

TEMPO

Trends | Economy | Markets | Performance | Outlook



May 2026

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	7,209	20.7	19.1	4.7	3.6	21.1	10.4%	3.9%	5.4%	29.4%
	USA	Nasdaq	24,892	25.3	25.5	5.6	4.8	20.3	15.3%	6.1%	4.9%	42.7%
	Europe	STOXX 600	611	14.7	14.5	2.2	1.8	14.2	4.8%	0.0%	6.9%	15.9%
	UK	FTSE 100	10,379	12.9	12.8	2.1	1.8	15.8	2.0%	1.5%	6.8%	22.2%
	Germany	DAX	24,292	15.1	13.3	1.8	1.5	11.8	7.1%	-1.0%	1.4%	8.0%
	France	CAC 40	8,115	14.5	14.1	1.9	1.6	12.5	3.8%	-0.1%	-0.1%	6.9%
	Japan	Topix	3,727	16.7	14.7	1.6	1.2	9.6	6.6%	4.5%	11.9%	39.7%
	Australia	ASX 200	8,666	17.0	16.4	2.0	2.0	11.8	2.2%	-2.3%	-2.4%	6.6%
	Singapore	STI Index	4,913	14.7	12.7	1.6	1.2	10.6	0.6%	0.2%	10.9%	28.2%
	Hong Kong	Hang Seng	25,777	11.1	10.5	1.2	1.1	10.6	4.0%	-5.9%	-0.5%	16.5%
Emerging Market	India	Sensex	76,914	18.4	19.3	2.7	2.9	14.8	6.9%	-6.5%	-8.4%	-4.1%
	China	Shanghai Composite	4,112	13.9	11.6	1.4	1.3	10.2	5.7%	-0.1%	4.0%	25.4%
	Brazil	Bovespa	1,87,318	9.1	10.2	1.5	1.6	16.1	-0.1%	3.3%	25.3%	38.7%
	Korea	KOSPI	6,599	7.5	10.1	1.7	1.0	21.9	30.6%	26.3%	60.7%	158.1%
	Mexico	IPC	67,858	12.7	13.8	2.3	2.0	17.9	-1.1%	0.4%	8.1%	20.6%
	Philippines	PCOMP	5,834	8.6	14.3	1.1	1.6	12.5	-1.9%	-7.8%	-1.6%	-8.2%
	Turkey	XU100	14,443	4.3	5.5	0.6	0.9	13.7	12.9%	4.4%	31.6%	59.1%
	Thailand	SET	1,494	14.9	15.1	1.4	1.4	9.6	3.1%	12.7%	14.1%	24.8%
	Vietnam	VN30	2,023	10.9	10.8	1.7	1.9	15.5	10.6%	-0.3%	7.3%	54.4%
	Indonesia	JCI	6,957	10.5	14.8	0.1	1.9	0.7	-1.3%	-16.5%	-14.8%	2.8%

Global equity markets at a glance

	Countries	Exchange Name	CAGR Performance (% , in USD)											
			3Y	Rank	5Y	Rank	7Y	Rank	10Y	Rank	15Y	Rank	20Y	Rank
Developed Market	USA	S&P500	20%	4	12%	3	14%	2	12%	2	12%	2	9%	2
	USA	Nasdaq	27%	2	12%	2	17%	1	15%	1	15%	1	13%	1
	Europe	STOXX 600	12%	10	6%	11	7%	9	5%	9	4%	8	3%	13
	UK	FTSE 100	12%	9	8%	9	6%	13	4%	12	2%	11	1%	18
	Germany	DAX	17%	6	9%	8	11%	4	8%	5	6%	4	7%	3
	France	CAC 40	5%	16	5%	13	6%	12	5%	11	3%	9	2%	17
	Japan	Topix	16%	7	7%	10	7%	8	6%	8	6%	5	2%	14
	Australia	ASX 200	9%	13	3%	15	5%	15	3%	14	1%	15	2%	15
	Singapore	STI Index	16%	8	10%	6	6%	10	5%	10	3%	10	4%	8
	Hong Kong	Hang Seng	9%	12	-2%	19	-2%	19	0%	17	0%	16	2%	16
Emerging Market	India	Sensex	3%	17	4%	14	5%	14	6%	7	4%	7	6%	5
	China	Shanghai Composite	8%	15	2%	16	4%	16	3%	15	2%	12	6%	4
	Brazil	Bovespa	22%	3	11%	4	6%	11	6%	6	-1%	19	3%	12
	Korea	KOSPI	34%	1	10%	7	13%	3	9%	4	5%	6	6%	6
	Mexico	IPC	8%	14	10%	5	7%	7	4%	13	1%	14	4%	11
	Philippines	PCOMP	-7%	20	-6%	20	-7%	20	-5%	20	0%	17	4%	10
	Turkey	XU100	10%	11	14%	1	10%	6	2%	16	-2%	20	0%	19
	Thailand	SET	1%	18	-2%	18	-2%	18	0%	18	2%	13	4%	9
	Vietnam	VN30	20%	5	6%	12	10%	5	10%	3	8%	3	-	-
	Indonesia	JCI	-5%	19	-1%	17	-2%	17	-1%	19	-1%	18	4%	7

Source: Bloomberg. Data as of 30th April 2026. Performance in USD. All foreign indices are price returns.

Indian equity markets at a glance

Market cap and Sector performance – Trailing period

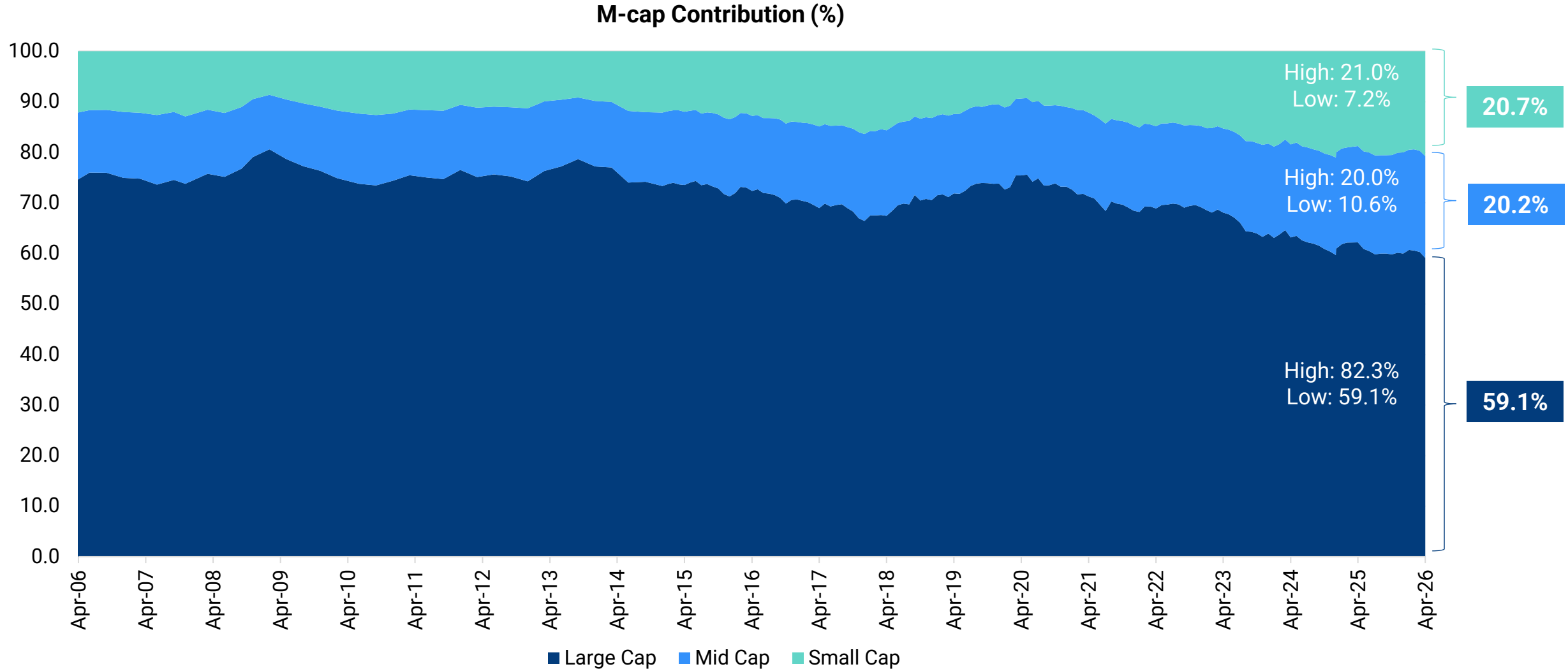
	Segment	Absolute Performance (%)				CAGR (%)		
		1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years
Market-cap	Large-cap (NIFTY 50)	7.49%	-5.15%	-6.53%	-0.28%	11.20%	11.69%	13.19%
	Large-cap (NIFTY Next 50)	15.45%	3.01%	0.15%	9.06%	21.73%	15.87%	14.86%
	Large-cap (NIFTY 100)	8.86%	-3.76%	-5.37%	1.32%	12.82%	12.20%	13.41%
	Midcap (NIFTY Midcap 150)	13.24%	2.52%	0.05%	11.40%	23.30%	20.06%	18.56%
	Large & Midcap (NIFTY Large Midcap 250)	11.05%	-0.64%	-2.67%	6.29%	18.10%	16.18%	16.08%
	Small-cap (NIFTY Smallcap 250)	17.10%	6.23%	-3.20%	9.56%	21.93%	18.99%	15.71%
	Multicap (NIFTY 500)	10.52%	-1.59%	-4.11%	3.96%	15.31%	14.03%	14.40%
	Micro-cap (NIFTY Microcap250)	21.57%	8.06%	-3.33%	10.10%	27.52%	26.91%	20.23%
Themes/Sector	Auto (NIFTY AUTO)	9.04%	-2.96%	-3.14%	17.39%	26.29%	22.99%	13.20%
	Banks (NIFTY Bank)	9.13%	-7.96%	-5.04%	0.38%	9.17%	11.66%	13.25%
	Commodities (NIFTY Commodities)	12.16%	6.41%	9.26%	21.47%	22.10%	18.28%	17.00%
	Consumption (NIFTY India Consumption)	10.48%	-0.37%	-7.90%	1.78%	16.03%	15.52%	13.82%
	Energy (NIFTY Energy)	17.01%	16.47%	13.03%	20.53%	21.36%	19.58%	19.42%
	Healthcare (NIFTY Healthcare)	5.05%	7.58%	1.72%	6.78%	23.75%	13.81%	10.05%
	Infrastructure (NIFTY Infrastructure)	10.03%	3.02%	-1.31%	8.07%	21.69%	19.52%	15.11%
	Information Technology (NIFTY IT)	1.23%	-22.66%	-17.20%	-15.98%	4.17%	4.88%	12.42%
	Manufacturing (NIFTY India Manufacturing)	10.83%	3.49%	2.16%	16.02%	23.90%	19.38%	15.23%
	Oil & Gas (NIFTY Oil & Gas)	8.41%	-0.59%	-2.14%	5.57%	17.02%	14.70%	16.98%
	Pharma (NIFTY Pharma)	4.66%	7.39%	5.18%	7.64%	23.50%	12.37%	8.23%
	Realty (NIFTY Realty)	21.87%	1.34%	-16.24%	-10.12%	21.63%	21.08%	16.75%
	Transportation (NIFTY Transportation & Logistics)	9.60%	-3.46%	-7.67%	11.50%	24.63%	21.29%	14.54%

Indian equity markets at a glance

Factor performance – Trailing period

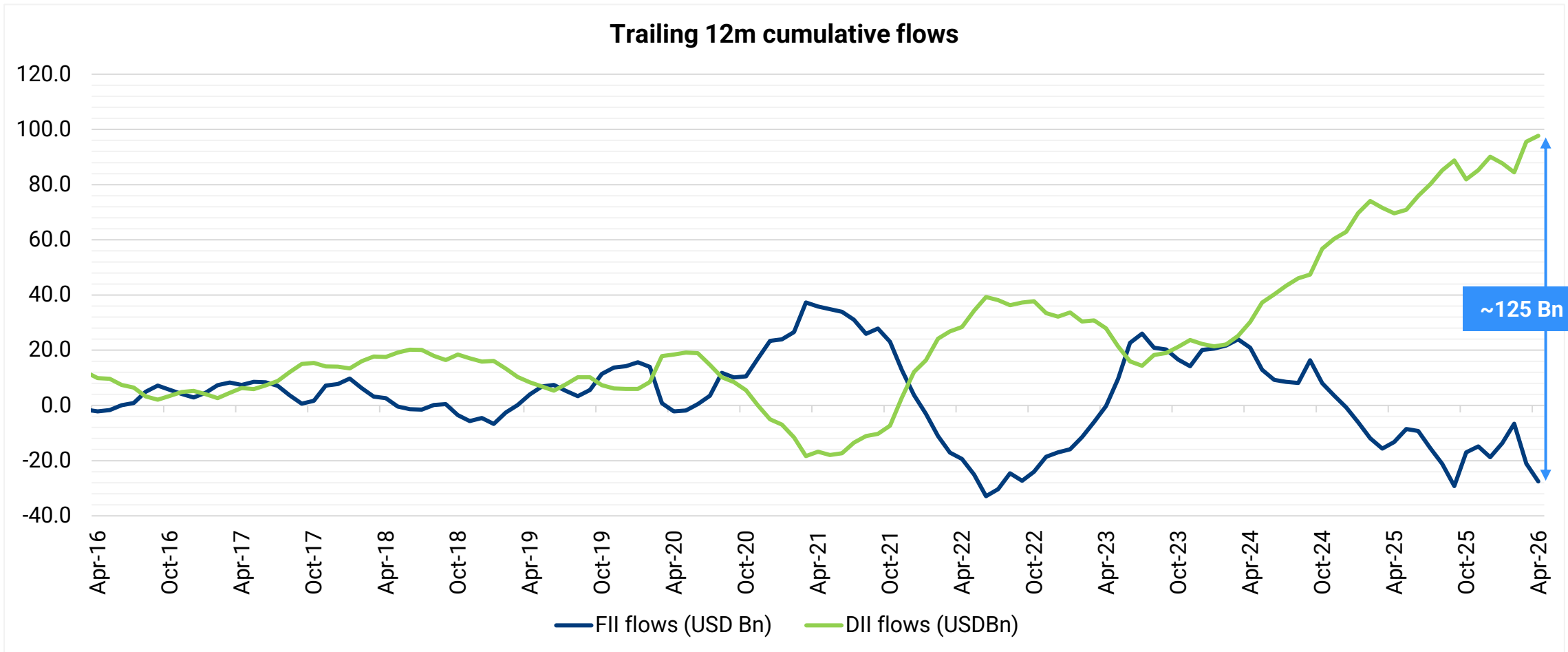
	Segment	Absolute Performance (%)				CAGR (%)		
		1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years
Single Factor	Value (NIFTY 50 Value 20 Index)	5.89%	-7.16%	-4.92%	-1.06%	11.73%	12.85%	15.51%
	Quality (NIFTY 100 Quality 30 Index)	10.56%	-4.03%	-2.60%	4.75%	13.57%	12.80%	12.17%
	Low Vol (NIFTY 100 Low Vol 30 Index)	7.39%	-3.77%	-4.59%	2.06%	14.65%	13.45%	14.08%
	Alpha (NIFTY 100 Alpha 30)	11.96%	0.57%	-4.76%	3.99%	18.74%	13.15%	16.36%
	Alpha (NIFTY 200 Alpha30)	13.38%	2.55%	-1.00%	7.84%	23.51%	19.07%	19.98%
	Momentum (NIFTY 200 Momentum30)	11.43%	-0.42%	-3.94%	3.53%	16.88%	14.04%	18.13%
	Quality (NIFTY 200 Quality30)	10.84%	-3.69%	-3.82%	3.53%	13.08%	12.58%	13.17%
	Value (NIFTY 200 Value30)	10.46%	2.49%	10.45%	26.03%	34.47%	30.45%	20.00%
	Momentum (NIFTY Midcap150 Momentum50)	12.29%	1.20%	-1.03%	6.42%	23.82%	21.39%	21.67%
	Quality (NIFTY Midcap150 Quality50)	12.28%	0.90%	-3.38%	2.70%	14.33%	11.34%	14.70%
	Quality (NIFTY Smallcap250 Quality50)	14.05%	2.57%	-6.80%	2.51%	17.38%	17.67%	16.96%
	Momentum (NIFTY500 Momentum 50)	12.58%	2.04%	-3.09%	4.32%	19.40%	17.26%	19.34%
Value (NIFTY500 Value 50)	10.83%	4.12%	10.08%	24.98%	33.02%	30.22%	19.57%	
Multi- Factor	Alpha Low Vol (NIFTY Alpha Low Vol 30)	7.30%	-2.15%	-3.95%	-1.13%	14.61%	13.65%	14.72%
	Quality Low Vol (NIFTY Quality Low Vol 30)	8.14%	-3.90%	-5.78%	-1.93%	10.65%	11.02%	11.41%
	Momentum Quality (NIFTY500 Multicap Momentum Quality 50)	14.23%	2.97%	-1.73%	6.68%	20.35%	17.18%	18.36%
	Momentum Quality (NIFTY MidSmallcap 400 Momentum Quality 100)	15.48%	5.57%	1.56%	8.15%	20.69%	18.72%	18.82%
	Momentum Quality (NIFTY Smallcap 250 Momentum Quality 100)	17.13%	4.79%	-3.87%	5.06%	16.25%	15.87%	17.98%

Trends in % share to total M-cap



Trends in FII & DII flows

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



Equity flows

FPI Flows (USD Mn)

Year	India - DIIs	India - FIIs	Brazil	Indonesia	Malaysia	Philippines	S.Korea	Taiwan	Thailand	Vietnam
2025	90,248	(18,792)	4,616	(1,063)	(5,163)	(883)	(4,485)	(7,800)	(3,211)	(4,754)
2026TD*	32,712	(21,011)	10,754	(2,938)	367	(72)	(36,415)	(10,489)	561	(1,680)
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)

- * In CY26TD, strong DII inflows (~US\$32,700 mn) have more than offset FII outflows (~US\$21,000 mn), providing support to domestic equities
- * Among emerging markets, Brazil witnessed healthy FPI inflows in 2026TD, although Apr'26 inflows moderated to the weakest level since Jan'26
- * FPI outflows have remained broad-based across emerging markets in 2026TD, with South Korea and India witnessing the largest outflows

Trends in the Commodity market

	Current Rate	1M	3M	6M	1Y	CYTD*
Gold (USD/oz)	4,618	-1.1%	-5.6%	15.4%	40.4%	6.9%
Silver (USD/oz)	74	-1.9%	-13.4%	51.5%	126.1%	2.9%
Brent Crude (USD/bbl)	114	1.1%	61.3%	75.2%	80.4%	87.4%
Aluminium (USD/ton)	3,530	0.3%	13.2%	22.6%	48.8%	18.9%
Copper (USD/ton)	12,911	5.3%	-1.2%	18.7%	41.6%	3.7%
Lead (USD/ton)	1,942	3.7%	-1.1%	-2.4%	-0.3%	-1.3%
Zinc (USD/ton)	3,360	4.3%	-1.0%	7.0%	31.4%	9.0%

Key Highlights

- * Gold and Silver have remained in a corrective phase since Feb'26
- * Crude oil continued its upward momentum in Apr'26, marking a second straight month of gains
- * Supply-side constraints and geopolitical risks have kept crude prices elevated over the last year
- * Base metals such as Copper, Zinc, and Aluminium delivered modest single-digit gains over the past month

Trends in the Forex market

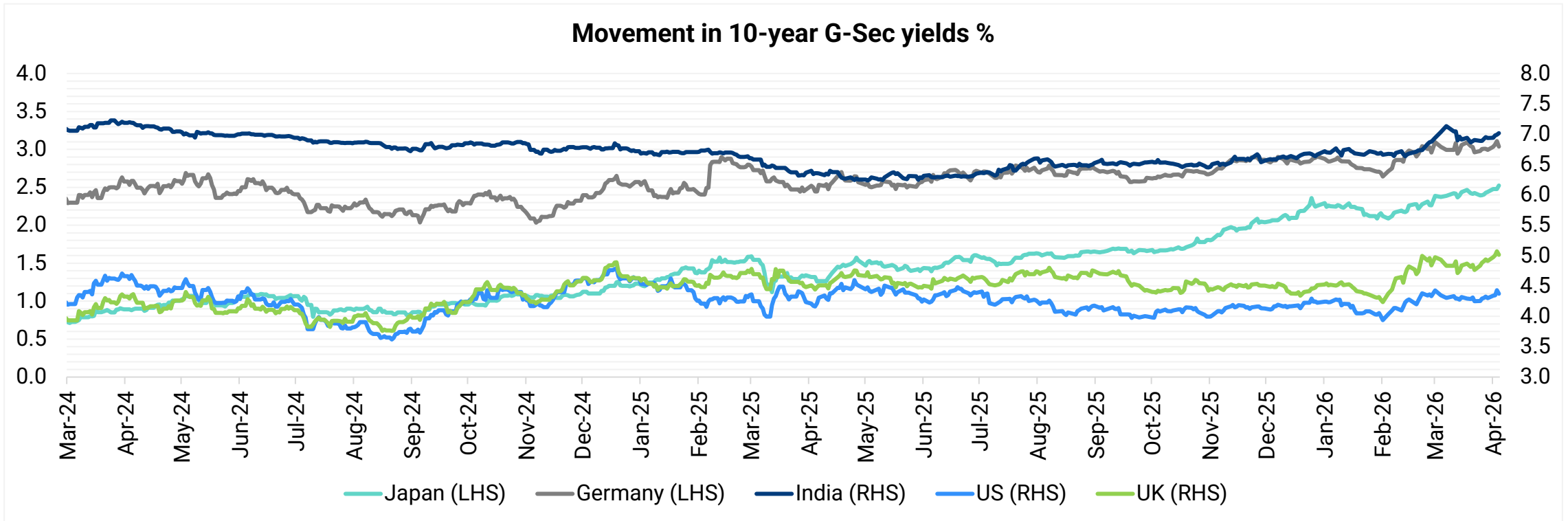
Performance of currencies against the USD

	1M	3M	6M	1Y	CYTD*	Currency Rate
INR	-0.11%	-3.08%	-6.48%	-10.98%	-5.65%	94.92
Euro	2.32%	-1.01%	1.68%	3.56%	-0.13%	0.85
GBP	3.17%	-0.60%	3.44%	2.06%	2.96%	0.74
JPY	1.99%	-1.16%	-1.66%	-8.63%	-0.72%	156.59
CNY	1.22%	1.87%	4.26%	6.48%	2.34%	6.83
DXY	-2.44%	1.10%	-1.75%	-1.42%	-1.37%	98.06
CAD	2.52%	0.23%	3.15%	1.60%	3.07%	1.36
AUD	5.08%	3.40%	10.02%	12.48%	10.04%	1.39
CHF	2.30%	-1.07%	2.97%	5.68%	2.98%	0.78

Key Highlights

- * INR has remained on a depreciating trajectory over the past year, whereas the Australian Dollar has seen the strongest appreciation
- * Most major currencies strengthened against the dollar over the past month, barring the INR
- * The US Dollar Index continues to trend lower, reflecting broad-based weakness in the dollar

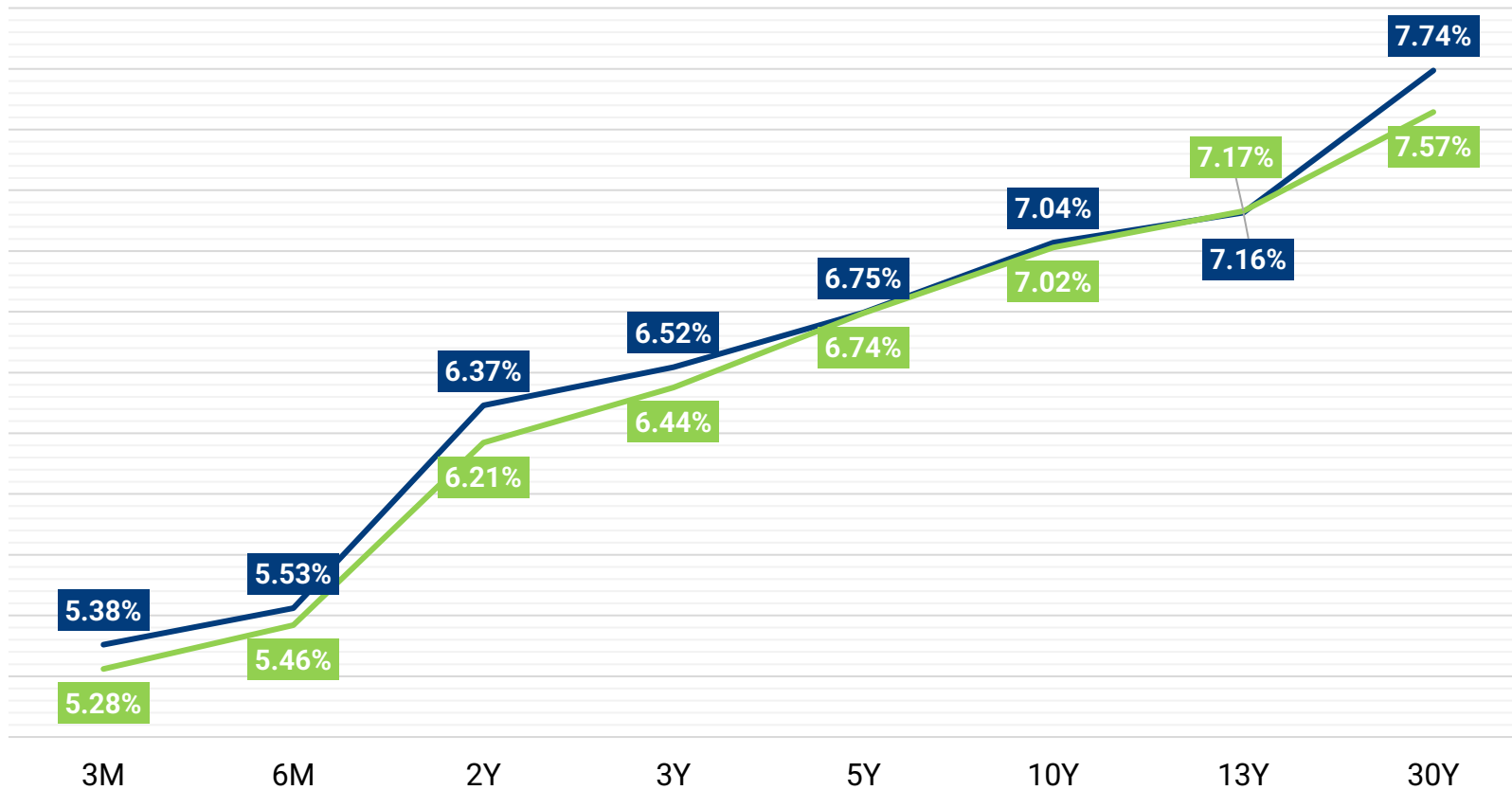
Tracking the 10-year G-sec yields



	India	US	Japan	UK	Germany
Current YTM	7.02%	4.37%	2.53%	5.01%	3.04%
M-o-M (bps)	(2.00)	2.24	15.10	7.70	0.20
Q-o-Q (bps)	31.90	13.51	27.30	49.00	19.40
Y-o-Y (bps)	65.90	20.87	120.80	57.10	59.30

Tracking India's yield curve

— Yield Curve 30-Mar-2026 — Yield Curve 30-Apr-2026



Key Highlights

- * Bond yields eased across the curve in Apr'26, with yields declining by 1–17 bps
- * Bond markets will closely monitor the pace at which headline inflation reflects higher energy prices, currency depreciation, and supply-chain disruptions

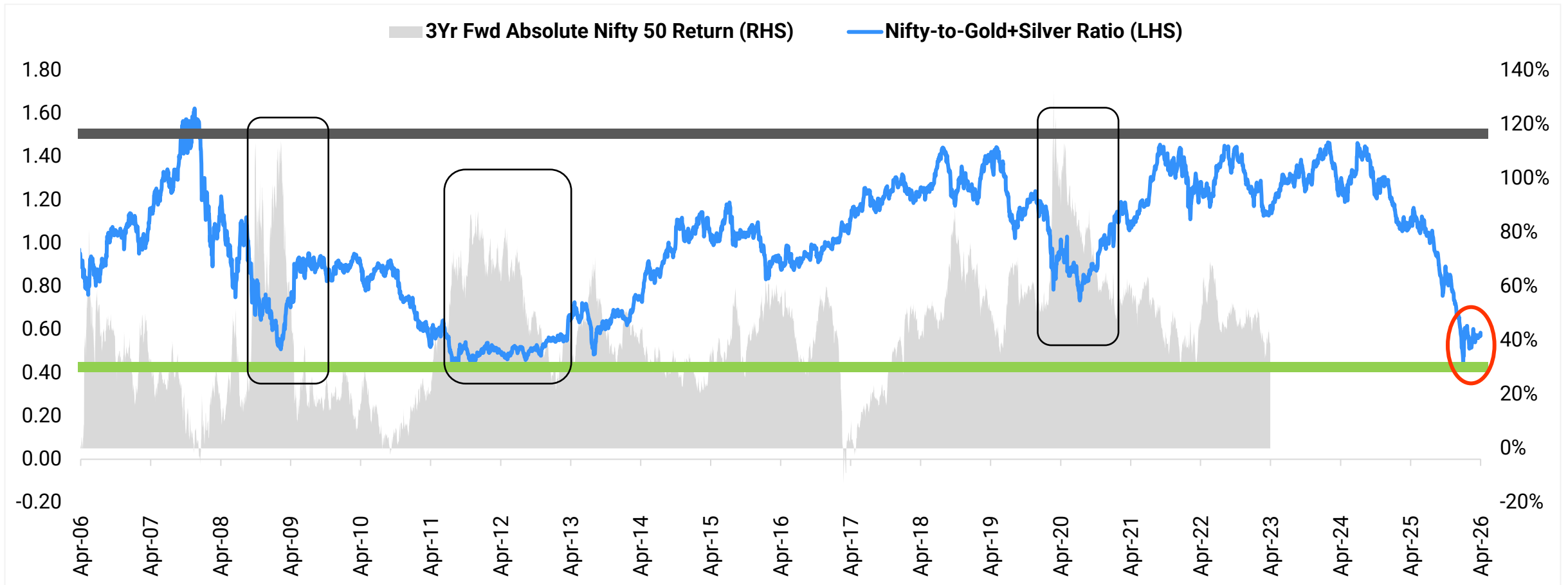
Asset class returns

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%	12.92%	Gold (Domestic Price)
8.63%	14.97%	37.65%	6.65%	23.79%	27.97%	28.71%	9.74%	26.29%	22.93%	74.73%	5.70%	US Equity
7.39%	12.94%	21.83%	6.03%	21.75%	18.40%	4.38%	4.25%	15.37%	20.61%	32.51%	4.52%	Silver (Domestic Price)
1.38%	11.96%	6.05%	5.91%	13.04%	17.89%	3.44%	3.59%	7.82%	17.57%	17.88%	1.19%	ST Bond
0.22%	11.35%	5.11%	-0.21%	10.72%	12.29%	1.35%	2.51%	7.73%	16.24%	7.76%	0.95%	China Equity
-3.92%	9.85%	4.71%	-2.14%	10.46%	10.42%	-4.21%	0.46%	7.29%	9.57%	7.76%	0.25%	Corporate Bond
-6.65%	5.12%	-0.05%	-4.38%	9.53%	9.26%	-8.20%	-12.55%	7.26%	8.95%	6.82%	-0.67%	G-Sec
-9.68%	4.30%	-2.76%	-10.54%	8.97%	-0.29%	-11.83%	-18.11%	-10.46%	7.96%	6.37%	-4.81%	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

What looks attractive – Equities or precious metals?

The Nifty-to-Gold+Silver ratio reversed from near its long-term support zone, a level that in the past has often marked a shift in relative performance between equities and precious metals



India IPO market snapshot

No of Companies Trading Higher	From the issue price		From the listing price		From All Time Low price	
	Nos.	%	Nos.	%	Nos.	%
Above 100%	71	18%	49	13%	90	23%
Between 50 - 100%	42	11%	33	8%	86	22%
Between 25 - 50%	43	11%	37	9%	138	35%
Between 10 - 25%	31	8%	27	7%	65	17%
Between 0 - 10%	27	7%	28	7%	11	3%
Total	214	55%	174	44%	390	100%

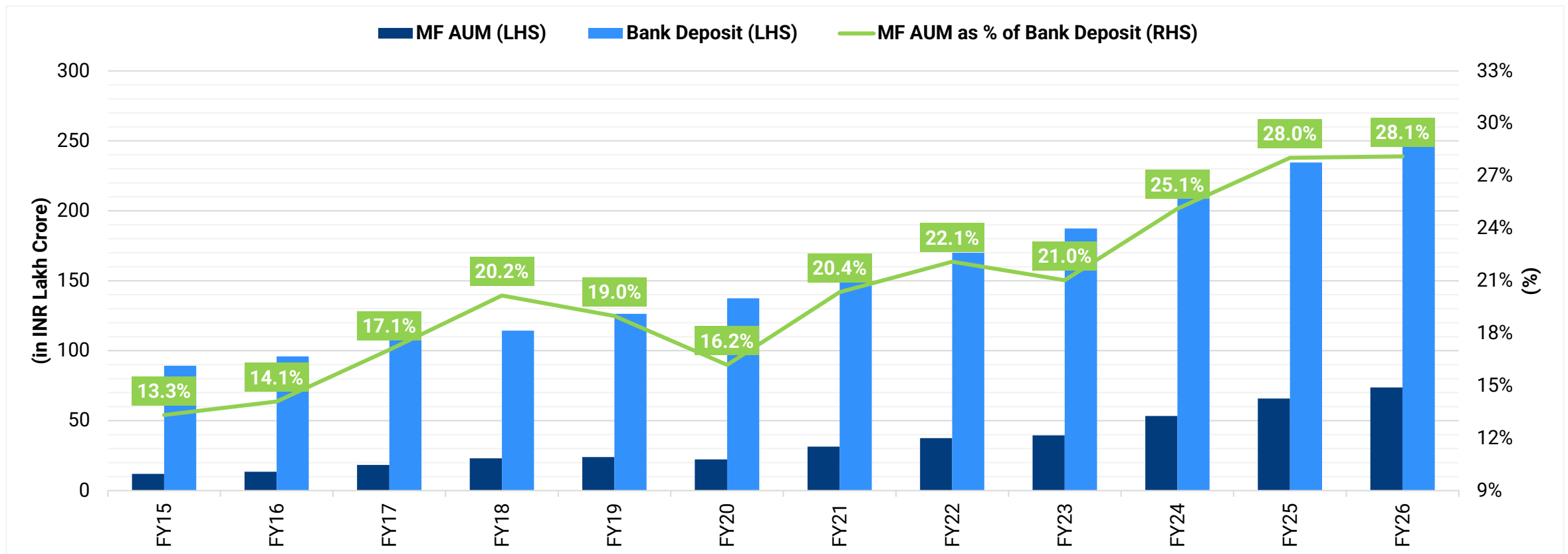
No of Companies Trading Lower	From the issue price		From the listing price		From All Time High price	
	Nos.	%	Nos.	%	Nos.	%
Between 0 to -10%	28	7%	28	7%	60	15%
Between -10 to 25%	42	11%	54	14%	57	15%
Between -25 to - 50%	66	17%	73	19%	152	39%
Below -50%	40	10%	61	16%	121	31%
Total	176	45%	216	56%	390	100%

Key Highlights

- * Nearly ~55% of the IPOs have delivered positive returns vs issue price, with ~29% of companies trading more than 50% above their issue price
- * Despite volatility, a large majority of IPOs staged meaningful recoveries, with 4 out of 5 companies rising over 25% from their cycle lows

Financialization of savings continues

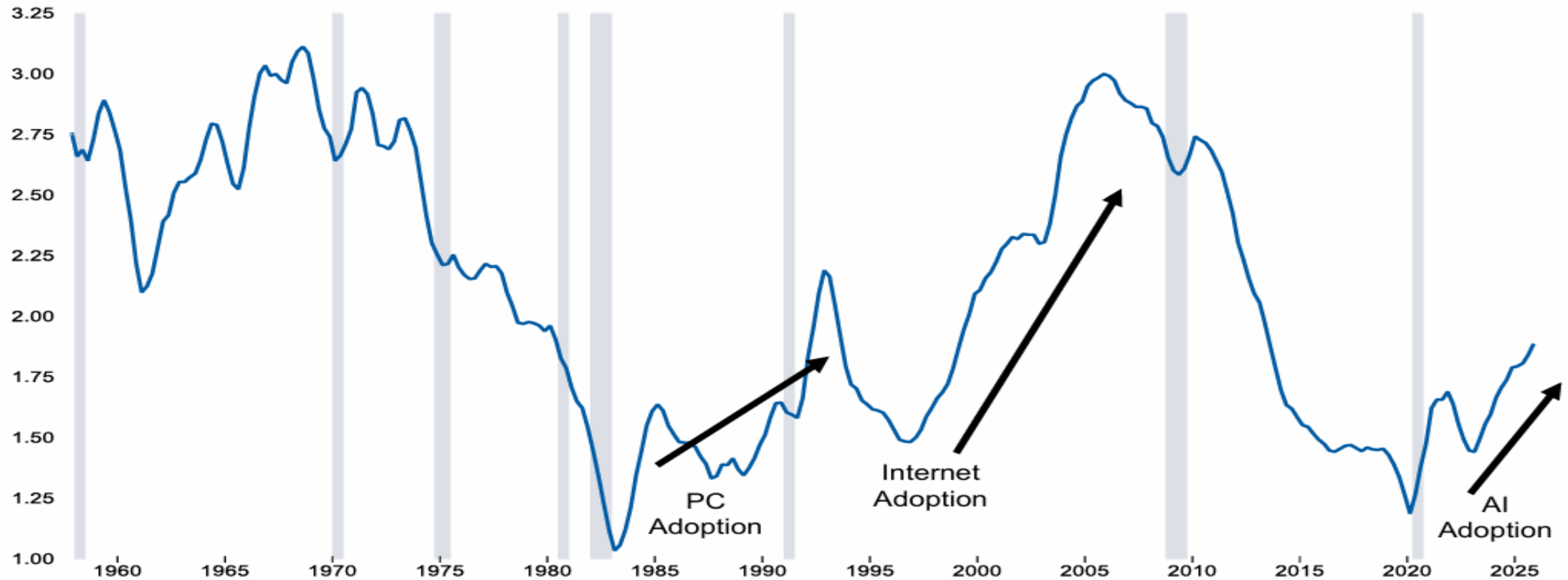
Despite strong growth, mutual fund assets remain meaningfully smaller than bank deposits, indicating substantial headroom for long-term penetration growth



We are likely in the early stages of another productivity boom

Productivity growth appears to be re-accelerating, supported by the ongoing technology adoption cycle

Nonfarm business labor productivity: Output per hour (%YoY, 10YMA)



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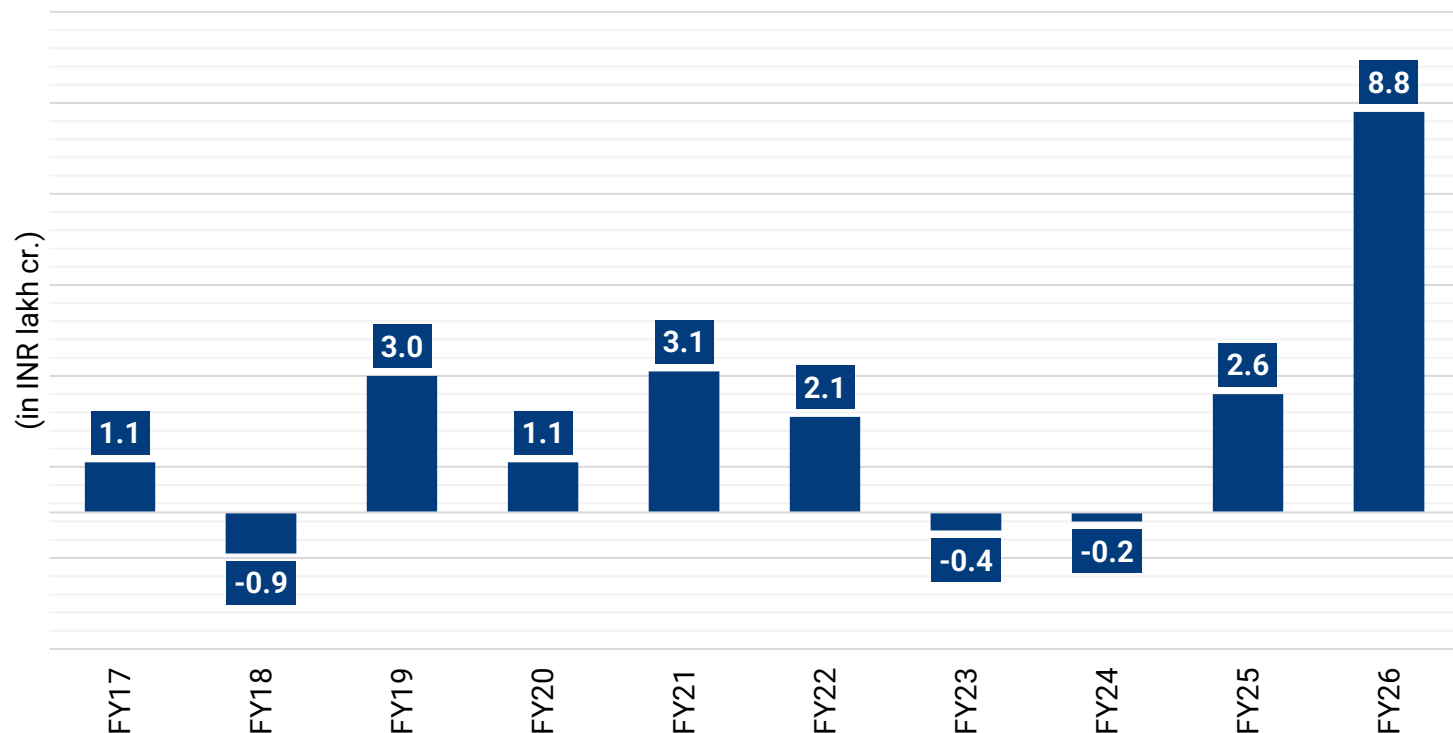


FY26: A landmark year for RBI OMO purchases

Net OMO Purchase
Apr'16 to Dec'24 – INR 8.9 lakh cr.

Net OMO Purchase
Jan'25 to Mar'26 – INR 11.6 lakh cr.

Key Trend – Net OMO Purchase

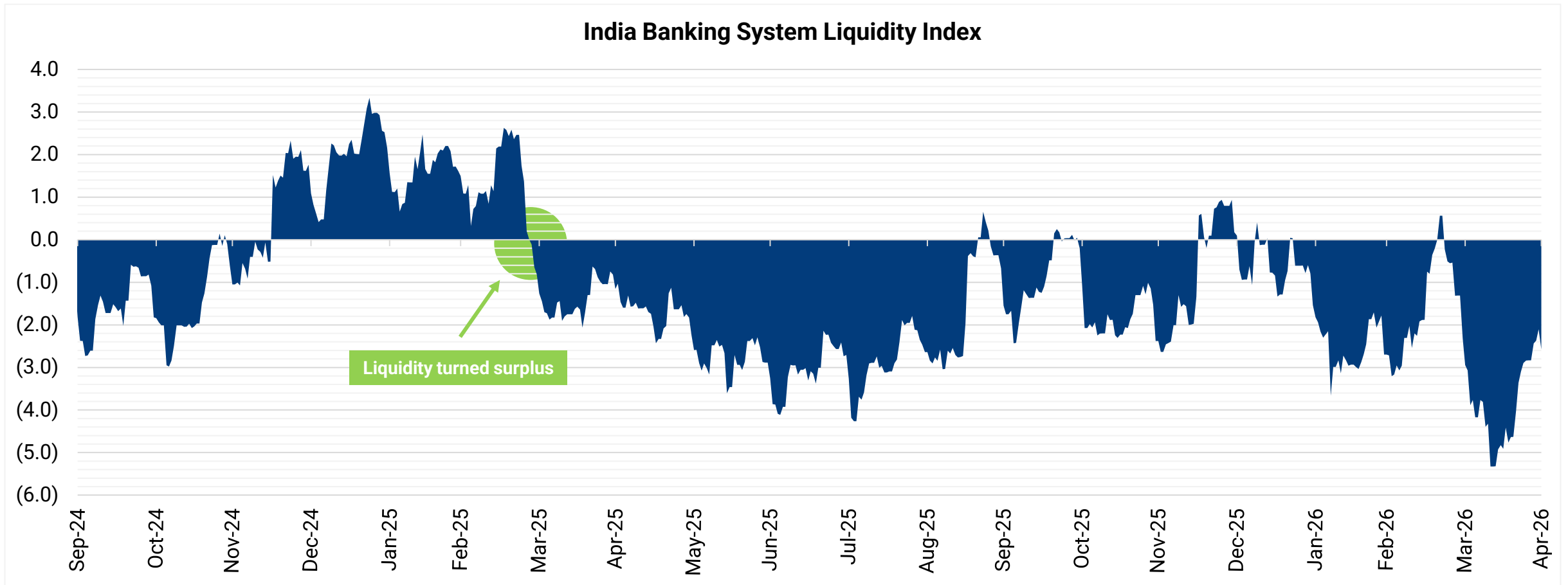


Key Highlights

- * Over the past decade, RBI's OMO stance has largely remained liquidity supportive, with only FY18, FY23, and FY24 witnessing neutral-to-net selling positioning.
- * In the absence of substantial RBI purchases in FY26, bond yields would likely have risen more sharply amid elevated supply pressures.

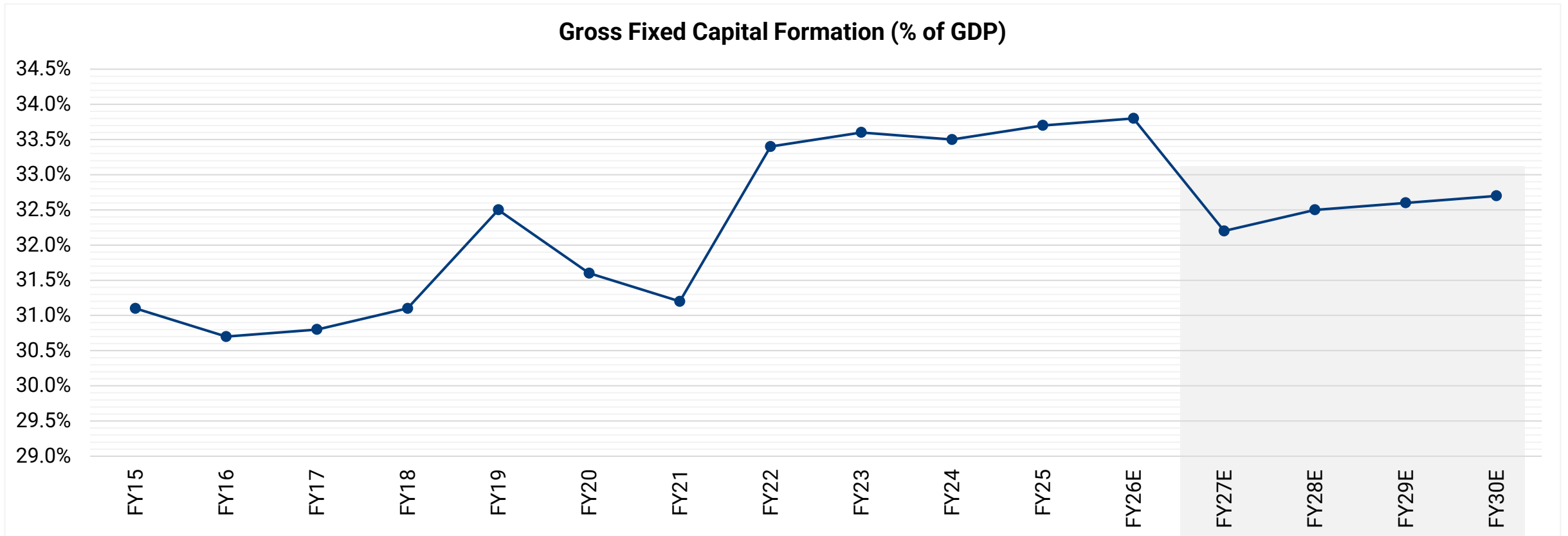
Banking system liquidity in surplus

Banking system liquidity remained in strong surplus during April, supported by government spending and G-Sec maturities, before moderating from ~₹5.3 trillion in early April to ~₹2.6 trillion by month-end



Gross Fixed Capital Formation as % of GDP on a rise

Structural step-up: The economy has moved from a sub-32% investment regime (FY15 – FY21) to a consistently higher base of above ~32-33%, signalling a more capital-intensive growth phase

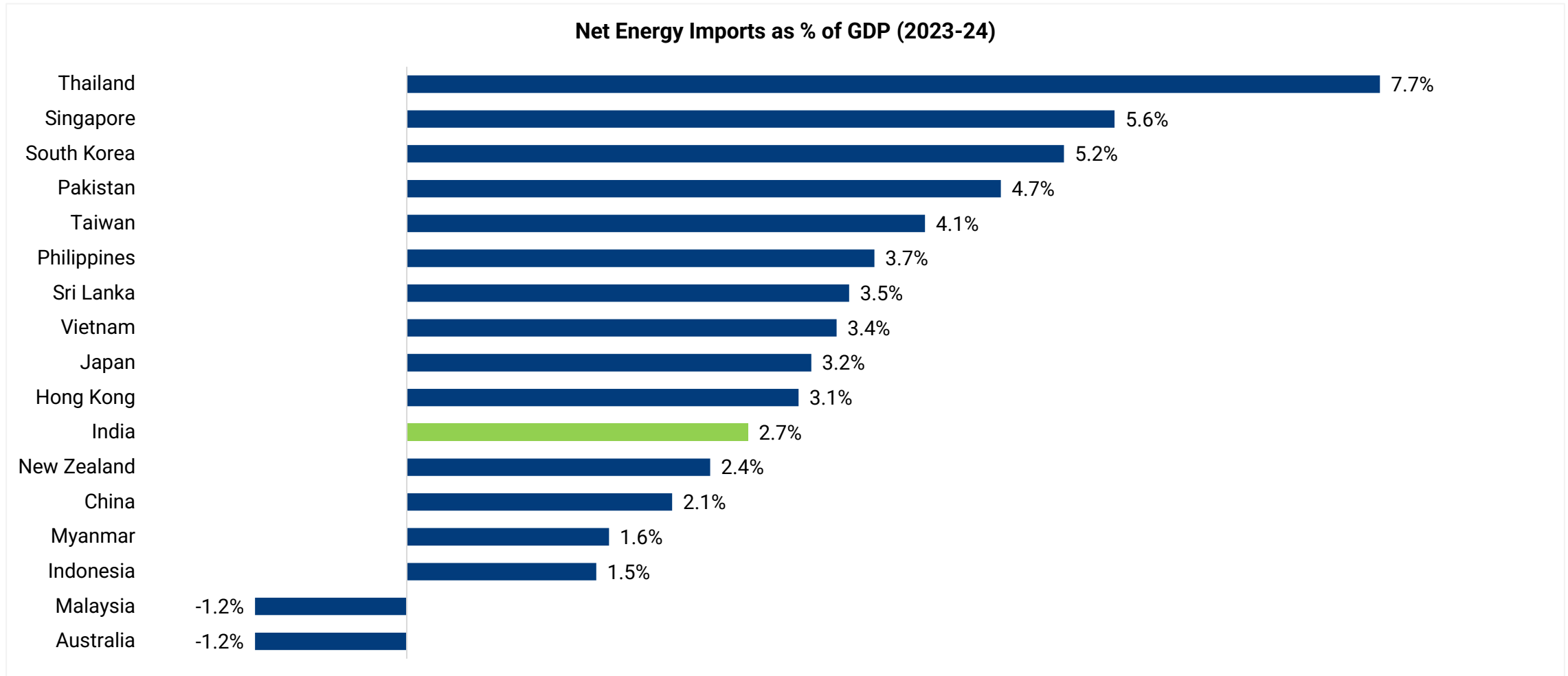


Geopolitical conflicts often lead to spikes in oil prices

Oil prices have historically surged 10–90% during conflicts involving major producers, with the magnitude driven by the severity of the disruption. Over the medium term, prices tend to normalize based on global demand–supply conditions after the crisis

Event	Period	% Change in Brent crude oil prices		
		Initial impact	T+1	T+2
Iranian Revolution	07-Jan-1978 to 11-Feb-1979	13	95	123
1 st Gulf War	02-Aug-1990 to 28-Feb-1991	93	-45	-48
Nigeria Warri Crisis	29-May-1999 to 30-Jun-1999	20	75	49
2 nd Gulf War	20-Mar-2003 to 15-Apr-2003	12	16	100
Arab Spring	17-Dec-2010 to 11-Feb-2011	11	13	15
Russia-Ukraine War	24-Feb-2022 to 07-Apr-2022	23	-35	-28

High energy import dependence leaves Asia exposed to energy price shocks



Asia's sensitivity to energy prices varies significantly

Sensitivity to spikes in oil & gas prices (Lower the better)

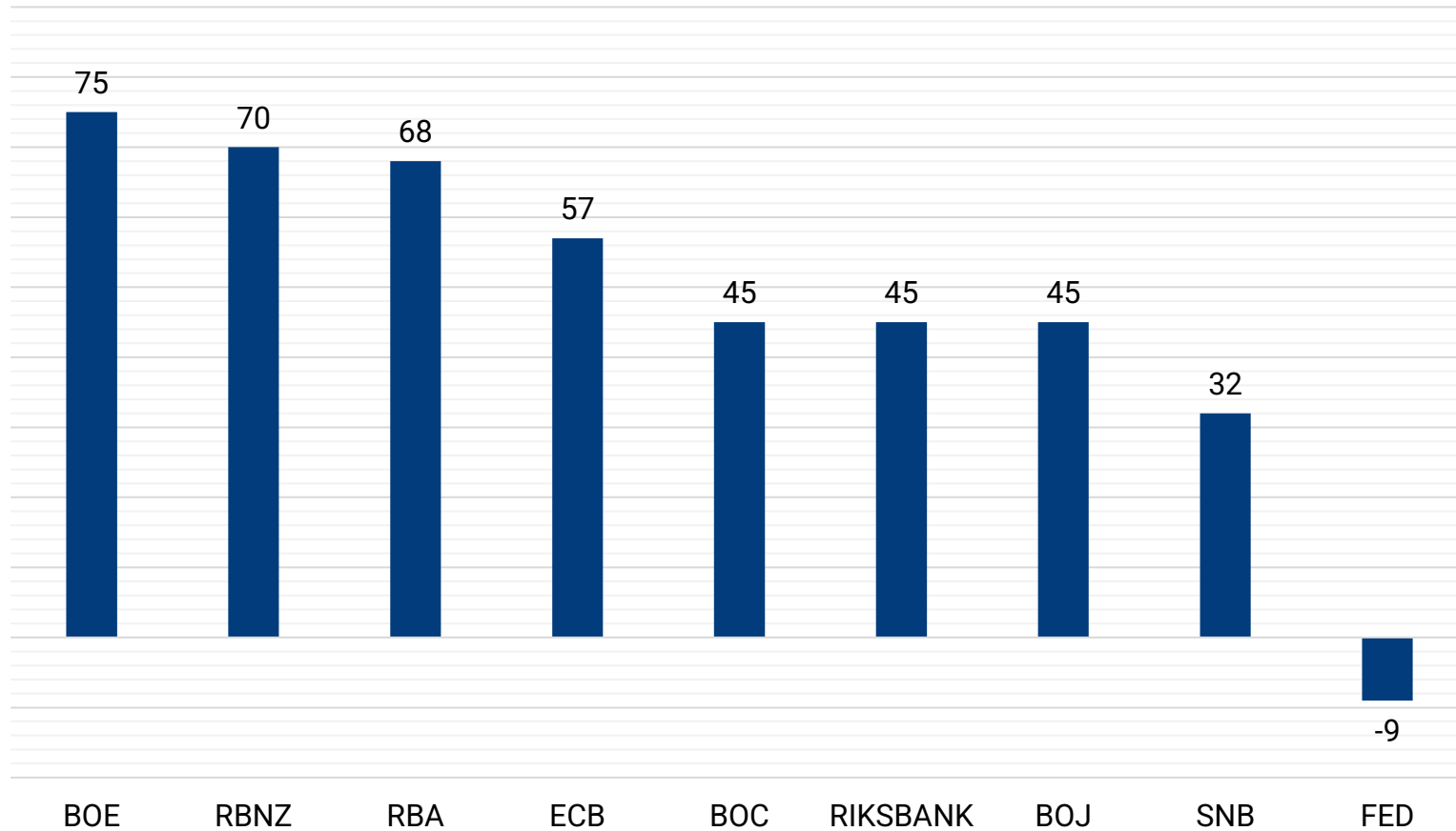
Oil & Gas crisis insulation factors (Higher the better)

Future Transportation Opportunity¹

Market	Sensitivity to spikes in oil & gas prices (Lower the better)					Oil & Gas crisis insulation factors (Higher the better)					Future Transportation Opportunity ¹	
	Strait of Hormuz oil & gas imports % of primary energy	Oil import share of primary energy	Gas import share of primary energy	Oil consumption & imported gas share of primary energy	Oil consumption & imported gas (TJ) per \$2022 GDP, bn	Domestically produced gas consumption % of useful final energy	Domestically produced coal consumption % of useful final energy	Nuclear % of useful final energy	Renewable % of useful final energy	Total insulation factor	Oil used for road transport as a share of primary energy	Gas used for power as a share of primary energy
China	7%	13%	4%	22%	1%	7%	54%	2%	13%	76%	6%	2%
India	13%	23%	3%	30%	1%	4%	44%	1%	7%	56%	9%	1%
Japan	21%	36%	19%	56%	2%	0%	0%	3%	9%	13%	13%	13%
South Korea	33%	40%	18%	60%	3%	0%	0%	9%	3%	13%	12%	9%
Indonesia	1%	16%	-8%	29%	1%	22%	48%	0%	7%	77%	15%	5%
Thailand	27%	34%	14%	60%	2%	23%	3%	0%	5%	31%	18%	21%
Vietnam	n/a	19%	0%	26%	1%	5%	22%	0%	18%	45%	13%	3%
Malaysia	12%	14%	-25%	36%	1%	48%	0%	0%	6%	54%	20%	10%
Taiwan	27%	34%	24%	59%	2%	0%	0%	2%	5%	6%	11%	18%
Singapore	26%	86%	12%	99%	5%	0%	0%	0%	1%	1%	51%	10%
Philippines	10%	39%	5%	46%	1%	0%	0%	0%	10%	10%	20%	5%

Most central banks are now priced to hike, except for the US

Expectation of hike/cut in rates by Dec'26 vs current level (bps)

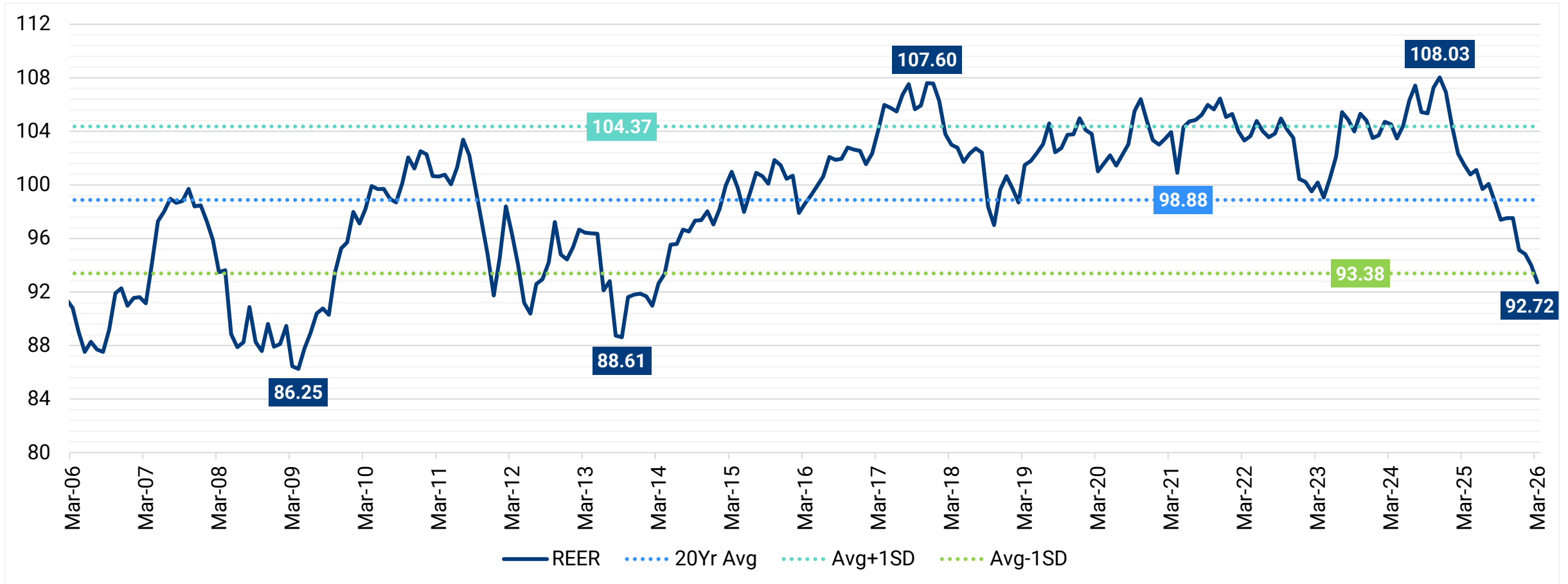


Key Highlights

- * European Central Bank (ECB) and Bank of England (BOE) are turning hawkish; markets pricing multiple rate hikes amid energy-driven inflation shock.
- * In contrast, the Federal Reserve System remains relatively cautious—despite some hawkish signals, rate hikes are unlikely to be driven solely by the conflict

Undervalued Real Effective Exchange Rate (REER)

REER continues to trend lower. Lower REER is likely to support export momentum by improving price competitiveness, benefiting export-oriented sectors like manufacturing and services



Tracking the key macro indicators

Indicator	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
CPI Inflation (YoY %)	3.2	2.8	2.1	1.6	2.1	1.5	0.3	0.7	1.3	2.7	3.2	3.4
Crude Indian Basket (\$)	67.7	64.0	69.8	71.0	69.1	69.6	65.1	64.3	62.2	63.1	69.0	113.5
GST Collection (lkh Crs.)	2.4	2.0	1.9	2.0	1.9	1.9	2.0	1.7	1.7	1.9	1.8	2.0
FX Reserve (\$ bn)	688	691	703	698	694	700	690	686	697	724	728	688
Trade Balance (\$Bn)	-26.4	-21.9	-18.8	-27.4	-26.5	-32.1	-41.7	-24.6	-25.1	-34.6	-27.1	-20.7
Bank Credit %	10.3	9.0	9.5	10.0	10.0	10.4	11.3	11.5	14.5	14.6	15.4	17.1
Bank Deposit %	10.2	9.9	10.1	10.2	10.2	9.5	9.7	10.2	12.7	12.5	13.0	16.2
CD Ratio %	80%	79%	79%	79%	79%	80%	80%	81%	82%	82%	82%	81%
Manufacturing PMI	58.2	57.6	58.4	59.1	59.3	57.7	59.2	56.6	55.0	55.4	56.9	53.9
Services PMI	58.7	58.8	60.4	60.5	62.9	60.9	58.9	59.8	58.0	58.5	58.1	57.5

Indian debt market indicators

Elevated oil prices, geopolitical disruptions in the Strait of Hormuz, and sharp rupee depreciation collectively pushed bond yields higher

Broad Indices	30-April-2026	Week Ago	Month Ago	6M Ago	Year Ago
1 Year AAA Corporate Bond	7.57%	7.49%	7.43%	6.96%	7.11%
3 Year AAA Corporate Bond	7.43%	7.36%	7.57%	6.78%	7.07%
5 Year AAA Corporate Bond	7.50%	7.44%	7.56%	6.94%	7.05%
10 Year AAA Corporate Bond	7.74%	7.75%	7.76%	7.22%	7.03%
1 Year G-Sec	5.80%	5.76%	5.95%	5.71%	6.00%
3 Year G-Sec	6.46%	6.39%	6.45%	5.90%	6.05%
5 Year G-Sec	6.77%	6.68%	6.76%	6.18%	6.09%
10 Year G-Sec	7.01%	6.94%	7.04%	6.53%	6.36%

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



Sectoral bull runs are higher than index bull runs

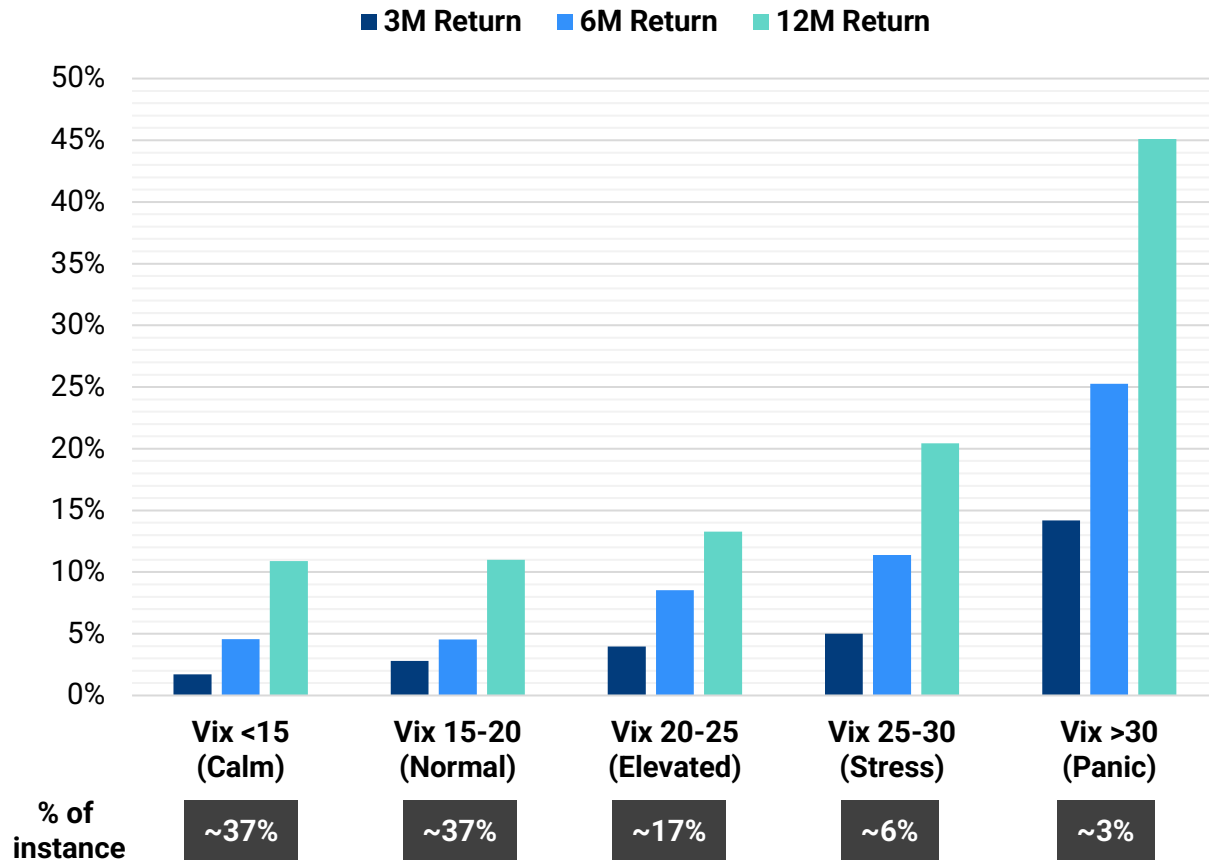
Sectoral bull runs tend to be sharper and more concentrated than broader index rallies, often delivering higher peak returns

Bull Market Period	Nifty 500 TRI	#1 Sector	#1 Return %	Returns over Nifty 500	#2 Sector	#2 Return %	Returns over Nifty 500
Apr 05 – Jan 08	241%	Infrastructure	390%	1.62x	Commodity	296%	1.23x
Mar 09 – Nov 10	170%	Bank	308%	1.82x	Auto	284%	1.68x
Sep 13 – Mar 15	82%	Transportation	142%	1.73x	Bank	133%	1.63x
Feb 16 – Jan 18	74%	Realty	194%	2.62x	Oil and Gas	111%	1.50x
Mar 20 – Oct 21	159%	Technology	241%	1.52x	Realty	219%	1.38x
Jun 22 – Sep 24	93%	Realty	208%	2.23x	Auto	163%	1.74x

The alpha in anxiety:

Turning India VIX spikes into entry points

Analyzing India VIX and Average Forward Returns



Analysis: When India VIX stays between 25–30 for 5 straight sessions?

- Instances observed: 17
- Avg 3M forward return: ~5%
- Avg 6M forward return: ~11%
- Avg 12M forward return: ~21%

Have we witnessed a similar VIX phase recently?

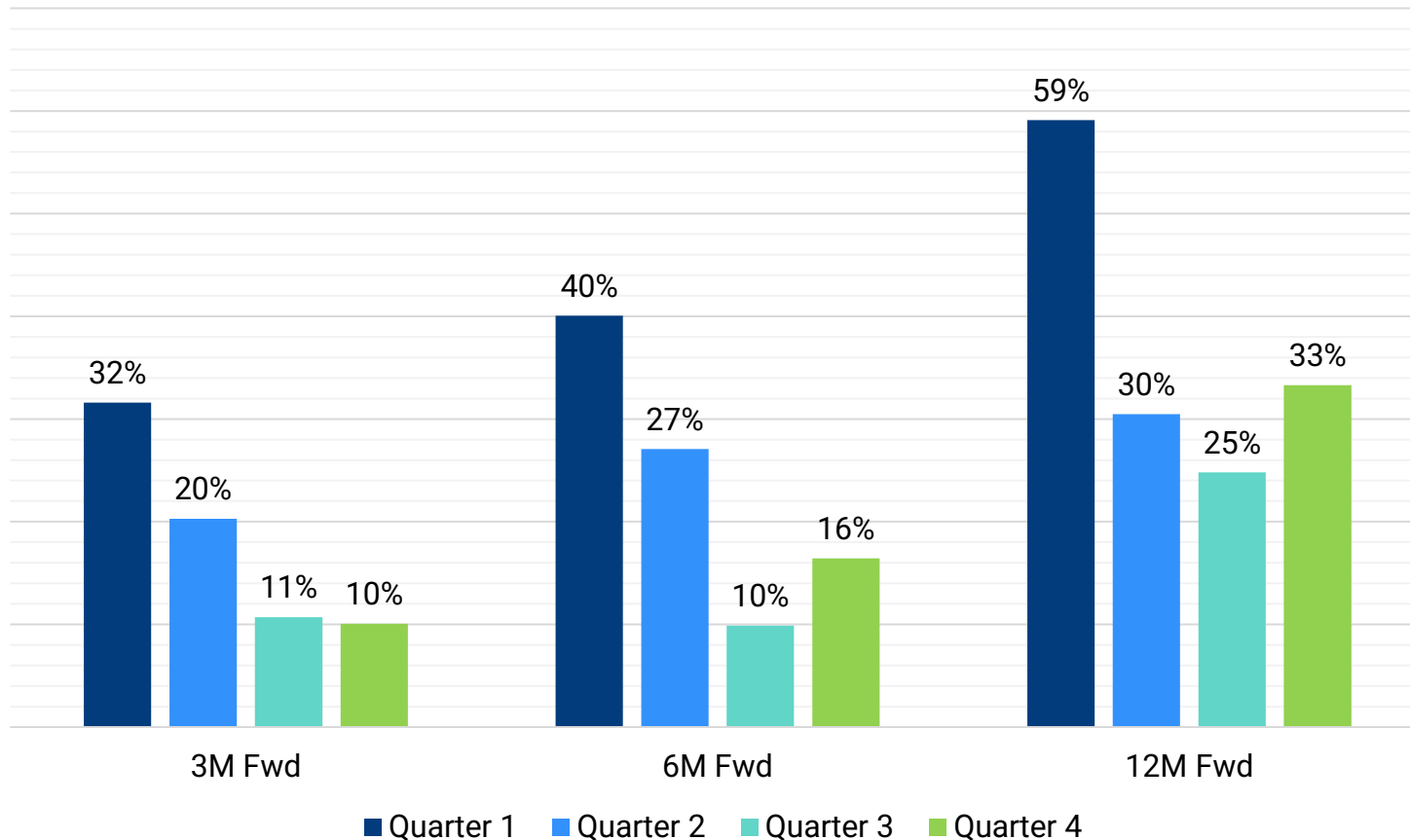
- India VIX traded in the stress zone of ~25–28 range from 27 March to 06 April 2026
- Whether history repeats itself from here will be worth tracking**

Key Observations:

- Historically, such phases have often coincided with market bottoms and subsequently strong recoveries
- Volatility spikes are not risks to be feared, but statistically better opportunities to capture higher returns

Calendar Q1 bottoms: Pattern worth watching?

Average forward return from bottom



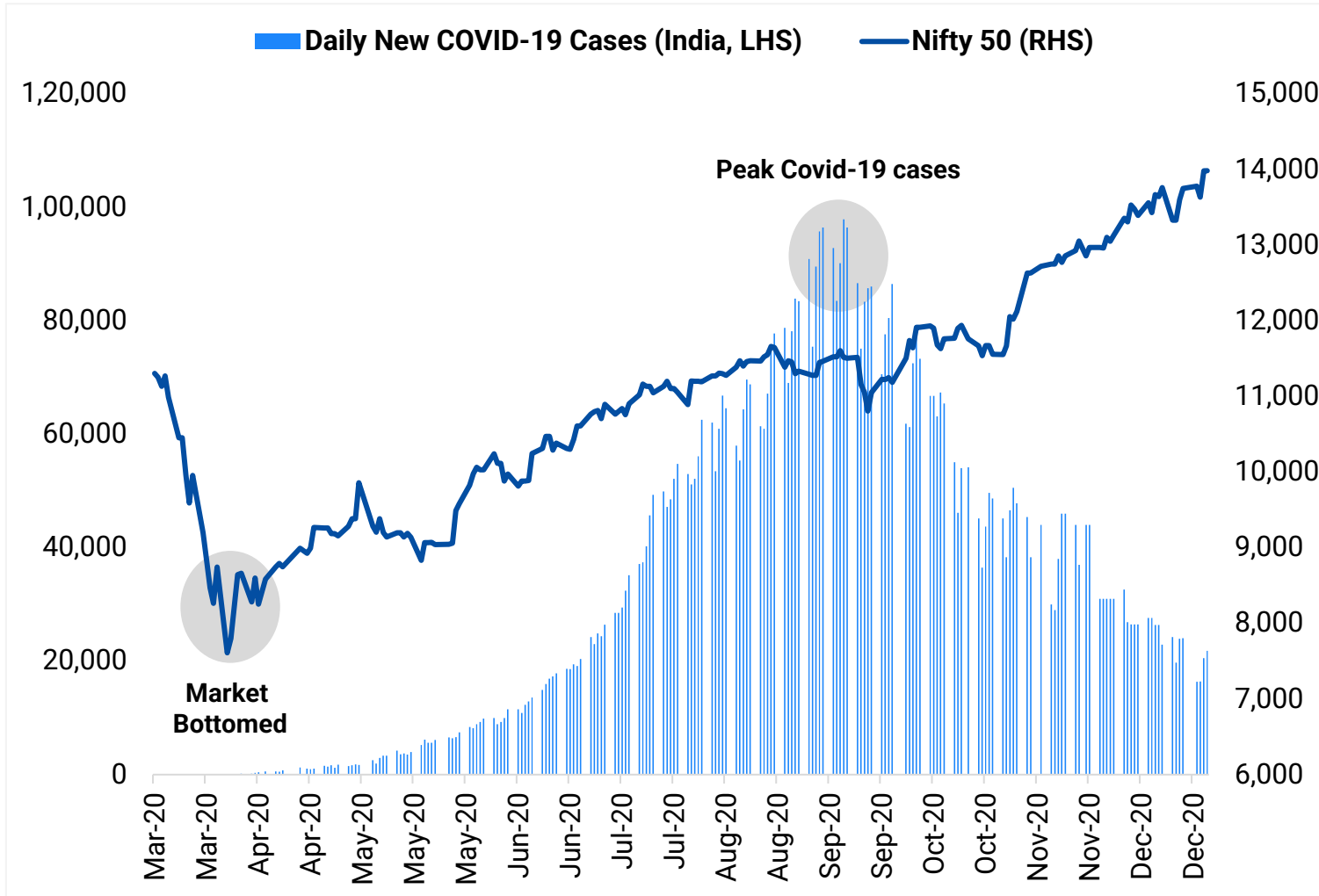
Key Highlights

- * 7 out of 22 years, annual bottom was formed in Q1 (Jan–Mar)
- * No Q1 bottom year has ever ended 3M/ 6M/ 12M later in the red
- * Q1 drawdowns have seen materially stronger returns of ~2x vs non-Q1 avg

Is 2026 likely to follow the pattern?

- * As of now, the pattern remains intact
- * What plays out, would be interesting to watch out!

Markets bottom before bad news peaks

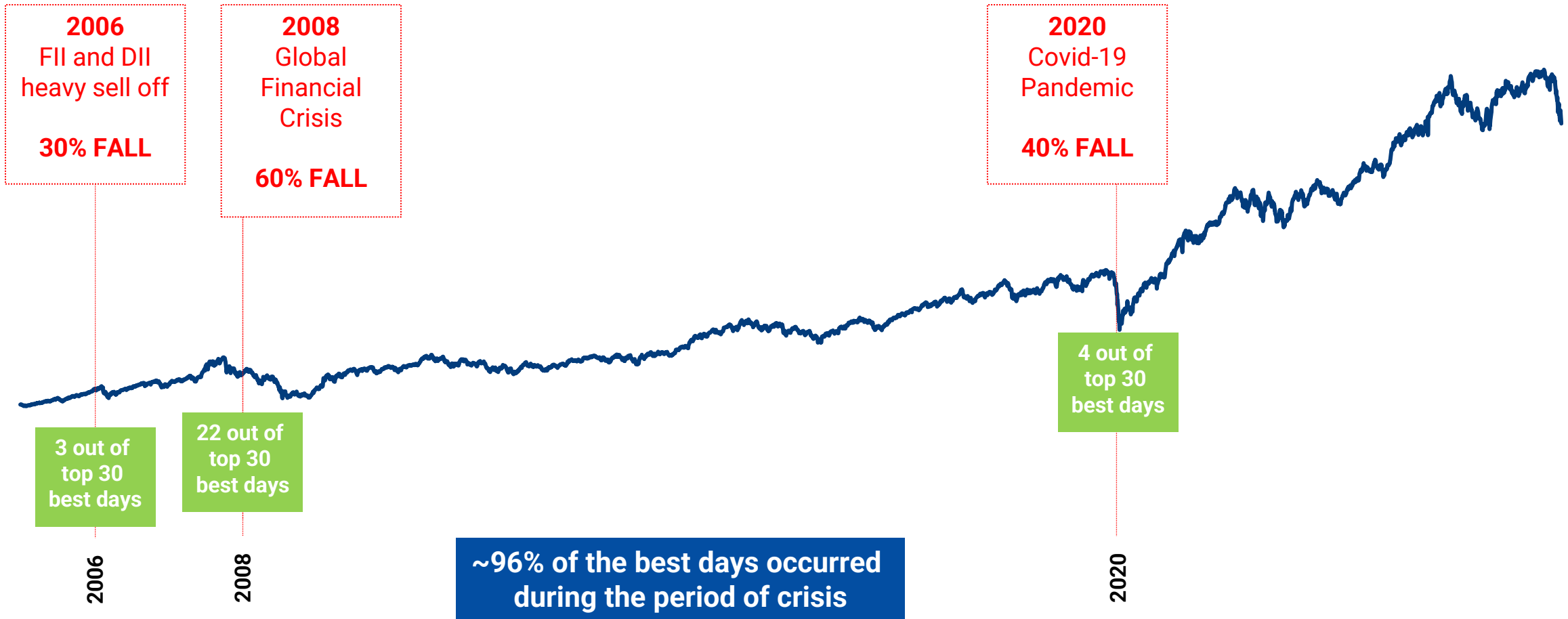


Key Highlights

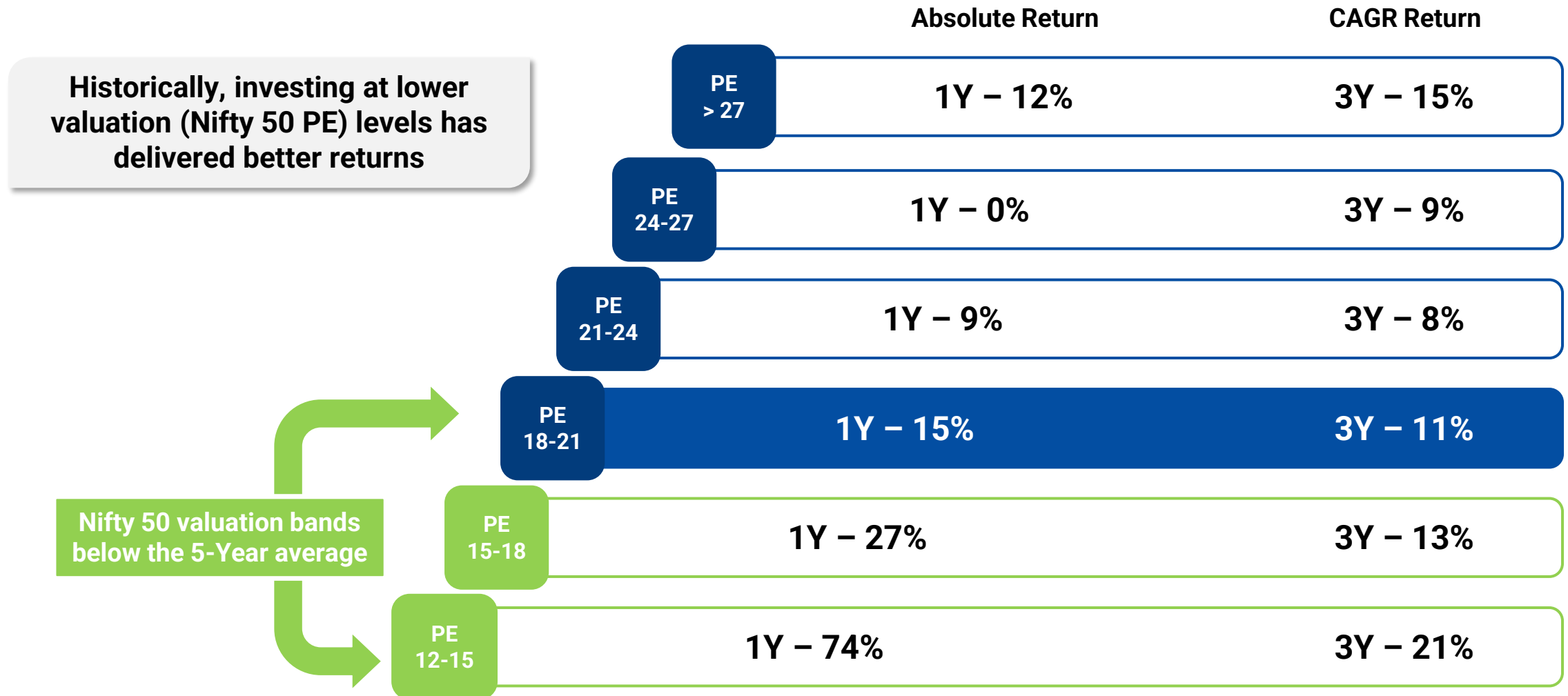
- * In 2020, the Nifty 50 bottomed in March, even as COVID-19 cases in India continued to rise and peaked much later.
- * That's how markets function. They are forward-looking and move ahead of improving data.
- * This time may be no different. Well before geopolitical tensions ease, oil prices stabilize, or sentiment turns comfortable, markets may have already formed a bottom, because by the time the outlook feels better, prices have typically adjusted.

The best market days come during the worst times

Nifty 50



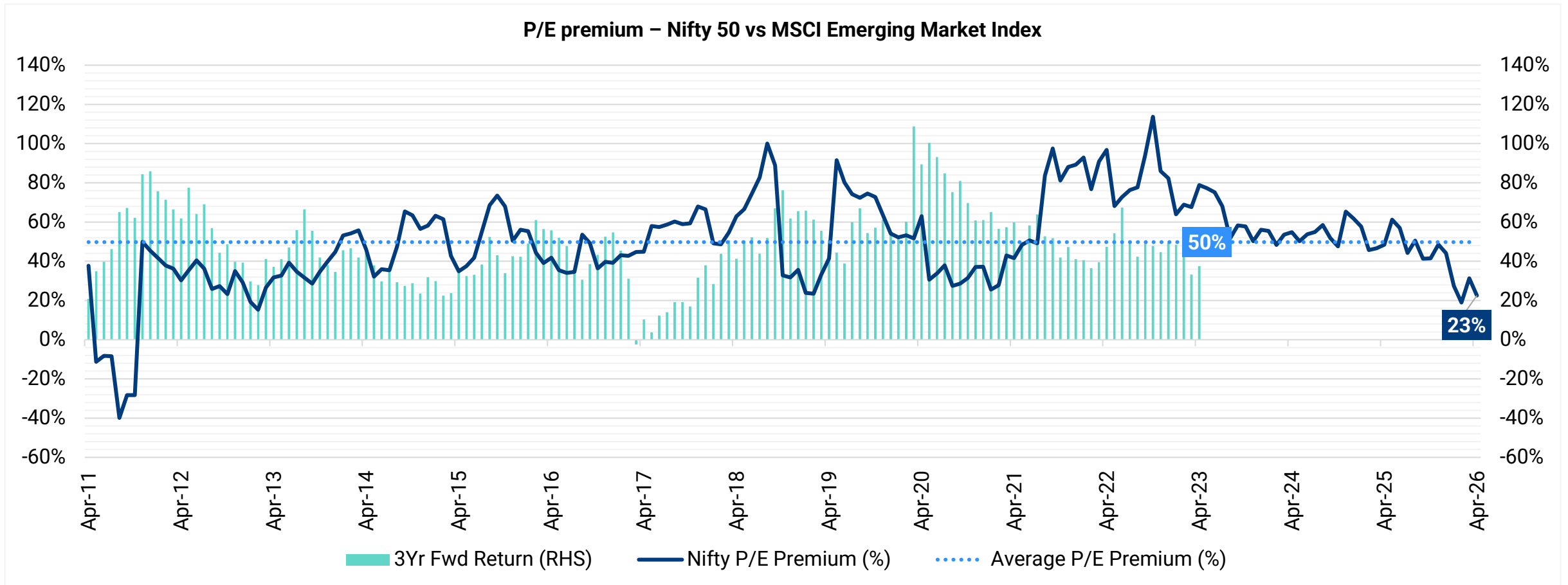
Lower valuation delivers better returns



Source: NSE India, Bloomberg. Note: Higher returns at PE > 27 are mainly due to post-Covid period. The analysis is based monthly observations (from Jan 2006 – Mar 2026) using NSE Nifty 50 PE data. Forward returns are calculated over 12-month and 36-month (CAGR holding periods from month-end closing levels)

Premium drops, opportunity pops in Indian equities

With the Nifty 50 trading at almost half the premium to the MSCI EM Index versus a historical average of ~50%, historical trends point to a favourable medium-term return outlook for Indian equities



India: Reasonably valued in global context

Trading below its 15-year average P/E premium, Indian market appears relatively better positioned

Chart 1: MSCI India vs MSCI World P/E premium narrows to 0% vs 15Y average of 17% premium

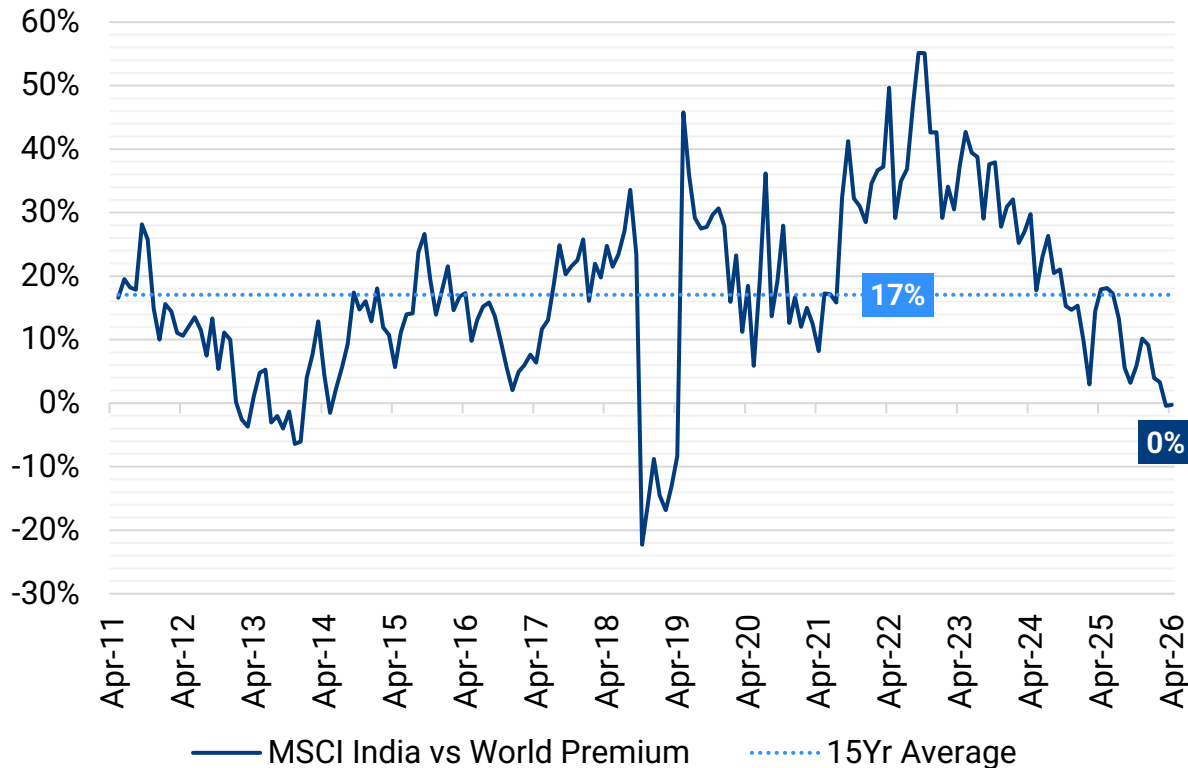
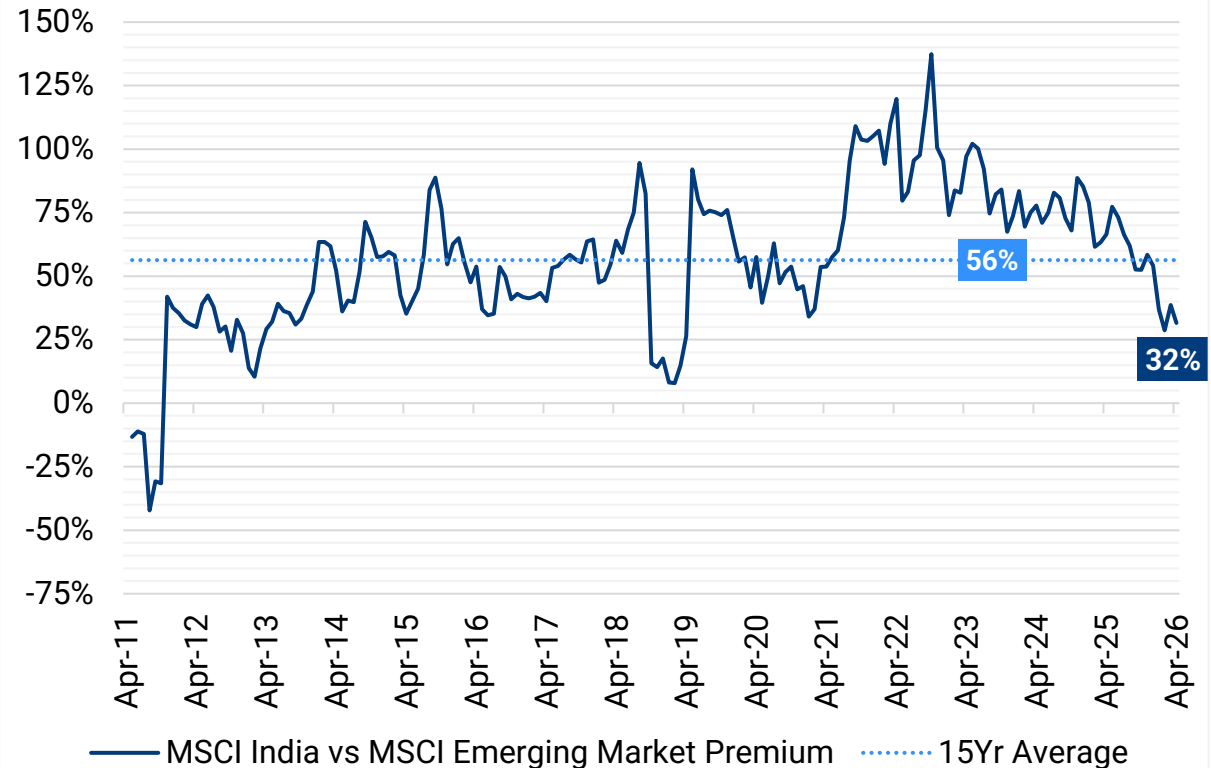


Chart 2: MSCI India vs MSCI EMs P/E Premium stands at 32% vs 15Y average of 56%



Valuation vs Time: The paradox in investing

P/E Band	1-Year Return Avg. (Min / Max)	3-Year Return Avg. (Min / Max)	5-Year Return Avg. (Min / Max)	10-Year Return Avg. (Min / Max)
< 15	45.2% (-13% / 81%)	23.1% (11% / 52%)	18.4% (12% / 41%)	15.2% (13% / 19%)
15 – 18	18.6% (-18% / 67%)	14.8% (-4% / 43%)	13.5% (8% / 33%)	13.8% (10% / 17%)
18 – 20	11.4% (-16% / 40%)	11.2% (6% / 29%)	12.1% (9% / 23%)	12.5% (11% / 14%)
20 – 23	7.8% (-25% / 31%)	9.4% (-2% / 20%)	10.6% (4% / 17%)	11.4% (9% / 14%)
> 23	-2.4% (-52% / 24%)	6.1% (-14% / 18%)	8.5% (-1% / 14%)	10.2% (7% / 13%)

Key Highlights

- * **Valuations Drive the Short Term:** Entry P/E dictates 1–3-year returns. High P/E = higher risk, lower P/E = better cushion.
- * **Time Neutralizes Valuations:** Over 10 years, returns converge (~10–15% CAGR) as earnings and compounding take over.
- * **Time > Timing:** Waiting for perfect valuations risks missing compounding, so staying invested matters more.

Deeper stock-level discounts across segments

The share of stocks trading below 10-year median valuations is highest in small caps (~53% vs ~4% index), followed by large caps (~44% vs ~16% index), and lowest in mid caps (~35% vs ~12% index), indicating deeper value pockets in smaller segments

Premium / Discount Bands	Large Cap (Nifty 100)		Mid Cap (Nifty Midcap 150)		Small Cap (Nifty Smallcap 250)	
	No. of stocks	% of cap	No. of stocks	% of cap	No. of stocks	% of cap
> 40% discount	6	6.3%	9	6.9%	26	12.7%
20% – 40% discount	13	13.7%	18	13.8%	38	18.5%
0% – 20% discount	23	24.2%	18	13.8%	44	21.5%
0% – 25% premium	17	17.9%	26	20.0%	22	10.7%
25% – 50% premium	10	10.5%	16	12.3%	18	8.8%
> 50% premium	26	27.4%	43	33.1%	57	27.8%
Total	95*	100%	130*	100%	205*	100%

Index Premium / Discount

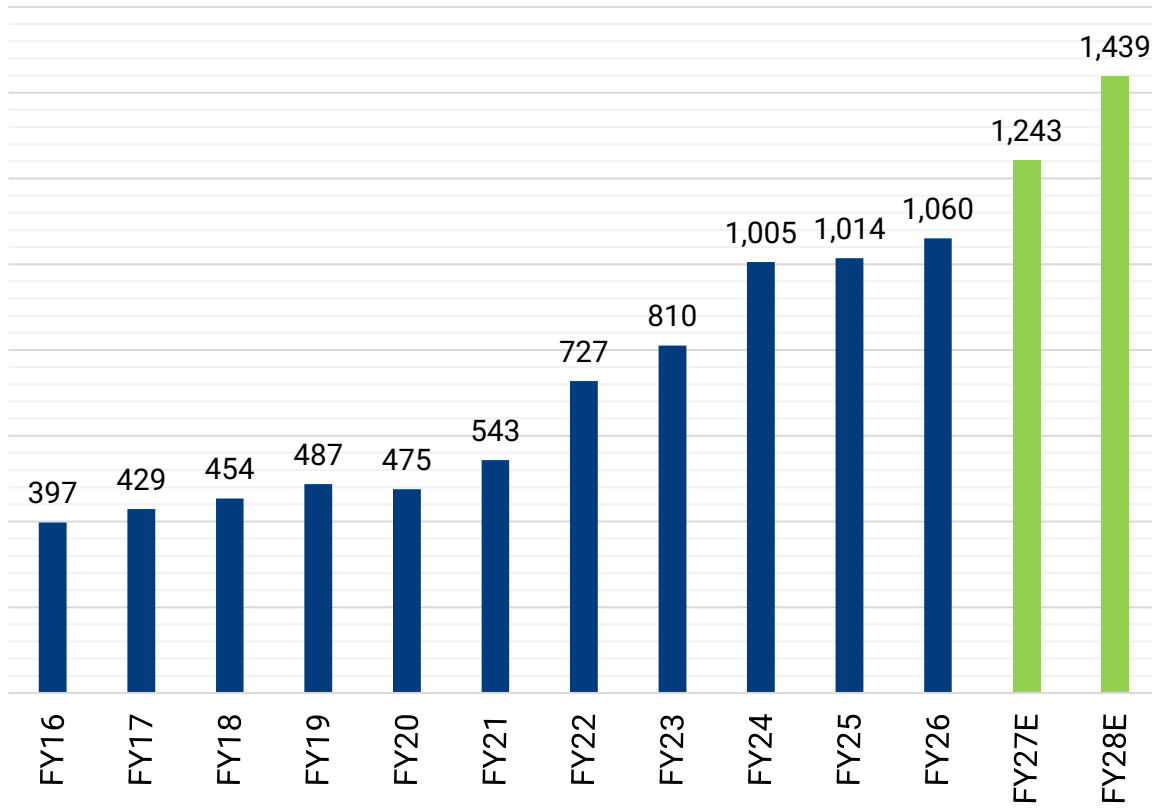
~16% discount

~12% discount¹

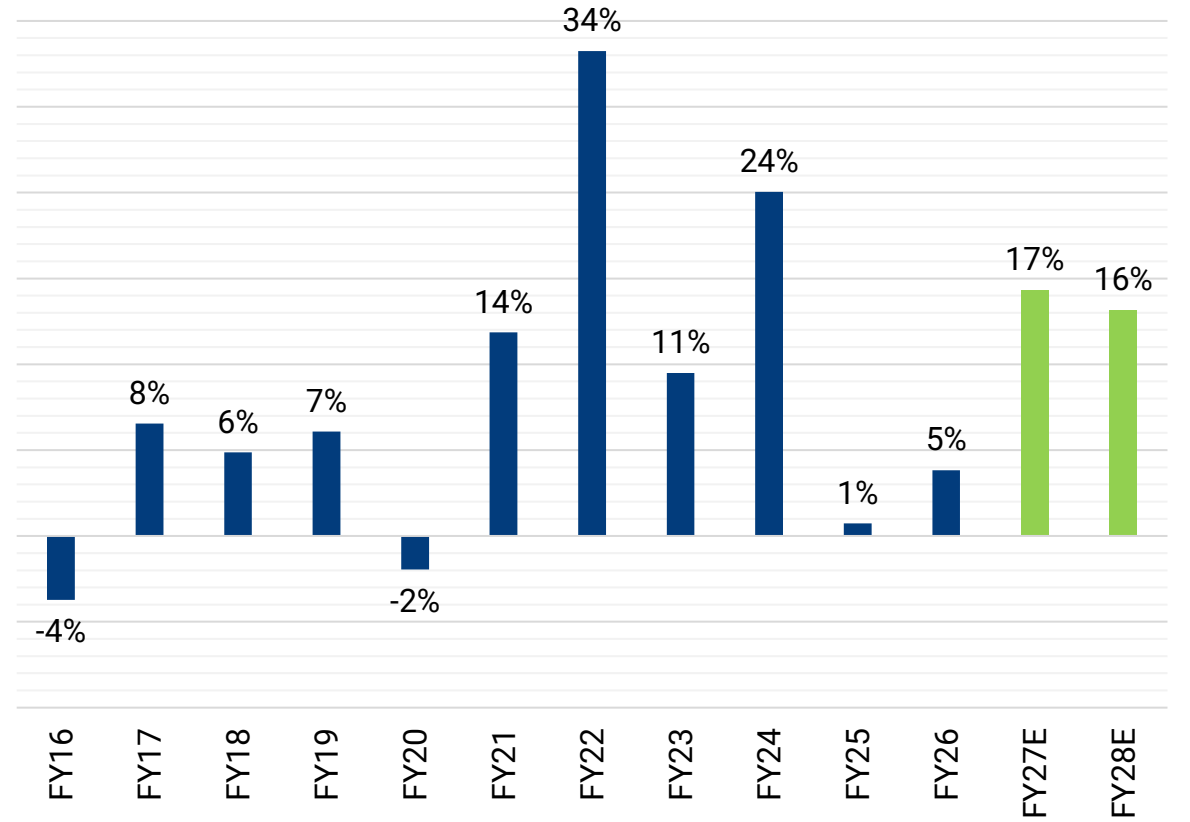
~4% discount¹

Earnings growth

Nifty50 EPS (₹)



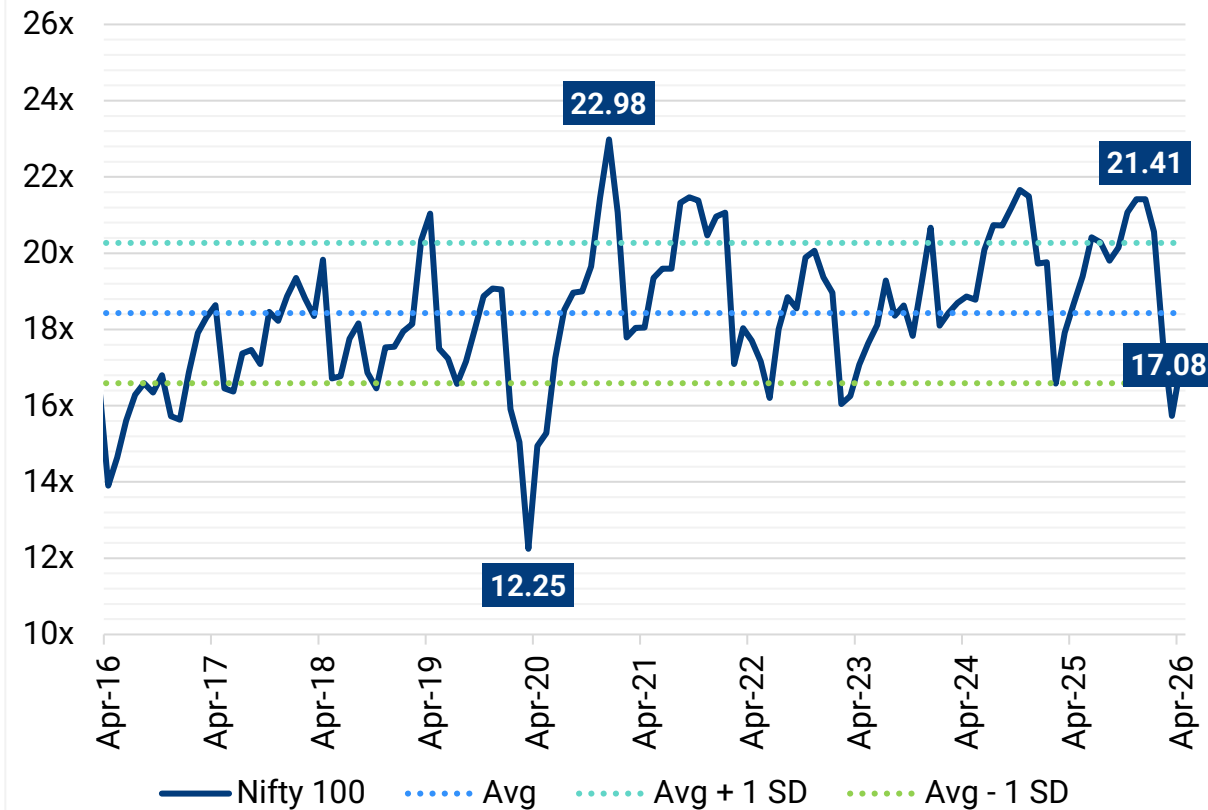
Nifty50 EPS Growth (%)



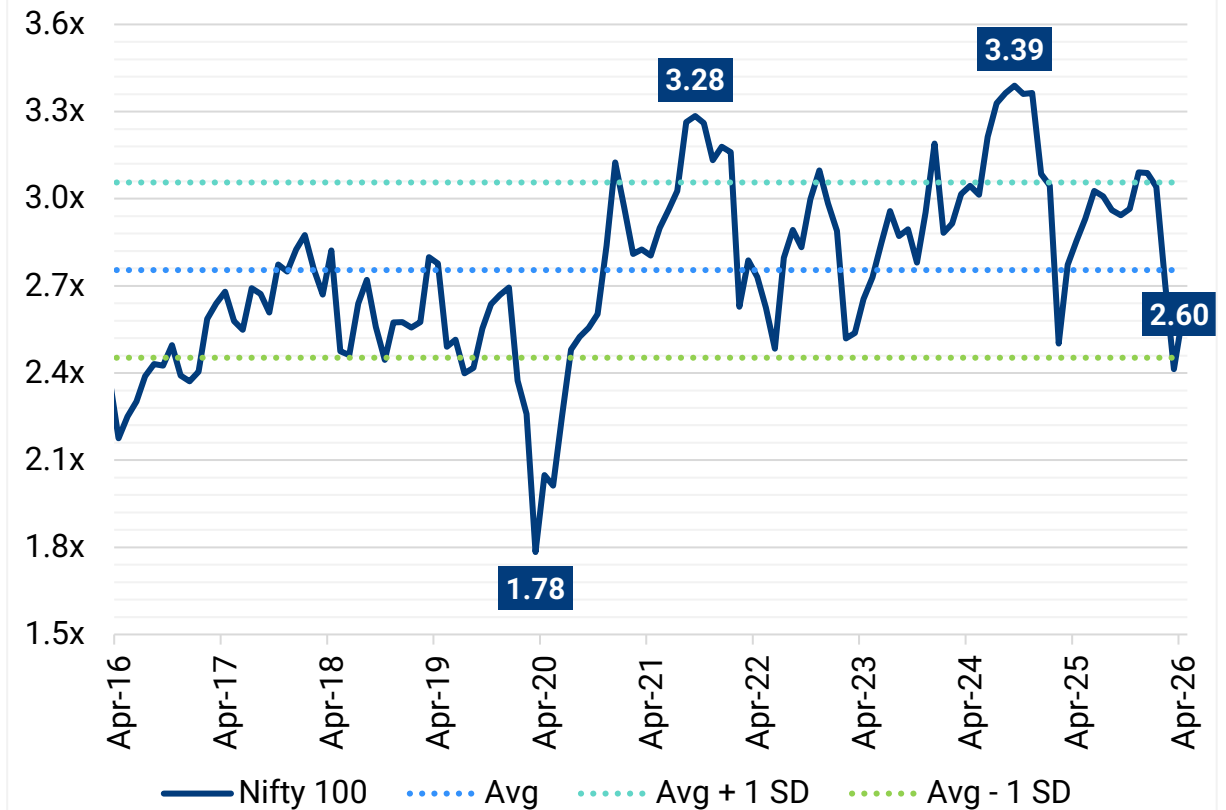
Valuations – Large Cap

Large-cap valuations have corrected from its peak and currently stand below its 10-year average, pointing to relatively reasonable undervaluation

1Y Forward Price-to-Earnings (x)



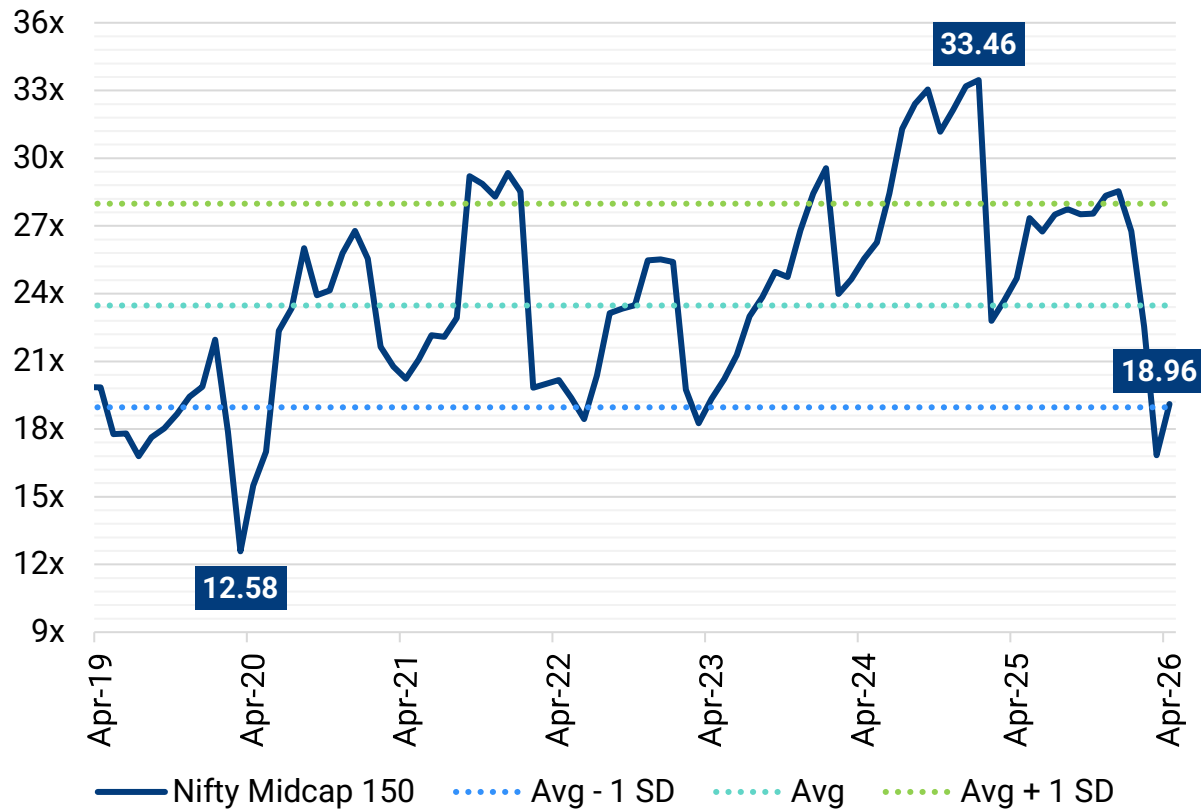
1Y Forward Price-to-Book (x)



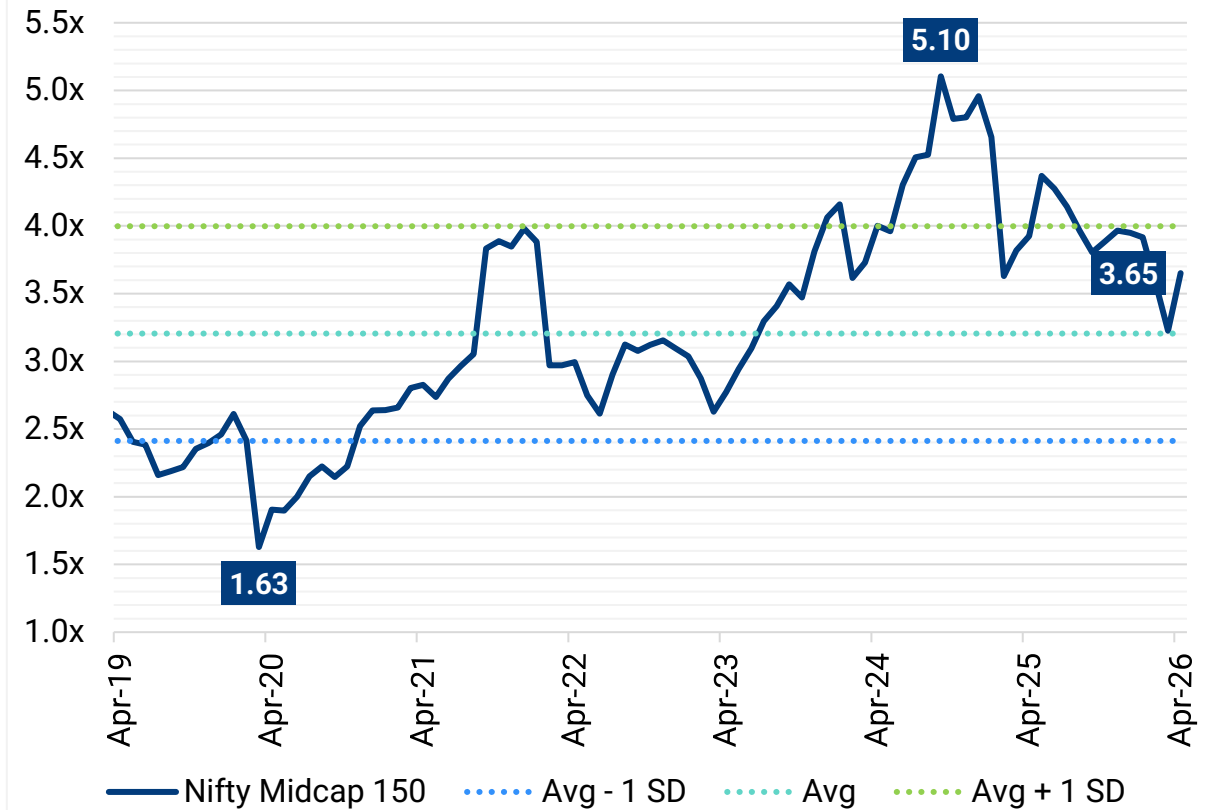
Valuations – Mid Cap

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

1Y Forward Price-to-Earnings (x)



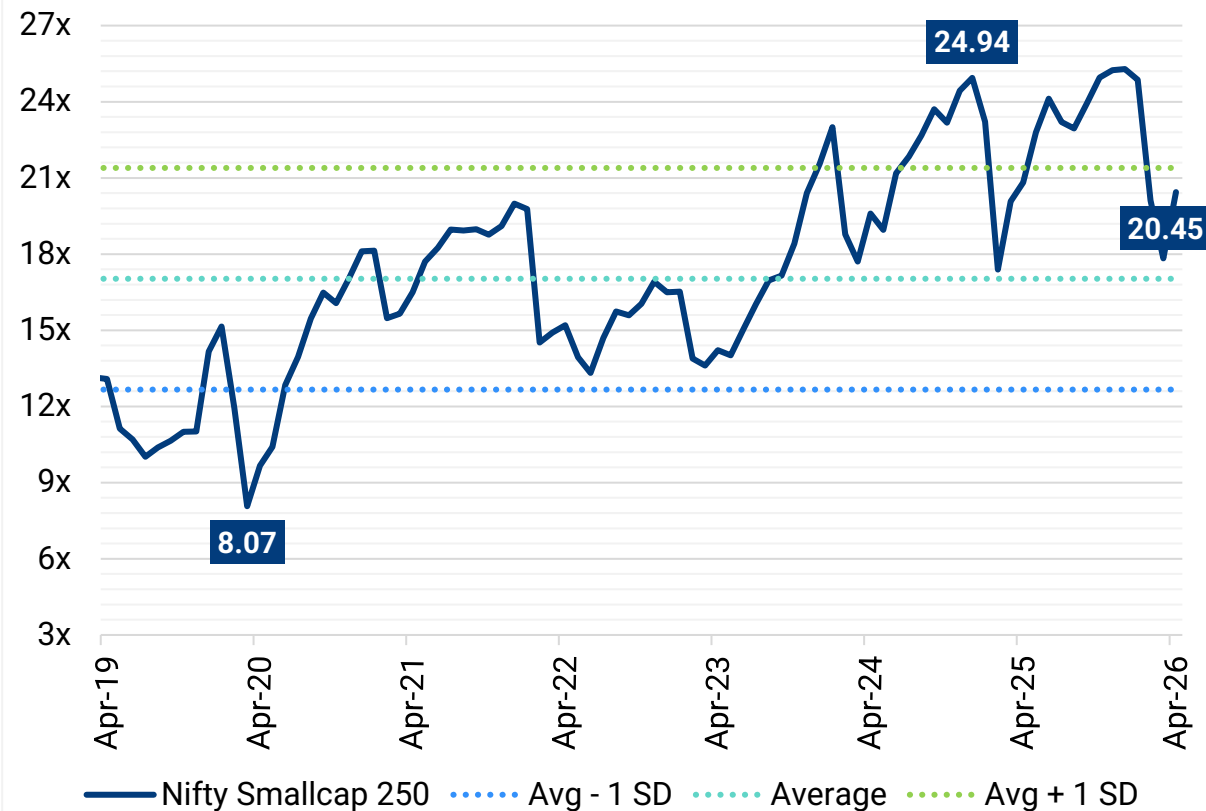
1Y Forward Price-to-Book (x)



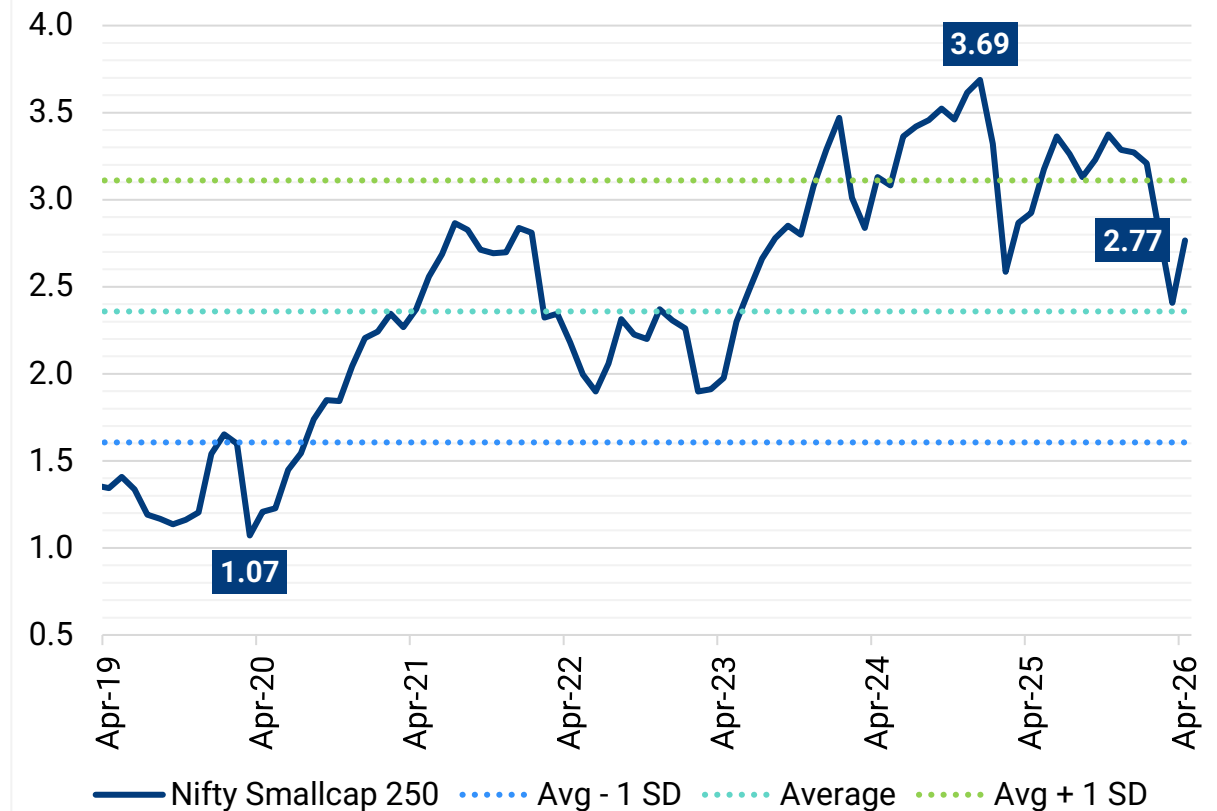
Valuations – Small Cap

Small cap valuations have moderated from its peak, and are now trading at a reasonable valuation

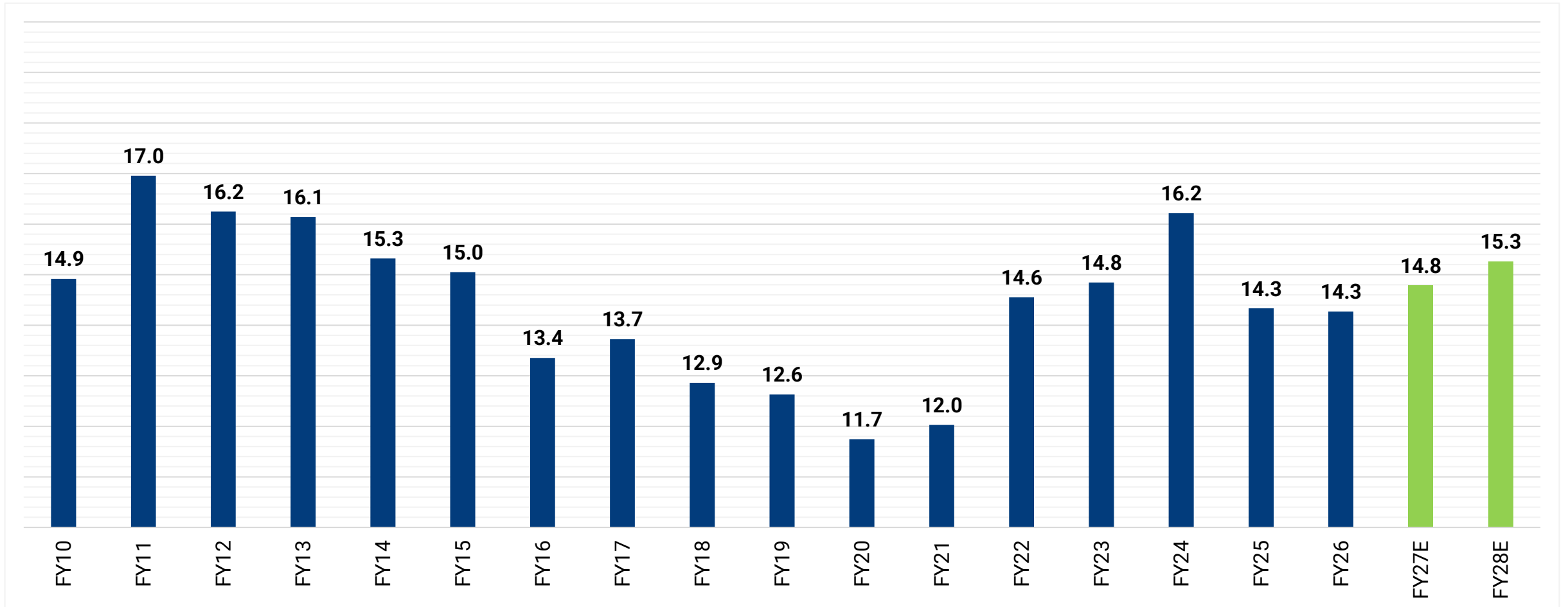
1Y Forward Price-to-Earnings (x)



1Y Forward Price-to-Book (x)



Nifty50 ROE continues to register strong double-digit growth



Valuations across Financials, Technology, and Consumer sectors remain below its decadal averages

Sector	Current P/E	10-year Average	Current P/B	10-year Average
Auto	26.2	23.7	4.0	3.6
Banks – Private	14.3	20.9	1.9	2.5
Banks – Public	8.3	11.0	1.3	0.9
Capital Goods	41.2	27.5	7.6	4.3
Consumers	39.2	42.7	9.2	10.0
Healthcare	32.1	27.7	4.3	3.7
Infrastructure	15.7	14.2	1.1	1.2
Metals	13.3	10.6	2.3	1.7
NBFCs	15.1	13.1	2.3	1.9
Oil & Gas	17.5	13.3	1.6	1.5
Real Estate	24.7	31.5	3.1	2.5
Technology	16.5	21.5	5.4	5.9

Analysis of sector-wise FPI holdings

Sectors	Portfolio Share		Change
	Apr-26	Apr-25	
Financials	30.1%	31.9%	-1.8%
Oil & gas	7.7%	7.3%	0.4%
Industrials	7.5%	5.0%	2.5%
Auto & Ancillary	7.4%	6.8%	0.6%
Healthcare	6.8%	6.8%	0.0%
Service	5.8%	6.2%	-0.4%
IT	5.7%	8.2%	-2.5%
Telecom & Media	5.4%	5.0%	0.4%
FMCG	4.8%	5.6%	-0.8%
Utilities	4.3%	3.7%	0.6%
Metals & Mining	4.0%	2.7%	1.3%
Construction Material	3.4%	3.3%	0.1%
Durables	2.6%	2.8%	-0.2%
Agriculture & Chemicals	1.8%	1.8%	0.0%
Realty	1.6%	2.0%	-0.4%
Others	1.0%	0.8%	0.2%

Key Highlights

- * Apr'26 marked the second consecutive month of FPI outflows of \$6.5bn vs \$12.5bn in Mar'26
- * Financials witnessed the highest outflows of (~\$3.3bn), followed by Services (~\$0.9bn), Healthcare and Oil & Gas (~\$0.7bn each), Auto & Auto Ancillary (~\$0.6 bn)
- * Maximum inflows was in Utilities (~\$0.6bn), with Industrials seeing fourth consecutive month of inflows (~\$0.4bn)
- * Geopolitical tensions in the Middle East weighed on markets during Apr'26, with the rupee depreciating, gold prices correcting, and Indian bond yields easing amid mixed global cues

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



How do different asset class respond to each other?

Correlation between asset class over 10Y period

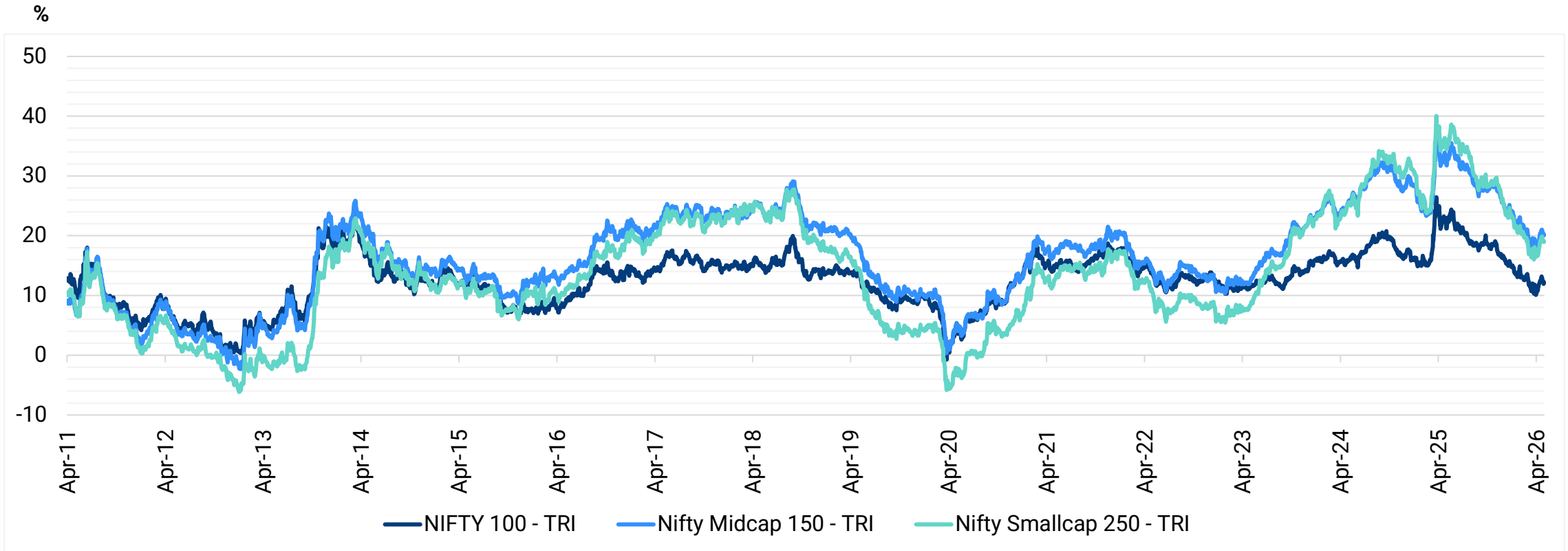
	Nifty 50 TRI	Gold	Silver	Gold + Silver	USD/INR	Nifty 10Y G-sec	S&P 500 TRI	Hang Seng TRI	Crude Oil	10-Yr SD
Nifty 50 TRI	1.00	(0.02)	0.11	0.07	(0.37)	0.08	0.29	0.39	0.07	16.13%
Gold	-	1.00	0.80	0.91	0.11	0.05	(0.00)	0.05	0.04	14.34%
Silver	-	-	1.00	0.97	(0.03)	0.04	0.07	0.17	0.06	28.73%
Gold + Silver	-	-	-	1.00	0.02	0.05	0.04	0.13	0.05	20.36%
USD/INR	-	-	-	-	1.00	(0.16)	(0.12)	(0.26)	(0.02)	4.76%
Nifty 10Y G-sec	-	-	-	-	-	1.00	(0.03)	(0.00)	(0.15)	4.20%
S&P 500 TRI	-	-	-	-	-	-	1.00	0.19	0.22	17.90%
Hang Seng TRI	-	-	-	-	-	-	-	1.00	0.11	21.74%
Crude Oil	-	-	-	-	-	-	-	-	1.00	43.37%

Large, mid and small cap performance

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

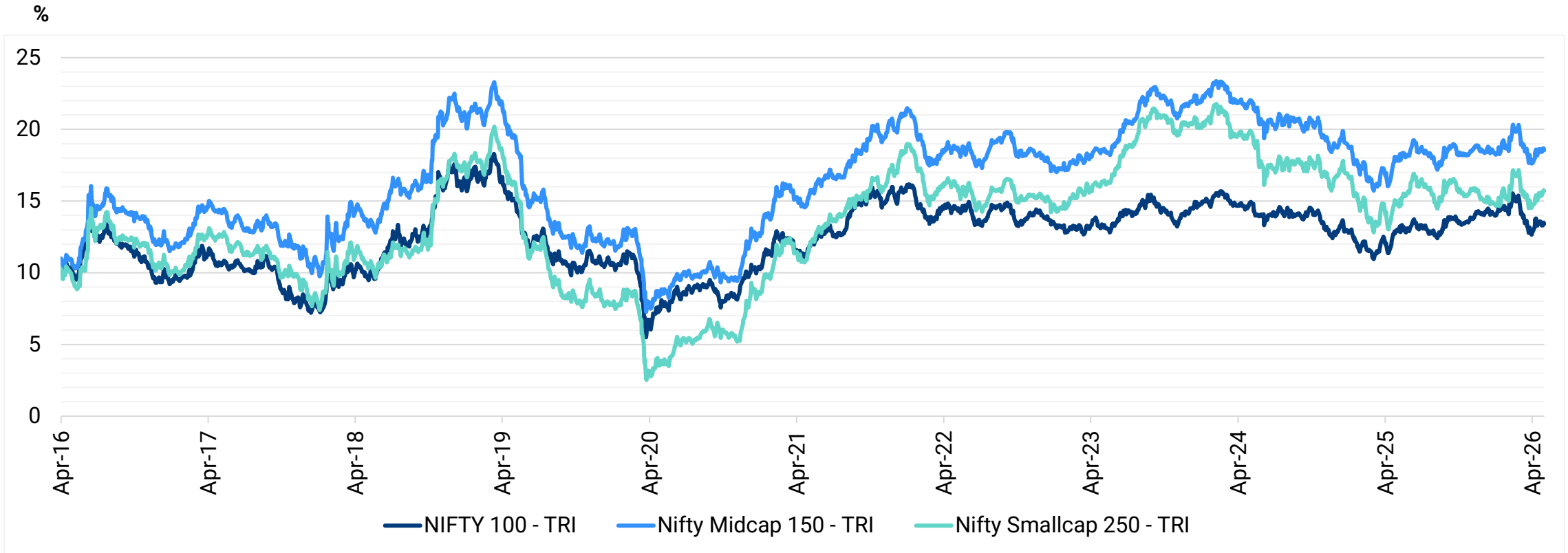
Period	Large Cap	Mid Cap	Small Cap
CY 2011	-24.93%	-31.01%	-35.07%
CY 2012	32.51%	46.69%	40.39%
CY 2013	7.89%	-1.28%	-6.44%
CY 2014	34.88%	62.67%	71.66%
CY 2015	-1.26%	9.70%	11.27%
CY 2016	5.01%	6.53%	1.39%
CY 2017	32.88%	55.73%	58.47%
CY 2018	2.57%	-12.62%	-26.15%
CY 2019	11.83%	0.62%	-7.26%
CY 2020	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%
CY26TD	-6.55%	-1.07%	0.38%

5 year rolling returns



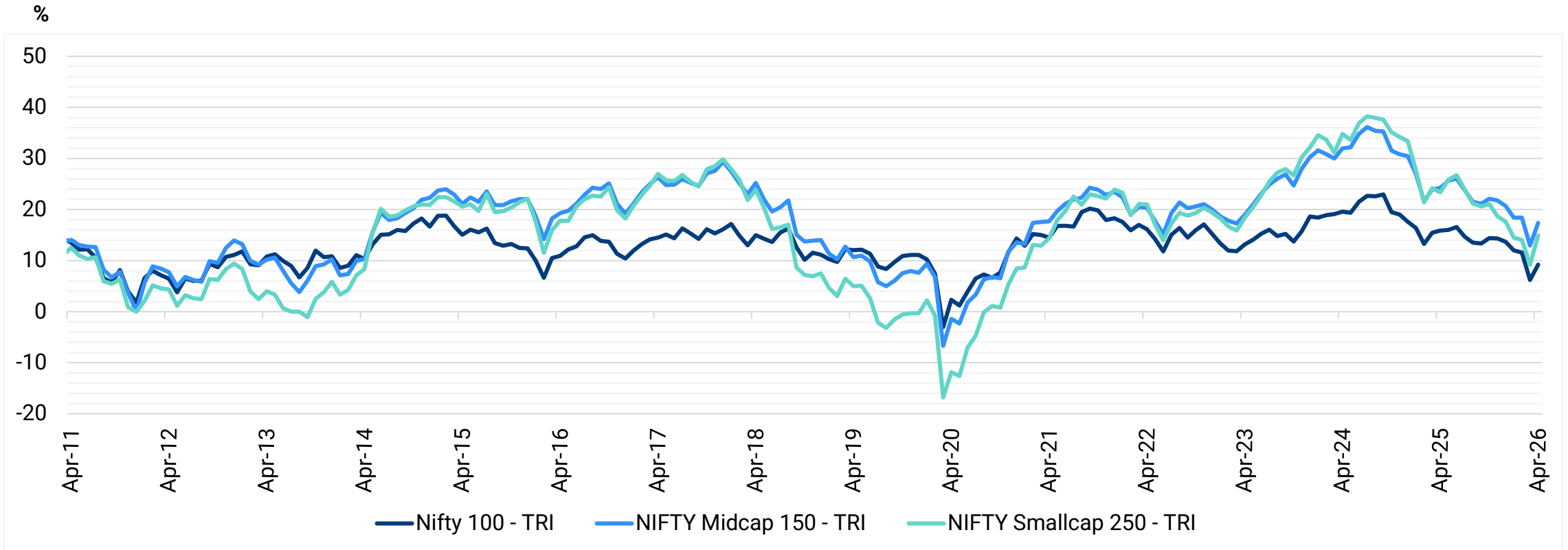
Return Range	NIFTY 100 – TRI	Nifty Midcap 150 – TRI	Nifty Smallcap 250 – TRI
Min (%)	-0.75%	-2.34%	-6.16%
Max (%)	26.45%	36.76%	40.03%
Average (%)	13.00%	16.45%	14.09%

10 year rolling returns



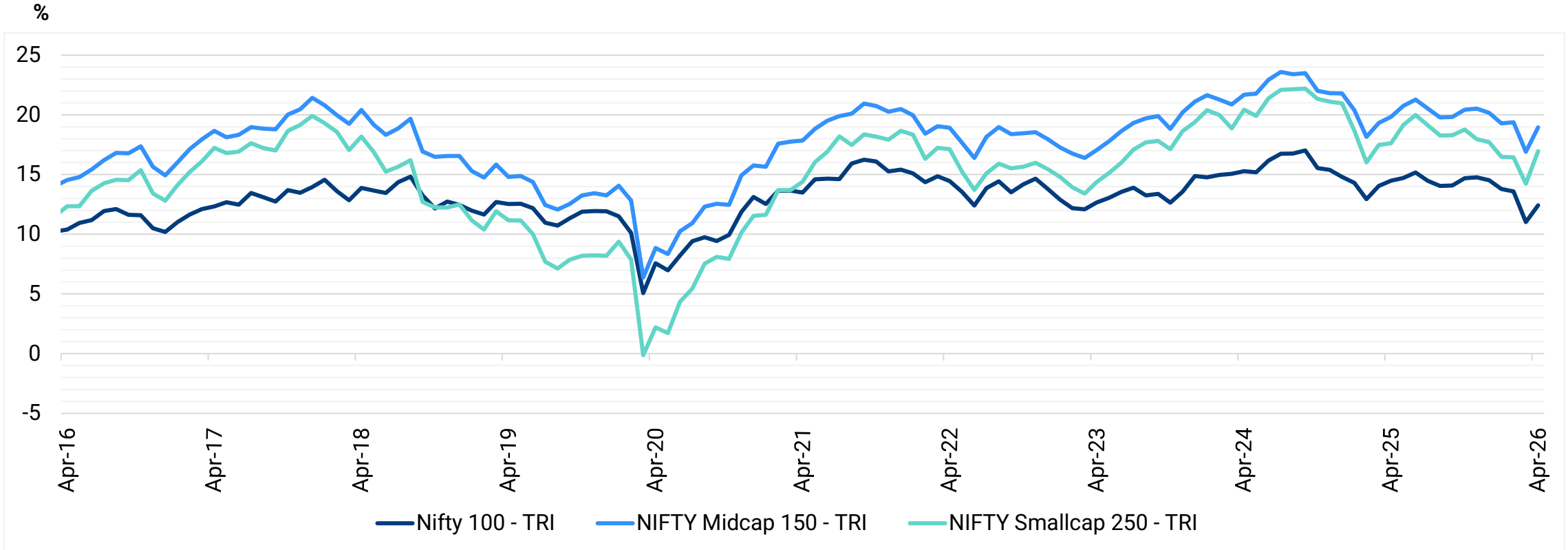
Return Range	NIFTY 100 – TRI	Nifty Midcap 150 – TRI	Nifty Smallcap 250 – TRI
Min (%)	5.50%	7.27%	2.53%
Max (%)	18.29%	23.37%	21.77%
Average (%)	12.62%	16.29%	13.58%

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 (%)	13.14%	17.66%	15.47%

10 year SIP rolling returns



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 (%)	12.99%	17.56%	14.91%

Owing to their higher beta profile, small caps typically witness deeper 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%

Midcaps are more consistent than you think

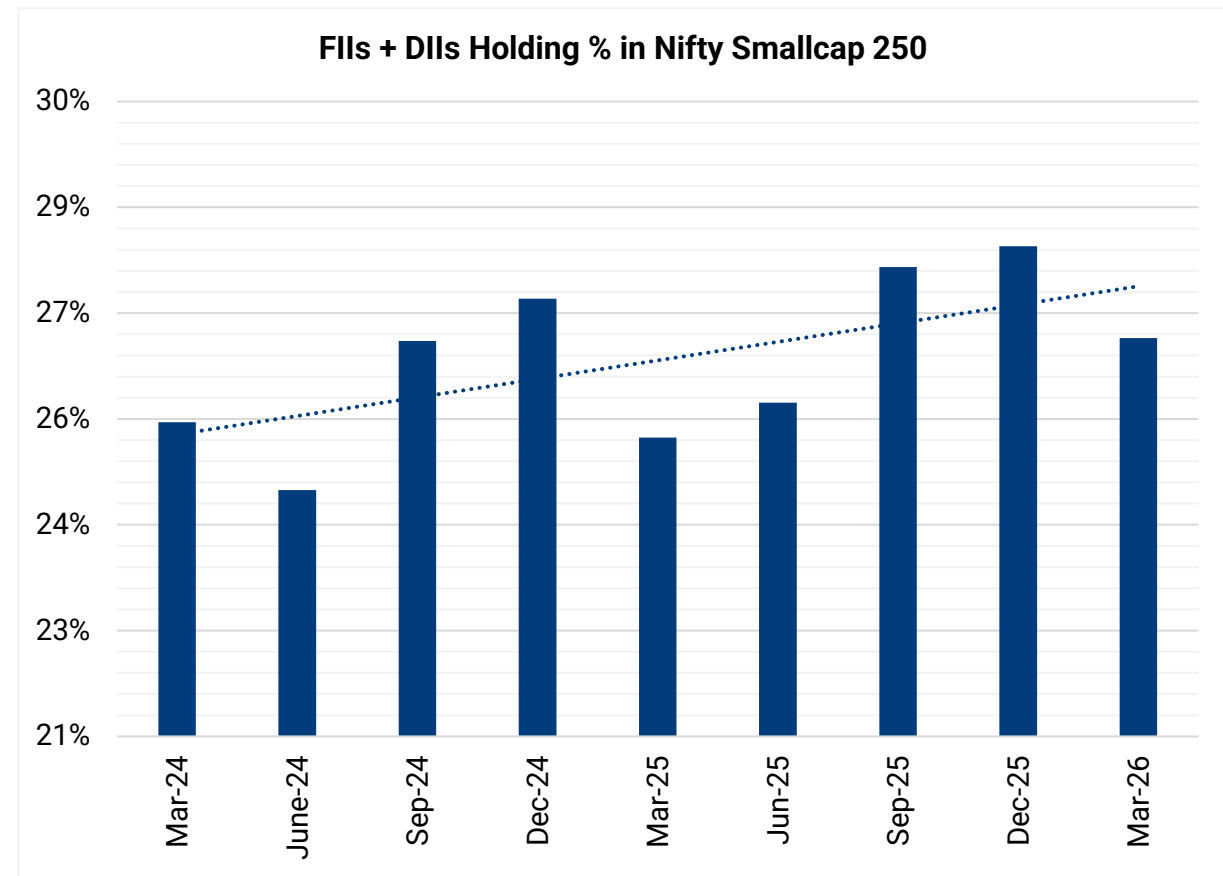
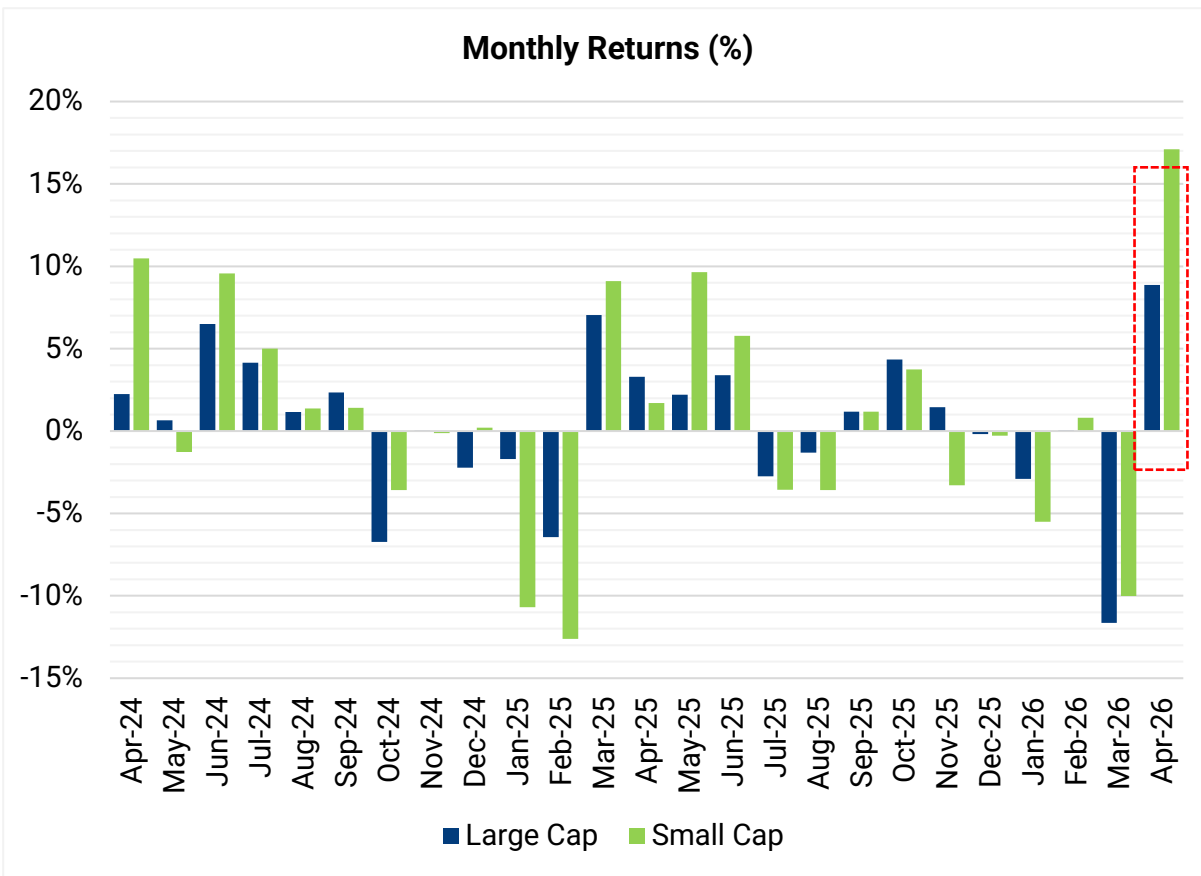
3 Year Absolute Return at the end of each CY	Large Cap	Mid Cap	Small Cap	All Cap
2025	51%	91%	79%	59%
2024	44%	87%	85%	54%
2023	61%	124%	139%	75%
2022	53%	94%	102%	61%
2021	64%	87%	92%	69%
2020	33%	10%	-13%	26%
2019	52%	37%	9%	47%
2018	43%	45%	19%	42%
2017	39%	85%	83%	46%
2016	40%	92%	95%	47%
2015	44%	76%	79%	46%
2014	93%	136%	125%	95%
2013	7%	0%	-15%	3%
2012	19%	22%	7%	13%
2011	65%	78%	68%	61%
2010	3%	-10%	-20%	-4%
Average	44%	66%	58%	46%

Key Highlights

- * **Better consistency:** Midcaps have delivered steadier returns than both large caps and small caps over the past 15 years.
- * **Stronger earnings growth:** Midcap earnings growth has outpaced large caps, underpinning long-term returns.

Small caps roar back – Time to revisit?

A meaningful correction in small-cap valuations from their peak has improved the risk-reward equation, while institutional holdings have broadly continued to trend upward over the same period



Source: AceMF, Internal Analysis | Data as on 30th April 2026 | Note: Large cap – Nifty 100 TRI; Smallcap – Nifty Smallcap 250 TRI | FIIs includes ADR and GDR; DIIs includes MF and Insurance | Past performance may or may be sustained in the future.

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



- * **We believe the worst of geopolitical uncertainty is likely behind us**, with markets beginning to discount a gradual normalization scenario. However, the pace of resolution remains critical to sustaining current recovery levels
- * **Crude oil remains the key monitorable**, with a sustained move above \$100 posing risks to global growth and inflation; in the absence of this, the impact is likely to remain contained
- * **Earnings outlook remains resilient despite recent volatility**, with limited disruption expected to the broader growth trajectory as markets refocus on fundamentals
- * **Mid and small cap segments have turned more attractive**, with valuations correcting to near 5-year relative lows and offering better entry points into structurally stronger growth businesses
- * **We remain constructive on domestic-facing sectors**, particularly financials, power, and capital goods, where demand visibility is robust and relatively insulated from external shocks
- * **Within financials, opportunities are broadening beyond large caps**, supported by bottoming credit growth, adequate liquidity, and improving operating leverage across PSUs, NBFCs, and capital market plays
- * **We remain selective on IT in the near term**, as the sector navigates an AI-led transition phase, which may weigh on growth visibility and valuations over the next few quarters
- * Overall, while risks persist in the near term, the evolving setup reinforces a calibrated and opportunity-led approach to equity allocation

- * **Global bond yields continue to trend higher** amid ongoing crisis in West Asia. Bond market volatility has increased as traders react to the news flow on cease fire and trajectory of crude oil prices
- * That said, recent price action in the bond markets and crude oil suggests that worst may be behind us and positive development may be around the corner
- * **Benchmark 10-year IGB yield has been trending lower** after touching a peak of 7.12% in early April, now trading at 6.96% as on May 8, 2026. Global bond yields have also been softening lately
- * Bond market participants will be keen to see how fast headline inflation starts to reflect rising energy prices, depreciating currencies and disruption of flows. We expect headline inflation to firm up by at least 25-50 bp due to rising energy prices in H2FY27
- * That said, we expect central banks to keep policy rates unchanged for quite some time to focus on economic growth despite OIS markets pricing multiple rate hikes this year
- * **Banking system liquidity improved in April 2026** amid start of fresh government spending. We expect liquidity to remain in surplus and overnight rates to remain below Repo Rate
- * **3M (June 2026) bank CD yields declined sharply in early April** by ~175 bp to 5.75% before retracing back to 6.20-25% in early May. Lower CD yields and surplus cash provided an attractive opportunities to corporates to raise short-term money at lower yields
- * Going forward, we expect bond yields to decline on the news of a peace accord in West Asia initially before reversing the course later as market participants focus on key fundamental factors

Factor Investing commentary

- * **Market Context:** Q4 FY26 saw a sharp, geopolitical-led risk-off phase. The correction was broad-based and factor-agnostic, driven by de-risking rather than earnings weakness. Most factors demonstrated relative resilience, outperforming the market, while Quality tracked index declines
- * **Performance Trends:** Over 12M, Value continues to outperform, supported by commodities and PSUs. Growth and Momentum are showing early signs of recovery, while Quality lags due to valuation compression amid earnings moderation
- * **Near-term View remains challenging** as earnings revisions remain flat, and global risks stay elevated
- * **Positioning & Strategy:** Value remains the most resilient, offering capital protection with stable earnings and attractive valuations. Leadership is likely to shift back to Growth and Momentum as earnings visibility and risk appetite improve
- * **Portfolio Approach:** Anchor with Value for stability; gradually add Growth and Momentum for the next upcycle

Key risks to watch out

01

Oil Price Shock

Middle East conflict has pushed oil above \$100. If sustained beyond April, global and Indian macro conditions could turn significantly adverse

02

Stagflation

Prolonged elevated oil prices risk a stagflationary outcome, i.e., slowing growth alongside sticky inflation, especially if unresolved by May–June

03

FII Outflows

India's ~80% oil import dependence makes it vulnerable to oil spikes, which reignited FII selling in March after a reversal in Jan–Feb 2026

04

Consumption

Oil-led inflation could weigh on consumption in the near term. While India has remained insulated so far due to stable pump prices, any normalization post-April could introduce some pressure on consumption

05

Earnings Downgrade (Q1 FY27)

March quarter is broadly fine, but Q1 FY27 remains a grey area — a prolonged geopolitical crisis could trigger meaningful earnings cuts across sectors.

06

Structural Inflation from Multipolar World

Long-term shift away from US-led global order, combined with slow oil infrastructure recovery, points to a persistently higher inflation baseline over the next 5–10 years

Our Long-Only Equity Funds



Equity funds overview

Scheme	Edelweiss Mid Cap Fund			Edelweiss Small Cap Fund			Edelweiss Focused Fund			Edelweiss Large & Mid Cap Fund		
AUM (Rs Cr.)	15,811			5,961			1,012			4,532		
Market Cap Allocation	Large 15%	Mid 75%	Small 10%	Large 0%	Mid 31%	Small 69%	Large 73%	Mid 27%	Small 0%	Large 49%	Mid 39%	Small 12%
Over-Weight Sectors	<ul style="list-style-type: none"> Financial Services Metals & Mining Automobile and Auto Components 			<ul style="list-style-type: none"> Financial Services Capital Goods Automobile and Auto Components 			<ul style="list-style-type: none"> Financial Services Construction Consumer Durables 			<ul style="list-style-type: none"> Capital Goods Automobile and Auto Components Consumer Durables 		
Under-Weight Sectors	<ul style="list-style-type: none"> Healthcare Consumer Durables Information Technology 			<ul style="list-style-type: none"> Oil, Gas & Consumable Fuels Construction Power 			<ul style="list-style-type: none"> Telecommunication Chemicals Services 			<ul style="list-style-type: none"> Fast Moving Consumer Goods Oil, Gas & Consumable Fuels Services 		

Equity funds overview

Scheme	Edelweiss ELSS Tax Saver Fund			Edelweiss Flexi Cap Fund			Edelweiss Multi Cap Fund		
AUM (Rs Cr.)	437			3,306			3,201		
Market Cap Allocation	Large 61%	Mid 22%	Small 18%	Large 65%	Mid 28%	Small 7%	Large 45%	Mid 28%	Small 27%
Over-Weight Sectors	<ul style="list-style-type: none"> Financial Services Information Technology Automobile and Auto Components 			<ul style="list-style-type: none"> Financial Services Capital Goods Construction 			<ul style="list-style-type: none"> Financial Services Chemicals Textiles 		
Under-Weight Sectors	<ul style="list-style-type: none"> Fast Moving Consumer Goods Services Consumer Services 			<ul style="list-style-type: none"> Oil, Gas & Consumable Fuels Telecommunication Information Technology 			<ul style="list-style-type: none"> Oil, Gas & Consumable Fuels Information Technology Services 		

Portfolio return ratios

	Edelweiss ELSS Tax Saver Fund	Edelweiss Large & Mid Cap Fund	Edelweiss Flexi Cap Fund	Edelweiss Multi Cap Fund	Edelweiss Mid Cap Fund	Edelweiss Small Cap Fund	Edelweiss Focused Equity Fund
FY27E EPS growth (%)	17.6	18.9	18.9	17.9	22.2	27.4	17.9
FY28E EPS growth (%)	17.2	17.8	17.2	17.2	18.2	21.3	18.0
PEG (x)	1.1	1.1	1.0	1.1	1.2	0.9	1.1
FY27E ROE (%)	21.0	19.2	20.4	20.5	22.4	19.2	20.5
FY28E ROE (%)	21.4	20.0	21.0	20.9	22.6	19.6	21.2
PER FY27E (x)	21.5	24.4	21.6	22.4	27.7	27.1	22.5
PER FY28E (x)	18.3	20.8	18.5	19.1	23.4	22.4	19.1

Note: These are estimates of the underlying portfolio based on available information and is not indicative of any present or future performance of the fund. Portfolio of the fund would depend on asset allocation and investment strategy as stated in Scheme Information Document and prevailing market conditions and is subject to change without any notice. Sectors/ Stocks mentioned here should not be construed as a recommendation. Stock in are part of the portfolio of Edelweiss Mutual fund schemes as on the latest available portfolio as on 30th April 2026. Performance of the above sectors/stocks should not be construed as indicative yield of any of the schemes of Edelweiss Mutual Fund. Edelweiss Mutual Fund may or may not hold any position in these sectors/stocks in future.

New entries and exits in fund portfolio

	Edelweiss Mid Cap Fund	Edelweiss Small Cap Fund	Edelweiss Focused Fund	Edelweiss Flexi Cap Fund	Edelweiss Multi Cap Fund	Edelweiss ELSS Tax Saver Fund	Edelweiss Large & Mid Cap Fund
Entry	<ul style="list-style-type: none"> • Billionbrains Garage Ventures Ltd • JSW Energy Ltd • ICICI Prudential Asset Mgmt Co Ltd 	<ul style="list-style-type: none"> • Neuland Laboratories Ltd • Bharat Heavy Electricals Ltd • Aditya Birla Sun Life AMC Ltd. 	NIL	<ul style="list-style-type: none"> • Billionbrains Garage Ventures Ltd • Elecon Engineering Company Ltd • Ather Energy Ltd 	<ul style="list-style-type: none"> • Elecon Engineering Company Ltd • ABB India Ltd 	<ul style="list-style-type: none"> • Billionbrains Garage Ventures Ltd • Solar Industries India Ltd 	<ul style="list-style-type: none"> • Billionbrains Garage Ventures Ltd • JSW Cement Ltd
Exits	NIL	<ul style="list-style-type: none"> • Crompton Greaves Consumer Electrical Ltd. 	<ul style="list-style-type: none"> • Oil India Ltd 	<ul style="list-style-type: none"> • Oil & Natural Gas Corporation Ltd • KFIN Technologies Ltd 	NIL	<ul style="list-style-type: none"> • Oil India Ltd • SRF Ltd • Central Depository Services (I) Ltd. 	<ul style="list-style-type: none"> • SRF Ltd

Active stock exposure across equity funds

Edelweiss Mid Cap Fund		Edelweiss Small Cap Fund		Edelweiss Large & Mid Cap Fund	
Solar Industries India Ltd	1.86	Multi Commodity Exch. of India Ltd	3.50	Ather Energy Ltd	1.66
City Union Bank Ltd	1.49	City Union Bank Ltd	2.43	Bharat Heavy Electricals Ltd	1.54
Cummins India Ltd	1.48	KEI Industries Ltd	2.27	Cummins India Ltd	1.41
HDFC Asset Management Company Ltd	1.43	Ajanta Pharma Ltd	2.13	Federal Bank Ltd	1.38
Max Healthcare Institute Ltd	1.31	Radico Khaitan Ltd	2.12	Aether Industries Ltd	1.34
CreditAccess Grameen Ltd	1.23	Indian Bank Ltd	2.08	Phoenix Mills Ltd	1.26
Multi Commodity Exch. of India Ltd	1.22	UNO Minda Ltd	2.00	Power Mech Projects Ltd	1.25
Muthoot Finance Ltd	1.11	Billionbrains Garage Venture Ltd	1.95	Indian Bank Ltd	1.23
Marico Ltd	1.11	Century Plyboards India Ltd	1.86	Max Healthcare Institute Ltd	1.09
Karur Vysya Bank Ltd	1.09	Fortis Healthcare Ltd	1.79	Solar Industries India Ltd	1.07

Active stock exposure across equity funds

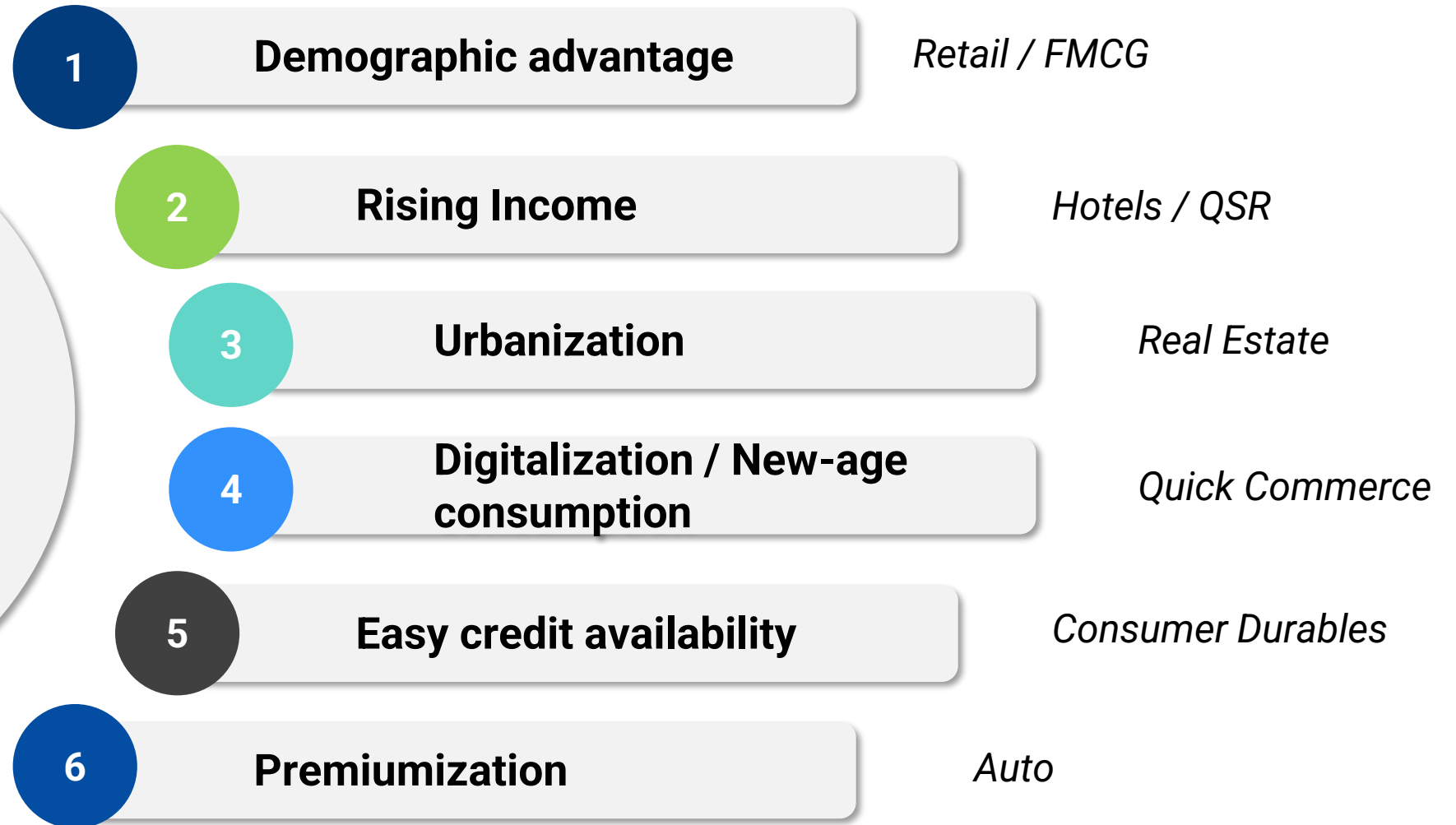
Edelweiss Flexi Cap Fund		Edelweiss ELSS Tax Saver Fund		Edelweiss Focused Fund		Edelweiss Multi Cap Fund	
NTPC Ltd	2.54	Multi Commodity Exch. Of India Ltd	2.51	Marico Ltd	4.30	NTPC Ltd	1.99
Multi Commodity Exch. of India Ltd	1.82	BSE Ltd	2.13	Tata Steel Ltd	4.18	Radico Khaitan Ltd	1.96
Tata Steel Ltd	1.68	Muthoot Finance Ltd	2.04	KEI Industries Ltd	4.03	Multi Commodity Exch. Of India Ltd	1.91
Larsen & Toubro Ltd	1.59	Ather Energy Ltd	1.63	Shriram Finance Ltd	3.97	Navin Fluorine International Ltd	1.74
Karur Vysya Bank Ltd	1.25	Karur Vysya Bank Ltd	1.47	Larsen & Toubro Ltd	3.43	Bikaji Foods International Ltd	1.70
Ultratech Cement Ltd	1.21	Bharat Electronics Ltd	1.37	NTPC Ltd	2.76	Tata Steel Ltd	1.63
Fortis Healthcare Ltd	1.19	Gabriel India Ltd	1.35	State Bank of India Ltd	2.71	Karur Vysya Bank Ltd	1.62
City Union Bank Ltd	1.10	Netweb Technologies India Ltd	1.28	Multi Commodity Exch. Of India Ltd	2.60	Larsen & Toubro Ltd	1.55
L&T Finance Ltd	1.08	NTPC Ltd	1.25	Mankind Pharma Ltd	2.55	City Union Bank Ltd	1.35
Marico Ltd	1.06	CreditAccess Grameen Ltd	1.22	Ultratech Cement Ltd	2.53	Craftsman Automation Ltd	1.23

Why We Own What We Own



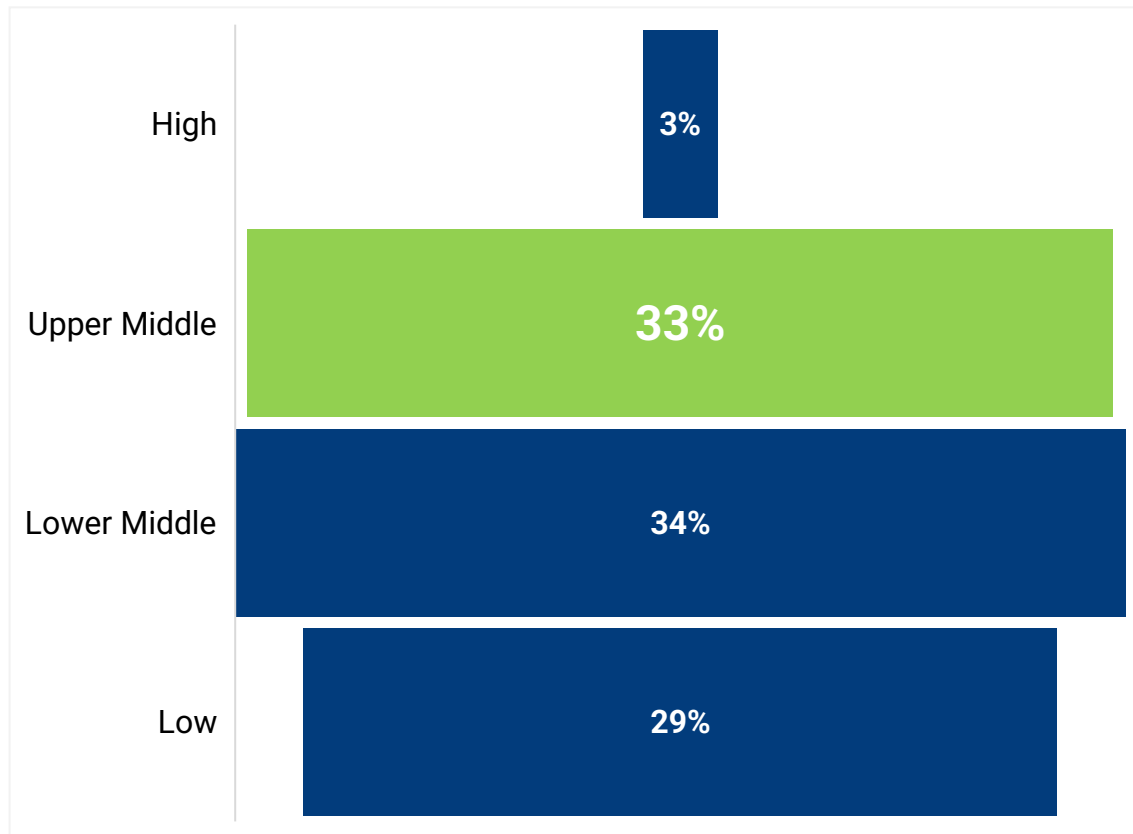
India's Consumption

USD 4.2 trillion
consumer spending
by 2030, up from
USD 2.4 trillion in
2024

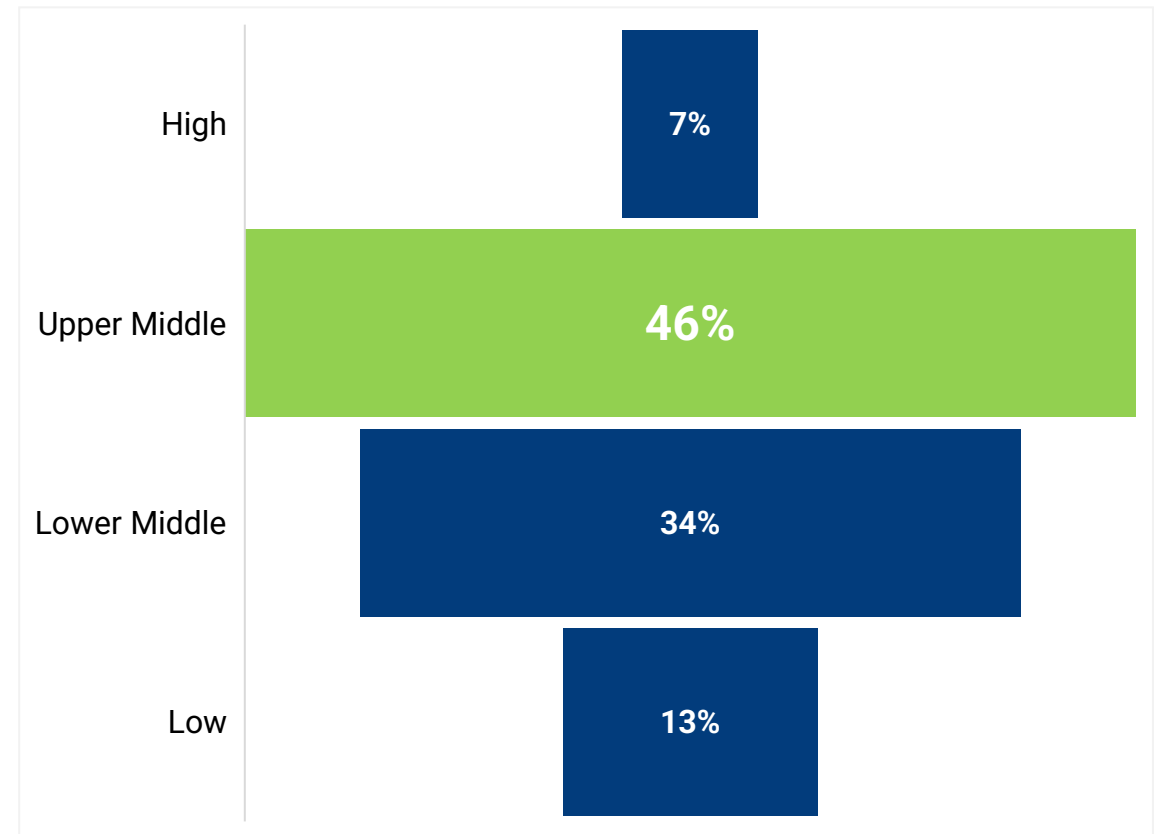


Rising middle class to reshape India's consumption basket

2024 household by income distribution
(Total HH's – 305.7 mn)



2031E household by income distribution
(Total HH's – 360.5 mn)



Policy tailwinds poised to boost consumption

Direct Tax Benefit

- ❖ Under the new tax regime for FY 2025-26, tax on income up to ₹12 lakh is effectively NIL
- ❖ An estimated ₹1 lakh crore benefit is expected to flow to individuals, and this contributes around 0.3% of the GDP

Interest Rate Cuts

- ❖ The RBI has reduced policy rates by about 100 bps over the past year
- ❖ With ₹100 lakh crore in retail loans, this cut translates into potential annual EMI savings of roughly ₹1 lakh crore for households

Revision in GST (i.e., GST 2.0)

- ❖ The shift to a simplified two-slab GST structure of 5% and 18% (from the earlier four slabs of 5%/12%/18%/28%)
- ❖ This is expected to unlock benefits of around ₹1 lakh crore in the hands of individuals

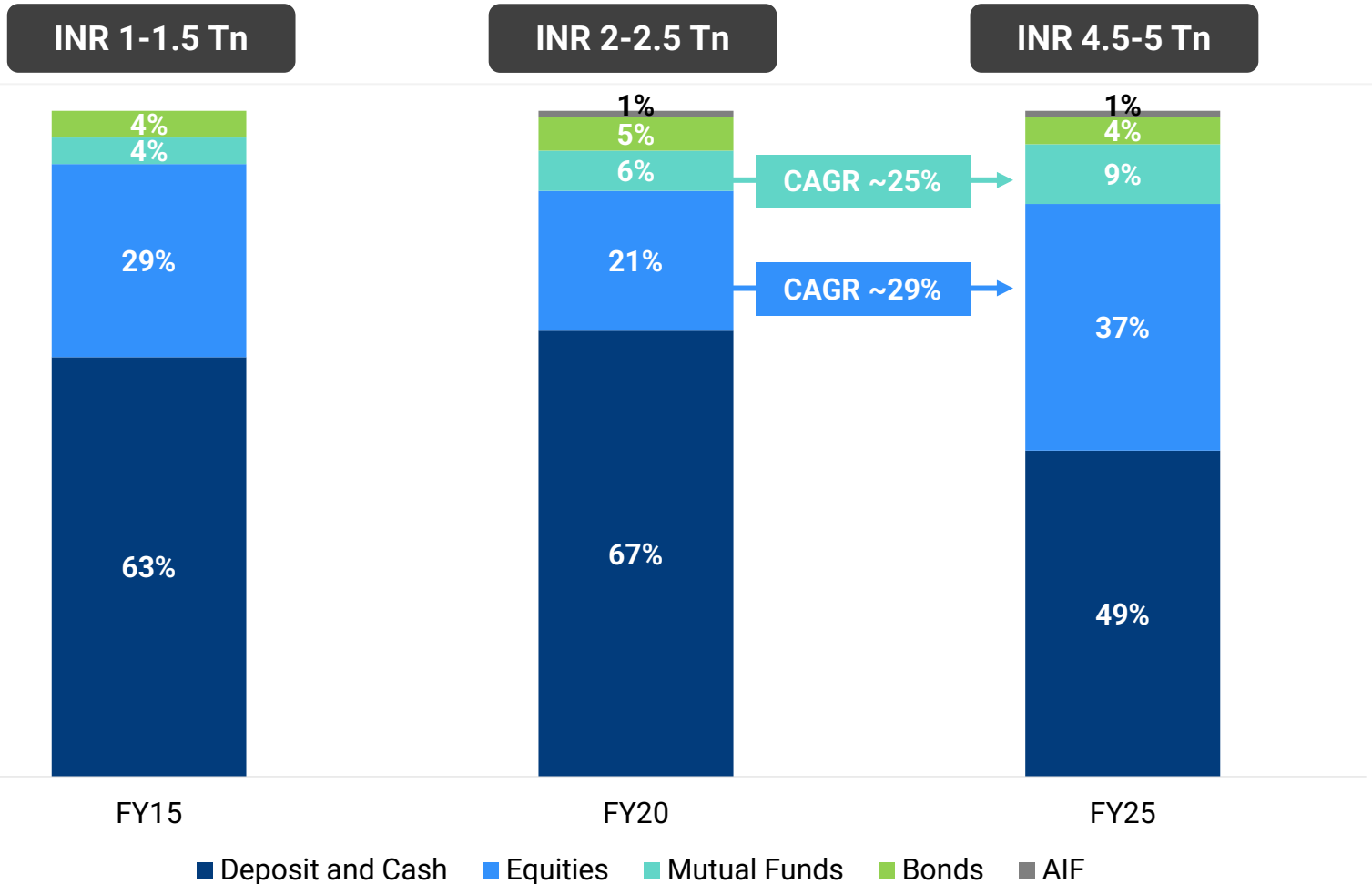
8th Pay Commission

- ❖ Effective January 1, 2026, the change takes effect, benefiting around 11 million people, though the government has yet to announce the percentage increase
- ❖ The impact should be visible in the latter part of CY26

Together, the four measures amount to a benefit of ~₹5.5 lakh crore (~1.6% of GDP), expected to unfold over the next 18–24 months, with some impact already visible

India's evolving financial behavior

AUM split by asset classes

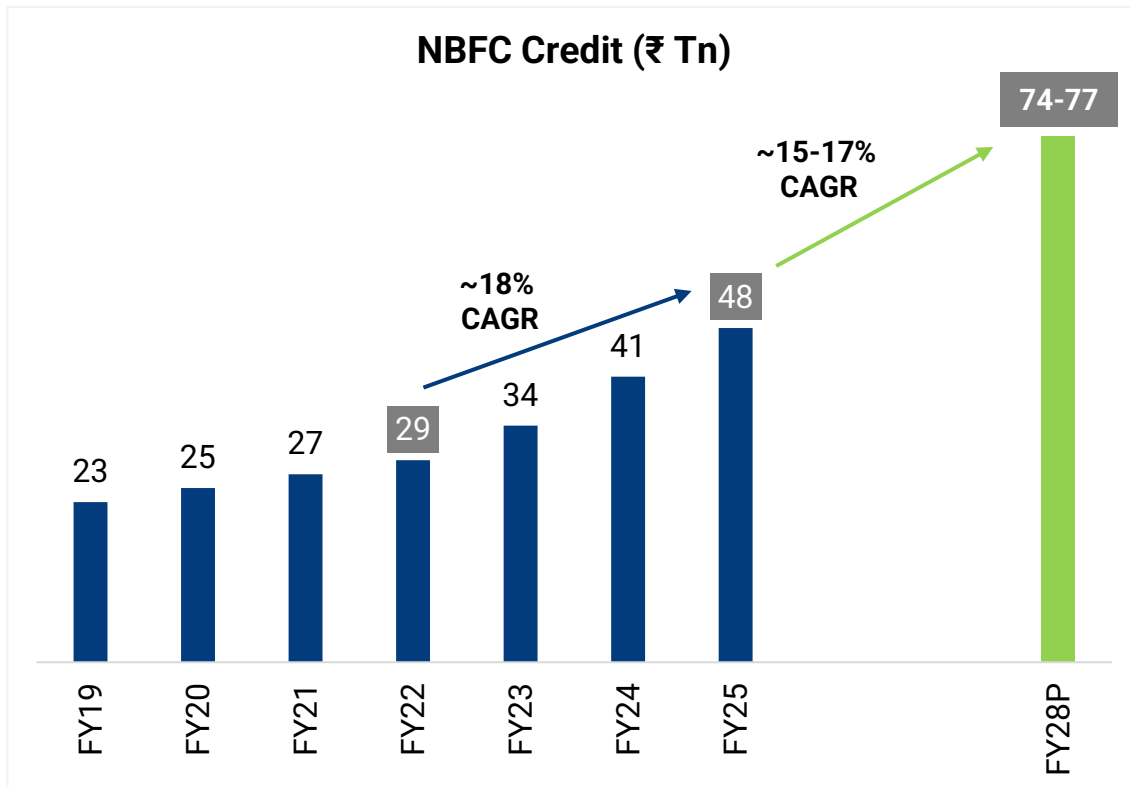


Key Highlights

- * Low real deposit returns and improved access are pushing households toward mutual funds and equities
- * **MF AUM has surged 6x over the past decade**, reflecting deeper and broader investor participation.
- * **India's market cap has jumped 4x since FY20**, powered by strong earnings, a vibrant IPO cycle, and rising investor confidence

India's NBFC Sector

Easy availability of credit score, use of data analytics, product innovation has led to improvement in NBFC customer penetration



Factors to watch out

01

Huge under penetration in the unorganized SME & MSME sector

02

Retail and consumer finance supported by digital lending

03

Easing liquidity and falling interest rates leading to more credit growth

04

Evolution of newer business models and products

05

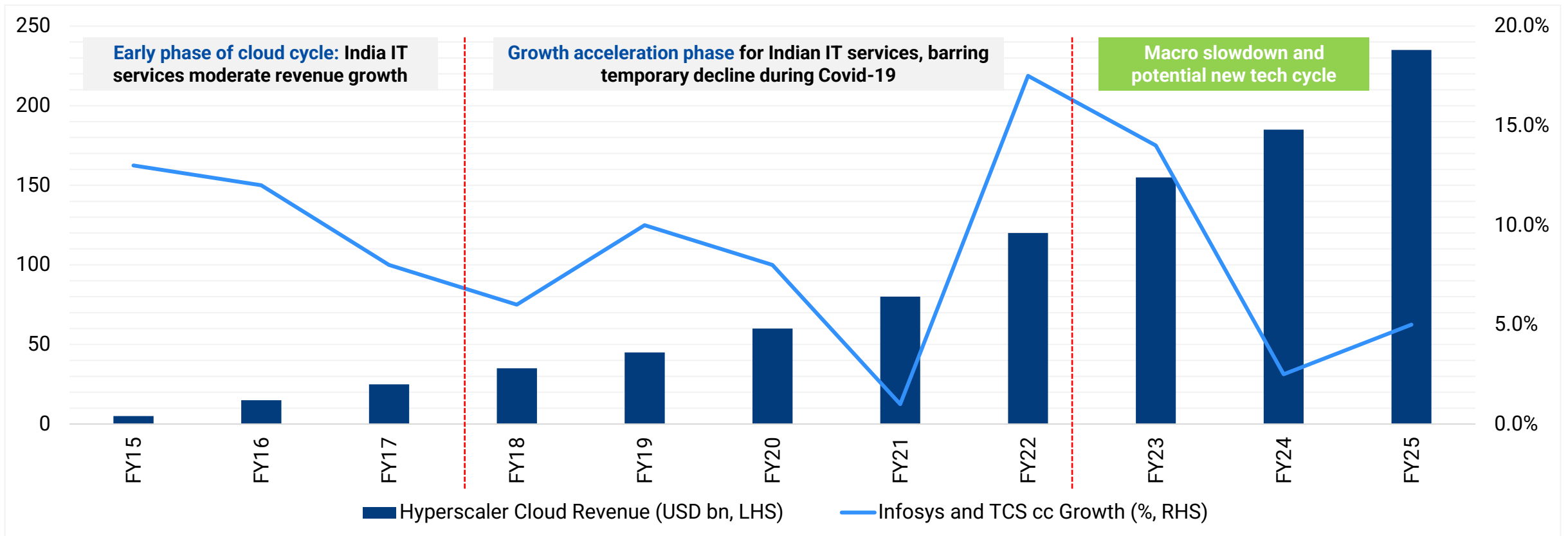
Capital positioning of NBFCs remain healthy, with CRAR of 27% (as of FY25), well above min. requirement of 15%

06

Better regulatory oversights and pro-active actions

Indian IT performance during the last tech shift

Growth moderated at first but picked up in later years (except during COVID-19), and the industry now seems to be at the cusp of a new tech cycle



India's Information Technology

Key Drivers and Trends

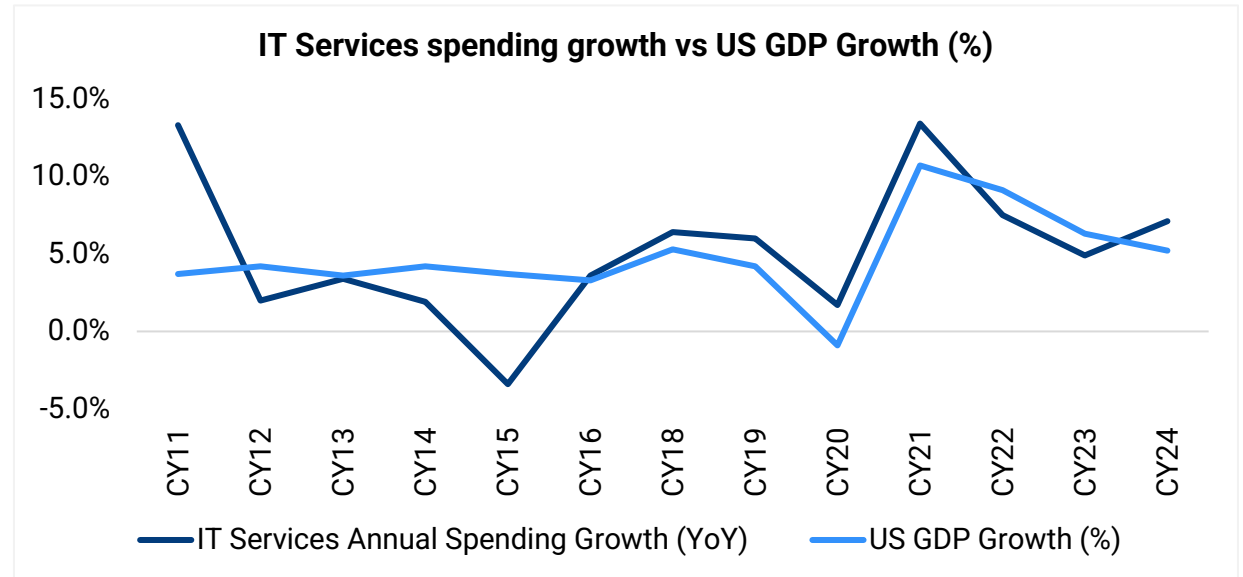
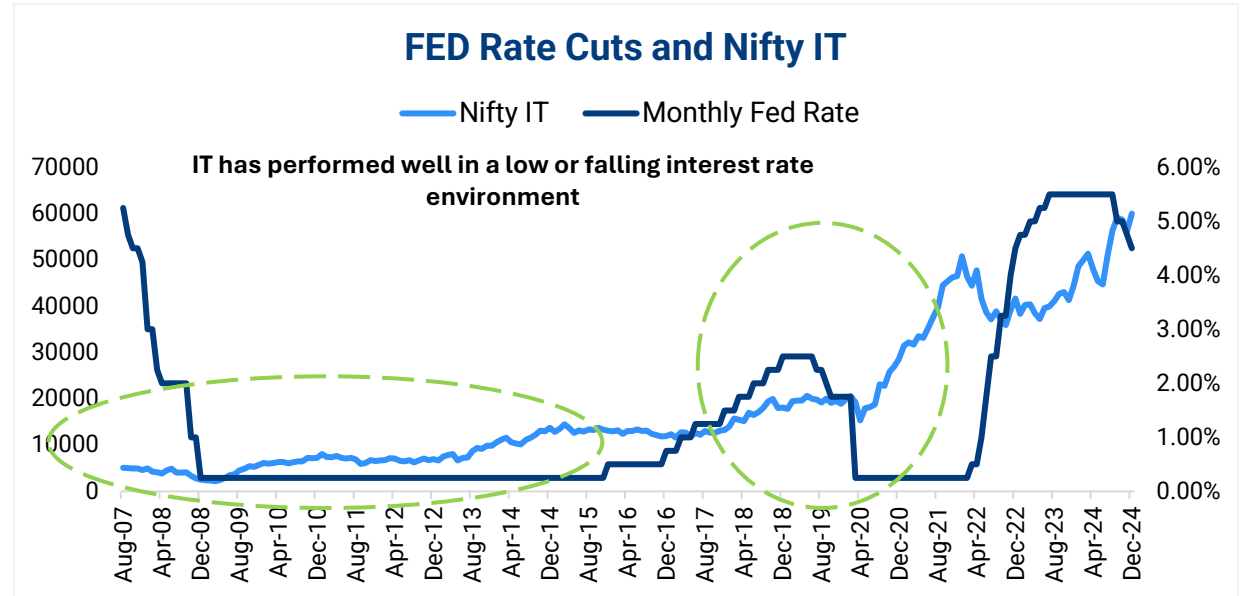
India's IT industry is set to grow from US\$ 254 bn to US\$ 350 bn by 2026, contributing 10% to the nation's GDP

Global spending surpassing US\$ 200bn by 2025 and India's share hitting US\$ 5bn in Cloud services

Rise in India's Global Capability Centers (GCC) market is set to surpass \$100 bn. by 2030, with 2,500 centers and 4.5 mn. professionals

Reduced dependency on H1B Visas from 11% in FY15 to 3% in FY23

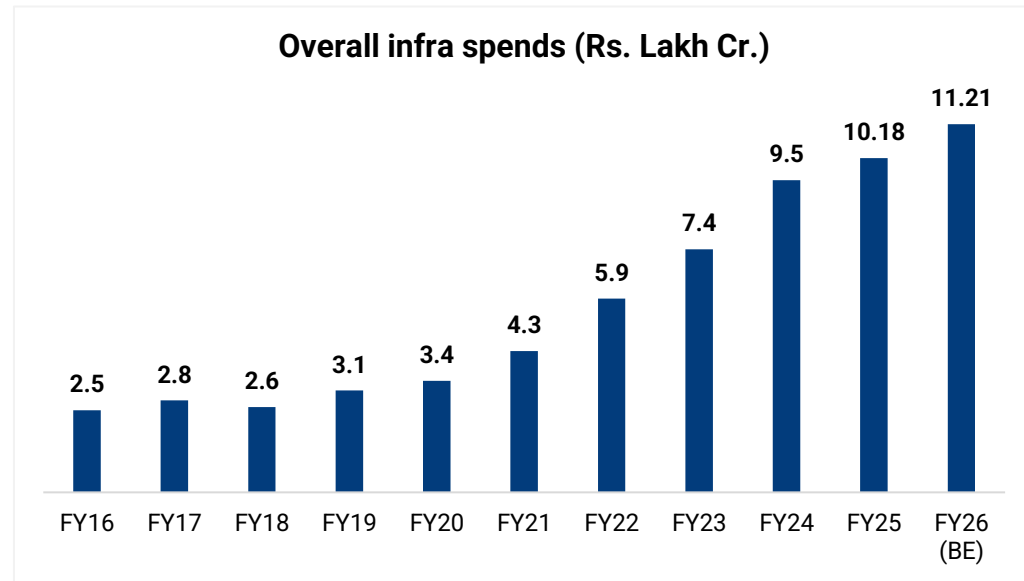
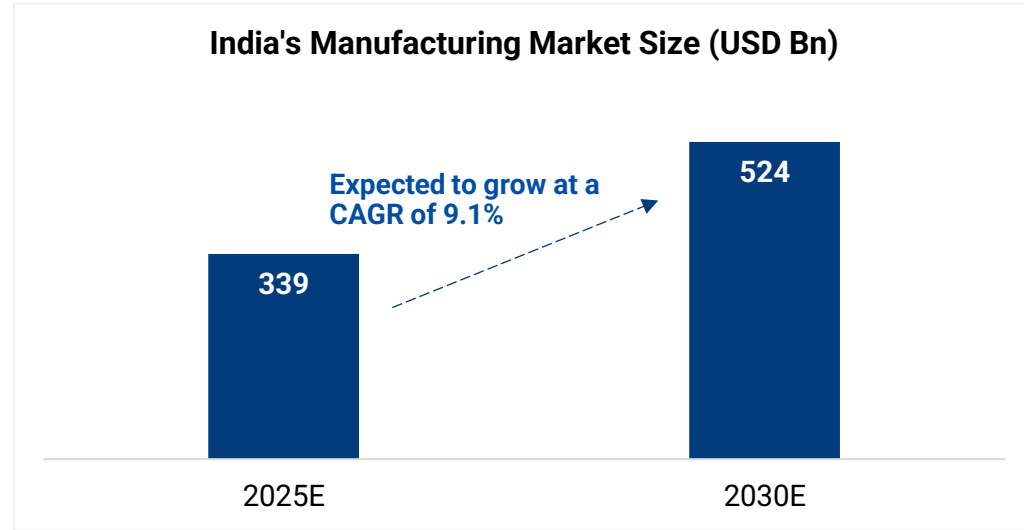
IT export revenue grew from \$59 bn in 2010 to \$199 bn in 2024, with an estimated 20% CAGR to reach \$600 bn by 2030



India's Manufacturing

India is poised to become a \$10T+ economy over the next decade with manufacturing contributing over 32% to incremental GVA by 2034

- 1
Policy push for self-reliance and local production (Make in India and Atmanirbhar Bharat)
- 2
PLI schemes across 14 sectors incentivizing domestic manufacturing
- 3
China+1 Strategy and Positive FDI cues. Global supply chain diversification driving investment in India
- 4
India positioning itself as a global manufacturing hub and boosting exports supported by trade agreements
- 5
India's CAPEX cycle in an uptrend ~ further room for growth. Capacity utilization in Private sector at 12 year high.



Defence – Built for Bharat, Ready for the World

The Union Budget for 2025-26 envisaged an outlay of Rs. 6.81 lakh crore, represents an enhancement of 9.5% over the Budget of 2024 -25

Modernization-led CAPEX opportunity

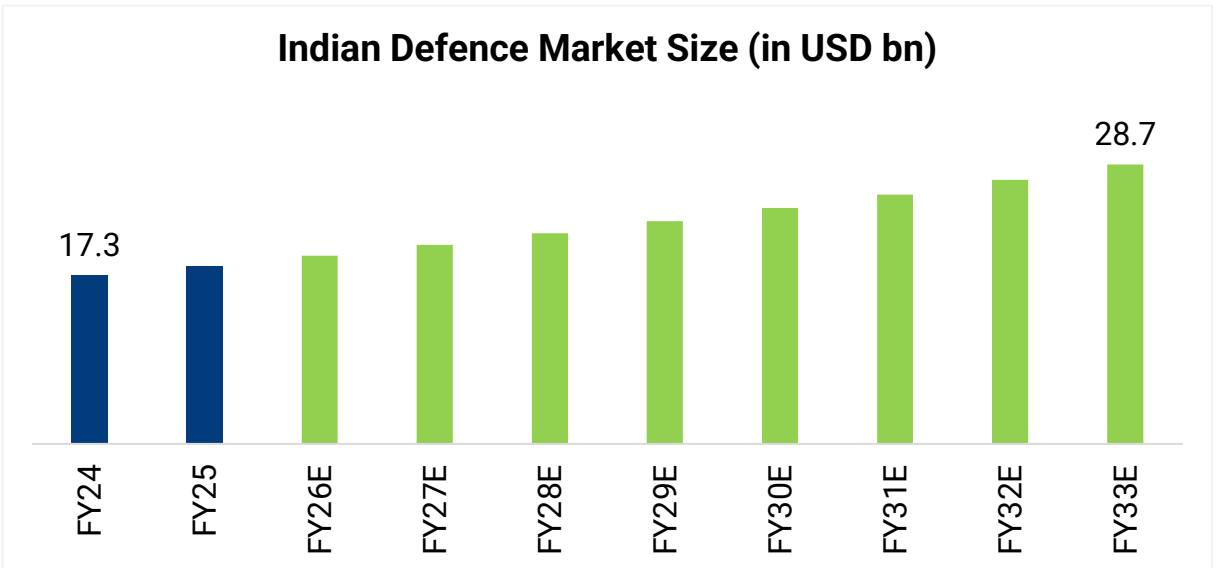
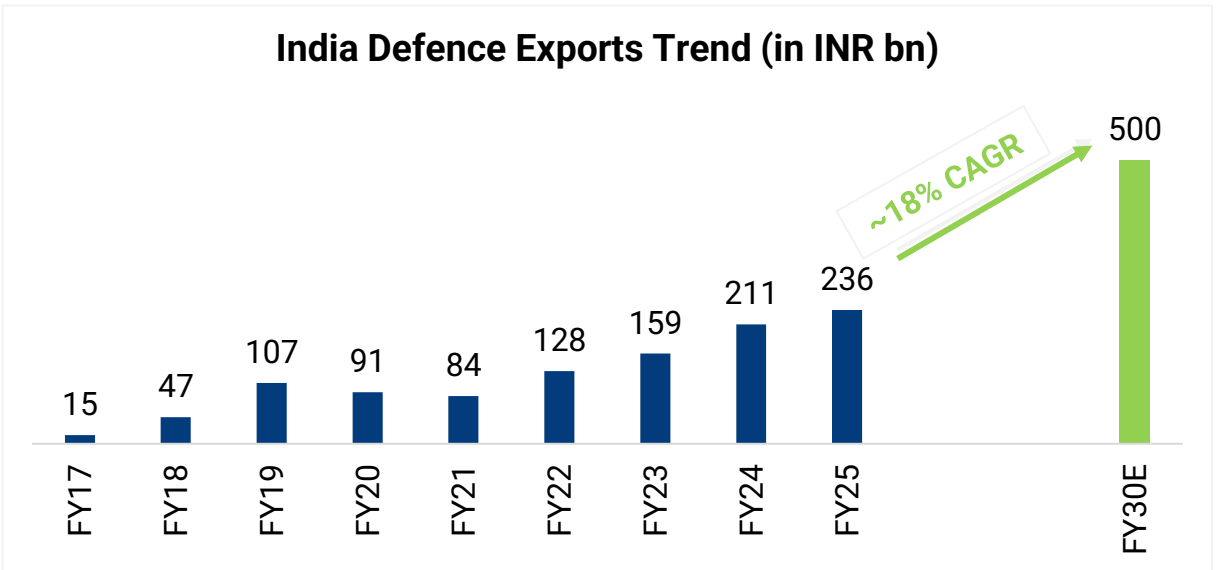
- Capex-driven shift to drones, missiles, radars & submarines; HAL, BDL, BEL leading with strong order books

Import Substitution + Export Boost = Make in India success

- Driven by Defence Procurement Policy (DPP), import embargoes, and the Make in India initiative, India is transitioning from a historically import-heavy defence ecosystem to a self-reliant, indigenous manufacturing powerhouse.

Strong Policy & Strategic Tailwinds

- Localization push via import bans, defence corridors, and incentives; supported by tech tie-ups, private sector entry, and rising strategic relevance amid China-Pakistan threats and Quad dynamics.



Investment Process



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

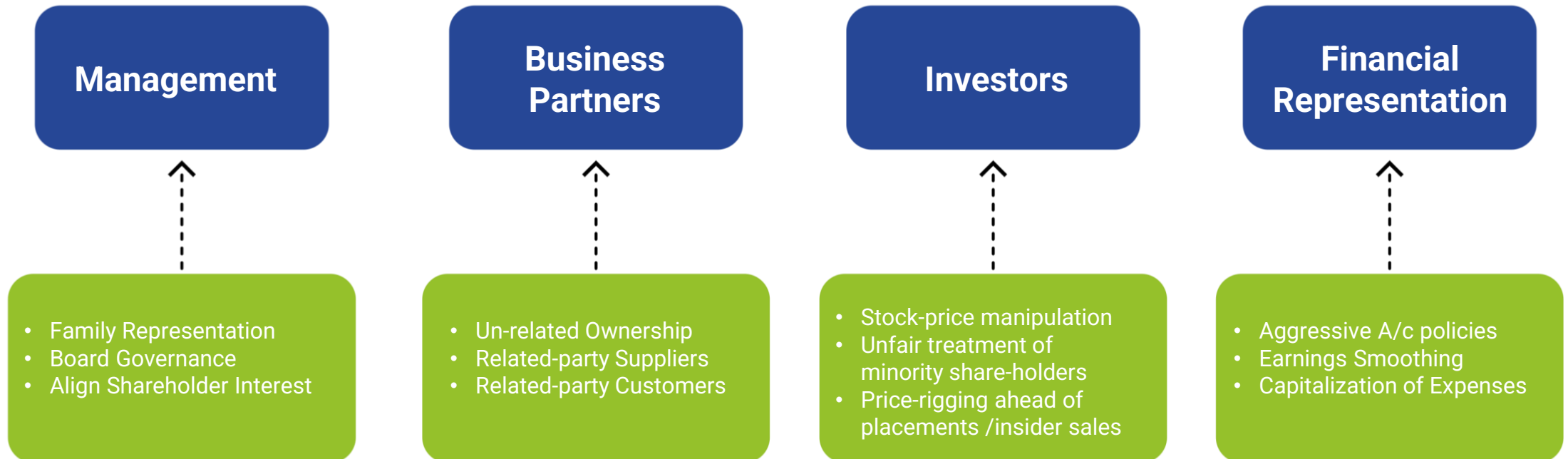
Pick well managed businesses having scalable opportunities and superior return on capital employed

We use a forensic analysis to pick only clean and quality businesses from the available universe

We do forensic analysis in 4 key areas before we like any business

Accounting quality | Board governance | Ownership checks | Management integrity

Forensic Analysis Framework



Focus on reasonably priced businesses with medium term earnings power

Investment Value Analysis Framework

Discounted Investment Value

- * We analyse stocks and categorise them under 3 buckets
 - Discounted Value stocks
 - Compounding Value stocks
 - Risk-management stocks – Stocks we own due to their presence in benchmark
- * A combination of Discounted and compounding value makes us Value/Growth style agnostic

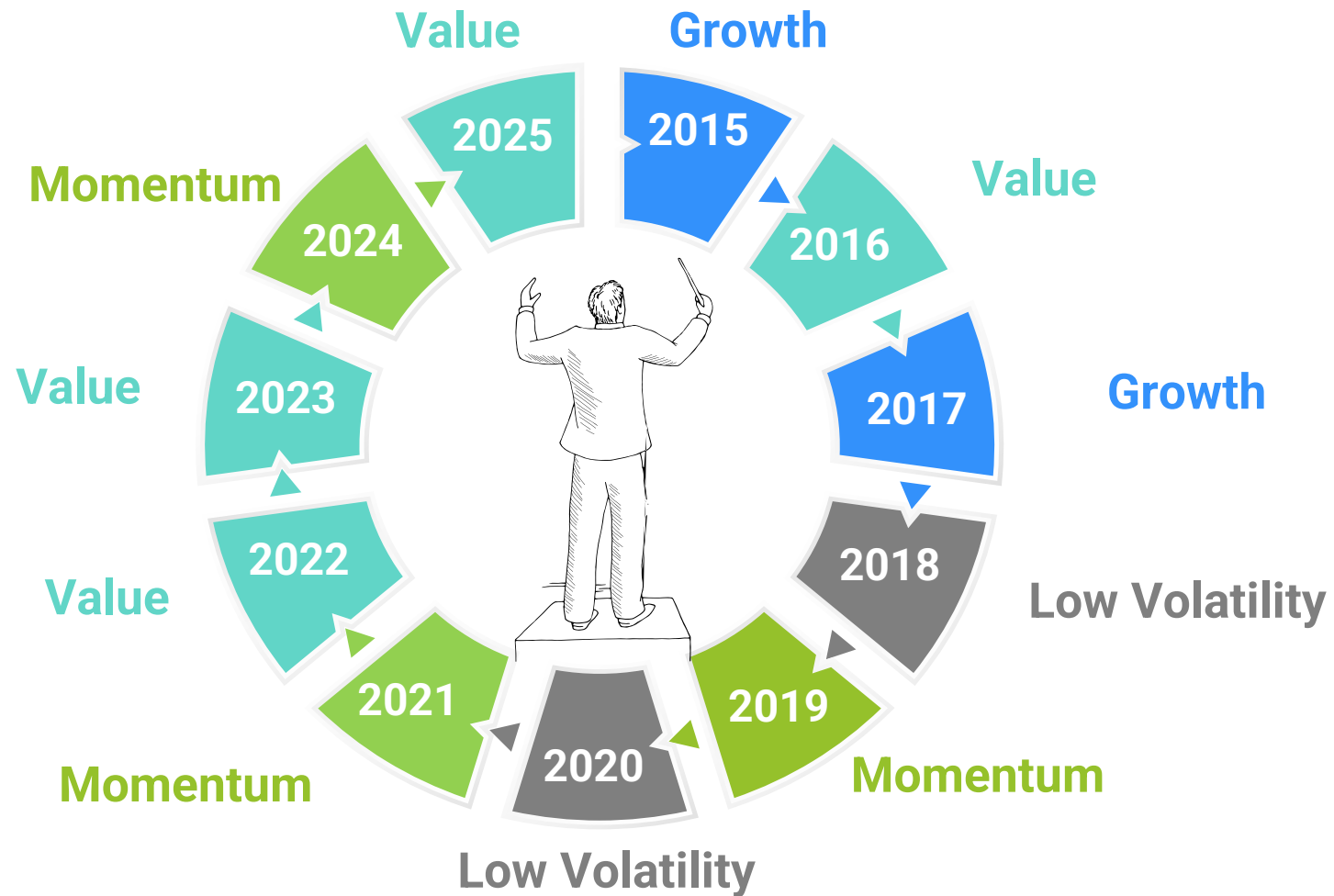
- * We derive discounted value based on % discount compared to intrinsic value of the stock
- * This bucket includes event driven, deep Value and turn-around businesses
- * Current Examples of businesses with static value – SBI and Indian Bank

Compounding Investment Value

- * We derive compounded value based on estimated growth in intrinsic value over the next 2 years.
- * This bucket includes consistent compounders that are sector leaders and market share gainers
- * Current Examples of businesses with dynamic value – Titan Company Ltd.

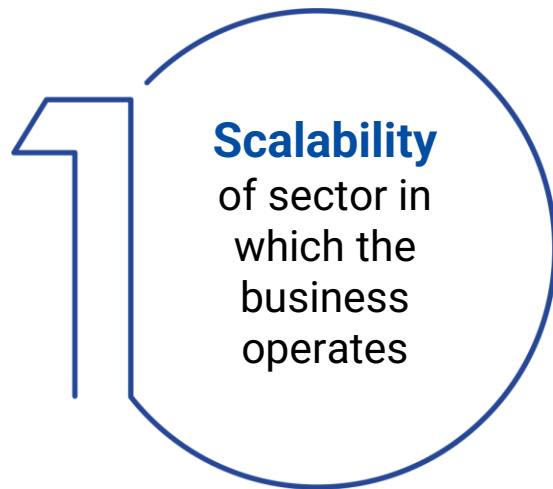
Investment Style Agnostic

Style agnostic approach is an evergreen way of wealth creation



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

Qualitative factors:



Quantitative factors:

1. 5-year average core business returns more than 10% to ensure company is earning higher than its cost of capital
2. Current year Sales, EBITDA, PAT should be more than 5-year average Sales, EBITDA, PAT to ensure we leave out de-growing companies
3. Higher cash-flow conversion compared to sector peers over last business cycle

Risk Management at each level of investment process

Risk management is core to our strategy at each level of investment process

Investment
Process



Idea Generation/
Research



Portfolio Construction/
Monitoring



Trading

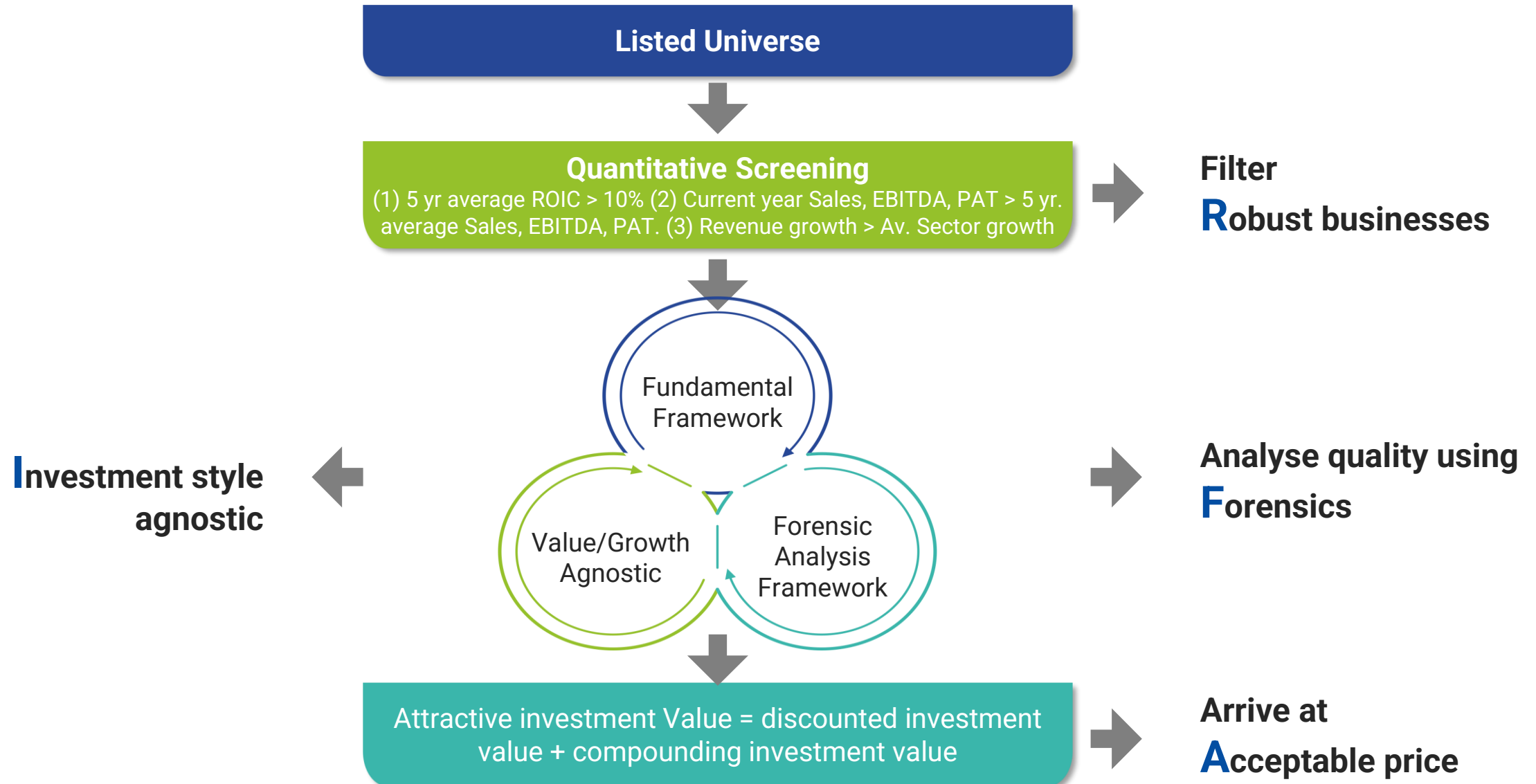
Risk
Management

- * Quality
- * Corp. Governance
- * Price
- * Liquidity

- * Reg. Guidelines
- * Sell Discipline
- * Portfolio Risk
- * Residual Macro Bets

- * Best Price Monitoring
- * Liquidity Monitoring

Our investment process



Not doing something is an active call and very important factor in investing

01 Take out-sized sector bets

Earnings of every sector goes through cycles and over longer period it is in-line with broader market earnings. Hence, we avoid out-sized sector bets¹ unless it is mandate of the fund

02 Macro calls

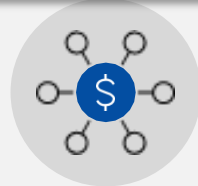
Macro calls may not work all the time given dynamic nature of our markets today compared to what they were in the past

03 Cash-calls

Timing the market is difficult and hence, we keep our portfolios fully invested

¹We intend to maintain sectoral exposures within a +/- 5% range relative to the fund's benchmark, while retaining flexibility to adjust allocations based on market opportunities and Fund Manager's discretion.

Buy/sell discipline



BUY

- * At FAIR estimate of intrinsic value
- * Seeing catalyst/s for a high double-digit upside to the stock price.

SELL

- * At narrowing of discount to full value (Either due to deterioration of fundamentals or rising valuations)
- * Seeing extremely buoyant investor sentiment overriding fundamentals.
- * When Corporate/Management actions violate the stock thesis.

Stock weight/sizing



- * Guided by allocation of risk rather than allocation of money.
- * Based on size of the portfolio and the liquidity of the universe.
- * To achieve balance between return participation and risk control.
- * To space out portfolio to accommodate emerging opportunities.

Equity Investment Team

Fund Management Team



Trideep Bhattacharya
Chief
Investment Officer,
Equities
Exp: 4/25



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



Ashwani Agarwalla
Fund Manager
Exp: 4/18
BFSI



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

Equity Research Team



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



Ashish Sood
Research Analyst
Exp: 5/10
Capital Markets and Auto



Mehul Dalmia
Research Analyst
Exp: 4/9
Pharma and IT Services



Gnyan Thaker
Research Analyst
Exp: 1/3



Tejal Nagmoti
Research Analyst
Exp: 1/2



Suraj Soukhar
Research Analyst
Exp: 1/10



Aksh Vashishth
Research Analyst
Exp: 1/10

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

Factor Investing team



Mr. Bhavesh Jain
Co-Head- Factor investing

Over 17 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 18 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 Team



Ms. Manasi Jalgaonkar
(Assistant Fund Manager)



Mr. Dishant Garg
(Quant Analyst)



Mr. Mayan Pahwa
(Research Analyst)

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