Infinity
by Nuvama Private

Executive Summary of the 95th Global Investment Advisory Committee (GIAC) Meeting

8th July 2026

Current stance

The committee noted that portfolio performance has remained relatively stable over the past month, with returns modestly ahead of the benchmark despite limited movement across asset classes. One year performance continues to remain strong, with alpha primarily driven by allocations to alternative assets like gold and silver, alongside timely equity positioning. The committee agreed that the existing overweight equity stance remains appropriate and requires no change at this stage.

Gold continues to remain overweight, supported by the view that interest rates may not harden as much as expected during the second half of the year, although near term triggers remain limited. The portfolio has no silver component after the complete exit in April'26 following the earlier rally, with committee members indicating that re-entry would be considered only at materially lower levels. Fixed income positioning continues to favour shorter duration instruments, while maintaining flexibility to add duration when conditions become more suitable.

Key variables to monitor

- **Portfolio performance:** One year alpha remains strong despite relatively flat recent returns.
- **Equity allocation:** Maintain existing overweight positioning across portfolios.
- **Mid and small cap performance:** Earlier call to increase exposure from underweight to a neutral continues to support portfolio returns.
- **Gold outlook:** Long term constructive view remains intact despite near term consolidation after price volatility which was seen earlier.
- **Silver levels:** Re-entry to be considered only if prices correct meaningfully from current levels.
- **Global inflation:** Expectation of a much higher inflation pressures on account of a supply disruption from crude in the second half of the year might not play out.
- **Central bank policy:** Markets continue to price a hawkish path, though the committee expects a more dovish outcome over time on account of lower inflation impact.
- **Crude oil prices:** Continued monitoring of geopolitical developments and supply disruptions.
- **Global trade fragmentation:** Economies driven by AI-led businesses continue to outperform while broader global trade remains muted.
- **Fixed income duration:** Preference remains for shorter duration exposure until greater policy clarity emerges.
- **Offshore portfolio:** Continued focus on Japan, Asia and diversified AI-related themes.
- **Defence spending**: Increased allocations to European defence remain under review following expected NATO commitments.

What's changed since our last meeting

US

Macro environment in the US has become more uncertain due to persistent high inflation even though energy prices have moderated. Inflation measured by the Fed's headline inflation index rose to 4.2% in May, while the core index increased to 4.1% due to continuing pressure exerted by energy costs, tariffs and AI-related investment demand. Minutes of the recent Federal Reserve meeting showed that the committee was divided and that some policymakers support additional increases in interest rates while others want to wait and keep them unchanged. The labour market has also started to ease; thus, the economy added 57,000 jobs in June, even as unemployment was relatively low at 4.2%.

India

The macro economic situation in India has sullied slightly due to emerging inflationary trends and geopolitical disturbances. It is expected that consumer inflation will have grown to more than 4% in June, thereby exceeding the 4% target set by the RBI for the first time in over a year, due to rising costs of foods and fuels amid poor monsoon conditions and rising crude oil prices. However, the RBI maintained status quo on the repo rate at 5.25%, during the June policy review meeting. The IMF continues to expect India to remain among the world's fastest growing major economies, projecting 6.4% GDP growth for FY27.

Viewpoints

The committee noted that recent portfolio performance has remained resilient, with returns marginally ahead of benchmark despite relatively range bound markets. Members highlighted that one year alpha continues to remain robust, supported largely driven by allocations to alternative assets gold and silver, along with timely equity positioning. The committee agreed that the current overweight equity allocation has worked well and should be maintained.

However, from an equity perspective, members observed that while markets have recovered, near term upside could remain constrained by macro uncertainties. Ongoing geopolitical developments, particularly around Iran and energy markets, continue to create periodic volatility. However, the committee felt that frequent supply shocks have increasingly become a feature of global markets, with disruptions shifting between energy, semiconductors and other strategic sectors.

The committee reiterated that India remains in a relatively favourable position and if global allocations begin to return couples any positive reversal in Foreign Institutional Investor (FII) flows could increasingly support large caps. While mid and small cap allocations have contributed to recent alpha, members noted that leadership could gradually broaden should foreign institutional participation improve. Any decision to shift higher allocation towards large caps to be considered once greater clarity emerges on FII flows front.

On precious metals, the committee maintained a constructive long term view on gold, although members agreed that immediate catalysts remain limited. Gold is expected to perform better during the second half of the year if inflation moderates and monetary policy becomes more accommodative. Silver continues to be viewed as a tactical rather than strategic allocation. Having exited positions near recent highs, the committee agreed that fresh allocations would only be considered if prices correct meaningfully from current levels.

On fixed income, the committee reiterated its preference for maintaining limited duration exposure. While markets continue to price a relatively hawkish interest rate path, members expressed the view that inflation may soften more quickly than currently expected, allowing central banks to adopt a more accommodative stance later in the year. Until greater conviction emerges, positioning will continue to favour shorter duration exposure, with selective opportunities in longer dated securities to be evaluated over time.

The committee also reviewed the offshore global portfolio. The members identified the preference for diversified exposure instead of thematic concentration. Investment in Japanese stocks, broad Asian stocks, and selective China domestic equities is still preferred while AI exposure has been added in the whole technology ecosystem, and not just through semiconductor companies. European defence has become another area of focus due to the expectation of rising defence spending in the region.

The committee also mentioned that the offshore portfolio has been mostly invested through low cost ETFs combined with selective active fund management and short duration fixed income investment. The members felt that the Singapore VCC structure provides flexibility and tax advantage to long term investors, while enabling access to global trends that can currently only be availed through offshore investments.

The meeting ended with a decision to maintain the existing portfolio structure and monitor global inflation and crude oil market trends.

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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