INVESTOR UPDATE · OCTOBER 2026

Monthly Market Review & Outlook

Ampersand Growth Opportunities Fund Scheme-1 (AGOFS)

FUND OBJECTIVE & STRATEGY

Ampersand Growth Opportunities Fund Scheme-1 (AGOFS) seeks to generate long term capital appreciation by investing in a portfolio of listed equity and equity related securities. AGOFS will follow a multi-cap strategy focusing on investment opportunities across the growth themes with a typical portfolio of 30-35 stocks.

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“The stock market is a device for transferring money from the impatient to the patient.”

— WARREN BUFFETT

Hawkish RBI and Crude Test Markets; Nifty Ends October higher while others struggle

INVESTMENT STRATEGY — GROWTH WITH QUALITY BIAS

RBI hikes and turns hawkish; crude surges: At its 5–7 Oct meeting the MPC raised the repo rate 25bp to 5.50% (unanimous) and changed its stance to “calibrated tightening”, with the Governor saying near-term cuts are off the table. It lifted its FY27 GDP forecast by 40bp to 7.1% and put CPI at 5.2%. Brent ended October at ~$113–117 (from ~$97–103 a month ago) after Houthi attacks on Saudi Arabia; the rupee stayed around 95/USD and forex reserves fell for a seventh straight week to $719.8bn (30 Oct) from a record $785.7bn on 4 Sep.

Inflation jumps, yields hit 3-year highs: CPI rose to 5.54% in September (4.83% in August; food 7.74%) and WPI to 11.39% (fuel & power 25.85%). The 10Y G-Sec ended at ~7.40% after touching 7.47% on 26 Oct, its highest since March 2023, with swaps pricing more than 100bp of further hikes. The Fed held at 3.75–4.00% on 28 Oct and the US 10Y eased to ~4.94% from ~5.2% in September.

KEY MONITORABLE

Q2FY27 earnings and management commentary on input costs, Brent and Gulf supply risk, USD/INR near 95 and RBI intervention, FPI flows, the US midterms (3 Nov), Israel's coalition talks, the next RBI MPC and Fed meetings in December, and October CPI (due 12 Nov).

October was a narrow rally. The Nifty rose 1.9% (−11.7% YTD) and the Sensex 2.7% (−12.7% YTD), but the Midcap 100 (−3.4%) and Smallcap 100 (−4.1%) fell, and on 30 Oct decliners outnumbered advancers on the NSE by roughly two to one. Gains were concentrated in IT (+17.7%) and Pharma (+2.6%), while Metals (−7.6%) and Auto (−3.3%) lagged. At ~19.6x trailing earnings the Nifty is still close to its five-year low multiple; the drivers of earnings remain intact, but volatility around rate and crude news is likely to persist.

OUR MAJOR THEMES STAY INTACT

Consumption Premiumization | Energy Transition | New-Age Technology

Foreign investors sold a net Rs.45,162 Cr in October (cash market), the second straight month of selling after Rs.35,861 Cr in September, taking CY2026 outflows above Rs.3 lakh crore, roughly double all of 2025 (Rs.1.66 lakh crore). Domestic institutions more than offset it, buying Rs.62,220 Cr in October. The sell-off was broad: in 1–15 October FPIs sold Financials (Rs.8,634 Cr), FMCG (Rs.8,172 Cr) and Autos (Rs.6,533 Cr) and bought only IT (Rs.2,599 Cr). Reliance Jio Platforms' record Rs.30,213 Cr IPO listed on 28 Oct at a 21.4% premium, showing that appetite for quality supply remains.

Elections to watch: Israel's 27 Oct election gave no bloc a majority (Netanyahu's bloc 53 of 120 seats, the Eisenkot-led opposition 48, Arab-led lists 19), so coalition talks could prolong uncertainty on Gulf security and crude. The US midterms on 3 Nov decide all 435 House and 35 Senate seats, with polls favouring Democrats in the House. US equities have historically been mixed around midterms and firmer over the following year; for India, earnings, rates and crude matter more.

✓ **Our Recommendation:** stay invested and keep staggering deployment. With the RBI now in tightening mode and Brent near $110, we would keep some dry powder and add to quality businesses aligned with India's structural themes in tranches on weakness, favouring pricing power, low leverage and domestic demand. Mid and small caps remain more exposed to rate and liquidity swings than large caps.

Service Momentum Holds, but Inflation and Crude Cloud the Outlook

EQUITY MARKET OUTLOOK

✓ POSITIVE FACTORS

- ✓ Flash Composite PMI rose to 56.7 in October, a four-month high — Services 56.2, Manufacturing 54.9 — after 7.8% GDP growth in Q1FY27
- ✓ GST collections Rs.2.31 lakh crore in October (+22.9% YoY), the fastest growth in over four years; import-related collections +42.2%
- ✓ DII buying anchors the market — Rs.62,220 Cr bought in October against FPI selling of Rs.45,162 Cr; RBI raised its FY27 GDP forecast to 7.1%
- ✓ Valuation reset — Nifty at ~19x trailing earnings vs a five-year range of 19.5–28.2x; an accumulation zone for long-term investors

⚠ RISKS TO WATCH

- ⚠ Brent ~$113–117 after Houthi attacks on Saudi Arabia; rupee near 95/USD and forex reserves down seven weeks running
- ⚠ CPI at 5.54% in September (food 7.74%) and WPI at 11.39%; the RBI sees CPI averaging ~5.8% over the next three quarters and markets price more hikes
- ⚠ 10Y G-Sec at ~7.40% (3-year high of 7.47% on 26 Oct); US 10Y near 4.9–5.0%; Fed on hold but hawkish
- ⚠ FPIs net sellers for a second month (Rs.45,162 Cr); CY26 outflows above Rs.3 lakh crore; AI-led tech sell-off in Asia (KOSPI −16% in October)

MACRO BACKDROP

7.8%
India GDP (Q1FY27) — RBI now projects 7.1% for FY27 (+40bp)

5.54%
CPI Inflation (Sep '26) — up from 4.83%; food 7.74%

5.50%
RBI Repo Rate — hiked 25bp on 7 Oct; stance "calibrated tightening"

~$110
Brent Crude (end-Oct) — up from ~$97–103 at end-Sep

- ✓ Industrial momentum: IIP grew 6.7% YoY in September (manufacturing +7.6%, electricity +11.2%, mining −6.2%); August revised up to 7.8%. The flash Manufacturing PMI stayed strong at 54.9 in October.
- ✓ External buffers: forex reserves were $719.8bn on 23 Oct, a seventh straight weekly fall from the $785.7bn record, as the RBI sold dollars and FCNR(B) resources were deployed; still ~$28bn above end-March.
- ✓ Policy: the RBI said rate cuts are off the table for now; the next move is a hike or a pause, depending on growth and inflation. Swaps price roughly 90–125bp of further hikes.
- ✓ Consumer demand: passenger-vehicle retail rose 32.1% YoY in September to 4.27 lakh units (a record September, helped by a weak base), with dealers expecting festive-season conversions.

FII TIDE: SELLING BROADENS IN OCTOBER; IT THE LONE LARGE BUYER

FII/FPI sector flows — Oct 1–15 '26, Sep '26 (full month) and CY YTD '26 (Jan–15 Oct, derived). Source: NSDL.

SECTOR	OCT 1-15 '26	SEP '26	CY YTD '26
Consumer Services	-Rs.1,931 Cr	+Rs.2,333 Cr	-Rs.1,342 Cr
Healthcare	-Rs.5,497 Cr	+Rs.2,117 Cr	-Rs.10,632 Cr
Consumer Durables	-Rs.586 Cr	-Rs.1,905 Cr	+Rs.4,607 Cr
Capital Goods	-Rs.3,886 Cr	-Rs.1,461 Cr	+Rs.10,138 Cr
Telecommunication	-Rs.3,928 Cr	-Rs.3,414 Cr	-Rs.35,473 Cr
Automobile	-Rs.6,533 Cr	-Rs.6,212 Cr	-Rs.45,088 Cr
Financial Services	-Rs.8,634 Cr	-Rs.13,147 Cr	-Rs.1,23,436 Cr
IT	+Rs.2,599 Cr	-Rs.998 Cr	-Rs.25,185 Cr
Power	-Rs.1,732 Cr	-Rs.2,223 Cr	-Rs.27,667 Cr

Nifty Edges Higher While Mid and Small Caps Slide; 10Y Yield Hits a 3-Year High

PERFORMANCE OF KEY INDICES — LEVEL, MTD & YTD

INDEX	LEVEL	MTD	YTD
BSE Sensex	74,460	+2.7%	-12.7%
Nifty 50	23,053	+1.9%	-11.7%
Nifty Midcap 100	57,301	-3.4%	-5.3%
Nifty Small cap 100	18,464	-4.1%	+4.3%
Nifty Next 50	67,709	-2.9%	-2.3%
Nifty Bank	54,687	+0.1%	-8.2%
Nifty IT	32,607	+17.7%	-14.0%
Nifty Pharma	27,125	+2.6%	+19.4%
Nifty Auto	25,423	-3.3%	-9.8%
Nifty Metal	11,785	-7.6%	+5.6%
Nifty FMCG	43,609	-2.0%	-21.4%
Nifty Infrastructure	8,799	+0.7%	-8.5%
Nifty Energy	34,958	-4.6%	-1.0%

VALUATIONS

INDEX	TRAILING P/E	FWD P/E
BSE Sensex	19.8x	17x
Nifty 50	19.6x	17x
Nifty Midcap 100	27.5x	22x
Nifty Small cap 100	29.4x	23x

INDIA VS. GLOBAL

INDEX	CTRY	LEVEL	MTD	YTD
Nifty 50	IN	23,053	+1.9%	-11.7%
S&P 500	US	7,580	-0.9%	+10.7%
KOSPI	KR	5,731	-16.3%	+36.0%
TAIEX	TW	45,212	-5.7%	+56.2%
CSI 300	CN	3,986	-8.3%	-13.9%
STOXX 600	EU	647	+1.9%	+9.1%

DEBT MARKET OUTLOOK

7.40%
10Y G-Sec Yield — 3-year high (+25bps MTD)

7.84%
30Y Bond Yield — Rising

6.91%
2Y Yield — curve flattening (+31bps MTD)

~125bps
Further RBI hikes priced by swaps (26 Oct)

3M	6M	2Y	5Y	10Y	30Y
5.90%	**6.53%**	**6.91%**	**7.34%**	**7.40%**	**7.84%**

India's 10Y yield rose to 7.40% in October, touching 7.47% on 26 Oct (highest since March 2023), as the RBI hiked 25bp and turned hawkish, Brent climbed towards $117 and September CPI and WPI surprised sharply higher. The short end moved most (3M +50bps, 6M +66bps, 2Y +31bps), flattening the 2s10s spread to ~49bps. A large government debt sale, tight domestic liquidity and FPI outflows weighed on demand; softer US Treasury yields offered relief on 29 Oct.

GLOBAL 10Y YIELD COMPARISON

COUNTRY	10Y YIELD	MTD Δ	YTD Δ
India	7.40%	+25bps	+69bps
USA	4.94%	-28bps	+29bps
Germany	3.34%	-22bps	+59bps
China	1.66%	-4bps	-17bps

Index levels as at 30 Oct 2026; MTD/YTD measured against the September month-end levels. Global indices: S&P 500 MTD vs 30 Sep close (7,652); CSI 300 MTD/YTD vs our September base; China 10Y yield as of 20 Oct.

Q2FY27 Earnings Hold Up, but the Improvement Is Uneven

NIFTY 500 · Q2FY27

283 of 500 reported · 31 Oct

SALES GROWTH	EBITDA GROWTH	PAT GROWTH	GOOD OR IN LINE
+23.0%	**+25.9%**	**+31.7%**	**52%**
YoY, reported companies	YoY, reported companies	Fastest in 10 quarters	120 of 231 rated · 31% weak

SECTOR SCORECARD

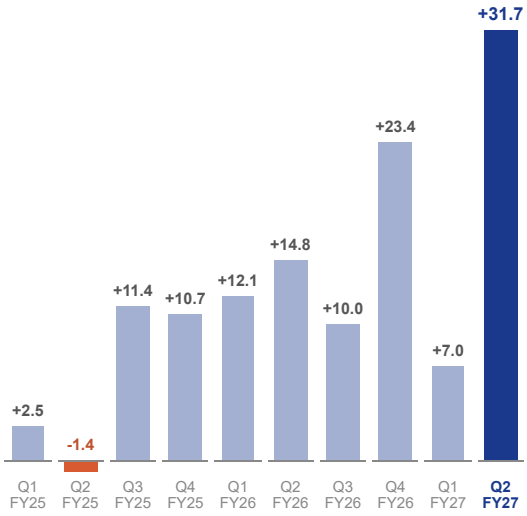
Good · In line · Mixed · Weak

SECTOR	% OF COMPANIES BY VERDICT	THE READ
Pharma & Hospitals	89% · 11%	Best sector this season; CDMO led. Cipla the miss
Energy & Power	67% · 22% · 11%	Refiners had a windfall; city gas and LPG paid
Banks	56% · 11% · 33%	PSU and mid-size banks beat; big-bank NIMs fell
NBFCs	44% · 22% · 11% · 22%	Strong growth, lower credit costs; Shriram lags
Autos	44% · 11% · 22% · 22%	Two-wheelers won on volume; cars lost on costs
Capital Goods	44% · 11% · 33% · 11%	Wires and power beat; L&T, Suzlon slipped
Metals	44% · 11% · 11% · 33%	Zinc and steel beat Bloomberg; Jindals missed
Consumer	44% · 11% · 11% · 33%	Beer, spirits, HUL beat; paints paid for costs
Chemicals	33% · 33% · 33%	Fluoro and phenol beat; specialty names lag
Infra, Property & Cement	22% · 44% · 33%	Infra and property delivered; cement paid for fuel
IT Services	11% · 11% · 33% · 44%	Steady, not faster; HCL raised, Infosys cut

Each bar shows the share of profiled companies in the sector by result verdict. E.g. Pharma: 89% good, 11% mixed.

QUARTERLY PAT GROWTH

% YoY



Profit growth positive in 9 of the last 10 quarters; Q2FY27 is the fastest of the run.

BEATS, REVISIONS & GUIDANCE

GUIDANCE CHANGES	FY27 EPS REVISIONS	BEAT RATE	NIFTY-50 PAT
84 raised · 14 cut	**50%↑ / 41%↓**	**56%**	**+19%**
	Jefferies coverage	+4ppt QoQ (Jefferies)	1.7% above Kotak estimates

MSCI India FY27E EPS growth ~15%

Headline growth: StockEdge Index Analytics, Nifty 500, 283 of 500 companies reported to 31 Oct 2026, YoY against the same companies a year ago.

Guidance: 84 companies raised vs 14 cut on Q2FY27 calls (Omkara concall database). Beat rate: Jefferies, 105 results to 29 Oct. Nifty-50 PAT: Kotak Institutional Equities, companies reported to 26 Oct.

Verdicts: Omkara Capital ratings of 231 Q2FY27 results (good 41%, in line 11%, mixed 17%, weak 31%) vs Bloomberg consensus where available, else named brokers. The sector scorecard counts the nine companies profiled per sector — a selection, not sector totals.

Source: Omkara Capital Q2FY27 Investor Call (1 Nov 2026), citing StockEdge, Kotak, Jefferies. Earnings season in progress as of 31 October 2026.

Jio and Zetwerk Lift October IPOs Past Rs.39,000 Cr as Broader Markets Soften

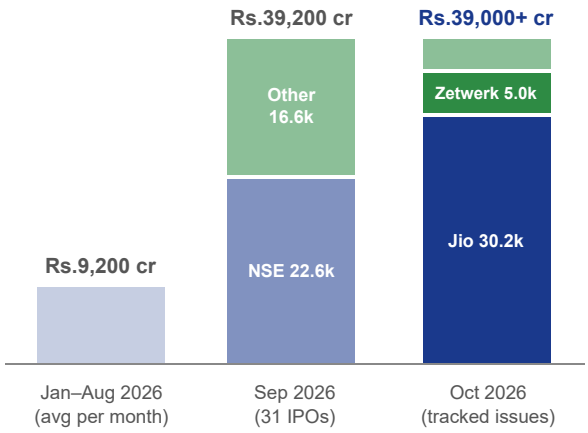
PRIMARY MARKET SUPPLY — JIO PLATFORMS LEADS A HEAVY OCTOBER

Rs.30,213cr
Jio Platforms IPO — the largest on record; no OFS component

22.2x
Jio subscription (21–23 Oct); price band Rs.1,065–1,119

+21.4%
Jio listing premium on 28 Oct (Rs.1,119 → Rs.1,358)

Rs.1.4L cr+
Raised via mainboard IPOs in CY26 so far (Jan–Oct, minimum)



Mainboard IPO fundraising, Rs. crore. October bar is a floor: Jio Platforms, Zetwerk and other issues we could verify (EAAA India Alternatives, Paras Healthcare, SFC Environmental, BLS Polymers, MK Sons Fine Jewels). Jan–Aug average derived from the CY26 total less September. Sources: company filings, exchanges, press reports.

October brought the largest IPO India has seen. Reliance Jio Platforms raised Rs.30,213cr entirely through fresh shares, was subscribed 22.2x and listed on 28 Oct at Rs.1,358, a 21.4% premium to the Rs.1,119 issue price. It became India's second most valuable listed company by market value on day one.

Zetwerk was the month's second-largest issue. It raised Rs.5,012cr (Rs.2,830cr fresh, Rs.2,182cr OFS) on 15–19 Oct, was subscribed ~3.1x and listed on 23 Oct at Rs.159, 5.3% above its Rs.151 issue price. Five more mainboard issues opened in the last week, targeting about Rs.2,600cr, including EAAA India Alternatives (Rs.1,200cr) and SFC Environmental (Rs.668cr).

> Unlike September's issue-heavy, OFS-led calendar, October's headline deal was fresh capital and was well received. But with FPIs selling Rs.45,162 Cr of secondary equities and the Midcap and Smallcap indices down 3–4%, listing demand is concentrated in marquee names rather than the broader IPO pipeline.

OCTOBER ISSUES — SIZE AND LISTING OUTCOME

JIO
or browse files

Jio Platforms **+21.4%**
Rs.1,119 → Rs.1,358
listed 28 Oct on NSE/BSE · 22.2x subscribed

ZW
or browse files

Zetwerk **+5.3%**
Rs.151 → Rs.159
listed 23 Oct on NSE/BSE · ~3.1x subscribed

EAAA
or browse files

EAAA India Alternatives **+0.6%**
Rs.1,665 → Rs.1,675.50
listed 2 Nov on NSE/BSE · 5.25x subscribed

Gain measured at the opening listing price versus issue price. EAAA (Rs.1,200cr, 100% OFS) listed on 2 Nov, after month-end.

The calendar ahead: Avaada and other large issuers remain in a pipeline of 200+ companies; supply is likely to ease out in near term before coming back again.

✓ **Our Recommendation — primary vs secondary:** we continue to prefer the secondary market for incremental capital. The Nifty trades at ~17x forward earnings, near its five-year low multiple, while primary issues are priced to demand. We will participate in primary selectively where the business maps to our themes, the offer-for-sale share is low and the anchor book is locked in for the right reasons — Jio's fresh-issue structure is the kind of profile we look for.

Services and GST Stay Strong Even as Rates and Crude Bite

KEY POSITIVE DEVELOPMENTS FOR CAPITAL MARKETS

DOMESTIC CATALYSTS

- ✓ Flash PMIs strengthened in October — Composite 56.7 (4-month high), Services 56.2 with new export orders and steady domestic demand; Manufacturing stayed in expansion at 54.9
- ✓ Gross GST collections at Rs.2.31 lakh crore in October (+22.9% YoY), up from +14.7% in September; domestic revenue +15.8% and import-related collections +42.2%
- ✓ RBI raised its FY27 GDP growth forecast by 40bp to 7.1% even as it tightened, signalling confidence in underlying momentum
- ✓ Passenger-vehicle retail hit a record September (+32.1% YoY); dealers expect pending bookings to convert across Navratri and Dussehra

GLOBAL TAILWINDS

- ✓ Global yields eased late in the month — the Fed held at 3.75–4.00% on 28 Oct, the US 10Y fell to ~4.94% from ~5.2% and the German Bund 10Y to ~3.34%
- ✓ Relative resilience — the Nifty rose 1.9% in October while KOSPI fell ~16%, TAIEX ~6% and CSI 300 ~8% as AI-linked Asian markets sold off
- ✓ US growth resilient — S&P 500 at 7,580 is still up ~11% YTD despite the late-October tech sell-off
- ✓ Jio Platforms' Rs.30,213 Cr IPO listed at a 21% premium — a sign that global and domestic capital still supports high-quality listings

HIGH FREQUENCY INDICATORS

INDICATOR	READING	NOTE
GST Collections (Oct '26)	**Rs.2.31 L Cr**	+22.9% YoY; domestic Rs.1.59 L Cr (+15.8%), imports +42.2%
Manufacturing PMI (Oct '26 flash)	**54.9**	Marginally lower than 55.1 in Sep; employment growth cooled
Services PMI (Oct '26 flash)	**56.2**	Up from 55.2 in Sep; Composite 56.7, a 4-month high
IIP (Sep '26)	**+6.7% YoY**	Mfg +7.6%; electricity +11.2%; mining −6.2%; Aug revised to 7.8%
Passenger Vehicle Retail (Sep '26)	**+32.1% YoY**	4.27 lakh units; record September, flattered by a weak base
Unemployment Rate (Sep '26)	**5.2%**	Up from 5.0% in Aug; rural softness (monthly PLFS)
CPI / WPI Inflation (Sep '26)	**5.54% / 11.39%**	CPI up from 4.83%; food 7.74%; WPI fuel & power 25.85%
Forex Reserves (23 Oct)	**$719.75bn**	−$1.27bn WoW; 7th weekly fall; record $785.7bn on 4 Sep
FPI / DII Equity Flows (Oct)	**−45,162 / +62,220 Cr**	Cash-market net flows; FPIs also sold Rs.35,861 Cr in Sep

Sources: GST Council/CBIC, HSBC Flash PMI (S&P Global), MoSPI, RBI, NSDL, FADA, PLFS, Trading Economics. Data as at 30 October 2026 unless stated.

Fund Information & Important Disclosures

FUND TERMS

Minimum investment: INR 10 million

Subscriptions: Monthly

Redemptions: Monthly, subject to 12 month lock-in

Registered for sale: With SEBI

SERVICE PROVIDERS

Investment Manager: Ampersand Capital Investment Advisors LLP

Legal & Fund Consultant: Khaitan & Co.

Administrator: Kotak Mahindra Bank Ltd.

Registrar & Transfer Agent: CAMS Limited

Statutory Auditor & Tax Consultant: Deloitte Haskins & Sells LLP

Structure: Category III AIF, Ampersand Capital Trust

INVESTMENT APPROACH

AGOFS runs a focused multi-cap portfolio of 30-35 listed businesses, built bottom-up from primary research and held through cycles. Position sizing favours conviction over breadth, and cash is deployed into volatility rather than away from it.

- ✓ Consumption Premiumisation
- ✓ China+1 / Import Substitution
- ✓ Energy Transition
- ✓ New-Age Technology

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