

Amaltas Strategic Opportunities Series I — Factsheet

AMALTAS

SEPTEMBER 30, 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	99.0%
		Cash & Equivalents	1.0%
Strategy AUM (30 September 2026)	On request	Financial Services Exposure	90.7%
Inception Date	30 July 2025	Top 5 Holdings (% of AUM)	90.7%
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 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	Strategic Opp. Series I	S&P BSE 500 TRI	Differential
1 Month	-6.80%	-5.57%	-1.23%
3 Months	-1.33%	-3.59%	+2.26%
6 Months	+33.04%	+8.07%	+24.97%
1 Year	+31.24%	-2.33%	+33.57%
Since Inception (30 Jul 2025)	+27.08%	-2.76%	+29.84%

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

SEPTEMBER PERFORMANCE — SUMMARY

Strategic Opportunities Series I returned -6.80% in September against -5.57% for the benchmark, as its financial-services holdings fell with the broader financial sector in a weak month for Indian equities. Over twelve months the strategy stands at +31.24% against -2.33% for the benchmark, and since inception it has returned +27.08% annualised against -2.76%.

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	90.7%
Logistics	4.3%
Precious Metals	4.0%
Cash & Equivalents	1.0%
Total	100.0%

Financial services constitutes 90.7% of AUM. The balance is held in two positions outside the core theme — precious metals and logistics — described on the positioning page.

SEPTEMBER DRIVERS — QUALITATIVE VIEW

The decline came from the microfinance and NBFC holdings, which fell by similar amounts and by more than the broad market. The small-finance-bank holdings were broadly flat in aggregate and limited the fall, and the precious-metals and logistics positions were modestly negative. No new sector asset-quality data was published during the month, so we read the move as a market-wide de-rating of financials rather than a change in fundamentals. Cash was deployed into the financial-services holdings, taking the exposure to 90.7% of AUM from 84.9%.

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 Nifty Financial Services index 6.3%, and foreign portfolio investors turned net sellers after two months of buying.¹ Fighting in the Gulf escalated in early September and Brent rose about 14% over the month to roughly USD 104 a barrel, raising concerns over India's import bill and inflation.² 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; the dollar strengthened, the rupee weakened to around 96 per dollar, and gold and silver fell.³ At home, expectations built that the Reserve Bank would raise rates at its October policy review.⁴

Why the Portfolio Detracted

September's decline was a market move rather than a thesis move. The microfinance and NBFC holdings fell by similar amounts and by more than the broad market, reflecting their higher sensitivity to foreign flows and to the domestic rate outlook; the small-finance-bank holdings were broadly unchanged in aggregate. The strategy trailed the benchmark by 1.23 percentage points, the cost of a single-theme portfolio in a month when financials fell with the market. No new industry asset-quality data was released during the month; the most recent, for the June quarter, showed portfolio-at-risk still falling.⁵

Why the Opportunity Set Remains Attractive

The recovery is moving from credit quality to growth. In the June quarter NBFC-MFI disbursements rose 43% year-on-year and the number of loans 25%, while portfolio-at-risk (31-180 days) stood at about 1.5% for both NBFC-MFIs and small finance banks, against 5.3% and 6.3% a year earlier.⁵ The industry loan book is still below its year-earlier level, so that growth has yet to show in reported earnings. Historically, surviving lenders coming out of sector resets (the Andhra ordinance in 2012, demonetisation in 2017, COVID in 2021) have grown loan books at 30%+ for several years off the trough, with disproportionate operating leverage and a sharp recovery in profitability.⁶ September's fall lowered the price of that recovery without changing its data.

What Would Change Our View

A relapse in microfinance credit costs; a sustained tightening of wholesale funding for NBFC-MFIs, which a rise in domestic interest rates could bring forward; renewed regulatory overhang or state-level political interventions in lending; or a failure of the industry loan book to return to growth as asset quality normalises. An extended de-rating without any deterioration in the underlying data would prompt a review of position sizing rather than of the thesis. For the precious-metals position, the Federal Reserve's September increase is the risk we flagged last month; a sustained tightening cycle would challenge that case.³ The strategy is sized and reviewed against these specific factors rather than against benchmark composition.

Portfolio Positioning ●

Financial Services — Microfinance, SFB and NBFC Recovery — 90.7% 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, NBFC-MFI disbursements rose 43% year-on-year in the June quarter, wholesale funding lines to A-rated NBFC-MFIs are reopening with government guarantee support, and the regulatory framework is stable post Guardrails 2.0.⁵ September's fall widened the discount to prior-recovery multiples, and cash was deployed into the exposure.

WHAT COULD GO WRONG

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

Precious Metals and Logistics — 8.3% of AUM

Two positions outside the financial-services theme, both initiated in August: a silver exchange-traded fund (4.0%) and a global less-than-container-load freight consolidator (4.3%). Both are held on conviction, not as placeholders for cash.

CORE VIEW

The precious-metals position is a view on the US dollar: currency intervention, Treasury purchases of its own long bonds to suppress yields, and a central bank reluctant to tighten despite entrenched inflation are the conditions under which the dollar's store-of-value role erodes and silver, with higher beta than gold, re-rates. The logistics holding is an asset-light network business valued at a small fraction of annual revenue, a multiple that prices a permanently loss-making franchise rather than one emerging from a freight down-cycle.

WHY NOW

September tested the precious-metals case: the Federal Reserve raised rates for the first time since 2023, the dollar strengthened and silver fell; the Fed's own projections point to one further increase this year and none in 2027.³ The logistics holding's first results as a separately listed company showed sequential growth in revenue and volumes, operating profit turning positive and receivable days falling sharply;⁷ its share price eased with the market in September.

WHAT COULD GO WRONG

A sustained Fed tightening cycle that restores real yields and the dollar, or a durable Gulf settlement, would remove the precious-metals catalysts; silver is materially more volatile than gold. Global freight volumes remain hostage to tariff policy and shipping disruption, and the logistics holding carries balance-sheet leverage against thin operating profit.

Risk Framework and Disclosures ●

KEY PORTFOLIO RISKS

- **Single-theme concentration risk:** The strategy is, by design, concentrated in a single sector. Approximately 90.7% of AUM is invested in financial services. Drawdowns in the sector will have a near-direct impact on Fund performance.
- **Single-position concentration risk:** A small number of holdings account for most 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.
- **Interest-rate and funding risk:** Lenders in the portfolio depend on wholesale and deposit funding; a rise in domestic interest rates would raise funding costs and could slow the loan-growth recovery.
- **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 fourteen months of operating history. Performance over a full market cycle is not yet observable.
- **Non-financial position risk:** Approximately 8.3% of AUM is held in precious metals and logistics, which are exposed to US monetary and fiscal policy, dollar movements, global freight volumes and tariff policy rather than to the Indian financial-services cycle.
- **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 (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"; NSDL and exchange Foreign Portfolio Investor flow data (September 2026).

² ICE Brent crude settlement prices (September 2026); CNBC (9 September 2026); Business Standard, "Domestic inflows propel smallcaps in H1FY27 despite September rout" (30 September 2026).

³ 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; COMEX silver and gold settlement prices (September 2026).

⁴ Business Standard, "RBI's panel starts monetary policy deliberations" (5 October 2026).

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 disbursements ₹29,820 crore, +43.1% year-on-year, number of loans +25.4%; industry gross loan portfolio ₹3.29 trillion versus ₹3.53 trillion a year earlier. Business Standard (1 September 2026).

⁶ Amaltas Capital — "Beyond the Slowdown: India's Micro-finance Outlook" (June 2025); MFIN sector data; SEBI / RBI public disclosures.

⁷ 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](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

- 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.
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