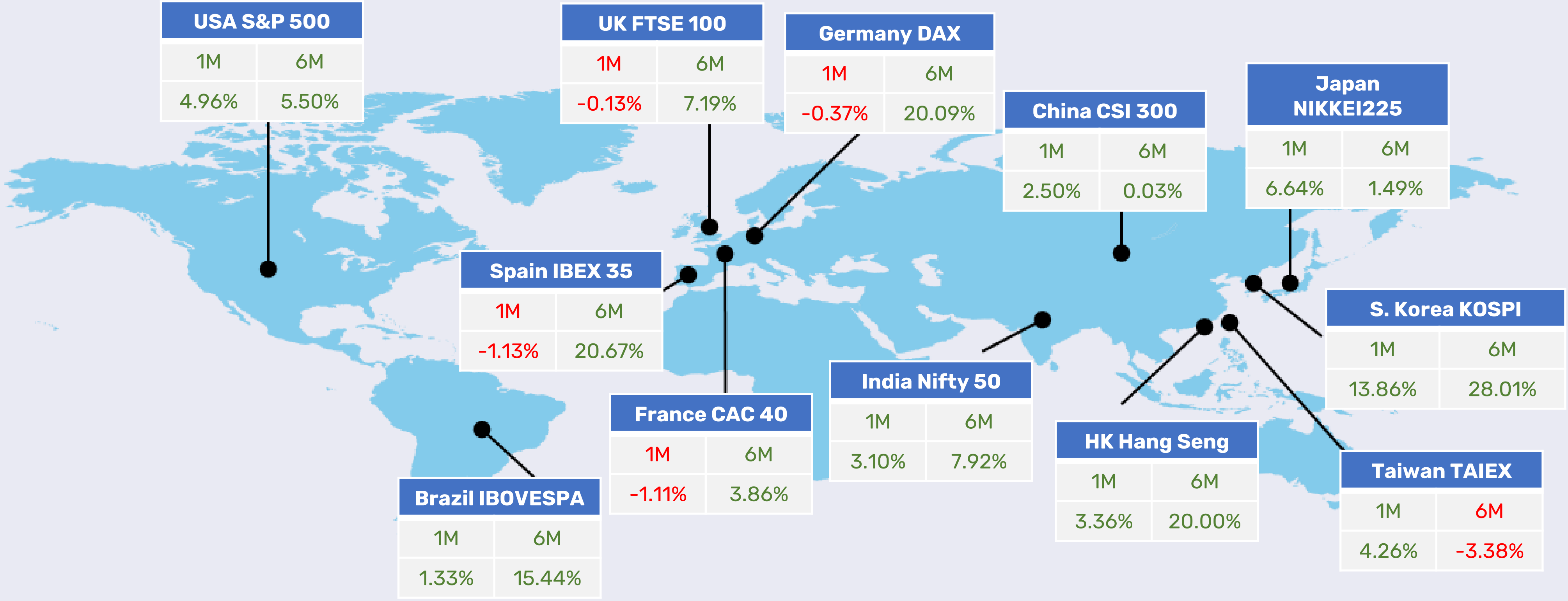
Bajaj Finserv AMC
Monthly Market Outlook
(July 2025)

Global Economy

Diverging Policy Paths, Structural Strains in China, and Debt Concerns in the U.S.

Mixed global equity trends in June

Global Indices – 1M Returns and 6M (local currency)



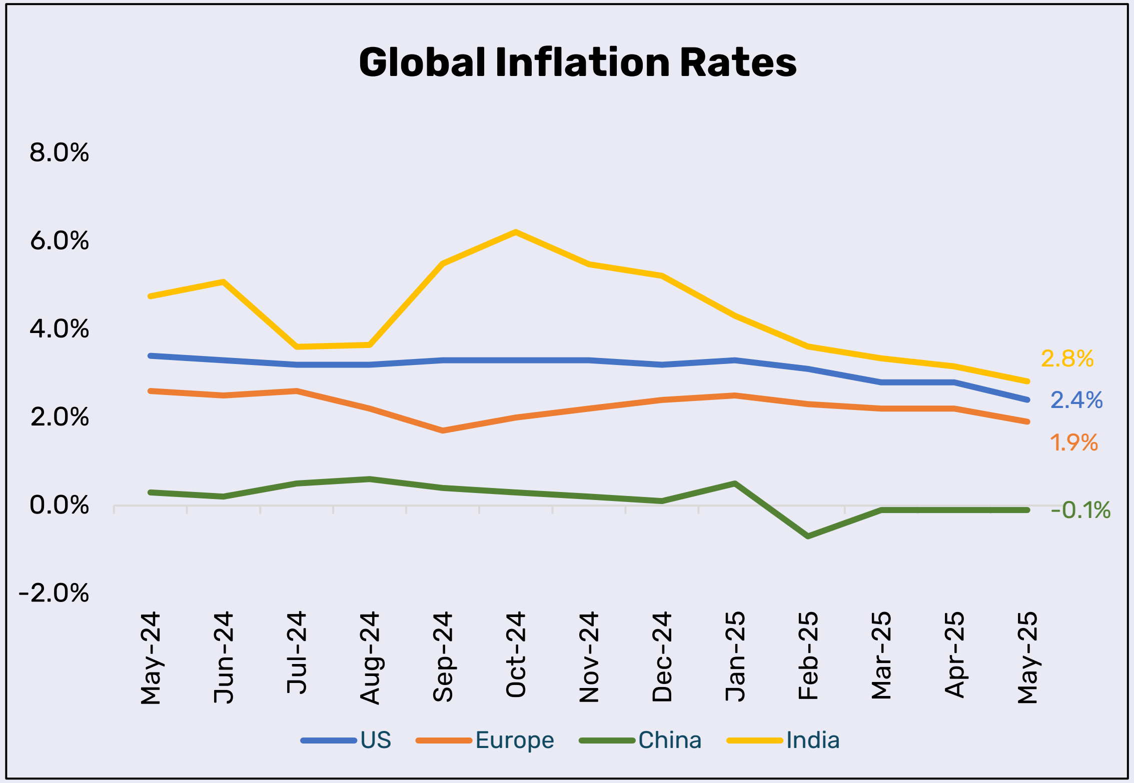
- Mixed performances in June 2025 after a broadly positive May.
- India's Nifty 50 rose 3.10%, up from May's 1.17%. South Korea's KOSPI led globally with a 13.86% surge, Japan's Nikkei gained 6.44%. In contrast, European indices turned negative after May gains.
- These divergences reflect investor repositioning amid easing inflation, supportive central bank commentary, and rotation into Asian markets as policy uncertainty receded and growth expectations improved.

Index representation: Brazil - Brazil Ibovespa Index; Germany - Dax Index; US - Dow Jones Indus. Avg; UK - FTSE 100 Index; Indonesia - Jakarta Composite Index; India - Nifty 50; Japan - Nikkei 225; China - Shanghai Se Composite; Europe - EURO STOXX 50 Pr

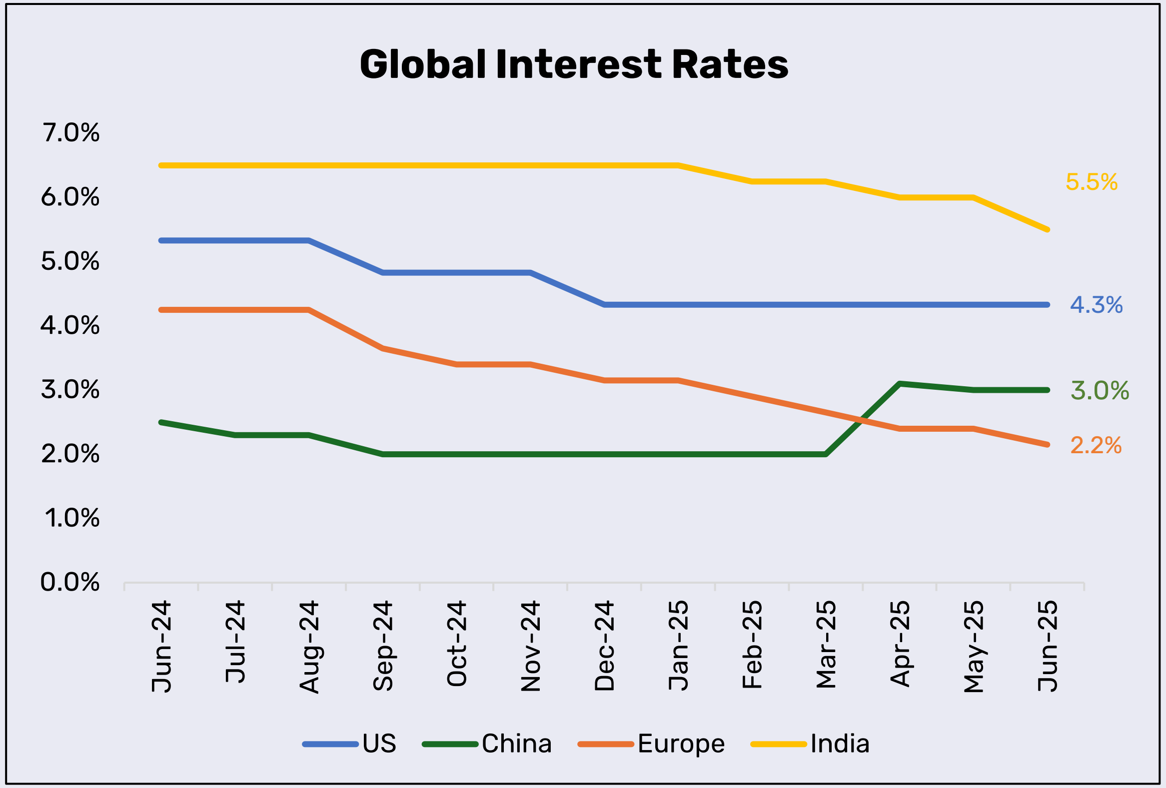
Past performance may or may not be sustained in future.

Source: Bloomberg. Data as on 30th June 2025.

India Cuts, U.S. Holds, ECB Pauses, China Slows



Data as on 31st May 2025.



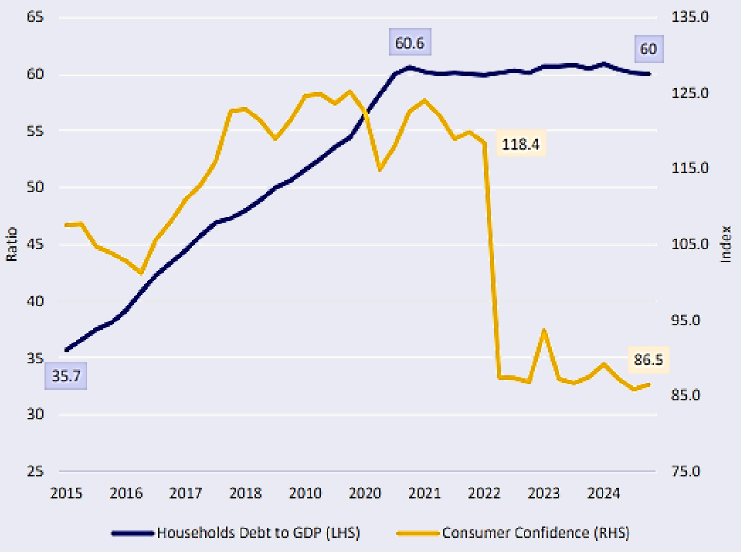
Data as on 30th June 2025.

- In June 2025, India cut its repo rate by 50 bps to 5.50% after CPI fell to 2.82%, its lowest since 2019.
- The U.S. held rates steady, citing tariff-driven inflation risks.
- The ECB delivered its eighth rate cut but signaled a pause as inflation neared target.
- Meanwhile, China remained in a slowdown, with lingering deflationary pressures reflecting weak demand.

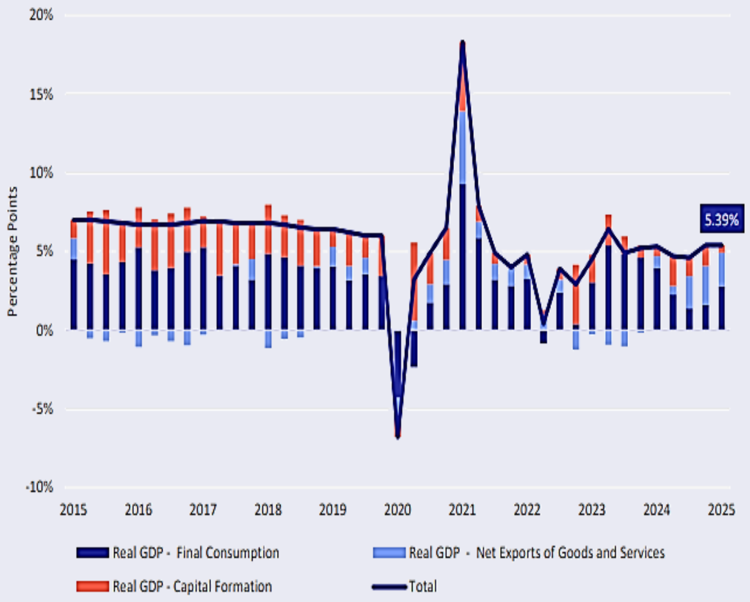
Source: Bloomberg.

China hinting towards structural imbalances

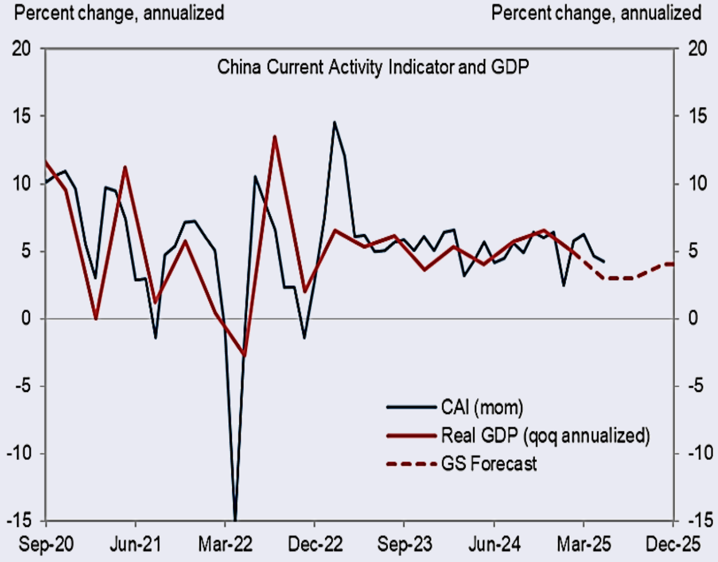
China Households: Rising Debt, Falling Confidence



Growth Support Is Rotating, But Losing Depth



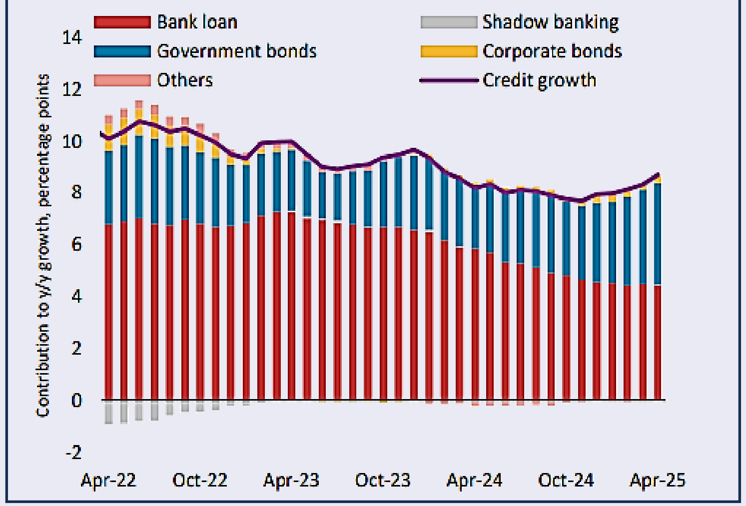
China's Growth Momentum Is Easing



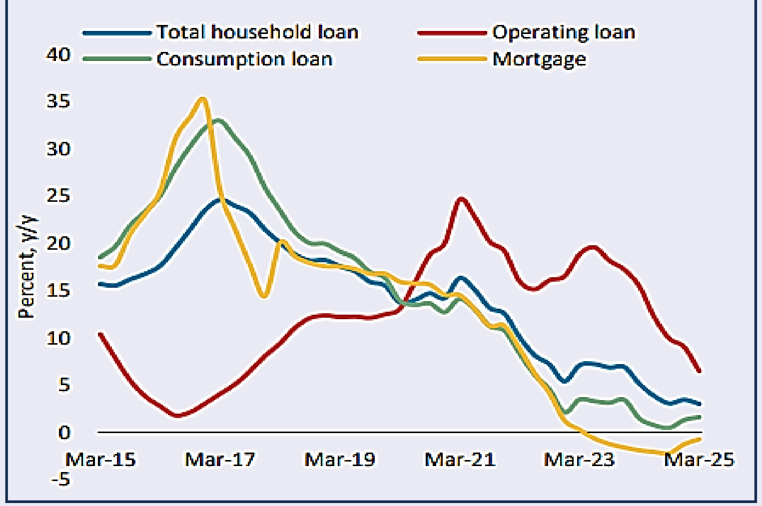
- China's **Q1 2025 GDP growth** at **5.4%**, yet **household fundamentals strained**.
- **Household Debt reached a record 60% of GDP**, consumer confidence ~30 points below pre-COVID levels, indicating **consumption supported by credit and not confidence led**.
- **Growth momentum narrowing**—capex weak, capital formation sliding, consumption subdued, exports volatile and growth increasingly short-term driven.

Source: Goldman Sachs, Ionic Wealth.
Data as on June 2025.

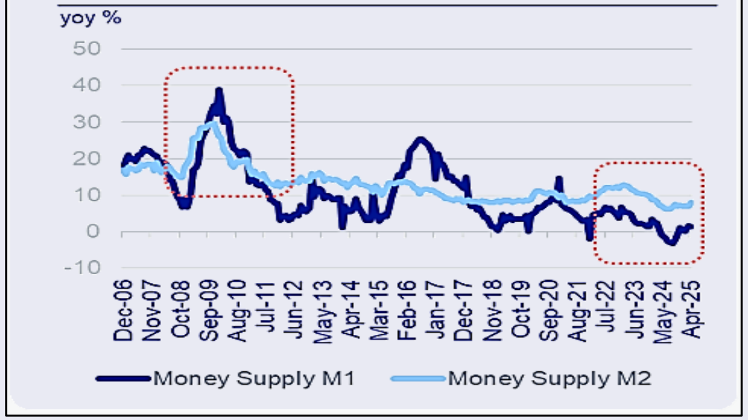
China: From Leverage to Trap?



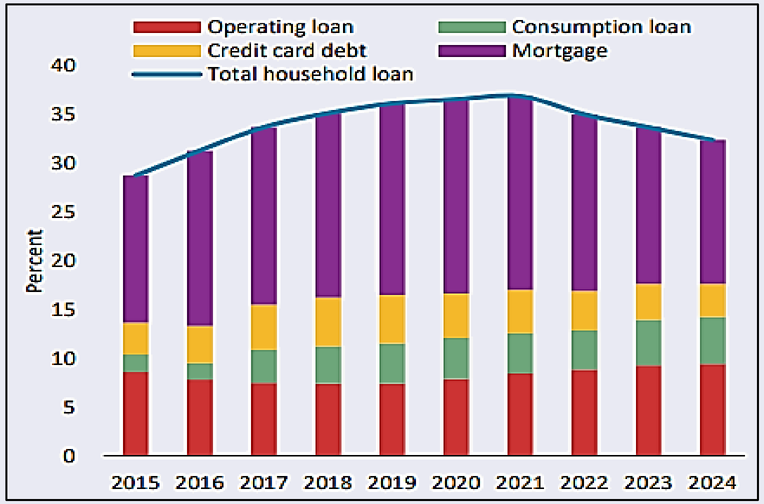
Credit growth slowing



Weak household credit demand



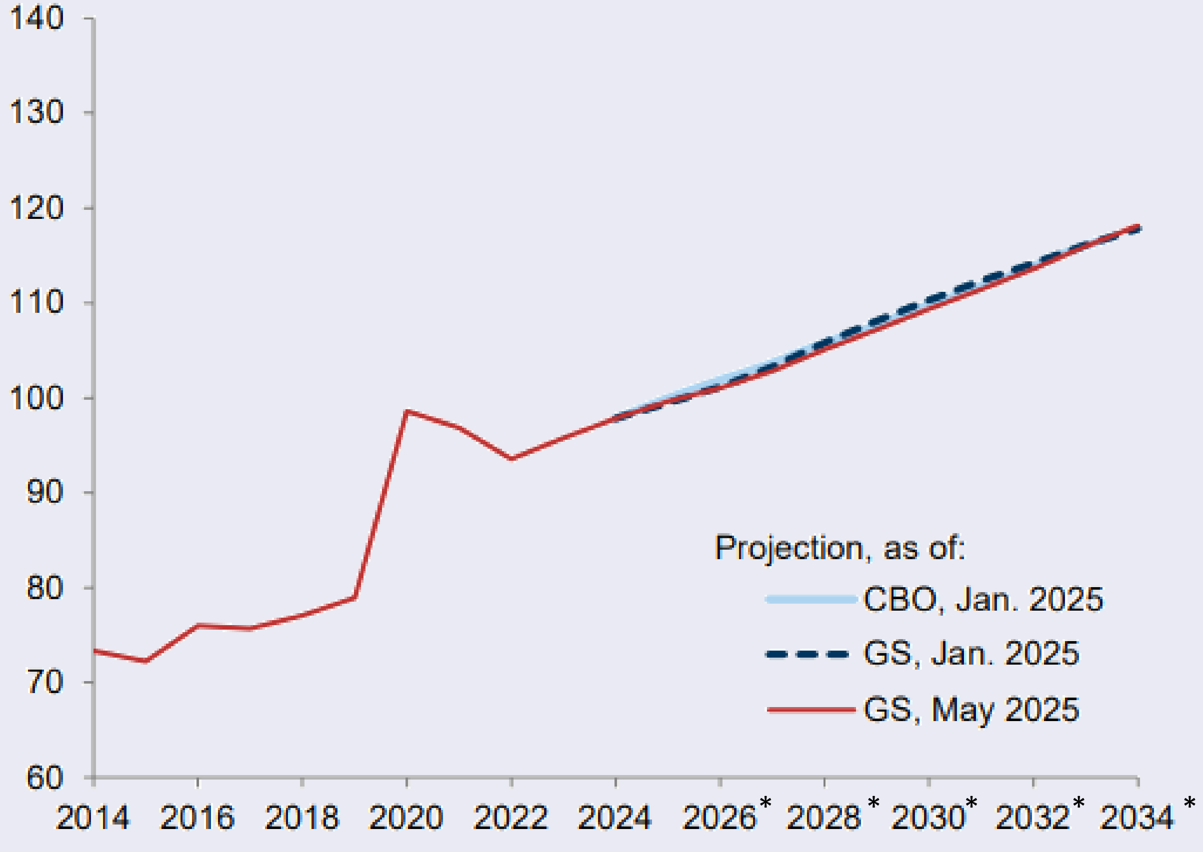
M2 GROWTH ALSO REMAINED AT LOW LEVEL



- **Household Credit Demand Has Structurally Weakened :**
  - ➢ Mortgage and consumption loan growth is collapsing.
  - ➢ Consumer leveraging cycle is ending.
  - ➢ Domestic demand engine is stalling.
- **Credit Growth Is Slowing, with Government Bonds Driving the Marginal Increase :**
  - ➢ Bank loan expansion is decelerating.
  - ➢ Government bonds are contributing most to new credit.
  - ➢ Fiscal push is rising, private sector is retreating.
- **China's Money Velocity Is in Structural Decline :**
  - ➢ M2 is outpacing M1 consistently.
  - ➢ Households and firms are saving more, spending less.
  - ➢ Confidence is weakening, stimulus is losing traction.

Source: IMF; Data as on April 2025.
*Estimated figures for CY24 and CY26.

US: Debt trap concerns linger



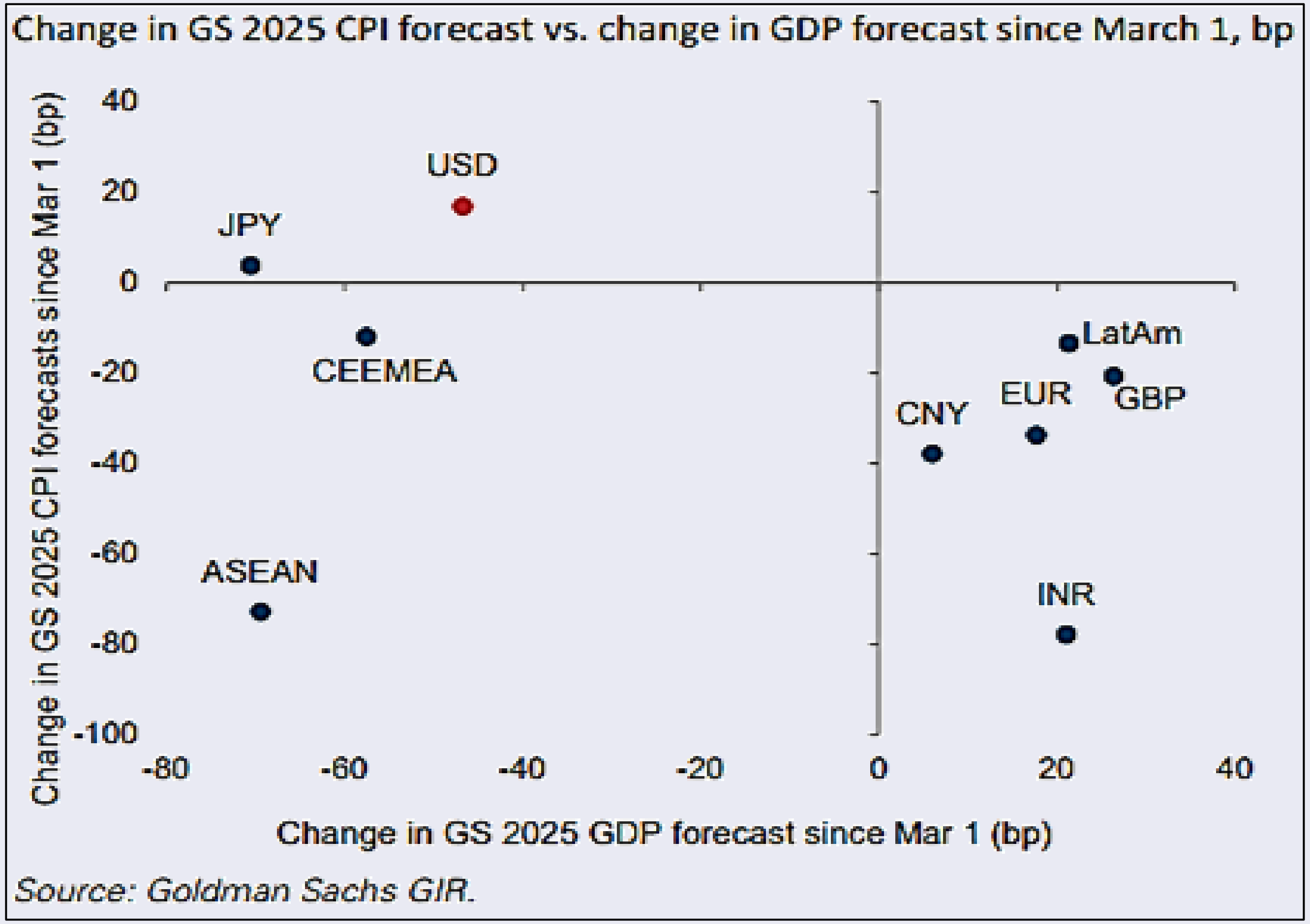
Source: Congressional Budget Office, Goldman Sachs GIR.

- U.S. Treasury yields remain modest, but interest payments (% of GDP) hit record highs.
- Rising burden reflects growing weight of existing debt stock.
- Debt-to-GDP projected to climb from ~100% to ~130% by 2034, even before future stimulus or shocks.
- Classic debt trap unfolding: high starting debt, rising interest, weak growth offset.
- Structural overhang emerging – fiscal flexibility and policy space shrinking

Source: Goldman Sachs Research Report as on 12th June 2025
*Estimated figures for the respective years.

Policy to add fuel

The U.S. has shown the clearest stagflationary shift in Goldman Sachs (GS) forecasts compared to other major developed and emerging economies.



- **Widening Deficit:** US President policies may add 1–2.5% of GDP in annual deficits with limited offsets.
- **Policy Mistiming:** Fiscal expansion risks overheating amid sticky inflation and cautious Fed stance.
- **Stagflation Risk:** U.S. faces rising inflation and slowing growth, worsening macroeconomic trade-offs.

Source: Goldman Sachs Research Report as on 12th June 2025
*Estimated figures for the respective years.

Future rate cuts unlikely, per market expectations

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The US Federal Reserve's Federal Open Market Committee (FOMC), on 18 June 2025 kept the benchmark interest rates unchanged at 4.25% to 4.5%.

Rate Cut Probability in bps

Meeting Date	325-350	350-375	375-400	400-425	425-450
7/30/2025	0.0%	0.0%	0.0%	7.2%	92.8%
9/17/2025	0.0%	0.0%	5.1%	67.9%	27.0%
10/29/2025	0.0%	3.2%	44.7%	42.1%	10.0%
12/10/2025	2.4%	33.4%	42.8%	18.7%	2.7%

Markets expect rates to be held steady at 425–450 bps, with a 92.8% probability and only a 7.2% chance of a 25 bps cut, at the next Fed meeting.

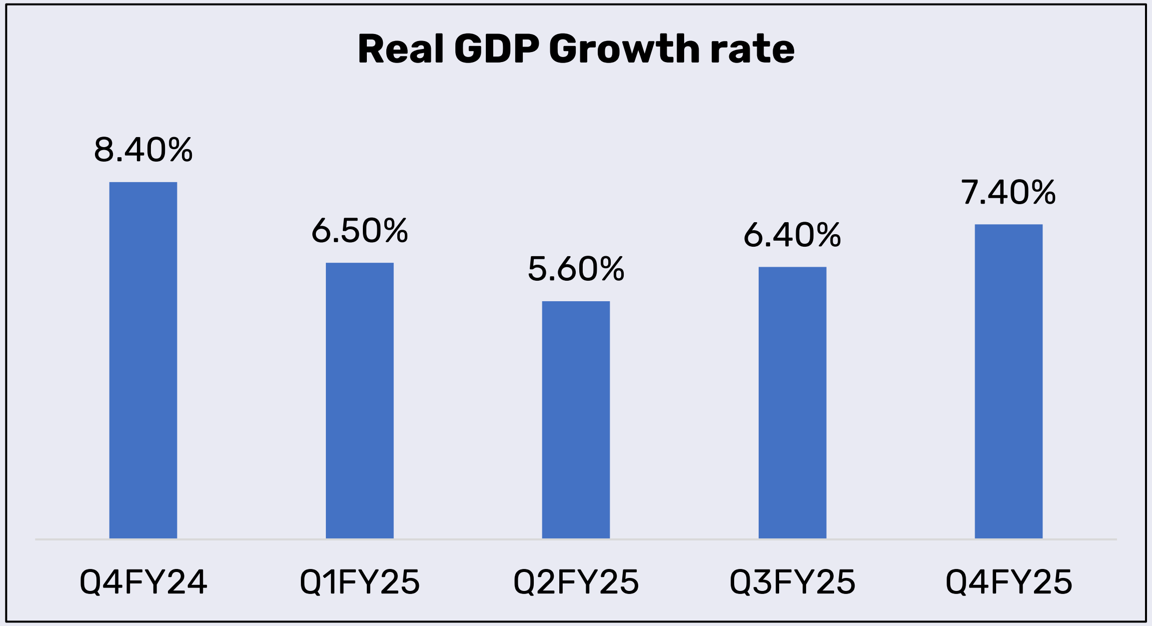
The Fed is wary of global uncertainties and potential domestic financial instability, preferring to maintain flexibility before making rate cuts.

Source: Bloomberg, CME; Data as on 10th July 2025.

Indian Economy

Strong Growth in Manufacturing, Rural Consumption, Investment, and Key Strategic Sectors

India becomes the 4th largest economy in the world



RBI continues to maintain its growth estimates	
Q1FY26	6.50%
Q2FY26	6.70%
Q3FY26	6.60%
Q4FY26	6.30%
RBI's FY26 GDP growth estimate remains at 6.5%	

Investments (GFCF)
up 9.4%

Rural-led private consumption
up 6%

Net taxes
up 11.5%

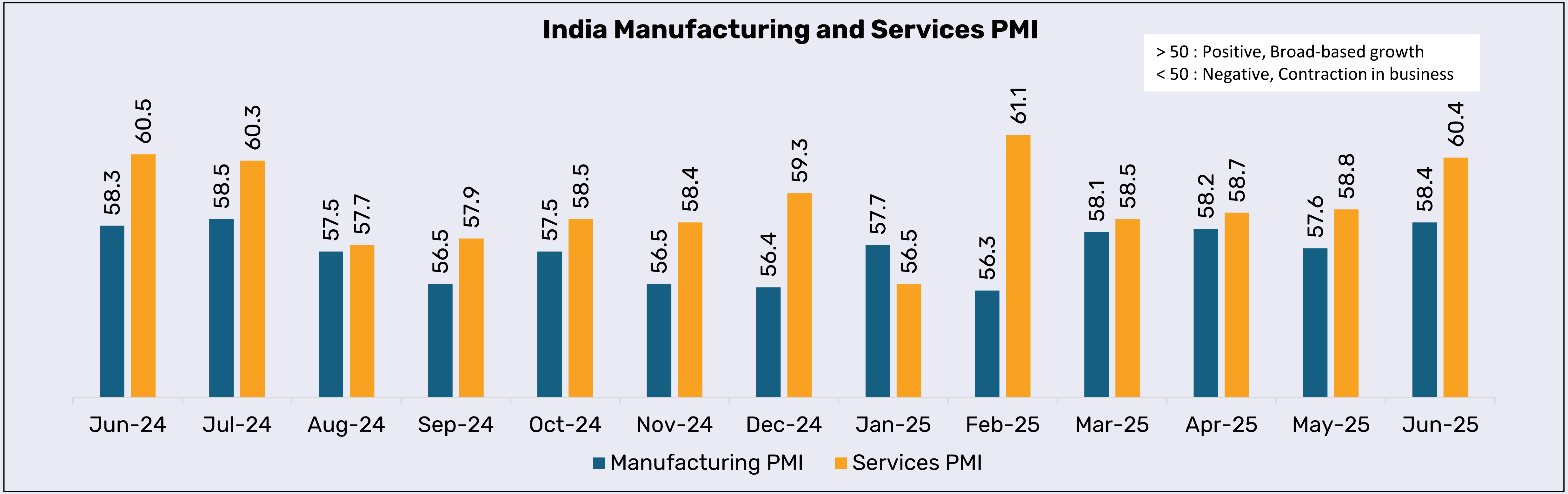
Manufacturing
up 4.8%%

Construction
up 10.8%
driven by government infra push

Services
up 7.3%
driven by public admin, defense and realty

Source: Dam Capital, pib. Data as on 31st May 2025.
*India became the 4th largest economy in June 2025

Strong Momentum reflected in PMI

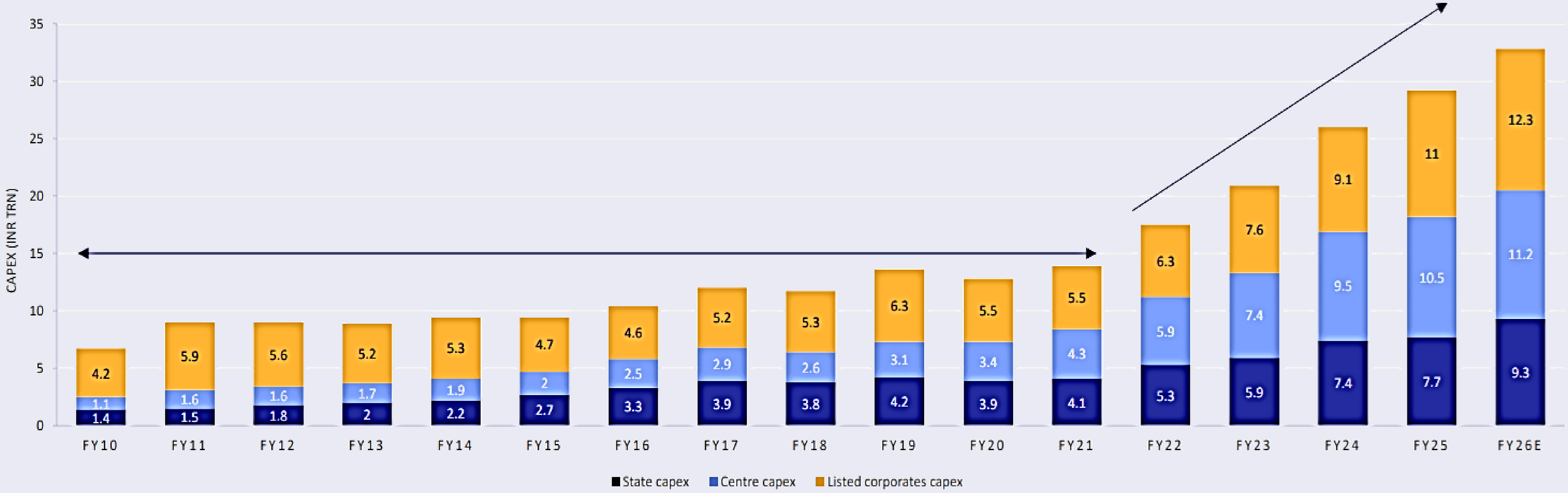


India's **Manufacturing PMI stood at 58.4** in June 2025, highest since April 2024. Output, buying, and new orders surged, fueled by marketing and export growth, especially to the U.S. Employment hit a record high. Input cost inflation eased despite pricier iron and steel and selling prices rose. Business sentiment stayed strong amid concerns over competition, inflation, and shifting demand.

India's **Services PMI revised to 60.4** in June 2025, up from 58.8 in the previous month, the fastest growth since August 2024. Output and domestic new orders surged, export order growth eased. Employment rose for the 37th month, though slower. Input and output price inflation cooled. However, business sentiment dipped below the long-run average.

Source: S&P Global. Data as on 30th June 2025.

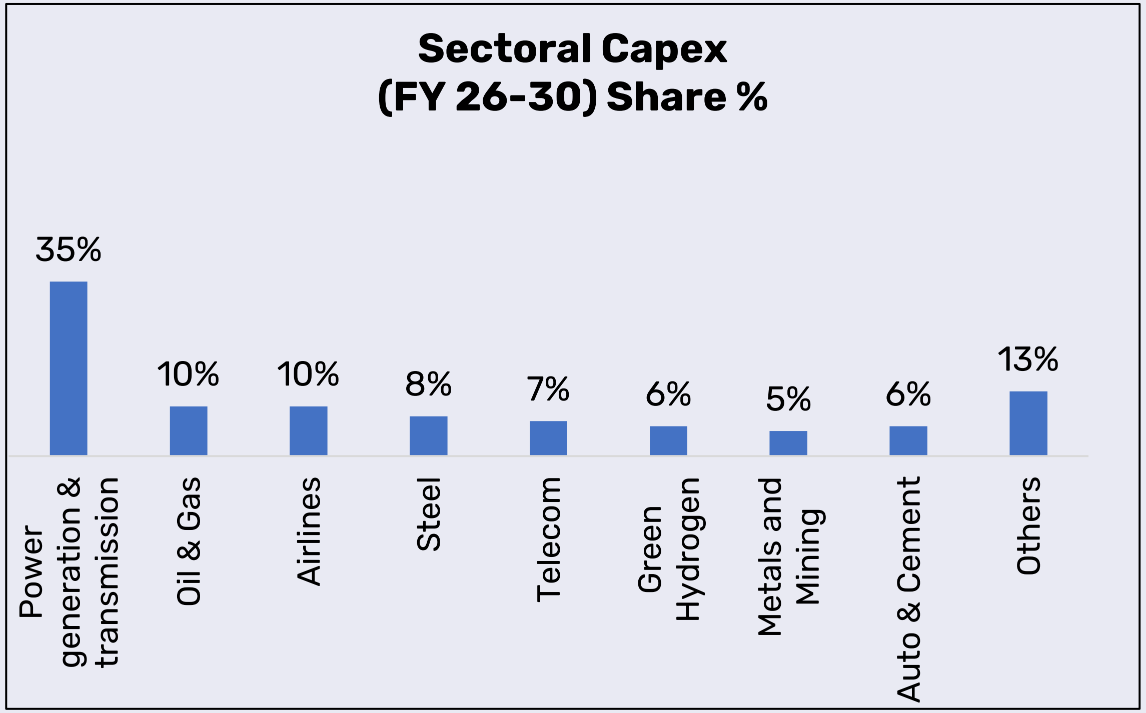
Private Sector also beginning to participate in the capex push



- India's capex trajectory has structurally accelerated — **After doubling from ₹6.7T in FY10 to ₹13.9T in FY21, total capex is projected to rise more than 2.3x to ₹32.9T by FY26E**, signaling a decisive upshift in India's investment cycle and infrastructure buildout pace.
- **Centre-led capex has driven the revival, rising nearly 10x from ₹1.1T in FY10 to ₹11.2T in FY26E. State capex has expanded ~6.6x to ₹9.3T, while listed corporate capex has grown ~2.7x since FY21**, indicating early signs of private sector crowd-in after a period of public-led infrastructure push.

Source: ICICI Securities, Ionic Wealth Report as published in June 2025.

Current investment cycle is being led more by equity capital

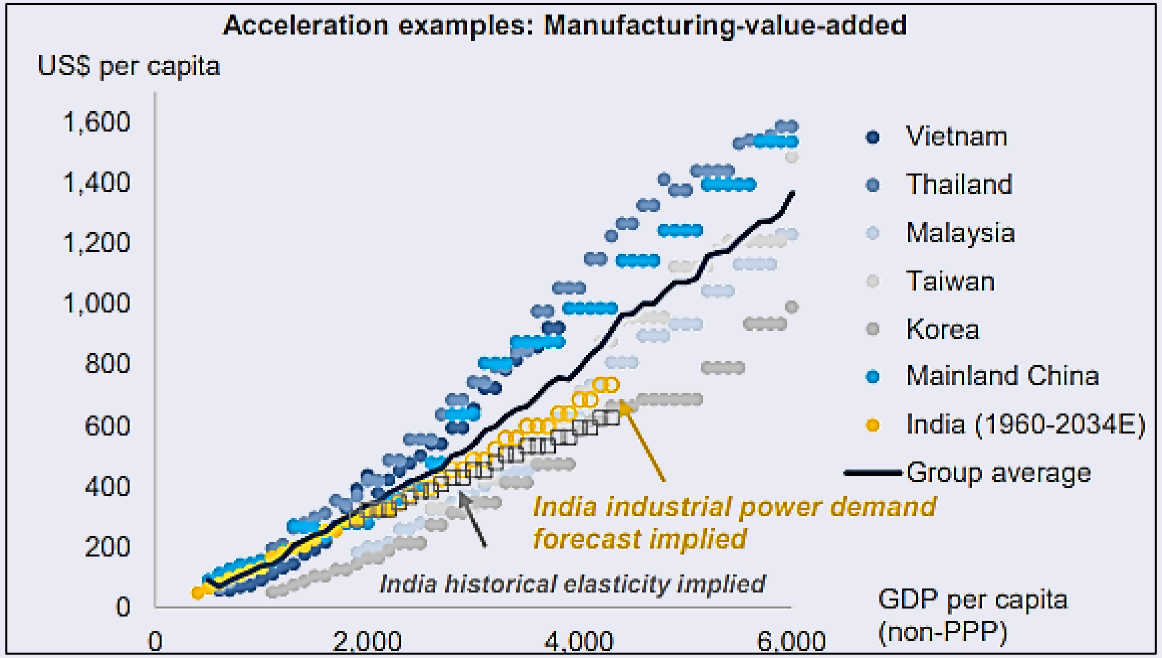


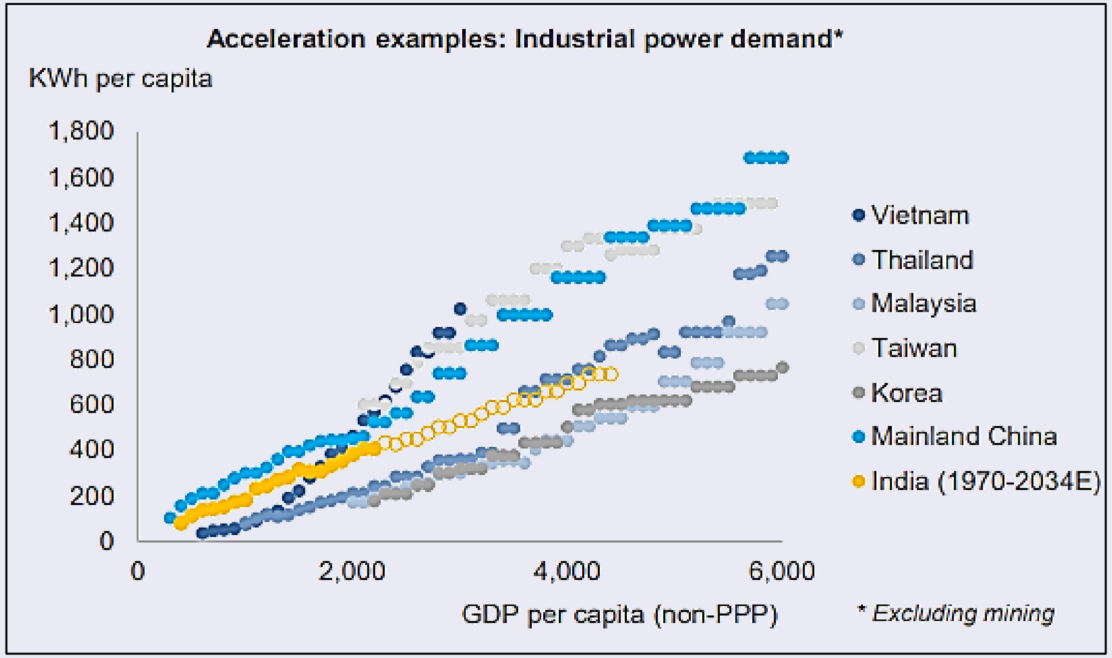
Sector	Cumulative Capex (FY23-FY25) in Rs Lakhs Crore	Net Debt Change (FY22-FY25) in Rs Lakhs Crore
Oil Gas & Consumable Fuels	8.91	-2.43
Power	3.47	-0.05
Automobile & Components	1.65	-0.39
Telecom	1.45	-2.05
Chemicals	0.6	-0.4
Construction	0.2	0.13
Textiles	0.06	0.14

- **Sitting on a five-year-high ₹10.67 lakhs crore cash balance**, corporates plan to **double capital spending to ₹72.25 lakhs crore during FY26-30**. Majority of this capex will be funded through operating cash flows.
- Sectors like **Oil & Gas, Power, Telecom, Textiles, and Construction** have **collectively invested over ₹1.4 lakhs crore during FY23–25, while maintaining or reducing net debt** — highlighting that the current capex cycle is being driven by internal accruals and equity funding, not fresh leverage.

Source: Ionic Wealth Report as published in June 2025, Capitaline, S&P Global, Ace Equities
Cash balance as on March 2025 excluding BFSI and Oil & Gas.

Manufacturing-led Expansion may anchor long-term power demand

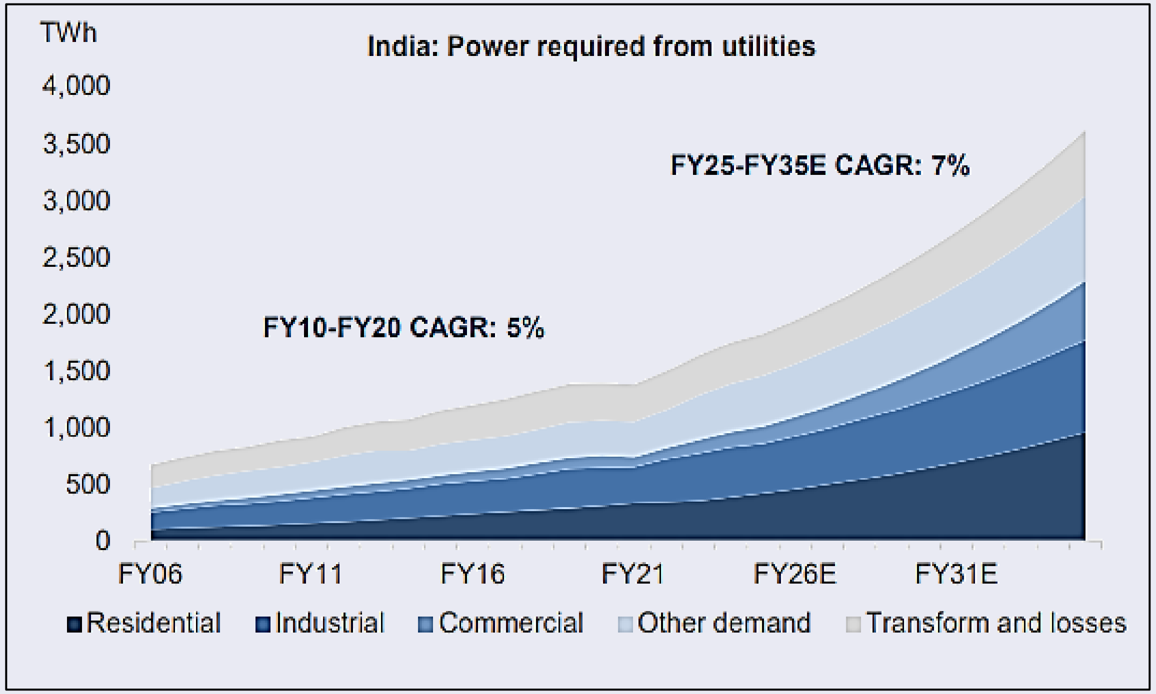


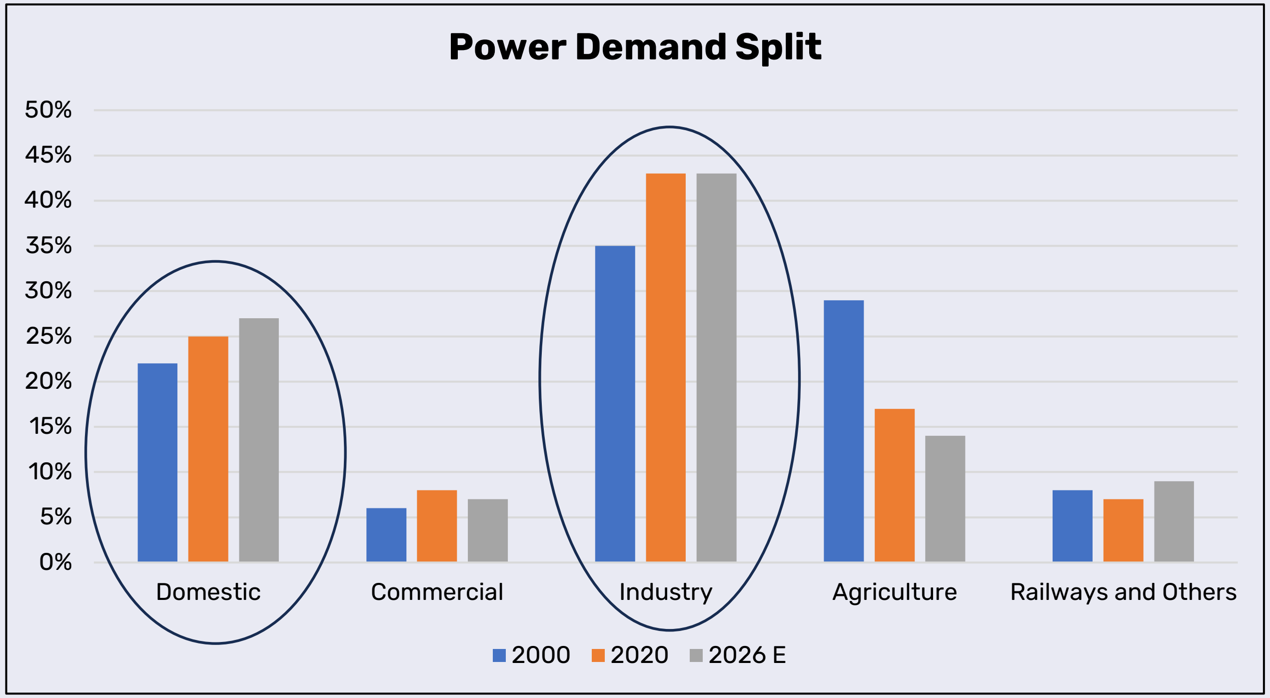


- **As India's non-PPP GDP per capita rises toward ~$4,000 by FY30 (from ~$2,880 currently), historical patterns from peers like China, Vietnam, and Malaysia suggest a sharp inflection point in industrial power demand**.
- At this income threshold, these economies saw a steep rise in both manufacturing value-added and kWh per capita consumption.
- India's forecast-implied trajectory now mirrors this acceleration zone, signaling a structurally stronger power demand outlook as the country enters a more energy-intensive phase of industrialization

Source:: UNIDO, CEIC, Goldman Sachs Global Investment Research Report as published in June 2025.

India's power demand enters a new growth phase

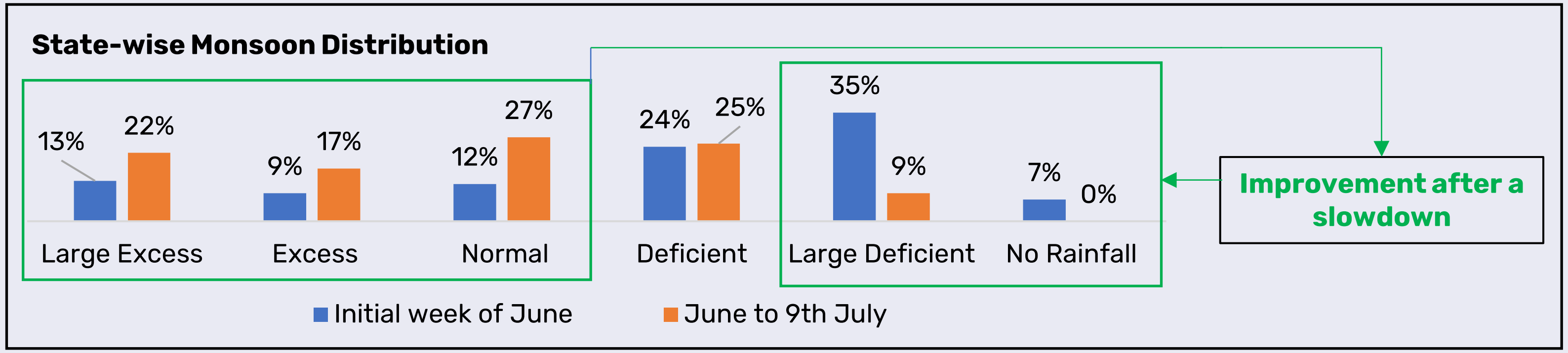


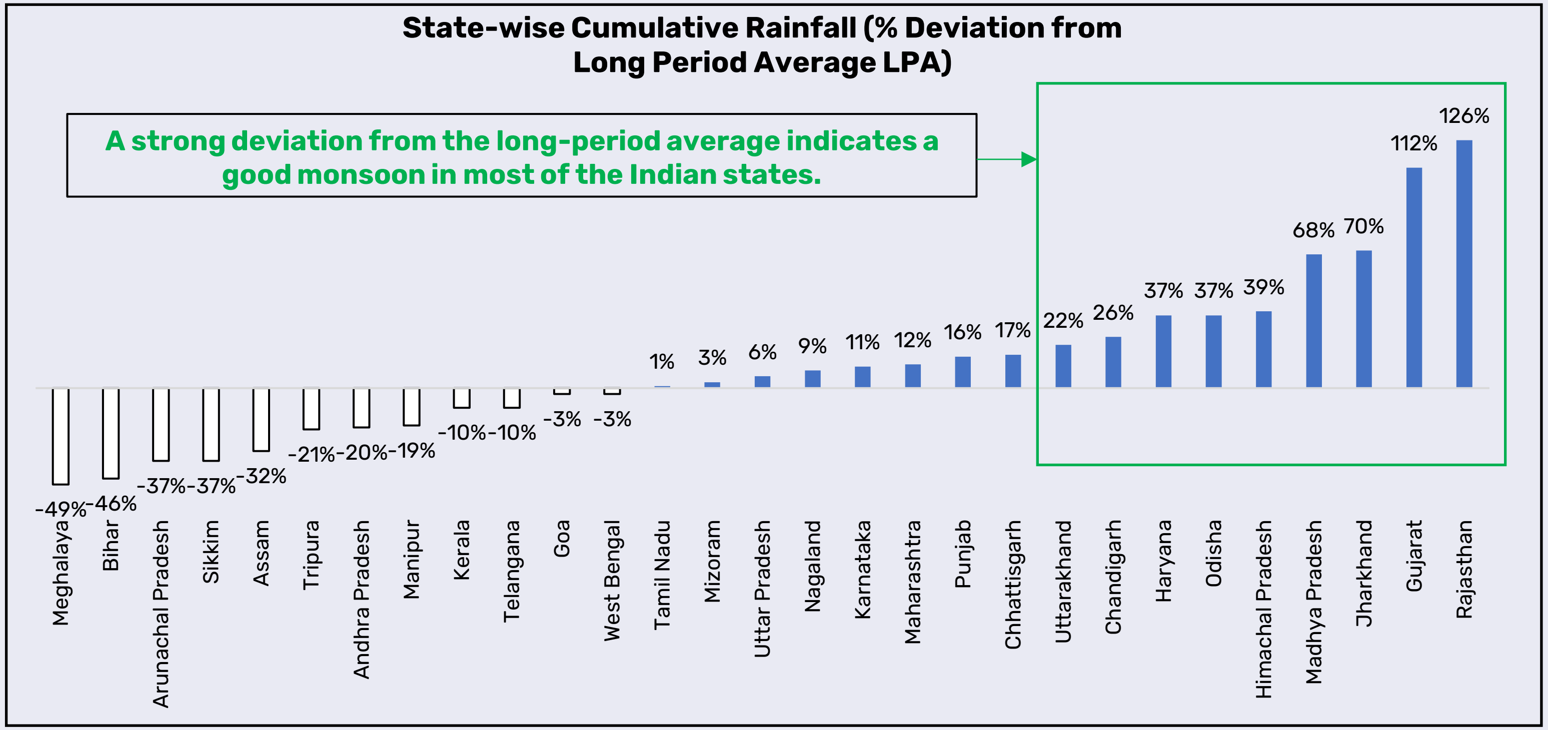


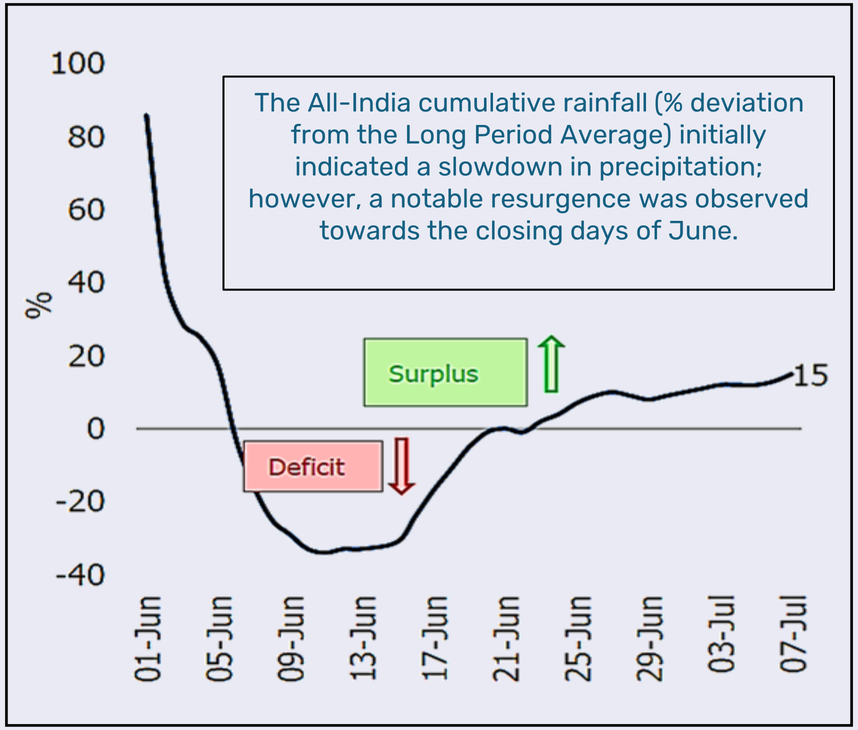
- **India's utility power demand is set to rise from ~1,500 TWh in FY25E to over 3,500 TWh by FY35E, a 2.3x increase. The projected 7.2% CAGR (vs. 5.6%)** signals a structurally stronger, more energy-intensive growth trajectory driven by residential and industrial expansion.
- **By FY26, industrial and domestic segments are expected to account for ~70% of total power consumption, while agriculture's share is projected to fall to 14%** indicating a structural rebalancing in India's energy demand mix toward formal, productivity-linked sectors, aligned with urbanization and manufacturing-led growth.

Source: Central Electricity Authority, Jefferies, : CEA, Goldman Sachs Global Investment Research. Data as on June 2025.

Monsoon starts early but regains strength mid-June



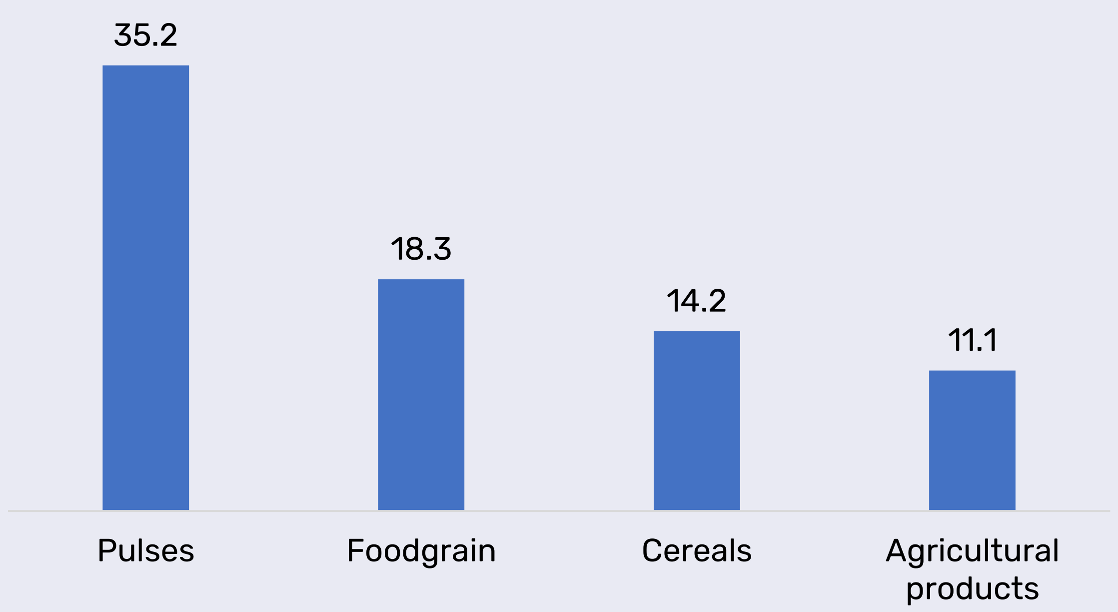




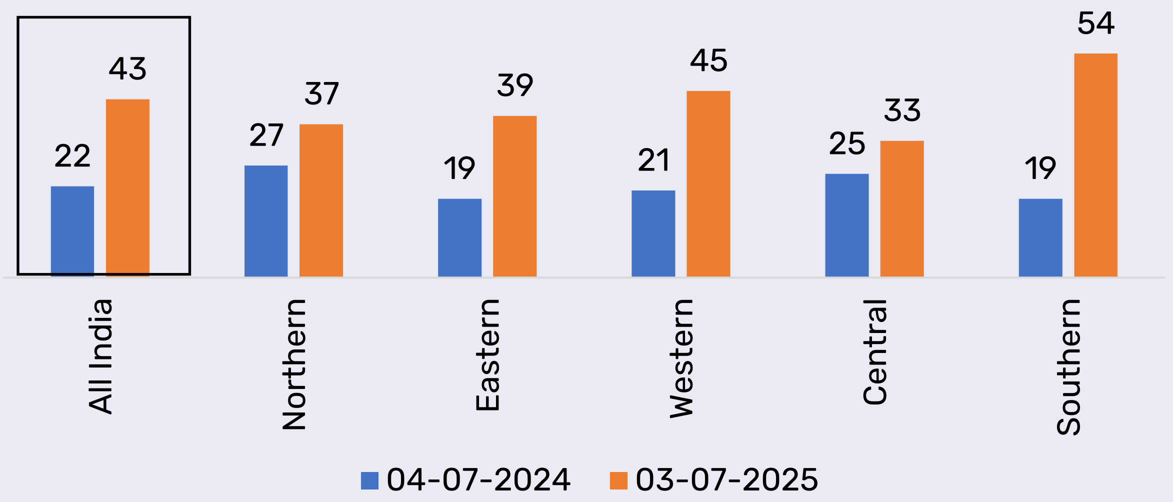
- As of 7 July 2025, rainfall is 15% above LPA nationwide.
- North-West and Central India recorded 37% and 42% above LPA rainfall.
- Key states with surplus rainfall: Madhya Pradesh, Rajasthan, Gujarat, Punjab (Breadbasket), Haryana.

Source: CARE Edge Report IMD, CEIC; Note: Data as on 7th July 2025.

Kharif crops show favorable growth



Source: : CARE Edge Report Ministry of Agriculture & Farmers Welfare, CMIE; Note: Data as on 4th July 2025

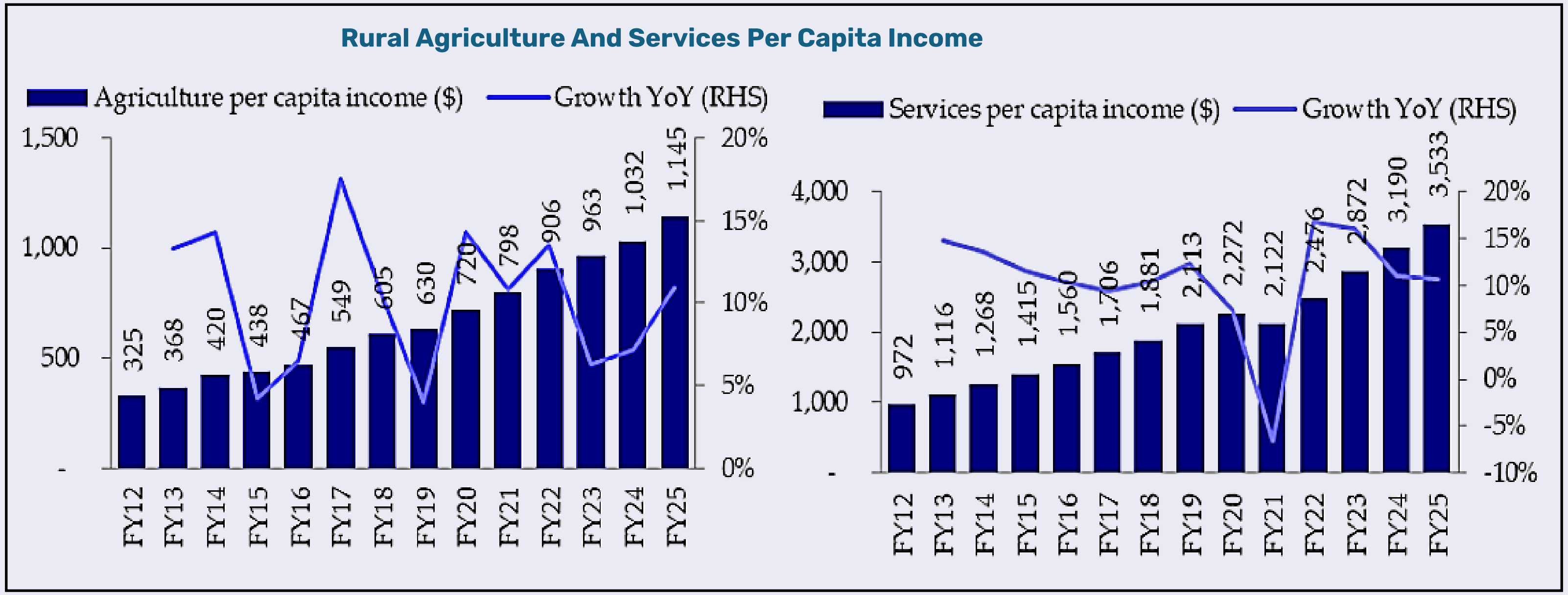


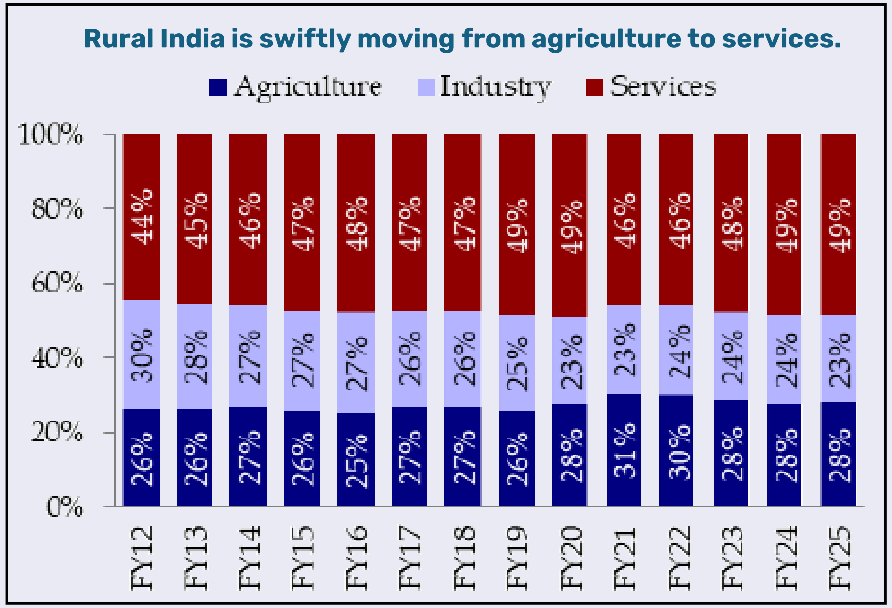
Reservoir levels surged nationwide, nearly doubling from last year, driven by a robust and early on set of monsoon.

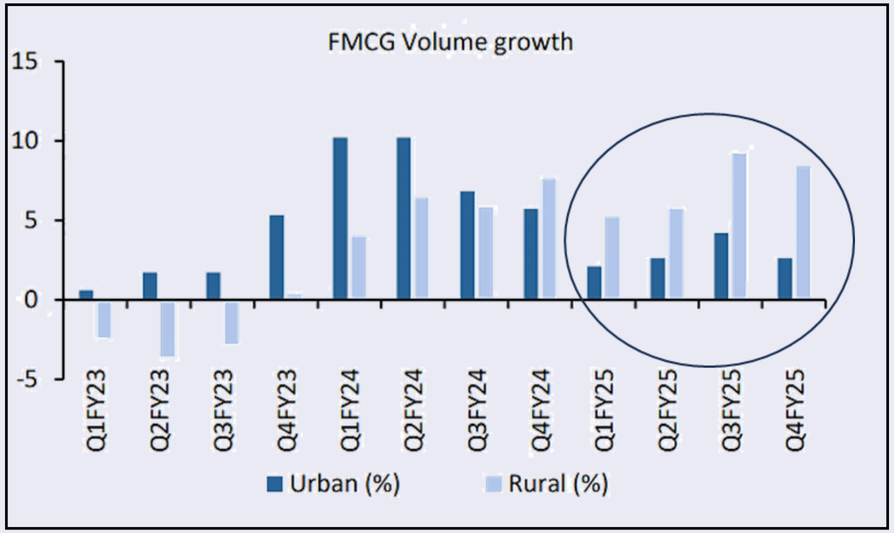
Source: CARE Edge Report Central Water Commission, CEIC

- July rainfall expected above normal, steady Kharif sowing, and good reservoir levels support rural economy.
- The key driver of moderating inflationary pressures has been the sustained easing in food inflation. This has been aided by a broad-based easing across the food and its sub-groups

Rural Momentum Consumption Takes-Off





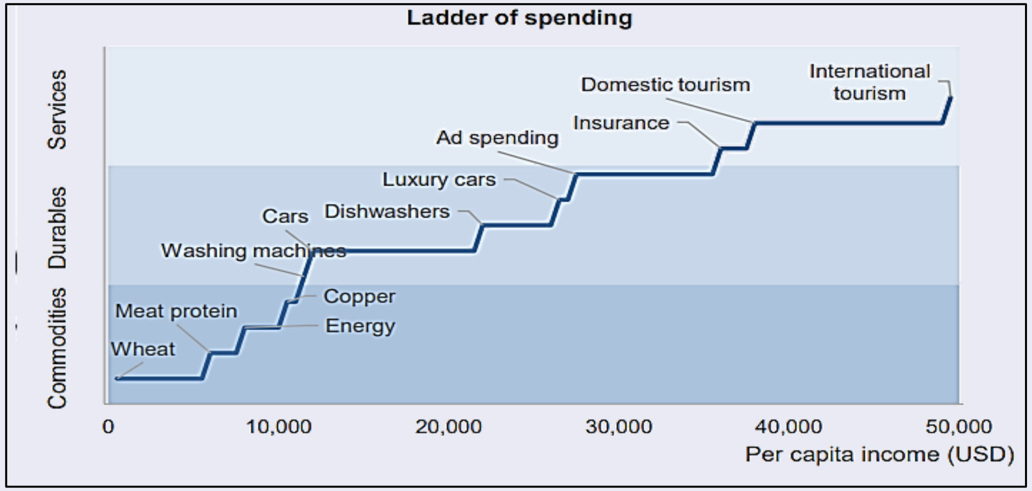


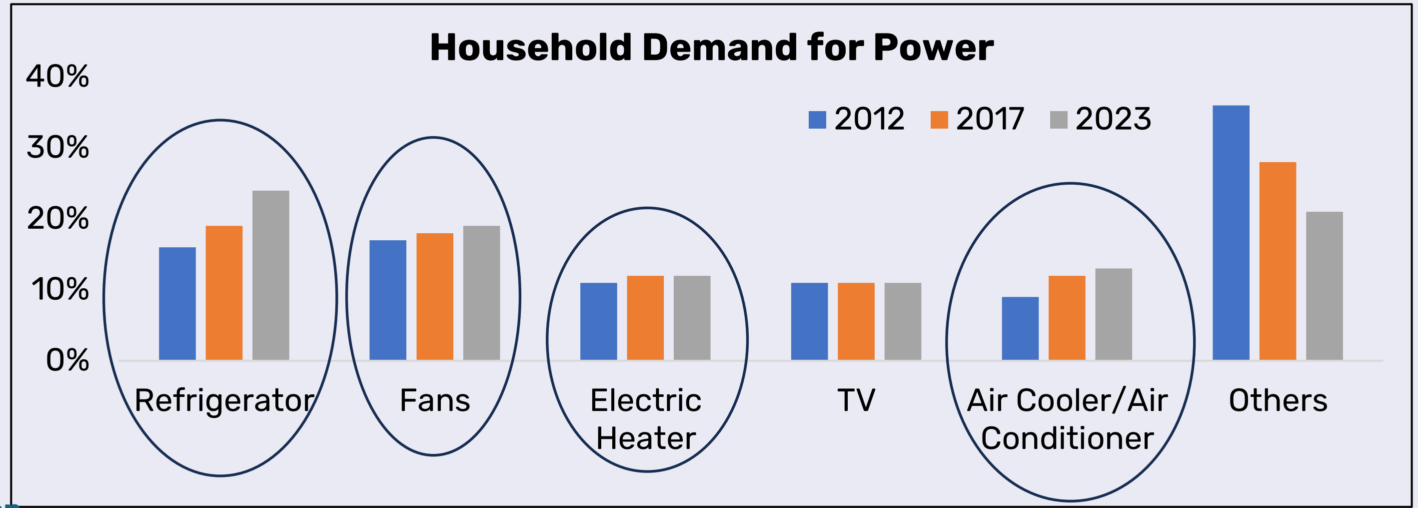
Shifting economic foundations

- In the past few quarters, rural India has been shouldering the responsibility of consumption growth in the country while urban mass consumption remained soft, impacted adversely by persistent inflation.
- Rural India is transitioning swiftly from an agri-centric economy to a services led economy which is evident in the graph above Services Per Capita Income is more than Agriculture Per Capita Income.

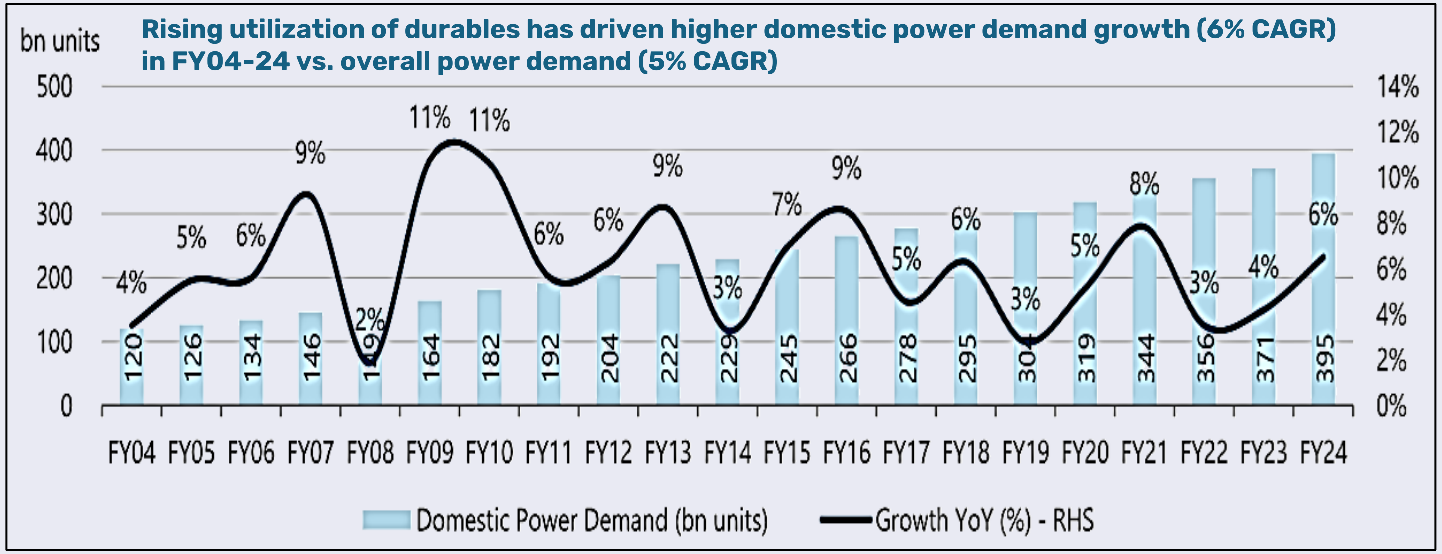
Source: HSIE Research Data as on 30th June 2025

India is exhibiting early signs of widespread consumer durables adoption





Home appliance demand tends to rise with household income accumulation



- Despite per capita GDP still below $3,000, India is exhibiting early signs of the durables adoption phase—reflected in the rising contribution of cooling and appliance loads to household electricity use.
- Between FY04 and FY24, domestic power demand rose from 120 bn units to 395 bn units, delivering a 6% CAGR, compared to 5% for overall power demand.
- This early shift in consumption pattern suggests a structural tailwind for residential power demand as incomes approach the $5,000–$10,000 range where durable consumption typically accelerates.

Source: Central Electricity Authority, Jefferies, Goldman Sachs. Data as published in June 2025.

₹3.7 Trillion Boost to Consumption from 8th Pay Commission

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Combined Wages of Centre and States expected to surge by ₹3.7tn, which is nearly 1% of GDP.

Impact	6th Pay Commission	7th Pay Commission	8th Pay Commission 15% hike Expected
Center (Rs. Tn)	1.1	0.8	1.2
State (Rs. Tn)	2.6	4	2.5
Center and State (Rs. Tn)	3.7	4.8	3.7
% of GDP	6.7%	3.5%	0.9%
% of PFCE	11.8%	5.9%	1.4%

States implement pay commission in the span of 1-18 months. State wages and salaries FY08-FY12 for the 6th pay Commission and FY16-FY18 for the 8th Pay Commission have been considered.

- **The 8th Pay Commission, effective Jan 2026, is expected to increase central and state salary and pension payouts by ₹3.7Tn by FY27 (~1% of GDP), creating a sizable fiscal-led boost to consumption. Central government salaries and pensions are projected to grow 15% YoY to ₹8.9T, while state payouts are expected to reach ₹19.2T.**
- PFCE growth accelerated to 7.9% in FY16–17 post 7th CPC, up from 6.4% in FY15 – staggered state rollout drove multi-year boost in household spending.
- Previous Pay Commission cycles triggered broad-based consumption upcycles—durables (ACs, refrigerators), vehicles, real estate, gold, FMCG, housing credit, and outbound travel all saw meaningful demand spikes, reflecting strong transmission into discretionary categories.

Source: Avendus Spark. Data as on June 2025
PFCE - Private Final Consumption Expenditure. Tn is Rs Trillion.

Tracking Sectoral Winners from Pay Commission-Driven Demand

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Private Consumption growth (%, yoy)	Rs. tn	Share (%)	FY15	FY16	FY17	FY18	FY19
Food and Non-Alcoholic Beverages	52	28.8%	1.2%	1.8%	11.6%	3.5%	5.4%
Furnishing/Household Equipment	5	2.9%	6.7%	10.0%	3.3%	6.1%	11.4%
Health	10	5.6%	14.7%	10.5%	12.4%	4.3%	8.2%
Transport (Auto sector)	31	17.3%	7.0%	13.7%	10.4%	19.8%	9.2%
Communication	4	2.6%	23.1%	4.4%	0.7%	21.2%	10.2%
Recreation and Culture	1.4	0.8%	5.8%	-1.4%	2.1%	13.6%	6.5%
Education	8.4	4.7%	6.7%	9.6%	9.9%	11.4%	11.0%
Restaurants and Hotels	4.1	2.3%	5.9%	12.4%	8.0%	8.2%	10.1%
Miscellaneous Goods and Services	27	15%	14.4%	20.8%	9.8%	0.8%	7.0%
Private Final Consumption Expenditure	181	100%	6.4%	7.9%	8.1%	6.2%	7.1%

Food and Non-Alcoholic Beverages, Autos, Home improvement, Health, Recreational Activities and Hotels did well post the 7th Pay Commission in Sep 2016.

Source: MOSPI, Avendus Spark Research. Data as on 6th June 2025.

Sectoral equity Impact of 6th & 7th Pay Commissions

6th Pay Commission		1M	3M	6M	12M	24M	36M
Returns	**Sep-08**	**Oct-08**	**Dec-08**	**Mar-09**	**Sep-09**	**Sep-10**	**Sep-11**
Capital Goods	10,581	-34%	-35%	-39%	30%	51%	2%
Consumer Durables	2,929	-29%	-35%	-45%	20%	115%	117%
Fast Moving Consumer Goods	2,161	-17%	-8%	-6%	19%	72%	81%
Auto	3,675	-27%	-33%	-17%	81%	159%	131%
Realty	3,509	-44%	-35%	-56%	29%	6%	-50%

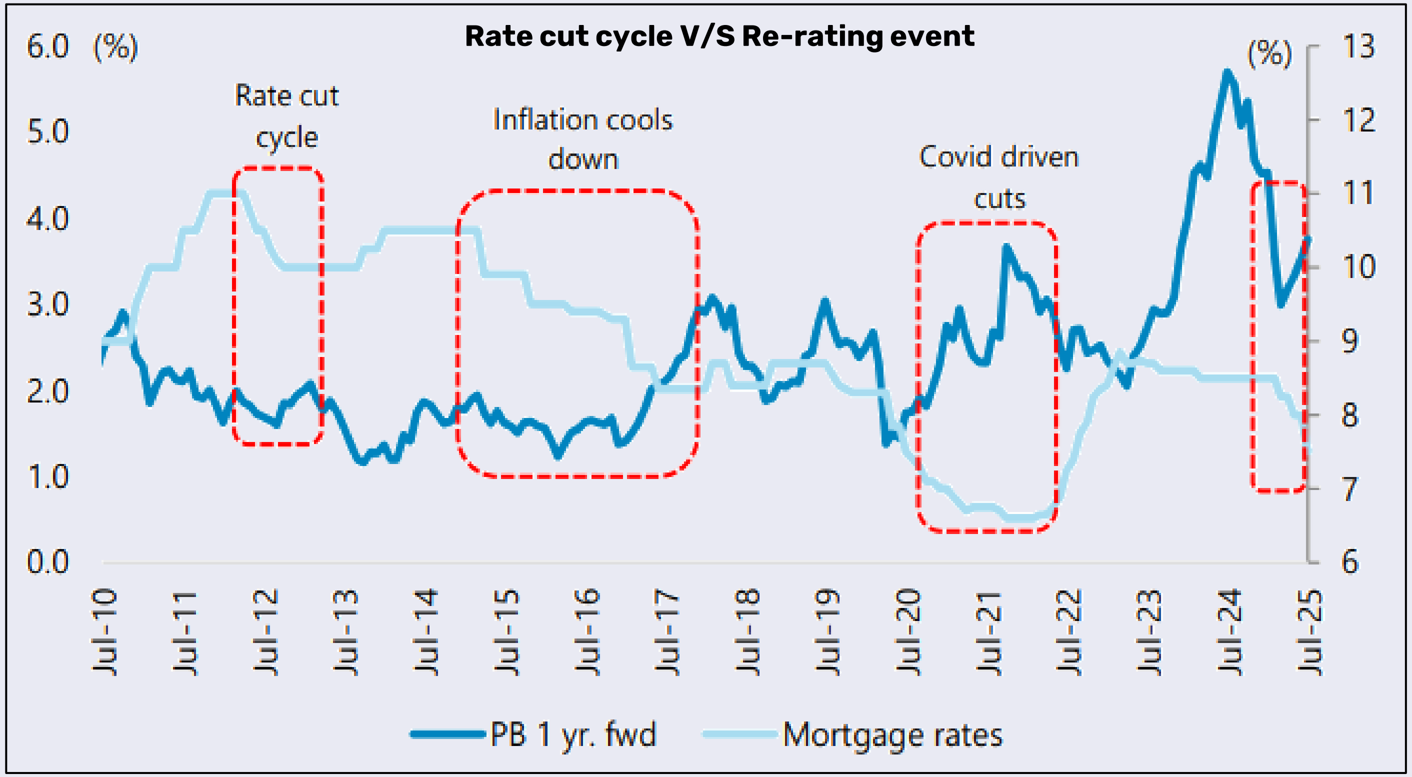
Capital Goods, Consumer Durables, FMCG and Auto gave positive returns 1Y-3Y after the 6th Pay commission.

7th Pay Commission	Index	1M	3M	6M	12M	24M	36M
Returns	**Aug-16**	**Sep-16**	**Nov-16**	**Feb-17**	**Aug-17**	**Aug-18**	**Aug-19**
Capital Goods	15,212	-4.1%	-7.7%	0.8%	13.9%	24.9%	11.4%
Consumer Durables	12,485	0.5%	-9.7%	10.4%	41.8%	73.8%	87.6%
Fast Moving Consumer Goods	8,822	-4.1%	-8.5%	-0.3%	15.3%	44.8%	25.6%
Auto	22,008	1.0%	-8.5%	-2.4%	7.6%	12.3%	-28.4%
Realty	1,542	-1.9%	-16.9%	-3.1%	38.6%	38.9%	32.8%

Capital Goods, Consumer Durables, FMCG, and Realty gave positive returns 1Y-3Y after the 7th Pay Commission

Source: Ionic Wealth, NSE, Capital Line. Data as on 30th June 2025
Large cap refer to Nifty 100 Index , Mid cap refers to Nifty Midcap 150, Small cap refers to Nifty Small cap 250 Index.

Real Estate at the Edge of a Structural Upcycle



Tailwinds from RBI rate cut

- Historically, every 25bps cut has improved loan eligibility by ~2–3%, aiding entry-level and mid-income demand.
- In prior easing cycles (e.g., 2015–17), the sector saw a 20–50% valuation re-rating, driven by improving absorption and demand elasticity .

Disciplined Financial Engineering

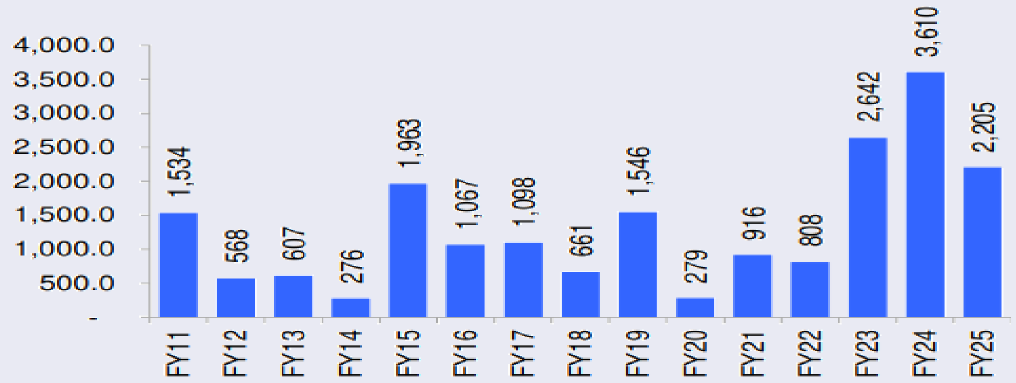
- Most developers are net cash or <0.5x D/E—enabling capex without stress.
- ₹1.4T in OCF expected (FY25–27), driven by strong pre-sales conversion.
- Phased, cash-led launches support high ROEs and capital efficiency.

Source: Jefferies, Motilal Oswal Financial Services. Data as on 30th June 2025.

Defense Sector: Inflows Up, Profits In, Output Scales, Exports Grow

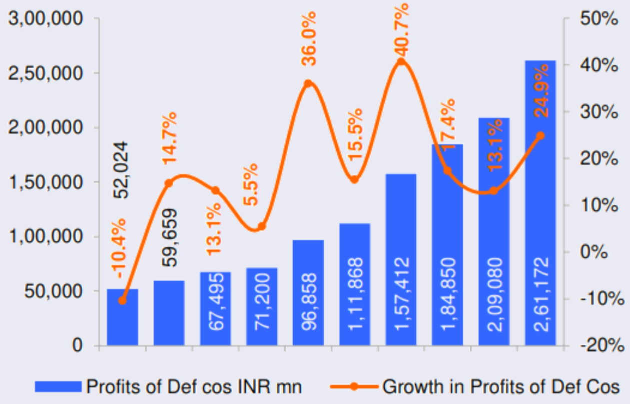
BAJAJ FINSERV

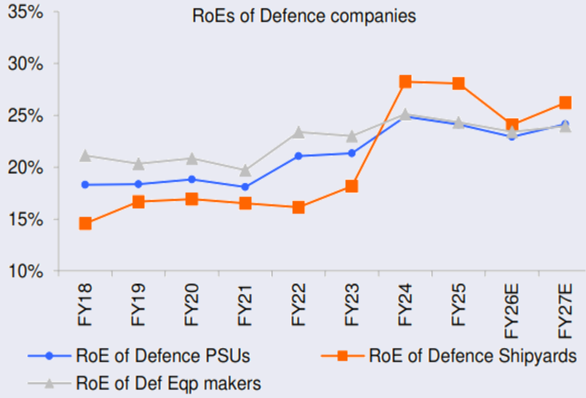
Strong order visibility: Multi-Year Execution secured



- ₹8.5T DAC* approvals (FY23–25) — more than entire FY12–21 combined
- Order book: ₹18.9T (FY18) → ₹57.9T (FY27E)

Orders turning into profits

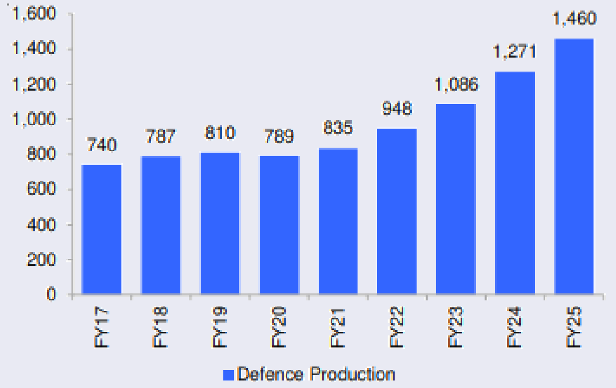


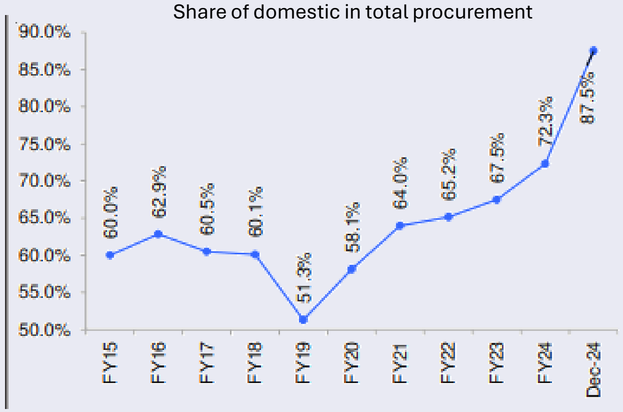


- Revenue CAGR (FY17–27E): 10% | PAT CAGR: 16%
- RoEs >30% expected for defense OEMs by FY27
- Exports up 46% CAGR (FY17–25) to 85+ countries

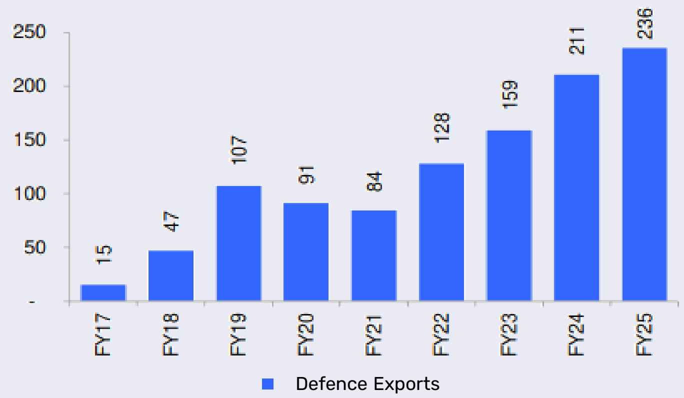
Domestic production scaling with policy tailwinds

₹1.46 lakh crore production in FY24 (↑14% YoY); target: ₹3 lakh crore by FY30





Fast rising global footprint



- ₹23,600 Cr in FY25 (46% CAGR since FY17)
- 65% led by private sector
- Key exports: BrahMos, Akash, Tejas, LCH
- Shipped to 85+ countries-yet just 2% global share
- Driven by faster clearances & export-friendly policies

Source: Antique

*DAC: Defense Acquisition Council. Their approvals are an indicator of future order inflows.

Indian Equity Market

Navigating Geopolitical Risks with Strong Fundamentals and Strategic Diversification

Indian indices performance in June 2025

BAJAJ FINSERV

Broad Indices	1 Month	3 Month	6 Month	1 Year	3 Year	5 Year
Nifty 100 TRI	3.38%	8.93%	7.40%	5.65%	19.20%	21.40%
Nifty 200 TRI	3.51%	9.99%	6.93%	5.98%	20.98%	22.96%
Nifty 50 TRI	3.37%	8.83%	8.71%	7.49%	18.72%	21.33%
Nifty 500 TRI	3.77%	10.82%	6.21%	5.65%	21.97%	24.02%
NIFTY Large Midcap 250 TRI	3.76%	11.87%	6.00%	6.00%	24.96%	26.88%
Nifty Midcap 150 TRI	4.15%	14.84%	4.42%	6.08%	30.64%	32.29%
Nifty Next 50 TRI	3.47%	9.43%	1.75%	-2.76%	24.48%	22.76%
Nifty Smallcap 250 TRI	5.78%	17.55%	1.09%	4.59%	30.95%	35.36%
Sectoral Indices						
Nifty Auto TRI	2.47%	12.04%	5.09%	-4.54%	27.78%	29.99%
Nifty Bank TRI	3.12%	11.42%	13.01%	10.23%	20.65%	22.62%
Nifty Financial Services TRI	2.93%	8.78%	16.03%	17.00%	21.74%	21.81%
Nifty FMCG TRI	-0.53%	3.29%	-1.61%	-1.40%	15.27%	15.00%
Nifty IT TRI	4.57%	6.26%	-10.23%	9.90%	14.19%	23.84%
Nifty Media TRI	2.52%	18.52%	-3.31%	-11.31%	-2.01%	6.09%
Nifty Metal TRI	3.96%	5.01%	11.02%	-1.92%	27.86%	38.76%
Nifty Pharma TRI	2.91%	4.30%	-4.85%	12.48%	22.86%	17.99%
Nifty Private Bank TRI	2.70%	9.84%	14.37%	8.91%	19.94%	19.88%
Nifty PSU Bank TRI	3.25%	15.40%	11.64%	-1.58%	44.63%	39.50%
Nifty Realty TRI	3.92%	15.56%	-6.45%	-10.41%	37.22%	37.63%
Thematic Indices						
Nifty Commodities TRI	4.23%	5.52%	11.03%	-2.57%	22.28%	27.26%
Nifty CPSE TRI	2.89%	7.93%	12.05%	-0.22%	42.18%	40.13%
Nifty Energy TRI	1.95%	8.78%	5.66%	-11.18%	14.72%	22.81%
Nifty India Consumption TRI	4.16%	10.62%	4.76%	7.34%	22.05%	21.15%
Nifty Infrastructure TRI	5.06%	11.20%	12.09%	3.86%	27.86%	26.88%
Nifty MNC TRI	3.17%	10.48%	4.54%	-3.44%	19.24%	18.41%
Nifty PSE TRI	2.32%	7.90%	8.33%	-3.63%	40.86%	36.20%
Nifty Services Sector TRI	3.70%	8.67%	7.62%	12.15%	18.07%	21.24%

Structural outperformers like PSU Banks, Realty, and Small caps show strong 3Y–5Y return correlation (0.91), reflecting steady capital inflows aligned with macroeconomic and policy trends.

Source: ICRA MFI. ; Data as on 30th June 2025.
Past performance may or may not be sustained in the future.

BFSI and Auto seem to be driving earnings in the Nifty 500 profit pool

Sector	Nifty 500 profit pool in FY20	Nifty 500 profit pool in FY25	Change
Automobiles	4.10%	6.80%	2.70%
Chemicals & Pharma	10.60%	5.70%	-4.90%
BFSI	20.20%	38.80%	18.60%
Oil & Gas	15.70%	10.70%	-5.00%
Capital goods & Infra	8.80%	7.30%	-1.50%
Technology	17.90%	8.50%	-9.40%
Utilities	5.50%	4.80%	-0.70%
Metal	7.50%	7.10%	-0.40%
Consumer Retail	9.10%	5.50%	-3.60%
Durables	0.60%	0.40%	-0.20%

Post-Covid, the Nifty 500 earnings mix has shifted notably with BFSI's share doubling, modest gains in Automobiles, and declines in Technology, Oil & Gas, and Chemicals & Pharma, while Metals and Utilities have remained stable.

Source: Ionic Wealth Report as published in June 2025, Capital Line.

Mid & Small caps lead as markets reward profitability over topline

YoY Growth (Nifty 500)	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
Revenue (in %)	0	-2%	30%	23%	6%	7%
EBITDA (%)	-6%	26%	26%	7%	23%	10%
PAT (%)	-9%	47%	40%	10%	34%	6%

Equity performance has moved in line with earnings, not revenues. FY21, FY22, and FY24 saw strong EBITDA and PAT growth, which coincided with market rallies. In contrast, weaker profit growth in FY23 and FY25 was met with muted returns. It's earnings power—not topline momentum—that markets reward.

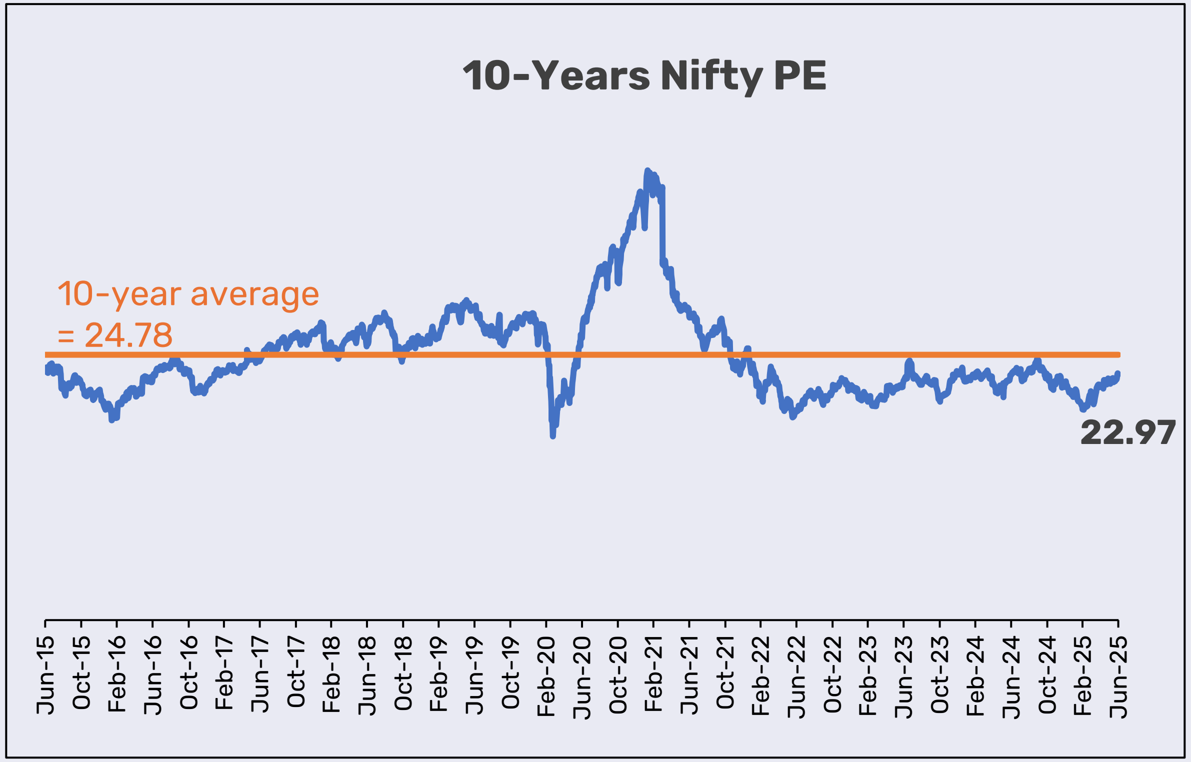
FY25 Earnings Snapshot

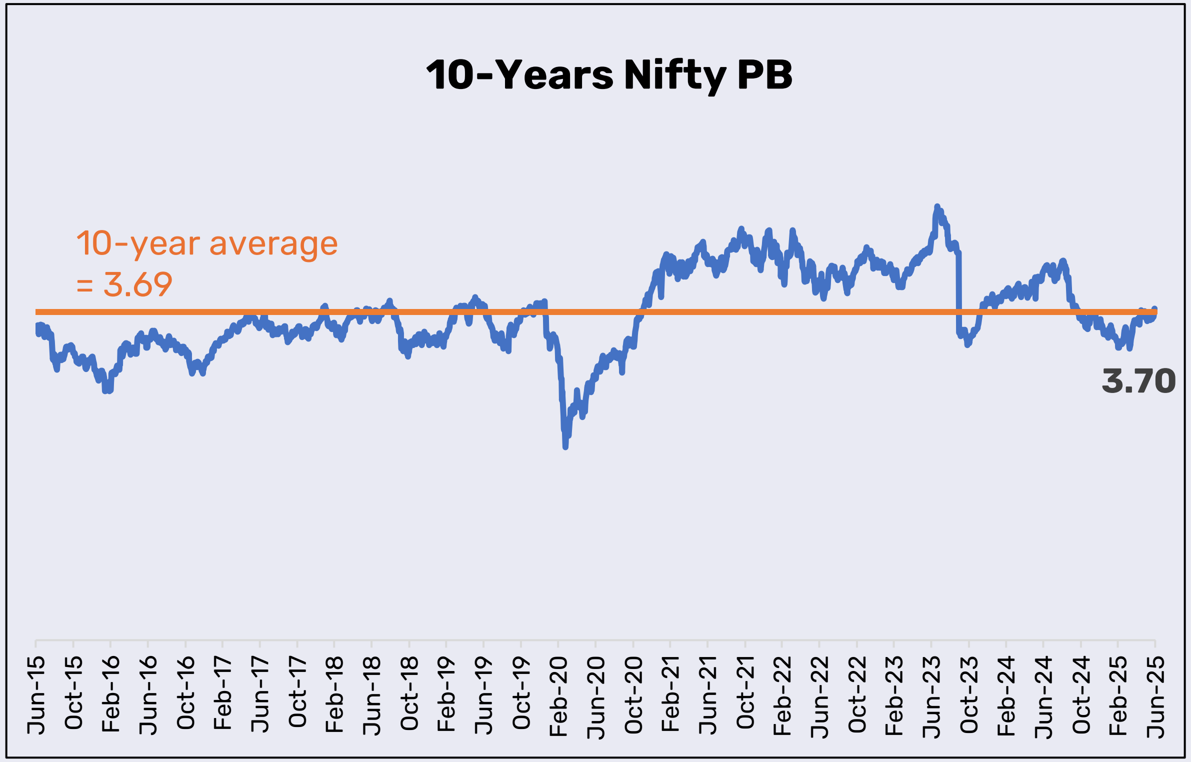
	Revenue	EBITDA	PAT
Nifty 500	7%	10%	6%
Large cap	4%	7%	3%
Mid cap	7%	14%	22%
Small cap	7%	13%	17%

Despite similar revenue growth across segments (7%), midcaps and small caps delivered significantly higher profitability—with PAT growth of 22% and 17% respectively, reflecting operating leverage and better margin execution in the broader market.

Source: Ionic Wealth, NSE, Capital Line. Data as on 30th June 2025
Large cap refer to Nifty 100 Index , Midcap refers to Nifty Midcap 150, Small cap refers to Nifty Small cap 250 Index.

Nifty 50 valuations at long-term fair valuations





- Nifty 50 closed June 2025 at 25,517, marking a 10.3% gain from April's 23,125 level, driven by robust foreign inflows and sectoral strength in financials and industrials.
- Valuations remained neutral with a P/E of 22.97 and P/B of 3.7.
- Despite a modest 1.24% dividend yield, sentiment stayed cautiously optimistic, supported by resilient earnings and macro stability.

Source: Nifty Indices. Data as on 30th June 2025.

Equity Outlook

- **Geopolitical and Macro Impact**
  Rising tensions in the Middle East and U.S. involvement have caused a surge in crude oil prices, contributing to market volatility. Domestically, monetary easing (50 bps rate cut and 100 bps CRR cut) and earlier tax cuts support the market outlook.

- **Earnings and Sentiment Drivers**
  July equity trends will be shaped by Q1FY26 earnings and management commentaries. Improved tone is expected, especially regarding demand in the consumption sector ahead of the festive season.

- **Risks from Global Trade Shifts**
  Geopolitical uncertainty and the upcoming rollback of tariff benefits may increase volatility and pose challenges for export-oriented sectors due to realignments.

- **Strengthening Market Fundamentals**
  A supportive mix of monetary policy, fiscal incentives, and macro recovery sets a positive tone for equities, particularly broader markets that benefit during cyclical rebounds.

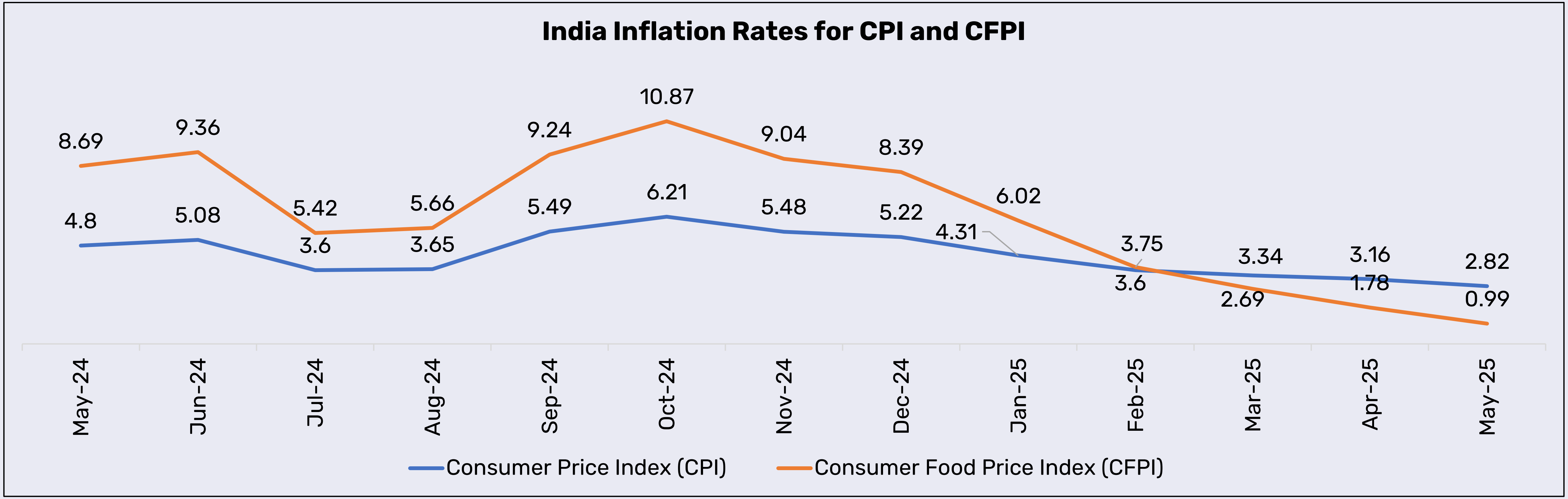
- **Investment Strategy**
  Investors should maintain diversified equity allocations. Small-cap funds present attractive long-term growth opportunities post-correction. Flexi-cap funds may also suit growth-oriented investors, but risk appetite assessment is essential.

Source: Bloomberg, MoSPI, Internal Analysis.

Indian Debt Market

Stability Amid Global Uncertainty with Ample Liquidity and Tactical Tightening

May Inflation eases to a 6-year low

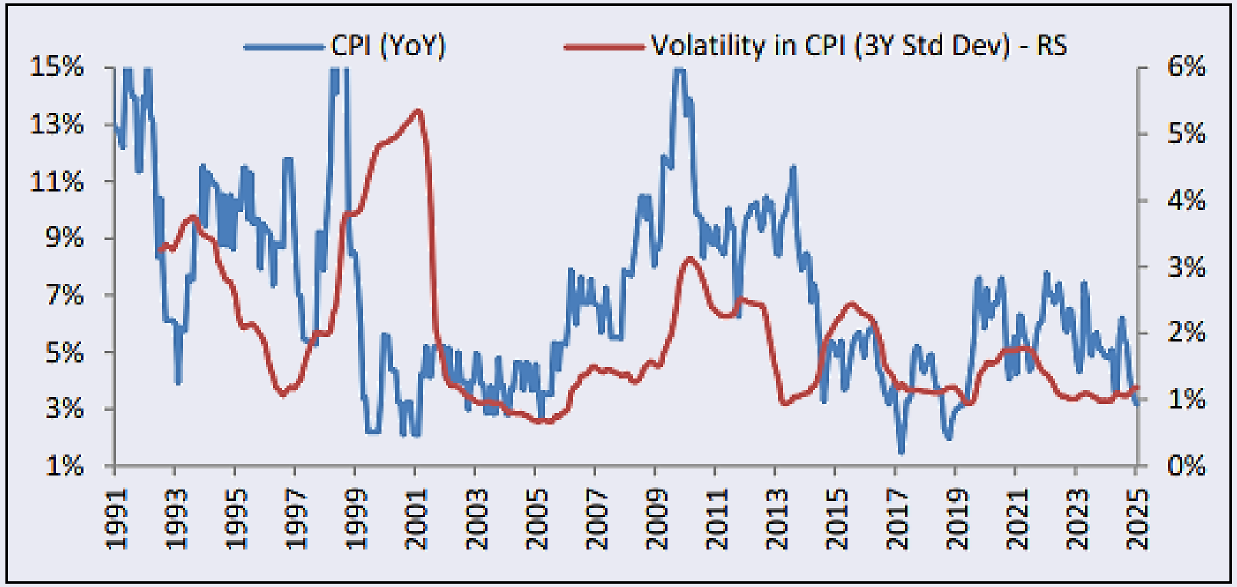


- Retail inflation cooled to 2.82% in May, the lowest in over 6 years and below the RBI's 4% target for the 4th straight month.
- Rural inflation eased to 2.59% in May, down from 2.92% in the previous month, while urban inflation also, declined to 3.07% from 3.36%.
- The decline was mainly due to a drop in food inflation to 0.99%, led by lower prices in pulses, vegetables, fruits, cereals, sugar and eggs.

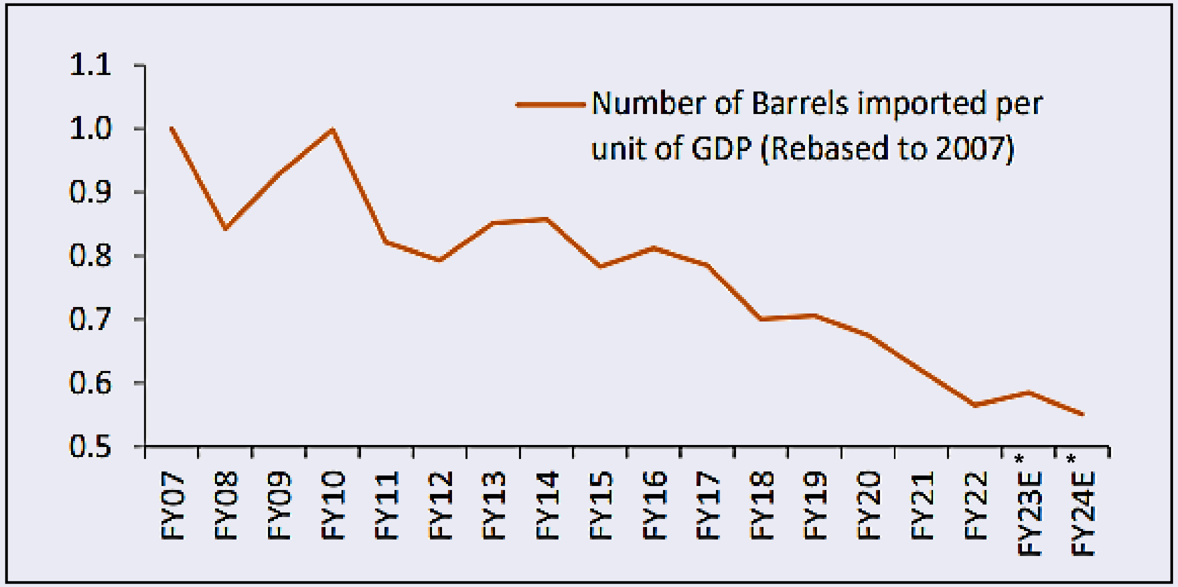
Source: RBI. Data as on 12th June 2025.

India’s inflation now less sensitive to oil shocks

Declining Volatility in Inflation and Lower Headline Inflation



India’s Declining Oil Intensity



As India’s economy matures, its inflation story is changing.

- India’s declining oil intensity has reduced its vulnerability to global crude shocks, helping contain inflation volatility.
- The result is a more stable inflation environment, which enhances monetary policy credibility, reduces uncertainty around future rate trajectories, and contributes to a more predictable macro backdrop for fixed income markets.

Source: CEIC, RBI, RIMES, IBES, MSCI, Bloomberg, Morgan Stanley Research Estimates.
Data as on 30th June 2025.
*Estimated

Ample liquidity, tactical tightening: RBI balances the curve

Chart 9: System liquidity surplus as on 27 June stood at ~1.2% of NDTL

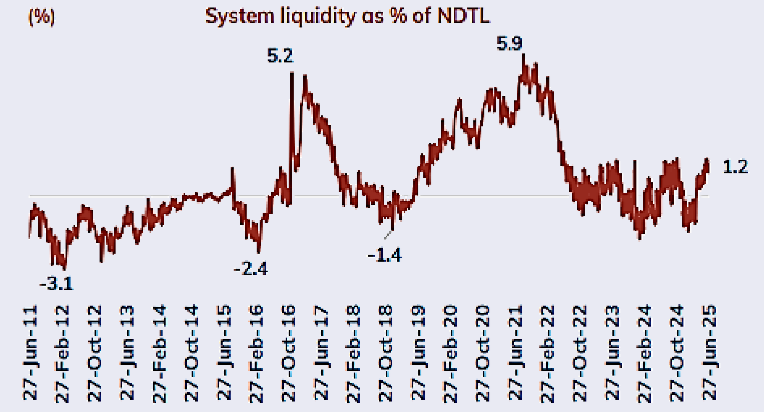
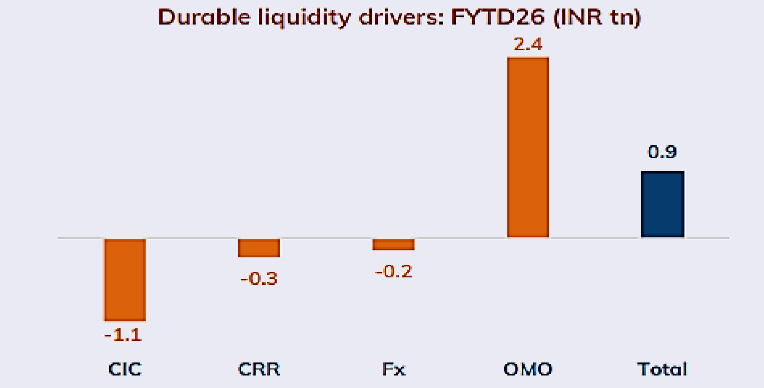
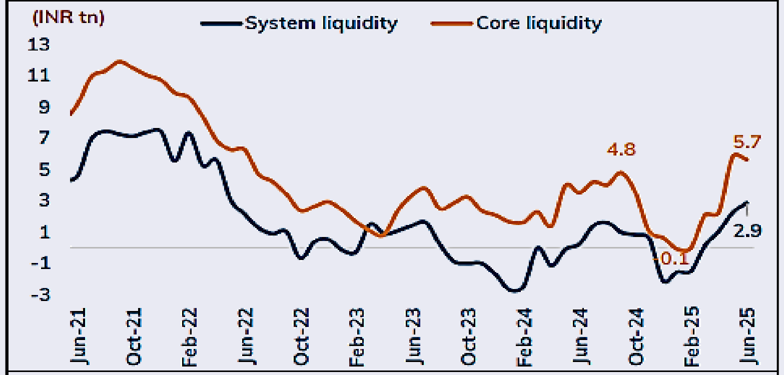


Chart 10: Durable liquidity has increased in FYTD26 (20 June) (Excludes dividend impact)



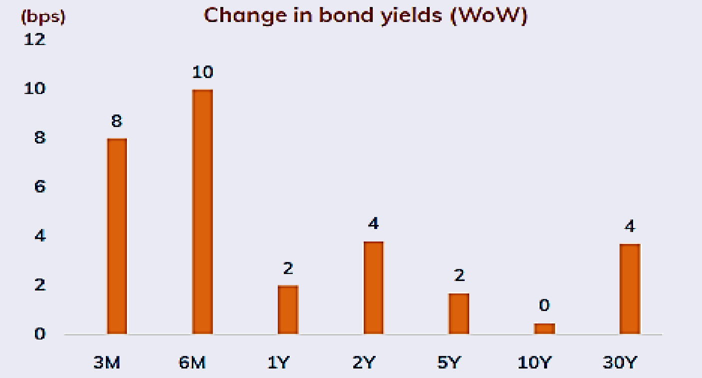
Source: CEIC, RBI & ICICI Bank Research

Chart 11: Core liquidity for the week ending 20 June stood elevated INR 5.7tn



Source: CEIC, RBI & ICICI Bank Research

Chart 1: Domestic yield curve saw a flattening bias



Source: Bloomberg, CEIC and ICICI Bank Research. Data is as of 27 June 2025

- **Liquidity Conditions Remain Comfortable; RBI Calibrates Short-End Rates** : **System liquidity remained in healthy surplus at INR 2.8tn (1.2% of NDTL) as of June 27, aided by month-end government spending.** To gently guide overnight rates closer to the policy repo, the RBI conducted a 7-day VRRR operation, which helped anchor the call and triparty rates higher without disrupting broader liquidity. As a result, short-end yields (3M–6M) firmed up while long-end yields stayed relatively stable—reflecting a mild bear-flattening of the curve
- **Structural Liquidity Intact Amidst Tactical Adjustments :** Despite near-term fine-tuning via VRRR, **durable liquidity remains constructive, with core liquidity elevated at INR 5.7tn. Net liquidity injections via OMO purchases (INR 2.4tn FYTD26) have more than offset drains from currency in circulation and FX flows**. **This suggests the RBI is pursuing a measured approach—preserving ample structural liquidity while ensuring rate discipline at the short end, keeping broader financial conditions supportive.**

Source: Bloomberg, CEIC,ICICI Bank Research and RBI. Data as published in June 2025.
VRRR: Variable Rate Reverse Repo.

Fixed Income Outlook

- **Global Rate Expectations Shift**
  The US Fed has revised its stance, now projecting only a 25 bps rate cut in 2026 (down from 50 bps), causing upward pressure on long-term US yields. Diverging central bank policies and persistent geopolitical tensions (Middle East, Eastern Europe) are contributing to a cautious global debt market sentiment.
- **RBI's Surprising Move and Flexible Stance**
  The Reserve Bank of India cut rates by 50 bps in June and shifted its stance from ‘Accommodative’ to ‘Neutral,’ indicating a more data-dependent approach. While another 25 bps cut may follow later in the year, no hikes are expected before March 2027.
- **Liquidity and Yield Stability**
  Ample liquidity persists despite RBI's minor interventions to manage excess short-term funds. Bond yields are expected to stay range-bound in July, with minimal policy surprises anticipated and growing investor interest in long-duration bonds (30–40 year maturity, ~7% yield).
- **Market Outlook and Stability**
  The debt market is expected to stabilize through July, supported by sufficient liquidity, a cautious yet clear monetary trajectory, and no major global or domestic disruptions forecast in the near term.
- **Investment Opportunities by Time Horizon**
  - 1-month: Liquid funds are suitable.
  - 3-month: Money market funds offer value.
  - Medium-to-long term: Banking and PSU debt funds are attractive.
  - A ~100 bps spread between T-Bills and Commercial Paper adds appeal to short-duration strategies.

Source: Bloomberg, Internal Analysis.

SCHEME RECOMMENDATIONS

Bajaj Finserv Flexi Cap Fund

(An open ended equity scheme investing across large cap, mid cap and small cap stocks)

Understanding the source of Megatrends:

TECHNOLOGICAL	REGULATORY	ECONOMIC	NATURE	DEMOGRAPHIC	SOCIAL
Digitization & Tech Transformation	Resurgence of Indian Manufacturing	Financialization Infrastructure Boom	Green Consciousness and Sustainability Focus	Demographic Dividend	Health and Wellness Focus Consumerism & Urbanization

Investing in the megatrends with

BAJAJ FINSERV FLEXI CAP FUND

(An open ended equity scheme investing across large cap, mid cap, small cap stocks)

BAJAJ FINSERV

TECHNOLOGICAL | REGULATORY | ECONOMIC | NATURE | DEMOGRAPHIC | SOCIAL

Company Name	Trend	% to Net Assets
HDFC Bank Limited	T E	7.17%
Axis Bank Limited	T E	4.26%
Reliance Industries Limited	T R E N S	3.98%
State Bank of India	T E	3.45%
Aditya Birla Capital Limited	E S	3.25%
Tata Consultancy Services Limited	T	3.12%
Divi's Laboratories Limited	E	2.72%
GE Vernova T&D India Limited	R E	2.69%
Bajaj Finance Limited	E S	2.63%
Britannia Industries Limited	D S	2.53%
Multi Commodity Exchange of India Limited	E	2.52%
ICICI Bank Limited	T E	2.39%
Infosys Limited	T	2.38%
Jio Financial Services Limited	E	2.25%
Sobha Limited	E S	1.95%
Cummins India Limited	R E	1.92%
DLF Limited	E S	1.74%
Jubilant Foodworks Limited	T D S	1.65%
K.P.R. Mill Limited	R	1.47%
Hindustan Aeronautics Limited	R	1.40%
HDFC Life Insurance Company Limited	E S	1.36%
Radico Khaitan Limited	D S	1.30%
Hindustan Unilever Limited	D S	1.27%
Bharti Airtel Limited	T	1.22%
Havells India Limited	R S	1.21%
Affle 3i Limited	T D	1.21%
Can Fin Homes Limited	E S	1.17%

Company Name	Trend	% to Net Assets
PB Fintech Limited	T E S	1.17%
Sanofi Consumer Healthcare India Limited	D S	1.12%
UNO Minda Limited	R	1.11%
360 One WAM Limited	E S	0.99%
Ujjivan Small Finance Bank Limited	E	0.99%
Siemens Energy India Limited	R E	0.98%
Suzlon Energy Limited	R N	0.96%
GlaxoSmithKline Pharmaceuticals Limited	D S	0.91%
Hitachi Energy India Limited	R E N	0.90%
Sun Pharmaceutical Industries Limited	E D	0.86%
IDFC First Bank Limited	T E	0.84%
Dr. Lal Path Labs Limited	D S	0.83%
Mahindra & Mahindra Limited	N S	0.83%
HEG Limited	R N	0.80%
United Breweries Limited	D S	0.79%
Shaily Engineering Plastics Limited	R S	0.78%
Gillette India Limited	D S	0.77%
Neuland Laboratories Limited	E S	0.77%
Emcure Pharmaceuticals Limited	D S	0.74%
Go Digit General Insurance Limited	E	0.72%
Atul Limited	R	0.69%
SBI Life Insurance Company Limited	S	0.69%
Cera Sanitaryware Limited	E D	0.68%
Kajaria Ceramics Limited	R E S	0.67%
Schneider Electric Infrastructure Limited	R E	0.67%
Allied Blenders And Distillers Limited	D S	0.66%
Vinati Organics Limited	R	0.65%

Company Name	Trend	% to Net Assets
KSB Limited	N	0.63%
Landmark Cars Limited	S	0.63%
PNB Housing Finance Limited	E S	0.60%
Bharat Electronics Limited	R	0.59%
Pondy Oxides & Chemicals Ltd	N	0.58%
Metro Brands Limited	D S	0.55%
Alkem Laboratories Limited	D S	0.54%
V-Mart Retail Limited	D S	0.54%
Godrej Agrovet Limited	S	0.52%
SRF Limited	R E	0.50%
Swiggy Limited	T S	0.50%
Star Cement Limited	R E	0.50%
Amber Enterprises India Limited	R S	0.48%
Eternal Limited	T S	0.46%
MRF Limited	E S	0.43%
Neogen Chemicals Limited	R N	0.41%
Thomas Cook (India) Limited	S	0.40%
CRISIL Limited	R E	0.37%
FSN E-Commerce Ventures Limited	T D S	0.37%
Safari Industries (India) Limited	D S	0.28%
RHI Magnesita India Limited	R E	0.28%
Grindwell Norton Limited	R	0.27%
Restaurant Brands Asia Limited	D S	0.25%
Tech Mahindra Limited	T	0.24%
LTIMindtree Limited	T	0.23%
VA Tech Wabag Limited	R N	0.21%
Brainbees Solutions Ltd	D S	0.19%

● TECHNOLOGICAL ● REGULATORY ● ECONOMIC ● NATURE ● DEMOGRAPHIC ● SOCIAL

These 6 color dots represent each trend and the dots after each company's name represent it's presence in that particular trend wherever applicable. We have also shown % to Net Assets for each company. Data as on 30th June 2025.

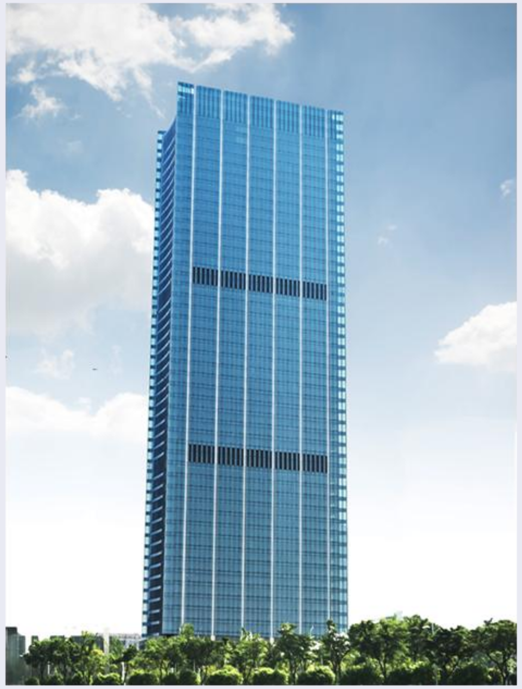
Bajaj Finserv Large Cap Fund

(An open ended equity scheme predominantly investing in large cap stocks)

Highly Concentrated portfolio with high conviction in stock selection

➕

High Active Share with aim to outperform the benchmark index over long-term



Bajaj Finserv
Large Cap Fund

BAJAJ FINSERV
LARGE CAP FUND

(An open ended equity scheme predominantly investing in large cap stocks)

July 2025

Company name	% to NAV	Underweight/Overweight -5 -4 -3 -2 -1 0 1 2 3 4 5
HDFC Bank Limited	7.77%	
State Bank of India	6.59%	
Reliance Industries Limited	6.28%	
ICICI Bank Limited	5.95%	
Larsen & Toubro Limited	4.75%	
DLF Limited	4.42%	
UltraTech Cement Limited	4.41%	
Bharat Electronics Limited	4.08%	
Aditya Birla Capital Limited	4.06%	
HDFC Life Insurance Company Limited	4.02%	
Kotak Mahindra Bank Limited	3.92%	
Divi's Laboratories Limited	3.72%	
Infosys Limited	3.62%	
Tata Steel Limited	3.50%	
United Spirits Limited	3.39%	

Company name	% to NAV	Underweight/Overweight -5 -4 -3 -2 -1 0 1 2 3 4 5
Bajaj Finance Limited	3.29%	
Adani Ports and Special Economic Zone Limited	2.98%	
Indus Towers Limited	2.78%	
Britannia Industries Limited	2.67%	
Sun Pharmaceutical Industries Limited	2.37%	
Maruti Suzuki India Limited	2.18%	
Havells India Limited	1.95%	
Tech Mahindra Limited	1.90%	
LTIMindtree Limited	1.88%	
Bharti Airtel Limited	1.58%	
Eternal Limited	1.48%	
Siemens Energy India Limited	1.05%	
Mahindra & Mahindra Limited	0.74%	
Hindustan Aeronautics Limited	0.71%	

Bajaj Finserv Large Cap Fund reflects a balanced yet growth-oriented approach with a strong emphasis on market leaders across diversified sectors. The core thesis focuses on long-term sustainability and market dominance.

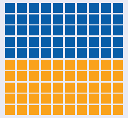
Blue-chip stock allocation
Preference for established market players with potential for returns in long term, even in volatile conditions.

Pharmaceuticals & insurance exposure
Highlights belief in healthcare and financial protection as critical for navigating uncertainties and sectoral resilience.

Consumer staples & telecom presence
Indicates belief in steady cash flow generation due to recurring demand, regardless of market disruptions.

Digital economy exposure
Reflects optimism in India's tech-driven transformation and future growth potential.

The fund's portfolio is strategically constructed on the back of high conviction investment ideas. Furthermore, the overall philosophy revolves around balancing defensive plays with selective growth opportunities, underpinned by quality, market leadership, and sectoral resilience.
The sequence, relationship and nature of trends in these assets helps understand and anticipate market movements driven by psychological factors, leading to more informed and effective investment decisions.
By integrating behavioural insights with fundamental analysis, our model offers a comprehensive approach to asset allocation, optimizing returns while managing risks.



Data as on 30th June 2025.

Active Share measures the percentage of stock holdings, based on weights (% to NAV) in a investment manager's portfolio that differs from the benchmark index.
- A low Active Share score is said to indicate that a portfolio manager is closely replicating the benchmark index and engaging in a passive investment strategy.
- A high Active Share score is said to indicate that a fund's holdings differ from the benchmark index and that the portfolio manager is actively managing it.

Active Share : 50% **Portfolio Overlap: 50%**

Bajaj Finserv Large and Mid Cap Fund

(An open ended equity scheme investing in both large cap and mid cap stocks)

Brand Strength

Example: **Baby Food.**

Unparalleled market recognition, trust, and consumer loyalty.

Cost Leadership

Example: **FMCG**

Strategic efficiency to produce at lower costs than rivals.

Network effect

Example: **Food Delivery**

More people use the product / services because more people use it.

Intellectual Properties

Example: **Pharma**

Ideas and creations that are legally owned and protected.

Switching Cost

Example: **Bank**

Makes it hard for customers to switch, keeping them loyal.

Economies of Scale

Example: **Telecom**

Cost savings when making more, leading to efficiency.

Unique Business Models

Example: **IoT**

Special ways companies work and create value for success.

Sources of Economic Moats* - Some Examples

*Based on Morningstar's "Why Economic Moats matter"

Fortifying your wealth with moat based investing

Bajaj Finserv
Large and Mid Cap Fund

(An open ended equity scheme investing in both large cap and mid cap stocks)

The Economic Moats safeguard businesses by shielding them from competitors, preserving their market share, and ensuring the long-term sustainability of profits.

MOATS

July 2025

Management | Cost Advantages | Network Effects | Efficient scale | Switching Cost | Intangible Assets Patent | Intangible Assets Brand | Intangible Assets Regulation

BAJAJ FINSERV

Company Name	Moat	% of NAV
HDFC Bank Limited	Switching Cost	4.95%
Reliance Industries Limited	Cost Advantages, Efficient Scale	3.19%
State Bank of India	Switching Cost, Intangible Assets Regulation	3.17%
Infosys Limited	Cost Advantages, Switching Cost	2.60%
ICICI Bank Limited	Switching Cost, Intangible Assets Regulation	2.53%
Aditya Birla Capital Limited	Cost Advantages	2.52%
UltraTech Cement Limited	Management, Cost Advantages	2.28%
Larsen & Toubro Limited	Cost Advantages, Efficient Scale	2.07%
Oberoi Realty Limited	Intangible Assets Brand	2.02%
CRISIL Limited	Efficient Scale	1.97%
Adani Ports and Special Economic Zone Limited	Network Effects, Efficient Scale, Switching Cost	1.92%
PB Fintech Limited	Network Effects, Efficient Scale	1.83%
City Union Bank Limited	Switching Cost	1.81%
Canara Bank	Switching Cost	1.75%
Tata Consultancy Services Limited	Cost Advantages, Switching Cost	1.74%
Dalmia Bharat Limited	Cost Advantages	1.73%
MRF Limited	Cost Advantages, Efficient Scale	1.72%
Divi's Laboratories Limited	Cost Advantages, Efficient Scale	1.69%
Aditya Birla Real Estate Limited	Intangible Assets Brand	1.67%
Jio Financial Services Limited	Management	1.67%
Sun Pharmaceutical Industries Limited	Intangible Assets Patent, Intangible Assets Brand	1.58%
GlaxoSmithKline Pharmaceuticals Limited	Intangible Assets Patent, Intangible Assets Brand	1.56%
ITC Hotels Limited	Intangible Assets Brand	1.54%
National Aluminium Company Limited	Cost Advantages	1.52%
Glenmark Pharmaceuticals Limited	Intangible Assets Patent, Intangible Assets Brand	1.51%
Tata Steel Limited	Cost Advantages	1.49%
UNO Minda Limited	Switching Cost	1.45%
Abbott India Limited	Intangible Assets Patent, Intangible Assets Brand	1.42%
Bajaj Finserv Limited	Management, Cost Advantages, Switching Cost, Intangible Assets Brand	1.40%
Jubilant Foodworks Limited	Efficient Scale, Intangible Assets Brand	1.40%
Siemens Energy India Limited	Cost Advantages, Efficient Scale	1.40%
Britannia Industries Limited	Intangible Assets Brand	1.35%
Computer Age Management Services Limited	Network Effects, Efficient Scale	1.34%
Multi Commodity Exchange of India Limited	Network Effects	1.33%
The Federal Bank Limited	Switching Cost	1.30%
United Spirits Limited	Intangible Assets Brand	1.27%
Hindustan Unilever Limited	Intangible Assets Brand	1.25%

Company Name	Moat	% of NAV
Hitachi Energy India Limited	Management, Intangible Assets Patent	1.23%
Bharat Heavy Electricals Limited	Cost Advantages, Efficient Scale	1.22%
Oracle Financial Services Software Limited	Switching Cost	1.20%
Hindustan Aeronautics Limited	Intangible Assets Regulation	1.19%
Alkem Laboratories Limited	Intangible Assets Patent	1.10%
Hindustan Zinc Limited	Cost Advantages, Efficient Scale	1.07%
Balkrishna Industries Limited	Cost Advantages	1.03%
Solar Industries India Limited	Efficient Scale	1.03%
Tata Consumer Products Limited	Intangible Assets Brand	1.00%
Indus Towers Limited	Cost Advantages, Intangible Assets Regulation	0.99%
Info Edge (India) Limited	Network Effects	0.98%
Havells India Limited	Management, Intangible Assets Brand	0.97%
Cipla Limited	Intangible Assets Patent, Intangible Assets Brand	0.96%
United Breweries Limited	Intangible Assets Brand	0.96%
Yes Bank Limited	Switching Cost	0.96%
Timken India Limited	Switching Cost, Intangible Assets Brand	0.92%
ZF Commercial Vehicle Control Systems India Limited	Intangible Assets Patent	0.87%
Schneider Electric Infrastructure Limited	Switching Cost, Intangible Assets Patent	0.82%
Berger Paints (I) Limited	Intangible Assets Brand	0.81%
ITC Limited	Intangible Assets Brand	0.71%
VIP Industries Limited	Intangible Assets Brand	0.69%
The Indian Hotels Company Limited	Intangible Assets Brand	0.66%
3M India Limited	Efficient Scale, Intangible Assets Patent	0.60%
Jindal Stainless Limited	Efficient Scale	0.58%
SRF Limited	Cost Advantages, Efficient Scale	0.55%
Emami Limited	Intangible Assets Brand	0.54%
Samhi Hotels Limited	Intangible Assets Brand	0.50%
Angel One Limited	Efficient Scale, Switching Cost	0.49%
Atul Limited	Cost Advantages, Efficient Scale	0.48%
Emcure Pharmaceuticals Limited	Intangible Assets Patent	0.47%
Page Industries Limited	Intangible Assets Brand	0.44%
Sanofi Consumer Healthcare India Limited	Intangible Assets Patent, Intangible Assets Brand	0.40%
Coromandel International Limited	Efficient Scale	0.30%
LTIMindtree Limited	Cost Advantages	0.28%
Tech Mahindra Limited	Cost Advantages	0.28%
ICICI Lombard General Insurance Company Limited	Management	0.20%
Akzo Nobel India Limited	Efficient Scale, Intangible Assets Brand	0.17%
Bharti Airtel Limited	Efficient Scale	0.14%

Management | Cost Advantages | Network Effects | Efficient Scale | Switching Cost | Intangible Assets Patent | Intangible Assets Brand | Intangible Assets Regulation

These 8 color boxes represent each Moat and the boxes after each company's name represent it's presence in that particular Moat wherever applicable. We have also shown % to Net Assets for each company. Data as on 30th June 2025.

Bajaj Finserv Multi Cap Fund

Benefit of contrarian strategy by investing in undervalued companies

Capitalizes on market sentiment and behavior biases, identifying unique growth opportunities

Disciplined diversification across market caps and sectors

Aim to capture growth across all market segments

Portfolio – Bajaj Finserv Multi Cap Fund

Data as on 30th June 2025.

Stock	Market Value as % of Net Asset (Eq)
HDFC Bank Limited	5.52%
Reliance Industries Limited	4.17%
Kotak Mahindra Bank Limited	3.41%
Bajaj Finserv Limited	3.06%
Shree Cement Limited	2.65%
Bharat Heavy Electricals Limited	2.31%
LTIMindtree Limited	2.26%
Aditya Birla Capital Limited	2.15%
City Union Bank Limited	2.03%
CRISIL Limited	1.93%
Canara Bank	1.90%
Axis Bank Limited	1.84%
SBI Life Insurance Company Limited	1.78%
Marico Limited	1.65%
Mahanagar Gas Limited	1.64%
Prestige Estates Projects Limited	1.60%
Tata Steel Limited	1.58%
Aditya Birla Sun Life AMC Limited	1.53%
Ujjivan Small Finance Bank Limited	1.48%
Asian Paints Limited	1.47%
Indus Towers Limited	1.45%
Zydus Wellness Limited	1.39%
ICICI Bank Limited	1.37%
United Spirits Limited	1.36%
Dalmia Bharat Limited	1.24%
Astral Limited	1.20%
Pfizer Limited	1.20%
CreditAccess Grameen Limited	1.15%
GlaxoSmithKline Pharmaceuticals Limited	1.12%
Vinati Organics Limited	1.11%
Yes Bank Limited	1.11%
SRF Limited	1.09%
ITC Hotels Limited	1.08%
Camlin Fine Sciences Limited	1.08%
Hindalco Industries Limited	1.04%
Central Bank of India	0.99%
K.P.R. Mill Limited	0.98%
Whirlpool of India Limited	0.97%
RHI Magnesita India Limited	0.96%
Can Fin Homes Limited	0.95%
Dr. Lal Path Labs Limited	0.95%
Bayer Cropscience Limited	0.94%
Bajaj Auto Limited	0.91%
AWL Agri Business Limited	0.91%
Honeywell Automation India Limited	0.89%
Westlife Foodworld Limited	0.88%
Maruti Suzuki India Limited	0.87%
Century Plyboards (India) Limited	0.86%
Cera Sanitaryware Limited	0.85%
Nestle India Limited	0.82%
HEG Limited	0.79%
Alembic Pharmaceuticals Limited	0.78%
ICICI Lombard General Insurance Company Limited	0.75%
3M India Limited	0.75%
LIC Housing Finance Limited	0.75%
Atul Limited	0.75%
Britannia Industries Limited	0.75%
Balrampur Chini Mills Limited	0.72%
VIP Industries Limited	0.72%
Motherson Sumi Wiring India Limited	0.68%
Navin Fluorine International Limited	0.68%
Garware Technical Fibres Limited	0.66%
JK Lakshmi Cement Limited	0.66%
Piramal Enterprises Limited	0.66%
Apollo Hospitals Enterprise Limited	0.65%
Havells India Limited	0.65%
Balkrishna Industries Limited	0.62%
Biocon Limited	0.60%
Restaurant Brands Asia Limited	0.59%
FSN E-Commerce Ventures Limited	0.52%
La Opala RG Limited	0.52%
Grindwell Norton Limited	0.50%
Hindustan Unilever Limited	0.46%
Sundram Fasteners Limited	0.45%
ICRA Limited	0.41%
Page Industries Limited	0.39%
Manappuram Finance Limited	0.39%
Orient Electric Limited	0.39%
PVR INOX Limited	0.34%
Berger Paints (I) Limited	0.33%
IPCA Laboratories Limited	0.30%
Deepak Nitrite Limited	0.28%
Teamlease Services Limited	0.27%
Akzo Nobel India Limited	0.26%
HDFC Asset Management Company Limited	0.23%
Total Equities	**96.93%**
Total Short Term Debt and Net Current Assets	**3.07%**
Grand Total	**100.00%**

Bajaj Finserv Balanced Advantage Fund

(An Open Ended Dynamic Asset Allocation Fund)

Asset Bucketing**

- Gross Equity* – (65-90)%
- Net Equity –(25-90)%
- Debt – (10-35)%

Behavioural Adjustment

Market Intrinsic Value

Rebalancing
Option of daily rebalancing

**Indicative allocation and this can change based on market conditions and investment opportunity available *Includes Net Equity & Arbitrage

The fund model will determine market's intrinsic value & make behaviour based adjustments. It will change the asset allocation accordingly and rebalance the portfolio from time to time.

Behavioural Factor

Factors	Interplay
Currencies	Certain currency pairs reveal the mood and the bias of the currency market whether they are in risk-on mode or are operating as safe haven.
Commodity	Studying commodities price movement between energy, industrial, precious, and soft commodities reveals the broad commodities view regarding the economy and the business outlook across the world.
Bond	Spread between the emerging and developed market; corporate bond and government securities; slope of the yield curve; captures the sentiment of bond traders and prevailing global liquidity.
Equity	Equity investors reveal their view and sentiment about the equity market through choices of market cap and position between different sectors.

Bajaj Finserv Multi Asset Allocation Fund

(An open ended scheme investing in equity and equity related instruments, debt & debt derivatives and money market instruments, Gold ETFs, Silver ETFs, exchange traded commodity derivatives and in units of REITs and InvITs)

Equity (35-80%)	Fixed Income (10-55%)	Commodities (10-55%)	Reit/InVITs (0-10%)
Dividend Yield Strategy	Dynamic Duration Management	Gold ETF/Silver ETF	Regular Income
Multi Theme & Multi Sector	Macro+Quant Inputs	Upside Potential-Inherent Demand	Diversification Asset Pool
Multicap Orientation with 30-50 Stocks	Quality Portfolio-Safety First Approach	Volatility Hedge of Equity	Opportunistic Approach

The strategy mentioned above is subject to the Scheme Information Document and the Fund Manager may decide on the allocation amongst various asset class at the time of investment.

Our Equity Strategy: Growth & Dividend Payout

Dividend Yield Explained

Profits Generated by a Company

Reinvested in Business for Future Growth

Dividend Paid Out

Buy Backs

Dividend Yield
Dividend Distributed/Common Stock Price

Features of Dividend Paying Companies

- Stable Business Models
- Sustainable Growth
- Accountable Management
- Low Volatility

BAJAJ FINSERV
MULTI ASSET ALLOCATION FUND

Power your Multi -Asset Allocation with Investing in Companies with **G**rowth & **D**ividend **P**ayout

July 2025

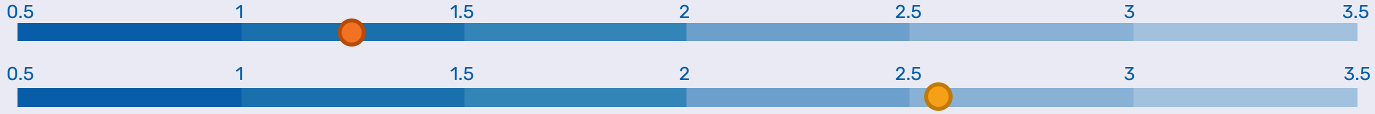
Growth | Dividend Payout

Company Name	% of Net Investment	Growth	Dividend Payout
HDFC Bank Limited	7.35%	■	■
ITC Limited	4.68%		■
Indus Towers Limited	4.59%	■	
State Bank of India	4.12%		■
Infosys Limited	2.77%		■
Hindustan Unilever Limited	2.54%		■
Indian Bank	2.41%		■
Tata Consultancy Services Limited	2.37%		■
GlaxoSmithKline Pharmaceuticals Limited	2.20%		■
Britannia Industries Limited	2.10%	■	■
GAIL (India) Limited	2.07%		■
NTPC Limited	2.04%		■
Bajaj Finserv Limited	1.89%	■	
Coal India Limited	1.68%		■
CRISIL Limited	1.68%	■	■
Power Grid Corporation of India Limited	1.51%		■
Tata Steel Limited	1.47%		■
Abbott India Limited	1.47%		■
Marico Limited	1.38%		■
CESC Limited	1.35%		■

Company Name	% of Net Investment	Growth	Dividend Payout
Canara Bank	1.22%	■	■
Mahanagar Gas Limited	1.15%		■
ITC Hotels Limited	1.14%	■	
Bayer Cropscience Limited	1.07%	■	■
HCL Technologies Limited	1.03%		■
Vedanta Limited	0.98%	■	■
Sanofi Consumer Healthcare India Limited	0.95%	■	■
Hindustan Zinc Limited	0.92%		■
VIP Industries Limited	0.86%	■	
HDFC Asset Management Company Limited	0.84%	■	■
Oracle Financial Services Software Limited	0.80%	■	■
National Aluminium Company Limited	0.75%	■	■
Gillette India Limited	0.66%	■	■
Central Bank of India	0.64%	■	
Cummins India Limited	0.64%	■	■
Emami Limited	0.63%		■
Akzo Nobel India Limited	0.48%	■	■
ICRA Limited	0.44%	■	■
Manappuram Finance Limited	0.25%	■	■

Nifty Dividend Yield 1.25%

Portfolio Dividend Yield 2.58%



Debt Quants*

	YTM	Average Maturity	Macaulay Duration	Modified Duration
Bajaj Finserv Multi Asset Allocation Fund	7.52%	2.83 Years	2.62 Years	2.43 Years

*For the debt portion of the portfolio

Fund Strategy

Asset class	Equity Allocation	Fixed Income Allocation	Gold Allocation
Approx allocation	~70%	~20%	~10%
Asset class strategy	- Growth oriented stock selection - High Dividend Paying stock	- Dynamic Duration Management - High Credit Quality Instruments	- Opportunistic position - Hedge against volatile equity markets

Data as on 30th June 2025.

OUR INVESTMENT PHILOSOPHY

Our Investment Philosophy

BAJAJ FINSERV

INQUBE

INFORMATION EDGE

- Outperform the market on superior information collection

QUANTITATIVE EDGE

- Outperform the market on processing information better
- Quant models, Analytical models

BEHAVIORAL EDGE

- Outperform the market by better decision making
- Take advantage of crowd over-reaction and underreaction
- Reduces one’s own behavioral pitfalls

BAJAJ FINSERV

Hunting Ideas

Cycles

TOP-DOWN IDEAS

ECONOMY

ECONOMY

INDUSTRY

INDUSTRY

COMPANY

COMPANY

BOTTOM-UP IDEAS

Behavioral Screening

Analysing Ideas

- Business
- Management
- Valuation

Checklist

Pre-mortem

Allocating

Journal

- Size
- Quality
- Value
- Growth
- Risk

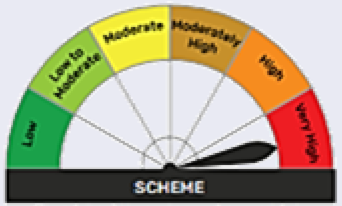
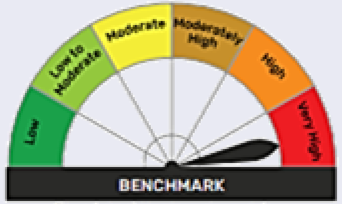
Quant

Pre-commitment

Risk-o-meter and Product Label.

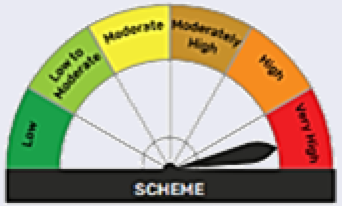
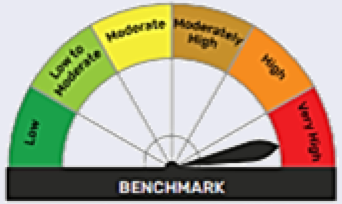
Bajaj Finserv Flexi Cap Fund

An open ended equity scheme investing across large cap, mid cap, small cap stocks.

	SCHEME RISK-O-METER	BENCHMARK RISK-O-METER
This product is suitable for investors who are seeking*: • Wealth creation/capital appreciation over long term • Investment in equity and equity related instruments across large cap, mid cap and small cap stocks *Investors should consult their financial advisers if in doubt about whether the product is suitable for them	 The risk of the scheme is very high	 The risk of the benchmark i.e. BSE 500 TRI is very high

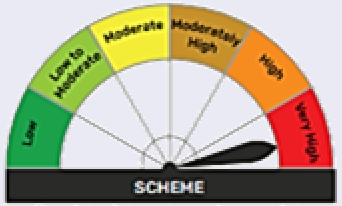
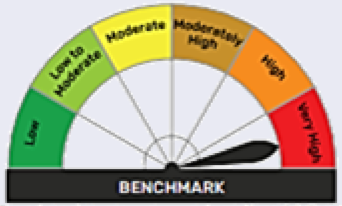
Bajaj Finserv Large and Mid Cap Fund

An open ended equity scheme investing in both large cap and mid cap stocks

	SCHEME RISK-O-METER	BENCHMARK RISK-O-METER
This product is suitable for investors who are seeking*: • Wealth creation over long term • Open ended equity scheme investing in both large cap and mid cap stocks *Investors should consult their financial advisers if in doubt about whether the product is suitable for them	 The risk of the scheme is very high	 The risk of the benchmark i.e. Nifty Large Midcap 250 TRI is very high

Bajaj Finserv Large Cap Fund

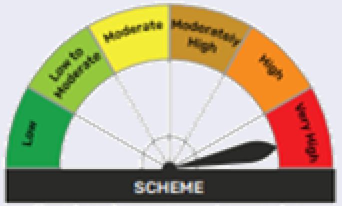
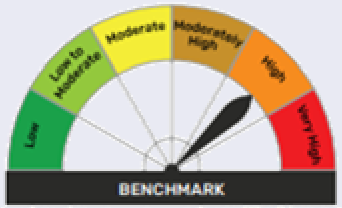
An open ended equity scheme predominantly investing in large cap stocks

	SCHEME RISK-O-METER	BENCHMARK RISK-O-METER
This product is suitable for investors who are seeking*: • wealth creation over long term • to invest predominantly in equity and equity related instruments of large cap companies *Investors should consult their financial advisers if in doubt about whether the product is suitable for them	 The risk of the scheme is very high	 The risk of the benchmark i.e. Nifty 100 Total Return Index (TRI) is very high

Risk-o-meter and Product Label

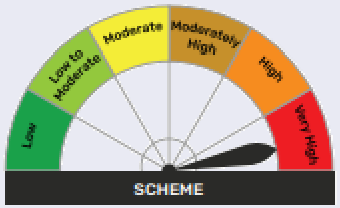
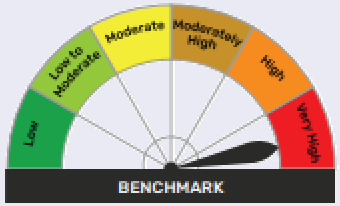
Bajaj Finserv Balanced Advantage Fund

An Open Ended Dynamic Asset Allocation Fund

	SCHEME RISK-O-METER	BENCHMARK RISK-O-METER
This product is suitable for investors who are seeking*: • To generate wealth creation over long term • Dynamic asset allocation between equity and equity related instruments including derivatives, and fixed income instruments *Investors should consult their financial advisers if in doubt about whether the product is suitable for them	 The risk of the scheme is very high	 The risk of the benchmark i.e. NIFTY 50 Hybrid Composite debt 50:50 Index is high

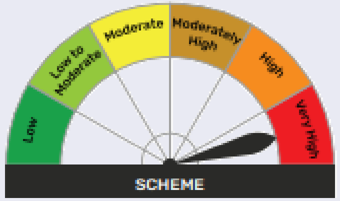
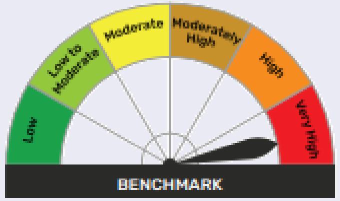
BAJAJ FINSERV MULTI ASSET ALLOCATION FUND

An open ended scheme investing in equity and equity related instruments, debt & debt derivatives and money market instruments, Gold ETFs, Silver ETFs, exchange traded commodity derivatives and in units of REITs and InvITs

	SCHEME RISK-O-METER	BENCHMARK RISK-O-METER
This product is suitable for investors who are seeking*: • Income generation from fixed income instruments • Wealth creation/Capital appreciation over long term from investments in equity and equity related securities, Gold ETFs, Silver ETFs, exchange traded commodity derivatives (ETCD) and in units of REITs & InvITs *Investors should consult their financial advisers if in doubt about whether the product is suitable for them	 The risk of the scheme is very high	 The risk of the benchmark i.e. 65% Nifty 50 TRI + 25% NIFTY Short Duration Debt Index + 10% Domestic Prices of Gold is very high

Bajaj Finserv Multi Cap Fund

An open ended equity scheme investing across large cap, mid cap, small cap stocks

	SCHEME RISK-O-METER	BENCHMARK RISK-O-METER
This product is suitable for investors who are seeking*: • wealth creation over long term • to invest predominantly in equity and equity related instruments of large cap, mid cap, small cap companies. *Investors should consult their financial advisers if in doubt about whether the product is suitable for them	 The risk of the scheme is Very High	 The risk of the benchmark i.e. Nifty 500 Multicap 50:25:25 TRI is Very High

Disclaimer

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Mutual Fund investments are subject to market risks, read all scheme related documents carefully.