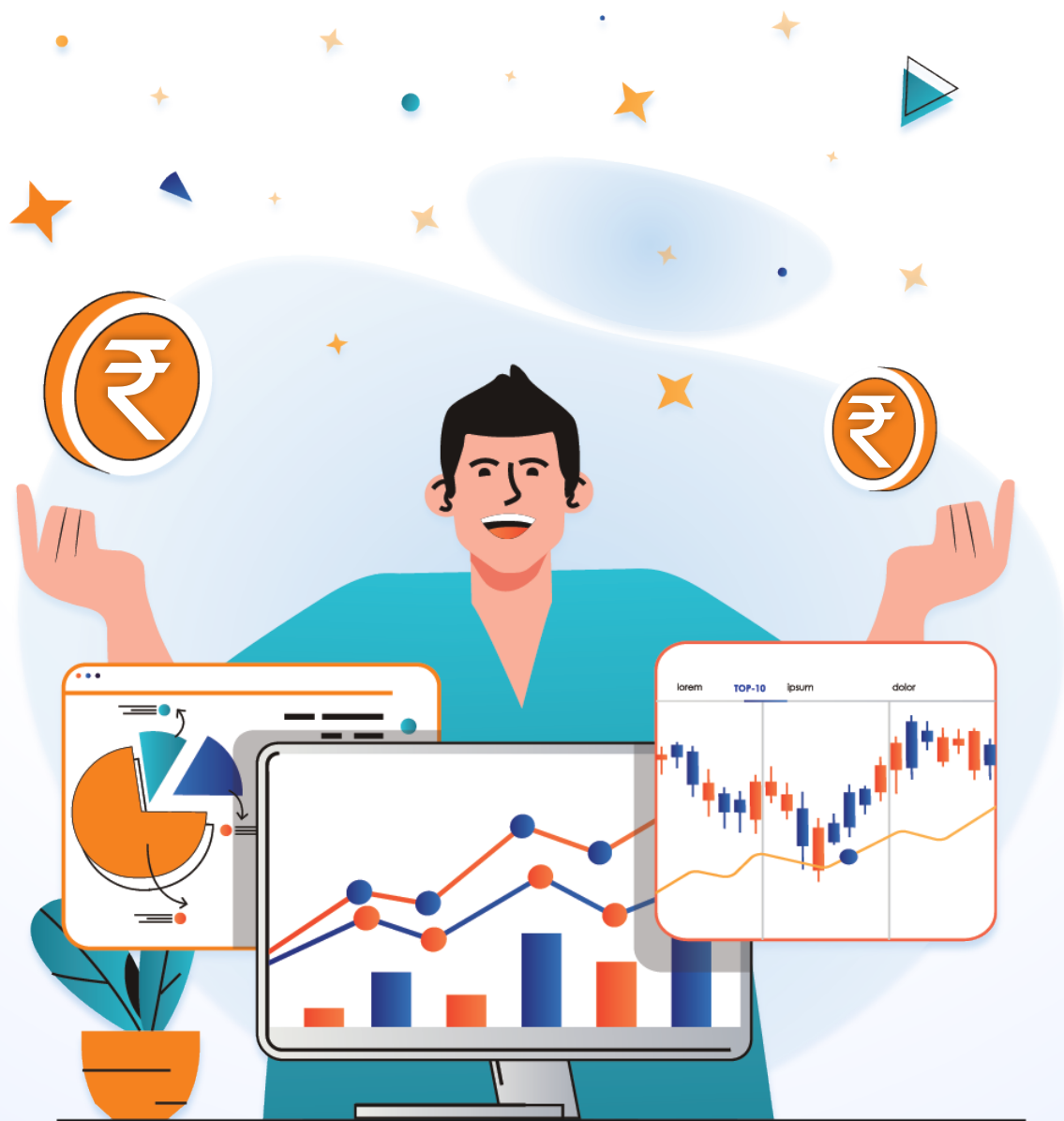


Investment Strategy

August 2025



Equity Market Wrap & Strategy

1

With the US's reciprocal tariffs, India's relative advantage for export to US has reverses vis-à-vis Asian peers. However, impact to be limited as India is largely a domestic-driven economy and its share of goods exports to US is low.

2

Higher tariffs could affect capital flows, but the growth differential between India and the US remains favourable for India, which should keep flows steady.

3

Easing inflation, a favourable monsoon, structural increase in consumption and the RBI's rate cuts/liquidity measures would sustain growth.

4

However, challenges such as a global slowdown due to geopolitical tensions and tariff war could affect the domestic economy.

Strategy - Easing domestic inflation, Reserve Bank of India's renewed focus on growth, and better liquidity levels would support strong growth. Allocation to large-cap equities is preferred for their reasonable valuations.

Debt Market Wrap & Strategy

1

Domestic yields are rising with the RBI shifting its monetary policy stance to "Neutral". Markets are now factoring the end of the rate cut cycle; any further rate cut to be driven by domestic growth dynamics.

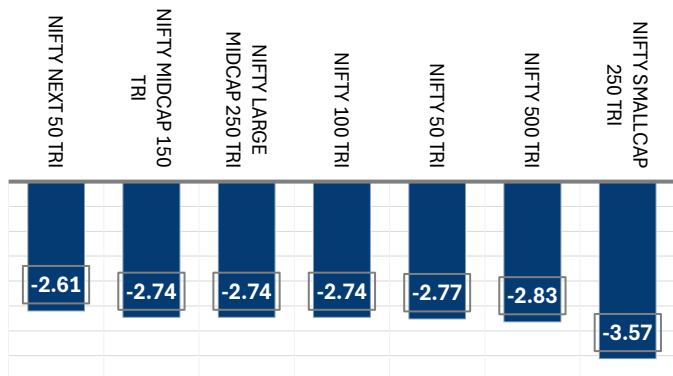
2

CPI inflation is easing but the US's reciprocal tariffs could stress the rupee and lead to imported inflationary risks. The RBI is likely to keep policy rates unchanged in upcoming meets and focus on transmission of existing rate cuts.

Strategy - Shift allocation from long-end bonds to short duration due to the RBI's neutral policy stance, limiting further rate cuts. Consider precious metals as a hedge against global uncertainties.

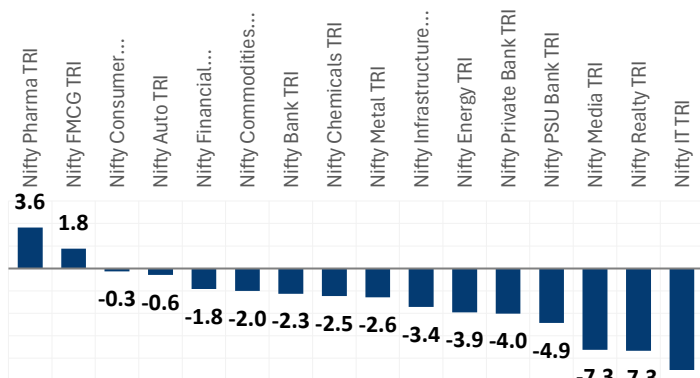
Story in Charts

Broad Market Performance
Month-on-Month Returns %



Source: MFI360 Explorer; Data as on 31st July 2025

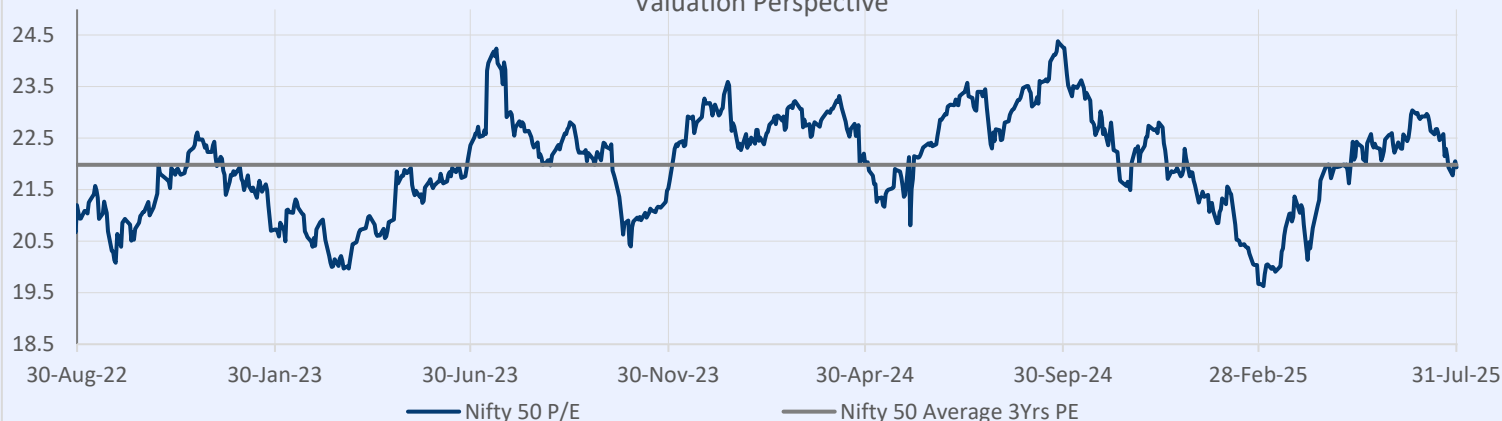
Sectoral Performance
Month-on-Month Returns %



In July 2025, all major market indices traded in the red, largely due to recent announcement on revised reciprocal tariffs imposed on India. The small-cap Index recorded the steepest decline among them.

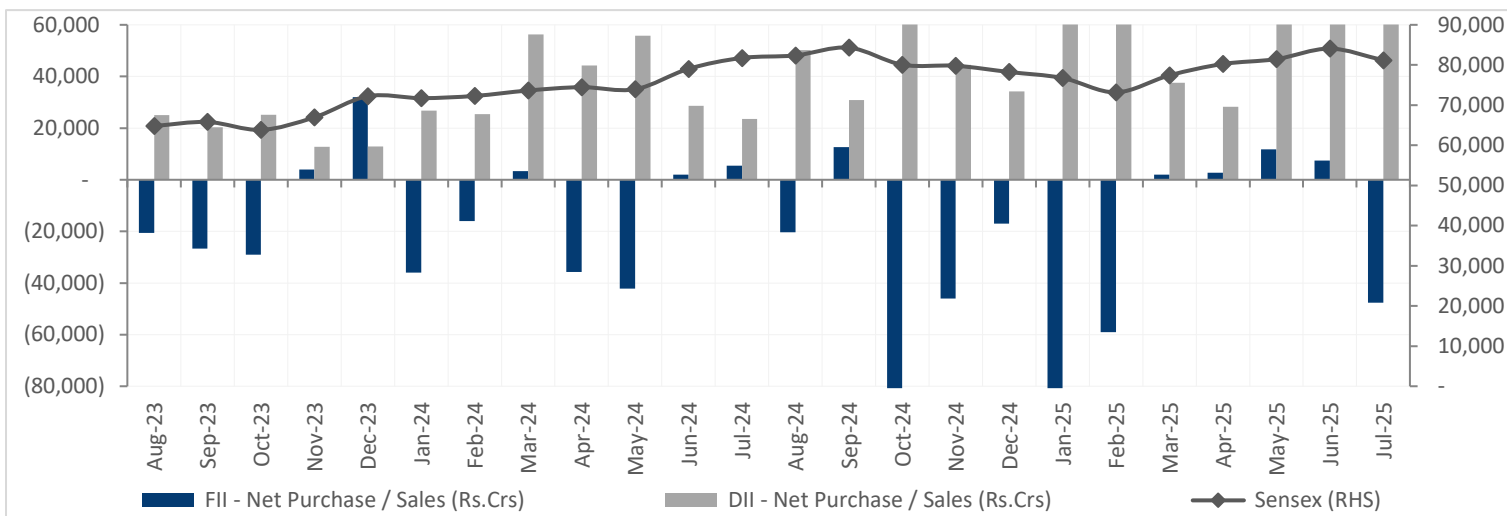
The pharmaceutical and FMCG sectors grew by 3.6% and 1.8%, respectively. Meanwhile, all other sectors were on a downward trajectory, with the IT sector experiencing the steepest decline at 9.1%, followed by the Realty sector, which dropped by 7.3%.

Valuation Perspective



Source: NSE

The broader market turned red in July following the US's announcement of reciprocal tariffs on India from August 1, 2025. Currently, the Nifty 50's price-to-earnings (PE) ratio is aligned with its three-year average, making valuations more attractive for investors. Even as revised tariffs are steeper versus those of Asian peers, overall impact to be limited due to India's relatively low exposure to US exports.



Source: Internal Mirae Asset Sharekhan Research Desk

FII flows turned red in July 2025, following four consecutive months of positive momentum. This shift was driven by the strengthening of the US Dollar and announcement of reciprocal tariffs by the US. However, improving growth differential between India and the US continues to favour India, which may help sustain capital inflows.

Mutual Fund Model Portfolios

Aggressive Portfolio

Click to Invest

Large Cap

40%

- Nippon India Large Cap Fund
- ICICI Prudential Large Cap Fund

Mid Cap

15%

- Motilal Oswal Midcap Fund
- Edelweiss Mid Cap Fund

Small Cap

10%

- Bandhan Small Cap Fund
- Nippon India Small Cap Fund

Flexi Cap

25%

- HDFC Flexi Cap Fund
- Parag Parikh Flexi Cap Fund

Thematic

10%

- SBI Banking & Financial Services Fund
- Mirae Asset Great Consumer Fund

Aggressive Investor : You are ready to take high risks, and very easily adapt when things don't go as you had planned, financially. Your objective is to get the highest return possible in the long term, and you accept the ups and downs along the way.

Moderate Portfolio

Click to Invest

Large Cap

40%

- Nippon India Large Cap Fund
- ICICI Prudential Large Cap Fund

Large &
Mid Cap

10%

- HDFC Large & Mid Cap Fund
- Bandhan Large & Mid Cap Fund

Balanced
Advantage

10%

- HDFC Balanced Advantage Fund
- ICICI Prudential Balanced Advantage Fund

Corporate Bond
& Short Duration

30%

- Kotak Corporate Bond Fund
- Mirae Asset Short Duration Fund

Gold & Silver

10%

- Mirae Asset Gold ETF Fund of Fund
- ICICI Prudential Silver ETF Fund of Fund

Moderate Investor: You are an average risk taker and try to adapt when things don't go as you had planned, financially. Your long term objective is to get a better return than a Fixed Deposit, net of tax, even if the short-term performance could sometime be below expectations.

Mutual Fund Model Portfolios

Conservative Portfolio

Click to Invest

Corporate Bond
& Short Duration

70%

- Aditya Birla Sun Life Corporate Bond Fund
- ICICI Prudential Corporate Bond Fund
- Mirae Asset Short Duration Fund
- HDFC Short Term Fund

Balanced
Advantage

20%

- ICICI Prudential Balanced Advantage Fund
- HDFC Balanced Advantage Fund

Gold & Silver

10%

- Mirae Asset Gold ETF Fund of Fund
- ICICI Prudential Silver ETF Fund of Fund

Conservative Investor: You are unwilling to take risks, and get very uneasy when things don't go as you had planned, financially. Your long term objective is to try to get a slightly better return than a fixed deposit, net of tax.

Regular Income Basket

Click to Invest

Balanced
Advantage

70%

- ICICI Prudential Balanced Advantage Fund
- HDFC Balanced Advantage Fund

Equity Savings

30%

- Mirae Asset Equity Savings Fund
- SBI Equity Savings Fund

Investor: You are investing lumpsum amount and want regular income from investment. You are ready to take moderate risk.

Note: Investors should consider using a SWP of around 6–7% per annum, or opt for the dividend option to receive regular income."

Build India Basket

Click to Invest

Thematic/
Sectoral

80%

- Tata India Consumer Fund
- Mirae Asset Great Consumer Fund
- SBI Banking & Financial Services Fund

Flexi Cap/
Multi Cap

20%

- ICICI Prudential Multicap Fund
- Parag Parikh Flexi Cap Fund

Investor: You are ready to take high risk and want to participate in growth story through thematic and sectoral schemes.

Note: Kindly refer scheme information document (SID) for scheme level riskometer details.

Click here

for detailed report.

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