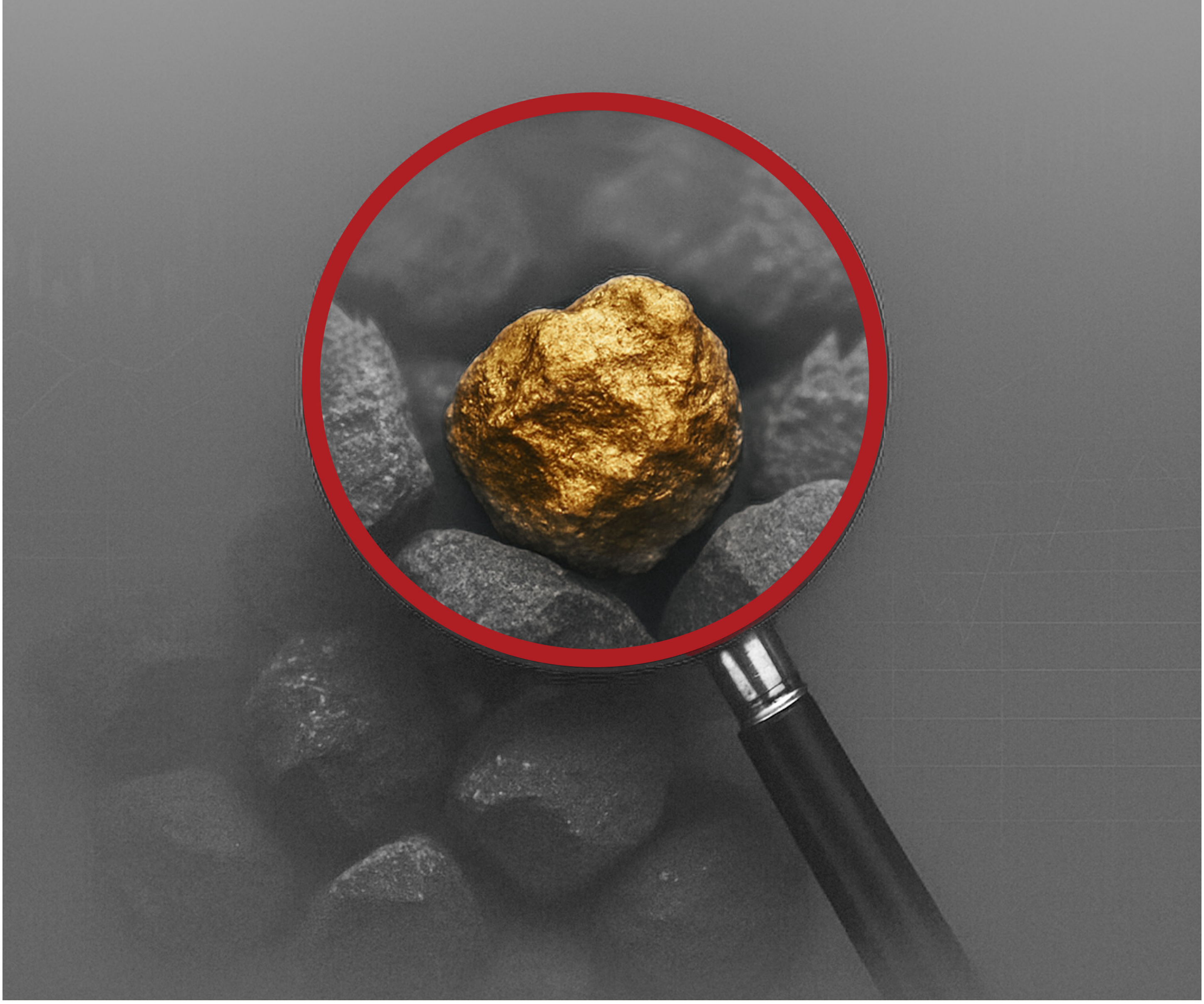
Asset Management

MONTHLY NEWSLETTER

June 2025

BUYING NUGGETS OF GOLD



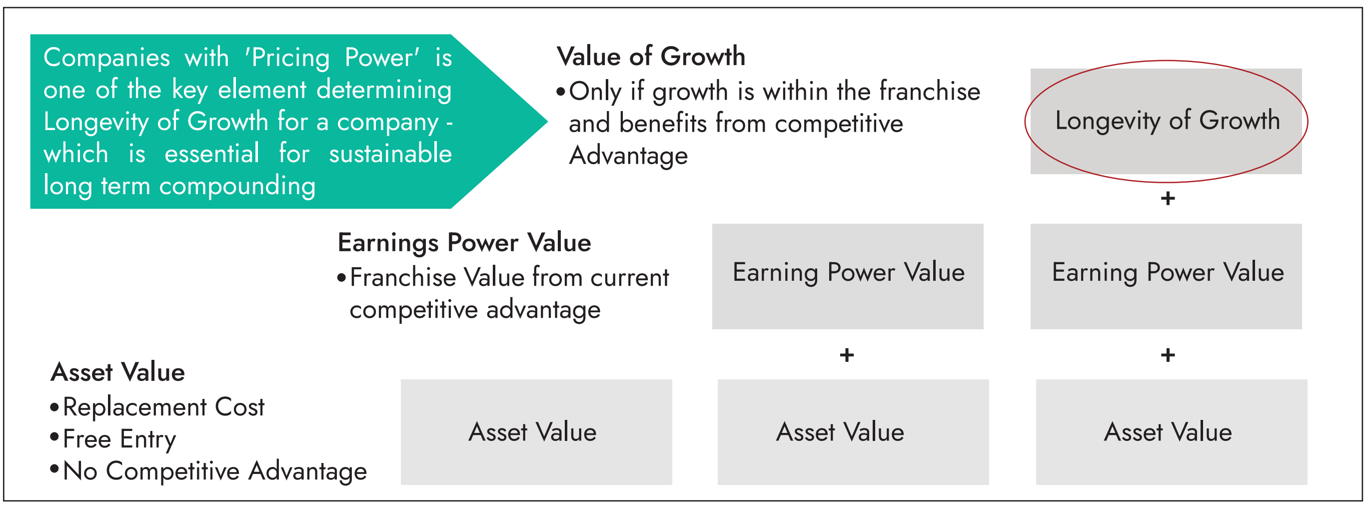
After a long period of low volatility and shallow drawdowns (FY21-Sep'24), in the last few months, Indian markets have been witnessing increased volatility and drawdowns. Decadal macro trends, which have been conducive to economic growth and equities, such as globalisation and low interest rates, now appear to be at risk. Indian markets are beset by a confluence of factors, including persistent high valuations (1), tepid earnings growth (2), and a base of a multi-year, broad-based bull market (3), which signals a challenging environment for Indian markets in the medium term. During such challenging periods, there is invariably a shift towards timeless investment principles and a disciplined long-term investing style. We believe that our Ambit Asset Management Investment Framework, based on long-term investment principles that focus on quality, a business ownership mindset, and capital preservation, is likely to stand out positively in this phase. In this newsletter, we discuss the five key factors 1) Mindset – Simplicity in Complexity, 2) Process – Focus on the most important variable, 3) Approach – Picking up Nuggets of Gold, 4) Risk Positioning – Focus on Capital Protection and 5) Behavioral – Conviction cannot be borrowed, which differentiates Ambit Asset Management Portfolios.

1) Mindset – Simplicity in complexity

"An infinite mindset involves a strong sense of purpose, a focus on long-term growth, adaptability, and prioritising people over profits. Cultivating this mindset requires continuous learning, embracing change, and being open to new ideas and perspectives" - Simon Sinek, Infinite Growth

Ambit Asset Management portfolios are aimed at investors seeking absolute returns over the long term by investing in high-quality 'forever' businesses that can compound capital at high rates of return for extended periods. Businesses with these capabilities are scarce. As the real hurdle to high and sustainable returns is competition and innovation, along with its deflationary impact on prices. Successful businesses that can meet the above objectives have a few key characteristics and patterns. **We have christened companies which share such common characteristics and patterns as 'Pricing Power Stocks'.**

Magic of compounding is not possible without focus on quality and longevity of growth



Source: Ambit Asset Management

Simplicity in complexity – Eliminating what impedes compounding

- A mismatch of time horizons leads some investors to weigh the short term more heavily and de-emphasise sources of "enduring business advantage".
- Instead of attempting to determine how the crowd will react this quarter or how the business's trajectory will fare this year, our focus is on the factors that contribute to determining the company's ultimate intrinsic value.
- Most investors are focused on gaming the league table of 3-month, 6-month, and 1-year performance. Hence, their decisions and actions conform to the same.
- Simply eliminating the short-term mindset that impedes compounding can provide significant source of alpha.

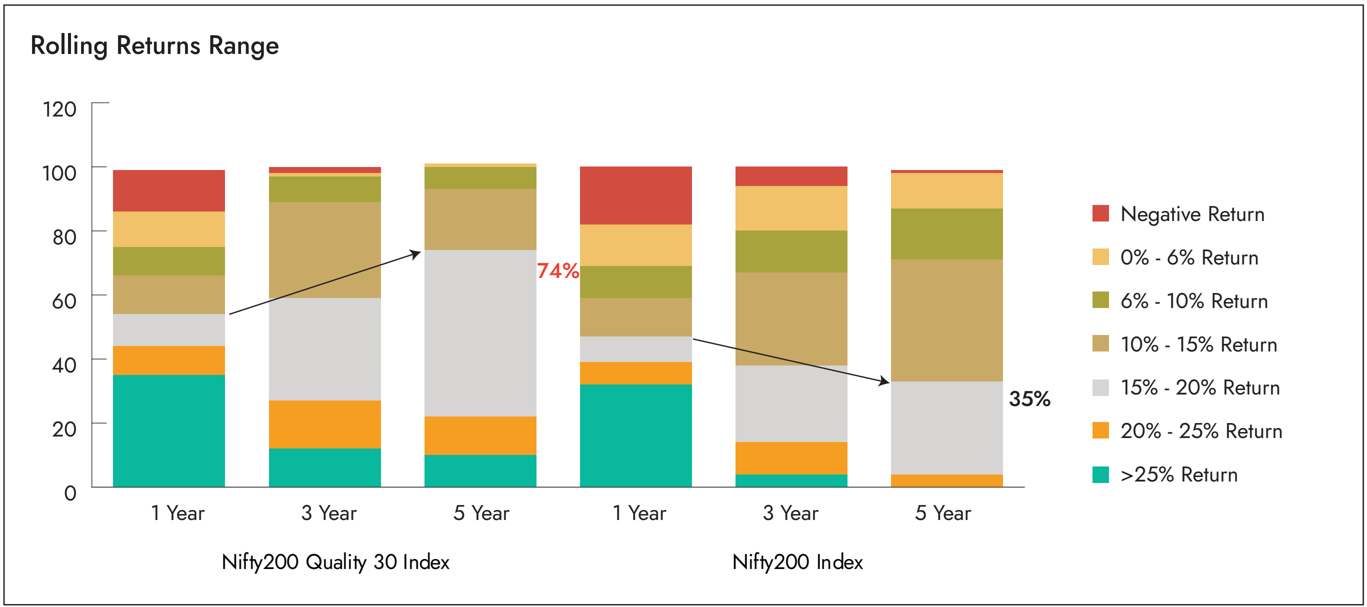
Hence, we approach investing from an infinite growth mindset and seek the magic of compounding.

- We believe that the mindset of being constantly on the lookout for compounders is a more effective use of time than exhausting one's intellectual capital and resources by trading in and out of stocks and market segments in a bid to appear successful in the short term.
- Hence, our focus is on identifying companies that can successfully extend the duration of their competitive advantage and increase the magnitude of their growth.

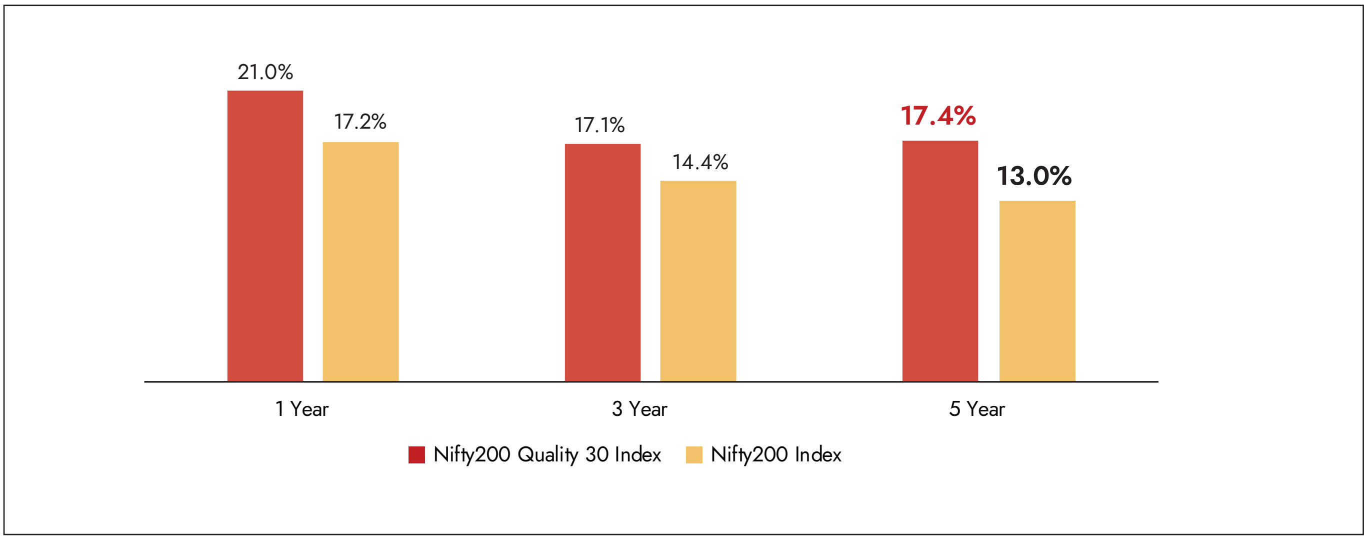
What impedes compounding		What enables compounding
	"Next Quarter" Vs. "Next Decade"	
	"Stock Price Movements" Vs. "Business Fundamentals"	
	"Action" Vs. "Thinking"	
	"Comfort of Crowd" Vs. "Independent Thinking"	
	"Asset Gathering" Vs. "Alpha"	
	"Relative Performance" Vs. "Absolute Performance"	

Source: Ambit Asset Management

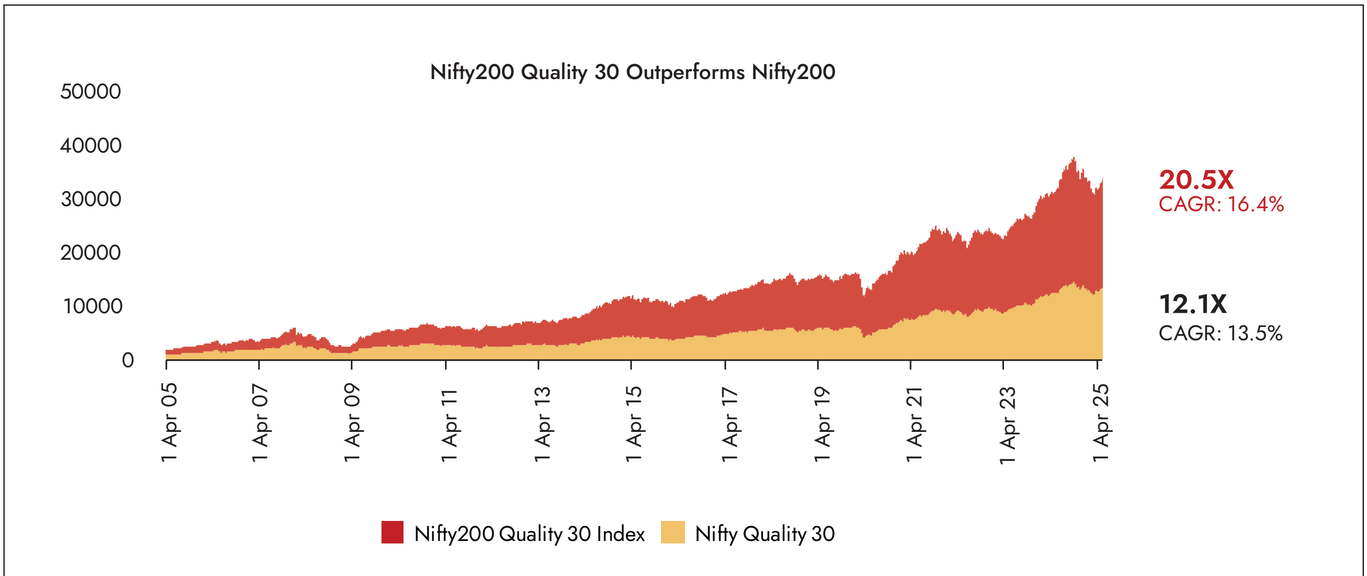
Magic of compounding through Quality



Source: Ambit Asset Management



Source: Ambit Asset Management



Source: Ambit Asset Management

Quality outperforms in the long term across segmentation

- Having a quality-focused portfolio is the cornerstone of an effective equity portfolio, as it enables the building of resilient portfolios for long-term wealth creation.

- Compounders, which exhibit characteristics such as strong franchise durability, high cash flow generation, low capital intensity, and unleveled balance sheets, have delivered superior risk-adjusted returns across economic cycles.

- The long-term outperformance of the quality style of investing is well-documented. Empirical returns also support Quality investing, with high-quality stocks outperforming low-quality ("Junk") stocks on average.

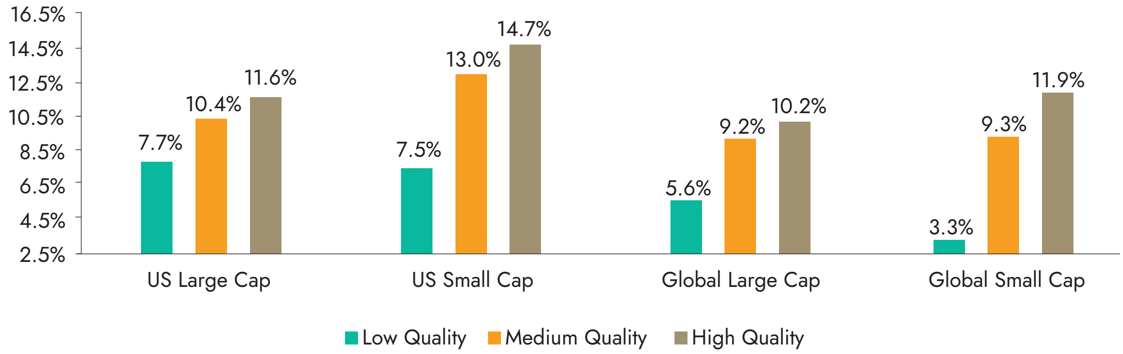
- Both approaches suggest that the advantage is non-linear, with the greatest impact coming from the underperformance of Junk stocks underperformance.

Exhibit 1: Rolling 10 year annualized performance of US factors vs US equities, since 1990's

Perticulars	Size	Value	Quality	Low Volatility	High Dividend
Percentage of Outperforming Period	61%	75%	**88%**	77%	73%
Best Outperformance	12.1%	9%	**3.1%**	5%	7.1%
Worst Underperformance	-7.2%	-5.7%	**-1.5%**	4.4%	-5.9%

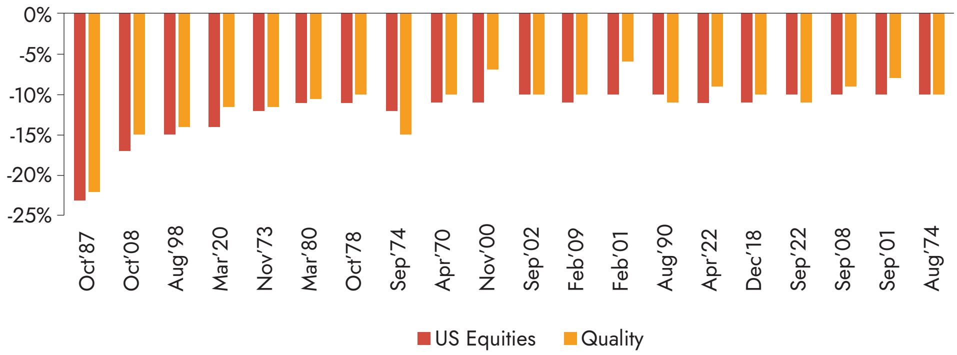
Source: Kenneth French Data Library(2022), Ambit Asset Management

Exhibit 2: Global historical quality portfolio return by size and returns



Source: AQR data Library; US data from 1957, Global data 1987; Quality Proxy Wisdom Tree US Quality Growth TRI Index, Ambit Asset Management

Exhibit 3: Quality is more resilient and has had lower drawdowns in most of US market crashes



Source: Kenneth French Data Library(2022), Quality Proxy Wisdom Tree US Quality Growth TRI Index, Ambit Asset Management

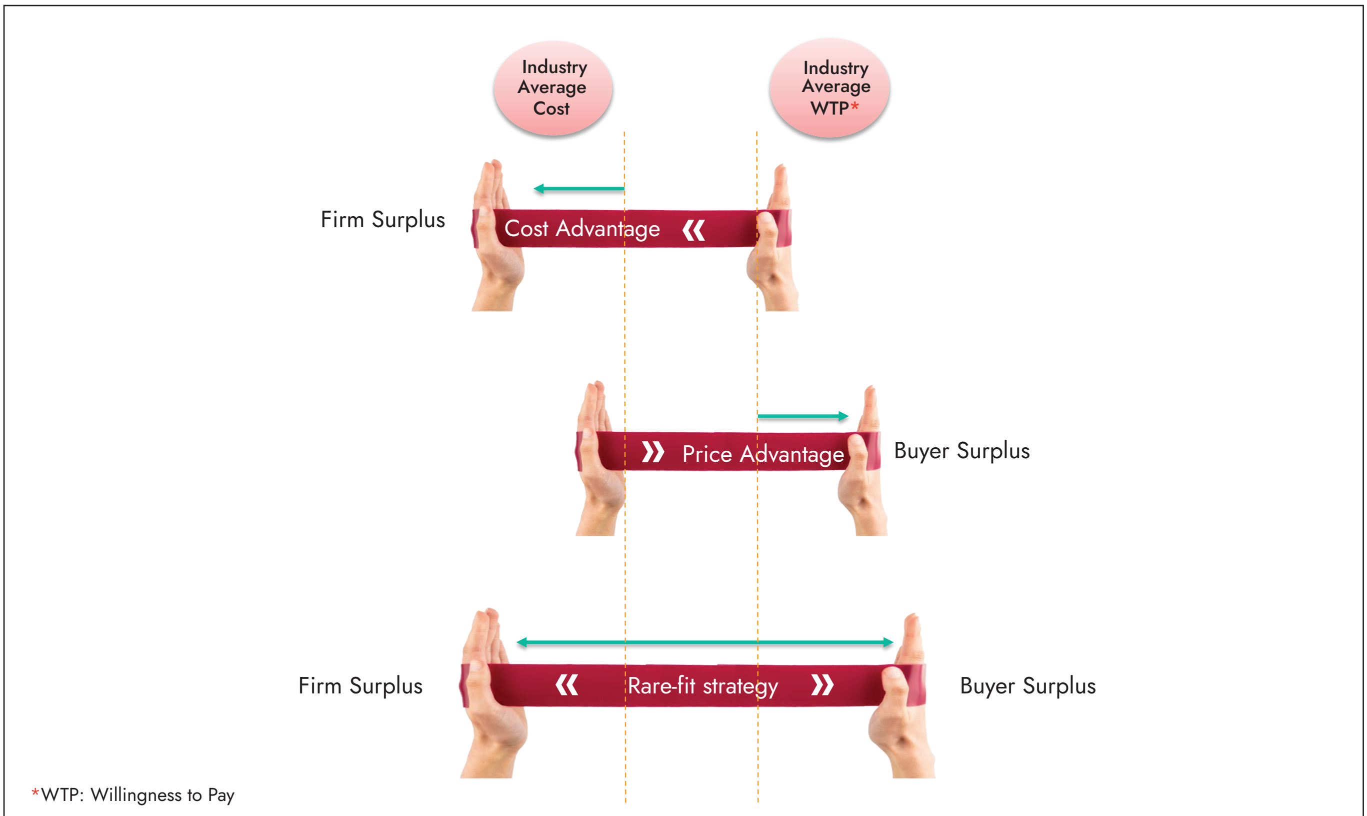
2) Process – Focus on most important variable

"The single most important decision in evaluating a business is pricing power. If you have got the power to raise pricing without losing business to a competitor, you have got a very good business." - Warren Buffett

WHAT IS PRICING POWER?

Pricing power is one of the most frequently mentioned concepts in the business world. Pricing power, or a company's ability to raise prices and maintain profit margins amidst increasing costs or competition, is one of the most critical dimensions for evaluating the value of a business.
Enduring competitive advantage comes from sustaining higher relative prices or lower relative costs, or both, than your rivals in an industry.

Most companies have either a
1) Differentiation Advantage (Price) or a
2) Cost Advantage (Cost). It is rare to find a company that enjoys a distinct advantage across both ends of the value stick.



Source: Ambit Asset Management

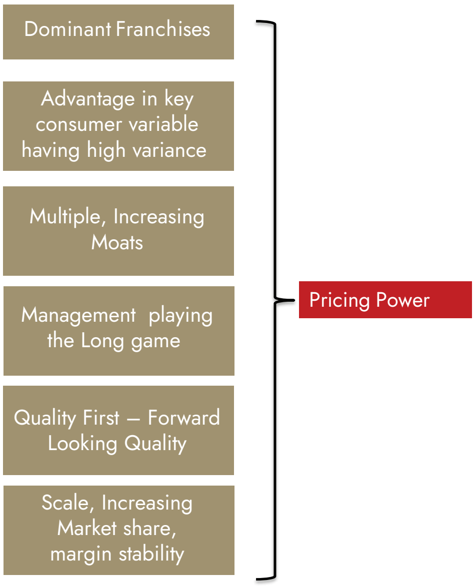
Key advantages of pricing power companies

Pricing power, or a company's ability to raise prices and maintain profit margins amidst increasing costs or competition, is one of the most critical dimensions for evaluating the value of a business. Pricing power is one of the most frequently mentioned concepts in the business world. Since 2002, Bloomberg data shows that "pricing power" has been regularly mentioned in the transcripts of public company earnings calls and shareholder meetings.

- Companies with pricing power can consistently maintain their profit margins during economic downturns or periods of market saturation. Pricing power is considered a hallmark of quality businesses with strong customer loyalty and demand, signalling to investors the underlying strength and durability of the company. These companies are quality growth companies that quietly compound in the background.
- Companies with strong pricing power can pass on variable cost increases to consumers and increase production in response to rising margins due to stronger demand. These companies have been able to raise prices to offset inflation, preserving their real earnings and shielding investors from the eroding effects of rising costs.
- Pricing power stocks have consistently earned higher returns over the long run and, as an equity factor, have been shown to work across multiple global markets (Exhibit 5), across numerous sectors, and even across various asset classes.
- The ability to have pricing power can support premium company valuations, as investors are willing to pay a higher multiple for companies with predictable and sustainable earnings growth.

Pursuit of pricing power plays

Hence, the focus of Ambit Asset Management is to identify companies with increasing pricing power, which drive the widest wedge between customers' willingness to pay (WTP) and suppliers' willingness to supply (WTS).



L O L L A P A L O O Z A

Source: POOR Charlie's Almanack : The Essential wit and Wisdom of Charles T Munger

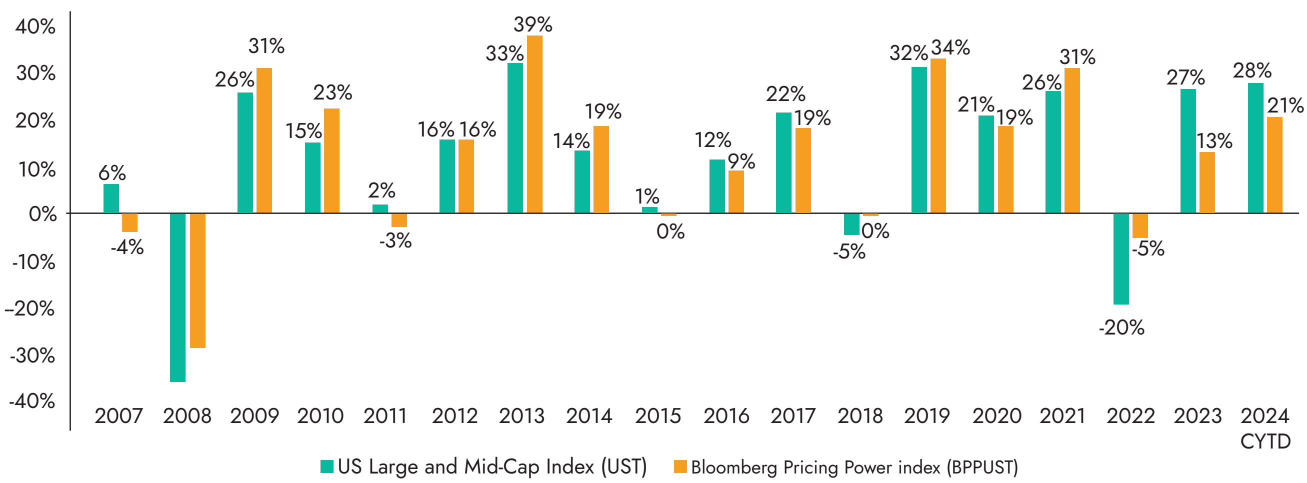
The Lollapalooza Effect in business is about getting multiple, mutually reinforcing factors right. It's about understanding the big ideas, creating the right culture, aligning incentives, and continuously adapting while focusing on the fundamentals. By doing so, you set the stage for extraordinary success, where the whole becomes much greater than the sum of its parts. That's the magic of the Lollapalooza Effect.
- Charles Munger

Source: Ambit Asset Management

Portfolios based on pricing power stocks outperform globally

- Since pricing power is such a pervasive concept, there are good reasons to expect that it is already "priced in" by the market and does not offer consistent outperformance. However, companies with strong pricing power have historically earned consistently strong returns while maintaining a lower risk profile.
- Moreover, they have demonstrated similar characteristics across different geographical markets, lending credence to the long-run reliability of pricing power as an investment factor.
- Pricing power companies tend to be less glamorous and newsworthy (exceptions occur during early life cycle stages) but are quiet and stable, offering quality "compounders". As a novel equity factor, pricing power has outperformed the market not only during inflationary episodes but also steadily over the long run globally.
- In a Bloomberg research paper titled 'Pricing Power Everywhere', Steve Hou identified that US public companies with excellent pricing power have historically delivered strong and steady equity returns with lower risk and higher returns than the broad equity market benchmark index over the last 15 years*.

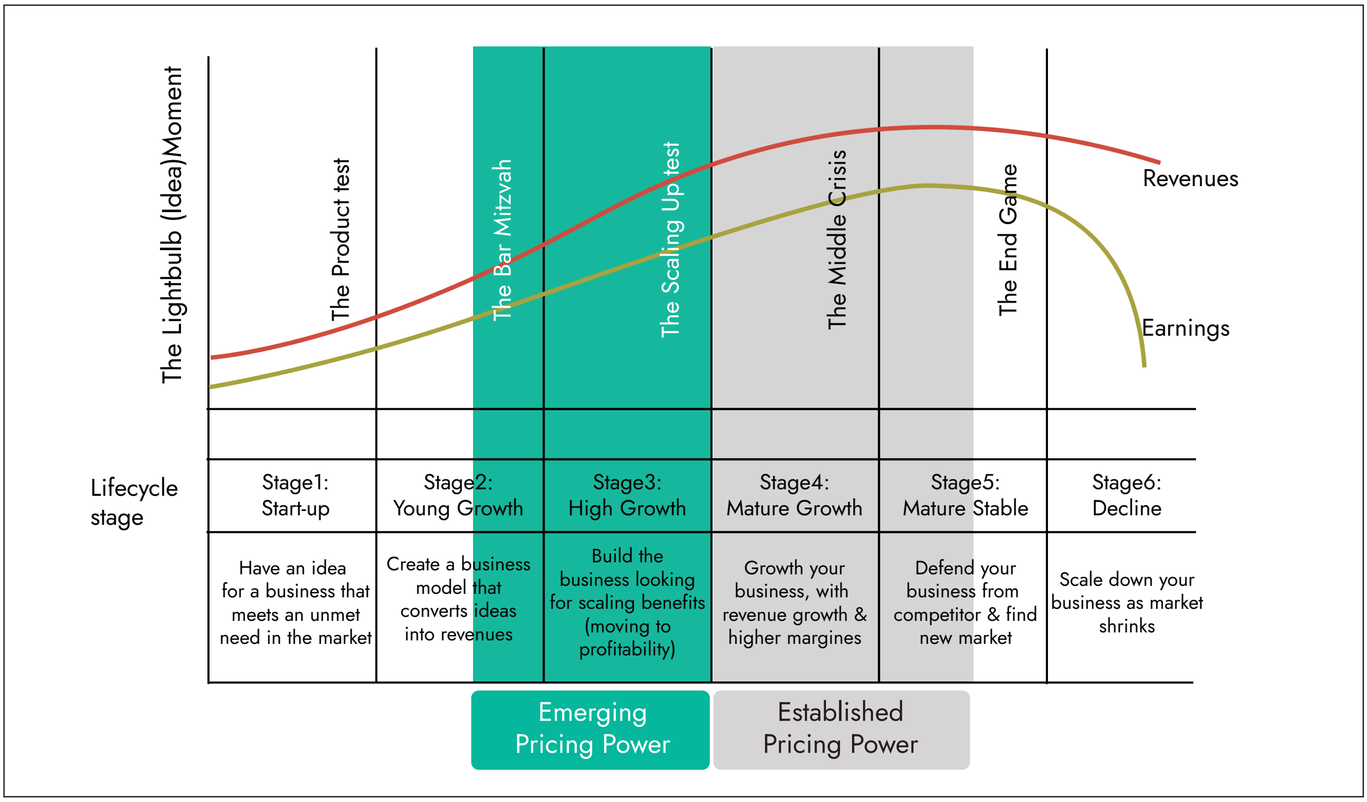
Exhibit 4: Over 15 years BPPUS index has outperformed the UST index in most up and down years



Annual performance of the bloomberg pricing power index (BPPUST) versus the bloomberg US Large and midcap index (UST).
Source: Bloomberg, Ambit Asset Management

Focus on emerging pricing power plays and forward quality

- While static quality is indexed to the past, we seek companies that will be successful over the next five to ten years.
- We go beyond Conventional Wisdom and apply the proprietary Pricing Power framework.
- Our investment focus is on companies in the Sweet Investment Zone, which lies between late-stage two and late-stage three buckets. The Sweet Investment Zone is where companies typically experience J-curve growth, and the bulk of the valuation re-rating occurs, presenting a high probability of finding multi-baggers.



Source: Professor Aswath Damodaran (The Corporate Life Cycle: Growing up is hard to do, Growing old is even harder!), Ambit Asset Management

Investment framework

Quantitative Framework

- Quality: Margin Volatility; OCF Conversion; ROE consistency; FCF Efficiency; Audit Trial; Management Type; Quality of Capex
- Growth: Earnings Predictability; Consistency in Revenue/Earnings Growth; Future Growth Expectation
- Sustainability: Life Cycle; Lindy Effect
- Valuation: Absolute (Intrinsic P/E); Relative Historical; PEG

Qualitative Framework

- Is it a leader or dominant player?
- Is scale dynamics favorable?
- Is ownership structure enabling?
- Understanding price elasticity
- Does the form have winning strategy?
- Is the Moat expanding?
- Is value creation possible?
- Variance Analysis – does the company have advantage?
- Premiumization at Play

"Does the company have Pricing Power"?

Source: Ambit Asset Management

3) Approach - Placer Mining vs Nuggets of Gold

"Our investment approach is not that of "placer mining," the process of sifting through piles of sand for specks of gold. Instead, we attempt to apply our pricing power framework to find the large, unrecognized nuggets of gold that sometimes lie in plain sight on the ground" - Warren Buffett

- We do not view investing as a treasure hunt. The fundamental principles of investing are well known. Mankind has made progress by ignoring complexities and focusing on simple questions. Fundamental principles of are well known like the - DNA is the common code of life, 7 primary colors are the base for all colors, All music based on 12 tones and 2 rhythms.
- Instead of re-inventing the wheel, our approach is to leverage on the power of simple and obvious opportunities.
- Our investment approach is not that of "placer mining," the process of sifting through piles of sand for specks of gold. Instead, we attempt to apply our pricing power framework to find the large, unrecognized nuggets of gold that sometimes lie in plain sight on the ground.

Our Approach

Placer Mining

Our investment approach does not work through the process of sifting through piles of sand for large specks of gold

Nuggets of Gold

We attempt to apply our Pricing Power Framework to find the large, unrecognized gold nuggets lying in plain sight

Source: Ambit Asset Management

Finding Pricing Power: Nuggets of gold

Nuggets of Pricing Power	Non Glamorous Steady Compounders	Hidden Pricing Power Plays	Established Pricing Power Play	Fallen Angels	High Longevity Consumer Brands	Misunderstood Business
How we see it	Flywheel of predictability and discipline	Boring but beautiful	King of their category	When quality stumbles momentarily	Pay up for proven runway	Optionality hidden in plain sight
Key traits	High ROCE, Resilient models	High revenue growth, reinvestment	Brand strength Margin resilience	Structural moats, Temporary setbacks	High cash generation, mature markets	Nascent economics, evolving moats
Examples	CRISIL, Bluestar, Ultratech	KFIN Tech, HDFC AMC	Eicher Motors, Abbott India	Bharti Airtel, ICICI Bank	Titan, Nestle	Eternal Ltd., PB Fintech, Carborundum Universal Ltd. and Tube Investment of India Ltd.
Rationale	Steady pricing power, scale	Differentiation and brand aspiration	Raising prices Without losing customers	Regaining lost competitive edge	Defensive pricing Power in stable categories	Platform leverage and data

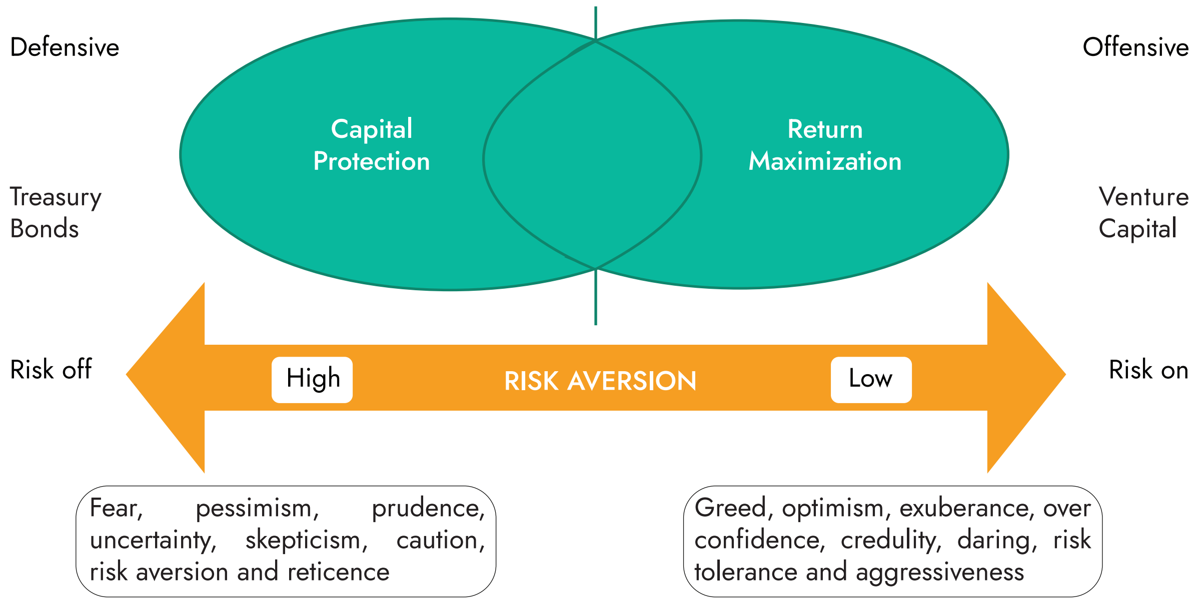
Source: Ambit Asset Management

4) Risk Positioning – Focus on Capital Protection

"There are old investors, and there are bold investors, but there are no old bold investors." - Howard Marks

- Our key focus Is on capital protection – our first attempt is to understand the downside risk.
- We are willing to forego potential returns in poor governance stocks and deep cyclical and fad stocks to limit our downside risk.
- While constructing our portfolio, we believe in being suitably defensive as we need to be prepared for a 'Black Swan Event' at all times.

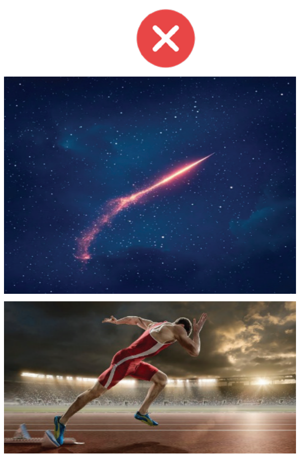
Exhibit 5: Investing Conundrum



Source: Ambit Asset Management

What risk tolerance spectrum an investor choses depends on the investor's goal:

- If one is aiming for Longevity (magic of compounding) leaning will be more towards defensiveness and conservativeness.
- Similarly, if aim is for rapid speed (glory like a shooting star) then leaning will be more towards high risk tolerance and aggressiveness.



"You can run a Sprint or you can run a marathon, but you cannot sprint a Marathon" - Ryan Holmes

Source: Ambit Asset Management

5) Behavioral – Conviction cannot be borrowed, which differentiates Ambit Asset Management Portfolios

"Choosing individual stocks without any idea of what you're looking for is like running through a dynamite factory with a burning match. You may live, but you're still anidiot." - **Joel Greenblatt, The Little Book That Beats the Market**

There are several Behavioural Biases and Institutional Imperatives, due to which investors are unable to successfully leverage on this opportunity. We have designed our investment strategy in a manner, which we feel will allow us to successfully attain our investment objectives, while avoiding the common behavioral biases and institutional imperatives.

A mismatch of time horizons leads some investors to weigh the short term more heavily and de-emphasize sources of "enduring business advantage".

Instead of attempting to determine how the crowd will react this quarter or how the trajectory of the business will fare this year, our focus is on the factors that contribute to determining the ultimate intrinsic value of the company.

Sources of advantage – focus on analytical and behavioural advantage

	Information Advantage (Better Information)	Analytical Advantage (Better Process)	Behavioural Advantage (Better Behaviour)
	Traditional Managers	**Quant Managers**	**Behavioural Managers**
Key Aspects	• Non Street due diligence through relationships built over years	• Proprietary Qualitative Frameworks	• Infinite Investment Mindset which leverages on short termism of the markets
	• Ground Research for first hand understanding	• Rule Based Proprietary Assessment Framework	• Various Blases
	• Avoiding short term street (sell side research) noise		
Views	• Difficult to sustain information edge in this digital world in a compliant manner	• Good analysts can be lost/ Better models for processing can be copied	• Infinite Investment Mindset which leverages on short termism of the markets
		• However, qualitative frameworks is a form of art and differs from one practitioner to other - hence unique	• Strategies based on behavioural biases have an advantage as human behaviour changes very slowly. Also to attempt to copy a Fit strategy one need to copy across the value chain

Source: Ambit Asset Management

Case studies

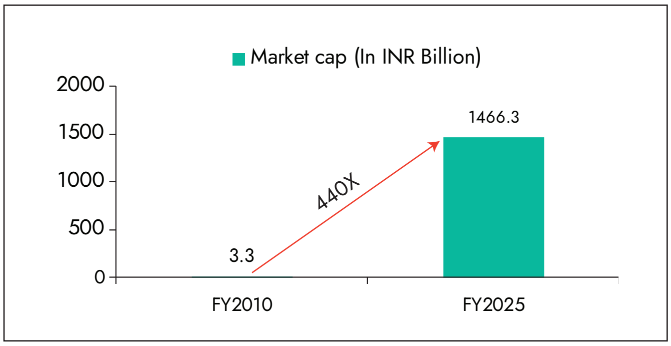
1) Established Pricing Power Play: EICHER Motors

- Eicher enjoys ~90% market share in its sub segment. A rich history of >100 years, with the first Royal Enfield motorcycle being produced in 1901.

- Moreover Eicher motors may have found it tempting to venture into the the emerging scooter EV segment in search of volume growth amidst investor pressure. However, the company resisted that urge as it would have impaired its premium positioning and profitability.

- To get a perspective on how unique Eicher is, one needs to stack it across the Top 68 Global OEM companies with market capitalization of >USD0.5b. Eicher along with Ferrari rank amongst the top 5 across most key financial parameters.

- Eicher's reported ROE is ~25% but it is because it has cash & equivalents accounting for ~87% of its net worth. Hence, on an ROIC basis, it would be amongst the top five global companies in this parameter too.



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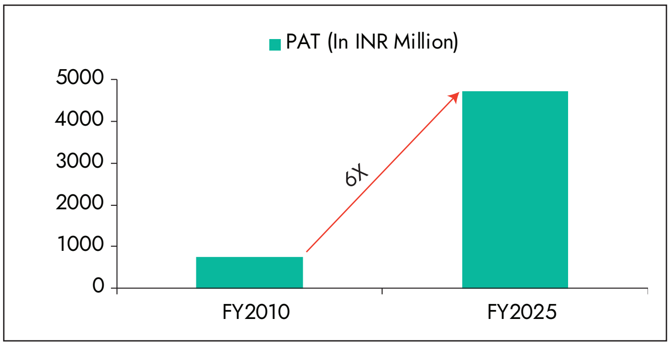


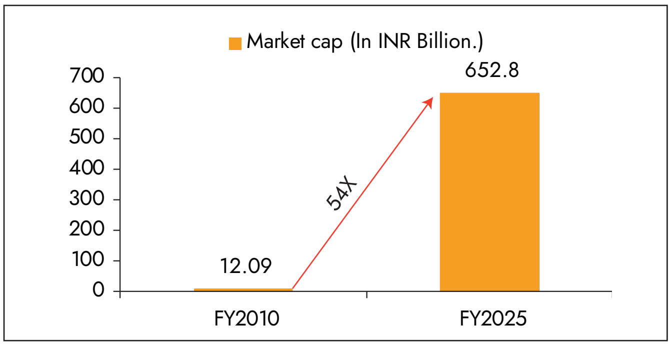
Source: Ambit Asset Management

2) Established Pricing Power Play: Abbott Ltd.

- Its comprehensive portfolio covers multiple therapeutic categories such as women's health, gastroenterology, neurology, thyroid, pain management, vitamins, and vaccines. We believe the market is yet to fully appreciate the uniqueness of this pharmaceutical company.

- Abbott's consistency and sustained high growth over the last 10 years (sales CAGR of ~11% and PAT CAGR of ~21%), in the midst of muted industry growth and increasing competitive intensity, are noteworthy.

- If one were to rank high-growth resilient companies across domestic pharmaceutical and consumer staples, in terms of growth, consistency, and enduring moats; Abbott would emerge as the top-ranking one across both sectors.



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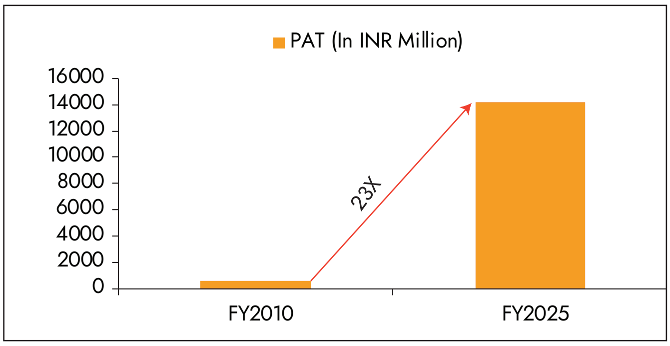


Source: Ambit Asset Management

3) Fallen Angel: Bharti Airtel

Particulars	Yes/No	Comments
Is it a Dominant Player?	Yes	Market Share: Bharti has around 37% market share
Is the ownership and industry Structure conducive ?	Yes	**Industry Rivalry :** Abating and likely to turn cooperative Moreover, The Indian telecom market has consolidated from ~14 to 3–4 players, with Bharti and Jio now holding ~78% market share, strengthening Bharti's competitive position & making the industry conducive for wealth creation
Does it have scale and growth levers?	Yes	**TAM and Growth Outlook:** Telecome sector has significant scale and presents multiple growth opportunities. Bharti today has a diversified business mix between Indian telecom, Africa operations and digital operations. Thus it can benefit from the potential 1.5x tariff hikes, since Indian telecom tariffs remain significantly below global averages **Growth levers:** Horizontal, vertical and global
Does it have Multiple and increasing moats?	Yes	**Are Moats Increasing:** Its key moats are continuously expanding. Though Bharti has lower market share, it has higher share of premium customers and lower established cost, compared to key competitor
Can the company appropriate value creation?	Yes	**Reflected in:** Margin stability; dominant market share Bharti's ROIC is expected to move above the cost of capital in FY25 and its ROEs >25% in the next few years
Does the company have Pricing Power(Very strong, strong, Medium and Low)?	Yes	**Enduring Competitive Advantage:** Cost Strategy We find Bharti to be one of the best proxies to play the bottom of the market recovery and digitization theme in India. Over the next few years, Bharti is likely to benefit from pricing repair, resulting in significant jump in profitability and return ratios, while capex intensity is likely to come down after the completion of the 5G-led upsurge.

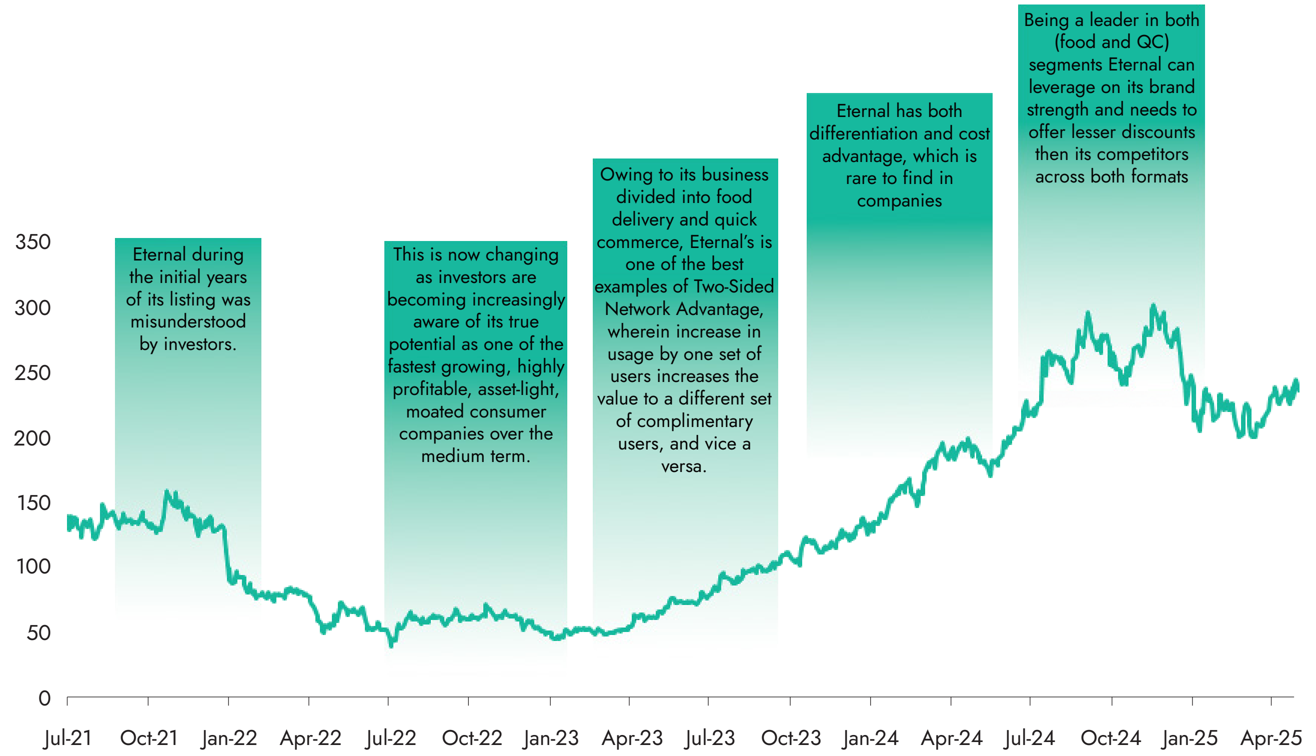
Source: Ambit Asset Management

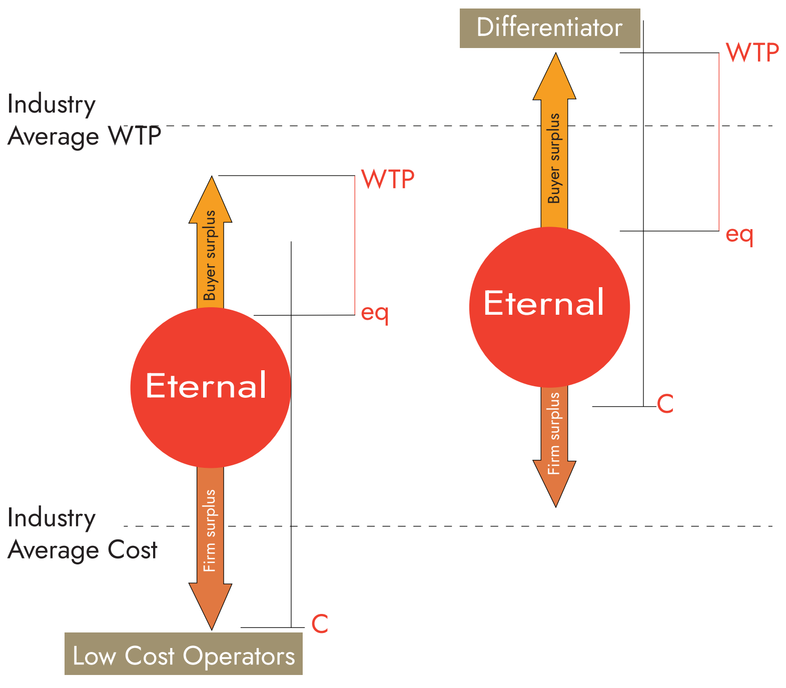
4) Hidden Pricing Power Play: KFIN Technologies

Particulars	Yes/No	Comments
Is it a Dominant Player?	Yes	**Market Share:** Industry is a duopoly with KFIN having 30-35% market share
Is the ownership and industry Structure conducive ?	Yes	**Ownership:** Private Equity Owned **Industry Rivalry:** Cooperative
Does it have scale and growth levers?	Yes	**TAM and Growth Outlook:** Industry Growth should largely mimic the domestic MF Industry Growth KFIN Technologies offer a unique play on the capital market infrastructure and the financialization trend. **Growth levers:** Horizontal, vertical and global and inorganic
Does it have Multiple and increasing moats?	Yes	**Moats:** Legal, scale; customer captivity and high switching costs **Is it Expanding:** Owing to their nature, they become stronger with time. petitor By offering low-cost integrated solutions for operationally intensive and critical operations, it makes replacing the company costly in terms of time, effort and even for the customer
Can the company appropriate value creation?	Yes	**Reflected in:** Dominant Market Share, steady margins, pat margins, high ROCE and steady FCF
Does the company have Pricing Power(Very strong, strong, Medium and Low)?	Yes	**Enduring Competitive Advantage:** Cost Strategy (Switching cost high) **Pricing Power:** Medium Given the duopoly structure, along with high switching cost, scale advantage by incumbents, we believe it will enjoy increasing pricing power in the medium-long term

Source: Ambit Asset Management

5) Emerging Pricing Power Play: Eternal





Source: Ambit Asset Management

Summary

- Decadal macro trends, which were conducive for economic growth and equities, such as globalization and benign interest rates, now seem to be at risk. Indian markets are beset with a confluence of factors such as, persistent high valuations (1), tepid earnings growth (2) and a base of multi-year broad based bull market (3), which signals a challenging environment for Indian markets in the medium term.

- During such challenging periods there is invariably a shift towards timeless investment principles and disciplined long-term investing style. We believe, our ACCP investing framework based on long term investment principles of focus on quality, business ownership mindset and capital preservation, is likely to positively stand out in this phase.

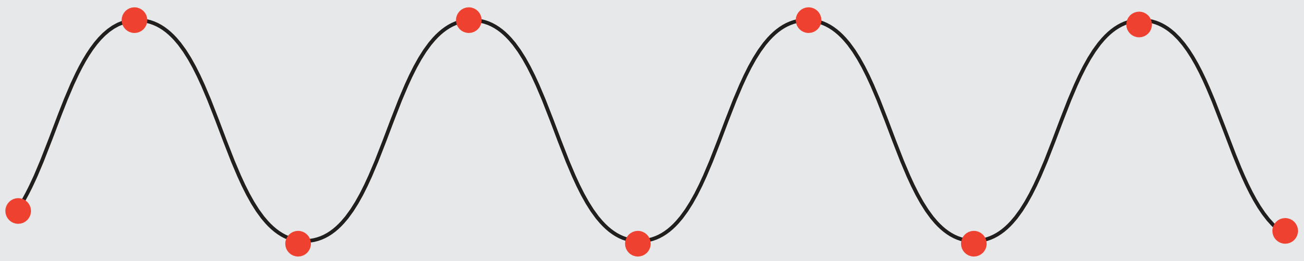
- The five key factors which differentiates our investing style are: 1) Mindset – Simplicity in Complexity, 2) Process – Focus on most important variable, 3) Approach – Picking up Nuggets of Gold, 4) Risk Positioning – Focus on Capital Protection and 5) Behavioral – Conviction cannot be borrowed.

- What risk tolerance spectrum an investor chose depends on the investor's goal. If one is aiming for Longevity (magic of compounding) leaning will be more towards defensiveness and conservativeness. Similarly, if aim is for rapid speed (glory like a shooting star) then leaning will be more towards high risk tolerance and aggressiveness.

- Since pricing power is such a pervasive concept, there are good reasons to expect that it is already "priced in" by the market and does not offer consistent outperformance. However, companies with strong pricing power have historically earned consistently strong returns while maintaining a lower risk profile.

- Moreover, they have demonstrated similar characteristics across different geographical markets, lending credence to the long-run reliability of pricing power as an investment factor. Our investment approach is not that of "placer mining," the process of sifting through piles of sand for specks of gold. Instead, we attempt to apply our pricing power framework to find the large, unrecognized nuggets of gold that sometimes lie in plain sight on the ground.

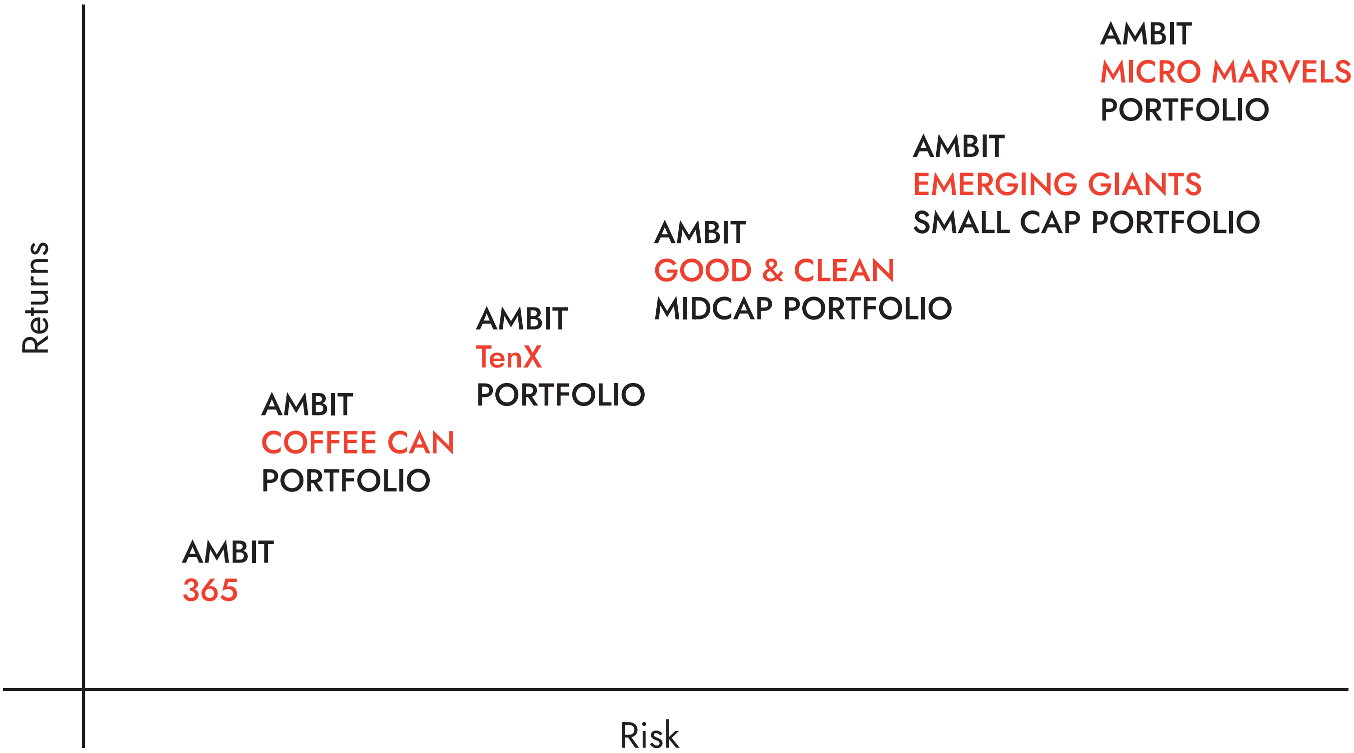
INVEST SUCCESSFULLY ACROSS MARKET CYCLES WITH AMBIT ASSET MANAGEMENT



- Successful investing takes acumen
- The acumen to have a solution for every need
- The acumen to navigate volatile conditions
- The acumen to always stay true to character
- At Ambit Asset Management, it is this acumen that helps you invest successfully, with products that stay true to character across market cycles

To know more visit : https://www.ambit.co/asset-management

4000 Cr+ Aum. 'True To Character' Products



Our Presence


MUMBAI


NEW DELHI


BENGALURU


HYDERABAD


CHANDIGARH


JAIPUR


BHOPAL


GIFT CITY


CHENNAI


KOLKATA


KOLHAPUR

Our Team

SUSHANT BHANSALI
CEO

Sushant has over 23 years of experience. Before Asset Management, he led Ambit's Principal Investment business, where he cut his teeth investing in listed equities from Ambit's Balance Sheet. Sushant is a Chartered Accountant, holds a Post-Graduate Diploma in Business Management from Indian School of Business (ISB), and has also completed the Advanced Management Program (AMP) at Harvard Business School (HBS).

DHIRAJ AGARWAL
MANAGING DIRECTOR - AMBIT INVESTMENT MANAGERS

Dhiraj Agarwal, Managing Director of Ambit Investment Managers, has 25+ years of financial market experience. He co-headed Institutional Equities at Ambit Capital, led sales at Standard Chartered India, worked with Boyer Allan Investment Management (a UK based Hedge Fund), and co-founded Sharekhan. He holds an MBA from IIM Bangalore and is an SRCC graduate.

SIDDHARTHA RASTOGI
COO & HEAD OF SALES

Siddhartha Rastogi is the Chief Operating Officer and Head of Sales at Ambit Asset Management, bringing over 22 years of experience in financial markets. He has been a pivotal part of the Ambit Group for more than 14 years. Siddhartha co-founded IIFL Wealth and previously served as the youngest Branch Head of HSBC Bank's Peddar Road branch, making it the most profitable branch nationwide

SHALINI GUPTA
DIRECTOR - FAMILY OFFICES & INSTITUTIONS

Shalini has over 27 years of experience across PAN India markets and coverage via Institutional, Family Offices, Banking & Retail Verticals. Throughout her career, she has worked with Alchemy Capital Management Pvt Ltd. She is a graduate from Symbiosis College of Arts and Commerce

DIPTI MEHTA
DIRECTOR - OFFSHORE SALES

Dipti has 18+ years of experience, transitioning from a successful sell-side career in institutional equity sales, covering FII clients across the Western Hemisphere. She has worked with firms like Ambit Capital, B&K Securities, and Haitong Securities. Dipti holds a Post-Graduate degree in Finance from NLDSMR.

TRILOK AGARWAL
FUND MANAGER - EQUITY

Trilok has over 17 years of experience in equities and asset management. Prior to Ambit, he worked with Dymon Asia Capital and Aditya Birla Sun Life Limited, where he was managing funds over INR 40 billion. Due to his superlative performance, he won several accolades and nominated as a Young Leader. Trilok has completed his post graduation in Finance from MET and BMS – Dual specialization from University of Mumbai.

BHARGAV BUDDHADEV
FUND MANAGER - EQUITY

Bhargav, with 20+ years of experience in equities and asset management, has worked at Kotak Mutual Fund and Ambit Institutional Equities. He pioneered the Beachcombing Series at Ambit Institutional Equities, a small-cap product that earned his team a top-three ranking in Asia Money polls. Bhargav is a Chartered Accountant and holds an MBA in Finance.

SIDDHARTH BOTHRA
FUND MANAGER - EQUITY

Siddharth, an investment professional with 25+ years of experience, has managed prominent funds like MOFSL Focused Large Cap 25 and Aggressive Hybrid, overseeing INR 150 billion in assets at its peak. Known for his expertise across large-cap, mid-cap, flexi-cap, and hybrid funds, he consistently ranked Focused 25 among the top 10 in its category for 9 of 11 years. Siddharth holds an MBA from ISB, Hyderabad, with an exchange at NYU Stern

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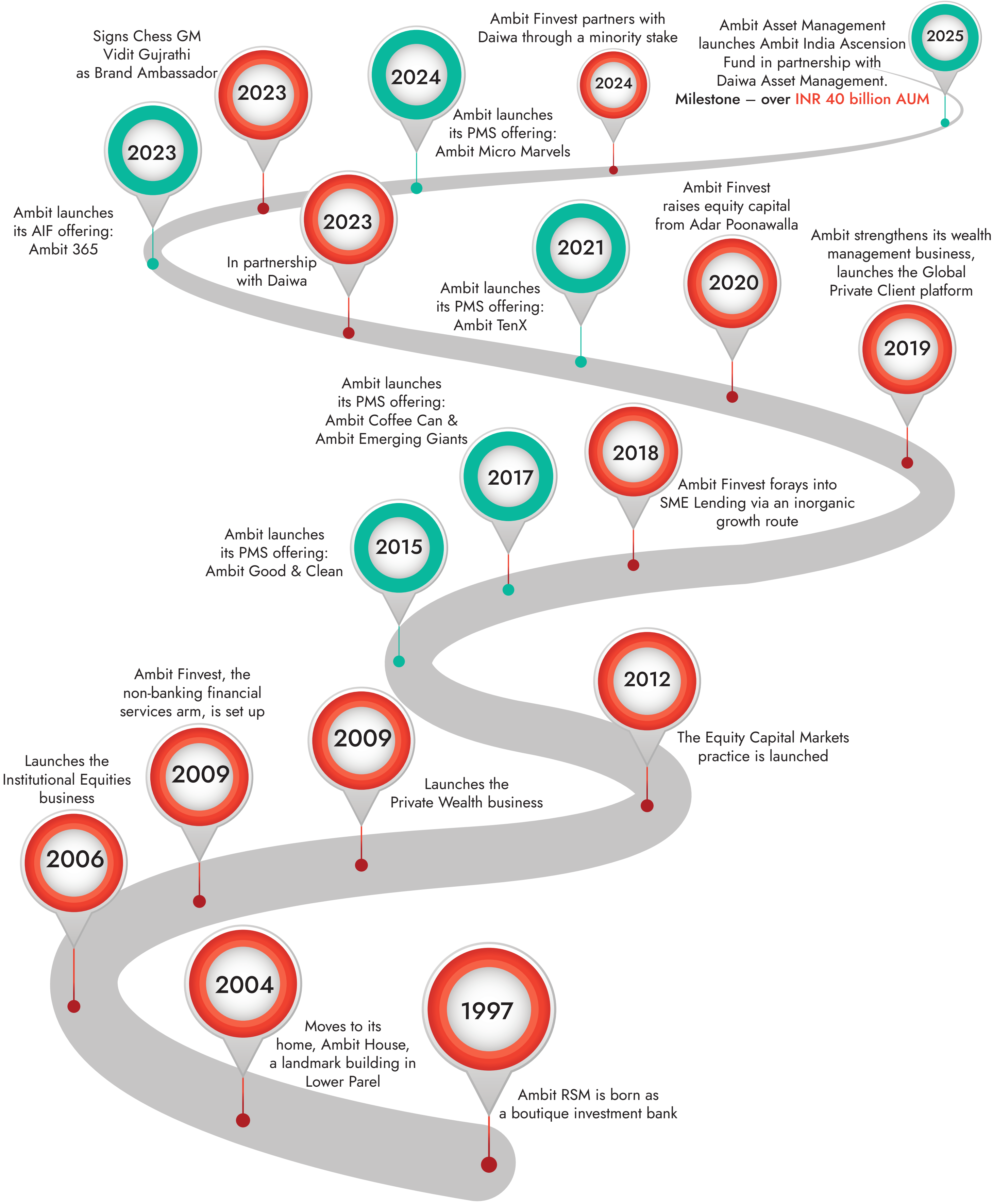
Our Journey

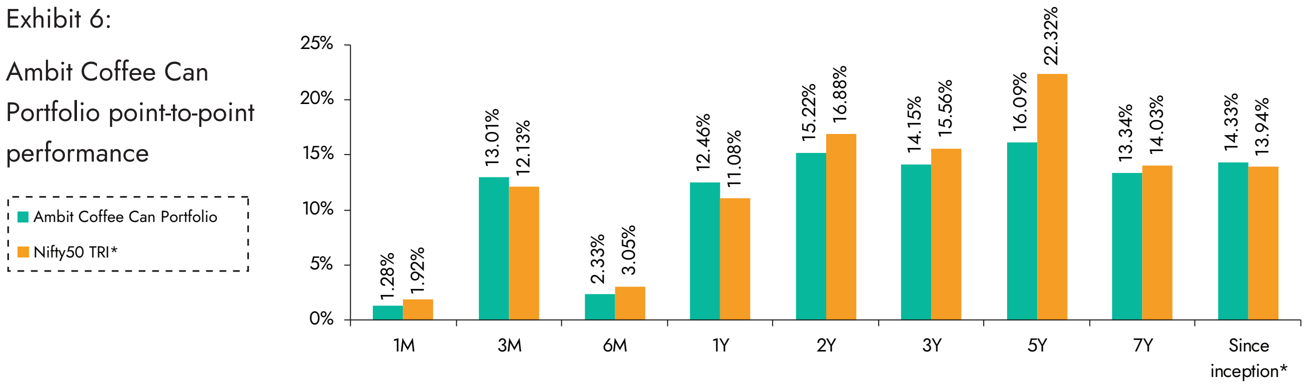


Ambit Coffee Can Portfolio

At Coffee Can Portfolio, we do not attempt to time commodity/investment cycles or political outcomes and prefer resilient franchises in the retail and consumption-oriented sectors. The Coffee Can philosophy has an unwavering commitment to companies that have consistently sustained their competitive advantages in core businesses despite being faced with disruptions at regular intervals. As the industry evolves or is faced with disruptions, these competitive advantages enable such companies to grow their market shares and deliver long-term earnings growth.

Exhibit 6:

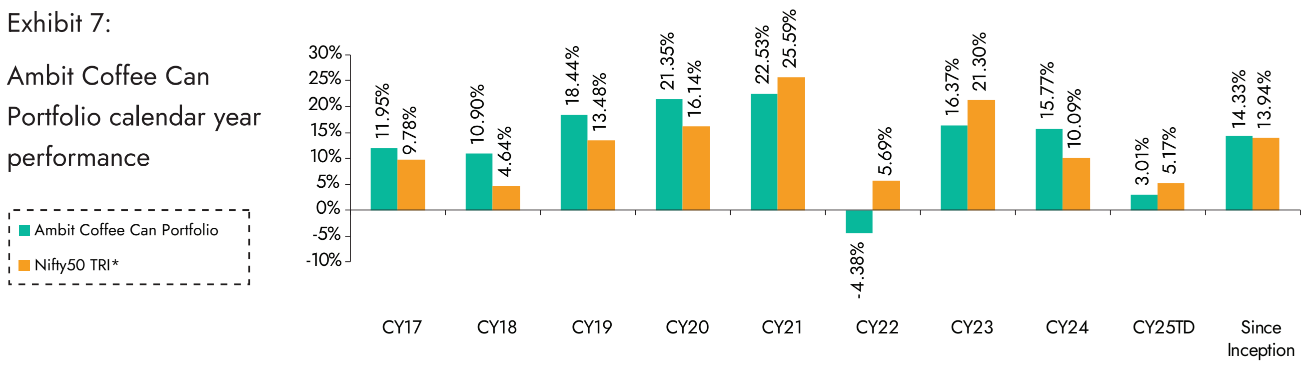
Ambit Coffee Can Portfolio point-to-point performance



Source: Ambit Coffee Can Portfolio inception date is June 20, 2017;
**1M Return: 1st - 31st May'25; 3M Return: 1st Mar'25 – 31st May'25; 6M Return: 1st Dec'24 – 31st May'25; 1Y Return: 1st Jun'24 – 31st May'25
*Nifty 50 TRI is the selected benchmark for the Ambit Coffee Can Portfolio. The performance related information provided herein is not verified by SEBI.

Exhibit 7:

Ambit Coffee Can Portfolio calendar year performance



Source: Ambit Coffee Can Portfolio inception date is June 20, 2017;
*Nifty 50 TRI is the selected benchmark for the Ambit Coffee Can Portfolio. The performance related information provided herein is not verified by SEBI.

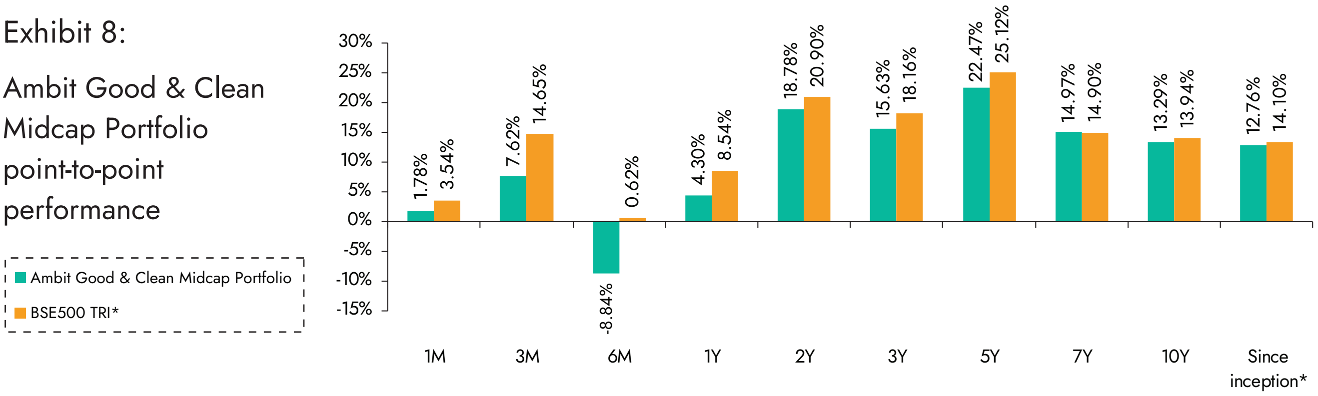
Ambit Good & Clean Midcap Portfolio

Ambit's Good & Clean strategy provides long-only equity exposure to Indian businesses that have an impeccable track record of clean accounting, good governance, and efficient capital allocation. Ambit's proprietary 'forensic accounting' framework helps weed out firms with poor quality accounts, while our proprietary 'greatness' framework helps identify efficient capital allocators with a holistic approach for consistent growth. Our focus has been to deliver superior risk-adjusted returns with as much focus on lower portfolio drawdown as on return generation. Some salient features of the Good & Clean strategy are as follows:

1. Process-oriented approach to investing: Typically starting at the largest 500 Indian companies, Ambit's proprietary frameworks for assessing accounting quality and efficacy of capital allocation help narrow down the investible universe to a much smaller subset. This shorter universe is then evaluated on bottom-up fundamentals to create a concentrated portfolio of no more than 20 companies at any time.
2. Long-term horizon and low churn: Our holding horizons for investee companies are 3-5 years and even longer with annual churn not exceeding 20-25% in a year. The long-term orientation essentially means investing in companies that have the potential to sustainably compound earnings, with these compounding earnings acting as the primary driver of investment returns over long periods.
3. Low drawdowns: The focus on clean accounting and governance, prudent capital allocation, and structural earnings compounding allow participation in long-term return generation while also ensuring low drawdowns in periods of equity market declines.

Exhibit 8:

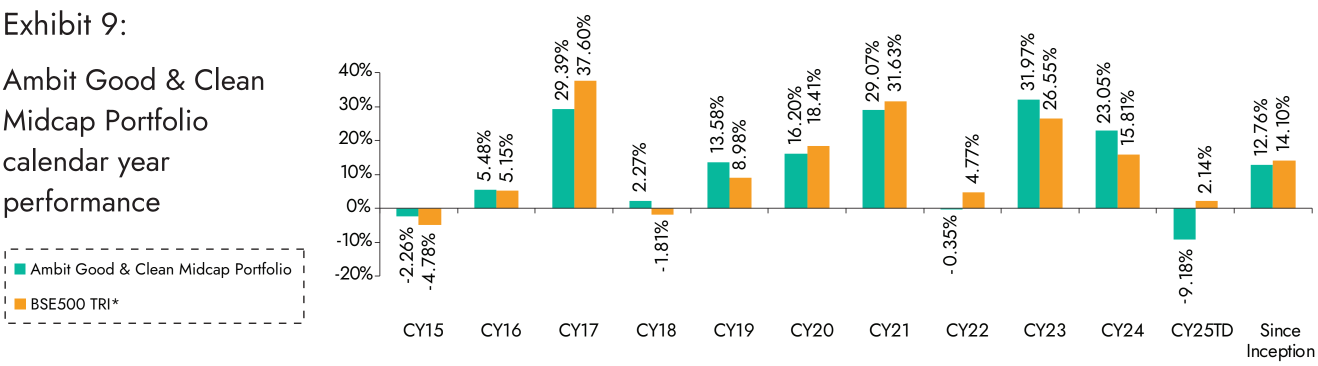
Ambit Good & Clean Midcap Portfolio point-to-point performance



Source: Ambit Good & Clean Mid cap Portfolio inception date is Mar 12, 2015;
**1M Return: 1st - 31st May'25; 3M Return: 1st Mar'25 – 31st May'25; 6M Return: 1st Dec'24 – 31st May'25; 1Y Return: 1st Jun'24 – 31st May'25
*BSE 500 TRI is the selected benchmark for the Ambit Good & Clean Mid cap. The performance related information provided herein is not verified by SEBI.

Exhibit 9:

Ambit Good & Clean Midcap Portfolio calendar year performance



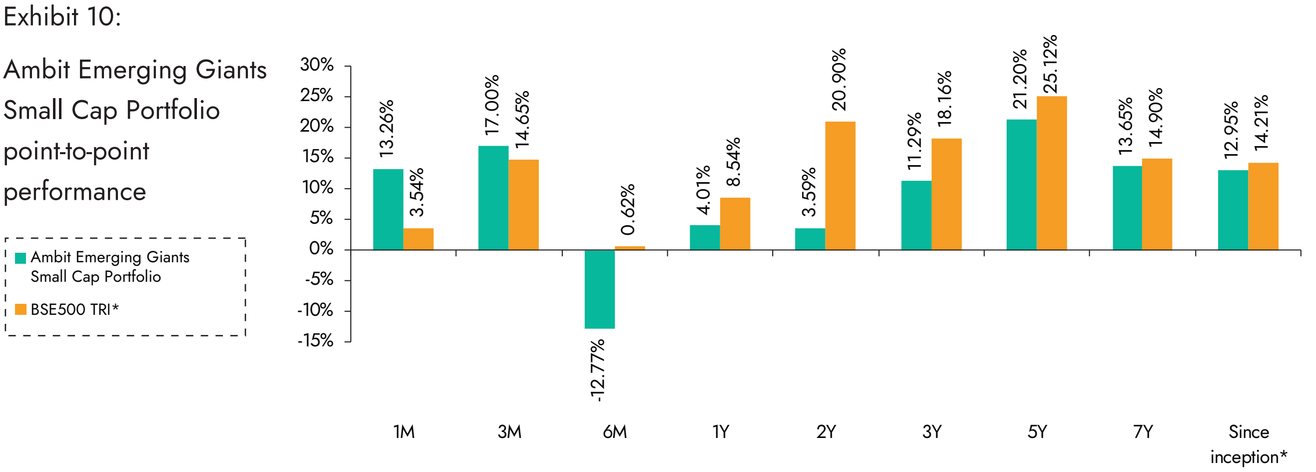
Source:Ambit Good & Clean Mid cap Portfolio inception date is Mar 12, 2015;
*BSE 500 TRI is the selected benchmark for the Ambit Good & Clean Mid cap. The performance related information provided herein is not verified by SEBI.

Ambit Emerging Giants Small Cap Portfolio

Small caps with secular growth, superior return ratios and no leverage – Ambit's Emerging Giants Small Cap portfolio aims to invest in small-cap companies with market-dominating franchises and a track record of clean accounting, governance and capital allocation. The fund typically invests in companies with market caps less than INR 10,000cr. These companies have excellent financial track records, superior underlying fundamentals (high RoCE, low debt), and the ability to deliver healthy earnings growth over long periods of time. However, given their smaller sizes, these companies are not well discovered, owing to lower institutional holdings and lower analyst coverage. Rigorous framework-based screening coupled with extensive bottom-up due diligence led us to a concentrated portfolio of 18-20 emerging giants.

Exhibit 10:

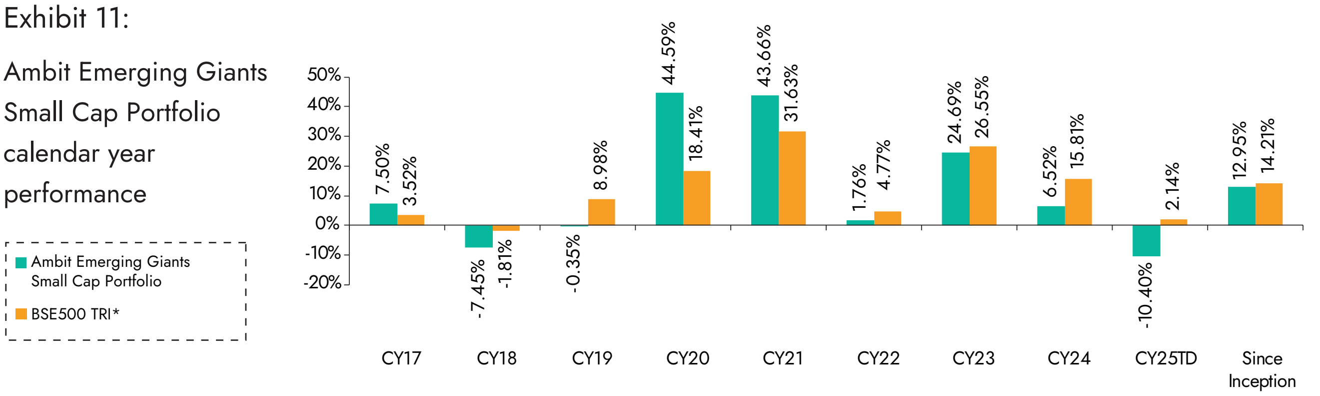
Ambit Emerging Giants Small Cap Portfolio point-to-point performance



Source: Ambit Emerging Giants Small cap Portfolio inception date is Dec 1, 2017;
**1M Return: 1st - 31st May'25; 3M Return: 1st Mar'25 – 31st May'25; 6M Return: 1st Dec'24 – 31st May'25; 1Y Return: 1st Jun'24 – 31st May'25
*BSE 500 TRI is the selected benchmark for the Ambit Emerging Giants Small cap. The performance related information provided herein is not verified by SEBI.

Exhibit 11:

Ambit Emerging Giants Small Cap Portfolio calendar year performance



Source: Ambit Emerging Giants Small cap Portfolio inception date is Dec 1, 2017;
*BSE 500 TRI is the selected benchmark for the Ambit Emerging Giants Small cap. The performance related information provided herein is not verified by SEBI.

Ambit TenX Portfolio

Ambit TenX Portfolio gives investors an opportunity to participate in the India growth story as the Indian GDP heads towards a US$10tn mark over the next 12-15 years. Mid and Small corporates are expected to be the key beneficiaries of this growth. The portfolio intends to capitalize on this opportunity by identifying and investing in primarily mid & small cap companies that can grow their earnings 10x over the same period implying 18-21% CAGR. Key features of this portfolio would be as follows: Key features of this portfolio would be as follows:

1. Longer-term approach with a concentrated portfolio: Ideal investment duration of >5 year with 15-20 stocks.
2. Key driving factors: Low penetration, strong leadership, light balance sheet.
3. Forward-looking approach: Relying less on historical performance and more on future potential while not deviating away from the Good & Clean philosophy.

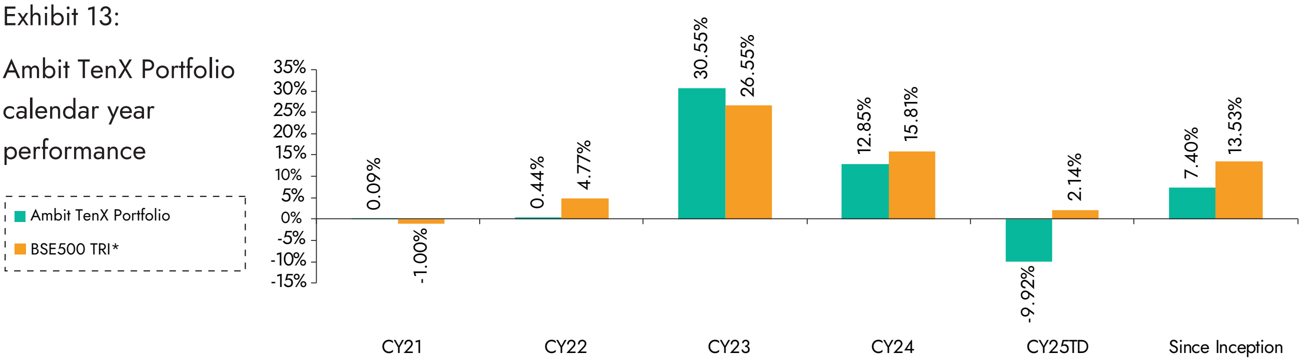
Exhibit 12:

Ambit TenX Portfolio point-to-point performance

Source: Ambit TenX Portfolio inception date is Dec 13, 2021;
**1M Return: 1st - 31st May'25; 3M Return: 1st Mar'25 – 31st May'25; 6M Return: 1st Dec'24 – 31st May'25; 1Y Return: 1st Jun'24 – 31st May'25
*BSE 500 TRI is the selected benchmark for the Ambit TenX Portfolio. The performance related information provided herein is not verified by SEBI.

Exhibit 13:

Ambit TenX Portfolio calendar year performance



Source: Ambit TenX Portfolio inception date is Dec 13, 2021;
*BSE 500 TRI is the selected benchmark for the Ambit TenX Portfolio. The performance related information provided herein is not verified by SEBI.

Ambit Micro Marvels Portfolio

We aim to create a portfolio that invests predominantly in micro-cap companies with the potential of delivering superior earnings growth and generating relatively better risk-adjusted performance over a long period of time.

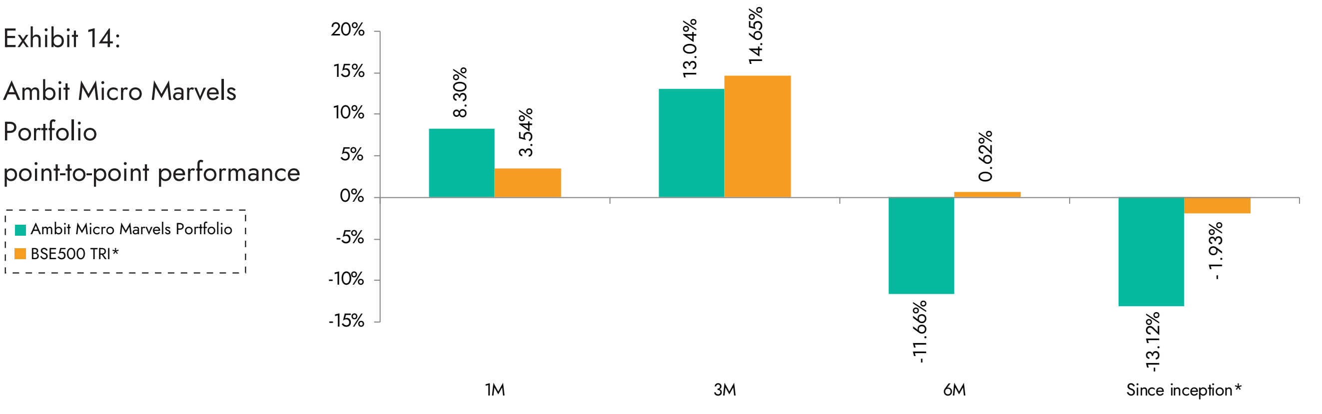
Ambit's proprietary 'forensic accounting' framework helps weed out firms with poor quality accounts while our proprietary 'greatness' framework helps identify efficient capital allocators. The result is a concentrated portfolio of 20-25 stocks that draws down less than the market in corrections and has low churn.

Key Features of Portfolio Companies:

1. High earnings growth companies with low leverage,
2. Market leaders or challengers with strong moat around brand, distribution, technology, and innovation,
3. Strong corporate governance coupled with apt capital allocation.

Exhibit 14:

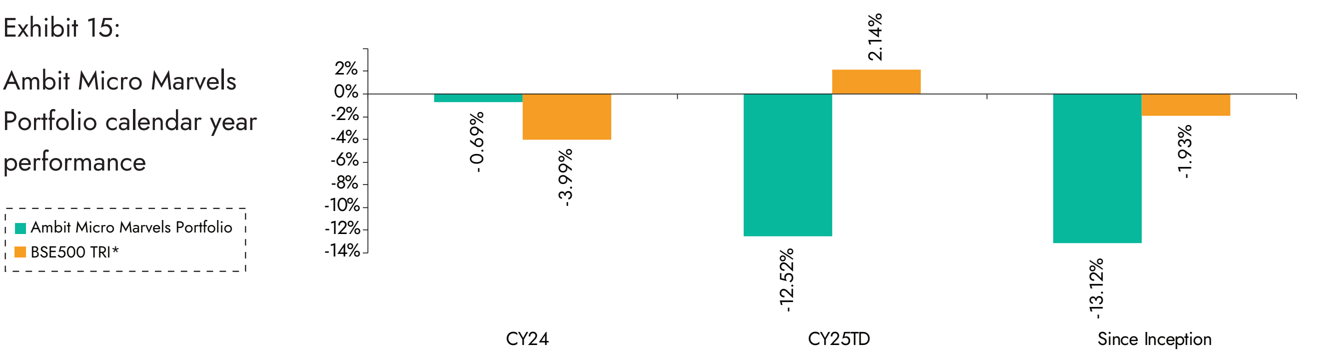
Ambit Micro Marvels Portfolio point-to-point performance



Source: Ambit Micro Marvels Portfolio inception date is Jul 29, 2024;
**1M Return: 1st - 31st May'25; 3M Return: 1st Mar'25 – 31st May'25; 6M Return: 1st Dec'24 – 31st May'25; 1Y Return: 1st Jun'24 – 31st May'25
*BSE 500 TRI is the selected benchmark for the Ambit Micro Marvels Portfolio. The performance related information provided herein is not verified by SEBI.

Exhibit 15:

Ambit Micro Marvels Portfolio calendar year performance



Source: Ambit Micro Marvels Portfolio inception date is Jul 29, 2024;
*BSE 500 TRI is the selected benchmark for the Ambit Micro Marvels Portfolio. The performance related information provided herein is not verified by SEBI.

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You may contact your Relationship Manager for any queries.

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