

Amaltas Strategic Opportunities Series I — Factsheet

AMALTAS

AUGUST 31, 2026

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	93.1%
		Cash & Equivalents	6.9%
Strategy AUM (31 August 2026)	On request	Financial Services Exposure	84.9%
Inception Date	30 July 2025	Top 5 Holdings (% of AUM)	84.9%
Manager	Amaltas Asset Management LLP	Market-Cap Orientation	Predominantly small & mid cap
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 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	Strategic Opp. Series I	S&P BSE 500 TRI	Differential
1 Month	−4.23%	−0.09%	−4.14%
3 Months	+18.49%	+3.86%	+14.63%
6 Months	+27.28%	+1.43%	+25.85%
1 Year	+43.55%	+4.72%	+38.83%
Since Inception (30 Jul 2025)	+38.04%	+2.28%	+35.76%

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 thirteen months; returns for periods beyond one year will become available with continued operation. Past performance is not indicative of future results.

AUGUST PERFORMANCE — SUMMARY

Strategic Opportunities Series I returned −4.23% in August against −0.09% for the benchmark, as the microfinance holdings gave back part of the re-rating delivered over the prior four months. The NBFC position and both small-finance-bank holdings were positive and offset a portion of the decline. Over twelve months the strategy stands at +43.55% against +4.72% for the benchmark, and since inception it has returned +38.04% annualised against +2.28% for the benchmark.

Portfolio Composition ●

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	84.9%
Logistics	4.2%
Precious Metals	4.0%
Cash & Equivalents	6.9%
Total	100.0%

Financial services constitutes 84.9% of AUM. The remaining equity allocation is held as an opportunistic exposure outside the core thesis.

AUGUST DRIVERS — QUALITATIVE VIEW

The decline was concentrated in the microfinance holdings, and principally in the largest of them, which alone accounted for the substantial majority of the month's negative return. The NBFC position advanced strongly and both small-finance-bank holdings were modestly positive, offsetting part of the fall. Sector asset-quality data released during the period continued to confirm the improvement the thesis anticipates, so we read the month as a valuation correction rather than a change in fundamentals. Two positions were initiated outside the core financial-services theme — one in logistics and one in a precious-metals instrument — which together with cash means the strategy is no longer fully invested in the core theme.

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%, while the Nifty Midcap 100 rose 2.1% and the Smallcap 100 3.1%.¹ Foreign portfolio investors remained net buyers, deploying approximately ₹20,000 crore across the primary and secondary markets.¹ Microfinance sector data released for the June quarter confirmed a continued asset-quality recovery — portfolio-at-risk of 31 to 180 days at approximately 1.5% for both NBFC-MFIs and small finance banks, against 5.3% and 6.3% respectively a year earlier — while the industry gross loan portfolio remained below its year-earlier level at ₹3.29 trillion.² The Reserve Bank held the repo rate at 5.25% on 7 August with a neutral stance.³

Why the Portfolio Detracted

August's decline was a price move rather than a thesis move. The largest microfinance holding fell materially after four months in which it had re-rated strongly, and at roughly a third of the portfolio it accounted for the substantial majority of the month's negative return; a second microfinance position also declined. Against that, the NBFC holding advanced strongly and both small-finance-bank positions were modestly positive. The sector data published during the period pointed the other way to prices, with portfolio-at-risk continuing to fall across both NBFC-MFIs and small finance banks.² The concentration that delivered the strategy's twelve-month return is the same concentration that produced this month's drawdown, and both should be read in that light.

Why the Opportunity Set Remains Attractive

The microfinance recovery cycle is, in our view, still in its early-to-middle stages, and August's correction has improved rather than impaired the entry point. Listed MFI and SFB names continue to trade below the multiples that have accompanied prior recoveries. Asset quality has now largely normalised while the industry loan book

remains below its year-earlier level² — the recovery is one of credit quality ahead of scale, and the growth phase has yet to be reflected in earnings. 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.⁴

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; a deterioration in borrower stress indicators; or a failure of the industry loan book to return to growth as asset quality normalises. A further extended de-rating of the kind seen in August, absent any deterioration in the underlying data, would prompt a review of position sizing rather than of the thesis. The strategy is sized and reviewed against these specific factors rather than against benchmark composition.

Portfolio Positioning ●

Financial Services — Microfinance, SFB and NBFC Recovery — 84.9% of AUM

The strategy's core 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

Portfolio-at-risk has fallen to approximately 1.5% for both NBFC-MFIs and small finance banks from above 5% a year earlier, 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.² August's correction has widened the discount to prior-recovery multiples.

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.

Tactical Allocation Outside the Core Thesis — 8.3% of AUM

Two positions initiated during August that sit outside the core financial-services theme: one in logistics and one in a precious-metals instrument. The strategy previously carried no allocation outside the core thesis.

CORE VIEW

Both are modest, opportunistic allocations taken on stock-specific and asset-specific grounds. The precious-metals holding additionally serves as a diversifier against a portfolio that is otherwise a single-sector equity exposure.

WHY NOW

The logistics position was initiated on a valuation basis following a period of underperformance. The precious-metals allocation was added while the core financial-services holdings were re-rating, as a partial offset to single-theme risk.

WHAT COULD GO WRONG

Neither position is underwritten to the depth applied to the core theme, and neither contributes to the strategy's stated objective. Sustained allocation away from the core thesis would dilute the strategy's intended exposure; both positions are sized and reviewed accordingly.

Risk Framework and Disclosures ●

KEY PORTFOLIO RISKS

- **Single-theme concentration risk:** The strategy is, by design, concentrated in a single sector. Approximately 84.9% 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 27% of AUM. Idiosyncratic credit, governance or operating events at any individual holding will have a disproportionate impact on Fund returns, as August demonstrated.
- **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 thirteen months of operating history. Performance over a full market cycle is not yet observable.
- **Non-core allocation risk:** Approximately 8.3% of AUM is held in two positions outside the core financial-services theme. These do not contribute to the strategy's stated objective and carry their own stock-specific and asset-specific risk.
- **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; S&P BSE 500 TRI as reported in the custodian Performance Appraisal (31 August 2026); NSDL and exchange Foreign Portfolio Investor flow data (August 2026).

² 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.

³ RBI Monetary Policy Statement and press releases (7 August 2026); repo rate held at 5.25% with a neutral stance.

⁴ Amaltas Capital — "Beyond the Slowdown: India's Micro-finance Outlook" (June 2025); MFIN sector data; SEBI / RBI public disclosures.

Further reading on 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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