

# Amaltas Keystone Fund — Factsheet

AMALTAS

APRIL 30, 2026

## Fund Snapshot

Keystone is a concentrated, bottom-up strategy focused on mispriced earnings recovery, cyclical dislocation and governance-adjusted risk-reward.

Investment Approach	<b>Amaltas Keystone Fund</b>	Number of Holdings	<b>18</b>
Strategy	<b>High-conviction India listed equities</b>	Equity Exposure	<b>98.7%</b>
Strategy AUM (30 Apr 2026)	<b>On request</b>	Cash & Equivalents	<b>1.3%</b>
Inception Date	<b>17 January 2025</b>	Top 10 Holdings (% of AUM)	<b>78.3%</b>
Manager	<b>Amaltas Asset Management LLP</b>	Top 5 Sectors (% of AUM)	<b>93.1%</b>
SEBI PMS Registration	<b>INP000009126</b>	Market-Cap Orientation	<b>Predominantly small &amp; mid cap</b>

Keystone is intentionally concentrated; position sizes reflect conviction, liquidity and downside-risk assessment. Holdings and exposure data sourced from the Portfolio Appraisal as of 30 April 2026.

## Performance Summary

As of 30 April 2026 | TWRR, net of all expenses | Benchmark shown for regulatory and comparative purposes. The Fund is managed on an unconstrained, high-conviction basis and is not benchmark-relative.

Period	Amaltas Keystone Fund	S&P BSE 500 TRI	Differential
1 Month	<b>+26.97%</b>	<b>+10.38%</b>	<b>+16.59%</b>
3 Months	<b>+16.93%</b>	<b>-1.73%</b>	<b>+18.66%</b>
6 Months	<b>+8.15%</b>	<b>-4.33%</b>	<b>+12.48%</b>
1 Year	<b>+18.66%</b>	<b>+3.64%</b>	<b>+15.02%</b>
Since Inception (17 Jan 2025)	<b>+5.54%</b>	<b>+4.17%</b>	<b>+1.37%</b>

Performance is unaudited and based on Time-Weighted Rate of Return (TWRR). Periods of one year or less are absolute (not annualised). As per SEBI guidelines, returns are net of all expenses; investor returns may differ based on period of investment, fee structure and timing of capital flows. Past performance is not indicative of future results.

### APRIL PERFORMANCE — SUMMARY

Keystone delivered a strong absolute and relative return in April, driven by broad-based recovery across select cyclical, energy and domestic financial-services exposures. The Fund's positioning, oriented around mispriced cyclical and turnaround opportunities, benefited from the initial phase of this rotation.

## Portfolio Composition

### TOP 10 HOLDINGS

Top 10 holdings list shared with prospective and existing clients on request, subject to applicable confidentiality terms.

### SECTOR ALLOCATION

SECTOR	WEIGHT
Financial Services	32.8%
Specialty Chemicals & Petrochemicals	22.1%
Power Ancillaries & Optic Fibre	19.9%
Energy E&P	12.5%
Metals & Carbon Products	5.8%
Information Technology	5.5%
Cash & Equivalents	1.3%
<b>Total</b>	<b>100.0%</b>

### APRIL DRIVERS — QUALITATIVE VIEW

April returns were broad-based across sector exposures. The largest positive contribution came from power ancillary and optic-fibre holdings, energy E&P (benefiting from elevated crude price realisations) and the financial-services basket as the microfinance and SFB cohort re-rated off COVID-trough valuations. Specialty chemicals and petrochemical holdings also contributed as feedstock and end-market pricing tightened.

# Investment Commentary

## April Market Context

Indian equities advanced materially in April despite an adverse macro environment. The S&P BSE 500 TRI gained over 10% against a backdrop of elevated crude oil prices, currency weakness and sustained foreign institutional outflows. Brent crude traded between approximately USD 110 and USD 126 per barrel as the Strait of Hormuz was effectively closed following the escalation of the Iran–US conflict in mid-April.<sup>1</sup> The Indian Rupee weakened to a record low of 95.20 to the US Dollar.<sup>2</sup> Foreign portfolio investors withdrew approximately USD 20 billion calendar year-to-date, of which approximately USD 7.5 billion in April.<sup>3</sup>

## Why the Portfolio Benefited

The Fund's positioning, oriented around mispriced cyclical and turnaround opportunities, benefited from the initial phase of a broad rotation into smallcap, energy and domestic financial-services exposures. Three structural factors supported the rotation: the late-stage credit-cost reset in microfinance and small finance banks; the improvement in earnings outlook for supply-secure productive assets following Hormuz-related disruption; and sustained downstream demand for power and optic-fibre suppliers to global AI infrastructure build-outs.

## Why the Opportunity Set Remains Attractive

Indian smallcap corrections have, on average, run for 15 to 18 months, and the current downcycle is now within that window. Major lows have repeatedly formed in March, supported by mutual fund rebalancing, advance tax outflows, margin finalisation and year-end account clearing — observed in 2007, 2009, 2016, 2020 and 2023.<sup>4</sup> Our valuation framework, set out in our February 2026 note, identified the Nifty Smallcap to Gold ratio at a structural floor that has, on every prior occurrence, preceded multi-year smallcap recoveries; the Crude to Gold ratio at compressed levels has historically been associated with subsequent recoveries in energy. Confirmation will require sustained earnings delivery and broader market participation.

## What Would Change Our View

A material reversal in the macro factors underpinning positioning would prompt a reassessment. Specifically: a sharp resolution of the Hormuz situation accompanied by a decline in crude prices below cycle support; a relapse in microfinance credit costs or wholesale funding access; a renewed wave of Chinese commodity-chemical exports; or a sustained slowdown in hyperscaler AI infrastructure spending. We size positions and review thesis health against these specific factors rather than against benchmark composition.

## Portfolio Positioning

### Financial Services — 32.8% of AUM

Concentrated in NBFCs, microfinance institutions and small finance banks. Thesis set out in our June 2025 piece, "Beyond the Slowdown: India's Microfinance Outlook".

#### CORE VIEW

The microfinance sector is in the late stage of a regulatory and credit-cost reset. Historically, surviving lenders have grown loan books at 30%+ for several years following such resets, generating disproportionate operating leverage and earnings recovery.

#### WHAT COULD GO WRONG

State-level political interventions in lending; further tightening of FOIR guardrails; a relapse in wholesale funding access; execution delays in the migration to secured micro-MSME products.

#### WHY NOW

Listed MFI and SFB names are at COVID-trough valuations (0.9–1.2× book; 8–10× forward earnings). Early stress indicators have peaked, wholesale funding lines are reopening, and the regulatory framework is stable.

### Energy and Petrochemicals — 34.6% of AUM

Combined exposure to energy E&P and specialty chemicals / petrochemicals. Reflects both supply-disruption tailwinds and the easing of multi-year Chinese capacity overhang in commodity chemicals.

#### CORE VIEW

Disruption to globally traded commodity supply chains historically produces non-linear profitability gains for producers with secured access to feedstock and capacity. Indian producers benefit additionally from rupee weakness and a domestic market that imports the majority of its crude.

#### WHAT COULD GO WRONG

Resolution of the Hormuz situation and a sharp decline in oil prices; a renewed wave of Chinese exports as domestic demand weakens; demand destruction in downstream end-markets from elevated input costs.

#### WHY NOW

Capacity expansions completed in the last two years are coming online into a tighter global pricing environment. Several holdings trade at single-digit multiples on what we estimate to be normalised cycle earnings.

## Power Ancillaries and Optic Fibre — 19.9% of AUM

Indian suppliers to the global AI infrastructure build-out across optical, transformer, switchgear and adjacent equipment categories.

### CORE VIEW

Hyperscaler capital expenditure guidance has continued to rise materially through successive quarters, with a growing share directed to AI data-centre infrastructure.<sup>5</sup> Downstream demand for fibre, transformers and grid equipment is structural rather than cyclical.

### WHY NOW

Order-book visibility and earnings upgrades across fibre, transformer and grid-equipment suppliers remain the more important confirmation variables, and both are now starting to flow through.

### WHAT COULD GO WRONG

A material slowdown in hyperscaler capex; technological displacement of fibre by alternative transmission media; pricing pressure from new domestic and Chinese capacity additions; execution delays in customer order conversion.

## Niche Information Technology Services — 5.5% of AUM

Concentrated in mid-cap IT services operators positioned to benefit from enterprise AI adoption without the legacy revenue base that constrains Tier 1 incumbents. Thesis set out in our December 2025 piece, "The GenAI Paradigm Shift in IT Services".

### CORE VIEW

Enterprise AI adoption is highly services-intensive, requiring data engineering, cloud migration and integration with legacy systems. For mid-cap operators without large legacy Time & Material books, the net effect is incremental revenue. The niche cohort has grown at approximately 26% CAGR over the last two years against approximately 5% for Tier 1 peers.

### WHY NOW

Data and AI services lines are growing at 50%+ annually within most enterprise IT vendors, and the niche cohort has begun to capture a disproportionate share of new mandates.

### WHAT COULD GO WRONG

Slower-than-expected enterprise AI deployment; pricing pressure from outcome-based commercial models; client in-sourcing through Global Capability Centres; valuation derating from current premium multiples.

## Risk Framework and Disclosures

### KEY PORTFOLIO RISKS

- Concentration risk: top holdings account for a large share of AUM, and financial services is a significant single-sector exposure.
- **Smallcap liquidity risk:** The Fund is predominantly invested in small and mid-cap securities, which can experience materially wider bid-ask spreads and slower execution during periods of stress.
- **Microfinance credit-cost risk:** The financial services exposure is sensitive to the trajectory of borrower stress, regulatory action and wholesale funding access in the MFI / SFB sub-sector.
- **Commodity-cycle risk:** Energy and petrochemical exposures are sensitive to global oil prices, refining margins, Chinese export behaviour, and the resolution of geopolitical disruptions.
- **Currency and oil sensitivity:** Sustained Rupee strength or a sharp decline in oil prices would weaken the realised pricing thesis for parts of the portfolio.
- **Valuation risk:** Holdings in the niche IT services cohort trade at premium multiples relative to Tier 1 peers; multiple compression is a source of downside risk.
- **Single-stock execution risk:** Material drawdowns at individual large holdings would impact Fund returns given the concentrated structure.

### RISK MANAGEMENT FRAMEWORK

Position sizing is governed by liquidity, conviction and contribution-to-risk considerations, with single-position caps applied at the time of entry. Sector exposures are reviewed at regular intervals against internally defined limits. Drawdown reviews are triggered at pre-defined thresholds at both the holding and Fund level. Exit discipline is anchored to thesis violation rather than price action alone. Governance and accounting red flags are screened at the time of underwriting and re-screened at periodic intervals. Valuation discipline is applied through both absolute and relative valuation frameworks.

#### Sources for macro and market data referenced in this document:

- <sup>1</sup> ICE Brent crude settlement; Reuters and S&P Global Commodity Insights coverage of Strait of Hormuz status (April 2026).
- <sup>2</sup> RBI reference rates; Bloomberg INR/USD spot.
- <sup>3</sup> NSDL Foreign Portfolio Investor flows database (calendar year 2026).
- <sup>4</sup> Amaltas Capital — "Navigating Market Cycles" (December 2025).
- <sup>5</sup> Aggregated from FY/CY2026 capital expenditure guidance disclosed in quarterly earnings releases of Amazon, Microsoft, Alphabet and Meta.

**Further reading on [amaltascapital.in](https://www.amaltascapital.in):** "Navigating Market Cycles" (Dec 2025); "The Historical Lens: Benchmarking Equities and Commodities Against Gold" (Feb 2026); "Beyond the Slowdown: India's Micro-finance Outlook" (Jun 2025); "The GenAI Paradigm Shift in IT Services" (Dec 2025).

### General Risk Factors and Disclosures

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