NORTHERN ARC

Money Market Alpha Fund

As on 30th September 2026

Category III AIF · Open Ended

Delivering alpha over liquid funds

₹650 Cr+	200-300 bps	Monthly
Fund AUM	Target Alpha	Liquidity

A compelling opportunity for investors seeking positive real return, post tax, for their short-term investments

INVESTMENT HIGHLIGHTS

A Category III open-ended AIF investing in debt and money market instruments

Investment Objective

Superior risk-adjusted returns via curated Credit & Liquid allocations. Alpha over liquid and ultra short-term mutual funds.

Target Returns

200-300 bps over liquid index. Net of all expenses.

High Liquidity

Daily purchases available. Monthly redemptions.

Safety First

No default or delay since inception in Jan 2019. Curated portfolio with Northern Arc's 'skin in the game'.

Lean Economics and Operational Ease

No performance fees. No setup fees. Daily NAV, Statement on Call, Online onboarding

Transparent

Daily NAV accrual. Monthly portfolio disclosures. No mark-to-market volatility. Held-to-maturity short term credit.

Credit Edge: Northern Arc operates a fully integrated credit ecosystem – origination, underwriting, structuring, monitoring & exit – all in-house, enabling superior control over credit quality and risk.

WHO SHOULD INVEST: FUND POSITIONING BY INVESTOR TYPE

MMAF is purpose-built for investors who need short-duration, professionally managed, open ended and high-yield solutions

CORPORATE TREASURIES

Objective: Real return, post tax, with liquidity

The problem:

Current investments in low yielding FDs or liquid funds;
Volatility in Arbitrage fund return – also, adverse STT impact;
Treasury mandates restrict equity risk

✓ MMAF solution:

MMAF targets to deliver 9.00% p.a. with no MTM risk, monthly liquidity and no exit load.

- ₹5 Cr+ minimum for Class A6
- No exit load after 25 days
- Monthly redemptions
- Effective tax in line with FD and debt mutual funds

FAMILY OFFICES / UHNIs

Objective: Real return, post tax, with liquidity

The problem:

Short term parking of planned utilization corpus at low yield;

Investing in stand alone high yield bonds to optimize yield exposing to concentrated credit risk

✓ MMAF solution:

Yield optimization through a diversified portfolio of investments with a strong track record of over 7 years across market and credit cycles like in Covid

- Min investment: ₹1 Cr
- Daily NAV accrual
- Exit at monthly NAV
- Consistent since Jan 2019

FINANCIAL INSTITUTIONS / DFIs

Objective: Real return, post tax, with liquidity

The problem:

Capital deployed in low-yielding T-bills or money market funds.

✓ MMAF solution:

Northern Arc's credible and proven origination & credit platform to optimize return on short term surplus through institutionalized S-L-R approach of investing

- SEBI-registered Cat III AIF
- Daily NAV transparency
- Monthly portfolio disclosure
- Zero defaults since inception in Jan 2019

INVESTMENT STRATEGY: GUARDRAILS & DISCIPLINE

A rule-based framework that targets downside protection while allowing upside potential of high yield

✓ INVESTMENT CRITERIA

- Northern Arc partnership with skin in the game.
- Atleast INR 100 Crore net worth of the entity
- Funding only to operating companies with proven track record, consistent revenue and cashflows.
- Diversified, granular portfolio with largely amortizing structures.
- Quarterly monitoring of all entities with maturity bucketing; Modified duration (MOD): 3 to 6 months.

✕ GUARDRAILS & EXCLUSIONS

- Perpetual bonds / subordinated debt instruments
- No single credit investment to exceed 10% of the portfolio at any time.
- No long term bullet instruments without adequate exit options in place; No high-risk structures
- Negative list sectors: Real Estate, Infrastructure, and speculative sectors (such as Cyclicals, pure play trading, mining, high burn new age businesses, etc.
- Unrated investments that are loss-making.

PORTFOLIO STRUCTURE

LIQUID SEGMENT
20–25%

- AAA & sovereign rated corporates
- A1+ & equivalent high-grade short-term investments
- Curated liquid / overnight MF Units
- Provides timely liquidity

Past investments:
NABARD · Bank of Baroda · Bajaj Finance

SEMI-LIQUID SEGMENT
10–15%

- AA- & above rated high-quality corporates
- Instruments with A1+ short term rating
- Laddered maturities to provide liquidity
- Provides liquidity without impact cost

Past investments:
Cholamandalam · Barclays · Incred

CREDIT SEGMENT
40–60%

- Northern Arc Group's active universe of 300+ originator's
- Max exposure per security in this segment restricted to 10% of the portfolio
- Diversified across rating spectrum
- Laddering ensures 10-25% matures and amortizes monthly

Past investments:
Krazybee· Fibe · Oxyzo

MONTH-ON-MONTH RETURNS: Cycle-neutral PERFORMANCE

Jan 2019 – September 2026

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg MMAF	Avg Liquid	Avg Arb
2019	10.92%	12.00%	10.18%	9.78%	9.84%	10.30%	9.12%	8.77%	9.57%	8.70%	8.93%	8.96%	9.76%	5.79%	5.85%
2020	8.62%	9.15%	9.32%	7.69%	7.63%	6.41%	5.79%	9.27%	9.70%	8.54%	10.98%	9.13%	8.52%	3.63%	3.88%
2021	9.00%	8.99%	9.24%	10.07%	9.08%	8.99%	8.74%	8.94%	8.68%	8.11%	8.52%	9.12%	8.96%	3.06%	3.43%
2022	8.30%	8.84%	8.81%	7.73%	7.48%	8.41%	9.53%	9.11%	9.57%	9.45%	9.38%	8.82%	8.79%	4.23%	3.90%
2023	9.46%	9.57%	9.74%	9.29%	9.37%	9.23%	9.09%	9.30%	9.69%	10.48%	8.83%	8.99%	9.42%	6.58%	6.66%
2024	9.27%	9.21%	9.62%	9.60%	9.82%	9.61%	9.59%	9.30%	9.66%	9.40%	9.24%	9.65%	9.50%	7.06%	7.12%
2025	9.59%	9.50%	9.69%	9.52%	9.53%	8.95%	8.45%	8.26%	7.85%	8.32%	8.95%	8.69%	8.94%	6.24%	5.96%
2026	8.62%	9.60%	8.91%	9.83%	9.11%	9.00%	8.60%	9.49%	11.30%	—	—	—	9.38%	6.31%	5.97%

9.06% — Average Monthly Return

5.79% — Lowest Month

12.00% — Highest Month

0 — Negative Months

Returns are simple annualized monthly figures from actual Northern Arc Money Market Alpha Fund NAV data (Class A2). Past performance is not indicative of future results. Data till September 2026.

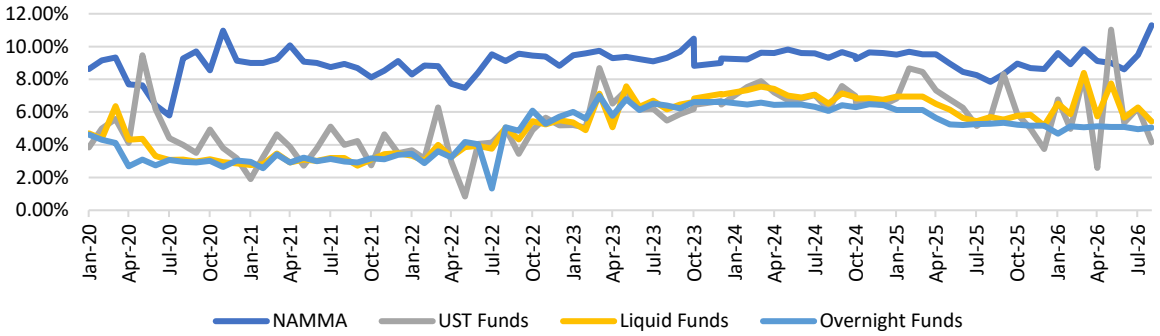
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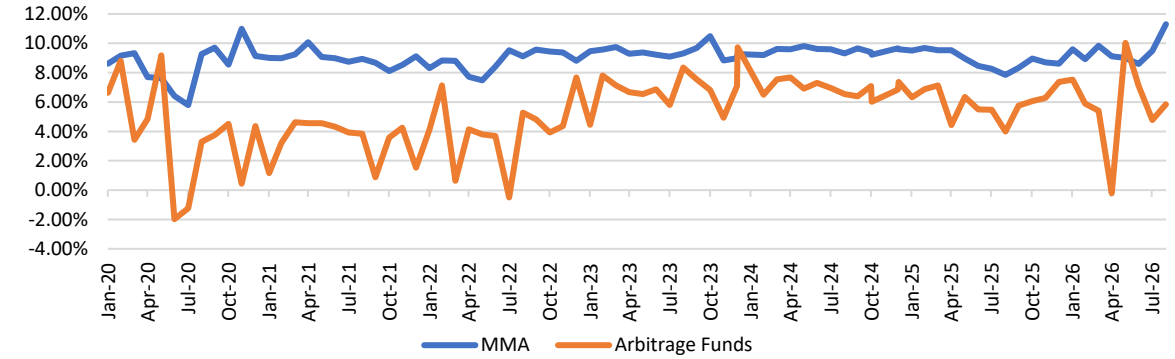
MONTH-ON-MONTH RETURNS

11.30%	6.16%	+514 bps	0
MMAF Sept-26	12 month Avg Liquid Fund Returns Sept -26	Spread	Neg. Months

Comparison with other funds



Comparison with Arbitrage funds



LAST 12 MONTHS DETAIL

Spread vs. Avg. Liquid Fund Returns.

Month	MMAF	Liquid	Arbitrage	Standard Dev. MMAF	Standard Dev. Arbitrage	Spread
Oct-25	8.32%	5.54%	5.76%	0.87%	2.37%	+2.78%
Nov-25	8.95%	5.77%	6.06%	0.86%	2.36%	+3.18%
Dec-25	8.69%	5.84%	6.27%	0.86%	2.35%	+2.85%
Jan-26	8.62%	5.16%	7.36%	0.86%	2.34%	+3.46%
Feb-26	9.60%	6.52%	7.53%	0.85%	2.34%	+3.08%
Mar-26	8.91%	5.87%	5.88%	0.85%	2.33%	+3.04%
Apr-26	9.83%	8.39%	5.41%	0.87%	2.37%	+1.44%
May-26	9.11%	5.74%	-0.22%	0.84%	2.31%	+3.37%
June-26	9.00%	7.74%	10.03%	0.84%	2.35%	+1.26%
July-26	8.60%	5.65%	7.11%	0.83%	2.34%	+2.95%
Aug-26	9.49%	6.29%	4.77%	0.83%	2.33%	+3.31%
Sept-26	11.30%	5.42%	5.84%	0.86%	2.32%	+5.14%

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Returns are indicative simple annualized figures based on fund's stated performance. Ultra Short Term, Liquid Fund and Arbitrage fund returns are one month category average returns. Past performance is not indicative of future results. Data as on September 2026.

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MMAF vs ALTERNATIVES: COMPREHENSIVE COMPARISON

For corporate treasuries deploying ₹5 Crore+ in short-duration instruments — how MMAF stacks up

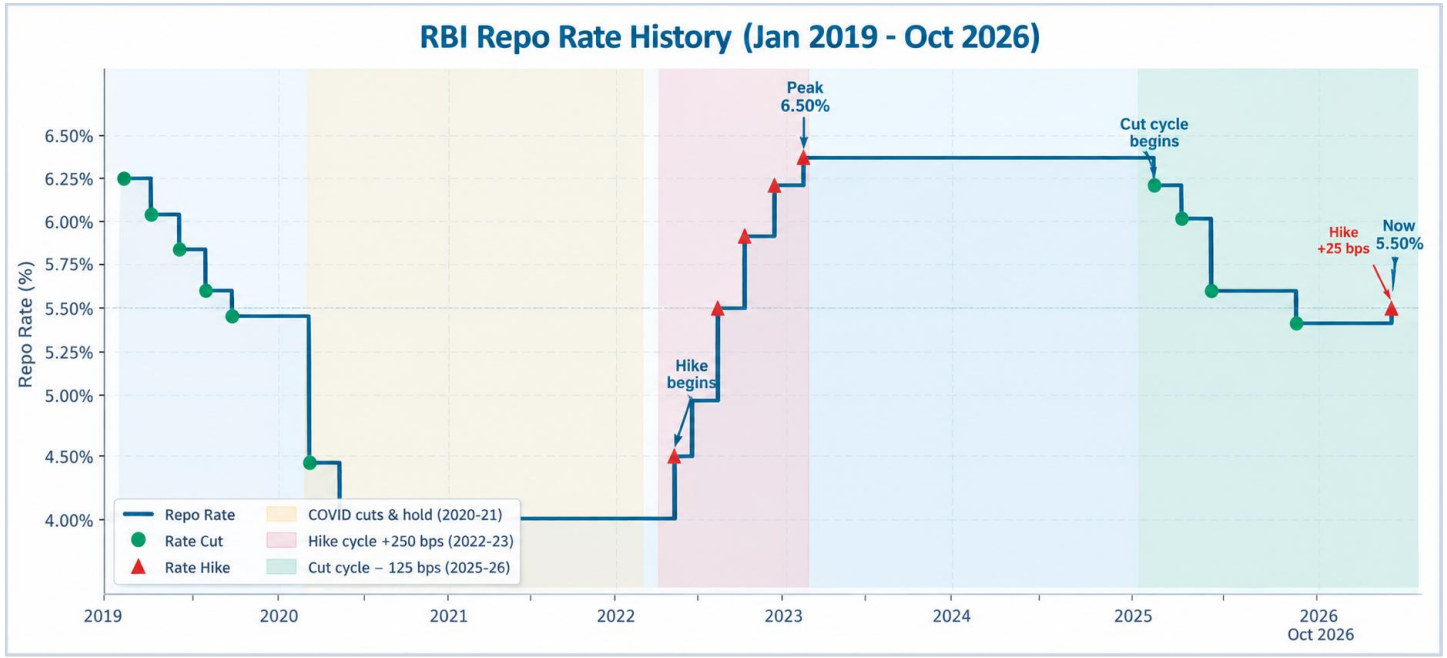
Criteria	MMAF (Class A6)	Liquid Funds	Ultra-Short Term Funds	Arbitrage Funds	Bank FDs
Target Return (net)	**8.50–9.00%**	4.5–5.0%	5.5–6.0%	5.0–6.0%	6.5–7.5%
Post-tax Return*	**6.63–7.15%**	3.4–3.8%	4.1–4.5%	5.0–6.0%	4.5–5.2%
Liquidity	**Monthly redemption**	T+1 day	T+1 day	T+1 day	On maturity
Min Lock-in	**25 days**	None	None	None	30–365 days
Credit Alpha	**200-300 bps**	None	Minimal	None	Fixed
Mark-to-Market	**No (HTM)**	Yes	Yes	Low	No
Min Investment	**₹1 Crore**	₹500	₹500	₹500	Any
Regulation	**SEBI Cat III AIF**	SEBI MF	SEBI MF	SEBI MF	RBI / Bank
Standard Deviation	**~0.8%**	~1.5%	~2.5%	~2.0%	0%

*Post-tax returns for Non-Individuals at MMR. Tax deposited as Advance Tax in investors PAN. Liquid, Ultra Short Term, Arbitrage and Bank FD returns are indicative. Past performance is not a guarantee of future results.

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MACRO CONTEXT: WHY NOW IS THE RIGHT TIME

India's rate cut cycle creates a compelling window for short-duration credit strategies



WHY THIS BENEFITS MMAF INVESTORS

Wider Spread Capture

250+ bps credit spread over liquid index locked in at today's still-elevated short-term rates.

Proprietary Credit

Credit premium secured from proprietary in-house sourcing & long-vintage portfolio companies

Falling Liquid Yields

As rates fall, liquid fund returns compress from ~6% → ~4.7%. MMAF's credit premium becomes more valuable.

RBI data: 25 bps rate hike in 2026. Current repo rate: 5.50% (Sept 2026). GDP forecast FY26: 7.4%. CPI inflation: 2.1%.

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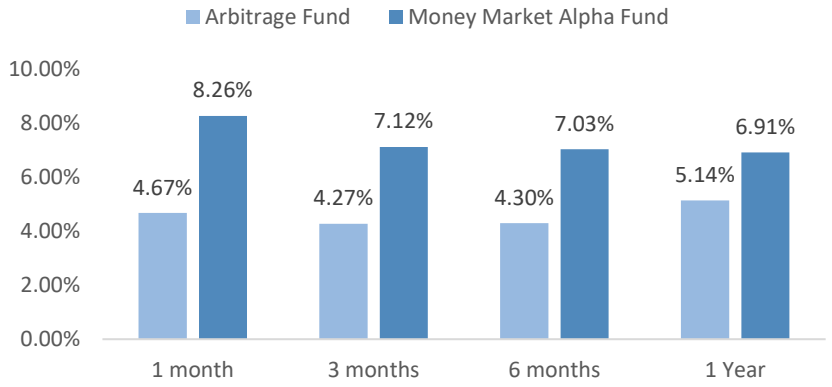
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SUPERIOR POST-TAX RETURNS

Data: September 2026

MMAF consistently delivers higher post-tax returns across holding periods — for both individuals and corporates

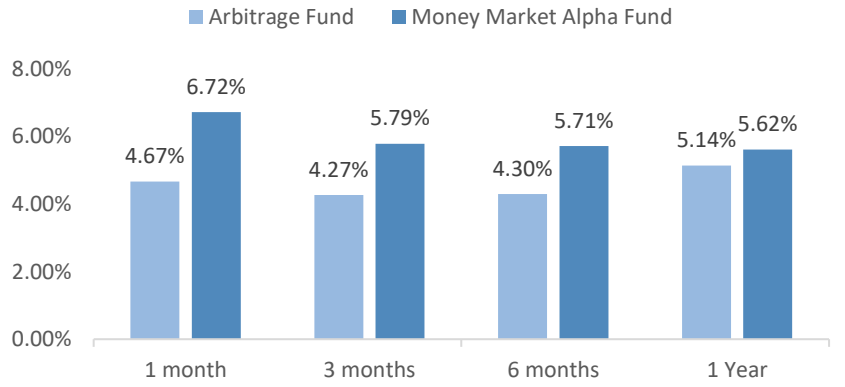
NON-INDIVIDUALS (Corporates, HUFs, Firms)



WHY MMAF WINS FOR NON-INDIVIDUALS

- Arbitrage funds taxed at 20% STCG & MMA at 25% corporate tax. But MMA generates 90–150 bps more pre-tax.
- No STT (since no equity investments), no equity market risk, no rollover slippage.
- At 1 year: MMAF delivers 6.91% vs Arbitrage 5.14% — a 177 bps post-tax advantage.

INDIVIDUALS (High Net Worth)



WHY MMAF WINS FOR INDIVIDUALS TOO

- At 3M–1Y holding, MMAF equals or beats arbitrage on post-tax basis despite higher MMR (39%).
- Arbitrage fund returns are volatile — MMA delivers consistent, predictable monthly accruals.
- For 1-year holding: MMA 5.62% vs arbitrage 5.14% — a 48 bps post-tax advantage.

Post-tax returns of MMA assume MMR of 25% (non-individuals) and 39% (individuals). Returns are compounded annualized, net of expenses. Data as of September 2026.

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THE SLR FRAMEWORK: SAFETY · LIQUIDITY · RETURNS

How MMAF is engineered to deliver across all three dimensions simultaneously

S — SAFETY

Curated Originator Universe

Predominantly Northern Arc Capital's 300+ vetted originator pool - pre-screened by the NBFC & Fund Investment Committee

Dual Diligence Layer

Northern Arc Capital vets every entity via its lending book first. Investment managers then apply a second independent credit screen through Fund Manager diligence & independent IC

Concentration Caps

Single issuer 5–10%. No perpetual bonds. No real estate or infra exposure. Only operating companies with ₹100 Cr+ net worth

Held-to-Maturity

Most credit investments are held to maturity, with selective secondary sales for MTM gains - delivering alpha through accrual income and realized gains.

Sponsor Skin in the Game

Northern Arc Group as sponsor aligns interest of the AMC.

L — LIQUIDITY

Maturity Laddering

Portfolio structured so 8–10% matures naturally every month, funding redemptions without forced selling

Liquid Tranche (20–25%)

A1+ / AAA rated instruments (T-bills, CDs, CPs) provide immediate liquidity buffer at all times

Semi-Liquid Buffer (10–15%)

A1+ / AA rated instruments with laddered tenors ensuring staggered maturities every 30–90 days

Short Tenor Discipline

Predominantly CPs, with NCDs typically featuring downside protection (put options, step-up coupons on downgrades, or FD collateral on trigger events); maximum duration of 30 months.

Monthly Redemption Window

Submit redemption by 25th of every month – redemption honored by month end

R — RETURNS

Credit Premium Capture

Curated credit investments help generate ~ 300 bps above liquid index - the core alpha engine

Tax neutrality

Gross target return of 10% - 10.5%. Effective tax liability in line with debt mutual funds and FDs for all categories of investors.

No Performance Fee Drag

Unlike many AIFs, MMA charges no performance fees — all returns flow to investors

Rate Cycle Resilience

Product alpha delivered across interest rate cycles

Compounding Edge

Daily NAV accrual means returns compound from day one — no idle cash drag

PORTFOLIO STRESS TEST & LIQUIDITY RESILIENCE

How MMA performs under adverse scenarios — designed to protect investor capital in all market conditions

STRESS SCENARIOS & FUND RESPONSE

Scenario	Probability	Impact	MMAF Buffer / Response
20% of investors redeem simultaneously	Low	Moderate	Liquid tranche (25%) + Semi-Liquid (15%) along with natural monthly maturities cover for over 50% redemptions. No forced selling required.
Single large issuer default	Very Low	Contained	Max 5–10% single-issuer cap ; due diligence, structural exits, security / guarantees / tenor limit loss.
Broad credit market freeze (2–4 weeks)	Very Low	Managed	Liquid tranche (T-bills, CDs) remain tradeable. Widening secondary market for quality credit instruments within FI ecosystem .
RBI rate spike +150 bps over 3 months	Low	Low	HTM accounting insulates portfolio. Short 3–6 month avg maturity means rapid repricing at higher yields.
NBFC sector stress (like IL&FS 2018 scenario)	Low	Moderate	300+ originator diversification, active monitoring, and Northern Arc Capital parent vetting limits contagion.
Ratings downgrade of 2–3 portfolio names	Low	Low	Quarterly monitoring flags risks early. Sell / put-option exercise before maturity for NCDs. Natural CP maturity.

Stress scenarios are illustrative. Probability and impact assessments are management estimates. Past resilience is not a guarantee of future performance.

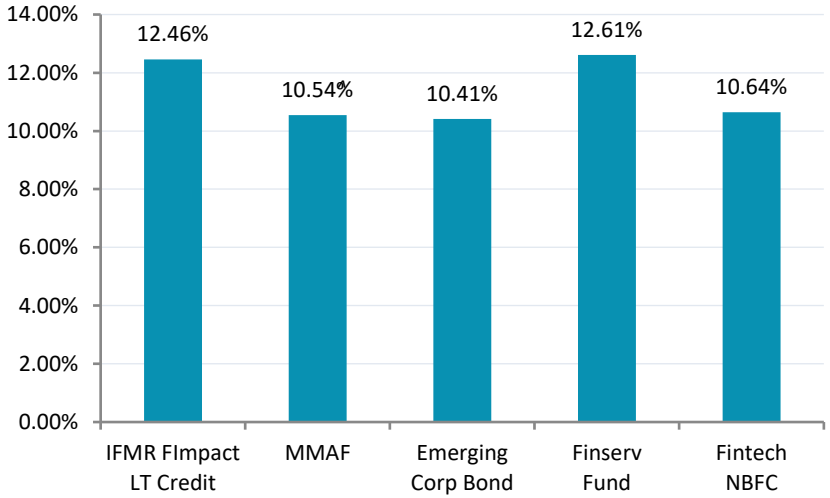
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Northern Arc Investment Managers: TRACK RECORD & PERFORMANCE

11+	₹16,500 Cr+	7	300+
Years of Impact Investing	Gross Deployment	Funds Successfully Exited	Originator Universe

ACTIVE FUNDS — CURRENT GROSS YTM



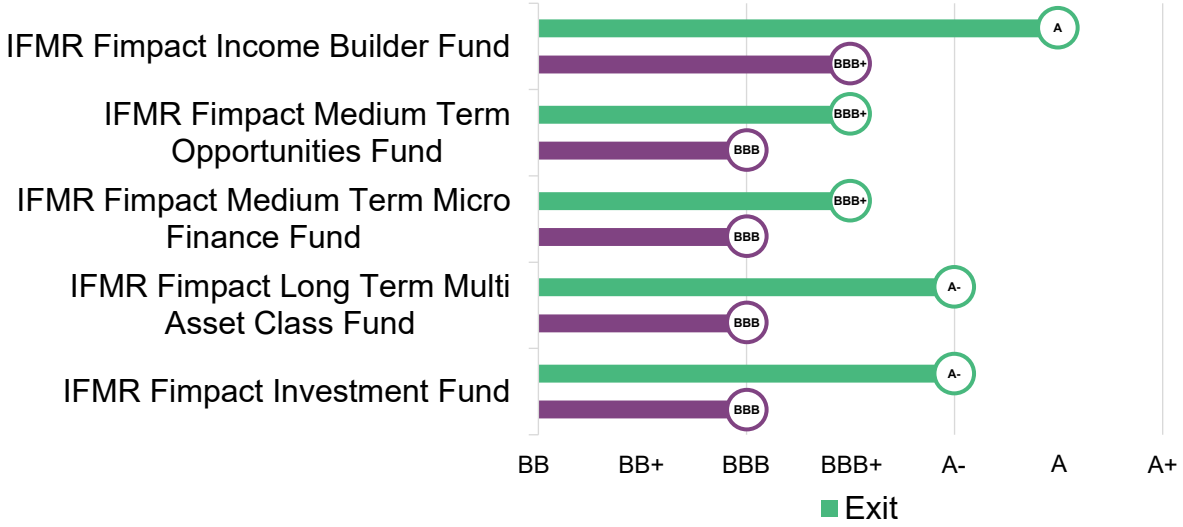
EXITED FUNDS — TARGET vs ACTUAL RETURNS

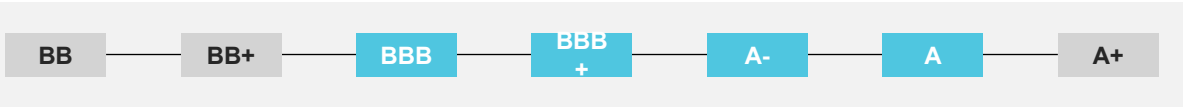
Fund	Target	Actual
IFMR FImpact Investment Fund	15.00%	**15.11%**
IFMR FImpact LT Multi Asset Class	14.50%	**15.16%**
IFMR FImpact MT Micro Finance	13.50%	**14.19%**
IFMR FImpact MT Opportunities	13.50%	**13.65%**
IFMR FImpact Income Builder	13.50%	**14.01%**
Northern Arc Income Builder (II)	13.43%	**14.01%**
Northern Arc India Impact Fund	12.50%	**12.82%**

Credit quality improvement

Consistent upgrade trajectory across exited funds validating underwriting rigour and active monitoring

Entry vs exit rating (volume weighted)





Underwriting validation

Upward migration confirms our ability to identify companies with strong fundamentals before the broader market recognises their value.

Active monitoring value

Tight covenants and regular engagement help portfolio companies strengthen balance sheets, leading to rating upgrades.

100%

Exits at/above entry rating

Management Structure

Board Members



ASHISH MEHROTRA
M.D.& CEO,
Northern Arc Capital
Experience : 25+ years



PARDHASARADHI RALLABANDI
Additional Director
Experience : 27+ years



CHAITANYA PANDE
Non-Executive Director
Experience : 25+ years

Investment Committee Members

AMIT MANDHANYA
Executive Vice President –
Northern Arc Capital Limited
Experience: 15+ years

AVINASH P
Chief Risk Officer,
Northern Arc Capital Limited
Experience: 15+ years

RAHUL JAIN
Chief Credit Officer
Northern Arc Capital Limited
Experience: 25+ years

CHAITANYA PANDE
Non-Executive Director
Experience : 25+ years

Team has 80 years' combined experience

Indranil Suryawanshi



Senior fund manager

20+ years | Piramal Alts | Aditya Birla Fin

- Experience in corporate and structured finance across banks, NBFCs and private credit funds
- Expertise in origination, structuring, underwriting and portfolio management. Gross disbursement of more than INR 30,000 cr across 500+ corporates with less than 0.75% delinquency

Rakesh Suri



Fund manager

24+ years | PGIM India MF | SBM Bank

- Worked across global and domestic fixed income markets
- Specialises in portfolio management, treasury ops and risk optimisation across asset classes

Archana Rangarajan



Fund manager

10+ years | EY | Deloitte

- Experience in direct lending and transaction advisory, and leading structured debt deals
- Capabilities in product strategy, risk optimisation and stakeholder management. Gross disbursement of more than INR 9,000 cr across 120 corporates with NIL delinquencies

Khurshed Elavia



Fund manager

7+ years | Stelios AMC | GetVantage

- Experience in CAT III & CAT II AIF and NBFC. Presently working in debt financing mid market entities with a sector agnostic mandate
- Proficiency in underwriting, diligence, monitoring and deal execution.

Jemil Shroff



Credit Analyst

9+ years | KPMG | Grant Thornton

- Experience in operating and business models and cash flow analysis across consumer, health tech, education, Media & Entertainment and other sectors.

Analyst: Supporting investment process

Charmi Gosrani



1+ years | Northern Arc

Domain expertise: The seasoned team has expertise in banking, NBFCs, private credit and structured finance

KEY FUND TERMS

Structure	Category III AIF (Open Ended)
Nature of Investments	Commercial Paper, CD, T-bills, NCDs and other money market instruments including PTCs
Portfolio Allocation	Liquid (A1+) ~ 25% · Credit (investee companies) ~ 75%
Average Maturity	3–6 months
Minimum Lock-in	25 days
Inflow Date	Any working day
Redemption Request	On or before 25th of the month (Payout on Last Working Day of the Month)
Tax Treatment	Taxation paid in investor's PAN in the form of Advance Tax
Minimum Investment	INR 1 Crore

Class A5 (Regular) — Ticket < ₹5 Cr | Mgmt Fee: 0.97% | Target Returns: 8.25%–8.75% | Exit Load: 0.25% before 84 days
Class A6 (Regular) — Ticket ≥ ₹5 Cr | Mgmt Fee: 0.70% | Target Returns: 8.50%–9.00% | Exit Load: Nil

Direct Plan available. Management fee excluding GST of 18%.

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Category III Open-Ended AIF

Delivering consistent, superior returns for corporate treasuries since 2020

Get In Touch

Website

www.northernarcinvestments.com

Email

ir.investments@northernarc.com

Why invest in MMA:

- Zero defaults since inception
- 9.00% target returns (net of expenses)
- Consistent performance across cycles

NORTHERN ARC

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