



STARLIGHT WEALTH LLP

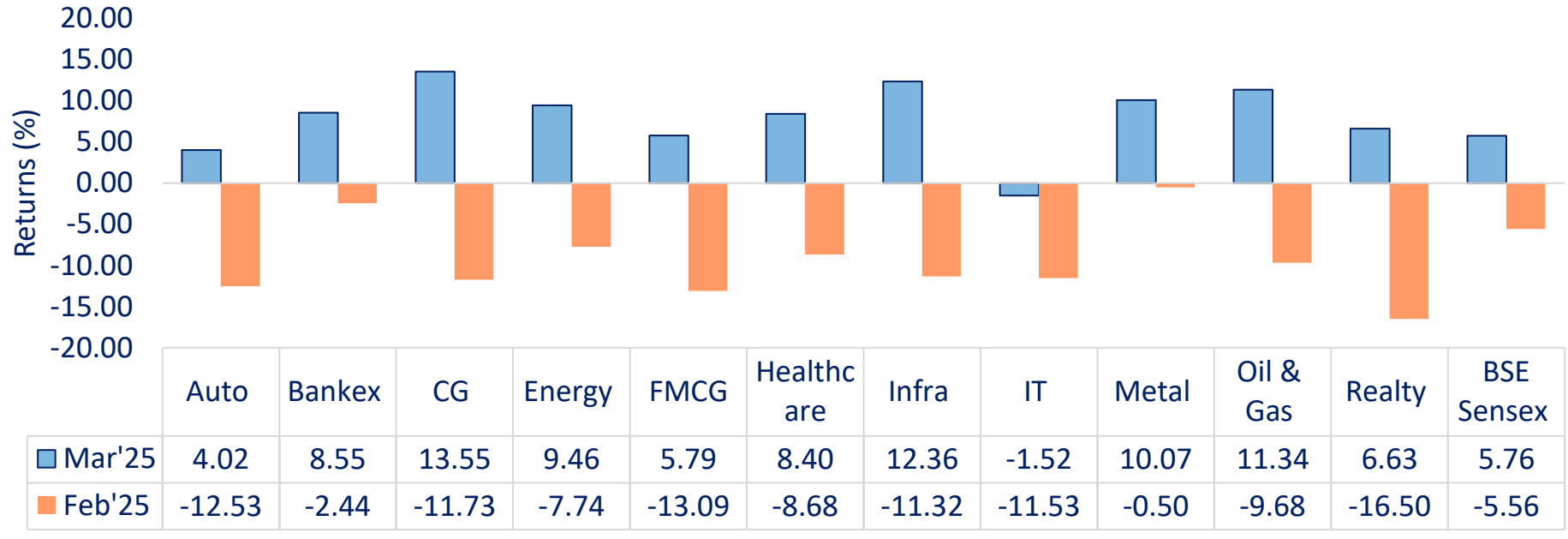
Monthly Newsletter
April 2025

Agenda

- *Equity Market*
- *Debt Market*
- *Recommendations*

Equity Market Performance

Monthly Market Performance – February 2025

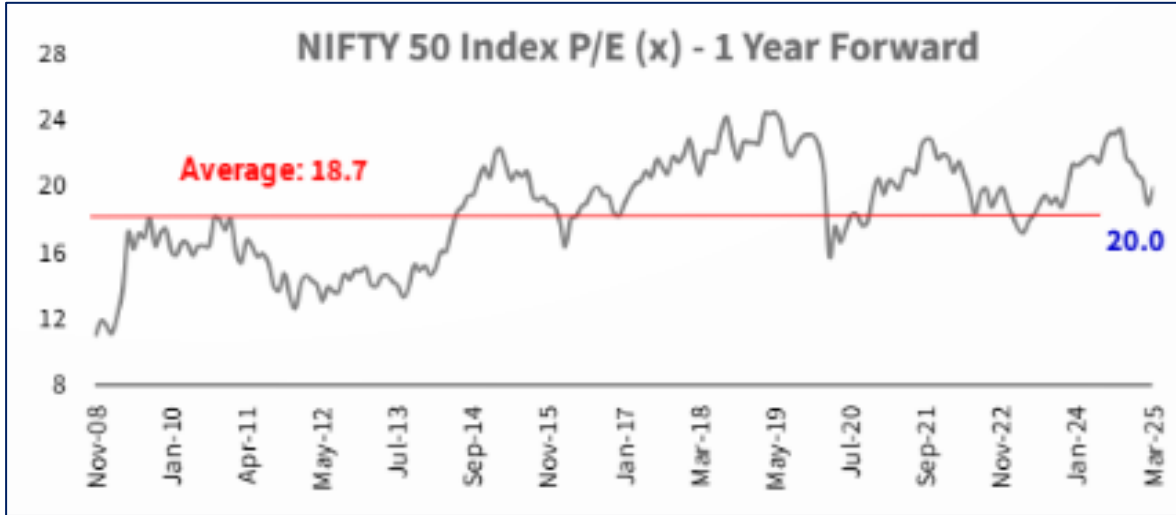


Source: Value Research

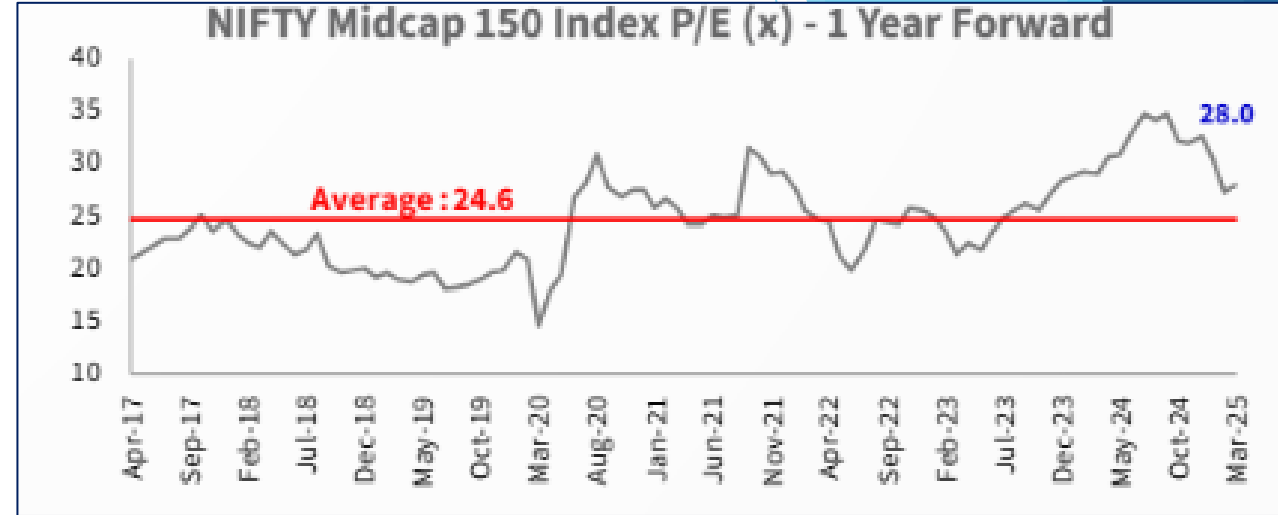
- **Markets rebounded strongly in March, with the BSE Sensex rising 5.76%, reversing the previous month's losses. Easing global concerns and return of foreign inflows helped lift investor sentiment.**
- **Capital Goods (↑13.55%), Infrastructure (↑12.36%), and Oil & Gas (↑11.34%) were the top-performing sectors, driven by improved macro indicators, project announcements, and better earnings outlook.**
- **Broad-based sectoral recovery was visible—9 out of 11 sectors ended in green, with Auto (+4.02%), Bankex (+8.55%), and FMCG (+5.79%) also showing healthy gains. IT (-1.52%) was the only notable laggard amid continued global tech slowdown fears.**

Market Cap Valuations - Premium

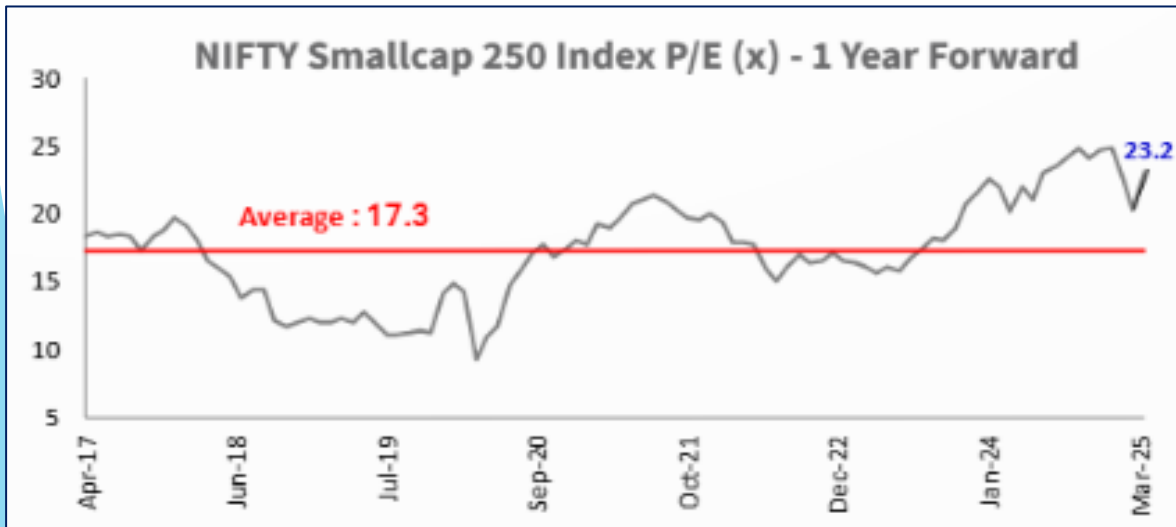
Nifty 50 P/E (x) – 1 Year Forward



Nifty Mid cap 150 P/E (x) – 1 Year Forward



Nifty Small cap 250 P/E (x) – 1 Year Forward



Market Cap	Valuation
Large Cap	7% premium to historical average
Mid Cap	14% premium to historical average
Small Cap	34% premium to historical average

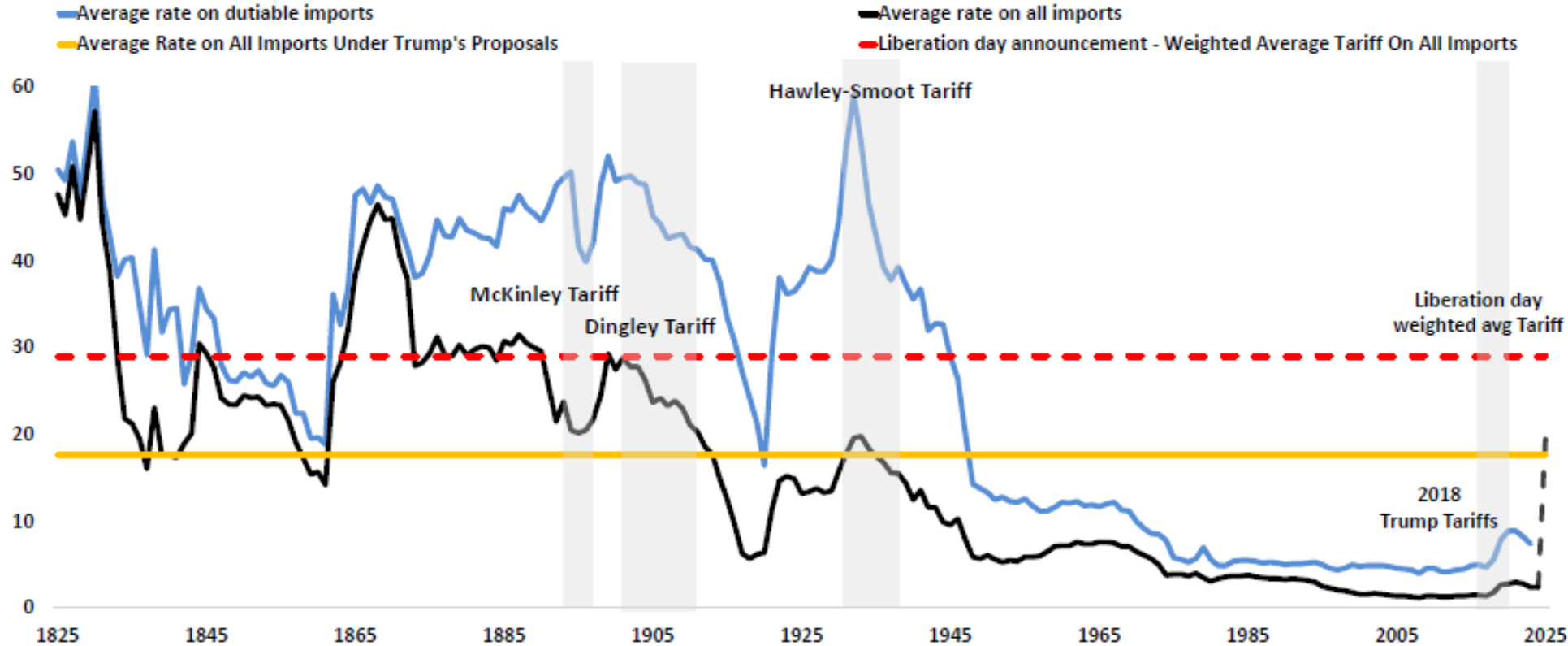
Corporate India's Balance Sheets Strongest to Withstand a Slowdown

Sectors (Median Debt-to-Assets %)	2003	2008	2013	2018	2024
Media, Entertainment & Publication	32%	30%	40%	30%	7%
Information Technology	8%	16%	14%	7%	8%
Utilities	46%	26%	42%	43%	11%
Healthcare	42%	34%	33%	28%	12%
Capital Goods	39%	35%	38%	32%	14%
Chemicals	50%	44%	49%	32%	16%
Oil, Gas & Consumable Fuels	33%	24%	37%	32%	18%
Consumer Durables	47%	44%	45%	23%	18%
Fast Moving Consumer Goods	46%	50%	46%	33%	20%
Automobile and Auto Components	43%	52%	51%	31%	21%
Services	43%	39%	43%	26%	21%
Consumer Services	41%	42%	39%	24%	21%
Metals & Mining	66%	50%	52%	45%	27%
Construction	52%	47%	49%	39%	28%
Construction Materials	66%	49%	38%	38%	32%
Realty	46%	24%	39%	40%	34%
Telecommunication	49%	39%	53%	46%	40%
Power	54%	40%	45%	53%	47%

- India Inc. enters the slowdown with one of the cleanest balance sheets in recent cycles.
- Median Debt-to-Assets ratio is at a historic low across most sectors.
- Cyclical sectors like chemicals and metals have significantly deleveraged, reducing dependence on debt-funded growth.
- Compared to previous phases (pre-2003 bull run, pre-Global Financial Crisis), corporate leverage is far lower today.
- Stronger balance sheets position companies for a quicker recovery and accelerated growth when economic tailwinds return.

Source: DSP

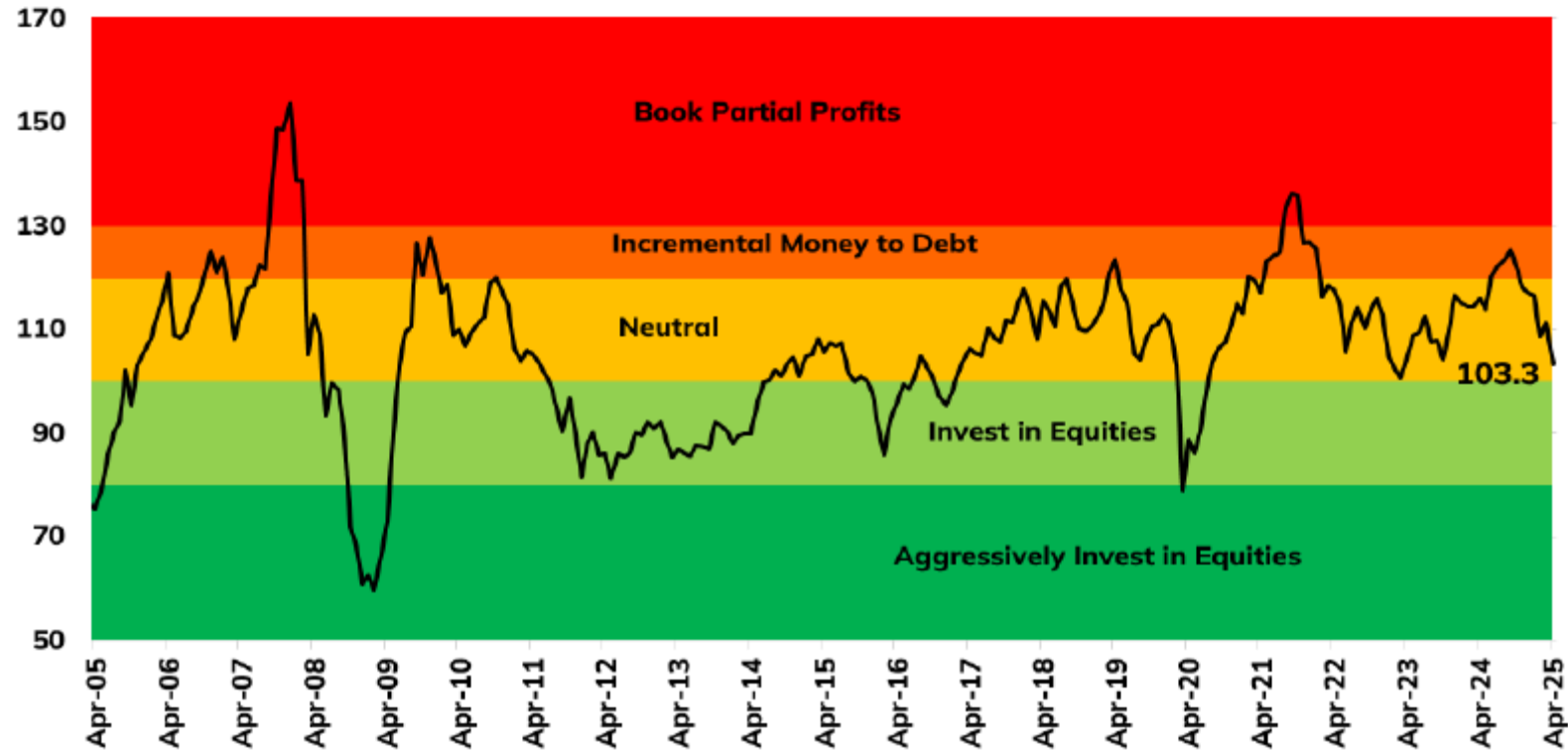
Rising Global Trade Tensions: A Cautionary Signal and Opportunity for Indian Investors



Source: DSP

- The global trade war is intensifying, with new tariffs set for 2025 coming at a time when global growth is weak and trade is already sluggish—unlike in 2018, when the economy was recovering. The current scenario poses a higher risk of recession, especially for weaker economies, and could lead to broader economic disruptions. Indian investors should stay alert to global developments, as market corrections may present opportunities to invest in Indian equities at more reasonable valuations.

Valuations Now in Neutral Zone – A Better Time to Invest



Source: ICICI Prudential Mutual Fund

- Market valuations have cooled off significantly, moving from elevated levels in 2024 to the lower end of the neutral zone in 2025.
- Valuation indicators now suggest a balanced environment for long-term equity investments, with reduced risk of overvaluation.
- The decline in valuation index levels reflects better entry points for investors, supported by a more reasonable market pricing.

India leads global GDP growth over the past decade

Countries	2015 GDP	2025 GDP	Change
India	\$2.1T	\$4.3T	105%
United States	\$18.3T	\$30.3T	66%
China	\$11.1T	\$19.5T	76%
Germany	\$3.4T	\$4.9T	44%
Japan	\$4.4T	\$4.4T	0%
United Kingdom	\$2.9T	\$3.7T	28%
France	\$2.4T	\$3.3T	38%
Italy	\$1.8T	\$2.5T	39%
Canada	\$1.6T	\$2.3T	44%
Brazil	\$1.8T	\$2.3T	28%
Russia	\$1.4T	\$2.2T	57%
South Korea	\$1.5T	\$1.9T	27%
Australia	\$1.2T	\$1.9T	58%
Spain	\$1.2T	\$1.8T	50%

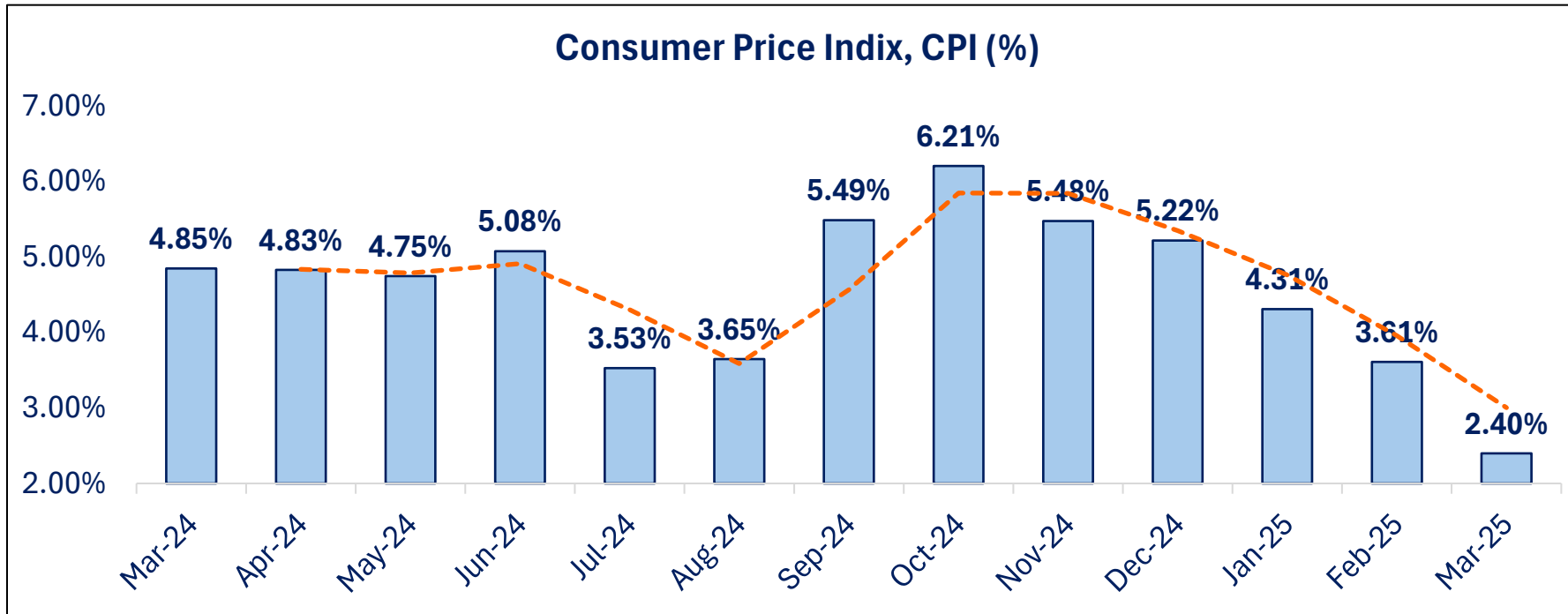
Source: KOTAK AMC

- India leads globally with a 105% increase in real GDP from \$2.1T in 2015 to \$4.3T in 2025, doubling its economic output over the decade.
- India has outpaced both China (76%) and the U.S. (66%), driven by consumption, digitalization, manufacturing push (PLI schemes), and a young workforce.
- Most developed economies like Japan (0%), UK (28%), and France (38%) show relatively slower growth, emphasizing India's rising global economic importance.
- Among major economies, India is the only one to achieve triple-digit growth in inflation-adjusted GDP over the decade.

Equity Market-Key Takeaways

- *Markets could remain volatile over the next few quarters as elevated valuation concerns in the broader markets remain. However, valuations have moderated from Sept'24 levels. Large-caps are now trading at 3-yr average valuation levels.*
- *We remain constructive on sectors/themes like Banks & Consumption where the valuations & earnings remain reasonable. High quality large-cap stocks provide opportunities in the current markets.*
- *Therefore, we suggest staggered investments into Equities to ride out volatility in the Equity markets.*
- *We recommend a core portfolio of Large caps, Multicap and Flexicap Funds in equities. Tactical allocations can be done into few Thematic & Sectoral Funds, e.g., Consumption & Banking. Dynamic Asset Allocation Funds and Multi Asset Allocation are also be recommended to provide better volatility adjusted returns.*

Easing Inflation

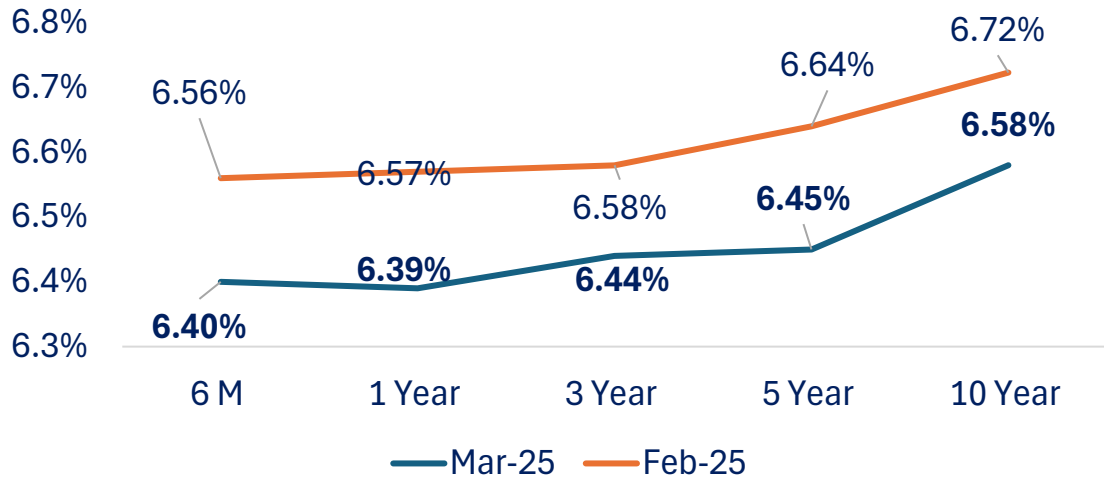


Source: Trading Economics

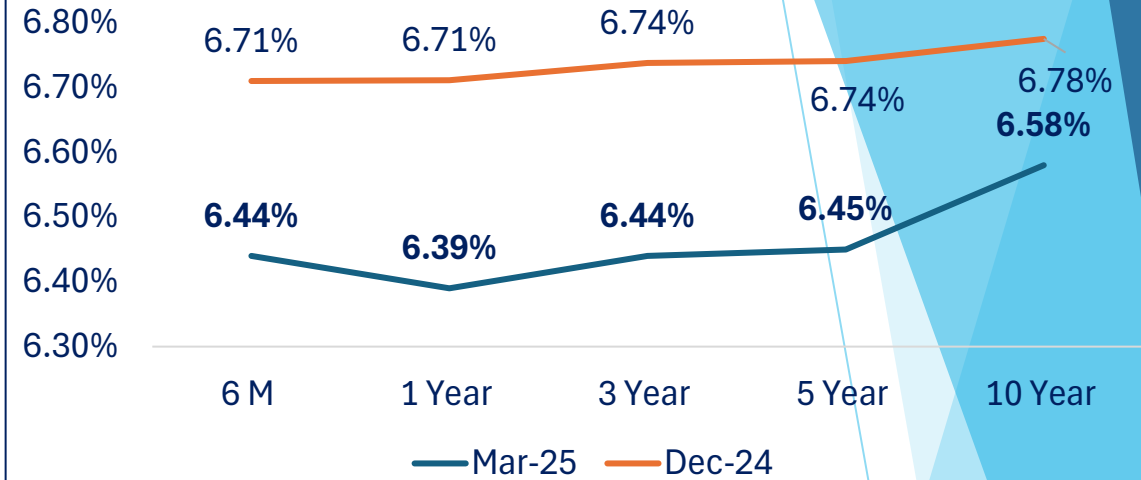
- Retail inflation fell further to 3.61% in Feb'25, reflecting continued easing in food prices and stable fuel costs.
- The MPC announced a 25bps repo rate cut and maintained a neutral stance in its Feb'25 meeting, reaffirming its commitment to economic stability under RBI Governor Mr. Sanjay Malhotra.
- Industrial production and export growth maintain strong momentum, reinforcing optimistic economic projections for 2025.

G-Sec Yield Curve Movement

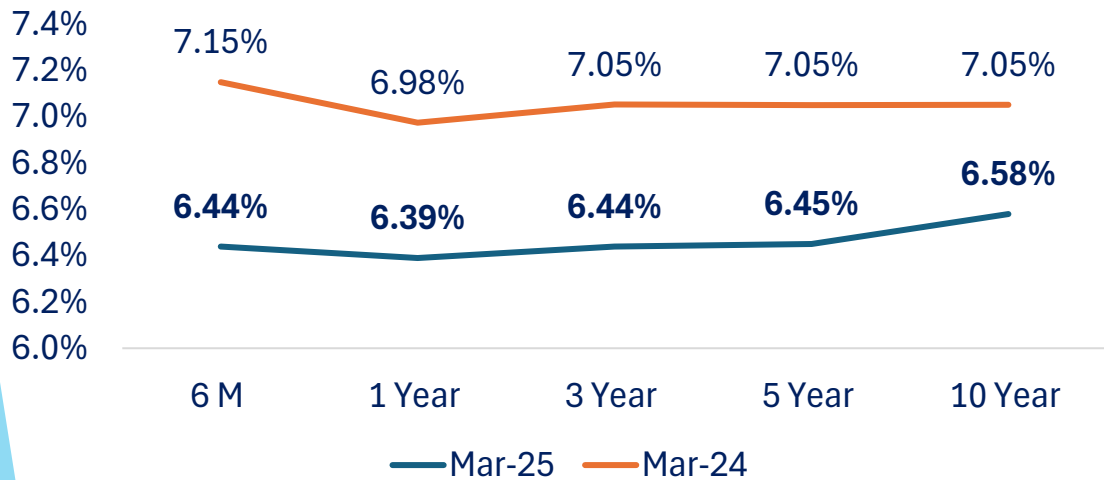
G-Sec Yield Movement - 1 Month



G-Sec Yield Movement - 3 Months



G-Sec Yield Movement - 1 Year



- **G-Sec Yields & Inflation:** Yields fell further, led by easing CPI inflation and robust demand in recent G-Sec auctions.
- **RBI Policy & Liquidity:** Following the March 2025 rate cut, the RBI maintained status quo in April while continuing liquidity support via OMOs and T-bill purchases.
- **Growth Outlook:** Early data for FY26 suggests momentum continuing, with RBI projecting GDP growth at 6.5%, aided by lower borrowing costs and improved business sentiment.

Debt Market – Key Takeaways

- *Inflation cooling off in the recent months provided the RBI to announce interest rate cuts. We now believe that the RBI could announce another rate cut in the April'25 policy.*
- *The Government reduced borrowing plan as announced in the Budget supports softer bond yields during the current year.*
- *These factors would positively impact Bond markets this year. Debt Funds would be attractive.*
- *As bond yields tend to move in advance of rate action, we recommend to invest in medium term, dynamic bond and corporate bond category of debt funds as attractive debt options. Furthermore, we also recommend Arbitrage Funds and Equity Savings hybrid funds as tax-efficient longer term investment vehicle for investors in the highest tax bracket.*

Equity Funds

Historical Performance of Select Mutual Funds

Fund Name	Annualised Returns in % (31-MAR-25)			
	1 Year	3 Year	5 Year	7 Year
Equity - Large Cap Funds				
Nippon India Nifty Alpha Low Volatility	-6.19			
UTI Nifty200 Momentum 30 Index	-10.97	10.97		
Equity - Large & Mid Cap Funds				
Bandhan Core Equity Fund	9.25	20.39	31.14	15.53
Motilal Oswal Large and Midcap Fund	10.46	21.91	30.26	
Equity - Flexicap Funds				
JM Flexicap	4.74	20.14	28.93	17.33
Parag Parikh Flexi Cap Fund	11.40	16.17	30.43	19.52
Equity - Focused Funds				
HDFC Focused 30 Fund	13.58	21.72	32.78	15.28
Invesco India Focused Fund	11.82	18.51		
Equity - Multicap Funds				
Axis Multicap Fund	10.79	17.54		
Mahindra Manulife Multi Cap Fund	3.91	14.77	30.02	17.04
Equity - Mid Cap Funds				
Invesco India Mid Cap	16.00	20.89	31.40	18.40
Motilal Oswal Midcap Fund	14.16	26.73	37.32	20.24
Equity - Small Cap Funds				
Franklin India Smaller Companies Fund	0.79	18.83	35.33	14.39
Nippon India Small Cap Fund	3.67	20.06	41.02	19.34
Equity - Value - Oriented Funds				
ICICI Pru Value Discovery Fund	8.76	18.90	33.31	17.56
SBI Contra Fund	5.24	20.76	37.09	17.97
Benchmark: S&P BSE Sensex	5.11	9.74	21.31	14.32

Fund Name	Annualised Returns in % (31-MAR-25)			
	1 Year	3 Year	5 Year	7 Year
Equity - Sectoral – Banking				
Nippon India Banking & Fin. Services	9.89	16.25	29.10	12.15
SBI Banking & Fin Services Fund	13.71	16.21	24.76	14.47
Equity - Consumption				
Mirae Asset Great Consumer Fund	5.07	15.62	25.17	14.78
Nippon India Consumption Fund	5.47	16.73	28.37	15.71
Equity - Thematic				
Franklin India Opportunities Fund	12.39	25.94	34.60	17.70
ICICI Pru India Opportunities Fund	9.81	22.04	36.44	
Equity - Sectoral - Pharma				
ICICI Pharma Healthcare & Diagnostics Fund	17.05	22.05	30.56	
Mirae Asset Healthcare Fund	13.69	17.00	27.85	
Benchmark: S&P BSE Sensex	5.11	9.74	21.31	14.32

Hybrid Funds

Fund Name	Annualised Returns in % (31-MAR-25)			
	1 Year	3 Year	5 Year	7 Year
Hybrid - Dynamic Asset Allocation Funds				
Baroda BNP Paribas Balanced Advantage	4.87	11.09	18.39	
HDFC Balanced Advantage Fund	7.02	18.88	27.22	15.25
Hybrid - Aggressive Fund				
ICICI Pru Equity & Debt Fund	7.92	16.93	28.74	16.56
JM Aggressive Hybrid Fund	4.48	18.18	28.38	14.30

Historical Performance of Select Mutual Funds & PMS Strategies

Hybrid Funds (Contd.)

Fund Name	Annualised Returns in % (31-MAR-25)			
	1 Year	3 Year	5 Year	7 Year
Hybrid - Equity Savings				
HDFC Equity Savings Fund	5.04	9.05	14.15	8.95
Kotak Equity Savings Fund	5.48	9.99	13.55	9.44
Hybrid - Multi Asset Allocation Funds				
ICICI Pru Multi Asset Fund	11.88	17.72	28.32	16.04
UTI Multi Asset Allocation Fund	6.75	16.26	19.63	11.18

Debt Funds

Fund Name	Annualised Returns in % (31-MAR-25)			
	1 Year	3 Year	5 Year	7 Year
Debt - Corporate Bond Funds				
Aditya Birla SL Corporate Bond Fund	8.72	7.04	7.16	7.55
ICICI Pru Corporate Bond Fund	8.30	7.24	6.98	7.30
Debt - Banking & PSU Funds				
ICICI Pru Banking & PSU Debt Fund	8.06	7.03	6.70	6.98
Kotak Banking and PSU Debt Fund	8.14	6.60	6.48	7.21
Debt - Short Duration Funds				
Axis Short Term Fund	8.27	6.60	6.40	6.95
UTI Short Duration Fund	7.81	6.62	7.48	5.64
Debt - Accrual & Roll Down Strategy				
ICICI Pru Bond Fund	8.96	7.37	6.64	7.18
Nippon India Floating Fund	8.30	6.79	6.79	7.04
Debt - Dynamic Bond Funds				
Kotak Dynamic Bond Fund	8.49	6.70	6.53	7.45
Nippon India Dynamic Bond Fund	8.81	6.71	6.31	6.66

PMS Strategies	1 Year	2 Years	3 Years	5 Years
<i>Unifi Blended Rangoli</i>	2.56%	18.84%	11.97%	34.60%
<i>Marcellus - CCP</i>	3.49%	13.15%	4.40%	14.42%
<i>Quest Multi PMS</i>	5.57%	27.04%	14.47%	28.84%
<i>White Oak India Pioneers Equity</i>	9.48%	20.46%	10.19%	23.00%
<i>ICICI - PIPE Strategy</i>	9.39%	31.15%	23.71%	39.69%
<i>ABSL - Select Sector Portfolio</i>	19.73%	32.82%	23.84%	34.87%
<i>Abakkus – All Cap PMS</i>	1.83%	21.43%	13.57%	--
<i>Old Bridge Capital – All Cap</i>	14.20%	30.80%	15.70%	34.80%
<i>Helios - India Rising PMS</i>	6.78%	26.64%	15.22%	--
<i>Karma Capital – Wealth Builder</i>	7.19%	30.33%	14.44%	37.77%
<i>Right Horizons – Super Value Fund</i>	12.10%	25.80%	16.61%	32.11%
Benchmark: S&P BSE 500 Index	6.00%	21.90%	13.70%	26.30%

Nippon India Large Cap Fund

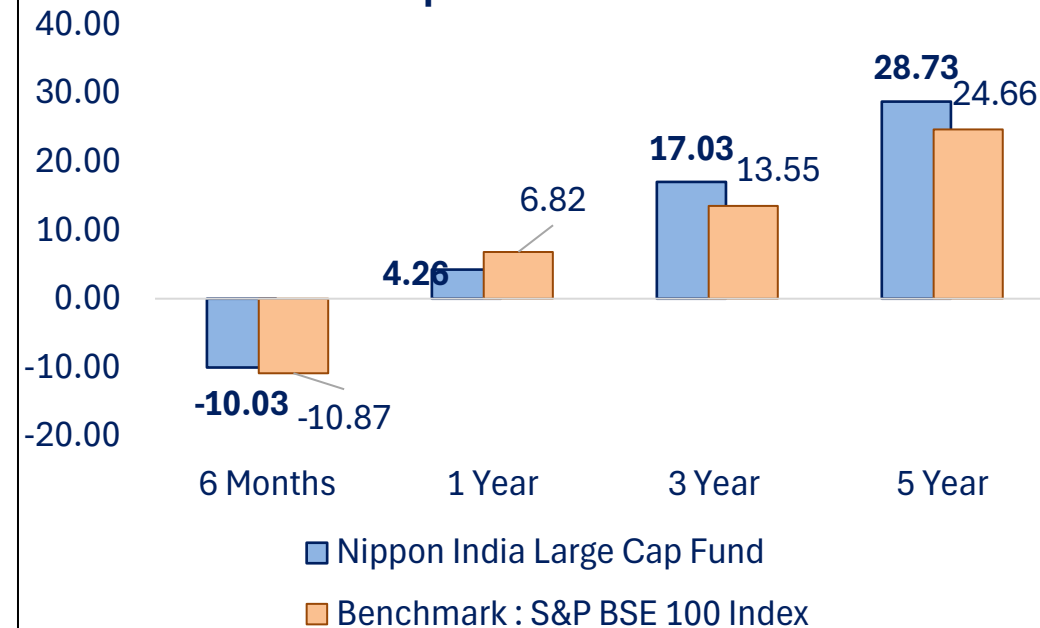
Investment Objective – Aims for long-term capital appreciation by investing predominantly in large-cap companies with strong fundamentals and sustainable business models.

AUM – Rs. 37,546 CR

Exit Load – 1% for redemption within 7 days

Large cap	Midcap	Smallcap
84.35%	11.60%	4.04%

Historical performance of the fund



JM Aggressive Hybrid Fund

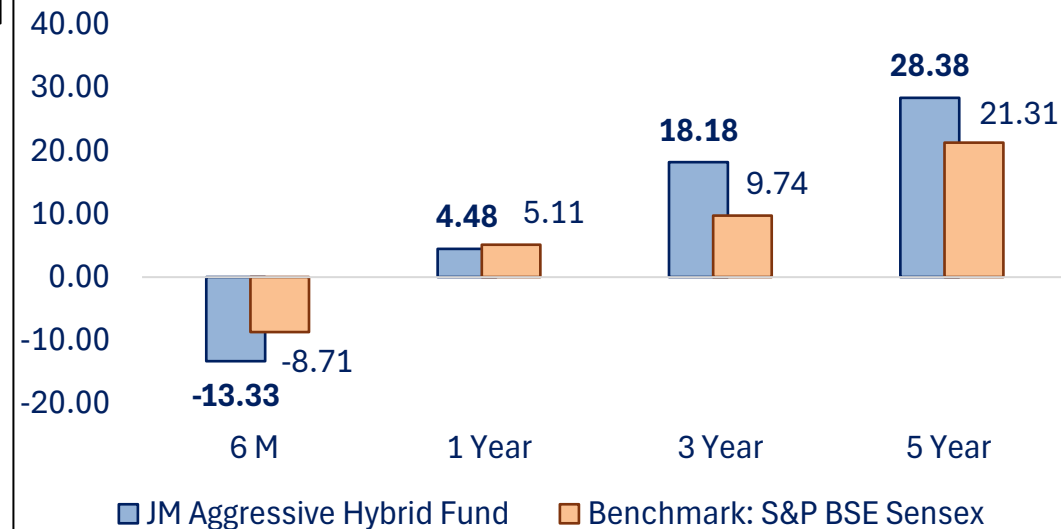
Investment Objective – Seeks capital appreciation and income through a balanced mix of equities and debt instruments.

AUM – Rs. 767 CR.

Exit Load – 1% for redemption within 60 days

Equity	Debt	Others
75.85%	19.56%	4.59%

Historial Performance of the Fund



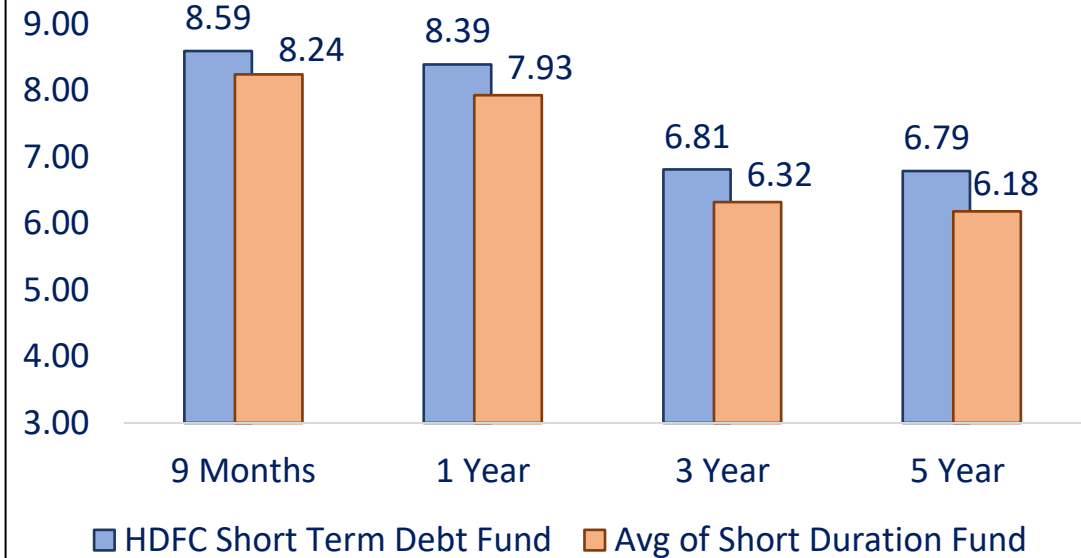
HDFC Short-term Fund

Investment Objective – Focuses on generating stable returns by investing in high-quality short-term debt and money market instruments.

AUM – Rs. 14,207 CR

Portfolio Quants		
Portfolio YTM (%)	Avg Maturity (Yrs.)	Mod. Duration (Yrs.)
7.46%	4.17%	2.81%

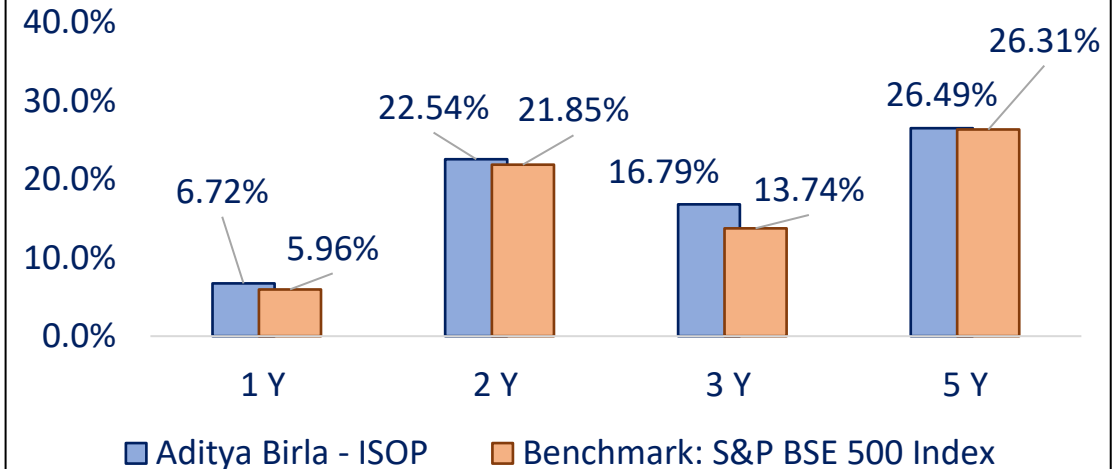
Historical Performance of the Fund



Aditya Birla - India Special Opportunities Portfolio

- Focuses on special opportunities—market inefficiencies and mispriced stocks due to firm-specific, sectoral, or macroeconomic factors.
- Invests in companies undergoing transformation such as management changes, financial restructuring, or business model shifts.
- Bottom-up and top-down investment strategy with a multi-cap approach.

Historical Performance of Aditya Birla – India Special Opportunities Portfolio





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Thank you

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