TATA EQUITY PLUS ABSOLUTE RETURNS FUND

Dual Portfolio Strategy

CATEGORY III AIF

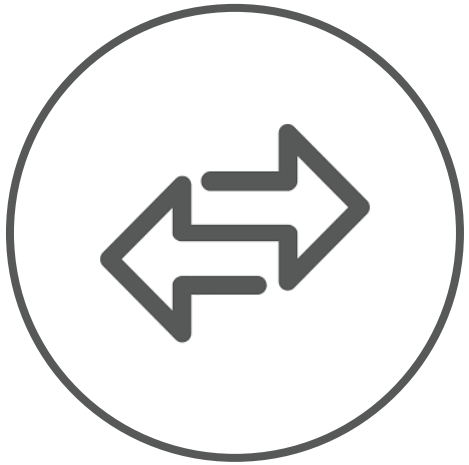
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INTRODUCING TATA EQUITY PLUS ABSOLUTE RETURNS FUND

TATA ALTERNATIVE INVESTMENT FUND

TARGETING HIGHER RETURNS AND LOWER RISK

DUAL PORTFOLIO



Investing in two portfolios – Core and Derivatives

ENHANCED RETURNS



Equity + Derivatives returns

- The equity portfolio endeavours to outperform Nifty 50
- The derivatives portfolio aims for uncorrelated steady returns

LOWER DRAWDOWNS



Downside minimization through tactical hedging and fixed income allocation

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INVESTMENT PORTFOLIO CHARACTERISTICS

TATA ALTERNATIVE INVESTMENT FUND

TATA EQUITY PLUS ABSOLUTE RETURNS FUND = CORE PORTFOLIO + DERIVATIVES PORTFOLIO

INVESTING WITH AN AIM TO GENERATE ALPHA OVER NIFTY 50

PORTFOLIO CONTRUCTION	Macro and valuation driven allocation between Equity (0-30%) & Fixed Income	Large Cap Bias Sector Diversification
EQUITY	Large Cap market leadership names	Diversified midcap/smallcap (<5%) • High momentum • Policy support
FIXED INCOME	Low duration GOI bonds	Low duration Corporate Bonds (AA+)	Liquid funds

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DERIVATIVES PORTFOLIO MANAGEMENT

TATA ALTERNATIVE INVESTMENT FUND

TATA EQUITY PLUS ABSOLUTE RETURNS FUND = CORE PORTFOLIO + DERIVATIVES PORTFOLIO

Targeting positive returns across market conditions

LONG/SHORT FUTURES

- Quantitative signals: Factor bias/statistical outliers
- Discretionary trading: Opportunities around company specific events

HEDGING: CORE PORTFOLIO

- Core portfolio hedges using futures and options
- Always same name risk-reducing hedges

COMMODITY TRADING

- Strategic and tactical plays in bullion, base metal and energy markets
- Commodity arbitrage

STRATEGY

OPTIONS TRADING

- Play on volatility expectations
- Skewed risk reward opportunities
- Tactical hedging of L/S portfolio

SPECIAL SITUATIONS OPPORTUNTIES

- QIP, IPO
- OFS/Block
- Merger/Demerger

RAZOR SHARP FOCUS ON RISK

- Portfolio level scenario limits
- Security/Portfolio level risk reducing strategy

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PORTFOLIO COMPOSITION – DUAL PORTFOLIO

TATA ALTERNATIVE INVESTMENT FUND

I. Core Portfolio	100%
Fixed Income/Cash equivalents/Others	**66%**
GOIs	18%
Corp bonds	20%
Liquids / Cash	21%
InvIT / REIT	7%
Cash Equities	**27%**
Large Cap	18%
Mid Cap	5%
Small Cap	4%
Commodities (Physical Silver)	**7%**

II. Derivatives Portfolio (Gross Exposure)	~73%
Hedging	28%
Tactical Long Short	43%
Commodity	2%

*Approximate values, as on 31st December 2025. Exposures are dynamic and can change on a daily basis.

A) Core Portfolio = Cash equities + Fixed income

- *Fixed Income: **Low duration** across GOI bonds, Corporates bonds and Liquid funds*
- *Cash Equities: Stocks selection primarily driven by fundamentals with **higher exposure to large caps.***
- ***Dynamic allocation** depending on macro outlook, availability of opportunities and associated risks*

B) Derivatives Portfolio = Trading in futures & options

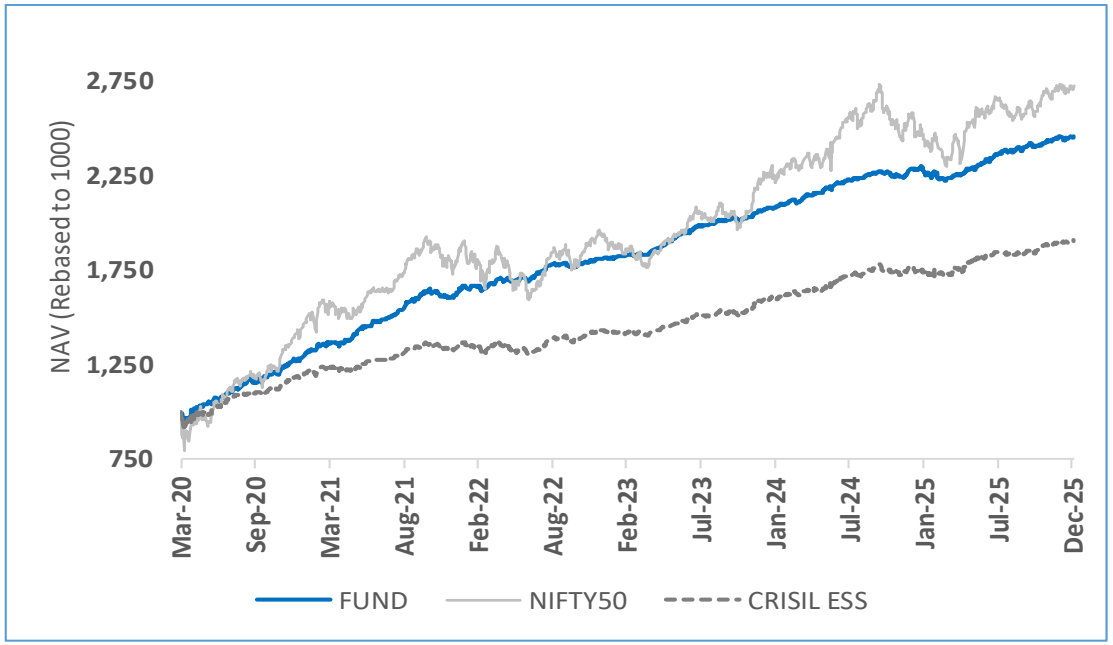
- *Hedging portfolio to protect core equity allocation in uncertain times*
- *Long/Short Portfolio to capture tactical opportunities keeping a low net exposure profile*
- *Commodity trading portfolio to capture opportunities that exist across metals, bullion and energy*

Note: Core portfolio and the Derivatives portfolio have been negatively correlated with each other. The combined returns outcome is reduced volatility and more consistent returns stream relative to pure equity returns

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KEY PERFORMANCE HIGHLIGHTS - TEPA

TATA ALTERNATIVE INVESTMENT FUND



Fund performance highlights since inception (16th March 2020 – 31st December 2025)

- **Cumulative gross returns of ~146.4% (16.8% CAGR)**
- <25% average net equity exposure
- ~5% volatility (<1/3rd of NIFTY 50)
- ~2.2x Sharpe (Returns/Risk)
- 87% positive months
- On average, the fund delivered **positive returns in bearish months** exhibiting its absolute return character

- ***For three years in a row, awarded as W*inner- Ranked 1 *Equity Long Short CAT III AIF*** *based on* Risk Adjusted Returns by PMS AIF World (February 2022, 2023 and 2024). Our fund posted **highest Sharpe performance**, i.e. (Returns – risk free rate)/ Volatility
- ***Superior risk adjusted performance*** *relative to similar/ higher risk indices/categories (MF ESS, MF BAF, Equity L/S AIFs) since inception*

- Nifty 50 & CRISIL ESS returns have been highlighted to bring out the performance of fund's portfolios and strategies, and the overall risk-reward of the fund. They are not the benchmarks for the fund.
- All returns are on Gross basis (i.e. pre-fees and taxes)

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RISK RETURN MAPPING - TEPA

Quarter	Fund	CRISIL ESS	Nifty 50
Mar-20*	-2.9%	-3.4%	-10.3%
Q1FY21	12.3%	8.7%	19.8%
Q2FY21	8.4%	4.6%	9.2%
Q3FY21	9.7%	9.4%	24.3%
Q4FY21	5.4%	2.4%	5.1%
Q1FY22	8.1%	3.7%	7.0%
Q2FY22	8.4%	5.3%	12.1%
Q3FY22	**2.1%**	**0.3%**	**-1.5%**
Q4FY22	3.3%	1.0%	0.6%
Q1FY23	**1.5%**	**-2.9%**	**-9.6%**
Q2FY23	3.3%	4.3%	8.3%
Q3FY23	2.5%	3.3%	5.9%
Q4FY23	**1.6%**	**-0.3%**	**-4.1%**
Q1FY24	6.4%	5.3%	10.5%
Q2FY24	2.8%	2.1%	2.3%
Q3FY24	2.7%	4.7%	10.7%
Q4FY24	2.9%	1.6%	2.7%
Q1FY25	3.7%	4.3%	7.5%
Q2FY25	2.7%	3.6%	7.5%
Q3FY25	**0.8%**	**-1.6%**	**-8.4%**
Q4FY25	-1.2%	1.3%	-0.5%
Q1FY26	4.3%	4.7%	8.5%
Q2FY26	**1.8%**	**-0.2%**	**-3.6%**

Risk - Return (on monthly returns since fund inception)	Fund	CRISIL ESS	Nifty Hyb 50:50	Nifty 50
RETURNS				
Absolute returns	146.4%	90.8%	108%	172.5%
CAGR returns	16.8%	11.8%	13.4%	18.9%
FY26-TD	8.85%	8.19%	-0.21%	11.10%
FY25	6.1%	7.7%	7.8%	5.3%
FY24	15.6%	15.4%	18.9%	28.6%
FY23	9.2%	4.4%	2.4%	-0.6%
FY22	23.7%	10.6%	12.7%	18.9%
FY21	40.7%	27.3%	38.4%	70.9%
Avg. monthly return when NIFTY 50 was up	1.9%	1.9%	2.5%	4.2%
RISK				
Volatility	4.9%	5.4%	8.1%	15.1%
Volatility relative to Nifty 50	0.32	0.36	0.54	1
Beta	0.26	0.35	0.53	1
No. of negative months	9	19	22	27
Avg. monthly return when NIFTY 50 was down	0.4%	-0.5%	-1.2%	-2.6%
OVERALL				
Sharpe Ratio (Returns / Risk)	2.2	1.1	0.9	0.9

On a comparative basis, the fund demonstrated both better returns & lower volatility

i. CRISIL ESS is CRISIL Equity Savings Index, and NIFTY Hyb Nifty 50:50 is BAF equivalent index. These indices as well as Nifty 50 are not the benchmarks for the fund.
ii. Source: Capitaline, MFI, AMFI and internal calculations
iii. *Period of performance analysis: 16th March 2020 (fund launch) – 31st December 2025
iv. Volatility = annualized standard deviation in monthly returns
v. Fund returns are on Gross basis (i.e. pre-fees and taxes)

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CORE PORTFOLIO CHARACTERISTICS

TATA ALTERNATIVE INVESTMENT FUND

AUM Allocation*	
Cash Equity	28%
Fixed Income & Cash Equivalents	58%
Others	14%

Fixed Income Portfolio*	
Modified Duration (in years)	2.3
Weighted avg. YTM	6.9%

Cash Equity Portfolio

Market Capitalization*	
Large	18%
Mid	5%
Small	4%

Sectoral Allocation*	
Financial Services	6.9%
Capital Goods	5.4%
Healthcare	4.8%
Automobile and Auto Components	3.1%
Telecommunication	2.7%
Services	1.9%
Fast Moving Consumer Goods	1.1%
Consumer Services	0.8%
Consumer Durables	0.6%

*Data as on 31st December 2025. Figures are approximate values and are as per internal estimates

*Current YTM is not an indication of future YTM. It is subject to change with change in market conditions.

Valuation of Debt Securities

Debt securities will be valued based on the average of security level prices obtained from valuation agencies w.e.f. 31st December 2023 (being the 1st Valuation date after the applicability date as per the below mentioned circular). The same is done to align valuation as per SEBI (Mutual Funds) Regulations 1996 owing to SEBI (Alternative Investment Funds) Circular dated 21st June, 2023.

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FUND MANAGER

TATA ALTERNATIVE INVESTMENT FUND



Kalpesh Jain

Fund Manager – AIF

With over 17 years of industry experience, as an investment manager, Mr. Kalpesh Jain leverages his expertise in fixed income trading, derivatives research and hedge fund management to deliver consistent risk-adjusted returns. He is actively managing fixed income portfolios, technical analysis, futures & options trading, commodities trading and navigating complex market conditions, and generating returns with low volatility.

Before Tata Asset Management, Mr. Kalpesh worked with Julius Baer India Ltd., Ambit Capital and Edelweiss Financial services and built an in-depth understanding of Alternative Investment strategies.

Mr. Kalpesh holds a Bachelor of Management studies from Mulund College of Commerce and a postgraduate degree in Business Administration (Finance) from Mumbai Educational Trust, Bandra.

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