

IKIGAI
Asset Manager
Trust. Process. Performance.

MARKET OUTLOOK

November 2026

Strictly Private and Confidential. Not for Circulation

Section 1:

Global Markets



Strictly Private and Confidential. Not for Circulation

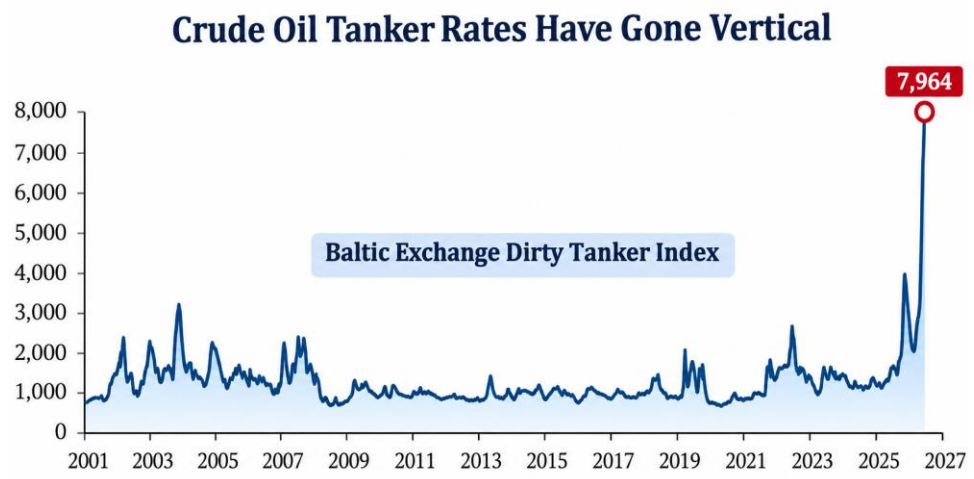
IKIGAI
Asset Manager
Trust. Process. Performance.

West Asia crisis drags into its 8th month

Donald J. Trump
@realDonaldTrump

We are having productive discussions with the Islamic Republic of Iran. I want to make it clear to everybody that, while Iran is in very bad condition, both Economically and Militarily, and while the Blockade will remain in full force and effect, with Oil flowing in Record Numbers of Barrels through the Hormuz Strait (22 Million Barrels, last night alone, with not one barrel coming from, or going to, Iran!), we will not be attacking Iran at any time prior to the Midterm Elections to be held in the United States on November 3rd. IRAN WILL NOT HAVE A NUCLEAR WEAPON!
President DONALD J. TRUMP

311 ReTruths 1k Likes Oct 08, 2026, 9:47 PM



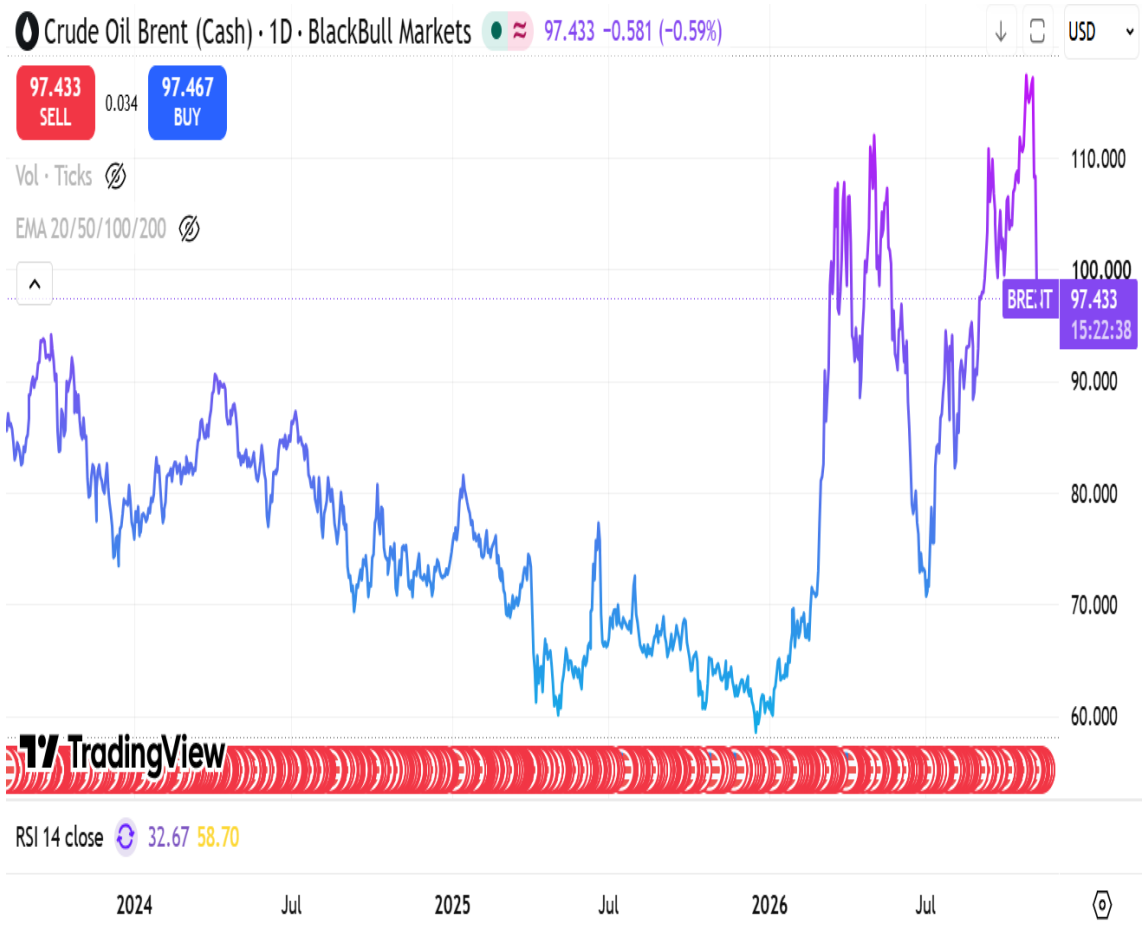


Source: Truth Social, News Articles, Bloomberg

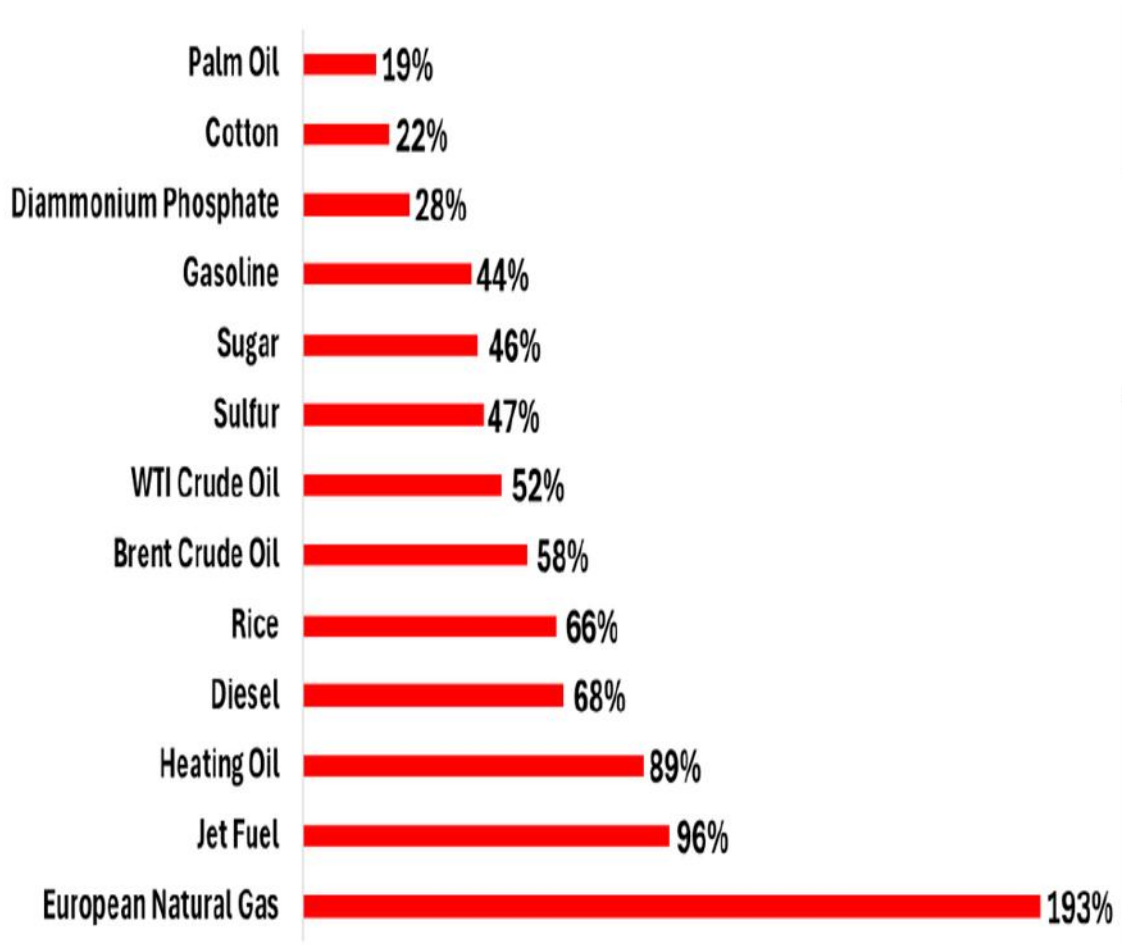
Strictly Private and Confidential. Not for Circulation

Conflict without clarity continues to push commodity prices higher

Brent crude, USD/bbl - peaked at $120 now below $100



Price increases since start of Iran War

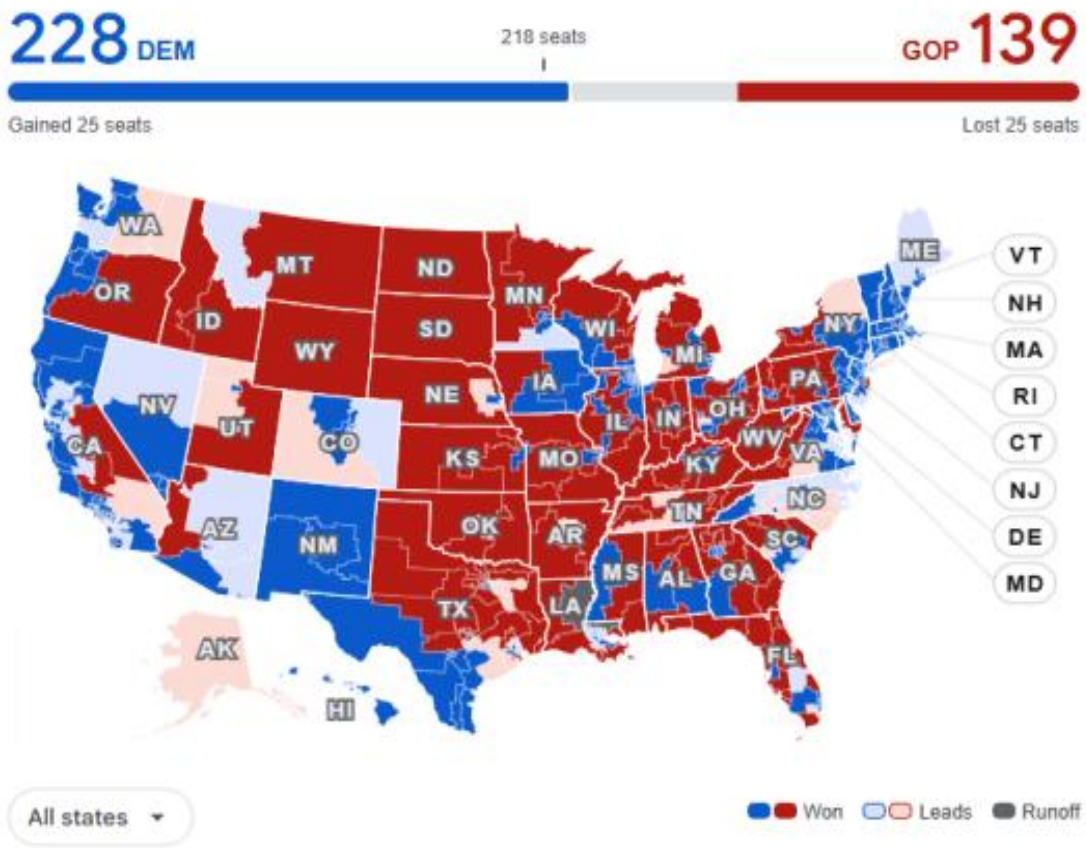


Source: Tradingview, Billelo

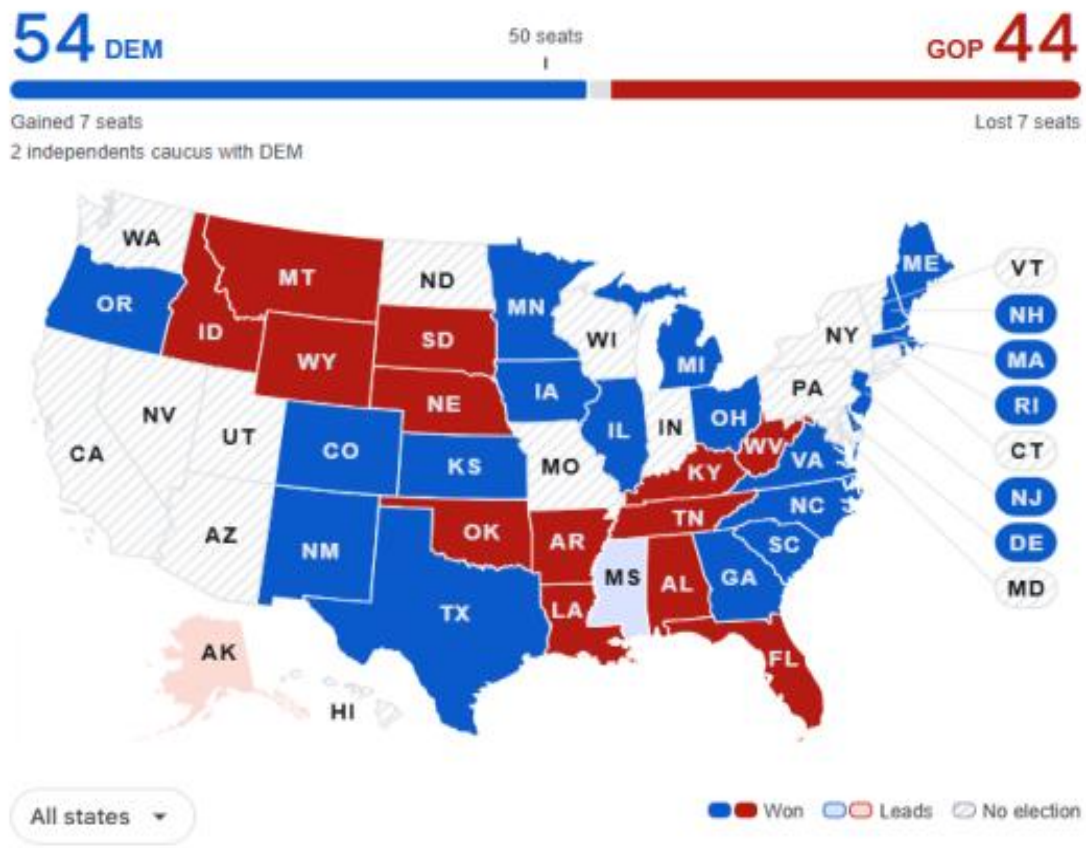
Strictly Private and Confidential. Not for Circulation

Democrats sweep both the chambers in the US midterm elections

US House Results



US Senate Results

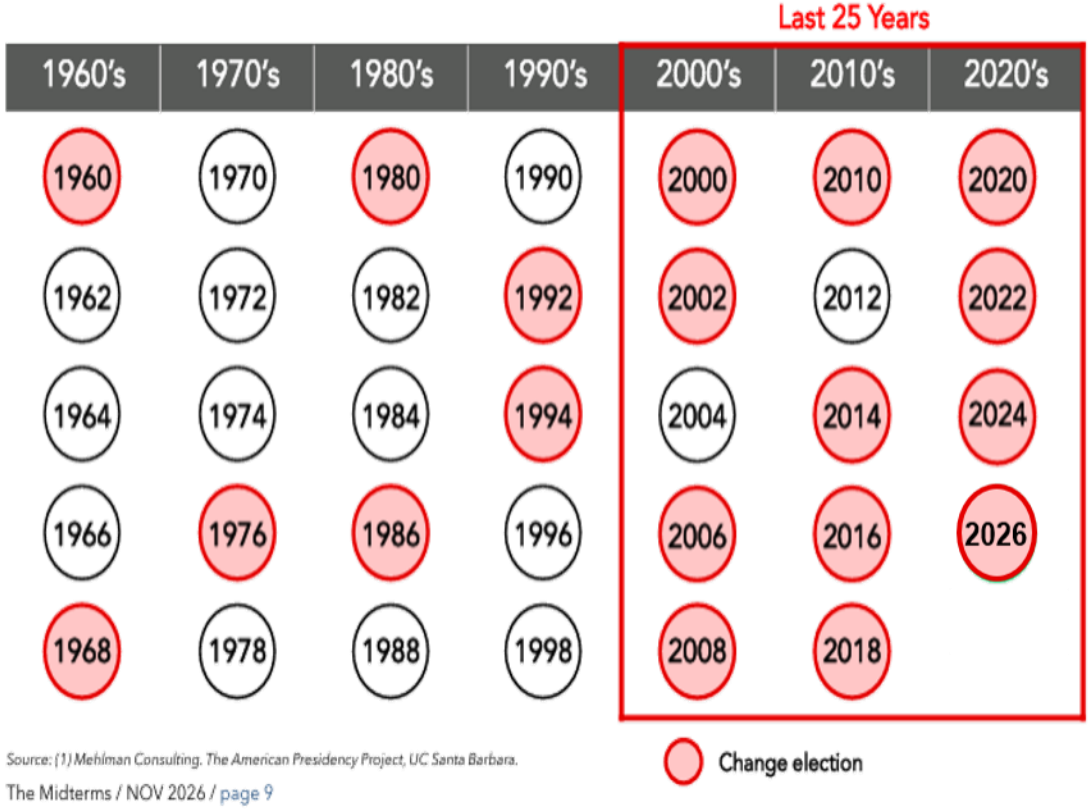


Source: JM Financial

Strictly Private and Confidential. Not for Circulation

Once again history has been proved correct that US midterm elections has been unfavourable for incumbent

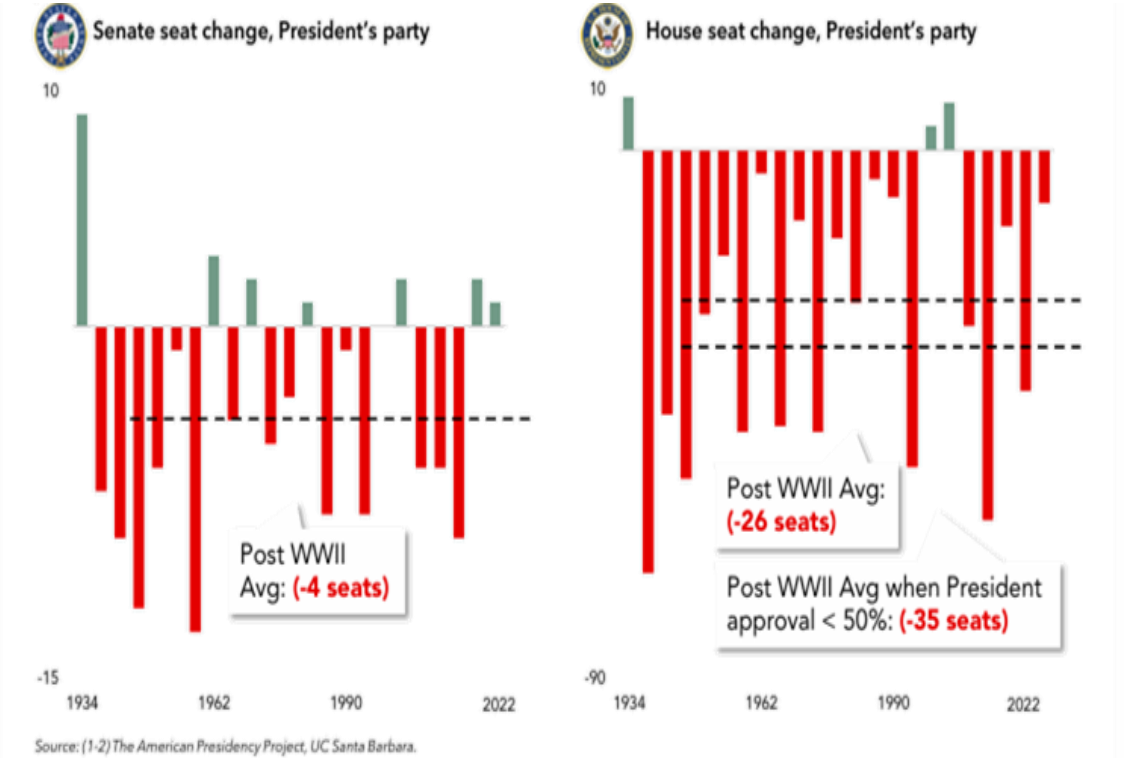
Change Elections – the New Normal in US



Source: (1) Mehlman Consulting. The American Presidency Project, UC Santa Barbara.

The Midterms / NOV 2026 / page 9

Public trust in US Govt has been declining



Source: (1-2) The American Presidency Project, UC Santa Barbara.

Source: Mehlman Consulting, Pew Research Center

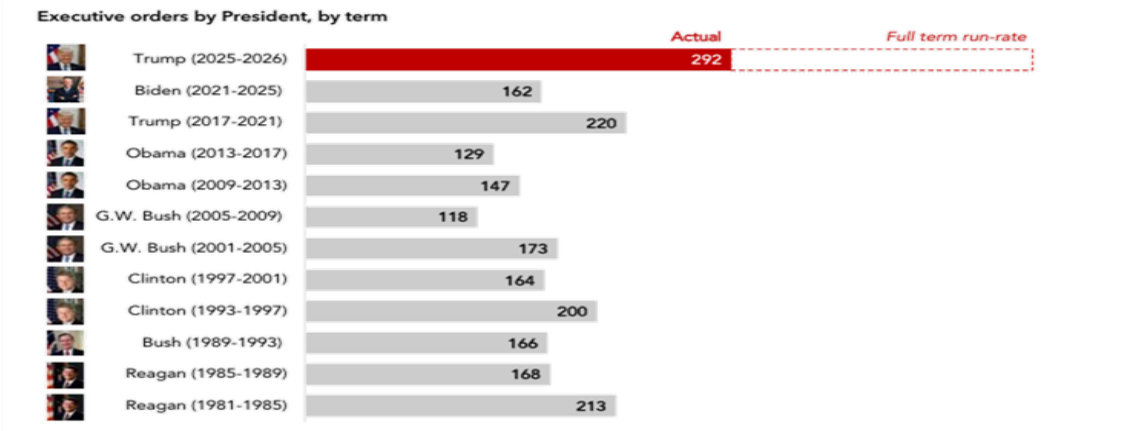
Strictly Private and Confidential. Not for Circulation

Loss for Republicans due to US economic turmoil led by Iran-war

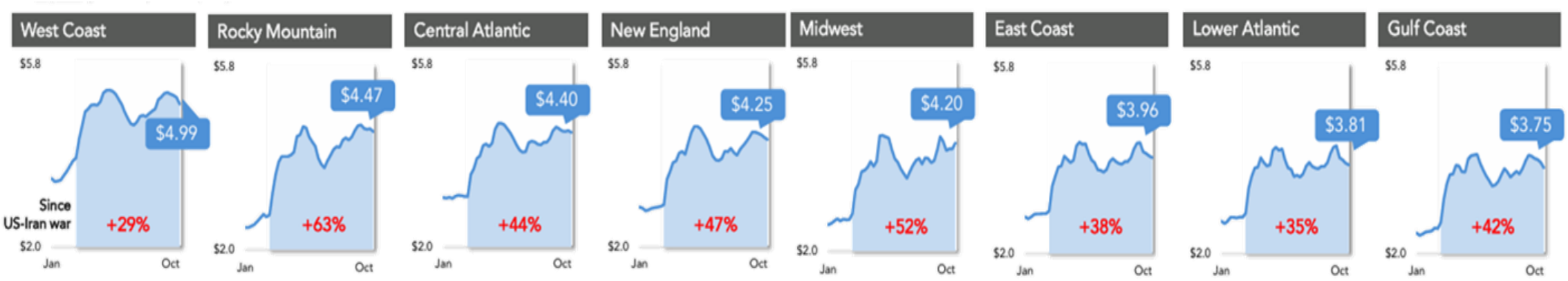
Headline US inflation outpacing wage growth



President Trump turning to Executive Orders



Rising US Gas prices by region



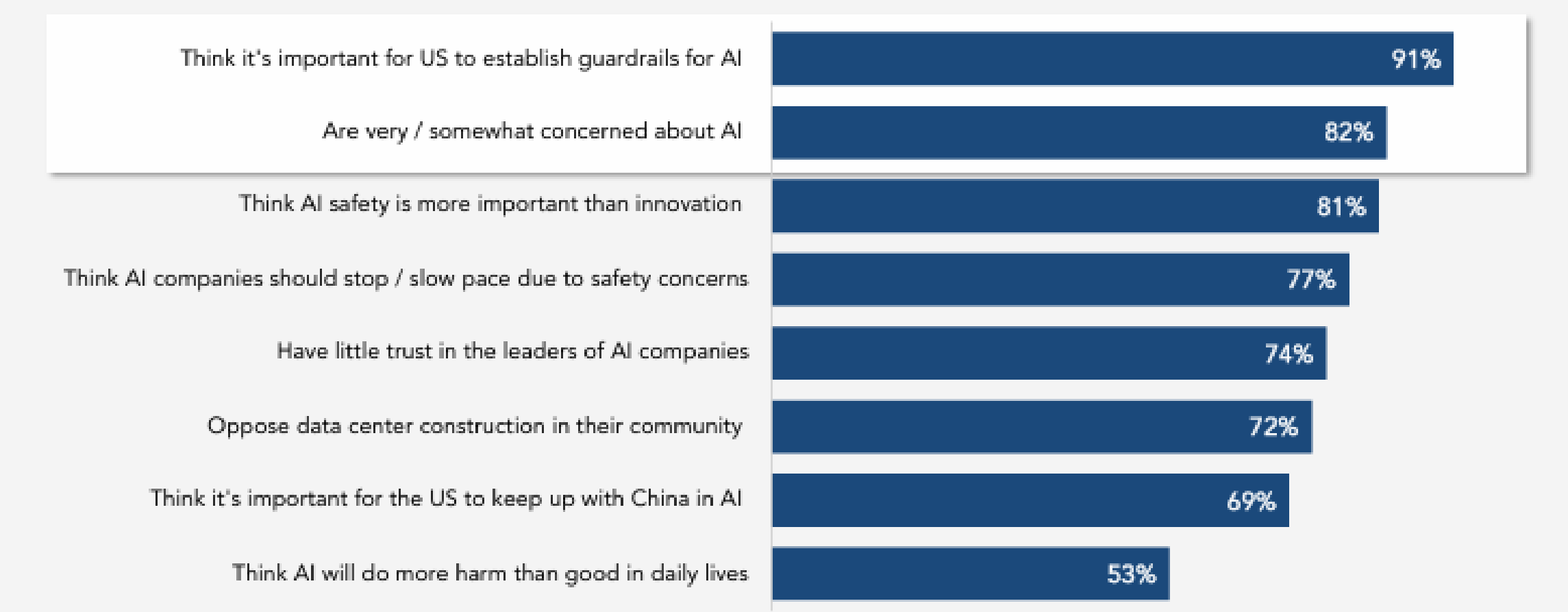
Source: Quinnipiac University

Strictly Private and Confidential. Not for Circulation

AI is emerging as a more prominent issue in the US midterm elections. Will Democrats formulate AI policies which might stall growth?

IKIGAI Asset Manager
Trust. Process. Performance.

Percentage of respondents

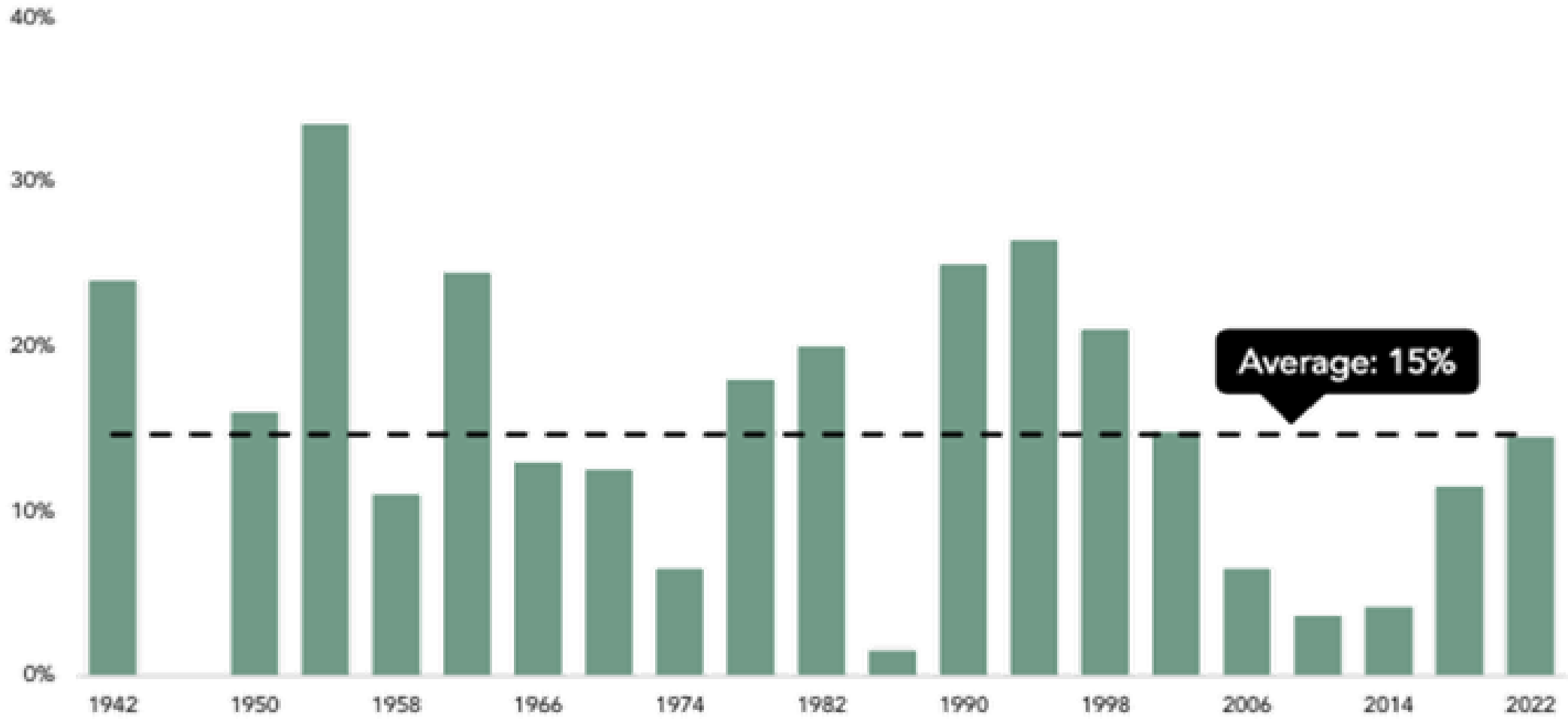


Source: Quinnipiac University

Strictly Private and Confidential. Not for Circulation

Post US Midterm elections the next 12 months has been positive for US equities

S&P 500 1Y performance after midterm elections



Source: The Midterms

Strictly Private and Confidential. Not for Circulation

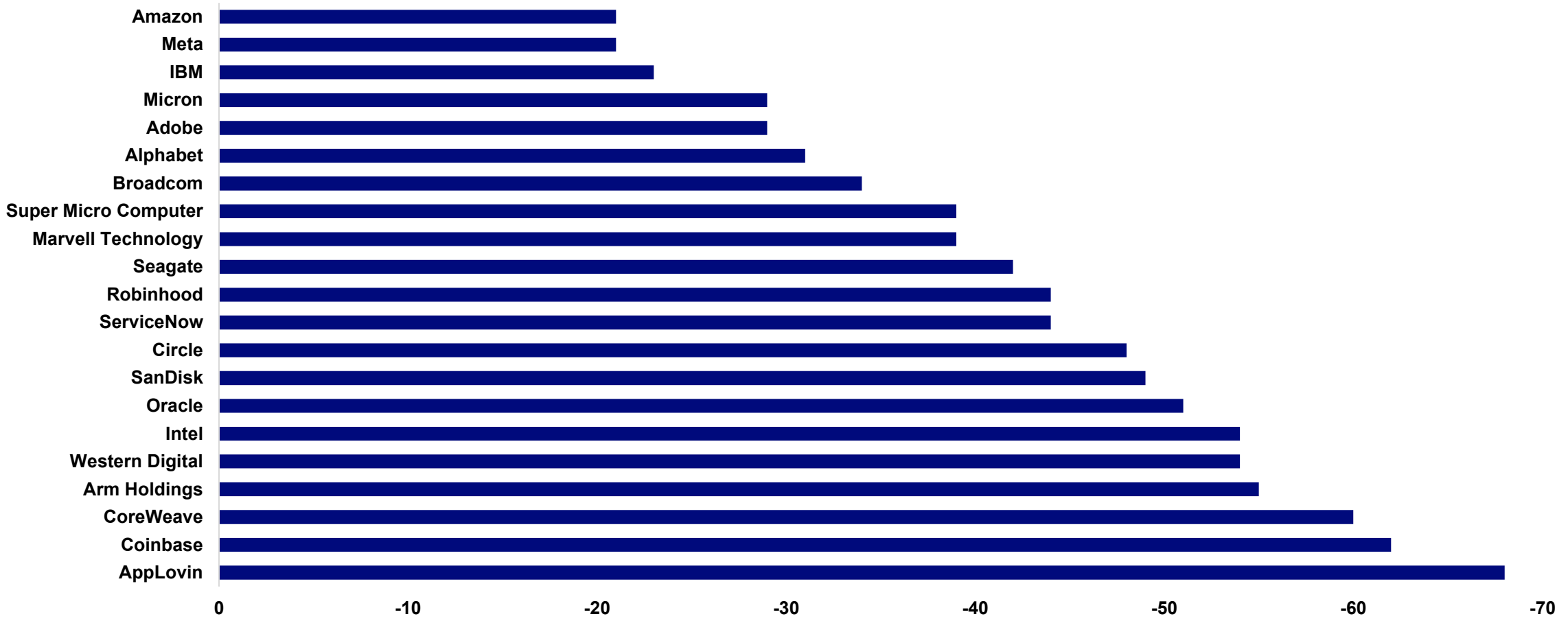
Is the AI bubble showing first signs of a crack

TECH • AI • BUBBLE?

Strictly Private and Confidential. Not for Circulation

AI stocks have already started correcting

Correction in tech stocks from recent highs (%)



Source: The Kobeissi Letter

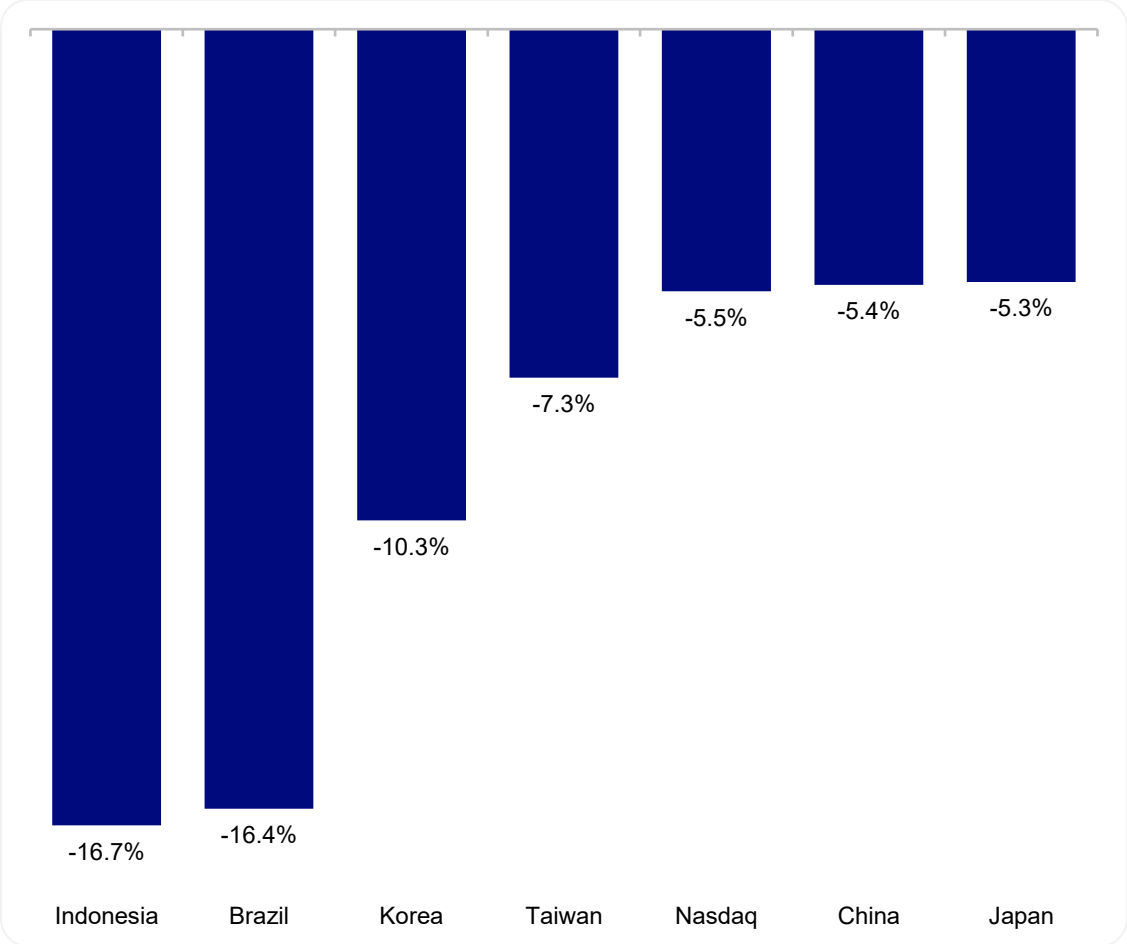
Strictly Private and Confidential. Not for Circulation

Nasdaq erased $5tn of mkt cap in 1M period

NASDAQ showing initial signs of a top



Performance of indices globally in October 2026



Source: TradingView

Strictly Private and Confidential. Not for Circulation

Nasdaq is positively correlated with Liquidity – which has started to slow down since Mar'26

Liquidity leads Nasdaq 100

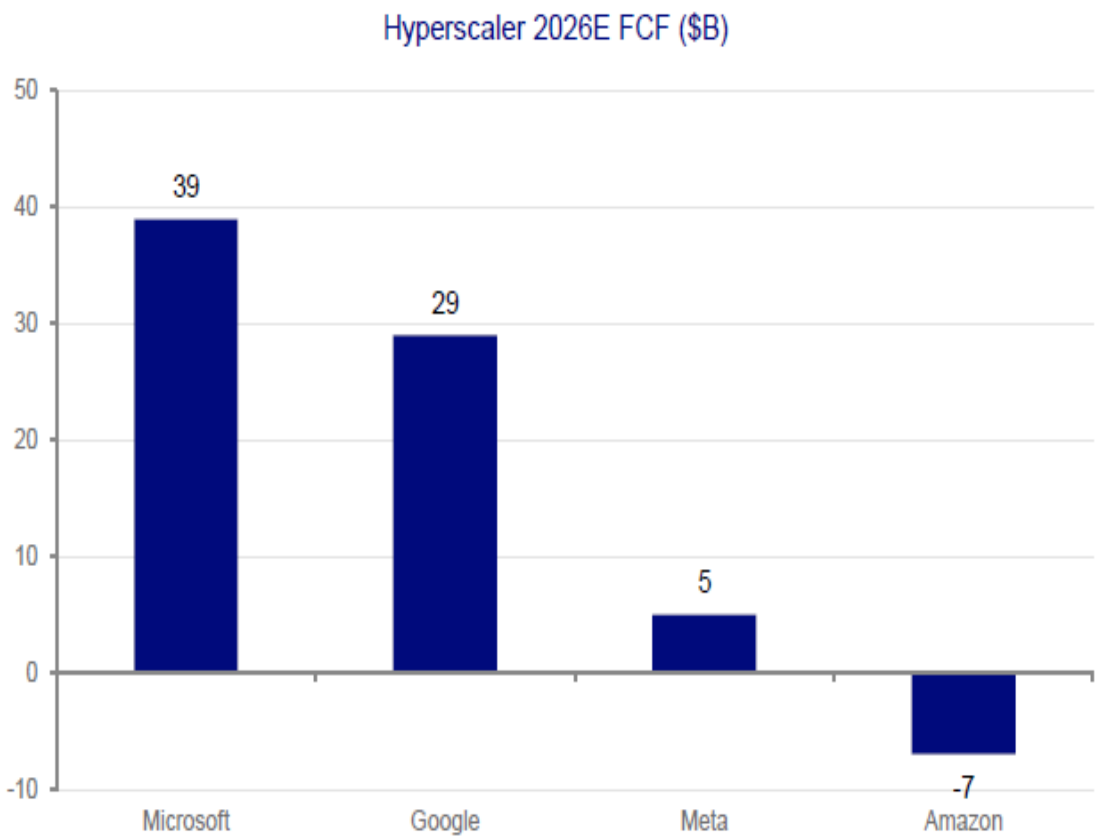


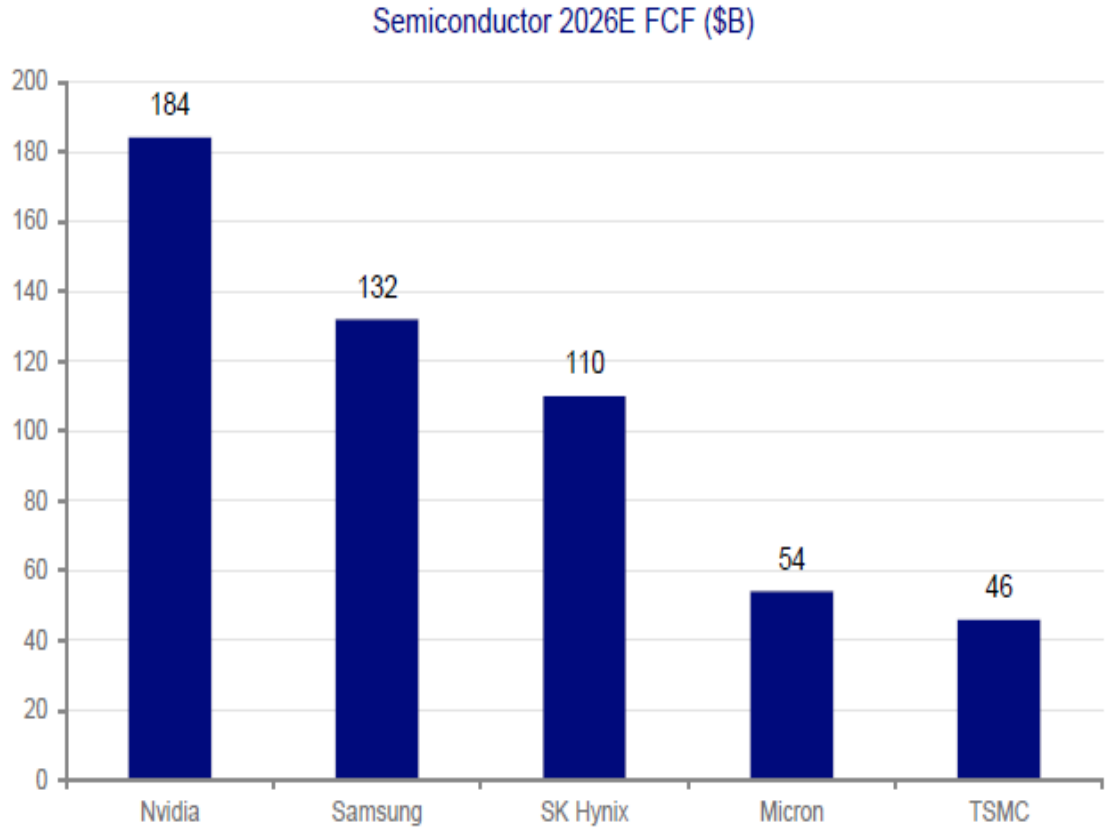
Source: Global Macro Investor, FRED, TradingView

Strictly Private and Confidential. Not for Circulation

Investors focusing on cashflows of hyperscalers which have been slowing down or turning negative

2026E free cash flow: Hyperscaler capex is exploding while their own FCF gets Squeezed and chip/memory makers are gaining

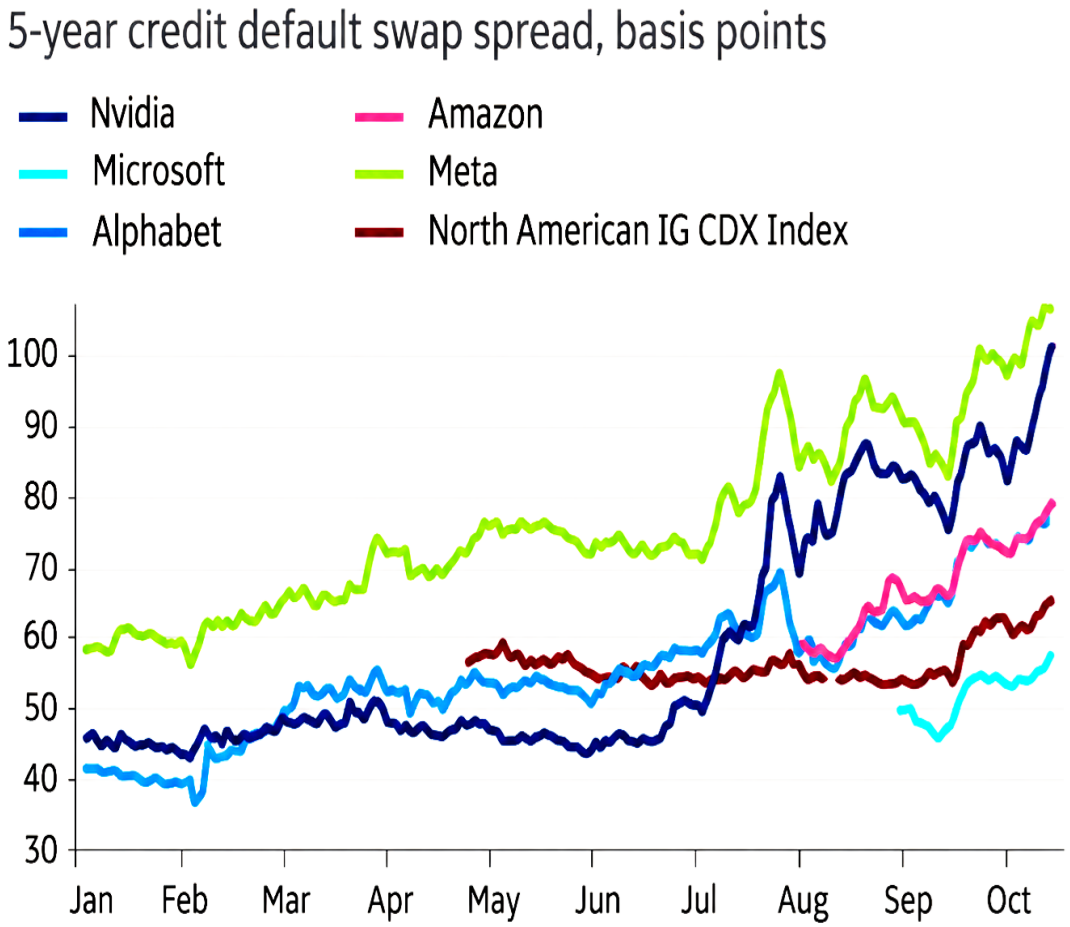




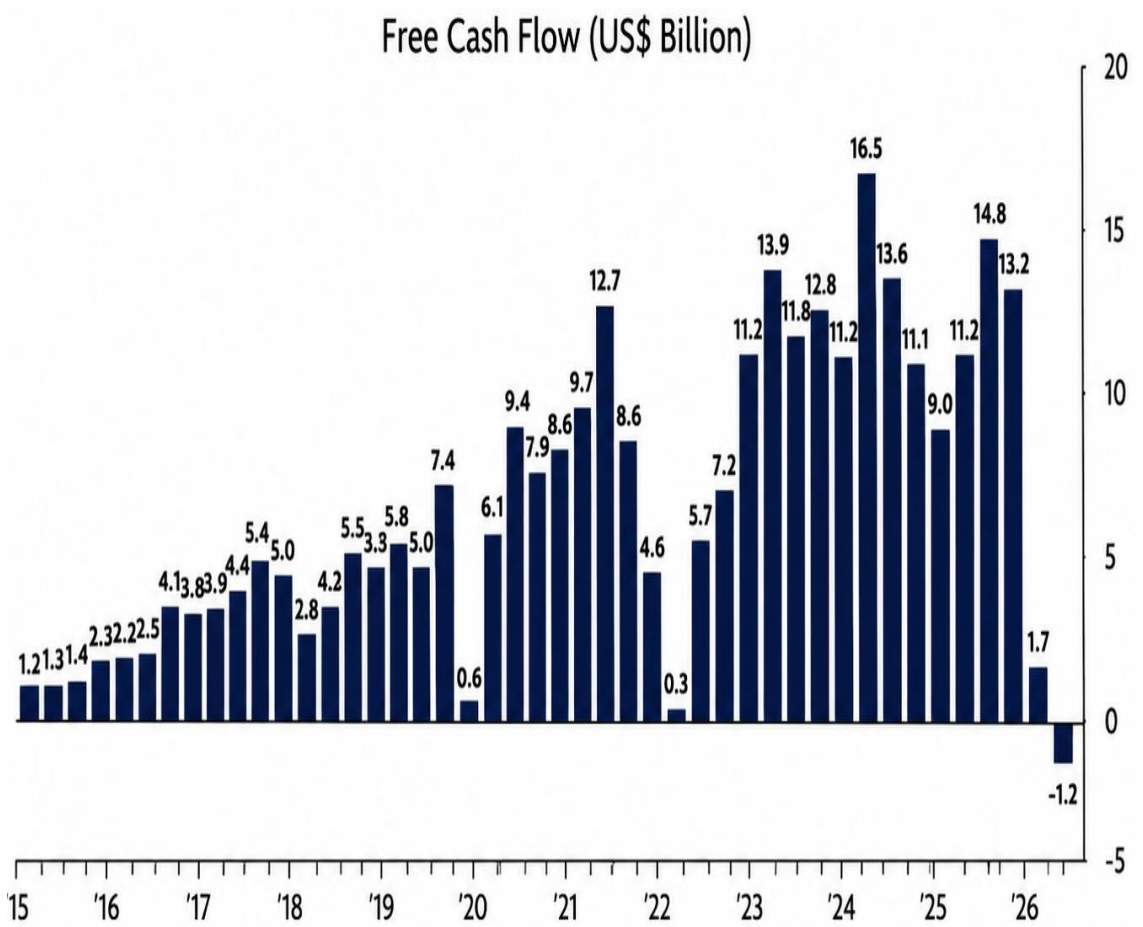
Source: CLSA

Credit markets are now pricing higher risk on AI names

Cost of hedging hyperscaler default hits fresh highs



Meta upsizes equity offering to ~$98bn as FCF turns –ve for 1st time

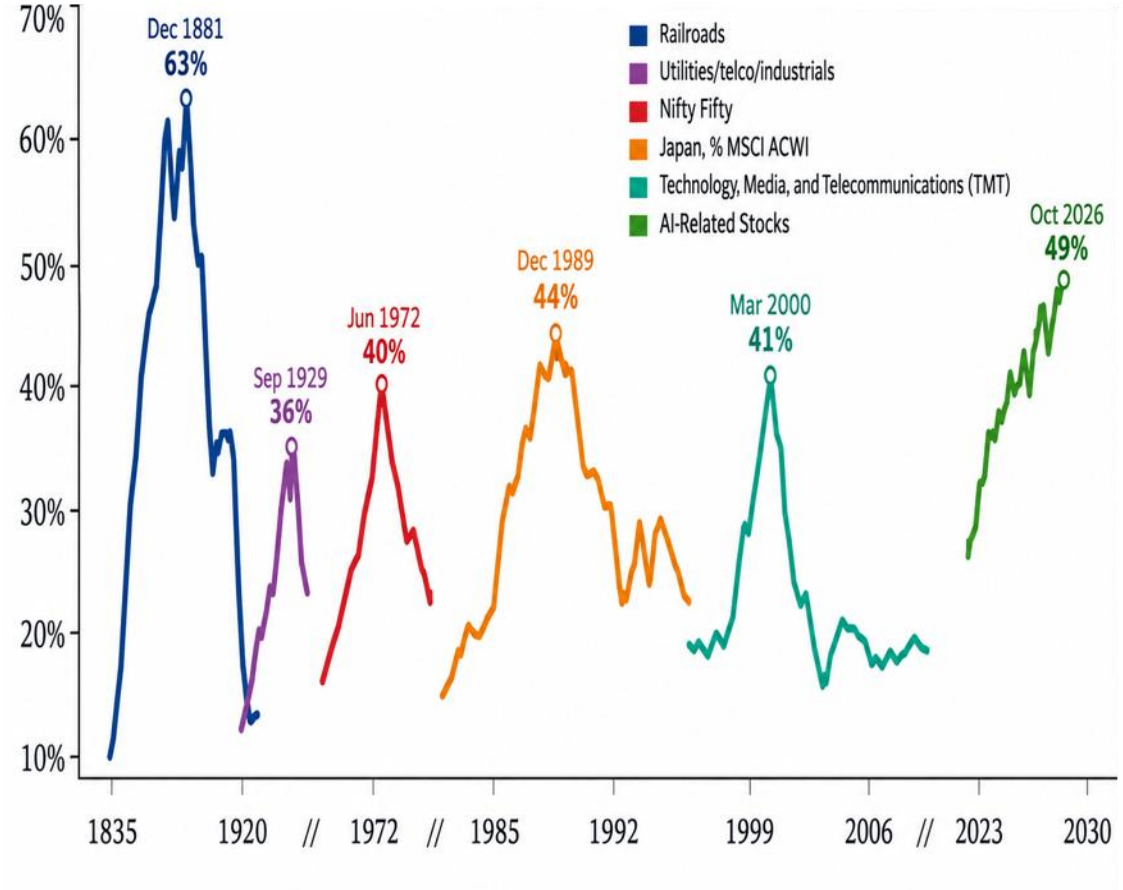


Source: Charlie Bilello, CLSA

Strictly Private and Confidential. Not for Circulation

AI related stocks at 49% of the S&P 500, above every bubble peak except railroads

Concentration in historic bubbles



The top 5 in S&P 500 now equal the bottom 434 (market cap)



Source: CLSA

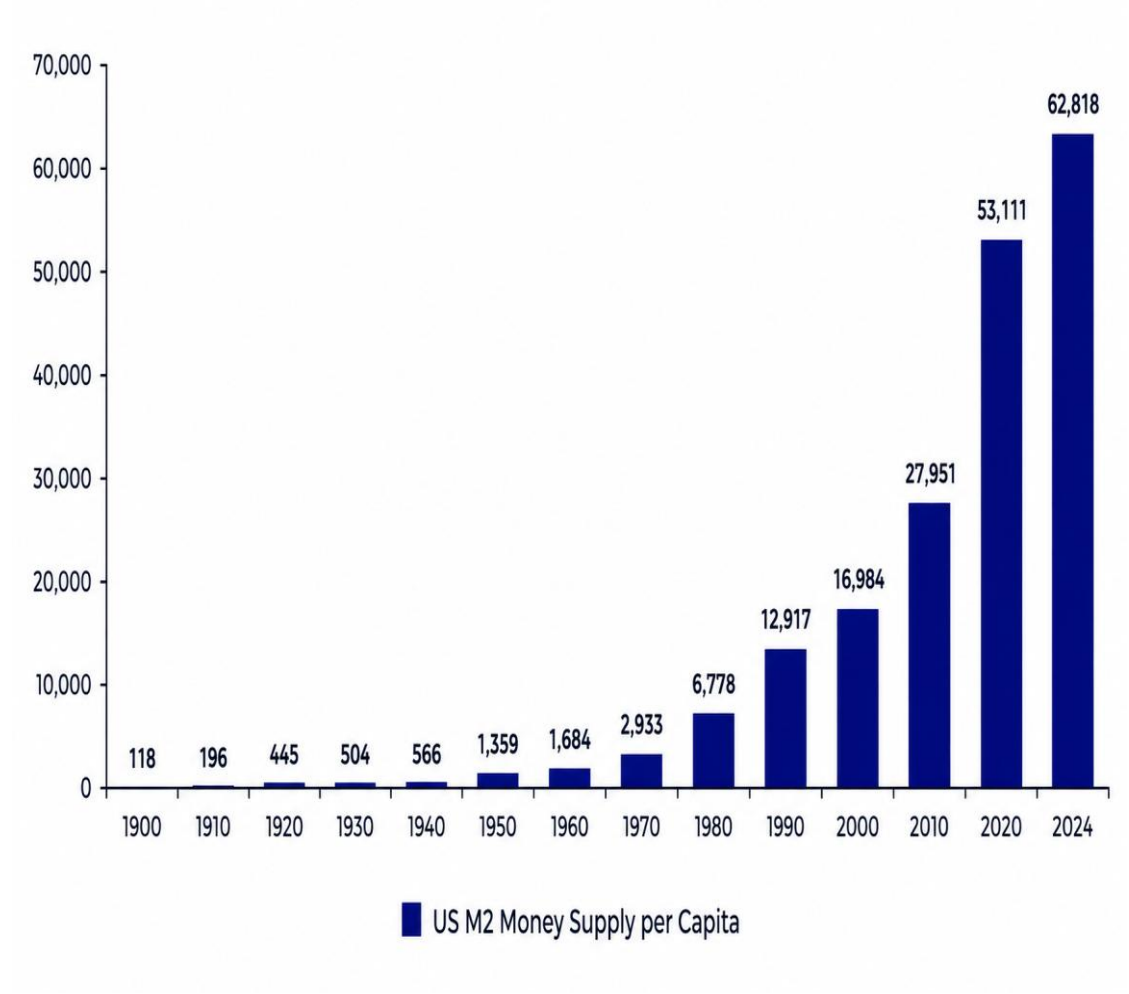
Strictly Private and Confidential. Not for Circulation

Debt, Dollar Debasement and Cost of Capital

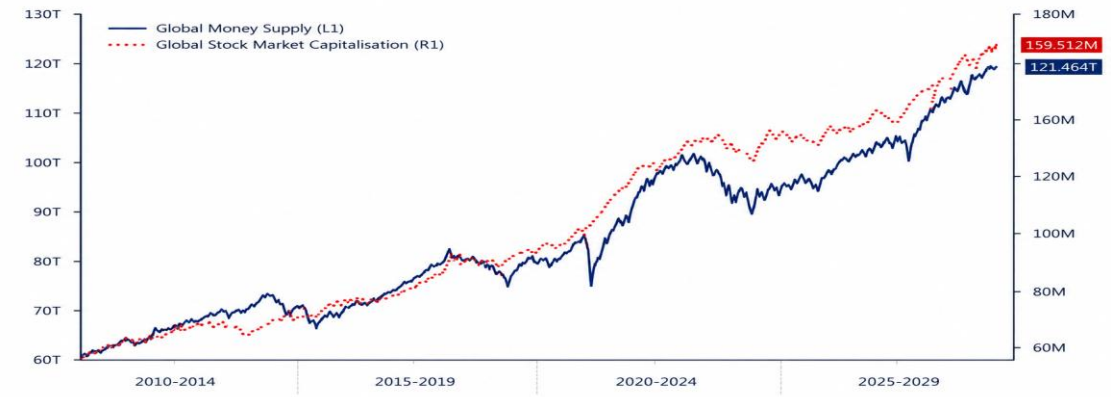
Strictly Private and Confidential. Not for Circulation

Dollar debasement is now the base case and not a tail risk

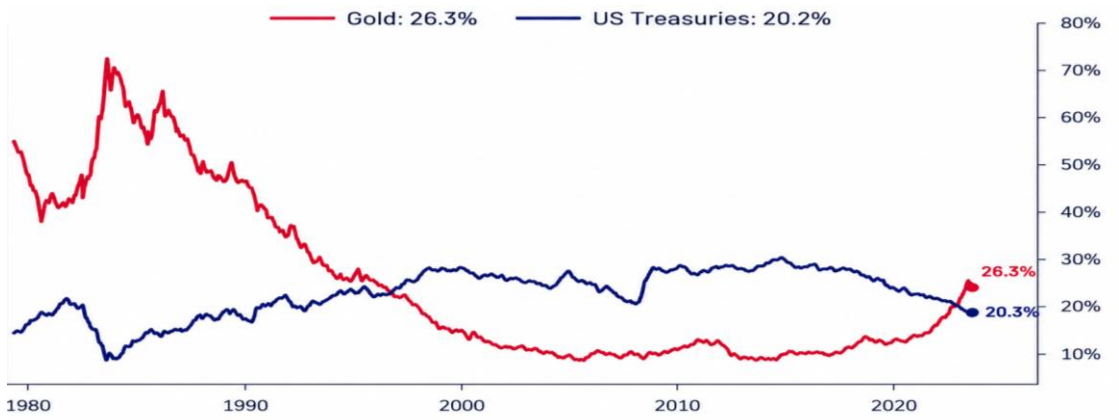
540x increase in per capita money supply since 1900



As money supply grows, so do equities - $121.9tn and counting



Gold has overtaken US Treasuries as the world's top reserve asset

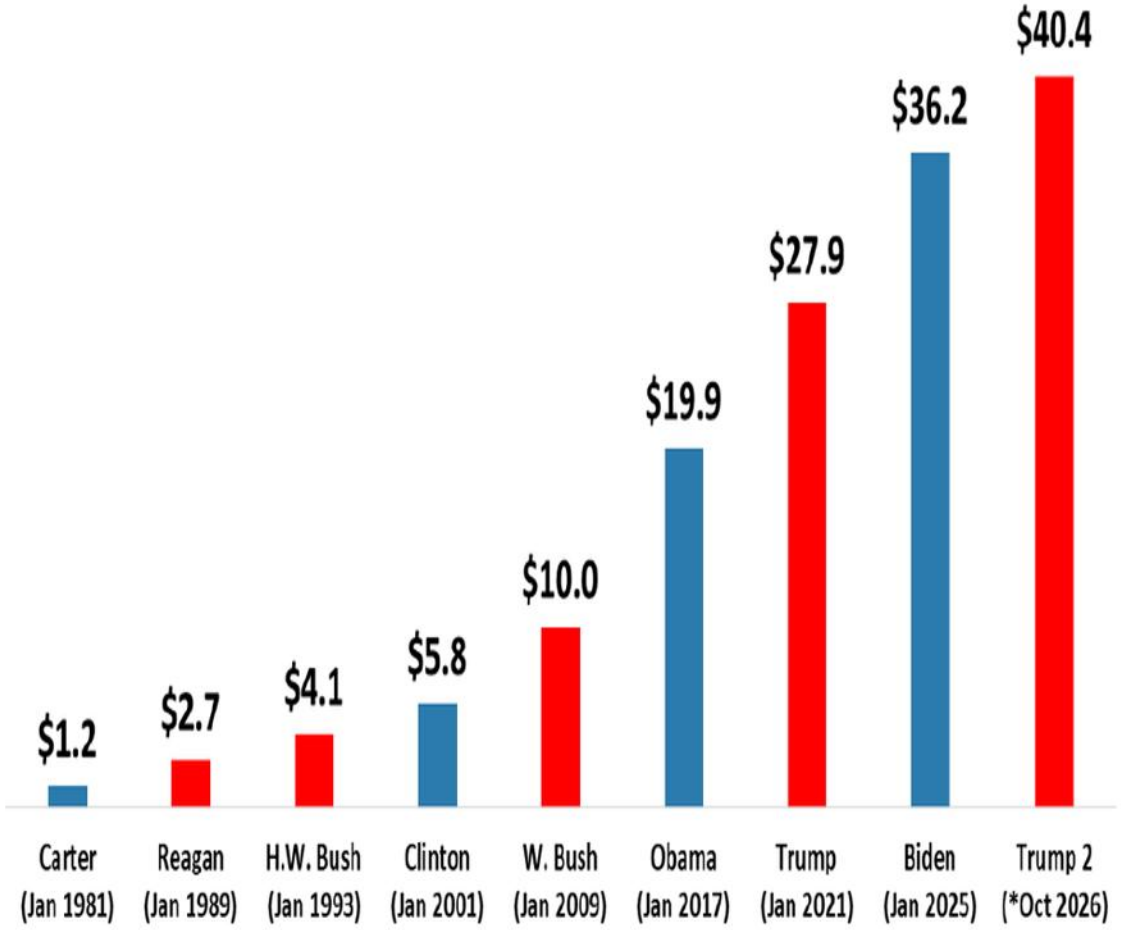


Source: CLSA

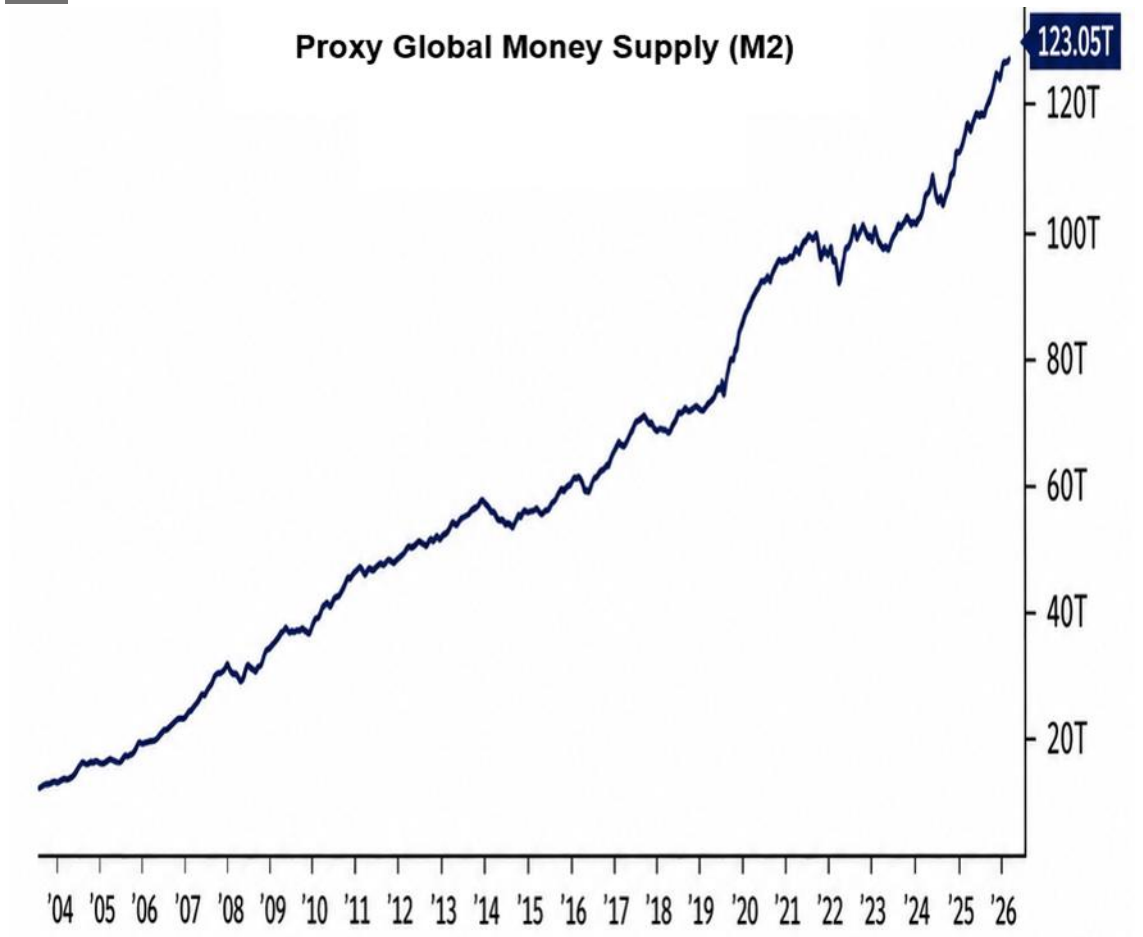
Strictly Private and Confidential. Not for Circulation

US national debt rising by $1Tn every 180 days – crosses $40Tn

US national debt by presidency



Melting money: global money supply at ~$123tn

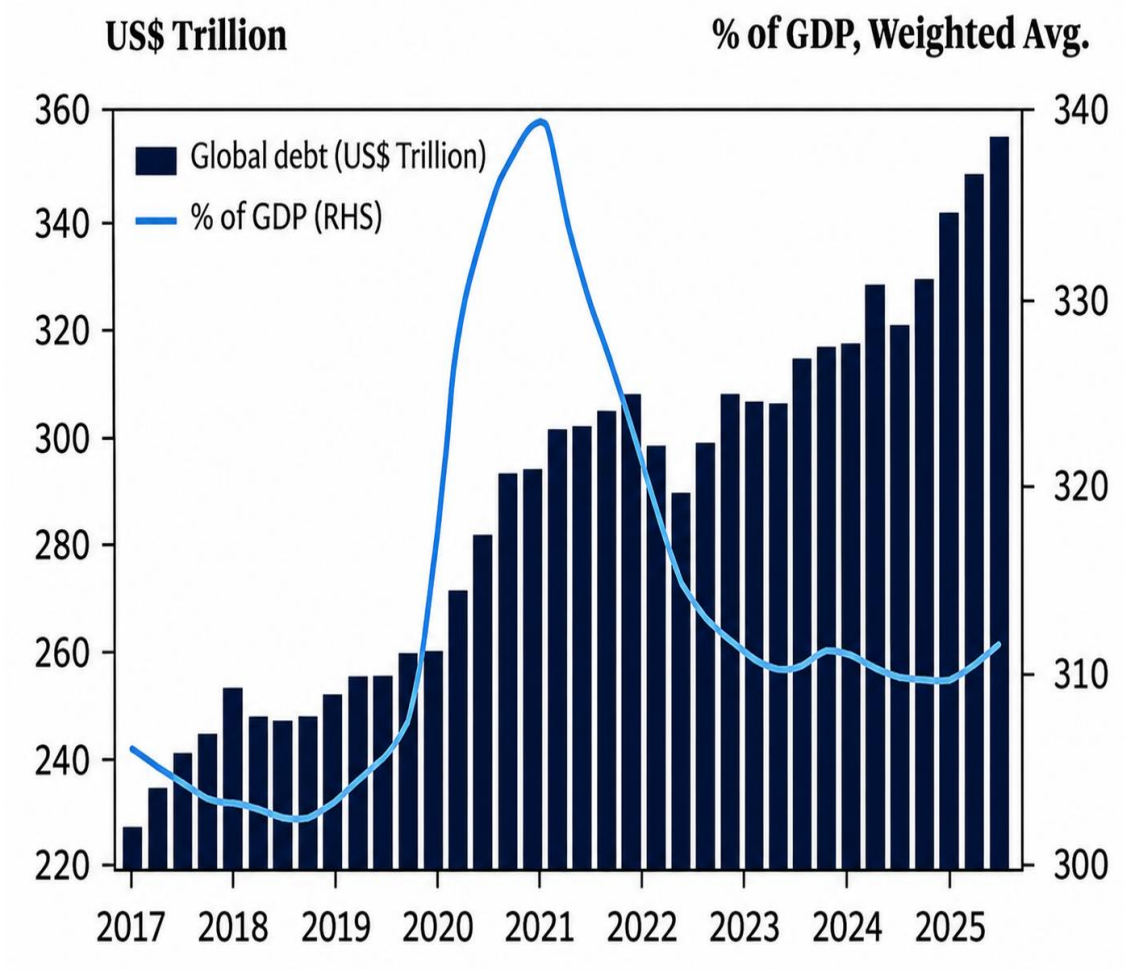


Source: Charlie Bilello, CLSA

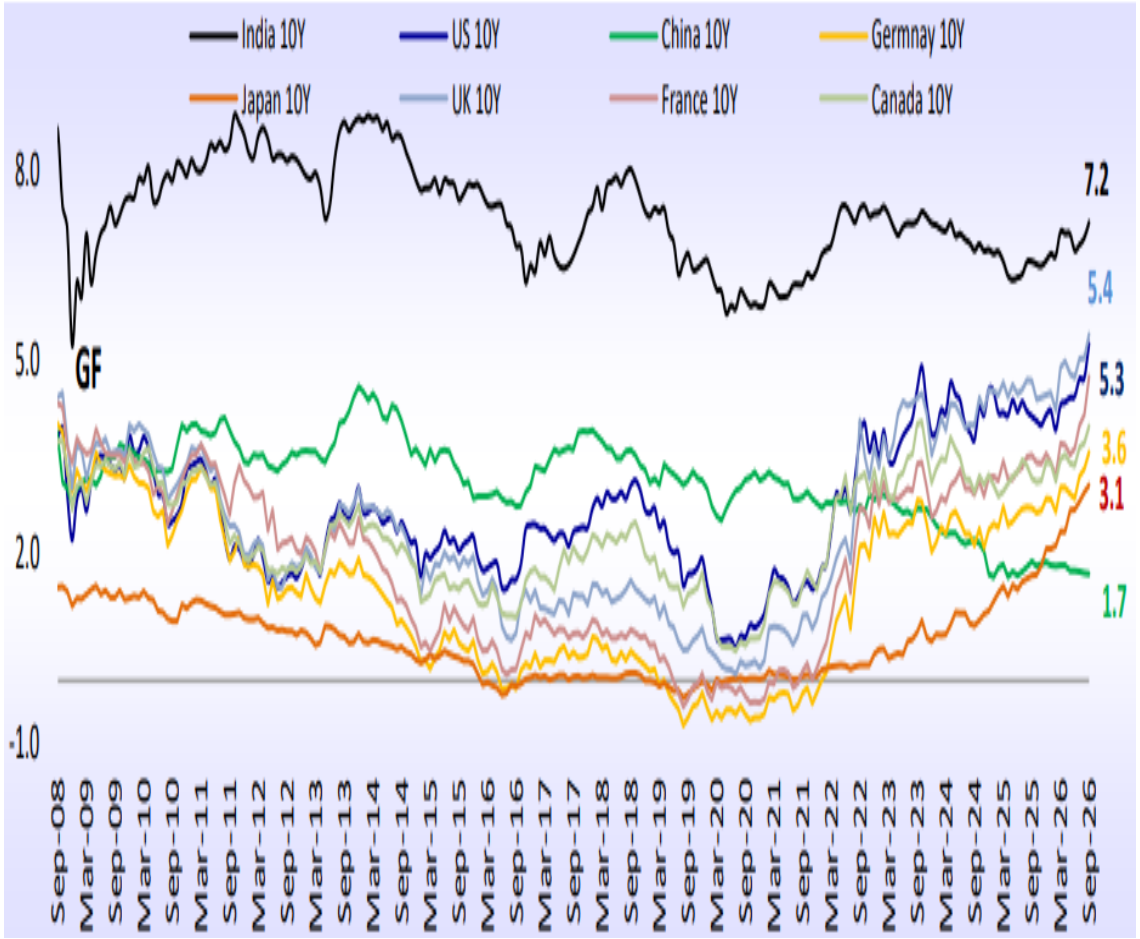
Strictly Private and Confidential. Not for Circulation

Record global debt, and yields the highest since 2002

Global debt has hit a record again



Global bond yields are surging



Source: CLSA, MOSL

Strictly Private and Confidential. Not for Circulation

It may no longer be “just the Fed” or Inflation…what is the bigger picture?

The long end can stay expensive even if the next policy move becomes less hawkish

FRONT END	BELLY	LONG END
Fed Policy	Growth Resilience	Fiscal Deficits
Sticky Inflation	AI Investment	Treasury Supply
Energy Shocks	Corporate Issuance	Term Premium
Cyclical / Policy - Sensitive	Saving - Investment Balance	Structural / Credibility - Sensitive

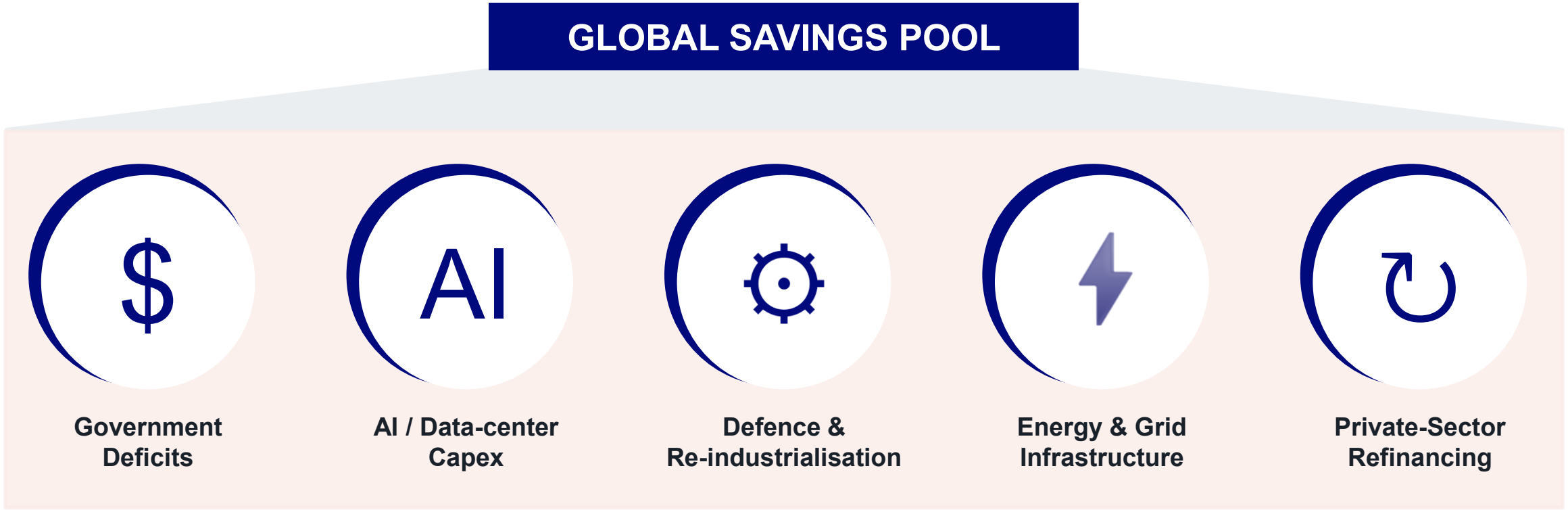
Even if the Fed pauses, the 10Y/30Y need not return to the old regime

Note: Framework synthesised from Goldman Sachs, Russell Investments, Barclays and current market commentary.

Strictly Private and Confidential. Not for Circulation

A new competition for global savings

Government deficits and an investment super-cycle are arriving at the same time.



Goldman: AI investment financing could approach ~1% of global GDP.

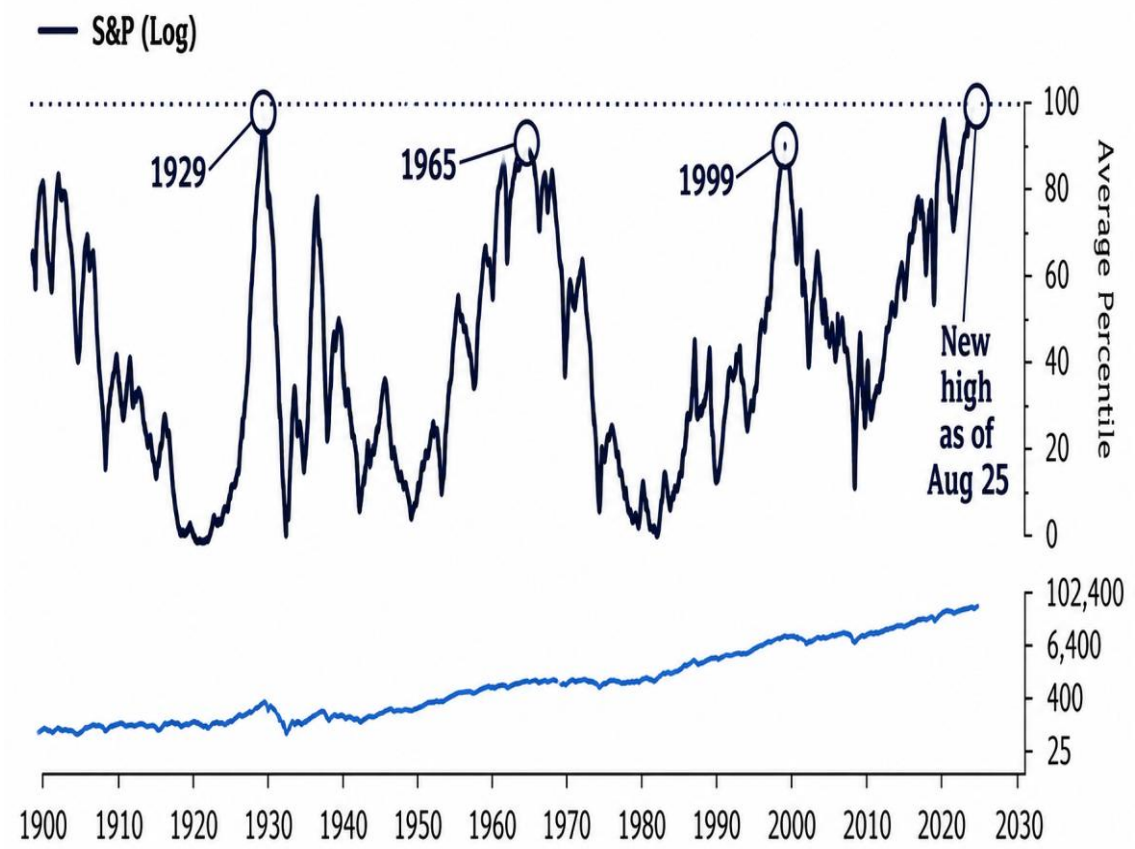
PIMCO: direct event-level "crowding out" evidence is weak - the structural saving/investment channel may matter more.

Sources: Goldman Sachs, 9 Sep 2026; PIMCO, Sep 2026.

US valuations are at all-time highs on every measure

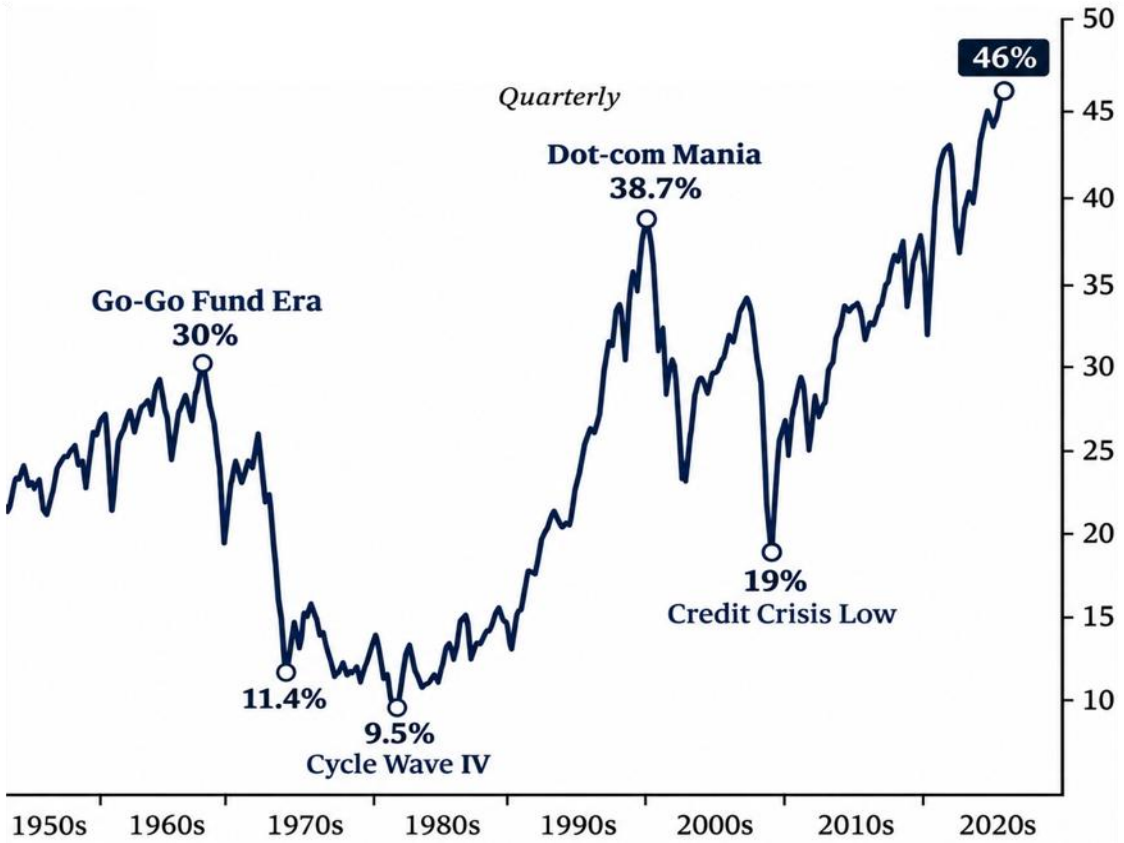
US valuations are at all time highs

Trailing P/E, Forward P/E, CAPE, P/B, EV/EBITDA (Average Percentile)



Household equity exposure back at dot-com extremes

Total US Household equity holdings as percentage of total financial assets

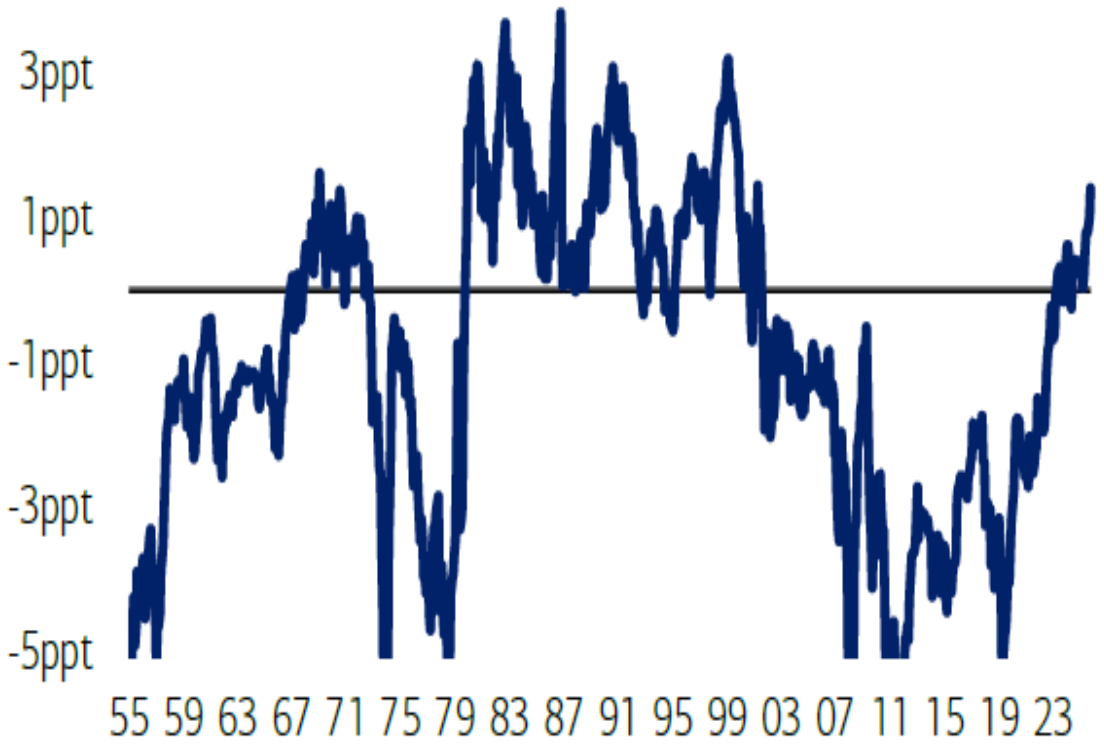


Source: CLSA

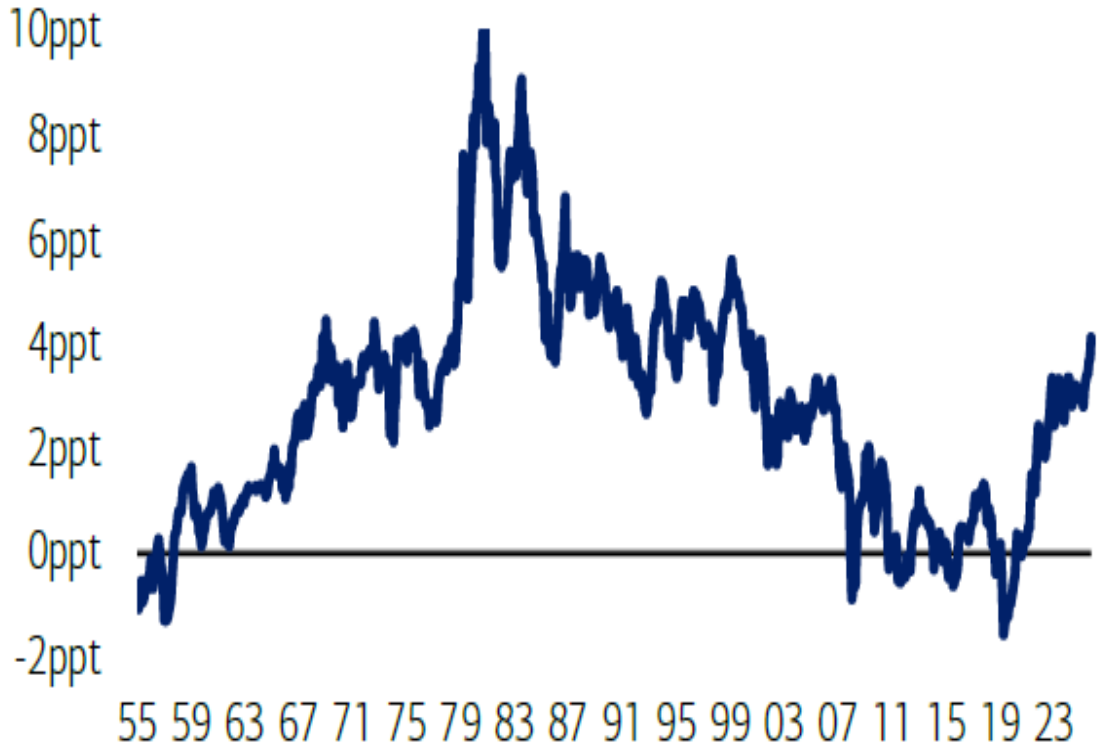
Strictly Private and Confidential. Not for Circulation

Equity-Bond yield gap highest in 2 decades

10yr yield higher than S&P 500 trailing earnings yield



10yr yield 4% higher than S&P 500 dividend yield



Source: BofA Global Research

Gold and Silver have corrected sharply from its peak in January 2026

Gold and Silver prices ($/oz)



Source: KIE

Strictly Private and Confidential. Not for Circulation

Section 2:

Indian Economy



Strictly Private and Confidential. Not for Circulation

IKIGAI
Asset Manager
Trust. Process. Performance.

Q2FY27 has been better than expected

Rs in Trillion	No of Cos	Q2FY27					
		Revenue	YoY	Reported PAT (Parent's Share)	YoY	Adj PAT (Parent's Share)	YoY
NIFTY500	**370**	36.96	23.4%	4.33	29.0%	4.29	28.4%
BFSI	**91**	10.08	13.6%	1.83	21.1%	1.77	19.2%
Non-BFSI	**279**	26.88	27.5%	2.50	35.4%	2.52	35.7%
Non-BFSI Exc Cement, O/G, Metal/Mining	**238**	13.55	22.3%	1.46	23.2%	1.46	19.6%
Commodities: Cement, O/G, Metal/Mining	**41**	13.33	33.3%	1.05	57.1%	1.77	19.2%
Nifty 500 Excl Commodities	**329**	23.63	18.5%	3.28	22.0%	2.52	35.7%

Nifty 500 Earnings	No of Cos	202412	202503	202506	202509	202512	202603	202606	202609
		Last 8 Quarters Adjusted PAT Growth % YoY							
Large Caps	**80**	6.5%	8.1%	8.7%	10.0%	13.3%	13.6%	16.2%	28.7%
Mid Caps	**115**	18.5%	19.8%	17.7%	28.4%	18.5%	25.9%	-1.5%	24.3%
Small Caps	**275**	5.7%	6.1%	10.4%	37.3%	25.7%	20.6%	31.2%	35.0%
Total	***303***	***8.4%***	***9.7%***	***10.4%***	***15.5%***	***15.3%***	***16.3%***	***14.2%***	***28.4%***

Source: Amsec
Note: Data as of 3 Nov 2026

Strictly Private and Confidential. Not for Circulation

Expect earnings of the Nifty 50 to grow 18%/13% in FY2027/FY2028E

Valuation summary of Nifty 50, March FY-ends, 2027E-29E (based on current constituents)

	Mcap.	Adj. mcap.	Earnings growth (%)			P/E (X)			EV/EBITDA (X)			P/B (X)			Div. yield (%)			RoE (%)		
	(US$ bn)	(US$ bn)	2027E	2028E	2029E	2027E	2028E	2029E	2027E	2028E	2029E	2027E	2028E	2029E	2027E	2028E	2029E	2027E	2028E	2029E
Aerospace & Defense	28	14	19.0	14.8	16.9	36.7	32.0	27.3	27.0	23.3	19.9	9.2	7.7	6.5	0.9	1.1	1.3	25.1	24.2	23.9
Automobiles & Components	135	70	17.4	23.6	11.1	21.9	17.7	15.9	11.7	9.1	7.8	3.4	3.0	2.7	1.7	1.9	2.0	15.4	16.9	16.7
Banks	396	328	9.7	11.8	14.3	13.8	12.4	10.8	–	–	–	1.9	1.7	1.5	1.5	1.7	1.9	13.6	13.6	13.9
Capital Goods	88	54	37.7	21.7	13.7	29.6	24.3	21.4	19.3	16.2	14.6	4.2	3.7	3.3	0.9	1.0	1.1	14.1	15.3	15.4
Capital Markets	14	14	29.2	15.6	4.1	41.6	36.0	34.6	29.9	25.7	23.1	14.6	11.5	9.2	0.7	1.0	–	35.2	31.8	26.7
Commodity Chemicals	23	11	18.9	11.3	13.2	41.5	37.3	32.9	27.7	24.7	21.7	9.3	8.3	7.4	1.3	1.4	1.6	22.4	22.3	22.5
Construction Materials	55	25	14.6	25.5	44.6	33.5	26.7	18.4	12.1	10.7	8.6	2.7	2.6	2.3	0.9	1.2	1.5	8.2	9.6	12.7
Consumer Staples	113	58	(4.2)	14.8	10.5	31.2	27.2	24.6	22.1	19.1	17.2	7.1	6.9	6.6	2.8	3.3	3.6	22.7	25.2	26.9
Diversified Financials	125	57	31.9	21.0	21.5	20.6	17.0	14.0	–	–	–	2.4	2.1	2.6	0.6	0.7	0.9	11.7	12.4	18.4
Electric Utilities	55	27	(2.2)	5.7	6.5	12.3	11.7	11.0	9.4	9.3	9.0	1.5	1.4	1.3	3.4	3.4	3.6	12.5	12.2	12.0
Health Care Services	20	15	14.0	24.8	25.0	48.0	38.4	30.8	26.4	21.8	17.8	7.6	6.5	5.4	0.2	0.3	0.3	15.8	16.8	17.6
IT Services	203	96	8.2	4.7	7.1	17.0	16.2	15.1	11.1	10.5	9.8	5.9	5.5	5.2	4.7	5.0	5.4	34.7	34.2	34.5
Insurance	29	14	20.5	16.4	17.2	52.7	45.3	38.6	–	–	–	6.6	5.9	5.3	0.4	0.5	0.5	12.6	13.1	13.7
Internet Software & Services	32	24	194.2	141.7	77.8	248.0	102.6	57.7	82.4	42.9	26.2	9.2	8.3	7.1	–	–	–	3.7	8.1	12.3
Metals & Mining	73	40	42.3	7.3	14.6	11.3	10.5	9.2	6.7	6.2	5.6	1.7	1.5	1.3	1.4	1.5	1.6	15.4	14.5	14.6
Oil, Gas & Consumable Fuels	226	103	33.8	3.8	11.5	11.1	10.6	9.5	6.1	5.4	4.6	1.4	1.3	1.1	2.3	2.1	2.2	12.6	11.8	11.9
Pharmaceuticals	66	35	(1.0)	23.3	18.2	29.8	24.2	20.5	18.1	14.9	12.5	3.6	3.3	2.9	0.7	0.8	1.0	12.2	13.5	14.1
Retailing	56	28	26.1	18.5	18.6	60.4	51.0	43.0	35.9	30.2	25.5	17.4	13.6	10.8	0.3	0.3	0.4	28.9	26.7	25.1
Telecommunication Services	124	60	41.9	28.7	23.4	28.3	22.0	17.8	9.0	7.5	6.4	7.1	6.3	5.5	2.1	2.6	3.2	25.2	28.6	30.7
Transportation	60	25	18.5	75.5	27.2	36.3	20.7	16.2	13.2	8.9	6.9	4.9	4.0	3.3	0.4	0.4	0.4	13.4	19.4	20.1
Nifty-50 Index	**1,921**	**1,097**	**18.0**	**13.0**	**14.5**	**18.4**	**16.3**	**14.2**	**10.7**	**9.4**	**8.2**	**2.7**	**2.5**	**2.2**	**1.8**	**2.0**	**2.2**	**14.9**	**15.1**	**15.8**
Nifty-50 Index (ex-energy)	**1,695**	**995**	**14.7**	**15.2**	**15.1**	**20.2**	**17.5**	**15.2**	**12.6**	**11.0**	**9.7**	**3.1**	**2.8**	**2.6**	**1.8**	**2.0**	**2.2**	**15.6**	**16.1**	**17.0**
Nifty-50 Index (ex-banks)	**1,524**	**769**	**21.5**	**13.5**	**14.5**	**20.2**	**17.8**	**15.5**	**10.7**	**9.4**	**8.2**	**3.1**	**2.8**	**2.6**	**1.9**	**2.1**	**2.3**	**15.4**	**15.7**	**16.6**

Source: KIE

Strictly Private and Confidential. Not for Circulation

Expect earnings of the Nifty Midcap 150 to grow 12%/22% in FY2027/FY2028E

Valuation summary of Nifty Midcap 150, March FY-ends, 2027E-29E (based on current constituents)

	Market cap.		Earnings growth (%)			P/E (X)		
	(Rs bn)	(US$ bn)	2027E	2028E	2029E	2027E	2028E	2029E
Aerospace & Defense	673	7	41	28	22	42	33	27
Automobiles & Components	6,052	64	8	19	12	27	23	20
Banks	5,617	59	14	37	20	12	8	7
Building products	365	4	40	25	19	51	40	34
Capital Goods	4,116	43	34	31	3	35	27	26
Capital Markets	5,143	54	35	19	21	33	27	23
Commercial & Professional Services	353	4	9	13	12	23	21	18
Commodity Chemicals	974	10	22	12	12	38	34	30
Construction Materials	1,494	16	(5)	35	29	40	30	23
Consumer Durables & Apparel	3,447	36	24	22	18	42	34	29
Consumer Staples	4,227	45	7	17	10	41	35	32
Diversified Financials	6,764	71	15	13	21	13	12	10
Electric Utilities	3,114	33	(0)	40	35	25	18	13
Electronic Manufacturing Services	685	7	21	70	47	67	39	27
Fertilizers & Agricultural Chemicals	936	10	20	29	18	20	16	13
Gas Utilities	429	5	(1)	10	(3)	11	10	11
Health Care Services	2,213	23	35	40	24	47	34	27
Hotels & Restaurants	1,705	18	22	23	22	47	38	31
Insurance	7,690	81	5	4	6	10	10	9
Internet Software & Services	3,165	33	NM	NM	NM	NM	NM	98
IT Services	3,840	40	25	17	17	28	24	21
Metals & Mining	4,337	46	38	8	6	12	11	10
Oil, Gas & Consumable Fuels	1,448	15	(72)	205	(1)	27	9	9
Pharmaceuticals	7,340	77	14	21	14	31	26	23
Real Estate	3,669	39	37	21	25	26	21	17
Renewable Energy	1,065	11	21	(0)	34	16	16	12
Retailing	2,028	21	29	26	26	57	45	35
Specialty Chemicals	1,461	15	27	12	17	32	28	24
Telecommunication Services	2,293	24	14	18	18	20	17	15
Transportation	1,970	21	7	93	25	54	28	22
Nifty Midcap 150 Index	**88,614**	**933**	**11.9**	**22.0**	**16.1**	**22.1**	**18.1**	**15.6**
Nifty Midcap 150 Index (ex-oil & gas)	**86,736**	**914**	**16.9**	**19.6**	**16.9**	**22.1**	**18.5**	**15.8**
Nifty Midcap 150 Index (ex-internet)	**85,449**	**900**	**11.2**	**21.2**	**15.4**	**21.1**	**17.4**	**15.1**

Source: KIE

Strictly Private and Confidential. Not for Circulation

Oil, gas & consumable fuels sector drag net profits of Nifty Midcap 150 in FY2027E

Valuation summary of Nifty Midcap 150, March FY-ends, 2027E-29E (based on current constituents)

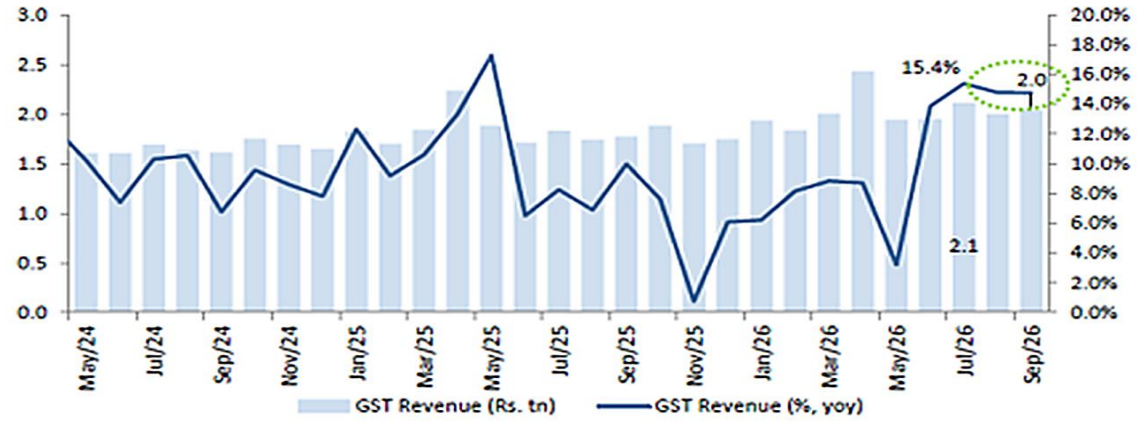
	Net profits (Rs bn)						Contribution (%)					Incremental profits					
	2024	2025	2026	2027E	2028E	2029E	2025	2026	2027E	2028E	2029E	2027E (Rs bn)	2027E (%)	2028E (Rs bn)	2028E (%)	2029E (Rs bn)	2029E (%)
Aerospace & Defense	14	14	11	16	21	25	–	–	–	–	–	5	1	5	1	5	1
Automobiles & Components	165	180	207	223	264	297	6	6	6	5	5	16	4	42	5	32	4
Banks	368	382	423	482	661	791	13	12	12	13	14	59	14	179	20	130	16
Building products	5	5	5	7	9	11	–	–	–	–	–	2	–	2	–	2	–
Capital Goods	35	56	87	116	153	157	2	2	3	3	3	29	7	37	4	4	1
Capital Markets	63	96	117	158	188	228	3	3	4	4	4	41	9	31	3	39	5
Commercial & Professional Services	12	13	14	15	17	19	–	–	–	–	–	1	–	2	–	2	–
Commodity Chemicals	22	21	21	26	29	32	1	1	1	1	1	5	1	3	–	3	–
Construction Materials	41	28	39	37	50	65	1	1	1	1	1	(2)	(0)	13	1	15	2
Consumer Durables & Apparel	54	73	67	83	100	119	2	2	2	2	2	16	4	18	2	18	2
Consumer Staples	73	84	97	104	122	134	3	3	3	2	2	7	2	18	2	12	2
Diversified Financials	314	362	441	506	574	696	12	12	13	12	12	65	15	68	8	122	15
Electric Utilities	93	108	124	124	173	234	4	3	3	4	4	(0)	(0)	49	6	61	8
Electronic Manufacturing Services	4	6	8	10	17	26	–	–	–	–	–	2	–	7	1	8	1
Fertilizers & Agricultural Chemicals	5	28	39	46	60	71	1	1	1	1	1	8	2	13	2	11	1
Gas Utilities	33	41	38	38	41	40	1	1	1	1	1	(0)	(0)	4	–	(1)	(0)
Health Care Services	24	29	35	47	66	81	1	1	1	1	1	12	3	19	2	16	2
Hotels & Restaurants	15	25	30	36	45	55	1	1	1	1	1	7	2	8	1	10	1
Insurance	502	591	710	743	775	825	20	20	18	16	14	33	8	33	4	50	6
Internet Software & Services	(18)	(63)	(49)	(27)	(1)	32	(2)	(1)	(1)	(0)	1	23	5	25	3	34	4
IT Services	80	89	108	136	159	186	3	3	3	3	3	27	6	23	3	27	3
Metals & Mining	161	196	262	362	392	416	7	7	9	8	7	100	23	30	3	24	3
Oil, Gas & Consumable Fuels	222	135	192	53	163	160	5	5	1	3	3	(138)	(32)	109	12	(2)	(0)
Pharmaceuticals	112	158	209	237	286	326	5	6	6	6	6	29	7	49	6	40	5
Real Estate	77	100	104	143	173	216	3	3	4	4	4	39	9	30	3	44	6
Renewable Energy	11	28	55	67	67	89	1	2	2	1	2	11	3	(0)	(0)	23	3
Retailing	11	16	28	36	45	57	1	1	1	1	1	8	2	9	1	12	2
Specialty Chemicals	35	35	36	46	51	60	1	1	1	1	1	10	2	5	1	9	1
Telecommunication Services	78	84	98	112	132	157	3	3	3	3	3	14	3	20	2	24	3
Transportation	18	18	34	36	70	88	1	1	1	1	2	2	1	34	4	18	2
Nifty Midcap-150 Index	2,630	2,936	3,589	4,018	4,902	5,692	100	100	100	100	100	429	100	884	100	790	100
Change (%)		12	22	12	22	16											
Nifty Midcap-150 Index (ex-oil, gas & consumable fuels)	2,376	2,760	3,360	3,927	4,698	5,491											
Change (%)		16	22	17	20	17											

Source: KIE

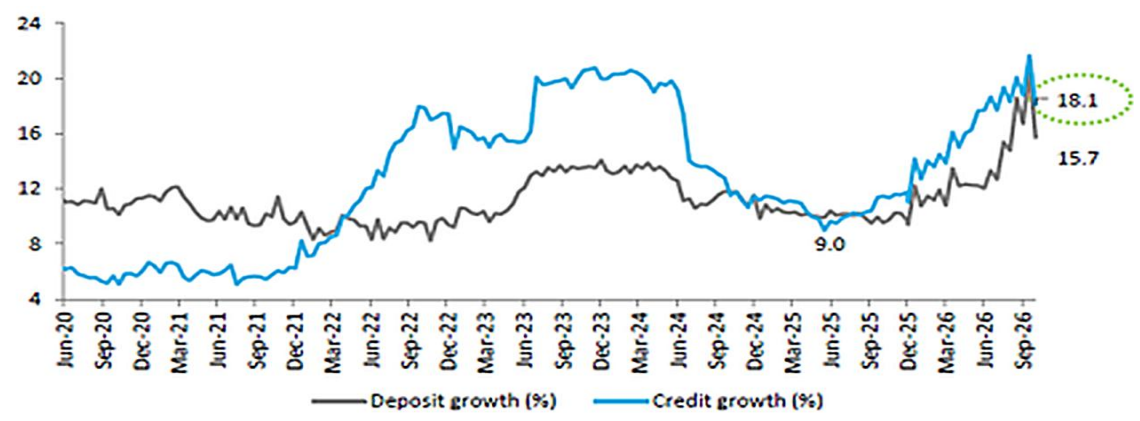
Strictly Private and Confidential. Not for Circulation

The economy is showing broad signs of recovery

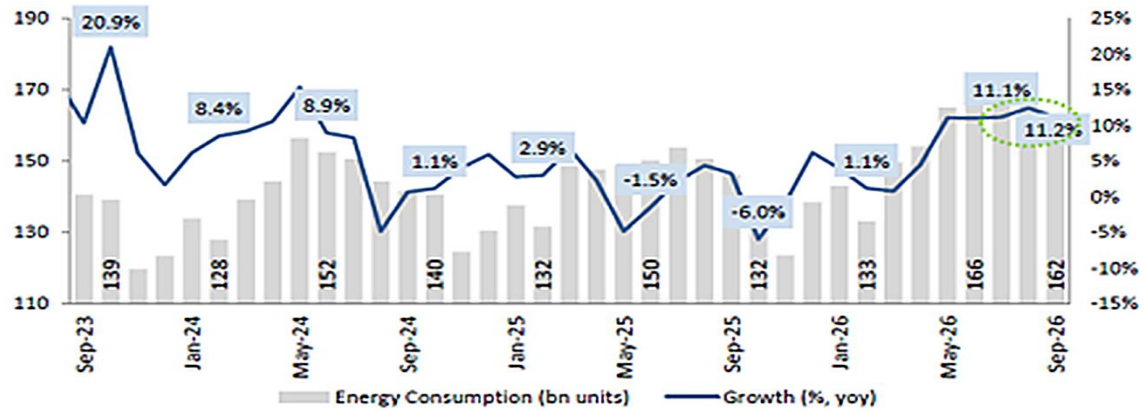
Despite GST rate cuts, gross GST collections have been strong



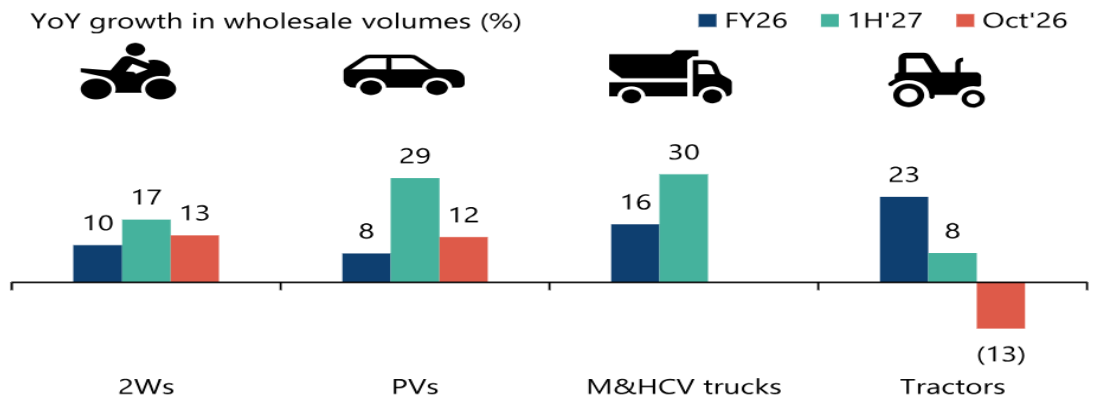
Credit growth growing in higher double digits



Power demand growing in double digits



Good wholesale growth for 2Ws and PVs but tractors decline

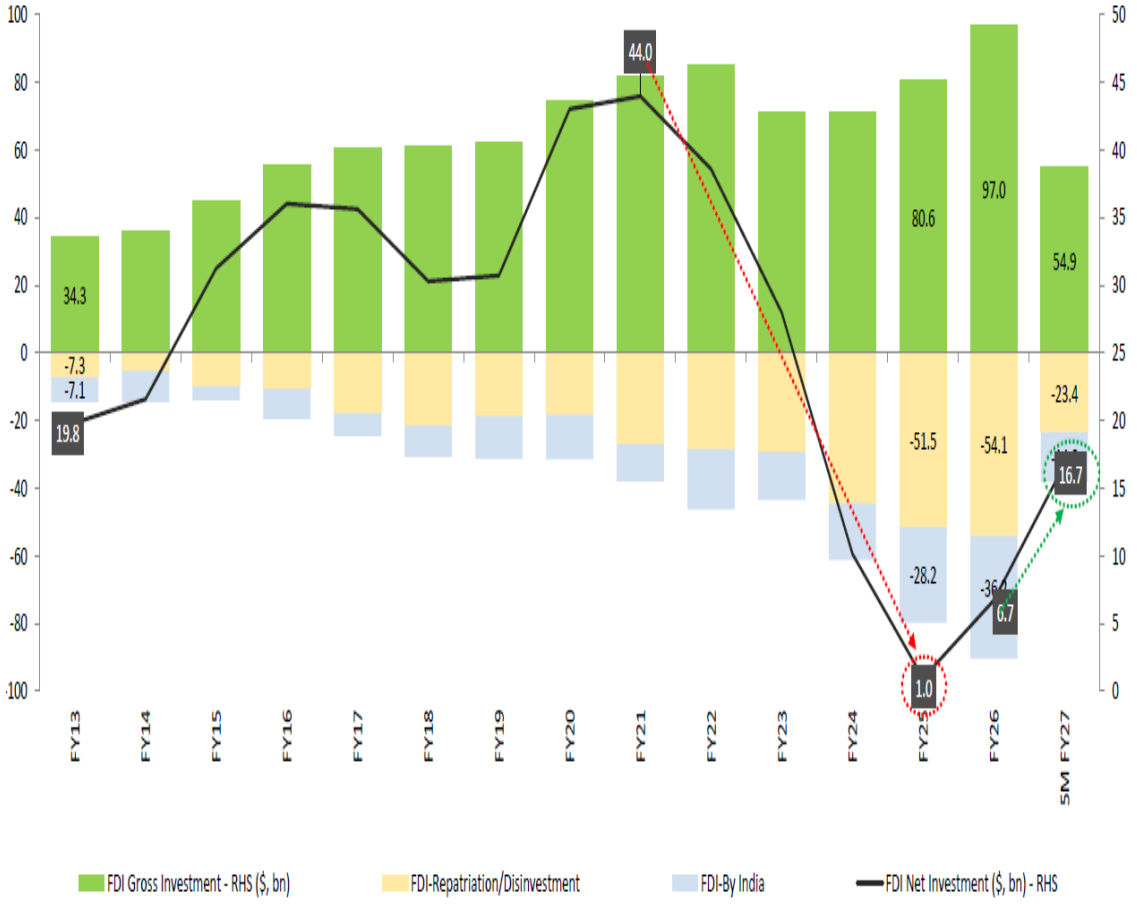


Source: Spark

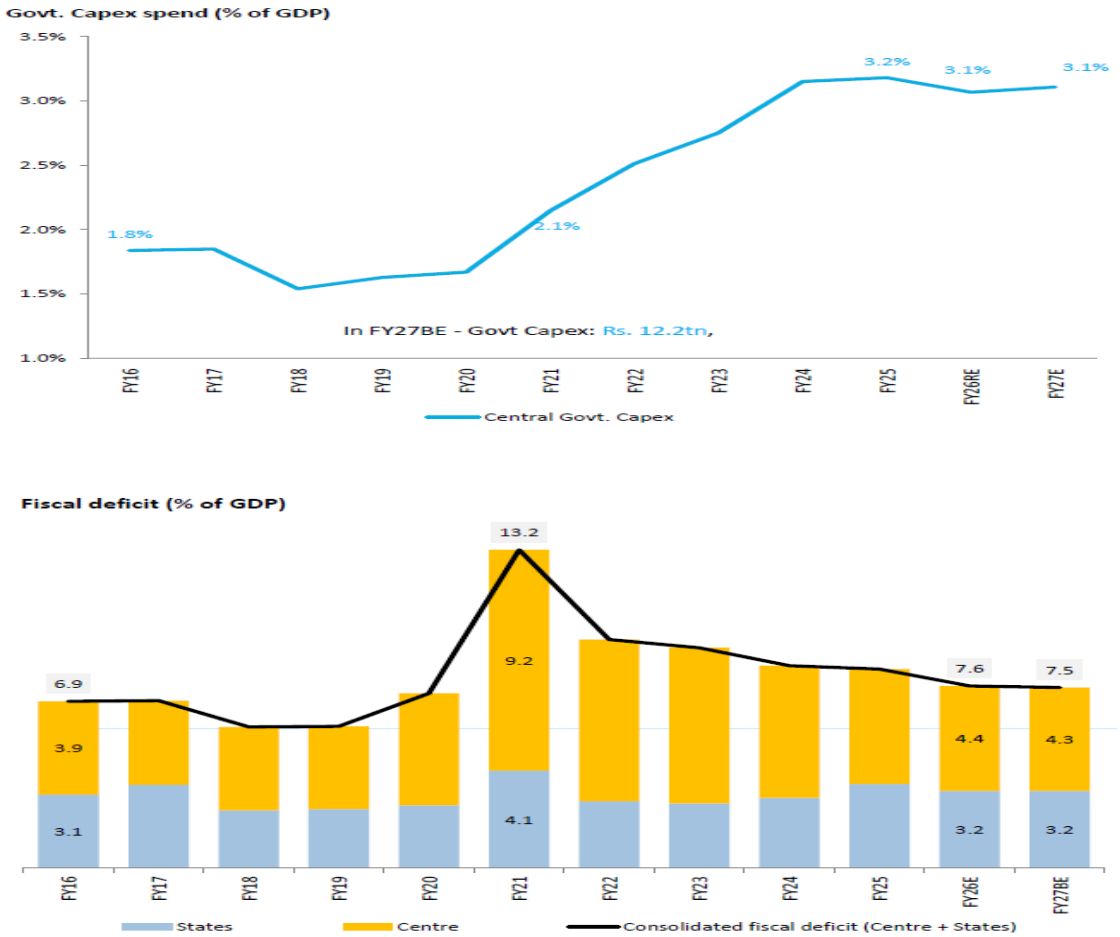
Strictly Private and Confidential. Not for Circulation

Policy is working - FDI and capex are recovering

Net FDI inflows have started recovering



Capex pushed higher while holding the fiscal line

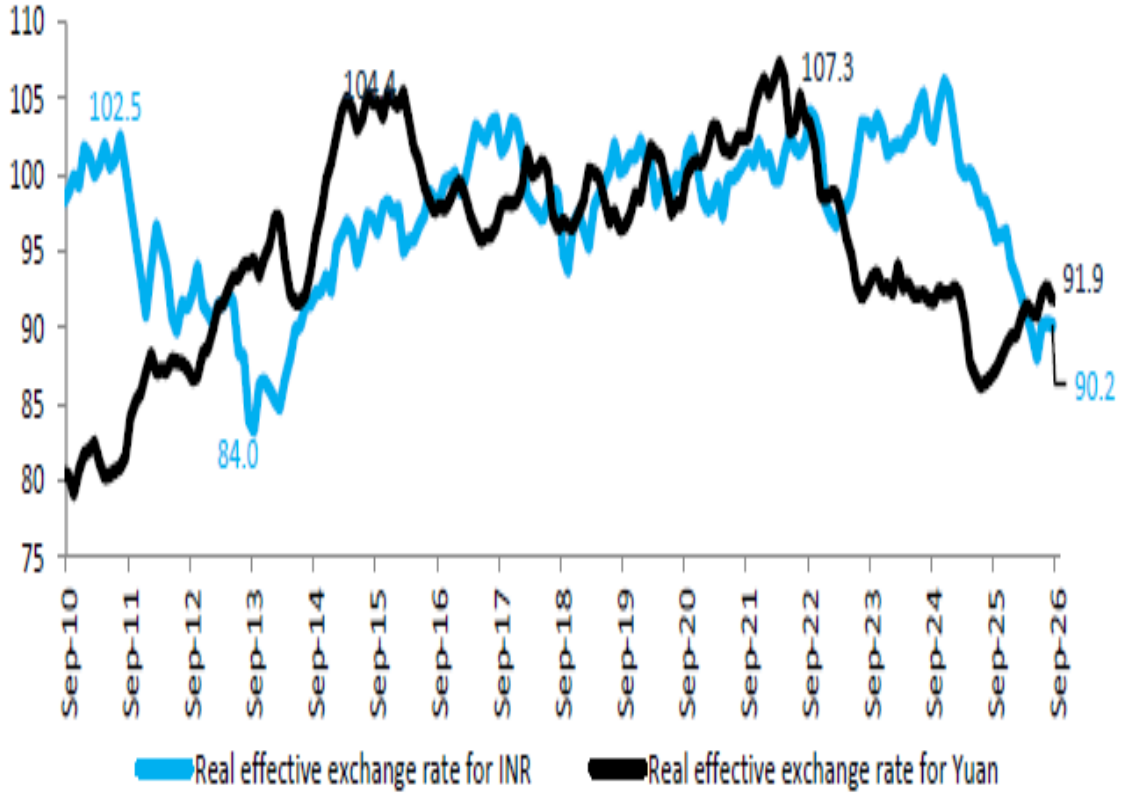


Source: Spark

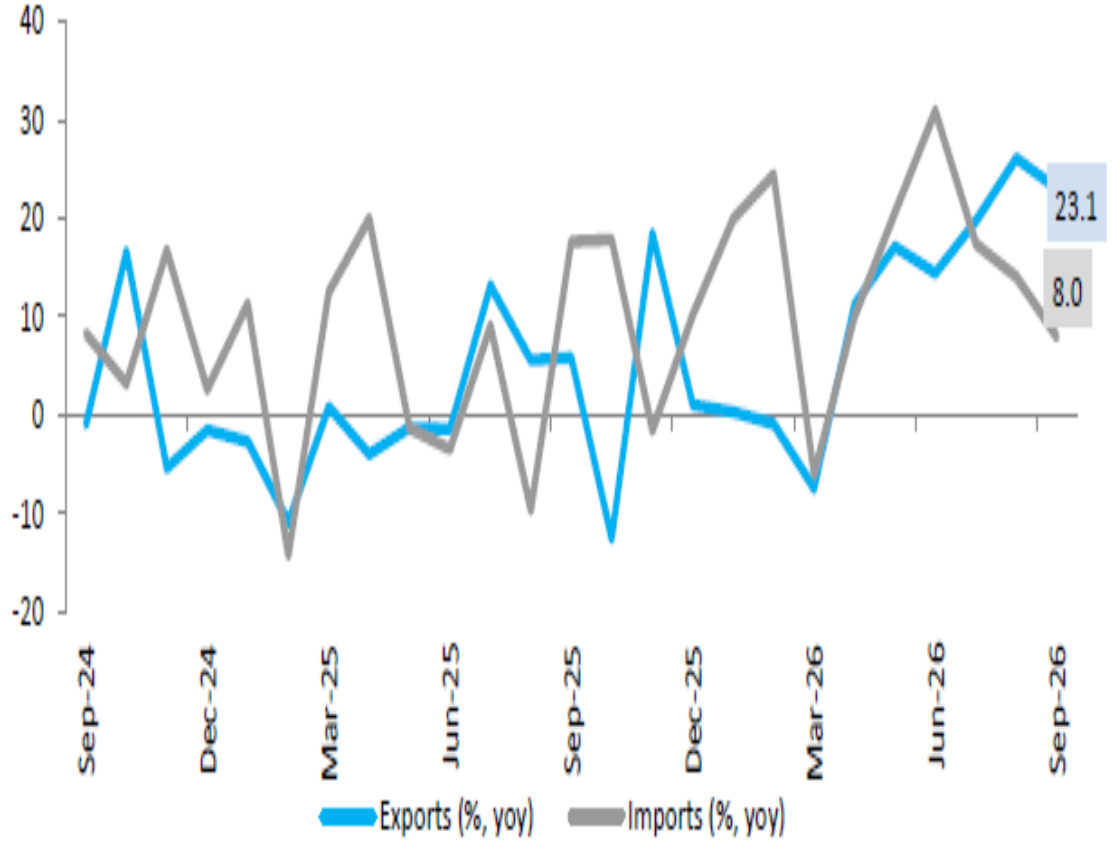
Strictly Private and Confidential. Not for Circulation

A weaker rupee is expediting an export recovery

India has become quite competitive in real terms



India exports gained momentum in H1FY26



Source: Spark

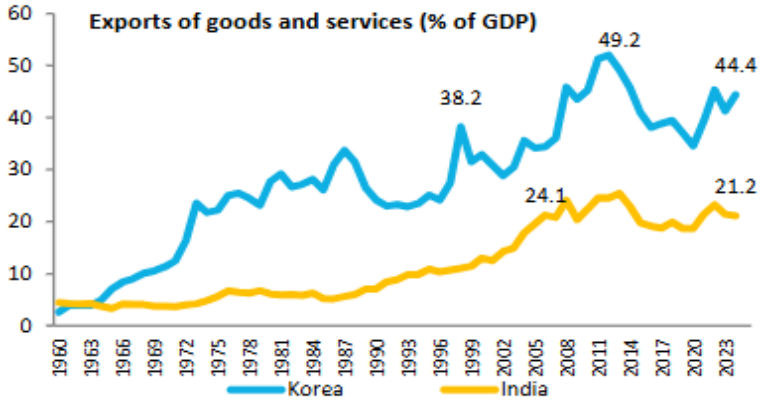
Strictly Private and Confidential. Not for Circulation

India needs its merchandise exports to drive the next leg of growth

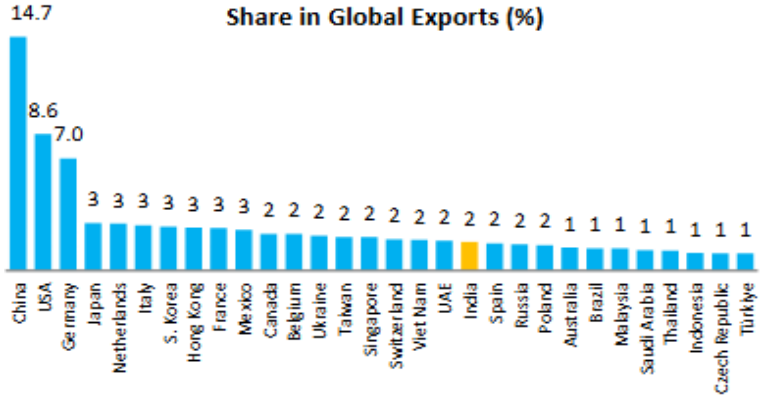
Consumption has plateaued at ~60% of GDP, exports to be the next driver

as % of GDP	FY02-06	FY07-11	FY12-16	FY17-21	FY22-26	Avg. last 15 Years
C	60.9	55.8	57.5	59.9	61.1	59.5
G	10.9	10.5	10.6	10.9	10.2	10.6
I	32.7	39.7	35.7	30.5	33.0	33.1
X	15.8	21.8	23.5	19.0	21.7	21.4
M	17.3	26.3	27.8	21.4	24.3	24.5

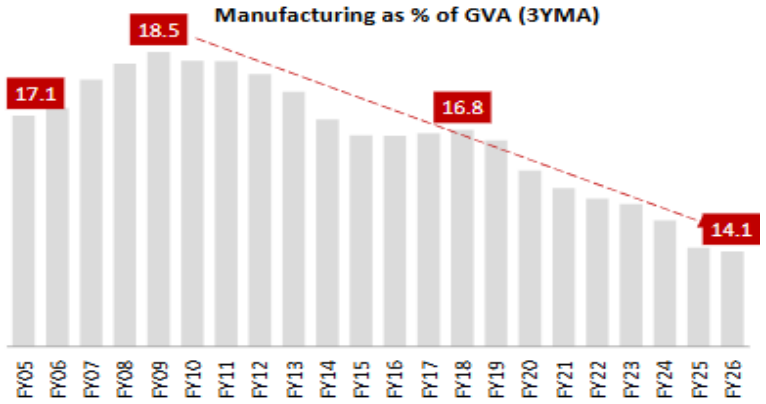
India has fallen behind in the global export race



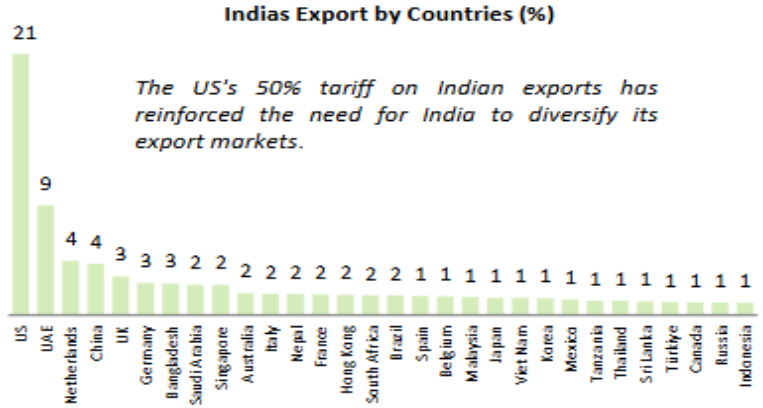
India's share of global merchandise exports only at 1.8% vs 3.5% of global GDP



Manufacturing has slipped to 14% of India's GDP in FY26 vs. high of 18.5% in FY09



India's export basket is highly concentrated in US, EU and ME, ~54% of total



GOVERNMENT MITIGATION STRATEGY

Trade Relations and Diversification

- Govt. continues to deepen engagement with the U.S. towards a mutually beneficial India-U.S. Bilateral Trade Agreement.
- **Leveraging FTAs:** The govt. is promoting export diversification by leveraging its current 15 Free Trade Agreements (FTAs) and 6 Preferential Trade Agreements (PTAs). Efforts being made to better utilize existing FTAs (Japan, Korea, UAE) and more recent ones (EFTA countries and the UK).
- **New Negotiations:** Negotiations for early conclusion of mutually beneficial FTAs with the EU, Peru, Chile, New Zealand, and Oman are in discussion.

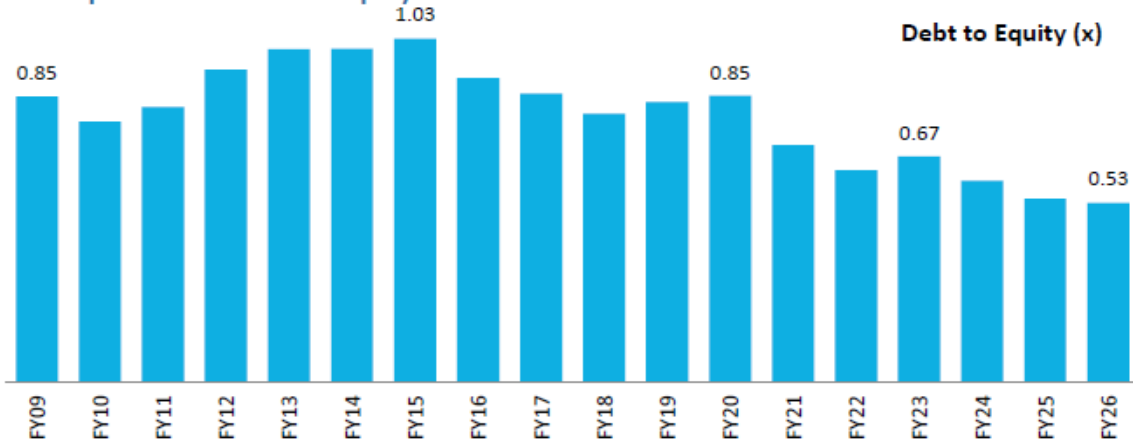
Source: Spark

Strictly Private and Confidential. Not for Circulation

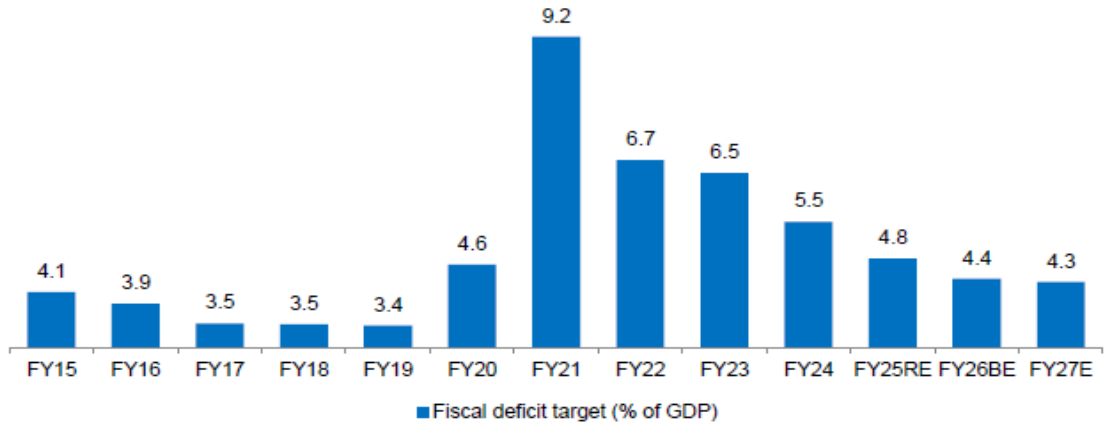
Balance sheets - corporates, govt, households, banks - look comfortable in this cycle

All look well positioned to kickstart a new economic cycle

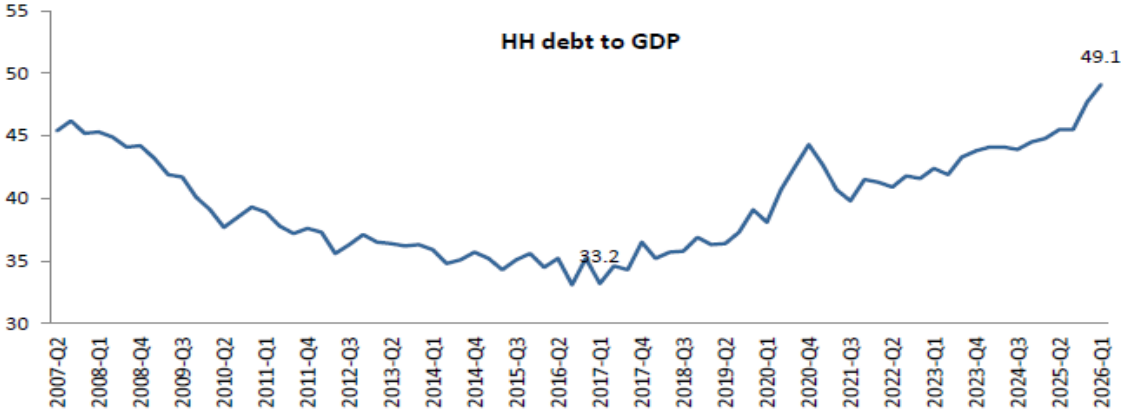
#1: Corporate: Total debt to equity has fallen from 53% in FY26 from 103% in FY16



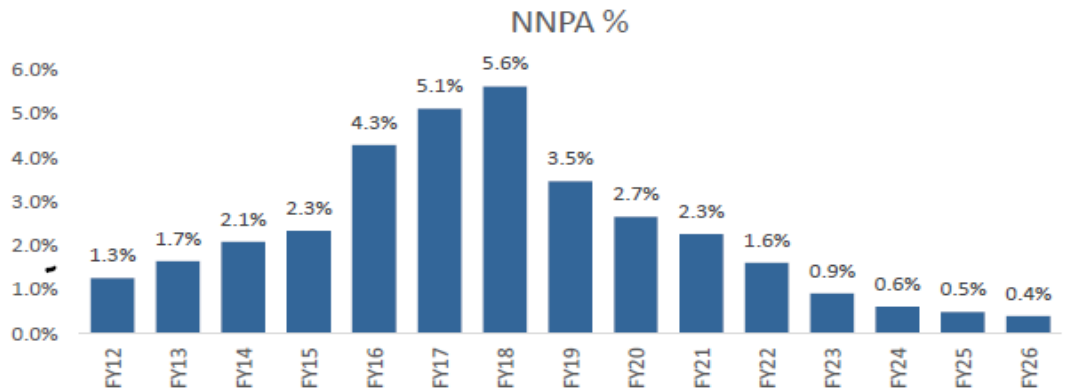
#2: Fiscal deficit as % of GDP expected to be 4.3% in FY27BE vs. 4.4% in FY26



#3: Household debt-to-GDP is high at 49%. However, this may partly include business loans taken by individuals to fund their enterprises rather than pure household consumption debt



#4: Banking system is in good health with healthy capitalization

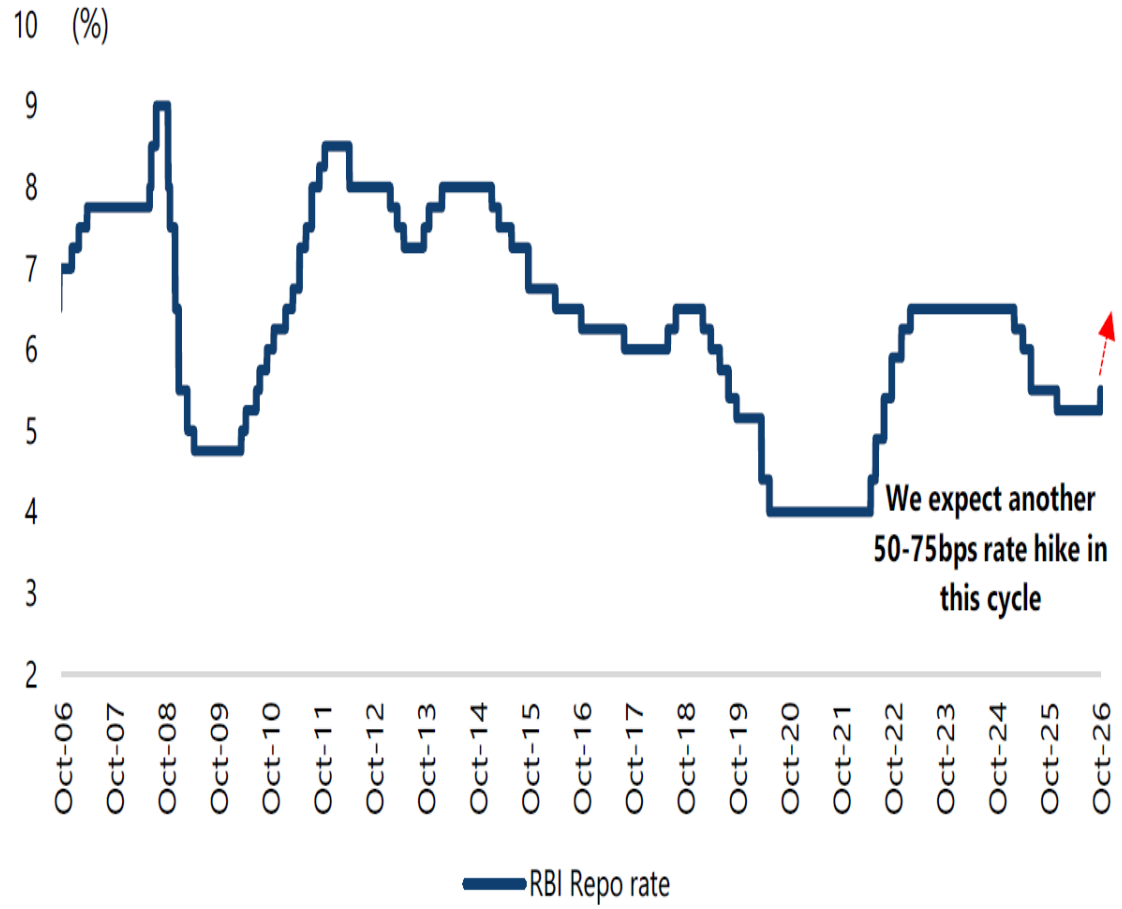


Source: Spark

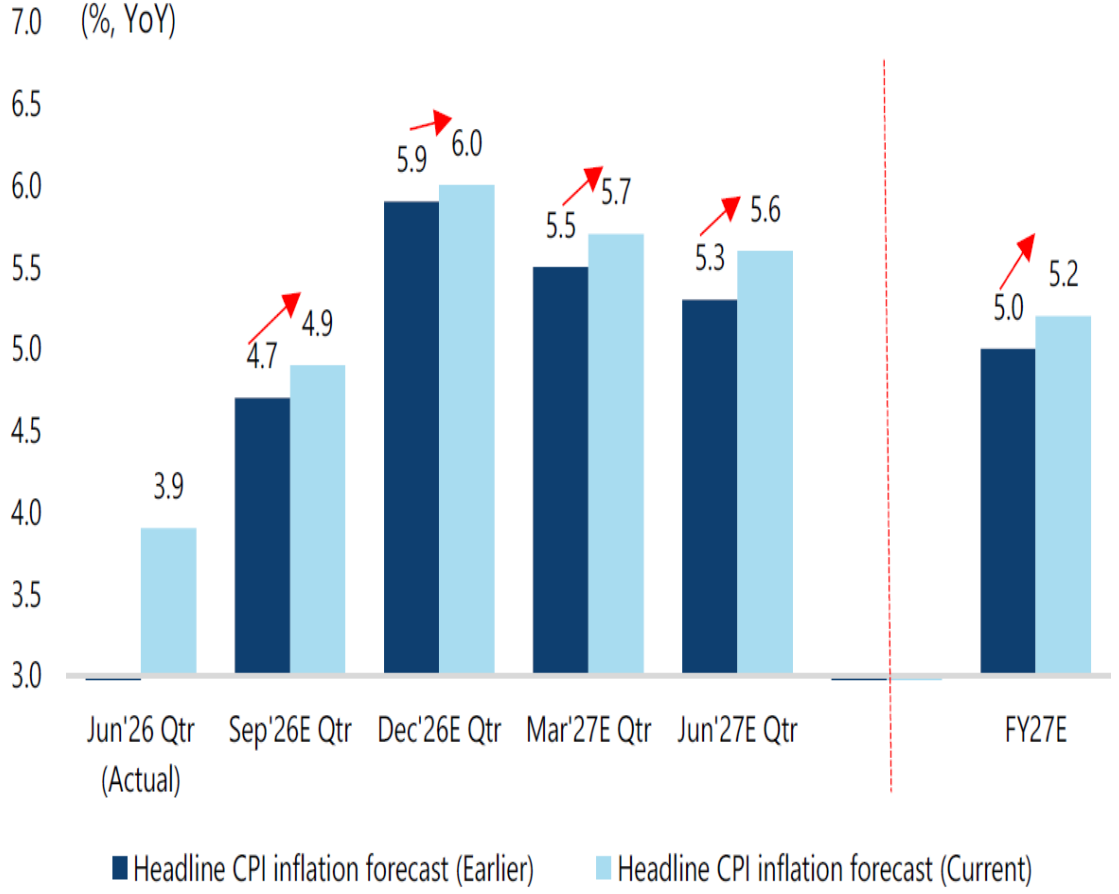
Strictly Private and Confidential. Not for Circulation

RBI has taken a rate hike but on strong nominal growth

RBI repo rate: first hikes of the cycle?



Headline CPI forecast revised up

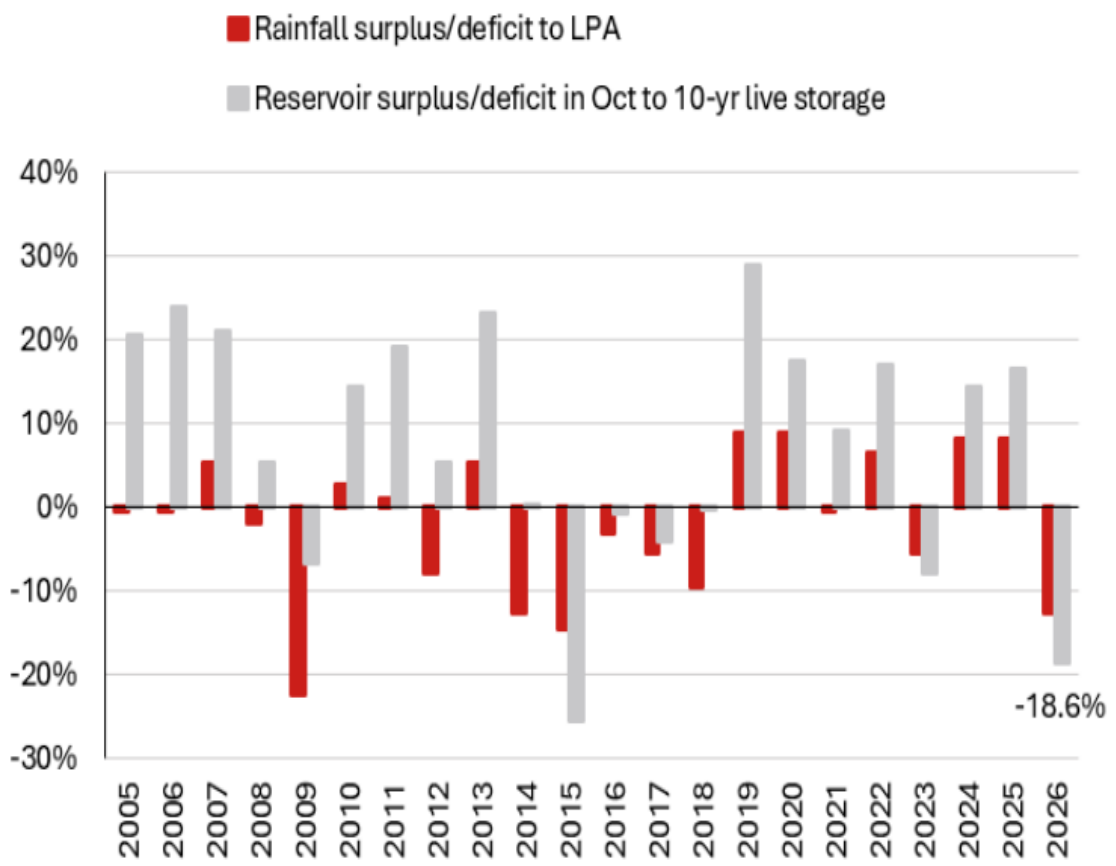


Source: Jefferies

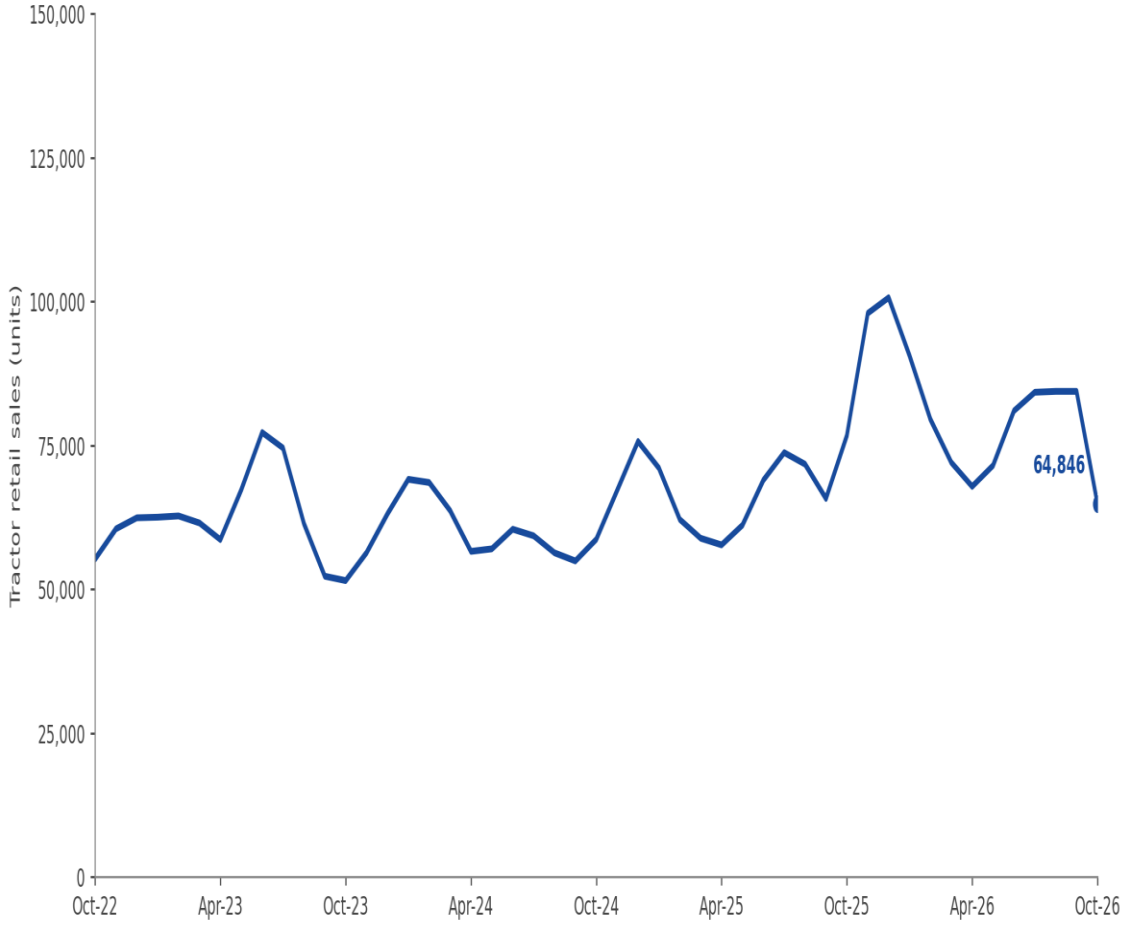
Strictly Private and Confidential. Not for Circulation

Rural facing sectors seeing headwinds due to El Nino

India – rainfall and reservoir storage trends



Tractor sales have seen -35% YoY growth in Oct-2026



Source: Nomura, Jefferies

Strictly Private and Confidential. Not for Circulation

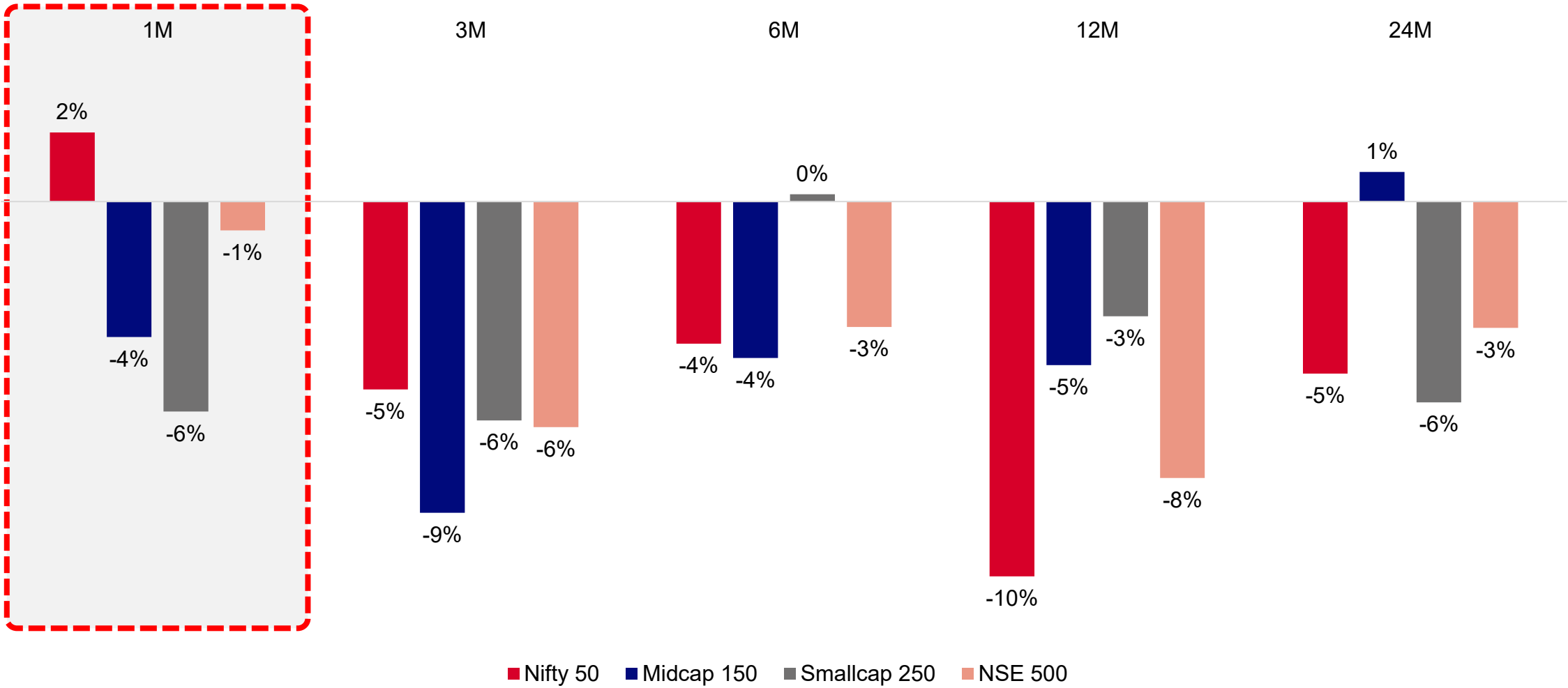
Valuations are back to crisis-era levels

Prices fell while earnings grew.
The result is the cheapest large-cap market in years.



Strictly Private and Confidential. Not for Circulation

October was about mean reversion in large caps while broader market underperformed

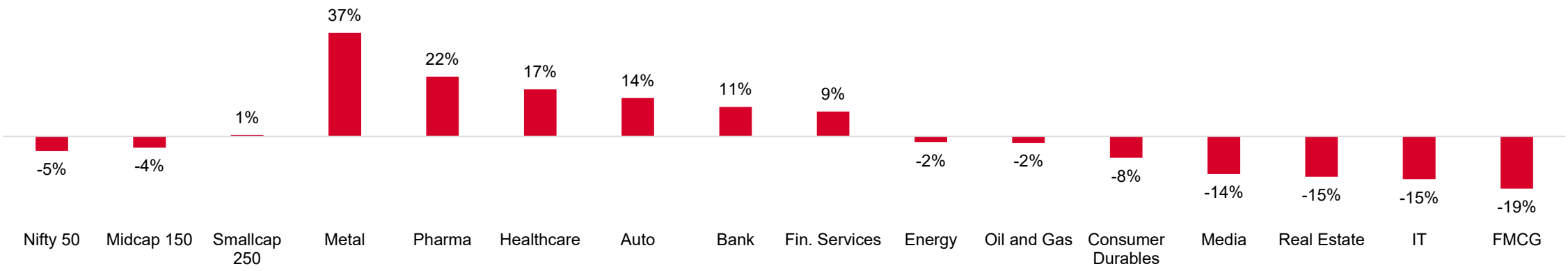


Source: IKIGAI

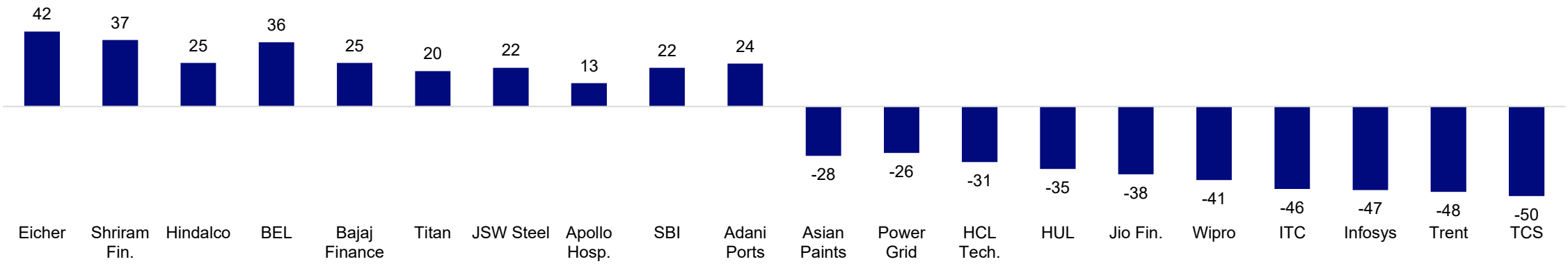
Strictly Private and Confidential. Not for Circulation

Same market showing very different realities

Sectoral 2yr CAGR ranges from +19% to −18%



Even within Nifty-50, there has been significant variance in returns (2-year return %)



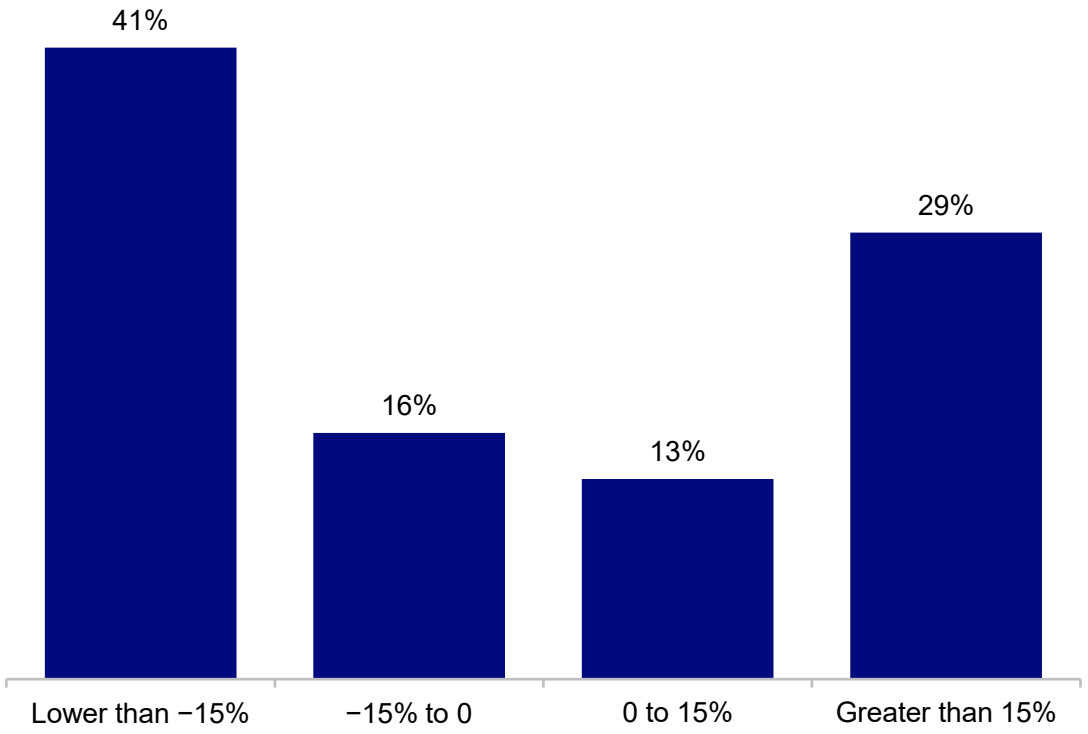
Source: Bloomberg
Data as of 31 Oct 2026

Strictly Private and Confidential. Not for Circulation

Breadth is weak: 57% of Nifty-500 stocks are down over two years

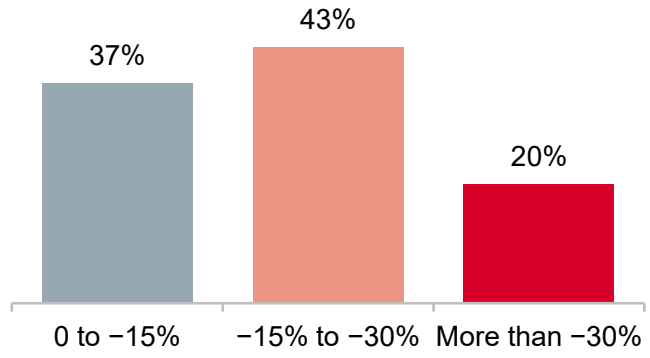
Nifty-500: distribution of 2-year returns (% of stocks)

57% stocks have given a negative return



This is a stock-picker's market, not an index market.

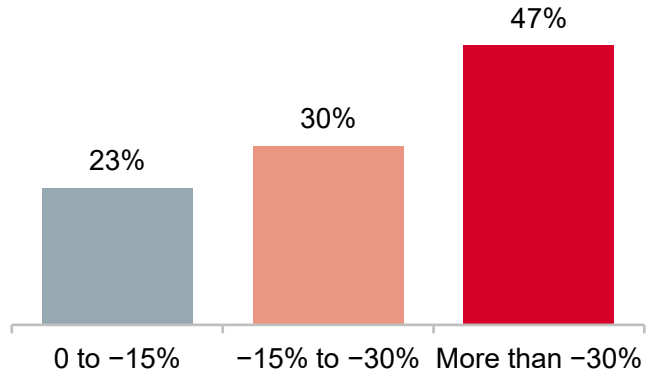
Distance from 52-week high (% of stocks)



63%

of stocks are >15% below their 52-week high

Distance from all-time high (% of stocks)



77%

of stocks are >15% below their all-time high

Source: MOSL

Strictly Private and Confidential. Not for Circulation

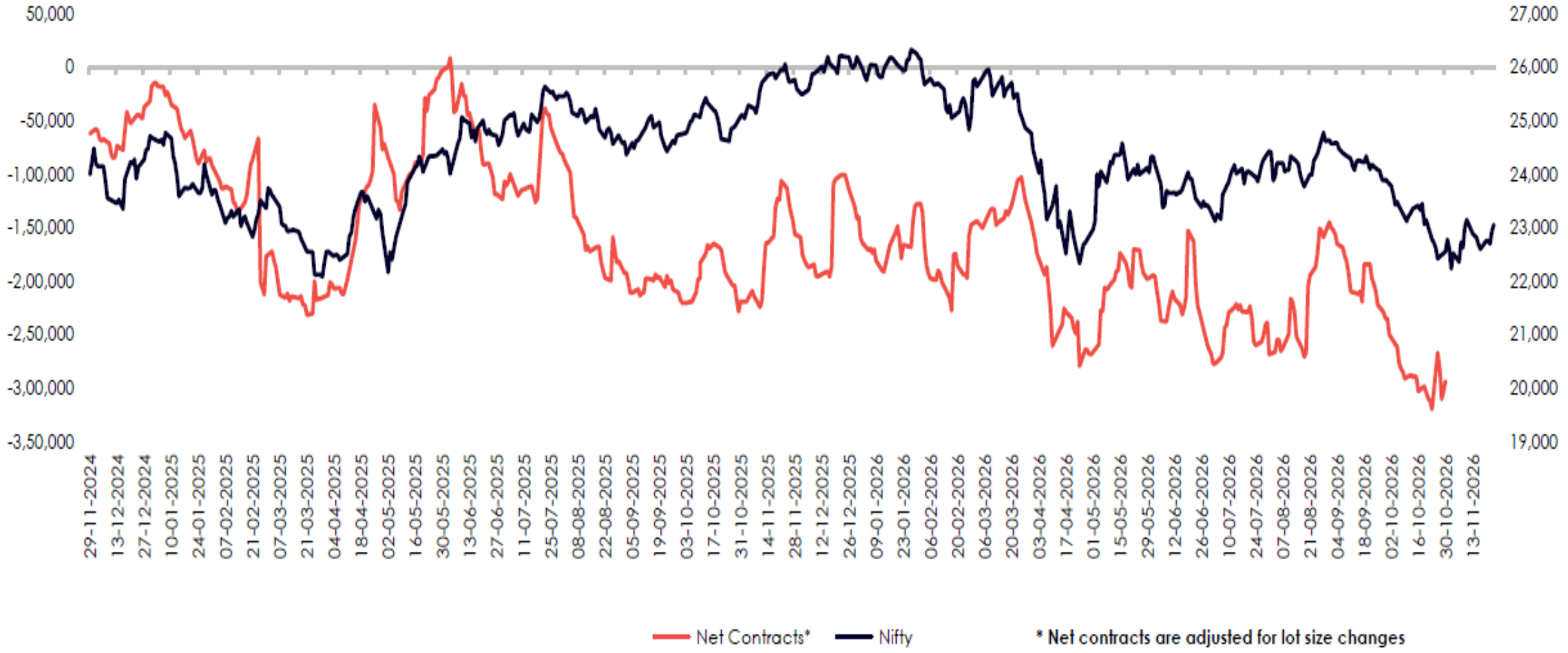
Nifty in USD terms: At crucial zone and waiting for trigger



Source: Nuvama Research

Strictly Private and Confidential. Not for Circulation

Extreme FII Shorts: Upside Risk Outweighs Downside

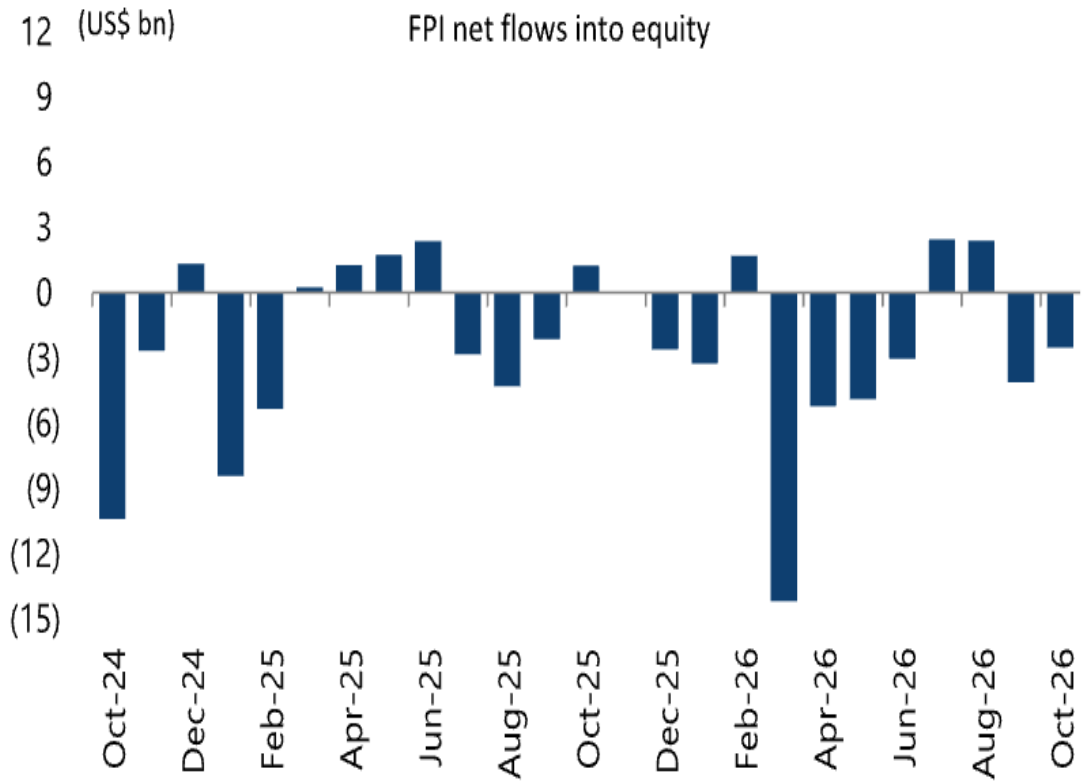


Source: Nuvama Research

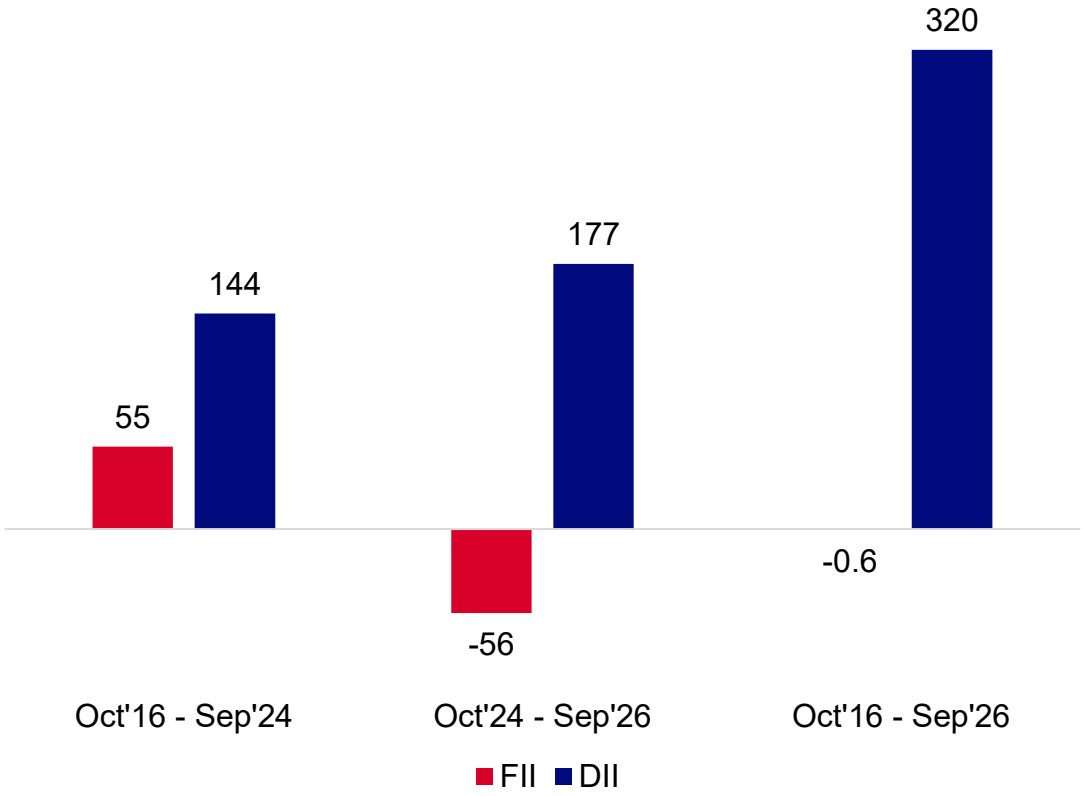
Strictly Private and Confidential. Not for Circulation

FPIs sold USD 58 bn in two years, erasing eight years of net buying

Record FPI selling in past 2 years



FII vs DII flows into Indian equities (USD bn)

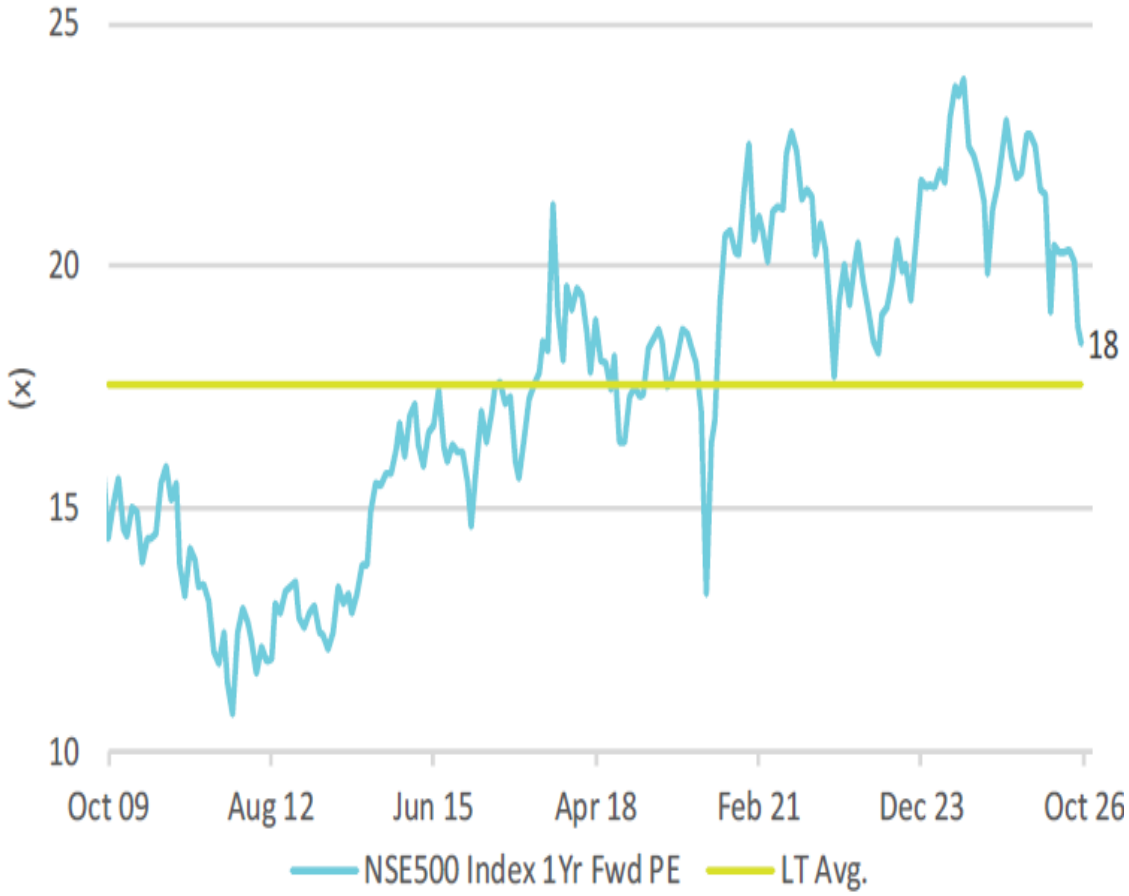


Source: Bloomberg, Jefferies, MOSL

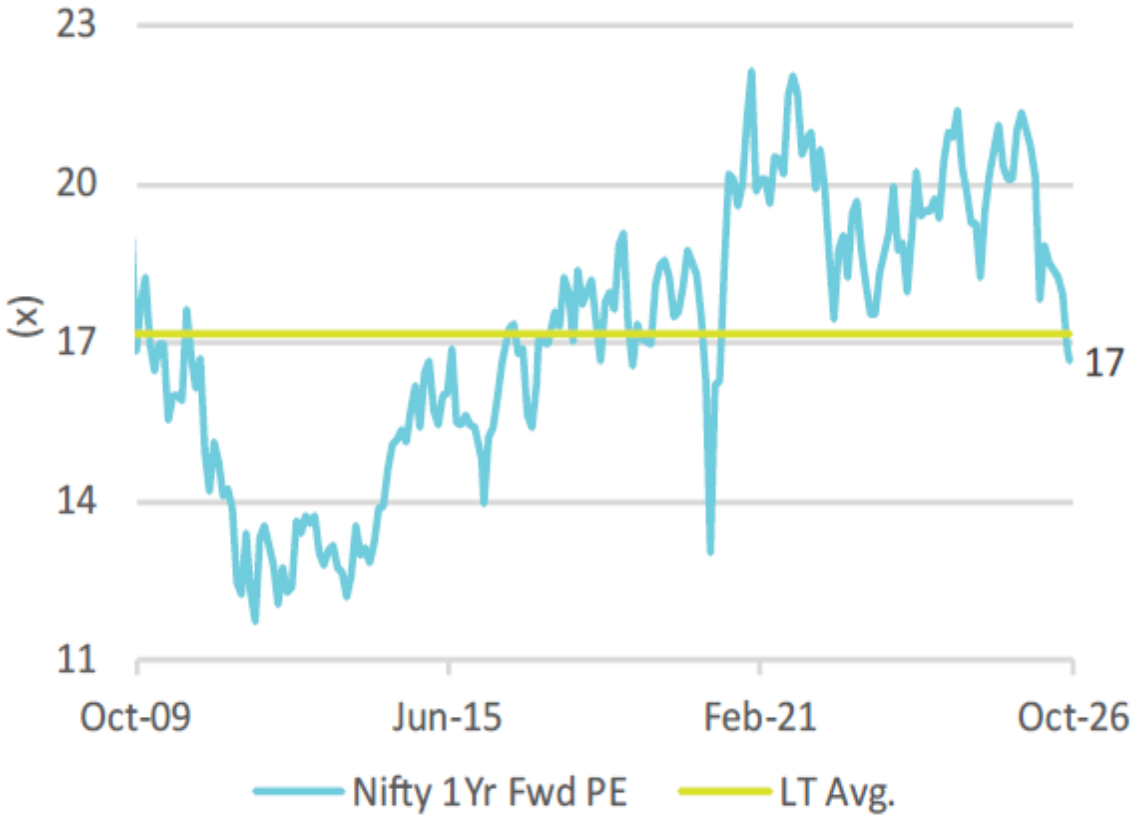
Strictly Private and Confidential. Not for Circulation

On absolute basis, valuations are close to the long-term average

NSE500 valuations have cheapened to long-term average



Nifty valuations back to their long-term average

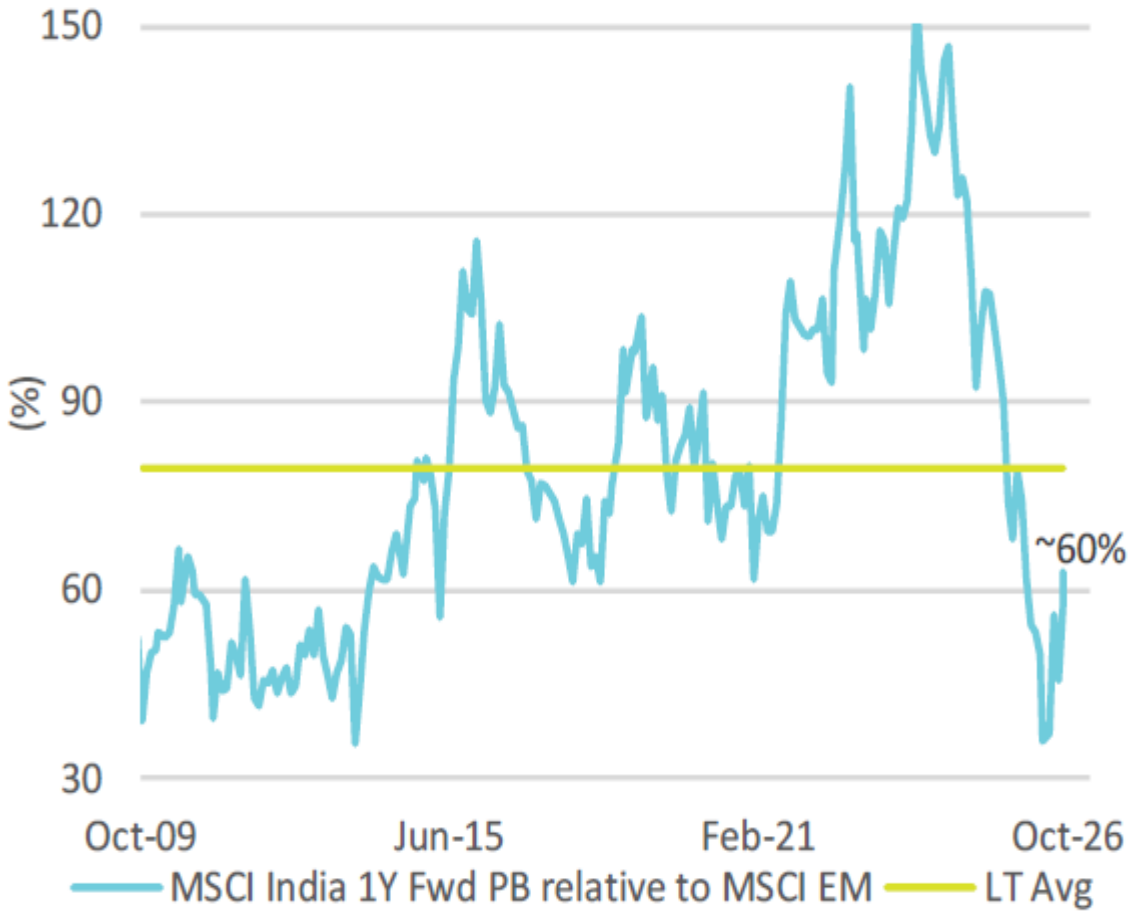


Source: Nuvama Research

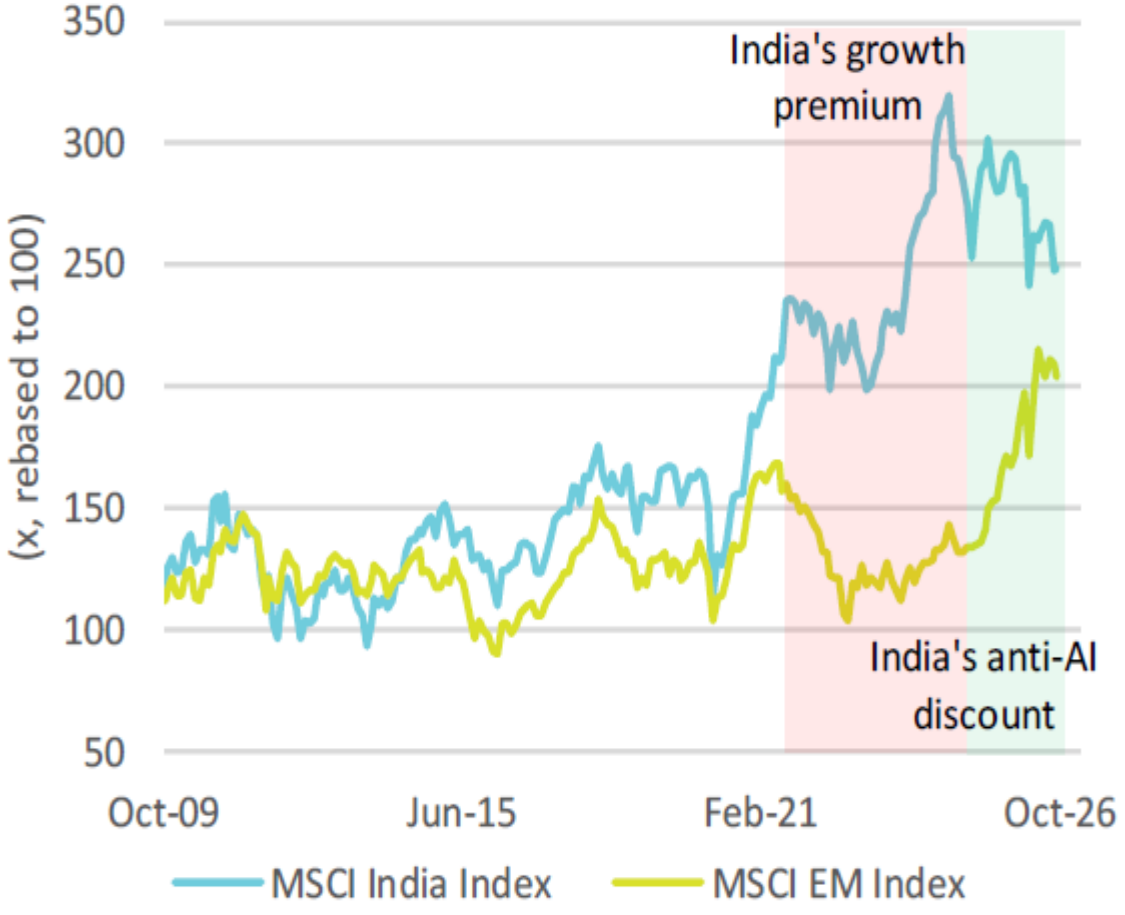
Strictly Private and Confidential. Not for Circulation

India has significantly underperformed EM and other markets – negativity at its peak

India valuation premium to EM near 20-year low…



…so is the India relative returns to EM

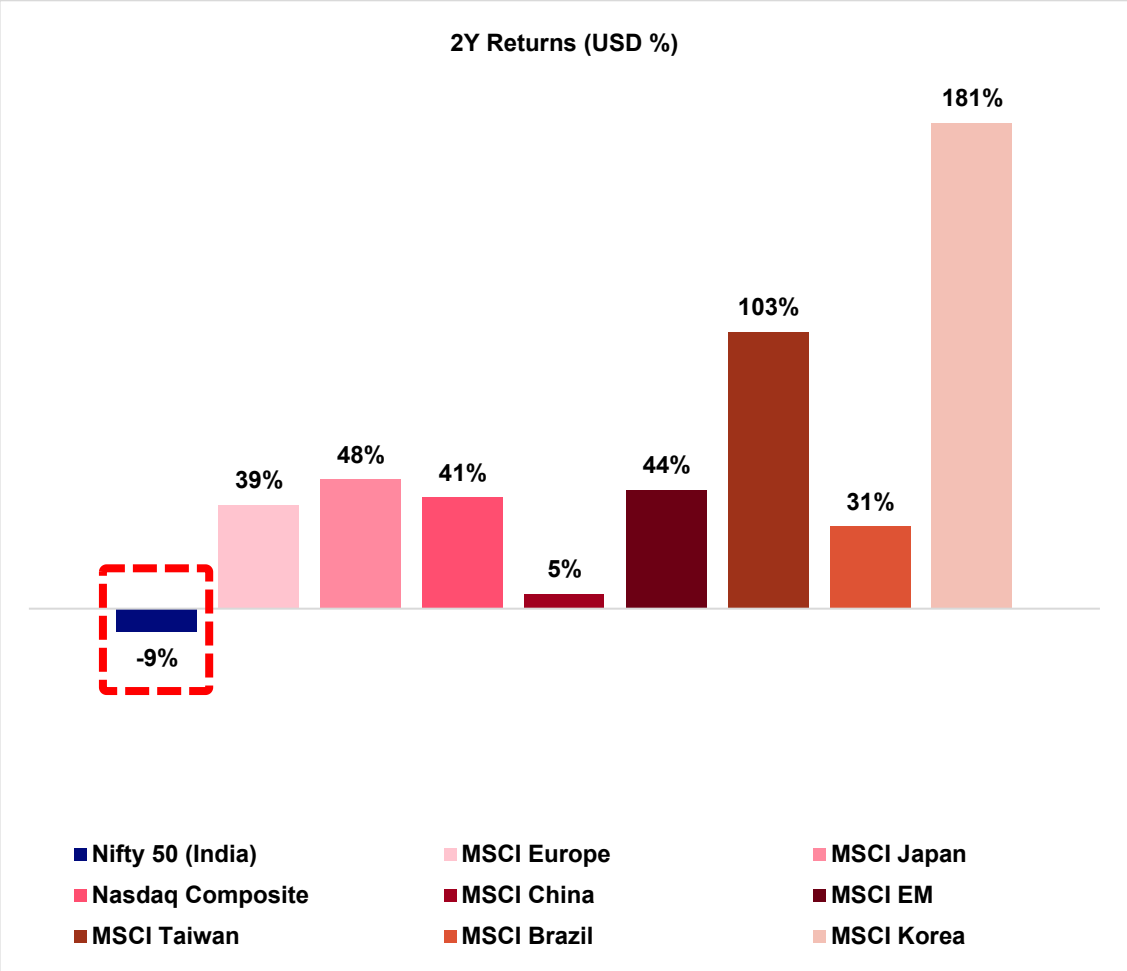


Source: Nuvama Research

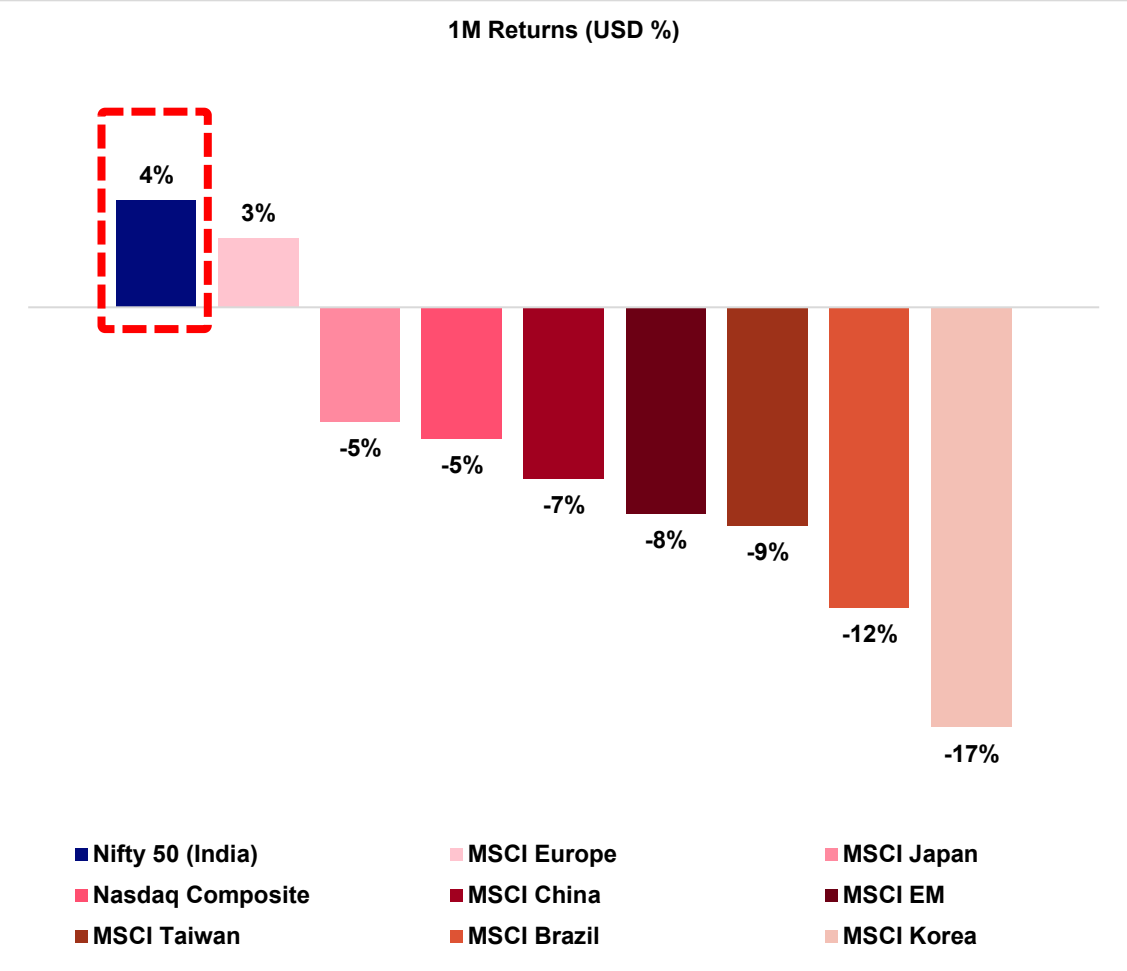
Strictly Private and Confidential. Not for Circulation

Is the tide finally starting to turn

2Y Total Return (USD %)



1M Total Return (USD %)



Source: Bloomberg

Strictly Private and Confidential. Not for Circulation

What can bring back the FIIs? Some of these have already started to play out

01

LOWER CRUDE

Improvement in US-Iran relations leading to crude at $90/bbl levels

02

AI TRADE UNWINDING

Some impact already visible in Nasdaq and Kospi indices

03

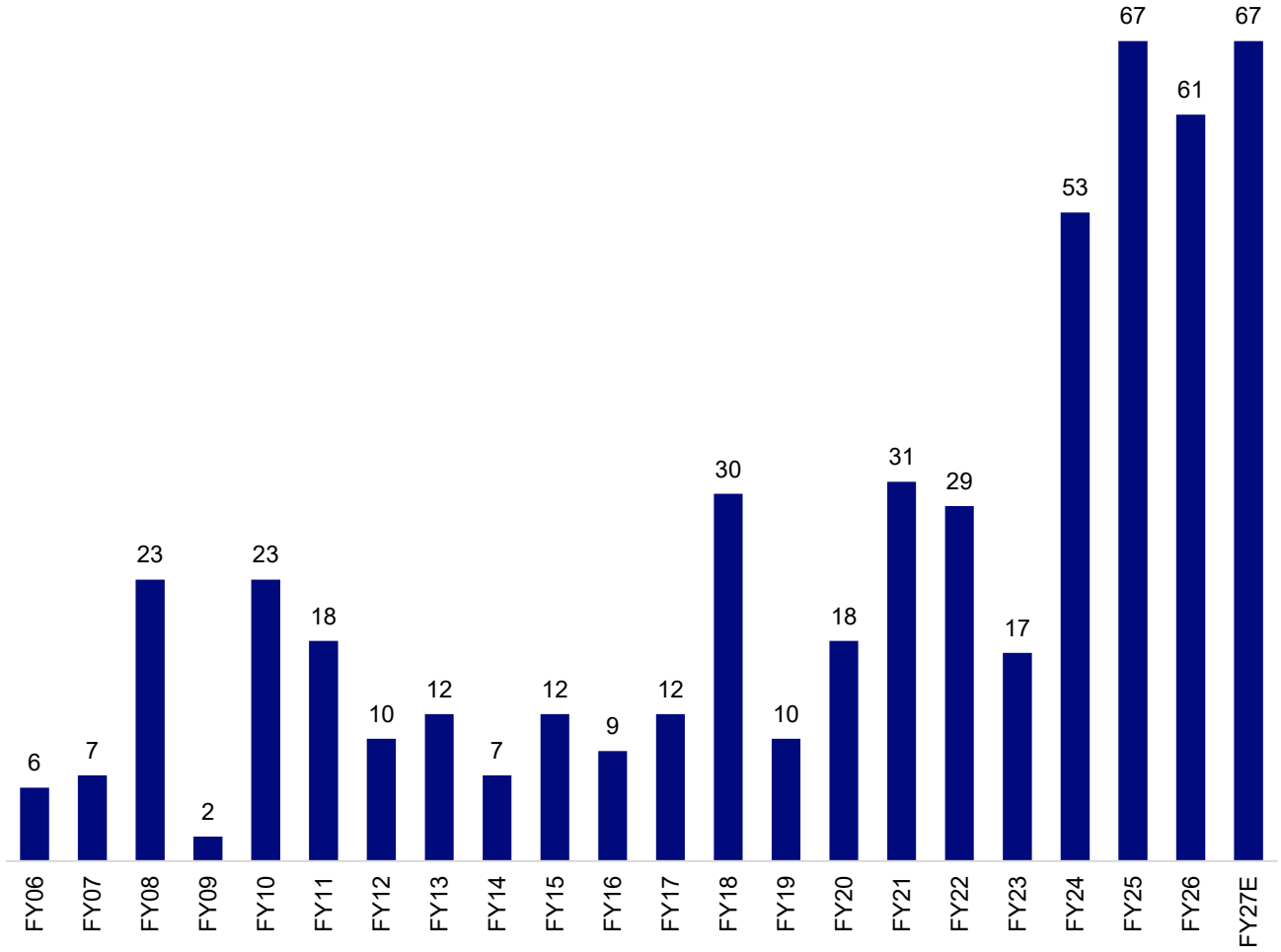
POLICY CHANGES

Reduction in LTCG or lowering of capital flow restrictions

Strictly Private and Confidential. Not for Circulation

Record equity supply is absorbing domestic flows and capping upside

Total equity supply: IPOs, QIPs and block deals (USD bn)



USD 181 bn

Equity supply over FY24–FY26

USD 35–45 bn

Potential supply in 2HCY26: telecom IPO, PSU stake sales, PE exits

USD 67 bn

FY27 run-rate estimate, a level matching the FY25 record

Source: NSE, BSE, Bloomberg, Prime Database, Jefferies

Strictly Private and Confidential. Not for Circulation



IKIGAI
Asset Manager
Trust. Process. Performance.

Themes we like

We prefer themes that fall in one of 4 sectors

DOMESTIC DEMAND INSULATION



Healthcare



Financials



Premium Consumption

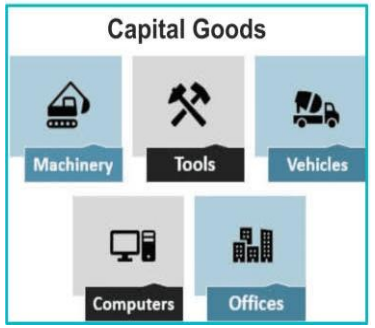
POLICY BASED ORDER BOOK



Power



Defense

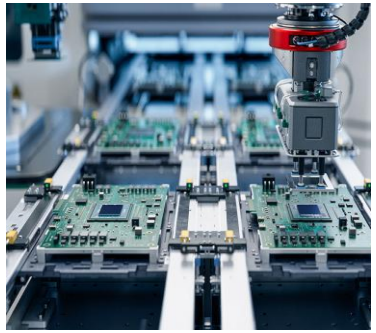


Cap Goods

CURRENCY AND COMPETITION



Pharma & CRDMO



EMS



Specialty Chemicals

FINANCIALIZATION



AMCs



Wealth Managers



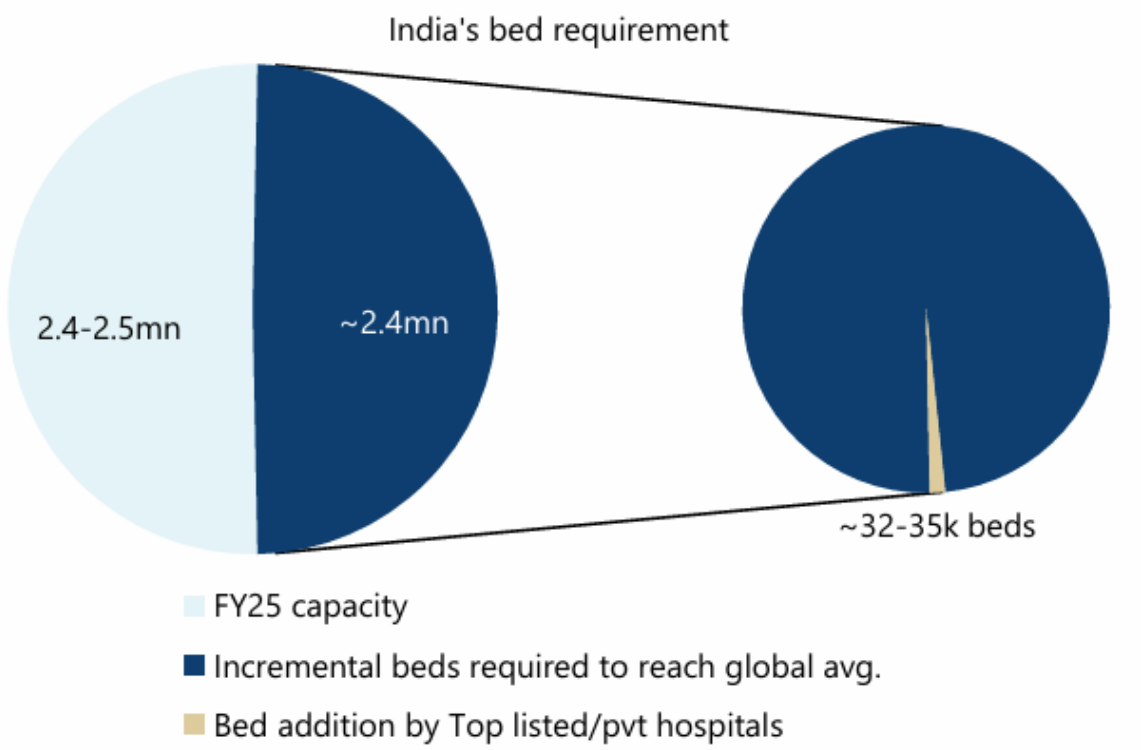
Exchanges

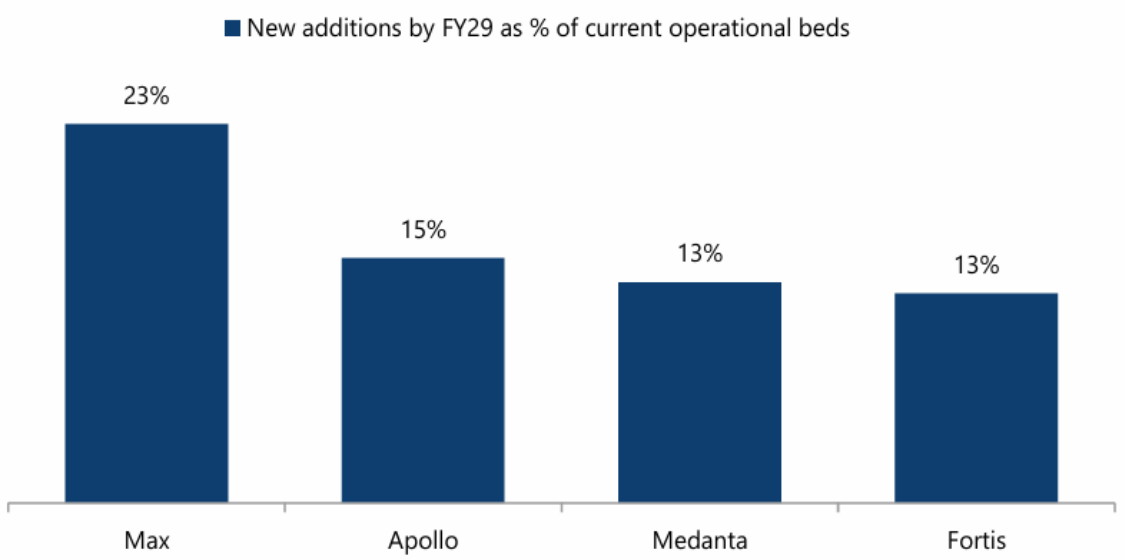
Source: Bloomberg, Polymarket

Strictly Private and Confidential. Not for Circulation

Healthcare: Hospital bed additions to gain momentum in the coming years

Addition of 32-35k beds over the next five years is significantly lower than WHO standards



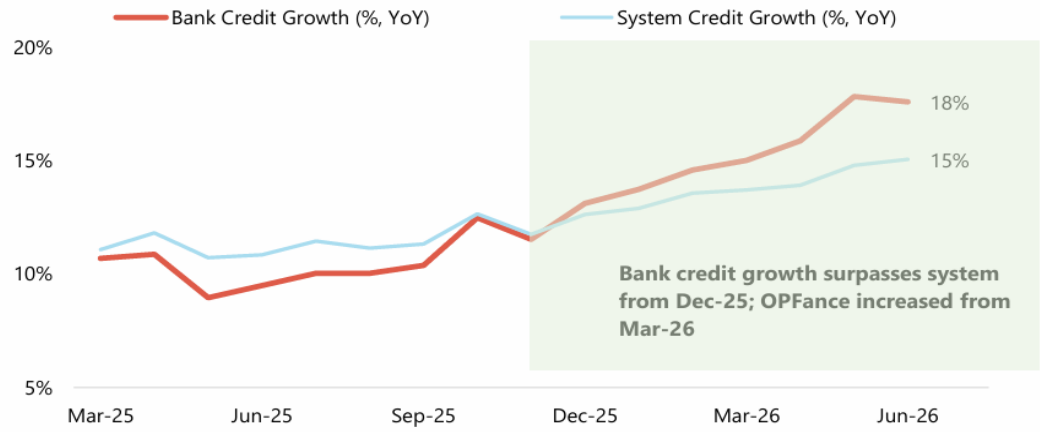


Source: Bloomberg, Jefferies

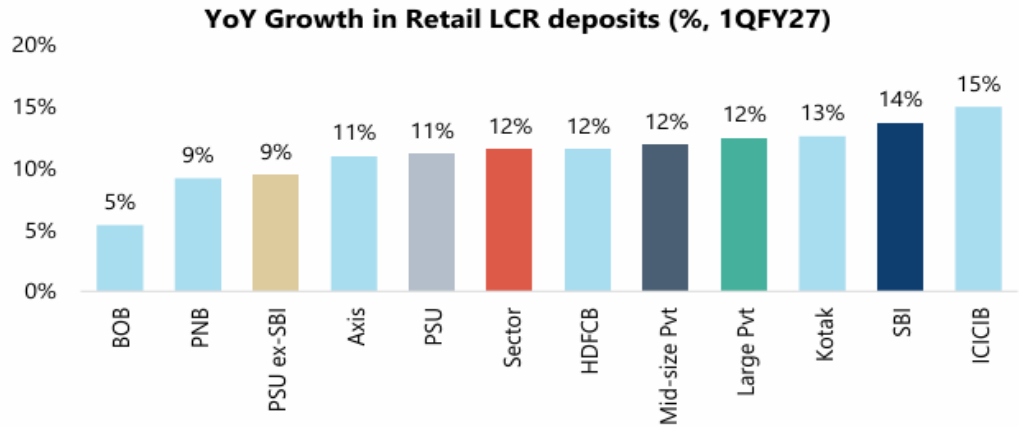
Strictly Private and Confidential. Not for Circulation

Why we believe financials are in a sweet spot

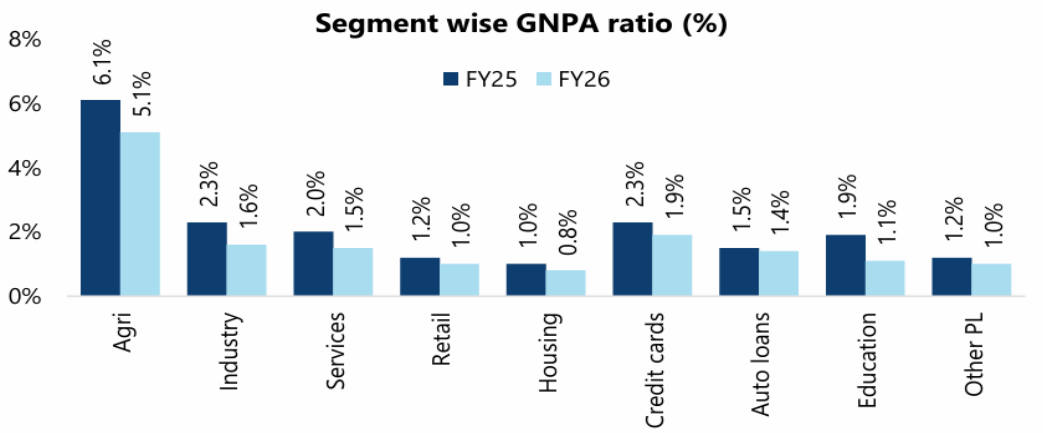
Bank credit growth has improved with rise in overall demand



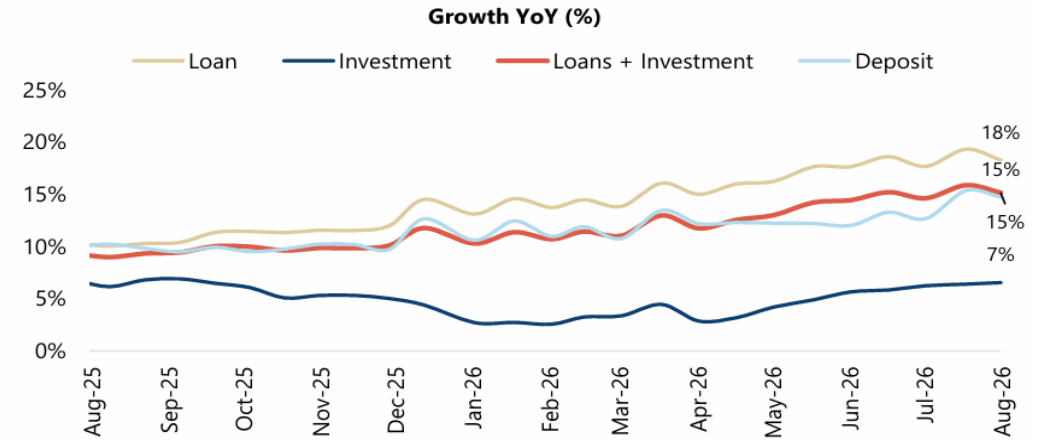
Select pvt banks outpacing on retail deposits



Improvement in asset quality is broad based across segments



Credit–deposit gap offset by slower investments

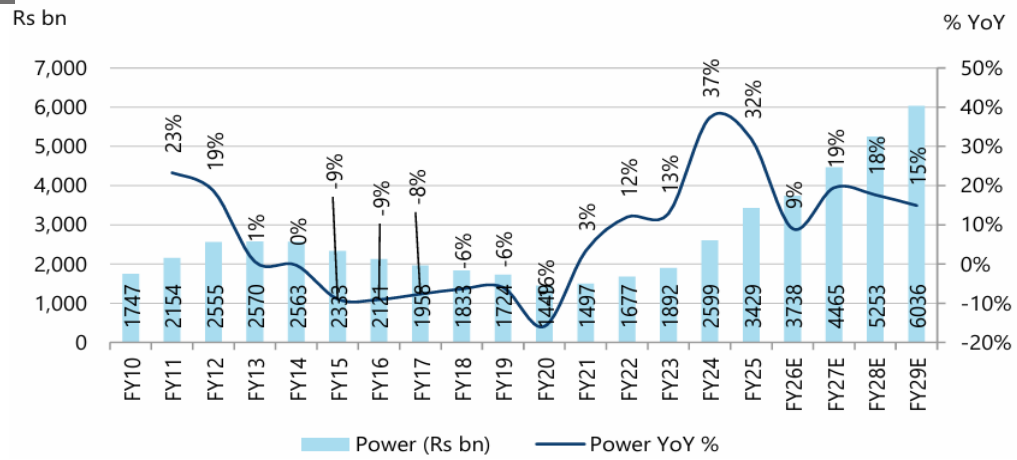


Source: Bloomberg, Jefferies, Axis Capital

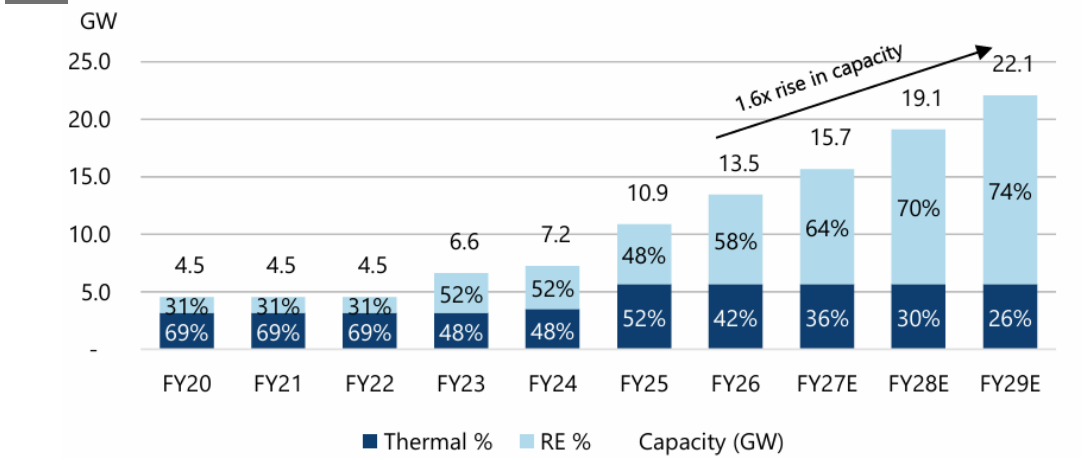
Strictly Private and Confidential. Not for Circulation

Manufacturing linked Power demand driven by capex, residential demand and data centers is outpacing power production and distribution

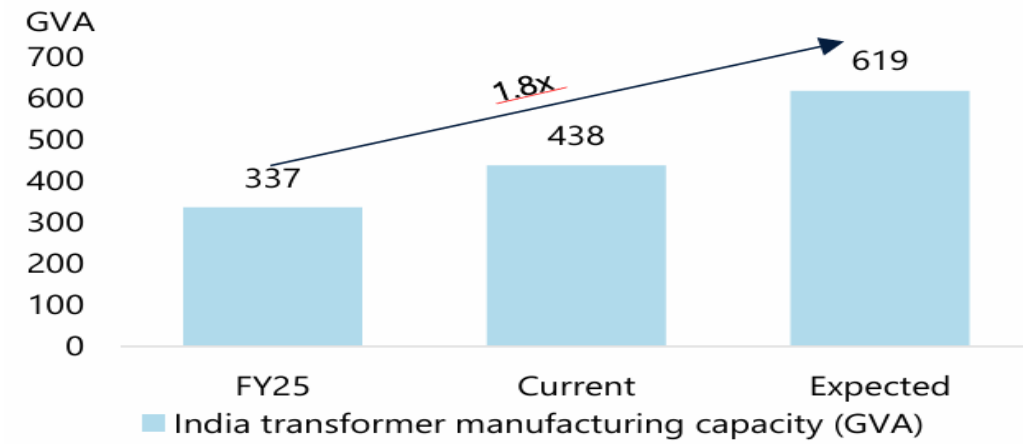
Pickup in power CAPEX spends to drive order flow for PE cos



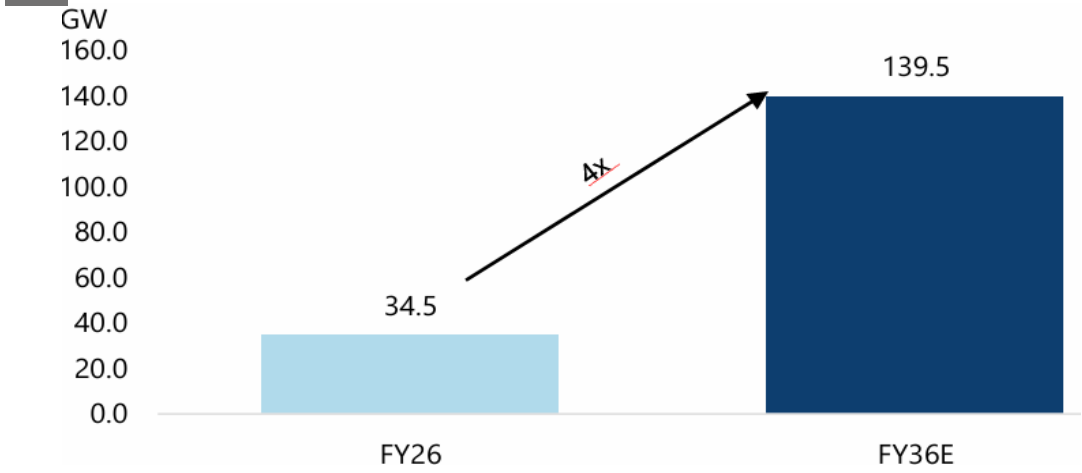
Capex plans by power utility players provide earnings growth visibility



Supply will continue to lag despite aggressive capacity additions



Huge boom in HVDC transmission capacity

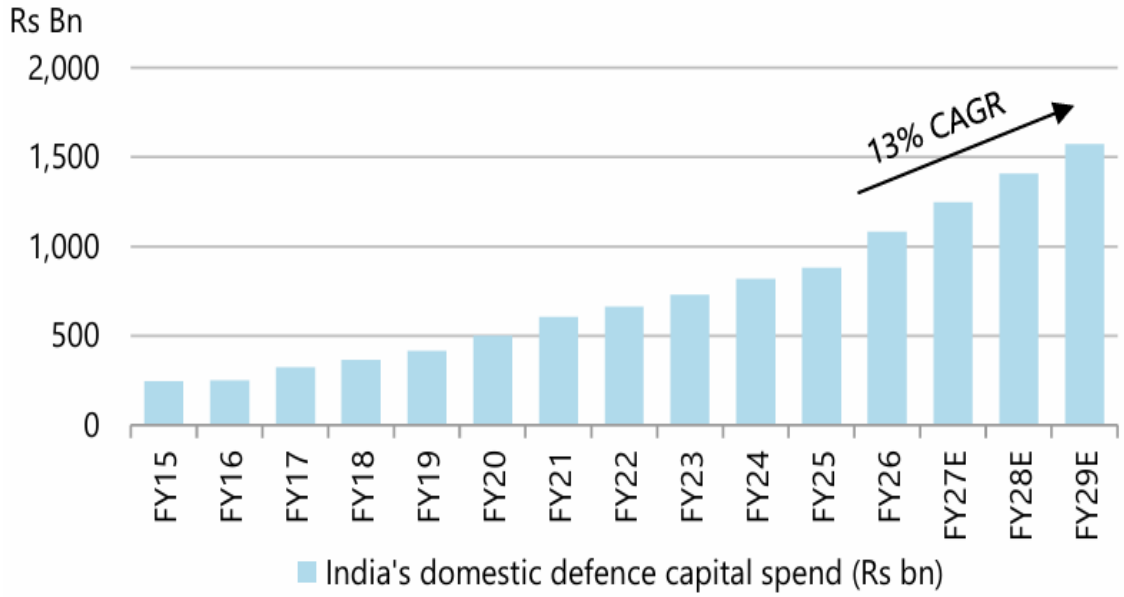


Source: Bloomberg, Jefferies

Strictly Private and Confidential. Not for Circulation

Global geo-political tensions and India's rising focus on self-reliance is fueling order flow and revenue growth for domestic defense companies

Addressable opportunity for Indian defense players is expected to rise driven by gov's indigenization focus and growing export opportunity



India's defense exports rose 63% YoY to Rs384 bn in FY26, well above the government's Rs300 bn target



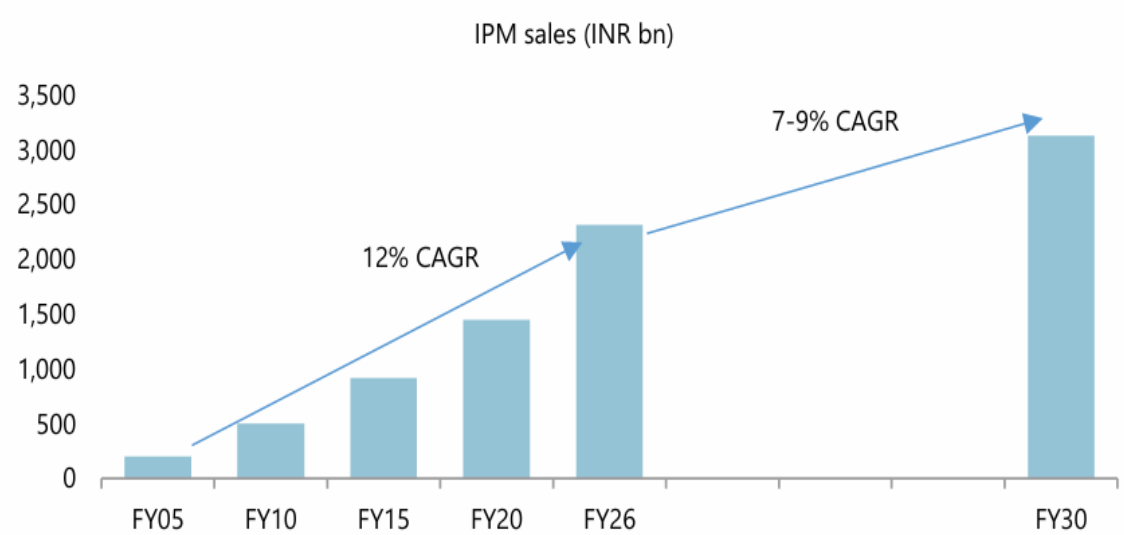
Source: Bloomberg, Jefferies

Strictly Private and Confidential. Not for Circulation

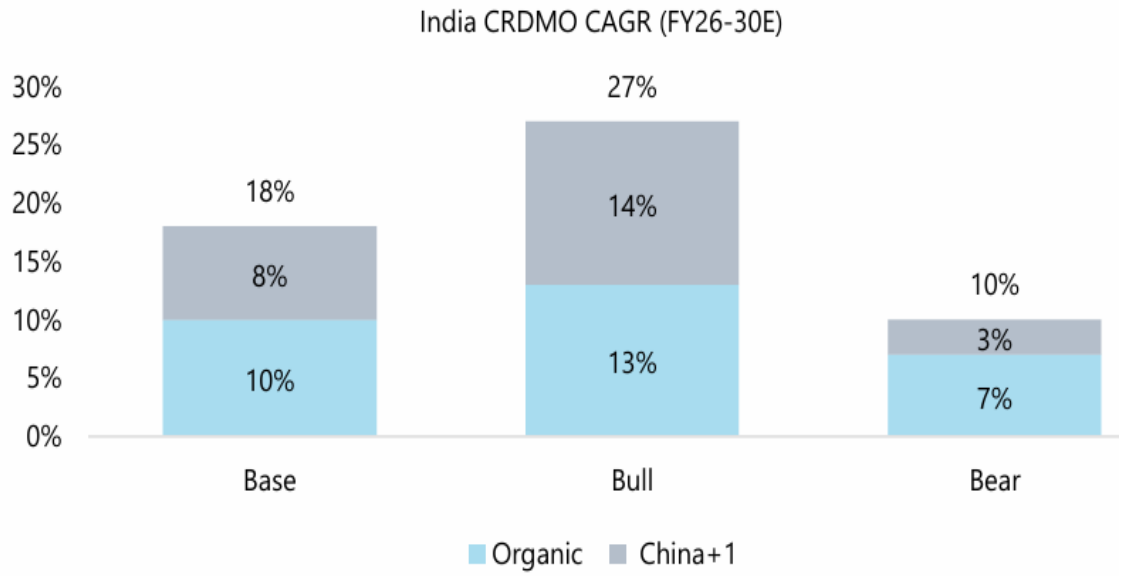
Domestic pharma mkt is witnessing a strong double-digit growth with bigger cos gaining mkt share. Positive on CRDMO supported by cost advt and supply chain diversification

IKIGAI Asset Manager
Trust. Process. Performance.

Growth being driven by sustained mid-high teens growth in chronic therapies and a revival in acute therapies



Big Pharma are diversifying supply chain for resilience, India to be a major beneficiary of China+1

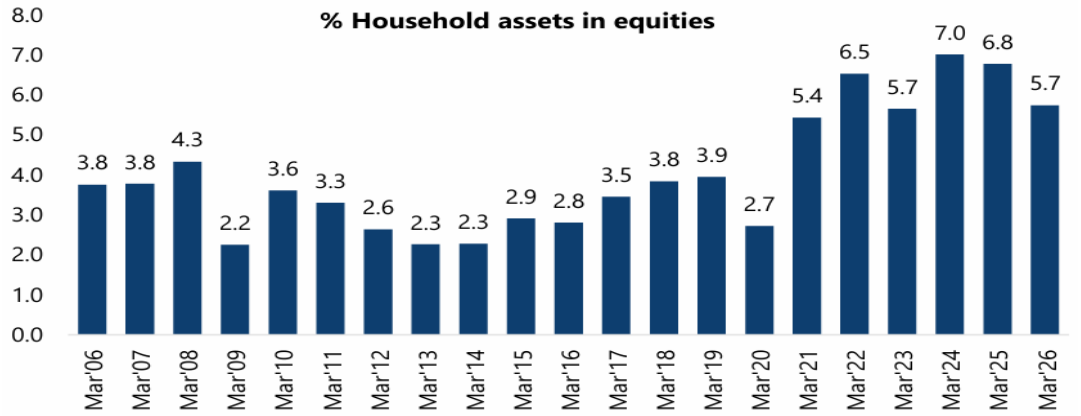


Source: Bloomberg, Jefferies

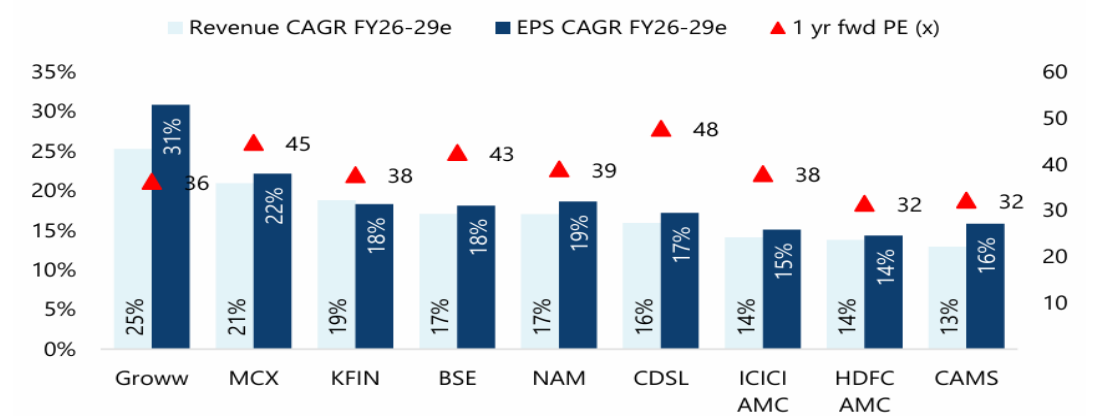
Strictly Private and Confidential. Not for Circulation

Capital markets offer structural tailwinds considering equities is still only 6% of household assets, and the expanding product pipeline.

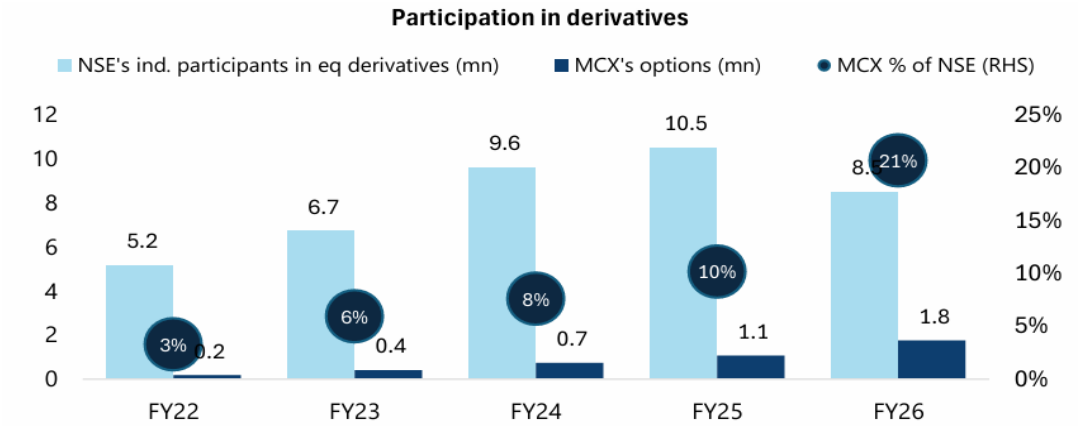
Structural tailwinds exist given only 6% of HH assets & deployed in equities



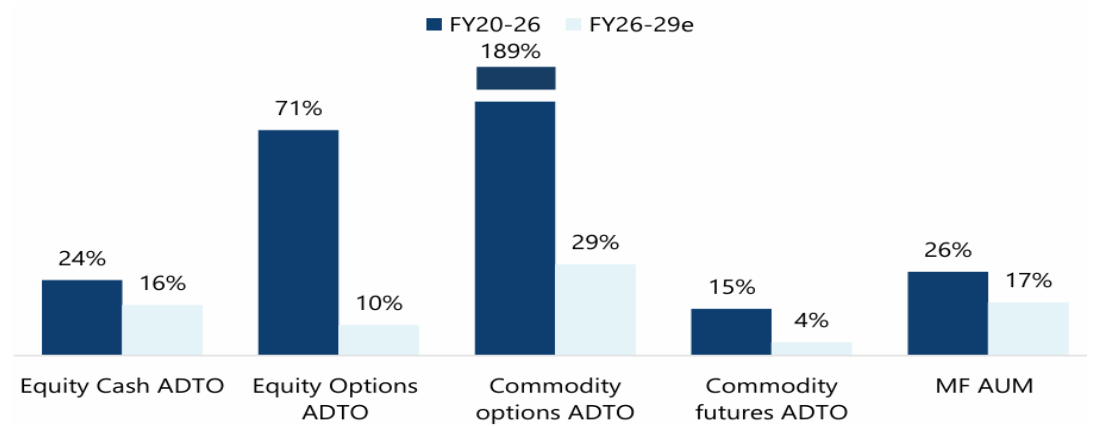
Brokers benefit from expansion of products, while exchanges benefit from increased penetration



Despite participation in MCX's options growing 80% y-y in FY26 it still remains at 21% of individual participants in NSE's equity derivatives



Commodities, Cash and MFs may provide better growth over the next 3 years



Source: Bloomberg, Jefferies

Strictly Private and Confidential. Not for Circulation

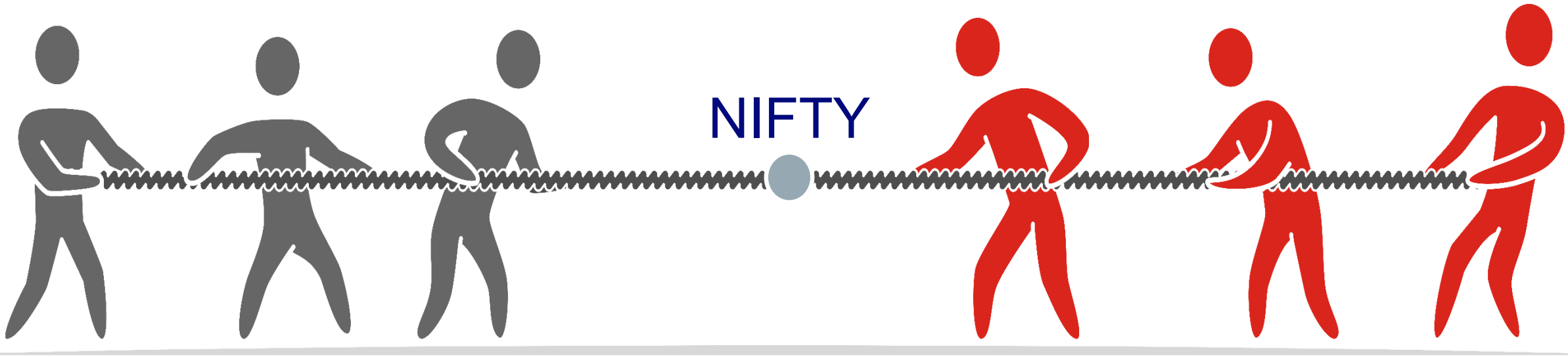
Be ready for volatility: a tug of war between global risks and domestic fundamentals

Events: US Tariff war, Energy Prices and Geopolitical uncertainty

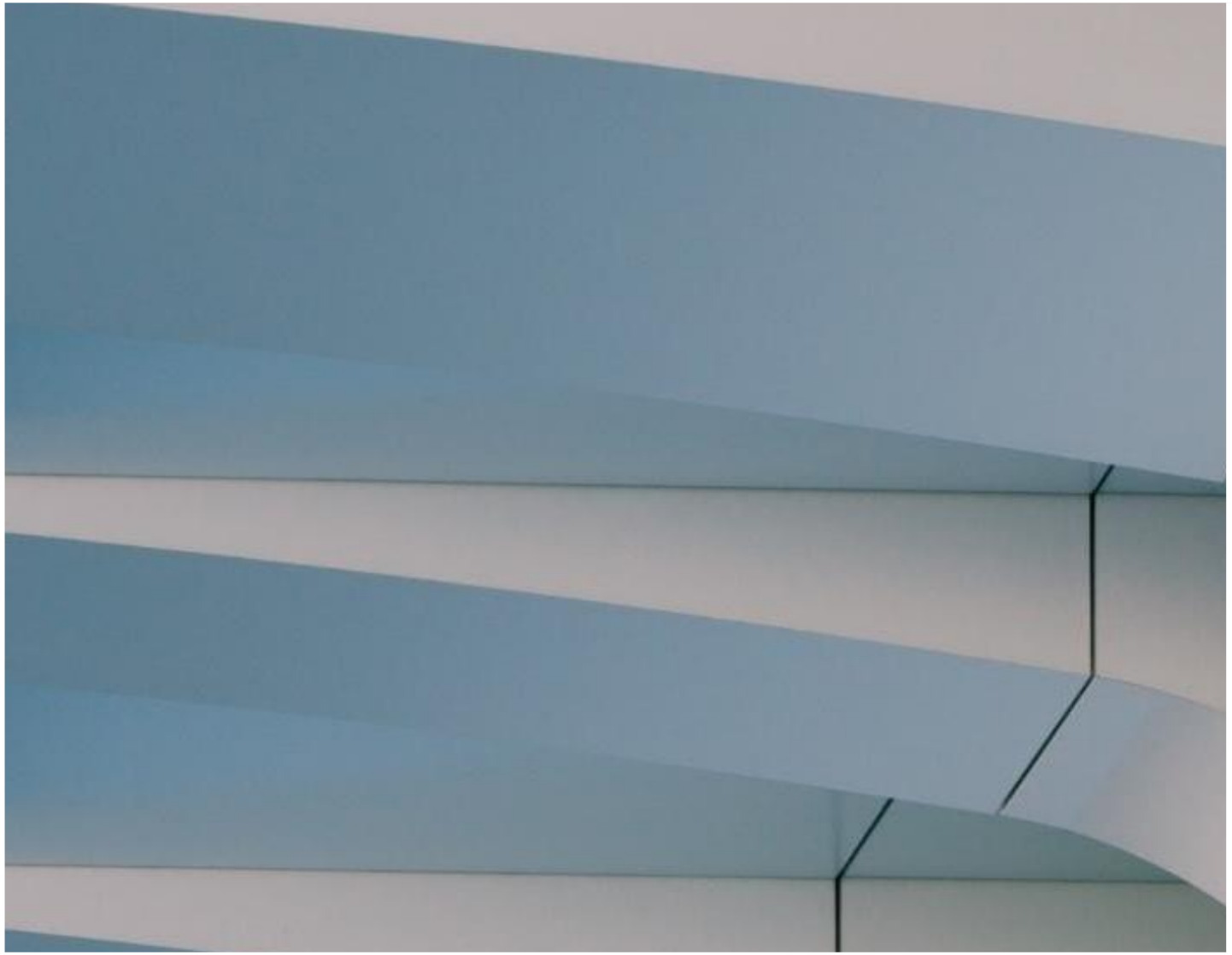
23K | **24K** | **26K**

Extended Middle-East war	Risks to Earning Trajectory
Global Liquidity Tightening	External Shocks

Earnings Pickup	Favourable India Macros
Yield Softening	FII Flows Returning



Strictly Private and Confidential. Not for Circulation



Fund Update

IKIGAI Emerging Equity Fund

Strictly Private and Confidential. Not for Circulation

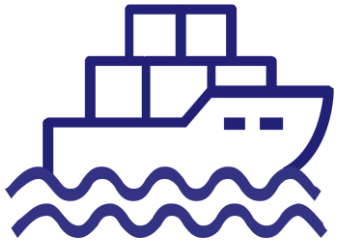
Key Investment Themes



Big Getting Bigger, Strong Getting Stronger



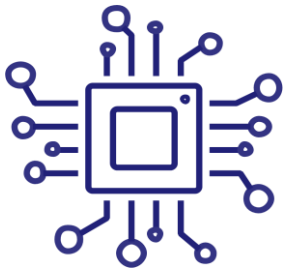
PLI - Revival of Industrial Manufacturing & Private sector Capex



China +1 Exports Opportunity



Consumption



Digitization

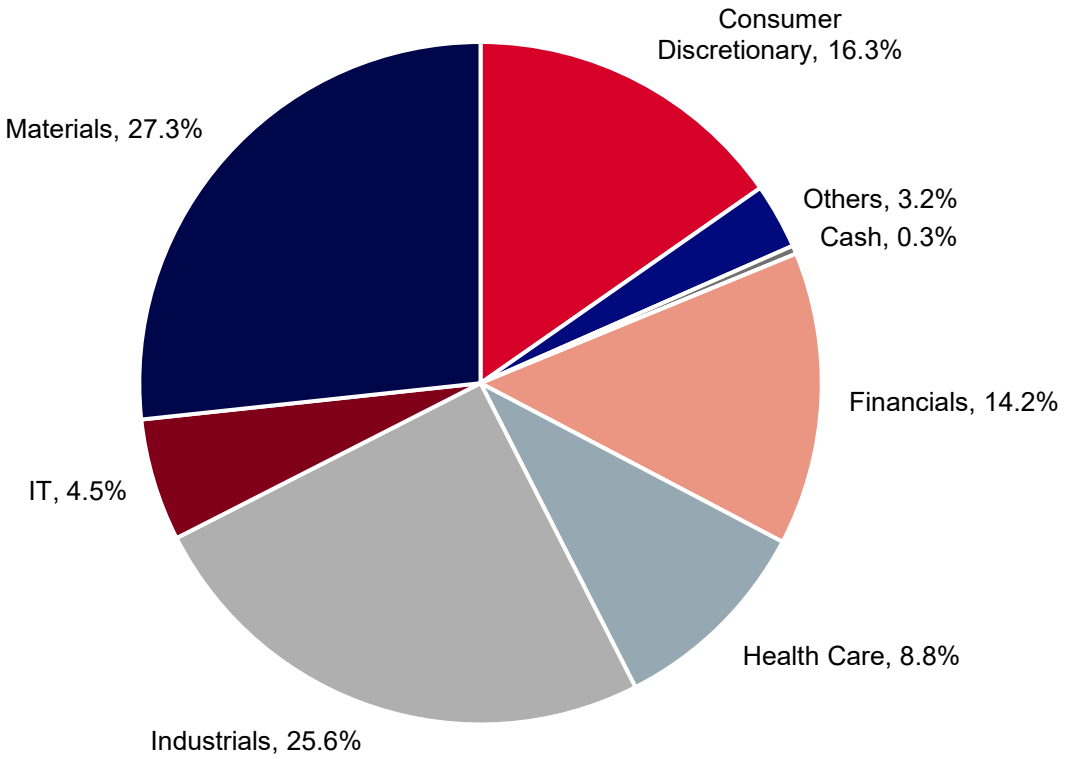


Financialization

Strictly Private and Confidential. Not for Circulation

Key Portfolio Statistics (1/2)

Sector Allocation

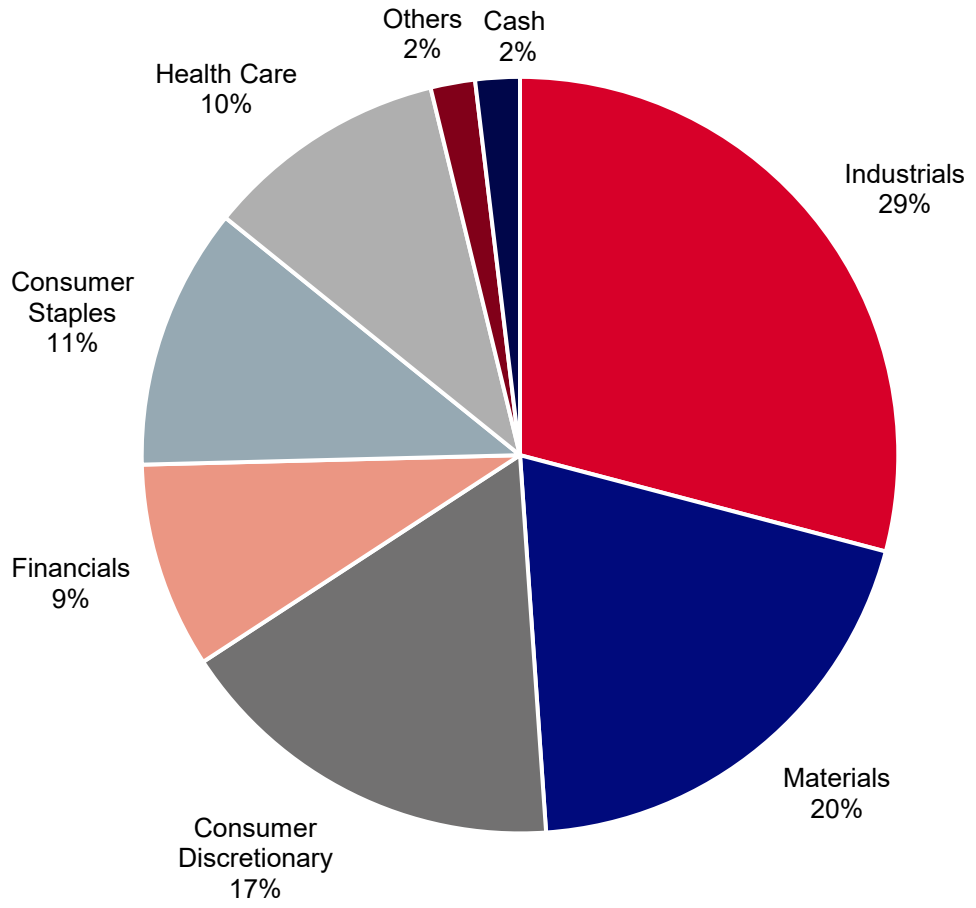


Period Ended	**IKIGAI Emerging Equity Fund
EPS Growth FY27E	28%
EPS Growth FY28E	25%
Return On Capital	14%
Debt/Equity	0.1
EBITDA Margin	11%
Free Cash Yield	2%
Forward P/E	25x

Note: Data as on 31 Oct 2026

Key Portfolio Statistics (2/2)

Sector Allocation



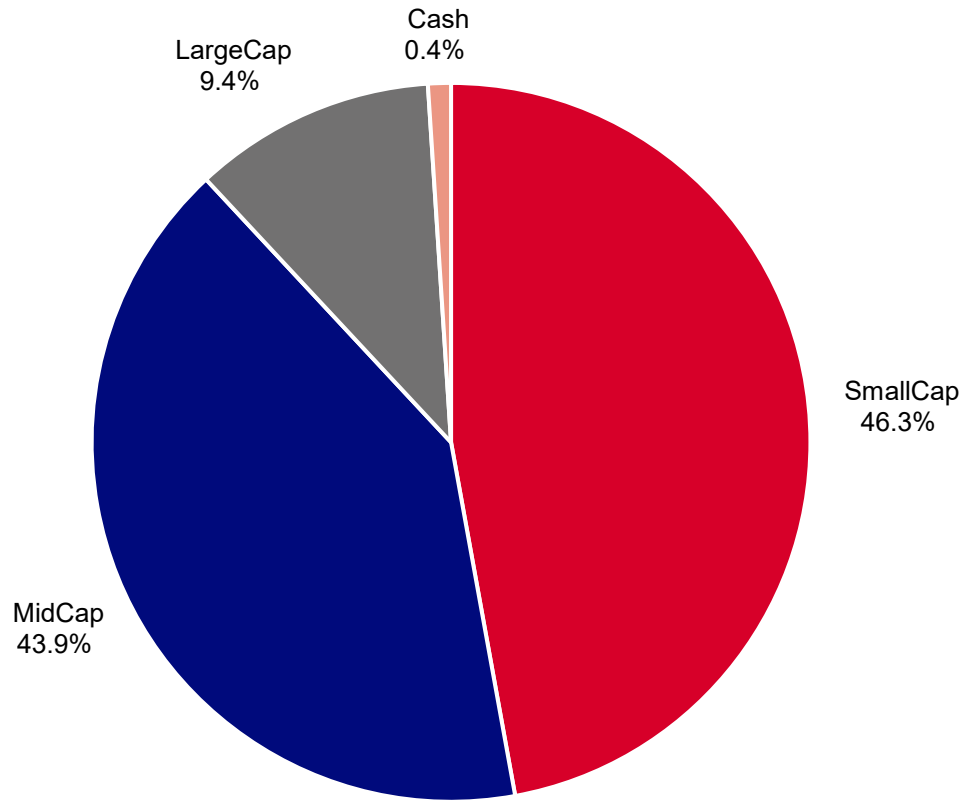
Period Ended	**IKIGAI Small Cap Fund
EPS Growth FY27E	32%
EPS Growth FY28E	24%
Return On Capital	15%
Debt/Equity	0.1
EBITDA Margin	8%
Free Cash Yield	2%
Forward P/E	25x

Note: Data as on 31 Oct 2026

Top portfolio holdings and market cap breakup

Top 10 Stocks	Weights
Happy Forgings Limited	5.4%
Alkyl Amines Chemicals Limited	3.8%
Kajaria Ceramics Limited	3.7%
V.S.T Tillers Tractors Limited	3.7%
Century Plyboards (India) Limited	3.7%
Welspun Corp Ltd	3.3%
Supreme Industries Limited	2.7%
Persistent Systems Limited	2.5%
Hawkins Cookers Limited	2.5%
Sansera Engineering Limited	2.5%

Market Cap Allocation



Note: Data as on 31 Oct 2026

Strictly Private and Confidential. Not for Circulation

Fund Performance

Returns relative to benchmark

Period	IKIGAI Emerging Equity Fund	Benchmark Return		
		Nifty 50	Nifty 500	Nifty MidSmall 400
CYTD	**8.93%**	-8.30%	-4.62%	0.17%
Last 6 Months	**5.77%**	-0.66%	-0.27%	0.13%
Last 12 Months	**7.34%**	-6.40%	-3.83%	-0.71%
Last 3 Months	**-3.37%**	-2.66%	-3.89%	-5.68%
Since Inception (XIRR)	**3.98%**	0.72%	0.82%	1.66%

Note: Pre-Tax Return for Class D1, as on 04 Nov 2026
*Inception Date 19 Jun 2024
Index Closing Value for 18 Jun 2024 has been considered

Strictly Private and Confidential. Not for Circulation

We launched the Small Cap Fund in Mar'26 in the midst of all the uncertainty

Returns relative to benchmark

Period	IKIGAI Small Cap Equity Fund	Benchmark Return		
		Nifty 500	Nifty SmallCap 250	Nifty MidSmall 400
Last 6 Months	**10.35%**	-0.27%	2.97%	0.13%
Last 3 Months	**-0.93%**	-3.89%	-4.37%	-5.68%
Since Inception (Absolute)	**20.95%**	6.01%	16.48%	10.24%

Top Holdings

	Holding	Weights
1.	Happy Forgings Limited	4.9%
2.	Alkyl Amines Chemicals Limited	3.9%
3.	Century Plyboards (India) Limited	3.8%
4.	AIA Engineering Limited	3.3%
5.	Kajaria Ceramics Limited	3.3%

	Holding	Weights
6.	Balrampur Chini Mills Limited	2.9%
7.	VST Tillers Tractors Limited	2.6%
8.	Gujarat Ambuja Exports Limited	2.6%
9.	Shyam Metalics & Energy Limited	2.6%
10.	SPR Auto Technologies Limited	2.5%

Note: Pre-Tax Return for Class D1, as on 04 Nov 2026
*Inception Date 25 Mar 2026
Index Closing Value for 24 Mar 2026 has been considered

Strictly Private and Confidential. Not for Circulation

IKIGAI
Asset Manager
Trust. Process. Performance.

Thank You

The user acknowledges and agrees to release IKIGAI Asset Manager and employees from any liability arising from misuse, improper, or illegal use of information. The content cannot be copied without approval. Forward-looking statements may differ due to risks. IKIGAI Asset Manager takes no responsibility for updating data. Prospective investors should carefully review documents and seek professional advice before investing. IKIGAI Asset Manager and its affiliates are not responsible for decisions based on the content. Investment portfolios are subject to various risks. Recipients are fully responsible for decisions based on the document. IKIGAI Asset Manager may have existing exposures to portfolio stocks. IKIGAI Asset Manager may offer conflicting services, and disputes are subject to Indian laws.

IKIGAI Asset Manager
Trust. Process. Performance.

This document is purely for information purposes and should not be considered as an investment advice/recommendation or an offer or solicitation of an offer to buy/sell any securities. The past performance of the Fund Manager/ Chief Investment Officer does not indicate or guarantee the future performance of any funds and strategies managed by him. This presentation has been prepared and issued based on internal research, information and data available in the public domain and from sources deemed to be reliable. Past performance may or may not be sustained in future. Returns are dependent on prevalent market factors, liquidity and credit conditions. Instrument returns depicted are in the current context and may be significantly different in the future. There is no guarantee that the aimed returns may be met. Contributors should bear in mind that past performance is not necessarily indicative of future results, and there can be no assurance that the Fund will achieve comparable results IKIGAI Asset Manager Holdings Private Limited ("IKIGAI"), a company incorporated under the provisions of Companies Act, 2013, having its registered office at 1008, INS Tower, G Block, CTS. No. 4207 Bandra Kurla Complex, Mumbai - 400051 acts as the Investment Manager and Sponsor to IKIGAI Emerging Equity Fund ("Fund"), a scheme of IKIGAI Asset Holdings Investment Trust which is registered with the Securities and Exchange Board of India ("SEBI") as a Category III Alternative Investment Fund under the SEBI (Alternative Investment Fund) Regulations, 2012. IKIGAI has not independently verified all the information and opinions given in this presentation, while reasonable endeavors have been made to present reliable data in the presentation, however IKIGAI does not guarantee the accuracy or completeness of the data in the presentation. All opinions, figures, charts, graphs, estimates and data included in this presentation are as of date and subject to change without notice IKIGAI and its employees/directors shall not be liable for any loss, damage, or liability whatsoever for any direct or indirect loss arising from the use of this information. Recipients of this information should exercise due care and caution and read Placement Memorandum / Contribution Agreement ("Fund Documents") before taking any information. All investors must read the Private Placement Memorandum / Contribution Agreement including the known and unknown risk factors/uncertainties and consult their tax advisors, before making any investment decision/contribution in the funds managed by IKIGAI. Investments in securities are subject to market and other risks and there is no assurance or guarantee that the objectives of any of the funds managed by IKIGAI will be achieved. Clients are not being offered any guaranteed/assured returns. Persons in whose possession this Report / Presentation may come are required to inform themselves of and to observe such restrictions. Recipients shall be solely liable for any liability incurred by them in this regard.