ICICI Securities
Portfolio Management Services

ACE EQUITY
PORTFOLIO

Factsheet

SEPTEMBER 2025

ACE Equity – Newsletter

Market Outlook & Performance

The Nifty index ended 1.4% lower MoM in Aug'25 – the second consecutive month of decline (Up 3.3% in CY25YTD). The Nifty Small cap 100 (-4.1% MoM) and Nifty Midcap 100 (-2.9% MoM) underperformed the Nifty-50 during the month. In Aug'25, DIIs posted the second-highest ever inflows at USD10.8b after a record high in Oct'24. FIIs recorded the second consecutive month of outflows at USD4.3b. FII outflows from Indian equities reached USD15.3b in CY25YTD vs. outflows of USD0.8b in CY24. DII inflows into equities remained robust at USD59.4b in CY25YTD vs. USD62.9b in CY24.

The GST reforms effective 22 September 2025 simplifies the tax structure into three principal slabs and subsumes compensation cess thus eliminating dual levy and reducing compliance. This measure lowers taxes benefitting consumers spending on daily essentials, entry level autos, consumer durables, mid-range hospitality services, medicines etc. The fiscal cost (~0.45% of GDP) will be offset to a large extent by the impetus to GDP growth. We feel the GST rationalization along with recent direct tax cuts, ongoing monetary easing and favorable monsoon will provide a significant boost to discretionary consumer spending

The Q1 FY26 earnings were muted indicating rising global uncertainty, with Auto Ancillaries, Capital Goods, Pharma and IT witnessing the highest downgrades. The tariff uncertainty given the absence of an extension on the additional 25% duty deadline for India continues to weigh on sentiment. We feel earnings growth should revive in 2H FY26 given the favorable base, monetary easing and fiscal stimulus to consumption. Also, inflation is well controlled with food prices now trending lower which again will help consumption.

FII holdings in the NSE 500 fell to 20.2% in June 2025, near multi-year lows and well below the 23.8% peak since 2017. In contrast, DIIs have increased exposures, with holdings in the NSE 500 at 18.1%, close to all-time highs, reflecting counter-cyclical buying. India's valuation premium to other emerging markets has fallen recently to ~65% (in line with long term average) given lower comparable earnings growth. Fund raising activity through IPOs and QIPs has surged (~14.8 bn USD YTD) though largely absorbed, could test market depth.

The Nifty trades at 22.5X FY26 earnings, a slight premium to its long-term average of 20.7X. We believe that better earnings prospects, continued domestic flows and reasonable valuations should limit significant downsides from current levels.

We have not made any changes to the portfolio during the last month since we want to let our previous months portfolio actions to play out. We maintain our higher allocation to the consumer discretionary space given the structural growth visibility. As highlighted in our earlier commentaries, we have maintained a preference for domestic economy facing sectors given the elevated global uncertainty and tariff impact. Also, we will continue with our higher allocation to large caps till we get more comfort on the broader outlook for the markets.

Since inception Portfolio TWRR return net of expense is 16.40% vs Benchmark return of 15.16% as on 31st Aug 2025.

Vimal Bhandari
Principal officer & Sr. Fund Manager

Chaitanya Choksi
Sr. Fund Manager

Vasant Joshi
Fund Manager

Product Features

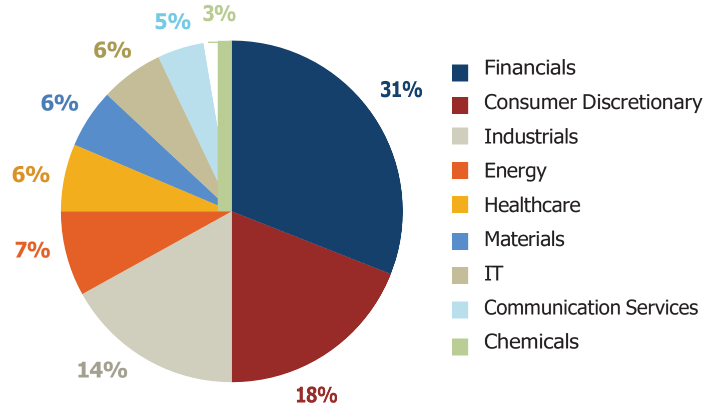
Strategy Name	ACE Equity Portfolio
Investment objective	The Investment objective of the scheme is to generate long term capital appreciation from a portfolio of equity by selecting stocks from larger universe.
Description of types of securities	Listed Equity & Overnight/Liquid Mutual Funds
Benchmark	NIFTY50 TRI
Fund Manager	Mr. Vimal Bhandari
Inception Date	05 December 2020

Top constituent by Model Weight

Top 10 Stocks	Weight (%)
BHARTI AIRTEL	5.46
INTERGLOBE AVI	5.37
HDFC BANK	5.34
ICICI BANK	5.07
CREDITACCESS	5.00
RELIANCE	4.63
BLUE STAR	4.62
LEMON TREE	4.42
SBI	4.29
KIMS	4.10

Top constituents by weightage

Sectoral weights



TWRR Performance (%)

Performance vs. Benchmark*(%)	1M	3M	6M	1Yr	3Yr
ACE EQUITY (PORTFOLIO)	-0.03	0.80	14.00	-7.86	16.57
Nifty 50 TRI	-1.21	-0.71	11.33	-2.01	12.49

Note: Returns are TWRR 31st Aug 2025 net of all fees and all expense (including taxes) all cash holdings and investment in liquid funds. The performance related information provided herein is not verified by SEBI.

Portfolio ratios (%)

Parameters	ACE Portfolio	NIFTY 50
P/E	25.83	21.93
P/B	3.93	3.38
Beta	1.08	1
Std Dev	15.50	13.6

Key Gainers

Name of Stock	Weighted Average Cost	Market Price	% Gain/ Loss
INTERGLOBE AVI	3415.79	5646.00	65.29
BHARTI AIRTEL	1251.05	1888.80	50.98

Key Losers

Name of Stock	Weighted Average Cost	Market Price	% Gain/ Loss
HCL TECH	1674.19	1454.80	-13.10
RELIANCE	1485.60	1357.20	-8.64

Fund Management Team

Piyush Garg - CIO

- Over 23 years of experience in Indian financial markets – fixed income, equities, and currencies
- Have been successfully managing funds in various asset classes for the last two decades.
- MBA from IIM Kolkata

Vimal Bhandari - Principal officer and Sr. Fund Manager

- 15 years+ experience in Indian financial markets with expertise in trading equities, both index and individual stocks
- Strong understanding of both domestic and global macros affecting various asset classes ranging from equities, rates and currencies
- Attended seminars and short courses to gain equities domain knowledge in London, Hong Kong and Singapore
- MBA (finance) from IIM Calcutta, batch of 2009

Chaitanya Choksi – Sr. Fund Manager

- Over 24 years of experience in equity research and fund management.
- Have been successfully managing funds with mandates across market caps.
- Prior experience with UTI Investment advisory Services, IL & FS Investsmart, Lotus MF, JM financial MF.
- CFA and MMS (Finance) from Mumbai

Vasant Joshi - Fund Manager

- Have rich experience of 14 years in Financial markets with Advisory expertise in Direct Equity.
- Managing entire GPC clients of ICICI Bank.
- MBA Finance from IMED PUNE.

Gaurang Vashi - Sr. Analyst

- Have rich experience of 15+ years in Financial markets with major competencies in Direct Equity & PWM.
- Managing Equity mandate of UHNI & HNI clients, Ex-MCX Trading & Surveillance
- A Commerce Graduate & Post Graduate (Mass communication) from Mumbai University

Risk Factors & Disclaimers

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Risk Foreseen: **The Ace Equity strategy is based on ****5 G Strategy (fundamental parameters) with market agnostic approach. It is Multi-cap framework approach and continues to have concentration and systematic risks.**

****5G refers to growing Economy, Sector, Market share, revenue and governance.

"Please note that performance of your portfolio may vary from that of other investors and that generated by the Investment Approach across all investors because of

1) the timing of inflows and outflows of funds.

2) differences in the portfolio composition because of restrictions and other constraints."

Please visit APMI website www.apmiindia.org under report section to view the performance of other Portfolio Manager

****Change in allocation of portfolio:** Subject to regulation, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially, depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the investors. Such changes in the investment pattern will be for short term and defensive considerations.