

Every wave carries possibility.

This fund seeks to navigate it.

Introducing

ITI Business Cycle Fund

(An open ended equity scheme investing in sector based on its business cycle)

Invest Now

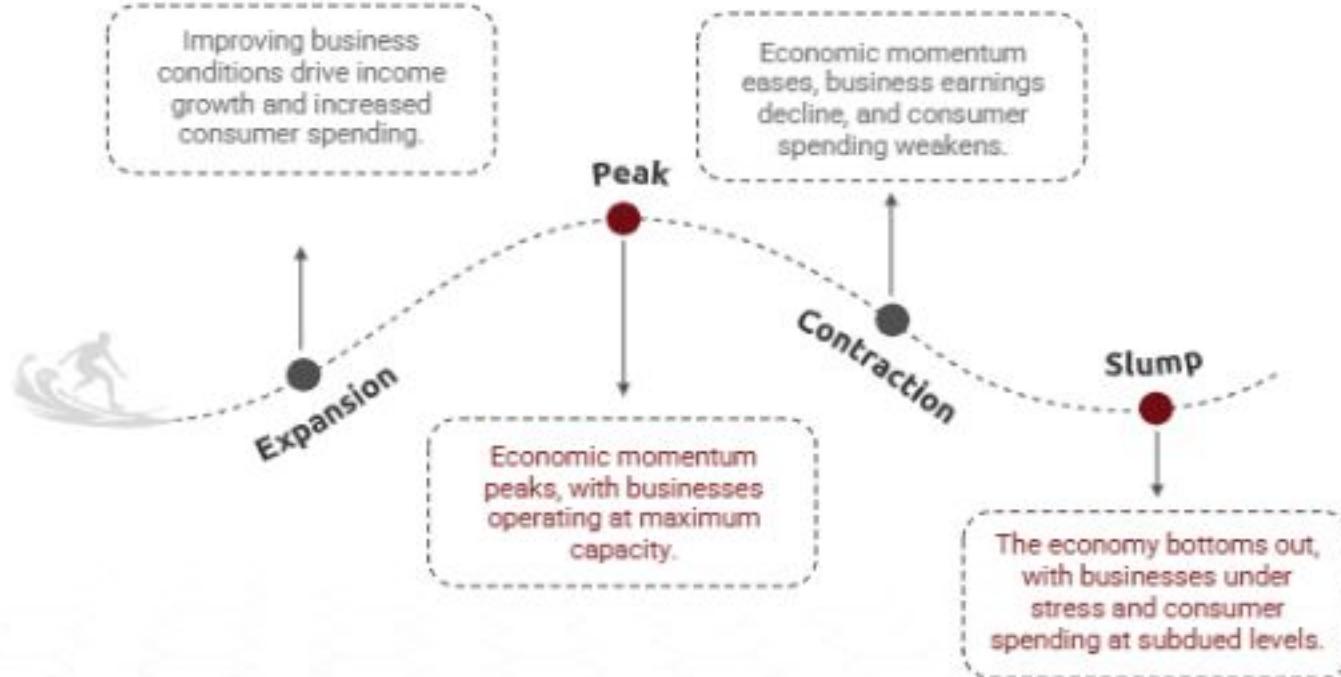
NFO Opens: 13 February 2026

NFO Closes: 27 February 2026



Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

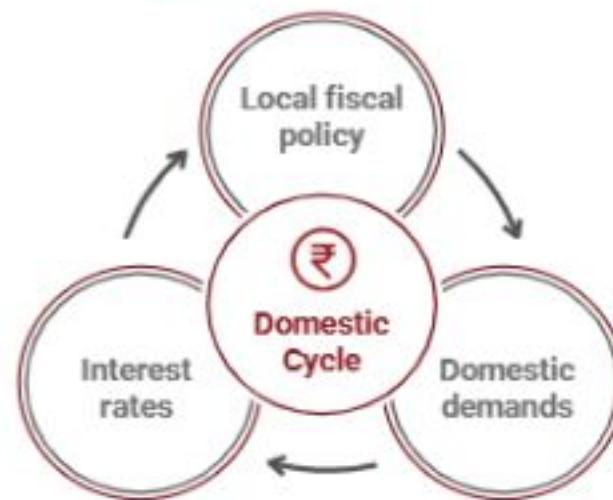
- They exist at every level – global economy, countries, sectors, and individual businesses
- While the structure remains constant, the duration, intensity, and indicators vary
- Cycles are fractal in nature – the same pattern repeats across macro and micro levels



Duration → Prolonged



Duration → Multi-faceted



- **Synchronization is not guaranteed** – countries can decouple due to local policies or structural factors
- **Volatility differs** - Developing markets tend to be more volatile, while global cycles appear smoother as they aggregate multiple economies



Financial Openness

Economies deeply integrated with global markets tend to move in line with global cycles.



Local Drivers in Developing Markets

Developing economies often follow idiosyncratic cycles.

Political, policy, and structural factors can outweigh global trends.



Policy Timing Effects

Counter-cyclical policy actions can delay or soften the impact of global slowdowns.

This creates timing mismatches across economies.

A country can be expanding while the global economy contracts — and vice versa.

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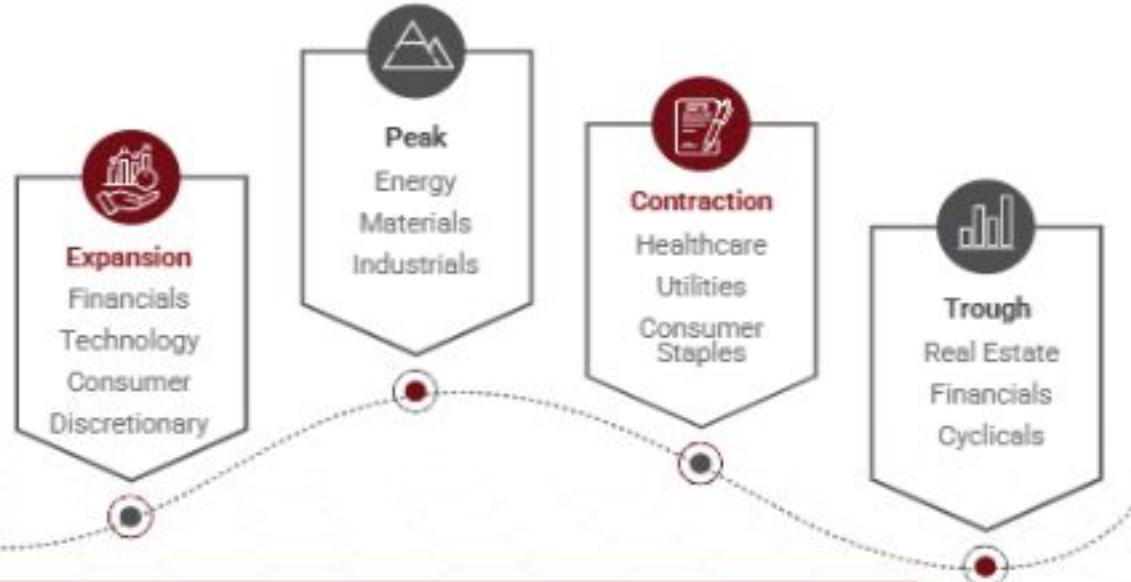
Aligning Sectors with the Cycle

Different phases of the business cycle tend to favour different sectors.

↔ Sector performance is influenced by ↔



↔ Typical Sector Tendencies Across the Cycle ↔



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- Business cycles extend beyond the macro economy
- Sectors and individual companies experience **distinct micro cycles**

Micro cycles are driven by

- Industry structure and competitive intensity
- Management decisions and capital allocation
- Regulatory and demand shifts

Macroeconomics

Whole economy (GDP)

Inflation (general price level)

Employment/unemployment

Aggregate demand (AD)

Productive capacity of economy

Microeconomics

Individual Market

Effect on price of a Good

Individual labour market

Individual consumer behaviour

Supply of good

Micro cycle identification is qualitative, not purely numerical.

How Business Fundamentals Evolve Across the Cycle

Key Parameter	Expansion	Peak	Contraction	Slump / Trough
Demand/Volume	Rising	Stable at high levels	Slowing / declining	Weak or stagnant
Pricing Power	Improving	Strong	Weakening	Weak
Competitive Intensity	Low; focus on market share gains	Low	Defensive; protect share	High
Cost Focus	Low; profitability absorbs inefficiencies	Low	Rising as margins compress	Very high
Capex	New investments planned and approved	Elevated; sometimes excessive	New plans cancelled; projects delayed	Reprioritised; efficiency-focused
Return on Capital (ROCE)	Improving	High	Declining as capacity comes online	Low; past capex questioned
Business Sentiment	Improving confidence	Very confident	Cautious / weakening	Pessimistic

1

The Global Credit Expansion (2005–2007)



GLOBAL - Peak

- Period marked by the "Great Moderation"
- Low global interest rates and abundant liquidity
- Housing bubble in the US and Europe
- Result: a strong risk-on environment across global markets



INDIA - Expansion

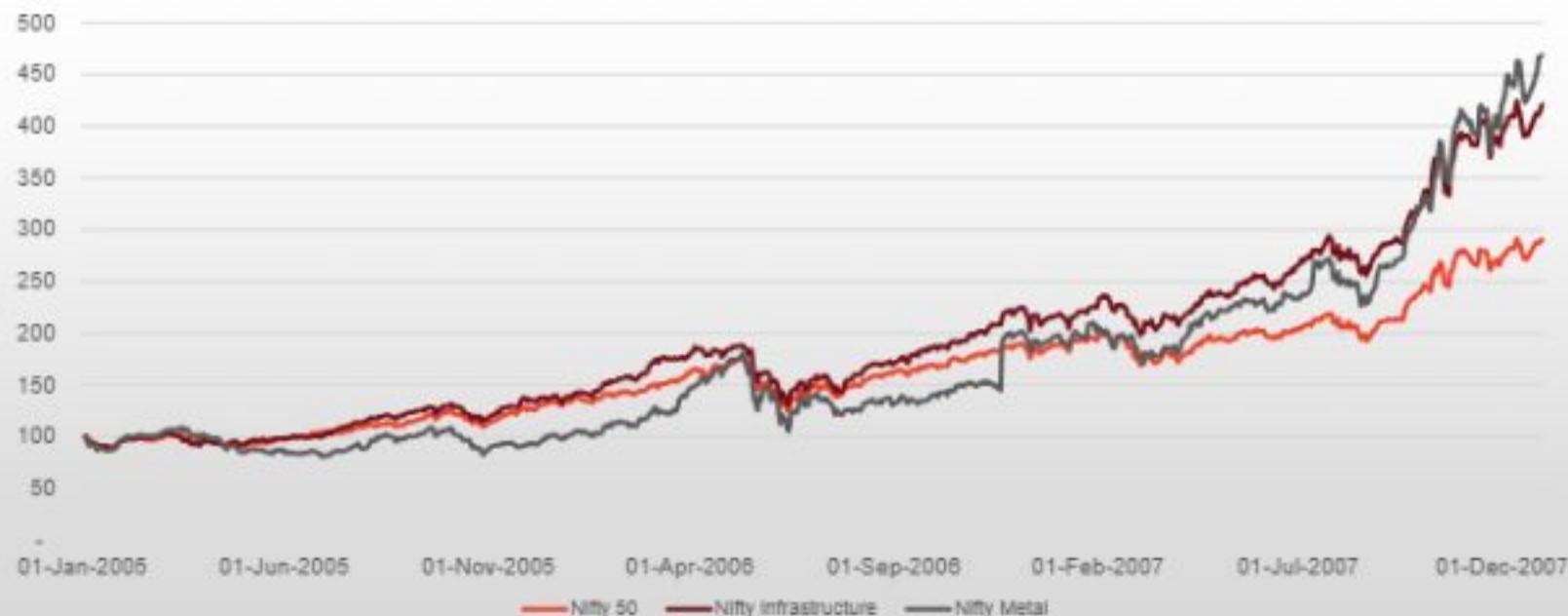
- India entered a classic capex-driven upcycle
- Credit growth exceeded 25%
- Heavy government spending on power, roads, and telecom
- Corporate balance sheets expanded rapidly



SECTOR - Outcomes

- Infrastructure & Real Estate**
 - Benefited from cheap global capital
 - Strong project execution and asset creation
- Metals**
 - Driven by surging global demand, particularly from China
 - Commodity prices reached record highs

The Global Credit Expansion (2005-2007)



2

The Great Recession & Global Recovery (2009–2011)



Global Cycle: Trough → Early Recovery

- Post the 2008 financial crisis, the global economy entered a deep trough
- The US Federal Reserve launched Quantitative Easing (QE1)
- Liquidity flooded global markets, with a significant share flowing into emerging economies



India Cycle: V-Shaped Recovery

- India witnessed a rapid rebound driven by domestic factors
- Fiscal stimulus supported demand
- A young, expanding workforce accelerated consumption-led recovery



Sector Outcomes: Why They Worked

Automobiles

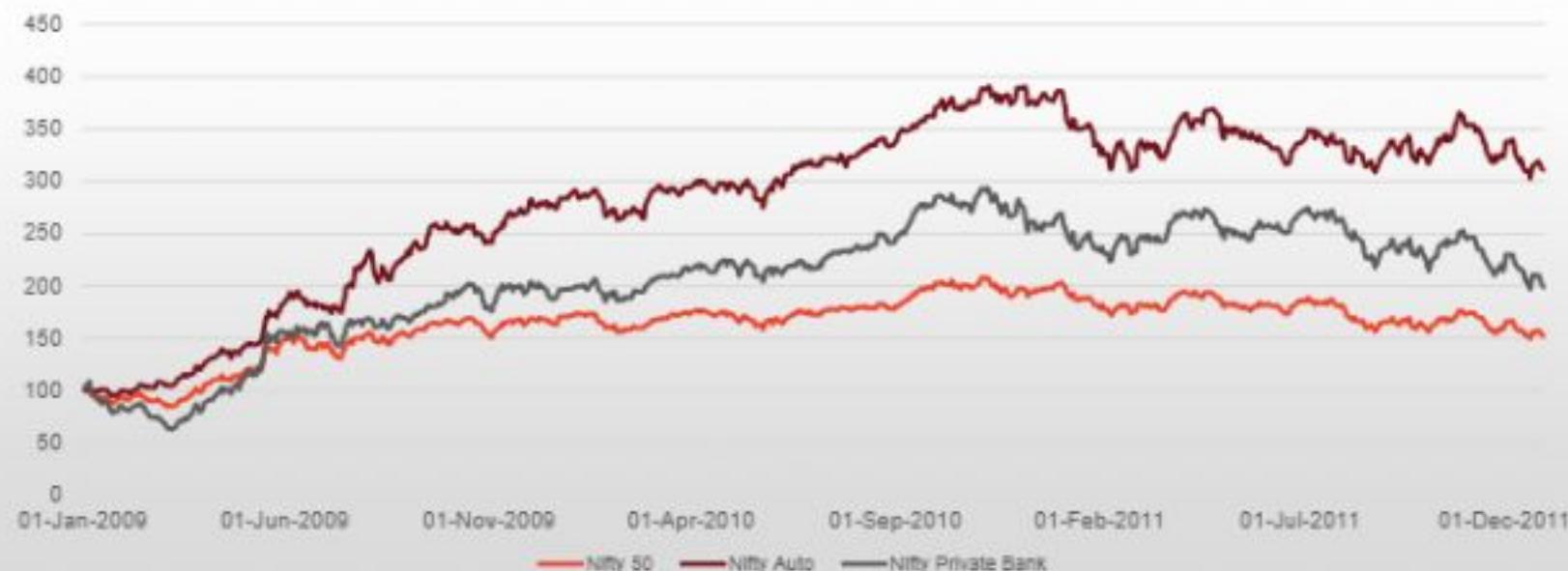
- Pent-up demand post-crisis
- Lower interest rates improved affordability for cars and two-wheelers

Private Banks

- Strong balance sheets and prudent lending
- Gained market share from stressed public sector banks as credit demand returned

Global liquidity restarted the engine – India's domestic demand delivered the acceleration.

The Great Recession & Global Recovery (2009–2011)



3 From "Fragile Five" to "Quality" Pivot (2013–2014)



Global Cycle: Recovery

- Advanced economies (US, Japan, Germany) moved into a self-sustaining mid-cycle expansion
- Emerging Markets faced a structural slowdown after a decade of liquidity-driven growth



Trigger: Taper Tantrum (May 2013)

- The US Fed signaled a potential reduction in Quantitative Easing
- Capital flows reversed sharply from Emerging Markets
- Investors recognized that EM growth had been structurally dependent on easy liquidity, not a typical cyclical upswing



India Cycle: Late Expansion → Trough

- India was classified among the "Fragile Five"
- High Current Account Deficit (CAD) and elevated inflation
- The Taper Tantrum led to a sharp Rupee depreciation

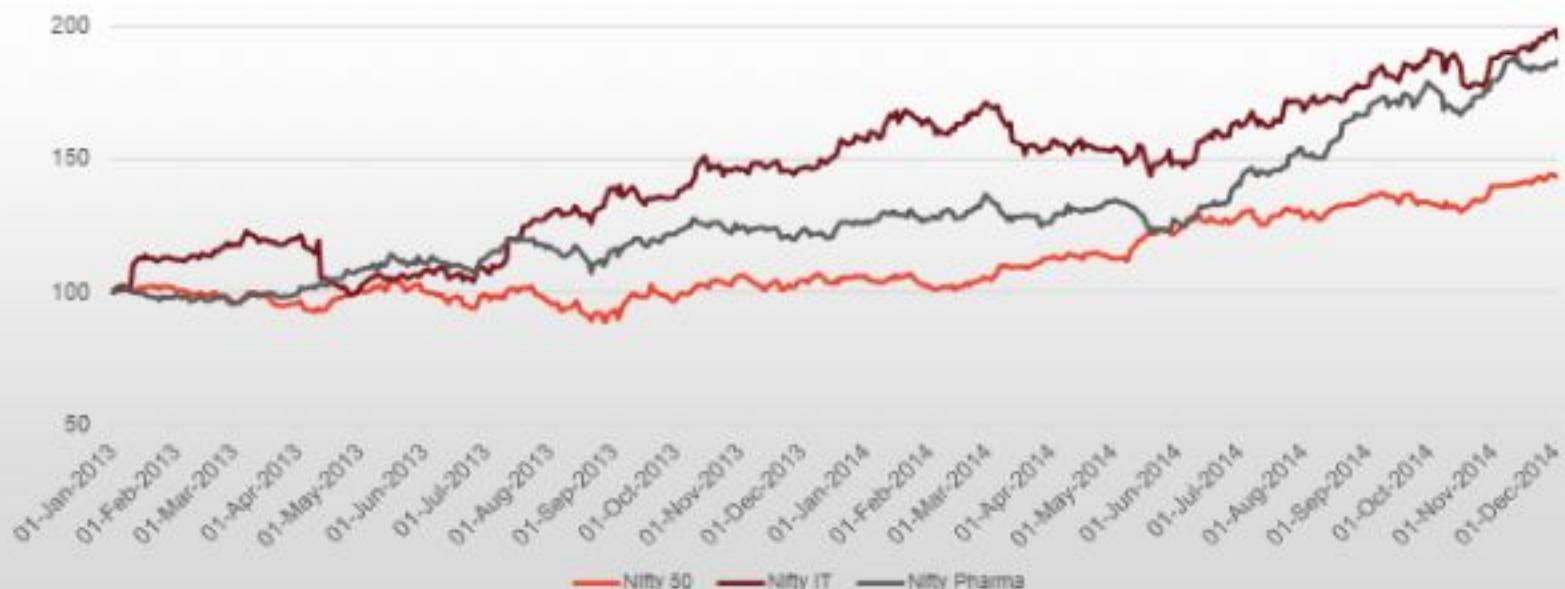
What worked

Currency hedge: Rupee depreciation ($\sim 55 \rightarrow 68/\text{USD}$) led to automatic margin expansion for export-oriented sectors

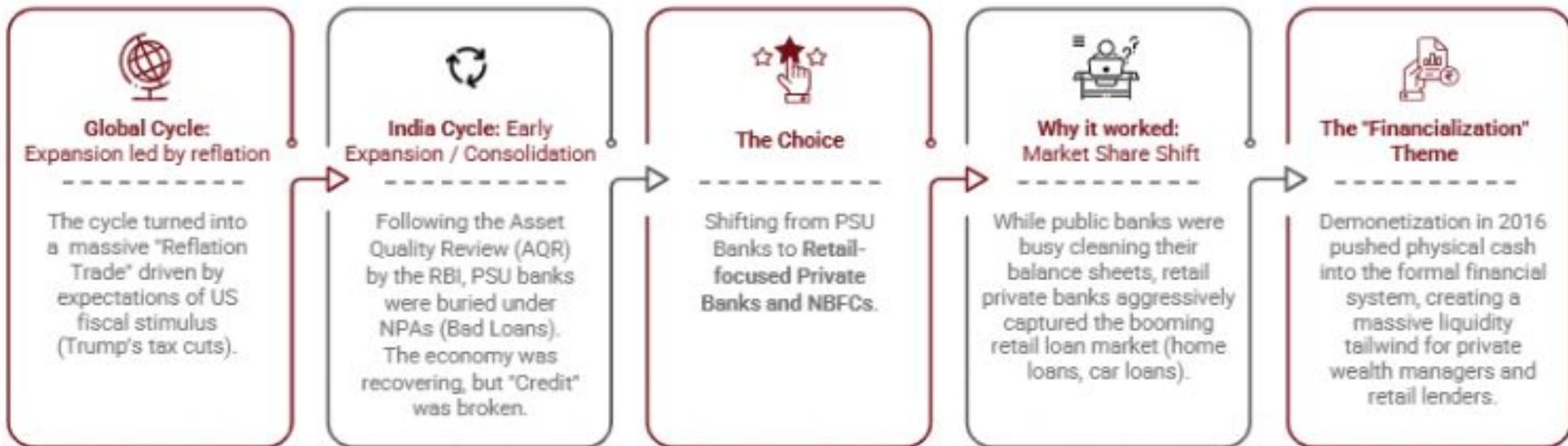
Flight to safety: Investors moved away from the domestic "India growth story" (Banks/Infra) toward companies with global earnings visibility (e.g., IT and Pharma), which were relatively insulated from domestic stagflation

When liquidity reverses, balance sheets, currencies, earnings and geography drive outcomes.

The "Fragile Five" to "Quality" Pivot (2013–2014)



4 The 'Deleveraging' Rotation (2016-2018)



The 'Deleveraging' Rotation (2016-2018)



5 The Pandemic & the Digital Leap (2020–2021)

The Pandemic & The Digital Leap



Global Cycle: Crisis to Hyper-Expansion

A sudden, deep recession followed by unprecedented global stimulus. Interest rates hit 0% globally.



India Cycle: Contraction to Digital Boom

India saw its first GDP contraction in decades, but the "forced digitalization" accelerated 10 years of progress into 2 years.

What Worked



Pharma:

A global healthcare emergency made this the most defensive and profitable bet.



IT Services:

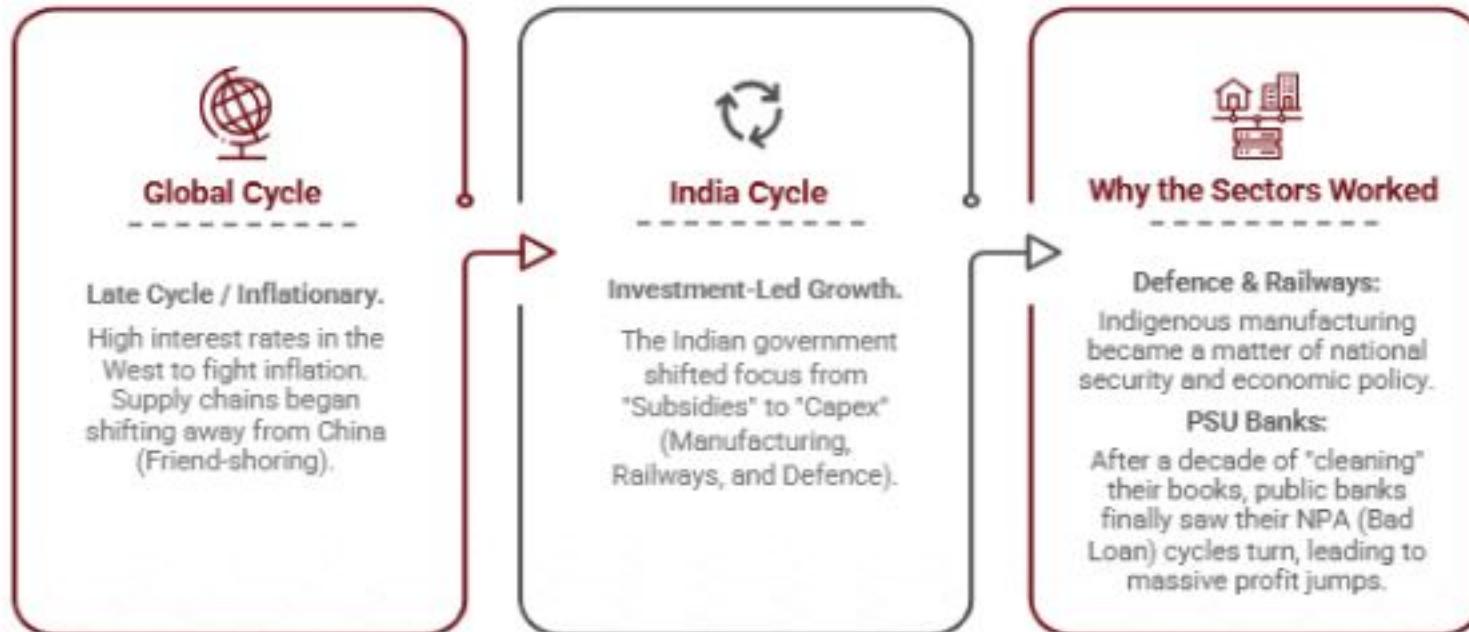
Global companies rushed to the cloud, creating a "Cloud Migration" cycle that benefited Indian tech giants.

The Pandemic & the Digital Leap (2020–2021)



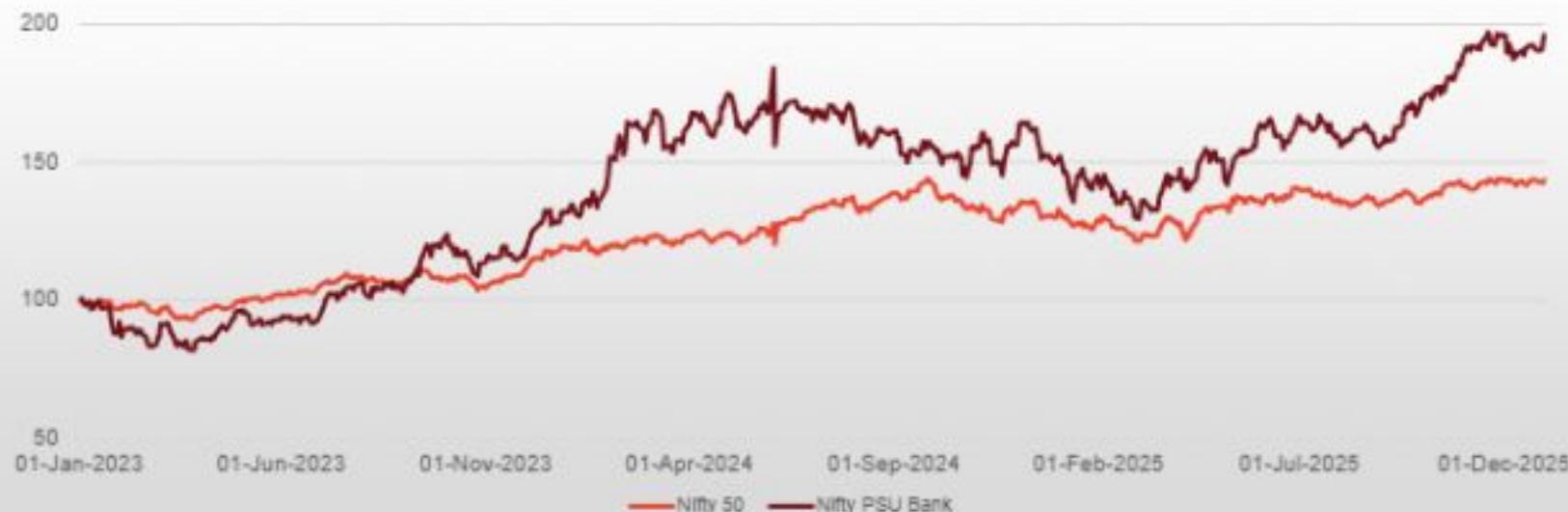
6

The 'New Normal' & Deglobalization (2023-2025)



There are examples of super-cycles in business which are very elongated and referred to as "Structural".
These opportunities are a great way to play a long duration theme.

The 'New Normal' & Deglobalization (2023-2025)



PHASE 1



The Brainstorm

The investment team meets to identify or distinguish between genuine investible themes and false positives.

PHASE 2



Theme Approval & Sizing

Before picking stocks, the team must approve the theme itself. This prevents the team from falling into "hot stock" traps.

PHASE 3



Bottom-Up Stock Selection

There is a brainstorm within the team. The fund manager takes the final call and executes.

PHASE 4



The Periodic Review

The goal is to ensure theme hasn't become a fad and the original thesis still persists.

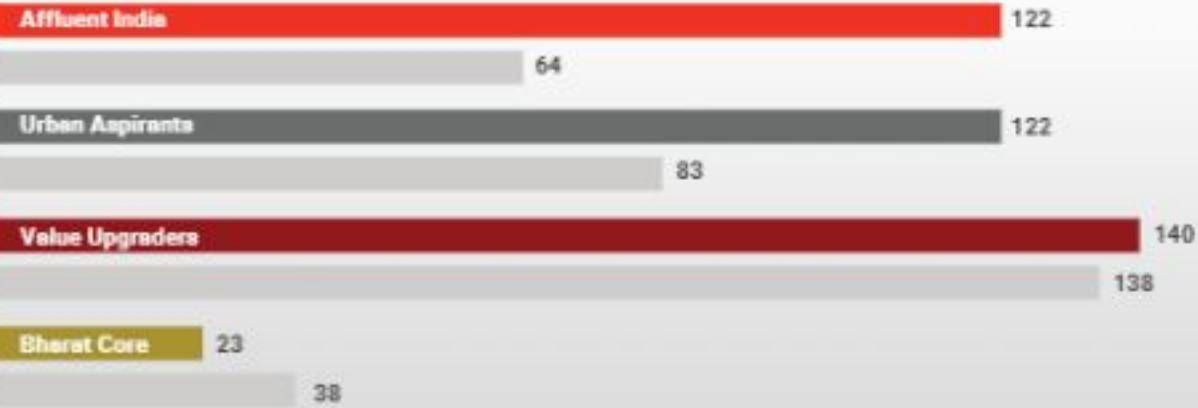
This is not a
Value/Contra/Quant Fund

It is a blend of Top Down
and Bottom - Up approach

We use Qualitative and Quantitative
parameter for all analysis

- Combination of consumers increasingly opting for higher-end products, and corporate push for higher margins, has driven the trend.
- 4 reasons: income lift, digital rails, formalisation, and untapped consumption.
- Share of SUVs in passenger vehicle sales has risen from 14% in FY12 to 65% in FY25 gaining share from small car sales. Watch segment, luxury watches are rising at 18% CAGR over FY17-25 vs entry to mid-priced watches sales growing 10% CAGR.

India's Rising Consumption
 – Moving Up the consumption Ladder



2024 | 323 Households

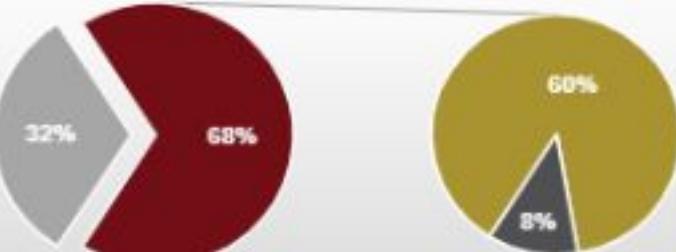
2034 (P) | 407 Households

Sectors in Focus - Large Hospital Chains

A Long-Duration Growth Opportunity

- Private hospitals account for ~68% of India's healthcare delivery; however, large hospital chains represent only ~8% of the segment, with the remainder fragmented across small and mid-sized hospitals.
- With sustained reinvestment of operating cash flows into bed expansion and ability to handle complex procedures, these chains are well positioned to capture a disproportionate share of the expanding healthcare delivery market

Govt, Private hospitals in overall healthcare delivery %



• Govt hospitals • Private - Large Chains • Private - Small/Medium Chains

Total Operating Beds in Large hospital Chains



- Household savings are permanently shifting into the equity market. In 2026, monthly SIP inflows are the "shock absorber" for the entire market.
- Even as foreign investors (FIIs) fluctuate, domestic retail investors now own more of the Indian market
- The Theme:** The "Toll-Gate" businesses—companies that profit from the volume of stock market activity, not just the level of the index.

SIP Contribution (Rs. Cr)



- India is currently facing a structural power deficit driven by the 4 Ds: Data Centers, Digitalization, De-carbonization, and Demographics.
- The rise of **AI Data Centers** (which consume 10x the power of traditional servers) and the **PM Surya Ghar: Muft Bijli Yojana** (aiming for 1 crore solar rooftops) has created a structural "demand surge"
- Sub-Themes: Grid Modernization and BESS (Battery Storage)**

Power sector Revenue (Rs crs)



Source : Ace Equity

The above graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

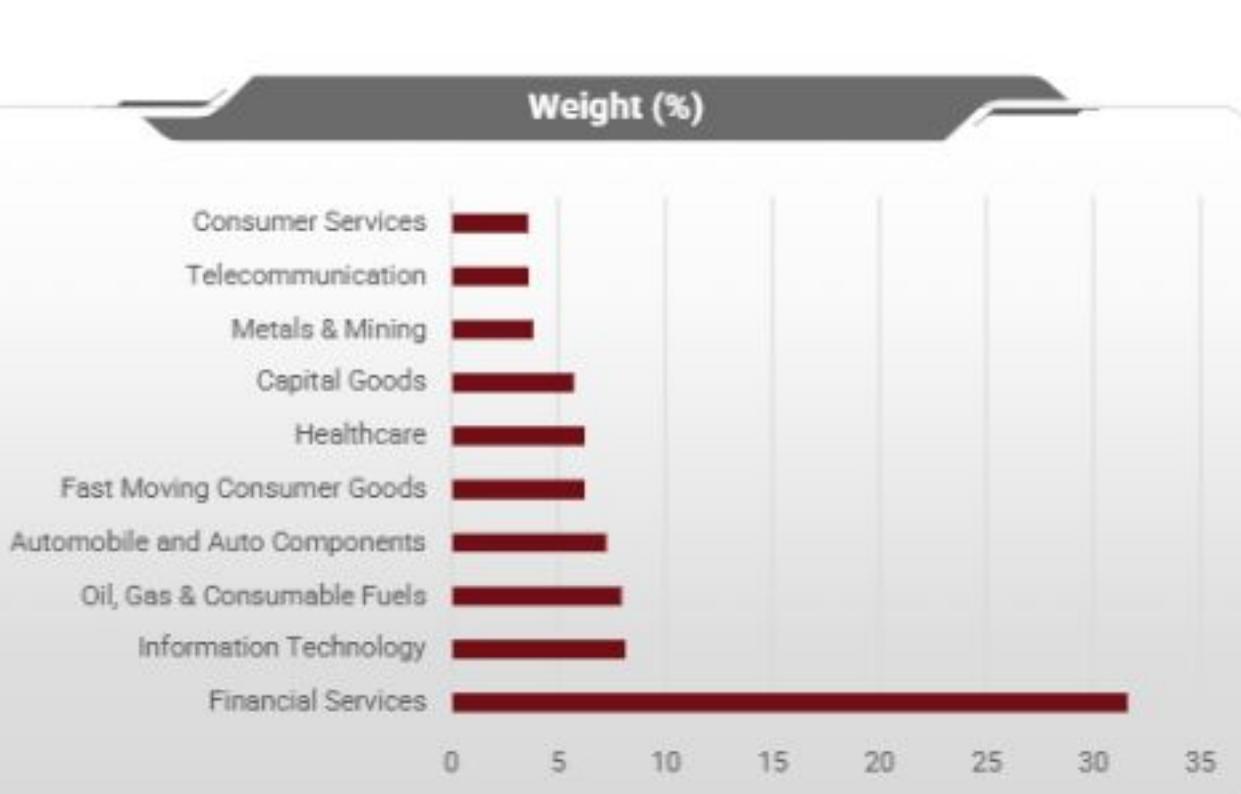
In a **\$4**
trillion
economy

moving
toward

\$10
trillion

we aren't looking for 'cheap' cycles; we are looking for 'unstoppable' themes. In India, a good company at a fair price today is almost always better than a 'perfect' entry that never happens because we were waiting for a cycle to turn.

Nifty 500 Sector Break-up

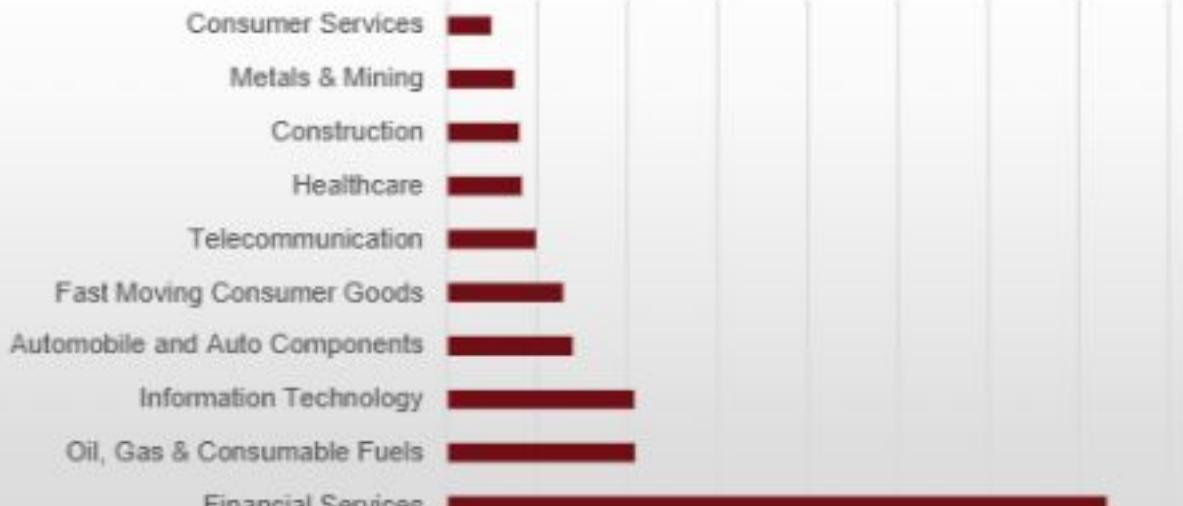


Source : NSE India

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Nifty 50 Sector Break-up

Weight (%)



Sector	Weight (%)
Financial Services	36.56
Oil, Gas & Consumable Fuels	10.44
Information Technology	10.41
Automobile and Auto Components	6.98
Fast Moving Consumer Goods	6.44
Telecommunication	4.92
Healthcare	4.15
Construction	4.02
Metals & Mining	3.73
Consumer Services	2.47
Consumer Durables	2.45
Consumer Durables	2.32
Construction Materials	2.08
Services	1.81
Capital Goods	1.2

Source : NSE India

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Mr. Nilay Dalal
Fund Manager - Equity

Mr. Nilay has professional experience of more than 15 years, and his primary responsibilities include Investment Analysis & Fund Management.

He focuses on Research in the Banking Financial Services sector.

Mr. Nilay holds a degree in B.E (Computer) from D.J Sanghvi College of Engineering & master's in management studies in KJ Somaiya Institute of Management Studies & Research.

His previous assignment was as Assistant Vice President in Axis Asset Management Company. He has earlier worked with SBI Life Insurance Company Ltd & MAQ Software Pvt Ltd.



Mr. Alok Ranjan
Co - Head Equity and
Senior Fund Manager

Mr. Alok Ranjan brings over 25 years of extensive experience in fund management, portfolio management, and equity research. Before joining ITI AMC, he was associated as CEO of ITI Alternate Funds Management Ltd. from January to October 2024. Prior to that, he was a Senior Fund Manager at ITI Asset Management Company from September to December 2023, responsible for management of selected ITI schemes.

Mr. Ranjan has also held the position of Chief Investment Officer - Equity at IDBI Asset Management Company Limited from August 2021 to September 2023, where he was responsible for fund management activities. Prior to that, he was a Senior Fund Manager at Shriram Asset Management Company Limited from July 2020 to January 2021. Mr. Ranjan holds a B.Sc. (Hons.) in Physics and an MBA in Finance.

Fund Details

Name of Scheme	ITI Business Cycle Fund
Type of Scheme	An open ended equity scheme investing in sector based on its business cycle.
Investment Objective	<p>The Investment objective of the Scheme is to generate long-term capital appreciation by investing predominantly in equity and equity related securities through dynamic allocation between various sectors and stocks at different stages of business cycles in the economy.</p> <p>However, there can be no assurance that the investment objective of the scheme would be achieved.</p>
Plan & Options	<p>Plans - Regular Plan & Direct Plan</p> <p>Options under each plan - Growth & Income Distribution Cum Withdrawal (IDCW)</p>
Minimum Application Amount	<p>Lumpsum - Rs. 5000 and in multiples of Rs. 1/- thereafter</p> <p>Systematic Investment Plan- Rs. 500/- and in multiples of Rs. 1/- thereafter</p>
Face Value	Offer for Units of Rs. 10 each for cash during the New Fund Offer and Continuous offer for Units at NAV based prices
During NFO & on continuous basis	<p>Minimum Application Amount/switch in - Rs. 5000 and in multiples of Rs. 1/- thereafter</p> <p>Additional purchase amount - Rs. 1000. and in multiples of Rs. 1/- thereafter</p>
Exit Load	<p>0.50% - if redeemed or switched out on or before completion of 3 months from the date of allotment of units</p> <p>Nil - if redeemed or switched out after completion of 3 months from the date of allotment of units</p>
Fund Manager	Mr. Nilay Dalal, Mr. Alok Ranjan
Benchmark Index	Nifty 500 TRI

ITI Business Cycle Fund

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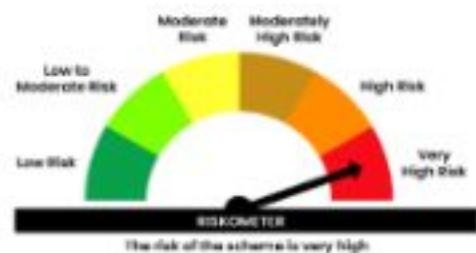
Product Labelling

This product is suitable for investors who are seeking*:

- Capital appreciation over long term
- Investment in equity and equity related instruments with a focus on navigating business cycles through dynamic allocation between various sectors and stocks at different stages of business cycles in the economy.

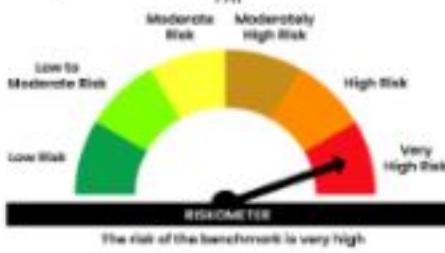
*Investors should consult their financial advisors if in doubt about whether the product is suitable for them.

Scheme Risk-o-meter



Benchmark Risk-o-meter

As per AMFI, Tier I Benchmark is NIFTY 500 TRI



The above product labelling assigned during the New Fund Offer (NFO) is based on internal assessment of the scheme characteristics of model portfolio and the same may vary post NFO when the actual investments are made.

For more information, kindly refer to the link below:

www.itiamc.com

Toll Free Number 1800 266 9603 | Email mfassist@itiorg.com

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**Mutual Fund investments are subject to market risks,
read all scheme related documents carefully.**

