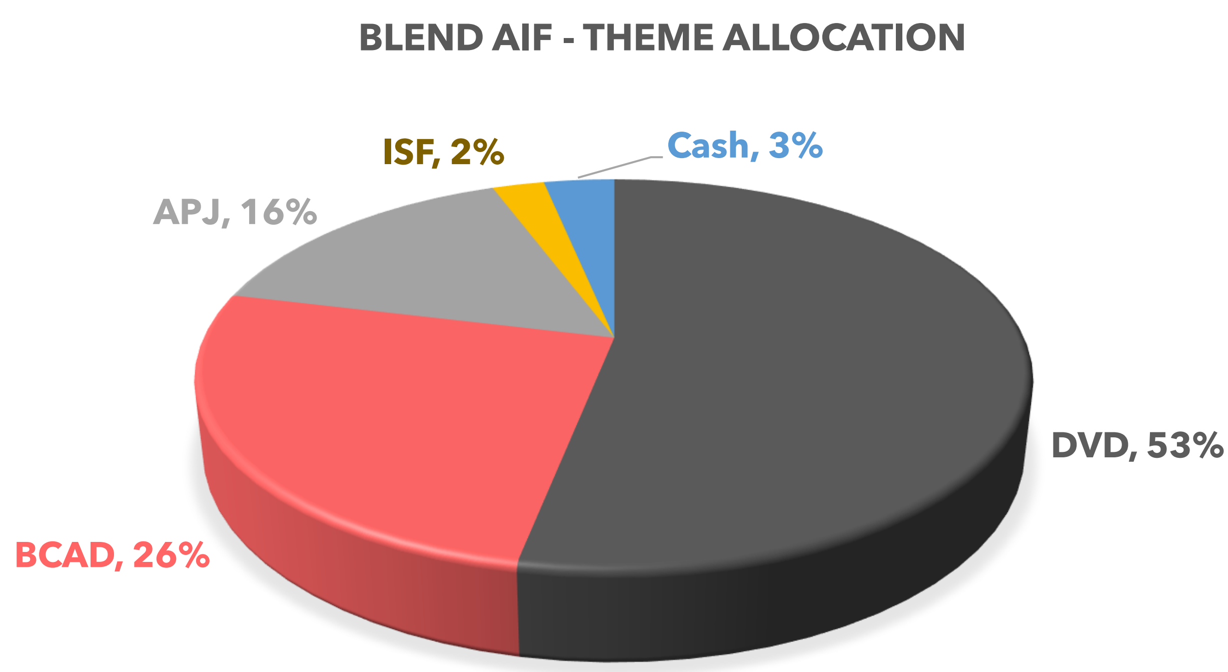
PORTFOLIO FACT SHEET : Q1-FY 2025

UNIFI UMBRELLA AIF – BLEND FUND 2

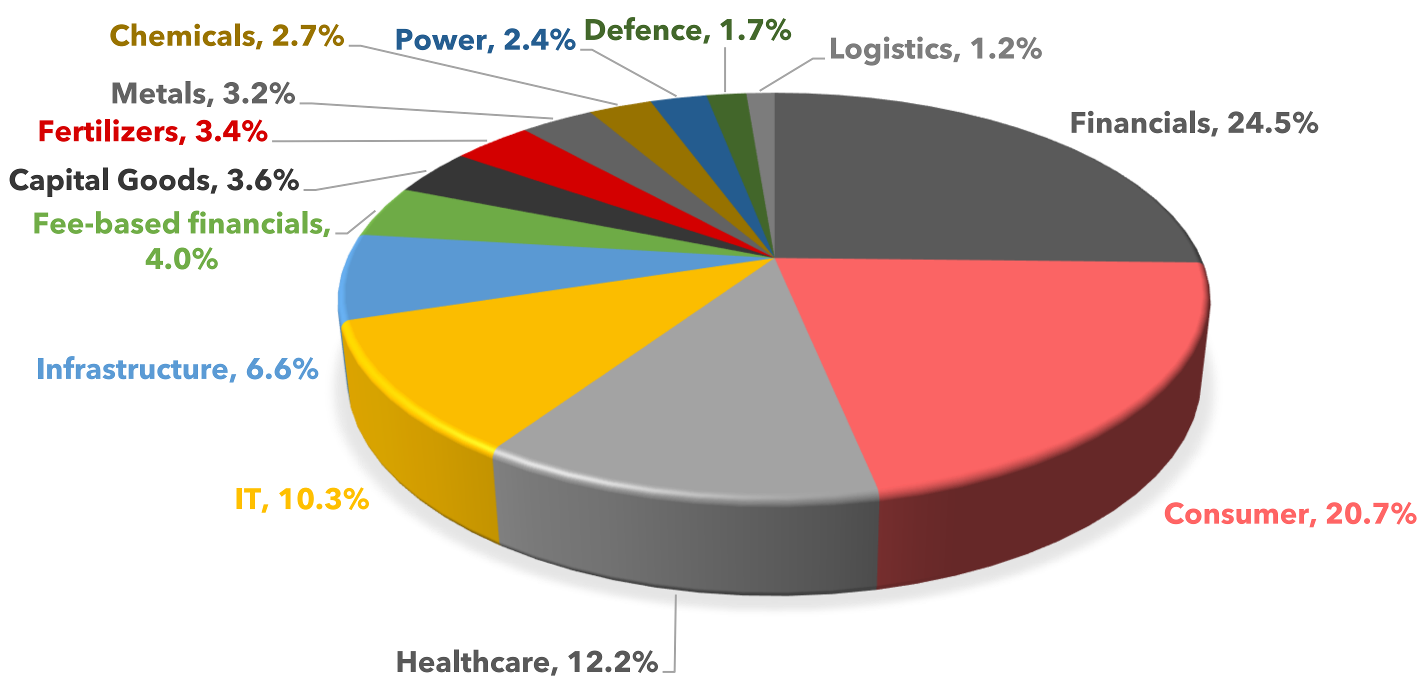
The Unifi Umbrella BLEND Fund continues to draw from the best opportunities across all of Unifi's investment themes. The fund has the flexibility to invest in stocks across diverse sectors, themes, and market capitalization. The fund's holdings are well diversified and poised to benefit and consolidate their position and deliver industry-leading growth. We have trimmed exposure in a few names that have performed significantly well and redeployed the cash generated in firms that offer a better risk/reward proposition.

	UNIFI Umbrella AIF – Blend Fund 2
Launch Date	01st June 2021
Scheme Corpus	INR 27.87 bn
Firm AUM	INR 270.84 bn
Investment Manager	Unifi Capital Private Limited
Minimum Investment	INR 10 million
Custodian	Axis Bank Limited
Auditors	M/s. Walker Chandiok & Co LLP
Lawyer	IC Universal Legal

The strategy wise composition of the Unifi Umbrella Blend AIF fund is as below:



BLEND AIF - SECTOR ALLOCATION



The following annexure presents a brief on our top holdings:

Company	Brief background and Investment rationale
ITC	ITC reported revenue growth of 7.5% YoY to Rs. 18,457cr. The Cigarette business has done well, with 3% YoY volume growth and 6% YoY revenue growth. The premium segment continued to outperform, whereas the value segment showed weakness. FMCG segments delivered 6% revenue growth, adversely impacted by the severe heat waves and slow packaged food growth. The margins were slightly hurt by rising competitive pressure (from local and regional players), increased commodity prices, and weak demand. FMCG reported EBIT growth of 10% YoY to Rs. 479cr. The paper business faced challenges from demand issues, competition from China, lower pulp prices, and higher input costs, resulting in weak revenue and margins. The paper segment reported an EBIT decline of 46% YoY to Rs. 256cr. Recovery is anticipated with improvements in domestic demand and a reduction in wood prices following the arrival of new crops. The agribusiness exhibited improvement during the quarter; however, stock limits on wheat and export restrictions continued to hurt the business. Hotels sustained healthy performance, though margins were hit by operating deleverage. The company reported a consol PAT of Rs. 5,177cr in this quarter, i.e., flat on a YoY basis. Agri and Paper, which together account for 10% of EBIT, continue to drag profitability. We expect better FMCG and cigarette business growth during FY25, as a good monsoon might result in higher consumption. In the medium term, we expect cigarettes to benefit from a stable taxation regime and FMCG to do well in the premium segments. ITC should deliver 10-12% PAT CAGR for the next few years. Key risks: government taxation on cigarettes, demand slowdown, and raw material inflation.

State Bank of India	SBI reported PAT of Rs 17,035crs in Q1FY25 vs Rs 20,698cr in Q4FY24 and Rs 16,884crs in Q1FY24. SBI reported ~1.2% QoQ / 15.9% YoY loan growth led by Retail, MSME, and domestic corporate segment. Domestic corporate loans were flat on a sequential basis. Management remains confident about loan growth in the corporate book as the sanctions pipeline remains healthy. Non-renewable, housing, renewable, electronic, basic metals, chemicals, etc., shall drive corporate growth. Management mentioned that lower loan growth in 1Q was seasonal and guided for loan growth of 15% for FY25 led by growth across all segments. Excluding one-offs in 4QFY24, margins were largely stable sequentially. On a reported basis, margins declined by 8bps QoQ to 3.22%. Margins are expected to remain at similar levels in FY25. +/- 10bps. Cost to Income declined to 49% vs 51% in 4QFY24. The cost-to-income ratio is expected to remain closer to 50% on a sustainable basis. Gross NPA improved by ~3bp QoQ to 2.21%, 3bps QoQ to 2.21%, while Net NPA were3bps QoQ to 2.21% and 3bps QoQ to 2.21%, while Net NPA was stable on a sequential basis at 0.57%. Provision coverage was also stable at 75% sequentially. Gross slippages stood at 0.9% vs 0.5% in 4QFY24. Slippages are seasonally higher in 1Q and 3Q due to higher agriculture slippages. Net slippages stood at 0.5% vs 0.2 in 4QFY24. Credit cost was 37bps vs 18bps in 4QFY24. COVID restructured book declined by 3bps QoQ to 0.43%. The bank has ~30-35% provisions on the restructured book. ~90% of the restructured book is towards the Retail and SME segment. Management guided credit cost of 50bps for FY25, but the internal target is much lower. Management reiterated that they are comfortable with current capital and may raise only when loan growth exceeds expectations. Key risks include lower-than-expected loan growth, deterioration of asset quality, higher-than-expected credit costs, and higher treasury losses.
Bank of Baroda	BoB reported PAT of Rs 4,458crs vs Rs 4,886crs in Q4FY24 and Rs 4,070crs in Q1FY24. Loan book declined by 1.7% sequentially and grew by 8.8% YoY. Moderation in loan growth was led by corporate book, which fell by 4.7% QoQ. It grew 3.8% on a YoY basis. Management mentioned that moderation in corporate growth was a cautious call as it intends to reduce its dependence on bulk deposits, which funded these low-yielding corporate loans. Adjusting for the same, corporate loans grew by 10-12% YoY. The bank reiterated its guidance of 12-14% loan growth and ~10-12% deposit growth for FY25. Margins improved by ~4bps sequentially to 3.18%, excluding one-offs in Q4FY24. During Q4FY24, the bank had higher recoveries, leading to higher interest income and margins. Management reiterated its guidance of 3.15% (+/- 5bps) margins for FY25 vs 3.18% in FY24. Cost ratios were stable on a sequential basis. Gross NPA improved by ~4bp QoQ to 2.88%, while Net NPA was stable sequentially at ~69bps. SBI has a Net NPA of ~64bps. Provision coverage was stable sequentially at ~77%. Gross slippages stood at 1.13% vs. 1.25% in Q4FY24. Due to higher Agri slippages in 1Q and 3Q, slippages are seasonally higher. Net slippages stood at 0.51% vs 0.46 in Q4FY24. Credit cost stood at 38bps vs 50bps in Q4FY24 led by lower net slippages. Management reiterated its guidance of ~1.2% gross slippages for FY25. Management is confident about the asset quality profile for all business segments and has lowered its credit cost guidance from below 1% to below 0.75%. Management mentioned that ECL (Expected Credit Loss) guidelines won't impact its credit cost guidance. Key risks would include lower-than-expected loan growth, asset quality deterioration leading to higher-than-expected credit costs and higher treasury losses.

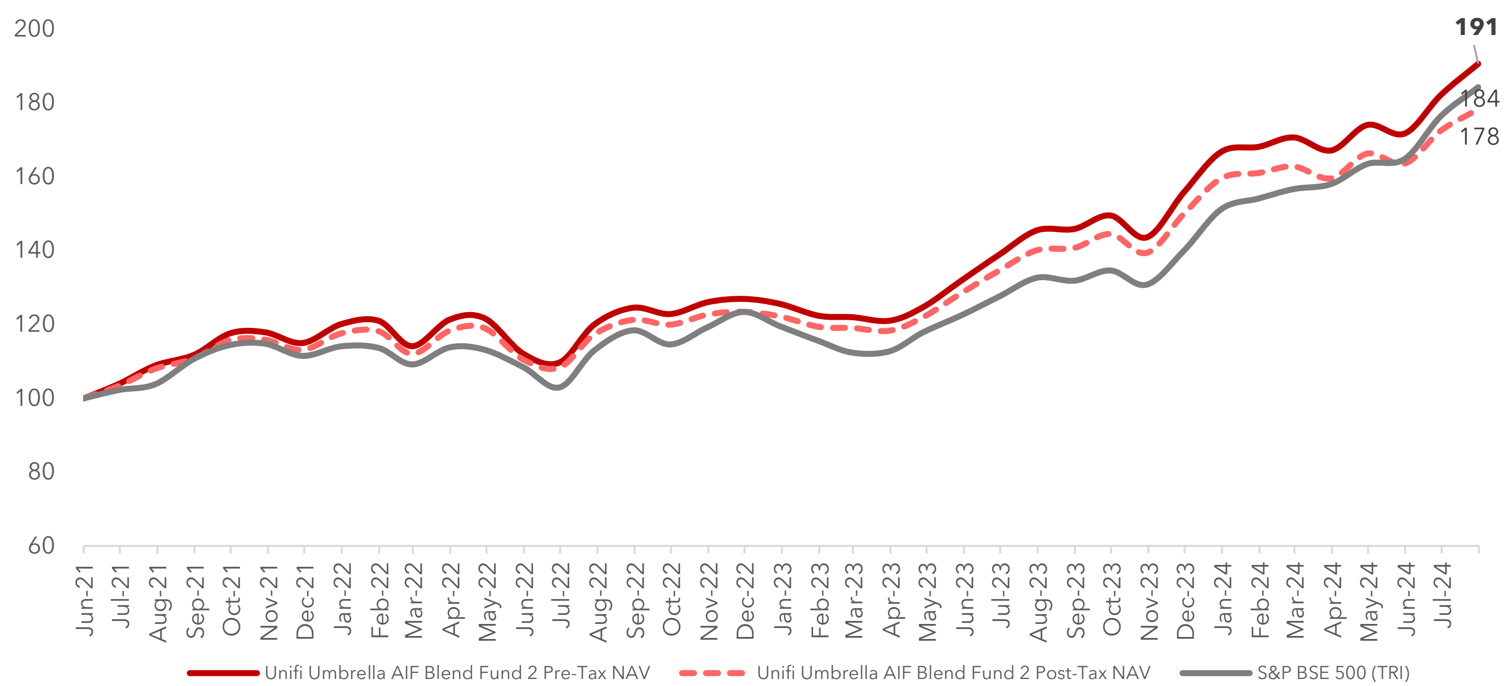
Redington	Redington is a global distribution company with a presence across 40 markets. It covers the entire gamut of IT products, smartphones, and offers services and solutions across Managed, Cloud, and Logistics. The company partners with 300+ brand associations and services 43,000+ channel partners. Redington reported flat revenues YoY at Rs.21,282cr. India grew 6% YoY, while global sales were down 4% YoY. Domestic growth was lower due to a soft-demand environment following the elections. International sales were affected by degrowth in geographies like Turkey and Saudi Arabia. EBITDA margins were lower by 20 bps YoY due to weakness in gross profits and higher factoring costs. The management believes that the subdued demand is transient, and underlying demand continues to rebound across geographies. They focus on profitable growth with a controlled cost structure and rightsizing investments. From a capital allocation standpoint, the company's return ratio is healthy, and the company continues to pay out 40% of PAT as dividends, which results in a dividend yield of 3%. We like Redington, given that they are amongst the top 2 ICT distributors across the markets in which it operates. The company's dominant positioning and financial muscle give it a significant competitive advantage in a business with high entry barriers. Redington has created a strong services business in 3rd party logistics and the high-margin cloud business. Redington's broad portfolio and relationships with vendors across segments allow for balanced growth and reduce vendor concentration. Redington has demonstrated robust risk management practices over cycles that help better manage credit, inventory, and currency risks. A significant shift in consumer and enterprise behaviour has led to a higher need for higher computing, leading to shorter product life cycles and the acceptance of premiumization. This tailwind benefits Redington. Key risks include a higher interest rate regime environment, delayed margin recovery, and slowdowns/delays in the high-margin enterprise business.
HCL Technologies	HCL Tech reported revenue of Rs 280.6bn (down 1.6% QoQ in constant currency terms). IT / Business Services were down 1.6% QoQ, ER&D services were down 5.1% QoQ, and the Product and Platform (P&P) business was up 5.2% QoQ. The EBIT margin was down 50bps QoQ to 17.1%. PAT was up 6.8% QoQ to 42.6bn, on account of higher other income. HCL Tech reduced its overall guidance to 3-5% YoY from 6-8% earlier due to a moderate first half of FY25. Even with revised guidance, HCLT's revenue growth may outperform its peers in FY25E due to a stronger deal pipeline. Key Risks – Slowdown in the USA and Europe and cuts in discretionary IT spending by enterprise clients.
Narayana Hrudayalaya	Narayana reported revenue growth of 8.8% YoY to Rs. 1,341cr. After a blip of two quarters, India's business recovered. It reported 8.5% YoY revenue growth to Rs. 1,074cr. The entire revenue growth has been a function of the ARPOB increase. Over the last few quarters, the company has extensively tried to optimise the payor mix in Bangalore and Kolkata. The ARPOB touched a new high of Rs. 41,370 in the quarter i.e. a growth of 11% YoY. The India business also reported an EBITDA Margin expansion to 18.3% vs. 17.0% in Q1FY24. The hospital business margin expansion is further high, as the insurance business reported a 12cr loss per quarter. The Cayman business reported steady-state numbers in the quarter, with revenue growth of 7% YoY and margins at 40%. The new Cayman hospital was inaugurated in July.

	It will be open to the public once the regulator approves, which is expected by September. Narayana's current hospital offers tertiary healthcare services to medical tourists and Caymanians from its existing unit, about 30 km from the city's centre. Given the distance from the main town, there are few OPD cases at the existing facility. The new hospital will combine tertiary services with regular OPD services. The new facility, commissioned now, will include a neonatal intensive care unit, pregnancy delivery, paediatrics, emergency and critical care, and a fully equipped radiology department. It would also include a primary and secondary care unit. The company reported consol. EBITDA margin of 22.7% in the quarter vs 21.9% in Q4FY23. PAT grew by 10% YoY at Rs. 202cr. The new Cayman Hospital plus capex in Kolkata and Bangalore will help the company to deliver higher earnings growth in the medium term. Key Risks: Delay in Capex, government interference in pricing.
Karur Vysya Bank	KVB reported PAT of Rs 459crs vs Rs 456crs in 4QFY24 and Rs 359crs in 1QFY24. Loan book grew by 4.5% QoQ / 16.7% YoY led by Commercial, Retail and Agriculture segments which grew by 5-7% sequentially while corporate book declined by 2.1% QoQ. Mix of Agri, commercial and Retail segment improved by ~110bps QoQ to ~82.4%. Management had guided that the mix should improve to ~85% over the next few yrs led by consumer banking. The bank continued to be conservative on loan growth of ~14% for FY25, like FY24, although the internal target is higher. Margins declined by 6bps sequentially to 4.13% led by higher cost of deposits. Shedding of low-yielding corporate loans has resulted in higher margins over the past few quarters. Management intends to maintain margin at 4% plus in 1HFY25. Cost ratio improved on sequential basis to 47.2% vs 49.6% in 4QFY24 (Excluding one-offs). Management has guided that considering its business expansion plans, cost to income ratio should be in the range of ~45-50 for FY25. Asset quality improved sequentially as GNPA declined by ~8bps QoQ to 1.3%. Net NPA declined by 2bps QoQ to 0.38%. Provision coverage was stable at 74% sequentially. Gross slippages improved to 95bps vs 112bps in 4QFY24. Net slippages also improved to 46bps vs 51bps in 4QFY24. Management intends to keep gross slippages below 1% during FY25. Reported credit cost stood at 0.7% vs 1.8% in 4QFY24. Excluding provision reversal from other income, credit cost for 4QFY24 stood at 75bps. The bank has provided Rs 25crs each quarter towards floating provision since 1QFY24. The bank has created a floating provision of Rs 125crs as on 1QFY25 (16bps of loan book). Management guided for credit cost of ~75bps for FY25 excluding floating provisions. SMA 1 & 2 numbers declined by ~6bps sequentially to 0.43%, restricting incremental slippage flow. Key risks would include lower-than-expected loan growth, asset quality deterioration leading to higher-than-expected credit costs, and higher treasury losses.
NCC	NCC delivered revenue growth of 26% YoY to Rs. 5,528cr. This is very strong growth as execution gets impacted during the elections quarter. The quarter's EBITDA Margin was 8.6% vs. 9.3% in Q1FY24. The drop in margin is primarily due to the project mix. Management reiterated 9-10% margin guidance for the full year. The company reported EBITDA growth of 17% YoY to Rs. 478cr. Finance cost as a % of revenue declined to 2.8% vs. 3.0% in Q1FY24. With depreciation and other income largely stable, the company reported PBT growth of 19.3% YoY and PAT growth of 21.7% YoY. Though the execution is strong, the order inflows in Q1 have been very muted, with just 408cr. NCC has no international presence; even in India, it does predominantly central government projects. Elections and the formation of government have impacted the order inflows until now. However, the company has a strong L1 of Rs. 8,500cr, and management expects this to be converted to order inflows in Q2/Q3. Now that the budget is over, the company expects order inflows to begin and maintain the order inflow guidance of 20,000-22,000cr this year. However, the existing order book is quite high; even after Q1 execution, it is at Rs. 52,626cr.

	NCC is a diversified player with presence across multiple geographies and multiple segments. Over the years, the company has significantly improved its balance sheet. We expect NCC to benefit from the infrastructure spends in the country. Key risks: Slowdown in the order inflows and competition impacting margins.
CG Consumer	Crompton Greaves Consumer reported 18% revenue growth at Rs.1,959cr, on account of strong performance of ECD division, which grew at 21% YoY. This was offset by the weakness in the lighting segment, which grew only 2% YoY. Standalone gross margins were up 90bps YoY because of the price hike taken by the company. EBITDA margins were up 140bps YoY as the company benefitted from operating leverage. As a result, EBITDA was up 34% YoY to Rs.222cr. Overall, PAT came at Rs.158cr vs Rs.115cr YoY [up 37%]. Crompton Greaves Consumer's potential for earnings growth is bolstered by the anticipated recovery in the lighting segment and the expansion of the appliance's portfolio following the Butterfly acquisition. As one of India's most profitable players in the consumer durables space, Crompton boasts best-in-class margins and capital efficiency. We maintain a positive outlook on the company's future, given their strong execution and the expected benefits from the current phase of consolidation and growth in household spending on durables. Key risks to the investment could emanate from a drop in consumer sentiment, and steep inflation in raw materials.
Indian Energy Exchange	IEX reported revenue growth of 19.0% YoY to Rs. 124cr, which is total volume-led growth. IEX reported volume growth of 20.6% YoY in the quarter led by strong demand and improved power availability. The higher availability of power on exchanges has resulted in tariffs of 4-6/unit even though the demand growth is very high. The EBITDA Margin in the quarter came in at 80.4% vs 78.4% in Q1FY24. The PAT grew by 27% YoY to Rs. 96cr. The PAT growth has also been aided by improvements in gas exchange volumes. The gas exchange is seeing a turnaround due to a decline in gas prices. IEX and the other exchanges are structurally benefitting from high power demand and the government's efforts to ensure power availability. The outlook for IEX volume growth is improving, and the new products should further aid in the growth. In the medium term, the company is also trying to diversify from just being a power exchange. Key Risks: Implementation of market coupling and lower electricity demand growth in the country.
Coromandel International	Coromandel reported a 17% decline in revenue for Q1 2025 at Rs. 4,729r. However, the revenue growth number is of less significance as it includes the pass-through of RM cost. The company has recorded volume growth of 3% YoY in the fertilizer business. Though the monsoon season had a slow start, it recovered in July and August. Further, the key operating markets for Coromandel, except Odisha, have experienced above-normal rainfall. Reservoir levels especially in the southern region were up 32% YoY. EBITDA was down 29% to Rs. 506cr. PAT was down 37% to Rs. 309cr. The low NBS rates in H1 2025 did not align with the increased raw material prices and negatively impacted the operational performance of all phosphatic manufacturers. The subsidy rates have improved between H1 25 and H2 24 but are still much lower than H1 24 impacting the margins. In the crop protection business, the revenue was flat YoY, due to destocking in a few key products. EBIT margins for the crop protection segment increased from 10% to 11% YoY. The company has announced a cumulative capex of Rs. 2,000cr across verticals to increase the share of the non-subsidized segment. Also, the Company has now embarked on a Rs. 1000cr capex to expand its backward integration further by setting up Phosphoric Acid (650 tpd) and Sulfuric Acid (1,800 tpd).

	Currently, the company's fertilizer plants at Visakhapatnam and Ennore are fully integrated and the proposed capex at Kakinada will make the unit an integrated complex. The company has received the approval to set up a 1mn ton granulation facility at its Kakinada plant. While approvals have come in, the management is yet to freeze the timeline for capacity expansion. Structurally, the company is well-placed to battle cost inflation with good capital allocation and governance. With a debt-free balance sheet, the company is strongly poised for the next growth cycle. Coromandel is India's largest privately held non-urea (Phosphatic) fertilizer company with a diversified revenue mix of regulated and unregulated products. It has a 25%+ market share in India's NPK/complex fertilizer consumption. In Crop Protection, Coromandel has taken a slow and measured step to overhaul its portfolio from older generics to a mix of combination and in-licensed products from global innovators. Over the next few years, the company endeavours to reduce the share of subsidized businesses by investing in crop protection and other allied segments. Key risks to the investment could be a significant reduction in RM prices leading to a correction in inventory valuation, unexpected regulatory developments, and the erratic monsoon.
Oracle Fin Services Software	Oracle reported a 19% YoY revenue growth to 1,741cr in the first quarter, driven by order wins of $35 million. This performance exceeded expectations, especially since the second half of the year is usually the most critical period for the company in terms of securing new orders. The license and maintenance fees were up 35% YoY and 16% YoY, respectively. Margins were up from 42.5% to 48.6% YoY on account of operating leverage. As a result, PAT grew at 23% YoY to 617cr in this quarter. The demand environment appears favorable for the company, with ongoing customer interest in transitioning to Oracle's cloud services. This transition provides stability in the revenue profile by shifting from transactional to recurring in nature. The company has maintained high levels of capital efficiency, reflected in 25%+ RoE in the past on the back of an almost 100% dividend payout to shareholders. Key Risks: Slowdown in IT spends

Investment Strategy NAV [As on 31st July 2024]



Key Portfolio Metrics

It is important to note that each investment in the fund has been made on its own merit and the portfolio characteristics are merely a by-product of the process. In sync with Unifi's philosophy, the aggregate portfolio has low leverage, demonstrates potential for strong earnings growth, and has reasonable valuations.

Valuation Parameters* (As on 23rd Aug 2024)	FY2024	FY2025E
P/E Ratio	26.3	23.0
Earnings Growth	18.3%	15.1%
Debt Equity Ratio	0.1	0.1
ROE %	21.3%	21.2%
PE/ Growth Ratio	1.4	

**Adjusted for one-off to make figures representative.*

We are continually monitoring the environment for any opportunities that have potential to materially improve the portfolio composition. We will be writing to you again post the 1st quarter results.

In closing, we encourage you to write to us, or your relationship manager, for a detailed review of the portfolio and understanding of our proposition in greater granularity.

Annexures:
Financial Details of Top Portfolio Companies

Unifi Umbrella BLEND AIF	Market Cap (Rs. cr)	PBT (Rs.cr)		YoY	PAT (Rs. Cr)		P/E	ROE	Portfolio Weight (%)
Company	**23rd Aug 2024**	**Q1 24**	**Q1 25**		**FY 24**	**FY 25E**	**FY 25E**	**FY 25E**	**23rd Aug 2024**
ITC	631,089	6,940	6,930	0%	20,751	22,904	27.6	32%	8.5%
State Bank of India	731,135	22,796	22,999	1%	61,077	66,806	10.9	18%	7.5%
Bank of Baroda	131,147	5,878	6,151	5%	17,789	19,458	6.7	16%	7.0%
Redington	16,331	352	292	-17%	1,239	1,258	13.0	16%	6.6%
HCL Technologies	450,220	4,696	5,707	22%	15,710	16,800	26.8	25%	5.4%
Narayana Hrudayalaya	25,777	206	232	13%	790	849	30.4	26%	5.2%
Karur Vysya Bank	17,976	489	613	25%	1,605	1,846	9.7	17%	5.1%
NCC	20,151	252	300	19%	740	1,065	18.9	15%	4.6%
CG Consumer	29,744	156	203	30%	442	587	50.7	21%	4.2%
Indian Energy Exchange	17,386	101	128	27%	351	428	40.6	38%	4.1%
Coromandel Int.	52,467	661	442	-33%	1,641	1,705	30.8	23%	3.6%
OFSS	96,279	707	873	23%	2,219	2,436	39.5	30%	3.4%
NMDC	66,290	2,212	2,608	18%	5,571	5,897	11.2	23%	3.2%
RBL Bank	13,997	381	493	29%	1,168	1,704	8.2	11%	3.2%
Dr Reddy's Labs	116,087	1,850	1,883	2%	5,578	5,957	19.5	20%	2.6%
NTPC	391,120	6,661	7,284	9%	21,332	22,700	17.2	14%	2.6%
Fedfina	4,517	72	94	31%	245	330	13.7	14%	2.5%
Glenmark Life Sciences	12,721	182	150	-18%	471	520	24.5	24%	2.3%
GMM Pfaudler	6,189	80	41	-49%	174	200	30.9	29%	2.3%
Aarti Drugs	5,185	64	44	-31%	172	180	28.8	15%	2.3%
Bayer Crop Science	28,148	406	316	-22%	740	836	33.7	28%	2.2%
HAL	329,072	1,089	1,584	45%	7,621	7,730	42.6	25%	1.8%
Jindal Saw	21,799	354	588	66%	1,593	1,764	12.4	17%	1.6%
Senco Gold	8,527	37	71	92%	181	207	41.2	14%	1.5%
TI India	80,033	390	464	19%	1,723	1,340	59.7	27%	1.3%
CMS Info Systems	9,342	114	121	6%	347	403	23.2	21%	1.1%
NIIT Learning Systems	6,369	68	81	19%	213	245	26.0	24%	1.0%

CLASSIFICATION OF MARKET CAP

Segment	Basis	%
Large Cap	> Rs. 84,300cr	39.8%
Mid Cap	> Rs. 27,500cr < Rs. 84,300cr	18.2%
Small Cap	< Rs. 27,500cr	38.8%
Cash		3.3%
Total		**100%**

LIQUIDITY ANALYSIS

Segment	% of portfolio
1 day	31.3%
Between 1 & 3 days	35.7%
Between 3 & 7 days	2.2%
Greater than 7 days	27.6%
Total	**96.7%**

CRISIL CAT III AIF BENCHMARKS DATA [as of 30th Sep 2023]

Index	1 Year (%)
Blend Fund 2 (Scheme of Unifi Umbrella AIF)	**21.05%**
CRISIL AIF Index – Long Only Equity Funds (INR)	**17.15%**

Values as of September 30, 2023
Schemes that have completed at least one year since their first close as of September 30, 2023, have been considered for the benchmark. In all, 179 schemes have been considered for the above analysis.
Returns refer to post-expense, pre-carry, pre-tax values. Returns for more than one year are annualised.

Risk Management

While the environment is buoyant for India in the longer term, in the shorter to medium term, the aftereffects of unforeseen economic linkages from a recessionary West may be a risk. While India remains a largely domestic consumption-oriented economy, a rapid worsening of the economies in the West may affect their balance of trade with the World [including India] in the immediate to medium term. India's Current Account Deficit and foreign exchange reserves may be under pressure if energy prices remain elevated and rise. The recent softening of energy and commodity prices will assist India's macroeconomic case, but there remains the prospect of second or third-order impact from global macroeconomic and geo-political shocks.

Risk	Level	Mitigants
Concentration Risk	Fund	At the portfolio level, such risks are minimized by limiting the aggregate exposure of the portfolio to such investments to less than 10% of the value at the time of investment.
Foreign Exchange Risk	Fund	Fund has invested in only Indian Listed companies and hence the fund's investments do not face any foreign exchange risk at the Fund level.
Leverage Risk	Investee Company/Fund	Fund has not taken any leverage at the Fund level. Except for financial companies, most of the investee companies in the strategies carry nil to moderate debt on their balance sheets with a track record of having managed leverage well in the past. Their leverage is monitored regularly.
Realization Risk	Investee Company/Fund	High Impact cost, due to thin trading at the time of buying or selling is endemic to small & mid-caps. We plan our investment decisions, the size of the investment and trading strategies to minimize the realization risk.
Strategy Risk	Investee Company	Investments are evaluated from a bottom-up and top-down perspective. The fund investments align with the segments of the economy that are emerging and companies that have characteristics which make them the dominant participants in their industry. The investments are assessed through a detailed financial model that captures historical performance and forward estimates based on publicly disclosed documents. The investment team rigorously undertakes quarterly diligence for any change in the investment thesis.
Reputation Risk	Investee Company	Company selection starts with rigorous fundamental analysis and a historical performance review supported by a detailed financial model constructed internally. We have an internally designed governance framework vetted over many years. This governance framework helps us in evaluating companies that meet our internal guidelines. We evaluate the investee companies both at an absolute and relative level. Periodic maintenance diligence of management/ financials has been done for Investee companies. management/ financials has been done for Investee companies.
Extra Financial Risk	Investee Company/Fund	We avoid investing in companies with a known history of corporate governance issues. If such an issue arises in an existing investment, we stop additional purchases and start optimally exiting the investment. Our governance framework helps us in identifying any lapses in corporate governance. We actively monitor all publicly disclosed documents regarding ESG [Environmental, social, and corporate governance]. Any reported misconduct is evaluated by the investment committee for further action.

Geopolitical risks	Investee Company	Geopolitical tensions globally can disrupt the supply chain in the region. This might have a non-linear impact on business.
Raw material inflation	Investee Company	India continues to be dependent on the supply of feedstock whose pricing is global in nature. Key categories would be crude, metals, minerals, and natural commodities. Sharp movement in their underlying prices will have a short-term financial impact on the companies. The situation in China [political] has the potential to disrupt the supply chain of a few of our investee companies.
Key Man Risk	Investee Company	Small and mid-caps are frequently managed by a key promoter/person on whom the business is completely reliant and without whom the business would be materially inferior. We generally avoid such names and in cases where we make any exceptions, the aggregate exposure of the portfolio to such investments is limited to less than 10% by value.