WEALTH MATRIX #2

India at the Core, the World as a Satellite

Why every Indian equity portfolio benefits from a 10%–15% overseas allocation, and why staying invested matters more than picking the next winner

AS ON 25 NOVEMBER 2026

SECURITY GROUP
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EXECUTIVE VIEW

No single market leads every year, so own India as your core and keep a small, steady slice of the world: India's long-term fundamentals remain strong, and it should stay the heart of your portfolio. But India is still a small part of the global market, and the last seven years show that market leadership keeps rotating between countries. A 10%–15% overseas satellite spreads your bets across those cycles.

INDIA IS ONE IMPORTANT MARKET IN A VERY LARGE WORLD

India's share of the world

3.37% of world market value

India's share of global equity market capitalisation in mid-November **2026, up from 2.97% at the start of October**. The US alone was 47.9% (May 2026). More than 96% of the world's listed equity value sits outside India.

India within emerging markets

10.65% of MSCI EM

Taiwan (28.9%), Korea (21.4%) and China (19.8%) are each larger. 89% of the MSCI Emerging Markets index lies outside India (30 Sep 2026).

Different engines of growth

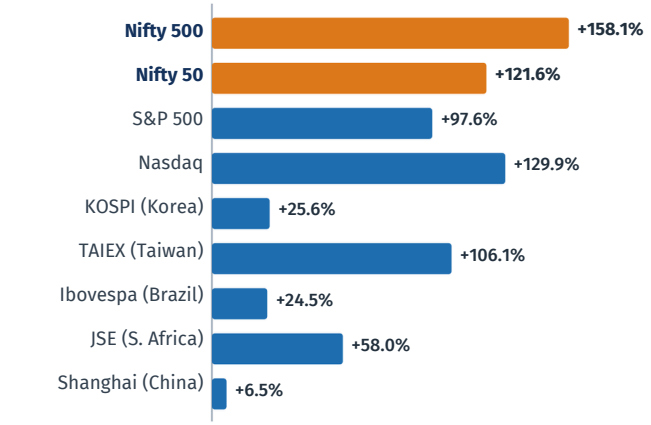
Tech · AI · Commodities

Global giants in **semiconductors, AI, cloud and commodities** are under-represented in Indian indices. An overseas slice gives access to them, plus a second currency.

LEADERSHIP ROTATES: THE SAME MARKETS, THREE VERY DIFFERENT PHASES

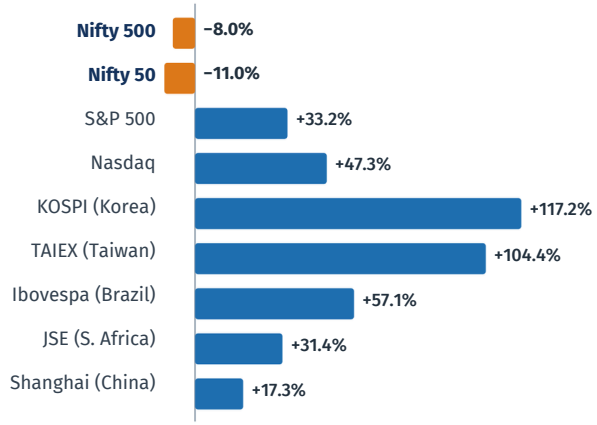
PHASE 1 · INDIA LED

Oct2019→Oct2024 (5years)



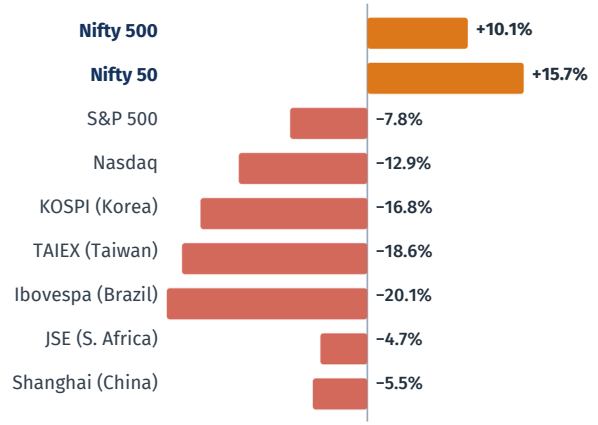
PHASE 2 · OVERSEAS LED

Oct2024→mid-Oct 2026(2years)



PHASE 3 · INDIA REBOUNDS

Mid-Oct2026→25 Nov2026(~1month)



Local-currency index price returns. India | Overseas, positive | Overseas, negative

How to read this: India went from first, to last, to first again in seven years

From 2019 to 2024 the **Nifty 500 rose 158%**, ahead of every market shown. In the next two years it slipped 8%, while Korea (+117%), Taiwan (+104%) and the Nasdaq (+47%) surged. Then, from mid-October to 25 November 2026, the script flipped again: **Sensex +17.1% and Nifty 50 +15.7%**, while Taiwan fell 18.6%, Korea 16.8%, Brazil 20.1% and the Nasdaq 12.9%.

What this means for you

Nobody can reliably predict which market leads next. Investors who exited India in its lull missed the rebound; investors who chased Korea or Taiwan at the peak are now nursing losses. **Owning both, in the right proportion, removes the need to guess.**

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The Evidence: Every Market Has Its Season

Year-by-year index returns for US, emerging and Indian markets, October 2019 to 25 November 2026

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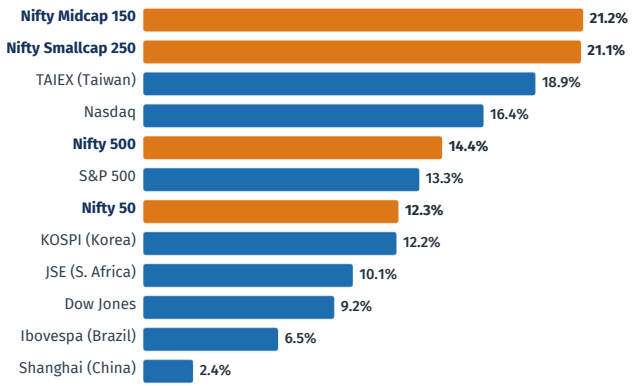
ANNUAL RETURNS HEAT-MAP: THE TOP PERFORMER CHANGES ALMOST EVERY YEAR

Index	Mkt	Yr to Oct-20	Yr to Oct-21	Yr to Oct-22	Yr to Oct-23	Yr to Oct-24	Yr to Oct-25	Yr to Oct-26	Mid-Oct → 25 Nov 26
S&P 500	US	+18.4%	+24.3%	−15.9%	+17.9%	+35.4%	+13.6%	+17.3%	−7.8%
Dow Jones Industrial Avg	US	+7.1%	+19.9%	−12.6%	+12.1%	+27.9%	+7.0%	+12.6%	−3.5%
Nasdaq Composite	US	+47.4%	+22.8%	−26.9%	+25.9%	+38.0%	+22.7%	+20.1%	−12.9%
South Korea KOSPI	EM	+12.7%	+28.4%	−26.2%	+10.8%	+6.1%	+43.7%	+51.2%	−16.8%
Taiwan TAIEX	EM	+14.0%	+31.0%	−22.4%	+28.4%	+38.5%	+18.4%	+72.6%	−18.6%
Brazil Ibovespa	EM	−6.4%	+16.4%	−0.7%	+2.0%	+12.8%	+9.6%	+43.3%	−20.1%
South Africa JTOPI	EM	+2.0%	+18.8%	−1.0%	+12.6%	+17.1%	+31.6%	−0.2%	−4.7%
China Shanghai Composite	EM	+12.1%	+7.0%	−13.5%	−0.1%	+2.8%	+21.1%	−3.2%	−5.5%
Nifty 50	India	+5.2%	+52.2%	−6.3%	+16.1%	+27.2%	+0.4%	−11.3%	+15.7%
Sensex	India	+6.3%	+49.5%	−5.8%	+15.8%	+23.7%	+0.4%	−12.6%	+17.1%
Nifty 500	India	+5.9%	+60.5%	−5.8%	+18.1%	+36.4%	−1.8%	−6.3%	+10.1%
Nifty Midcap 150	India	+11.3%	+86.7%	−3.5%	+30.5%	+45.7%	−1.4%	−0.6%	+4.9%
Nifty Smallcap 250	India	+10.8%	+97.7%	−6.8%	+34.7%	+47.2%	−6.6%	+4.2%	−0.7%
Top performer of the period		Nasdaq	Smallcap 250	Ibovespa	Smallcap 250	Smallcap 250	KOSPI	TAIEX	Sensex

Boxed cell = top performer in that column. US and Indian figures use mid-October snapshots (14/13/12 Oct); EM figures use 16–18 Oct snapshots. The last column runs from the October 2026 snapshot to 25 Nov 2026. Local-currency price returns, excluding dividends.

LONG RUN: INDIA HAS EARNED ITS PLACE AS THE CORE

Annualised return (CAGR), Oct 2019 → 25 Nov 2026, ~7.1 years



EVERY MARKET HAS LULLS, AND THEY RARELY HAPPEN TOGETHER

US lull · Oct 2021 → Oct 2023
Over two full years the **S&P 500 went nowhere (−0.8%)** and the Nasdaq fell 8.0%. In the same period the **Nifty 500 gained 11.3%** and the Midcap 150 gained 25.9%.

EM lull · Oct 2021 → Oct 2023
Korea fell 18.2% and China 13.6% over two years, before Korea went on to rise 117% between Oct 2024 and Oct 2026.

India lull · Oct 2024 → Oct 2026
The **Nifty 50 fell 11.0%** over two years, while the S&P 500 rose 33%. Then, in about six weeks, it **rebounded 15.7%** to 25,869.

LESSONS FOR INVESTORS

- ✔ **Diversification works because cycles differ.** When the US stalled in 2021–23, India carried portfolios; when India stalled in 2024–26, overseas markets did.
- ✔ **Recoveries come fast and unannounced.** Much of India's rebound came in a few weeks. Being out of the market for those weeks is costly.
- ✔ **Last year's winner is not a forecast.** Taiwan's +72.6% year was followed by an 18.6% fall within six weeks.
- ✔ **Patience is rewarded.** Over seven years, Indian midcaps and smallcaps compounded at about 21% a year, despite two difficult years along the way.

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What This Means for Your Portfolio

A simple frame work: A strong India core, a measured overseas satellite and the discipline to stay invested

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WHAT A 15% OVERSEAS SLICE WOULD HAVE DONE

Period	100% India (Nifty 500)	85% India + 15% US (Nifty 500 + S&P 500)	What happened
Oct 2019 → Oct 2024	+158.1%	+149.0%	India led; the satellite cost a little
Oct 2024 → Oct 2026	−8.0%	−1.8%	India's lull was largely cushioned
Oct 2026 → 25 Nov 2026	+10.1%	+7.4%	India rebounded; you still captured most of it
Full 7 years, to 25 Nov 2026	**+161.3%**	**+158.5%**	**Similar return, with a smoother ride**

Illustrative buy-and-hold mix with no rebalancing, using index price levels in local currency. It excludes dividends, costs, taxes and currency. For an Indian investor the rupee's fall from about ₹84 per dollar in late 2024 to about ₹92.35 today would have **added** to the overseas leg. Not a forecast or a product return.

WHY CONSIDER IT NOW

Rupee has stabilised

₹92.35/$

Rate on 25 Nov 2026, stronger than ₹95.78 on 12 Oct and the record low of about ₹96.7 in May. Dollars now cost less.

Overseas has corrected

−4% to −20%

Since mid-October: S&P 500 −7.8%, Nasdaq −12.9%, Korea −16.8%, Taiwan −18.6%; Brazil −20.1% after its election. Entry levels are lower than a month ago.

India's core is strong

₹1 lakh cr+

Record FPI equity inflow in November (to 19 Nov), after ₹34,843 cr of selling in October. Brent eased below $94 from $106.65.

But stay measured

CAPE ~41

US valuations were near dot-com levels in October and are still elevated after the dip. That is why purchases should be staged and sized small.

THE RECOMMENDED STRUCTURE

INDIA CORE · 85%–90%
Large,flexi,mid&smallcapfunds as per your risk profile. Continue SIPs.

GLOBAL / US ~6%–9%

EM ~4–6%

Overseas satellite of 10%–15% of equity allocation (illustrative split: about two-thirds broad US/global, one-third emerging markets ex-India). The right size depends on your goals, horizon, tax position and existing overseas holdings.

1 Stage it in
Start with the minimum lump-sum investment, then top up regularly with smaller amounts, so you do not need to time the entry.

2 Keep it broad
Prefer diversified US/global and EM funds over single-country or single-theme (e.g. AI-only) bets.

3 Hold 5+ years
The satellite's job is diversification across cycles. Judge it over years, not over one month.

4 Rebalance yearly
Once a year, bring India and overseas back to target. This trims what ran up and adds to what lagged, automatically.

5 Use the right route
International mutual funds / FoFs, or GIFT City funds (some from USD 5,000). LRS limit: USD 250,000 per person per year.

Your investor behaviour checklist

- ✔ Stay invested through lulls; they are part of the journey.
- ✔ Keep SIPs running, especially when markets are down.
- ✘ Don't stop SIPs or redeem after a bad year.
- ✘ Don't chase last month's winner, in India or abroad.

Final takeaway

India remains the engine of your wealth, and the last month shows why it belongs at the core. The two years before that show why the core should not be everything. Keep 85%–90% in India, add a 10%–15% overseas satellite in stages, rebalance once a year and stay invested.

Key risks: overseas investing carries market, currency, valuation, concentration, liquidity, regulatory and tax risks; a stronger rupee reduces INR returns on overseas assets. Some international funds may pause fresh inflows when industry overseas-investment limits are reached. **Sources:** index levels: supplied market data, 14 Oct 2019 to 25 Nov 2026, with returns recomputed from closes; global market-cap shares: Motilal Oswal, May 2026, and The Economic Times via Kotak Neo, 17 Nov 2026; MSCI EM factsheet, 30 Sep 2026; USD/INR: 25 Nov 2026 rate, PTI; FPI flows: NSDL via Business Today, 19 Nov 2026; Brent: Trading Economics, 16 Nov 2026; Shiller CAPE, Oct 2026; RBI LRS Master Direction; IFSCA Fund Management Regulations, 2025. Past performance is not indicative of future results. This is educational material, not personalised investment or tax advice.

Mutual fund investments are subject to market risks. Read all scheme-related documents carefully.

Want to get more insights? Set up a call to discuss this with our senior financial advisors.