

November 5, 2025

Dear Investors,

Our PMS and AIF performance as of last month is as follows (Exhibit 1).

Exhibit 1: TWRR Performance (after all fees and expenses) as of 31-October-2025

Investment Approach (Benchmark)	Inception Date	AUM (INR cr)	1M	3M	6M	1Y	Since Inception (Annualized)*
PMS Large Midcap	11-Apr-23	85	5.6%	4.3%	10.6%	10.2%	22.4%
(Nifty 50 TRI)			4.6%	4.2%	6.7%	7.6%	17.4%
PMS Small Midcap	11-Dec-23	121	-1.0%	-3.4%	15.5%	-6.4%	21.4%
(Nifty 50 TRI)			4.6%	4.2%	6.7%	7.6%	12.8%
AIF Alpha Fund 1**	24-Mar-25	38	2.1%	-1.5%	13.4%	NA	15.5%
(Nifty 50 TRI)			4.6%	4.2%	6.7%	NA	11.2%
PMS Other AUM		253					
Total AUM		497					

*Returns for Large Midcap and Small Midcap are annualized as they have completed full year. However, returns for Alpha Fund I are not annualized as it is yet to complete one full year.

** Returns for AIF Alpha Fund I are pre-tax but post all fees and expenses.

Exhibit 2: NAV Movement (after all fees and expenses)

Investment Approach	Inception Date	Inception NAV	Month-end Date	Month-end NAV
PMS Large Midcap	11-Apr-23	100	31-Oct-25	168
PMS Small Midcap	11-Dec-23	100	31-Oct-25	144
AIF Alpha Fund 1	24-Mar-25	100	31-Oct-25	116

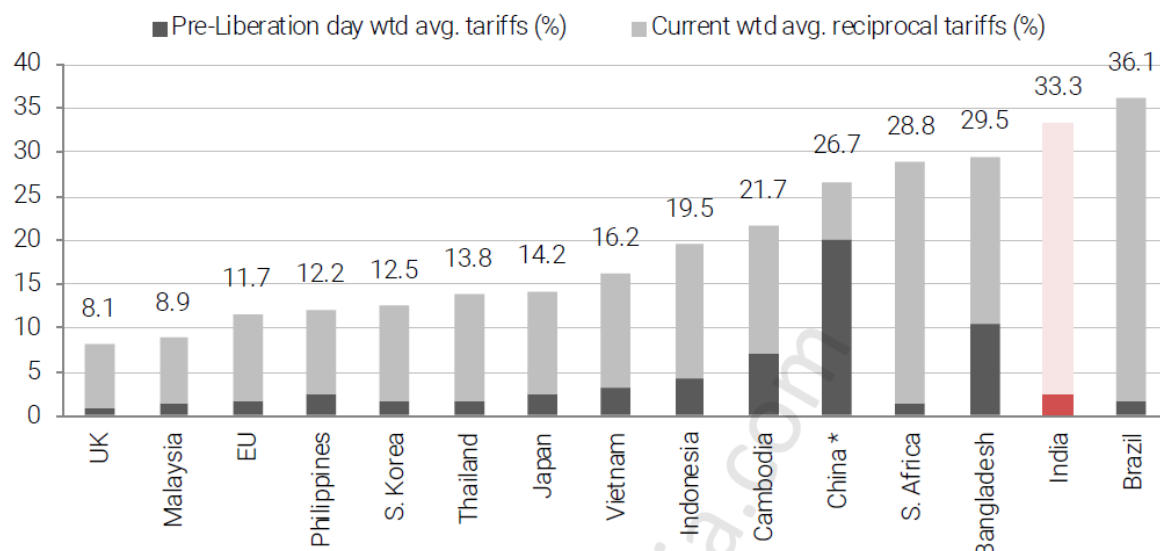
NIFTY hits 26K but don't pop the champagne yet....

- A US-India trade deal looks imminent. According to various reports, US might cut tariffs from 50% to 15% on select products, as India is expected to reduce its reliance on Russian oil and eases restrictions on US corn and soymeal imports.
- While details are still evolving, tariff relief (Exhibit 3) would be a welcome boost, especially for sectors like textiles that have been under pressure as shown in exhibit 4.
- NIFTY 50 hits 26,000 after a year. With the Fed rate cuts by 25 bps, inflows to EM, and recovery expected in H2FY26 from consumption and govt capex, current levels look well-supported with reduction in downside.
- But knowing Trump, it's wise to curb enthusiasm and await further details. Q2 earnings and the H2FY26 recovery remain key watchpoints.
- The Nifty/Gold ratio at ~2.25 sits near a five-year support and about 25% below its long-term average of 3.0 as shown in Exhibit 5, indicating gold remains relatively expensive versus NIFTY. Historically, such lows have preceded a course correction in equities to the upside. An asset

reallocation could drive the ratio higher as it reverts toward its mean- a catch-up trade that could favour equities over the coming months.

- The U.S. Supreme Court has fast-tracked hearings on Trump's tariff case, with the next one scheduled for November 5, 2025, and the legal odds don't seem to be in his favour.
- A weaker dollar could drive more flows into developing markets, while easing trade tariffs and any progress toward Russia-Ukraine peace could further extend the upside.

Exhibit 3: Countries negotiating bilateral trade deals have been imposed with lower tariffs.



Notes:

(a) Additional tariff of 25% on top of the 25% reciprocal tariff for India.

(b) Reciprocal tariff of 20% is being used for China.

Source: Kotak Institutional Equities estimates

Exhibit 4: Exports to US dip in Sept.

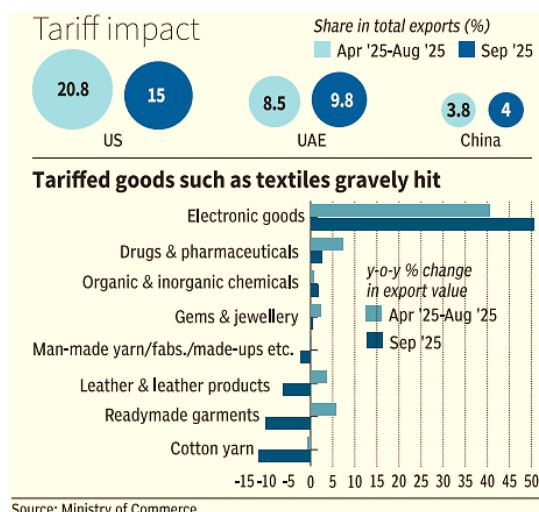
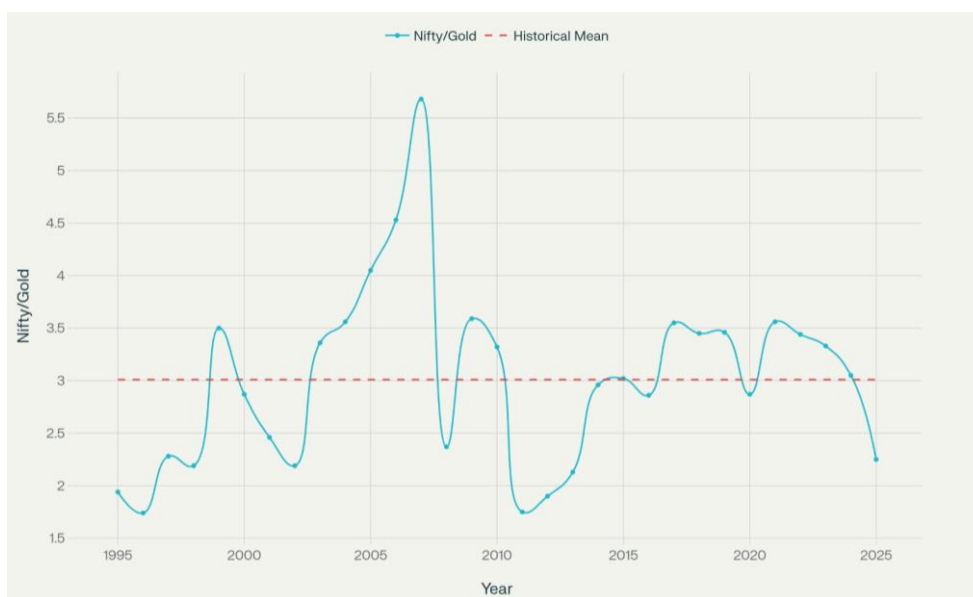


Exhibit 5: Nifty/Gold Ratio since 1995.

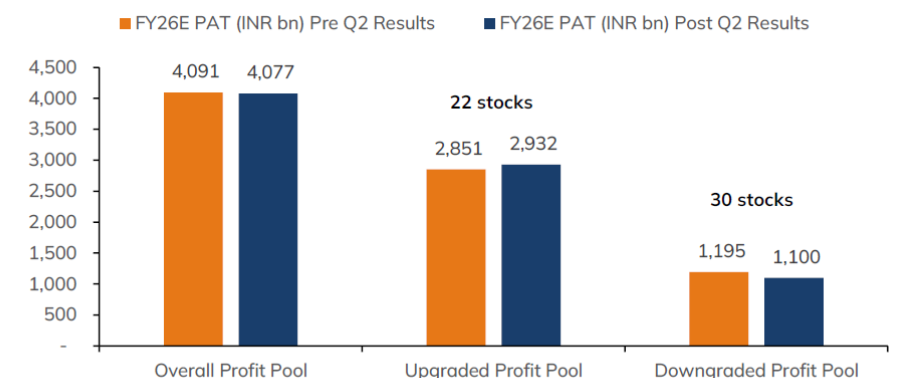


Source: NSE Data

Q2 Earnings update, Domestic Economy and Geopolitics

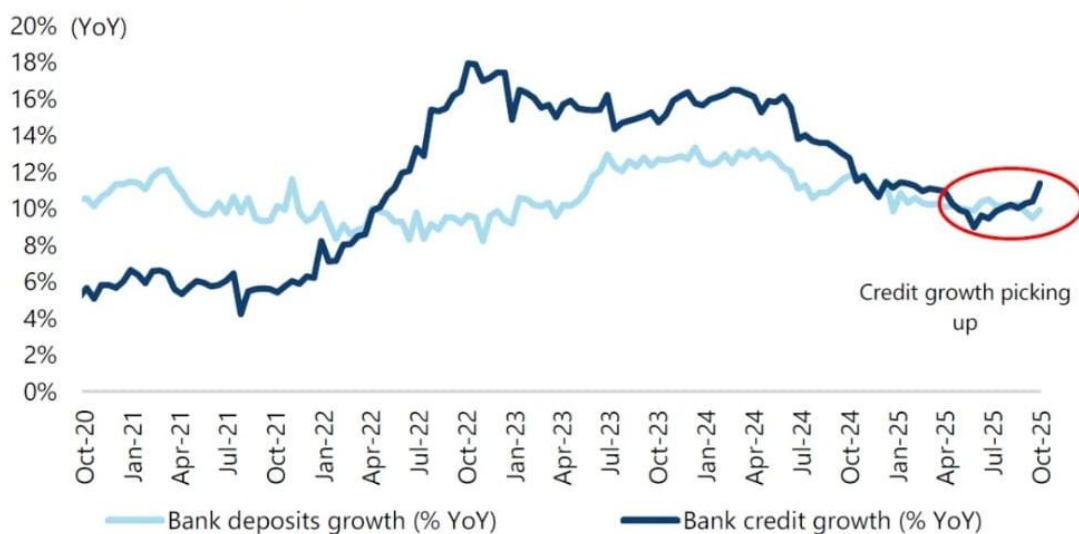
- Q2FY26 earnings so far suggest stronger-than-expected capex momentum, supported by robust volume growth in cement, steel, and cables, along with strong forward guidance from large industrials such as RIL.
- Consumption remains uneven, with muted growth across staples and discretionary categories. IT services continue to face weak demand amid an uncertain global outlook.
- Despite mixed sectoral performance, large profit pools (~70% of FY26E profits) have witnessed earnings upgrades as shown in Exhibit 5. However, downgrades still outnumber upgrades overall. We expect Q2 earnings to remain largely flat, with H2FY26 emerging as a key monitorable. Encouragingly, leading indicators point to sustained strength in the ongoing capex cycle and uptick in credit growth (Exhibit 6).

Exhibit 5: ~70% of FY26E profit pool upgraded but no. of downgrades exceeded upgrades



Source: Bloomberg, Capitaline, I-Sec research

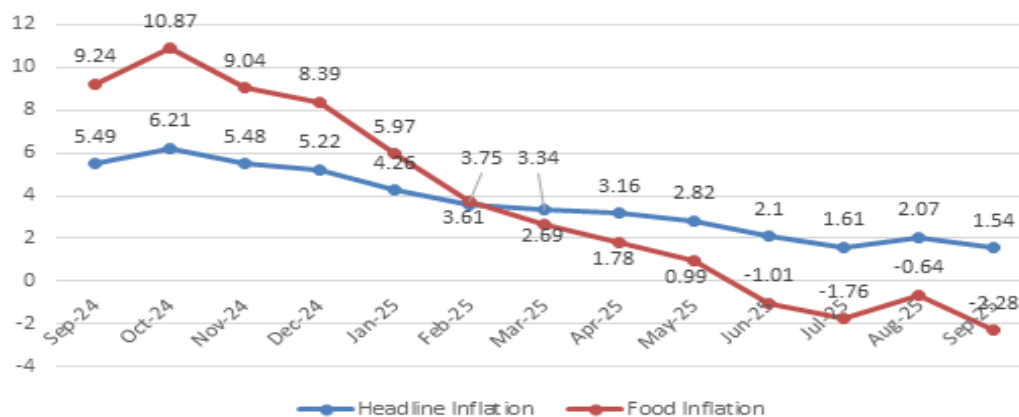
Exhibit 6: Credit and Deposit growth trend for banks.



Source: Ministry of Labour, Jefferies

- India's CPI inflation (Exhibit 7) eased to an eight-year low of 1.54% in September, led by a decline in prices of vegetables, edible oils, pulses. This sharp moderation provides the RBI additional room to maintain a dovish stance and potentially cut rates in December to support growth.

Exhibit 7: Easing inflation allows RBI to maintain dovish stance



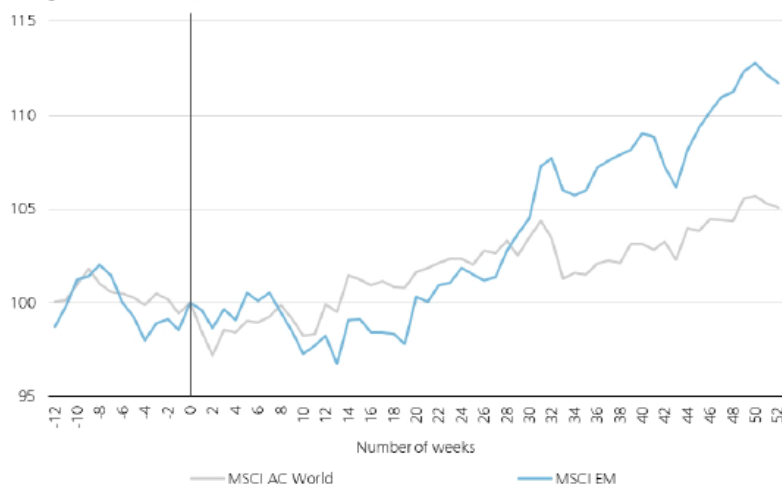
Source: Press Information Bureau

- On the global front, EM equities appear well-positioned, supported by Fed Rate cut and a softer US dollar which has been historically positive for FII inflows and EM valuations(Exhibit 8 & 9).
- Foreign investors have turned net buyers in recent weeks, with flows likely to sustain amid easing US-China trade tensions and prospects of a Ukraine-Russia ceasefire.

Exhibit 8 : Fed Cuts historically provide a tailwind to EM equities.

MSCI EM performance around first Fed cuts (since 1989)

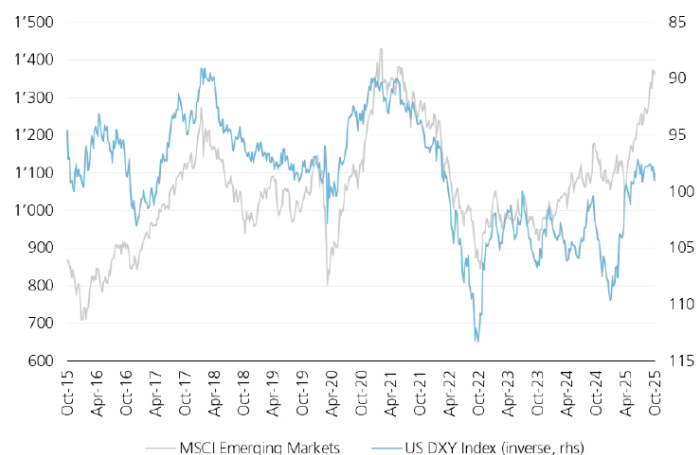
Average Market Performance around First Fed Cuts (Price Return)



Source: Refinitiv, UBS, as of October 2025

Exhibit 9: Weaker US \$ historically supported EM equities.

MSCI EM Index vs. Inverse DXY (US Dollar Index)



Source: Refinitiv, UBS, as of 17 October 2025

- The world is shifting toward a polarized, multipolar order as developed economies face slowing growth, aging populations, and rising wealth inequality. India could benefit from this realignment if it navigates wisely. With globalization waning, India's push for manufacturing and self-reliance is timely.
- Against this backdrop, our portfolio remains tilted toward domestically driven businesses that are less exposed to global volatility, while staying agile to manage external risks that could affect our holdings' earnings.

Conclusion

We believe this is the right moment to Top-up your investments in our PMS/AIF products with a medium- to long-term horizon.

We will be happy to have a quick call with you to discuss your portfolio. Also, we really appreciate the references you have shared thus far and would request you to continue to remain generous in sharing more references.

**Warm regards,
MoneyGrow Team**

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