ISOA

Dynamic Advantage Fund (DAF)

India Equity + Select Global Exposure
+31.5% CAGR (Since Inception in July 2023)

Portfolio Deck- September 2025

Shivam Jain, CFA

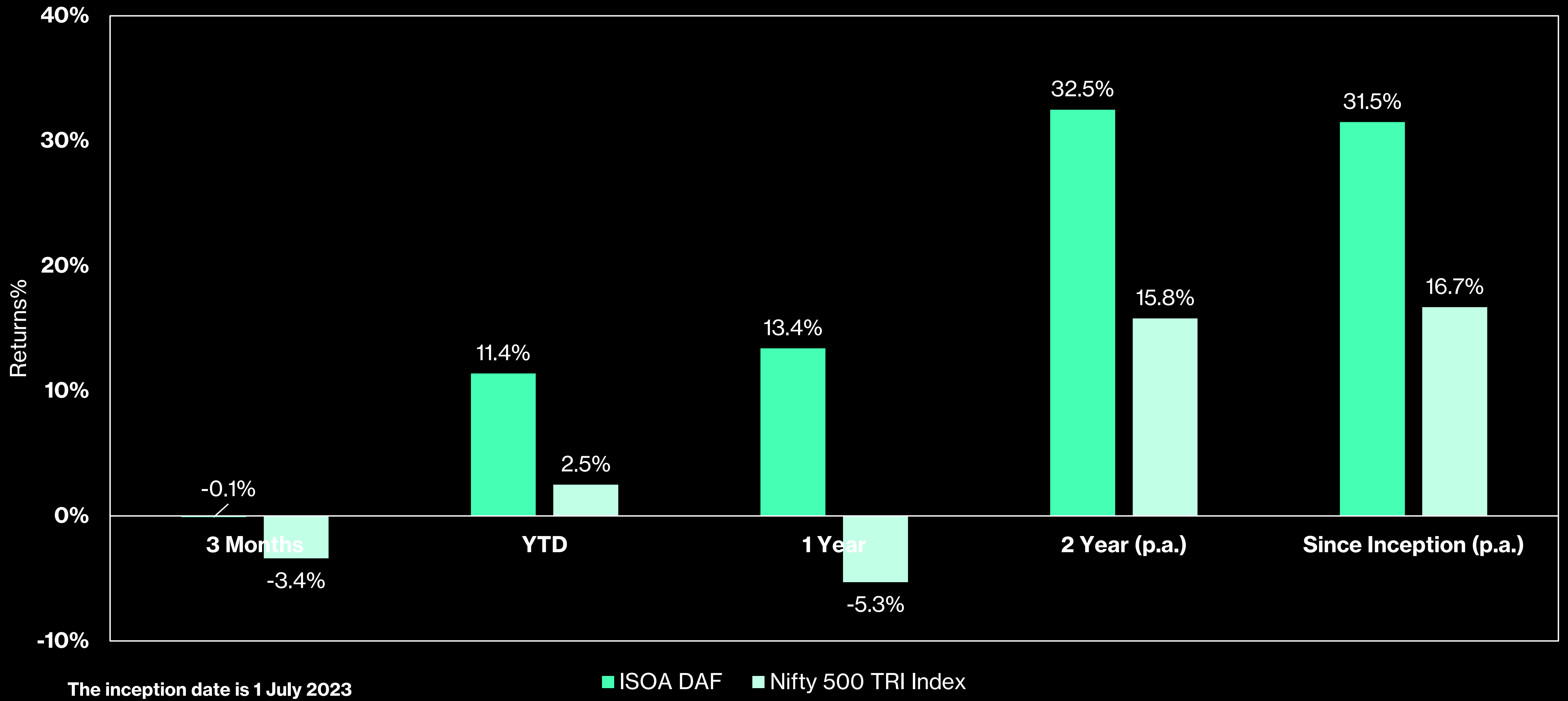
ISOA DAF

Portfolio Performance

+31.5% CAGR Since Inception in July 2023

-0.1% in Q2 2026 (+330 bps outperformance vs. Benchmark)

Portfolio Performance to 30 September 2025



The inception date is 1 July 2023
Returns are post dividends and transaction costs
Benchmark returns on a Total return basis

SOURCE: NSE, ISOA

Top 3 Contributors and Detractors over Q2 2026

Q2FY26 Contributors and Detractors

Company	Portfolio Weightage%	Q2FY26 Returns%
CarTrade	2.0%	44.0%
Neuland Labs	4.0%	21.7%
Gold Bees	6.2%	19.8%
Sandhar Technologies	0.8%	-17.3%
CDSL	4.6%	-18.7%
IEX	1.5%	-27.9%

SOURCE: NSE, ISOA

Key Portfolio Metrics

All risk-adjusted performance continues to be resilient. While the volatility is higher than the benchmark, it is expected, given that, from time to time, portfolio companies move into Zone 3 and become momentum plays, which means an uptick in volatility.

As of 30 September 2025

Metric	Portfolio (DAF)	Benchmark (Nifty 500)
Top 5 Positions	34.8%	22.8%
Top 3 Sectors	61.0%	46.2%
Number of Stocks*	34	500
Portfolio P/E Ratio*	39.0	23.8
Volatility (Since Inception)	16.8%	14.3%
Max Drawdown (Since Inception)	-11.3%	-20.3%
Sharpe Ratio** (Since inception)	1.5	0.7
Sortino Ratio** (Since inception)	1.9	0.8
Upside/Downside Capture Ratio	122%/43%	-
Turnover (1 yr.)	22.4%	N/A (Target < 30%)

***Excludes ETF Holdings for US Equity and Gold**
****The risk-free rate used is Avg. of 10 yr. India Gov. bond yield**

SOURCE: NSE, INVESTING.COM, ISOA

ISOA DAF

Portfolio Strategy and Construction

What the Fund is all about?

Looking for a portfolio with potential to generate consistent alpha over any 3–5-year period and offer reasonable downside protection?

ISOA DAF aims to achieve those two objectives with a focus on Indian equities. The **Dynamic Advantage Fund** (DAF) has been a **personal project** to set up a process-based multi-factor strategy to generate alpha over any 3-5-year horizon. Primarily focused on the Indian equity landscape, with some diversification into international equities, gold, and cash/money markets, DAF reflects my ongoing exploration of investment strategies.

The DAF strategy has now been active for over 2 years, with its inception in July 2023. This platform serves as a medium to articulate my investment journey, refine my skills, and foster meaningful discussions around investment philosophies and strategies.

- Shivam Jain, CFA

The journey so far and the year ahead

2021-2022

Trial and Error Phase

Multiple iterations, back-testing pieces of the strategy.

2023

Implementation Phase

Implementation started in mid-2023, with data compilation, setting up triggers and rebalancing the existing personal portfolio to align with the strategy.

2024

Formalisation Phase

Expanding base research coverage

Formalising documentation and reporting of the portfolio strategy and performance

2025

Process Improvement

Automate much of the manual data inputs

Continue refining the investment process.

Expand coverage and reporting depth

Investment Philosophy

Simple is effective

You'll see these core principles play out in multiple ways in the portfolio.

The approach is for returns to be driven largely by **bottoms-up selection** with some target top-down sector exposure target ranges.

The portfolio is also market cap agnostic.

The three most prominent inputs in the investment approach are business quality, valuations and investor behavioural patterns in the market.

Eliminate

(Bucket shortlisting framework)

- Much of the investing philosophy is looking to avoid landmines to the extent possible. Clear the chaff from the wheat!

Bias Conscious

(Find balance of data and discretion)

- Streamlined investment framework to reduce personal biases from investing decision making.

Odds in Favor

(Zonal positioning framework)

- Position the portfolio to keep odds in favor. Win you win big, lose you lose small.

Opportunity Set

Some limitations in the opportunity set are due to a lack of easily accessible instruments, especially for international equities. We have some passive positions running in Japan and UK (mentioned in previous blogs) markets but these are currently in the exploratory phase and fall outside the DAF investment set.

Cash positions build up only on lack of investment opportunity vs. taking cash calls.

Asset Class	Opportunity Set	Target Allocation	Instruments
Indian Equity	Top 500-600 companies by MCap	70 to 95%	Listed Equity
International Equity	USA (INR)	0% to 20%	Exchange Traded Funds
Commodity	Gold (INR)	0% to 10%	Exchange Traded Funds
Cash	Money Market Instruments	0% to 10%	Savings Ac/Money market instruments

Strategy in Summary

(A) **Shortlist** based on fundamental checks

(B) **Dynamic Positioning** on the basis of valuations and market pulse

(C) **Track** and rebalance as per risk-reward setups

Process	Action	Target Outcomes
Investment Shortlist (Bucket Classification)*	Shortlist 100-150 company list	Reduce landmines in the portfolio
Portfolio Positioning (Zonal Classification)*	Position in 20-40 Companies	Avoid overpaying and reactionary trades
Track	Buy/Sell/Hold triggers	Maximize risk-return setup
Churn	Turnover limit < 30% p.a.	Lower transaction costs

***Detailed further in the presentation ahead**

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Investment Shortlisting

(Eliminate)

Explaining the Bucketing framework

Investment Shortlisting

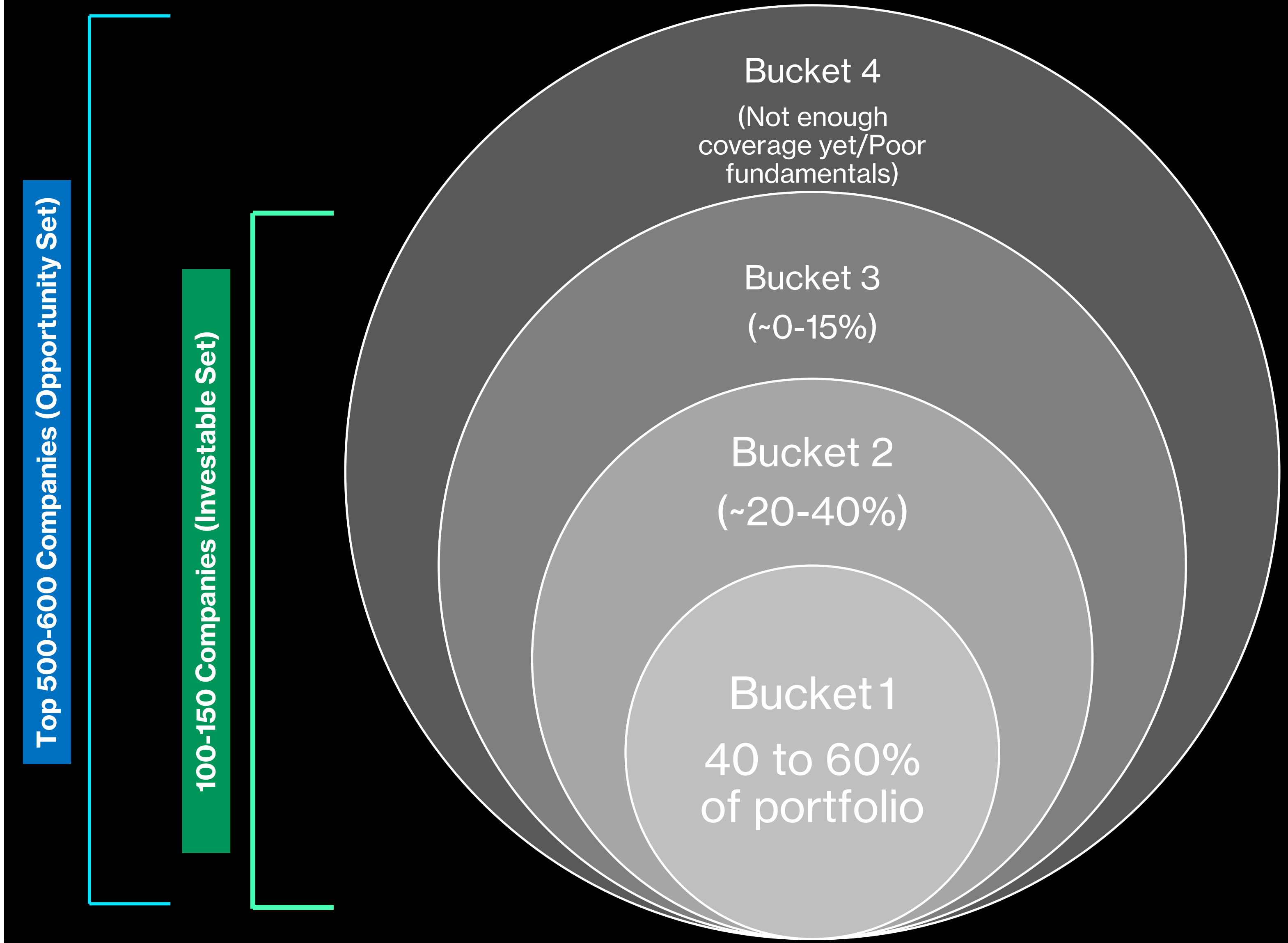
Bucketed (with 1 being best) based on the below parameters:

1. Growth prospects
2. Return ratios
3. Management Quality
4. Industry Leadership/Positioning
5. Cashflow conversion

The broader shortlisting of 100-150 companies reviewed semi-annually

Bucket 4 comprises either when fundamentals are extremely poor or these are not currently under coverage

Buckets 1 to 3 would make up the 100-150 company list (the Investable Set)



Portfolio Coverage

We started with a coverage of 50 companies in July 2023 and have successfully scaled up coverage to over 125 as of September 2025.

The aim is to build coverage (either active or passive) on close to 500 companies by 2028.

What is enabling this all?

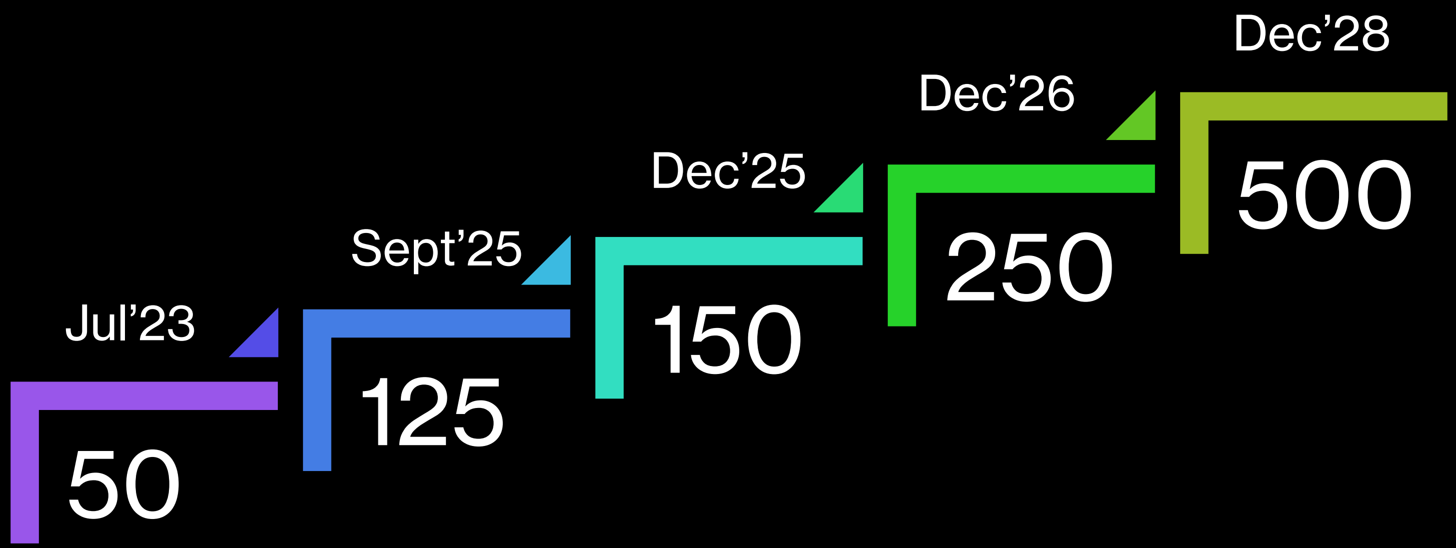
Integration of AI in baseline research

Software integrations for portfolio tracking

Enhancement and automation of the allocation model

Expansion into active international equities

Continuously looking to expand coverage to improve the idea-generation process and gradually incorporate international equities as well in the medium term



Investment Shortlisting

A mix of qualitative and quantitative inputs.
On average, which category does the company fit?

Metric	Weightage	Bucket 1 Core Portfolio	Bucket 2 Core Portfolio	Bucket 3 Tactical Bets	Bucket 4
Growth Prospect	20%	> 18%	12-18%	10-12%	< 10%
Return Ratios (ROE/ROCE/ROIC)	20%	> 18%	15-18%	12-15%	< 12%
Management Quality (Execution record, Exp., Clean, Shareholding)	20%	Strong	Good	Average	Poor
Industry Positioning (Score on Porters Five Force)	20%	Strong	Good	Average	Poor
Cashflows (Conversion, Utilization)	20%	Strong	Good	Average	Poor

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From Shortlist to Portfolio

Explaining the Zonal Classification framework – How do we position the portfolio?

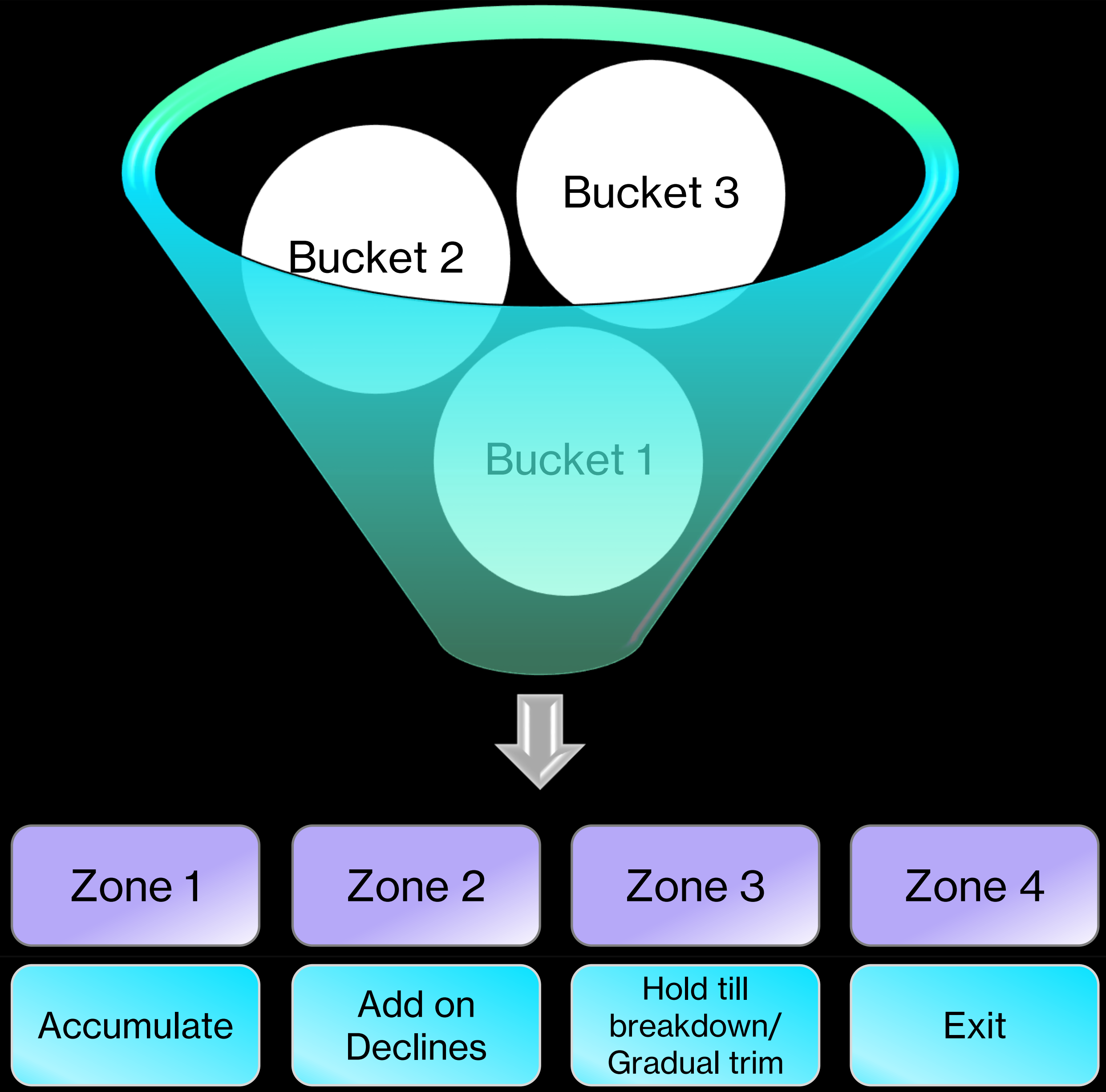
Mapping Buckets to Zones

We follow a two-part classification approach: **Buckets** for deciding which company and **Zones** for how to position the company in the portfolio.

Bucket Classification filters out the investable set. This acts as an input in the zonal classification which then makes the allocation calls.

Dynamism in positioning
Zones add a dynamic layer to investing. **The portfolio entry/exit/hold parameters for the same company are different in each Zone.**

One size doesn't fit all, when one size doesn't even fit the same thing at different stages.



What makes up the Zone Score?

Generally speaking, the lower the Weighted Score, the better.

Valuations and Fundamentals act as primary factors, with market pulse and technical setups acting as catalysts. Valuations at 40% weightage ensure we are mostly avoiding overpaying.

Market and technical setups act as a buffer against reactionary trades.

Each parameter has a standardised scoring framework between 1 to 4, and the weighted average of this gives us the Zone Score.

Buckets act as an input (highlighted). Lower the bucket quality, higher margin of safety required elsewhere to enter Zones 1 & 2 for purchase

Factor	Weightage	Source	Data Points
Valuations	40%	Value Oscillator Reverse DCF Relative Valuations	Compare expected vs what Current price is implying
Business Fundamentals	20%	Bucket 1 to 4	Feeds from Bucket categorization
Market Pulse	15%	ISOA SenseR Curated Template on three parameters	News flow Fund flow Social checks
Technical Setup	15%	Technical Charts	Stage Analysis Moving Averages Volumes

General Zonal Traits

Metric	Zone 1	Zone 2	Zone 3	Zone 4
Zone Score range	**1 to 1.9**	**1.9 to 2.5**	**2.5 to 3**	**Above 3**
Valuations	Low to fair	Reasonable to slightly above average	Expensive no margin of error	Unrealistic
Market Sentiment	Slightly under the radar	Interest picking up	Beginning to overheat	Overheated
Buy Trigger	Accumulate	Add on declines	No fresh purchases/ Look to trim	No fresh purchases
Sell Trigger	Fundamentals deteriorating sharply	Change in fundamentals	Technical breakdown	Exit
General Types	Short-term pain, long-term story intact Value stocks	Balanced Steady ships Tailwinds kicking in	Momentum stocks	Ticking timebombs
Individual Position Sizing (Depending on conviction and bucket category)	Add 2-5%	Add 1-2%	Exit 2-4%	(Exit Full)

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Portfolio Outlook

Valuations Check

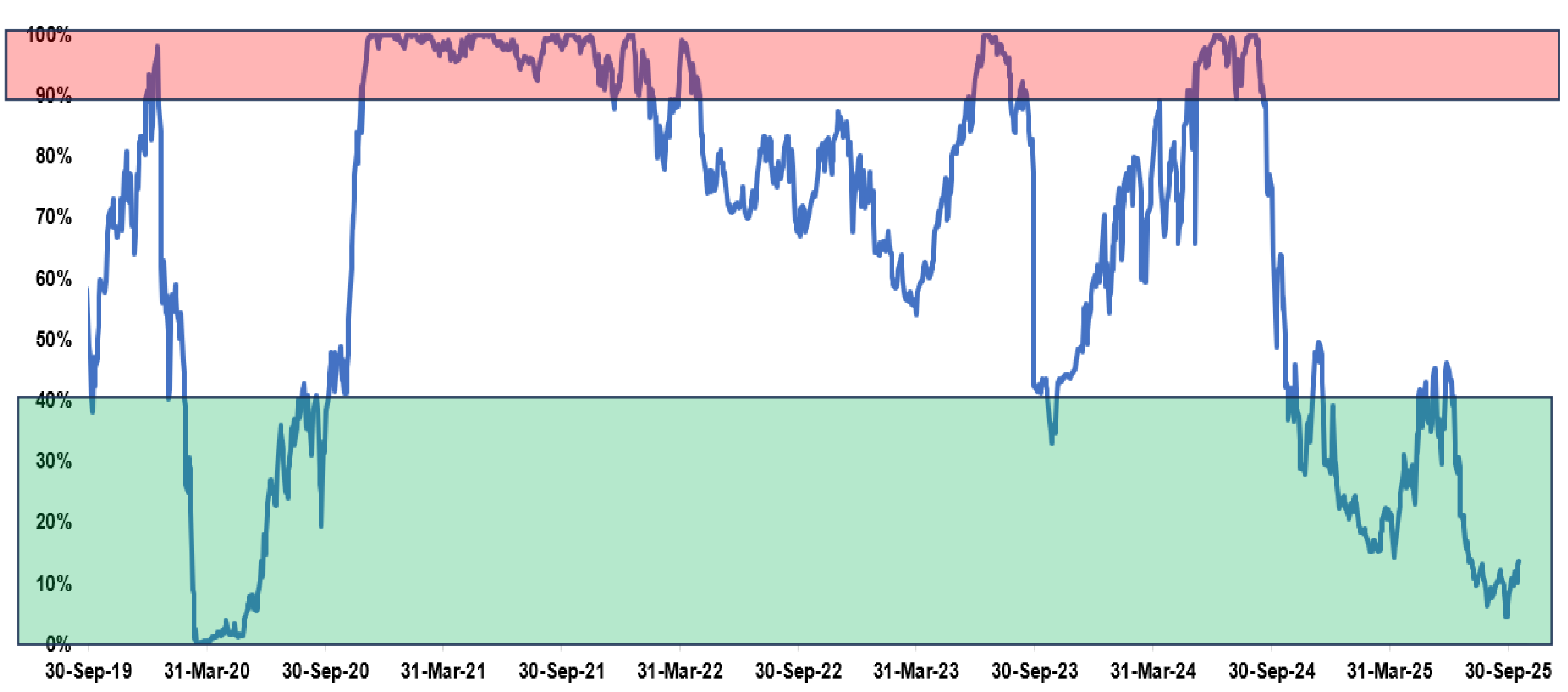
Our proprietary ISOA Value Oscillator fluctuates on a scale of 0 - 100%. As a thumb rule, about 85-90% is generally a good time to trim or exit positions, and below 35-40% is a leading signal from a valuation standpoint (most fresh AUM additions to be done in this phase).

However, this can't be used in isolation. Q2'FY26 highlighted this aspect with 1/3rd of our portfolio in Zone 3 (momentum) vs. the headline oscillator indicating a buying opportunity. This is primarily because of the difference between the broader underlying approach in this oscillator vs. the selective approach in the portfolio.

The indicator acts as a guide thought - so focus remains on buying and rebalancing opportunistically. More on this on Slide

ISOA IVO currently stands at 18% - maintain a positive outlook, looking for opportunities to buy with exits if any to be led by breakdowns in Zone 3 holding stocks.

ISOA India Value Oscillator (ISOA IVO)



SOURCE: NSE, ISOA

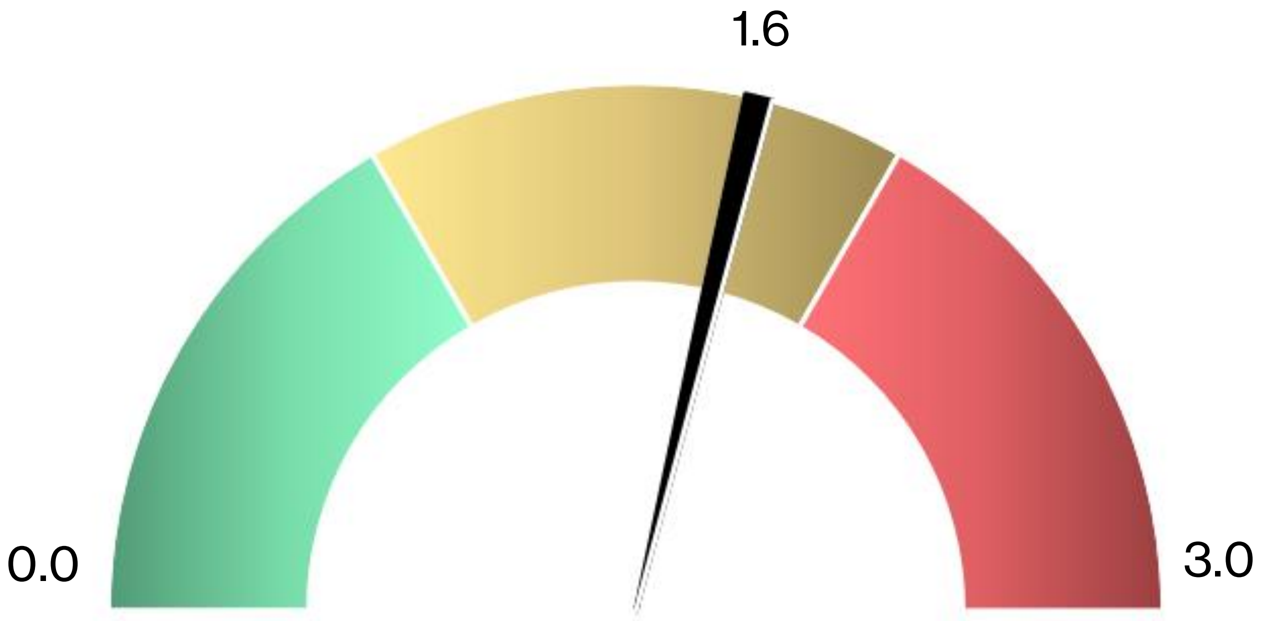
Market Pulse

Inspired by Howard Marks's framework in his book, 'Mastering the Market Cycle,' gaining a sense of market sentiment is a key input in our investment strategy.

The ISOA SenseR assigns a score between 0 and 3, gauging the market pulse and acts as a contrarian indicator. A score of 0 indicates an environment of fear and pessimism, while a score of 3 indicates significant market euphoria. It does so by measuring three key factors: (A) News flow, (B) Money flows and (C) Social checks.

The metric stands at 1.6 as of September 30, 2025 (a slight uptick from 1.4 last quarter), suggesting some segments of the markets are heating up, but overall, a balanced outlook. News flow and social sentiment towards Gold, for example, is entering euphoria territory. FII flows turned negative for each month of the quarter, but strong DII flows negated any impact.

ISOA SenseR Value as of 30 September 2025



SOURCE: NSE, ISOA

Fundamentals, Expectations and Positioning

The table shows the sector-wise valuations vs. the previous 5-year data (in percentile terms).

Higher percentiles mean extra caution about what price we are paying, as much optimism, growth expectations start building into the price (priced for perfection in business execution). While a higher percentile does not necessarily mean the sector will perform worse, the odds are higher, especially if the growth does not meet expectations. Thus, we generally avoid fresh additions in these pockets.

Same concept for the lower percentile sector – these can offer better scope for value opportunities, but if the growth trajectory is lower vs the past, the sector rightly deserves to trade at lower than historical bands on first principles. Lower valuations vs the past can be a reference point only when you account for projected growth and ROE profile.

STARTING VALUATIONS (IN PERCENTILE RANGE - 5-YEAR BASIS)						
Above 80%	**70-80%**	**60-70%**	**50-60%**	**40-50%**	**30-40%**	**Below 30%**
Hospitals	Defence	Aviation	Chemicals	Agrochemicals	QSR	IT Services
Pharma (API/CRAMS)	Asset Management	Rating Agencies	Logistics	Packaging Films	City Gas	Plastic Pipes
Diagnostics	Cement	Private Banks	Wires & Cables	Wires & Cables	Textiles	
	Alcoholic Beverages	Hospitality	Retail	FMCG	Tiles	
	Jewellery	NBFC	Real Estate	Paint Manufacturers		
		Communication	Media & Entertainment	Oil Refiners		
		Auto OEMs	Sugar	Life Insurance		
		Auto Ancillary				
		Pharma				

Source: ISOA – Data as at September 2025.
Note, this is not an exhaustive list and subject to sector classification differences for individual companies

Fundamentals, Expectations and Positioning

ISOA DAF outperformed the broader market by 330 bps this quarter, driven largely by the standout story of gold (contributing 2/3rd of the alpha over the quarter, through direct and indirect exposures). Gold has become the talk of the town (silver following suit) as new theories, optimistic targets, and retail frenzy dominate headlines. (More on Slide 24)

Indian equities moved largely sideways this quarter, offering selective opportunities to add to existing positions. As outlined in Q1 FY26, our focus remained on incremental additions and selective rebalancing. We introduced Apar Industries to the portfolio and increased exposure to financials, particularly NBFCs – Bajaj Finance, Arman Financial, and a marginally higher position in Axis Bank. On the exit side, we closed our small tracking position in Avenue Supermarts, as the growth thesis did not play out as expected. We also exited Balrampur Chini on a rally, realising a 29% XIRR – a tactical short-term position well played. Exposure in Affle India, our largest holding in recent quarters, was partially trimmed (c.2%) to lock in some gains at elevated valuations and reduce concentration risk, though we continue to hold ~5%. From a valuation standpoint, large-caps continue hovering a little above the long-term average (Nifty 50 at 21.9 P/E) while small and mid-caps are 1 std dev. above long-term averages, so more comfort around the large-cap names.

Fundamentals/Expectation Setting

Since its inception in July 2023, the strategy has delivered a strong 31.5% p.a. return (although down from ~36% last quarter, in line with our view that return expectations need to moderate).

Circling back to the Earnings growth and Multiple expansion/contraction framework. At a portfolio level, we maintain our base case expectations at 15-16% earnings CAGR on average for the underlying holdings, with 1-2% CAGR contraction in multiples over the next 3-year period.

Fundamentals, Expectations and Positioning

Positioning and Outlook (Neutral with a positive bias)

From a positioning standpoint, the stance broadly remains unchanged from last quarter - a positive bias, with focus on net additions in certain pockets. A slight change only on increased trim/exit setups on a few key positions (c. 20% of portfolio combined)– Gold, US Tech, and a few Pharma holdings in the portfolio.

The almost euphoric narrative and sentiments with a strong rally have meant that **gold is now high into our Zone 3 list**, which means shifting to a completely technical chart setup. I plan to trim at least half of my gold holdings as and when there's a breakdown on the charts. The **Nasdaq 100** has rallied sharply again since our call to increase exposure in April. The valuations are stretched again, **entering Zone 3**. On our Pharma allocations, we continue to take a deeper look at Syngene, where growth has remained sluggish. Divi's Labs continues to be in Zone 3 (valuation pricing in perfection) and will look to trim on technical chart breakdowns.

The bullish stance in financials continues as we increased our exposure to the sector for the fourth quarter running.
The quarter was marked by low volatility and a wait-and-watch approach. Nifty VIX is near 5-year lows currently, so **expect some pickup in volatility in the next quarter and perhaps opportunities to buy/sell.** The bias overall is positive, and the **focus remains towards buying opportunities rather than looking to sell (except for key Zone 3 holdings).**

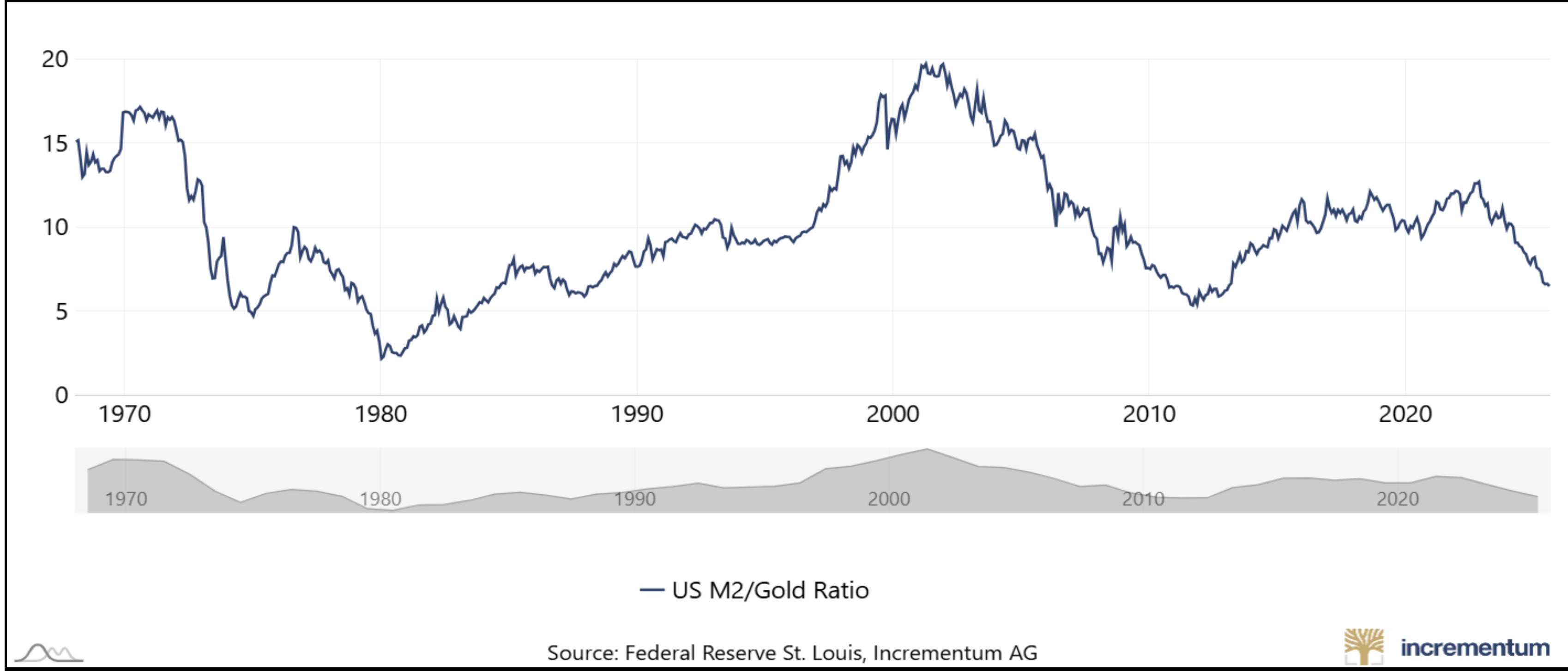
Golden Days?

As laid out in our Gold thesis last year, one way to value gold is as a proxy for money supply.

Taking the US M2 Supply as a proxy for global money supply, we generally look to exit if the USM2/Gold ratio hits closer to 5 (currently it is around 6.4), and we go long when the ratio goes above 10.

A more accurate way would be to take into account the global money supply in its entirety, but US M2 is a decent proxy. Sentiments are extremely bullish, valuations are above fair, placing Gold into our Zone 3 segment. It is time to start looking for timely exits or at least trim our exposure to Gold in the portfolio as and when there is a breakdown on charts.

US M2 Money Supply/Gold Ratio



SOURCE: IGWTREPORT, FEDERAL RESERVE, INCREMENTUM AG

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Current Portfolio Positioning

Allocation splits
Top Positions and Quarter Trade Sheet

Asset Class Split

Q2 FY26 saw a net addition to AUM as markets remained sideways, with some opportunities to rebalance and add.

We rebalanced some of our India equity positions, along with two positions exited, and one new company added.

Continue to be fully invested.

As at 30 September 2025

Asset Class	Portfolio Weightage%	Target Range%
India Equity	87.7%	70 to 95%
International Equity	6.1%	0 to 20%
Gold	6.2%	0 to 10%
Cash	0.0%	0-10%

Positioning Splits

Bucketing (1 to 4)
Coverage companies are categorised into Buckets (1 to 4) based on the business quality (More on slide 15), with Bucket 1 being the best.

The portfolio is currently positioned heavily towards higher quality (with a few Bucket 3 sells over the last few quarters and additions being only in Bucket 1 & 2 companies.

Zone (Classified based on Zone Score between 1 to 4)
This tells us how the portfolio is positioned (more on slides 29-31). In line with our outlook, the portfolio is heavily skewed toward Zone 2 (add-on dips), with Zone 3 exposure building up in the last two quarters and at critical levels. These are positions where we move our exit criteria from fundamentals to technical chart setups (as these are currently in momentum).

As at 30 September 2025

Bucket Classification (Quality Parameter)	Current Allocation%	Zonal Exposure (Positioning Parameter)	Current Allocation%
Bucket 1	52.9%	Zone 1	19.7%
Bucket 2	40.7%	Zone 2	51.6%
Bucket 3	6.4%	Zone 3	28.6%
Bucket 4	0.0%	Zone 4	0.0%

Sector Allocation

Sector allocation is mostly an outcome rather than an input, with some sector cap overlay. It's an outcome based on how individual companies are positioned from a Zonal perspective.

Target ranges provide sufficient flexibility to accommodate tactical overweights and underweights, ensuring the strategy is not benchmark-hugging.

Information Technology and Healthcare remain structural overweights in the portfolio.

We continued to add to the financial services sector for the fourth quarter running, with allocation remaining closer to benchmark weight, although the construct of the allocation is quite different. Benchmark is heavily skewed towards banks, while the portfolio's financial service allocation is split well between banks, NBFCs and toll-like businesses in financial (depositories, registrar & transfer agency, exchange platforms)

Sector Allocation as of 30 September 2025

SEPT 2025	ALLOCATION%			
Sectors	**Portfolio (DAF)**	**Benchmark**	**Target Range**	**Deviation from Benchmark**
Financial Services	29.8%	30.9%	15-35%	-1.1%
Oil, Gas & Consumable Fuels	0.0%	7.5%	0-10%	-7.5%
Information Technology*	16.1%	7.7%	10-25%	8.4%
Automobile and Auto Components	4.9%	7.6%	0-8%	-2.7%
Fast Moving Consumer Goods	5.0%	6.5%	0-10%	-1.5%
Capital Goods	4.2%	6.1%	0-10%	-1.9%
Healthcare	16.2%	6.4%	5-20%	9.8%
Power	0.0%	3.3%	0-5%	-3.3%
Metals & Mining	0.0%	3.6%	0-5%	-3.6%
Consumer Services	3.6%	4.0%	0-10%	-0.4%
Consumer Durables	3.0%	2.8%	0-10%	0.3%
Construction	0.0%	2.8%	0-5%	-2.8%
Telecommunication	0.0%	3.3%	0-5%	-3.3%
Construction Materials	0.0%	2.1%	0-5%	-2.1%
Chemicals	10.1%	2.0%	0-12%	8.1%
Services	0.0%	1.9%	0-5%	-1.9%
Realty	0.0%	1.1%	0-5%	-1.1%
Textiles	0.0%	0.3%	0-5%	-0.3%
Media, Entertainment & Publication	0.9%	0.1%	0-2%	0.8%
Diversified	0.0%	0.1%	0-2%	-0.1%
Forest Materials	0.0%	0.1%	0-2%	-0.1%
Gold**	6.1%	0.0%	0-10%	6.1%
Total	**100%**	**100%**		

The benchmark used is the Nifty 500 Index
Classification is as per NSE Sectoral classification
*Includes exposure to Nasdaq 100 through ETF
**Exposure to Gold via Gold ETFs

SOURCE: NSE, ISOA

Top Current Positions

Rally in gold prices as meant Muthoot Finance (proxy play) and Gold Bees have rallied and make up the top positions as of 30 September 2025.

We trimmed our Affle exposure by ~2.5% (rationale mentioned on Slide 32). Any other changes in top holding weightages are purely reflective of price movements and fresh AUM addition.

Looking to trim holdings on Muthoot Finance/Gold Bees and Nasdaq (MON100) in Q2'FY26. Currently, all three are in a Zone 3 technical setup.

Top Positions as at 30 September 2025

Companies	Sector	Portfolio Weightage%
Muthoot Finance	Financial Services	6.3%
Gold Bees	Gold	6.2%
MON100	Information Technology	6.1%
Bajaj Finance	Financial Services	5.8%
SRF	Chemicals	5.4%
Affle India	Information Technology	5.0%

Quarter Trade Sheet

The quarter saw only additions, no sales, in line with our previous quarter commentary.

While rebalancing is dynamic, the actual number of trades remains limited due to focused position sizing and entry/exit criteria. The overall portfolio turnover remains below the 30% target levels.

April-end offered some good market opportunities, so we added a couple of new additions to the portfolio and also added back some exposure to US Tech after a sharp correction. Small additions were made to existing positions in May/June, utilising the dips caused by the heightened volatility during the quarter.

Key Entry/Exits	Action	Rationale
Increase Axis Bank	End July – Increased by 0.5%	Available at a 5-year low P/B multiple and a higher discount to peers vs historical gap
Exit Balrampur Chini	End July- exited entirely (c.1.3%)	Missed out in April but sold on rally- was a tactical bet taken last year
Increase Arman Financial	Mid August- increased by 1.5%	Add-on-dip approach from the last quarter addition. Positive on microfinance cycle turning around
Increase Bajaj Finance	End August - Increased by 0.3%	Add-on-dip approach – bullish on the NBFC cycle with Bajaj preferred
Exit Avenue Supermarts	End August – 0.5% position	Sold out as growth trajectory not keeping up with expectations, breakdown in thesis
Added Apar Industries	End August – Added c. 3%	Proxy play on the global electrification theme, short-term pain with US tariff issues. Bought close to avg. valuations after a sharp correction in August
Trim Affle India	Mid Sept - Reduced by c.2.5%	Locked in some gains as the position was c. 8% and in Zone 3

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