StaG TIMES

OCTOBER 2025 | SENORA ASSET MANAGEMENT | EDITION NO. XV

An India focused Large Cap AIF CAT III

MONTHLY PERFORMANCE OF INDICES

Nifty: 24,611.1 (+0.75%)

Sensex : 80,267.62 (+0.57%)

Mridul Jalan
Co-Founder & CIO

Stock	Returns
GAINERS	
Maruti	3.02%
ETERNAL	2.00%
Bharti Airtel	1.84%
Indigo	1.50%
Chola Finance	0.89%
SBI	0.78%
Jubilant Food	0.56%
Hindustan Unilever	0.45%
ICICI Bank	0.44%
United Spirits	0.14%
Bank of Baroda	0.09%
LOSERS	
Axis Bank	-0.24%
Jio Finance	-0.25%
Reliance	-0.38%
Tata Power	-0.47%
ABB	-0.50%
Ambuja Cement	-0.63%
Tata Motors	-1.22%

CONTRIBUTION TABLE

From the CIO's Desk - October 2025

As September draws to a close, it marks a full year since the market last reached new all-time highs, a phase we have not seen in quite some time. Despite muted returns across most major indices, StaG continues to deliver strong and consistent performance, both since inception and through this year.

September 2025 was another month of **outperformance.** The StaG portfolio gained **3.33%,** compared to the Nifty's **0.75%.** Gains were led by **auto and banking stocks,** while our **absence of IT exposure** helped protect returns amid sectoral volatility.

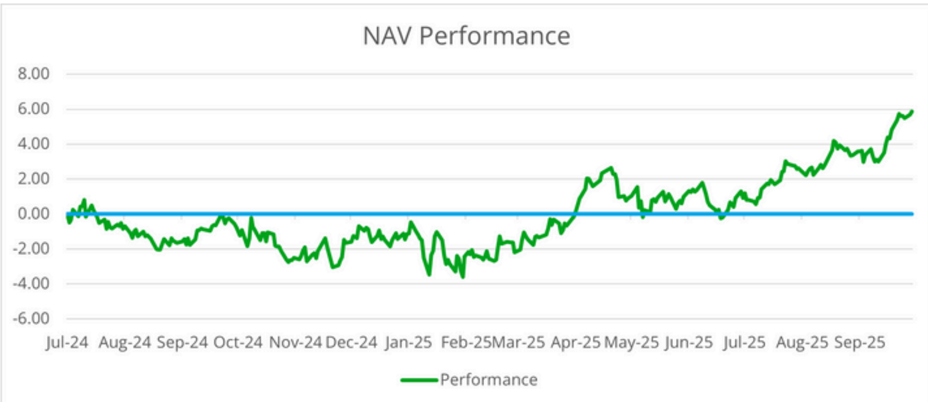
Portfolio changes remained minimal, with only **weight adjustments in Maruti and SBI** due to price movements. We believe the portfolio is well-positioned to benefit from upcoming **macro earnings triggers,** as reflected in **EBITDA growth, portfolio stability during corrections,** and **sharper participation during rebounds.**

One of the most significant developments this month was **GST Reforms 2.0,** with rate cuts and rationalized slabs aimed at **reviving urban demand** and **fueling consumption growth** ahead of the festive season.

We have also started sharing **short, focused research notes** on key topics, highlights of which are included later in this newsletter, along with **result previews** for select portfolio stocks and key sectors. This month, our spotlight is on **Ambuja Cement.**

Starting this quarter, we will also evaluate **portfolio performance through key ratios** and benchmark it **against peers** for greater transparency and insight.

While market narratives continue to change, **StaG's pure large-cap strategy** remains anchored in what matters most: **quality, consistency,** and **the power of long-term compounding.**



NAV CHART

To know more about us, visit: www.senora-stag.com x.com/SenoraAIF www.youtube.com/@StaGAIF

OCTOBER 2025
WHAT WE WROTE DURING THE MONTH

Markets don't reward excitement; they reward discipline.
At Senora, our process-led investing approach has helped clients double their wealth every 3 to 3.5 years, delivering an ~16% XIRR this year, well on track toward our 20% annual goal.
Boring? Maybe. Effective? Always.

👉 *Read the detailed report [here]*

Decoding data is more important than just looking at data.
Headline numbers can often mislead. True insight lies in the context behind the figures.
At Senora, we look beyond surface ratios to uncover what truly drives risk, growth, and resilience. Every metric tells a story, but only when analyzed together does the full picture of performance emerge.

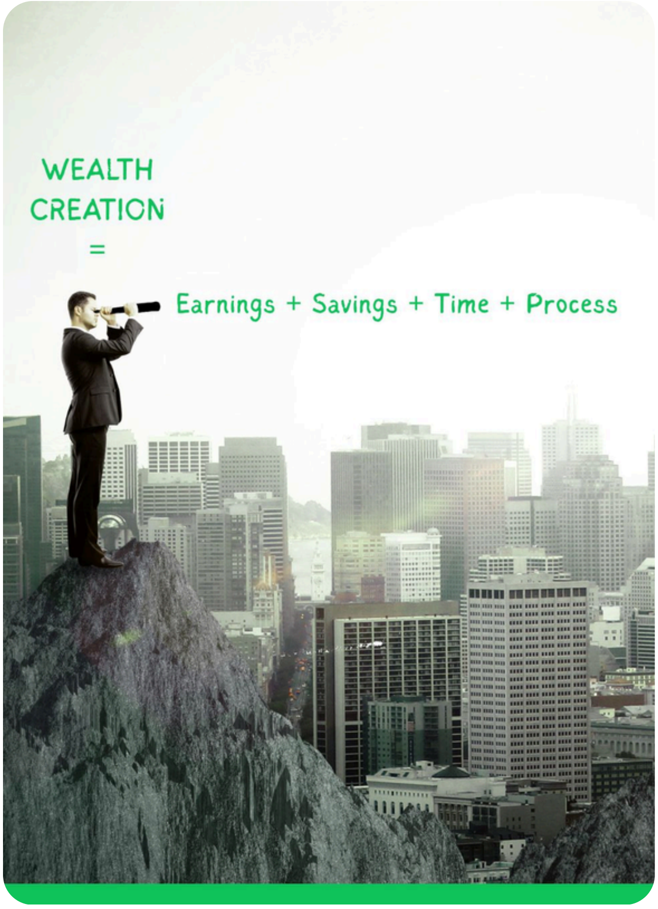
👉 *Read the detailed note [here]*

Investment is about conviction, not speculation.
At StaG, earnings, not noise, drive our decisions. By staying disciplined and focused on quality, we aim to deliver consistent 20–25% returns across cycles.
Stay invested. Stay patient. The rewards will follow.

👉 *Read the detailed note [here]*

Maruti Case Study: Patience Rewarded.
Back in 2021, we identified Maruti Suzuki as a long-term opportunity when the market overlooked it. Our thesis on cyclical recovery and earnings growth has played out, profits are up 7.7x and the stock has compounded at 21% CAGR.
A true testament to disciplined large-cap investing and the power of patience.

👉 *Read the detailed note [here]*



Learning from Experience: Why Research & Conviction Define Senora.
At Senora, research and conviction are not buzzwords; they are our foundation. From identifying ABB early to avoiding pitfalls like IndusInd, every decision is rooted in deep analysis and a long-term view.
This is how we turn clarity into compounding.

👉 *Explore the full article [here]*

The Next Earnings Slowdown?
Commercial Real Estate & REITs face a quiet disruption.
AI and automation are reshaping productivity, reducing workforce size and demand for office space. The result? A structural earnings challenge that few are talking about, yet.

👉 *Full report available [here]*

OCTOBER 2025
STOCK REVIEW

(As per internal model and management commentary)
Our coverage universe continues to display healthy earnings momentum, with most portfolio companies reporting stable or improving business trends. **The table below summarizes our latest view on each stock and the key factors driving outlook and performance.**

STOCK	VIEW	KEY DRIVERS / CRITICAL FACTORS
ABB	Strong Growth	Strong deal wins and execution momentum
Ambuja Cement	Mild Growth	Capacity ramp-up and cost efficiencies
Axis Bank	Strong Growth	NII expansion and lower slippages
Bank of Baroda	Good	Stable NII growth and controlled slippages
Bharti Airtel	Good	Sustained ARPU improvement and data monetization
Cholamandalam Finance	Good	Business growth and asset quality stability
Eternal	Strong Growth	Continued scale-up and business traction
Hindustan Unilever	Better Growth	Volume recovery and margin stability
ICICI Bank	Strong Growth	Broad-based business growth and healthy margins
IndiGo	Strong Growth	Robust revenue growth and load factors
Jio Financial	Good	Business expansion and operational updates
Maruti Suzuki	Good	Evolving product mix and steady market share
Reliance Industries	Strong Growth	Momentum across energy and retail segments
State Bank of India	Strong Growth	Sustained loan growth and improving asset quality
Tata Motors	Cautious	Temporary impact of recent cyber attack
Tata Power	Growth	Expanding renewable mix and project pipeline

Portfolio Snapshot

Summary Insight: The overall tone across management commentaries and pre-result interactions remains constructive. Sectors such as banks, autos, and capital goods continue to lead growth visibility, while staples and energy show early signs of volume recovery.

SECTOR OUTLOOK

Cement Sector

The cement sector is poised for a continued recovery in both **volumes and pricing.** While the ongoing monsoon season may temporarily moderate sequential growth, **year-on-year performance remains robust,** supported by sustained demand from **infrastructure and housing**. With input cost pressures easing and capacity utilization improving, the outlook for the coming quarters remains **constructive and growth-oriented.**

Banking Sector

Preliminary business updates point to **steady growth momentum** across most banks. **Non-retail credit** continues to drive expansion, while **unsecured retail lending** shows early signs of moderation. With **rate cuts likely on the horizon, NIM compression** and **asset quality trends (NPAs)** will be the key monitorables in the next few quarters.

Auto Sector

While **monthly dispatch numbers** provide a broad indication, they often understate **pricing and margin trends.** With **inflation softening,** margins are expected to improve gradually. **Discounting levels** and the impact of **GST 2.0 reforms** will be important variables to track, with **margin performance** likely to be a key driver in the quarters ahead.

IT Sector

Growth in both **revenues and margins** is expected to remain muted as **global demand weakness** persists. **Deal wins, client budgets,** and **management commentary** will be critical in assessing near-term direction. The sector continues to face challenges in achieving **sustained growth visibility.**

Consumer Sector

A **gradual volume recovery** is underway across select categories, aided by **urban demand normalization.** Key focus areas remain **margin improvement, rural revival,** and **consumption momentum.** The **impact of GST 2.0** will likely become more evident in the next quarter and could drive renewed optimism in the space.

Capital Goods Sector

With **ample liquidity support** from the RBI and sustained **public and private capex,** we expect **healthy revenue growth** and continued **order inflows** across the capital goods universe. Ongoing **industrial expansion** and **infrastructure** investments are set to reinforce **long-term demand visibility** and **margin stability.**

Infrastructure & Telecom Sector

Both infrastructure and telecom continue to show steady progress, driven by **strong investment activity** and **momentum** in **power** and **energy projects.** Anticipated **price revisions** and **capacity expansion plans** are likely to support **margin resilience** and **profitability** going forward.

PORTFOLIO SPOTLIGHT
AMBUJA CEMENTS

A Structural Play on India's Infrastructure Story

In FY25, India's cement sector witnessed a **significant expansion in capacity** and **demand**. Total installed capacity rose to approximately **670 MTPA,** up from 553 MTPA in FY24, led by key players such as **UltraTech, Ambuja,** and **Birla Corporation.**

Capacity utilization improved to around **71%**, reflecting stronger demand recovery and improving operational efficiency. Cement consumption grew **7–8% year-on-year,** driven by continued momentum in infrastructure and housing.

The **domestic cement market** is projected to reach **US$18.4 billion by 2025,** growing at a **CAGR of 6.2%** through 2029, underscoring the sector's structural growth trajectory.

Ambuja Cement

Ambuja Cements: At a Glance

Ambuja Cements, part of the Adani Group (along with ACC), is **India's second-largest cement producer,** with a consolidated capacity **exceeding 100 MTPA.** The company has outlined a clear growth roadmap to reach **140 MTPA by FY28,** through a mix of brownfield expansions and strategic acquisitions, particularly strengthening its footprint in southern India.

Beyond cement, Ambuja serves as an **indirect play on India's infrastructure** and **real estate expansion**, aligning perfectly with the country's broader long-term growth and capex cycle.

In Q1 FY26, Ambuja reported revenue of ₹10,289 crore and net profit of ₹970 crore, supported by:

- **Operational leverage gains** from scale expansion
- **Disciplined cost control** and **raw material efficiency**
- **Digital transformation** and process optimization initiatives

VALUATION AND OUTLOOK

Ambuja currently trades at a **~50% discount** to UltraTech Cement, largely due to the perceived Adani overhang. However, this discount presents an **attractive entry opportunity** for **long-term investors**.

With the cement industry consolidating rapidly, Ambuja is well-positioned to benefit from:

- Scale advantages and pricing power
- Margin expansion driven by operational efficiency
- Sustainability initiatives, including net-zero commitments and renewable energy adoption

These **dynamics mirror consolidation-led performance** seen earlier in industries like telecom and aviation, where scale players emerged dominant.

BOTTOM LINE

Ambuja Cements combines scale, efficiency, and strategic foresight in a rapidly consolidating industry.
As India's infrastructure push gathers pace, Ambuja stands out as a compelling long-term growth story, one that offers resilience, re-rating potential, and participation in India's structural transformation.

Income Statement					
CATEGORY	FY24 A	FY25 A	FY26E	FY27E	FY28E
Revenue	**33,160**	**35,125**	**46,566**	**51,661**	**56,958**
Raw Material Cost	5,512	6,506	9,030	9,730	10,436
Employee Cost	1,353	1,403	1,603	1,860	2,003
Power & Fuel Cost	8,086	8,369	10,064	10,880	11,560
Freight & Forwarding Expenses	6,477	8,301	10,157	11,191	12,252
Other Expenses	5,255	4,575	5,434	5,719	6,001
EBITDA	**6,477**	**5,971**	**10,278**	**12,281**	**14,706**
EBITDA Margin (%)	19.53%	17.00%	22.07%	23.77%	25.82%
Depreciation & Amortization	1,705	2,479	3,481	3,913	4,215
EBIT	**4,772**	**3,492**	**6,797**	**8,368**	**10,491**
EBIT Margin (%)	14.39%	9.94%	14.60%	16.20%	18.42%
Other Income	596	2,206	790	811	1,383
Bill discounting & other charges	276	216	251	254	256
Fin Charges Coverage (X)	17	16	27	33	41
Exceptional Item	212	-21	40	-	-
PBT	5,873	5,909	7,905	9,466	12,171
Tax Expense	1,161	764	1,990	2,503	3,064
PAT	**4,712**	**5,145**	**5,915**	**6,963**	**9,107**
PAT Margin (%)	14.21%	14.65%	12.70%	13.48%	15.99%

Key Financial Ratios					
YEAR TO	FY24 A	FY25 A	FY26E	FY27E	FY28E
Adjusted EPS (INR)	14.5	16.9	18.2	23.8	29.9
FCF Yield (%)	2.2	-3.7	-1.5	1.5	5.1
Return on Equity	8.6%	7.8%	7.9%	9.5%	10.9%
Return on Capital Employed	9.2%	5.7%	8.9%	10.1%	11.6%
Return on Invested Capital	15.7%	7.7%	15.4%	17.0%	20.4%
Valuation (X)					
P/E	39.5	33.9	31.4	24.1	19.2
EV/EBITDA	20.3	18.6	15	12.5	10.2
EV/Sales	3.9	3.2	2.8	2.5	2.1
EV/Ton	21,968	20,425	16,212	14,936	13,456

Balance Sheet					
CATEGORY	FY24 A	FY25 A	FY26E	FY27E	FY28E
Share Capital	440	493	493	493	493
Total Reserves	50,403	63,319	67,049	71,801	77,623
Shareholders Fund	50,843	63,811	67,542	72,293	78,115
Deferred Tax Assets / Liabilities	1,321	2,403	2,403	2,403	2,403
Other Long Term Liabilities	499	613	812	904	994
Long Term Provisions	256	254	290	337	363
Total Liabilities	**52,919**	**67,081**	**71,047**	**75,934**	**81,875**
Net Block	32,367	41,178	47,295	51,235	52,513
Capital Work in Progress	2,658	9,820	0	0	0
Non Current Investments	90	89	118	127	136
Long Term Loans & Advances	3,452	5	7	7	8
Other Non Current Assets	2,513	10,138	13,440	14,912	16,439
Net Current Assets	11,838	5,851	10,188	9,652	12,779
Total Assets	**52,919**	**67,081**	**71,047**	**75,934**	**81,875**

Fund Performance Ratios
Period: June 2024 – September 2025
Category: Large Cap Growth – Direct Plan
Benchmark: Nifty 50

FUND PERFORMANCE & RATIO COMMENTARY

Performance Overview

Over the past 15 months since inception (June 2024), the StaG – Large Cap Growth Strategy has delivered a strong and consistent performance, despite its relatively short operational track record.

While absolute risk-adjusted metrics such as the Sharpe and Sortino Ratios remain modest, primarily reflecting limited performance history, relative ratios such as the Information Ratio and Capture Ratio highlight effective active management, disciplined risk control, and superior participation during market upturns.

The data below benchmarks Senora AIF (StaG) against leading large-cap mutual funds, positioning it as a high-conviction, actively managed strategy with balanced volatility and meaningful upside capture.

RATIO	SENORA AIF	DSP MF	SBI MF	NIPPON INDIA MF	ADITYA BIRLA MF	AXIS MF	MIRAE MF
Beta	**1.04**	0.86	0.93	0.97	0.93	0.92	0.97
Standard Deviation	**14.49%**	11.50%	12.07%	12.85%	12.13%	12.11%	12.72%
Sharpe Ratio	**0.24**	0.28	0.06	0.15	0.04	-0.03	0.13
Information Ratio	**0.78**	1.08	0.66	0.85	0.64	0.26	0.97
Sortino Ratio	**0.34**	0.40	0.08	0.21	0.06	-0.04	0.18
Capture Ratio	**1.07**	1.08	1.03	1.05	1.03	1.02	1.04
Upside Capture	**1.05**	**0.89**	**0.92**	**0.98**	**0.95**	**0.92**	**0.99**
Downside Capture	**0.98**	0.83	0.89	0.94	0.92	0.91	0.95
Capital Work in Progress	**2,658**	9,820	0	0	0		
Non Current Investments	**90**	89	118	127	136		
Long Term Loans & Advances	**3,452**	5	7	7	8		
Other Non Current Assets	**2,513**	10,138	13,440	14,912	16,439		
Net Current Assets	**11,838**	5,851	10,188	9,652	12,779		
Total Assets	**52,919**	**67,081**	**71,047**	**75,934**	**81,875**		

RATIO ANALYSIS & PERFORMANCE INTERPRETATION

Understanding How StaG Balances Risk, Return, and Consistency

1. Beta & Standard Deviation: The Measure of Volatility

These indicators show how much a fund's returns fluctuate from its average performance. With a Beta of 1.04, StaG maintains a measured correlation with market movements, aligned but not excessive. While Standard Deviation stands at 14.49%, marginally higher than peers, this reflects the concentrated and conviction-driven nature of the portfolio. The focus on high-growth, large-cap companies may amplify short-term volatility, but it's consistent with StaG's objective of long-term alpha generation.

📊 **Interpretation:** Higher volatility here is a function of focus, not fragility, a necessary trait of concentrated conviction investing.

2. Sharpe Ratio: Return per Unit of Total Risk

This ratio measures how efficiently the fund generates excess returns over the risk-free rate for every unit of total risk taken. With a Sharpe Ratio of 0.24, StaG has delivered risk-adjusted returns comparable to leading mutual funds, despite its shorter operational history. This highlights the fund's ability to translate disciplined risk-taking into meaningful excess returns, underscoring the early strength of its process-led approach.

📈 **Interpretation:** A strong start, Sharpe ratios are expected to improve steadily as the performance track record lengthens and volatility stabilizes.

3. Information Ratio: Consistency of Alpha Generation

The Information Ratio evaluates how consistently a fund outperforms its benchmark, accounting for tracking error. StaG's Information Ratio of 0.78 indicates strong and repeatable alpha generation, outperforming most peers except DSP MF. This consistency stems from the fund's research-driven stock selection and active positioning, translating conviction into performance across cycles.

📉 **Interpretation**: This is a hallmark of effective active management, outperforming not by chance, but through process and persistence.

4. Sortino Ratio: Return per Unit of Downside Risk

The Sortino Ratio isolates downside volatility, ignoring positive fluctuations, to measure how well a fund limits losses during adverse phases. With a Sortino Ratio of 0.34, StaG demonstrates effective downside protection and superior risk-adjusted performance in declining markets. This aligns perfectly with the fund's philosophy of capital preservation before profit maximization, prioritizing steadiness over speculation.

🛡️ **Interpretation**: Downside discipline remains a core differentiator, resilience in correction phases compounds long-term returns.

5. Capture Ratio: Efficiency of Return Participation

The Capture Ratio compares upside capture to downside capture, reflecting how efficiently a portfolio performs across market cycles. StaG's performance has been exceptionally balanced, with an Upside Capture Ratio above 1.0, meaning it captured more than 100% of market gains during rallies, while maintaining a Downside Capture below 1.0, limiting losses during declines. Notably, no other comparable large-cap funds achieved an upside capture ratio above 1.0 during this period, a testament to StaG's strong participation in gains coupled with prudent loss control.

⚖️ **Interpretation**: StaG's risk–reward efficiency highlights participation without overexposure, compounding capital with precision.

FROM THE CIO’S DESK - REFLECTION & MARKET VIEW

Before sharing my customary view on the market, I want to begin with a realization that has stayed with me:

Asset prices are rarely driven by valuation or affordability. They are, instead, driven by momentum, novelty, prestige, and the innate human desire to belong to the winning side.
This, to me, explains every phase of exuberance we’ve seen, whether it was dot-com, crypto, IPO mania, SMEs, or unlisted fever. Each cycle finds its own “new story,” but the pattern remains the same. The few who studied deeply and stayed grounded became specialists and created wealth. The majority, who chased noise, eventually stumbled.

In the long run, only one trait compounds reliably, groundedness: being anchored in fundamentals, guided by discipline, and patient enough to let conviction play out.
If you map the returns of major asset classes across decades, the conclusion is clear, nothing outperforms equities over the long term. And within equities, large-caps continue to deliver the best balance of risk and reward. That philosophy defines our ethos at StaG, conviction-led, data-backed, and focused on stability through cycles.

ON THE MARKET OUTLOOK

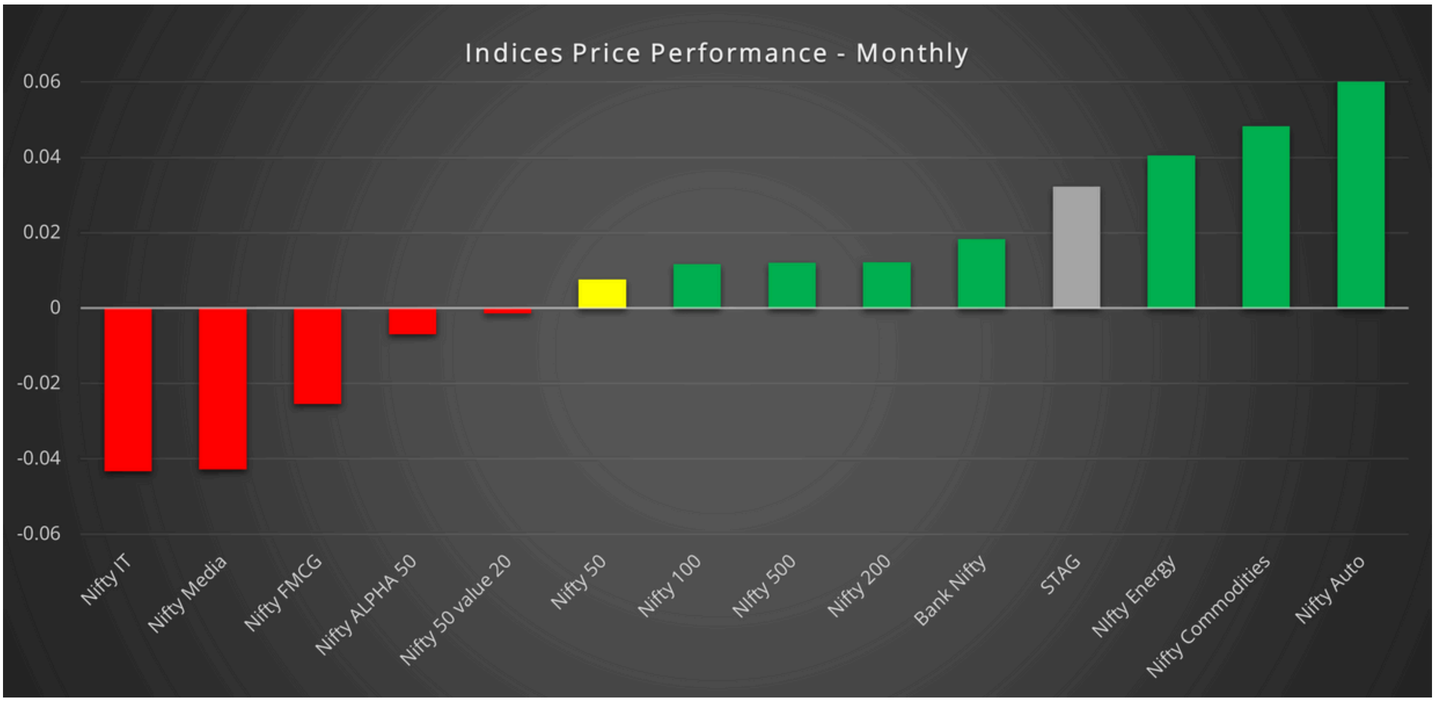
The government has done its part; both monetary and fiscal measures have been proactive in fueling demand. Our on-ground channel checks and public data confirm that domestic demand is returning, particularly in infrastructure, autos, and consumption.

This strength should soon translate into corporate earnings and commentary, reinforcing growth visibility. Once this clarity reflects in reported numbers, the market will take note and reward it.

We believe that new highs are a matter of ‘when,’ not ‘if.’ While persistent FII outflows and mid-cap paper supply remain short-term hurdles, the underlying trend is intact and constructive. **In essence, the phase of patience is nearly over; the phase of recognition is next.**

Since Inception	
GAINERS	
Stock	**Returns**
ETERNAL	65.02%
INDIGO	32.39%
MARUTI	31.40%
BHARTIARTL	28.70%
CHOLAFIN	12.62%
HINDUNILVR	11.31%
ICICIBANK	10.67%
SBIN	3.21%
LOSERS	
TATAMOTORS	-28.54%
JIOFIN	-17.70%
AMBUJACEM	-13.26%
ABB	-12.13%
AXISBANK	-11.97%
RELIANCE	-10.35%
TATAPOWER	-10.08%
BANKBARODA	-7.98%

Monthly	
GAINERS	
Stock	**Returns**
CHOLAFIN	13.38%
BANKBARODA	11.04%
SBIN	8.72%
MARUTI	8.37%
AXISBANK	8.27%
TATAPOWER	3.88%
ABB	3.69%
ETERNAL	3.68%
TATAMOTORS	1.67%
AMBUJACEM	1.20%
RELIANCE	0.50%
LOSERS	
Stock	**Returns**
JIOFIN	-5.94%
HINDUNILVR	-5.47%
ICICIBANK	-3.56%
INDIGO	-0.91%
BHARTIARTL	-0.55%



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