

ACKNOWLEDGMENT OF THE BASIC TERMS OF ABAKKUS DIVERSIFIED ALPHA FUND

To,
 Abakkus Asset Manager LLP
 Abakkus Corporate Centre, 6th Floor, Param House,
 Near Grand Hyatt, Off Santacruz Chembur Link Road,
 Santacruz East, Mumbai - 400055, Maharashtra, India.

Dear Sir/Madam,

Subject: Acknowledgment of the basic terms of Abakkus Diversified Alpha Fund

I/We, _____
 residents of/having Registered/principal office at _____

here acknowledge and confirm that:

1. I/We intend to open AIF account with Abakkus Diversified Alpha Fund. I/We request Abakkus Asset Manager LLP to download and use/update if required KYC details and documents available with KYC Registration Agency (KRA) /CKYC. I/ We undertake and confirm that the KYC details & documents as available on KRA/CKYC are updated and correct. My KYC/CKYC number is _____
2. The Fund will invest predominantly in Equity and Equity related securities and is subject to market risk and there are no guaranteed returns. I/We have understood all terms and conditions, risk factors, investment objective, features related to the Fund.
3. I/We hereby voluntarily opt for Aadhaar OVD KYC or e-KYC or offline verification and hereby submit my/our Aadhaar number, virtual ID, E-Aadhaar, XML, Masked Aadhaar, Aadhaar details, Demographic information, identity information, Aadhaar registered mobile number, face authentication details and/or biometric information.
4. I/We are aware that Holding/Portfolio details are confidential in nature and disclosure of the same to third party or in public forum is prohibited.
5. I/We hereby agree that though my/our risk profile may be different from the risk of the Product offered by Abakkus Diversified Alpha Fund i.e., of high risk (aggressive) and decision to avail services have/has been taken by me/us only after reading and having understood all the risk factors mentioned in the PPM and agree that the product is suitable to me/us.
6. It is a close ended Fund with a tenure of 5.5 years (i.e. 66 months) from the date of the first closing which can be further 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.
7. If we have chosen the drawdown option, any default on our outstanding commitment amount, post drawdown period, we could be subject to penal and/or interest charges and potential forfeiture of our existing units.
8. The Fund has disclosed the distribution fee/placement fee charged to me/us at the time of onboarding and I/We understand that such fee paid shall be only from the management fee.

<div style="background-color: yellow; padding: 2px; display: inline-block;">Sign 2/9</div> <small>(First Contributor) Authorised Signatory with Stamp</small>	<div style="background-color: yellow; padding: 2px; display: inline-block;">Sign 2/9</div> <small>(Second Contributor) Authorised Signatory with Stamp</small>	<div style="background-color: yellow; padding: 2px; display: inline-block;">Sign</div> <small>Distributor / RM with stamp</small>
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Date	D	D	M	M	Y	Y	Y	Y	Place
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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

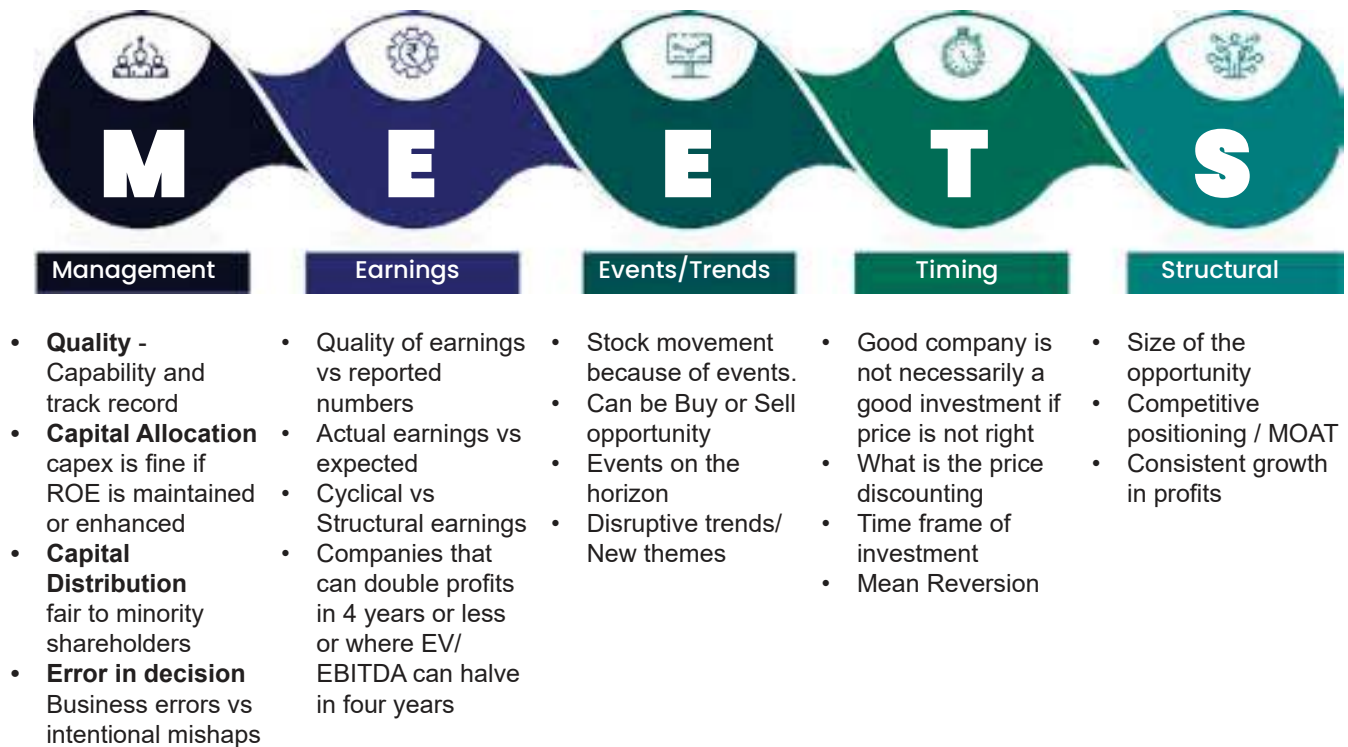
- Bottom-up research with focus on balance sheet
- Numbers speak more than presentations and hype
- Returns ultimately are all about earnings

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	A Close Ended Category III Alternative Investment Fund (AIF) Scheme
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.

For more details, please refer to private placement memorandum

Risk



For more details, please refer to Risk Factors in the Private Placement Memorandum

About Us

Abakkus Asset Manager LLP ("Abakkus") is registered as a Portfolio Manager with 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/AlF3/18-19/0550 dated June 05, 2018, India-Ahead Venture Trust, a SEBI registered Category I AIF vide SEBI Reg. No.: IN/AlF1/21-22/0976 dated January 25, 2022 and India-Ahead Private Equity Trust, a SEBI registered Category II AIF vide SEBI Reg. No.: IN/AlF2/21-22/0980 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. Bihari Lal 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. Bihari Lal 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

Contact Us: Website: www.abakkusinvest.com | **Email:** info@abakkusinvest.com | **Tel:** 022-68846600

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I/We hereby confirm and agree that I/We have read and understood the information in the Strategy Note between pages 8-11 of this booklet.

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