

Date: 6th Oct 2026

Emerging Corporates India Portfolio (ECIP)

Dear Investors,

Below is the performance of the Emerging Corporates India Portfolio (ECIP) as of 30th Sep 2026.

Portfolio Performance	Total Portfolio Returns	Benchmark
CAGR since Inception (Annualised)	13.5%	12.3%
FY27 YTD	13.9%	8.1%
FY26	4.5%	-3.1%
FY25	23.8%	6.0%
FY24	17.6%	40.2%
FY23	-8.9%	-0.9%
FY22	8.6%	22.3%
FY21	79.2%	78.6%
FY20	-13.2%	-26.5%
FY19	13.3%	9.7%
FY18 (Since Inception - April 28, 2017)	9.7%	10.0%
Q1FY27	19.7%	12.1%
Q2FY27	-4.8%	-3.6%

- Please check relative performance of other portfolio managers by clicking on this [link](#)
- The Benchmark has been revised from average of the BSE Smallcap Index, BSE Midcap Index and Nifty to BSE 500 TRI with effect from 1st April 2023 as per SEBI/APMI circulars
- Returns are time weighted and after management and performance expenses
- Management and performance fees are deducted as and when due
- The actual returns of clients may differ from client to client due to different portfolio and timing of investment
- Past performance is no guarantee for future performance
- Benchmark calculations reflect total returns (including dividends)
- Returns for less than 1 year are not annualised
- Inception Date is 28th April 2017

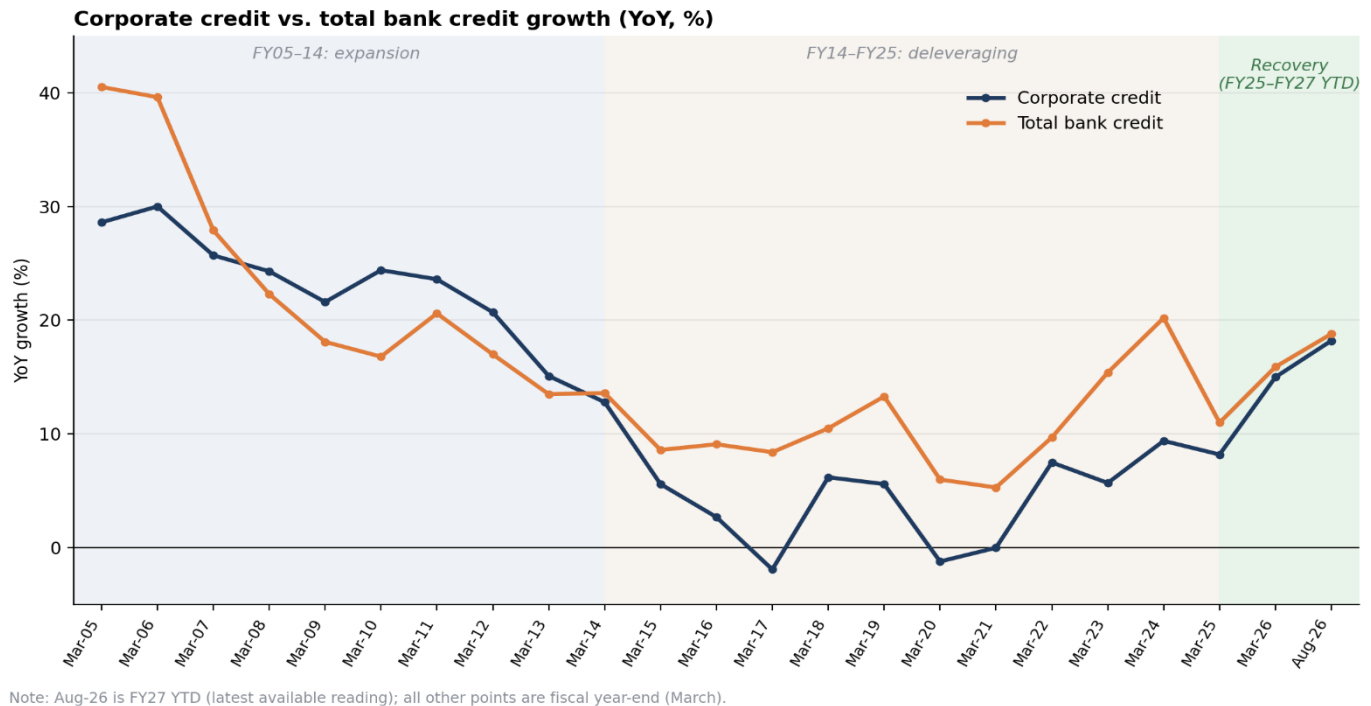
After a sharp rebound from the March lows, markets cooled off between July and September. Amidst the pullback, the broader market displayed notable resilience, with small caps holding up better than large and midcaps helped by stronger earnings as well as higher inflows in small cap schemes.

The geopolitical environment remained turbulent. The Memorandum of Understanding (MoU) between the US and Iran, signed in June, fell apart by July. Since then, there has been no diplomatic breakthrough between the two countries. As a result, crude oil prices have spiked again to above \$100 a barrel, increasing by more than 40% from the June lows, making it the third quarter of greater than 40% swing in the price of oil.

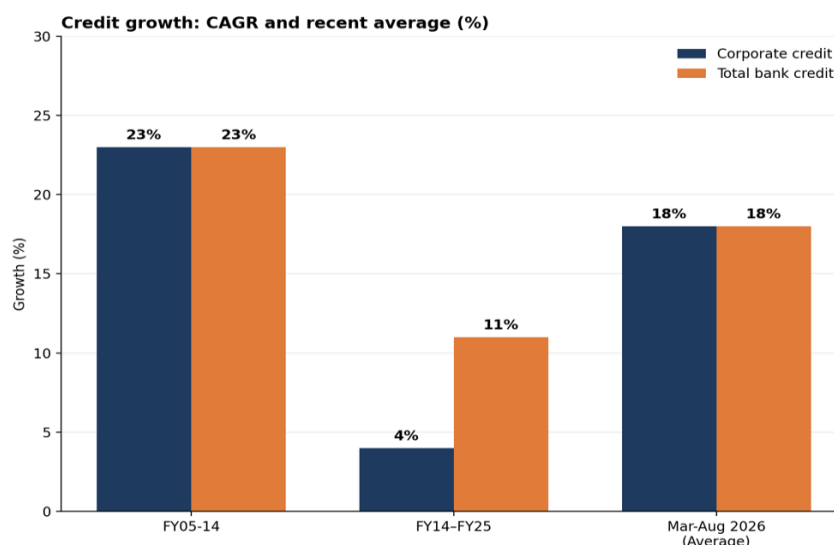
Despite these headwinds, the underlying fundamentals remain constructive. First quarter earnings were robust, and macroeconomic indicators point to sustained momentum, underpinned by a steady pickup in domestic credit growth and an improving earnings trajectory. Apart from the automotive sector which may see near-term growth moderate against the high base created by last year's GST tax cut, the structural trend in corporate earnings looks positive.

Corporate Credit Growth – Breaking a Decade Long Hiatus:

While the pickup in credit growth over the past six months has become increasingly evident, the revival exhibits a distinct structural shift. Corporate credit growth has increased to around 18%, crossing 10% for the first time since 2014. This rebound follows more than a decade of prolonged balance sheet repair leading to anemic growth in corporate credit.



Corporate credit expanded at a 23% CAGR alongside total bank credit growth in the decade leading up to FY14. However, subsequent excess capacity, high leverage, and widespread insolvency proceedings triggered an aggressive deleveraging cycle. Consequently, corporate credit growth slowed to a modest 4% CAGR between FY14 and FY25, materially trailing the broader banking system credit growth of 11% over the same period.



Source: RBI Reports on Trend and Progress of Banking in India

Over the last 6 months, corporate credit growth has improved to 18%, growing in line with overall bank credit growth. This recovery points towards a revival in the long-awaited capex cycle and probably explains the broad-based strength in corporate earnings.

Update on Insurance Distribution Platform:

On September 23, 2026, the Insurance Regulatory and Development Authority of India ("IRDAI") released a public consultation paper titled 'Recalibrating Economics of Insurance Distribution'. It proposes revisiting the Expenses of Management ("EoM") framework and the commission structure introduced in 2023. Though the proposals are open for public feedback, and the final regulation could differ materially from the draft, if implemented as proposed, the segment-wise commission caps would materially change the business economics of our investee company. Near-term earnings could take a significant hit before the company restructures its cost base to align with the new revenue model. As a result, the stock has corrected sharply since paper was released. Given the risk and uncertainty, the reaction is arguably warranted. We believe, however, that the medium-term risks are likely overstated, given the core strengths of the business model:

- Organic traffic in a push-based industry
- Higher employee productivity driving better conversions
- Better disclosures leading to better loss ratios for insurance partners
- Better claims support driving better retention

Together, these factors have helped the company capture a disproportionate share of new lives insured by the industry. If the paper is implemented as currently proposed and the distribution economics tighten for the entire industry, this trend is likely to accelerate leading to disproportionate market share gains for the company.

The regulator's intent to overhaul the commission structure had been public knowledge for several months, which raises the question of why we did not acknowledge this risk earlier. Our view was that the regulator's objective was to drive penetration of core insurance protection products, enhance transparency and curb mis-selling. We believed most mis-selling occurred through the bancassurance channel, primarily in savings products. As the highest-quality and most efficient distributor of core protection products, our investee company was, in our judgement, unlikely to face sweeping changes in its core categories. However, the consultation paper shows that, among its other objectives, the regulator also intends to significantly reduce distribution costs across all product categories. Given that insurance is a push-based category, it remains to be seen how consistent this objective will be with the regulator's aim of driving greater penetration of protection products.

Portfolio Actions:

Additions:

- We added the second largest non-bank distributor of mutual funds. The company's business model involves onboarding independent mutual fund distributors (MFDs) as its sub-distributors and providing them with access to its digital platforms. These platforms improve the operational efficiency of the MFDs, helping them cater to more clients and providing better service to their customers. Distributing through a larger platform also spares MFDs the hassle of negotiating individual contracts with each asset management company (AMC) and lets them benefit from the platform's negotiated terms and bargaining power. Due to these advantages, the company is gaining market share and growing faster than the industry. Recent regulatory changes to the total expense ratio (TER) structure have helped create a level playing field by eliminating additional costs that the company used to incur under the previous regime, providing a one-time reset in profitability.

Exits:

- We made no exits during the quarter.

Thanks for reading.

Rahul Picha, CA
Portfolio Manager

Statutory Details: Portfolio Manager – Multi-Act Equity Consultancy Private Limited (Registration No. INP000002965)

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Note:

1. All cash holdings and investments in liquid funds, is considered for calculating the performance.
2. All performance data are reported net of all fees and all expenses (including taxes).
3. The above performance numbers are not verified by the SEBI.

Disclosure as per Global Investment Performance Standards (GIPS®) –

Multi-Act Equity Consultancy Pvt. Ltd. claims compliance with the Global Investment Performance Standards (GIPS®). You can refer to the GIPS Compliant performance presentation here. Multi-Act Equity Consultancy Pvt. Ltd. has been independently verified by M/s. M. P. Chitale & Co., Chartered Accountants for the periods April 1, 2011 through March 31, 2019. The verification is available upon request. MAECL has claimed GIPS compliance for the Financial Year 2026 and such performance numbers shall be made available upon request.

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The Composite representing the Emerging Corporates India Portfolio was created on 28th April 2017. Performance has been compared with BSE 500 TRI. The Gross Return (wherever mentioned) is before all expenses (except Brokerage). Net Return is after all actual expenses. A complete list of composite descriptions, policies for valuing portfolios and calculating performance fees are available on request.

Multi-Act Equity Consultancy Pvt. Ltd. is an independent SEBI registered Portfolio Manager. The firm maintains a complete list and description of composites, which is available upon request. This ECIP Composite includes all discretionary fee-paying portfolios that are being managed with the objective of generating capital appreciation by investing in companies that in the opinion of the Portfolio Manager are “Advantage Period Companies” which are enjoying a “competitive advantage period” that is likely to last for at-least 5 years and are available at a valuation that offers margin of safety relative to the growth opportunity landscape. The portfolio manager has also the discretion of not being fully invested if he is not able to find ideas that meet the above criteria along with valuation criteria, thus, indirectly taking an asset allocation call between Equity and Cash (& Cash Equivalents).

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Risk Factors

General risk factors

- a. Securities investments are subject to market risks and there is no assurance or guarantee that the objective of the investments will be achieved.
- b. Past performance of the Portfolio Manager or its affiliates does not indicate its future performance.
- c. Investors are not being offered any guaranteed or assured returns i.e., either of principal or appreciation on the Portfolio.
- d. As with any investment in securities, value of the Client’s Portfolio can go up or down depending on the factors and forces affecting the capital market.
- e. The Portfolio Manager is neither responsible nor liable for any losses resulting from the operations of the Portfolios.
- f. The investments made are subject to external risks such as war, natural calamities, and policy changes of local / international markets which affect stock markets.
- g. The Portfolio Manager has renewed SEBI PMS registration effective December 05, 2023 and has commenced its portfolio management activities with effect from January 2011. However, the Portfolio Manager has more than 10 years of experience in managing its own funds invested in the domestic market.

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