BAYFORT CAPITAL
DIVERSIFY WITH A GLOBAL PORTFOLIO

Fort Investments
Level 1, Block A, Shivsagar Estate
Dr. Annie Besant Road,
Worli – Mumbai 400 018
Tel - +91 022 69456034

BayFort Capital: July 2025 Portfolio Review

“The great lesson in microeconomics is to discriminate between when technology is going to help you and when it’s going to kill you.” – Charlie Munger

BayFort Capital's Global Leaders Portfolio delivered a 0.96% return in USD (3.62% in INR) for July. In comparison, the large-cap S&P 500 index gained 2.17% (USD), while the small-cap Russell 2000 returned 1.68% (USD).

Fiscal & Monetary stimulus: Combined these two are the most powerful drivers of equity returns—historically, it's a near-unbeatable formula for stock market performance. The bear thesis has partially played out, with July’s net new jobs coming in at just 73K. However, powerful tailwinds are on the horizon: fiscal stimulus from OBBA (impacting CY26) and monetary stimulus from anticipated Fed rate cuts—likely to begin at the September meeting, with effects typically felt within 6–9 months.

Net Returns, INR (July 31, 2025)	1 Month	YTD	1 Year	3 Years Annualized	Inception* Annualized	Inception* Cumulative
BayFort Capital Global Leaders Portfolio (INR)	3.62%	12.91%	18.03%	24.87%	29.61%	122.48%
S&P 500 (INR)	4.86%	10.20%	20.36%	19.20%	22.41%	86.55%
NIFTY 50 (INR)	-2.93%	4.75%	-0.73%	13.02%	15.74%	56.96%

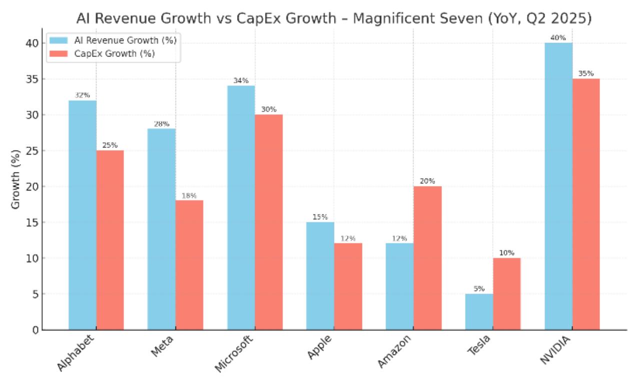
*All returns are net of fees * Inception is July 1, 2022 * S&P 500 is the Portfolio Benchmark

Earnings: Second-quarter earnings season has delivered exactly what the market wanted—and more. For Q2 2025, 80% of S&P 500 companies reporting so far have beaten Wall Street’s expectations on both earnings and revenue, handily outperforming the historical average. Firms like Alphabet, Meta, Microsoft are extending their dominance through sustained AI investment and expanding market share. July delivered strong earnings reports— Google Cloud revenues grew 32% YoY pushing its annual run-rate above $50 billion. MSFT delivered a blockbuster quarter, crushing expectations with an impressive 39% YoY revenue growth in Azure and other cloud services—showcasing its dominance in the global cloud and AI race. Finally, easing trade tensions provided a supportive backdrop for stocks in July.

In July, the top-performing S&P 500 sectors were Utilities (+4.91%), IT (+3.76%), and Industrials (+3.04%). Healthcare (-3.23%) was the weakest, followed by Consumer Staples (-1.47%) and Communication Services (-1.03%). Stock gains in July weren't broad-based. The large-cap Tech stocks caused the S&P 500 to outperform the equal-weight S&P 500 Index (0.97%) by 120 bps.

	Return (%) - Jul 31, 2025				
Asset	1M	3M	6M	1Y	3Y
Information Technology	3.76	25.34	14.22	20.91	23.12
[Benchmark] S&P 500	2.30	14.32	5.66	16.18	16.99
Industrials	3.04	16.20	10.55	20.61	18.58
Financials	0.00	7.77	2.47	21.53	17.88
Consumer Discretionary	1.89	12.49	-4.16	19.15	11.78
Communication Services	-1.03	12.82	5.48	26.59	25.23
Utilities	4.91	9.33	11.55	21.16	8.33
Materials	-0.09	5.11	-0.22	-2.91	6.07
Consumer Staples	-1.47	-1.84	2.24	5.07	5.06
Healthcare	-3.23	-6.70	-10.42	-11.35	1.14
Real Estate	-0.02	1.17	1.53	3.91	1.25
Energy	2.83	9.22	1.10	-3.35	7.32

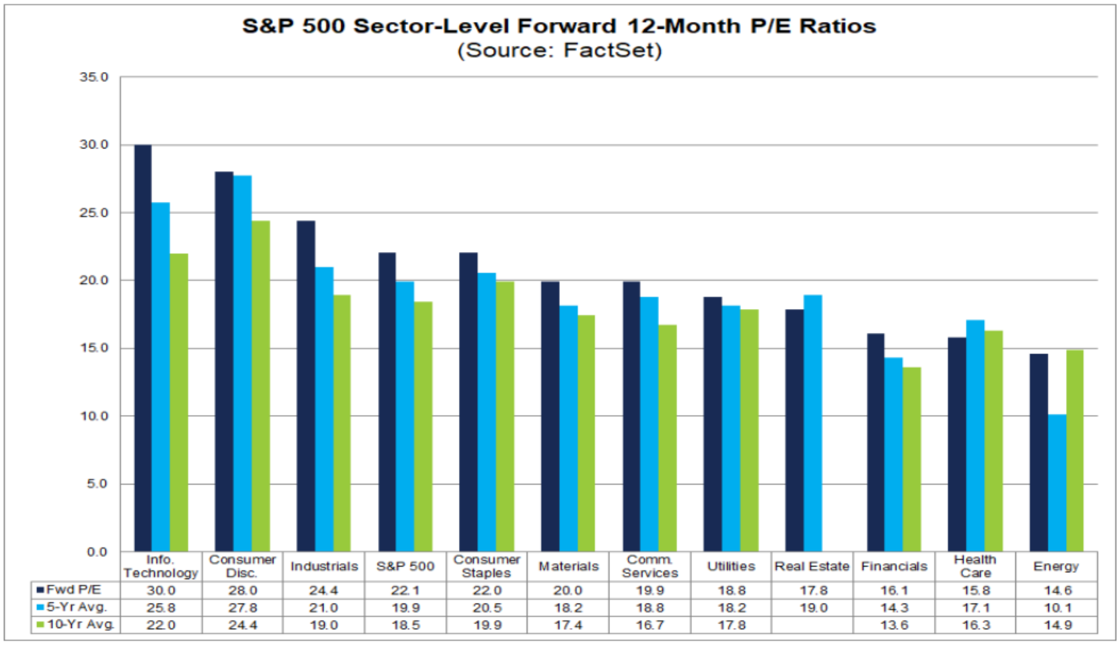
Street concerns about ballooning AI infrastructure capex were decisively put to rest this quarter. Leading AI infrastructure companies not only grew revenues faster than capex, but also showcased compelling ROI and meaningful operational leverage from their investments. Even more telling, management teams across the sector signaled no intention of tapping the brakes—raising capex guidance and doubling down on strategic buildouts. This is a clear affirmation that the AI build cycle is still in its early innings, with competitive intensity and growth momentum poised to remain elevated for years to come.



A few important points to consider as we think about the rest of the year.

1) **Valuations:** The S&P 500's forward P/E ratio of 22.1x indicates that valuations are not at expensive levels, reducing the likelihood of a market downturn triggered by valuation concerns. Moreover, earnings for the S&P 500 index are expected to increase by 10.3% in 2025 and 13.3% in CY26, compared with a 10.4% growth in CY-24. Furthermore, lower interest rates are typically supportive of growth stocks. If the Federal Reserve proceeds with the widely anticipated 75 basis point rate cut by December 2025, the resulting decline in discount rates on future cash flows could drive a meaningful re-rating in the valuations of high-growth companies. Looking further ahead, it appears increasingly likely that the incoming Fed Chair, set to take office in May 2026, will adopt a distinctly dovish policy stance. Given current expectations, a faster pace of rate cuts under the new leadership seems almost inevitable.

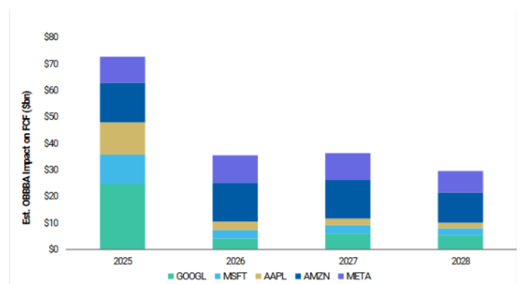
Fort Investments
Level 1, Block A, Shivsagar Estate
Dr. Annie Besant Road,
Worli – Mumbai 400 018
Tel - +91 022 69456034



	Info. Technology	Consumer Disc.	Industrials	S&P 500	Consumer Staples	Materials	Comm. Services	Utilities	Real Estate	Financials	Health Care	Energy
Fwd P/E	30.0	28.0	24.4	22.1	22.0	20.0	19.9	18.8	17.8	16.1	15.8	14.6
5-Yr Avg.	25.8	27.8	21.0	19.9	20.5	18.2	18.8	18.2	19.0	14.3	17.1	10.1
10-Yr Avg.	22.0	24.4	19.0	18.5	19.9	17.4	16.7	17.8		13.6	16.3	14.9

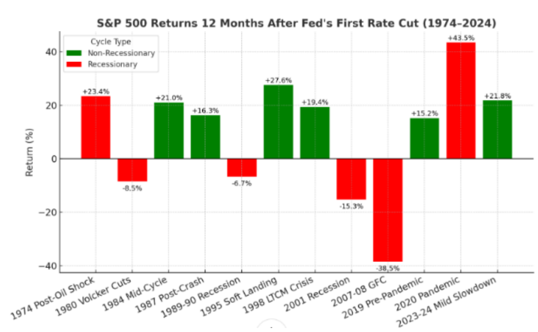
2) **Fiscal Stimulus (OBBA):** The CBO estimates OBBA will deliver a 0.5% boost to U.S. GDP over the next decade, with a 0.9% lift in 2026—a powerful short-term stimulus. A 100% immediate expensing for R&D capex will increase cash flows of high capex AI infrastructure & Semiconductor firms. Google's cash increases by nearly $25 Billion. This will drive corporate reinvestment and support innovation-focused sectors.

FCF for GOOGL, MSFT, AAPL, AMZN and META in the upcoming year from the OBBBA



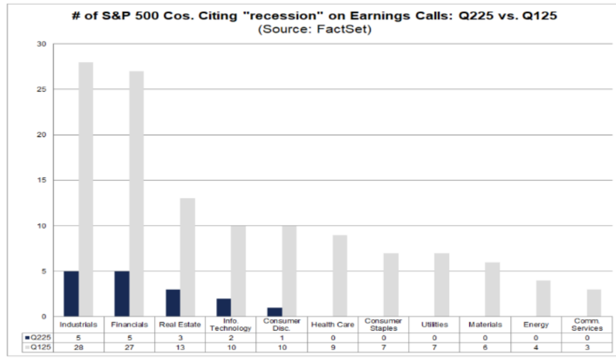
Source: Company Data and Morgan Stanley Research.

3) **Monetary Stimulus (Rate Cuts):** The Fed maintained its target range (4.25–4.50%), but updated its projections pointing to two likely quarter-point cuts by year-end in the July FOMC meeting. We believe the Fed cuts interest rates by at least 25 bps in September. The critical factor influencing rate cuts will be employment data. If job growth slows, the Fed will have room to lower interest rates to fulfill its mandate of promoting maximum employment. We expect the net new job growth to falter due to all the



government job cuts as well as a slowdown in hiring from the Tariff induced uncertainty in H1CY25. Recent downward revisions to May and June job growth, coupled with a modest 73K net new jobs in July, have paved the way for a likely 25 bps Fed rate cut in September.

4) **Recession Risk in the US:** FactSet's review of S&P 500 earnings call transcripts from June 15 to August 7 reveals a striking shift in corporate tone. The word "recession" appeared on just 16 calls during this period—well below the 5-year average of 74 and the 10-year average of 61. The drop is even more dramatic compared to earlier this year. In Q1 2025 (March 15 to June 14), "recession" was cited 124 times—meaning references have fallen 87% quarter-over-quarter. In percentage terms, only 4% of the 442 S&P 500 companies holding earnings calls this summer mentioned the term at all. Executives appear far more focused on growth and opportunity than on economic contraction—a sharp reversal from the cautious tone earlier in the year. This shift in language mirrors the improving macro backdrop and continued resilience in corporate performance.



	Industrials	Financials	Real Estate	Info. Technology	Consumer Disc.	Health Care	Consumer Staples	Utilities	Materials	Energy	Comm. Services
Q225	5	5	3	2	1	0	0	0	0	0	0
Q125	28	27	13	10	10	9	7	7	6	4	3

Investment Strategy: Our Global Leaders Portfolio continues to invest in companies that are at the forefront of innovation, generate robust cash flows, and have demonstrated resilience in challenging market environments. We believe that the current market conditions present a compelling opportunity for both new and existing investors to participate in the long-term growth of the global knowledge economy.

Terms & Conditions with respect to this Presentation: The purpose of this presentation is to provide general information of a product structure to prospective investors in a manner to assist them in understanding the product. The Presentation is purely for information purposes and should not be construed to be investment recommendation/advice or an offer or solicitation of an offer to buy/sell any securities. This Presentation is for the personal information of the authorized recipient(s) and is not for public distribution and should not be reproduced or redistributed to any other person or in any form without prior permission of BayFort Capital. While reasonable endeavors have been made to present reliable data in the Presentation, but BayFort Capital does not guarantee the accuracy or completeness of the data in the Presentation. BayFort Capital or any of its connected persons including its subsidiaries or associates or partners or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained, views and opinions expressed in this Presentation. Past performance should not be taken as

Fort Investments
Level 1, Block A, Shivsagar Estate
Dr. Annie Besant Road,
Worli – Mumbai 400 018
Tel - +91 022 69456034

an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this Presentation reflect a judgment of its original date of publication by BayFort Capital and are subject to change without notice. This Presentation is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to local law, regulation or which would subject BayFort Capital and its affiliates to any registration or licensing requirement within such jurisdiction The product described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this Report/Presentation may come are required to inform themselves of and to observe such restrictions. This presentation is qualified in its entirety by the Disclosure Document/Contribution Agreement and other related documents, copies of which will be provided to prospective investors. All investors must read the detailed Disclosure Document/Contribution Agreement including the Risk Factors and consult their investment advisors, tax advisors, before making any investment decision/contribution to be managed under the Services offered by BayFort Capital.

Contact Details – Corporate Office – Level 1, Block A, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400 018.
Investor Queries - Email: contactus@bayfortcapital.com