

1. Fund Manager's Commentary

The Girik Multicap Growth Equity Strategy is inspired by the CANSLIM philosophy of stock picking developed by American investor William J. O'Neil. The goal of this strategy is to identify leading companies from leading industry groups that show sharp acceleration in earnings, newness in products or change in management and suggests buying them at the right price with enough margin of safety ahead of the company's major stock price advance.

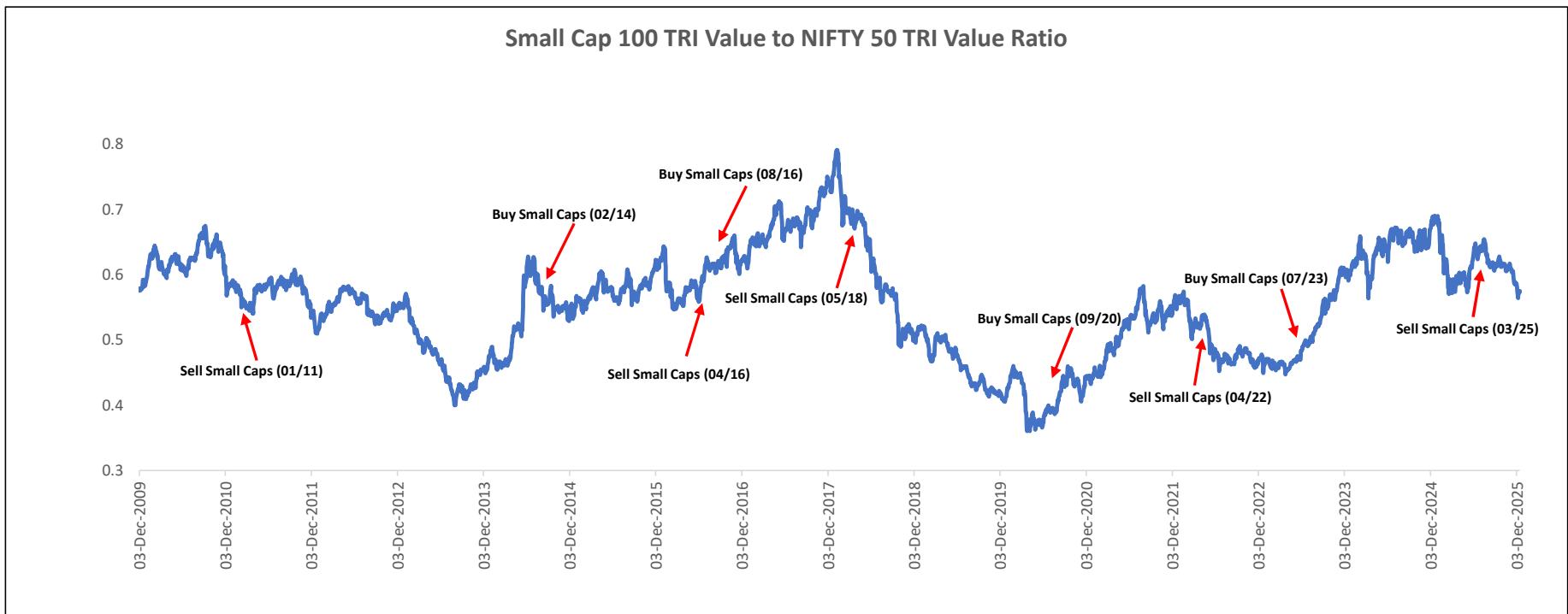
In this month's newsletter, we talk about small cap returns over the years relative to large cap performance. As of 30th November 2025, the return of the small cap index from 3rd December 2009 (Girik's inception) has been 528.74% on absolute basis (CAGR of 12.18%) as compared to the NIFTY 50, which returned 519.37% on absolute basis (CAGR of 12.07%) in the same period, providing almost the same returns despite being a riskier and more volatile asset class.

A simple backtest of a ratio of the Small Cap 100 TRI index value to the NIFTY 50 TRI index value helps to identify the small cap cycle historically. As seen in the figure on the next page, small caps are cyclical and returns come in sharp and short cycles. The reverse is true when small caps go into a downtrend.

At present our indicators point to a "sell" for small caps and given this, we are generally cautious and selective with this asset class, as illustrated by the chart on the next page, and the summary of returns in different phases on the third page.

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Source: NSE and Bloomberg data from the 3rd December 2009 to 16th December 2025. Dates mentioned in brackets at sell and buy points are to be read as (MM/YY)

Note: This data represents the results of a backtested strategy involving buy/sell decisions in small caps based on the difference between the short term (3 month) and long term (12 month) moving average of the ratio between the Smallcap 100 TRI value and NIFTY 50 TRI Value

If the ratio of the value between the Small Cap 100 TRI and NIFTY 50 TRI exceeded 1.5% of the difference between the moving averages mentioned above, the allocation would switch to small caps, indicating a "buy" signal for small caps

If the ratio of this value between the Small Cap 100 TRI and NIFTY 50 TRI was less than -1.5% of the difference between the moving averages mentioned above, the allocation would switch to large caps, indicating a "sell" signal for small caps

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Comparative Returns Experienced in Different Market Phases				
Time Period	NIFTY 50 TRI	Small Cap 100 TRI	Allocation to	Outperformance due to Allocation
14-01-2011 to 13-02-2014	8.30%	-14.47%	Large Cap	22.77%
14-02-2014 to 05-04-2016	29.78%	58.91%	Small Cap	29.13%
06-04-2016 to 09-08-2016	15.03%	24.36%	Large Cap	-9.33%
10-08-2016 to 11-05-2018	26.97%	36.10%	Small Cap	9.14%
12-05-2018 to 28-09-2020	7.23%	-25.57%	Large Cap	32.80%
29-09-2020 to 27-04-2022	54.25%	78.92%	Small Cap	24.67%
28-04-2022 to 11-07-2023	16.00%	9.40%	Large Cap	6.59%
12-07-2023 to 10-03-2025	17.74%	37.51%	Small Cap	19.76%
11-03-2025 to 16-12-2025	16.29%	14.20%	Large Cap	2.09%

Source: NSE and Bloomberg data from the 3rd December 2009 to 16th December 2025