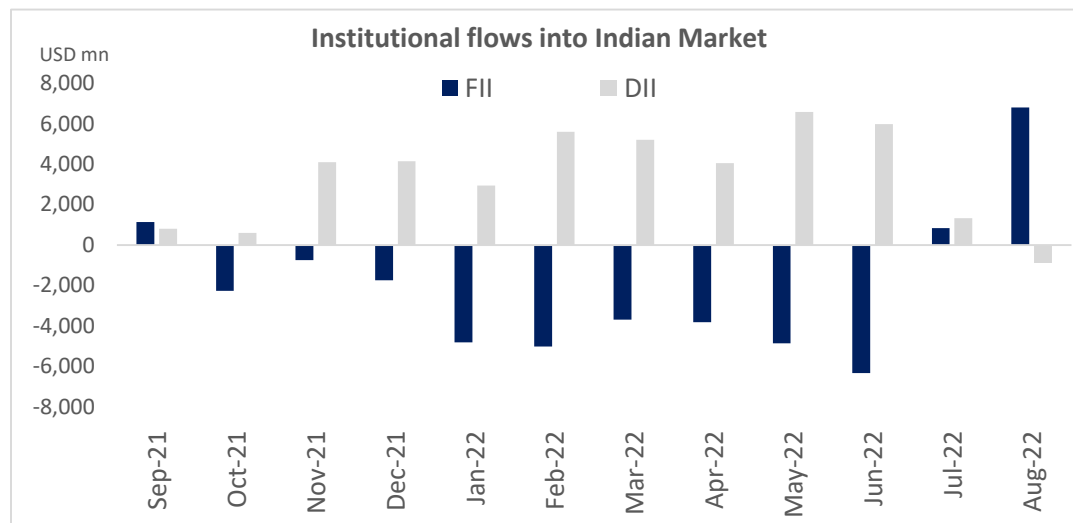


1. Fund Manager's Commentary

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 August, Indian markets continued its upward momentum following the bounce back seen in July, after months of decline. Nifty 50 index rose 3.5% in the month. After several months, mid and small caps outperformed large caps. Nifty Midcap 100 index and Nifty Smallcap 100 index were up 6.2% and 4.9% respectively in August. Utilities, industrials and consumer durables sectors outperformed while IT services, healthcare and realty underperformed broader index. In the global context, Indian market continued its stellar run. MSCI India delivered 3.9% return (in USD terms) compared to flat MSCI Emerging Market index and a decline of 4.3% in MSCI World index.

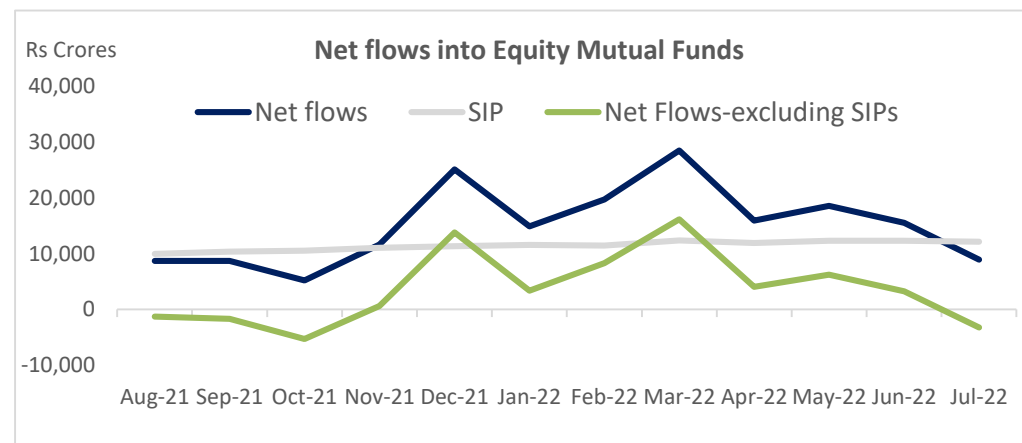
In terms of institutional flows, there has been a change over the last few weeks with FIIs turning buyers after relentless selling since last quarter of 2021.



Source: NSDL, Bloomberg

One of key reasons for the resilient performance of Indian markets in recent times has been solid support by domestic investors through institutional vehicles like mutual funds. While fundamentals always assert themselves over the long term, it is important to keep an eye on recent trends in institutional flows as they tend to impact the near term performance. The global macro situation continues to be worrying with raging inflation and central bankers unequivocally focused on containing it, even at the cost of sacrificing growth. While India is very well placed in a relative sense, we need to keep a tab on any overall risk off event triggering FII outflows.

We also need to keep an eye on domestic flows into mutual funds as investors tend to use bounces in the market to redeem - the pattern we last witnessed in 2020 when redemptions started once the market started rising after falling steeply due to the covid news flow and national lockdown.



Source: AMFI, Internal Research. Note: Excluding Hybrid Funds & ETFs

At Girik we firmly believe that in any given market conditions, there are always a few stocks that tend to do far better than others. Also, when the market corrects, there is a leadership change in terms of sectors. Our research effort therefore remains focused on identifying the emerging leaders for our client portfolios.