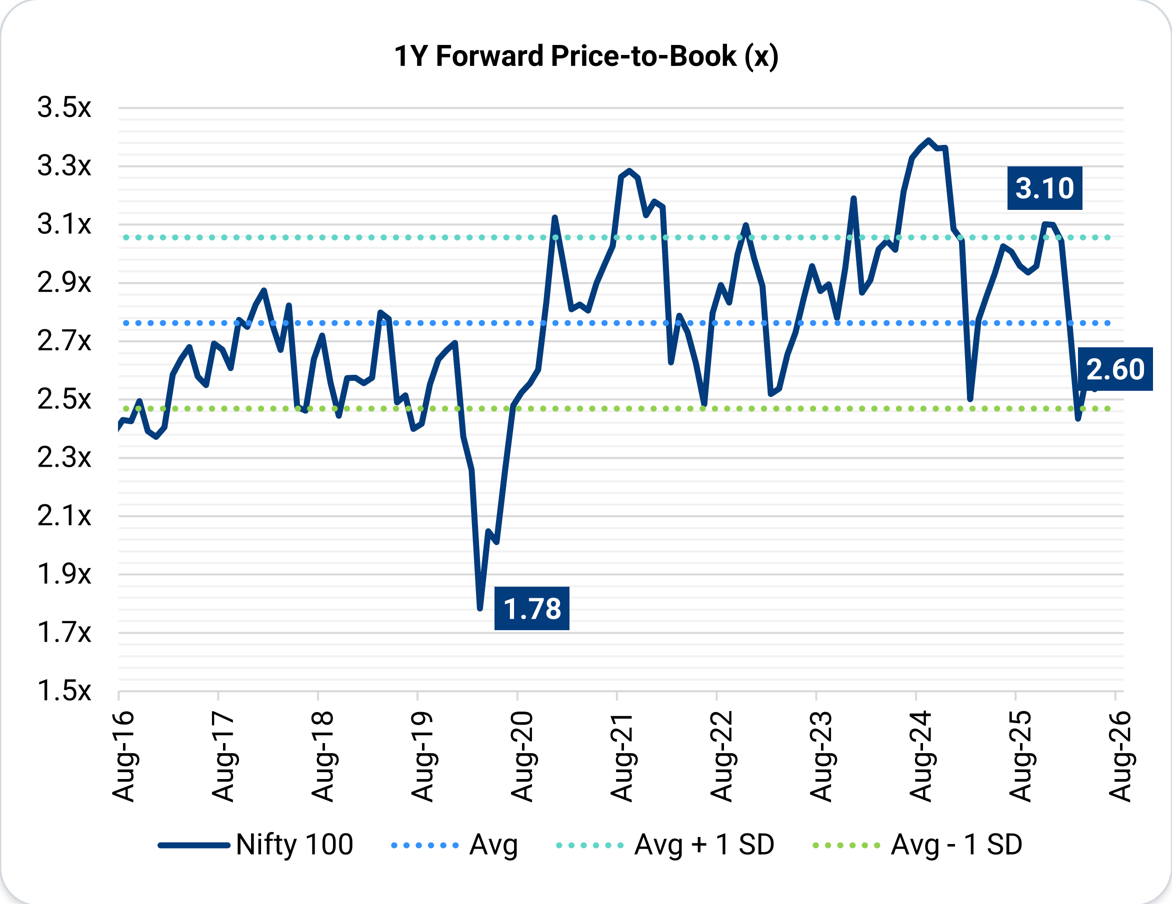


Source: Bloomberg estimates, MOFSL | Data as on 31st Aug 2026.

Valuations – Large Cap

Large-cap valuations have corrected from its peak and currently stand below its 10-year average

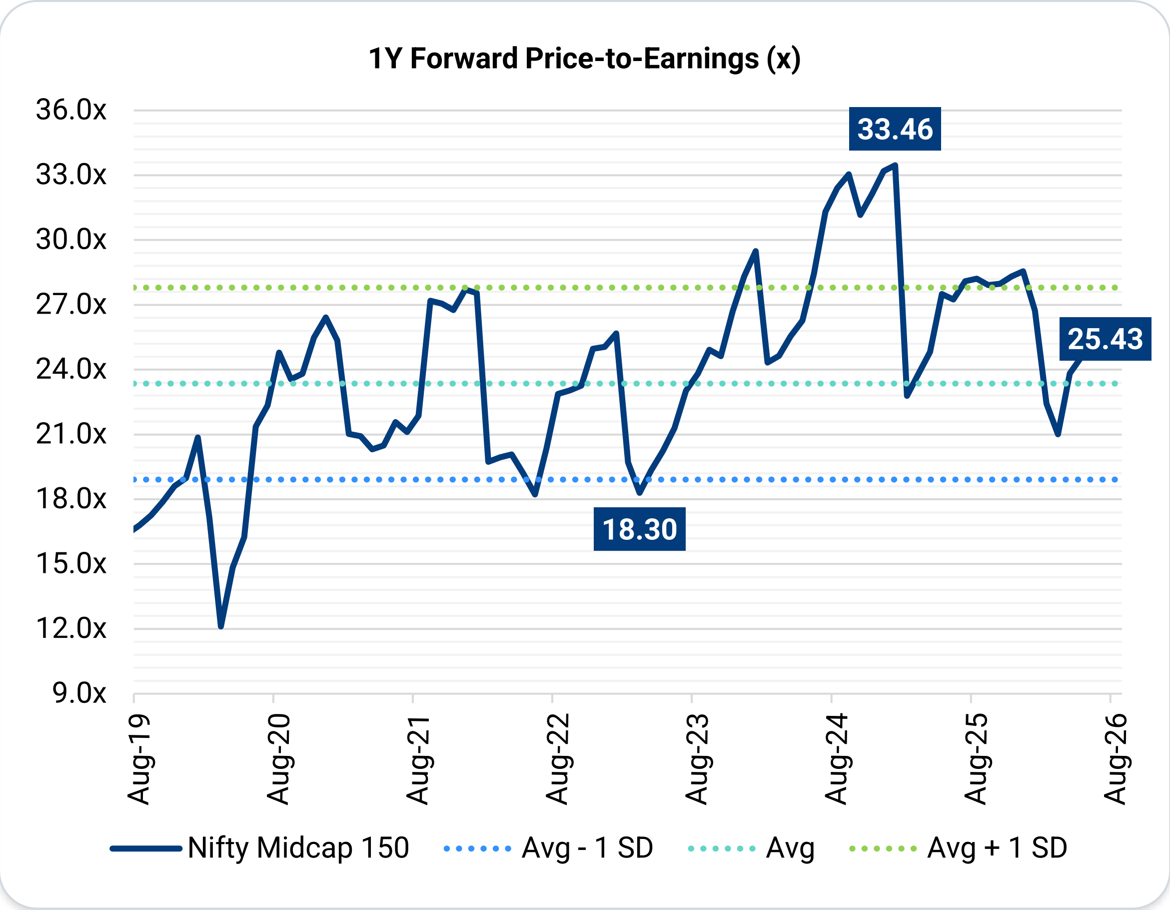


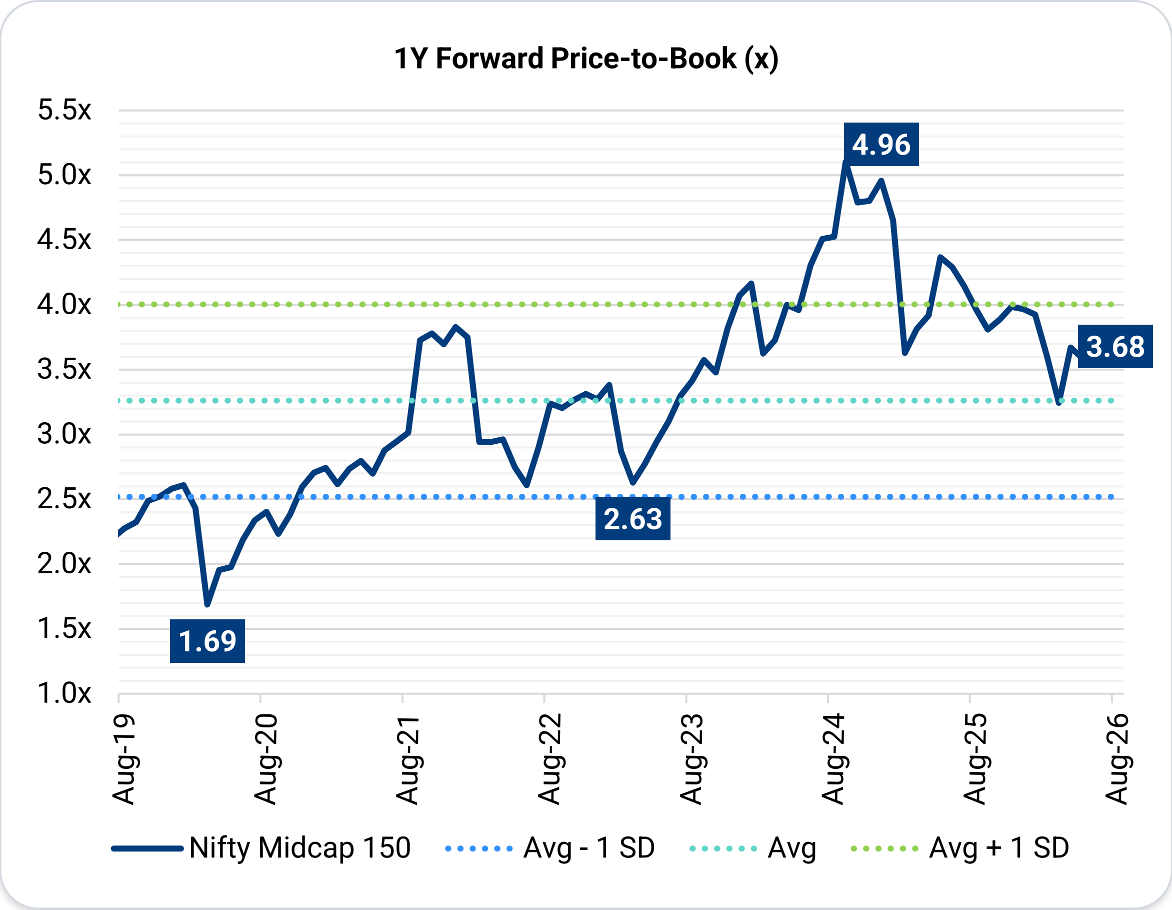


Source: Bloomberg estimates | Data as on 31st Aug 2026.

Valuations – Mid Cap

Mid-cap valuations have moderated and are now trading near long-term averages

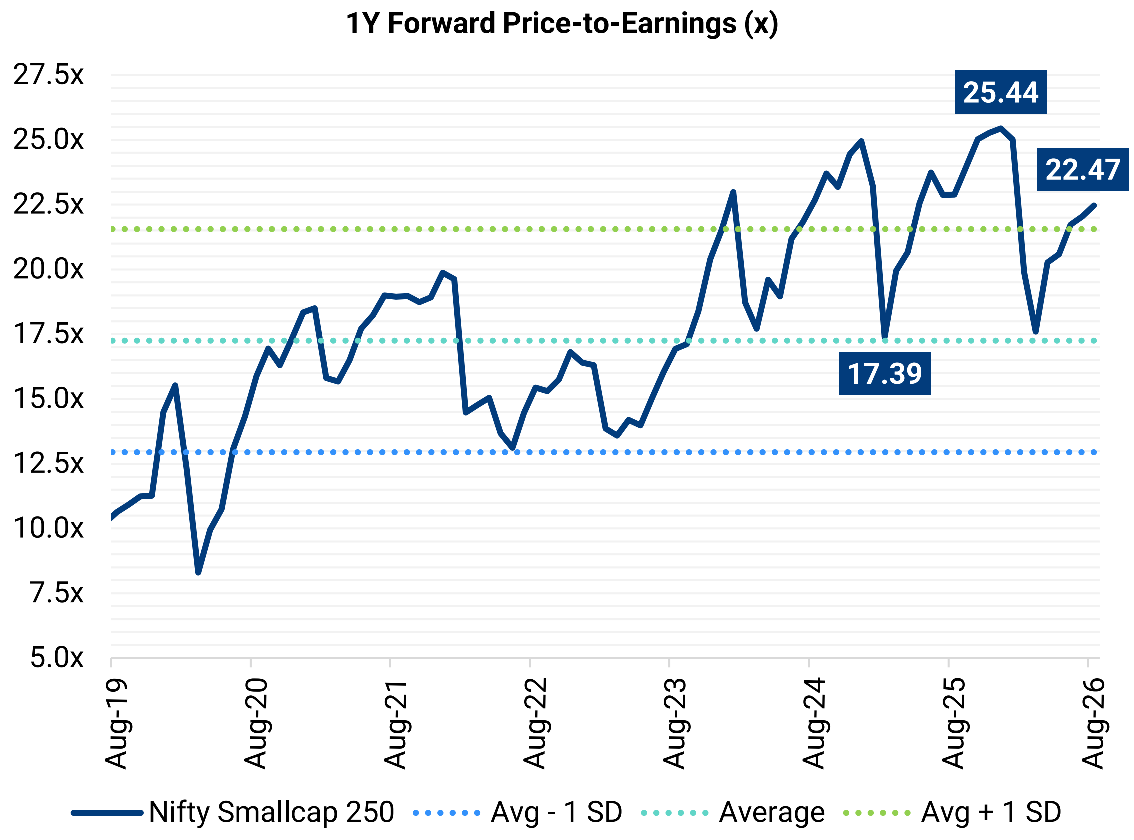


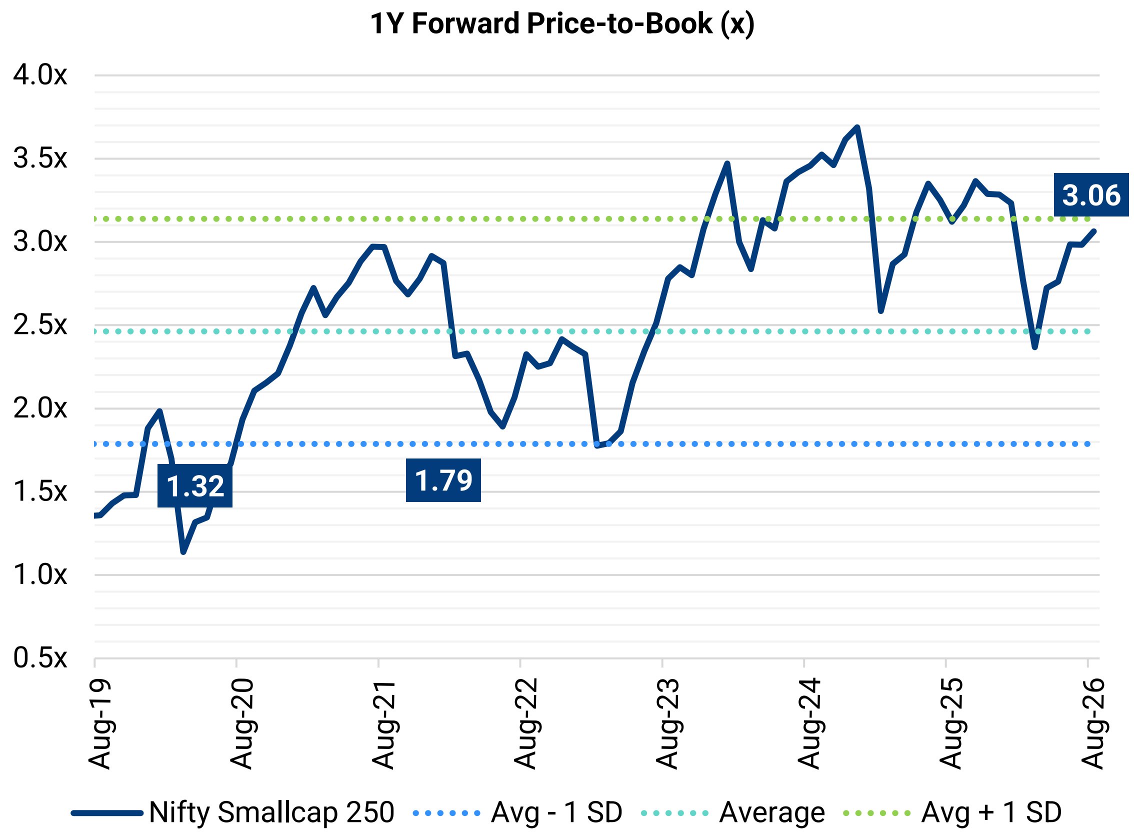


Source: Bloomberg estimates | Data as on 31st Aug 2026.

Valuations – Small Cap

Small cap valuations moderated from its peak, but is currently trading above its long-term average

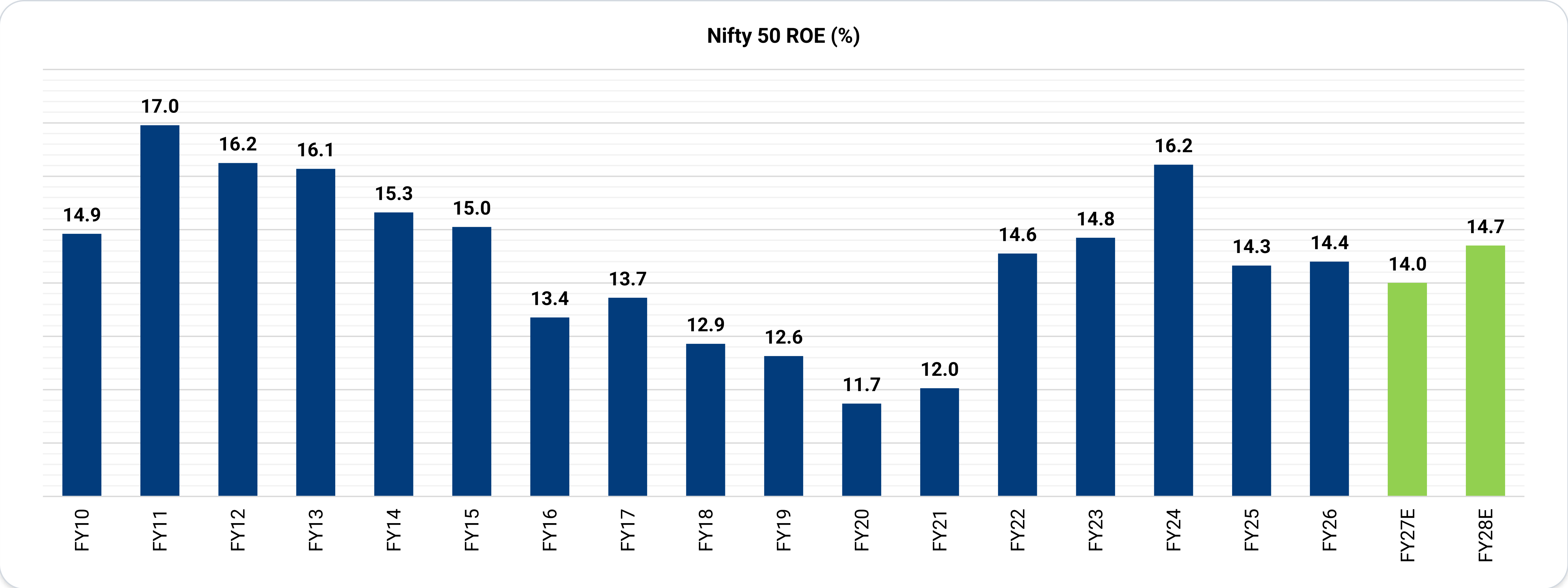




Source: Bloomberg estimates | Data as on 31st Aug 2026.

Return on Equity

Nifty50 ROE continues to register strong double-digit growth



Source: Bloomberg | TTM ROE considered. Data as on 31st Aug 2026.

Sectoral valuation

EDELWEISS MUTUAL FUND

Valuations across Financials, Technology, and Real Estate remain below its decadal averages

Sector	Current P/E	10-year Average	Current P/B	10-year Average
Auto	26.3	23.8	4.4	3.6
Banks – Private	14.4	20.8	2.0	2.5
Banks – Public	8.2	11.3	1.2	0.9
Capital Goods	40.6	32.6	7.2	4.6
Consumers	35.7	42.6	8.4	10.0
Healthcare	37.0	27.8	4.8	3.7
Infrastructure	43.2	39.6	3.0	2.7
Metals	11.5	10.1	2.2	1.7
NBFCs	15.0	13.0	2.3	1.9
Oil & Gas	13.3	13.2	1.4	1.5
Real Estate	26.7	33.7	3.4	2.5
Technology	16.5	21.5	4.9	5.9

Source: Bloomberg | Data as on 31st Aug 2026. The green colour indicates current levels are below 10-year average.

Analysis of sector-wise FPI holdings

Sectors	Portfolio Share		Change
	Aug-26	Aug-25	
Financials	30.1%	30.8%	-0.6%
Auto & Ancillary	7.8%	7.6%	0.2%
Healthcare	7.7%	6.9%	0.9%
Industrials	7.6%	5.6%	2.0%
Service	6.8%	7.1%	-0.3%
Oil & gas	6.5%	6.9%	-0.4%
IT	5.7%	7.3%	-1.6%
Telecom & Media	5.1%	5.1%	0.0%
Metals & Mining	4.3%	2.8%	1.4%
FMCG	4.1%	5.8%	-1.7%
Utilities	3.5%	3.3%	0.3%
Construction Material	3.3%	3.6%	-0.3%
Durables	2.9%	2.7%	0.2%
Agriculture & Chemicals	1.8%	1.9%	-0.1%
Realty	1.7%	1.9%	-0.1%
Others	1.0%	0.7%	0.2%

Key Highlights

- During Aug'26, **FPIs continued buying for the second consecutive month**, recording net inflows of $3.1bn.
- **FII flows saw a sharp rotation into Financials**, which attracted ~$1.1bn after witnessing selling through much of the period since Nov'25.
- **Services and Healthcare emerged as other key beneficiaries**, attracting ~$1.0bn and ~$0.6bn, respectively, while buying extended to IT, Auto and Metals.
- **Selling remained concentrated in Telecom & Media**, which saw ~$0.5bn outflows, alongside continued weakness in FMCG, Oil & Gas and Utilities.

Source: NSDL, MACM Research

Trends | Economy | Markets | **Performance** | Outlook

How do different asset class respond to each other?

EDELWEISS MUTUAL FUND

Correlation between asset class over 10Y period

	Nifty 50 TRI	Gold	Silver	Gold + Silver	USD/INR	Nifty 10Y G-Sec	S&P 500 TRI	Hang Seng TRI	Crude Oil	10-Yr SD
Nifty 50 TRI	1.00	0.00	0.12	0.08	-0.37	0.08	0.29	0.38	0.05	16.11%
Gold	-	1.00	0.81	0.92	0.09	0.06	0.01	0.07	0.04	14.64%
Silver	-	-	1.00	0.98	-0.03	0.04	0.08	0.18	0.06	29.20%
Gold + Silver	-	-	-	1.00	0.01	0.05	0.06	0.15	0.05	20.79%
USD/INR	-	-	-	-	1.00	-0.17	-0.11	-0.25	0.02	4.80%
Nifty 10Y G-sec	-	-	-	-	-	1.00	-0.02	0.00	-0.14	4.23%
S&P 500 TRI	-	-	-	-	-	-	1.00	0.19	0.17	17.92%
Hang Seng TRI	-	-	-	-	-	-	-	1.00	0.11	21.78%
Crude Oil	-	-	-	-	-	-	-	-	1.00	41.37%

Source: Bloomberg. Data as on 31st Aug 2026 | SD is annualized and is calculated on daily returns.

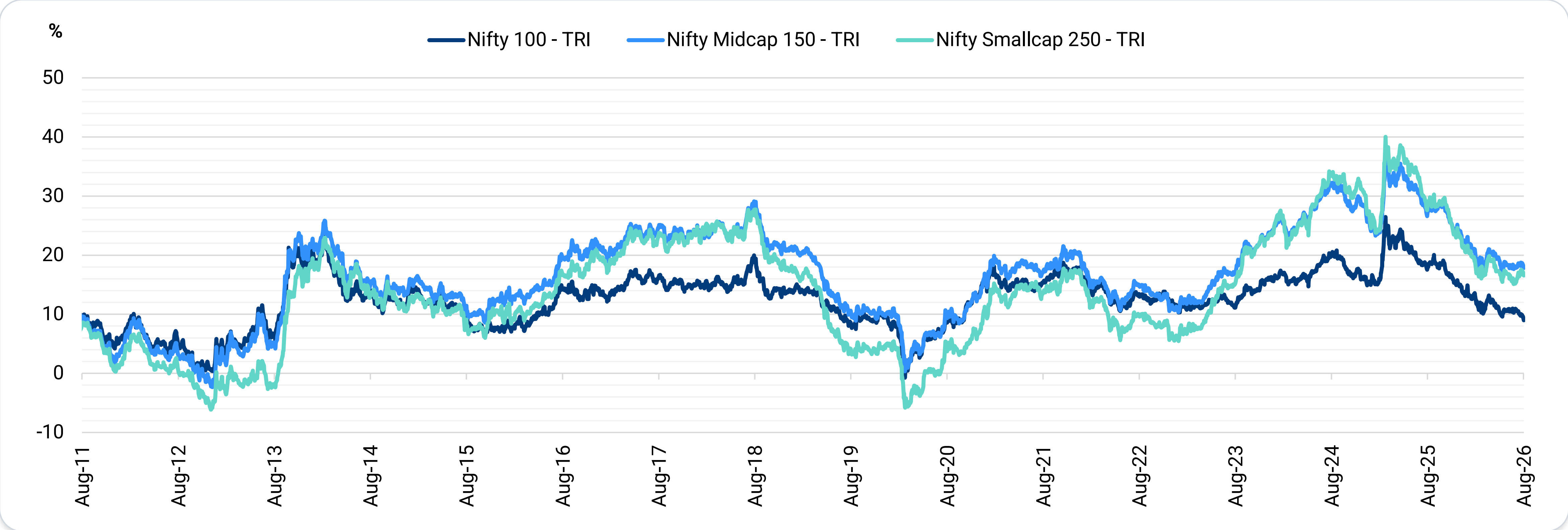
Large, mid and small cap performance

In 9 of the past 15 CY, mid and small caps have outperformed large caps

Period	Large Cap	Mid Cap	Small Cap
CY 2011	-24.93%	-31.01%	-35.07%
CY 2012	32.51%	46.69%	40.39%
CY 2013	7.89%	-1.28%	-6.44%
CY 2014	34.88%	62.67%	71.66%
CY 2015	-1.26%	9.70%	11.27%
CY 2016	5.01%	6.53%	1.39%
CY 2017	32.88%	55.73%	58.47%
CY 2018	2.57%	-12.62%	-26.15%
CY 2019	11.83%	0.62%	-7.26%
CY 2020	16.08%	25.56%	26.46%
CY 2021	26.45%	48.16%	63.34%
CY 2022	4.94%	3.91%	-2.64%
CY 2023	21.24%	44.61%	49.09%
CY 2024	12.95%	24.46%	27.21%
CY 2025	10.24%	5.98%	-5.48%
CY 2026 TD*	-4.61%	6.17%	10.60%

Source: Bloomberg. *Data as on 31st Aug 2026 | Large cap – Nifty 100 TRI, Mid cap – Nifty Midcap 150 TRI, Small cap – Nifty Smallcap 250 TRI. Past performance may or may not sustain in future.

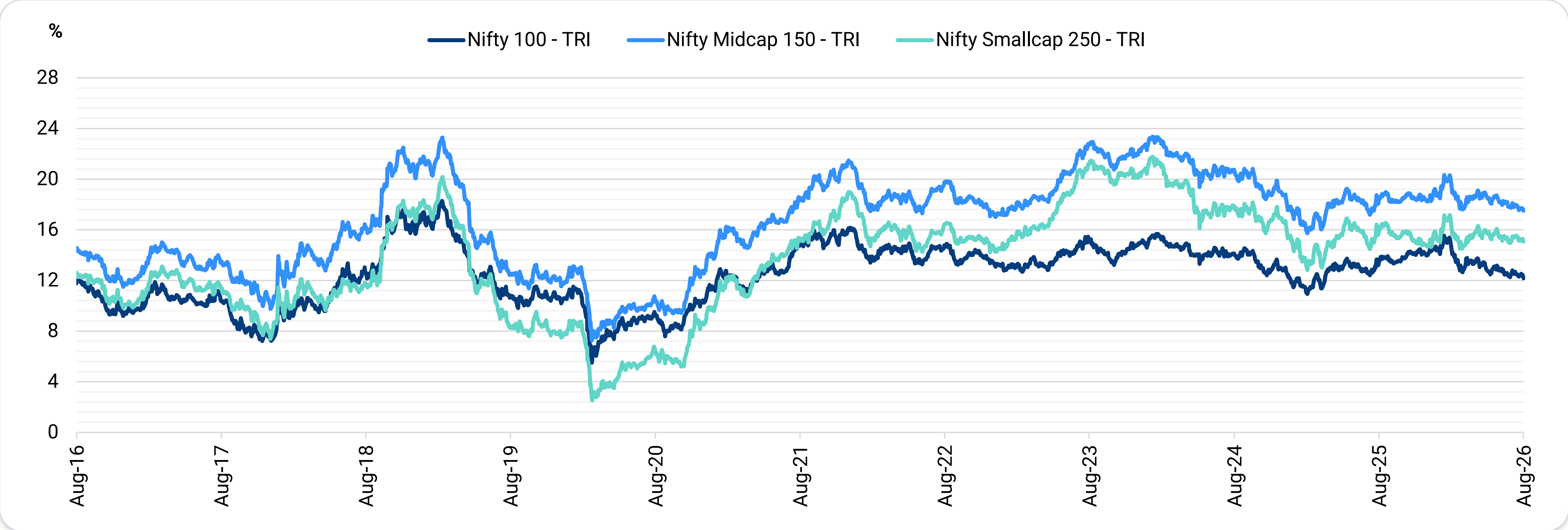
5 year rolling returns



Return Range	NIFTY 100 – TRI	Nifty Midcap 150 – TRI	Nifty Smallcap 250 – TRI
Min (%)	**-0.75%**	-2.34%	-6.16%
Max (%)	26.45%	36.76%	**40.03%**
Average (%)	12.95%	**16.49%**	14.15%

Source: Bloomberg. Data as on 31st Aug 2026 | Daily rolling considered from 1st April 2005 to 31st Aug 2026. Past performance may or may not be sustained in the future.

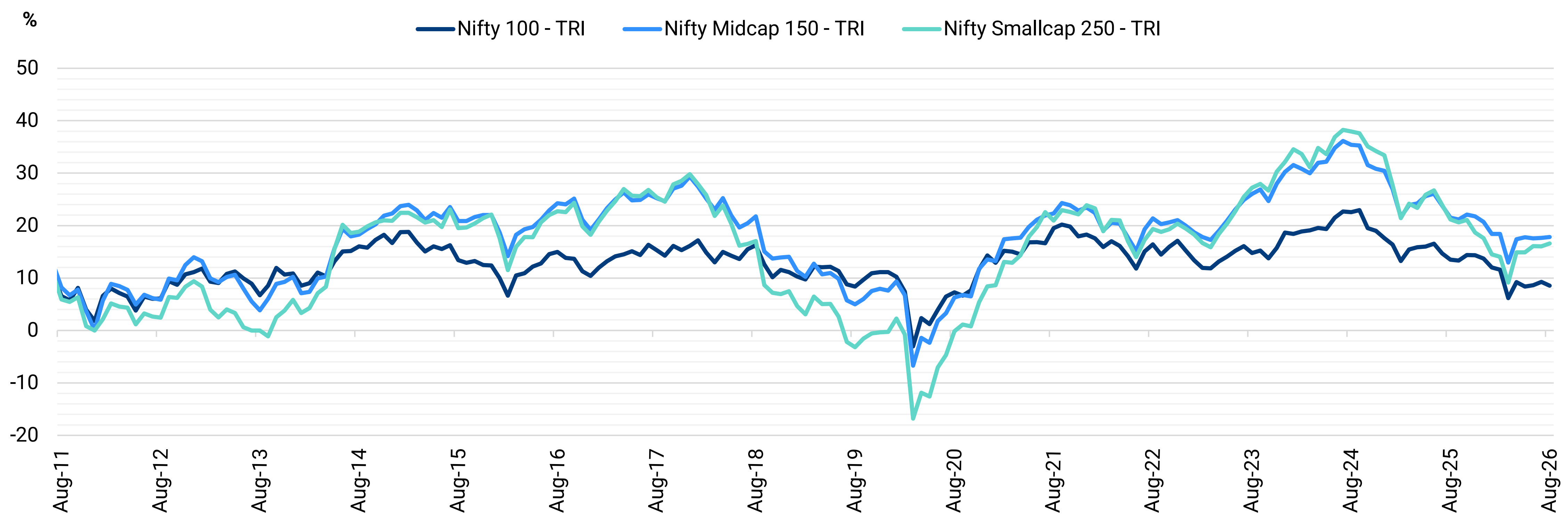
10 year rolling returns



Return Range	NIFTY 100 – TRI	Nifty Midcap 150 – TRI	Nifty Smallcap 250 – TRI
Min (%)	5.50%	**7.27%**	2.53%
Max (%)	18.29%	**23.37%**	21.77%
Average (%)	12.63%	**16.36%**	13.65%

Source: Bloomberg. Data as on 31st Aug 2026 | Daily rolling considered from 1st April 2005 to 31st Aug 2026. Past performance may or may not be sustained in the future.

5 year SIP rolling returns

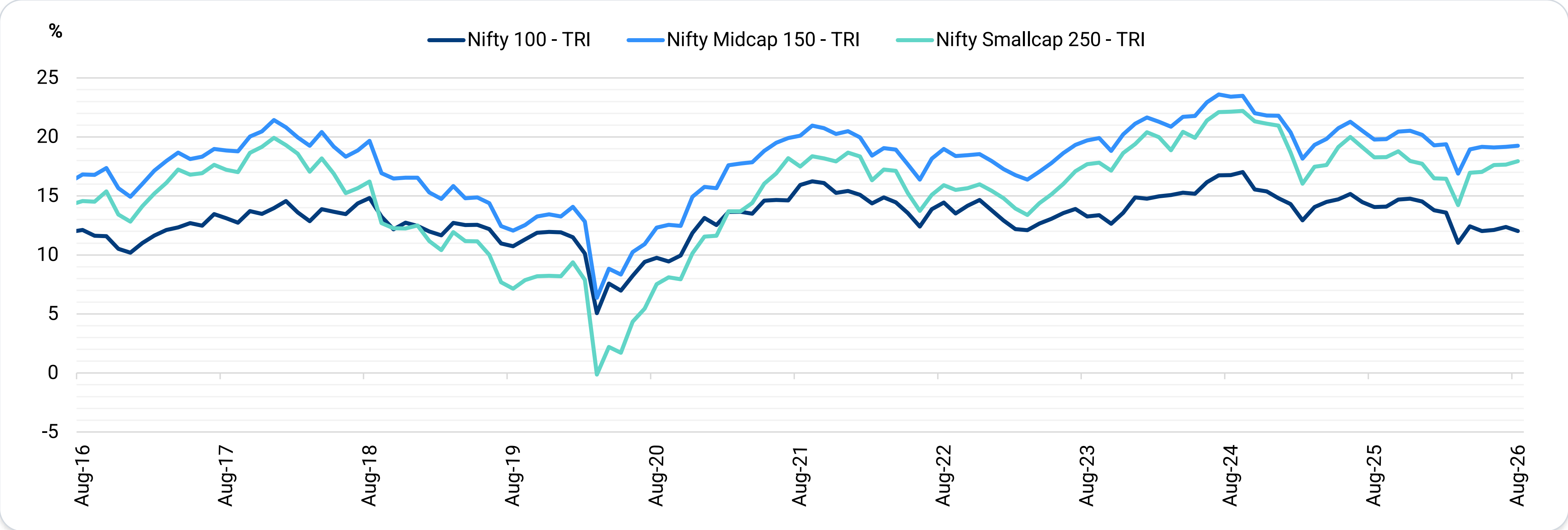


Return Range	NIFTY 100 – TRI	Nifty Midcap 150 – TRI	Nifty Smallcap 250 – TRI
Min (%)	**-3.03%**	-6.71%	-16.81%
Max (%)	22.95%	36.14%	**38.26%**
Average (%)	13.05%	**17.66%**	15.48%

Source: Bloomberg. Data as on 31st Aug 2026 | SIP taken is at the end of the month. Monthly rolling return considered. Past performance may or may not be sustained in the future.

10 year SIP rolling returns

EDELWEISS MUTUAL FUND



Return Range	NIFTY 100 – TRI	Nifty Midcap 150 – TRI	Nifty Smallcap 250 – TRI
Min (%)	5.07%	**6.37%**	-0.13%
Max (%)	17.02%	**23.60%**	22.20%
Average (%)	12.96%	**17.61%**	14.99%

Source: Bloomberg. Data as on 31st Aug 2026 | SIP taken is at the end of the month. Monthly rolling return considered. Past performance may or may not be sustained in the future.

Drawdowns

Small Caps tend to see sharper drawdowns

Period	Large Cap (%)	Mid Cap (%)	Small Cap (%)
CY 2011	-26.35%	-32.29%	-36.26%
CY 2012	-13.69%	-12.21%	-13.89%
CY 2013	-14.69%	-24.05%	-31.48%
CY 2014	-6.44%	-7.82%	-8.59%
CY 2015	-13.68%	-11.92%	-14.81%
CY 2016	-12.96%	-16.96%	-22.49%
CY 2017	-4.42%	-6.79%	-8.03%
CY 2018	-14.85%	-23.50%	-35.69%
CY 2019	-10.49%	-14.28%	-21.42%
CY 2020	-37.92%	-38.45%	-43.48%
CY 2021	-9.86%	-10.30%	-9.19%
CY 2022	-16.10%	-20.30%	-26.61%
CY 2023	-8.51%	-7.72%	-10.92%
CY 2024	-11.33%	-11.00%	-12.39%
CY 2025	-9.99%	-17.25%	-23.54%
CY 2026 TD*	-14.91%	-13.91%	-15.42%

Source: Bloomberg. *Data as on 31st Aug 2026 | Large cap – Nifty 100 TRI, Midcap – Nifty Midcap 150 TRI, Small cap – Nifty Smallcap 250 TRI. Past performance may or may not sustain in future.

Trends | Economy | Markets | Performance | **Outlook**

Equity Market commentary

- India's macro headwinds are turning into tailwinds. The two major drags of the last two years, namely the AI-led global market rally and elevated oil concerns, are beginning to reverse, improving India's relative attractiveness.
- Low oil prices strengthen India's growth outlook. A well-supplied global oil market and lower forward oil prices are supportive for inflation, external balances, and corporate profitability in an oil-importing economy like India.
- Currency stability reduces a key macro risk. Measures such as the FCNR(B) scheme have helped put a floor under the rupee, improving confidence amid global tariff and currency volatility.
- Indian earnings recovery could drive the next leg of returns. With macro conditions stabilizing, the outlook for India-linked earnings is improving, supporting a constructive view on equities over the medium term.
- Midcaps remain a preferred play on broadening growth. As economic momentum expands beyond a narrow set of sectors, lower market-cap companies are expected to benefit disproportionately, keeping the outlook positive for midcaps.
- On IT, our outlook remains neutral. While valuations appear to have bottomed out, the earnings recovery is still evolving. As a result, we prefer selective exposure rather than a broad sector overweight.
- On Banks, we prefer private sector banks over PSU banks. Improving credit growth is expected to benefit private banks, particularly mid-cap private banks. Accordingly, exposure is being gradually shifted from PSU banks toward private lenders.

Source: Internal

Fixed Income commentary

- Global bond yields have been trending higher, with benchmark 10-year yields in the Eurozone and Japan reaching multi-year highs and the 10-year UST yield rising to 4.75%, a level last seen in January 2025. Yields have moved higher amid the escalating WA crisis, sticky inflation, unsustainable fiscal deficits, and continued hawkishness from major central banks.
- Indian government bond yields have also hardened due to weak market sentiment and higher energy prices. The benchmark 10-year government bond yield rose by approximately 20 bps to 6.95% as of August 31, 2026.
- Despite the ongoing WA crisis, the Indian economy grew by 7.8% in Q1FY27, led by consumption, trade, and services. GVA expanded by 8.2%, while nominal GDP growth stood at 10.3%, indicating continued economic resilience.
- RBI's FCNR-B deposit mobilisation collected $126 billion. This is higher than expected and is likely to result in a sharp increase in banking system liquidity (~Rs. 12 trillion), while boosting aggregate deposit growth by around 4 percentage points. We expect the RBI to undertake measures to sterilize a portion of this liquidity.
- The sovereign yield curve steepened in August, with the short end remaining anchored due to FCNR-B-driven liquidity, while longer-tenor yields hardened amid the global bond sell-off and higher crude oil prices.
- We remain cautiously optimistic on sovereign bonds and continue to prefer the 1- to 3-year segment of AAA-rated bonds.

Source: Internal

Factor Investing commentary

- **Market Context:** Market conditions have improved materially from the stress observed at the end of FY26. While earnings revisions remain broadly flat to negative across styles, investors have increasingly focused on medium-term growth visibility rather than near-term earnings upgrades.
- **Performance Trends:** Q1 FY27 witnessed a sharp recovery across factors following the broad-based de-risking seen in Q4 FY26. Momentum, Growth and Quality delivered strong returns over the last three months, significantly outperforming broader market benchmarks and reversing a large part of the earlier correction.
- **Strategy Forward:** Maintain overweight exposure to Growth and Momentum to participate in the ongoing cyclical recovery and domestic capex cycle. Financials, Capital Goods and metals remain the key sectors for factor allocations as earnings visibility improves and market breadth broadens.
- **Midcap-oriented universes have meaningfully outperformed large-cap indices**, reflecting greater investor risk appetite and stronger participation in domestic growth themes. Broad market data also shows mid and small cap indices outperforming large cap in Q1FY27

Source: Internal

Investment process, team, and our offerings

First asset manager to have all 5 investment platforms

EDELWEISS MUTUAL FUND

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Hybrid Passive	1

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Emerging Markets	1
Greater China	1
USA	2
Europe	1
ASEAN	1

GIFT City Feeder	3
GIFT Inbound	2
GIFT Outbound	1

SIF	2
Hybrid Long-Short	1
Equity Ex-Top 100 Long-Short	1

Data as on 31st Aug 2026. ▭ No. of Schemes

Our philosophy while managing your money

Our FAIR investment framework helps in identifying robust and clean businesses available at acceptable prices without being biased toward either value or growth investing styles

Forensics
Use forensic framework to check accounting quality, board governance standards and ownership background

Acceptable Price
Emphasize reasonably priced businesses with earnings power over the medium term, rather than focusing on the short term

Investment Style Agnostic
Emphasize investing in strong businesses capable of delivering long-term returns, while remaining agnostic to value or growth investing styles

Robustness
Pick well managed businesses having scalable opportunities and superior return on capital employed

Equity Investment Team

Fund Management Team

Trideep Bhattacharya
Chief
Investment Officer,
Equities
Exp: 4/27

Sumanta Khan
Fund Manager
Exp: 2/18
Capital goods, IT,
Utilities, Telecom

Ashwani Agarwalla
Fund Manager
Exp: 4/18
BFSI

Ashish Sood^
Assistant Fund
Manager
Exp: 5/10
Capital Markets and
Auto

Dhruv Bhatia
Fund Manager
Exp: 2/14
Real Estate, Hotels,
Cement, Textiles

Nikhil Gada
Fund Manager
Exp: 1*/14

Raj Koradia
Assistant Fund
Manager
Exp: 2/7
Chemicals, Metals, Oil & Gas,
Industrial consumables

Mehul Dalmia^
Assistant Fund
Manager
Exp: 4/9
Pharma and IT Services

Equity Research Team

Aniruddha Kekatpure
Head, Research
Exp: 2/21
Consumer Staples,
Consumer Discretionary

Suraj Soulkar
Research Analyst
Exp: 1/10

Gnyan Thaker
Research Analyst
Exp: 1/3

Tejal Nagmoti
Research Analyst
Exp: 1/2

Aksh Vashishth
Research Analyst
Exp: 1/10

Experience – Experience in Edelweiss MF/Total Experience *Date of Joining – 1st April 2026 | ^Mr. Mehul Dalmia and Mr. Ashish Sood has taken up as Assistant Fund Managers effective from 03rd Aug 2026.

Fundamental equity product offerings

Scheme Names	Description	Inception Date	AUM (INR Cr.)
Edelweiss Mid Cap Fund	101st – 250th stocks by market cap	Dec 26, 2007	19,924
Edelweiss Small Cap Fund	251st stock and beyond by market cap	Feb 07, 2019	7,259
Edelweiss Large & Mid Cap Fund	Top 250 stocks by market cap	Jun 14, 2007	4,942
Edelweiss Flexi Cap Fund	Across market caps	Feb 03, 2013	3,698
Edelweiss Multi Cap Fund	At least 25% allocated to each market cap	Oct 25, 2023	3,552
Edelweiss Focused Fund	Maximum of 30 stocks across market cap	Aug 01, 2022	1,050
Edelweiss Technology Fund	Technology and technology related companies	Mar 05, 2024	809
Edelweiss Consumption Fund	Consumption and Consumption related companies	Feb 20, 2025	493
Edelweiss ELSS Tax Saver Fund	Across market cap with a 3-year lock-in	Dec 30, 2008	462
Edelweiss Financial Services Fund	Financial Services Companies and Banks	Feb 16, 2026	289

AUM data as on 31st Aug 2026.

CLEAR Investment Philosophy

- The Fund Management team maintains a CLEAR investment philosophy.
- While investment processes vary in adaptation to the particulars of the fund and strategy, these five principles are embedded across investment strategies.

Fixed Income Investment Team

Mr. Dhawal Dalal

Chief Investment Officer (CIO), Fixed Income

Experience of 28 years and is responsible for the overall growth of fixed income assets through a healthy mix of retail and institutional clients.
MBA from University of Dallas (USA).

Fund Management Team

Mr. Kedar Karnik
(Senior Fund Manager)

Mr. Rahul Dedhia
(Fund Manager)

Mr. Hetul Raval
(Dealer and Fund Manager)

Ms. Riya Shah
(Analyst and Junior Dealer)

Active debt product offerings

EDELWEISS MUTUAL FUND

Scheme Names	Description	Inception Date	AUM (INR Cr.)
Edelweiss Liquid Fund	Money market and debt securities (maturity of up to 91 days).	Sep 21, 2007	12,980
Edelweiss Banking and PSU Debt Fund	Debt securities of banks, public sector undertakings, public financial institutions and municipal bonds.	Sep 13, 2013	3,139
Edelweiss Money Market Fund	Money market securities (maturity of up to 1 year).	Jun 27, 2008	2,307
Edelweiss Low Duration Fund	Debt and money market instruments duration up to 6 -12 months	Mar 19, 2025	500
Edelweiss Overnight Fund	Overnight Securities (maturity of up to one day).	Jul 24, 2019	186
Edelweiss Government Securities Fund	Government securities across maturity.	Feb 13, 2014	123

AUM data as on 31st Aug 2026.

Our philosophy while managing your money

Our Factor investment strategy focuses on generating ALPHA by prioritizing Active risk management, maintaining a Long-term orientation when selecting factors, Prudently blending factors, maintaining a bias towards High-quality and growth opportunities, while being Agile and keep evolving the factor sets.

A — Active Risk Management

Rigorous risk and governance factor filters to arrive at quality investible universe

L — Long-term Factor Orientation

Select core and behavioural factors that have sound academic and economic rationale and have demonstrated relative alpha generation over the long term

P — Prudent Blend of Factors

Rigorous back testing of various combination of factors to identify the most effective blend of factors for consistent outperformance across market cycles

H — High-Quality & Growth Bias

Bias towards Growth, Quality and GARP (Growth At a Reasonable Price) factors while constructing portfolios

A — Agile

Focus on creating and maintaining an agile and robust model by continuously assessing and evolving the factor set itself

Factor Investing team

Mr. Bhavesh Jain

Co-Head (Factor Investing)

Over 18 years of rich experience in the financial markets. He joined in the Low-Risk Trading team and today, he's the Fund Manager with us managing several funds which are part of Risk Adjusted Returns Strategies in addition to ETFs.

Mr. Bharat Lahoti

Co-Head (Factor Investing)

Bharat has over 19 years of experience in areas of portfolio management, macro and sector research. He has earlier worked with marquee investment banks and asset management companies. In his last assignment, he was with a global hedge fund, as a senior manager working on fundamental and quantitative research ideas.

Fund Management / Research Team

Ms. Manasi Jalgaonkar
(Assistant Fund Manager)

Mr. Dishant Garg
(Quant Analyst)

Mr. Mayan Pahwa
(Research Analyst)

Mr. Ankit Jindal
(Research Analyst)

Factor investing product offerings

Scheme Names	Description	Inception Date	AUM (INR Cr.)
Edelweiss Balanced Advantage Fund	Dynamic asset allocation, 30-80% net equity.	Aug 20, 2009	13,445
Edelweiss Arbitrage Fund	Arbitrage opportunities. Fully hedged.	Jun 27, 2014	13,040
Edelweiss Aggressive Hybrid Fund	Predominantly in equity and balance in debt. ~75% net equity.	Aug 12, 2009	3,736
Edelweiss Multi Asset Allocation Fund	Equity, debt and commodities. Equity portion fully hedged.	Jun 23, 2023	2,918
Edelweiss Equity Savings Fund	Equity, arbitrage and debt. ~25% net equity.	Oct 13, 2014	1,486
Edelweiss Business Cycle Fund	Dynamic allocation between sectors and stocks basis the business cycle.	Jul 29, 2024	1,461
Edelweiss Large Cap Fund	Top 100 stocks by market cap.	May 20, 2009	1,434
Edelweiss Recently Listed IPO Fund	Thematic fund investing recently listed IPO companies.	Feb 22, 2018	1,233

AUM data as on 31st Aug 2026.

Specialized investment funds (SIF) product offerings

altiva SIF™
— By Edelweiss Mutual Fund —

Scheme Names	Description	Inception Date	AUM (INR Cr.)
Altiva Hybrid Long-Short Fund	An income oriented strategy with arbitrage and fixed income as core strategies, enhanced by selective opportunities in special situations and derivatives.	Oct 20, 2025	9,392
Altiva Equity Ex-Top 100 Long-Short Fund	A differentiated SMID strategy positioned between mutual funds and PMS, with a focused high-conviction portfolio.	Jun 08, 2026	1,391
Altiva Equity Long-Short Fund	A large-cap oriented portfolio that generates market-linked returns (beta). With overlay of income-oriented derivatives that aims to generate incremental returns (alpha).	**NFO Period:** 10^{th} Sep – 24^{th} Sep 2026	

AUM data as on 31^{st} Aug 2026.

INSIGHTS THAT INSPIRE ACTION

TEMPO

Trends | Economy | Markets | Performance | Outlook

CURVE

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