

Amaltas Keystone Fund — Factsheet

SEPTEMBER 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	Number of Holdings	18
Strategy	High-conviction India listed equities	Equity Exposure	98.6%
		Cash & Equivalents	1.4%
Strategy AUM (30 September 2026)	On request	Top 10 Holdings (% of AUM)	79.9%
Inception Date	17 January 2025	Top 5 Sectors (% of AUM)	90.2%
Manager	Amaltas Asset Management LLP	Market-Cap Orientation	Predominantly small & mid cap
SEBI PMS Registration	INP000009126		

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 September 2026.

Performance Summary

As of 30 September 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	+5.67%	-5.57%	+11.24%
3 Months	+14.27%	-3.59%	+17.86%
6 Months	+77.51%	+8.07%	+69.44%
1 Year	+53.87%	-2.33%	+56.20%
Since Inception (17 Jan 2025)	+26.79%	+1.86%	+24.93%

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.

SEPTEMBER PERFORMANCE — SUMMARY

Keystone returned +5.67% in September against -5.57% for the S&P BSE 500 TRI, in the benchmark's weakest month since March. Over three, six and twelve months the Fund stands at +14.27%, +77.51% and +53.87% respectively, against -3.59%, +8.07% and -2.33% for the benchmark, and at +26.79% annualised since inception against +1.86%.

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
Power Ancillaries & Optic Fibre	28.0%
Financial Services	27.5%
Energy E&P	22.0%
Specialty Chemicals & Petrochemicals	7.5%
Information Technology	5.2%
Metals & Carbon Products	4.5%
Precious Metals	2.1%
Logistics	1.8%
Cash & Equivalents	1.4%
Total	100.0%

SEPTEMBER DRIVERS — QUALITATIVE VIEW

Power ancillaries and optic fibre was again the largest positive contributor, and the domestic oil-and-gas exposure was the second. The carbon-products and petrochemical holdings also added. Financial services was the principal detractor: the microfinance and NBFC holdings fell with the wider financial sector, while the small-finance-bank holdings were broadly flat. The IT holdings declined with their sector, and the precious-metals and logistics positions were modestly negative. Cash fell to 1.4% of AUM from 4.3% as capital was deployed during the month.

Investment Commentary ●

September Market Context

Indian equities had their weakest month since March. The S&P BSE 500 TRI returned -5.57%, the Nifty 50 fell 6.0% and the Sensex 5.8%, and the Nifty Midcap 100 fell 7.6% while the Smallcap 100 held up better at -3.4%; information technology was the weakest sector, with the Nifty IT index down 11.2%.¹ Foreign portfolio investors turned net sellers after two months of buying, and domestic institutions absorbed the supply.² The pressure came largely from outside India. Fighting in the Gulf escalated in early September and traffic through the Strait of Hormuz stayed a small fraction of pre-war levels; Brent rose about 14% over the month to roughly USD 104 a barrel, having touched about USD 109 mid-month.³ On 16 September the US Federal Reserve raised its policy rate by 25 basis points to 3.75–4.00%, its first increase since 2023, with core inflation projected at 3.4% for the year.⁴ The dollar strengthened, the US ten-year yield reached about 5%, the rupee weakened to around 96 per dollar, and gold and silver fell.^{4,5}

Why the Portfolio Advanced

The month's return came from exposures whose drivers sit outside the Indian cycle. The power-ancillaries and optic-fibre exposure advanced as data-centre spending kept rising: the largest US cloud and AI-infrastructure providers spent about USD 657 billion on capital expenditure over their last four reported quarters, and several raised 2026 guidance again.⁶ The domestic oil-and-gas exposure responded to Brent above USD 100, since domestic crude is priced off international benchmarks, and the carbon-products and petrochemical holdings also gained. Against this, the financial-services holdings fell with a sector weighed down by foreign selling and by the prospect of higher domestic rates, although no new asset-quality data was published during the month. The IT holdings declined with their sector, and the precious-metals position fell as the Federal Reserve's move lifted the dollar.

Why the Opportunity Set Remains Attractive

September's sell-off was broad, and it widened discounts in parts of the portfolio where the fundamentals did not change. In microfinance, the latest industry data showed portfolio-at-risk of about 1.5% for both NBFC-MFIs and small finance banks, against 5.3% and 6.3% a year earlier, and NBFC-MFI disbursements up 43% year-on-year in the June quarter.⁷ That is the growth phase the thesis anticipated, now available at a lower price. In optic fibre, data-centre demand has met a supply base that cannot expand quickly: cable lead times have stretched to as long as 60 weeks, and new preform capacity takes 18 to 24 months to build.⁸ The energy exposure remains underwritten on domestic production policy rather than on spot crude,⁹ so September's price move is upside to that case rather than its basis.

What Would Change Our View

A relapse in microfinance credit costs, or a tightening in wholesale funding that higher domestic rates could bring forward — the Reserve Bank's October policy review is the near-term marker.¹⁰ A sustained cut to hyperscaler capital-expenditure plans; a renewed wave of Chinese commodity-chemical exports; or a reversal of the domestic oil-and-gas policy direction. For the precious-metals position, the risk we flagged last month — Federal Reserve tightening that restores real yields and the dollar — partly materialised in September; whether it becomes a sustained cycle is now the key variable, and on the Fed's own projections the median member expects one further increase this year and none in 2027.⁴ A durable settlement in the Gulf would cut across both the energy and the precious-metals cases. Positions are sized and reviewed against these factors rather than against benchmark composition.

Portfolio Positioning ●

Financial Services — 27.5% of AUM

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 sector is in the late stage of a regulatory and credit-cost reset. In each prior reset, surviving lenders grew loan books at 30%+ for several years off the trough, and operating leverage on a leaner cost base produced a disproportionate recovery in profitability.

WHAT COULD GO WRONG

State-level political interventions in lending; further tightening of FOIR guardrails; a rise in domestic interest rates that lifts wholesale funding costs or restricts access; execution delays in the migration to secured micro-MSME products.

WHY NOW

Portfolio-at-risk (31–180 days) is approximately 1.5% for both NBFC-MFIs and small finance banks, against 5.3% and 6.3% a year earlier, and NBFC-MFI disbursements rose 43% year-on-year in the June quarter.⁷ September's fall came with no deterioration in the sector data, and the exposure was added to during the month.

Energy and Petrochemicals — 29.5% of AUM

Domestic oil-and-gas producers and services (22.0%) and specialty chemicals and petrochemicals (7.5%).

CORE VIEW

Raising domestic oil and gas output is a stated national priority, backed by the 2025 Oilfields Amendment Act, new petroleum rules and a rationalised royalty framework; producers and service providers with acreage and capacity are on the right side of a multi-year investment cycle.⁹ The chemical holdings are cyclical businesses bought at trough multiples as the Chinese capacity overhang eases.

WHAT COULD GO WRONG

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

WHY NOW

Brent above USD 100 and a Strait of Hormuz still operating far below pre-war traffic have raised the value of domestic supply, which the policy framework already rewards.³ Chemical capacity added in recent years is coming online into firmer spreads.

Power Ancillaries and Optic Fibre — 28.0% of AUM

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

CORE VIEW

Downstream demand for fibre, transformers and grid equipment from data-centre construction is structural rather than cyclical, and Indian suppliers are winning a rising share of it on cost and capacity.

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; execution delays in order conversion; share-price volatility after a sharp re-rating.

WHY NOW

The largest US cloud and AI-infrastructure providers spent about USD 657 billion on capital expenditure over their last four reported quarters, and several raised 2026 guidance again.⁶ Supply remains tight, with fibre-cable lead times of up to 60 weeks.⁸

Niche Information Technology Services — 5.2% of AUM

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 services-intensive — data engineering, cloud migration, legacy integration. For operators without large Time & Material books the effect is incremental revenue; the niche cohort has grown at roughly 26% CAGR over two years against roughly 5% for Tier 1 peers.

WHAT COULD GO WRONG

Slower enterprise AI deployment; pricing pressure from outcome-based commercial models; client in-sourcing through Global Capability Centres; de-rating from premium multiples.

WHY NOW

The Nifty IT index fell 11% in September on concerns over discretionary spending and AI-led pricing pressure in contract renewals.¹¹ The niche holdings fell less than the large-cap index; these concerns bear most on the effort-based legacy books the cohort largely does not carry.

Precious Metals — 2.1% of AUM

A silver exchange-traded fund. The position is a view on the US dollar, not on jewellery or industrial demand.

CORE VIEW

The US policy mix — currency intervention, Treasury purchases of its own long bonds to suppress yields, and a central bank reluctant to tighten in the face of entrenched inflation — is the combination under which the dollar's store-of-value role erodes and precious metals re-rate. Silver offers higher beta to that outcome than gold.

WHAT COULD GO WRONG

A sustained Fed tightening cycle that restores real yields and the dollar; a durable settlement in the Gulf; a disorderly unwind of speculative positioning in silver, which is materially more volatile than gold; tracking and expense drag inherent in the ETF structure.

WHY NOW

September tested the thesis: the Federal Reserve raised rates for the first time since 2023, the dollar index rose about 2% and silver fell about 9%.^{4,5} The Fed's own projections point to one further increase this year and none in 2027, while a contested Gulf, an unpredictable US trade and fiscal agenda and November midterm elections remain in place. The position was held through the month.

Logistics — 1.8% of AUM

A global less-than-container-load (LCL) freight consolidator, held since its separate listing after a group restructuring.

CORE VIEW

LCL consolidation is an asset-light, network business in which scale drives both fill rates and pricing power, and the holding is among the largest global operators. The market values it at a small fraction of annual revenue, a multiple that prices a permanently loss-making business rather than one emerging from a freight down-cycle.

WHAT COULD GO WRONG

Global trade volumes remain hostage to tariff policy and to Gulf shipping disruption; freight-rate normalisation compresses consolidation margins; balance-sheet leverage against thin operating profit leaves little room for execution error.

WHY NOW

The June-quarter results, the first as a standalone listed company, showed sequential growth in revenue and in LCL, FCL and air volumes, operating profit turning positive and receivable days falling sharply.¹² The share price eased with the market in September; the September-quarter results are the next test of the operating case.

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.
- **Precious-metals and global-trade risk:** The precious-metals and logistics positions (3.9% of AUM combined) are exposed to US monetary and fiscal policy, dollar movements, global freight volumes and tariff policy rather than to the Indian cycle.

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 (September 2026); S&P BSE 500 TRI as reported in the custodian Portfolio Performance with Benchmarks report (period ended 30 September 2026); Navia, "Monthly Wrap: September 2026".
- ² NSDL and exchange Foreign Portfolio Investor and domestic institutional flow data (September 2026); Business Standard, "Domestic inflows propel smallcaps in H1FY27 despite September rout" (30 September 2026).
- ³ ICE Brent crude settlement prices (September 2026); CNBC, Brent close above USD 101 as fighting escalates in the Persian Gulf (9 September 2026); Al Jazeera, Strait of Hormuz transit data (28 September 2026); Business Standard (30 September 2026).
- ⁴ Federal Reserve FOMC statement and Summary of Economic Projections (16 September 2026); J.P. Morgan Asset Management, "FOMC Statement: September 2026"; ICE US Dollar Index; RBI reference rate (30 September 2026).
- ⁵ COMEX silver and gold settlement prices (August–September 2026).
- ⁶ Capital-expenditure disclosures of the largest US cloud and AI-infrastructure providers for the four quarters to June 2026 and updated 2026 guidance, as aggregated in "Hyperscaler capex roundup: September 2026" (SupercycleHQ).
- ⁷ MFN 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 disbursements ₹29,820 crore, +43.1% year-on-year; industry gross loan portfolio ₹3.29 trillion versus ₹3.53 trillion. Business Standard (1 September 2026).
- ⁸ IIFL, "The Great AI Fibre Rush" (May 2026), citing industry lead-time and preform-capacity data.
- ⁹ Oilfields (Regulation and Development) Amendment Act 2025; Petroleum and Natural Gas Rules 2025; DGH Open Acreage Licensing Policy rounds; MoPNG royalty framework amendments.
- ¹⁰ Business Standard, "RBI's panel starts monetary policy deliberations" (5 October 2026).
- ¹¹ Nifty IT index (September 2026); Moody's/TradingView News, "Nifty IT crashes 11% in September" (September 2026).
- ¹² Company quarterly results and investor presentation for the quarter ended 30 June 2026, as filed with the stock exchanges (August 2026).

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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