Issue 40 | January, 2024

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INVESTMENT SUMMARY

2023 – We Review Our Forecast for 2023 in the Year of Dismal Market Predictions

Heading into 2023, the consensus view by the experts was almost unanimous - a U.S. recession would arrive in the third or fourth quarter. As is often the case, strategists, and the consensus, particularly overseas, got it wrong. 2023 reinforced the notion that forecasting is an exercise fraught with complexity and a high probability of getting it wrong.

Key Themes and Inputs in Our 2024 Outlook

Our forecast for 2024 is yet again, driven by key thematic inputs. We review each input and its contribution to prospects for 2024

2024 Investment Outlook

We share out Investment Outlook for 2024 for Equities.

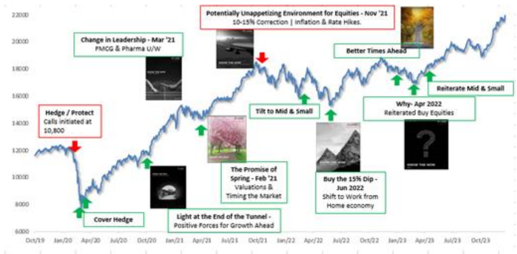
2024 Sectoral Themes, Style Preferences & Portfolio Tilts

We highlight 5 Key Sectoral Themes for 2024 and highlight out style preferences and key portfolio tilts.

Market Data, Asset Allocation Tactical Weights & Rationale

Key market data across asset classes, asset class tactical preferences and rationale.

Investment Strategy
January 15, 2024



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Reviewing Our Outlook for 2023

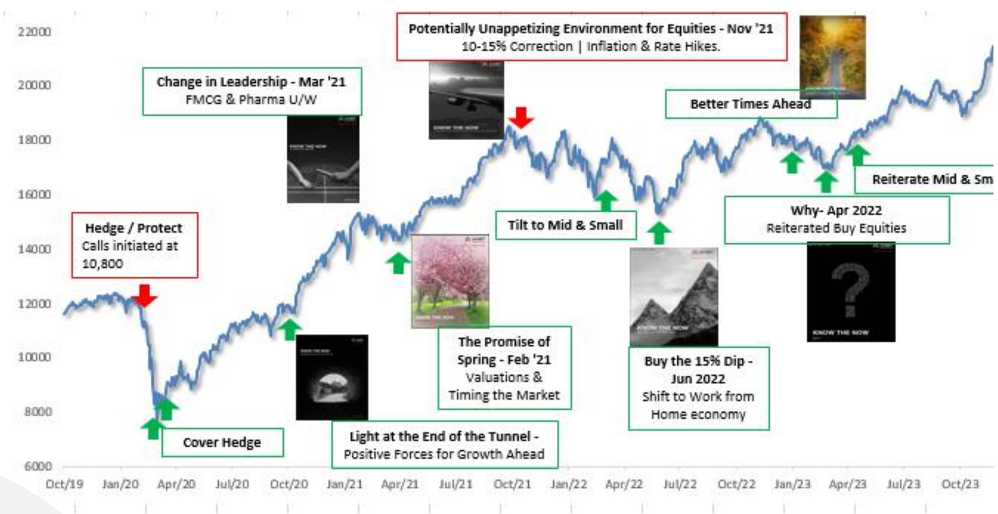
2023 – the Year of Dismal Market Predictions

Heading into 2023, the consensus view by the experts was almost unanimous - a U.S. recession would arrive in the third or fourth quarter. Well, as usual, the strategists, and the consensus, got it wrong. 2023 reinforced the notion that forecasting is an exercise fraught with complexity and a high probability of getting it wrong.

Our Outlook For Equities Was Non-Consensus Bullish

- ✓ We expected global markets would bottom in Q1-early Q2 2023, which they did. Interestingly, we wrote that a crisis would provide a lasting bottom. Little did we know in Dec '22 when we wrote this, that a serious regional banking crisis in the U.S. was to hit markets in Mar '23.
- ✓ We expected the Fed to err on the side of caution on a pivot, which they did.
- ✓ We preferred India equities over U.S.; in the event, both performed well.
- ✓ We expected domestic flows to improve, and noted that RBI rate hikes typically preceded meaningful equity rallies.
- ✓ Net net, at a time of consensus global bearishness, our view was non-consensus bullish.
- ✓ We expected Indian equities were entering a friendlier space and better times ahead for equities lay ahead in 2023.
- ✓ Later in the year, in April '23, post the regional banking crisis, we reiterated our Jun '22 buy equities call.
- ✓ In May'23 we reiterated our Apr '22 call, preferring small and mid caps.

A 4 Year Track Record of Accurate Equity Market Calls



Our Outlook from 2023

Better Times Ahead,
Published Dec 21, 2022.

Buy the 15% Correction,
May 24, 2022

Why?
April 14, 2023

Long Business Cycles and Rapid Central Bank Response

Economic Expansion Cycles Have Elongated

Covid ended the longest business cycle in US history, at 128 months, or more than 12 years. Prior to that, the longest business expansion lasted 120 months from Mar '91 to Mar '01. In the last 30 years, the U.S. economy has witnessed two of the longest expansions in its history.

Economic expansion cycles have elongated, while durations of global recessions have contracted.

Quicker Access to Information, Better Forecast Models

One key factor is quicker access to economic data, more accurate data inputs, better forecasting models. Equally important, Fed policy is increasingly responsive and response lead times have continually shrunk.

The Central Bank's Rapid Response Averted a Financial Crisis in 2020

The Fed's rapid and aggressive response to Covid was critical in mitigating the financial impacts of the Covid-19 crisis. Financial markets bounced back rapidly, alleviating a long drawn out and crushing bear market akin to 2001-03.

The Central Bank's Rapid Response to the Regional Banking Crisis in 2023 Also Averted a U.S. Recession

As a result of the Fed's rapid actions, a severe regional banking crisis was rapidly addressed and risks of the impacts spreading to the financial system were ring-fenced. Volatility was contained. The recession was averted as surplus savings, rising home prices, rising equities provided a cushion for consumers, and the economic expansion continues into 2024.

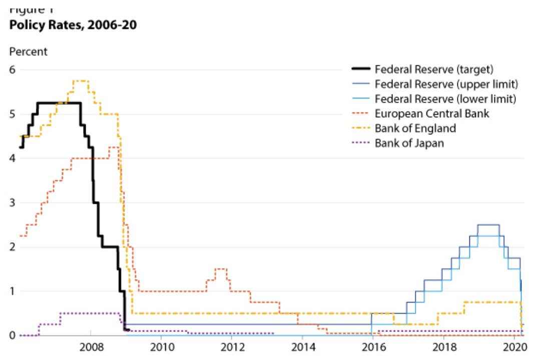
Implications for 2024 – the Fed Remains Ready and the RBI is Likely to Follow Should the Need Arise

The Fed has made evident it stands ready to cut rates in 2024, and aggressively at that, with the dramatic pivot announced on Dec 13, 2023. Should the Fed cut aggressively, the RBI will likely follow in the second half of CY24 with one caveat: inflation will need to be within the RBI's comfort zone.

Economic Expansions in the U.S.

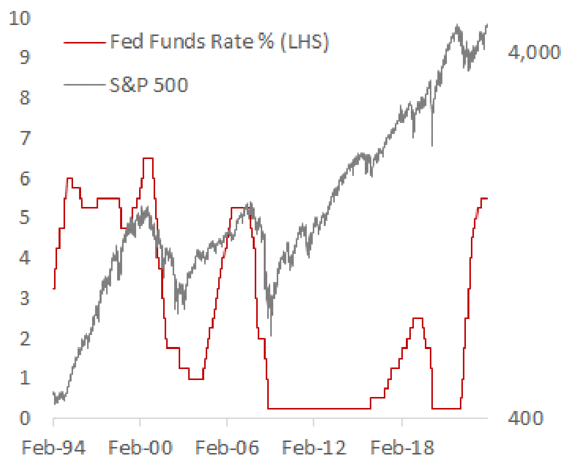
* The NBER broadly defines an expansion as a period, usually lasting several years, during which economic activity rises substantially, spreading across the entire economy.
Sources: National Bureau of Economic Research, BEA

Fed Response Times to Crisis Have Shortened



NOTE: Data are from January 2006 to April 10, 2020. The key policy rates for the BOE, Fed, ECB, and BOJ are, respectively, the official Bank Rate, the federal funds target rate, the main refinancing operations rate, and the uncollateralized overnight call rate. Starting in December 2008, the Fed began targeting a federal funds range rather than a target rate. Between April 2013 and January 2016, the BOJ did not set a target for the uncollateralized overnight call rate. Starting in February 2016, the BOJ resumed targeting a short-term interest rate, for which we report the BOJ's basic balance rate, which is part of a tiered system of interest rates.
SOURCE: Bank of England, Bank of Japan, European Central Bank, and Federal Reserve.

Fed Policy in 2008 was Late to Respond - "Subprime is Contained" - and a Recession Ensued



Demographic Shifts & An Evolving New World Order

India's Surge Towards Being the Third Largest Economy

India has surpassed China as the world's most populous country. The two are a study in contrasts: while China's population is aging and shrinking, India's is younger and growing. Most — about two-thirds — is of working age (between 15 and 64 years old), so we have a high proportion of productive workers, that are also increasingly active consumers of goods and services. India is poised to pass both Japan and Germany in size by 2027, securing its position as the third largest economy globally.

Strong Demographics Support India's Growth

Demographics and productivity are the two pillars of economic growth. The chart to the right demonstrates India's workforce (ages 25-64) as it continues to trend higher through the next decade. India's attractive demographics will contribute steady, long term growth in equities, real estate and the economy.

China's Tough Year

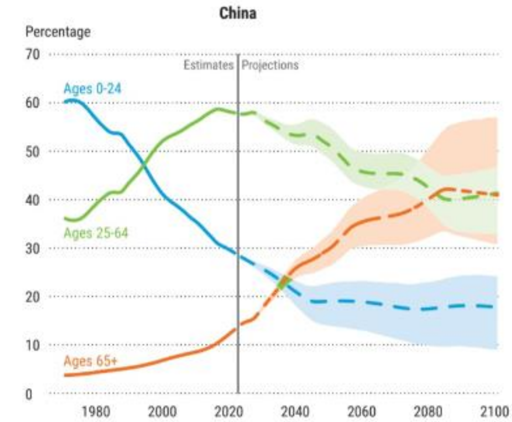
Global corporations have launched aggressive plans to de-risk global supply chains. Aggressive foreign policy and aggressive regulatory actions did not sit well with global institutional investors. The BRI has stalled. It's becoming abundantly clear that China has a plethora of issues, ranging from debt, real estate sector woes, alarming demographic trends, loss of trust, capital flight to address.

India a Key Beneficiary in the New Emerging Global Order

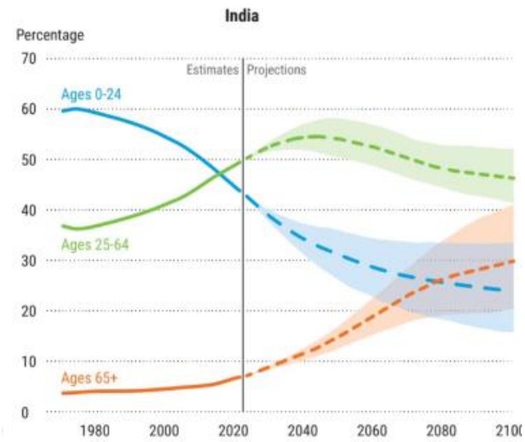
Covid reshaped the global order, or accelerated the outcomes. Corporations and governments have chosen to focus on building relationships with reliable and trusted partners. It's abundantly clear that the U.S. continues to retain the lead in tech innovation; meanwhile, Mexico has emerged as a key beneficiary of near shoring.

India is another key beneficiary, as the world's fifth largest economy, with an attractive consumer end market, a cheap and easily available supply of labor and attractive manufacturing incentives.

China's Working Age Population Has Peaked

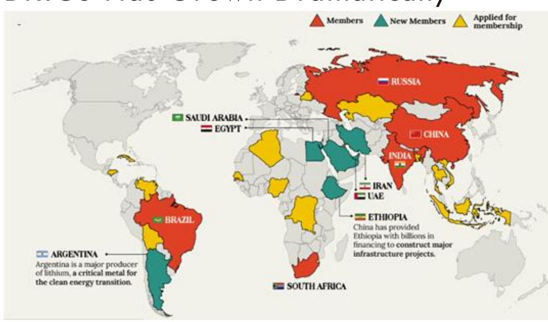


India's Working Age Population is Growing for the Next Decade



Source: United Nations

BRICS Has Grown Dramatically



Source: Visual Capitalist

Brookings New Vs Old Order

Old Order	New Order
Nation-states	Global society
Sovereignty	Interdependency
National interest	Common Interest
Unilateralism	Reciprocity
Assertiveness	Respect
National power politics	New multilateralism
Competing blocs	Global networks
Fixed alliances	Multiple coalitions
Predominance	Bargaining for compromise
Hard Power	Soft Power
Promotion of singular economic models and political values	Coexistence of diverse models of market economy and political systems

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Supportive U.S. Monetary & Fiscal Policy in an Incumbent Election Year

Election Years Have Overwhelmingly Delivered Positive Returns

We covered Indian election data in our prior commentary, and it was overwhelmingly positive heading into elections and post elections.

U.S. president year data are overwhelmingly positive as well. The average return was 10.4% with the two negative incidents being "bubble crashes" of 2000 and 2008. An incumbent election year is generally a bullish scenario for U.S. equities with an average return of 13%.

Aggressive Deficit Spending Likely to Persist in India and the U.S.

U.S. and India deficit spending, alongside excess savings, has offset much of the Fed tightening, that might otherwise have slowed the economy. The annual U.S. budget deficit is currently 6.8% of GDP, a number only exceeded during Covid and the great financial crisis. Similarly, India's fiscal deficit was 6.4% in 2023 and expected to come down to 5.9% in 2024.

With strong government spending, equity markets, labor markets and the economy are expected to remain resilient.

Global Macro Factors Are Positive Heading in to 2024

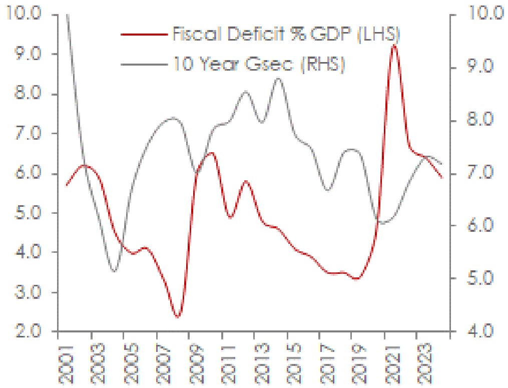
With a forecasted decline in U.S. interest rates indicated by the Fed, U.S. yields are likely to drop more than Indian yields, leading to a broadening of the yield gap, a positive for emerging market equities.

Furthermore, an aggressively supportive U.S. central bank, declining U.S. mortgage rates, a nascent recovery in real estate, strong real estate price appreciation, and a consumer that looks to be in reasonable financial shape are positive factors for the global economy heading into 2024. The belligerent rhetoric and sanctions of the China - U.S. trade war appear to have moderated dramatically, and China appears increasingly accommodative and eager to repair relations, as it watches U.S. and European corporations de-risk global supply chains. China's weak economy stands in stark contrast to its acquisitive hunger for commodities in recent years. That is a primary reason crude oil prices remain subdued. Most importantly, the catalyst for a U.S. resurgence is now abundantly evident – artificial intelligence, and the Fed remains at the ready to reduce rates and pump liquidity into the economy if necessary.

Indian and U.S. Election Years are Overwhelmingly Positive for Equities

Year	President	Return
2020	Biden	16.3%
2016	Trump	12.0%
2012	Obama	16.0%
2008	Obama	-37.0%
2004	Bush	10.9%
2000	Bush	-9.1%
1996	Clinton	23.1%
1992	Clinton	7.7%
1988	Bush	16.8%
1984	Reagan	6.3%
1980	Reagan	32.4%
1976	Carter	23.8%
1972	Nixon	19.0%
1968	Nixon	11.1%
1964	Johnson	16.5%
1960	Kennedy	0.5%
Average		10.4%

India's Fiscal Deficit % of GDP Will Stay Elevated Through May



Source: Bloomberg

A New Technology (A.I.) Driven Growth Cycle

A New Tech Wave is Upon Us

Artificial intelligence arrived in 2023. AI prospects and excitement drove the Nasdaq 100 to its best performance in over a decade. The Magnificent Seven were primary beneficiaries. The year started with Microsoft extending its investment and partnership with OpenAI by $10 billion, and the launch of ChatGPT had everyone buzzing. Investment poured into A.I. start-ups. Nvidia became the first chipmaker to hit a market capitalization of $1 trillion.

The Past Track Record – The 70s, 80s, Early 90s

The 1970s saw the U.S. racked with high oil prices, high inflation, and high interest rates. It wasn't until the PC arrived in 1984 and personal computers fired up productivity in the late 80s that markets started a bull cycle in late 1987 post the market crash, driven first by PCs and then by chips and data networking.

The 2000s

Technology hype reached a hysterical crescendo in the late 1990s, and companies got carried away with business models with negative earnings. But out of the rubble, Google, Amazon, LinkedIn, Facebook and other globally dominant companies emerged. We'd note that the 2000s were also a good time for Indian technology companies and the overall market.

The 2010s

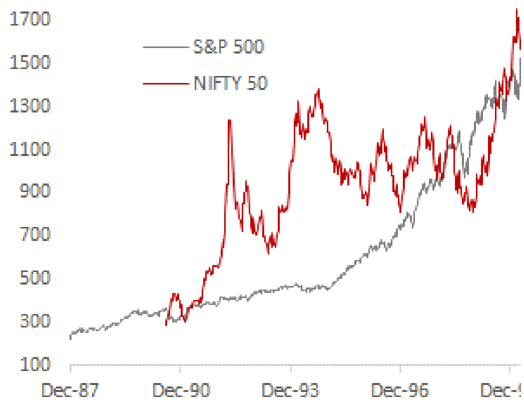
Social media, SaaS, automation, online ecommerce, cloud and online business took off. Bottom line, the 2008 crash purged excess out of the economy and a new bull market was born in 2009. Yet again, technology led the way in the U.S. India would join the party in earnest towards the latter half of the decade as P.M. Modi took office and the government implemented meaningful reforms.

Present Day

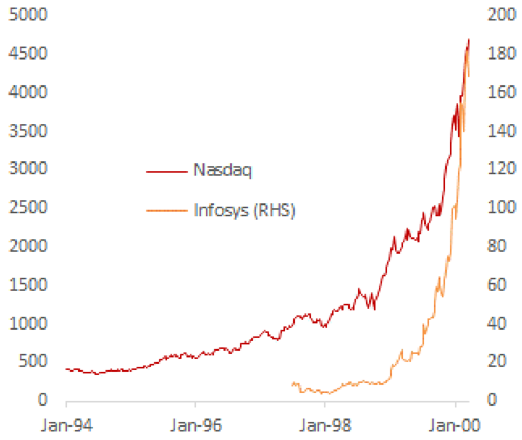
We've had another crash, in March 2020. Markets are coming off a fantastic year and it seems reminiscent of 2004-05, with a crunching tech sell-off, and an emerging real estate cycle, and an exciting new technology (A.I.) is searching for monetizable business models.

We know what we know and we know what we don't know. We know A.I. – as all new technologies before it – will bring disruption and innovation. It will possibly change our lives in ways we cannot know. It will bring opportunity for growth, and opportunity for riches.

The S&P 500 Started a Bull Market in 1987 Driven by PC, Chips, Data – the Nifty Did Well as Well



Infosys Rode the Tech Wave & Created Value & Wealth



Bond Inclusion – Strong Implications for Debt & Equity

$15-20 Billion in Potential Inflows to Debt

The inclusion of Indian bonds in JPMorgan's Government Bond Index-emerging markets (GBI-EM) index will start on 28 June 2024. The incorporation will span 10 months. India will eventually attain the maximum weighting of 10% in the index. Bloomberg is also proposing an inclusion of India Fully Accessible Route (FAR) bonds in the Bloomberg EM Local Currency Indices to be phased in over a 5-month period starting in September 2024

India's inclusion in the J.P. Morgan emerging market debt index will boost investments in domestic government debt. It has an estimated AUM of USD 2.5 trillion while the Bloomberg index is roughly USD 5.9 trillion. Potential inflows could easily exceed USD 30 billion per Bloomberg, in the second half of the year. Such inflows coinciding with a global rate-cut cycle could push domestic bond yields lower resulting in a lower cost of funds, and ample availability of capital for Indian governments and corporates.

India's Equity Share in EM Has Risen as Well, Now 16.3%

India's equity share in the emerging market index has risen from 7%~ to 16.3% during the Modi regime and is likely to increase further as the economy grows faster than rivals, prompting further flows into equities via ETFs and benchmarked funds.

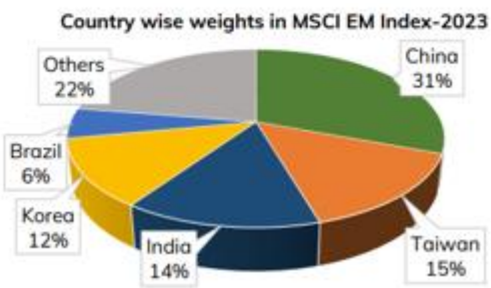
Central Bank Policy Could Create a Coordinated Inflows Scenario for Indian Equities in 2024

The decline in interest rates in the U.S., alongside the expected rate cuts from the Fed, set up a favorable environment for duration assets, and for continued flows from both FIs and DIs.

Reduced interest rate spreads will create an incentive for flows into high yielding debt markets such as EM and India, and also equities. Significant capital moved to money markets funds in 2023. Some estimates suggest a number close to $6 trillion is sitting in cash and money markets in the U.S. Some of that money will also find its way into attractive growth emerging markets.

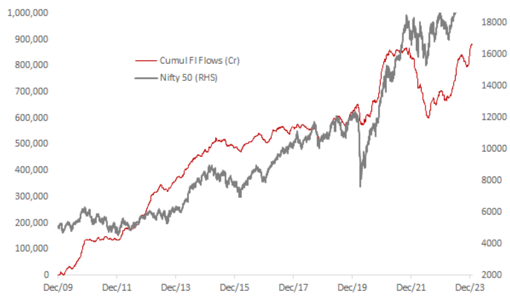
Domestic participation in the equity market will continue to head higher via systematic investment plans, retail investors, insurers and pension providers.

India Weight in MSCI EM Index

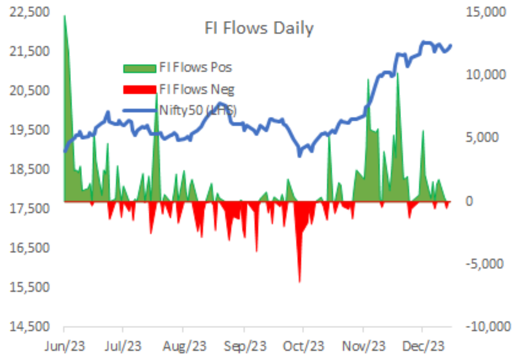


Source: Bloomberg, MSCI

FIs Have Invested Aggressively in Indian Equities in the Past Year



FIs Have Been Aggressive Buyers in Recent Months



India's Manufacturing Prowess & a New Capex Cycle

Make in India has been a resounding success. The world's largest contract manufacturer recently announced plans to double its Indian workforce to 50,000 and invest US$2.7 billion in setting up manufacturing facilities. In past commentaries, we've listed additional investments earmarked for AI, semiconductor, space and green energy etc.

Electronic Goods Exports Skyrocketing Higher

India, the world's fifth-biggest economy, is emerging as a force to be reckoned with among global supply chains and manufacturing. India's electronics exports surge highlights the efforts of the Make in India initiative.

Manufacturing exports registered the highest ever annual exports of US$ 447 billion with a 6% growth rate during FY23, versus FY22 exports of US$ 422 billion. Per a Colliers, India's manufacturing market is poised to hit $1 trillion by 2025-26, with Gujarat Maharashtra, and Tamil Nadu leading the way at a state level.

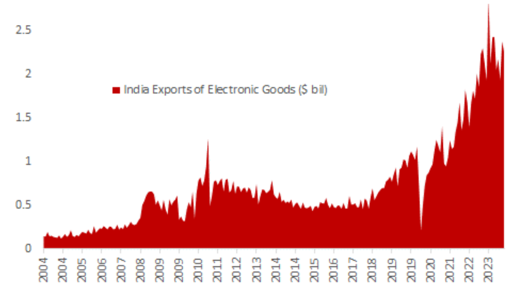
Smart Manufacturing is the Future

Smart manufacturing will entail a combination of skilled design, automation, IoT and AI. Generative AI design processes can enable product design teams to generate and visualize multiple alternatives in 3D, accepting inputs such as weight, performance requirements, strength, material, costs etc. This leads to optimized product design, product innovation, faster time to production, and cost savings.

Capex Multiplier Benefits

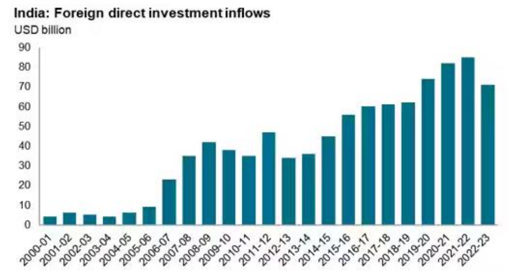
A study by the National Institute of Public Finance and Policy highlights that every Rupee spent on capex leads to a cumulative multiplier effect of ₹4.8 in the economy, while for the revenue expenditure, every rupee of outlay leads to a cumulative multiplier of 0.96.

Make in India – Exports of Electronic Goods



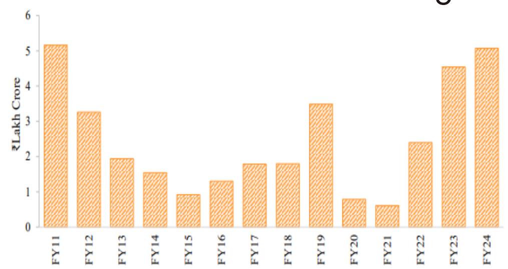
Source: Bloomberg

India Foreign Direct Investments



Source: S&P Global, RBI

New Investment Projects by Private Sector at Decade High



Source: Monthly Eco Review

An Earnings & Investment Driven Expansion Cycle

Earnings Driven Performance in Equities

We've covered the dramatic earnings growth that has driven equities, particularly mid and small caps this past year. Even the Nifty 50 has delivered cumulative earnings growth of 31% over the past 2 years, which has led large cap price appreciation. This has kept valuations at bay.

Government Capex Creating Multiplier Benefits

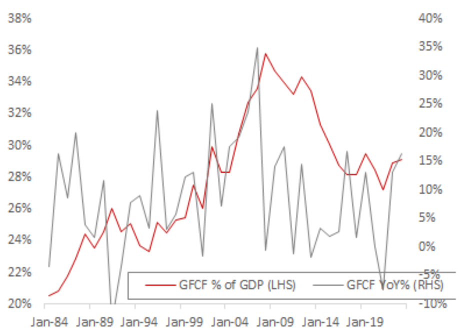
Capital expenditure enhances an economy's productive capacity, provides significant multiplier benefits, and positively impacts long term growth and productivity. In recent years, the central government has been the main driver, and has consistently increased budgetary allocations to capex (see chart below). The center's share of capex within the total expenditure has consistently risen during this decade, rising from 12.1% in FY21 to 22.2% in the budget estimate for FY24.

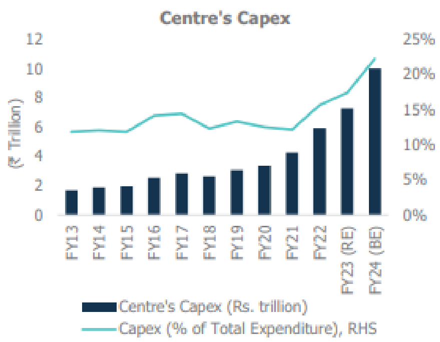
Private Capex Cycle Shows Signs of Emerging

In FY23, government capex surged by 22.9%, reaching an all-time high of ₹13.3 trillion. Businesses transitioned from maintenance capex to discretionary investment capex. Year-on-year, business capex rose by 21% to ₹7.6 trillion in FY23.

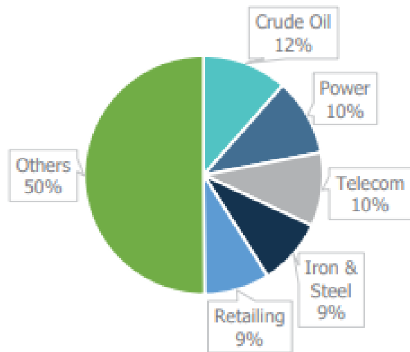
The top five sector focus for capex in FY23 were crude oil, power, telecom, iron & steel, and retailing. As we move past elections, capital expenditure is likely to see an uptick in coming quarters as capacity utilization has risen. India's growth visibility is increasingly robust, and numerous companies have deleveraged their balance sheets.

Gross Capital Formation Rising & Strong Central Investment



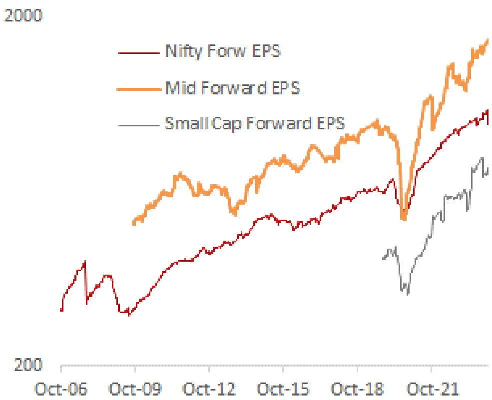


Share of Capex by Sector FY23

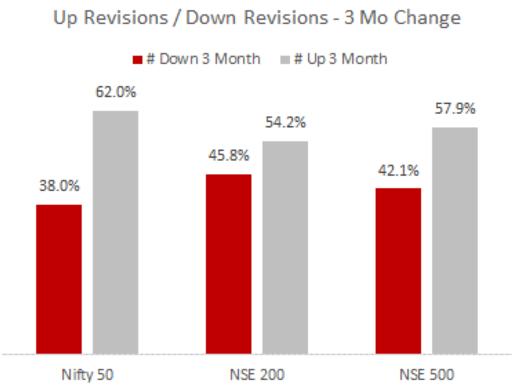


Source: CareEdge

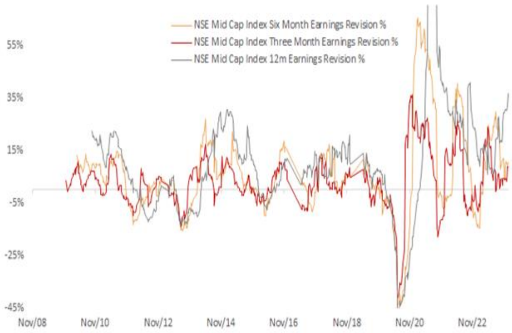
Strong Earnings Growth



Positive EPS Revisions



Midcaps Revisions Lead Large



Rally Characteristics – India Vs U.S.

The Magnificent 7 Contributed 70% of the S&P 500's Full Year 2023 Return

The dichotomy is stark. In the U.S., seven companies, dubbed the Magnificent Seven - Apple, Alphabet, Meta, Microsoft, NVIDIA, Amazon and Tesla - contributed 70% of the S&P 500's full year return of 24%.

The Magnificent 7 Now Comprise 30% of the S&P 500, the Highest Concentration in Index History

The Magnificent Seven started the year at a 19% weight in the S&P 500, and ended the year at 30% of the index, the highest concentration of just seven stocks in index history.

This $12.1 trillion market capitalization supposedly is the equivalent of the Canadian, British and Japanese equity exchanges combined. Similar concentrations were witnessed in financial firms in 2007, and technology in 2000. Time will tell if this is a warning signal.

In Stark Contrast, in India, Over 65% of the NSE Universe Was Up +20% or Higher, 1 in 5 a Doubler or Better

By contrast, India witnessed a very broad based rally. Over 65% of the universe of NSE stocks, or 2 out of every 3 stocks, delivered a 20% or higher return over the past 12 months. One in every five delivered a 100% plus return. There was a higher probability of picking a multi-bagger (20.2%) than there was of picking a stock with a negative return (12.1%).

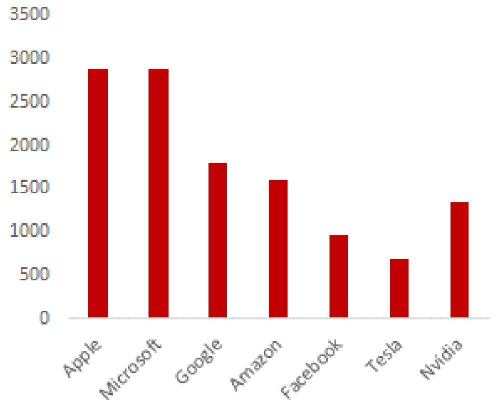
In India, 49% of Companies Delivered TTM Growth of 20% or Better

The strong move was backed by earnings. Roughly half - 49% of companies to be precise, in the broader NSE universe - delivered trailing 12 month earnings growth of 20% or higher.

...And a Whopping 41% Delivered 30% Growth or Better

A whopping 41% of companies delivered earnings growth in excess of 30% over the past four quarters.

The Market Caps of the Magnificent 7 ($ billions)



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Investment Outlook - The India Story Remains Firmly Positive

India's Impressive Bull Run

The Nifty 50 has delivered a positive return for 8 straight years, and 11 of 12 years. In 5 of 12 years, the index has delivered a 20% plus return.

India's Investment Case Now Well Known

India's investment case is driven by a multitude of factors: strong earnings, macro stability, demographics, domestic flows, structural reforms, Make in India, geo-political shifts, government investment, labor cost advantages, urbanization, move to organized, improving productivity and ease of doing business etc. Bullishness on India is now fashionable consensus, domestically and amongst institutional overseas investors.

Greater policy certainty and a reduction in the current account and fiscal deficit add further confidence. India has the lowest external-debt-to-GDP ratio among its peers at around 18%.

A Pivotal Fed Pivot Announcement in December

The Federal Reserve signaled on Dec 13th that it would begin cutting rates in 2024. The Fed clearly hinted that it was now looking to deliver three rate cuts next year. The pivot was a surprising shift from their "higher for longer" stance just two weeks earlier. Bond markets rallied in advance of the Fed announcement, and equities followed up with a strong rally into year end.

Positive Drivers Remain in Place

All these factors remain in place heading into 2024, alongside benign crude prices and an improving global economic and supportive central bank policy.

Investing in a Moderately Inflationary Growth Economy

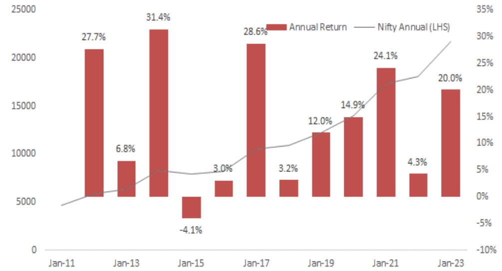
India will continue to record strong GDP growth. In a potentially inflationary world, investors seek asset classes that generate strong real returns with liquidity and visibility. Indian equities clearly fit the bill.

However, Valuations are Rising, Albeit Sentiment Driven

Moreover, index performance has been matched by earnings growth this decade. This has kept valuations at or close to fair value.

Sentiment Is Also Extending into Bullish Extremes

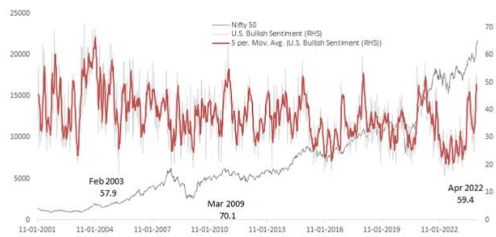
Nifty 50 has delivered a positive return for 8 straight years, and 11 of 12 years.



PEs are Beginning to Enter Expensive Territory

Equity Bond Yield Gap

U.S. Bullish Sentiment



Investment Outlook (Continued)

Deficit Spending Tailwinds to Persist in H1 24

U.S. deficit spending has offset much of the Fed tightening that might otherwise slow the economy into recession. Only twice in history has the annual deficit spending represented a larger percentage of GDP, during the great financial crisis and Covid-19 pandemic. The picture is much the same in India with high deficit spending as well.

The Domestic Macro Picture Remains Strong

Domestic factors remain positive, with strong earnings growth, easing inflation, reasonable oil prices, strong structural reforms and government investments, a positive impetus for FII flows to India, and the expectation of political stability beyond 2024.

We Remain Optimistic & Invested but Watchful for Shifts

The domestic macro picture for equities looks strong, and the global picture remains equally robust. We approach 2024 with optimism, but remain watchful for shifts in earnings trends, inflation, and developed world bond markets. We expect equity strength to persist in H1 CY24; however, the somewhat pervasive bullishness on India does give us pause. The consensus outlook of a soft landing in the U.S. is another factor (see Global Risks). Therefore, we choose to remain watchful for outliers and unexpected outcomes that may alter the investment picture, and we'll look to re-align strategy accordingly. With the strong run-up in equities, we prefer a staggered buy strategy.

Stock Selection, Sector & Manager Selection Will Continue to Deliver in 2024

Portfolios are comprised of individual companies. However, post a strong run-up, we don't expect 2024 to be a rising tide lifts all boats kind of market. Stock, sector and manager selection will be key determinants of portfolio performance in 2024.

Risks to Our Forecast

Pervasive Bullishness

90% of analysts, 22 of 25, answering a recent poll said Indian stocks would hit record highs in the coming six months. Two-thirds of analysts, 16 of 24, prefer value over growth stocks in the coming six months. Few were bullish heading into 2023.

Global Risks

Primary risks are i) a worsening of conditions as excess savings peter out in the U.S., ii) a resurgence in inflation, which would up-end the positive positioning of the central bank, iii) a spike in treasury yields on worsening debt conditions, or iv) worsening geo political. Finally, equity concentration in the S&P 500 is now at levels not seen for almost 40-50 years. Our primary risk conditions emanate out of developed markets, and none of these are our base case. We believe the structural positives in India will provide an offset.

Key Portfolio Tilts, Style Preferences & Sectoral Themes for 2024

A Key Portfolio Tilt

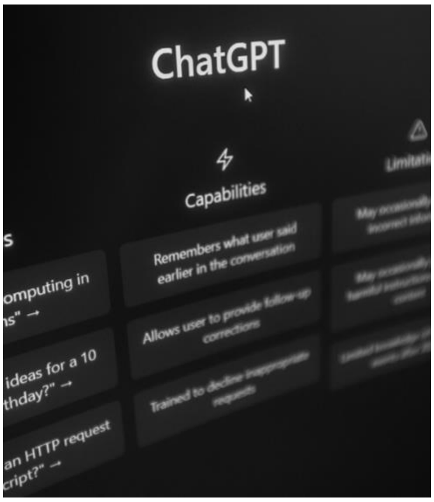
There is one portfolio investors should own when the Fed is raising rates and a different one to own when the Fed is cutting rates. During the rate hike cycle, value came center stage, and high valuation growth stocks, tech stocks underperformed. We are of the opinion that investors should gradually tilt away from defensive equity as the rate cuts expectation comes clearly into view. Technology as a duration sensitive asset would be one sector to consider, selectively, and cyclical growth.

We prefer growth portfolios at reasonable valuations, well thought out investment strategies. We continue to prefer mid and small caps given relatively superior earnings revisions, earnings growth and valuations.

Key Sectoral Investment Themes

I. Make in India

Large contract manufacturing will keep coming to India. Investments into infrastructure, AI, semiconductors, green energy, automation and a host of other industries will continue to grow.



II. Technology Wave, Disruption & Innovation

Technology – selectively driven by fundamentals and valuation - will continue its comeback in 2024. Large capital expenditures in 2024 will be dedicated to data centers, accelerated computing, graphics processing GPUs, multi modal AI across text, sound, video.

With rate cuts expected this year and a focus on developing the next generation of technology and AI products and services, the IT sector looks attractive. Selectivity - avoiding body shops that will be disrupted - and investing in critical knowledge and infrastructure providers will prove rewarding.

III. Green Energy, Power and Infra

Green Energy and Infra. India is power hungry and firms involved in the buildout of the non-fossil energy infrastructure will continue to grow rapidly. The resurgence of manufacturing, and public-led infrastructure investment will continue to create investment opportunities in the infra and power sectors.

Key Sectoral Investment Themes

IV. BFSI & Real Estate

Banks will continue to be a reliable means of participating in India's growth. There will continue to be a rising demand for credit and financial services. Well run state owned franchises will compete with private banks. Real estate will do well as long as prices remain in line with incomes and affordability does not get stretched. The surge in demand for high-end properties is evident across major cities, redefining the traditional dynamics of the real estate sector.

The Indian real estate sector is experiencing a transformation, with luxury housing emerging as the dominant force driving the industry.

According to a recent report by CBRE, the sale of residences valued at Rs 4 crore and above experienced a substantial 97 per cent year-on-year increase in the seven major cities of India during the period from January to September 2023. Economic growth and an expanding, aspirational middle class, increased urbanization have created a pool of high-net-worth individuals (HNIs) with a desire for luxurious living.

Modern consumers, particularly the younger demographic, are inclined towards a lifestyle that seamlessly integrates comfort, convenience, and sophistication.

The changing lifestyles of urban Indians have significantly impacted the real estate landscape. With an increasing emphasis on work-life balance and a desire for a holistic living experience, luxury properties have become more appealing. The demand for spacious homes with well-designed interiors, proximity to business hubs, and access to high-end amenities reflects the evolving aspirations of the urban population.

V. Consumption, Luxury & Premiumization, Leisure

Favorable demographics, rising income levels, aspirational goals will drive the trend for lifestyle enhancing experiences, products and services.

Important Lessons for 2024

Pitfalls of Consensus Thinking and Forecasts

Getting into 2024, an important lesson is that the consensus is often wrong; ergo, most market forecasters get it wrong. Therefore, we strongly prefer a prudent re-alignment of portfolios as events come to fruition and better clarity emerges.

Fundamental Principles, New Eras, and Rationality

Markets invariably revert to fundamental principles. Every few years, a new era thinking grips investors. This time around, many investors got sold on the idea that certain companies would grow earnings into perpetuity, and starting valuations were not necessarily consequential. That these companies made essentially commoditized products was also overlooked because of exceptional management and brand. As the Fed started raising rates, and inflation rose, the financial performance of these companies was found to be wanting, and high valuations have further impeded their forward progress.

Disruption vs Buy & Hold

In our thirty plus year experience, there are very, very few companies that have survived and thrived over extended periods of time. A strategic ability to self-cannibalize and innovate is critical, and extremely difficult to execute.

Therefore, we believe that buy and hold investing is best executed via passive strategies, and ETFs, where the underlying benchmarks do the work of turning over the portfolio and identifying emerging companies.

Hero Worship & Star Investors

Hero worship investments have consistently generated dismal outcomes, particularly in an Indian context. Ultimately, real wealth is created by portfolio managers focused on the art of managing portfolios in a prudent fashion following time tested principles, not new age thinking.

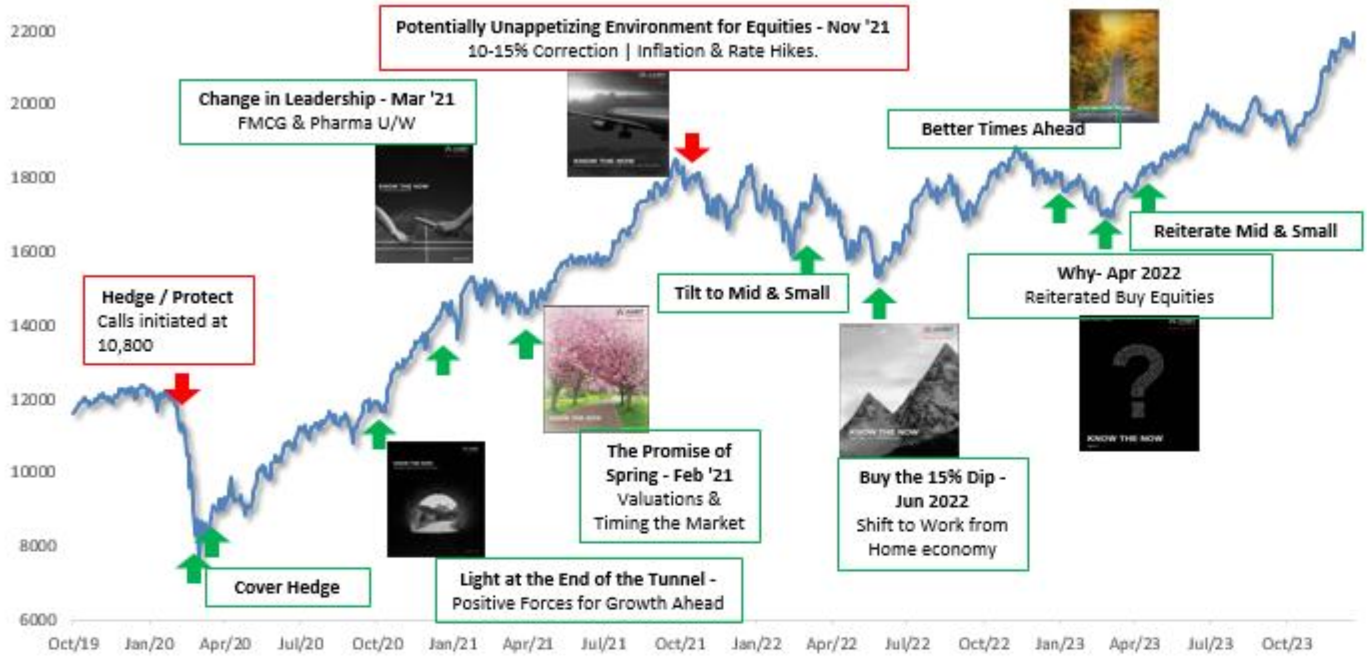
It is equally rare that investors make money following star investors. There are no new eras, it's never easy, disruption is rampant, and wealth is created by following a sound investing process, fundamental principles, avoiding fads, new era thinking and faulty reasoning.

Happy New Year & Happy Investing!

KEY CALLS FROM PAST COMMENTARIES

- Hedge in March 2020, Exited Hedge at the Bottom March 24, 2020
- Neutral Summer 2020
- Bullish Fall 2020 – Nov 2021
- Cautious Nov 2021 – Expected a 10-15% Correction
- Bullish in June 2022, Reiterated in April 2023 post the Regional Bank crisis
- Tilt to Mid & Small Caps in Apr 2022, Reiterated in May 2023

Know the Now - Equity View - Timeline



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Equity Index Performance

17/01/2024	Price	5 Day %	1 Mo %	MTD %	3 Mo %	6 Mo %	QTD %	YTD %	1 YR %	% from 52 Wk Hi	% from 52 Wk Lo
Nifty 50	**21,572**	**-0.2**	**0.5**	**-0.7**	**8.9**	**9.4**	**-0.7**	**-0.7**	**19.5**	**-2.5%**	**28.2%**
Americas											
S&P 500 Index	4,766	0.1	1.0	-0.1	9.0	5.4	-0.1	-0.1	19.4	-0.8%	25.1%
Dow Jones Indus. Avg	37,361	-0.9	0.2	-0.9	9.9	8.0	-0.9	-0.9	10.2	-1.2%	18.9%
Nasdaq Composite	14,944	0.7	0.9	-0.4	10.4	4.9	-0.4	-0.4	34.7	-1.4%	38.3%
Nyse Fang+ Index	8,731	1.0	1.4	0.2	14.4	7.6	0.2	0.2	81.0	-1.7%	87.1%
Canada	20,948	-0.1	2.0	-0.0	6.4	3.6	-0.0	-0.0	2.4	-0.9%	12.1%
Mexico	55,125	0.0	-3.5	-3.9	11.0	2.8	-3.9	-3.9	3.8	-5.5%	15.4%
Brazil Bovespa	129,294	-1.6	-0.7	-3.6	11.5	9.4	-3.6	-3.6	16.0	-3.8%	33.3%
Europe											
Euro Stoxx 50 Pr	4,401	-1.5	-3.3	-2.7	6.0	1.0	-2.7	-2.7	5.4	-4.2%	10.6%
FTSE 100	7,440	-2.8	-1.8	-3.8	-3.1	0.5	-3.8	-3.8	-5.2	-7.5%	3.2%
CAC 40 Paris	7,310	-1.6	-3.8	-3.1	4.0	0.3	-3.1	-3.1	3.3	-4.5%	7.9%
DAX Germany	16,399	-1.7	-2.1	-2.1	7.5	2.1	-2.1	-2.1	8.0	-3.6%	13.4%
Asia											
Nikkei 225	35,478	3.0	7.6	6.0	10.7	9.5	6.0	6.0	35.7	-2.1%	37.0%
Hang Seng	15,277	-5.1	-9.0	-10.4	-14.0	-21.3	-10.4	-10.4	-29.2	-32.7%	0.5%
Shenzhen CSI 300	3,229	-1.5	-3.4	-5.9	-11.3	-16.5	-5.9	-5.9	-22.0	-24.3%	0.0%
Australia	7,393	-1.0	-0.7	-2.6	4.8	1.3	-2.6	-2.6	0.1	-3.1%	9.5%
Taiwan	17,162	-1.7	-2.9	-4.3	3.1	-1.0	-4.3	-4.3	14.9	-4.4%	15.3%
Korea	2,436	-4.2	-5.0	-8.3	-1.0	-7.0	-8.3	-8.3	2.4	-9.0%	7.1%
Straits Times Index STI	3,142	-1.2	0.8	-3.0	-0.9	-3.4	-3.0	-3.0	-4.2	-7.8%	3.3%
Vietnam Ho Chi Minh	1,163	0.1	5.5	2.9	3.6	-0.9	2.9	2.9	6.8	-7.4%	14.7%
Jakarta Indonesia	7,201	-0.4	0.1	-1.0	3.8	4.9	-1.0	-1.0	6.4	-2.7%	10.1%
Phillipines	6,573	0.4	1.5	1.9	4.6	0.3	1.9	1.9	-6.3	-7.9%	11.0%

Leadership Stocks – U.S. & India

Select Leadership Stocks - India U.S.	Price	5 Day %	1 Mo %	MTD %	3 Mo %	6 Mo %	QTD %	YTD %	1 YR %	% from 52 Wk Hi	% from 52 Wk Lo
Nifty 50	**21,572**	**-0.2**	**0.5**	**-0.7**	**8.9**	**9.4**	**-0.7**	**-0.7**	**19.5**	**-2.5%**	**28.2%**
Microsoft Corp	390	4.2	5.3	3.8	17.5	12.9	3.8	3.8	62.4	-1.0%	69.2%
Meta Platforms Inc-Class A	367	2.5	9.7	3.8	13.4	18.3	3.8	3.8	171.5	-2.5%	178.1%
Apple Inc	184	-1.0	-7.1	-4.6	3.7	-5.3	-4.6	-4.6	35.1	-8.0%	37.3%
Walt Disney Co/The	93	1.6	-0.4	3.1	7.9	8.8	3.1	3.1	-6.9	-21.3%	18.2%
Amazon.Com Inc	153	2.7	2.1	0.8	16.5	14.7	0.8	0.8	59.5	-2.6%	73.8%
Netflix Inc	481	-0.8	1.9	-1.2	35.3	6.9	-1.2	-1.2	47.5	-4.4%	68.7%
Alphabet Inc-Cl A	142	2.6	7.5	2.0	2.0	14.3	2.0	2.0	56.1	-1.9%	60.9%
Hdfc Bank Limited	1,538	-7.2	-7.2	-10.0	-0.2	-8.4	-10.0	-10.0	-4.4	-12.5%	5.3%
Icici Bank Ltd	982	-1.1	-5.4	-1.5	2.9	1.3	-1.5	-1.5	13.5	-5.9%	23.3%
Tata Consultancy Svcs Ltd	3,885	4.6	0.6	2.4	10.8	11.3	2.4	2.4	15.0	-2.0%	26.5%
Bajaj Finance Ltd	7,359	-4.2	-2.1	0.4	-9.1	-2.0	0.4	0.4	23.0	-10.2%	34.1%
Hindustan Unilever Ltd	2,563	-0.6	1.6	-3.8	0.3	-4.4	-3.8	-3.8	-3.9	-7.5%	7.1%
Nestle India Ltd	2,543	-1.4	4.4	-4.3	9.0	10.2	-4.3	-4.3	27.5	-8.2%	42.2%
Titan Co Ltd	3,830	3.1	6.4	4.2	15.8	26.3	4.2	4.2	59.1	-0.7%	68.8%
Asian Paints Ltd	3,242	-1.4	-2.2	-4.7	4.1	-6.3	-4.7	-4.7	10.2	-9.1%	20.7%
Srf Ltd	2,310	0.6	-5.3	-6.8	1.5	3.1	-6.8	-6.8	5.5	-12.4%	13.2%
Central Depository Services	1,848	-0.7	-2.3	1.3	36.5	50.2	1.3	1.3	74.2	-7.1%	109.7%

Large, Mid & Small

17/01/2024	Price	5 Day %	1 Mo %	MTD %	3 Mo %	6 Mo %	QTD %	YTD %	1 YR %	% from 52 Wk Hi	% from 52 Wk Lo
India Indices											
Nifty 50	**21,572**	**-0.2**	**0.5**	**-0.7**	**8.9**	**9.4**	**-0.7**	**-0.7**	**19.5**	**-2.5%**	**28.2%**
Sensex	71,501	-0.2	0.0	-1.0	7.6	7.4	-1.0	-1.0	17.9	-2.6%	25.3%
Nifty 500	19,488	-0.2	1.8	0.3	11.6	15.5	0.3	0.3	26.6	-2.2%	37.5%
NIFTY Midcap 100	47,152	0.1	3.4	2.1	15.8	28.7	2.1	2.1	51.0	-1.9%	61.5%
NIFTY Smallcap 100	15,348	-0.2	3.1	1.4	17.6	34.4	1.4	1.4	58.8	-2.2%	76.8%

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Nifty Sectors

17/01/2024	Price	5 Day %	1 Mo %	MTD %	3 Mo %	6 Mo %	QTD %	YTD %	1 YR %	% from 52 Wk Hi	% from 52 Wk Lo
Nifty Sectors											
Nifty Auto	18,447	-0.6	2.3	-0.9	11.6	18.8	-0.9	-0.9	43.9	-2.2%	55.0%
Nifty Bank	46,064	-2.7	-4.3	-4.6	3.7	1.4	-4.6	-4.6	9.1	-5.3%	19.3%
NIFTY Private Bank	23,798	-2.8	-4.6	-4.3	2.9	2.5	-4.3	-4.3	10.6	-4.8%	21.5%
Nifty Financial Services	20,529	-3.3	-4.6	-4.5	2.9	1.1	-4.5	-4.5	10.3	-5.1%	18.9%
Nifty India Consumption	9,572	0.2	3.4	-0.1	11.1	13.4	-0.1	-0.1	27.9	-1.4%	36.0%
Nifty FMCG	56,260	-0.2	3.8	-1.3	6.8	5.2	-1.3	-1.3	26.3	-2.9%	29.2%
Nifty Energy	34,853	1.5	7.0	4.1	26.7	36.6	4.1	4.1	32.4	-1.8%	61.1%
Nifty Infrastructure	7,544	1.2	5.6	3.3	19.2	28.5	3.3	3.3	43.5	-1.6%	53.0%
Nifty IT	36,960	6.1	3.3	4.1	16.2	19.1	4.1	4.1	25.3	-2.6%	41.2%
Nifty Metal	7,694	-2.4	-0.5	-3.6	11.5	18.4	-3.6	-3.6	13.2	-4.5%	47.7%
Nifty Pharma	17,154	-1.4	6.0	1.9	12.8	22.1	1.9	1.9	35.6	-2.6%	48.6%
Nifty PSU Bank	5,830	2.9	1.2	2.0	14.0	29.9	2.0	2.0	36.6	-3.0%	65.2%
Nifty Realty	856	-1.1	11.6	9.4	40.2	58.7	9.4	9.4	98.8	-4.3%	131.0%
Nifty Sectors & Themes											
Nifty Media	2,405	-2.7	-1.3	0.7	3.8	21.0	0.7	0.7	24.7	-4.1%	46.9%
Nifty CPSE	5,031	1.7	7.4	3.5	26.2	54.6	3.5	3.5	79.0	-1.7%	85.0%
Nifty PSE	8,128	1.6	6.6	3.5	32.9	58.2	3.5	3.5	83.3	-1.6%	93.0%
Nifty Commodities	7,665	0.1	2.1	-0.7	17.6	24.4	-0.7	-0.7	27.5	-2.2%	43.2%
Nifty MNC	23,920	-0.0	2.5	-1.2	7.1	7.8	-1.2	-1.2	20.4	-1.8%	28.3%

Crude Oil, Commodities and Precious Metals

17/01/2024	Price	5 Day %	1 Mo %	MTD %	3 Mo %	6 Mo %	QTD %	YTD %	1 YR %	% from 52 Wk Hi	% from 52 Wk Lo
Nifty 50	**21,572**	**-0.2**	**0.5**	**-0.7**	**8.9**	**9.4**	**-0.7**	**-0.7**	**19.5**	**-2.5%**	**28.2%**
Gold U.S. & India											
Gold Spot $/Oz	2,025	0.0	-0.1	-1.8	5.3	3.6	-1.8	-1.8	6.1	-5.2%	12.2%
Gold India	61,817	-0.5	-0.7	-1.8	4.7	4.6	-1.8	-1.8	9.4	-2.5%	12.6%
Platinum Spot $/Oz	895.3	-3.0	-5.7	-9.7	-0.5	-8.6	-9.7	-9.7	-14.2	-21.1%	6.2%
Crude											
Brent Crude	76.8	-	0.3	-0.3	-14.6	-2.2	-0.3	-0.3	-10.6	-21.4%	9.5%
WTI Crude	70.8	-1.9	-0.8	-1.1	-18.3	-4.5	-1.1	-1.1	-11.6	-25.5%	11.3%
Metals											
LME Copper	8,268.0	0.1	-2.2	-2.3	4.5	-4.5	-2.3	-2.3	-9.0	-12.4%	6.1%
LME Aluminum	2,162.8	-1.9	-2.0	-7.8	0.4	-3.1	-7.8	-7.8	-16.7	-17.9%	5.0%
LME Nickel	15,901.0	-0.9	-6.0	-2.9	-13.2	-25.7	-2.9	-2.9	-41.2	-47.2%	1.3%
LME Zinc	2,527.5	2.0	-0.3	-4.3	4.3	4.5	-4.3	-4.3	-24.0	-28.0%	13.7%
LME Lead	2,077.8	2.9	1.5	2.1	-1.6	-1.8	2.1	2.1	-7.6	-10.2%	4.8%
LME Tin	24,901.0	4.0	-0.3	-1.1	-0.0	-13.7	-1.1	-1.1	-12.4	-22.6%	14.4%
Commodities											
Lumber	8,268.0	0.1	-2.2	-2.3	4.5	-4.5	-2.3	-2.3	-9.0	-12.4%	6.1%
Palm Oil	3,855.0	3.9	7.1	5.3	3.1	-0.8	5.3	5.3	1.7	-11.4%	19.3%
BBG Cmdty ex-Prec Mtl	85.9	-2.1	-2.6	-1.9	-10.5	-8.0	-1.9	-1.9	-16.6	-17.5%	0.5%
CRB Metals Index	1,014.1	1.0	-0.9	-1.8	3.6	-0.1	-1.8	-1.8	-8.6	-11.7%	4.5%
Bloomberg Commodity Index	96.5	-1.8	-2.4	-2.2	-7.9	-6.8	-2.2	-2.2	-13.8	-14.7%	0.6%
CRB Commodities Index	506.2	0.2	-1.3	-0.8	-7.0	-9.3	-0.8	-0.8	-9.5	-11.0%	0.3%
Wheat	585.0	-4.1	-7.0	-6.8	2.5	-10.5	-6.8	-6.8	-22.2	-26.6%	10.9%
CRB Raw Industrials Index	538.7	0.1	-0.5	-0.9	-1.2	-3.3	-0.9	-0.9	-7.1	-8.7%	0.7%
Commodities											
Bloomberg Grains Spot	237.64	-3.1	-7.8	-6.0	-6.5	-12.9	-6.0	-6.0	-27.0	-28.1%	0.0%
Raw Sugar	22.63	4.3	2.9	10.0	-17.7	-4.9	10.0	10.0	12.4	-19.6%	16.1%
Simex Iron Ore	132.00	-2.8	-2.4	-3.2	10.7	17.3	-3.2	-3.2	9.1	-11.9%	34.2%

Interest Rates and Inflation

17/01/2024	Price	5 Day %	1 Mo %	MTD %	3 Mo %	6 Mo %	QTD %	YTD %	1 YR %	% from 52 Wk Hi	% from 52 Wk Lo
India G-Sec Yields											
10 Year India G-Sec	7.16	7.18	7.16	7.17	7.33	7.08	7.17	7.17	7.33	-0.28	0.22
5 Year India G-Sec	7.08	7.10	7.11	7.13	7.34	7.05	7.13	7.13	7.18	-5.2%	3.3%
3 Year India G-Sec	7.05	7.06	7.07	7.08	7.30	7.03	7.08	7.08	6.91	-5.1%	3.8%
1 Year India G-Sec	7.09	7.08	7.08	7.08	6.83	7.38	7.09	6.72	6.30	-4.0%	5.3%
3 Month India G-Sec	6.93	6.93	6.93	7.00	6.87	6.71	7.00	7.00	6.35	-2.7%	8.5%
India CPI											
India CPI Combined YoY	5.69		5.55	5.69	5.02	4.87	5.69	5.72	5.72	-1.75	1.38
India WPI	0.73		0.3	0.7	-0.1	-4.2	0.7	5.0	5.0	-84.8%	-117.5%
India Core CPI	4.12		4.3	4.1	4.7	5.5	4.1	6.5	6.5	-36.9%	0.0%
U.S. & China Yields & CPI											
U.S. 10 Year	4.06	4.03	3.91	3.88	4.83	3.81	3.88	3.88	3.55	-0.96	0.81
U.S. 5 Year	3.97	3.97	3.91	3.85	4.87	4.02	3.85	3.85	3.62	-1.03	0.76
U.S. 2 Year	4.28	4.36	4.44	4.25	5.21	4.74	4.25	4.25	4.20	-0.98	0.73
U.S. 1 Year	4.48	4.82	4.96	4.77	5.48	5.33	4.77	4.77	4.68	-1.03	0.41
U.S. 3 MO T-BILL	5.14	5.38	5.39	5.34	5.50	5.40	5.34	5.34	4.60	-0.37	0.74
U.S. CPI	3.40		3.10	3.40	3.70	3.00	3.40	6.50	6.50	-46.9%	13.3%
China CPI	-0.30		-0.5	-0.3	-	-	-0.3	1.8	1.8	-114.3%	-40.0%
Inflation Expectations 10 Year US	2.22		2.3	2.2	2.3	2.2	2.2	2.3	2.3	-6.6%	1.3%
U.S. Dollar & INR											
USD INR	83.1	83.0	83.1	83.2	83.3	82.1	83.2	83.2	81.8	-0.4%	2.8%
Dollar Index	103.4	102.6	102.6	101.3	106.3	99.8	101.3	101.3	102.4	-3.7%	3.9%

Tactical Asset Class Rationale

Equities	Weight	Rationale
India Equities	Over Weight & Stagger	Outlined in the commentary, we continue to remain moderately over-weight equities and prefer staggered deployments into equities. Due to high valuations of many large caps and earnings growth / revisions trends, we continue prefer a higher over-weight exposure to mid and small caps.
India Hedge Funds	Marginal Over Weight	Hedged portfolios provide an attractive complement to equity portfolios, providing a diversifying non-correlated asset class that enhances risk adjusted return, while holding the opportunity to provide equity-like returns with debt-like risk. Typically, rising volatility is a constructive environment for hedge fund managers; however, we have not witnessed it translate to alpha for fund managers.
Long Short (Absolute Return)	Marginal Over Weight	Long short funds that have consistently delivered post-tax 8% returns are a worthy consideration for portfolios. Due to the sharp rally, and the upcoming elections, the environment is favourable for L/S strategies. We remain marginally over weight here.
U.S. Equities	Market Weight	Indian HNI portfolios are dramatically underweight U.S. equities. Diversification provides strong portfolio optimization benefits. U.S. equities have dramatic barriers to entry and global leadership. We recommend a staggered accumulation approach.
Emerging Market Equities	Market Weight	The Japanese economy is witnessing a surprising uptick after many years. China concerns remain around real estate and debt. Other emerging markets are valued reasonably and showing growth, but India remains a standout outperformer.
Europe Equities	Under Weight	Growth in India, emerging markets is likely to outpace European growth and therefore find limited triggers to gain exposure to European equities.
Fixed Income	**Weight**	**Rationale**
Duration	Selectively Positive	Global financial volatility continues to be a headwind to sustained rally in long term yields. Having said that, domestically strong macros especially slowdown in inflation increase and strong revenue collections, and internationally US market cooling in yields, all of this are acting as tailwinds to duration. Investors are advised to consider their appetite to digest intermittent mtm volatility and basis that do allocation.
Accrual	Selectively Positive	Accrual space offers good opportunity to lock in yields. Investors will enjoy good returns based on their ability to lock in spreads in quality papers available currently. Dual advantage of constant high spread and roll down will result in good returns. The near and belly of the curve offers good options for investors.
Credit Risk	Selectively Positive	Rich pickings are available in credit space of lesser understood / lesser known issuers and they offer attractive risk reward opportunities for risk savvy investors. Post RBI change in norms for NBFCs, spread widening for certain subsectors is likely. While there could be higher returns, they will come with higher risks too and investors are cautioned to be mindful of same while taking advantage of richer pickings available.
REITs	Selectively Over Weight	Real estate investment trusts (REITs) lagged in 2020 and 2021 due to the impact of Covid on retail and urban office space. However, REITs recovered in 2022. During an uncertain and inflationary environment, REITs offer an attractive inflation hedge that provides exposure to fixed assets. We recommend exposure be considered only with strong due diligence on a case by case bottom up basis.
InvITs	Over Weight	Infrastructure Investment trusts offer an attractive opportunity to invest in diversified portfolio of assets generating an attractive yield through regular income distribution
Alternate	**Weight**	**Rationale**
Private Unlisted	Selectively Positive	We are selectively positive and expect significant value and wealth creation in the unlisted space in India primarily led by Technology, Financial and New Age Consumption companies. Our Direct Deal Thesis focuses on late stage companies with significant market share & profitability and our Manager Selection in early stage investments focuses on fund managers with established track record across cycles.
Gold	**Weight**	**Rationale**
Gold	Under Weight	Given the recent run up in Gold prices and attractive opportunities available in equities and fixed income, and where we are in the business cycle, we recommend an under-weight position in Gold.

Ambit Global Private Client - Asset Allocation & Investment Committee

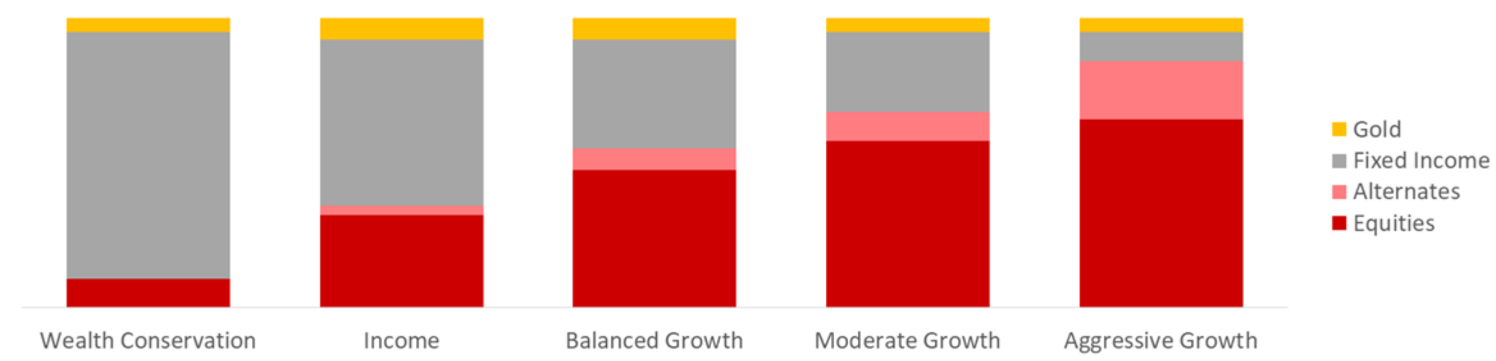
The Ambit GPC Asset Allocation & Investment Committee (AAIC) is a group comprised of the CEO, Head of Products and Alternates, Chief Investment Strategist and Head of Fixed Income (listed below). The team has over 100 years of collective investment experience in markets. The AAIC meets monthly and as necessary during periods of market volatility to discuss the economy and markets. The committee determines the investment outlook that guides our advice to clients. The AAIC continually monitors developing economic and market conditions, reviews tactical outlooks and recommends asset allocation model changes, as well as analysis, investment commentary, portfolio recommendations and reports.

Tactical Allocation Weights Vs Strategic

Asset Class Pairs	Scale											View
	-5	-4	-3	-2	-1	0	1	2	3	4	5	
Equities												Over-Weight
India Equities – Large												Over-Weight
India Equities – Mid & Small												Over-Weight
U.S Equities												Market-Weight
International ex-U.S.												Under-Weight
Long Short												Over-Weight
Hedge Funds												Over-Weight
Fixed Income												Positive
Duration												Selectively Positive
Accrual												Selectively Positive
Credit Risk												Selectively Positive
InvITs												Over-Weight
REITs												Over-Weight
Alternates												Neutral-Weight
Private Unlisted												Selectively Positive
Gold												Under-Weight

Wealth Profiles - Summary

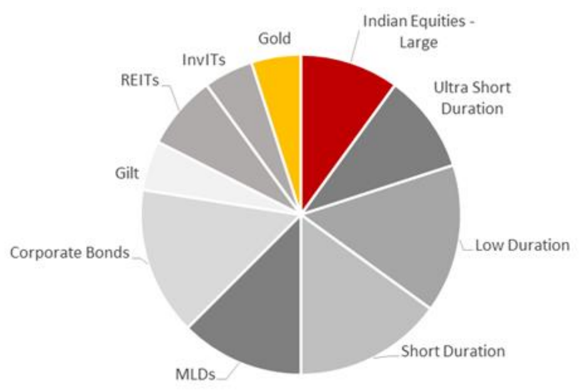
Strategic Asset Class Weights by Profile



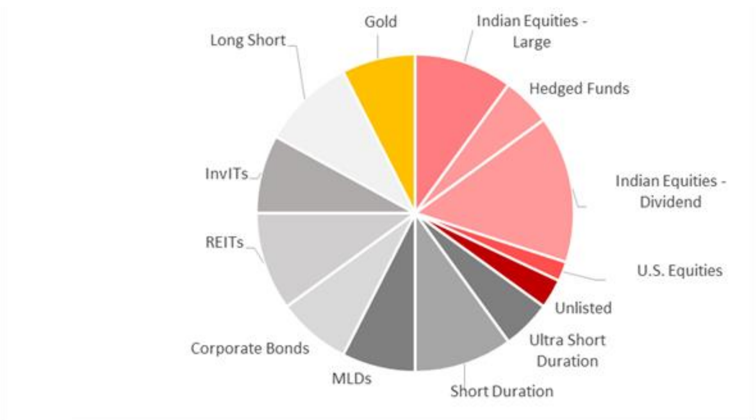
Ambit GPC Wealth Profiles - Strategic Weights

The Ambit GPC Asset Allocation & Investment Committee (AAIC) provide guidance on asset allocation via our wealth profile models below. The models are listed on a scale of rising return and rising risk and represent the most common investor profiles that we base our portfolio construction around.

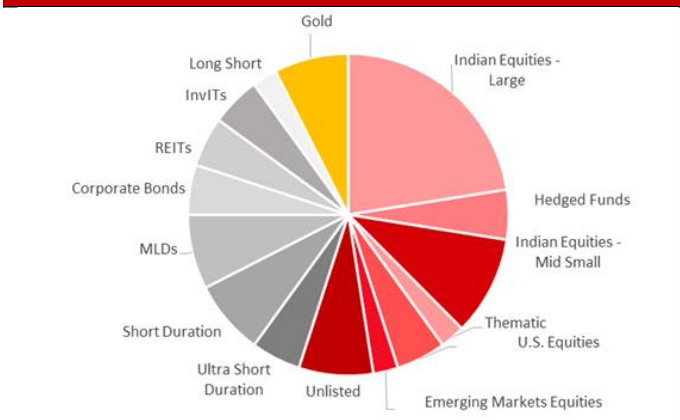
Wealth Conservation



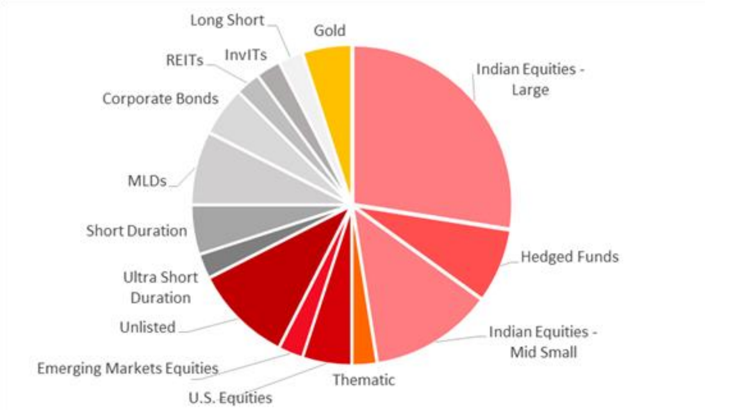
Income



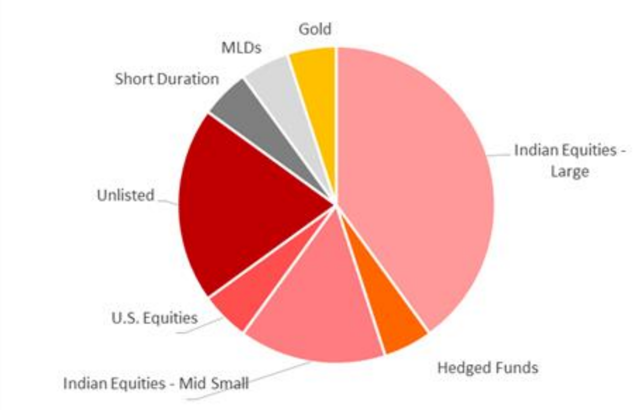
Balanced Growth



Moderate Growth



Aggressive Growth



Ambit Global Private Client – Asset Allocation & Investment Committee

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Sources: All sources unless otherwise noted are Bloomberg, NSE.

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