ALCHEMY SMART ALPHA MICRO & SMALL CAP

Unlocking Hidden Gems in India's Small Cap Market

August 2025

Alchemy Smart Alpha Micro & Small cap is one of the Portfolio Management Services products managed by M/s Alchemy Capital Management Pvt. Ltd., a SEBI registered Portfolio Manager. Until May 29, 2025, the Investment Approach name was Alchemy Smart Alpha Small & Micro cap.

Alchemy Smart Alpha Micro and Small cap strategy aims to uncover the hidden gems within India's dynamic Small and Micro cap market, where growth opportunities may abound for discerning investors. A unique Quant and Active management style meticulously researches and analyses companies with strong fundamentals, compelling growth prospects, and solid management teams.

WHY SMALL AND MICROCAP STRATEGY?

India is a land of a billion opportunities and a long runway of growth.

This growth gets better captured in riding the journey of successful companies morphing from micro to small to mid to large. This whole journey has potential to create lot of wealth/returns.

Over the last 10 years, while Nifty 50 TRI has delivered 14.3% CAGR, the comparative number for Nifty SmallCap 250 TRI is 19.9%.*

**Source: ACE MF | Note: Data as of April 30, 2024*

WHY ALCHEMY CAPITAL?

Expertise: Our seasoned team possesses deep knowledge and expertise in navigating the nuances of India's small-cap landscape.

Research-driven Approach: We use a unique blend of Quant + Active styles.

Diversification: We believe in a well-diversified portfolio strategy to mitigate risk and capture growth opportunities across various sectors.

Active Management: We actively monitor and manage our portfolio to capitalize on emerging trends and swiftly adapt to market dynamics.

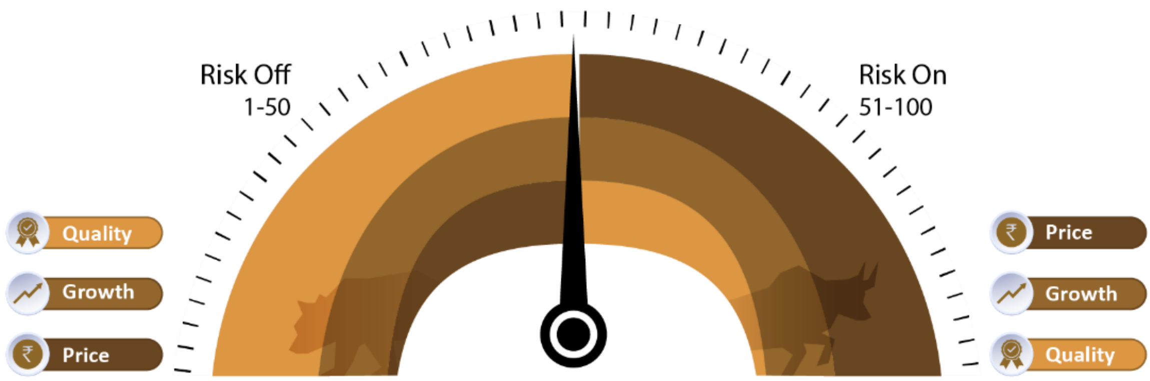
PORTFOLIO CONSTRUCTION PROCESS

1. Our universe generally consists of bottom 750 out of top 1000 stocks by market cap
2. For each company, we have scores for Q, G, P
3. The weights for Q, G, P are based on e-score
4. We consider the weighted average score for each company
5. Top 25* companies with highest score make their way to the portfolio
6. Rebalancing is an on-going process

**Usually portfolio consists of 25 stocks but it may go upto 50.*

OUR PRORPIETARY FRAMEWORK

Environment Meter



eQGP - Environment

The philosophy of the product is to get aggressive in a risk-on environment and defensive in a risk-off environment. Our rating band on the environment is based of multiple factors. Few of them are:

- Liquidity conditions in the market
- Interest rate conditions in the market
- Improving or deteriorating macro growth
- Improving or deteriorating macro balance sheet
- Price action parameters in multiple sections of the market
- Trends in corporate profits
- Currency situation
- Policy level support

eQGP - Quality

The quality of a business comes from multiple attributes. The higher the number of these attributes in favour, the higher the quality. Our quality rating band is based of multiple factors. Few of them are :

- Capital efficiency - absolute & relative
- Leverage ratios - absolute & relative
- EVA generation track record
- OCF generation track record
- Consistency in profit generation
- FCF track record
- Credit rating
- Management quality

eQGP - Growth

All good things in the company need to culminate into business growth. Our growth rating band is based of multiple factors. Few of them are:

- Profit growth - absolute and relative
- Operating efficiency - absolute and relative
- Business growth
- Market share gains
- Consistency of growth

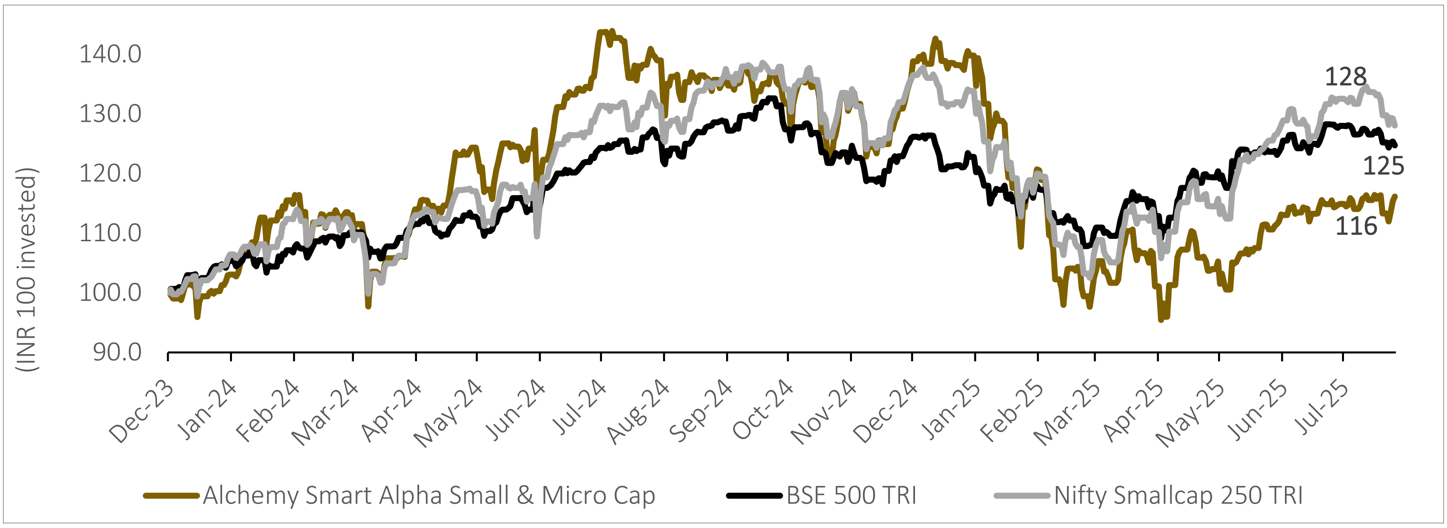
eQGP - Price Action

Returns come from price action and movement. Our price action rating band is based of multiple factors. Few of them are:

- Tailwinds in the price behaviour - absolute and relative
- Ownership trends
- Consistency of outperformance
- Liquidity
- Risk reward potential

PORTFOLIO PERFORMANCE

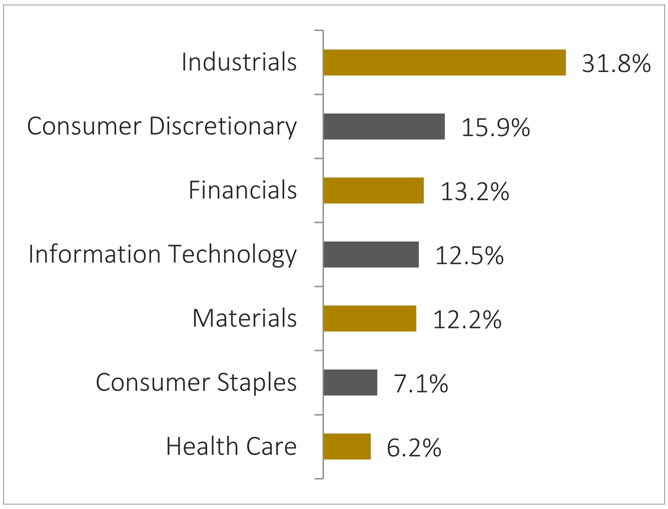
NAV - Based Performance#



Periodic Returns

Period	Alchemy Smart Alpha Micro & Small Cap^	Nifty Smallcap 250 – TRI	BSE 500 TRI	Alpha over Secondary Benchmark*
1 Month	0.6%	-3.6%	-2.7%	4.1%
3 Months	12.0%	11.8%	4.4%	0.2%
6 Months	-0.8%	8.4%	6.7%	-9.2%
1 Year	-17.0%	-3.9%	-2.1%	-13.1%
Since Inception^^	9.5%	16.1%	14.3%	-6.6%

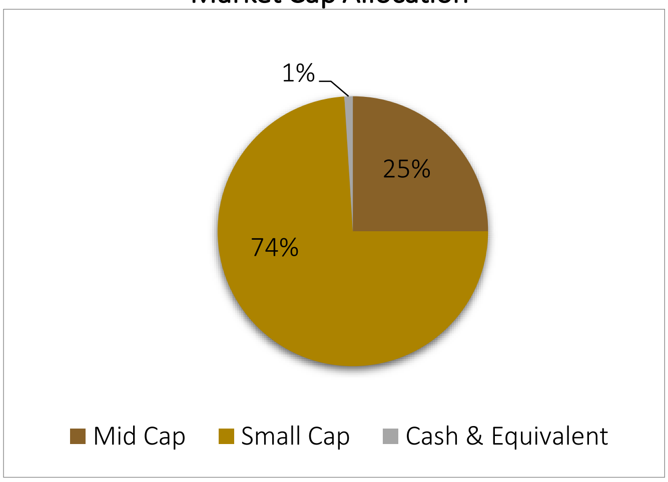
GICS Sector Allocation (%) †



Top Holdings

Top 10 Stocks by Weight	% Weight
GE Vernova T&D India Ltd	16.7%
Multi Commodity Exchange Of India Ltd	7.9%
PG Electroplast Ltd	6.7%
Refex Industries Ltd	6.1%
Cartrade Tech Ltd	5.1%
Camlin Fine Sciences Ltd	4.8%
Force Motors Ltd	4.4%
Acutaas Chemicals Ltd	3.8%
V2 Retail Ltd	3.7%
Avalon Technologies Ltd	3.6%

Market Cap Allocation^



Ratio Analysis

Ratio	Since inception ^^
Upside Capture Ratio##	92%
Downside Capture Ratio##	112%
Capture Ratio##	82%

*Data as on July 31, 2025| ^^Inception Date: December 6, 2023 |*Primary Benchmark (as per regulatory requirement): BSE 500 TRI. Secondary Benchmark (more reflective of the strategy's investable universe): Nifty Smallcap 250 TRI, since the strategy primarily invests in bottom 750 out of top 1000 stocks by market capitalisation.|*

#Performance related information provided herein is not verified by SEBI. *| Returns are net of fees, expenses, and taxes (if applicable). | Returns less than 365 days is absolute, greater than 365 days is CAGR (Computed using TWRR method) | Past Performance is not indicative of future performance. | The above performance figures are aggregate of all discretionary clients; the investor's actual portfolio may differ.| Please refer the below link for viewing Performance relative to other portfolio managers: https://www.apmiindia.org/apmi/welcomeiaperformance.htm?action=PMSmenu |*

^ Source - AMFI | † Source : Bloomberg | ##Calculated using Geometric Mean of monthly returns. | The sectors and stocks mentioned here may or may not form part of Client's portfolio

KEY FUND TERMS

Investment Objective:** To generate long term risk adjusted returns.

Philosophy & Strategy:** A High-Risk High Return oriented strategy which aims at generating long term alpha consistently by investing predominantly in small cap & microcap companies. The investment philosophy follows Growth at Reasonable Price/ Premium (GARP) approach with a blend of quant and active management.

Risk associated with Product/Investment approach^^: High Risk

Description of types of securities: Equity

Basis of selection of types of Securities as part of the Product/ Investment Approach: Equity stocks are chosen for investment on the basis of following factors: 1. The company fundamentals, as reflected in reported numbers.

2. Investment strategy research regarding various market cycles. 3. Risk & Reward ratios.

Allocation of Portfolio across types of Securities: Upto 100% in equity (cash portion may be deployed in liquid funds/ debt securities).

Portfolio Construct: A typical Portfolio may generally consist of upto 50 stocks across sectors

Benchmark: Primary: BSE 500 TRI Secondary: Nifty Smallcap 250 TRI

Basis for choice of benchmark: As per APMI Circular APMI/2022-23/02 dated March 23, 2023.

Investment horizon: 3 to 5 years

Fund Manager: Alok Agarwal

***The investment objectives, strategy and allocation are indicative and there are no assurances that it will be achieved. Investors are advised to take independent tax, legal, risk, financial and other professional advice.*
^^ All product/ investment approaches attract various kinds of risks. Please read the relevant Disclosure Document/ Client Agreement carefully before investing.

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