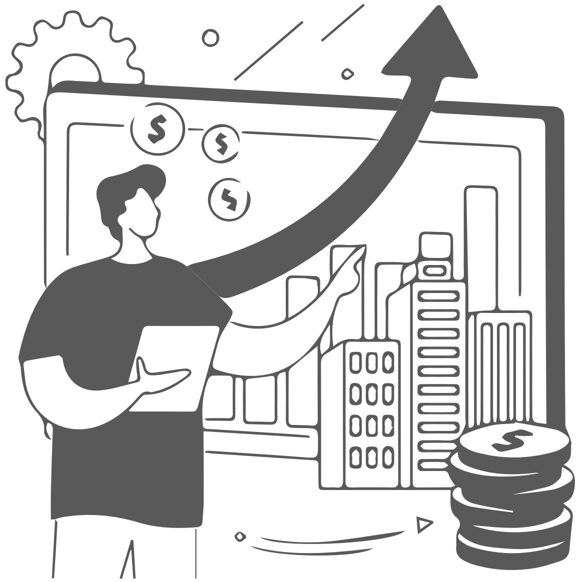
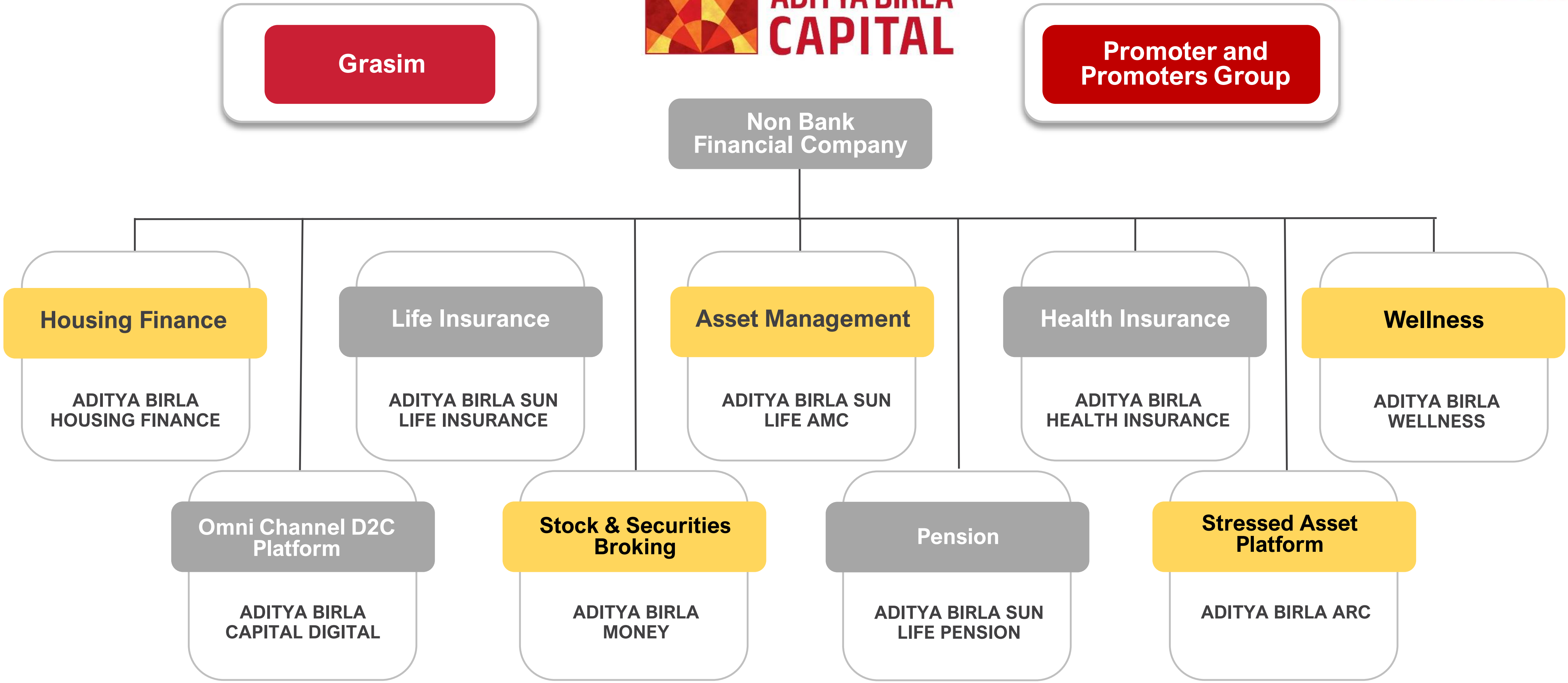
ABSL Core Equity Portfolio

March 2026



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 ₹ 6 Lakh Cr (as on December 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 $ 1,605 billion (as on December 31, 2025)
- 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 4,32,834 Cr (January 2026)
- Over 10.8 million investor accounts (January 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. 39,765 Cr of assets as of February 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
(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

ADITYA BIRLA CAPITAL
ALTERNATE INVESTMENTS

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"

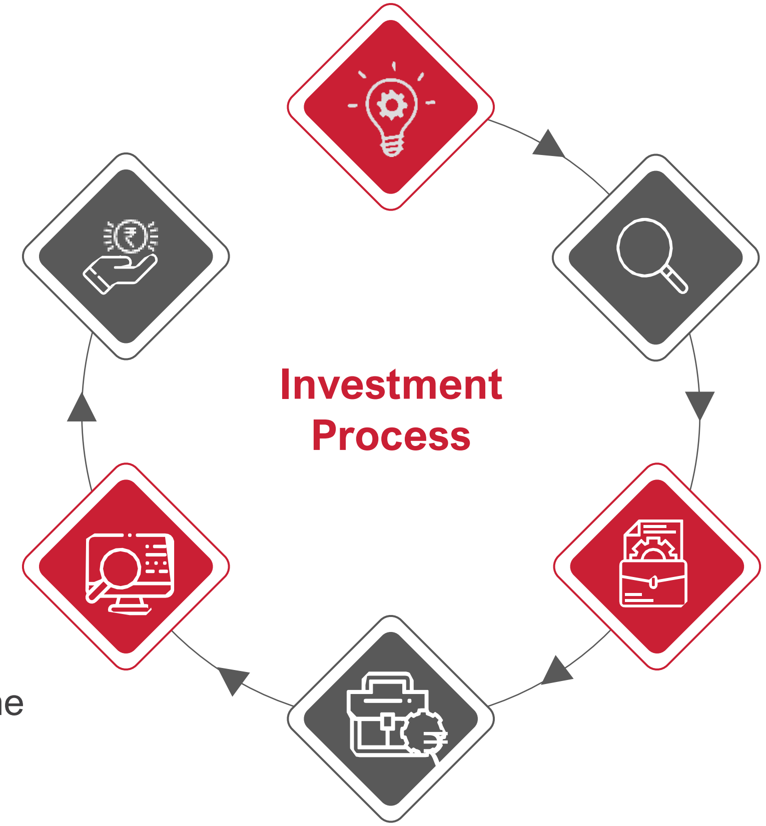
Buy Companies that have
- Large Opportunity Canvas (*scope for non-linear growth outcomes)*
- Credible Management
- Emphasis on Capital Efficiency
- Superior return ratios

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

ABSL Core Equity Portfolio

ABSL Core Equity Portfolio: Investment Objective & Strategy

ADITYA BIRLA CAPITAL
ALTERNATE INVESTMENTS

Focus on Long Term Wealth Creation

Investment Objective/ Philosophy

Follows both Top down & Bottom-up approach

Industries with strong operating dynamics

Businesses core to the India growth story

Unconstrained by Sectors or Themes

Attractive Valuation with “Margin of safety”

Wealth Creation Approach

Recurring Winners - High Quality businesses with consistent growth

Companies with Scalability and Resilience

Benchmark-agnostic

Multi Cap Universe

Concentrated Portfolio

Value drivers

High ROEs/ROCEs

Sustainable earnings growth

Low leverage

High quality franchise, product, service

Superior management team

4 Pillars of our Investment Process

ADITYA BIRLA CAPITAL
ALTERNATE INVESTMENTS

Benchmark agnostic | Predominantly Mid & Small Cap Universe

Sustainable Wealth Creation

GDP growth pattern tilted in favor of few industries	Sustainable growth over medium to long term in select industries
Recurring Winners: Focus on businesses that have consistently created VALUE	• Favorable industry operating dynamics key to wealth creation • Consistent growth/returns profile, reflected in high ROE/ROCE
Unique strategy based on Superior Screening process	• Extensive research to identify future winners • Comprehensive alert system to track industry wise valuations
Value investing approach to generate alpha	• Buy quality businesses at a discount to their intrinsic value • High margin of safety

Pillar 1: Sectors growing faster than GDP can generate significant Alpha

ADITYA BIRLA CAPITAL
ALTERNATE INVESTMENTS

- Sectors that grow faster than GDP provide an opportunity in the stock markets
- Our analysis of the GDP growth and sectoral growth trends have shown that the sectors which outpace the GDP growth over cycles generate significant out performance versus the benchmark
- Our focus would be on sectors with strong growth visibility over the next 2-3 years

Industrials
FY06 - FY08

Healthcare
FY09-FY11

Financial Services
FY10-FY11

Consumer Staples
FY12- FY13

Financials
FY17-19

Information Technology
FY20 -22

FY23-25

- Materials
- Industrial
- Consumer Discretionary

Source: Internal Research

Pillar 2: Recurring Winners

- Research over the long term proves that shareholder wealth creation is mainly determined by strong operating dynamics such as competition levels, ease of entry by new players, bargaining power of buyers/suppliers etc.
- Focus on industries with lower competitive intensity that are more direct beneficiaries of consumer spending, enjoying stable growth, and are less vulnerable
- Companies with superior management and strong business models coupled with favorable industry operating dynamics generate superior value and returns consistently

Industry dynamics - Key to capture value

Commercial Banks
- Entry barriers in the form of licenses
- Very limited customer bargaining power

Pharmaceuticals
- Large and growing addressable market
- Entry barriers in form of size, capital, regulations & research capabilities

IT Services
- Arbitrage- India's cost advantage vs global players
- Limited supplier power(employees) in terms of salary costs

Capital Goods
- Large & growing addressable market
- Strong and large balance sheets acting as performance anchors

FMCG
- Brand franchise and distribution scale driven entry barriers
- Ingrained sustainability, healthy margins & return ratios

Pillar 3: Effective Screeners backed by Fundamental Research

ADITYA BIRLA CAPITAL
ALTERNATE INVESTMENTS

Superior screening process

- **Extensive fundamental research** to identify future winners that create superior and sustained value
- **Comprehensive alert systems** to track industry wise valuation of each company
- Identify **growth** industries and businesses at **attractive valuations**

Bottom-up Fundamental Research adds conviction

- Focus on understanding company strategy, management and execution
- Track sector developments, meet industry participants across value chains and company management to discern changing trends

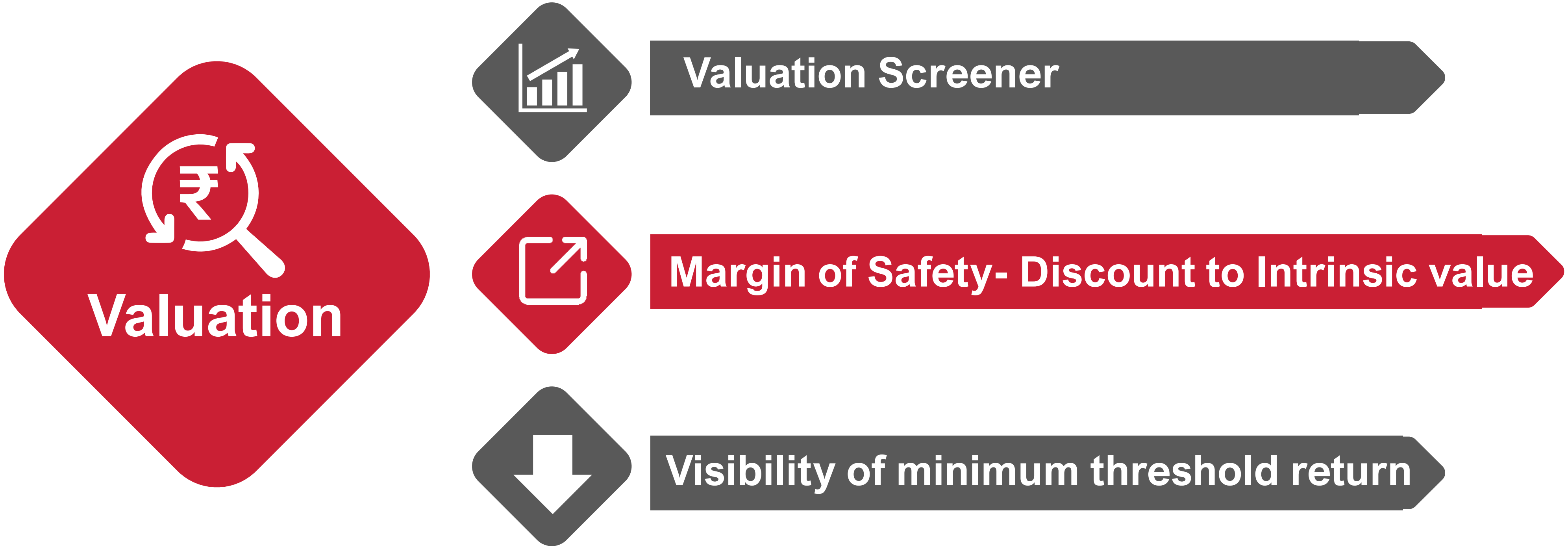
Bottom-up Fundamental Research

- Industry Analysis
- Company Meetings
- Plant/Factory Visits
- Dealer/Channel Checks
- Management Evaluation
- Financial Analysis

Pillar 4: Attractive Valuation with "Margin of Safety"

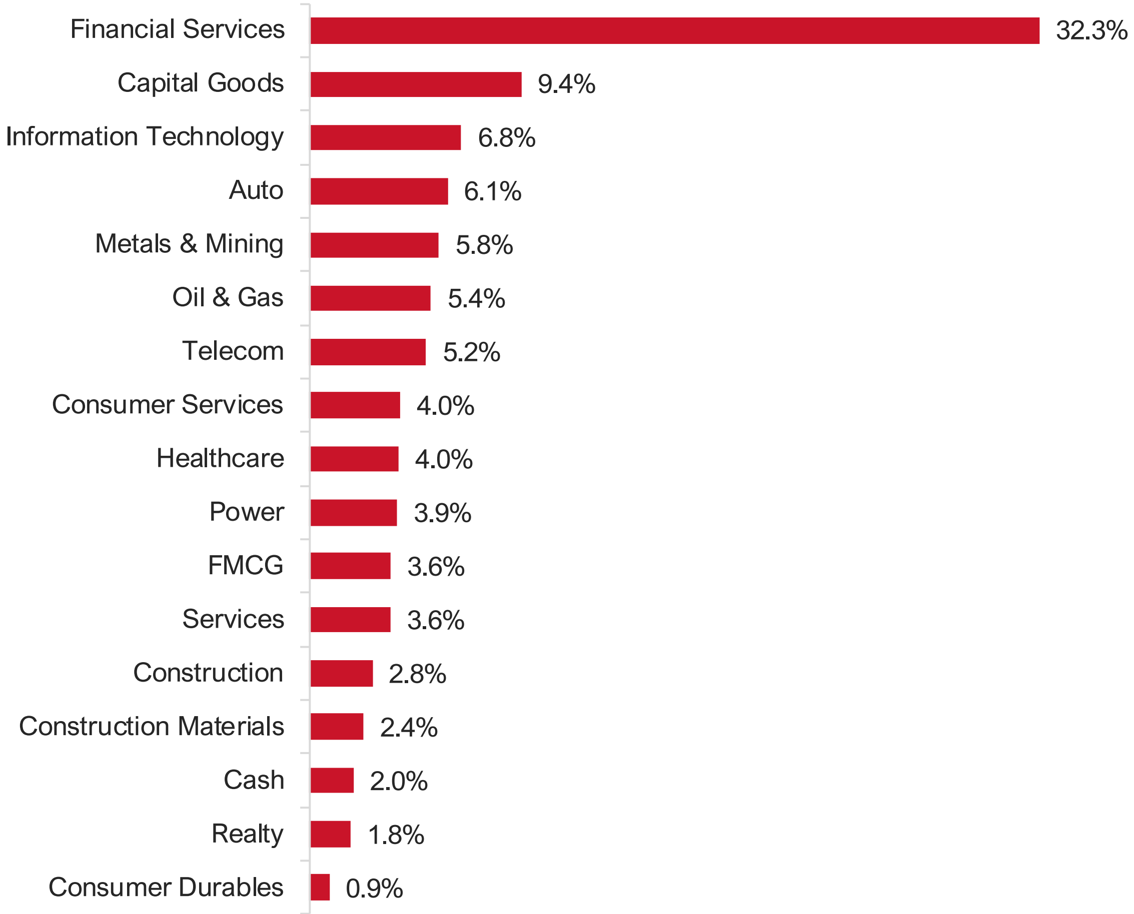
ADITYA BIRLA CAPITAL
ALTERNATE INVESTMENTS

- Buy quality growth stocks at a **discount to their intrinsic value**
- Proprietary screeners enable discovery of the undervalued stocks that will create significant value over medium to long term
- Invest in a company only if there is a visibility of a **minimum threshold return and limited down-side**

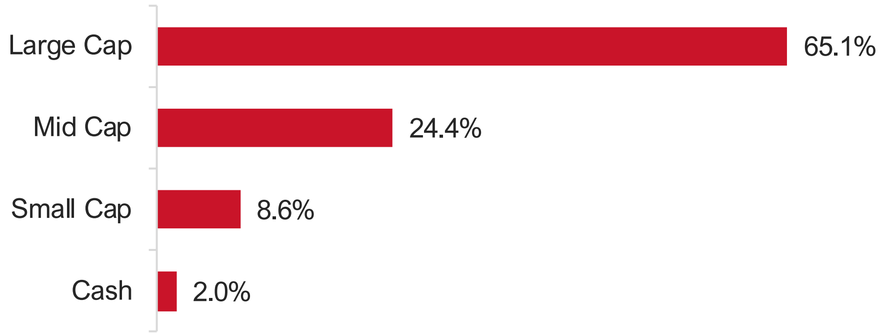


Current Model Portfolio

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 Dec 31, 2025. Source : AMFI

As on February 28, 2026

Current Model Portfolio

ADITYA BIRLA CAPITAL
ALTERNATE INVESTMENTS

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

PE (x)	FY25A	FY26E	FY27E	Prem/Disc to Benchmark (FY26E)
ABSL Core Equity Portfolio	30.5	49.0	24.7	**42.8%**
NIFTY 500	23.7	21.0	18.4	
NIFTY 50 TRI	21.5	19.9	17.3	

ROE (%)	FY25A	FY26E	FY27E	Prem/Disc to Benchmark (FY26E)
ABSL Core Equity Portfolio	21.7%	17.7%	19.5%	**27.6%**
NIFTY 500	14.3%	14.7%	15.0%	
NIFTY 50 TRI	14.4%	15.1%	15.3%	

EPS Growth (%)	FY25A	FY26E	FY27E	Prem/Disc to Benchmark (FY26E)
ABSL Core Equity Portfolio	48.9%	14.6%	39.4%	**171.9%**
NIFTY 500	10.5%	5.2%	17.6%	
NIFTY 50 TRI	6.1%	4.3%	14.5%	

Net Debt to Equity* (%)	FY25	Prem/Disc to Benchmark
ABSL Core Equity Portfolio	23.0%	**-14.3%**
NIFTY 500	32.3%	
NIFTY 50 TRI	26.9%	

As on February 28, 2026

Top 10 Holdings & Weights

Top 10 Portfolio Holdings	% of Net Assets
ICICI Bank Ltd	5.9%
Bharti Airtel Ltd	5.2%
HDFC Bank Ltd	5.1%
Infosys Ltd	4.1%
APL Apollo Tubes Limited	4.1%
Sun Pharmaceuticals Industries Ltd	4.0%
United Spirits Ltd	3.6%
Interglobe Aviation Ltd	3.6%
Indian Bank	3.3%
Vedanta Ltd	3.2%

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

ABSL Core Equity Portfolio – Portfolio Characteristics

ADITYA BIRLA CAPITAL
ALTERNATE INVESTMENTS

Portfolio Characteristics

Key Ratios (3 Years)	ABSL Core Equity Portfolio	Nifty 50 TRI
Standard Deviation	11.88%	11.25%
Sharpe Ratio	0.68	0.84
Beta	0.99	
Portfolio Turnover	0.43	
Avg MCap (Rs. Cr.)	₹ 4,25,992	
Median MCap (Rs. Cr.)	₹ 1,86,347	

Above mentioned Portfolio Turnover is for 1 year

As on February 28, 2026

ABSL Core Equity Portfolio – Performance

ADITYA BIRLA CAPITAL
ALTERNATE INVESTMENTS

Returns (%)	Absolute				CAGR				
	1 Month	3 Months	6 Months	1 Year	2 Years	3 Years	5 Years	10 Years	Since Inception (07/01/2009)
ABSL Core Equity Portfolio	-0.1%	-3.3%	3.8%	17.0%	4.5%	13.2%	13.0%	11.3%	18.2%
Nifty 50 TRI	-0.5%	-3.8%	3.4%	15.1%	8.3%	14.6%	12.9%	15.0%	14.7%
Out/Underperformance	*0.5%*	*0.5%*	*0.4%*	*2.0%*	*-3.8%*	*-1.4%*	*0.1%*	*-3.7%*	*3.5%*
Nifty 500	0.4%	-3.2%	3.1%	16.5%	7.4%	16.9%	13.7%	14.7%	14.5%
Out/Underperformance	*-0.4%*	*-0.1%*	*0.7%*	*0.5%*	*-2.9%*	*-3.6%*	*-0.7%*	*-3.5%*	*3.7%*

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

As on February 28, 2026

CASE STUDIES

Interglobe Aviation

ADITYA BIRLA CAPITAL
ALTERNATE INVESTMENTS

Sector- Services

- Interglobe Aviation(Indigo) is the leading low-cost airline carrier (LCC) in India. The Principal activities of the company comprise of air transportation including passenger and cargo services and providing related allied services including in-flight sales.
- The company is also into hospitality, travel commerce, airline management, advanced pilot training and aircraft maintenance engineering.

Key Facts

- Over the past three decades, Interglobe Aviation has become India's leading conglomerates. It is headquartered in Gurugram and driven by a workforce of over 70,000 people spread across 37+ countries and 150+ cities globally.
- With a market share of 62%, Interglobe Aviation is the biggest airline in India and one of the fastest-growing in the world with a fleet of more than 400 aircrafts, linking passengers to 130+ destinations worldwide (90 in India and 40 Internationally).
- Interglobe Hotels is India's leading hotel development company with 22 operational hotels with more than 3,996 rooms.
- Interglobe Technology Quotient (ITQ), a strategic business unit of Indigo, holds leadership position in travel technology industry, ITQ is connected to nearly 22,000+ agency terminals, Serving 6300+ customers including travel management companies, online travel agencies and retail agencies across 700+ cities
- InterGlobe's lifestyle hotel brand, Miiro, has launched its fourth European property, Templeton Garden, in London's historic Earl's Court.

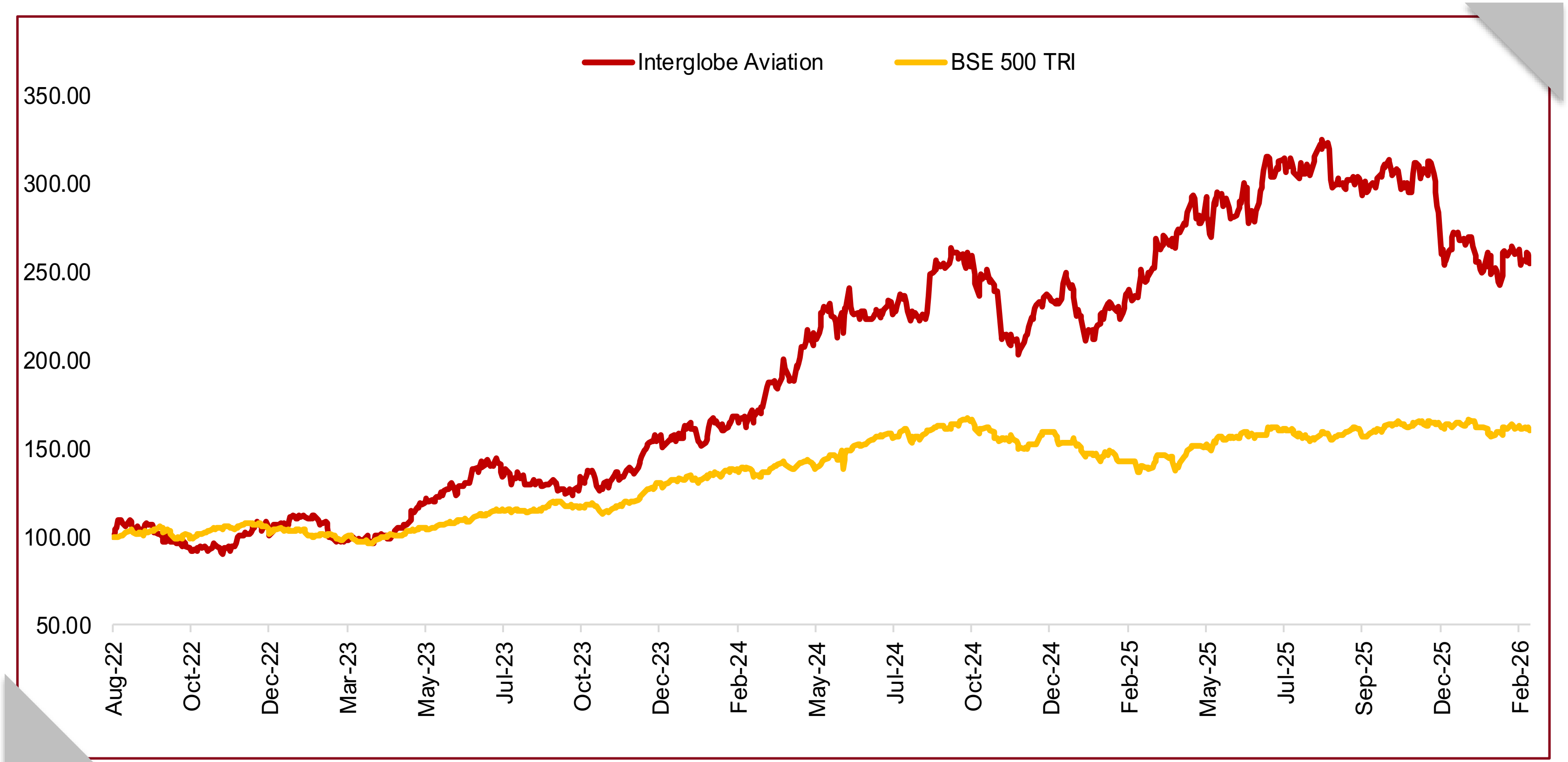
Interglobe Aviation

Date of Investment
01 August 2022

Investment Price
₹1,891

Current Price
₹4,827

Total Returns
2.55x (3.6 Years)



Note: Stock and Index rebased to the date of first purchase / As on February 28, 2026/ Source: Bloomberg

Bharti Airtel Ltd

ADITYA BIRLA CAPITAL
ALTERNATE INVESTMENTS

Sector- Telecom

- Bharti Airtel Limited is Asia’s leading integrated telecommunication services provider company globally. The Airtel brand has played the role of a major catalyst in India's reforms, contributing to its economic resurgence.
- The businesses at Bharti Airtel have been structured into three individual SBUs- Mobile Services, Airtel Telemedia Services & Enterprise Services.

Key Facts

- Headquartered in New Delhi, Airtel is the most trusted provider of ICT services with a global network across the USA, Europe, Africa, Middle East, Asia-Pacific, India, and SAARC regions.
- Through the diverse product portfolio and strategically located submarine cables and satellite network running across 365,000+ Route kilometers in 50 countries and 5 continents, Bharti Airtel is pushing the boundaries in digital service delivery with a key focus on enhanced end-user experience, round-the-clock infrastructure availability, and superior service quality.
- Bharti Airtel limited operates in 17+ countries across Asia and Africa, having over 490 million customers across its operations. The company serves over 1200 global enterprises, 2000 large and 1 million medium/small businesses across India.
- Airtel Telecommunications ranks amongst the top 3 mobile service providers around the world (as per subscribers)

Bharti Airtel Ltd

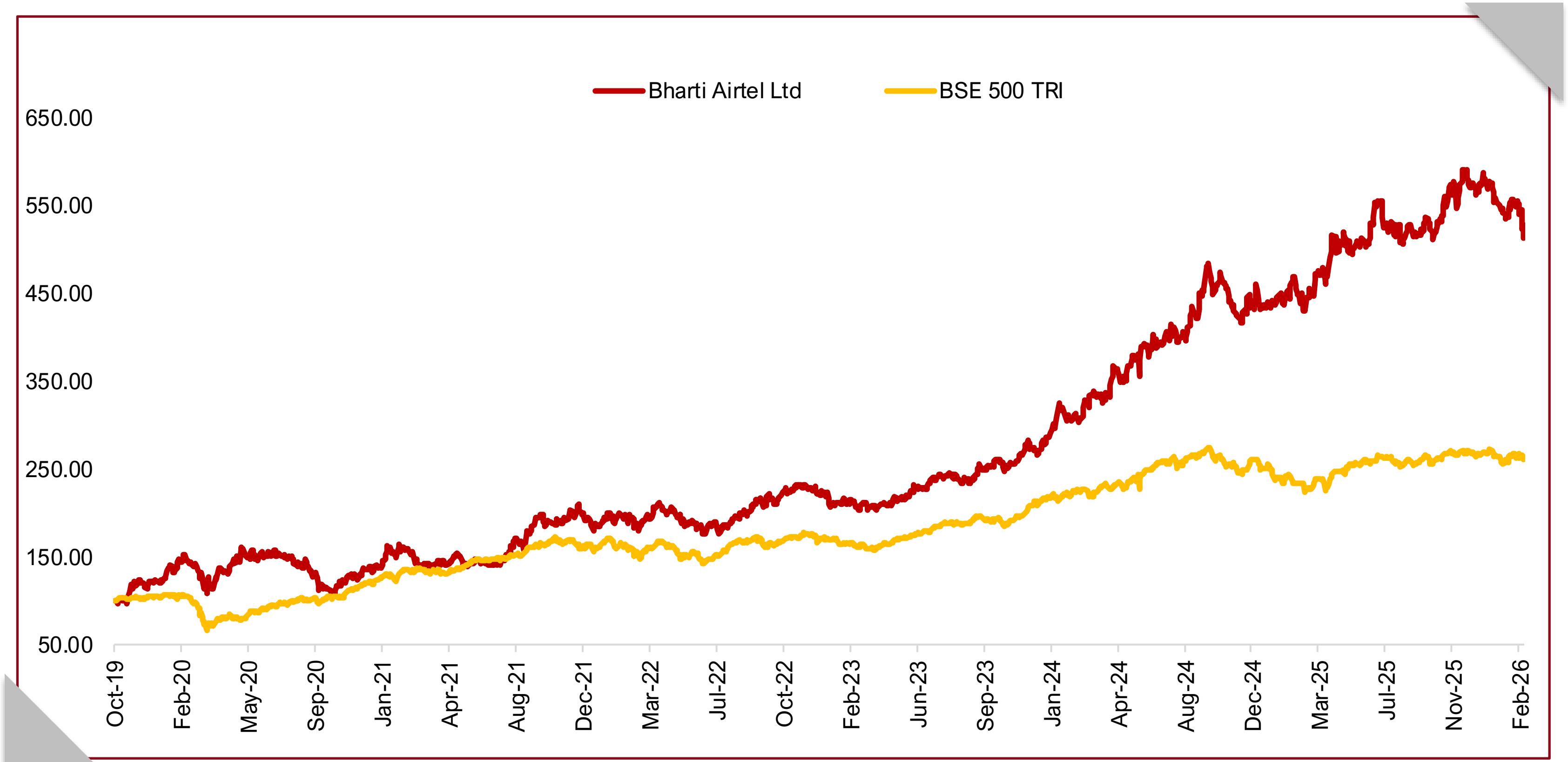
ADITYA BIRLA CAPITAL
ALTERNATE INVESTMENTS

Date of Investment
24 October 2019

Investment Price
₹365

Current Price
₹1,879

Total Returns
5.14x (6.4 Years)



Note: Stock and Index rebased to the date of first purchase / As on February 28, 2026/ Source: Bloomberg

ICICI Bank Ltd

ALTERNATE INVESTMENTS

Sector- Financial Services

- ICICI Bank Ltd. is a prominent Indian multinational bank and financial services company, headquartered in Mumbai, with a registered office in Vadodara.
- It offers a wide range of banking and financial services to both corporate and retail customers through various channels and specialized subsidiaries. Originally established as a development finance institution, it has evolved into a leading private sector bank.

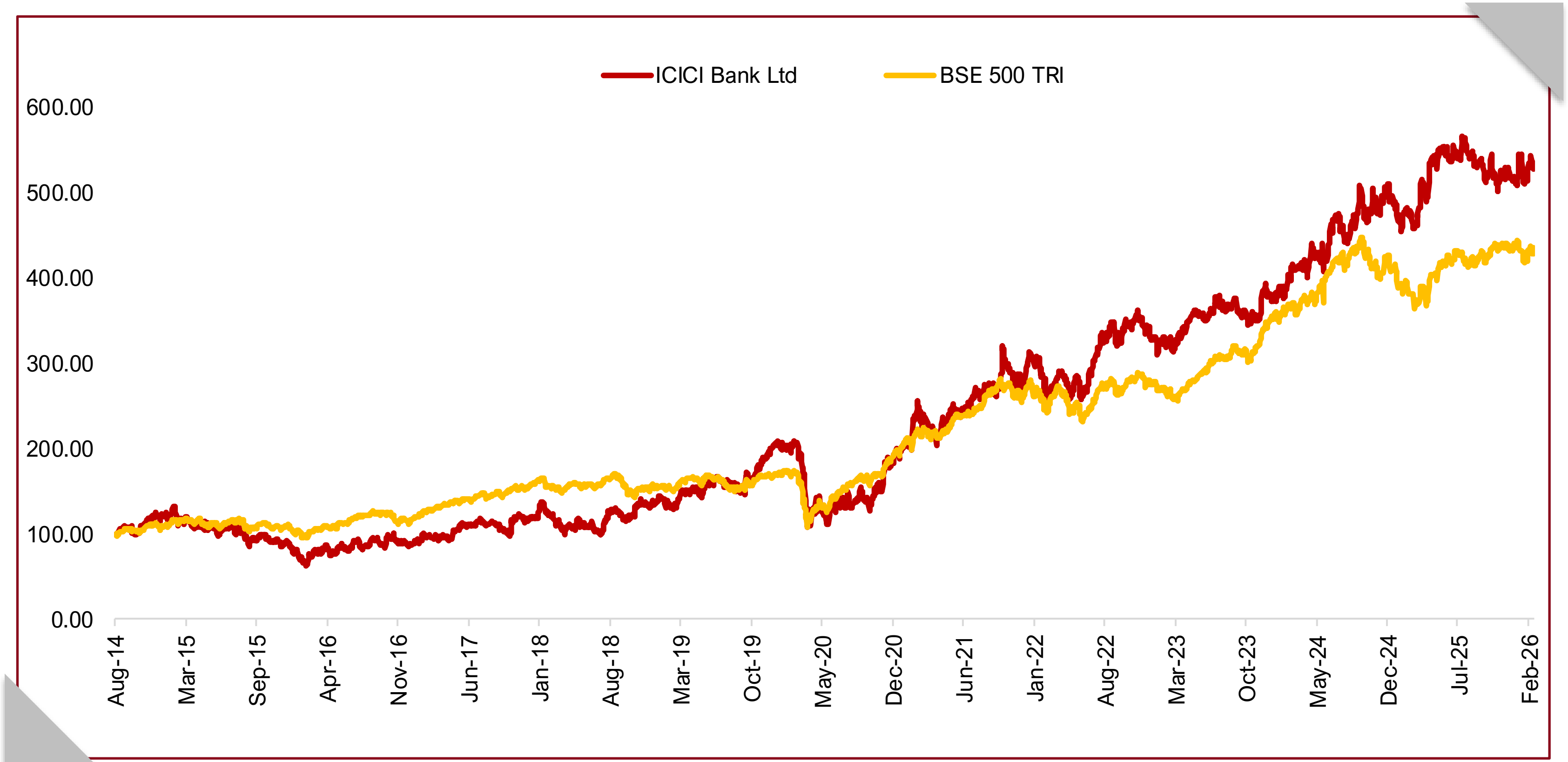
Key Facts

- The Bank has a network of 6,523 business centres, 17,000+ ATMs and Cash Recycling Machines, and 570 Insta Banking Kiosks across the country.
- ICICI Bank’s mobile banking application, iMobile Pay, has more than 30 million users. The company recorded over 70% digital trade transactions and a 22% growth in volume of transactions on InstaBIZ
- iLens, ICICI Bank’s lending solution, is an industry-first end-to-end digital lending platform covering the entire loan life cycle. It is a single interface that allows employees, third party agencies and sourcing channels to collaborate to facilitate faster turnaround of loan applications, greater transparency of loan status and an enriched customer experience.
- The Bank's international franchise focusses on four strategic pillars, namely the NRI ecosystem comprising deposits, remittances, investments and asset products; the MNC ecosystem comprising both foreign MNCs investing in India and Indian MNCs for their foreign currency and other India related requirements

ICICI Bank Ltd

ADITYA BIRLA CAPITAL
ALTERNATE INVESTMENTS

Date of Investment	Investment Price	Current Price	Total Returns
06 August 2014	₹263	₹1,379	5.24x (11.6 Years)



Note: Stock and Index rebased to the date of first purchase / As on February 28, 2026/ Source: Bloomberg

ABSL Core Equity Portfolio – Portfolio Construction

ADITYA BIRLA CAPITAL
ALTERNATE INVESTMENTS

Portfolio Name	ABSL Core Equity 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 & income in the form of dividends. It can also invest in money market instruments & units of mutual fund. 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. Features of the companies can include – High quality with consistency in growth, high ROE, low leverage & high potential for growth. It is a Multicap portfolio unconstrained by any market segments like market capitalization (large cap – mid cap), sectors, themes etc.
Investment Manager	Aditya Birla Sun Life AMC Limited (ABSLAMC)
Benchmark	Nifty 50 TRI
Portfolio Manager(s)	Mr. 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

Team Structure

ADITYA BIRLA CAPITAL
ALTERNATE INVESTMENTS

- **A Balasubramanian**
  MD & CEO
  - **Sameer Narayan (27)**
    Head - 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
    - **Products**
      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-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

ADITYA BIRLA CAPITAL
ALTERNATE INVESTMENTS

- 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