

Amaltas Strategic Opportunities Series I — Factsheet

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Fund Snapshot

Strategic Opportunities Series I is a single-theme strategy designed to capture the recovery cycle in Indian financial services, focused primarily on microfinance institutions, small finance banks and select NBFCs.

Investment Approach	Strategic Opportunities Series I	Number of Holdings	On request
Strategy	Single-theme financial services dislocation	Equity Exposure	99.1%
		Cash & Equivalents	0.9%
Strategy AUM (30 June 2026)	On request	Financial Services Exposure	99.1%
Inception Date	30 July 2025	Top 5 Holdings (% of AUM)	99.1%
Manager	Amaltas Asset Management LLP		
SEBI PMS Registration	INP000009126		

The strategy is, by design, highly concentrated and single-theme; 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	Strategic Opp. Series I	S&P BSE 500 TRI	Differential
1 Month	+11.92%	+1.73%	+10.19%
3 Months	+34.84%	+12.10%	+22.74%
6 Months	+19.27%	-3.53%	+22.80%
Since Inception (30 Jul 2025)	+34.21%	+0.38%	+33.83%

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. The strategy has a track record of approximately eleven months; one-year and longer-period returns will become available with continued operation. Past performance is not indicative of future results.

JUNE PERFORMANCE — SUMMARY

Strategic Opportunities Series I returned +11.92% in June against +1.73% for the benchmark, as microfinance and small-finance-bank holdings re-rated on sharply improved sector asset-quality data and extended government credit-guarantee support. Since inception the strategy has returned +34.21%, against +0.38% for the benchmark.

Portfolio Composition ●

HOLDINGS

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

SECTOR ALLOCATION

SECTOR	WEIGHT
Financial Services	99.1%
Cash & Equivalents	0.9%
Total	100.0%

Financial services constitutes 99.1% of AUM; the strategy is now fully invested in the core theme.

JUNE DRIVERS — QUALITATIVE VIEW

The advance was broad-based across the microfinance and small-finance-bank holdings, led by the two largest positions. Sector delinquency data confirmed the sharp improvement in asset quality the thesis anticipates, and the extension of the government's credit-guarantee scheme supported wholesale funding confidence. During the month the tactical non-financial position was exited and the proceeds redeployed into an additional small-finance-bank holding; the strategy is now fully invested in the core theme.

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.¹ Microfinance sector asset-quality data confirmed a sharp improvement — 30-day-plus delinquencies fell to 2.1% in May 2026 from 6.3% a year earlier² — and the government extended its ₹20,000 crore credit guarantee scheme for microfinance institutions, raising the per-institution loan cap.³ Foreign portfolio investors remained net sellers of equities, though the financial-services re-rating proceeded despite the outflows.¹

Why the Portfolio Benefited

June's advance was driven by the developments the thesis anticipates. Delinquency and borrower-stress indicators inflected decisively, wholesale funding confidence improved on the credit-guarantee extension, and rate-sensitive financial-services names re-rated as the Rupee stabilised following the RBI's support measures announced at its 5 June policy meeting.⁴ The advance was broad-based across the microfinance and small-finance-bank holdings rather than concentrated in a single position. During the month the tactical non-financial position was exited and the proceeds redeployed into the core theme.

Why the Opportunity Set Remains Attractive

The microfinance recovery cycle is, in our view, still in its early-to-middle stages. Despite the June re-rating, listed MFI and SFB names continue to trade below the multiples that have accompanied prior recoveries. Historically, surviving lenders coming out of sector resets (the Andhra ordinance in 2012, demonetisation in 2017, COVID in 2021) have produced loan growth of 30%+ for several years off the trough, with disproportionate operating leverage and a sharp recovery in profitability.⁵ Heightened gold-price volatility and sustained downward pressure on gold would additionally support incremental microfinance demand, as gold-collateralised household borrowing capacity contracts.

What Would Change Our View

A material reversal in the factors underpinning the financial-services thesis would prompt a reassessment. Specifically: a relapse in microfinance credit costs; a sustained tightening of wholesale funding for NBFC-MFIs; renewed regulatory overhang or state-level political interventions in lending; or a deterioration in borrower stress indicators. The strategy is sized and reviewed against these specific factors rather than against benchmark composition.

Portfolio Positioning ●

Financial Services — Microfinance, SFB and NBFC Recovery — 99.1% of AUM

The strategy's core — and now sole — thesis. Concentrated in three sub-segments: a single large NBFC position, 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 and SFB sector is in the late stage of a regulatory and credit-cost reset. Surviving lenders coming out of similar prior cycles (Andhra 2012, demonetisation 2017, COVID 2021) have grown loan books at 30%+ for several years off the trough, with operating leverage on a leaner cost base producing a disproportionate bump in profitability and stock-price recovery.

WHY NOW

Asset-quality indicators have inflected decisively, wholesale funding lines to A-rated NBFC-MFIs are reopening with government guarantee support, the regulatory framework is stable post Guardrails 2.0, and digital repayment penetration continues to compress operating cost. Valuations remain below prior-recovery multiples despite the re-rating.

WHAT COULD GO WRONG

State-level political interventions in lending; renewed FOIR or debt-ceiling tightening; a relapse in wholesale funding access; execution delays in the migration to secured micro-MSME products; idiosyncratic credit events at any individual holding given the concentration.

Risk Framework and Disclosures ●

KEY PORTFOLIO RISKS

- **Single-theme concentration risk:** The strategy is, by design, concentrated in a single sector. Approximately 99.1% of AUM is invested in financial services. Drawdowns in the sector will have a near-direct impact on Fund performance.
- **Single-position concentration risk:** The largest holding represents approximately 32% of AUM. Idiosyncratic credit, governance or operating events at any individual holding will have a disproportionate impact on Fund returns.
- **Microfinance credit-cost risk:** The strategy is materially exposed to the trajectory of borrower stress, FOIR and debt-ceiling regulatory action, and wholesale funding access in the MFI / SFB sub-sector.
- **State-level regulatory and political risk:** Microfinance is subject to state-level political and regulatory action that can be sudden and material, as observed in prior sector reset cycles.
- **Smallcap liquidity risk:** The strategy holds predominantly small and mid-cap securities, which can experience materially wider bid-ask spreads and slower execution during periods of stress.
- **Limited track record:** The strategy has approximately eleven months of operating history. Performance over a full market cycle is not yet observable.
- **Valuation risk:** A re-rating of the financial-services holdings towards normalised multiples is a core part of the thesis. Failure or delay of this re-rating is a direct source of downside risk.

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. Given the single-theme orientation, the strategy is monitored against sub-sector and individual-holding concentration limits rather than against benchmark composition. 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; NSDL Foreign Portfolio Investor flows database (June 2026).

² MFIN and CRIF High Mark microfinance sector data (as of 31 May 2026).

³ Ministry of Finance / PIB — extension of the Credit Guarantee Scheme for Microfinance Institutions 2.0 (June 2026).

⁴ RBI Monetary Policy Statement and press releases (5 June 2026); Bloomberg INR/USD spot.

⁵ Amaltas Capital — "Beyond the Slowdown: India's Micro-finance Outlook" (June 2025); MFIN and CRIF High Mark sector data; SEBI / RBI public disclosures.

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

General Risk Factors and Disclosures

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