



STARLIGHT WEALTH LLP

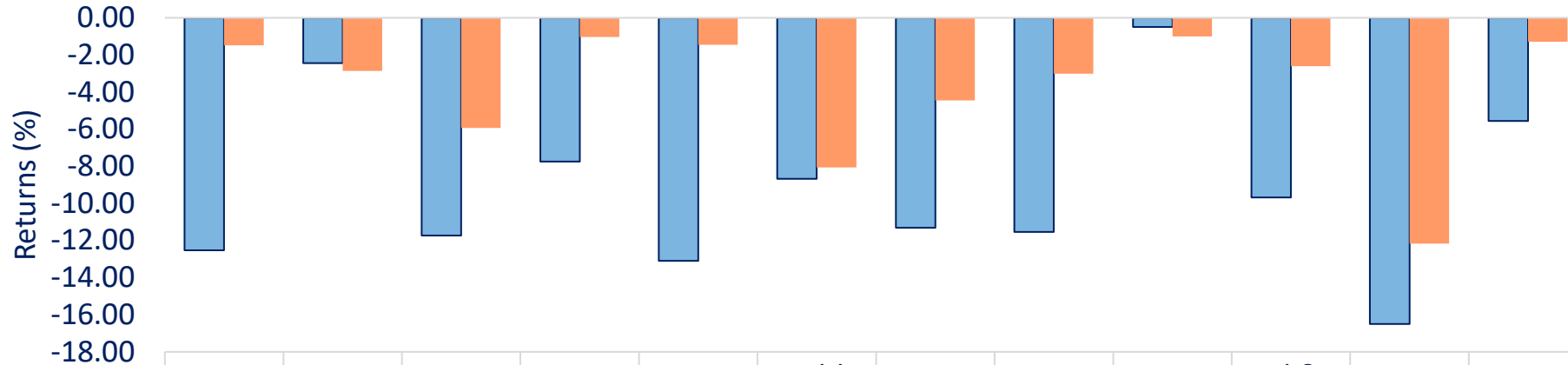
Monthly Newsletter
March 2025

Agenda

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

Equity Market Performance

Monthly Market Performance – February 2025



	Auto	Bankex	CG	Energy	FMCG	Healthcare	Infra	IT	Metal	Oil & Gas	Realty	BSE Sensex
Feb'25	-12.53	-2.44	-11.73	-7.74	-13.09	-8.68	-11.32	-11.53	-0.50	-9.68	-16.50	-5.56
Jan'25	-1.48	-2.86	-5.94	-1.03	-1.45	-8.06	-4.45	-3.01	-1.00	-2.60	-12.17	-1.28

Source: Value Research

- **Sensex (-5.56%)** dropped as global uncertainty and weak sectoral performance fueled selling. Market sentiment remained bearish, with broad-based declines across key sectors.
- **Realty (-16.50%) & FMCG (-13.09%)** plunged on weak demand and slowing consumption.
- **Auto (-12.53%) & Capital Goods (-11.73%)** fell amid economic slowdown concerns. Weak demand, supply chain issues, and lower investments weighed on these sectors.

Global Market Calendar Year Performance

2016 (%)	2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)	2022 (%)	2023 (%)	2024 (%)	CYTD (%)
U.K. 14.43%	Hong Kong 35.99%	India 3.15%	U.S 34.19%	U.S 36.92%	U.S 24.95%	India 4.33%	U.S 39.96%	U.S 31.57%	Hong Kong 14.36%
Germany 6.87%	India 28.65%	U.S -3.34%	Germany 25.48%	Japan 16.01%	India 24.12%	U.K. 0.91%	Japan 28.24%	Japan 19.22%	Germany 13.27%
U.S 5.72%	U.S 27.81%	Japan -12.08%	China 22.30%	India 14.90%	Germany 15.79%	Japan -9.37%	Germany 20.31%	Germany 18.85%	U.K. 7.79%
India 3.01%	Japan 19.10%	U.K. -12.48%	Japan 18.20%	China 13.87%	U.K. 14.30%	Germany -12.35%	India 20.03%	Hong Kong 17.67%	China -0.92%
Japan 0.42%	Germany 12.51%	Hong Kong -13.61%	U.K. 12.10%	Germany 3.55%	Japan 4.91%	China -15.13%	U.K. 3.78%	China 12.67%	U.S -1.87%
Hong Kong 0.39%	U.K. 7.63%	Germany -18.26%	India 12.02%	Hong Kong -3.40%	China 4.80%	Hong Kong -15.46%	China -3.70%	India 8.80%	India -6.43%
China -12.31%	China 6.56%	China -24.59%	Hong Kong 9.07%	U.K. -14.34%	Hong Kong -14.08%	U.S -29.63%	Hong Kong -13.82%	U.K. 5.69%	Japan -6.87%

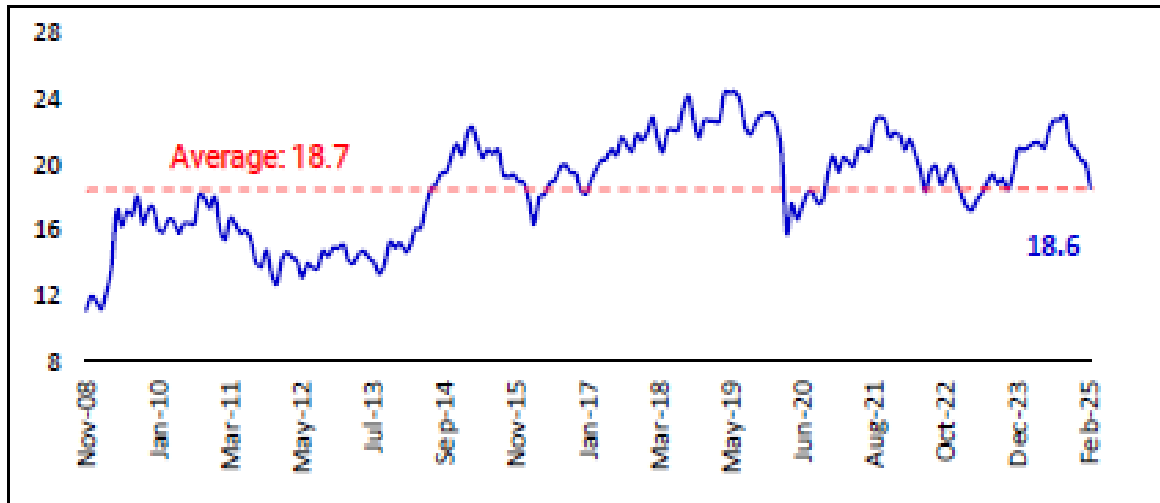
Source: Nippon AMC

European equity markets rose as investors reacted to robust earnings reports and expected reduction in geopolitical tensions in Ukraine and historically low market valuations.

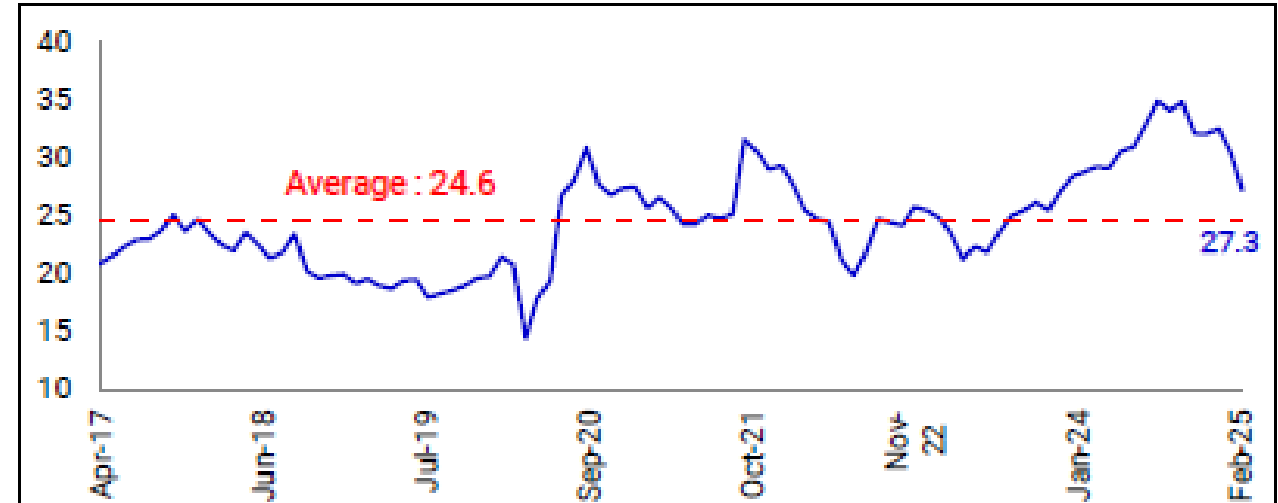
The Chinese market rose as mixed inflation data from China of Jan 2025 heightened expectations that Beijing may implement additional stimulus measures, including interest rate reductions or increased infrastructure spending, to stimulate economic growth.

Market Cap Valuations - Premium

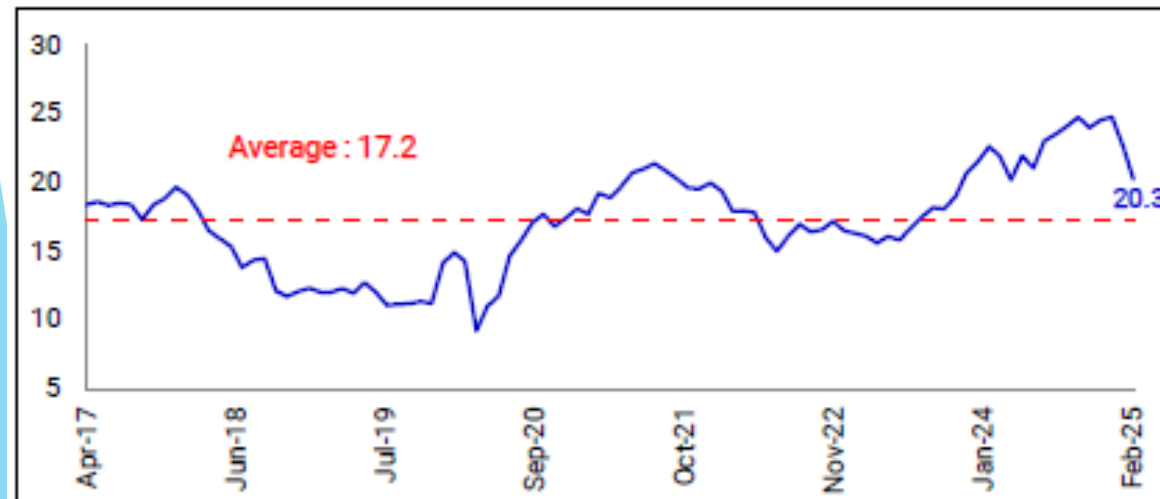
Nifty 50 P/E (x) – 1 Year Forward



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	1% discount to historical average
Mid Cap	11% premium to historical average
Small Cap	18% premium to historical average

Asset Class Returns

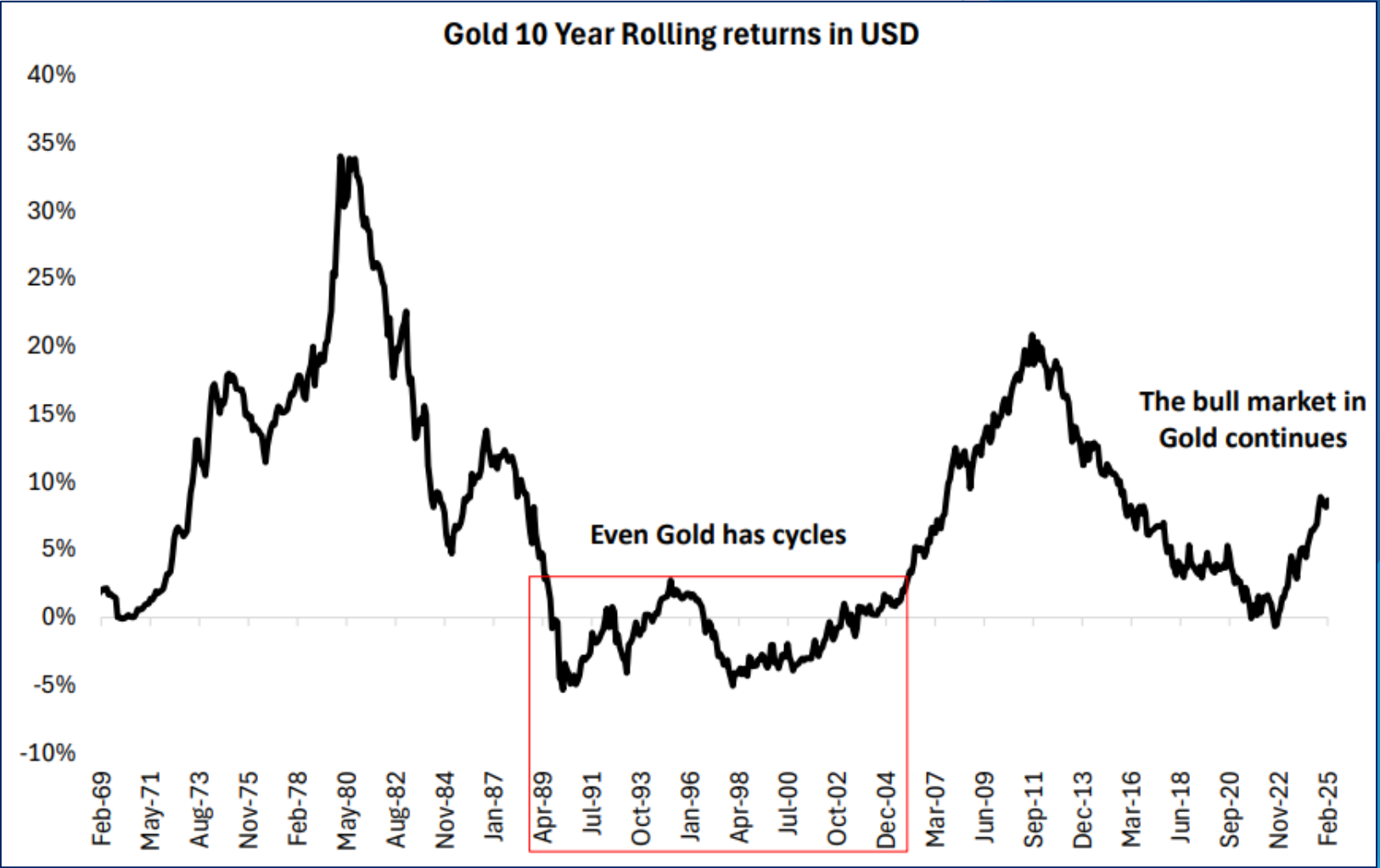
2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Jan-25	Feb-25
Crude Oil 45.41%	Domestic Equity 28.65%	Bond Index 5.91%	Crude Oil 36.52%	Silver 47.83%	Crude Oil 54.51%	Crude Oil 6.02%	Global Equity 43.42%	Global Equity 28.64%	Gold 8.95%	Silver 8.42%	Gold 2.06%
Silver 15.21%	Global Equity 28.24%	Domestic Equity 3.15%	Global Equity 35.23%	Global Equity 43.64%	Domestic Equity 24.12%	Domestic Equity 4.33%	Domestic Equity 20.03%	Gold 27.21%	Silver 7.89%	Gold 6.75%	Bond Index 0.45%
Bond Index 10.18%	Crude Oil 22.72%	Gold -1.51%	Gold 18.26%	Gold 25.01%	Global Equity 21.39%	Bond Index 3.54%	Gold 13.06%	Silver 21.52%	Bond Index 1.09%	Crude Oil 2.20%	Silver -0.48%
Gold 8.54%	Gold 13.11%	Global Equity -3.88%	Silver 15.18%	Domestic Equity 14.90%	Bond Index 4.55%	Silver 3.00%	Bond Index 7.23%	Domestic Equity 8.80%	Crude Oil -2.13%	Global Equity 1.64%	Global Equity -3.97%
Global Equity 7.50%	Bond Index 6.49%	Silver -8.65%	Domestic Equity 12.02%	Bond Index 12.01%	Gold -3.59%	Gold -0.22%	Silver -0.86%	Bond Index 7.64%	Global Equity -2.40%	Bond Index 0.64%	Crude Oil -4.28%
Domestic Equity 3.01%	Silver 6.35%	Crude Oil -24.69%	Bond Index 9.98%	Crude Oil -26.24%	Silver -11.72%	Global Equity -33.10%	Crude Oil -3.64%	Crude Oil -4.69%	Domestic Equity -6.43%	Domestic Equity -0.58%	Domestic Equity -5.89%

Source: NIPPON AMC
*CYTD – Till 28TH FEB 2025

Domestic equity market-Nifty 50, Global Equity market -Nasdaq composite, Bond Index –Nifty Corporate Bond Index

Even The Mighty Gold Is Cyclical

- **Gold Moves in Cycles** – Strong long-term performer but experiences phases of high returns and underperformance.
- **Proven Outperformance** – Gold has beaten most equity markets in the 21st century but isn't immune to downturns.
- **Recent Bull Phase** – Post-COVID borrowing created a margin of safety, fueling Gold's recovery.
- **Balanced Allocation Matters** – Investing isn't Equity OR Gold; a multi-asset approach ensures stability and growth.



Source: DSP

Global equity markets remained mixed in Feb 2025

	Levels	1M	3M	6M	1Y	3Y	5Y
Emerging Markets	Index						
India	Nifty 50	-5.89%	-8.31%	-12.33%	0.65%	9.62%	14.57%
South Korea	Kospi	0.61%	3.13%	-5.29%	-4.15	-2.10%	4.97%
Brazil	Brazil Ibovespa	-2.64%	-2.28%	-9.71%	-4.28%	2.76%	3.34%
Taiwan	Taiwan TAIEX	-	3.55%	3.53%	21.55%	9.28%	15.32%
Indonesia	Jakarta Composite	-11.80%	-11.86%	-18.25%	-14.29%	-3.07%	2.83%
China	Shanghai Composite	2.16%	-0.17%	16.84%	10.14%	-1.38%	2.88%
Developed Markets							
Germany	DAX	3.77%	14.90%	19.28%	27.57%	15.95%	13.64%
Europe	Euro Stoxx 50 Pr	3.34%	13.72%	10.20%	12.01%	11.65%	10.40%
France	CAC 40	2.03%	12.11%	6.30%	2.32%	6.79%	8.83%
UK	FTSE 100	1.57%	6.30%	5.17%	15.46%	5.70%	6.00%
US	Russell 3000	-3.79%	-1.48%	7.50%	18.34%	13.30%	18.04%
Japan	Nikkei 22.5	-6.11%	-2.75%	-3.86%	-5.13%	11.88%	11.92%

	CYTD25	CY24	CY23
	-6.43%	8.80%	20.03%
	5.55%	-9.63%	18.73%
	2.09%	-10.36%	22.28%
	0.08%	28.47%	26.83%
	-11.43%	-2.65%	6.16%
	-0.92%	12.67%	-3.70%
	13.27%	18.85%	20.31%
	11.59%	8.28%	19.19%
	9.90%	-2.15%	16.52%
	7.79%	5.69%	3.78%
	-1.87%	31.57%	39.96%
	-6.87%	19.22%	28.24%

Source: KOTAK AMC

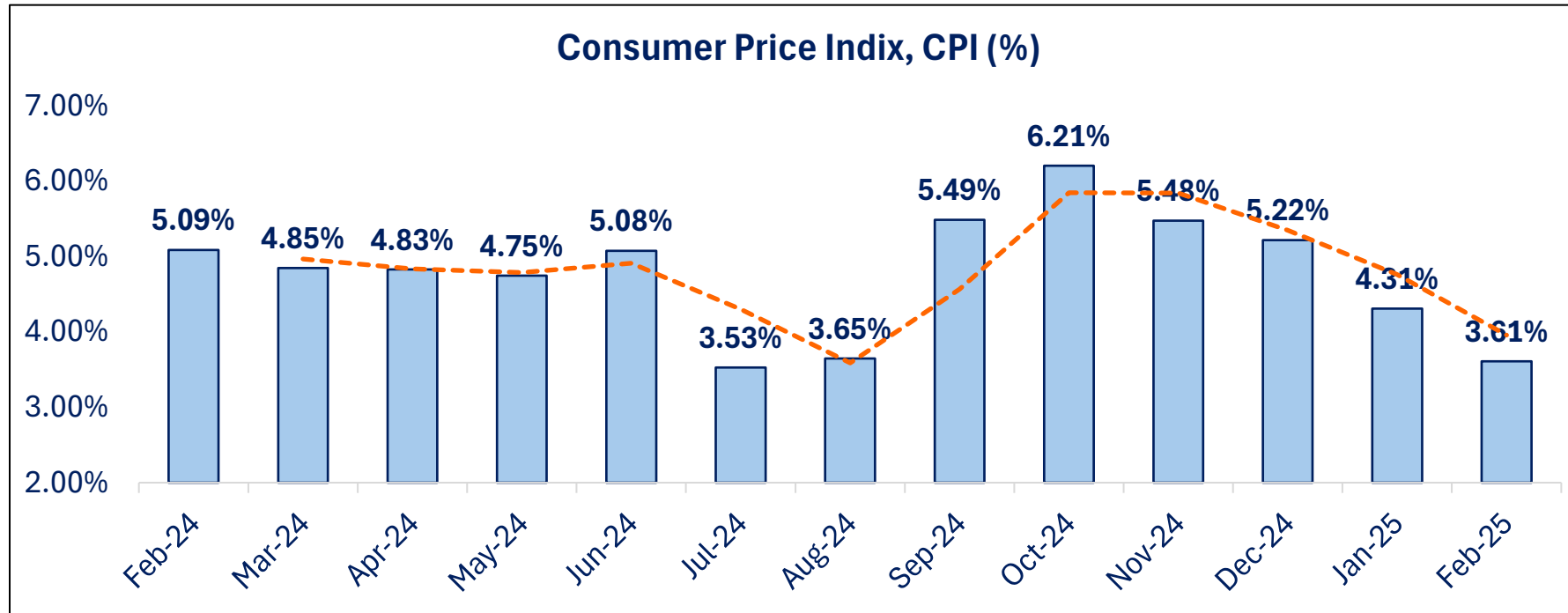
*CYTD – Till 28TH FEB 2025

- Emerging markets remained mixed during the reporting period, with highest rise seen in China and highest fall in Indonesia.
- Developed markets mostly rose during the reporting period except U.S. & Japan, with highest rise seen in Germany followed by Europe.

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

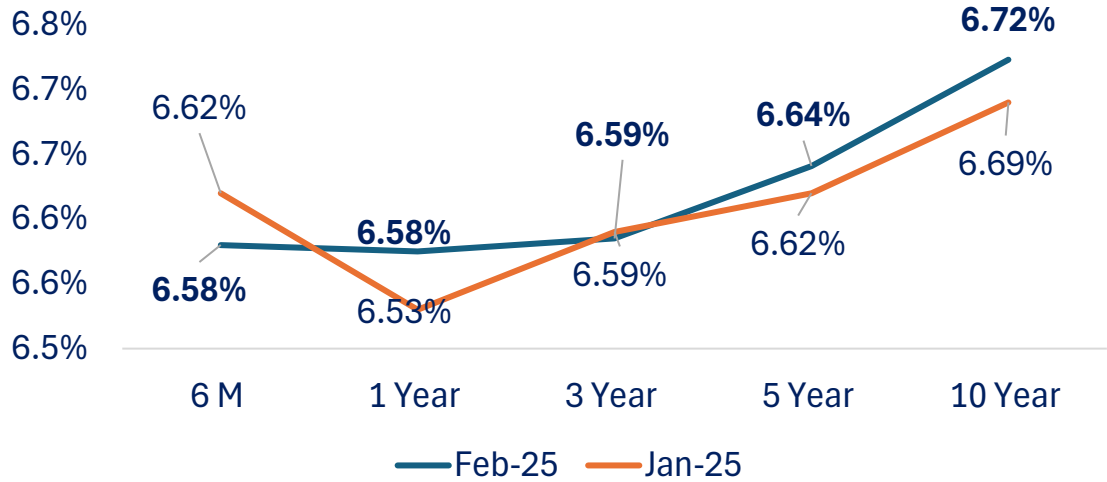


Source: Trading Economics

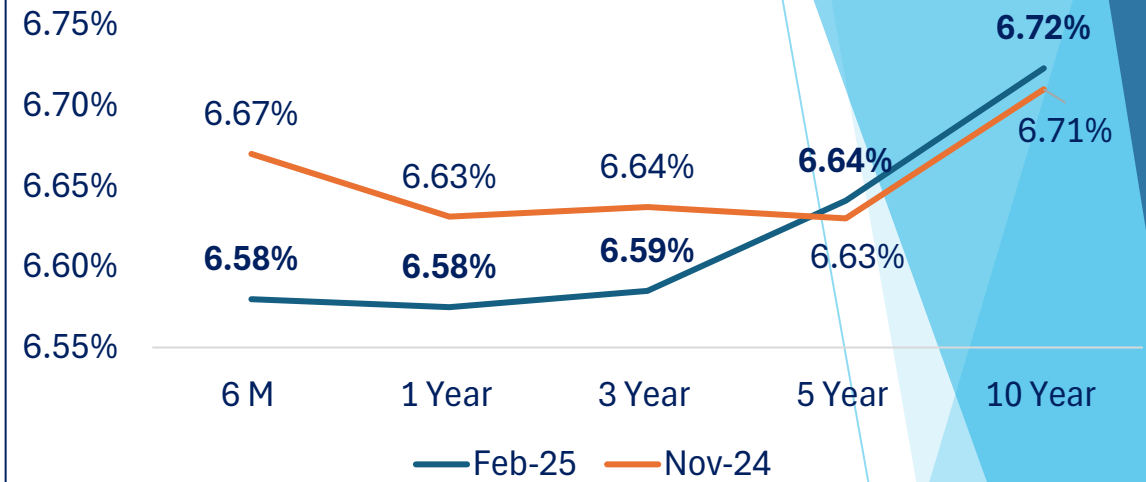
- Retail inflation fell further to 3.61% in Feb'25, reflecting continued easing in food prices and stable fuel costs.
- The MPC announced a 25bps repo rate cut and maintained a neutral stance in its Feb'25 meeting, reaffirming its commitment to economic stability under RBI Governor Mr. Sanjay Malhotra.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

G-Sec Yield Curve Movement

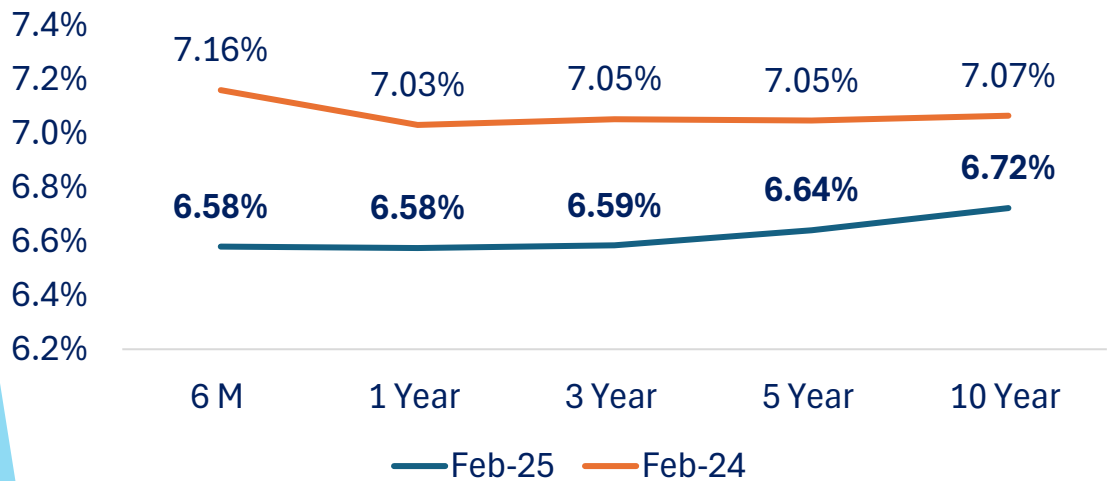
G-Sec Yield Movement - 1 Month



G-Sec Yield Movement - 3 Months



G-Sec Yield Movement - 1 Year



- **G-Sec Yields & Inflation:** Yields remained stable, with the 10-year G-Sec at 6.76% as of March 6, 2025, supported by easing inflation.
- **RBI Policy Action:** The RBI cut the repo rate by 25 bps to 6.25% and announced a \$21 billion liquidity infusion to support growth.
- **Economic Growth:** India's Q4 GDP grew 6.2% YoY, with FY26 growth projected at 6.5%, reflecting resilience amid global challenges.

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 % (28-FEB-25)			
	1 Year	3 Year	5 Year	7 Year
Equity - Large Cap Funds				
Nippon India Nifty Alpha Low Volatility	-7.70			
UTI Nifty200 Momentum 30 Index	-10.59	11.76		
Equity - Large & Mid Cap Funds				
Bandhan Core Equity Fund	5.47	20.13	20.72	14.09
Motilal Oswal Large and Midcap Fund	4.79	18.81	19.67	
Equity - Flexicap Funds				
JM Flexicap	1.39	20.15	20.60	16.13
Parag Parikh Flexi Cap Fund	10.85	17.41	24.01	18.37
Equity - Focused Funds				
HDFC Focused 30 Fund	10.70	22.30	23.70	13.81
Invesco India Focused Fund	10.96	17.91		
Equity - Multicap Funds				
Axis Multicap Fund	6.58	16.91		
Mahindra Manulife Multi Cap Fund	-1.22	14.91	21.12	15.51
Equity - Mid Cap Funds				
Invesco India Mid Cap	10.42	19.73	21.87	16.72
Motilal Oswal Midcap Fund	15.63	27.02	26.29	19.60
Equity - Small Cap Funds				
Franklin India Smaller Companies Fund	-4.86	18.62	24.14	12.99
Nippon India Small Cap Fund	-2.15	20.24	29.03	17.15
Equity - Value - Oriented Funds				
ICICI Pru Value Discovery Fund	5.74	18.71	25.84	16.25
SBI Contra Fund	2.42	21.08	28.09	16.28
Benchmark: S&P BSE Sensex	0.96	9.17	13.82	11.48

Fund Name	Annualised Returns in % (28-FEB-25)			
	1 Year	3 Year	5 Year	7 Year
Equity - Sectoral – Banking				
Nippon India Banking & Fin. Services	6.83	16.15	15.11	10.98
SBI Banking & Fin Services Fund	10.60	15.39	12.86	13.38
Equity - Consumption				
Mirae Asset Great Consumer Fund	1.14	15.10	16.82	13.57
Nippon India Consumption Fund	3.45	17.37	20.53	14.50
Equity - Thematic				
Franklin India Opportunities Fund	7.54	24.44	25.31	16.14
ICICI Pru India Opportunities Fund	9.11	22.23	27.16	
Equity - Sectoral - Pharma				
ICICI Pharma Healthcare & Diagnostics Fund	12.37	21.62	26.45	
Mirae Asset Healthcare Fund	8.49	16.04	23.94	
Benchmark: S&P BSE Sensex	0.96	9.17	13.82	11.48

Hybrid Funds

Fund Name	Annualised Returns in % (28-FEB-25)			
	1 Year	3 Year	5 Year	7 Year
Hybrid - Dynamic Asset Allocation Funds				
Baroda BNP Paribas Balanced Advantage	1.68	10.45	13.94	
HDFC Balanced Advantage Fund	4.13	19.00	20.16	13.93
Hybrid - Aggressive Fund				
ICICI Pru Equity & Debt Fund	5.54	16.42	21.60	15.30
JM Aggressive Hybrid Fund	1.63	18.43	21.82	13.45

Historical Performance of Select Mutual Funds & PMS Strategies

Hybrid Funds (Contd.)

Fund Name	Annualised Returns in % (28-FEB-25)			
	1 Year	3 Year	5 Year	7 Year
Hybrid - Equity Savings				
HDFC Equity Savings Fund	3.90	9.08	11.04	8.48
Kotak Equity Savings Fund	4.17	9.48	10.33	8.89
Hybrid - Multi Asset Allocation Funds				
ICICI Pru Multi Asset Fund	11.37	17.66	21.82	14.93
UTI Multi Asset Allocation Fund	6.80	15.80	14.03	10.41

Debt Funds

Fund Name	Annualised Returns in % (28-FEB-25)			
	1 Year	3 Year	5 Year	7 Year
Debt - Corporate Bond Funds				
Aditya Birla SL Corporate Bond Fund	8.10	6.78	6.97	7.53
ICICI Pru Corporate Bond Fund	7.86	6.95	6.78	7.31
Debt - Banking & PSU Funds				
ICICI Pru Banking & PSU Debt Fund	7.56	6.73	6.41	7.01
Kotak Banking and PSU Debt Fund	7.47	6.26	6.27	7.23
Debt - Short Duration Funds				
Axis Short Term Fund	7.78	6.33	6.26	6.95
UTI Short Duration Fund	7.38	6.38	7.27	5.63
Debt - Accrual & Roll Down Strategy				
ICICI Pru Bond Fund	7.97	6.80	6.41	7.19
Nippon India Floating Fund	8.01	6.53	6.63	7.07
Debt - Dynamic Bond Funds				
Kotak Dynamic Bond Fund	7.17	6.09	6.13	7.34
Nippon India Dynamic Bond Fund	8.35	6.38	6.18	6.82

PMS Strategies	1 Year	2 Years	3 Years	5 Years
<i>Unifi Blended Rangoli</i>	-7.25%	14.32%	10.32%	23.90%
<i>Marcellus - CCP</i>	6.47%	11.33%	3.80%	10.31%
<i>Quest Multi PMS</i>	16.86%	28.19%	15.85%	21.90%
<i>White Oak India Pioneers Equity</i>	12.40%	18.80%	9.80%	17.20%
<i>ICICI - PIPE Strategy</i>	12.61%	35.75%	28.38%	30.20%
<i>ABSL - Select Sector Portfolio</i>	28.44%	35.27%	24.03%	26.18%
<i>Abakkus – All Cap PMS</i>	4.84%	20.53%	12.99%	--
<i>Old Bridge Capital – All Cap</i>	3.30%	24.90	13.70%	24.00%
<i>Helios - India Rising PMS</i>	12.54%	26.96%	14.89%	--
<i>Karma Capital – Wealth Builder</i>	9.85%	29.41%	13.91%	22.28%
<i>Right Horizons – Super Value Fund</i>	13.95%	28.83%	17.85%	24.78%
Benchmark: S&P BSE 500 Index	-0.41%	17.84%	12.65%	17.93%

HDFC Flexicap Fund

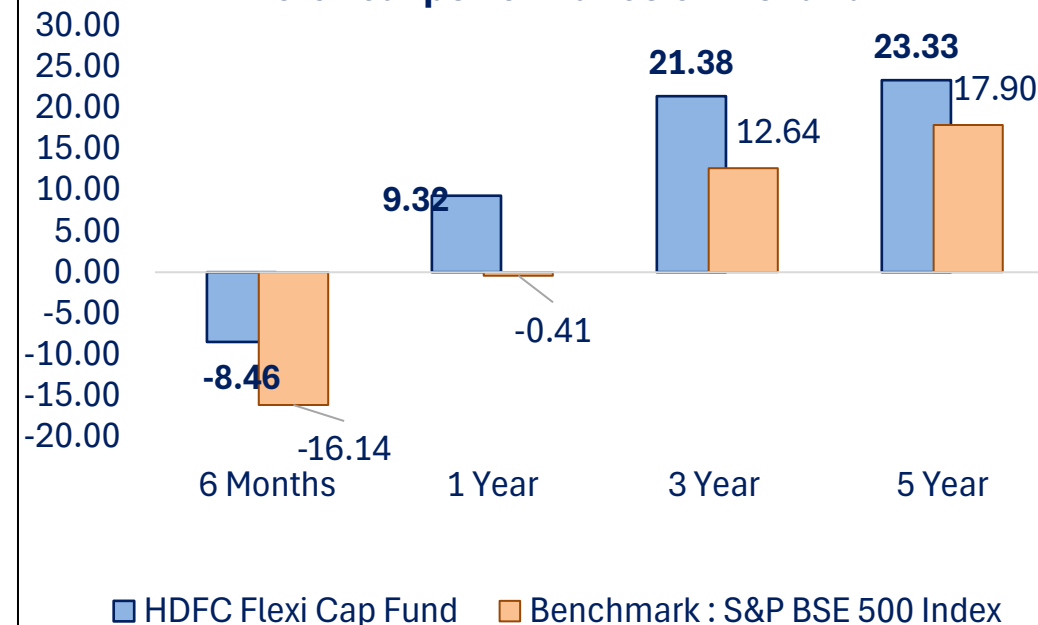
Investment Objective – Aims for long-term growth by investing across large, mid, and small-cap companies with strong fundamentals.

AUM – Rs. 64,124 CR

Exit Load – 1% for redemption within 365 days

Large cap	Midcap	Smallcap
84.18%	4.83%	10.97%

Historical performance of the fund



ICICI Pru Equity & Debt Fund

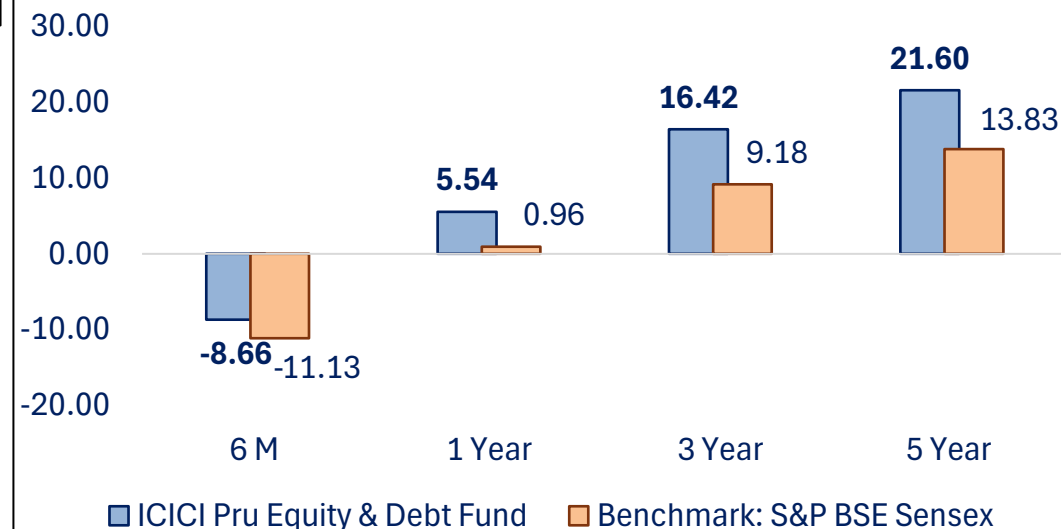
Investment Objective – Seeks capital appreciation and income through a balanced mix of equities and debt instruments.

AUM – Rs. 38,507 CR.

Exit Load – 1% for redemption within 30 days

Equity	Debt	Others
70.26%	21.65%	5.43%

Historial Performance of the Fund



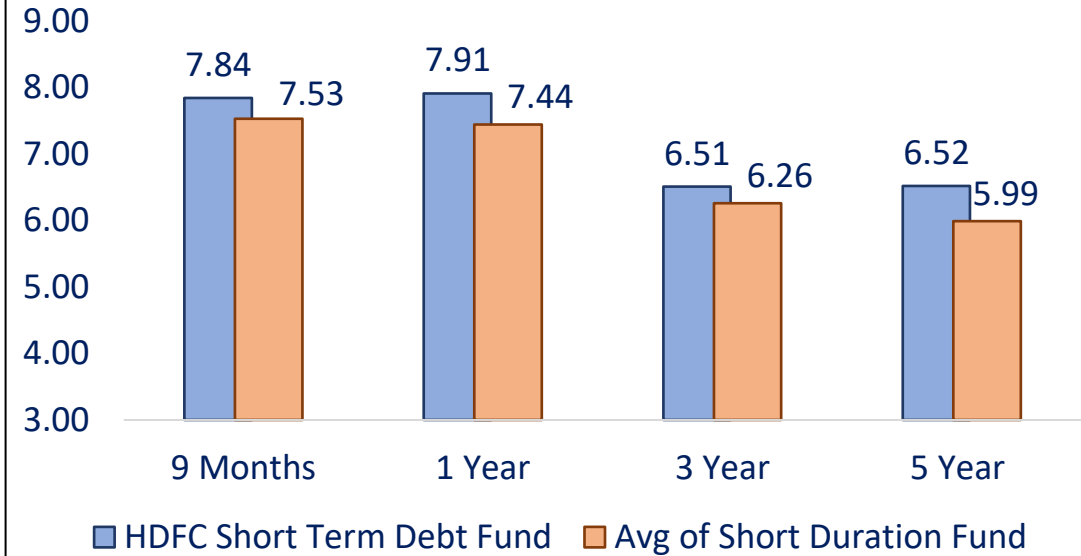
HDFC Short-term Fund

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

AUM – Rs. 14,391 CR

Portfolio Quants		
Portfolio YTM (%)	Avg Maturity (Yrs.)	Mod. Duration (Yrs.)
7.61%	4.06%	2.79%

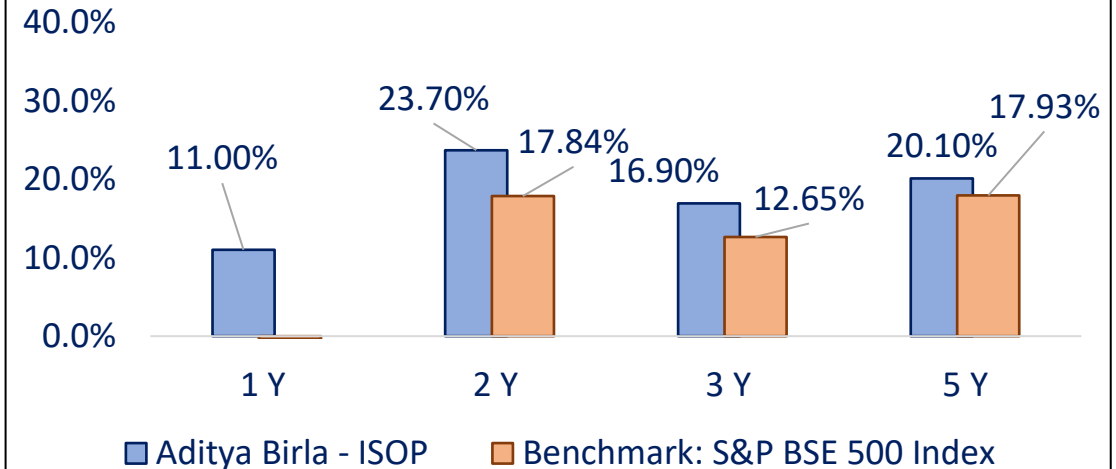
Historical Performance of the Fund



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





STARLIGHT WEALTH LLP

Thank you

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