UNIFI AIF

PORTFOLIO FACT SHEET: Q4 FY2025

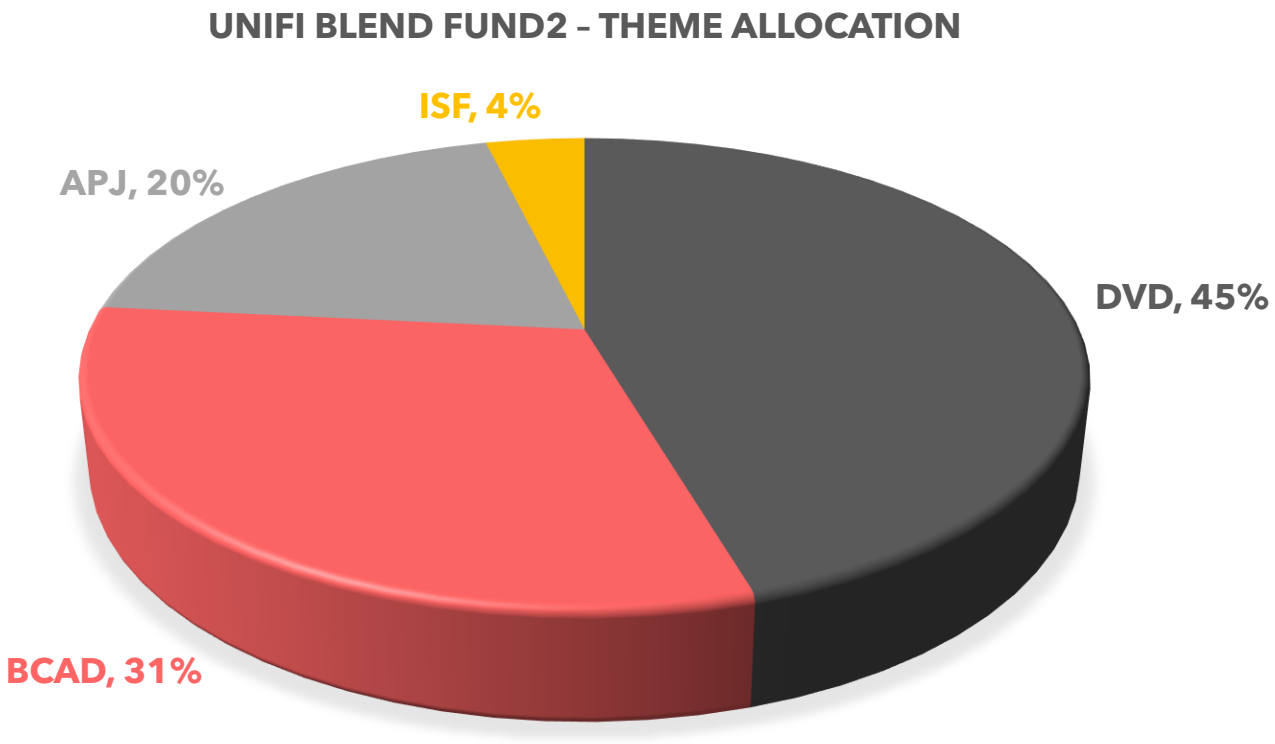
UNIFI UMBRELLA AIF - UNIFI BLEND FUND 2

Background

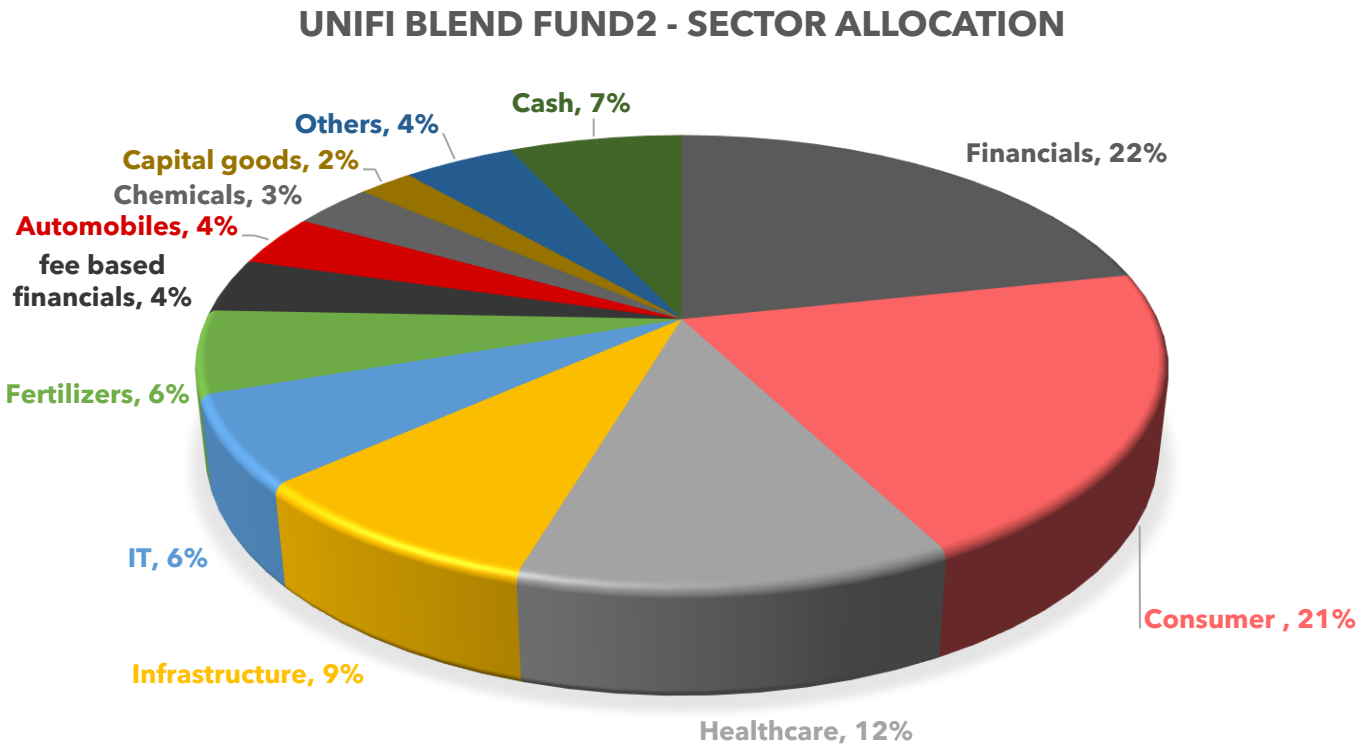
The UNIFI BLEND FUND2 continues to draw from the best opportunities across all of Unifi's investment themes. The fund has the flexibility to invest in stocks across diverse sectors, themes, and market capitalization. The fund's holdings are well diversified and poised to benefit and consolidate their 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 BLEND FUND2
Launch Date	01st June 2021
Scheme Corpus	INR 28.1 bn
Firm AUM	INR 246.3 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 BLEND FUND2 is as below:



The sector-wise composition of the UNIFI BLEND FUND2 is as below:



The following annexure presents a brief on our top holdings:

Company	Brief background and Investment rationale
Bank of Baroda	BoB reported a PAT of Rs. 5,048 cr vs. Rs. 4,886 cr, up 3% YoY Q4 FY 2025, while the loan book grew by 5.1% QoQ and 13.5% YoY. The Retail, Agri, and MSME segments led the loan growth, which grew by 5.5%, 4.8%, and 3.6%, respectively, sequentially. Corporate loans grew by 4.4% QoQ / 8.6% YoY. The bank reiterated its loan growth guidance at 11-13% and deposit growth guidance at 9-11% for FY26. Margins declined by 8bps sequentially to 2.86%, which was led by moderation in yields. The management expects margins to remain moderate in the near term, in line with the broader banking system, but to recover gradually as deposit rates are re-priced lower, thereby supporting margins. The cost to assets has increased marginally by six bps sequentially to 1.85%. Gross NPA improved by ~17bps QoQ to 2.26%, while Net NPA improved by 1bps QoQ to ~58bps. Provision coverage was stable sequentially at ~75%. Gross & net slippages were stable at 1.1% and 0.4%, respectively. The bank has reported net slippage of about 0-50 bps over the past 11 quarters, reflecting strong underlying credit quality. Credit cost was stable at ~53bps vs 38bps in Q4FY25. Overall, there are no signs of imminent stress, and management expects credit costs to remain at the lower end of the guided range of ~0.5-0.75% for FY26. We like the bank because of its ability to grow in line with systemic growth rates, low NPA risks, and attractive valuations. Key risks include lower-than-expected loan growth, deterioration of asset quality leading to higher-than-expected credit costs, and higher treasury losses.

Redington	Redington is a global distributor of Information, Communication, and Technology [ICT] products across 40 countries. It covers the entire gamut of IT products and 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 revenues of Rs. 26,440 cr, up 18% YoY. The growth is led by the Indian business, which grew by 26%, while the UAE business grew by 24%. Gross margins remained flat at 5.3%. The management team's effort in turning around Turkey operations and maintaining costs led to an improvement in EBITDA margin from 2.4% vs 2.1% YoY. Overall, PAT grew 18% YoY from Rs. 325cr to Rs. 403cr, adjusting for the gain on the sale of a Turkish payments company. From a capital allocation perspective, the company's return ratio is healthy at 20% RoE, and the company continues to pay out 35-40% of PAT as dividends, which results in a dividend yield of 2.5-3%. We like Redington, given that it is amongst the top 2 ICT distributors in its markets. 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 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.
Narayana Hrudayalaya	Narayana reported a revenue growth of 18% YoY, to Rs. 1,475 cr, and a PAT growth of 5% YoY, to Rs. 196 cr. India's business remained steady this quarter, with revenue and EBITDA growth of 10% YoY. However, lower patient footfalls from Bangladesh have negatively affected revenue growth, leading to a 54% YoY decline in revenue from international patients seeking treatment in India. To address this, the company has focused on increasing domestic patient numbers, resulting in a strong 16% YoY revenue growth from this segment. Looking ahead, growth in India's business over the next two years will primarily be driven by Average Revenue Per Occupied Bed (ARPOB), which is currently 25% lower than that of larger competitors. The company is also working on optimising bed and case mix. Beyond FY27, future growth is expected to be bolstered by the commissioning of new hospitals. In the Cayman Islands, the business experienced robust revenue growth of 45% YoY, amounting to USD 44 Mn in the quarter. The new hospital in the Cayman Islands is now 80% operational in Q4, contributing significantly to the increase in revenues. Margins in the Cayman business continue to improve, reaching 44.2% this quarter compared to 43.4% in the previous quarter. The rapid ramp-up of the new facility benefits from years of brand equity and favourable location, promising significant growth for Narayana over the next two years. The company is investing in capex in India, focusing on its core markets of Bangalore and Kolkata. Over the next few years, Narayana plans to add 1,400 beds with a projected capex of Rs. 3,000 cr. While the company performed exceptionally well between FY22 and FY24, the current year has been one of consolidation, resulting in a flat PAT. However, we anticipate strong earnings growth starting in FY26. Key Risks: Delay in Capex, government interference in pricing.
NCC	FY25 has been a challenging year for the company, as election-related disruptions have weighed on execution and impacted overall performance. The revenue in the quarter decreased by 5.5% YoY to Rs. 6,131 cr. The company ended the year with revenue growth of

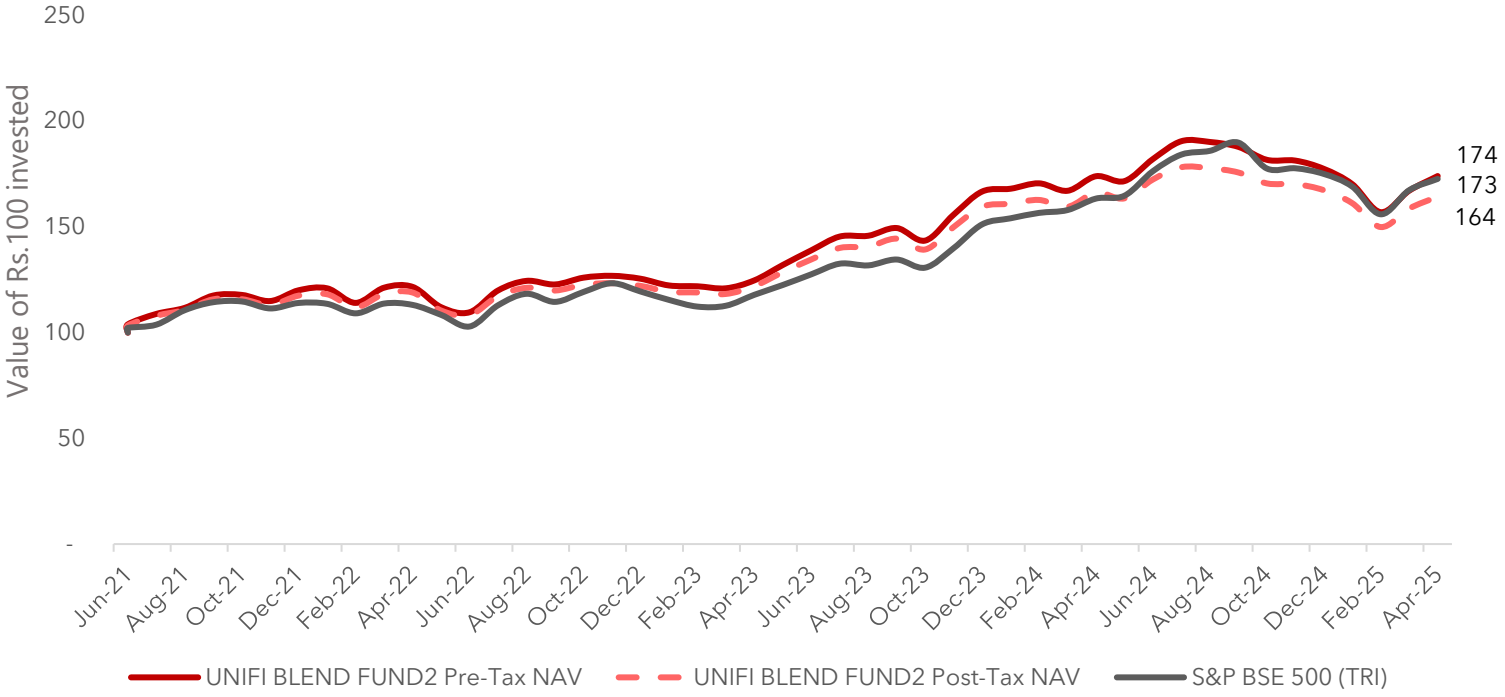
	6.5% YoY. The EBITDA Margin came in at 9.1% vs 8.5% in Q4FY24. The EBITDA Margin expansion has offset the revenue decline; hence, EBITDA grew by 1% YoY at Rs.556cr. The consolidated PBT declined by 6% YoY to Rs. 367 cr due to higher interest expense. The consolidated PAT grew by 11.3% YoY to Rs. 265cr due to the high tax rate in last year's Q4. Though the execution was weak in Q4, the order flows and outlook significantly improved. The company received orders worth Rs. 19,280 cr in Q4 vs. Rs. 14,000 cr in the first 9MFY25. Given the firm order flows in Q4, the company ended the year with Rs 32,888 cr orders (20% higher than F24) despite being an election year. The order book now stands at Rs. 71,568 cr, giving visibility for 3 years of revenue. The order inflows in FY25 have been higher than the company's guidance, primarily due to the fast-tracking of Andhra Pradesh capital city projects. Even on the execution front, the activity in Maharashtra is now back to normal, and the government has given clearance to proceed with all the pending projects. Given the strong order book, the company's execution is expected to improve in the coming quarters, resulting in mid-teen earnings growth for the next two years. Key risks: Slowdown in the order inflows and execution.
Coromandel International	Coromandel reported a 27.5% growth in revenue for Q4 2025 at Rs. 4,988 cr. The company has reported volume growth of 9% YoY in the fertilizer business. This monsoon season has been above normal, which has helped with good demand for agri inputs. Furthermore, with improved reservoir levels, the performance for the Rabi season has been positive. Reported gross profit was up 36% due to increased subsidies and better cost efficiency led by backward integration measures. EBITDA was up 56% YoY to Rs. 426cr on a low base, and Adjusted PAT, excluding exceptional gains, was up 73% YoY to Rs. 284cr. 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, albeit marginally. The subsidy rates have improved between H2 25 and H1 26. There has been an increase in the subsidy rates of nutrient 'P' as per the NBS rates for the next Kharif season. In the crop protection business, the revenue growth was 24% YoY to Rs. 699cr, driven by volume growth in domestic formulations and new products doing well. EBIT margins improved from 11.2% to 14.5% YoY. The company has acquired NACL Industries in the current year, and the management has identified procurement inefficiencies at NACL as a key area for improvement. Efforts will be made to enhance procurement practices with the first objective of restoring EBITDA margins to historical levels of 8–9%. The company's ongoing phosphoric acid and sulfuric acid project at Kakinada (0.2mn tn) is progressing as planned, with commissioning expected by Q4 2026. Additionally, an NPK capacity expansion of 0.75 million tons at Kakinada has been initiated, with commercial production targeted for H2 2027. Structurally, the company is well-placed to battle cost inflation with reasonable capital allocation and governance. The company is well-positioned for the next growth cycle with a debt-free balance sheet. 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 subsidised 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.

ITC	ITC reported revenue growth of 10.1% YoY to Rs. 18,765 cr. The tobacco business continues to have good volume growth (5% YoY), but steep inflation in leaf tobacco prices impacted margins. Though the margins are down on a YoY basis, we have seen an improvement on a QoQ basis. Given the new leaf tobacco crop, the margins will inch higher in the coming quarters. FMCG business continues to see weakness due to a slowdown in demand. This segment has reported only 4% YoY revenue growth, and the raw material inflation has impacted the margins significantly, with EBIT margins declining by 270bps YoY. The company has started taking pricing actions to mitigate inflation. Agribusiness continues to do well, with 18% YoY revenue growth and 35% YoY EBIT Growth. This segment continues to benefit from leaf tobacco and value-added agri exports (coffee, spices, etc). The Paper Segment remains impacted due to low-priced Chinese & Indonesian supplies in the global market (including India), as this segment reported an EBIT decline of 33% YoY. Accordingly, the consolidated EBIT Growth has been 3% YoY to Rs. 5,946cr. The reported PAT grew by 3% YoY to Rs. 5,155cr. The steady 5% volume growth in the tobacco segment is a positive development, and the early signs of margin improvement further strengthen the outlook, given that this segment accounts for 85% of the company's profitability. While the FMCG segment remains subdued, we anticipate a gradual sequential margin improvement. This has been a challenging year for the company due to significant raw material pressure, resulting in a flat PAT YoY. However, we expect the trend in gross margins to improve over the next few quarters, which should enable the company to achieve double-digit PAT growth for FY 2026. Key risks: government taxation on cigarettes, demand slowdown, and raw material inflation.
Oracle Financial Services Software	IT product firms often experience lumpy earnings due to the nature of their business. Large software deals, implementation projects, and licensing agreements can create significant revenue surges in certain quarters, followed by periods of relatively lower earnings. Therefore, evaluating these companies from an annual perspective is crucial, smoothing out the quarterly volatility to better understand their long-term performance. With the ongoing digital transformation within the banking and financial sectors, OFSS is poised to capitalize on the increasing demand for specialized software and services. Consequently, the medium to long-term outlook for OFSS appears promising, driven by sustained growth in the financial technology space. Oracle's revenue grew by 4.5% YoY to Rs. 1,716cr in Q4 2025 vs. Rs. 1,642cr, YoY, with EBITDA and PAT increasing by 4% and 15% YoY, respectively. The slowdown was mainly due to the delay in converting deals into revenue. The deal flow remained strong in Q4 FY25, led by large deals in India, Asia Pacific, and the EU. This provides strong demand visibility for the company, with ongoing customer interest in transitioning to Oracle's cloud services. The company has maintained high levels of capital efficiency, reflected in 25%+ RoE on the back of an almost 100% dividend payout to shareholders. Key Risks: Slowdown in IT spending by enterprise clients.
Karur Vysya Bank	Karur Vysya Bank (KVB) reported a Profit After Tax (PAT) of Rs. 513 cr for Q4FY25, compared to Rs. 496 cr in Q3FY25. The loan book experienced a 2.1% QoQ growth and a 14% YoY growth. This growth was primarily driven by the Commercial, Retail, and Agri segments, which saw sequential growth of 3-5%, while the corporate loan book declined by 4% QoQ. The corporate loan book has been on a sequential decline for the past seven quarters and now constitutes 14% of the loan book, compared to 22% in FY23. The slowdown in corporate loan growth is attributed to lower-than-expected growth in low-cost CASA deposits. The mix of Agri, Commercial, and Retail segments improved by 120 bps QoQ to 85.7%. The bank anticipates

	loan book growth exceeding system growth for FY25 and FY26. Net Interest Margins (NIM) improved by two bps sequentially to 4.05%, led by a change in loan mix towards the retail segment. The bank has guided for a near-term moderation in NIMs due to the recent repo rate cut, with an expected improvement thereafter as deposits are re-priced at lower rates. The cost-to-income ratio increased sequentially to 47.8% from 47.3% in Q3FY25. The bank intends to maintain this ratio within the 48-50% range. Asset quality continued to improve, with reductions in Gross Non-Performing Assets (GNPA), Net Non-Performing Assets (NNPA), and Special Mention Accounts (SMA) 1 & 2. GNPA declined by seven bps QoQ to 0.76%, and NNPA was stable at 0.2%. The Provision Coverage Ratio (PCR) stood at 74%. Key risks include lower-than-expected loan growth, deterioration in asset quality leading to higher-than-expected credit costs, and higher treasury losses.
CMS Info Systems	India's cash logistics sector is poised for robust growth, driven by several key factors. Despite the rise of digital payments, cash remains a vital component of the Indian economy, particularly in rural and semi-urban areas. The increasing penetration of ATMs, the expansion of retail networks, and the continued reliance on cash for everyday transactions contribute to a sustained demand for efficient and secure cash management services. Furthermore, government initiatives promoting financial inclusion and the formalization of the economy will further strengthen the need for reliable cash logistics infrastructure. CMS Infosystems reported stable YoY revenues of Rs. 619 cr in Q4 FY25. While the cash management segment experienced a 7% YoY growth, the managed services segment saw an 8% YoY decline. This slowdown was primarily attributed to delayed ATM installations by banks, stemming from challenges faced by a competitor, which delayed the order execution by the company. Despite this, PAT increased by 6% YoY to Rs. 97 cr. Looking ahead, the outlook is optimistic. The execution cycle is regaining momentum, and the company's Requests for Proposals (RFP) pipeline indicates strong potential for future double-digit growth. As the managed services segment, which comprises non-cash business, expands its contribution to overall revenue, CMS Infosystems is positioned for sustainable medium-term earnings growth. Key risks include a potential decrease in currency circulation or a perceived decline in the cash economy.
M&M	M&M's topline grew by 25% YoY at Rs. 31,609 cr in Q4 FY 25, with similar growth in both the Autos and Farm Equipment segments. The rise in the auto segment was driven by strong SUV sales, which increased by 18% in Q4 FY25, reflecting lower-than-expected cannibalisation from new launches. Similarly, tractor sales saw a significant volume growth of 23%, marking the strongest growth in the past year. This increase was fuelled by a favourable monsoon that supported agriculture and an earlier Chaitra Navratra festival. As a result, M&M consolidated a 23% revenue market share in passenger vehicle (PV) sales (+2% YoY) and a 43.3% share in tractors for FY25. EBITDA and PAT reported growth of 23% and 21% on a YoY basis to Rs. 4,219 cr and 2,437 cr, respectively. We remain optimistic about M&M's PV sales, supported by capacity additions for the Thar ROXX and XUV3XO, which will be fully consolidated for the year. We also anticipate continued strength in tractor sales driven by a sustained agricultural cycle. The electric vehicles (EVs) launch received approximately 30,000 bookings on the first day, with over 8,000 units already delivered. M&M achieved EBITDA breakeven this quarter and a 33.1% revenue market share in electric passenger vehicles. In the near term, we expect a gradual increase in EV volumes to ensure a smooth customer experience and accommodate the EV ecosystem's scale-up to meet the demand for M&M's vehicles.

	Key risks include EV adoption and CAFE III compliance, reliance on monsoon conditions for tractors, a potential slowdown in PV sales, and regulatory uncertainty.
HDFC AMC	HDFC AMC reported a 30% YoY revenue growth, reaching Rs. 901 cr in Q4 FY25. However, revenue declined marginally by 4% sequentially due to a lower equity mix. The Assets Under Management (AUM) contracted by 1.7% QoQ, primarily driven by a 4.1% decline in Equity AUM, which now accounts for 41% of the total AUM. Despite the market fluctuations, the Systematic Investment Plan (SIP) flows remained strong at Rs. 36.5 billion in Q4 FY25, compared to Rs. 38.2 billion in Q3 FY25. This demonstrates resilience amid the equity market correction, supported by the company's robust distribution network and strong fund performance. Other income increased to Rs. 124 cr from Rs. 93 cr in Q3 FY25, attributed to mark-to-market gains on debt mutual fund investments resulting from recent rate cuts. The company posted a PAT of Rs. 544 cr, reflecting a 30% YoY increase but a 4% decrease QoQ. We maintain a positive outlook on HDFC AMC, viewing it as a key beneficiary of India's growing trend toward financial savings, as evidenced by the sustained rise in industry SIP flows. The strong and consistent performance of its equity schemes has enhanced its SIP market share and attracted healthy inflows. We expect HDFC AMC to sustain its industry-leading inflow momentum in the periods ahead. Key risks include potential slowdowns in net inflows and attrition among employees or clients.
RBL Bank	RBL reported a PAT of Rs. 69 cr, primarily due to aggressive provisioning on its microfinance (MFI) and credit card portfolios. The loan book grew by 2.4% QoQ and 10.3% YoY. Management has deliberately scaled back exposure to the microfinance and credit card segments, resulting in a sequential decline of 12% and 3%, respectively. Housing, rural vehicle finance, and commercial banking segments. Credit growth is projected at 16-17% for FY26, driven by housing, rural vehicle finance, and commercial banking segments. Net interest margins (NIM) were stable at 4.9% QoQ. Management has stated that margins will experience short-term pressure following the repo rate cut. However, proactive measures have been implemented to reduce the impact, such as lowering savings and term deposit rates. The cost-to-income ratio was stable at 66% and is expected to improve on the back of operating leverage. Gross slippages decreased to 4.7% compared to 6.0% in 3QFY25, while net slippages fell to 3.2% from 4.8% in 3QFY25. Although slippages have declined sequentially, management's conservative provisioning against the MFI portfolio stress reflects a prudent stance to insulate FY26 profitability. With aggressive provisioning largely behind and slippages expected to normalize, RBL is well-positioned to return to normalized profitability from Q1FY26 onwards. Key risks include lower-than-expected loan growth, deterioration in asset quality leading to higher credit costs, and potential treasury losses.

Investment Strategy NAV [As on 30th Apr 2025]



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 27th May 2025)	FY2025	FY2026E
P/E Ratio	27.8x	22.9x
Earnings Growth	8%	17%
Debt Equity Ratio	0.1	0.1
ROE %	20.6%	20.5%
PE/ Growth Ratio	1.3x	

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

We are continually monitoring the environment for any opportunities that have the potential to materially improve the portfolio composition. We will be writing to you again post the 1st quarter results of FY26.

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 BLEND FUND2	Market Cap (Rs. cr)	PBT (Rs.cr)		YoY(%)	PAT (Rs. Cr)		P/E	ROE	Portfolio Weight
Company	28th May 2025	Q4 FY24	Q4 FY25		FY25	FY26e	FY26e	FY26e	28th May 2025
Bank of Baroda	1,25,685	6,804	6,581	-3%	19,581	18,978	6.6	13%	9.50%
Redington	20,914	381	513	35%	1,269	1,547	13.5	18%	8.70%
Narayana Hrudayalaya	35,058	225	254	13%	798	960	36.5	24%	7.00%
NCC	14,899	358	367	3%	820	972	15.3	13%	6.10%
Coromandel International	70,753	222	731	229%	1,760	2,173	32.6	18%	5.80%
ITC	5,25,654	6,589	6,836	4%	21,493	22,977	22.9	31%	5.70%
Oracle Financial Services Software	74,010	785	839	7%	2,339	2,731	27.1	34%	4.40%
Karur Vysya Bank	17,921	526	668	27%	1,942	2,055	8.7	16%	4.20%
CMS Info Systems	8,097	123	129	5%	384	463	17.5	21%	3.70%
M&M	3,59,636	4,030	4,627	15%	11,855	13,352	26.9	16%	3.70%
HDFC AMC	1,03,261	679	835	23%	2,461	2,867	36	34%	3.10%
RBL Bank	12,649	473	76	-84%	695	1,342	9.4	8%	2.90%
Britannia	1,31,815	735	752	2%	2,127	2,532	52.1	51%	2.90%
Alivus Life Sciences	13,114	130	191	47%	487	542	24.2	18%	2.80%
CG Consumer	22,762	169	231	37%	563	642	35.5	19%	2.70%
Bayer Crop	25,687	105	168	60%	480	736	34.9	24%	2.70%
Medanta	32,494	143	133	-7%	531	603	53.9	14%	2.50%
South Indian Bank	7,556	393	459	17%	1,303	1,276	5.9	12%	2.20%
TD Power Systems	7,698	41	70	71%	174	205	37.6	20%	2.20%
Fedbank Financial Services	3,543	91	99	9%	225	351	10.1	13%	2.00%
HCL Technologies	4,48,948	5,269	5,735	9%	17,369	19,005	23.6	26%	1.90%
Jindal Saw	13,590	667	473	-29%	1,833	1,567	8.7	13%	1.60%
SW Solar	6,602	34	87	156%	121	316	20.9	26%	1.10%
SBI	7,10,979	27,138	24,844	-8%	70,901	71,263	10	16%	1.00%
CAMS	19,708	127	141	11%	466	459	42.9	39%	0.80%
NIIT	4,567	84	69	-18%	250	294	15.5	25%	0.80%
Transpek Industries	877	9	25	178%	55	60	14.6	13%	0.50%
Paradeep Phosphates	13,688	26	223	758%	696	828	16.5	17%	0.10%

**Kindly note Senco Gold Q4 results are yet to be released.*

CLASSIFICATION OF MARKET CAP

Segment	Basis	%
Large Cap	> Rs. 1,00,000cr	27.7%
Mid Cap	> Rs. 33,200cr < Rs. 1,00,000cr	17.2%
Small Cap	< Rs. 33,200cr	48.2%
Cash		6.9%
Total		**100%**

LIQUIDITY ANALYSIS

Segment	% of portfolio
1 day	13.2%
Between 1 & 3 days	17.7%
Between 3 & 7 days	43.0%
Greater than 7 days	19.1%
Total	**93.1%**

CRISIL CAT III AIF BENCHMARKS DATA [as of 31st Mar 2024]

Index	1 Year (%)
UNIFI BLEND FUND 2 (Scheme of Unifi Umbrella AIF)	34.79%
CRISIL AIF Index – Long Only Equity Funds (open ended) (INR)	22.99%

Values as of March 31, 2024
Schemes that have completed at least one year since their first close as on March 31, 2024, have been considered for the benchmark. In all, 60 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 a second- or third-order impact from global macroeconomic and geopolitical 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	The 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	The 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.
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 identify 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 nonlinear impact on business.
Raw material inflation	Investee Company	India continues to be dependent on the supply of feedstock, whose pricing is global. Key categories would be crude, metals, minerals, and natural commodities. Sharp movements 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.