Aurinko Alpha Advantage Fund
Monthly Update

June 2026

Dear Investors,

We take this opportunity to thank you for your continued support & investment in Aurinko Alpha Advantage Fund. Thank you for entrusting us with your hard-earned savings and allowing us the privilege to be part of your financial growth journey. This is our monthly newsletter, and we hope it will provide you with insights on our philosophy and market outlook in these dynamic times.

June was a volatile month and started on the weaker side, until the announcement of the signing of the Memorandum of Understanding between Iran and the USA. Post that, the markets performed well with the Nifty gaining 1.35% while the mid cap index was almost flattish for the month closing with gains of 0.12%. The small cap index rose the highest at 3.99% with risk sentiment returning along. Our portfolio returned around 2.25% for the month due to some profit booking in the metals space. Global markets continued to outperform the Indian markets with the S&P500 gaining approx. 10% in June, while the AI plays such as South Korea, Japan, Taiwan etc. continued to be strong and volatile. The Rupee remained volatile but ultimately was flat around 95 levels for the month. As expected, crude was volatile but corrected sharply post the announcement of the MoU & ended below the levels when the conflict first started. Precious metal fell sharply on the back of expected inflation and a Fed rate hike cycle.

Geopolitics

June was dominated by first the anticipation of a temporary deal for peace in the Middle East and then the back & forth between Iran, USA & Israel. A deal was finally signed, and while it looks fragile owing to the deep mistrust between the actors, we think it will hold with both sides unwilling to meaningfully escalate further. The conflict in Ukraine continued with no sign of a permanent ceasefire yet. The Fed under new Chair Kevin Warsh struck a more hawkish tone than expected – this spooked the global bond markets & precious metals with markets now expecting a shallow Fed rate hike cycle in H2 2026. Global markets continued to perform on the back of continued euphoria in semiconductor, memory & AI related opportunities. This was highlighted by the response to the mega SpaceX IPO. Concerns are however starting to build around the profit potential of the huge capex announced by the companies, but this is not yet reflecting in asset prices. Any sustained weakness may help India recover some of the underperformance as India has now been considered as a sort of an anti-AI trade.

Coming Back to India

The month began with the RBI policy meet with the RBI holding rates, while adjusting inflation expectations meaningfully to the upside – mostly because of Iran War. The RBI and government announced reforms on the debt side to boost dollar deposits by FII's and NRI's in India by removing the withholding and other taxes and boosting NRI deposits through the FCNR(B) scheme. Together, it is expected to boost inflows by approximately 50-60 billion dollars into India. This will greatly help in supporting the INR, and indirectly investor sentiment. The GST figures continue to hover around the 2 Lakh crore mark and expected to go up with the stabilization of supply chains. Oil & gas availability is also recovering smartly with the Strait of Hormuz slowly normalizing and arrangement of alternative sources since the war erupted. This should help moderate the inflation expectations and prevent it from getting entrenched and thus impacting demand growth. Credit growth came at a 10-year high at 18% YoY, indicating ample liquidity in the banking system & economy. Further, the monsoons are off to a slow start due to the El-Nino effect from the Pacific and may result in deepening the slowdown in the agriculture & rural economies.

Stock Market Outlook

Overall, it seems that the markets seem to have weathered the storms. A durable revival now hinges on the return of growth on the back of policy reforms & increased liquidity in the economy, increased capex and quick implementation of the FTA's signed recently with the UK & EU. The long pending India US trade framework can be an additional sentiment booster. Any shift towards a normal monsoon in the face of the strong El Nino can further boost growth prospects.

The incessant selling by FII's seems to have slowed as India looks more attractive on the back of reviving growth expectations, currency stability & profit booking elsewhere in the global markets. Financials are starting to look good again on the back of healthy credit growth, while healthcare, infrastructure & engineering continue to look good, but strictly on bottom-up basis. The next few months & upcoming earning season will be extremely crucial. Barring any new external shock, we remain optimistic of return potential of Indian stock markets.

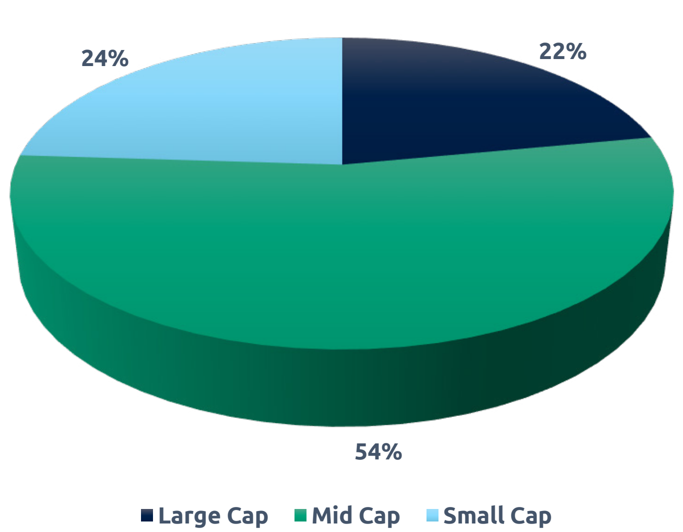
PORTFOLIO HIGHLIGHTS

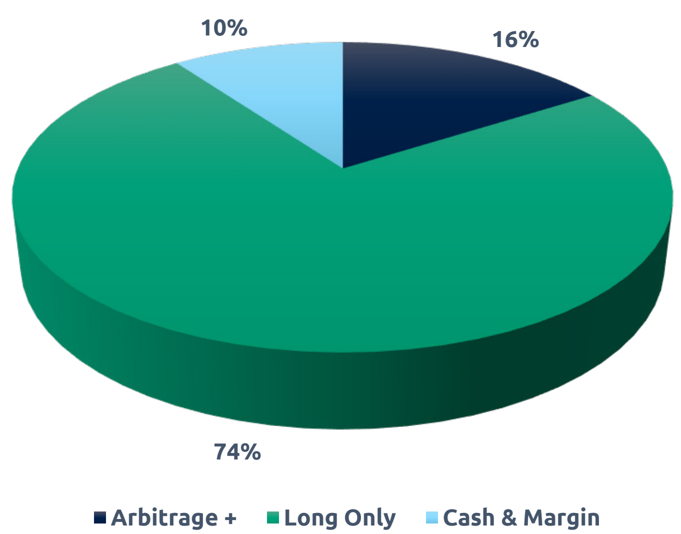
Number of stocks	**43**

Correlation with NIFTY	**72%**

Market Cap Breakup	
Large	**22%**
Mid	**54%**
Small	**24%**

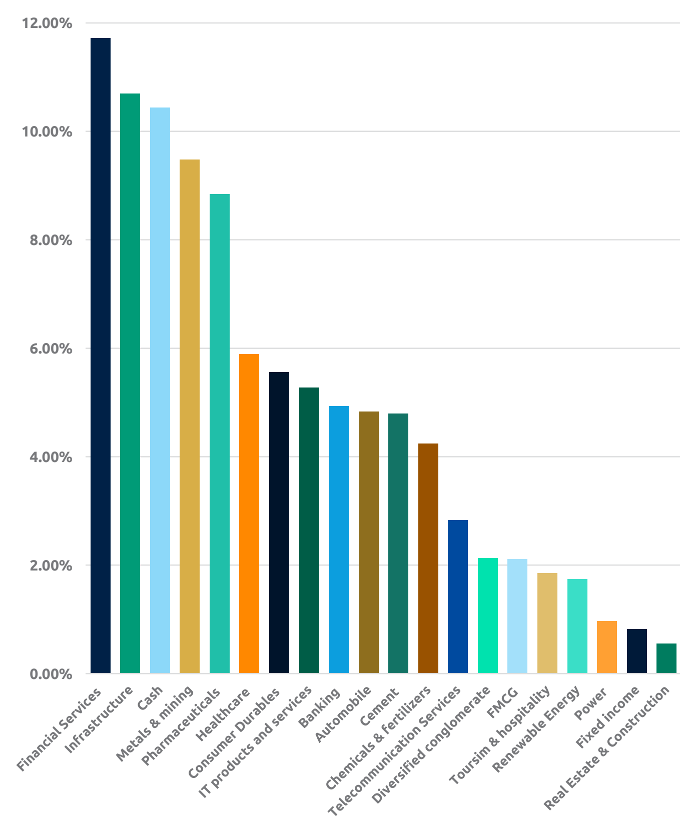
Strategy wise allocation	
Arbitrage +	**16%**
Long Only	**74%**
Cash & Margin	**10%**



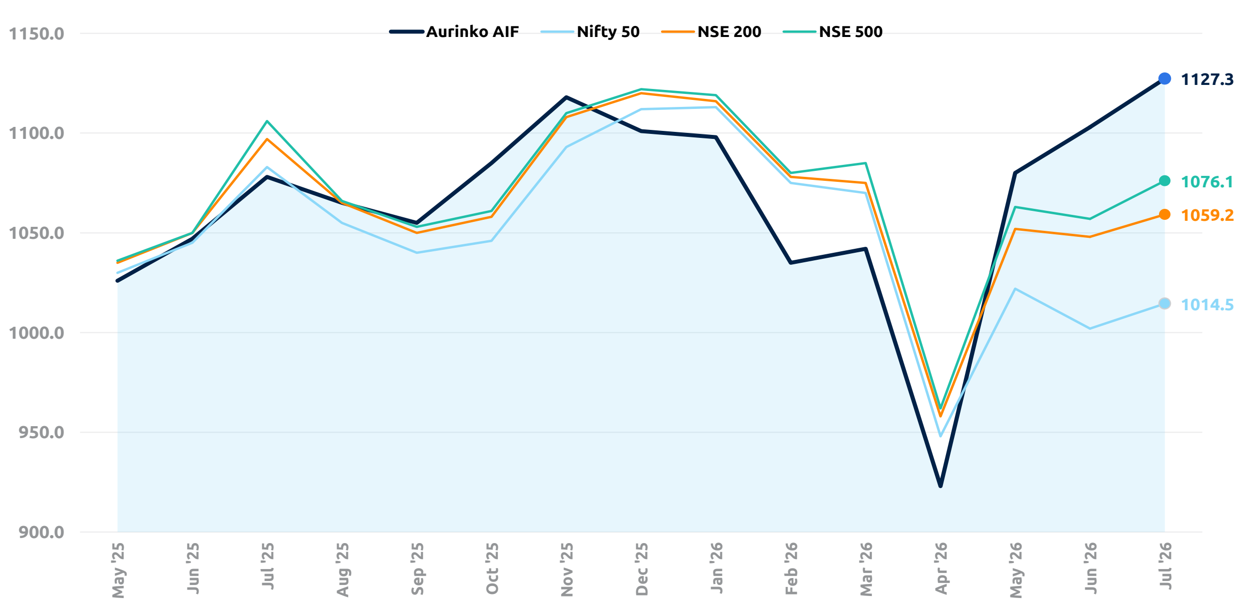


SECTOR CLASSIFICATION (Updated as on June 30, 2026)

Sector	Weightage
Financial Services	11.72%
Infrastructure	10.69%
Cash	10.44%
Metals & mining	9.48%
Pharmaceuticals	8.84%
Healthcare	5.89%
Consumer Durables	5.56%
IT products and services	5.27%
Banking	4.93%
Automobile	4.83%
Cement	4.79%
Chemicals & fertilizers	4.24%
Telecommunication Services	2.83%
Diversified conglomerate	2.13%
FMCG	2.11%
Toursim & hospitality	1.85%
Renewable Energy	1.74%
Power	0.97%
Fixed income	0.82%
Real Estate & Construction	0.55%



FUND PERFORMANCE V/S INDICES* (Updated as on June 30, 2026)



*Fund returns are "post expense, pre tax".

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