

AAA GEMS Fund

An Open Ended Category III Alternative Investment Fund

Growth Equity Mid & Small Cap Strategy

Unlocking Opportunities in India's Mid &
Small Cap Universe

Offered Only To Indian Resident Investors

Strictly Private & Confidential

3M[®]
Quality
+ Agility
DSD

Why AAA?



Founders are Fund Managers

Rajesh Kothari, Founder of the firm is the Chief Investment Officer of AAA PMS.



Longevity

16 Years of existence as a boutique investment management firm, a rarity in the industry



No Conflict of Interest

Pure play investment management and advisory. No broking, no wealth management business, no conflicts.



Competence

38+ Years of fund management experience, backed by a 110+ years' experience of investment team.



Cycle Tested Performance

Tested across bull, bear, and sideways markets, including periods of sharp volatility.



High Standards of Governance

Clear governance framework for investment decisions, risk oversight, and compliance.



AAA IOP PMS won the Best 10-Year Performance Award four times (2020–2024) for risk adjusted returns, as recognised by PMSAIF World based on analysis by IIM Ahmedabad

The AAA Team



Rajesh Kothari

Founder & Managing Director

29
years



Govind Agrawal

Director

31
years



Sandeep Biyani

Head of Sales & Business
Development

19
years



Bhushan Koli

Head of Operations

29
years

The AAA Team



Rajesh Kothari
Founder & Managing
Director
CWA, MBA

About Our Founder

He brings over 29 years of experience in the Indian capital markets, with expertise across both Long Only and Long–Short investment strategies. He was formerly a Director at Voyager Investment Advisors, a US based, India dedicated fund managing US\$500 million, where the fund significantly outperformed benchmark indices during his tenure. Earlier, he served as a Fund Manager at DSP Merrill Lynch for over four years, delivering annualised returns of 55% in the Equity Fund and 62% in the Top 100 Fund, outperforming benchmarks by over 20% and 10% respectively, while consistently maintaining first quartile rankings.

Rated as “Platinum Fund Manager” by Economic Times for DSP ML Equity Fund on a risk adjusted return basis (Jul 2006)

Received CNBC TV18 – CRISIL Mutual Fund of the Year Award 2006 for DSPML Equity Fund and Lipper India Fund Awards 2006 for best equity fund group for 3 years

Invited at Maharashtra Economic Summit to present views on Indian Infrastructure

Invited by Institute of Directors to present views on Governance Deficit

Received CMA Young Achiever Award 2014

Actively involved with Arham Yuva Group (A philanthropic initiative)

The AAA Team



Govind Agrawal
Director

CA, LLB

About Our Director

He brings 31 years of experience in the Indian capital markets. He was formerly a Fund Manager at Reliance Capital Asset Management (US\$20bn) for over four years, where the Reliance Emergent India Fund, a US\$100m offshore fund, outperformed benchmark indices by 35% since inception, and he played an instrumental role in setting up the macroeconomic research desk. Earlier, he served as Executive Director at UBS Securities India for 4 years as India Account Manager for large FIIs, advising PMs on country, sector, and stock allocation. He also spent a decade as Senior Vice President of Equity Sales at Motilal Oswal Securities, where he was a key contributor to building the institutional equity broking business, systems, and processes.

Represented Reliance AMC on international platforms and panel discussion on Emerging Markets and Indian Equity Market

Addressed investors' meet and the private banking teams of large banks in Middle East, Asia, London, Europe and in India

At UBS, was voted as the "Best Equity Sales Person-Mega Funds category, Asia Money 2006"

Won several awards at Motilal Oswal for consistently contributing to Institutional Equity Sales

AAA Investment Philosophy



The philosophy is designed to endure across market cycles, with decisions guided by long term conviction rather than near term market signals

Investment Universe



Internal Checks: Forensics & Longevity Assessment

Management Practices

To assess corporate governance risk

Quality of Cashflow

Ability to convert the revenue to cash and reinvest into the business

Accounting Policies

Assess the consistency and fairness of the accounting policies

Taxation Mischiefs

to identify the potential fraud

Longevity of business growth

Sustenance of revenue and earnings growth & assessing competitive advantage

Longevity of return ratios

Gauging business profitability and efficiency

Longevity of reinvestment


Intensity to generate self sustaining growth

Longevity of cashflow

Identify financial strength

 **13 Such Forensics Parameters**

 **8 Such Longevity Parameters**

 **It's not about chasing fast growth; it's about owning high quality businesses that compound sustainably across cycles.**

Agility Guides Our Exit Strategy

We Exit When

- 1 There is a need to rebalance weights for risk management purposes
- 2 A company no longer meets our buy/hold criteria
- 3 A company no longer meets our valuation criteria
- 4 There is no longer a durable double digit return expectation for a company's stock
- 5 There is a more compelling investment opportunity to fund

18 years

The average life span of company listed in the S&P 500

The only constant is change. The average lifespan of a company listed on the S&P 500 has fallen from 90 years in 1935 to just 18 years today, highlighting how quickly leadership erodes without sustained competitiveness.

We stay agile and active, continuously reassessing fundamentals, risks, and relevance, never letting our guard down.

The Real Mid & Small Cap Story

India's Most Common Equity Myths

Perception vs Reality

Mid and small caps are often viewed as inherently riskier and expensive compared to large caps. However, a closer look at data shows that many of these beliefs are rooted in perception rather than fundamentals

Risk and valuation are driven by business quality and earnings growth not market cap labels. When evaluated correctly, mid & small caps often offer superior risk-reward



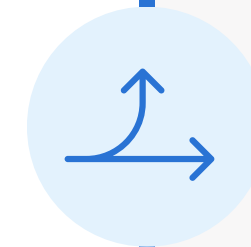
"LARGE CAPS ARE SAFE VS MID & SMALL CAP"

Safety comes from business quality and earnings durability and not size.



"MID & SMALL CAP ARE MORE VULNERABLE"

Vulnerability stems from weak balance sheets and governance, not market cap classification.



"MID & SMALL CAP ARE PERCEIVED AS EXPENSIVE"

Valuations follow growth; faster growing businesses can justify higher multiples

Mid & Small Cap Universe: A Structural Opportunity

Market Universe

1000+

Listed companies in mid and small cap universe, makes it India's largest alpha hunting ground

Market Capitalization

₹166 Tr (USD 1.86 Tn)

Combined market cap of mid and small cap segment

Winner Density

2-3x

Winners are almost 2x more frequent in mid and small caps than in large caps

Analyst Coverage Gap

60%+

Percentage of mid/small caps with minimal institutional research



India's mid and small cap universe offers a compelling opportunity for active, research driven investors willing to look beyond the large cap consensus.

The New Mid & Small Cap Profile

	Mid Cap	Small Cap	Remarks
Avg Weighted Mcap	₹ 598 bn	₹ 167 bn	100% of companies have a market cap ₹ 5000 crs+
Median Net Profit (Exc BFSI)	₹ 10.5 bn	₹ 3.8 bn	57% of cos Net Profit ₹ 500 crs+ ~93% of cos Net Profit ₹ 100 crs+
Median ROE (Exc BFSI)	15%	13%	~45% of cos with ROE 15%+
Median Net D/E (Exc BFSI)	-0.11	-0.08	95% of cos with Net D/E < 1
Median OCF/OP (Exc BFSI)	76%	77%	69% of cos with OCF/OP 60%+

Mid and Small cap has witnessed significant increase in Net profit size and Improved financial resilience.

AAA Mid & Small Cap Strategies

Strength of Large Caps, Growth of Mid & Small Cap













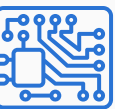


AAA Universe: Low Market Cap, High Profit Size



Source: AAA Research, Ace Equity. Market cap as on 30 Apr 2026. Net profit as on FY25.

Market Leadership Extends Beyond Large Caps

Category leadership is not confined to large caps, mid and small caps dominate numerous **high growth niches** across diverse sectors.

 Bearings	 Transformers	 Specialty Chemicals	 Diagnostics Chain	 Shopping Malls
 Lifestyle	 Coworking Spaces	 Consumer Durables	 Luggage	 HVDC
 Pipes	 Electricals	 EMS	 CDMO	 Hospitals

These companies represent category leaders in mechanical components, specialized building materials, niche chemicals, and healthcare infrastructure.

AAA Expertise in Mid & Small Cap

Investing ₹1 cr with AAA Mid & Small Cap compounded to

3 Years

₹1.92 crs

5 Years

₹2.91 crs

16+ Years

₹35.28 crs

Performance#

AAA Mid and Small Cap Portfolio

BSE 500 TRI

Alpha Generated

3 Years

24.4%

14.9%

9.4%

5 Years

23.8%

13.9%

9.9%

16+ Years

24.2%

12.2%

12.0%

AAA Sharpe*

1.11

BSE500 Sharpe*

0.52

AAA Std. Dev*

15.71%

BSE500 Std. Dev*

14.64%

AAA Beta*

0.89

BSE500 Beta*

1.00

AAA Capture*

1.68

#For 16+ years performance, we have used AAA Budding Beasts PMS performance for the period 01 Jan 2021 to 30 Apr 2026, and AAA IOP's actual mid and small cap holdings performance for the period 23 Nov 2009 to 31 Dec 2020. We have considered AMFI market cap classification as on 31 Dec 2022 for AAAIOP. For 3 and 5 years performance, we have use AAA Budding Beasts PMS performance. *The ratio is for AAA Budding Beasts PMS from 01 Jan 2021 to 30 Apr 2026. Performance related information provided herein is not verified by SEBI. Index performance is calculated as per Total Return Indices as per SEBI Guidelines. Performance figures are net of all expenses and fees till last quarter. Returns of individual clients may differ depending on time of entry in the strategy. The performance of AAA IOP PMS and AAA Budding Beasts PMS is presented solely to demonstrate AlfAccurate Advisors' experience, research capability, and track record in managing mid and small cap equities.

AAA Budding Beasts

Strength of Large Caps, Growth of Mid & Small Cap

Why AAABB PMS?



Access to Market Leaders

Aims for mid & small cap exposure to ~50 market leaders across sectors.



Growth Potential

Aims to capture long term growth with strong balance sheet and high ROCE.



Grounded In Research

Combines top down and bottom up research with strong due diligence.



Disciplined Portfolio Construction & Risk Management

Balanced portfolio with clear entry, sizing, and exit discipline.



Cycle Aware Allocation

Positioning adjusts to business cycles while remaining grounded in long term fundamentals.



Award Winning Track Record

We have a proven track record of investment in companies yielding multibagger returns.

AAABB PMS Features & Sectoral Allocation

AAA Budding Beasts PMS plan intends to build portfolio of 30-60 companies which are market leaders with strong corporate governance and high growth potential with investment horizon of 3-5 years.

Benchmark Index
BSE 500 TRI

Minimum No of Stocks
30

Mid & Small Cap Exposure
65% to 100%

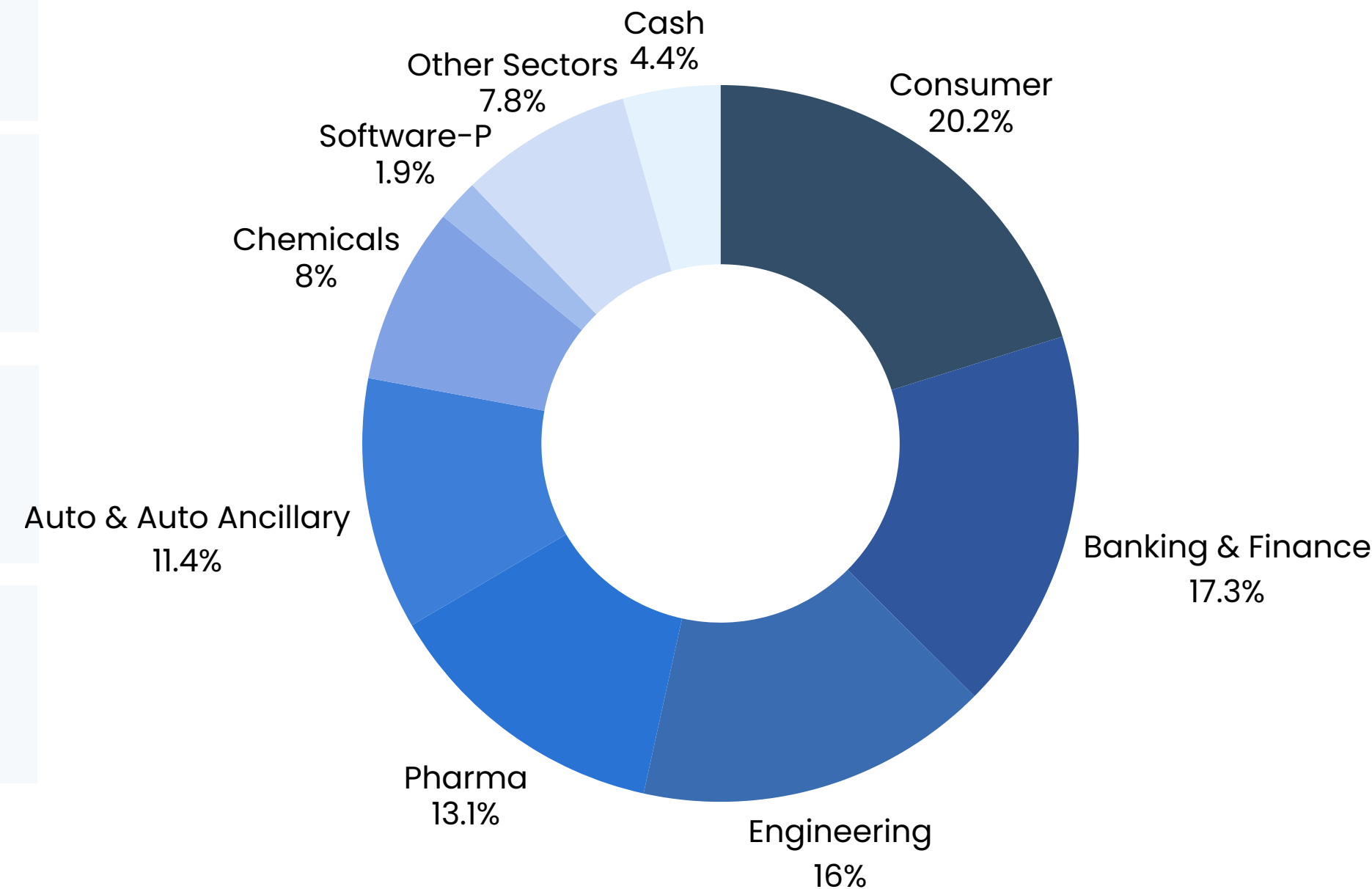
Large Cap Exposure
0% to 35%

Max Weight in 1 Stock
10%

Max Weight in 1 Sector
30%

Max Weight in Top 10 Stocks
50%

AAABB PMS Holdings As on 30 Apr 2026



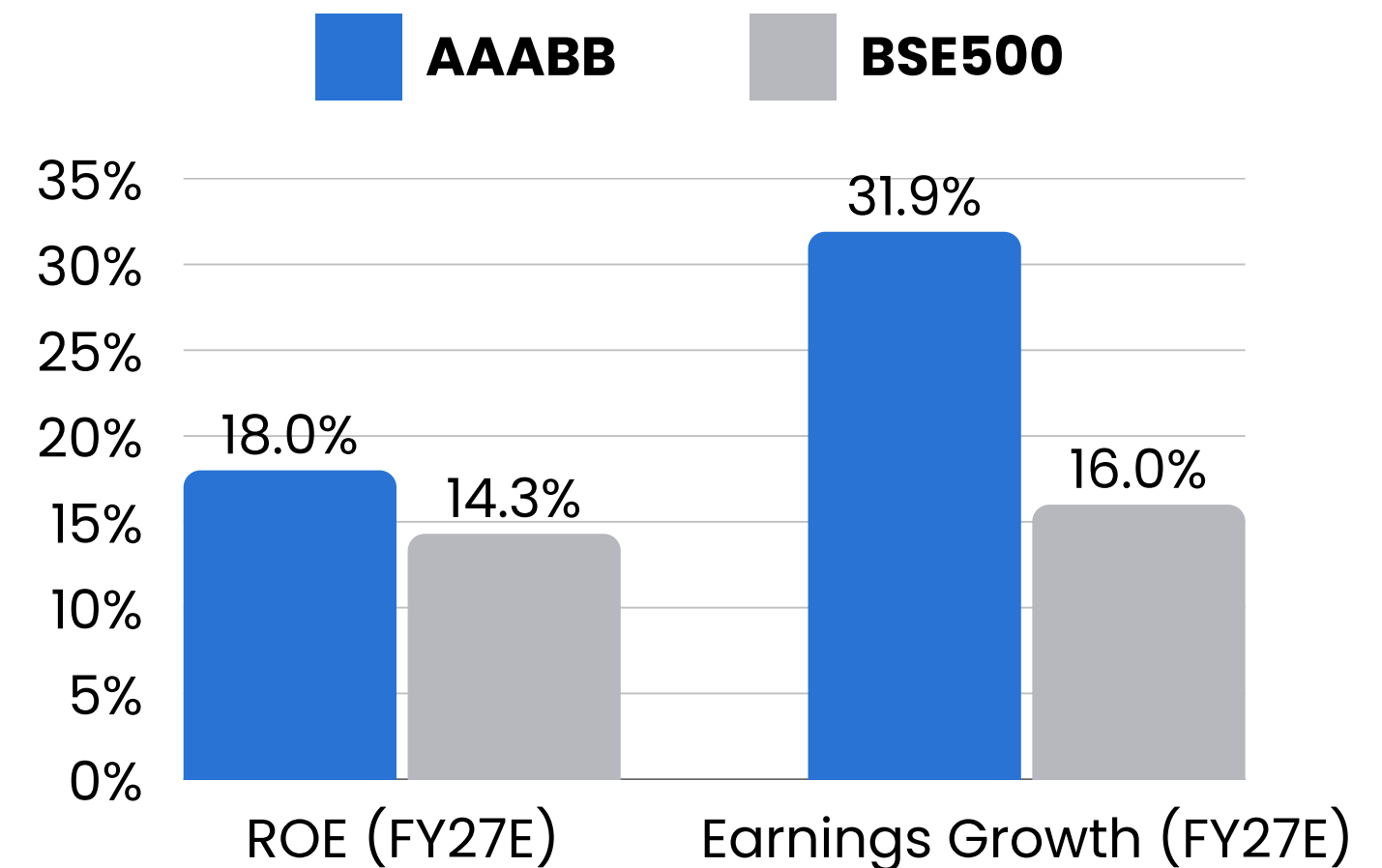
AAABB PMS Characteristics

- 1 TRUE MID & SMALL CAP SCHEME**
 Weighted Average Market Cap of ₹490 Bn
- 2 SECTORAL LEADERS**
 3M Stock Selection Approach
- 3 LARGE PROFIT SIZE**
 91.7% of portfolio cos ₹50cr+ NP | 80.6% ₹100cr+ NP
- 4 CASH RICH BALANCE SHEET**
 48.1% of portfolio cos have 0 net D/E | 51.9% have net D/E <1x
- 5 SUPERIOR ROE**
 18.0% AAABB PMS vs 14.3% BSE500 (FY27E)
- 6 STRONG EARNINGS GROWTH**
 31.9% AAABB PMS vs 16.0% BSE500 (FY27E)

AAABB PMS Holdings (30 Apr 2026)

Large Cap Weight 18%	Mid Cap Weight 21%
Small Cap Weight 57%	Cash 4%

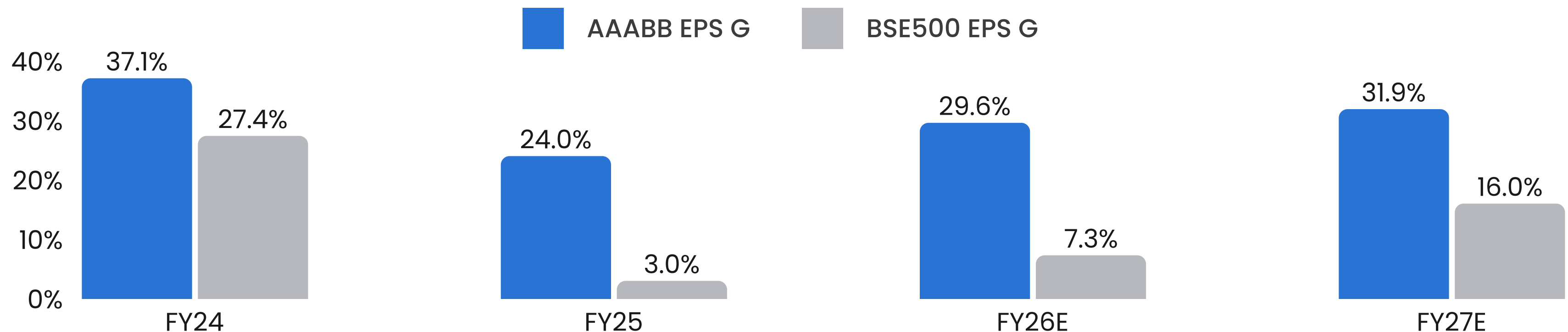
Weighted Average Market Cap: ₹490 Bn



Source: AAA Research, Bloomberg, Kotak.

AAABB PMS: Superior Earnings Growth

Earnings Matrix	AAABB FY24	BSE500 FY24	AAABB FY25	BSE500 FY25	AAABB FY26E	BSE500 FY26E	AAABB FY27E	BSE500 FY27E
EPS G(%)	37.1%	27.4%	24.0%	3.0%	29.6%	7.3%	31.9%	16.0%
ROE(%)	15.1%	15.1%	15.0%	15.2%	16.9%	14.2%	18.0%	14.3%
P/E(x)	60.6	24.8	59.8	23.9	46.8	21.5	35.4	18.5
P/BV(x)	11.2	3.8	9.0	3.6	9.1	3.1	7.4	2.8
PEG					1.6	2.9	1.1	1.2



AAABB: Agile & Active Investment Approach

	Mar-21*	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26	Apr-26
AAABB Auto Holdings	9.0%	10.2%	9.6%	9.9%	9.6%	12.4%	11.4%
BSE Auto Index Perf	6.0%	8.1%	17.5%	74.0%	-2.9%	10.6%	8.7%
AAABB Chemical Holdings	12.2%	11.3%	4.8%	3.7%	5.5%	6.5%	8.0%
Nifty Chemical Index Perf	16.1%	71.7%	-0.3%	31.7%	22.4%	-10.6%	14.2%
AAABB Engineering Holdings	7.9%	18.1%	26.8%	24.4%	17.0%	14.1%	16.0%
BSE CapG. Index Perf	11.3%	30.4%	25.0%	77.3%	2.9%	3.9%	20.2%
AAABB Healthcare Holdings	3.8%	4.6%	4.2%	9.2%	14.2%	13.6%	13.1%
S&P BSE Healthcare Index Perf	-2.4%	14.0%	-10.0%	60.2%	18.2%	2.3%	6.8%
AAABB Software Holdings	4.7%	8.1%	2.0%	4.3%	6.9%	0.9%	1.1%
BSE IT Index Perf	8.5%	37.1%	-21.8%	25.2%	1.3%	-20.9%	1.7%

*Benchmark Index Performance Is from 01 Jan 2021 to 31 Mar 2021

Source: AAA Research, Ace Equity.

AAABB: Higher Upside, Lower Drawdowns

Scheme Name	SMID Sharp fall (Russia-Ukraine War) (17th Jan 2022 to 20th Jun 2022)	SMID Rally (20th Jun 2022 to 24th Sept 2024)	SMID Correction (24th Sept 2024 to 30th Apr 2026)
AAA Budding Beast PMS	-18.8%	50.7%	-0.7%
Nifty MidSmallcap 400 TRI	-22.7%	46.7%	-4.2%
Nifty Smallcap 250 TRI	-26.9%	48.0%	-9.5%
BSE 500 TRI	-17.7%	31.7%	-6.2%

Source: AAA Research, Ace Equity.

Note: Returns are calculated on a TWRR basis, net of fees and expenses till last quarter. Returns beyond one year are annualised. Index performance is calculated as per Total Return Indices in accordance with the SEBI Guidelines. Returns of individual clients may differ depending on the time of entry in the Strategy. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Performance related information provided herein is not verified by SEBI. For Performance relative to other Portfolio Managers within the selected Strategy, please visit: bit.ly/APMI_PMS. AlfAccurate Advisors Pvt Ltd is a SEBI registered Portfolio Manager having reg.no INP000003419.

Higher upside capture, lower downside impact, consistent alpha across cycles.

AAABB PMS Performance

Investing ₹1 cr with AAABB PMS compounded to

2 Years
₹1.28 crs

3 Years
₹1.92 crs

5+ Years
₹2.91 crs

TWRR	1M	3M	6M	1 Year	2 Years	3 Years	5 Years	*SI 5+ years
AAABB	15.8%	7.2%	1.7%	17.6%	13.2%	24.4%	23.8%	24.4%
BSE 500 TRI	10.4%	-1.7%	-4.3%	3.6%	4.7%	14.9%	13.9%	14.6%
Alpha	5.4%	9.0%	6.0%	14.0%	8.5%	9.4%	9.9%	9.8%

AAABB Sharpe*
1.11

BSE500 Sharpe*
0.52

AAABB Std. Dev*
15.71%

BSE500 Std. Dev*
14.64%

AAABB Beta*
0.89

BSE500 Beta*
1.00

AAABB Capture*
1.68

*Since Inception performance from 01 January 2021 to 30 April 2026.

Note: Returns are calculated on a TWRR basis, net of fees and expenses till last quarter. Returns beyond one year are annualised. Index performance is calculated as per Total Return Indices in accordance with the SEBI Guidelines. Returns of individual clients may differ depending on the time of entry in the Strategy. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Performance related information provided herein is not verified by SEBI. For Performance relative to other Portfolio Managers within the selected Strategy, please visit: bit.ly/APMI_PMS. AlfAccurate Advisors Pvt Ltd is a SEBI registered Portfolio Manager having reg.no INP000003419.

We follow a staggered investment approach - hence cash levels were higher during the initial period from Jan' 21 to Mar' 21.

AAABB PMS Performance

Performance (%)	FYTD27	FY26	FY25	FY24	FY23	FY22	FY21	*SI 5+ years
AAA Budding Beasts	15.8	3.3	16.4	44.8	8.1	37.1	7.4	220.6
BSE 500 TRI	10.4	-3.1	6.0	40.2	-0.9	22.3	7.4	106.6
Alpha	5.4	6.4	10.4	4.6	9.0	14.8	0.03	114.0

*Since Inception performance from 01 January 2021 to 30 April 2026.

Note: Returns are calculated on a TWRR basis, net of fees and expenses till last quarter. Returns beyond one year are annualised. Index performance is calculated as per Total Return Indices in accordance with the SEBI Guidelines. Returns of individual clients may differ depending on the time of entry in the Strategy. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Performance related information provided herein is not verified by SEBI. For Performance relative to other Portfolio Managers within the selected Strategy, please visit: bit.ly/APMI_PMS. AlfAccurate Advisors Pvt Ltd is a SEBI registered Portfolio Manager having reg.no INP000003419.

We follow a staggered investment approach - hence cash levels were higher during the initial period from Jan' 21 to Mar' 21.

AAABB PMS: Rolling Returns Analysis

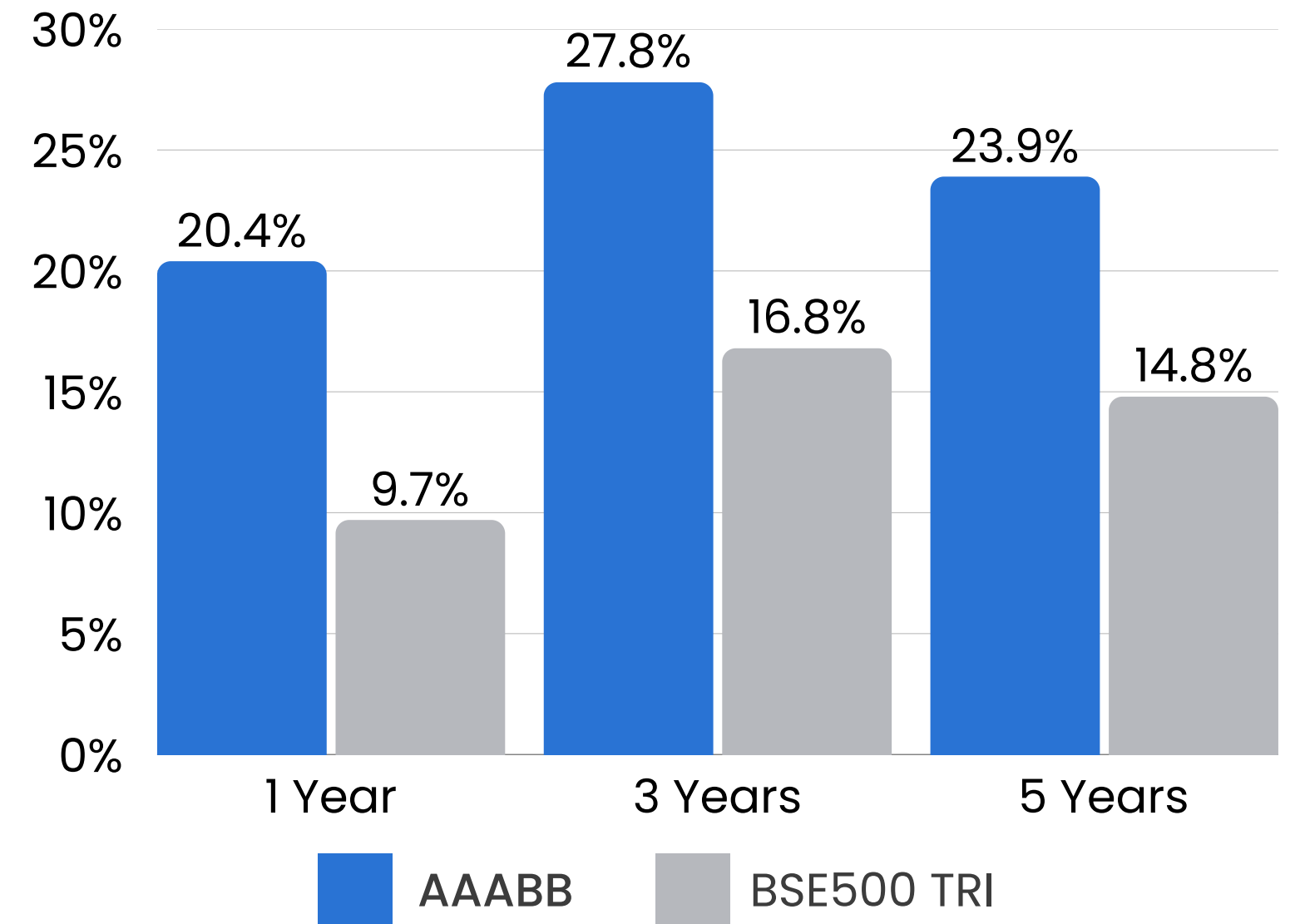
24%

AAABB 5 Years Median Rolling Returns

Consistent rolling returns over various time periods illustrate the durability of our investment process, highlighting disciplined portfolio construction and repeatable long term performance across market cycles.

Rolling returns across time horizons demonstrate the effectiveness of a disciplined, long term approach.

Rolling Return Analysis: Median Returns



Note: Returns of individual clients may differ depending on time of entry in the Strategy. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Performance related information provided herein is not verified by SEBI.

AAA GEMS FUND

Strength of Large, Growth of Mid & Small

Category III, Open ended (No Lock-in period), Weekly NAV

Why AAA GEMS Fund?

Category III, Open ended (No Lock-in period), Weekly NAV.



Access to Market Leaders

Aims for mid and small cap exposure to ~30 market leaders across sectors.



Disciplined Portfolio Construction & Risk Management

Concentrated yet balanced portfolio with clear entry, sizing, and exit discipline.



High Growth Potential

Significant growth opportunities for mid and small cap companies lead to superior returns.



Selective Pre-IPO Opportunities

Access to carefully curated late stage businesses with clear visibility to listing.



Grounded In Research

Combines top down and bottom up research with strong due diligence.



Award Winning Track Record

We have a proven track record of investment in companies yielding multibagger returns.

AAA GEMS Fund Features

Category III, Open ended, Weekly NAV.

AAA GEMS Fund is a portfolio of ~30 companies which are Market leaders with strong corporate governance and high growth potential, with an investment horizon of 3-5 years.

Benchmark Index
BSE 500 TRI

Minimum No of Stocks
25

Large Cap Exposure
0-30%

Mid & Small Cap Exposure
70-100%

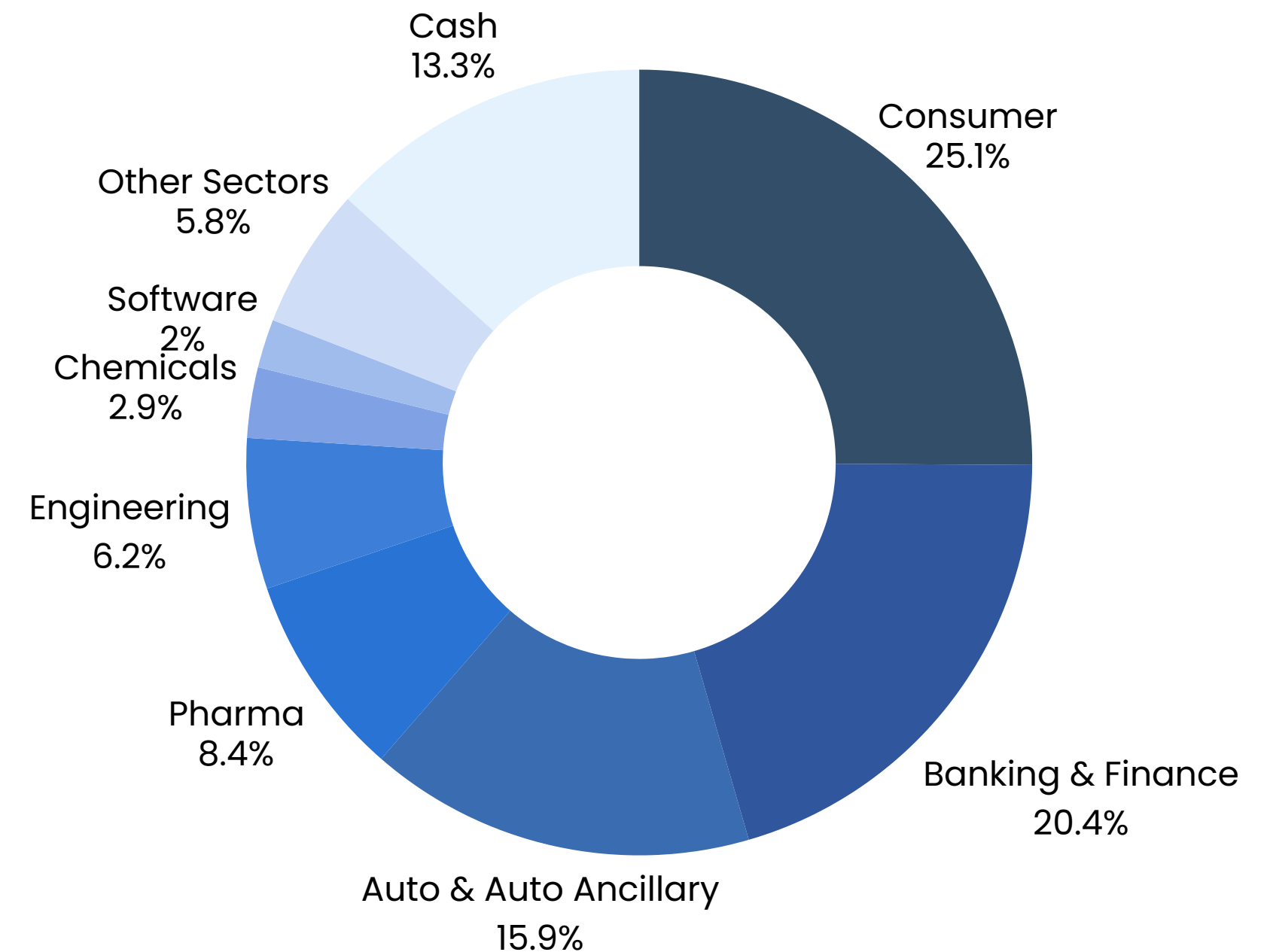
Max Weight in 1 Stock
10%

Max Weight in 1 Sector
30%

Max Weight in Top 10 Stocks
60%

Pre-IPOs Participation
<=25%

AAA GEMS Holdings As On 30 Apr 2026



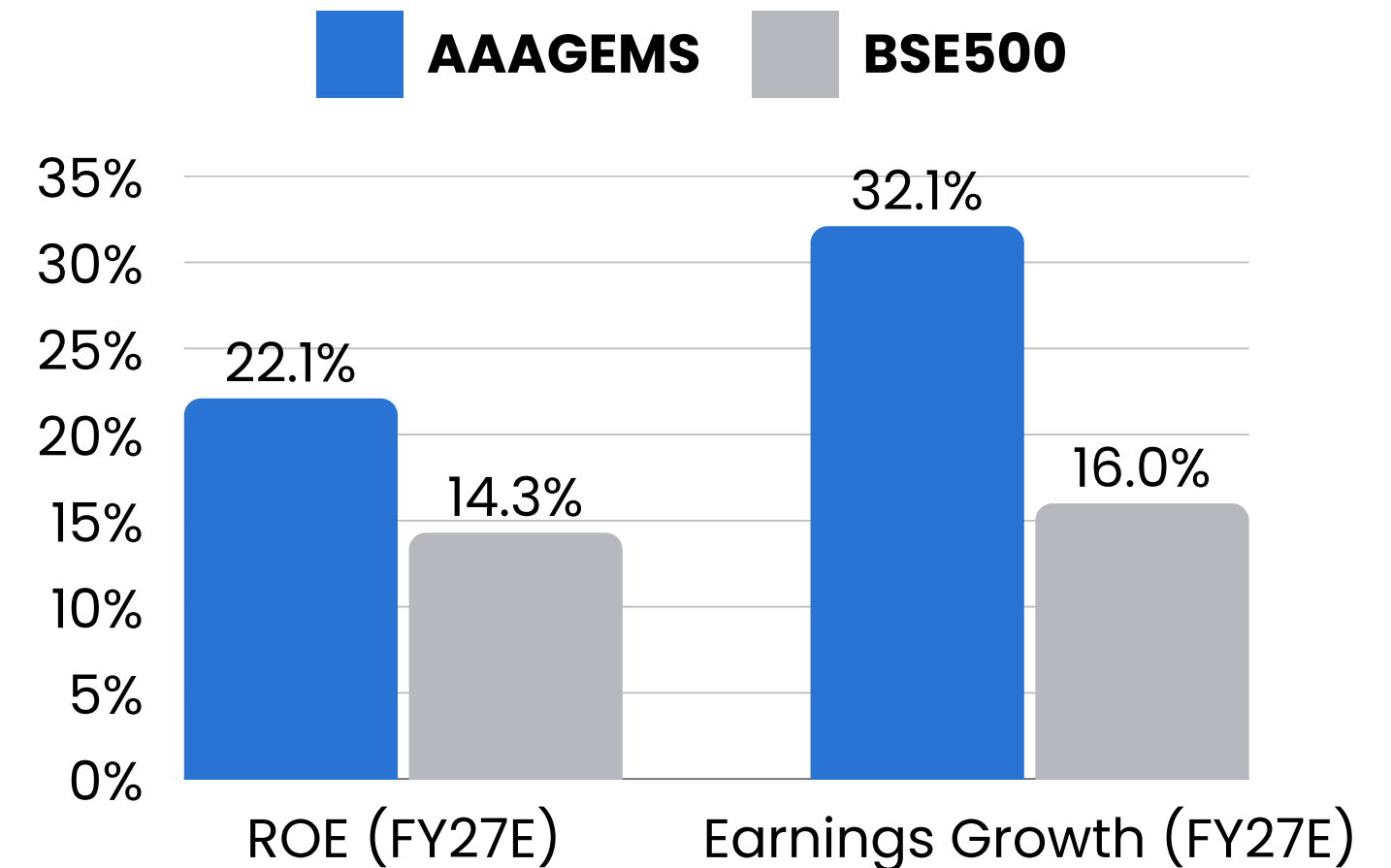
AAAGEMS Fund Characteristics

- 1 TRUE MID & SMALL CAP SCHEME**
 Weighted Average Market Cap of ₹582 Bn
- 2 SECTORAL LEADERS**
 3M Stock Selection Approach
- 3 LARGE PROFIT SIZE**
 92.5% of portfolio cos ₹50cr+ NP | 83.3% ₹100cr+ NP
- 4 CASH RICH BALANCE SHEET**
 67.1% of portfolio cos have 0 net D/E | 32.9% have net D/E <1x
- 5 SUPERIOR ROE**
 22.1% AAABB PMS vs 14.3% BSE500 (FY27E)
- 6 STRONG EARNINGS GROWTH**
 32.1% AAABB PMS vs 16.0% BSE500 (FY27E)

AAAGEMS Fund Holdings (30 Apr 2026)

Large Cap Weight 21%	Mid Cap Weight 18%
Small Cap Weight 48%	Cash 13%

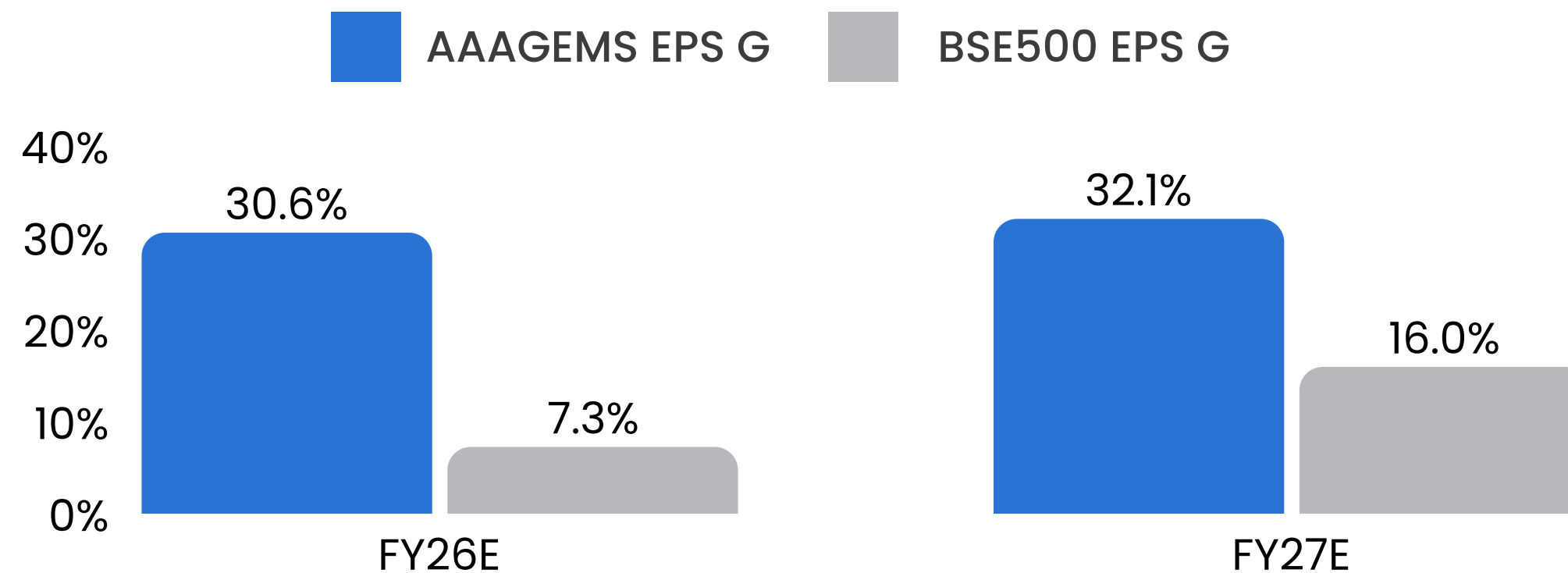
Weighted Average Market Cap: ₹582 Bn



Source: AAA Research, Bloomberg, Kotak.

AAAGEMS Fund: Superior Earnings Growth

Earnings Matrix	AAAGEMS FY26E	BSE500 FY26E	AAAGEMS FY27E	BSE500 FY27E
EPS G(%)	30.6%	7.3%	32.1%	16.0%
ROE(%)	21.9%	14.2%	22.1%	14.3%
P/E(x)	43.9	21.5	33.7	18.5
P/BV(x)	10.2	3.1	8.2	2.8
PEG	1.4	2.9	1.1	1.2



AAAGEMS Fund Performance

CAGR	1M	*SI
AAA GEMS Fund AIF	10.9%	6.7%
BSE 500 TRI	7.9%	-0.1%
Alpha	3.0%	6.8%

AAAGEMS* 0.53	BSE500 Sharpe* -0.12	AAAGEMS Std. Dev* 10.42	BSE500 Std. Dev* 10.91	AAAGEMS Beta* 0.89	BSE500 Beta* 1.00	AAAGEMS Capture* 1.97
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***Since Inception performance from 23 January 2026 to 30 April 2026.**

Note: Trailing returns based on pre-tax NAV calculated on the last Friday of every month. Returns for more than one year are annualized. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Performance-related information provided herein is not verified by SEBI. All investors must read the detailed Private Placement Memorandum (PPM) including the Risk Factors and consult their legal adviser and other professional advisers to understand the contents of this document and/or before making any investment decision/contribution to AIF.

Market Outlook

Zoom In On India

Macro Indicators During Volatile Times

Macro Indicators	Pre-Covid (FY20)	Russia-Ukraine War (FY22)	Iran-USA War (FY26)
Nominal GDP (% yoy)	9.10%	18.90%	8.60% ▲
Nominal HH consumption (% yoy)	6.40%	18.60%	8.90% ▲
M3 (% yoy)	8.90%	8.80%	12.60% ▲
Overall credit disbursement growth (% yoy)	6%	9%	13.80% ▲
Total liquidity in system (₹ tn)	2	8.7	6.1 ▲
Inflation (% yoy)	4.80%	5.50%	3.20% ▲
Metal (% yoy)	-19.30%	50.90%	10.80%

India enters the current environment with macro indicators materially stronger than in prior crises.

Macro Indicators During Volatile Times

External Sectors	Pre-Covid (FY20)	Russia-Ukraine War (FY22)	Iran-USA War (FY26)
CAD as % of GDP	-0.90%	-1.20%	-1.10% ▼
Exports as % of GDP	11%	13%	12% ▲
Imports Cover (No of Months)	11	10	11
Services Exports (\$ bn)	84	254.5	240 ▲
Net FDI	43	38.6	10 ▼

India enters the current environment with macro indicators materially stronger than in prior crises.

Source: Avendus Spark Research, AAA Research, Bloomberg. Symbols are compared to FY20

Macro Indicators During Volatile Times

₹19.6 trillion

Public CAPEX In FY26

The government is significantly better positioned to navigate the Iran war than in past crises, supported by higher capex as a percentage of GDP, and a lower central government fiscal deficit.

Government enters this crisis with materially stronger fiscal flexibility and strength.

Govt Finances	Pre-Covid (FY20)	Russia-Ukraine War (FY22)	Iran-USA War (FY26)	
Centre Capex (₹ tn)	3.4	5.9	11	▲
As % of GDP	1.70%	2.50%	3.10%	▲
Center Fiscal Deficit as % of GDP	4.70%	6.70%	4.40%	▲
State Capex (₹ tn)	4.2	5.3	8.6	▲
State Capex as % of GDP	2.10%	2.30%	2.40%	▲
State Fiscal Deficit as % of GDP	2.60%	2.80%	3.30%	▼
RBI profit transfer to Govt. (₹ tn)	571	303	3002	▲

Source: Avendus Spark Research, AAA Research, Bloomberg. Symbols are compared to FY20

Ratio of MSCI India PE vs MSCI Emerging Market PE



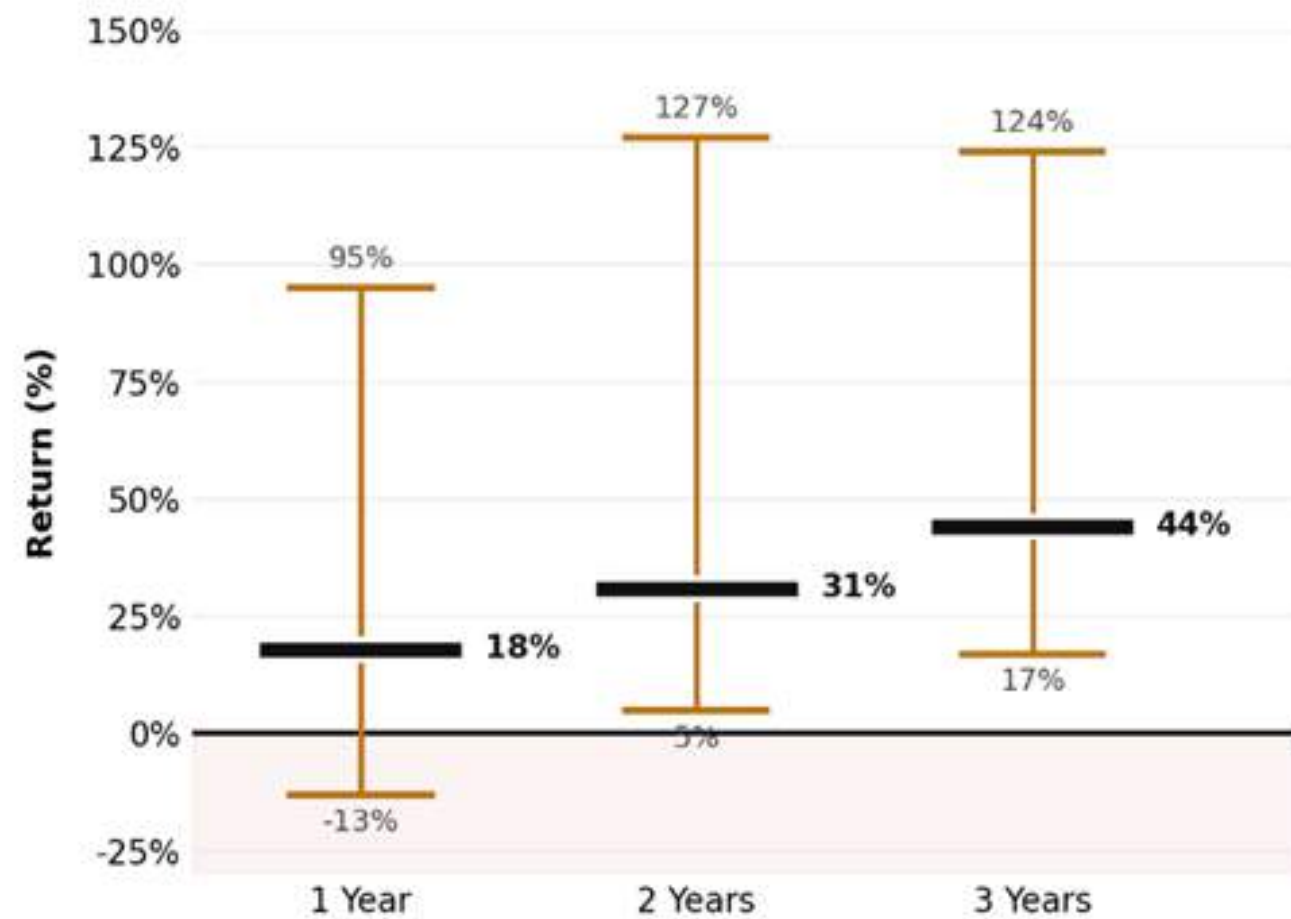
India's valuation premium to EM is attractive, below historical averages and near key support zone.

Nifty 50 Historical Return Distribution At Current Valuation

Trailing PE ≤ 21.01

485 days traded at or below this level

— Median return



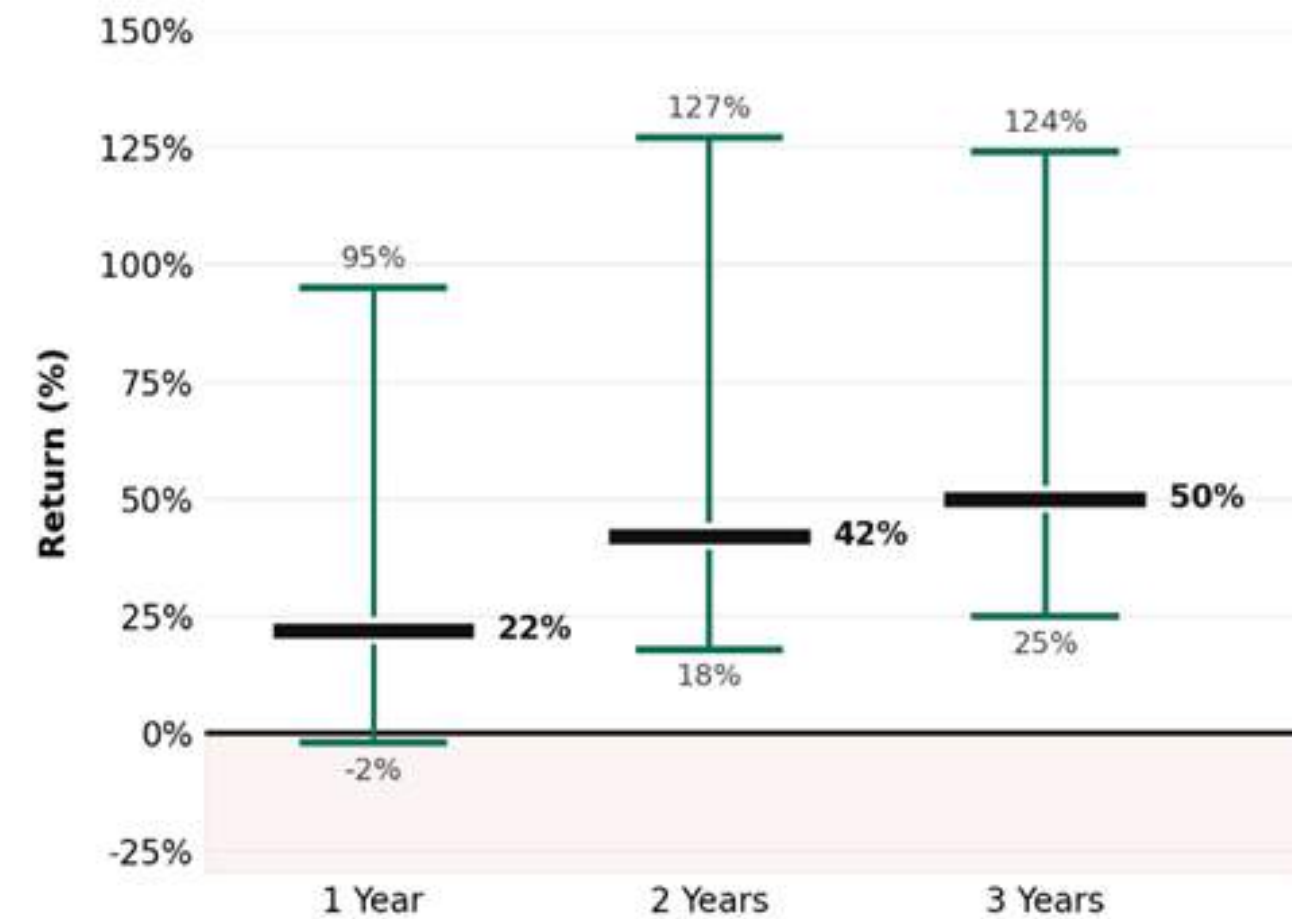
Trailing PE ≤ 21.01 **1 Year** **2 Year** **3 Years**

Probability of >0% Returns 90% 100% 100%

1 Year Forward PE ≤ 17.92

793 days traded at or below this level

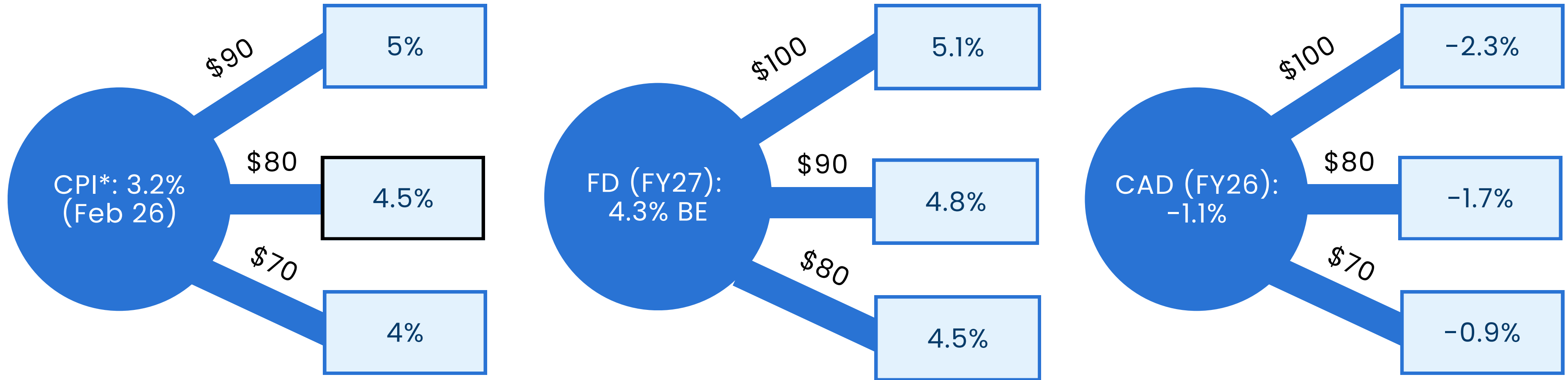
— Median return



Forward PE ≤ 17.92 **1 Year** **2 Year** **3 Years**

Probability of >0% Returns 99% 100% 100%

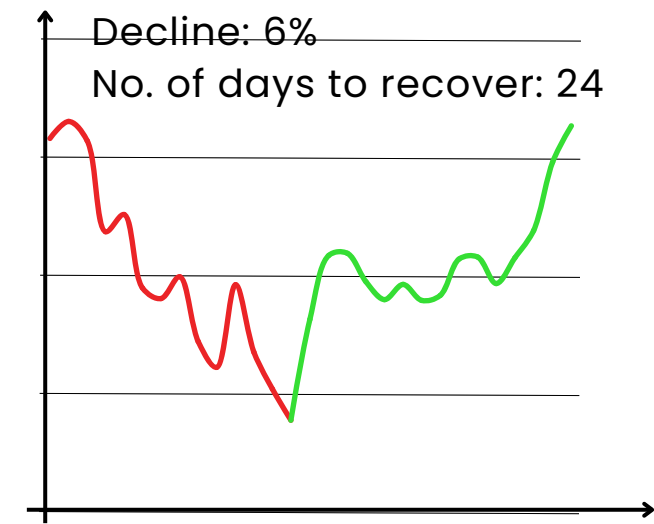
What if Oil at USD 70/100



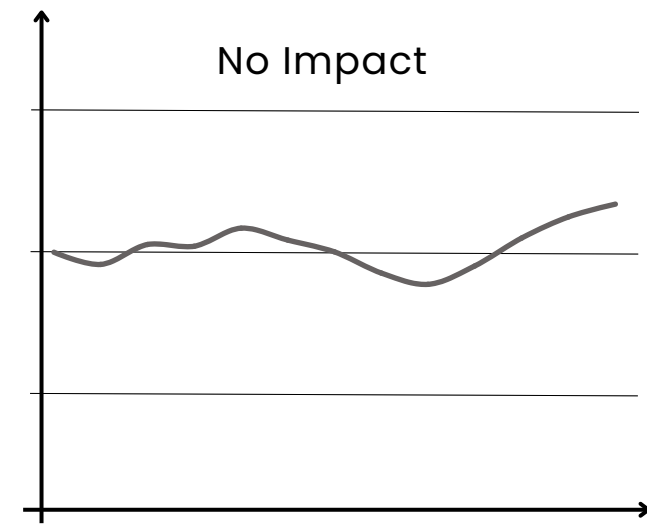
Manageable FD and CAD when compared to past episodes where external imbalances triggered macro instability.

Source: Avendus Spark, AAA Research. FD : Fiscal deficit, CAD: Current account deficit as % of GDP

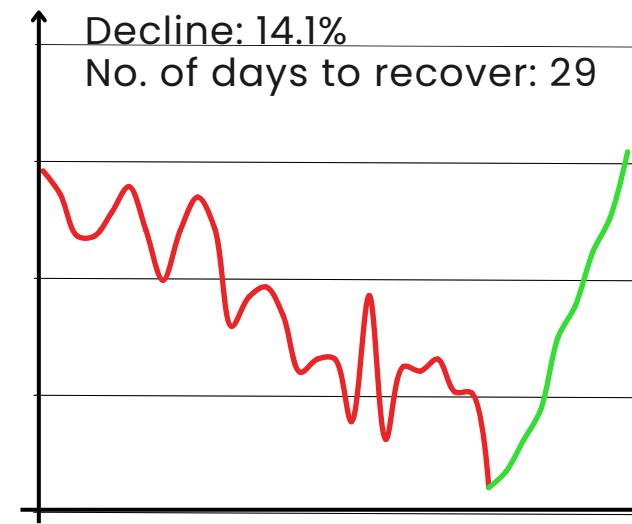
War And It's Impact On Market



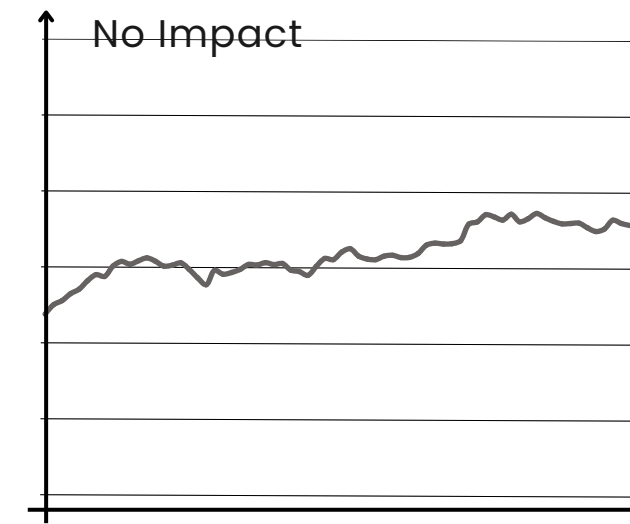
APR 1986 LIBYA BOMBING



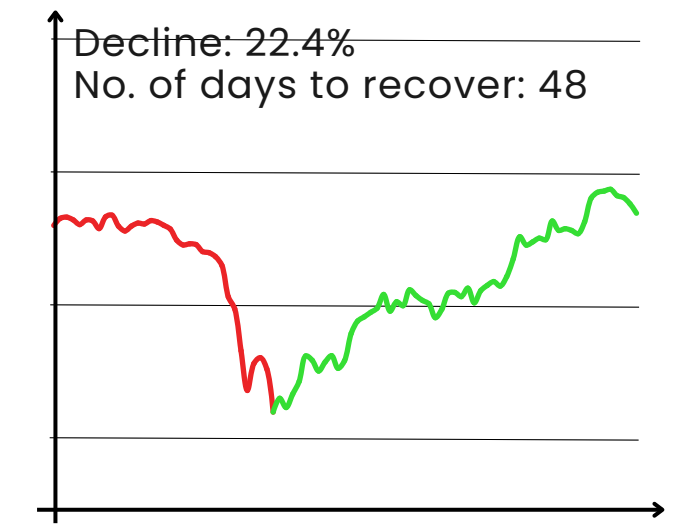
JAN 1991 FIRST GULF WAR



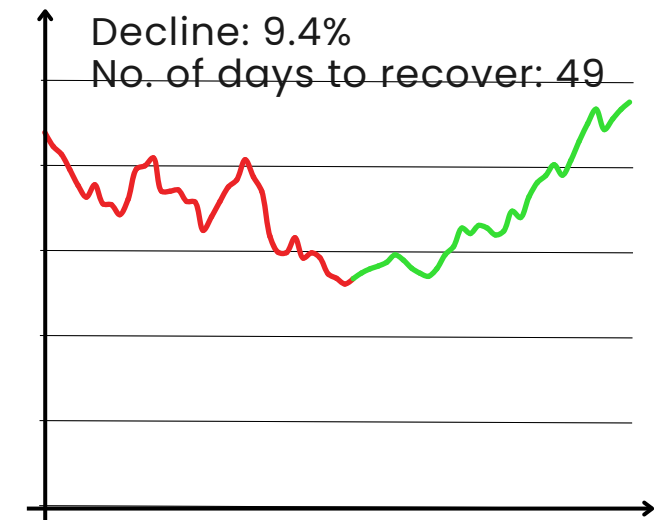
MAR 1999 KOSOVO BOMBING



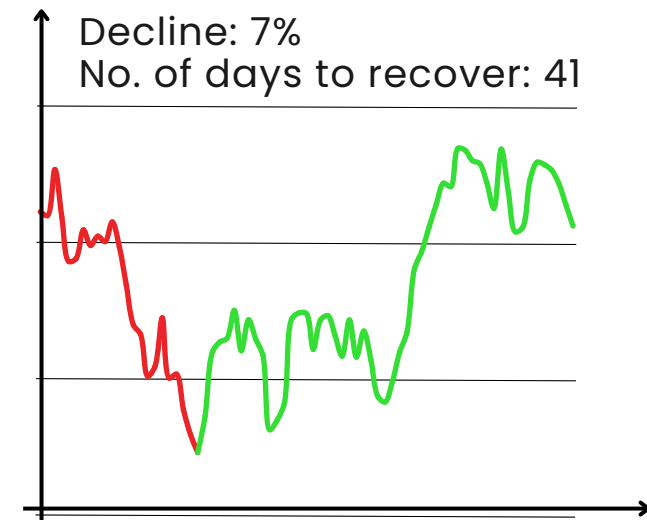
MAY 1999 KARGIL WAR



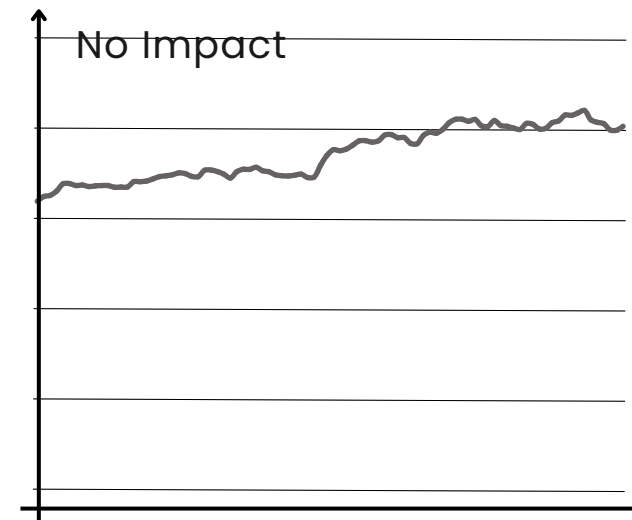
SEPT 2001 9/11 ATTACK



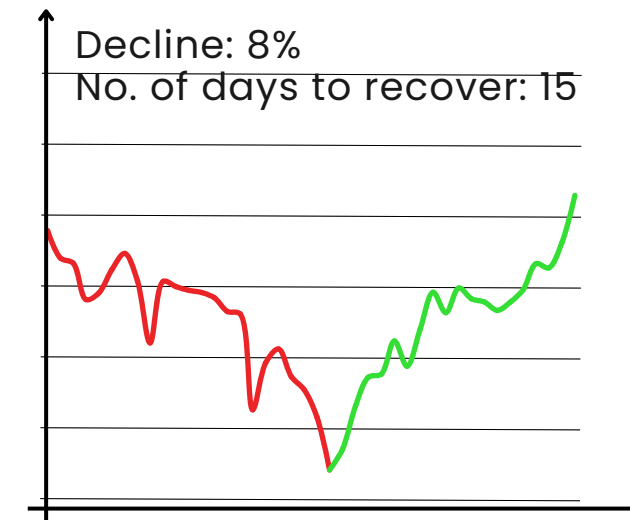
MAR 2003 IRAQ WAR



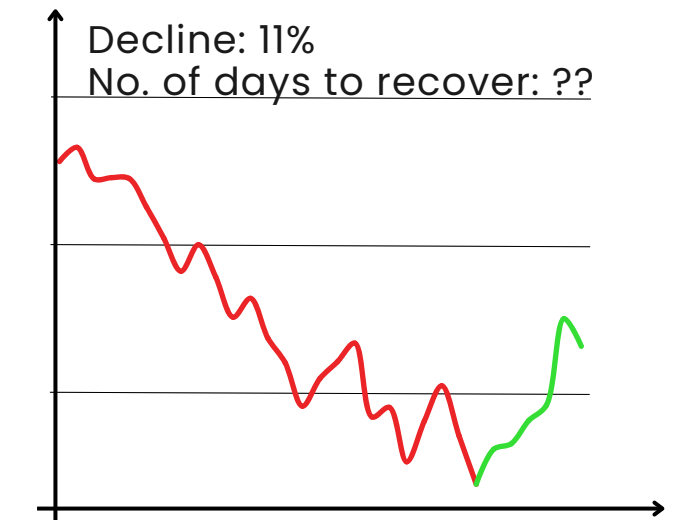
JAN 2011 ARAB SPRING



MAR 2014 SYRIA CONFLICT



FEB 2022 RUSSIA UKRAINE WAR



FEB 2026 IRAN USA WAR

The average drawdown during a war is 10% (22.4% max), and it took 38 days (49 days max) on average to recover.

Source: AAA Research, Ace Equity. Data is for Sensex 30.

Navigating this crisis

The Oil Shock: What It Means For India

- A temporary oil shock is fundamentally different from a structural one. Unlike earlier stress episodes, India is entering this phase with significantly stronger macro shock absorbers.
- Public capex has scaled up meaningfully at both the Centre and state levels, reinforcing domestic growth momentum.
- India has a far greater ability to absorb short term commodity volatility without allowing it to evolve into a broader macro disruption something that differentiates the current phase from past crises.

What if the oil prices remains high for a longer period

- In a stress scenario where oil sustains at USD 100/bbl through FY27, CAD could expand to ~2.3% of GDP which would still be within a manageable CAD range.

Will FII selling continue

- P/E multiples is now approaching multi year support zones, levels that have historically marked important inflection points for India's relative outperformance.

Valuation Linked Return Framework – What History Tells Us

- The message from history is clear: current valuations offer a favourable entry point.

Navigating this crisis

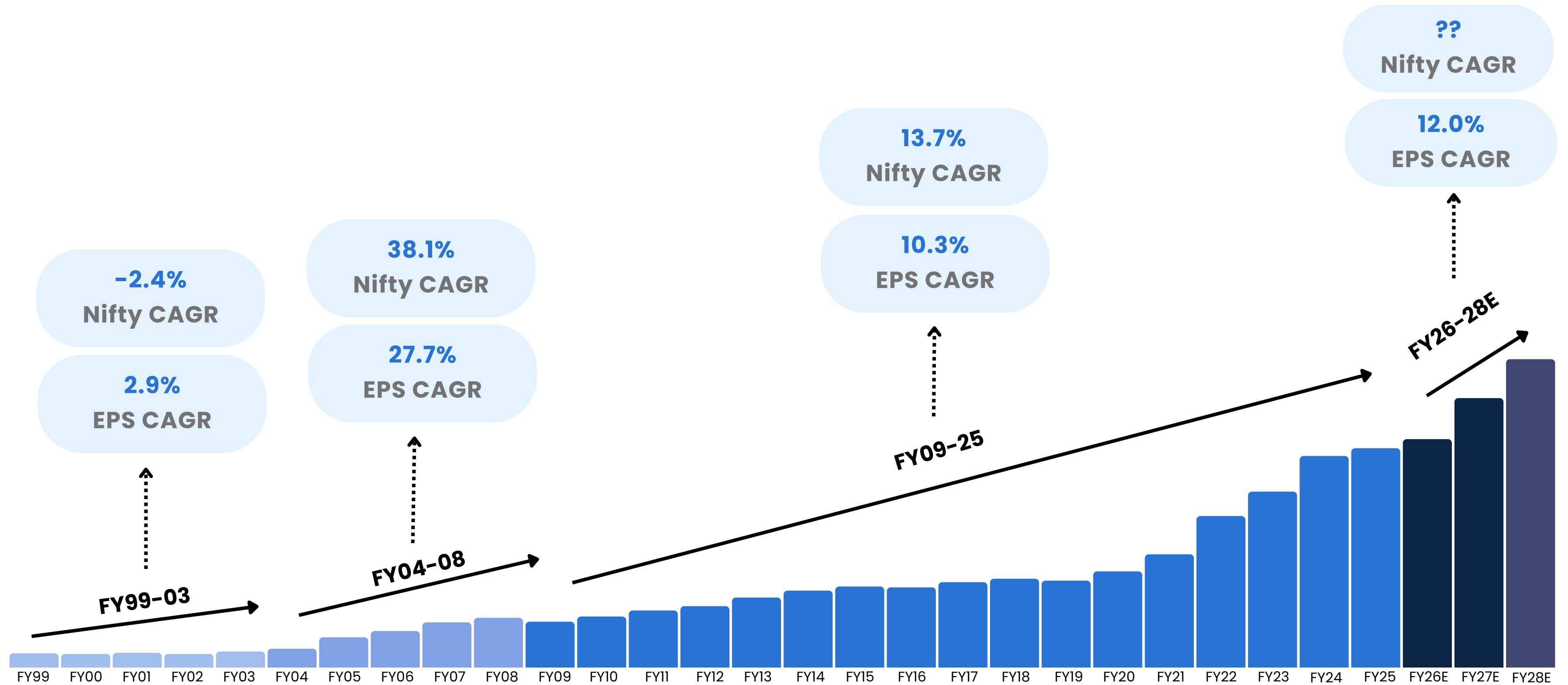
How We Are Navigating This Phase

- Emphasis on resilience based on our 3M (Market Size, Market Share, Margin of Safety) approach.
- Focus on businesses which enjoys market leadership, strong balance sheet and robust cash flows which are better positioned to navigate external shocks.
- Our approach remains anchored in what we describe as QuAgile investing: combining quality with agility.

Sectoral Preferences

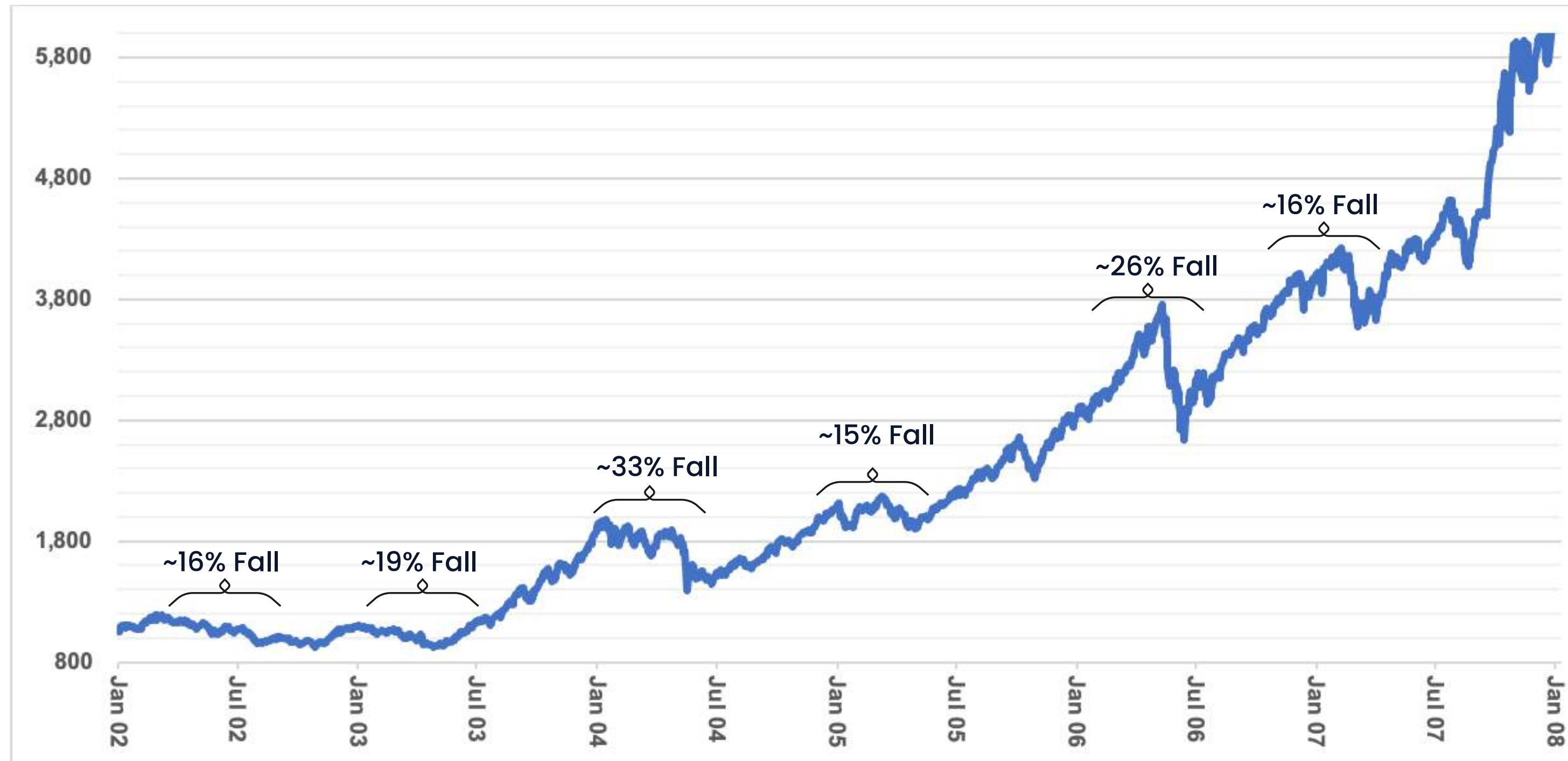
- **Zero exposure to Oil marketing companies (OMCs) and aviation are among the most impacted sectors in a rising crude price scenario.**
- Positive on Automobiles and auto ancillaries, Consumption oriented businesses, Banking and financials, Capital goods and Select Hospitals.

Market Valuations



Source: AAA Research, Kotak.

Corrections are a part of equities



Nifty was up by 5x during this period despite six market corrections of 15%+

Strategic Partnerships

Depository Participants



Custodian & Fund Accountant



Awards & Recognition



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[Schedule a Call](#)

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