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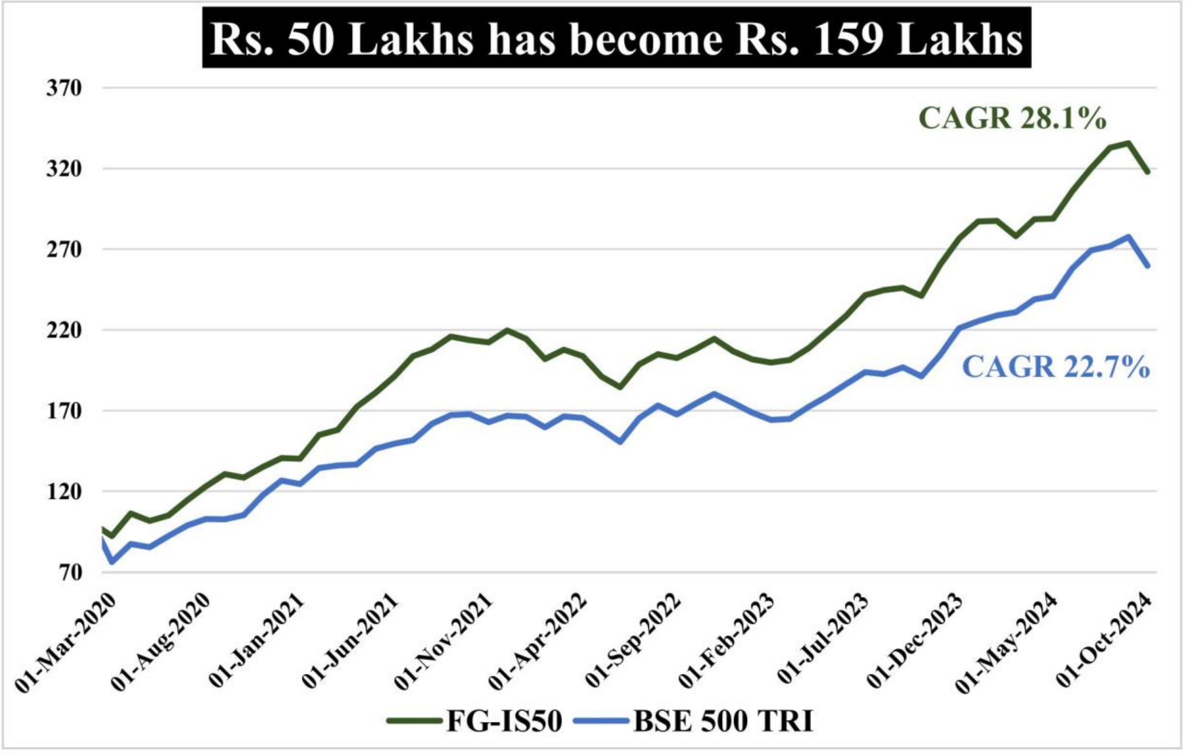
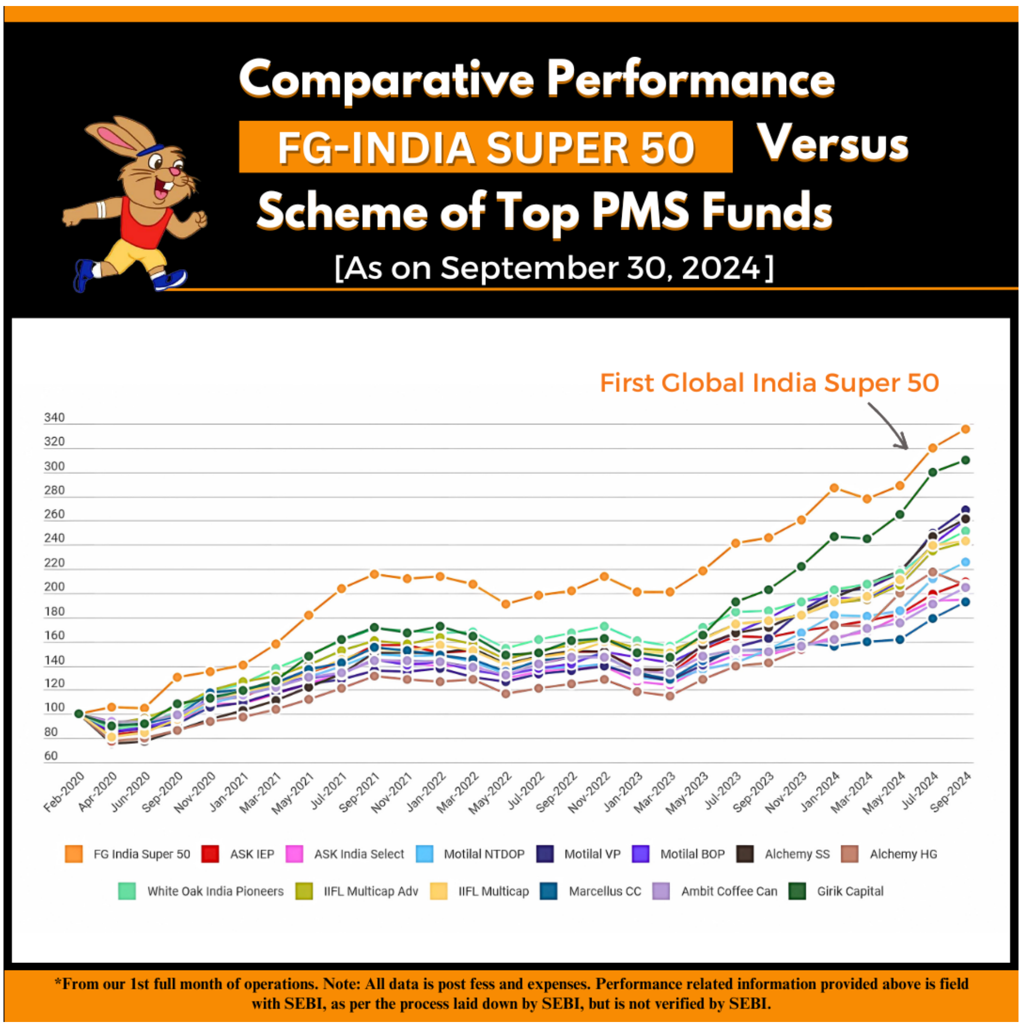
Our October '24 Performance

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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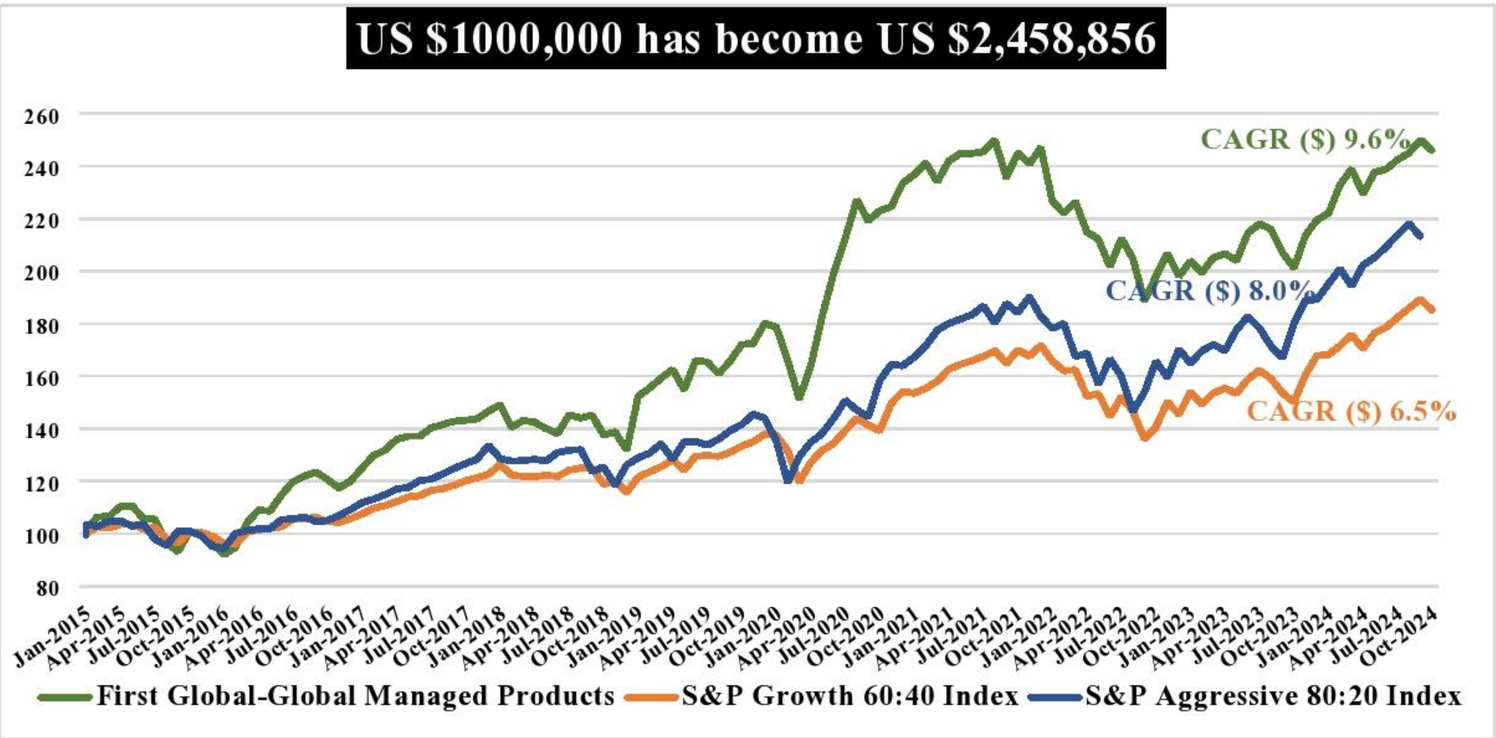
Sr. No.	Top Multicap PMS Schemes	Total Return* (Mar '20 to Sep '24)	Risk Adj Return (CAGR / Volatility) (Equivalent of Sharp Ratio)	Gain to Pain (x)
1	First Global India Super 50	235.7%	1.96	2.61
2	Stallion Asset Core Fund	339.6%	1.90	2.61
3	Girik Capital	210.0%	1.65	2.10
4	IIFL Multicap Advantage	141.8%	1.42	1.84
5	MoneyLife Mass Growth	254.1%	1.34	1.79
6	BSE 500	177.6%	1.32	1.83
7	Motilal Oswal BOP	160.4%	1.26	1.80
8	White Oak India Pioneers Equity	150.8%	1.24	1.62
9	Motilal Oswal Value	169.0%	1.22	1.76
10	Nifty 50 TRI	143.7%	1.15	1.56
11	Axis Brand Equity	131.9%	1.11	1.43
12	Ambit Coffee CAN	105.0%	1.11	1.34
13	Alchemy Select Stock	160.9%	1.09	1.57
14	MoneyLife Mass Prime	140.6%	1.06	1.40
15	IIFL Multicap	143.3%	1.03	1.49
16	Motilal Oswal NTDOP	126.1%	1.01	1.30
17	Axis Core and Satellite	108.6%	0.98	1.22
18	ASK IEP	109.1%	0.86	1.08
19	Marcellus Consistent Compounders	92.4%	0.86	0.98
20	ASK Growth	102.3%	0.84	1.13
21	ASK India Select	94.4%	0.81	1.01
22	Alchemy High Growth	106.6%	0.81	0.98

*From our 1st full month of operations. Note: All data is post fess and expenses. Performance related information provided above is field with SEBI, as per the process laid down by SEBI, but is not verified by SEBI.

(Above data is till September 2024)

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



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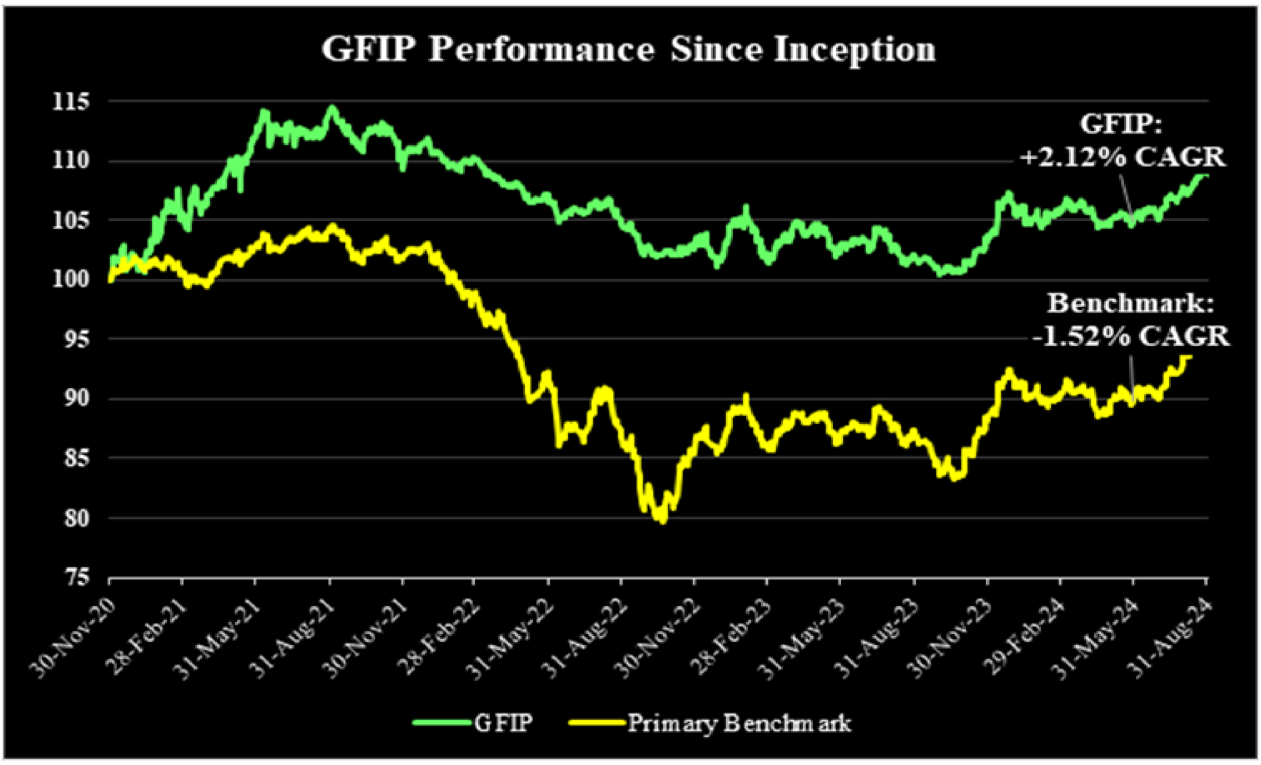
Global Fixed Income Portfolio: October '24



Markets were a sea of red…but we outperformed

October 2024 was a volatile month for markets and almost all major assets, with equities moving lower after a strong rally during the first nine months of the year. Uncertainty was heightened by the upcoming US election and the potential implications of a policy shift on interest rates. The risk areas also encompassed growth, despite signs of resilience, particularly in the US economy.

Among the top 42 countries by market cap, 90% saw negative moves, with emerging markets like Poland, Turkey and Malaysia leading the move, being down 8-9%.

All Developed markets except Israel were down and in the US, the S&P 500 & Nasdaq were down 0.9% and 0.8% respectively, with the top 10 stocks contributing negatively. Developed markets like Japan and the Eurozone were further down 5-6%, whereas a few Emerging Markets like Sri Lanka, Taiwan and UAE were up 1.5-9%. Nonetheless, most major EMs were down for the month. The ACWI Global Equity index was down 2.3% in October 2024.

Overall, Developed market equities declined 2.0%, while Emerging markets were down 4.3%, pressured by a strong US dollar (USD), profit taking in India and volatility in Chinese equity indexes due to uncertainty over the efficacy of the support measures announced in September.

In fixed income markets, the resilience of the US economy and uncertainty surrounding potential post-election policy changes prompted a more gradual re-pricing of the anticipated Federal Reserve (Fed) rate cuts. The Barclays Global Aggregate Index returned -3.4%. Credit markets also exhibited some weakness, despite solid underlying fundamentals. Global REITs declined by 4.5% due to expectations of a slower path for Fed rate cuts.

Oil prices were choppy, as macroeconomic concerns and risks of falling demand were weighed against the geopolitical tensions in the Middle East. Overall, the commodity index fell by 1.9% in October led by the by the 4.4% decline witnessed in the Energy sub-index.

In the US, the Magnificent Seven, which had corrected significantly in July- August 2024, were further down in October and contributed negatively to the S&P's overall move in October 2024. Overall, in October, the sectors that took the major hit were Healthcare, Industrials, Consumer Discretionary and the Tech sector.

When, most markets and Asset classes were in red in October 2024, the US Dollar gained 3.2% and hence ended the year in green, up 2.6%.

As most asset classes were in green in the first nine months of 2024, CYTD (Calendar Year to Date), all major Asset classes were still in green, barring the Energy and Agri Commodities and Latin America among the major Equity markets which were still in red.

CYTD, more than 83% of the Equity markets were still in green. The ACWI index is still up 16% CYTD.

Within the US markets, the S&P 500 and NASDAQ were still up 19-21% YTD. ***However as the table below shows, even with markets being up significantly for the year, two thirds of the stocks have underperformed the indexes, both globally and in the US.***

	Oct-24			CY 2024		
	MSCI ACWI Index	**S&P 500 Index**	**Nasdaq 100 Index**	**MSCI ACWI Index**	**S&P 500 Index**	**Nasdaq 100 Index**
% Return	**-2.09%**	**-0.89%**	**-0.86%**	**15.98%**	**20.8%**	**18.7%**
Top 10 Stocks Attribution	0.01%	-0.15%	-0.05%	7.18%	11.55%	17.04%
Outperforming Stocks	37.1%	47.8%	52.9%	35.6%	35.7%	25.7%
Underperforming Stocks	62.9%	52.2%	47.1%	64.4%	64.9%	75.2%
Negative Stocks	74.0%	59.5%	52.0%	35.6%	26.3%	38.6%

US and ex-US REITs went down 3-7% in October. Global fixed income was down, with the Global Aggregate Index down 3.4% for October and up 0.1% YTD. Commodities were down 2% in October but up 4% CYTD as the industrial and precious metal indices were up 8-33% CYTD.

In India, the Equity markets finally took a breather after 11 months of consistent positive returns and declined over 6% in October 2024. The large caps were down 6.5%, mid-caps down 6.9% and small caps down 3.9% and this fall was, driven by the Oil & Gas, Auto & Automobiles and Financials (except PSU Banks). YTD, Indian markets are still up 13-18%, led by small caps and midcaps that are up 25-29%.

In October 2024, *both our Global and India portfolios, though in negative outperformed their respective benchmarks by a good margin.*

In India, our Pure Equity portfolio (IS50), though down 5.3% in October 2024, outperformed both the BSE 500 and Nifty 50 Index's fall of 6-1-6.5% by 0.8-1.2 percentage points. Our portfolio is also beating both the BSE 500 and Nifty 50 Index by 2.0-5.0 percentage points on a Financial Year (FY) to date basis. We remain among the top performers in the multi-cap space.

Our Global Multi-Asset fund and portfolio were down 1.7-2.0%, as against the benchmarks which were down 2.2-2.3%. Our overweight in Industrials, positions in Communication Services, Japan and Precious Metals added strong performance points. In Japan, we held a currency hedged positon and Advantest which were up 2-24% unlike the overall Japan market that was down 5%.

Our risk-averse and diversified portfolios, which had been outperforming since November last year, till May 2024 had a tough task only in June 2024 as the markets were very narrow. However, as the market move in the July- October 2024 period was again broader-based, our portfolio delivered a return better than the benchmarks. We expect an overall broader market participation, going forward.

Year-to-date, our Global portfolios and funds have outperformed benchmarks by 8-260 basis points, with potential for further outperformance.

Our Global Fixed Income Portfolio (GFIP) was down 1.5% in October, but was able to beat the benchmark's fall of 2.99%, due to slightly lower duration exposure and focus on investment grade bonds, while staying overweight on convertible bonds.

We recommend increasing fixed income exposure as current 5% cash yields may not persist with rate cuts already occurring in the US and major markets like Europe and Canada.

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. We were fully hedged March onwards and while we cut part of the hedges post elections we are still about 50% hedged. Of course with the market rallying, the strike price for the hedges are now a bit away from current index values.

In keeping with our philosophy that investing is a Loser's Game we always err on the side of caution and buy insurance when things look uncertain. However, since our medium term outlook on equity (excluding certain frothy areas of the market) remain positive, we are 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 October 2024, CYTD and CY23

YTD Rank	Indices	Country	Region	Oct '24 (%)	YTD	2023 (%)	2022 (%)
1	SRI LANKA COLOMBO ALL SH	Srilanka	Emerging	9.0%	36.8%	48.5%	-60.3%
2	HANG SENG INDEX	Hong Kong	Developed	-3.9%	24.8%	-10.6%	-12.6%
3	TAIWAN TAIEX INDEX	Taiwan	Emerging	1.5%	24.4%	32.0%	-26.9%
4	S&P 500 INDEX	United States	Developed	-0.9%	21.0%	26.3%	-18.1%
5	FTSE Bursa Malaysia KLCI	Malaysia	Emerging	-8.4%	20.0%	-2.8%	-6.2%
6	DFM GENERAL INDEX	UAE	Emerging	2.2%	19.6%	27.8%	8.2%
7	NASDAQ-100 INDEX	United States	Developed	-0.8%	19.0%	55.1%	-32.3%
8	FTSE/JSE AFRICA ALL SHR	South Africa	Emerging	-3.4%	18.9%	2.0%	-2.8%
9	IBEX 35 INDEX	Spain	Developed	-3.7%	18.0%	32.3%	-7.3%
10	All Country World Index	Global	Global	-2.3%	16.4%	22.2%	-18.4%
11	FTSE MIB INDEX	Italy	Developed	-2.1%	15.6%	38.8%	-14.2%
12	TA-35 Index	Israel	Developed	3.3%	15.1%	0.1%	-19.7%
13	Straits Times Index STI	Singapore	Developed	-3.6%	15.0%	6.3%	9.1%
14	BEL 20 INDEX	Belgium	Developed	-4.5%	14.5%	6.9%	-16.7%
15	SHANGHAI SE COMPOSITE	China	Emerging	-3.0%	13.2%	-3.9%	-19.7%
16	S&P/TSX COMPOSITE INDEX	Canada	Developed	-2.2%	12.2%	14.6%	-11.9%
17	BUDAPEST STOCK EXCH INDX	Hungary	Emerging	-5.2%	12.1%	49.0%	-24.4%
18	DAX INDEX	Germany	Developed	-3.8%	11.8%	24.3%	-17.0%
19	AEX-Index	Netherlands	Developed	-6.4%	11.6%	21.1%	-16.7%
20	S&P BSE SENSEX INDEX	India	Emerging	-6.1%	10.1%	19.6%	-4.7%
21	NIKKEI 225	Japan	Developed	-3.1%	9.8%	21.8%	-18.5%
22	HO CHI MINH STOCK INDEX	Vietnam	Emerging	-4.5%	9.2%	11.1%	-34.1%
23	FTSE 100 INDEX	United Kingdom	Developed	-5.4%	9.0%	13.6%	-6.5%
24	STOCK EXCH OF THAI INDEX	Thailand	Emerging	-3.2%	8.1%	-11.5%	-0.4%
25	PSEi - PHILIPPINE SE IDX	Philippines	Emerging	-5.4%	7.7%	1.5%	-13.7%
26	S&P/ASX 200 INDEX	Australia	Developed	-6.6%	7.6%	14.3%	-5.8%
27	SWISS MARKET INDEX	Switzerland	Developed	-5.4%	6.0%	17.6%	-15.0%
28	MSCI COLCAP INDEX	Colombia	Emerging	-1.4%	5.7%	32.2%	-18.4%
29	JAKARTA COMPOSITE INDEX	Indonesia	Emerging	-2.7%	5.2%	11.3%	-1.6%
30	BIST 100 INDEX	Turkey	Emerging	-8.4%	5.0%	-11.6%	117.4%
31	OMX COPENHAGEN 20 INDEX	Denmark	Developed	-5.9%	4.8%	31.4%	-4.9%
32	TADAWUL ALL SHARE INDEX	Saudi Arabia	Emerging	-1.8%	3.2%	18.1%	-5.1%
33	OMX STOCKHOLM 30 INDEX	Sweden	Developed	-7.9%	3.2%	25.4%	-24.3%
34	OMX HELSINKI 25 INDEX	Finland	Emerging	-7.1%	2.0%	0.9%	-14.8%
35	S&P/NZX 50 Index Gross	New Zealand	Developed	-4.8%	0.9%	2.4%	-18.4%
36	CAC 40 INDEX	France	Developed	-6.2%	-1.5%	24.1%	-12.2%
37	WIG 20	Poland	Emerging	-9.0%	-2.6%	50.4%	-24.1%
38	S&P/CLX IPSA (CLP) TR	Chile	Emerging	-5.7%	-3.1%	13.4%	22.9%
39	KOSPI INDEX	South Korea	Emerging	-5.9%	-8.8%	17.3%	-27.6%
40	BRAZIL IBOVESPA INDEX	Brazil	Emerging	-7.4%	-18.8%	33.1%	10.1%
41	EGX 30 INDEX	Egypt	Emerging	-3.2%	-19.6%	40.1%	-18.9%
42	S&P/BMV IPC	Mexico	Emerging	-5.1%	-23.6%	40.9%	-1.1%

Source: Bloomberg

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Our October '24 Performance

India Performance Analysis

The Indian markets which started Jan 2024 on a modestly positive note, continued this positive direction throughout, till September 2024, but finally started a correction in October. In October 2024 - the Indian markets were down 6.1-6.5%, although CYTD, they are still up 13-18%.

Indian equity markets were quite narrow in their movement in October 2024. However while the Large-caps were down 6.13%, the small-caps and mid-caps were down 3.8-6.9%.

In October 2024, out of the top 1500 companies/stocks in terms of market cap, around 73% declined and 57% underperformed the markets. Nevertheless, CYTD about 71% of the stocks have had a positive move.

Particulars for Oct-24	No. Of stocks	%
Positive	413	27.53%
Negative	1087	72.47%
Outperformer	644	42.93%
Underperform	856	57.07%

Particulars for CYT-Oct-24	No. Of stocks	%
Positive	1069	71.27%
Negative	431	28.73%
Outperformer	519	34.60%
Underperform	981	65.40%

For 2023, India was ranked No.21 - down from its No.10 position in CY22 among the top 42 global markets. By March 2024, it went further down to No.26 and still further down to No. 29 by May 2024. The strong move in June and July led to India's ranking jumping up to No.10 in July 2024. However in October it again fell to No.20. For this calendar year and is below the global average.

In October 2024, almost all sectors except PSU Banks were in red. The major sectors that were down and led the market fall: Oil & Gas, Auto and Auto Components, FMCG and Financials (excluding PSU Banks).

Our Pure Equity portfolio, India Super 50 (IS50) was down 5.3% in October but was able to outperform the benchmark, i.e. the BSE 500 TR Index's fall of 6.5%. This was on account of our overweight positions in Healthcare, zero weightage to Energy and our being underweight Financials and Industrials.

In October 2024, we completed our zero base rebalance and almost maintained our IT weightage at 12.4% and Auto and Auto Components weightage at 14%. Some more FMCG names were ranked high and liked on other systems and hence this sector weightage was increased from 11.6% earlier to almost 15%. In the Healthcare space, we slightly trimmed our weightage but still remain significantly overweight relative to the benchmark weight. In Industrials, we further reduced our weightage from 10.7% earlier to 9.3% now and remain underweight the index weightage.

Of course, we remain among the top PMS providers in the multi-cap space - with a return that's far better than most others. On risk-adjusted returns, we remain clear number 1 with a wide gap with most other providers. (Please see the table given below).

Our diversified portfolio has stood us in good stead. As usual, the best performing stocks in our portfolio came from a reasonably wide variety of sectors.

Our Winners in October '24

Name	Return	Name	Return	Name	Return
Shilchar Technol	30.9%	ADF Foods Ltd	13.0%	Ipca Laboratories Ltd	6.1%
Poly Medicure Ltd	24.2%	Elantas Beck India Ltd	12.1%	Garware Hi-Tech Films Ltd	5.8%
Orient Cement Ltd	19.7%	Finolex Industries Ltd	8.9%	HeidelbergCement India	4.3%
Neuland Laboratories Ltd	17.9%	Divi's Laboratories Ltd	8.2%	Zensar Technologies Ltd	4.2%
Akzo Nobel India Ltd	16.7%	RPG Life Sciences Ltd	6.5%	State Bank of India	4.1%

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Global Performance Analysis

October 2024 was an overall volatile one where all major Asset Classes and Sectors went down. Almost 90% of the top 42 Equity markets, Fixed Income, REITs, most Commodities and all major currencies were in negative territory. The US Dollar was the only exception and was up 3.2%.

Out of top 3000 Global companies/stocks in terms of market cap, 43% have outperformed the ACWI Index. Even CYTD, the overall Global markets are still broad-based with about 76% giving positive returns.

Particulars for Oct-24	No. Of stocks	%
Positive	1195	39.8%
Negative	1805	60.2%
Outperform ACWI	1289	43.0%
Underperform ACWI	1711	57.0%

Particulars for CYT-Oct 24	No. Of stocks	%
Positive	2275	75.8%
Negative	725	24.2%
Outperform ACWI	1173	39.1%
Underperform ACWI	1827	60.9%

In October 2024, the countries that fell the most were Poland, Malaysia and Turkey, down 8-9%. All Developed markets including US, UK, and Italy went down, though the fall in the US was among the lowest. In the US, the S&P 500 Index was down 0.9%, while the NASDAQ was down 0.8%. Much of the fall was due to falls in Healthcare, Consumer Discretionary and Industrials, as well as the tech sector.

Among the Emerging markets (EM), apart from Sri Lanka, Taiwan and UAE, all other EM markets went down 2-9%.

October 2024 featured a broader market fall. In October, for the ACWI, and the S&P 500 Index, the top 10 stocks contributing negatively to October's return.

As the table below shows, even with markets being up significantly for the year, 26-39% of the stocks have declined and about two thirds have underperformed, depending on the index you look at - not just in the US but even in overall Global markets.

	June-2024		October-2024		2024 CYTD	
	S&P 500 Index	**Nasdaq 100 Index**	**S&P 500 Index**	**Nasdaq 100 Index**	**S&P 500 Index**	**Nasdaq 100 Index**
% Return	**3.6%**	**6.3%**	**-0.9%**	**-0.9%**	**20.8%**	**18.7%**
Top 10 Stocks Attribution	89.7%	75.9%	-0.2%	-0.1%	11.6%	17.0%
Outperforming Stocks	20.4%	25.7%	47.8%	52.9%	35.7%	25.7%
Underperforming Stocks	79.6%	74.3%	52.2%	47.1%	64.9%	75.2%
Negative Stocks	58.2%	39.6%	59.5%	52.0%	26.3%	38.6%

For our benchmarks, the S&P Aggressive 80:20 and 60:40 Indices, all sectors were in the red and the key sectors that led the fall were Healthcare, the Tech and Industrials. Also, the big drag came from Fixed Income and Europe.

In October 2024, the Bloomberg Commodities Index was down 1.9% and it was up just 4% CYTD as the Energy sub-Index was down 8%.

Fixed income markets were negative with the Global Aggregate index down 3.4% in October 2024, while it was up 0.1%mCYTD.

Most currencies were negative in October 2024, except for the US Dollar Index which was up 3.2% in October 2024 and 2.6% CYTD.

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Cross-Asset Performance for October 2024 and CYTD 2024

Cross-Asset Performance	Oct '24	CYTD 2024	Cross-Asset Performance	Oct '24	CYTD 2024
Equities			**Bonds**		
MSCI Japan	-4.9%	6.9%	VanEck EM High Yield ETF	-1.1%	10.8%
S&P 500	-0.9%	20.8%	Bloomberg Global High Yield	-0.6%	8.9%
MSCI Frontier and Select EM	0.2%	7.3%	Bloomberg Pan European High Yield	0.5%	7.5%
NASDAQ 100	-0.8%	19.0%	Bloomberg EM USD Aggregate	-1.4%	6.7%
MSCI ACWI	-2.1%	16.0%	Bloomberg Pan European Aggregate	-1.2%	1.5%
MSCI Eurozone	-5.6%	6.1%	Bloomberg Global Aggregate	-3.4%	0.1%
MSCI India	-6.3%	12.3%			
Core MSCI International Developed Markets	-5.0%	7.5%			
EM ex-China	-3.6%	7.2%			
MSCI Emerging Markets	-3.1%	11.3%			
MSCI Asia ex-Japan	-4.5%	13.5%			
MSCI China	-3.3%	21.4%			
Bloomberg Latin America Index	-6.7%	-17.2%			
REITs	**Oct '24**	**CYTD 2024**	**Commodities**	**Oct '24**	**CYTD 2024**
S&P Global REIT	-4.5%	8.8%	Bloomberg Livestock Subindex	5.7%	21.3%
Vanguard Global ex-US REITs ETF	-6.9%	2.5%	Bloomberg Precious Metals Subindex	4.0%	33.1%
Vanguard US REITs ETF	-3.4%	9.7%	Bloomberg Energy Subindex	-4.4%	-8.3%
			Bloomberg Commodity Index	-1.9%	3.9%
			Bloomberg Industrial Metals Subindex	-3.7%	8.1%
			Bloomberg Agriculture Subindex	-4.2%	-6.8%

Source: Bloomberg, Yahoo Finance

Our Global Multi-Asset fund and portfolio were down 1.7-2.0%, but our fall was far lower than the benchmarks fall of 2.2-2.3%.

Our overweight in Industrials, positions in Communication Services, Japan and Precious Metals added strong performance points. In Japan, we held a currency hedged position and Advantest which were up 2-24% unlike the overall Japan market that was down 5%.

CYTD, our Global portfolios are outperforming benchmarks by 8-260 basis points, with potential for continued outperformance if broad market movements persist.

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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, specific security winners were well diversified across sectors and geographies.

Our Winners in October '24

Name	Return	Name	Return	Name	Return
Advantest Corp	27.6%	Allison Transmission	11.2%	NVIDIA Corp	9.3%
Snap-on Inc.	14.0%	Fastenal Co	10.0%	Texas Roadhouse Inc.	8.2%
Leidos Holding Inc.	12.4%	MSCI Argentina ETF	10.0%	Armstrong World	6.2%
Booz Allen Hamilton	11.6%	CACI International Inc.	9.5%	Aon PLC	6.0%

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FG-GFIP Performance Analysis

In October, the Barclays Bloomberg Global Aggregate Index, which tracks investment grade bonds across major developed market economies, was down by 3.4%. Global REITs declined by 4.5%, as expectations of slower rate cut path emerged. Majority of the world markets saw bond yields surging drastically over the month, as the major bond markets were bleeding in the month.

The US benchmark 10-year yield was higher by a massive 50 basis points in the month, and ended at 4.28%, in what was a frenzy in the bond markets. In the Eurozone, bond yields surged by 15 to 30 basis points across France, Germany, Italy, Spain and Switzerland. UK bond markets were also highly down as yields surged by around 43 basis points for the UK 2y bond, and ended the month at 4.43%. Yields were higher for the major economies in the Asia Pacific as well, as the 2y bond yields in Australia saw monthly gains of around 47 bps, ending the month at 4.06%. Yields on 2y bond in Japan rose by 5 basis points, at 0.43%.

Globally, the major central banks had already started easing. But, mixed and erratic data points, combined with other macro factors meant that the bond markets gave negative returns for the month.

In the US, the CPI report indicated that inflation had eased by less than expected, as core inflation remained elevated at 3.3%. A weaker headline NFP (Nonfarm Payrolls), accompanied with somewhat stronger data on other notes meant that market worries of a resurgence in inflation worsened. Yields were up for most of Europe, even when the ECB delivered a third consecutive rate cut of 25 basis points.

In the UK, the labor market remained tight, with the unemployment rate falling to 4%, and pay growth remaining higher at 4.9%. Inflation eased in the UK, but the UK budget announced in late October, with the biggest tax hike seen in a generation meant that yields continued to surge higher for the month.

In the last month, our model signals suggested making some *changes* to the GFIP portfolio in view of the changing interest rate scenario. ***Thus, we slightly increased our exposure to the investment-grade category, from 56.9% earlier, to 69% now.*** We were still less than the benchmark allocation. This is one major reason why we managed to outperform the benchmark in this period, as bond markets saw negative returns, owing to rising yields, and our exposure was better able to cope than the higher exposure for the benchmark.

In the global high-yield category, we reduced our exposure as suggested by the model, from 35.4%, to 23.3% now. In REITs category, we took a discretionary call not to increase the exposure, which again helped our portfolio, as our allocations to REITs are lower than the benchmark, and REITs performed negatively in the month. Thus, our exposure in this category is 3.9%. The remaining exposure of 3.8% was to the convertible bonds category.

The GFIP's return in October 2024, though negative, gave high outperformance over the benchmark. When GFIP was down 1.52% in the month, the benchmark was further down by *2.99%*. The negative returns are mostly from surging bond yields across the major economies, with heightened volatility after delivering rate cuts. Markets in general were expecting dovishness, as our model showed increasing the interest rate exposure, which was already high for the benchmark. But, rising yields after rate cuts in a highly volatile market, meant higher negative returns for the benchmark.

<u>Yields on a rally after rate cuts in major economies</u>

Inflation and jobs data in the major economies gave the market players worries of a resurgence in inflation, which sent yields surging by 40-50 basis points for various economies. Uptick in inflation in the US, along with a weaker NFP headline accompanied with stronger report on other counts, resulted in higher yields. Yields in the US were also on a surge, as Trump's probability in the Presidential Election rose. Macro factors in the UK, with worries about the budget saw yields rising massively for GILTs.

A bit of soothing in the geopolitical tensions in the Middle East, also supported the rise in yields, as the risk-off sentiment eased a bit.

Consequently, the investment strategy is only slightly underweight in interest rate risk, with a duration of ***5.07*** versus the 5.49 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.

Looking ahead

Given that a global easing cycle has been initiated by major central banks, we recommend clients with short investment horizons (less than 3 years) consider our lower-duration active fixed income product called **GARP**. Those with a longer term invest horizon should prefer the **GFIP**, which is usually more sensitive to interest rates. This is because the policy path remains uncertain until further data shows where the economy is headed.

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. As the US Presidential election approaches, markets face uncertainty from potential policy changes, some of which have already been reflected in rising yields.

We are focusing on high-quality income with our fixed income products, GFIP and GARP, offering a gross yield-to-maturity of 4.46% (4.06% for the benchmark) and 7.18%, respectively. A higher yield helps cushion against losses in case yields rise materially.

FIRST GLOBAL

Be One Step Ahead™

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**

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From Your Friends at First Global