Monthly Newsletter · February 2026

PL Strategies Demonstrate Resilience & Outperformance Despite Geopolitical Turbulence

A disciplined, quantitative approach continues to deliver alpha across market cycles — even as geopolitical escalation, rising crude and global risk-off sentiment tested portfolio resilience through February 2026.

01 · Global Markets | 02 · Domestic Markets | 03 · Quant Insights | 04 · Outlook & Views | 05 · Quartile Rankings | 06 · AQUA Strategy | 07 · MADP Strategy

METRIC GUIDE
CAGR — annualised compounded return (>1 year)
Absolute — point-to-point return (<=1 year)
Volatility — annualised std. dev. of daily returns

01 · GLOBAL MARKETS

Markets in February 2026

Asia led on technology and AI supply chain strength; US cautious on higher-for-longer rates; commodities surged on Middle East escalation

ASIA-PACIFIC

Korea, Taiwan & Japan led global returns

KOSPI +19.5%, Taiwan +10.5%, Nikkei +10.4% — strong tech and AI supply chain flows toward emerging markets drove standout outperformance.

COMMODITIES

Strait of Hormuz disrupts crude; metals rally

West Asia conflict pushed **Brent above $114/bbl** (+~30% weekly). **Gold +7.8%, Silver +10.1%** on safe-haven demand and supply disruption concerns.

UNITED STATES

Fed holds; modest gains amid caution

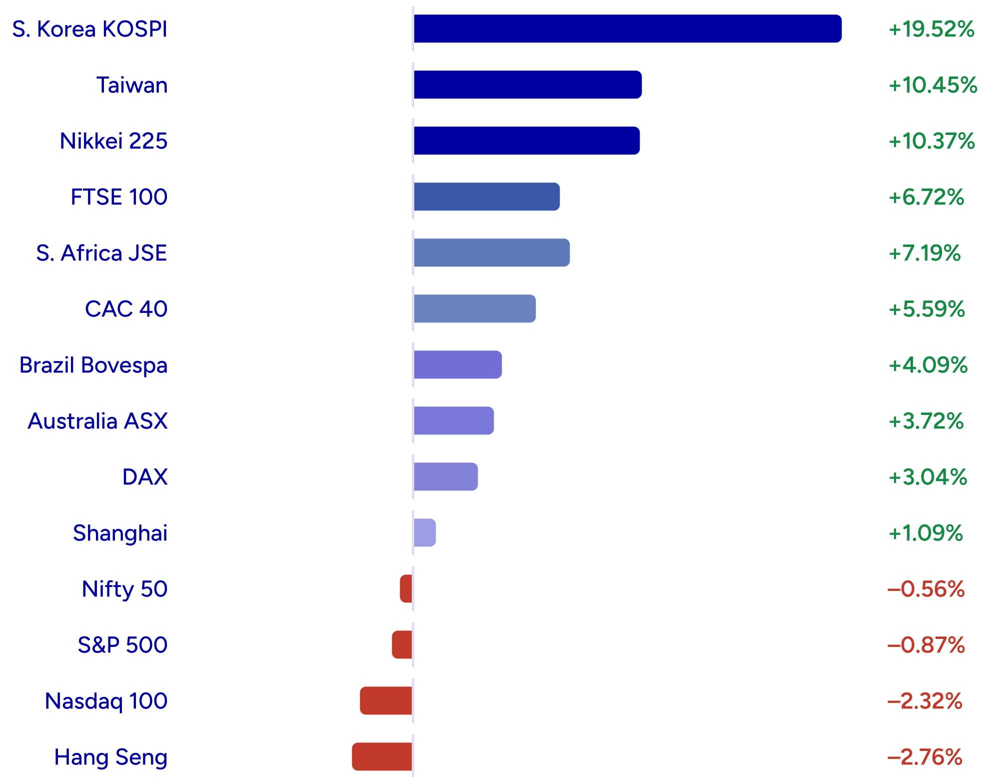
Higher-for-longer Fed stance weighed on risk appetite. **S&P 500 –0.87%, Nasdaq 100 –2.32%** as rate cut expectations were pushed further out.

EUROPE

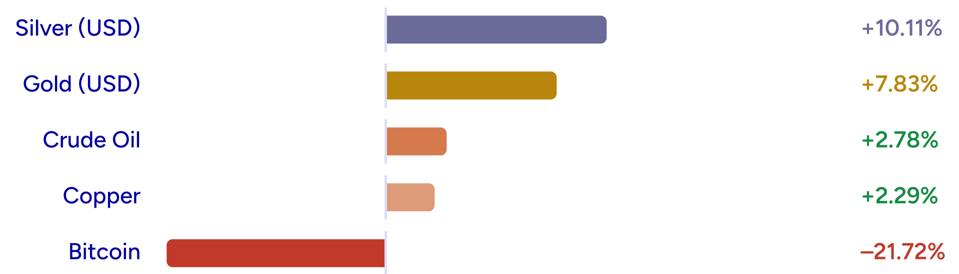
European Equities Strengthen as Inflation Cools

European equities held firm. **FTSE 100 +6.7%, DAX +3.0%, CAC 40 +5.6%** as easing inflation provided a constructive policy backdrop.

1-MONTH RETURNS — GLOBAL EQUITIES (%)



1-MONTH RETURNS — COMMODITIES (%)



BOND YIELDS (%)

INDEX	FEB '25	JAN '26	FEB '26	CHANGE MOM
US 10Y	4.27%	4.23%	3.96%	–0.27%
US 2Y	4.06%	3.57%	3.39%	–0.18%

CURRENCIES & DXY

INDEX	LATEST	1M	12M
USD/INR	90.98	–1.10%	+4.33%
DXY	97.61	+0.64%	–8.99%

Source: PL | Data till 28 February 2026

02 · DOMESTIC MARKETS

India Macro & Market Update

Resilient macros and supportive domestic liquidity cushion geopolitical headwinds

7.8%
Q3 FY26 GDP growth
YoY · FY26 projected: 7.6%

56.9
Manufacturing PMI
Feb '26 ↑ from 55.4 · >50 = expansion

3.21%
CPI inflation
YoY · prev 2.75% · expected 2.9%

5.25%
RBI repo rate
Policy rate · post recent cut

Strong growth momentum: Q3 GDP grew 7.8% with FY26 projected at 7.6%. Private consumption expanded 8.7% and manufacturing grew 13.3%, while inflation remains comfortably within the RBI's 2–4% tolerance band.

Bond Yields Rise on Global Trends and Supply Expectations: Indian bond yields edged higher, with the 10-year G-Sec at ~6.70%, driven by global yield trends and elevated supply expectations. Near-term pressures persist, but supportive macro fundamentals and liquidity are likely to keep yields broadly range-bound.

Geopolitical energy risk: US–Israel strikes on Iran on 28 Feb raised fears of Strait of Hormuz disruption — handling ~20% of global oil supply and 80%+ of Asia's imports. Higher crude elevates India's current account and inflation risks.

Domestic Liquidity Held Firm Amid Sustained FII Outflows: FIIs net sold ₹6,640 crore. DIIs countered strongly with ₹38,423 crore in purchases. Continued SIP inflows anchored domestic equity stability despite foreign outflows.

Valuation opportunity emerging: The correction has brought Nifty PE 5.6% below its 5-year average — a trailing Price-to-Earnings multiple vs. historical mean, improving the medium-term risk-reward for equity investors.

Trade deals & Budget 2026 strengthen growth outlook: India–US tariff cut (50%→18%), India–EU FTA and ₹12.2L cr infra outlay boost export competitiveness, open new markets and accelerate the domestic capex cycle.

INDIAN INDEX RETURNS

INDEX	1M	3M	6M	12M
Nifty 50	–0.56%	–3.91%	3.08%	13.80%
Nifty 500	0.38%	–3.20%	3.13%	16.53%
Midcap 150	1.66%	–2.45%	5.29%	23.08%
Smallcap 250	0.75%	–5.09%	–3.79%	3.01%
500 Equal Weight	1.39%	–3.68%	–0.77%	17.52%

SECTOR ROTATION

Outperformed: Energy · PSU Banks · Defence · Auto · Metals — domestic capex and infrastructure-linked sectors led on government spending and credit growth.

Underperformed — IT (–20%): Sharpest correction since the GFC. Global tech spending uncertainty and

AI-driven structural shifts drove the sell-off.

Source: PL | Data till 28 February 2026

03 · QUANT INSIGHTS

Narrow Participation with Scope for Recovery

Breadth indicators remain weak, but proprietary signals point toward a stabilisation phase

MARKET BREADTH   % OF NIFTY 500 STOCKS

31.3%
Above 50-day EMA

25.4%
Above 200-day EMA

32.5%
Near 52-wk highs
↑51% during February

47.3%
Outperforming Nifty 500
12-month rolling returns

PROPRIETARY SIGNALS

Senti-Meter — Recovery
Recovering from cycle trough on macro data

Value-Meter — Attractive
Market in attractive zone; scope for re-rating

India vs Gold / Silver — Favorable
Near multi-cycle lows — historically favorable entry

FACTOR PERFORMANCE — FEBRUARY 2026

FACTOR	1M	3M	6M	9M	12M
Value ★	5.54%	12.52%	24.18%	21.90%	40.33%
Momentum	3.10%	−4.42%	4.30%	−0.19%	16.65%
Low volatility	1.91%	−0.35%	5.34%	7.45%	16.60%
High beta	0.18%	−4.55%	9.37%	1.72%	26.64%
Quality	−1.81%	−4.86%	−1.51%	−5.83%	3.38%

Key insight: Value and low volatility led February as rotation favored defensive and cyclical segments. Quality — typically a safe harbour — underperformed amid earnings divergence. This dominant factor signal directly supports AQUA's current positioning tilt.

Source: PL | Data till 28 February 2026

04 · OUTLOOK & VIEWS

Market Outlook — Opportunities & Risks

Positioning for India's medium-term structural growth while managing elevated macro risks

CONSTRUCTIVE VIEWS

MEDIUM-TERM OPPORTUNITY

Domestic capex & infrastructure cycle

Budget 2026's **₹12.2L crore infrastructure outlay** and improving credit growth reinforce India's structural growth story across capital goods, industrials and defence.

VALUATION SIGNAL

Correction creates entry points

Nifty PE is **5.6% below its 5-year mean**. India equities near multi-cycle lows vs gold and silver — historically a compelling medium-term entry signal.

SECTOR PREFERENCE

Overweight domestic cyclicals

Energy, metals, auto, PSU banks and defence. **Underweight IT** given structural AI headwinds and global tech spending slowdown uncertainty.

NEAR-TERM CATALYST

KEY RISKS TO WATCH

EARNINGS RISK

Trailing valuations could mislead

If earnings compress on elevated energy costs and margin pressure, forward valuations could quickly appear expensive. Do not mistake cheap trailing multiples for safety.

INFLATION & RATES

Inflation likely bottomed; rates may firm

CPI has risen to 3.21% (prev 2.75%, above the 2.9% estimate), signalling inflation may have bottomed. Crude prices, rupee weakness and disrupted supply chains are all inherently inflationary — a firmer rate environment would pressure equity multiples.

CURRENCY & FLOWS

Rupee weakness & FII outflows

Persistent FII outflows could widen the current account deficit, amplify imported inflation and create a self-reinforcing cycle of rupee depreciation.

India–US trade deal: tariffs 50% → 18%

Materially improves export competitiveness across pharma, textiles, electronics and engineering goods — with immediate earnings impact across key export-oriented sectors.

STRUCTURAL POSITIVE

India–EU Free Trade Agreement

Opens preferential access to one of the world's largest consumer markets. Earnings impact expected from FY27 across manufacturing, chemicals, textiles and auto components.

MACRO DETERIORATION RISK

India's macro picture could turn adverse

A confluence of risks — rising crude, a weaker rupee, slower global growth, disrupted logistics chains, and tighter global financial conditions — could together push India's fiscal deficit wider, slow GDP growth, and erode the macro tailwinds currently supporting market confidence. This scenario demands vigilance, not complacency.

The risk feedback loop: Elevated crude → imported inflation + margin compression → earnings downgrades → forward valuations re-rate higher → FII outflows accelerate → rupee weakens further → cycle reinforces itself. India's structural resilience is real, but the current environment demands disciplined risk management over complacent optimism.

FUND MANAGER'S PERSPECTIVE — MR. SIDDHARTH VORA

The evolving global geopolitical landscape is shaping a new world order and a distinctly different macro and market regime, marked by elevated uncertainty, weak global liquidity, and limited earnings visibility. Rising crude and gas disruptions are likely to keep inflation firm, interest rates higher for longer, and pressure fiscal deficits and currency stability, with the rupee remaining vulnerable. While valuations may appear attractive, they risk becoming expensive if earnings are impacted by higher input, energy, logistics, and financing costs.

In this environment, sentiment remains fragile and both foreign flows and domestic liquidity need close monitoring. Markets are likely to stay reactive to developments in geopolitics and energy prices, with supply chain disruptions persisting. Navigating this cycle requires sharp sector selection and disciplined risk and cash management, with a preference for large caps and factors such as value, quality, and low volatility.

Sectorally, **metals, energy, pharma, industrials, autos, and PSU financials** stand out, alongside domestically oriented businesses with relatively insulated growth. **Gold remains an important allocation hedge.** While near-term volatility may remain high, such corrections typically reset markets and create attractive entry opportunities for long-term investors through calibrated value buying.

05 · PEER RANKINGS

Quartile 1 Dominance — AQUA & MADP

Consistently ranked Quartile 1 across PMS & mutual fund benchmarks across all time periods

AQUA · ADAPTIVE. QUANTITATIVE. UNBIASED. ALPHA.

QUARTILE RANKING ACROSS PMS INDUSTRY

PERIOD	ALL PMS	QUANT PMS	FLEXI CAP PMS	MULTI CAP PMS	TOP 50 PMS BY AUM
1 Month	1	1	1	1	1
3 Month	1	1	1	1	1
6 Month	1	1	1	1	1
1 Year	1	1	1	1	1

QUARTILE RANKING ACROSS MF INDUSTRY

PERIOD	ALL EQUITY MF	QUANT MF	FLEXI CAP MF	MULTI CAP MF	TOP 50 MF BY AUM
1 Month	1	1	1	1	1
3 Month	1	1	1	1	1

PERIOD	ALL EQUITY MF	QUANT MF	FLEXI CAP MF	MULTI CAP MF	TOP 50 MF BY AUM
6 Month	1	1	1	1	1
9 Month	1	1	1	1	1
1 Year	1	1	2	2	2

MADP · MULTI ASSET DYNAMIC PORTFOLIO

QUARTILE RANKING ACROSS PMS INDUSTRY

PERIOD	ALL PMS	MULTI-ASSET PMS	MULTI CAP PMS	TOP 50 PMS BY AUM
1 Month	1	1	1	1
3 Month	1	2	1	1
6 Month	1	2	1	1
1 Year	1	1	1	1

QUARTILE RANKING ACROSS MF INDUSTRY

PERIOD	ALL MF (MULTI-ASSET & EQUITY)	ALL EQUITY MF	ALL MULTI-ASSET MF	MULTI CAP MF
1 Month	1	1	1	1
3 Month	1	1	2	1
6 Month	1	1	2	1
1 Year	1	1	2	1

Key investor takeaway: AQUA ranks Quartile 1 across all PMS categories from 1 Month to 1 Year. MADP ranks Quartile 1 in most PMS categories for every period from 1 Month to 1 Year. Both strategies have consistently outperformed peers — demonstrating robust alpha generation in volatile markets.

Rankings based on data as on 31 January 2026.

AQUA Strategy

ADAPTIVE · QUANTITATIVE · UNBIASED · ALPHA

+2.31%

February 2026 · vs +0.45% benchmark

06 · AQUA STRATEGY

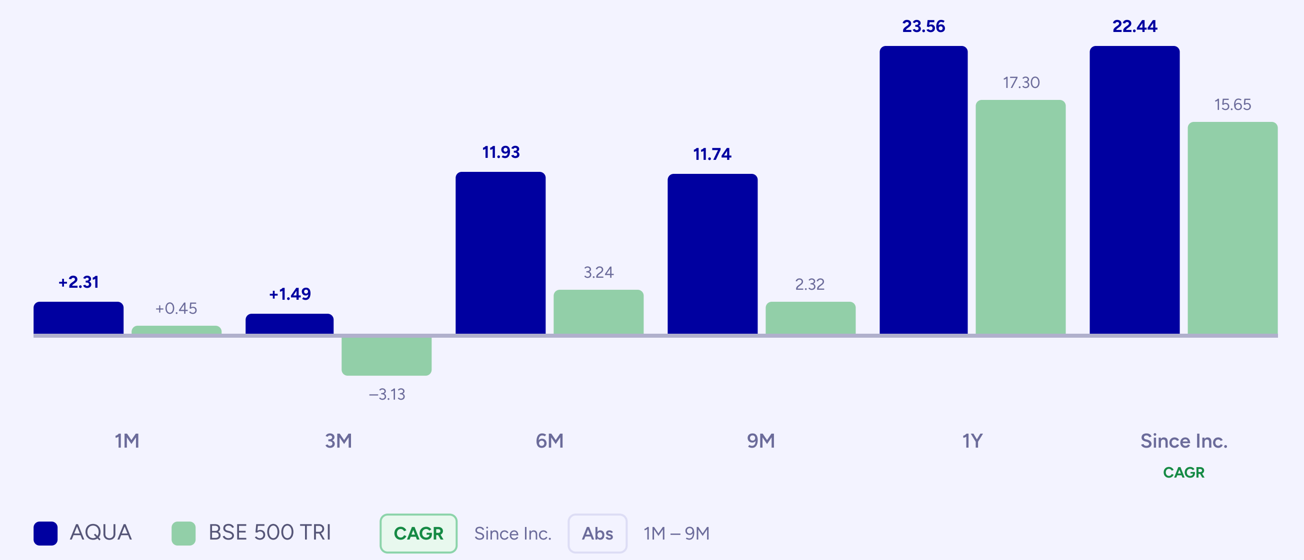
Performance & Portfolio — February 2026

Open-ended · Benchmark: BSE 500 TRI · Manager: Mr. Siddharth Vora · Inception: 12 June 2023 · Horizon: 5 Years+

SINCE INCEPTION RETURN (ANN.)	BENCHMARK (SINCE INCEPTION)	ALPHA SINCE INCEPTION (ANN.)
22.44% CAGR	15.65% CAGR	+6.79%
MAX DRAWDOWN	**SHARPE / SORTINO**	**STD DEV / BETA**
–26.04% PEAK-TO-TROUGH	0.79 / 0.86 RISK-ADJ.	18.06% / 1.18 VOLATILITY

February highlights: AQUA delivered **+2.31%** returns in February 2026, significantly outperforming the BSE 500 TRI (+0.45%), while maintaining consistent Quartile-1 rankings across both PMS and mutual fund peer universes over the 1-, 3-, 6-, and 12-month periods. The outperformance was driven by disciplined factor positioning, with a strong tilt toward Value (+5.54%), while Low Volatility exposure helped maintain stability during market turbulence. The portfolio maintained a large- and mid-cap orientation (49% large caps, 33% mid caps), with minimal small-cap exposure (9%) and 8% cash reflecting dynamic cash management. Sector positioning favored metals, PSU banks, auto, energy and industrials, which outperformed during the month, while underweight exposure to IT and FMCG supported alpha generation. Since inception, AQUA has delivered annualized returns of **22.44% versus 15.65%** for the benchmark.

RETURNS VS BENCHMARK (BSE 500 TRI)



WHAT DROVE OUTPERFORMANCE

① MARKET CAP

Large & mid cap orientation added alpha

Large caps (49%) and mid caps (33%) outperformed. Less than 10% small cap exposure limited drag. 8% cash buffer reduced downside participation in volatile patches.

② STYLE / FACTOR

Value & low volatility tilts rewarded

Value returned **+5.54%** — strongest single factor contributor. Quality underperformed (–1.81%); AQUA's underweight was a further alpha source.

③ SECTOR POSITIONING

Overweights outperformed; underweights fell

OW: Metals, PSU banks, auto, energy, industrials. **UW:** IT fell ~20% — not owning IT was itself a significant alpha source this month.

PORTFOLIO — FEBRUARY 2026

● Large 49% ● Mid 33% ● Small 9% ● Cash 8%

TOP 5 HOLDINGS — LIVE AS OF FEB 2026

ENGINERSIN	+29%
CUMMINSIND	+20%
MOTHERSON	+17%
BANKINDIA	+16%
BANKBARODA	+16%

SECTOR ALLOCATION — AQUA VS BENCHMARK

- Materials 28% vs 8.44%
- Financials 16% vs 26.48%
- Industrials 13% vs 9.59%
- Auto 12% vs 7.89%
- Energy 8% vs 6.93%
- Cash 8% vs 0%
- Healthcare 6% vs 6.06%
- Cons. Disc. 3% vs 3.17%
- IT 2% ▼ vs 8.79%
- Cons. Staples 0% ▼ vs 8.85%
- Realty 0% ▼ vs 1.36%

PERFORMANCE ACROSS MARKET CYCLES

CUMULATIVE ABSOLUTE RETURN

BULL PHASE · TO JUN '24	SIDEWAYS · JUL–DEC '24	BEAR · DEC '24–FEB '25	RECOVERY · FEB '25–NOW
+76%	–2%	–19%	+24%
vs +38% benchmark	vs –1% benchmark	vs –11% benchmark	vs +17% benchmark

CALENDAR YEAR PERFORMANCE

PERIOD	AQUA	BENCHMARK
CY 2023	45.22%	22.69%
CY 2024	18.74%	15.81%
CY 2025	–1.09%	4.04%
CY 2026 YTD	1.66%	–2.90%

FINANCIAL YEAR PERFORMANCE

PERIOD	AQUA	BENCHMARK
FY 2023–24	53.26%	28.20%
FY 2024–25	–2.24%	5.96%
FY 2025–26 YTD	15.74%	9.31%

Returns net of expenses, fees and associated costs. Source: PL | Data till 28 February 2026.

MADP Strategy

MULTI ASSET DYNAMIC PORTFOLIO · ALL-WEATHER

+0.67%

February 2026 · vs +0.58% benchmark

07 · MADP STRATEGY

Performance & Portfolio — February 2026

Open-ended · Benchmark: Nifty Multi Asset Index · Manager: Mr. Siddharth Vora · Inception: 7 June 2021 · Horizon: 5 Years+

3-YEAR ANNUALIZED RETURN 17.48% CAGR	BENCHMARK (3-YEAR) 13.89% CAGR	3-YEAR ALPHA (ANNUALISED) +3.59%
MAX DRAWDOWN –13.79% PEAK-TO-TROUGH	SHARPE / SORTINO (3-YEAR) 0.73 / 0.76 RISK-ADJ.	STD DEV / BETA 9.41% / 1.05 VOLATILITY

February highlights: MADP delivered **+0.67%** returns in February 2026, outperforming its benchmark return of 0.58%, while maintaining strong Quartile-1 rankings across both PMS and mutual fund peer universes over the 1-, 3-, 6-, 9- and 12-month periods. The strategy continued to follow its disciplined multi-asset allocation framework, with gold allocation at 34% not only contributing to returns but also cushioning portfolio volatility by diversifying equity risk during a period marked by macro and geopolitical uncertainty. From a risk perspective, MADP has maintained strong stability since inception, with volatility of **7.95%**, significantly lower than the Nifty 50 (10.98%) and gold (14.34%). Over the past three years, MADP has delivered annualized returns of **17.48%**, outperforming the benchmark return of 13.89%.

RETURNS VS BENCHMARK (NIFTY MULTI ASSET INDEX)

7.95% MADP portfolio volatility **28% lower than Nifty 50** Annualised std. dev. of daily returns — lower = smoother ride	**10.98%** Nifty 50 volatility Annualised std. dev. of daily returns — market reference	**14.34%** Gold standalone volatility **MADP is 45% lower** Annualised std. dev. of daily returns — gold is high-risk alone

> MADP delivers competitive returns with significantly less volatility through disciplined cross-asset diversification across equities, gold and liquid instruments.

ASSET ALLOCATION — FEBRUARY 2026

- Large cap equity 34%
- Gold 34%
- Small cap equity 19%
- Mid cap equity 13%

TOP HOLDINGS — FEB 2026 RETURNS

JUNIORBEES	+2.86%
NIFTY MIDCAP 150	+1.99%
GOLDBEES	+0.37%
MIDSMALL 400 MOM QUAL 100	+0.23%
NIFTYBEES	–0.50%
SMALL 250 MOM QUAL 100	–0.52%

QUARTERLY PERFORMANCE — LAST 7 QUARTERS

QUARTER	MADP	BENCHMARK
FY24–25 Q2	5.17%	5.12%
FY24–25 Q3	–6.30%	–3.13%
FY24–25 Q4	–2.10%	–1.26%
FY25–26 Q1	9.81%	7.15%
FY25–26 Q2	1.10%	0.09%
FY25–26 Q3	6.26%	3.45%
FY25–26 Q4 QTD	4.26%	–0.59%

Returns net of expenses, fees and associated costs. Source: PL | Data till 28 February 2026.

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