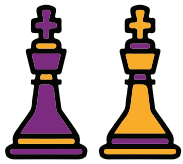


## BEYOND VOLATILITY AND TOWARDS VALUE

Dear Clients,

April served as a timely reminder of one of investing's most enduring lessons- the market rewards the patient, not the restless. When uncertainty clouds the near-term outlook, the temptation to react can be overwhelming. But for equity investors, conviction and staying power remain the real differentiators.

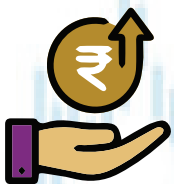


On the global front, early signals had suggested U.S.-Iran tensions may ease in the weeks ahead. While welcome, any resolution is unlikely to deliver an immediate reset. Energy infrastructure across West Asia has been disrupted, and recovery will take time. This is likely to keep a lid on global growth expectations, with inflation and cost pressures lingering.

Closer to home, the picture is nuanced. Domestic inflation is ticking upward, shaped in part by global spillovers, while the repo rate has held steady; reflecting a careful balancing act between supporting growth and managing emerging risks. Equity markets have mirrored this uncertainty, remaining choppy and directionless in the short term.



As May unfolds, the spotlight shifts to Q4 corporate earnings. These numbers will reveal how businesses are holding up against rising input costs, shifting demand, and margin pressures. Crucially, they'll help separate companies simply riding out the cycle from those genuinely building on structural, long-term growth opportunities.

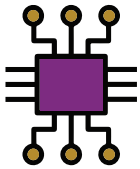
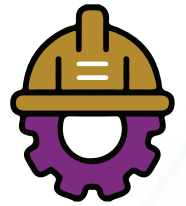


For equity portfolios, the strategy stays unchanged- focus on businesses with compelling underlying stories, anchored in India's long-term growth trajectory rather than short-term market swings. Volatility, while uncomfortable, often creates the opportunity to deepen positions in quality names at better valuations. In uncertain markets, discipline isn't passive - it's a strategy. The noise will fade; the fundamentals won't.

### REFLECTIONS ON THE MONTH GONE BY

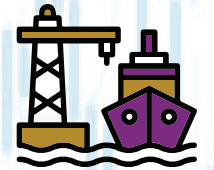
Our standout performers for April were **Azad Engineering Limited**, **MO Defence ETF**, **Adani Ports Limited**, and **Syrma SGS Technology**.

**Azad Engineering Limited** outperformed this month as its dedicated manufacturing facility for Baker Hughes became operational. The new plant strengthens Azad's position in high-precision energy components, while the extension of its supply agreement with Baker Hughes improves long-term revenue visibility and reinforces confidence in future growth.



**Syrma SGS Technology** was highlighted as a top pick among EMS players by multiple brokerages, reflecting growing confidence in its positioning within the electronics manufacturing services space.

**Adani Ports'** April performance was supported by rerouting of global cargo flows amid Strait of Hormuz disruptions, which lifted transshipment and container volumes. This not only offset exposure to West Asia-linked trade but also highlighted the company's ability to benefit from supply chain realignments, keeping volumes strong and underpinning business resilience in a volatile environment.



**Motilal Oswal Defence ETF** emerged as a top performer due to rising geopolitical tensions and increased global focus on defence preparedness. Higher defence spending, strong order inflows for Indian defence companies, and growing government emphasis on domestic manufacturing supported investor sentiment, driving strong sector performance during the period.

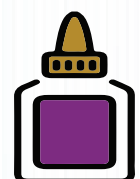
During the month, we added **Mankind Pharma, ICICI Prudential AMC, Pidilite Industries, Time Technoplast, Groww BSE Power ETF, and Zydus Wellness** to our stock universe after identifying attractive opportunities through deep fundamental research and strong business potential.

**Mankind Pharma** was added for its strong domestic formulations franchise, expanding specialty portfolio, and improving presence in chronic therapies. The company continues to gain market share through a wide distribution network and cost-efficient operations. Its relatively defensive business model offers stability during volatile market conditions. Strong cash generation and improving brand strength support long-term earnings visibility.



**ICICI Prudential Asset Management Company** offers a direct play on India's deepening capital markets. Backed by strong parentage and ranking among the country's top two AMCs, it holds a meaningful share of the active equity landscape. Beyond its mutual fund franchise, ICICI AMC has been steadily expanding into higher-growth avenues such as PMS, SIFs, AIFs, and offshore advisory creating a diversified, asset-light platform across investor segments.

**Pidilite Industries** leads the market with iconic brands and unmatched distribution, powering growth across adhesives, sealants, and waterproofing. Its superior solutions span construction, automotive, textiles, woodworking, and arts & crafts; anchoring it firmly in both home improvement and infrastructure cycles. As India builds, repairs, and scales up, Pidilite remains the go-to name across industries and



households alike.



**Time Technoplast's** growing exposure to value-added polymer products and industrial packaging solutions made it an interesting addition. Demand from infrastructure, gas distribution, and industrial sectors provides structural growth opportunities. The company is also expanding into higher-margin composite products, improving profitability potential. Attractive valuations, coupled with an improving business mix and progress toward key regulatory approvals, position the company as a compelling investment opportunity.

**Groww BSE Power ETF** captures the broad opportunity in India's power sector, which is experiencing strong growth driven by rising energy demand, expansion of data centres, increasing AI adoption, and modernisation of power grids to support renewable energy. The ETF offers diversified exposure across the power and energy value chain.

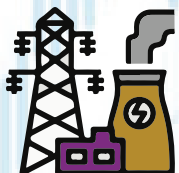
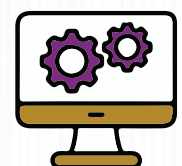


**Zydus Wellness** is well positioned to benefit from India's evolving consumption landscape, with a portfolio of established household brands including Complian, Sugarfree, Neutralite, RiteBite, and Max Protein. Its alignment with long-term trends in health, nutrition, and wellness along with a diversified product mix and ongoing brand investments offers a stable, medium- to long-term growth profile.

We exited **BANKBEES**, **KPIT Technologies**, and **Tata Power** during the month as part of a disciplined portfolio review, reallocating capital toward opportunities with stronger long-term conviction and more compelling risk reward potential.

With existing banking exposure through **State Bank of India**, we chose to reallocate capital from **BANKBEES** toward opportunities offering broader thematic participation and stronger long term growth visibility.

While the **KPIT Technologies** remains well positioned in automotive software and electric mobility engineering, potential moderation in global automotive spending or delays in project execution could influence near term sentiment. The exit reflects a disciplined approach toward balancing quality and portfolio-level risk management.



**Tata Power** was replaced as the portfolio moved toward a broader and more diversified approach to participating in the power theme. Exposure was reallocated to the **Groww BSE Power ETF**, which provides access to a wider basket of companies across the power and energy value chain. This approach offers diversified sector participation, captures multiple beneficiaries of India's electrification and infrastructure push, and reduces company-specific concentration risk.

*Note: The stocks mentioned above are part of a broader stock universe of approximately 50 stocks that we actively track. Individual portfolio holdings may vary based on factors such as market conditions, portfolio strategy, and timing of entry. These stocks are highlighted for reference and may not be present in all client portfolios.*

## THE WAY FORWARD




As we move deeper into 2026, the investment landscape will continue to demand patience, selectivity, and conviction. Near-term volatility is part of the journey, not a detour from it. Our focus remains on businesses backed by durable fundamentals and long-term growth tailwinds that India's structural story continues to offer. We will stay disciplined in assessing opportunities and measured in portfolio construction, balancing growth ambition with prudent risk management.

We appreciate your continued trust. While the journey may see ups and downs, we remain confident that staying invested in the right ideas will shape a rewarding path ahead.

**Warm regards,  
Team Hedge**

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