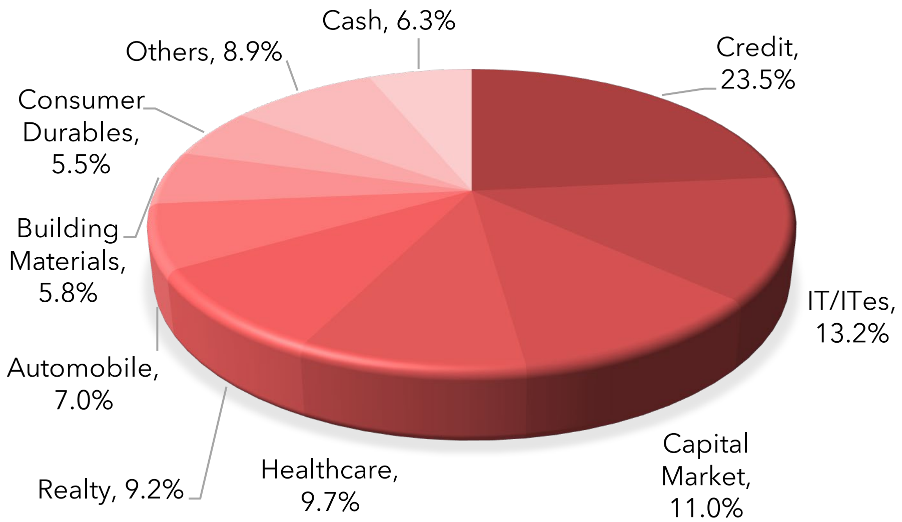
PORTFOLIO FACT SHEET: Q1-FY 2024

UNIFI UMBRELLA AIF - BCAD FUND

Background

The Umbrella BCAD AIF seeks to invest in invest in sectors that are witnessing structurally high growth rates driven by demographic led consumption and larger stream of disposable incomes. The fund continues to focus on large formal operators with competitive advantage and scale, consolidating their position across consumer durables, building materials, food & beverages, healthcare, hospitality etc. A review of the results from Q1 FY24 suggests that the respective sector leaders are well poised for market share gains in the post-pandemic world.

The sector wise composition of the Unifi Umbrella BCAD AIF fund is as below:



	Fund Details
Launch Date	1st August 2022
Scheme Corpus (As of 31st March 2023)	INR 3.9 bn
Firm AUM	INR 182.1 bn
Investment Manager	Unifi Capital Private Limited
Minimum Investment	INR 10 million
Custodian	Axis Bank Limited
Auditors	M/s. Walker Chandiok & Co LLP
Lawyer	IC Universal Legal

The following annexure presents a brief on our top holdings:

Narayana Hrudayalaya	Narayana reported revenue growth of 19% YoY to Rs. 1,233cr, driven by both India and Cayman operations. India business reported 14% YoY revenue growth largely led by ARPOB increase. The company's strategy is to drive revenue per patient rather than increasing the number of patients. The growth in ARPOB is predominantly a function of company doing higher end surgeries and has very low-price escalation impact. Cayman business also had a strong revenue growth of 32% YoY with EBITDA Margin being stable at 40%+. Consolidated EBITDA Margin came in at 21.9% in this quarter vs 18.6% in Q1FY23. Strong revenue growth coupled with margin expansion resulted in PAT of Rs. 184cr in this quarter vs Rs. 111cr in Q1FY23 (growth of 66%). The company has recently commissioned its Oncology block in Cayman, and this is a margin accretive business which will lead to higher revenue and improved profitability for the Cayman operations. The company is also adding a 50 beds hospital in Cayman which would be operational by Q1FY25. The domestic business profitability would be improved on the backdrop of better case mix and payor mix. The company is incurring a capex of R.s 1,400cr in FY24 and this would give the growth for the mid-term. Key risks include government policies in India and Cayman, margin contraction in the interim period of high capex.

Axis Bank	Axis Bank reported PAT of Rs 5,797cr vs Rs 6,761cr (excluding goodwill wite-offs from Citi Acquisition) and Rs 4,125cr in Q1FY23. Axis Bank reported 1.6% QoQ / 22.4% YoY growth in loan book (YoY growth is including Citi Acquisition). Margins declined by 12bps QoQ to 4.1% led by 28bps QoQ increase in cost of funds. Management guided that the cost of deposits would continue to rise over the next three quarters but at a slower pace. Cost to Assets increased by ~16bps QoQ to 2.51%. Excluding Citi's integration expenses, cost to assets would have been at 2.4%. Higher opex is largely due to Citi acquisition as Citi's business being entirely a retail business is at relatively higher cost. Management indicated that they continue to invest in the business as they are constructive on the environment. Asset quality continues to improve with moderation in GNPAs & NNPAs. The bank has now one of the lowest net NPAs across all major banks. The bank has been reporting normalised gross slippages of ~1.9-2% for the past 5 quarters. However, net slippages continue to be running below normalized levels led by higher recoveries. Credit cost came at merely 49bps vs 15bps in Q4FY23. Axis Bank carries unutilised provisions of ~60bps of loan book. Key risks would include a deterioration in asset quality leading to higher-than-expected credit costs and lower-than-expected loan growth.
Infosys	Infosys reported 1%/4.2% QoQ/YoY CC revenue growth in Q1FY24 at US$4.6 Bn after degrowth in Q4 FY23. As per management, this was lower than their internal growth expectations due to higher-than-expected slowdown in discretionary IT spends, delay in closures, and ramp up of certain large/mega deals. The EBIT margin declined QoQ by 24bps to 20.8% due to higher variable pay and promotions (90bps impact) which got partly offset by higher utilisation and cost efficiencies (70bps impact). Company reiterated FY24E EBIT margin guidance of 20-22%. PAT came at Rs.5,945cr down 3% QoQ and up 11% YoY. Infosys has downgraded its FY24 revenue growth guidance to 1-3.5% YoY CC (from earlier 4-7%) which implies 0.2-1.8% CAGR over rest of FY24. This seems reasonable and unlikely to disappoint. Infosys signed 16 large deals with TCV of US$2.3 Bn in Q1 and now revival of revenue growth depends much on ramp-up of large deals with increase in IT spendings. Key risks: Slowdown in the USA and Europe and cuts in discretionary IT spending by enterprise clients.
State Bank of India	SBI reported PAT of Rs 16,884cr vs Rs 16,695cr in Q4FY23 and Rs 6,068cr in Q1FY23. Credit growth improved sequentially to 1.1% QoQ / 14.9% YoY. Margins declined by 27bps QoQ to 3.33% led by repricing of cost of deposits. Management endeavours to maintain margins at 3.4% + in FY24 vs 3.4% in FY23. Cost to average assets ratio declined by 34bp QoQ to 1.9% led by lower business momentum and absence of one-offs in employee expenses. Gross NPA improved by ~2bp QoQ to 2.76% while Net NPA increased ~4bps QoQ to 0.71%. Gross slippages increased to 1% vs 0.4% for Q4FY23 led by higher agri slippages which contributed ~30% of slippages. Higher gross slippage was led by agri loans which are seasonal in nature and accounted in 1Q and 3Q in a financial year. The bank has been reporting gross slippages of ~0.4-0.5% over the past 3 quarters. Management indicated that ~20% of 1QFY24

	slippages has already been recovered till date. Net slippages stood at 0.5% vs -0.1% in Q4FY23. Credit cost declined to 30bps vs 40bps in Q4FY23. Given the strong credit cycle, we expect SBI to deliver 13-15% credit growth for FY24. Key risks would include lower-than-expected loan growth, deterioration of asset quality leading to higher-than-expected credit costs and higher treasury losses.
Eicher Motors	Eicher's Q1FY24 standalone PAT numbers came ahead of our expectations at Rs914cr. This was largely led by higher Other Income. Miss on estimated realizations was offset by lower costs leading to EBIDTA , largely in line within our estimates. Realizations per unit (perhaps on account of increased contribution of Hunter to the overall volumes + lower share of exports) were almost down by 2.3%. Offset by higher volumes (up 4.2% sequentially) revenue came in at ~Rs3900cr (just up 1.8% qoq. EBIDTA margins came in at 26% as against 24.7% in the previous quarter. Overall, PAT came in at Rs914cr, an increase of 58% yoy and 22% QoQ. In the international market, weak macro environment has been impacting sales but they are also careful enough to push down the inventory. Slew of new launches should drive growth and overall help balance out. Management is focused on new product launch and community building. Immediate launch of the Bullet under the new J platform (likely in September) should increase traction. Elimination of the old platform being phased out should bring in operational efficiencies. Overall, it seems quite a few interesting launches are in the pipeline that are (sub)category creators. And all these products are ready per the management. It is just a question of appropriate timing. Key Risks - potential slowdown in the 2-W sector, increased slowdown in export markets, delay in new launches and strong traction of competitors' launches in the 250cc and above category.
RBL Bank	RBL reported PAT of Rs 288cr vs Rs 271cr in Q4FY23 and Rs 201cr in Q1FY23. Loan book grew by 4.1% QoQ / 21% YoY led by retail book which grew by 8% QoQ / 34% YoY. Wholesale book declined by 1% QoQ and grew by 8% YoY. Retail mix improved to 56% vs 54% in Q4FY23. Management has guided for retail loan mix of 60-65% by FY26. Management guided loan growth of ~20-22% led by retail portfolio which will continue to grow at 5-8% sequentially. Margins declined by 17bps QoQ to 4.84% in Q1 FY24 led by ~31bps QoQ increase in cost of funds. Management guided that the bank should exit FY24 at margins of 5-5.1%. Cost to income ratio declined to ~66.5% vs 68.5% in Q4 FY23. Cost ratios will be elevated over the next 2 quarters in the range of ~66-67% before declining to ~64-65% in Q4 FY24. Asset quality improved sequentially with gradual improvement in GNPA & NNPA. GNPA declined to 3.2% vs 3.4% in 4QFY23. NNPA declined to 1% vs 1.1% in 4QFY23. PCR improved to 69.5% vs 68% in 4QFY23. Gross slippages declined to 3.2% vs 4.1% in 4QFY23. Net slippages declined to 1.6% vs 1.8% in 4QFY23. Credit cost stood at 1.5% vs 1.4% in 4QFY23. Credit cost for FY24 shall be in the range of 1.5-2% although the intent is to keep it at lower end of guidance. Key risks would include deterioration of asset quality leading to higher-than-expected credit costs, higher treasury losses, and lower-than-expected loan growth.
Redington India	Redington reported strong revenue growth at 26% YoY. Revenues for Q1FY24 were Rs.21,187cr. The growth number is noteworthy, given the context of global slowdown reflecting market share gains and Redington's execution capabilities across geographies. Standalone business in India grew 28% YoY, while the global business grew 25% YoY. There has been a slowdown in consumer spending, while enterprise demand and government

	spending remain strong. Due to the product mix change, the gross margins were lower at 5.6% vs 5.8% in the previous quarter, primarily led by lower gross margins in the global businesses. Higher opex outgo towards developing the services capabilities and higher factoring costs hurt margins. This led to lower EBITDA Margin at 2% vs 2.5% sequentially. Working capital intensity increased to 40 days vs 28 days YoY and 32 days QoQ. Overall, PAT declined by 22% to Rs 255cr. Additionally, the MD - Rajiv Srivastava stepped down. We expect Redington to moderate expenses towards the service capability building which should result in sequential improvements in EBITDA margins. From a capital allocation standpoint, the company's return ratio is healthy, and the company continues to pay out 40% of PAT as dividends which results into a dividend yield of c.4%. We like Redington given that they are amongst the top 2 ICT distributors across markets it operates in. The company's dominant positioning and financial muscle give it significant competitive advantage in a business that has high entry barriers. Redington has created a strong services business - both on 3rd party logistics business and the high-margin cloud business. Redington's broad portfolio and relationships with vendors across segments allows for balanced growth and reduces vendor concentration. Redington has demonstrated robust risk management practises over the years that helps better manage credit, inventory, and currency risks. A significant shift in consumer and enterprise behaviour has led to higher need for higher computing leading to shorter product life cycles and acceptance of premiumization. This tailwind benefits Redington. Key risks would continue to be a higher interest rate regime environment, delayed recovery in margins and slowdown/delays in the high margin enterprise business.
360 One	IIFL Wealth is rebranded as 360 One. 360 One is amongst the largest wealth managers in India with an AUM of 2.91 lakh crores (Excluding custody assets). Revenue/EBITDA/PAT are up 8%/-6%/13% at Rs.405cr/Rs.195cr/Rs.181cr respectively in 1Q FY24. The recurring assets AUM is 1.90 lakh crs, up 33% YoY and 14 QoQ. Recurring revenues are Rs. 323 crs for the quarter, up 7% YoY. Recurring assets comprise the asset management AUM of 0.64 lakh crs and wealth AUM of Rs 1.26 lakh crores. Asset management yields were broadly stable at 0.80%. Asset management comprises AIF, PMS & MF assets. Wealth Management yields were 0.70%. Wealth comprises IIFL one and third-party distribution assets like MF, PMS, AIFs. The key monitorable is the net new inflows at c.Rs 13,000crs for 1QFY24. Over the past 3 years, the company transitioned revenue and costs from an upfront to a trail earning distribution model. The cost to income is linked to recurring revenues. This alignment will aid margins. We like the business given the sector tailwinds as HNI Wealth is expected to grow faster than the industry and the shift of assets from physical to digital. 360One has an industry leading business model, demonstrated executional capabilities and a strong leadership & management team. The stock has a c.25% ROE and offers a c.3% dividend yield. Key risks would include slowdown in net new inflows and any employee/client attrition.
Crompton Consumer	Crompton Greaves Consumer reported flat revenues at Rs.1,877cr, on account of performance of ECD division, which grew at 6% YoY. This was offset by the weakness in the lighting segment, which de-grew 13% YoY. Consolidated gross margin was down 60bps YoY due to high energy efficiency norms related expenses and price corrections in pumps. EBITDA margins were down 190bps YoY as the company spent more on advertising to gain market share. As a result, EBITDA fell 15% YoY to Rs.186cr. Overall, PAT came at Rs.122cr vs Rs.126cr YoY [down 2%].

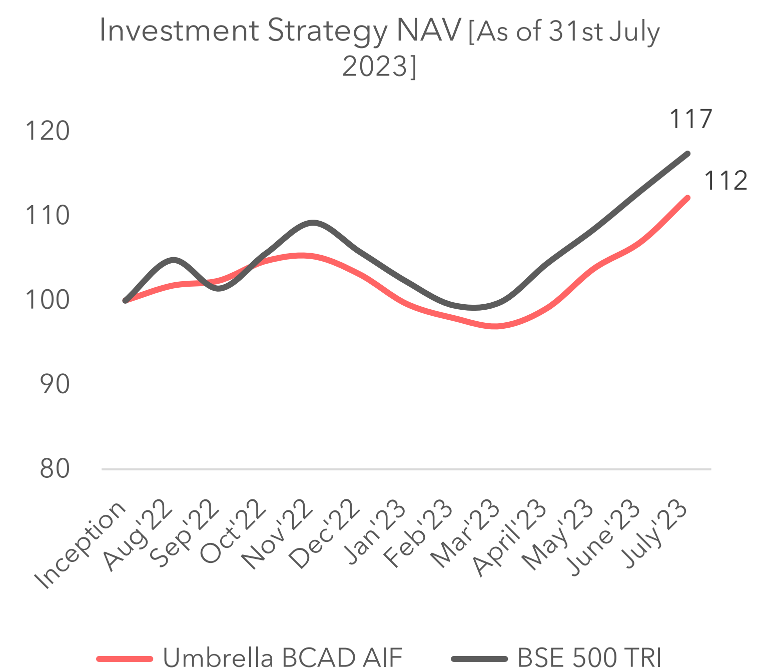
	The potential recovery in the lighting segment and ramp-up of the appliance's portfolio post the acquisition of Butterfly, provide good visibility for earnings growth going forward. Crompton is amongst India's most profitable players in the consumer durables space with best-in-class margins, and capital efficiency. We continue to like the company given their execution and expect them to benefit from this phase of consolidation and growth in household spending on durables. Key risks to the investment could emanate from a drop in consumer sentiment, and steep inflation in raw material prices.
Oberoi Realty	Oberoi reported area sales of Rs. 476cr in this quarter i.e. a decline of 37% YoY. The muted sales in this quarter is because the company didn't have any new launches and also there has not been any sales from 360 West. However, the balance of FY24 would see heavy launches with both the Thane projects set to be finally launched. Company has large land parcel in Thane (potential to develop more than 15 Mn sqft) and the projects would be launched in phases from October festive season. The company would also be launching new towers in Goregaon and Borivali in Q3/Q4 of this year. Given the launch momentum and strong industry demand, we expect the company to register higher sales in this year. The success of Thane would provide the company with multi-year growth opportunity as it has huge land parcels. The P&L for real estate company is a lag effect as revenue has to be recognised only after handing over the property to customer. Accordingly, the company reported revenue of Rs. 910cr and PAT of Rs. 322cr for Q1FY24. Key risks: Delayed projects launches, slowdown in the demand.
Embassy REIT	In Q1FY24, Embassy announced a distribution of Rs 5.38/unit. During the quarter, it successfully leased 1.1 Mn sq. ft across 22 deals, including lease renewals. Renewals took place at a spread of 15% & Re-leasing happened at a spread of 68%. They are also in pipeline discussions for another 2 Mn sq. ft office space. Same store occupancy remained stable quarter over quarter at 87%. The company has provided leasing guidance of 6 Mn sq. ft for FY24, representing an 18% growth over FY23. DPU guidance for FY24 ranges between Rs 20.5 to Rs 22 per unit. Global captives are driving the leasing demand. Embassy Manyata's occupancy rate has now reached 91%. Manyata is going through a positive churn in the occupier mix, and it's in place rents have increased by over 20% in the last 18 months. Management expects larger-sized deals to gain traction in the second half of FY24. The lack of clarity on partial de-notification of SEZ office space / passage of DESH bill remains a key concern for leasing. In the hospitality segment, occupancy was flat at 53% compared to the previous quarter. The hospitality segment is expected to gain traction in FY24 and would further contribute to net operating income. Embassy has 7.9 Mn sq. ft of office properties under development, with 91% of the properties located in Bengaluru. Out of this 2.1 Mn sq. ft are expected to be completed by FY24. The net debt to gross asset value stands comfortably at 29% Key Risks - potential slowdown in commercial leasing in key office markets like Bengaluru, a delay in passing the DESH bill or amendment to existing SEZ regulations allowing floor by floor denotification and reduced off-shoring of work to India by global corporates.
KFin Tech	KFin is a registrar and transfer agent (RTA); a service provider to the asset management industry (MFs & AIFs). KFin services 27 of the 43 AMCs with Rs.13.5 trillion avg AUM. KFin's overall average AUM market share is at c.31.6%. KFin has a c.49% market share in the issuer solutions market where it caters to 5,500+ corporate clients. KFin also offers transfer agency

and fund accounting solutions for the AIF, PMS players and other international clients.

For 1QFY24, revenues/EBITDA/PAT grew 7%/13%/16% YoY at Rs.182cr, 70cr and 43cr respectively. EBITDA margins are at 39% vs 37% YoY. Domestic MF revenues dipped on account of lower yields, which stood at 3.8bps vs 3.9bps in Q4FY23 due to the asset mix. The revenue growth was led by international business, which grew 14% YoY. This was led by client additions and clients going live. The issuer solutions business was flattish YoY. Yield in the international business is 5bps+ as there is a floor / minimum fees from each client irrespective of the AUM vs the domestic business where yields are c.3.8-4bps. An uptick in revenues from international AMCs will be visible in 3Q.

We like the business given the favorable industry structure of a duopoly, low asset intensity and capital efficiency. The overall average AUM in domestic mutual funds continued to grow faster than the industry, aided by contributions from new clients & faster growth in existing clients' portfolios. KFin' presence in international geographies offers a meaningful opportunity given the first mover advantage.

Key risks would include any event risks from a merger of any mutual funds leading to consolidation and change in the regulatory landscape that may result in pressure on yields.



KEY PORTFOLIO METRICS

It is important to note that each investment in the fund has been made on its own merit and the portfolio characteristics are merely a by-product of the process. In sync with Unifi's philosophy, the aggregate portfolio has low leverage, demonstrates potential for strong earnings growth, and has reasonable valuations.

Valuation Parameters* (As of 29th August 2023)	FY2023	FY2024E
P/E Ratio	21.2x	18.3x
Earnings Growth	34.9%	12.8%
Debt Equity Ratio	0.04x	0.05x
ROE %	22.0%	21.6%
PE/ Growth Ratio	1.0	

**Adjusted for one-off to make figures representative.*

We are continually monitoring the environment for any opportunities that have potential to materially improve the portfolio composition. We will be writing to you again post the 2nd quarter results.

In closing, we encourage you to write to us, or your relationship manager, for a detailed review of the portfolio and understanding of our proposition in greater granularity.

ANNEXURES

Financial Details of Top Portfolio Companies

	Market Cap (Rs. cr)	PBT (Rs.cr)		YoY	PAT (Rs. Cr)		P/E	ROE	Portfolio Weight (%)
Company	29th Aug 2023	Q1 FY23	Q1 FY24		FY 23	FY 24E	FY 24E	FY 24E	29th Aug 2023
Narayana Hrudayalaya	20,916	137	206	50%	591	712	29.3	29%	9.5%
Axis Bank	3,01,987	5,528	7,779	41%	22,066	23,696	12.7	18%	7.7%
Infosys	5,86,753	7,534	8,362	11%	24,111	24,537	23.9	32%	7.4%
State Bank of India	5,13,074	8,360	22,796	173%	50,232	54,848	9.3	18%	7.2%
Eicher	91,829	792	1,212	53%	2,599	3,178	28.8	23%	7.0%
RBL Bank	14,011	276	381	38%	883	1238	11.3	9%	6.1%
Redington	12,183	414	352	-15%	1391	1328	9.1	19%	5.8%
360 ONE Wealth	18,186	201	224	11%	668	761	23.9	23%	5.5%
Crompton Consumer	19,349	174	156	-10%	476	511	37.8	19%	5.5%
Oberoi Realty	39,894	517	426	-18%	1903	1960	20.3	15%	5.0%
Kfin Technologies	7,355	51	60	18%	196	230	32.0	24%	4.0%

CLASSIFICATION OF MARKET CAP

Segment	Basis	%
Large Cap	> Rs. 49,500cr	33.9%
Mid Cap	> Rs. 19,500 cr < Rs. 49,500 cr	23.1%
Small Cap	< Rs. 19,500 cr	36.7%
Cash		6.3%
Total		100%

LIQUIDITY ANALYSIS

Segment	% of portfolio
1 day	35.9%
Between 1 & 3 days	8.4%
Between 3 & 7 days	28.2%
Greater than 7 days	21.2%
Total	93.7%

The recent AIF Benchmark report issued by CRISIL is as of 30th September 2022. As of 30th September 2022, the BCAD Fund had not completed one year, therefore Benchmark agency did not provide the benchmark returns of this scheme in their report.

RISK MANAGEMENT

While the environment is buoyant for India in the longer term, in the shorter to medium term, the aftereffects of unforeseen economic linkages from a recessionary West may be a risk. While India remains a largely domestic consumption-oriented economy, a rapid worsening of the economies in the West may affect their balance of trade with the World [including India] in the immediate to medium term. India's Current Account Deficit and foreign exchange reserves may be under pressure if energy prices remain elevated and rise. The recent softening of energy and commodity prices will assist India's macroeconomic case, but there remains the prospect of second or third-order impact from global macroeconomic and geo-political shocks.

Risk	Level	Mitigants
Concentration Risk	Fund	At the portfolio level, such risks are minimized by limiting the aggregate exposure of the portfolio to such investments to less than 10% of the value at the time of investment.
Foreign Exchange Risk	Fund	Fund has invested in only Indian Listed companies and hence the fund's investments do not face any foreign exchange risk at the Fund level.
Leverage Risk	Investee Company/Fund	Fund has not taken any leverage at the Fund level. Except for financial companies, most of the investee companies in the strategies carry nil to moderate debt on their balance sheets with a track record of having managed leverage well in the past. Their leverage is monitored regularly.
Realization Risk	Investee Company/Fund	High Impact cost, due to thin trading at the time of buying or selling is endemic to small & mid-caps. We plan our investment decisions, the size of the investment and trading strategies to minimize the realization risk.
Strategy Risk	Investee Company	Investments are evaluated from a bottom-up and top-down perspective. The fund investments align with the segments of the economy that are emerging and companies that have characteristics which make them the dominant participants in their industry. The investments are assessed through a detailed financial model that captures historical performance and forward estimates based on publicly disclosed documents. The investment team rigorously undertakes quarterly diligence for any change in the investment thesis.
Reputation Risk	Investee Company	Company selection starts with rigorous fundamental analysis and a historical performance review supported by a detailed financial model constructed internally. We have an internally designed governance framework vetted over many years. This governance framework helps us in evaluating companies that meet our internal guidelines. We evaluate the investee companies both at an absolute and relative level. Periodic maintenance diligence of management/ financials is been done for Investee companies.
Extra Financial Risk	Investee Company/Fund	We avoid investing in companies with a known history of corporate governance issues. If such an issue arises in an existing investment, we stop additional purchases and start optimally exiting the investment. Our governance framework helps us in identifying any lapses in corporate governance. We actively monitor all publicly disclosed documents regarding ESG [Environmental, social, and corporate governance]. Any reported misconduct is evaluated by the investment committee for further action.
Geopolitical risks	Investee Company	Geopolitical tensions globally can disrupt the supply chain in the region. This might have a non-linear impact on business.

Raw material inflation	Investee Company	India continues to be dependent on the supply of feedstock whose pricing is global in nature. Key categories would be crude, metals, minerals, and natural commodities. Sharp movement in their underlying prices will have a short-term financial impact on the companies. The situation in China [political] has the potential to disrupt the supply chain of a few of our investee companies.
Key Man Risk	Investee Company	Small and mid-caps are frequently managed by a key promoter/person on whom the business is completely reliant and without whom the business would be materially inferior. We generally avoid such names and in cases where we make any exceptions, the aggregate exposure of the portfolio to such investments is limited to less than 10% by value.