

IONIC WEALTH
BY ANGEL ONE

Asset X:
Investment Strategy

07, July 2025



“Asset X” is a multi-asset strategy that aims to highlight the most important signals in the financial markets, across the major asset classes. We strive to marry clarity of thought with brevity.

Key highlights

“Asset X” is a multi-asset strategy that aims to highlight the most important signals in the financial markets, across the major asset classes. We strive to marry clarity of thought with brevity. There’s a lot happening in the world right now which is shaping investor’s expectations amidst uncertainty. Our aim remains to create robust, long-term strategies.

Domestic Equity: Remain At Neutral Allocation

At 22100 levels, we completed deployment to neutral equity allocation in Mar-25. We then had proposed to stagger our equity allocation at 33% for next 3 months since Apr-25. Now, we see an underlying momentum in the market and would deploy upto 80% of the corpus with 20% buffer for pull-backs. Neutralising any market-cap bias. Of course, a lot depends on the impending trade deal.

In Foreign Equities, diversify across economies, staggering will be a good seeding strategy

Global markets have risen in the past month, and earnings have been okay, building a pool for global assets in current times will make sense. Deploy in basket of US, EU and China.

Mid & Long duration bond mix is optimal

A portfolio with 3–5-year bonds and long duration bonds, a 70:30 mix between mid & long duration will be ideal(Note: We are tactically changed the mix from initial 60:40 last month). Rate cut, growth slowdown and liquidity injection is likely to advantage this mix.

INR likely to be rangebound

It depends on global macros especially DXY. Expect INR to hover in 84-88 range

Precious metals will continue to offer hedge against equity volatility, inflationary expectations, geopolitics, etc.

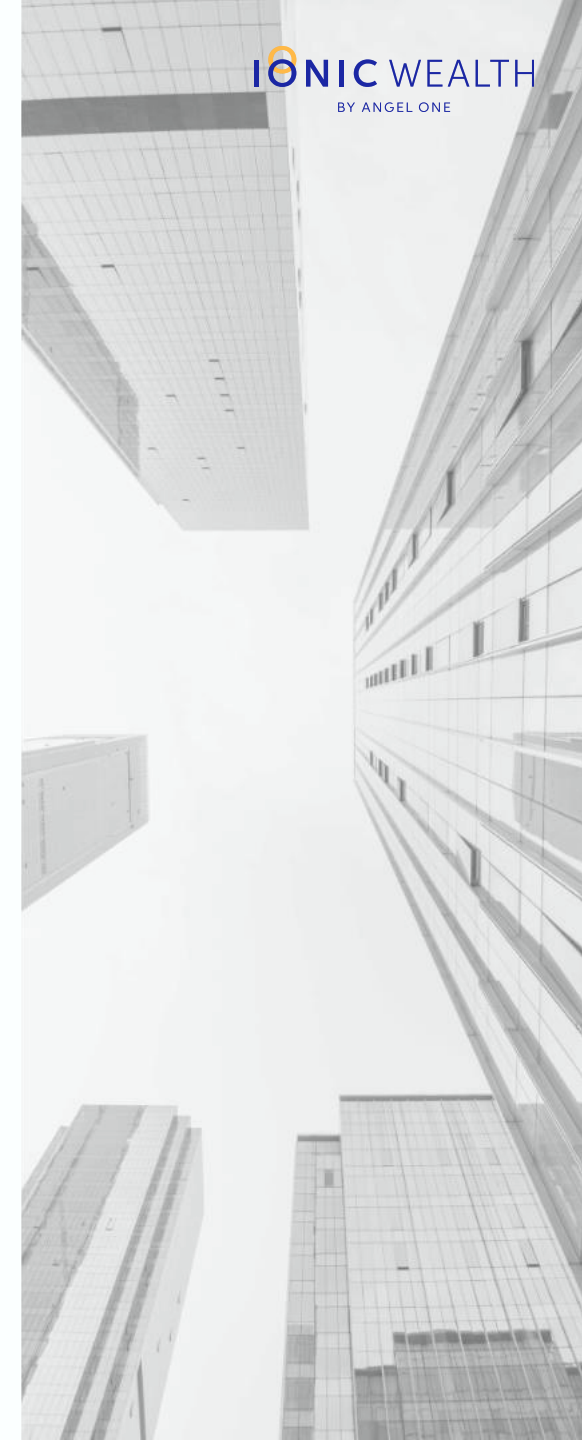
Silver can likely outperform Gold, albeit with higher volatility.

Unlisted Equity has become favorable

after tax announcements and conventional asset classes losing upside hereon. IPO listing way of exit can continue to gain steam

Commercial RE is improving

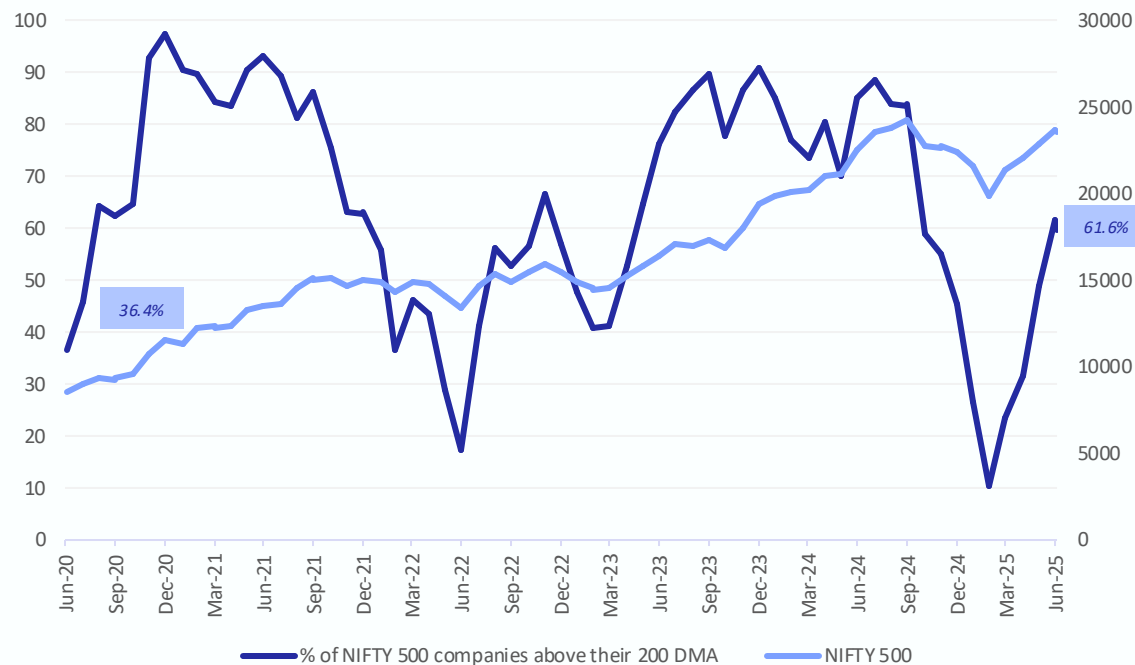
Growth is primarily driven by GCC and Flexible Office space while India focus business continues to anchor



India Equity: 80% now, 20% on pullbacks in volatility, 'buy on dips' market, active managers will have more opportunity

Breadth

Broader markets have now started to pick pace, the current rally is getting width



Source: Bloomberg, Ionic Wealth, Data available as on June, 2025

Our Hypothesis

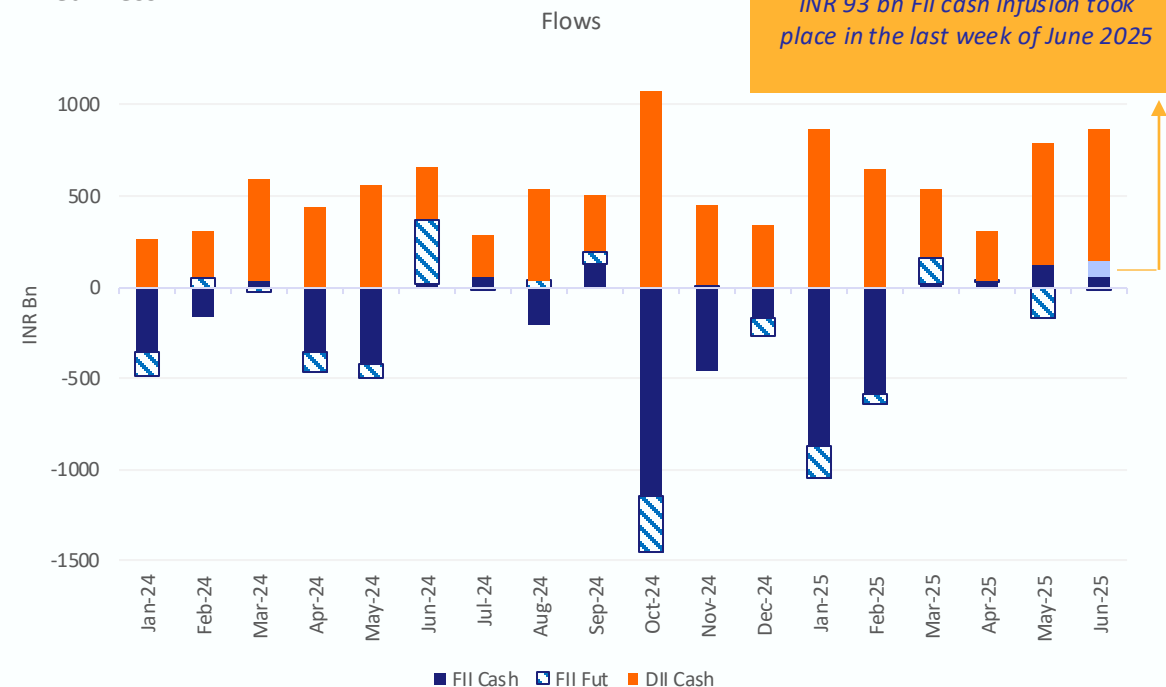
Markets have underlying strength although it's subjected to trade deal and earnings ahead. We prefer 80% deployment now and saving 20% for attractive levels on pullbacks, given volatility is high

Drivers

Valuations, earnings, global and domestic macros, rate cut cycle, domestic growth, strength of dollar and the US economy

Flows

DII have remained robust, FIIs are tiptoeing back amidst dollar weakness



Source: Moneycontrol, CMIE, Ionic Wealth, Data available as on June, 2025

Risks

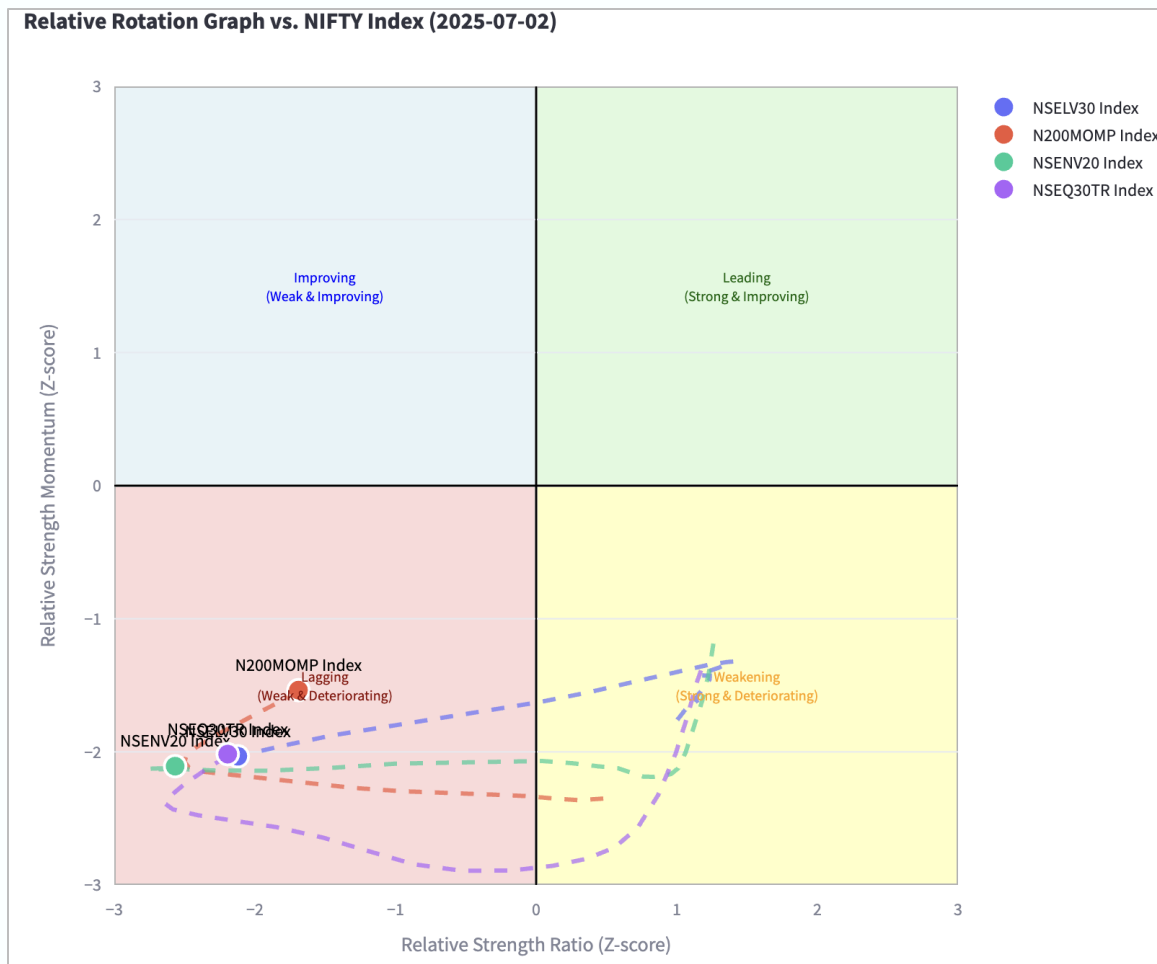
India macro weakening further and no signs of earning revival

Data to watch

Earnings, interest rates, geopolitics, sentiments, FII and DII flows, domestic demand

India Equity Factors- Weakness All Around, but a rebound in Momentum

6 Month Relative Strength and Relative Momentum



What it explains?

- Relative performance of each factor to Nifty 50 (x-axis)
- Momentum of change in relative performance (y-axis)

Factor	1 Month	3 Months	6 Months	1 Year	3 Years	10 Years
Low Volatility	2.60%	7.27%	5.10%	5.70%	18.94%	12.59%
Momentum	4.57%	13.26%	-2.88%	-9.63%	24.93%	17.33%
Quality	2.10%	8.35%	2.50%	0.43%	17.53%	10.41%
Value	1.50%	3.64%	-3.69%	-0.66%	17.07%	13.14%
Nifty 50	3.10%	8.49%	7.92%	6.27%	17.37%	11.79%

Interpretation

- **Recent Outperformance:** Table and RRG shows relative strength improving in Momentum
- Momentum only factor with higher relative momentum to Nifty 50
- Short Term (3 Month) favors: Momentum and Quality Factor
- **Our View:** Deployment should start in Momentum factors and should complete in a 3 month period

Risks

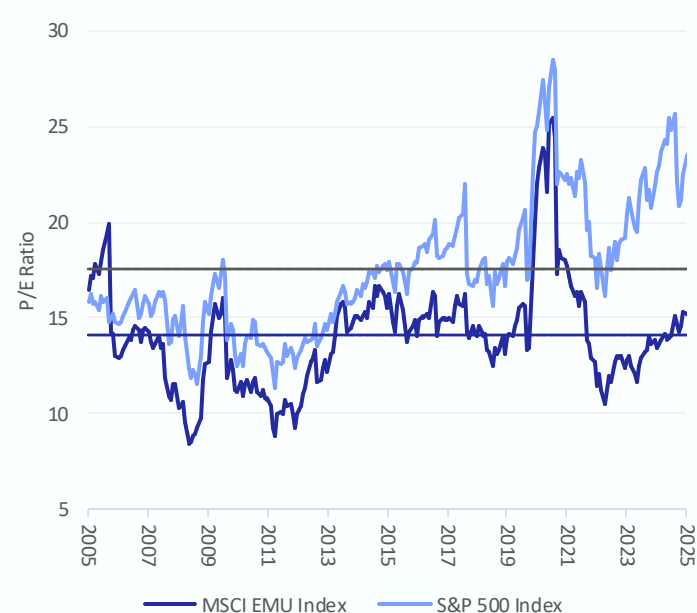
- Intermittent and immediate weakness can be seen in momentum factor; but should be used for deployment

Global Equities: Seeding Phase, Diversify Across Geographies

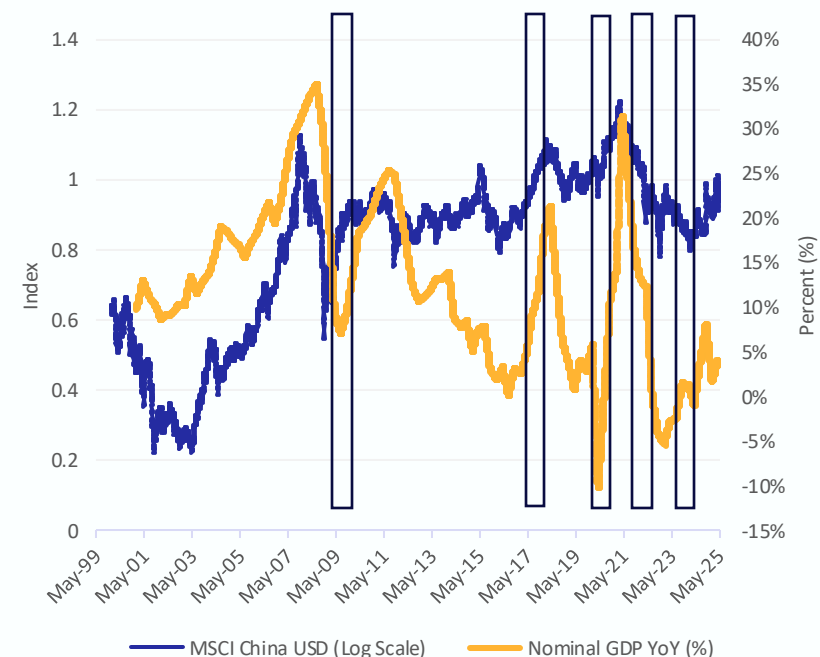
US earning surprise keeps the market strong...



..whereas EU is benefiting from valuation comfort + de-dollarization



..and China's equity market continues to see stimulus hope rally, markets can revive ahead of GDP



Source: FactSet, Ionic Wealth, Data available as on July,2025

Source: Bloomberg, Ionic Wealth, Data available as on July,2025

Source: Bloomberg, Ionic Wealth, Data available as on July,2025

Our Hypothesis

Stagger and diversify across global economies. This is a good seeding phase

Drivers

Reasonable Chinese valuations, uptick in data, tariffs, tech unleash, Chinese stimulus to revive its economy

Risks

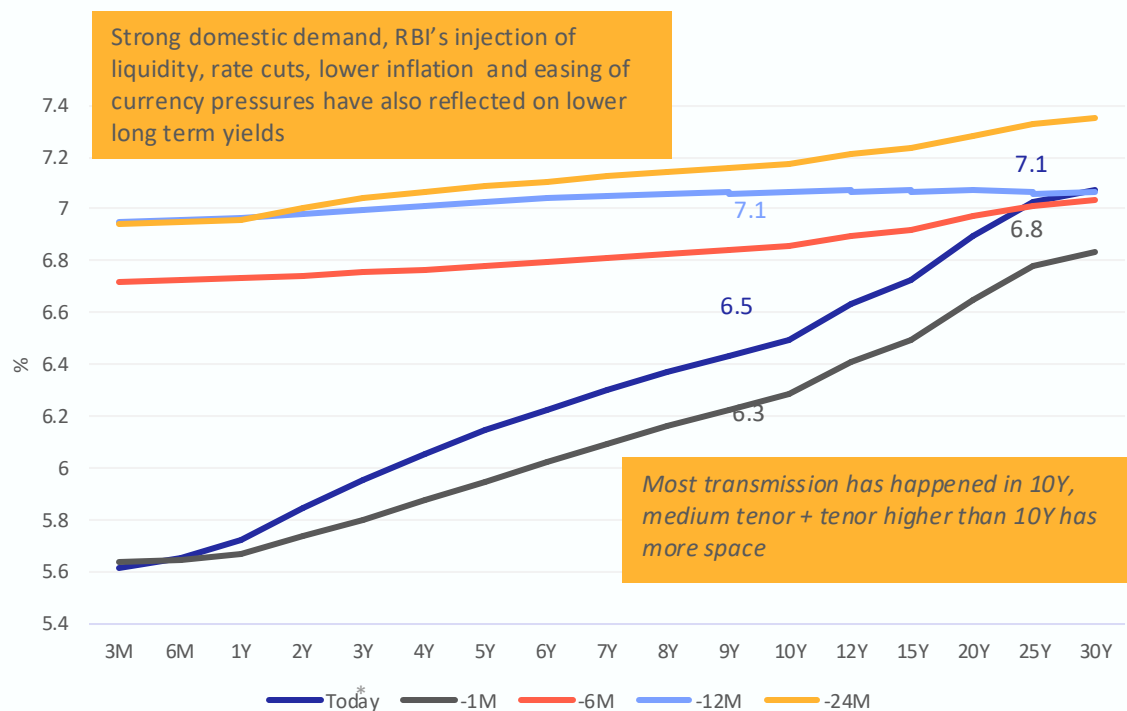
Growth not picking up, more of Trump uncertainty, significant earnings downgrades

Data to watch

Monetary and fiscal policy of China, rest of the world moves towards US, DXY, real yields, high frequency data

India Debt: Mix of Medium Term And Long Term Debt

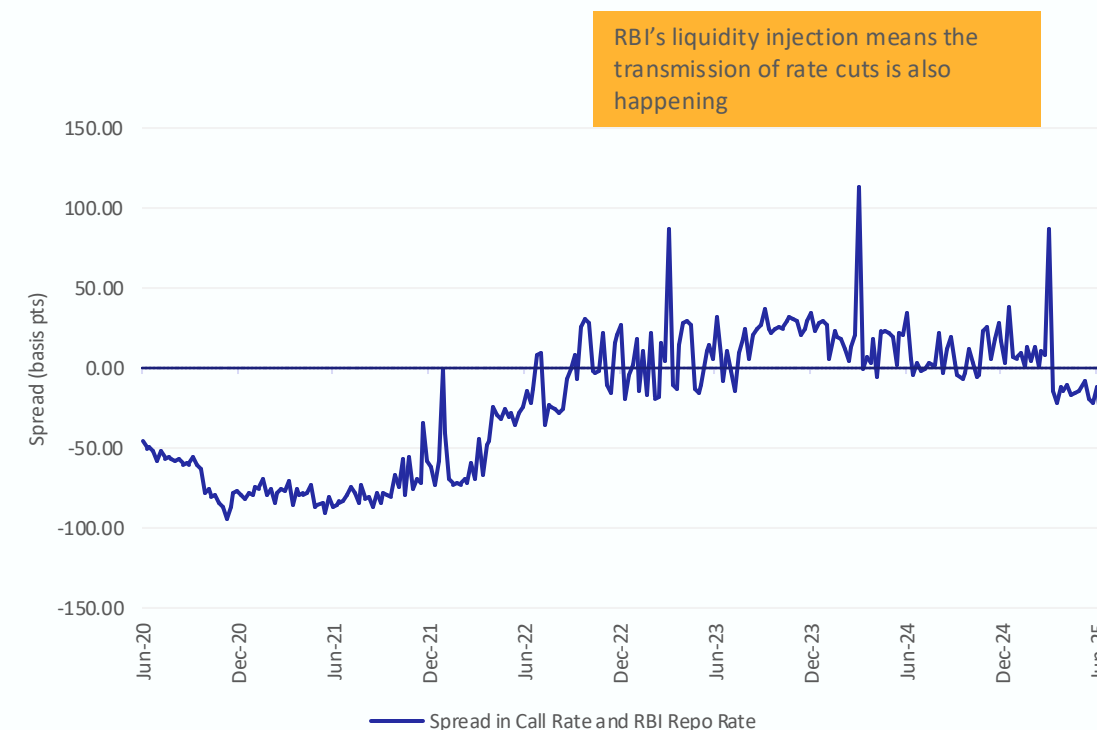
An ideal mix can be **70% allocation in the 3-5 years duration and 30% in the longer duration**. Within long duration, we prefer instruments higher than 15Y on tenor



Source: Bloomberg, Ionic Wealth, Data available as on July, 2025

* As of 3rd July 2025

With RBI's efforts to inject liquidity and start of a rate cut cycle, it appears that effective rate cut is more than the headline as call rate lingers lower



Source: Bloomberg, Ionic Wealth, Data available as on July, 2025

Our Hypothesis

Long duration has strategically played out, more is possible in coming months but we are tactically moving a bit towards medium duration

Drivers

Increased demand, start of India rate cut cycle, higher spreads, OMOs

Risks

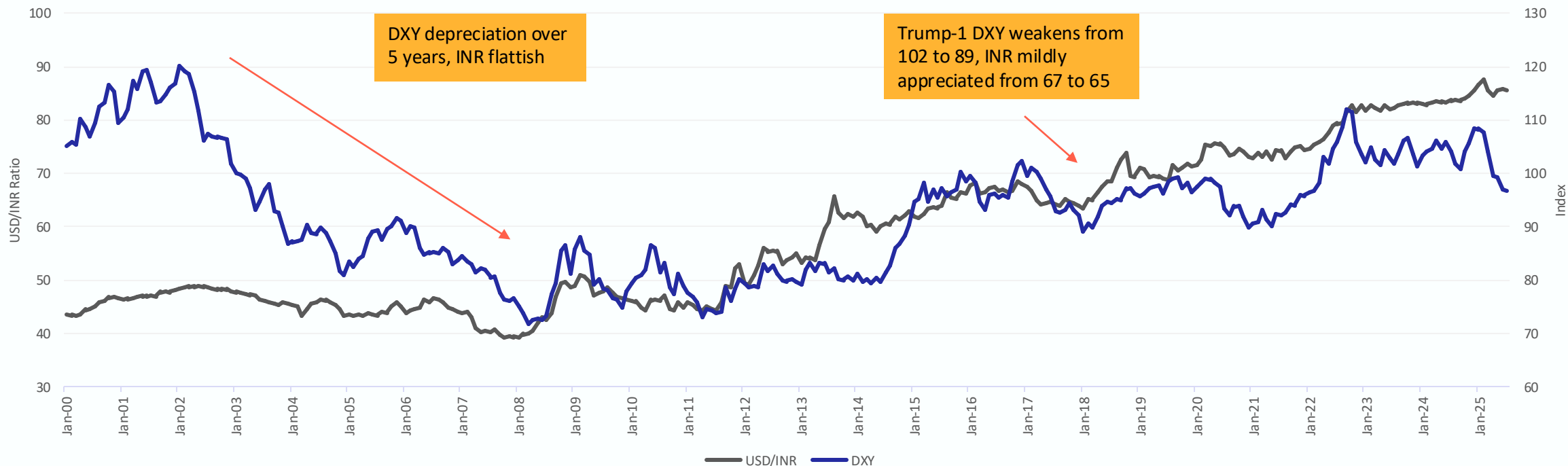
Domestic/US growth & inflation remaining higher, geopolitics, weak currency and delayed rate cuts

Data to watch

RBI policy, high frequency data, crude oil, more FII inclusions

Currency: Driven By Global Factors, Likely Rangebound

INR is currently at 85.7. Given the macros, INR can be in the range of 84-88 in the near term. RBI is unlikely to intervene. Current account is comfortable now. Runaway appreciation or depreciation of currency is hard to imagine.



Source: Bloomberg, Ionic Wealth, Data available as on July, 2025

Our Hypothesis

INR is likely to be rangebound

Drivers

DXY, RBI action, cushion from FX, FII flows coming back, bond indices inclusion

Risks

Dollar strength, complete risk off and drying of EM liquidity

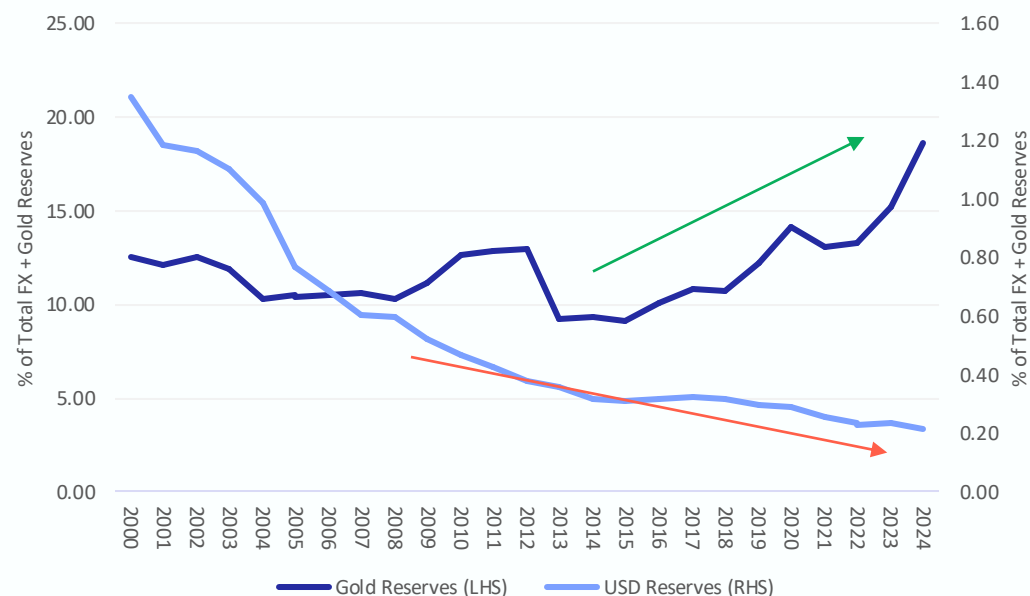
Data to watch

FX reserves, flows, DXY, geopolitics, inflation differential, yield movements

Commodities: Still Positive Precious Metals, Silver May Have More Space

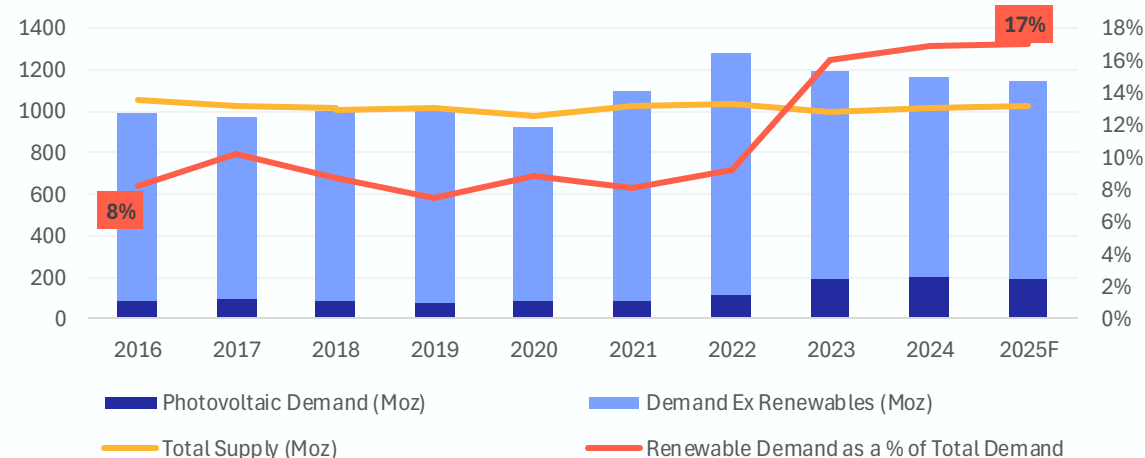
Gold continues to have a macro stage set up for its performance- possibility of higher inflation, lesser risk appetite, slower growth outlook, and immense policy uncertainty. Despite the current performance, we are of the view there's still money on the table as far as Gold is concerned.

Gold Reserves continue to shoot up



...Silver is likely to be resilient in the current macro landscape, but higher chances of global growth slowdown can make it volatile. It may still be worth accumulating for longer term.

Average	Gold/Silver Ratio
20 years	70
10 years	81
5 years	82
Today*	91



Source: Bloomberg, Ionic Wealth, Data available as on June, 2025

Source: Bloomberg, Ionic Wealth, Data available as on June, 2025

* As of 3rd July, 2025

Our Hypothesis

Precious metals may have more upside left, Silver could possibly benefit more than Gold

Drivers

Chinese demand, hedge against inflation and geopolitical risk, DXY weakness

Risks

Dollar strength, growth improving for good without inflation

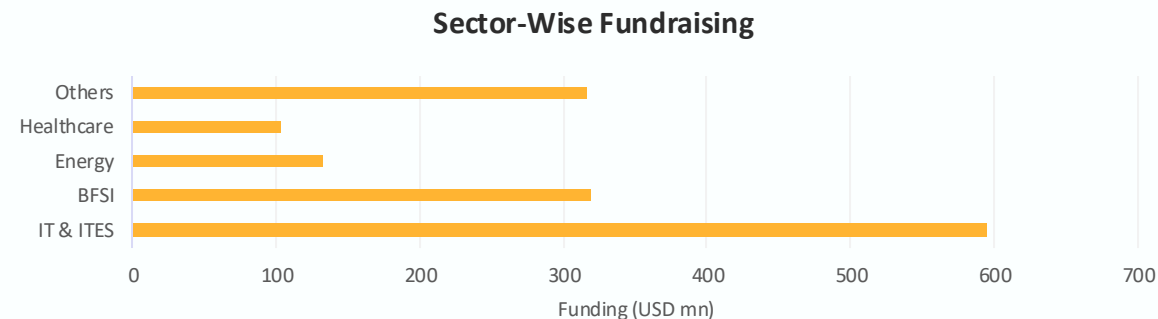
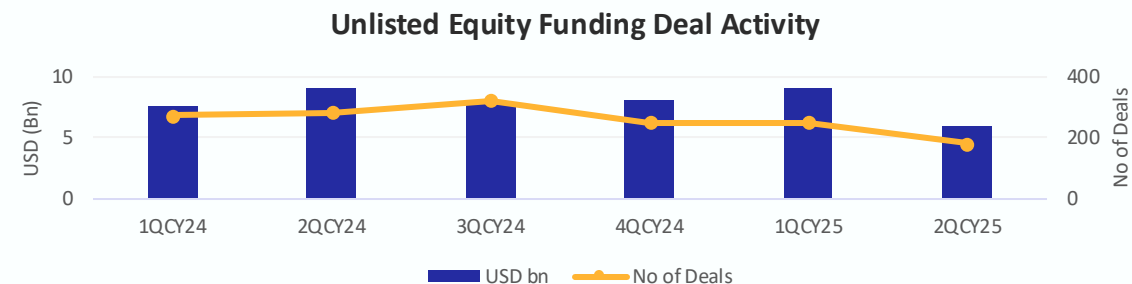
Data to watch

Sentiments, DXY, demand from Chinese central banks for Gold, industrial demand for silver

Unlisted Equities: Q2 CY 2025 Trends: Strong Fundraising, Strategic Exits Drive Market Dynamics

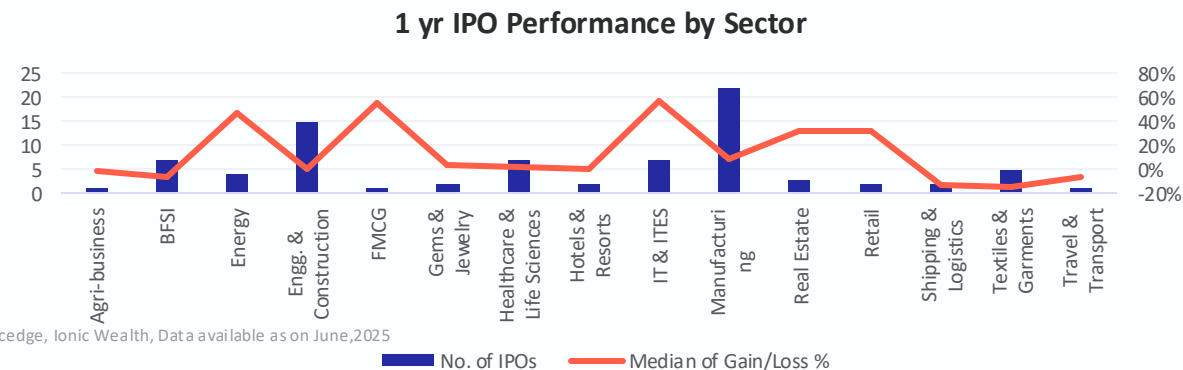
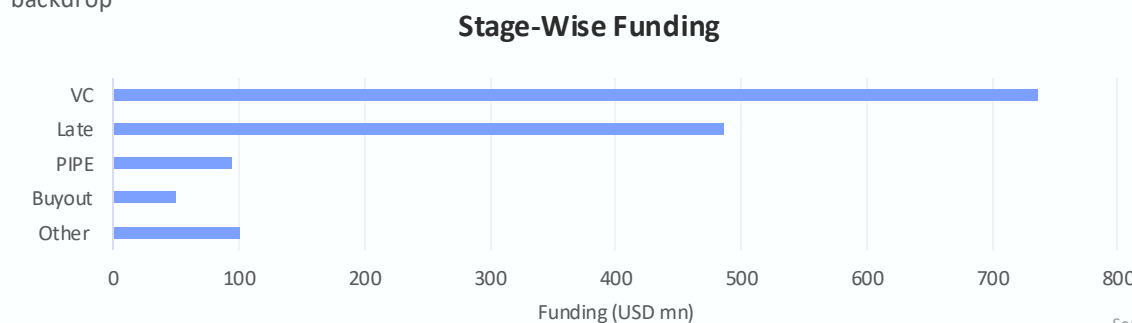
Deal activity in India's unlisted space cools sharply in Q2 CY'25, with funding and deal volumes both declining as investors adopt a wait-and-watch approach amid global headwinds and valuation mismatches; cautious optimism prevails for a rebound in H2 CY'25 as liquidity and sentiment improve

IT & ITES dominates India's fundraising landscape in H1'CY25, outpacing BFSI & others as investor focus shifts toward technology-driven growth



VC and late-stage deals dominate India's private funding landscape in H1 CY'25, while buyout and PIPE activity remains subdued—reflecting investor preference for growth & scale amid a cautious macro backdrop

Sectoral IPO performance diverges: manufacturing & energy lead, while healthcare, retail, & shipping lag in post-listing return



Source: Vccedge, Ionic Wealth, Data available as on June,2025

Source: Vccedge, Ionic Wealth, Data available as on June,2025

Our Hypothesis

Unlisted markets will gain traction amid private capital's shift toward scalable, tech-enabled, and ESG-compliant models

Drivers

Favorable policy environment, rising startup maturity, and secondary market development.

Risks

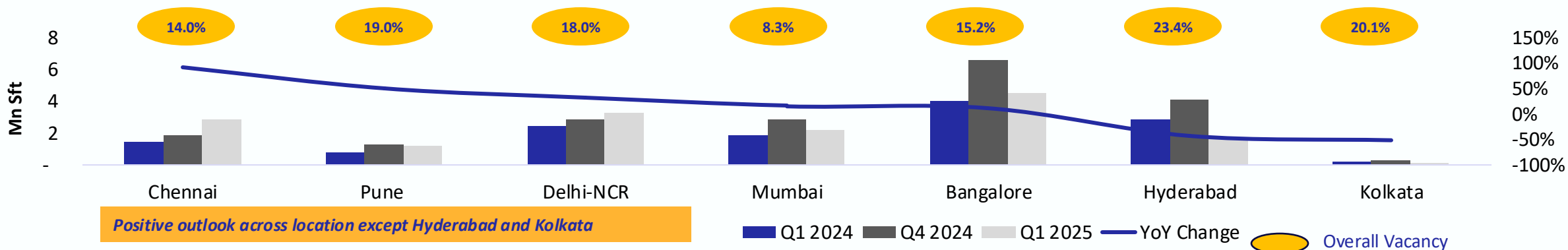
Delayed exit opportunities, inflated valuations, and governance lapses

Data to watch

Late-stage deal multiples, dry powder deployment rate, and IPO pipeline activity.

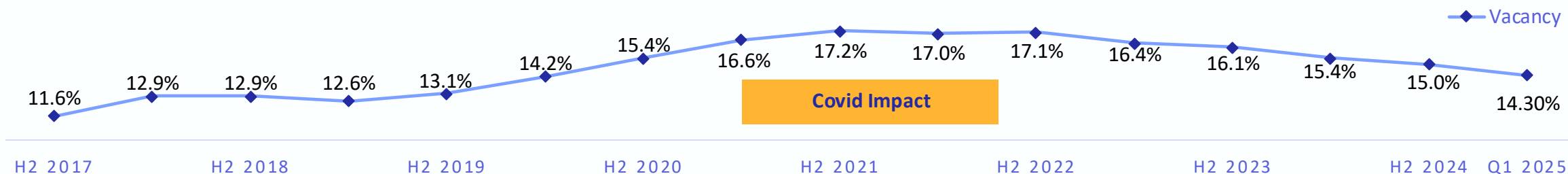
Real Estate: Commercial Real Estate – Scaling New Peaks

In Q1 2025, pan India office leasing got off to a strong start with gross leasing of ~15.9 Mn sft (up 15.0% YoY). Bengaluru & Delhi led from the front accounting for ~50% of the overall leasing, while Chennai trumped all markets in leasing growth.



Source: Colliers India

With absorption outpacing supply, vacancy levels have witnessed steady decline in last couple of years. With decline in vacancy levels, rentals surged 8% annually in Q1 2025



Source: Knight Frank India RE

Our Hypothesis

Commercial RE on a steady growth path with Bangalore & Delhi NCR market leading the charge.

Drivers

GCCs contributing ~45% of overall leasing and flex office space growing at rapid pace contributing over 20% of Q1 2025 leasing

Risks

Quality supply constraints, monetary tightening, and macro environmental factors

Data to watch

New completions, vacancy levels, rental rate escalations, leasing transactions

Reach us at hello@ionic.in

Disclaimer

This presentation note has been prepared by Angel One Investment Services Private Limited (“AOISPL”), a private limited company incorporated under the Companies Act, 2013, being an AMFI-registered Mutual Fund Distributor (ARN 306165), for initial discussions and may undergo change in the future.

This presentation is intended for informational purposes only and does not constitute an offer or solicitation for investing in any products distributed by or services made available by AOISPL or any of its affiliates or group entities. Any information contained in this presentation shall not be treated or construed as an investment advice or a recommendation. The recipient is advised to conduct its own due diligence and consult with its legal, tax and financial advisors before making any investment decisions. The recipient is requested to note that past performances is not indicative of future results.

Although all information and opinions expressed in this document were obtained in good faith from sources believed to be reliable, no representation or warranty, express or implied, is made as to the document’s accuracy, sufficiency, completeness or reliability. AOWL is under no obligation to update or keep current the information contained herein.

All pictures or images (“images”) herein are for illustrative, informative or documentary purposes only, in support of subject analysis and research. Images may depict objects or elements which are protected by third party copyright, trademarks and other intellectual property rights.

To the extent this presentation contains statements about future performance, such statements are forward looking and subject to a number of risks and uncertainties. Predictions, forecasts, projections and other outcomes described or implied in forward-looking statements may not be achieved. To the extent this presentation contains statements about past performance, simulations and forecasts are not a reliable indication or future performance. Any information obtained from the public domain herein is based on sources believed to be reliable and accurate at the time of preparation. It is further requested to note that any information contained in herein with respect to business expansions pursuant to obtaining of business licenses is subject to regulatory approvals.

Actual results may differ materially from those suggested in this note due to risk or uncertainties associated with our expectations with respect to, but not limited to, exposure to market risks, general economic and political conditions in India and other countries globally, inflation, etc. There is no assurance or guarantee that the objectives of the products mentioned will be achieved.

Investment decisions based on this note may not be always profitable, as actual market movements may differ from anticipated trends. No guaranteed returns are offered to the investors. This note may contain forward-looking statements, identified by terms such as “will”, “expect”, “should” and similar expressions. All forward-looking statements involve risk and uncertainty, they speak only as of the date they are made.

All trademarks and logos are the property of their respective owners. This presentation is confidential and is intended solely for the recipient. Unauthorized distribution, reproduction, or other use of the information contained herein is strictly prohibited.

AOWL disclaims any liability for actions taken based on the information provided in this presentation.