Infinity
by Nuvama Private

Executive Summary of the 94th Global Investment Advisory Committee (GIAC) Meeting

1st June 2026

Current stance

The committee noted that portfolio performance continues to remain strong across growth, balanced and conservative portfolios, despite the Nifty remaining negative over the same period. Recent alpha has been driven by the earlier move from underweight to neutral on mid caps, as well as contributions from gold, REITs and InvITs. Current positioning remains overweight equities and gold, with no allocation to silver.

The committee agreed that no immediate changes are required to overall asset allocation. Mid cap and small cap exposure continues to perform well and remains supported by domestic flows. While there is caution around the impact of prolonged geopolitical tensions and higher crude prices, the view remains that portfolios are appropriately positioned. Gold remains overweight, while silver has been fully exited and may be revisited at a later stage.

Key variables to monitor

- **US-Iran Conflict Impact:** Market expectations continue to be anchored around a temporary disruption, but prolonged tensions could weigh on growth, inflation and earnings.
- **Crude Oil Prices:** The single most important macro variable. Sustained crude prices above current levels could weaken the rupee, pressure inflation and impact growth.
- **Q1 FY'27 Earnings:** March quarter results were largely unaffected by recent developments, but June quarter earnings are expected to reflect the full impact of higher energy and supply chain costs.
- **Foreign Investor Positioning:** Foreign ownership remains concentrated in large cap names. Continued selling pressure could keep large caps lagging mid and small cap segments.
- **Mid cap and Small cap Leadership:** Domestic investors continue to favour businesses with low foreign ownership, supporting relative outperformance.
- **Gold Outlook:** Gold is expected to remain range bound in the near term, with stronger momentum potentially emerging after July.
- **Silver Outlook:** Silver has been exited completely. The committee believes it may become attractive again, but not immediately.
- **Interest Rate Outlook:** RBI rate hikes are not viewed as the base case currently, though currency pressures remain an area of concern.
- **REIT and InvIT Exposure:** Existing allocations have performed well, but slowing economic activity may warrant a reassessment of opportunities and risks.

What's changed since our last meeting

US

The US macro environment has become increasingly driven by energy and geopolitical risks. Inflation expectations have moved higher as elevated crude oil prices and supply chain disruptions linked to the Iran conflict feed into broader price pressures. Recent Federal Reserve inflation trackers suggest both CPI and PCE inflation could accelerate further, complicating the outlook for monetary policy. At the same time, markets continue to see significant capital flows into AI and technology linked assets, with anticipated listings such as SpaceX and continued fundraising activity around AI platforms contributing to liquidity shifts across global markets. Broader growth remains resilient, but inflation risks have re-emerged as the dominant concern.

India

India's macro outlook has become more closely linked to crude oil prices, currency stability and external risks. Retail inflation has moved higher in recent months, while elevated oil prices and geopolitical tensions continue to pressure the rupee and raise concerns around imported inflation. Market expectations remain that the RBI will keep policy rates unchanged in the near term, though the central bank faces a difficult balance between growth support and currency stability. GDP growth for the March quarter would be keenly monitored as domestic demand, services activity and government spending remain relatively resilient. Foreign flows, crude prices and the rupee continue to be the key variables for markets.

Viewpoints

The committee was pleased with the performance of portfolios and stated that the strategy has successfully delivered alpha, despite the challenging conditions in the market. The members mentioned that while the Nifty remains negative in the calendar year to date, the positive performance of the portfolios is due to tactical allocations made, mainly towards mid cap stocks, gold, REITs, and InvITs.

According to the committee, the transition from underweight to neutral in midcap stocks is paying off because the most recent recovery in equity markets has been focused mainly on the mid and small cap stocks; meanwhile, large caps suffer from sell off activity carried out by foreign investors. Foreign ownership has become an important criterion for selecting stocks; many domestic funds managers prefer those companies that do not have a significant number of foreign owners.

Regarding market perspectives, there was no consensus amongst members because, although there is ample cash available in the market and sentiment seems positive, the threat of rising crude prices and prolonged geopolitical conflicts may negatively affect economic conditions. In addition, members added that results for March quarter were not affected by the above mentioned threats, since many companies faced only some problematic weeks. The June quarter is expected to provide a clearer picture.

Members agreed that there is currently no strong reason to reduce equity exposure. At the same time, they stopped short of becoming more aggressive, given the uncertainty around oil prices, inflation and the duration of the conflict. The prevailing view was that markets may remain range-bound until there is greater clarity on these issues.

The committee also discussed international markets and noted that the absence of practical investment routes continues to limit participation. While there is interest in reintroducing international exposure over time, particularly for diversification and currency benefits, there are current implementation constraints.

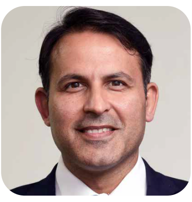
On precious metals, members maintained a positive long term outlook on gold but expect near term consolidation. Gold is viewed as a portfolio allocation rather than a trade. Silver, on the other hand, has been fully exited following a successful tactical trade. While the committee remains constructive on the asset over the long term, it does not expect meaningful upside in the next few months.

A broader discussion centered on global technology and artificial intelligence. Members highlighted the scale of capital being directed towards AI related businesses and anticipated IPOs such as SpaceX. While these themes continue to attract flows globally, there was also caution that valuations in parts of the technology ecosystem are becoming increasingly stretched.

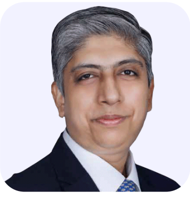
The committee further noted that REITs and InvITs continue to contribute positively to portfolio returns. However, given the possibility of slower economic activity and changing interest rate expectations, these allocations will be reviewed periodically.

The meeting concluded with agreement to maintain the current asset allocation, continue monitoring crude oil, earnings and geopolitical developments, and reassess international opportunities as implementation options become available.

Co-Chair Committee member



Shiv Sehgal
President & Head
Institutional Securities



Alok Saigal
President & Head
Nuvama Private

Other Committee members

- Ajay Marwaha, Head - Fixed Income Markets, Nuvama Fixed Income Advisory
- Ajay Vora, Head- Equities, Nuvama Asset Management
- Kapil Gupta, Executive Director - Equity Research, Nuvama Institutional Equities
- Onkarpreet Singh Jutla, Chief Investment Officer, Nuvama Private
- Keyur Ajmera, Chief Risk Officer, Nuvama Group
- Prakash Prabhu, Product Lead - Commodity, Nuvama PCG
- Harigeet Menon, Fund Manager - Infinity, Nuvama Private
- Karan Paul, Fund Manager - Infinity, Nuvama Private

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