

Market Outlook

For
January 2026



2025 – A year of resilience amid chaos while CY26 offers hope

The global equity landscape in 2025 demonstrated exceptional resilience against a backdrop of heightened uncertainty. Geopolitical tensions dominated headlines, with markets navigating the complexities of three simultaneous conflicts—Russia-Ukraine, Israel-US-Iran, and India-Pakistan. Adding to the volatility, the introduction of “Trump Tariffs” disrupted global trade flows and amplified investor anxiety.

Despite these headwinds, global equity markets delivered a stellar performance, propelled by a transformative AI-driven rally. Artificial Intelligence emerged as a key growth catalyst, reshaping corporate strategies and unlocking new revenue streams across sectors—from technology and healthcare to financial services and manufacturing. Investor enthusiasm for AI-related innovation fuelled a surge in valuations, particularly in companies leading advancements in generative AI, automation, and data analytics.

This optimism was further supported by robust corporate earnings, resilient GDP growth, and signs of de-escalating geo-political tensions towards the later part of the year. Strategic trade agreements further stabilized cross-border commerce, while major central banks adopted a dovish monetary stance to sustain economic momentum. The US Fed pivot toward accommodative policy in the second half of the year reinforced risk appetite, driving liquidity into equity markets globally. Similar easing measures in Europe and parts of Asia (ex-Japan) amplified the momentum, creating a synchronized rally across developed and emerging markets.

In essence, 2025 underscored the market’s ability to adapt and thrive amid adversity—where geopolitical turbulence coexisted with technological breakthroughs, and resilience was powered by innovation.

In that context, Indian market performance if looked in isolation was decent with Nifty 50 delivering double digit returns however, when we compare to global markets the performance has been rather subpar. It had its fair share of reasons for underperformance. Firstly, stretched valuations, decelerating earnings growth and lack of AI plays which collectively prompted FIIs to reallocate capital toward markets offering stronger growth narratives. Additionally, persistent equity supply through a steady stream of IPOs, promoter stake sales, and large block deals acted as a headwind for the market, capping potential upside.

A deeper dive into the performance of Indian markets reveals an even starker picture: median returns for Nifty 500 constituents stood at -3.5%, underscoring the concentration of gains in a handful of large-cap names. While equity markets struggled, India’s macroeconomic fundamentals remained broadly resilient, supported by robust GDP growth and benign inflation for most of the year.

Exhibit 1: World Indices Returns CY25 (%)

Country	Index Name	CY25 Returns
South Korea	KOSPI Index	75.6%
Brazil	BRAZIL IBOVESPA Index	34.0%
Italy	FTSE MIB Index	31.5%
MSCI EM Index	MSCI EM	30.6%
Hong Kong	HANG SENG Index	27.8%
Japan	NIKKEI 225	26.2%
Taiwan	TAIWAN TAIEX Index	25.7%
Germany	DAX Index	23.0%
Indonesia	JAKARTA COMPOSITE Index	22.1%
UK	FTSE 100 Index	21.5%
MSCI ALL Country World Index	MSCI ACWI	20.6%
US	NASDAQ COMPOSITE	20.4%
China	SHANGHAI SE COMPOSITE	18.4%
US	S&P 500 Index	16.4%
US	DOW JONES INDUS. AVG	13.0%
India	Nifty 50	10.5%
France	CAC 40 Index	10.4%
India	NIFTY Midcap 100	5.7%
India	NIFTY Smallcap 100	-5.6%

On the downside, the imposition of a 50% tariff by the U.S. on Indian goods exerted significant pressure on exports. Although trade negotiations have reached advance stage, a formal agreement remains elusive. This tariff-related strain, coupled with persistent—albeit moderating—FII outflows, widened the external deficit and pushed the Indian rupee beyond the ₹90 mark against the U.S. dollar, adding another layer of complexity to the economic landscape.

The government and the RBI acted decisively to counter slowing economic momentum and restore growth. On the fiscal side, the government implemented significant measures, including income tax reductions and broad-based GST rate cuts, to boost consumption and ease the burden on households and businesses. Meanwhile, benign inflation conditions provided the RBI with room to adopt an accommodative stance, resulting in cumulative policy rate cuts of 125 bps. Importantly, while 2024 was characterized by regulatory tightening, 2025 marked a clear shift toward regulatory easing, with the central bank introducing measures to enhance liquidity, simplify compliance, and support credit flow to the economy.

Exhibit: A Fiscal Stimulus

Fiscal Stimulus	Key announcements	Amount (INR)	% of GDP
Income Tax Cuts	Income <12 lakhs becomes tax free and rationalized rates for income more than 12 lakhs	1,00,000 cr	0.3%
GST Rate Cuts	GST rate cuts was implemented on 22 nd September with reduced rates across key categories incl. FMCG, Auto, Cement, Consumer Durable and Insurance	2,00,000 cr	0.6%
	Total	3,00,000 cr	0.9%

Exhibit B: Monetary Stimulus

Action	Amount
Repo Rate Cut	125 Bps
CRR Cut	3.6 Lakh Crore (150 bps)
OMO Purchase	6.1 Lakh Crore
FX Swaps	3.7 Lakh Crore
VRR (Variable Rate Repo)	1.5 Lakh Crore
Total Liquidity Infusion	~15 Lakh Crore

Exhibit C: Regulatory Stimulus

Regulatory Stimulus Announced in the last one year
<ul style="list-style-type: none"> RBI deferred the implementation of the LCR guidelines, Project Finance guidelines and ECL framework to April 1, 2027 Risk weight reduced from 125% to 100% for microfinance loans classified as consumer credit. RBI reversed the increased risk weights (announced in Nov-23) by 25% for bank exposure to NBFCs It has also relaxed restrictions on several organizations like Kotak Mahindra Bank, Ashirwad Micro Finance, Arohan Micro Finance, Navi, etc.

Equity Market Outlook: 2026 – A year where India makes a comeback?

Looking ahead, we believe the stage is set for Indian markets to deliver a stronger performance in 2026. A powerful combination of four key drivers—regulatory easing, fiscal stimulus, accommodative monetary policy, and extremely light FII positioning—creates a favorable backdrop for equities. We saw early signs of this trend in late 2025, with markets rallying nearly 5–6% in the final quarter. From a fundamental perspective, the time correction and broader market pullback have made valuations far more reasonable. Additionally, earnings growth is expected to accelerate from Q3FY26, with FY26 likely ending in high single digits.

Investor sentiment has turned increasingly constructive, supported by the view that the earnings cycle is approaching its trough. Expectations of a rebound into double-digit growth in FY27 further strengthen the case for sustained momentum and upside potential. While global factors—such as easing US–China trade tensions and progress on the India–US trade deal—remain important variables that could induce volatility, domestic fundamentals continue to anchor market resilience. India’s improving earnings outlook, steady domestic flows, and a low base of FII participation present a compelling setup for continued market support.

We continue to remain constructive on the markets and believe that after 15 months of severe underperformance of the broader markets, the breadth of the rally is all set to improve. We believe CY26 could be a year where Mid & Small Caps may outperform the Large caps and hence are advocating Multicap strategy. Our strategy will continue to emphasize a bottom-up approach, adhering to our Growth at Reasonable Prices (GARP) investment philosophy.

Fixed Income Market Outlook:

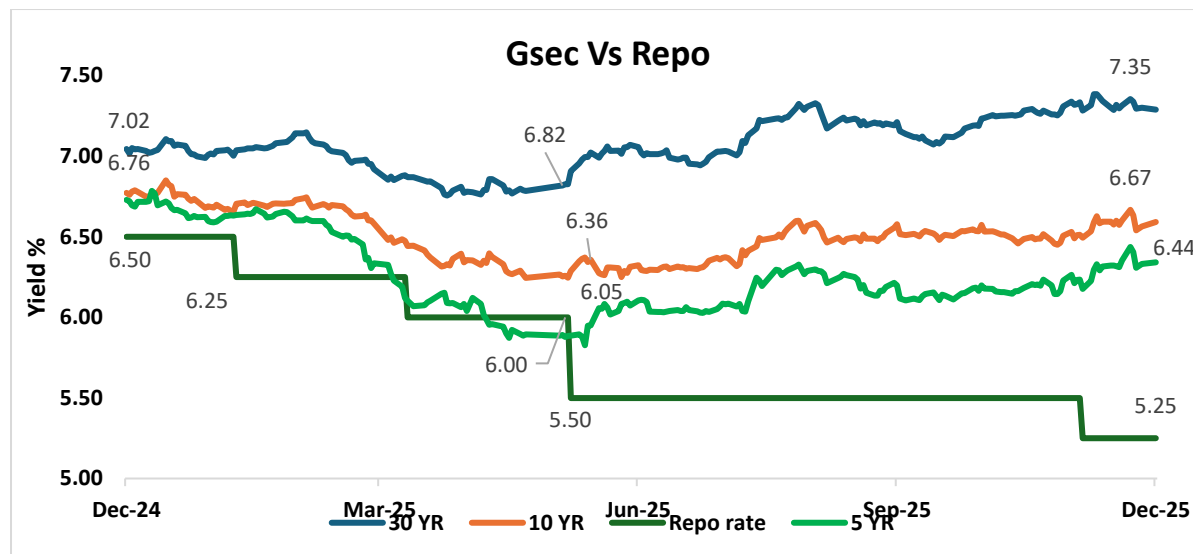
Expansionary monetary policy from RBI

Headline CPI inflation fell to 0.7% in November 2025, (with lowest reading witnessed of 0.25% in October 2025) well below the RBI's 4% target, driven significantly by falling food prices & GST 2.0 reforms. It led to RBI cutting repo rate by **125 basis points** (from 6.50% to 5.25%).

However, yields reacted counterintuitively

During the year we have seen large amount of OMO purchases, FX swaps and CRR cuts to boost liquidity, still demand supply of IGB remain skewed. This led to IGB yields moving up in H2 CY25 with steepening bias despite RBI rate cuts.

IGB rate chart:



With robust growth in sight, we expect limited room for further rate cuts:

RBI projects FY26 GDP growth at 7.3% (up from 6.8%) fuelled by rural demand recovery, auto sales, digital payments surge and sustained capex. For FY2027E, RBI estimate growth at 6.6%, supported by favourable fiscal and monetary policies, normal monsoons and impacted by a relatively high base along with a larger deflator. With benign growth and inflation expected to remain around 4% in H1FY 2027, there is limited room left for further rate cuts.

‘INR’ played role of shock absorber amid trade deal uncertainties and FII outflows

The US imposed 50% tariffs on Indian goods, which shocked the Indian rupee, causing it to depreciate by 6% in 2025 to a **historic low of 91.075 per dollar**, making it one of the worst-performing currencies globally. The RBI allowed this depreciation to act as a "shock absorber" rather than intervening aggressively, reflecting strategic policy to support export competitiveness amid tariff headwinds. India's foreign exchange reserves were strategically preserved for potential risks. During the calendar year, we have seen FII outflows of USD 18 Bn in equities and USD 6 Bn inflows in fixed Income

Fixed Income Outlook:

Looking ahead to 2026, RBI left with limited room for further rate cuts early in the year, before entering a prolonged pause, amid stable growth and contained inflation below 4.5%. Also, The RBI's proactive liquidity measures to keep Banking System Liquidity at 1% of NDTL, will keep overnight rates at 5.0-5.25%. We expect 10Y yields to tread lower in CY2026 on back of (i) OMO purchases (ii) Prospects of additional index inclusions and (iii) better investor demand. Key risk to our view can emerge from late resolution of US India trade negotiations, GOI borrowing pattern and geopolitical uncertainty.

FUTURE GROUP SECURE FUND

SFIN No. ULGF007010118GRPSECUND133

ABOUT THE FUND

OBJECTIVE
This fund aims to provide progressive returns compared to fixed income instruments by taking a low exposure to high risk assets like equity. Fund aims to provide stable return due to high exposure to Fixed Income instruments while generating additional return through small exposure to equity.

Fund Manager Details

Fund Manager	No. Of Funds Managed		
	Equity	Debt	Hybrid
Srijan Sinha	6	-	7
Vedant Heda	-	4	7
Shobit Gupta	-	4	7
Niraj Kumar	6	4	7

ASSET ALLOCATION

Composition	Min.	Max.	Actual
Cash and Money Market	0.00%	40.00%	2.50%
Fixed Income Instruments	60.00%	100.00%	78.69%
Equities	0.00%	20.00%	18.81%

RISK RETURN PROFILE

Risk	Low To Moderate
Return	High

DATE OF INCEPTION

19th December 2018

FUND PERFORMANCE as on 31-Dec-2025

Returns since Publication of NAV	
Absolute Return	110.04%
CAGR Return	11.12%

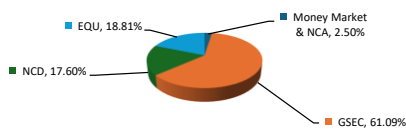
NAV & AUM as on 31-Dec-2025

NAV	AUM (In Lakhs)
21.0041	9,150.42

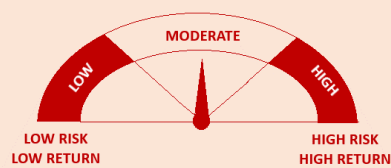
Modified Duration (In Years)

6.04

ASSET ALLOCATION



MODERATE RISK MODERATE RETURN



PORTFOLIO AS ON 31-Dec-2025

SECURITIES	HOLDINGS
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MONEY MARKET INSTRUMENTS & NCA

2.50%

SECURITIES

GOVERNMENT SECURITIES

7.24% Gsec 18 Aug 2055	10.54%
0% CS 19/12/2029	7.70%
6.90% Gsec 15/04/2065	5.89%
6.01% Gsec 21 July 2030	4.86%
0% CS 19/12/2030	4.29%
0% CS 15/06/2030	4.22%
7.10% GOI Sovereign Green Bond 27/01/2028	3.76%
0% CS 19/12/2033	3.03%
7.41% UP SDL 14/06/2034	2.79%
6.48% Govt. Stock 2035	2.22%
Others	11.79%

SECURITIES

CORPORATE DEBT

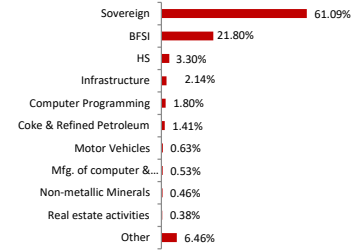
9.09% Muthoot Finance Ltd 01/06/2029	5.75%
9.00% Shriram Transport Finance Company Ltd 28/03/2028	3.40%
7.89% Bajaj Housing Finance Ltd 14/07/2034	3.30%
9.30% AU Small Finance Bank Ltd 13/08/2032	2.37%
8.85% HDB Fin. Services Ltd 07/06/2029 Sub debt	1.04%
8.40% Cholamandalam Investment And Fin Co Ltd 09/08/2028	0.68%
8.94% Power Finance Corporation Ltd 25/03/2028	0.57%
10.63% IOT Utkal Energy Services Ltd 20/07/2028	0.37%
8.90% BHARTI TELECOM Ltd 05/11/2031	0.12%

SECURITIES

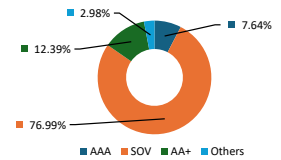
EQUITY

HDFC Bank Ltd	1.69%
Axis Bank Ltd	1.07%
ICICI Bank Ltd	1.05%
State Bank of India	0.98%
Reliance Industries Ltd	0.97%
Infosys Technologies Ltd.	0.85%
Kotak Mahindra Bank Ltd	0.63%
Tata Consultancy Services Ltd	0.55%
Kotak Nifty PSU Bank ETF	0.52%
IndusInd Bank Ltd	0.51%
Bharti Airtel Ltd. (Partly Paid)	0.42%
Nippon India ETF Nifty PSU Bank BeES	0.40%
Anant Raj Ltd	0.38%
ITC Ltd	0.38%
Rural Electrification Corporation Ltd	0.34%
Bank of Baroda	0.33%
Mahindra And Mahindra Ltd	0.33%
Fusion Finance Ltd	0.32%
TRENT Ltd	0.31%
ETERNAL Ltd (Zomato Ltd)	0.29%
Punjab National Bank	0.28%
Max Healthcare Institute Ltd	0.27%
UltraTech Cement Ltd	0.27%
Nagarjuna Construction Co. Ltd	0.22%
Equitas Small Finance Bank Ltd	0.22%
Others	5.23%

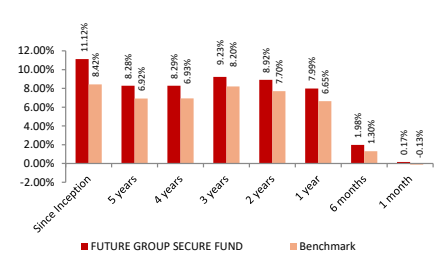
SECTORAL ALLOCATION



Debt Rating Profile

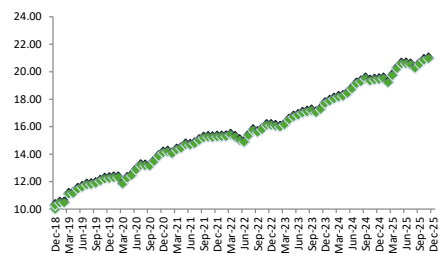


BENCHMARK COMPARISON (CAGR RETURN)



Benchmark : Nifty Composite Debt Index 85%+Nifty 50-15%

FUND - NAV



FUTURE GROUP GROWTH FUND

SFIN No. ULGF009010118GRPGTHFUND133

ABOUT THE FUND

OBJECTIVE
This fund aims to provide potentially high returns by investing a significant portion in equities to target growth in capital value of assets. The fund will also invest to a certain extent in govt. securities, corporate bonds and money market instruments to generate stable return.

Fund Manager Details

Fund Manager	No. Of Funds Managed		
	Equity	Debt	Hybrid
Srijan Sinha	6	-	7
Vedant Heda	-	4	7
Shobit Gupta	-	4	7
Niraj Kumar	6	4	7

ASSET ALLOCATION

Composition	Min.	Max.	Actual
Cash and Money Market	0.00%	40.00%	1.11%
Fixed Income Instruments	30.00%	70.00%	40.28%
Equities	30.00%	60.00%	58.61%

RISK RETURN PROFILE

Risk	Low To Moderate
Return	High

DATE OF INCEPTION

10th December 2020

FUND PERFORMANCE as on 31-Dec-2025

Returns since Publication of NAV

Absolute Return	85.26%
CAGR Return	12.96%

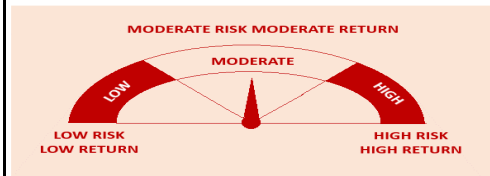
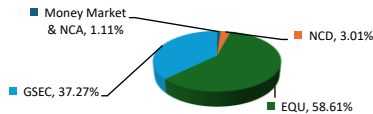
NAV & AUM as on 31-Dec-2025

NAV	AUM (In Lakhs)
18.5264	3,421.62

Modified Duration (In Years)

7.06

ASSET ALLOCATION



PORTFOLIO AS ON 31-Dec-2025

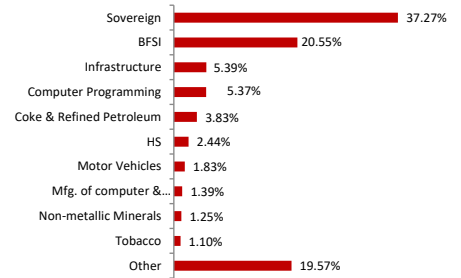
SECURITIES	HOLDINGS
MONEY MARKET INSTRUMENTS & NCA	1.11%

SECURITIES	HOLDINGS
GOVERNMENT SECURITIES	37.27%
6.68% Gsec 07 July 2040	10.64%
6.01% Gsec 21 July 2030	8.81%
6.90% Gsec 15/04/2065	3.32%
6.48% Govt. Stock 2035	3.01%
6.33% Gsec 05/05/2035	2.98%
7.38% UP SDL 13/03/2036	2.92%
7.24% Gsec 18 Aug 2055	1.46%
0% CS 15/062030	0.95%
0% CS 17/06/2033	0.89%
0% CS 22/02/2030	0.88%
Others	1.43%

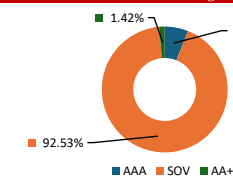
SECURITIES	HOLDINGS
CORPORATE DEBT	3.01%
7.89% Bajaj Housing Finance Ltd 14/07/2034	2.44%
8.40% Cholamandalam Investment And Fin Co Ltd 09/08/2028	0.57%

SECURITIES	HOLDINGS
EQUITY	58.61%
DSP Mutual Fund - DSP Nifty PSU Bank ETF	4.35%
HDFC Bank Ltd	4.16%
Axis Bank Ltd	3.41%
ICICI Bank Ltd	3.17%
Reliance Industries Ltd	2.61%
ICICI Prudential Nifty Bank ETF - NIFTY BANK INDEX	2.45%
Infosys Technologies Ltd.	2.42%
Tata Consultancy Services Ltd	1.80%
Bharti Airtel Ltd. (Partly Paid)	1.66%
State Bank of India	1.61%
ITC Ltd	1.10%
Anant Raj Ltd	1.09%
TRENT Ltd	1.05%
SBI-ETF Nifty Bank	1.02%
IndusInd Bank Ltd	0.98%
Creditaccess Grameen Ltd	0.97%
ETERNAL Ltd (Zomato Ltd)	0.97%
Kotak Mahindra Bank Ltd	0.97%
UltraTech Cement Ltd	0.93%
Mahindra And Mahindra Ltd	0.93%
Punjab National Bank	0.82%
Rural Electrification Corporation Ltd	0.80%
Bank of Baroda	0.79%
Aavas Financiers Ltd	0.75%
Indian Oil Corporation Ltd	0.69%
Others	17.15%

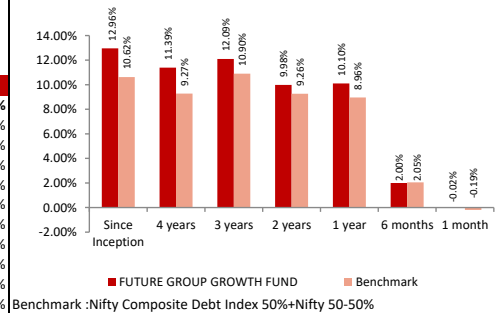
SECTORAL ALLOCATION



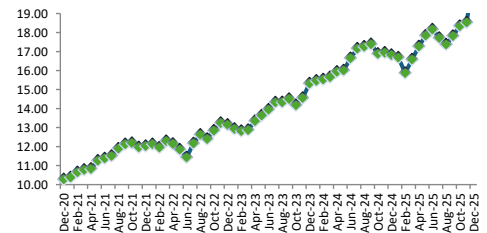
Debt Rating Profile



BENCHMARK COMPARISON (CAGR RETURN)



FUND - NAV



GROUP BALANCED FUND

SFIN No. ULGF008010118GRPBALFUND133

ABOUT THE FUND

OBJECTIVE
This fund aims to provide capital growth by availing opportunities in debt and equity markets while maintaining a good balance between risk and return. The fund will also invest in money market instruments to provide liquidity.

Fund Manager Details

Fund Manager	No. Of Funds Managed		
	Equity	Debt	Hybrid
Srijan Sinha	6	-	7
Vedant Heda	-	4	7
Shobit Gupta	-	4	7
Niraj Kumar	6	4	7

ASSET ALLOCATION

Composition	Min.	Max.	Actual
Cash and Money Market	0.00%	40.00%	3.51%
Fixed Income Instruments	40.00%	80.00%	57.84%
Equities	20.00%	40.00%	38.66%

RISK RETURN PROFILE

Risk		Low To Moderate
Return		Moderate

DATE OF INCEPTION

27th November 2024

FUND PERFORMANCE as on 31-Dec-2025

Returns since Publication of NAV

Absolute Return	10.45%
CAGR Return	9.54%

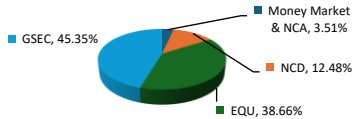
NAV & AUM as on 31-Dec-2025

NAV	AUM (In Lakhs)
11.0445	671.03

Modified Duration (In Years)

6.16

ASSET ALLOCATION



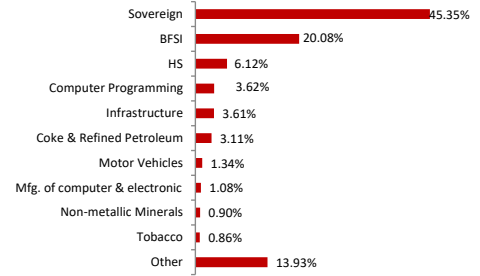
PORTFOLIO AS ON 31-Dec-2025

SECURITIES	HOLDINGS
MONEY MARKET INSTRUMENTS & NCA	3.51%
SECURITIES	HOLDINGS
GOVERNMENT SECURITIES	45.35%
0% CS 22/04/2035	24.31%
6.01% Gsec 21 July 2030	9.57%
7.41% UP SDL 14/06/2034	5.98%
0% Cs 19 Jun 2033	2.09%
8.15% TN SDL 09/05/2028	1.47%
6.48% Govt. Stock 2035	0.74%
6.33% Gsec 05/05/2035	0.73%
8.68% TN SDL 10/10/2028	0.47%

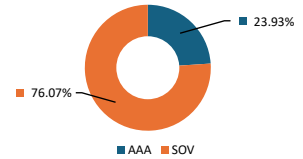
SECURITIES	HOLDINGS
CORPORATE DEBT	12.48%
8.90% BHARTI TELECOM Ltd 05/11/2031	6.36%
7.87% LIC Housing Finance Ltd 14/05/2029	6.12%

SECURITIES	HOLDINGS
EQUITY	38.66%
DSP Mutual Fund - DSP Nifty PSU Bank ETF	2.94%
HDFC Bank Ltd	2.70%
Axis Bank Ltd	2.36%
SBI-ETF Nifty Bank	2.16%
Reliance Industries Ltd	2.11%
ICICI Bank Ltd	1.80%
Infosys Technologies Ltd.	1.70%
Tata Consultancy Services Ltd	1.12%
State Bank of India	1.09%
Bank of Baroda	1.06%
Kotak Mahindra Bank Ltd	0.88%
Bharti Airtel Ltd. (Partly Paid)	0.87%
ITC Ltd	0.86%
Fusion Finance Ltd	0.85%
IndusInd Bank Ltd	0.83%
Anant Raj Ltd	0.82%
Mahindra And Mahindra Ltd	0.70%
Rural Electrification Corporation Ltd	0.65%
Punjab National Bank	0.61%
TRENT Ltd	0.52%
UltraTech Cement Ltd	0.51%
Hindustan Petroleum Corporation Ltd	0.48%
Nagarjuna Construction Co. Ltd	0.47%
Adani Enterprises Ltd	0.45%
ETERNAL Ltd (Zomato Ltd)	0.44%
Others	9.67%

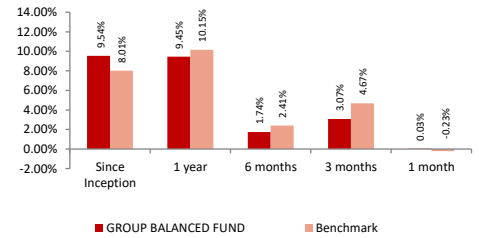
SECTORAL ALLOCATION



Debt Rating Profile

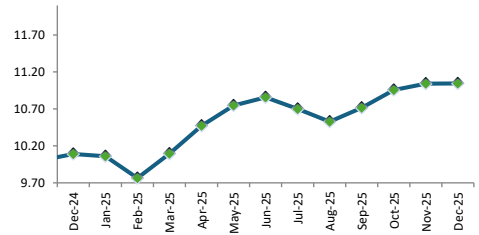


BENCHMARK COMPARISON (CAGR RETURN)



Benchmark :Nifty Composite Debt Index 70%+Nifty 50-30%

FUND - NAV



GROUP INCOME FUND

SFIN No. ULGF005010118GRPINCUND133

ABOUT THE FUND				PORTFOLIO AS ON 31-Dec-2025		SECTORAL ALLOCATION	
OBJECTIVE				SECURITIES		HOLDINGS	
This fund aims to provide stable returns by investing in assets with relatively low to moderate level of risk. The fund will invest in fixed income securities such as Govt. Securities, Corporate Bonds & any other fixed income investments along with Money Market Instruments for liquidity.				MONEY MARKET INSTRUMENTS & NCA		7.87%	
Fund Manager Details				SECURITIES		HOLDINGS	
Fund Manager		No. Of Funds Managed		GOVERNMENT SECURITIES		75.46%	
	Equity	Debt	Hybrid	0% CS 19/12/2029		14.17%	
Vedant Heda	-	4	7	6.90% Gsec 15/04/2065		13.48%	
Shobit Gupta	-	4	7	7.24% Gsec 18 Aug 2055		12.64%	
Niraj Kumar	6	4	7	6.01% Gsec 21 July 2030		10.96%	
ASSET ALLOCATION				7.10% GOI Sovereign Green Bond 27/01/2028		7.71%	
Composition		Min.	Max.	0% CS 22/02/2030		6.12%	
Cash and Money Market		0.00%	40.00%	6.48% Govt. Stock 2035		3.93%	
Fixed Income Instruments		60.00%	100.00%	6.33% Gsec 05/05/2035		3.89%	
Equities		0.00%	0.00%	0% CS 17/06/2033		1.93%	
				8.00% GOI OIL Bond 23/03/2026		0.64%	
RISK RETURN PROFILE				SECURITIES		HOLDINGS	
Risk		Low To Moderate		CORPORATE DEBT		16.67%	
Return		High		8.90% BHARTI TELECOM Ltd 05/11/2031		6.76%	
				8.40% Cholamandalam Investment And Fin Co Ltd 09/08/2028		6.60%	
				7.89% Bajaj Housing Finance Ltd 14/07/2034		3.30%	
DATE OF INCEPTION				BENCHMARK COMPARISON (CAGR RETURN)			
31st March 2019							
FUND PERFORMANCE as on 31-Dec-2025				NAV & AUM as on 31-Dec-2025			
Returns since Publication of NAV				NAV		AUM (In Lakhs)	
Absolute Return		73.61%		17.3613		315.56	
CAGR Return		8.50%					
				FUND - NAV			
Modified Duration (In Years)							
5.99				Benchmark : Nifty Composite Debt Index 100%			
ASSET ALLOCATION				FUND - NAV			