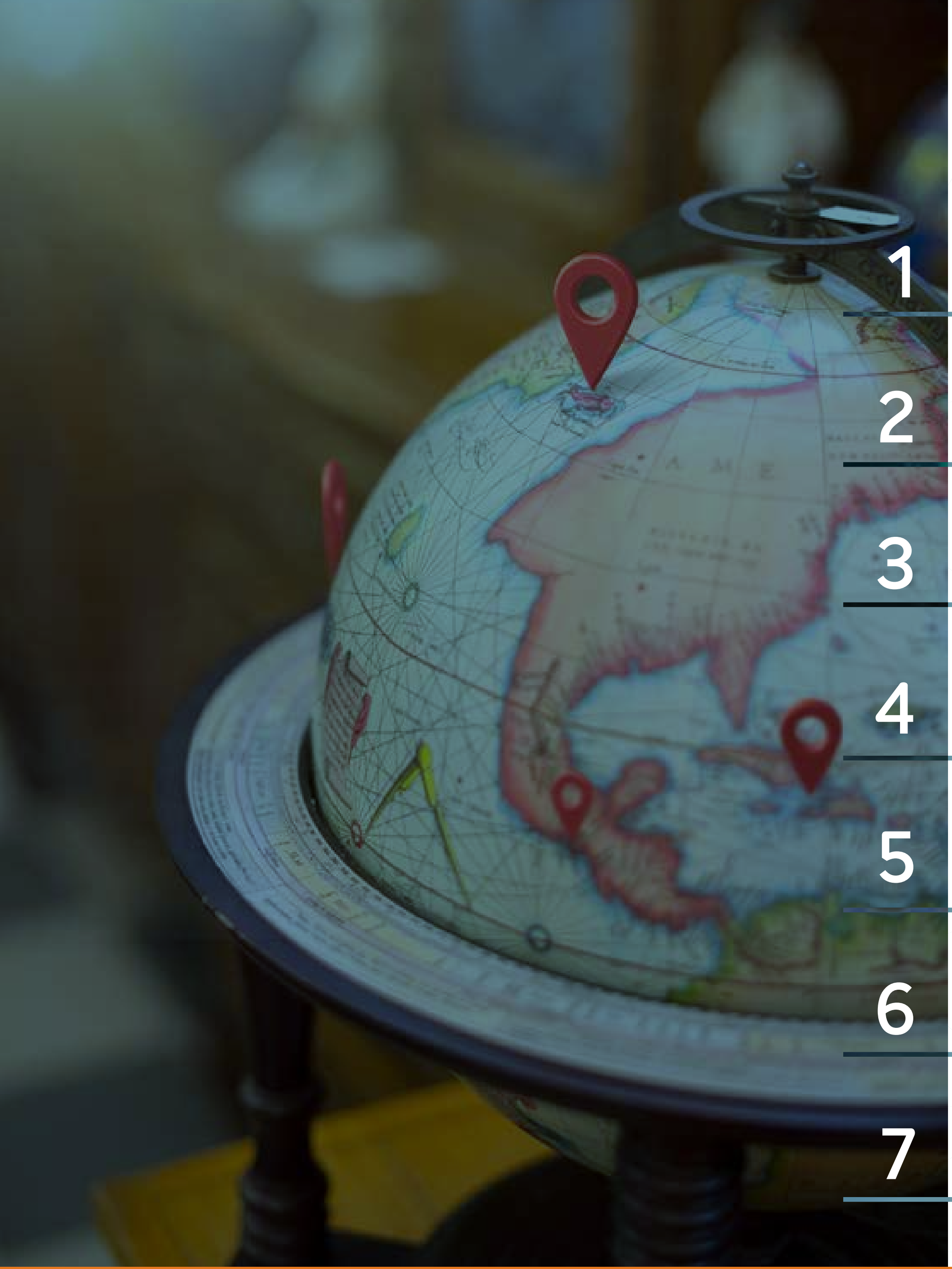
InCred Wealth

November

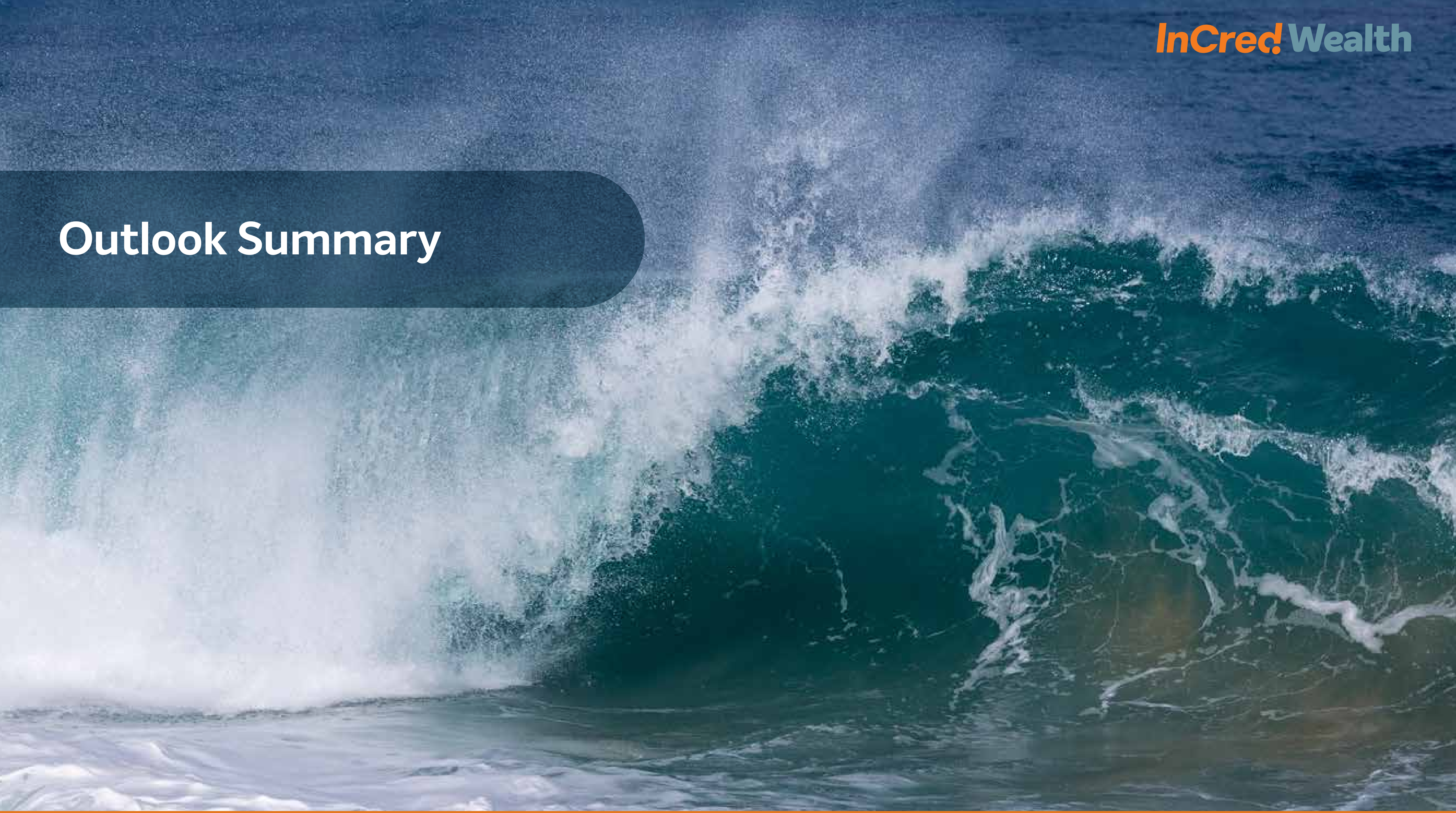
Market Outlook

Slowing Earnings Momentum; High Valuations could act as a Headwind



InCred Wealth

Index



Outlook Summary

Large Cap

2QFY25 earnings season has seen the biggest earnings downgrades since early 2020 (reflects cyclical slowdown)

- The Indian stock market has had a healthy correction of late, most particularly in the small to mid-cap space.
- The Nifty Index declined by 9.4% from its peak reached in late September to a recent low, while the Midcap 100 and Smallcap 400 index were down 10.2% and 9.7% respectively from September peak.
- In our view, the correction seems healthy, most particularly as it has impacted the most expensive part of the market, while the relatively inexpensive private sector banks have started to outperform of late.
- Domestic flows continue to remain strong running ahead of expanding supply and also pose a credible counterbalance to FPI outflows.
- The recent print from high-frequency indicators, such as power demand, PMI data, GST collections, also indicates a softening in demand.
- Returns from equities could be more stock specific and largely tepid at best in the near term. However, the long term (5yr-10yr) structurally positive story for India continues to hold. This demands investors to not skip the asset class and stay invested.
- We maintain a Neutral stance towards equities to accommodate the likely increase in risk perception which could impact multiples. Earnings trajectory, global monetary policy and unknowns emanating from geo-political turmoil could provide cues market moves from here on. We stay cautiously optimistic on the markets.

Asset Class	Sub-category	Index	Closing Level	InCred Outlook
Indian Equities	Large Cap	Nifty 50	24,205	Neutral

Key Takeways

- **Investors to deploy 30% - 40% towards large cap as lumpsum investments with balance over next 6 months.**

Source: Prices as of 30th Oct' 24; Bloomberg

InCred Wealth

Mid and Small Cap

During the last 12 months, midcaps and smallcaps have gained 44% and 47%, respectively, and outperformed largecaps, which have risen 27%.

- Nifty 50 or Large Cap stocks thus offer a reasonable margin of safety to allocate incrementally v/s Mid Caps and Small Caps.
- After the continued rally and relative rich valuations in SMID segment (with minimal earnings revision support) we believe it's a good time to book profits and remain underweight small and mid caps by bringing allocations closer to 10% and 20% respectively.

Asset Class	Sub-category	Index	Closing Level	InCred Outlook
Indian Equities	Mid and Small Cap	BSE Midcap	45,967	Underweight

Key Takeways

- **Mid and small cap allocations to be staggered over 6m horizon but capped at tactically lower weights stated above.**

Source: Prices as of 30th Oct' 24; Bloomberg

InCred Wealth

Change in MPC stance reflected that there is higher confidence to cut policy rates in the near future, provided geopolitical tensions stabilise & the disinflation in food prices is stronger. We expect a cumulative 50bps cut in policy rate over the course of FY25.

- Our view remains that Indian government bonds, are attractively poised given that this moment represents a coming together of structural macroeconomic bullish factors for India and a global peaking of interest rates
- The current inflation targeting monetary policy regime is well entrenched in policy making. Proactive forex management has helped build formidable reserves and thus offers tremendous buffer to the INR v/s the Dollar.
- Indian bonds are just starting to be discovered by FPIs from an allocation perspective and upside is massive. Being the 5th largest economy and heading towards being number 3 soon, alongside a superlative macro narrative, we expect a meaningful bond allocation to start building up.
- Fiscal deficit is expected to consolidate further at 4.9% of GDP for FY25 and glide path of achieving fiscal deficit of 4.5% of GDP in FY26 has been laid out. This allays any lingering fears over fiscal slippages that could result in adverse impact on bond yields.
- With demand expected to be robust, from supply side perspective, government bond supply is actually negative for this fiscal and the next. Thus, next 12m – 18m seem exceptionally well poised for government bonds.
- From bond valuation point of view, 10-year yields are at 35bps spread over the prevailing Repo rate. Also, real rate is at 3%, while RBI would prefer this to be in the range of 1.5% - 1.75% (repo over prevailing headline CPI). This leaves enough room for the nominal yields to fall.

Asset Class	Sub-category	Index	Closing Level	InCred Outlook
Indian Equities	G-Sec	10-year G-Sec	6.83%	Positive on medium duration and high yield strategies
	AAA Corporate	3y AAA	7.44%	
	AA Corporate	3y AA	8.16%	
	A Corporate	3y A	9.77%	

Key Takeways

- **In summary, we continue to believe it is an ideal time to lock away current yields for longer duration (elongating portfolio maturities). Real money investors should focus on building duration in their portfolios. This is to safeguard portfolios from reinvestment risk that may arise when the investments made today mature.**
- **Upto 50% of fixed income to be allocated towards medium – long duration strategies.**
- **Further, allocation of upto 35% of fixed income portfolio towards high yielding assets (bonds/funds) is suggested**
- **Balance 15% of the fixed income portfolio can be allocated towards accrual / shorter term strategies**

Source: Bloomberg; Bond yields as on 6th Nov 24

InCred Wealth

Global Equities

- Offer diversified growth story with preference across world, transformational technology, biotechnology etc., themes that are not available in India
- Prefer Global Equities to diversify portfolio from single currency and market risk

Asset Class	Sub-category	Index	Closing Level	InCred Outlook
Global Equities	US	S&P 500	5,705	Neutral
	Europe	MSCI Europe	169	
	China	Shanghai Composite	3,280	

Key Takeways

- **Recommend buy on dips or staggered investment strategy**

Precious Metal

- Gold prices continued post healthy gains as prices were pulled higher by a further drop in the US dollar as the Fed embarked on its rate-cutting programme with a somewhat surprising 50bps cut. Also rising geopolitical tensions in the Middle East that have continued into October, helped the gold rally
- Traditionally, a weaker USD and lower U.S. rates increase the appeal of gold. But a significant decoupling started to emerge in early 2022 and gold's relationship with U.S. real yields has broken down even further this year.
- With global macro narrative surrounding broad and substantial rate cuts going ahead, gold stands to benefit as historically gold returned an average of 6% in the six months following the start of rate cutting cycles.
- A general aversion to short bullion financially, despite the outsized rally, underscores gold's structurally bullish drivers outside of U.S. real yields.
- Central bank buying and ETF flows to support gold prices / demand in 2024

Asset Class	Sub-category	Index	Closing Level	InCred Outlook
Precious Metal	Gold	LBMA USD	2,734	Neutral

Key Takeways

- **The structural bull case for gold remains intact, even as prices have risen sharply.**

Source: Prices as of 30th Oct' 24; Bloomberg

Commodities – Crude

- The impact of geopolitical escalations on oil prices has been limited because of prolonged global oil inventory accumulation during 2022 and 2023 and the lack of disruptions to oil production.
- US EIA's forecast is that global oil inventories will fall by 0.9 million barrels per day (b/d) in 2024.
- It is expected that the tighter oil market balance during 2024 will keep the Brent price above current levels, it will remain relatively flat for the rest of the year before increasing inventories start putting slight downward pressure on the price in 2025.
- Basis US EIA forecast the Brent crude oil price will average $87/bbl in December 2024 and fall to $84.8/bbl by December 2025.

Asset Class	Sub-category	Index	Closing Level	InCred Outlook
Commodities	Crude	Brent Crude (US$/bbl)	73.2	Neutral

Source: Prices as of 30th Oct'24, Bloomberg

InCred Wealth

Emerging Markets underperformed in October

India's underperformance to EMs continues; Crude prices have risen marginally; Gold prices hit record highs; Mid cap underperformed; India bond yields hardened off v/s Sept'24

As of 31st Oct 2024 EM and DM	Current Level	1M	3M	6M	1Y	CYTD24	CY23	CY22	CY21	CY20	CY19
MSCI Emerging Markets	1,120	-4.4%	3.2%	7.0%	22.2%	9.4%	7.0%	-16.9%	-4.6%	15.8%	15.4%
MSCI World Index (Developed equities)	3,647	-2.0%	2.1%	10.3%	30.4%	15.1%	21.8%	-1.9%	20.1%	14.1%	25.2%
Key Equity Indices											
S&P 500	5,705	-1.0%	3.3%	13.3%	34.6%	19.6%	24.2%	0.1%	26.9%	16.3%	28.9%
MSCI Europe	169	-3.3%	-2.5%	0.0%	15.3%	5.4%	12.7%	-0.6%	22.4%	-5.4%	22.2%
Nikkei	39,081	3.1%	-0.1%	1.8%	23.7%	16.8%	28.2%	16.2%	4.9%	16.0%	18.2%
Shanghai Composite	3,280	-1.7%	11.6%	5.6%	8.5%	10.2%	-3.7%	-18.3%	4.8%	13.9%	22.3%
Nifty	24,205	-6.2%	-3.0%	7.1%	27.5%	11.4%	20.0%	25.2%	24.1%	14.9%	12.0%
BSE MidCap	45,967	-6.9%	-5.5%	9.1%	47.6%	24.8%	45.5%	47.5%	39.2%	19.9%	-3.0%
BSE SmallCap	54,983	-3.8%	-0.6%	16.2%	49.1%	28.8%	47.5%	44.9%	62.8%	32.1%	-6.8%
Other Assets (levels)											
Brent Crude	73.2	71.8	80.7	87.9	84.6	77.0	85.9	77.8	51.8	66.0	53.8
Gold	2734.2	4.0%	12.7%	18.5%	37.6%	31.6%	14.6%	15.1%	-4.3%	24.6%	18.4%
Dollar index	104.0	100.8	104.1	106.2	106.9	101.3	103.5	95.7	89.9	96.4	96.2
Credit/ yields (%)											
India 10 year G-sec	6.85	6.75	6.93	7.19	7.36	7.17	7.33	6.45	5.87	6.56	7.37
US 10 year G-sec	4.28	3.78	4.03	4.68	4.73	3.88	3.87	1.51	0.91	1.92	2.68
Germany 10 year G-sec	2.39	2.12	2.30	2.58	2.76	2.02	2.57	-0.18	-0.57	-0.19	0.24

Source: Bloomberg

InCred Wealth

Mid Caps fall inline with Nifty; All sectors ended in negative territory

As of 31st Oct 2024	1M	3M	1Y	CYTD24	CY23	CY22	CY21	CY20	CY19
Overall Markets									
Nifty	-6.2%	-3.0%	27.5%	11.4%	20.0%	25.2%	24.1%	14.9%	12.0%
Nifty Equal weight	-8.1%	-4.0%	34.1%	14.6%	29.8%	38.0%	32.6%	17.6%	2.7%
BSE Mid cap	-6.9%	-5.5%	47.6%	24.8%	45.5%	47.5%	39.2%	19.9%	-3.0%
BSE Small Cap	-3.8%	-0.6%	49.1%	28.8%	47.5%	44.9%	62.8%	32.1%	-6.8%
Styles									
Nifty 200 Quality 30	-8.7%	-4.4%	33.4%	15.4%	29.9%	21.7%	nm	nm	nm
MSCI India Value	-7.7%	-5.8%	34.4%	14.9%	25.9%	24.1%	31.5%	23.7%	9.6%
MSCI India Growth	-7.1%	-3.3%	34.2%	17.4%	14.8%	20.0%	22.7%	10.1%	7.3%
Financials									
NSE Financials	-2.4%	2.0%	24.8%	11.2%	13.2%	24.0%	14.0%	4.5%	25.6%
Nifty Bank	-2.8%	-0.2%	20.5%	6.6%	12.3%	36.1%	13.5%	-2.8%	18.4%
Nifty Private Bank	-4.8%	-1.9%	14.0%	1.4%	13.8%	37.9%	4.6%	-2.9%	16.2%
Nifty PSU Banks	-0.5%	-9.1%	35.9%	17.7%	32.3%	125.8%	44.4%	-30.6%	-18.3%
Asset heavy sectors									
BSE Oil and Gas	-13.8%	-15.7%	50.1%	19.3%	12.8%	31.5%	24.3%	-4.4%	7.2%
BSE Capital Goods	-5.5%	-8.6%	51.8%	24.2%	66.9%	93.5%	53.4%	10.6%	-10.0%
BSE Utilities	-8.5%	-7.1%	75.0%	29.4%	32.6%	62.0%	64.4%	-0.4%	-7.3%
NSE Infrastructure	-7.8%	-7.1%	45.4%	20.8%	39.1%	47.5%	35.6%	12.2%	2.5%
Services oriented sectors									
NSE IT	-3.7%	-1.1%	33.2%	13.8%	24.1%	-8.2%	59.6%	54.9%	8.4%
BSE Telecom	-8.5%	-11.3%	42.8%	27.1%	30.8%	24.9%	43.0%	13.6%	12.9%
NSE Financial services	-2.4%	2.0%	24.8%	11.2%	13.2%	24.0%	14.0%	4.5%	25.6%
Others									
NSE Media	-5.6%	-6.1%	-9.0%	-15.5%	19.9%	7.6%	34.6%	-8.6%	-29.7%
NSE Auto	-13.0%	-11.9%	48.5%	26.3%	47.6%	70.2%	19.0%	11.5%	-10.7%
NSE FMCG	-9.7%	-4.6%	15.9%	3.9%	29.0%	51.6%	10.0%	13.5%	-1.3%
NSE Pharma Index	-2.3%	4.4%	54.3%	35.1%	33.6%	18.3%	10.1%	60.6%	-9.3%
NSE Real Estate	-9.0%	-8.6%	63.2%	27.6%	81.3%	61.7%	54.3%	5.1%	28.5%

- Mid Caps underperformed; Small caps performed inline; Growth style did better than Value strategy
- On CYTD basis, Nifty is up 11.4% with Mid Cap and Small Cap indices delivering 24.8% and 28.8% respectively.
- Broader markets outperformance over Large cap continues after delivering a healthy outperformance in CY22 and CY23
- PSU Banks (-0.5%), Pharma (-2.3%) and Financial Services (-2.4%) fell the least in October 2024
- Value underperformed Growth in the past month as well
- Oil & Gas (-13.8%), Auto (-13%) and FMCG (-9.7%) were the most underperforming sectors in October 2024.

Source: Bloomberg

InCred Wealth

Global Macro

FOMC cuts yet again in Nov 2024

	Quarterly GDP Sept-24 SA qoq (%)	Inflation Sep-24 yoy (%)	Current Policy Rate Nov-24	10Y bond yield 8-Nov-24
US	2.8%	2.4%	4.50% - 4.75%	4.31%
Europe	0.4%	1.7%	3.25%	2.35%
Japan	0.7%	2.5%	0.25%	1.01%

USA

The FOMC cut rates by 25 basis points to 4.50%-4.75%, with Chair Powell emphasizing Fed independence and uncertainty in future policy decisions. Improved economic data and hotter- than-expected inflation have led markets to price out some Fed cuts next year. Powell indicated the Fed is cautiously approaching the neutral rate, with no urgency for aggressive cuts, and election results won't impact near-term policy. Future rate decisions remain uncertain, influenced by incoming data and potential policy proposals, suggesting extended uncertainty around the Fed's rate path. The previously included sentence about having ""greater confidence"" that inflation is moving sustainably back to the 2% target was notably absent in latest press statement. Beyond December, the rate path is very uncertain. As well as considerations around the neutral rate, the Fed may have to consider the inflation and growth impact of policy proposals. Market expects 100 basis points of cuts in 2025 and 50 basis points more in 2026 to a terminal rate of 2.9%.

Europe

The European Central Bank decided to cut rates again in Oct as inflation slows and economic growth falters. The ECB lowered its deposit rate by 25 basis points to 3.25% in a widely expected move, following up on a similar cut in Sept as inflation is now within striking distance of its 2% target and the domestic economy is dodging a recession. The decision to cut rates only five weeks after the last cut and with only very few pieces of economic data since then, suggests that the ECB must have become much more concerned about the eurozone's growth outlook and the risk of inflation undershooting the target. Interestingly, the official language in the ECB's decision was almost unchanged from the September meeting.

Japan

The Bank of Japan (BoJ) unanimously maintained its key short-term interest rate at around 0.25% during its October meeting, keeping it at the highest level since 2008 and matching market estimates. The verdict came as the BOJ strives to normalize its monetary policy after a long-held ultra-easy approach, without hurting the country's economy. Board roughly maintains inflation forecasts. It said risks around the U.S. economy were somewhat subsiding, signalling that conditions are falling into place to raise interest rates again.

Source: Bloomberg

InCred Wealth

Trump 2.0: What's in store for markets?

Policies	Agenda
Economy	More expansionary
Tax	Tax cuts, extension of 2017 TC1A tax sops
Trade	60% or higher tariffs on China, 10-20% on RoW
Immigration	Mass deportations
Fed	Wants to influence on interest rates
Geopolitics	Cut aid to Ukraine & NATO. Support Israel and Taiwan

- Donald Trump pulls off one of the greatest political comeback in the history of US Presidential elections with a convincing win
- His expansionary policies could push bond rates higher and the FOMC rate cut cycle might end up being rather shallow
- US and EM equities did well under the Trump 1.0 tenure and could it be a repeat in 2.0?
- USD is expected to weaken akin to Trump 1.0

Source: BofA Global Investment Strategy

InCred Wealth

Stock market odds post US Presidential Election?

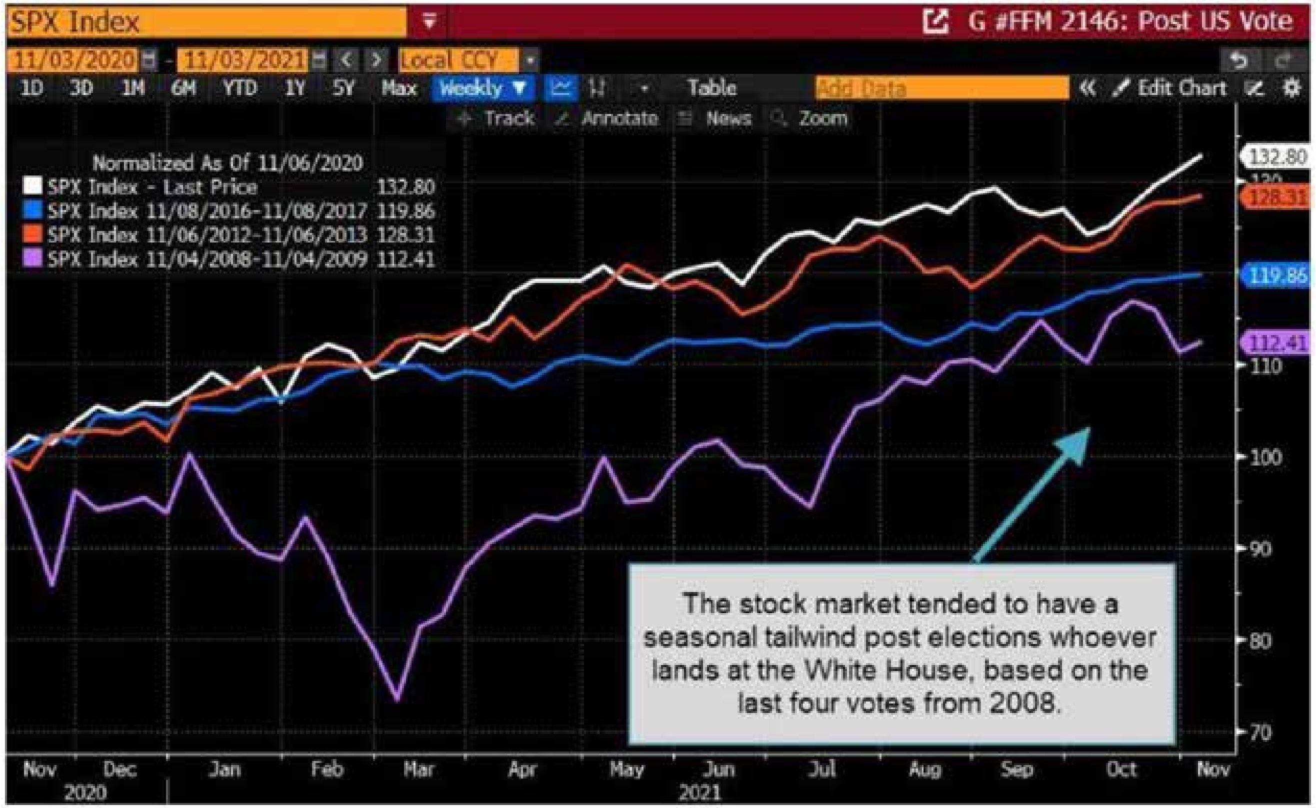


Figure 1. – Market Expectations points towards 250bps rate cut in the span of one year

- If history is any guide, regardless of who ends up in the White House, stocks and commodities may end up as winning bets
- SPX has averaged 23% returns in a year over the past four votes while commodities largely performed well
- Trump win in 2016 led to a 20% gain in S&P500 Index.

Source: Bloomberg

InCred Wealth

US Bond yields could rise / Rate cut might get paused / USD could weaken

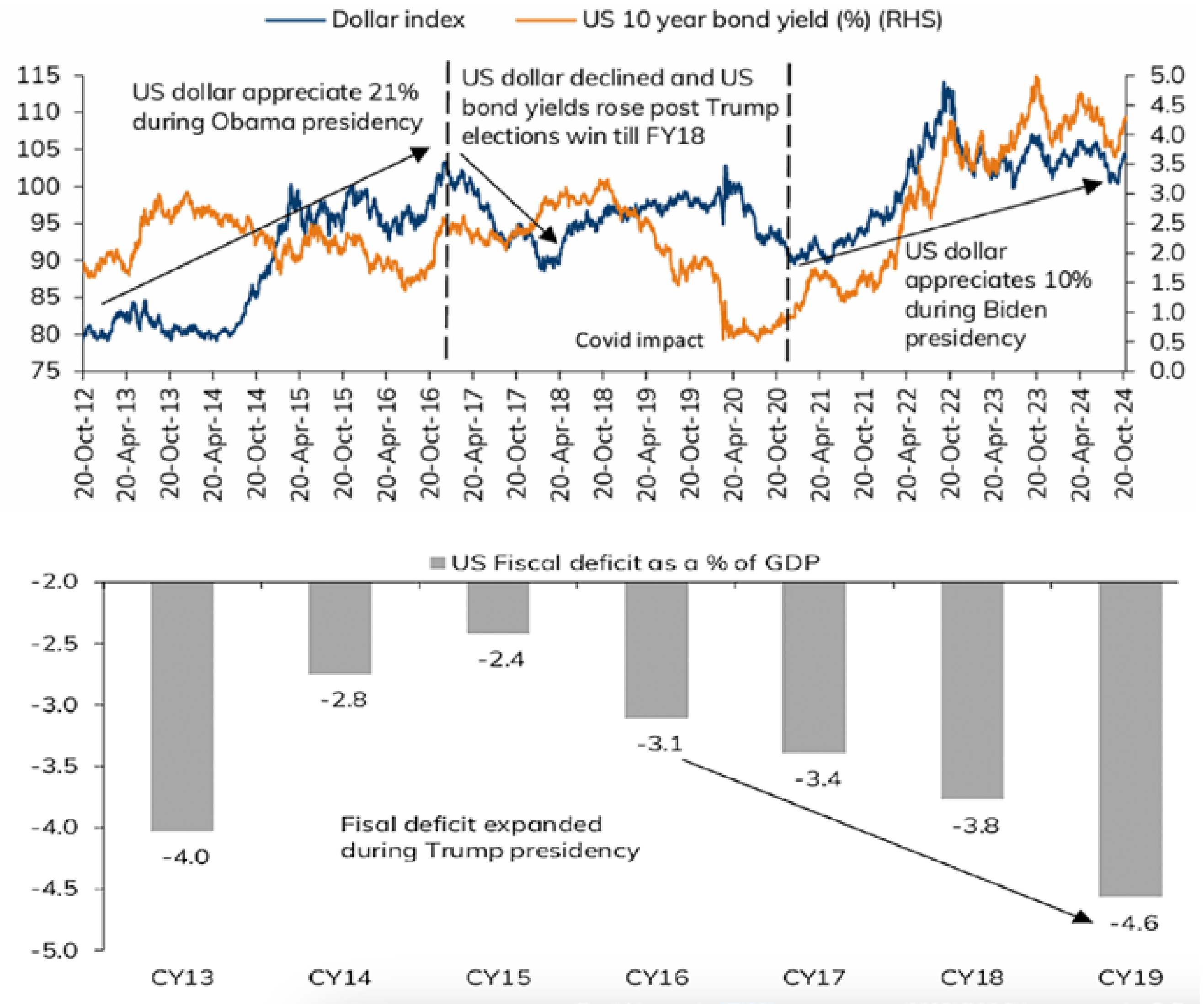


Figure 2. – US Bond yields could rise / Rate cut might get paused / USD could weaken

- The USD could weaken – akin to Trump's previous Presidency, when the Dollar index fell and fiscal deficit rose

- Fiscal deficit kept rising during Trump's tenure; reversing the declining trend post the peak in the aftermath of the GFC

Source: Bloomberg; I-Sec research

InCred Wealth

Fed Funds Rate Futures

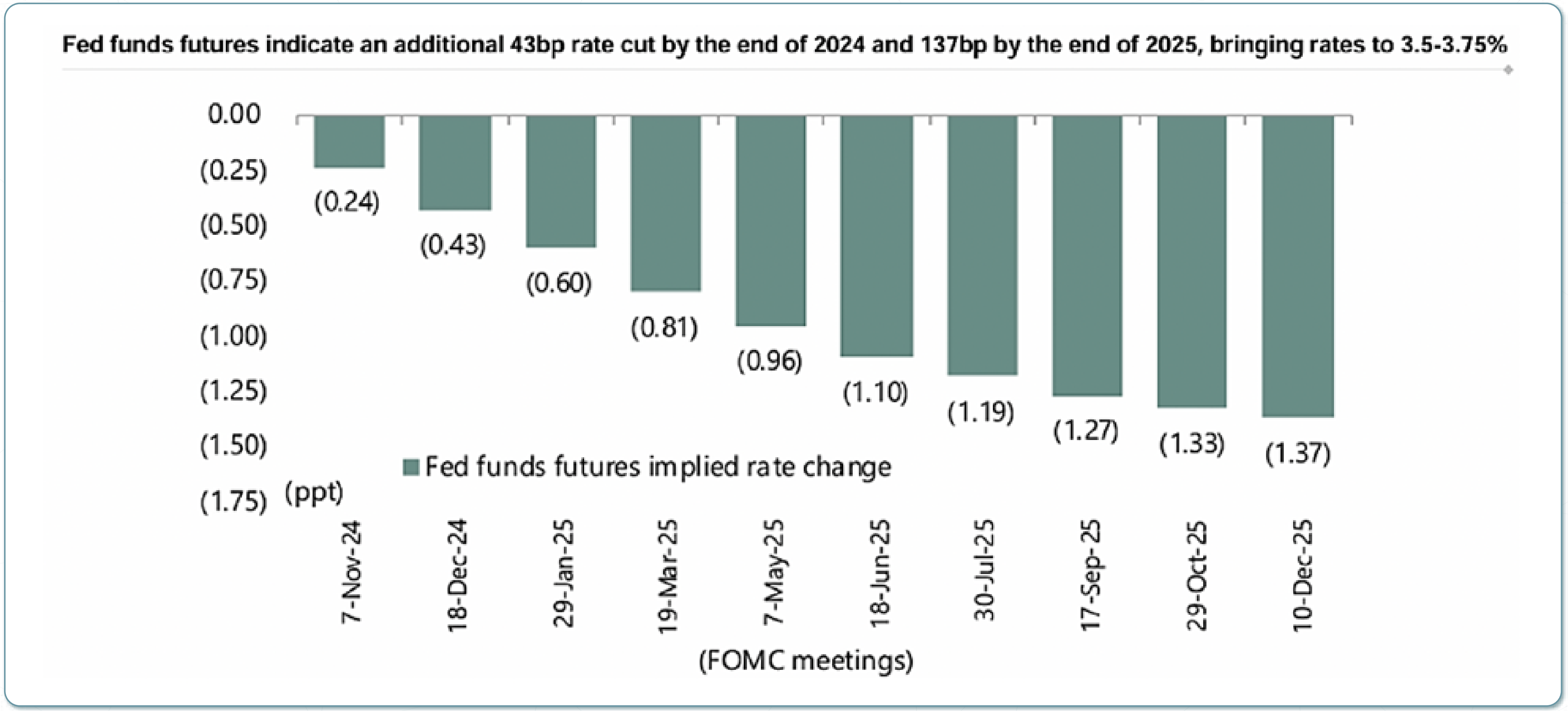


Figure 3. – Fed Funds Rate Futures

- FOMC eased policy rates by another 25 bps in November
- The dot plots for 2024 have been volatile, undermining the reliability of forward guidance, leaving the market data-dependent but uncertain.
- Market has brought down its rate cut expectation in the recent wake of Job data.

Source: Bloomberg; Jefferies

InCred Wealth

China: Announced easing macro and property related policies

Figure 4. – China: Announced easing macro and property related policies

- China appears serious about stimulating their economy. We have heard one or the other measures through most days of October.
- New details suggest that a sum of about RMB3trn should be deployed to mostly shore up the balance sheets of local authorities and banks
- It is also becoming clear that the reflation effort will not include large-scale transfers to households
- The latest economic indicators for September finally beat expectations after a long series of misses.
- Support from the fiscal package will take several months to generate a material economic turnaround.
- Market movements may be swifter though, hence a tactical allocation seems warranted

Source: ENAM Asset Management

China: Past stimulus has seen rise in valuations

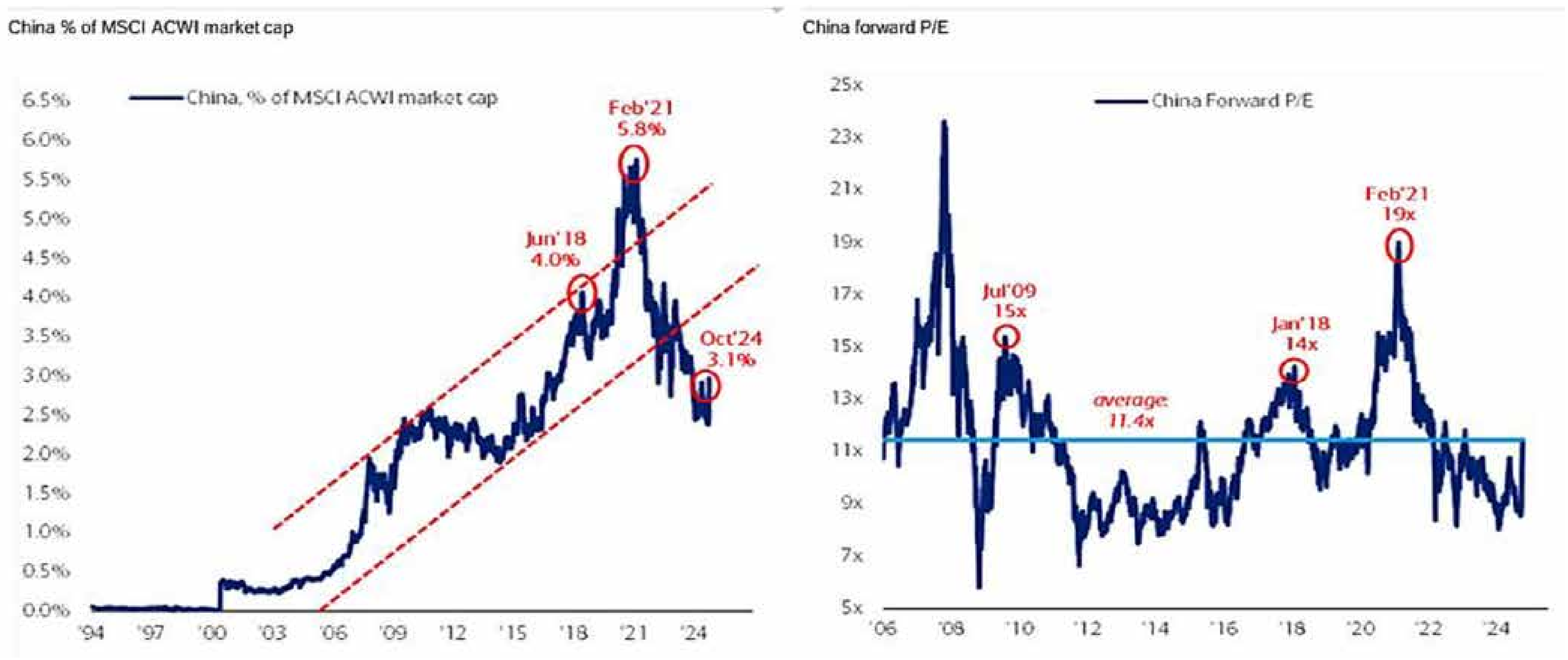


Figure 5. – China: Past stimulus has seen rise in valuations

- China's current weight in MSCI All World Index is at ~3.1% well below its previous highs.
- In the past, stimulus announcements has resulted in China forward P/E getting re-rated to 15x and higher. Current China forward P/E at 11.4x

Source: BofA Global Fund Manager Survey

India Macro Outlook

InCred Wealth

High frequency indicators suggest economy showing tapering growth

- GST collections at ₹1.87 trn with 8.9% yoy growth (rate of growth has reduced); Auto sales pick up in Oct'24 over festive demand; Credit growth momentum slows a bit; Core industries output growth also positive but low
- In absolute terms, GST collections continue to depict a good momentum. However, the growth rate of GST collections has dropped and remains consistently below estimated nominal GDP growth of 10.5% for FY25 – GST collections have on an average grown at 9.5% this FY.
- Manufacturing PMI remains in expansionary phase

	As on	Unit	Latest	Last	One year back
O/s non-food Credit Growth	Sept-24	yoy (%)	14.4%	15.0%	15.3%
Consumption					
Auto Volumes					
PV	Oct-24	Units Sold	4,83,159	2,75,681	3,64,991
2W	Oct-24	Units Sold	20,65,095	12,04,259	15,14,634
Industries					
Power Consumption	Oct-24	yoy (%)	0.7%	0.0%	22.4%
Manufacturing PMI	Oct-24	X	57.5	56.5	55.5
Core Industries output	Sept-24	yoy (%)	2.0%	-1.6%	9.5%
Overall, Economy					
GST Collection	Oct-24	Rs Trn	1.87	1.73	1.72

Source: Bloomberg, FADA, Company Data

Many economic indicators have started reflecting signs of slowing

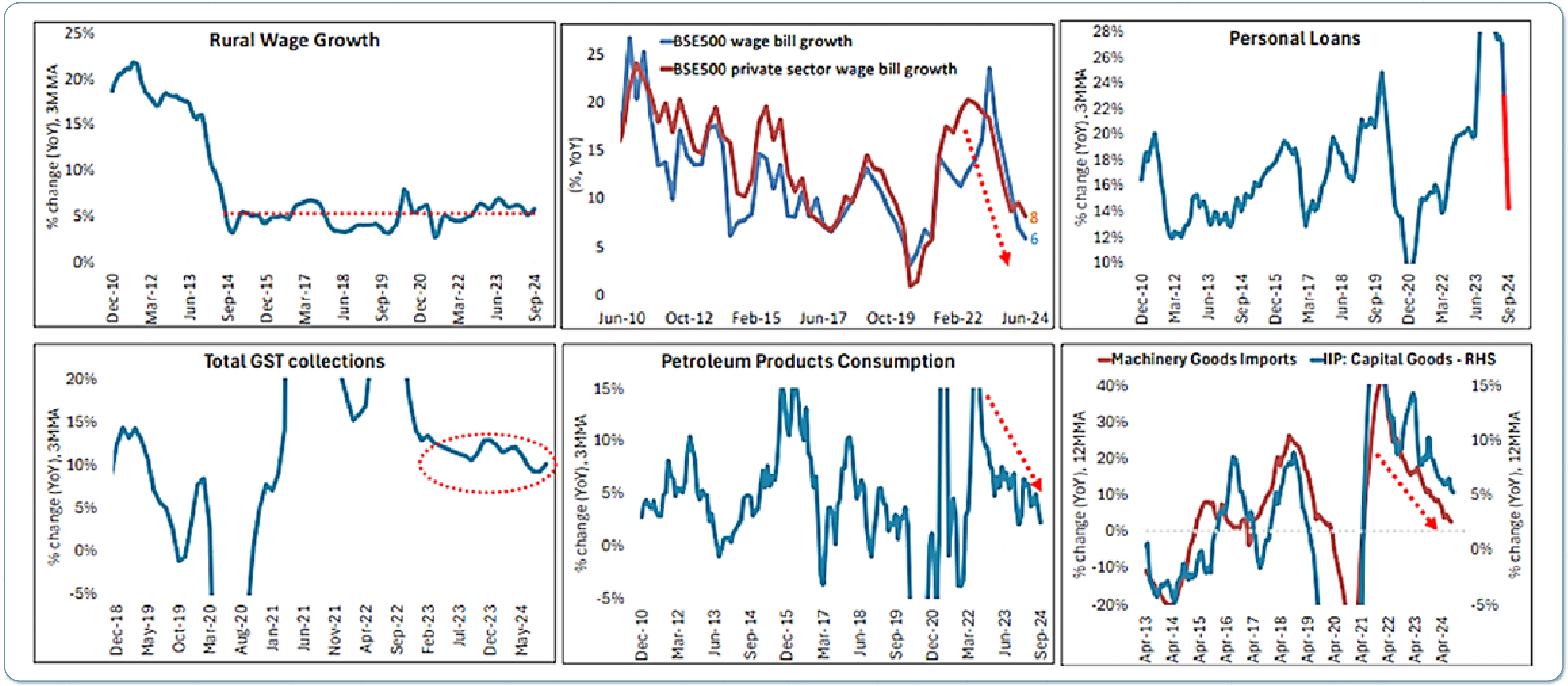


Figure 6. – Many economic indicators have started reflecting signs of slowing

- Rural wage growth and GST collections have been flattish.
- Personal loan growth and dropped, consumption of petroleum products and import of machinery goods has moderated significantly

InCred Wealth

Real GDP growth hits a 15-month low in Q1FY25

- The 1QFY25 real GDP growth at 6.7% YoY marks a sharp deceleration from the recent peak of 8.6% in 3QFY24 and RBI's projection of 7.1%.
- But beneath the headline is a strong rebound in core growth to 7.6%.
- Private demand, including consumption & investment, is revving up after a prolonged drag and is strong enough to overwhelm the fiscal drag.
- In nominal terms, exports and imports of goods and services accelerated similarly by 9.5% and 9.1% YoY respectively during 1QFY25. But in real terms, exports (8.7%) grew faster than imports (4.4%), largely due to the rebound in crude oil prices impacting the latter.
- After four quarters of slackening, growth in the services trade experienced a rebound.
- Recent RBI policy kept GDP growth & inflation forecasts unchanged for FY25.
- While prospects of improved agri sector performance and waning pricing power of corporates, amid rising global competition forebode well for domestic consumption, the key variable to look for is real household income, which remains fragile

	As on	Unit	Latest	Last	1 year back
GDP quarterly	Jun-24	yoy (%)	6.70%	7.80%	8.20%
GDP Annual	FY24	yoy (%)	8.20%	7.00%	9.70%
Inflation	Sept-24	yoy (%)	5.49%	3.65%	5.02%
Policy Rate	Oct-24	%	6.50%	6.50%	6.50%
IIP	Aug-24	yoy (%)	4.80%	-0.1%	10.9%
INR/USD	Oct-24	X	84.06	83.76	83.23

Source :Bloomberg, MOSPI

Flows, Valuations, Earnings

InCred Wealth

FIIs turn net sellers in Oct'24; MFs remain buyers of equities

- FIIs were net sellers of Indian equities at $11.2bn in Oct-24. DIIs were net buyers at $12.77bn. MFs were net buyers at $10.68bn.
- FIIs have net bought Indian equities in CY24 to the tune of $0.86bn while MFs net bought India equities to the tune of $45.04bn in CY24.
- FIIs were net buyers in debt markets at $0.52bn while MFs were net sellers at $2.74bn in the month of Oct-24.
- In CY24, FIIs bought $12.71bn of Indian debt, while MFs sold $30.30bn.
- SIP flows have averaged ₹22,321 so far in this fiscal vs ₹16,601cr in the last fiscal; Sept'24 SIP flows were at ₹24,509 cr.

Figure 8. - FIIs, DIIs and MFs continue to be net buyers of Equities

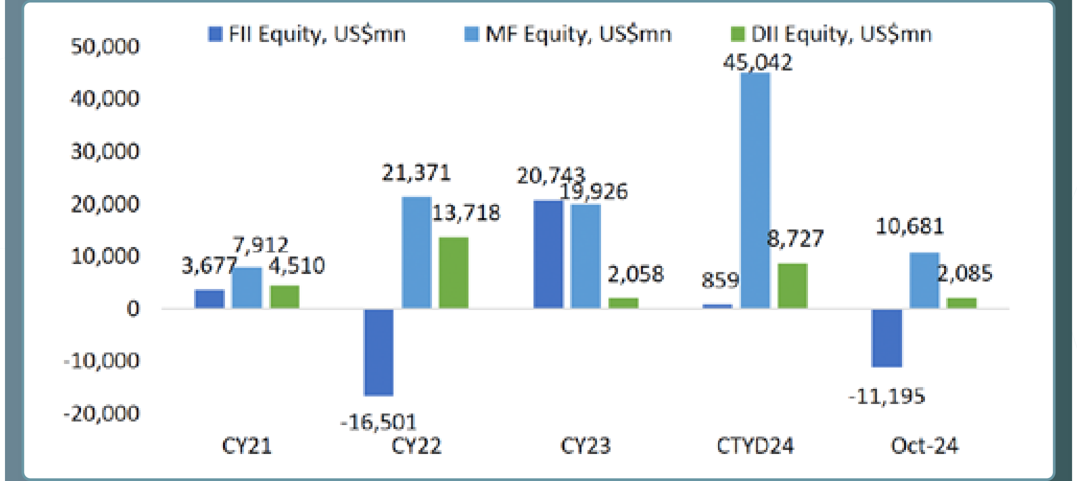


Figure 7. - Sept-24 SIP flows hit an all time high at Rs245bn, up 53% yoy

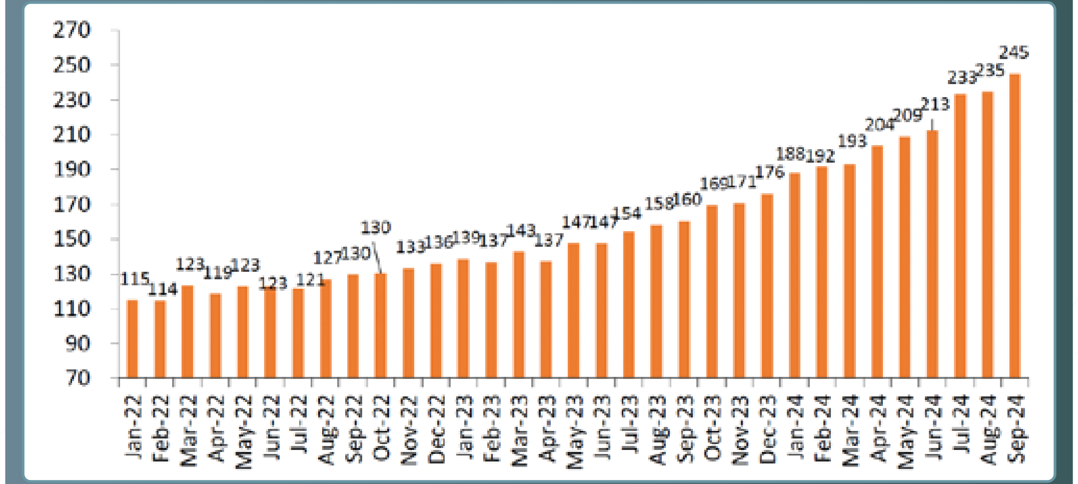
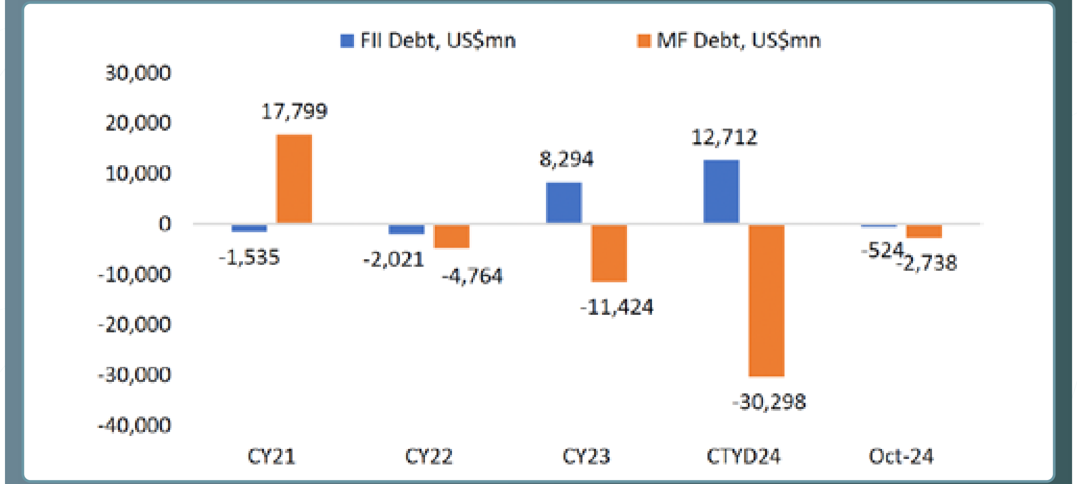


Figure 9. - FIIs turned net buyers of Indian debt in CY24; MFs have been sellers



Source: Bloomberg, NSDL, SEBI, AMFI

InCred Wealth

FPI outflows are substantial; But Avg M-cap and FPI % holdings reveal impact

Start Date	End Date	Event	FII Outflows (In $ Bn)	Avg Market Cap (In $ Bn)	Outflow as % of Avg Market Cap	FII ownership of BSE 500		BSE 500 Index	
						From	To	(Peak to Trough)	(12 months from Trough)
Jan-08	Mar-09	Global Financial crises	-15.4	~1000	-1.5%	16.00%	13.20%	-66.00%	127.60%
Jul-11	Oct-11	US Credit Rating Downgrades	-2.7	~1315	-0.2%	15.30%	15.50%	-13.10%	18.60%
Jun-13	Sep-13	Taper-Tantrum	-3.7	~1033	-0.4%	19.50%	19.40%	-10.10%	59.70%
Apr-15	Feb-16	Yuan Devaluation	-7.8	~1500	-0.5%	20.70%	21.40%	-16.40%	32.50%
Oct-16	Jan-17	Fed Hikes / Demonetization	-5.3	~1604	-0.3%	21.60%	21.30%	-10.80%	43.00%
Apr-18	Nov-18	NBFC Crises	-7.9	~2139	-0.4%	20.60%	20.30%	-7.80%	15.10%
Jun-19	Sep-19	Slowdown	-5	~2007	-0.2%	21.10%	20.80%	-10.00%	10.00%
Feb-20	Apr-20	Onset Covid-19	-10.6	~1669	-0.6%	21.20%	19.80%	-37.30%	98.80%
Nov-21	Jul-22	Geo-Political Worries	-34.9	~3315	-1.1%	20.50%	18.10%	-16.70%	24.70%
Sep-24	Oct-24	Currently Ongoing	-10.3	~5500	-0.2%	18.30%	??	-6.90%	??

Figure 10. – FPI outflows are substantial; But Avg M-cap and FPI % holdings reveal impact

- Since GFC, India's avg market cap has grown 5x (from $1Tn to $5.5Tn); FPI ownership has increased and thus outflows as a % of AUC is substantially lower than in 2008!

Source: Bloomberg; Kotak Mutual Fund

Promoter Selling remains very high in CY2024

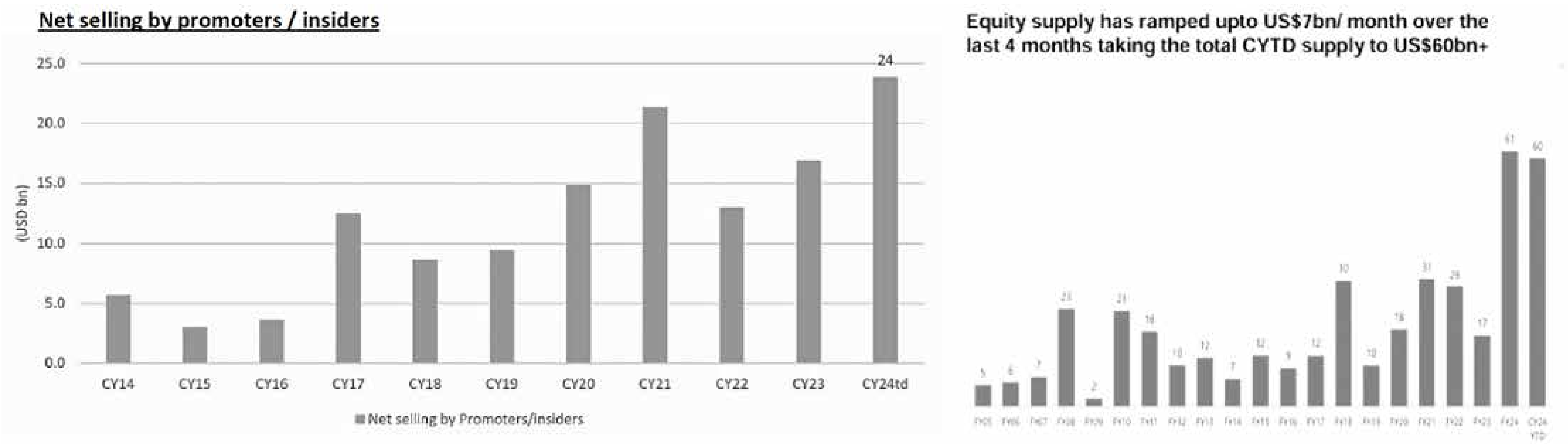


Figure 11. – Promoter Selling remains very high in CY2024

- CY24 YTD Equity supply has already surpassed CY23 levels
- It also continues to accelerate in 2H to meet demand
- Also, India's primary market is now the largest globally by volume and the second largest by value. Is this a reason for caution?

Source: Bloomberg; Prime Database; Nuvama Research; NSE; BSE; Jefferies

InCred Wealth

While DII flows have been strong, 3 in 4 investors haven't seen a bear market!

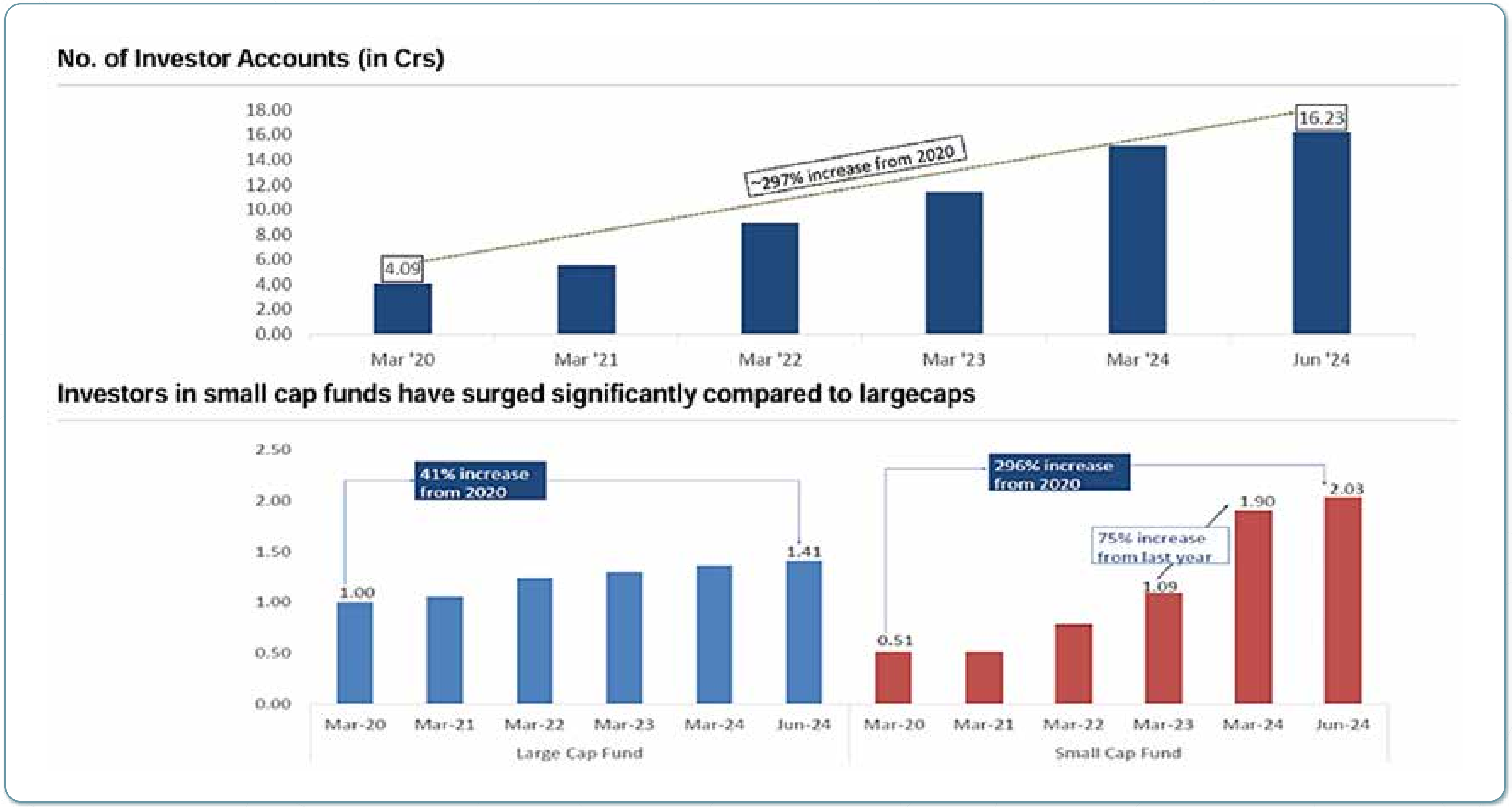


Figure 12.

- FII inflows between CY22 and CY24YTD have stood at US$ 5Bn, whereas DII flows during the same period have stood at a staggering US$ 108.1Bn

Source: MOFSL; DSP Netra

InCred Wealth

Nifty valuations significantly above long period average; further upside to be limited till valuation argument further improves.

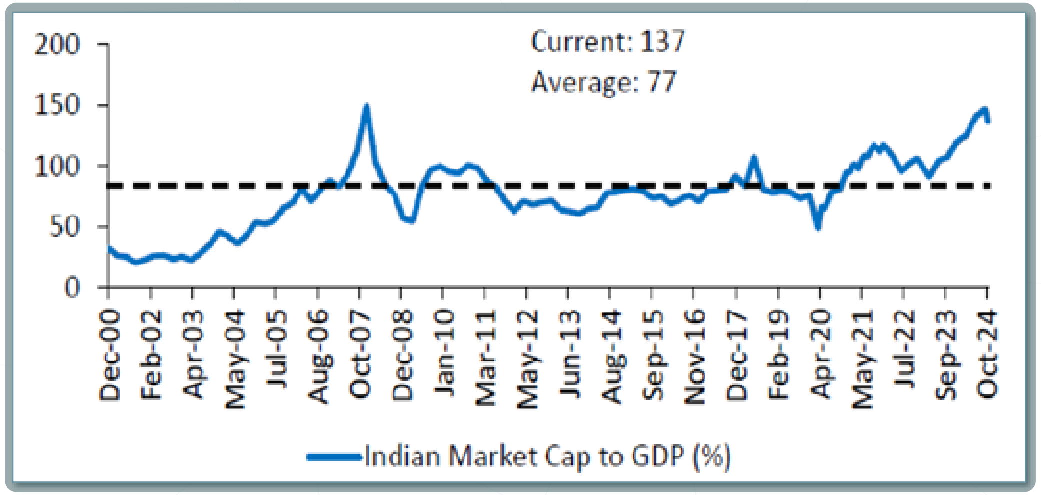


Figure 13. – India's market cap to GDP expensive, continues to move higher

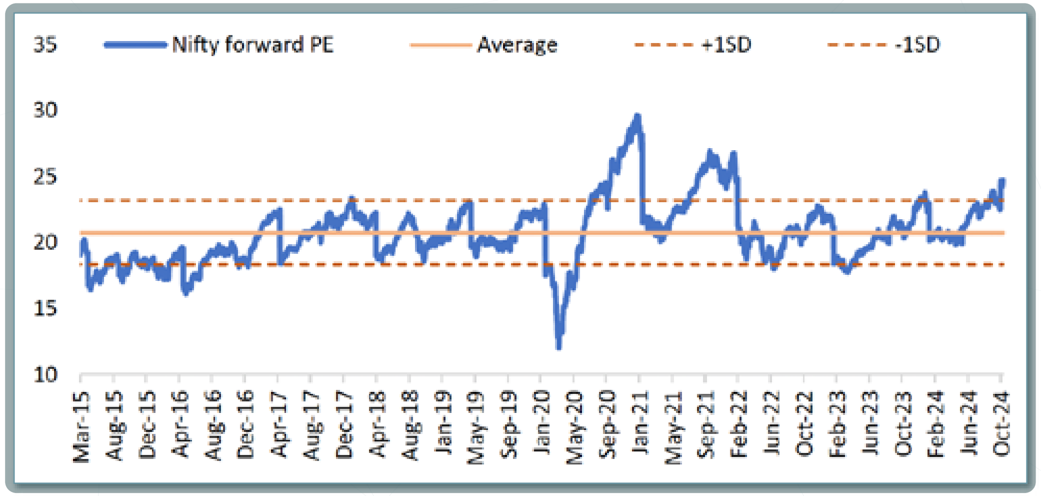


Figure 15. – Nifty forward PE has moved above Average to +1sd levels

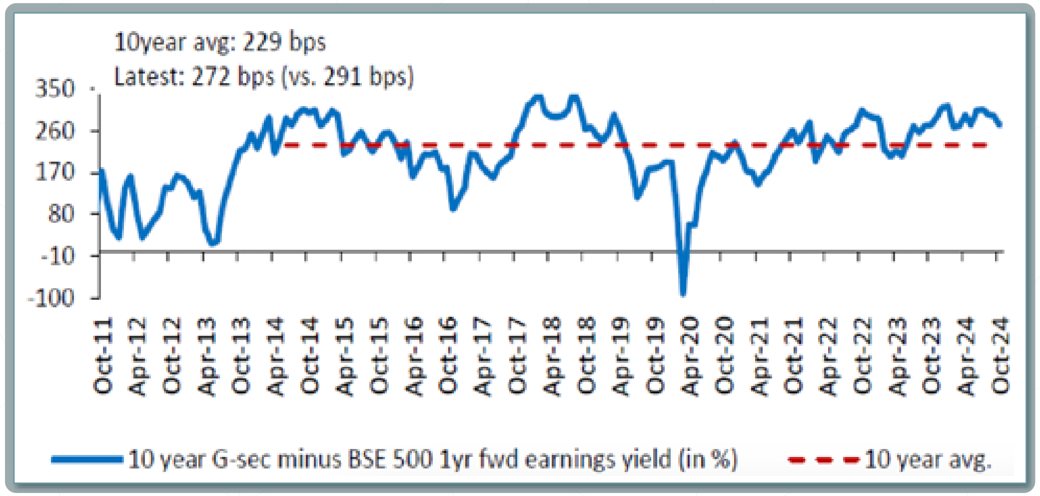


Figure 14. – Gap between G sec and Nifty earning yields indicate bonds are attractive

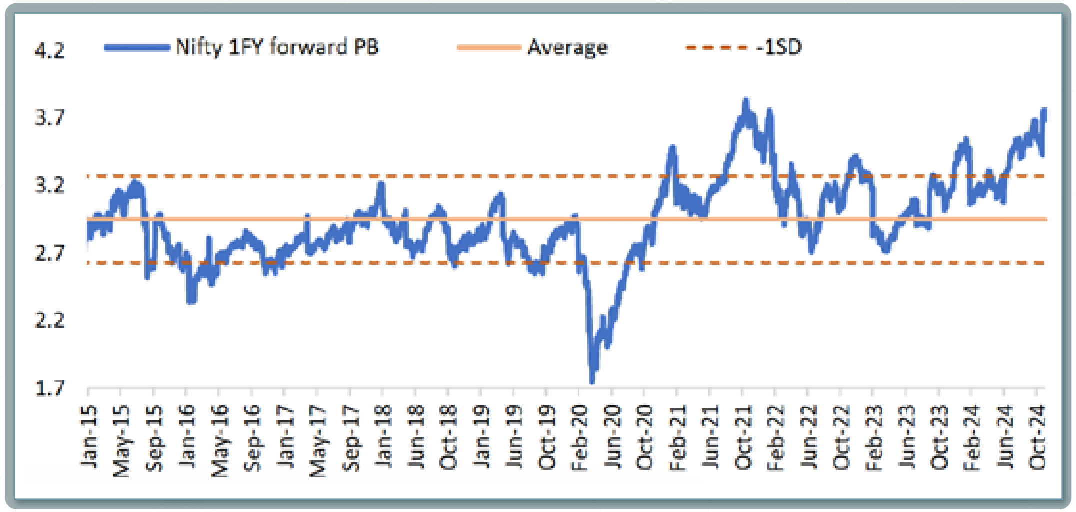


Figure 16. – Nifty PB at +2SD above LPA

Source: SBIMF Research, Bloomberg

High valuations could act as a headwind in the times to come

Price-to-Peak Earnings (PPE) is a valuation metric that compares a company's current stock price to its highest recorded earnings per share (EPS) over the previous economic cycle. This ratio is used to assess how the current price relates to the company's best historical performance, offering a less volatile measure than traditional price-to-earnings (P/E) ratios. PPE helps reduce the impact of cyclical downturns or temporary earnings fluctuations.

At present, Indian stocks, as measured by the Nifty Index, are trading at 1.5x Std. Dev. of its long-term historical average. Incidentally, this level is also similar to the levels at which the markets peaked in prior bull markets. The expansion in PPE post COVID is now normalizing. Two outcomes are possible:

1. Time correction: Markets consolidate while earnings keep rising, thereby valuations normalize
2. Price correction: Markets correct sharply, as earnings growth slows and hence valuations normalize.

There is no way to know which path the markets take. Wait and watch.

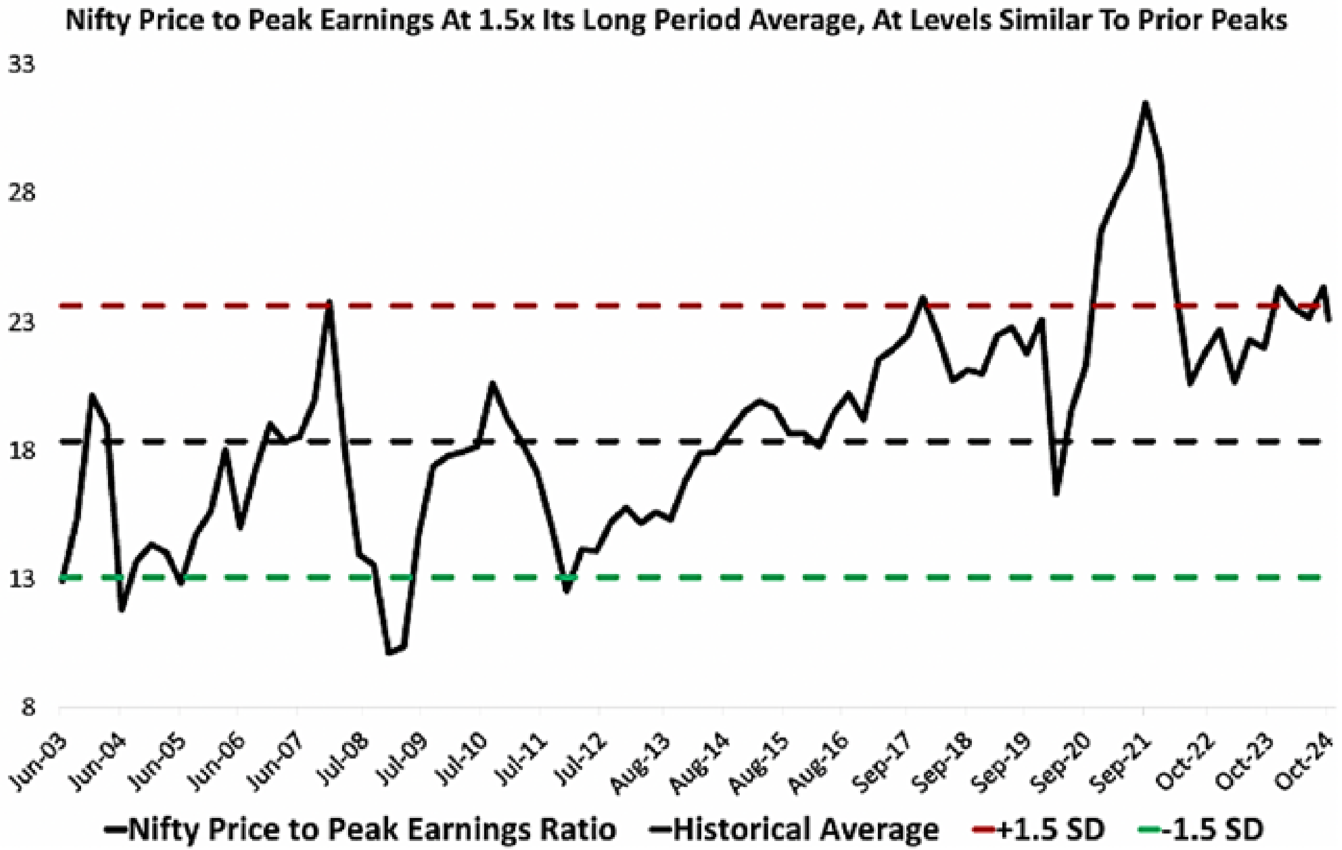
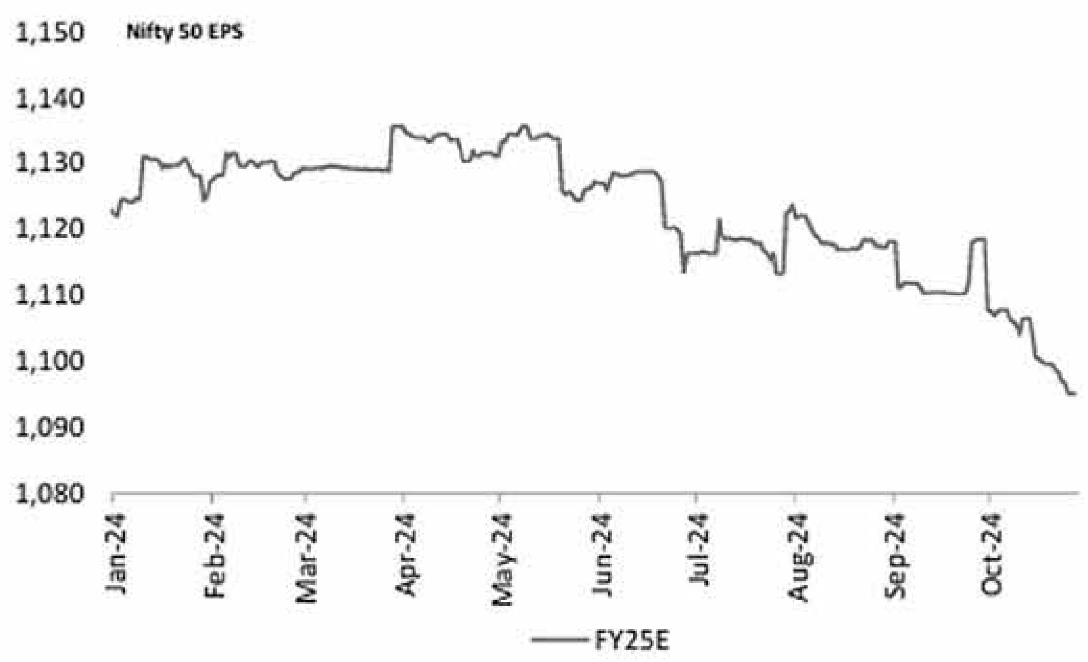


Figure 17. – High valuations could act as a headwind in the times to come

Source: DSP Netra; Bloomberg

Nifty 50 consensus earnings trend: Downgrades have started



Key Takeaways from Company earnings call:

- Deteriorated Demand Environment
- Margin Pressure
- Urban Slowing, but Rural Recovery seen
- Macro Slowdown / Macroeconomic Risk

Figure 18. – Nifty 50 consensus earnings trend: Downgrades have started

- 34 companies out of Nifty 50 index reported their 2Q FY25 Earnings and have showed slowdown in momentum
- Revenues have grown at 4.5%, EBITDA at 1.4% and reported PAT has degrown (-0.3%). Ex- metals & oil, Nifty PAT has shown 10.5% growth. However, ex-financials, Nifty PAT has seen degrowth of -4.5% and ex-OMCs the PAT growth stands at 4.4%
- No. of firms reporting earnings miss are the highest since March 2020 quarter – nearly 45% companies have missed estimates
- However, market is still pricing in a higher earnings growth for FY26/ FY27 averaging around 11% - 12% CAGR

Source: Jefferies; Bernstein

Indian small-caps run risk of extended sell-off

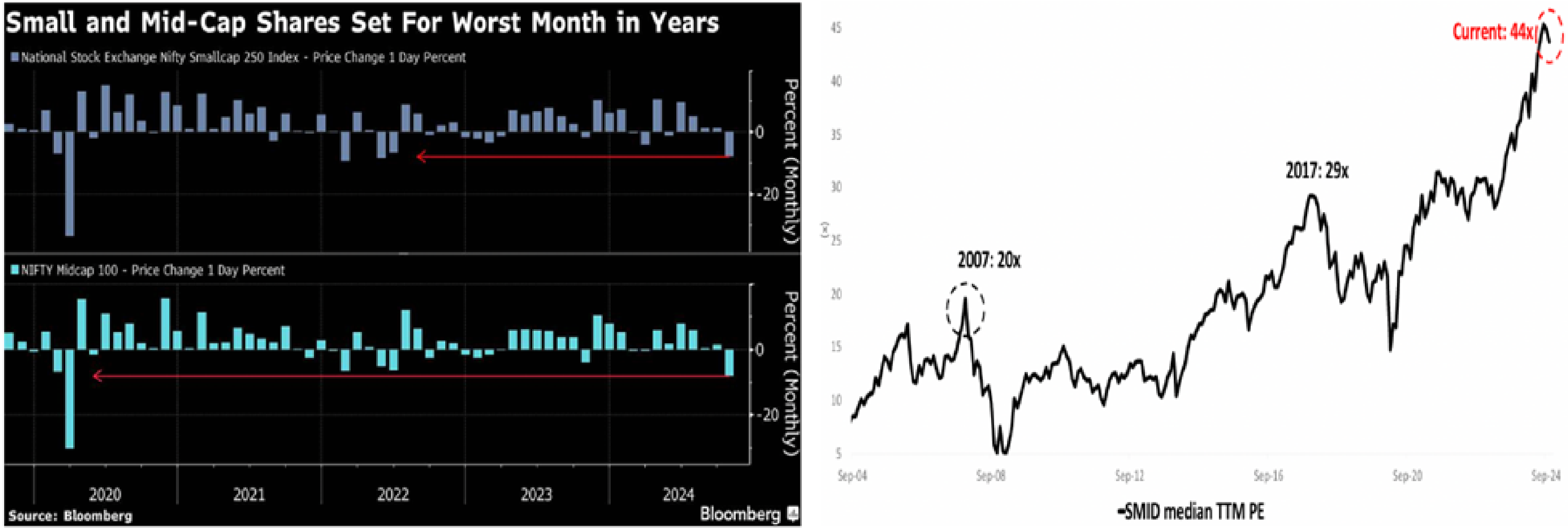


Figure 19. – Indian small-caps run risk of extended sell-off

- Key gauges of mid/small cap stocks have tumbled since hitting September highs putting them close to technical correction of 10% peak-to-trough decline. This reflects wavering investor sentiment due to cooled in earnings momentum.
- SMID funds received more than Rs.3,000cr each in September while Large Cap Funds received only Rs.1,700cr as per AMFI data
- SMID Median Valuations Are Double Versus The 2007 Peak!!

Source: Bloomberg; Nuvama Research

The Long and Short of it: Time to moderate returns expectations!

Annualized Returns	4 Dec 05 to 5 Jan 20	5 Jan 20 TO 31 Oct 24	4 Dec 05 To 31 Oct 24
NSE 100	11.46%	15.8%	12.6%
BSE 500	10.90%	18.5%	12.8%
NSE Mid Cap 100	11.01%	27.6%	15.1%
NSE Small Cap 100	7.47%	26.6%	12.2%

Figure 20.

- 15yr period leading upto Covid has seen avg returns from Indian equities in the range of 8% – 12%
- Past almost 5yrs has seen this average band shift from 8% – 12% TO 16% – 28%!!
- Thus, the entire 20 yr period return (from Dec 2005 to Oct 2024) has moved up across market cap segments: 10% for Large Caps and 35% – 60% for Mid and Small caps – Broader market return jump seems unsustainable clearly!

Source: Bloomberg; Kotak Mutual Fund

Equity Market Outlook

InCred Wealth

"The Indian stock market has had a healthy correction of late, most particularly in the small to mid-cap space."

- The Nifty Index declined by 9.4% from its peak reached in late September to a recent low, while the Midcap 100 and Smallcap 400 index were down 10.2% and 9.7% respectively from September peak.
- 2QFY25 earnings season which has seen the biggest earnings downgrades since early 2020 (reflects cyclical slowdown)
- In our view, the correction seems healthy, most particularly as it has impacted the most expensive part of the market, while the relatively inexpensive private sector banks have started to outperform of late.
- Domestic flows continue to remain strong running ahead of expanding supply and also pose a credible counterbalance to FPI outflows.
- The corporate earnings scorecard for 2QFY25 has been weak but excluding commodities, it's broadly in-line. The earnings spread has deteriorated, with only 55% -60% companies either meeting or exceeding profit expectations.
- The recent print from high-frequency indicators, such as power demand, PMI data, GST collections, also indicates a softening in demand. Despite the challenges, the ongoing festive season, better-than-expected monsoon, and consequent pick-up in rural consumption provide a near-term catalyst for economic activity. Major global central banks, with the US Fed at the forefront, have decidedly pivoted towards a monetary easing cycle This shift implies a relatively favorable environment for risk assets.
- SIPs / Domestic flows continue to provide support to the markets. Between Promoters, MNC parent, QIPs, IPO / OFS, Private equity fund, there seems to be ample profit booking / supply that is hitting the equity markets and is expected to do so in the coming year.
- With markets at a high, returns would be more stock specific and largely tepid at best in the near term.
- However, the long term structurally positive story for India continues to hold. This demands investors to not skip equities and stay invested.
- Earnings trajectory, global monetary policy and unknowns emanating from geo-political turmoil could provide cues on market moves from here on. We stay cautiously optimistic on the markets.

1: Nifty December 2025 target range based on EPS expectations

	-1SD	10 Year Average	+1SD
Nifty 1-year forward PE	18.6	20.3	22.0
Nifty 50 EPS expectations in FY27		1250	
Nifty range at end of 2025	23,275	25,350	27,438

Key Takeways

- **We maintain a Neutral stance towards equities to accommodate the likely increase in risk perception which could impact multiples.**

Source: Bloomberg; InCred Wealth

InCred Wealth

Existing equity holdings

i) It's a good time to revisit equity allocations across investor portfolios. As a steady state allocation within equities, we continue to suggest 60% to Large Caps, 25% towards Mid Caps and balance 15% towards Small Caps as an allocation strategy

ii) However, given the wide outperformance of SMID segment over Large Cap stocks, and the fact that this segment is trading at premium to its average valuations, we think it's necessary to exert some caution here and hence remain marginally underweight in Mid and Small caps. Basis this view, tactically we continue to remain overweight Large Caps (70% of portfolio) and restrict Mid Caps and Small Caps to 20% and 10% respectively.

iii) If not already initiated, this continues to be a good time to take profits specially from mid and small cap investments made over past 2 years given the sharp rise in these segments of the market. We envisage a possibility of valuation rationalization here.

iv) Re-invest 30% -40% of these profits immediately as lumpsum back into equities with a large cap tilt. Balance 60% - 70% to be staggered over the next 6 months / partly on market dips.

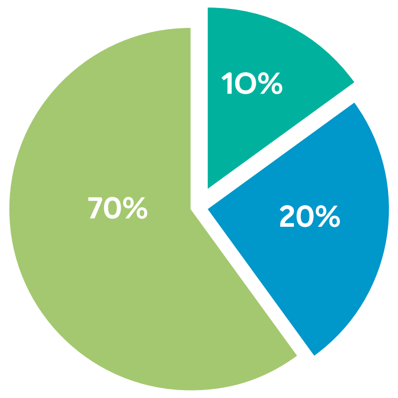
v) For those under allocated towards the mid and small cap segment, its prudent to deploy over a 6 months stagger or longer.

vi) Alternative investment solutions such as MLD ideas can be considered that generally offer principal protection and accelerated participation in market up-move.

Investors sitting on the sidelines with cash in portfolios

1) Points ii. through v. in the section above can be followed.

Equity Portfolio Allocation



Category	InCred Outlook
Large Cap	Neutral
Mid and Small Cap	Underweight

Fixed Income Outlook

InCred Wealth

Yield curve continues to remain flat

- G-sec yields have come off over the past few months, across tenures.
- AAA Corporate bond yields have seen some hardening in the 5yr, 7yr and the 10yr corporate bond yield segment
- Movement in rates upto 1yr maturity has been the most subdued.
- Spreads in the AA / A rated segment continue to remain attractive in the 3yr maturity segment. Some spread improvement has been seen in the AAA 3yr segment in the past month.
- Yields were largely stable post the recent MPC policy meeting.

Figure 21. - Issuers with credit rating "A" offers higher credit spreads

3-year tenor	06-11-2024	Dec-23	Dec-22	Dec-21
G sec	6.73	7.23	7.04	5.30
Credit Spreads (bp)				
AAA over G sec	71	56	62	46
AA over AAA	72	67	63	69
A over AAA	233	249	246	260

Figure 22. - Yield curve continues to remain flat

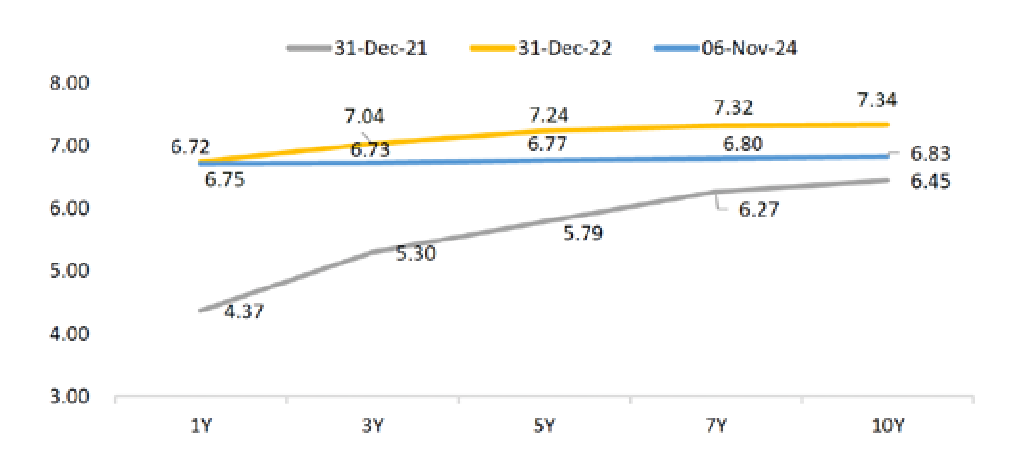
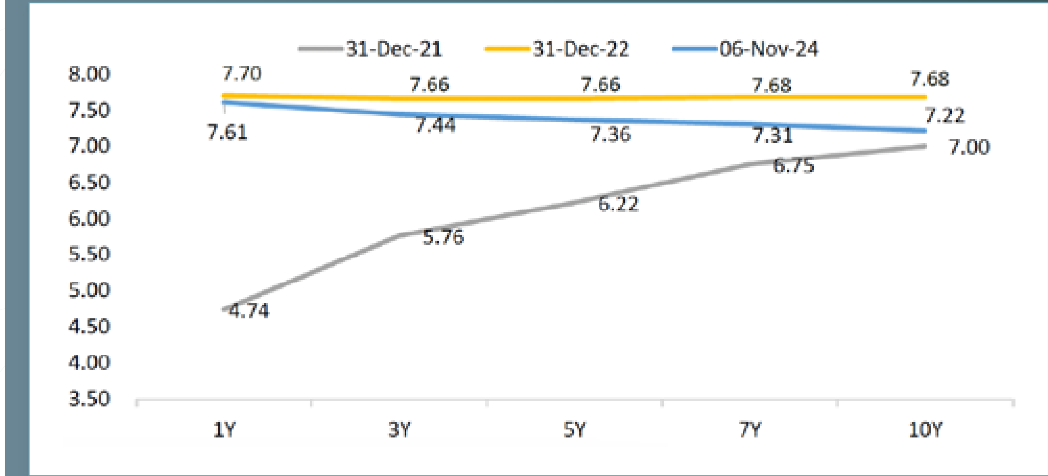


Figure 23. - AAA Yields followed a similar pattern vis-à-vis G-Sec.



Source: Bloomberg

InCred Wealth

Banking system liquidity has improved in Oct; Remains in surplus

Figure 24. - Banking system liquidity in marginal surplus by end October

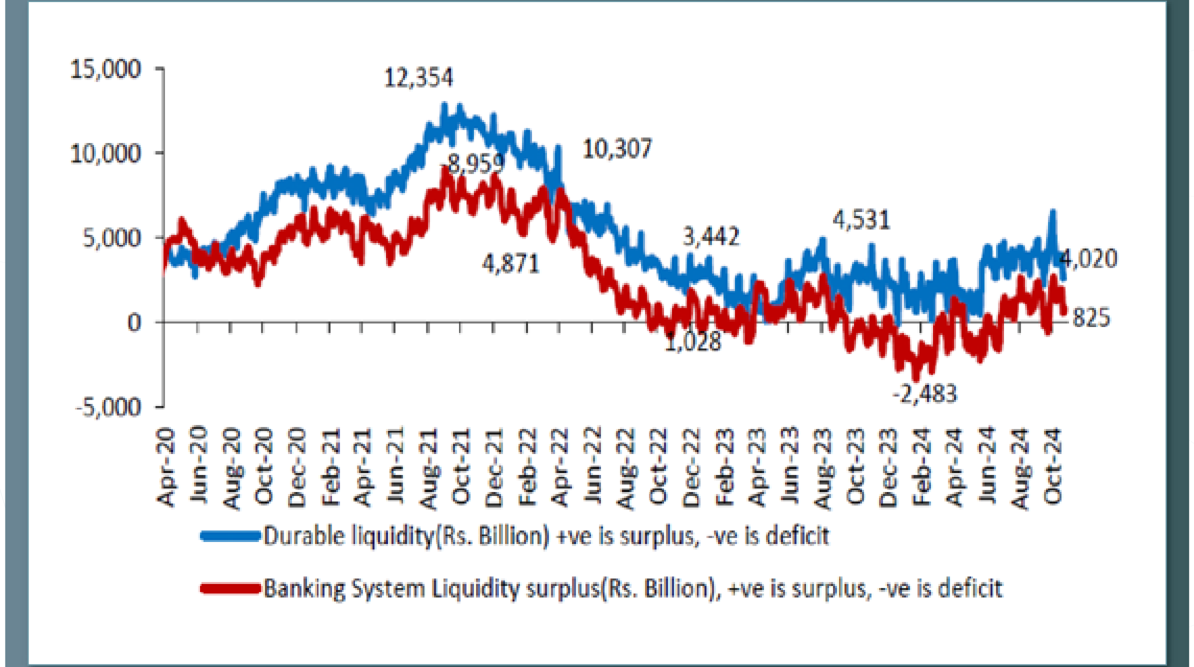
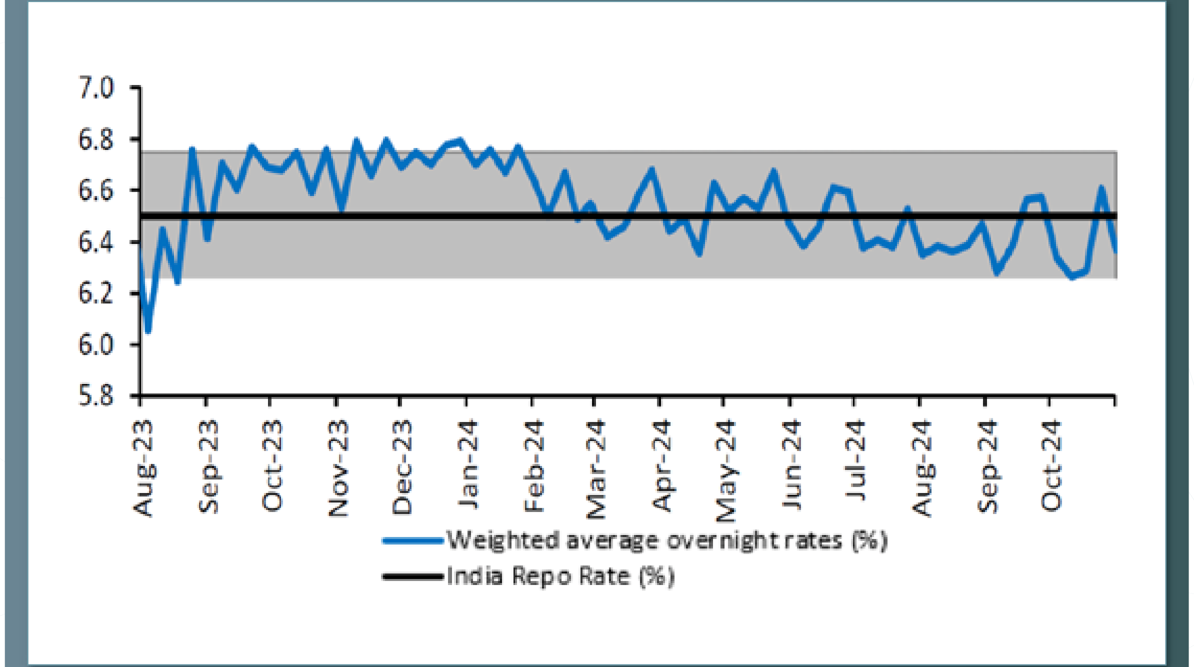


Figure 25. - Overnight rates align close to the Repo rate (shaded area is policy corridor)



- System liquidity continued to remain in surplus in October.
- Multiple VRRR auctions conducted to keep overnight rates close to repo rate amidst rise in liquidity with festive spending.
- RBI conducted OMO sales in instances of prolonged surplus liquidity

Source: Bloomberg; SBI MF

Global Funds look into India Debt as financial market jitters rise

Figure 26. - Global funds ploughed nearly $20 billion into Indian Debt

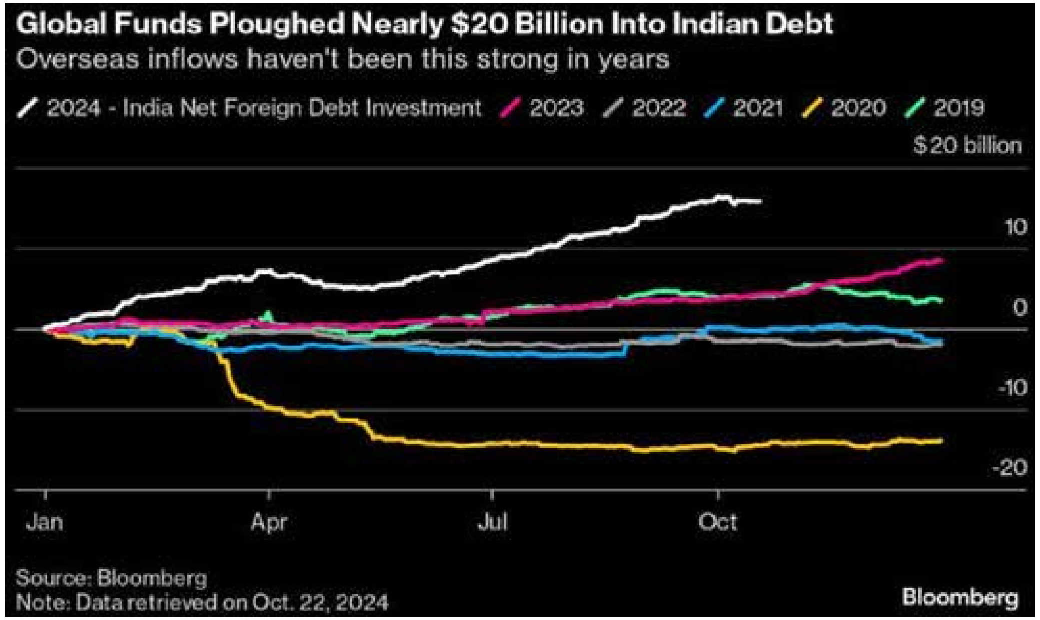
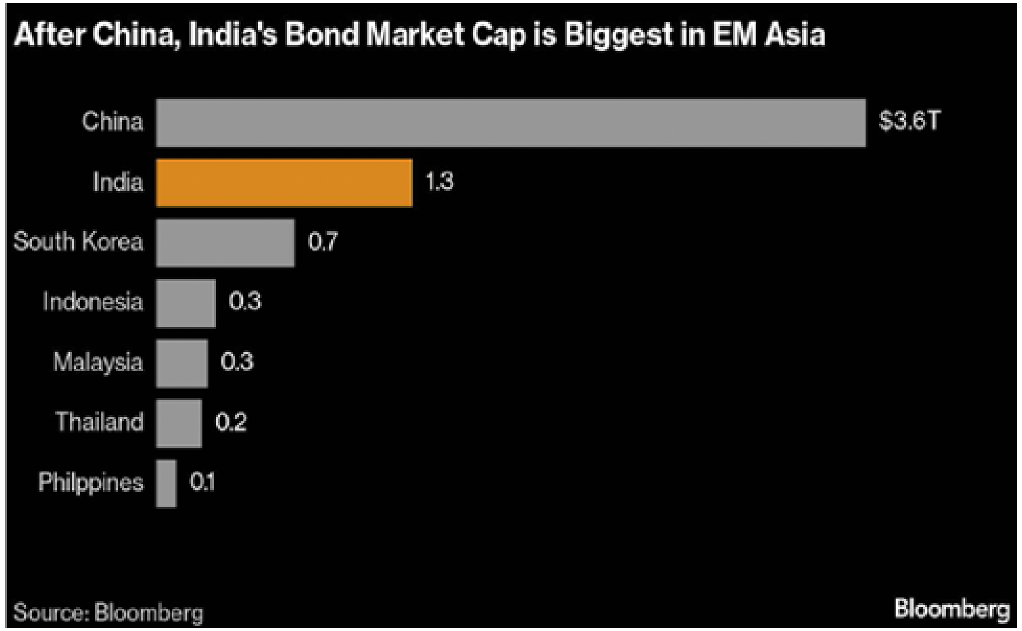


Figure 27. - After China, India's Bond Market Cap is Biggest in EM Asia



- A steady influx of foreign capital has positioned India's bonds among top performers in EMs this year driven by a blend of structural factors such as stable political ties, capital controls that curb hot money flows, and INR that's less impacted by big USD moves vis-à-vis EM peers.
- This divergence was evident when India bond yields remained relatively steady despite a global sell off in US treasuries
- One of the main reasons is a relatively stable INR – traded in the 82.8 to 84.1 band per USD in most of CY2024. This has resulted in shaving only 1% of returns on Indian bonds this year less than half the rate of currency related losses on EM bonds overall!!
- India debt market now offers formidable dept and liquidity to foreign investors ($1.3tn debt market)
- Inclusion in offshore bond indices is proving to be an additional positive for Indian bonds (India will join BM bond gauges from Jan'25).

Source: Bloomberg

InCred Wealth

Outlook

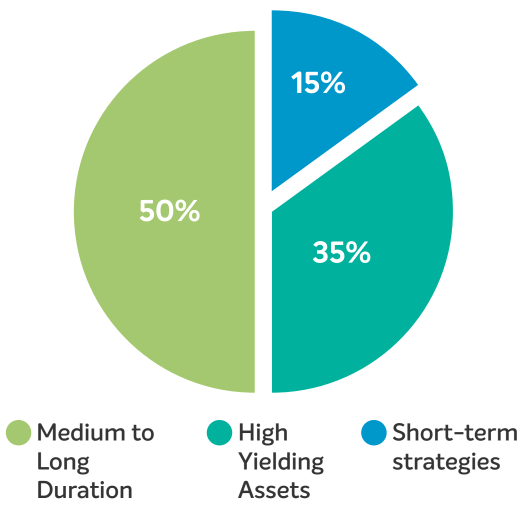
- Change in MPC stance reflected that there is higher confidence to cut policy rates in the near future, provided geopolitical tensions stabilise & the disinflation in food prices is stronger. We expect a cumulative 50bps cut in policy rate over the course of FY25
- Our view remains that Indian government bonds, are attractively poised given that this moment represents a coming together of structural macroeconomic bullish factors for India and a global peaking of interest rates
- The current inflation targeting monetary policy regime is well entrenched in policy making. Proactive forex management has helped build formidable reserves and thus offers tremendous buffer to the INR v/s the Dollar.
- Indian bonds are just starting to be discovered by FPIs from an allocation perspective and upside is massive. Being the 5th largest economy and heading towards being number 3 soon, alongside a superlative macro narrative, we expect a meaningful bond allocation to start building up.
- Fiscal deficit is expected to consolidate further at 4.9% of GDP for FY25 and glide path of achieving fiscal deficit of 4.5% of GDP in FY26 has been laid out. This allays any lingering fears over fiscal slippages that could result in adverse impact on bond yields.
- With demand expected to be robust, from supply side perspective, government bond supply is actually negative for this fiscal and the next. Thus, next 12m – 18m seem exceptionally well poised for government bonds.
- From bond valuation point of view, 10-year yields are at 35bps spread over the prevailing Repo rate. Also, real rate is at 3%, while RBI would prefer this to be in the range of 1.5% - 1.75% (repo over prevailing headline CPI). This leaves enough room for the nominal yields to fall.
- In summary, we continue to believe it is an ideal time to lock away current yields for longer duration (elongating portfolio maturities). Real money investors should focus on building duration in their portfolios. This is to safeguard portfolios from reinvestment risk that may arise when the investments made today mature.

Deployment Strategy

- Upto 50% of fixed income to be allocated towards medium – long duration strategies.
- Further, allocation of upto 35% of fixed income portfolio is suggested towards high yielding assets (bonds /funds)
- Balance 15% - 20% could be invested in accrual oriented short-term strategies

Category	InCred Outlook
Fixed Income	Positive on medium to long duration and high yield strategies

Fixed Income Portfolio Allocation



Focused Investment Ideas

InCred Wealth

AIF - Performing Credit

InCred Credit Opportunities Fund II

Tenure: 5.75 years

- The fund targets to create compelling risk-reward by taking thoughtful secured credit positions in flexible financing transactions to cater to the growth capital requirement of Indian Corporates with a balance between cash flows and strong collateral.
- Indicative 20+ transactions; striving to achieve a granularity of ~5% (single deal exposure)
- Target gross IRR of 16%+ (with monthly payout)
- Weighted average loan tenure will be between 36 to 42 months
- Focuses on regular coupons and principal amortization
- End use of funds will be capital for asset creation, working capital, capex, acquisition financing and other business needs
- Senior secured debt construct with security in the form of fixed assets, Brand IP, Share Pledge, Personal and Corporate Guarantee"

Northern Arc Finserv Fund - Debt (CAT II AIF)

Tenure: 4 years

- CAT II Debt AIF targets higher risk-adjusted returns and regular investor cashflows by investing in a diversified pool of debt securities of financial institutions
- AIF largely targets Agri business financing, Small Business Loans, Vehicle Finance, Microfinance, Consumer Finance, FinTech sub-sectors
- Nature of instruments: Secured & unsecured NCDs, Unsecured bonds, Redeemable preference shares, PTCs, MLDs, Debt funds
- 4 years fund tenure from first close of June 2024. Targeted Gross Yield: 14.50% pa XIRR, Quarterly coupon payment, Bullet principle repayment
- Earlier investment examples: Fusion Microfinance (Microfinance), EarlySalary Services(Consumer finance), Kogta Financial (Vehicle Finance)
- Client profile & suitability: Stable risk profile (RS S 6 & above)

InCred Wealth

AIF - Private Credit

Franklin India Credit AIF - Scheme I

Tenure: 4 years

- Financial Services focused Private Credit AIF (Cat II)
- 10-15% Yielding segment -> Develop the credit market for this segment through a disciplined investing approach
- Minimize liquidity drag on investor returns through predictable and time bound capital calls
- Periodic payments through quarterly coupons/amortization
- Participate in India's secular growth trajectory through investing in financial services sector
- Product positioned like a credit FMP. Structure would be like a Credit MF with Quick deployment (under 3 months), regular cashflows (quarterly) and payback on exact maturity (no re-investments)
- Targeted IRR: 12-13%, investments 10-12 opportunities

AIF - PE Fund

InCred Growth Partners Fund – I

Tenure: 6 years

- Conducive investment environment for private equity investment - unlisted universe is large & widespread (~6000 pvt owned cos vs 1500 listed cos) and Investing during consolidation phase improves margin of safety with better potential of alpha generation.
- Fund will have a Mix of Growing Stars (Series B/C – high growth companies) and Glowing Stars (Series D+ – established companies)
- Focus on sectors such as Consumer, Financials, Technology, Enterprise/Others
- Fund would focus on companies that (i) have a dominant industry sway, (ii) are profitable atleast at CM3 level, (iii) are available at reasonable valuation multiples
- Fund Manager, Vivek Singla brings more than 18 years of investment experience. Joined InCred in June 2023. Demonstrated track record of delivering healthy returns. Few examples – lenskart (MOIC of 3.8x), Dailyhunt (MOIC of 3.2x), SMS Finance / Luminous (MOIC of 2.4x)

InCred Wealth

Nippon India Digital Innovation Fund IIA (NIDI- II A)

Tenure: 9 years

- NIDI-II A is a 'Multi Managers Winners' Fund which invests in highly curated growth stage technology start-ups (Cat II AIF)
- Fund would invest in 8-12 opportunities with a Large funnel of ~330 startups to select from NIDI Fund I exposure. These opportunities are primarily in Growth stage (Series B & C)
- Portfolio construction plan is to invest 20-30% each in following key sectors: Enterprise SaaS, B2B Models, D2C Brands, ConsumerTech, Fintech
- Fund is managed by Nippon India AIF Management Limited (NIAIF) is a subsidiary of NAM India (NAM India is 75% owned by Nippon Life Insurance Company [NLI Japan]). NLI Japan is the largest private life insurer & one of the largest in the world
- NIDI funds are backed by marquee Japanese institutions & corporates ecosystem for future financing and market access for its portfolio start-ups in India
- Fund Target Size: Rs 500 Cr, Targeted IRR: 32% – 37%, Commitment period: 5 years from first close

AIF - Long Short

InCred DEAR Fund

Tenure: > 18 - 24 months

- InCred Dynamic Equity Asymmetric Returns (DEAR) Fund – Cat III AIF which targets consistent Alpha over benchmark amid superior risk-returns profile
- AIF seeks to beat the benchmark consistently on a 2-years Rolling basis with much superior risk-adjusted returns compared to the benchmark amid similar volatility
- DEAR fund has the flexibility to capture higher upside in an up-trending market and aims to half index losses during downturns. This helps in avoiding psychological biases and deliver consistent alpha irrespective of market conditions
- On back-tested data, DEAR fund has delivered a CAGR of 27.24% over 13 years investment period vs 12.7% CAGR of BSE 100 TRI index amid much better risk adjusted returns
- Other Salient Features include Open ended nature of AIF, Twice a month subscriptions and monthly redemptions

Equity MF

Nippon India Banking & Financial Services Fund | Tenure: > 3 years

- Fund provides Sectoral/Thematic opportunity in Banking & Financial Services sector
- Key drivers for positive outlook on BFSI Sector: 1. Improvement in Asset Quality 2. Resurgence in profits and 3. Monetary policy easing cycle to favor upgrades
- Currently, asset are allocate to the following sub-sectors: Banks (66%), Finance (16%), Insurance (9.9%), Capital Markets (5.7%), Fintech (1%)
- Top 5 holdings include: HDFC Bank: 20.6%, ICICI Bank: 15.8%, Axis Bank: 8.3%, IndusInd Bank: 4.8%, KMB: 4.8%
- Segment Allocation: Largecap: 73.2%, Midcap: 11.4%, Smallcap: 13.6%, Cash : 1.8%
- Allocation in BFSI Sector can be ~5-8% of overall equity allocation in clients' portfolios with an investment timeframe of 2-3 years. While the overall BFSI sector might see bouts of volatility and near term consolidation(around 6 months or so) inline Monetary Policy Easing cycle by major central banks, we believe the risk-reward currently favours relatively undervalued BFSI segment

Axis Greater China Equity FoF (Overseas FoF) | Tenure: > 2 year

- Fund of Fund provides a tactical opportunity to take exposure in Greater China.
- With underlying fund as 'Schroder International Selection Fund Greater China Fund', fund primarily invests in Mega & Large-caps of Peoples Republic of China, Taiwan and Hong Kong companies
- Fund Size: $ 2.5 Bn | Underlying benchmark: MSCI Golden Dragon | Fund management: Schroder Investment Management (Europe)
- Top 10 Holdings: Tencent,Taiwan Semicon, Alibaba, AIA Group, MediaTek, Shenzhou, Meituan, Hong Kong Exchanges
- Geographical exposure: China 61%, Taiwan 25%, Hong Kong: 11%, Cash: 1.4%, Australia: 14%
- Sectoral exposure: IT: 26.6%, Consumer Discretionary: 21.3%, Communication Serv: 12.7%, Financials: 9.1%, Industrials: 7.9%
- Regional exposure: Emerging market :85%, Pacific:10.2%, Americas: 1.4%, Europe:0.6%, Cash: 1.8%, Others: 0.9%
- Tactical allocation: ~5-8% of overall equity allocation in an already well diversified clients' portfolios

PMS Multi Cap

InCred Multicap PMS

Tenure: > 3 years

- InCred Multicap strategy, managed by Mr. Aditya Sood, adopts a balance across Large Cap, Mid Cap and Small Cap
- Benchmark agnostic bottom-up stock picking, High conviction portfolio of around 30 stocks
- Investment Framework: Buy 'Great' businesses at fair value, Buy 'Good' businesses at a discount and Avoid 'Bad' businesses

PMS Mid & Small Cap

InCred Small & Midcap PMS

Tenure: > 3 years

- InCred Mid & Smallcap strategy, managed by Mr Aditya Sood, adopts a midcap and small cap centric approach with Growth oriented focus
- Benchmark agnostic bottom-up stock picking, High conviction portfolio of around 30 stocks
- Investment Framework: Buy 'Great' businesses at fair value, Buy 'Good' businesses at a discount and Avoid 'Bad' businesses

PMS Healthcare

InCred Healthcare PMS

Tenure: > 3 years

- InCred Healthcare strategy, managed by Mr Aditya Khemka, will invest at least 65% in healthcare segment including pharmaceuticals, hospitals, diagnostic, insurance etc.
- Multicap strategy is balanced across Large cap, Midcap and Small cap
- Benchmark agnostic bottom-up stock picking, High conviction portfolio of around 15 stocks
- Investment Framework: Buy 'Great' businesses at fair value, Buy 'Good' businesses at a discount and Avoid 'Bad' businesses

MLD

InCred Equity MLD Idea - Nov'24 Issuance

Tenure: 48 - 51 months

- Underlying Index: Nifty 50
- Participation Rate and Range 1: 150% PR from 5% to 20% NP
- Participation Rate and Range 2: 300% PR from 20% to 30% NP
- Participation Rate and Range 3: 450% PR from 30% to 35% NP
- Max Coupon: 75.00%
- Observation: 4 Months Avg. In, 4 Months Avg. Out
- Principal Protected up to -20% Nifty Fall at maturity, beyond which as per Nifty Performance

InCred Wealth and Investment Services Private Limited InCred Wealth"), is engaged in the business of distribution of third party financial products or acts as a referral agent of third party financial products and services ("Investment Products"). InCred Wealth may earn fees, commissions from the manufacturers of Investment Products.

InCred Wealth does NOT provide investment advisory services in any manner or form. InCred Wealth is AMFI registered Mutual Fund Distributor.

InCred Wealth may discuss with you ("Client/investor") about investment products that are in line with your risk profile rating as maintained with us. Investment products are referred/distributed by InCred Wealth on a non discretionary and non participation basis. Such discussion would be a service without any consideration by InCred Wealth to the Investor and the final investment decision shall always exclusively remain with the investor. Clients/ Investors should independently evaluate the investment, risks and carry out the required due diligence prior to making any investment decision. Investment products are subject to market risks and are not guaranteed by Incred Wea lth . Investment products are subject to investment risks, including the possible loss of the principal amount invested. Past performance is not indicative of future results, investments are subject to market risks which may result in appreciation or depreciation. There is no assurance or guarantee that the objectives of investment will be achieved. The risks associated wit h the Investment products are mentioned in the product documentation supplied by the manufacturer of the products. Please read the relevant disclosure documents or Term Sheet or investment agreement or offer documents or prospectus or scheme information document as applicable carefully before investing. Information and opinions contained in this report/presentation have been obtained from sources believed to be reliable, but no representation or warranty, expressed or implied, is made that such information is accurate or complete. This document has been prepared in good faith and provided to you by InCred Wealth for informational purposes only, is intended for your use only and may not be quoted, circulated or otherwise referred t o without InCred Wealth's expressed consent. This document is not a research report or a research recommendation and does not constitute a personal recommendation n. The information and opinions are not and should not be construed as an offer or solicitation to buy or sell any securities or make any investments. The financial instrument discussed, and opinions expressed in this presentation/note may not be suitable for all investors, who must make their own investment decisions, based on their own investment objective, financial positions and respective needs. This presentation /note should not be taken in substitution for the exercise of independent judgement by any recipient. The recipient should in dependently evaluate the investment, risks and carry out the required due diligence. The client is solely responsible for consulting his/her/its own independent advisors as to the legal, ta x, accounting and related matters concerning investments and nothing in this document or in any communication shall constitute such legal, tax or accounting advice. As a condition for providing this information, the client agrees that InCred Wealth makes no representation and shall have no liability in any way arising to them or any other entity for any loss or damage, di rec t or indirect, arising from the use of this information. All third party trademarks (including logos and icons) referenced here are for illustration purposes only and remain the property of their respective owners and constitute neither an endorsement nor a recommendation of those organizations/owners and not intended to imply, directly or indirectly, that those organizations endorse or have any affiliation with InCred Wealth.

InCred Wealth and Investment Services Private Limited

A Mutual Fund distributor registered with AMFI.

Registered Office and Corporate Office Address: Unit No 1203, 12th Floor, B Wing, The Capital, C 70, B Block, BKC, Bandra (E), Mumbai 400051; Phone: +91 22 68446100;

website: www.incredwealth.com ; CIN: U67190MH2020PTC350270.

Thank you