Multi-Act Equity Consultancy Pvt. Ltd.
10th floor, The Ruby Tower 29 Senapati Bapat Marg,
Dadar (W), Mumbai - 400028
Tel: +91 22 61408989
CIN: U67120MH1993PTC422244
www.multi-act.com

Date: 7th July 2025

Emerging Corporates India Portfolio (ECIP)

Dear Investors,

Below is the performance of the Emerging Corporates India Portfolio (ECIP) as of 30th June 2025.

Portfolio Performance	Total Portfolio Returns	Benchmark
CAGR since Inception *(Annualised)*	15.1%	15.1%
FY26 YTD	13.8%	10.8%
FY25	23.8%	6.0%
FY24	17.6%	40.2%
FY23	-8.9%	-0.9%
FY22	8.6%	22.3%
FY21	79.2%	78.6%
FY20	-13.2%	-26.5%
FY19	13.3%	9.7%
FY18 *(Since Inception - April 28, 2017)*	9.7%	10.0%
Q1FY26	13.8%	10.8%

- *Please check relative performance of other portfolio managers by clicking on this link*
- *The Benchmark has been revised from average of the BSE Smallcap Index, BSE Midcap Index and Nifty to S&P BSE 500 TRI with effect from 1st April 2023 as per SEBI/APMI circulars*
- *Returns are time weighted and after management and performance expenses*
- *Management and performance fees are deducted as and when due*
- *The actual returns of clients may differ from client to client due to different portfolio and timing of investment*
- *Past performance is no guarantee for future performance*
- *Benchmark calculations reflect total returns (including dividends)*
- *Returns for less than 1 year are not annualised*
- *Inception Date is 28th April 2017*

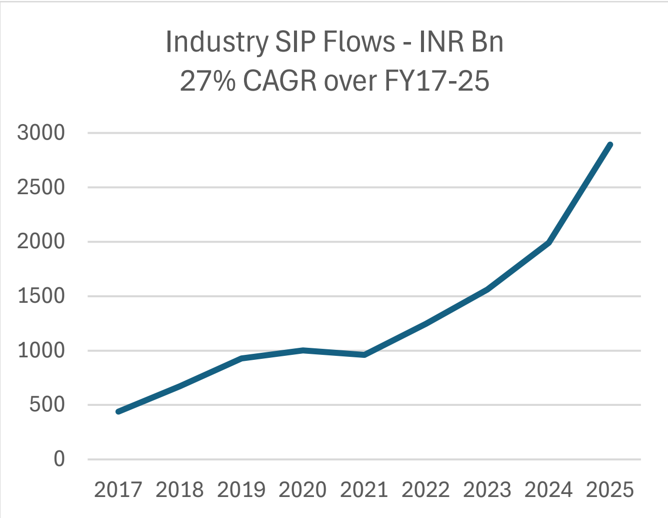
Q1 FY26 tested market participants with a whirlwind of global events. Early April brought a market sell-off on U.S. tariff announcements, triggering a ~5.7% drop in the BSE 500 by April 7. Later, a 90-day postponement fuelled a sharp recovery, though India-Pakistan tensions in May and Iran-related events in June added to the interim volatility. Amidst this backdrop, RBI continued its easing cycle which began in February with two more rate cuts totalling 75 basis points and provided additional growth impetus through 100 basis points of CRR cuts scheduled to be implemented in tranches over Sep-Oct. Overall, the S&P BSE 500 TRI ended the quarter up 10.8%, recovering ~17% from its early April lows.

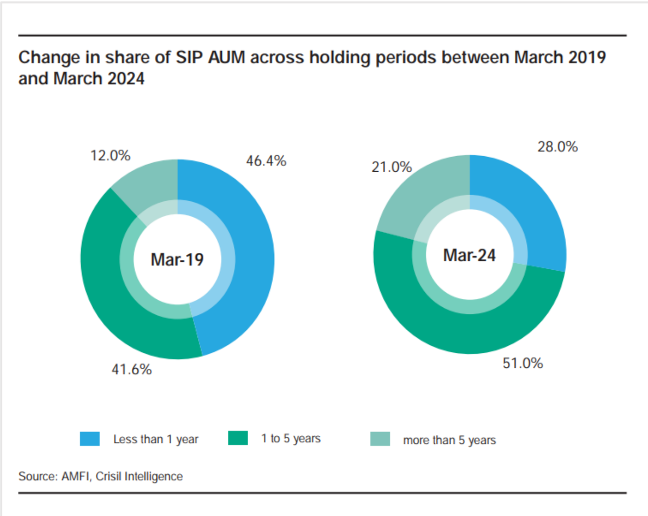
Our portfolio’s performance usually dances to its own tune, as we’ve noted in past newsletters. Over shorter periods, it diverges sharply from the market, sometimes soaring ahead, sometimes lagging. Since the market’s peak on September 26, 2024, our portfolio has gained ~9% while the benchmark remains ~3% below its high. This quarter, ECIP portfolios delivered a 13.8% return to investors against the benchmark’s 10.8%. Our bottom-up stock selection process that prioritizes absolute returns, we believe helped drive this outcome. Such an approach thrives when market returns are subdued or near trend but can lag during overheated rallies. We have experienced both phases in the recent past. Through consistent execution of our strategy, over time, we hope to deliver absolute returns that fare well both on an absolute as well as a relative basis.

Looking back at our Asset Management Company (AMC) investment – 7 Years into the SIP Megatrend:

Systematic Investment Plans (SIPs) have seen a remarkable growth over the past decade. In 2017, the industry used to record monthly SIP flows of ~₹3,600 crore; today, it is receiving nearly double that amount on a weekly basis. As per the latest available data for the month of May 2025, the industry saw SIP inflows of ~₹26,600 crore, up ~27% YoY.

Initially, product awareness campaigns by AMFI sowed the seed which later got amplified by word-of-mouth marketing as investors shared their positive experiences. With low-ticket sizes, SIPs made mutual funds accessible and provided a tool for regular investments that leveraged cost-averaging without the need to time the market. This disciplined approach, rooted in simplicity has helped widen investor participation. Not only has the investor base widened but as data from AMFI points out, holding periods have increased indicating longer commitment.





We have been fortunate to benefit from this trend through our investment in one of the largest listed AMCs. We made our original investment in the company in Sep 2018, shortly after the company IPO-ed in August and have since been holding the stock. In sync with the industry trend, SIP inflows for the AMC have compounded at an annualized rate of ~23% over our investment period. As the company's Equity AuM has grown at ~18% CAGR, the contribution of annual SIP flows to its equity book has gone up from ~9% in FY18 to ~12% in FY25. This number for the industry stands around ~10% implying the company has gained market share in SIP's higher than its base AuM market share. Equity AuM being a dominant driver of profitability, profit growth has aligned with growth in equity assets, compounding at ~20%. The stock has compounded at the rate of ~22%, closely mirroring the profit growth.

While the correlation between the stock and the business appears tight, as would generally be expected over long holding periods, returns rarely accrue in a linear fashion. Our own experience holding the stock has been anything but smooth. We have seen nearly 50% drawdowns twice!

Phases	Period	Months	Returns
From buying to Highs of FY20	Sep'18 to Nov'19	15	184%
Highs of FY20 to Lows of FY21	Nov'19 to Sep'20	11	-46%
Lows of FY21 to Highs of FY22	Sep'20 to Sep'21	13	63%
Highs of FY22 to Lows of FY23	Sep'21 to Mar'23	18	-53%
Lows of FY23 to Highs of FY24	Mar'23 to Feb'24	12	156%
Highs of FY24 to Lows of FY25	Feb'24 to Feb'25	13	-16%
Lows of FY25 to date	Feb'25 to Jun'25	5	52%

Note: To showcase the volatility, we have split the periods based on time taken by the stock to go from highs made in a financial year to lows made during the next financial year with the subsequent period being from these lows to highs of the following financial year, alternating likewise till June 2025.

Ideally it would be desirable to be able to sell at the highs, buying back at the lows. However, in our experience such trades are difficult to execute. In trying to catch the highs, there is a risk of selling too early or waiting too late and similarly in trying to catch the bottoms, there is a risk in buying too early or waiting too late. If we exclude 10-15% from both highs and lows to account for this imperfection, there is little to optimise, while being exposed to the risk of the business surprising on the upside hence never giving a chance to buy back later (we have had some heartburns of this kind in the past). This risk is more pertinent in case of high growth, high ROCE businesses, where there is a continuous uplift from growth in business value. Alternatively, a simple “buy and hold” approach exposes portfolios to the risk of major drawdowns in the worst case and prolonged periods of no returns in the best case (also risks we are quite familiar with).

We attempt to strike a balance between these risks by managing our exposures, reducing or adding weight as the stock diverges significantly from the underlying value, while maintaining a base allocation to ride the long term opportunity (growth advantage periods) and have a portfolio approach to manage overall drawdown risks. In case of our AMC example, we made weight reductions and additions on four occasions each over our holding period. As we look back, the return sacrificed on all sell decisions (i.e. the return we would have made from our selling price had we not sold) has been ~14% and the IRR made on our add decisions has been ~24%. Though a ~14% return is quite respectable and not particularly desirable to give up, reducing exposure when risk-rewards seemed less favourable allowed us the headroom to add when they became more favourable helping us achieve a much better ~24% return subsequently, while also reducing portfolio level drawdown risks in the process. We aim to replicate this process for companies with truly long growth runways which among other opportunities form the core focus of our strategy.

Portfolio Actions:

Additions:

- We added a global leader in diamond certification to our portfolio. While the natural diamond industry faces growing competition from lab-grown diamonds (LGDs)–chemically and physically identical but factory-made; the company, a number two player in natural diamond certification, has secured a leading position in the fast-growing LGD market. Its first-mover advantage and strong presence in India, a key LGD manufacturing hub, has driven this shift. Certifications serve an important purpose by addressing trust deficit within the industry, giving peace of mind to consumers and helping manufacturers/jewellers realise a better price for their products. As LGD acceptance has grown, prices have come down, aligning closer to production costs, as against earlier when they were pegged to natural diamonds. With improved awareness and normalized prices, LGD demand is expanding among new buyers. Consumers that aspired to buy natural diamonds but could not afford to buy them, are moving towards LGDs while others are adopting them to buy larger sized diamonds. The company seems well placed to benefit from this trend.

Exits:

- We sold our investment in a CRO/CDMO company as the business visibility did not meet our expectation. While we like the longer-term opportunity and the company’s strategic direction of expanding from research services to large scale manufacturing, specific headwind in a key product and upfront operating costs from newly acquired plants, has impaired the growth outlook. Based on these developments, we found risk-reward unfavourable and hence exited. We had made the investment in Jan 2024 and exited around cost in April 2025.

- We sold our investment in a 2W auto ancillary due to risk of wallet share loss for a key customer. We made this investment in March 2023, premised on the thesis that rising penetration of higher realisation LED lights would drive content per vehicle aiding revenue growth for the company. Over the last 2 years, with new order wins, this thesis had played to our expectation leading to revenue and profit compounding at ~15% and ~21%, respectively. With the investment delivering a ~32% IRR, we felt it was prudent to exit.

Thanks for reading.

Rahul Picha CA, CFA
Portfolio Manager

Statutory Details: Portfolio Manager – Multi-Act Equity Consultancy Private Limited (**Registration No. INP000002965)**

Disclaimer

This is an Internal Document and not meant for unlimited public circulation. This document has been solely prepared for the PMS Clients of Multi-Act Equity Consultancy Private Limited (MAECL) and is not meant for circulation to any third party. This Document and the Information do not constitute a distribution, an endorsement, an investment advice, an offer to buy or sell or the solicitation of an offer to buy or sell any securities or any other investment products/strategies mentioned in this Document or an attempt to influence the opinion or behaviour of the Investors/Recipients.

The statements made herein may include statements of future expectations and other forward-looking statements that are based on our current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. The Stocks mentioned herein forming part of the existing PMS Strategy may or may not be bought for new client. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. MAECL does not provide any guarantee/ assurance of any minimum or maximum returns. Investment in Securities is subject to market and other risks and there is no assurance or guarantee that the objectives of any of the Strategies of Portfolio Management Services will be achieved.

The information is prepared on the basis of publicly available information, internally developed data and other sources believed to be reliable. MAECL does not solicit any course of action based on the information provided by it and the investor is advised to exercise independent judgment and act upon the same based on its/his/her sole discretion based on their own investigations and risk-reward preferences.

The information is meant for general reading purpose, understanding of intended recipient and is not meant to serve as a professional guide and/or the same should not at any point of time be construed to be an invitation for subscribing to Emerging Corporates India Portfolio – Investment Approach. The client may or may not be holding the Stocks mentioned in the newsletter in its/his/her PMS portfolio as the portfolio will vary from client to client depending upon the investment strategy followed by the Portfolio Manager for each client based on the Investment approach selected by the Client.

MAECL, its associates or any of their respective directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information and consequently are not liable for any decisions taken based on the same. This information is not intended to be an offer or solicitation for the purchase or sale of any security or financial product. The investor shall at all times keep such information / data and material provided by MAECL strictly confidential and will not use, share or disclose such information to any third party.

It is stated that, as permitted by SEBI Regulations and the Company's Employee Dealing Policy, MAECL and/or its associates, affiliates and/or individuals thereof may have positions in securities referred to in the information provided by it and may make purchases or sale thereof while the information is in circulation. MAECL is not responsible for any error or inaccuracy, or any losses suffered on account of any information contained in this document. Neither MAECL nor any of its associates, directors, employees, affiliates or representatives shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way from the information provided by it.

Note:
1. All cash holdings and investments in liquid funds, is considered for calculating the performance.
2. All performance data are reported net of all fees and all expenses (including taxes).
3. The above performance numbers are not verified by the SEBI.

Disclosure as per Global Investment Performance Standards (GIPS®) –

Multi-Act Equity Consultancy Pvt. Ltd. claims compliance with the Global Investment Performance Standards (GIPS®). You can refer to the GIPS Compliant performance presentation here. Multi-Act Equity Consultancy Pvt. Ltd. has been independently verified by M/s. M. P. Chitale & Co., Chartered Accountants for the periods April 1, 2011 through March 31, 2019. The verification is available upon request. MAECL has claimed GIPS compliance for the Financial Year 2025 and such performance numbers shall be made available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

The Composite representing the Emerging Corporates India Portfolio was created on 28th April 2017. Performance has been compared with S&P BSE 500 TRI. The Gross Return (wherever mentioned) is before all expenses (except Brokerage). Net Return is after all actual expenses. A complete list of composite descriptions, policies for valuing portfolios and calculating performance fees are available on request.

Multi-Act Equity Consultancy Pvt. Ltd. is an independent SEBI registered Portfolio Manager. The firm maintains a complete list and description of composites, which is available upon request. This ECIP Composite includes all discretionary fee-paying portfolios that are being managed with the objective of generating capital appreciation by investing in companies that in the opinion of the Portfolio Manager are "Advantage Period Companies" which are enjoying a "competitive advantage period" that is likely to last for at-least 5 years and are available at a valuation that offers margin of safety relative to the growth opportunity landscape. The portfolio manager has also the discretion of not being fully invested if he is not able to find ideas that meet the above criteria along with valuation criteria, thus, indirectly taking an asset allocation call between Equity and Cash (& Cash Equivalents).

The information provided in this document should not be construed as a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in the composite or that the securities sold will not be repurchased. The securities discussed do not represent the composite's entire portfolio. Actual holdings will vary depending on the size of the account, cash flows, and restrictions. It should not be assumed that any of the securities transactions or holdings discussed will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

Risk Factors

General risk factors

a. Securities investments are subject to market risks and there is no assurance or guarantee that the objective of the investments will be achieved.
b. Past performance of the Portfolio Manager or its affiliates does not indicate its future performance.
c. Investors are not being offered any guaranteed or assured returns i.e., either of principal or appreciation on the Portfolio.
d. As with any investment in securities, value of the Client's Portfolio can go up or down depending on the factors and forces affecting the capital market.
e. The Portfolio Manager is neither responsible nor liable for any losses resulting from the operations of the Portfolios.
f. The investments made are subject to external risks such as war, natural calamities, and policy changes of local / international markets which affect stock markets.
g. The Portfolio Manager has renewed SEBI PMS registration effective December 05, 2023 and has commenced its portfolio management activities with effect from January 2011. However, the Portfolio Manager has more than 10 years of experience in managing its own funds invested in the domestic market.

(**Registered Office:** Ground Floor, ICC Chambers – I, Saki Vihar Road, Opp. Santogen Mills, Powai, Mumbai – 400 072, Telefax: +91 22 2857 9651 | CIN: U67120MH1993PTC422244)