

STRATEGY NOTE

Introducing Abakkus Asset Manager LLP

- Abakkus is alpha focused asset management firm set-up by Mr. Sunil Singhania, managing over ~INR 10,000* crores in long only equity strategies.
- Sunil, a CA Rank Holder and CFA charter holder, has a distinguished track record of over 2 decades in Equity Investments. Earlier as CIO-Equities for Reliance Mutual Fund (now Nippon India Mutual Fund), he played an instrumental role in building RMF (now Nippon India Mutual Fund) into one of India's largest AMCs overseeing ~USD 11bn of equity assets.
- Reliance Growth Mutual Fund (now Nippon India Growth Mutual Fund), independently managed by him, has the unique distinction of having grown over 100 times in 21 years. Reliance Small Cap Mutual Fund (now Nippon India Small Cap Mutual Fund) was rated amongst the top Mutual funds in its category.
- He is currently appointed on the IFRS Capital Markets Advisory Committee (CMAC) and the only member from India to be appointed for the same. (2020-2023)
- He served on the Global board of CFA Institute, USA (2013-2019) and as Chairman of the Investment Committee (2018 - 2019) of the CFA Institute, USA.

Investment Philosophy

Risk reward equation

- Expected returns must justify the risk / uncertainty taken
- A good company might not necessarily be a good stock
- Focus on the price we pay, and value derived
- What is in the price?

Alpha generators

- Believe in investing with an endeavor to generate alpha over the markets rather than just allocating within benchmark index
- Growth companies where profitability is expected to grow higher than market average
- Fundamentally underpriced stocks with reasonable growth expectations
- Mid Cap companies with a scalable business model and growth potential to become large cap

Patient investors

- Buy and hold
- Invest in a stock as if investing in a business
- Think like a partner

Agile and flexible

- Each investment opportunity is looked upon individual merit
- Not constrained to a particular theme or style

Fundamental driven

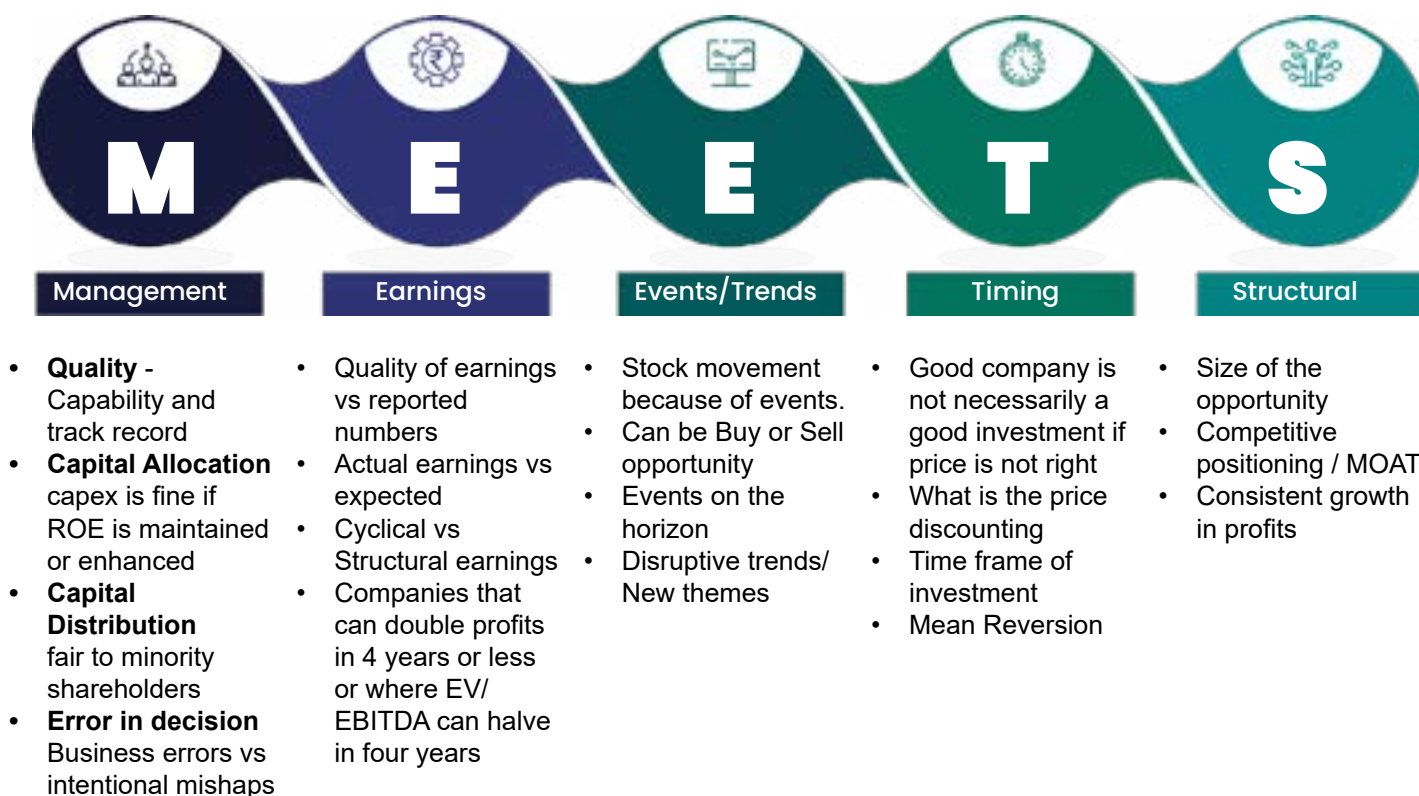
- Bottom-up research with focus on balance sheet
- Numbers speak more than presentations and hype
- Returns ultimately are all about earnings

Happy to be contrarian

- Prefer to be first, early and/or only investors
- Do not chase the momentum
- Open to look at companies across sectors and market caps and business cycle



Our Unique MEETS Framework



Opportunity Matrix

Large Cap



Large, Stable

- Fundamental approach to investing
- Valuations do matter
- Judiciously invest rather than allocation-based approach
- Selective sector calls
- Depending on the economic scenario take small cyclical sector exposure from time to time

Mid Cap

- Bottom-up stock picks via in-house research
- Focus on entrepreneurs driving businesses with competitive moat
- Companies that are gaining market share
- Consistency in fundamental track record
- Strong Number 2 or Number 3 in their respective sector



Established, Fast moving

Small Cap



Volatile, Swift

- Invest in new sectors and emerging themes
- Bank on entrepreneurship which is thriving in India
- Companies with unique positioning in their respective sector
- Small companies but in niche sectors
- Opportunistic exposure to events, special situations
- Under Researched \ Disbelief

Micro Cap

- Undiscovered companies with long term high growth potential
- Sound businesses that are priced significantly below our estimation
- Under penetrated sectors / industries having Macro tailwinds
- Invest in potential turnaround stories
- Companies with less awareness / research



Flexible, Agile

Characteristics resembling companies/image are for illustrative purpose only. It may/may not be applicable to respective market capitalization
 *Indicative Market Cap Breakup on a fully constructed portfolio, may differ due to fund raising during commitment period. Market cap classification based on internal criteria.
 Vector figure credits: Elephant – 123RF; Bull, Tiger – Vectorstock; Squirrel – Freepik.

Fund Characteristics

- Unique 40:30:20:10 approach to portfolio construction
- Capturing opportunities across market capitalization
- Lower volatility through large cap and larger mid cap exposure
- Alpha creation via exposure to mid, small & micro caps
- Risk discipline and management by way of position sizing
- Liquidity management as smaller capitalization companies have incrementally smaller weights

*Indicative Market Cap Breakup on a fully constructed portfolio, may differ due to fund raising during commitment period. Market cap classification based on internal criteria. Indicative allocation only at the time of investment. May change at the discretion of Investment Manager (IM);

Fund Features

Fund / Scheme Name	Abakkus Diversified Alpha Fund
Fund Type	Close ended Category III Alternative Investment Fund (AIF)
Target Corpus	INR 1000 crores with a green-shoe option of up to INR 1000 crores
Commitment Amount	Minimum INR 1 crore (100% upfront or option to investment with 50% initial drawdown)
Investment Manager / Sponsor	Abakkus Asset Manager LLP / Abakkus Fund Sponsors LLP
Tenure of the Fund	5.5 Years (from date of First Closing), with an option to redeem with exit /charges* after the expiry of lock-in period.
Lock-in period	Lock-in period is 12 months from the date of final closing or payment of last drawdown; whichever is later
Benchmark	S&P BSE 200
Trustee	Amicorp Trustees (India) Private Limited
Custodian and Fund Accountant	ICICI Bank Limited
Legal and Tax Advisor	I. C. Universal Legal / Price Waterhouse & Co. LLP
RTA and Stamp Duty Collection Agent	Computer Age Management Services Limited
Taxation	No specific pass-through status accorded to a Category III AIFs. Trust taxation principles to apply to the AIF and practically, taxes to be discharged at the AIF level. Investors are strongly urged to consult their tax advisors with specific reference to their own situations. For more details , please refer to private placement memorandum.

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Risk



About Us

Abakkus Asset Manager LLP ("Abakkus") is registered as a Portfolio Manager with SEBI under SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time and the Circulars and Guidelines issued there under from time to time vide SEBI Reg. No.: INP000006457 dated March 14, 2019 and as an Investment Advisor under SEBI (Investment Advisors) Regulations, 2013 as amended from time to time and the Circulars and Guidelines issued there under from time to time vide SEBI Reg. No.: INA000015729 dated February 03, 2021. Abakkus is also the Investment Manager to Abakkus Growth Fund, a SEBI registered Category III AIF vide SEBI Reg. No.: IN/AIF3/18-19/0550 dated June 05, 2018, India-Ahead Venture Trust, a SEBI registered Category I AIF vide SEBI Reg. No.: IN/AIF1/21-22/0976 dated January 25, 2022 and India-Ahead Private Equity Trust, a SEBI registered Category II AIF vide SEBI Reg. No.: IN/AIF2/21-22/0980 dated January 27, 2022, under SEBI (Alternative Investment Fund) Regulations, 2012 as amended from time to time and the Circulars and Guidelines issued there under from time to time collectively referred as the SEBI Registered Intermediary.

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Abakkus (including its affiliates) may offer services in nature of advisory, consultancy, portfolio management, sponsorship of funds, investment management of funds which may conflict with each other.

Abakkus operates from within India and is subject to Indian laws and any dispute shall be resolved in the courts of Mumbai, Maharashtra only.

Alternative Investment Fund

As per SEBI Circular No. SEBI/HO/IMD/DF6/CIR/P/2020/24 dated February 05, 2020, details of industry benchmark and AIF level performance versus Benchmark Reports are available at <https://www.crisil.com/en/home/what-we-do/financial-products/alternate-investment-funds-benchmarks.html> and <https://www.nseindia.com/products-services/aif-benchmark-report>.

Compliance Officer details under AIF: Mr. Biharilal Deora, **Tel:** 022-68846600; **Email** – compliance@abakkusinvest.com

Portfolio Management Services: You may refer the Disclosure Document available at <https://abakkusinvest.com/regulatory-disclosure/> for detailed disclosures.

Principal Officer and Compliance Officer Details under PMS: **Principal Officer:** Mr. Sunil Singhania, **Tel:** 022-68846600; **Compliance Officer:** Mr. Biharilal Deora, **Tel:** 022-68846600; **Email** – compliance@abakkusinvest.com

Investment Advisory Services: You may refer the Disclosure Document available at <http://ria.abakkusinvest.com/> for detailed disclosures.

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Compliance Officer: Mr. Lijo Varghese, **Tel:** 022-68846600; **Email** – compliance@abakkusinvest.com

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 LLPIN: AAM-2364;

RM Name:		
Employee Code:		Sign
Contributor Name:	1.	
	2.	Sign

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4. HSL does not make any representation or warranty, express or implied to the investors regarding investing in such instruments. HSL is only acting as a distributor and there is no element of advisory involved. The client understands that this product has been referred to him as per his / her request.
5. The Client understands that HSL does not indemnify the Client directly or indirectly in any manner in the event of the fund not being able to achieve its investment objective.
6. The Client understands that the Investment Manager does not indemnify the client directly or indirectly in any manner in the event of the fund not being able to achieve its investment objective.
7. The Clients shall invest in the fund with respect of the Client's long term investable funds.

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HDFC SECURITIES

RM Name	
Employee Code	

CONFIRMATION OF THE FUND LIQUIDITY BY THE CLIENT

I understand that Abakkus Diversified Alpha Fund is closed ended Scheme with a tenure of 5.5 years (i.e. 66 months) from the date of first closing which can further be extended by 2 years (1+1). There is a 1 year lock-in period i.e. 12 months from the date of final closing or payment of the last drawdown which ever is later. The investors have an option to redeem a part of the investments after the lock-in period with applicable charges.

I am ok with the same.

CONFIRMATION ON INVESTMENT EXPERIENCE IN SIMILAR PRODUCTS BY THE CLIENT

I hereby declare that I have prior experience of investing in such products and I am aware of the risks involved.

I am ok with the same.

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