



INVESTMENT STRATEGY

March 2026



1

India's macro backdrop remains one of the strongest globally, on benign inflation, stable fiscal metrics, and healthy liquidity conditions. Recent trade agreements with the US and EU are medium-term tailwinds.

2

Domestic growth momentum remains resilient, supported by GST rate cuts and supportive policy measures that continue to strengthen underlying demand. In the recent Budget, the government addressed the previously missing theme of AI by allocating dedicated funding for data-center expansion and AI infrastructure, reinforcing India's push toward next-generation digital capabilities.

3

With the rupee stabilising, FII outflows moderating, and forex reserves near record highs, external stability continues to anchor investor confidence.

4

Equity valuations have corrected to healthier levels, creating space for selective upside as earnings visibility improves. India is now entering into a "Goldilocks" phase - strong growth with balanced inflation.



Challenges

Ongoing ambiguity around U.S. tariff policy and persistently high crude oil prices could add inflationary pressures dampening overall market confidence.



STRATEGY

Valuations have eased from their peak, and recent policy measures are expected to work well in the medium to long term. Along with large caps, investors should allocate to mid caps and select small caps in a staggered manner and increase their overall allocation to equities. Allocation to precious metals (Gold & Silver) should be added as a strategic hedge instead of return generating assets.

Debt Market Outlook & Strategy

1

The RBI in its recent policy unanimously kept the repo rate at 5.25% while maintaining a "Neutral" policy stance. CPI inflation stood at 2.75% in January 2026 under newly released CPI index. The RBI raised its inflation projection for Q1 and Q2 FY2027 but these projections remain close to the target level.

2

Despite low inflation, the Committee kept the policy rate unchanged as external prospects have improved after India-US trade deal and several other trade agreements which would help to maintain growth momentum.

3

The MPC would continue to maintain repo rate at current level going forward unless there is downside risk to the growth. Considering current rate cut trajectory, it is better to have exposure to accrual strategies.



STRATEGY

Allocation to accrual/short end of yield curve as yields as we are nearing end of rate cut trajectory. We also see prudence in having some allocation to Gold & Silver as a hedge against global uncertainties on account of demand led by central bank diversification, industrial demand and geopolitical uncertainties.

Broad Market Performance

Month-on-Month Returns %

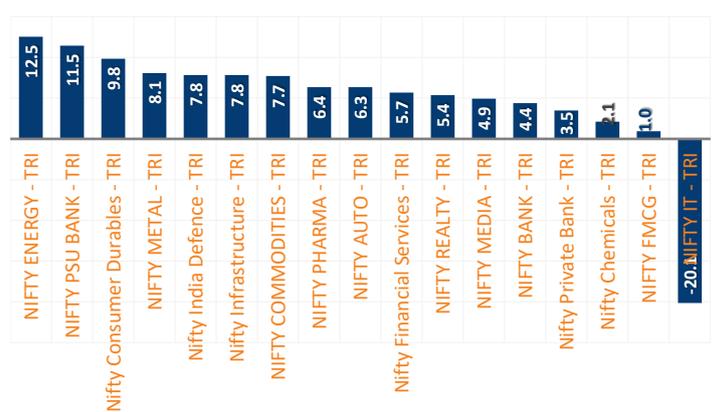


Source: ACE MF; Data as on 25th Feb 2026

The Nifty Next 50 outperformed all major indices with a strong 6.38% return over February, followed by the Nifty Small cap 250 (4.79%) and Nifty Midcap 150 (4.68%). Large-cap benchmarks lagged, as the Nifty 100 gained 2.53% and the Nifty 50 trailed the pack at 1.78%.

Sectoral Performance

Month-on-Month Returns %



Source: ACE MF; Data as on 25th Feb 2026

Energy (+12.5%), PSU banks (+11.5%), followed by consumer durables, metals, defence, infrastructure, and commodities (up 7-10%) led the rally. Mid-tier sectors such as pharma, auto, financial services, realty, media and banks delivered moderate to positive returns. The IT sector was the biggest underperformer (-20.1%) amid global uncertainties, making it the lone laggard.

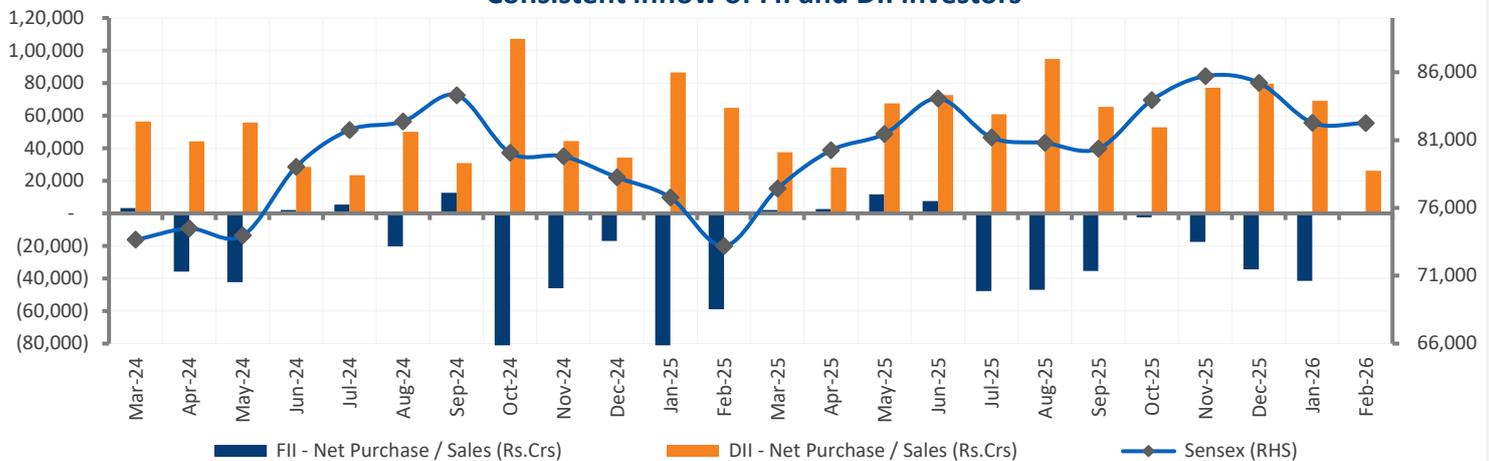
Valuation Perspective



Source: Bloomberg

The Nifty's forward P/E ratio eased from 20.9 as on January 31, 2026 to 20.4 on February 17, 2026. Valuation continued to plummet, trending near to its three-year forward PE average of 20.3.

Consistent inflow of FII and DII investors



Source: Internal Mirae Asset Sharekhan Research Desk

FII outflows turned positive after seven months at Rs. 896 crore for February 2026 even though it is nominal. DIIs too invested Rs. 26,130 crore during the month. The positive earnings season and recent trade deals with the US and EU drove FII inflows.

AGGRESSIVE PORTFOLIO



CLICK TO INVEST

Large Cap

20%

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

Mid Cap

35%

- ❖ WhiteOak Capital Mid Cap Fund
- ❖ Edelweiss Mid Cap Fund

Small Cap

20%

- ❖ Bandhan Small Cap Fund
- ❖ Nippon India Small Cap Fund

Flexi Cap

15%

- ❖ 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

15%

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

Mid Cap

25%

- ❖ WhiteOak Capital Mid Cap Fund
- ❖ Edelweiss Mid Cap Fund

Small Cap

12%

- ❖ Bandhan Small Cap Fund
- ❖ Nippon India Small Cap Fund

Balanced Advantage

15%

- ❖ ICICI Prudential Balanced Advantage Fund
- ❖ **Mirae Asset Balanced Advantage Fund**

Corporate Bond & Short Duration

23%

- ❖ 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.

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
- ❖ **Mirae Asset 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
- ❖ **Mirae Asset Balanced Advantage Fund**

Multi Asset

30%

- ❖ WhiteOak Capital Multi Asset Allocation Fund
- ❖ Nippon India Multi Asset Allocation Fund

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

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.

Mutual Funds

Mutual fund strategies across equity, hybrid, fixed income and thematic categories.

For details [Click here](#).

ETFs & SIFs

ETF strategies across equity & fixed income and SIF strategies across equity and hybrid.

For details [Click here](#).

PMS

Portfolio Management Services (PMS) strategies across equities - large cap, mid cap, small cap, multi cap and fixed income strategies.

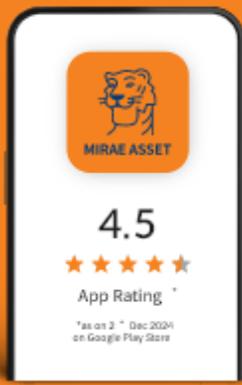
For details [Click here](#).

AIFs & Corporate FDs

Alternative Investment Fund (AIF) strategies across listed equities, private equity (from early stage to growth stage companies), private credit debt, and real estate-focused investments.

Corporate Fixed deposit include opportunities from top rated companies.

For details [Click here](#).



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