AMPERSAND CAPITAL INVESTMENT ADVISORS

https://ampersand-cap.com/

May 2025

Agenda

- Why Ampersand
- Who we are
- Investment Strategy
- Systems and Processes
- Portfolio Performance Metrics
- Investment Outlook
- Ampersand Growth Opportunities Fund - Scheme 1 (AGOFS)

Why Ampersand?

Highly rated equity research analysts with combined experience of 40+ years

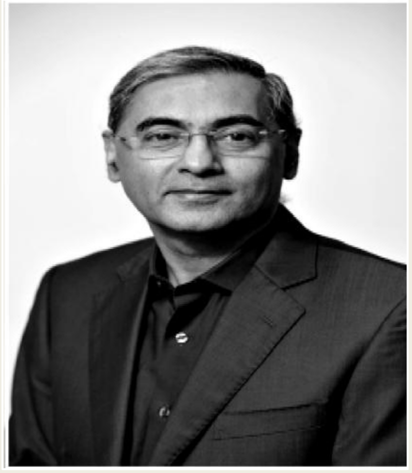
Proven track record of fund management since inception in Sep 2017; rank in top quartile amongst peers, as per CRISIL study

Ampersand is collaborative team effort representing open mindedness and unlimited scope

Sizeable sponsor contribution underscores commitment and addresses agency risk

Strong relationships and goodwill within the corporate and investment community

Who we are



Arun Subrahmanyam, Founder & Managing Partner

Over 3 decades of experience in financial services industry

Domain knowledge of varied sectors, deep understanding of stock markets

Last employed in Bank of America-Merrill Lynch, as part of the institutional equities team

Top rated Auto analyst by Institutional Investor (II)

Principal founder, Partner of Ampersand Capital Investment Advisors LLP

Sanjaya Satapathy, Portfolio Manager

Over 16 years of experience in equity research across multiple sectors

Voted best mid-cap analyst (II) and best stock picker by Starmine

Last position Senior Analyst, Bank of America – Merrill Lynch 2006-16

B.E. (Electrical) from UCE Burla, and MBA from XIM, Bhubaneswar

Partner of Ampersand Capital Investment Advisors LLP

Who we are

Ashish Kumar, Head – Equity Research

Over 12 years of experience in the Financial Services space.

Part of top-ranked Equity research team at BofA – Merrill Lynch; experience across multiple sectors: BFSI, Auto, Healthcare & Strategy.

In last assignment, core part of turnaround team at YES Bank, in Finance Function & Investor Relations team.

B.Tech in Mechanical Engg. from NIT Rourkela and MBA from IIM Bangalore.

Tushar Narula, Head - Business Development

Around 16+ years of experience in Financial Services focusing on Wealth Management, Investments, and Capital Markets.

Last employed: Director at HDFC Bank Wealth.

Previously at SBI Funds Management Pvt Ltd and Reliance capital

Strong Relation in Distribution and Ultra HNI Clients.

MBA in Finance & Marketing from IIPM.

Ampersand Growth Opportunities Fund Scheme (AGOFS-1)

- AIF Category III Multi-cap scheme, launched in Sept 2017
- Target universe of growth-oriented companies, with a scalable business model
- Open-ended, Lock in of 12-months
- Balanced allocation to large caps (steady returns, liquid) and mid/small caps (stronger absolute returns adjusted for liquidity, growth risks)
- Tax Free in the hands of Investors
- Minimum investment size of INR 1 crore; top-up can be lower and discretion of investor

AIF Industry in India

- Alternative Investment Fund (AIF Cat III) categorized under SEBI (Alternative Investment Funds) Regulations, 2012 by the Securities and Exchange Board of India.
- AIFs employ diverse and complex trading strategies. Typically, Investors would be sophisticated and high-net-worth individuals
- AIF Cat III had Funds under management of over/near Rs1,10,000cr in September2024.
- Around 130 different entities manage 249 different schemes. Of the funds managed in AIF Cat III, around 80% were through long only schemes

AIF CAT-III Sub Categorization

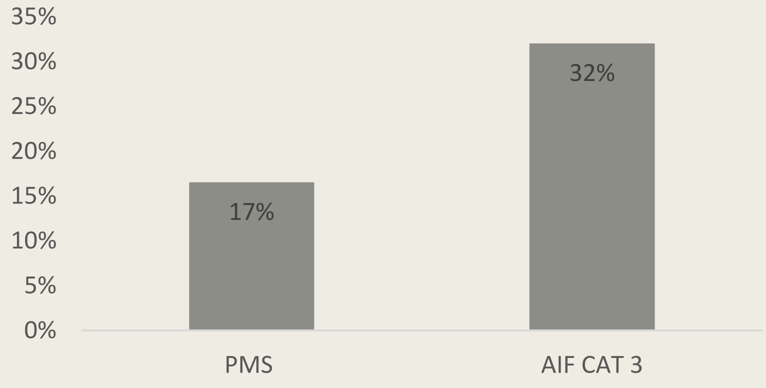
Category III	No. of Schemes	No. of AIF's	Value(Crs.)
Long Only Equity Fund	192	90	1,22,545
Long Short Equity Fund	54	37	16,418
Multi Asset Fund	3	3	4,959

Source: Nifty AIF Benchmarking Report-September 2024

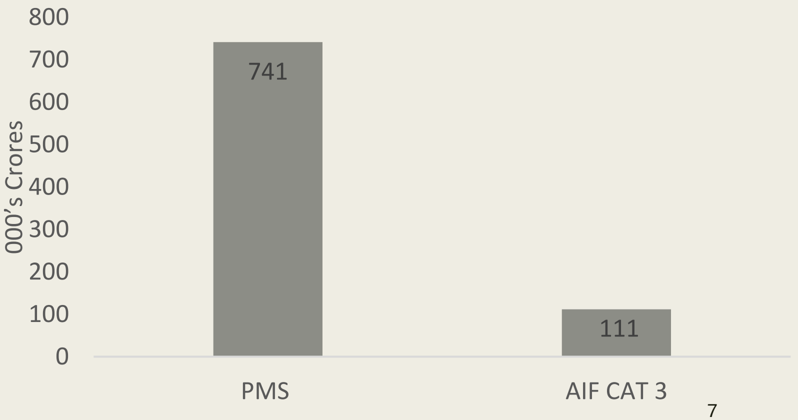
AIF vs PMS

- Over the last 5 years, AIF Cat III has registered ~30% annual growth, compared to 17% for PMS (Portfolio Management Services). AIF Cat III is 1/7th the size of PMS industry
- Faster growth of Cat 3 AIFs can be attributed to following benefits:
  - AIF-Cat III is unitized akin to MFs, so offer smoother fund management practices including allotment, tracking and execution
  - Tax free in the hands of investors, thereby removes the burden of tax calculations
  - Involves higher in-depth compliance
  - Promoters of the fund are required to deploy higher capital compared to PMS
  - Offers increased transparency and security to investors
  - Possibility of complex strategies, with a broader range of risk reward options, leading to prospect of superior performance

5 Year CAGR : PMS vs CAT III



AUM : PMS vs AIF CAT III



Source: Nifty AIF Benchmarking Report-September 2024

Investment Strategy : Construct the Right portfolio

To deliver superior returns driven by, Right Stocks at the Right Time and the Right Size

- Consistent Outperformance : Deliver better than Benchmark Index returns every year
- Right Stock : Scores high on 1) Management Quality, 2) Market Attractiveness, and 3) Business Strategy
- Right Time : Sweet spot of 1) Business Cycle, 2) Valuations, and 3) Holding tenure
- Right Size : 1) Maximise Gains through optimum allocation of weights, 2) Minimise Risk through diversification of holdings

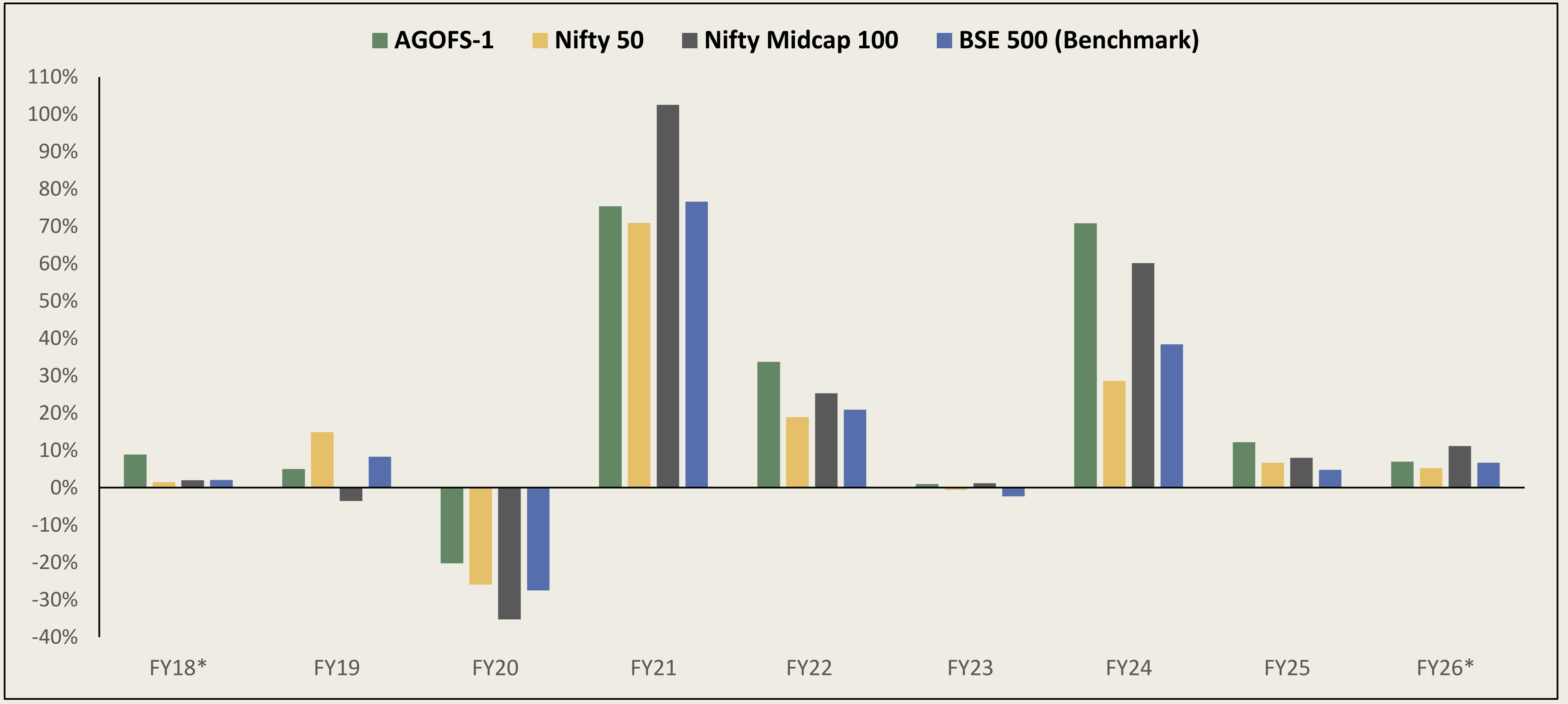
Ampersand Fund has consistently outperformed

- Ampersand manages a multi-cap scheme, and needs to be recognized as such
- Our fund has outperformed over various time periods…
- …and major market indices, including benchmark (BSE 500)
- Since inception in Sept 2017, our fund has delivered 21.2% CAGR, net of fees

Returns (as on May 31, 2025)	1 month	3 months	6 months	1 year	3-year CAGR	5-year CAGR	Since Inception (Sep 2017)
Ampersand Fund *	5.7%	15.9%	-11.2%	7.8%	29.9%	34.8%	21.2%
BSE 500 (Benchmark)	3.4%	14.4%	0.2%	7.4%	16.8%	23.6%	13.5%
NIFTY 50	1.9%	12.1%	3.0%	11.1%	15.6%	22.3%	14.2%
NIFTY Mid Cap 100	6.2%	19.9%	2.0%	11.7%	27.5%	35.1%	17.2%

** Fund returns (post fees and taxes paid till date)*

Ampersand vs Benchmark : Always ahead



** Returns (FY18: September 22, 2017 – March 31, 2018, FY26 YTD)*

Ampersand started AGOFS–1 (AIF Cat-III) in September 2017

All AGOFS-1 returns are post fees & taxes paid till date

Ampersand in Top quartile of NSE-AIF Benchmark

- NSE is benchmarking the performance of Cat III AIFs, in line with SEBI directive
- As per latest NSE benchmark report ended Sept 2024, AGOFS - 1 is in top quartile for last 1- year, 2-years and 3-years.
- AGOFS-1 performance is well above median returns reported across Cat III AIF schemes, every year since Sep 2017 (Fund Inception)

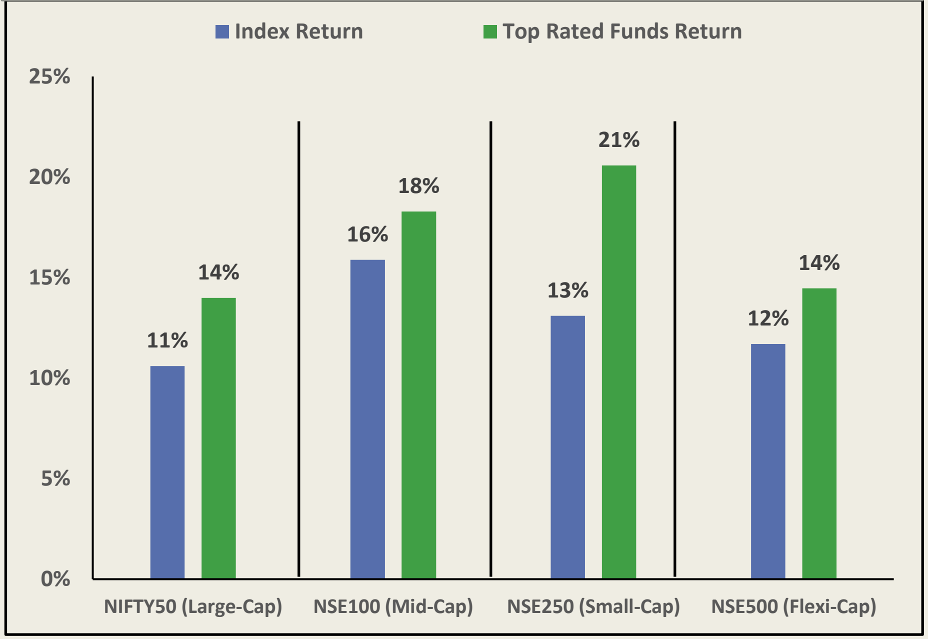
	Scheme Performance			Category III Benchmark Performance		
Period	**No. of Schemes**	**AGOFS-1 Returns (%)**	**Scheme Quartile**	**1st Quartile (Threshold for top 25%)**	**Median**	**3rd Quartile (Threshold for top 75%)**
1-year (%)	**174**	**76.25%**	**Top Quartile**	**48.20%**	**35.42%**	**23.41%**
2-year(%)	**129**	**50.84%**	**Top Quartile**	**38.29%**	**25.52%**	**15.14%**
3-year(%)	**90**	**33.49%**	**Top Quartile**	**22.11%**	**15.11%**	**8.45%**

Source: NSE Benchmark Report September 30, 2024

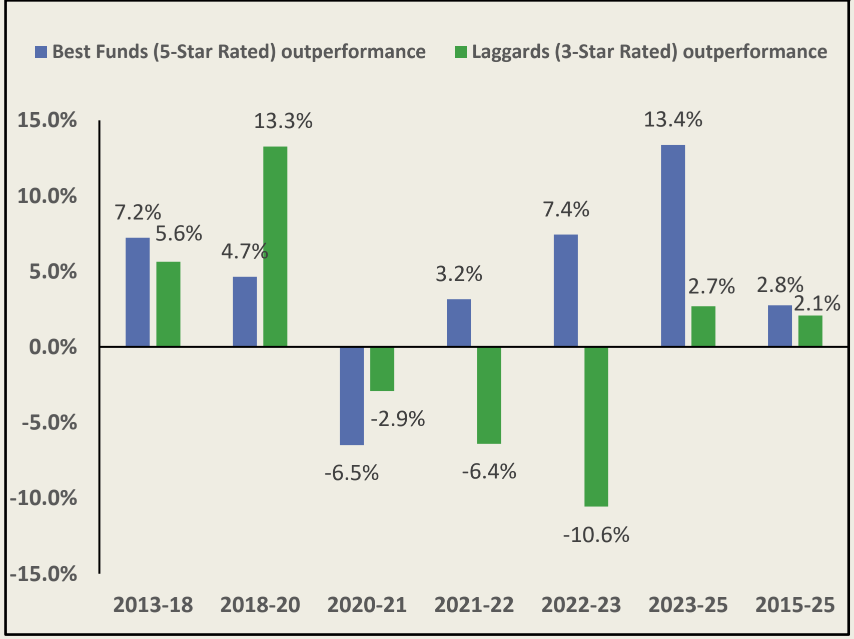
Target to sustain eminent status

- Best funds outperform benchmark by around 5% annually
- Consistent outperformance ensures top quartile position ….
- …Outliers typically don't sustain, even if returns exceed benchmark by 10-15% in any year
- Our aim to retain consistency, and thereby sustain top quartile status

Best MF Schemes up ~5% vs benchmarks in last 10yrs



Consistency is key in the long term

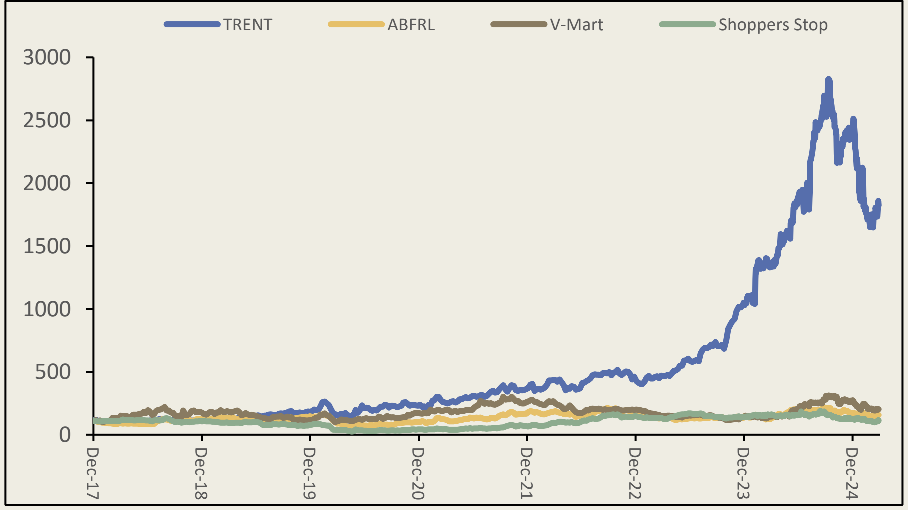


Source: Moneycontrol

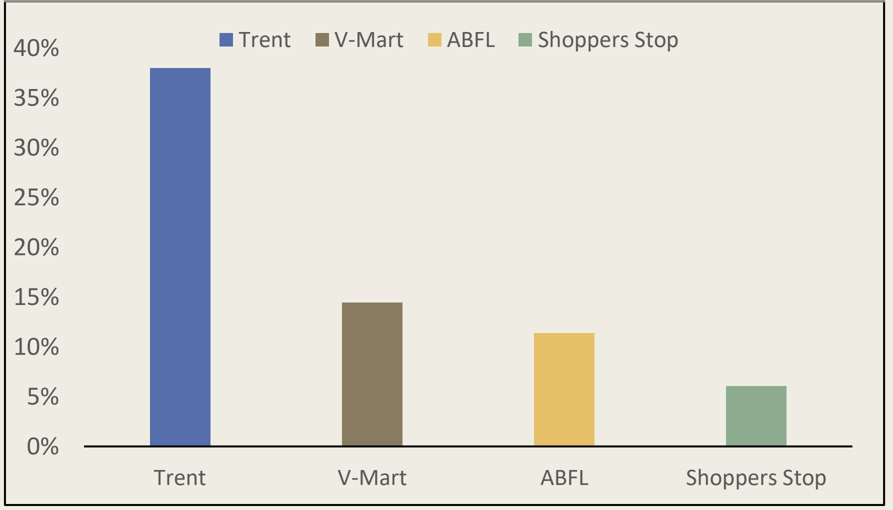
Right Stock : Winner takes it All

- Over the last decade, around 100 stocks have delivered more than 20% annual return and about 25 stocks have delivered over 35% return in the universe of top 200 stocks
- We look for the following key attributes to identify winners:
  - High quality management with track record of delivering superior growth and managing macro risks, while ensuring high standards of corporate governance and sustainability
  - Sectors with significant business potential amidst healthy competition, leading to profitable growth
  - Business strategy that leads to expansion of (1) Market share, and (2) Profit Margin/ ROCE

Trent: Stock up ~12x in 5-years, well ahead of peers



Trent: Returns reflect faster rev. growth over FY20-25E

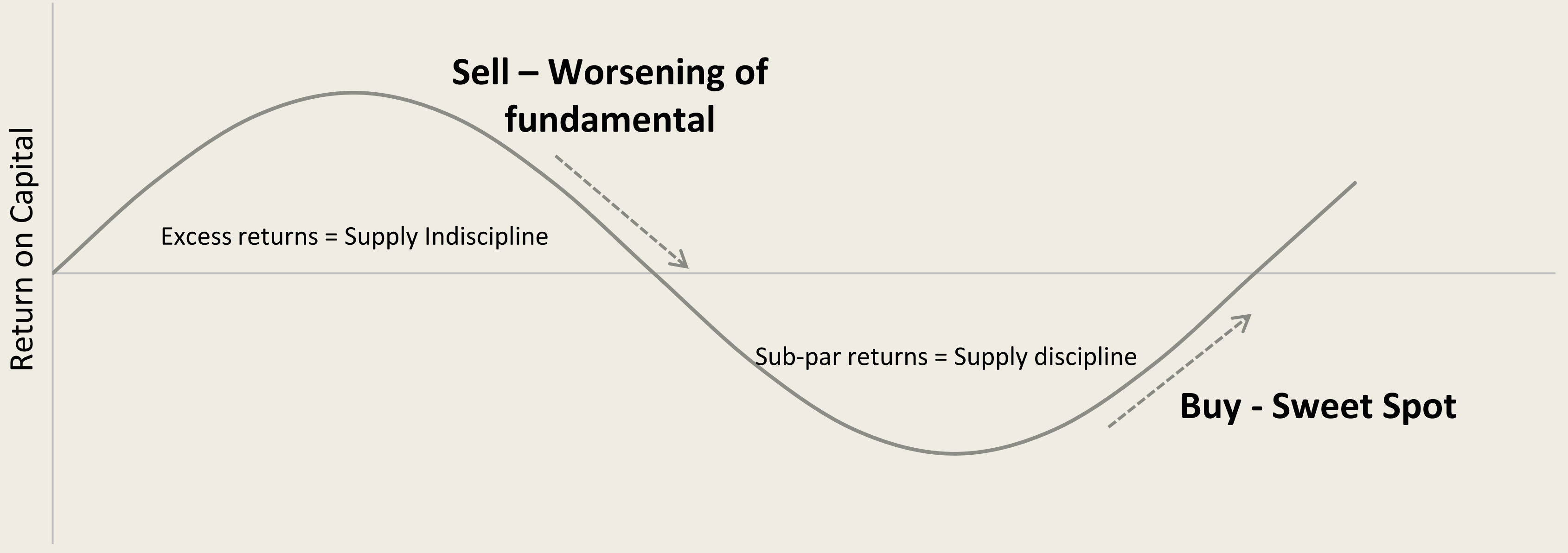


Source: BSE & Refinitiv

Right Time: A Scientific Art

"Nothing goes in one direction forever... Just about everything is cyclical, Howard Marks

- Sweet spot is a function of timing Entry and Exit in stocks
- Business cycles are evaluated through constant monitoring of industry dynamics such as competitive landscape, pricing scenario etc.
- Valuations are tracked to assess mispricing of stocks, and potential risk adjusted returns
- Holding period ideally should be equal to a business cycle, but tempered with market conditions



Right Size: Maximize gains with Minimal risk

- Our portfolio construct is guided by the following principles :
- Maximise gains through optimum allocation of weights
  - Allocation based on growth outlook, balanced by risks related to business volatility and stock liquidity
  - We avoid micro caps due to low liquidity and high impact cost
- Minimise risks through diversification of holdings
  - Notwithstanding preferred sectors/themes driving some skewness and concentration in portfolio …
  - …diversification of holdings key to address risks associated with external environment

Portfolio construct practices

We follow well defined steps to construct and manage our portfolio

Step 1	• Identify sectors on the cusp of a multi-year up cycle, preferable driven by macro themes
Step 2	• Focus on companies with improving competitive advantage and long-term potential, supported by a proven track record
Step 3	• Assess valuation re-rating potential, thereby offering favourable outcomes from a risk-reward perspective
Step 4	• Mitigate downside risks that could arise from liquidity, events, and execution

Stock Screener : Ideation to Execution

		Industry Attractiveness				
		+ Demand	+ Competitive Landscape	<-> Regulation		
Portfolio Allocation	+ Upside Potential	Stock Name (XXX)			Valuation +	Risk Reward Outcome
	+ Holding Duration				Capital Structure +	
	+ Conviction Level				Event Risk <->	
		New Initiatives +	Track Record +	Profitability +		
		Company Outlook				

+ Positive   <-> Neutral   -- Negative

Ampersand Portfolio : High on growth

- Our portfolio is expected to deliver profit growth of 24.9% in FY26e and 19.7% in FY27e
- Key drivers of profitability are both, sales (15%+CAGR) and expansion in margins

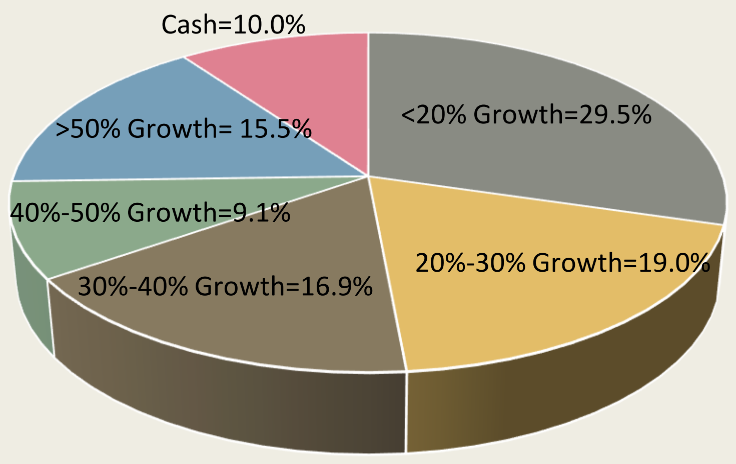
Portfolio Stock : Summary financials

AGOFS-1	FY24	FY25	FY26E	FY27E	Q4FY25
Sales Growth	15.7%	19.9%	16.5%	15.6%	21.8%
EBITDA Growth	21.1%	21.9%	20.5%	18.0%	27.3%
PAT Growth	28.5%	20.9%	24.9%	19.7%	26.4%

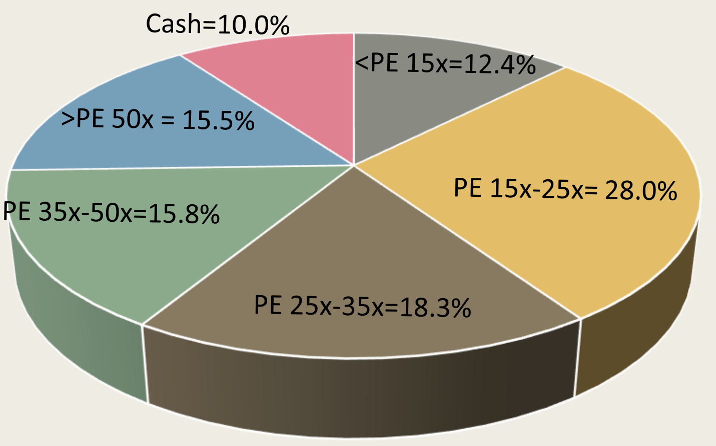
BSE500	FY24	FY25	FY26E	FY27E	Q4FY25
Sales Growth	13.0%	11.0%	11.5%	12.2%	8.0%
PAT Growth	21.0%	9.0%	14.0%	16.0%	8.7%

Ampersand Portfolio : Mostly growth, but also value

Growth mix : Over 60% stocks could deliver >20% profit growth



Valuation Mix : Around 60% of stocks trade under 35x FY26 PE



Ampersand Portfolio: Stocks and Risk metrics

Top-10 Holdings

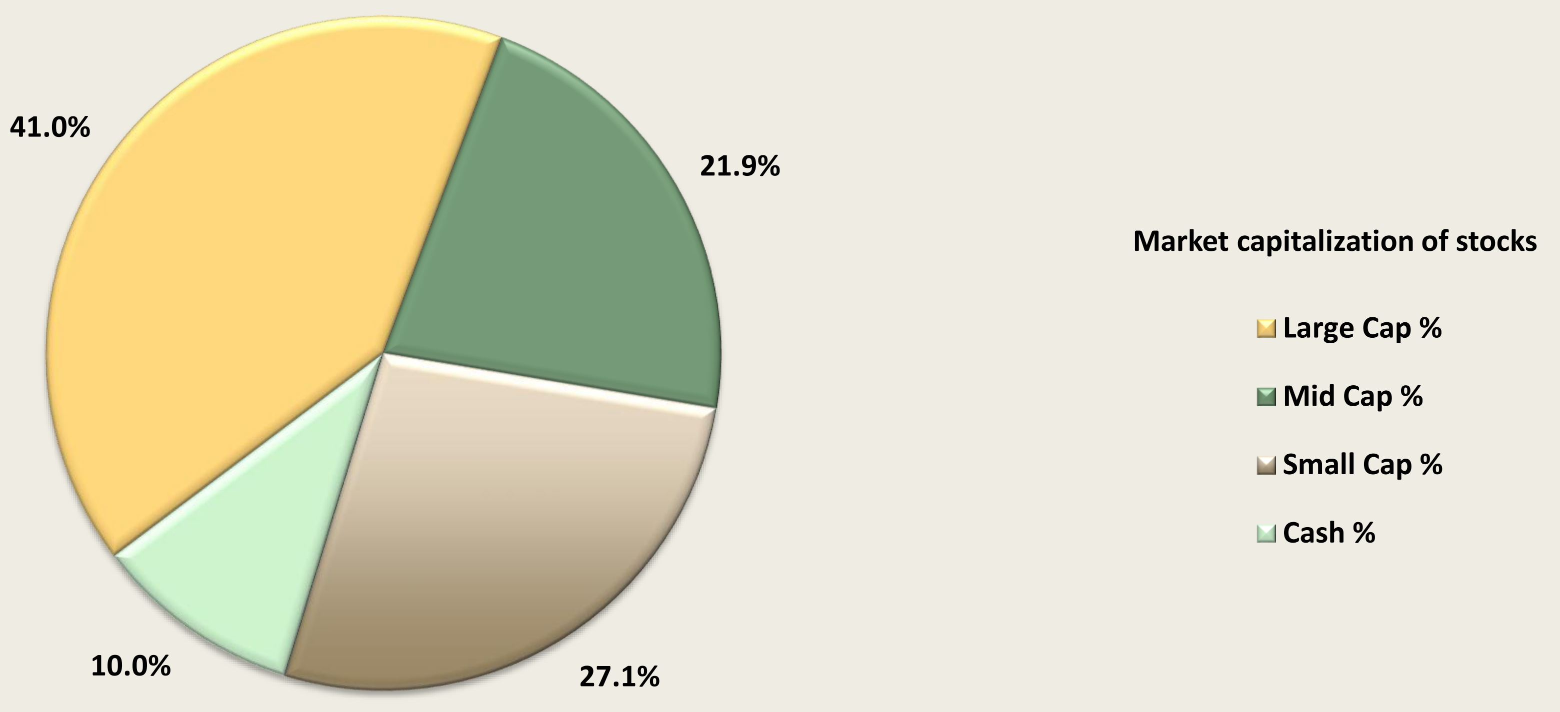
Company	% Weight	Company	% Weight
Polycab	5.5%	Solar Industries	4.3%
Bajaj Finance	4.9%	ICICI Bank	4.2%
InterGlobe Aviation	4.4%	Motilal Oswal Financial	4.2%
Trent	4.3%	Divi's Labs	3.9%
Coforge	4.3%	MCX	3.9%
Top 5	**23.3%**	**Top 10**	**43.7%**

Portfolio Metrics

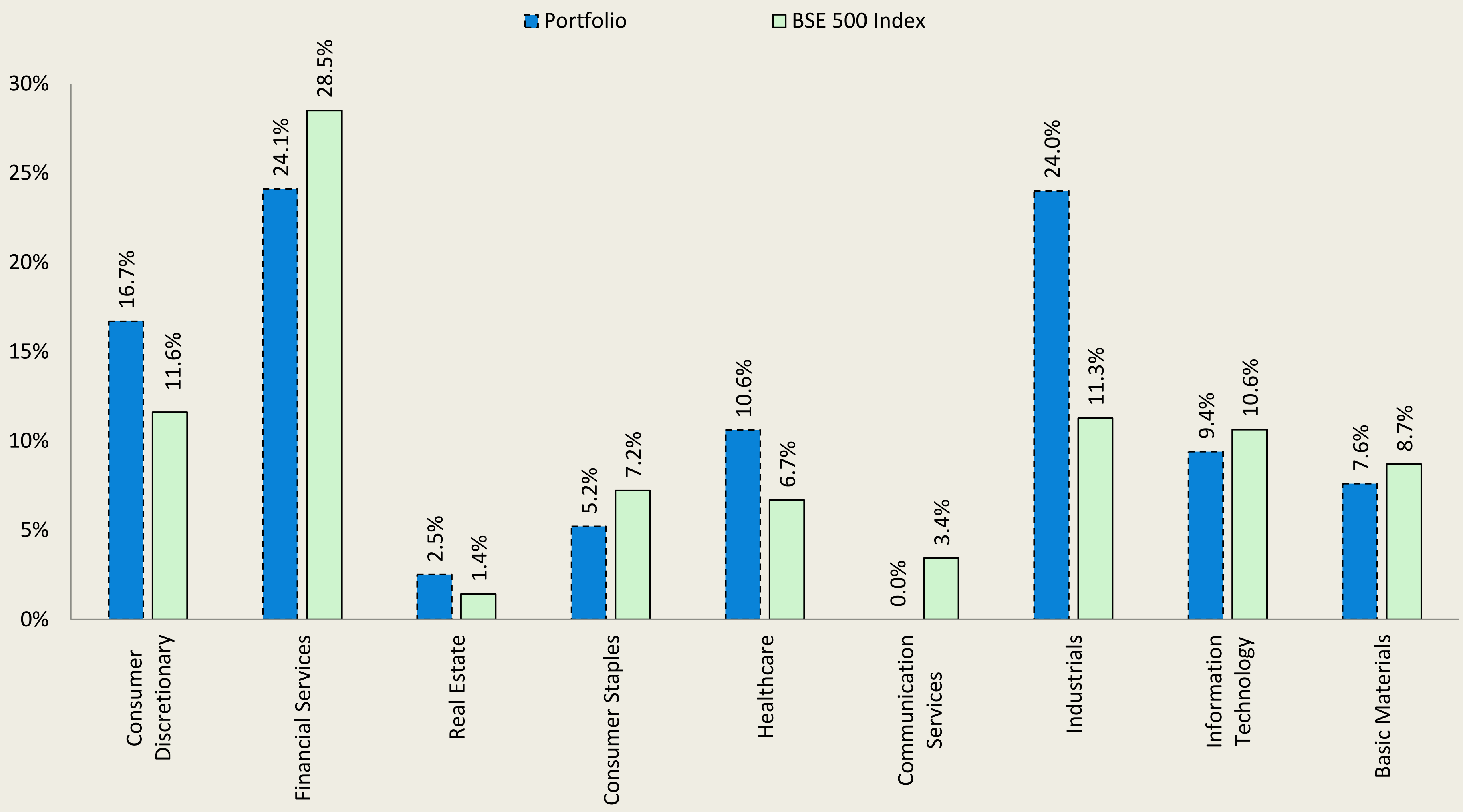
Valuation		Risk	
PE	33.1	Standard Deviation	19.4
PEG ratio	1.3x	Beta	0.94
PB	10.3	Sharpe Ratio	1.08
ROCE *	21.9	Capture Ratio	1.4x

*PE, PB & ROCE calculated based on FY26 estimated values. *ROCE for portfolio is calculated ex-financials.*
**Annualised standard deviation of returns has been calculated.*

Portfolio balanced for Liquidity & Risk adjusted return



Sectoral Weights: Portfolio vs Benchmark Index



Investment Outlook : Banking on Macro recovery

- Combination of personal tax cuts and interest rate cuts likely to revive economy and boost market sentiment soon
- Valuations at median levels now
- Large cap index NIFTY trades at around 19x FY27e, and likely to register 13% profit growth annually over FY25-27E compared to around 6% growth in FY25. Small and Midcaps now at 22x-25x respectively with Profit growth outlook of 15%-18%
- Earnings recovery, and reasonable valuation following recent correction is a compelling reason for market recovery from here on
- **Key Risks**: USA govt tariff hikes further derailing global economy

Our preferred themes

- **Premiumisation:** Every $1trn add-on to Indian economy will lead to faster rise in wealthy individuals. This will drive premiumization of products ranging from cars to hotels, and ergo a strong durable investment theme

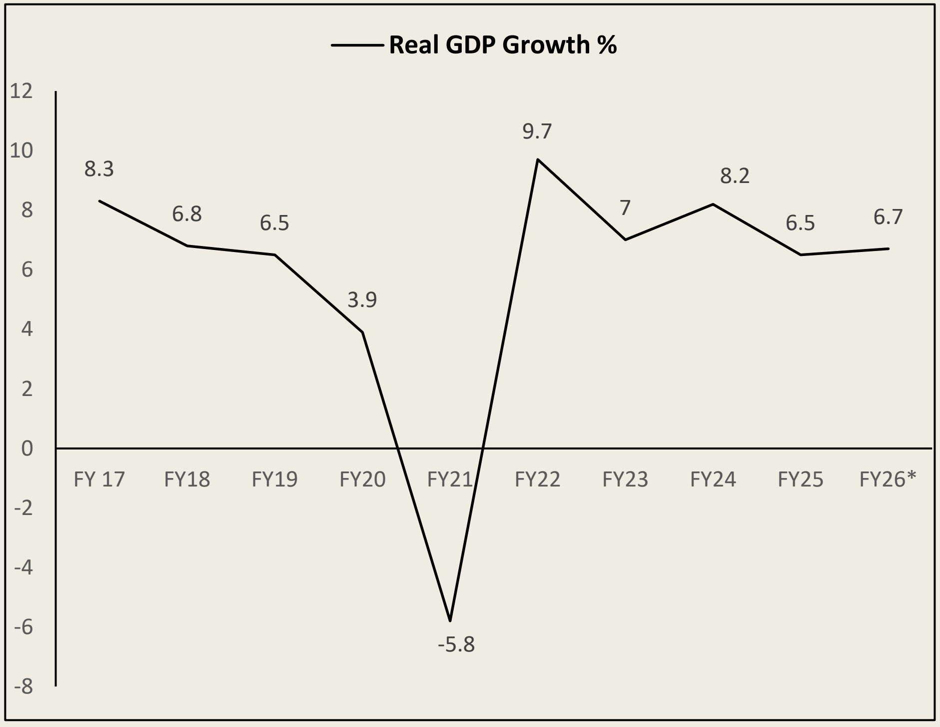
- **Energy Transition:** India is trying to become self-reliant in energy, and work towards reduction of carbon footprint. Key beneficiaries are likely to be consumers and manufacturers of renewable energy equipment

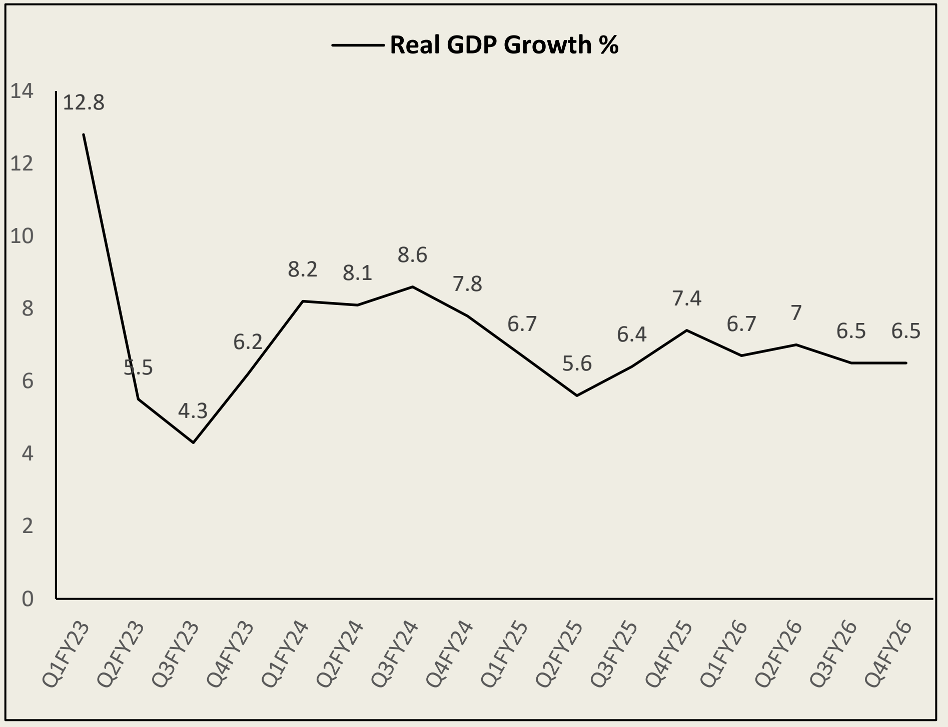
- **New Age Technologies:** US is gaining from new age technologies including AI, quantum computing and mRNA. India's Engineering research and design companies in (ER&D), as well as Contract research, Development and Manufacturing (CDMO) too stand to gain given its large pool of cheaper engineering talent compared to competing countries

- **Import Substitution**: Incremental Capex and growth in segments such as Defence and Electronics led by Indian Government's push/ incentives towards Indigenization, along with global thrust on China+1

Indian Economy Resilient (GDP %)

- ➢ India's GDP set to sustain 6% plus growth, and outpace most leading economies
- ➢ Robust banking system and prudent fiscal policies, driving stronger growth
- ➢ Weakness in external sector remains key deterrent





Source: RBI & ICRA

Growing Affordability to boost Consumption

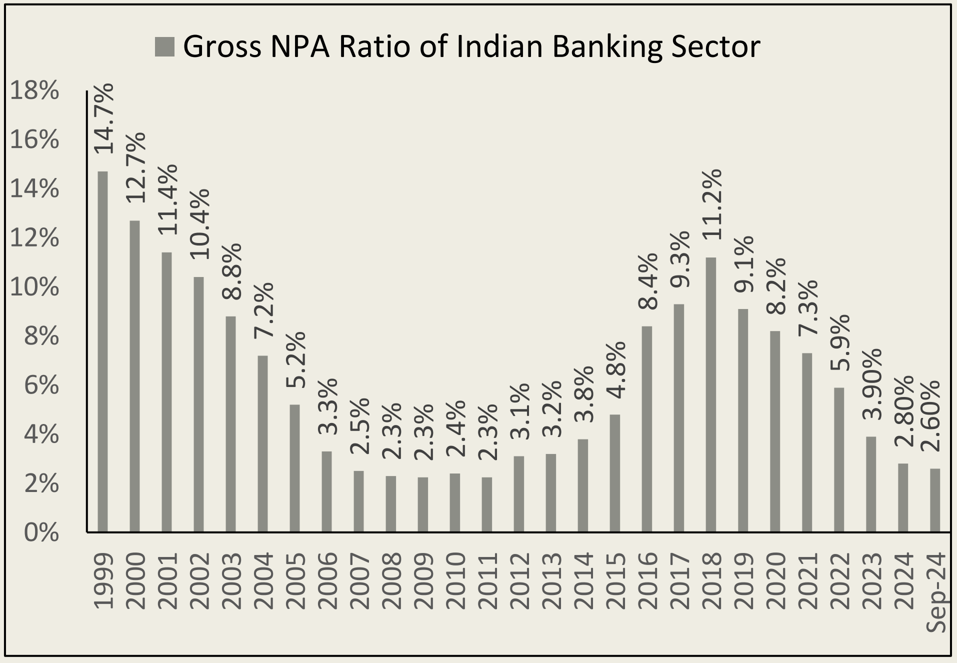
- Supply shock post Covid and regulatory changes led to high inflation and unaffordability
- With prices remaining benign over past few years, volume growth likely to revive- green shoots already visible in rural areas
- Urban consumption revival imminent aided by tax cuts and better affordability

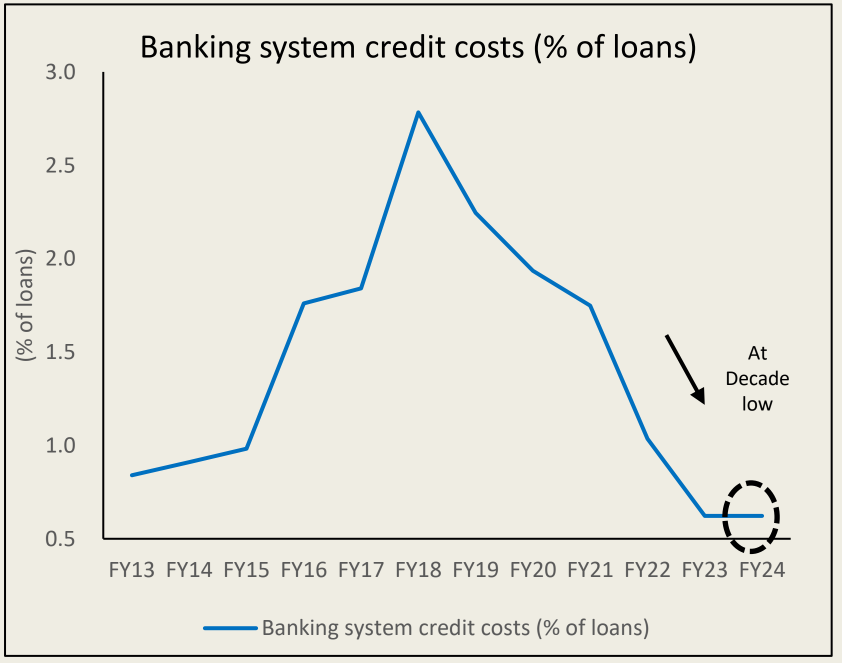
Parameter	FY19-23 CAGR	FY24 YoY	FY25 YoY	FY26 P
Retail Inflation (CPI)	5.8%	5.4%	4.6%	3.6%-4.4%
Fuel Prices (Petrol Prices Mumbai)	7.2%	0.0%	0.0%	0.0%
Electricity Tariff (Avg. revenue realization INR/ KWh)	2.6%	-1.2%	-1.4%	-1% - -3%
Air Travel (Indigo Yield[1] per km)	8.2%	-0.9%	1.3%	-1% - 2%
Automobiles (Hero Moto ASP[2])	10.2%	4.9%	3.2%	1% - 3%
Healthcare (Apollo Hospitals ARPOB[3])	10.8%	11.3%	5.4%	2% - 5%

1. Yield= Passenger Ticket Revenue per Kilometre; 2. ASP= Average Selling Price per Vehicle; 3. ARPOB= Avg. Revenue Per Occupied Bed

Credit quality improvement, key macro-enabler

- Indian Banks have seen sharp reduction in bad debt, thanks to new regulations such as IBC
- Low credit cost and adequate capital is helping domestic banks to effectively finance India's growth, and de-link from external risks
- India's interest rate premium relative to US etc. have declined substantially, thereby boosting comparative advantage



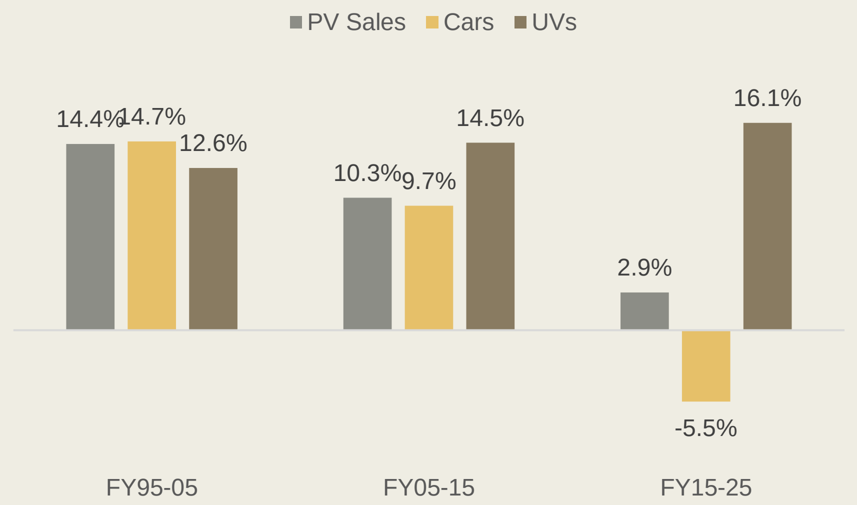


Source: RBI

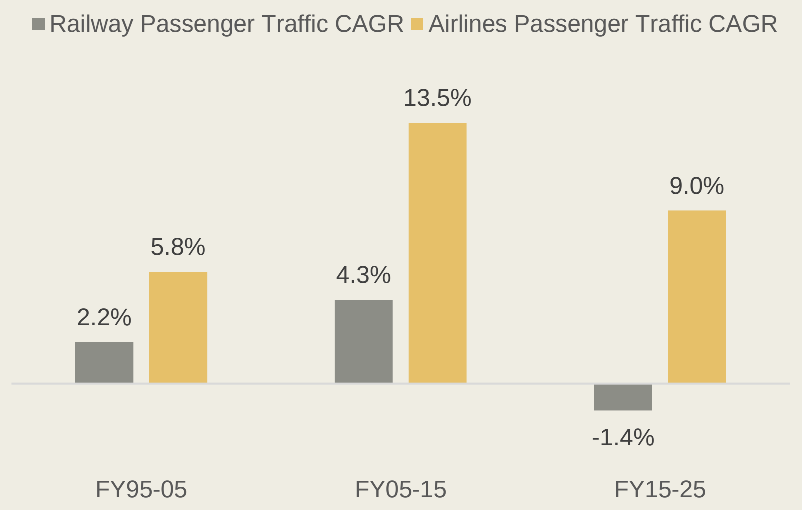
Premiumisation : High quality growth theme

- Every $1trn add-on to Indian economy will lead to faster rise in wealthy individuals
- Passenger traffic (both Rail/Road), Jewelry and Hotels, double digit growth is restricted to premium segments
- Presence of high quality companies in premium consumption category make it a great investment category despite rich valuations

Automobile growth restricted to SUVs in last decade



Airlines traffic growth consistently outpacing Railways

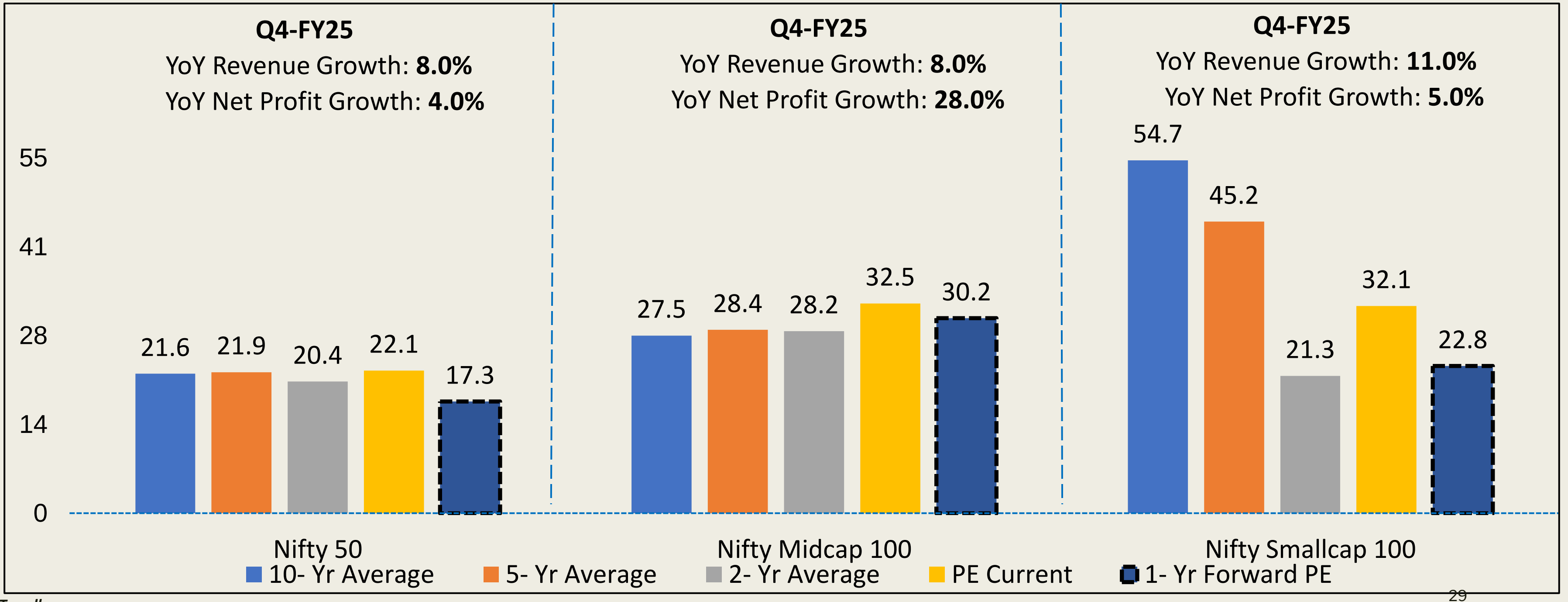


Source: SIAM, DCGA, Indian railways

Invest in growth

- ➢ Over the next 3 years, earnings will major driver of stock performance, as further re-rating prospects seem limited
- ➢ Market cap agnostic in choosing stocks, as high growth stories with reasonable valuations are available only in select pockets

Chart 3: Small caps best on growth, while large caps offer value



Source: Trendlyne

Portfolio Stock – Case Study 1

Interglobe Aviation: Expanding horizon amidst rising industry attractiveness

- IndiGo appears attractively valued given robust growth prospects driven by timely fleet expansion and international foray

- Domestic airline industry outlook remains favourable from a medium term perspective owing to (1) tighter supply of new aircrafts (2) new airport additions, and (3) declining cost of fuel and lease cost

- Key risks: Regulations that could cap pricing or rise in airport usage cost

Portfolio Stock – Case Study 2

Solar Industries : Defence behemoth in making

- Solar is now armed with wide ranging defence equipment and explosives. It will leverage favorable Govt. policies, superior cost and execution to deliver significant upside
- Company's legacy business of supplying explosives to mining and construction is also likely to sustain steady growth of over 15% owing to increased thrust on exports.
- Key Risks: Reduced geo political conflicts compared to last 3 years of war in Ukraine and Palestine

Portfolio Stock – Case Study 3

Bajaj Finance: Better times ahead

- The consumer credit growth trajectory to gain momentum over next couple of years driven by (1) benign interest rate cycle (2) strengthened top management team, and (3) AI led superior digital infra
- Easing of Bank lending norms to NBFCs, and end of cobranded credit cards uncertainty, along with strong earnings will drive rerating
- Key Risks: Shallow rate cut cycle amidst trade war

Intermediaries of the Fund

Intermediaries	Role
kotak	Fund Administrator (Custodian, Fund Accounting & Banker)
KHAITAN & CO Advocates since 1911	Legal & Fund Consultant
Deloitte.	Statutory & Tax Auditor Tax & Regulatory Advisor
AMICORP	Trustee
	Investment Manager
Our Mission... Your Growth CAMS	Registrar & Transfer Agent

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