AMALTAS

Amaltas Keystone Fund — Factsheet

AUGUST 31, 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 (31 August 2026)	**On request**
Inception Date	**17 January 2025**
Manager	**Amaltas Asset Management LLP**
SEBI PMS Registration	**INP000009126**

Number of Holdings	**18**
Equity Exposure	**95.7%**
Cash & Equivalents	**4.3%**
Top 10 Holdings (% of AUM)	**76.2%**
Top 5 Sectors (% of AUM)	**88.1%**
Market-Cap Orientation	**Predominantly small & mid cap**

Keystone is intentionally concentrated; position sizes reflect conviction, liquidity and downside-risk assessment. Holdings and exposure data sourced from the Portfolio Appraisal as of 31 August 2026.

Performance Summary ◉

As of 31 August 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	+5.65%	−0.09%	+5.74%
3 Months	+15.95%	+3.86%	+12.09%
6 Months	+52.84%	+1.43%	+51.41%
1 Year	+44.79%	+4.72%	+40.07%
Since Inception (17 Jan 2025)	+24.04%	+5.62%	+18.42%

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.

AUGUST PERFORMANCE — SUMMARY

Keystone returned +5.65% in August against −0.09% for the S&P BSE 500 TRI, in a month when the headline indices fell and the broader market rose. The optic-fibre holding accounted for the substantial majority of the gain, with petrochemical and domestic energy positions adding further; these were partly offset by a sharp de-rating across the microfinance holdings and by the carbon-products position. Over three, six and twelve months the Fund stands at +15.95%, +52.84% and +44.79% respectively, against +3.86%, +1.43% and +4.72% for the benchmark.

Portfolio Composition ◉

TOP 10 HOLDINGS

Individual holdings are not disclosed in this factsheet or to prospective investors. Clients receive full portfolio details through their periodic portfolio statements, in accordance with the SEBI (Portfolio Managers) Regulations, 2020.

SECTOR ALLOCATION

SECTOR	WEIGHT
Financial Services	**26.9%**
Power Ancillaries & Optic Fibre	**25.8%**
Energy E&P	**21.8%**
Specialty Chemicals & Petrochemicals	**7.7%**
Information Technology	**6.0%**
Metals & Carbon Products	**4.4%**
Precious Metals	**1.6%**
Logistics	**1.5%**
Cash & Equivalents	**4.3%**
Total	**100.0%**

AUGUST DRIVERS — QUALITATIVE VIEW

The largest position, in optic fibre, rose sharply on continued order visibility into the global data-centre build-out and was the dominant contributor to the month. Petrochemical and domestic oil-and-gas holdings added meaningfully, and the NBFC and power-ancillary positions advanced. Working the other way, the microfinance holdings gave back a substantial part of the re-rating they had delivered since April, the carbon-products position declined on softer pricing, and one specialty-chemical holding fell further. During the month one specialty-chemical position was exited and two positions were initiated outside the existing sector set — one in logistics and one in a precious-metals instrument.

Investment Commentary ◉

August Market Context

Indian equities were mixed in August. The S&P BSE 500 TRI returned −0.09% and the headline indices fell — the Nifty 50 declining 1.2% and the Sensex 1.5%, snapping a two-month winning streak — while the broader market extended its run, with the Nifty Midcap 100 up 2.1% and the Nifty Smallcap 100 up 3.1% for a fifth consecutive monthly gain.[1] Foreign portfolio investors remained net buyers, deploying approximately ₹20,000 crore across the primary and secondary markets.[2] Brent crude was broadly flat over the month at approximately USD 90 per barrel.[3] The Reserve Bank held the repo rate at 5.25% on 7 August with a neutral stance, raising its FY27 growth projection to 6.7%.[4]

Why the Portfolio Advanced

August's return came overwhelmingly from a single holding — the optic-fibre position, the Fund's largest — which rose sharply as order visibility for data-centre and network infrastructure continued to build. Petrochemical holdings responded to firmer product spreads, and the domestic oil-and-gas services position extended its gains. Offsetting these, the microfinance holdings corrected after four months of strong re-rating, and the carbon-products position declined on weaker pricing. The concentration that produced August's outperformance is the same concentration that produced the microfinance drawdown, and we would caution against reading either month in isolation.

Why the Opportunity Set Remains Attractive

Sector data continues to support the financial-services thesis even as prices corrected: industry portfolio-at-risk (31–180 days) has fallen to approximately 1.5% for both NBFC-MFIs and small finance banks, from above 5% a year earlier, and NBFC-MFI loan books grew 5.2% year-on-year.[5] The aggregate industry book remains smaller than a year ago, so the recovery is at present one of asset quality rather than of scale — which is the phase in which valuations typically lag fundamentals. Chemical and petrochemical holdings continue to trade at single-digit multiples of normalised cycle earnings. The energy 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.[6] Order visibility across power and optic-fibre suppliers to the global data-centre build-out continues to improve.

What Would Change Our View

A relapse in microfinance credit costs or a renewed tightening in wholesale funding, a sustained slowdown in hyperscaler and data-centre capital expenditure, a renewed wave of Chinese commodity-chemical exports, or a reversal of the policy direction on domestic oil and gas would each trigger review. We would also revisit position sizing if the largest holding's weight continues to rise on price alone. Positions are sized and thesis health reviewed against these specific factors rather than against benchmark composition.

Portfolio Positioning ◉

Financial Services — 26.9% 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

Portfolio-at-risk has fallen to approximately 1.5% for NBFC-MFIs and small finance banks from above 5% a year earlier, NBFC-MFI loan books have returned to year-on-year growth, wholesale funding lines are reopening with government guarantee support, and the regulatory framework is stable.[5] Valuations remain below normalised levels notwithstanding August's correction.

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 — 29.5% 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 and service providers with access to acreage and capacity benefit from a multi-year investment cycle.[6] 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.[6] 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 — 25.8% of AUM

Indian suppliers to the global AI infrastructure build-out across optical, transformer, switchgear and adjacent equipment categories. The exposure is among the Fund's largest and contains its single biggest position.

CORE VIEW

Hyperscaler capital expenditure guidance has continued to rise materially through successive quarters, with a growing share directed to AI data-centre infrastructure.[7] 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 continue to flow through, notwithstanding month-to-month share-price volatility in the largest position.

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 — 6.0% 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; the niche cohort continues to capture a disproportionate share of new mandates over the medium term, notwithstanding the recent divergence against large-cap peers.

Tactical Positions Outside the Core Sectors — 3.1% of AUM

Two positions initiated during August that sit outside the Fund's established sector framework: one in logistics and one in a precious-metals instrument.

CORE VIEW

Both are modest, opportunistic allocations taken on stock-specific and asset-specific grounds rather than as expressions of the Fund's core sector theses. Combined, they represent approximately 3.1% of AUM.

WHAT COULD GO WRONG

Neither position carries the depth of underwriting applied to the core sector holdings; both are sized accordingly and will be reviewed against the same thesis-violation discipline.

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

The logistics position was initiated on a valuation basis following a period of underperformance. The precious-metals allocation is held as a portfolio diversifier against the concentrated equity book.

Risk Framework and Disclosures ◉

KEY PORTFOLIO RISKS

- **Concentration risk:** top holdings account for a large share of AUM; the single largest holding represents approximately 21.5% 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.
- **Non-core position risk:** Two positions initiated during the month, in logistics and a precious-metals instrument, sit outside the Fund's established sector framework and together represent approximately 3.1% of AUM.
- **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 custodian Performance Appraisal (31 August 2026); Nifty 50, Sensex, Nifty Midcap 100 and Nifty Smallcap 100 index performance, August 2026.
[2] NSDL and exchange Foreign Portfolio Investor flow data (August 2026).
[3] ICE Brent crude settlement (August 2026).
[4] RBI Monetary Policy Statement and press releases (7 August 2026); repo rate held at 5.25% with a neutral stance; FY27 real GDP growth projection raised to 6.7%.
[5] MFIN Micrometer, Q1 FY27 (as of 30 June 2026): portfolio-at-risk 31–180 days of approximately 1.5% for NBFC-MFIs versus 5.3% a year earlier, and approximately 1.5% for small finance banks versus 6.3%; NBFC-MFI gross loan portfolio +5.2% year-on-year; industry gross loan portfolio ₹3.29 trillion versus ₹3.53 trillion a year earlier.
[6] Oilfields (Regulation and Development) Amendment Act 2025; Petroleum and Natural Gas Rules 2025; DGH OALP bid rounds; MoPNG royalty framework amendments (2026).
[7] Aggregated from CY2026 capital expenditure guidance disclosed in quarterly earnings releases of major US cloud providers.

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

- All products and investment approaches are subject to various kinds of risks. Please read the relevant Disclosure Document, Client Agreement and Offer carefully before investing.
- The information and opinions contained herein have been obtained from sources believed to be reliable. No representation or warranty, express or implied, is made as to the accuracy or completeness of such information.
- Information contained in this document is disseminated for the information of authorised recipients only and is not to be relied upon as advisory or authoritative or taken in substitution for the exercise of due diligence and judgement by any recipient.
- Nothing contained herein, including past performance, shall constitute any representation or warranty as to future performance.

- Securities and sectors quoted are for illustration only and do not constitute recommendations. Sectors are classified as per internal classification. The current portfolio holdings may or may not form part of the future portfolio holdings and may or may not be part of all client portfolios.
- The information contained in this document may include forward-looking statements, identifiable by terms such as "may", "will", "expect", "anticipate", "estimate", "intend", "continue" or "believe". Actual events or results may differ materially from those reflected in such statements.
- This document and its contents are proprietary information of Amaltas Asset Management LLP and may not be reproduced or otherwise disseminated in whole or in part without prior written consent.
- All clients have an option to invest in the above products or investment approach directly, without intermediation of persons engaged in distribution services.
- This document, its contents, and especially the Performance-related information provided herein are not verified by SEBI or any regulator.