



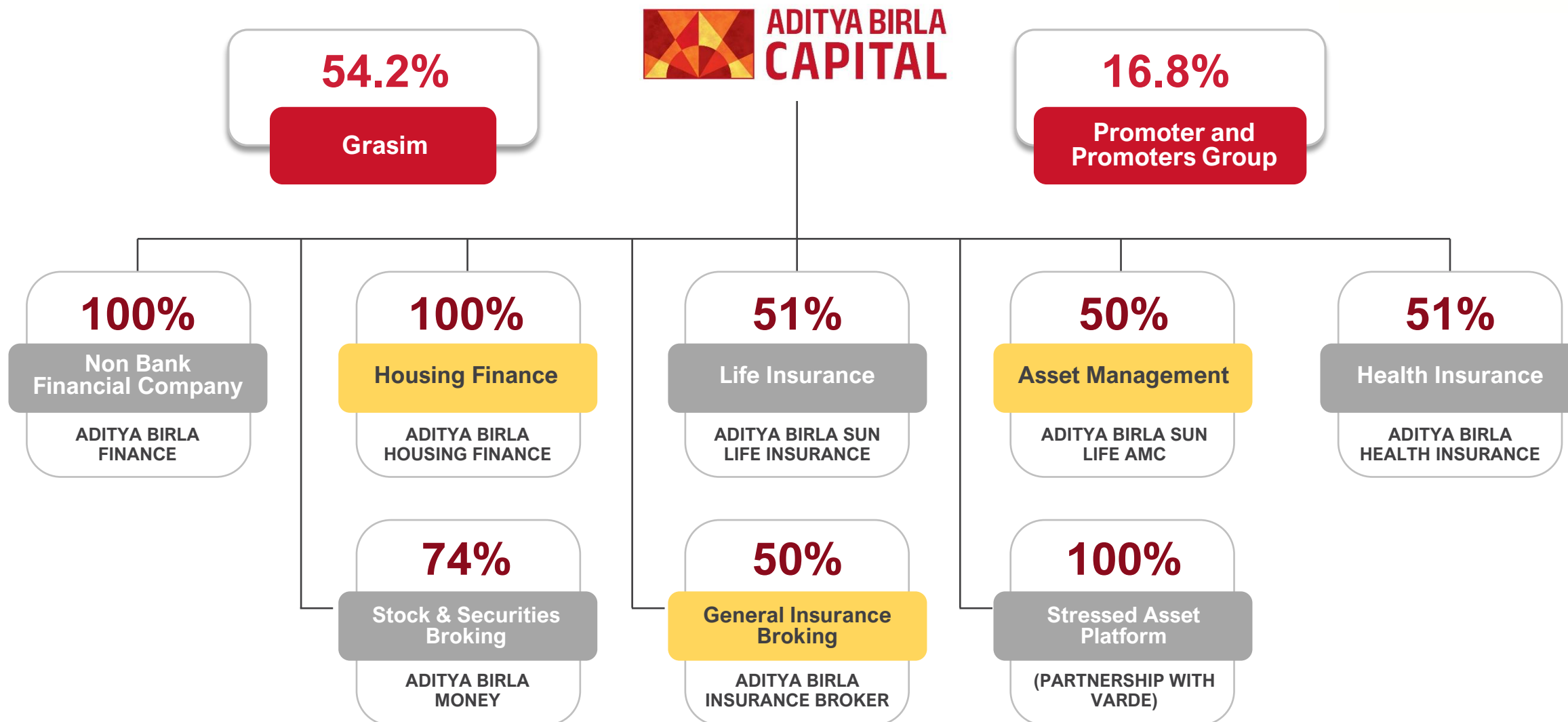
ABSL Innovation Portfolio

June 2025



ABSLAMC Overview

Aditya Birla Capital Limited - A Financial Powerhouse



Source : Internal. Above is not intended to show the complete organizational structure and all entities therein. It is intended to describe the key businesses of Aditya Birla Capital.

ABSLAMC: A Joint Venture between Two Pioneering Groups



- Part of Aditya Birla Group (ABG) - one of the largest Indian conglomerates with interest across various commodity, manufacturing & service businesses and operations in over 40 countries
- Managing AUM of ₹ 5.1 Lac Cr (as on March 31, 2025)
- Leading financial services organization providing – Asset Management, Life Insurance, Wealth Management, Corporate Lending, Project & Structured Finance, General Insurance Broking, Broking & Private Equity, Housing Finance etc.



- A leading Canadian financial services company
- AUM CAD \$ 1,551 billion (as on March 31, 2025)
- Offering diversified range of risk and financial management products for individuals and corporate
- Large international footprint across continents – major presence in North America & Asia

Overview: Aditya Birla Sun Life Asset Management Company



Asset Management



Heritage

- Founded in 1994, one of the oldest in India
- Promoted by Aditya Birla Capital Group & Sun Life Financial
- Have seen the market evolve across different asset classes over the years
- Driven by client centric product Innovation
- International presence in Dubai, Singapore and Mauritius.



Market Dominance

- One of the top AMCs in India with MF AUM of over 3,92,239 Cr (April 2025)
- Over 10.6 million investor accounts (April 2025)
- Strengths across different asset classes



Alternate Business



Investment Solutions

- Offer portfolio management services, alternate & offshore investment solutions to HNIs and Institutions
- Managing/advising Rs. 42,943 Cr of assets as of May 2025

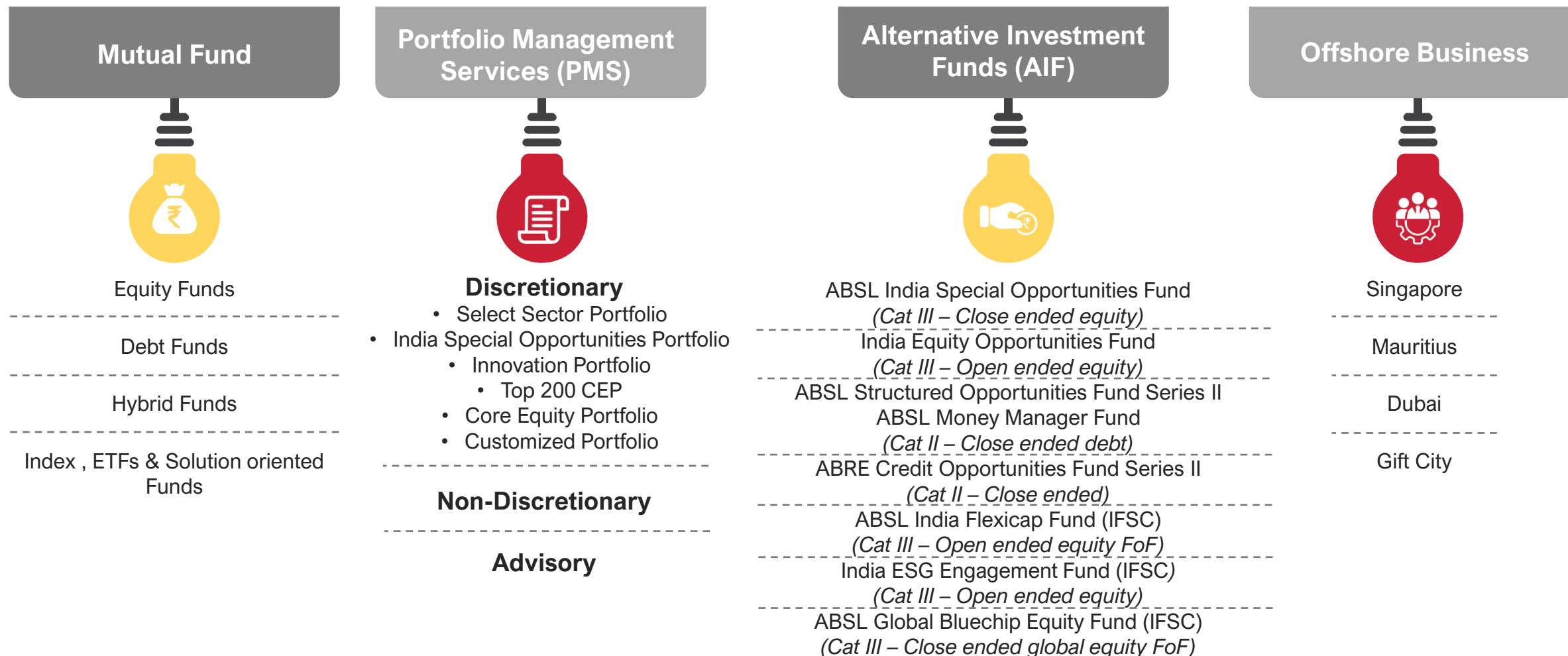


Best in Class Management

- 16-member dedicated investment team for Equity, Fixed Income, and Real Estate, with a cumulative experience of 200+ years
- Focus on delivering sustained investment performance and portfolio differentiation.
- Strong and robust risk management and governance framework

ABSLAMC - Diversified Investment Experience

Aditya Birla Sun Life AMC Limited (*Investment Manager*)



Alternate Business - Equity Investment Process



To identify & capitalize upon the prevailing market inefficiencies in a **Simple, Timely & Efficient** manner



Purchase at Reasonable Price
Entry Level valuations which accord “Margin of safety”



Focus on Businesses
With ability & commitment to grow earnings faster than Nominal GDP



Buy Companies that have

- Large Opportunity Canvas (*scope for non-linear growth outcomes*)
- Credible Management
- Emphasis on Capital Efficiency
- Superior return ratios

Investment Process

Investment Universe

Portfolio Universe as per fund mandate



Portfolio Optimisation

- Risk reward analysis & Portfolio optimisation



Monitoring

- Periodic monitoring
- Stop loss Triggers
- Maintain Sell Discipline



Stock Screening

- Financial Modelling & Due Diligence
- Quantitative & Qualitative Screener



Portfolio Construction

Portfolio of high conviction names



Investor Servicing

Fund Performance, Reporting & Investor Servicing



Screening

Fundamentals



Return on Equity >15%
Net Debt / EBITDA less than 2x
Improving margins & Turnover Ratios
Aggregate Portfolio liquidity

Valuation



Superior EPS Growth, RoCE & Net Debt to EBITDA vs benchmark
Large Opportunity Canvas

Governance



Promoter's conduct & Management Integrity
High Pledge & Accounting Red Flags
Limited Equity Dilution in recent past

Financial Modelling & Due Diligence



Visible Earnings CAGR > 15% in medium term
Sustained Competitive Advantage led by Unique Value Proposition
Interaction with investee companies & its ecosystem

Monitoring

Stop loss Triggers



If loss on stock is higher than benchmark on trailing 6 months by more than 30%

Periodic Monitoring



Quarterly Monitoring
Event Based Triggers

Maintain Sell Discipline



Poor Capital Allocation
Weakening Competitive Position
Any emerging governance issues



ABSL Innovation Portfolio

INNOVATION

**Sustainable
Profitability**

New way of
doing business

Much more
than Invention

Relevant

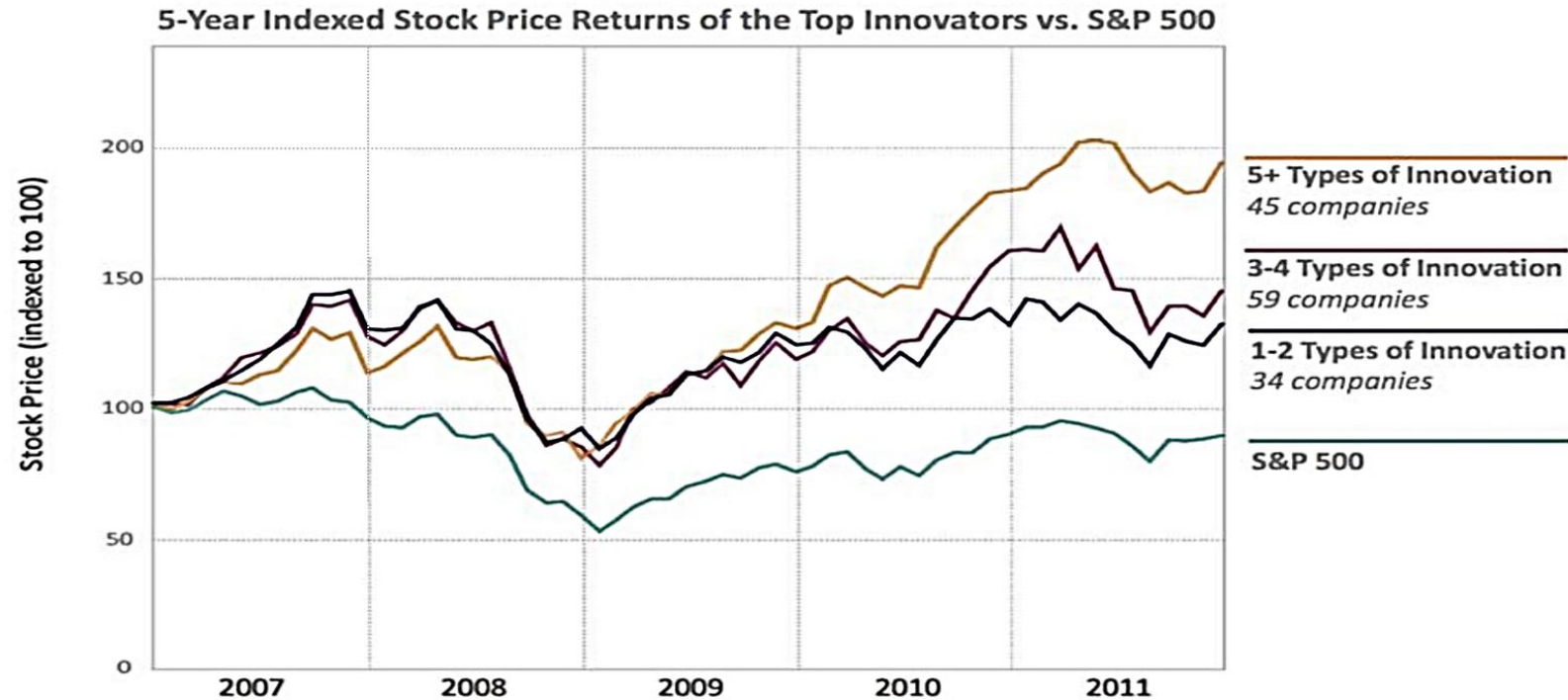


**Innovation is new, differentiated and profitable way
of doing business.**

- Innovation is much more than invention of new-age products.
- It is a new way of doing business, new systems of products & services or new interactions & forms of engagement between your organization & customers.
- Innovation must be able to sustain & return its weighted cost of capital
- It should be relevant and significant to the organization. Incremental innovations are important but they might not move the needle for large organizations.

Constant Innovation important for wealth creation

- When compared with average innovators, top innovators use on an average 3.6 types of innovations (as per the 10 types framework) which is double the average innovators.
- Companies must look beyond products to innovate repeatedly & reliably. Combining multiple types of innovation assures bigger & sustainable success.
- Companies need to innovate to offer better products to customers, survive in the market & fuel growth prospects & ultimately deliver value to shareholders.
- Top innovators outperform the S&P 500 index




Source: Ten Types of Innovation, Larry Keeley d.- Portfolio Managers


The 10 types of innovation

- Nearly 2000 examples of innovations were analyzed & from this emerged the framework of ten types of innovation by Larry Keeley in his work 'Ten types of innovation'.
- All great innovations comprise some combinations of the ten basic types which are organized into three categories.

Category

 Business Model	
Innovation Type	Description
Profit Model	How the business generates money
Network	Generating value with others through networks
Structure	Asset & talent alignment
Process	Asset & talent alignment

 Product Offering	
Innovation Type	Description
Product Performance	Unique features & functionality
Product System	Complementary goods & services

 Customer Experience	
Innovation Type	Description
Service	Surrounding offering support & enhancements
Channel	Defines how the offering will be delivered
Brand	Business & offering representations
Customer Engagement	Customer interactions the business fosters

*Ten types of Innovation, Larry Keeley et al., 2013

Innovation in companies across the globe

Profit Model **Gillette**

Enduring part of the system is sold at low cost/loss, disposable parts sold at a premium, earning recurring revenue



Network **UPS**

An agreement where UPS technicians repaired Toshiba's laptops at the parcel service's shipping hubs. New revenue stream for UPS & reduced service time for Toshiba



Organization Structure **Southwest Airlines**

It only flew Boeing 737 which reduced service costs, streamlined operations, faster turnaround at airports



Process **Zara**

A piece of clothing moved from sketchpad to shop floor in three weeks with suppliers & distributors strategically located



Product Performance **Mars**

With my M&M, customers can add their own messages, logos or images to M&M candies, personalizing the product & opening up new uses for the classic chocolates



Product System **Microsoft**

Initially, programs in MS Office were sold as individual products. Now, bundled in an integrated system as a productivity suite



Service **Men's Wearhouse**

Free lifetime pressing of any purchased suit, tuxedo, sport coat at any of its locations across US



Channel **M-Pesa**

Vodafone & Safaricom JV which allowed Kenyan people to deposit, send & withdraw money by simple SMS



Brand **Virgin**

The conglomerate operates in sectors which are important but look tired or dull, assuming they can inject a dose of fun



Customer Engagement **Foursquare**

Mayorships are granted to users who regularly check into specific locations leading to intense competition among consumers & venues vying for their patronage



Examples
for each of
the 10
innovation
types

Innovation in Indian companies

Profit Model Titan

Beneficiary of the shift from unorganised to organised segment. Even now unorganised sector contributes significantly in jewellery, watches & eyewear segments



Network Maruti Suzuki

Having regional presence across India, Maruti is the leader in providing support to its customers in the PV space.



Organization Structure Bajaj Finance

Using data analytics, cross sell to existing customers with multiple products like EMI Card, Credit card, insurance, etc.



Process Shree Cement

Superior profitability due to best energy efficiency on account of early adoption of pet coke, Waste Heat Recovery System(WHRS), alternate fuel & raw material (AFR's) and a 100% captive power plant



Product Performance Nestle

Continual product innovation in existing & new categories helps Nestle stand out from the crowd. It has been consistently launching new products in market.



Product System Asian Paints

It started with wall paints, slowly expanding into metal & wood paints, waterproofing etc. thus providing a whole range of products that a home requires under a single roof.



Service TCS

Customer centric engagement model where bespoke teams offer solutions & has seen phenomenal rise in clients in last few years.



Channel ITC

Leadership in traditional channels, focus on modern trade, e-commerce, strengthening agricultural ecosystem through e choupal.



Brand Pidilite

Pidilite has created a B2C niche in traditionally dominant B2B space mainly by its creative advertisements.



Customer Engagement Reliance Jio

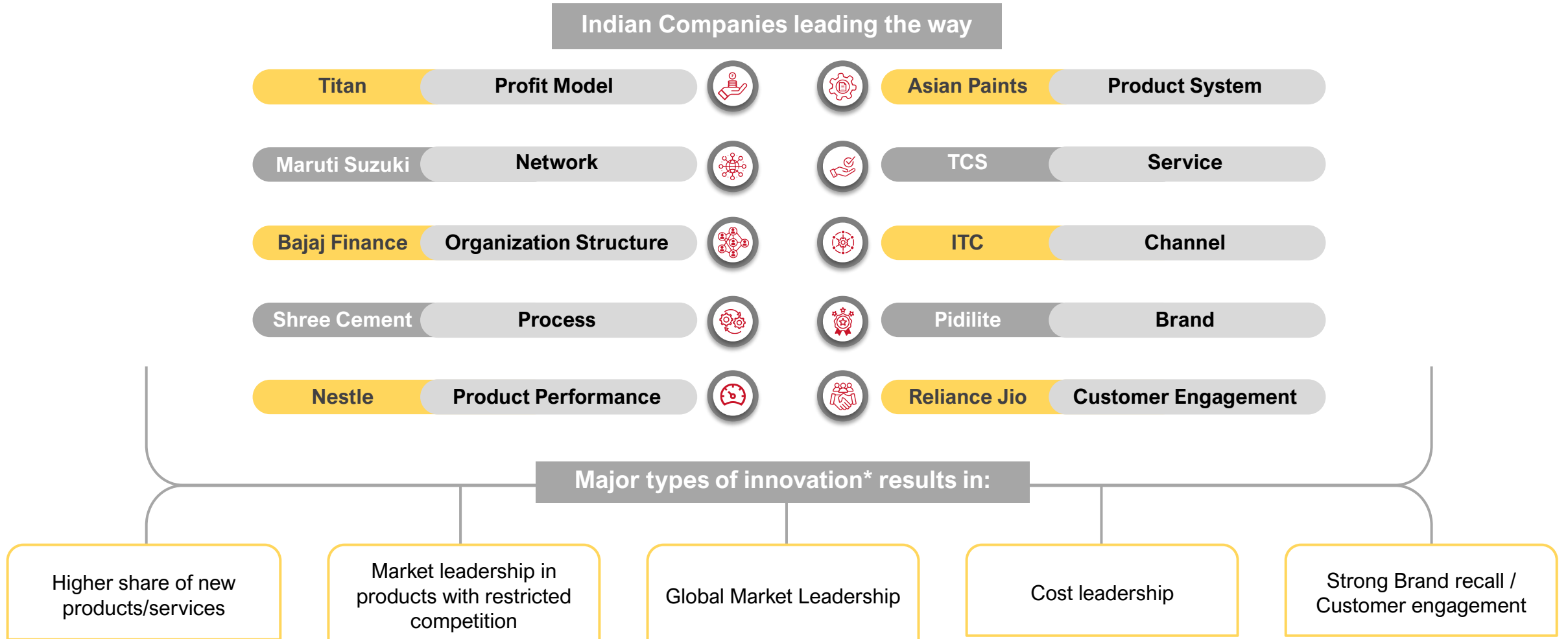
Customer engagement through ancillary services like Jio (Fibre) & bundled products (Jio TV Apps, set top box, 4K TV) leads to higher market share & profits for telecom.



Examples
for each of
the 10
innovation
types

*Ten types of Innovation, Larry Keeley et al., 2013. The stocks mentioned above are only for illustrative purposes and the same may or may not form part of the portfolio

Innovation leads to healthy outcomes...



*Ten types of Innovation, Larry Keeley et al., 2013. The stocks mentioned above are only for illustrative purposes and the same may or may not form part of the portfolio

Indian Examples: Outcome from Innovation

Outcome	Past Examples	Description
Higher share of New Products/Services	Nestle, HUL	Companies focusing on launching new products thereby creating a new category or leading to market share gains resulting in improved revenues & profitability
Market leadership in products with restricted competition	Biocon, Siemens	Companies having a high market share for existing products which is expected to sustain in the near to medium term due to expertise/high R&D capability backed by vision of the promoter/top management
Global Market leadership	Sanofi, Pfizer, Bayer Cropscience	Indian subsidiaries stand to benefit in terms of expertise, strong parentage & opportunities to scale up
Cost Leadership	Shree Cement, Reliance Industries, Avenue Supermarts	Cost leadership enables certain companies to deliver quality products at a lower price than the competition due to their superior execution capabilities, vertical integration or economies of scale
Strong brand recall/ Customer Engagement	HDFC Bank , Maruti Suzuki	Brand visibility in a commoditized market plays a very important role in gaining the mind share of the customers, thus improving sales

The stocks mentioned above are only for illustrative purposes and the same may or may not form part of the portfolio

Focus on Strong Filters

Innovation type	Example	Company characteristics (Inclusion Criteria)
Profit Model	Trent	Top quintile ROCE/ROE vs. Sector
Network	Maruti Suzuki	Highest number of service centres vs. peers leading to higher resales and customer retention
Organization Structure	Bajaj Finance	Strong cross sell franchise leading to lower customer acquisition cost for new products
Process	Shree Cement	Cost leadership in production and capex vs. peers
Product Performance	Bayer CropScience	Improving share of new products, Market leadership in existing categories
Product System	Asian Paints	Number of complimentary products launched vs. peers
Service	HDFC Bank	Client retention, Customer Persistency
Channel	Hindustan Unilever	Sector leading distributor network, lower working capital intensity vs. peers
Brand	Pidilite	Strong brand recall reflected in market leadership in both B2B and B2C segment
Customer Engagement	Reliance Jio	Market share gains through customer engagement

The stocks mentioned above are only for illustrative purposes and the same may or may not form part of the portfolio

ABSL Innovation Portfolio - Broad Concept

The Portfolio would be invested in

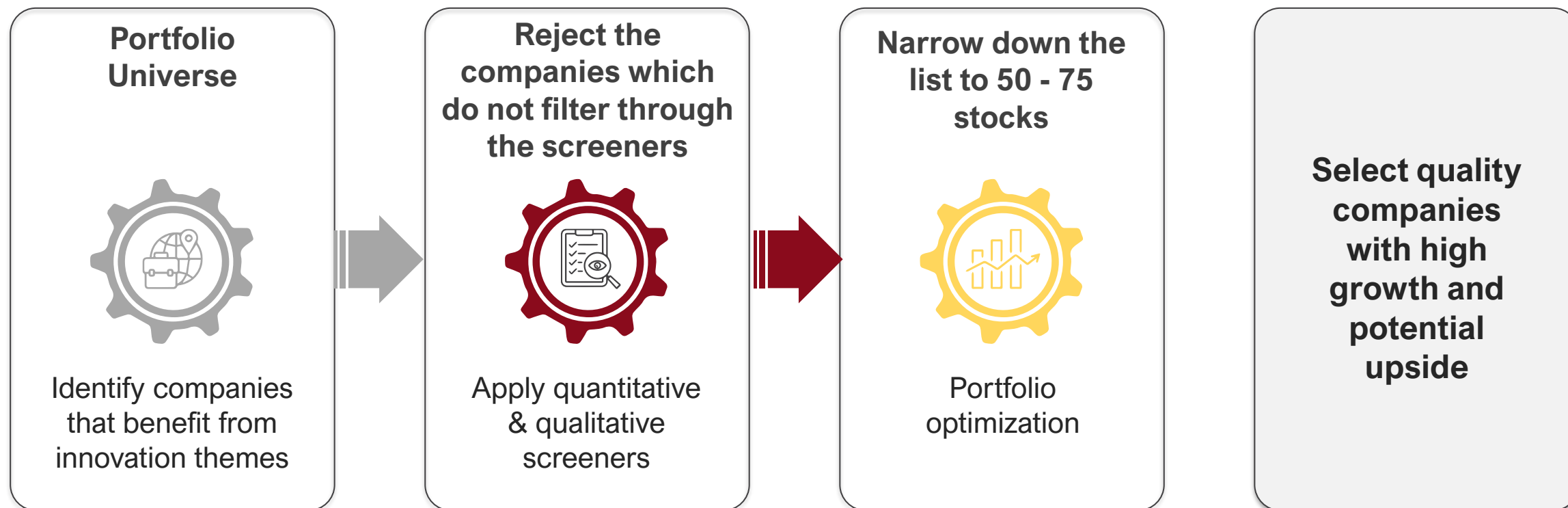
- Objective - Wealth creation with lower volatility
- Portfolio with Mid & Small Cap bias (70%+) with innovation at core
- Well diversified portfolio across sectors

Portfolio Characteristics

- Companies which are beneficiaries of the fast changing landscape across industries (innovation led)
- Companies that have a scalability in the form of market size over the next decade (secular growers)

Portfolio Construction

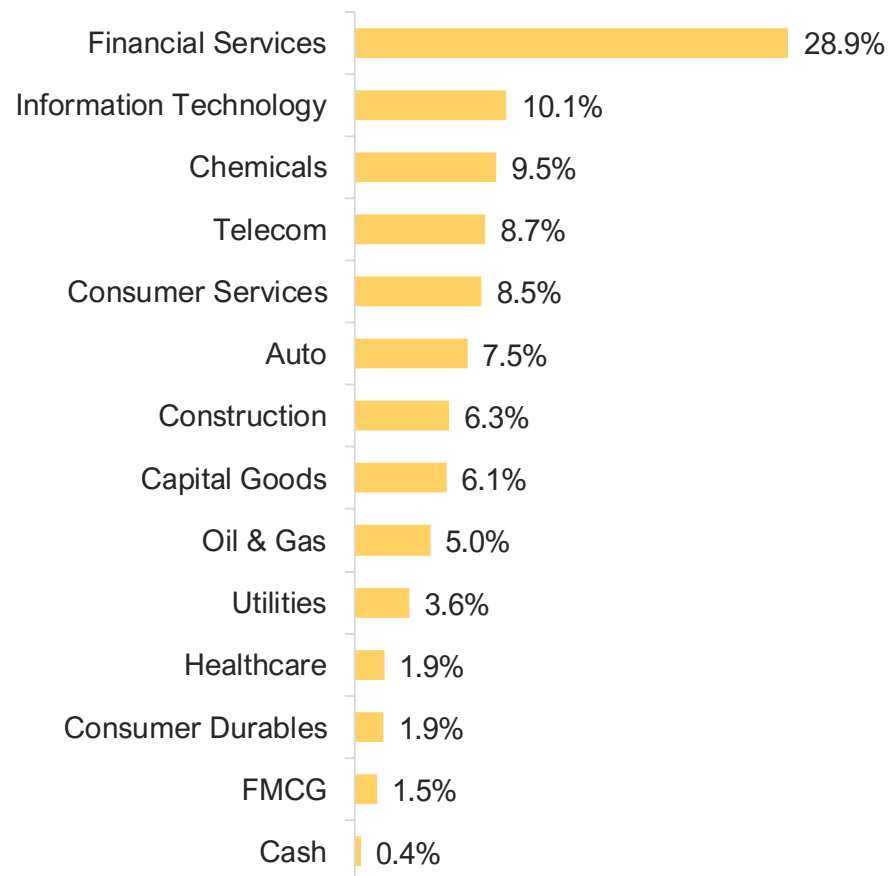
Category	Weight	Rationale
Innovation	65%-100%	Capture maximum value in fast changing landscape across industries through product or process innovation.
Secular Growth	0%-35%	Scalability in the form of market size over the next decade.



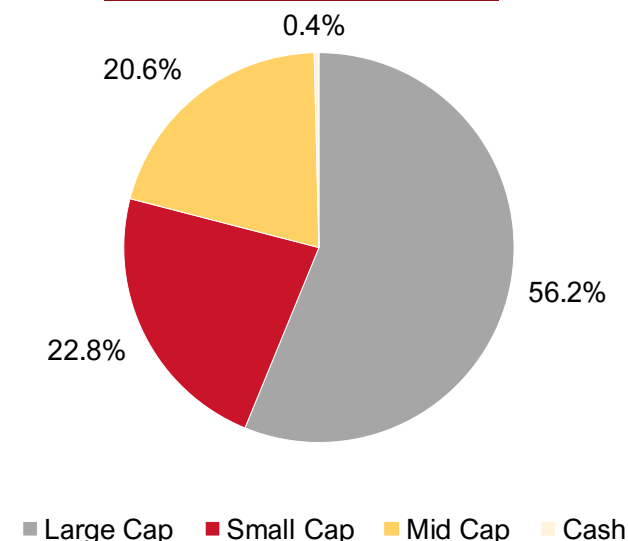
Higher share of new products/ services | Market leadership with limited competition
Global Market Leadership | Cost Leadership | Strong brand recall Customer Engagement

Current Model Portfolio

Industry Allocation



Market Cap



Investment Style

	Growth	Blend	Value
Large Cap			
Mid & Small			

Market Cap Categorization as per Average Market Capitalization of listed companies during the six months ended December 31, 2024.

Source : AMFI

Current Model Portfolio

Portfolio vs. Benchmark (Higher Growth/ROEs with low leverage)

PE (x)	FY25A	FY26E	FY27E	Prem/Disc to Benchmark (FY26E)
ABSL Innovation Portfolio	39.8	36.2	29.5	77.0%
Nifty 500	23.7	20.8	18.4	
BSE 500 TRI	23.3	20.5	18.2	

ROE (%)	FY25A	FY26E	FY27E	Prem/Disc to Benchmark (FY26E)
ABSL Innovation Portfolio	19.4%	18.6%	19.3%	24.1%
NIFTY 500	14.3%	15.1%	15.9%	
BSE 500 TRI	14.3%	15.0%	15.8%	

EPS Growth (%)	FY25A	FY26E	FY27E	Prem/Disc to Benchmark (FY26E)
ABSL Innovation Portfolio	38.6%	14.7%	20.2%	79.7%
NIFTY 500	10.5%	8.7%	14.0%	
BSE 500 TRI	12.1%	8.2%	13.7%	

Net Debt to Equity* (%)	FY24	Prem/Disc to Benchmark
ABSL Innovation Portfolio	14.4%	-44.1%
NIFTY 500	20.6%	
BSE 500 TRI	25.7%	

Top 10 Holdings & Weights

Top 10 Portfolio Holdings	% of Net Assets
ICICI Bank Ltd	8.8%
Trent Ltd	8.5%
Bharti Airtel Ltd	8.3%
Persistent Systems Ltd	7.8%
Larsen & Toubro Ltd	6.3%
HDFC Bank Ltd	5.4%
Bajaj Finance Ltd	5.1%
Reliance Industries Ltd	5.0%
FIEM Industries Limited	3.8%
PI Industries Ltd	3.8%

Portfolio Characteristics



Key Ratios (3 Years)	ABSL Innovation Portfolio	BSE 500 TRI
Standard Deviation	14.0%	14.5%
Sharpe Ratio	1.2	0.8
Beta	0.9	
Portfolio Turnover	0.24	
Avg MCap (Rs. Cr.)	₹ 4,87,799	
Median MCap (Rs. Cr.)	₹ 88,178	

Performance - ABSL Innovation Portfolio



ALTERNATE INVESTMENTS

*Inception date: 24/04/2018

Returns (%)	Absolute				CAGR				
	1 Month	3 Months	6 Months	1 Year	2 Years	3 Years	5 Years	10 Years	Since Inception (24/04/2018)
ABSL Innovation Portfolio	6.5%	15.8%	-0.2%	16.0%	24.1%	22.6%	26.0%	-	19.1%
BSE 500 TRI	3.5%	14.6%	0.6%	8.5%	20.9%	18.2%	25.1%	-	14.6%
Outperformance	3.0%	1.2%	-0.8%	7.4%	3.2%	4.5%	0.8%	--	4.5%
Nifty 500	3.5%	14.7%	0.5%	8.0%	20.2%	17.3%	23.9%	-	13.3%
Outperformance	3.0%	1.1%	-0.7%	7.9%	3.9%	5.3%	2.1%	--	5.8%

As on May 31, 2025

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

Case Studies

Sector-Chemical

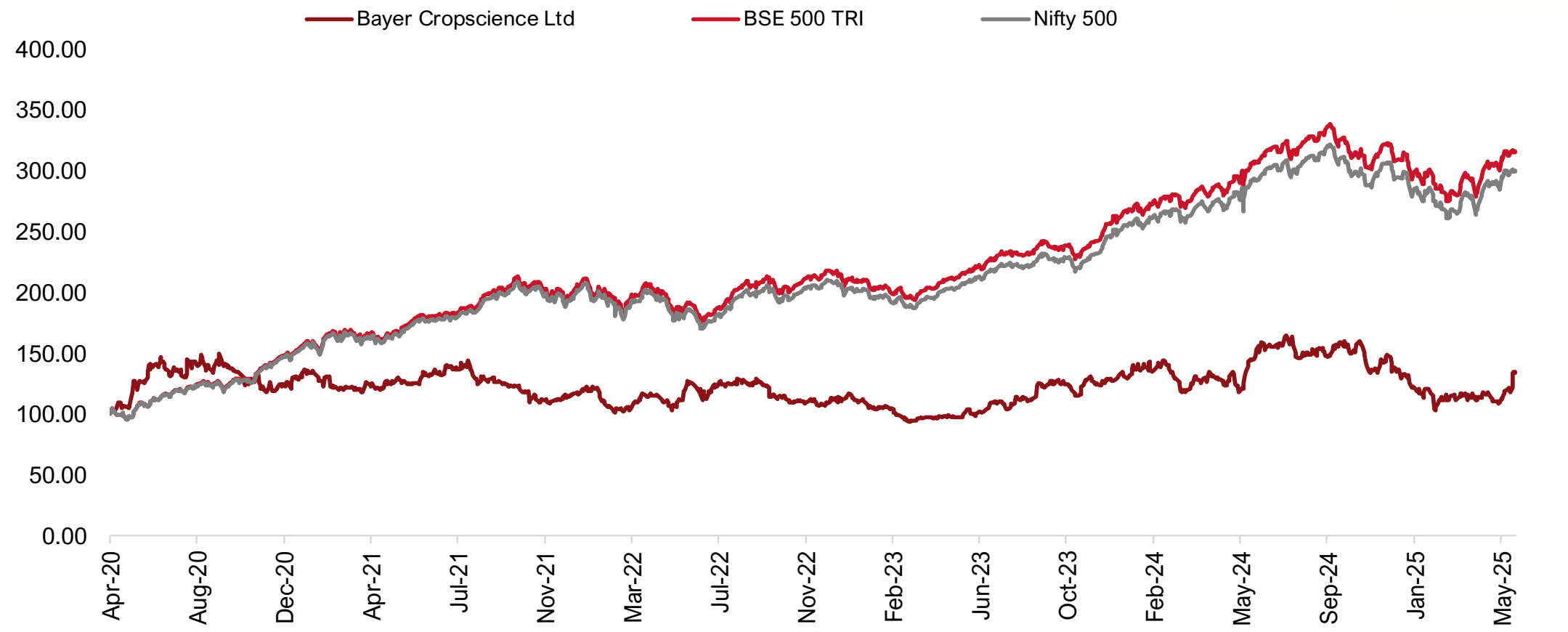
- Bayer CropScience is among the market leaders in India's agrochemical industry, with an estimated double-digit market share.
- Bayer is the first agrochemical company to obtain approval to conduct drone-based spraying trials at 10 R&D locations across the country.

Key Facts

- Besides a strong product portfolio, which benefits from its parent's R&D, Bayer CropScience has one of the widest distribution networks in India with a strong field sales force of ~3,500.
- Bayer CropScience enjoys a unique position in the market because of its capability to offer new innovative products, technologies, processes, services and business models.
- Bayer has been moving towards an asset-light business model, consistent with the global strategy of its parent, & now has only one formulation unit at Himatnagar (Gujarat), with all other products sourced from contract manufacturers or sister companies.
- Acquisition of Monsanto India has helped them in widen its portfolio from agro-chemical products to seeds with leading brands like Dekalb, one of India's largest selling hybrid maize seed brand and India's largest selling glyphosate herbicide Roundup, besides vegetable seeds under the brand Seminis.
- Potential synergy benefits of around Rs.120 cr. annually majorly through incremental revenues by providing a comprehensive product portfolio across crop protection, seeds and biologics through a larger distribution network and partly by front-ended savings on administration, commercial, procurement and supply chain cost items is expected.



Source: Bloomberg, Internal Research



Date of Investment
27 April 2020



Investment Price
₹4,227



Current Price
₹5,678



Total Returns
34% (5.1 Years)

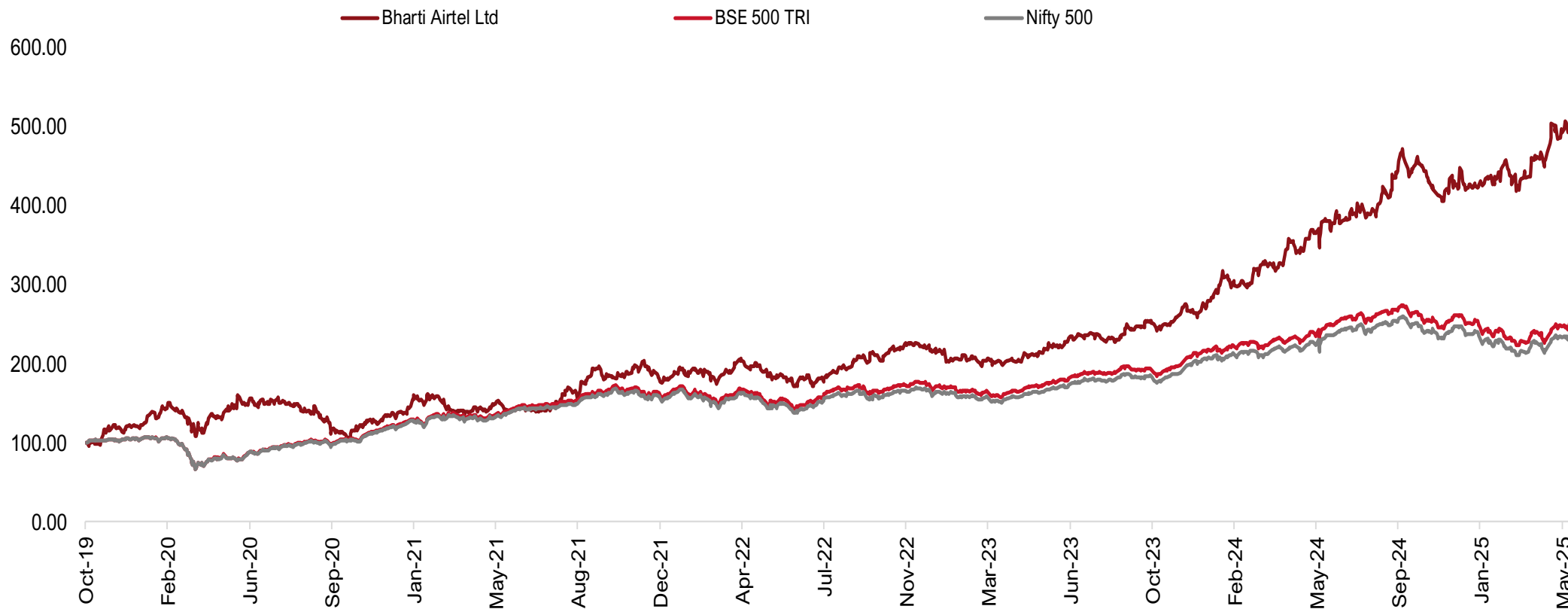
Note: Stock and Index rebased to the date of first purchase / As on May 30, 2025 / Source: Bloomberg

Sector-Telecom

- Bharti Airtel is a leading global telecom company with operations in 17 countries across Asia and Africa.
- Airtel ranks among the top three mobile operators globally covering over two billion people. It is the second largest mobile operator in India and Africa. They are constantly transforming adjacencies including Payments Bank, AdTech, data centres, cloud communications, and digital marketplace into impactful businesses

Key Facts

- Bharti Airtel, a pioneer in outsourcing activities, has always prioritized customer service quality and network while mitigating risks of cost overruns and technology obsolescence.
- Bharti Airtel's successful outsourcing model helped it sustain competition from Jio, invest in network capacity, and gradually gain market share from competitors.
- Bharti Airtel is well positioned to benefit from the improving sector dynamics led by improvement in average revenue per user(ARPU). Improving data usage, lower selling & distribution expenses, growth in home broadband & positive outcome of Adjusted Gross Revenue (AGR) issues bode well for the telecom sector.
- The recently launched 'Xstream' website and app (rebranded version of Airtel Thanks) offer wide content, which should further increase Fibre to the Home (FTTH) subscriber stickiness.



Date of Investment
25 October 2019



Investment Price
₹375



Current Price
₹1,856



Total Returns
395% (5.6 Years)

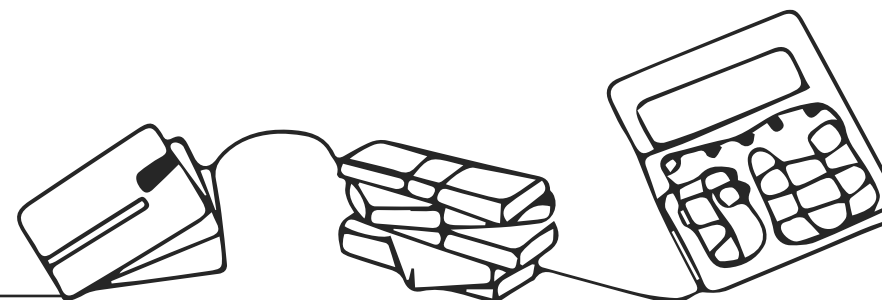
Note: Stock and Index rebased to the date of first purchase / As on May 30, 2025 / Source: Bloomberg

Sector-Financial Services

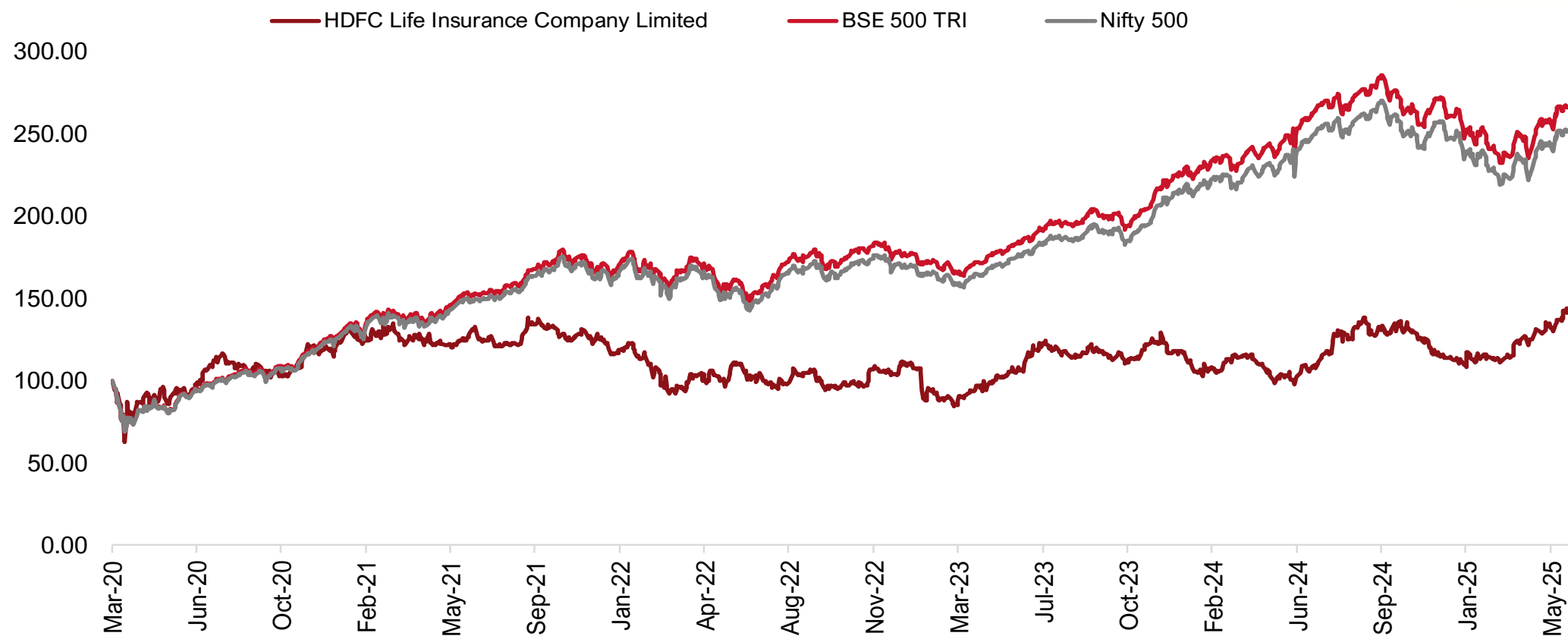
- HDFC Life is one of India's leading life insurance companies, offering a range of individual and group insurance solutions that meet various life stage needs of customers. Its products include Protection, Pension, Savings & Investments, etc.
- The Company has 35+ Individual Products, and 10+ Group Products. The company has more than 370 branches and touchpoints and more than 300 partnerships with traditional partners like NBFCs, MFIs, SFBs.

Key Facts

- HDFC Standard Life is a premium play in the life insurance sector, as it has delivered on key metrics such as: (1) sector leading product margin expansion; (2) product portfolio diversification (lower ULIP concentration); (3) strong improvement in persistency ratios; and (4) a long history of actuarial disclosures.
- New product launches in protection, participating & nonparticipating savings products is expected to drive the future growth & market share growth.
- HDFC Life hedging strategy and hence ability to sustain high margins gives it an edge over its peers. Interest rate risk is managed through a combination of duration and cash flow hedges.
- It has partnered with 300+ banks/Nonbank financial companies/ Micro Finance Institutions/Small Finance Banks and developing business with 40+ of alternative distribution channels including Uber, Airtel, Paytm, etc. This as an additional catalyst on growth as this could allow larger/ cost-efficient customer acquisition potential outside one captive bank.



Source: Bloomberg, Internal Research



Date of Investment
25 October 2019



Investment Price
₹548



Current Price
₹777



Total Returns
42% (5.2 Years)

Note: Stock and Index rebased to the date of first purchase / As on May 30, 2025 / Source: Bloomberg

Sector-Retail

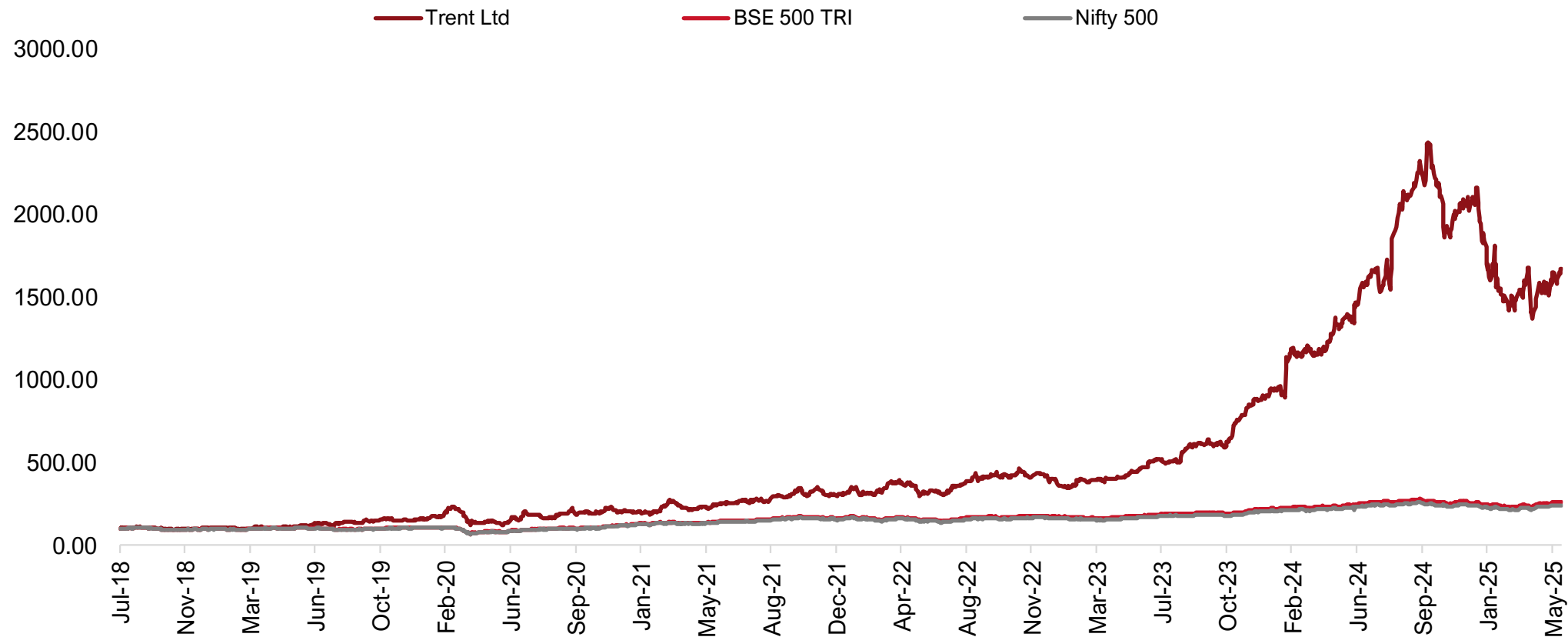
- Trent is one of the leading players in the Indian retail industry with a series of established brands in various retail segments
- Trent operates in multiple retail formats in both the value and lifestyle segments such as Westside (lifestyle), Zara (lifestyle), Star Bazaar (Hypermarket) and Landmark (books and music).

Key Facts

- Trent was among the earliest entrants in the organised retail sector in India and has focused on developing a robust business model in each of the retail formats pursued. Trent is pre-dominantly present in high growth / profitable women wear portfolio (~60 efficiently managing supply-chain / inventories which itself creates a strong entry barriers for peers.
- Zara, where Trent has a 50% stake (in the JV with Inditex), is a jewel in the company's crown.
- Trent is India's leading retailer with a presence across various consumer categories (550+ stores). Inherent strength of brands (Westside, Zudio, Star, Zara) and accelerated store additions have led Trent to be among the fastest growing companies in our retail coverage universe.
- During the year, Zudio added 125 new stores to its portfolio and now has a footprint in 119 cities with 352 stores.



Source: Bloomberg, Internal Research



Date of Investment
24 July 2018



Investment Price
₹338



Current Price
₹5,644



Total Returns
1570% (6.9 Years)

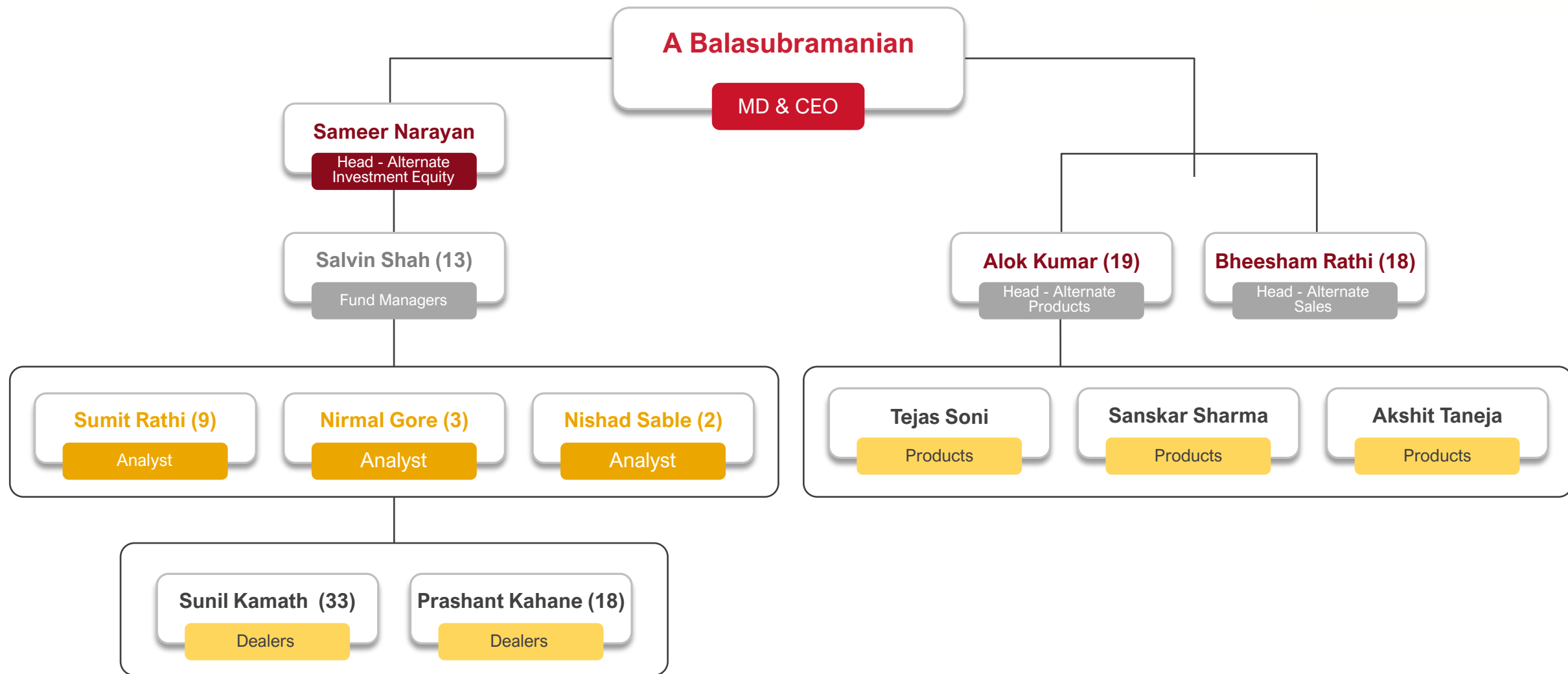
Note: Stock and Index rebased to the date of first purchase / As on May 30, 2025 / Source: Bloomberg

ABSL Innovation Portfolio – Portfolio Construct

Portfolio Name	ABSL Innovation Portfolio
Structure	Discretionary PMS
Strategy	Equity
Nature	Open ended
Market cap	Multi cap
Investment approach	The portfolio invests or proposes to invest in listed equity & equity related instruments with the aim of generating long term capital appreciation &/or income in the form of dividends &/or bias towards any market cap segment etc. as mutually agreed by the client & fund manager. It can also invest in money market instruments & units of mutual fund. Features of the companies can include – High quality with consistency in growth, high ROE, low leverage & high potential for growth. It is a portfolio which can be tailored as per the specific investment preference of the client. Stock selection is done through a combination of ‘Bottom up’ approach i.e. analyzing the fundamental attributes of the company & competition & ‘Top down’ approach i.e. analyzing the macro economic factors & industry growth characteristics.
Investment Manager	Aditya Birla Sun Life AMC Limited (ABSLAMC)
Benchmark	BSE 500 TRI
Portfolio Manager	Salvin Shah
Time Horizon	Minimum 3 years
Minimum Investment	Rs 50 lakhs
Management and Performance fee	Please refer to Client Fee Schedule
Operating expenses	Please refer to Client Fee Schedule

Alternate Business - Team Structure

Team Structure



Figures in bracket is No of years of relevant work experience



A Balasubramanian | MD & CEO

- Has over 30 years' experience in the Mutual Fund Industry and has been with ABSLAMC since inception.
- Previously worked with GIC Mutual Fund. Currently, he is on the Board of Governors of SEBI established National Institute of Securities Markets (NISM).
- Qualification: Diploma in Financial Management, AMP from IIM, Bangalore, MBA from GlobalNxt University, Malaysia, Advanced Management Programme from Harvard University.



Alok Kumar | Head - Alternate Products

- A dynamic investment professional with 19+ years of rich experience in capital market, building investment product roadmaps & wealth proposition, Investment Advisory and championing New Initiatives in the Financial Sector
- Prior to joining ABSLAMC, he was heading Alternate & Structured Products and Investment Processes at DBS Bank India Limited
- Has also set up the India's first dedicated Retirement Solutions entity under Principal Financial Group
- Developed India Venture Board as a marketplace to facilitate Venture Capital/Private Equity deals in India and SME Exchange as part of National Stock Exchange
- Qualification: MBA from Narsee Monjee Institute of Management Studies, Mumbai and B.E. degree with specialization in Electrical Engineering



Bheesham Rathi | Head – Alternate Sales

- An accomplished professional with 18+ years of extensive experience in sales and distribution of Mutual funds, advising corporates treasuries, Family offices, retiral funds, and trusts.
- His career spans across various geographies, showcasing his versatility & adaptability in the financial services industry. Before joining ABSLAMC, Mr. Rathi played a pivotal role at Man Financial Securities in promoting their commodity and forex trading platform of international exchanges in the Southern part of India.
- He holds a masters degree in International Business from KJ Somaiya Institute of Management Studies and Research



Sameer Narayan | Head-Alternate Investment (Equity)

- Has 27+ years of experience in Indian Equity markets with significant alpha generation track record over longer time periods.
- Prior to joining ABSLAMC, he was Head – PMS at Invesco Asset Management (India) Pvt Ltd. Managed segregated mandates across both growth (Caterpillar) & value (RISE & DAWN) strategies.
- Has also set up the Adani Family Office in Sep 2011. Began his buy-side career with BNP Paribas Asset Mgmt in 2006 where he advised offshore mandates.
- Has varied sell-side experience through his stints at SSKI, Enam Securities & Motilal Oswal.
- Qualification: Master in Management Studies (MMS) from Narsee Monjee Institute of Management Studies, Mumbai and B.E. degree with specialization in Production Engineering.



Salvin Shah | Portfolio Manager (Equity)

- Has 13+ years in Portfolio Management and Equity Research, Salvin has extensive experience in managing Indian Equities. His endeavor is to maximize returns for the investors while keeping an eye on portfolio risk. He has been successful at identifying themes and stocks at a very early stage which has resulted in multi-bagger returns for the investors.
- Prior to joining ABSLAMC, he worked with Sanctum Wealth Management as Co-fund Manager in their PMS business. Before Sanctum, Salvin was a part of equity research team at Edelweiss Securities and Athena Investment Management.
- Qualification: Member of Institute of Chartered Accountants of India (ICAI) and a commerce graduate from Mumbai University.

Risk Factors associated with investments in Equity & Equity related securities:

- Risk arising from the investment objective, investment strategy, asset allocation and quant model risk:
- Market risk, political and geopolitical risk and risk arising from changing business dynamics, which may affect portfolio returns. At times, portfolios of individual clients may be concentrated in certain companies/industries. The performance of the portfolios would depend on the performance of such companies / industries / sectors of the economy.
- The portfolio proposes to invest in equity and equity related securities. Equity and Equity related securities by nature are volatile and prone to price fluctuations on a daily basis due to both macro and micro factors.
- The value of the portfolio will fluctuate as the daily prices of the individual securities in which they invest fluctuate and may be worth more or less than its original cost, at a given point in time.
- In respect of investments in equity and equity-related instruments, there may be risks associated with trading volumes, settlement periods and transfer procedures that may restrict liquidity of investments in equity and equity related securities.
- The value of the portfolio may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or policies of any appropriate authority and other political and economic developments and closure of stock exchanges which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets.
- Within the regulatory limits applicable at any point in time, the Portfolio Manager may choose to invest in unlisted securities that offer attractive yields. Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option. This may however increase the risk of the portfolio. The liquidity and valuation of the portfolio's investments due to their holdings of unlisted securities may be affected if they have to be sold prior to their target date of disinvestments
- Investment made in unlisted equity or equity-related securities may only be realizable upon listing of these securities. Settlement problems could cause the portfolio to miss certain investment opportunities.
- Investors may note that Portfolio Manager's investment decisions may not always be profitable, as actual market movements may be at variance with anticipated trends.
- Though the constituent stocks of most indices are typically liquid, liquidity differs across stocks. Due to the heterogeneity in liquidity in the capital market segment, trades on this segment may not get implemented instantly.
- The portfolio may have higher concentration towards a particular stock or sector, at a given point in time. Any change in government policy or any other adverse development with respect to such a stock or the sector, may adversely affect the value of the portfolio.
- The Portfolio Manager does not intend to invest in foreign securities.
- The Portfolio Manager does not intend to engage in short selling or stock lending.
- The portfolio also proposes to invest in derivative instruments. However, the portfolio manager does not intend to write options. The Portfolio manager intends to use exchange traded derivatives as a hedging tool & does not intend to take any naked positions. Nevertheless, trading in derivatives market has risks and issues concerning the use of derivatives that investor should understand. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds.

- Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Even a small price movement in the underlying security could have a large impact on their value. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of such strategies to be persuaded by the Portfolio Manager involve uncertainty and decision of the Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager shall be able to identify or execute such strategies.
- The risks associated with the use of derivatives are different from or possibly greater than, the risk associated with investing directly in securities and other traditional investments. As and when the product trades in the derivatives market there are risk factors and issues concerning the use of derivatives that investors should understand. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself.
- Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is a possibility that loss may be sustained by the portfolio as a result of the failure of another party (usually referred as the “counter party”) to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value.
- The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is a possibility that loss may be sustained by the portfolio as a result of the failure of another party (usually referred as the “counter party”) to comply with the terms of the derivatives contract. Derivative trades involve execution risks, whereby the rates seen on the screen may not be the rate at which ultimate execution takes place. The options buyer’s risk is limited to the premium paid, while the risk of an options writer is unlimited. However, the gains of an options writer are limited to the premiums earned. The writer of a put option bears the risk of loss if the value of the underlying asset declines below the exercise price. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the exercise price. Investments in index futures face the same risk as the investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks. Risk of loss in trading futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and potential high volatility of the futures markets.
- The derivatives market in India is nascent and does not have the volumes that may be seen in other developed markets, which may result in volatility in the values. The Portfolio Manager may, from time to time, invest any un-deployed funds in Liquid Portfolio of PMS or in money market instruments. Though the portfolio of liquid funds comprises of short-term deposits, government securities and money market instruments, they cannot be considered as totally risk free. This is because liquidity patterns and short term interest rates of the government change, sometimes on a daily basis, thereby making the fund susceptible. Liquid Portfolio returns are not guaranteed and it entirely depends on market movements.
- Disclaimer: The views expressed above are the views of the Portfolio Managers of the portfolio. They should not be construed as investment advice.
- 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.**
- **Regulatory Disclosure: All investors have the option to invest directly with ABSLAMC-Portfolio Manager**

For sales enquiry/investor onboarding queries, mail us at abslamc.alternate@adityabirlacapital.com
For Investor queries/complaints, please get in touch with your nearest PMS Relationship Contact Cell,
visit <https://portfoliomanagementservices.adityabirlacapital.com/#> or
mail us at care.pms@adityabirlacapital.com

Reach us at our dedicated PMS toll free No: **1800 270 7000**
Aditya Birla Sun Life Portfolio Management Services is a division of Aditya Birla Sun Life AMC Limited
CIN no. L65991MH1994PLC080811; Website: <https://portfoliomanagementservices.adityabirlacapital.com/#>
One World Center, Tower 1, 17th Floor, Jupiter Mills, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400 013.
Tel: 4356 8000. Fax: 4356 8110 / 8111