

INTRODUCING ABAKKUS ASSET MANAGER

- Abakkus is alpha focused asset management firm set-up by Mr. Sunil Singhania, managing over INR 7000* 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 Ex-Honorary Chairman of the Investment Committee (2018-2019) of the CFA Institute, USA.



INVESTMENT PHILOSOPHY

Alpha Generators	<ul style="list-style-type: none"> ➤ Believe in investing with an endeavor to generate alpha over the markets than just allocation within benchmark index ➤ Growth companies where profitability is expected to grow higher than market average ➤ Fundamentally underpriced stocks with reasonable growth expectations to triggers ➤ Mid Cap companies with a scalable business model and growth potential to become large cap
Fundamental Driven	<ul style="list-style-type: none"> ➤ 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	<ul style="list-style-type: none"> ➤ Prefer to be first, early and/or only investors ➤ Not chase the momentum ➤ Open to look at companies across sectors and market caps and business cycle
Agile and Flexible	<ul style="list-style-type: none"> ➤ Each investment opportunity is looked upon individual merit ➤ Not constrained to a particular theme or style
Patient Investors	<ul style="list-style-type: none"> ➤ Buy and hold ➤ Invest in a stock as if investing in a business ➤ Think like a partner
Risk Reward Equation	<ul style="list-style-type: none"> ➤ Expected returns have to 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?

OUR UNIQUE 'MEETS' FRAMEWORK

Management	<ul style="list-style-type: none"> › Quality - Capability and track record › Capital Allocation - capex is fine if ROE is maintained or enhanced › Capital Distribution - fair to minority shareholders › Error in decision - Business errors vs intentional mishaps
Earnings	<ul style="list-style-type: none"> › Quality of earnings vs reported numbers › Actual earnings vs expected › Cyclical vs Structural earnings › Companies that can double profits in 4 years or less or where EV/EBITDA can halve in four years
Events/Trends	<ul style="list-style-type: none"> › Stock movement because of events › Can be Buy or Sell opportunity › Events on the horizon › Disruptive trends/New themes
Timing	<ul style="list-style-type: none"> › Good company is not necessarily a good investment if price is not right › What is the price discounting › Time frame of investment › Mean Reversion
Structural	<ul style="list-style-type: none"> › Size of the opportunity › Competitive positioning/MOAT › Consistent growth in profits

OPPORTUNITY MATRIX

Large Cap	<ul style="list-style-type: none"> › Contra and differentiated approach to investing › Judiciously invest rather than allocation-based approach › Selective sector calls › Depending on the economic scenario take small cyclical sector exposure from time to time
<ul style="list-style-type: none"> › Bottom-up stock picks via inhouse research › Focus on entrepreneurs driving businesses with competitive moat › Companies that are gaining market share › Consistency in fundamental track record › Invest in sectors that are small but growing fast 	Mid Cap
Small Cap	<ul style="list-style-type: none"> › Tap 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

*Market Cap based on Internal Classification

PORTFOLIO CHARACTERISTICS

- › Benchmark Agnostic Flexi-cap diversified portfolio of around 30 companies
- › Endeavor to generate alpha over 3-5 years holding period
- › Limited exposure of up to 15% in smaller companies/special situations to generate additional alpha
- › Select IPO investments as an Anchor Investor/QIB/Pre-IPO.
- › Single stock exposure at max 10% and sector exposure below 30% at the time of investment

Type*	Indicative* Minimum Exposure	Indicative* Maximum Exposure
Large Cap	~35%	~65%
Mid Cap	~35%	~60%
Small Cap	~5%	~15%

*Market cap classification based on internal criteria. Indicative allocation only may change at the discretion of Investment Manager (IM)

FUND FEATURES

Fund/Scheme Name	Abakkus Growth Fund - 2 (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
Term	5 Years (from date of Final Closing), with an option to redeem with exit/charges* the expiry of 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/PricewaterhouseCoopers Private Limited
RTA and Stamp Duty Collection Agent	Computer Age Management Services (CAMS)
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.
Redemption	At least 30 Business Day notice period, post Lock-in period, subject to applicable charges*. Exit Day is the last business day of the month, or such other Business Day as the Investment Manager may determine

*For more details on exit and other charges, management fees, redemption process please refer to private placement memorandum. Plus taxes and all statutory levies as applicable.

RISKS

- › **Concentration Risk:** Diversified portfolio of around 30 companies, single stock exposure limited to less than 10% and sector exposure limited below 30%.
- › **Company Risk:** The best way to handle company risk is by knowing in-depth details about what you own and why you own. There is no substitute for this. Our uncompromised focus on balance sheet and fundamental numbers will help us in mitigating the same.
- › **Valuation Risk:** While there is no right or wrong valuation number, we are definitely wary of overpaying. We would be maintaining discipline on this
- › **Market Risk:** We would be focusing more on the portfolio than trying the futile guess over where markets are headed. While we would be definitely monitoring the market, we believe the best way to handle market risk is by being patient.
- › **Liquidity Risk:** Liquidity can be a near term risk in broader market, however the flexi cap portfolio is designed to take care of this, with the ability to move across large cap and broader markets providing stability and liquidity to the portfolio. We would urge investors to factor in a 3-5 years time horizon for investing.

For more details on risk factors, key terms etc, please refer to private placement memorandum

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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-fundsbenchmark.html#>

Date: _____

RM Name: Employee Code: Contributors Name:	1. _____ 2. _____ Contributors Signature
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