

# PROFES CAPITAL INSIGHTS



profes  
capital

NOVEMBER 2025

# INDEX

## 04. Market Trends

A snapshot of how global and domestic forces shaped the markets this month — and what investors should watch next.

## 06. Economic Outlook

An in-depth look at India's evolving macro landscape and how growth, inflation, and policy moves influence investments.

## 08. Spotlight

Highlighting key achievements, fund milestones, and media features that define Profes' journey this quarter.

## 11. Regulatory Updates

Your quick guide to SEBI's latest policy changes and their impact on investment strategies and compliance practices.

## 12. Portfolio Perspectives

### ● Asset Allocation

Insights into portfolio balancing across equity, debt, and alternatives — with tips on optimizing returns through cycles.

### ● Alternative Investment Funds

Exploring opportunities beyond traditional markets — strategies, performance trends, and emerging sectors in AIFs.

## 17. Investing IOI

A beginner-friendly guide to building smart, steady, and informed investment habits for long-term financial success.

## 18. Market Myth Busting

Separating fact from fiction in the world of finance — debunking popular investment myths with data and logic.

## 19. Financial Planning

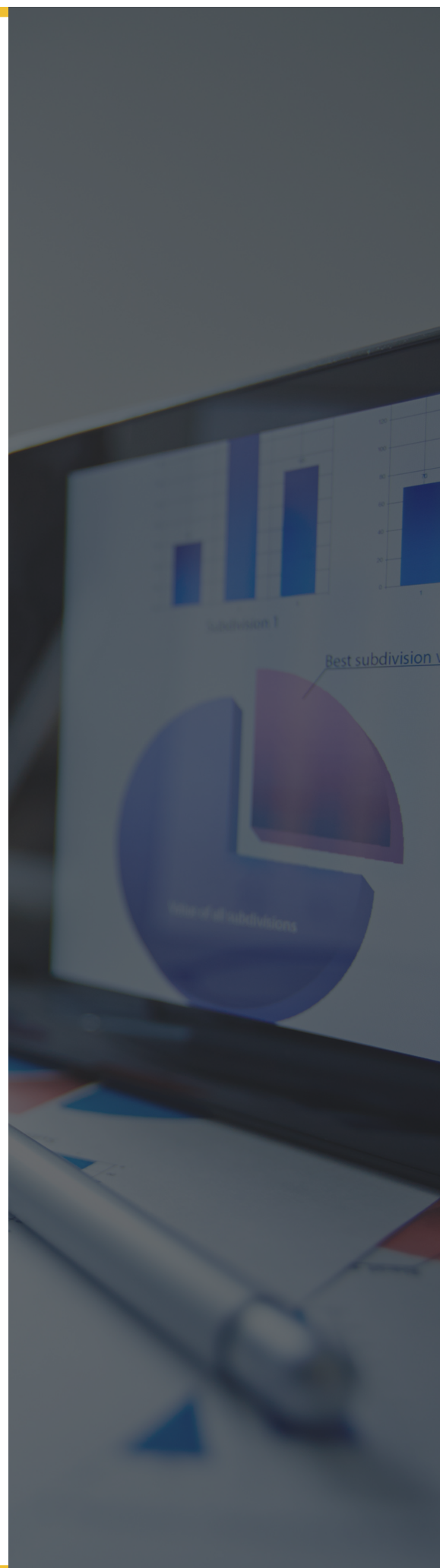
From retirement readiness to wealth preservation — learn how to structure your financial future with confidence.

## 20. Market Analysis

A deep dive into technical and fundamental signals shaping market behaviour, valuations, and investor sentiment.

## 22. Wealth Quest

Curated insights and success stories for those pursuing financial freedom through discipline, strategy, and vision.





# EDITORIAL NOTE

## Dear Reader

As we step into October, the financial markets continue to present both challenges and opportunities for investors. Global uncertainties, ranging from tariff disputes to shifting monetary policies remain a test of resilience. At the same time, India's growth trajectory, with GDP projected at 6.5%, reinforces the importance of staying invested with a long-term vision.

This month's newsletter brings together actionable insights to help you navigate these dynamics. Our Market Analysis explores the role of technical and fundamental indicators in spotting trends, while the Economic Outlook emphasizes how easing inflation and strong domestic demand are shaping investment opportunities. The Regulatory Update highlights SEBI's recent advisories, reminding us that compliance and governance remain cornerstones of investor protection.

For individuals, our focus on Financial Planning and Investment Tips underscores the need to align portfolios with personal goals, time horizons, and risk tolerance. Whether through systematic investment plans (SIPs), diversification across asset classes, or disciplined retirement planning, small but consistent steps can build a strong foundation for wealth creation.

We also take a closer look at the PROFES Multi Opportunity Fund Series 1, which reflects continued investor confidence and a robust pipeline of opportunities. Such funds demonstrate how diversification and strategic management can deliver long-term value.

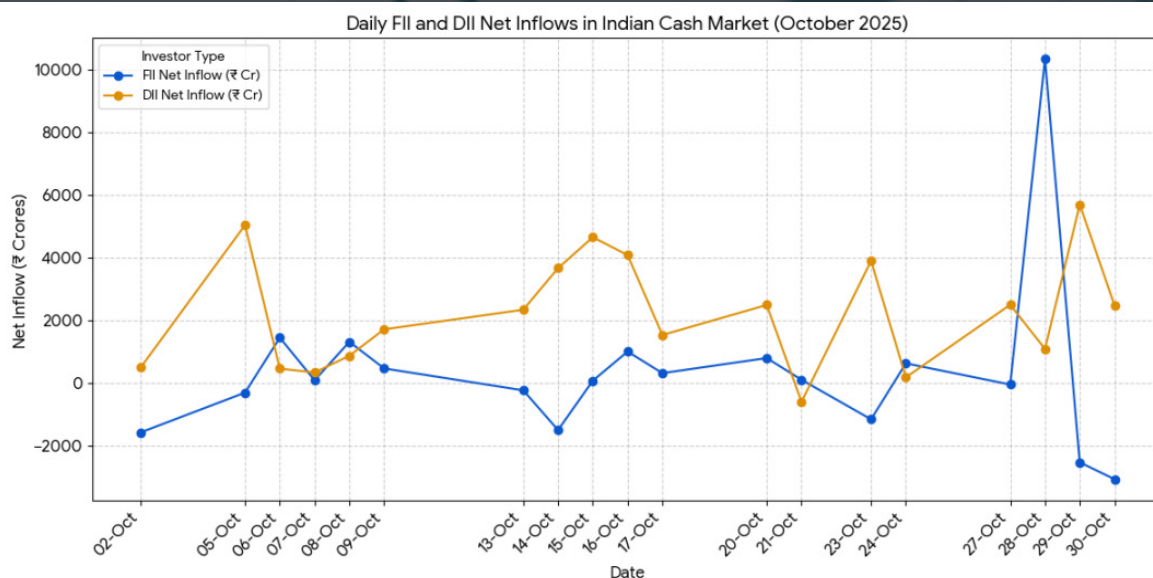
The message remains clear: markets will fluctuate, but disciplined strategies, informed decision-making, and patience are the keys to sustainable growth. In times of volatility, rebalancing and reviewing your portfolio is not just an exercise but a necessity.

Stay steady, stay strategic, and stay invested.

**Editorial Team**  
**Profes Capital**

# MARKET TRENDS

As October unfolds, markets are navigating a dynamic mix of domestic resilience and global headwinds. In India, strong structural tailwinds—such as infrastructure investments, a buoyant IPO market, and rising domestic institutional flows—are helping balance external pressures like tariff concerns and slowing deposit growth. The result: a cautious but constructive tone, where selective opportunities coexist with the need for disciplined portfolio positioning.



## Renewed Confidence from FPI Inflows

After several months of volatile foreign portfolio movements, October brought a welcome turnaround. According to NSDL data, FPIs turned net buyers with 1,751 crore in inflows between October 6–10, signaling a renewed appetite for Indian equities. This shift is particularly encouraging because it follows a prolonged phase of risk-off sentiment driven by geopolitical concerns and a stronger U.S. dollar.

FPIs appear to be re-entering sectors with stable earnings visibility—financials, infrastructure, and technology—while trimming exposure to export-heavy industries facing margin pressure from tariffs. Meanwhile, domestic institutional investors (DIIs) have remained a steady anchor for market stability. Cumulative DII inflows have crossed 6 trillion in 2025, according to Angel One data, providing a strong counterbalance to earlier FPI outflows. This consistent domestic support has been instrumental in maintaining market resilience even when foreign flows have wavered.

## IPO Market Reaches Historic Highs

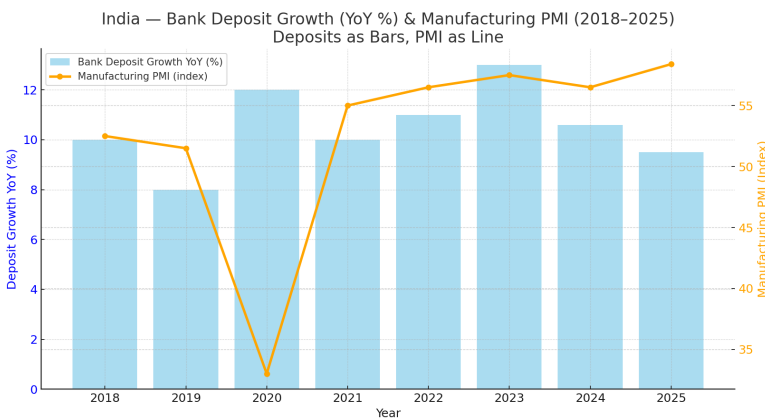
October 2025 has been a record-breaking month for India's capital markets. With 46,000 crore raised across 14 IPOs, this has officially become the highest monthly fundraise in India's history, surpassing even the 2021 bull market peaks. The wave of listings spans across multiple sectors—ranging from renewable energy and fintech to logistics and manufacturing—reflecting investor enthusiasm for India's growth story.

Interestingly, participation has been broad-based. Retail investors continue to play a significant role, while institutional demand remains robust, indicating deepening market participation and confidence in India's corporate ecosystem. Analysts believe that the IPO pipeline will remain strong for the next two quarters, supported by government disinvestment plans and private sector expansion. However, it is worth noting that with valuations creeping higher, selective participation is essential. Investors should focus on companies with strong balance sheets, sustainable cash flows, and long-term growth visibility, rather than chasing short-term listing gains.

# Liquidity Pressures and Banking Sector Watchpoints

While equity inflows are robust, the banking system is showing early signs of liquidity stress. The Reserve Bank of India (RBI) reported that bank deposit growth slowed to 9.5% year-on-year as of October 17, down from double-digit growth seen earlier in the fiscal year. This decline could reflect two structural shifts: rising household investments in equity and debt markets, and increased consumer spending in urban centers.

Lower deposit growth poses implications for both banks and investors. For banks, it could translate into higher competition for deposits and a potential squeeze on net interest margins. For investors, it signals a need to watch the interplay between deposit growth, credit expansion, and systemic liquidity, which directly influences interest rates and lending conditions. In this environment, investors may consider balancing their portfolios with debt instruments or hybrid funds to cushion volatility and preserve liquidity.



## Technical Landscape: Balanced but Cautious

From a technical standpoint, the Nifty 50 index has been consolidating in a narrow range. The 25,100–25,300 zone continues to act as a firm support base, while resistance near 25,500 remains intact. This suggests a market in balance, where bullish optimism is tempered by profit booking.

Bollinger Bands on the daily charts have tightened, hinting at a potential breakout in either direction. RSI levels hovering around 62–65 indicate the market is neither overbought nor oversold. For traders, this setup calls for tactical discipline—waiting for confirmation before initiating large directional positions. For long-term investors, this consolidation phase presents a valuable opportunity to accumulate quality stocks at reasonable valuations before the next uptrend begins.

## OCTOBER 2025 SETS NEW IPO RECORD, SURPASSING PREVIOUS PEAKS

| MONTH  | IPO SIZE (Rs cr) | NO OF ISSUES |
|--------|------------------|--------------|
| Oct-25 | 46044.8          | 14           |
| Oct-24 | 38689.1          | 6            |
| Nov-21 | 35664.2          | 9            |
| Nov-24 | 31145.1          | 8            |
| May-22 | 29510.8          | 8            |
| Dec-24 | 25438.6          | 13           |
| Nov-17 | 18823.9          | 3            |
| Sep-17 | 16668.1          | 7            |
| Oct-17 | 16246.0          | 6            |
| Mar-18 | 15032.3          | 8            |

## Manufacturing Momentum Moderates

India's manufacturing momentum, while still strong, showed signs of cooling in September. The HSBC India Manufacturing PMI eased to 57.7 in September, down from 59.3 in August. Though still firmly in expansionary territory, the moderation suggests that the rapid post-pandemic production surge is gradually normalizing.

The slowdown can be partly attributed to export softness resulting from renewed tariff tensions between the U.S. and China, as well as high raw material costs. Nevertheless, the domestic story remains intact, infrastructure, auto, and capital goods continue to see healthy order books. For investors, this data highlights a crucial point: while global uncertainties may temper near-term growth, India's internal demand drivers remain resilient. Positioning in sectors linked to domestic consumption, housing, and industrial expansion remains a prudent strategy.

## Strategic Outlook for Investors

October's market environment underscores the importance of a barbell approach—balancing growth-oriented equities with defensive allocations. Investors should focus on core sectors such as infrastructure, renewable energy, financials, and consumption, while selectively exploring opportunities in small and mid-cap segments showing earnings stability.

At the same time, given persistent global uncertainties, maintaining a modest allocation to gold, government securities, or other non-correlated assets could help mitigate volatility. For systematic investors, SIPs and staggered deployments remain the best route to participate without timing the market.

# ECONOMIC OUTLOOK

As we enter the final quarter of 2025, India's economic landscape is navigating a tightrope between external volatility and internal resilience. While global uncertainties, tariffs, currency fluctuations, geopolitical tensions, cast shadows, India's domestic fundamentals remain largely intact. This creates an environment of measured optimism: cautious yet constructive for long-term investors.

## Global Overview: A Shifting Tide

As the final quarter of 2025 begins, global economic sentiment stands at a crossroads. Growth among advanced economies continues to slow, largely due to prolonged monetary tightening and trade tensions. The U.S. Federal Reserve has maintained its benchmark rate between 5.25%–5.50%, signalling that while inflation has cooled, rate cuts will be gradual. Europe, meanwhile, continues to struggle with sluggish industrial output and weak consumer confidence.

China's recovery remains uneven — though its third-quarter GDP grew by 4.8%, property sector instability and weaker exports continue to weigh on investor sentiment. These crosscurrents have led to higher currency volatility and mixed capital flows in emerging markets.

Against this backdrop, India continues to emerge as a bright spot in the global growth map, benefiting from internal demand strength and prudent fiscal management. Investors worldwide are now watching how India leverages this stability to sustain long-term performance.

## Inflation and Interest Rate Outlook

Inflation, the most critical macro indicator for investors, has moderated sharply. The Consumer Price Index (CPI) eased to 1.54% in September 2025, marking an eight-year low. Core inflation remains around 4.5%, implying that while headline inflation is cooling, the broader price momentum persists due to input and logistics costs.

This disinflationary trend provides the RBI with significant policy flexibility. Analysts now expect the repo rate—unchanged at 6.5% since February—to be cut by 25 basis points in December, potentially signalling the start of a new easing cycle.

A sustained low-inflation environment could enhance consumer spending and lower borrowing costs for corporates, making equity markets and long-duration bonds particularly attractive. However, investors should remain mindful of global oil price volatility, as Brent crude recently touched \$91 per barrel, posing a latent inflation risk.

## Domestic Momentum: India's Growth Story Strengthens

According to the International Monetary Fund (IMF), India's growth forecast for FY2025–26 has been raised to 6.6%, up from 6.4% earlier. The Reserve Bank of India (RBI) has gone a step further, revising its own GDP projection to 6.8%, highlighting robust consumption and strong investment inflows as key drivers.

The Index of Industrial Production (IIP) grew by 6.2% in August 2025, led by capital goods and infrastructure-related sectors. Manufacturing output, which accounts for 77% of the IIP, expanded by 5.8%, showcasing resilient domestic demand despite subdued global exports.

Additionally, foreign direct investment (FDI) inflows have crossed USD 39 billion in the first half of FY26, indicating global confidence in India's reform-driven growth framework. Sectors such as renewable energy, digital infrastructure, and manufacturing under the 'Make in India 2.0' initiative have attracted the bulk of this capital.



# Sectoral Trends: Mapping Investment Themes

Several sectors stand out in the current landscape:

- **Infrastructure and Construction:** Government-led capital expenditure remains the cornerstone of India's growth plan. The Union Budget 2025–26 increased infrastructure spending by 13%, targeting roads, logistics corridors, and renewable power grids. This has boosted profitability for construction firms and materials companies.
- **Digital and Financial Services:** The digital economy continues to expand, with UPI transactions crossing 18 trillion in September alone — a 22% YoY rise. Fintech valuations have stabilised, and digital lending platforms are showing improved asset quality post-regulation tightening.
- **Renewable Energy:** With India aiming for 500 GW of renewable capacity by 2030, investment momentum in solar, green hydrogen, and battery storage remains strong. October saw 12,000 crore worth of green bonds issued, indicating investor appetite for sustainable instruments.
- **Consumer Discretionary:** A steady fall in inflation and strong festival demand are pushing up sales in FMCG and automobile segments. The Nifty Auto Index gained nearly 8% in September–October, driven by two-wheeler and EV demand.

## Risks and Headwinds

While the macroeconomic tone is optimistic, investors should not overlook underlying vulnerabilities.

**External Shocks:** A sudden escalation in global trade disputes or a spike in crude oil could widen India's trade deficit, which currently stands at \$23.1 billion for September.

**Liquidity Tightness:** Even as inflation moderates, liquidity conditions remain uneven across the banking system, with some mid-tier NBFCs facing funding constraints.

**Global Recession Fears:** If U.S. growth weakens further or China's property crisis deepens, global demand could suffer, impacting India's export sectors such as textiles, IT, and chemicals.

Hence, investors should continue balancing growth exposure with defensive allocations such as healthcare, utilities, or short-duration debt funds.

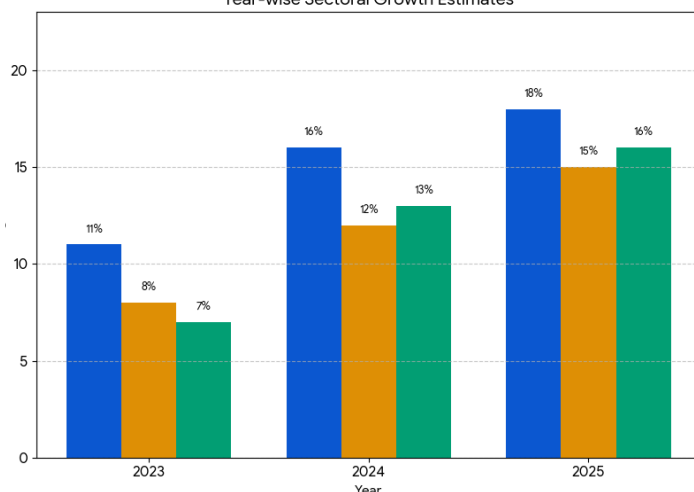
## Conclusion: Growth with Guardrails

October 2025 marks a pivotal phase where India's resilience is no longer just a narrative — it's reflected in hard data. With GDP forecasts upgraded, inflation subdued, and structural reforms advancing, the long-term investment case for India remains compelling.

However, vigilance is crucial. Global headwinds, shifting rate expectations, and energy price risks remind us that stability can be fleeting. A balanced, diversified portfolio — one that aligns with macro signals and sectoral strength — will be key to navigating this evolving landscape.

In short: India stands tall in a slowing world — an economy where growth can be captured, but only if risk is carefully managed.

Year-wise Sectoral Growth Estimates



## Implications for Investors

The October 2025 landscape offers a mix of macro stability and tactical opportunities. Portfolios can be positioned as follows:

**Equity:** Focus on domestic growth themes — infrastructure, renewables, and financials are likely to outperform.

**Fixed Income:** If RBI begins its rate-cut cycle, medium-to-long duration bonds\* could deliver superior total returns.

**Alternatives:** Gold and REITs remain useful as hedges against potential global volatility.

**Currency & Global Exposure:** A diversified allocation into USD-hedged international funds may help balance external risks.

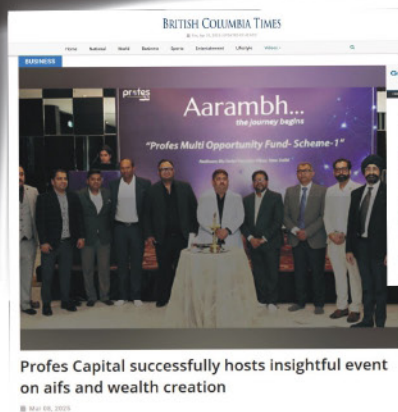
In essence, India's economic backdrop provides fertile ground for disciplined investors who can combine optimism with caution.

# Aarambh...

*the journey begins*

## "Profes Multi Opportunity Fund- Series-1"

### SPOTLIGHT



## PROFES Multi Opportunity Fund - Series-1

The successful launch of Profes Multi Opportunity Fund-Series 1 marks a defining moment in our journey toward creating innovative, growth-driven investment avenues. With extensive coverage across leading publications — Business Standard, The Tribune, Lokmat English, Gujarat Samachar, The Print, ANI, and even New York Despatch internationally — the fund's debut underscores Profes' growing reputation as a trusted name in the alternative investment landscape.

The fund reflects our vision to deliver strategic diversification, disciplined risk management, and long-term wealth creation through carefully selected opportunities across sectors. Backed by an experienced leadership team and strong investor confidence, this milestone reinforces our commitment to bridging institutional expertise with accessible, high-quality investment solutions.

As we celebrate this achievement, we remain focused on our core mission — empowering investors through transparency, innovation, and performance. The journey ahead is promising, and this coverage is not just recognition of our work — it's a reminder of the trust that drives us forward.

# Affiliates

## Custodian

Our designated custodian, ICICI Bank Limited, headquartered at ICICI Bank Towers, Bandra-Kurla Complex, Mumbai, Maharashtra, is a leading financial institution renowned for its robust custodial and asset management services. With a long-standing reputation for reliability, ICICI Bank ensures the secure safekeeping and efficient administration of our fund's holdings, adhering to industry best practices and SEBI's regulatory standards.

## Legal Advisor

Lex Fulcrum Advocates & Solicitors is a progressive law firm offering innovative and pragmatic legal solutions to domestic and international clients with business interests in India. Acting as our legal fulcrum, the firm provides strategic guidance to help businesses operate with balance, sustainability, and compliance in India's evolving regulatory environment. Headquartered in Bengaluru, the firm also maintains offices in Gurugram (Haryana) and Ajmer (Rajasthan).

## Fund Accounting Services Provider

Our Fund Accounting Services are managed by Periple Advisors Private Limited, a distinguished firm specializing in end-to-end fund accounting solutions. Based at Express Zone Mall, Western Express Highway, Malad (East), Mumbai, Periple Advisors operates from India's financial hub, ensuring strong operational stability, regulatory compliance, and transparent fund reporting standards.

## Investment Management Entity

Profes Management Consultants Pvt. Ltd. (PMCPL) serves as the Investment Management Entity for the Fund. With over a decade of experience in capital markets, PMCPL brings deep domain expertise in investment identification, due diligence, portfolio negotiation, and deal closure. The firm's seasoned leadership combines strategic insight with disciplined execution to deliver superior value to investors.



## Tax Advisor

ARAJ & Associates LLP is a team of accomplished chartered accountants and financial advisors providing specialized tax and financial consulting services. With four full-time partners offering wide-ranging expertise across taxation, corporate finance, and compliance, ARAJ & Associates ensures that our fund's operations remain fiscally efficient and fully aligned with prevailing tax laws.

## Trusteeship Services Provider

Our Trusteeship Services are managed by MITCON Credentia Trusteeship Services Limited, headquartered at Kubera Chambers, Shivajinagar, Pune, with its communication office at Dalmia Towers, Nariman Point, Mumbai. MITCON Credentia is known for its rigorous governance framework and professional oversight, ensuring that our fund operations meet the highest fiduciary and compliance standards.

## Fund Commercials

|                           |                                                                                     |
|---------------------------|-------------------------------------------------------------------------------------|
| <b>Fund</b>               | <b>Profes Multi Opportunity Fund Series-I</b>                                       |
| <b>Fund Target size</b>   | <b>50 Cr.</b>                                                                       |
| <b>Investment Manager</b> | <b>Profes Management Consultants Private Limited</b>                                |
| <b>Sponsor</b>            | <b>Profes Business Solutions LLP.</b>                                               |
| <b>Sponsor Commitment</b> | <b>2.5% of aggregate Capital Commitment/5cr. (whichever is less)</b>                |
| <b>Hurdle Rate</b>        | <b>Hurdle Pre-Tax 10% (Ten Percent) on INR terms</b>                                |
| <b>Commitment Period</b>  | <b>36 months from the date of Initial Closing (14 June 2025)</b>                    |
| <b>Final Close Period</b> | <b>3 years from Initial Closing, which extendable by term of additional 2 years</b> |
| <b>Term of the Fund</b>   | <b>3 years</b>                                                                      |

## Team & Organization

Organizational strength remains a key differentiator for the Fund. Our fund continues to strengthen its leadership team, ensuring that governance and investment practices align with the highest industry standards, enhancing oversight and operational excellence. Regular training programs and organizational enhancements are being implemented to keep the team aligned with evolving market practices and investor expectations.

**Mr. Ravi Sethi**  
Investment Manager



Mr. Ravi Sethi brings over 15 years of expertise in portfolio management, equity research, and alternative investments. He has successfully led multiple multi-asset funds with a strong track record of risk-adjusted returns. His focus lies in building resilient investment strategies that align with long-term value creation.

**Mr. Ujjwal Sharma**  
Compliance Officer

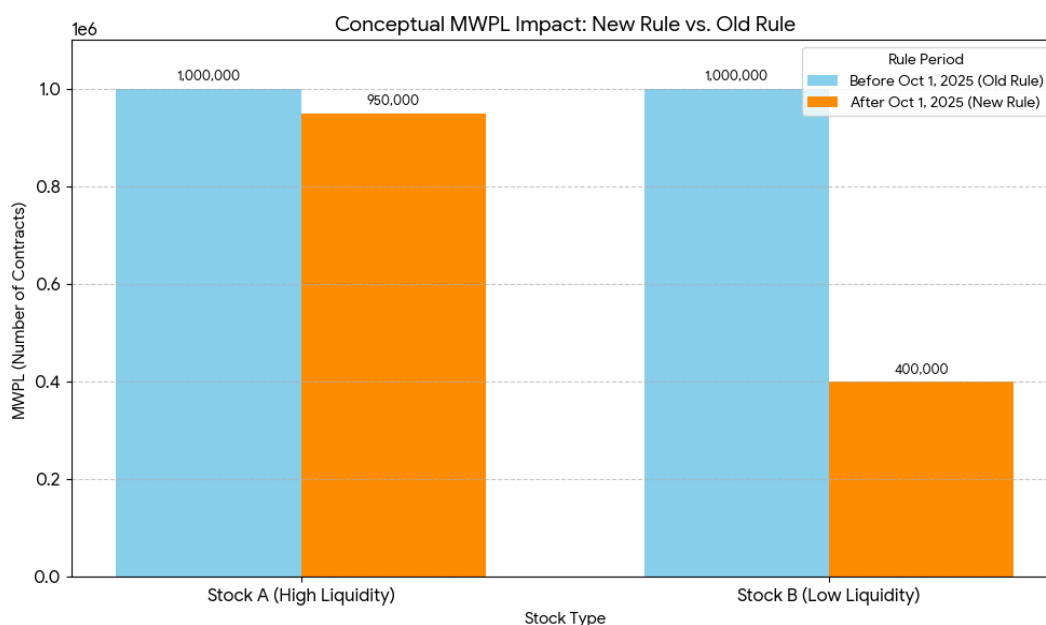


Mr. Ujjwal Sharma has 12+ years of experience in regulatory compliance and risk management. He has worked extensively on SEBI, RBI, and AIF compliance frameworks, ensuring transparency, accountability, and adherence to global best practices. He also oversees governance and reporting standards for the Fund.

# REGULATORY UPDATES

October 2025 has brought a fresh wave of regulatory developments from the Securities and Exchange Board of India (SEBI)—many of which are designed to deepen transparency, improve investor protection, and enhance long-term market credibility. However, these measures also call for greater compliance agility and operational awareness among fund managers, brokers, and investors.

As Indian capital markets mature, SEBI's latest reforms mark a decisive move toward measured leverage, improved disclosure, and structured oversight. Below is a detailed look at the four most consequential updates and what they mean for investors and intermediaries.



## Tightened Futures & Options (F&O) Rules

One of the headline reforms this month is SEBI's revision of the Futures and Options (F&O) regulations, which became effective on 1 October 2025. The new norms introduce tighter Market-Wide Position Limits (MWPLs)—now tied directly to a company's free-float market capitalization and average delivery volumes, replacing the older base of total non-promoter shareholding.

Moreover, SEBI has introduced intraday monitoring systems and gross exposure caps for entities trading in derivatives. These measures are intended to reduce systemic leverage and speculative build-ups, improving market stability.

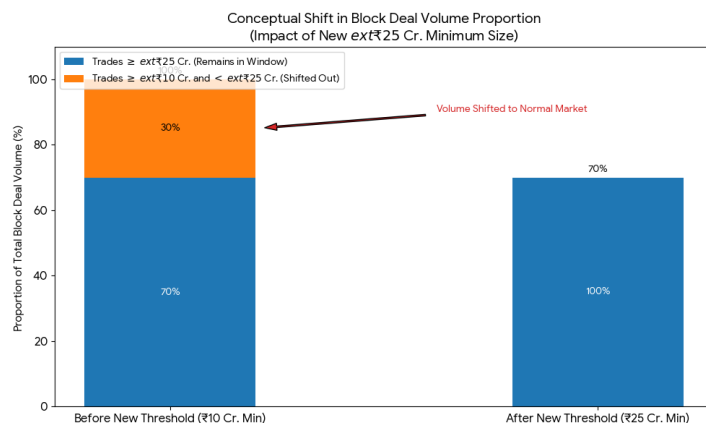
From an investment perspective, this means traders and funds using leveraged derivatives will operate under stricter capital discipline. Execution margins and collateral requirements could rise, potentially curbing short-term speculative volumes but supporting healthier long-term participation.



## Revised Block Deal Framework

A second major reform, announced on 8 October 2025, reshapes the block deal transaction framework—a key route for institutional trades and large equity transfers. The minimum block size has been raised from 10 crore to 25 crore, and price bands around the reference price have been expanded to  $\pm 3\%$ . Additionally, all block trades must now result in actual delivery—no intraday netting or squaring off.

This change is expected to improve price transparency and reduce short-term distortions caused by large trades. However, for private equity exits or institutional investors, the higher threshold could slow down deal execution and slightly compress liquidity in the near term.



## Enhanced Related Party Transaction (RPT) Disclosures

On 13 October 2025, SEBI strengthened the disclosure framework for Related Party Transactions (RPTs)—an area often linked with governance red flags. Listed companies are now required to furnish comprehensive details to Audit Committees and shareholders, including benchmarking comparisons, transaction rationale, and materiality thresholds.

This reform directly improves corporate accountability and investor visibility into intra-group dealings. It enables analysts and institutional investors to better assess governance quality, fairness of pricing, and capital allocation efficiency within companies.

### TIMELINE OF REGULATORY CHANGES



## Adjustments to Bank Index Derivatives

In parallel, SEBI has extended the compliance deadlines for index reconstitution in derivatives-linked benchmarks—namely the Nifty Bank, Bankex, and FinNifty. Under the revised timeline, changes to Bankex and FinNifty must be implemented by 31 December 2025, while Nifty Bank adjustments have been deferred to 31 March 2026.

This move provides market participants, particularly ETF issuers and derivative traders, additional time to rebalance portfolios and systems without triggering short-term volatility. However, investors tracking these indices should expect transitional tracking errors and mild pricing inefficiencies during the adjustment period.





## Implications for Investors and Market Intermediaries

These regulatory developments collectively represent SEBI's intent to curb speculative excess, improve governance transparency, and align Indian markets with global best practices. Their implications differ across stakeholders:

### For Investors:

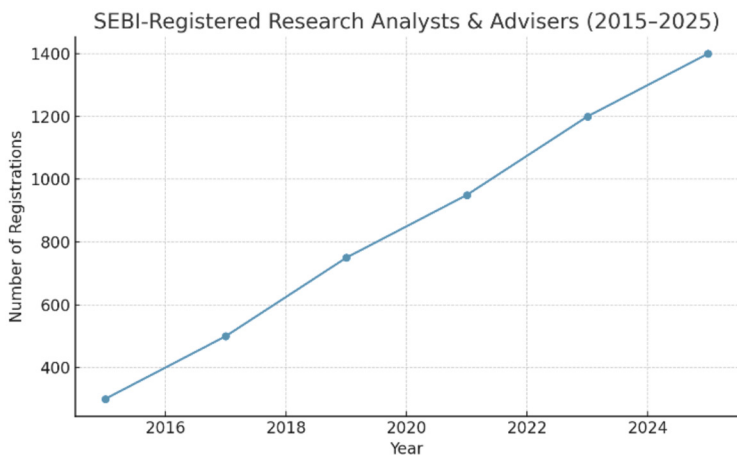
- Reduced leverage risk due to stricter F&O exposure limits promotes healthier long-term returns.
- Larger block deal thresholds reduce the possibility of abrupt, price-moving institutional exits.
- Enhanced RPT disclosures make corporate governance analysis more data-driven, aiding fundamental investment decisions.

### For Fund Managers, Brokers, and Advisors:

- Compliance systems must now integrate real-time MWPL tracking and margin monitoring.
- Deal desks will need updated processes for block trades and pre-clearance requirements.
- Audit and disclosure teams should align with the new RPT framework and index adjustment schedules.

### Best Practice Checklist:

1. Update internal risk models for new MWPL calculations.
2. Revise trading desk protocols to match block deal norms.
3. Train analysts on reading enhanced RPT disclosures for corporate assessment.
4. Communicate upcoming index-related transitions to investors proactively



## The Bigger Picture: Regulation as a Growth Catalyst

Collectively, the October 2025 updates signal a market entering its next stage of institutional maturity. India's regulatory architecture is now not only keeping pace with market growth but shaping it—prioritising integrity over impulsiveness, transparency over velocity.

While these measures impose short-term operational adjustments, their long-term benefits are clear: deeper trust, lower volatility, and a market ecosystem that rewards informed and ethical investing.



# PORTFOLIO PERSPECTIVES

(Featuring content from our regular blog series)

## ALTERNATIVE INVESTMENT FUNDS

Alternative Investment Funds (AIFs) represent a class of privately pooled investment vehicles that channel capital from sophisticated investors — both domestic and foreign — into a range of alternative asset classes beyond traditional equity and debt instruments. These funds are regulated under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, which provide the legal and operational framework for their registration, governance, and investment activities in India.

AIFs are typically established as trusts, limited liability partnerships (LLPs), companies, or body corporates, and are managed by a fund manager or investment manager, who is registered with SEBI. These funds are not permitted to solicit retail investors and are generally aimed at high-net-worth individuals (HNIs) and institutional investors who have the financial capacity and risk appetite to invest in unconventional assets or strategies.

### CLASSIFICATION OF AIFs

AIFs are classified into three categories based on their investment objectives and strategies:

**Category I AIFs:** These funds invest in sectors or areas that are considered economically or socially desirable and are therefore eligible for certain incentives or concessions from SEBI or the Government of India. Typical investments include start-ups, early-stage ventures, social ventures, SMEs, infrastructure, and other areas aligned with national development priorities.

**Category II AIFs:** These funds do not receive specific incentives or concessions but also do not employ leverage (other than for day-to-day operational requirements). This category includes private equity funds, real estate funds, debt funds, and other sector-agnostic funds with a long-term investment horizon.

**Category III AIFs:** These funds employ complex trading strategies and are permitted to leverage through investments in listed or unlisted derivatives and structured products. This category includes hedge funds, long-short funds, and other funds with active trading strategies, and is typically characterized by higher risk-return profiles.



# STRATEGIC IMPORTANCE AND MARKET ROLE

AIFs have emerged as a crucial component of India's alternative asset ecosystem, providing capital to sectors that are underserved by traditional financing channels. They play a vital role in private equity, venture capital, infrastructure financing, distressed asset resolution, and innovative structured products. Given their flexibility in investment strategy and ability to take concentrated positions, AIFs offer higher return potential but also carry elevated risk.

For investors seeking portfolio diversification, alpha generation, and access to niche market segments, AIFs offer a structured yet flexible vehicle. As India's capital markets continue to evolve and deepen, the role of AIFs is expected to expand significantly, supported by a progressive regulatory framework and growing investor appetite for alternative assets.



## KEY REGULATORY FEATURES AND OPERATIONAL NORMS



1

**Minimum Investment Threshold:** The minimum investment amount for each investor (other than employees or directors of the fund manager) is set at INR 1 crore, ensuring that only sophisticated investors participate.

2

**Investor Pooling and Structure:** AIFs are privately placed vehicles and can raise funds from a maximum of 1,000 investors (for each scheme in case of companies or LLPs). Units are not freely transferable and are typically subject to lock-in provisions depending on the fund's structure.

3

**Leverage Restrictions:** Category I and II AIFs are restricted from using leverage except for temporary funding requirements (e.g., bridge loans), while Category III AIFs are permitted to use leverage within prescribed risk management norms.

4

**Disclosure and Reporting:** AIFs are subject to periodic reporting and disclosure norms, including quarterly reports to SEBI and annual financial reporting to investors, ensuring transparency and accountability.

5

**Taxation:** Taxation of AIFs depends on their structure and category. Category I and II AIFs, if structured as trusts, generally enjoy pass-through status for tax purposes under Section 115UB of the Income Tax Act, 1961. In contrast, Category III AIFs are taxed at the fund level and do not enjoy pass-through benefits.

# ASSET ALLOCATION

Asset allocation is a crucial investment strategy that involves dividing a portfolio among various asset classes to balance risk and potential returns. A well-crafted asset allocation plan helps investors achieve their financial goals while minimizing losses.

## Asset Allocation Models

There are several asset allocation models, each tailored to specific investment objectives and risk tolerance. The Conservative model allocates 30% to stocks, 60% to bonds, and 5% to alternatives. The Moderate model allocates 50% to stocks, 40% to bonds, and 5% to alternatives. The Aggressive model allocates 70% to stocks, 20% to bonds, and 5% to alternatives. The 60/40 model allocates 60% to stocks and 40% to bonds.

## Investment Objectives

Investment objectives play a crucial role in asset allocation. Retirement investors prioritize long-term growth and conservative allocations. Growth investors seek medium-term growth and aggressive allocations. Income investors require short-term income and conservative allocations. Capital preservation investors prioritize short-term safety and very conservative allocations.

## Statistics

71% of investors use asset allocation to manage risk (Investopedia). 62% of investors rebalance quarterly or semiannually (Morningstar). 55% of investors prioritize long-term growth (BlackRock).

## Time Horizon

Time horizon impacts asset allocation. Short-term investors (5 years) opt for conservative allocations. Medium-term investors (5-10 years) choose moderate allocations. Long-term investors (>10 years) select aggressive allocations.

| Types of Investment Time Horizons |                                        |                                              |
|-----------------------------------|----------------------------------------|----------------------------------------------|
| DURATION                          | FOCUS                                  | SUITABLE INVESTMENTS                         |
| <b>Short-Term</b>                 |                                        |                                              |
| Less Than 3 Years                 | Preserving Capital and Minimizing Risk | Cash, Money Market Funds, Short-Term Bonds   |
| <b>Medium-Term</b>                |                                        |                                              |
| 3 to 10 Years                     | Slightly More Risk Taking              | Mix of Bonds, Stocks, and Diversified Assets |
| <b>Long-Term</b>                  |                                        |                                              |
| More Than 10 Years                | High-Risk Tolerance                    | Stocks, Real Estate, Growth-Oriented Assets  |

## Asset Classes

Asset classes are the building blocks of asset allocation. Stocks offer higher returns (7-10%) but come with higher risk. Bonds provide lower returns (4-6%) with medium risk. Real estate offers returns ranging from 8-12% with medium-high risk. Alternatives, such as hedge funds and private equity, offer returns ranging from 5-15% with high risk. Cash provides low returns (1-3%) with low risk.

## Risk Tolerance

Risk tolerance significantly influences asset allocation. Conservative investors allocate 20% to stocks, 80% to bonds, and 0% to alternatives. Moderate investors allocate 50% to stocks, 50% to bonds, and 0% to alternatives. Aggressive investors allocate 80% to stocks, 20% to bonds, and 0% to alternatives.

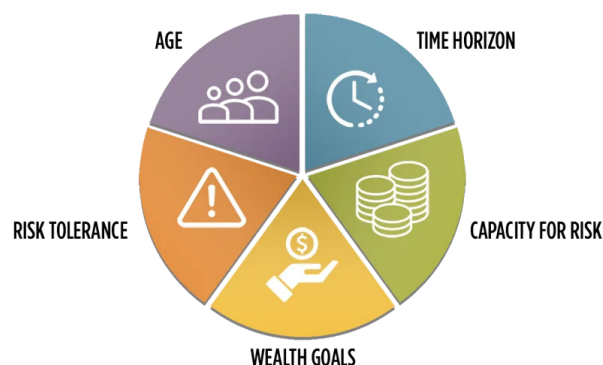
## Rebalancing Frequency

Rebalancing maintains the target asset allocation. Quarterly rebalancing is used by 25% of investors, semiannual rebalancing by 30%, and annual rebalancing by 45%.

## Demographic Data

Asset allocation varies by age. Younger investors (20-30) allocate 80% to stocks, 20% to bonds, and 0% to alternatives. Older investors (60+) allocate 30% to stocks, 70% to bonds, and 0% to alternatives.

## ASSET ALLOCATION FACTORS TO CONSIDER



# INVESTING 101

For beginners stepping into investing, the journey can feel overwhelming. Stock tickers move every second, commodities rise and fall, and headlines often scream warnings of crises or bubbles.

When it comes to investing, one principle stands above the rest: clarity of purpose. Without well-defined financial goals, even the best investment options can feel like shots in the dark. Just like a traveller needs a map, an investor needs clear goals to stay focused, avoid distractions, and achieve long-term financial security.

Investing isn't about chasing the latest stock tip or reacting to market noise—it's about working toward specific objectives. These objectives may range from short-term needs, such as building an emergency fund, to long-term ambitions, like retirement planning or buying a house.

## Clear Financial Goals Help You Answer Three Critical Questions:

**What am I  
investing for?**



**(objective)**

**How much  
risk am I  
willing to take?**



**(risk tolerance)**

**When will  
I need this  
money?**



**(time horizon)**

**Every financial goal has a unique time horizon, and the strategy should match it:**

**1. Short-Term Goals (1–3 years):** Keep funds in low-risk assets like liquid mutual funds or fixed deposits. Volatility in equity markets can derail short-term plans.

**2. Medium-Term Goals (3–7 years):** Consider a balanced approach with a mix of equity (40–60%) and debt (40–60%). This provides growth potential while cushioning risk.

**3. Long-Term Goals (7+ years):** Equities are the best bet for wealth creation, as they historically deliver 10–12% CAGR in India over long durations.

Clear goals are the foundation of smart investing. They guide your choices, keep you disciplined, and help you weather market volatility. Remember: investing without a goal is like driving without a destination—you'll use fuel, but you may never reach where you truly want to go. Yet at its core, investing is simple: it's the act of putting your money to work so that it grows faster than inflation. In August 2025, this message was clearer than ever. Inflation in India remained at around 4.5%. Leaving cash in a savings account that earns 3–4% interest is not enough—you lose purchasing power over time. To protect and grow wealth, investing is essential.

## Fact Check

### GOAL-BASED INVESTING IS GAINING GROUND

According to a 2025 AMFI survey, more than 68% of new retail investors in India now begin with goal-based SIPs rather than ad-hoc investments. This shift reflects growing awareness that investing should not be one-size-fits-all.



# MARKET MYTH BUSTING

The world of investing is often clouded by misconceptions that discourage beginners from taking their first steps. These myths, passed on through casual conversations, WhatsApp forwards, or half-baked financial advice, can prevent people from building wealth systematically. In this month's newsletter, we bust two of the most common myths about investing and show how the right mindset and tools can change the game.

## MYTH 1: INVESTING IN THE STOCK MARKET IS ONLY FOR THE WEALTHY

**Reality: Anyone can invest in the stock market, regardless of income level or wealth.**

For decades, investing was seen as an exclusive club, accessible only to high-net-worth individuals. The perception was that you needed lakhs, if not crores, to meaningfully participate in the markets. This is no longer true.

With the rise of Systematic Investment Plans (SIPs) and discount brokerages, retail investors can begin investing with as little as 500 per month. This democratization has allowed millions of young professionals, students, and even homemakers to participate in wealth creation.

### KEY TAKEAWAY

The earlier and more consistently you invest, the more wealth you accumulate, regardless of how small you start. Even small contributions, when invested wisely and regularly, can snowball into substantial amounts over time thanks to the power of compounding.

### FACT CHECK

According to AMFI (Association of Mutual Funds in India), SIP accounts in India crossed 8.5 crore in 2025, with an average monthly contribution of 19,000 crore. This surge is clear proof that investing is no longer limited to the wealthy but is increasingly embraced by the middle class.

## MYTH 2: THE STOCK MARKET IS A GET-RICH-QUICK SCHEME

**Reality: Successful investing requires patience, discipline, and a long-term perspective.**

It's easy to be lured by headlines about stocks doubling in a year or a friend boasting about a windfall from short-term trading. But these are exceptions, not the rule. The stock market is not a casino; it is a platform for long-term wealth creation.

Short-term investments often deliver modest or volatile returns. For example, the Nifty 50 index has historically delivered an average of 11–12% annualized returns over 20 years, but in shorter time frames, returns fluctuate wildly. A one-year return could be +20% or –10%, depending on market conditions.

### KEY TAKEAWAY

Patience is rewarded. Long-term investors benefit from the magic of compounding and the growth of underlying businesses. For example, a SIP of 10,000 per month in Nifty 50 since 2005 would be worth over 1.1 crore today, against a contribution of just 24 lakh.

### FACT CHECK

Between 2005 and 2025, an investor who stayed invested in Nifty 50 for the full 20 years would have multiplied their wealth six times, whereas someone trying to time the market often ended up with far less.

# FINANCIAL PLANNING

In today's uncertain financial environment, financial planning has become an essential skill for both individuals and businesses. Whether it is preparing for retirement, managing day-to-day wealth, or making strategic investment choices, planning ensures long-term financial security. August 2025 brings renewed attention to financial literacy, with markets remaining volatile due to global trade pressures and domestic reforms. This makes disciplined planning more important than ever.

## RETIREMENT PLANNING ESSENTIALS

Retirement is not just the end of active employment—it's the beginning of a new phase that requires financial independence. A well-thought-out plan ensures comfort and security in your golden years.

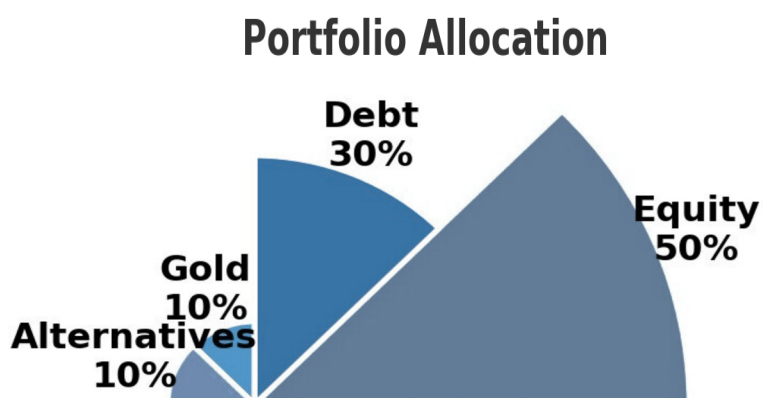
- 1. Estimate Your Retirement Needs:** The first step is to estimate how much money you'll require post-retirement. A common rule of thumb suggests 70–80% of pre-retirement income will be needed to maintain the same lifestyle. With rising healthcare costs (medical inflation in India is currently at 7.8% per annum), factoring in unexpected expenses is critical.
- 2. Start as Soon as Possible:** The earlier you begin, the greater the benefits of compounding. For instance, investing 10,000 per month at 12% annual return for 30 years results in nearly 3.5 crore at retirement. If you delay by 10 years and invest for 20 years, the corpus drops to 99 lakh. Time, therefore, is your greatest ally.
- 3. Develop an Investment Strategy:** Your retirement portfolio should balance growth and stability. In early years, equity exposure helps build wealth, while as you approach retirement, shifting toward bonds, debt instruments, and annuities preserves capital. A mix of 60% equity, 30% debt, and 10% alternatives is often recommended for long-term savers, gradually reducing equity exposure with age.

## WEALTH MANAGEMENT PLANNING

Wealth management goes beyond just saving; it focuses on growing, preserving, and transferring wealth efficiently. With India's expanding middle class and rising income levels, personalized wealth management services are gaining traction. According to RBI, household financial assets rose by 7.2% in FY 2024–25, reflecting increased participation in mutual funds, equities, and bonds. Wealth management ensures that your money works as hard as you do, providing security for your family while supporting lifestyle aspirations.

### Key Wealth Management Strategies

- 1. Diversification:** Spreading investments across equities, bonds, real estate, and gold reduces the impact of volatility. In FY 2024–25, while equities delivered 12% annualized returns, gold rose 9%, and corporate bonds yielded 7%. A balanced portfolio cushions investors against shocks in any single asset class.
- 2. Asset Allocation:** Determining the right mix of assets is the cornerstone of wealth management. Younger investors may hold 70% in equities, while conservative investors may prefer 60% in debt instruments. Asset allocation should be reviewed annually to reflect changing goals and risk appetite.
- 3. Investment Selection:** Selecting the right securities within each class ensures alignment with broader strategy. Blue-chip stocks, government securities, corporate bonds, and index funds provide a blend of safety and growth. Alternative investments like REITs and digital assets are also emerging as attractive diversifiers for Indian investors.



# MARKET ANALYSIS

-by Mr. Ujjwal Sharma



October 2025 has been a month of contrasts — resilience and restraint, optimism tempered by global unease. Indian markets have managed to hold ground despite trade frictions, volatile commodity prices, and a slowing deposit base, proving once again that domestic momentum continues to offset international turbulence. Yet, the tone remains watchful: valuations are stretching, liquidity is tightening, and global volatility is refusing to fade. For investors, this is a month that demands selective conviction and strategic patience.

## 1. Technical Picture: Consolidation with a Cautious Bias

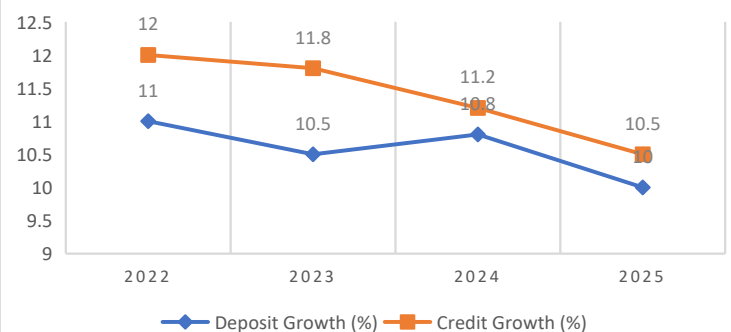
The NIFTY 50 spent most of October consolidating between 25,100–25,300 support and 25,500 resistance. Every attempt to break above that ceiling has met with mild profit-taking, while dips have been consistently bought into by domestic institutions — a sign of underlying confidence even amid global jitters. The 50-day moving average remains above the 200-day line, maintaining a long-term bullish setup, though the narrowing gap signals waning momentum. Meanwhile, Bollinger Bands have contracted sharply since mid-October, suggesting a volatility squeeze that could precede a directional breakout in November. The Relative Strength Index (RSI) has hovered around 58–62 — healthy, but far from exuberant — showing that the market's strength lies in its steadiness rather than exuberance. A close above 25,550 could open the path toward 25,800–26,000, but a fall below 25,100 would likely trigger quick stops as global risk appetite remains fragile.



## 2. Fundamental Undercurrents: Growth Intact, Liquidity in Focus

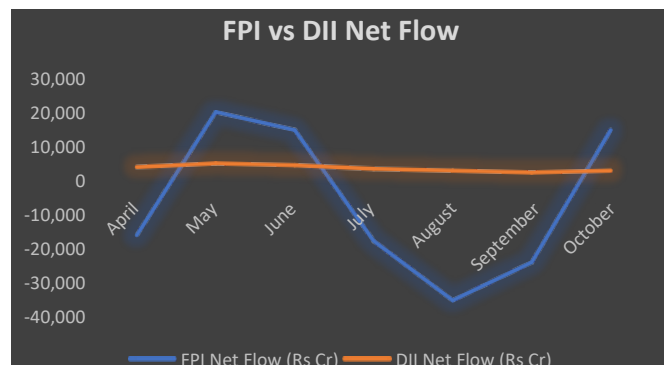
Beneath the charts, fundamentals continue to lend confidence. India's macro narrative remains robust — GDP growth expectations for FY 25-26 stand at 6.6–6.8 %, supported by public capital expenditure, steady credit growth, and strong consumption demand. However, liquidity trends are turning into a key discussion point. RBI data show that bank deposit growth slowed to 9.5 % y-o-y as of mid-October. This moderation may indicate either greater household risk-taking (shift toward equities and mutual funds) or reduced savings amid inflationary pressures. Credit demand, however, remains resilient, pointing to confidence in both retail and corporate lending cycles. The manufacturing side softened slightly — the HSBC PMI slipped to 57.7 in September, down from 59.3 in August, still firmly in expansion territory but hinting at some cooling. Export-linked sectors continue to feel the pinch from U.S. tariff effects and a stronger dollar, especially in IT and specialty chemicals.

### DEPOSIT VS CREDIT GROWTH



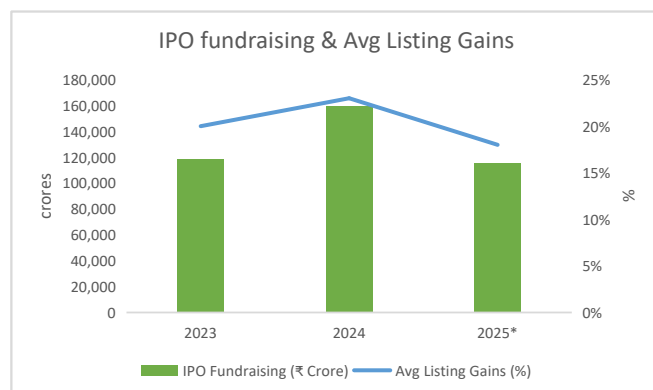
### 3. Market Flows: Foreign Optimism Returns, Domestic Support Endures

Perhaps the biggest story of October was the return of foreign portfolio investors (FPIs) after several months of outflows. Between October 6 – 10, FPIs turned net buyers of 1,751 crore, a clear sentiment reversal, as per NSDL data. Domestic institutional investors (DIIs), meanwhile, continued their record run with cumulative inflows crossing 6 trillion in 2025 so far. This dual-engine dynamic — foreign re-entry combined with unwavering domestic support — has helped the market absorb global volatility and maintain upward bias. Interestingly, FPI buying was concentrated in financials, power, and industrials, suggesting a renewed focus on sectors aligned with India's capex and infrastructure story.



### 4. IPO Momentum and Valuation Landscape

October also recorded a milestone month for the primary market, with nearly 46,000 crore raised across 14 IPOs — the highest monthly tally in Indian history. This surge underscores both corporate confidence and sustained retail enthusiasm. However, valuations have started to draw closer scrutiny. While Indian equities still trade at a mild premium to regional peers, reports from global asset managers highlight that valuation gaps with Asia-Pacific markets have narrowed, potentially opening selective opportunities for re-rating in value-oriented pockets.



### 5. Sectoral Pulse: Strength, Rotation, and Selectivity

- Financials & Banks: Continue to be the market's anchor. Credit momentum and improved asset quality are supportive, though funding-cost pressures could cap near-term earnings.
- Infrastructure & Industrials: Momentum remains intact, fueled by government expenditure and private-capex visibility.
- Consumption & FMCG: Stable demand with a slight urban skew; rural revival hinges on monsoon distribution.
- IT & Export Plays: Facing margin pressure from global slowdown and currency fluctuations; valuations remain moderate but stock-specific.

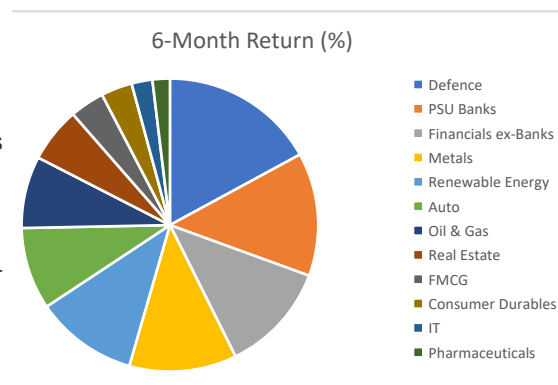
Energy & Renewables: Benefiting from policy incentives; expect steady institutional inflows.

Strategic View: Rotation is underway — investors are trimming over-owned mid-caps while adding quality large-caps and infrastructure-linked names. This mirrors a shift from momentum-driven risk to fundamentals-based positioning.

### 6. Investor Strategy: Balance, Caution, and Preparedness

The October setup calls for composure rather than aggression. Investors should:

- Stay anchored in quality — focus on companies with strong balance sheets and predictable cash flows.
- Use volatility tactically — accumulation near support zones can reward patient capital.
- Diversify risk — maintain partial hedges via gold, defensives, or short-duration debt in case of global shocks.
- Watch global cues — U.S. inflation data, crude prices, and bond yields remain the dominant external variables.



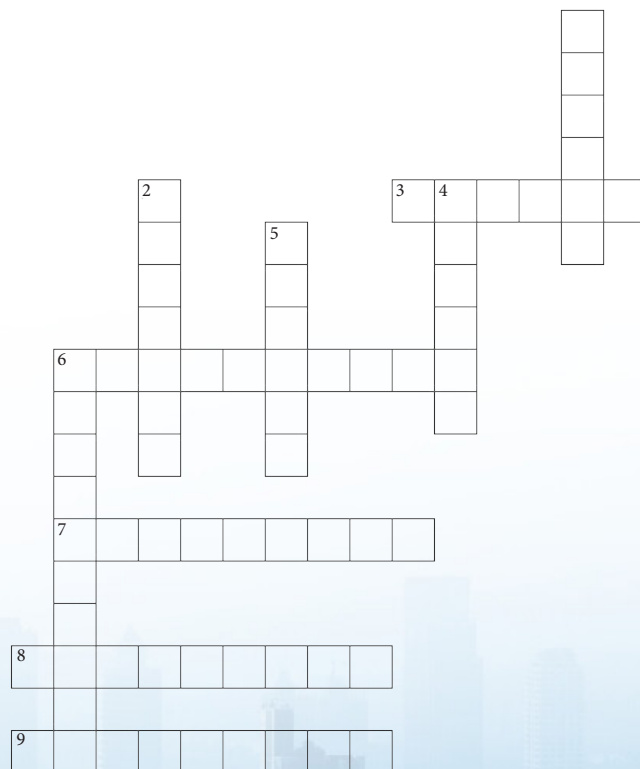
### 7. Outlook: Calm Surface, Powerful Currents

In essence, October 2025 represents a pause within a larger uptrend. Beneath the surface calm lies strong structural undercurrents — domestic liquidity, policy stability, and earnings visibility — that continue to power India's market narrative.

Still, investors must respect the evolving macro terrain. Liquidity tightening, global trade disruptions, and shifting capital flows could introduce bursts of volatility. But in a world struggling for growth, India's blend of stability and opportunity stands out.

Investor Takeaway: The market may be moving sideways for now, but leadership is rotating quietly beneath. Staying selective, diversified, and alert to breakout signals could turn consolidation into opportunity as the year's final stretch unfolds.

# WEALTH QUEST



## ACROSS

- 3. Accumulated financial resources
- 6. Life stage of leaving the workforce
- 7. Ease of converting assets to cash
- 8. Spread investments to manage risk
- 9. General rise in prices

## DOWN

- 1. Increase in value or size
- 2. Financial assets or resources
- 4. Ownership interest in a company
- 5. Allocate money expecting returns
- 6. Rules governing financial

# DISCLAIMER

The content provided by Profes Group, whether through newsletters, websites, social media platforms, or any other communication channels, is intended strictly for informational and educational purposes. It should not be interpreted as financial, investment, legal, accounting, or tax advice. Nothing contained in our publications or communications constitutes a solicitation, recommendation, endorsement, or offer to buy, sell, or hold any securities, financial instruments, or other investment products. All opinions, analyses, and insights expressed are those of the respective authors at the time of publication and are subject to change without notice.

While we strive to provide accurate and up-to-date information, Profes Group does not warrant the completeness, reliability, or accuracy of any content shared. Market conditions, economic trends, and financial instruments are dynamic and can change rapidly, often without prior notice. Consequently, readers should not rely solely on the information provided here to make financial or investment decisions. We strongly recommend that you consult with a qualified financial advisor, legal expert, or tax professional before taking any action based on the information provided.

The performance data and market analyses referenced in our materials represent past performance, which is not indicative of future results. Financial markets are inherently volatile, and investments are subject to substantial risk, including the potential loss of principal. The value of investments and the income derived from them may fluctuate due to changes in market conditions, interest rates, or other factors. Accordingly, when investments are redeemed, their value may be higher or lower than their original cost. Actual returns may differ significantly from any projections or forward-looking statements presented.

You should carefully evaluate your own financial goals, risk tolerance, and investment horizon before making any investment decisions. All investments carry some degree of risk, and there is no guarantee that any investment strategy will be successful under all market conditions. Investing in stocks, mutual funds, exchange-traded funds (ETFs), bonds, or digital assets involves a high degree of uncertainty. Profes Group and its affiliates make no representation or warranty, express or implied, as to the accuracy, reliability, or completeness of the information or opinions contained within our content.

Furthermore, any references to third-party data, research, or external sources are provided for convenience only and do not imply endorsement or verification of the information. Profes Group assumes no responsibility for the content of external links or third-party materials mentioned in our publications.

Investing in financial or digital assets involves significant risk and high volatility. Prices can fluctuate dramatically over short periods, and it is possible to lose part or all of your invested capital. Before investing, you should thoroughly read and understand the relevant prospectus or disclosure documents, which outline the investment objectives, risks, charges, and fees associated with the product. Profes Multi Opportunity Fund (PMOF) is managed entirely by Profes Management Consultants Private Limited, and any information shared about PMOF is intended purely for informational purposes. It should not be interpreted as a public offering or an invitation to invest.

By accessing or reading our content, you acknowledge and agree that you are solely responsible for your financial decisions and the outcomes resulting from them. You understand that markets are unpredictable and that diversification, while helpful, does not ensure profits or protect against losses in declining markets. Profes Group disclaims any liability for direct or indirect losses or damages that may result from your reliance on, or use of, the information contained in our materials.

Always remember: past performance is not a guarantee of future returns. Never invest more than you can afford to lose, and make sure you understand all the risks involved before committing capital. This content is intended for a general audience and does not consider your individual objectives, financial situation, or personal needs. Investing responsibly and with professional guidance is essential to protecting your financial well-being.