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Index

PCG Communique

From the Desk of the PCG Head

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In Tough Times!!!

It's like humty - dumty had a great fall. And Feb was the month when most of the world markets were bleeding anywhere 8% to 12%. FII's has been a continuous seller in the Indian Equity market to a tune of 1.05 lakh CR and DII were net buyers to a tune of 76k CR. The selling in these 2 months of the calendar year by FIIs has crossed the complete selling they have done in the Indian Equity market for the 12 months of the 2021 calendar year.

Russia's invasion of Ukraine has sparked a feverish run-up in the prices of just about every commodity -- from oil to grains to metals -- that will inflict even more financial pain on consumers already struggling with rampant inflation. Global food prices hit a record in Feb month and consumer price indexes across major economies are on the rise. That's bad news for households everywhere as wage growth largely lags inflation. Supply chains that rattled the global economy through the pandemic are unleashing another shock as efforts to choke off trade with Russia strain resources ranging from fertilizer needed for crops and palladium for car-making to oil that's used to produce almost everything.

Historically, events such as wars, assassinations, and terror attacks are just not that meaningful to the factors that drive markets. These horrific events exact a terrible human toll, as measured in casualties and injuries, human suffering, and refugees. But the immediate reaction to dangerous mass conflicts like the war in Ukraine tends not to affect equity valuations over the long term. What drives equity prices are increased corporate revenue and profit, and the typical geopolitical event isn't big enough to change those very much. The impact on the global gross domestic product is modest in all but a few outlier cases. While no two events were the same, the stock market had a way of shaking them off quickly. Even the U.S. entry into World War II following Pearl Harbour took the market only a year and a half to recover from. The worst war in human history, and U.S. equities needed 143 days to bottom and were higher 307 days later.

There are caveats to this. Wars have very different results in the smaller to the more vulnerable countries: Looking at Poland in 1939, Afghanistan in 2001, or Russia in 1906, you see that stock, bond, or currency markets suffered greatly. Also, we've only seen the beginning of the current conflict. Russia's GDP, at $1.67 trillion, is relatively small—about the same as Canada's, which has a quarter of the population. Ukraine's economy is even smaller. But as the war escalates, it will have an economic impact well beyond those countries' borders. Some economist has wisely said – "Data is Oil & Oil is Data now". A surge in oil sent shivers through risky assets. Crude traded near $105 a barrel by Feb end and is anticipated to go up to $150 a barrel if Saudi & Iran doesn't ramp up oil production. Raising fears about potentially higher inflation that could complicate the Federal Reserve's job at a time when Russia's invasion of Ukraine is seen as a threat to global growth. Analysts are predicting a sharp hike in interest rates if oil prices elevate and fear of inflation going beyond the unchartered territory.

Stagflation risks have never been greater, and that should continue to fuel the many commodity supercycles that are running hot." Commodity prices soared the most since 2009 as Russia's invasion of Ukraine threatened key supplies of energy, crops, and metals that were already tight as major economies emerged from the pandemic. President Joe Biden is being pressured by lawmakers in both parties to cut off U.S. imports of Russian oil and gas. Such a move would likely send gasoline prices surging, adding to inflation pressures. The situation in the current market dictated by the whims of political leaders of several countries, and in particular Russia, the US, and Ukraine, has pushed stock prices lower than most investors would have expected.

The situation is much bad which was not projected to be. While this event is a serious one and will have global repercussions, we have seen such events disturb global equity markets before and have also seen a swift recovery in the markets from the lows triggered by such disturbing events. History has taught us that such a downfall in stock prices proves to be a boon for long-term investors as the probability of finding deep value in depressed market conditions always is very high.

A Tweak for The Economy, while individual businesses will see their trade with Russia disrupted, the economy-wide impact, particularly on trade, may not be as distinct. India's trade linkages with Russia and Ukraine are not as large as with other nations. Russia is ranked 32nd for exports from India and 20th for imports. Ukraine ranks lower still. India's share of exports to Russia as a proportion of its total exports is 0.8%, while India's imports from Russia constitute 1.5% of its total imports, according to data by the Ministry of Commerce and Industry. The top item of India's imports from Russia is crude oil, followed by coal and petroleum products. But India's imports of crude oil from Russia are just 2.3% of its total crude oil imports. If we add petroleum products with crude oil, the combined share increases to just 2.5%, with India importing crude oil mostly from other countries. But there are still pockets of concern. For instance, coking coal imports are likely to be affected which is a concern for steelmakers. There are also concerns over shipments of sunflower oil. Shipments of more than 3,50,000 tonnes of sunflower oil to India, the world's biggest buyer, are at risk as Russia's attack on Ukraine disrupts logistics and loadings at some ports. On the flip side, India could benefit from higher wheat exports as some of Russia's stock goes off the market.

From Global to Local. India's GDP Grew 5.4% in Q3. Full-Year Growth Forecast Revised Lower to 8.9% in 2021-22, according to the latest estimates released by the government's statistical office. The second advance estimates peg GDP growth at 8.9% for FY22 compared to the first advance estimate of 9.2%.

The implicit GDP expansion of 4.8% for Q4 FY22 also looks optimistic, given the fallout of the third wave on contact-intensive services, and the expected adverse impact of the spike in commodity prices fuelled by geopolitical tensions. The growth recovery showed signs of fatigue, dragged by supply shortages. While the economic impact is likely to be lower than previous waves, the services sector may see a slowdown in the fourth and final quarter, rising crude oil price, inflationary commodity prices, supply disruption could drag further on the recovery in the January-March quarter.

Market Commentary

The Nifty index ended the February month at 16,794 with a negative return of 3.15%. However, Sensex ended the February month at 56,247 with a negative return of 3.1%.

Markets started the week on an optimistic note as traders opted to buy beaten down but fundamentally strong stocks after two straight weeks of a drubbing. Markets extended gains after Finance Minister Nirmala Sitharaman unveiled a Budget that aims to boost growth amid continued disruption from Covid-19 and rising inflation. Sitharaman unveiled a bigger Rs 39.45 lakh crore Budget, with higher spending on highways to affordable housing to fire up the key engines of the economy to sustain a world-beating recovery from the pandemic. However, markets pared some of their profit in the latter part of the week as domestic rating agency CRISIL has estimated FY23 real GDP growth at 7.8 percent as compared with the 8.5 percent projected in the Economic Survey.

Markets made a pessimistic start to the week as sentiments dampened with RBI data showing that the country's foreign exchange reserves declined by $4.531 billion to stand at $629.755 billion in the week ended January 28. However, markets witnessed recovery during the week as traders got some support with Minister of State for Finance Pankaj Chaudhary's statement that India's gross domestic product (GDP) is projected to grow at 9.2 percent to Rs 147.5 lakh crore in 2021-22. Markets extended rally after Reserve Bank of India (RBI) kept the benchmark interest rate unchanged at 4 percent and decided to continue with its accommodative stance as long as necessary to support growth and keep inflation within the target. But, selloff on the final day of the week mainly dragged key indices lower for the week as investors turned pessimistic after Finance Minister Nirmala Sitharaman has said that the Indian economy suffered the biggest contraction due to the COVID-19 pandemic, but the government has been able to contain retail inflation at 6.2 percent.

Markets made an awful start to the week and tumbled three percent mainly induced by the heavy global sell-off fuelled by escalating tensions between Russia and the West over Ukraine. On the very next day, markets witnessed a splined recovery and recouped all of its initial losses as Report stated that some Russian troops in military districts adjacent to Ukraine are returning to their bases after completing drills, a move that could de-escalate frictions between Moscow and the West. However, markets witnessed immense volatility throughout the week as traders remained concerned about uncertainty over Ukraine - Russia tensions.

Sentiments remained dampened since the beginning of the week as traders got anxious with the labor ministry's report stating that retail inflation for farm workers and rural laborers rose to 5.49 percent and 5.74 percent, respectively in January mainly due to higher prices of certain food items. Key gauges continued to trade southward as forecasting a lower-than-previously projected 10 percent GDP growth for the fiscal year 2022 due to the third wave of the pandemic, a private report said the Indian economy is likely to have expanded by 6.6 percent in the December quarter. But it was the penultimate day of the week which turned out to be a nightmarish day for the Indian equities and butchered key gauges around five percent in a single day as traders weighed the impact of Russia Ukraine crisis. However, rally on the final day of the week helped markets to recouped most of their weekly losses after the fresh US sanctions on Russia neither included removing Russia from the SWIFT messaging system nor had any measure that put restrictions on Russian energy exports.

In terms of economic performance, the IHS Markit India Manufacturing Purchasing Managers' Index (PMI) was at 54.9 in February, up from 54 in January, signaling a stronger improvement in the health of the sector. Growth has now been seen in each of the latest eight months, with the headline figure remaining above its long-run average of 53.6

The IHS Markit India Services PMI posted 51.8 in February, pointing to a moderate rate of expansion that was marginally quicker than in January. The combined Index of Eight Core Industries stood at 144.4 in January 2022 which increased by 3.7% (provisional) as compared to the Index of January 2021. Coal, Natural Gas, Refinery Products, Steel, Cement & Electricity recorded growth whereas Fertilizer and Crude Oil recorded negative growth.

India's retail inflation, measured by CPI rose to seven months high at 6.01 % in January as compared to 5.66% in the previous month.

Regarding export-import activity, India's exports grew by 22.36% year over year at $33.81 billion in February while imports increased by 34.99% year over year to $55.01 billion. The Goods and Services Tax (GST) collection in February stood at ₹1,33,026 crore.

Also, India's foreign exchange reserves increased by $2762 million to $632.95 billion in the week ended February 18. Foreign currency assets (FCAs), a key component of the overall reserves, increased by $1496 million. Additionally, Foreign Portfolio Investors (FPIs) were net sellers of Rs. 38,068 crores in February, driven by net outflows in equity of Rs. 35,592 crore.

The U.S. markets ended lower during the passing week amid the Russia-Ukraine conflict. Russia launched military action in Ukraine. There were reports of explosions and missile strikes on several key Ukrainian cities including its capital, Kyiv. Russian President Vladimir Putin called the invasion the demilitarization of Ukraine and said Russia's plans do not include the occupation of Ukrainian territories. U.S. President Joe Biden announced severe new sanctions against Russia in response to its full-scale invasion of Ukraine. He stated that the new U.S. sanctions will hit Russia's VTB Bank, cutting it from the U.S. financial system and other new sanctions will hit Russian oligarchs and its technology sector. He said the White House has also authorized additional troops to be stationed in Germany as NATO allies look to bolster defenses in Europe. Meanwhile, Russian President Vladimir Putin said that 'Russia remains a part of the world economy. We are not going to harm the world economic system we are a part of as long as we are a part of it.

In the labor market, first-time claims for U.S. unemployment benefits decreased in the week ended February 26, according to a report released by the Labor Department. The report said initial jobless claims moved lower to 215,000, a decrease of 18,000 from the previous week's revised level of 233,000. The street had expected jobless claims to decrease to 226,000 from 233,000 revised levels reported for the previous week.

Meanwhile, IHS Markit indicated the US manufacturing sector registering a stronger improvement in operating conditions midway through the opening quarter of 2022. IHS Markit U.S. Manufacturing PMI posted 57.3 in February, up from 55.5 in January and only slightly lower than the earlier released 'flash' estimate of 57.5. The headline figure was below the peaks seen in 2021, but signaled a stronger upturn in the health of the manufacturing sector, with sharper output and new order expansions contributing to overall growth.

The Eurozone manufacturing sector data showed more positive signals with growth in both output and new orders gaining further momentum following improvements in January. The final reading of the IHS Markit Eurozone Manufacturing PMI fell to 58.2 in February, down from 58.7 in January. As per the report of the global data firm, "Don't let the drop in the headline PMI distract from what should be viewed as a largely positive month for the euro area manufacturing sector in February. Demand for goods is trending higher, with the rate of expansion accelerating to a six-month high. Underlying sales conditions are strengthening as Europe overcomes the Omicron wave of COVID-19 and businesses step up their recovery efforts"

The final au Jibun Bank Manufacturing PMI slipped from 55.4 in January to 52.7 in February. This indicated a thirteenth consecutive monthly improvement in the health of the sector, although the pace of expansion was the softest since last September

Regarding China, The National Bureau of Statistics reported that the official manufacturing PMI for February increased to 50.2 in February from 50.1 in January. The country's non-manufacturing PMI, which gauges sentiment in the services and construction sectors, rose to 51.6 in February from a five-month low of 51.1 in January.

Going Ahead

The global economy is still in the early phase of recovery from the pandemic situation. The main drivers of growth so far have been strong government spending, robust retail sales, and continued tractions in foreign trade. In comparison, the initial spurt in industry and manufacturing activities post the withdrawal of lockdown measures has started filtering away. Meanwhile, the global inflation rate has accelerated to levels not seen in recent decades setting in strong possibilities of aggressive monetary tightening, especially by the US.

The geopolitical situation in Eastern Europe was festering for the past several months. The attack on Ukraine by Russia has affected global markets. The concerns of intensification of the war and possibilities of similar conflicts in disputed areas elsewhere including in Asia now stand elevated.

With Russia being the world's second-largest oil exporter, the start of the war has resulted in a further rise in oil and gas prices. Political uncertainties, possibilities of supply chain disruption, and elevated fuel prices have significantly impacted investor sentiments and thereby financial markets, especially risk assets such as equities. Most major equity markets are now down 10-20% from the peaks of 2021. The large-cap indices in India are down about 10%.
India is one of the largest importers of crude oil, the surge in crude prices would adversely impact the economy by inflating our import bill and also increasing inflation through a rise in fuel and transportation prices. De-escalation of conflict and possibilities of withdrawal of sanctions against Iran can lead to sharp softening of oil prices.

Federal Reserve Chairman Jerome Powell sees interest rate hikes coming, but noted that the Russia-Ukraine war has injected uncertainty into the outlook. Powell said he sees a series of quarter-percentage-point increases coming, though he left open the possibility of moving more aggressively should inflation persist.
As markets continue to tread in volatility, we advise investors to remain invested in healthy growth and value-oriented companies with quality management to create long-term sustainable wealth.

Equity Outlook

India's import exposure to Russia (ex-defense) is limited and accounts for ~1.5% of total Imports. Other major imports include precious metals (~5%) & petroleum products (~1.7%) Defense import dependence though large, has declined from ~62% share in 2010 to ~51% between 2016 and 2020. Russia's share in Indian Exports was merely 0.8% of total Indian Exports over the last 5 years. Ukraine's share in total Indian imports ismerely~0.5% The ongoing Russia-Ukraine crisis may keep Global markets volatile but may not impact Indian markets significantly as trade exposure is limited.

Rising Geopolitical tensions, crude oil prices, and high inflation globally may keep markets volatile in near term

- Further, the quantum of US Fed's rate hikes may be another major factor contributing to the marketVolatility

- Indian fundamentals and economic recovery, however, appear sound relative to Global economies

- This, coupled with multiple pro-growth measures and supply-side reforms, initiated by the Govt, We believe that the long-term growth story remains intact

- We continue to remain positive on sectors that are closely linked to the economy like Auto, Banks, Capital Goods, Infrastructure, etc.

- Due to expected market volatility in the near term owing to various factors mentioned above, we Continue to recommend schemes that have the flexibility to maneuver across different Asset Classes, Market cap & Themes

Equity Recommendations:

Focused Equity Mutual Funds and Returns				
Large Cap	**1 Years**	**3 Years**	**5 Years**	**Since Inception**
Mirae Asset Large Cap Fund	28.34	17.72	16.25	16.03
Canara Rebeco Bluechip Fund	26.65	20.88	17.65	13.21
Franklin India Bluechip Fund	29.48	16.73	12.76	16.67
Large & Midcap				
Kotak Equity Opportunities Fund	32.12	20.65	15.76	18.63
Flexi Cap				
Canara Robeco Flexi Cap Fund	33.89	21.53	18.63	18.51
Parag Parikh Flexi Cap Fund	38.74	27.96	21.57	20.20
HDFC Flexi Cap Fund	41.88	17.44	15.07	18.61
Midcap Fund				
Kotak Emerging Equity Fund	43.91	26.33	17.84	14.22
DSP Midcap Reg Gr	28.56	21.71	15.10	15.59
Focused Fund				
SBI Focused Equity Fund	37.77	22.60	18.90	19.87
ICICI Pru Focused Equity Fund	36.80	20.45	14.78	13.45
ELSS				
Aditya Birla SL Tax Relief '96 Fund	14.74	10.86	11.85	10.71
Axis Long Term Equity Fund	24.93	19.85	17.03	17.44
Mirae Asset Tax Saver Fund	35.03	23.39	20.45	20.42

Source: Anand Rathi Internal Research.

Note: Such representations are not indicative of future returns.

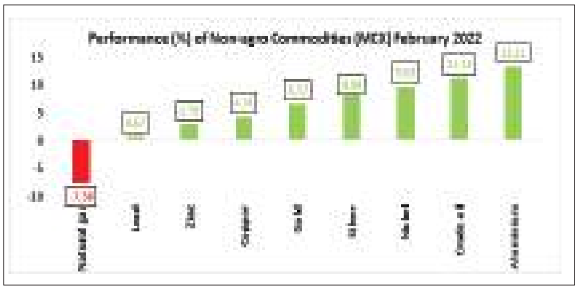
Debt Outlook

In the Fixed Income space, currently, there are a lot of dynamic elements at play

- Margin of safety remains low and hence risk-management should be given importance
- Post the pricing-in of rate hikes and liquidity normalization, yields may appear reasonable
- RBI is giving precedence to growth, which may lead to a longer and more volatile cycle
- We expect RBI to narrow the LAF corridor as the next step of withdrawing stimulus
- We are in an interest-rate rise cycle and hence recommend exposure towards floating rate Instruments
- In the current phase, a more nimble and active duration management approach is recommended
- We recommend investing in spread assets to benefit from higher carry

Commodities Outlook

Gold and silver are back in green amid the rush for safe-haven assets



(Source: Bloomberg)

Spot gold was up almost 5% to $1,900 per ounce in February, the biggest monthly gain since May and closing in on its strongest level since January 2021 as investors resumed flight to safety as fierce fighting continues in Ukraine. G7 nations agreed to exclude major Russian banks from the SWIFT and to target the Russian Central Bank's international reserves. Meanwhile, the Russian central bank announced it would resume its gold purchases on the domestic market after a two-year pause. MCX Gold March future finished the month with nearly 6.5% gains at Rs. 50,760 per 10 gram. MCX Silver April future closed with a gain of more than 8% at Rs. 65,901 per kg owing to safe-haven buying and positive sentiment in the base metals. Holding at the world's largest gold ETF, SPDR Gold Trust rose to 1,050.2 tonnes on Wednesday from 975 tonnes as of 31st December 2021

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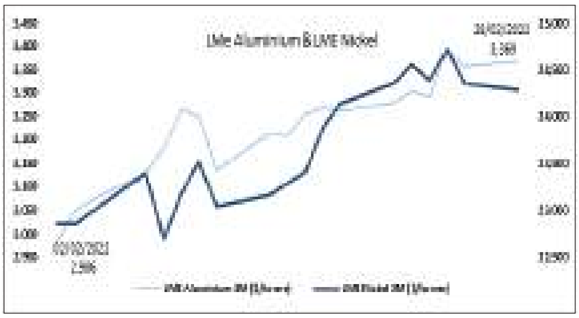
Spot Silver has closed above $24 per troy ounce, up by 9%, and touched a near 7-month high at above $25.5/oz on February 24th, as demand for precious metals has been supported by fears of prolonged fighting in Ukraine and investors scale back aggressive rate hike bets across major developed economies. Putin has demanded the surrender of Ukraine's army and the removal of the country's government.

The Group of Seven major economies will convene a task force to focus on freezing and seizing assets of key Russian elites as it aims to put further pressure on Russia after it invades Ukraine, U.S. Treasury Secretary Janet Yellen said. The sanctions have had an immediate impact on Russia's economy, with queues forming outside banks as Russians rush to salvage their savings.

The short-term outlook is bullish with a word of caution. At the 15th and 16th, March Fed policy meet, the Federal Reserve may move ahead with a quarter-point hike in the interest rates, prioritizing the fight against inflation over the economic risks from Russia's invasion of Ukraine, which the market is discounting now. The main focus is going to be developments in the Russia – Ukraine war, any further escalation may encourage safe-haven bets. Hence MCX Gold April future may rise to Rs. 53,500 pr 10 gram and silver for May future may travel to Rs. 70,000 per kg.

Aluminum climb to record levels amid supply worries



LME Aluminium hit a record and nickel jumped to an 11-year high as traders brace for supply disruptions from Russia -- a major producer of both metals -- at a time when global stockpiles have already shrunk dramatically. Commodities markets have been roiled by Russia's invasion of Ukraine as big corporates withdraw from the country, lenders pull back from financing deals and the threat of new sanctions deters buyers. It's also getting increasingly difficult to transport commodities like metals, which are shipped in containers. Almost half of the world's container ships will no longer go to and from Russia, based on announcements by shipping companies. Russia accounts for about 6% of the world's aluminum production, and 7% of the world's nickel ore supply.

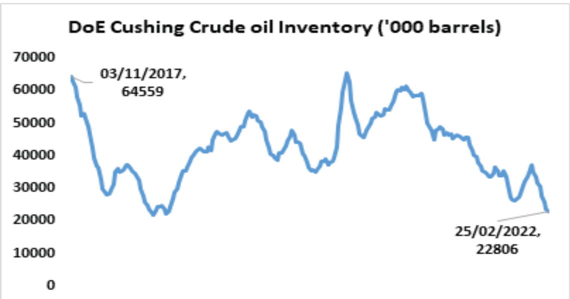
According to the World Bureau of the Metal Statistics, The market balance for primary aluminum for the period of January to December 2021 was a deficit of 1,931,000 tonnes which follows a surplus of 1,041,000 tonnes recorded for the whole of 2020. The nickel market was in deficit from January to December 2021 with apparent demand exceeding production by

144,300 tonnes. In the whole of 2020, the calculated surplus was 84,000 tonnes.

At the same time, inventories of materials including aluminum tracked by the LME have dropped to critical levels and slipped further. Supplies are especially tight in Europe, where surging power prices have forced smelters to reduce production. Spiking premiums in Europe had prompted traders to start shipping metal in break-bulk vessels from warehouses in Malaysia's Port Klang even before the war broke out. The outlook is bullish in MCX Nickel and it may travel to Rs. 2,150 per kg in March and Aluminium in March future may rise to Rs. 305 per kg as the undertone is bullish.

Oil on Boil after West propped up sanctions against Russia

WTI Crude surged by 8.6% in February and closed at $95.72 per barrel, amid supply concerns owing to rise in geopolitical tensions between the West and Russia over Ukraine, dwindling inventories, and a tight market as OPEC+ fell short of the target. The 19 countries participating in the OPEC+ production cut deal, under-produced by 885,000 BPD against January's output target. Meanwhile, in the February meeting, OPEC+ agreed to stick to moderate rises of 400,000 barrels per day oil output despite pressure from top consumers to raise output more quickly, further underpinning the sentiments. MCX Crude February futures closed at Rs.7,290, up by 11.13% per bbl in tandem with the global benchmark.



Geopolitical tensions remain at the highest, as the Russian convoy is approaching the Ukraine capital. US President Joe Biden in his first State of the Union address labeled Vladimir Putin a "dictator," and said the Russian president would pay a high price for his invasion of Ukraine. Biden also spoke to Ukrainian President Volodymyr Zelensky about the escalation of attacks. Russia said it would press forward with its military advances, as the war enters a more brutal stage. In the country's second-largest city, Kharkiv, the mayor said residential areas were being bombed, indicating that geopolitical tensions are not likely to ease anytime soon.

Russian Oil Shunned even without sanctions

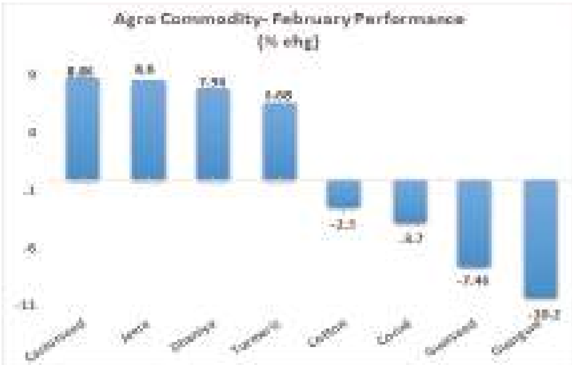
In late February, the US, European allies, and Canada said they would disconnect specific Russian banks from SWIFT and started an economic war with Russia. Even though the Russian energy sector has been exempted from sanctions, the latest actions urge traders to stay away from Russian oil. Large numbers of oil tanker owners are taking a caution-first approach until the full picture of sanctions is clear. Meanwhile, top trader Trafigura offered the country's flagship Urals crude at a discount of almost $19 a barrel to benchmark prices, still, there were no buyers. Russian oil sales are increasingly under an embargo in all but name, threatening a vital source of global crude supply. US crude oil inventories fell by 2.597 million barrels in the week ended February 25th, following a 4.515 million rise in the previous period and compared with market forecasts of a 2.748-million-barrel gain, the EIA Petroleum Status Report showed. Inventories at the US's biggest storage hub at Cushing, Oklahoma, fell to the lowest since August 2018 and are at their lowest seasonally in 14 years, at 22.8 million barrels.

OPEC and its allies agreed to another modest revival in supplies for April, in the March meeting, that was overshadowed by the market turmoil unleashed by Russia's invasion of Ukraine. The 23-nation coalition led by Saudi Arabia ratified an increase of 400,000 barrels a day on Wednesday, continuing the gradual restoration of output halted during the pandemic.

Meanwhile, Russia's top diplomat at the Iran nuclear talks said there was a "very high probability" that Tehran and Washington will end their impasse over how to restore the 2015 atomic accord before the end of next week. However, investors have already priced in a return of 1.3 mbpd Iranian oil into the global supply.

Crude fundamentals remain bullish on worries of supply disruptions from the third-largest producer of oil, as geopolitical tensions are not likely to ease anytime soon, which keeps crude buoyed with a risk premium. While the invasion hasn't prompted Western sanctions on Russian energy exports, there are growing signs that reluctance among traders and ship owners to handle Russian oil. Brent prompt spread is at the highest backwardation in years, citing investors pricing in a tight market. Even the IEA announcement of a combined SPR release of 60 million barrels couldn't cool down the prices. Sentiments remain high after OPEC+ maintained the status quo and now focus shift towards Iran nuclear deal, which is likely to conclude next week. Though the return of Iranian oil is already discounted, investors can be cautious and trade with strict stop loss, as bull market corrections are steep. We expect MCX Crude March futures to rise towards Rs.9,000 per barrel for the month.

Agro Commodities bears brunt of geopolitical tensions, but chances of rebound most likely



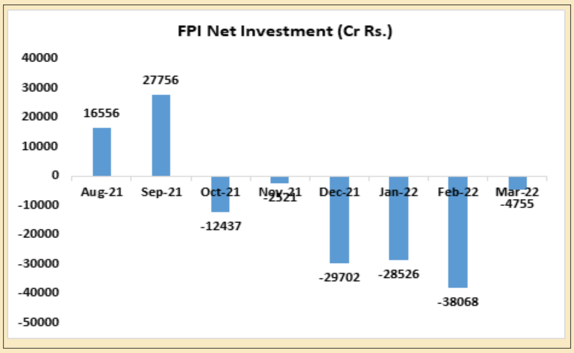
Agro Commodities saw huge swings in prices in February. Prices of most agro commodities including cotton, guar, and spices were trading near multiyear or even at record high levels. However, the escalating worries concerning the ongoing geopolitical tensions exerted pressure on the export-oriented commodities. Particularly talking about the cotton complex, prices have topped Rs 38,630 levels in early February as domestic supplies of cotton remained extremely tight to meet the substantial increase in demand from the textile industry. In the international markets too, ICE cotton touched multi decades high of 129 cents per pound level. Nevertheless, the ongoing chaos on the geopolitical front brought in a significant correction in the prices with MCX cotton declining almost 8% to test level 35710 while ICE cotton too declined by 7-8 % to as low as 119 cents.

Prices have now stabilized to some extent, but we don't see any significant gains hereon as the domestic textile industry is strongly appealing government to allow imports of 40 lakh bales of cotton to overcome the crop shortage. The CAI has further revised its cotton crop estimates by 5 lakh bales to 343 lakh bales. Overall, we see cotton prices stabilizing around 37000-38000 per bale level this month and a sharp fall could be seen only if the government brings in any policy change on the import/ export front.

Guar and spice complex has seen a significant correction in the prices, particularly in the second half of February. Russia accounts for over 8-10% of India's total guar gum exports and thus the ongoing mayhem between the two nations could probably hurt exports is what markets feared. However, for spices, both the nations are not among the major importers and thus the complex soon resumed its upward rally given the short crop. Jeera output particularly is down by almost 40-45% while coriander and turmeric output too has dipped largely. Because of the ongoing harvesting season for all the three spies, we may see a correction in the prices from time to time, but all in allspice complex is extremely bullish and we don't rule out the possibility of new highs in the complex.

Currency Outlook

Year-end inflows might help the rupee hold the ground



(Source: Bloomberg)

Indian rupee spot depreciated by 0.96% or 72 paise in February and closed at 75.34 against the dollar, amid risk-off sentiments owing to heightened geopolitical tensions, record-high crude prices, weakness in domestic equities, and continuous selling by FII's.

RBI turned more dovish in the February meeting and left its benchmark repo rate at 4 percent during its February meeting, saying it was maintaining an accommodative monetary policy stance as long as necessary to support the economic recovery, weighing down on the domestic currency. Meanwhile, both the benchmark indices Nifty and Sensex declined by more than 3% and foreign portfolio investments witnessed a net outflow of Rs.38,068 crores in February, as investors shunned emerging market securities in times of uncertainty. Tensions between the West and Russia over Ukraine urged market participants to stay away from riskier assets. 11% rally in crude oil in February alone, also weighed on the rupee, as it might increase the domestic import bill.

The dollar index rose by almost 0.17% in February, and closed at 96.7, amid safe-haven demand after Russia has launched an invasion of Ukraine. Russian forces attacked several locations across Ukraine, followed by missile attacks. Weakness in Euro also underpinned the greenback, as the region faces the biggest security threat since World War 2. Earlier in the month, the greenback fell sharply after a hawkish policy stance from both Bank of England and the European Central Bank. The BoE hiked its borrowing costs by 25 bps to 0.5%, as expected, although almost half of its policymakers voted to a bigger increase of 50 bps to tame inflation.

On the economic data front, India's economic growth slowed in Q4 to 5.4 percent year-on-year, following an upwardly revised 8.5 percent advance in the previous period. Considering the full 2021/22 fiscal year, the economy expanded 8.2 percent, compared with a 9.2 percent growth projected in the first advance estimates. Meanwhile, India's trade deficit widened to USD 21.2 billion in February of 2022, from USD 13.1 billion in the same period last year, according to preliminary estimates and Infrastructure output also slowed in January to 3.7%.

If we are looking at the historical pattern, we could see that in the past rupee has appreciated during March, mainly owing to year-end inflows. However, this time it might be different as risk-off sentiments amid geopolitical tensions, higher inflation, and worries over growth recovery urge investors to stay away from riskier assets and emerging markets while placing their bets on safe-havens.

Rupee might trade in the range of 75.2 – 76.4 for March with a depreciation bias, as heightened geopolitical tensions, elevated crude prices, weak domestic economic data, continuous FII outflows will be partially offset by year-end inflows. RBI divergence from major central banks and Fed ready to hike rates in March meeting might prompt flight of capital from domestic securities, which is already evident from huge FII's outflows the in past weeks. Another blow came after Finance Minister Nirmala Sitharaman said India may take another look at the timing of the LIC IPO, following Russia's invasion of Ukraine. US Labour data due on Friday and CPI inflation due next week can be closely watched for more cues on Fed's rate hike plans after Powell reiterated that Fed might be very aggressive if inflation runs hot.

Anand Rathi PMS

MNC Portfolio

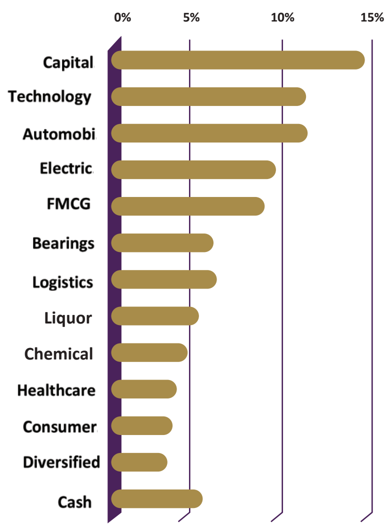
Focus on consistency of return and risk moderation by investing in Multinational Companies listed in India. Investments into listed companies in India in which the foreign shareholding is over 50% and/or the management control is bestowed in foreign company and/or the technological and managerial know-how brought in by foreign partner/investor.

Strong Business model	MNC benefits from a) Innovation b) Strong R&D c) Advanced Technology d) Strong Brand/Product e) Economies of scale
Strong Corporate Governance	MNC's are generally rated high for their corporate governance standard. They depict high transparency and accountability with well laid out policies and regulatory framework, internal control and risk management
Healthy Balance Sheet	Most MNC's have a) Better operating ratios b) Zero Debt or Low debt /Equity c) Positive Free Cash flow d) Healthy Return ratio
Special opportunity	MNC companies sometime carries an additional trigger for value appreciation in form of corporate actions like open offers, Buybacks and Delisting etc. This usually add substantial appreciation to the share price enhancing investors ROI

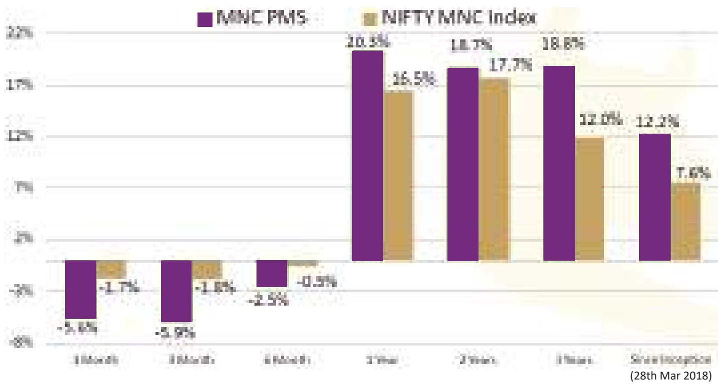
Top Holdings and Allocation

Sr. No.	Top 10 Holdings	% Holdings
1	KSB Ltd.	6.8%
2	Grindwell Norton Ltd.	6.6%
3	SKF India Ltd.	6.5%
4	Blue Dart Express Ltd.	6.5%
5	Maruti Suzuki India Ltd.	6.5%
6	Siemens Ltd.	6.1%
7	Coforge Ltd.	5.9%
8	United Spirits Ltd.	5.5%
9	MPhasis Ltd.	5.4%
10	BASF India Ltd.	5.0%

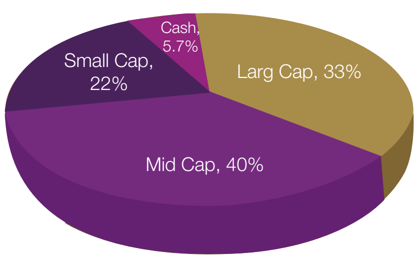
Sector Allocation



Performanceas on 28th February, 2022



Market Cap Allocation



Data as on 28th February 2022

Source: *Anand Rathi Internal Research.*

Note: *Returns above one year are annualized. Returns are 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.*

Anand Rathi PMS

Impress

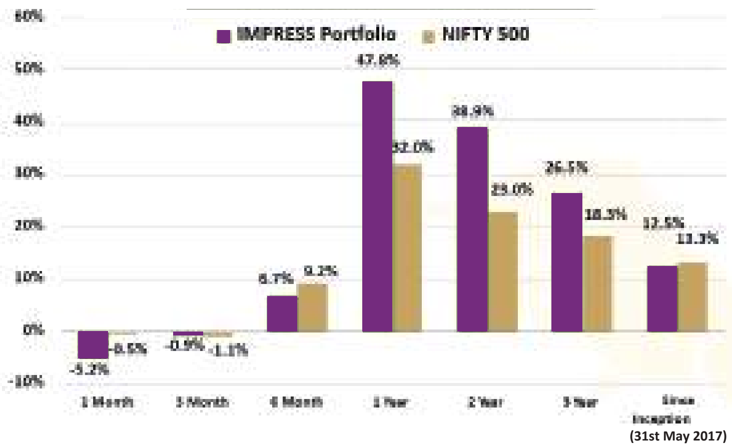
Focus on Return Optimization by investing in multicap portfolio of rising enterprises with sound corporate track record and sustainable business model keeping balance between value and growth strategy.

Business model	Improving Market Share, Leadership and Niche Market
Rising Enterprises	Stable and Improving Margin and Improving ROE and ROCE
Sustainability	Visibility of Earning Over Next 2-3 Years and Predictable Business Model
Sound Corporate Track Record	Management Background and Accounting & Corporate Policies

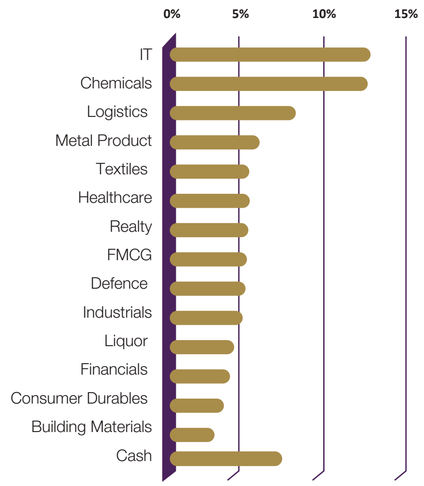
Top Holdings & Market Cap Allocation

Sr. No.	Top 10 Holdings	% Holdings
1	Solar Industries India Ltd.	6.9%
2	Ratnamani Metals & Tubes Ltd.	6.3%
3	K.P.R. Mill Ltd.	6.2%
4	Krishna Institute of Medical Sciences Ltd.	6.0%
5	Oberoi Realty Ltd.	5.8%
6	Tata Consumer Products Ltd.	5.7%
7	Bharat Electronics Ltd.	5.6%
8	Aarti Industries Ltd.	5.5%
9	Carborundum UniversalLtd.	5.5%
10	Coforge Ltd.	5.0%

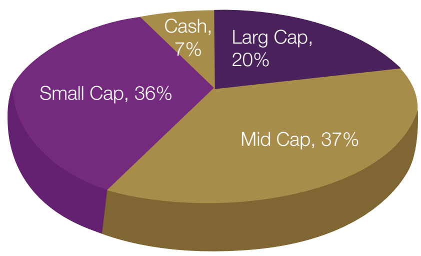
Performanceas on 28th February, 2022



Sector Allocation



Market Cap Allocation



Data as on 28th February 2022

Source: *Anand Rathi Internal Research.*

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

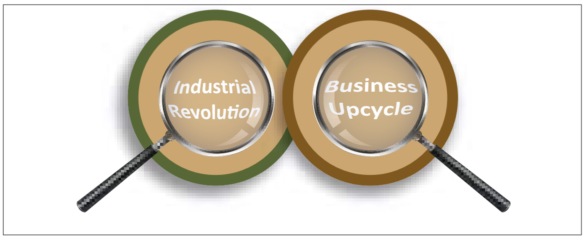
Disclaimer: *Past Performance is not necessarily indicative of likely future performance. Performance mentioned above are not verified by SEBI. We have shown the performance as Aggregate performance of all clients on TWRR basis.*

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.

Dual Focus Portfolio Strategy



Investing in companies which are likely to benefit from Industrial Revolution, new age business, favorable Policies, and companies that are showing visible sign of turnaround with higher growth in their next business up cycle.

Emerging business of ongoing Industrial Revolution

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

Opportunities at every level of emerging business

Stock Selection Process

Technical Analysis

NIFTY: MARCH 2022

The month of FEB 2022 was a frightening one for the world and all the equity markets. A month before now; who would have thought that the world equity markets would succumb to one of the major geopolitical issues. The invasion of UKRAINE by RUSSIA brought the bears into action where we witnessed constant selloff in the equity markets and a strong surge in commodity markets. The Brent crude rallied to 120$ from the close of 90$ (JAN 2022) and that brought tremendous pressure in our equity markets. The index NIFTY tumbled down to breach the support of 16800 and 16400 to reach the 16200 mark. On a closing basis, it lost more than 3% from its previous month's close.

The recent crack in NIFTY has forced the index to sustain below the 16800 mark for quite some time. This has confirmed a breakdown from the parabolic trend line which was acting as support since Dec 2021. This has also resulted in a breakdown from a pattern that resembles Head and Shoulder. The pattern has a theoretical target of 15400 – 15000 and the pattern would be negated only above the 17300 mark. Thus; going ahead things could get worse for the markets since we have a few more events like the UP election results and US FED rate hike. For an immediate time frame; 16000 would be strong support and below that we could be heading for the mentioned targets. We would be out of the woods above the 17300 mark. With VIX sustaining above the 25 mark it would be a difficult time for the traders to judge the direction and hence we advise them to avoid any aggressive bets in the Futures. On the other hand; long-term investors are advised to take this fall as an opportunity to accumulate their favorite stocks.

In the month of JAN 2022; the NIFTY BANK index outperformed the benchmarks and that made us bullish on banking stocks. However; in the previous month, that view went wrong since the index lost more than 4.5% to close near the 36000 mark. In fact, during the month it even breached the support of 35000. Now at this juncture; it is on the verge of a breakdown from the rising channel and the confirmation for the same would come below the 34000 mark. The index spent over a year in this rising channel and hence the breakdown will be crucial. If the breakdown happens then we can see a further fall of 7% to 10% in the NIFTY BANK index. On the upside; there are many hurdles for the index and in the coming week 36000 – 37000 zone could be the zone to watch out for. For the long term, we still maintain our stance that banking stocks can outperform but for that investors should adopt accumulate strategy for further dips.

Technical Pick - BUY ITC LTD.

POTENTIAL UPSIDE 20.45%- 27.27%

- Being defensive in nature; the stock ITC has been a top outperformer in this recent crack which dictates inherent strength in the counter.
- On the technical front; since over a year; ITC has never sustained below 200 mark which suggest that the downside is limited.
- As per the chart; it is evident that the stock is trading well above the placement of Ichimoku indicator on the daily scale.
- The stock is trading in a range formed by rising trend line and the upper range comes around 280 mark. Thus; traders are advised to buy the stock in the range of 225 -215 with a stop loss of 190 on closing basis for the upside potential target of 265 followed by 280 levels in coming 3-6 months.

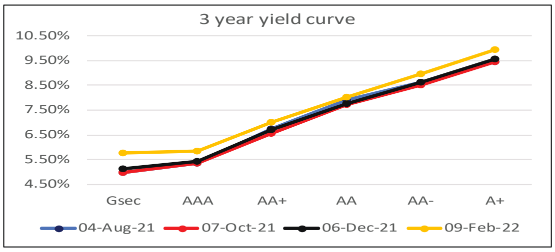
Fixed Income Services

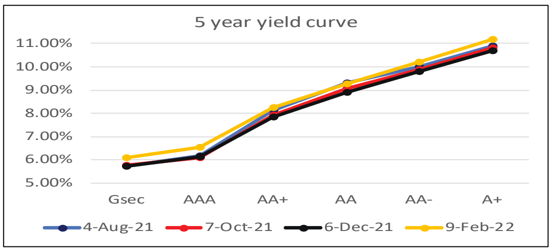
The Monetary Policy Committee (MPC) unanimously kept the Repo and the Reverse Repo rate unchanged in its February 2022 review, with a 5 to 1 majority to continue with the accommodative stance as long as necessary to revive and sustain growth on a durable basis and continue to mitigate the impact of COVID-19 on the economy, while ensuring that inflation remains within the target.

Key Takeaways:

- CPI inflation for 2022-23 is projected at 4.5% with Q1:2022-23 at 4.9%; Q2 at 5.0%; Q3 at 4.0%; and Q4:2022-23 at 4.2%, with risks broadly balanced.
- Real GDP growth is projected at 7.8% for 2022-23 with Q1:2022-23 at 17.2%; Q2 at 7.0%; Q3 at 4.3%; and Q4 at 4.5%. The policy was a positive surprise for the markets, bringing relief to the bond markets after the sharp rise in yields over the last 1.5 months. The markets had priced in a 15-25 bps reverse repo rate hike, with the MPC maintaining a unanimous status quo on rates, the markets took it positively and the 10-year G-sec rallied by ~10bps. The debt markets had seen significant hardening post the U.S Fed meet and the budget, however, the recent cancellation of G-sec auctions had improved market sentiment leading to the policy and the positivity continued with RBI maintaining the status quo on rates. After touching a high of 6.95% in early Feb, the 10-year G-sec has since retraced and is currently trading around ~6.72%.

The MPC believes that economic recovery is still incomplete hence the monetary policy continues to complement the expansionary fiscal policy announced in the recent Budget for FY2022-23. The RBI is likely to continue with the longer-term variable reverse repo rate auctions (VRRR), with 14D VRRR remaining the main liquidity tool and other maturities of VRRR will be done as required. Going forward, the debt markets are expected to remain volatile, with the G-sec expected to remain range-bound for this financial year.





Source: RBI Press Release, Fixed Income Databases

Secondary Market Bond Offers

Tax Free Quotes				
Security	**Maturity/C**	**IP**	**Rating**	**Yield**
7.64% NABARD Tax Free 2031	23-Mar-31	Annual on 23-Mar	IND AAA/Stable	4.48%
7.52% PFC 2030	17-Oct-30	Annual on 17-Oct	IND AAA/Stable	4.47%
PSB Perpetual Quotes				
Security	**Maturity/C**	**IP**	**Rating**	**Yield**
7.55% SBI Perp 2026	14-Dec-26	Annual on 14-Dec	AA+ by CRISIL & IND	7.45%
7.74% SBI Perp 2025	09-Sep-25	Annual on 9-Sept	AA+ by CRISIL & IND	7.13%
PSU Quotes				
Security	**Maturity/C**	**IP**	**Rating**	**Yield**
8.22 NABARD 2028	13-Dec-28	13th Jun & 13th Dec	AAA by CRISIL & India Rating	6.65%
7.11 PFC 2036	30-Jun-36	Annual on 30-Jun	AAA CRISIL, ICRA & CARE	7.00%
Corporate Bonds				
Security	**Maturity/C**	**IP**	**Rating**	**Yield**
6.75 Piramal Capital & Housing Finance Ltd. 2031	Staggered Maturity (31-Sept-31)	28-Mar & 28-Sept	AA by ICRA & CARE	10.60%
9.50% Mahindra &Mahindra Financial Services Ltd. 2029	18-Jan-29	Annual on 1-Apr	AAA by IND Ratings & CARE	7.50%
7.05 HDFC 2031	01-Dec-31	Annual on 1-Dec	AAA CRISIL & ICRA	7.03%
10.25 Shriram Transport Finance Corporation 2024	26-Apr-24	Monthly on 28th	AA+ CRISIL & IND	8.58%
7.50 Tata Capital HF 2032	16-Feb-32	Annual on 16-Feb	AAA by CRISIL & ICRA	7.30%
7.25 Bajaj Finance Ltd. 2031	29-Oct-31	Annual on 29-Oct	AAA by IND & CRISIL	7.29%
9.20% Hinduja Leyland Finance Ltd. 2024	13-Sep-24	Annual on 13-Sept	AA-/Stable by CARE	9.55%
7.90 Muthoot Finance Ltd 2031 (Secured)	30-May-31	Annual on 31-May	AA+ by CRISIL & ICRA	7.50%
8.35 Tata Motors Finance 2027	13-Nov-27	Annual on 13-Nov	AAA by CRISIL & ICRA	7.75%

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

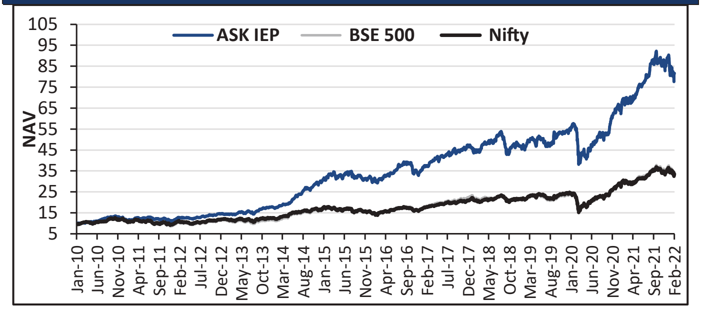
'Please note that investments in these bonds should not be construed as an advice or recommendation however we can facilitate the execution of the same. The bonds are tradeable on the Exchange platform, however we do not provide any assurance or guarantee on the liquidity of bonds. The investment decision 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.'

ASK Indian Entrepreneur Portfolio - Feb 2022

Investment Approach Objective: ASK Indian Entrepreneur Portfolio (ASK IEP) invests in entrepreneurially driven and/or family-owned businesses; listed on the Indian stock markets, for compounding gains over the medium to long term.

Top 10 Holdings (%)	
Bajaj Finance Ltd	7.0
Bajaj Finserv Ltd	6.1
Cholamandalam Investment and Finance	5.6
Tata Consultancy Services Ltd	5.3
APL Apollo Tubes Ltd	5.2
AU Small Finance Bank Ltd	5.2
Page Industries Ltd	5.1
Divi's Laboratories Ltd	4.8
Reliance Industries Ltd	4.5
Havells India Ltd	4.5

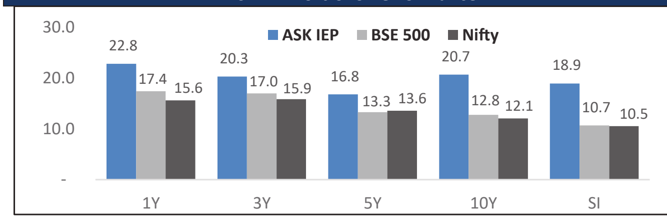
ASK IEP Movement Since Inception



Rs. 1 Cr invested in ASK IEP in Jan 2010 is now worth Rs. 8.16 Crs v/s Rs. 3.41 Crs in BSE 500

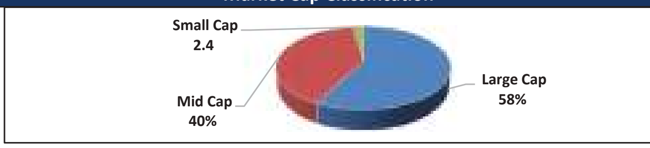
Top Sector Weights %	
NBFC	12.6
Retail	12.3
Banks	9.2
Pharma	8.8
Consumer durables	7.1
Insurance	6.1
IT	5.3
Pipes	5.2

ASK IEP Portfolio Performance



ASK IEP Portfolio Metrics	
Total Assets under Management & Advisory in Rs. Crs.	19,322
Weighted Average Market Cap in Rs. Crs.	263,280
Median Market Cap in Rs. Crs.	74,245

Market Cap Classification



ASK IEP Portfolio Update

The month gone by has seen markets dancing to the tune of geopolitical events. Situations continue to evolve constantly. Overall, for the month of February, benchmark BSE 500 was down 4%, while Midcap Index was down 5% in INR terms. ASK IEP with its focused filter-based approach have outperformed the markets.

During the month we increased position in Metropolis. Metropolis corrected sharply due to lower-than-expected quarterly performance in the quarter gone by, couple with expectation of increased competitive intensity from Digital Platforms, Hospital backed chains, and pharmaceutical player backed chains. The concerns for existing pan India players are obvious, but we believe that the loss of market share is largely for the smaller unorganized players. Metropolis having set up a pan India brand and network in a fragmented space, with expensive collection centers, network of labs, omnichannel capabilities backed by strong leadership team coupled with tailwind from the favorable industry dynamics, should be a key beneficiary over long period of time.

Overall, portfolio positioning continues to remain biased towards businesses that have strong growth runway and have exceptional execution prowess. Capital efficiency of the businesses remain superior. We believe, the improving macro-opportunity, though may seem volatile currently, coupled with the focus on bottom-up business ideas should help us to continue deliver superior return over long period of time.

Note: Inception Date of ASK IEP is 25-Jan-2010. *Note: Performance figures are net of all fees and expenses. ASK Portfolio returns are composite returns of all the Portfolios aligned to the investment approach as on Feb 28, 2022. Returns for individual client may differ depending on time of entry in the Portfolio. Past performance may or may not be sustained in future and should not be used as basis for comparison with other investments. Returns for 1 year or lesser time horizon are absolute returns, while more than 1 year are CAGR. Returns have been calculated using Time Weighted Rate of Return method (TWRR) as prescribed by the SEBI.*

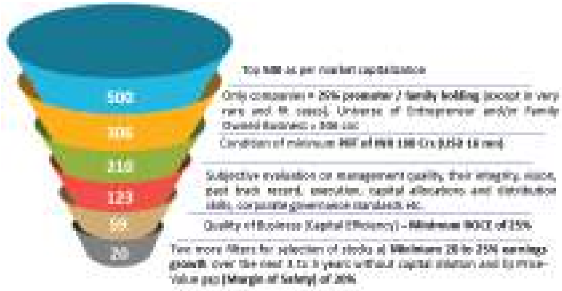
Source: Closing Price as sourced from Bloomberg. Returns for 1 year or less time period are absolute returns, while more than 1 year are CAGR. Market Cap is Acc to AMFI Classification which happens half yearly. Classification as on Dec 21.

ASK Investment Managers Limited

ASK INVESTMENT MANAGERS

Key Investment Approach Objectives & Attributes

Investment Approach Research Methodology & Filtration



FY-wise Drawdown Analysis				
Financial Year	**Max Drawdown**		**FY Performance**	
	ASK IEP	**BSE 500**	**ASK IEP**	**BSE 500**
FY 11	-18%	-20%	22%	7%
FY 12	-14%	-25%	3%	-9%
FY 13	-4%	-10%	13%	5%
FY 14	-7%	-16%	34%	17%
FY 15	-2%	-7%	73%	33%
FY 16	-15%	-20%	-5%	-8%
FY 17	-17%	-12%	25%	24%
FY 18	-5%	-11%	15%	12%
FY 19	-19%	-16%	11%	8%
FY 20	-31%	-38%	-18%	-28%
FY 21	-10%	-11%	69%	77%

ASK IEP Portfolio Cos Average Performance over last 5 years (CAGR) as on FY21				
Sales	**OP**	**PBT**	**ROCE***	**PAT**
15%	**17%**	**17%**	**37%**	**18%**

*For Banking & Financial companies, we have not considered ROCE, but have considered ROE for the above analysis. ROCE is only for FY20.

Risk Parameters (Since inception)		
Parameter	**ASK IEP**	**BSE 500**
Beta	0.83	N.A.
Standard Deviation	16.3%	16.7%
Sharpe Ratio	0.67	0.22

Key Terms	
Portfolio Name	ASK Indian Entrepreneur Portfolio (IEP)
Platform / Structure	PMS
Benchmark	BSE 500
Portfolio Managers	Mr. Sumit Jain (Primary Portfolio Manager) / Chetan Thacker (Co-Portfolio Manager)
Minimum Initial Investment Amount	Rs. 50 Lakhs
Minimum Add-on Investment Amount	Rs. 5 Lakhs
Exit Charges	1% between 0-36 months, Nil after 36 months
Fees[1]	Fixed Management Fees: 2.50% p.a.
Systematic Transfer Plan (STP)[2]	Investments will be made in a staggered manner as per the instructions provided by the client. Fees as per the respective strategy (ASK Liquid / ASK Equity) will be charged for the invested amount.

Notes:

- [1]In addition to the Management Fees, there are Recurring Expenses including Custody Fee, Account Opening Charges, Audit Fees, etc. to be payable at actuals. All fees and expenses will be subject to applicable taxes. For more details, kindly refer the Fee Schedule.
- [2]Kindly refer to the STP Application Form for the detailed terms and conditions.
- Exit Charges are calculated on each tranche of inflow (initial or additional). Redemption amount is arrived at after calculation and charging of all Fees and Expenses.

Key Investment Objectives

- **Capital Preservation*** over a period of time
- **Capital Appreciation** over a period of time

Achieved through...

- Long term investments in high quality companies with strong growth prospects

ASK IM endeavors to preserve the capital however equity investments are subject to market risks.

- **Rs 1 Crore invested at inception has grown to Rs 8.16 Crore Vs Rs 3.41 Cr in BSE 500**
- **The Investment Approach has been able to generate returns continuously even while markets were flat between Oct 11, Jun 12 and Aug 13.**

Note : Performance figures are net of all fees and expenses. ASK Portfolio returns are composite returns of all the Portfolios aligned to the investment approach as on Feb 28, 2022. Returns for individual client may differ depending on time of entry in the Portfolio. Past performance may or may not be sustained in future and should not be used as basis for comparison with other investments. Returns for 1 year or lesser time horizon are absolute returns, while more than 1 year are CAGR. Returns have been calculated using Time Weighted Rate of Return method (TWRR) as prescribed by the SEBI.

ICICI Venture

Overview of ICICI Venture

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

ICICI Venture at a Glance

$5bn	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]	$1.6bn[2]	$700mn[3]	$453mn[2]	$1.25bn[4]
Strategies	Growth Equity	Equity	Energy	Debt, Mezzanine
	Joint Control	Debt	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

[1] Excluding IC AUM (1988-2002); [2] Includes co-invest capital; [3] Through ... 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 [illegible]. 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.

Overview of ICICI Group

ICICI Venture leverages ICICI Group linkages

Trusted Brand Name

- Strong brand identity in the Indian ecosystem
- Partner of choice for global and domestic investors

Access to Proprietary Deal flow

- Longstanding relationships across the ecosystem of Indian businesses: owners/promoters, bankers, regulators, policy makers and consultants
- Being one of India's largest banks, well connected across the spectrum of small, medium and large corporates

Deal lifecycle

- Sectoral expertise and information
- Institutional knowledge and experience
- Privileged market insights from networks with key stakeholders
- Relationships across the value chain

Access to a large pool of talent and infrastructure

- Support from the banking, insurance, capital markets intermediation and asset management teams
- Access to financing options / M&A advisory

Our PE exit track record (2009 onwards)

We have a proven, superior exit track record through diverse strategies

Realisation by exit strategy[1]

Examples of different exit strategies

RFCL	GO COLORS!	KIMS	STAR	WABAG
Exit Strategy : Sum of parts sale Investment : Dec-2009 Exit : Feb-2011 Gross INR MOIC: 8.2x^ Gross INR IRR: 81.9%[1]	*Exit Strategy: IPO* Investment : Jan-2018 Exit: Nov/Dec 21 (Partial) Gross INR MOIC : 6x Gross INR IRR: 59%	*Exit Strategy : Sale to PE* Investment : Jun-2014 Exit : Jun-2018 Gross INR MOIC : 2.8x Gross INR IRR: 29.0%	*Exit Strategy: Sale to Strategic,PE* Investment : Mar-2010 (IAF3) / Aug -2016 (IAF4) Exit : Mar-2020 Gross INR MOIC :6.2x/3x Gross INR IRR: 25% / 55%	*Exit Strategy : IPO* Investment : Apr-2005 Exit : Jul-2011 Gross INR MOIC : 25.8x Gross INR IRR: 138%

[illegible]

IAF4 Portfolio Overview

Backing leaders and emerging leaders in fast growing sectors in India

IAF4 Portfolio	Entry Year	Investment[1] (INR Mn)	Sector	Strategy	Original Stake	Exit Strategy
STAR	2016	1,000	BFSI	Growth PE	4.10%	Exited to strategic, PE
GO COLORS!	2018	1,000	Consumer	Growth PE	18.79%[2]	Partially exited (IPO, markets)
India1	2019	1,000	BFSI	Joint Control	21.48%^	IPO in progress
ontheo	2016	1,650	Mfg	Growth PE	20.22%[2]	Sale to PE / IPO
KIMS	2021	1,000	Healthcare	Growth PE	2.42%	Listed (Capital markets)
[illegible]	2017	1,250	Consumer	Joint Control	46.5%	Sale to strategic/PE
DCB BANK	2018	2,200	BFSI	Growth PIPE	4.30%	Listed (Capital markets)
[illegible]	2021	1,600	Mfg	Growth PE	15.0%-24.2%	IPO
SANGAMA [illegible]	2021	2,400[2]	BFSI	Growth PE	18.35%[2]	Sale to PE/IPO/strategic

[illegible]

[illegible]

IAF4 dealflow

Proposed key fund terms (India Advantage Fund S5 II)

Key fund terms*

Indian Fund (Feeder Fund)	Organized as a close-ended, contributory, determinate trust, under registration with SEBI as a Category II AIF (Fund of Funds); ICICI Venture is Settlor, AIF Sponsor, Manager of the Feeder Fund. Will invest 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)
Final Closing	18 months from First Closing (excluding extensions, if any)
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 plus INR 1 Mn p.a. (net of GST) at 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
Offering Expenses (Class FC1 Unit-holders)	Upto 2% (net of GST) of the capital commitment made by Class FC1 Unit holders. Will form part of overall Capital Commitment
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 Return	Applicable at Master Fund level only (20% on whole fund basis)
Application Money (Class FC1 Unit-holders)	10% of Capital Commitment. Will form part of overall Capital Commitment and shall be utilized towards First drawdown

*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

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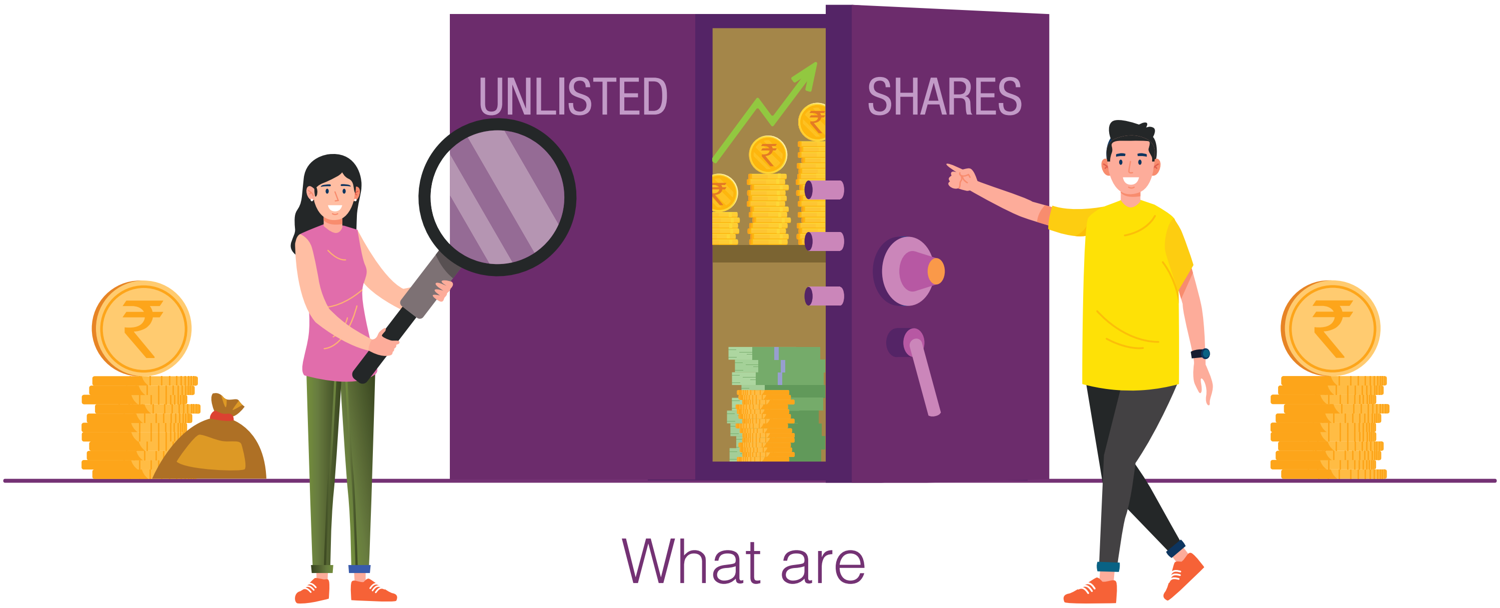

What are
Unlisted Shares*?

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
(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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The Investments recommended in News letter / research reports, may not be suitable for all investors. Investors must make their own investment decisions based on their own specific investment objectives and financial position and using such independent professional advisors as they believe necessary.

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