



Estee Advisors Private Limited is a quant-based investment management and execution and advisory services firm that was started in 2008 when SEBI permitted algorithmic trading in India. Estee has been building algorithmic investment products for 17+ years and has a strong track record as an asset manager and execution and advisory services provider in Indian capital markets. The firm is a SEBI-registered Portfolio Manager Service (PMS) provider and a registered broker-dealer with all the major Indian exchanges including NSE, BSE,

I-ALPHA

Estee's market neutral arbitrage product that aims to deliver consistent returns while maintaining nearly zero market exposure. The algorithm identifies mispricing between various market instruments at any given point of time and takes hedged positions to capture the pricing differences. Our positions are hedged using equivalent risks (e.g. index futures vs its components). In most cases, we can create a perfect hedge but, in certain cases we are unable to create a perfect hedge as the equivalent instruments may not have the liquidity or listed products to take the required positions. In such cases, we construct the hedge as close as possible with equivalent securities. The product does not take any directional bets. All the trades captured are balanced at the time of execution locking in a pricing gap opportunity. Price movement typically has minimal impact on our portfolio and underlying risk is typically expected to be the same, but there may be marginal price / venue risk as different sides of the arbitrage trade could be taken in different exchanges / markets. The product has a 15 year track record of consistently generating average net return of 0.93% per month at low volatility. It has not had a single month of negative return since inception.

Product Characteristics

Product Structure	Discretionary PMS
Nature of Product	Market-neutral, pure arbitrage
Instruments	Equity F&O
Liquidity	Notice by 20th of month for end of month exit
Fee Structure	Option 1 - Fixed Fee: 1.00%; Variable fee: 35% above hurdle Hurdle = RBI Repo Rate (This is subject to a cap of 6.5% p.a.). Option 2 - Fixed fee: 2.50%; No performance fee

Risk/Returns Parameters

Expected Return	Deposit Rate+ 2.5% post all fees pre-tax basis
Expected Sharpe	2.5
Expected Max Drawdown	0%
Key Risks	Major risk is that of system/algorithm failure. Impact of systematic/market risk is low
Leverage	No external leverage
Investment Amount	INR 50 Lakhs , subject to a maximum of INR 20 Cr

Gross Return Series

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	CY Returns
2009										4.13%	0.65%	1.58%	6.46%
2010	1.40%	1.28%	0.16%	0.47%	1.02%	0.61%	1.34%	0.57%	0.37%	1.13%	1.52%	0.91%	11.32%
2011	1.07%	1.88%	1.83%	2.23%	2.15%	1.02%	1.25%	1.97%	1.39%	1.49%	1.03%	1.25%	20.21%
2012	1.23%	1.11%	1.34%	0.61%	0.90%	0.90%	1.48%	0.85%	1.27%	1.55%	1.00%	1.07%	14.15%
2013	0.96%	1.26%	1.13%	1.50%	1.35%	1.00%	1.21%	1.13%	1.39%	1.18%	1.16%	1.13%	15.39%
2014	1.11%	1.01%	1.48%	1.09%	1.63%	1.57%	1.20%	1.05%	1.12%	0.94%	0.85%	1.19%	15.20%
2015	1.09%	1.06%	1.76%	1.13%	0.94%	1.55%	1.15%	1.36%	1.24%	1.06%	0.69%	0.85%	14.79%
2016	0.92%	1.26%	0.93%	1.19%	0.81%	0.85%	0.88%	0.13%	2.16%	0.42%	0.84%	0.89%	11.88%
2017	1.00%	1.13%	1.31%	1.18%	0.92%	1.63%	1.14%	0.71%	0.81%	1.34%	1.04%	0.76%	13.77%
2018	1.48%	1.03%	0.85%	1.04%	0.03%	1.54%	0.87%	0.93%	0.75%	1.06%	0.67%	0.57%	11.36%
2019	0.81%	0.68%	1.00%	1.29%	0.81%	0.71%	2.05%	0.97%	1.56%	0.79%	0.83%	1.13%	13.38%
2020	1.31%	1.12%	1.64%	1.22%	1.12%	0.93%	1.03%	0.82%	0.82%	0.71%	0.61%	0.79%	12.82%
2021	0.89%	0.83%	0.93%	0.68%	0.46%	0.70%	0.57%	0.53%	0.86%	1.16%	0.68%	0.70%	9.35%
2022	0.62%	0.59%	0.89%	0.86%	0.93%	0.81%	0.83%	0.70%	0.41%	1.08%	1.05%	0.78%	9.98%
2023	0.68%	0.78%	0.70%	0.73%	0.79%	0.61%	1.24%	0.70%	1.82%	1.59%	1.49%	1.72%	13.62%
2024	1.69%	1.22%	1.37%	1.21%	0.71%	1.97%	0.43%	2.27%	1.14%	0.98%	1.35%	0.83%	16.26%
2025	1.04%	0.94%	1.15%	1.39%	0.99%	0.91%							6.59%

Fund Performance Metrics (Annualized)

Measure	Since Inception (24 Sep '09)	12 Months	6 months	3 months	June 2025
Annualized Net Return	11.74%	11.20%	10.78%	11.24%	3.72%
Excess Return over Risk Free	4.71%	4.35%	4.21%	5.07%	-1.86%
Excess Return Over CRISIL Composite Bond Fund Index	3.63%	1.87%	0.99%	2.09%	-5.61%
Standard Deviation	1.68%	2.06%	1.34%	1.90%	2.06%
Sharpe Ratio (Based on Crisil composite Bond Fund Index)	2.16	0.91	0.74	1.10	-2.72

Fund Performance vs. Competitors (Absolute Returns, Net of Fees)

Funds	Since Inception (24 Sep '09)	12 Months	6 Months	3 Months	June 2025
Aditya Birla Arbitrage Fund	163.88%	7.02%	3.48%	1.66%	0.56%
Axis Enhanced Arbitrage Fund - Reg. Plan	-	6.92%	3.40%	1.61%	0.54%
Edelweiss Arbitrage Fund - Regular Plan	-	7.01%	3.42%	1.58%	0.58%
ICICI Prudential Equity Arbitrage Fund	175.15%	7.12%	3.49%	1.64%	0.55%
JM Arbitrage Advantage Growth	156.28%	6.40%	3.05%	1.41%	0.50%
L&T Arbitrage Opportunities Fund - Reg. Plan	-	6.73%	3.29%	1.53%	0.54%
Sundaram Arbitrage Fund - Regular Plan	-	6.73%	3.33%	1.58%	0.51%
Nippon India Arbitrage Advantage	-	6.78%	3.29%	1.53%	0.55%
Religare Arbitrage Fund Growth	168.29%	6.99%	3.39%	1.55%	0.52%
SBI Arbitrage Opportunities Fund Growth	172.37%	7.08%	3.52%	1.68%	0.59%
UTI Arbitrage Fund - Regular Plan	165.52%	7.17%	3.50%	1.65%	0.57%
Estee I-Alpha Net Return*	474.87%	11.20%	5.25%	2.70%	0.30%

Disclaimer- Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

*The performance numbers up till March 2025 have been reviewed & certified by Grant Thornton. Grant Thornton has performed certain agreed-upon procedures on the returns and the volatility percentages in accordance with the International Standards on Related Services 4400 'Engagements to Perform Agreed-upon procedures regarding Financial Information'. The report issued by Grant Thornton is intended solely for the information of the management of Estee Advisors Private Limited and it is not intended to be and should not be used by those who have not agreed to the procedures performed and have taken the responsibility.

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