

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.

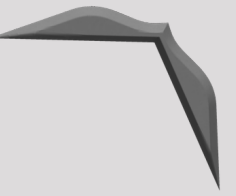
In this month's newsletter we talk about how trailing P/E ratios of the NIFTY 50 could be linked to future returns. This is an indicator that we have looked at in the past and gives us a sense for what we can expect over the next three years. After a sustained price and timewise correction in stocks, with expectations fairly muted, and investor sentiment dull, it's a good time to take a step back and try to understand how risk-reward is placed.

The table below highlights how starting trailing valuations have influenced subsequent 3-year return outcomes, providing a useful lens for understanding market risk-reward.

NIFTY50 Trailing P/E Range	3 Year Forecasted Absolute NIFTY Return %
<14x	152.10%
14 - 16x	112.36%
16 - 18x	79.14%
18 - 20x	51.18%
20 - 22x	21.18%
22 - 24x	(14.98%)
24 - 26x	(32.92%)
26 - 28x	(36.60%)
28 - 30x	(40.17%)

¹ The above data is as of 31-Mar-2026; ² Sources used for the above data include Bloomberg and Craytheon; ³ 3 year returns are on an absolute percentage value basis

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As of 31st March 2026, the market is trading at a **19.6x** trailing P/E ratio. At these levels, the distribution of outcomes improves materially, with future 3-year expected NIFTY returns moving to ~51% at the 18–20x valuation band based on historical evidence, as highlighted in the table on the previous page.

While stock selection remains a completely independent process, the above top – down analysis indicates that the odds of a high – return future outcome are substantially higher than two years ago.