

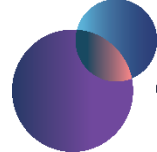


# Aikyam India Discovery Fund (AIDF)

**September 2025 - Fund Factsheet**



**AIKYAM INVESTMENT MANAGERS IFSC LLP**  
Unit no 129 Pragma Accelerator II Building, 15 B Block,  
Road no 1C, Zone 1 Gift SEZ, Gandhi Nagar-382355



## 1. What happened in September 2025?

### **Macro backdrop:**

- August data reflected steady momentum — Eight Core Industries grew 6.3% YoY, the highest in 12 months, partly driven by pre-tariff export activity. CPI inflation rose to 2.1% YoY (vs. 1.6% in July), remaining well below target.

### **Credit trends:**

- System credit growth stayed around 10% YoY; industrial credit at 7% continued to lag, while services grew 11%, personal loans 12%, and agri loans 8%, underscoring consumer-driven growth.

### **Policy actions:**

- The RBI kept policy rates unchanged with a neutral stance, but raised FY26 GDP growth forecast to 6.8% (from 6.5%) and lowered CPI outlook to 2.6% (from 3.1%).
- Announced regulatory measures to support medium-term credit flow, including better risk alignment for NBFC infrastructure lending.
- GST 2.0 implementation from 22 Sept spurred demand in autos and electronics, with momentum expected to spill over into apparel and other discretionary segments.

### **Trade & global policy:**

- The US sharply escalated trade pressure, imposing a 100% tariff on branded and patented pharmaceutical imports from India and raising the H-1B visa fee to US \$100,000. This move adds a significant headwind for India's export and services sectors.
- Meanwhile, the US Fed cut rates by 25 bps, signalled two more cuts this year, while the ECB, BoJ, BoE and PBoC held rates steady.

## 2. How did the markets move? How did we perform?

- Markets started the month firm on upbeat macro data and reform optimism but gave up gains mid-month after the US-India trade volatility escalation and continued FII selling.
- Nifty 500 gained 1.2%, while the rupee depreciated ~1.1%; in dollar terms, returns were +0.16%.
- The market remains range-bound between 24,500-25,500, awaiting clear triggers.
- Valuations (TTM P/E): Nifty 50 at 21.8x (10-yr avg 23.1x); Nifty Midcap 150 at 32.8x vs 31.6x; Nifty Small Cap 250 at 30x vs 30.8x — SMID valuations remain elevated.
- Flows: FIIs net-sold ₹35,300 Cr, while DIIs absorbed supply with ₹65,300 Cr of net buying.
- Performance (September 2025): AIDF posted -0.30% versus NSE 500 (\$) +0.16%, resulting in an underperformance of 0.46%. The relative shortfall was primarily due to underperformance of the underlying funds, as low alpha generation in a narrow market and cash holdings created a temporary performance drag.



## **3. How are we positioned?**

- We believe the income-tax and GST rationalisation measures are structural reforms that will strengthen household balance sheets and sustain domestic demand. Combined with rate cuts and credit-supportive regulations, these reforms should aid a broad-based consumption recovery.
- We believe this consumption recovery could act as a catalyst, kick-starting the virtuous economic cycle and paving the way for private-capex investments. Consequently, we expect consumption and allied themes such as banking and financials to lead the next leg of market performance. Therefore, we have added a position in the Consumption themed fund in our portfolio.
- At the Fund-of-Funds level, we continue to maintain a cautious positioning — with ~60% allocation to large-cap funds (including large-cap-focused thematic funds) and cash at ~7%.
- At an underlying stock-holding level, large caps comprise ~53%, SMIDs ~33%, and combined cash (FoF + underlying) stands at 13.8%.

## **4. What are we watching?**

- Q2 FY26 earnings and management commentary.
- High-frequency consumption indicators post-reform.
- US–India trade negotiations and any progress toward resolution.
- Geopolitical developments along the India–Pakistan border.

## **Overall Outlook:**

- Most negatives — from trade tensions and slower consumption to elevated valuations and FII outflows — appear largely priced in.
- On the currency front, multiple forces continue to play out: higher export tariffs impact on Current Account Deficit, RBI's \$ buying (reducing short-forward book from US \$ 88 bn → US \$ 53 bn, Feb–Aug '25), and persistent equity outflows.
- The broader markets have already undergone a time correction over the past year, consolidating within a narrow range. In our view, a 5–7% market correction from current levels would offer a compelling risk-reward entry point, with any positive catalyst — trade progress, stronger earnings, or renewed FII inflows — capable of driving a meaningful rebound in equities and a firmer rupee.

# AIDF - What we hold



**Inception Date** : 27<sup>th</sup> June 2025  
**NAV** : 93.5526  
**AUM** : \$ 1.12 Mn  
**Benchmark** : \$ NSE 500 TRI , \$ Nifty 50 TRI  
**Fund Manager** : Mr. Vishal Goraddia

**Investment Objective :**  
The fund seeks long-term absolute returns by investing in a diversified mix of mutual funds and ETFs across market caps, themes, and sectors, with dynamic allocation, rigorous fund selection, and active monitoring to outperform its benchmark.

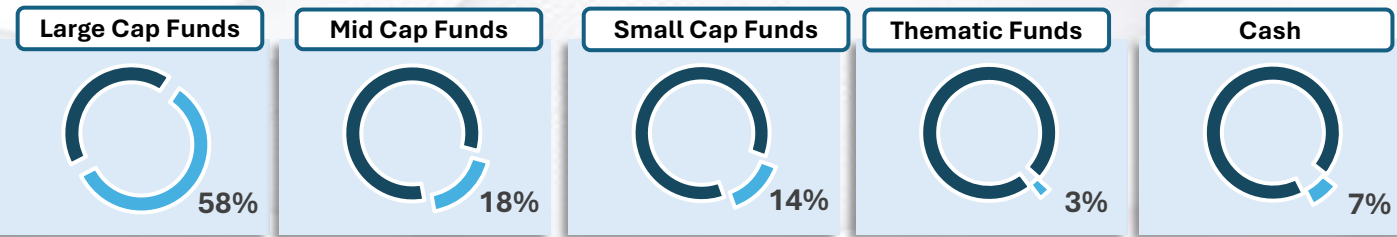
## AIDF Portfolio Holdings (As of 30<sup>th</sup> September 2025) :

S. No	Fund Name	Category	Allocation	LC	MC	SC	Cash
1	DSP Large Cap Fund	Large Cap	22.5%	82%	03%	06%	09%
2	Nippon India Large Cap Fund	Large Cap	18.7%	85%	10%	04%	01%
3	ICICI Large Cap Fund	Large Cap	16.8%	82%	08%	00%	10%
4	HDFC Mid Cap Fund	Mid Cap	8.0%	08%	66%	20%	06%
5	Motilal Oswal Midcap Fund	Mid Cap	5.8%	18%	73%	00%	09%
6	Nippon India Mid Cap Fund	Mid Cap	3.9%	21%	66%	10%	03%
7	Bandhan Small Cap Fund	Small Cap	7.9%	09%	10%	69%	12%
8	HDFC Small Cap Fund	Small Cap	6.4%	05%	08%	77%	10%
9	ICICI Consumption Fund	Thematic	3.0%	69%	08%	18%	05%
10	Cash & Cash Equivalents	Cash	7.0%	0%	0%	0%	07%
<b>AIDF Total</b>			<b>100%</b>	<b>53%</b>	<b>18%</b>	<b>15%</b>	<b>14%</b>

<b>NSE 500</b>	<b>Benchmark</b>	<b>71%</b>	<b>19%</b>	<b>10%</b>	<b>0%</b>
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\*LC= Large Cap Stocks ; MC = Mid Cap Stocks : SC = Small Cap Stocks

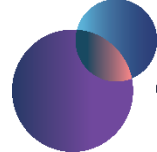
## AIDF Portfolio Allocation :



## AIDF Fund Performance (USD):

Returns (\$)	~1 Week	1 Month	3 Month	Since Inception
AIDF (\$)	-3.3%	-0.3%	-6.3%	-6.4%
NSE 500 TRI (\$)	-3.5%	0.2%	-7.0%	-6.9%
NIFTY 50 TRI (\$)	-3.1%	-0.3%	-6.7%	-7.2%

# What our Invested Funds Hold



## Underlying Fund Portfolios': Consolidated Sectoral & Market Cap Allocation

Sector	Large Cap	Mid Cap	Small Cap	AIDF Total	NSE 500	UW / OW*
Financials	19.9%	4.8%	1.5%	26.2%	30.7%	↓
Consumer Discretionary	8.5%	2.3%	2.9%	13.7%	12.1%	↑
Industrials	3.5%	1.8%	2.9%	8.2%	10.2%	↓
Technology	3.9%	2.7%	1.3%	7.9%	8.2%	↓
Health Care	3.0%	1.7%	2.6%	7.4%	6.4%	↑
Consumer Staples	3.9%	1.0%	0.6%	5.5%	6.4%	↓
Materials	2.7%	1.0%	1.6%	5.3%	9.6%	↓
Utilities	3.3%	0.8%	0.3%	4.4%	4.2%	↑
Energy	3.3%	0.8%	0.1%	4.2%	7.5%	↓
Communications	1.2%	0.4%	0.2%	1.9%	3.5%	↓
Real Estate	0.2%	0.3%	1.0%	1.5%	1.2%	↑
Cash & Cash Equi	0.0%	0.0%	0.0%	13.8%	0.0%	↑
<b>Total</b>	<b>53.5%</b>	<b>17.7%</b>	<b>15.0%</b>	<b>100%</b>	<b>100%</b>	

\* UW = Underweight as compared to the Benchmark ; OW = Overweight as compared to the Benchmark

## Underlying Fund Portfolios': Consolidated Top 10 Stock holdings across Mcap

S. No	Large Cap		Mid Cap		Small Cap	
1	HDFC Bank	5.1%	Coforge	0.8%	Chalet Hotels	0.4%
2	ICICI Bank	3.9%	Persistent Systems	0.7%	Jubilant Ingrevia	0.3%
3	Axis Bank	2.7%	Dixon Technologies India	0.7%	Firstsource Solutions	0.3%
4	Mahindra & Mahindra	2.4%	One 97 Communications	0.6%	Cohance Lifesciences	0.3%
5	Infosys	2.4%	GE Vernova T&D India	0.6%	Eclerx Services	0.3%
6	ITC	2.3%	Max Financial Services	0.6%	Cyient	0.3%
7	Reliance Industries	2.2%	Fortis Healthcare	0.6%	Syngene International	0.3%
8	NTPC	2.1%	Vishal Mega Mart	0.5%	Aster Dm Healthcare	0.3%
9	State Bank Of India	1.7%	IPCA Laboratories	0.5%	Gland Pharma	0.2%
10	Larsen & Toubro	1.7%	Kalyan Jewellers India	0.5%	Sobha	0.2%

Note: The information presented above has been compiled from the reported portfolios of the underlying funds as of 30<sup>th</sup> September 2025.