AMALTAS

Amaltas Keystone Fund — Factsheet

OCTOBER 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**	Number of Holdings	**17**
Strategy	**High-conviction India listed equities**	Equity Exposure	**99.6%**
		Cash & Equivalents	**0.4%**
Strategy AUM (31 October 2026)	**On request**	Top 10 Holdings (% of AUM)	**80.7%**
Inception Date	**17 January 2025**	Top 5 Sectors (% of AUM)	**91.0%**
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 31 October 2026.

Performance Summary

As of 31 October 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	−11.04%	−0.87%	−10.17%
3 Months	−0.69%	−6.49%	+5.80%
6 Months	+24.37%	−2.95%	+27.32%
1 Year	+34.51%	−7.15%	+41.66%
Since Inception (17 Jan 2025)	**+17.43%**	**+1.27%**	**+16.16%**

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.

OCTOBER PERFORMANCE — SUMMARY

Keystone returned −11.04% in October against −0.87% for the S&P BSE 500 TRI, in a month when index gains were confined to large-cap information technology and the broader market fell. Over three, six and twelve months the Fund stands at −0.69%, +24.37% and +34.51% respectively, against −6.49%, −2.95% and −7.15% for the benchmark, and at +17.43% annualised since inception against +1.27%.

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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	**27.7%**
Energy E&P	**23.0%**
Specialty Chemicals & Petrochemicals	**6.6%**
Information Technology	**5.7%**
Metals & Carbon Products	**4.6%**
Precious Metals	**2.3%**
Logistics	**1.7%**
Cash & Equivalents	**0.4%**
Total	**100.0%**

OCTOBER DRIVERS — QUALITATIVE VIEW

Every exposure except information technology declined. Financial services was the largest detractor, with the microfinance and NBFC holdings falling more than the small-finance-bank holdings. The oil-and-gas and power-ancillaries exposures were the next largest detractors, followed by the petrochemical and carbon-products holdings. The precious-metals and logistics positions fell the most in percentage terms but cost less given their size, and the IT holdings were broadly flat in aggregate. The precious-metals position was added to, and cash fell to 0.4% of AUM from 1.4%.

Investment Commentary ◉

October Market Context

Index gains in October were narrow. The Nifty 50 rose 1.9% and the Sensex 2.7%, carried by information technology, where the Nifty IT index rose 17.7%, its best month in more than six years; the broader market fell, with the Nifty Midcap 100 down 3.4%, the Smallcap 100 down 4.1% and the S&P BSE 500 TRI returning −0.87%.[1] On 7 October the Reserve Bank raised the repo rate by 25 basis points to 5.50% and moved its stance to calibrated tightening.[2] Brent rose about 14% to its highest level in four years on renewed Gulf tensions, and the rupee touched a record low of about 96.8 per dollar before recovering to about 95.[3] Foreign portfolio investors were net sellers for a second month, though they turned buyers in the second half, almost entirely in IT and telecom.[4] In the US, the Federal Reserve held rates on 28 October, but two members voted for an increase and markets moved to price a further rise; silver fell about 18% over the month and gold about 6%.[5]

Why the Portfolio Detracted

October's fall was a price move, and it ran directly against earnings. The holdings that reported September-quarter results grew their combined net profit more than fivefold year-on-year,[6] yet the Fund fell 11% and nearly every exposure ended the month lower. Three conditions drove prices, none of them a change in the businesses: a rate increase and foreign selling that weighed on small- and mid-cap financials; a weak, El Niño-affected monsoon that raised fears of stress in rural lending; and a global pull-back in AI-infrastructure stocks as investors questioned the returns on data-centre spending.[7] The precious-metals position fell with silver as markets priced further US rate increases.

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Why the Opportunity Set Remains Attractive

The gap between what the businesses delivered and how their shares were priced is among the widest since the Fund's inception. In financial services, the holdings' combined net profit swung from a loss a year ago to a profit more than twice its size and bad-loan ratios halved; industry portfolio-at-risk has fallen by nearly two-thirds in a year,[8] and managements reported no material monsoon impact so far. Yet the exposure fell by about a seventh in the month. In optic fibre and power, operating profit roughly quadrupled year-on-year on revenue that more than doubled, with order books at multiples of their start-of-year levels on multi-year contracts with global data-centre operators; the shares fell with a sentiment pull-back that has not touched those orders. In energy, operating profit rose by about a third, and the shares fell regardless. Earnings in the smaller IT exposure declined. Each of the pressures on prices is temporary in nature: monsoon stress resolves with the crop cycle, rate cycles and foreign flows turn, and AI-infrastructure sentiment has run behind contracted orders. With earnings stepping up sharply while prices fell, valuations across the portfolio have compressed; in our assessment this is arguably one of the most attractive risk-reward positions the Fund has held since inception.

What Would Change Our View

A relapse in microfinance credit costs, a monsoon impact on rural borrowers that proves deeper or broader than lenders currently report, or further Reserve Bank tightening that lifts wholesale funding costs. A genuine cut to hyperscaler capital-expenditure plans, as distinct from a change in sentiment; a renewed wave of Chinese commodity-chemical exports; or a reversal of the domestic oil-and-gas policy direction. For the precious-metals position, a sustained US tightening cycle would test the thesis more seriously than October's price move. 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 — 27.7% 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.

WHY NOW

Lenders reported on-time collections close to normal levels and reaffirmed their outlooks, tightening onboarding only in monsoon-affected districts.[6] Industry portfolio-at-risk (31–180 days) is 1.6%, against 4.6% a year earlier.[8] October's fall came with improving data, and the valuation discount widened.

WHAT COULD GO WRONG

State-level political interventions in lending; further tightening of FOIR guardrails; further increases in domestic interest rates that lift wholesale funding costs or restrict access; weather-related stress in rural borrower segments deeper than currently reported; execution delays in the migration to secured micro-MSME products.

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Energy and Petrochemicals — 29.6% of AUM

Domestic oil-and-gas producers and services (23.0%) and specialty chemicals and petrochemicals (6.6%).

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.

WHY NOW

Brent rose about 14% in October to a four-year high,[3] raising the value of domestic supply that the policy framework already rewards, and the holdings added discoveries and acreage during the quarter.[6] Petrochemical earnings have recovered from trough levels as spreads firmed.

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.

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.

WHY NOW

Order books stand at multiples of their start-of-year levels, underpinned by multi-year agreements with global hyperscalers.[6] The largest US cloud providers spent about USD 174 billion on capital expenditure in the September quarter; October's pull-back in AI-infrastructure stocks reflected concern over returns and permitting rather than cancelled orders.[7] Fibre-cable lead times remain up to 60 weeks.[10]

WHAT COULD GO WRONG

A material slowdown in hyperscaler capex; a prolonged de-rating of AI-infrastructure equities that delays customer projects; technological displacement of fibre by alternative transmission media; pricing pressure from new domestic and Chinese capacity; execution delays in order conversion.

Niche Information Technology Services — 5.7% 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.

WHY NOW

The Nifty IT index rose 17.7% in October as large-cap results eased fears of AI-led pricing pressure.[1] The niche holdings lagged that rally and their September-quarter earnings declined; the case rests on incremental AI-services revenue over several years rather than on a quarterly relief rally.

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.

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Precious Metals — 2.3% 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.

WHY NOW

October tested the thesis further: the Federal Reserve held rates but two members voted for an increase, and silver fell about 18%, to below USD 50.[5] The dollar index was little changed over the month, so the fall reflected rate expectations and forced selling of leveraged positions more than dollar strength. The position was added to during the month.

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.

Logistics — 1.7% 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.

WHY NOW

Monthly operating updates show LCL volumes still held back by Gulf shipping disruption and the deliberate pruning of loss-making lanes.[11] The share price fell with the small-cap market in October; the September-quarter results, due in mid-November, are the next test of the operating case.

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.

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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, including weather-related stress in rural segments, 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 (4.0% 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 (October 2026); S&P BSE 500 TRI as reported in the SEBI monthly report (period ended 31 October 2026); Flattrade Kosh, "October 2026 Market Wrap"; Moody's/TradingView News, "Indian shares snap two-month losing streak" (October 2026).

[2] Reserve Bank of India, Monetary Policy Statement (7 October 2026).

[3] ICE Brent crude settlement prices (October 2026); RBI reference rate (October 2026); Flattrade Kosh, "October 2026 Market Wrap".

[4] NSDL Foreign Portfolio Investor data (October 2026); Business Standard, "FPIs were net buyers in 2nd half of Oct, pumped ₹13K cr into equities" (5 November 2026).

[5] Federal Reserve FOMC statement (28 October 2026); COMEX silver and gold settlement prices and ICE US Dollar Index (September–October 2026); Top1Markets, "Silver price today" (30 October 2026).

[6] Quarterly results, investor presentations and earnings-call transcripts of portfolio companies for the quarter ended 30 September 2026, as filed with the stock exchanges (October–November 2026), compiled by Amaltas from Screener.in. Combined figures are simple sums across the holdings that had reported by 6 November 2026 and are not weighted by position size.

[7] Forbes, "The AI Selloff Is Spreading To The Stocks Investors Thought Were Safe" (18 October 2026); September-quarter capital-expenditure disclosures of the largest US cloud providers, as aggregated by Universal Asset Owners (1 November 2026).

[8] CRIF High Mark, MicroLend (September 2026 edition), as reported by BusinessToday (5 November 2026): portfolio-at-risk 31–180 days of 1.6% versus 4.6% a year earlier.

[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] IIFL, "The Great AI Fibre Rush" (May 2026), citing industry lead-time and preform-capacity data.

[11] Company monthly operational updates, as filed with the stock exchanges (August–October 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

- 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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