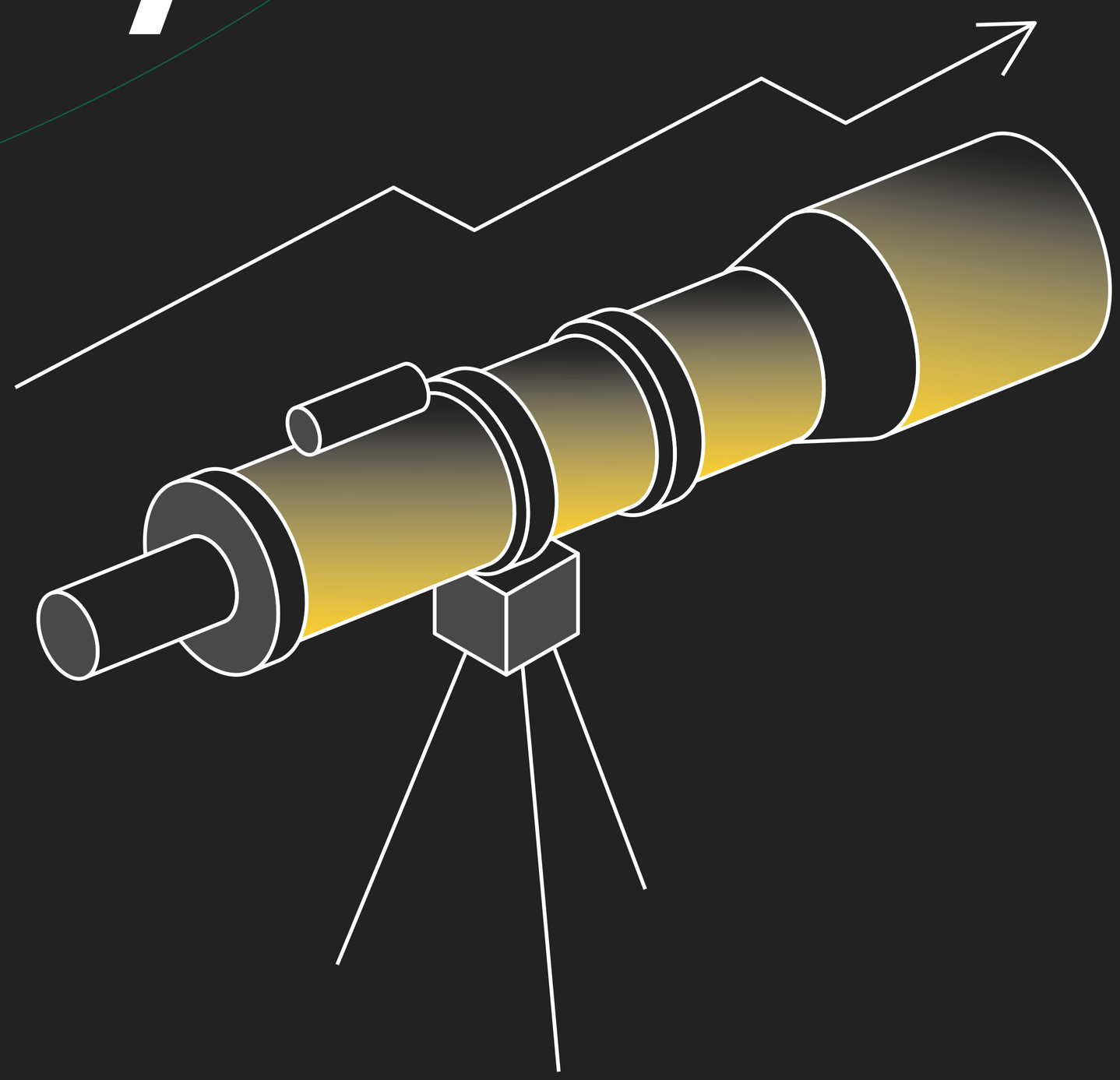
Edition 4 · October 2026 · Markets, decoded.

Jainam™

The Maxima Monthly



Dear Investor,

September was a hard month for Indian equities. The Nifty 50 fell 6.06%, its worst September fall since 2018, and it sits about 14% below its 52-week high. Foreign investors sold, crude stayed at elevated levels, and the US Federal Reserve joined several other central banks in raising rates. This edition puts the month in context, explains what a turn in India's rate cycle could mean for portfolios, and covers SEBI's new rulebook for portfolio managers.

A rough month, in perspective

A monthly return and a fall from the peak measure different things. The Nifty's 6% fall in September makes the headline and to be honest it is hard to ignore.

The index level tells you what investors paid this month. It does not tell you what the companies earned. That evidence starts arriving now with the Q2 FY27 results season, and we will be watching sales growth, margins and cash flow in the businesses we hold.

Sharp falls make the headline hard to ignore. A steadier habit is to ask whether the business behind a share has changed.

SEBI rewrites the PMS rulebook

On 24 September 2026, SEBI's board approved the **SEBI (Portfolio Managers) Regulations, 2026**. Once notified, they will replace the 2020 framework. SEBI's stated aim is to support the growth of the PMS industry by simplifying compliance and removing redundant requirements. For investors, the bigger story is the wider range of opportunities portfolio managers will be able to access.

What changes:

- Primary markets: Portfolio managers will be permitted to invest client money in IPOs and in fresh debt issuances.
- Unlisted debt: Discretionary portfolios may allocate up to 10% of a client's assets to investment-grade, unlisted non-convertible debt securities, with the client's consent.
- Global investing: Client funds may be invested in overseas listed equity and debt, REITs, foreign mutual funds, ETFs, index funds and foreign government securities. These investments must stay within the limits of FEMA and RBI's Liberalised Remittance Scheme.
- Mutual funds through PRIM: A new route, the Portfolio Managers Route for Investing in Mutual Fund Units (PRIM), allows portfolio managers to invest in direct plans of mutual funds, ETFs, index funds and Specialised Investment Funds. The minimum ticket is ₹25 lakh, and the fixed management fee is capped at 1% of assets.
- Derivatives: Exposure through exchange-traded derivatives will be permitted up to 1.25 times a client's assets.
- Independent Fund Managers: Qualified individuals may manage client portfolios in association with a registered portfolio manager. The registered portfolio manager remains fully responsible for their activities.

When interest rates turn

The RBI's Monetary Policy Committee meets from 5 to 7 October and announces its decision on 7 October. In August it left the repo rate, the rate at which it lends to banks, at 5.25% with a neutral stance. Since then the 10-year government bond yield has risen for a third straight month, which suggests bond investors are allowing for a possible increase.

A rate move matters beyond the headline. When the repo rate rises, loan rates tend to follow with a lag, deposit rates tend to rise, and new bonds pay more. For a share, the effect comes through valuation: if a safer asset pays more, investors ask for a higher return from shares, so the price they will pay for future earnings usually falls. The effect is larger for companies with heavy debt or profits expected far in the future, and smaller for companies with low debt, steady cash flow and the ability to raise prices.

The US Federal Reserve raised rates in September, and central banks in Australia, Europe and Japan have also raised theirs. Higher US rates tend to weigh on emerging market stocks, because they make US bonds and the dollar more attractive to global investors.

How we look at months like this.

Months like this are why we pick companies one at a time. The P.O.W.E.R. framework is a bottom-up process: it starts with the business and works up to the portfolio, rather than starting from an index or a theme.

Letter	Pillar	What we look for
P	Promoter Quality	Owners with a record of integrity, good governance and sensible use of capital
O	Opportunity for Growth	Scalable businesses with a long runway
W	Wide Moat	Lasting competitive advantages that protect margins over time
E	Excellent Financials	Strong return on equity, healthy margins and steady cash flow
R	Reasonable Valuation	A margin of safety before we buy, because we do not overpay for growth

The P.O.W.E.R. framework layer stays the same whatever the market does, and September was a fair test of it. **For our scheme Jainam Value Maxima, the Alpha (return above the benchmark) for the month of September was 7.2% and 28.6% since launch on 15th May 2026.**

September gave us a sharp fall, a debate on interest rates and a rewritten rulebook for portfolio managers. Markets will keep moving, and some months will be harder than September. Our job is to keep asking the same five questions of every company and to be honest with you about what we know and what we do not.

If you have questions about this edition, write to us at pms@jainam.in. Thank you for your trust.

We have posted our returns and other details about our PMS on our website at https://www.jainam.in/pms/.

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