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August 2026

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INDEX

Gold Market Review & Outlook

1. Introduction

Gold had its strongest month since January, rising 9.7% in dollars and 9.0% in rupees to close August at US$4,437/oz and ₹1,55,114/10g. The move broke the market out of the range that had held it since the spring, and it came almost entirely from two sources: a softer US dollar and a broad return of the ETF investor across every region, which added 121 tonnes to global holdings and carried them to an all-time high. The month did not end at its best. Gold reached US$4,657/oz on 25 August and then gave back nearly 5% in the final three sessions after the Federal Reserve Chairman used his Jackson Hole address to put inflation, not growth, at the centre of policy. August therefore leaves the market with a clearer picture of the Fed and a less clear one about the next few months.

2. Gold Market Review

Gold began August at the bottom of its range, near US$4,054/oz on 3 August, and rose almost without interruption for three weeks. The first leg came in the opening week, when a weak US payrolls report and cooling geopolitical tension around the Strait of Hormuz sent the metal up 7.7% – the strongest week since March 2020 – and carried it decisively above the US$4,000 floor that had held since late 2025. A soft July inflation reading on 12 August extended the move, and gold reached US$4,657/oz on 25 August, 14.9% above its month low.

The last week reversed part of it. On 28 August the Fed Chairman told the Jackson Hole symposium that inflation remains the Committee's predominant focus; gold fell 3.1% that session, its largest single-day decline of the month, and closed August at US$4,437/oz. Domestic prices followed the same path with a one-day lag: MCX spot peaked at ₹1,61,657/10g on 24 August and finished the month at ₹1,55,114/10g. Realised volatility rose to roughly 28% annualised from 21% in July, still above gold's long-run average of about 17%.

Table 1: Gold price and August performance (month-end basis)

	Level, 31 Aug	August	CY26 to date
Gold, US$/oz (XAU/USD spot)	**4,437.38**	**+9.67%**	**+2.43%**
Gold, ₹/10g (MCX spot)	**1,55,114**	**+9.01%**	**+16.68%**
USD/INR	95.17	-0.23%	+5.79%
DXY dollar index	99.43	-0.49%	+1.12%
Nifty 50	24,080.4	-1.24%	-7.90%

August range: gold US$4,054–4,657/oz; MCX spot ₹1,42,148–1,61,657/10g. CY26 base 1 January 2026. XAU/USD spot is used as the international gold price reference in place of the LBMA Gold Price PM, which is no longer publicly disclosed on a daily basis. CY26 high in XAU/USD spot: US$5,417.21/oz on 28 January 2026. Source: Choice AMC dataset (Bloomberg, MCX, NSE).

3. Key Drivers

3.1 The dollar, not the bond market, did the work

In plain terms: gold is priced in dollars. When the dollar falls, the same ounce costs more dollars, so the gold price rises even if nothing about gold has changed.

July's note observed that gold's main driver had passed from real interest rates to the currency. August confirmed it. The dollar index fell to 98.80 in the third week, its lowest in about three and a half months, before recovering to close the month at 99.43. The relationship tightened as it did so: the daily correlation between gold and the dollar index was -0.66 in August, against -0.51 in July and -0.48 across 2026 as a whole. On the days that mattered, the dollar explained the move.

That the dollar closed the month roughly where it started, while gold rose almost 10%, is itself instructive. The currency set the direction; investor buying supplied the force.

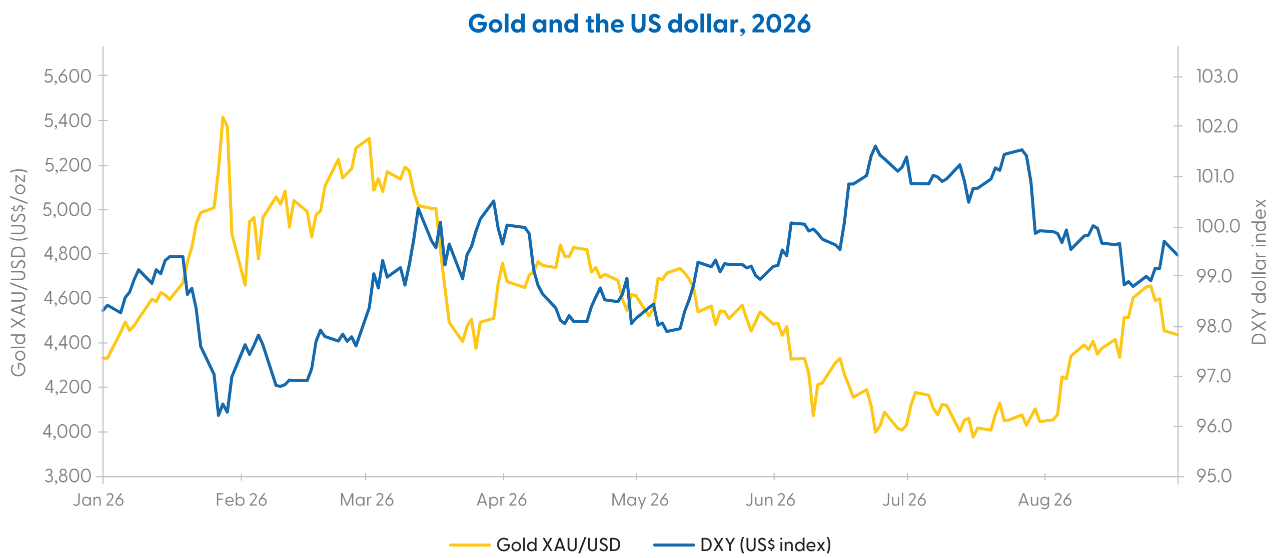


Chart 1: Gold and the US dollar move in opposite directions. Daily XAU/USD spot (left axis) and the DXY dollar index (right axis), 1 January to 31 August 2026. Source: Choice AMC dataset (Bloomberg).

3.2 Inflation cooled, and then the US Fed Chairman spoke

The July US Consumer Price Index, released on 12 August, was the first genuinely reassuring inflation print of the year. Headline prices rose 0.1% on the month and 3.4% over twelve months, down from 3.5%. Core inflation rose 0.2% and 2.5% year-on-year, from 2.6%. Critically, the energy impulse that drove the spring inflation scare went into reverse: the energy index fell 1.5% on the month and petrol fell 2.9%, against the 21.2% surge recorded in March. Shelter, at 0.1%, accounted for about two-thirds of the entire monthly increase.

For a market that had spent the year pricing the risk of Federal Reserve tightening – an unusual configuration, and one worth restating – this mattered. Expectations of a September rate rise receded, and gold rallied.

On 28 August the Chairman reset them. In his Jackson Hole keynote he reaffirmed the 2% PCE objective as a "firm, fixed target", said that the Fed bears responsibility for the extended period of above-target inflation, and declined to offer forward guidance of any kind, arguing that predetermined commitments limit the Committee's flexibility. Market-implied odds of a September increase rose to roughly two-thirds by month-end.

A point of substance for us: July's note flagged the risk that the new leadership might redefine the inflation goalposts and argued that a central bank whose commitment to stable money is doubted is one of the most reliable tailwinds gold can have. August answered that question in the other direction. The target was reaffirmed rather than reinterpreted. That removes a near-term source of support for gold – and is, on any longer view, the better outcome.

3.3 Return of the global ETF investors

The most important development of the month was not the price, but who bought it. Global gold-backed ETFs added 121 tonnes in August, lifting collective holdings to 4,189 tonnes – the highest on record – and assets under management 16% to US$615bn. That single month accounted for roughly three-quarters of the 160 tonnes added across the whole of 2026 to date.

What matters is the breadth of it. Europe recorded its largest monthly inflow on record at US$7.9bn, North America its third-largest at US$7.7bn, and Asia its strongest month since February at US$2.0bn, with smaller inflows elsewhere. This was not one region rotating into gold while another sold. It was a simultaneous bid from every major pool of ETF money, through the most price-sensitive channel in the market. For eighteen months the marginal buyer of gold had been Asian and official; in August the global fund investor joined it.

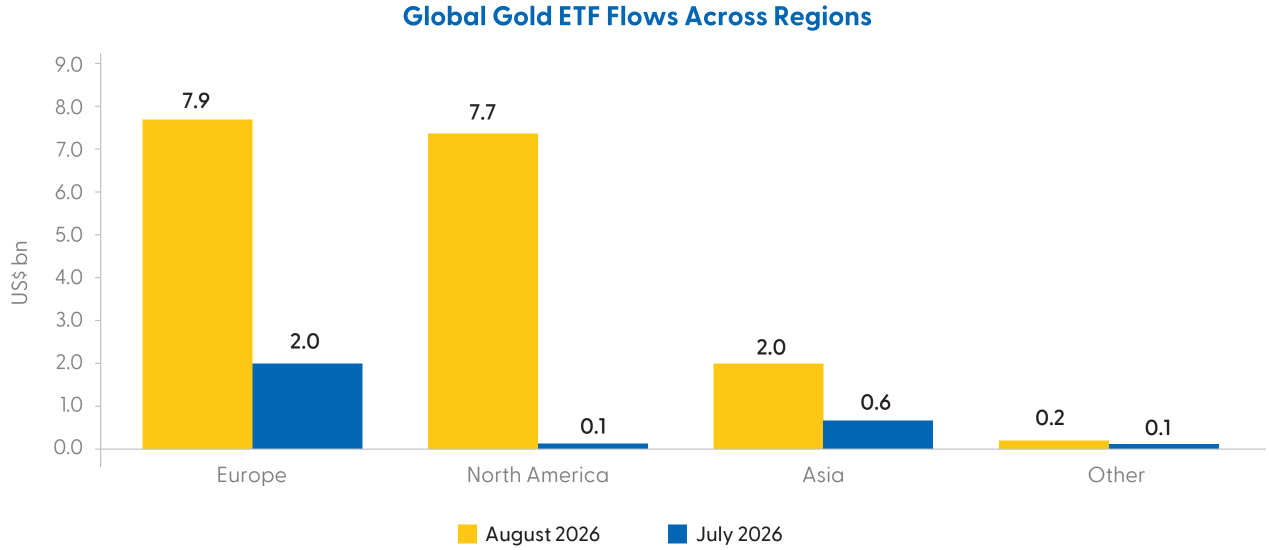


Chart 2: Monthly gold ETF inflows by region, August 2026 against July 2026. Every region added in August; globally, holdings rose 121 tonnes to a record 4,189 tonnes. Source: World Gold Council, gold ETF flows, August 2026..

4. India in Focus – the month the rupee did not help

August was unusual for the Indian investor, and it is worth being precise about why. Gold rose 9.67% in dollars but 9.01% on the MCX. For once the currency gave nothing: the rupee was essentially unchanged at 95.17, a shade firmer than July's close. The domestic return came almost entirely from the metal, and the local price lagged the dollar move by about 0.7 percentage points, and by roughly 0.4 points once the currency is accounted for.

This does not weaken the argument the fund has made all year – it illustrates it. The rupee cushions gold's rupee value when the currency is under pressure. In a month when it was not under pressure, there was nothing to cushion. Over 2026 as a whole the effect remains large: gold is up 2.4% in dollars and 16.7% on the MCX, with the rupee's 5.8% depreciation and May's import duty increase accounting for the difference.

Physical demand told the other side of the story. The domestic discount to import parity, which had narrowed to about US$45/oz by mid-August as old-gold exchange added local supply, blew out to US$71.7/oz by 28 August as the rally advanced – the widest of the quarter, and a clear signal that the consumer stepped back as prices rose.

Table 2: India and China local price premium / discount to import parity (US$/oz)

Month	India avg	India low	India month-end	China avg
Jun-26	(30.5)	(79.6)	(9.0)	7.9
Jul-26	(23.7)	(47.8)	(18.9)	10.4
Aug-26	**(30.9)**	**(71.7)**	**(71.7)**	**4.9**

Figures in parentheses are discounts to import parity. August covers 20 trading days to 28 August 2026. Source: World Gold Council premium/discount dataset; Metals Focus, Asia Quarterly Q2 2026.

Table 3: Indian gold ETF net inflow - August 2026 against August 2025

₹ crore	Aug-25	Aug-26	Change
Net inflow	2,190	2,597	+407
Change, per cent	–	–	**+18.6%**

Source: AMFI.

Table 3a: Cumulative net inflow - January to August 2025 against 2026

₹ crore	Jan–Aug 25	Jan–Aug 26	Change
Cumulative net inflow	11,467	41,475	+30,008
Change, per cent	–	–	**+262%**
Monthly average	1,433	5,184	3.6x
Monthly average, excluding January	1,102	2,491	2.3x

Source: AMFI; Choice AMC calculation.

Table 3b: Gold ETF category assets under management

₹ crore	Aug-25	Dec-25	Aug-26
Month-end AUM	**72,496**	**1,27,896**	**1,91,166**
Change year-on-year	–	–	(+164%)
Change since December 2025	–	–	(+49.5%)

Source: Industry-wide gold ETF category. Source: AMFI; Choice AMC calculation.

The investment channel behaved differently. Indian gold ETFs took in ₹2,597 crore in August, 67% more than July and 19% above August 2025, lifting the category's assets 10% to a record ₹1,91,166 crore. Net inflows of ₹41,475 crore over January to August have already all but matched the ₹42,961 crore gathered across the whole of 2025 – and set against the comparable eight months of last year, ₹11,467 crore, they are more than three times larger.

Read together, the three tables say different things. Against the same month of last year the category grew ~19% , but the slowest positive year-on-year rate of 2026, and a reminder that August's much-quoted 67% jump is a month-on-month recovery from a weak July rather than an acceleration. Against the first eight months of last year the category grew 262%, more than three times over. The gap between those two numbers is the whole story: the year's growth is front-loaded into January, when ₹24,040 crore arrived as gold set its record, and by August the monthly run-rate has converged to only modestly above 2025. The year-on-year path through the year makes the convergence plain – 541% in January, 165% in February, then 65%, 24% and 19% across June to August. Strip the January out and the underlying improvement is real but far more sober: ₹2,491 crore a month against ₹1,102 crore, a little over twice last year rather than three and a half times.

Two things inside that record are worth separating. The first is that the growth in assets is not mainly a price effect. Of the ₹63,270 crore added to category assets since December, roughly ₹41,500 crore is new money and only about ₹21,300 crore is the gold price: two-thirds of the increase is investors buying rather than gold rising. August itself ran the other way. The 9.0% move in the domestic price did about 87% of the month's ₹17,865 crore gain in assets and flows the remaining 15% – a useful corrective to a headline that reads as a record inflow month. On flows, August was solid; on assets, it was a price month.

The second concerns what the flows actually respond to. January's ₹24,040 crore, 58% of the year's total, arrived as gold set its record, and it is tempting to read the category as performance-chasing. Strip January out and the relationship inverts: across February to August the correlation between the monthly net flow and the domestic gold return is -0.46. Money arrived in the weak months and paused in the firm ones. June is the clearest case – gold fell 9.7% and the category still took ₹3,443 crore – while the only outflow of the year, ₹725 crore in May, came in a month when the price rose. Seven observations do not settle the question, but they argue against the simple recency-bias reading, and the run-rate supports it: excluding January, February to August averaged ₹2,491 crore a month against ₹1,102 crore in the same months of 2025.

Set against the global picture, though, India's August was modest. The ₹2,597 crore is roughly US$273mn, about 1.5% of the US$18bn that went into gold ETFs worldwide, while Indian funds hold close to 3.3% of global gold ETF assets. In the month the global investor returned in size, India contributed well under half its weight. The domestic bid is the steadier one; it is not yet the large one.

Gold imports recovered to US$4.16bn in July (roughly 40–45 tons) from US$1.97bn in June, though gold remains only 5% of merchandise imports against an average of 11% in the first quarter.

The divergence is the point: the jewelry buyer waits for a lower price, and the financial buyer does not. India's investment pivot is holding through a rally, and – on the evidence of this year – through the corrections in between.

5. Outlook

Three questions decide the next quarter. Does the Fed actually raise rates in September, now roughly two-thirds priced, and does gold treat a hike as a headwind or as evidence that the inflation problem is real? Does the dollar's softness resume, or was August's low the turn? And does the global ETF bid persist at anything like August's pace, or was one month of 121 tons a catch-up after a thin year? We would watch the third most closely: flows of this size, sustained, are what separate a rebound from a new trend.

Against Indian equities, the arithmetic of this year alone is striking. Gold is up 16.7% on the MCX in 2026 while the Nifty 50 is down 7.9% – a gap of roughly 25 percentage points in eight months. The conclusion is not that gold must fall; it is that a strategic allocation which has run this hard against the domestic equity book deserves to be rebalanced with discipline rather than extended on momentum.

The structural case is unchanged and, in one respect, stronger. Central banks continue to accumulate. The reserve system continues to diversify. Asian demand continues to deepen. And in August the ETF investor rejoined in every region at once, which had been the missing leg all year. For the Indian investor, gold remains a diversifier against equity valuation risk and a hedge against rupee depreciation – a hedge that cost nothing in August precisely because it was not needed.

CIO COMMENTARY

August was gold's strongest month since January, and the reason matters more than the number. A softer dollar set the direction, but it was a broad return of the global ETF investor – 121 tonnes added in a single month, carrying world holdings to a record 4,189 tonnes – that supplied the force. Europe and North America both posted near-record monthly inflows and Asia its strongest month since February. For eighteen months the marginal buyer of gold has been Asian and official; in August every region bought.

The month ended on a firmer Federal Reserve. The Chairman used Jackson Hole to reaffirm the 2% target as fixed and to decline forward guidance altogether, and the market now prices a September increase at roughly two-thirds. That is a near-term headwind for gold, and it also answers, in the better direction, the credibility question we raised last month.

For our investors, August was a reminder of how the rupee cushion works: the currency was steady, so it contributed nothing, and the domestic return came from the metal alone. Across 2026 the effect remains substantial. Gold has now materially outrun Indian equities, and after a run of this size we would treat it as a strategic diversifier to be rebalanced with discipline rather than a position to be chased. We remain constructive over the medium term.

Rochan Pattnayak
Chief Investment Officer,
Choice AMC Private Limited

Data sources: *World Gold Council (Gold Mid-Year Outlook 2026; China gold market update, July 2026; India gold market update, August 2026; Weekly Markets Monitor, 10 August 2026; gold price and premium/discount datasets); US Bureau of Labor Statistics (Consumer Price Index, July 2026); Federal Reserve Board (Chairman's Jackson Hole keynote, 28 August 2026); State Street Global Advisors (Monthly Gold Monitor, August 2026); Metals Focus (Asia Quarterly Q2 2026); Choice AMC internal dataset (XAU/USD, MCX spot, USD/INR, DXY, Nifty 50). XAU/USD spot replaces the LBMA Gold Price PM as the international price reference, the latter no longer being publicly disclosed on a daily basis. This document is for information only and is not investment advice or a price forecast. Mutual fund investments are subject to market risks; read all scheme-related documents carefully.*

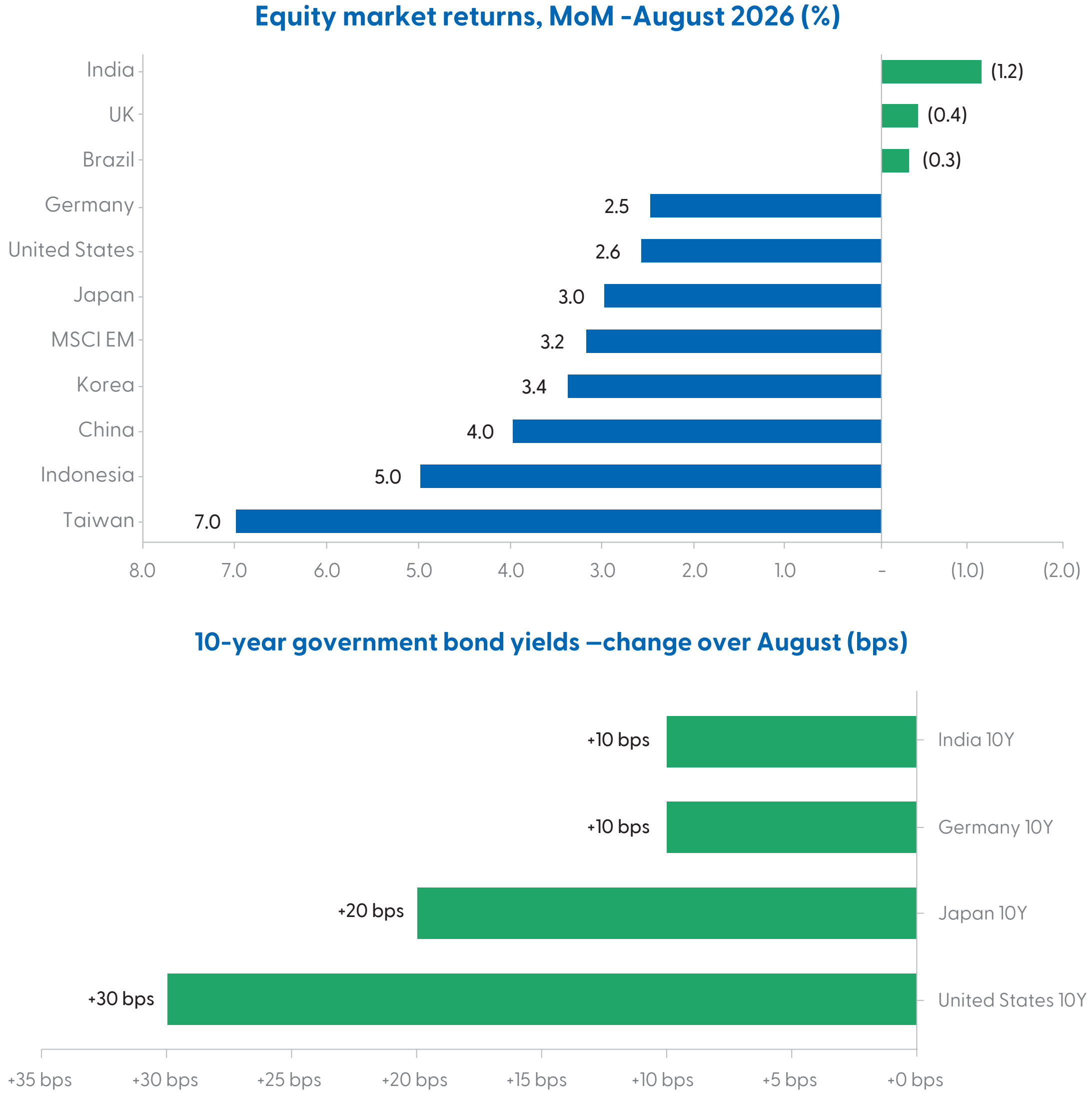
Equity Market Review & Outlook

1. The Global Picture: The World Repriced Rates

August's biggest story was not in share prices. It was in bond yields. A government bond yield is what a government pays to borrow; when it rises across many countries at once, investors have changed their minds about inflation, interest rates, or how much debt is safe. In August all three were reassessed together. The US ten-year yield rose 30 basis points to 4.8%, its highest since 2023, with the thirty-year at 5.2% – a level last seen in 2007. Japan's rose 20 basis points to 3.0%, a multi-decade high. India's rose 10, to 6.9%: the smallest move in the group.

Equities went the other way. Almost every major market rose – Taiwan 7%, Indonesia 5%, China 4%, and Korea, Japan, the US and emerging markets around 3%. Three fell, and India was one of them. Much of the world's gain remains concentrated in a small number of companies tied to artificial intelligence; the US trades near 21 times next year's earnings on the back of it. India trades near 19.5 times, and its valuation premium over emerging markets has halved to 42%, against a long-run average of 72%.

Exhibit 1 – What moved in August: equity returns and the repricing of rates



Source: Bloomberg, Choice AMC Internal Research. India in US dollar terms: -1.5% in August, -13.2% in the calendar year to date.

Worth noting: India has not underperformed because something broke. It underperformed because money went elsewhere. Those are very different conditions, and they mean very different things for what comes next.

2. How India's Market Performed

The Nifty 50 ended a two-month winning streak, falling 303 points to 24,080 after swinging some 781 points intra-month. Underneath the headline the market split cleanly in two: large-caps fell, everything else rose. Breadth inside the Nifty was poor, with 31 of 50 constituents lower; breadth outside it was fine. By sector, Defense and Metals led, while FMCG fell 6.3% on the month and is down 18.0% over a year – the consumer de-rating that has run all year got worse.

Table 1 – Index returns (%)

Index	August	CY26 to date	Since 1 Apr	1 Year
Nifty 50	(1.2)	(7.8)	7.8	(1.4)
Nifty Next 50	0.1	6.3	22.2	12.2
Nifty 500	(0.0)	(1.8)	14.2	4.4
Nifty Midcap 150	1.7	5.7	21.1	13.4
Nifty Smallcap 250	2.5	10.1	28.6	11.3

Source: Bloomberg, Choice AMC Internal Research. Point-to-point price returns; financial year to date from 1 April 2026. Brackets denote negative.
Past Performance may or may not sustain in future.

3. What's Driving the Market

Sector Performance Heatmap – July 2026

Tile	Value	Period
Real GDP growth	**7.8%**	Q1 FY27 (Apr-Jun 26)
CPI inflation	**4.45%**	Jul-26
Repo rate	**5.25%**	Aug-26 policy
GST collections	**+14.8% YoY**	Aug-26
Bank credit	**+19.1% YoY**	Jul-26

Source: Bloomberg, Choice AMC Internal Research.

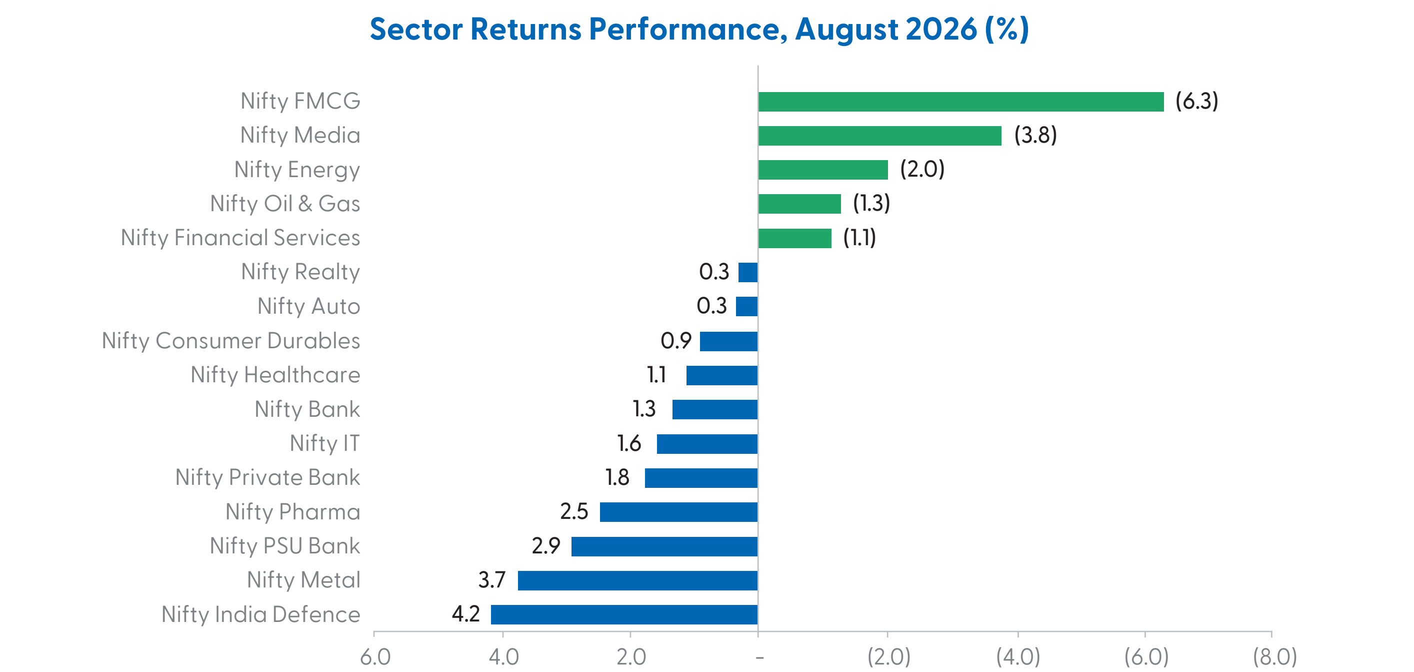
The economy is running hot. GDP grew 7.8% in the June quarter, ahead of the RBI's own 7.0% estimate, with services at 10.0%. Investment is the encouraging part: gross fixed capital formation rose 11.9% in real terms and now stands at 34.3% of GDP against 31.4% a year ago. Public capital spending reached ₹6.3 lakh crore in the first four months, up 23.6%, and private capex should rise about 22% this year to roughly ₹9.2 lakh crore. Bank credit growth of 19.1% confirms the cycle is being funded, not merely announced. Earnings delivered too: Nifty profits grew 18% against an expected 10%, and across the broader universe excluding oil marketers profits rose 22% – small companies 31%, mid-caps 23%, large-caps 21%.

But the rate cycle may have turned. The RBI held at 5.25% with a neutral stance, though the minutes read firmer, and inflation has risen three months running on food at 5.52% while core stays near 3.9%. Crude sits near US$90. One genuine cushion: foreign exchange reserves rose 5% to a record US$729 billion on the concessional FCNR(B) window, and the rupee firmed slightly to 95.2.

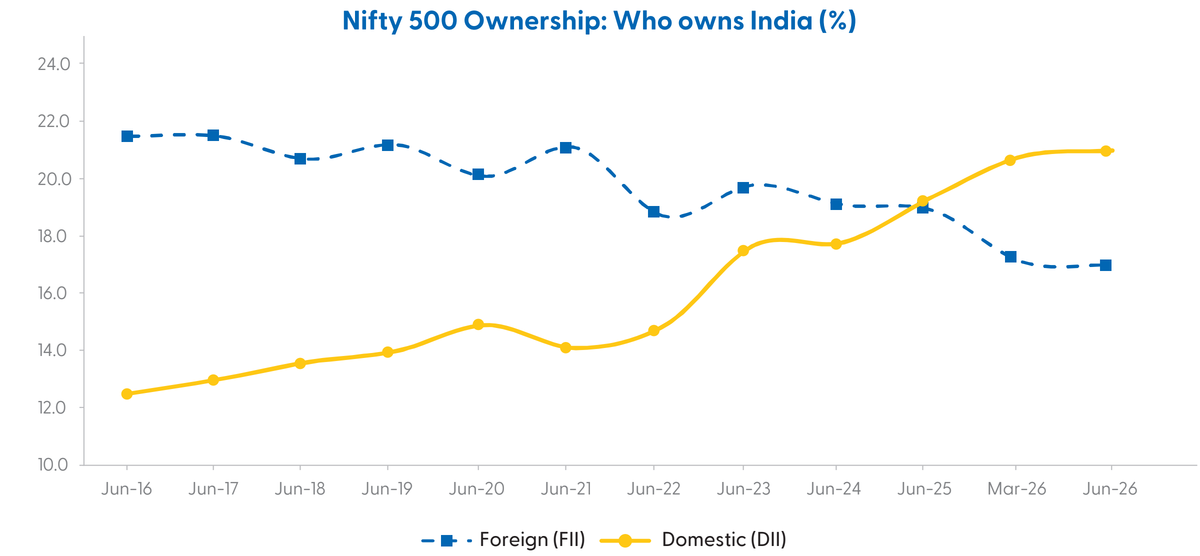
4. Who's Buying the Market

Foreign investors (FIIs) are the swing factor; domestic institutions (DIIs) – Indian mutual funds, insurers and pension funds – are the anchor. August brought a second consecutive month of foreign buying at about US$2.4 billion, or ₹29,631 crore on the reported cash-plus-primary basis, the largest monthly inflow in 23 months; foreigners nonetheless remain net sellers of some US$24.1 billion this year. Domestic institutions bought US$6.1 billion in the month and US$59.8 billion in the year – for every rupee foreigners withdrew, domestic investors put in roughly two and a half. Ownership records the shift permanently: DIIs now hold 21.0% of the Nifty 500, an all-time high, against foreign holdings at an all-time low of 17.0%.

Exhibit 2 – Where the money went, and who owns India



Source: Bloomberg, Choice AMC Internal Research. Net US$ basis; July FII cash-market purchases were about ₹20,200 crore.



Source: Bloomberg, Choice AMC Internal Research. Net US$ basis; July FII cash-market purchases were about ₹20,200 crore.

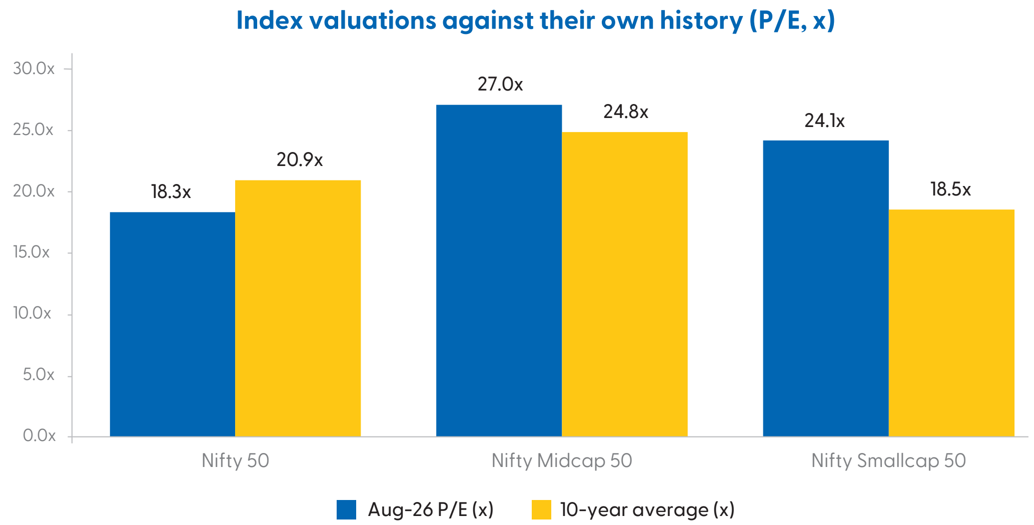
Worth noting: The domestic investor is no longer the buyer of last resort. They are the market – and that is why concentrated foreign selling no longer produces the falls it once did.

5. Is India Expensive or Cheap?

A price-to-earnings ratio is simply the price paid for ₹1 of annual profit; comparing it with a long-run average says whether a market is dear or cheap against its own history. Exhibit 3 sets three indices against their own ten-year averages, each measured on the same forward-earnings basis. The Nifty 50 trades near 18.3 times against an average of 20.9 – a discount of about 13%, and roughly 26% below where the multiple peaked in September 2024. Set against bonds, equities look better than they have in years: the earnings yield relative to the ten-year bond yield sits near a three-year high.

The picture reverses down the size scale, and this is a change of emphasis. The Midcap 150 trades 9% above its ten-year average and the Smallcap 250 about 30% above. These segments have delivered genuinely better earnings and been rewarded for it – but an investor buying today pays an above-historical price for that growth. The widest discount of all sits outside the chart, in the Nifty Next 50: no forward multiple is published for that index, but on trailing earnings it trades at 20.9 times against a ten-year average of 29.8 – some 30% below its own history, and cheaper outright than the Nifty 50 at 22.1 times. One caveat the other way: India's total market value stands near 126% of expected GDP against a long-run average of 89%.

Exhibit 3 – Index valuations against their own ten-year history (forward earnings basis)



Bloomberg, Choice AMC Internal Research.

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6. What This Means for Investors

Three things line up, and one has changed.

- Valuations. Large-caps sit below their long-run averages – the Nifty 50 by about 13% on forward earnings, the Nifty Next 50 by about 30% on trailing. Mid- and small-caps do not share this.
- Earnings. Broad-based growth across financials, metals, capital goods and autos, on an investment cycle visible in both the fiscal accounts and the credit data.
- Steady buyers. Domestic institutions have bought every month and now own more of the market than foreign investors ever have; foreign buyers have returned for two.

What has changed is the risk. We have described India's risk as imported rather than domestic for two years, and that remains largely true – India's yield moved least in August and reserves are at a record. But with inflation climbing, crude near US$90 and a more cautious RBI, the domestic rate cycle now belongs on the watchlist alongside the imported risks.

In practical terms: large-caps are inexpensive with the weakness concentrated in a handful of consumer and technology heavyweights; the Nifty Next 50 remains the widest discount to its own history; and mid- and small-caps warrant care rather than enthusiasm now that both trade above their historical multiples. Gold remains portfolio ballast in a world of elevated yields and heavy sovereign debt. Nobody knows which month the gap closes, and this month was a reminder that it can widen first; staggered investment and SIPs remain the most reliable way to turn a good starting point into a good outcome.

Watching from here: the RBI's October and December meetings; crude at US$90; the monsoon and rural demand; the pace of domestic inflows; equity supply through new issues; and the global AI complex, the source of most of the world's recent gains and therefore most of its concentrated risk.

CIO COMMENTARY

Last month India was one of only two major markets in the world that rose. This month it was one of only three that fell. Nothing about the Indian economy changed in between – in fact the news got better. The June-quarter GDP print came in at 7.8%, the fastest in five quarters. Corporate profits beat expectations across large, mid and small companies alike. Foreign investors bought Indian shares for a second month running at the fastest pace in nearly two years. And the Nifty still fell 1.2%.

This is what a market looks like when price and fundamentals move apart. Over twelve months India has fallen about 5% in dollar terms while emerging markets have risen 37%. That gap is not the accident of one month; it is two years of India being sold while the rest of the world was bought. What it leaves behind is a large-cap market trading meaningfully below its own long-run valuation, in an economy growing at close to 8%.

Two things are worth watching. The pain is very concentrated – the Nifty 50 is down 7.8% this calendar year while small-caps are up 10.1%, so the index in the newspaper is not the market. And for the first time in this cycle the risk is not entirely imported: with inflation drifting up, crude near US$90 and the RBI sounding more cautious, the domestic rate cycle may have found its floor. We do not know which month the gap between price and fundamentals closes. We do know that starting points matter, and that this is a better one than we have had for some time.

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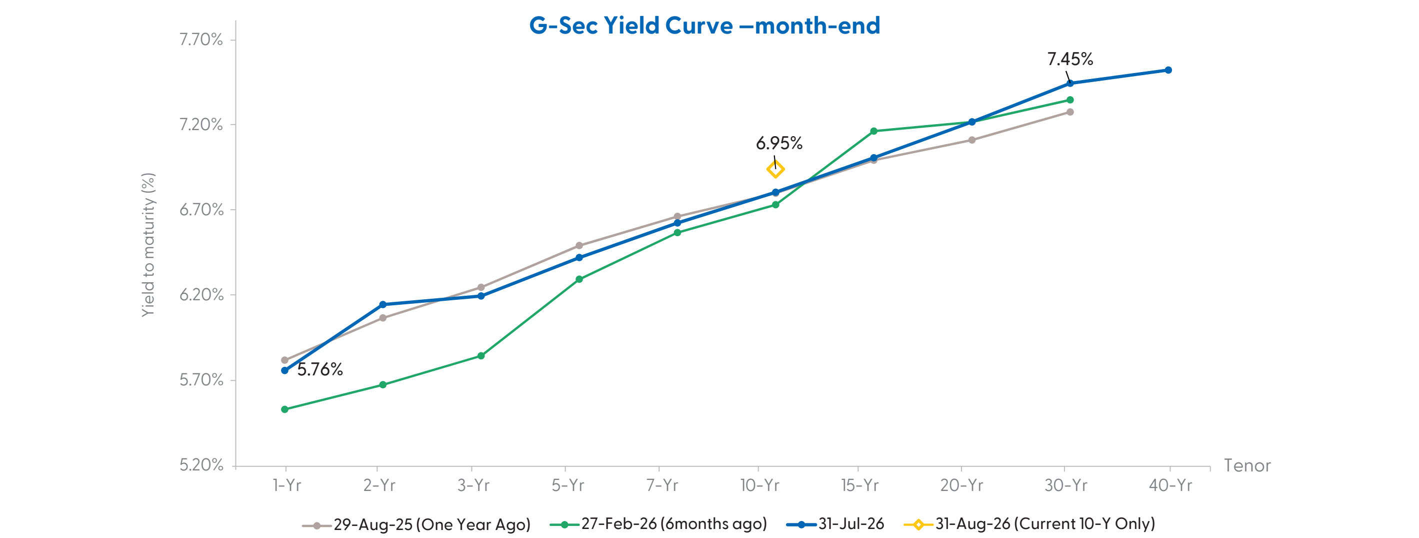
Debt Markets Outlook

Introduction

August delivered two developments pulling in opposite directions. The benchmark 10-year government bond yield rose about 14 basis points over the month to close at 6.95%, having traded as low as 6.76% in mid-August before climbing steadily into month-end, where it finished at its high. At the same time the banking system's liquidity surplus swelled to roughly ₹11.3 lakh crore as more than US$125 billion of FCNR(B) deposits landed on bank balance sheets. Long yields rose while short-term rates collapsed. That divergence, rather than the policy rate, is what matters most for debt investors this month – and it turns the Reserve Bank's next decision into a question of liquidity management rather than of the repo rate.

Exhibit 1: Steeper than a year ago, flatter than six months ago

1Y to 30Y Spread: 146bps a year ago. 182bps in February, 169bps ending July. The steepening over the year came from the long end.



Source: CCIL and Bloomberg; compiled by Choice AMC Internal Research

Domestic Macro & Markets

First-quarter growth surprised firmly to the upside. Real GDP expanded 7.8% in Q1FY27 against 6.9% a year earlier, with gross value added at 8.2%. The composition was encouraging: manufacturing accelerated to 9.2%, services grew 10.0% led by financial and professional services at 12.1%, and real fixed investment rose 11.9%. Agriculture was the weak spot at 3.6%. Consensus forecasts for FY27 now cluster around 7%, above the Reserve Bank's own projection. The RBI held the repo rate at 5.25% at its 3–5 August meeting, unanimously and with a neutral stance, raising its FY27 growth forecast to 6.7% and trimming its FY27 inflation projection to 5.0%. Consumer inflation was 4.45% in July, inside the 2–6% tolerance band, though the August print is not published until 12 September. GST collections rose 14.8% to ₹1.99 lakh crore in August and non-food credit grew 19.1%, while the manufacturing PMI slipped to 52.8, its weakest since August 2021.

The Liquidity Windfall

The defining feature of the month sits on bank balance sheets. The Reserve Bank's swap facility drew an exceptional response, with FCNR(B) deposits now around US$127 billion – roughly 4.3% of banks' deposit base, and exempt from cash reserve requirements. Net banking system liquidity has risen to about ₹11.3 lakh crore, and foreign-exchange reserves to a record US$740.8 billion. The effect on short-term rates was immediate: three-month certificate of deposit rates have fallen from above 7.3% in early June to under 6.0%, twelve-month CD rates are some 60 basis points lower, and the stock of outstanding CDs has shrunk as banks need less market funding. Currency volatility has fallen sharply and forward premia have compressed across the curve. The Reserve Bank now faces the reverse of its usual problem. It may need to absorb ₹8–9 lakh crore, and every tool carries a cost: open-market sales would press directly on short and medium yields, a cash reserve ratio increase would tighten banks abruptly, and the temporary tools cannot hold this volume for long. How that absorption is handled is, for now, the single largest determinant of bond returns.

Global Markets and the Inflation Question

The global backdrop is less accommodating. The US 10-year Treasury closed August at 4.75%, a nineteen-month high, leaving Indian government bonds paying roughly 2.2 percentage points more – still wide, and wider than a month earlier. Brent closed August near US$90 a barrel against roughly US$72 in late June, and elevated crude remains the clearest route back to higher domestic inflation through fuel and transport costs. That pressure, however, is largely geopolitical rather than structural, reflecting the West Asia conflict and the position of the Strait of Hormuz. A durable settlement would correct crude sharply and take inflation, yields and rate-hike expectations down with it, and India would be among the larger beneficiaries. This is a genuinely two-sided risk rather than a one-way bet, and it argues for patience rather than for repositioning around either outcome. The monsoon is the other variable: cumulative rainfall has run below the long-period average this season, and while activity picked up later in the season, the shortfall still carries some risk to kharif output and to food prices, which respond with a lag.

Outlook & Positioning for Investors

Our positioning is unchanged. We continue to expect the 10-year yield to be broadly range-bound around 6.75%–6.95% in the near term, while noting that it closed August at the top of that range with the risks around it skewed upward. This is not the moment to reach for duration: firm growth, elevated crude and the prospect of liquidity being absorbed through open-market sales all argue against the long end, and we would add duration only once both the inflation picture and the absorption path are clearer. One consequence of the liquidity surplus deserves stating plainly. Yields at the very short end are falling, and returns from overnight, liquid and money-market strategies will compress from here. Those categories remain the right home for genuinely short-term money and for capital that must not carry rate risk, and the Choice Overnight Fund continues to serve that purpose; but for money that can step modestly out along the curve, short-to-medium duration now offers a better balance of yield and risk. As always, steady accrual – holding quality bonds to earn their yield – rather than trying to time interest rates, is how debt investors are best rewarded.

CIO COMMENTARY

The headline this month is not the 14 basis points the 10-year added – it is the ₹11.3 lakh crore now sitting in the banking system. That surplus has already crushed short-term rates, and how the Reserve Bank chooses to absorb it will shape bond returns over the next two quarters more than the next move in the repo rate will. Our position is unchanged: earn today's yields through high-quality, short-to-medium-duration exposure, and let both the inflation picture and the absorption path clarify before taking interest-rate risk. Investors should expect lower returns from overnight and liquid strategies as this liquidity works through. Income, not interest-rate bets, remains the debt investor's edge.

Rochan Pattnayak
Chief Investment Officer,
Choice AMC Private Limited

Source: *RBI, MoSPI, CCIL, NSDL/CDSL, Bloomberg, and sell-side research from Axis Capital, Bank of Baroda and IIFL Capital – compiled by Choice AMC Internal Research. Data as on 31 August 2026 unless stated; liquidity and money-market data as on 8 September 2026; consumer inflation as per the July 2026 print, the August print being scheduled for release on 12 September 2026. For factsheet and distribution use only; not investment advice or a recommendation to buy or sell any security or scheme. Mutual fund investments are subject to market risks; read all scheme-related documents carefully. Past performance may or may not be sustained in the future.*

Type of Scheme

An open-ended scheme replicating/ tracking domestic price of gold.

Investment Objective

The Scheme aims to provide returns that closely correspond to the domestic price of gold, before expenses and subject to tracking errors, by investing in physical gold and gold-related instruments. However, there is no assurance that this objective will be achieved.

Date of Allotment

4th November 2025

Fund Manager(s)

Rochan Pattnayak
(Managing Since 4th November 2025)
Total Experience of more than 20 years

Khushi Sancheti
(Managing Since 24th August 2026)
Total Experience of more than 4 years

Fund Size (as on 31st August 2026)

Monthly Average AUM	**50.40 Crore**
Month End AUM	**51.30 Crore**

NAV (as on 31st August 2026)

Net Asset Value	153.1437

Load Structure

Entry Load: Not Applicable
Exit Load: Nil

Benchmark

Domestic Price of Gold

Expense Ratio[1]

	Base Expense Ratio	Total Expense Ratio
Direct	0.43	0.51

Scheme Statistics

Portfolio Turnover (Times): 0.86

Dividend History: NA

Tracking Error as on 31st August 2026: 0.67%

Exchange Listed: NSE & BSE

Creation Unit Size: 100,000

NSE Ticker Symbol: CHOICEGOLD

BSE Ticker Symbol: 544601

Bloomberg Code: CHOGORG IS Equity

ISIN: INF2KCX01012

Pricing per Unit (Approximately): Approx 0.01 Gram of gold

Scheme Portfolio as on 31st August 2026

Date of Factsheet: 11th September 2026

Asset / Holding	% of Assets
Gold	97.97
Cash & Other Receivables	2.03
Grand Total	**100.00**

Performance as on 31st August 2026

			Value of Investment of Rs.10,000	
Period	Scheme Returns (%)	Benchmark Returns (%)	Scheme (Rs)	Benchmark (Rs)
Last 6 Months^^	-4.79	-4.32	9,757	9,781
Since Inception	33.68	35.68	12,768	12,932

Returns as on 31st August 2026
Past performance may or may not be sustained in future.

Benchmark: Domestic Price of Gold. Inception Date: November 04, 2025. Returns less than 1 year period are simple annualized. Face Value per unit: Rs.100.

^^Performance has been calculated simple annualized growth rate of the scheme for the past 6 months from the last day of month-end preceding the date of advertisement.

The scheme is managed by Mr. Rochan Pattnayak and Ms. Khushi Sancheti w.e.f from August 24, 2026. Other schemes managed by Mr. Rochan Pattnayak are Choice Nifty 50 Index Fund, Choice Nifty Next 50 Index Fund and Choice Overnight Fund which have not completed 6 months hence those scheme performance are not provided.

Other schemes managed by Ms. Khushi Sancheti are Choice Nifty 50 Index Fund and Choice Nifty Next 50 Index Fund.

Note

1. The rates specified are actual month end Base Expense Ratio (BER) as on last day of the month. BER is excludes statutory leavy and transaction cost.

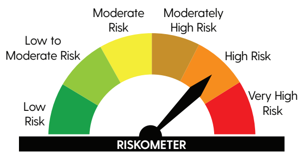
   Total Expense Ratio is as on the last day of the month and includes permitted brokerage cost, transaction cost incurred for the purpose of execution of trade and statutory levies
2. Ratios for Choice Gold ETF are not captured since the scheme has not yet completed 1 year.
3. Portfolio Beta, Standard Deviation, R Squared and Sharpe Ratio of the Scheme is not computed owing to the short time frame (<3 years) since launch of the scheme.

Riskometer

Choice Gold ETF
An open-ended scheme replicating/ tracking domestic price of Gold)

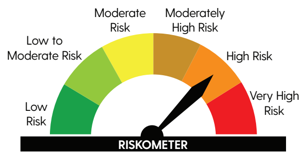
This product is suitable for investors who are seeking*:
- Long term capital appreciation
- Investment in gold in order to generate returns similar to the performance of domestic price of gold, subject to tracking errors

Choice Gold ETF



The risk of the scheme is High

AMFI Tier I Benchmark - Domestic Price of Gold



The risk of the benchmark is High

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

Choice Nifty 50 Index Fund

An open-ended scheme replicating/tracking Nifty 50 Total Return Index.

Choice
Mutual Fund

Type of Scheme

An open-ended scheme replicating/ tracking Nifty 50 Total Return Index.

Investment Objective

The investment objective of the Scheme is to generate returns that are commensurate with the performance of the NIFTY 50 Index (TRI), subject to tracking errors. There is no assurance that the investment objective of the Scheme will be achieved.

Date of Allotment

7th April 2026

Fund Manager(s)

Rochan Pattnayak
(Managing Since 7th April 2026)
Total Experience of more than 20 years

Diksha Upadhyay
(Managing Since 24th August 2026)
Total Experience of more than 7 years

Khushi Sancheti
(Managing Since 24th August 2026)
Total Experience of more than 4 years

Fund Size (as on 31st August 2026)

Monthly Average AUM	**15.41 Crore**
Month End AUM	**15.35 Crore**

NAV as on 31st August 2026

	Regular	Direct
Growth	10.4075	10.4199

Load Structure

Entry Load: Not Applicable
Exit Load: Nil

Benchmark

Nifty 50 Total Return Index

Expense Ratio[1]

	Base Expense Ratio	Total Expense Ratio
Direct - Growth	0.13	0.88
Regular - Growth	0.38	1.17

Note

1. The rates specified are actual month end Base Expense Ratio (BER) as on last day of the month. BER is excludes statutory leavy and transaction cost.

   Total Expense Ratio is as on the last day of the month and includes permitted brokerage cost, transaction cost incurred for the purpose of execution of trade and statutory levies.
2. Ratios for Choice Nifty 50 Index Fund are not computed since the scheme has not yet completed 1 year.
3. Portfolio Beta, Standard Deviation, R Squared and Sharpe Ratio of the Scheme is not computed owing to the short time frame (<3 years) since launch of the scheme.

Scheme Statistics

Date of Factsheet: 11th September 2026

Portfolio Turnover (Times)	0.51
Dividend History	NA

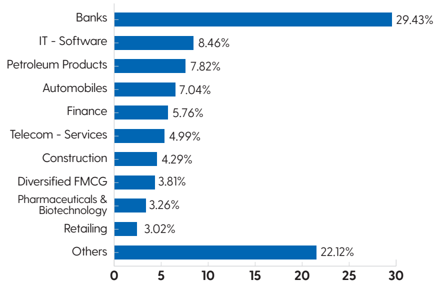
Tracking Error as on 31st August 2026

	Regular	Direct
Growth	0.18	0.18

Scheme Portfolio as on 31st August 2026

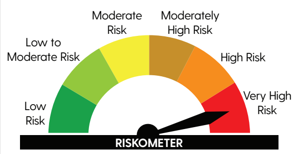
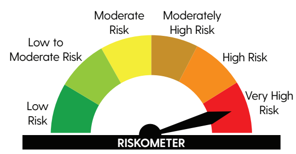
Name of Instrument/Issuer	% to AUM
EQUITY & EQUITY RELATED	**99.83**
Banks	**29.43**
Kotak Mahindra Bank Ltd.	2.80
Axis Bank Ltd.	3.38
State Bank of India	3.97
ICICI Bank Ltd.	9.44
HDFC Bank Ltd.	9.84
IT - Software	**8.46**
Wipro Ltd.	0.45
Tech Mahindra Ltd.	0.94
HCL Technologies Ltd.	1.25
Tata Consultancy Services Ltd.	2.22
Infosys Ltd.	3.60
Petroleum Products	**7.82**
Reliance Industries Ltd.	7.82
Automobiles	**7.04**
Tata Motors Passenger Vehicles Ltd.	0.58
Eicher Motors Ltd.	0.99
Bajaj Auto Ltd.	1.22
Maruti Suzuki India Ltd.	1.60
Mahindra & Mahindra Ltd.	2.65
Finance	**5.76**
Jio Financial Services Ltd.	0.72
Bajaj Finserv Ltd.	1.06
Shriram Finance Ltd.	1.41
Bajaj Finance Ltd.	2.57
Telecom - Services	**4.99**
Bharti Airtel Ltd.	4.99
Construction	**4.29**
Larsen & Toubro Ltd.	4.29
Diversified FMCG	**3.81**
Hindustan Unilever Ltd.	1.58
ITC Ltd.	2.23
Pharmaceuticals & Biotechnology	**3.26**
Dr. Reddy's Laboratories Ltd.	0.64
Cipla Ltd.	0.72
Sun Pharmaceutical Industries Ltd.	1.90
Retailing	**3.02**
Trent Ltd.	0.87
Eternal Ltd.	2.15
Consumer Durables	**3.00**
Asian Paints Ltd.	1.09
Titan Company Ltd.	1.91
Power	**2.49**
Power Grid Corporation of India Ltd.	1.08
NTPC Ltd.	1.41
Ferrous Metals	**2.49**
JSW Steel Ltd.	1.11
Tata Steel Ltd.	1.38
Cement & Cement Products	**2.37**
Grasim Industries Ltd.	1.15
Ultratech Cement Ltd.	1.22
Healthcare Services	**1.53**
Max Healthcare Institute Ltd.	0.70
Apollo Hospitals Enterprise Ltd.	0.83
Aerospace & Defense	**1.34**
Bharat Electronics Ltd.	1.34
Non - Ferrous Metals	**1.33**
Hindalco Industries Ltd.	1.33
Insurance	1.24
HDFC Life Insurance Company Ltd.	**0.53**
SBI Life Insurance Co. Ltd.	0.71
Transport Infrastructure	**1.07**
Adani Ports and Special Economic Zone Ltd.	1.07
Transport Services	**1.07**
Interglobe Aviation Ltd.	1.07
Food Products	**0.97**
Nestle India Ltd.	0.97
Consumable Fuels	**0.87**
Coal India Ltd.	0.87
Oil	**0.82**
Oil & Natural Gas Corporation Ltd.	0.82
Metals & Minerals Trading	**0.75**
Adani Enterprises Ltd.	0.75
Agricultural Food & other Products	**0.61**
Tata Consumer Products Ltd.	0.61
Cash, Cash Equivalents and Others	**0.17**
Grand Total	**100.00**

Industry Allocation



#Disclaimer: Fund Manager may or may not have exposure in the above sectors.

Riskometer

Investment Objective	Scheme Riskometer	Scheme Benchmark: Nifty 50 Index (TRI) Benchmark Riskometer
Choice Nifty 50 Index Fund ▸ The investment objective of the Scheme is to generate returns that are commensurate with the performance of the NIFTY 50 Index (TRI), subject to tracking errors. ▸ There is no assurance that the investment objective of the Scheme will be achieved.	 The risk of the scheme is Very High	 The risk of the benchmark is Very High

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

Choice Nifty Next 50 Index Fund

An open-ended scheme replicating/tracking Nifty Next 50 Total Return Index.

Choice
Mutual Fund

Type of Scheme

An open-ended scheme replicating/ tracking Nifty Next 50 Total Return Index.

Investment Objective

The investment objective of the Scheme is to generate returns that are commensurate with the performance of the Nifty Next 50 Index (TRI), subject to tracking errors. There is no assurance or guarantee that the investment objective of the Scheme will be achieved.

Date of Allotment

7th April 2026

Fund Manager(s)

Rochan Pattnayak
(Managing Since 7th April 2026)
Total Experience of more than 20 years

Diksha Upadhyay
(Managing Since 24th August 2026) Total Experience of more than 7 years

Khushi Sancheti
(Managing Since 24th August 2026) Total Experience of more than 4 years

Fund Size (as on 31st August 2026)

Monthly Average AUM	**20.24 Crore**
Month End AUM	**20.38 Crore**

NAV as on 31st August 2026

	Regular	Direct
Growth	11.4535	11.4720

Load Structure

Entry Load: Not Applicable
Exit Load: Nil

Benchmark

Nifty Next 50 Total Return Index

Expense Ratio[1]

	Base Expense Ratio	Total Expense Ratio
Direct - Growth	0.22	0.91
Regular - Growth	0.56	1.31

Note

1. The rates specified are actual month end Base Expense Ratio (BER) as on last day of the month. BER excludes statutory leavy and transaction cost.

   Total Expense Ratio is as on the last day of the month and includes permitted brokerage cost, transaction cost incurred for the purpose of execution of trade and statutory levies.
2. Ratios for Choice Nifty Next 50 Index Fund are not captured since the scheme has not yet completed 1 year.
3. Portfolio Beta, Standard Deviation, R Squared and Sharpe Ratio of the Scheme is not computed owing to the short time frame (<3 years) since launch of the scheme.

Scheme Statistics

Date of Factsheet: 11th September 2026

Portfolio Turnover (Times)	0.22
Dividend History	NA

Tracking Error 31st August 2026

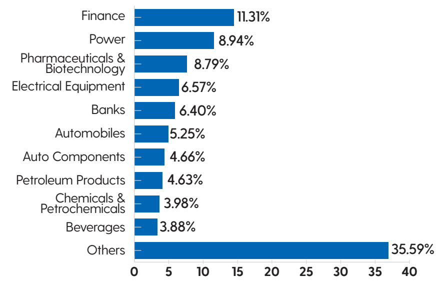
	Regular	Direct
Growth	0.46	0.45

Scheme Portfolio as on 31st August 2026

Name of Instrument/Issuer	% to AUM
EQUITY & EQUITY RELATED	**99.81**
Finance	**11.31**
Cholamandalam Investment & Finance Co. Ltd.	3.16
Bajaj Holdings & Investment Ltd.	1.98
Power Finance Corporation Ltd.	1.93
REC Ltd.	1.59
Muthoot Finance Ltd.	1.26
TATA Capital Ltd.	0.73
Indian Railway Finance Corporation Ltd.	0.66
Power	**8.94**
Adani Power Ltd.	3.23
Tata Power Company Ltd.	2.28
Adani Energy Solutions Ltd.	1.83
Adani Green Energy Ltd.	1.60
Pharmaceuticals & Biotechnology	**8.79**
Divi's Laboratories Ltd.	4.73
Torrent Pharmaceuticals Ltd.	2.92
Zydus Lifesciences Ltd.	1.14
Electrical Equipment	6.57
CG Power and Industrial Solutions Ltd.	**2.47**
ABB India Ltd.	1.58
Siemens Ltd.	1.40
Siemens Energy India Ltd.	1.12
Banks	**6.40**
Bank of Baroda	1.74
Canara Bank	1.68
Punjab National Bank	1.55
Union Bank of India	1.43
Automobiles	**5.25**
TVS Motor Company Ltd.	4.01
Hyundai Motor India Ltd.	1.24
Auto Components	**4.66**
Samvardhana Motherson International Ltd.	2.97
Bosch Ltd.	1.69
Petroleum Products	**4.63**
Bharat Petroleum Corporation Ltd.	2.58
Indian Oil Corporation Ltd.	2.05
Chemicals & Petrochemicals	**3.98**
Pidilite Industries Ltd.	2.06
Solar Industries India Ltd.	1.92
Beverages	**3.88**
Varun Beverages Ltd.	2.15
United Spirits Ltd.	1.73
Agricultural, Commercial & Construction Vehicles	**3.87**

Name of Instrument/Issuer	% to AUM
Tata Motors Ltd.	3.87
Aerospace & Defense	**3.58**
Hindustan Aeronautics Ltd.	3.58
Realty	**3.05**
DLF Ltd.	1.74
Lodha Developers Ltd.	**1.31**
Industrial Products	2.71
Cummins India Ltd.	**2.71**
Leisure Services	2.55
The Indian Hotels Company Ltd.	2.55
Retailing	**2.47**
Avenue Supermarts Ltd.	2.47
Food Products	**2.43**
Britannia Industries Ltd.	2.43
Cement & Cement Products	**2.20**
Shree Cement Ltd.	1.22
Ambuja Cements Ltd.	0.98
Capital Markets	**2.10**
HDFC Asset Management Co. Ltd.	2.10
Gas	**1.88**
GAIL (India) Ltd.	1.88
Diversified Metals	**1.86**
Vedanta Ltd.	1.86
Ferrous Metals	**1.74**
Jindal Steel Ltd.	1.74
IT - Software	**1.66**
LTM Ltd.	1.66
Personal Products	**1.43**
Godrej Consumer Products Ltd.	1.43
Non - Ferrous Metals	**1.13**
Hindustan Zinc Ltd.	1.13
Industrial Manufacturing	**0.74**
Mazagon Dock Shipbuilders Ltd.	0.74
Cash, Cash Equivalents and Others	**0.19**
Grand Total	**100.00**

Industry Allocation



#Disclaimer: Fund Manager may or may not have exposure in the above sectors.

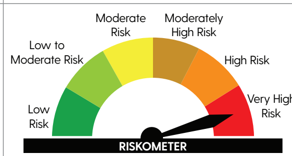
Riskometer

Investment Objective

Choice Nifty Next 50 Index Fund

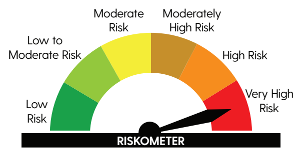
- The investment objective of the Scheme is to generate returns that are commensurate with the performance of the Nifty Next 50 Index (TRI), subject to tracking errors.
- There is no assurance or guarantee that the investment objective of the Scheme will be achieved.

Scheme Riskometer



The risk of the scheme is Very High

Scheme Benchmark: Nifty Next 50 Index (TRI) Benchmark Riskometer



The risk of the benchmark is Very High

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

Choice Overnight Fund

An Open-ended Debt Scheme investing in overnight securities. A relatively low interest rate risk and relatively low credit risk.

Choice Mutual Fund

Type of Scheme

An Open-ended Debt Scheme investing in overnight securities. A relatively low interest rate risk and relatively low credit risk.

Investment Objective

The objective of the scheme is to seek to generate returns commensurate with low risk and providing high level of liquidity, through investments made primarily in overnight securities having maturity of 1 business day. However, there is no assurance or guarantee that the investment objective of the Scheme will be achieved.

Date of Allotment

4th July 2026

Fund Manager(s)

Rochan Pattnayak
(Managing Since 4th July 2026)
Total Experience of more than 20 years

Fund Size (as on 31st August 2026)

Monthly Average AUM	**175.39 Crore**
Month End AUM	**152.10 Crore**

NAV (as on 31st August 2026)

	Regular	Direct
Growth	100.7971	100.8144
Daily IDCW	100.1000	100.1000

Load Structure

Entry Load: Not Applicable
Exit Load: Nil

Benchmark

CRISIL Liquid Overnight Index

Expense Ratio[1]

	Base Expense Ratio	Total Expense Ratio
Direct	0.06	0.11
Regular	0.15	0.22

Scheme Statistics

Average Maturity: 1 Day

Modified Duration: 1 Day

Macaulay Duration: 1 Day

Annualized Portfolio YTM: 5.02%

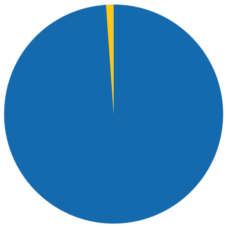
Dividend History: NA

Scheme Portfolio as on 31st August 2026

Date of Factsheet: 11th September 2026

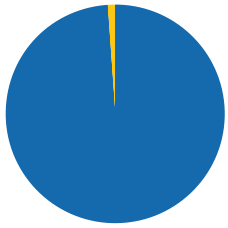
Name of the Instrument	Rating	% of Assets
TREPS / Reverse Repo Investments		
The Clearing Corporation of India Ltd.		99.13%
Total		**99.13%**
Other Current Assets / (Liabilities)		
Net Receivable / Payable		0.87%
Total		**0.87%**
Grand Total		**100.00%**

Asset Allocation



TREPS / Reverse Repo Investments: 99.13%
Net Receivable / Payable: 0.87%

Rating Profile



TREPS / Reverse Repo Investments: 99.13%
Net Receivable / Payable: 0.87%

Note

1. The rates specified are actual month end Base Expense Ratio (BER) as on last day of the month. BER excludes statutory leavy and transaction cost.
   Total Expense Ratio is as on the last day of the month and includes permitted brokerage cost, transaction cost incurred for the purpose of execution of trade and statutory levies.
2. Portfolio Beta, Standard Deviation, R Squared and Sharpe Ratio of the Scheme is not computed owing to the short time frame (<3 years) since launch of the scheme.
3. In case of semi-annual YTM, Portfolio YTM has been Annualized.

Income Distribution cum Capital Withdrawal (IDCW) History

Scheme Name:	Choice Overnight Fund
Name of IDCW Plan:	Regular Plan - Daily IDCW Option (Payout/Reinvestment)
Last date of distribution of IDCW:	31-Aug-2026
Track record of dividend/ IDCW distribution: (last five dividend/IDCW distributions)	As given below

Sr. No.	Record Date	NAV (Rs. Per unit)	IDCW (Rs. Per unit)
1	27-08-2026	100.1000	0.013054
2	28-08-2026	100.1000	0.013305
3	29-08-2026	100.1000	0.013477
4	30-08-2026	100.1000	0.013472
5	31-08-2026	100.1000	0.013093

Note: Face Value per unit: Rs. 100

Scheme Name:	Choice Overnight Fund
Name of IDCW Plan:	Direct Plan - Daily IDCW Option (Payout/Reinvestment)
Last date of distribution of IDCW:	31-Aug-2026
Track record of dividend/ IDCW distribution: (last five dividend/IDCW distributions)	As given below

Sr. No.	Record Date	NAV (Rs. Per unit)	IDCW (Rs. Per unit)
1	27-08-2026	100.1000	0.013370
2	28-08-2026	100.1000	0.013628
3	29-08-2026	100.1000	0.013786
4	30-08-2026	100.1000	0.013795
5	31-08-2026	100.1000	0.013407

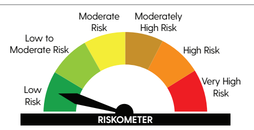
Note: Face Value per unit: Rs. 100

Riskometer & Potential Risk Class Matrix

This product is suitable for investors who are seeking*

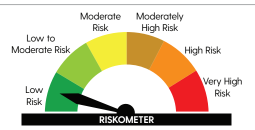
- Regular income over short term that may be in line with the overnight call rates.
- To generate returns by investing in debt and money market instruments with overnight maturity.

Scheme Riskometer Choice Overnight Fund



The risk of the scheme is low

Benchmark Riskometer CRISIL Liquid Overnight Index (as per AMFI Tier I Benchmark)



The risk of the benchmark is low

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

Potential Risk Class Matrix

Credit Risk → / Interest Rate Risk ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Relatively Low (Class I)	A-1		
Moderate (Class II)			
Relatively High (Class III)			

How to Read a Mutual Fund Factsheet

- **Alpha:** Alpha is the measurement of an investment portfolio's performance against a certain benchmark – usually a stock market index.
- **Application Amount for Fresh Subscription:** This is the minimum investment amount for a new investor in a mutual fund scheme.
- **AUM:** AUM or Assets Under Management refers to the recent/updated cumulative market value of investments managed by a mutual fund or any investment firm.
- **Average portfolio price to book ratio (Average P/BV):** It is price to book value of the stocks calculated for the entire portfolio on a weighted average basis.
- **Average portfolio PE (Average P/E):** P/E is the price to earnings ratio of the fund. A high PE ratio means investors are willing to pay more for each unit of earnings of the particular stock and are expecting higher growth in the future. Average P/E is calculated using weighted average method.
- **Average portfolio dividend yield (Average Dividend Yield):** Dividend yield is the dividend paid per unit divided by the market price of the share. Average dividend yield is calculated using weighted average method.
- **Benchmark:** A group of securities, usually a market index, whose performance is used as a standard or benchmark to measure investment performance of mutual funds. Some typical benchmarks include the Nifty, Sensex, BSE200, BSE500, 10-Year G-Sec.
- **Beta Ratio (Portfolio Beta):** Beta is a measure of an investment's volatility vis-à-vis the market. In case of beta, value 1 suggests that a specific fund responds to market volatility equivalently, i.e. the shift in its price is equivalent to the benchmark movements. A value above 1 represents that a specific fund demonstrates a more significant shift in its price compared to benchmark movement. A value below 1 represents the opposite.
- **CAGR:** CAGR stands for Compound Annual Growth Rate. Essentially, CAGR is the measure of an asset or investment's annual growth rate over a set period of time, while assuming compound growth.
- **Entry Load:** Not applicable in accordance with the requirements specified by the SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009. No entry load will be charged for purchase/additional purchase/switch-in accepted by NIMF with effect from August 01, 2009. Similarly, no entry load will be charged with respect to registrations for registrations under Systematic Investment Plans/Systematic Transfer Plans accepted by NIMF with effect from August 01, 2009. With reference to SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2019/42 dated March 25, 2019, there shall be no upfront load for investments under SIPs registered before August 01, 2009 with effect from April 15, 2019. The upfront commission on investment made by the investor, if any, will be paid to the ARN Holder (AMFI registered Distributor) directly by the investor, based on the investor's assessment of various factors including service rendered by the ARN Holder.
- **Exit Load:** Exit load is a charge which is charged at the time an investor redeems the units of a mutual fund. The exit load is deducted from the prevailing NAV at the time of redemption (or exit). For instance, if the NAV is Rs.100 and the exit load is 1%, the redemption price would be Rs.99 per unit.
- **Holdings:** The holdings of the portfolio is a mutual fund's latest or updated reported statement of investments/securities. These are usually displayed in terms of percentage to net assets or the rupee value or both. The objective is to give investors an idea of where their money is being invested by the fund manager.
- **IDCW:** Income Distribution cum Capital Withdrawal Options/Plans refers to distribution of income in a mutual fund scheme, which may include dividends paid by stocks, and capital gains made by selling underlying stocks in the portfolio.
- **Inflation:** Inflation is a rise in price levels of goods/services that are required for day-to-day use. It primarily indicates the fall in the purchasing capacity of the rupee.
- **Minimum Additional Amount:** This is the minimum investment amount for an existing investor in a mutual fund scheme.
- **Modified Duration:** This is a formula that expresses the measurable change in the value of a security in response to a change in interest rates. Modified duration follows the concept that interest rates and bond prices move in opposite directions.
- **Nature of Scheme:** The investment objective and underlying investments determine the nature of the mutual fund scheme. For instance, a mutual fund that aims at generating capital appreciation by investing in stock markets is an equity fund or growth fund. Likewise, a mutual fund that aims at capital preservation by investing in debt markets is a debt fund or income fund. Each of these categories may have subcategories.
- **NAV:** The NAV or the net asset value is the total asset value per unit of the mutual fund after deducting all related and permissible expenses. The NAV is calculated at the end of every business day. It is the value at which the investor enters or exits the mutual fund. NAV = (Assets – Liabilities) / Total number of outstanding shares.
- **Net Equity:** Net equity level is the net equity exposure percentage adjusted for any derivative positions in stocks or index for hedging or rebalancing purpose.
- **Portfolio Turnover Ratio:** The portfolio turnover ratio is the rate at which assets in a fund are bought and sold by the portfolio managers. In other words, the portfolio turnover ratio refers to the percentage change of the assets in a fund over a one-year period.
- **R Squared (R2):** It is a statistical measure of how closely the portfolio returns are correlated with its benchmark. So, if the R^2 of a model is 0.50, then approximately half of the observed variation can be explained by the model's inputs.
- **Rating Profile:** Mutual funds invest in securities after evaluating their creditworthiness as disclosed by the ratings. A depiction of the mutual fund in various investments based on their ratings becomes the rating profile of the fund. Typically, this is a feature of debt funds.
- **Riskometer:** Riskometer is a graphical representation of the risk a mutual fund carries. The graph is designed as per the Association of Mutual Funds in India (AMFI) guidelines. It displays 5 levels of risk, with low representing the lowest risk on the diagram and very high the highest.
- **Rolling Returns:** Rolling returns are the annualized returns of the scheme taken for a specified period (rolling returns period) on every day/week/month and taken till the last day of the duration.
- **Sharpe Ratio:** The Sharpe Ratio, named after its founder, the Nobel Laureate William Sharpe, is a measure of risk-adjusted returns. It is calculated using standard deviation and excess return to determine reward per unit of risk. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance. A negative Sharpe ratio means the risk-free or benchmark rate is greater than the portfolio's historical or projected return, or else the portfolio's return is expected to be negative.
- **SIP:** SIP or systematic investment plan works on the principle of making periodic investments of fixed sum. It works similar to recurring bank deposit. For instance, an investor may opt for an SIP that invests Rs.500 every 15th of the month in an equity fund for a period of three years, then over the three years he would invest Rs.18,000.
- **Standard Deviation:** Standard deviation is a statistical measure of the range of an investment's performance. When a mutual fund has a high standard deviation, it means its range of performance is wide, implying greater volatility.
- **Volatility:** Volatility is a statistical measure of the dispersion of returns for a given security or market index. In most cases, the higher the volatility, the riskier the security.
- **Yield to Maturity:** The Yield to Maturity or the YTM is the rate of return anticipated on a bond if held until maturity. YTM is expressed as an annual rate. The YTM factors in the bond's current market price, par value, coupon interest rate and time to maturity.

Disclaimer

The views expressed herein are based on internal data, publicly available information and other sources believed to be reliable, but involve uncertainties that could cause actual events to differ materially from those expressed or implied in such statements. The document is given for general and information purpose and is neither an investment advice nor an offer to sell nor a solicitation. While due care has been exercised while preparing this document, Choice AMC Private Limited ("CHOICE AMC") does not warrant the completeness or accuracy of the information. Neither CHOICE AMC, nor any person connected with it, accepts any liability arising from the use of this material. The recipient of this material should rely on their investigations and take their own professional advice. For latest riskometers, please refer https://www.choicemf.com/

For Choice Gold ETF ("Scheme"), NSE has given vide its letter NSE/LIST/5908 dated September 09, 2025 permission to the Mutual Fund to use the Exchange's name in this Scheme Information Document as one of the stock exchanges on which the Mutual Fund's units are proposed to be listed subject to the Mutual Fund fulfilling various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Scheme Information Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document; nor does it warrant that the Mutual Fund's units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its sponsors, its management or any scheme of the Mutual Fund.

Every person who desires to apply for or otherwise acquire any units of the Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any reason whatsoever.

BSE Limited ("the Exchange") has given vide its letter dated September 08, 2025, permission to Choice Mutual Fund to use the Exchange's name in its SID as one of the Stock Exchanges on which this Mutual Fund's Units are proposed to be listed. The Exchange has scrutinized this SID for its limited internal purpose of deciding on the matter of granting the aforesaid permission to Choice Mutual Fund. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this SID; or
- Warrant that this scheme's unit will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Mutual Fund, its promoters, its management or any scheme or project of this Mutual Fund.

And it should not for any reason be deemed or construed that this SID has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any unit of Choice Gold ETF of this Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Choice Nifty 50 Index Fund & Choice Nifty Next 50 Index Fund, is not sponsored, endorsed, sold or promoted by NSE INDICES LTD. NSE INDICES LTD does not make any representation or warranty, express or implied. to the owners of the Product or any member of the public regarding the advisability of investing in securities generally or in the Product particularly or the ability of the Nifty 50 Index or Nifty Next 50 Index to track general stock market performance in India. Please read full disclaimer mentioned in the Scheme Information Document of the respective Products.

Date of Factsheet: 11th September 2026

Choice
Mutual Fund

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