AMALTAS

Amaltas Keystone Fund — Factsheet

JUNE 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	**Amaltas Keystone Fund**
Strategy	**High-conviction India listed equities**
Strategy AUM (30 June 2026)	**On request**
Inception Date	**17 January 2025**
Manager	**Amaltas Asset Management LLP**
SEBI PMS Registration	**INP000009126**

Number of Holdings	**18**
Equity Exposure	**99.3%**
Cash & Equivalents	**0.7%**
Top 10 Holdings (% of AUM)	**79.8%**
Top 5 Sectors (% of AUM)	**93.7%**

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 June 2026.

Performance Summary ◉

As of 30 June 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	+7.22%	+1.73%	+5.49%
3 Months	+55.34%	+12.10%	+43.24%
6 Months	+34.92%	−3.53%	+38.45%
1 Year	+24.59%	−1.96%	+26.55%
Since Inception (17 Jan 2025)	+20.52%	+4.79%	+15.73%

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.

> **JUNE PERFORMANCE — SUMMARY**
>
> Keystone returned +7.22% in June against +1.73% for the S&P BSE 500 TRI, led by the financial-services holdings as the sector re-rated on sharply improved asset-quality data, with material contributions from the niche IT services and optic-fibre positions. The Fund's one-year return stands at +24.59% against −1.96% for the benchmark.

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	**27.8%**
Power Ancillaries & Optic Fibre	**25.6%**
Energy E&P	**17.2%**
Specialty Chemicals & Petrochemicals	**15.3%**
Information Technology	**7.9%**
Metals & Carbon Products	**5.5%**
Cash & Equivalents	**0.7%**
Total	**100.0%**

JUNE DRIVERS — QUALITATIVE VIEW

Financial-services holdings led June's contribution as sector asset-quality data improved sharply. The niche IT services and optic-fibre positions added materially, while specialty chemicals detracted modestly. A new energy E&P position was initiated during the month.

Investment Commentary ◉

June Market Context

Indian equities advanced in June, with the S&P BSE 500 TRI returning +1.73% in a month led by banking and financial-services names, while Tier-1 IT indices declined sharply.[1] Late in the month the US and Iran agreed to halt hostilities and the Strait of Hormuz reopened to commercial transit, taking Brent to approximately USD 73 — well below its 2026 peak.[2] The Rupee recovered to approximately 94.4 to the US Dollar following support measures announced by the RBI at its 5 June policy meeting, where the repo rate was held at 5.25%.[3] Foreign portfolio investors remained sellers of equities at approximately USD 5.2 billion, while buying approximately USD 5.8 billion of debt following the liberalisation of investment norms.[4]

Why the Portfolio Benefited

June's outperformance was broad-based. The financial-services book re-rated as sector asset-quality data improved sharply — 30-day-plus microfinance delinquencies fell to 2.1% in May 2026 from 6.3% a year earlier[5] — and the extension of the government's ₹20,000 crore credit guarantee scheme for microfinance institutions supported wholesale funding confidence.[6] The niche IT services exposure re-rated materially even as Tier-1 IT indices fell steeply, consistent with the divergence the thesis anticipates. The largest position extended its advance on continued AI-infrastructure order momentum, while specialty chemical holdings gave back ground.

Why the Opportunity Set Remains Attractive

Microfinance and small finance bank valuations remain below normalised levels despite the June re-rating, with asset-quality indicators now confirming the recovery. Chemical and petrochemical holdings continue to trade at single-digit multiples of normalised cycle earnings. The energy E&P exposure is anchored less to spot crude than to the government's sustained policy push to raise domestic oil and gas production — legislative reform, successive licensing rounds and a rationalised royalty framework — which we view as a multi-year industry tailwind.[7] Order visibility across power and fibre suppliers continues to improve.

What Would Change Our View

The resolution of the Hormuz situation and the associated decline in crude was the development we flagged last month; the energy exposure has accordingly been oriented toward domestic production growth, where policy support rather than elevated spot prices is the primary driver. A reversal of the policy direction on domestic E&P, 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 would trigger review. Positions are sized and thesis health reviewed against these specific factors rather than against benchmark composition.

Portfolio Positioning ◉

Financial Services — 27.8% 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.

WHY NOW

Asset-quality indicators have inflected decisively, wholesale funding lines are reopening with government guarantee support, and the regulatory framework is stable. Valuations remain below normalised levels despite the re-rating.

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.

Energy and Petrochemicals — 32.5% of AUM

Combined exposure to energy E&P and specialty chemicals / petrochemicals. Reflects the government's policy push on domestic oil and gas production and the easing of the multi-year Chinese capacity overhang in commodity chemicals.

CORE VIEW

Raising domestic oil and gas production is a stated national policy priority, supported by legislative and licensing reform; producers with access to acreage and capacity benefit from a multi-year investment cycle.[7] Specialty chemical holdings continue to trade at single-digit multiples of normalised cycle earnings.

WHY NOW

The 2025 Oilfields Amendment Act, new petroleum rules, successive OALP licensing rounds and a rationalised royalty framework have materially improved the upstream investment environment.[7] Chemical capacity added in recent years is coming online into a firmer global pricing environment.

WHAT COULD GO WRONG

A reversal or dilution of the domestic E&P policy push; a sustained collapse in crude that undermines project economics despite policy support; a renewed wave of Chinese commodity-chemical exports; demand destruction in downstream end-markets.

Power Ancillaries and Optic Fibre — 25.6% of AUM

Indian suppliers to the global AI infrastructure build-out across optical, transformer, switchgear and adjacent equipment categories. The exposure is the Fund's second-largest.

CORE VIEW

Hyperscaler capital expenditure guidance has continued to rise materially through successive quarters, with a growing share directed to AI data-centre infrastructure.[8] Downstream demand for fibre, transformers and grid equipment is structural rather than cyclical.

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.

WHY NOW

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

Niche Information Technology Services — 7.9% 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.

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.

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.

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 direction of domestic energy policy.
- **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:

[1] NSE and BSE index data; S&P BSE 500 TRI as reported in the SEBI monthly report (June 2026).

[2] ICE Brent crude settlement; Reuters and CNBC coverage of the US–Iran agreement and Strait of Hormuz reopening (June 2026).

[3] RBI Monetary Policy Statement and press releases (5 June 2026); Bloomberg INR/USD spot.

[4] NSDL Foreign Portfolio Investor flows database (June 2026).

[5] MFIN and CRIF High Mark microfinance sector data (as of 31 May 2026).

[6] Ministry of Finance / PIB — extension of the Credit Guarantee Scheme for Microfinance Institutions 2.0 (June 2026).

[7] Oilfields (Regulation and Development) Amendment Act 2025; Petroleum and Natural Gas Rules 2025; DGH OALP bid rounds; MoPNG royalty framework amendments (2026).

[8] Aggregated from FY/CY2026 capital expenditure guidance disclosed in quarterly earnings releases of Amazon, Microsoft, Alphabet and Meta.

Further reading on 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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