ABSL Core Equity Portfolio

Investment Theme

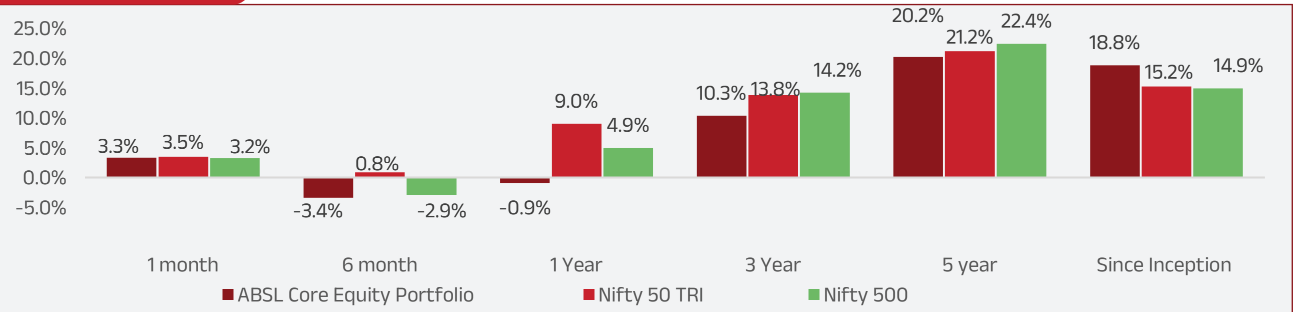
The strategy aims to invest in businesses having sustainable growth over long-term in select industries, which endeavors to make up for most of the GDP growth patterns. It is a Multicap portfolio unconstrained by any market segments.

Fund Details

Structure: Discretionary PMS | **Strategy Name:** ABSL Core Equity Portfolio | **Benchmark:** Nifty 50 TRI |

Fund Inception Date: January 07, 2009 | **Fund Manager:** Salvin Shah

Performance



Performance as on April 30, 2025 / Source: ABSLAMC Internal Research

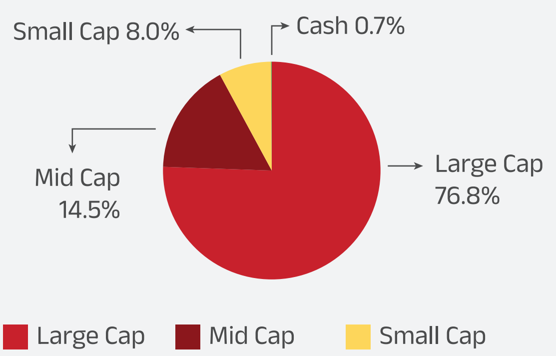
Disclaimer: Past performance of any product does not indicate its future performance. • Performance data is based on Time-Weighted Rate of Return (TWRR) for aggregated performance statistics of all investors. • Please note that performance of your portfolio may vary from that of other investors and that 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	14.34%
Sharpe Ratio	0.30
Beta	1.00
Portfolio Turnover (%)	0.37

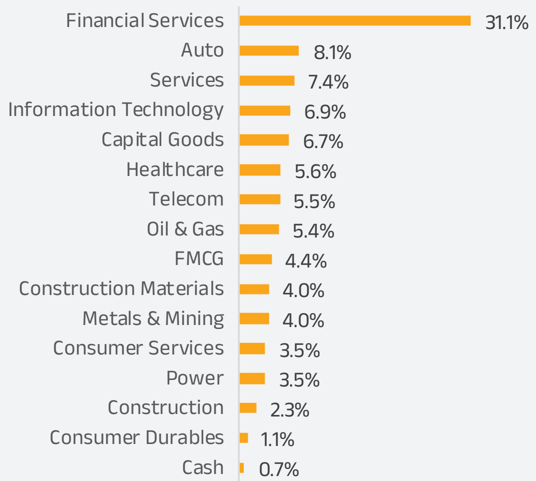
Above Ratios are 3 year ratios calculated on annualised basis

Market Capitalisation



Source: AMFI / As on April 30, 2025

Sector Allocation



Portfolio data as on April 30, 2025

Top 10 Portfolio Holdings

Companies	% to Net Assets
Interglobe Aviation Ltd	7.4%
ICICI Bank Ltd	6.5%
Sun Pharma. Industries Ltd	5.6%
Bharti Airtel Ltd	5.5%
United Spirits Ltd	4.4%
HDFC Bank Ltd	4.3%
Bajaj Finserv Ltd	4.2%
Infosys Ltd	4.0%
Ultratech Cement Ltd	4.0%
Tata Motors Ltd	3.4%

Equity Outlook

Nifty surged for the second consecutive month and was up 3.5%. Mid-cap. and small-cap. indices also joined the rally and were up 4.7% and 2.2%, respectively. Almost all sectors ended in green, except metals and IT, which declined 5.8% and 3%, respectively. The consumer durables, oil & gas and FMCG sectors were up above 5%. Global markets ended mixed. Mexico, Indonesia and Australia were up 6%, 3.9% and 3.6%, respectively, whereas US (Dow), Hong Kong and Singapore declined 4.6%, 4.3% and 3.5%, respectively. FIIs brought in April 2025 to the tune of $1.2bn (secondary) and DIIs remained net buyers to the tune of $2.8bn.

On the domestic economy front, high frequency indicators (like E-way bill, GST collection, CPI, PMI) suggest marginal improvement in economy. GST collection rose 12.6% YoY to an all-time high of Rs2.37tn in April (vs Rs1.96tn MoM). Headline inflation fell to post-pandemic low of 3.34% in Mar-25, led by a further fall in vegetable prices. There has been further fall in vegetable prices in April MTD, which could potentially take Apr-25 CPI print to 2.9% YoY. IIP growth in March increased to 3.0% (February: 2.7%) with electricity production at 6.3%, manufacturing at 3.0%, and mining at 0.4%. The manufacturing PMI expanded to 58.2 in April from 58.1 in March and 56.3 in Feb to hit a 10-month high driven by strong demand and a sharp rise in output, most notably among consumer goods makers.

Other key developments: (1) the RBI announced an Open Market Operation (OMO) purchase to inject liquidity, (2) the US President announced a sweeping set of reciprocal tariffs on April 2; however, on April 9, he announced a 90-day 'pause' on reciprocal tariffs for all except China, (3) the RBI reduced the repo rate by 25 bps to 6% and shifted its stance to accommodative, (4) IMD predicted above-normal monsoon rainfall this year—expected at 105% of the long-period average, with a 5% margin of error, (5) the RBI relaxed liquidity coverage ratio (LCR) guidelines, which is expected to enhance credit availability and support growth in the banking and financial sectors, (6) IMF slashed India's FY2026 GDP growth projection to 6.2%, down from its earlier estimate of 6.5%, citing growing global trade tensions and economic uncertainty and (7) the US President indicated that tariff talks with India are going great.

Source: Internal Research

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Portfolio Update:

In the month of April 2025, Interglobe Aviation Ltd, ICICI Bank Ltd, Sun Pharmaceuticals Industries Ltd, Bharti Airtel Ltd & United Spirits 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 Vedanta Ltd.

• The company operates a world-class asset with industry-leading margins and return ratios.

• Vedanta's AL/Zn smelters are positioned in the top quartile of the global cost curve, providing a significant competitive edge in cost management

• The management is sweating the assets well with a target to optimize volumes/costs to enhance profitability

• Over the past two and a half years, Vedanta Resources (VRL) has reduced its debt by USD 4.3bn, bringing it to USD 4.8bn. In 9MFY25, VRL's debt declined by USD 1bn. Additionally, VRL has restructured its USD 3.1bn bond portfolio, extending maturities up to eight years, improving covenant terms, and reducing debt costs by 250bps. This momentum is likely to continue as the company focuses on further deleveraging and optimizing its capital structure.

• Following a recent 17% stock correction. It now offers an attractive average free cash flow yield of 12% and a dividend yield of 7% over FY26-27E

The portfolio includes Hindustan Aeronautics Limited.

- Hindustan Aeronautics (HAL) is a market leader in aerospace defense. It boasts a strong order book of INR1.8t as of 31st Mar'25, along with a promising prospect pipeline of INR6t, which is likely to be awarded over the next few years.
- The company is transitioning from a traditional licensed model to an indigenized model and is currently working on marque projects such as Tejas Mk1, Tejas Mk1a, Su-30 upgrade, Dornier-25, and Light Utility Helicopter (LUH), et al
- These projects are anticipated to fuel manufacturing revenue growth for HAL. Based on recent announcements and discussions with industry experts, the supply of engines from GE for Tejas Mk1A is likely to commence during FY26.
- At CMP, the stock trades at 26x FY27 EPS.

The portfolio includes Castrol India Ltd.

- Castrol is expected to outgrow the industry in terms of volumes driven by focus on existing segments, diversification in new categories and investments in sunrise segment
- Castrol sources ~60% of its raw materials requirements through imports; it also leverages group's global sourcing strength to optimise the input costs. Its strong brand recall allows it to pass on any material variations to customers thus providing cushion to the margins
- Castrol's asset light model has consistently led to best in class return ratios, and we expect this to sustain, even when company steps up investments in new areas
- Castrol expanded its service and maintenance network in India during Q4CY24, increasing its presence over 10,000 multi brand passenger car workshops and 29,500 independent bike workshops
- At CMP, stock trades at 17x CY26 EPS

The portfolio exits Container Corporation of India Ltd.

- Macro uncertainty weighs on EXIM growth in FY26E. FY25 was weak, off a low base.
- The attractiveness of rail container freight vs road has reduced over the past one year. Container freight rates are up 14.5% YoY, while truck freight rates are flattish.
- The Indian Railways container freight volume over Apr'24-Feb'25 was up only 4.1% YoY (after +7.1% in FY24). The EXIM growth therein is likely to be lower, as domestic container rail volumes would have grown in the double-digits.
- At CMP, the stock trades at rich valuation of 24x FY27 P/E.

The portfolio exits Alicon Castalloy Ltd.

- Business is weak owing to softer demand in key export markets such as Europe and North America, weaknesses in EVs and CVs along with production shutdowns.
- Further, some customer specific incidents with a production shutdown at India plant of a leading Japanese OEM and challenges with one of their European two-wheeler OEM is dampening the outlook
- The Management had earlier guided for top-line of ₹22,000 mn by FY26, however, on the recent conference call, the Management stated that due to ongoing challenges it may be delayed by a year
- The profit margins are also under pressure due to an unfavorable product-mix as higher margin volume from EVs & CVs is declining and the share of low margin businesses of two-wheeler products is rising

The portfolio exits Rajratan Global Wire Ltd.

- Indian operations continue to be weak on the back of both volumes and margins pressure.
- Thailand performance also continue to disappoint with lower volumes and lower than expected realizations
- Rajratan is going through a transformational phase in the industry with aggressive supplies by competitors from China on account of lower demand in China, coupled with the ensuing geopolitical situation in Europe and Middle East."
- At CMP, the stock trades at rich valuation of 18x FY27 P/E.

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

ABSL Core Equity Portfolio			
	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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