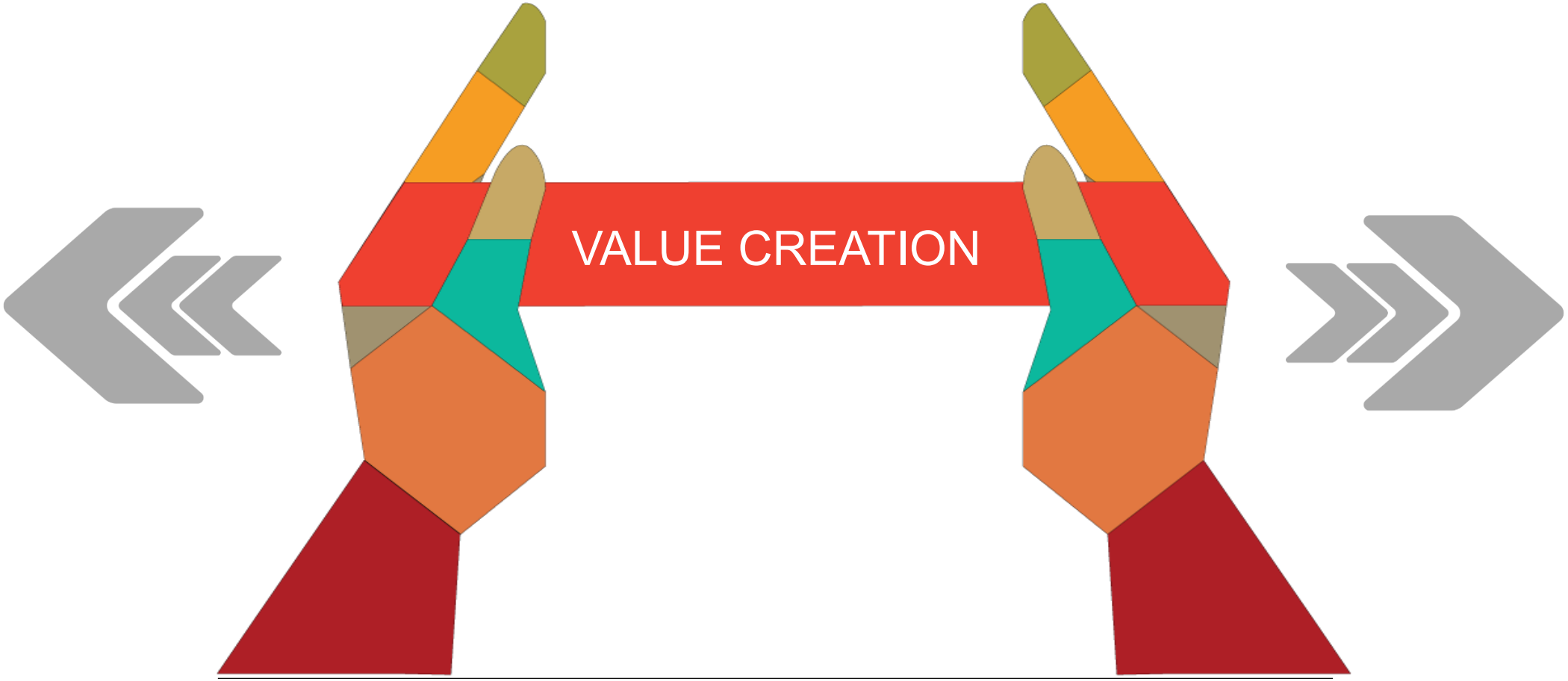
AMBIT
Acumen at work
Asset Management

Ambit Pricing Prowess Fund



An Open-ended, Long-only, Category III AIF with Registration number IN/AIF3/25-26/1833

Ambit Pricing Prowess Fund: Objective

1. Long term Investors/ Absolute Return Focus

Ambit Pricing Prowess Fund is designed for niche, long-term investors seeking superior absolute returns by investing in high-quality businesses with sustainable compounding through strong pricing power.

2. Prudent mix of offense and defense

Our endeavour is to be well diversified across sectors and have a concentrated 'All weather portfolio' prepared for 'Black Swan Events'. While we will seek a prudent mix of offense and defense in portfolio, capital protection is our main credo.

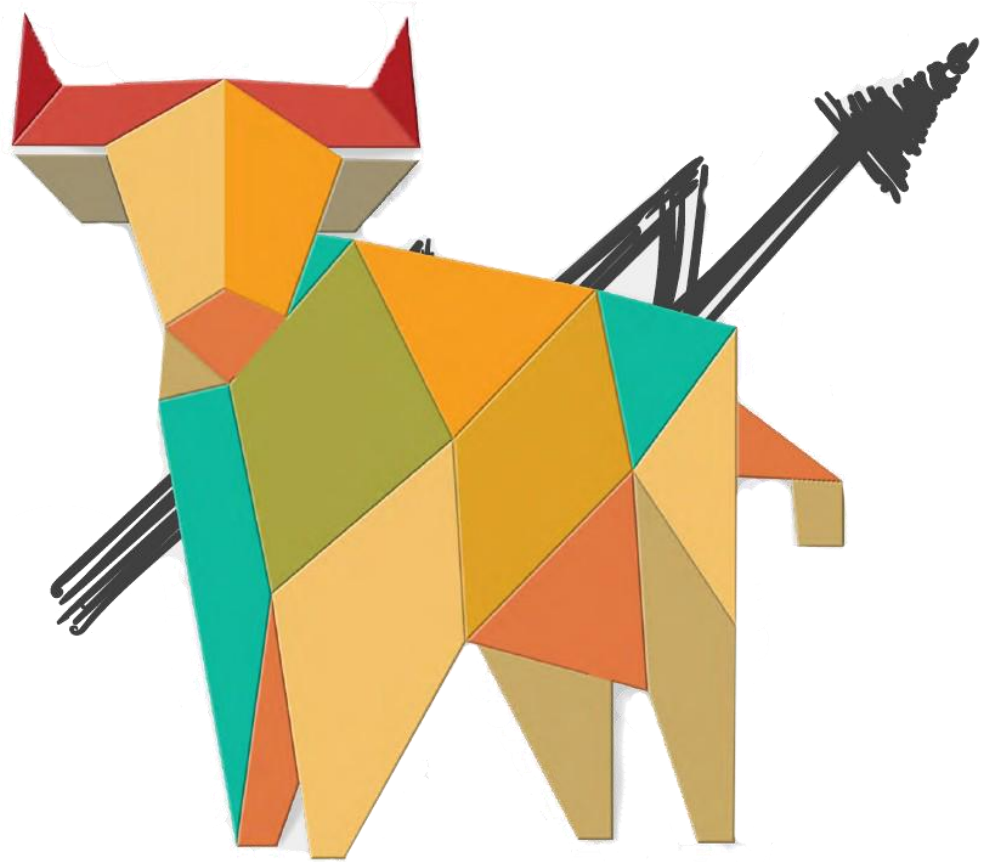
3. Growth Focus / Portfolio of Forever Companies

The strategy targets Growth companies with lasting Quality and 'Forever' attributes, leveraging a proprietary Pricing Power Framework to identify businesses with robust margins, and steady earnings growth.

4. Remove Behavioral bias and institutional imperatives

The investment strategy is designed to achieve our objectives while minimizing behavioural biases and institutional pressures.

OPPORTUNITY



Portfolio Theme An Antidote For Emerging Global Macro Challenges

Globalization

From Tailwinds to Headwinds

Benign Interest Rate Reversal

Benefit of Decadal /Structural Benign Inflation and Interest Rates behind us

Disruptions Increasing

Company Lifecycles turning Shorter

Lower Returns & Higher Volatility

Scenario of Lower Returns and Higher Volatility

Valuation Driver

India Emerging as one of the Most Attractive Macro Investment Destinations

HOW IS AMBIT PRICING PROWESS FUND DIFFERENT?

Simplicity In Complexity – Eliminating What Impedes Compounding

What impedes compounding		What enables compounding
SHORT TERMISM	"Next Quarter" Vs. "Next Decade"	1. MINDSET
DE-EMPHASIZING SOURCE OF ADVANTAGE	"Stock Price Movements" Vs. "Business Fundamentals"	2. PROCESS
ACTION ORIENTATION	"Action" Vs. "Thinking"	3. APPROACH
COMFORT OF CROWD	"Comfort of Crowd" Vs. "Independent Thinking"	4. BEHAVIOURAL
ASSET GATHERING / RELATIVE PERF FOCUS	"Asset Gathering" Vs. "Alpha"	5. RISK POSITIONING
	"Relative Performance" Vs. "Absolute Performance"	

1. MINDSET – SIMPLICITY IN COMPLEXITY

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

– Simon Sinek, Infinite Growth

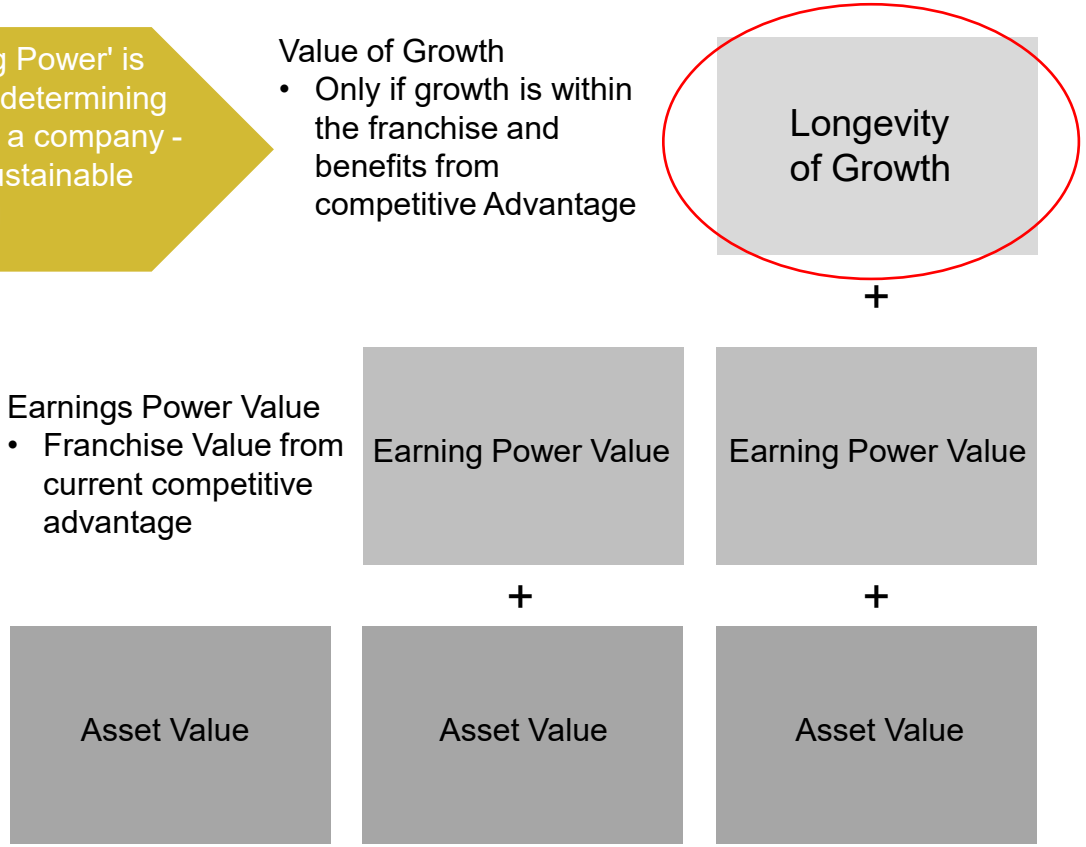
Magic Of Compounding Is Not Possible Without Focus On Quality And Longevity Of Growth

Companies with 'Pricing Power' is one of the key element determining Longevity of Growth for a company - which is essential for sustainable long term compounding

Value of Growth
- Only if growth is within the franchise and benefits from competitive Advantage

Earnings Power Value
- Franchise Value from current competitive advantage

Asset Value
- Replacement Cost
- Free Entry
- No Competitive Advantage



- 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.
- Magic of compounding is not possible unless one focuses on Quality and Longevity of Growth.
- We believe, investing in 'Forever companies' or 'companies with pricing power' is one of the most key element determining Longevity of Growth for a company.

Source: Three Slices of Value (Value Investing-Bruce Greenwald)

2. PROCESS - PURSUIT OF PRICING POWER PLAYS

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

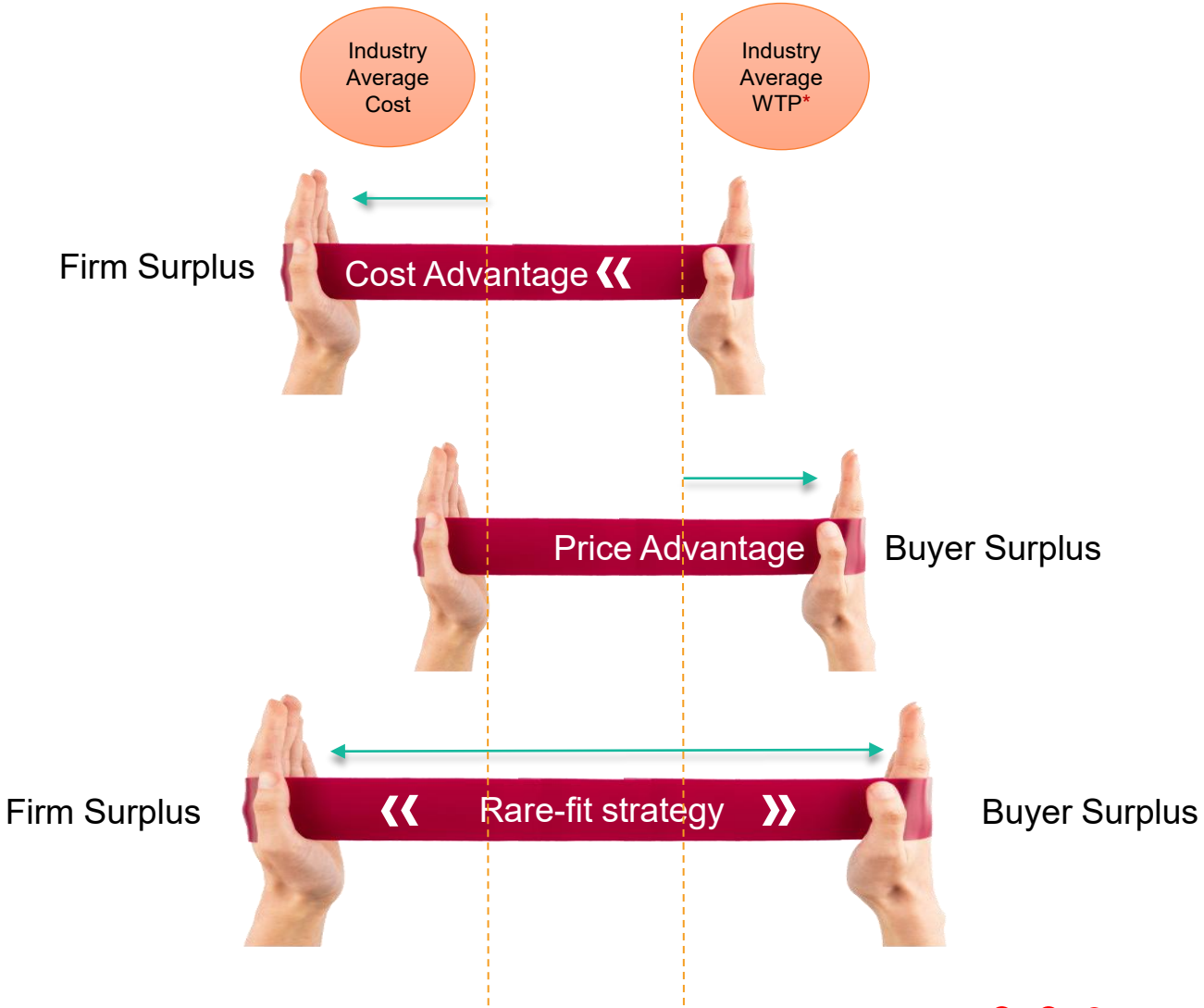
- Warren Buffett

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.

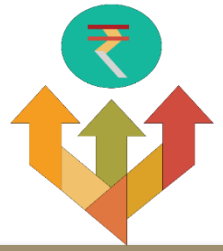
- Enduring competitive advantage comes from sustaining higher relative prices or lower relative costs, or both, than your rivals in an industry.

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



*WTP: Willingness to Pay

Why Pursue Pricing Power Plays?

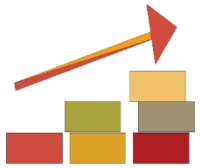


Inflation Hedge

Pricing Power companies can raise prices to offset inflation, there by preserving their real earnings and shielding investors from the eroding effects of rising costs.

Drives Higher Margins

Unique Value Propositions and Strong Brand Recognition allowing them to command premium prices, withstand competitive pressures.



Stable, Quality Compounders

They tend to be less glamorous and newsworthy (exceptions when at early life cycle), instead are quiet and Stable Quality ‘compounders’.

Resilience

Strategy works across multiple global markets and economic cycles, making pricing power a cornerstone of resilient, high-quality portfolios.

Positive Impact on Valuations

The ability to have pricing power can support premium valuations, as investors are willing to pay a higher multiple for companies with predictable and sustainable growth.

Pursuit Of Pricing Power Plays

- Dominant Franchises
- Advantage in Key Consumer Variable with High Variance
- Multiple, Increasing Moats
- Management Playing the Long game
- Quality First – Forward Looking Quality
- Scale, Increasing Market share, Margin Stability

Pricing Prowess

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.
– Charlie Munger

Investment Framework

Quantitative Framework (30%)

- **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

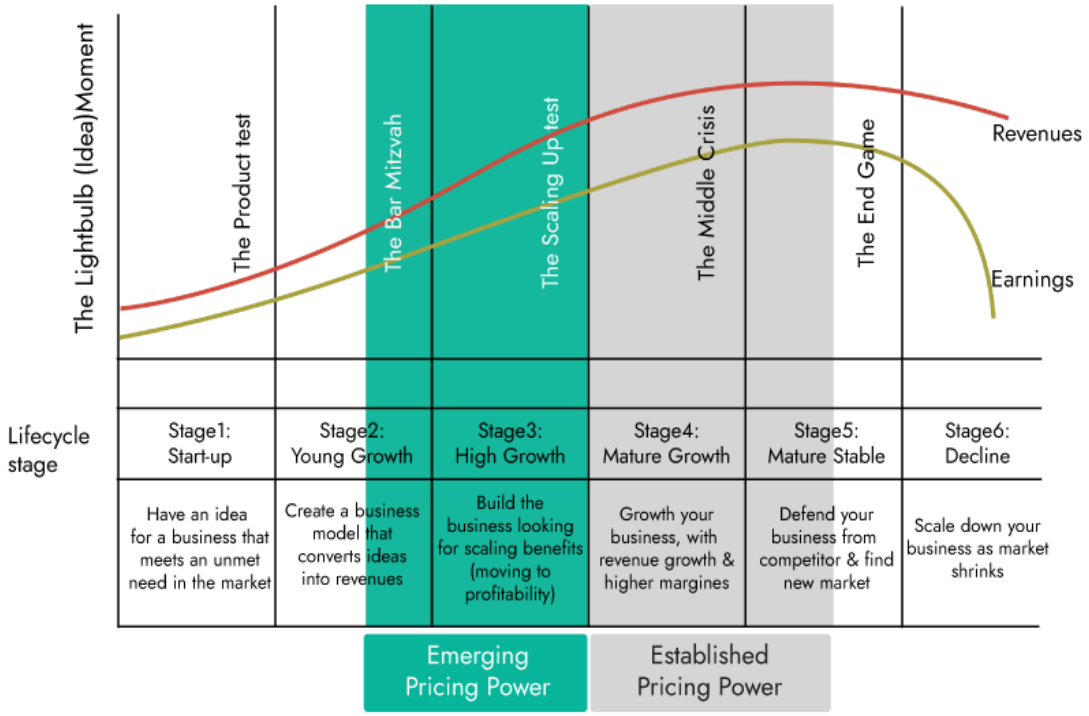
Qualitative Framework (70%)

- 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"?

Fund Positioning

1) FOCUS ON ESTABLISHED & EMERGING PRICING POWER PLAYS



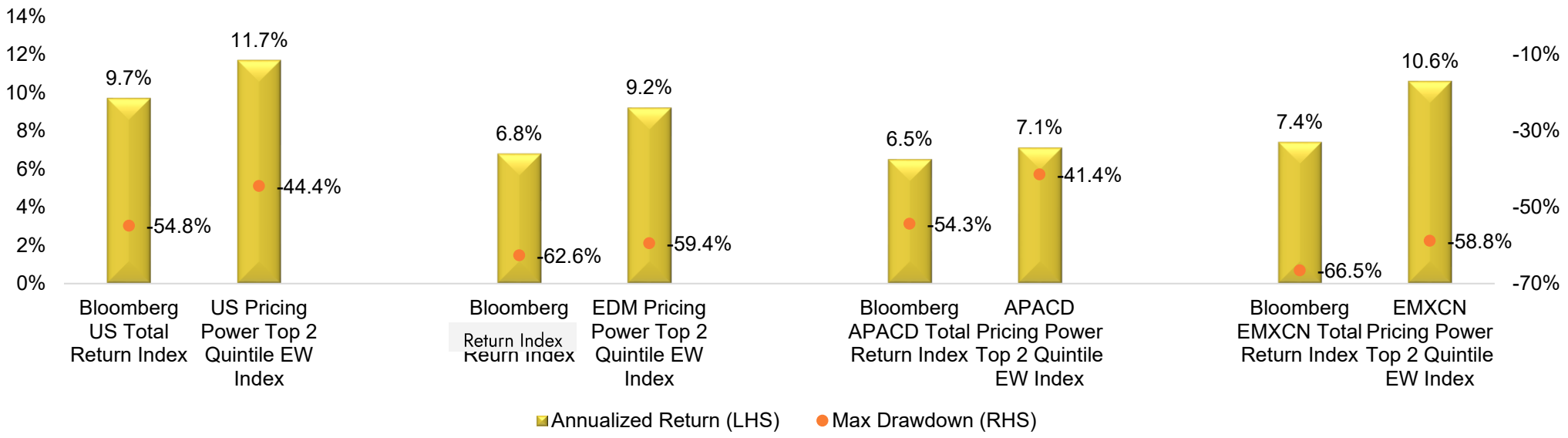
2) FOCUS ON FORWARD QUALITY

- 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.
- Sweet Investment Zone is where companies generally witness 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

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.



Performances of Pricing Power indices across the globe from 2003-06-30 to 2023-10-12. The Pricing Power index in each region selects securities in the top two quintiles with the greatest pricing power after certain liquidity and quality screens, is then equal weighted and rebalanced quarterly. US: Bloomberg US Large and Mid-Cap Index; EDM: Bloomberg Europe Developed Markets Large and Mid-Cap Index; APACD: Bloomberg Asia-Pacific Developed Markets Large and Mid-Cap index; EMXCN: Bloomberg Emerging Markets ex-China Large and Mid-Cap index.
Source: Bloomberg, 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

Approach – Player Mining Vs Nuggets Of Gold

- 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.

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

4. FOCUS ON RISK

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

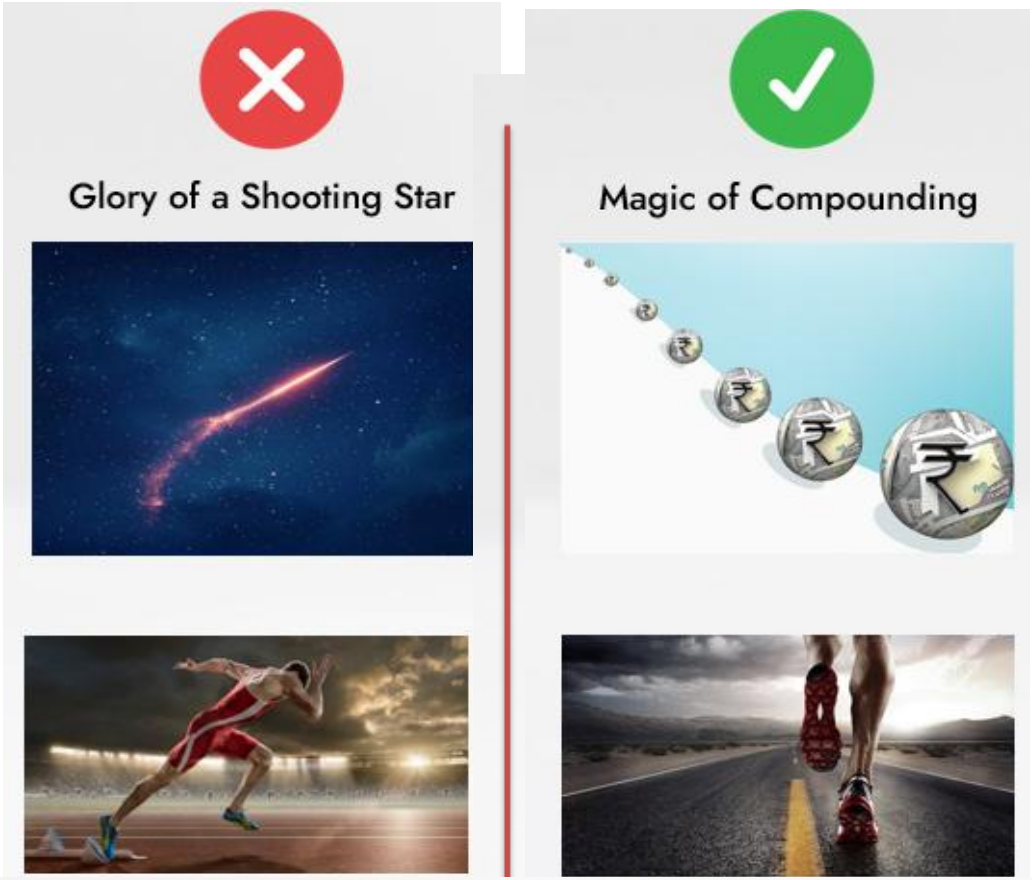
- Howard Marks

Focus On Capital Preservation

- 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.

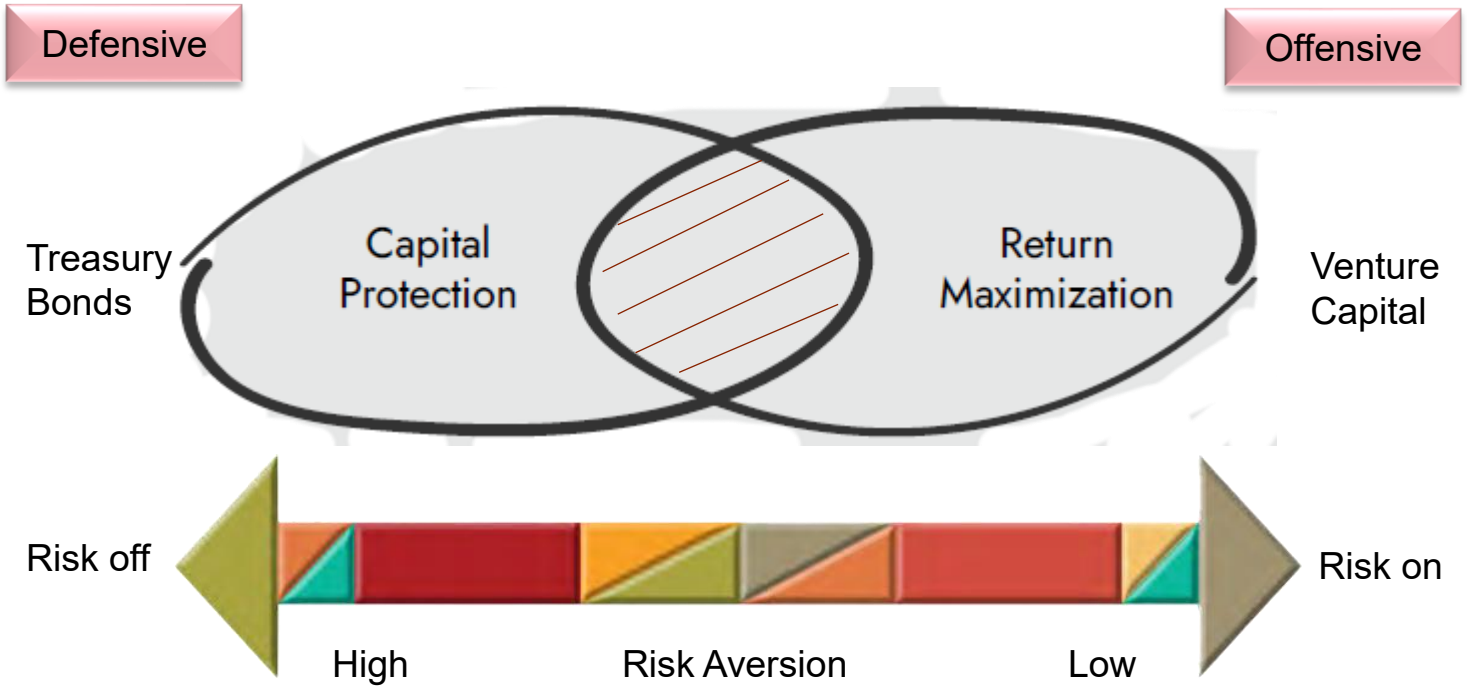
What risk tolerance spectrum an investor choses depends on the investor's goal:

- 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

Risk Positioning



Fear, pessimism, prudence, uncertainty, skepticism, caution, risk aversion and reticence

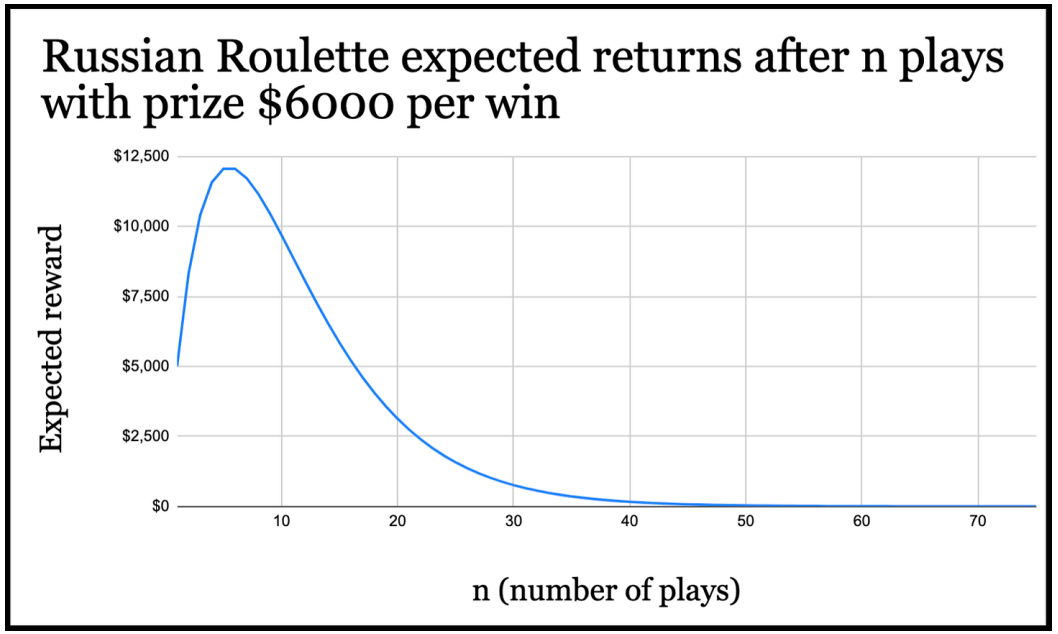
Greed, optimism, exuberance, over confidence, credulity, daring, risk tolerance and aggressiveness

Avoid Playing Non Ergodic Games

Survival matters more than performance for long term performance

Example - Russian Roulette

Russian Roulette Odds of winning keeps declining the more you play



5. BEHAVIOURAL – CONVICTION CANNOT BE BORROWED

“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 an idiot.”

— Joel Greenblatt, The Little Book That Beats the Market

Sources Of Advantage – Focus On Analytical And Behavioural Advantage

Information Advantage (Better Information)

Analytical Advantage (Better Process)

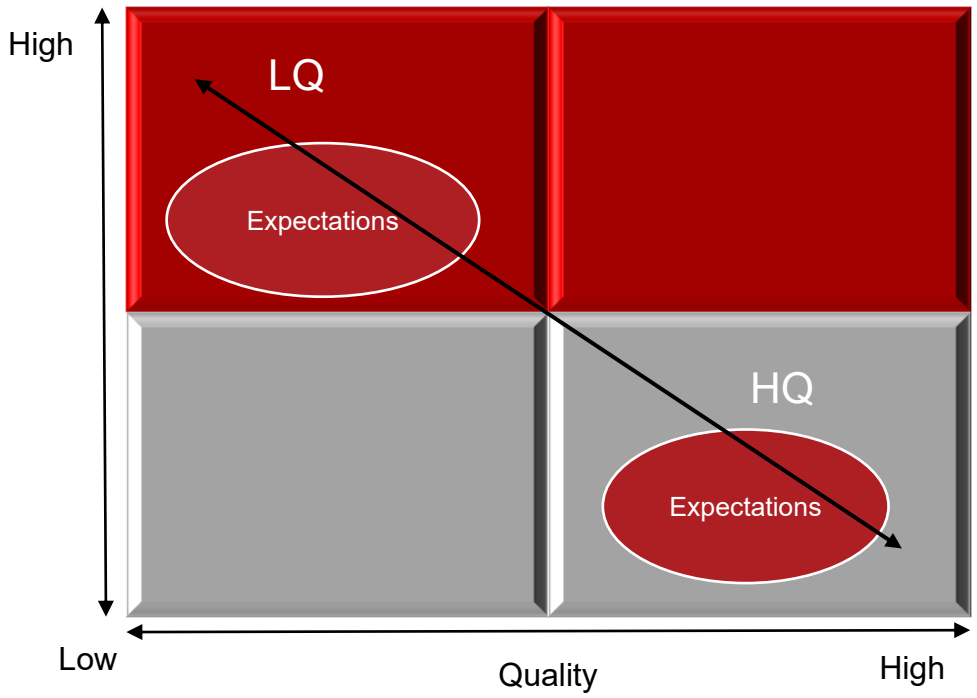
Behavioural Advantage (Better Behaviour)

	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

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.**

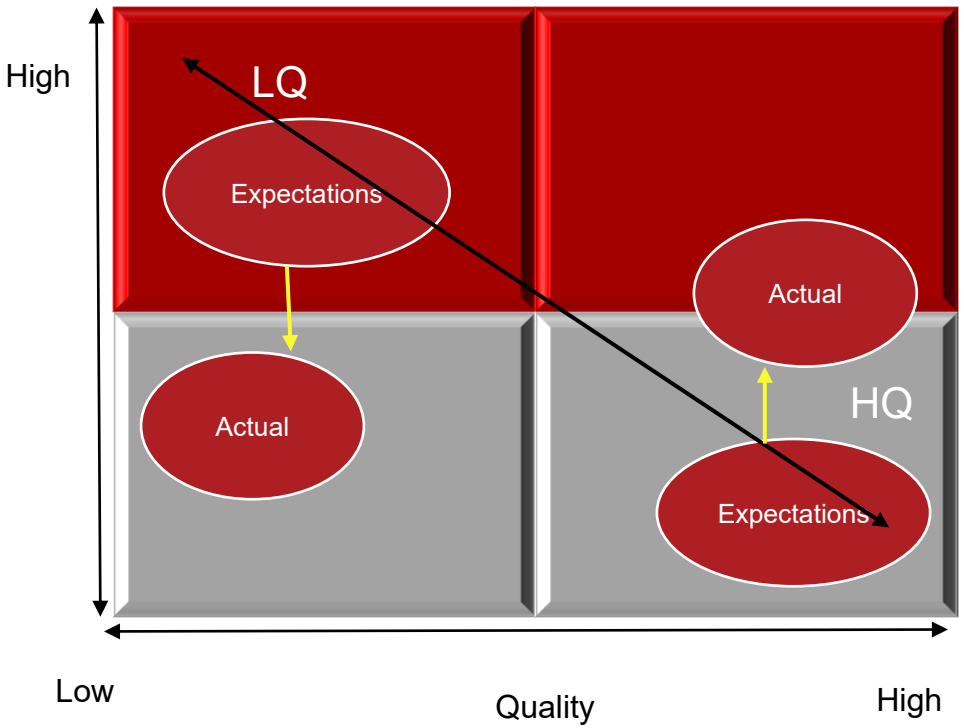
Overconfidence Behavioral Bias

RETURN EXPECTATION (%)



High Quality – HQ
Low Quality - LQ

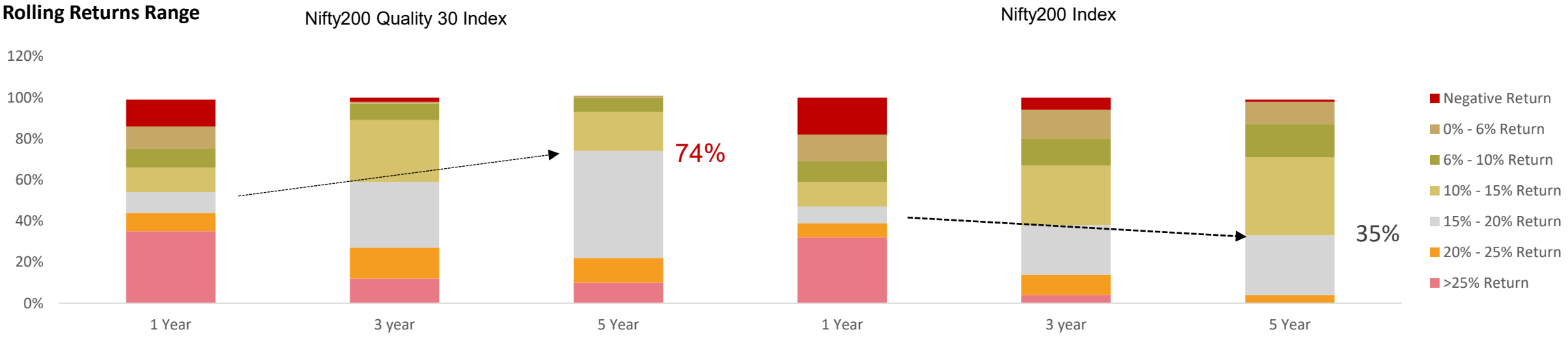
ACTUAL RETURNS (%)



High Quality – HQ
Low Quality - LQ

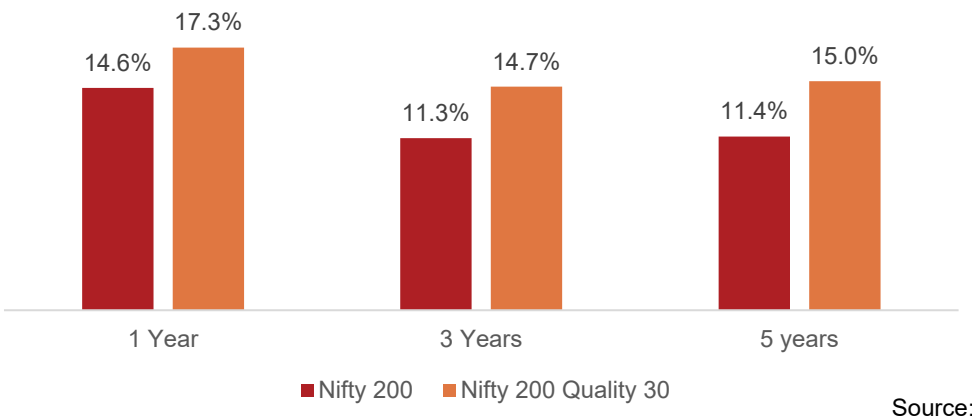
Magic Of Compounding Through Quality

Rolling Returns Range

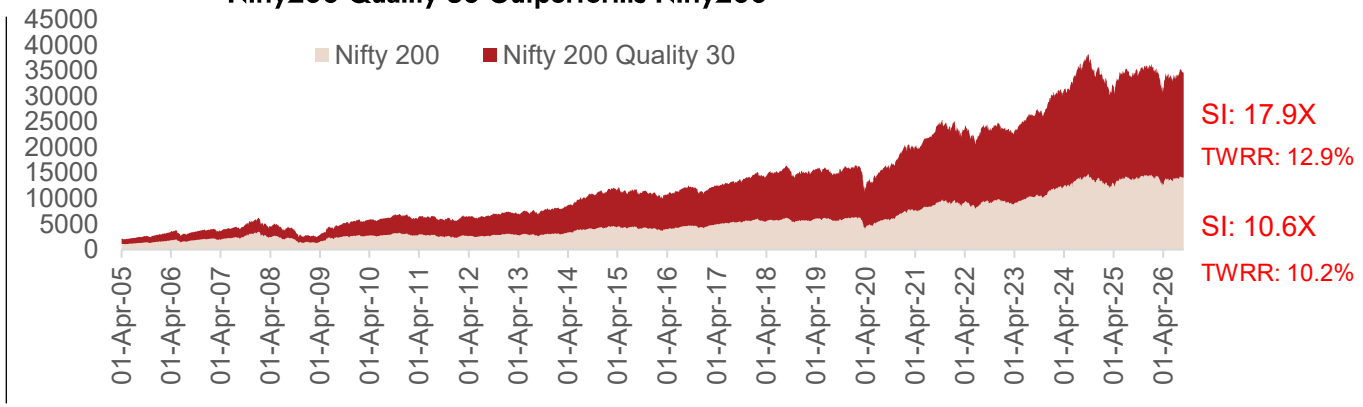


Number of observations: 1 Year: 4711; 3 Year: 4125; 5 Year: 3728, period 1st April 2005 to 30th April 2025

Average Rolling Returns

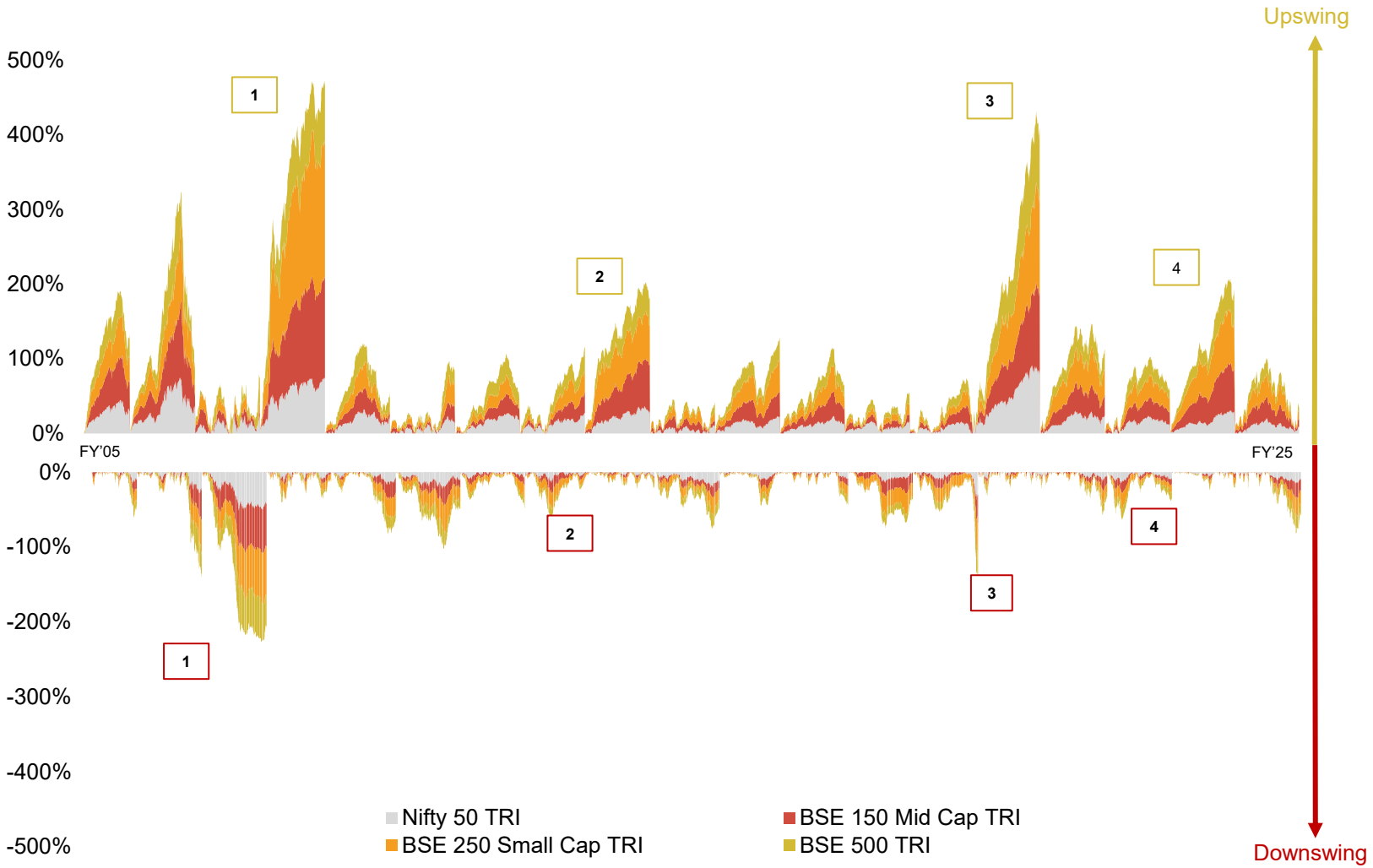


Nifty200 Quality 30 Outperforms Nifty200



Source: NIFTY Indices, Ambit Asset Management. Data as on 30th Sep'26

Need For Diversification



Event	Downswing (Excess Returns of LCs over SMID)	Upswing (Excess Returns of SMID over LCs)
1. Global Financial Crisis	26%	105%
2. 2013 Taper Tantrum Crisis	12%	22.5%
3. COVID 19	9%	35%
4. 2022 Geopolitical tensions	6.5%	43.5%

In highly volatile markets, capital preserved during downturns exerts a disproportionately greater influence on overall portfolio performance than incremental gains achieved in up-markets

Source: NIFTY Indices, Ambit Asset Management. Calculations for upswing and downswing of Market Indices have been done on a daily basis within each Financial Year up to FY'25

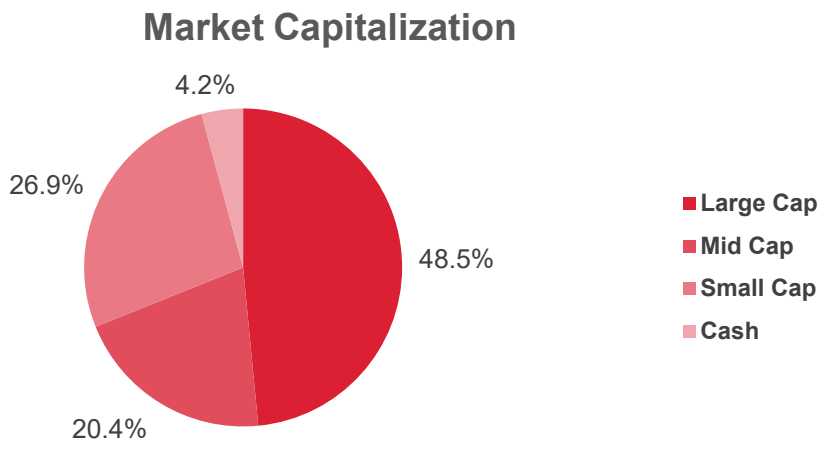
FUND STATISTICS & STRUCTURE

Exposure And Fund Statistics

TOP 5 HOLDINGS	WEIGHT
Eternal Ltd.	7.3%
The Phoenix Mills Ltd.	5.1%
Aegis Vopak Terminals Ltd.	4.8%
Maruti Suzuki India Ltd	4.8%
Eicher Motors Ltd	4.7%

TOP 5 SECTORAL EXPOSURE	WEIGHT
Financials	18.6%
Consumer Discretionary	14.0%
Automobile	10.5%
Industrials	8.5%
Logistics	7.8%

Date as on 30th Sept 2026



PORTFOLIO STATISTICS	
ROE (FY2026)	16%
Number of Stocks	30
Top 5 Holdings	26.6%
Top 10 Holdings	47.1%

Ambit Pricing Prowess Fund

- **Fund Structure:** Open-ended, long-only, Category III AIF, to invest in listed and unlisted equities (up to 25%).
- **Fund Strategy:** Fund will run a flexi-cap strategy with a Quality bias through strong Pricing Power
- **Subscription:** Weekly, every Wednesday; Redemption: Monthly (last Wednesday of each calendar month)
- **Hybrid Fee Structure: Fixed + Variable over 10% hurdle, high watermark applicable**

Classes	Min Capital Commitment	Fixed + Variable
Class A1	INR 1 Cr	1.50% + 20%
Class A2	INR 2 Cr	1.25% + 20%
Class A3	INR 5 Cr	1.00% + 20%
Class A4	INR 25 Cr	0.50% + 20%

- **Fixed Management Fee Structure**

Classes	Min Capital Commitment	Fixed
Class E1	INR 1 Cr	2.50%
Class E2	INR 2 Cr	2.10%
Class E3	INR 5 Cr	1.75%
Class E4	INR 25 Cr	0.95%

- Fixed Management Fee: Accrued on the basis of the daily NAV and shall be chargeable on a monthly basis (at the end of each month) in respect to Classes of Units as may be designated.
- Exit Load: 2% within 12 months from the date of allotment; 1% post the expiry of 12 months and within 24 months from the date of allotment; and Nil post expiry of 24 months from the date of allotment.

For complete details, kindly refer to the proposed terms in the Private Placement Memorandum of Ambit Pricing Prowess Fund with Registration no.: IN/AIF3/25-26/1833

AMBIT ASSET MANAGEMENT

Our Team

SUSHANT BHANSALI
CEO

Sushant has over 24 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).

SIDDHARTHA RASTOGI
COO & HEAD OF SALES

Siddhartha Rastogi is the Chief Operating Officer and Head of Sales at Ambit Asset Management, with over 24 years of experience in financial markets. A key pillar of the Ambit Group for more than 16 years, he was also a co-founder of IIFL Wealth. Previously, he led HSBC's Peddar Road branch - the largest and most profitable wealth branch in the country - as its youngest Branch Head. He is a Commerce Honours graduate from the University of Delhi, a Company Secretary (Intermediate), and a Gold Medalist in PGDBA, NMIMS, Mumbai.

TRILOK AGARWAL
FUND MANAGER - EQUITY

Trilok has over 18 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.

LOVELESH MANOCHA
FUND MANAGER - EQUITY

Lovelesh has over 18 years of experience in equities and asset management. Prior to this, he served as a Fund Manager at Bandhan Life (formerly Aegon Life), managing multiple large-cap funds. During his tenure, his funds consistently outperformed the benchmark, generating an average alpha of over 300 bps. Lovelesh holds a CFA, a PGDM from IIM Lucknow, and a B.E. in Chemical Engineering from Panjab University.

RAHUL MAHESHWARY
ASSOCIATE FUND MANAGER

Rahul Maheshwary is an Associate Fund Manager at Ambit Asset Management with over 11 years of experience in equity markets. Currently in his second stint with the company, he has previously worked with Dolat, TCG, and IDBI Asset Management, building extensive expertise in portfolio construction, active fund management, long-short investing, and fundamental equity research across a diverse range of sectors. Rahul is a Chartered Accountant and an alumnus of the Indian Institute of Management Calcutta.

SHALINI GUPTA
DIRECTOR - FAMILY OFFICES & INSTITUTIONS

Shalini Gupta brings over two and a half decades of distinguished expertise in asset management, capital markets, and investment strategy. As Director, Family Office , she spearheads institutional investors and family offices engagements focusing on scalable bespoke investment solutions. Her career spans key roles majorly at Alchemy Capital and Principal PNB Asset Management, where she spearheaded Markets as well as established and built institutional partnerships. Shalini holds an MBA & Bcom from University of Pune , enabling her to blend financial expertise with strategic vision.

Team Credentials

Trilok Agarwal

Fund Manager - Equity, Ambit Investment Advisors Private Limited

Trilok Agarwal has over 18 years of experience in investment and equity research.

Before joining Ambit, he worked with Dymon Asia Capital and Aditya Birla Sun Life Limited (ABSLI). He was the core member of the investment team that oversaw equities over INR 15000Crs.

In the initial phase of his career, he tracked research across various sectors, including auto, telecom, consumer, discretionary, chemicals, and cement. His cross-sector exposure and eye for detail ensured his progress to becoming a fund manager quickly.

Due to his superlative and consistent performance and contribution, he won several accolades and was appreciated on various platforms, nominated as a Young Leader three years in a row across Aditya Birla Financial Services group.

At the time of his departure from ABSLI, he was managing funds of over INR 4000Crs. During his tenure, funds generated an average alpha of 280bps over a five-year tenure with consistent outperformance versus the benchmark. He has also played a pivotal role in launching and scaling up funds for ABSLI during 2016-2020 and garnered over INR 1000Crs of AUM.

At Dymon Asia Capital, he was looking at alternate Investment funds with a mandate to generate alpha by doing long/short.

Risk Disclosure And Disclaimer

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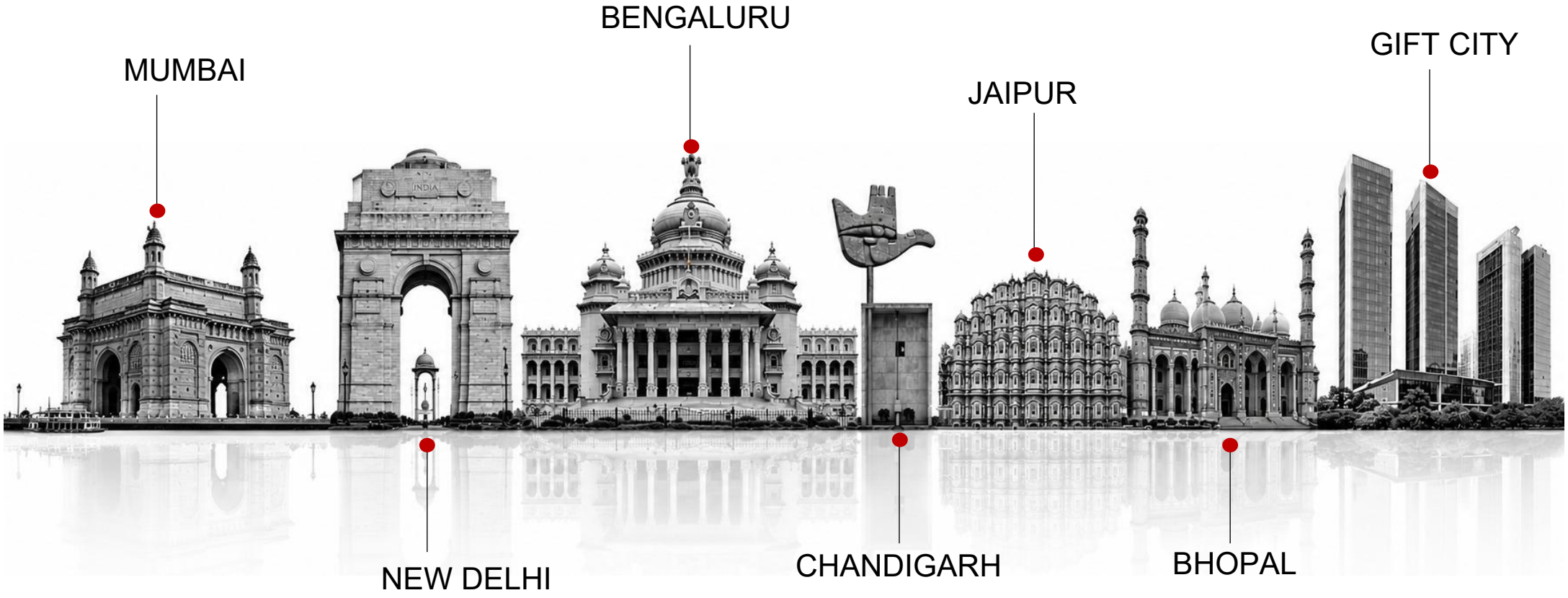

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