

TEMPO

Trends | Economy | Markets | Performance | Outlook



June 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	7,580	21.0	19.1	4.8	3.6	21.6	5.1%	10.2%	10.7%	28.2%
	USA	Nasdaq	26,973	26.2	25.5	5.9	4.8	21.0	8.4%	19.0%	15.4%	41.1%
	Europe	STOXX 600	626	14.9	14.5	2.2	1.8	14.3	2.4%	-1.2%	8.6%	14.1%
	UK	FTSE 100	10,409	12.8	12.7	2.1	1.8	15.8	0.3%	-4.6%	7.1%	18.7%
	Germany	DAX	25,105	15.2	13.3	1.8	1.5	11.8	3.3%	-0.7%	5.3%	4.6%
	France	CAC 40	8,183	14.4	14.1	1.9	1.6	12.7	0.8%	-4.6%	0.7%	5.6%
	Japan	Topix	3,957	17.1	14.7	1.7	1.2	9.8	6.2%	0.5%	17.1%	41.2%
	Australia	ASX 200	8,732	17.0	16.4	2.0	2.0	11.7	0.8%	-5.1%	1.4%	3.5%
	Singapore	STI Index	5,038	15.2	12.7	1.6	1.2	10.5	2.5%	0.9%	11.4%	29.4%
	Hong Kong	Hang Seng	25,182	10.7	10.5	1.2	1.1	10.5	-2.3%	-5.4%	-2.6%	8.1%
Emerging Market	India	Sensex	74,776	17.8	19.3	2.6	2.9	14.8	-2.8%	-8.0%	-12.8%	-8.2%
	China	Shanghai Composite	4,069	13.7	11.6	1.4	1.3	10.2	-1.1%	-2.3%	4.6%	21.5%
	Brazil	Bovespa	1,73,787	8.4	10.2	1.4	1.6	16.3	-7.2%	-7.9%	9.3%	26.8%
	Korea	KOSPI	8,476	8.6	10.1	2.1	1.0	23.9	28.4%	35.7%	115.9%	214.2%
	Mexico	IPC	68,588	13.1	13.8	2.3	2.0	17.2	1.1%	-3.9%	7.8%	18.6%
	Philippines	PCOMP	5,769	8.5	14.2	1.1	1.6	12.1	-1.1%	-12.7%	-4.2%	-9.0%
	Turkey	XU100	13,663	4.0	5.5	0.6	0.9	13.9	-5.4%	-0.4%	25.4%	51.5%
	Thailand	SET	1,568	15.5	15.1	1.5	1.4	9.6	5.0%	2.6%	24.8%	36.5%
	Vietnam	VN30	1,997	10.0	10.8	1.7	1.9	16.5	-1.3%	-3.1%	3.8%	40.3%
	Indonesia	JCI	6,127	9.3	14.7	1.3	1.9	13.8	-11.9%	-25.6%	-28.0%	-14.6%

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	22%	3	13%	3	16%	3	12%	2	12%	2	9%	2
	USA	Nasdaq	28%	2	14%	1	20%	1	16%	1	16%	1	13%	1
	Europe	STOXX 600	15%	9	6%	11	9%	9	5%	9	4%	8	3%	13
	UK	FTSE 100	15%	10	7%	10	6%	12	4%	14	2%	11	1%	18
	Germany	DAX	21%	4	9%	6	12%	4	8%	5	7%	5	7%	4
	France	CAC 40	8%	15	4%	12	7%	11	5%	11	3%	9	2%	17
	Japan	Topix	18%	7	7%	9	9%	8	6%	7	6%	6	3%	14
	Australia	ASX 200	11%	12	3%	14	5%	14	4%	13	2%	15	3%	15
	Singapore	STI Index	19%	5	11%	5	8%	10	5%	8	3%	10	5%	7
	Hong Kong	Hang Seng	11%	11	-3%	18	-1%	18	0%	18	0%	16	2%	16
Emerging Market	India	Sensex	1%	18	2%	15	5%	16	5%	10	4%	7	6%	5
	China	Shanghai Composite	10%	13	1%	16	5%	13	3%	15	2%	12	6%	6
	Brazil	Bovespa	17%	8	7%	8	5%	15	6%	6	-1%	18	4%	11
	Korea	KOSPI	43%	1	14%	2	19%	2	10%	3	7%	4	7%	3
	Mexico	IPC	10%	14	9%	7	9%	7	4%	12	2%	14	4%	10
	Philippines	PCOMP	-7%	19	-8%	20	-7%	20	-5%	20	0%	17	4%	12
	Turkey	XU100	8%	16	12%	4	10%	6	1%	16	-2%	20	1%	19
	Thailand	SET	3%	17	-1%	17	-1%	17	1%	17	2%	13	5%	8
	Vietnam	VN30	19%	6	3%	13	11%	5	9%	4	9%	3	-	-
	Indonesia	JCI	-8%	20	-4%	19	-3%	19	-2%	19	-2%	19	4%	9

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)	-1.72%	-6.30%	-9.87%	-3.84%	9.54%	9.88%	12.54%
	Large-cap (NIFTY Next 50)	2.09%	2.23%	3.21%	7.53%	20.09%	14.48%	14.88%
	Large-cap (NIFTY 100)	-1.02%	-4.79%	-7.68%	-1.88%	11.28%	10.48%	12.88%
	Midcap (NIFTY Midcap 150)	2.63%	3.36%	1.00%	7.49%	22.14%	19.21%	18.64%
	Large & Midcap (NIFTY Large Midcap 250)	0.84%	-0.72%	-3.36%	2.78%	16.75%	14.89%	15.85%
	Small-cap (NIFTY Smallcap 250)	1.60%	7.06%	1.70%	1.53%	20.42%	17.11%	15.83%
	Multicap (NIFTY 500)	-0.01%	-2.05%	-5.07%	0.28%	13.92%	12.49%	14.03%
	Micro-cap (NIFTY Microcap250)	2.97%	11.05%	2.39%	1.10%	25.68%	24.19%	20.48%
Themes/Sector	Auto (NIFTY AUTO)	1.77%	-6.29%	-4.88%	14.20%	24.00%	21.38%	12.84%
	Banks (NIFTY Bank)	-0.97%	-10.24%	-9.08%	-1.94%	7.91%	9.68%	12.60%
	Commodities (NIFTY Commodities)	0.56%	3.54%	12.11%	21.17%	21.92%	16.43%	16.86%
	Consumption (NIFTY India Consumption)	-1.29%	-2.30%	-9.55%	-0.34%	13.24%	13.84%	13.28%
	Energy (NIFTY Energy)	0.26%	10.38%	15.44%	15.31%	21.27%	17.32%	19.51%
	Healthcare (NIFTY Healthcare)	3.19%	3.52%	2.61%	11.48%	24.09%	13.58%	10.64%
	Infrastructure (NIFTY Infrastructure)	-0.58%	-1.74%	-2.89%	5.21%	20.72%	17.85%	14.56%
	Information Technology (NIFTY IT)	-0.60%	-4.45%	-21.45%	-20.25%	2.02%	3.53%	12.15%
	Manufacturing (NIFTY India Manufacturing)	2.24%	0.92%	4.10%	13.18%	23.21%	18.14%	15.36%
	Oil & Gas (NIFTY Oil & Gas)	-4.23%	-8.56%	-6.71%	-0.75%	15.69%	11.60%	16.60%
	Pharma (NIFTY Pharma)	4.66%	6.10%	6.12%	14.39%	25.23%	12.46%	9.02%
	Realty (NIFTY Realty)	-1.37%	0.27%	-13.33%	-17.29%	18.20%	18.80%	16.06%
	Transportation (NIFTY Transportation & Logistics)	1.30%	-5.16%	-8.39%	7.18%	22.03%	19.62%	14.45%

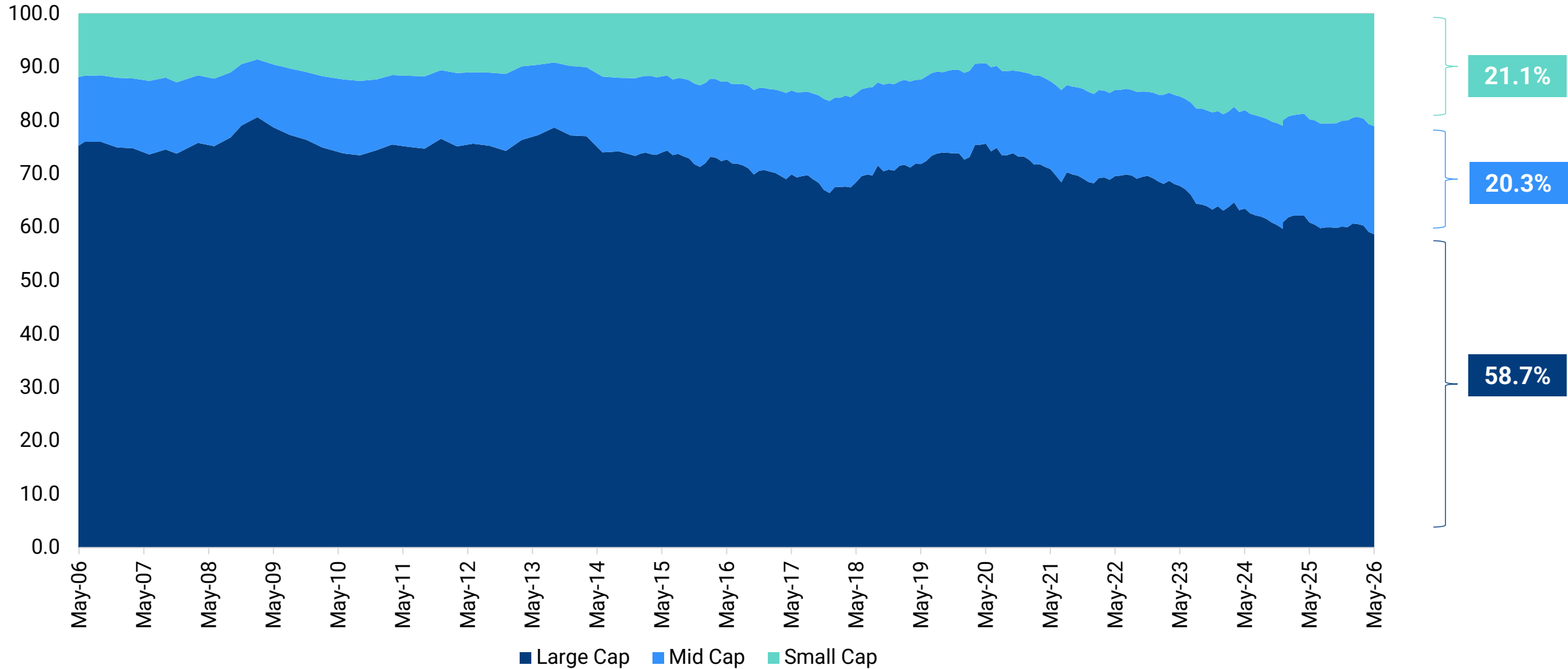
Indian equity markets at a glance

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)	-2.01%	-6.74%	-8.21%	-4.76%	9.73%	11.20%	15.11%
	Quality (NIFTY 100 Quality 30 Index)	-0.46%	-0.38%	-4.75%	1.03%	11.23%	11.00%	11.75%
	Low Vol (NIFTY 100 Low Vol 30 Index)	-0.52%	-4.57%	-6.92%	0.47%	13.10%	11.69%	13.60%
	Alpha (NIFTY 100 Alpha 30)	2.25%	-0.54%	-2.18%	2.65%	17.73%	11.78%	16.44%
	Alpha (NIFTY 200 Alpha30)	4.12%	2.28%	0.59%	7.31%	22.53%	19.08%	20.33%
	Momentum (NIFTY 200 Momentum30)	1.12%	-2.71%	-5.00%	0.37%	15.09%	13.25%	18.01%
	Quality (NIFTY 200 Quality30)	-0.05%	0.14%	-5.09%	-0.48%	11.34%	10.86%	12.92%
	Value (NIFTY 200 Value30)	-0.16%	-3.71%	10.26%	22.63%	33.71%	28.38%	20.16%
	Momentum (NIFTY Midcap150 Momentum50)	3.79%	2.87%	-0.03%	4.57%	22.80%	20.86%	21.92%
	Quality (NIFTY Midcap150 Quality50)	2.29%	1.64%	-1.75%	-1.34%	13.33%	10.44%	14.64%
	Quality (NIFTY Smallcap250 Quality50)	0.52%	3.02%	-3.60%	-6.88%	15.49%	15.62%	16.67%
	Momentum (NIFTY500 Momentum 50)	2.54%	1.41%	-3.00%	1.46%	17.90%	16.71%	19.81%
Value (NIFTY500 Value 50)	0.24%	-1.36%	11.29%	21.64%	32.79%	27.61%	19.72%	
Multi- Factor	Alpha Low Vol (NIFTY Alpha Low Vol 30)	-0.01%	-5.46%	-4.74%	-2.04%	13.29%	12.25%	14.38%
	Quality Low Vol (NIFTY Quality Low Vol 30)	-1.19%	-4.38%	-8.72%	-3.70%	8.75%	9.08%	11.09%
	Momentum Quality (NIFTY500 Multicap Momentum Quality 50)	2.20%	5.05%	0.24%	1.56%	18.87%	16.14%	18.46%
	Momentum Quality (NIFTY MidSmallcap 400 Momentum Quality 100)	3.00%	8.23%	3.44%	3.47%	19.49%	18.00%	19.05%
	Momentum Quality (NIFTY Smallcap 250 Momentum Quality 100)	2.14%	7.77%	0.96%	-1.15%	14.96%	14.25%	17.98%

Trends in % share to total M-cap

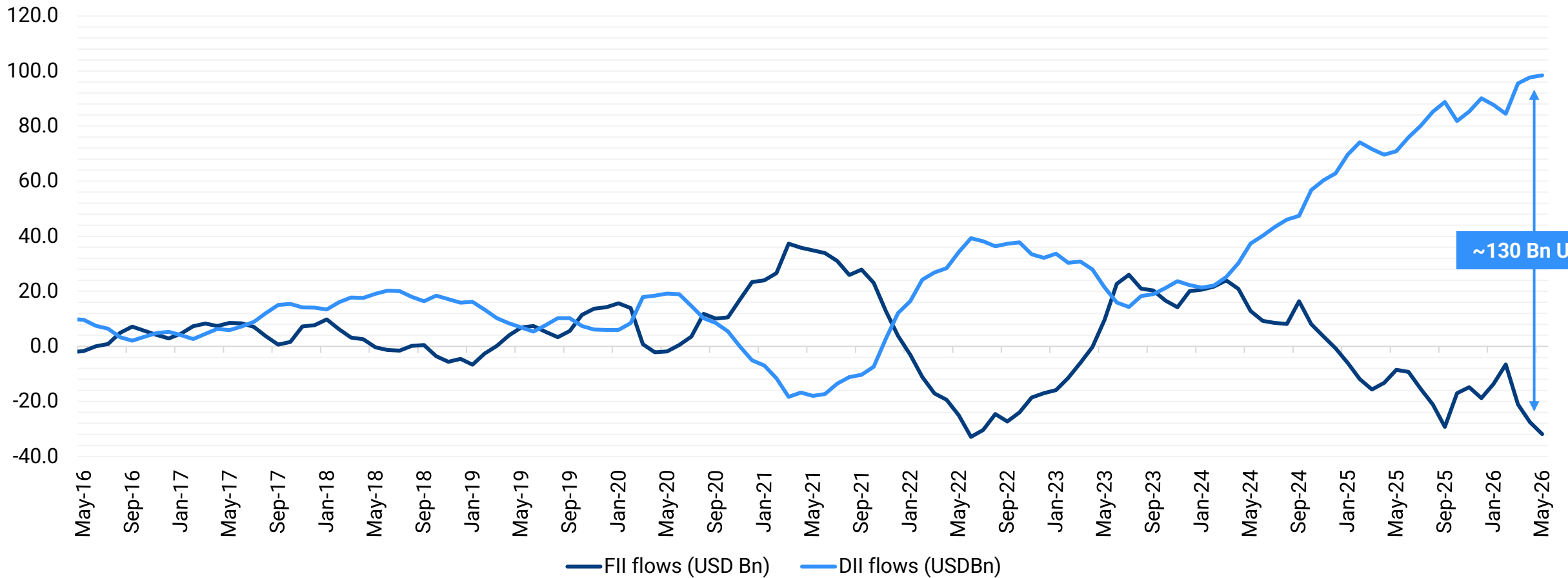
M-cap Contribution (%)



Trends in FII & DII flows

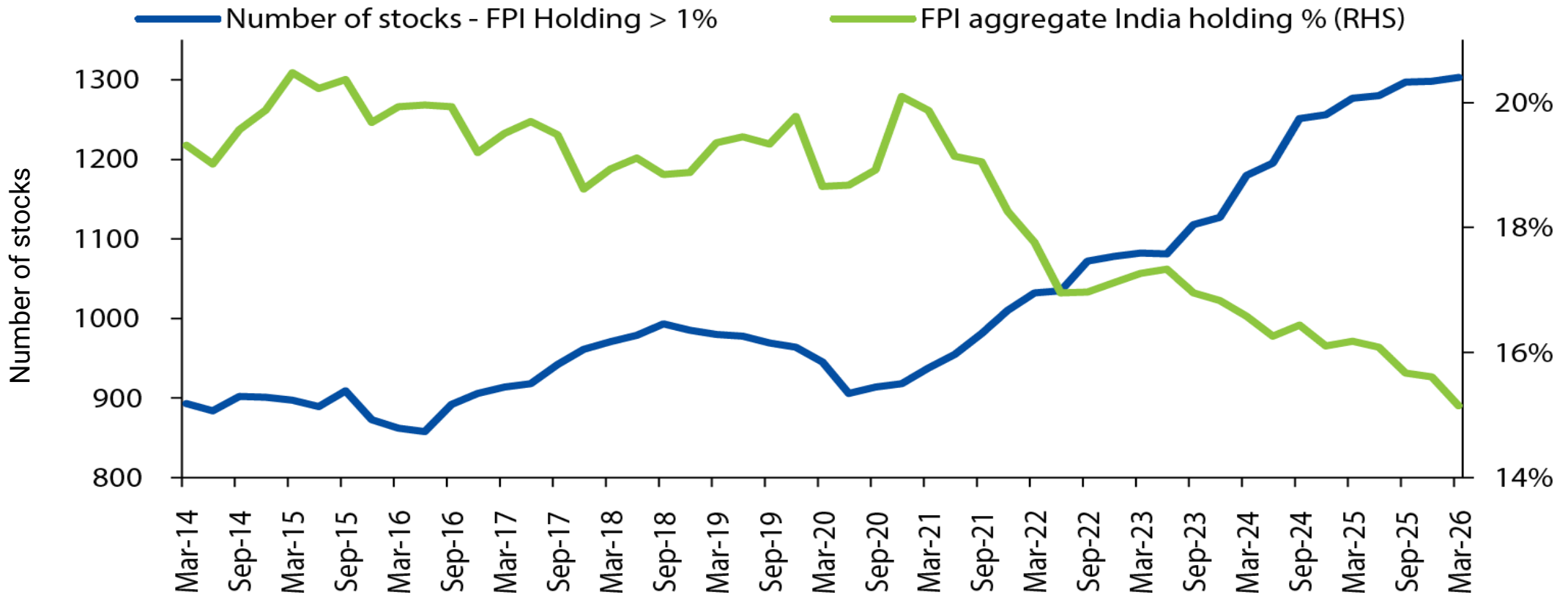
Tug of war between FIIs & DIIs has been the story of Indian markets

Trailing 12m cumulative flows



FPIs reduce equity ownership, but expand their stock presence

While overall FPI ownership has declined, their participation has broadened across a larger number of stocks



FPI Flows (USD Mn)

Months	India - DIIs	India - FIIs	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*	41,364	(25,920)	7,764	(3,155)	(578)	(222)	(64,319)	(2,104)	671	(2,401)
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	8,652	(4,909)	(2,990)	(217)	(945)	(150)	(27,904)	8,385	110	(721)

- * In India, strong DII inflows of ~USD 41,300 mn in CY26TD have more than offset FII outflows of ~USD 25,900 mn, supporting domestic equities
- * Across emerging markets, FPI outflows have been broad-based in 2026TD, with **South Korea** and **India** seeing the largest **outflows**
- * **Brazil** and **Thailand** remain the only EMs with positive flows, although Brazil's momentum has moderated in recent months, with May'26 turning negative versus earlier highs

Trends in the Commodity market

	Current Rate	1M	3M	6M	1Y	CYTD*
Gold (USD/oz)	4,540	-1.7%	-14.0%	7.1%	38.0%	5.1%
Silver (USD/oz)	75	2.1%	-19.7%	33.3%	128.3%	5.1%
Brent Crude (USD/bbl)	92	-19.3%	27.0%	45.6%	43.5%	51.3%
Aluminium (USD/ton)	3,768	6.7%	20.5%	32.6%	54.5%	26.9%
Copper (USD/ton)	13,600	5.3%	2.3%	21.1%	42.4%	9.2%
Lead (USD/ton)	2,008	3.4%	4.7%	3.6%	3.8%	2.0%
Zinc (USD/ton)	3,518	4.7%	6.7%	7.3%	35.5%	14.2%

Key Highlights

- * Gold and silver have remained in a corrective phase since Feb'26, while crude oil corrected sharply in May'26 after a strong run
- * Despite the recent correction in crude, supply-side constraints and geopolitical risks have kept crude prices elevated over the past year
- * Base metals such as copper, zinc, and aluminum posted modest single-digit gains over the past month

Trends in the Forex market

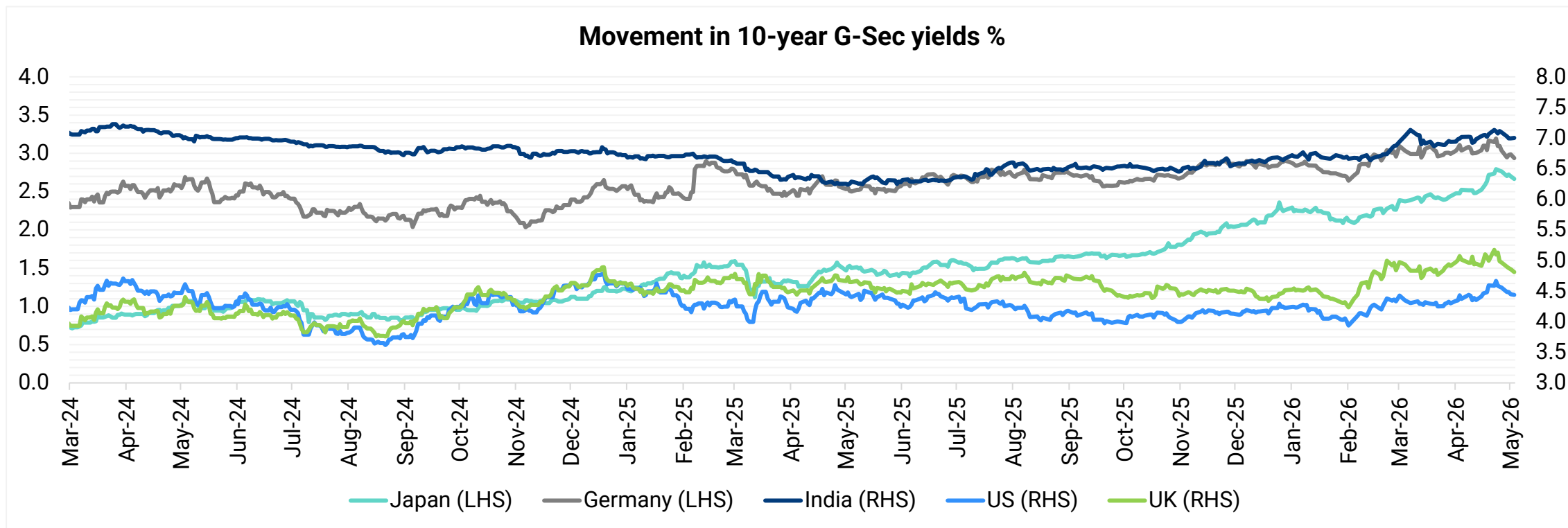
Performance of currencies against the USD

	Currency Rate	1M	3M	6M	1Y	CYTD*
INR	95.00	-0.09%	-4.24%	-5.84%	-9.92%	-5.73%
Euro	0.86	-0.61%	-1.30%	0.53%	2.75%	-0.74%
GBP	0.74	-1.09%	-0.19%	1.67%	-0.02%	1.84%
JPY	159.27	-1.68%	-2.02%	-1.94%	-9.57%	-2.39%
CNY	6.77	0.93%	1.42%	4.55%	6.40%	3.29%
DXY	98.94	0.90%	1.37%	-0.52%	-0.39%	-0.47%
CAD	1.38	-1.53%	-1.10%	1.33%	-0.40%	1.48%
AUD	1.39	-0.22%	0.94%	9.69%	11.72%	9.80%
CHF	0.78	0.05%	-1.50%	2.93%	5.30%	3.03%

Key Highlights

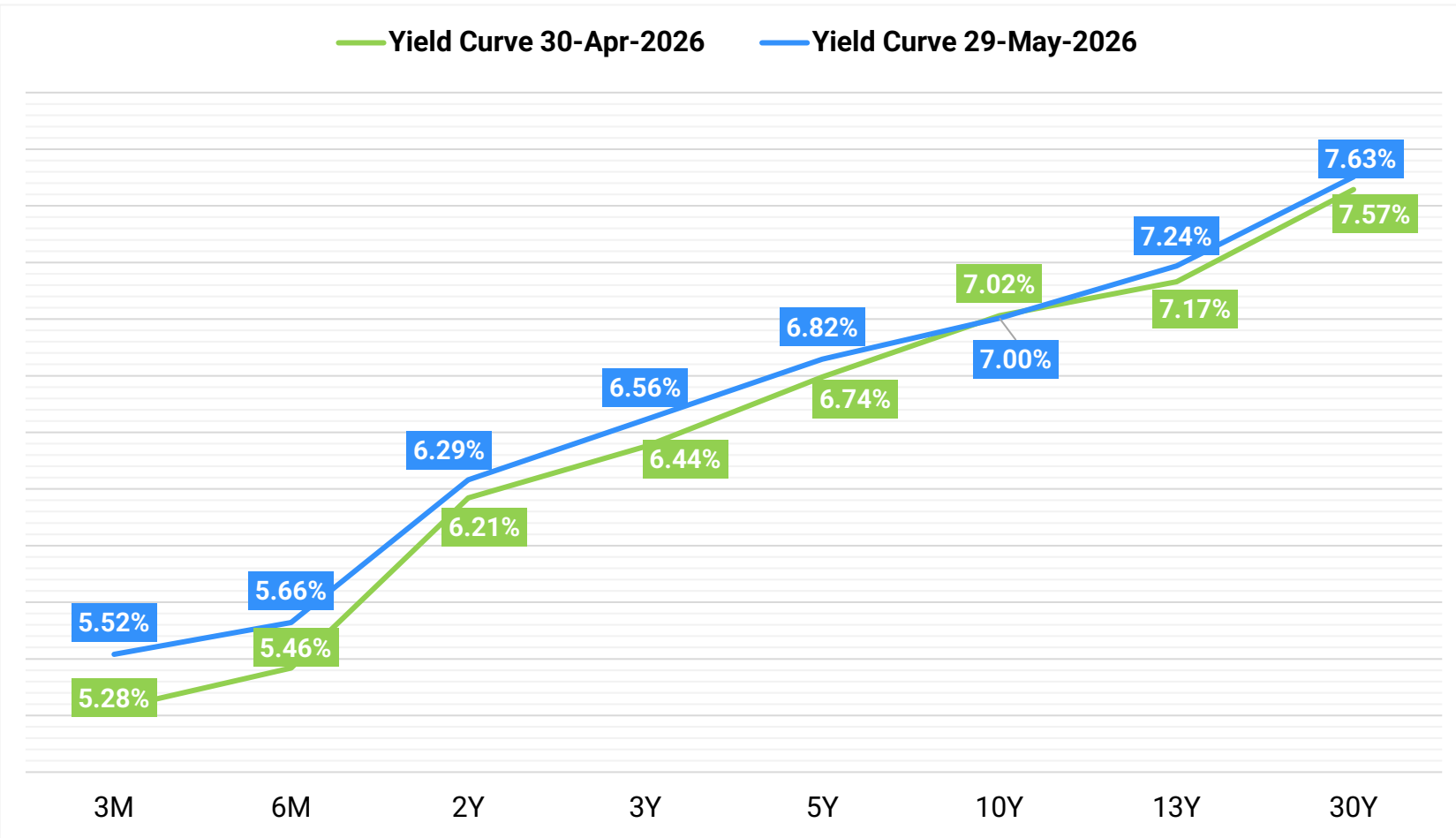
- * INR has remained on a depreciating trend over the past year, while the Australian Dollar has recorded the strongest appreciation
- * Over the past month, most currencies weakened against the USD, with CNY and CHF showing modest strength

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



	India	US	Japan	UK	Germany
Current YTM	7.00%	4.44%	2.67%	4.81%	2.94%
M-o-M (bps)	(1.10)	6.49	14.20	(20.00)	(9.90)
Q-o-Q (bps)	34.40	49.80	54.70	57.90	29.50
Y-o-Y (bps)	71.60	3.51	116.60	16.50	43.80

Tracking India's yield curve



Key Highlights

- * Bond yields rose across the curve in **May'26**, barring the **10Y segment**, increasing by **~6–24 bps**, with the sharper rise at the shorter end of the curve
- * Currency weakness and softer debt-market sentiment added pressure, leading to a spike in yields.

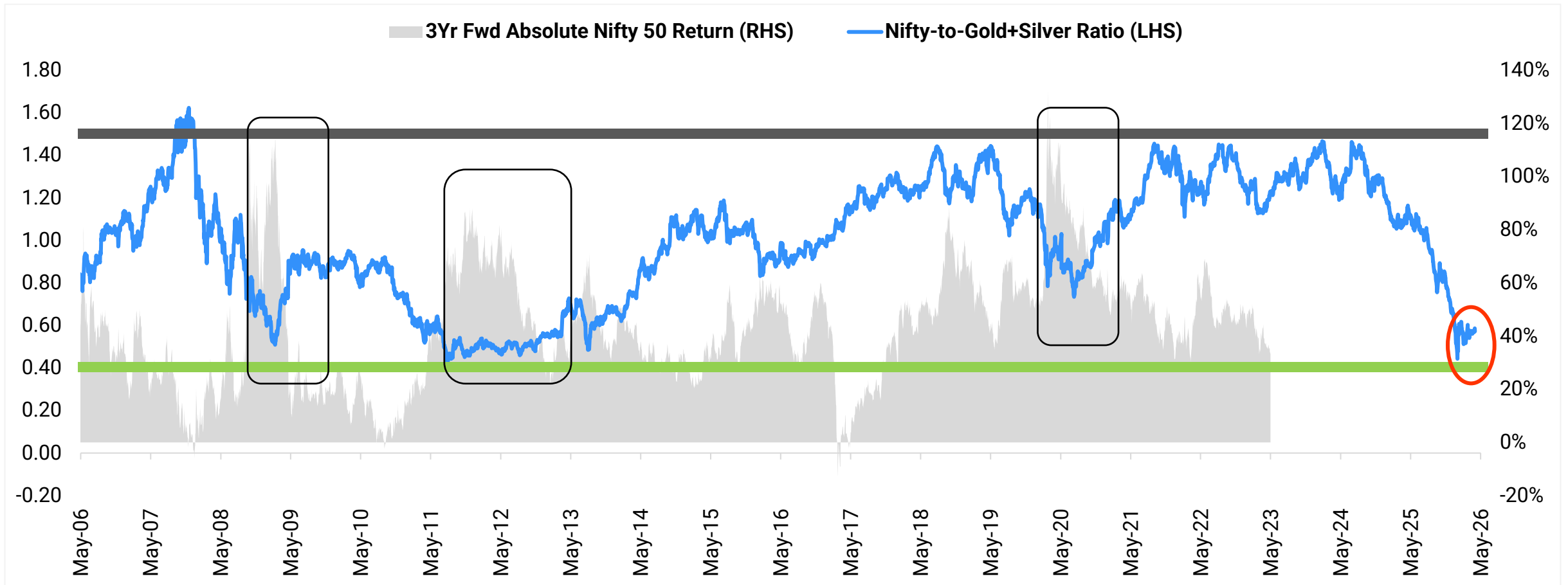
Asset class returns

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%	17.58%	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%	14.78%	Silver (Domestic Price)
7.39%	12.94%	21.83%	6.03%	21.75%	18.40%	4.38%	4.25%	15.37%	20.61%	32.51%	11.27%	US Equity
1.38%	11.96%	6.05%	5.91%	13.04%	17.89%	3.44%	3.59%	7.82%	17.57%	17.88%	1.41%	ST Bond
0.22%	11.35%	5.11%	-0.21%	10.72%	12.29%	1.35%	2.51%	7.73%	16.24%	7.76%	0.52%	Corporate Bond
-3.92%	9.85%	4.71%	-2.14%	10.46%	10.42%	-4.21%	0.46%	7.29%	9.57%	7.76%	-0.26%	G-Sec
-6.65%	5.12%	-0.05%	-4.38%	9.53%	9.26%	-8.20%	-12.55%	7.26%	8.95%	6.82%	-0.81%	China Equity
-9.68%	4.30%	-2.76%	-10.54%	8.97%	-0.29%	-11.83%	-18.11%	-10.46%	7.96%	6.37%	-4.83%	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

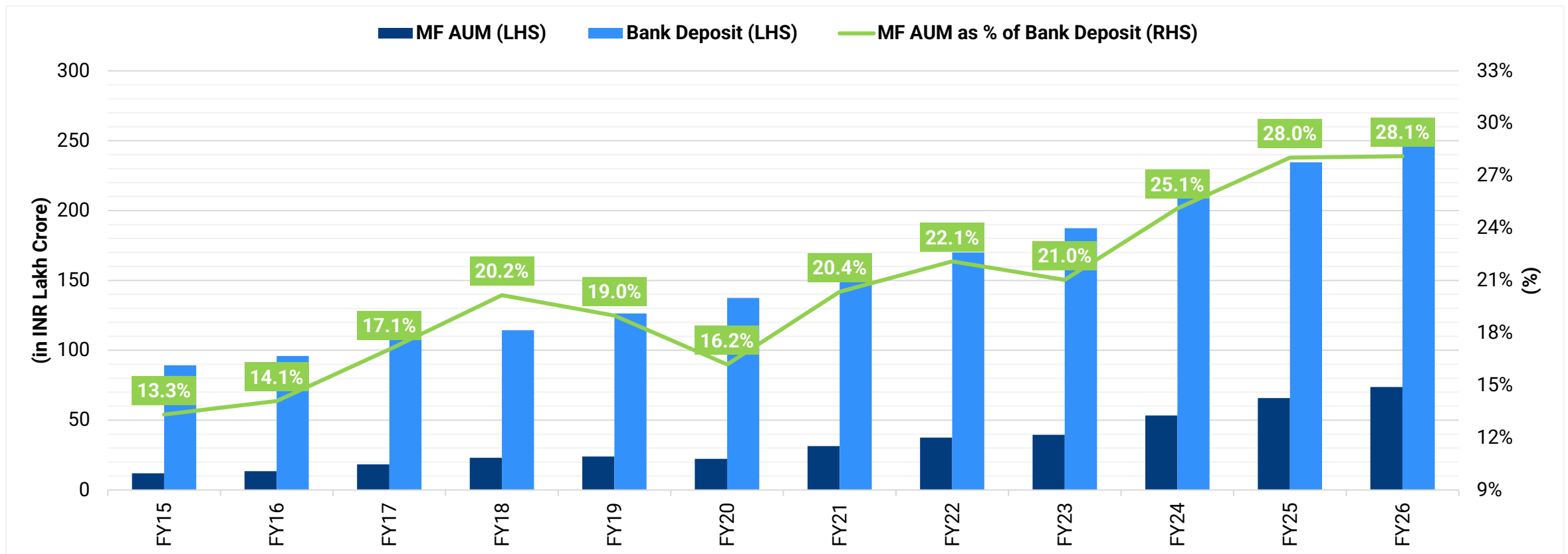
What looks attractive – Equities or precious metals?

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



Financialization of savings continues

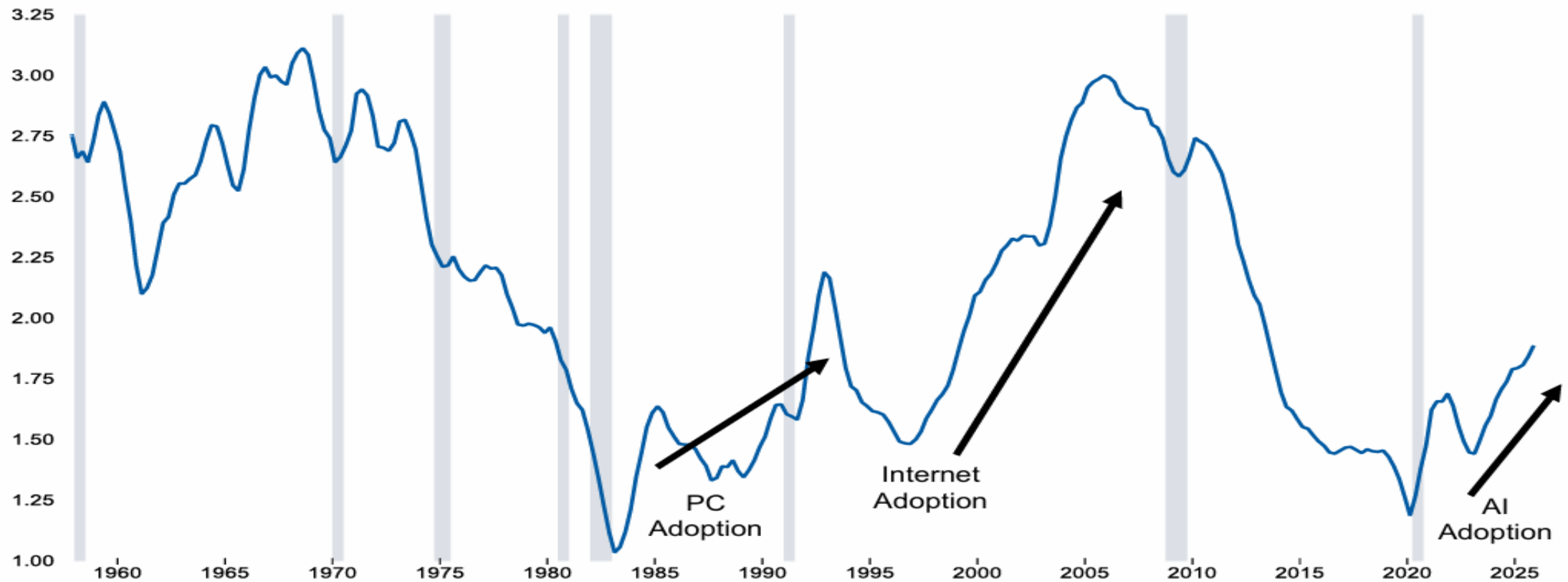
Despite strong growth, mutual fund assets remain meaningfully smaller than bank deposits, indicating substantial headroom for long-term penetration growth



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)



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



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	Apr-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	3.5
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	114.5
GST Collection (lakh 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	2.4
FX Reserve (\$ bn)	688	691	703	698	694	700	690	686	697	724	728	688	698
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	-28.3
Bank Credit %	10.3	9.0	9.5	10.0	10.0	10.4	11.3	11.5	14.5	14.6	15.4	16.1	16.0
Bank Deposit %	10.2	9.9	10.1	10.2	10.2	9.5	9.7	10.2	12.7	12.5	13.0	13.5	12.3
CD Ratio %	80%	79%	79%	79%	79%	80%	80%	81%	82%	82%	82%	81%	82%
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	54.7
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	58.8

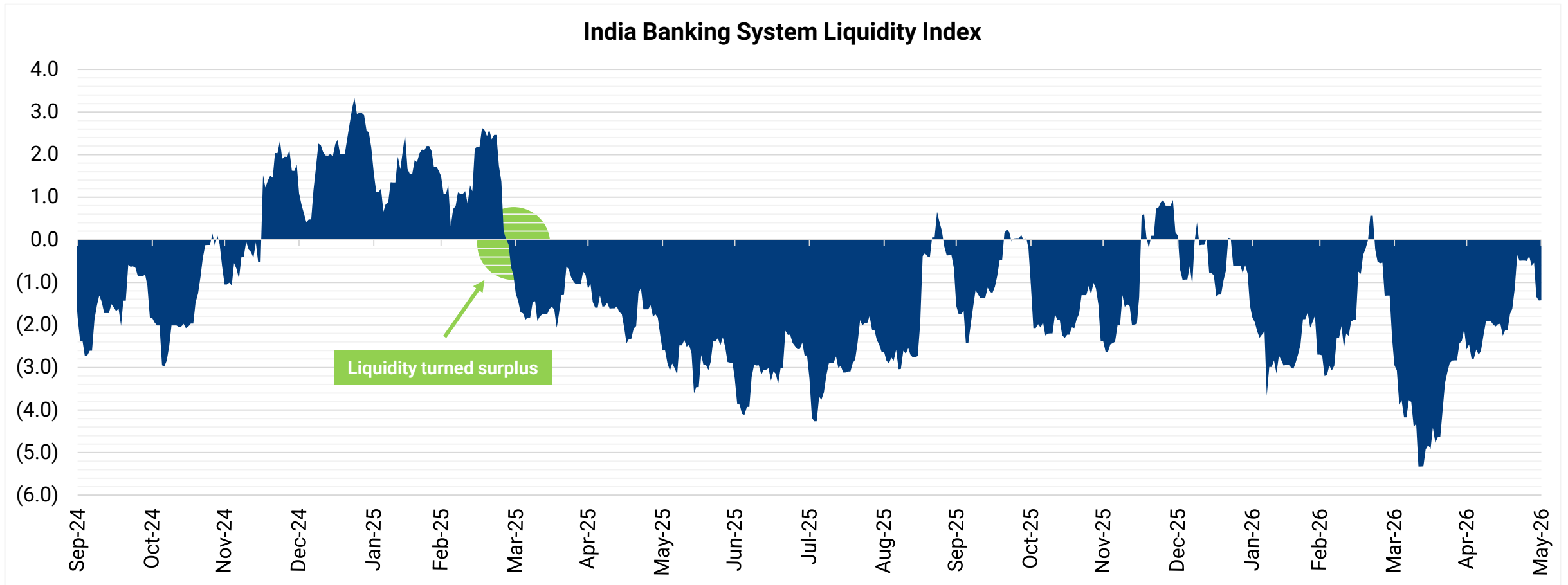
Indian debt market indicators

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

Broad Indices	29-May-2026	Week Ago	Month Ago	6M Ago	Year Ago
1 Year AAA Corporate Bond	7.80%	7.82%	7.55%	6.96%	6.92%
3 Year AAA Corporate Bond	7.66%	7.75%	7.44%	6.81%	6.79%
5 Year AAA Corporate Bond	7.55%	7.64%	7.48%	6.99%	6.85%
10 Year AAA Corporate Bond	7.74%	7.80%	7.71%	7.26%	6.99%
1 Year G-Sec	6.13%	6.16%	5.80%	5.60%	5.67%
3 Year G-Sec	6.59%	6.80%	6.45%	5.82%	5.73%
5 Year G-Sec	6.82%	6.94%	6.76%	6.22%	5.84%
10 Year G-Sec	7.01%	7.09%	6.99%	6.55%	6.18%

Banking system liquidity in surplus

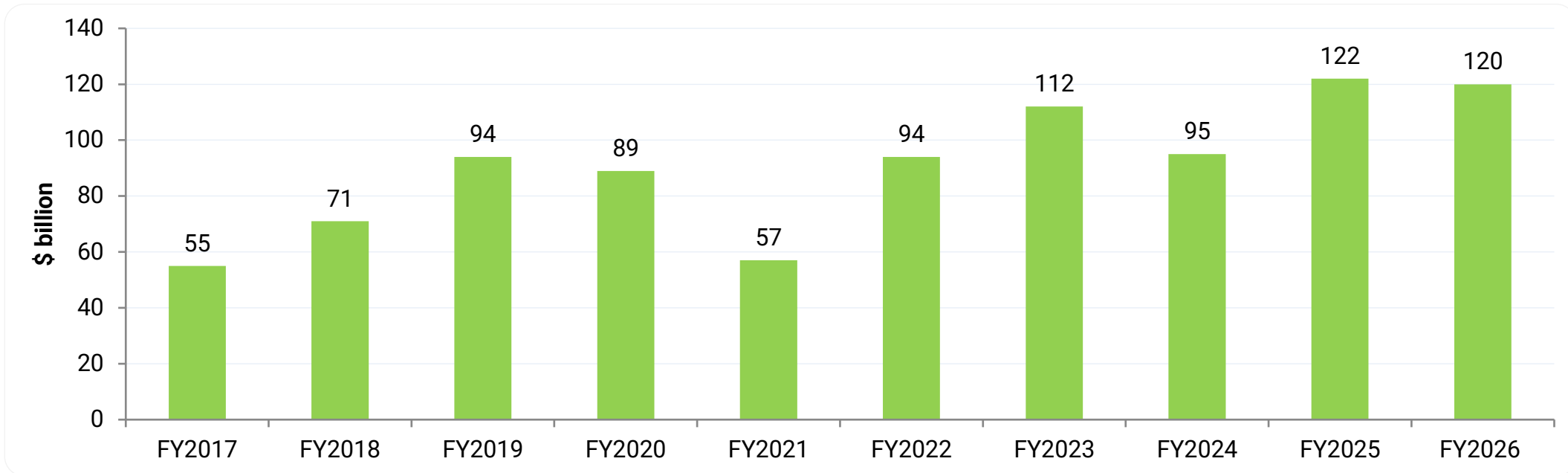
Banking system liquidity moderated in May'26 but is expected to improve, supported by the RBI dividend payout and incremental growth in forex reserves following the new measures by RBI



Trend of India's oil imports & its impact due to price change

USD 10/barrel rise in average Brent prices would lead to USD ~14.4bn rise in oil import bill

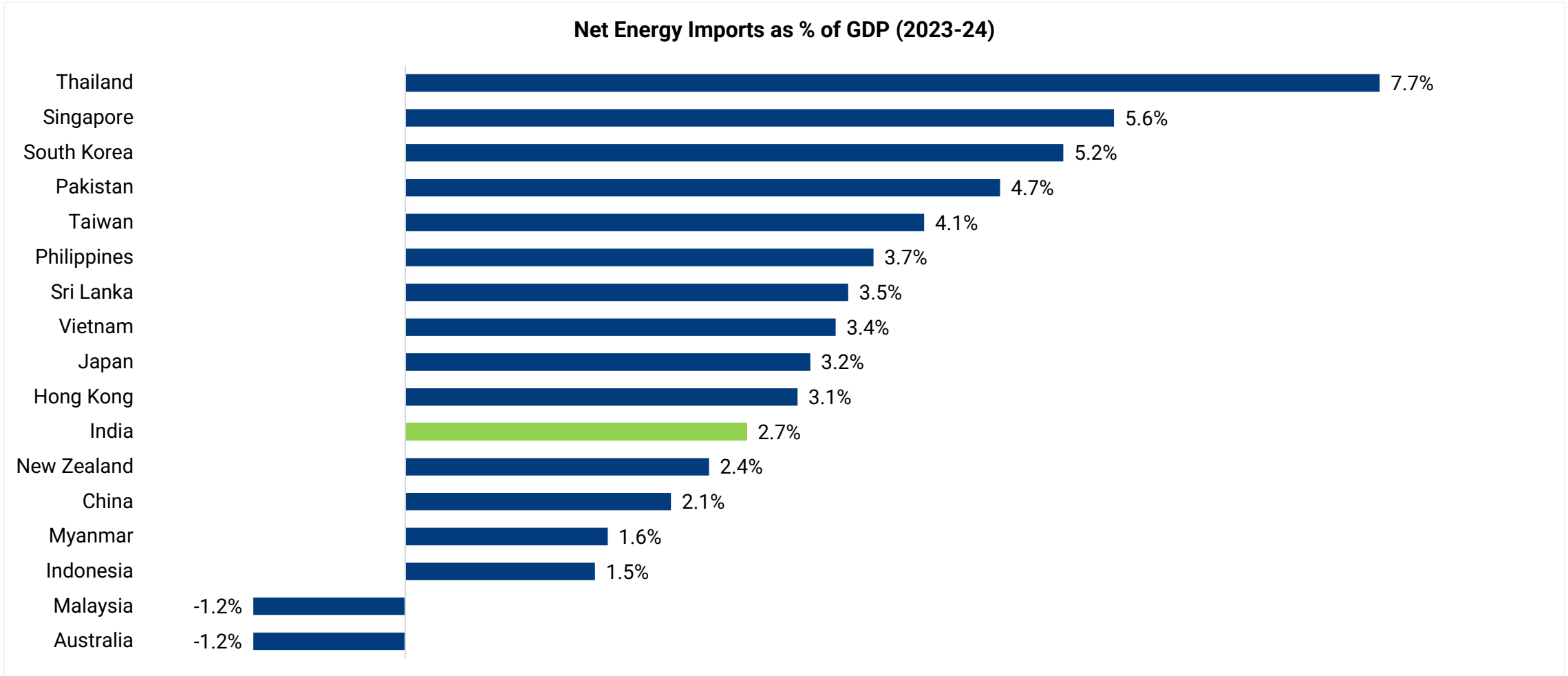
Trends in India's annual net oil imports (\$ billion)



Increase in oil prices changes India's external math

Crude oil price	USD 100/barrel (Base Case)	USD 130/barrel (Worst Case)
CAD as % of GDP	2.1%	3+%
Expected rise in oil import bill by	~USD 45Bn	~USD 86Bn

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)

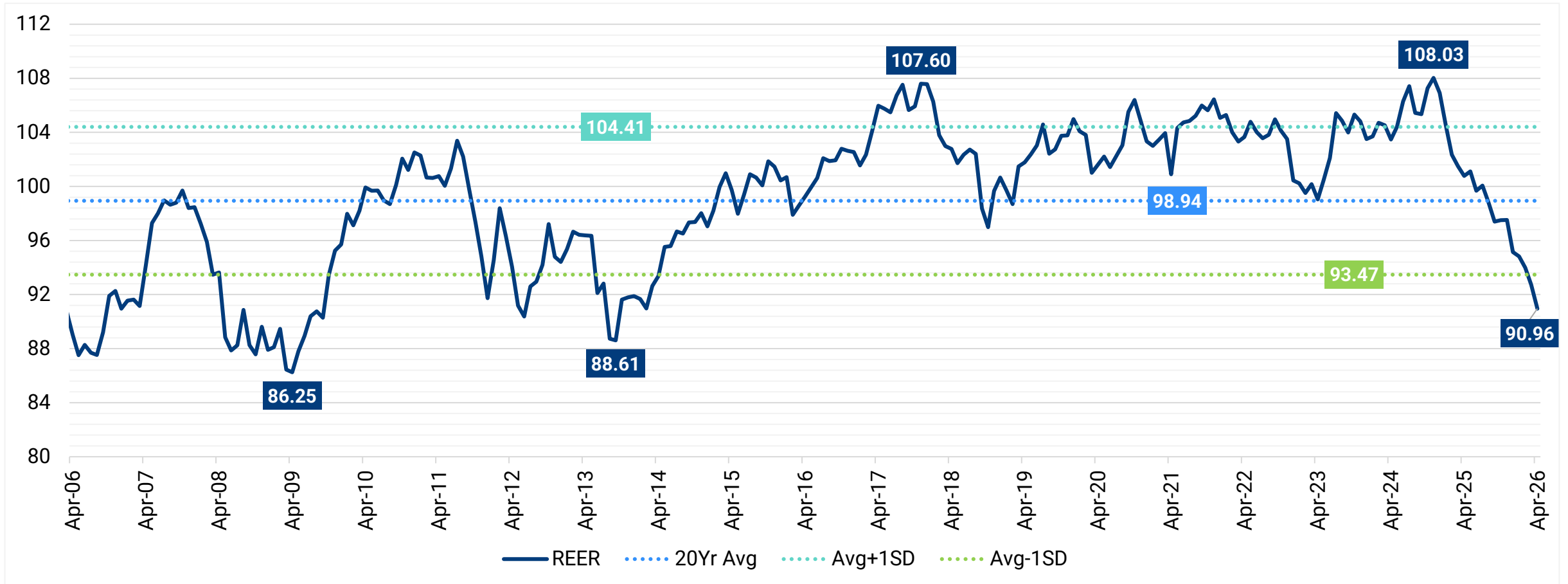
Oil & Gas crisis insulation factors (Higher the better)

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%

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



How does the macro backdrop stand compared to 2013?

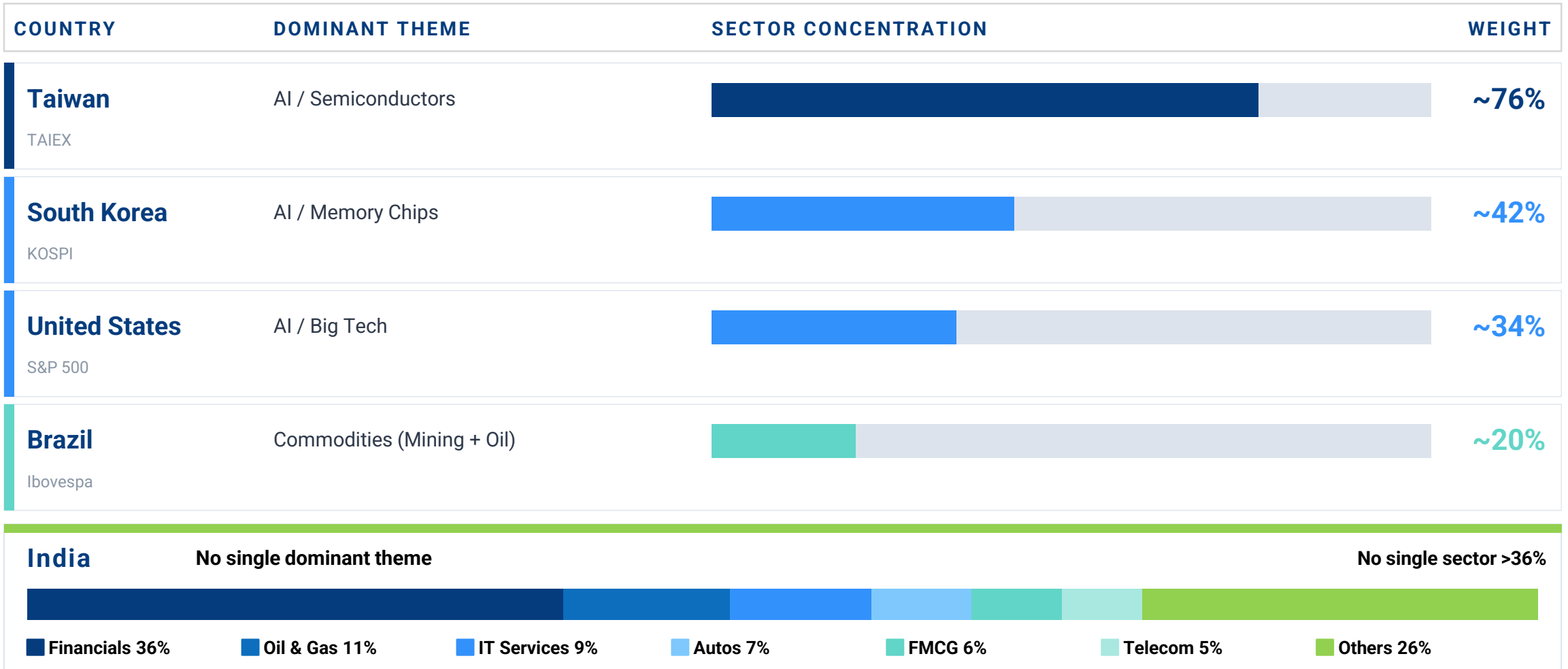
Category	Heads	2013 Taper Tantrum Period		Iran conflict period		Summary
		Pre-crisis year (FY2013)	Crisis year (FY2014)	Pre-crisis year (FY2026)	Crisis year (FY2027 forecast*)	
Growth-inflation dynamics	Real GDP growth (%)	5.5	6.4	7.5	6.6	Higher growth and lower inflation in recent years
	Headline inflation (%)	7.2	9.4	1.9	4.6	
	Core inflation (%)	8.8	7.2	4	4.4	
External sector	Current account balance (% of GDP)	-5	-1.8	-0.8	-2	Lower CAD but also very low capital account surplus in recent years
	Capital account balance (% of GDP)	5	2.7	0.1	0.8	
Currency	Spot FX reserves (months of import cover, EoP)	7	7.8	10.6	8.1	Better FX reserve cover but much higher net Forward short position. Lower nominal INR depreciation now but similar REER levels
	Spot + Forward FX reserves (months of import cover, EoP)	6.7	7	9	6.7	
	USDINR change, EoP (%)	6.7	10.6	9.4	1.6	
	Minimum intra-year point of RBI REER* (Index)	90.4	88.6	92.7	90.2	
Interest rates	Average real repo rate (%)	-1.7	0.5	1.8	1.2	Much higher real policy rates now and real IN-US bond yield differential. But lower nominal bond yield differential
	India-US nominal 10Y Sov Spread (bps)*	641	580	228	263	
	India-US real 10Y Sov Spread (bps)*	-159	-49	231	103	
Debt	Centre's fiscal balance (% of GDP)	-5.1	-4.6	-4.5	-4.4	Lower Centre fiscal deficit now, but higher state deficit and overall public debt
	Combined balance (% of GDP)	-7.1	-6.9	-7.6	-7.1	
	Total public debt (% of GDP)	68.6	69	84.8	82.8	
Private sector balance sheet	Non-fin corporate debt (% of GDP)	75	69	51.9		Much lower corporate debt and Bank NPAs now. But higher household debt
	Household debt (% of GDP)	36.5	35.9	45.5		
	Bank NPAs (%)	9	9.7	2.5		

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



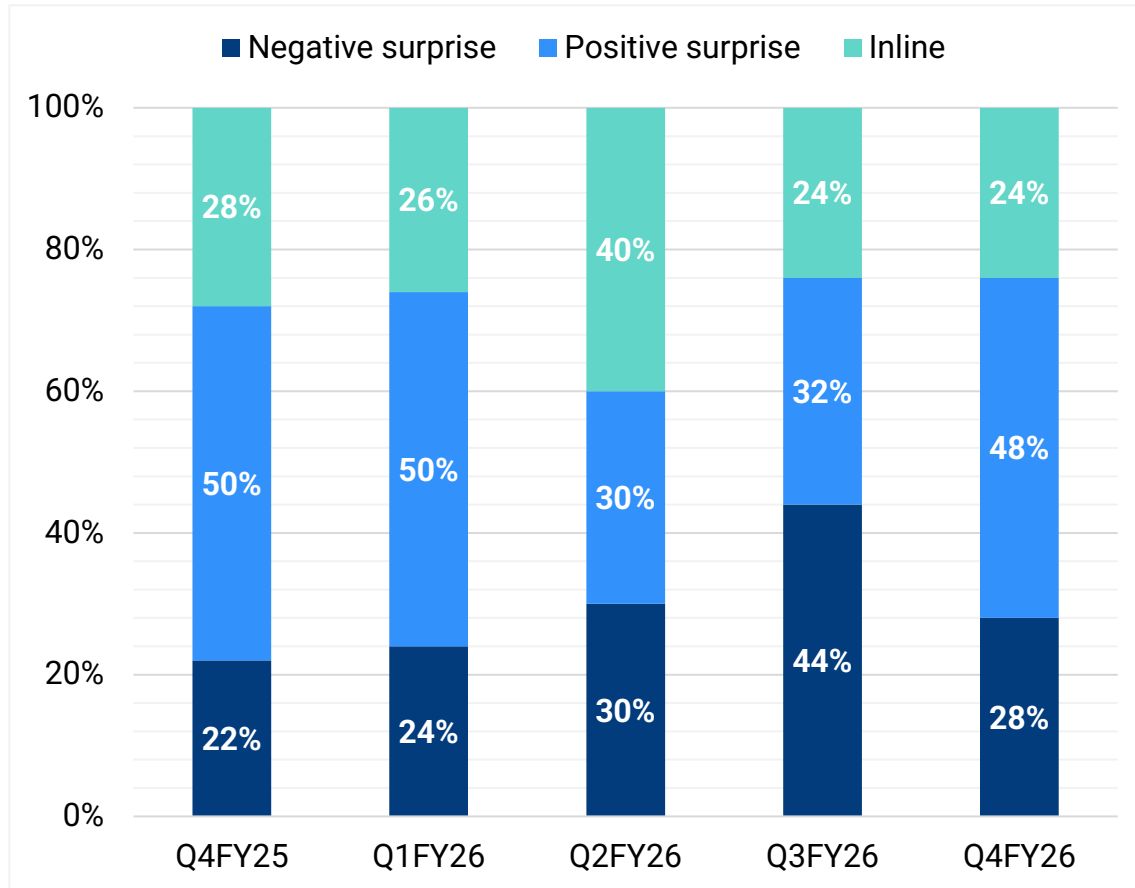
Every market is a bet on one theme except India

Global markets are increasingly rewarding concentration. India continues to reward breadth.



Q4 earnings growth remains steady despite macro pressures

Nifty earnings – Upbeat positive surprises in Q4FY26



Sector-wise earnings growth summary

Sector	Q4FY25	Q3FY26	Q4FY26
Communication Services	-	-35.90%	4.20%
Consumer Discretionary	-23.30%	-2.30%	17.90%
Consumer Staples	8.40%	13.70%	15.50%
Energy	2.60%	27.80%	23.80%
Financials	6.50%	11.30%	13.10%
Health Care	45.20%	11.40%	2.30%
Industrials	20.20%	24.10%	-8.90%
Information Technology	1.50%	7.10%	13.40%
Materials	22.90%	13.00%	23.10%
Real Estate	6.90%	14.00%	9.80%

Can markets defy currency weakness once again?

More often than not, markets have bounced back after periods of currency depreciation

CY	Min USDINR	Max USDINR	% INR Depreciation from the peak	1Y CAGR from lows* (Nifty 50 TRI)	3Y CAGR from lows* (Nifty 50 TRI)	5Y CAGR from lows* (Nifty 50 TRI)
2008	39.27	50.29	21.92%	93.14%	23.92%	19.55%
2009	46.09	51.97	11.31%	95.71%	28.21%	20.21%
2011	44.08	53.72	17.95%	24.47%	21.45%	12.91%
2012	48.7	57.16	14.80%	11.45%	18.93%	14.72%
2013	53.14	68.83	22.80%	52.42%	18.91%	18.78%
2018	63.37	74.39	14.81%	11.25%	21.63%	14.98%
2022	73.89	83.02	11.00%	13.20%	14.97%	?
2026^	89.89	96.83	7.17%	?	?	?

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

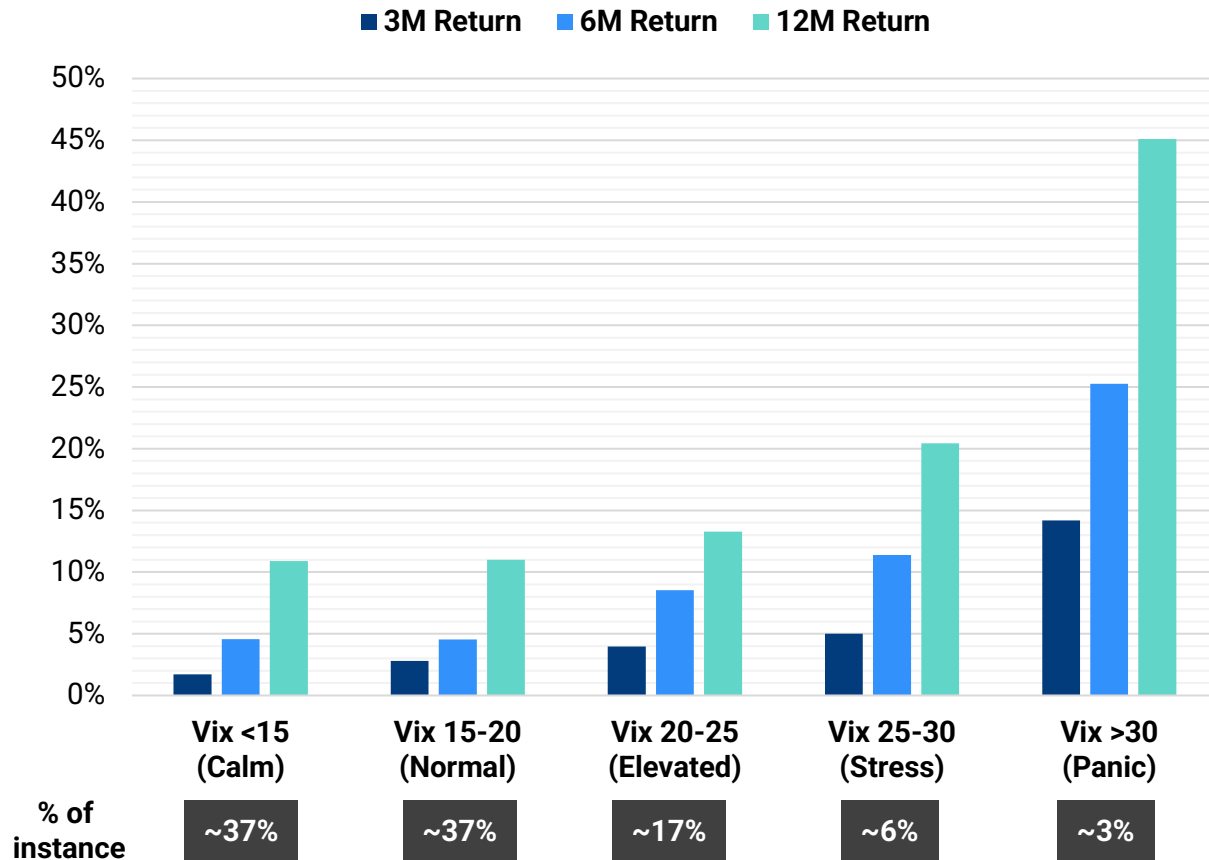
Bull Market Period	Nifty 500 TRI	#1 Sector	#1 Return %	Returns over Nifty 500	#2 Sector	#2 Return %	Returns over Nifty 500
Apr 05 – Jan 08	241%	Infrastructure	390%	1.62x	Commodity	296%	1.23x
Mar 09 – Nov 10	170%	Bank	308%	1.82x	Auto	284%	1.68x
Sep 13 – Mar 15	82%	Transportation	142%	1.73x	Bank	133%	1.63x
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

Source: AceMF, Internal Analysis | Data considered from 2005 to 2026 | Periods are illustrative. Returns are absolute, based on peak-to-trough movements for each phase. Sector returns are calculated using TRI | Past performance may or may be sustained in the future.

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?

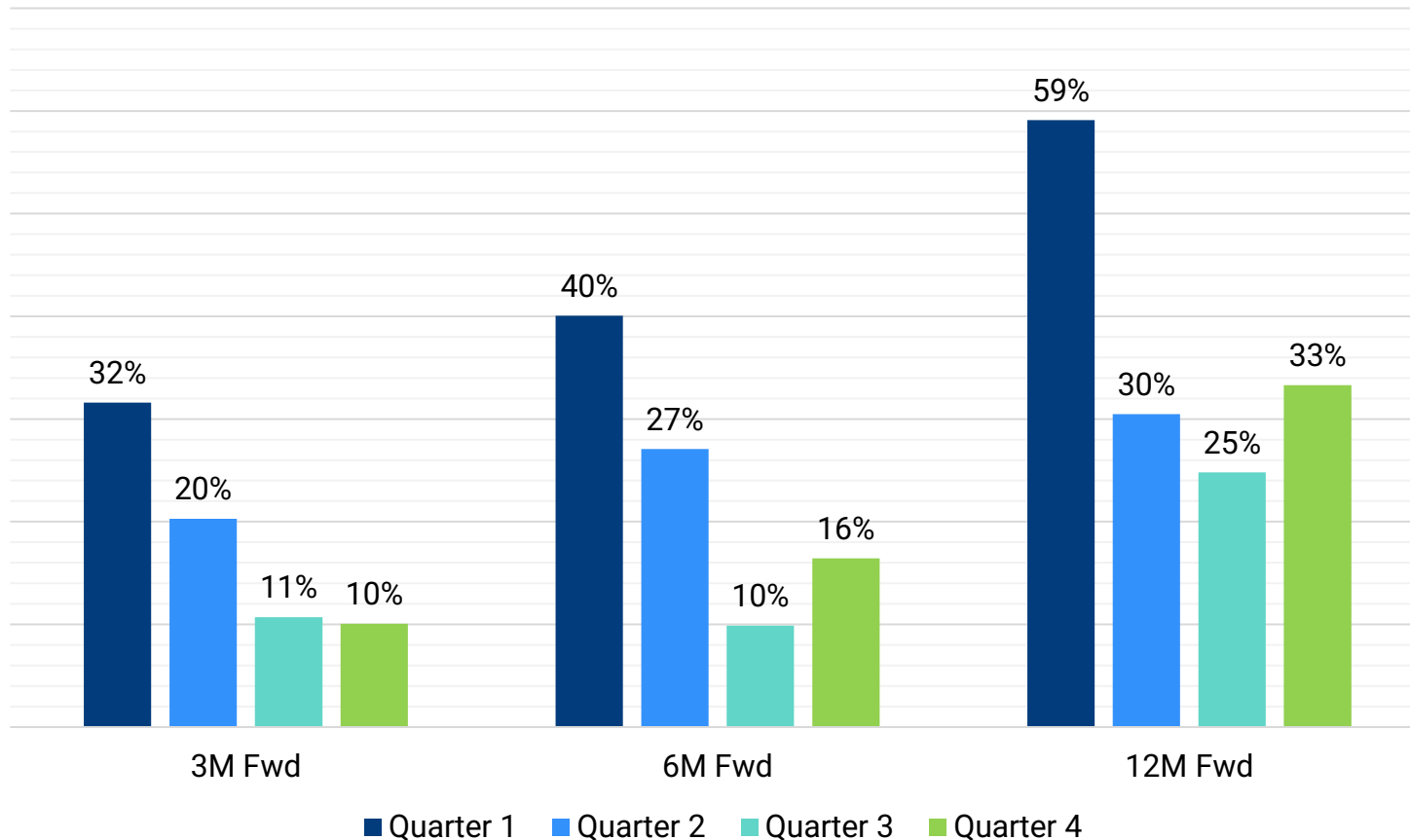
- India VIX traded in the stress zone of ~25–28 range from 27 March to 06 April 2026
- ***Whether history repeats itself from here will be worth tracking***

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



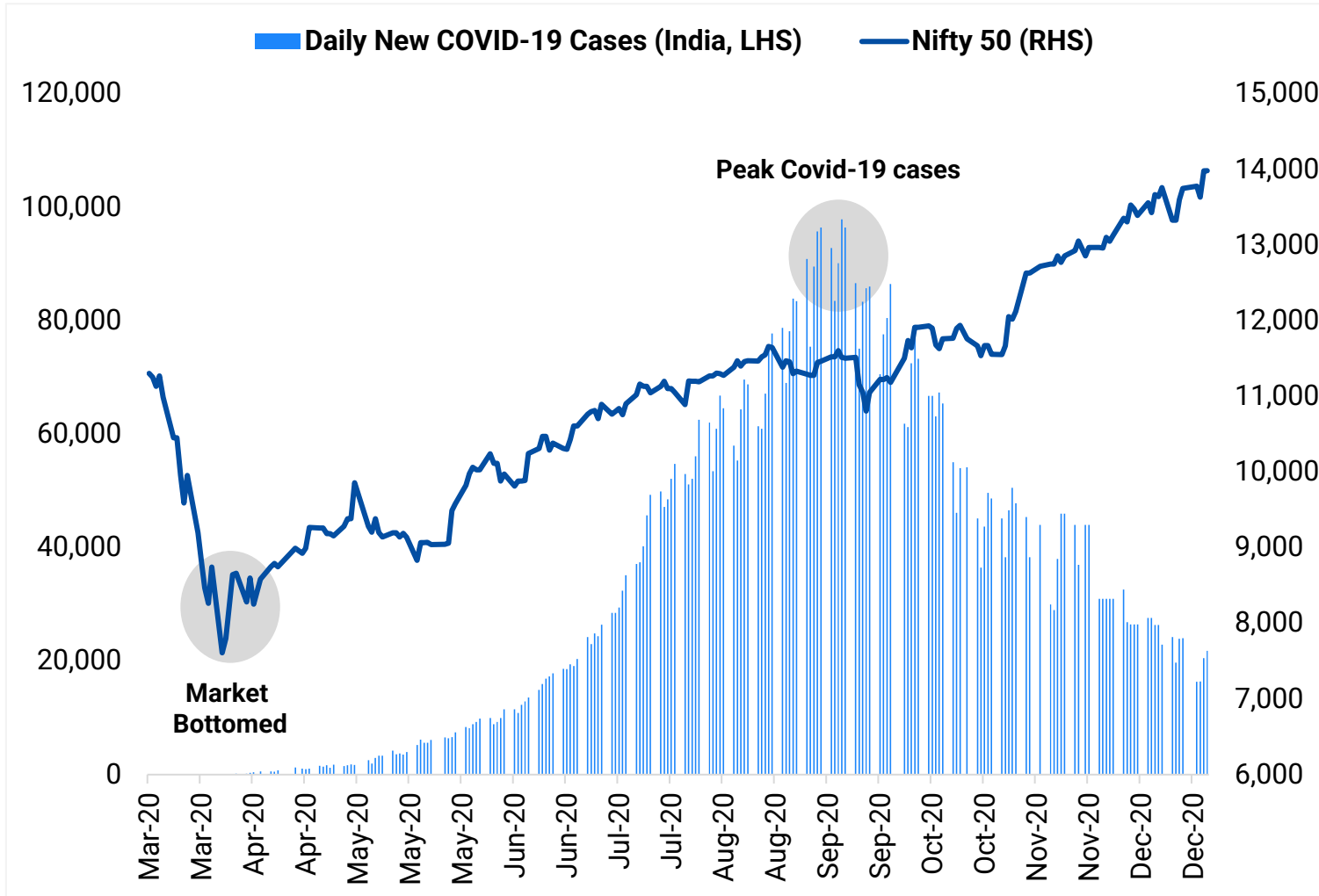
Key Highlights

- * 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

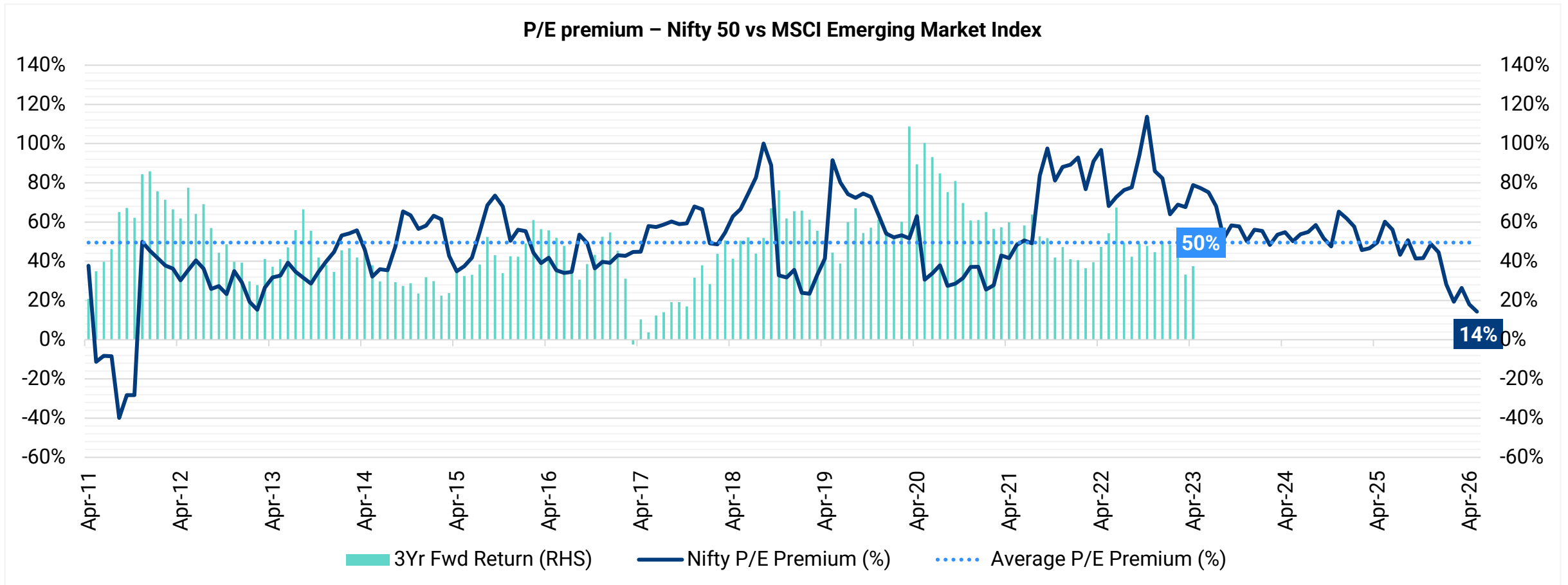


Key Highlights

- * 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.

Premium drops, opportunity pops in Indian equities

With the Nifty 50 premium to MSCI EM moderating from its historical average of ~50% to ~14%, historical trends suggest a more 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 is now at discount of 5% vs 15Y mean of 17% premium

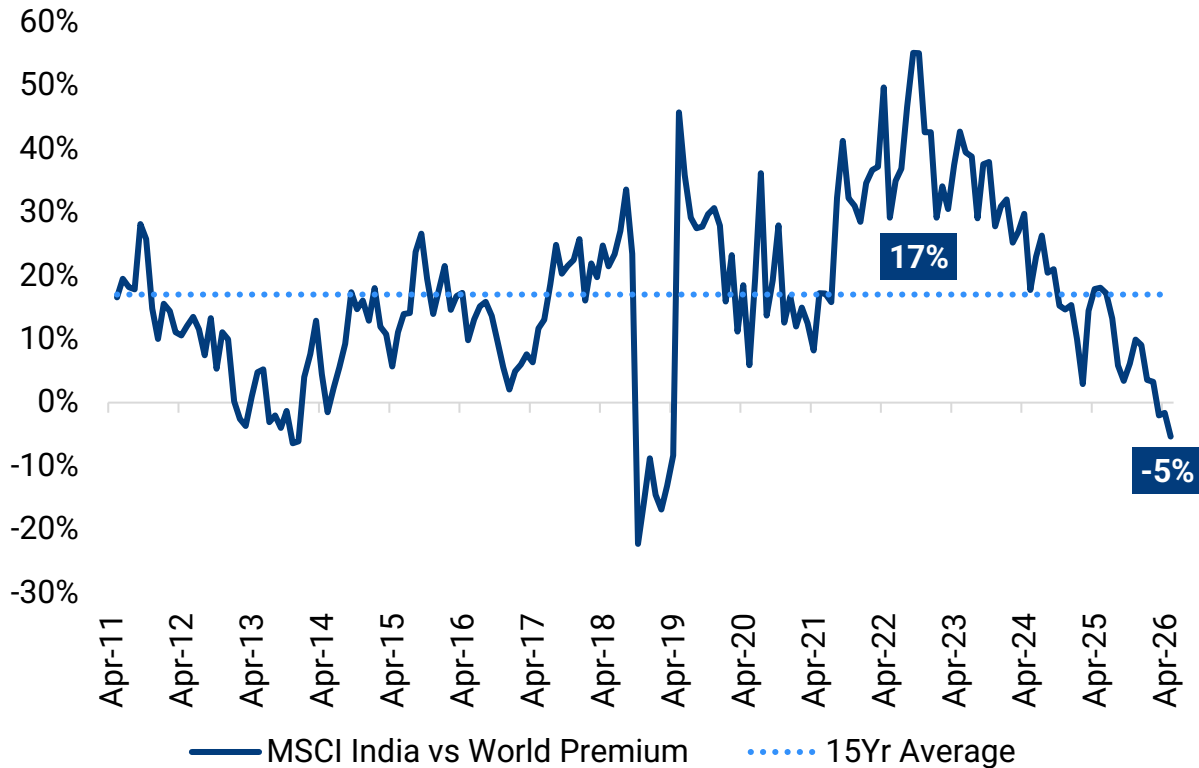
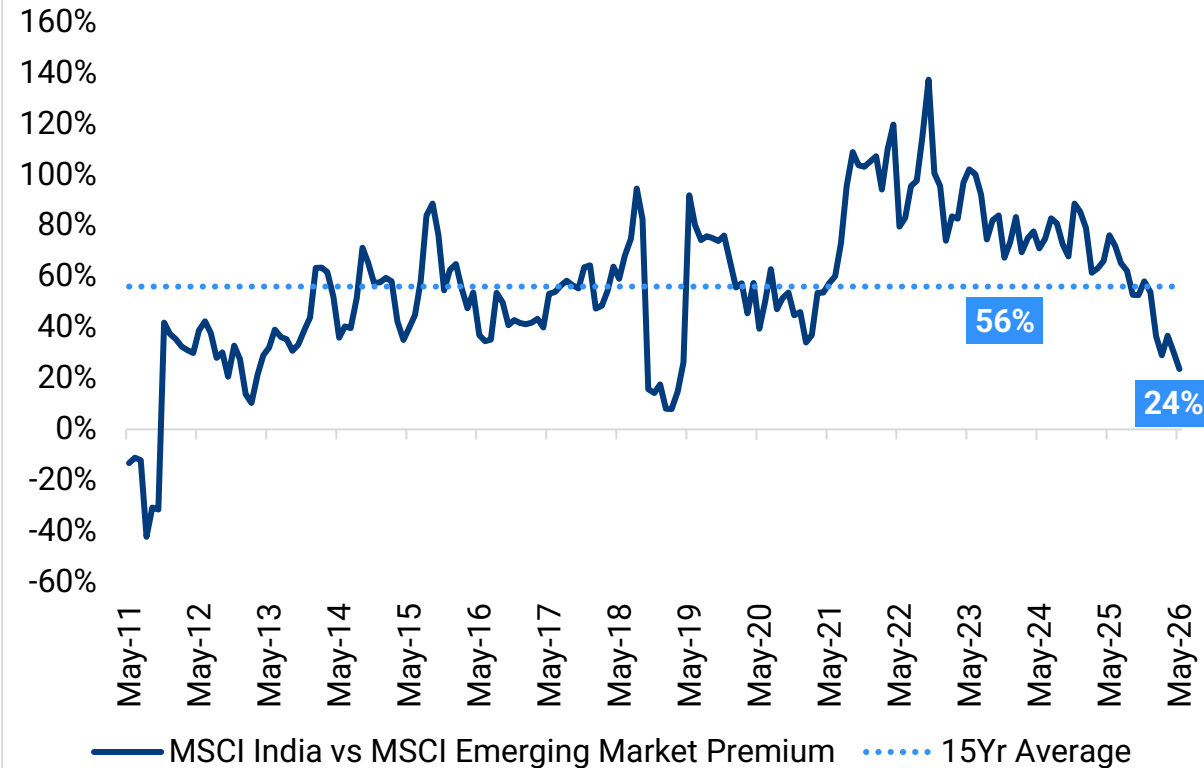


Chart 2: MSCI India vs MSCI EMs P/E Premium stands at 24% vs 15Y average of 56%



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

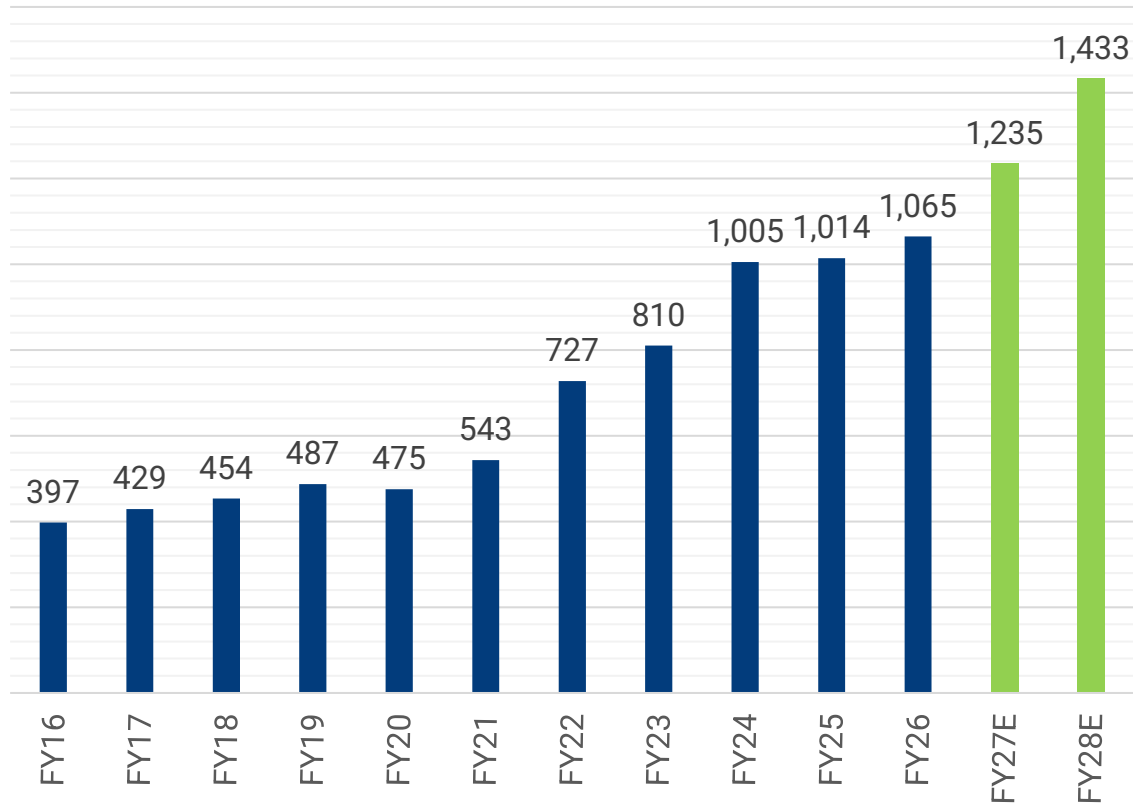
~16% discount

~12% discount¹

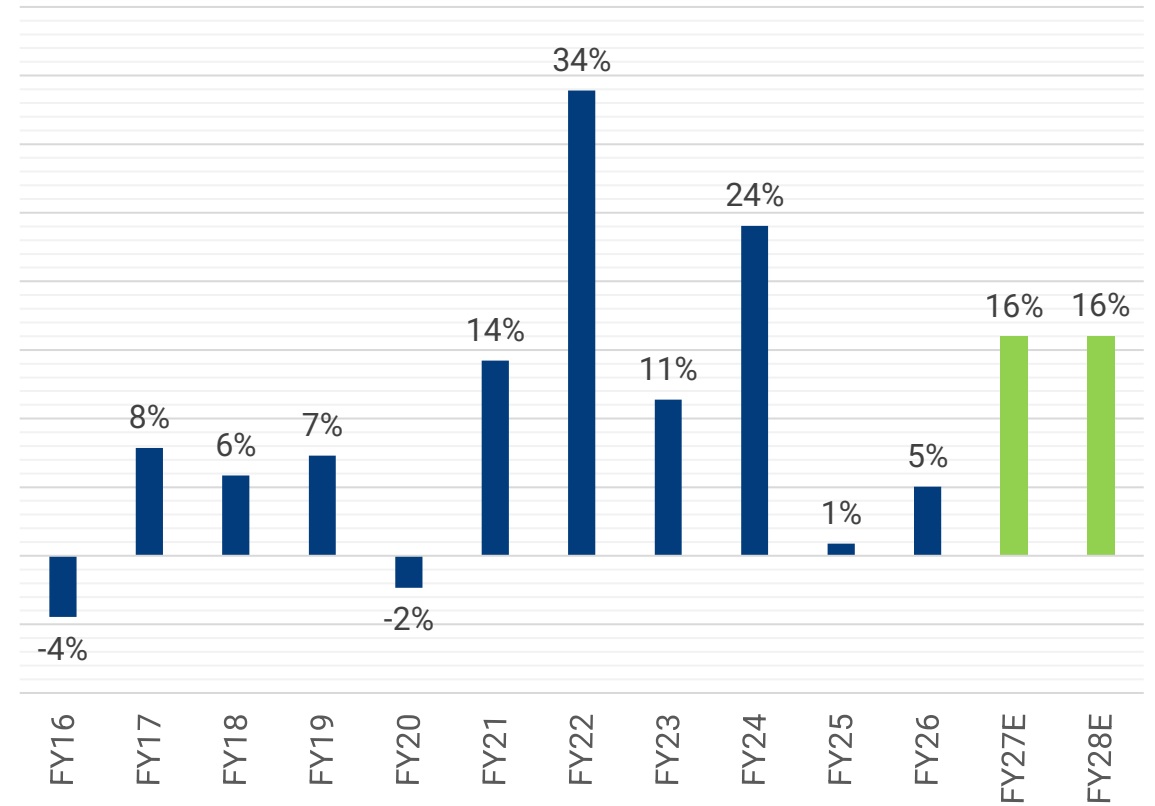
~4% discount¹

Earnings growth

Nifty50 EPS (₹)

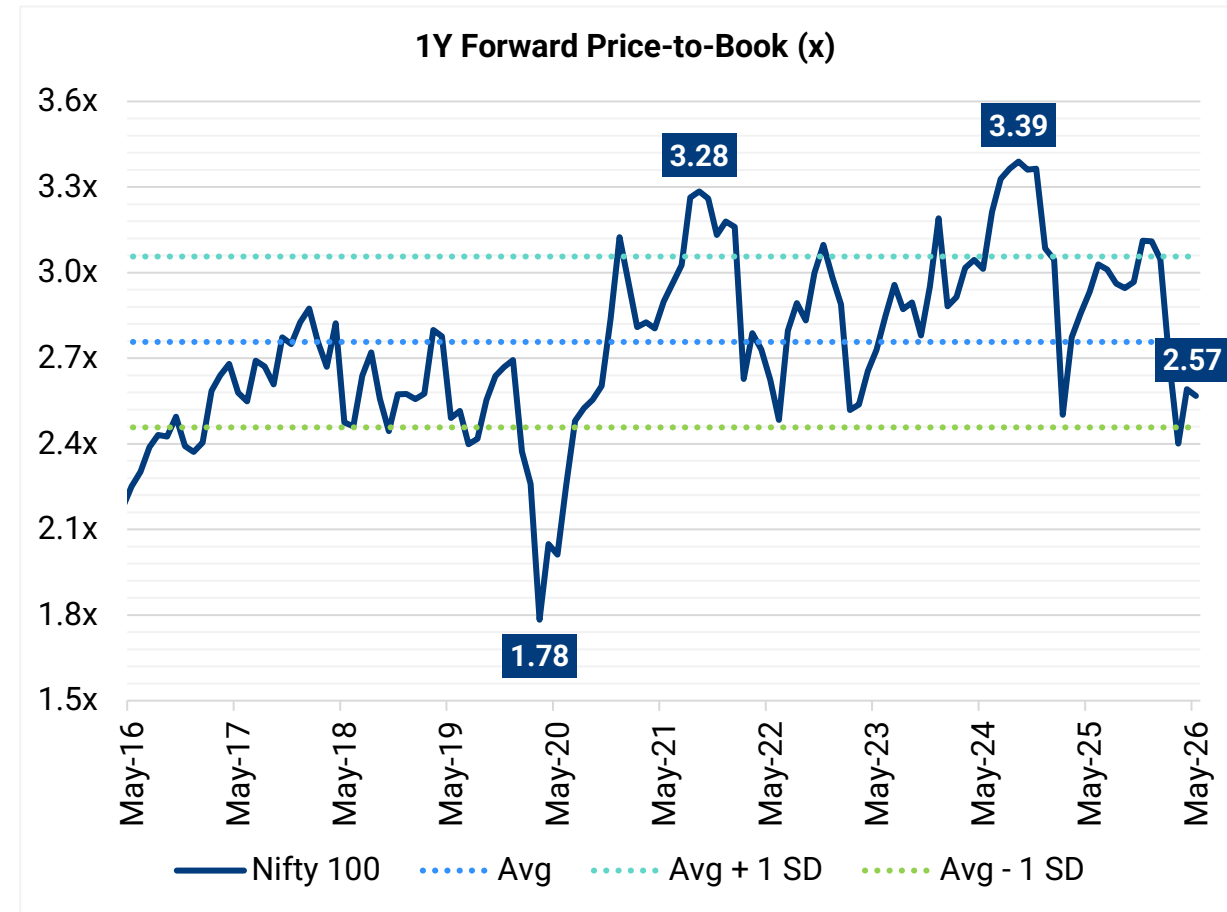
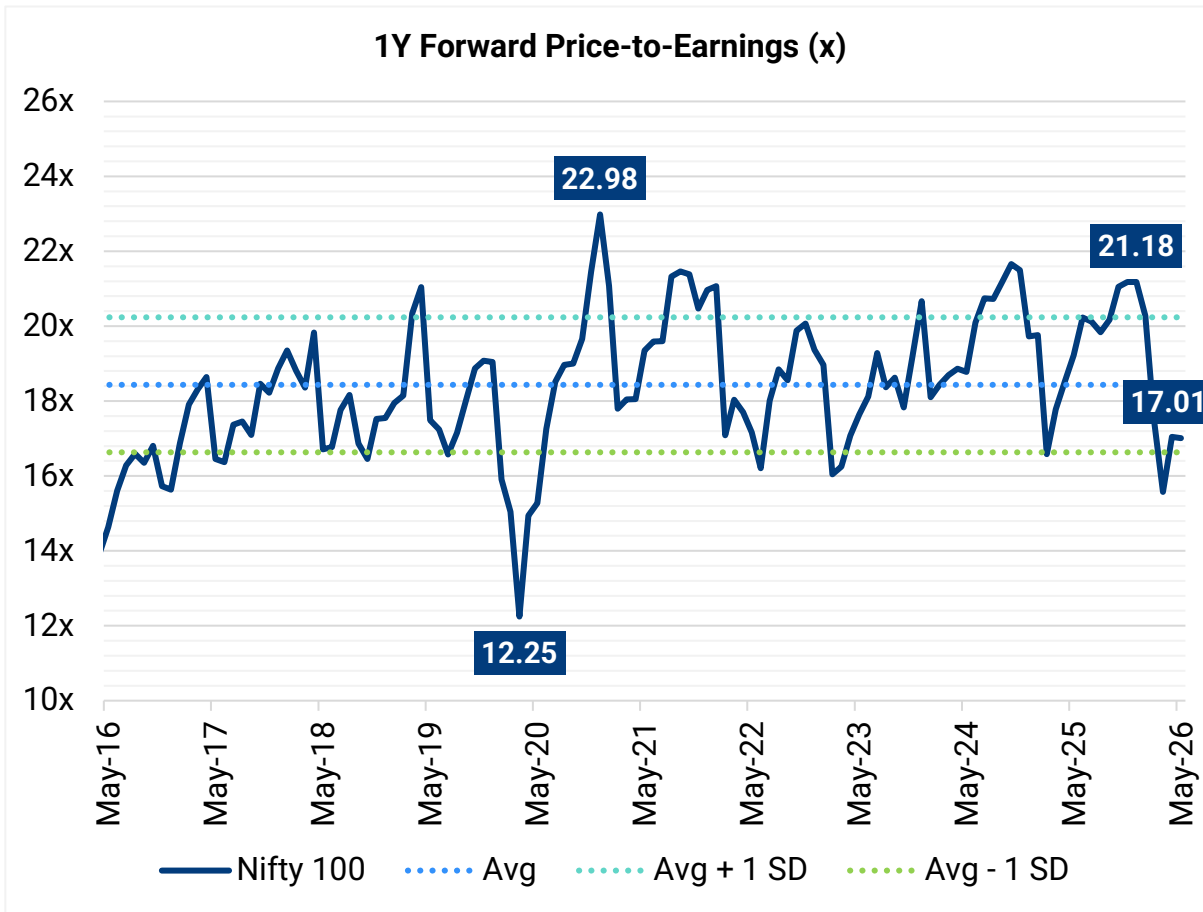


Nifty50 EPS Growth (%)



Valuations – Large Cap

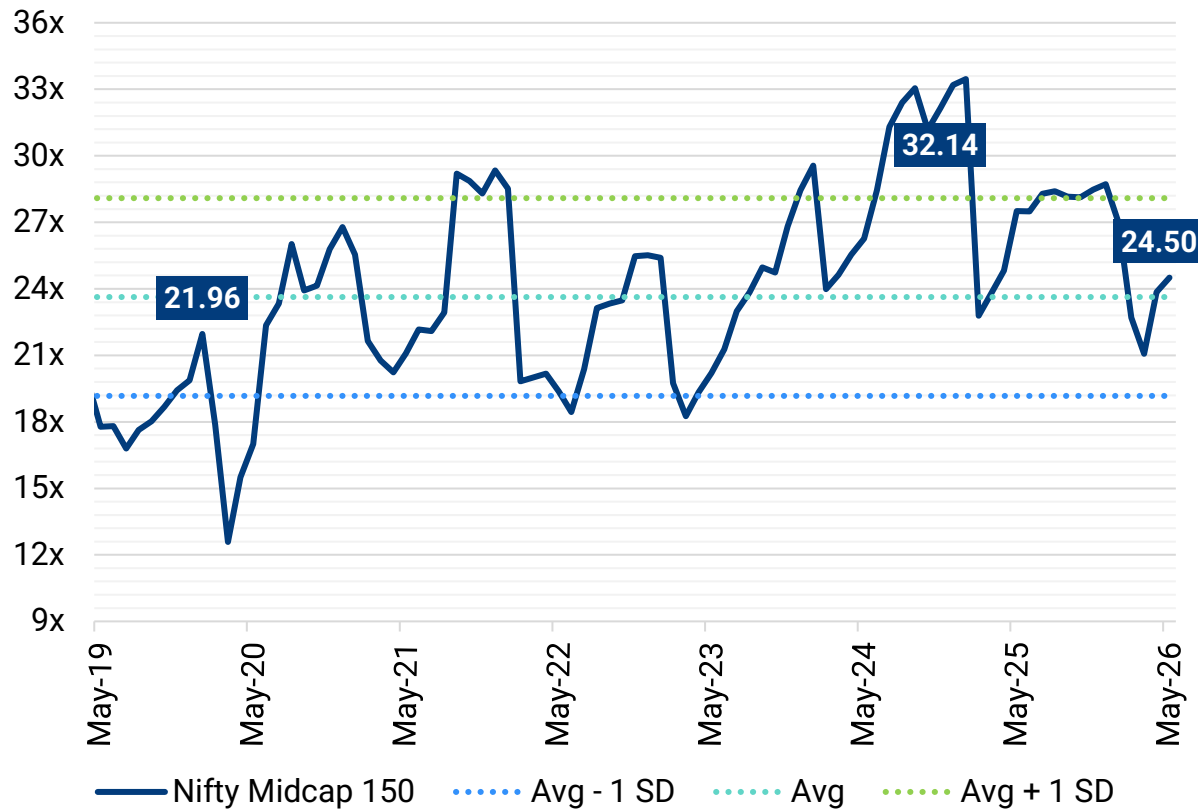
Large-cap valuations have corrected from its peak and currently stand below its 10-year average, pointing to relatively reasonable undervaluation



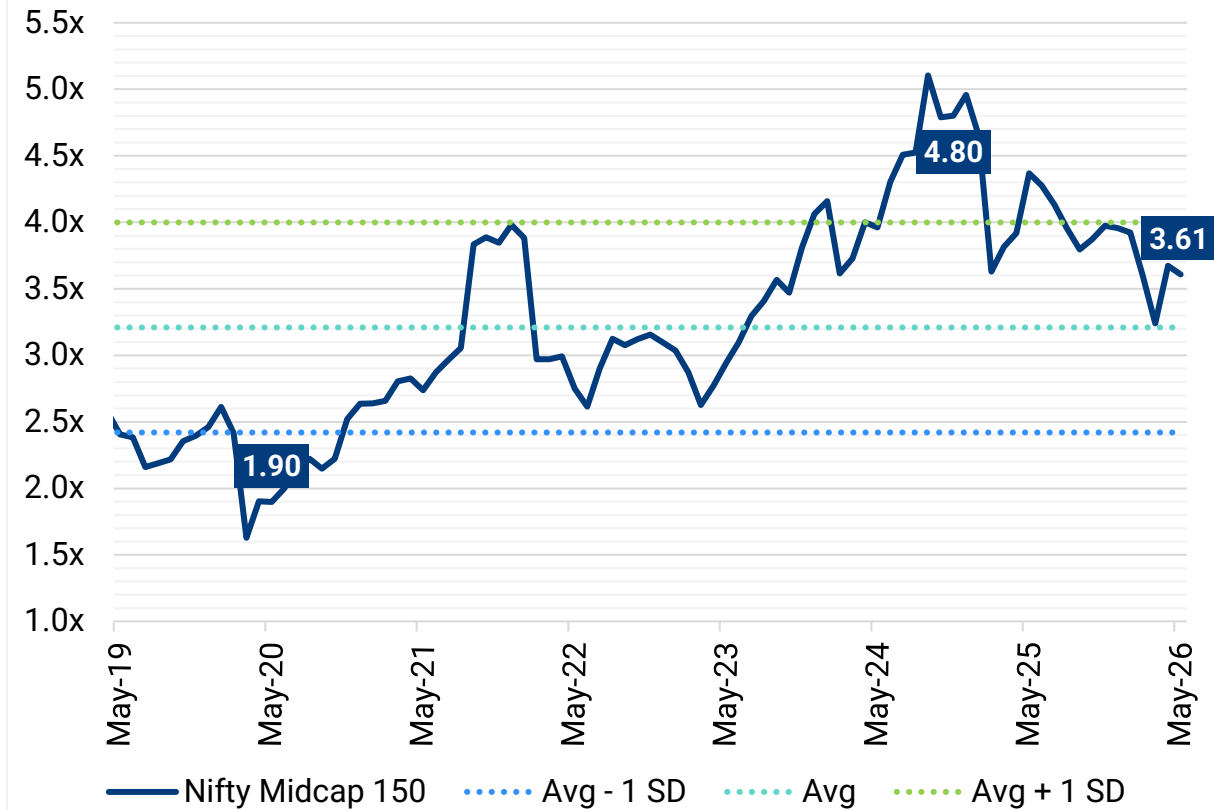
Valuations – Mid Cap

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

1Y Forward Price-to-Earnings (x)

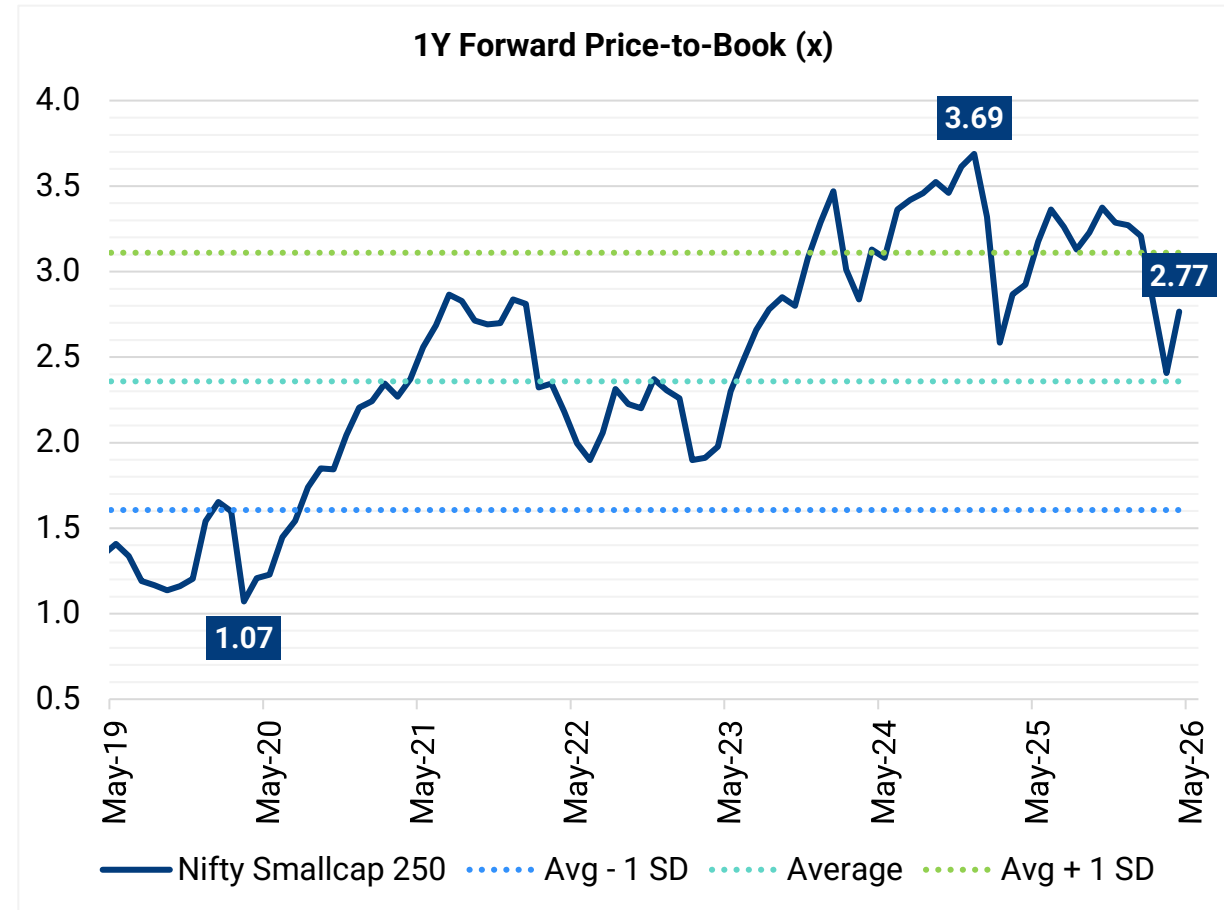
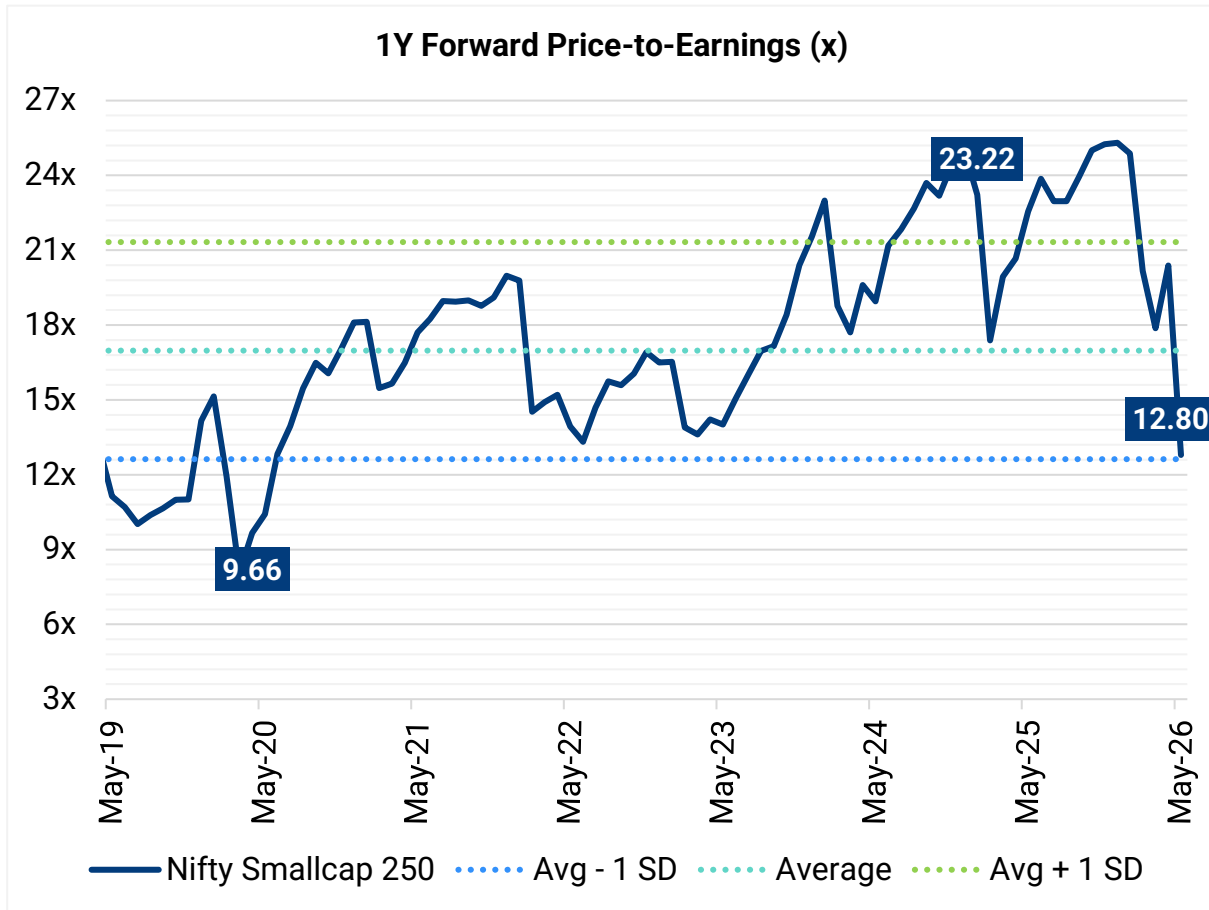


1Y Forward Price-to-Book (x)

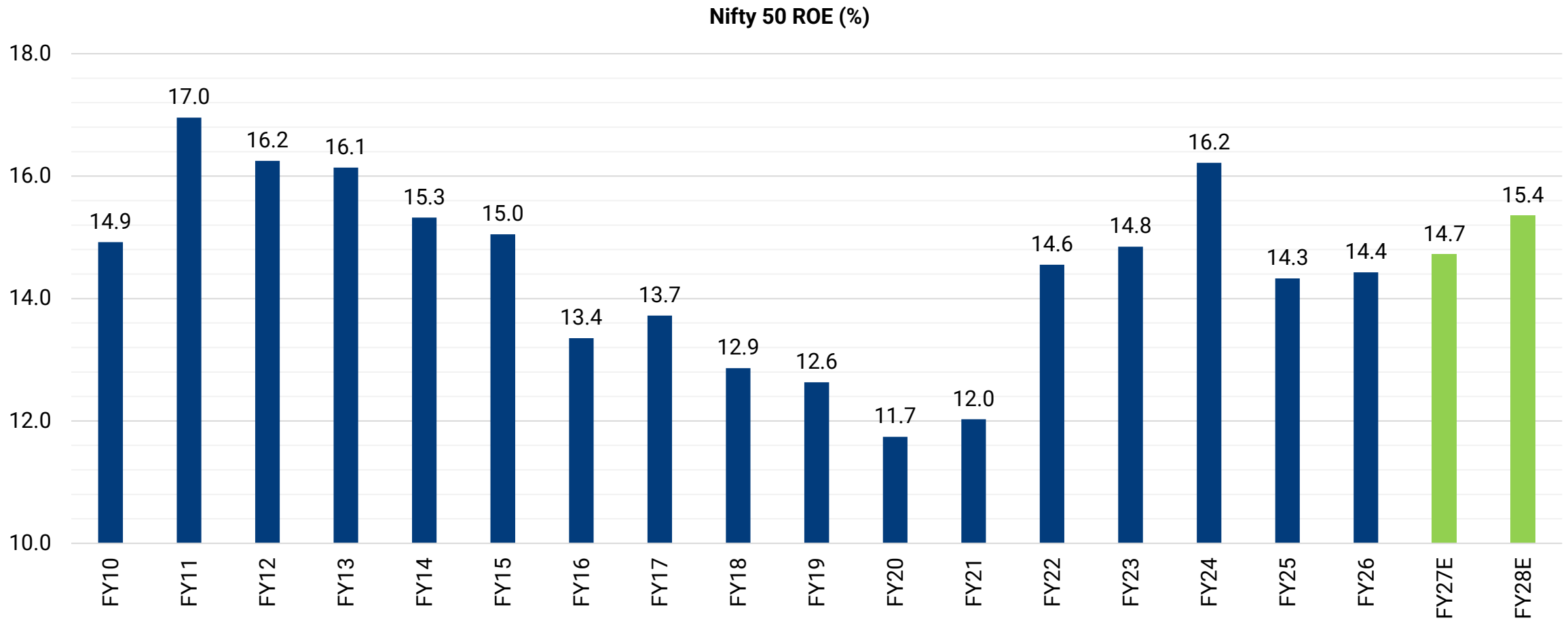


Valuations – Small Cap

Small cap valuations have moderated from its peak, and are now trading below its long term avg



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	25.8	23.6	4.1	3.6
Banks – Private	13.6	20.9	1.9	2.5
Banks – Public	8.4	11.1	1.2	0.9
Capital Goods	42.3	27.5	7.9	4.4
Consumers	38.5	42.6	9.0	10.0
Healthcare	34.1	27.9	4.4	3.7
Infrastructure	15.3	14.3	1.0	1.2
Metals	13.3	10.5	2.3	1.7
NBFCs	14.5	13.2	2.2	1.9
Oil & Gas	16.4	13.3	1.4	1.5
Real Estate	26.1	33.7	3.1	2.5
Technology	16.0	21.5	4.9	5.9

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



How do different asset class respond to each other?

Correlation between asset class over 10Y period

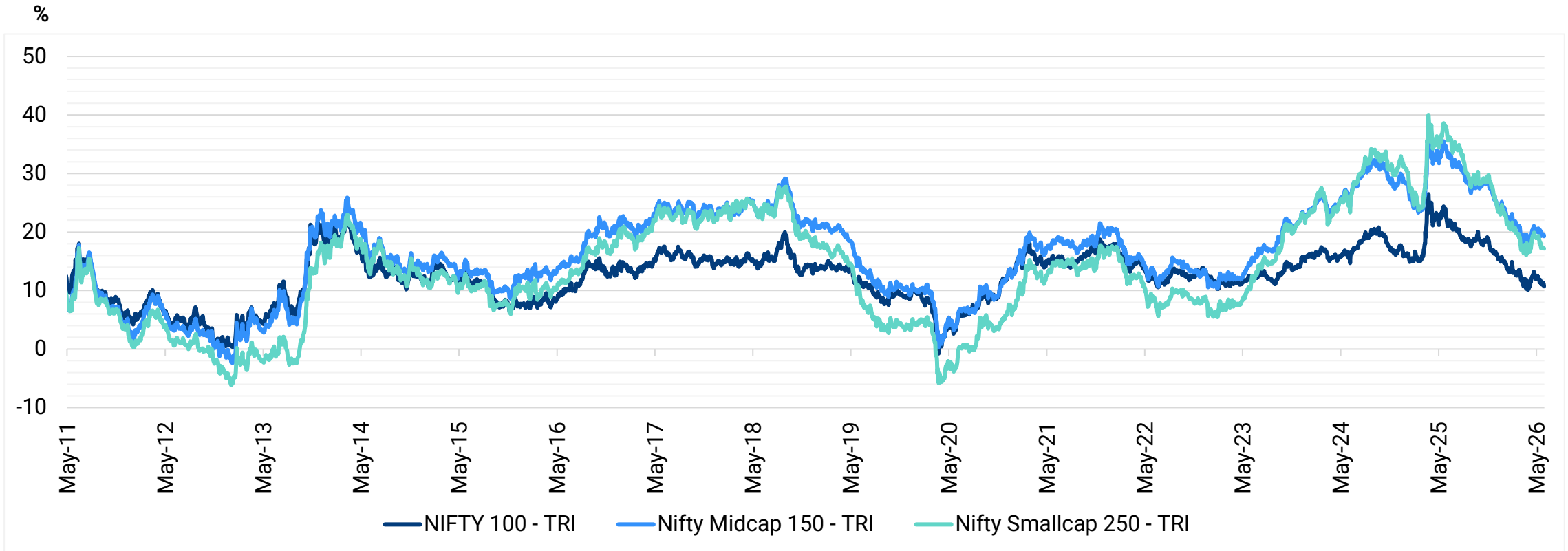
	Nifty 50 TRI	Gold	Silver	Gold + Silver	USD/INR	Nifty 10Y G-sec	S&P 500 TRI	Hang Seng TRI	Crude Oil	10-Yr SD
Nifty 50 TRI	1.00	(0.02)	0.11	0.07	(0.37)	0.08	0.29	0.39	0.07	16.13%
Gold	-	1.00	0.80	0.91	0.11	0.05	(0.00)	0.05	0.04	14.34%
Silver	-	-	1.00	0.97	(0.03)	0.04	0.07	0.17	0.06	28.73%
Gold + Silver	-	-	-	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

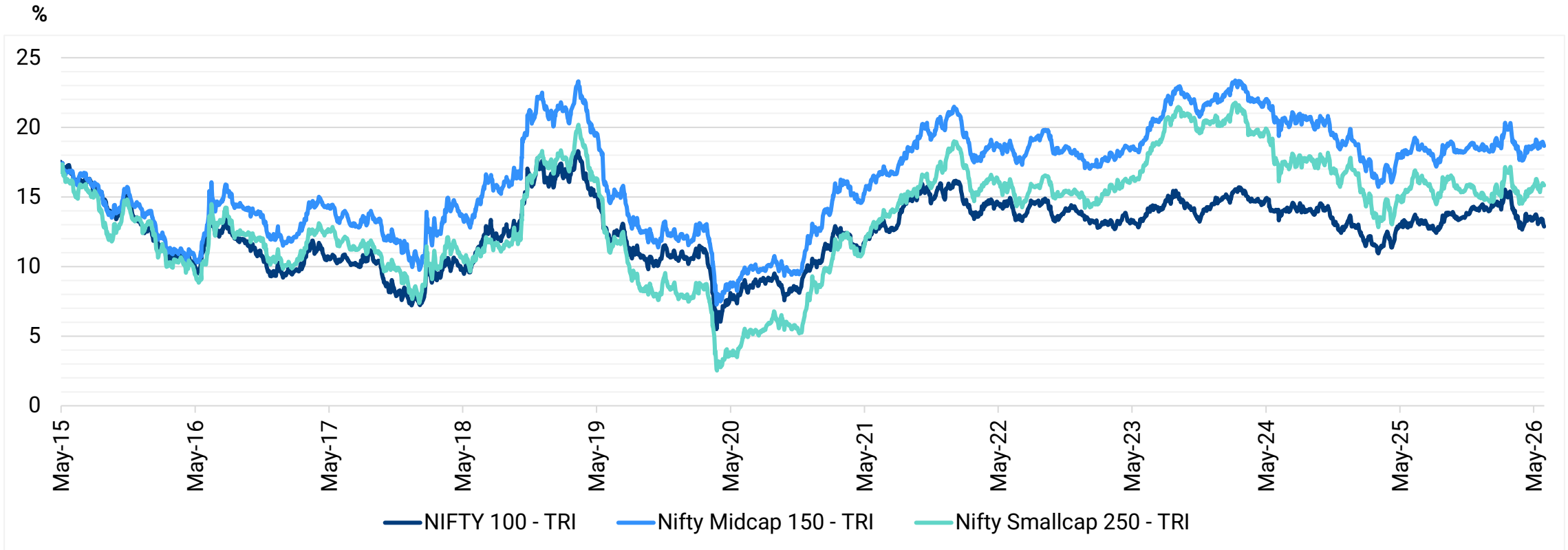
Period	Large Cap	Mid Cap	Small Cap
CY 2011	-24.93%	-31.01%	-35.07%
CY 2012	32.51%	46.69%	40.39%
CY 2013	7.89%	-1.28%	-6.44%
CY 2014	34.88%	62.67%	71.66%
CY 2015	-1.26%	9.70%	11.27%
CY 2016	5.01%	6.53%	1.39%
CY 2017	32.88%	55.73%	58.47%
CY 2018	2.57%	-12.62%	-26.15%
CY 2019	11.83%	0.62%	-7.26%
CY 2020	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%
CYTD	-7.51%	1.53%	1.99%

5 year rolling returns



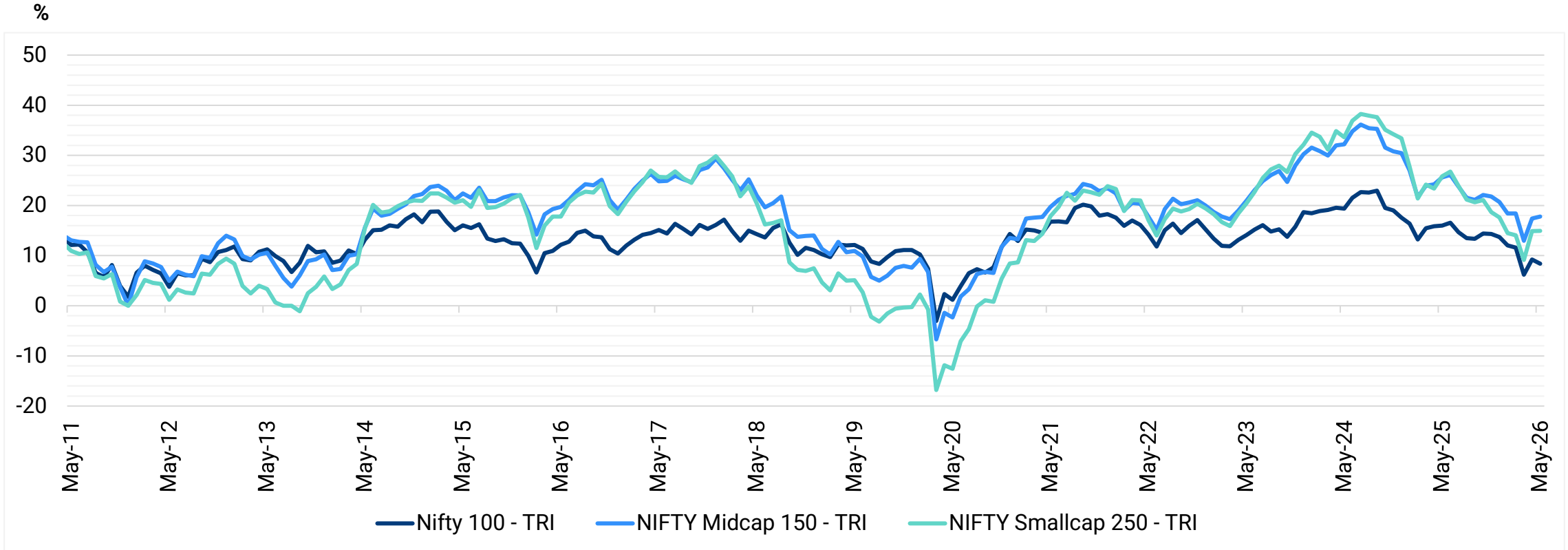
Return Range	NIFTY 100 – TRI	Nifty Midcap 150 – TRI	Nifty Smallcap 250 – TRI
Min (%)	-0.75%	-2.34%	-6.16%
Max (%)	26.45%	36.76%	40.03%
Average (%)	12.99%	16.46%	14.11%

10 year rolling returns



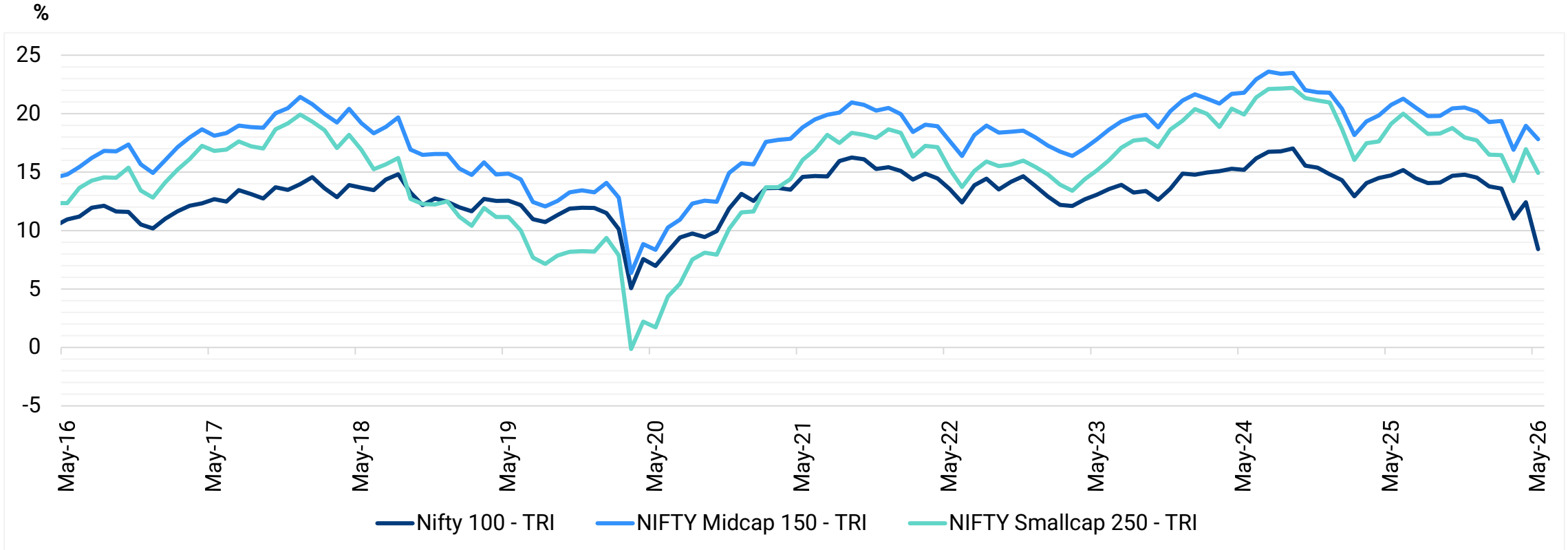
Return Range	NIFTY 100 – TRI	Nifty Midcap 150 – TRI	Nifty Smallcap 250 – TRI
Min (%)	5.50%	7.27%	2.53%
Max (%)	18.29%	23.37%	21.77%
Average (%)	12.63%	16.32%	13.61%

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 (%)	13.12%	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 (%)	12.95%	17.57%	14.91%

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%

Midcaps are more consistent than you think

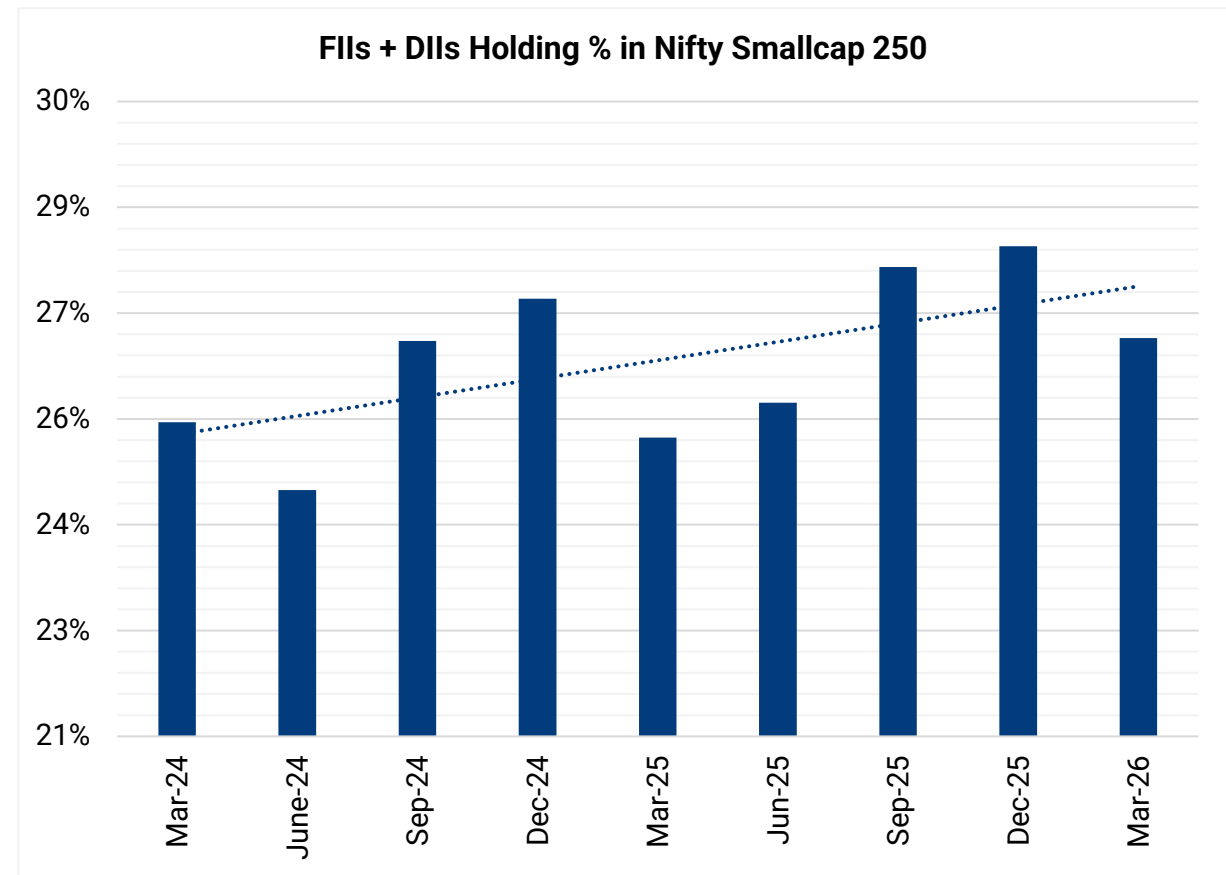
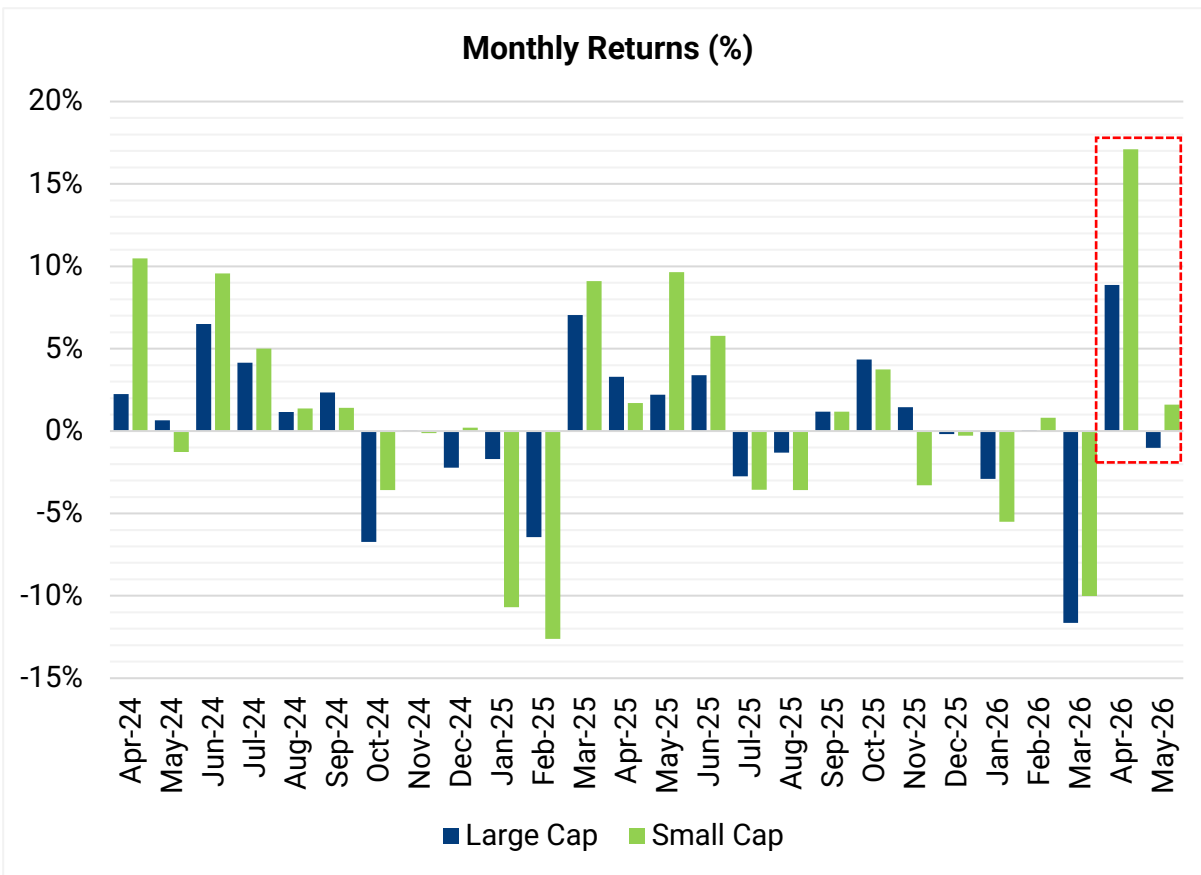
3 Year Absolute Return at the end of each CY	Large Cap	Mid Cap	Small Cap	All Cap
2025	51%	91%	79%	59%
2024	44%	87%	85%	54%
2023	61%	124%	139%	75%
2022	53%	94%	102%	61%
2021	64%	87%	92%	69%
2020	33%	10%	-13%	26%
2019	52%	37%	9%	47%
2018	43%	45%	19%	42%
2017	39%	85%	83%	46%
2016	40%	92%	95%	47%
2015	44%	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 – 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 29th May 2026 | Note: Large cap – Nifty 100 TRI; Smallcap – Nifty Smallcap 250 TRI | FII includes ADR and GDR; DII includes MF and Insurance | Past performance may or may not be sustained in the future.

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



- * Market outlook remains constructive with energy security emerging as a key investment theme over the next 4–5 years.
- * Portfolio positioning is anchored around capital goods, where outlook remains positive over the next 3–5 years, along with selective overweight on hospitals (driven by low penetration), defence and autos, while maintaining a long-term preference for luxury consumption. The strategy also stays positive on SMIDs, given their diverse and attractive opportunity set.
- * On the other hand, the portfolio is underweight telecom and mass consumption, while maintaining a neutral stance on auto OEMs.
- * From a near-term perspective, FY27 earnings are expected to see a downgrade of ~2–5%, with Q1 likely to be the most impacted due to higher fuel prices, delayed monsoon and the West Asia crisis, although the market has already priced in ~2–2.5% cuts.
- * Sectorally, IT remains slightly underweight with a preference for midcap IT, supported by a positive medium-term outlook driven by AI adoption, though the adjustment phase may last ~4 quarters. In financials, credit growth may moderate to 14–16%, with private banks expected to outperform.

- * In a much anticipated June meeting, the RBI kept both policy rate unchanged at 5.25% and policy stance as neutral. At the same time, it marked down FY27 GDP growth to 6.6% from 6.9% and raised average CPI forecast to 5.1% from 4.6% earlier citing weak monsoon, higher food prices and ongoing geopolitical disruptions.
- * The RBI and GOI announced a number of measures to augment foreign capital inflows to bolster India's FX reserves. Taken together, these measures have potential to attract at least \$25 billion of capital by Sep 30, 2026. This should help support the INR's exchange rate and improve banking system liquidity and investor sentiment.
- * At the same time, we expect RBI to raise Repo Rate gradually in response to rising headline inflation. We expect the Repo Rate to settle between 6% to 6.5% by March 2027. This should result in real rate between 1% to 1.2%, in our view.
- * Despite RBI embarking on the tightening cycle, we expect the money market and sovereign yield curve to remain range-bound from current levels as much of tightening expectation is already priced in.
- * We expect benchmark 10-year government bond to trade in a range of 6.95-7.05% range in June 2026. Banking system liquidity is likely to improve due to RBI dividend and incremental growth in forex reserve after the new measures

- * **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.)	16,869			6,160			1,007			4,558		
Market Cap Allocation	Large 14%	Mid 75%	Small 11%	Large 0%	Mid 30%	Small 70%	Large 71%	Mid 29%	Small 0%	Large 49%	Mid 39%	Small 12%
Over-Weight Sectors	<ul style="list-style-type: none"> Financial Services Fast Moving Consumer Goods Capital Goods 			<ul style="list-style-type: none"> Automobile and Auto Components Healthcare Chemicals 			<ul style="list-style-type: none"> Financial Services Construction Capital Goods 			<ul style="list-style-type: none"> Financial Services Capital Goods Automobile and Auto Components 		
Under-Weight Sectors	<ul style="list-style-type: none"> Healthcare Power Information Technology 			<ul style="list-style-type: none"> Financial Services Metals & Mining Telecommunication 			<ul style="list-style-type: none"> Telecommunication Oil, Gas & Consumable Fuels Chemicals 			<ul style="list-style-type: none"> Oil, Gas & Consumable Fuels Fast Moving Consumer Goods Healthcare 		

Equity funds overview

Scheme	Edelweiss ELSS Tax Saver Fund			Edelweiss Flexi Cap Fund			Edelweiss Multi Cap Fund		
AUM (Rs Cr.)	436			3,352			3,254		
Market Cap Allocation	Large 60%	Mid 22%	Small 18%	Large 64%	Mid 28%	Small 8%	Large 44%	Mid 29%	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 Fast Moving Consumer Goods 		
Under-Weight Sectors	<ul style="list-style-type: none"> Fast Moving Consumer Goods Metals & Mining Services 			<ul style="list-style-type: none"> Oil, Gas & Consumable Fuels Information Technology Services 			<ul style="list-style-type: none"> Oil, Gas & Consumable Fuels Telecommunication Construction Materials 		

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 (%)	15.0	16.8	18.8	19.2	25.6	25.5	18.4
FY28E EPS growth (%)	18.3	17.8	17.8	17.9	20.3	22.1	18.0
PEG (x)	1.1	1.2	1.0	1.0	1.1	0.9	1.0
FY27E ROE (%)	20.8	19.4	20.2	20.4	22.4	18.7	20.5
FY28E ROE (%)	21.0	20.0	20.6	20.6	22.5	19.5	20.6
PER FY27E (x)	21.5	23.8	21.9	23.0	30.6	27.5	22.4
PER FY28E (x)	18.2	20.2	18.6	19.5	25.4	22.5	19.0

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 29th May 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"> • Netweb Technologies India Ltd • Thermax Ltd. • Elecon Engineering Company Ltd • Deepak Nitrite Ltd • Berger Paints (I) Ltd • JB Chemicals & Pharmaceuticals Ltd • Laurus Labs Ltd 	<ul style="list-style-type: none"> • Grindwell Norton Ltd • Indigo Paints Ltd • Ingersoll Rand (India) Ltd 	NIL	<ul style="list-style-type: none"> • Cipla Ltd • Dr. Reddy's Laboratories Ltd • JSW Energy Ltd • Thermax Ltd • Deepak Nitrite Ltd • Solar Industries India Ltd • PNB Housing Finance Ltd 	<ul style="list-style-type: none"> • Billionbrains Garage Ventures Ltd • JSW Energy Ltd • Deepak Nitrite Ltd 	<ul style="list-style-type: none"> • Triveni Turbine Ltd • Oil India Ltd 	<ul style="list-style-type: none"> • BSE Ltd • Sumitomo Chemical India Ltd
Exits	<ul style="list-style-type: none"> • KFIN Technologies Ltd • Hero MotoCorp Ltd • Canara Bank Ltd • Mahindra & Mahindra Financial Serv Ltd • Meesho Ltd • Wakefit Innovations Ltd 	<ul style="list-style-type: none"> • Lupin Ltd • Wakefit Innovations Ltd 	NIL	<ul style="list-style-type: none"> • ABB India Ltd • Canara Bank • Mahindra & Mahindra Financial Serv Ltd 	<ul style="list-style-type: none"> • ABB India Ltd • Canara Bank • Mahindra & Mahindra Financial Serv Ltd 	<ul style="list-style-type: none"> • KFIN Technologies Ltd • Pine Labs Ltd • Lupin Ltd • Jyoti CNC Automation Ltd • KWALITY WALL'S INDIA LTD 	<ul style="list-style-type: none"> • Pine Labs Ltd • Lupin Ltd • Brigade Enterprises Ltd • Dixon Technologies (India) Ltd

Active stock exposure across equity funds

Edelweiss Mid Cap Fund		Edelweiss Small Cap Fund		Edelweiss Large & Mid Cap Fund	
Multi Commodity Exch. of India Ltd	3.04	Avalon Technologies Ltd	2.44	Bharat Heavy Electricals Ltd	1.75
BSE Ltd	2.94	Fortis Healthcare Ltd	2.27	Ather Energy Ltd	1.71
Marico Ltd	2.22	City Union Bank Ltd	2.14	Multi Commodity Exch. of India Ltd	1.61
GE Vernova T&D India Ltd	1.57	Ajanta Pharma Ltd	2.14	Billionbrains Garage Venture	1.33
Radico Khaitan Ltd	1.53	Gabriel India Ltd	1.96	Power Mech Projects Ltd	1.25
City Union Bank Ltd	1.44	Indian Bank	1.89	Phoenix Mills Ltd	1.17
CreditAccess Grameen Ltd	1.42	Uno Minda Ltd	1.86	KEI Industries Ltd	1.12
Kei Industries Ltd	1.41	Inventurus Knowledge Solutions Ltd	1.77	Samvardhana Motherson Intern	1.06
Karur Vysya Bank Ltd	1.15	APL Apollo Tubes Ltd	1.65	BSE Ltd	1.03
JSW Energy Ltd	1.14	Kirloskar Pneumatic Co Ltd	1.62	Radico Khaitan Ltd	1.00

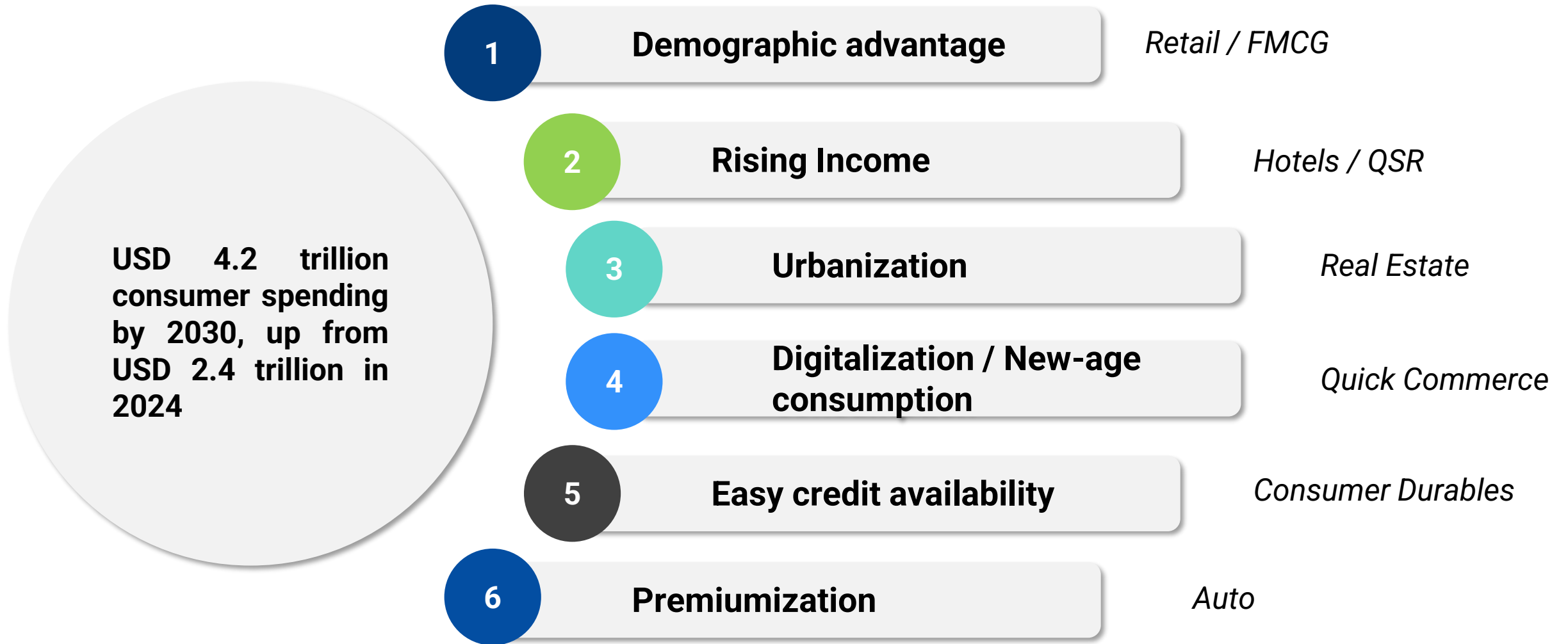
Active stock exposure across equity funds

Edelweiss Flexi Cap Fund		Edelweiss ELSS Tax Saver Fund		Edelweiss Focused Fund		Edelweiss Multi Cap Fund	
NTPC Ltd	2.31	Multi Commodity Exch. Of India Ltd	2.48	Marico Ltd	4.57	Radico Khaitan Ltd	1.98
Multi Commodity Exch. Of India Ltd	1.73	BSE Ltd	2.38	KEI Industries Ltd	4.40	NTPC Ltd	1.90
Tata Steel Ltd	1.53	Muthoot Finance Ltd	1.98	Tata Steel Ltd	4.05	Multi Commodity Exch India	1.85
Karur Vysya Bank Ltd	1.48	Ather Energy Ltd	1.78	Shriram Finance Ltd	3.64	Bikaji Foods International Ltd	1.61
Fortis Healthcare Ltd	1.36	Netweb Technologies India Ltd	1.51	Larsen & Toubro Ltd	3.28	Navin Fluorine International	1.59
Larsen & Toubro Ltd	1.33	Gabriel India Ltd	1.48	NTPC Ltd	2.90	Tata Steel Ltd	1.58
City Union Bank Ltd	1.31	Karur Vysya Bank Ltd	1.43	Coforge Limited	2.83	Karur Vysya Bank Ltd	1.57
Ultratech Cement Ltd	1.14	Bharat Electronics Ltd	1.25	IDFC First Bank Ltd	2.82	Larsen & Toubro Ltd	1.52
Marico Ltd	1.09	Torrent Pharmaceuticals Ltd	1.25	Mankind Pharma Ltd	2.80	Craftsman Automation Ltd	1.42
Bharat Heavy Electricals	1.08	CreditAccess Grameen Ltd	1.21	Endurance Technologies Ltd	2.68	City Union Bank Ltd	1.25

Why We Own What We Own

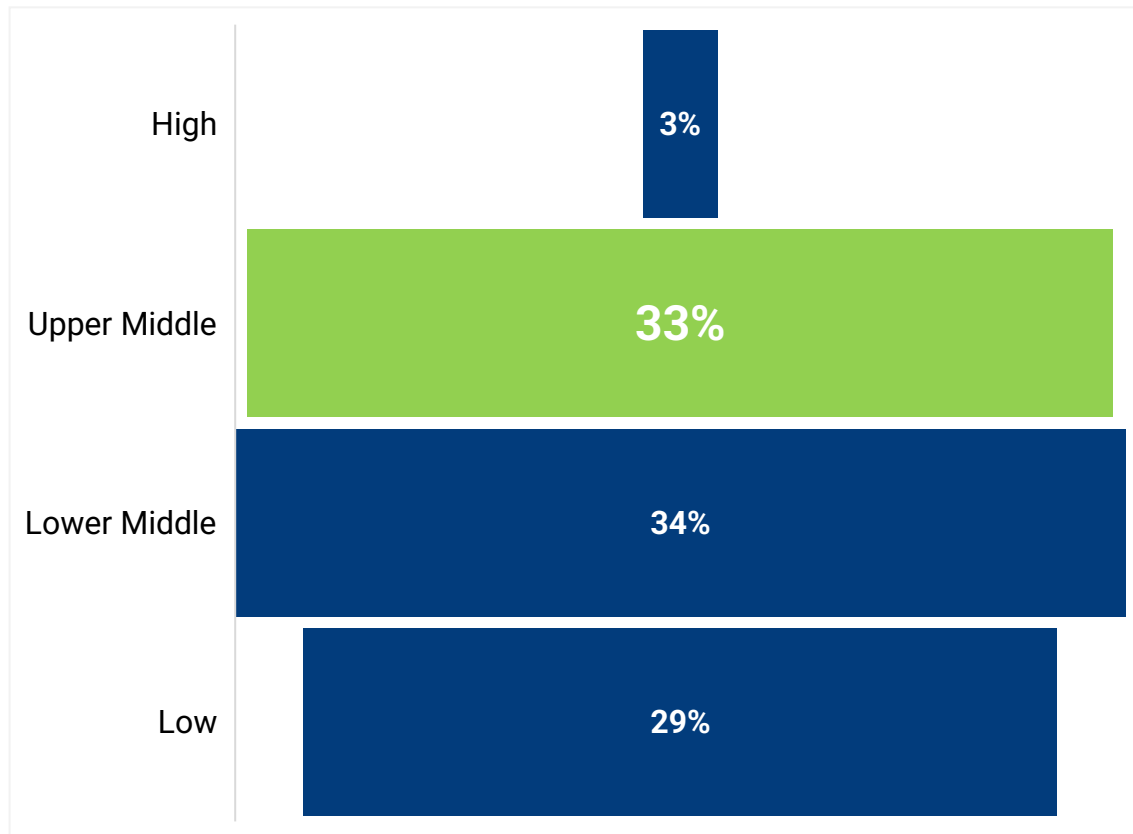


India's Consumption

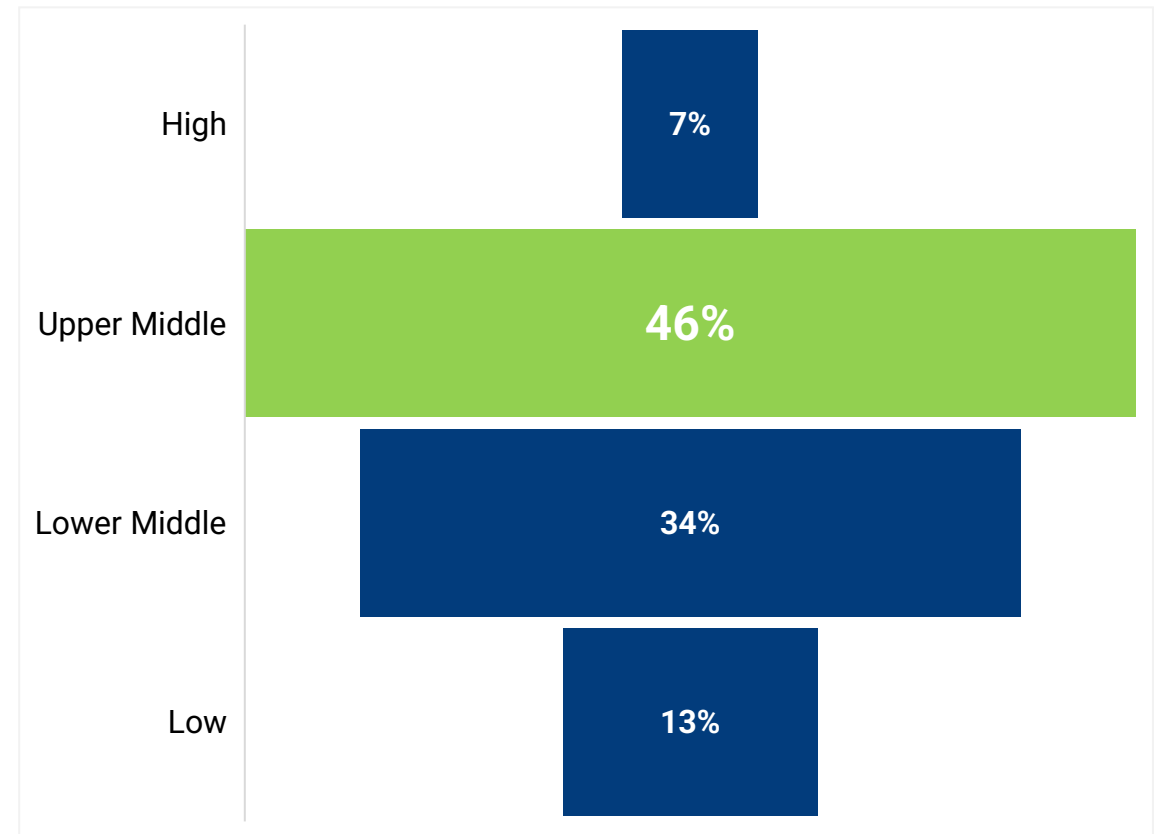


Rising middle class to reshape India's consumption basket

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

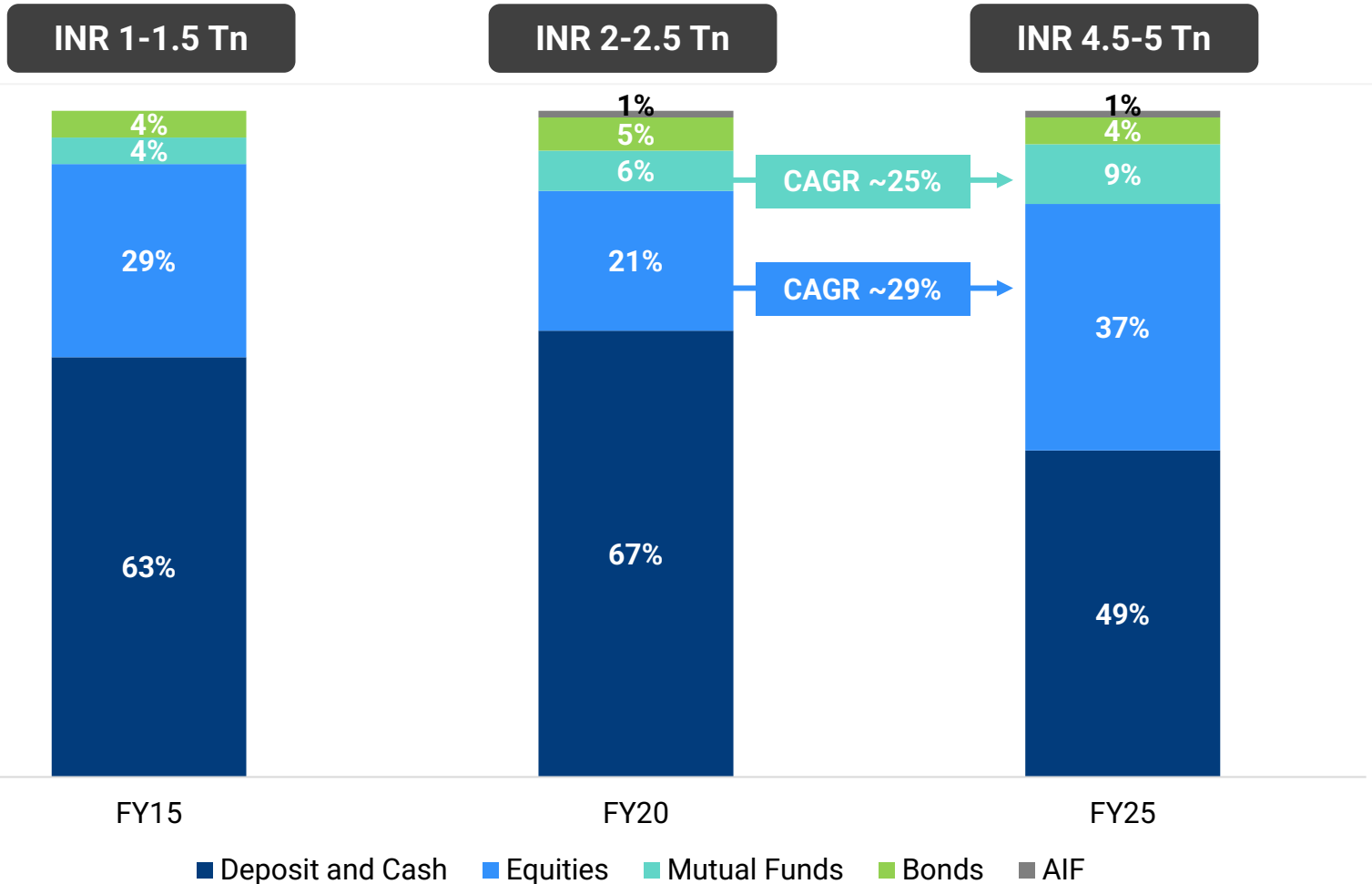
8th Pay Commission

- ❖ 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

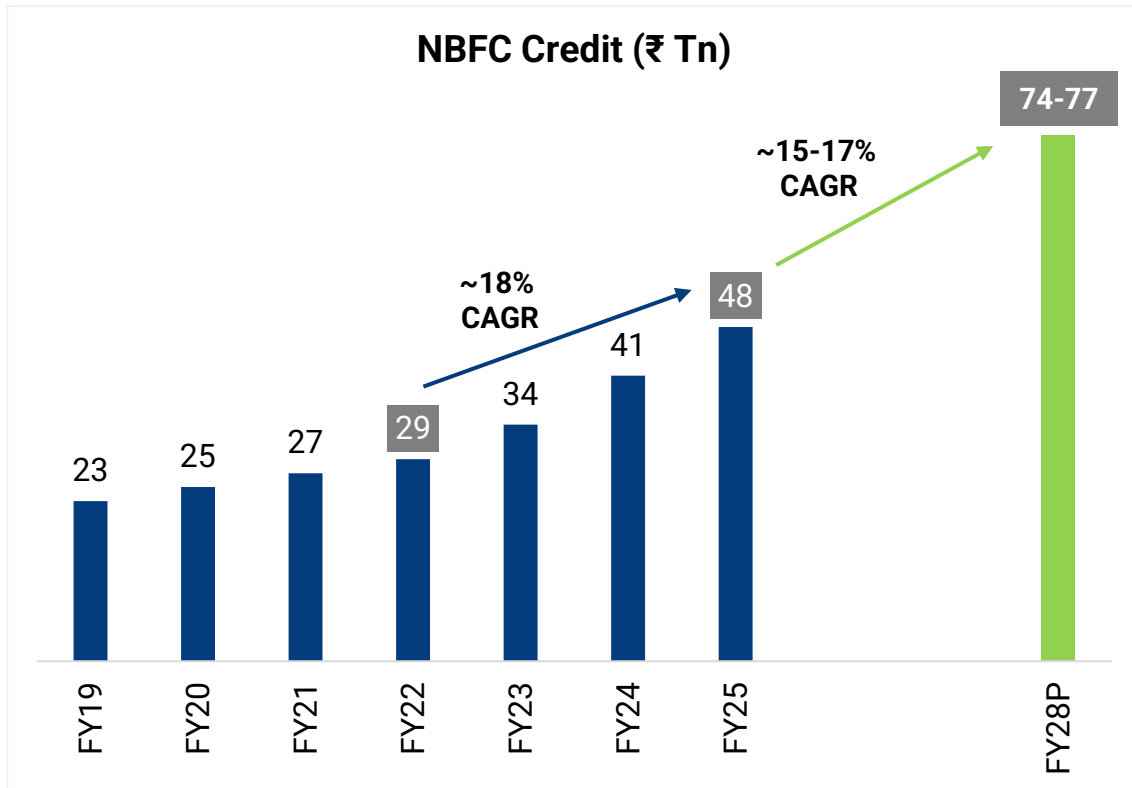
AUM split by asset classes



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

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



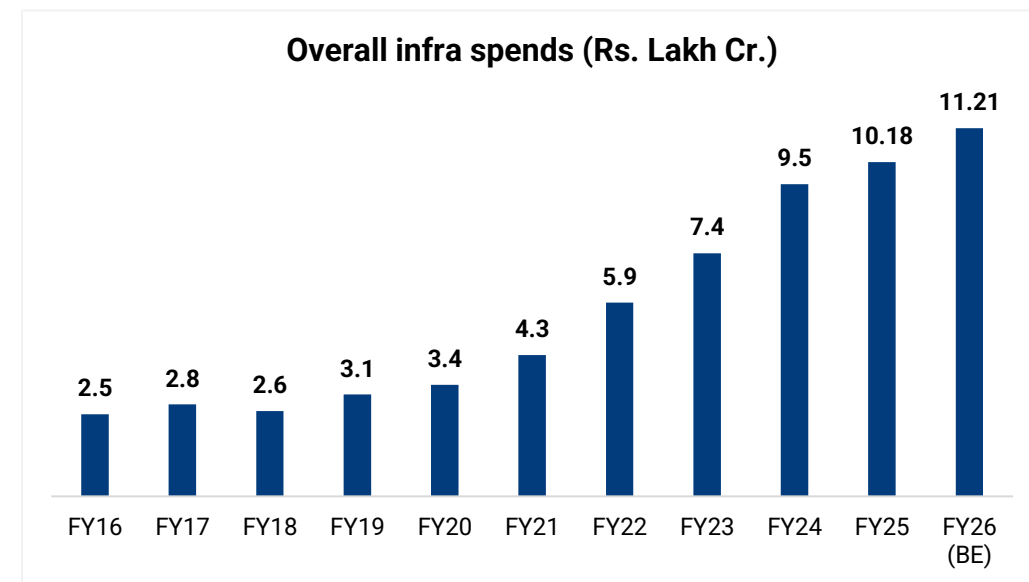
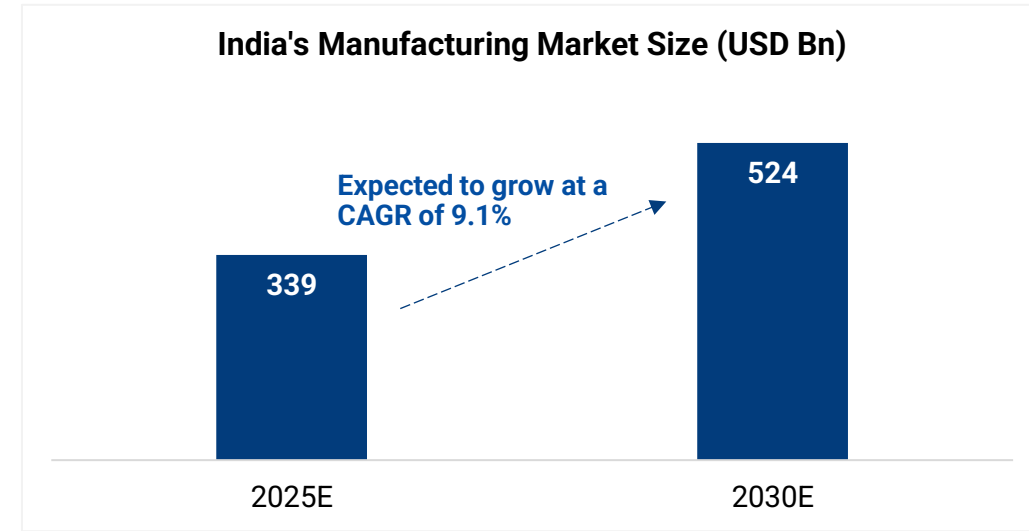
Factors to watch out

- 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

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

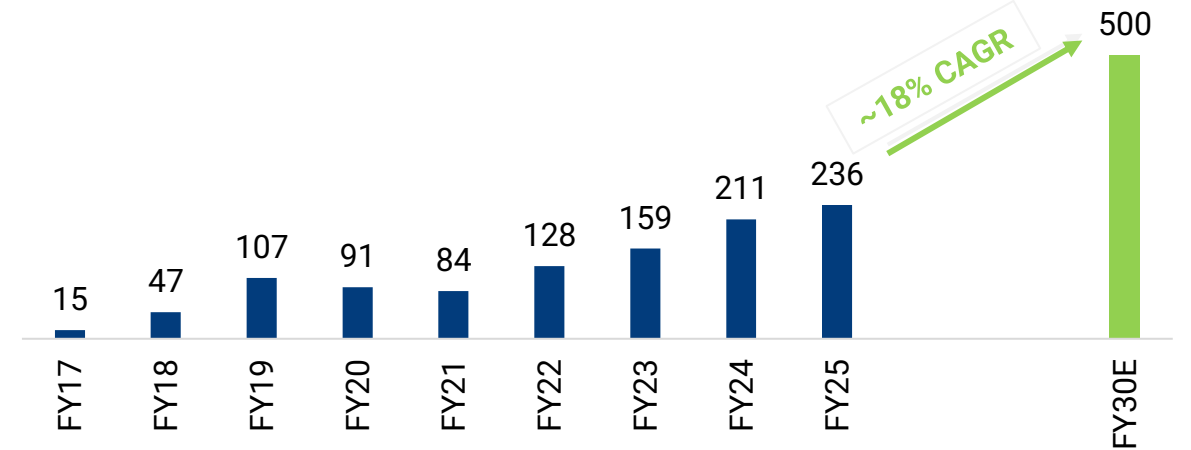
Import Substitution + Export Boost = Make in India success

- 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.

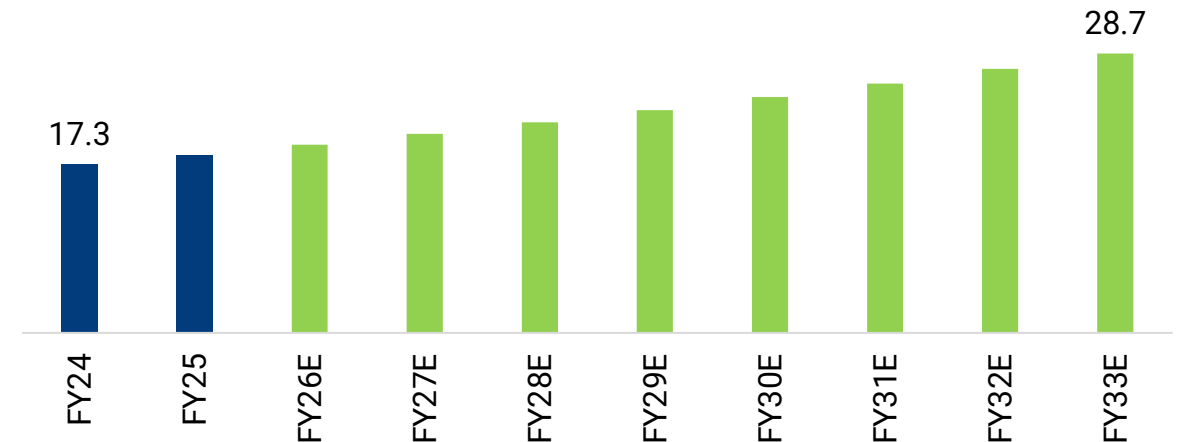
Strong Policy & Strategic Tailwinds

- 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.

India Defence Exports Trend (in INR bn)



Indian Defence Market Size (in USD bn)



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

A stylized blue icon of the letter 'F' composed of vertical bars of varying heights.

Forensics

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

A stylized blue icon of the letter 'A' composed of geometric shapes.

Acceptable Price

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

A stylized blue icon of the letter 'I' composed of vertical bars of varying heights.

Investment Style Agnostic

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

A stylized blue icon of the letter 'R' composed of geometric shapes.

Robustness

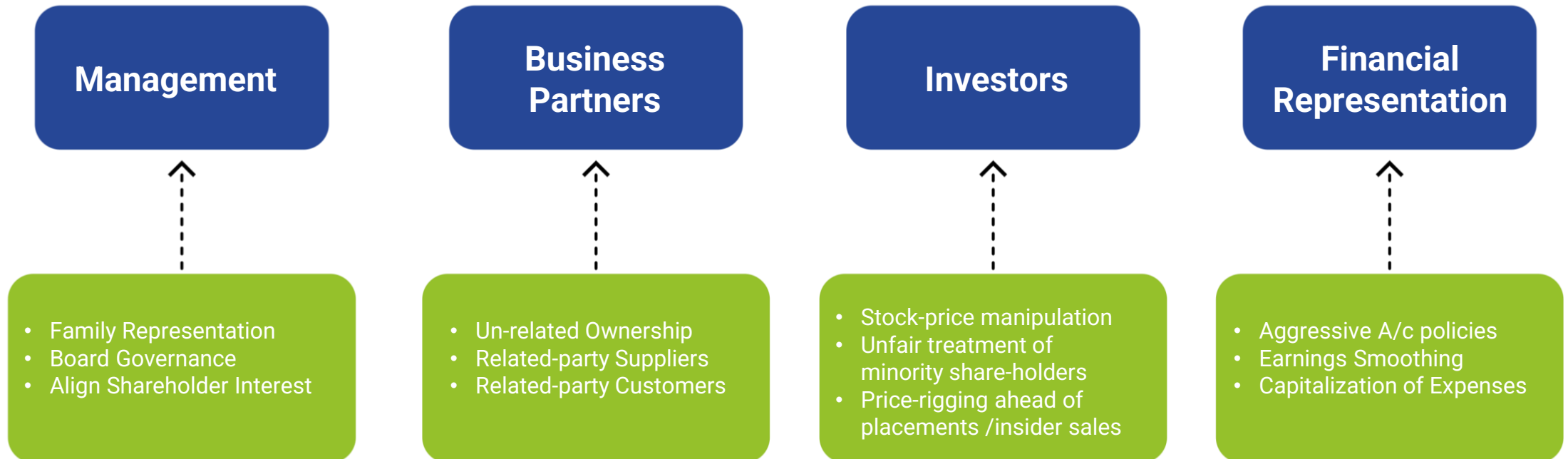
Pick well managed businesses having scalable opportunities and superior return on capital employed

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

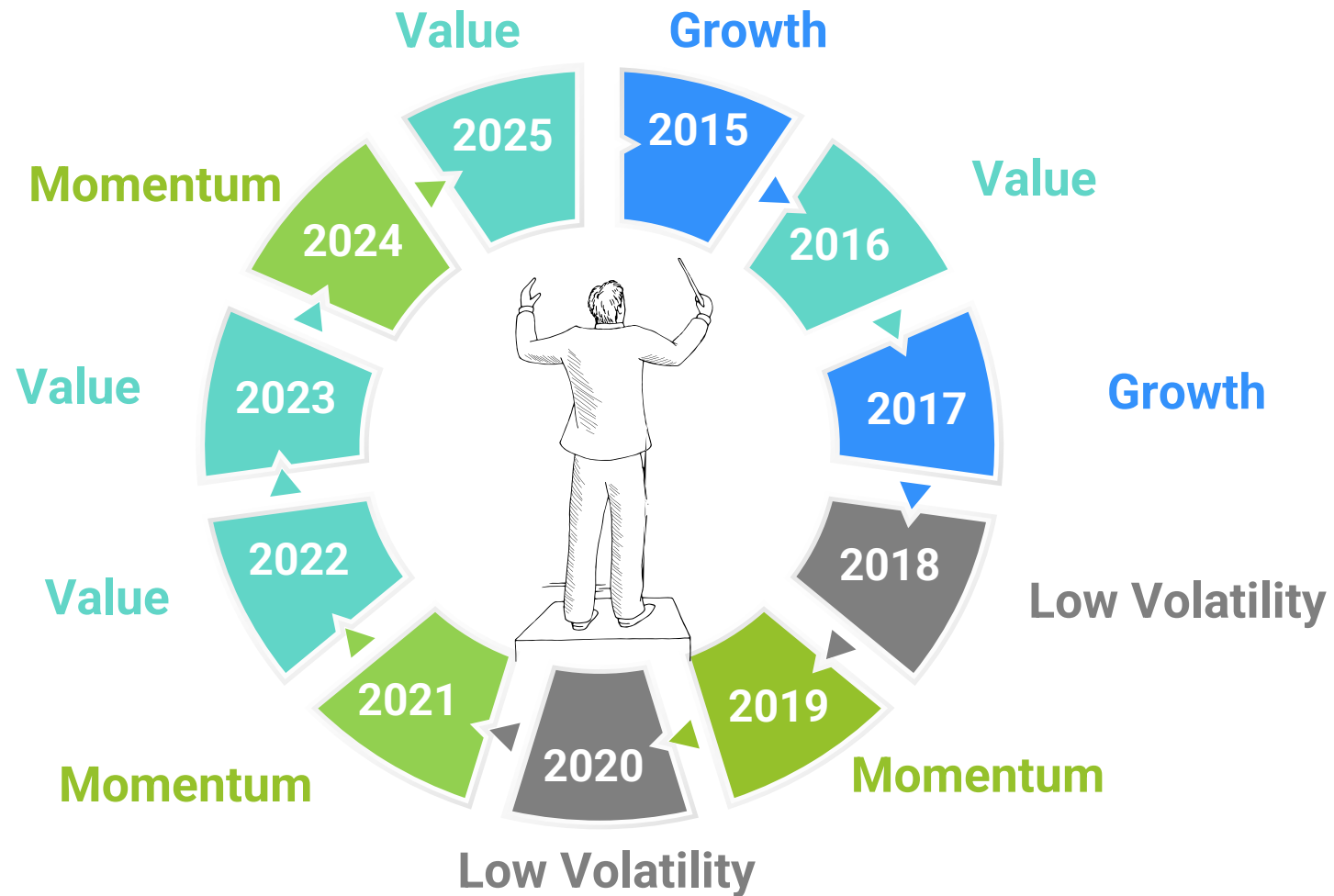
- * We derive discounted value based on % discount compared to intrinsic value of the stock
- * This bucket includes event driven, deep Value and turn-around businesses
- * Current Examples of businesses with static value – SBI and Indian Bank

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.

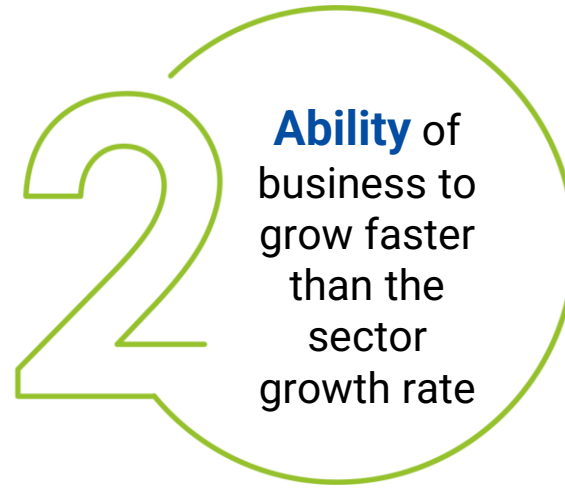
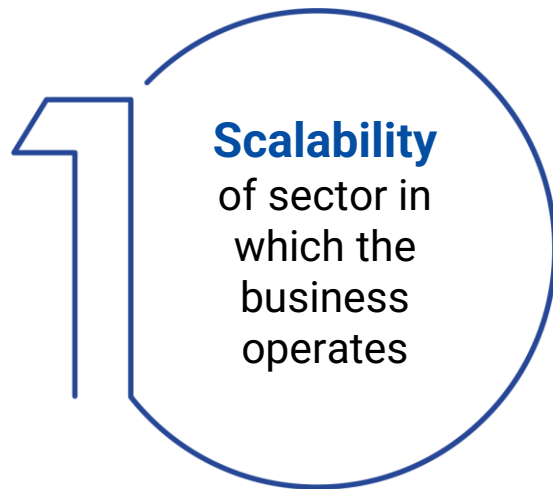
Investment Style Agnostic

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

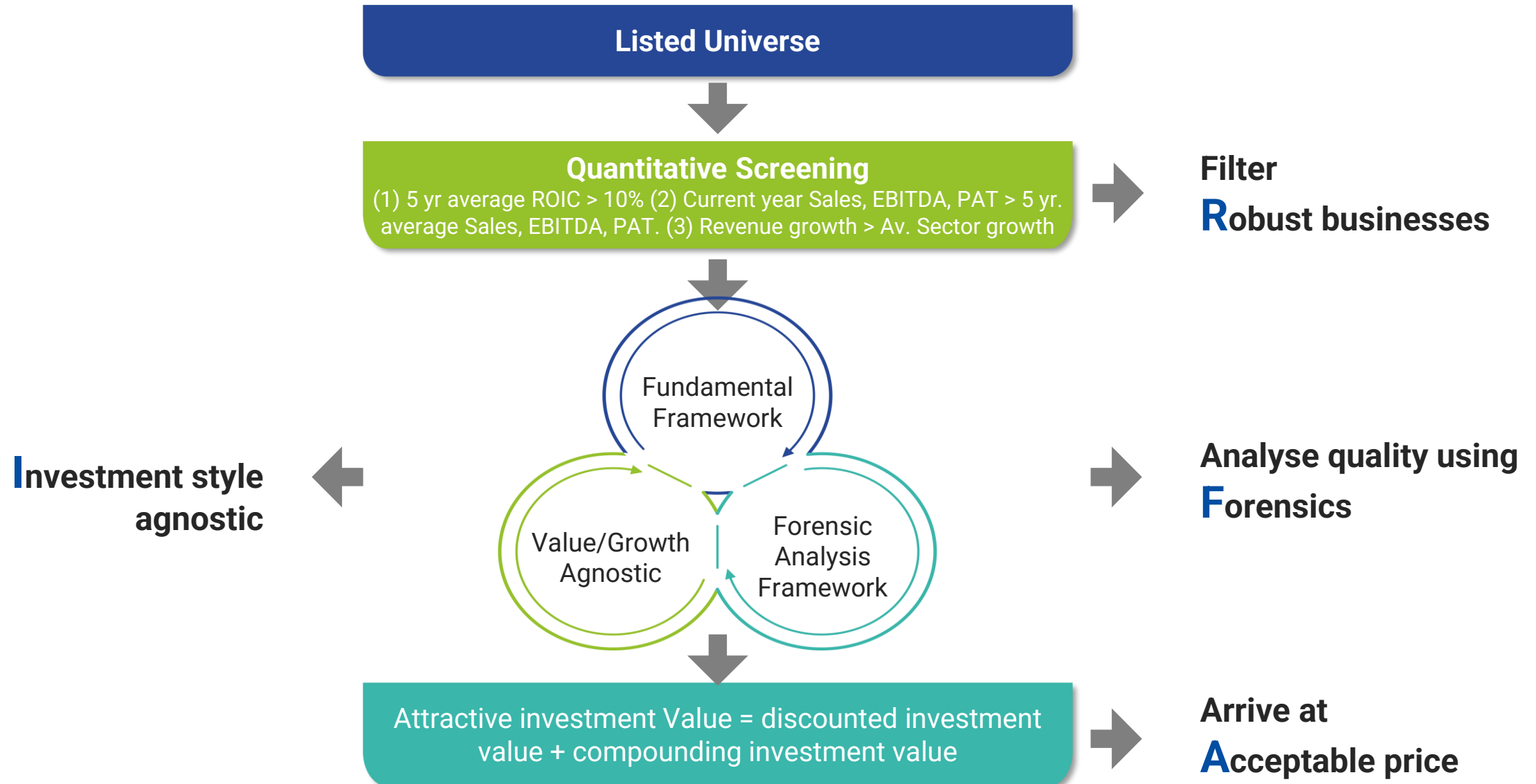
Risk Management

- * 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

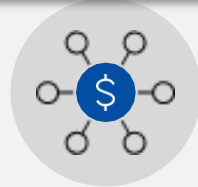
Macro calls may not work all the time given dynamic nature of our markets today compared to what they were in the past

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 Vashishta
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)



Mr. Ankit Jindal
(Research Analyst)

INSIGHTS THAT **INSPIRE ACTION**

TEMPO CURVE

Trends | Economy | Markets |
Performance | Outlook

CUE

Yields, Spreads, Liquidity & more..

BETA+

Curated Updates & Explainers
for your investments

FUNDVERSE

View Portfolios. Track
performance. Hear from experts.

[Click Here to Read More](#)

This document is for information purposes and private circulation only and is not an offer to sell or a solicitation to buy any mutual fund units / securities or to have business relations with Sponsor/ AMC/ Trustee Company and its associates or Edelweiss Mutual Fund. These views alone are not sufficient and should not be used for the development or implementation of an investment strategy. All opinions, figures and estimates included in this document (unless as specified in the document) are as of this date and are subject to change without notice. It should not be construed as investment advice to any party. Neither Sponsor/ AMC/ Trustee Company and its associates nor Edelweiss Mutual Fund or any person connected with it, accepts any liability arising from the use of this information. Utmost care has been exercised while preparing the document, and Sponsor/ AMC/ Trustee Company and its associates or Edelweiss Mutual Fund does not warrant the completeness or accuracy of the information and disclaims all liabilities, losses and damages arising out of the use of this information. The recipient of this material should rely on their investigations and take their own professional advice. Investment decisions of the AMC may not always be profitable.

All logos used in the presentation are trademarks or registered trademarks of their respective holders. Use of them does not imply any affiliation or endorsement by them. The Sector / Stocks /issuers mentioned in the presentation do not constitute as any research report / recommendation and the fund may or may not have future position in these stocks / sector / issuers. For complete details on investment objective / strategy / asset allocation / risk factors etc. of funds mentioned in this presentation, please refer the scheme information documents available on ISC of AMC and also available on <https://www.edelweissmf.com/>

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

