

STRATEGY NOTE

Introducing Abakkus Asset Manager LLP

- Abakkus is alpha focused asset management firm set-up by Mr. Sunil Singhania, managing over ~INR 20,000* 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?

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

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

Fundamental driven

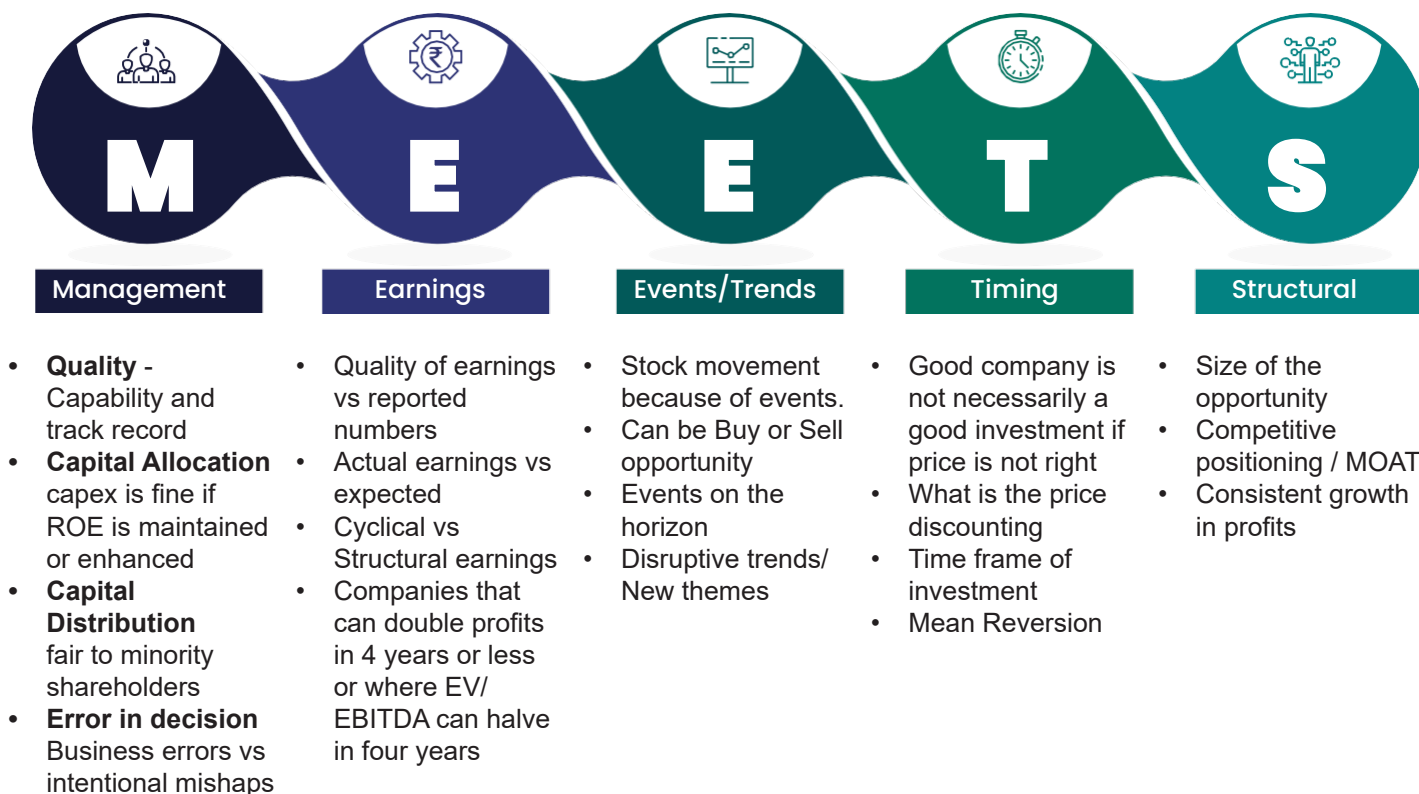
- Bottom-up research with focus on balance sheet
- Numbers speak more than presentations and hype
- Returns ultimately are all about earnings

Happy to be contrarian

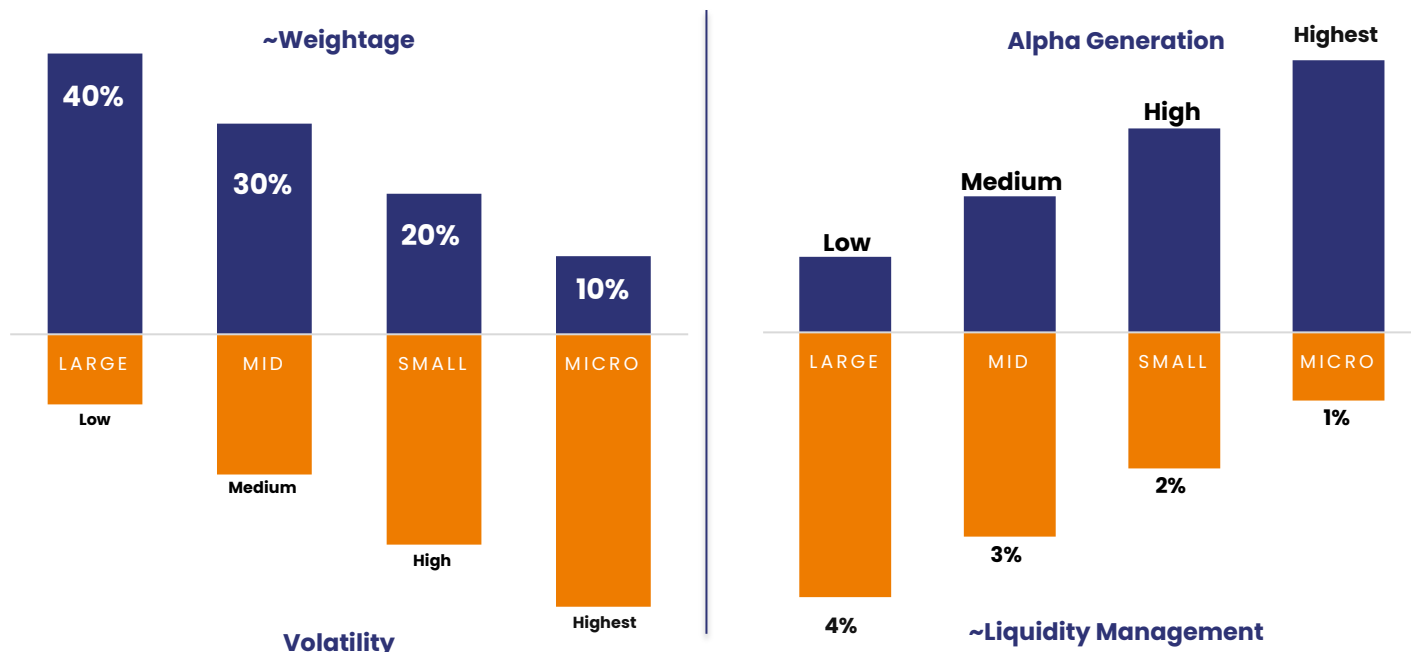
- Prefer to be first, early and/or only investors
- Do not chase the momentum
- Open to look at companies across sectors and market caps and business cycle



Our Unique MEETS Framework



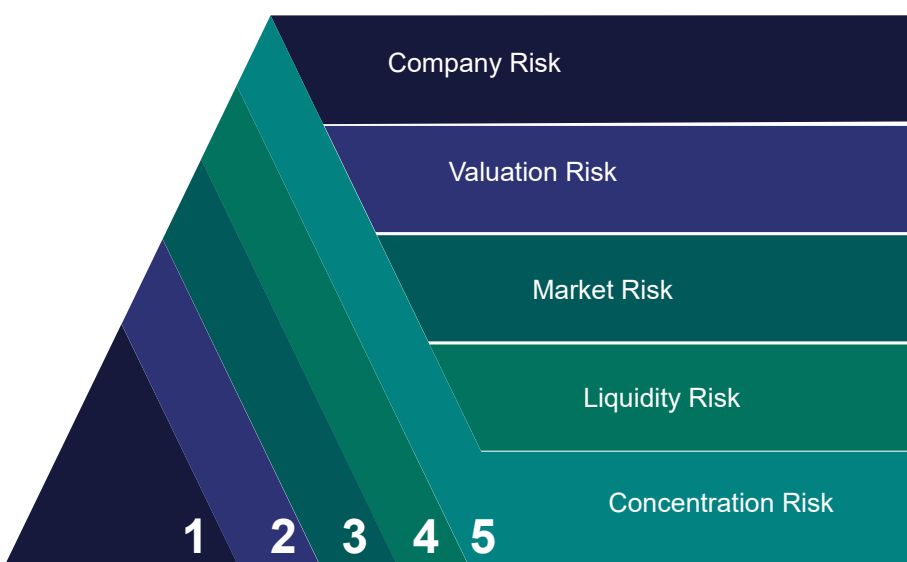
Disciplined 40:30:20:10 Approach



*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)

Investment Approach	Indicative Market Cap*	~No. of Stocks	~ Exposure to Each Stock	Total Exposure / Weightage (Approx)
<ul style="list-style-type: none"> Unique 40:30:20:10 approach to portfolio construction Capturing opportunities across market capitalization Lower volatility through large cap and larger mid cap exposure Focus on 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 	 Large Cap	10	4%	40%
	 Mid Cap	10	3%	30%
	 Small Cap	10	2%	20%
	 Micro Cap	10	1%	10%
<small>*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); Vector figure credits: Elephant – 123RF; Bull, Tiger – Vectorstock; Squirrel – Freepik.. The pictorial representation are: Elephant represents as a Large Cap, Bull as a Mid Cap, Tiger as a Small Cap and Squirrel as a Micro Cap.</small>				

Fund Features	
Fund / Scheme Name	Abakkus Diversified Alpha Fund - 2
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.
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Risk	
	Company Risk The best way to handle company risk is by knowing in-depth details what you own and why you own it. There is no substitute for this. Our uncompromised focus on balance sheet and numbers will help us in mitigating company risk
	Valuation Risk While there is no right or wrong valuation number, we are definitely wary of overpaying. We maintain strict discipline on this
	Market Risk We would be focusing more on the Fund 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 In mid and small cap investing liquidity can be a near-term risk, the portfolio is designed to take care of this, and we would urge investors to factor a 3–5-year time horizon
	Concentration Risk Endeavor to have adequately diversified portfolio across sectors and stocks
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 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, India-Ahead Private Equity Trust, a SEBI registered Category II AIF vide SEBI Reg. No.: IN/AIF2/21-22/0980 dated January 27, 2022 and Abakkus India Equity Trust, a SEBI registered Category III AIF vide SEBI Reg. No.: IN/AIF3/23-24/1326 dated August 9, 2023, 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 – complianceteam@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. Aman Chowhan, Tel: 022-68846600; Compliance Officer: Mr. Biharilal Deora, Tel: 022-68846600; Email – complianceteam@abakkusinvest.com

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

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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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