# Fixed Income Portfolio Management Service

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# ABOUT PHILLIPCAPITAL GROUP



- Established in 1975 as Phillip Securities, we have evolved into PhillipCapital Group, an integrated global financial house.
- We offer diverse high-quality, innovative financial products and services to retail, high-net-worth individuals, family offices, corporations and institutional clients.
- We have **USD 65 billion** in global Assets Under Custody/ Management
- Worldwide and our Shareholders' funds in excess of **USD 2.5 billion**.
- We proudly serve over **1.5 million** clients across the globe.
- We have over **5,000 employees** worldwide in **15 Countries**.



# ABOUT PHILLIPCAPITAL INDIA

•PhillipCapital India is a part of the PhillipCapital Group, Singapore.

•We provide a comprehensive suite of financial products and services including **brokerage services across the asset classes of cash and derivatives** (equities, commodities and currencies).

• **Portfolio management services, advisory services, global investment**, distribution of financial products* and research services.

•Other services that we offer are **Loan against securities, investment banking, financial planning, depository and clearing services & Commodity hedging in overseas exchanges.**

•This diverse range of services allows us to cater to various segments of the financial markets.

•PhillipCapital India has adopted a technology-driven approach to enhance operational efficiency and provide a seamless experience to its clients.




*"It is to be noted that these are not Exchange traded products and PhillipCapital is only acting as a distributor. Any disputes with respect to the distribution activity shall not have access to the Exchange investor redressal forum or Arbitration mechanism."

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# PRODUCTS & SERVICES

- Stock Broking
- Private Equity
- Debt Market
- Fund Management
- Cash, Futures, Derivatives, Commodities
- Corporate Finance
- Contract for Difference (CFD), Exchange Traded Funds (ETFs)
- Portfolio Management Services (PMS)
- Wealth Management, Unit Trust, Insurance*
- Institutional Client Group
- Investor Relation
- Research



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# Fixed Income Capabilities

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# Why PhillipCapital for Fixed Income

**TRACK RECORD**

Best in industry track record of upgrades in context of handling primary issuances over 7 years

**DEEP CONNECT WITH ISSUERS**

Experienced team capable of providing customised solutions enables strong connect with issuers

**IN-HOUSE RESEARCH**

In-house research team for tracking multiple industries/sectors

**HIGHLY EXPERIENCED TEAM**

A seasoned team with deep expertise in India's Fixed Income space

**HIGH GOVERNANCE**

Our commitment to conflict-free transactions ensures client satisfaction & fosters lasting relationships

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# Marquee Issuer Companies worked with























































































# Our Track Record

Primaries Done Till June 2026

Phillip Services
Good Bonds Matter

**15 out of 25 non-AAA issuers have got Rating Upgrade - Our Upgrade ratio is 60% | Downgrade ratio is 0%**

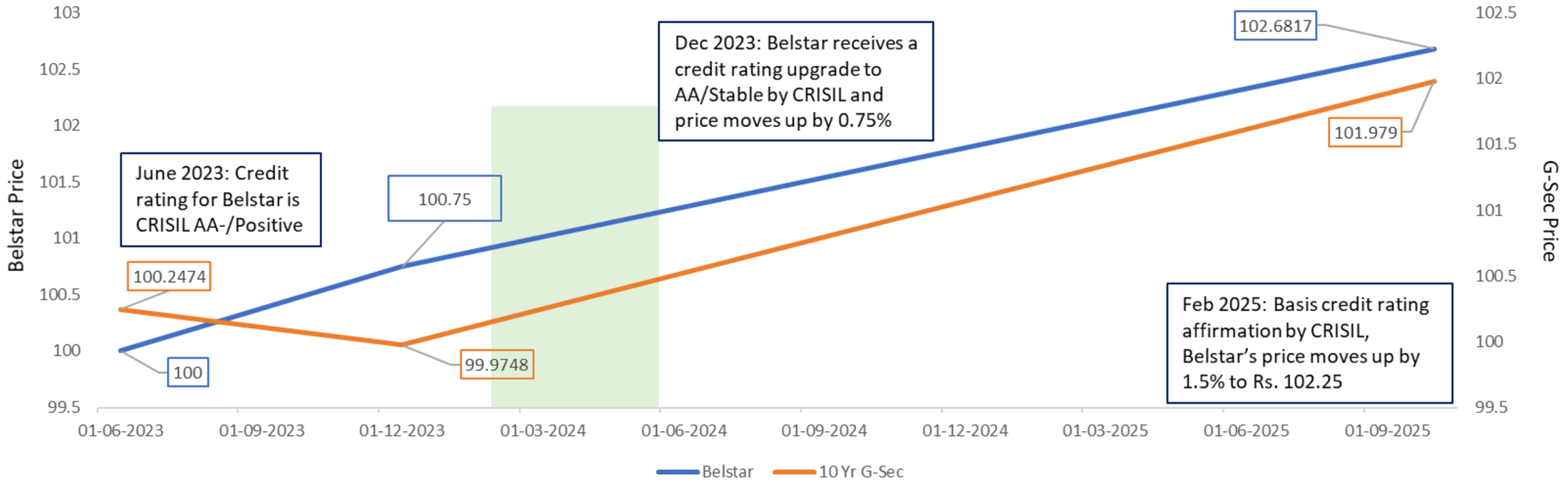
| Issuer Name | Credit Rating Agency | Old Rating | New Rating | Rating action | Date |
|---|---|---|---|---|---|
| Muthoot Finance Ltd. | CRISIL | AA/Positive | AA+/Stable | 1 notch | Feb-2021 |
| Svatantra Microfin Private Ltd. | CareEdge | A/Stable | AA/ Stable | 3 notch | Mar-2026 |
| Muthoot Fincorp Ltd. | CRISIL | AA-/Positive | AA/Stable | 2 notch | Jun-2026 |
| Shriram City Union >> Shriram Finance Ltd. | CRISIL | AA/Positive | AAA/Stable | 2 notch | Apr-2026 |
| Shriram Housing Finance Ltd. | CRISIL | AA/Positive | AA+/Stable | 1 notch | Dec-2022 |
| Hinduja Leyland Finance Ltd. | CareEdge | AA-/Stable | AA+/ Stable | 2 notch | Oct-2024 |
| Chaitanya India Fin Credit Pvt. Ltd. | CRISIL | A/Stable | AA/Stable | 3 notch | Mar-2026 |
| Belstar Microfinance Ltd. | CRISIL | AA-/Positive | AA/Stable | 1 notch | Dec-2023 |
| Fedbank Financial Services Ltd. | CareEdge | AA/Stable | AA+/ Stable | 1 notch | Jan-2024 |
| Mizuho Capsave Finance Pvt. Ltd. | CRISIL | A/Stable | AAA/Stable | 5 notch | Apr-2025 |
| Tata Motors Finance >> Tata Capital Ltd. | CRISIL | A/Stable | AAA/Stable | 5 notch | May-2025 |
| Kosamattam Finance Ltd. | India Ratings | A-/Stable | A/Stable | 1 notch | Jul-2025 |
| Shriram Finance Ltd. | CRISIL | AA+/Positive | AAA/Stable | 1 notch | Apr-2026 |
| Muthoot Capital Services Ltd | CRISIL | A+/Positive | AA-/Stable | 1 notch | Jun-2026 |
| Muthoot Housing Finance Company Ltd. | CRISIL | A+/Positive | AA-/Stable | 1 notch | Jun-2026 |

# Rating upgrades received till April 2026. Source: Internal; Rating rationales issued by CRISIL https://www.crisilratings.com/en/home.html, CareEdge https://www.careratings.com/, IndiaRatings https://www.indiaratings.co.in/

# Case Study # 1: Impact of Credit Rating Upgrade

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## Comparison of price movements: 11% Belstar Microfinance 2029 vs 7.06% G-Sec 2028 (June 2023 – Oct 2025)




| Date | 11% Belstar MicroFinance 2029 | | 7.06% G-Sec 2028 | |
|---|---|---|---|---|
| | Price | YTM | Price | YTM |
| 19-06-2023 | Rs. 100 | 11.45% | Rs. 100.2474 | 6.99% |
| 15-12-2023 | Rs. 100.75 | 11.25% | Rs. 99.9748 | 7.06% |
| 31-10-2025 | Rs. 102.68 | 10.50% | Rs. 101.9790 | 6.17% |
| | **Annualised** | **12.19%** | **Annualised** | **7.27%** |

**Alpha: 4.92%**

Note: The XIRR calculation includes cumulative interest payments in the interim on Belstar at Rs 25.71 and G-Sec – Rs 16.87 respectively

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# Market Outlook

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# Interest Rates – Looking Northwards

## USA

- The West Asia war, crude oil flare up, gas price flare up, has impacted inflation and inflation outlook. The annual inflation rate in the US rose to 4.2% in May 2026, marking its highest level since April 2023, from 3.8% in April.
- The market is pricing in much more than 50% probability of a rate hike in calendar 2026.

## EU

- ECB policymakers agreed to avoid providing guidance on the future path of interest rates following June's first rate hike since 2023, citing elevated economic uncertainty, according to the latest meeting minutes.
- Markets now see a 70% chance of a September rate hike, as the latest oil price surge following renewed US-Iran strikes.

## ASIA

- The People’s Bank of China kept its key lending rates at record lows for a 13th straight month in June 2026, as widely expected. The move reflected caution over the fallout from the conflict in the Middle East.
- The Bank of Japan lifted its key short-term rate by 25bps to 1.0% in a 7-1 vote at its June meeting, marking the highest level since September 1995 and aligning with market expectations

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# Outlook On India

## INTEREST RATES -

- **Monetary Cycle:** Global policy rates are looking northwards. RBI had eased by 1.25 percentage point from Feb to Dec 2025. Given the flare-up in crude prices and deficient monsoon, we are looking at a shallow rate hike cycle. We expect the first rate hike in October 2026. By then we will have more clarity on monsoon trajectory and crude oil prices

## LIQUIDITY -

- **Ample Liquidity in System**: LAF system liquidity surplus is Rs 1.1 lakh crore as on 9 July 2026. The expected FCNR flows would add to system liquidity.
- **Core Liquidity Elevated**: Core liquidity Rs 4.82 lakh crore as on 15 June 2026.

## INFLATION -

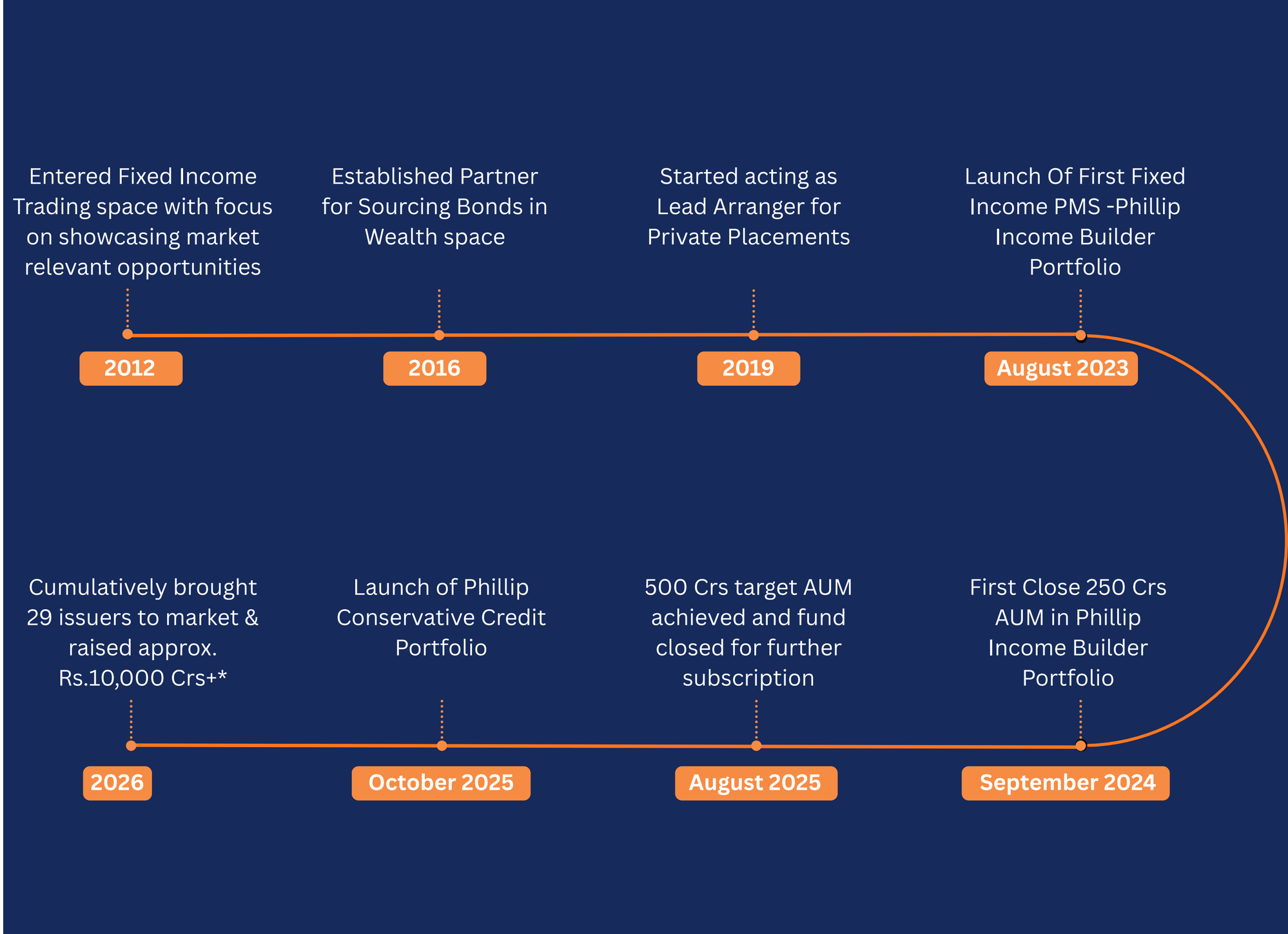
- **Inflation Outlook**: CPI inflation projection from the RBI, for FY27, has been jacked up to 5.1% from 4.6% earlier.
- **FY27 Inflation**: There is upside risk on inflation as monsoon projection in 2026 by IMD and Skymet is less than long period average (LPA). However, assumption of crude oil price for the inflation projection of 5.1% is at USD 95/barrel, which is substantially lower now.

## Banking System -

- Credit growth rate continues to be higher than deposit growth rate.
- **Credit Growth**:Credit growth 18.6% as on 30 June 2026
- **Deposit growth**:Deposit growth 13.3% as on 30 June 2026

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# Our Journey - Fixed Income Desk



# Phillip Income Builder Portfolio

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## Performance as on 30th June 2026

| Strategy | Investment Approach | 1 Month | 3 Months | 6 Months | 12 Months | 2 years | Since Inception |
|---|---|---|---|---|---|---|---|
| Debt | PIBP Growth | 1.58 | 3.42 | 5.53 | 11.10 | 11.85 | 14.08* |
| Debt | PIBP Regular Income | 1.48 | 3.18 | 5.29 | 10.99 | 12.41 | 14.26** |
| Benchmark | CRISIL Composite Bond Fund Index | 2.35 | 3.51 | 2.88 | 4.95 | 7.03 | 7.36*<br>7.73** |

**Date of Inception**
* PIBP Growth: 28th August, 2023
** PIBP Regular Income: 10th October, 2023

With the support of our Partners and clients, Phillip Income Builder Portfolio achieved its target milestone of ₹500 crores in Aug 2025. The fund is now closed for new subscriptions.

**Note**: The data provided above is as on 30th June, 2026.
Above details & returns are on TWRR basis, returns shown are post expenses.
Returns and Portfolio constituents of individual clients may differ depending on time of entry in the Strategy. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.

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# Our Achievement through PMS Performance

**SWITCH TRADE -**
Optimized portfolio through switch trades

**CAPITAL GAIN -**
Capital Gains from Key Portfolio Holdings

**LIQUIDITY -**
Swift Liquidity Turnaround – T+3 Business Days

**EARLY EXIT -**
Proactive and preemptive trade management enabled a timely exit

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# Phillip Conservative Credit Portfolio

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# Investment Strategy

**CRAFTED FOR CONSERVATIVE INVESTORS -**

- Prioritises capital protection and stable returns
- Focused on credit quality and disciplined portfolio construction

**EXPOSURE TO LEADING CORPORATES -**

- Smallest company boasts an impressive vintage of 175 years
- Backed by strong financials and established market presence

**RELIABLE & REGULAR INTEREST PAYOUTS -**

- 5-7 carefully selected issuers
- Monthly or quarterly cashflows for consistent income visibility.

**COMPELLING YIELD WITH HIGH CREDIT STANDARDS-**

- Target portfolio positioned for double digit returns/~350-400 bps over G-Secs
- Invest in a predominantly AA-rated universe for enhanced safety

**PROFESSIONALY CURATED & DIVERSIFIED-**

- Thoughtful allocation across sectors to reduce concentration risk
- Ongoing credit monitoring to maintain porfolio quality

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# Key Metrics for Conservative Credit Portfolio

- **SUPERIOR RETURN WITHIN HIGH RATED CREDIT -**
  The portfolio delivers a strong 10.18% coupon, showcasing the ability to extract superior yield from predominantly high-grade issures.

- **BALANCED MATURITY PROFILE -**
  An average maturity of 3.8 years ensures an effective tenor structure that supports consistent income and stability across market cycles.

- **COMPELLING YIELD-TO-MATURITY -**
  A 10.70% YTM underscores the portfolio's strong risk-adjusted return profile, exceeeding typical expectations for high-quality credit.

- **CONTROLLED DURATION EXPOSURE -**
  A modified duration of 2.75 provides controlled exposure to rate movements, contributing to stable performance within a high quality credit framework.

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# Stringent Selection Process




- Quality Promoters
- How do promoters behave during a bad part of the cycle?

- Promising player in a relevant sector
- Ranking as per AUM and topline

- Quantitative & Qualitative checks
- Collection efficiency, NPA profile, debt ratios, ALM, Portfolio cuts, CRAR, ATS, Gearing, Cost of funds, Mgmt expertise

- Avoid leveraged/stressed companies
- Avoid Real Estate/Infra companies
- Avoid Gems, Jewelry & Commodity companies

- Good Collaterals and Strong Covenants
- Promoter guarantee gives better margin of safety

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# Key Financials Of Issuer Companies

**SYSTEMATICALLY IMPORTANT COMPANIES-**
48,760 Cr – mix of mid-to-large NBFCs, HFCs & state-owned entities

**TRADED VALUE -**
Bond issuances grew from ~₹150 Cr in FY21 to ₹1,500 Cr in FY26, showing rising investor interest

**OWNERSHIP -**
Large corporates, state entities & top promoters; strong institutional participation

**LENDER DIVERSIFICATION -**
Typically 30–40 lenders per issuer with strong PSU, private & foreign bank participation

**LIQUIDITY -**
Average cash & bank balances ₹3,590 Cr – comfortable near-term coverage

**ROBUST NET WORTH -**
₹ 7,070 Cr – indicates healthy capital buffers

**STRONG QUARTERLY PROFIT -**
~₹ 270 Cr – steady earnings momentum (Q1FY26)

**BUOYANT CAPITAL MARKET FUND RAISES -**
Steady & regular primary issuances with wide spread participation.
Regular primaries improve visibility as well as secondary market liquidity

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# Impact Of Public Listing

**A few portfolio companies are poised for IPO, strengthening credit profiles and market transparency**

## Financial Benefits

- Widespread capital access, cheaper cost of funds
- Easier equity and debt fundraising
- Valuation and Liquidity Anchored in Market Dynamics
- Positive bond market impact

## Reputational & Governance Benefits

- Improved governance and transparency
- Mandatory regulatory compliance
- Stronger brand reputation
- Higher investor confidence

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# Rating Upgrades – Positive Momentum In Credit Quality

## Recent Upgrades

- 2 Companies in our covererage universe have received rating upgrades
- Reflects improved fundamentals and strenthened credit profiles

## Potential Upgrades

- 3 Companies are on track for a possible rating upgrade driven by -

1. Robust earnings growth
2. Healthy leverage metrics
3. Strong liquidity positions

## Implication For Investors

- Signals lower credit risk and potential spread compression
- Positive for portfolio performance and bond valuations

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# Risk Management

- **EXPOSURE -**
  - Single issuer limit of 30%*

- **INDICATIVE RATING ALLOCATIONS -** limits as per credit rating are as follows:
  - AAA to AA-: Minimum 50%*
  - A+ and below: Maximum 50%*

- **SECURED BUSINESS -**
  - Secured: Minimum 50%
  - Unsecured: Maximum 50%

*The above will keep changing basis our view on the market

# Performance – Phillip Conservative Credit Portfolio

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## Performance as on 30th June 2026

| Strategy | Investment Approach | 1 Month | 3 Months | 6 Months | Since Inception |
|---|---|---|---|---|---|
| Debt | PCCP Growth | 1.35 | 3.38 | 5.04 | 8.14* |
| Debt | PCCP Regular Income | 1.39 | 3.38 | 5.04 | 10.24** |
| Benchmark | CRISIL Composite Bond Fund Index | 2.35 | 3.51 | 2.88 | 3.82* |
| | | | | | 3.63* |

**Date of Inception**

* PCCP Growth : 6th October, 2025

**PCCP Regular Income : 9th October, 2025

**Note**: The data provided above is as on 30th June, 2026.

Above details & returns are on TWRR basis, returns shown are post expenses.

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Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.

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# Key Terms – Phillip Conservative Credit Portfolio

| | |
|---|---|
| **Portfolio Manager** | PhillipCapital (India) Private Limited |
| **Investment Objective** | To consistently generate superior compounded returns than conventional fixed income instruments with uncompromising emphasis on capital preservation |
| **Minimum Investment** | INR 50 Lacs (Rupees Fifty Lacs) |
| **Top-up** | In multiples of INR 25 Lacs (Rupees Twenty-five Lacs) |
| **Management Fees** | 1% p.a.# |
| **Redemption Timeline** | Within 7 working days* |
| **Benchmark** | CRISIL Composite Bond Index |
| **Investment Options** | Growth Option and Regular Income Option |
| **Exit Load** | 1% if exit before 1 year |
| **Custodian** | ICICI Bank |
| **Taxation** | As per prevailing tax rules (Note: LTCG on bonds is currently taxed at 12.5% vs maximum marginal rates for MFs) |
| **Client Reporting** | Monthly Performance Report; Transaction & Holding Statement; Annual Audited Statement |

* Can be extended to 45 working days, under volatile market conditions # GST applicable

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# Fee Structure - Details

**Fees and charges applicable to the Client are mentioned below:**

| | |
|---|---|
| Fixed Management Fees | 1% p.a. |
| Performance Fees | Nil |

**Note on Fees**:

- Fixed Management fees: will be charged monthly (in arrears) based on daily AUM
- Custody & Fund Accounting Charges: 0.10% p.a., will be charged monthly in arrears based on daily AUM
- Agreement & POA Franking Charges: Rs.1,500
- Brokerage: NIL
- DP Charges: 0 AMC; NSDL charges, at actuals
- Audit Fees: Rs.1,500-2,000 p.a.
- All Government Taxes, Exchange Levies, NSDL charges, statutory charges and any other expense would be levied at actuals.

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# Key Personnel

## Vaibhav Singhal – Fund Manager



- Post-graduate with specialization in finance from Educatis School & ZCBI
- More than 17 years of experience in Indian bond markets and banking
- Worked with ICICI Bank in treasury and bond desks.
- Strong understanding of fixed income markets, origination and sourcing new debt papers and structuring debt term sheets.

*"Finding top-notch issuers with appealing yields in the mid-market segment is our main goal. These issuers have a proven track record of profitability across market cycles & benefit from substantial shareholdings by major impact investors. They prioritize strong collection efficiency, cost management, a well-diversified client base, high NIMs, and robust digital infrastructure."*

## Nishit Shah – Co-Fund Manager & Principal Officer



- A triple graduate with specialization in finance and management
- More than 20 years of experience in Indian equity markets and investment products
- Worked with some of the most respected wealth management organisations and companies in India including Sushil Finance, AMSEC and Motilal Oswal
- Having worked at both buy and sell side, he exactly understands how each of them works and how to stay ahead of the street

*‘’My guiding principle is crystal clear: ignore the noise in the macroenvironment, concentrate only on finding high-quality ideas, and retain the winners over the long haul. Additionally, having a focused portfolio is essential because excessive diversification is unmanageable and does not enhance a portfolio.”*

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# Investment Committee

## Team PhillipCapital has a collective capital market experience of 200+ years

**Vineet Bhatnagar**: **30+ years of experience**

- Driving company's overall strategy
- In-depth understanding of overall Indian financial markets
- Works closely with large financial investors (FPIs & DIIs)
- Alumni of IIM Ahmedabad

**Rajendra Bhambhani**: **30+ years of experience**

- Drives Company's growth through client acquisition & servicing
- Works closely with large HNIs
- MBA - JBIMS, Mumbai
- Gold Medallist – Engineering, IIT-BHU

**Nishit Shah**: **20+ years of experience**

- Manages PMS strategies
- Experience in Indian equity markets & investment products
- MBA – IIPM, M.Com.

**Vaibhav Singhal**: **17 years of experience**

- Fund Manager - Fixed Income PMS
- Experience in Banking & Fixed Income mkts
- MBA – Finance, Educatis School & ZCBI
- B.Tech (Elec.) – G.E.I.T., Dehradun

**Rohan Raut**: **20 years of experience**

- Expertise in Legal & Compliance
- Chartered Accountant
- Indepth experience of Indian financial markets regulations

**Nihit Parikh**: **29 years of experience**

- Heads Finance & Accounts function for PhillipCapital group cos. in India
- Chartered Accountant
- Brings indepth understanding of financial statements

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# Domain Experts

**Manish Agarwalla**: **20 years of experience**

- Co-Head Research – Banking & Finance Sector
- Experience in investment research
- MBA – Finance, Guwahati University

**Kunal Singh Kochar**: **25 years of experience**

•Fixed Income Desk Head
•Experience in Fixed Income & Equities
•Masters in Commerce – Pune University & Diploma in Int'l Business, SIBM, Pune

**Joydeep Sen**: **34 years of experience**

- 600+ published articles in financial papers
- Experience in banking & fixed income advisory
- Author of 4 books on Fixed Income, MFs & Wealth Management

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# Roles Of The Committees

**Investment Management Team:**

- Will be responsible for
- Policy framework for Investment Decisions & Redemptions
- Periodic Review of Investments
- Monitoring of Arms length distance between Trading and Fund Management

**Audit Team:**

- Will be responsible for certifying following processes:
- Adherence to investment policy framework as mentioned in Disclosure Document
- Adherence to SEBI (Portfolio Managers) Regulations, 2020
- Arms length distance maintained between Trading and Fund Management

*The above will keep changing basis our view on the market

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# Connect With Us


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