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SINCE : 1966

AMFI-Registered Mutual Fund Distributor (ARN-1435)
ARN Valid: 15-Feb-2025 to 15-Feb-2028

MONTHLY DIGEST

SEPTEMBER - 2026

SECURITY INVESTMENTS LIMITED

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> What's comfortable is not
> the right way to invest.
> You must own things that
> you're uncomfortable with.
> Otherwise, you're not really diversified.
>
> \- **Peter Bernstein**

Global Markets

Globally, the developed markets like FTSE (UK), DAX (Germany) and CAC (France) fell in August. However, the US equity market put on a strong show in August, with the Dow Jones rising by 1.2% and the S&P 500 rising 2.6%. US tech stocks, which saw a bloodbath in July, bounced back strongly with the NASDAQ posting a 4.2% gain in August. Among other developed markets, FTSE (UK), DAX (Germany) and CAC (France) fell in August. However, Nikkei (Japan) ended August in the green. The Chinese market outperformed, with the Shanghai Composite rising 4.2% in July. India underperformed in the Emerging Market basket.

Indian Equity Markets

The Indian equity market was volatile in August. Frontline indices, Sensex and Nifty, fell 1.5% and 1.2% respectively in August. Though Nifty closed August at the psychological level of 24,000, it slid below 24,000 as the US and Iran launched strikes and counter-strikes on each other's military facilities. Nifty Next 50 TRI (large-cap stocks ex Nifty) outperformed Nifty. However, mid-cap and small-cap outperformed large-cap stocks. Most industry sectors were in the red in August. Infrastructure, FMCG, Power, Automobiles, and Consumer Durables underperformed versus the broad market. Telecom, metals, pharma/healthcare, IT, and capital goods gave positive returns. Banks and Oil & Gas outperformed the broad market but gave negative returns in August.

FIIs continued to be net buyers for the second consecutive month, making net purchases of Rs 29,631 crores in August. Mutual funds made a net purchase of nearly Rs 35,000 crores. Mutual funds continue to support Indian equities with net purchases of nearly Rs 18,500 crores.

Debt, Forex and Commodity

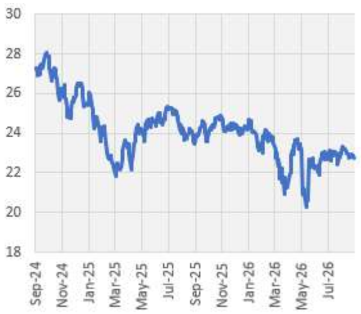
The 10-year G-Sec firmed up by 10 bps, while the 364-Day T-Bill yield firmed by 9 bps. The 91-Day T-Bill yield softened by 35 bps. Rising global bond yields may push up yield further, putting pressure on bond prices. Crude oil prices surged by 6% on a month-on-month basis due to geopolitical tensions in the Persian Gulf, due to conflict regarding control of the Strait of Hormuz. Gold prices rose by 9% due to continued central bank buying and economic growth concerns. Silver was also strong in August, rising 8.7% month on month.

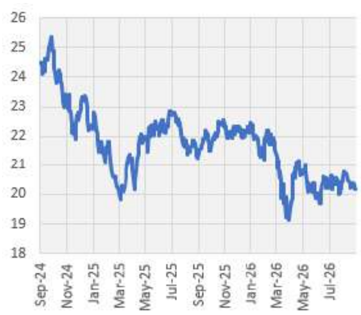
Valuations

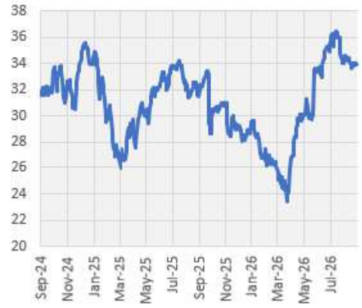
Valuations seem reasonable at the broad market level. Nifty PE ratio is below the long-term historical (13 year) average valuation spanning multiple investment cycles. Nifty 50 earnings growth seems to be catching up with valuations as Q1 earnings growth of Nifty 50 companies beat the Street estimates.

Valuations have also come down across broader market cap segments, especially in large and midcap segments. Investors should continue SIPs in mid and small caps, with a long investment horizon. The overall economic and market environment is uncertain. However, current valuations provide attractive entry points for long term investors.

Mechanical indicators are signaling weak market sentiments. In the first two trading sessions of September, Nifty broke down below the sentimental level of 24,000. Though the market may get support from domestic investors at lower levels, we can see profit booking at higher levels.







Source: NSE. Advisorkhoj Research. As on 31st August 2026. PE ratios are based Trailing Twelve Months (TTM) Earnings Per Share (EPS).

India's Q1 FY 27 GDP rose 7.8% on YOY basis showing robust economic growth despite challenging global environment. The July WPI inflation came down a shade to 9.78%, but industrial growth slowed down. In the near term, geo-political uncertainties, weakening INR and Balance of Payments are risk factors for equity markets.

In the long-term, India Growth story is intact despite short term underperformance. India's consumption oriented economic, rising per capita and favourable demographics make India's economic even in dynamic geo-political climate. In the long term Indian companies are likely to benefit from the structural reforms made by the Government e.g. Atmanirbhar Bharat, Make in India, Digital India, Atal Innovation Mission, Defence sector reforms, labour law reforms etc. Investors should continue to invest through SIP and have long investment horizon.

Bite Sized Trivia

Q1 GDP growth headlines

- India's GDP grew by 7.8% in Q1 FY 27 beating RBI's forecast of 7% growth.
- Capex growth was 12%
- Exports growth was 12%

Sector wise contribution to GDP growth:-

- Financial services growth was 12%
- Manufacturing grew by 9.2%
- Construction grew by 8%

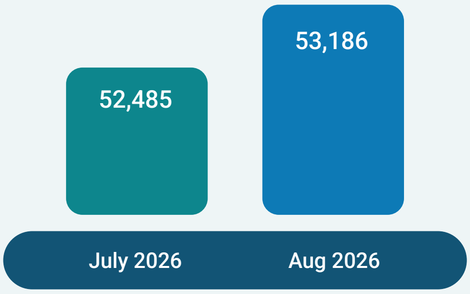
Last 3 month sector

- Realty 17%
- Pharma 10%
- Transportation and logistics 8%
- Defence 8%
- Financial services ex-bank 7%

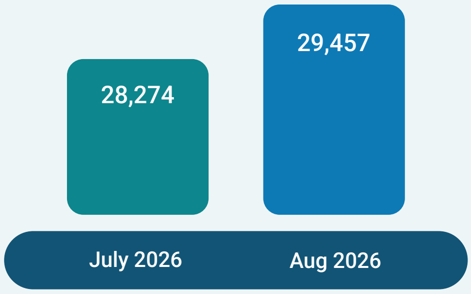
Market Roundup - *Global Markets*

US market was strong in August, as other developed markets (UK, France, Germany etc) faltered amidst rising concerns about crude oil prices. Chinese market also outperformed. Global risk sentiments are showing signs of nervousness.

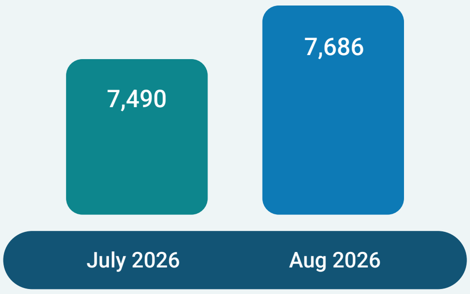
Dow Jones : **1.34% MOM** ↑



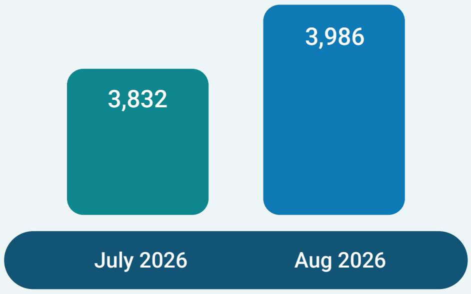
Nasdaq : **4.2% MOM** ↑



S&P 500 : **2.62% MOM** ↑



Shanghai Composite : **4.02% MOM** ↑

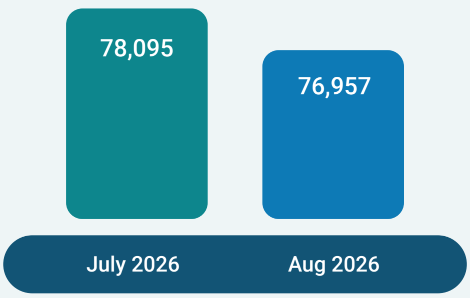


*Index values are closing prices on the last trading sessions of the respective months

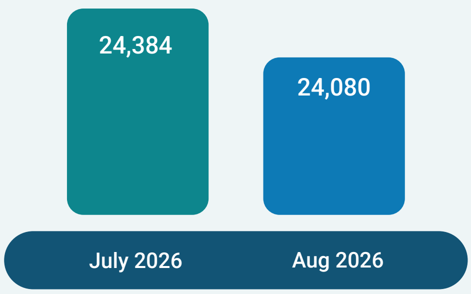
Market Roundup - *Indian Equity Market*

Indian market was volatile in August due to risk factors like geo-political uncertainties, rising global bond yields, weakening INR and Balance of Payments concerns. Market may continue to remain volatile till these risk factors persist.

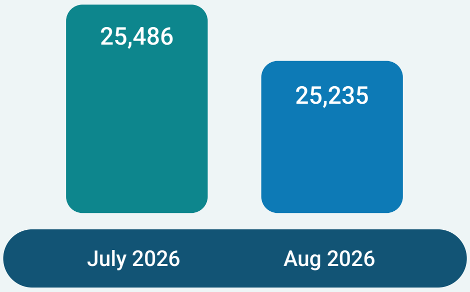
Sensex : **- 1.5% MOM** ↓



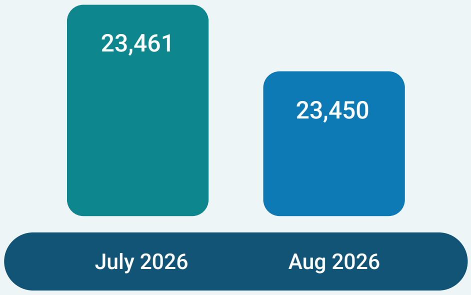
Nifty : **-1.2% MOM** ↓



Nifty 100 (Large Cap) : **-0.98% MOM**



Nifty 500 (Broad Market) : **-0.05% MOM**

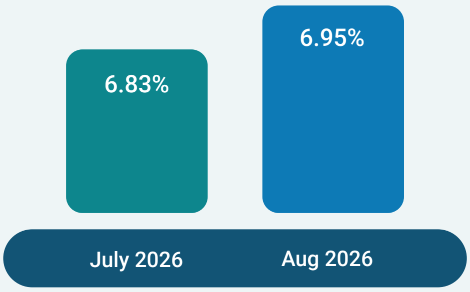


*Index values are closing prices on the last trading sessions of the respective months

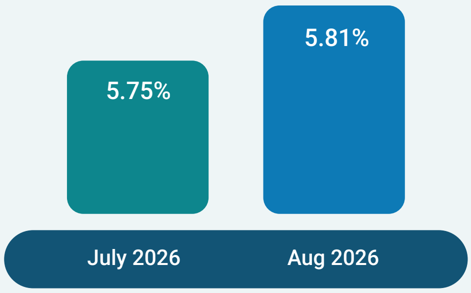
Market Roundup - *Debt and Forex Market*

Global bond yields surged as continuing geopolitical tension in the Middle East stoked inflation concerns. UK and Japanese yields rose to multi-decade highs. The US Treasury Bond yields rose 12 bps to a 3-year high of 4.8%. The 10-year G-Sec firmed up by 10 bps, while the 364 Day T-Bill yield firmed by 9 bps. The 91 Day T-Bill yield softened by 35 bps

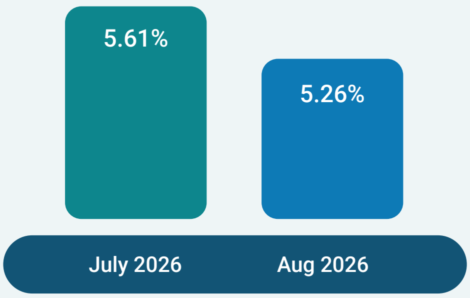
10 year G-Sec Yield* (%) : **12.0 bps MOM**



364 Day T-Bill Yield* (%) : **6.0 bps MOM**



91 Day T-Bill Yield* (%) : **-35.0 bps MOM**



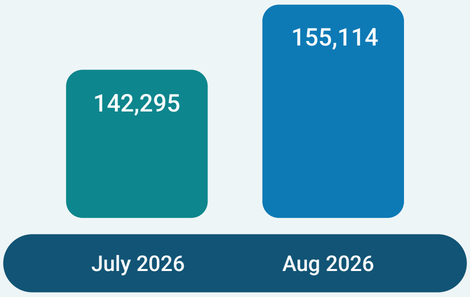
USD to INR : **-0.2 bps MOM**

*Yields as on the last auction days of the respective months. Source: RBI

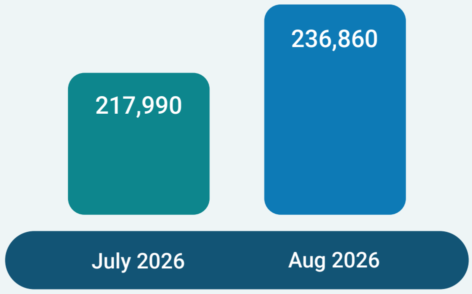
Market Roundup - *Commodities Market*

Precious metals prices surged in August with gold rising 9%. Silver was also strong in August rising 8.7% month on month. Strong jobs data from the US may put brakes on gold and silver rally.

Gold (INR per 10 grams) : **9.01% MOM** ↑



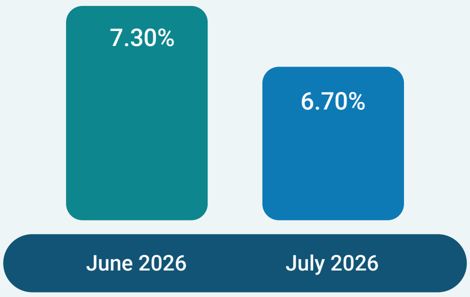
Silver (INR per kg) : **8.7% MOM** ↑



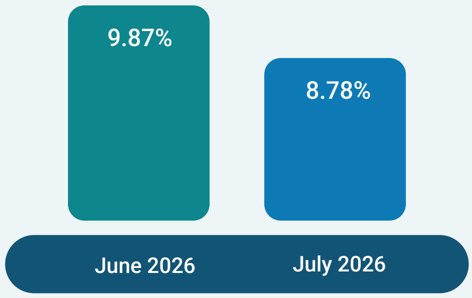
*Commodity prices are based MCX closing spot prices on the last trading sessions

Economic Indicators

Index of Industrial Production* : **-0.3** ↓



Wholesale Price Index* : **-0.09** ↓



*Based on latest Government published data.

Knowledge Bite: Introduction to REITs and InvITs: Structure, Performance, and Taxation

Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) have emerged as mainstream investment vehicles in recent times, offering retail and institutional investors exposure to income-generating real estate and infrastructure assets with liquidity, transparency, and regulatory oversight. Launched under SEBI regulations in 2014, these trusts have matured significantly by 2025–26, with a combined market capitalisation exceeding Rs 1.6 lakh crore for REITs alone and over two dozen listed InvITs trading on the NSE. In this article, we will discuss how REITs and InvITs can be part of your investment portfolio.

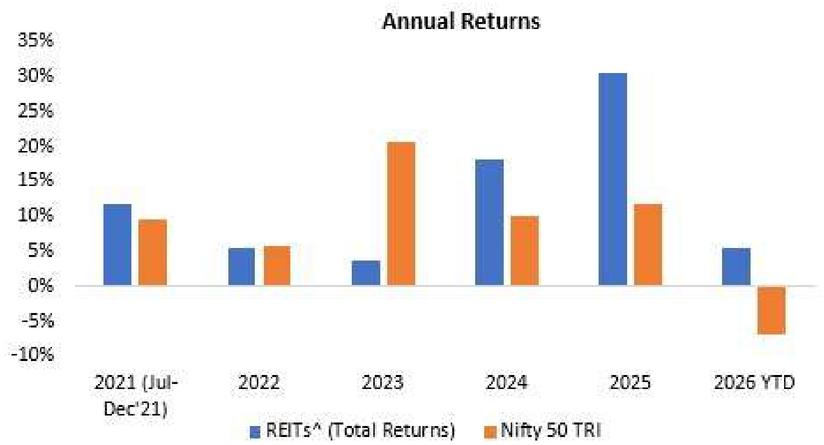
What are REITs and InvITs?

REITs and InvITs are pooled investment vehicles structured as business trusts that collect capital from multiple investors and deploy it into income-producing assets—commercial real estate for REITs and operational infrastructure for InvITs. Unlike direct ownership, which requires large ticket sizes and illiquid holdings, REIT and InvIT units are listed on stock exchanges and can be bought or sold like equities, enabling fractional ownership with demat accounts.

SEBI mandates that both REITs and InvITs distribute at least 90% of their Net Distributable Cash Flows (NDCFs) to unitholders within six months of declaration, ensuring regular income streams. This pass-through distribution model, combined with professional management and trustee oversight, makes them attractive to investors seeking yields / regular income.

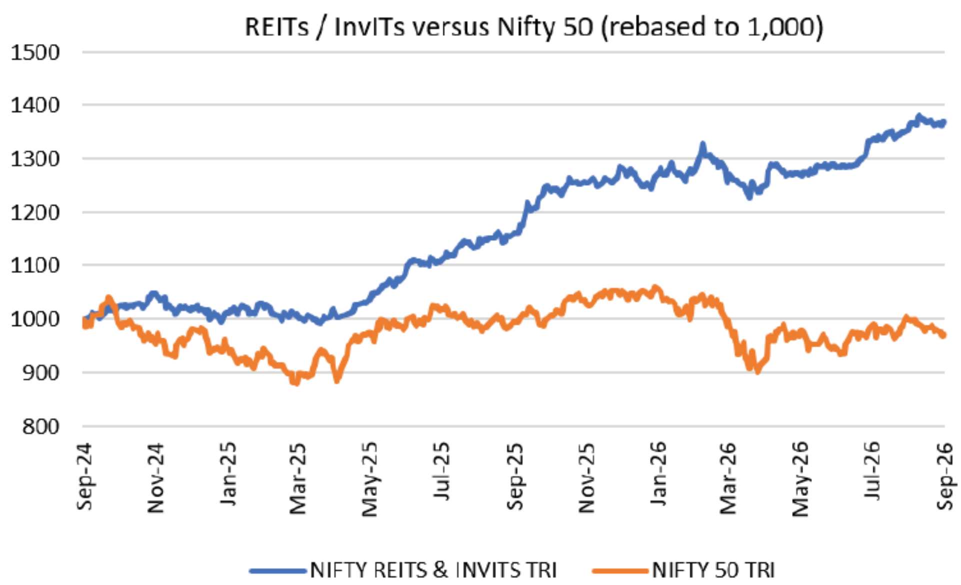
REITs performance

The chart below shows the performance of Realty index compared to the broad market index, Nifty 50 TRI. You can see that REITs can outperform equity in difficult market conditions and provide stability to your portfolio.



Performance in volatile markets

Last 2 years have been very volatile for equity markets. The chart below shows how REITs / InvIT index performed versus the equity market index, Nifty 50 over the last 2 years (both indices rebased to 1,000). You can see that while equity was very volatile, REITs / InvITs gave steady returns.



How to invest in REITs / InvITs?

- You can get exposure to REITs and InvITs through mutual funds. This does not require you to have a demat account. Nifty and BSE have REITs and InvITs indices. Edelweiss MF has recently launched an Edelweiss Nifty REITs & Realty Index Fund in August 2026,

- Real estate and REIT fund of funds invest in Indian and overseas REITs. Below are some examples of REIT FOFs and their performance.

Scheme Name	YTD Return	1 Year Return	3 Year Return
PGIM India Global Select Real Estate Securities FOF	15.18%	17.13%	13.83%
Mahindra Manulife Asia Pacific REITs FOF	3.50%	8.41%	8.54%
Kotak International REIT Overseas Equity Active FOF	0.46%	3.84%	8.20%
Edelweiss Nifty REITs & Realty Index Fund	NFO launched in August		

*Please note that the units of global/ International REITs are available only subject to the limits for the mutual fund industry (currently $7 billion) set down by RBI.

- Multi-asset allocation funds also provide exposure to REITs and InvITs. These are hybrid mutual fund schemes which invest in a minimum 3 asset classes (e.g. equity, debt, commodities, REITs, InvITs, international, etc) with a minimum 10% investment in each asset class. Several multi-asset allocation funds have investments in REITs and InvITs.

- AIF: Investors can also get exposure to REITs and InvITs through Category II AIFs. AIFs provide debt financing for real estate projects. They can participate in the equity of developers or projects and get a share of the profits when the property is sold. They also invest in REITs to provide liquidity and dividend yield to the investors. Below are some of the AIFs that can provide you with exposure to REITs and InvITs. Consult with your AIF distributor if you want to understand which AIFs may be suitable for your investment needs.

AMC/Manager	AIF Scheme name	Investment style	Classification
WhiteOak Capital	WhiteOak Capital REIT & InvIT Alternates Fund I	REIT/InvIT units+ can invest in debt instruments relating to trusts	Mixed, Predominantly unit based
360 ONE	360 ONE Real Assets Advantage Fund	Equity ownership in real assets + REIT/InvIT exposure + NCD/debt investments	Mixed, equity/real Asset heavy

- If you have demat and trading accounts, you can purchase units of REITs and InvITs listed on the stock exchange. Unlike traditional residential or commercial real estate investments, which require significant capital outlay, you can invest in REITs with much smaller amounts. The minimum trading lot has now been reduced to just 1 unit for REITs and InvITs. You can also invest in REITs through IPOs. The minimum subscription amount for REITs and InvITs has now been reduced to Rs 10,000 – 15,000 depending on the issuer.

Taxation

Nature of income / gains	REITs / InvITs	Cat II AIFs	REITs FOF
Interest income	As per income tax slab	Pass through	Not Applicable
Rental income	As per income tax slab	Pass through	Not Applicable
Dividend / IDCW	As per income tax slab	Pass through	As per income tax slab
Short term capital gains	20%	As per income tax slab	As per income tax slab
Long term capital gains	12.5% (tax exempt up to Rs 1.25L)	12.50%	12.50%
LTCG Holding Period	12 months	24 months	24 months

Key Differences Between REITs and InvITs

While REITs and InvITs share structural similarities, they differ in asset class, risk profiles, and investor participation.

Feature	REITs	InvITs
Underlying Assets	Income-generating commercial real estate (offices, malls, warehouses, healthcare facilities)	Operational infrastructure (highways, power transmission lines, pipelines, telecom towers, fibre networks)
Revenue Model	Rental income from leases, typically long-term contracts with escalations	Toll collections, transmission charges, or usage-based fees from infrastructure assets
Liquidity	More liquid than InvITs	Less liquid
Predictability of returns	More predictable returns due rental income	Less predictable income
Volatility	Less volatile	More volatile

Market Outlook

The outlook for REITs and InvITs remains positive, supported by structural reforms, index inclusion, and macroeconomic tailwinds:

- **Index Inclusion:** Starting 2025–26, REITs and InvITs are being gradually included in major equity indices, triggering passive fund flows and enhancing liquidity.
- **New Listings:** New listings are likely to broaden the investable universe.
- **Retail Participation:** Currently at ~1%, retail ownership is projected to rise to 3–5% as awareness grows and distribution channels improve.
- **Regulatory Clarity:** SEBI's 2025 amendments have strengthened governance, clarified trustee responsibilities, and expanded the definition of "public" unitholders to include qualified institutional buyers (QIBs) who are related parties, thereby deepening the investor base.
- **Macroeconomic Support:** Robust GDP growth, rising commercial real estate demand, and government capex on infrastructure (roads, power, digital networks) provide a favourable backdrop for asset performance.

Conclusion

REITs and InvITs have matured into credible, liquid, and tax-efficient investment vehicles in India, offering exposure to real estate and infrastructure, backed by professional management and regulatory safeguards. With strong historical returns, favourable regulatory reforms, and improving tax treatment, they are well-positioned to attract a broader investor base in 2025–26 and beyond. For finance professionals and investors alike, understanding their structure, performance dynamics, and taxation is essential to harnessing their potential in a diversified portfolio.

Our References

FD Interest Rates

Company	Investment Period (Months)	Rate of Interest (%) (Per Annum)	Senior Citizen (%) (Per Annum)
Bajaj Finance Limited	12 to 60	7.40	7.75
ICICI Home Finance	12 to 60	7.20	7.55
LIC Housing Finance	12 to 60	7.35	7.60
Mahindra & Mahindra Financial Services Limited	12 to 60	7.45	7.80
PNB Housing Finance Limited	12 to 60	7.25	7.50
Shriram Finance Limited Unnati Deposits	12 to 60	7.50	8.05

DISCLAIMER: Interest Rates are subject to change without any prior intimation. Please confirm the rate of interest before investing.

NFO (New Fund Offer)

Scheme Name	Issue Opens On	Issue Closes On
Kotak Multi Sector Omni FOF	8th September 2026	22nd September 2026
Mirae Asset Bse Information Technology Index Fund	8th September 2026	22nd September 2026

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Services We Offer

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- Insurance Planning
- Tax Planning

Financial Services

- Mutual Fund
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- Life Insurance
- Health Insurance
- RBI Floating Rate Bonds
- Sovereign Gold Bonds
- Capital Gain Bonds
- NFO - Mutual Fund

Miscellaneous Services

- Real Estate
- Home Loan
- National Pension Schemes
- NRI Desk
- Loan Syndication
- Succession Planning
- Share Demat Services
- Transmission of Financial Assets at Market Place

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