ABSL Select Sector Portfolio

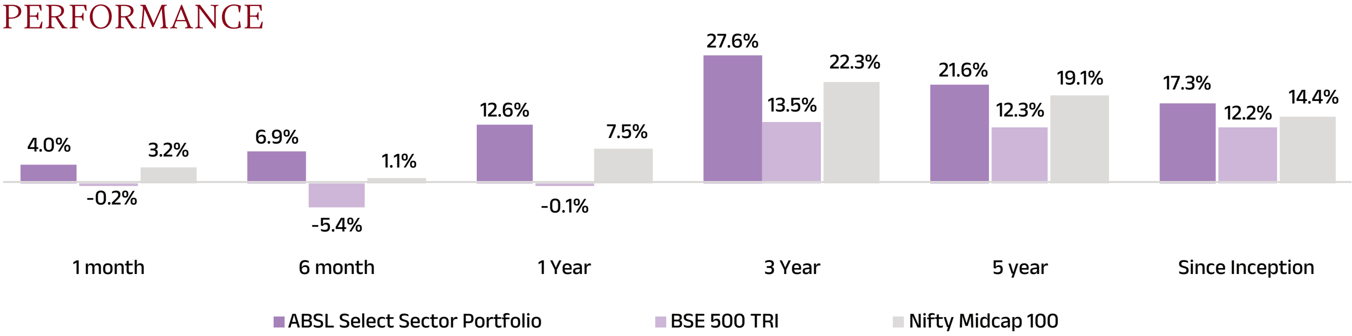
INVESTMENT THEME

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
Benchmark: BSE 500 TRI
Fund Inception Date: October 06, 2009
Fund Managers: Mr. Sameer Narayan & Mr. Salvin Shah

PERFORMANCE



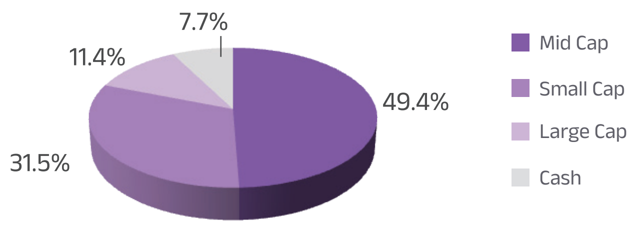
Performance as on May 31, 2026 / Source: ABSLAMC Internal Research
Disclaimer: Past performance of any product does not indicate its future performance. • Performance data is based on Time-Weighted Rate of Return (TWRR) for aggregated performance statistics of all investors. • Please note that performance 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	18.02%
Sharpe Ratio	1.23
Beta	1.01
Portfolio Turnover (1 year)	0.45

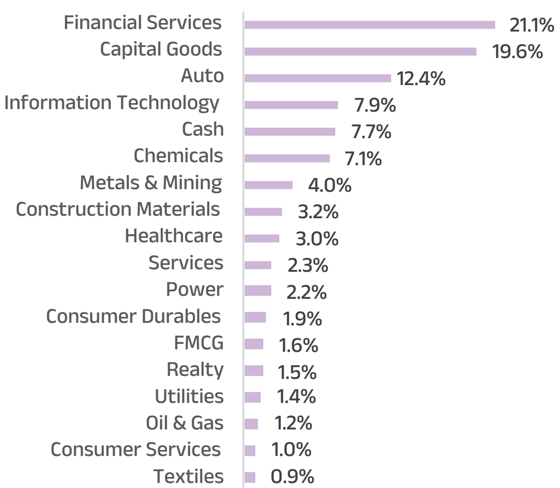
Above Ratios are 3 year ratios calculated on annualised basis

MARKET CAPITALISATION



Source: AMFI / As on May 31, 2026

SECTOR ALLOCATION



Source: AMFI / As on May 31, 2026

TOP 10 PORTFOLIO HOLDINGS

Companies	% to Net Assets
BSE Ltd	10.3%
Lumax Industries Ltd	5.9%
Hitachi Energy India Ltd	5.4%
Persistent Systems Ltd	5.0%
Federal Bank Ltd	4.5%
Deepak Fertilizers & Petro Corp Ltd	4.1%
National Aluminium Company Ltd	4.0%
ICICI Bank Ltd	3.6%
Triveni Turbine Ltd	3.1%
360 One Wam Ltd	2.8%

For Private Circulation Only.

Equity Outlook

Nifty declined 1.9% in the month amid uncertainty over a US-Iran peace deal. Mid-cap and small-cap indices outperformed the large-cap index and gained 3.2% and 0.7%. Sectoral indices ended mixed. Healthcare (+4.9%), capital goods (+4.7%) and metals (+3.7%) were the top gainers, whereas PSU (-4.3%), oil & gas (-3.4%) and FMCG (-3.3%) were the top losers. Among global markets, South Korea (+28%), Taiwan (+15%) and Japan (+12%) gained the most, whereas Indonesia (-12%), Brazil (-8%) and Hong Kong (-2%) lost the most. FIIs remained sellers to the tune of $4.9bn (secondary) and DIIs remained net buyers to the tune of $8.7bn.

On the domestic economy front, high frequency indicators (like E-way bill, GST collection, CPI, PMI) suggest marginal improvement in economy. India's gross GST collection for May rose 3.2% to over ₹1.94 lakh crore in May on improved supplies of goods and services, and continued expansion of collection from imports. India's services PMI rose to 59.8 in May from April's 58.8. April IIP growth was 4.9% yoy (March: 3.2% yoy), based on the new IIP index (base year: FY2023), driven largely by manufacturing growth of 6.2% (3.9%). April CPI inflation continued on the uptrend at 3.5% YoY (March: 3.4%) and (2) WPI inflation for April was at 8.3% YoY compared to 3.9% in March.

Other key developments: (1) BJP achieved a historic victory in West Bengal assembly elections, (2) OpenAI announced the launch of the OpenAI Deployment Company, a new enterprise-focused AI business backed by more than US$4 bn in initial investment, (3) the center has increased the basic customs duty on gold and silver imports to 10% from 5% earlier. It has also imposed an excise duty on exports of petrol, while reducing the excise duty on exports of ATF and high-speed diesel. Meanwhile, retail prices of petrol and diesel prices have been increased by Rs7.5/liter since May 15, 2026, and (4) IMD retained its forecast for a below-average monsoon rainfall in 2026, with the warning that the El Nino weather pattern is likely to develop during June and July.

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

Portfolio Update

In the month of May 2026, BSE Ltd, Lumax Industries Ltd, Hitachi Energy India Ltd, Persistent Systems Ltd, & Federal Bank 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.

Buy/Sell Transactions in the last month:

Titan Limited - BUY

Rationale:

1. Strong growth momentum in core jewellery business: Titan continues to see strong demand, with jewellery sales growing ~45–50% and strong overall revenue growth driven by weddings, higher ticket size, and steady consumer demand despite high gold prices.
2. Market leadership and consistent market share gains: Strong brands like Tanishq and CaratLane, wide store network expansion, and industry formalisation allow Titan to steadily gain market share with a strong competitive moat.
3. Long-term growth visibility remains robust: The company is targeting ~15–20% revenue CAGR over the medium term, supported by premiumisation, rising consumption, and expansion across jewellery and emerging segments.
4. Recent headwind (gold import concerns) creates buying opportunity: Recent concerns around government curbs on gold imports have weighed on sentiment; however, Titan is better positioned today with >50% gold coming via exchange programs, making it more resilient than in the past—hence any correction can be a good entry point.
5. Valuation reasonable for a high-quality compounder: At 4,000, the stock trades at ~55–60x earnings but offers strong earnings growth (20%+), high ROE (~35–40%), and premium positioning.

Investment Style

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	Growth	Blend	Value
Large Cap			
Mid & Small			

Risk factors and Disclaimers

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