

Investment Philosophy, Framework and Process

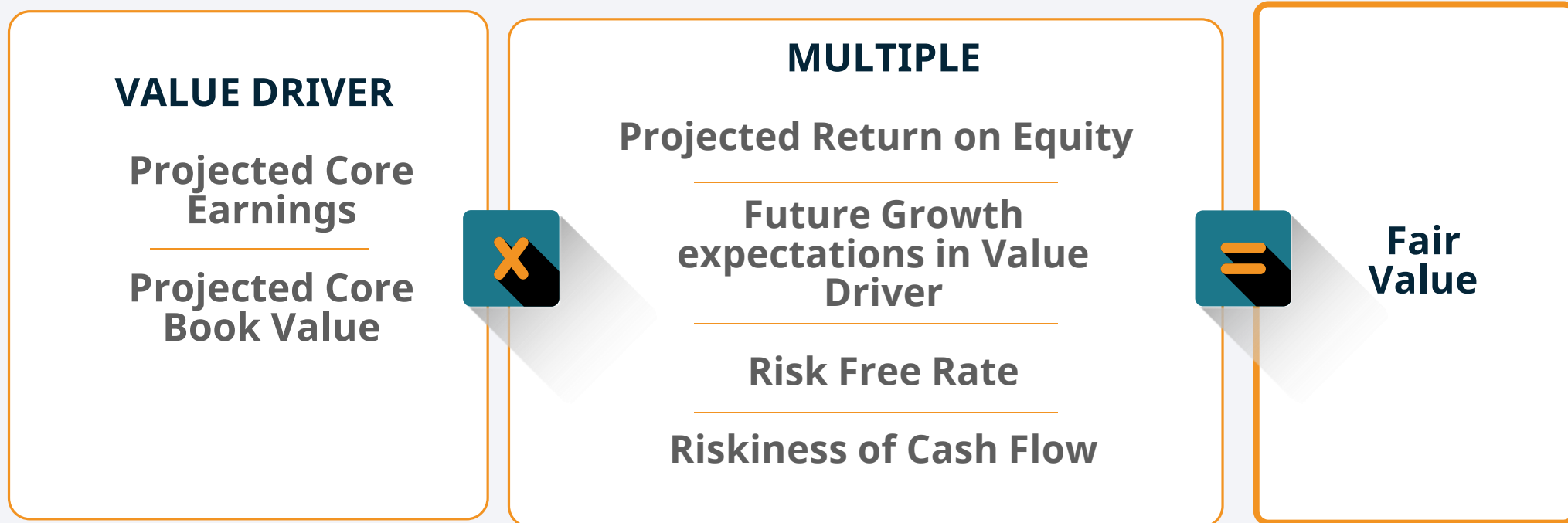
December 2025



Investment Philosophy

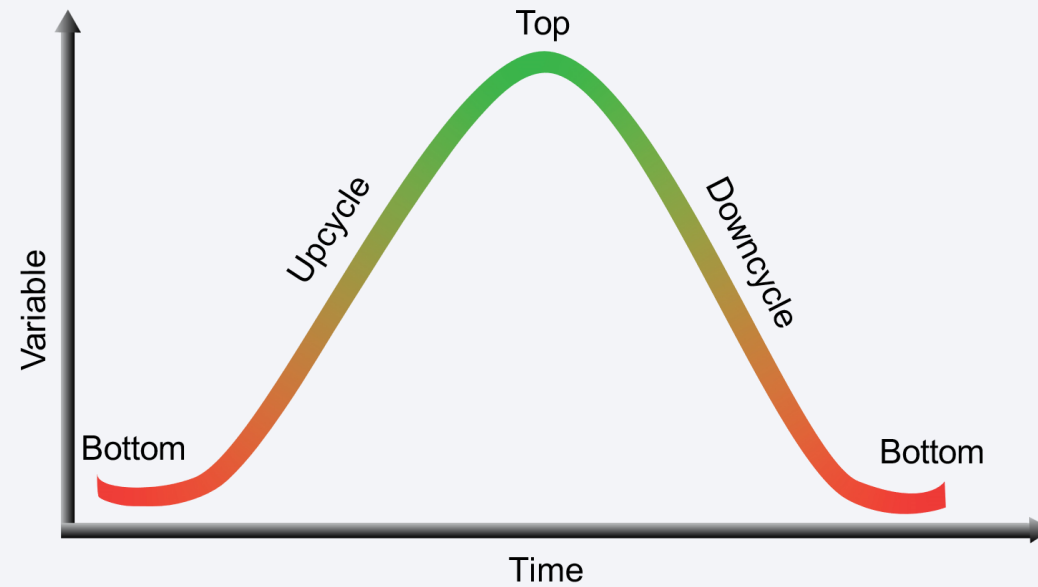
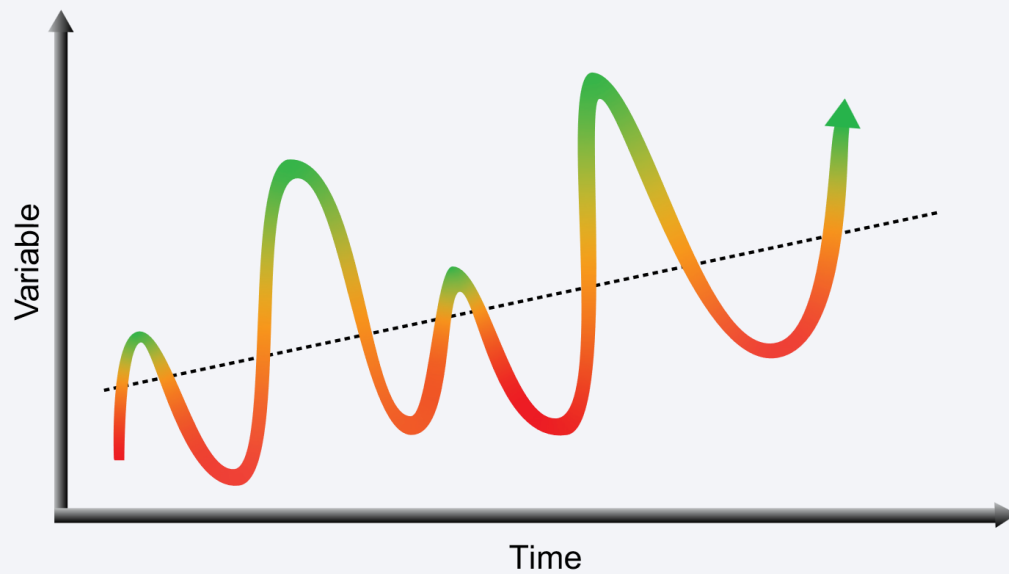
- ↗ We believe that stock price tends to track fair business value over the medium to long-term
- ↗ Long-term is a series of short-terms
- ↗ More things might happen in the future than will
- ↗ Listening to market/street signals complements fundamental analysis
- ↗ While a top-down view is necessary, it's not a substitute for bottom-up stock-picking
- ↗ Identification of superior growth, compounded over long periods of time, within an appropriate valuation framework, is the primary way in which we seek to add value to the client's portfolio

Fair Value Drivers



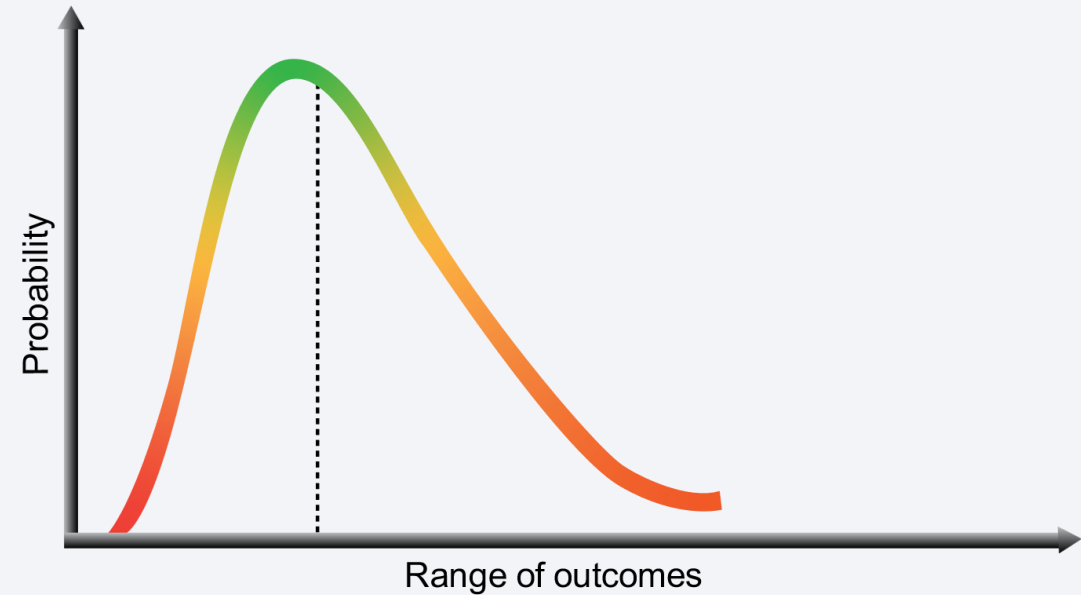
Long Term Is A Series Of Short Terms

- Everything is cyclical or has phases
- Where are we in the cycle...
 - Dictates Research Approach &
 - Portfolio positioning



More Things Might Happen In The Future Than Will

- Probabilistic thinking
- Bull case, bear case, and probability-weighted expected value framework
- Position sizing of bets
- Risk reward analysis



Investment Process

- The Investment Process is divided into two parts.
- Stock Research Process: It includes New Stock Selection and Monitoring the existing stocks
- Portfolio Management: Based on research, portfolio is constructed and rebalanced



Research Process

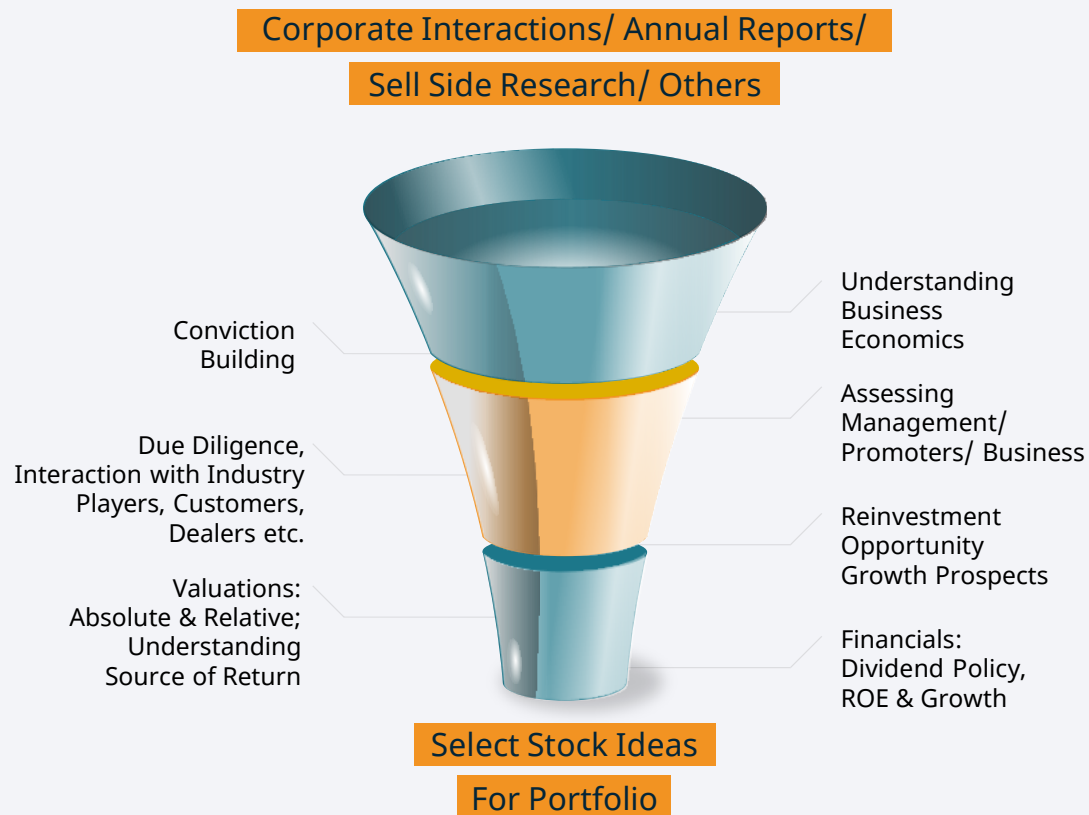
- Monitoring Existing Stocks
- New Stock Ideas



Portfolio Management

- Portfolio Construction
- Rebalancing Portfolio for New Information/ Development
- Considering & Incorporating New Stock Ideas

Investment Process: Research Process



BACKDROP

Macros

Government Policies

Regulations

Global Events

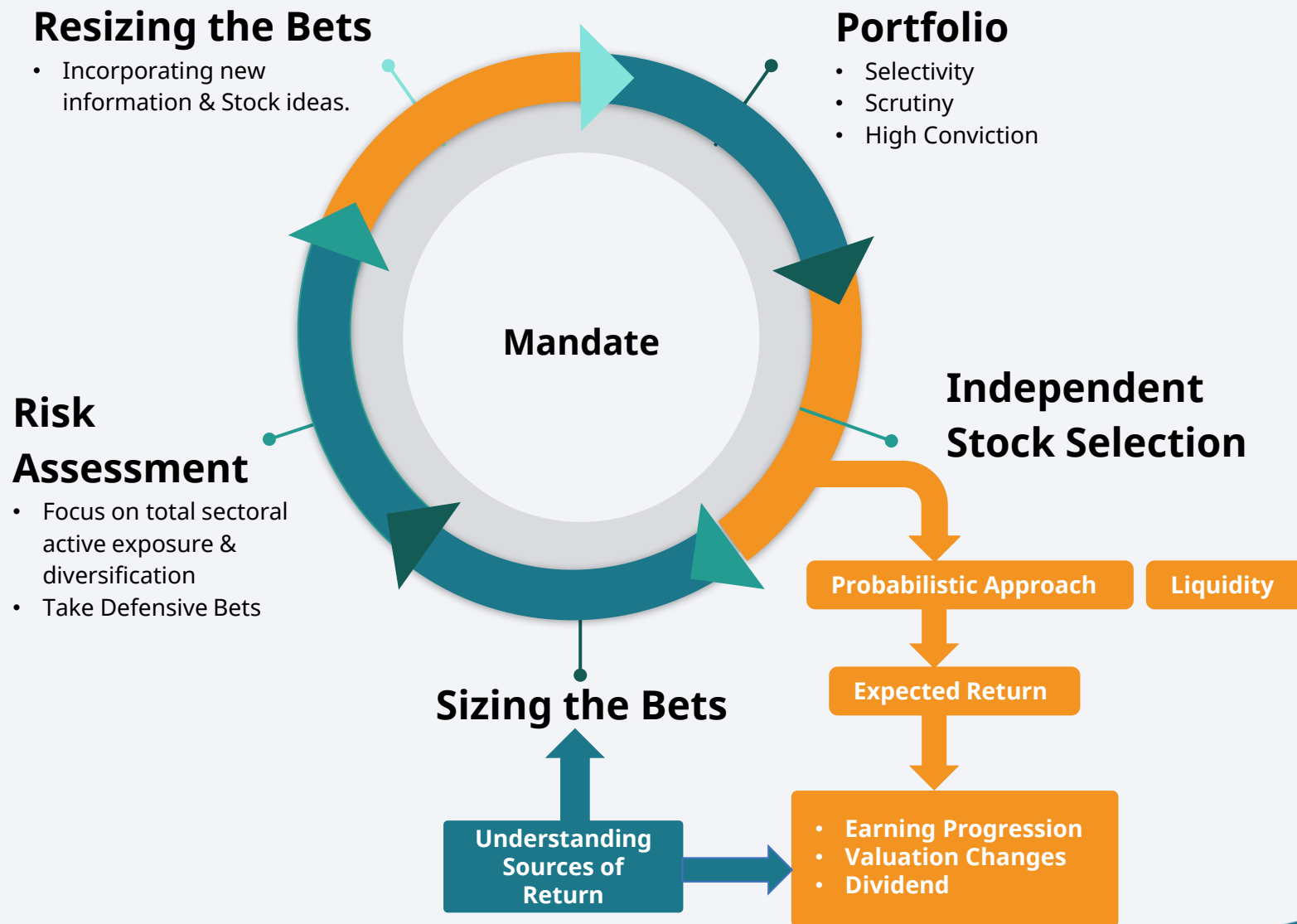
Judicial Actions

Politics

Others

- The flow of Research process is a funnel like structure with multiple sieves where we examine various aspects in a sequence
- The extent of time and efforts expended on a particular idea is a function of how many filters the idea qualifies through

Investment Process: Portfolio Management



Stock Classification Framework

The stocks in a portfolio can be classified into categories where each one has a specific role and may have the potential to meet certain expectations in terms of delivery:

Strategic

These are typically 'buy & hold' compounding stocks. They are generally characterized by good quality business and competent managements with a long track record.

Tactical

These are not 'buy & hold' stocks. For these stocks, exiting at the right time is as important as getting in at the right time. They are generally from more cyclical industries and need to be part of the portfolio only during the upcycle.

Option

These stocks appear very promising from a top-down perspective. However, they generally do not have long-term business or management track record. They are inherently riskier in nature but can have the potential to offer higher returns.

Defensive

These stocks are generally big benchmark stocks where investment manager has low conviction about their outperformance. However, not owning them at all may be deemed too risky from relative performance standpoint. These are generally neutral or underweight relative positions.

Salient Features of our Investment Style



Long term view



Focus on business value accretion



Growth & quality orientation



Conscious of current market dynamics



Not going down the Quality curve even as we go down the market cap curve for small/mid-cap mandates



Benefiting from compounding of earnings and valuation re-rating for small/mid-cap mandates



Extent of active betsFunction of conviction level



True to mandate



Clarity through stock classification



Conscious of liquidity

DISCLAIMERS & STATUTORY DETAILS

Disclaimers: The information, opinions and facts in this document are as of December 31, 2025 unless stated otherwise, and may change without notice. The information, opinions and facts in this document alone are not sufficient and should not be used for the development or implementation of an investment strategy. Neither the Sponsors/the AMC/ the Trustee Company/ their associates/ any person connected with it, accepts any liability arising from the use of this information.

The Sponsors/ the AMC/ the Trustee Company/ their associates/ any person connected with it, do not warrant the completeness or accuracy of the information and disclaim all liabilities, losses and damages arising out of the use of this information. The recipients of this material should rely on their investigations and take their own professional advice.

Statutory Details: Constitution: Union Mutual Fund has been set up as a Trust under the Indian Trusts Act, 1882; **Sponsors:** Union Bank of India and Dai-ichi Life Holdings, Inc.; **Trustee:** Union Trustee Company Private Limited, [Corporate Identity Number (CIN): U65923MH2009PTC198198], a company incorporated under the Companies Act, 1956 with a limited liability; **Investment Manager:** Union Asset Management Company Private Limited, [Corporate Identity Number (CIN): U65923MH2009PTC198201], a company incorporated under the Companies Act, 1956 with a limited liability • **Registered Office:** Unit 503, 5th Floor, Leela Business Park , Andheri Kurla Road, Andheri (East), Mumbai – 400059 • **Toll Free No.** 18002002268/18005722268 • **Non Toll Free.** 022-67483333 • **Fax No:** 022-67483402 • **Website:** www.unionmf.com • **Email:** investorcare@unionmf.com.

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

THANK YOU

