Issue **#1**

Monthly PMS Newsletter

August 2025 - Launch Edition

PMS & AIF Intelligence for India's Discerning Investors

From the Desk of the CEO

Setting the Vision

Dear Investors,

It gives me immense joy and pride to share that Wealth1 has now been officially launched. This is the start of an exciting new journey dedicated to bringing clarity, transparency, and insight to the PMS, AIF, and alternative investments universe. Our goal is to empower investors with the knowledge, tools, and connections they need to navigate and succeed in this dynamic segment of the financial markets.

Over the past decade, my journey through equities, mutual funds, PMSs, and AIFs has shown me one simple truth: the right data, at the right time, in the right hands, can change the entire course of an investment journey. Wealth1 was born out of this belief.

Our Mission:

1. Provide exhaustive, reliable, and actionable data.
2. Make complex investment insights simple and accessible.
3. Help investors - from seasoned professionals to first-time participants; make informed, confident decisions.

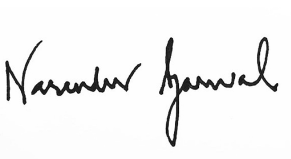
What We Offer:

- Comprehensive comparisons across PMSs and AIFs
- Insights on fund managers, strategies, and performance trends
- Advanced analytics using AI models that forecast based on multiple parameters
- A platform for investor conclaves, networking sessions, and knowledge-sharing forums
- Meaningful dialogue between investors, fund managers, and industry experts

None of this would have been possible without the dedication, hard work, and passion of the Wealth1 team. Each member has played a vital role in shaping this platform, and I take this opportunity to highlight their contributions and wish them the very best as we embark on this exciting journey together.

We are excited to meet investors across India and abroad, to interact with brilliant fund managers, and to serve as the go-to source for PMS and AIF intelligence. This is just the beginning — and with your trust and support, we aim to redefine how PMS and AIF data is accessed, understood, and acted upon. Here’s to making smarter investments, together.

Warm regards,



Narender Agarwal

CEO – Wealth1

From the Desk of the Business Head

Driving the Mission

Dear Investors,

While the vision of Wealth1 was born from a belief in clarity and transparency, my role is to ensure that this vision becomes a tangible, consistent experience for every investor and partner who interacts with us.

We are entering a space that demands more than just data; it demands interpretation, context, and trust. As Business Head, my focus is to build systems, processes, and relationships that make our platform not just informative, but indispensable to investors navigating the PMS and AIF landscape.

Wealth1 will be a place where performance numbers meet thoughtful analysis, where product information is paired with practical insights, and where investors can confidently match their goals with the right strategies. Beyond the technology and analytics, I believe it's the human element - open conversations, personalised guidance, and shared experiences, that will truly set us apart.

This launch marks the beginning of a long journey, and I look forward to engaging with fund managers, distributors, and investors across geographies. Together, we will make Wealth1 the most trusted name in PMS and AIF intelligence, built on the pillars of reliability, accessibility, and genuine investor-first thinking.

Warm regards,

Charmi Shah

Charmi Shah

Business Head – Wealth1

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What Moved the Market - July 2025

Global Markets

U.S. Equities: The S&P 500 gained 2.17% in July 2025, while the Dow Jones added 0.08% and the Nasdaq advanced 2.38%. A steady U.S. inflation print at 2.7% reinforced expectations of a Fed rate cut, driving equities higher.

European Equities: The DAX gained 0.65%, while the FTSE gained 4.24%. ECB policy caution and geopolitical concerns in Eastern Europe weighed on sentiment.

Asian Equities: The Nikkei rose 1.44% on strong corporate earnings, while Hang Seng rose 2.91%

Indian Markets

Equity Performance:

- Nifty 50 fell –3.3% in July, closing at 24,768.35.
- Sensex declined –2.9%, closing at 81,185.58.
- Selling was broad-based, with mid- and small-caps showing strength on the contra side.

Sectoral Trends: IT and pharma were relative outperformers amid global defensiveness, while autos and metals faced pressure from global tariff concerns.

FII Activity: Foreign investors turned cautious in July, pulling back after steady
inflows earlier in the year, partly due to the rupee slipping to a five-month low on
U.S. tariff announcements.

Key Market Data -
For the month ended July 2025

Equity Indices	
Nifty 50	-3.30%
Sensex	+2.80%
Nifty Midcap	-2.90%

Bond Markets	
10Y G-Sec	+0.95%

Commodities	
Gold	-0.40%
Silver	+1.74%
Crude Oil	+7.45%

*For Gold & Silver, we have taken US$/OZ

TOP PERFORMING FUNDS - BASED ON 1M RETURNS

AMC	Fund	AUM (Rs. Cr)	RETURNS (%)					
			1M	6M	1Y	3Y	5Y	SI
Guardian Advisors Pvt. Ltd.	Special Opportunity Fund	₹642.32	27.59	11.19	-16.82	9.76	24.26	22.34
Incred Asset Management Pvt. Ltd.	InCred Focused Healthcare Equity	₹72.69	14.29	25.79	59.38	NA	NA	61.72
Guardian Advisors Pvt. Ltd.	Core Value	₹115.65	12.36	7.50	-9.91	11.30	36.51	14.81
Incred Asset Management Pvt. Ltd.	InCred Healthcare Portfolio	₹396.19	11.96	19.23	41.49	34.01	NA	22.98
KAPM Ventures LLP	Compound 26 Capital	₹113.42	5.75	-3.48	-0.57	NA	NA	24.02
JHP Securities Pvt. Ltd.	Incredible India	₹111.94	5.62	-2.57	2.21	31.97	29.09	14.90
KRIIS Portfolio Pvt. Ltd.	KRIIS High Growth Strategy	₹98.34	5.42	22.33	31.02	NA	NA	48.76
Wallfort Pms And Advisory Services LLP	Diversified	₹212.91	4.88	5.68	7.63	46.49	48.08	26.48
Ambit Investment Advisors Pvt. Ltd.	Ambit Micro Marvels Portfolio	₹377.89	4.27	4.73	-5.37	NA	NA	-5.31
KRIIS Portfolio Pvt. Ltd.	KRIIS Multicap Fund Strategy	₹238.47	3.57	20.37	13.22	25.86	28.62	24.05

*Only those funds considered whose AUM > ₹ 50 Crs

TOP PERFORMING FUNDS - BASED ON 1Y RETURNS

AMC	Fund	AUM (Rs. Cr)	RETURNS (%)					
			1M	6M	1Y	3Y	5Y	SI
360 One Asset Management Limited	360 One Large Value strategy PMS	₹990.14	-0.24	42.93	143.43	NA	NA	143.57
Incred Asset Management Pvt. Ltd.	InCred Healthcare Portfolio	₹396.19	11.96	19.23	41.49	34.01	NA	22.98
Sahasrar Capital Pvt Ltd	Sahasrar Concentrated Growth	₹1198.66	0.74	22.32	38.18	26.44	NA	29.73
Himalaya Investment Advisors LLP	EverFlow India Opportunities	₹425.43	1.47	20.66	23.24	NA	NA	31.31
Valuequest Investment Advisors Pvt. Ltd.	ValueQuest Vision	₹834.22	-2.22	17.90	20.93	39.69	NA	34.96
Unique Asset Management LLP	Unique Focused Fund	₹1005.86	-3.26	14.51	19.29	17.43	25.64	17.93
DMZ Partners Investment Management LLP	DMZ Partners Inheritors Strategy	₹610.23	-1.07	16.75	17.98	17.75	22.54	16.14
Burman Capital Management Pvt. Ltd.	Unicorn Portfolio	₹509.00	2.00	11.11	17.62	27.89	NA	32.57
Clubmillionaire Financial Services Pvt. Ltd.	The All-Star Portfolio	₹3310.40	-1.55	13.04	17.34	15.96	19.77	17.46
2point2 Capital Advisors Llp	2Point2 Long Term Value Fund	₹1609.66	-5.39	17.89	16.78	27.16	26.06	20.79

*Only those funds considered whose AUM > ₹ 100 Crs

TOP PERFORMING FUNDS – BASED ON 3Y RETURNS

AMC	Fund	AUM (Rs. Cr)	RETURNS (%)					
			1M	6M	1Y	3Y	5Y	SI
Wallfort PMS And Advisory Services LLP	Diversified	₹212.91	4.88	5.68	7.63	46.49	48.08	26.48
Green Lantern Capital Llp	GLC Growth Fund	₹1106.88	-1.85	5.16	-4.48	44.32	52.71	24.61
White Pine Inv Management Pvt. Ltd.	White Pine India Emerging Stars	₹381.95	-2.95	12.06	10.31	41.79	NA	42.30
Aequitas Inv Consultancy Pvt. Ltd.	Aequitas India Opp Product	₹3453.21	1.95	11.71	8.74	40.24	47.16	31.98
Valuequest Investment Advisors Pvt. Ltd.	ValueQuest Vision	₹834.22	-2.22	17.90	20.93	39.69	NA	34.96
Samvitti Capital Pvt. Ltd.	Activealphamc	₹430.25	0.76	1.84	-11.44	39.14	NA	31.02
Stallion Asset Pvt. Ltd.	Stallion Asset Core Fund	₹5692.68	-0.39	10.00	14.78	39.09	34.96	30.11
Equitree Capital Advisors Pvt. Ltd.	Equitree Emerging Opportunities	₹841.43	-1.90	0.39	0.71	38.42	47.00	8.96
Entrust Family Office Inv Adv Pvt. Ltd.	Dividend Yield Approach	₹756.67	0.47	6.63	-3.24	37.63	32.09	25.22
Seers Fund Management Pvt. Ltd.	Seers Enduring Portfolio	₹374.07	-0.99	6.88	-4.92	35.92	53.34	23.80

*Only those funds considered whose AUM > ₹ 200 Crs

TOP PERFORMING FUNDS – BASED ON 5Y RETURNS

AMC	Fund	AUM (Rs. Cr)	RETURNS (%)					
			1M	6M	1Y	3Y	5Y	SI
Counter Cyclical Investments Pvt. Ltd.	Diversified Long Term Value	₹773.70	-2.53	3.16	3.16	35.37	70.79	53.11
Seers Fund Management Pvt. Ltd.	Seers Enduring Portfolio	₹374.07	-0.99	6.88	-4.92	35.92	53.34	23.80
Green Lantern Capital LLP	GLC Growth Fund	₹1106.88	-1.85	5.16	-4.48	44.32	52.71	24.61
Savvy Capital Advisors LLP	Savvy Default	₹778.71	-6.95	6.95	-14.18	35.58	48.58	25.81
Aequitas Investment Consultancy Pvt. Ltd.	Aequitas India Opportunities Product	₹3453.21	1.95	11.71	8.74	40.24	47.16	31.98
Equitree Capital Advisors Pvt. Ltd.	Savvy Default	₹841.43	-1.90	0.39	0.71	38.42	47.00	8.96
Negen Capital Services Pvt. Ltd.	Negen Capital Services Pvt Ltd	₹1211.25	-2.77	14.62	10.50	28.47	45.09	19.43
Banyan Capital Advisors LLP	Banyan India Portfolio	₹439.80	-0.40	8.59	6.24	30.99	42.75	19.25
Mittal Analytics Pvt. Ltd.	MAPL Value Investing Fund	₹295.25	-0.51	3.13	-4.89	27.34	42.28	32.07
Janak Merchant Securities Pvt.Ltd.	Dynamic Investment Approach	₹883.57	-0.40	9.70	0.20	31.80	40.90	20.00

*Only those funds considered whose AUM > ₹ 250 Crs

Disclaimer:
Data Source: APMI. NA is Not Applicable.
Returns are as of 31st July 2025. Returns up to 1 year are absolute; returns for periods greater than 1 year are annualised and calculated using the TWRR method.
Past performance may or may not be sustained in the future. Please refer to the complete disclaimer at the end of this newsletter and/or on our website.

PMS Performance Snapshot

As of July 2025

TOP PERFORMING FUNDS – BASED ON SINCE INCEPTION RETURNS

AMC	Fund	AUM (Rs. Cr)	RETURNS (%)					
			1M	6M	RR	3Y	5Y	SI
360 One Asset Management Limited	360 One Large Value strategy PMS	₹990.14	-0.24	42.93	143.43	NA	NA	143.57
Counter Cyclical Investments Pvt. Ltd.	Diversified Long Term Value	₹773.70	-2.53	3.16	3.16	35.37	70.79	53.11
Abakkus Asset Manager Pvt. Ltd.	Abakkus Personalised Opp Specific	₹1468.24	-0.88	11.04	1.34	25.30	NA	42.91
White Pine Inv Management Pvt. Ltd.	White Pine India Emerging Stars	₹381.95	-2.95	12.06	10.31	41.79	NA	42.30
Carnelian Asset Mgmt & Advisors Pvt Ltd	Carnelian Shift Strategy	₹4291.77	-1.06	4.05	6.31	33.62	NA	37.64
Motilal Oswal AMC	Motilal Oswal Founders Portfolio	₹3110.99	-1.52	9.66	3.21	NA	NA	35.60
Roha Asset Managers LLP	Roha Emerging Champions Portfolio	₹352.77	0.69	9.75	1.09	27.99	NA	34.99
Valuequest Investment Advisors Pvt. Ltd.	ValueQuest Vision	₹834.22	-2.22	17.90	20.93	39.69	NA	34.96
Unique Asset Management Llp	Unique Strategic Fund	₹1638.28	-5.88	8.66	-3.64	31.64	37.23	34.24
Bhana Equity Advisors LLP	BEA India Growth Fund	₹507.64	-7.11	11.01	11.75	33.31	38.78	33.55

*Only those funds considered whose AUM > ₹ 350 Crs

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Bhavin Shah
Founder & Fund Manager,
Sameeksha Capital

Q: How should investors manage expectations in a year where returns are muted? What's your advice to those feeling restless about market performance?

Investing successfully in equities demands patience and discipline. One must adopt a long-term view, evaluating one's performance over a three-to-five-year rolling period. The key is to adhere strictly to one's investment process, which helps remove emotion from one's decisions. Use periods of market calm or underperformance to revisit the holdings and assess whether the underlying fundamentals have changed. It is crucial to have a reasonable return expectation, typically around 12-15%, and to view any market downturn as a buying opportunity. Ultimately, remember that the true power of compounding is only realised over the long term.

When returns are muted, investors often feel impatient, but these phases are a natural part of market cycles. The key is to differentiate portfolio performance from market noise.

- **Think in terms of cycles, not months** — A flat or low-return year often lays the foundation for the next leg of the rally. Historically, years following muted performance tend to have above-average returns because valuations reset and earnings catch up.
- Focus on process — Asset allocation, sector weights, and risk management matter more than short-term price action in a sideways year.
- Stay on course: Rather than exiting, use such periods to prune overvalued holdings, add to high-conviction names, and diversify into sectors where earnings resilience is strong. Patience compounds better than timing guesses.

Q: Global rate cuts, commodity prices, and geopolitics — what matters most for 2026?

All 3 factors stand influential in the coming time; however, the impact of each of the three may vary depending on the sectors. The third factor, and the one that will ultimately matter most in shaping 2026, is the elevated state of geopolitical tension and trade policy uncertainty. This is not simply one of three equivalent drivers; it is the overriding structural force that is actively suppressing the potential benefits of lower interest rates and cheaper commodities. Geopolitics remains a wildcard and can shock sentiments. For us, geopolitical tensions are the most significant factor shaping the future, as they will directly influence the other two.

Q. Despite easing inflation, the RBI has maintained a cautious tone. How do you interpret this?

While the headline inflation rate has declined, it has been driven by disinflation in food prices whereas core inflation has remained steady around 4%. The RBI front ended the rate cut previously with a 50 bp rate cut while knowing the base will be favorable until Q3 and will await the transmission to work through the system and to see if there are any upside risks from uneven monsoons, while maintaining adequate liquidity in the system. RBI's stance reflects a balancing act between inflation control and financial stability. While headline CPI has eased, core inflation is still sticky in certain components like services. Global policy divergence is another factor —RBI is also watching credit growth and household leverage — excessive liquidity too soon could overheat certain pockets like consumer lending or real estate. The US-India yield gap has considerably narrowed and if the global rate cycle and core inflation remains favorable, then we expect further monetary policy easing by the RBI.

Q: If you had to make one bold but well-reasoned call for the next cycle - whether on markets, sectors, or themes, what would it be?

Well, a couple of themes which can do fantastic for the next cycle: Wealth management and healthcare (hospitals).

Wealth management is a structural multi-year growth story and has entered into a golden decade. India is projected to see one of the fastest growth rates in HNI and ultra-HNI households globally, driven by entrepreneurship, startup monetizations, and equity market depth. Additionally, the financialization of savings can create decent headroom for the growth of the underpenetrated advisory market.

Hospitals remain a core defensive-growth theme with a strong tailwind. The demand outpaces supply and organized hospital chains are expanding aggressively. Medical tourism is also shaping up well and all this provides strong growth visibility. Quality of care in India at many private hospitals has risen greatly over last decade and that also bodes well for medical tourism opportunities.

Mr. Rajesh Kothari

Founder & MD,
AlfAccurate Advisors

Q: We will soon enter the last quarter of CY 2025; a year many investors have found lacklustre compared to 2024. How do you assess market performance so far, and has it aligned with your expectations?

The year 2025 has been nothing short of extraordinary — four ongoing wars and the unexpected flare-up of U.S. tariff wars have kept global investors on edge. Yet, amid this turbulence, Indian equity markets have shown remarkable resilience. This strength stems from an improving macro backdrop: low inflation, low interest rates, and disciplined fiscal management. **Despite flat markets, several pockets have delivered stellar returns — It is a STOCK PICKERS market."** While headline indices have remained largely flat, many sectors have delivered strong gains, reinforcing the point we've been making for several quarters: this is a market where skillful stock selection matters more than ever.

Q: What are the 1–2 high-conviction themes you believe could define wealth creation in the next 3–5 years?

I see three themes with strong potential to drive wealth creation:

- **Electronics Manufacturing Services (EMS)** – Riding the 'China+1' wave and government incentives.
- **Consumer Discretionary** – Powered by rising incomes, aspirational spending, and premiumisation.
- **Contract Development and Manufacturing Organisations (CDMO)** – Benefiting from global outsourcing in pharma and speciality chemicals.

These sectors combine structural growth drivers with scalable business models which is a powerful recipe for compounding wealth.

Q: With elevated valuations in certain pockets of the market, how are you balancing the pursuit of alpha with the need for downside protection?

Ans: Valuation discipline is non-negotiable for us. We look beyond P/E multiples, focusing on the PEG ratio and underlying ROCE to ensure price truly matches growth potential. ***"Protecting capital is as important as generating alpha."*** For instance, we have zero exposure to FMCG, where growth is below 10% but valuations exceed 50x earnings.

Similarly, we've avoided the microfinance segment for over five years due to asset quality and growth concerns. By steering clear of overvalued or structurally weak areas, we safeguard investor capital while seeking alpha opportunities.
"What not to buy is as important as what to Buy."

Q: Have recent tariff moves altered your sector allocation or company selection in PMS/AIF portfolios?

Markets are dynamic, and cycles are shortening. At AAA, our style is QuAgility — Quality + Agility. We continuously monitor portfolios and act decisively if events pose material risks. In March, anticipating tariff impacts, we trimmed exposure to companies with heavy U.S. dependence. We also ran a portfolio vulnerability test and shared the findings with our investors, ensuring complete transparency.

"***QuAgility means being ready for both risks and opportunities — always.***"

Q. How should investors manage expectations in a year where returns are muted? What's your advice to those feeling restless about market performance?

Equity investing is a marathon, not a sprint. A minimum five-year horizon is key to unlocking meaningful returns. Volatility is inherent to markets and should be embraced, not feared.

I believe the next 2–5 years will belong to alpha managers unlike 2020–22, when nearly everything worked, now success will depend on sharper stock selection, business cycle insight, and disciplined exits.

"Ignore the noise, stay the course, and trust the equity asset class."

In the last 12 months, even with muted indices, all our portfolios delivered healthy alpha — proving the growing importance of active, thoughtful management.

In Conversation with Industry Experts

Anirudh Garg

Fund Manager & Partner
INVasset

Q: How should investors manage expectations in a year where returns are muted? What's your advice to those feeling restless about market performance?

Markets don't move in straight lines — they follow cycles of run-ups, pauses, and resets. After extended rallies, like the Nifty 50's ~20% gain in 2023, a consolidation phase is natural. It's not a sign of weakness but a cooling-off period where valuations and fundamentals realign. India's current market P/E stands at around 24–25x, well above its 10-year average of ~20x, indicating the need for earnings to catch up. Such phases allow corporate profits, balance sheets, and macro variables like inflation to stabilise, creating a healthier base for the next rally.

This period should be viewed as a strategic pause, not a setback. Historically, similar consolidations have laid the groundwork for multi-year upswings once earnings growth re-accelerated.

Q: Global rate cut cycles, commodity prices, and geopolitical tensions have all influenced 2025's market tone. Which of these do you think will matter most in shaping 2026?

Global markets in 2025 have been driven by monetary policy, commodities, and geopolitics — but rate cuts are likely to shape 2026 most decisively. The RBI has already cut rates by 50 bps to 5.5%, while the US Fed, steady at 5.25–5.50% for two years, has signalled readiness to ease as inflation nears 2%. This synchronised cycle could release liquidity, reduce funding costs, and re-rate risk assets.

Brent crude staying below $75 has anchored India's inflation near 4–5%, improved margins, and created fiscal space, giving central banks room to ease further. Geopolitics remains the wild card: India–UK and US–India trade talks may boost exports, while de-escalation in global tensions could support trade flows. But renewed conflict or commodity shocks could delay the benefits of rate cuts.

Q: Despite easing inflation, the RBI has maintained a cautious tone. How do you interpret this?

The Reserve Bank of India's cautious stance, even with inflation easing to 4.8% in July 2025 and core CPI near 4%, reflects its focus on ensuring price stability is durable. Food inflation remains vulnerable to weather disruptions, and global crude prices could spike if geopolitical tensions flare, reversing recent disinflation gains. The RBI's June 50-bps rate cut to 5.5% marked the start of its easing cycle, but it is taking a calibrated approach to avoid fuelling inflation prematurely. This also gives time for monetary transmission — typically a one-to-two-quarter lag — to feed through to credit growth and consumption.

Global factors also influence the RBI's caution. With the US Fed yet to start its own rate cuts, aggressive easing in India could widen interest rate differentials, risk capital outflows, and pressure the rupee, which recently tested ₹87.8 per USD before stabilising. By pacing its cuts, the RBI maintains currency stability, keeps external balances intact, and retains flexibility to respond to unexpected shocks. This approach ensures that the growth impulse from lower rates is sustainable, aligning domestic recovery with global monetary conditions.

Q: If you had to make one bold but well-reasoned call for the next cycle - whether on markets, sectors, or themes, what would it be?

A bold yet well-grounded call for the upcoming market cycle is that India will enter a multi-year, policy-driven capex supercycle—anchored by capital goods, infrastructure, defence manufacturing, and fertilizers. This isn't a mere cyclical revival but a structural shift powered by synchronized investments, enabling schemes, and growing global demand for Indian output.

The FY26 Union Budget has set central government capital expenditure at ₹11.21 lakh crore (around 3.1% of GDP), up from ₹11.11 lakh crore in FY25. Manufacturing capacity utilization stands near 75.5% in mid-2025, reflecting elevated activity levels. Meanwhile, defence production soared to a record ₹1.50 lakh crore in FY25—an 18% year-on-year increase—while defence exports hit ₹23,622 crore. These trends underscore India's rising self-reliance and export prowess in defence.

In the fertilizers space, the FY26 budget has earmarked ₹1.67 lakh crore in subsidy support, essential for ensuring price stability, farm demand, and steady producer margins. As the RBI's easing cycle lowers borrowing costs, order books in capex-related industries should expand across the board. Simultaneously, domestic consumption and financial market infrastructure—supported by historically high SIP flows and mutual fund assets—will benefit. Together, these sectors are poised to drive India's next leg of sustainable, structural growth.

In Conversation with Industry Experts

Anuj Jain
CIO & Co-Founder
Green Portfolio

Q: We will soon enter the last quarter of CY 2025; a year many investors have found lacklustre compared to 2024. How do you assess market performance so far, and has it aligned with your expectations?

2025 has been a reality check after the party of 2024. Small and mid-cap stocks have taken a hit, while larger companies have held up better. Last year, making money felt easy, especially in smaller companies. This year, the hangover set in. The BSE Smallcap index is down about 6.5% so far, and the BSE Midcap index is down around 3%. In contrast, the BSE Sensex is up roughly 3%. The deepest pain is in the SME and micro-cap space, where many stocks had become too expensive. Some have been hit so hard that the damage is likely permanent. Foreign investors pulled out ₹1.24 lakh crore up to May 2025, largely due to geopolitical events like tariff actions. The bright spot is that Indian investors, particularly mutual funds and insurance companies, kept buying. Mutual funds alone have put in ₹3 lakh crore during the same period. This support means the correction is unlikely to spiral out of control. Our economy remains strong.

Q: What are the 1–2 high-conviction themes you believe could define wealth creation in the next 3–5 years?

Two major trends stand out: India's digital revolution and a manufacturing boom. Every small shop, farmer, and street vendor is gaining access to modern banking and payments. UPI now processes ₹24 lakh crore every month across 18.4 billion transactions. India is getting a digital makeover. For investors, digitization's bigger benefit is indirect.

As the economy becomes more formal, company numbers become more reliable and transparent, which attracts capital. The second big trend is Make in India manufacturing. The world wants alternatives to China, and India is stepping up.

The government's PLI schemes have already attracted ₹1.76 lakh crore in investments. Mobile phones, auto components, pharmaceuticals, and electronics are in high demand both domestically and globally. Defence manufacturing and export-oriented manufacturing are especially promising. While US tariffs might have short-term effects, FTAs and strong export relationships will help offset them.

Q: With elevated valuations in certain pockets of the market, how are you balancing the pursuit of alpha with the need for downside protection?

Think like a cricket captain who needs aggressive batsmen, steady players, and good fielders for risk management. Spread your bets by holding 20–25 stocks instead of putting all your money into just 10. If a few go wrong, the rest protect your portfolio. Keep some cash ready. Having 15–20% in cash or safe assets lets you grab opportunities when markets fall. Focus on quality. Strong companies recover faster in tough times, and even if they drop in value during a downturn, you can sleep better knowing they'll lead the next rally.

Q: How should investors manage expectations in a year where returns are muted? What's your advice to those feeling restless about market performance?

After years of 20–30% returns, expecting that every year is unrealistic. The economy grows at 6–6.5%, so double-digit returns are already an achievement.

We're still outpacing China, more people are getting jobs and homes, smartphone use is growing, and infrastructure is improving.

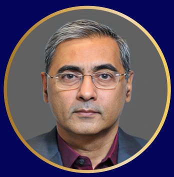
Good investing is like staying fit. You don't check your weight every day. Instead, you stick to good habits: investing regularly through SIPs, picking quality companies, and staying calm during bad months. History shows that those who stayed invested during crises like 2008, 2013, and 2020 made over 20% annualized returns over the following years, while those who panicked and sold locked in losses. Even a consistent 15–18% CAGR is excellent over the long run.

Q: Have recent tariff moves altered your sector allocation or company selection in PMS/AIF portfolios?

Export-focused company leaders say they usually compete on a 5–10% price difference. India exports about \$80 billion of goods to the US annually, but \$30–35 billion of that, mainly pharma and mobiles, is exempt. The tariffs affect around \$45 billion, which is just 1% of India's \$4.3 trillion economy. It is not enough to trigger a recession.

Companies like KPR Mills, Welspun India, and Bharat Forge will feel short-term pressure, but our strategy remains largely unchanged because US–India tariff disputes are unlikely to last long, we back strong companies with capable leaders and hold them for the long term, and businesses adapt to find new ways of supplying products. New export markets are opening through FTAs, with an EU deal expected soon. The Indian government actively supports affected industries, so we remain confident.

In Conversation with Industry Experts



Arun Subrahmanyam
Founder & Fund Manager,
Ampersand Capital

Q: Given the muted momentum in 2025, how are you positioning portfolios now to capture potential upside when market sentiment improves?

Muted momentum in 2025 can be attributed to a persistent slowdown in consumer demand and unfavorable geo-political events, including the US-led tariff war.

We are positioned for market recovery driven by a likely consumption recovery in India, and the peaking of the tariff war in the USA, possibly in the next couple of months. While our cash position is currently at an elevated level, we are selectively deploying in companies with higher growth visibility and limited valuation downside.

Q: Given the current macroeconomic backdrop of moderating inflation, shifting global interest rate cycles, and sector rotations in Indian equities, how are you positioning your portfolio for the next 12–18 months?

We believe that domestic demand recovery is imminent and will be driven by a reduction in interest rates and income tax rates. Consumption and rate-sensitive themes will likely outperform as the market recovers. We prefer consumer discretionary sectors such as autos, travel & leisure, followed by leading banks and NBFCs.

Q: Despite easing inflation, the RBI has maintained a cautious tone. How do you interpret this?

We see the RBI's pause primarily driven by:

1. Low interest rate premium versus the US
2. Front-loaded rate cuts which are yet to fully transmit through to the wider economy

Nonetheless, structural disinflation could keep prices lower for longer, creating room for measured easing later this year, in our view.

The likely resumption of the rate cut cycle in the US will also enable the RBI to cut domestic rates further.

Although recent moderation in inflation has been largely led by food deflation, we believe that several structural deflationary forces are at play. These include cleaner and cheaper renewable energy, higher food output & replenishment of buffer stocks, and better infrastructure, which should structurally reduce costs in the economy.

Q: Has 2025's market tone forced you to make any strategic shifts in your portfolio construction compared to last year?

Three shifts stand out:

1. Export-led sectors face elevated uncertainty from global trade tensions.
2. Industrials are yet to see a broad-based recovery, though select pockets of growth exist.
3. Volume recovery is just starting to show in consumption-led sectors, which could gather pace going ahead.

Our portfolio reflects these aspects — we have adjusted exposures accordingly and remain nimble to capitalize on evolving opportunities.

Q: In a world where tariffs are being used for geopolitical leverage, how can Indian companies and investors hedge supply chain risks?

Ans: The answer lies in diversifying, not deglobalizing, in our view. At the policy level, India is broadening export destinations via new agreements/FTAs. At the company level, flexible multi-location manufacturing and diversified sourcing can mitigate tariff risks. For investors, resilience comes from backing businesses with adaptable supply chains and pricing power.

India's Macro Environment: Navigating Shifts, Unlocking Opportunities

Article

Authored by **W1 research team**

The global macroeconomic environment today is at an important turning point. Inflation has begun to moderate across developed markets, central banks are shifting toward an easing stance, and global trade dynamics are being reshaped by tariffs, supply chain diversification, and geopolitical realignments.

For investors in India's PMS and AIF space, these developments matter far beyond headlines; they influence flows, valuations, and sectoral leadership in meaningful ways.

Monetary Policy and Liquidity

Global rate cuts, led by the U.S. Federal Reserve, are expected to drive liquidity back into risk assets. For India, which has already established itself as one of the most resilient emerging markets, this presents a potential tailwind. The Reserve Bank of India (RBI), however, has maintained a cautious approach, balancing inflation management with the need to support growth. This divergence underscores the importance of domestic fundamentals. India's credit growth remains healthy, bank balance sheets are stronger than ever, and corporate deleveraging has created room for fresh investment.

Moreover, the RBI has maintained its growth projections while revising the average inflation estimate for the current year lower. At the same time, it has kept the Q4 FY26 inflation forecast unchanged and projected Q1 FY27 inflation at 4.9%. With growth holding steady and forward inflation estimates expected to remain above 4.5%, the prospects of any rate cuts this fiscal appear minimal, effectively anchoring the terminal policy rate near 5.5%.

Capital Flows and Currency Outlook

Foreign portfolio investors (FPIs) have shown mixed sentiment through 2025, alternating between buying into India's long-term story and reacting to global risk-off episodes. With interest rate differentials narrowing, India remains relatively attractive, especially when coupled with structural reforms and government-driven capital expenditure. The rupee has held steady despite global volatility, reflecting RBI's proactive interventions and strong forex reserves.

For investors, this stability reduces one of the key risks associated with foreign inflows into Indian markets.

Tariffs, Trade, and Manufacturing Momentum

Another important theme is tariffs and trade policy. As Western economies recalibrate their dependence on China, India is positioning itself as a credible alternative. Strategic use of tariff measures, coupled with Production-Linked Incentive (PLI) schemes, has accelerated growth in electronics, textiles, and renewable energy manufacturing. This policy framework is more than protectionist; it is developmental, designed to push domestic capacity-building and attract global supply chains. For AIFs and PMS strategies, this creates investible opportunities in sunrise sectors that may not be fully captured by broad market indices.

Sectoral Shifts: Beyond the Obvious

Historically, rate cuts and liquidity waves have boosted cyclical sectors such as banking, autos, and real estate. While these remain strong contenders, investors should also watch areas where India is gaining global market share — defence, green energy, chemicals, and digital infrastructure. Importantly, the macro environment is also conducive for small and mid-cap companies that benefit disproportionately when liquidity cycles turn.

Investor Takeaways

For investors, the message is clear: while short-term volatility is inevitable, the medium-to long-term environment continues to favour India. The key lies in disciplined allocation, sectoral selectivity, and the use of data-driven frameworks that separate noise from genuine opportunity.

The macro environment is not a headwind. It is a filter. It reveals which economies, sectors, and strategies are truly resilient. India is well positioned to emerge stronger in this cycle, and **Wealth1's role** is to make this clarity accessible, providing investors with the right insights, comparisons, and analytics to navigate shifting macros with confidence.

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