



Quarterly Investment Update

Q2 2026



Real Estate Fund – Equity

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Dear Investor,

We are pleased to share with you the first quarterly update on Arnya Real Estate Fund – Equity (the “Fund”) for the quarter ending June-26.

Macro-economic Overview

India’s long-term growth outlook remains resilient, though near-term headwinds have intensified over the quarter. The RBI, in its June 2026 MPC review, trimmed its FY27 real GDP growth forecast to 6.6% (from 6.9% previously) while raising its inflation projection to 5.1% (from 4.6%), citing higher energy costs.

Ongoing West Asia tensions have introduced a fresh layer of caution into real estate decision-making this quarter. Elevated crude prices and a softer rupee have modestly raised input costs for construction materials, while heightened investor risk-aversion has contributed to more measured homebuyer sentiment, particularly in the mid-segment. Premium and Global Capacity Centre (GCC) - anchored markets, however, have remained largely insulated, underscoring the sector's growing bifurcation between resilient and rate-sensitive segments.

The RBI's intervention has helped contain further rupee depreciation, but the currency remains under pressure, a factor with direct bearing on real estate. A weaker rupee raises the cost of construction inputs and dampens near-term foreign investment inflows into Indian real estate, even as it improves relative affordability for NRI buyers.

On rates, the RBI’s MPC held the repo rate steady at 5.25% in its latest meeting, maintaining a neutral stance for the third consecutive review. This continuity in borrowing costs remains a stabilizing factor for housing affordability, even as inflation risk builds on the back of firmer oil prices and a softer rupee

Real Estate Industry Overview

Residential demand across the top 7 cities remained resilient in Q2 2026, with sales of ~0.7 lakh units, even as external factors briefly prompted some buyers to take a more considered approach to purchase timing. Encouragingly, developers responded with disciplined new supply of ~0.7 lakh units, calibrating launches thoughtfully rather than adding to inventory, a hallmark of a maturing, well-

governed market. Meanwhile, the premium and GCC-led micro-markets continued to show strong resilience, reflecting sustained buyer confidence and rising financial capacity among India's homebuyers. Taken together, this points to a healthy, well-balanced market poised for a sustainable growth trajectory, with underlying demand fundamentals firmly intact.



While overall sales volumes softened this quarter, the premium segment continued to perform well and stood out as the clear bright spot. Homes priced above INR 1.5 crore accounted for close to half of all new launches this quarter, reinforcing the sector-wide shift toward premiumization that has been building over the past few quarters. This reflects sustained buyer preference for upgrades, better-quality construction, and amenity-led developments, even as overall market sentiment turned more cautious. Demand for premium and luxury housing remains concentrated in urban centers with strong, GCC-anchored employment outlooks — a segment that has proven far more resilient to external shocks than the broader mid-market.

India's office market held firm in Q2 2026, with Grade A leasing across the top 7 cities modestly below Q1's record but the ninth straight quarter above 15 mn sq ft. Bengaluru and Hyderabad led absorption with demand anchored by GCC, technology and flex operators also scaling up (4.6 mn sq ft). India’s domestic commercial space vacancy tightened 101 bps YoY to 15.2%, and rents firmed ~7.5% YoY underscoring commercial resilience amid residential caution.

Fund Update

We are actively evaluating multiple opportunities across Mumbai and Pune. We remain focused on identifying projects that align with our strategy of delivering strong, risk-adjusted returns.

Other Updates at AMC Level

We are pleased to announce that we are planning a Preferred Capital Fund with a very renowned south based developer. We shall keep you posted on any further information regarding the same.

Additionally, we are pleased to announce the addition of three new members to our investments team, including a Director who will lead the Fund (AREF-E), further strengthening our investment capabilities and execution platform. We look forward to growing and adding more industry veterans to our organization.

We are committed to bring innovative offerings for esteemed investors to deliver superior risk adjusted returns.

We value your continued support and cooperation.

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Best Wishes,

Sharad Mittal

Founder and CEO

Particulars	Details
Fund Size	INR 1,300 Cr
Fund Raised	INR 1,108 Cr
First Close Date	15th April, 2026
Number of Investments	-
Amount Committed	-
Amount Disbursed	-
Drawdown	5%

S No.	Location	Type of Project	Estimated Investment Amount	Estimated Timeline	Target IRR
1	Juhu, Mumbai	Residential Redevelopment	~INR 120 Cr	Sept-2026	~30%
2	Bandra, Mumbai	Residential Redevelopment	~INR 50 Cr	Sept-2026	~30%
3	Andheri E, Mumbai	Commercial Redevelopment	~INR 150 Cr	Oct-2026	~30%
4	Bandra, Mumbai	Residential Redevelopment	~INR 100	Dec-2026	~30%

Update on Deal Pipeline

The Fund has made significant progress in evaluation of its first two transactions, both in Mumbai's Western Suburbs — Juhu and Bandra — representing a combined investment of up to ₹175 Cr (~14% of Fund size). Both projects have cleared key early milestones — soil testing and member unit allocation are largely complete, with Development Agreements now in final execution. They are expected to deliver upwards of 30% IRR over a 3-5 year delivery horizon.

Capital deployment is expected to begin Q3 2026, phasing through Q1-Q2 2027 as approvals land, consistent with the Fund's approval-linked, rear-ended drawdown philosophy.

Beyond these committed deals, the broader pipeline remains active, with a healthy pool of opportunities under evaluation and discussion across key micro-markets, giving the Fund strong optionality as it scales deployment through the year.

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