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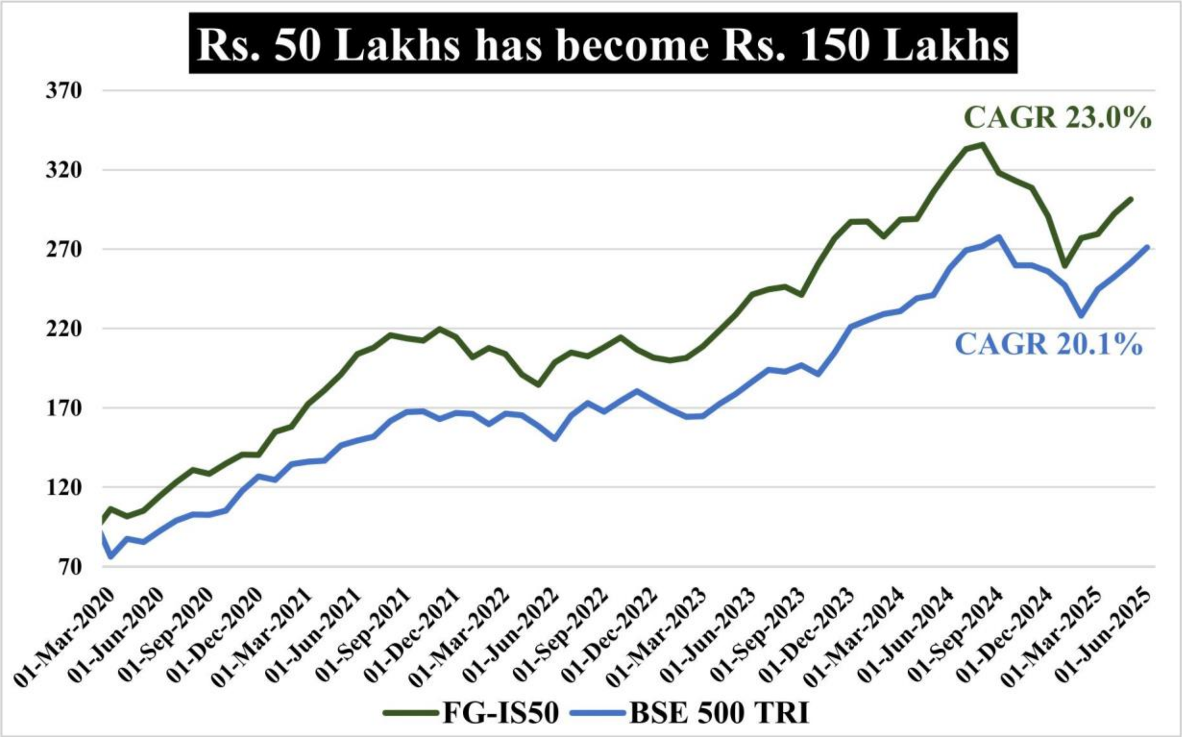
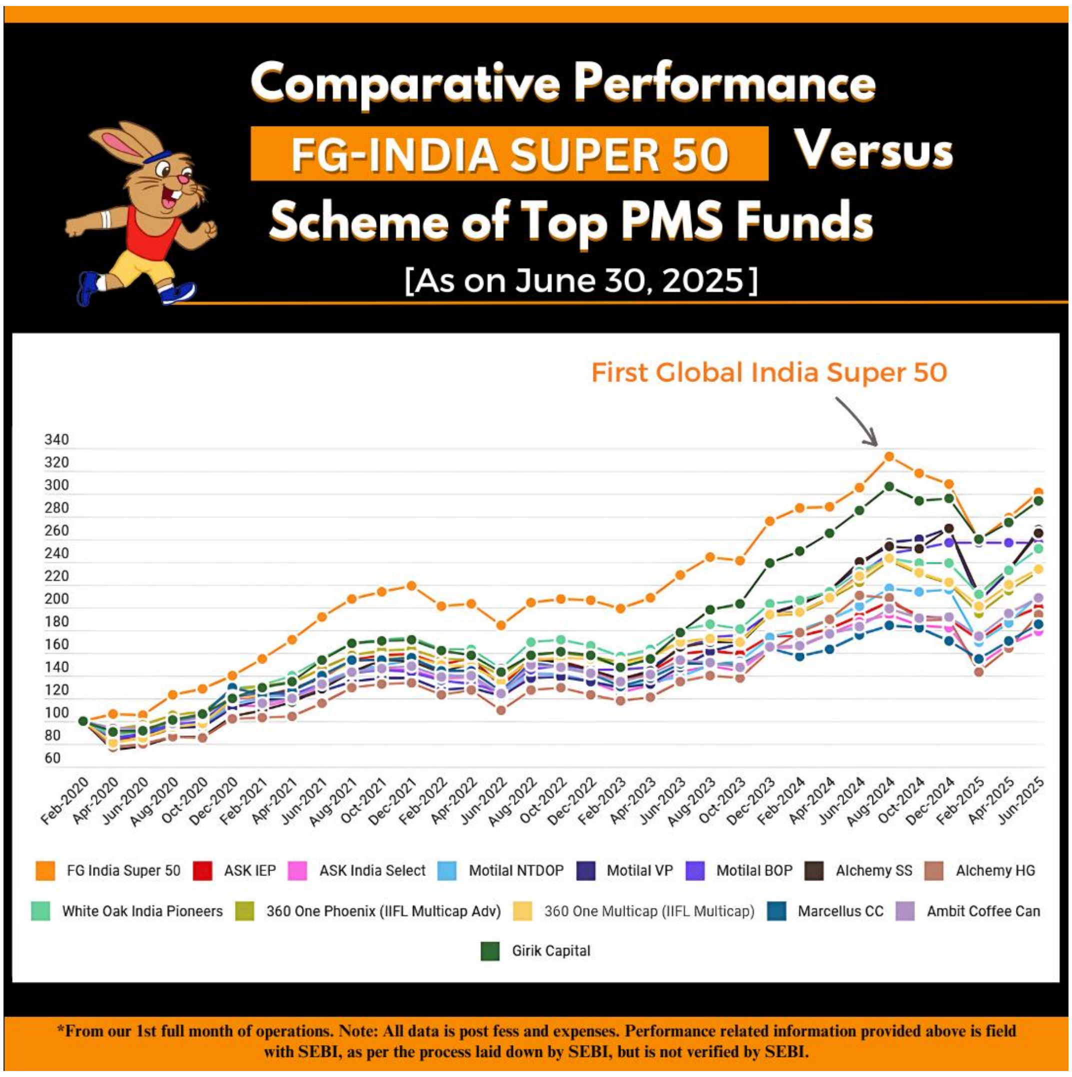
Our June '25 Performance

The First Global - India Super 50 (IS50) PMS Scheme



Comparison of First Global - India Super 50 PMS Scheme with various Multi-cap PMSs



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Global Asset Management | Portfolio Management | Wealth Management

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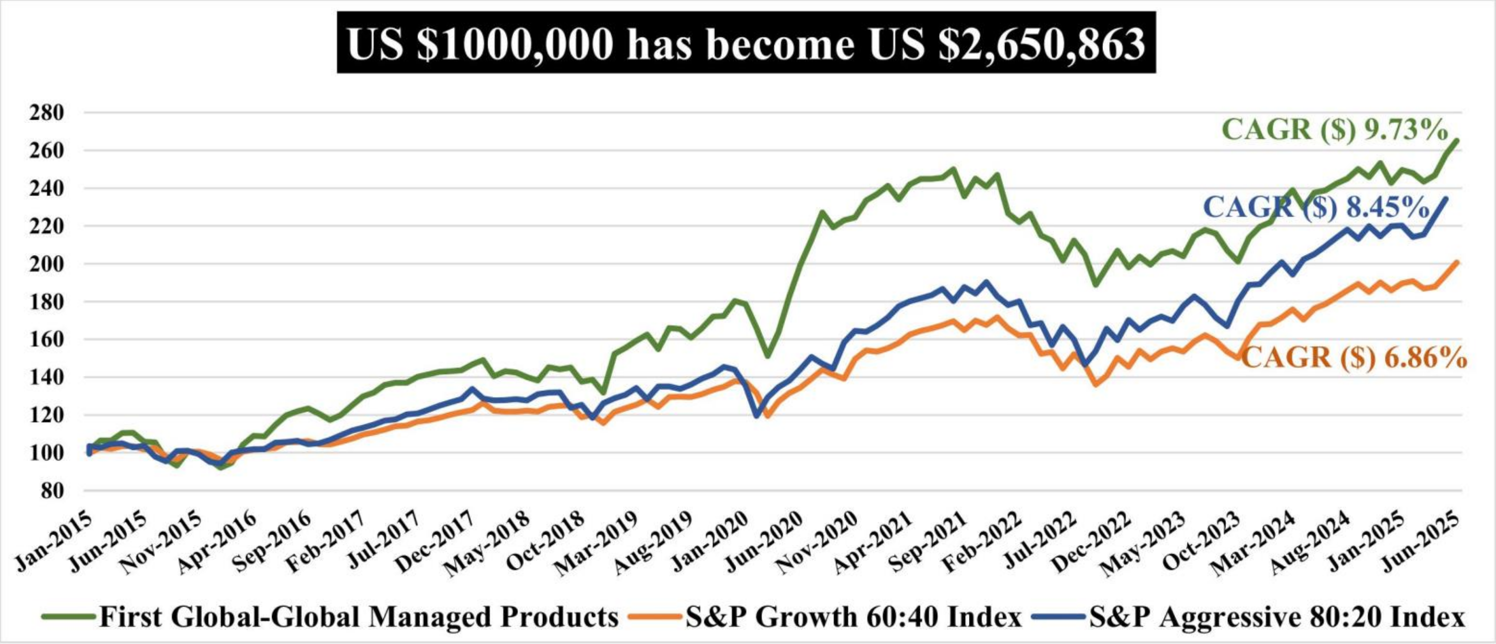
Sr. No.	Top Multicap PMS Schemes	Total Return* (Mar '20 to June '25)	Risk Adj Return (CAGR / Volatility) (Equivalent of Sharp Ratio)	Gain to Pain (x)
1	Stallion Asset Core Fund	349.6%	1.60	2.01
2	First Global India Super 50	201.4%	1.41	1.60
3	Girik Capital	193.5%	1.32	1.55
4	IIFL Multicap Advantage	131.4%	1.11	1.26
5	BSE 500	171.1%	1.09	1.38
6	White Oak India Pioneers Equity	151.2%	1.06	1.27
7	MoneyLife Mass Growth	219.6%	1.01	1.23
8	Nifty 50 TRI	143.0%	1.00	1.27
9	Motilal Oswal Value	168.9%	0.96	1.24
10	Ambit Coffee CAN	108.1%	0.95	1.07
11	Alchemy Select Stock	165.0%	0.92	1.18
12	MoneyLife Mass Prime	133.9%	0.87	1.05
13	IIFL Multicap	133.9%	0.85	1.13
14	Axis Brand Equity	133.0%	0.83	0.95
15	Motilal Oswal NTDOP	110.1%	0.74	0.87
16	Axis Core and Satellite	91.1%	0.71	0.82
17	ASK IEP	100.5%	0.70	0.83
18	Marcellus Consistent Compounders	84.8%	0.69	0.73
19	ASK Growth	88.5%	0.63	0.78
20	Alchemy High Growth	94.2%	0.58	0.68
21	ASK India Select	79.3%	0.58	0.69

Performance of First Global - Global Managed Products vs. Benchmark Indices



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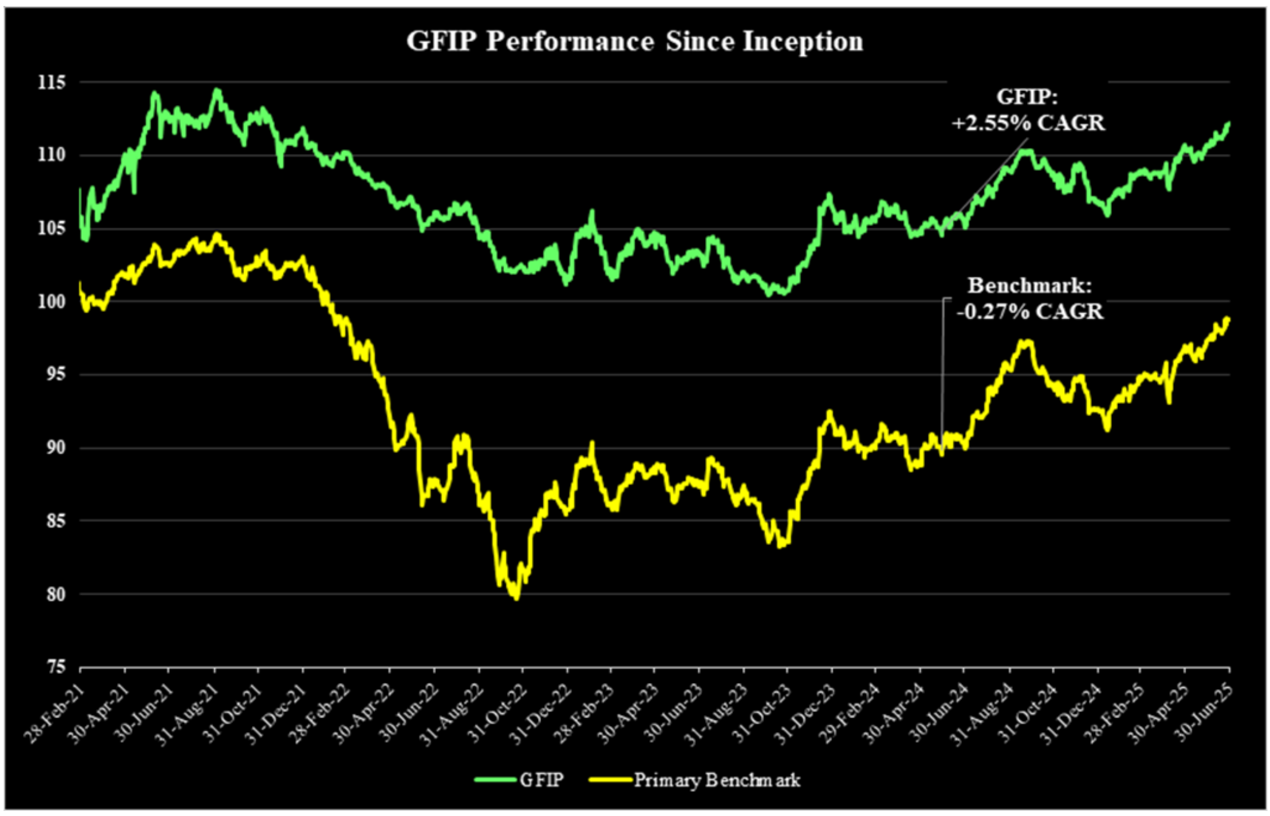
Global Fixed Income Portfolio: June '25



Markets thrive despite high macro and geopolitical uncertainty

After the strong pull back witnessed in May, the buoyancy in the markets continued in June 2025.

Though, global financial markets navigated an exceptionally volatile landscape shaped by the interplay of macroeconomic uncertainty, shifting tariff policies, and escalating geopolitical tensions, markets marched to their own tunes - all Asset classes except the US Dollar ended in green by the end of June 2025. All major asset classes delivered positive returns in Q2CY25.

While moderating inflation and resilient labour markets in the U.S. and Europe offered some support to investor sentiment, ambiguity around central bank rate trajectories, especially from the U.S. Federal Reserve, caused a few jitters.

Meanwhile, mixed economic indicators from China raised concerns over a patchy global recovery, shaking risk appetite and weighing on commodities and emerging markets. Geopolitical risks flared further with the Iran-Israel conflict intensifying in mid-June, prompting a flight to safe-haven assets like gold and U.S. Treasuries. Despite these pressures, equity markets posted solid gains by the month end. The reasons given have been encouraging signs of trade deals, strong corporate earnings, and optimism around AI-driven growth in tech sectors - but we think these are only post facto explanations.

After underperforming in the first quarter of 2025, the 'Magnificent 7' delivered strong price returns of 18.6% over the second quarter, outperforming the remainder of the S&P 500 by 14 percentage points. The US markets were up 5-6%, outperforming the Eurozone, which was up 2.9%.

However, Calendar Year to date (CYTD), the Eurozone still outperforms the US markets by about 23 percentage points, partly due to the sliding dollar. The ACWI was up almost 4.5% in June 2025 and up 10.3% for the year.

About 93% of the top Equity markets and most Currencies except the Dollar ended positive for the month. In June 2025, apart from US and Eurozone, other developed markets like Japan, Israel and Hong Kong were also up 2-14%. Even most Emerging markets (EM) were up, led by South Korea, Turkey, Sri Lanka which were up 8-16%, MSCI China was up about 5%. Only Thailand, Indonesia and Philippines declined while all other markets gave positive returns.

Global bond markets on the other hand, posted a return of 2-2.3%, with the Bloomberg Global Aggregate Index, up 2% in June 2025. Commodities were also up for the month, with the broad Bloomberg Commodities Index, up 2.4% led by the Energy sub index which was up almost 6%.

In June 2025, about 93% of the top Equity markets and most Currencies except the Dollar ended positive for the month.

The Tech Sector, which was down almost 11% in Jan-April 2025, recovered much of these losses with a strong comeback in May 2025 and this has continued even in June. In May, the Tech sector was up about 11% while in June, it is up almost 10%. It is now up about 8-9% CYTD, while the NASDAQ as well as the S&P are up 6-8%.

In June 2025, both our Global and Indian portfolios were largely in line with their benchmarks.

Our Global Multi-Asset fund and portfolios were up 2.6-2.9% in June 2025, as against the benchmarks which were up approximately 3-4%. Our positions in countries like Germany, Taiwan, Japan, Europe, our position in European banks, Commodities and also our stock positons in Consumer Discretionary added strong performance points to the portfolios in June 2025. Consumer Staples was the only sector that was in negative for the month.

Our Global Fixed Income Portfolio (GFIP) was up 1.3% in June 2025, largely in line with the benchmark, which was up 1.5%. The slight lag was due to our being underweight both interest rate and credit risk. Thus, we have lower duration exposure, focus on investment grade bonds, and are underweight the risky high yield bonds.

In India, our Pure Equity portfolio (IS50) was up 3.1% in June 2025, largely in line with its benchmark, the BSE 500 index and the Nifty 50 Index which were by 3.4-3.7%. Our returns for the month were driven by our increased weightage to Financials, FMCG, Industrials and the slight overweight in the IT sector. IT sector was up 3.5% in June 2025 and among the major contributors for the month.

In our last India rebalance, we had increased exposure to Financials and FMCG, which helped us both in May and June 2025. Interestingly, the FMCG sector was flat for the month for the Index though our stocks contributed positively and strongly to our portfolio. Also, though we are underweight the benchmark in Industrials, our positions in stocks like Kirloskar Brothers and Nava Bharat Ventures added strong performance points to the portfolio.

In June 2025, most currencies went up, except the US Dollar, which weakened against most other currencies and was down 2.5% in June and down 10.7% for the year.

The Indian equity market which, was down almost 11% in Rupee terms in Jan-Feb 2025, went up 16-19% from March- June 2025 on account of which CYTD, it is now up 6-9%. In June 2025, all the sectors were positive. Financials, Industrials, Consumer Discretionary and IT were the prime sector contributors to June's market return.

In both Indian and Global equity markets, our advice remains to stay invested, emphasizing the significance of not missing good trading days, which can substantially impact returns.

In any event, when things look uncertain, we do buy hedges - as was done for our Indian PMS portfolios more than once during last year.

In keeping with our philosophy that investing is a Loser's Game we always err on the side of caution. However, since our medium term outlook on equity (excluding certain frothy areas of the market) remain positive, we are almost fully invested - the cost of missing out on unexpected up moves is substantial.

Now for the details…

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Country wise-performance in June 2025, CYTD, CY24 and CY23

MAJOR GLOBAL INDICES PERFORMANCE (as of 30th June 2025)							
YTD Rank	Indices	Country	Region	June '25 (%)	YTD	2024 (%)	2023 (%)
1	WIG 20	Poland	Emerging	7.0%	50.8%	-5.6%	50.4%
2	BUDAPEST STOCK EXCH INDX	Hungary	Emerging	6.9%	43.4%	14.3%	49.0%
3	KOSPI INDEX	South Korea	Emerging	16.3%	41.1%	-19.9%	17.3%
4	IBEX 35 INDEX	Spain	Developed	2.7%	40.3%	12.3%	32.3%
5	MSCI COLCAP INDEX	Colombia	Emerging	5.8%	38.6%	9.6%	32.2%
6	FTSE MIB INDEX	Italy	Developed	3.2%	36.2%	11.7%	38.8%
7	DAX INDEX	Germany	Developed	3.3%	35.9%	11.7%	24.3%
8	TA-35 Index	Israel	Developed	13.6%	33.5%	28.6%	0.1%
9	S&P/BMV IPC	Mexico	Emerging	2.5%	31.5%	-27.8%	40.9%
10	BRAZIL IBOVESPA INDEX	Brazil	Emerging	6.5%	31.2%	-29.6%	33.1%
11	S&P/CLX IPSA (CLP) TR	Chile	Emerging	4.0%	30.9%	-3.9%	13.4%
12	OMX HELSINKI 25 INDEX	Finland	Emerging	4.7%	29.8%	-5.8%	0.9%
13	FTSE/JSE AFRICA ALL SHR	South Africa	Emerging	4.0%	24.5%	9.7%	2.0%
14	BEL 20 INDEX	Belgium	Developed	3.4%	22.6%	10.8%	6.9%
15	HANG SENG INDEX	Hong Kong	Developed	4.0%	21.6%	23.6%	-10.6%
16	CAC 40 INDEX	France	Developed	2.8%	21.4%	-5.6%	24.1%
17	SWISS MARKET INDEX	Switzerland	Developed	1.0%	20.7%	-0.3%	17.6%
18	OMX STOCKHOLM 30 INDEX	Sweden	Developed	1.1%	20.7%	-2.2%	25.4%
19	AEX-Index	Netherlands	Developed	2.6%	20.0%	7.2%	21.1%
20	FTSE 100 INDEX	United Kingdom	Developed	1.9%	19.9%	7.5%	13.6%
21	DFM GENERAL INDEX	UAE	Emerging	4.1%	16.6%	34.5%	27.8%
22	S&P/TSX COMPOSITE INDEX	Canada	Developed	3.9%	16.4%	11.7%	14.6%
23	EGX 30 INDEX	Egypt	Emerging	0.9%	15.3%	-24.8%	40.1%
24	Straits Times Index STI	Singapore	Developed	3.3%	15.3%	19.2%	6.3%
25	S&P/ASX 200 INDEX	Australia	Developed	3.8%	13.7%	2.0%	14.3%
26	SRI LANKA COLOMBO ALL SH	Srilanka	Emerging	7.1%	12.5%	70.8%	48.5%
27	NIKKEI 225	Japan	Developed	6.5%	11.8%	8.7%	21.8%
28	MSCI ACWI	Global	Global	4.5%	10.3%	18.0%	22.2%
29	TAIWAN TAIEX INDEX	Taiwan	Emerging	6.9%	9.7%	22.8%	32.0%
30	NASDAQ-100 INDEX	United States	Developed	6.3%	8.3%	25.9%	55.1%
31	S&P BSE SENSEX INDEX	India	Emerging	2.8%	7.7%	6.6%	19.6%
32	HO CHI MINH STOCK INDEX	Vietnam	Emerging	3.1%	6.9%	8.8%	11.1%
33	S&P 500 INDEX	United States	Developed	5.1%	6.2%	25.0%	26.3%
34	SHANGHAI SE COMPOSITE	China	Emerging	4.2%	6.0%	13.0%	-3.9%
35	S&P/NZX 50 Index Gross	New Zealand	Developed	3.7%	4.7%	-1.8%	2.4%
36	PSEi - PHILIPPINE SE IDX	Philippines	Emerging	-0.3%	2.5%	-0.5%	1.5%
37	FTSE Bursa Malaysia KLCI	Malaysia	Emerging	2.9%	1.3%	20.7%	-2.8%
38	JAKARTA COMPOSITE INDEX	Indonesia	Emerging	-1.8%	1.2%	-3.7%	11.3%
39	OMX COPENHAGEN 20 INDEX	Denmark	Developed	0.9%	-4.8%	-12.3%	31.4%
40	TADAWUL ALL SHARE INDEX	Saudi Arabia	Emerging	1.7%	-5.4%	3.4%	18.1%
41	BIST 100 INDEX	Turkey	Emerging	8.9%	-8.5%	13.1%	-11.6%
42	STOCK EXCH OF THAI INDEX	Thailand	Emerging	-4.1%	-15.6%	2.2%	-11.5%

Source: Bloomberg

Our June '25 Performance

India Performance Analysis

The Indian markets had started 2025 on a negative note, but this reversed from March 2025 onwards.

In all our reports and media interactions in February 2025 we had said that if you were waiting for a correction to invest, have you invested? The markets are up 16-19% since them.

In June 2025, the Indian Equity indexes were up 3.4-3.7% in rupee terms and up almost 19% from March to June 2025, a strong recovery after the fall of almost 11% witnessed in Jan-Feb 2025. Thus, CYTD, Indian market indexes are up about 6-9%.

In June 2025, the participation in the Indian equity markets were broad-based. While the Large-caps were up 3.4%, the small-caps and mid-caps were up 3.8-4.3% at the index level. ***In June 2025, almost 67% of the stocks gave positive returns.***

In June 2025, out of the top 1500 companies/stocks in terms of market cap, around 40% outperformed the markets.

June 2025	No. Of stocks	%
Positive	999	66.60%
Negative	501	33.40%
Outperformer	597	39.80%
Underperform	903	60.20%

2025 CYTD	No. Of stocks	%
Positive	633	42.20%
Negative	867	57.80%
Outperformer	622	41.47%
Underperform	878	58.53%

In 2023, out of the 42 top Equity markets by market cap, India was ranked No.21 and its rank fell to No.25 by the end of CY24. In February 2025, it fell further down to No. 39, though it now at No. 31 by end of June 2025. In June 2025 as well as CYTD, overall India's return is slightly below the global average.

In June 2025, ALL sectors except Pharma, FMCG and Utilities went up. The major sectors that were up were Financials, Industrials and IT.

Our Pure Equity portfolio, India Super 50 (IS50) was up 3.1% in June 2025 as against the benchmark, the BSE 500 TR Index as well as the Nifty 50 index which were up 3.4-3.7%. In FY26, IS50 is up almost 9%, in line with the Nifty 50. Our increased weightage to Financials along with our positions in Industrials, FMCG and IT added strong performance points to the portfolio. Interestingly while the FMCG index did not do so well because of the lagging performance by some of the FMCG majors our stock picks went up disproportionately.

Of course, we remain among the top PMS providers in the multi-cap space - with a return that's far better than most others.

Considering that we have completed 5-years since the official launch of our pure Equities PMS scheme, **India Super 50 (IS50), below is the overall performance of IS50, breaking it up year-wise**, highlighting the portfolio's journey through various market phases and emphasizing the importance of prudent risk management in the face of dynamic market conditions.

Here is the year-wise performance of the IS50 strategy since inception, i.e., from 18th February 2020, versus the Nifty TRI:

India Super 50 (IS-50) PMS – Year-wise Performance (Post Fees)

	FG-IS50	NIFTY 50 TRI	BSE 500 TRI
FY 2019-20#	-14.2%	-28.8%	-28.6%
FY 2020-21	71.4%	72.5%	78.6%
FY 2021-22	31.4%	20.3%	22.3%
FY 2022-23	-3.0%	0.6%	-0.9%
FY 2023-24	38.0%	30.1%	40.2%
FY 2024-25	-0.4%	6.7%	6.0%
FY 2025-26*	8.8%	9.0%	10.8%
Total Return since Inception*	**180.6%**	**124.8%**	**154.0%**
CAGR since Inception#	**21.1%**	**16.2%**	**18.7%**

**As on 30th June 2025 and net of fees and expenses*
 # Since inception i.e. from Feb 18 2020

As can be seen from the above table, **IS50 has more than made up whichever year it underperformed with stronger outperformance in the other years. In FY25, the difference against the markets were on account of the markets behaving peculiarly from October 2024 till early March 2025.** 85% of the stocks were down more than 25% from the market's all time high (ATH) of 26th September 2024 till 6th March 2025, with approximately 25% being down by more than 50%, while indices fell far less.

We believe in a **data-led, disciplined strategy** focused on risk-adjusted returns and long-term wealth creation—not momentum chasing. Hence, on a risk adjusted return basis, we remain among the top in the market **with a wide gap with most other providers. (Please see the table given below).**

Our diversified portfolio has stood us in good stead.

Our Winners in June '25

Name	Return	Name	Return	Name	Return
Kirloskar Brothers Ltd	30.1%	DB Corp Ltd	13.4%	Torrent Pharmaceuticals Ltd	7.6%
Nava Bharat Ventures Ltd	23.2%	Hindalco Industries Ltd	9.4%	Punjab National Bank	7.4%
Gillette India Ltd	15.8%	Bharti Airtel Ltd	8.3%	Tech Mahindra Ltd	7.2%
ADF FOODS LTD	15.4%	Excel Industries Ltd/India	8.2%	Hawkins Cookers Ltd	7.2%
RPG Life Sciences Ltd	14.9%	Garware Technical Fibres	7.6%	Mahindra & Mahindra Ltd	6.9%

Global Performance Analysis

In June 2025, Equity markets and especially the US continued the strong up turn it took from May onwards. The US, which was underperforming the Eurozone all the way from Jan 2025 till April 2025, outperformed the Eurozone in May as well as in June 2025. However, the Eurozone continues to outperform the Eurozone on a CYTD basis by 23 percentage points.

The S&P 500 led the Global Equity markets and was up 5.1% in June 2025, amid a broad-based rally. In June 2025, the IT sector outperformed, but the rally extended to Communication Services, Energy and Industrials. CYTD, S&P 500 is now up 6.1%, marking a significant rebound from negative return of 5% till April 2025. The strong market performance was underpinned by a robust first quarter earnings season.

In June 2025, about 93% of the top 42 Equity markets, and all major currencies except the US Dollar were in positive territory. All Developed markets were positive in June 2025 and even most Emerging markets, except a few Emerging markets like Thailand, Indonesia and Philippines were in positive. The big moves were from markets like Israel, Turkey and South Korea, up 9-16%. Most Developed markets like the European markets and Japan, were also up 2-3%. Hence, the Global market Index, ACWI was up 4.5% in June 2025 and up 10.3% CYTD.

Bond markets were also strong in June, with the Global Aggregate Index up 2% in June 2025. Commodities were also up in June 2025 with the broad Bloomberg Commodities Index up 2.4% over the month led by the Energy and Industrial metals Sub-index, which were up about 6% in June 2025. Within Energy, Crude was up 7.6%, while within Industrial metals, Copper, Zinc and Aluminium were up 5-7.5%.

Within the US markets, while the S&P 500 Index was up 5.1%, NASDAQ was up 6.3% in June 2025 as the overall move was led by the tech sector. The Tech sector which was down till April 2025, rebounded in May and June 2025, up 11% in May and 10% in June 2025 and is now up about 8-9% CYTD. The NASDAQ and S&P is now up 6-8% CYTD.

Out of the top 3000 Global companies/stocks in terms of market cap, almost 70% of the stocks went up, while almost 40% outperformed the ACWI Index. Thus, the market move in June 2025 was quite broad-based unlike the narrow move witnessed in CY23 and much of CY24.

June-25	No. Of stocks	%	2025 CYTD	No. Of stocks	%
Positive	2075	69.2%	Positive	2028	67.6%
Negative	925	30.8%	Negative	972	32.4%
Outperform ACWI	1221	40.7%	Outperform ACWI	1145	38.2%
Underperform ACWI	1779	59.3%	Underperform ACWI	1855	61.8%

The overall move in the markets were broad-based with 70-73% of the stocks giving positive returns and about 37% outperforming their indices.

	June-2025			2025 CYTD		
	MSCI ACWI Index	S&P 500 Index	Nasdaq 100 Index	MSCI ACWI Index	S&P 500 Index	Nasdaq 100 Index
% Return	4.80%	5.14%	6.38%	10.28%	6.05%	8.2%
Top 10 Stocks Attribution	1.88%	2.80%	3.90%	1.13%	1.85%	3.33%
Outperforming Stocks	34.1%	29.2%	37.3%	46.0%	44.7%	51.5%
Underperforming Stocks	65.9%	70.8%	62.7%	54.0%	55.9%	49.5%
Negative Stocks	27.3%	30.8%	27.5%	27.5%	40.7%	27.7%

For our benchmarks, the S&P Aggressive 80:20 and 60:40 Indices, most sectors were UP in June 2025 except Consumer Staples which was down and gave negative returns.

Most currencies were positive in June 2025, except for the US Dollar Index which was down 2.5% and down 10.7% CYTD.

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Cross-Asset Performance for June 2025 and 2025 CYTD

Cross-Asset Performance	June '25	CYTD 2025	Cross-Asset Performance	June '25	CYTD 2025
Equities			**Bonds**		
MSCI Japan	2.0%	12.6%	VanEck EM High Yield ETF	1.8%	4.7%
S&P 500	5.1%	6.1%	Bloomberg Global High Yield	2.3%	6.8%
MSCI Frontier and Select EM	0.0%	0.0%	Bloomberg Pan European High Yield	0.2%	2.3%
NASDAQ 100	6.3%	8.3%	Bloomberg EM USD Aggregate	1.9%	4.9%
MSCI ACWI	4.5%	10.3%	Bloomberg Pan European Aggregate	-0.1%	0.7%
MSCI Eurozone	2.9%	28.6%	Bloomberg Global Aggregate	1.9%	7.3%
MSCI India	2.5%	5.8%			
Core MSCI International Developed Markets	2.8%	20.0%			
EM ex-China	7.8%	15.2%			
MSCI Emerging Markets	7.0%	16.5%			
MSCI Asia ex-Japan	5.7%	13.1%			
MSCI China	5.3%	18.7%			
Bloomberg Latin America Index	5.7%	28.5%			
REITs	**June '25**	**CYTD 2025**	**Commodities**	**June '25**	**CYTD 2025**
S&P Global REIT	0.5%	4.7%	Bloomberg Livestock Subindex	2.0%	13.7%
Vanguard Global ex-US REITs ETF	4.5%	16.7%	Bloomberg Precious Metals Subindex	2.0%	24.1%
Vanguard US REITs ETF	0.7%	2.0%	Bloomberg Energy Subindex	5.8%	-1.2%
			Bloomberg Commodity Index	2.4%	5.5%
			Bloomberg Industrial Metals Subindex	5.7%	8.1%
			Bloomberg Agriculture Subindex	-1.9%	-2.1%

Source: Bloomberg, Yahoo Finance

Our Global Multi-Asset fund and portfolio were up 2.6-2.9%, largely in line with the benchmarks which were up 3-4%.

Our positions in Tech, in countries like Germany, Europe, Japan and Taiwan, our positions in Consumer Discretionary and European banks and Commodities added strong performance points to the portfolios in June 2025.

Our well-diversified portfolio, though it may seem a bit conservative now and then, generates steady, consistent returns over a period, without major drawdowns.

That is indeed what we aim to do and our systems are designed that way!

As the table below shows our winners are diversified across sectors and geographies.

Our Winners in June '25

Name	Country	Return	Name	Country	Return	Name	Country	Return
ADVANTEST CORP	Japan	44.3%	Iridium Communications	US	19.4%	Meta Platforms	US	14.1%
3SBIO INC	Hong Kong	25.5%	Zhejiang CF Moto	China	19.3%	EMCOR Group	US	13.4%
RYOHIN KEIKAKU	Japan	24.7%	KLA Corp	US	18.4%	Fujian Wanchen	China	12.5%
POP MART INTL	China	20.8%	NVIDIA Corp	US	16.9%	Sectra AB	Sweden	11.6%

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FG-GFIP Performance Analysis

In June, the Barclays Bloomberg Global Aggregate Index, which tracks investment grade bonds across major developed market economies, surged higher by around **1.90%.** Global REITs was also positive for the month, and surged by 2.20%, after an increase in the previous month. **Fixed Income markets in the US were highly positive for the month, as the short-term yields dropped massively, with the 2-yr bond yield tanking around 17 basis points, to end the month at 3.73%. The longer-term bond yields also had a fall in the month.** Majority of the world markets barring the US saw **bond yields surging in the month**, as the investors assessed economic conditions with new incoming data, and the evolving rate path scenario, taking cues from economic policies and central bank meetings. The markets faced a lot of volatility from the ongoing tariff war and related updates. The **US benchmark 10-year yield was lower by around 16 basis points**, and ended at **4.23%.** In the Eurozone, 10-y bond yields moved higher slightly across France, Germany, Italy, Spain, and Switzerland. Yields for these economies gained nearly 10 basis points in the month. Bonds were positive in the UK as well, as the 10-yr bond yield dropped around 16 basis points, to end at 4.48%. This is a retreat from the last month's surging yields. Yields were down for the major economies in the Asia Pacific as well, as the 10y bond yields in Australia was down 13 basis points, while the same in Japan moved lower by 6 basis points.

Globally, the major central banks continued easing on the monetary policy front. The European Central Bank cut rates by 25 basis points in its policy meeting. The Swiss National Bank was the other major central bank in the Eurozone that cut policy rates by 25 bps in this month. In India, the RBI also cut rates by a larger 50 basis points, as inflation moderated further. Majorly, investors were assessing the developments in the tariff policies, as yields were slightly volatile. In the US, yields went down in the month, with the benchmark 10y bond yield down around 16 basis points. On the data front, **Non-Farm Payrolls** came in stronger than consensus at **139k**, as Average Hourly Earnings ticked up to 0.4% for the month. **Core PCE Price Index** came in hotter than expected, at 2.7% YoY against a consensus of 2.6%.

Our exposure to the *investment-grade category* is currently unchanged at **65%.** We are still less than the benchmark allocation of around 76%. In the *global high-yield category,* our exposure was held at **9.2%**. In *REITs* category, the allocation stood at around 3.7%. The exposure to the convertible bonds category is at **3.9%**. There was no major change in our portfolio holdings in the month.

Our GFIP portfolio gave a return of 1.34% in the month, just slightly trailing the benchmark's return of 1.46%. ***The major reason was that GFIP's higher allocation to the cash and equivalents position initially did not perform greatly, but the position was taken considering the highly volatile and uncertain scenario regarding future rate cuts, especially as concerns around tariffs persisted. Also, the high yield category did well this month, but our allocation was slightly less at 10.35%, as compared to the benchmark which is around 16.3%.***

The GFIP portfolio was up by 1.34% for the month of June, as against the benchmark which was up 1.46%. **The CAGR since inception for GFIP still highly outperforms the benchmark as it delivered an impressive return of 2.55%, as against the benchmark which has a CAGR of around -0.27% since inception.**

<u>Yields in major European economies surge in the month</u>

Yields were mostly up for the major economies, barring the US which saw a decent drop in yields. In the US, yields were lower as the investors assessed the impact of tariff policies, as well as the fresh geopolitical concerns in the Middle-East. Yields were higher for most of Europe as well, even as the ECB cut rates by 25 basis points.

As our portfolio was unchanged in the month, the investment strategy is now only slightly under-weight in interest rate risk, with a duration of ***4.22*** versus the 5.44 for the benchmark. The **yield-to-maturity (YTM)** for the GFIP portfolio is at **4.62%**, as against 4.06% for the benchmark. The focus remains on high quality investment grades, while monitoring and assessing the conditions in markets where yields are on a rally, after the central banks had initiated lowering the rates.

<u>Looking ahead</u>

Given that a global easing cycle has been continued by major central banks (except the US), we recommend clients with short investment horizons (less than 3 years) to consider our lower-duration active fixed income product called **GARP**. Those with a longer-term investment horizon should prefer the **GFIP**, which is usually more sensitive to interest rates. In a scenario of rates coming down, the GFIP is poised to perform better. *In GFIP, we remain neutral in the interest rate risk, as the portfolio was unchanged in the month, and our duration is just slightly less than the benchmark. We expect the **Investment Grade** category to do better in the coming months.*

Fixed income markets are likely to experience further volatility, until the path for rate cuts become clearer, though historically, bonds have provided good returns in months succeeding the first rate cut. With the inflation data being inconsistent, and worries of resurgence in inflation arising from the potential tariffs from Trump's policies, markets remain cautious and uncertain of the future rates scenario. The worsening outlook on the economy is also adding to the concerns.

We are focusing on high-quality income with our fixed income products, GFIP and GARP, offering a gross yield-to-maturity of 4.63% (4.06% for the benchmark) and 7.31%, respectively. A higher yield helps cushion against losses in case yields rise materially.

Our Investing Mantras

Avoid the Big Losses

Be the "House", not the "Gambler"

Protect in Down Markets
Participate in Up Markets

Play for Singles. Not for Home Runs

Play Everything. Believe Nothing

Not Bullish. Not Bearish. Be Hare-ish

Great trades are like buses
There's always one coming

No Storification. Just Datafication

Rigidity Kills. In Arteries. And in Investing

And our Human+Machine delivers these Returns with the lowest possible risk.

As we've said before:

We do not run "High Conviction" risk.

We do not run "Storification" risk.

We do not run "High Concentration" risk.

Being neutral and systematic in investing, will absolutely make us win, barring the occasional pullback patches.

That's what our unique Human + Machine Model delivers.

Consistency. Not stomach churning yo-yos.

For those who aren't invested with us, but want in, just drop us a line on **http://tinyurl.com/4xrnkrh6** or **info@firstglobalsec.com and we will respond quick.**

By the way, you can also **WhatsApp** us on **+91 88501 69753**

Chat soon!

From Your Friends at First Global