

Multiple Strategies. One Disciplined Approach.

Diversified strategies. One disciplined risk framework designed to dynamically allocate capital to opportunities across market conditions.

Introducing Eminence Hybrid Long-Short Fund

Beyond Arbitrage

Diversification, Engineered

Institutional By Design

NFO opens - **14th October, 2026**

01

The SIF opportunity

SEBI created a category that sits between the mutual fund and the PMS/AIF world — MF-style governance and taxation, with genuine strategy flexibility.

A regulated bridge between two worlds

SEBI introduced the SIF framework in 2025 to close the long-standing gap between mutual fund accessibility and PMS/AIF flexibility.

01

MUTUAL FUND

**Accessible,
but constrained**



- SEBI governance and daily oversight
- Efficient equity taxation
- Low minimum investment
- No unhedged short exposure permitted

02

SIF

The bridge



- MF-like governance and taxation
- Up to 25% unhedged short exposure
- ₹10 lakh minimum, at PAN level
- Seven defined scheme categories

03

PMS / AIF

**Flexible,
but exclusive**



- Advanced long-short strategies
- High portfolio flexibility
- ₹50 lakh – ₹1 crore minimums
- Cat-III taxed at the fund level



Why this matters for Eminence

Strategies that previously required a ₹1 crore Cat-III commitment — market-neutral pairs, options overlays, event-driven books — can now be accessed at ₹10 lakh, inside a structure taxed like a mutual fund.

Where the SIF sits

	 SIF	 Mutual Fund	 PMS	 AIF (Cat III)*
 Minimum investment	₹10 lakh (across SIF strategies, PAN level)	₹100+	₹50 lakh	₹1 crore
 Investor profile	Retail & HNI	Retail	HNI & Ultra HNI	HNI & Ultra HNI
 Taxation at fund level	Nil	Nil	Nil	Taxed at MMR of 42.7%^
 Leverage	Not permitted	Not permitted	Not permitted	Gross exposure up to 200%
 Shorting	Unhedged derivative short up to 25% of net assets	Hedging only	Hedging only	Fully permitted
 Governance	SEBI, SIF and MF framework	SEBI, MF framework	SEBI	SEBI



The SIF gives up leverage partially — and in exchange keeps mutual fund taxation.
For a strategy whose returns come substantially from derivatives, that trade is heavily in the investor's favour.

Source: Internal assessment. Position as on 5 September 2026. Comparison of product structures is indicative and for general information only. *Cat III AIF, assuming business income treatment. ^Inclusive of applicable cess and surcharge. Tax rates are as per prevailing tax laws and are subject to change. Please consult your tax advisor regarding your specific circumstances.

02

Why hybrid **long-short**, now

The defensive bucket still does its job. After tax, it simply delivers less than it used to — and the familiar ways of closing that gap all add equity risk to a bucket built to avoid it.

How this differs from what already exists

	 Arbitrage	 Equity Savings	 Aggressive Hybrid	 Eminence Hybrid L/S
 Return drivers	Cash-future spread	Equity + arbitrage + debt	Equity + debt	Seven distinct sleeves
 Return character	Anchored to short rates	Market-linked, dampened	Market-linked	Carry, relative value and event-driven strategies
 Volatility	~1%	4–6%	10–12%	2–3%
 Beta	~nil	0.25–0.40	0.70–0.85	~0.1
 Net equity exposure	~0%	10–50%	65–80%	Low — market neutral by design
 Shorting	Not permitted	Not permitted	Not permitted	Up to 25% of net assets

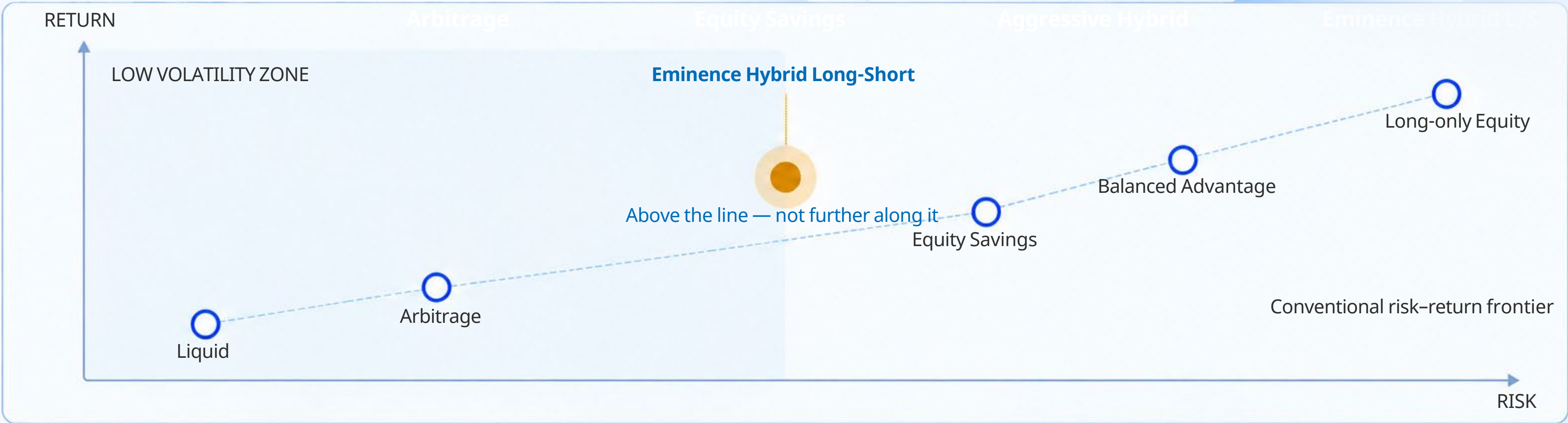


- Traditional strategies—Arbitrage, Equity Savings and Aggressive Hybrid—take progressively higher equity exposure to target higher returns.
- Eminence follows a different model, generating returns from carry, spreads and events rather than market direction; hence, its volatility is closer to Arbitrage.
- It is a long-term product designed to be held through a full cycle with a 24-month-plus horizon

Source: Internal assessment. Beta, volatility, net equity and return-driver characteristics shown for other categories are internal estimates derived from category-level data and do not pertain to any specific scheme; figures for Eminence are intended construction parameters, not forecasts. Comparison is illustrative only. Actual asset allocation will be governed by the ISID. Past performance may or may not be sustained in future and is not a guarantee of any future returns. The data/statistics are given to explain general market trends and it should not be construed as any research report/research recommendation from AlphaGrep Mutual Fund.

Above the arbitrage line

A deliberate step beyond arbitrage carry — without making equity beta the primary return driver.



THREE LAYERS OF RETURN ADDED TO THE ARBITRAGE BASE



Option carry

Premium earned from written calls and index options, funded by volatility rather than by direction.



Relative value

Market-neutral pairs, where return comes from one security outperforming another.



Event driven opportunities

Corporate events with defined timelines — buybacks, open offers, mergers, index changes.

Source: Internal assessment. Conceptual illustration of intended positioning only. Positions on the chart are not to scale and are not a projection of returns or volatility. Actual outcomes will depend on market conditions and execution. The data/statistics are given to explain general market trends and it should not be construed as any research report/research recommendation from AlphaGrep Mutual Fund.

03

Why AlphaGrep

Most funds in this category are launching a strategy from a standing start. The research, data and execution platform behind this one has been running with real capital since 2010.

References to strategies run with proprietary or other capital relate to the AlphaGrep group and not to Eminence SIF or to this investment strategy. Such performance is not presented in this document, and is not an indication of the returns this investment strategy will achieve. Past performance may or may not be sustained in future and is not a guarantee of any future returns. The data/statistics are given to explain general market trends and it should not be construed as any research report/research recommendation from AlphaGrep Mutual Fund.

A quantitative trading firm, not a new desk

Founded in 2010 by Mohit Mutreja and Parshant Mittal. A global multi-asset quantitative investment platform managing approximately USD 1.5 billion, with research, data and technology depth behind every allocation decision.

01

**500+**

team members worldwide
across research, engineering,
trading and operations

**200+**

research professionals
across a dozen and more
internal teams

**100+**

engineers and technology
specialists supporting
infrastructure and data

03

**8**

countries, with trading
capability across 30+
exchanges on 24-hour
operations

PEDIGREE

Where the team has come from

Team members have previously worked at AQR, Citadel, D.E. Shaw, Goldman Sachs, Millennium, Morgan Stanley and UBS. Over 200 hold computer science, engineering, mathematics or statistics degrees from leading universities in India and globally.



WHY IT MATTERS HERE

Seven sleeves need seven capabilities

A multi-sleeve long-short book is an execution problem before it is an idea problem. The infrastructure that runs systematic strategies at scale — signal research, position sizing, transaction cost control, real-time risk — is already built and already in use.



Firm leadership



CO-FOUNDER, ALPHAGREP

Mohit Mutreja

02

Began as a quantitative researcher and trader at Citadel (Chicago), building and trading statistical strategies in US fixed income. Later traded Indian public equities and convertibles at D.E. Shaw, with prior stints at Deutsche Bank and Goldman Sachs in New York. B.S. Economics (Wharton); Computer Engineering, University of Pennsylvania.



CO-FOUNDER, ALPHAGREP

Parshant Mittal

02

Started on Deutsche Bank's credit and rates trading desk before joining AQR Capital as Portfolio Manager and quantitative researcher, where he managed multiple strategies including emerging market stock selection. Previously at Goldman Sachs and State Street. B.S. Economics (Wharton); Computer Engineering, University of Pennsylvania.



DIRECTOR, ALPHAGREP INVESTMENT MANAGEMENT

Praveen Kumar

02

Over 18 years across quantitative trading, portfolio management and multi-asset strategy. Helped build and scale the quantitative trading desk at Edelweiss Financial, then co-managed a long-short Category III AIF. Responsible for product and investment strategy, risk and capital allocation. PGDM, IIM Calcutta; B.Tech (H), IIT Kharagpur.



DIRECTOR & CHIEF EXECUTIVE OFFICER, ALPHAGREP INVESTMENT MANAGEMENT

Bhautik Ambani

02

Previously Executive Director at Avendus Capital Public Markets Alternate Strategies, part of the founding team that scaled the hedge fund business to a peak AUM of approximately USD 1bn. Over 20 years across asset and wealth management including Ambit Investment Advisors, Kotak Wealth Management and Mirae Asset. MBA Finance, SP Jain.

Investment Team



FUND MANAGER

Ashish Jain

02

B.E. Computers, MBA Finance, CFA Level 2, PG Data Analytics. At AlphaGrep Investment Management since April 2026. Previously Star Health Insurance & Allied Services (2020-26), Abans Securities (2019-20), L&T Infrastructure Finance (2017-19), Aegon Life (2015-17) and IDBI Federal Life (2014-15). Mr. Ashish Jain also manage schemes of AlphaGrep Mutual Fund



FUND MANAGER

Dwaipayan Ray

02

Diploma in Mechanical Engineering. At AlphaGrep Investment Management since February 2026. Previously Alpha Alternative Fund Advisors (2024-26), 360 One Global Asset (2023-24), Stelios Asset Management (2019-23) and Varanium Capital Advisors (2014-19).



FUND MANAGER

Ravneet Singh

02

B.Tech in Computer Science and Engineering, IIT Delhi. At AlphaGrep Investment Management since November 2025; previously AlphaGrep Securities (2015-20 and 2024-25), Microsoft India R&D (2021-23) and Nomura Structured Finance Services (2020-21). Mr. Ravneet Singh also manage schemes of AlphaGrep Mutual Fund



FUND MANAGER

Ramesh S

02

MBA from FMS Delhi, CFA charterholder and FRM. He holds a B.Tech in Mechanical Engineering from NSS College of Engineering, University of Calicut. Over the past decade, Ramesh was part of the 360 ONE Products team, covering various asset classes. He joined AlphaGrep Mutual Fund in May 2026.

How a strategy earns its place in the portfolio

Nothing reaches investor capital until it has survived a defined sequence



The practical consequence: sleeves are added to Eminence when they have already been proven, not when they look attractive in a backtest.

04

Introducing **Eminence**

Seven sleeves, one risk framework. Capital moves to whichever sleeve is being paid best for the risk it takes.

What Eminence is built to do



Objective

The primary objective of the investment strategy is to generate capital appreciation through equity and equity related instruments and income through arbitrage, derivatives strategies, special situations and fixed income investments. There is no assurance that the investment objective of the investment strategy will be achieved.

01



Uncorrelated by construction

Portfolio is designed to be broadly market neutral. Long positions are paired, hedged or capped; directional exposure is the exception, not the default.

02



Multiple independent engines

Seven sleeves with genuinely different drivers — option carry, spread compression, relative value, corporate events, accrual. No single sleeve carries the fund.

03



Risk defined at source

Every sleeve has its own stop, hedge or structural cap. Risk is contained where it originates, rather than netted at the portfolio level.

04



Dynamic, not static

Allocation follows opportunity. Where a sleeve is not being paid for its risk, capital moves to one that is.

Seven sleeves, three role

Each sleeve is doing one of three things :



01
Market Equity & Special situation strategies



02
Income and Option Strategies



03
Diversification and Defensive Allocation

SLEEVES 01-03



SLEEVE 01
Equity Long-Short

Market-neutral pair trades in stock futures. Signal-driven, with discretionary overlay.



SLEEVE 03
Special Situations

Corporate events: IPOs, open offers, buybacks, QIPs, mergers, index changes.

SLEEVES 02-04



SLEEVE 02
Covered Call & Collar

Cash equity with written calls; protective puts where warranted. Net premium earning.



SLEEVE 04
Option Strategies

Index and stock options — premium capture, and separately, opportunistic long Gamma around events and market stress.

SLEEVES 05-07



SLEEVE 05
Fixed Income

Quality accrual, low duration. Stability, and collateral for the derivative sleeves.



SLEEVE 06
REITs & InvITs

Opportunistic yield from cash-generating assets, with low equity correlation.



SLEEVE 07
Arbitrage

Stock-level arbitrage, expressed through futures or options depending on spread



Sleeves 01-04 are where return is endeavor to manufactured. **Sleeves 05-07** are where it is aimed to protect.

Sleeve composition reflects the current proposed strategy and may change subject to market opportunity, fund manager views and the limits set out in the ISID. Source: Internal assessment. This is not the asset allocation of the investment strategy; please refer to the ISID for the asset allocation. The above is based upon our current fund management / investment strategy.

Indicative allocation ranges

Ranges operate inside the ISID asset allocation: equity and equity-related 25-75%, debt and money market 25-75%, units of InvITs 0-20%, unhedged short exposure up to 25% of net assets, and cumulative gross exposure capped at 100% of net assets.

Sr.No.	 Sleeve	 Range	 Principal risk and how it is managed
1.	Equity Long-Short	20-40%	Divergence risk — single name exposure cap, strategy level stops, style diversification, liquidity screens
2.	Covered Call & Collar	25-40%	Capped upside; residual downside — protective puts, strike discipline
03	Special Situations	0-10%	Binary event outcomes — hedging, time and price stops, Low concentration
04	Option Strategies	0-10%	Volatility shock — defined-risk structures or hard stops; event overlay
05	Fixed Income	25-35%	Credit and rate risk — quality thresholds, low duration, diversification
06	InvITs & REITs	0-15%*	Liquidity and unit price volatility — liquid names only, opportunistic sizing
07	Arbitrage	0-20%	Corporate action and execution risk — liquid names, clean action calendars



WHERE THE STRATEGY SHOULD DO WELL

Range-bound and moderately rising markets; periods of elevated implied volatility; active corporate event calendars.



WHERE IT WILL LAG

Sharp, sustained bull markets, where capped upside costs the most.

**Units of InvITs: up to 20% of net assets and up to 10% at a single issuer. REITs are treated as equity-related instruments under the ISID. Sleeve-level ranges shown are internal working ranges and are not the asset allocation of the investment strategy; the portfolio will be constructed in accordance with the asset allocation set out in the ISID. Source: Internal assessment.*

Risk is contained where it originates

Each sleeve carries its own controls. The portfolio-level framework sits above them rather than substituting for them.



Equity Long-Short

- Trade-level stop losses
- Pair and sector diversification
- Liquidity as an input to sizing
- Net beta held close to zero



Covered Call & Collar

- Protective puts where warranted
- Liquid universe only
- Reduced exposure around corporate events
- Diversified across underlyings



Special Situations

- Predefined time and price stops
- Sizing driven by certainty of outcome
- Acceptance ratios modelled
- No concentrated positions



Option Strategies

- Defined-risk structures or hard stops
- Event risk overlay
- Independent sizing of long and short volatility
- Extreme-move protection



Fixed Income

- Quality thresholds on credit
- Low duration by mandate
- Issuers under equity coverage preferred
- Diversified, no concentrated bets



Arbitrage & REITs/InvITs

- Highly liquid names only
- Clean corporate action calendars
- Restricted to liquid trusts
- No concentrated positions



GOVERNANCE

Risk oversight sits independently of the investment function. Limits are monitored continuously rather than reviewed periodically, and breaches are escalated rather than netted against subsequent performance.

What this strategy is not built for

Every strategy has conditions that suit it and conditions that don't. Ours are reasonably predictable, so they are worth stating up front.



WHERE IT WILL LAG

- Sharp, sustained bull markets — capped upside costs most when participation is worth most · (vs equity hybrids)
- Corrective-then-choppy markets — premium positions can give back several months of income · (vs arbitrage)
- Very low-rate environments — arbitrage spreads and accrual yields compress together · (vs strategy objective)
- Quiet event calendars — the special situations sleeve simply has less to do · (vs strategy objective)



WHERE IT SHOULD DO WELL

- Range-bound markets — carry and relative value are paid, direction is not · (vs equity hybrids)
- Elevated implied volatility — better premium for the same structural risk · (vs arbitrage)
- Corrective markets — hedged construction and defined downside should limit the damage · (vs equity hybrids)
- Active event calendars — dense IPO, buyback, open offer and merger activity · (vs arbitrage)



In short: this is designed to be unexciting when equity markets run, and to hold up when they don't. An investor who needs to beat the index in a rising market is better served elsewhere.

05

The **seven** sleeves

What each one does, why it earns a return, and where it can go wrong. Worked examples in the appendix.

Equity Long-Short

Long portfolio of stock futures against a short portfolio of equal exposure — returns come from long book outperforming short, not from market direction.



HOW IT WORKS

- Both legs executed in stock futures
- Equal notional on each side — one rupee of shorts for every rupee of longs
- Stocks paired on comparable sector, business mix and regulatory environment
- Held only while the relative thesis is intact



HOW PAIRS ARE CHOSEN

- A combination of systematic signals and discretionary judgement
- Signals drawn from earnings, price, holding patterns, sentiment and derivatives data
- Discretionary overlay for events, liquidity and idiosyncratic risk



WHY FUTURES, NOT CASH

- Turnover in this sleeve is high; futures execution is materially cheaper and faster
- F&O universe is itself the screen — pairs are drawn only from stocks with liquid, actively traded futures on both sides
- Margin is held against the position, with the balance earning on collateral



SECTOR CONSTRUCTION

The default expression is sector neutral — both legs drawn from the same sector, isolating stock-specific relative value. Non-sector-neutral pairs may also be run where the relative thesis is cross-sector and net beta remains close to zero.



PRINCIPAL RISK

Divergence risk — the long underperforms the short. Managed through stop losses at trade level, position sizing, diversification across pairs, and liquidity screens applied before the trade is taken.

Position count and universe to be confirmed and will be governed by the ISID. Long and short legs are in different underlyings and do not net against one another; both legs count towards the cumulative gross exposure of the investment strategy, which is capped at 100% of net assets, and short positions without a corresponding long exposure are treated as unhedged for exposure computation. Source: Internal assessment. Worked example on the following slide; further detail in the appendix.

A market-neutral book, in practice

A long book of stock futures against a short book of equal value. The return is the spread between the two, whatever the market does in between.



	Long book	Short book
Value at entry	₹100	₹100
Value at exit	₹114	₹108
Move	+14.0%	+8.0%
Contribution	+14.0%	-8.0%
Net book return	+3.0%	

 ~40 / ~40
positions long and short

 1 : 1
long to short notional

 ~0.05
portfolio beta to Nifty

THE POINT

Both books rose. The index rose 9%. None of that reached the return — the 6% came entirely from the long book outperforming the short. Run at portfolio level rather than as a single pair, the spread is narrower than any one position would show, and considerably more repeatable.

Illustrative example only, excluding all costs and taxes. Both books are rebased to ₹100 to show the ratio between the legs; the figures are not percentages of net assets. Long and short legs are in different underlyings and do not net against one another, so both count towards the cumulative gross exposure of the investment strategy, which is capped at 100% of net assets. Position counts and beta are indicative of intended construction and are not actual positions. This illustration does not represent the performance of the investment strategy. Not a recommendation.

Covered Call & Collar

Hold the stock in the cash market. Write a call against it to earn premium. Where conditions warrant, buy a put to define the floor.



COVERED CALL

Income, with capped upside

- Buy stock in the cash market — liquid, sound governance
- Write a call option on the same underlying
- Premium received is the return driver
- Upside above the call strike is forgone
- Downside below the purchase price remains open, cushioned only by premium



COLLAR

Income, with a defined floor

- Same cash equity position and written call
- Protective puts added below entry — a mix of Nifty and single-stock puts. This mix moves dynamically, across names & over time, towards wherever protection is best priced
- Structured to remain net premium earning over a cycle, though individual cycles may cost
- Yield is lower than a bare covered call; difference buys the protection



DESIGN PRINCIPLE

Whichever version is run, the sleeve is structured to earn net premium. Protection is funded out of income rather than paid for out of capital — the fund is not buying insurance at a running cost.

Investment strategy may change from time to time and shall be in accordance with the ISID. This sleeve carries real long equity exposure in the cash market. Net premium earning and protection funded from income are objectives of the sleeve, not an assurance. A covered call or collar does not provide capital protection or a guaranteed floor, and premium received may be insufficient to offset a fall in the underlying. The above is based upon our current fund management / investment strategy.

Three ways to write the call

The same underlying position produces very different return profiles depending on where the call is written.



STRIKE ABOVE SPOT

Out of the money

- Lowest premium received
- Retains participation up to the strike
- Suited to constructive markets where some upside is still expected
- Highest sensitivity to a sharp rally



STRIKE AT SPOT

At the money

- Highest time value captured
- Effectively no upside participation
- The purest income expression
- Suited to range-bound conditions



STRIKE BELOW SPOT

In the money

- Highest absolute premium; largest downside cushion
- Position is defensive from inception
- Return approaches a fixed-income-like profile
- Suited to cautious or uncertain markets

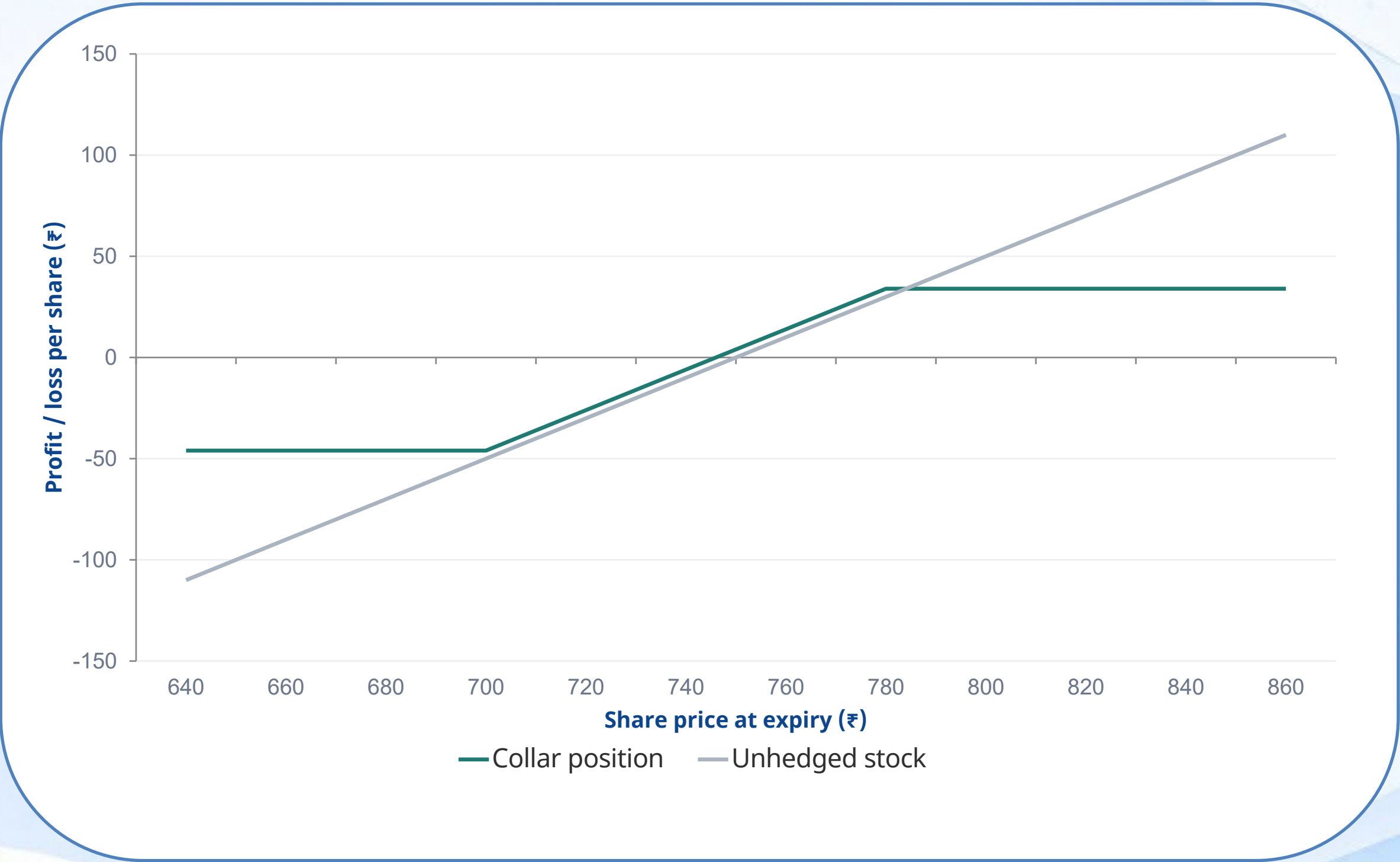


HOW THE STRIKE IS CHOSEN

Three disciplines are available and may be applied in combination: a fixed distance from spot expressed in percentage terms; a delta target, which holds the probability profile constant as volatility changes; or an opportunistic approach driven by implied volatility, writing further out when volatility is rich and closer in when it is compressed.

Investment strategy may change from time to time and shall be in accordance with the ISID. This sleeve carries real long equity exposure in the cash market. Net premium earning and protection funded from income are objectives of the sleeve, not an assurance. A covered call or collar does not provide capital protection or a guaranteed floor, and premium received may be insufficient to offset a fall in the underlying. The above is based upon our current fund management / investment strategy.

What a collar actually pays



Position	Level	Of spot
Stock purchased at	₹750	—
Call sold, strike	₹780	+4.0%
Premium received	₹8.60	1.15%
Put bought, strike	₹700	-6.7%
Premium paid	₹4.60	0.61%
Net premium earned	₹4.00	0.53%

OUTCOME BAND

- Maximum gain: ₹34 per share, +4.5% (above ₹780)
- Maximum loss: ₹46 per share, -6.1% (below ₹700)
- Net premium is positive because the call is written nearer than the put is bought — that gap is what pays for skew

Illustration only, excluding all costs. Intended solely to explain the mechanics of a collar. Strikes and premiums are indicative of a single expiry and not reflective of live market pricing at any given time. Not an indication of future returns of the investment strategy.

Special Situations

Corporate events create short-lived, largely uncorrelated return opportunities with defined timelines. This sleeve exists to harvest them.



IPO & anchor

Research-led selective participation. Positions may be flipped on listing or held where the fundamental case supports it.



Open offer

Tender into the offer at a spread to market. Return depends on the acceptance ratio, which is tracked closely.



Buyback

Acquire before the record date, tender through the exchange window, exit once the acceptance ratio is known.



QIP & block deals

Participate at a discount to the prevailing market price, typically with a short holding period.



Merger & demerger

Capture the spread between announced terms and traded prices as the transaction progresses to completion.



Rights issue

Subscribe at a discount to the prevailing market price, or trade the rights entitlement during the renunciation window.



HEDGED AND UNHEDGED

Where the event outcome is binary and the underlying carries market risk, the position is hedged with futures or options. Where the spread is short-dated and the risk is idiosyncratic, it may be run unhedged, sized accordingly.



RISK CONTROLS

Predefined time and price stops on every position. No concentrated bets. Acceptance ratios tracked and modelled. Timely hedging or exit as the event date approaches.

Event types listed are indicative of the opportunity set. Participation is selective and subject to availability, liquidity and relative attractiveness. Worked examples in the appendix. Event outcomes may be binary. Transactions may fail, be revised or be delayed, acceptance ratios may differ from those modelled, and hedges may not fully offset losses. The above is based upon our current fund management / investment strategy.

Option Strategies

This sleeve does two things with opposite risk signatures. Presenting them together would obscure both, so they are run and reported separately.



A • PREMIUM CAPTURE

Selling volatility for income

- Straddle and strangle writing on index options, capturing time decay in range-bound conditions
- Deployed when implied volatility is rich relative to realised
- Two risk approaches available: defined-risk structures such as iron condors, where the wings cap the loss; or naked writing governed by hard stop losses
- Return profile: frequent small gains, occasional larger losses



B • TAIL PROTECTION

Event and tail hedging

- Long index puts or put spreads ahead of identifiable event risk — opportunistic long gamma into policy decisions, elections and results seasons
- Also the natural home for the fund's unhedged short exposure, within the 25% regulatory limit
- Cost is a drag in calm markets; the payoff arrives precisely when the rest of the book is under pressure
- Return profile: frequent small losses, occasional large gains



WHY THEY ARE NOT NETTED

Premium capture and tail protection have mirror-image payoffs. Reporting them as one number would hide the fact that the fund is simultaneously short volatility for income and long volatility for protection — a deliberate combination, sized independently.



SIZING

Opportunistic. Capital is committed only when implied volatility or event risk justifies it.

Universe (index versus single stock) and choice between defined-risk and stop-governed naked writing remain open. Both are illustrated in the appendix. Naked short option positions carry theoretically unlimited loss and would be governed by hard stop losses, which may not be effective in a gap move. Long volatility protection carries a running cost and may expire worthless. The above is based upon our current fund management / investment strategy.

Fixed Income

This sleeve is not where the fund tries to be clever. It provides stability, and it collateralises everything else.

CREDIT APPROACH

Quality accrual



- Sovereign, AAA and AA+ instruments form the core
- Quality AA acceptable where the credit work supports it
- Preference for issuers already under equity coverage
- Diversified — no concentrated credit positions

DURATION APPROACH

Low duration, by design



- Accrual-led rather than duration-led
- Low duration keeps mark-to-market volatility contained
- The fund does not intend to express a rate view through this sleeve
- Interest rate risk deliberately minimised

SECOND JOB

Collateral and margin



- Derivative sleeves require margin; this sleeve provides it
- Margin is intended to be used efficiently rather than held idle
- Instruments held for margin purposes: T-bills, G-secs, CDs, CPs, TREPS
- Split between core and margin holdings to be finalised



AN HONEST NOTE ON YIELD

High credit quality and a high headline yield do not currently coexist. This sleeve is sized and structured for stability, not for yield maximisation. Where the covered call sleeve is being paid more than the fixed income sleeve on a risk-adjusted basis, capital should sit there instead — which is precisely what the allocation framework is designed to do.

REITs & InvITs

Units in trusts holding cash-generating real estate and infrastructure assets, distributing income periodically.

WHAT THEY ARE

- REITs hold income-producing real estate; InvITs hold operating infrastructure assets
- Both distribute the majority of their cash flows to unitholders on a periodic basis
- Yield is anchored to underlying asset cash flows rather than to market sentiment
- Return drivers differ from those of broad equity indices, though unit prices remain market-linked



HOW THE FUND USES THEM

- Units of InvITs up to 20% of net assets, and up to 10% at a single issuer
- REITs are treated as equity-related instruments under the ISID
- Deployment is opportunistic, not a standing allocation
- Exposure restricted to liquid names only
- Considered when yields are attractive relative to the fixed income sleeve on a risk-adjusted basis



WHY IT EARNS A PLACE

It gives the fund a third source of carry, alongside credit accrual and option premium, whose driver — operating asset cash flow — is unrelated to either.



PRINCIPAL RISKS

Unit prices are market-linked and can be volatile. Liquidity is thinner than in large-cap equity. Distributions are not guaranteed and depend on underlying asset performance.

Arbitrage

Traditional stock-level cash-and-carry. Its job is not to generate excess return — it is to hold capital productively when nothing else is being paid.

MECHANICS

- Buy the stock in the cash market and simultaneously short the same stock's futures, creating a fully hedged position
- Return is the cost-of-carry spread between spot and futures
- Positions are worked actively as the spread moves, rather than simply held to expiry —convergence is captured whenever it arrives
- Stock-level only — no index arbitrage



WHY IT IS HERE

Predictability, not performance

- No directional equity risk if held to expiry
- The return is largely known at the point of entry
- This is the sleeve capital rotates into when covered call yields are thin, event calendars are quiet, or pair opportunities are scarce
- It is the fund's stabiliser — and, being the peer group's principal reference point, the return this strategy is judged against



RISK CONTROLS

Focus on highly liquid stocks with clean corporate action calendars. No concentrated positions. Corporate action and dividend estimation risk is actively monitored.



THE TRADE-OFF, STATED PLAINLY

Every rupee sitting in arbitrage is a rupee not earning option premium or event driven opportunities. A persistently high arbitrage weight is a signal that the other sleeves are not finding opportunity.

Please refer to the appendix for the mechanics of a cash-and-carry position and the sources of arbitrage return. Arbitrage returns are not risk-free. Corporate action and dividend mis-estimation, execution slippage, early convergence and unfavourable rolls can each reduce the realised spread. The above is based upon our current fund management / investment strategy.

06

Performance Framework

Backtest construction & demonstration

Illustrative back-test: Hybrid Long-Short Strategy

Steady capital sits in arbitrage funds and short-duration debt funds. Both have historically exhibited lower volatility but at cost of upside



10.07%

Annualised return

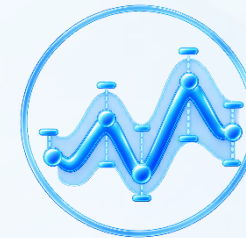
Arbitrage 6.13% | Eq Savings
6.64% | Bal Adv 8.72%



2.45%

Annualised volatility

NIFTY 50 TRI 13.78% |
Bal Adv 7.56%



-3.13%

Worst drawdown

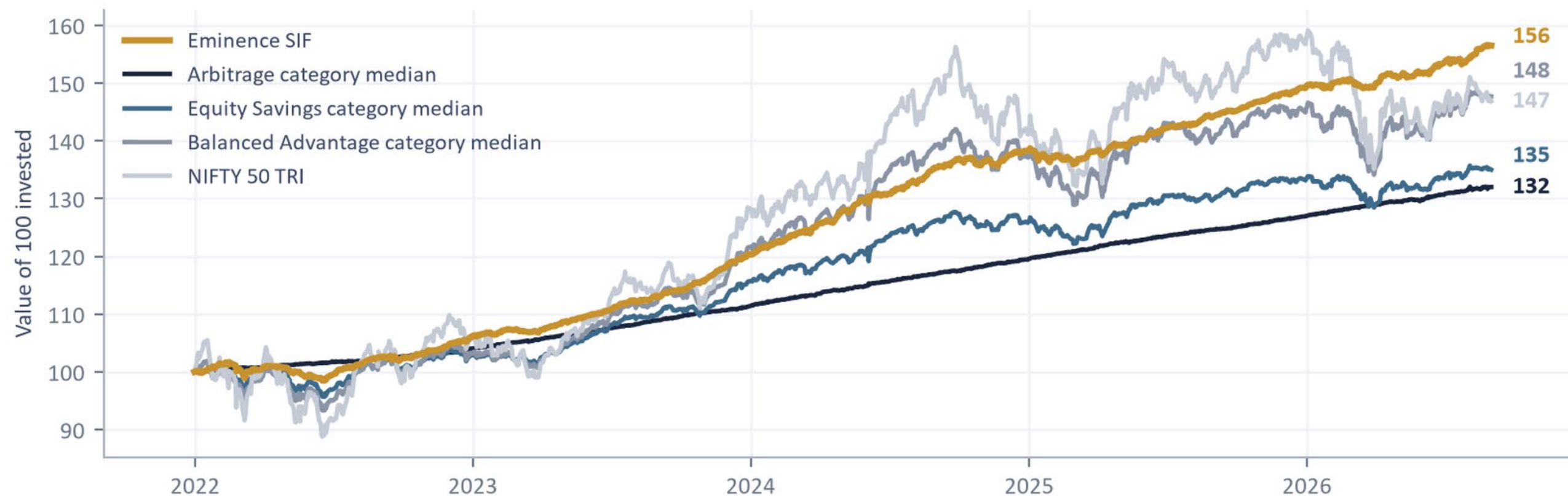
Recovered within 52 days



100%

Positive 1-year windows

All 907 rolling windows



Against the arbitrage category

The strategy returned 3.94 percentage points a year more than the category median and was ahead in 99.1% of rolling one-year windows.

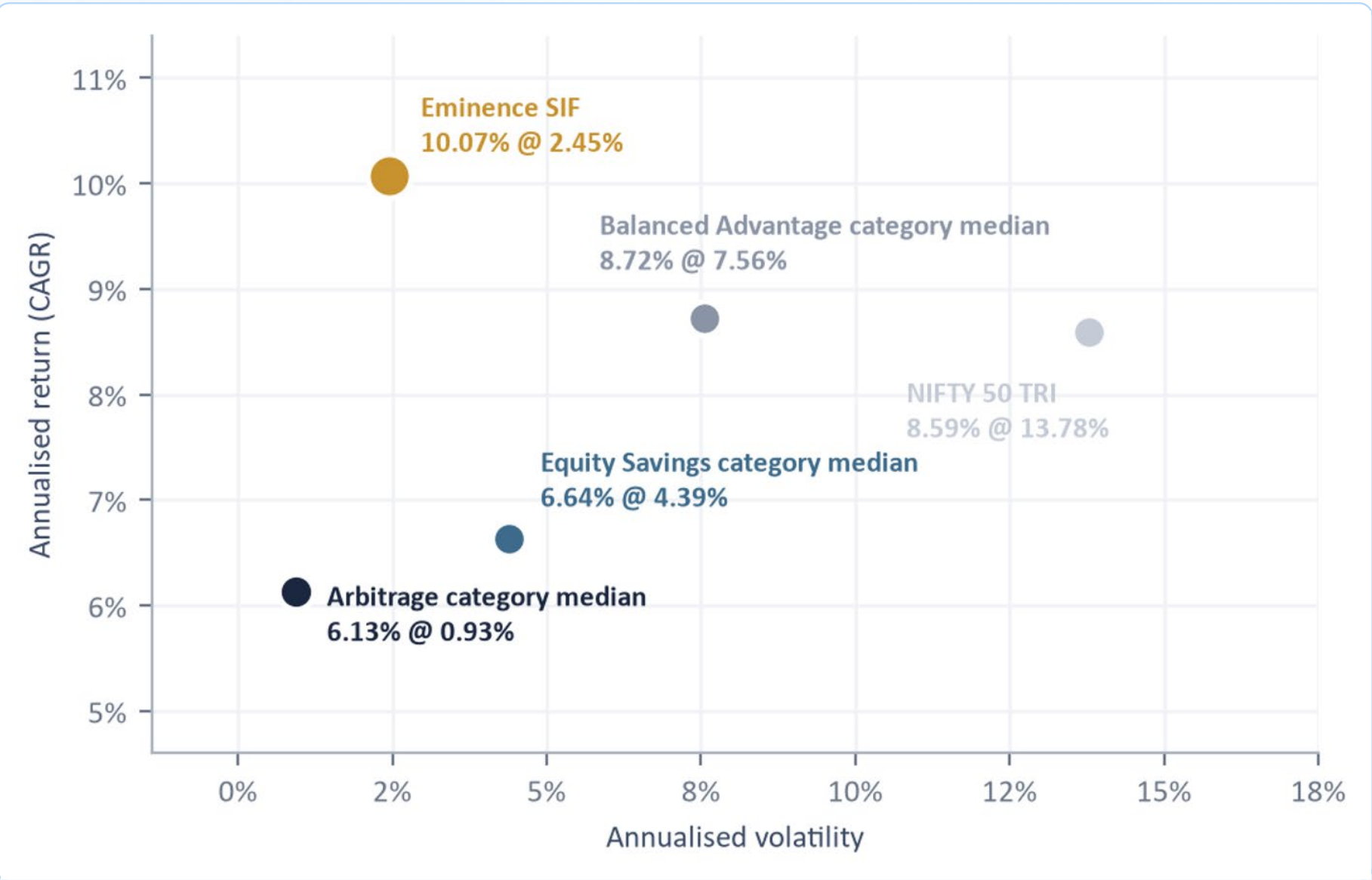
And it diversifies it

Daily correlation to the arbitrage category median is -0.15 — an addition to that allocation, not a duplicate of it.

Source - Internal Proprietary Model. The above data/graph is prepared based on back tested internal calculations. The back test covers 31 December 2021 to 31 August 2026 using a strategy NAV series that is net of fees. Peer comparators are category medians, each constructed the same way: for every trading day the cross-sectional median daily return is taken across all schemes in the category and chained into an index. Arbitrage - 40 schemes, supplied daily return pack, 24 to 40 reporting on any day. Equity Savings - 24 schemes, 21 to 24 reporting. Balanced Advantage - 21 schemes, 16 to 21 reporting. Sources: supplied daily NAV extracts, 01 Dec 2021 / 01 Jun 2021 to 22 Sep 2026, predominantly Regular plan growth options. Weekend month-end NAV strikes are excluded. These are behavioural comparators: they are not asset-weighted and are not investable indices. Returns greater than 1 year have been annualized. Back tested results are theoretical, do not represent the NAV or performance of the investment strategy, and do not in any way indicate the performance the strategy will achieve. Investors cannot invest directly in an index. Past performance may or may not be sustained in future and is not a guarantee of any future returns.

Where the strategy sits

Annualised return against annualised volatility over the full back test window, with the complete risk record beside it.



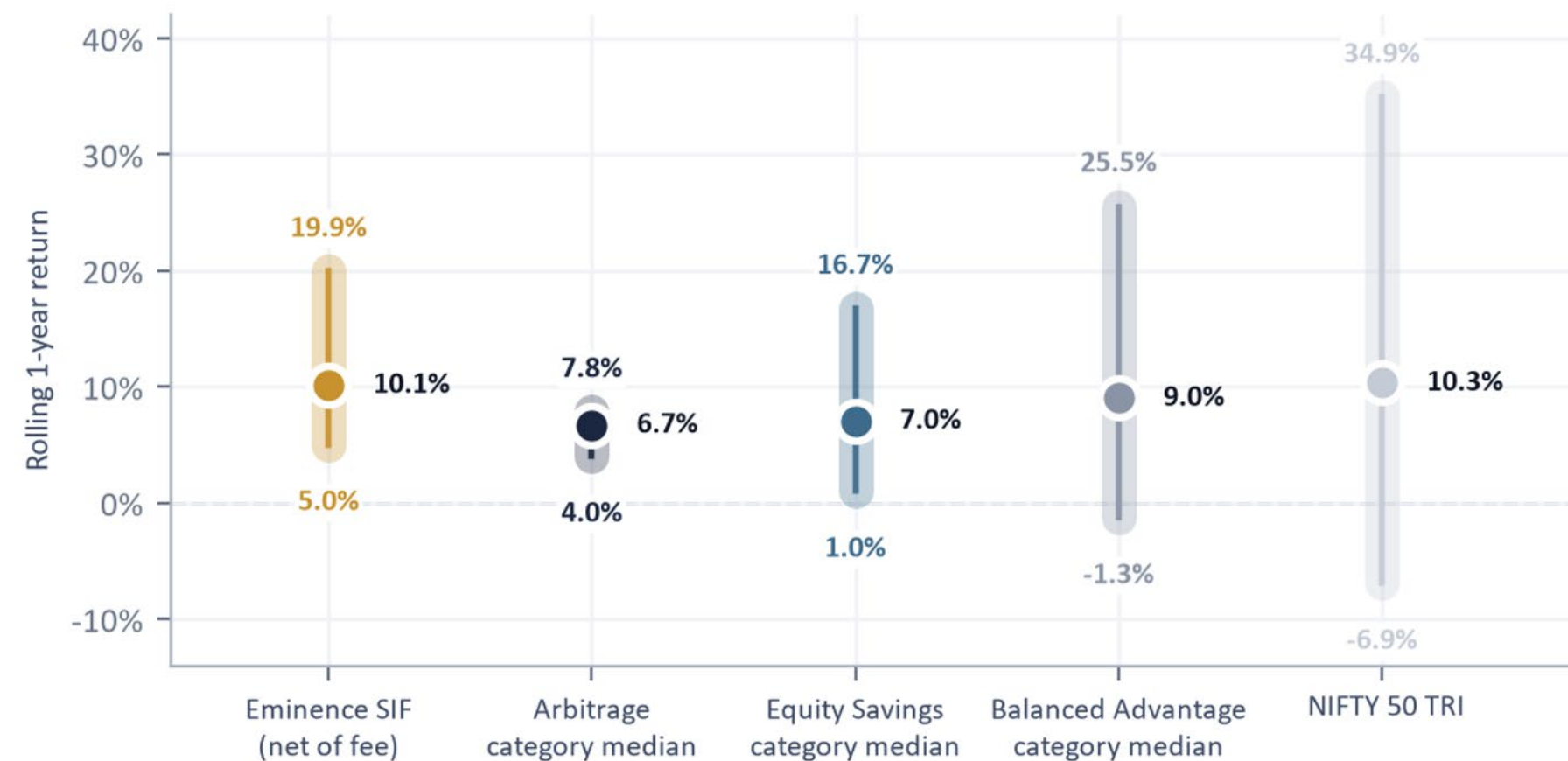
	Eminence SIF	Arbitrage category median	Equity Savings category median	Balanced Advantage category median	NIFTY 50 TRI
Annualised return	10.07%	6.13%	6.64%	8.72%	8.59%
Annualised volatility	2.45%	0.93%	4.39%	7.56%	13.78%
Worst drawdown	-3.13%	-0.44%	-6.01%	-9.22%	-15.84%
Worst month	-1.22%	-0.04%	-3.43%	-6.77%	-11.30%
Worst day	-1.04%	-0.26%	-1.93%	-3.93%	-5.86%
Positive months	82.1%	98.2%	67.9%	64.3%	57.1%
Return/unit of risk*	1.71	0.26	0.17	0.37	0.20
Sortino ratio	2.15	0.43	0.21	0.48	0.27
Return / worst drawdown	3.22	14.09	1.11	0.95	0.54

*Return per unit of risk is the ratio of excess return over the NIFTY 1D Rate Index to annualised volatility. Sortino uses downside deviation in place of volatility. Source - Internal Proprietary Model. The above data/graph is prepared based on back tested internal calculations covering 31 December 2021 to 31 August 2026, net of fees. Peer comparators are category medians constructed from supplied daily NAV extracts (arbitrage 40 schemes, Equity Savings 24, Balanced Advantage 21); they are not asset-weighted and are not investable indices. Returns greater than 1 year have been annualized. Back tested results are theoretical, do not represent the NAV or performance of the investment strategy, and do not in any way indicate the performance the strategy will achieve. Past performance may or may not be sustained in future and is not a guarantee of any future returns.

Rolling Windows: Historical Backtest

Each bar spans the worst and best outcome available in the back test. The dot is the median.

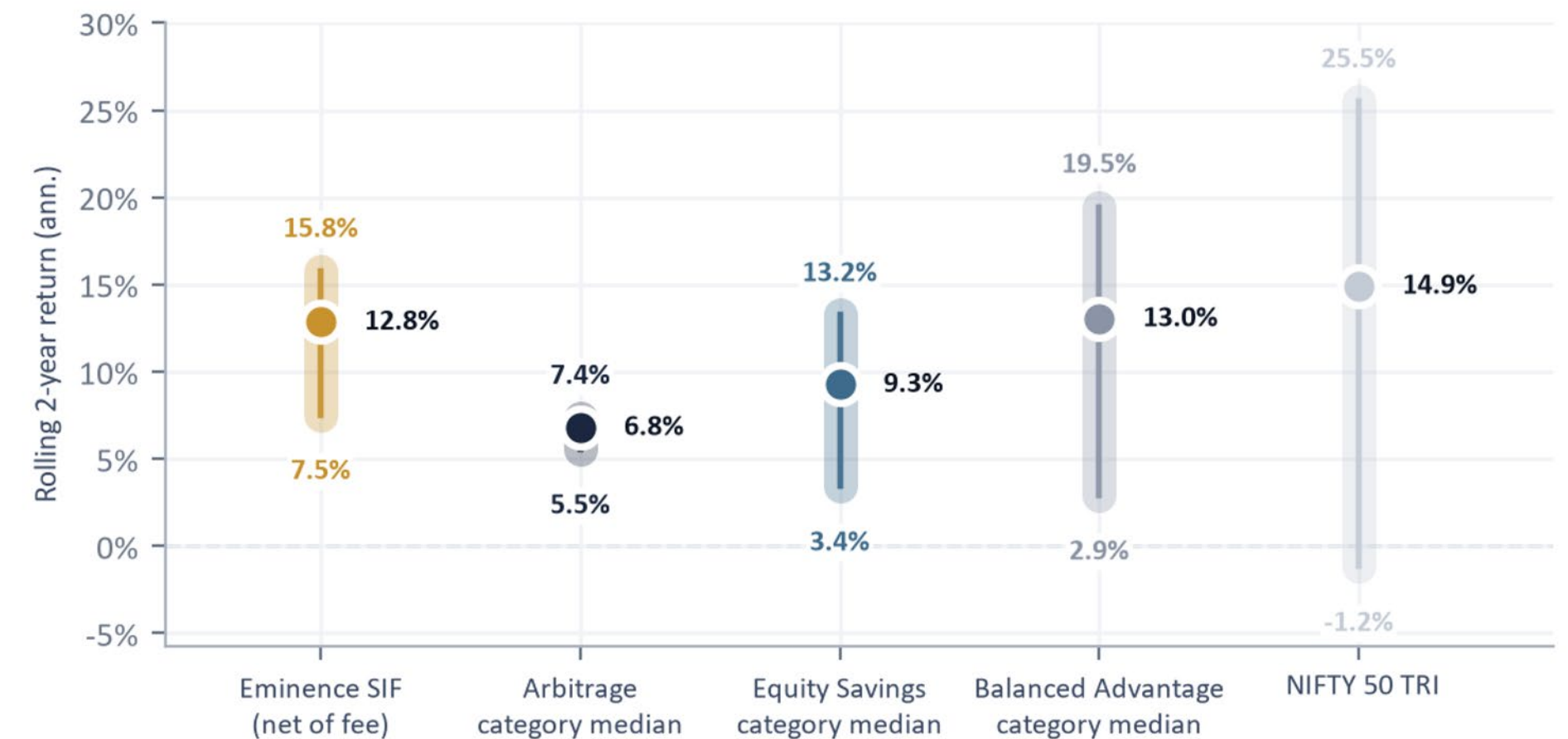
ONE-YEAR WINDOWS · 907 OBSERVATIONS



Worst one-year outcome: +5.03%

An investor who bought at the single worst moment and held twelve months still earned 5.03%. The arbitrage median floor was 4.03%; NIFTY 50 TRI lost 6.92%.

TWO-YEAR WINDOWS, ANNUALISED · 662 OBSERVATIONS



Worst two-year outcome: +7.53%

Lengthening the holding period lifts the floor and narrows the range. Across two-year windows, the strategy beat arbitrage median 100% of the time.

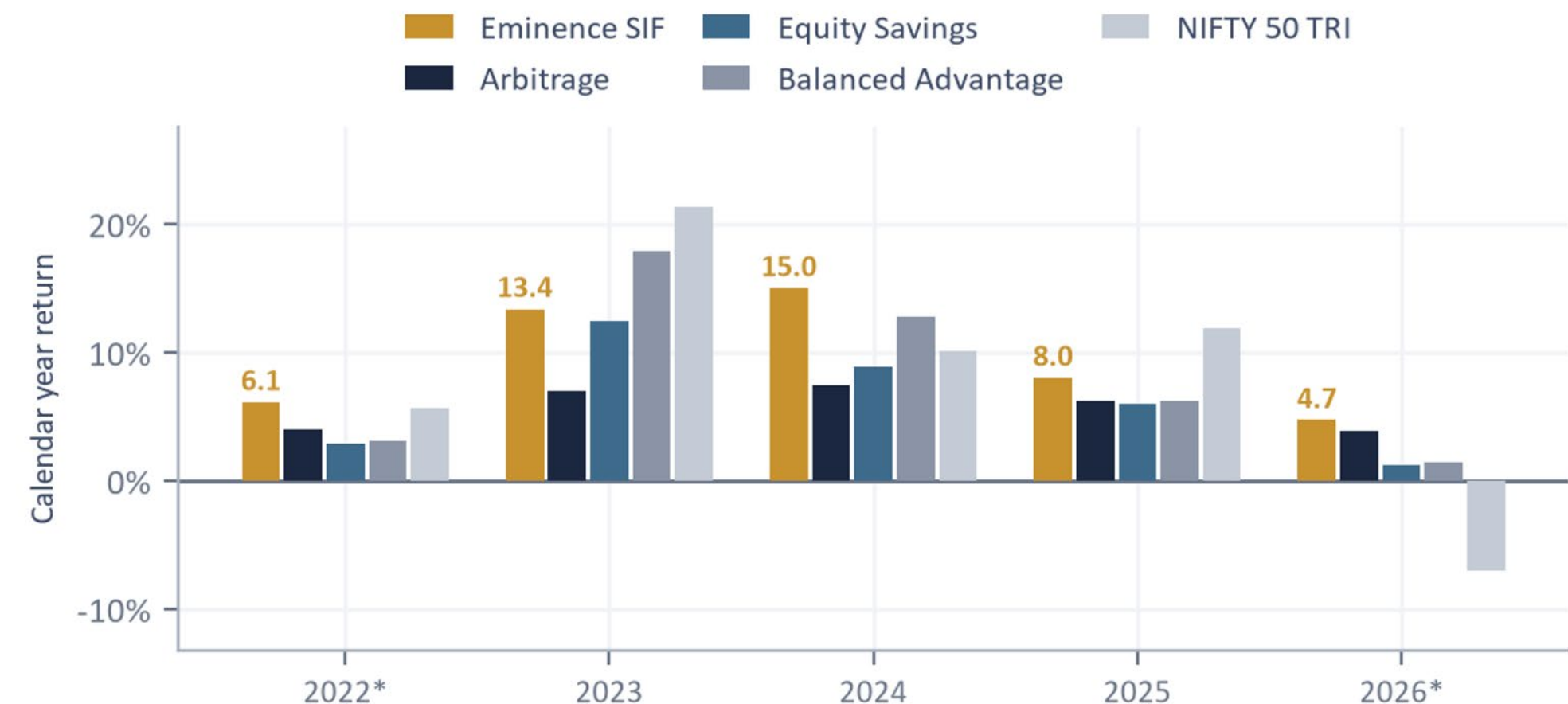
Returns and consistency

Point-to-point returns to the end of the back test, and the calendar year record.

Trailing returns to 31 August 2026

	1 yr	2 yr*	3 yr*	Since inception*
Eminence SIF	8.59%	7.53%	11.49%	10.07%
Arbitrage median	5.90%	6.25%	6.62%	6.13%
Equity Savings median	4.11%	3.43%	7.13%	6.64%
Balanced Adv median	5.70%	2.96%	9.64%	8.72%
NIFTY 50 TRI	-0.35%	-1.18%	9.00%	8.59%

Calendar year returns



Positive in every year of study, including two in which equity markets fell. In 2026 to date NIFTY 50 TRI is down 7.00% while strategy is up 4.72%; in 2023 the strategy returned 13.37% against 21.30% for NIFTY.

*Returns for periods greater than 1 year are annualized; inception of the back test series is 31 December 2021. On the calendar year chart, 2022 is measured from 31 December 2021 and 2026 is year to date to 31 August 2026 and is not annualised. Source - Internal Proprietary Model. The above data/graph is prepared based on back tested internal calculations. The back test covers 31 December 2021 to 31 August 2026 using a strategy NAV series that is net of fees. Peer comparators are category medians, each constructed the same way: for every trading day the cross-sectional median daily return is taken across all schemes in the category and chained into an index. Arbitrage - 40 schemes, supplied daily return pack, 24 to 40 reporting on any day. Equity Savings - 24 schemes, 21 to 24 reporting. Balanced Advantage - 21 schemes, 16 to 21 reporting. Sources: supplied daily NAV extracts, 01 Dec 2021 / 01 Jun 2021 to 22 Sep 2026, predominantly Regular plan growth options. Weekend month-end NAV strikes are excluded. These are behavioural comparators: they are not asset-weighted and are not investable indices. Returns greater than 1 year have been annualized. Back tested results are theoretical, do not represent the NAV or performance of the investment strategy, and do not in any way indicate the performance the strategy will achieve. Investors cannot invest directly in an index. Past performance may or may not be sustained in future and is not a guarantee of any future returns.

Performance during flat and falling markets

Monthly back tested returns for strategy and NIFTY 50 TRI. Shaded columns are stretches where the market went nowhere or fell.

Year	Series	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	Eminence SIF	1.20	-0.66	0.09	0.11	-1.22	-0.07	1.58	1.51	-0.10	0.84	1.32	1.40
	NIFTY 50 TRI	-0.06	-2.98	4.00	-2.04	-2.64	-4.71	8.91	3.72	-3.74	5.48	4.18	-3.48
2023	Eminence SIF	0.42	0.69	-0.03	1.25	0.99	0.99	1.43	0.50	1.15	1.41	2.01	1.82
	NIFTY 50 TRI	-2.43	-1.95	0.32	4.10	2.87	3.70	3.03	-2.31	2.00	-2.74	5.60	7.94
2024	Eminence SIF	1.58	1.25	1.46	1.77	1.51	0.84	1.69	1.75	1.05	-0.34	0.43	1.09
	NIFTY 50 TRI	0.02	1.32	1.57	1.24	0.03	6.77	4.00	1.36	2.28	-6.12	-0.26	-2.02
2025	Eminence SIF	-0.82	-0.93	1.70	0.70	0.80	1.34	0.45	0.86	0.78	1.07	0.95	0.88
	NIFTY 50 TRI	-0.45	-5.79	6.31	3.48	1.92	3.37	-2.77	-1.21	0.77	4.62	1.92	-0.28
2026	Eminence SIF	-0.09	0.76	-0.81	1.12	0.51	1.23	0.35	1.57	-	-	-	-
	NIFTY 50 TRI	-3.04	-0.51	-11.30	7.49	-1.72	1.67	2.36	-1.14	-	-	-	-

Apr - Sep 2022 · 6 months

Rate-shock chop. NIFTY -1.2%,
strategy +1.8%.

Dec 2022 - Feb 2023

3 months NIFTY -7.7%,
strategy +2.5%

Aug - Oct 2023

3 months NIFTY -3.1%,
strategy +3.1%.

Oct 2024 - Mar 2026

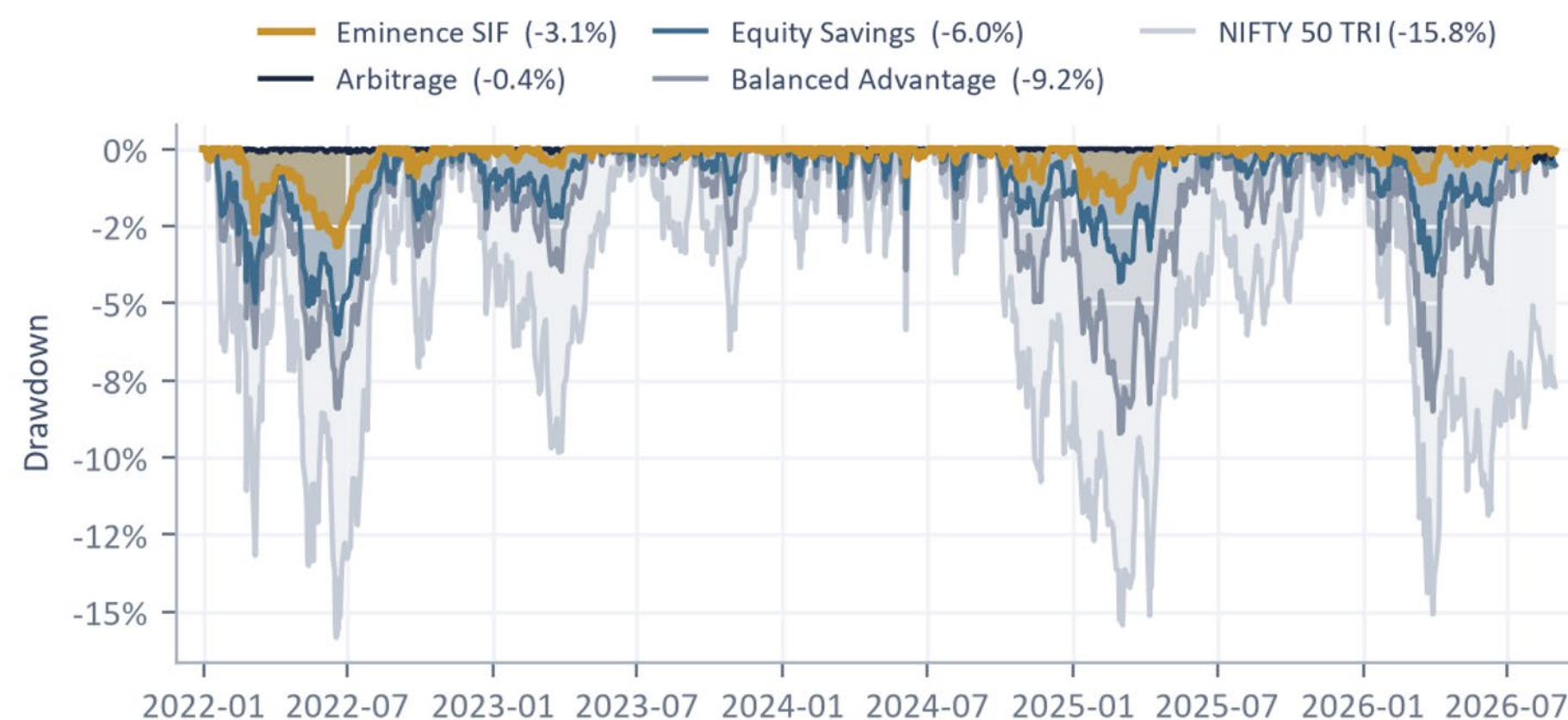
18 months NIFTY -12.2%,
strategy +9.1%.

Monthly returns are calculated from month-end values. Shaded stretches are the maximal non-overlapping runs of three months or more over which NIFTY 50 Total Return Index was flat or negative while the strategy was positive; they are identified from the back test itself and are not a forecast. Source - Internal Proprietary Model. The above data/graph is prepared based on back tested internal calculations covering 31 December 2021 to 31 August 2026, net of fees. Peer comparators are category medians constructed from supplied daily NAV extracts (arbitrage 40 schemes, Equity Savings 24, Balanced Advantage 21); they are not asset-weighted and are not investable indices. Returns greater than 1 year have been annualized. Back tested results are theoretical, do not represent the NAV or performance of the investment strategy, and do not in any way indicate the performance the strategy will achieve. Past performance may or may not be sustained in future and is not a guarantee of any future returns.

Risk and behaviour in falling markets

Decline from the previous high, and what the strategy did as equity markets fell.

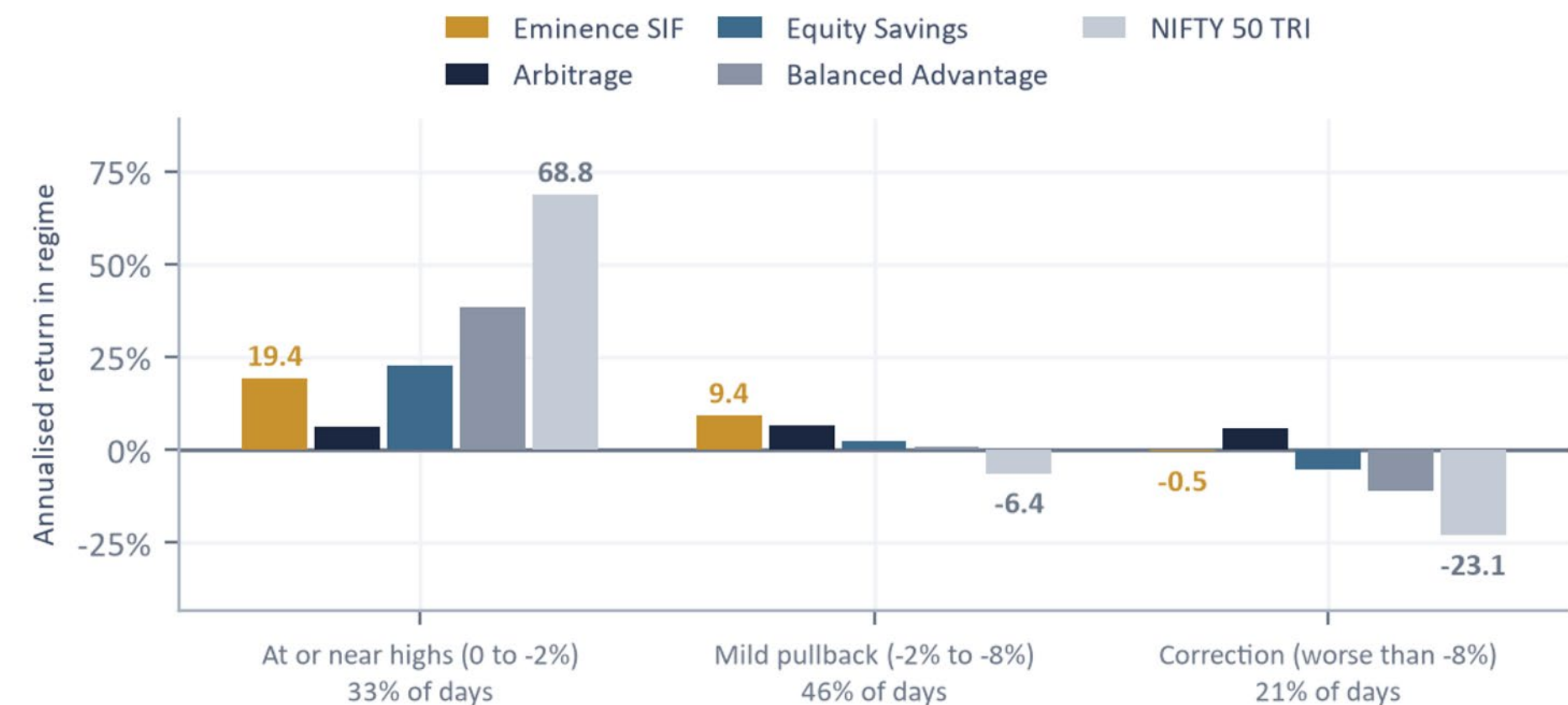
Drawdown from previous high



WORST DRAWDOWN: 3.13%, RECOVERED IN 52 DAYS

The arbitrage category median fell 0.44% at its worst and ESF category median 6%, so the strategy does take more risk than arbitrage but less than ESF. NIFTY 50 TRI fell 15.84%. The worst single month was a decline of 1.22%.

Behaviour during historical drawdown periods



WHAT IT IS NOT

The strategy is not designed to profit from a market correction. In the deepest equity conditions, it stayed flat rather than growing it, while NIFTY 50 TRI fell at an annualized 23.08%.

07

Fund details

Terms, taxation and product labelling.

How Eminence is taxed

	Eminence Hybrid L/S	Debt strategy	Equity strategy
Short term capital gain	As per slab (held 12 months or less)	As per slab (all short term)	20% (held 12 months or less)
Long term capital gain	12.5% (held over 12 months)	As per slab (all long term)	12.5% (held over 12 months)
Taxation at fund level	Nil	Nil	Nil



THE STRUCTURAL ADVANTAGE

A strategy whose returns are substantially derivative-driven is taxed only on redemption, in the investor's hands, against taxation at the fund level at the maximum marginal rate in a Cat-III AIF running a comparable book.



PRACTICAL POINTS

- No AIF-style pass-through complexity
- No PMS-style TDS on gains
- Simpler capital gains reporting for the investor

The units of the investment strategy are proposed to be listed on NSE within 5 business days of allotment. Listed securities held for more than 12 months are treated as a long-term capital asset. Eminence is a hybrid strategy: it is neither an equity-oriented scheme nor a specified mutual fund under Section 50AA, and is taxed accordingly. Treatment depends on the strategy maintaining its stated equity allocation and on the units remaining listed. Rates exclude applicable surcharge and cess and are based on prevailing tax laws, which are subject to change. Information stated above does not construe to be any investment, legal or taxation advice - please consult your tax advisor.

Who can distribute this

SIF distribution carries its own certification requirement, separate from mutual funds. The rules changed in July 2026.

01



THE CURRENT REQUIREMENT

- Anyone selling or distributing SIF products must hold the NISM Series V-D certification
- Series V-D also covers mutual fund distribution — a separate Series V-A is no longer needed
- The examination has been available since 22 July 2026

02



TRANSITION ARRANGEMENTS

- The Series XIII common derivatives requirement for SIF distribution ceases to apply after 21 September 2026
- Distributors holding a valid Series XIII obtained on or before that date need not take Series V-D until their existing certification expires
- During transition, those distributors must continue to hold a valid Series V-A

03



WHY THIS IS ON THE SLIDE

Onboarding this product is partly an operational question, not only an investment one. Empanelment timelines depend on how many of your RMs already hold Series XIII and when those certifications lapse. Worth establishing early.

Fund details

Item	Detail
Name	Eminence Hybrid Long-Short Fund
Category	Hybrid Long-Short Fund
Strategy type	Interval
SIF / Mutual Fund	Eminence SIF offered by AlphaGrep Mutual Fund
AMC / Trustee	AlphaGrep Investment Management Private Limited / AlphaGrep Mutual Fund Trustee Private Limited
Benchmark	NIFTY 50 Hybrid Composite Debt 50:50 Index (TRI) - Tier I. Tier II: not applicable
Plans & options	Direct and Regular. Growth and IDCW (Payout and Reinvestment). Default: Growth; default IDCW facility: Reinvestment
Fund managers	Dwaipayan Ray, Ravneet Singh, Ashish Jain
NFO price / dates	INR 10 per unit. NFO Opens on: 14th October 2026 NFO Closes on: 28th October 2026 Investment Strategy re-opens on or before: 12th November 2026

Item	Detail
Minimum investment	INR 10 lakh and in multiples of Re 1, at PAN level across all strategies of Eminence SIF. Accredited investors: INR 1 lakh
Additional purchase	INR 1,000 and any amount thereafter
Subscription	Daily, at applicable NAV
Redemption	Every Monday and Wednesday (next business day if a non-business day). Proceeds within 3 business days
Listing	Units proposed to be listed on NSE within 5 business days of allotment
Exit load	0.50% of applicable NAV if redeemed or switched out on or before 30 days from allotment; nil thereafter
Investment modes	Lumpsum, SIP, SWP, STP. SIP / STP / SWP: INR 1,000 and in multiples of Re 1
Expense ratio	Maximum base expense ratio up to 1.85% p.a. of daily net assets, plus statutory levies
Investor services	1800-569-8900 (Mon-Fri, 9am-6pm) clientservices@alphagrepmf.ai www.eminencesif.ai

Terms as set out in the Investment Strategy Information Document dated 30 July 2026; NFO dates and investment strategy code to be notified. Terms are subject to change in accordance with SEBI regulations. Please refer to the ISID, Key Information Memorandum and Statement of Additional Information at www.eminencesif.ai and www.alphagrepmf.ai for definitive terms.

Product labelling

Eminence Hybrid Long-Short Fund

(An interval investment strategy investing in equity and debt securities, including limited short exposure in equity and debt through derivatives)



THIS PRODUCT IS SUITABLE FOR INVESTORS[#] WHO ARE SEEKING

- Long-term capital appreciation with income generation
- An interval investment strategy investing predominantly in equity and debt securities, including limited short exposure in equity and debt through derivatives

Risk-band of the Investment Strategy*



Benchmark Risk-band Nifty 50 Hybrid Composite Debt 50:50 Index (TRI)



Investors should consult their financial advisers if in doubt about whether this product is suitable for them. The risk band shall be as specified by AMFI. Product labelling assigned during the New Fund Offer is based on an internal assessment of the characteristics of the investment strategy or model portfolio, and may vary post-NFO once actual investments are made.

[#]Product labelling and risk band as set out in the ISID dated 30 July 2026. * The Risk Band shall be as specified by AMFI. The product labelling assigned during the New Fund Offer is based on an internal assessment of the characteristics of the investment strategy or model portfolio and the same may vary post NFO when the actual investments are made. Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Disclaimer

Investments in Specialised Investment Fund involves relatively higher risk including potential loss of capital, liquidity risk and market volatility. Please read all investment strategy related documents carefully before making the investment decision.

Statutory details: Eminence SIF is offered by AlphaGrep Mutual Fund. AlphaGrep Mutual Fund | SEBI Registration No.: MF/090/26/16. Investment Manager: AlphaGrep Investment Management Private Limited (CIN: U67100MH2021PTC358070). Trustee: AlphaGrep Mutual Fund Trustee Private Limited (CIN: U66190MH2025PTC455751). Registered office: Parinee Crescenzo, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra, India.

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Please consult your financial advisor or SIF distributor before investing

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