AnandRathi
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Equity

FINANCIAL

FLASH

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INDEX

PCG Communique

From the Desk of the PCG Head

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Outperformance Continues but be Cautious…

June becomes the best month with strong FPI inflows in 2023. Foreign portfolio investors (FPIs) pumped in ₹49,617 crore in Indian equities in June, the highest monthly buying of the year. This would also be the fourth consecutive month where FPIs have continued to end as net buyers in domestic stocks. In the first qtr of the current year, FPIs have now invested ₹1,02,716 crore. The sustained buying could be triggered by the country's improving macros. In June, both Sensex and Nifty 50 hit a new lifetime high of 64,768.58 and 19,201.70 respectively. The appetite for equities is much strong than compared to other market instruments. The SIP flows has been the highest with monthly SIP crossing ₹14,700CR.

The month under review saw some huge block deals in stocks like Adani Group-backed stocks, Shriram Finance, Delhivery, HDFC AMC, Timken India, and Kalyan Jewellers among others. Another positive aspect of the current rally is the monthly average FII inflows have also reached a new high of ₹34,238 crore, surpassing the ₹5,766 crore average in the last rally. However, domestic institutional investor (DII) inflows have been lower at ₹3,371 crore than ₹96,073 crore in the previous rally. During this month, Sensex has skyrocketed by a whopping 2,171.45 points or 3.47%. While Nifty 50 has zoomed by 654.95 points or 3.53%.

Sustained FPI flows triggered by India’s steadily improving macros have taken markets to record highs. The major reason for the sustained FPI flows into India is the reversal in FPI strategy.

As per data, January and February 2023 saw massive flows to China triggered by China’s opening up after Covid and expectations of a revival in growth and earnings. The FPI strategy was ‘Sell India, Buy China’. FPI investment in India in January and February combined was negative ₹41,821 crore. This strategy was based on the view that China is cheap and India is expensive. India’s macros are steadily improving, and GDP and corporate earnings growth have the potential to improve further from here. So FPIs have reversed their strategy to ‘Buy India, Sell China. The prospects of China deteriorated and that of India improved. The Chinese economy is struggling and growth is expected to be muted. China’s consumer-driven recovery is showing more signs of losing momentum as spending slows on everything from holiday travel to cars and homes, adding to expectations for more stimulus to support the economy. Domestic travel spending during the recent holiday for the dragon-boat festival was lower than pre-pandemic levels.

The strong domestic macroeconomic conditions, with robust GDP data, cooling inflation, fiscal deficit in check, foreign capital inflows and stable crude oil prices are supportive for India. The World Bank (WB) said in a report on June 6 said that the global economy is in a precarious situation and heading for a substantial growth slowdown as sharp interest-rate increases has hit activity and stirred the vulnerabilities in lower-income countries.

The outlook of the World Bank, which estimates that the international economy will expand just 2.1 per cent in 2023 after growing 3.1 per cent. Global growth is projected to slow significantly in the second half of this year, with weakness continuing in 2024.

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Global growth is projected to slow significantly in the second half of this year, with weakness continuing in 2024 as per the report from World Bank said. The possibility of more widespread bank turmoil and tighter monetary policy could result in even weaker global growth."

A few brokerage note predict of worries of global rate hikes to contain inflation will result in depressing demand and sending developed economies including the U.S. and European markets into a recession. A stalling recovery in China, the world's biggest consumer of metals to oil, is another concern.

The Federal Reserve held the 15 months of interest-rate hikes while the European Central Bank pushed on, and both of the central banking heavyweights signalled a likelihood of further hikes. Central bank officials in advanced economies are approaching the final stages in their onslaught against the global inflation shock. While recent US and European price data have shown cost pressures are abating, inflation is proving sticky. In China, officials are reducing rates to help stimulate a weak economy that includes a slump in real estate, a drop in business investment and record-high youth unemployment.

Heated tensions between China and the West are also providing a tailwind as India is seen as an alternative by many global firms seeking to diversify their geographic footprints. In China, where the economy was expected to stage a huge rebound this year, the problems just keep piling up. On top of weak consumer spending and a housing slump, holiday tourism moderated last month and industrial profits are still plunging, flagging exports, record youth unemployment and towering local government debt.

The Global Economy Needs a New Powerhouse. India Is Stepping Up. With a median age of just 28 versus 38 in China, India is forecast to become the world's largest "young consumer market" by 2030, according to brokerage note. A rapid rise in disposable incomes is seen boosting demand for everything from vehicles to mobile phones and luxury items. There is increased optimism on the domestic economy.

INDEX PERFORMANCE – NET RETURNS (%) (JUN 30, 2023)					ANNUALIZED				FUNDAMENTALS (JUN 30, 2023)			
	1 Mo	3 Mo	1 Yr	YTD	3 Yr	5 Yr	10 Yr	Since Dec 29, 2000	Div Yld (%)	P/E	P/E Fwd	P/BV
MSCI India	4.70	12.23	14.15	5.11	19.33	8.76	8.87	10.65	1.26	25.90	21.00	3.52
MSCI Emerging Markets	3.80	0.90	1.75	4.89	2.32	0.93	2.95	7.50	3.26	13.58	12.08	1.63
MSCI ACWI IMI	5.83	5.89	16.14	13.25	10.97	7.65	8.62	6.18	2.16	19.30	16.18	2.57

Emerging Markets Equity Index				
Emerging Markets Equity Index	**1M**	**3M**	**6M**	**P/E**
Asia				
Shangai Comp	0.33%	-3.22%	1.53%	14.55
TAIEX	0.04%	6.05%	16.65%	16.22
KOSPI	-2.23%	3.95%	11.67%	15.21
S&P BSE SENSEX	**4.25%**	**9.46%**	**9.32%**	**24.17**
Eastern Europe				
WSE WIG	-0.16%	13.53%	11.04%	7.25
MOEX Russsia	4.62%	12.28%	30.08%	9.28
BIST National 100	13.32%	24.30%	14.32%	5.69
Pargue SE	-2.23%	-5.92%	3.51%	7.34
Latin America				
IBOVESPA	4.31%	18.57%	9.71%	7.34
CHILE SLCT	2.11%	10.64%	13.60%	NA
S&P/BMV IPC	-0.72%	1.01%	4.46%	13.89
ARG MERVAL	14.70%	72.72%	104.20%	19.29
Middle East / Africa				
Tel Aviv 35	1.67%	2.13%	-0.61%	12.13
Tadawul All	2.43%	6.28%	10.06%	18.26
FTSE/JSE All	-1.21%	-1.56%	-1.24%	9.95
DFM general	6.70%	14.56%	18.83%	9.53

Note : Above numbers are as per bloomberg data

Meanwhile, CAD narrowed to $1.3bn or 0.2% in 4QFY23 from $16.8bn or 2% of GDP in Q3FY23 and $13.4bn in Q4FY22. The current account deficit continued to narrow in the January quarter amid lower merchandise trade deficit, coupled with robust services exports. India's current account deficit fell to $1.3 billion (0.2% of GDP) in Q4 of fiscal 2023 from $16.8 billion (2% of GDP) in Q3 FY23, and $13.4 billion (1.6% of GDP) a year ago. The sequential decline in the CAD was mainly on account of a moderation in the trade deficit to $52.6 billion in Q4 FY23 from $71.3 billion in Q3, along with growth in services exports. For the full fiscal, the current account balance recorded a deficit of 2% of GDP in FY23 as compared with a deficit of 1.2% in FY22, as trade deficit widened to $265.3 billion from $189.5 billion a year ago.

Coming to Equity market, it is trading a higher range of the valuation. The current year Nifty EPS ended @817 and on this we are expecting a 14%-16% growth in the earning. The projection by most of the analyst for Nifty earning stood @ 950-970 for FY 24 and with this estimate, markets are trading at a 1 year forward P/E multiple of 20 which is slightly on a higher range Vs the long term average of 19.1. From the lows of 16800 in Mar we have rallied to 19200 in June. In this FY24 we have seen a 10% upmove in Nifty 50 Index, 19% upmove in Nifty Midcap and a 21% in Nifty samllcap, which shows that the upmove was across length & breath of market. We expect some kind of profit booking can take place and hence the right strategy is to wait for the market to settle to build up some long position for a longer term horizon. On the valuation front India is relatively bit expensive to emerging markets. Currently on Price to Earnings multiple MSCI India is trading @ 90% premium to EMSCI merging markets.

Sector to Watch:

Sector which looks promising from our perspective is Real Estate Ancillary & FMCG. My hypothesis towards this most of the Real Estate ancillary companies has shown a gross margin improvement vs the previous qtr due to cooling raw material cost. If we look at some of the names like Asian Paint, Pidilite, Astral pipes we have seen a gross margin improvement of anywhere between 10% to 40%. Most of these companies have high FCF and are debt free and cleaner balance sheet. With India rising per capita income, more nuclear family living, rural people migrating to urban for jobs & better living standard, real estate demand will be on a rise and real estate ancillary will be a theme to look at.

We are going to go for elections in the 5 states, followed by the Lok Sabha election in May 2024. Govt impetus will be high on rural spending and hence with good monsoon and govt rural spend, we can see more money in the hand of rural population. Along with cooling raw material prices we believe there is a gross margin expansion for the FMCG companies and is poised to do well. Look for companies Britannia, HUL in the space.

Wish you Happy Investing…

Market Commentary

The Nifty index ended the June month on a positive note as it closed at '19,189' as compared to May end '18,499', an increase of 3.7%. Similarly, Sensex ended the June month at 64,718 with a positive return of 3.4%.

Indian equity benchmarks ended the passing week at record closing levels with frontline gauges settling above their crucial 64,700 (Sensex) and 19,150 (Nifty) levels, as robust foreign fund inflows and the advance of the southwest monsoon boosted investors' sentiment. Key indices made a quiet start to the holiday truncated week as traders remain concerned on Reserve Bank of India's (RBI) statement that inflation is slowing down personal consumption expenditure, which in turn is moderating corporate sales and holding back private investment in capacity creation. However, sentiments turned optimistic on very next day after the Department of Expenditure, Ministry of Finance, Government of India, has approved capital investment proposals of Rs. 56,415 crores in 16 States in the current financial year. Sentiments remained jubilant after RBI in its latest data showing that India's current account deficit (CAD) narrowed to $1.3 billion or 0.2 per cent of GDP in the January-March quarter of FY23, mainly due to moderation in the trade deficit and a robust increase in services exports. Sentiments remained up-beat with UK Minister for Investment Lord Dominic Johnson stating that an India-UK free trade agreement (FTA) is important for both nations and it is for businesses on both sides to help drive that agenda. Traders overlooked Reserve Bank of India's data showing that net profit of the manufacturing, and the IT sector moderated in 2022-23. The net profit margin of the manufacturing sector declined to 8.7 per cent in 2022-23, against 10.6 per cent in 2021-22. Markets enlarged gains on final day of the week as sentiments got boost with Reserve Bank Governor Shaktikanta Das' statement that the Indian economy has made a solid recovery and is among the fastest-growing large economies despite heightened uncertainties and formidable headwinds. He said that financial stability is non-negotiable and all stakeholders in the financial system must work to always preserve this.

The S&P Global India Manufacturing PMI dropped to 57.8 in June 2023 from May's 31-month peak of 58.7, less than market estimates of 58.0. That said, the latest print was the 24th straight month of growth in factory activity, as new export orders rose solidly, though at a softer rate, and employment gained at a moderate pace that was broadly like May. New orders expanded sharply, with the rate of rise among the strongest since February 2021. Also, output went up the most in 1-1/2 years, while buying activity rose at the second-strongest pace in over 12 years. Delivery times improved further, as vendor performance strengthened the most in 8-1/2 years. Capacity pressures remained mild, with backlogs of work increasing for the 18th month in a row but only slightly. On prices, input cost inflation was among the lowest in three years. However, output charge inflation hit its highest in 13 months. Finally, sentiment rose to a 6-month top, linked to forecasts toward growth prospects.

The S&P Global India Services PMI increased to 62.0 in April 2023 from 57.8 in the previous month, beating market forecasts of 57. The latest reading pointed to the strongest growth in the sector since June 2010, as both output and new orders rose at the fastest pace since June 2010, with export business expanding for the third month in succession and at the fastest pace over this period. At the same time, employment rose for the 11th month running despite growing only marginally. On the pricing front, input cost inflation accelerated, while output cost inflation rose to a four-month high. Looking ahead, business sentiment improved amid marketing efforts, plans to price competitively, and an increased focus on customer relations.

The annual inflation rate in India fell to 4.25% in May of 2023 from 4.7% in the previous month, the lowest since April 2021 and firmly below market forecasts of 4.42% amid a fresh slowdown in inflation for food. The result drove inflation closer to the RBI's target of 4% and extended the decline past the central bank's upper limit of 6%, paring concerns of an eventual resumption of its tightening cycle. Consumer food inflation fell to 2.91% from 3.84% in the previous month, amid significant deflation for oils and fats (-16.01% vs -12.33% in April), vegetables (-8.18% vs -6.5%), and meat and fish (-1.29% vs -1.23%). In the meantime, inflation slowed for transport and communication (1.1% vs 1.17%), housing (4.84% vs 4.91%), and fuel and light (4.64% vs 5.52%). On a monthly basis, consumer prices rose at a steady pace from the previous month at 0.51%

The country's merchandise exports fell in May 2023. India's merchandise exports in May fell to $34.98 billion as compared to $39.00 billion in the year-ago period. India's overall exports (Merchandise and Services combined) in May 2023 are estimated to be USD 60.29 Billion, exhibiting a negative growth of 5.99 per cent over the same period last year. Overall imports in May 2023 are estimated to be USD 70.64 Billion, exhibiting a negative growth of 7.45 per cent over the same period last year. The country's merchandise imports for the period April-May 2023 were USD 106.99 billion as compared to USD 119.18 billion during April-May 2022.

The Goods and Services Tax (GST) collections for the month of June 2023 stood at ₹1,61,497 crore which is 12.0% higher than the GST revenue in the same month last year, which itself was ₹1,44,616 crore. In June, revenue from domestic transactions (including imports of services) is 18% higher than in the corresponding period a year ago.

India’s foreign exchange reserves have again showed negative signs as it decreased by US$2.90 billion to $593.19 billion in the week through June 30. Foreign currency assets decreased by $2.21 billion to $525.44 billion for the week ending June 30.

The U.S. markets ended higher during the passing week after the results of the Federal Reserve's annual bank stress test. The Fed said the results demonstrate that large banks are well positioned to weather a severe recession and continue to lend to households and businesses even during a severe recession. The Fed said all 23 banks tested remained above their minimum capital requirements during the hypothetical recession, despite total projected losses of $541 billion. Further, the rally on markets reflected optimism the U.S. economy will avoid a recession following the release of several upbeat reports. Reflecting a continued spike in orders for transportation equipment, the Commerce Department released a report showing an unexpected surge in new orders for U.S. manufactured durable goods in the month of May. The Commerce Department said durable goods orders shot up by 1.7 percent in May after jumping by an upwardly revised 1.2 percent in April. The Commerce Department released a report unexpectedly showing a sharp increase in new home sales in the U.S. in the month of May. The report said new home sales soared 12.2 percent to an annual rate of 763,000 in May after surging 3.5 percent to a revised rate of 680,000 in April. Street had expected new home sales to slump 1.2 percent to an annual rate of 675,000 from the 683,000 originally reported for the previous month. With the unexpected spike, new home sales reached their highest level since hitting a rate of 773,000 in February 2022.

European markets ended the passing week with strong gains, as positive inflation and labor market data helped ease concerns around economic recovery and interest-rate hikes. The start of the week was on a lower note, as German business confidence deteriorated to a seven-month low in June as companies were markedly pessimistic about future and their assessment about current situation worsened. A monthly survey conducted by the ifo institute showed that the business climate index slid more-than-expected to 88.5 in June from 91.5 in May. The reading was seen at 90.7. This was the lowest level since last November. Further, Finland's consumer confidence stayed unchanged and negative in June. The survey figures from Statistics Finland showed that the consumer confidence index came in at -8.8 in June, the same as in the previous month. Separate data from the Confederation of Finnish Industries revealed that industrial sentiment continued its falling trend at the end of the second quarter.

Asian markets ended mixed during the passing week on the back of weak China data and expectations that the Federal Reserve will likely keep interest rates higher for longer to bring the inflation rate down to the 2 percent target. Seoul stocks fell slightly even as survey results from the Bank of Korea showed South Korean consumer sentiment improved to the highest level in thirteen months in June, as households' current and future living conditions improved amid an ease in inflation. Chinese Shanghai edged marginally lower as weak industrial profits data for May underscored the uneven nature of the economic recovery and fueled the debate over the need for additional stimulus.

The National Bureau of Statistics said Chinese industrial profits declined 18.8 percent year-on-year in the January to May period amid weak demand and falling producer prices. However, losses were limited on hopes the government will roll out additional stimulus to shore up the weakening economic recovery. Traders also took note of official data showing manufacturing activity in the country shrank for a third straight month in June, albeit at a slower pace. The manufacturing PMI rose to 49.0 in June from 48.8 a month ago -matching expectations. The non-manufacturing sector continued to expand in June, with the corresponding index falling to 53.2 from 54.5 in the previous month.

However, Japanese shares rose by over a percent after data showed retail sales in the country rose for the 15th straight month in May, adding to signs of economic recovery. Besides, the country's unemployment rate came in unchanged at 2.6 percent as expected. Traders overlooked a separate report which revealed that industrial output declined more than anticipated in May, marking the first contraction in four months.

The S&P Global US Manufacturing PMI fell to 46.3 in June 2023, pointing to the biggest contraction in the manufacturing sector since December, compared to 48.4 in May and forecasts of 48.5, preliminary estimates showed. New orders fell the most since December, with weak demand linked to muted customer confidence while foreign demand was also subdued. Also, input buying fell at the steepest rate since January, and both pre- and post-production inventories declined sharply. On the price front, cost pressures continued to dwindle, as suppliers sought to boost their sales and offer reduced prices. Input prices fell the most since May 2020 and selling price inflation was the slowest in the current sequence of inflation. Meanwhile, greater success in finding suitable candidates allowed firms to expand their workforce numbers. Finally, the degree of optimism was the weakest in 2023 so far, amid customer hesitancy and inflationary concerns.

The HCOB Eurozone Manufacturing PMI was revised downwards to 43.4 in June 2023 from the preliminary estimate of 43.6, indicating the sharpest deterioration in the sector's health since May 2020. Output experienced the most significant contraction since October of the previous year, and total new order intakes declined at the strongest pace in eight months. Additionally, factory staffing levels were reduced for the first time since January 2021 and input purchasing declined at a substantial pace, ranking among the fastest declines in 26 years of data collection. On the price front, input costs dropped the most since July 2009, and output charges fell at the quickest pace in three years. Lastly, business confidence dipped to a seven-month low.

The au Jibun Bank Japan Manufacturing PMI was at 49.8 in June 2023, unrevised from preliminary estimates, and after a final 50.6 in May, which was the highest reading in seven months. This was the fifth contraction in factory activity so far this year, as both output and new orders shrank, with new export orders falling at the steepest pace since February. In response to weaker operating conditions, buying activity fell for the eleventh month in a row with the reduction being the joint-softest recorded this year. Employment increased to the second-fastest pace in the year to date. Meanwhile, vendor performance improved as suppliers' delivery times shortened to the greatest degree since March 2016. On the pricing front, input cost inflation eased to the softest pace since February 2021, while output cost inflation slowed to a 21-month low. Finally, business sentiment strengthened to the strongest since October 2021 amid economic recovery.

Going Ahead

The performance of the Indian equity market has been encouraging in first three months of the current fiscal year. The bellwether large cap equity indices are currently trading at all-time highs. During the current fiscal year, large cap indices have gained about 20%, while mid and small cap indices have gained about 30%. The current rally has been fueled by improvements in global geopolitics, a significant softening of global inflation, the toning down of the aggressiveness of several major central banks in terms of monetary tightening, and slightly better-than-expected corporate earnings. With the bellwether large cap indices setting new highs in recent days, the equity market outlook is positive. However, the rapidity with which the market has rallied has caused concerns for investors about the rally's continuation. There are also questions about whether investors should book profits at current levels. We are very optimistic about the Indian equity market's medium to long-term prospects. We also believe that, at current levels, mid and small cap companies will outperform large cap companies.

In terms of macroeconomic fundamentals, India continues to outperform the rest of the world's major economies. Corporate profit growth was slower than nominal GDP growth in the previous fiscal year. This year, we expect corporate margins to improve as input cost pressures ease. As a result, we anticipate that corporate earnings will grow significantly faster than nominal GDP growth during the current fiscal year. This is the primary reason for our optimistic view of the Indian equity market in the medium to long term. Domestic liquidity flows into the equity market, particularly through systematic investment plans into equity mutual fund schemes, continue to be significant. Foreign investment flows into the equity market, which was extremely negative last year, have turned positive this fiscal year. As a result, the flow of liquidity into the equity market, both domestic and foreign, is supportive of the market's continued rally.

With the current fiscal year's market rally, valuation multiples of Indian equities have increased. Yet, with most analysts expecting at least 15% earnings growth over the next 12 months, valuation multiples currently remain slightly lower than the five-year average. As a result, valuations in the Indian equity market do not appear to be very expensive. This brings us back to the question: should equity investors take a partial profit at this point? This question does not have a one-size-fits-all answer. As we always argue, strategic asset allocation accounts for more than 90% of portfolio return while market timing or specific instrument selection plays relatively minor roles.

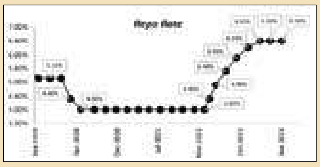
Once the strategic asset allocation has been determined, investors should avoid reacting to short-term market movements, news flows, events, and changes in investor sentiment. We however rule out a minor correction in the Indian equity market in the near term. In fact, I would point out that we have seen around 10% market correction from the year's peak in most years in the last 20 years. As a result, a similar level of market correction is possible this year as well. At the same time, it is equally likely that the market could rise another 5% to 10% in a short period of time. That is why we always emphasize that consistently timing the market is nearly impossible. A better long-term wealth creation strategy is to stick to strategic asset allocation and do required rebalancing accordingly.

Fixed Income Services

Monetary Policy Update

On 8th June 2023, the Monetary Policy Committee (MPC), based on an assessment of the macroeconomic situation and its outlook unanimously decided to keep the Repo Rate unchanged at 6.50%, remaining focused on withdrawal of accommodation to ensure that inflation progressively aligns with the target, while supporting growth.

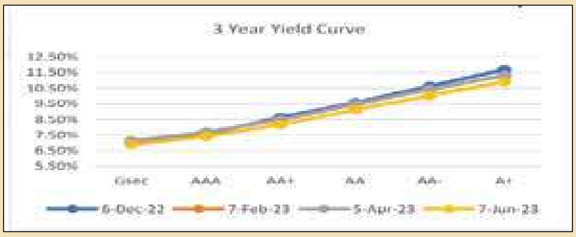
Key Rates	Pre-Policy	Post-Policy
Repo Rate	6.50%	6.50%
Bank Rate	6.75%	6.75%
Marginal Standing Facility	6.75%	6.75%
Standing Deposit Facility	6.25%	6.25%
Cash Reserve Ratio	4.50%	4.50%
Statutory Liquidity Ratio	18.00%	18.00%

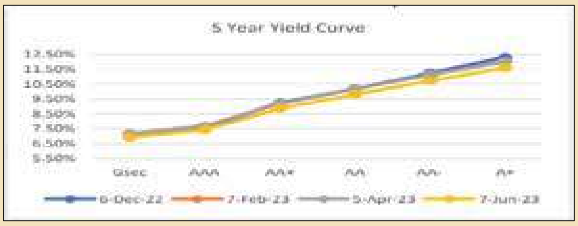


Source: RBI Press Release, Fixed Income Databases

The RBI's decision to yet again keep the policy rate unchanged came broadly in line with the market expectation, as the governor reiterated the concerns on inflation. The 10 Year Gsec (07.26 GS 2033) which had opened the day at ~7.00% remained relatively unchanged after the announcement. Since May 2022, the policy repo rate has been cumulatively increased by 250bps and is still working its way through the system. The fuller effects of this are expected to be seen in the coming months. Against this backdrop, MPC projects the GDP growth to remain resilient at 6.5% in FY24 whereas the headline inflation is projected to moderate in FY24 to 5.10% from 5.20% previously.

The 3 Year & 5 Year Yield Curve below shows how yields have moved since the last review in April 2023





- The 3 year and 5 year yield curve have eased significantly, with the 3 year and 5 year G-sec easing by 23 bps and the credit curve easing by ~35bps-40bps.
- As seen above, in the 3 year space, the AAA spread over G-sec has compressed by ~4bps from ~56bps to ~52bps, and on credit curve the spread over AAA has compressed in the range of ~5 bps to ~13bps.
- Similarly, in the 5 year space, the AAA spread over G-sec has also compressed by ~4bps, from ~53bps to ~49bps, and the spread over AAA on credit curve has compressed in the range of ~6 bps to ~14bps.

Outlook: While the tone of the policy remains concerned about headline inflation remaining above the primary target of 4%, the recent progress in containing inflation, supporting growth and maintaining financial and external sector stability has helped domestic macroeconomic fundamentals to strengthen, current account deficit to narrow; and foreign exchange reserves to remain comfortable. Keeping the policy rate and stance unchanged, the MPC will continue to remain watchful & proactive in dealing with emerging risks to price and financial stability.

Secondary Market Bond Offers

Tax Free Quotes

Security	Maturity/Call	IP	Rating	Yield
8.12% REC Tax Free 2027	27-Mar-27	Annual on 01-Jul	IND AAA/Stable	5.10%
8.51% HUDCO Tax Free 2028	25-Oct-28	Annual on 25-Oct	IND AAA/Stable	5.13%

PSB Perpetual Quotes

Security	Maturity/Call	IP	Rating	Yield
7.75% SBI Perp 2027	09-Sep-27	Annual on 09-Sept	AA+ by CRISIL & IND	7.84%
9.50% Union Perp 2026	15-Sep-26	Annual on 15-Sept	AA+ by CRISIL & IND	8.22%

PSU Quotes

Security	Maturity/Call	IP	Rating	Yield
7.58% PFC 2033	15-Apr-33	Annual on 14 Dec	AAA by CRISIL & CARE	7.32%
7.02% REC 2036	31-Jan -36	Annual on 31 Jan	AAA CRISIL, ICRA & CARE	7.33%

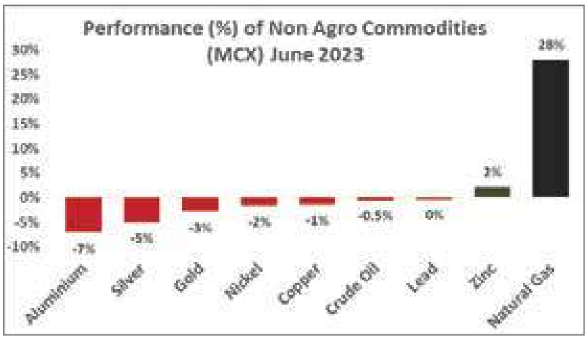
Corporate Bonds

Security	Maturity/Call	IP	Rating	Yield
6.75% Piramal Capital & Housing Finance Ltd. 2031	Staggered Maturity (31-Sept-31)	28-Mar & 28-Sept	AA by ICRA & CARE	10.20%
8.05% M & M Finance Srv Ltd 2032	24-Jul-27	Annual on 24-July	AA by ICRA & CARE	7.50%
7.97% HDFC Ltd 2033	17-Feb-33	Annual on 17-Feb	AAA CRISIL & ICRA	7.60%
10.25% Shriram Transport Finance Corporation 2024	26-Apr-24	Monthly on 28th	AA+ CRISIL & IND	8.30%
8.75% LIC Housing Fin Ltd 2028	08-Dec-28	Annual on 08-Dec	AAA by CARE & CRISIL	7.55%
9.75% Hinduja Leyland Ltd 2026	25-Sept-26	Annual on 26-Mar	AA- by CARE	9.40%
7.32% HDC Credila Fin Ser 2031	01-Aug-31	Annual on 01-Aug	AAA by ICRA & IND Ratings	7.95%
7.05% MTNL 2030	11-Oct-30	12-Apr & 12-Oct	AAA by CARE & IND Rating	7.52%
9.70% UP Power 2029	Staggered Maturity (30-Mar-29)	31 Mar, 30 Jun, 30 Sept, 31 Dec	A+ (CE) BY CRISIL & INDIA RATINGS	8.95%

The above mentioned offer(s) are indicative and subject to changes in market conditions.

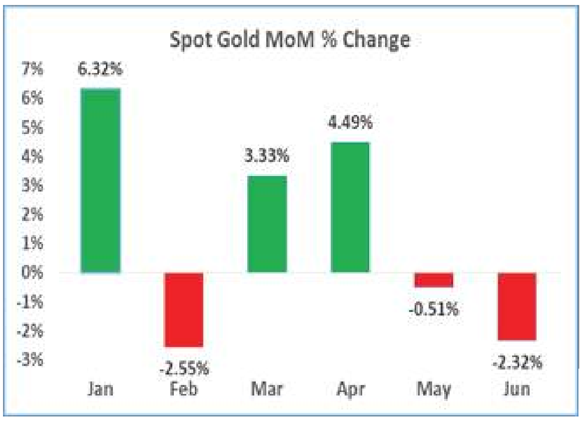
Please note that investments in these bonds should not be construed as an advice or recommendation however we can facilitate the execution of the same. The bonds are tradeable on the Exchange platform, however we do not provide any assurance or guarantee on the liquidity of bonds. The investment decision shall at all times exclusively remain with the investor. The organisation shall not responsible or liable for any loss or shortfall incurred by the investors.

Commodities Outlook



Precious Metals: Bearish momentum continues amid tight global monetary policies, improving macro cues keep safe haven bids limited

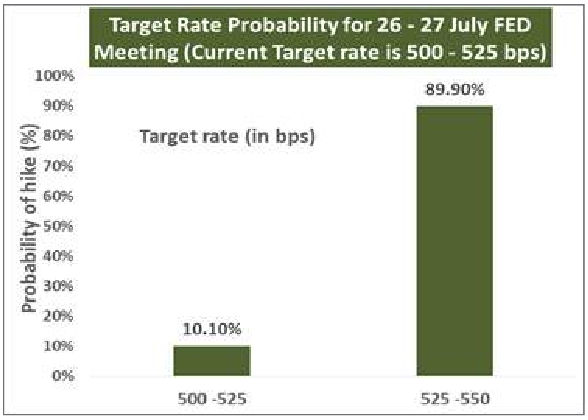
Gold prices, continued its bearish momentum in the month of June after witnessing all-time highs in the first week of May as prices touched lowest levels in three months in international markets. Month was dominated by monetary tightening theme as global central banks including ECB, BOE, BOC & BOA all resorted to continued interest rate hikes to combat sticky inflation levels. Meanwhile US went ahead to pause its interest rate hikes in June meeting but indicated two more rate hikes in months ahead which dented safe haven appeal of yellow metal. With concerns persisting of continued rate hikes treasury yields continued to remained elevated as short term yields went to near 4.75 % which pressured the precious metals prices. US growth remained resilient in the first quarter as Final GDP numbers were revised higher showing 2 % growth which further led to optimism over resilient economy and weighed on sentiments for precious metals. The Nasdaq 100 notched its best ever first-half of a year, with prospects for bigger returns in the technology sector turning investors away from haven assets such as gold.



Outlook:

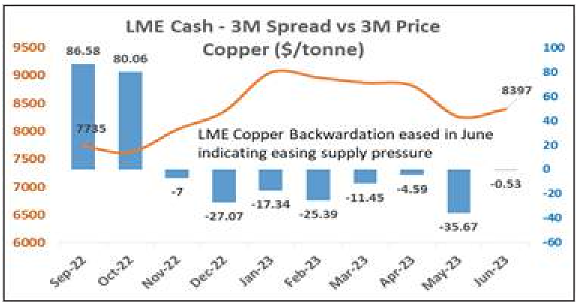
Elevated treasury yields along with expectations of renewed dollar strength could weigh on sentiments, while concerns of global slowdown on elevated interest rates could lead to volatility in precious metals complex at lower levels.

Gold after witnessing a second consecutive monthly fall in June is still up about 5 % Year to date despite falling around 8 % from its all-time highs witnessed in May. Moving ahead prices are expected to look ahead for further interest rate moves by global central banks during the month amid slowdown for physical demand from top consumers such as China to drive sentiments in near term. Traders will also be looking to the upcoming earnings season and additional data, such as current week nonfarm payrolls, for more information on the health of the economy. Overall prices are expected to consolidate further in the current month with a negative bias as $ 1890 per ounce seems to be a floor on Comex. It could witness a trading range of $ 1890 – 1950 per ounce on Comex in the current month. On MCX this could translate to a trading range of Rs. 57100 – 59750 per Kg. in August futures contract.



Base Metals: Witness corrective bounce on China stimulus optimism. Rally looks unsustainable for H2 2023 on global slowdown fears

Base Metals complex witnessed short covering rallies in June as China resorted to rate cuts. However rallies were seen limited as China consumption recovery were weaker than expected which limited sharp upside. Copper prices erased almost all yearly gains seen during the start of the year. Weaker-than-expected demand for copper from China dampened the sentiment for the base metals. Copper, traded down by more than 8% in May month in key London Metal Exchange and domestic futures platforms. A similar trend was witnessed in the China Shanghai futures as well.



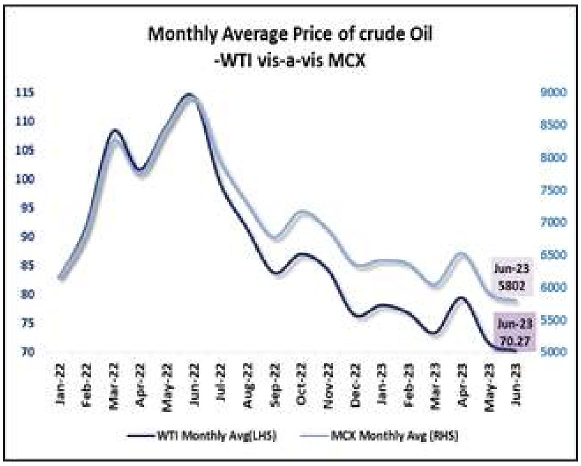
Copper prices were on a bullish trajectory in the first quarter of the year on hopes that China's property market would recover following the pandemic-induced slowdowns. However, a string of recent disappointing economic releases from the country pointed to a weak demand outlook that battered the metal prices in the past few weeks.

Outlook – Expectations of more stimulus from China to keep prices supported, but declining global manufacturing growth along with dollar rebound to limit sharp upside.

China declining Inflation during the year added to concerns over the strength of the economic recovery while weaker structural growth in property market further added to demand concerns. Data during the current month showed real estate investment, Industrial output and Retail sales growth either slowed or missed expectations. Meanwhile expectations that authorities may increase the quota for local government special bonds, allowing them to borrow more to finance infrastructure investment could continue to provide near term support to copper prices. Overall LME Copper is expected to remain in the range of $ 8200 – 8750 per tonne in 3M forward contract.

Crude oil markets may get tighter in H2 2023, but demand worries still lingers

Oil prices have been falling consistently since the start of 2023 in part due to headwinds from China's lackluster economic recovery and aggressive monetary tightening leading to recessionary concerns that could dampen demand for Oil. Oil market balances largely remained in surplus keeping prices under check. On a monthly average basis, WTI Oil declined around 9% in May and in June average WTI oil price stood around 70.27 per bbl, a drop of around 2% m-o-m.



Notwithstanding the otherwise seasonal uptrend during Q2, oil prices fell on gloomy demand picture. Neither Saudi's defensive stance nor the recently resurfaced geopolitical tensions is seen supporting oil prices to move sustainably higher. Over and above this, Russia's persistent supplies despite western sanctions and output cut pledge, kept oil markets adequately supplied. Amidst the gloomy economic outlook, the next six months remain even more challenging as the seasonal trend of last 10/20 years indicates oil prices remain depressed in the second half of the year. That's an added blow for the price outlook after they fell every month so far during the first half of 2023.

Crude Oil Outlook for July

As we enter the second half of 2023, focus is squarely on Saudi Arabia and Russia that hold potential to tighten crude market supplies this quarter. Saudi's additional 1 mn bbl output cut effective July has been prolonged till August and Russia's export cuts by 5 lakh bbl in August, could be a turning point for the oil markets.

But, the time spreads continue to face headwinds due to pessimistic views on demand and high interest rate. The downward shift in WTI's prompt month spread, the price difference between July and August contracts turned to contango on June 30, may signal that users are cautious about oil's short-term supply-demand dynamics despite OPEC+'s output cuts.

The US oil and product inventories continue to portray a mixed picture. Crude oil weekly inventories at 453.7 million bbl are hovering near 5-year average while the motor gasoline inventories and distillate inventories are ruling 7% and 15% below 5-year average. Amid summer demand, jet fuel started to reflect solid airport activity with demand climbing to the highest level since 2019, at 1.9 million barrels day.

Talking about the most decisive fundamental factor and the silver lining that will determine the path of oil demand and price recovery in the second half of 2023 is the China consumption story. As on date, China's growth momentum has decelerated following a robust initial rebound. While the nation is facing some economic headwinds, the transport and petrochemical sectors are still showing signs of demand growth.

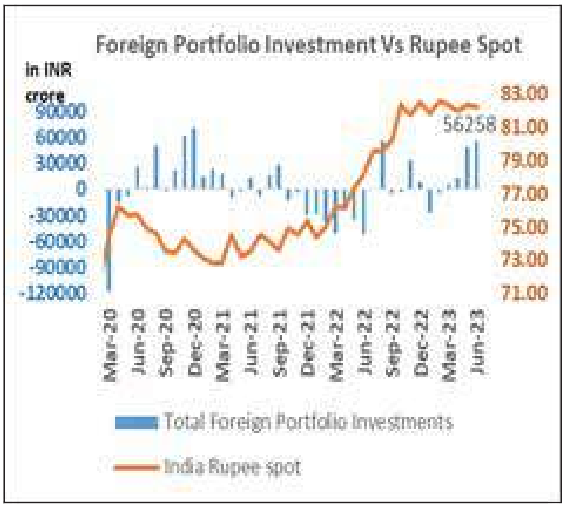
Meanwhile, key agencies including OPEC and IEA still expect oil markets to remain in deficit in Q3 and Q4 2023 with developing countries demand growth of more than 2m b/d this year, despite the recession risks in several OECD nations.

But talking about the short term outlook, uncertainty still surrounds the oil markets. The combination of market skepticism, uncertainty about near- term supply, and the impact of broader macroeconomic factors suggests that oil prices face downward pressure. At the same time, Saudi's output cut in July, tight product inventories in the US, threat of supply disruptions due to hurricane season and building of strategic reserves by the US may limit the downside.

Thus, we expect tight trading range of $65-$75 to continue in oil prices this month, unless and until any major event occurs, may be on the geopolitical front (Russia Ukraine tensions) or on Climate/Weather (Hurricane) front that could disrupt supplies. On MCX, Crude oil may face strong resistance around 6,250 levels while on the lower side, strong support is seen around Rs. 5,490 levels.

Rupee's best monthly performance since Jan amid Foreign Portfolio Inflows

The Indian rupee witnessed for its biggest monthly advance versus the US dollar since January, aided by persistent foreign equity inflows. For the month, the rupee was up 0.8% on the back of more than $3.5 billion of inflows into Indian equities that have pushed the BSE



Sensex and the Nifty 50 Index to record highs. The significant foreign inflows have helped the rupee hang around the 82 level in the face of weakness in the Chinese Yuan and the hawkish US Federal Reserve. Data from the BSE suggests that foreign corporate investors continued to acquire Indian securities at a considerably fast pace through the first half of the month, raising demand for the domestic currency. Foreign portfolio investors have pumped (Rs 47,148 crore out of total inflow of Rs 56258 crore) into Indian Equities in June, marking the highest inflow in 10 months.

Quarterly narrow of Current account deficit amid lower trade gap add to Rupee appreciation.

India's current account deficit in the January-March quarter narrowed to its lowest in 7 quarters as the South Asian nation's trade balance improved on falling commodity prices and booming services sector exports. Cooling commodity prices and reduced domestic demand due to elevated borrowing cost are helping narrow India's trade gap. The CAD was at 2% of GDP in 2022-23 as compared with a deficit of 1.2% in 2021-22 as the trade deficit widened to $265.3 billion from $189.5 billion a year ago. while local currency bonds are on track to witness the longest streak of monthly buying by overseas funds since 2019 adding to rupee appreciation.

Currency Outlook

Indian Rupee Update

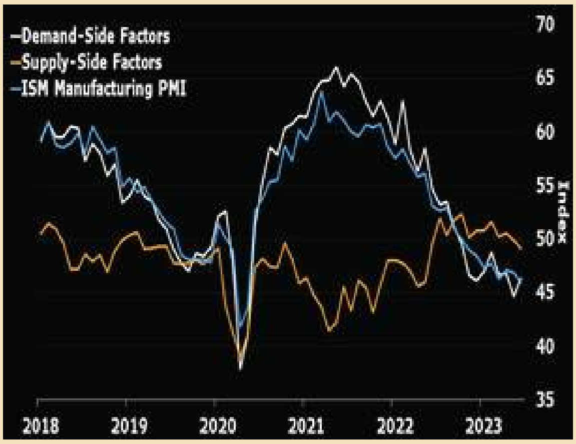
Going ahead the bias for the rupee remains positive from technical as well as from fundamental perspectives. The recent reading of the current account deficit, trade balance, foreign fund inflows & other high-frequency data point towards strength in INR. The coming inflation print might show a dip, but expectations are for sticky core inflation for some more time and hence the resilience of the Dollar.

Spot USDINR has been consolidating between 81.50 to 83 levels in the past 8 months. But as the price range got narrower (81.90 – 82.20) in the last couple of weeks, there is a chance of a directional move on either side in 1-2 months.

US Yield curve Hits deepest inversion since 1981, indicating potential economic slowdown in long run

The yield curve briefly inverted to 42-year lows at 109.50 as investors increasingly expect the Fed to raise its benchmark borrowing rates to keep inflation in check. Flattening yield curve adds to investors' pessimism about slowdown in economic growth which means economy might turn to recessionary pressure curbing down the rate hike possibilities over long term. Whereas in near term as short term yields are higher the rate hike chances are priced in. Yields on 2-year treasuries have been above those of 10-year Treasuries since last July. This inversion can tamper Dollar index rise in long run, however strong economic data could help in tame down the downfall risk.

Manufacturing Activity continues its June declines, amid contracting demands weighs on Dollar Index



The ISM's manufacturing PMI dropped to 46.0 last month, the lowest reading since May 2020, from 46.9 in May. That marked the eighth straight month that the PMI stayed below the 50 threshold, which indicates contraction in manufacturing, the longest such stretch since the Great Recession. A decline in manufacturing employment dragged down the headline PMI. Demand-side factor sub-index ticked up as inventories declined further and the pace of decline in the order backlog slowed. However, demand-side factors are all in contractionary region whereas, supply-side factors continued incrementally softening.

Dollar Index

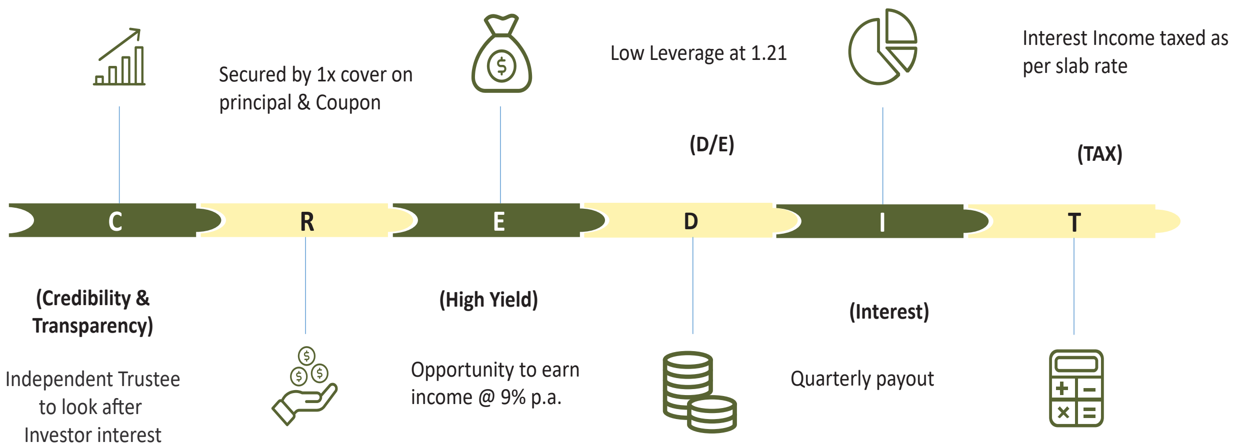
On monthly perspective, the US dollar is likely to remain sluggish (101.50 – 104) with data releases dominating. US data will soon attract the market's attention again now that a July Fed rate hike is a consensus view and there is also speculation about a move in September.

However, the potential for other G7 countries to close their interest-rate differential with the US, the ECB and UK are fully expected to keep hiking rates will keep downward pressure on the US dollar, or at least temper any move higher. The US dollar is set to be driven by external influences as much as domestic data on Quarterly outlook.

A potential Fed hike and mixed US macro-economic data are likely to collide with still poor long-term fundamentals. We would use any near-term rallies as buy on dip opportunities in safe-haven assets to reduce risk in slowing growing economy.

ANCHOR (Market Linked Debentures)

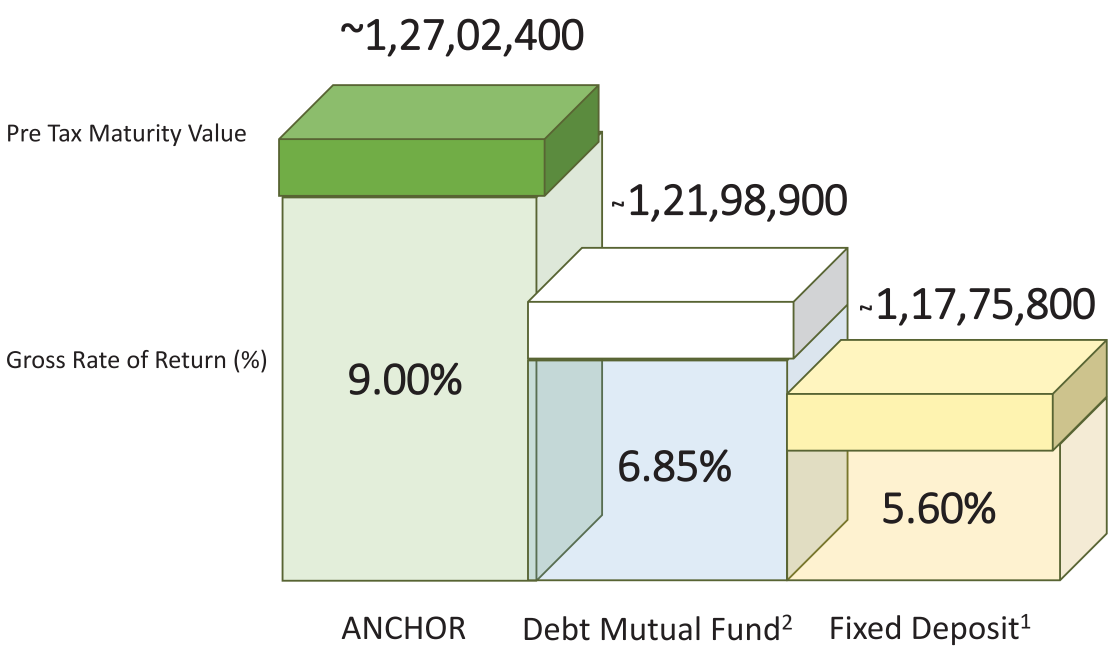
What is ANCHOR?



*Realized return on investment may differ depending on the investment timing, due to the difference in purchase value and face value of the security on the date of investment & Return is subject to the credit Risk of the Issuer.

What is the Opportunity?

For an investment of 1 Crore for 36 months



1. 3 year Fixed Deposit rate effective 13th Aug, 2022, per SBI website https://sbi.co.in/web/interest-rates/deposit-rates/retail-domestic-term-deposits
2. Average Gross Yield to Maturity for Corporate Bond Fund Category as on 31st Aug, 2022

Key Terms of the Issue

Product Name	ANCHOR
Entity	Anand Rathi Shares & Stock Brokers
Listing/Secured	Unlisted/Yes, with a minimum 1x charge against receivables
Coupon/Type	Fixed @ 9.00% p.a.
Coupon Frequency	Quarterly
Redemption Tenor	36 Months
Redemption Date	29th September 2025
Face Value	Rs. 1,00,000 per bond
Minimum Subscription	Rs. 25 lakhs Multiple (25 bonds)
Taxation	Interest Income taxed as per Slab Rate
Issuance Mode	Demat Only

The information provided is this communication is reproduction of factual details. No part of information provided here in should be construed as investment advice by ARSSBL and/or its employee. Investor/Client must make their own investment decisions based on their own specific investment objectives and financial position. This communication does not constitute an offer or solicitation for the purchase or sale of any financial instrument/security.

Cash-flow Illustration

Example: For an investment of 25 lakhs for 36 months at par

Date	Cash Flows at 9% p.a.
29-Sep-22	(2,500,000)
29-Dec-22	56,096
29-Mar-23	55,479
29-Jun-23	56,712
29-Sep-23	56,712
29-Dec-23	56,096
29-Mar-24	56,096
28-Jun-24	56,096
27-Sep-24	56,096
27-Dec-24	56,096
28-Mar-25	56,096
27-Jun-25	56,096
29-Sep-25	2,557,945
XIRR	**~9.31%**

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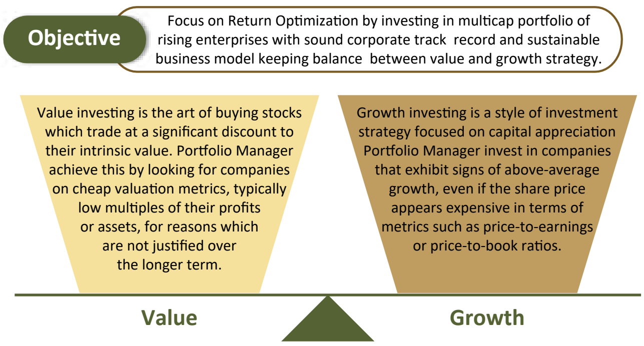
*Returns/IRR showcased are for illustrative purposes only. The returns are pre-tax.

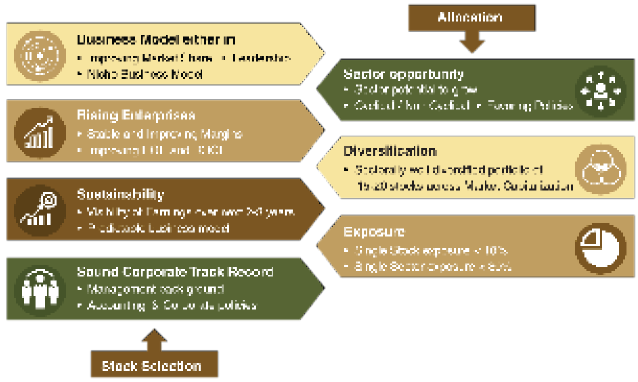
Anand Rathi PMS

PMS Portfolio

Objective & Investment Philosophy



Investment Process

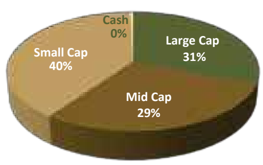


Re-VIEW Strategy

Top Holdings & Market Cap Allocation

Sr No	Top 10 Holdings	% Holdings
1	Ratnamani Metals & Tubes Ltd.	7.8%
2	Bharat Electronics Ltd.	7.2%
3	Bajaj Finance Ltd.	6.0%
4	KEI Industries Ltd.	5.9%
5	Radico Khaitan Ltd.	5.3%
6	Carborundum Universal Ltd.	5.2%
7	Varun Beverages Ltd.	5.0%
8	KEC International Ltd.	4.9%
9	JK Lakshmi Cement Ltd.	4.9%
10	Blue Dart Express Ltd.	4.8%

Market Cap Allocation

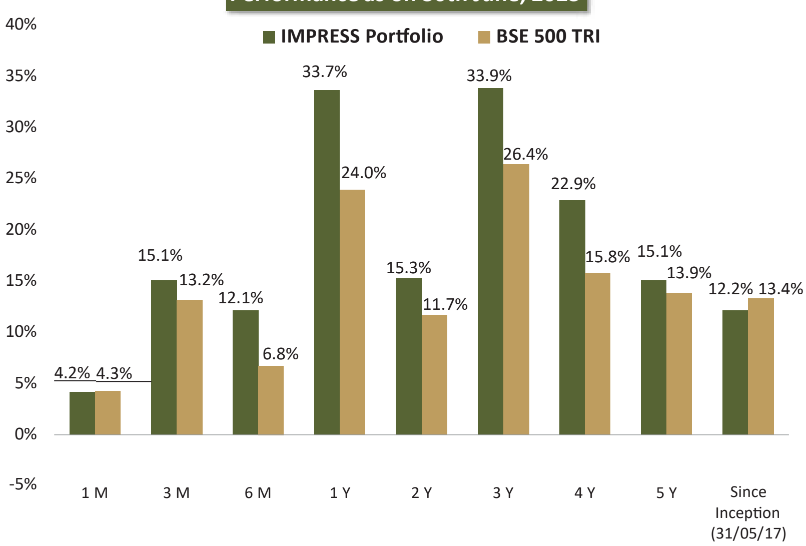


Avg Mkt Cap (cr)	
Large Cap	260389
Midcap	24357
Small Cap	10518
Overall Portfolio	91528

Data as on 30th June, 2023

Portfolio Performance

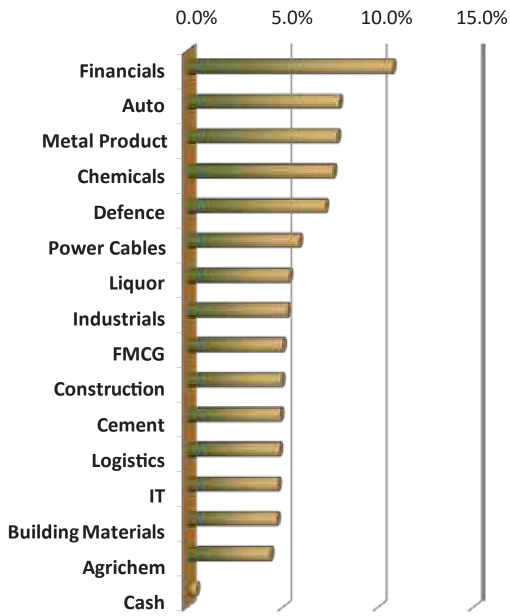
Performance as on 30th June, 2023



Note: - Returns above one year are annualized. Returns net of fees and expenses.

Disclaimer: Past Performance is not necessarily indicative of likely future performance. Performance mentioned above are not verified by SEBI.
We have shown the performance as Aggregate performance of all clients on TWRR basis.

Sector Allocation



Anand Rathi PMS

MNC Portfolio

Objective & Investment Philosophy

Objective Focus on consistency of return and risk moderation by investing in Multinational Companies listed in India.

Investments into listed companies in India in which the foreign shareholding is over 50% and/or the management control is bestowed in foreign company and/or the technological and managerial know-how brought in by foreign partner/investor.

Healthy Balance Sheet

Top Holdings and Allocation

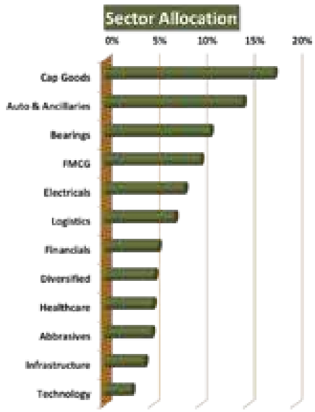
Sr No	Top 10 Holdings	% Holdings
1	Siemens Ltd	8.4%
2	Maruti Suzuki India Limited	8.0%
3	KSB Limited	7.9%
4	Blue Dart Express Ltd	7.4%
5	Schaeffler India Limited	7.0%
6	Ingersoll-Rand (India) Ltd	5.7%
7	CRISIL Ltd	5.7%
8	3M India Ltd	5.3%
9	Hindustan Unilever Limited	5.2%
10	Abbott India Ltd	5.1%

Avg Mkt Cap (cr)	
Large Cap	265891
Midcap	28295
Small Cap	5646
Overall Portfolio	94970

Data as on 30th June, 2023

Successful Business Model

- MNC's benefit from the economy of scales by spreading R&D expenditures and advertising costs over their global sales, pooling global purchasing power over suppliers, and utilizing their technological and managerial know-how globally with minimal additional costs.
- MNC's can use their global presence to take advantage of underpriced labor services available in certain developing countries, and gain access to special R&D capabilities residing in advanced foreign countries



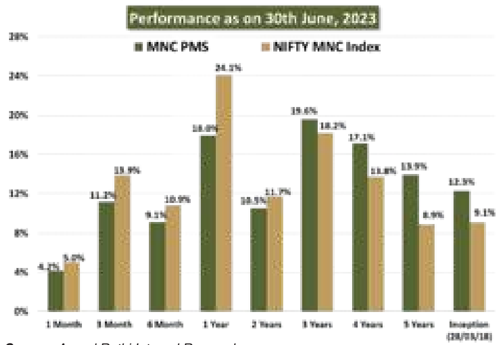
The current model client portfolio comprise of 18 stocks. Portfolio is well diversified across market capitalization and sector. We have shown top 10 stocks based on current portfolio. Most of the stocks are given more or less equal and sizable weightage in portfolio

Strong Corporate Governance

- MNC's are generally rated high for their corporate governance standard.
- MNC's depict high transparency and accountability with well laid out policies and regulatory framework, internal control and risk management.
- This provide good comfort for an investor who would not fall prey to any negative impact on investment due to corporate mis-management and fraud.

Selection Process

Out of 4500 listed Company, there are only 90 odd MNC Companies which are own by Foreign Promoter with more then 1000 cr Market Cap which make the stock universe limited for further evaluation.



Source: *Anand Rathi Internal Research.*

Note: - Returns above one year are annualized. Returns are net of all fees and expenses.
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Anand Rathi PMS

Decennium Opportunity

Focus on return optimization by investing in multicap portfolio of companies with good corporate governance, strong emerging business or companies entering into next business upcycle.

India Vision: Global Powerhouse with USD 5 Trillion dollar economy by 2025

Opportunities at every level of emerging business

The key to success is to adapt to the changing business dynamics

Emerging business of ongoing Industrial Revolution

Note: The above opportunity are given for illustration purpose there are many other emerging business in this ongoing industrial revolution, which could form a part of portfolio.

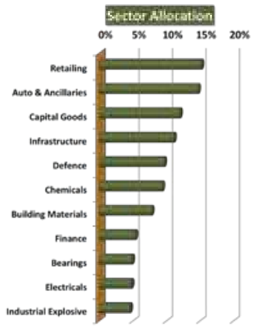
Stock Selection Process

Opportunity - Accelerated Growth from Business Upcycle

- Indian economy has found its place among the key global players in many of the sectors.
- India increasing its share and becoming a part of the global supply chain and also a reliable partner.
- Government focus on building capabilities, scale and good manufacturing practices.
- PLI, Export incentive and Atmanirbhar Bharat Initiative very well supportive to strengthen India's private players/ Enterpreneurs to scale up their business.
- With overall economic growth both at macro and micro level and favorable policy many sectors enters into their next business upcycle

Portfolio Synopsis

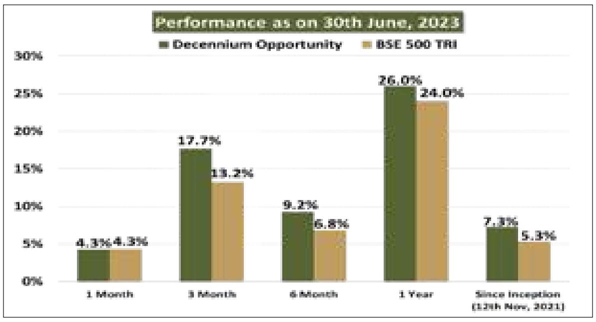
Sr. No.	Top 10 Holdings	% Holdings
1	Bharat Electronics Ltd	9.7%
2	Craftsman Automation Limited	9.1%
3	Cera Sanitaryware Ltd	7.6%
4	Tube Investments of India Limited	6.3%
5	Power Mech Projects Limited	6.1%
6	Ethos Limited	5.8%
7	Praj IndustriesLtd	5.5%
8	Bajaj FinservLimited	5.4%
9	Syrma SGSTechnologyLimited	5.2%
10	KECInternationalLimited	5.2%



	Avg Market Cap (cr)
Large Cap	132421
Midcap	27628
Small Cap	8083
Overall Portfolio	36650

Data as on 31st May, 2023

The current model client portfolio comprise of 18 stocks. Portfolio is well diversified across market capitalization and sector. Most of the stocks are given more or less equal and sizable weightage in portfolio.



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Note: Returns above one year are annualized. Returns are net of all fees and expenses.

Structure Product Idea

Nifty Accelerator

Product Name	Nifty Accelerator– 100%	
Issuer	Anand Rathi Global Finance Limited	
Underlying	Nifty 50 Index	
Principal Protected	Principal is not protected	
Tenor(days)	1875 Days	
Initial Fixing Level	150 points contingent from closing nifty then rounded to next 100	
Final Fixing Level	Average of Closing NIFTY on last Thursday of 47^{th}, 50^{th}, 53^{rd} & 56^{th} Month.	
Nifty Performance (NP)	(Final Fixing Level/Initial Fixing Level)-1	
Contingent Coupon (CC)	100% (IRR – ~14.45%)	
Participation Rate1 (PR1)	100%(From 108% to 133% of Initial Fixing Level)	
Participation Rate2 (PR2)	2500%(From 130% to 133% of Initial Fixing Level)	
Decay Multiple (DM1)® Knock-In Put @ 84.99%	1.15x (below -15% till -30% fall with catch-up)	
Decay Multiple (DM2)® Nifty @ 69.99% of initial	0.15x (Beyond -30% fall decay decreases)	
Payoff	If Final Fixing Level is at or above 133% of Initial Fixing Level	Contingent Coupon
	If Final Fixing Level is above 108% & below 133% of Initial Fixing Level	(NP-8%)* PR1+ Max(0%,(NP-30%)*PR2
	If Final Fixing Level is at or above 85% & at or below 108% of Initial Fixing Level	Principal Protection
	If Final Fixing Level is below 85% of Initial Fixing Level	MAX(-100%,MAX((-30%*DM1),NP*DM1)+MIN(0%,(NP+30%)*DM2))

NIFTY ACCELERATOR- 100%: PAYOFF (Market Linked Debentures Idea)

Nifty Values	Nifty Perf.	Product Return	Nifty IRR	Product IRR
37590	110.00%	100.00%	15.50%	14.40%
35800	**100.00%**	**100.00%**	**14.40%**	**14.40%**
26850	50.00%	100.00%	8.20%	14.40%
23807	**33.00%**	**100.00%**	**5.70%**	**14.40%**
23628	32.00%	74.00%	5.60%	11.40%
23449	31.00%	48.00%	5.40%	7.90%
23270	30.00%	22.00%	5.20%	3.90%
21480	20.00%	12.00%	3.60%	2.20%
19332	**8.00%**	**0.00%**	**1.50%**	**0.00%**
17900	**0.00%**	**0.00%**	**0.00%**	**0.00%**
17662	-1.30%	0.00%	-0.30%	0.00%
16110	-10.00%	0.00%	-2.00%	0.00%
15215	**-15.00%**	**0.00%**	**-3.10%**	**0.00%**
15213	-15.01%	-17.26%	-3.12%	-3.62%
14320	-20.00%	-23.00%	-4.30%	-5.00%
12530	**-30.00%**	**-34.50%**	**-6.70%**	**-7.90%**
10740	-40.00%	-36.00%	-9.50%	-8.30%
0	-100.00%	-45.00%	-100.00%	-11.00%

Product IRR* **14.45%**

Tenor **1875 Days**

Target Nifty Perf. **33%**

Product Explanation

NP >= 33%	100% (Contingent Coupon)
30% < NP < 33%	Max(0%,(NP-30%)*PR2
8% < NP < 33%	(NP-8%)* PR1
-15% <= NP <= 8%	Principal Protection
-30% <= NP < -15%	1.15x Decay with Catch-up
Nifty falls beyond -30%	Decay decreases to 0.15x
If NP = -100%	-45% (Max Loss in this product)

*Product IRR assume to be Pre-Tax IRR
NP: Nifty Performance
^ Initial Fixing Level is taken as 17662, adding 150 points contingent: 17812, rounded off to next 100: 17900.
**Historical Standard Deviation is calculated for 1710 days daily rolling NIFTY (Working Days Only) return from 1st Jan'2001 – 31st January 2022.
Investment Value per debenture: 1,25,000/-(Issued at a premium)

Source: Anand Rathi Internal Research.
Note: Such representations are not indicative of future returns.

Technical Analysis

NIFTY: JULY 2023

LEVELS TO WATCHOUT FOR: 19500 - 19800 / 19000 – 18650

The jubilant month of June 2023 was the third consecutive month where the domestic markets ended in green. Right from the beginning of the month, the bulls took the front seat and gradually succeeded in making a new lifetime high. Initially the index NIFTY spot attempted a new high above 18887 and then the bulls accelerated the momentum to pull the index above 19000 mark. Eventually the index made a high near 19200 with a gain of over 3% during the month.

All the theories and technical evidence which hinted for a profit booking scenario went for the toss during the month of June 2023. Now we have a crystal-clear breakout with no sign of weakness. The theoretical target for the breakout is above 20500 and the time frame can be 3 – 6 months. On the other hand, breakout would be negated below the weekly low of 18650. For short-term, 19500 – 19800 can be the immediate hurdle where we might witness some pause in the momentum. The only concern now is the formation of a bearish 'WOLFE WAVE' on the NIFTY chart. Along with a breakout failure below 18650, the bearish 'WOLFE WAVE' too will be activated and hence 18650 now remains an important trigger for the bears. In addition, one should keep a close tab now on the FII's long short ratio in the index futures since it is now hovering near 70%. Historically we have seen markets peak out in the zone of 70% - 75%. Thus, to sum it up, there is no evidence of any threat at this point in time, but we cannot take the markets for granted and hence short-term traders are advised to avoid aggressive bets once NIFTY slips below 19000 whereas investors can track 18650 supports for exiting their longs.

Meanwhile, for the second consecutive month the NIFTY BANK index underperformed the benchmark indices. Although the index managed to register another lifetime high of 44787 but the index gained just around 1.5% during the month. Going ahead, as per the range breakout the index has potential to reach towards 45500 levels on the higher side. Only a close above the same might reinforce the index to extend the rally towards much higher levels. On the downside, 43500 seems to be a strong base for the coming weeks and only a breach of the same might worsen the situation for the index.

Technical Pick – BUY LTIMINDTREE LTD **POTENTIAL UPSIDE 10.78%- 14.37%**

- Since past few months **LTIMINDTREE** has been consolidating in a broad range and has now confirmed a breakout from the range.
- The breakout has confirmed a 'Double Bottom' formation for the stock.
- On the weekly scale, RSI seems to be breaking out from the threshold level of 60.
- For the coming weeks, we expect a decent relief rally in LTIMINDTREE. Thus, traders are advised
- To **buy the stock in the range of 5200-5100** with a stop loss of 4780 on closing basis for the upside potential target of 5705 followed by 5890 levels in coming 1-3 months.

ICICI Venture

Overview of ICICI Venture

ICICI Venture, established 1988, is a pioneer in Indian Alt Assets market

ICICI Venture at a Glance

$6bn	600+	100+	81+
AUM/A since inception	Investments since 1988	Investments since 2002	Exits since 2002

Our Existing 4 Verticals

	Private Equity	Real Estate	Infrastructure	Special Situations
AUM/A [1]	$1.85bn [2]	$0.70bn [2]	$1.75bn [3]	$1.25bn [2,4]
Strategies	Growth Equity	Debt	Energy	Debt, Mezzanine
	Joint Control	Equity	Utilities	Distress Buyouts
	Buyouts	Mezzanine	Buyouts	Equity Recaps

Sector Footprint

- Banking, Financial Services, Insurance
- Consumer, Retail/eTail Brands
- Healthcare, Pharmaceuticals
- Media & Entertainment
- Manufacturing, Industrials, Logistics
- RE & Infra

IAF5

[1] Excluding VC AUM (1988-2002); [2] Includes co-invest capital; [3] Through Resurgent Power which is co-sponsored by ICICI Venture and Tata Power Company; Figure represents enterprise value of current portfolio; [4] Through AION which is in a strategic alliance between ICICI Venture and Apollo Global (US); As of April 2020, ICICI Venture and Apollo have jointly agreed to a revised format whereby AION will continue to be managed by Apollo and advised by ICICI Venture until the end of its term. Each of ICICI Venture and Apollo are free to pursue future investment opportunities independently

Evolution of our PE Vertical

ICICI Venture

Growth PE has been our core strategy in the last 2 decades across 4 funds

		IAF1 2002-03	IAF2 2005-06	IAF3 2009-10	IAF4 2016-17	IAF5
Size		*INR 11 Bn*	*INR 24 Bn[1,2]*	*INR 14.4 Bn*	*INR 16.5 Bn[1]*	*INR 25 Bn[3]*
India focused		✓	✓	✓	✓	✓
Strategy	*Growth PE*	✓	✓	✓	✓	✓
	Growth (PIPE)	×	✓	✓	✓	✓
	Buyout, Joint Control	✓	✓	✓	✓	✓
	Series A,B	✓	✓	×	×	×
	Cross Border	×	✓	×	×	×
	Real Assets	✓	×	×	×	×
Number of deals		*21*	*21*	*9*	*10*	*10-12[3]*
First time PE raisers		*16*	*16*	*5*	*6*	*Key focus*
Exited		*21*	*20*	*8*	*2*	*-*

IAF5 1 Including USD capital represented in INR based on actual exchange rates corresponding to the vintage of the fund; 2 Amended; 3 Targeted

IAF4 Portfolio Overview

ICICI Venture

Backing leaders and emerging leaders in fast growing sectors in India

IAF4 Portfolio	Entry Year	Investment[1] (INR Mn)	Sector	Strategy	Stake	Exit/ Liquidity	Exit Strategy
STAR	2016	1,000	BFSI	Growth PE	4.19%	Exited (3.03x, 55%)	Sale to strategic/PE
GO COLORS!	2018	1,000	Consumer	Growth PE	13.79%	Exited (6.34x, 59%)	IPO, Capital markets
KIMS HOSPITALS	2021	1,600	Healthcare	Growth PE	2.42%	Listed	Capital markets
DCB BANK	2018	2,398	BFSI	Growth PIPE	4.36%	Listed	Capital markets
india1	2019	1,000	BFSI	Joint Control	21.48%[3,4]	2023-24	Strategic sale
anthea	2016	1,650	Mfg	Growth PE	26.22%[5]	2023-24	Strategic sale
[illegible]	2022	1,200	Consumer	Growth PE	2%[6,7]	2023-24	IPO / Capital Markets
[illegible]	2021	1,600	Mfg	Growth PE	15.9%-24.2%[6]	2023-24	IPO / Capital Markets
[illegible]	2017	1,250	Consumer	Joint Control	46.52%[8]	2024-25	Sale to strategic/PE
zopper	2022	1,400[7]	Insurtech	Growth PE	17%	2025	Sale to strategic/PE

IAF4 deal log

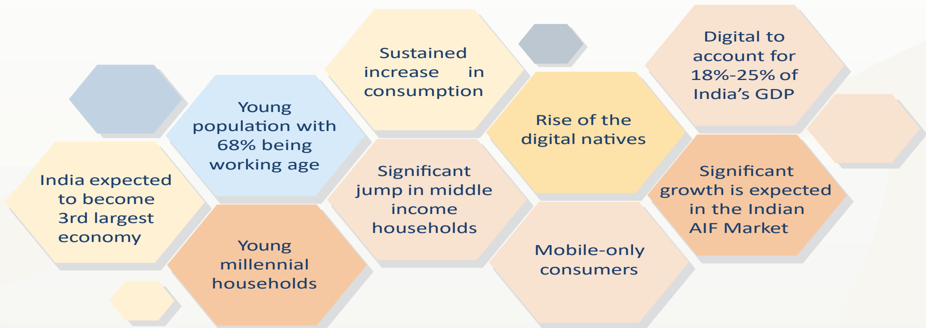
[1]Aggregate investments across both vehicles IAF S4 I and DIF S4 US I; [3] Over 48% across IAF4 and IAF3; [4] On fully diluted basis prior to ESOP dilution; [5] Excluding CCPS component; [6] Fully diluted equity stake assuming conversion of CCPS as per agreed terms; [7] Over 6% across IAF4 and IAF5; [8] Including Equity and CCPS; prior to ESOP dilution

IAF5

Disclaimer: All projections, forecasts or "forward-looking statements" relating to expectations regarding future events or the possible future performance of funds contained herein are those of ICICI Venture and represent ICICI Venture's own assessment and interpretation of information available to it as at the date of this presentation and are subject to change without notice. In particular, no representation or warranty is made that any projection, forecast, calculation, forward-looking statement, assumption or estimate contained in this presentation should or will be achieved. There is a substantial likelihood that at least some, if not all, of the forward-looking statements included in this presentation will prove to be inaccurate, possibly to a significant degree.

INDIA 2030 Summary

Domestic consumption to remain, and digital to become, key drivers of the economy



IAF5 *The World Bank Population estimates & projections, CIA Factbook 2020 Estimates, Telecom Regulatory Authority of India (TRAI), Businessworld article, McKinsey Digital India 2019 report, CEBR, PwC - The World in 2050, Businessworld article, McKinsey Digital India 2019 report, AGR analysis*

IAF5 Themes

IAF5 would seek to invest around 3 investment themes

IAF5

IAF5 Focus Sectors

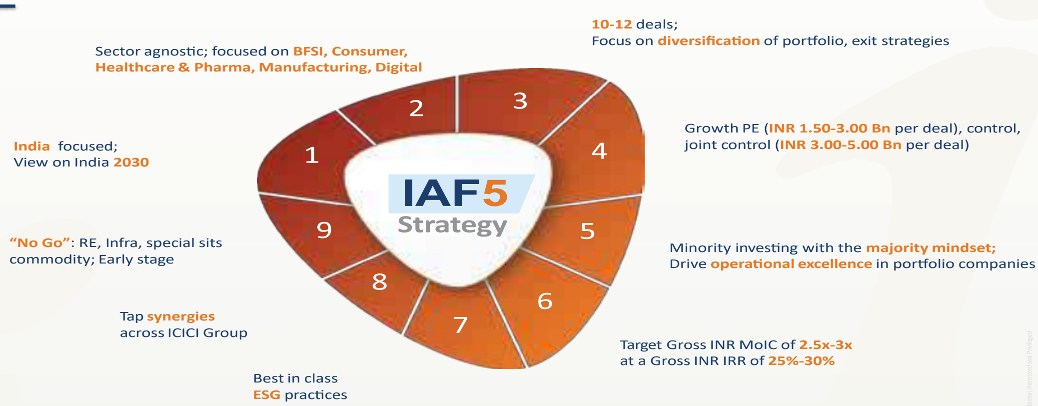
Focus is on specific sub-sectors in BFSI, Consumer, Healthcare & Pharmaceuticals and Manufacturing

BFSI*	Consumer	Healthcare, Pharma	Manufacturing
Bank	Beauty & Personal Care	Hospitals	Specialty chemicals
NBFC	Food Services	Diagnostics	Processed food
Insurance	Online Retail	Pharma	Electrical equipment
Payments	Home & Kitchen Appliances	Health Tech	Engineering goods

IAF5 **Banking, Financial Services and Insurance*

IAF5 Strategy

Key pillars



IAF5

PE Process

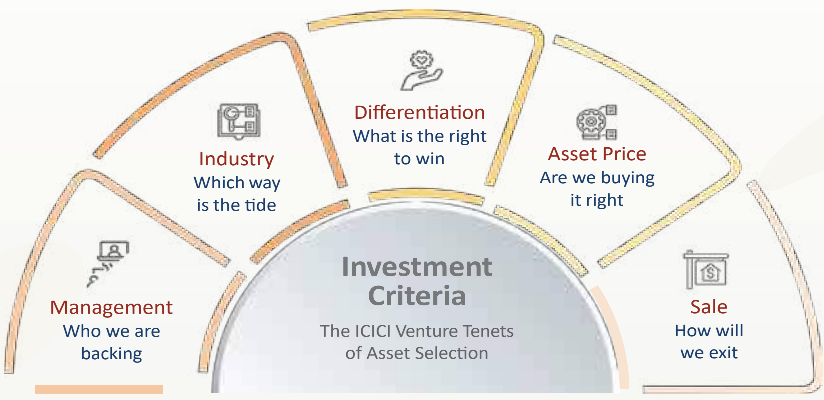
ICICI Venture leverages its well established PE process for implementing IAF5 investment strategy

Deal sourcing	Rigorous due diligence	Distinctive and disciplined pricing, structuring	Driving Operational Excellence in Portfolio Companies	Target Returns within Targeted Holding Period
• AIF Manager / Team • Prior investees • Group references • Investor references • Intermediaries • Auctions	• Environmental & Social (E&S) DD • Commercial DD • Financial DD • Legal DD • Promoter DD	• Disciplined and multi-pronged approach to entry / exit valuation • Leverage distinctive structuring experience to mitigate downside risk and align objectives	• HR • Business ops, Supply chain, IT • Cost optimization • M&A • Branding, Marketing • Business Strategy • Financial Management • Strategic alliances • ESG	• Multiplicity of exit options • Ab initio alignment with promoters, teams • Adaptability • Speed • Intermediaries • Focus on execution excellence

IAF5

Deal Selection

ICICI Venture follows a 5-point framework for screening and selecting deals for further evaluation



IAF5

Key fund terms (India Advantage Fund S5 II)

Key fund terms*

India Advantage Fund S5 II	Organized as a close-ended, contributory, determinate trust, registered with SEBI as a Category II AIF (Fund of Funds); ICICI Venture is Settlor, AIF Sponsor, Manager of the Feeder Fund. Invests solely in India Advantage Fund S5 I which is organized as a close-ended, contributory, determinate trust, registered with SEBI as a Category II AIF (Master Fund). ICICI Venture is Settlor, AIF Sponsor, Manager of the Master Fund.
Minimum Capital Commitment	INR 10 Million (or as per extant SEBI AIF Regulations)
First Closing	July 7, 2022
First Drawdown	October 21, 2022 (notice issued on September 30, 2022)
Investment Period	5 years from First Closing (excluding extensions, if any) for Master Fund. Feeder Fund to be co-terminus with Master Fund
Fund Term	8 years from Final Closing (excluding extensions, if any) for Master Fund. Feeder Fund to be co-terminus with Master Fund
Management Fee	2% p.a. (net of GST) at Master Fund level per investor. Plus INR 1 Mn p.a. (net of GST) at overall Feeder Fund level. Master Fund Management Fee to be charged on the basis of Capital Commitment made by Feeder Fund during Investment Period and net invested capital thereafter
Feeder Fund Expenses	Feeder Fund Set up Expenses and Operating Expenses shall be charged at actuals, subject to a cap of 0.25%^ per annum (net of GST) as percentage of aggregate capital commitments received by the Feeder Fund at it's Final Closing, on an annualized average basis over Feeder Fund's term, plus pro-rata share of Master Fund Expenses
Master Fund Expenses	Master Fund Set up Expenses and Operating Expenses shall be charged at actuals, subject to a cap of 0.75%^ per annum (net of GST) as percentage of aggregate capital commitments received by the Master Fund at it's Final Closing, as calculated on an annualized average basis over the Master Fund's Term or Extended Term as maybe applicable, excluding one-time acquisition and divestment expenses incurred by the Master Fund
Hurdle Rate of Return	Applicable at Master Fund level (12% IRR on INR basis, pre-tax with full catch up)
Additional Amount	SBI MCLR +4% per annum applicable for Subsequent Closings with effect from date of First Drawdown
Additional Return	Applicable at Master Fund level only (20% on whole fund basis)

IAF5 *Subject to legal & tax advice, SEBI Regulations and approvals; for further details please refer PPM; ^ subject to final closing size being equal to target size

ICICI Venture

iREIF 2

India Real Estate Investment Fund Series 2

Affordable Housing Focused Debt AIF

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Overview of ICICI Venture

ICICI Venture

ICICI Venture, established in 1988, is a pioneer in the Indian Alt Assets market

ICICI Venture at a Glance

$5bn AUM/A
since inception

600+ Investments
since 1988

100+ Investments
since 2002

81+ Exits
since 2002

ICICI Venture's Business Verticals

		Private Equity	Real Estate	Infrastructure	Special Situations
AUM/A[1]		\$1.9bn[2]	\$700mn[2]	\$453mn[3]	\$1.25bn[4]
Strategies		Growth Equity	Debt	Energy	Debt, Mezzanine
		Joint Control	Equity	Utilities	Distress Buyouts
		Buyouts	Mezzanine	Buyouts	Equity Recaps

Real Estate Foot Print

Affordable housing

Mid-high end housing

Office development

Mixed use

iREIF 2

1 Excluding VC AUM (1988-2002); 2 Includes co-invest capital; 3 Through Resurgent Power which is co-sponsored by ICICI Venture and Tata Power Company; Figure represents equity capital commitments; 4 Through AION which is in a strategic alliance between ICICI Venture and Apollo Global (US); As of April 2020, ICICI Venture and Apollo have jointly agreed to a revised format whereby AION will continue to be managed by Apollo and advised by ICICI Venture until the end of its term. Each of ICICI Venture and Apollo are free to pursue future investment opportunities independently

Evolution of our RE Vertical

ICICI Venture

Private Debt has been our core strategy since the last decade

		IAF RE S1 2005-06	IAF RE S2 2011-12	iREIF 2018-19	iREIF 2
Size		*INR 22.00 Bn[1]*	*INR 3.76 Bn[2]*	*INR 5.83 Bn*	*INR 10.00 Bn[3]*
India focused		✓	✓	✓	✓
Debt focused		×	✓	✓	✓
Equity focused		✓	×	×	×
Strategy	*Affordable Housing*	×	✓	✓	✓
	Pan Residential	✓	✓	✓	✓
	Commercial/ Retail	✓	✓	×	×
	Mixed use	✓	×	×	×
	Pan India	✓	×	×	×
	Top 7 cities	✓	✓	✓	✓
Number of deals		*13*	*8*	*11*	*10-12[4]*
Exited		*13*	*8*	*2*	*-*

iREIF 2

1 Across IAF III, IAF IV and DIF IV; 2 Includes co-invest capital; 3 Target fund size including green shoe option of upto INR 5.00 Bn; 4 Expected number of deals

ICICI Venture's Footprint of Financing for Housing

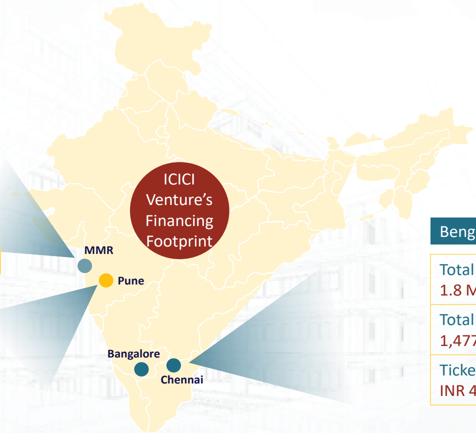
Financed over 15,000 units / 14.2 million square feet of Affordable Housing & Mid-Income projects in India

Mumbai Metropolitan Region (MMR)

Total Area 3.2 Mn sft	Arihant Superstructure
Total Inventory 4,917 units	Mayfair Housing
Ticket Size INR 3.5-24 Mn	Platinum Homes
	Suraj Estate
	Dhamji Shamji

Pune

Total Area 9.2 Mn sft	SKYi
Total Inventory 8,554 units	Kolte Patil
Ticket Size INR 2.6-8.5 Mn	



Bengaluru & Chennai

Total Area 1.8 Mn sft	Mahaveer
Total Inventory 1,477 units	Prince Foundation
Ticket Size INR 4-13 Mn	LGCL

iREIF 2

Our RE debt exit track record

We have a proven, superior exit track record in our RE debt strategies

Developer	Type	Investment	Exit	Gross IRR
ARIHANT Superstructures Ltd.	Affordable Housing	Oct 2018	April 2021	22.5%
SKYi Developers	Affordable Housing	Oct 2019	Oct 2021 (Largely)	22%
Rajesh Lifespaces	Housing	Oct 2013	Sept 2015	25.2%
Mahaveer	Affordable Housing	August 2013	Jan 2016	23.4%
values that build worth	Affordable Housing	Oct 2012	Jul 2014	22.7%
AHUJA	Housing	Dec 2012	Jul 2015	22.2%
PRINCE	Affordable Housing	Dec 2014	Oct 2016	21.2%
SUNSHINE	Commercial	Dec 2014	Aug 2016	21.8%
DS	Affordable Housing	Oct 2014	Nov 2016	20.8%

iREIF 2

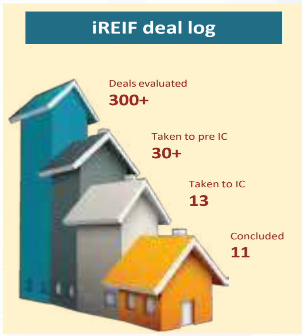
All Gross IRR figures are in INR terms prior to fund level fees, expenses and carried interest/additional returns; pre-tax basis

iREIF Portfolio Overview

Backing affordable housing projects with leading developers in each micro-markets

Portfolio	Entry Year	Investment[1] (INR Mn)	Location	Project Type	Unit Pricing (INR Lacs)	Gross IRR[1]	Exit status
ARIHANT	2018	550	Taloja & Karjat, MMR	Affordable Housing	18-60	22.5%[2]	Exited
ARIHANT	2022	450	Taloja, MMR	Affordable Housing	27-40	18.0%[3]	On schedule
SKYi	2019	355	Bhukum, Pune	Affordable Housing	30-45	22.2%[2]	Largely Exited
SKYi	2021	500	Kirkitwadi, Pune	Affordable Housing	35-45	19.8%[3]	On schedule
MAYFAIR	2019	650	Virar, MMR	Affordable Housing	35-45	18.8%[3]	Partly exited
platinum corp.	2021	550	Andheri, MMR	Affordable Housing	95-195	24.5%[3]	On schedule
platinum corp.	2022	150	Khar,MMR	Housing	270-470	30%[3]	To be disbursed
[illegible]	2021	400	Mahim, MMR	Affordable Housing	150-250	21%[3]	On schedule
[illegible]	2022	300	Dadar, MMR	Affordable Housing	150-250	20.1%[3]	On schedule
HAPPY DAYS	2018	387	Hennur Road, Bengaluru	Affordable Housing	55-60	7.2%-13.8%[4]	Behind schedule
pooja	2022	500	Hyderabad	Residential plots	75-235	19.5%[3]	To be disbursed

1 All Gross IRR figures are in INR terms prior to fund level fees, expenses and carried interest/additional returns; pre-tax basis; 2 Realized; 3 Estimated based on IC case; 4 Estimated based on expected outcomes of NCLT resolution
MMR – Mumbai Metropolitan Region; Affordable Housing as defined under the Ministry of Finance, Government of India notification of 2017



iREIF 2

Leveraging ICICI Group RE strengths

MOU with ICICI Bank

ICICI Bank CRFG[1]
- A significant player in Indian Construction Financing
- Total exposure of about INR 587.7 billion[2]

ICICI Bank Home Loans
- Leading player in India
- Loans & Advances of INR 2,355.9 billion[2]

ICICI HFC
- Developer Loans of INR 2.54 billion[2]
- Mortgage book of INR 145.9 billion[2]

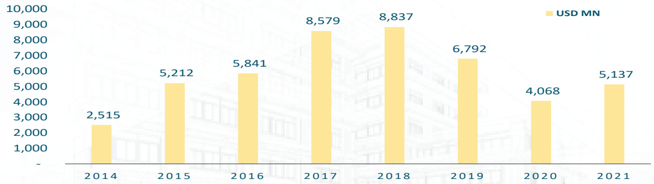
01 Key features of MoU
- Access to proprietary deal flow
- Priority partner for potential co-lending transactions
- Access to diligence materials and market insights
- Ability to leverage CRFG & HFC presence across markets in India

02 Benefits of MoU
- Enabling broader financing options for potential iREIF2 developers
- Co-lending with ICICI Bank / ICICI HFC will ensure financial closure
- Enhanced ability to negotiate better terms with the developer

1 Construction & Realty Funding Group; 2 As of March 31, 2022
Source: ICICI Bank Annual Report

Private capital flows to Indian RE sector

USD 46 Billion has been invested in the Indian RE sector in the 2014-21 period across both debt and equity



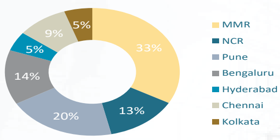
- The Indian real estate industry comprises of 4 sub-sectors -housing, retail, hospitality and commercial.
- The growth in this sector is complemented with the growth in economy driven by manufacturing, the corporate environment and the demand for office space as well as urban and semi-urban housing.
- Currently the construction industry ranks 3rd amongst the 14 major sectors which contribute in terms of direct, indirect and induced effects to the economy.
- The real estate industry is the 3rd contributor to the GDP currently standing at 7% and by 2030 is likely to attain 2nd position with an estimated contribution of 13%.
- Housing comprises 80% of the real estate market in India. This percentage includes the overall industry including both urban, semi urban and rural markets.

Source – Knight Frank Research, Venture Intelligence

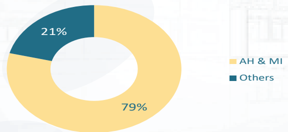
iREIF2 target market snapshot

MMR and Pune account for 53% of Sales

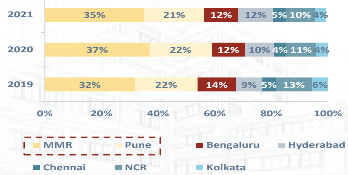
% of Overall Sales from 2015-2021



% of Sales in Mid-income & Affordable

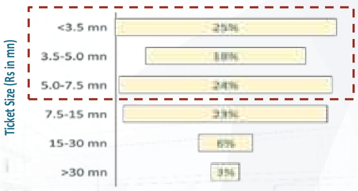


City wise residential unit sales



- ~56 % of residential units sold in 2021 are in MMR and Pune
- Hyderabad has highest increase in volume

Affordable & Mid Income continues to drive overall volume



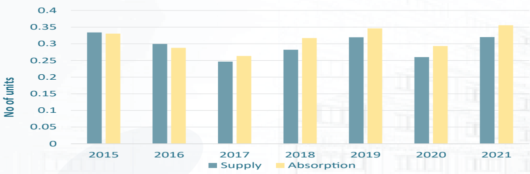
- ~67 % of residential units sold in CY2021 have been in below INR 7.5 mn unit price

Source: PropEquity. CY 2020. Data for number of units sold

Covid impact

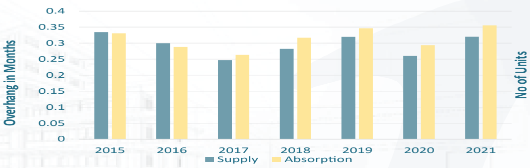
Despite Covid, healthy supply and absorption of residential units

Supply and sales velocity



- Top 7 cities CY 2021 sales volume higher than CY 2019
- Reduced supply has resulted in lower level of inventory

Housing inventory overhang



- Inventory overhang has reduced
- Ready inventory of only ~ 50,000 units across top 7 cities

Source: Propequity

iREIF2 Strategy

Key pillars

iREIF2

Focused on Private Debt in Housing Projects (at least 51% in Affordable Housing*)

10-12 deals;
Focus on Top 7 Indian cities

Typically INR 400-600 Mn per deal through interest bearing NCDs

Focus on Tier 1-2 developers in chosen micro-markets; MOUs executed with select iREIF funded & other leading developers

Target Gross INR IRR of 17%-22%

Typical Security cover of 1.5x on a post tax basis; Active portfolio monitoring

Tap synergies across ICICI Group

"No Go": Pure Equity risk, pure-play commercial, early stage land aggregation risk

India focused;
View on India 2030

*Affordable Housing definition as per Ministry of Finance notification of April 2017 (Min. 50% project FSI in Max. 60 sqm. (~645 sft) Carpet area houses)

iREIF2 Strategy

Preferred Stage of Investments

	Land Aggregation	Land Acquisition/ Pre-approval stage	Under Construction	Completed Projects
Overall risk				
Cash Flow Visibility				
Expected Gross IRR[1]	>23%	~19% - 21%	~17% - 18%	~15% - 16%
Characteristics	Long tenure, significant approvals risk	Medium tenure, approval, and execution risk	Short – Medium tenure, lower execution risk, minimal approval risk	No execution risk, possible sale/ vacancy risk

Locations
MMR, Pune, Bangalore, Chennai, Hyderabad;
NCR, Kolkata, Select Tier II cities on opportunistic basis

Portfolio
Deal sizes of INR 400-600 Mn (about 10-12 deals)

Maturity
Typical maturity period of 36-42 months

Investment Structures

Debt Investments

- Regular coupon servicing
- Indicative IRR of ~17-18%

Differential Coupon Investments

- Regular servicing of lower coupon initially
- Higher coupon towards the end of the investment to meet the investor's required rate of return
- Indicative return of ~18-20%

Coupon + upside Investments

- Regular servicing of lower coupon initially
- Investor's required rate of return to be achieved by linking returns to price appreciation/ performance of the project
- Indicative Return of ~20-22%

1 All Gross IRR figures are in INR terms prior to fund level fees, expenses and carried interest/additional returns; pre-tax basis

iREIF2 Process

ICICI Venture leverages its well-established process for implementing iREIF2 investment strategy

Deal sourcing	Rigorous due diligence	Distinctive and disciplined structuring and rights	Project Management	Target Returns within Targeted Holding Period
• AIF Manager / Team • ICICI Bank • ICICI HFC Prior investees • Group references • Investor references • Intermediaries	• Financial DD • Legal DD • Technical DD • Promoter DD (select)	• Leverage distinctive structuring experience to mitigate downside risk and align objectives • Negotiate appropriate rights including significant security package per transaction	• Regular monitoring • Marketing Strategy • Financial Management • Strategic alliances • Financial Closure	• Focus on execution excellence • Exit from project cashflows/ refinancing

iREIF2 key terms*

Target size	INR 10.00 billion including green shoe option of upto INR 5.00 billion
Fund	• Organized as a close-ended , contributory , determinate trust, under registration with SEBI as a Category II AIF • ICICI Venture is Settlor, AIF Sponsor and Investment Manager of the AIF
Minimum Capital Commitment	INR 10 Million (or as per extant SEBI AIF Regulations)
Final Closing	By or before 18 months from First Closing (excluding extension, if any)
Investment period	Starts from First Closing and ends 2 years from Final Closing (excluding extensions, if any)
Fund Term	Starts from First Closing and ends 5 years from Final Closing (excluding extensions, if any)
Management Fee (net of GST)	• 1.25% p.a. (Capital Commitment equal to or over INR 100 Mn) • 1.40% p.a. (Capital Commitment equal to or over INR 50 Mn but less than INR 100 Mn) • 1.50% p.a. (Capital Commitment equal to or over INR 10 Mn but less than INR 50 Mn) • Fee to be charged on Capital Commitment during first year after First Closing ; net invested capital thereafter
Set up Expenses and Operating expenses	• Set up Expenses and Operating Expenses shall be charged at actuals • Subject to a cap of 0.50% per annum (net of GST) as percentage of aggregate capital commitments received by the Fund at it's Final Closing, as calculated on an annualized average basis over the Fund's Term or Extended Term as maybe applicable, excluding one-time acquisition and divestment expenses incurred by the Fund • All Fund Expenses will be allocated to and be borne by all Unitholders holding all classes of Units and will form a part of the total Capital Commitment of each Unitholder
Preferred Rate of Return	12% IRR (INR basis , pre-tax) with full catch up
Additional Return	15% (whole fund basis)
Others	Other customary best in class terms on governance, etc

* Subject to legal and tax advice, SEBI AIF Regulations and approvals ; please refer to the Private Placement Memorandum for further details

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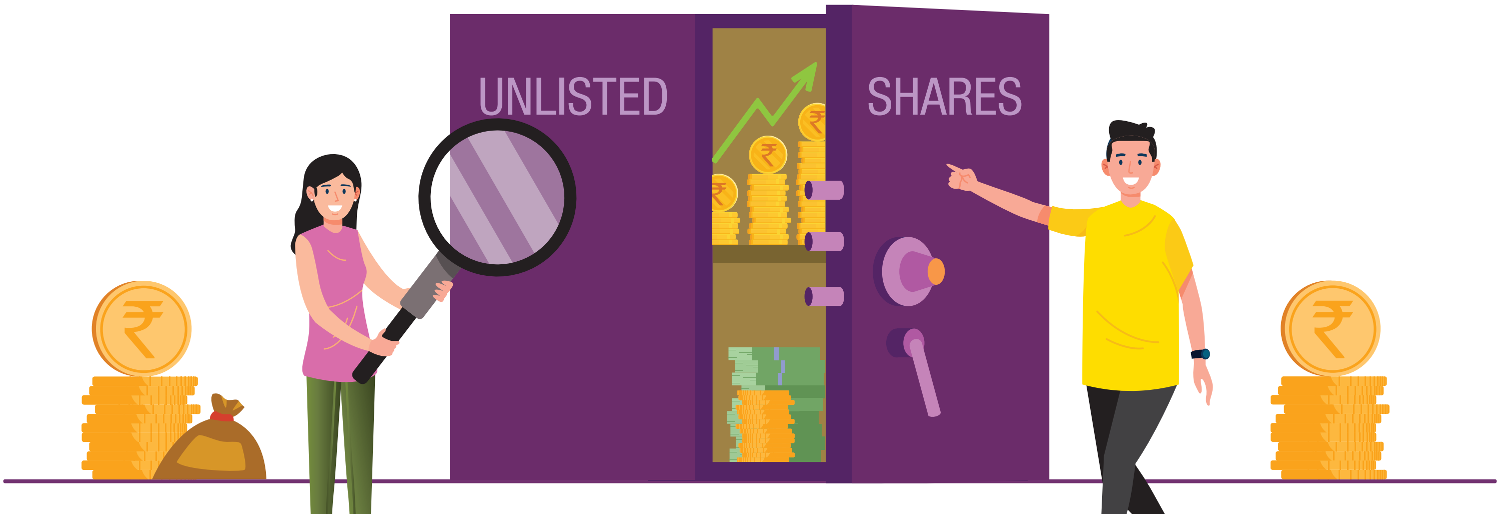

What are
Unlisted Shares*?

Unlisted shares is a financial instrument that is not traded on a formal exchange, Trading of unlisted shares is done in over-the-counter (OTC).

- **Reliance Retail** – Retail
- **HDB Financial Services Ltd.** – Financial Services
- **Chennai Super Kings** – IPL Team
- **TATA Technologies Ltd.** – Engineering
- **PharmEasy (API holdings Ltd.)** – Healthcare Product
- **Studds Accessories Ltd.** – Helmet Accessories
- **Care Health Insurance** – Insurance
- **Sterlite Power Transmission Ltd.** – Power & Transmission
- **Phillips India Ltd.** – Electronics
- **Mohan Meakin Ltd.** – Beverages
- **Kurlon Ltd.** – Mattresses
- **Hero Fincorp Limited** – Financial Services

*These are not Exchange traded products and all disputes with respect to the distribution activity, would not have access to Exchange Investor Redressal Forum or Arbitration mechanism.

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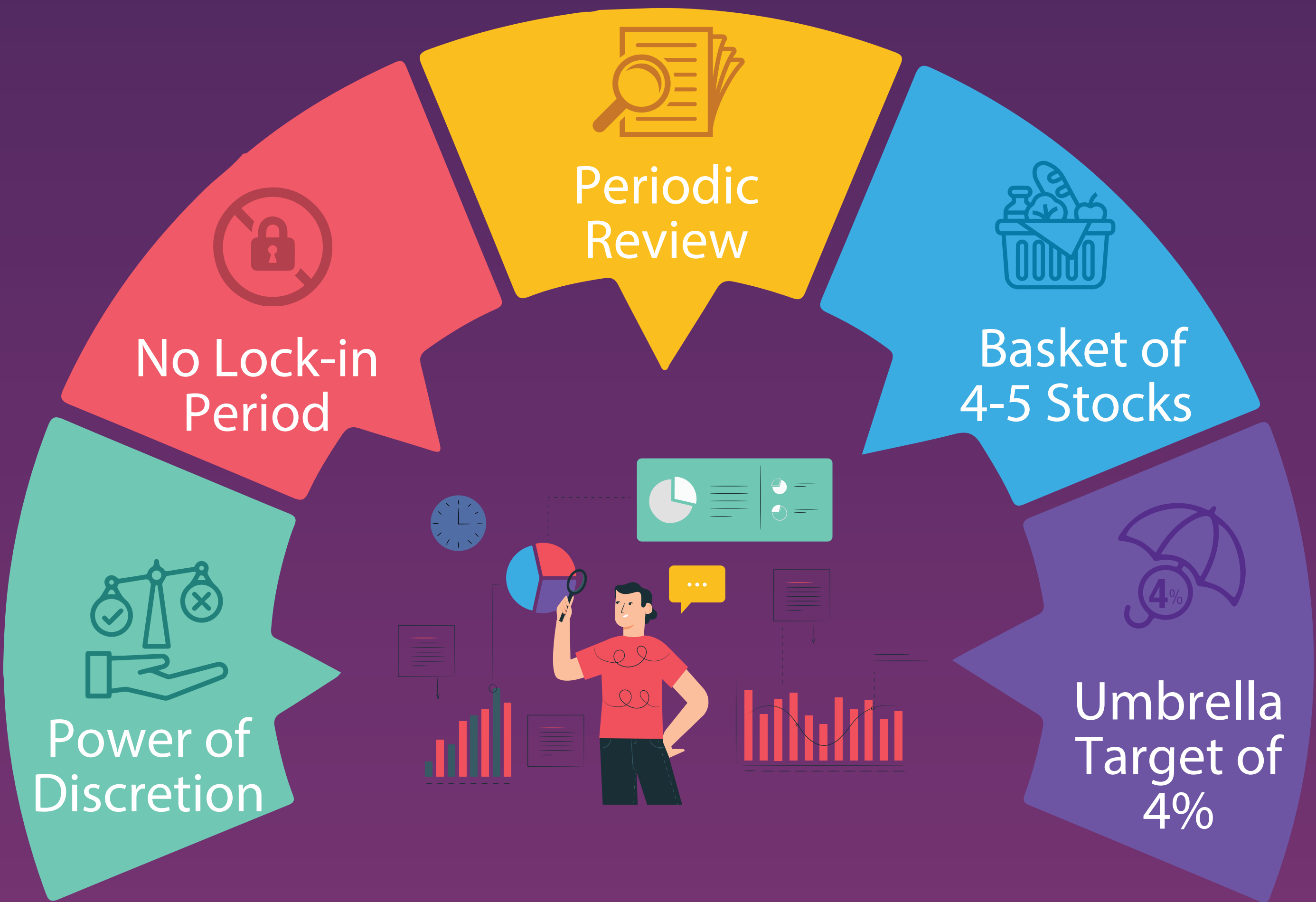
Finkart offers benchmark-relative strategies across the market-cap spectrum of India. We believe the stock market is tremendously efficient to provide opportunities for the disciplined investor.



Dynamic Research Basket Stock Allocation

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