

ABSL Select Sector Portfolio

Investment Theme

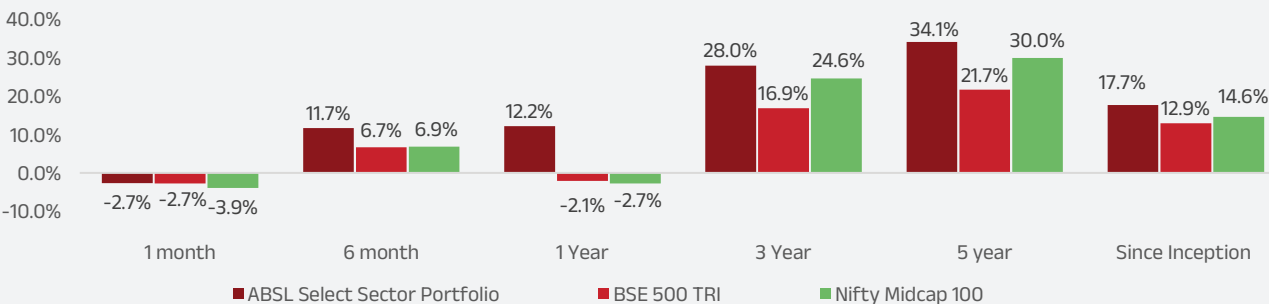
The strategy aims to invest in companies of high quality with consistency in growth, high ROE, low leverage & high potential for growth. It is predominantly Small & Midcap oriented portfolio.

Fund Details

Structure: Discretionary PMS | **Strategy Name:** ABSL Select Sector Portfolio | **Benchmark:** BSE 500 TRI |

Fund Inception Date: October 6, 2009 | **Fund Managers:** Sameer Narayan & Salvin Shah

Performance



Performance as on July 31, 2025 / Source: ABSLAMC Internal Research

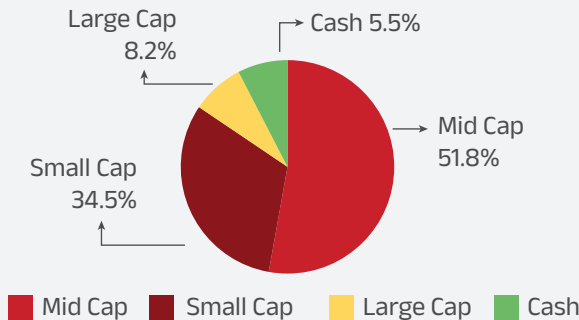
Disclaimer: Past performance of any product does not indicate its future performance. • Performance data is based on Time-Weighted Rate of Return (TWRR) for aggregated performance statistics of all investors. • Please note that performance of your portfolio may vary from that of other investors and that generated by the Investment Approach across all investors because of the timing of inflows and outflows of funds; and differences in the portfolio composition because of restrictions and other constraints • Investment approach level performance reported is not verified by SEBI.

Risk Ratios

Standard Deviation	14.52%
Sharpe Ratio	1.53
Beta	0.89
Portfolio Turnover (%)	0.25

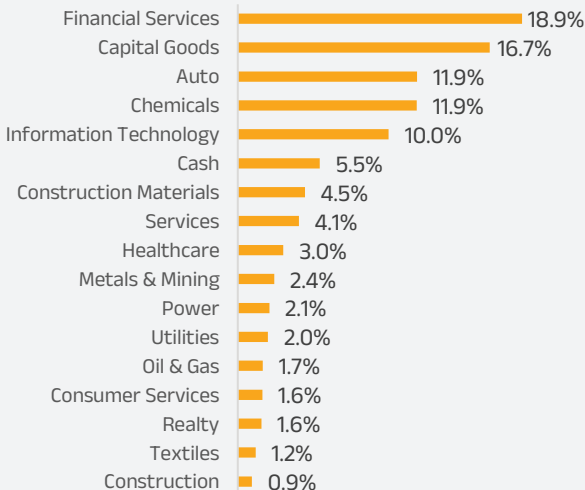
Above ratios are 3 year ratios calculated on annualised basis

Market Capitalisation



Source: AMFI / As on July 31, 2025

Sector Allocation



Portfolio data as on July 31, 2025

Top 10 Portfolio Holdings

Companies	% to Net Assets
BSE Limited	9.0%
Hitachi Energy India Ltd	5.8%
Persistent Systems Ltd	5.4%
Deepak Fertilizers & Petro Corp Ltd	5.1%
Lumax Industries Ltd	4.5%
ICICI Bank Ltd	4.2%
Federal Bank Ltd	3.2%
EID Parry India Ltd	2.9%
Coromandel International Ltd	2.9%
Triveni Turbine Ltd	2.8%

Equity Outlook

The Nifty fell 2.9% in July, marking an end to a four-month winning streak. Sentiment remained cautious amid uncertainty around India-US trade negotiations and a tepid Q1 results season with cautious management commentary. Mid-cap and Small-cap indices underperformed Large-cap and were down 4% and 6%, respectively. Almost all sectors ended in the red, except healthcare (+3%) and FMCG (+2%). IT, Realty, and Capital goods indices were down 9%, 7% and 6%, respectively. India was among the worst-performing markets, along with Brazil (-4%), the Philippines (-2%) and Malaysia (-1%). While Thailand (+14%), Indonesia (+8%) and Taiwan (+6%) were among the top gainers. FII's sold in July 2025 to the tune of \$4.3bn (secondary) and DIIs remained net buyers to the tune of \$7bn.

On the domestic economy front, high frequency indicators (like E-way bill, GST collection, CPI, PMI) suggest marginal improvement in economy. GST collection for the month of June (collected in July) was at Rs1,957 bn (May: Rs1,846 bn), growth of 7.5% YoY (May: 6.2% YoY). June CPI inflation moderated to 2.1% (May: 2.8%). Food prices contracted by 1.1% YoY (accelerated 1.1% mom), led by a sharp decline in prices of vegetables, pulses, cereals, sugar, and spices. Goods trade deficit in June too narrowed from May levels to US\$18.8bn driven by 3.7% YoY decline in imports to US\$53.9 bn (May: US\$60.6 bn). IIP growth in June decreased to 1.5% (May: 1.9%) with manufacturing production growth at 3.9%, electricity at (-)2.6% and mining at (-)8.7%.

Other key developments: (1) The RBI MPC unanimously kept the policy repo rate unchanged at 5.5% while maintaining the stance at neutral, (2) India and the UK signed a Comprehensive Economic and Trade Agreement (CETA) aiming to boost annual bilateral trade, (3) the IMF raised India's FY2026 GDP growth outlook to 6.4% from 6.2%, (4) the US Fed kept the interest rates unchanged, (5) the US announced a 25% minimum tariff on Indian exports to the US and (6) 1QFY26 net income of the Nifty-50 Index came in as expected; however, downbeat guidance from management dented sentiments.

Overall, at the portfolio level, we remain invested in high quality franchisees and expect these businesses to continue to deliver healthy earnings growth over the medium to long term.

Source: Internal Research

Disclaimer: Investments in securities are subject to market risks and there can be no assurance or guarantee that the objectives of the product will be achieved. Past performance may or may not be sustained in future.

Portfolio Update:

In the month of July 2025, BSE Limited, Hitachi Energy India Ltd, Persistent Systems Ltd, Deepak Fertilizers & Petro Corp Ltd & Lumax Industries Ltd. continue to be the fund's top holdings. We continue to employ our extensive bottom-up research process, to identify mispriced opportunities, with special focus on companies with credible managements, healthy balance sheets, higher returns on capital, and strong runway for growth.

The portfolio includes Blue Dart Express Ltd.

Rationale:

- Market leader in the Air Express business
 - Operates a dedicated air cargo fleet- market leader.
 - This gives Blue Dart a competitive edge in time-sensitive deliveries, especially for high-value cargo.
- Resilient Business Model
 - 70% revenue from Air express business- market leader.
 - Dominates critical logistics for BFSI and government services: 80% of credit/debit cards, 90% of passports/visas.
 - Fuel surcharge mechanisms help protect margins from volatility in fuel prices (fuel prices are >50% costs of air express business).
- Operational Efficiency and Margin Recovery Potential
 - Capacity Utilization Factor (CUF) is improving (currently 82%, target 90%+).
 - Air cargo- high value cargo should lead to better EBITDA/ton
- Industry Consolidation and Competitive Advantage
 - With many players in the e-commerce logistics space still unprofitable, consolidation is underway.
 - Apart from Blue Dart's service quality, key right to win in this segment is the fact that BDEL is profitable.

Disclaimer: The views expressed above are the views of the Fund Managers and should not be construed as an investment advice.

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Investment Style

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	Growth	Blend	Value
Large Cap			
Mid & Small			

Risk Factors and Disclaimers

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Regulatory Disclosure: All investors have the option to invest directly with ABSLAMC-Portfolio Manager

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