



When years happen in a month

May 04, 2026

Nifty Smallcap 100 saw a blockbuster rally in April 2026, climbing 18.4% - its third-strongest monthly gain since inception. Our RSO portfolio outperformed decisively with a 22.74% return.

1. The rally in the index has highlighted one of our constant themes that (a) returns in the market and more so in the small caps are not linear and (b) if you miss some of the best months you end with sub-par performance.
2. A bigger question is what will the market and small caps do after this rally? We continue to remain positive on small caps over a 18-24 month view and expect a recovery in the earnings cycle to drive returns. To gauge post-rally prospects, we reviewed the Nifty Smallcap 100's 7 prior instances of 15%+ monthly returns (pre-April 2026). The pattern is encouraging:
 - Index higher 3 months later: 6/7 instances
 - Index higher 1 month later: 5/7 instances
 - Median forward returns: +9% (3 months), +7% (1 month).

A key positive this time: April's rally followed a -10% drop in March. In the other two similar instances (strong rebound after a down month), returns stayed positive in subsequent months. The main caveat—current valuations are richer than in prior episodes, potentially capping upside below historical medians

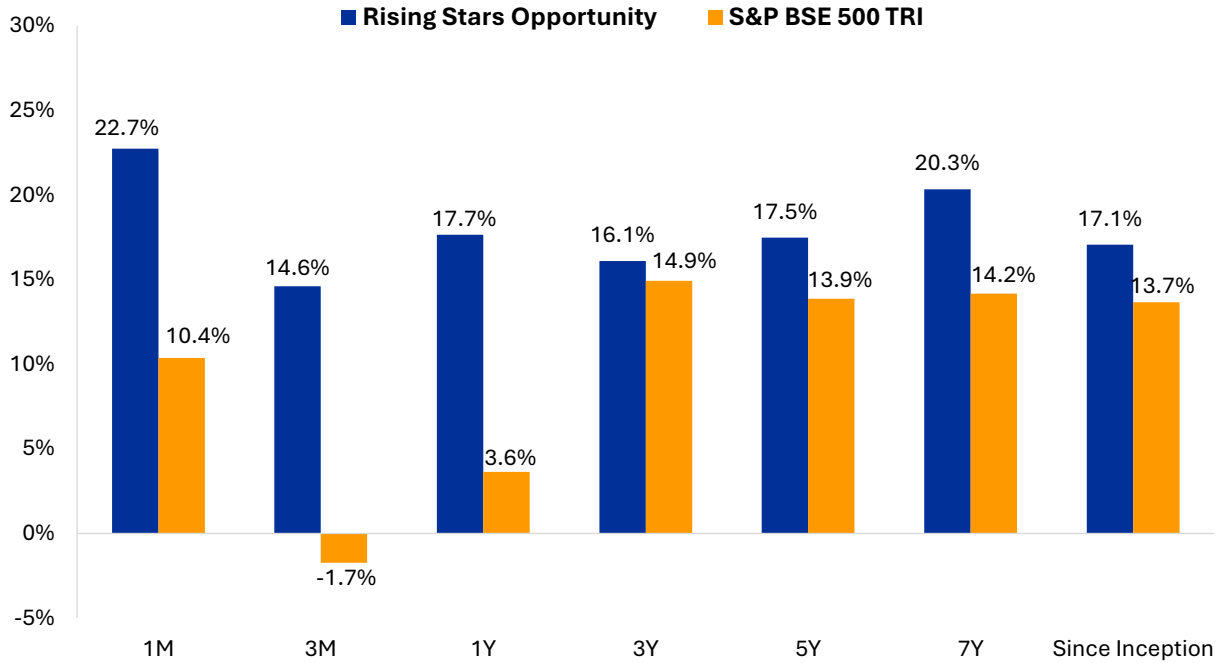
Table 1: When Index rises more than 15%

When Index rise more than 15%							
1M Prior Return	Smallcap 100 Index up 15%+		1M	2M	3M	6M	1Y
16.7%	31-May-09	47.3%	-1.7%	4.6%	12.8%	20.4%	29.4%
6.5%	31-May-14	22.4%	12.0%	5.1%	4.0%	7.8%	15.6%
-10.2%	30-Apr-26	18.4%	-	-	-	-	-
7.0%	31-Dec-07	17.6%	-21.7%	-21.8%	-35.0%	-43.3%	-71.2%
-9.6%	31-Jan-12	16.7%	6.9%	7.0%	8.9%	1.4%	14.4%
8.9%	30-Apr-09	16.7%	47.3%	44.8%	54.1%	66.6%	104.5%
-1.8%	30-Jun-20	15.3%	8.6%	21.0%	26.2%	53.6%	110.9%
12.0%	31-Aug-05	14.8%	1.5%	-9.4%	1.1%	14.5%	30.7%
Average			7.6%	7.3%	10.3%	17.3%	33.5%
Median			6.9%	5.1%	8.9%	14.5%	29.4%

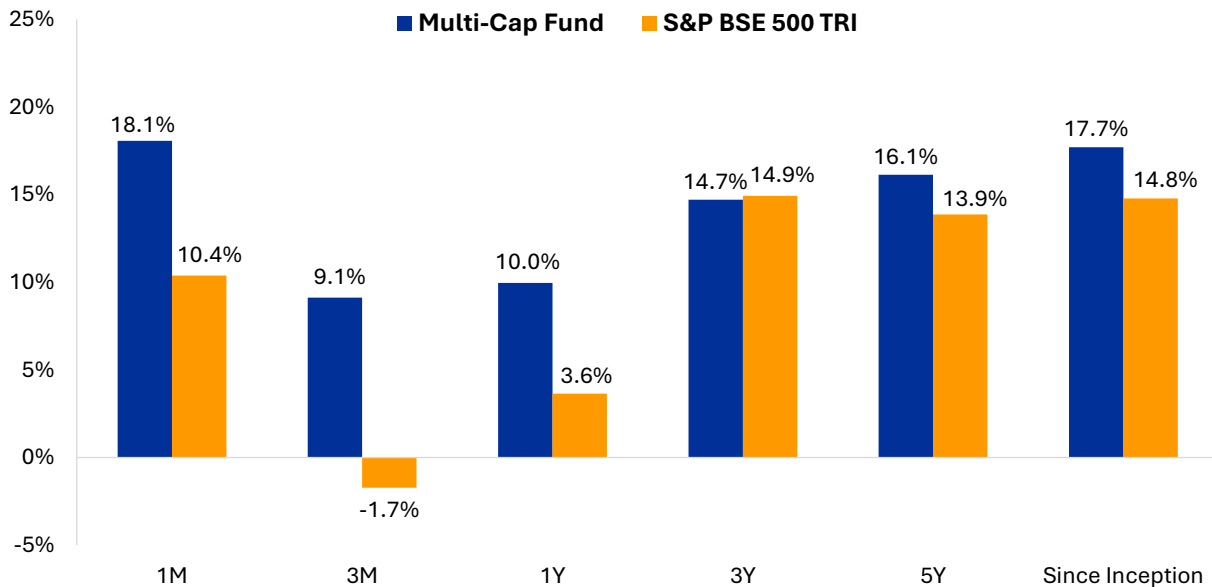
*Source: AceEquity, Valentis Research



Valentis Rising Stars Opportunity Fund Performance (as on April 30, 2026)



Valentis Multi-Cap Fund Performance (as on April 30, 2026)



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