

“OUR FTPM FRAMEWORK FOCUSES ON RELATIVE ALPHA GENERATION, DISCIPLINED ALLOCATION, AND DYNAMIC REBALANCING, ENABLING CONSISTENT OUTCOMES EVEN IN LOW-RETURN, RANGE-BOUND ENVIRONMENTS.”

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EXCLUSIVE INTERVIEW

From a 5-year investment perspective, which new-age or emerging business models is Apex PMS prioritising today?



- From a 5-year investment perspective, the AI infrastructure ecosystem—especially data centers—stands out as the most compelling emerging business model. The AI capex cycle is still in its early stages, with hyperscaler spending expected to rise from \$185B in CY23 to ~\$650B by CY26, indicating a massive and sustained buildout. The global data center market is projected to grow from \$280B in 2024 to \$510B+ by 2030 (~10% CAGR), while power demand from data centers is expected to nearly triple to ~1,000 GW.
- A key driver is the shift from AI training to inference, which is expected to account for 60%+ of AI compute spend by 2028. Unlike training, inference creates continuous, high-frequency demand, making the model more annuity-like with recurring revenue visibility. This structurally increases demand for compute, storage, and power infrastructure.
- In India, the opportunity is even more attractive. Capacity is expected to scale from 1,300 MW to 8,000+ MW by 2030 (22% CAGR), despite the country generating ~20% of global data but having only ~5.5% of global data center capacity—highlighting a significant infrastructure gap.
- As an emerging model, this ecosystem is evolving into “compute-as-a-utility,” where scalable, on-demand computing is delivered like electricity, supported by high entry barriers and long-term demand visibility.

In a largely directionless and range-bound market environment, how does your FTPM framework adapt to identify opportunities and continue delivering consistent outcomes?



- In a largely directionless and range-bound market, the FTPM framework adapts by shifting focus from broad market direction to stock-specific opportunity identification through its four pillars—Fundamentals, Quantitative Analysis, Psychology, and Market Dynamics.
- On the fundamental side, the framework prioritises companies with strong earnings visibility, robust balance sheets, and clear sectoral tailwinds, ensuring returns are driven by business performance rather than market beta.
- Quantitative analysis plays a crucial role in our investment process by systematically identifying relative value opportunities, evolving factor trends, and potential mispricing through data-driven signals. This approach enables efficient capital allocation even in directionless or uncertain market environments.

- During range-bound phases, markets often move in intermittent cycles with rapid sector rotations. By leveraging quantitative insights, we continuously monitor strength and weakness across stocks and sectors. This allows us to exit underperforming positions in a timely manner and reallocate capital toward stronger sectors or themes, thereby enhancing portfolio efficiency and maintaining performance despite lack of clear market direction.
- The psychology component helps assess market sentiment—capturing phases of fear or greed—which is critical in sideways markets where sentiment often drives short-term moves. Meanwhile, market dynamics such as sector rotation, liquidity flows (FII/DII), and shifts across market caps guide active portfolio positioning to capture relative outperformance.
- Overall, instead of relying on market direction, the FTPM framework focuses on relative alpha generation, disciplined allocation, and dynamic rebalancing, enabling consistent outcomes even in low-return, range-bound environments.

In your view, what phase of the market cycle are we currently in, and how should investors position themselves in response?



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What is your market Cap allocation within the portfolio, what level of cash are you holding, what is driving that decision?



- The portfolio is currently allocated with a balanced yet growth-oriented approach, where large-cap stocks constitute approximately 48% of the total exposure, providing stability and resilience. Mid-cap stocks account for around 19%, offering a blend of growth potential and relatively moderate risk, while small-cap stocks make up about 28%, reflecting our intent to capture higher alpha opportunities despite their inherent volatility. Additionally, we are maintaining a cash position of nearly 5%, which provides tactical flexibility to deploy capital during favorable market conditions.
- Our overarching investment philosophy is to remain largely invested across market cycles rather than attempting to time short-term fluctuations. During periods of market downturn or heightened volatility, instead of significantly reducing equity exposure, we rely on hedging strategies to manage risk. These hedges act as a protective cushion, helping to limit downside impact while allowing the core portfolio to stay aligned with long-term growth objectives. This disciplined approach enables us to participate in upside opportunities while maintaining prudent risk management during uncertain phases.



With inflation showing signs of picking up and crude oil prices adding pressure, do you see RBI leaning towards a rate hike?



- The RBI's stance is likely to remain cautiously watchful rather than immediately hawkish. India is currently well-positioned as long as crude oil remains below ~\$90 per barrel, beyond which inflation risks start becoming more pronounced and can impact CPI materially. The report highlights that a sustained rise in crude—especially towards \$120—could increase inflation, push bond yields higher, and tighten financial conditions.
- However, at the current juncture, inflation pressures are manageable, and there is no immediate indication of aggressive rate hikes. Instead, RBI is more likely to maintain a data-dependent approach, closely tracking crude prices, inflation trajectory, and global developments.
- Overall, unless crude prices sustain significantly above the comfort threshold, RBI is expected to pause and monitor, rather than shift decisively towards a rate hike cycle.

