

# Investment Strategy

December 2025

Bird's Eye  
View



# Equity Market Wrap & Strategy

Amid persistent global macro challenges, India's **fundamentals are robust and sustainable, with robust GDP growth and low inflation**

Consumption to be supported by **low interest rates, higher government capex, higher incomes and tax cuts**

Q2FY26 earnings were healthy, with mid- and small-cap stocks in the spotlight with a strong 30%+ y-o-y increase, **led by NBFCs, metals, oil & gas, and pharmaceuticals.**

Large-cap contribution to Nifty 500 earnings is easing, **highlighting a broadening earnings base beyond top 100 companies**

Pressure on the Indian Rupee could ease due to a **reversal in U.S. yields, improving global risk appetite, a potential India–U.S. trade deal, and strong FDI inflows**

**Challenges** - Global slowdown amid tariff wars could affect domestic economy. Any delays in domestic activity pick-up may impact corporate earnings and dampen overall market performance.

**Strategy** - Large-cap equities and select mid and small cap ideas remain preferred choices for long-term investment.

# Debt Market Wrap & Strategy

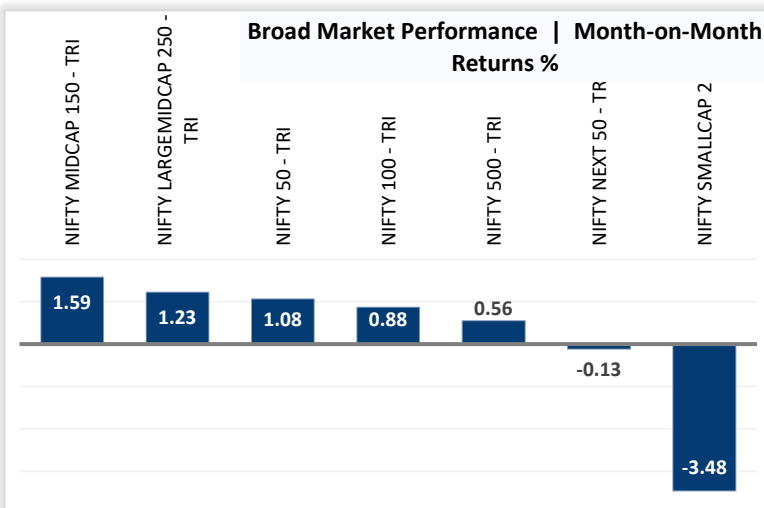
The RBI yet **again cut the repo rate at its December meet, cutting its inflation projections**

The central bank **raised its FY26 GDP growth forecast after a strong H1 number, on multiple fiscal and monetary tailwinds.** Yet external risks persist from the tariff-related headwinds persist.

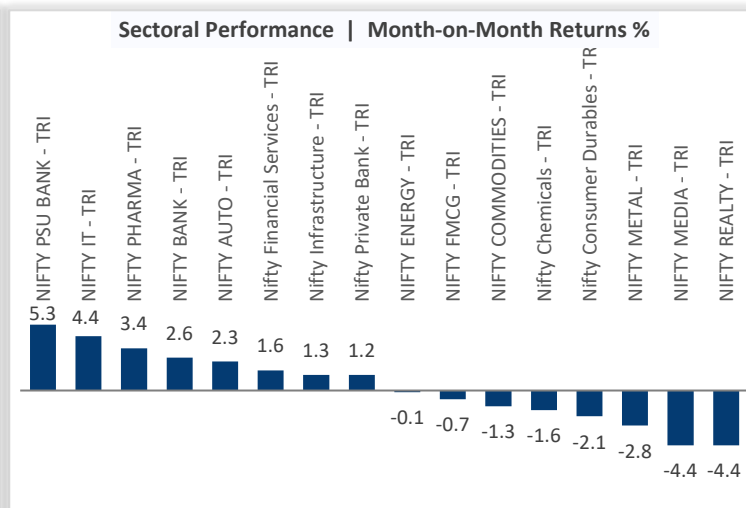
While there is scope for another 25-bps rate cut based on this projection, the RBI may choose to pause and **keep room open for further rate cuts if global headwinds severely weigh on growth prospects.**

**Strategy** - Allocation to accrual/short end of yield curve and dynamic bonds is preferred as yields are attractive. We also see prudence in having some allocation to Gold & Silver as a hedge against global uncertainties as central bank diversification, industrial demand and geopolitical uncertainties would maintain momentum.

# Story in Charts



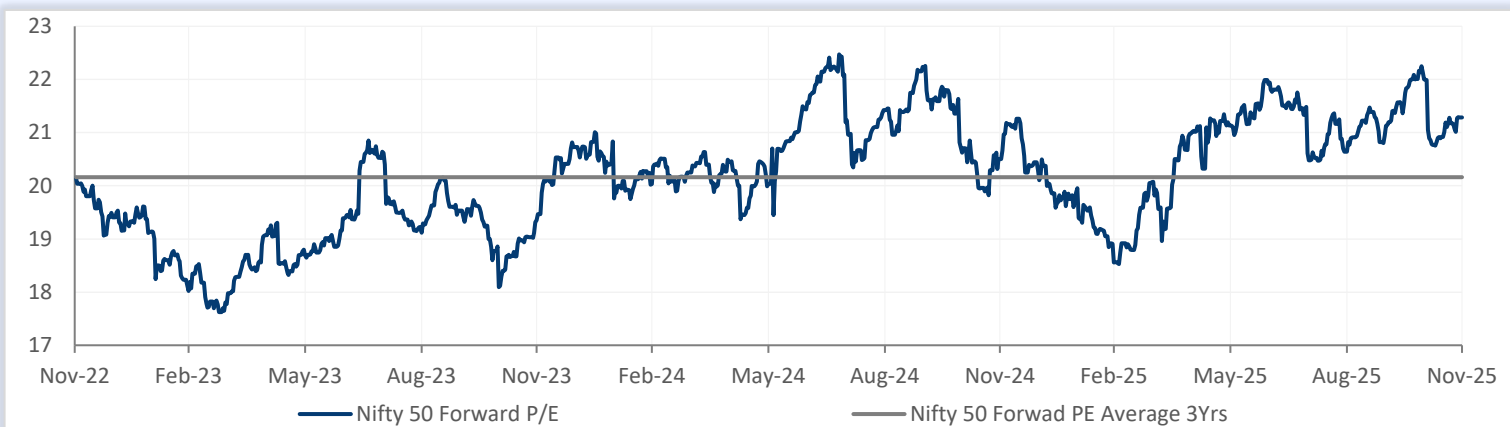
Source: ACE MF; Data as on 28<sup>th</sup> Nov 2025



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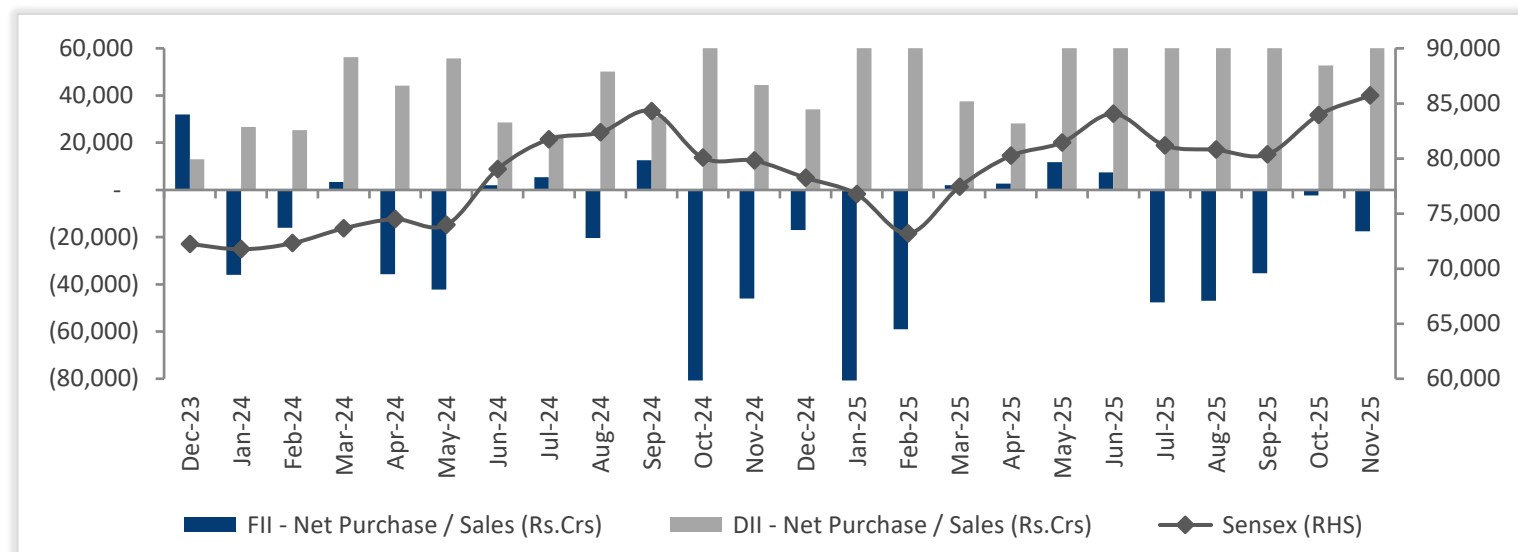
Barring the Nifty Smallcap 250, most indices ended November in the green on strong Q2 earnings.

Half of the sectoral indices posted single-digit gains, while the rest declined. Nifty PSU Bank led with a 5.3% return, followed by Nifty IT.



Source: Bloomberg

Nifty's forward P/E eased to 21.28 in November from 22 in October and intra-month low of 20.75 on November 9.



Source: Internal Mirae Asset Sharekhan Research Desk

FII outflows rose in November, but at a slower pace compared with July–September quarter. Strong DII inflows continued to support market stability and momentum.

# 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%

- ICICI Prudential Manufacturing 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

Multi Asset

30%

- WhiteOak Capital Multi Asset Allocation Fund
- SBI Multi Asset Allocation 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
- ICICI Prudential Manufacturing 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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