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Aurinko Alpha Advantage Fund

(An Open-ended Scheme of Aurinko Alpha Advantage Fund, a trust organized in India and registered with Securities and Exchange Board of India (SEBI) as Category III Alternative Investment Fund)

ANNUAL INVESTOR REPORT

DEAR INVESTORS,

We take this opportunity to thank you for your continued support & investment in Aurinko Alpha Advantage Fund. Thank you for entrusting us with your hard-earned savings and allowing us the privilege to be part of your financial growth journey. This is our first quarterly investor report, and we hope it will provide you with insights on our philosophy and market outlook in these unprecedently turbulent times.

Our focus remains clear: to help you compound your wealth over the long term, while prioritizing downside protection and safeguarding against permanent capital loss. Integrity and reputation are at the heart of everything we do, and we firmly believe that these values, along with our core principles of Trust, Process, and Performance, will continue to drive sustained value for our investors.

The quarter that went by has been a difficult one for Indian stock markets, with the small & mid cap segments falling by more after witnessing a stellar run for most of 2024. We believe that most of the excesses from 2024 have now corrected and the markets are now reasonably valued, although with the order of growth going ahead slightly uncertain due to the ongoing geopolitical, economic & trade related uncertainties.

US President Trump is expected to roll out his tariff policy in the first part of April and it is expected to be highly disruptive to the world trade order as we know. Much of it is due to the massive fiscal deficit & refinancing problem that the US faces. In the next 12 months, it needs to roll over $9 trillion in Treasury debt and over the next four years, it needs to refinance $28 trillion - nearly 75% of all outstanding debt, much of it borrowed when interest rates were around 1 - 2%. That era is likely over.

Now, with the 10-year U.S. yield hovering just around ~4.45% every small drop in rates could save the U.S. billions in future interest costs.

Here's the scenario as we understand:

Tariffs could function as a macroeconomic tool. By inflating import costs, they cool domestic demand and introduce disinflationary pressure, effectively tightening conditions without direct Fed action. Markets, sensing slower growth, adjust by lowering yield expectations. This downward pressure weakens the dollar and reduces the cost of refinancing US ballooning debt, although at risk of causing a recession.

Cool the economy → reduce inflation expectations → lower yields → refinance cheaply.

A softer dollar, and yields drifting lower, capital is likely to rotate into bonds, gold, and emerging markets - including India.

With U.S. fiscal deficits ballooning and global trust in US leadership thinning, gold has re - emerged as a monetary anchor along with new asset classes such as Bitcoin & crypto currency.

We believe India is well - positioned to navigate this tariff phase calmly and strategically, with diplomacy likely to take precedence over confrontation. In our view, announced tariffs are the peak and countries may negotiate the same downwards. India is also working on a Bilateral Trade Agreement (BTA) with the US which is targeted to be rolled out by mid to late 2025. Possibly higher defense & oil/gas imports from the US could help negotiate.

While the direct impact is manageable, we will remain watchful of second - order effects - particularly the risk of dumping from China or other ASEAN countries, which could create pricing pressure for domestic manufacturers, along with impact of slowing global growth on key sectors such as IT, Pharma, Metals etc that are linked globally.

It is increasingly becoming a stock pickers market, with fast sector rotation happening. As a result, it is not reflecting that well in the headline index performance, but individual stocks/ sectors continue to do well on the basis of flows.

We intend to keep the portfolio remains well diversified, typically spread across 30 strong franchises, striking a balance between resilience and opportunity. Given we only launched in early March, 2025 we are still in the process of building our portfolio in these fraught times and are hence only partially deployed.

The portfolio is well diversified across sectors, with an overweight position in healthcare (especially CDMO), tourism, telecom & industrials. Notably, over 75% of our portfolio companies are domestically focused, which offers some insulation from global volatility while aligning with India's structural growth story.

It's worth noting that during the initial months post-launch, the fund will be carrying a decent cash. This will likely lead to some temporary drag on relative performance vs the markets, but we consider it vital given today's volatile market outlook.

In conclusion, as volatility resets the playing field, the gap between price and value is narrowing. With broader valuations back to long-term averages, we are starting to see more opportunities.

We remain grounded in our process: investing in quality businesses, bought at reasonable valuations, with the patience to let compounding do its work while continue to hedge the portfolio as per the macro-outlook.

PORTFOLIO HOLDING AS ON MARCH 31ST 2025

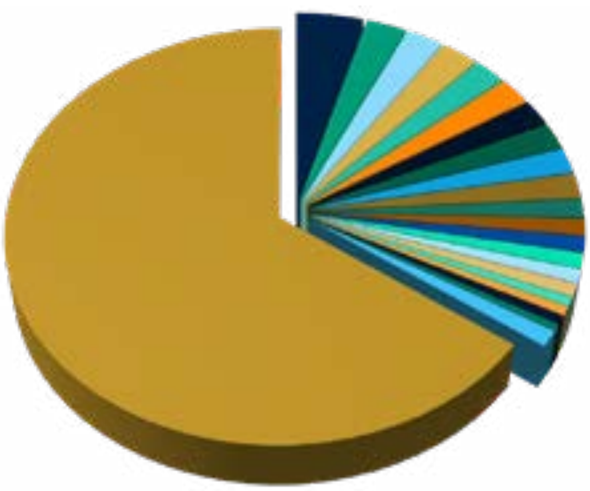
BHARTI AIRTEL	DEEPAK FERTILIZERS
Airtel is one of the largest companies in India with it being the second largest company in telecom space. It is also a leading telecom provider in Africa forming the backbone of digital revolution in India & Africa.	DEEPAKFERT is in the business of manufacturing fertilizers, industrial chemicals, mining chemicals etc. It is one of the biggest producers in South East Asia for many chemicals such as Nitric Acid, Ammonium Nitrate etc.
RELIANCE INDUSTRIES	**VOLTAS**
Reliance is the largest company in India by market cap with interests across telecom, oil to chemicals, refining, retail & new energy. It is a very diversified bet and a proxy to India's growth story.	Voltas is a TATA group co which has the highest market share in air conditioners. It also has good market share in other white goods such as refrigerators, washing machines etc.
TATA POWER	**YATHARTH HOSPITALS**
Tata Power is a leading company in both thermal & renewable (solar + wind) energy generation & also the transmission to end users such as industry and public.	YATHARTH is a hospital chain mostly in the Delhi NCR area operating 7 hospitals and over 1500 beds, with many more coming soon.
BHARAT FORGE	**JAMMU & KASHMIR BANK**
Bharat Forge is one of the oldest and largest forging companies with interest across the world – US, Europe, India. It has interests in defense and aerospace also which are high growth avenues for the company.	Jammu & Kashmir Bank is the only Private Sector Bank in the country assigned with responsibility of convening State/UT Level Bankers' Committee (SLBC/UTLBC) meetings mostly in the UT of Jammu & Kashmir.
VEDANTA	**AXIS BANK LTD**
Vedanta is one of the world's largest metal & mining companies with huge capacities in Zinc, Silver, Aluminum and some exposure in iron ore, copper, gas etc.	AXIS Bank is a large-scale private sector with the third largest network of branches in India, along with good presence abroad also. It is also the 4th largest issuer of credit cards in the company.
ONE SOURCE SPECIALTY PHARMA LTD	**KOTAK BANK LTD**
OneSource Specialty Pharma Ltd is in the research, development, manufacture and commercialization of bio logical drug products in various injectable formats. It also offers end-to-end CDMO services across all phases of pre-clinical and clinical development and commercial supply of biologics.	Kotak Mahindra Bank is a diversified financial services group providing a wide range of banking and financial services including Retail Banking, Treasury and Corporate Banking, Investment Banking, Stock Broking, Vehicle Finance, Advisory services, Asset Management, Life Insurance and General Insurance. It is India's 4th largest private bank.
LARSEN & TOUBRO (L&T)	**ITC HOTELS LTD**
L&T is one of the oldest companies in India in the infra/ construction spaces with specialty in heavy engineering. It also has a major portfolio in IT services & defense through its subsidiaries.	ITC Hotels is an Indian hospitality company that operates and manages hotels. It has over 100 hotels and is India's third largest hotel chain.
PROTEAN e-GOV TECHNOLOGIES	**ADANI TRANSMISSION**
PROTEAN is engaged in the business of developing citizen-centric and population-scale e-governance solutions specifically, PAN services, recordkeeping & identity services.	ADANIENSOL is a multidimensional organization with presence in various facets of the energy domain, namely power transmission, distribution, smart metering, and cooling solutions. AESL is India's largest private transmission company.

PORTFOLIO HOLDING AS ON MARCH 31ST 2025

MANAPPURAM FINANCE LTD	UPL LTD
Manappuram Finance is a Non-Banking Finance Company (NBFC), which provides a wide range of fund based and fee-based services including gold loans, money exchange facilities, etc. The Company is a Systemically Important Non-Deposit taking NBFC	UPL is principally engaged in the business of agrochemicals, industrial chemicals, chemical intermediates, specialty chemicals and production and sale of field crops and vegetable seeds.
JYOTI RESIN	**ADANI ENTERPRISES**
Jyoti Resins And Adhesives Ltd. is a manufacturer of synthetic resin adhesives. The company manufactures various types of wood adhesives (white glue), under the brand name of EURO 7000 , which was launched in 2006, and is now the second largest selling wood adhesive brand in India in the retail segment	Adani Enterprises Ltd is the flagship of Adani group and has business interests in various economic areas such as mining, integrated resources management (IRM), infrastructure such as airports, roads, rail/ metro, water, data centers, solar manufacturing, agri and defense.
TATA POWER	**INDIGO**
Tata Power is a leading company in both thermal & renewable (solar + wind) energy generation & also the transmission to end users such as industry and public.	INDIGO operates the biggest airline in India with over 60% of the Indian domestic civil aviation space.

SECTOR	WEIGHTAGE
Telecom	4.5%
Diversified	2.7%
Power- Generation & Transmission	2.5%
Auto Ancillary/ Defense	2.5%
Non-Ferrous, Diversified Metals	2.2%
Aviation/ Tourism	2.2%
Infrastructure, Engineering, IT Services	2.1%
Market Infrastructure/ Financial Digitalization	2.1%
Fertilizers/ Agriculture	2%
Consumer Discretionary	2%
Health Care	1.5%

SECTOR	WEIGHTAGE
PSU Bank	1.3%
Private Bank	1.25%
Private Bank	1.2%
Hotels/ Tourism	1.1%
Power	1%
Gold Loans/ NBFC	0.7%
Chemicals	0.7%
Infra/ Diversified	0.7%
Pesticides/ Chemicals	0.5%
Pharma/ CDMO	1.25%
Cash & Equivalents	67.15%



	RISK DISCLOSURES	
1	**Concentration Risk**	The portfolio is well diversified across sectors and key economic variables
2	**Interest - rate Risk**	Fund invests in listed equities & derivatives and these businesses in turn may be linked to interest rates which are well analyzed by the investment team before making investments
3	**Foreign Investment Risk**	The Fund has no investments in foreign entities
4	**Leverage**	The Fund has no leverage. Lending businesses of the portfolio have capital above regulatory norms. Other companies with high leverage are a relatively smaller portion of the portfolio
5	**Realization Risk**	All the investments are in listed entities and their listed derivatives
6	**Strategy Risk**	The Fund portfolio is in line with the Investment Managers stated strategy. Investment philosophy and strategy is explained in detail in the Private Placement Memorandum (PPM) provided to all investors. There is no change in the strategy mentioned in PPM
7	**Reputation Risk**	All the investments are in listed entities; Portfolio Managers endeavor to invest in sustainable and reasonably valued businesses
8	**ESG Risk**	We adhere to standard ESG practices at Fund level. We believe the portfolio companies also follow good ESG practices
9	**Fees**	The fees ascribed to the Manager/Sponsor by the fund is as mentioned in the PPM
10	**Sponsor Interest**	The sponsor continues to adhere to the rules as prescribed in the SEBI regulations that govern the fund

Regards,

Parth Kejriwal
Director & CIO

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Alpha Advantage Fund

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