ABSL India
Equity Services Portfolio

June 2026

Aditya Birla Capital Limited - A Financial Powerhouse

ADITYA BIRLA CAPITAL ALTERNATE INVESTMENTS

- Grasim
- ADITYA BIRLA CAPITAL
- Promoter and Promoters Group

Non Bank Financial Company

- **Housing Finance** — ADITYA BIRLA HOUSING FINANCE
- **Life Insurance** — ADITYA BIRLA SUN LIFE INSURANCE
- **Asset Management** — ADITYA BIRLA SUN LIFE AMC
- **Health Insurance** — ADITYA BIRLA HEALTH INSURANCE
- **Wellness** — ADITYA BIRLA WELLNESS
- **Omni Channel D2C Platform** — ADITYA BIRLA CAPITAL DIGITAL
- **Stock & Securities Broking** — ADITYA BIRLA MONEY
- **Pension** — ADITYA BIRLA SUN LIFE PENSION
- **Stressed Asset Platform** — ADITYA BIRLA ARC

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 ₹ 6 Lakh Cr (as on March 31, 2026)
- 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 $ 1,575 billion (as on March 31, 2026)
- Offering a 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

ADITYA BIRLA CAPITAL
ALTERNATE INVESTMENTS

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 4,17,814 Cr (April 2026)
- Over 11.0 million investor accounts (April 2026) Strengths across different asset classes

Alternate Business

- **Best in Class Management**
- Offer portfolio management services, alternate & offshore investment solutions to HNIs and Institutions
- Managing/advising Rs. 41,181 Cr of assets as of May 2026.
- 21-member dedicated investment team for Equity, Fixed Income, Real Estate, and GIFT with a cumulative experience of 250+ years
- Focus on delivering sustained investment performance and portfolio differentiation.
- Strong and robust risk management and governance framework

Source: Internal

ABSLAMC - Diversified Investment Experience

ADITYA BIRLA CAPITAL
ALTERNATE INVESTMENTS

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

Mutual Fund

Equity Funds

Debt Funds

Hybrid Funds

Index , ETFs & Solution oriented Funds

Portfolio Management Services (PMS)*

Discretionary
- ABSL Select Sector Portfolio
- ABSL India Special Opportunities Portfolio
- ABSL Innovation Portfolio
- ABSL Top 200 CEP
- ABSL Core Equity Portfolio
- ABSL Customized Portfolio

Non-Discretionary

Advisory

Co-Investment

Alternative Investment Funds (AIF)

ABSL India Special Opportunities Fund II
ABSL Select Sector Fund
(Cat III – Close ended equity)

India Equity Opportunities Fund
(Cat III – Open ended equity)

ABSL Structured Opportunities Fund Series II
ABSL Money Manager Fund
(Cat II – Close ended Debt)

ABSL India Flexicap Fund (IFSC)
(Cat III – Open ended equity FoF)

India ESG Engagement Fund (IFSC)
(Cat III – Open ended equity)

ABSL Global Bluechip Equity Fund (IFSC)
(Cat III – Close ended global equity FoF)

Aditya Birla Real Estate Credit Opportunities Fund Series II *(Cat II – Close ended Real Estate)*

Offshore Business

Singapore

Mauritius

Dubai

Gift City

** We also offer customized portfolio solutions for Equity, Debt and Real Estate*

Alternate Business – Equity Investment Process

Our Investment Philosophy

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

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

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

Buy Companies that have

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

Portfolio Construction Process

ADITYA BIRLA CAPITAL
ALTERNATE INVESTMENTS

Investment Universe

Portfolio Universe as per fund mandate

Stock Screening

- Financial Modelling & Due Diligence
- Quantitative & Qualitative Screener

Portfolio Optimisation

- Risk reward analysis & Portfolio optimisation

Portfolio Construction

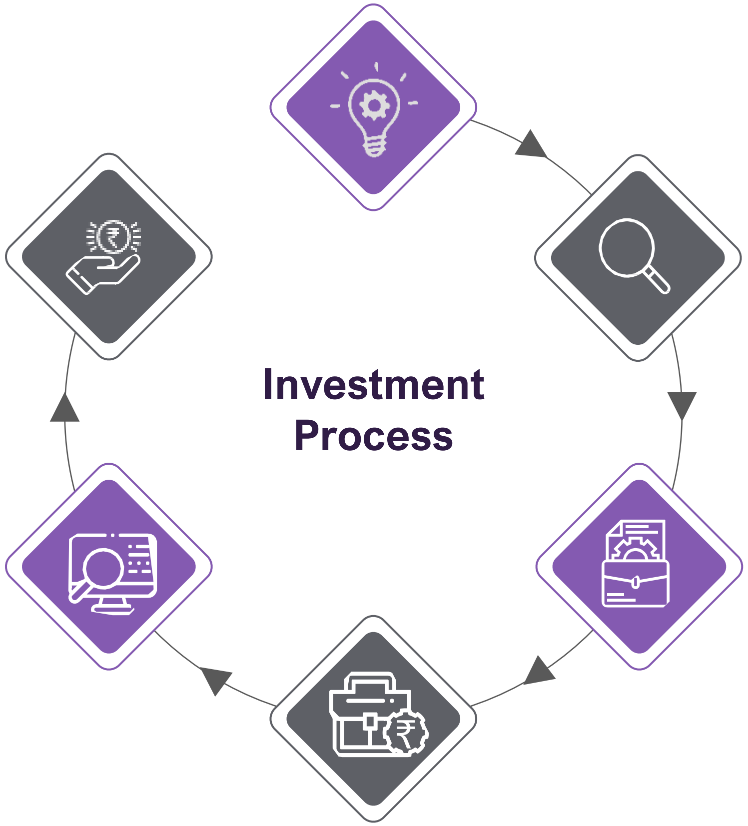
Portfolio of high conviction names

Monitoring

- Periodic monitoring
- Stop loss Triggers
- Maintain Sell Discipline

Investor Servicing

Fund Performance, Reporting & Investor Servicing



Investment Process - Screening & Risk Management

ADITYA BIRLA CAPITAL
ALTERNATE INVESTMENTS

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

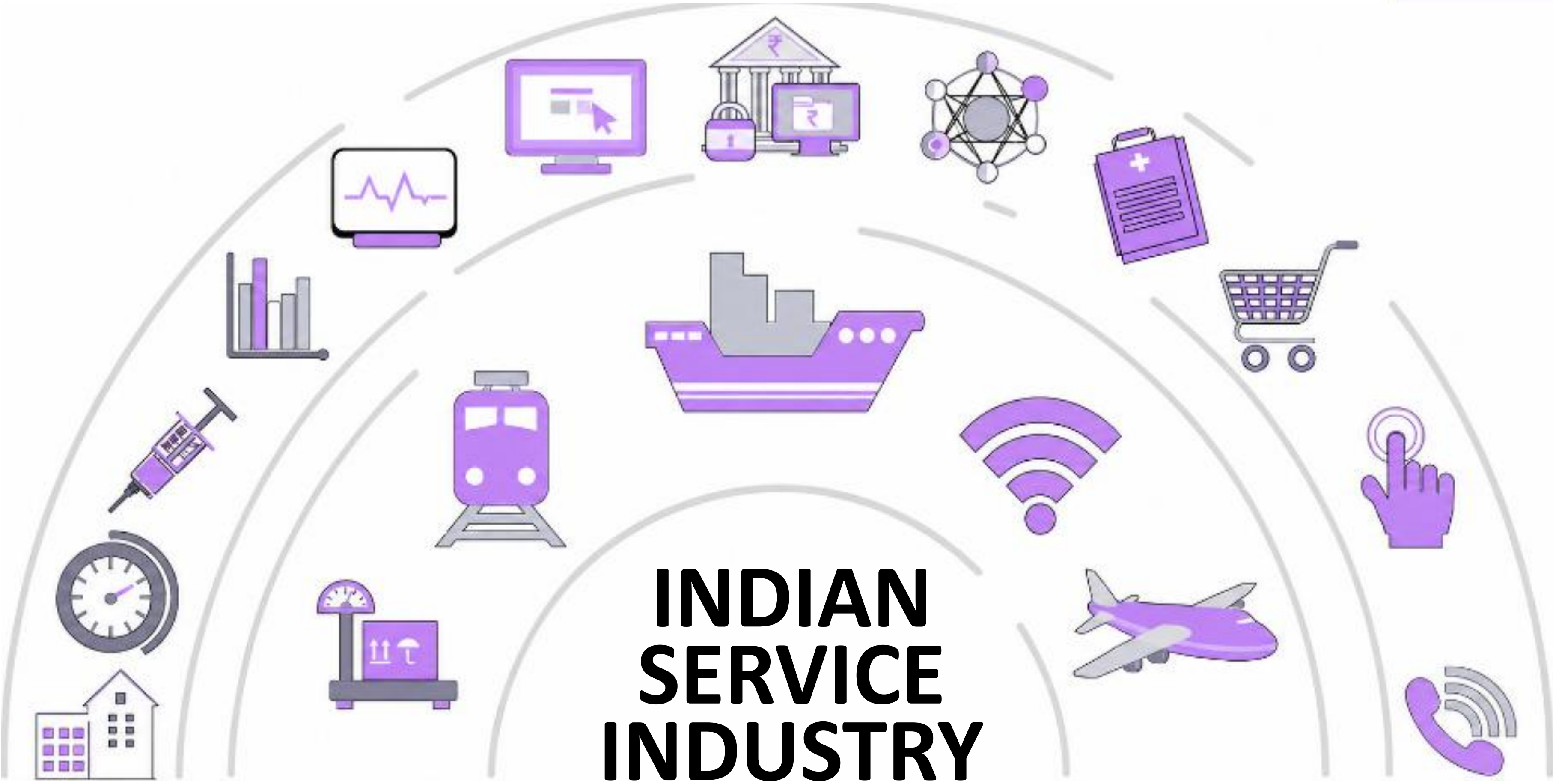
Financial Modelling & Due Diligence
- Visible Earnings CAGR > 15% in medium term
- Sustained Competitive Advantage led by Unique Value Proposition
- Interaction with investee companies & its ecosystem

Risk Management

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



INDIAN SERVICE INDUSTRY

An ocean of opportunities

Service Sector - A Rising Global Phenomenon

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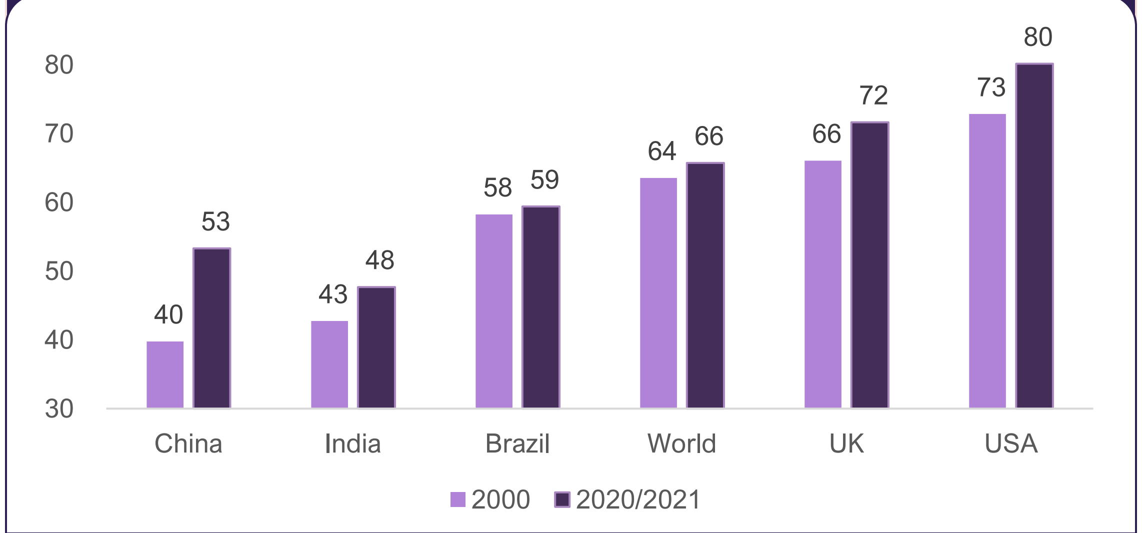
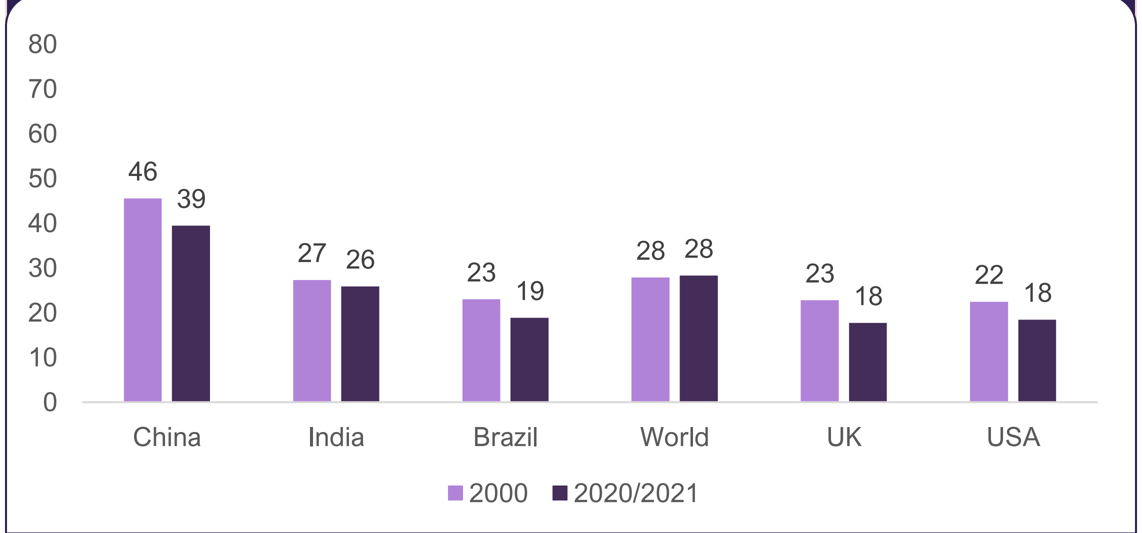
ALTERNATE INVESTMENTS

Contribution of Service Sector to GDP is on the rise, across the world.

Share of Service Sector (% of GDP)



Share of Manufacturing Industry (% of GDP)



- ✓ From developed to developing countries, services sector share is rising across the board
- ✓ India service sector GDP share remains considerably below that of developed economies
- ✓ China referred to as ‘The World’s Factory’, has seen services output surpass manufacturing sector
- ✓ Manufacturing industry share on the other hand has been declining

India Service Sector - ample room for further Growth

Source: World Bank Data

Service Sector taking over Global Indices

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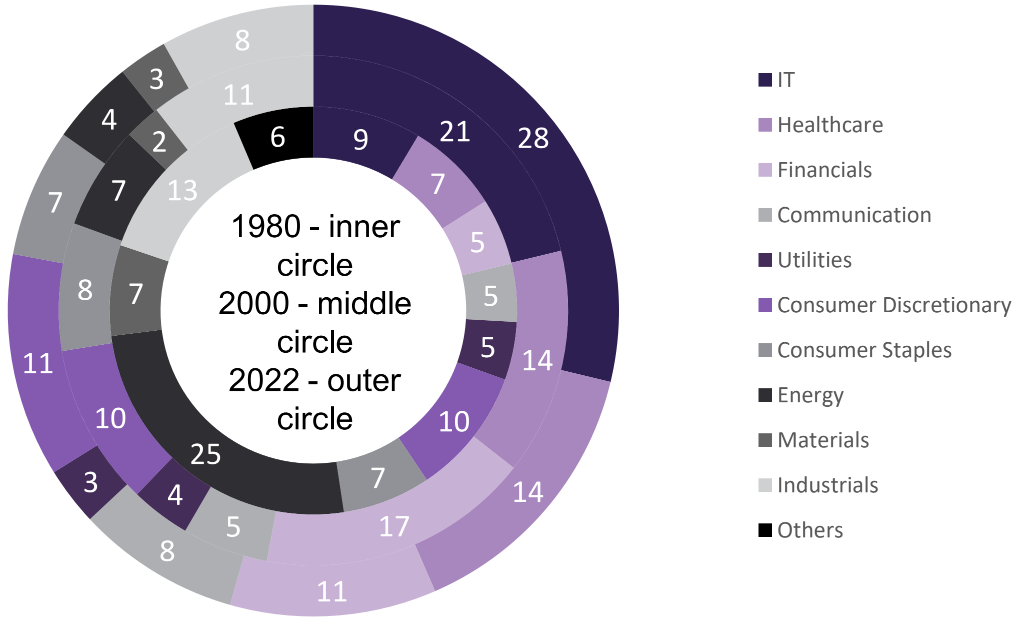
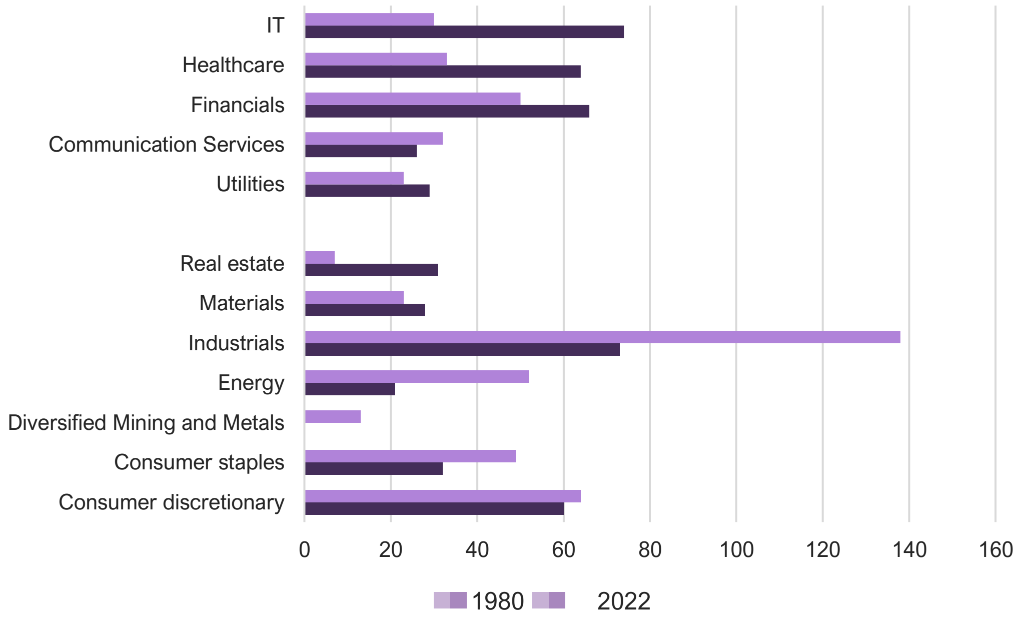
Frontline indices are getting Service heavy with traditional industries making way for Service companies

Sectoral Composition of S&P 500 by Market Cap



Number of Companies in S&P 500



The service sector % has increased significantly over the years.
IT - 8.6% to 27.9%; Financials - 5.3% to 10.6%; Healthcare - 7.4% to 14.3%

Number of service sector companies also increased over the period.
IT – 30 to 74; Financials – 50 to 66; Healthcare – 33 to 64

9 out of the Top 10 Companies of the S&P 500 index are Service Companies!

Sources: DWS Asset Management ; QAD

Service Sector - An Expanding Sector Delivering Profits

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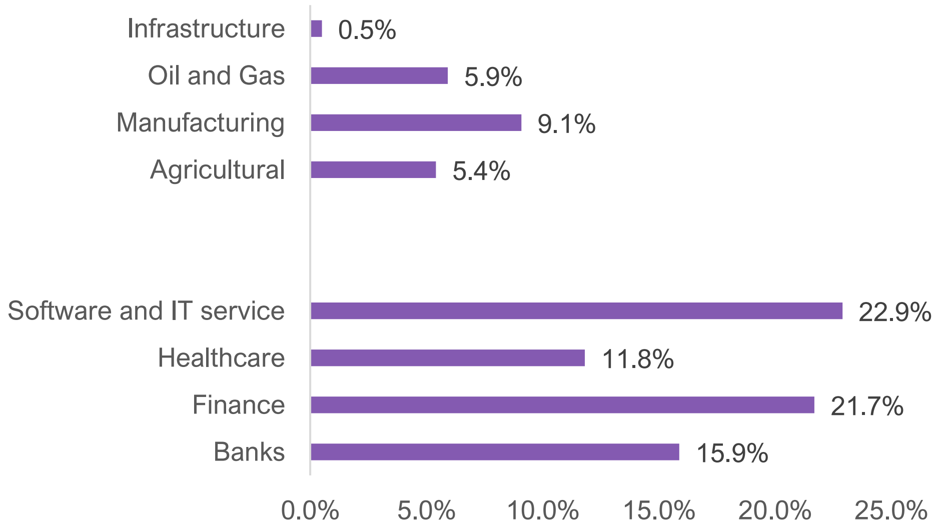
ALTERNATE INVESTMENTS

Listed service sector companies outperform other sector in profitability

FY22 Net Profit Ratio



Average profitability of service sector exceeds non-service sector considerably!

Service Sector dominance seen in top listed profitable companies

Profitability growth of Top Indian listed companies

	FY10 profit (INR Mn)	FY22 profit (INR Mn)	Growth
Reliane Incs.	2,45,031	5,84,201	**138%**
TCS	69,643	3,84,490	**452%**
HDFC Bank	29,487	3,69,614	**1153%**
Infosys	62,660	2,21,110	**253%**
Hind. Unilever	21,027	88,520	**321%**
ICICI Bank	40,250	2,33,395	**480%**
State bank	1,17,338	3,53,739	**201%**
HDFC	27,429	1,28,388	**368%**
Bajaj Finance	894	70,282	**7762%**

Profitability of top service sector companies has seen exponential growth over the last 12 years!

Sources: Moneycontrol, MOFSL

Growing Investor Interest in Service Sector

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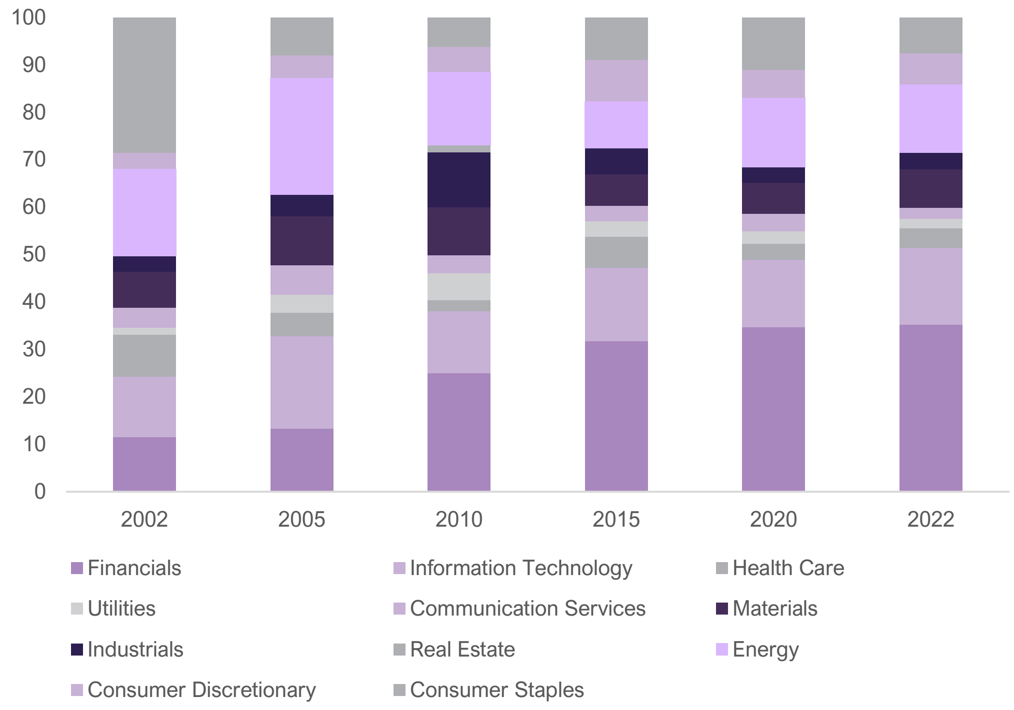
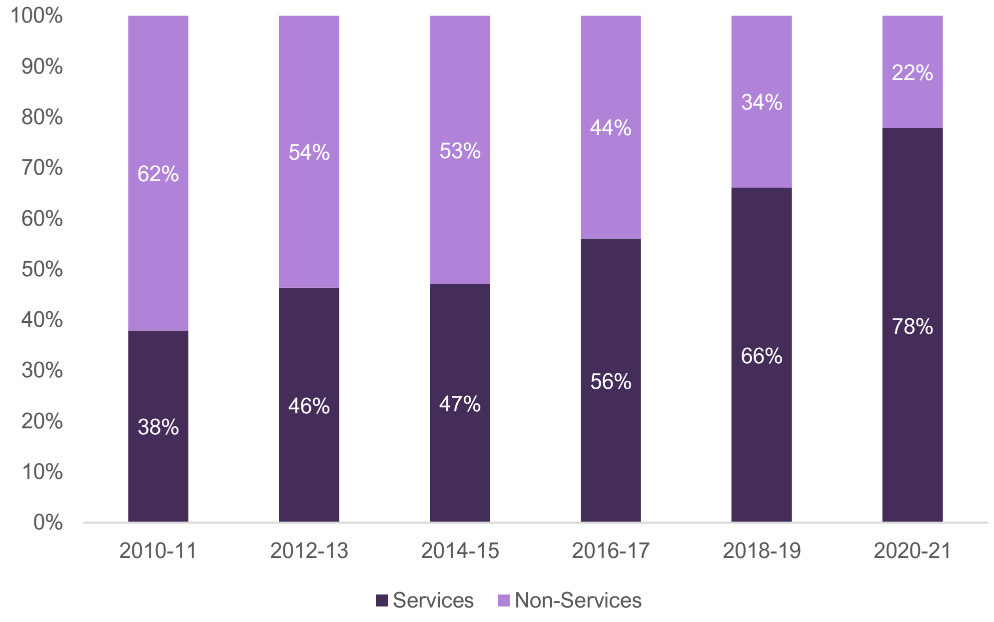
Nifty 50 – Service Sector Growth



FDI Inflow Pattern



The proportion of service stocks in the NIFTY 50 index has increased considerably in the last 20 years

Foreign Direct Investments have also shown a shift towards service sector over the years

Source: Bloomberg, RBI

Service Sector - Considerable Scope across Sub-Sectors

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Service Sector

Financial Services
- Government's push to Financial Inclusion
- Growth in Savings

Information Technology
- Global technology hub
- Focus towards digital acceleration

Retail
- Increasing customer base
- Rising Per Capita Income

Telecom
- Rise in affordability of Telecommunication
- Consolidation in Industry

Healthcare Services
- Favourable demographics pushing demand
- Considerable policy support

Tourism & Hospitality
- Growing Tourism Infrastructure
- Governments Schemes to promote tourism

Transportation & Logistics
- Rising e-commerce pushing demand
- Technological advancement

CASE STUDIES

Jubilant FoodWorks Ltd

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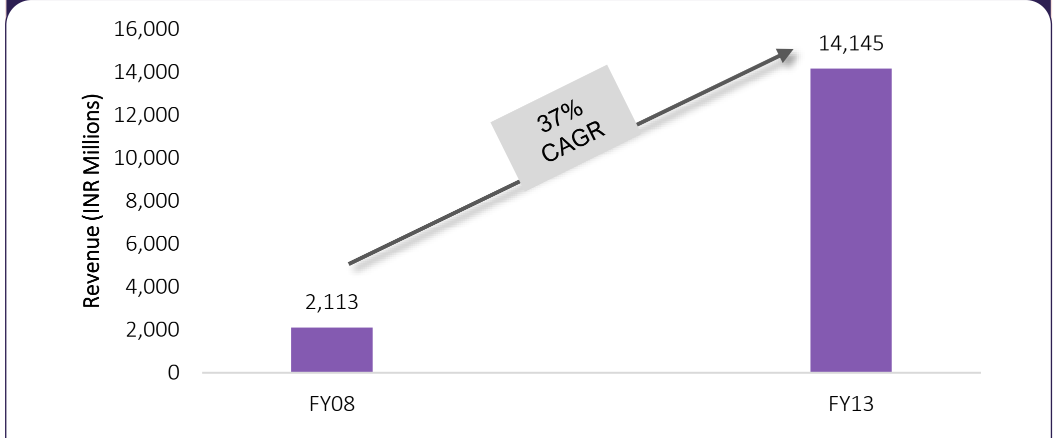
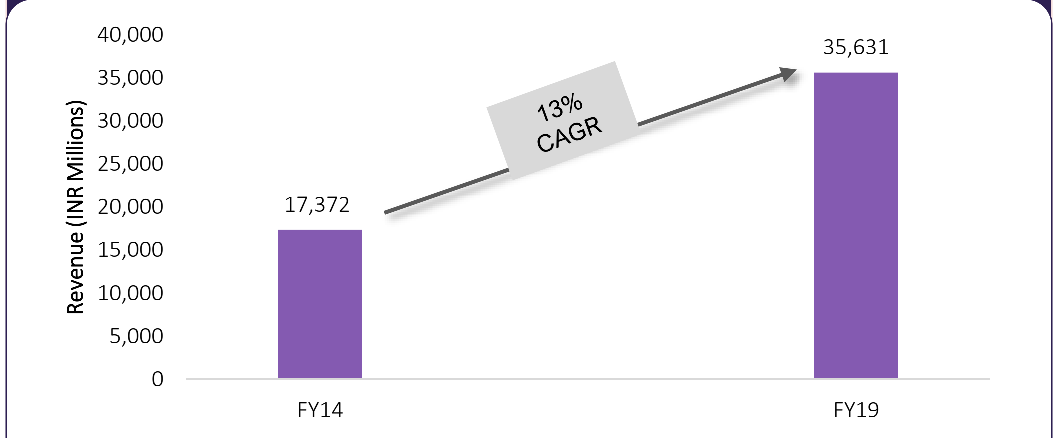
Jubilant FoodWorks has shown strong pricing power during the inflationary time, resulting in sustainable revenue growth

During Inflationary time (Average annual inflation 10.1% YoY), Jubilant FoodWorks revenue grew @ CAGR of 37%...



...Subsequently moderating to 13%, when inflation cooled off (Average annual inflation 4.5% YoY)



Pillars of Growth

Established Position in QSR
Market leader in the Pizza segment through its exclusive right to operate Domino's Pizza

Robust Supply-Chain Network
Operates regional supply chain centres, ensuring consistent quality & timely delivery to its stores

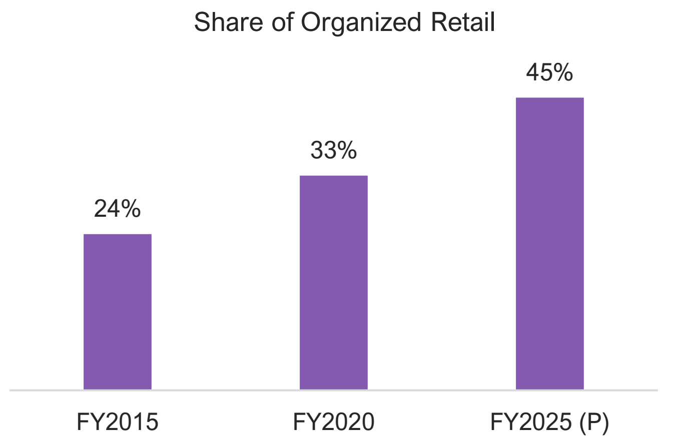
Countrywide Network
More than 1500 stores spread across 337 cities in India

Sources: MOFSL, Bloomberg, ABSLAMC Research

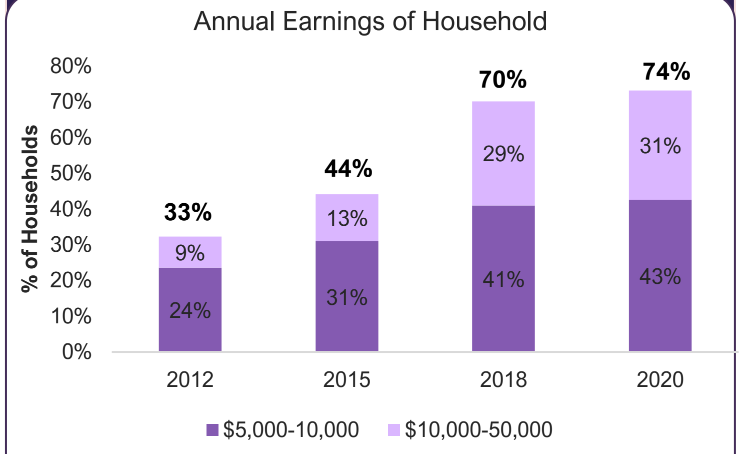
Trent Ltd

ADITYA BIRLA CAPITAL ALTERNATE INVESTMENTS

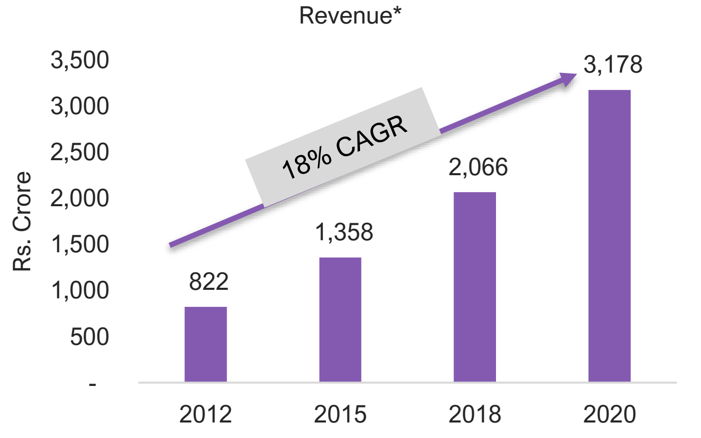
Increase in share of Organized Apparel Retail..



..coupled with Rising Household Earnings..



..driving healthy Revenue Growth for Trent



Pillars of Growth

Aggressive Expansion Strategy

Over FY16-22 Westside store count more than doubled from 93 to 200

Diverse Product Offerings

Varied segments including apparel, footwear, food/ groceries, accessories, beauty products etc.

Footfall Growth

Footfall grew at 15% CAGR over FY 15-20 led by trendy fresh designs & lowering price

Sources: Bloomberg, Screener, Technopak, ICRA, ABSLAMC Research *Standalone Revenue of Trent Ltd.

Interglobe Aviation Ltd

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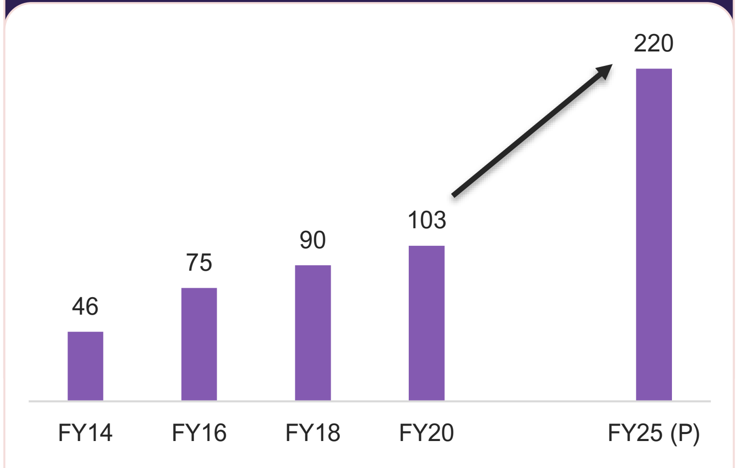
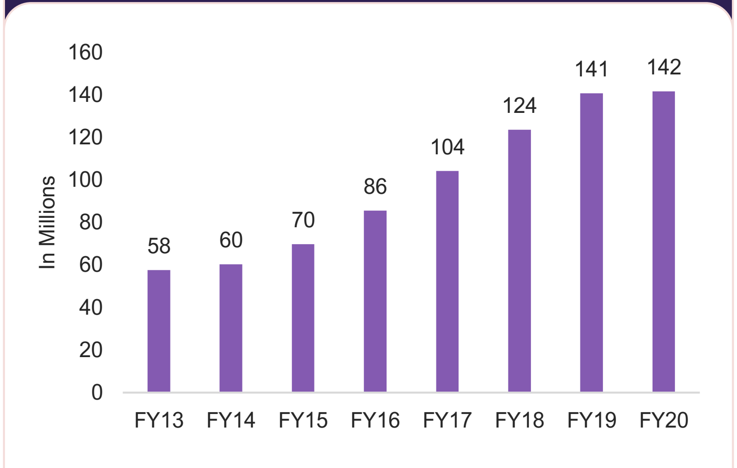
Indigo capturing the Domestic passenger market share amid increasing Domestic airports & rising domestic passenger volume

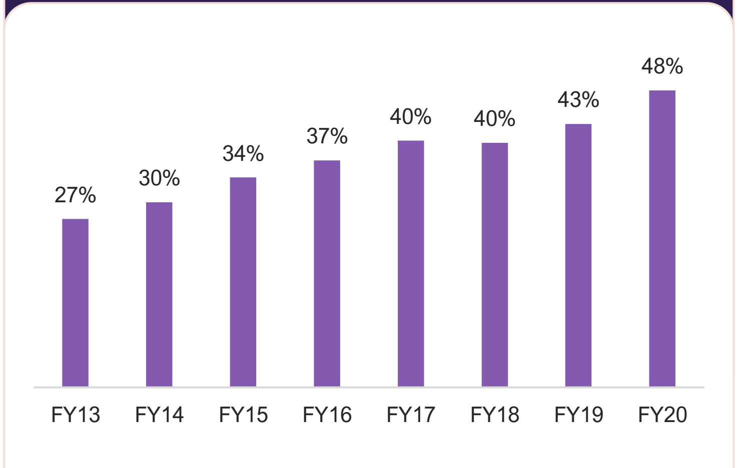
No. of Domestic Airports



Domestic Passenger volume



Indigo Market Share



Pillars of Growth

Leading Domestic Air Carrier

Indigo expanded its market share to nearly 55% to emerge as the leading domestic airline.

Increasing Demand due to Urbanization

Indian cities are home to ~11% of total global urban population.

Fleet Expansion

Indigo grew its fleet steadily from 19 to 285 aircraft during FY 10 to FY 20 & expanded its capacity @ CAGR of ~30%

Sources: ICRA, MOFSL, Indigo Annual Report; ABSLAMC Research

Bajaj Finance Ltd

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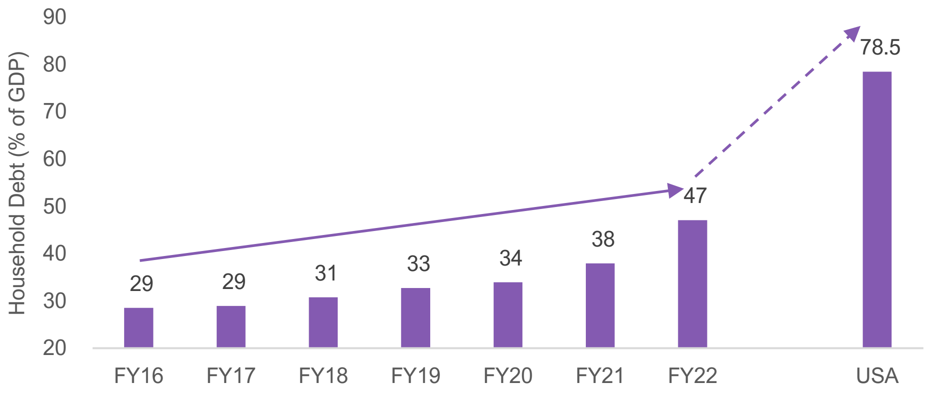
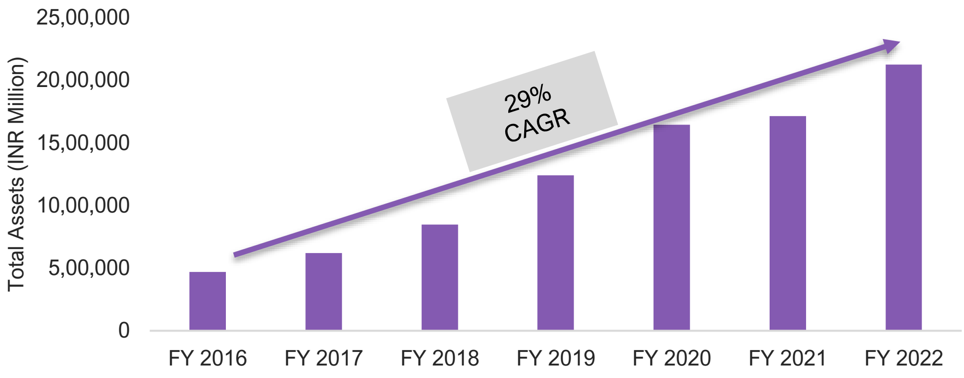
Lower Indian household debt vis-à-vis developed economy like US market will likely benefit Bajaj Finance

Household Debt as a % of GDP has increased @ CAGR of 8% since FY16



During same period Assets of Bajaj Finance have grown at 29% CAGR



Pillars of Growth

Wide Geographical presence
Presence in 3,504 locations across the country, including 2,136 rural branches

Large Customer Franchisee
Serving a large customer base of 57.6 million

Omnichannel Strategy
Serves across all medium of customer presence covering physical, app, web and social

Sources: MOFSL, Tradingeconomics, Bloomberg, ABSLAMC Research

ABSL India
Equity Services Portfolio

Why invest in the Indian Service Sector?

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LOCAL ADVANTAGE

Growing user base

Rising accessibility and affordability – per capita income grown >4x in 20 years

Consumer digital economy to be USD 800Bn by 2030; that's 10X growth from 2020

+

GOVERNMENT SUPPORT

Government Initiatives like Skill India, Digital India, Start up India to boost sector growth

GoI has allocated INR 7,000 crore to BharatNet to boost digital connectivity

Make in India – Every rupee of final product demand creates Rs. 1.48 in service demand

+

GLOBAL PUSH

India has high skill level at globally competitive labour prices

Robust demand – through outsourcing and export of services

India has 55% share of global outsourcing market; making it a global hub for services

=

LONG TERM GROWTH POTENTIAL

8 of 10 top wealth creators over the last 5 years (2016-2021), are from the services sector

These include TCS, HDFC Bank, Infosys, Bajaj Finance and ICICI Bank

Sources: Statisticstimes.com; EY Report; Deloitte Report; IBEF

Our Highest Conviction Stocks in One Portfolio

ADITYA BIRLA CAPITAL
ALTERNATE INVESTMENTS

Portfolio Positioning	• A PMS scheme investing across **large cap, mid cap & small cap stocks** in a disciplined manner • Portfolio in companies with service driven business model

Investment Approach

Focused Strategy

A combination of our high conviction large cap, mid cap and small cap in one portfolio

Identifying Opportunities

Intends to identify and invest in companies which can be potential beneficiaries of growing Indian Service Sector

Stock Picking

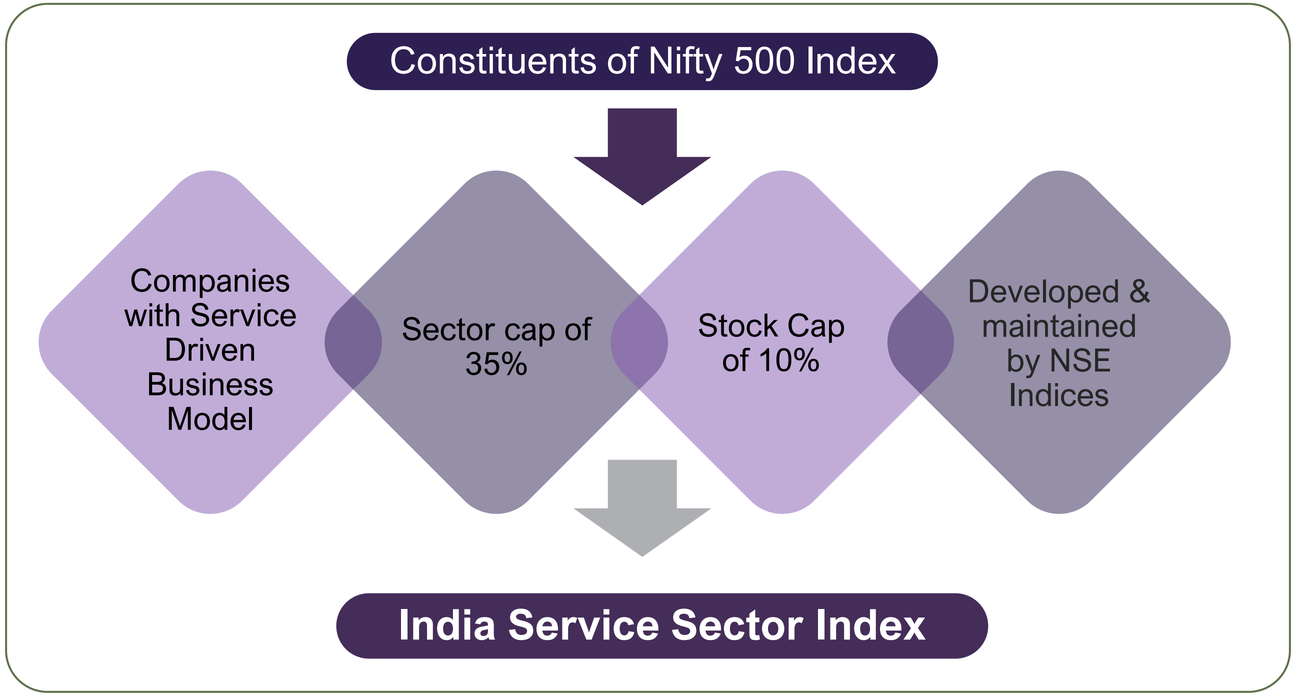
In line with our Investment Philosophy which focuses on Growth, Superior return ratio and Credible management

Suitability: The fund can be suitable for Long term Equity Investors with High-Risk appetite and an investment horizon of 3 years and above

Portfolio Universe - India Service Sector Index

ADITYA BIRLA CAPITAL
ALTERNATE INVESTMENTS

Portfolio Construction Methodology
Using Customized India Service Sector Index with NSE



Designed to capture the performance of companies with a service-driven business model from Nifty 500 Universe.
Captures the service sector universe without a heavy reliance on Banking & IT Sector.

Source: NSE Indices as on October 31, 2022

ABSL India Equity Services Portfolio - Portfolio Construct

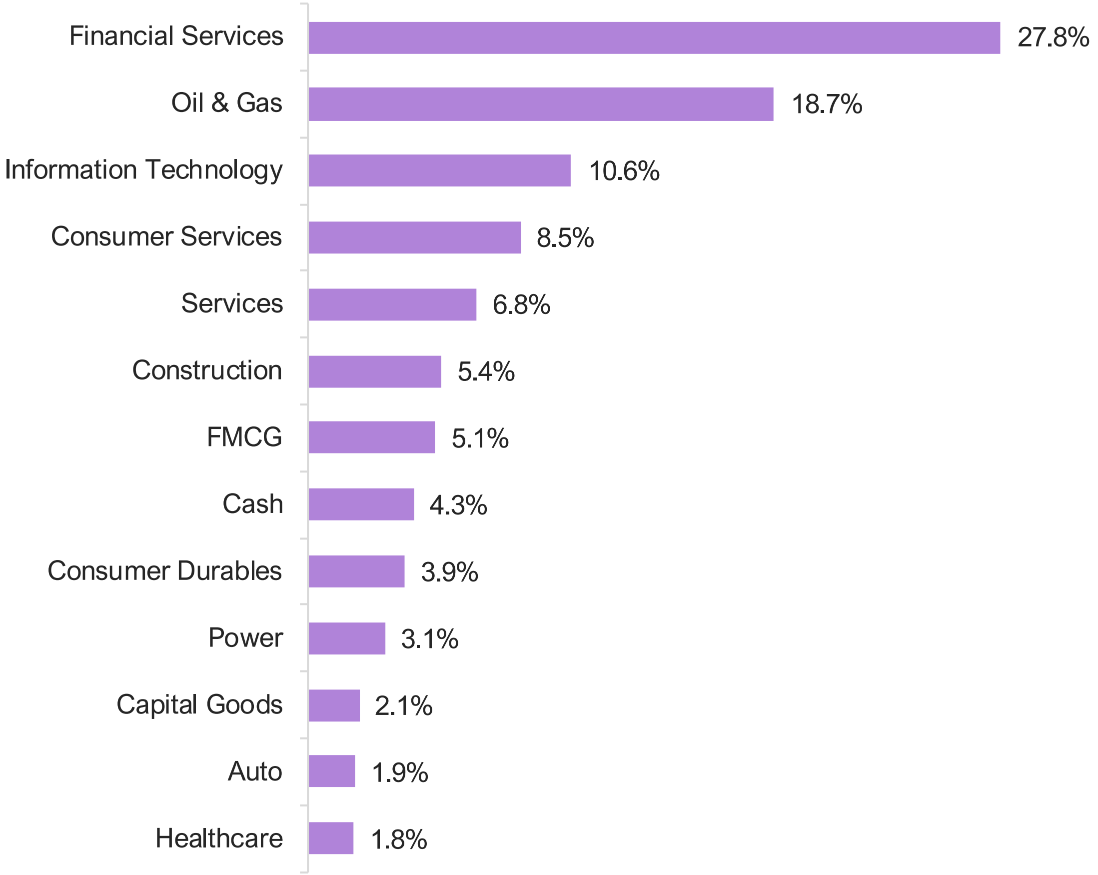
Portfolio Name	ABSL India Equity Services Portfolio
Structure	Discretionary PMS
Strategy	Equity
Nature	Open ended
Market cap	Multi cap
Investment approach	To construct an optimally focused portfolio by investing in high quality business leaders with strong service driven business models across market caps & industries. The investments shall be arranged, made, managed and disposed-off with the view to providing long-term returns to the Contributors.
Investment Manager	Aditya Birla Sun Life AMC Limited (ABSLAMC)
Benchmark	BSE 500 TRI
Portfolio Manager	Mr. Sameer Narayan, Mr. Salvin Shah
Time Horizon	Minimum 3 years
Minimum Investment	Rs 50 lakhs
Management and Performance fee	Please refer Client Fee Schedule
Operating expenses	Please refer Client Fee Schedule

Portfolio Characteristics

Current Model Portfolio

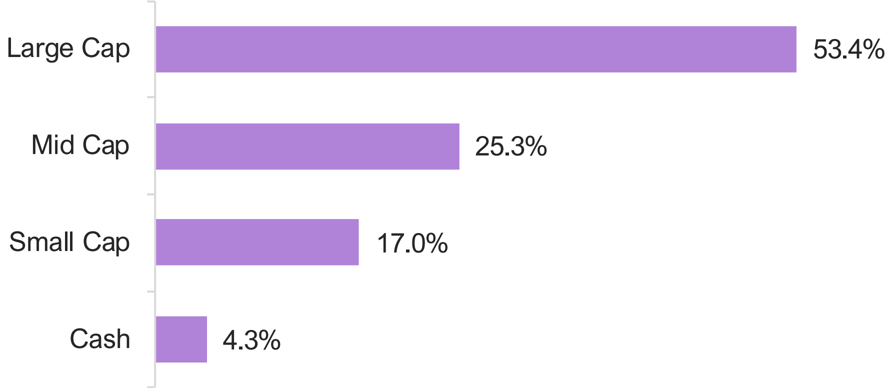
ADITYA BIRLA CAPITAL
ALTERNATE INVESTMENTS

Industry Allocation



As on May 31, 2026

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 Dec 31, 2025. Source : AMFI

Current Model Portfolio

ADITYA BIRLA CAPITAL
ALTERNATE INVESTMENTS

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

PE (x)	FY25A	FY26E	FY27E
ABSL India Equity Services Portfolio	35.9	74.8	20.6
BSE 500	23.3	20.8	17.6

ROE (%)	FY25A	FY26E	FY27E
ABSL India Equity Services Portfolio	19.8%	17.2%	16.3%
BSE 500	14.3%	14.2%	14.5%

EPS Growth (%)	FY25A	FY26E	FY27E
ABSL India Equity Services Portfolio	30.2%	21.4%	99.8%
BSE 500	12.1%	2.6%	16.7%

Net Debt to Equity* (%)	FY25
ABSL India Equity Services Portfolio	16.6%
BSE 500	26.6%

Top 10 Holdings & Weights

Top 10 Portfolio Holdings	% of Net Assets
Reliance Industries Ltd.	8.0%
Hindustan Petroleum Corporation Ltd.	6.8%
HDFC Bank Ltd.	6.0%
Adani Ports and Special Economic Zone Ltd.	5.1%
Union Bank of India	4.3%
State Bank of India	3.4%
NHPC Ltd.	3.1%
CEMINDIA PROJECTS Ltd.	3.1%
Indian Hotels Co Ltd.	3.1%
ITC Ltd.	2.9%

*Financials excluded in calculation of D/E
Source: All ratios are based on Internal estimates.

As on May 31, 2026

Performance – ABSL India Equity Services Portfolio

Returns (%)	Absolute				CAGR	
	1 month	3 month	6 month	1 year	2 year	Since Inception (11/10/2023)
ABSL India Equity Services Portfolio	-0.9%	-3.1%	-10.7%	-9.7%	-3.4%	4.1%
BSE 500 TRI	-0.2%	-2.3%	-5.4%	-0.1%	4.1%	11.1%
Out/Underperformance	*-0.7%*	*-0.8%*	*-5.3%*	*-9.7%*	*-7.6%*	*-7.0%*
Nifty India Service Sector Index	-1.6%	-4.2%	-10.1%	-6.7%	1.2%	7.9%
Out/Underperformance	*0.6%*	*1.1%*	*-0.6%*	*-3.0%*	*-4.6%*	*-3.8%*

As on May 31, 2026
Disclaimer: Past performance of any product does not indicate its future performance. The returns of investment approaches are calculated using TWRR method and considers all inflows and outflows and market value of entire portfolio for computation of performance. It is calculated net of all expenses and fee. Investment approach level performance reported above is not verified by SEBI.

Alternate Business Team Structure

Team Structure

ADITYA BIRLA CAPITAL
ALTERNATE INVESTMENTS

- **A Balasubramanian**
  MD & CEO
  - **Sameer Narayan (27)**
    Head – Offshore & Alternate Investment Equity
    - **Fund Manager**
      Salvin Shah (13)
      - **Analysts**
        Sumit Rathi (9)
        Nirmal Gore (3)
        Nishad Sable (2)
        - **Dealer**
          Prashant Kahane (18)
          Pratik Sanghvi (24)
  - **Alok Kumar (20)**
    Head - Alternate Products
    - **Product Team**
      Tejas Soni
      Sanskar Sharma
      Bhaswati Bose
  - **Sandeep Kalsi (25)**
    Head - Alternate Sales

Figures in bracket is No of years of relevant work experience

Investment Team

Sameer Narayan
Head- Offshore & 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.

Leadership Team

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 20+ 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

Sandeep Kalsi
Head - Alternate Sales

- INSEAD Singapore alumnus with 25+ years of diverse experience in the financial services industry, spanning asset management, alternatives, and banking
- Has led large, multi-functional teams with a focus on delivering strategic outcomes and driving organizational growth
- Successfully built and scaled new business ventures from concept to execution across multiple domains
- He brings extensive experience across leading financial institutions, having held roles at ICICI Bank, Fidelity Mutual Fund, SBI Mutual Fund, Edelweiss Alternatives, and Kotak Alternatives.

Risk Factors & Disclaimers

ADITYA BIRLA CAPITAL
ALTERNATE INVESTMENTS

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.

Risk Factors & Disclaimers

- 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**

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