



Market Highlights

- ✓ On July 30, 2025, Donald Trump imposed a 25% tariff on most Indian goods, effective August 7, Citing India’s continued imports of Russian oil and defense equipment, he later issued an executive order adding another 25%, raising total tariffs to 50% on many items effective from August 28, 2025 (excluding Pharma and electronics), these actions by Trump are causing discomfort in short term.
- ✓ India and the UK signed a landmark FTA in July 2025 after 13 rounds of talks. This deal cuts tariffs on over 90% of traded goods like textiles, autos, and liquor. It will boost UK market access for Indian IT, Pharma, and Services. Bilateral trade is expected to cross \$100 billion by 2030.
- ✓ The rupee faced its sharpest monthly decline since 2022, slipping ~2% to ₹87.60 amid heightened U.S. tariff threats. Equity markets also came under pressure, with FIIs withdrawing nearly \$5 billion during the month.
- ✓ India’s services sector remained robust, with the PMI rising to an 11-month high of 60.5, fueled by strong export and domestic demand.

Market Performance (%)

INDEX	1M	3M	1Y	FY26
NIFTY 50	-2.9%	1.8%	-0.7%	5.3%
SENSEX 30	-2.9%	1.2%	-0.7%	4.9%
NIFTYMIDCAP150	-2.9%	7.5%	-2.3%	11.7%
NIFTYSMALLCAP250	-3.7%	11.6%	-4.5%	13.5%

Source: NSE

as of 31th July 2025

FII/DII Activity

Domestic Institutional Investors (DIIs) continued their strong buying streak in July with ₹60,939 crore in net inflows. In contrast, Foreign Institutional Investors (FIIs) pulled out ₹44,667 crore during the month. Despite ongoing FII selling, sustained DII participation reflects solid domestic confidence.

INR cr*	1M	3M	6M	1Y
FII	(44,667)	(28,404)	(82,643)	(3,55,148)
DII	60,939	2,01,255	3,31,923	6,85,480

Source: NSE*FII Cash

as of 31th July 2025

Global Market

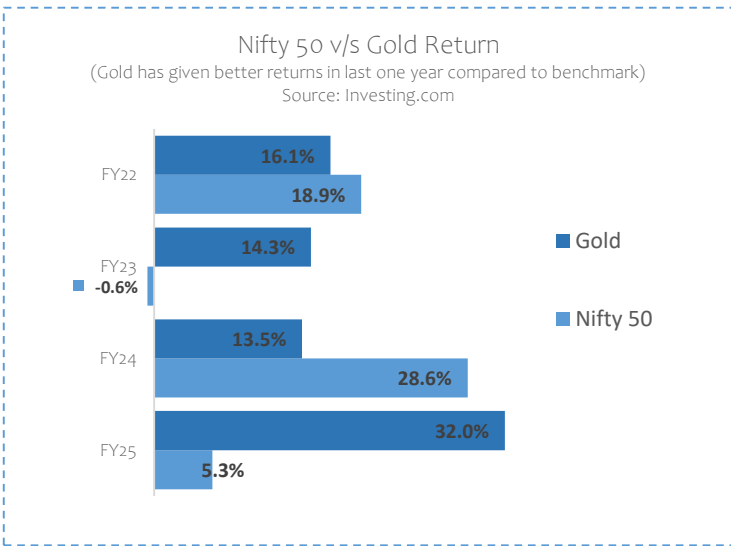
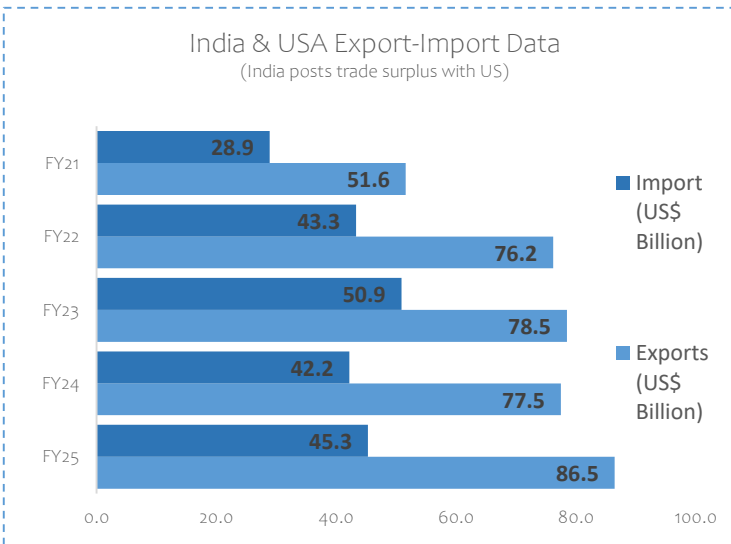
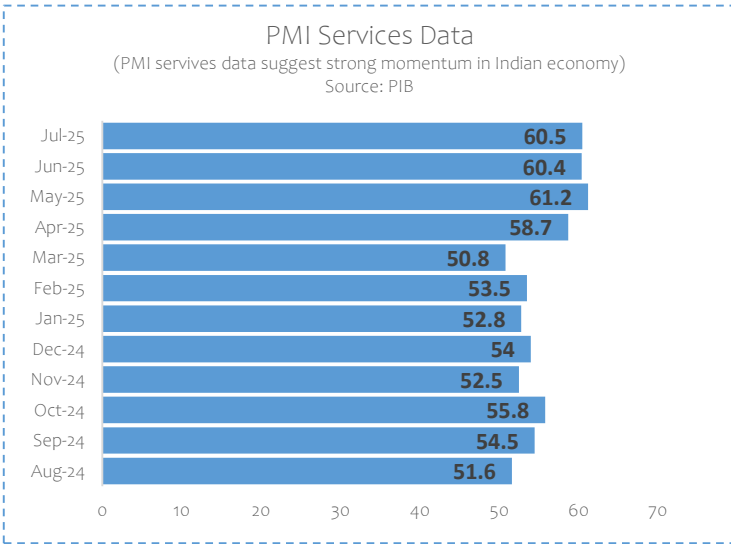
In July 2025, global equities were mixed: NASDAQ rose 3.7% on tech and AI momentum, FTSE gained 4.2% on strong energy and financials earnings, and Hang Seng advanced 2.9% on China policy easing hopes. Dow Jones edged up 0.1% and DAX 0.7% amid European caution from political and macro concerns.

INDEX	1M	3M	6M	1Y
DOW JONES	0.1%	8.5%	-0.9%	8.1%
FTSE	4.2%	7.5%	5.3%	9.1%
HANG SENG	2.9%	12.0%	22.5%	42.8%
DAX	0.7%	7.0%	10.7%	30.0%
NASDAQ	3.7%	21.1%	7.6%	20.0%

Source: Investing.com

as of 31th July 2025

Interesting Data Points - 1





Sectorial Performance

In July 2025, sector trends turned defensive, led by gains in Healthcare (+2.6%) and FMCG (+2.3%) on stable earnings. Auto (-0.9%) dipped on cost pressures, while IT (-8.5%), Capital Goods (-5.9%), and Energy (-5.1%) fell amid global tech weakness, profit booking, and sector rotation.

TOP 3 (%)	1M	3M	6M	1Y
S&P BSE Healthcare	2.6%	7.5%	8.5%	12.0%
S&P BSE FMCG	2.3%	0.6%	0.1%	-8.6%
S&P BSE Auto	-0.9%	5.9%	2.7%	-12.1%

BOTTOM 3 (%)	1M	3M	6M	1Y
S&P BSE IT	-8.5%	-0.7%	-17.0%	-16.5%
S&P BSE Capital Goods	-5.9%	8.7%	5.7%	-9.8%
S&P BSE Energy	-5.1%	0.2%	4.7%	-17.3%

Source: BSE

Important Events

- ✓ RBI's Monetary Policy Committee (Aug 4–6) held the repo rate steady at 5.50%, maintained the GDP forecast at 6.5%, and lowered the FY26 inflation projection to 3.1%, citing global tariff risks.
- ✓ India's GST collections rose 7.5% year-on-year to ₹1.96 lakh crore in July, reflecting robust domestic demand and tax compliances.
- ✓ From August 2025, the U.S. will impose 25–50% tariffs on major economies including India, Brazil, Canada, and South Africa, with India's 50% rate effective August 28. Targeting trade imbalances and geopolitical alignments, the policy affects nearly 70 countries and global supply chains, Trump and Putin are scheduled to hold crucial high-level bilateral talks in Alaska on August 15, 2025.

Market Outlook

- ✓ The Indian market stayed cautiously optimistic in July 2025, supported by stable macros, low inflation, and the RBI holding rates with FY26 GDP growth projected at 6.5%. Despite ₹44,667 crore FII outflows YTD, selective foreign investments flowed into telecom and financials. Focus on mid-caps and domestic sectors like consumption and renewables, while staying cautious on export-led and large-cap manufacturing.

Nifty 50	Q1/26	Q4/25	Q3/25	Q2/25
Sales Growth (YoY)	6.7%	7.2%	7.3%	6.4%
PAT Growth (YoY)	6.9%	10.0%	12.7%	8.9%

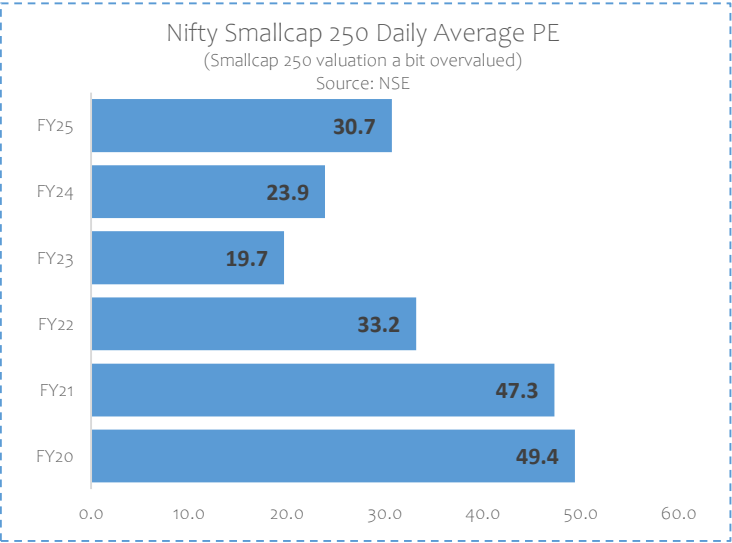
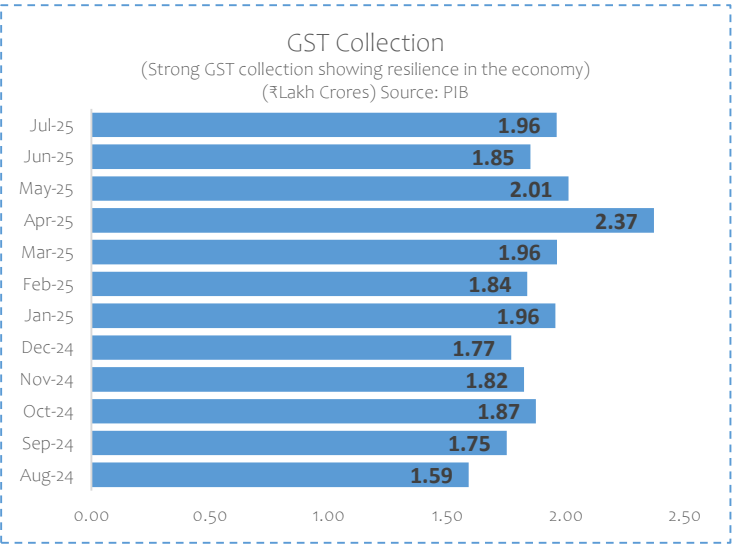
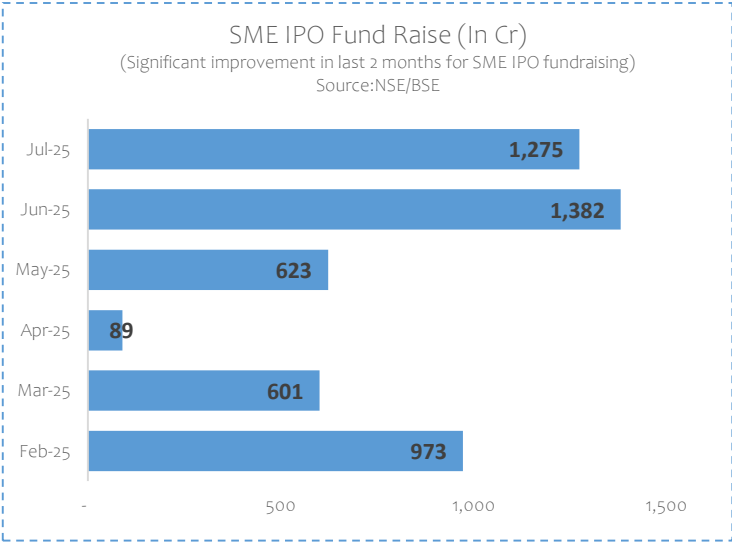
Nifty Midcap 150	Q1/26	Q4/25	Q3/25	Q2/25
Sales Growth (YoY)	6.6%	8.7%	10.0%	10.6%
PAT Growth (YoY)	17.6%	25.6%	39.8%	13.9%

Nifty Smallcap 250	Q1/26	Q4/25	Q3/25	Q2/25
Sales Growth (YoY)	7.1%	8.4%	8.0%	7.9%
PAT Growth (YoY)	-13.4%	13.6%	12.6%	-9.3%

Source: Ace Equity

* YoY growth/returns are calculated only for companies that reported results up to 11 Aug 2025, compared against corresponding results of the same companies; companies with pending results are excluded.

Interesting Data Points - 2





Update on Broader Markets:

SEBI has revised **ESM framework** for companies with **market capitalization below ₹1000 crore**, enhancing market integrity and investor protection.

1. Revised Shortlisting Criteria (Stage 1):

- ✓ Based on **High–Low** or **Close–to–Close** price variation over 3, 6, or 12 months.
- ✓ Specific thresholds apply:
 - **High–Low:** 3M > 75%, 6M > 100%, 12M > 150%.
 - **Close–Close:** 3M > 50%, 6M > 75%, 12M > 100%.
- ✓ Must show **positive price variation** over 3 months.
- ✓ **Derivatives-listed stocks are excluded.**

2. Stage-wise Surveillance Actions:

- ✓ Stage I : 100% margin, Trade-for-Trade settlement, 5% (or 2%) price band
- ✓ Stage II : For stocks in Stage I with:
 - 5-day Close-to-Close variation $\geq +15\%$, or
 - Monthly Close-to-Close $\geq +30\%$, and
 - $PE \leq 0$ or $> 2 \times$ Nifty 500 PE.
 - Action: Trade-for-Trade, $\pm 2\%$ price band via Periodic Call Auction, 100% margin.

3. Review & Exit:

- ✓ **Weekly review.**
- ✓ Stocks eligible to exit after **90 days**, subject to meeting revised criteria.
- ✓ Stage II stocks stay a **minimum of 1 month** before downgrade is considered.
- ✓ Price bands reset after exit unless under another surveillance measure.

4. Effective Date:

- ✓ July 28, 2025 – revised framework and list of impacted stocks to be published.

Market Outlook on Broader Markets:

The market's **sentiment** toward **SME and micro-cap** companies has turned **cautious** in recent months. After a stellar run in 2023 and early 2024, many newly listed SME stocks have seen sharp corrections, with post-listing returns dropping into negative territory for several names. Valuation concerns, particularly high P/E ratios in the broader micro-cap space, have made investors more selective.

Despite this short-term correction, structural tailwinds remain intact—government initiatives like "Make in India," expanding domestic consumption, and growing private equity interest continue to support long-term prospects.

However, in the current environment, the market is rewarding quality, profitability, and governance over mere growth narratives. Focus should be on identifying promising companies at the nascent stage of development within sunshine sectors, where long-term growth potential remains strong, along with strong corporate governance and promoter background, selective stock picking can help deliver healthy returns.

The Nifty Microcap 250 index, which was trading at a P/E of 32 a year ago and now stands at around 24, appears reasonably valued—especially given the potential for small-cap companies to outperform the Nifty 50 in earnings growth, thereby justifying their premium valuations. In contrast, the BSE SME IPO Index is trading at a TTM P/E of 30, where elevated valuations reflect high expectations for future earnings.



1. Factsheet DREAM (Multi-Cap)

Investment Rationale:

Strategy 1 :- DYNAMIC RESEARCH & EMERGING ASSET MANAGEMENT

With a robust and extensive stock selection process, DREAM offers a dynamic Multi-cap strategy that balances the resilience and stability of large caps with the faster growth and new opportunities of small & mid-caps.

- ✓ Investments in equities cash segment with a mix of stable and growth-oriented companies having strong fundamentals.
- ✓ Our Multi-cap strategy rests on two pillars- Steady picks for large cap for resilience, stability, and long-term wealth and Growth for Small & Mid-caps for capturing new opportunities & potential multi-baggers.
- ✓ We make dedicated efforts to find attractively valued firms with sustainable business models to capture new and dynamic opportunities.
- ✓ In order to minimize concentration risks, we ensure optimal sector diversification.

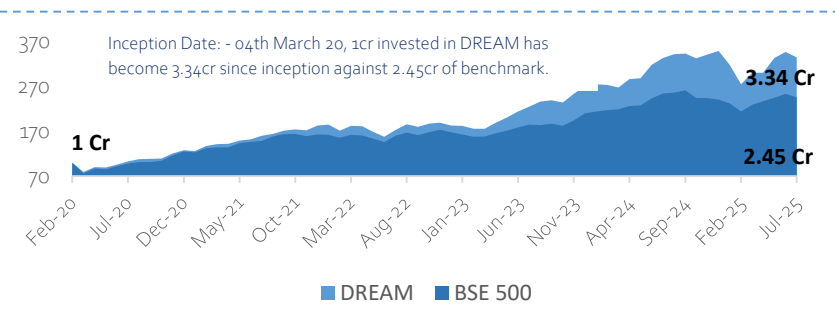
Fund Details

Fund Manager: Mohit Nigam | **Inception Date:** 04th March 2020 | **Structure:** Discretionary PM | **Benchmark:** S&P BSE 500

Performance

Period	Dream	S&P BSE 500
3M FY26	11.5%	3.9%
1 Year	0.6%	-3.2%
2 Year (CAGR)	22.0%	15.3%
3 Year (CAGR)	24.7%	15.5%
Since Inception (CAGR)	24.9%	17.9%

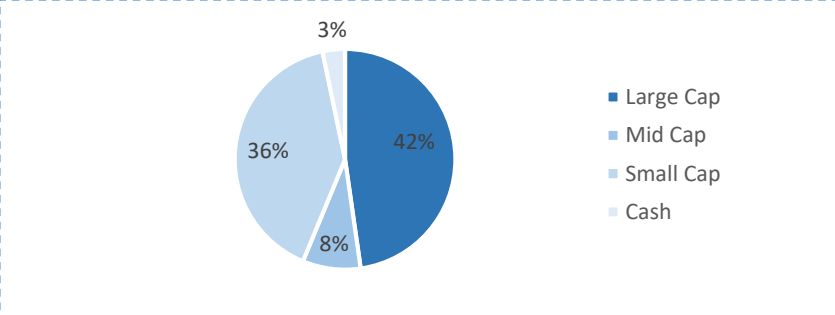
DREAM Monthly Performance with Benchmark



Risk Ratio

Stats	Dream	S&P BSE 500
Annualized Standard Deviation	20.23	18.89
Sharpe Ratio	1.18	0.96
Beta	0.97	1.0
Portfolio Turnover (Annual)	0.61	

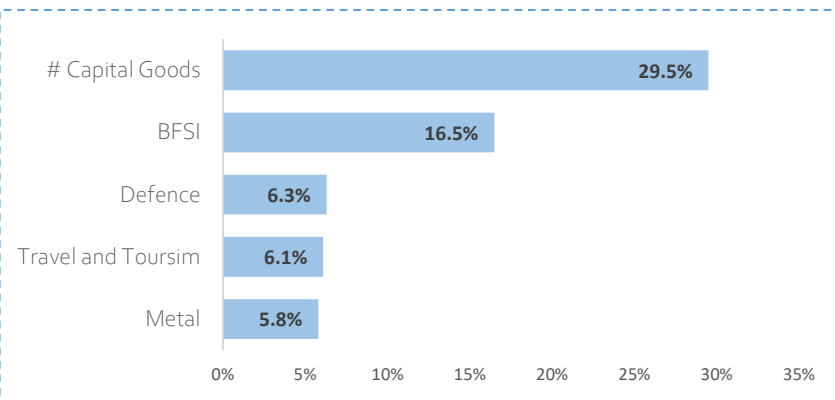
DREAM Portfolio



Top 10 Portfolio Holding

Period	% of AUM
Bharat Electronics Limited	4.2%
Hindustan Aeronautics Limited	3.8%
ICICI Bank Limited	3.6%
InterGlobe Aviation Limited	3.3%
EFCI Ltd	2.8%
Mahindra & Mahindra Limited	2.8%
Larsen & Toubro Limited	2.7%
KEI Industries Limited	2.7%
PG Electroplast Limited	2.6%
Garden Reach Shipbuilders & Engineers Ltd	2.5%

Sector Allocation



Capital Goods Includes Railways, Construction, Logistics and EMS

1. All Returns and data mentioned are as of 31st July 2025 & not verified by SEBI.





Factsheet IRSS (SMALL & MICRO CAP - SME)

Investment Rationale:

Strategy 2 :- INDIA RISING SME STARS

Benefitting investor through fast growing Micro-Cap & SME markets of India We focus our investment strategy on high growth companies that have distinct selling points and a strong niche.

- ✓ Niche SME & Small Cap based PMS launched in February 2022.
- ✓ Exclusive selection of high conviction bets from SME & microcap space.
- ✓ It is a high risk & high return strategy and therefore suitable for investors having high risk appetite

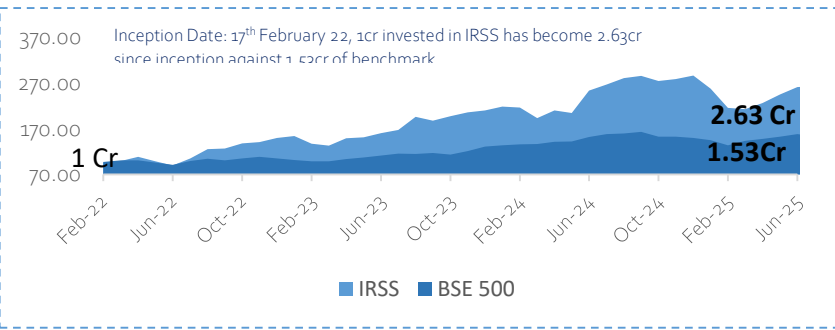
Fund Details

Fund Manager: Mohit Nigam | **Inception Date:** 17th February 2022 | **Structure:** Discretionary PM | **Benchmark:** S&P BSE 500

Performance

Period	IRSS	S&P 500
3M FY26	16.1	3.9
1 Year	-1.6	-3.2
2 Year (CAGR)	25.3	15.3
3 Year (CAGR)	36.1	15.5
Since Inceptions (CAGR)	32.4	13.1

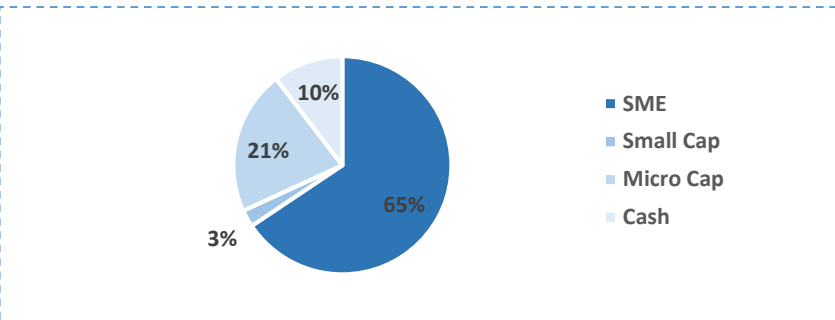
IRSS Monthly Performance with Benchmarks



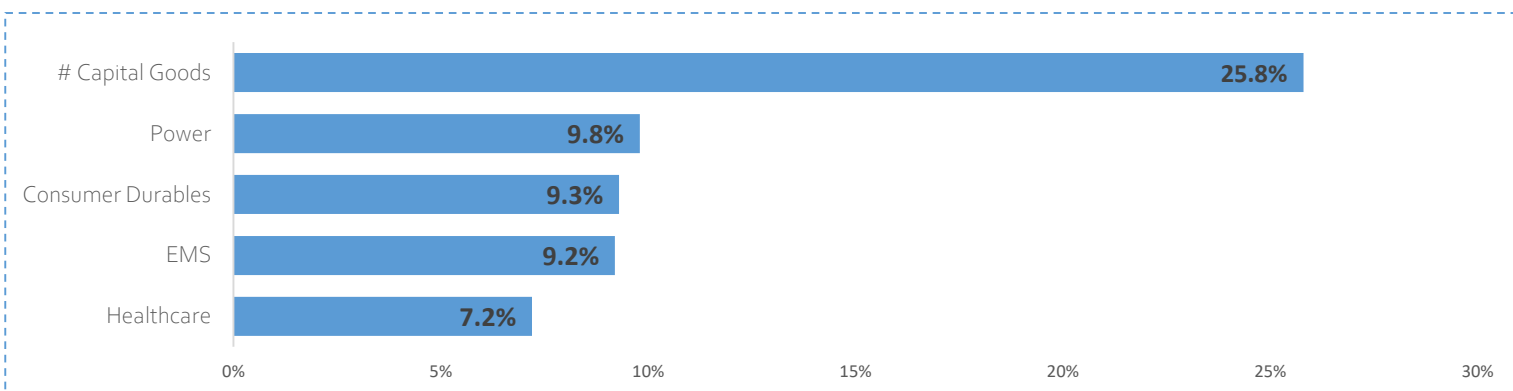
Risk Ratio

Stats	IRSS	S&P 500
Annualized Standard Deviation	28.36	13.97
Sharpe Ratio	1.09	0.91
Beta	1.23	1
Portfolio Turnover (Annual)	0.73	

IRSS Portfolio



TOP 5 Sector Allocation



All Returns and data mentioned are as of 31st July 2025 and not verified by SEBI

Categorization:- SME- Listed on SME Exchange; Small Cap-Companies ranked between 251 to 500 as per AMFI; Micro Cap-Companies ranked below 500 as per AMFI



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#Capital Goods Includes Railways, Constructions, Logistics and EMS

*The data presented are indicative in nature and can change without prior notice.

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Added Disclaimer for IRSS

- The fund will make investments in SMEs and small-cap stocks, which might be illiquid at the time of your exit (depending on market conditions). If we are not able to liquidate stocks at the time of your exit, then we will transfer the stocks to your demat account.
- Please refer to our account opening kit for our compliance policy on the allocation of securities in specific/exceptional circumstances.
- Since SME stocks are traded in lots, the lots purchased/sold at a specific time are proportionally allocated among all the clients. The allocation is done in a manner that ensures fair and equal treatment among all clients.
- Every reasonable effort is taken by us to execute the trade at the best available price. However, due to the higher bid-offer spread in SME stocks, there may be limitations or challenges in achieving optimal execution.
- The determination of the performance fees shall be made on the Inception Anniversary Date / Closing Date / Partial Withdrawal Date, whichever is earlier.
- Statutory charges and other operational expenses will be charged as per actuals.
- Fees are calculated on the average daily portfolio value payable on a quarterly basis at the end of each calendar quarter.
- SME and Small Cap are riskier investment instruments and are best suited for investors with a high-risk appetite.
- IRSS Inception Date: 17th February 2022