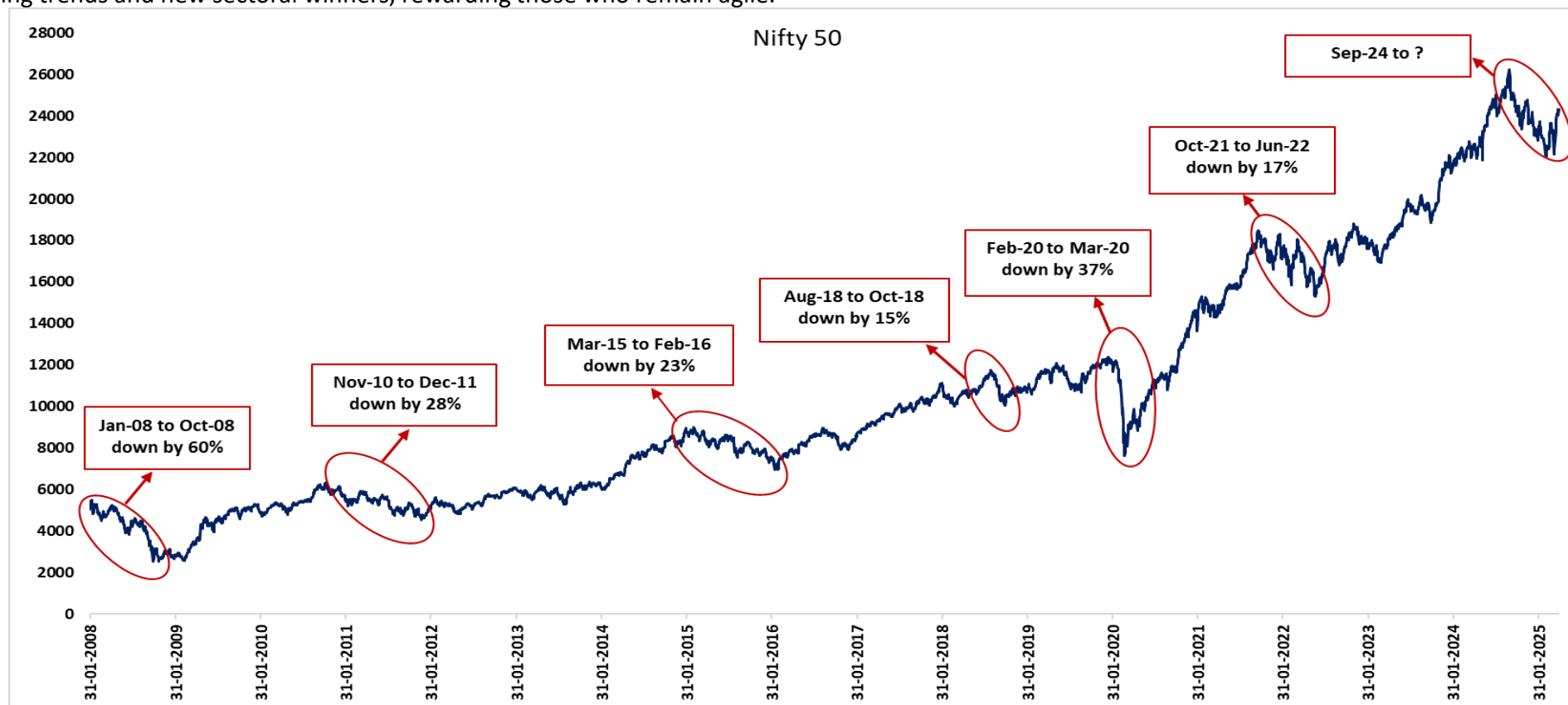


1. Fund Manager's Commentary

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.

Over the past several years, the Indian equity market has witnessed multiple sharp corrections. The chart below highlights some of the key historical drawdowns, driven by a mix of macroeconomic factors, policy shifts, interest rates, inflation, global commodity cycles, and changes in investor sentiment. Each correction was accompanied by a notable shift in sectoral leadership. These drawdowns serve as inflection points - not just in price, but in where capital flows, often giving rise to emerging trends and new sectoral winners, rewarding those who remain agile.



Source: Bloomberg

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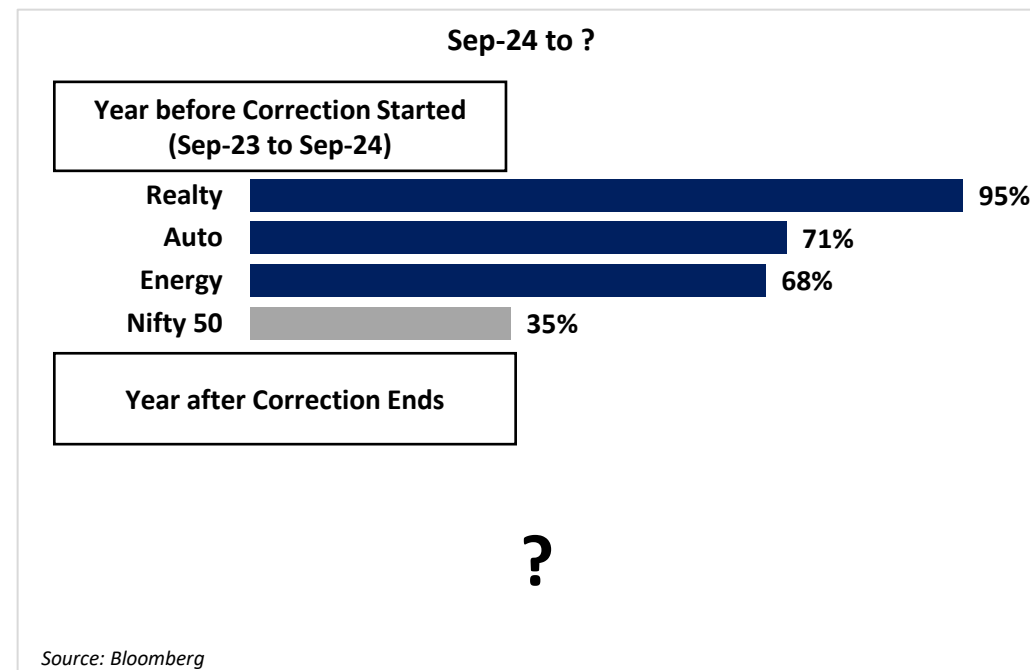
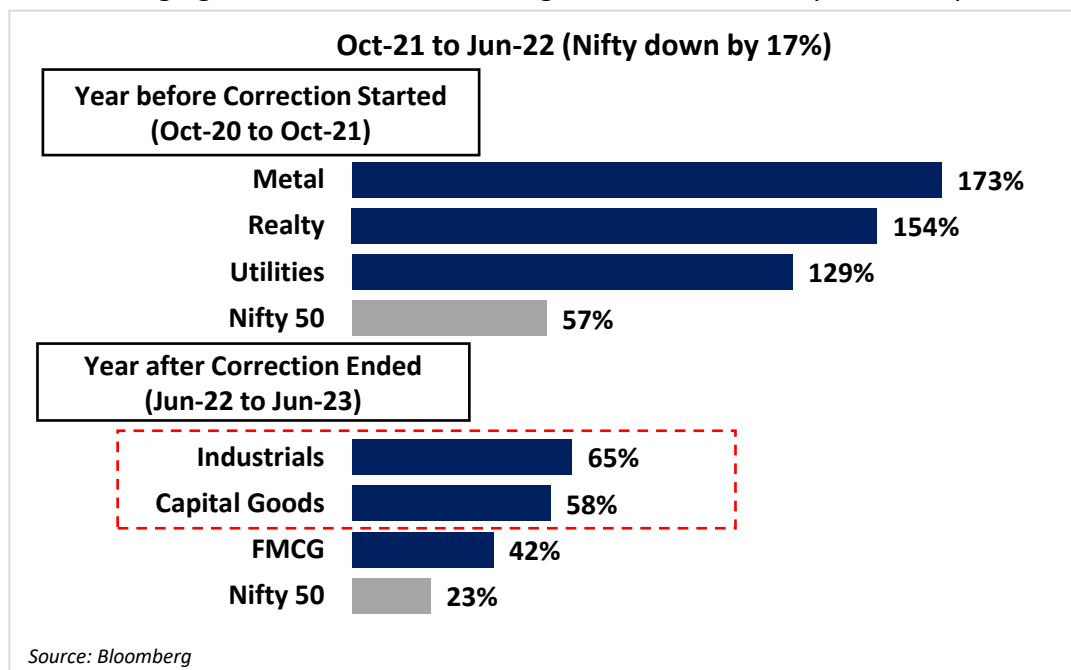
1. Fund Manager's Commentary (contd...)

Sectoral leadership is one of the most powerful yet overlooked drivers of equity returns. Each market cycle sees different sectors lead and lag, what worked last time often doesn't work next time. Staying invested in lagging sectors during bull markets leads to opportunity loss. Corrections are often the best time to reposition.

At Girik, being agile doesn't mean chasing momentum - it means being **Data-driven**: tracking sector / industry breadth, earnings, institutional flows etc...

Narrative-aware: every bull run has a story - know what's driving sentiment, **Disciplined**: exit overheated sectors as decisively as you enter new leaders. We pay close attention to **divergences**; they often provide the earliest signs of shifting sectoral leadership. In flat or weak markets, the index may seem directionless, but certain sectors can begin showing **relative price strength** backed by **earnings acceleration**, **improving fundamentals**, or rising institutional interest. These early signals are critical - they reveal where capital is rotating before the broader market catches on.

The chart below highlights how sectoral leadership shifted following the Oct '21 to Jun '22 correction, with capital goods, power, industrials, and manufacturing-related sectors emerging as clear leaders—marking a decisive shift away from the previously dominant sectors.



In conclusion, majority of leading stocks are usually in leading industries. Bulk of a stock's move is tied to the industry group that it is part of. Be on the right side of a trend since this is where you'll make the money!