EDELWEISS MUTUAL FUND

TEMPO

Trends | Economy | Markets | Performance | Outlook

August 2026

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

Trends | Economy | Markets | Performance | Outlook

Global equity markets at a glance

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	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	7,490	19.5	19.1	4.6	3.6	22.5	-0.1%	3.9%	7.9%	18.1%
	USA	Nasdaq	25,374	23.4	25.6	5.8	4.8	23.5	-3.2%	1.9%	8.1%	20.1%
	Europe	STOXX 600	649	15.0	14.5	2.2	1.8	14.4	1.2%	6.2%	6.3%	18.9%
	UK	FTSE 100	10,868	13.1	12.7	2.2	1.8	15.9	3.5%	4.7%	6.3%	19.0%
	Germany	DAX	25,629	15.3	13.4	1.9	1.6	11.9	2.5%	5.5%	4.4%	6.5%
	France	CAC 40	8,510	14.7	14.1	1.9	1.6	12.6	1.3%	4.9%	4.7%	9.5%
	Japan	Topix	4,003	16.4	14.8	1.7	1.3	9.9	0.2%	7.4%	12.3%	36.0%
	Australia	ASX 200	8,977	17.4	16.4	2.0	2.0	11.6	2.3%	3.6%	1.2%	2.7%
	Singapore	STI Index	5,629	16.4	12.8	1.8	1.2	10.8	8.9%	14.6%	14.7%	34.9%
	Hong Kong	Hang Seng	25,884	10.9	10.5	1.2	1.1	10.7	13.1%	0.4%	-5.5%	4.5%
Emerging Market	India	Sensex	78,095	18.3	19.4	2.7	2.9	14.2	2.1%	1.5%	-5.1%	-3.8%
	China	Shanghai Composite	3,832	12.8	11.6	1.3	1.3	10.2	-6.4%	-6.8%	-6.9%	7.2%
	Brazil	Bovespa	1,77,999	8.5	10.1	1.4	1.6	16.5	3.5%	-5.0%	-1.9%	33.8%
	Korea	KOSPI	6,595	5.6	10.0	1.4	1.0	25.5	-22.2%	-0.1%	26.2%	103.2%
	Mexico	IPC	66,937	12.6	13.7	2.1	2.0	17.0	0.0%	-1.4%	-1.0%	16.6%
	Philippines	PCOMP	6,236	9.3	14.0	1.1	1.6	12.4	3.3%	6.9%	-1.5%	-0.3%
	Turkey	XU100	13,458	3.8	5.4	0.2	0.9	4.1	-4.7%	-6.8%	-2.7%	25.3%
	Thailand	SET	1,624	15.4	15.1	1.6	1.4	9.9	2.0%	8.7%	22.5%	30.7%
	Vietnam	VN30	1,872	9.6	10.8	1.6	1.9	16.9	-6.2%	-7.4%	-7.8%	15.9%
	Indonesia	JCI	6,236	9.7	14.6	1.3	1.9	13.8	10.5%	-10.4%	-25.1%	-16.7%

Source: Bloomberg. Data as of 31st July 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	18%	4	11%	4	14%	3	12%	2	12%	2	9%	2
	USA	Nasdaq	21%	2	12%	2	18%	1	15%	1	16%	1	13%	1
	Europe	STOXX 600	13%	8	6%	11	8%	9	5%	9	5%	8	3%	14
	UK	FTSE 100	14%	7	8%	8	7%	11	4%	13	3%	11	1%	18
	Germany	DAX	18%	5	10%	6	12%	4	8%	5	7%	4	7%	3
	France	CAC 40	6%	14	5%	12	7%	10	5%	10	4%	9	2%	16
	Japan	Topix	15%	6	8%	10	8%	8	6%	8	6%	5	3%	13
	Australia	ASX 200	8%	12	3%	13	4%	14	3%	14	2%	13	3%	15
	Singapore	STI Index	20%	3	13%	1	9%	6	6%	7	3%	10	5%	6
	Hong Kong	Hang Seng	9%	11	0%	18	-1%	17	-1%	18	1%	16	2%	17
Emerging Market	India	Sensex	0%	18	3%	14	6%	13	5%	11	5%	7	7%	4
	China	Shanghai Composite	7%	13	2%	16	4%	15	2%	15	2%	12	5%	7
	Brazil	Bovespa	11%	10	8%	9	4%	16	7%	6	-1%	18	4%	12
	Korea	KOSPI	30%	1	11%	5	15%	2	10%	3	6%	6	6%	5
	Mexico	IPC	6%	15	9%	7	9%	7	5%	12	2%	15	4%	11
	Philippines	PCOMP	-5%	19	-4%	20	-6%	20	-5%	20	0%	17	4%	10
	Turkey	XU100	2%	17	11%	3	6%	12	1%	16	-2%	19	1%	19
	Thailand	SET	2%	16	1%	17	-2%	18	1%	17	2%	14	5%	8
	Vietnam	VN30	11%	9	2%	15	9%	5	10%	4	8%	3	-	-
	Indonesia	JCI	-9%	20	-4%	19	-4%	19	-1%	19	-2%	20	4%	9

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

Indian equity markets at a glance

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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)	2.36%	2.28%	-2.98%	-0.43%	8.56%	10.40%	12.28%
	Large-cap (NIFTY Next 50)	3.02%	6.09%	9.28%	10.89%	18.56%	14.32%	13.79%
	Large-cap (NIFTY 100)	2.49%	2.98%	-0.89%	1.54%	10.23%	10.93%	12.48%
	Midcap (NIFTY Midcap 150)	1.73%	5.43%	8.09%	9.01%	18.53%	17.92%	17.81%
	Large & Midcap (NIFTY Large Midcap 250)	2.11%	4.23%	3.56%	5.27%	14.44%	14.49%	15.24%
	Small-cap (NIFTY Smallcap 250)	1.28%	7.37%	14.05%	5.19%	17.13%	15.27%	15.07%
	Multicap (NIFTY 500)	2.20%	3.93%	2.27%	3.37%	12.29%	12.54%	13.56%
	Micro-cap (NIFTY Microcap250)	0.24%	9.83%	18.68%	5.71%	20.89%	20.65%	19.81%
Themes/Sector	Auto (NIFTY AUTO)	9.03%	11.70%	8.39%	23.01%	23.44%	24.53%	12.92%
	Banks (NIFTY Bank)	-0.46%	4.89%	-3.46%	3.06%	8.71%	11.46%	12.32%
	Commodities (NIFTY Commodities)	0.87%	-3.30%	2.90%	14.10%	16.91%	14.24%	14.81%
	Consumption (NIFTY India Consumption)	5.32%	6.43%	6.03%	3.84%	13.95%	14.79%	13.25%
	Energy (NIFTY Energy)	-2.38%	-4.77%	10.92%	11.81%	14.58%	17.23%	17.60%
	Healthcare (NIFTY Healthcare)	4.01%	12.62%	21.16%	13.17%	21.25%	14.19%	10.88%
	Infrastructure (NIFTY Infrastructure)	0.42%	0.39%	3.43%	4.73%	16.54%	17.43%	13.81%
	Information Technology (NIFTY IT)	17.13%	5.29%	-18.57%	-11.16%	3.03%	2.22%	13.17%
	Manufacturing (NIFTY India Manufacturing)	3.08%	5.49%	9.18%	15.78%	19.90%	17.77%	14.59%
	Oil & Gas (NIFTY Oil & Gas)	1.99%	-3.63%	-4.20%	0.78%	12.43%	12.90%	15.25%
	Pharma (NIFTY Pharma)	4.98%	14.39%	22.85%	17.24%	21.77%	13.82%	9.29%
	Realty (NIFTY Realty)	9.02%	13.98%	15.51%	-0.74%	17.12%	18.16%	16.28%
	Transportation (NIFTY Transportation & Logistics)	6.91%	11.44%	7.59%	12.78%	21.51%	22.59%	14.56%

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

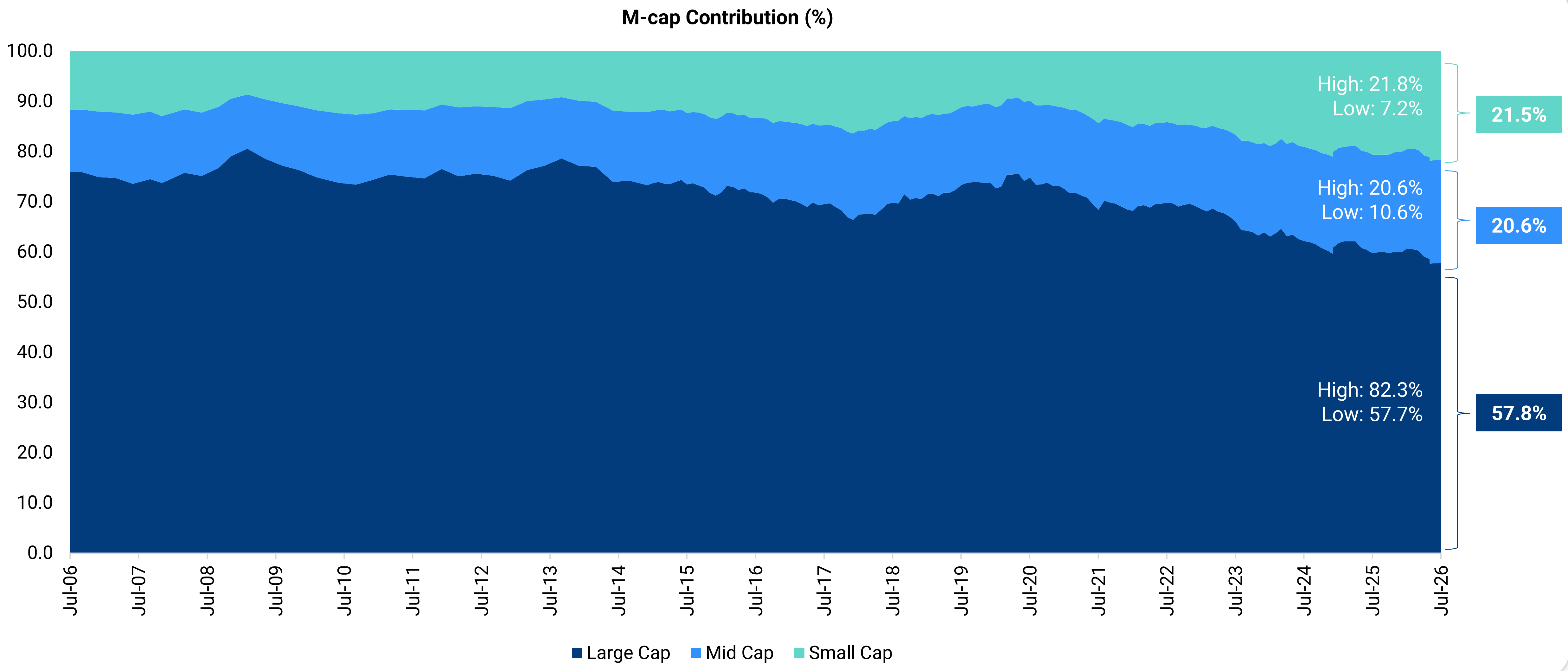
Indian equity markets at a glance

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)	1.16%	-1.85%	-8.89%	-2.95%	7.72%	10.04%	14.64%
	Quality (NIFTY 100 Quality 30 Index)	5.67%	2.70%	-1.44%	4.59%	10.65%	10.86%	11.46%
	Low Vol (NIFTY 100 Low Vol 30 Index)	4.80%	5.36%	1.39%	4.08%	12.10%	12.30%	13.32%
	Alpha (NIFTY 100 Alpha 30)	1.23%	3.09%	3.68%	0.60%	15.16%	11.49%	15.30%
	Alpha (NIFTY 200 Alpha30)	0.00%	5.15%	7.83%	5.84%	17.67%	16.08%	19.10%
	Momentum (NIFTY 200 Momentum30)	-0.87%	1.80%	1.38%	1.85%	12.06%	11.28%	16.70%
	Quality (NIFTY 200 Quality30)	5.73%	2.96%	-0.84%	3.80%	10.63%	10.24%	12.59%
	Value (NIFTY 200 Value30)	0.28%	-2.03%	0.41%	20.05%	26.70%	27.02%	17.91%
	Momentum (NIFTY Midcap150 Momentum50)	-0.41%	3.12%	4.36%	3.27%	18.20%	18.70%	20.81%
	Quality (NIFTY Midcap150 Quality50)	2.62%	5.63%	6.58%	1.10%	11.51%	8.77%	14.05%
	Quality (NIFTY Smallcap250 Quality50)	2.67%	3.01%	5.66%	-5.11%	11.86%	12.90%	16.07%
	Momentum (NIFTY500 Momentum 50)	-0.96%	3.28%	5.38%	3.09%	13.85%	15.03%	18.81%
	Value (NIFTY500 Value 50)	0.36%	-2.02%	2.02%	18.42%	25.69%	25.82%	17.08%
Multi- Factor	Alpha Low Vol (NIFTY Alpha Low Vol 30)	4.80%	7.42%	5.11%	4.93%	12.63%	12.44%	14.08%
	Quality Low Vol (NIFTY Quality Low Vol 30)	5.47%	4.82%	0.73%	1.93%	8.52%	9.51%	11.08%
	Momentum Quality (NIFTY500 Multicap Momentum Quality 50)	-1.57%	-1.71%	1.21%	0.02%	13.67%	11.95%	17.11%
	Momentum Quality (NIFTY MidSmallcap 400 Momentum Quality 100)	0.74%	3.48%	9.24%	5.59%	15.53%	15.12%	18.28%
	Momentum Quality (NIFTY Smallcap 250 Momentum Quality 100)	1.34%	6.86%	11.98%	3.55%	12.02%	11.82%	17.25%

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

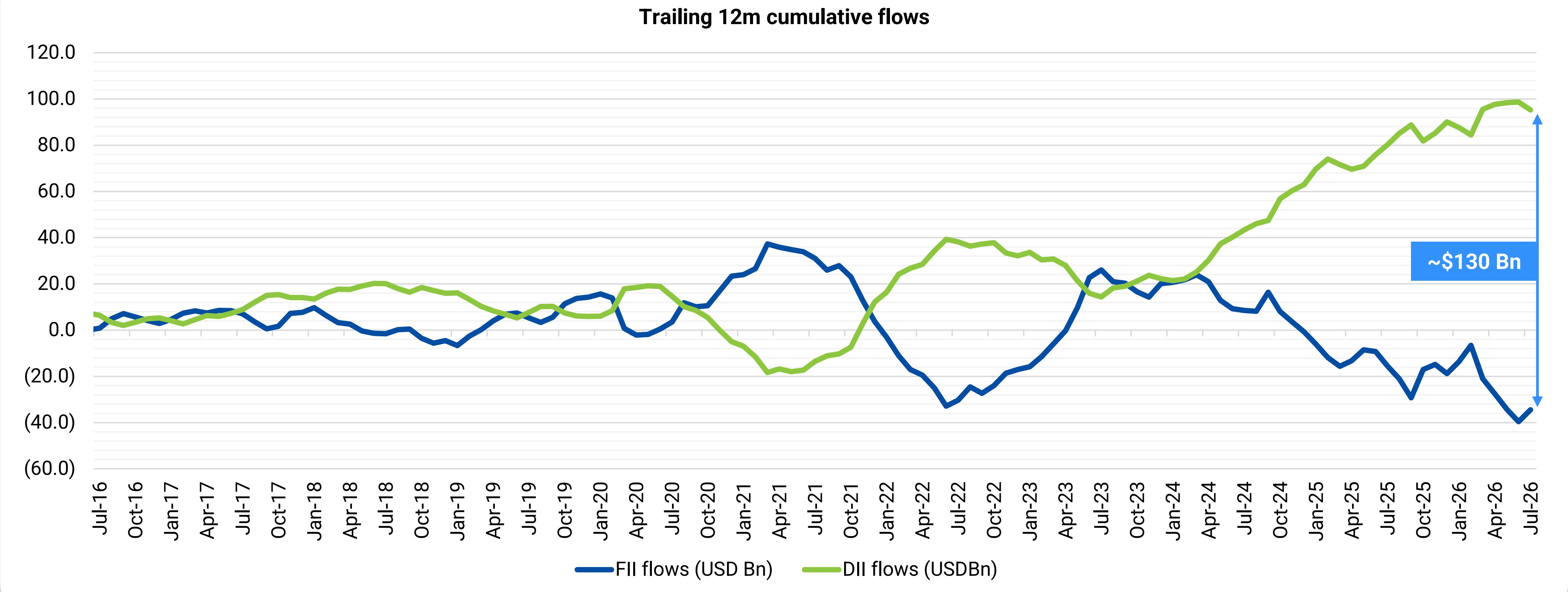
Trends in % share to total M-cap



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

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*	-2,19,929	-3.76%	4.30%	7.78%

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

Do FPIs control the Indian market?

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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*	-2,19,929	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 July 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 - FPIs	Brazil	Indonesia	Malaysia	Philippines	S.Korea	Taiwan	Thailand	Vietnam
CY25	**90,248**	**(18,792)**	**4,616**	**(1,063)**	**(5,163)**	**(883)**	**(4,485)**	**(7,800)**	**(3,211)**	**(4,754)**
CY26TD*	**54,064**	**(26,512)**	**6,749**	**(4,160)**	**(1,096)**	**(177)**	**(1,01,054)**	**(43,648)**	**2,341**	**(3,411)**
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)

- **Domestic inflows continue to provide stability**: Despite moderating from recent highs, DII inflows of US$ ~3,659 mn in July remained positive.
- **Foreign flows turn positive in India**: After months of outflows, India recorded FPI inflows of US$ ~2,453 mn in July, indicating an improvement in overseas investor participation.
- **Capital allocation across EMs remains selective**, but investor appetite is broadening, with India, Thailand, Brazil and Indonesia attracting July inflows, while persistent outflows from Taiwan and South Korea highlight continued selectivity.

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

Trends in the Commodity market

	Current Rate	1M	3M	6M	1Y	CYTD*
Gold (USD/oz)	4,046	1.0%	-12.4%	-17.3%	23.0%	-6.3%
Silver (USD/oz)	58	-1.7%	-21.9%	-32.4%	56.9%	-19.6%
Brent Crude (USD/bbl)	90	23.6%	-21.0%	27.5%	24.3%	48.1%
Aluminium (USD/ton)	3,217	4.8%	-8.9%	3.2%	23.9%	8.4%
Copper (USD/ton)	13,836	3.6%	7.2%	5.9%	43.3%	11.1%
Lead (USD/ton)	1,833	-0.2%	-5.6%	-6.6%	-6.2%	-6.8%
Zinc (USD/ton)	3,709	3.8%	10.4%	9.3%	33.3%	20.3%

Key Highlights

- **Gold and silver remained range-bound in July**, with low single-digit gains/losses, after moderating from their 2026 peaks.
- **Brent crude rebounded sharply**, driven by concerns over supply disruptions and key energy trade routes.
- **Base metals staged a broad-based recovery**, led by aluminium, copper and zinc, while lead remained subdued.

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

Trends in the Forex market

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Performance of currencies against the USD

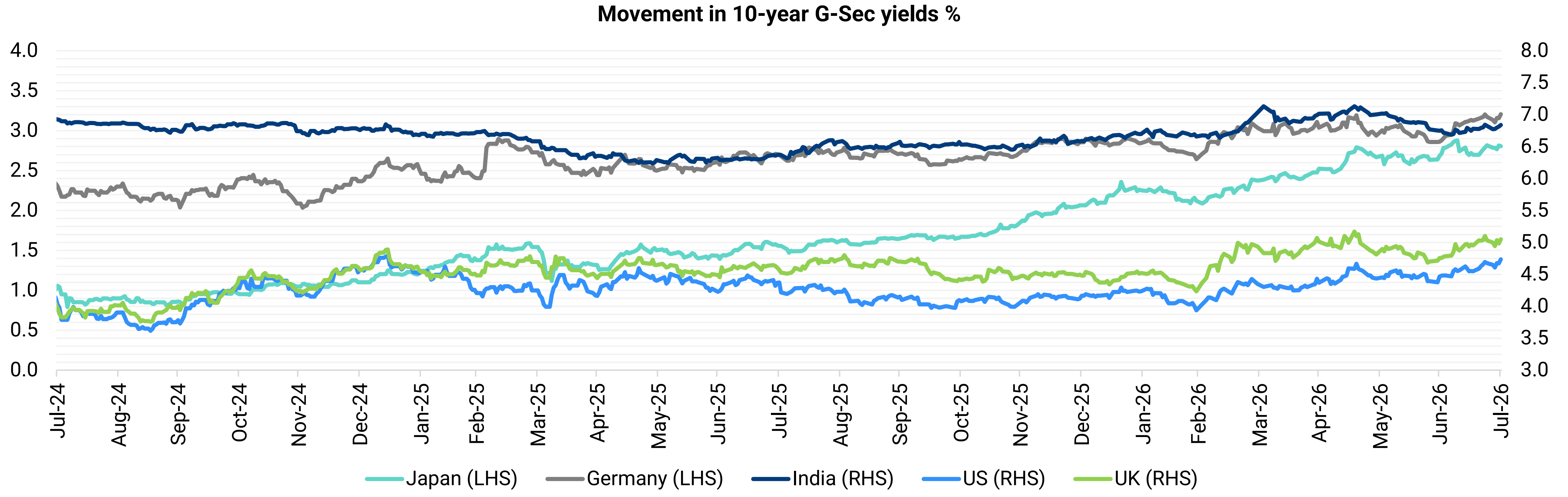
	Currency Rate	1M	3M	6M	1Y	CYTD*
INR	95.39	-0.76%	-0.50%	-3.57%	-8.17%	-6.12%
Euro	0.87	0.92%	-1.74%	-2.73%	0.98%	-1.86%
GBP	0.74	1.67%	-0.89%	-1.48%	2.09%	2.04%
JPY	157.40	3.27%	-0.51%	-1.66%	-4.22%	-1.23%
CNY	6.75	0.53%	1.15%	3.04%	6.64%	3.52%
DXY	99.91	-1.26%	1.89%	3.01%	-0.05%	0.50%
CAD	1.40	1.25%	-3.14%	-2.91%	-1.18%	-0.17%
AUD	1.42	1.45%	-2.53%	0.79%	9.25%	7.26%
CHF	0.81	0.11%	-3.23%	-4.27%	0.59%	-0.35%

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 remained under pressure over the past year but emerged as the strongest performer over the past month, supported by coordinated currency intervention.
- The DXY weakened during the month amid softer US economic data and changing expectations around Fed policy.

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

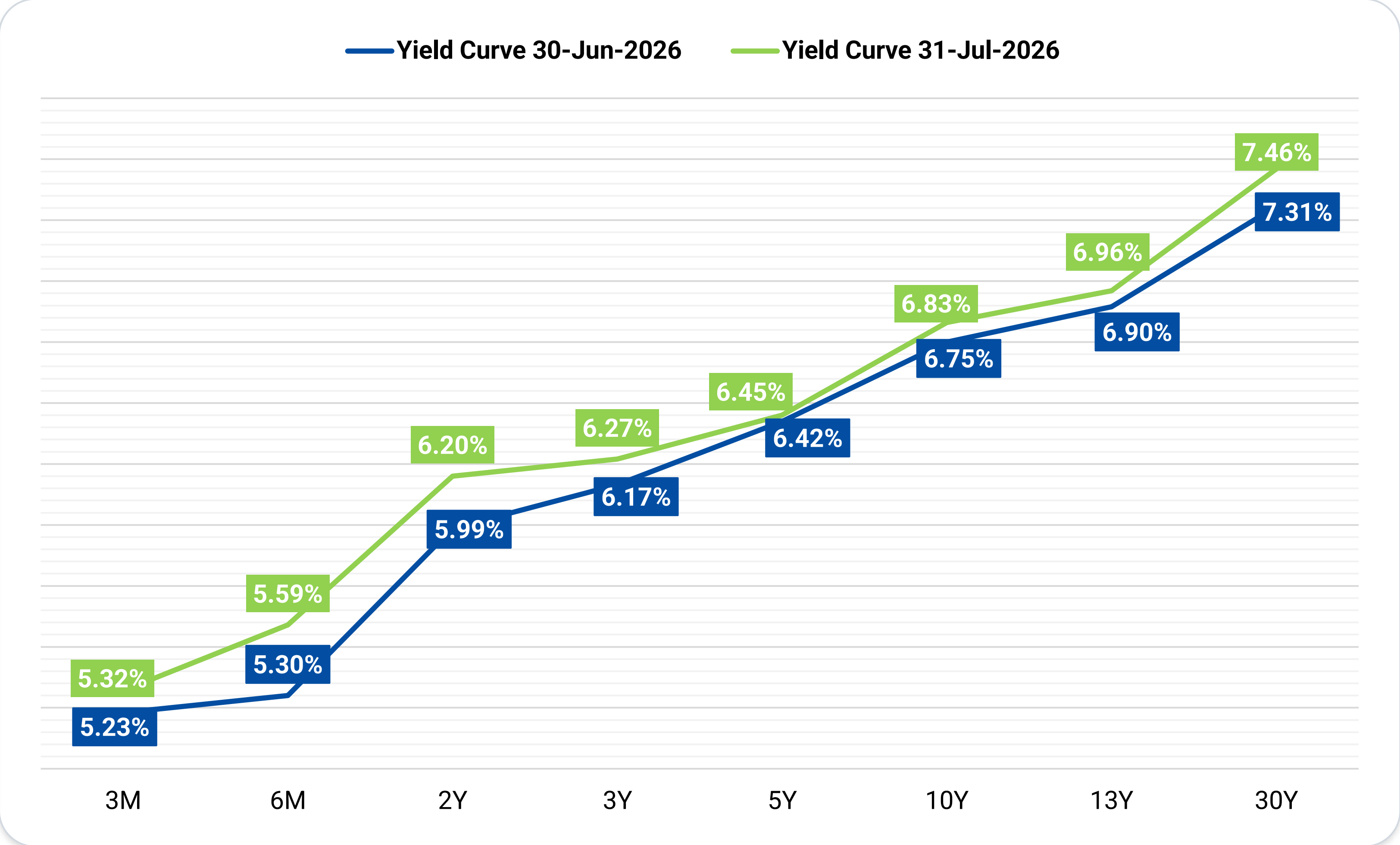
Tracking the 10-year G-sec yields across major economies



	India	US	Japan	UK	Germany
Current YTM	6.84%	4.73%	2.81%	5.05%	3.21%
M-o-M (bps)	8.80	26.95	12.20	29.30	34.60
Q-o-Q (bps)	(17.70)	36.41	28.00	3.80	16.90
Y-o-Y (bps)	46.40	36.07	124.80	48.10	51.10

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

Tracking India's yield curve



Key Highlights

- Bond yields hardened by 3–30 bps across maturities during July 2026
- Yield pressures were concentrated at the short-to-medium end, where yields rose 10–30 bps, while long-duration yields increased by a more modest 5–15 bps.
- Bond yields rose amid uncertainty over India's inclusion in Bloomberg's Global Aggregate Index, with higher crude oil prices and geopolitical risks further weighing on sentiment.

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

Asset class returns

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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%	10.14%
8.63%	14.97%	37.65%	6.65%	23.79%	27.97%	28.71%	9.74%	26.29%	22.93%	74.73%	7.22%
7.39%	12.94%	21.83%	6.03%	21.75%	18.40%	4.38%	4.25%	15.37%	20.61%	32.51%	3.13%
1.38%	11.96%	6.05%	5.91%	13.04%	17.89%	3.44%	3.59%	7.82%	17.57%	17.88%	2.99%
0.22%	11.35%	5.11%	-0.21%	10.72%	12.29%	1.35%	2.51%	7.73%	16.24%	7.76%	2.96%
-3.92%	9.85%	4.71%	-2.14%	10.46%	10.42%	-4.21%	0.46%	7.29%	9.57%	7.76%	1.92%
-6.65%	5.12%	-0.05%	-4.38%	9.53%	9.26%	-8.20%	-12.55%	7.26%	8.95%	6.82%	-1.07%
-9.68%	4.30%	-2.76%	-10.54%	8.97%	-0.29%	-11.83%	-18.11%	-10.46%	7.96%	6.37%	-4.72%

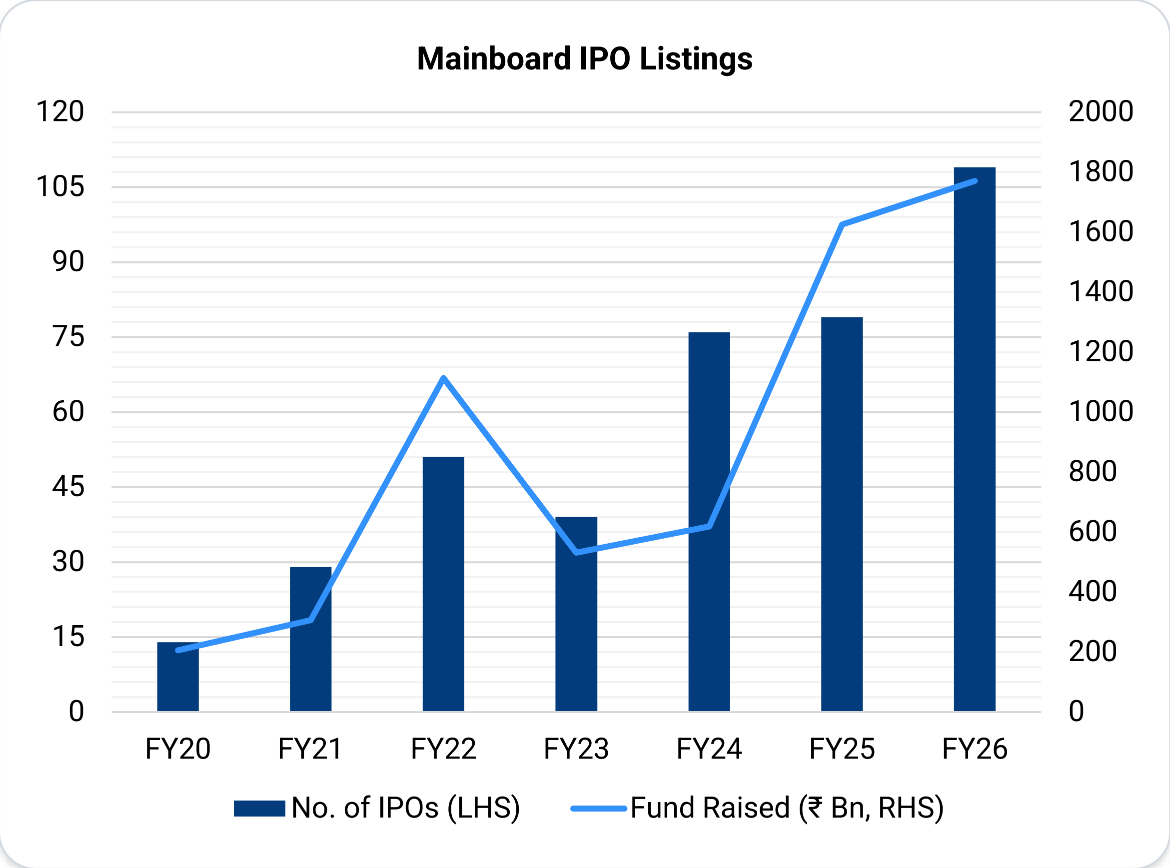
- US Equity
- Gold (Domestic Price)
- ST Bonds
- China Equity
- Corporate Bond
- G-Sec
- India Equity
- Silver (Domestic Price)

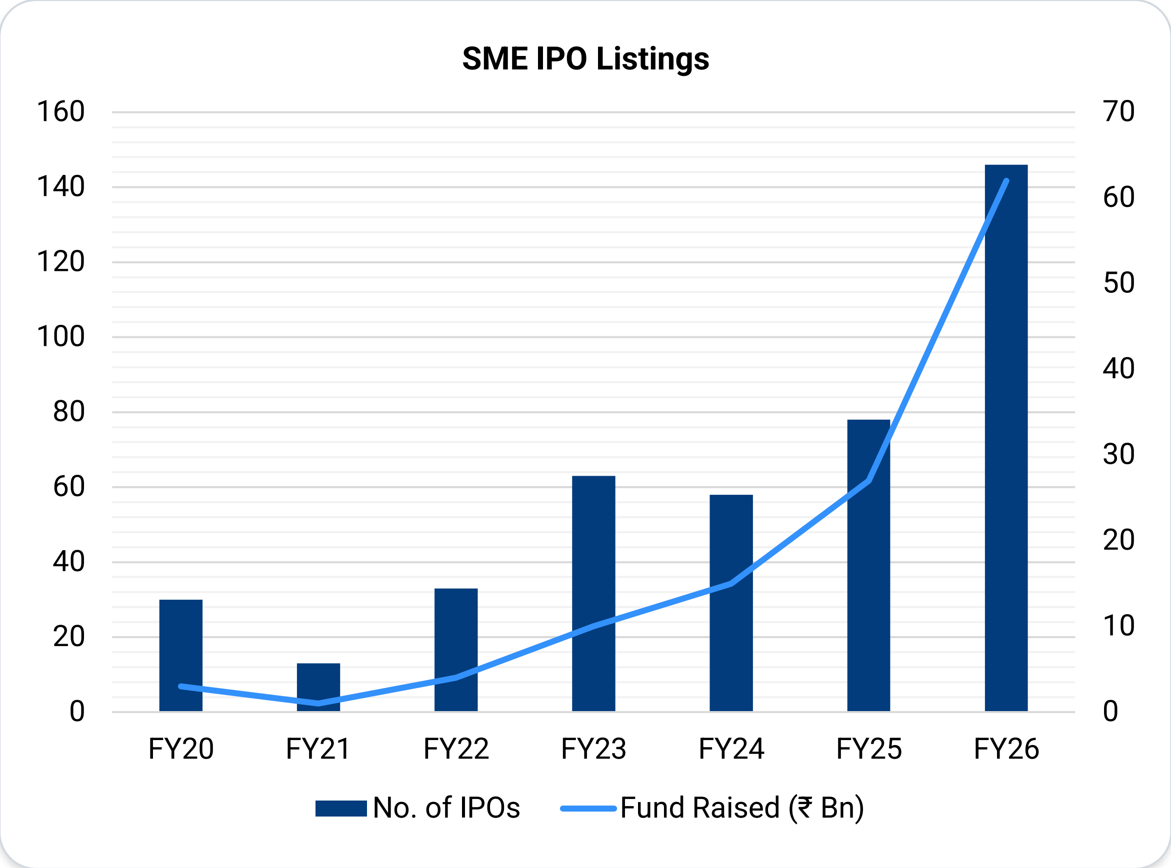
Note: ST Bonds: CRISIL Short Term Bond Index, G-Sec: CRISIL 10 Year Gilt Index, Corporate Bond: CRISIL Composite Bond Index, India Equity: NSE 500 TRI, China Equity: Hang Seng TRI, US Equity: S&P 500 TRI, Gold: Domestic Gold Prices, Silver: Domestic Silver Prices

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

India's IPO market gains depth

Record mainboard fundraising, coupled with the rapid rise of SME listings, highlights the increasing depth and maturity of India's capital markets





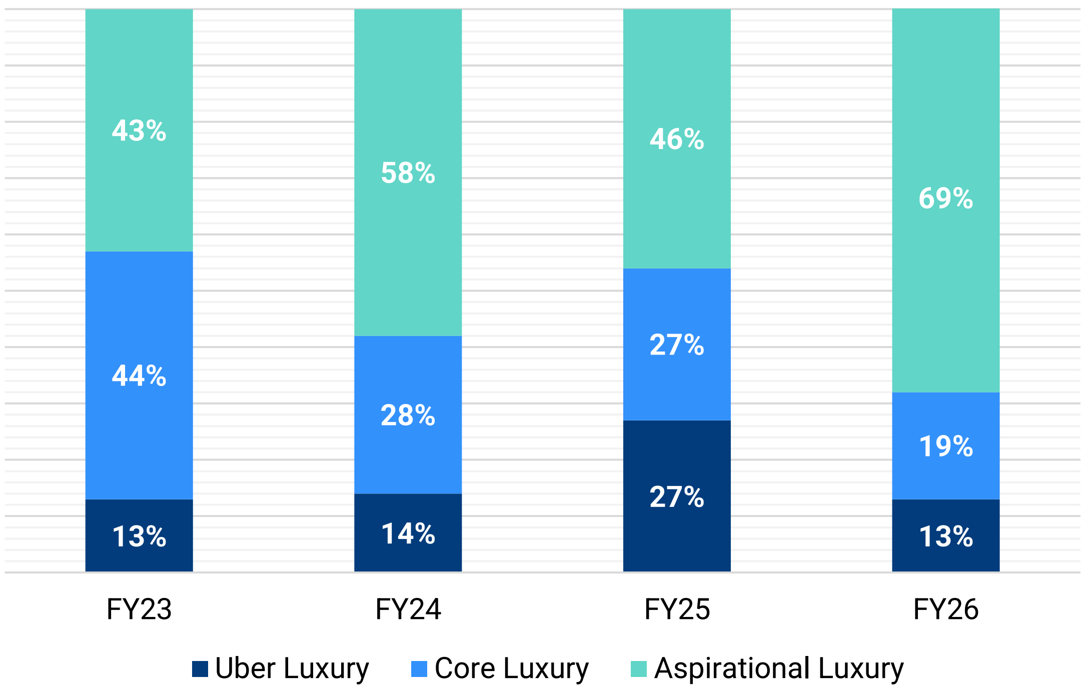
Source: BSE Investor Presentation

Real Estate: Mid-income and aspirational in flavour

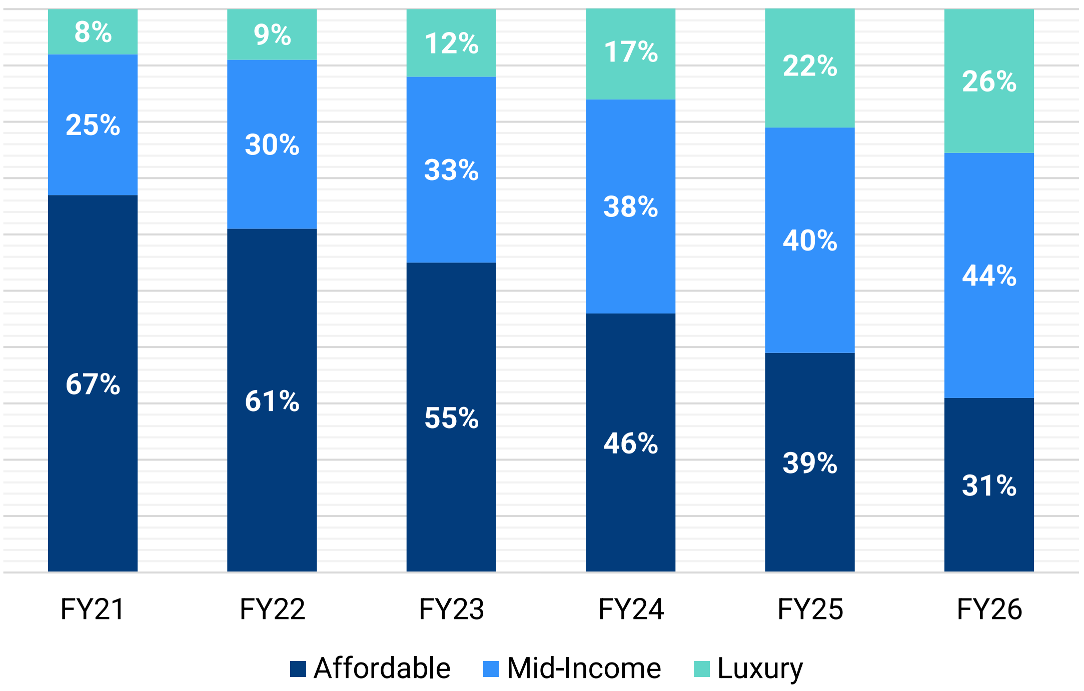
EDELWEISS MUTUAL FUND

The premiumisation trend in residential real estate remained intact, with higher-value housing segments driving overall market momentum

Rising contribution of aspirational luxury in overall luxury volume growth



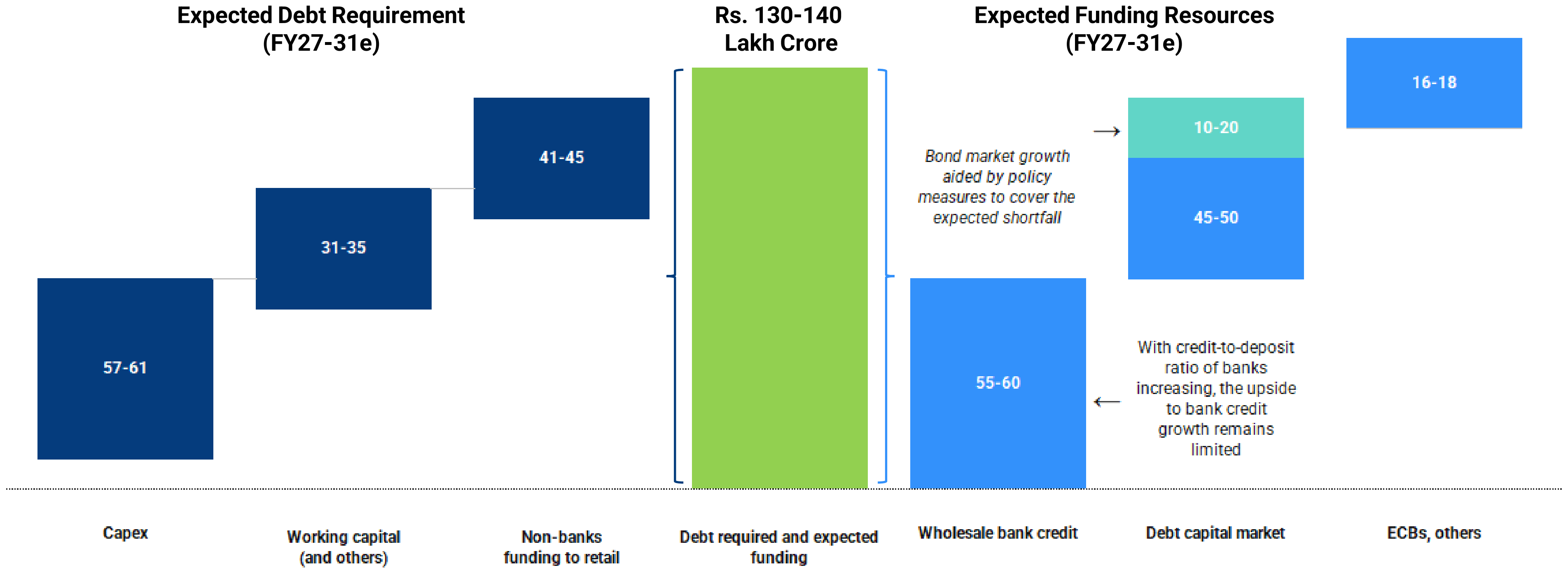
Share of mid-income and luxury in overall absorption mix at ~70% in FY26



Source: Elara Securities Research | Note: Affordable – Avg. Ticket Size < INR 10mn; Mid-income: Avg Ticket Size – INR 10-30 mn; Luxury – Avg. Ticket Size > INR 30 mn | Uber Luxury: Avg. Ticket Size – INR >100 mn; Core Luxury: Avg. Ticket Size of INR 50-100 mn; Aspirational Luxury: Avg. Ticket Size of INR 30-50 mn.

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

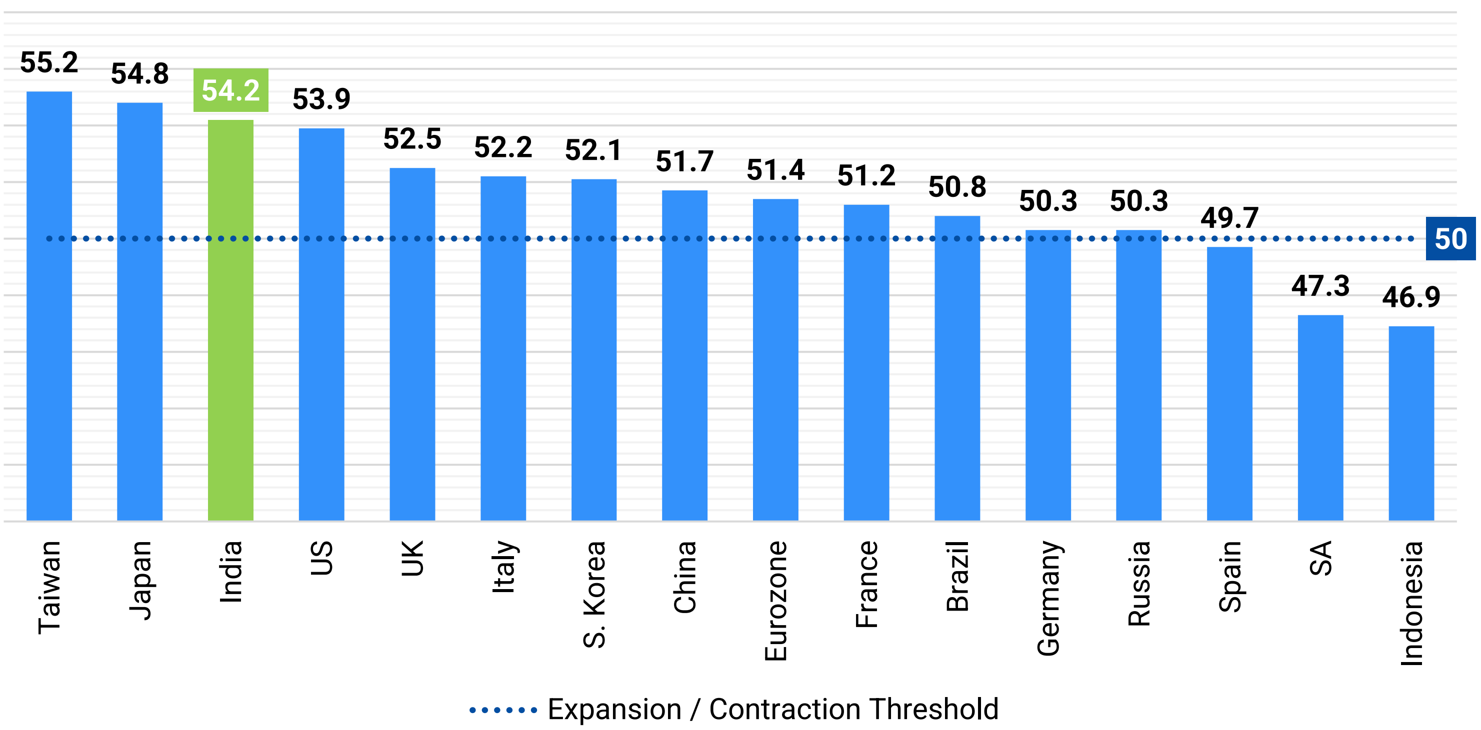
₹10–20 lakh crore

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

Manufacturing PMI across countries – Jun'26



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	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
CPI Inflation (YoY %)	1.6	2.1	1.5	0.3	0.7	1.3	2.7	3.2	3.4	3.5	3.9	4.4
Crude Indian Basket ($)	71.0	69.1	69.6	65.1	64.3	62.2	63.1	69.0	113.5	114.5	106.2	83.2
GST Collection (lkh Crs.)	2.0	1.9	1.9	2.0	1.7	1.7	1.9	1.8	2.0	2.4	1.9	2.0
FX Reserve ($ bn)	698	694	700	690	686	697	724	728	688	698	682	667
Trade Balance ($Bn)	-27.4	-26.5	-32.1	-41.7	-24.6	-25.1	-34.6	-27.1	-20.7	-28.3	-28.2	-30.4
Bank Credit %	10.0	10.0	10.4	11.3	11.5	14.5	14.6	15.4	16.1	16.0	17.7	18.6
Bank Deposit %	10.2	10.2	9.5	9.7	10.2	12.7	12.5	13.0	13.5	12.3	12.2	13.3
CD Ratio %	79%	79%	80%	80%	81%	82%	82%	82%	83%	83%	83%	83%
Manufacturing PMI	59.1	59.3	57.7	59.2	56.6	55.0	55.4	56.9	53.9	54.7	55.0	54.2
Services PMI	60.5	62.9	60.9	58.9	59.8	58.0	58.5	58.1	57.5	58.8	59.8	57.4

Source: RBI and Bloomberg

Indian debt market indicators

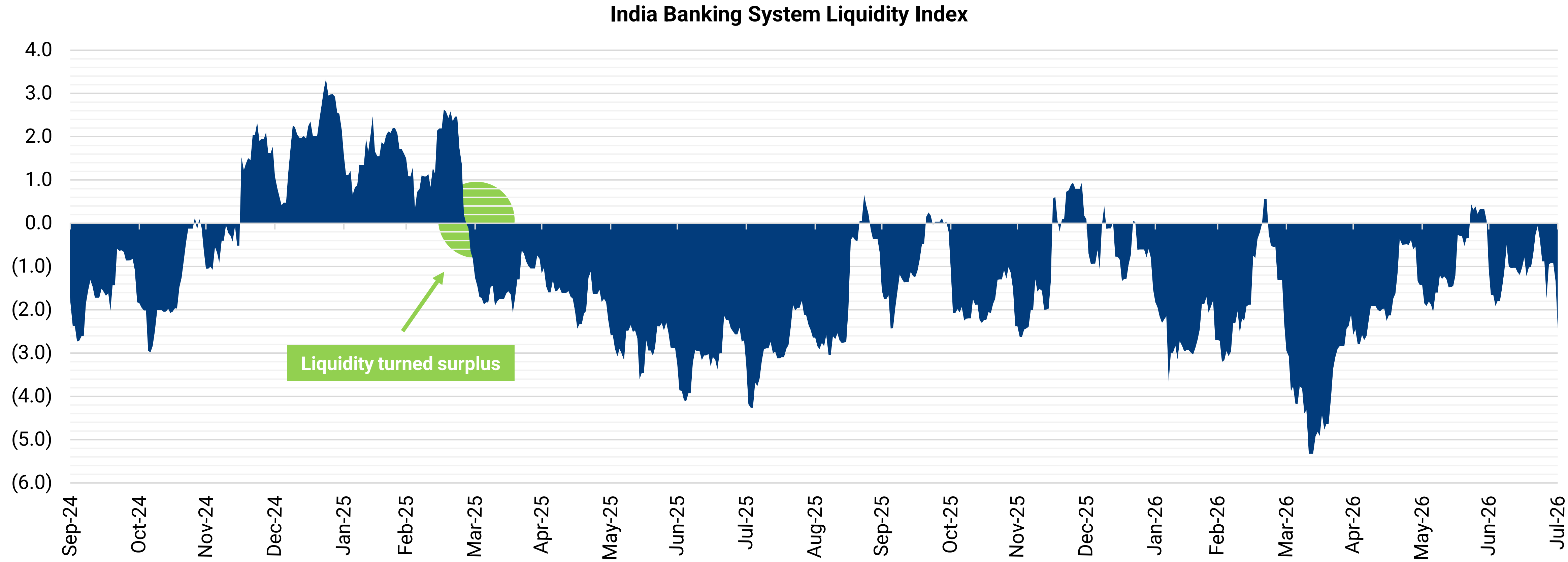
Bond yields softened after the RBI's policy, with dovish signals on inflation and liquidity driving the rally, alongside stronger dollar inflows that offset Bloomberg index-related concerns

Broad Indices	07-Aug-26	Week Ago	Month Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	7.46%	7.37%	7.43%	7.10%	6.86%
3 Year AAA Corporate Bond	7.32%	7.44%	7.25%	7.17%	6.82%
5 Year AAA Corporate Bond	7.22%	7.35%	7.20%	7.18%	6.96%
10 Year AAA Corporate Bond	7.53%	7.58%	7.50%	7.47%	7.18%
1 Year G-Sec	5.77%	5.75%	5.80%	5.74%	5.69%
3 Year G-Sec	6.19%	6.35%	6.17%	6.12%	5.97%
5 Year G-Sec	6.35%	6.45%	6.37%	6.54%	6.15%
10 Year G-Sec	6.77%	6.84%	6.70%	6.74%	6.39%

Source: CCIL, Refinitiv

Banking system liquidity continues to remain in surplus

System liquidity remained in surplus throughout July 2026 and is expected to stay comfortable, with scope for further improvement, keeping short-term rates well anchored



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

India ranks among the most efficient growth economies

GDP Size	Country	10-Year Avg. (Quarterly GDP)	Std Dev	Growth-to-Volatility Ratio
$32.4T	United States	2.50%	2.50%	0.96
$20.9T	China	5.60%	3.20%	1.73
$5.5T	Germany	0.70%	3.00%	0.25
$4.4T	Japan	0.50%	2.50%	0.19
$4.3T	United Kingdom	1.50%	6.40%	0.23
$4.2T	**India**	**6.10%**	**6.20%**	**0.99**
$3.6T	France	1.30%	4.40%	0.31
$2.7T	Italy	1.20%	5.10%	0.23
$2.7T	Russia	1.50%	3.20%	0.46
$2.6T	Brazil	1.30%	3.30%	0.40

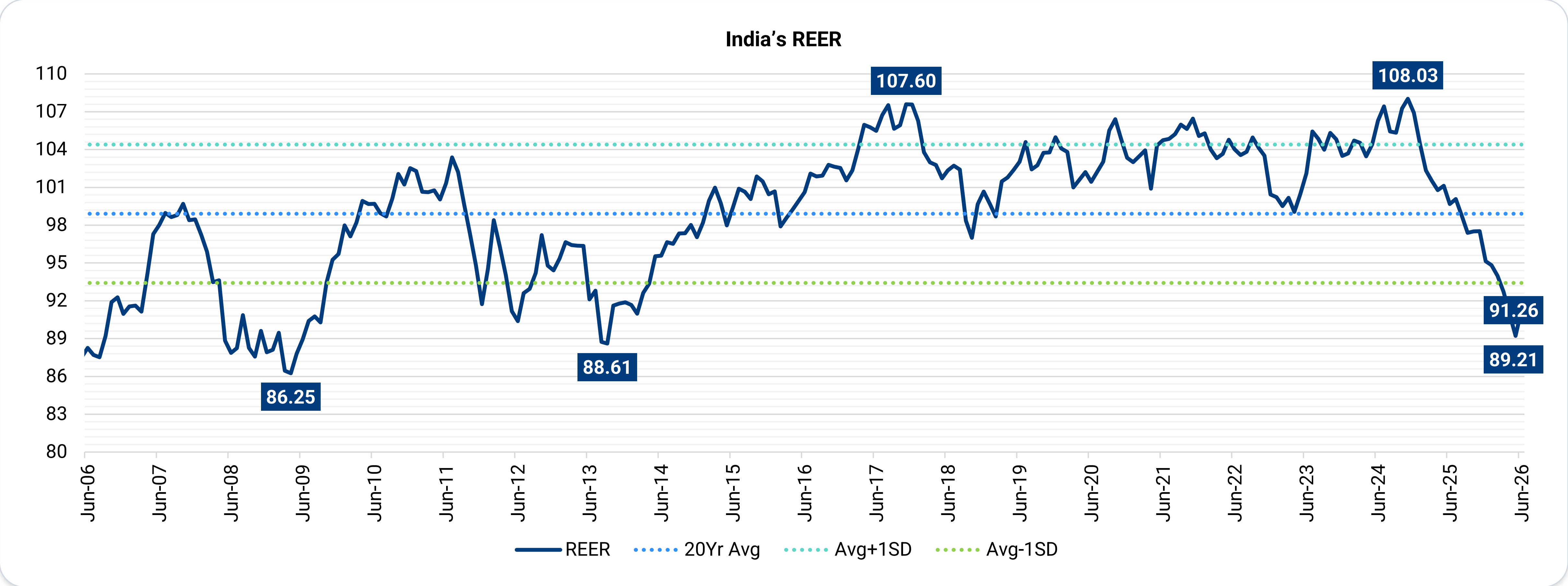
Key Highlights

- Growth-to-Volatility (GVR) Ratio is the Sharpe Ratio of GDP growth. It measures how much growth an economy generates for every unit of volatility.
- On this metric, **China [1.73]** and **India [0.99] stands out**, while developed economies such as **Japan [0.19]**, **Italy [0.23]** and the **UK [0.23]** generate significantly lower growth per unit of volatility.

Source: Bloomberg, Internal Analysis. YoY GDP growth for last 10 year data is considered for analysis | GVR = Mean Growth ÷ Standard Deviation

India’s Real Effective Exchange Rate (REER)

India’s REER has eased toward more neutral territory, improving external competitiveness while remaining broadly consistent with macro fundamentals

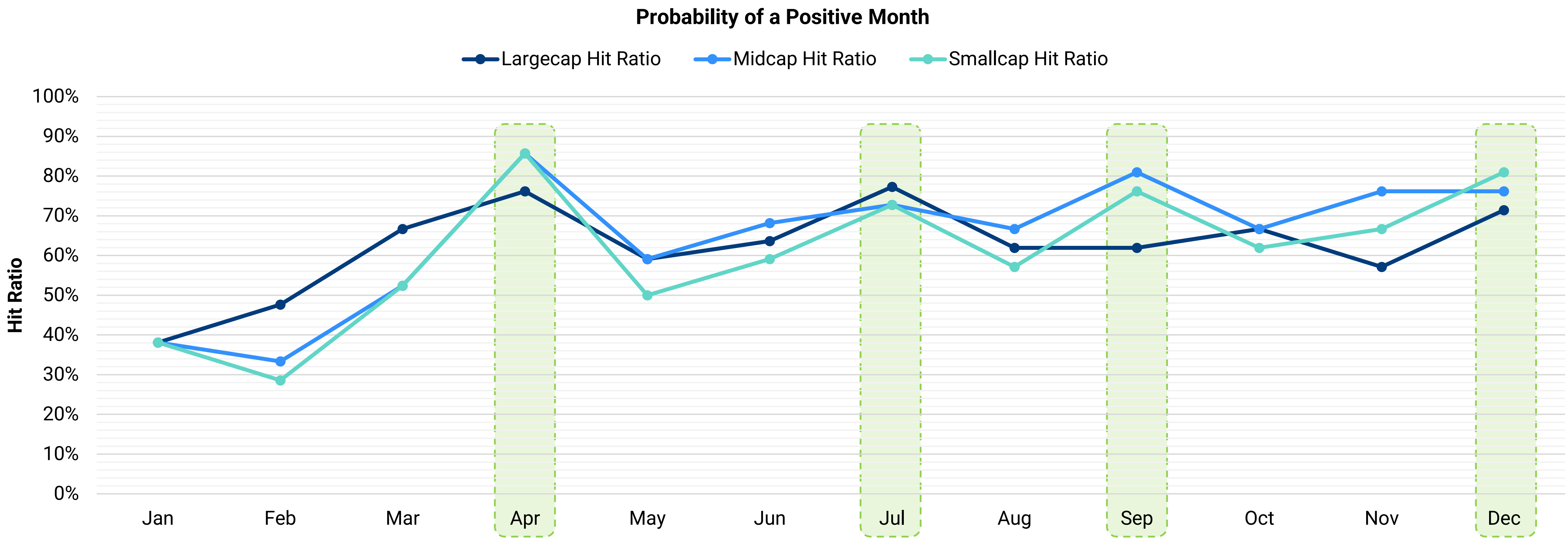


Source: Bloomberg, Internal Analysis | Note - India 40-currency Real Effective Exchange Rate of INR Trade Weighted REER considered for analysis.

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

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 July 2026 | Note: Hit Ratio refers to the percentage of instances where the signal correctly identifies the market direction.

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

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

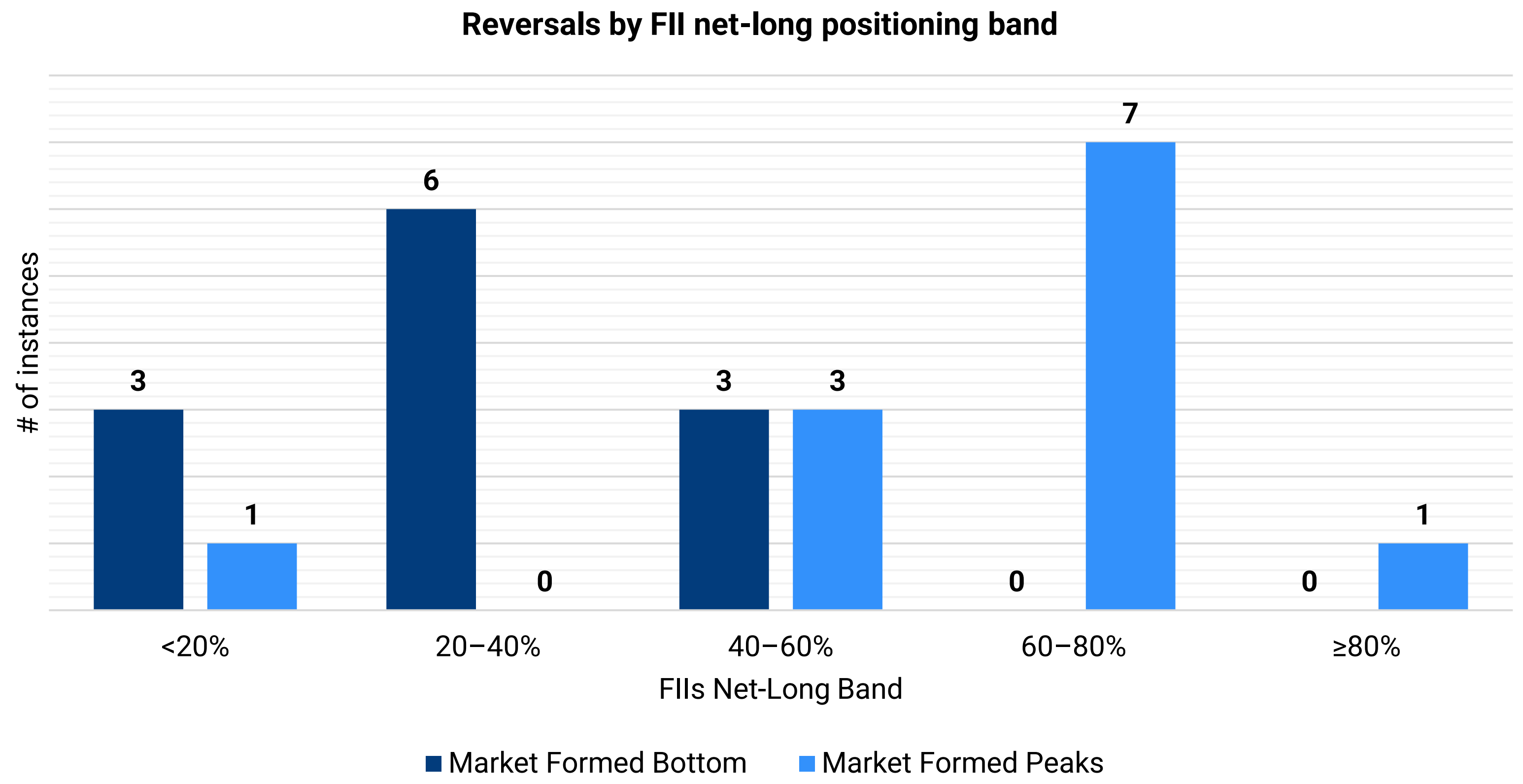
Absolute Returns >>			6-month From Bottom			1-year From Bottom			3-year From Bottom		
Peak Date	Bottom Date	Peak-to-Bottom Fall	Large cap	Midcap	Smallcap	Large cap	Midcap	Smallcap	Large cap	Midcap	Smallcap
10-May-06	14-Jun-06	-30.8%	54.7%	57.3%	58.4%	70.7%	76.4%	84.5%	71.3%	55.4%	52.5%
07-Feb-07	05-Mar-07	-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.

FIIs positioning points to a recovery setup — with one critical caveat

Market bottoms have typically emerged amid weak FII net-long positioning, with 9 of 10 historical bottoms occurring below 40% net-long—highlighting the contrarian significance of positioning extremes



STRONG CONTRARIAN ZONE

Current FII Net-Long positioning at ~11% supports a rebound bias

CLEANEST HISTORICAL BANDS

20–40% net long produced 6 troughs & no peaks; 60–80% produced 7 peaks & no troughs.

USE AS CONTEXT, NOT A TRIGGER

The Jan'26 peak occurred at ~12% net long. Look for price breadth / momentum confirmations.

Source: Bloomberg, Internal Analysis | Data as on 31st July 2026 | Period considered: 01st Jan 2016 to 31st July 2026 | Past performance may or may not be sustained in the future.
Note: FII Net Long Positioning represents the share of FII index futures positions that are long, relative to total long and short positions. It indicates positioning bias, not a direct measure of market direction.

India shows relative resilience amid Asian market correction

EDELWEISS MUTUAL FUND

India (Nifty 50) gained 2% MoM, contrasting with sharp declines across Korea (-22%), Japan (-8%), Taiwan (-7%) and China (-6%), while also outperforming MSCI EM (-3%)

	Index Value	Mkt Cap (USD T)	MoM Return (%)	CY26YTD Change (%)		PE (x)		Prem / Disc to India PE (%)		PB (x)		Return on Equity (%)	
				Local Currency	In USD	CY25 / FY26	CY26E / FY27E	CY25 / FY26	CY26E / FY27E	CY25 / FY26	CY26E / FY27E	CY25 / FY26	CY26E / FY27E
MSCI EM	1,666	29.0	-3	19	19	19.1	11.6	-17	-42	2.5	1.9	13.1	16.7
China	3,832	14.2	-6	-3	0	17.3	13.7	-25	-31	1.5	1.3	8.3	10.0
Japan	64,362	8.6	-8	28	25	28.9	21.8	26	9	3.2	2.8	10.8	12.7
India	**24,384**	**5.1**	**2**	**-7**	**-12**	**22.9**	**19.9**	**-**	**-**	**3.2**	**2.9**	**13.9**	**14.4**
Taiwan	43,120	4.7	-7	49	45	34.5	19.9	51	0	4.5	4.4	13.0	21.7
Korea	6,595	3.9	-22	57	57	26.5	6.6	16	-67	2.1	1.7	7.7	25.3
Germany	25,629	3.1	3	5	3	18.4	16.6	-20	-16	2.2	2.0	9.5	11.4
Brazil	177,999	0.9	3	10	19	12.7	8.7	-45	-56	1.7	1.4	11.6	15.6
Indonesia	6,236	0.6	11	-28	-33	15.2	10.4	-34	-48	1.6	1.4	11.3	13.6

Source: MOFSL

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

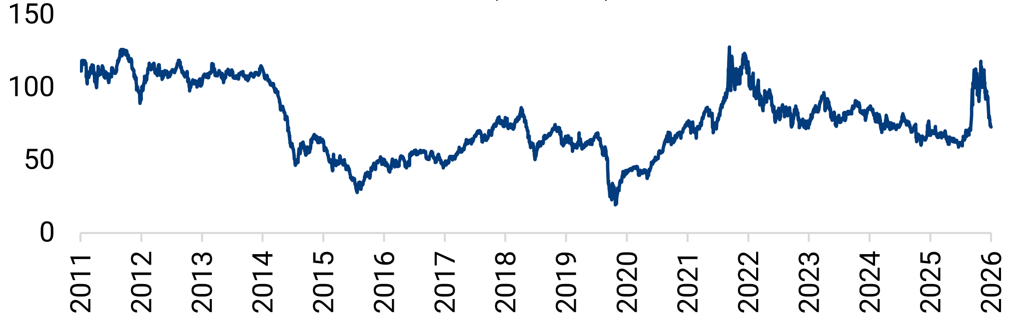
Factor leadership shifts across macro regimes over Nifty LargeMidcap 250 Index

EDELWEISS MUTUAL FUND

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%

Crude ($/barrel)

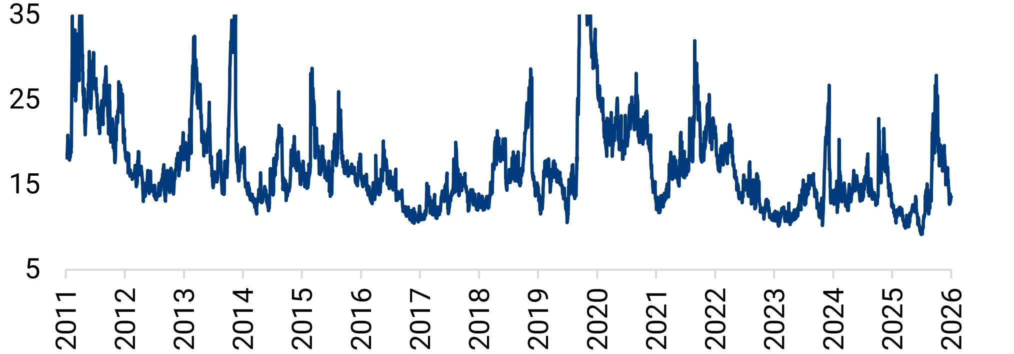


- Low Vol and Value show the largest divergence across crude regimes.
- Momentum relatively stable across crude regimes.

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%

India VIX



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

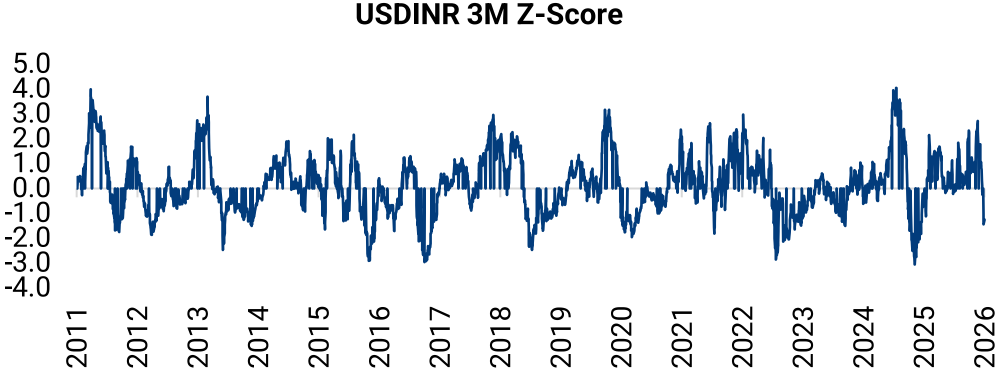
Source: Internal Research | Factor Universe – Top 250 stocks by market cap; Analysis period – Jul'11 – Jun'26.

Factor leadership shifts across macro regimes over Nifty LargeMidcap 250 Index

EDELWEISS MUTUAL FUND

USDINR – 3M Trend

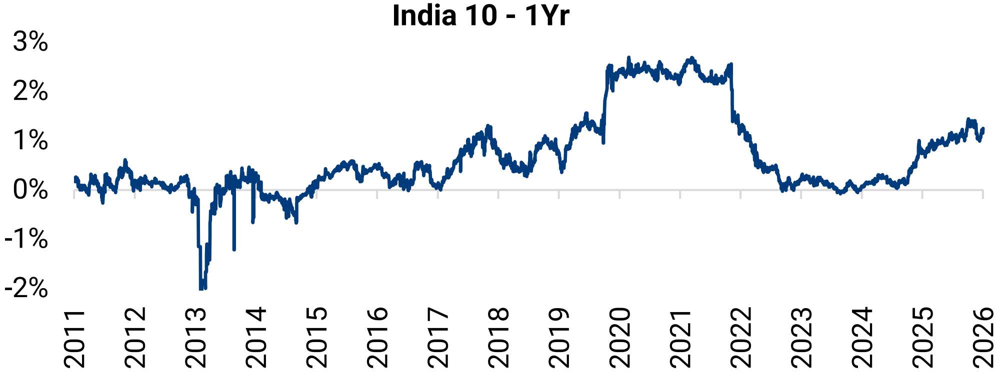
USDINR	Improving				Worsening	
	Quartile 1		Quartile 2+ Quartile 3		Quartile 4	
	Fwd 3M Alpha	Hit Rate	Fwd 3M Alpha	Hit Rate	Fwd 3M Alpha	Hit Rate
Mom	3.0%	81.0%	3.0%	72.3%	0.2%	47.6%
Qual	0.8%	64.2%	1.5%	69.0%	0.6%	60.1%
Growth	1.3%	63.8%	1.6%	66.6%	0.3%	50.3%
Low Vol	-0.5%	43.8%	1.5%	63.2%	-0.1%	51.1%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



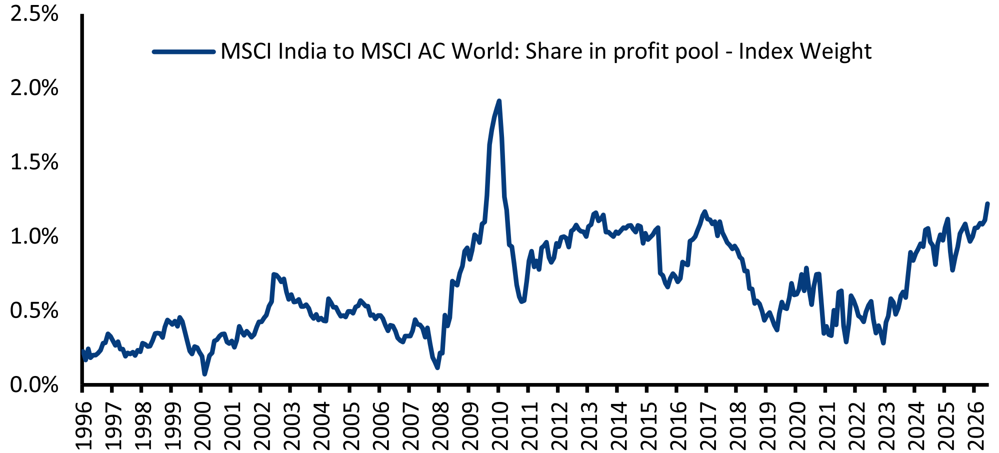
- Quality and Low Vol show significant divergence across regimes.
- Value underperforms in flat curve environments.

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

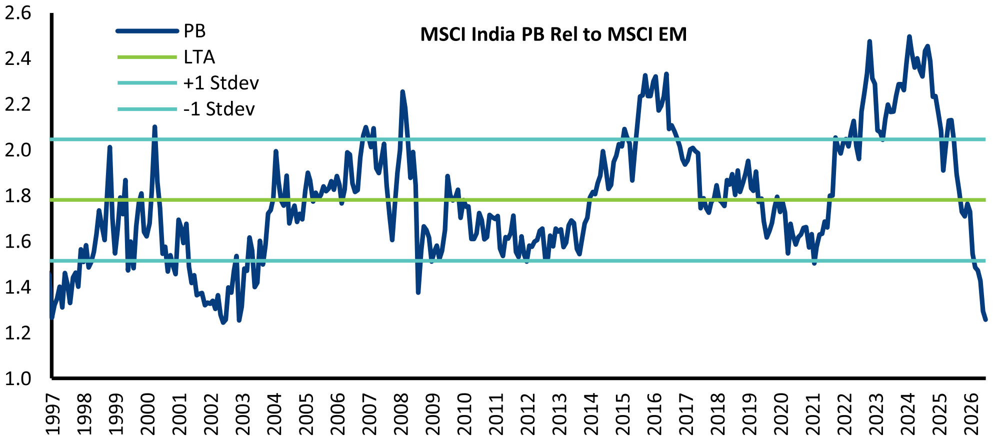
Much of the bad news has been priced in...

EDELWEISS MUTUAL FUND

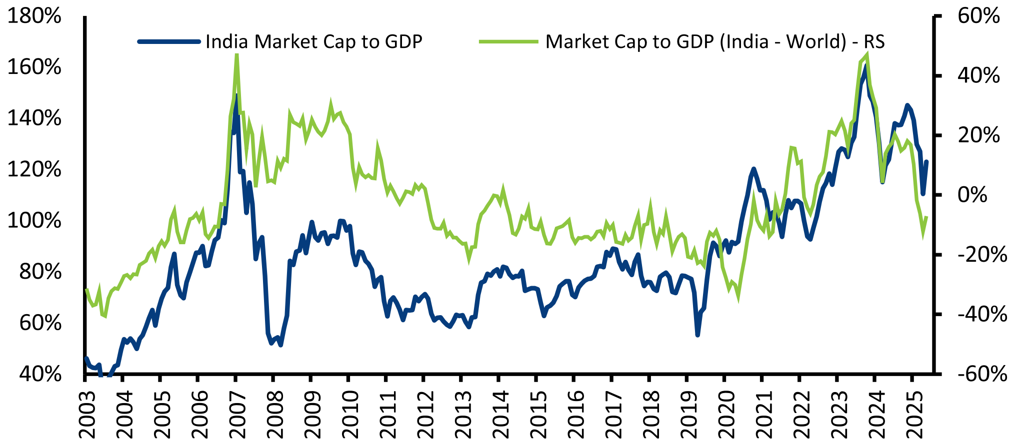
India's Profit Share at its Highest Relative to Index Weight



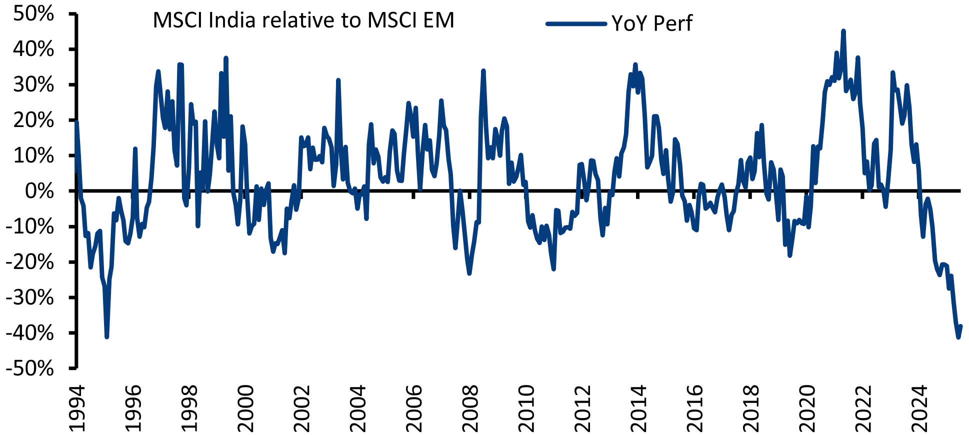
Relative PB



Market Cap to GDP



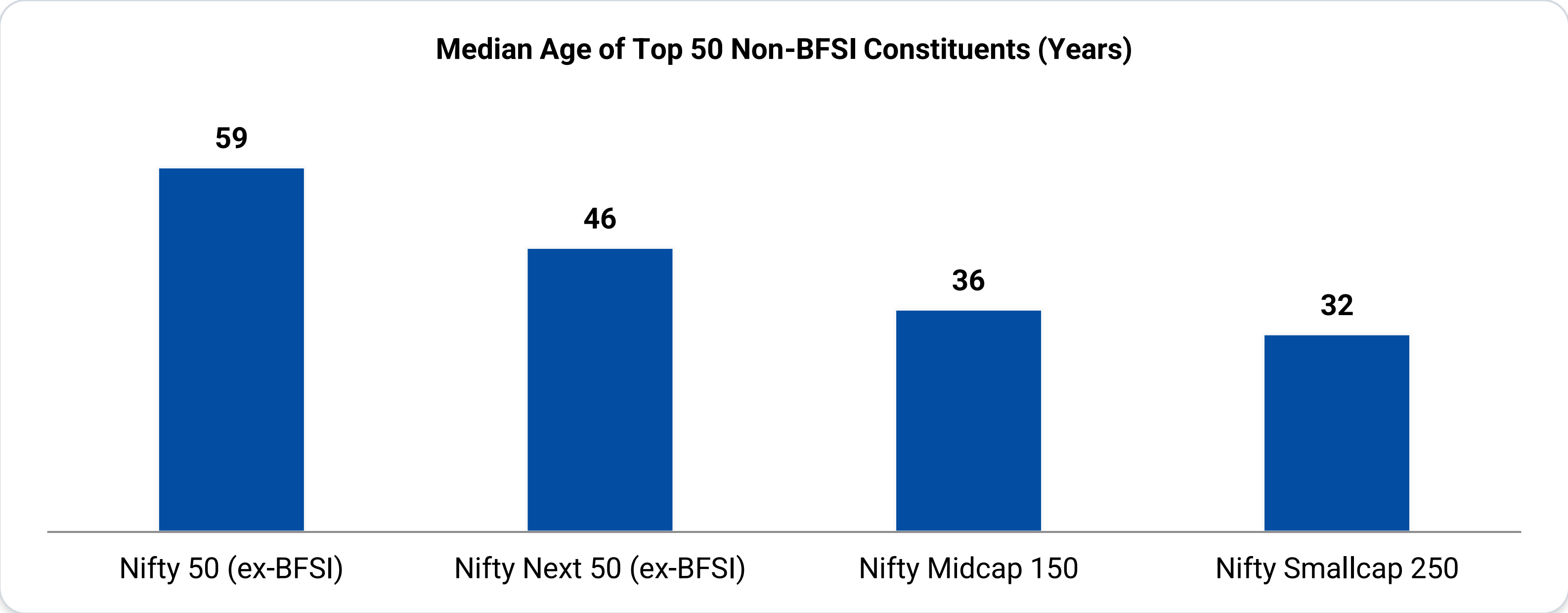
YoY Performance at Multi-year Lows



Source: Morgan Stanley Research

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.

The Nifty 50 is aging!

EDELWEISS MUTUAL FUND

The Nifty 50 (ex-BFSI) remains heavily tilted towards legacy sectors. It reflects established India, while many of the country's emerging growth engines remain underrepresented

38
Non-BFSI companies in Nifty 50

37
of them are founded BEFORE 2001

59
Median age (years) of a Nifty 50 company

1.4%
Index weight in <25-year-old companies

Nifty 50 Non-BFSI – Youngest vs Oldest

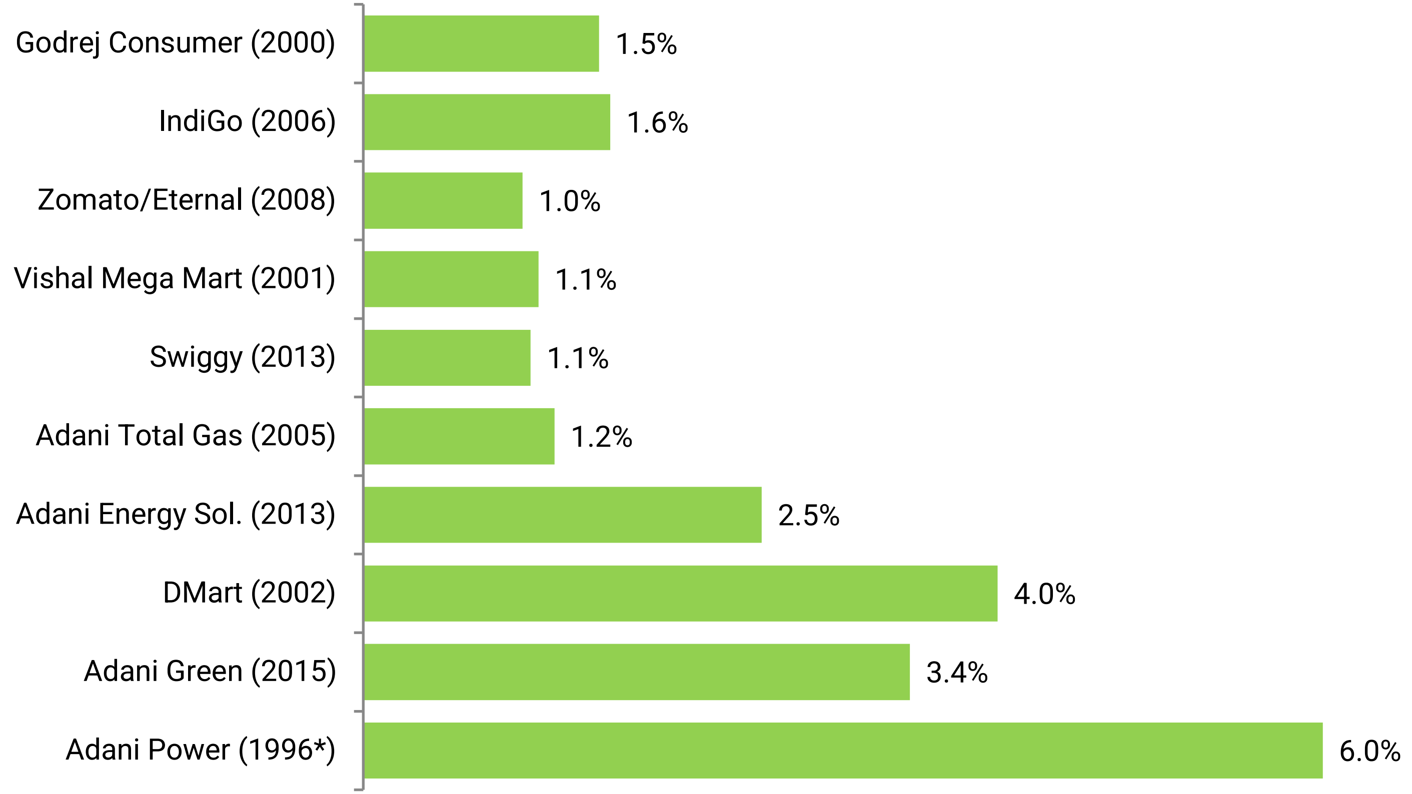
Youngest 5	Founded
Eternal (Zomato)	**2008**
UltraTech Cement	2000
Adani Ports	1998
Bharti Airtel	1995
HCL Technologies	1991

Oldest 5	Founded
Britannia	1892
Tata Steel	1907
ITC	1910
Hindustan Unilever	1933
Cipla	1935

Source: NSE, Internal Analysis. Note: BFSI (banks, NBFCs, insurance, AMCs, wealth, exchanges) excluded. Stocks mentioned are for illustrative purposes only and may or may not be the part of the portfolio.

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

~16% of Nifty Next 50 weight sits in non-BFSI companies founded after 2001



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.

Mid and Small caps house the youngest India

36 yrs

Median age of top 50 non-BFSI in Midcap 150

32 yrs

Median age of top 50 non-BFSI in Smallcap 250

21

Non-BFSI companies <25 yrs old (combined)

9

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.

Deeper stock-level discounts across segments

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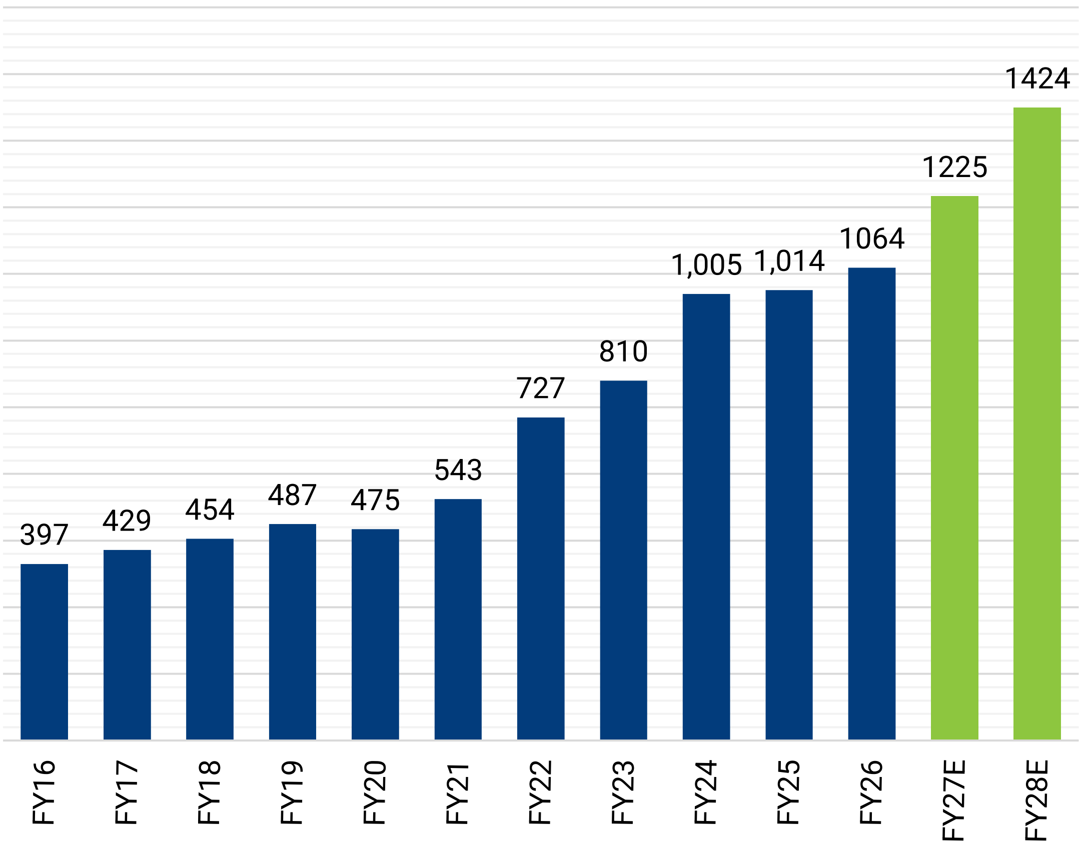
The share of stocks trading below their 10-year median valuation is highest in large caps (~54%, versus ~12% at the index level), then mid caps (~49% vs ~12%), and lowest in small caps (~47%). As of July 2026, at the index level, large caps, midcaps, and small caps screen at roughly a 10-12% discount to their own history.

Premium / Discount Bands	**Large Cap** (Nifty 100)		**Mid Cap** (Nifty Midcap 150)		**Small Cap** (Nifty Smallcap 250)	
	No. of stocks	**% of Large cap**	**No. of stocks**	**% of Mid cap**	**No. of stocks**	**% of Small cap**
> 40% discount	8	11.3%	12	8.8%	21	10.0%
20% – 40% discount	15	20.7%	23	15.8%	22	10.7%
0% – 20% discount	22	21.7%	37	24.1%	58	25.7%
0% – 25% premium	29	31.1%	31	23.2%	37	17.7%
25% – 50% premium	7	5.5%	13	10.7%	27	11.5%
> 50% premium	14	9.8%	28	17.5%	58	24.3%
Total	**95***	**100%**	**130***	**100%**	**205***	**100%**
Index Premium / Discount	**~12% discount**		**~12% discount[1]**		**~10% discount[1]**	

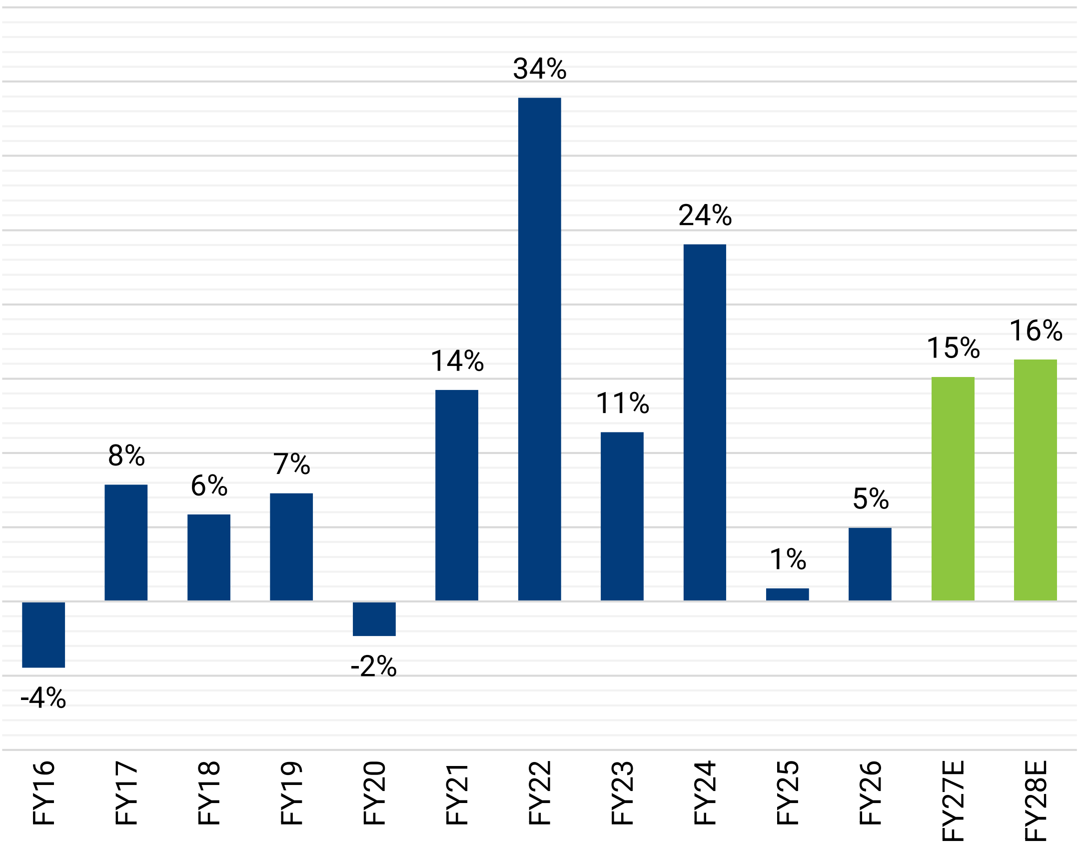
Source: Bloomberg, Internal Analysis | Data as on 31st July 2026 | *Note: Data in brackets represents the analyzable universe within each market-cap segment, excluding companies with negative EPS or fewer than three valid P/E observations. Current P/E (FY26) is compared against the 10-Year median P/E. [1]Data considered from 2017 post AMFI m-cap classification.

Earnings growth

Nifty 50 EPS (₹)



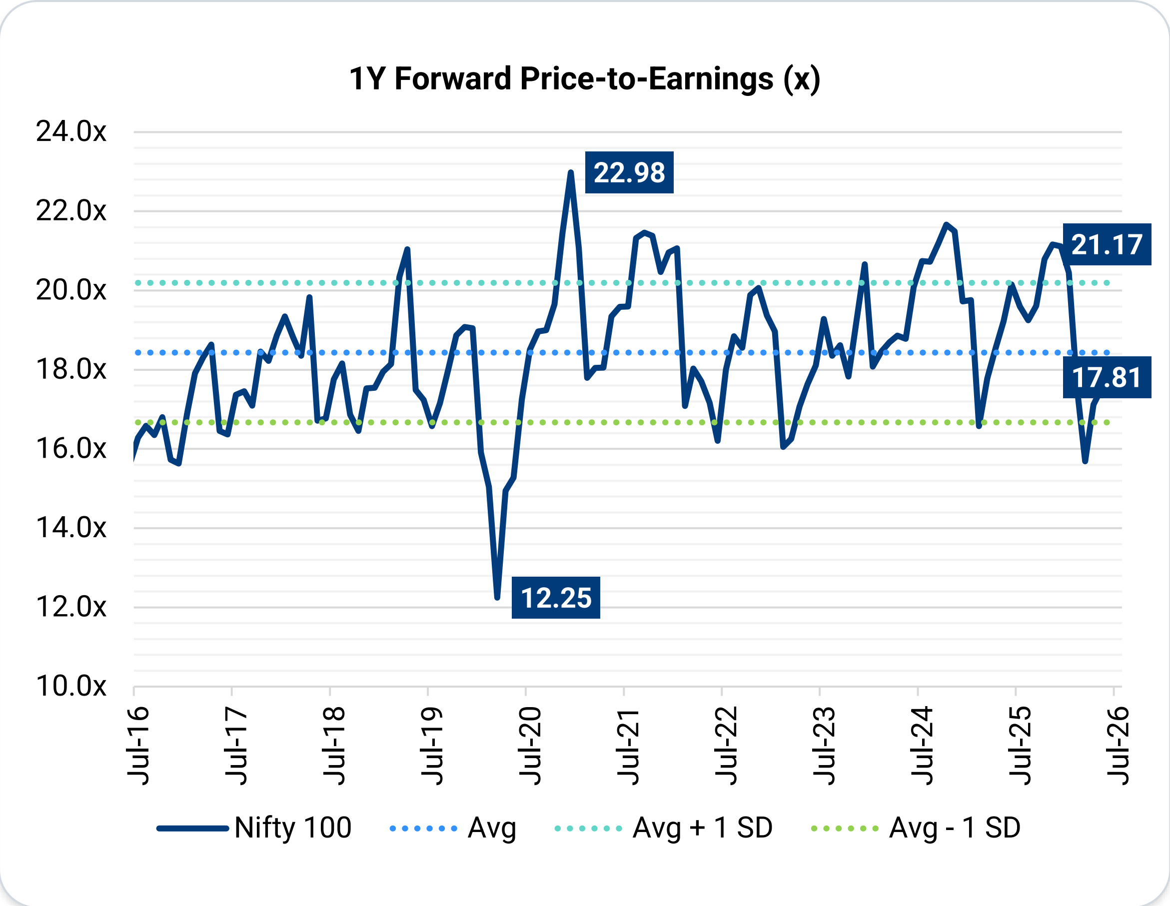
Nifty 50 EPS Growth (%)

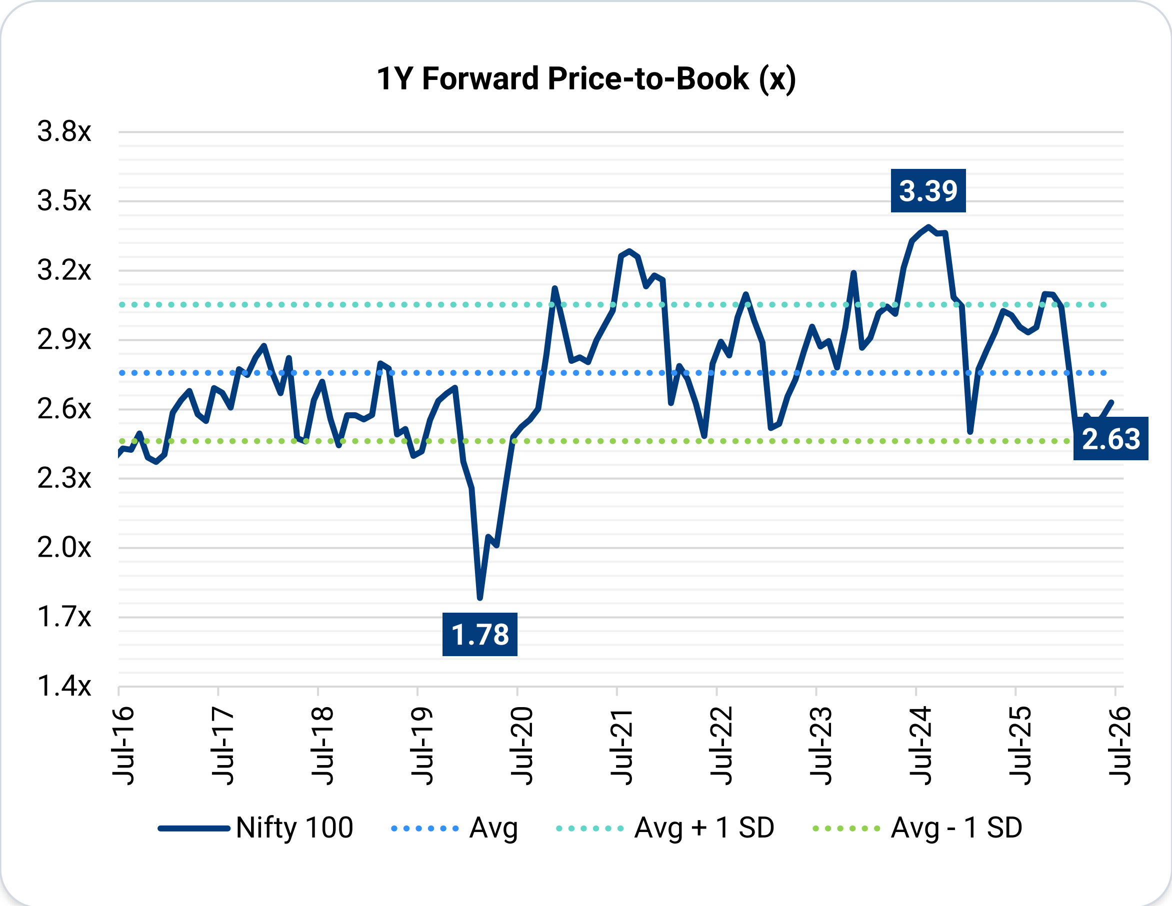


Source: Bloomberg estimates, MOFSL | Data as on 31st July 2026.

Valuations – Large Cap

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

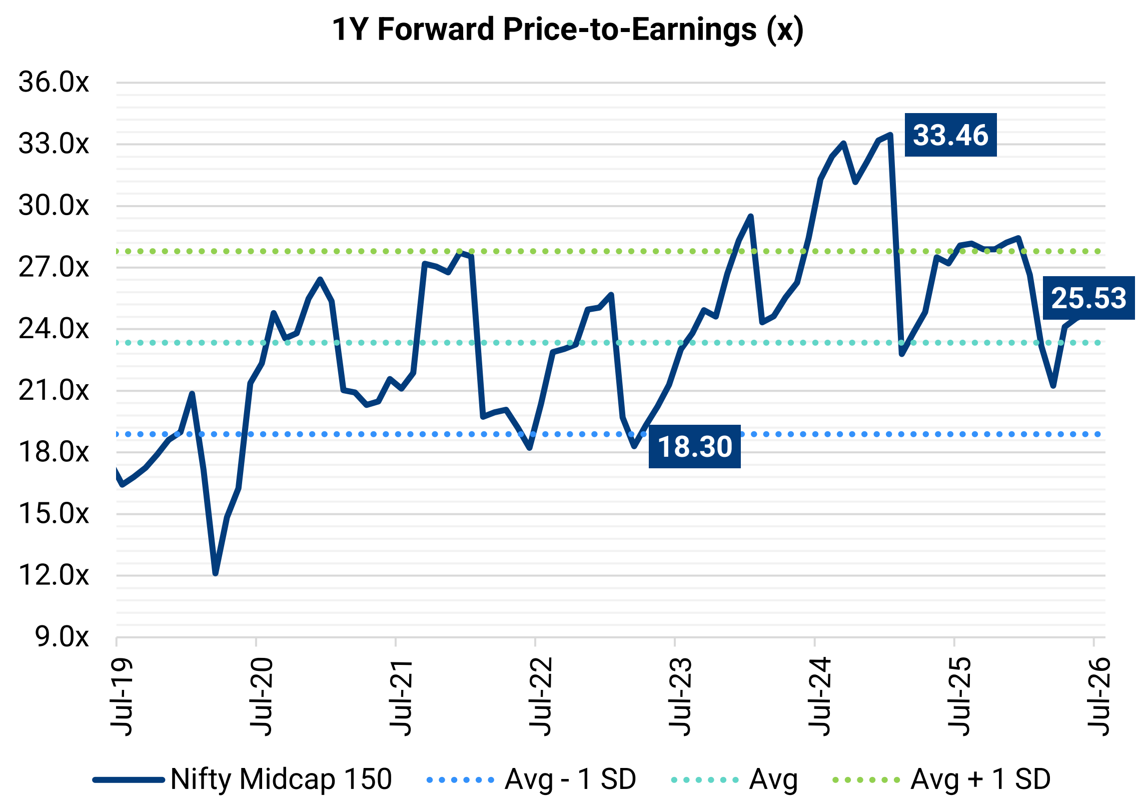


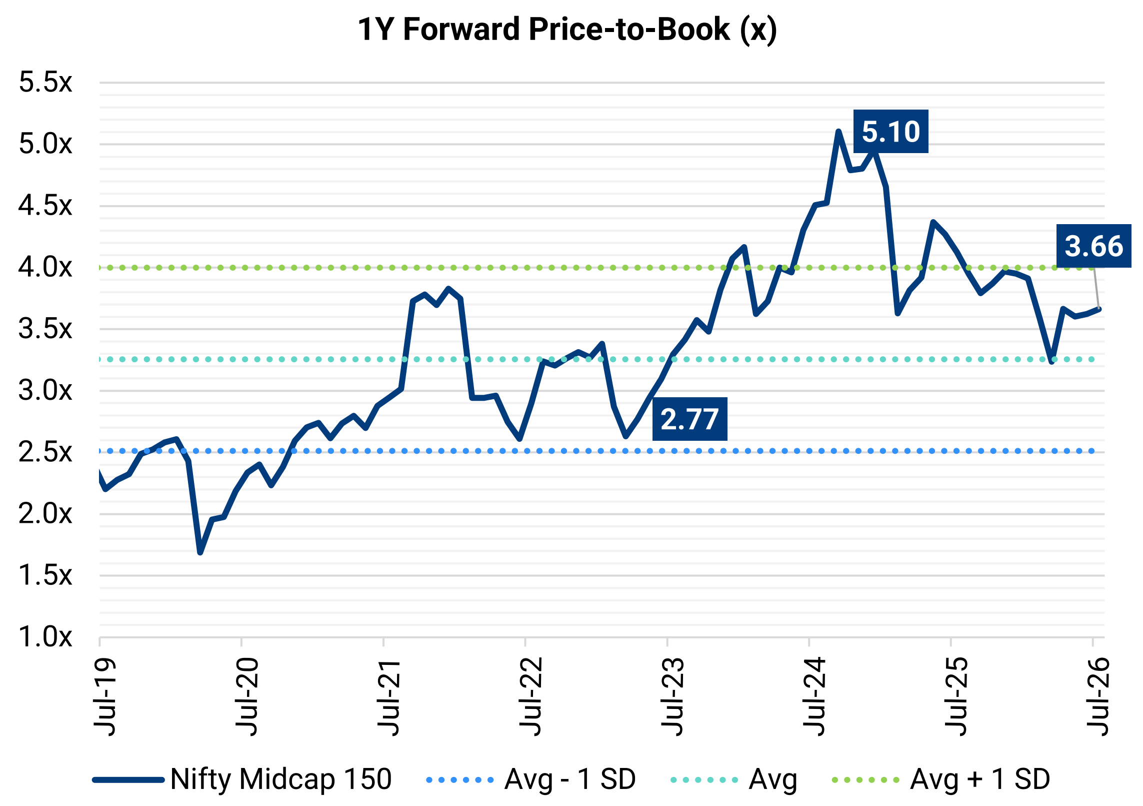


Source: Bloomberg estimates | Data as on 31st July 2026.

Valuations – Mid Cap

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



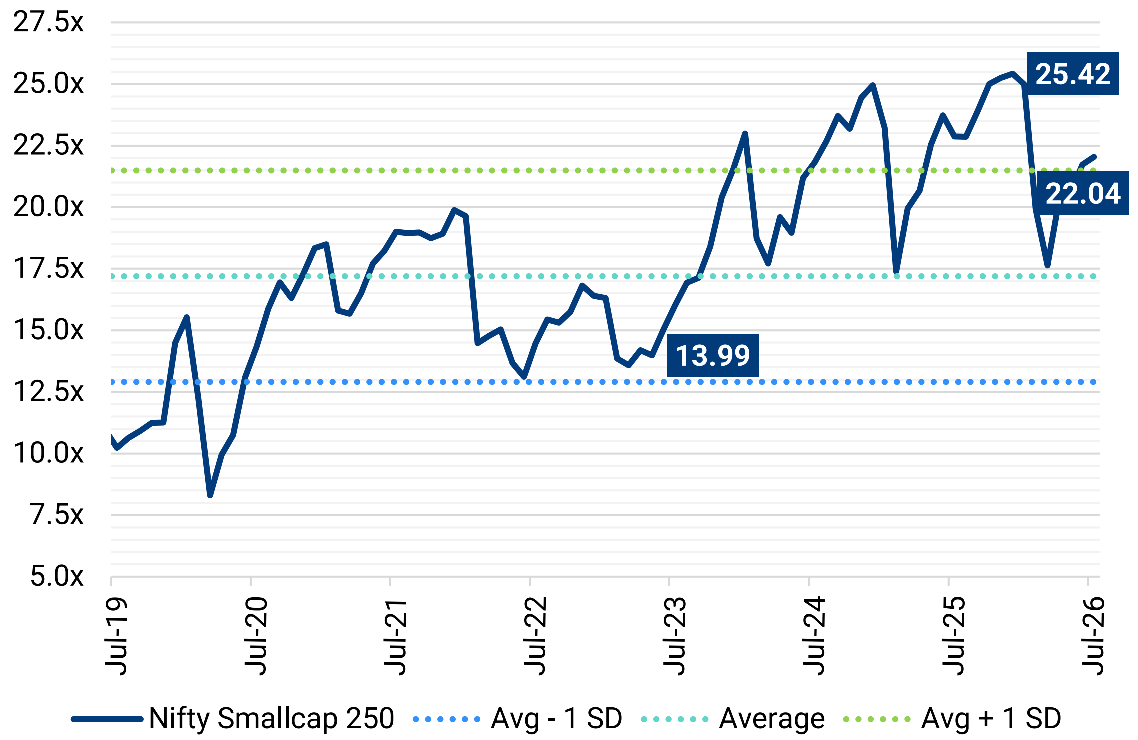


Source: Bloomberg estimates | Data as on 31st July 2026.

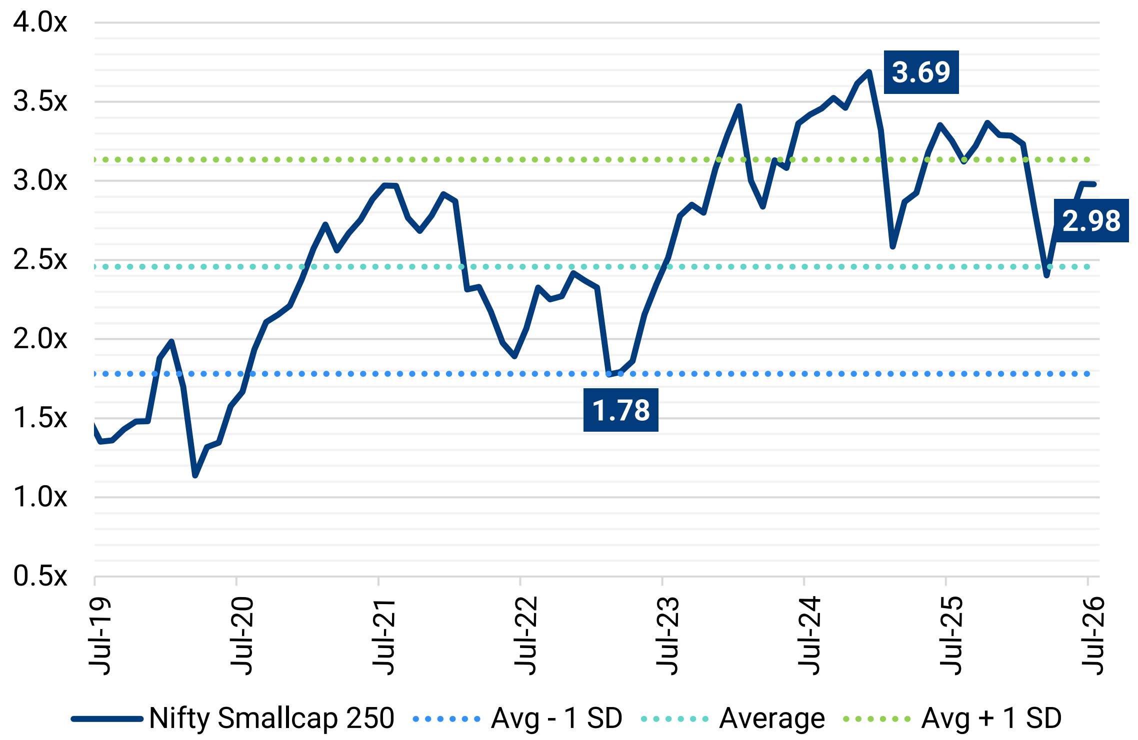
Valuations – Small Cap

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

1Y Forward Price-to-Earnings (x)



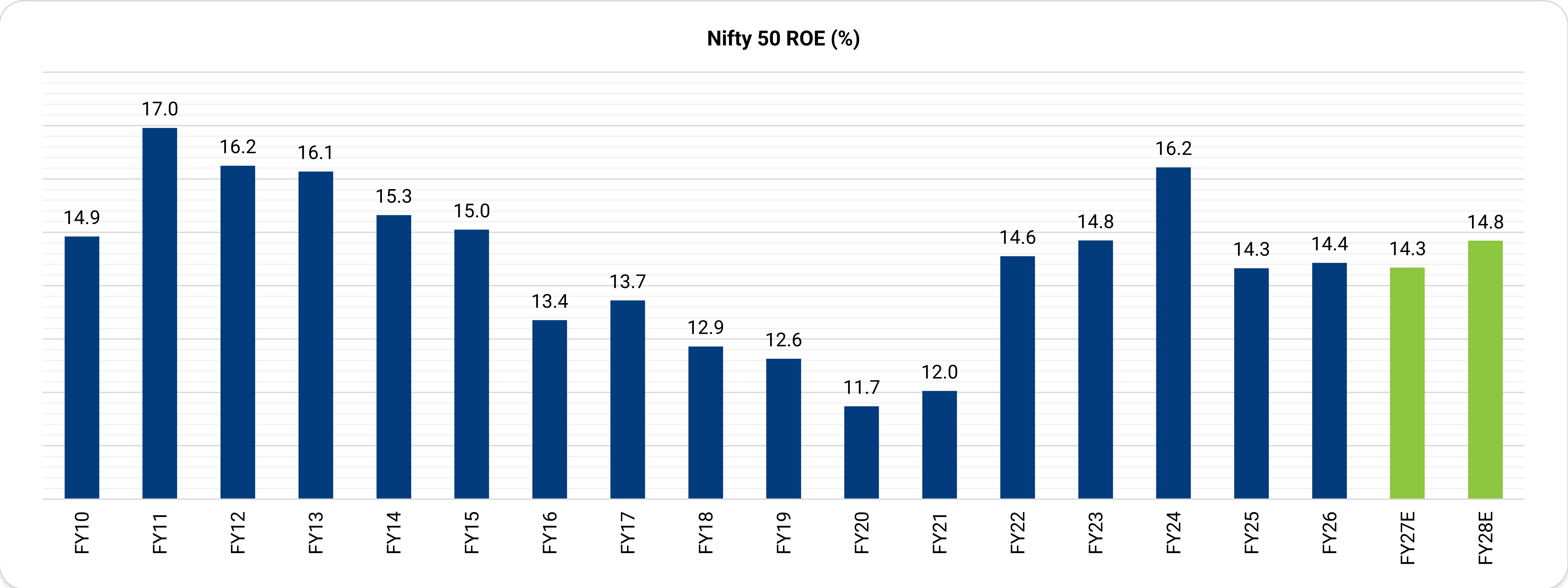
1Y Forward Price-to-Book (x)



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

Return on Equity

Nifty50 ROE continues to register strong double-digit growth



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

Sectoral valuation

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

Sector	Current P/E	10-year Average	Current P/B	10-year Average
Auto	26.7	23.8	4.4	3.6
Banks – Private	**14.4**	20.8	**2.0**	2.5
Banks – Public	**8.2**	11.2	1.2	0.9
Capital Goods	40.6	32.5	7.3	4.5
Consumers	**38.2**	42.6	**9.0**	10.0
Healthcare	37.1	27.8	4.8	3.7
Infrastructure	**13.8**	14.4	**1.0**	1.2
Metals	11.5	10.2	2.2	1.7
NBFCs	15.8	13.0	2.5	1.9
Oil & Gas	13.9	13.2	**1.4**	1.5
Real Estate	**28.0**	33.7	3.5	2.5
Technology	**16.6**	21.5	**4.9**	5.9

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

Analysis of sector-wise FPI holdings

EDELWEISS MUTUAL FUND

Sectors	Portfolio Share		Change
	Jul-26	Jul-25	
Financials	30.1%	31.6%	-1.6%
Auto & Ancillary	7.7%	7.0%	0.7%
Healthcare	7.6%	7.0%	0.6%
Industrials	7.3%	5.6%	1.6%
Oil & Gas	6.7%	7.0%	-0.4%
Service	6.6%	6.9%	-0.3%
IT	5.6%	7.4%	-1.8%
Telecom & Media	5.4%	5.0%	0.4%
FMCG	4.3%	5.5%	-1.2%
Metals & Mining	4.2%	2.8%	1.4%
Utilities	3.8%	3.4%	0.5%
Construction Material	3.2%	3.4%	-0.2%
Durables	2.8%	2.6%	0.2%
Agriculture & Chemicals	1.8%	2.0%	-0.2%
Realty	1.8%	1.9%	-0.2%
Others	1.1%	0.8%	0.3%

Source: NSDL, MACM Research

Key Highlights

- FPIs turned net buyers in Jul'26, recording $2.1bn inflows after four consecutive months of selling, aided by easing geopolitical risks following the revival of the US-Iran peace deal.
- FPI buying was led by Services (~$1.3bn) for the third consecutive month, while Healthcare turned net positive with inflows of ~$0.8bn
- Highest selling was seen in Telecom & Media and Industrials (~$0.6bn each), followed by Auto & Ancillary (~$0.5bn) and Utilities (~$0.3bn)

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	16.12%
Gold	-	1.00	0.81	0.92	0.08	0.06	0.02	0.07	0.04	14.54%
Silver	-	-	1.00	0.98	(0.03)	0.04	0.08	0.17	0.06	29.12%
Gold + Silver	-	-	-	1.00	0.01	0.05	0.06	0.14	0.05	20.71%
USD/INR	-	-	-	-	1.00	(0.17)	(0.11)	(0.25)	0.02	4.81%
Nifty 10Y G-sec	-	-	-	-	-	1.00	(0.02)	(0.00)	(0.14)	4.23%
S&P 500 TRI	-	-	-	-	-	-	1.00	0.19	0.17	17.90%
Hang Seng TRI	-	-	-	-	-	-	-	1.00	0.11	21.77%
Crude Oil	-	-	-	-	-	-	-	-	1.00	41.29%

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

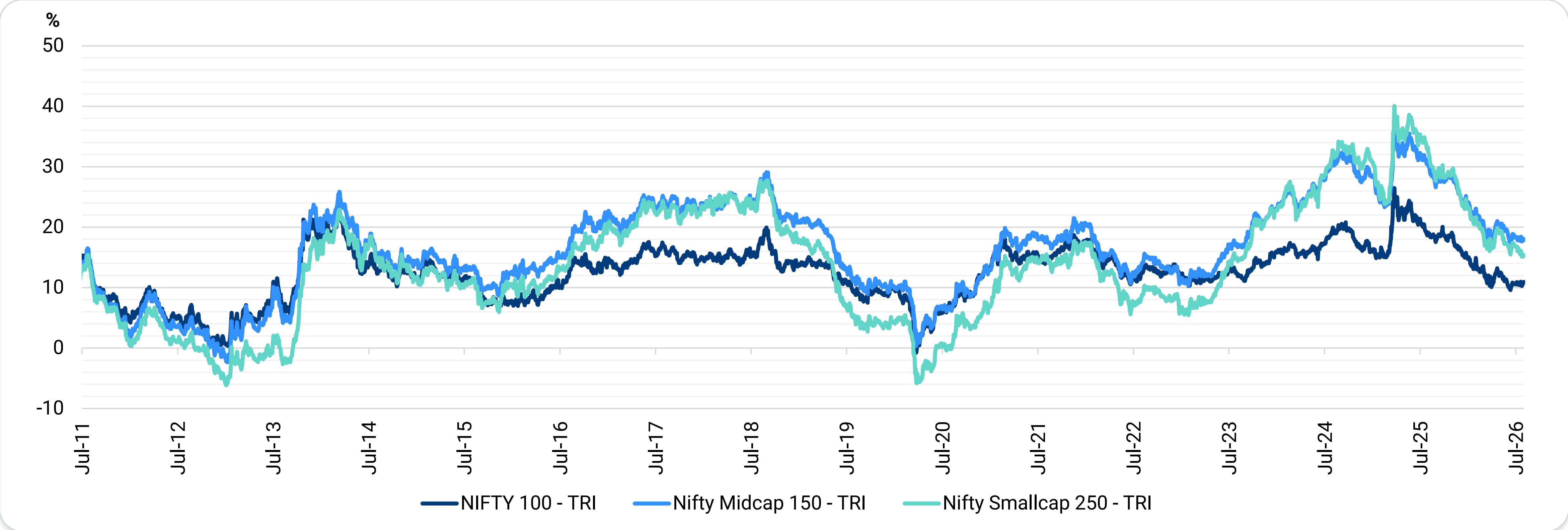
Large, mid and small cap performance

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*	-3.76%	4.30%	7.78%

Source: Bloomberg. *Data as on 31st July 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.

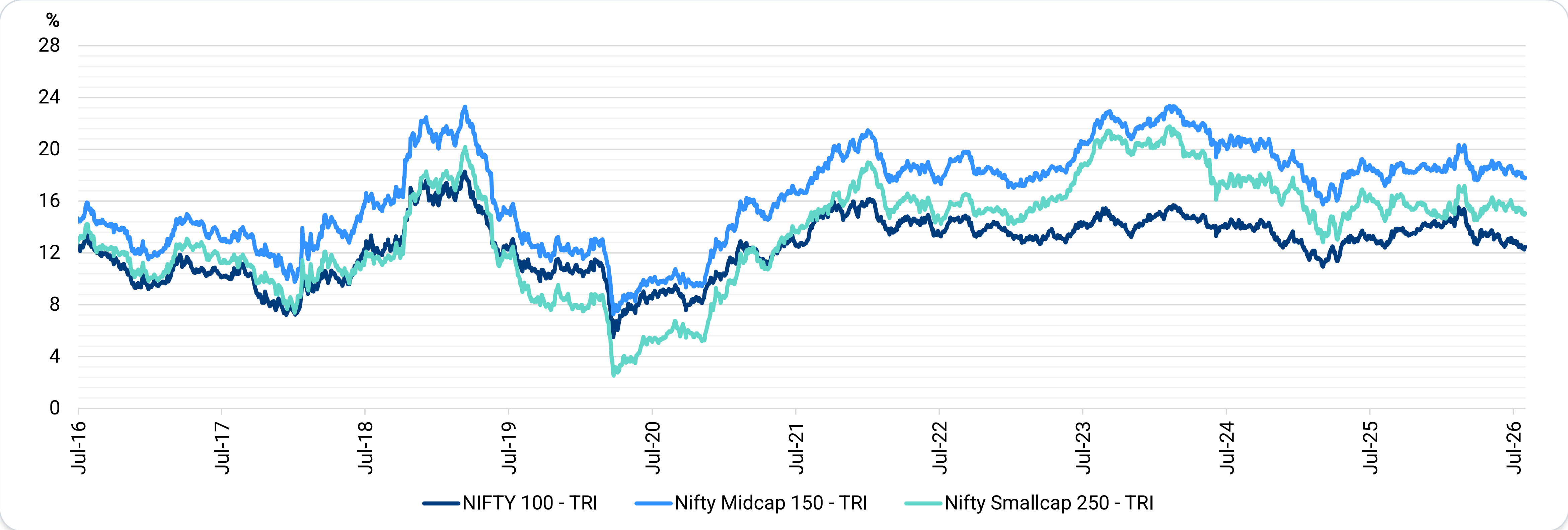
5 year rolling returns



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 (%)	12.97%	**16.48%**	14.14%

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

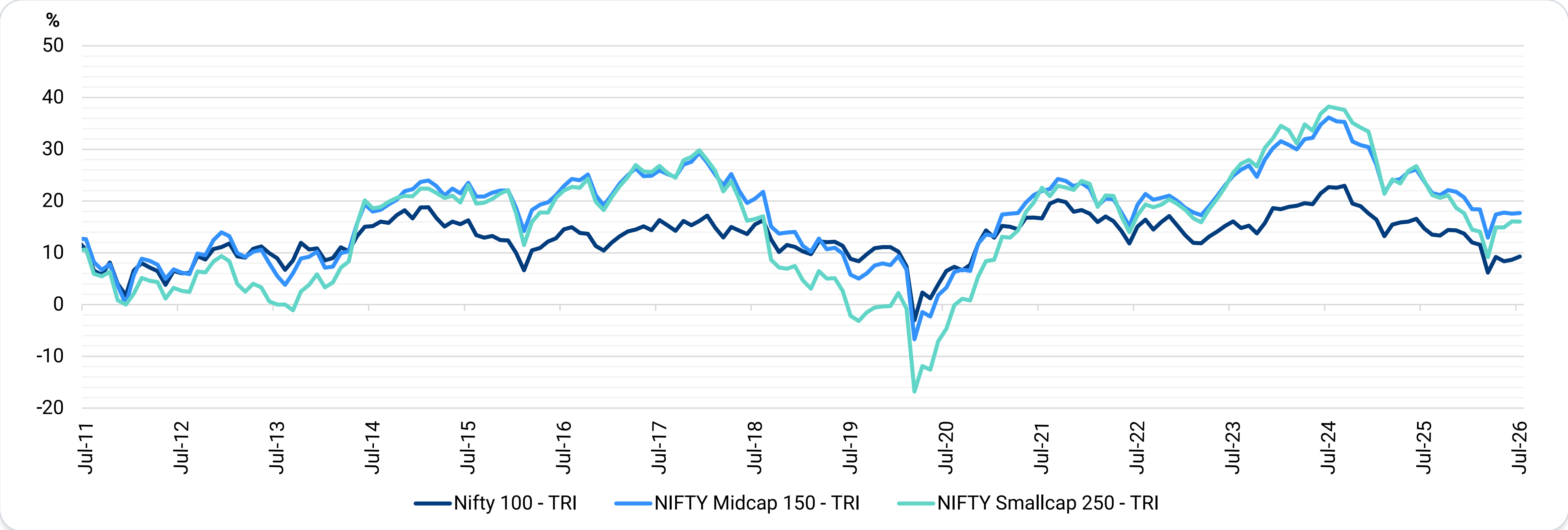
10 year rolling returns



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%	**16.35%**	13.64%

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

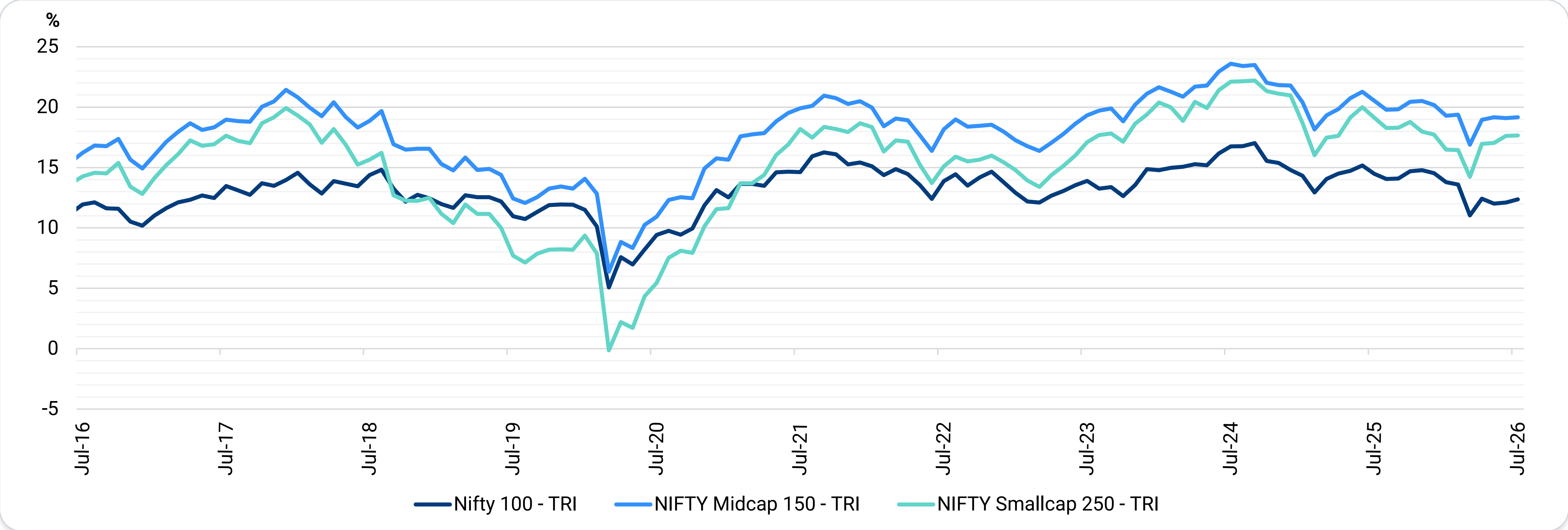
5 year SIP rolling returns



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 (%)	13.07%	**17.66%**	15.48%

Source: Bloomberg. Data as on 31st July 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



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 (%)	12.97%	**17.60%**	14.97%

Source: Bloomberg. Data as on 31st July 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 July 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

EDELWEISS MUTUAL FUND

- Domestic fundamentals are stronger than current market sentiment suggests. The worst of the earnings and valuation reset appears behind us, and any easing in global uncertainties could provide a meaningful catalyst for the next phase of market upside.
- Corporate earnings have demonstrated resilience despite elevated crude prices and commodity headwinds, reinforcing confidence in the strength of domestic demand and the broader economic backdrop.
- Consumption remains the key pillar of earnings growth, with autos, premium retail, jewellery, and other discretionary segments continuing to witness healthy demand trends and robust volume growth. Strong credit growth across mid-cap financials indicates sustained economic activity, while resilient loan demand remains supportive of the broader growth outlook.
- Within capital goods, the most compelling opportunities lie in companies supplying critical components to the power, renewables, transmission, and energy infrastructure ecosystem, which are expected to benefit from India's multi-year energy and capex cycle.
- While the global AI investment cycle remains intact, Indian IT services are entering a gradual recovery phase as valuations have become attractive and earnings downgrades appear to be stabilizing.
- India's relative attractiveness to global investors is increasing. Lower expected oil prices, potential normalization in AI-related global positioning, and resilient domestic growth should support FII flows relative to other emerging markets. However, geopolitical tensions, tariffs, and global policy uncertainty may continue to cap market multiples and delay a broader risk-on environment.

Source: Internal

Fixed Income commentary

* The August MPC kept rates and policy stance unchanged, as expected. The RBI marginally lowered its FY27 inflation forecast (CPI to 5.0%, core CPI to 4.3%) and raised GDP growth to 6.7%, reflecting confidence in the economic outlook and contained inflation pressures.
* Given these developments and strong FCNR-B inflows, we believe the likelihood of an October rate hike remains low despite rising global bond yields. System liquidity remains comfortable and should improve further, helping anchor short-term rates.
* The 10-year government bond yield has softened despite the delay in Bloomberg Barclays index inclusion. We expect it to trade in the 6.75%–6.85% range in the near term.

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

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.)	18,704			6,825			1,044			4,789		
Market Cap Allocation	Large 19%	Mid 69%	Small 12%	Large 6%	Mid 24%	Small 70%	Large 64%	Mid 36%	Small 0%	Large 50%	Mid 36%	Small 14%
Over-Weight Sectors	• Automobile and Auto Components • Chemicals • Realty			• Automobile and Auto Components • Fast Moving Consumer Goods • Consumer Services			• Financial Services • Construction • Consumer Durables			• Capital Goods • Automobile and Auto Components • Information Technology		
Under-Weight Sectors	• Consumer Durables • Capital Goods • Services			• Oil, Gas & Consumable Fuels • Power • Metal and Mining			• Telecommunication • Chemicals • Services			• Oil, Gas & Consumable Fuels • Fast Moving Consumer Goods • Metals and Mining		

Data as on 31st July 2026. For risk-o-meters click here.

Equity funds overview

Scheme	Edelweiss ELSS Tax Saver Fund			Edelweiss Flexi Cap Fund			Edelweiss Multi Cap Fund		
AUM (Rs Cr.)	455			3,589			3,431		
Market Cap Allocation	Large 63%	Mid 17%	Small 21%	Large 64%	Mid 26%	Small 9%	Large 47%	Mid 25%	Small 28%
Over-Weight Sectors	• Automobile and Auto Components • Financial Services • Information Technology			• Automobile and Auto Components • Financial Services • Consumer Durables			• Financial Services • Chemicals • Fast Moving Consumer Goods		
Under-Weight Sectors	• Services • Fast Moving Consumer Goods • Metal and Mining			• Oil, Gas & Consumable Fuels • Telecommunication • Power			• Oil, Gas & Consumable Fuels • Telecommunication • Services		

Data as on 31st July 2026. For risk-o-meters click here.

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 (%)	16.0	18.4	18.9	19.3	24.8	26.7	19.2
FY28E EPS growth (%)	18.3	19.0	17.2	17.5	20.3	22.5	16.9
PEG (x)	1.1	1.2	1.1	1.1	1.1	1.0	1.1
FY27E ROE (%)	19.8	18.8	19.8	19.5	21.6	18.5	20.1
FY28E ROE (%)	20.0	19.3	20.2	19.8	21.8	19.3	20.1
PER FY27E (x)	22.9	26.0	23.1	24.4	30.2	29.0	23.3
PER FY28E (x)	19.5	21.9	19.7	20.8	25.1	23.7	19.9

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 31st July 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.

Data as on 31st July 2026. For risk-o-meters click here.

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	• Exide Industries Ltd. • Torrent Pharma Ltd. • Cochin Shipyard Ltd. • Lenskart Solutions Ltd.	• Torrent Pharmaceuticals Ltd. • Shaily Engineering Plastics Ltd. • CEAT Ltd.	NIL	• Tata Consultancy Services Ltd. • CEAT Ltd. • Nestle India Ltd.	• Torrent Pharmaceuticals Ltd. • Prestige Estates Projects Ltd. • SBI Funds Management Ltd.	• CEAT Ltd. • Eternal Ltd. • Meesho Ltd.	• Prestige Estates Projects Ltd. • United Spirits Ltd. • Cochin Shipyard Ltd.
Exits	• Hitachi Energy India Ltd. • Muthoot Finance Ltd. • JB Chemicals & Pharmaceuticals Ltd.	• JB Chemicals & Pharmaceuticals Ltd. • Thermax Ltd. • Ratnamani Metals & Tubes Ltd.	NIL	• SRF Ltd. • JSW Energy Ltd. • Muthoot Finance Ltd.	• Dr. Reddy's Laboratories Ltd. • Deepak Nitrite Ltd. • Muthoot Finance Ltd.	• Jindal Steel Ltd. • Coal India Ltd.	• Bank of Baroda • Dr. Reddy's Laboratories Ltd.

Data as on 31st July 2026. For risk-o-meters click here. NIL – No new entry/exit.

Active stock exposure across equity funds

Edelweiss Mid Cap Fund		Edelweiss Small Cap Fund		Edelweiss Large & Mid Cap Fund	
Solar Industries India Ltd	2.01	Fortis Healthcare Ltd	2.34	Ather Energy Ltd	2.12
Federal Bank Ltd	1.87	Ajanta Pharma Ltd	2.28	Bharat Heavy Electricals Ltd	1.70
Creditaccess Grameen Ltd	1.73	Multi Commodity Exch India	2.22	Phoenix Mills Ltd	1.56
City Union Bank Ltd	1.67	Radico Khaitan Ltd	2.18	Ashok Leyland Ltd	1.31
TVS Motor Co Ltd	1.49	City Union Bank Ltd	2.10	Power Mech Projects Ltd	1.22
Indian Hotels Co Ltd	1.47	Avalon Technologies Ltd	2.02	Solar Industries India Ltd	1.19
Karur Vysya Bank Ltd	1.43	Gabriel India Ltd	1.98	Federal Bank Ltd	1.19
Max Healthcare Institute Ltd	1.41	KEI Industries Ltd	1.91	L&T Finance Ltd	1.17
HDFC Asset Management Co Ltd	1.25	Torrent Pharmaceuticals Ltd	1.81	Billionbrains Garage Venture	1.15
IPCA Laboratories Ltd	1.13	Uno Minda Ltd	1.80	Max Healthcare Institute Ltd	1.12

Active exposure is holding % in relation to the benchmark of the fund. Holdings as on 31st July 2026. Figures are in%

Active stock exposure across equity funds

Edelweiss Flexi Cap Fund		Edelweiss ELSS Tax Saver Fund		Edelweiss Focused Fund		Edelweiss Multi Cap Fund	
Larsen & Toubro Ltd	1.46	Ather Energy Ltd	2.11	Marico Ltd	4.68	Radico Khaitan Ltd	2.57
Tata Steel Ltd	1.42	Gabriel India Ltd	1.83	Mankind Pharma Ltd	3.83	Karur Vysya Bank Ltd	1.83
Karur Vysya Bank Ltd	1.38	Multi Commodity Exch India	1.51	Shriram Finance Ltd	3.76	NTPC Ltd	1.60
Fortis Healthcare Ltd	1.35	Creditaccess Grameen Ltd	1.43	Tata Steel Ltd	3.64	Bikaji Foods International	1.51
LTM Ltd	1.21	BSE Ltd	1.40	KEI Industries Ltd	3.62	Navin Fluorine International	1.47
Divi's Laboratories Ltd	1.20	Torrent Pharmaceuticals Ltd	1.39	IDFC First Bank Ltd	3.32	Craftsman Automation Ltd	1.43
NTPC Ltd	1.12	Netweb Technologies India	1.36	Larsen & Toubro Ltd	3.28	Solar Industries India Ltd	1.37
L&T Finance Ltd	1.11	Karur Vysya Bank Ltd	1.30	Coforge Limited	2.87	Tata Steel Ltd	1.34
City Union Bank Ltd	1.10	Bharat Electronics Ltd	1.18	ICICI Bank Ltd	2.68	Larsen & Toubro Ltd	1.32
Ultratech Cement Ltd	1.10	City Union Bank Ltd	1.15	Endurance Technologies Ltd	2.62	City Union Bank Ltd	1.32

Active exposure is holding % in relation to the benchmark of the fund. Holdings as on 31st July 2026. Figures are in%

Investment Process

Our philosophy while managing your money

EDELWEISS MUTUAL FUND

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

F orensics

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

A cceptable Price

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

I nvestment Style Agnostic

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

R obustness

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.

CLEAR Investment Philosophy

EDELWEISS MUTUAL FUND

- 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)

Our philosophy while managing your money

EDELWEISS MUTUAL FUND

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)

INSIGHTS THAT INSPIRE ACTION
TEMPO
Trends | Economy | Markets | Performance | Outlook
CURVE
Yields, Spreads, Liquidity & more..
CUE
Curated Updates & Explainers for your investments
BETA+
Decoding Factors. Tracking Trends. Building Smarter Portfolios
FUNDVERSE
View Portfolios. Track performance. Hear from experts.
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For risk-o-meters **click here** *

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

Thank You

Know more, www.edelweissmf.com