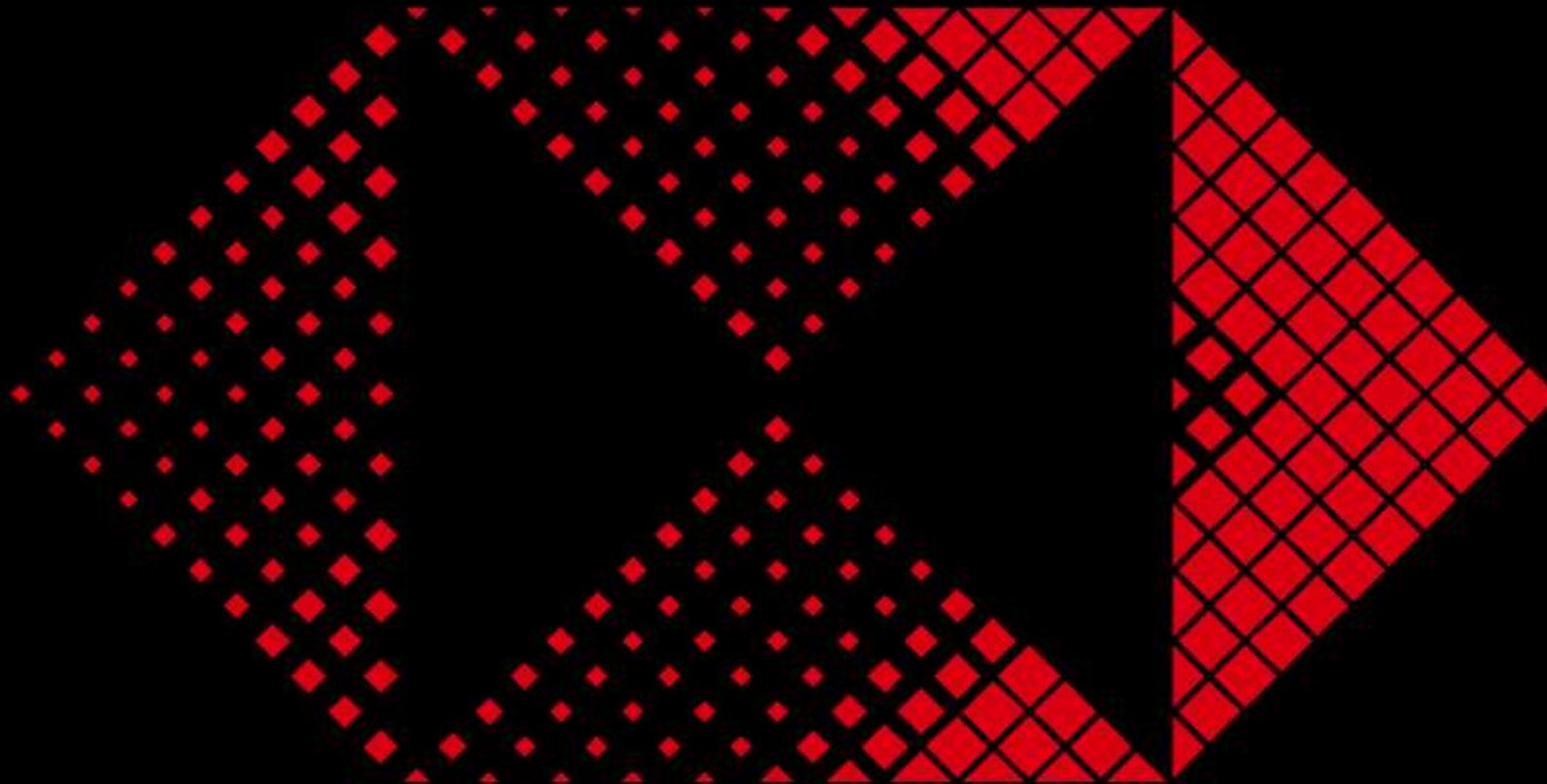
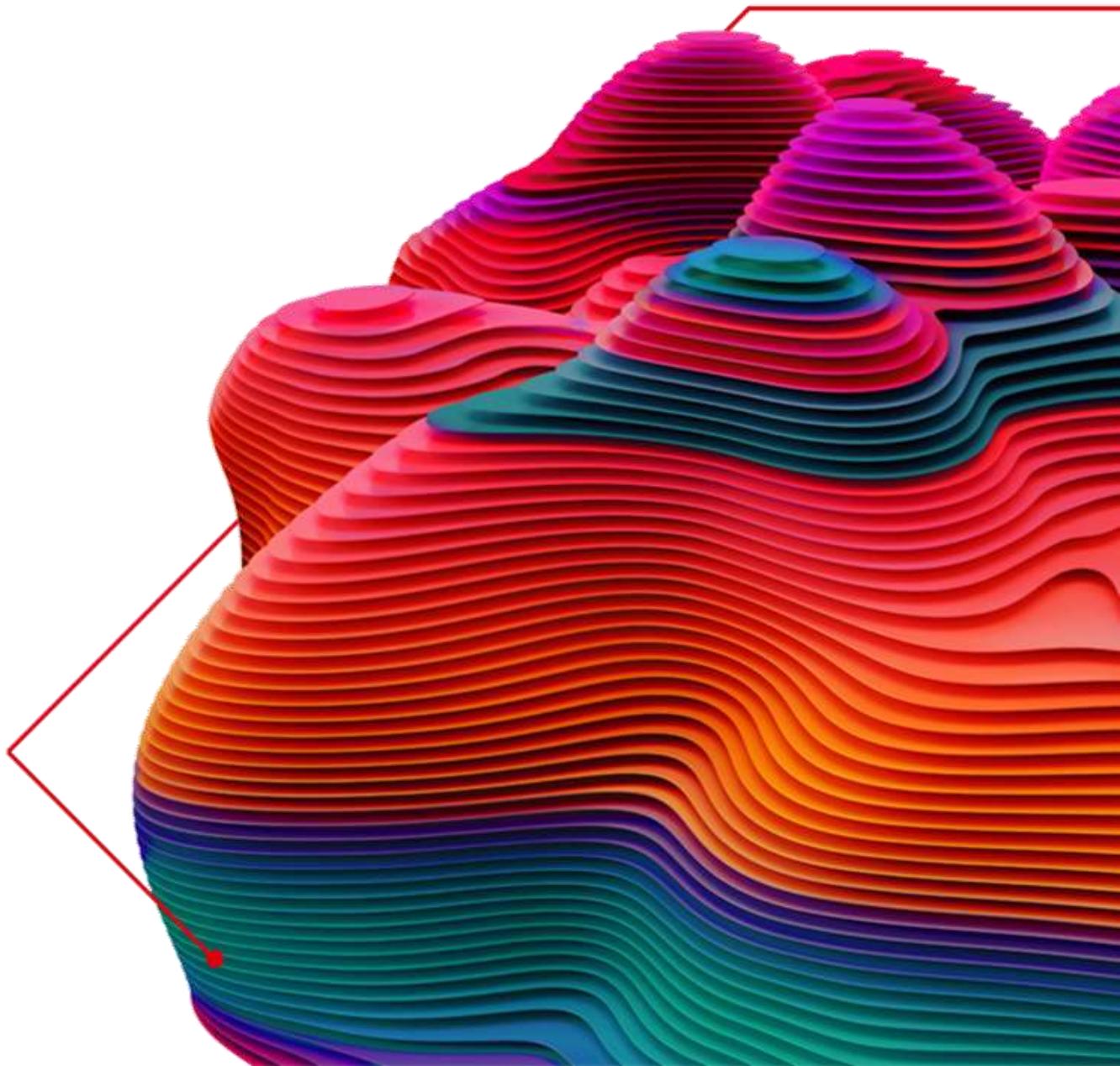


Amplifying opportunities

Market Deck



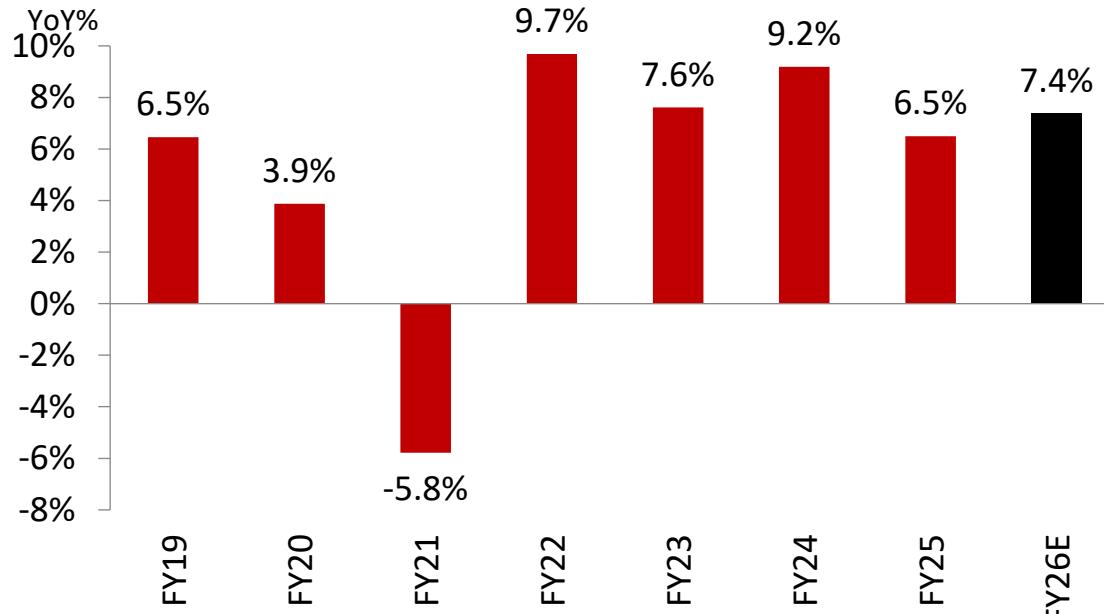
Macro outlook



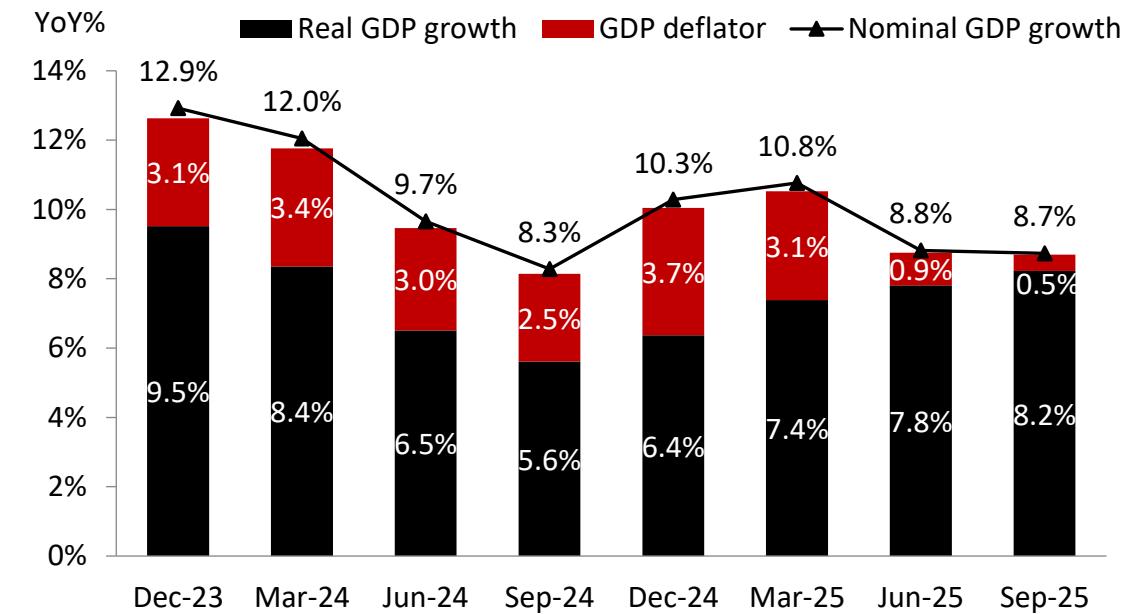
Positives – Strong GDP growth trend

- ◆ Overall economic growth in India has remained strong post pandemic.
- ◆ H1FY25 saw some slowdown due to impact of elections and monsoon but recovered strongly from H2FY25
- ◆ However, nominal GDP growth has seen some moderation since FY25.

Strong Real GDP growth momentum



Nominal GDP growth needs some improvement



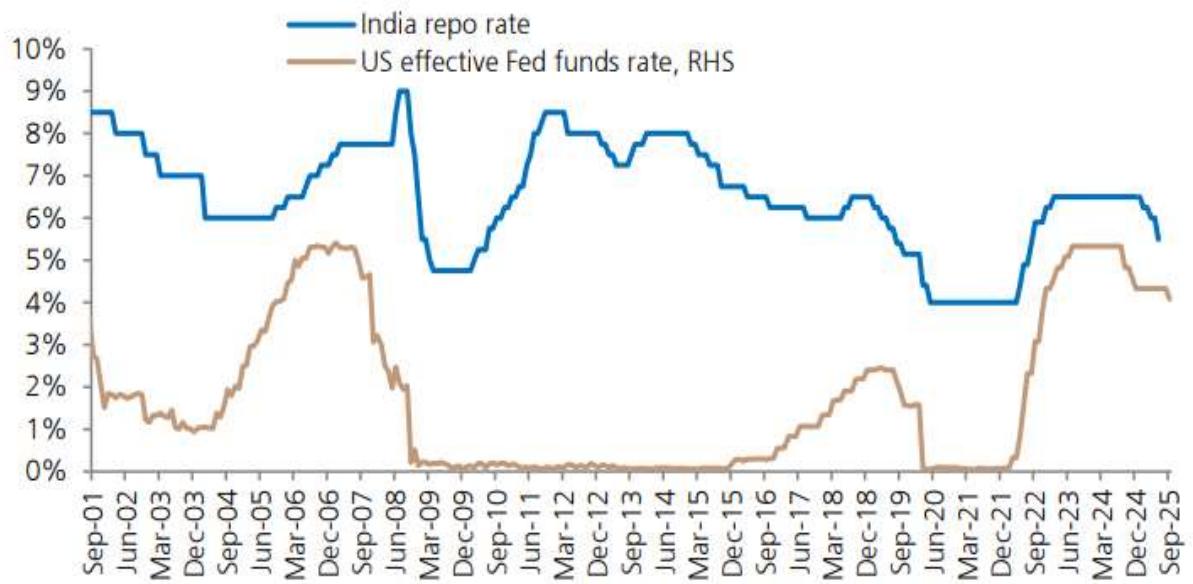
Positives – Soft inflation opens-up space to cut rates

- ◆ India's inflation extremely benign. Even core inflation very comfortable although boosted by higher gold prices.
- ◆ India's repo rate has also come down steadily in line with inflation with RBI undertaking 100bps rate cut already in CY25YTD
- ◆ Although, interest rate differential between US and India rates has narrowed over the years, softer inflation has unlocked space to act aggressively.

Inflation continues to remain benign



India's repo rate vs US Fed rate

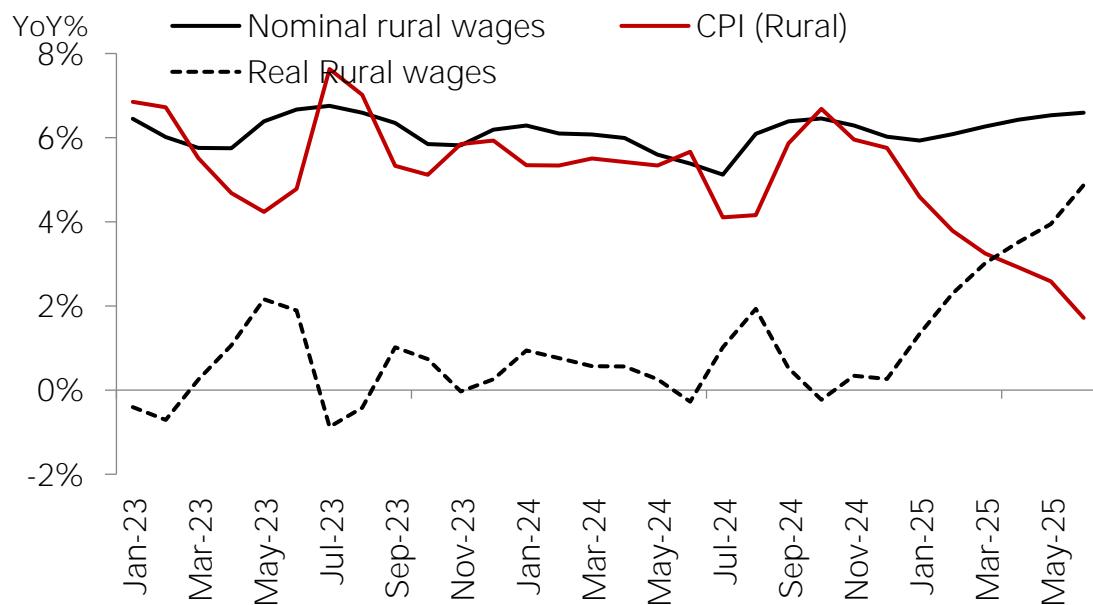


Source: Haver, BofA Global Research, CEIC, Bloomberg, UBS

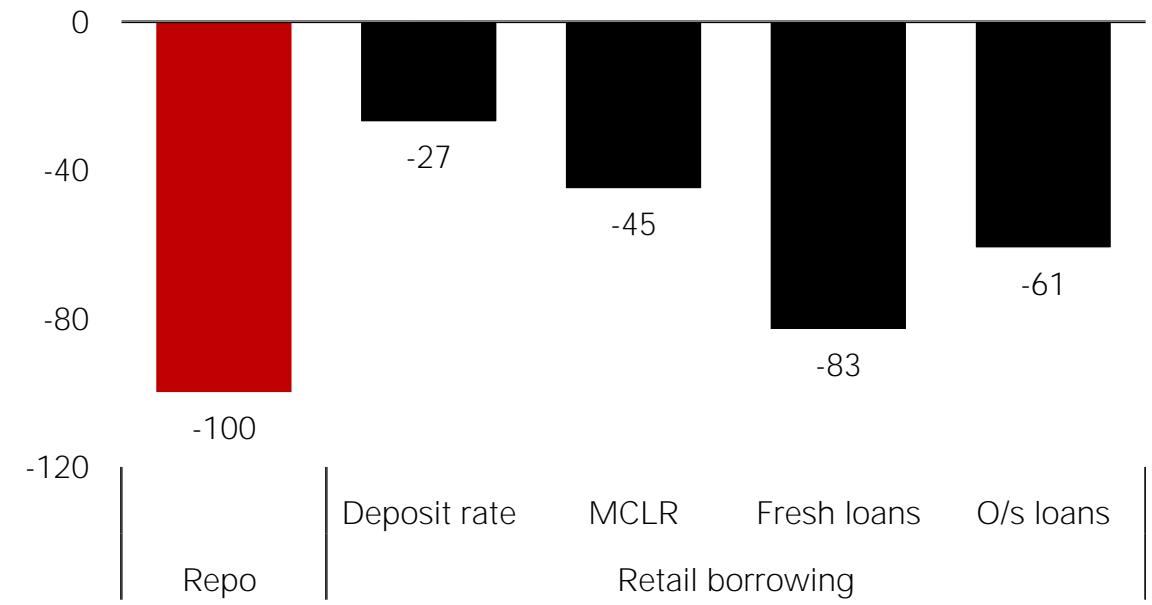
Positives – Consumption should remain robust

- ◆ Government support - GST reform and rationalization, Income tax cut
- ◆ Rural consumption – Good monsoon and Real rural wages turning positive
- ◆ RBI easing of policy rates to reduce finance burden for consumers

Rural wages improving with lower inflation

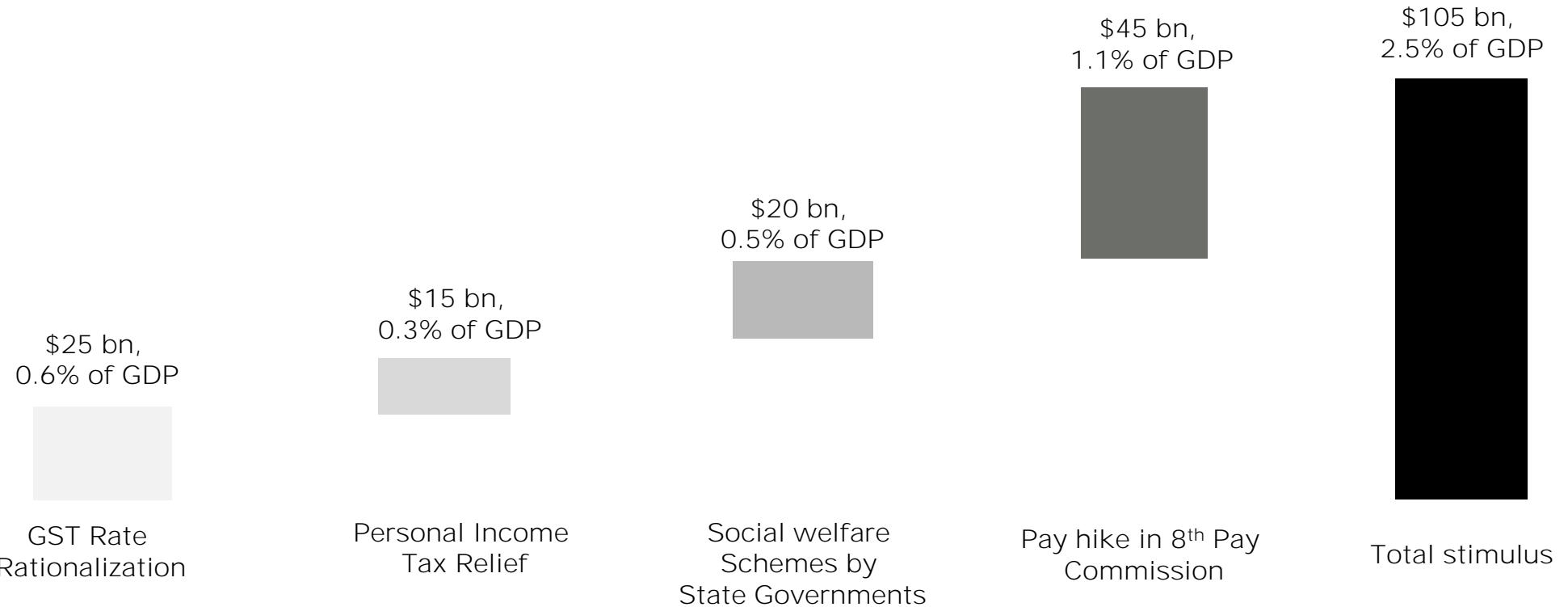


Repo rate cuts to ease interest burden



Consumption stimulus could be huge over coming years

Net stimulus of more than \$100 bn to bolster growth

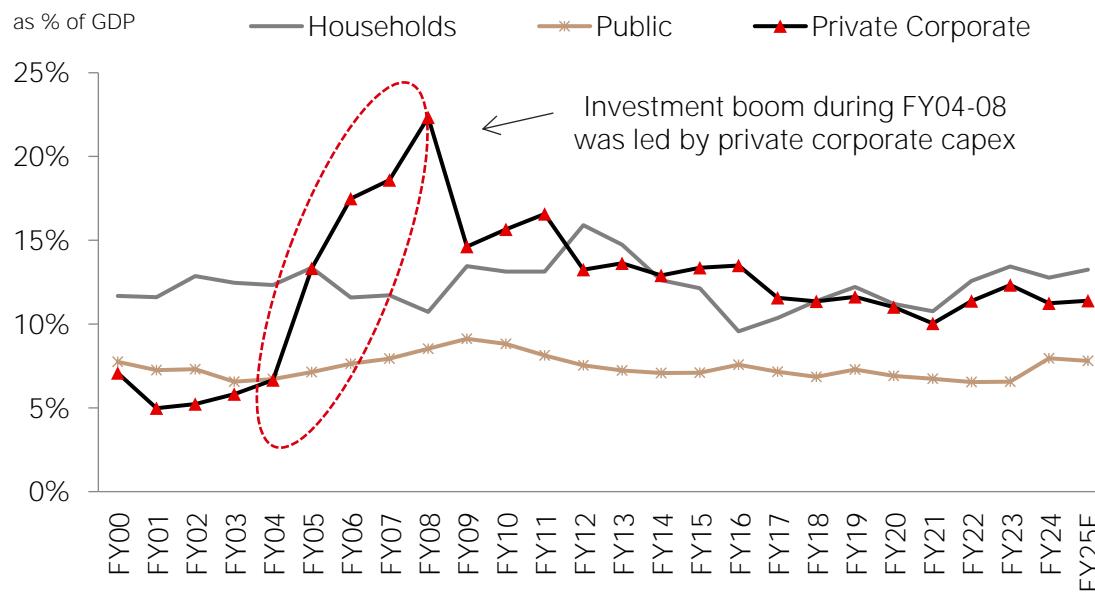


Source : UBS, HSBC Mutual Fund, Latest available data as at September 2025, Past performance may or may not be sustained in the future and is not indicative of future results. Note : Views provided above are based on information available in public domain at this moment and subject to change. Investors should not consider the same as investment advice. Please consult your financial advisor for any investment decision. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s).

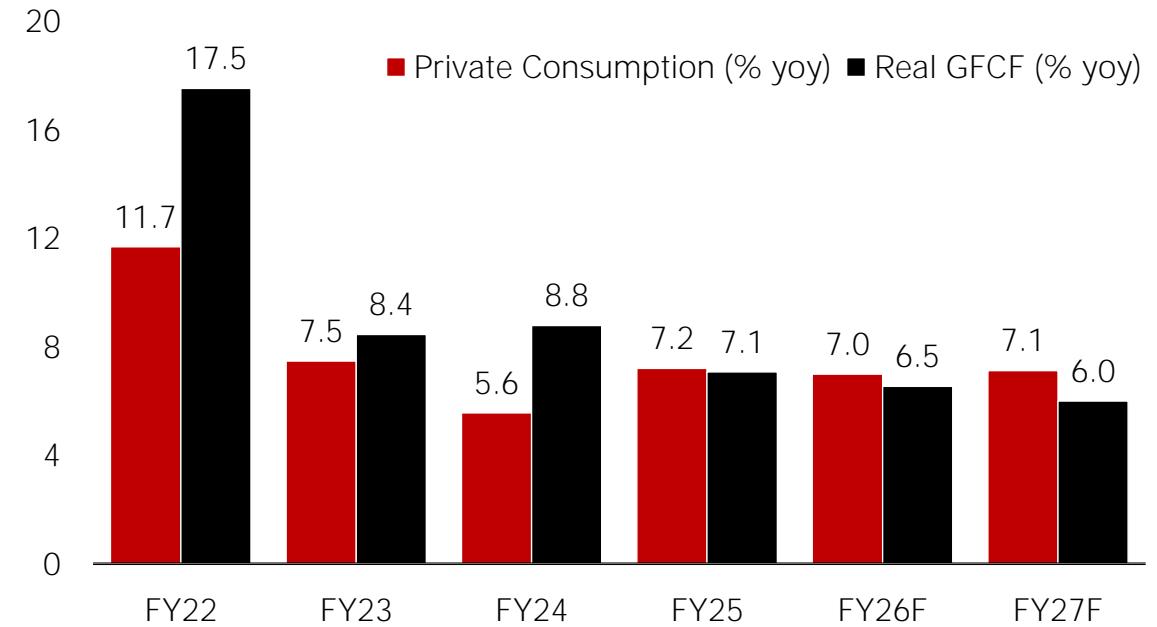
Neutral – Investment cycle remains steady

- ◆ Investment growth has been around of real GDP growth over FY23-25.
- ◆ FY26 is likely to be similar, although consumption growth likely to now outpace given the government support
- ◆ A further pickup in private corporate capex has been elusive. Geopolitical issues may prolong the same.

Private corporate capex still to show a pickup



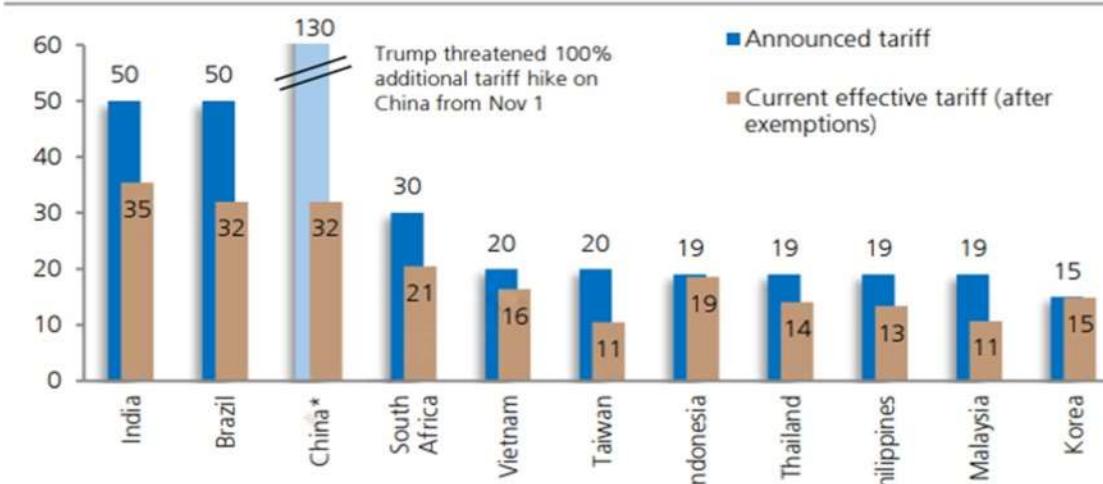
Investment growth close to GDP growth



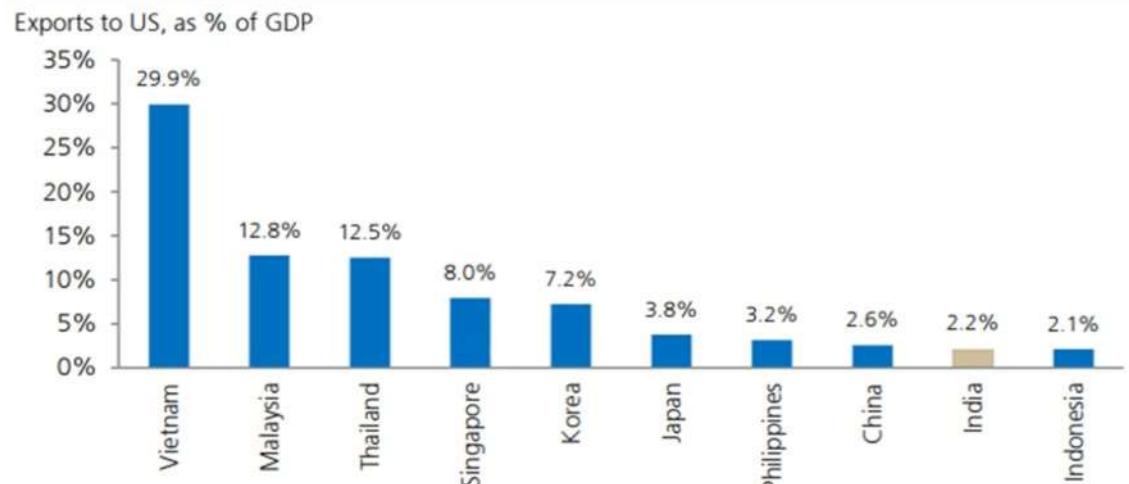
Negative – US tariff exposure highest currently; Trade deal still awaited

- Current effective tariff rate imposed by US on India, at 35% (after adjusting for goods exempt under section 232 investigations) is nearly twice that of its Asian peers (mostly around 15 -19%)
- US accounts for \$87bn, or 20%, of India's goods exports (2.2% of India's GDP). India has a small exposure to US exports compared with its Asian peers.
- According to UBS estimates, c\$35bn of goods exports (0.8% of GDP) exposed to US are at risk due to higher trade tariffs
- Of the 50% tariff rate, half pertains to penalty for trading with Russia, for which a resolution is expected soon

US trade tariffs on India higher than peers



US exports as a percentage of GDP for Asian peers

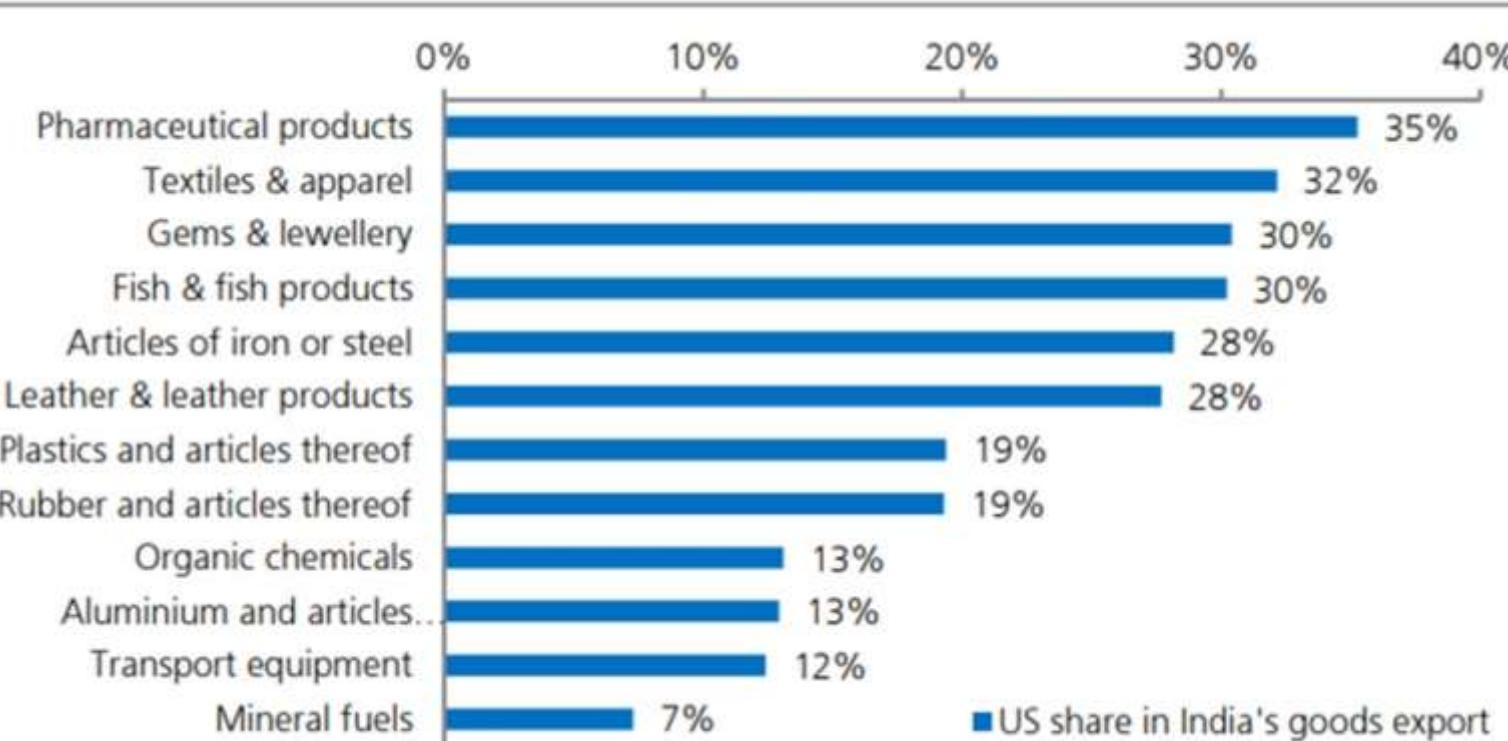


Source: White House, UBS estimates. *The existing 32% weighted average tariffs on China does not incorporate the proposed 100% additional US tariffs. Note: The effective tariff rate is calculated after adjusting for the goods exempted from tariff and are currently under section 232 investigations. These include smartphones, semiconductors, pharma (except branded drugs), copper, timber etc; data as of September 2025
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Tariff impact on investment universe limited

Labour-intensive sectors, such as apparels, gems and jewellery, leather, fish and fish products and transport equipment are likely to get disproportionately impacted, largely dominated by small and medium enterprises (SMEs).

Sectors most exposed to US tariff



Source: Haver, UN Comtrade, UBS, HSBC Asset Management. Note: Excluded electronics (including smartphones) from above analysis as it is currently exempted from tariffs, data as of September 2025

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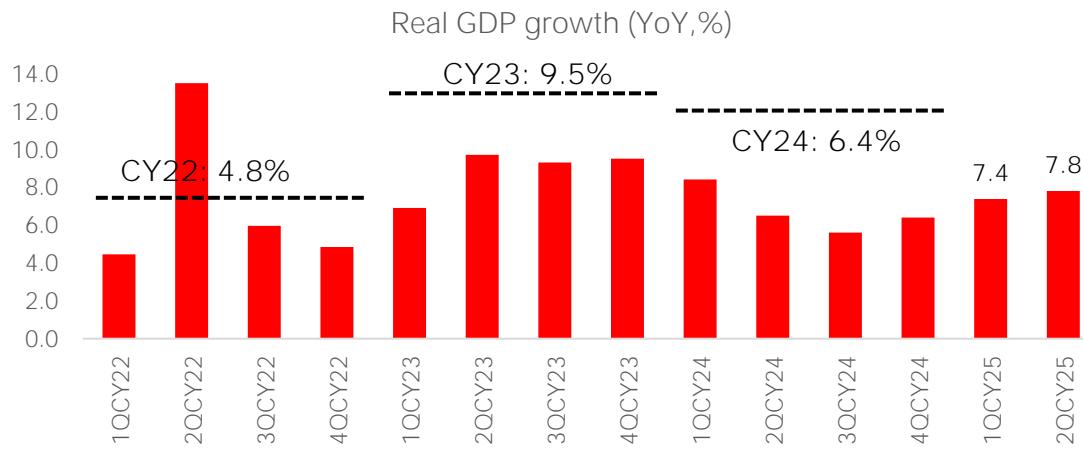
BTA/ FTA – Every problem is an opportunity in disguise!

Sr. No.	Treaty	Status	Bilateral trade	Brief about the treaty
1)	Eurasian Economic Union (EAEU)	Formalized Terms of Reference for FTA (August 2025)	\$69bn in 2024	EAEU comprises Armenia, Belarus, Kazakhstan, Kyrgyz Republic and Russia with combined GDP of \$6.5tn
2)	India-UK CETA	Officially signed and formalized (July 2025)	\$56bn in 2024	Target to double bilateral trade by 2030. Duty-free access to 99% of India's export to UK including textiles, gems & jewellery, chemicals, auto components, etc.
3)	TEPA with EFTA	TEPA signed in March 2024; implementation to begin in October 2025 as per announcement by Union Minister	NA	EFTA comprises Iceland, Liechtenstein, Norway and Switzerland with commitment to invest \$100bn in India over 15-year period
4)	India-US BTA	Talks ongoing	\$212bn in 2024	Conclusion of a deal should lead to lower tariffs
5)	India-EU FTA	13 th round of negotiations took place in September 2025	\$184bn in 2023	Talks ongoing with both sides committed to reach a deal by end of the year
6)	India-New Zealand FTA	Talks resumed after a decade long pause in March 2025. 3 rd round of negotiation held in September 2025.	\$1.3bn in FY25 (Goods)	
7)	India-Canada FTA	Resumed talks after 21 months pause in June 2025	\$8.6bn in FY25 (Goods)	
8)	India-GCC FTA	GCC General Secretariat and India have agreed on a Joint Action Plan extending through 2028	\$160bn in 2024	Ongoing discussions for CEPA with Qatar, BTA with Oman

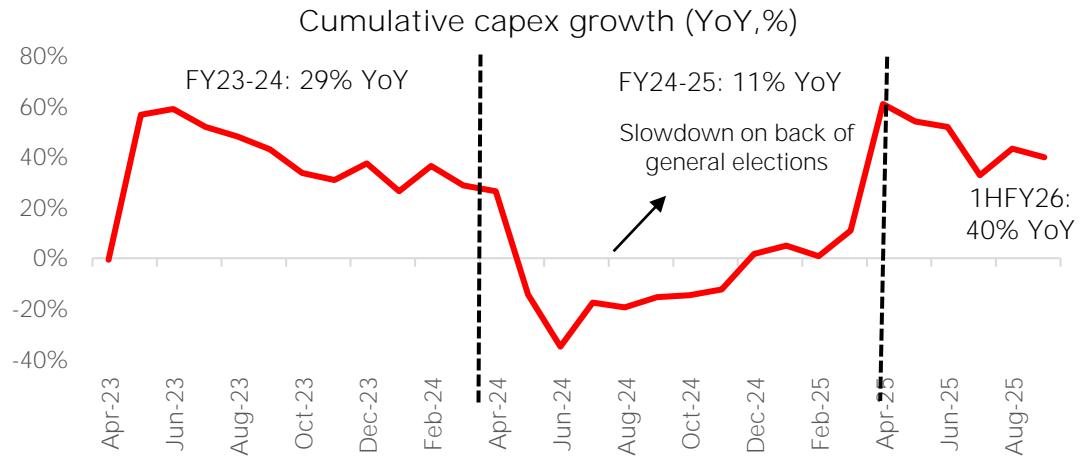
Source: PIB, India Briefing, News articles, HSBC Asset Management. Latest available data as at September 2025 Note: FTA stands for Free Trade Agreement; BTA – Bilateral Trade Agreement; CETA – Comprehensive Economic and Trade Agreement; CEPA - Comprehensive Economic Partnership Agreement; TEPA – Trade and Economic Partnership Agreement; EFTA - European Free Trade Association

Overall – Economy continues to remains firmly in ‘Growth’ phase

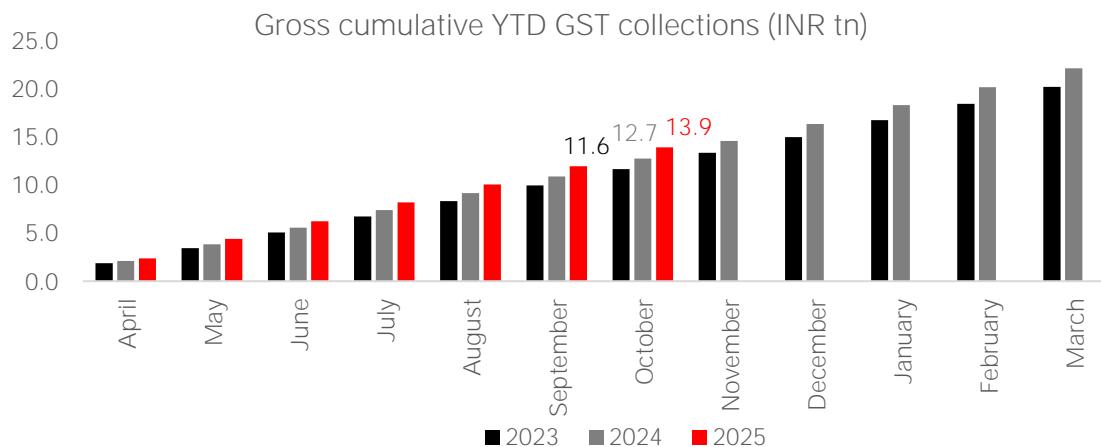
GDP growth continues to remain strong



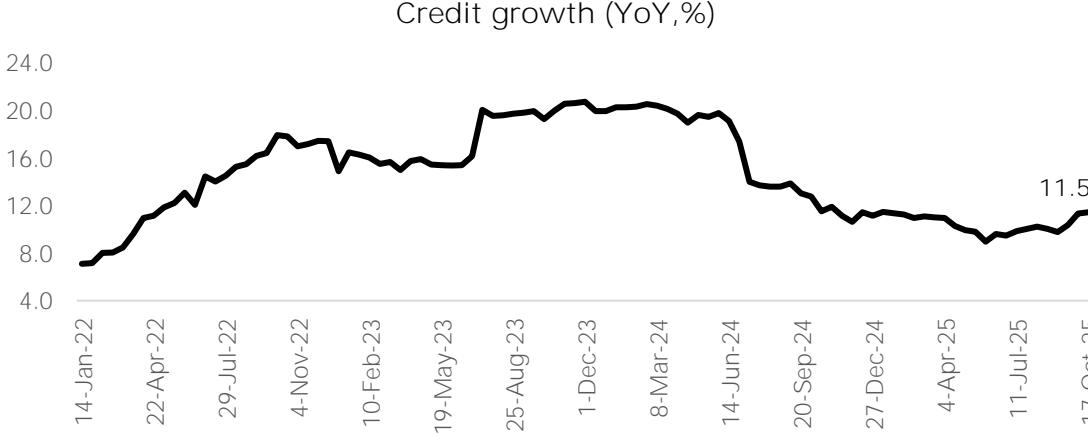
Strong capex growth in FY26; partly front-loaded



Consistent growth in GST collections



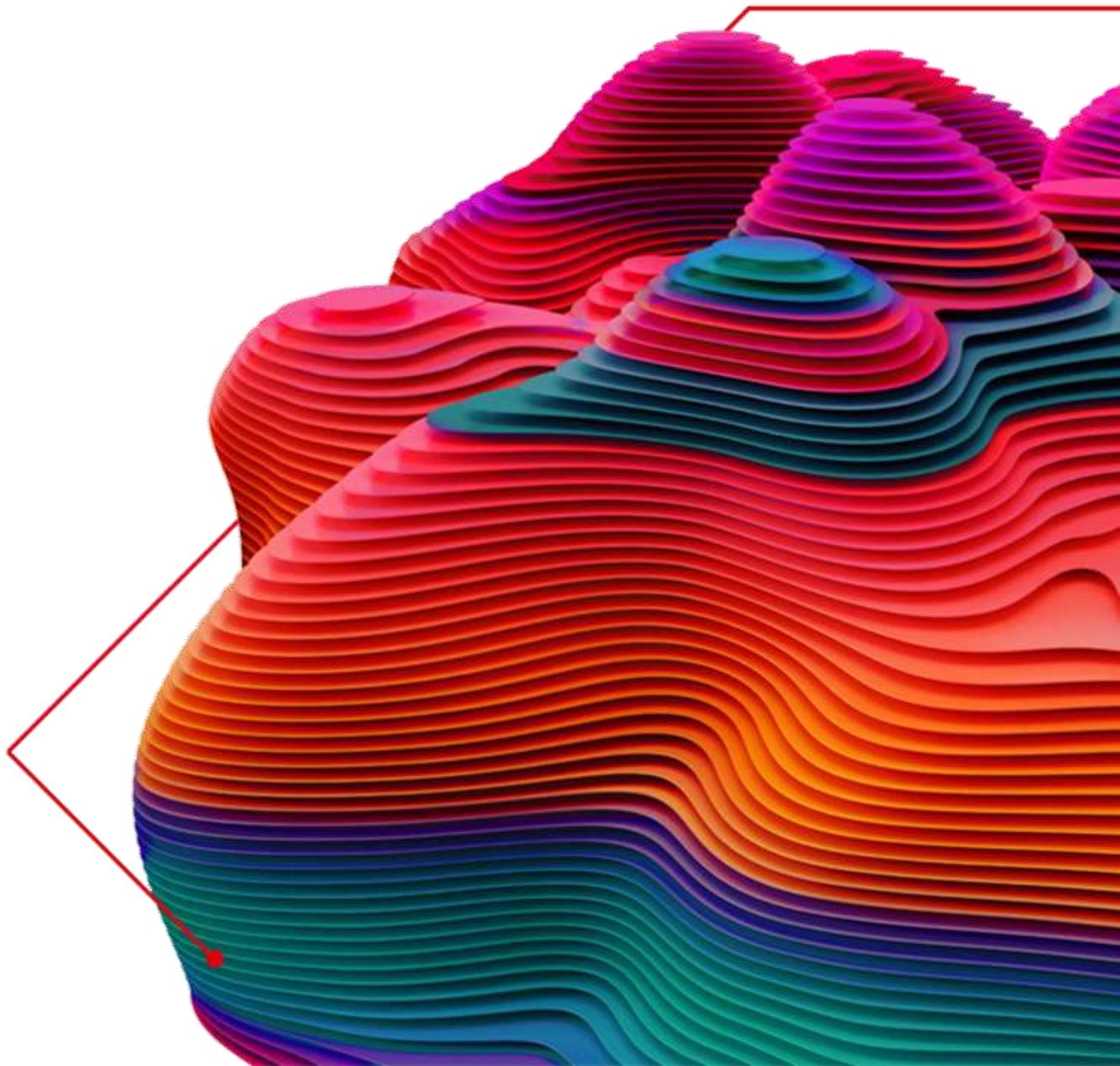
Credit growth slow but seeing early signs of pick-up



Source: Controller General of Accounts (CGA), RBI, Government of India, CEIC, HSBC Mutual Fund, Latest available data as on 10 November 2025

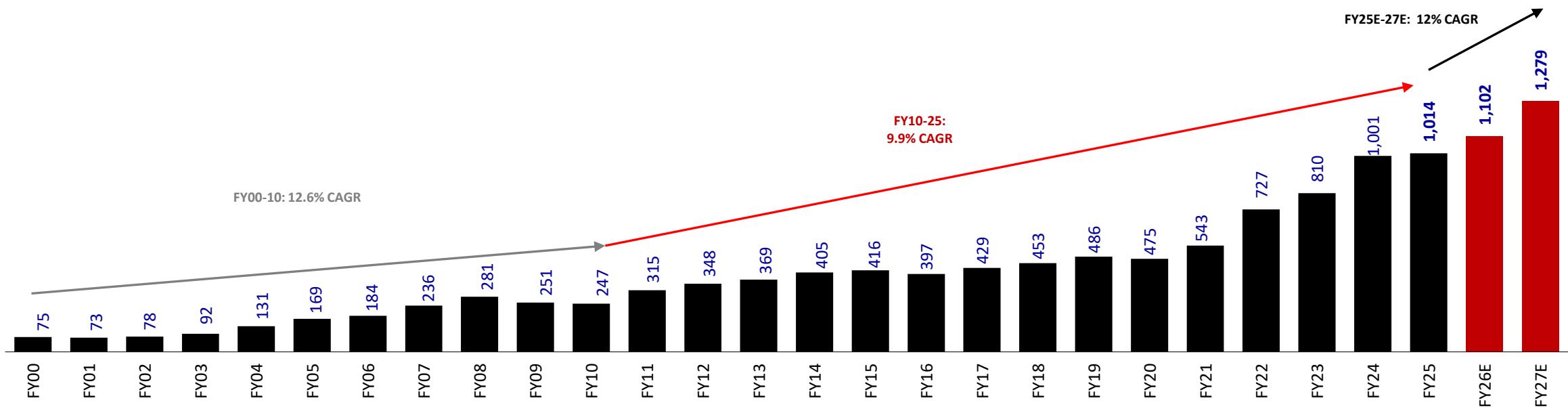
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Equity Markets



Corporate earnings to grow double digit on a low base

- ◆ Earnings growth to reaccelerate on a low base of FY25 with 12% growth over FY25-FY27 as per recent projections



Source – MOSL, Bloomberg, Latest available data as at December 2025, Note: Above data is based on Nifty EPS (in INR), Nifty50 Earnings and returns, EPS – Earnings Per Share, The above information is for illustrative purposes only. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. Past performance may or may not sustain and doesn't guarantee the future performance.

FY27 – A much brighter earnings growth view across key sectors

- Expect Nifty EPS to grow 9%/16% in FY26/27 respectively

- Banks and NBFCs – NIMs have bottomed out in FY26 and will improve in FY27. Private banks asset quality will also improve driving a mid-teens earnings growth in FY27 after a slow FY26. NBFCs to deliver strong earnings growth driven by strong demand and improving margins on declining interest rates.
- Consumer staples – Revival in earnings growth driven by GST reduction related volume growth. Commodity inflation is also behind, helping drive double digit earnings growth.
- Consumer Discretionary (Internet, Retail, Autos) – Internet platforms benefit from strong shift in consumer behaviour towards Q-com. Strong 20%+ growth likely for Jewellery. Autos to also deliver mid-teens growth supported by GST cut related demand boost.
- Metals – Aluminum is in a tight demand supply scenario globally. Steel price are also close to bottom with China prices in ~\$450/tn. Sector earnings are highly volatile but seems well placed for strong growth in FY27.
- IT – FY27 earnings growth likely to be near double digits supported by increased Gen AI adoption and INR depreciation. Impact of Gen AI related price deflation already felt in FY26.

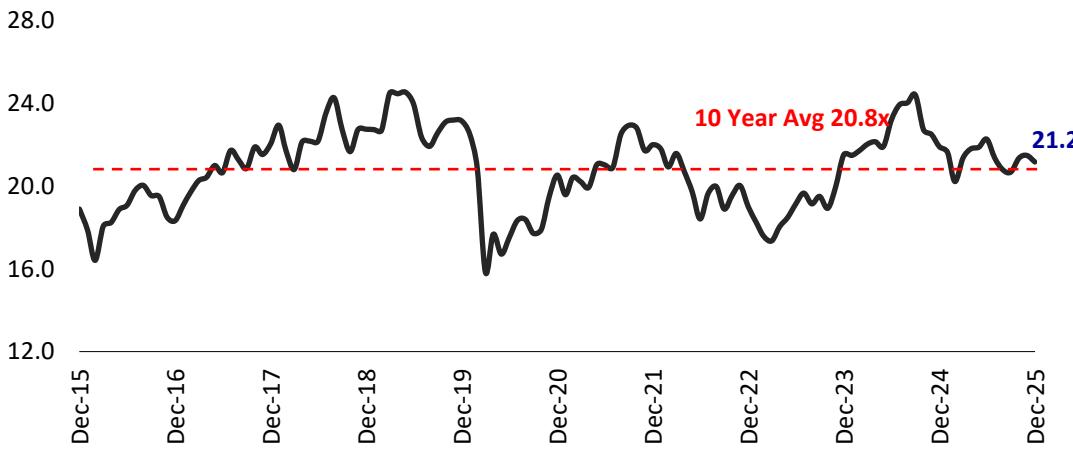
Broader NSE 500 EPS forecast also showing signs of stabilization



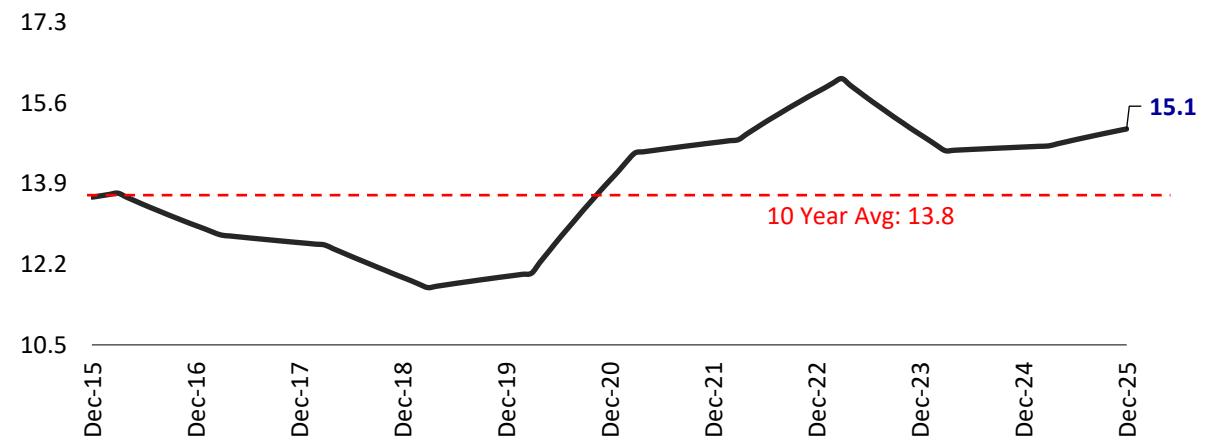
Large cap valuations at averages

- ◆ Large Caps are currently trading around its long-term 10-year average
- ◆ ROEs not far from decadal highs of 16%, though marginally lower now on account of moderate FY25 earnings

NIFTY 50 Forward P/E valuations

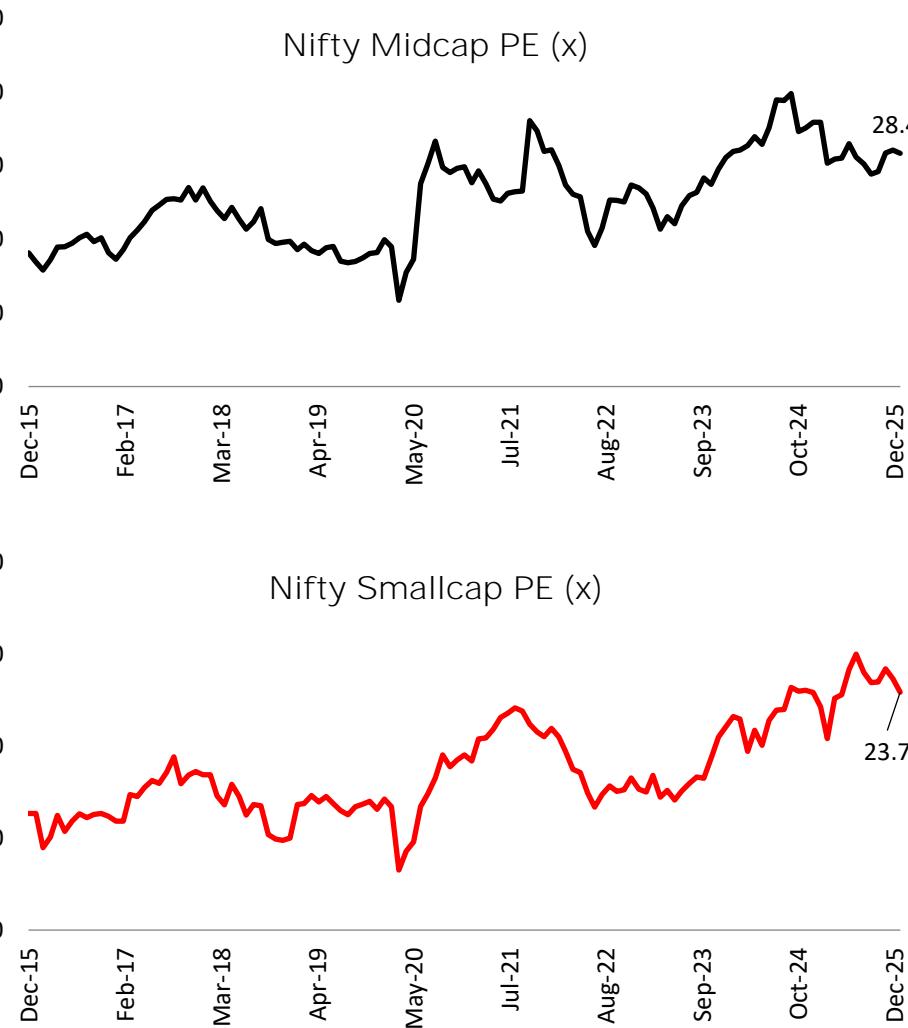


NIFTY 50 ROE (%)

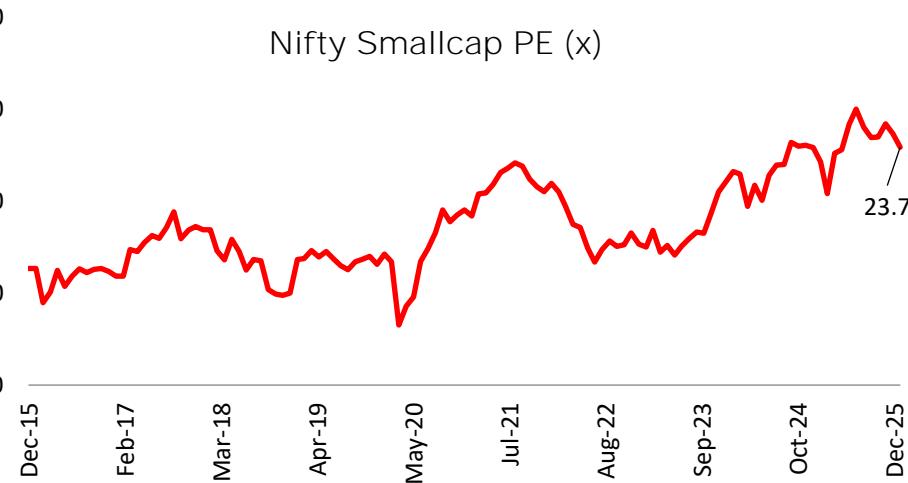
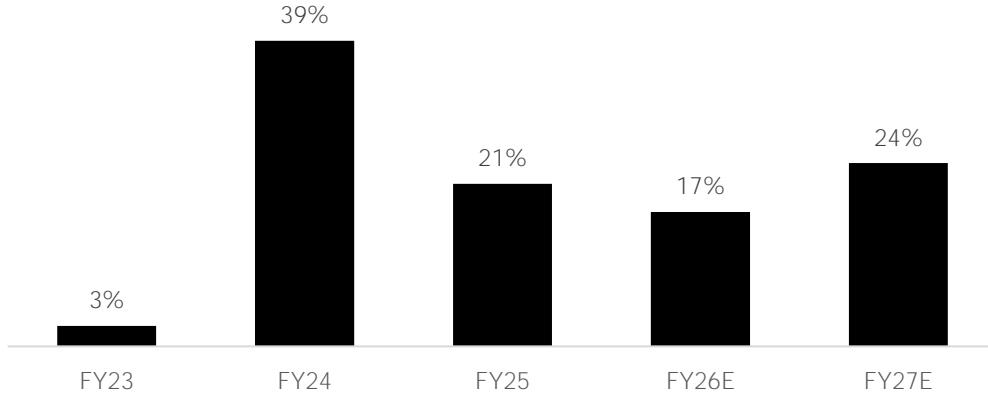


Source: MOSL, Bloomberg, Nifty50 PE/ROE. Latest available data as at December 2025, Note : Views provided above are based on information available in public domain at this moment and subject to change. Investors should not consider the same as investment advice. Please consult your financial advisor for any investment decision. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

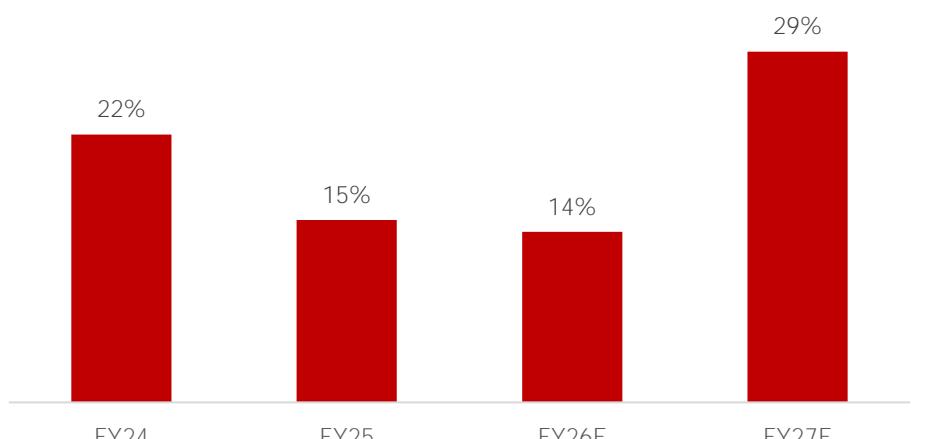
Mid and Small cap valuations relative to growth reasonable



Midcap Index cumulative PAT growth (%)



Smallcap Index cumulative PAT growth (%)



Source: Bloomberg. Latest available data as at October 2025, PE Charts - Nifty Midcap 100 & Nifty Small Cap 100, Note : Views provided above are based on information available in public domain at this moment and subject to change. Investors should not consider the same as investment advice. Please consult your financial advisor for any investment decision. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

India looks relatively well-placed vs EM at current levels

- ◆ MSCI India has underperformed MSCI EM by 30ppt in the past 12 months (till Sep'25). Empirically, such underperformance have been succeeded by positive returns over the next 12 months.
- ◆ The valuation premium of India to Emerging Markets at 65% is now closer to long-term average levels.

Rolling 365 days MSCI India OPF/(UPF) to MSCI EM

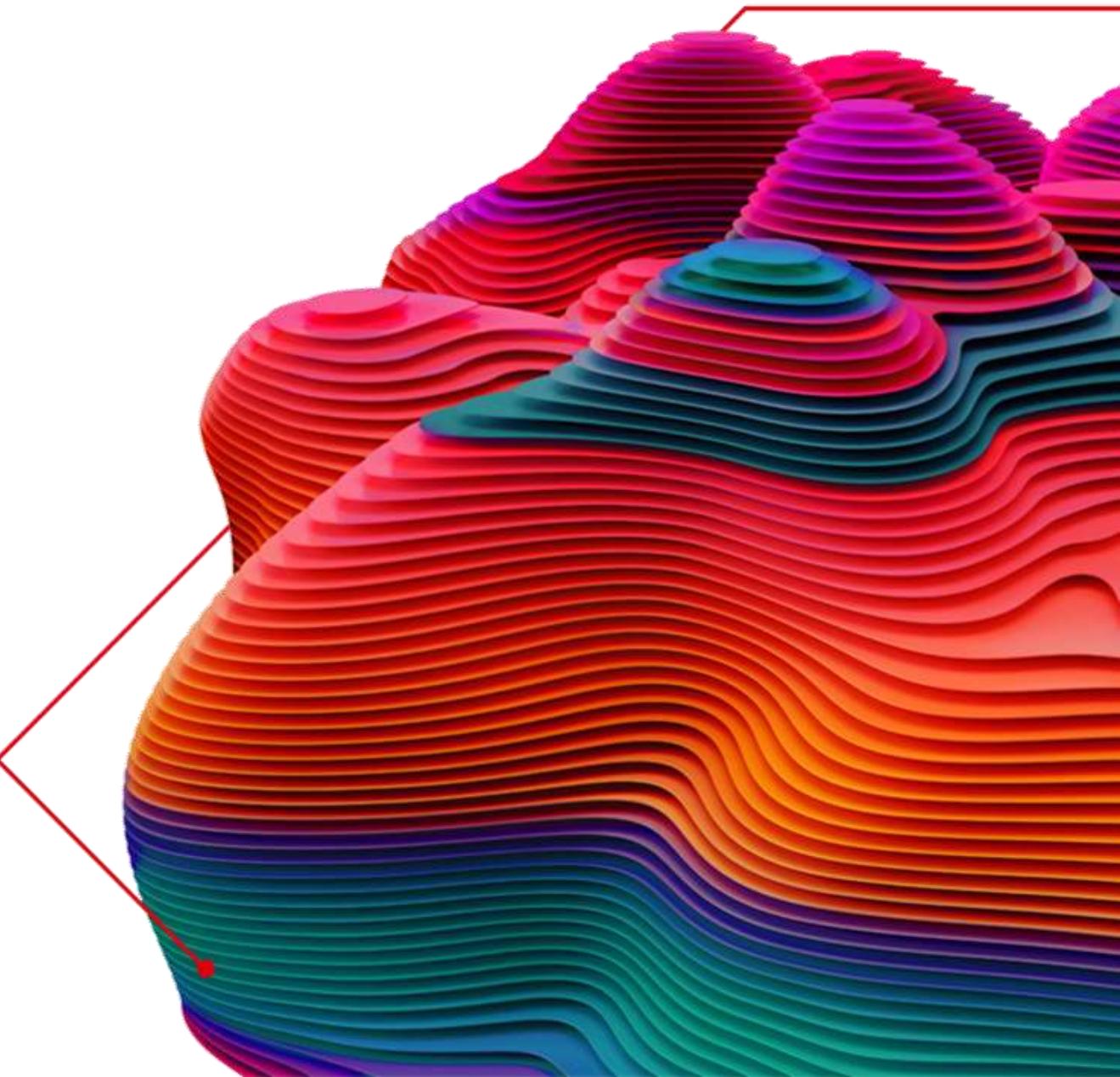
*Figures in red indicate % OPF/ (UPF) in last 365 days and in green indicate subsequent 365 days OPF/UPF



India's valuation premium to EMs



Key Pillars for Growth



Key pillars for growth

1 Consumption

- ◆ Taxation benefits - GST rate cuts and simplified GST structure; personal income tax cuts
- ◆ Lower inflation and higher disposable income
- ◆ Premiumization
- ◆ Formalization of economy (Unorganized to Organized movement)
- ◆ Improving penetration across discretionary categories
- ◆ Urbanization
- ◆ Nuclearization

2 Digitalization/ Platforms

- ◆ Higher smartphone and internet penetration with low data costs
- ◆ Convenience with faster access
- ◆ Scalability with low marginal costs
- ◆ Wide variety of choices
- ◆ Personalized selection and better customer targeting
- ◆ Rich data history along with data mining capabilities
- ◆ Network effect

3 Manufacturing and Infrastructure

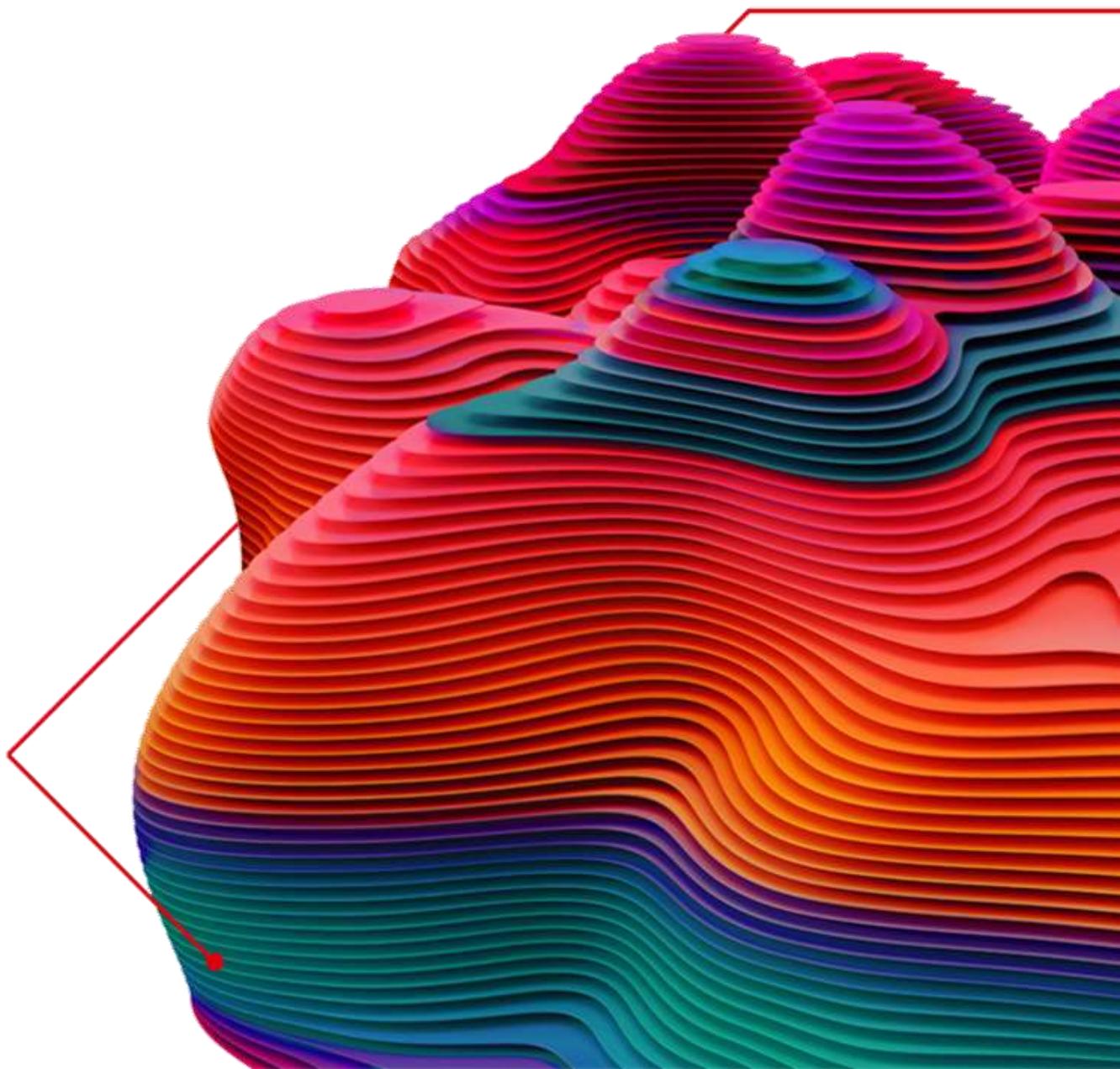
- ◆ Rising power demand
- ◆ EMS (Equipment Manufacturing services)
- ◆ Indigenization in defence
- ◆ Government incentives and policies like PLIs, low corporate tax rate and tax rationalization (inverted duty structure)
- ◆ Certification standards for specific sectors
- ◆ Better connectivity with expenditure across various industries like roads, railways, airports, telecom, etc.
- ◆ Ease of doing business

4 Financialization

- ◆ Financial inclusion
- ◆ Faster growth of Ultra High Net-worth Individuals
- ◆ Investment into Digitisation ensuring ease of use, efficiency and protection
- ◆ Improved financial literacy
- ◆ High gross national savings
- ◆ Better asset quality and stronger balance sheet of financials and NBFCs

Source: HSBC Asset Management, Data as of September 2025. The above information is for illustrative purposes only. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Strategy/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

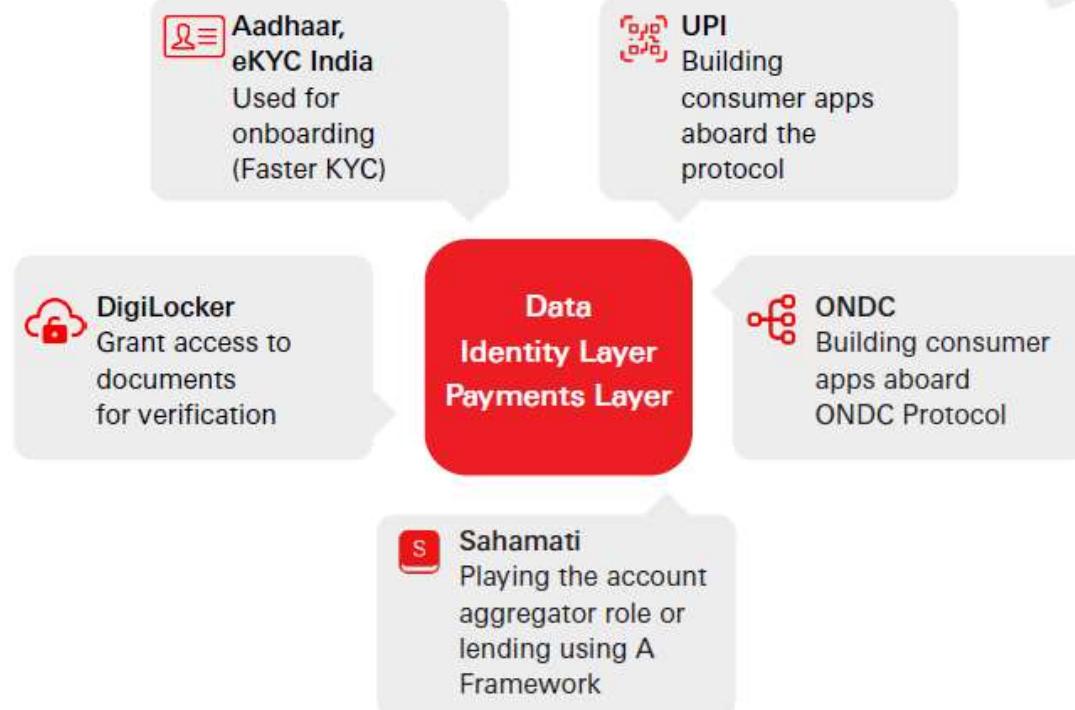
Annexure: Key growth pillars



Government initiatives have accelerated the pace of growth in the sector

“It took us 6 years to get to our first 60k customers, each of whom had to sign and courier 40+ pages of forms and wait for days. We got to 1 crore customers in the next 6 years, entirely eliminating paper in the process. This was enabled by eKYC, digital signatures (esigns) and digital documents (Digilocker)”

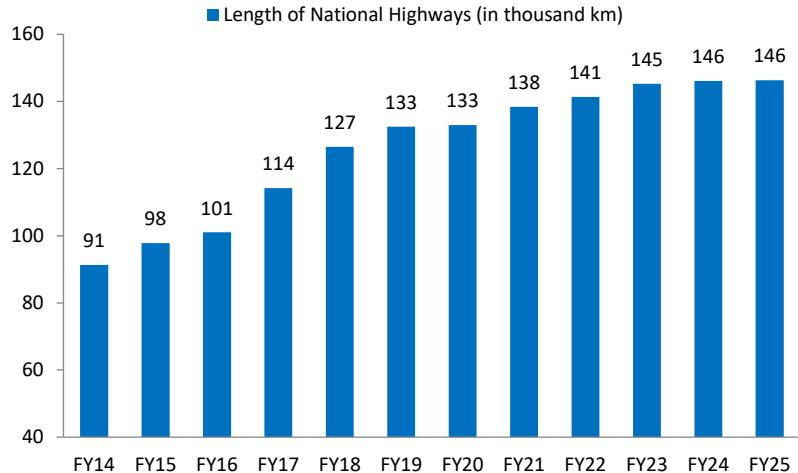
– Founder & CEO at leading online brokerage firm



Sources: Beams Internal analysis, HSBC Mutual Fund.. The above information is for illustrative purposes only. UPI - Unified Payments Interface, ONDC - Open Network for Digital Commerce, OCEN - Open Credit Enablement Network, CDBC - Central bank digital currency, DPI – Digital Public Infrastructure. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

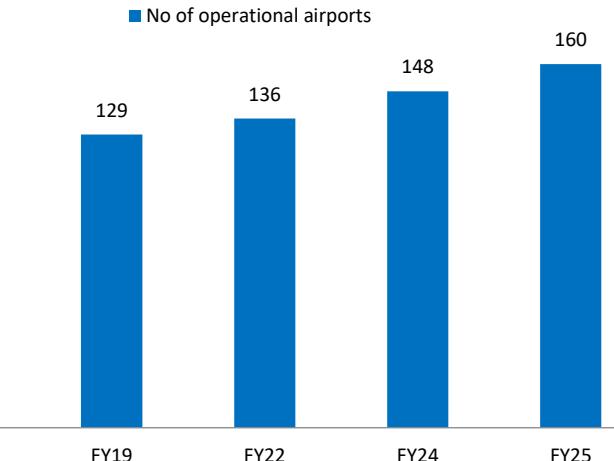
India's US\$1 trillion infrastructure building spree; core driver of India's growth story

Roads: 28 km of roads being constructed every day



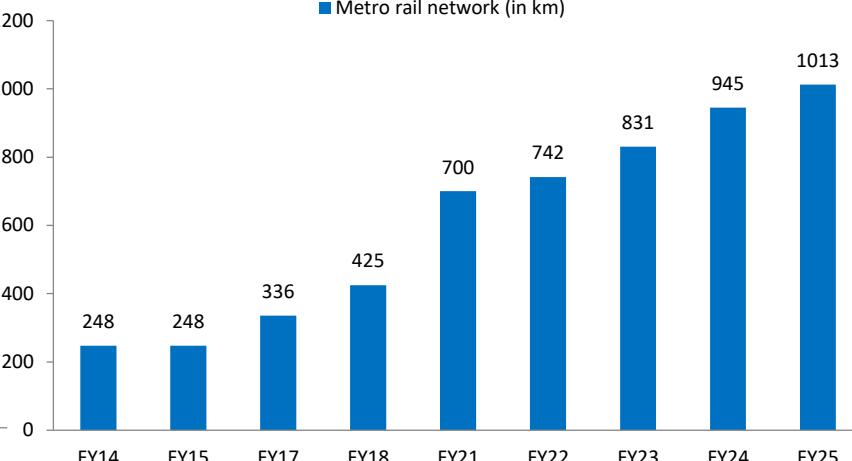
Aviation: 9 Airports are built every year

No of operational airports

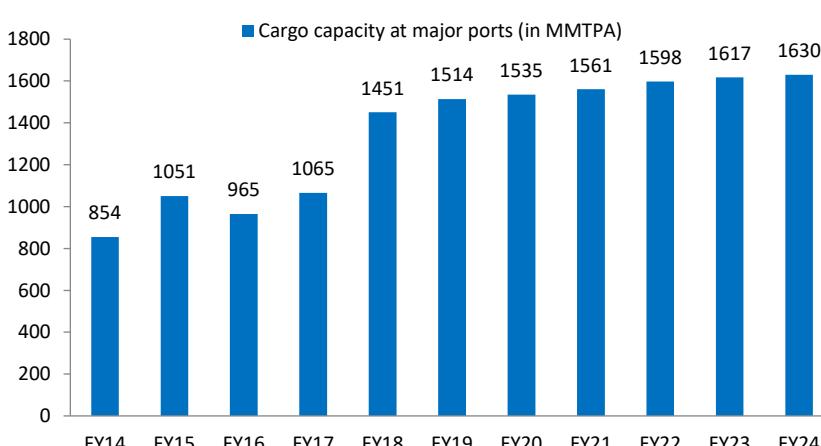


Metro rail: Network expanded 4x

Metro rail network (in km)

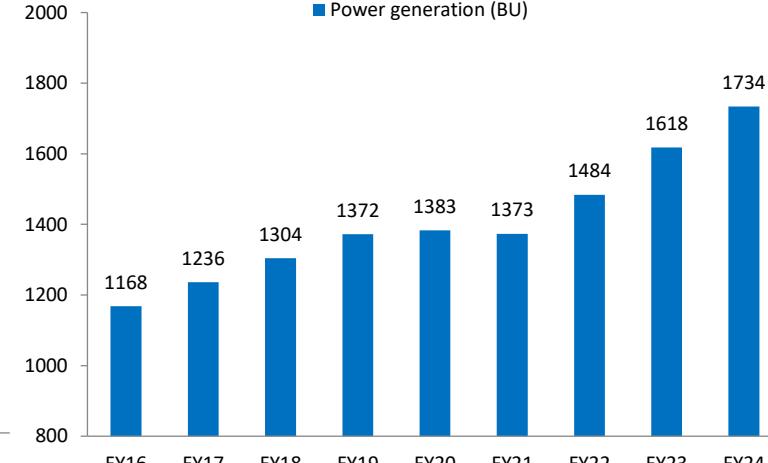


Port capacity increased c60% since FY14



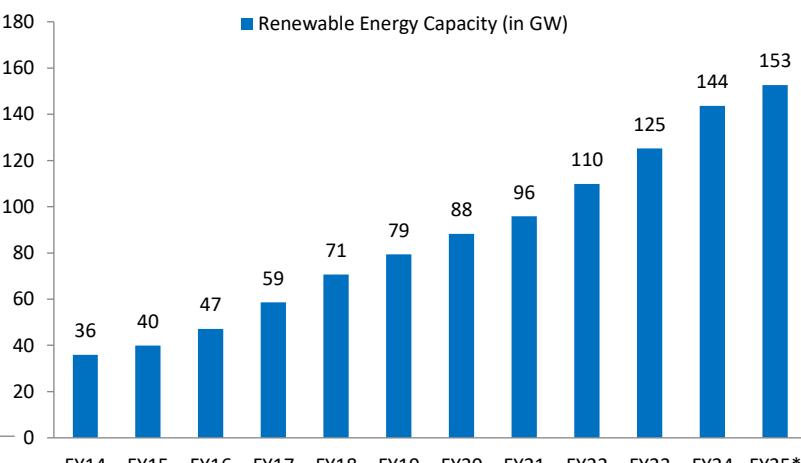
Power generations increased significantly

Power generation (BU)

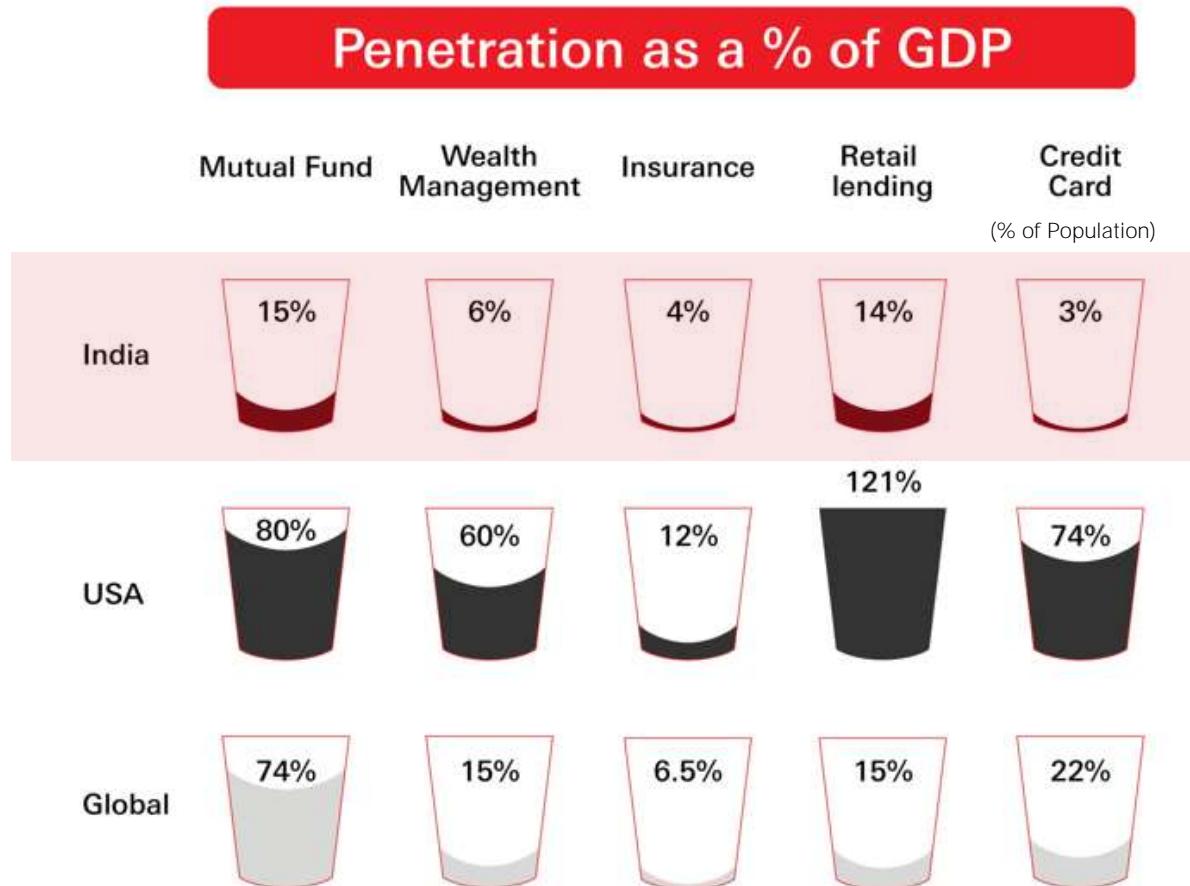


Renewable energy: now 42% of total energy capacity

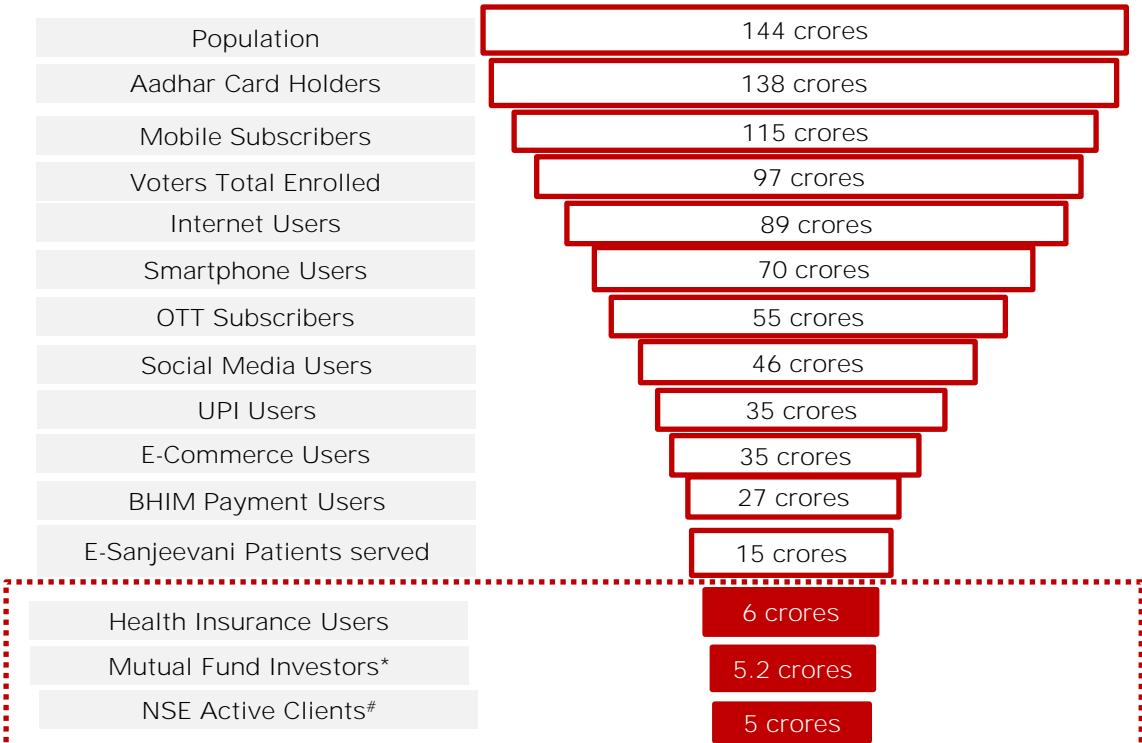
Renewable Energy Capacity (in GW)



Financial services products still have low penetration in India



India stack



Source: Beams Fintech Internal analysis, RBI report, AMFI, NSE, SEBI, HSBC Mutual Fund. # Data as at December 2024, * Data as at March 2025 as latest available. The above details provided basis on sourced information only. The sector(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments. The Fund/portfolio may or may not have any existing / future position in these sector(s)/stock(s)/issuer(s). Past performance may or may not be sustained in future and is not a guarantee of any future returns.

India: Rise of a new asset class

- ◆ Indian equity markets are now 5th largest equity market in the world and briefly surpassed Hong Kong few months back.
- ◆ Decade ago, Indian equity markets were 10th largest with a size of US\$1.5 trillion.

The world's largest exchanges by countries (US\$ tn)



Source: Bloomberg, Latest available data as at September 2025

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