Manek FINANCIAL®

EDITION
02

MONTHLY NEWSLETTER

Wealthy, Predictably

THIS MONTH · THE FOUNDER'S NOTE

Has the business changed, or has the mood?

"We may believe we are responding to fundamentals when we are actually responding to how the market makes us feel."



Sonesh Dedhia
Founder & CEO · page 02 →

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FROM THE FOUNDER'S DESK · SONESH DEDHIA

Has the Business Changed, or Has the Mood?



Sonesh Dedhia
Founder & CEO, Manek Financial
Certified Financial Planner

Dear Readers,

Warm wishes to you and your family for Diwali. May the year ahead bring good health, happiness and clarity in the decisions that shape your future.

In our first edition, I wrote about how markets standing still can test our patience. This month, I want to explore what happens when that impatience begins to influence our decisions.

We read about foreign investors selling, a weakening rupee or rising crude prices. A friend mentions gains in a small-cap stock while our portfolio appears to be going nowhere. Gradually, our confidence changes — sometimes before we have examined whether the businesses we own have changed.

We may believe we are responding to fundamentals when we are actually responding to how the market makes us feel.

That distinction runs through this edition: from our markets and macro review to investment strategy, Portfolio X-Ray, Opportunity Radar and our feature on invoice discounting, we examine how to assess opportunities and risks without letting sentiment determine the decision.

The Indian market backdrop brings competing signals. Crude prices, currency movements and geopolitical uncertainty demand attention, while corporate results need to be assessed business by business. Higher oil prices can affect inflation and margins. A weaker rupee can benefit some companies and hurt others. Foreign selling can influence prices without necessarily changing a business's earning capacity.

The same discipline applies to comparisons. A friend's successful investment tells us little about the risks taken, losses elsewhere or suitability for our circumstances. Yet it can tempt us to abandon a considered strategy. Fear can push us towards the opposite mistake: waiting until everything feels comfortable.

WHAT MOVES THE MOOD

- Foreign investors selling
- A weakening rupee
- Rising crude prices
- A friend's small-cap gains

vs

WHAT MOVES THE BUSINESS

- Earnings
- Financial strength
- Valuation

A headline becomes useful investment information when we connect it to earnings, financial strength and valuation.

Markets can begin recovering before uncertainty disappears.

In March 2020, the pandemic caused genuine economic distress. Nevertheless, the Nifty recovered sharply over the following months, even as disruption continued. Recognising that opportunity afterwards was far easier than acting amid the fear.

This offers perspective, rather than a promise of a quick recovery. Some businesses suffer lasting damage. A lower price becomes an opportunity only when the underlying prospects and valuation justify the risk.

BEFORE REACTING, I FIND THREE QUESTIONS USEFUL

01
What has changed in the business?

02
What has changed in its valuation?

03
What has changed in my financial needs?

MAY WARRANT ACTION	Weakening cash flows, excessive debt or poor governance.
MAY REQUIRE AN ADJUSTMENT	An approaching goal or a change in income.
CALLS FOR INVESTIGATION	A fall in price alone.

Cash deserves thoughtful treatment too. It provides essential security for emergencies and near-term commitments. But keeping long-term investment money unallocated solely while waiting for reassuring headlines carries an opportunity cost. A suitable deployment plan can help us participate without needing to predict the bottom.

At Manek Financial, we connect these decisions with your objectives, cash flows and capacity for risk.

We cannot control when sentiment improves. We can control the questions we ask, the risks we accept and the discipline we practise.

> The aim is to make decisions that remain sensible even when the mood changes.



Regards,
Sonesh Dedhia
Founder & CEO

IN THIS EDITION

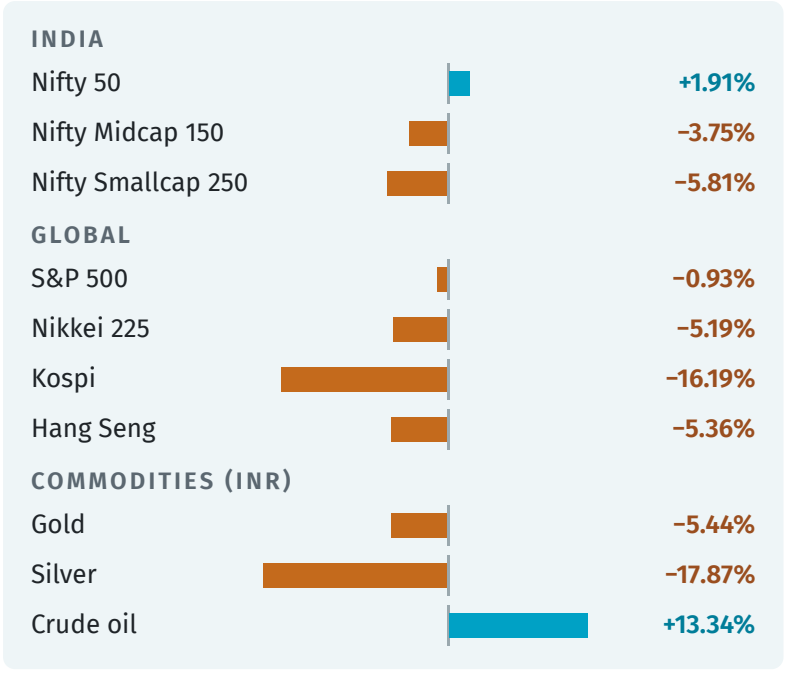
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MARKETS & MACRO · INDIA & INTERNATIONAL · ROHIT

Equity & Macro Roundup

October performance review: what moved, and why

MONTHLY CHANGE · OCTOBER



INDIA FLOWS

FII · net sellers

−₹45,161.71 cr

DII · absorbed the pressure

+₹62,220.11 cr

NIFTY IT

+17.69%

its biggest monthly gain in six years

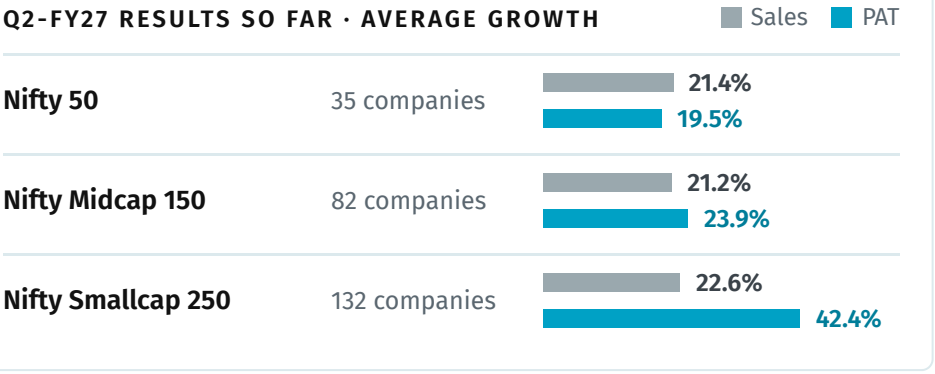
INDIAN EQUITIES

The Nifty 50 rose 1.91%, lifted almost single-handedly by IT: the Nifty IT index jumped 17.69%, its biggest monthly gain in six years, on upbeat earnings, rising AI-led revenues and India's appeal as a hedge for investors looking beyond pure-play AI trades. With valuations still near historical averages and AI-led revenues validating efficiency gains, the sector is also seeing bottom-fishing. Gains were further aided by reports that the government may consider cutting long-term capital gains (LTCG) tax — abolished in 2004, reintroduced in 2018 at 10% and raised to 12.5% in 2024. Broader markets lagged, with the Nifty Midcap 150 down 3.75% and the Nifty Smallcap 250 down 5.81%, as a surge in crude prices and no progress on a US–Iran deal capped gains.

Markets swing between extremes — euphoria breeds overvaluation, pessimism breeds undervaluation — and both ignore fundamentals, which today tell a different story. September-quarter results have sprung no negative surprises and largely beaten expectations. Of the 35 Nifty 50 companies that have reported Q2-FY27 results, average sales growth was 21.4% and PAT growth 19.5%; across 82 Midcap 150 companies, sales grew 21.2% and PAT 23.9%; and across 132 Smallcap 250 companies, sales grew 22.6% and profits 42.4%. In addition, the upgrades-to-downgrades ratio has reached a decadal high of 3.2x in the current quarter.

INDIAN EQUITIES · CONTINUED

Q2-FY27 RESULTS SO FAR · AVERAGE GROWTH



UPGRADES TO DOWNGRADES

3.2x

a decadal high this quarter

> India's advantage is not the fastest earnings growth. It is the quality and persistence of earnings growth.

Since 2010, India delivered 9.1% EPS CAGR with only 3 down years out of 16 and 28% earnings volatility, ahead of Brazil, China, Taiwan & South Korea. Also, 28% of Indian companies delivered 10-year average ROEs above 20%, second only to the US.

INDIA'S EARNINGS RECORD SINCE 2010

9.1%	3 of 16	28%	28%
EPS CAGR	years with falling earnings	earnings volatility	of companies with 10-year average ROE above 20%, second only to the US

OUR FRAMEWORK

Additionally, our proprietary framework weighs valuations, the Shiller PE, the Buffett Indicator, government and private capex and the earnings cycle, among other inputs. Right now, our models indicate a 95% probability of above-average returns over the next year. We believe mid- and small-caps could offer attractive opportunities, with markets potentially hitting new all-time highs within the next year. Our framework last signalled a buy in October 2023, after which the Nifty 500 TRI delivered 41% over the following year; its March 2020 signal was followed by 77%. We are not predicting those returns again — we are highlighting what has happened when our framework identified attractive opportunities.

INDIA FLOWS

On flows, FIIs were net sellers of ₹45,161.71 cr in October, though selling slowed towards month-end, while DIIs absorbed the pressure with net inflows of ₹62,220.11 cr. A potential LTCG cut, aimed at drawing foreign investors back to Indian equities, could change the flow picture if it materialises.

Company results as reported so far for Q2-FY27. Past performance is not indicative of future returns.

INDIA MACRO

+22.9% GST collections, YoY	₹1 lakh cr+ UPI average daily value, a first	54.7 Manufacturing PMI	21% bank credit growth
+14.5% two-wheeler sales, YoY	42.1% of full-year fiscal deficit target, Apr–Sep	$719.75 bn forex reserves	5.50% repo rate, after a 25 bps hike

GST collections surged 22.9% YoY to ₹2.31 lakh crore, the fastest growth in over four years. UPI's average daily transaction value crossed ₹1 lakh crore for the first time, taking October's total to ₹31.53 lakh crore, helped by festive-season spending. Auto sales stayed healthy across segments — two-wheelers +14.5%, three-wheelers +24.2%, PVs +12.1% and CVs +13.3% — while Manufacturing PMI held at 54.7, firmly in expansion territory. Bank credit growth was strong at 21%, with unsecured personal loans from banks up 16% YoY and outstanding credit-card loans broadly flat over the past two years; gross and net NPAs are at record lows. The April–September fiscal deficit stood at ₹7.15 trillion ($75.24 bn), or 42.1% of the full-year target, versus ₹5.7 trillion a year ago. Forex reserves stood at $719.75 bn, about 10 months of import cover. At its 7 October review, the RBI MPC unanimously raised the repo rate by 25 bps to 5.50% (from 5.25%) and shifted its stance from neutral to calibrated tightening. It cited more generalised and persistent inflation, elevated supply-side risks from crude and commodity prices and strong El Niño conditions, and relatively strong domestic growth that gives room to tighten.

COMMODITIES

Gold fell 5.44% and silver fell 17.87% as selling intensified across asset classes. Fears of escalating tensions triggered panic selling, while rising global rates and hawkish Fed remarks added to the risk-off mood. Both metals trade below key support levels and their 200-DMA, leaving the technical structure weak; domestically, the halt on inflows into gold funds to support the rupee also capped demand. Crude oil jumped 13.34% as US–Iran peace talks stayed elusive, oil tankers transiting the Strait of Hormuz were attacked and Ukraine struck Russian refineries, stoking fears of choked supply.

GLOBAL EQUITIES

Global equities remained under pressure: the S&P 500 fell 0.93%, the Nikkei 225 fell 5.19%, the Kospi plunged 16.19% and the Hang Seng fell 5.36%. Concerns over AI valuations drove the sell-off, as markets pivoted from cheering Big Tech's growth to questioning whether its massive AI-infrastructure capex will deliver sufficient returns.

GLOBAL MACRO

In the US, high debt and sticky inflation remain the key concerns; the Fed paused at its latest meeting, but its hawkish tone signalled concern over the future rate path. China's large manufacturing base continues to support growth, but the property-market collapse and domestic deflation weigh internally. Taiwan and South Korea remain major beneficiaries of the AI trade — Korea through advanced memory (HBM) exports and Taiwan through chip manufacturing — though both face geopolitical and energy risks. Europe continues to be weighed down by energy-price shocks and debt concerns.

FROM THE FUND MANAGER'S DESK · HARMESH

Indian Equities: The Next Opportunity May Be Closer Than It Looks

The post-COVID period was an exceptional phase for Indian equities. Strong corporate earnings, government-led capital expenditure, low interest rates and rising domestic participation created a powerful bull market. But markets rarely move in a straight line.

Over the last couple of years, the environment changed. Government capex moderated after the election cycle, higher interest rates weighed on consumption and investment, and corporate earnings growth slowed. Elevated valuations left little room for disappointment, while global uncertainty and tariff-related concerns added to the pressure.

01 THE SLOWDOWN WAS REAL, BUT THE CONDITIONS THAT CREATED IT ARE BEGINNING TO CHANGE

WHAT SLOWED MARKETS

- Government capex moderated after the election cycle
- Higher interest rates weighed on consumption and investment
- Corporate earnings growth slowed
- Elevated valuations left little room for disappointment
- Global uncertainty and tariff-related concerns

WHAT IS CHANGING

- The tariff overhang has eased
- Manufacturing activity is improving
- Bank credit growth remains healthy
- Recent Q2 results offer early signs of an earnings recovery

6.7%
industrial production growth, September

7.6%
manufacturing growth, September

The tariff overhang has eased. Manufacturing activity is improving, bank credit growth remains healthy, and recent Q2 results offer early signs of an earnings recovery. Industrial production grew 6.7% in September, with manufacturing expanding 7.6%. These are encouraging indicators, although the recovery is not yet uniform.

There are still risks. Higher crude prices can put pressure on inflation and corporate margins, while the rapid adoption of AI raises questions about the future growth prospects of parts of the IT services industry. However, markets are forward-looking. They do not wait for every uncertainty to disappear or for earnings recovery to become fully visible. **A change in expectations can be enough to trigger a meaningful market move.**

02 A NEW INVESTMENT CYCLE IS TAKING SHAPE

AI INFRASTRUCTURE DEMAND Data centers · Semiconductors · Power · Electrical equipment · Networking · Engineering services

The AI investment cycle is one example of how disruption can create opportunities beyond the obvious beneficiaries. The infrastructure required to support this transformation is generating demand for data centers, semiconductors, power, electrical equipment, networking and engineering services.

India, meanwhile, is building manufacturing capabilities across sectors. Infrastructure, defense and domestic supply chains continue to evolve, while recent trade agreements and progress on trade partnerships are opening up opportunities for Indian exporters and manufacturers.

Inflation also needs to be viewed in context. Companies with pricing power can pass on higher costs and protect revenue growth. Those without pricing power may see margins shrink when input costs rise faster than selling prices. This makes business quality, competitive positioning and margin resilience particularly important.

Every major economic or technological shift creates disruption, but it also creates new businesses, new investment requirements and new market leaders.

03 HISTORY REMINDS US THAT UNCERTAINTY CREATES OPPORTUNITY

2013 **Rupee crisis and taper-tantrum concerns** created significant anxiety before Indian equities entered a strong rally.

2020 **The COVID shock brought markets to a standstill;** what followed was one of the strongest recoveries in recent history.

These episodes do not mean every correction will be followed by an immediate rally. They remind us that markets often turn when sentiment is weak and the future appears uncertain.

Equity returns are inherently lumpy. Investors should not expect fixed-deposit-like consistency from an asset class driven by business growth, earnings, valuations and changing expectations. There can be long periods of muted returns followed by sharp phases of wealth creation. The ability to distinguish temporary uncertainty from permanent business deterioration is central to long-term investing.

The headline index is not the entire market.

Another important point is that the headline index does not represent the entire market. Large-cap indices have significant exposure to banking and IT. When these heavyweight sectors struggle, the index can remain under pressure even as opportunities emerge elsewhere. Market leadership is never permanent. The next set of leaders may come from industries that are very different from those that dominated the previous cycle.

04 OUR INVESTMENT PERSPECTIVE

Compared with the post-COVID bull market, the current environment offers a more interesting risk–reward setup in several parts of the market. Expectations have moderated, valuations have corrected in pockets, and there are early signs of improving economic activity and earnings momentum.

This does not mean every stock is attractive or that markets cannot correct further. But waiting for complete clarity often means waiting until a significant part of the recovery has already happened.

> But waiting for complete clarity often means waiting until a significant part of the recovery has already happened.

CONSTRUCTIVE, BUT SELECTIVE · WHAT WE FOCUS ON

- Improving fundamentals
- Visible earnings potential
- Strong balance sheets
- Sensible valuations

Our approach should be constructive, but selective: focus on businesses with improving fundamentals, visible earnings potential, strong balance sheets and sensible valuations. A staggered approach to increasing equity exposure can help investors participate without trying to predict the exact market bottom.

The opportunity in equities rarely appears when everything looks comfortable. It often emerges when expectations have adjusted and the underlying business environment is beginning to improve. **The focus now should be on identifying the businesses that can lead the next phase of growth.**

Past performance is not indicative of future returns. Sectors named are for illustration only and are not recommendations.

FROM THE WEALTH MANAGEMENT DESK · PIYUSH & MANDIRA

The Waiting Game: A Story of Cash, Clocks, and Capital

THE WEALTH DESK MEMO

01 THE ILLUSORY COMFORT OF THE SIDELINES

A long-time client recently walked into our office with a substantial pool of capital parked entirely in savings accounts and short-term liquid deposits. His rationale was intuitive:

"The markets feel frothy. I am waiting for a clean 8% correction. Once the dust settles, I will deploy."

It feels prudent. Holding cash feels like standing safely on the railway platform while the train rattles over high bridges. But on an institutional wealth desk, we know that platform is actually a slow-melting glacier.

While our client waited for the "ideal entry point," inflation was quietly taking its toll. Post-tax fixed deposits yield around 5%, while real lifestyle inflation runs closer to 7% or 8%. Every single month that money sat idle, his hard-earned purchasing power quietly evaporated.

Worse still, the market didn't crash on cue. It ground upward, driven by structural domestic SIP inflows now crossing ₹30,000+ crore every month. By the time our client felt "safe," the market was 10% higher than when he stepped aside. **Waiting for clarity is the most expensive trade in finance.**

THE COST OF WAITING

Post-tax FD yield	~5%
Lifestyle inflation	7–8%

₹30,000+ cr
SIP inflows every month

+10%
where the market stood by the time he felt "safe"

02 TIME HORIZONS ARE YOUR TRUE COMPASSES

Instead of guessing where the market index heads next quarter, we look through the lens of a **Portfolio X-Ray**: you don't allocate capital to what the market is doing today; you allocate capital to **when your life needs it back.**

1–3 YEARS

The near horizon

You cannot afford to let market swings dictate your life plans. Here, capital belongs in steady, low-volatility harbor vehicles — like arbitrage and corporate debt funds. They capture steady, tax-efficient yields without the risk of a poorly timed equity dip.

Arbitrage · corporate debt funds

3–5 YEARS

The middle stretch

This requires a multi-asset shock absorber. By allowing fund managers to dynamically blend equities with fixed income and precious metals, your portfolio cushions downside shocks while quietly capturing broader economic growth.

Multi-asset funds

5–10+ YEARS

The distant horizon

This is your compounding engine. Over long arcs, India's domestic manufacturing, capex, and consumption cycles dominate the tape. Large, mid, and selective small-cap allocations must do the heavy lifting here, turning short-term market volatility into long-term outperformance.

Large, mid & selective small cap

03 HOW WE STEP ONTO THE TRAIN: THE PHASED DEPLOYMENT

When capital enters the desk today, we rarely advocate an all-or-nothing leap. Throwing 100% of your dry powder into equities on a single morning creates unnecessary psychological strain. Instead, we prefer a structured, mechanical deployment:

1

Take a foundational position

Deploy an initial starter tranche into diversified, large-cap-oriented equity funds immediately. This removes the regret of missing out if the market rallies.

2

Automate the rest via STP

Park the majority of the corpus in a tax-efficient arbitrage fund and set an automated Systematic Transfer Plan (STP) running over 6 to 9 months.

3

Pounce on market dips

If a sudden global headline triggers an interim 3% to 5% drop, treat it like an unexpected festival sale — accelerate your transfer pace and buy the dip systematically.

04 THE THREE PERSONALITIES IN YOUR PORTFOLIO

When selecting funds, we look for three distinct character traits:

The Anchor
Quality & Balance

The bedrock of any enduring portfolio. These are businesses with pristine balance sheets, virtually no debt, and rock-solid governance. They rarely make speculative headlines during runaway bull markets, but when the market stumbles, they preserve your capital.

The Bargain Hunter
Value & Contra

Great companies occasionally fall out of favor because of temporary cyclical troughs. Patient capital deployed here reaps outsized gains when the tide inevitably turns.

The Trend Rider
Disciplined Momentum

Companies experiencing sharp earnings upgrades and expanding market leadership. We selectively participate here to accelerate upside, but keep the position disciplined so sudden trend reversals never jeopardize the core foundation.

05 THE MORAL OF THE TAPE

Markets do not ring a bell at the bottom, nor do they send an alert when the best trading days are about to unfold.

If you have capital idling in cash waiting for the "perfect moment," let us sit down for a **Portfolio X-Ray**. We will review your holdings, align them to your true time horizons, and put a disciplined, unemotional allocation system to work.

connect@manekfinancial.com

Fund categories are illustrative, not recommendations. Suitability depends on your risk profile and goals. Past performance is not indicative of future returns.

FUND MANAGER & MARKETS DESK · HARMESH & ROHIT

OPPORTUNITY TO LOOK OUT FOR

Churning the Seas: Where Samudra Manthan's ₹84,084 Crore Will Flow

WHY IT MATTERS

Samudra Manthan, the National Offshore Exploration Scheme approved on 31 July 2026, commits ₹84,084 crore to FY2030–31 to find and produce more oil and gas offshore. India is the world's third-largest crude consumer, importing about USD 144 billion (₹13 lakh crore) a year. Its offshore basins, up to 3,000 metres deep, hold an estimated 5,600+ MMTOE, backed by recent finds in the Cauvery, Mahanadi and Andaman basins.

The obstacle is risk: a deepwater well costs USD 125–150 million, block-to-production takes 5–10 years, and existing fields decline 6–7% a year. The scheme shares this risk with public and private operators. Subject to exploration success, it targets 600+ MMTOE of new reserves (1.6 to 2.2 billion TOE), output rising from about 62 to 80 MMTOE a year (10–15 MMTOE incremental, 20 at peak), and about ₹1 lakh crore a year off the import bill, alongside jobs and domestic manufacturing.

₹84,084 cr committed to FY2030–31	**USD 144 bn** India's crude import bill a year	**5,600+ MMTOE** estimated in offshore basins	**USD 125–150 mn** cost of one deepwater well
600+ MMTOE new reserves targeted	**62 → 80** MMTOE a year, targeted output	**~₹1 lakh cr** a year off the import bill, targeted	**5–10 yrs** from block to production

WHERE THE MONEY GOES · ₹ CRORE



Exploration drilling	**43,200**	60 deepwater and ultra-deepwater wells; up to 50% of eligible cost, capped at ₹675 crore a well; open to public and private operators
Seismic data	**28,534**	2D surveys 12,000; 3D and other techniques 12,534; data re-processing and AI 4,000
Common offshore infrastructure	**10,000**	Shared production and evacuation facilities to monetise stranded finds (e.g. Mahanadi, Kutch)
Manufacturing and services zone	**2,000**	Domestic manufacturing, repair, warehousing and engineering
Monitoring and support	**350**	Digital tools, evaluation, HR, outreach
Total	**84,084**	

WHERE THE OPPORTUNITY LIES

The money moves along the value chain in sequence, so each space benefits at a different time. They are listed in the order work is likely to arrive.

	SPACE	OPPORTUNITY	TIMING
1	**Seismic and subsurface data**	₹28,534 crore of surveys, including former no-go zones; few specialised players, so order flow is concentrated	**Earliest**
2	**Offshore drilling rigs**	60 deepwater wells need rigs; tenders already floated; tighter supply supports day rates	**Near term**
3	**Oilfield services**	Drilling support, gas compression and integrated services scale with well count	**Near to medium**
4	**Offshore marine and subsea**	Vessels, diving, installation and inspection grow as wells move to appraisal and development	**Medium**
5	**Offshore engineering and fabrication**	₹10,000 crore of shared platforms, pipelines and processing to bring stranded finds online	**Medium to long**
6	**Upstream producers (public and private)**	Cost-sharing cuts dry-hole risk; the largest reserve and production upside; most exposed to crude prices	**Long (5–10 years)**
7	**Equipment manufacturing**	₹2,000 crore zone to localise equipment and services under Make in India	**Long, early stage**

WHAT THE MARKET HAS DONE SO FAR

The market priced the announcement ahead of any contracts. After 31 July, small caps in seismic, offshore marine and oilfield services re-rated sharply, while large producers fell as Brent dropped about 7% after the approval and FIIs kept selling. Most service names peaked in early September and have since given back a meaningful part of their gains. The first deepwater gas discovery under the campaign, in the Mahanadi basin on 18 September, is an early sign the geology can deliver.

RISKS AND WHAT TO WATCH

Crude prices: lower Brent weakens producer economics and can slow drilling.

Long gestation: 5–10 years from block to production; every target depends on exploration success.

Headlines vs contracts: earnings follow tender awards, not policy announcements.

Small-cap risk: thin liquidity, concentrated holdings and stretched valuations in parts of the services chain.

Signposts: seismic and rig tender awards, wells drilled against the 60-well target, appraisal of new discoveries, and the Brent price.

For information and education only. This is not investment advice or a recommendation to buy or sell any security. Investments in securities are subject to market risks.

WEALTH MANAGEMENT & MARKETS · PIYUSH, MANDIRA & ROHIT

Unlocking the $310 Billion Credit Disconnect

INVOICE DISCOUNTING

Imagine a tier-two auto components supplier delivering a shipment of high-precision parts to a blue-chip conglomerate. The goods are accepted, the invoice is stamped, and payment is contractually guaranteed in 60 days. The vendor's balance sheet is fundamentally sound, yet when they approach a conventional bank to bridge operational payroll for those two months, they hit a wall of rigid collateral demands and multi-week approval cycles.

This single friction point repeats across India's 64 million MSMEs — enterprises that drive 30% of GDP and 45% of outbound trade, yet remain trapped inside an acute $310 billion credit gap.

64 mn	30%	45%	$310 bn
MSMEs in India	of GDP	of outbound trade	credit gap

Where traditional banking lines hesitate, institutional private credit is capitalizing on an attractive structural arbitrage: **Senior Secured Invoice Financing.** Instead of gambling on multi-year business projections or unsecured loans, this strategy finances real, verified commerce. Capital advances directly against accepted receivables due from creditworthy corporate anchors, naturally unwinding within ultra-short 30 to 90-day liquidity cycles.

HOW IT WORKS

01 Supplier delivers
An MSME ships goods to a creditworthy corporate anchor

→

02 Invoice accepted
The anchor accepts the invoice; payment is contractually due

→

03 Capital advances
Investors fund an advance against the accepted receivable

→

04 Anchor pays
The cycle unwinds in 30 to 90 days

FOR ALLOCATORS, THE RISK–REWARD DYNAMIC IS DISTINCT

The Yield Spread

A target net return of ~11.0% to 12.0% p.a., offering a substantial 400–500 bps spread over high-grade corporate paper and liquid funds.

Institutional Protection

~85% of capital sits in senior secured positions, fortified by 100% insured lending structures and segregated escrow payment rails.

Duration Immunity

Because maturities mirror trade cycles rather than multi-year bond tenures, your capital turns over continuously with zero mark-to-market interest rate drag.

In an environment where public markets frequently reprice on macro noise, trade receivables settle on executed deliveries. For family offices and HNI portfolios, allocating a modest 5%–10% sleeve to insured invoice credit turns India's largest working capital deficit into a reliable, short-duration cash engine.

Returns shown are targets and are not guaranteed. For information and education only; not a recommendation. Suitability depends on your risk profile. Read all offer documents carefully before investing.

EDITORIAL · ROHIT

The Phase That Tests Conviction

Every market peak is followed by a phase that tests investors' conviction. Prices drift, headlines turn grim, and it starts to feel as if the damage might be permanent.

Yet these uncertain phases often offer markets' best opportunities, because that is when prices move farthest from what businesses are actually worth.

THREE PAST CORRECTIONS

2022
Nifty fell **~17%**
recovered its previous high within five months; +20.9% the following year

2013
Sensex fell **15%**
taper tantrum and rupee concerns; +46% over the next year

2001
Sensex fell **56%**
dot-com crash; ~+16% in the year after its September 2001 bottom

History bears this out. In 2022, the Nifty fell around 17%, recovered its previous high within five months and gained 20.9% the following year. After the 2013 taper tantrum, when the Sensex fell 15% on Fed tapering fears and rupee concerns, it gained 46% over the next year. Even after the dot-com crash, when the Sensex fell 56%, it gained around 16% in the year after its September 2001 bottom. The lesson is that corrections can create opportunities, but recoveries are never guaranteed, which is why we rely on evidence rather than hope.

Our proprietary framework tracks valuations, the Shiller PE, the Buffett Indicator, government and private capex, and the earnings cycle, among other measures. It last signaled a buy in October 2023, and the Nifty 500 TRI delivered 41% over the following year. After its March 2020 signal, returns were 77%. Today, our models indicate an 85% probability of above-average returns over the next year. We believe mid caps and small caps could offer attractive opportunities, and markets could potentially reach new all-time highs within the next year.

The fundamentals support this view, even though the mood remains cautious. Despite higher crude, a weak rupee and FII selling, Nifty 500 companies that have reported Q2 FY27 results so far grew profits by over 20%. Domestic investors also absorbed more than the foreign outflows.

We're not predicting a repeat of those returns. We're highlighting what has happened when our framework identified attractive opportunities, and it is identifying one now.

Stay invested. | Stay with your plan.

Past performance is not indicative of future returns. Probability estimates come from Manek's proprietary models and are not a guarantee of future outcomes.

Wealthy, Predictably.

Manek Financial Advisors is a SEBI Registered Investment Adviser serving HNI and family office clients across mutual funds, direct equity, fixed income, PMS and AIF, structured products and insurance-linked investments.

THANK YOU FOR READING

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