

Corporate Presentation

Aug 2023

**Asset
Management**

**Capital
Markets**

**Institutional
Equities**

**Insurance
Broking**

**Mergers &
Acquisitions**

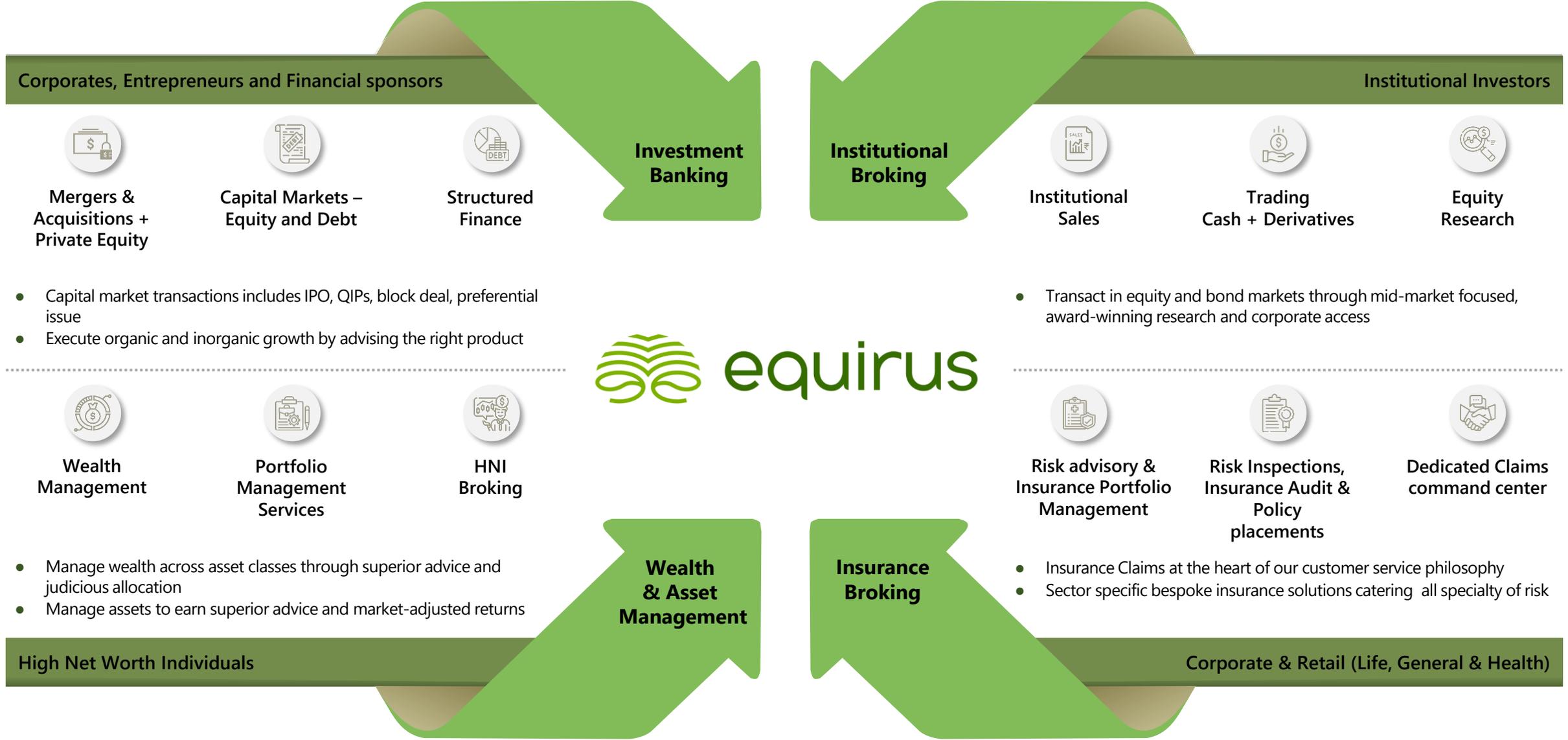
**Private
Equity**

**Structured
Finance**

**Wealth
Products**

Equirus

What we do



The Equirus Value System



Our Partners



Late Shri. Rakesh Jhunjunwala
Shareholder Since 2007 (13% Equity)



- Shareholder Since 2018 (20% Equity)
- 6th Largest Private Sector Bank with 1,355 branches
- Balance Sheet Size of > INR 2,603 bn

80+

Employee Shareholder

Equirus Group in Numbers



245+
Professionals across
divisions



26
Offices across 23 Cities



242
Stocks under research coverage



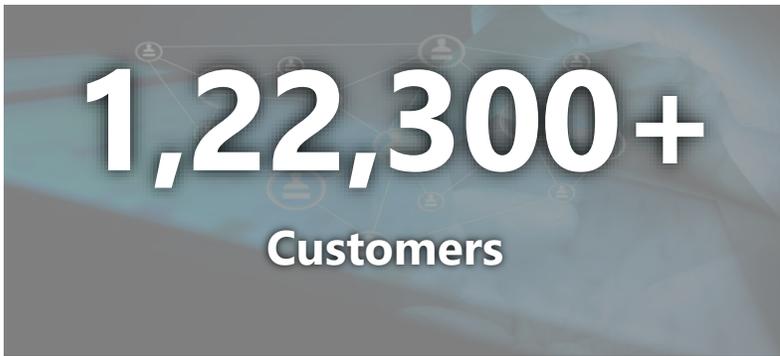
\$10.0 BN
Deal value across 239+
Transactions



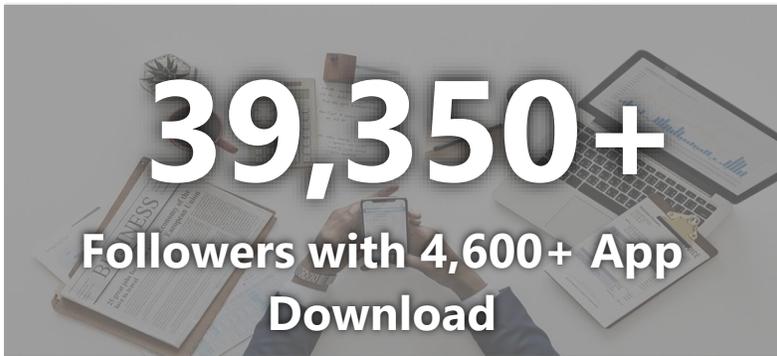
\$3.2+ BN
Average Monthly Turnover



\$805+ MN
Wealth AUM



1,22,300+
Customers



39,350+
Followers with 4,600+ App
Download



16+
Years of existence

Equirus Board



Ajay Garg
Managing Director



Ajit Deshmukh
Managing Director



Deepak Singhal
*Former Executive Director –
Reserve Bank of India*



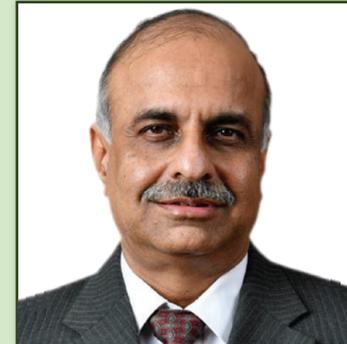
Harsh Dugar
*Head, Wholesale Banking –
Federal Bank*



Rajiv Agarwal
*Managing Director –
Rare Enterprises*



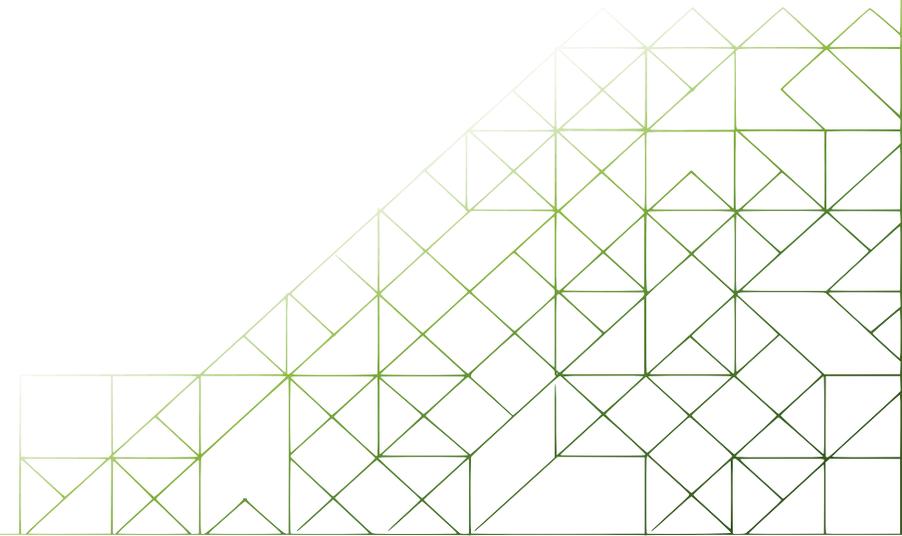
Shankar Vailaya
*Founding Member and Former Director -
Sharekhan*



Sivaraman Narayanaswami
*Former President & Whole-time Director -
L&T Finance Holdings*

Team arranged in alphabetical order

About Equirus Long Horizon Fund



Team with solid background and pedigree

Equirus boasts of a strong PMS team with wide and varied experience

Viraj Mehta

Fund Manager, Equirus Long Horizon Fund

- 13 years of investing experience; selected by WSJ as part of "Asia's Master Stock Picker" series for India
- Previously with Franklin Templeton as lead analyst for managing the small companies fund; Fund awarded the best small cap MF scheme by CRISIL & Business Standard. Also worked with ValueQuest Capital LLP
- MBA from MDI Gurgaon and Chemical Engineering from Nirma Institute of Technology, Ahmedabad

Gaurav Arora

Fund Manager, Equirus Core Equity

- 10 years of experience in the equity markets with excellent track record in investing
- Previously with Avendus wealth Products managing client portfolios; beat benchmarks by a wide margin. Worked with Kotak Institutional Equities prior to that
- MBA from IIM Calcutta and Mechanical Engineering from BITS-Pilani

Gaurav Sharma

Head of Sales & Product Development

- Over a decade of experience in finance across Broking, Asset Management, Banking
- Previously he was working with Tata Asset Management as a Senior Manager handling Banking, PCG & ND channel. He has also worked with Kotak AMC, IIFL, Angel Broking & ING Vysya Bank (Now Kotak Bank)
- PGDFM from Welingkar Institute & BE Electronics from Mumbai University. He has also written articles in 2010 for Business Review India (Digital Magazine)

Siddhartha Grover

AVP - Research

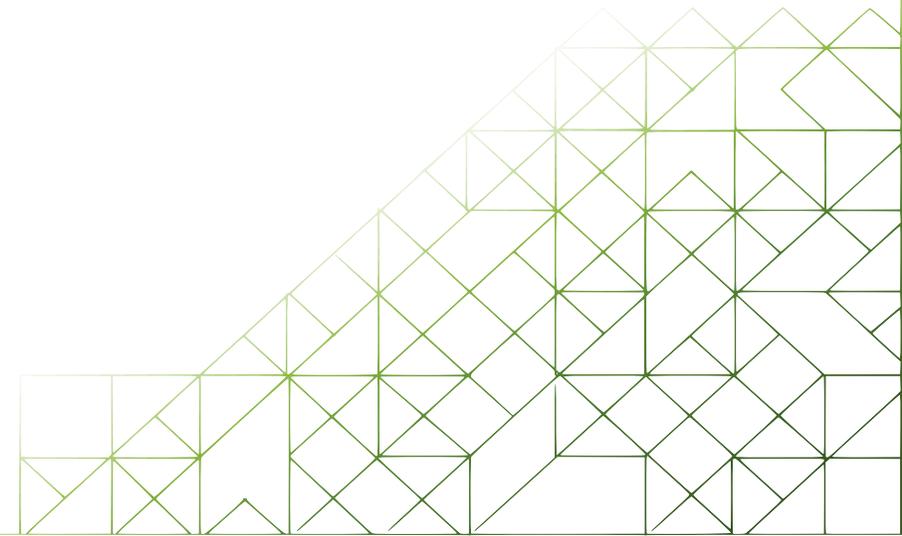
- 9 years of experience in equity research across sectors
- Working with Equirus PMS since inception
- Previously with Banyan Capital Advisors
- BBE from University of Delhi; Cleared CFA Level II

Rushabh Sharedalal

Analyst - Research

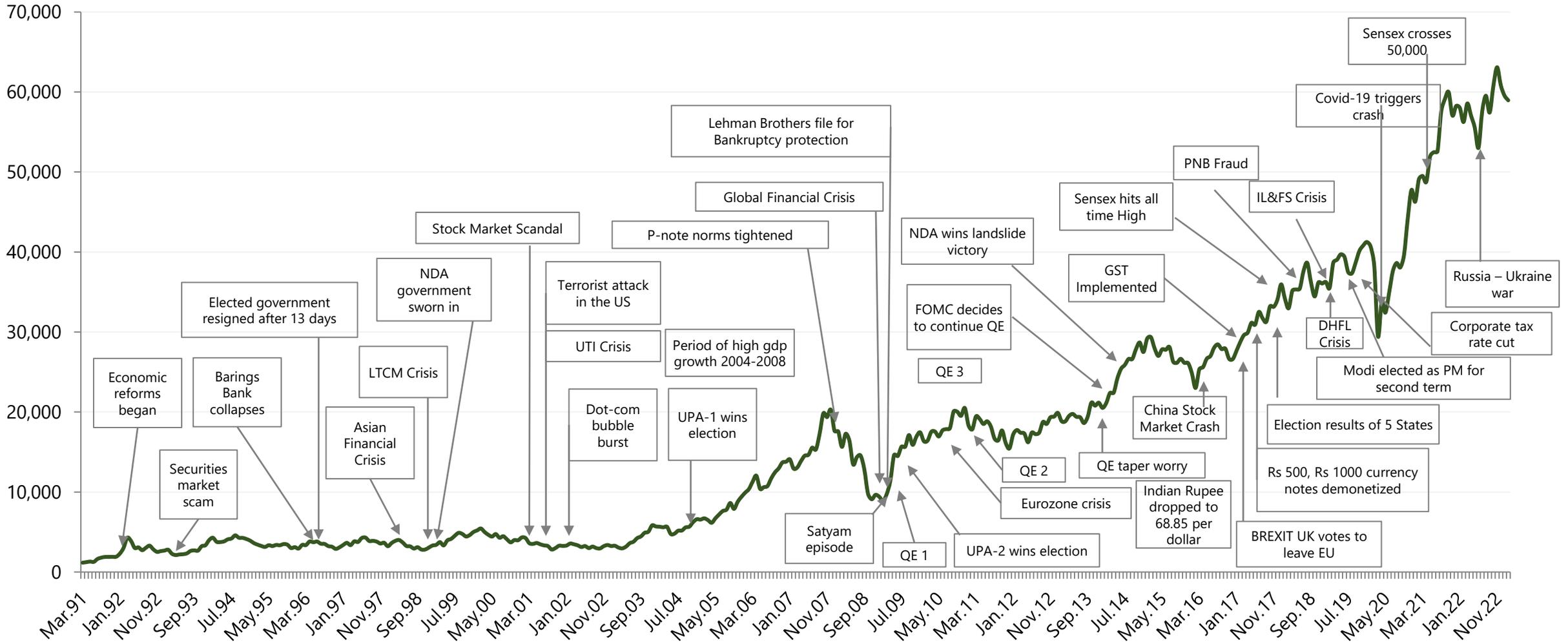
- 4+ years of experience in equity research across sectors
- Previously with a reputed stock broking firm in Ahmedabad
- Chartered Accountant (CA) and M.Com. Currently pursuing CFA

Why India



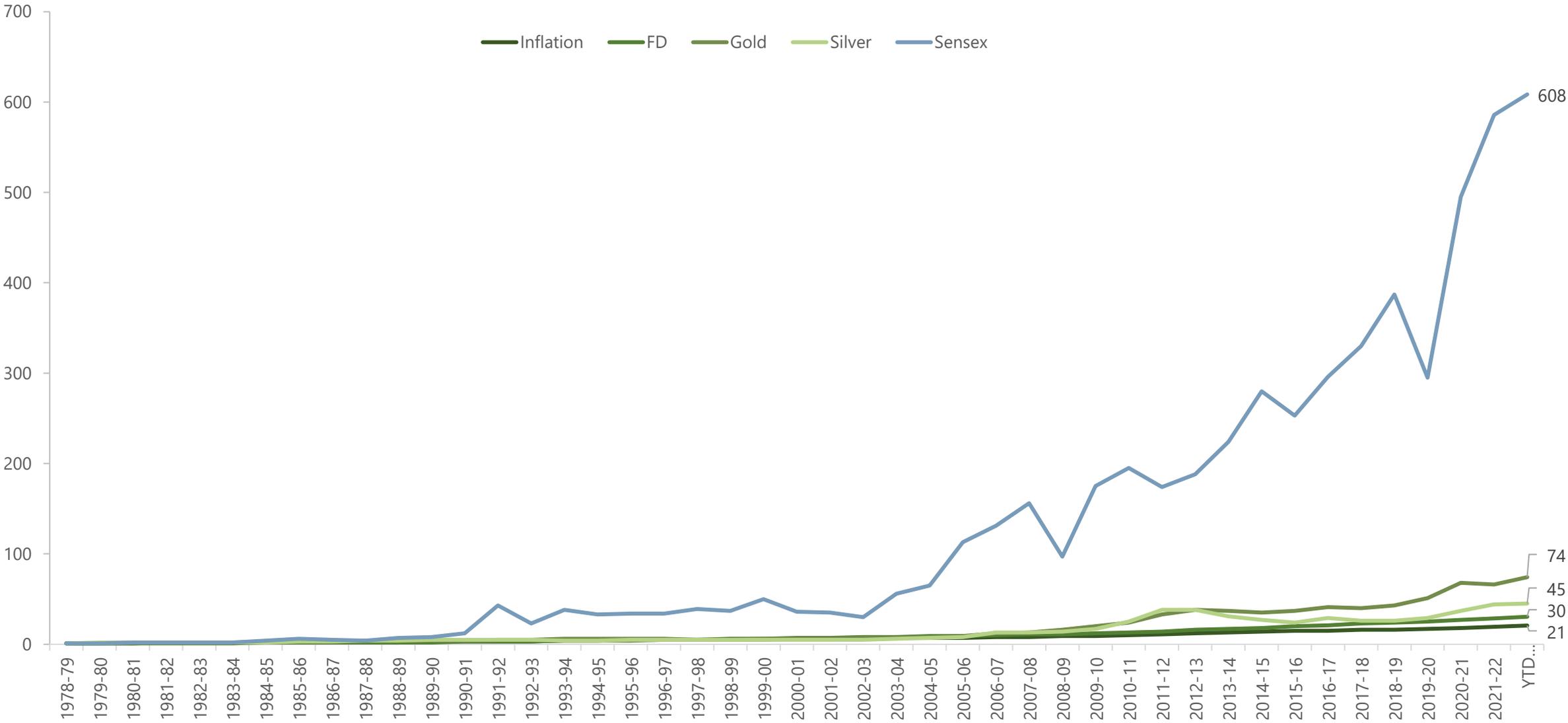
Upward journey of Sensex continues irrespective of macro and micro shocks

Sensex over last 3 decades



Source: BSE, Data as of May 30, 2023

Returns across asset classes in India for last 4 decades



Note: Data as of Dec 31, 2022



Quantum jump in relative growth and equity price

Macro economic factors

Economy	India			United States			Germany			Japan			UK		
	2000	2021	Delta	2000	2021	Delta	2000	2021	Delta	2000	2021	Delta	2000	2021	Delta
Nominal GDP (\$bn)	801	2,726	3.4	13,738	20,529	1.5	2,834	3,555	1.3	3,987	4,435	1.1	2,310	3,037	1.3
GDP per capita (\$)	758	1,937	2.6	48,689	61,856	1.3	34,476	42,726	1.2	31,431	35,291	1.1	39,229	45,102	1.1
EPS	73	747	10.2	55	193	3.5	413	957	2.3	187	1,759	9.4	250	484	1.9
Equity Market Index	1,263	17,304	13.7	1,320	3,970	3.0	6,433	15,365	2.4	13,785	27,446	2.0	6,222	7,786	1.3
Market Cap. (\$bn)	71	1,850	26.1	11,645	42,072	3.6	807	1,938	2.4	2,095	4,086	2.0	2,175	2,876	1.3

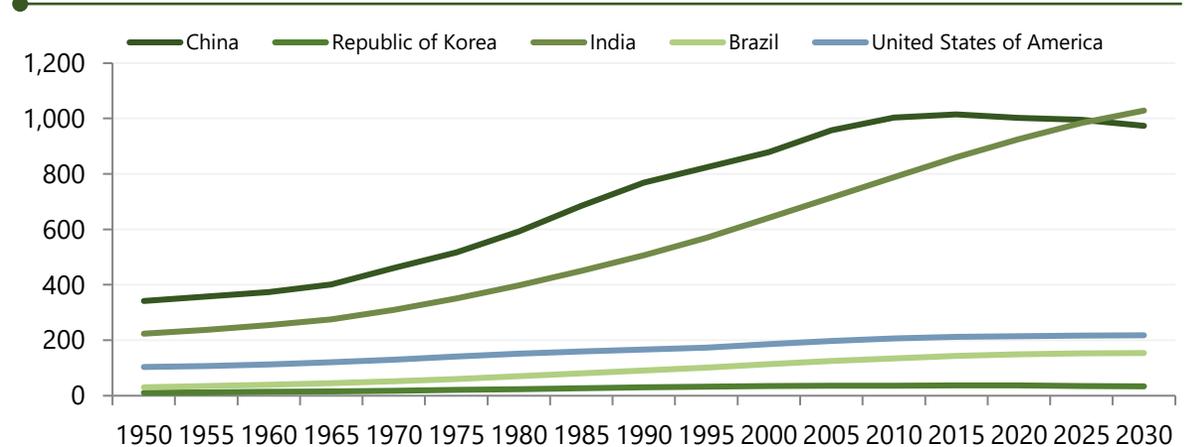
Equity Indices: Nifty, S&P500, DAX, Nikkei, FTSE100 for Mcap, EPS, Index value; Source: Bloomberg, Data as on Feb 28, 2023
Nominal GDP, GDP per capita - Source: World Bank

Demographic Advantage

The People	India	China	US
Population (bn)	1.3	1.4	0.3
Urban Population Proportion	33%	54%	83%
Household Number (mn)	269	453	124
Millennials (born in 80s and 90s, mn)	443	415	88
Millennials (% of population)	35%	30%	27%
Generation Z (born after 00s, mn)	393	257	65
Generation Z (born after 00s, % of population)	31%	18%	20%
Total Pool of college Graduates (mn)	96	79	211(2013)
Total Pool of college Graduates (% of work Force)	11%	10%	38% (2013)
Number of People with Passports (mn)	63	65	126
Number of People Paying Income Tax (mn)	32	28	152

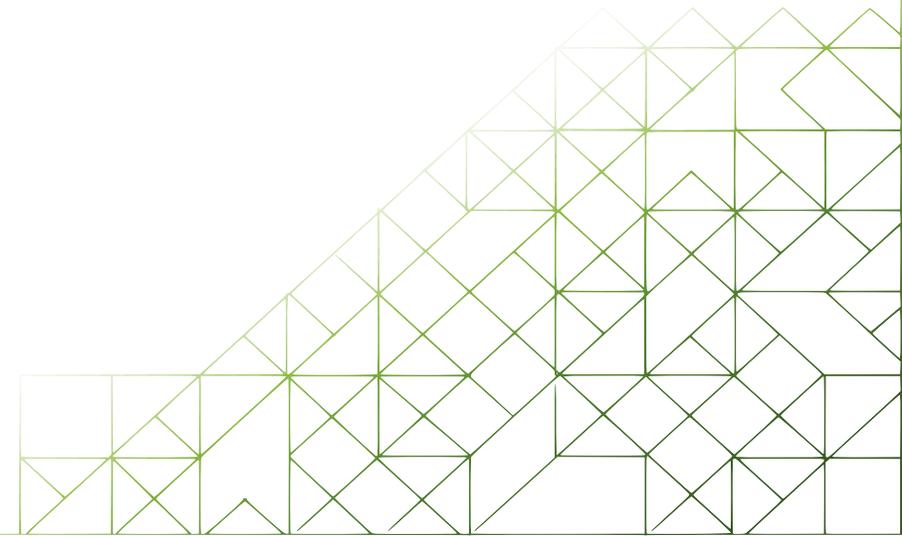
Source: GS Report

India's working-age population (15-64 years)



Source: United Nations Development Programme

Why Small Caps



Why we prefer small caps – breeding ground for multi baggers

Based on 10 years returns as on February 28, 2023

Returns	Large size companies		Mid size companies		Small size companies	
	Instances	%	Instances	%	Instances	%
>= 20x	0	0%	1	1%	42	6%
10x to 20x	1	1%	8	6%	70	10%
5x to 10x	17	15%	25	18%	129	18%
1x to 5x	39	35%	47	34%	208	29%
0% to 100%	28	25%	20	15%	89	12%
-25% to 0%	7	6%	2	1%	28	4%
-50% to -25%	6	5%	10	7%	22	3%
< -50%	12	11%	24	18%	129	18%
Total	110		137		717	

- Large size companies: M-Cap* >= Rs. 100,000 Mn
- Mid size companies: M-Cap* >= Rs. 25,000 Mn and < Rs. 100,000
- Small size companies: M-Cap* >= Rs. 1,000 Mn and < Rs. 25,000

*M-Cap as on May 28, 2013

All data in INR

Source: Ace Equity

Under owned and under researched

Institutional ownership goes down substantially for small caps

M Cap (in Rs. Mn)	Promoter	FII/FPI/FVCI/FB	Domestic Institutions	Institutions	Non-Institutions	No. of companies
More than 500,000	56.0	19.1	16.1	35.1	11.9	93
100,000 – 500,000	58.0	14.0	14.0	28.0	16.4	243
25,000 – 100,000	57.7	8.2	9.5	17.8	26.2	346
5,000 – 25,000	58.5	3.2	3.3	6.6	35.7	574
Upto 5,000	52.9	0.5	0.7	1.3	46.2	2,192
Top 100 companies	56.5	18.6	15.8	34.4	11.9	
101 st – 250 th company	58.1	15.0	14.8	29.8	14.5	
Below 250 th company	54.5	2.2	2.4	4.8	41.5	

Source: Ace Equity; M Cap data as of Feb 28, 2023; SHP data as of Dec 2022

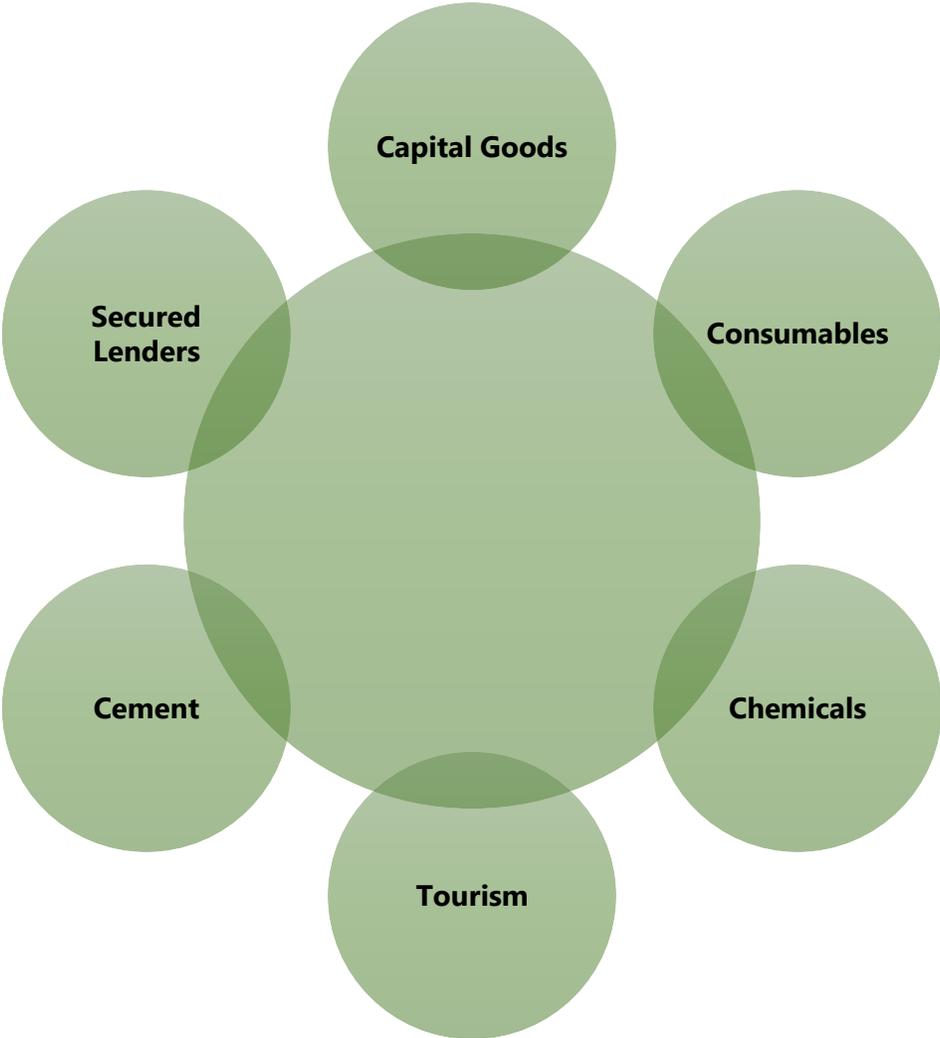
Analyst coverage negligible for small size companies

M Cap (in Rs. Mn)	More than 500,000	200,000 - 500,000	100,000 - 200,000	50,000 - 100,000	25,000 - 50,000	10,000 – 25,000	Upto 10,000
Companies	56	86	80	105	121	212	2288
Analysts	1986	1861	1373	925	917	863	517
Analyst/Company	35.5	21.6	17.2	8.8	7.6	4.1	0.2

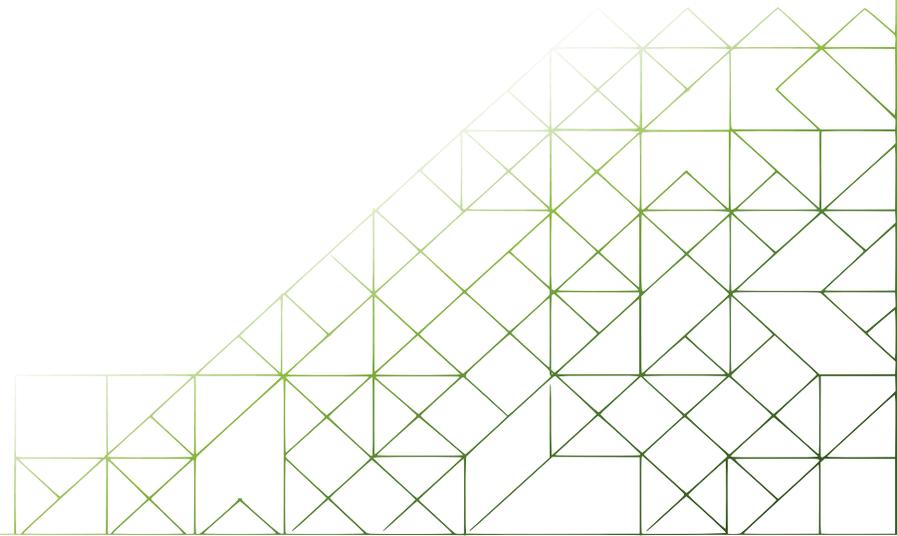
Source: Bloomberg; Dec 2019

Sectors to Benefit

Huge opportunities across many sectors



Investment Process



What we look for in companies

Growth

- Sales growth
- Improving margins

Balance sheet

- No or low debt
- Deleveraging situations with high interest coverage

Return metrics

- High returns on capital employed through increasing margins and/or asset turns

Management

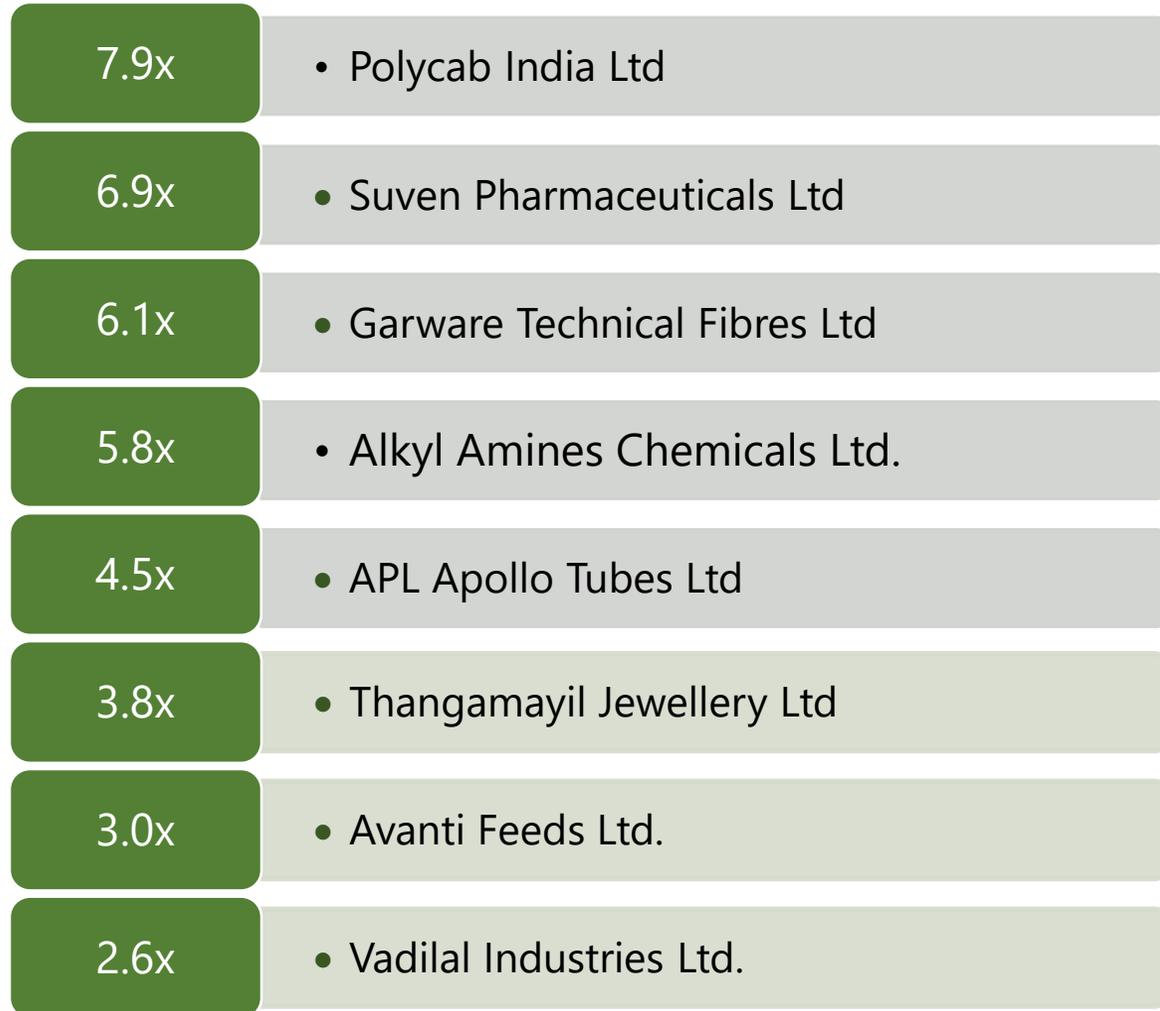
- High integrity with skin in the game
- Prudent capital allocation

Attractive Valuation

- Low analyst coverage/institutional holdings
- Market ignoring long term potential

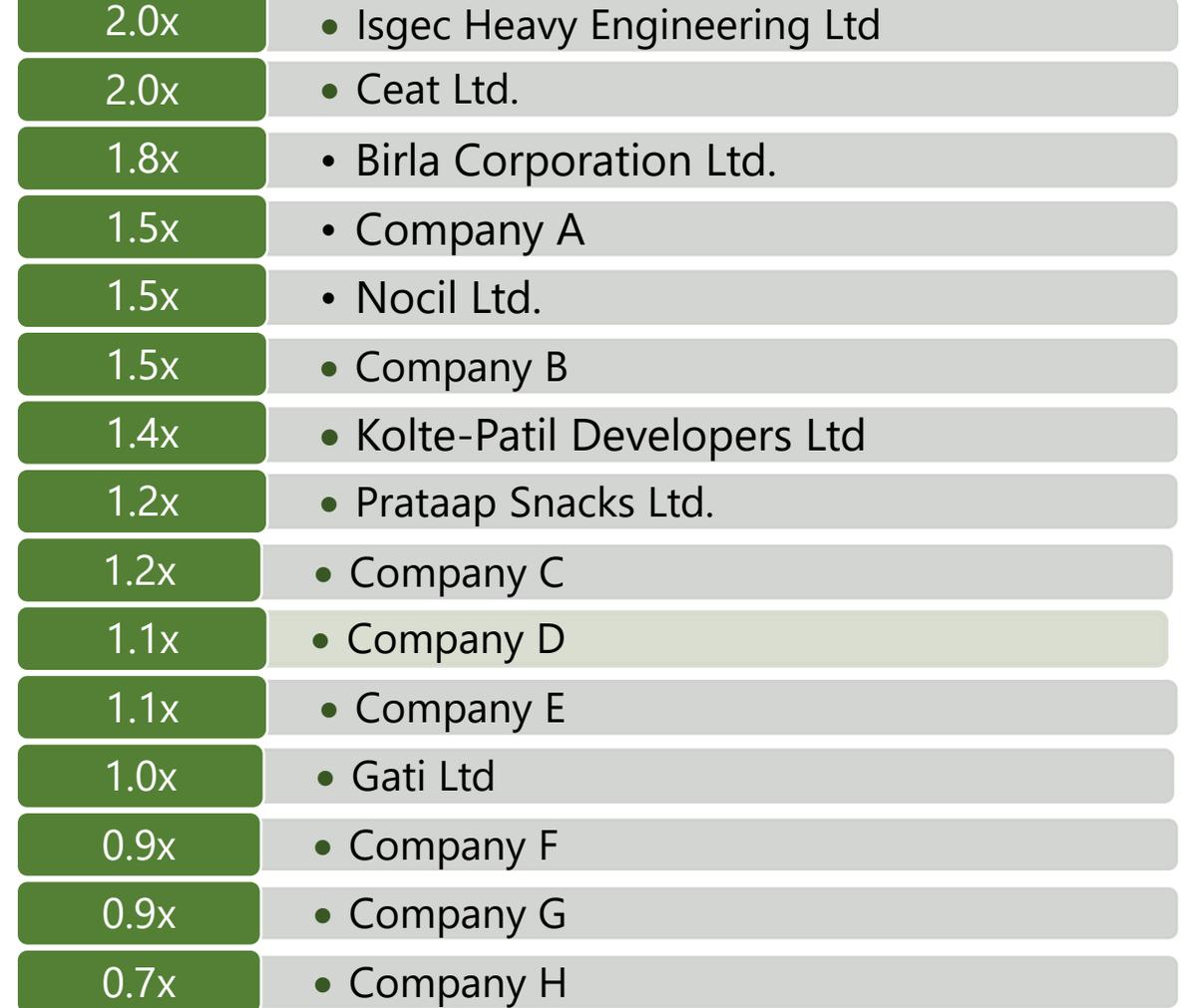
Our Track Record Of Finding Multi-baggers

Our track record of finding multi-baggers



Note: Data as of Aug 31st, 2023

Potential companies bought recently which can become multi-baggers



Case Study: Alkyl Amines Chemicals Ltd. (Five Pillars of Investing) - Exited

Industry Opportunity Size

- Industry opportunity size should be large enough so that the investee company has long run ahead of it
- Alkyl Amines: Operates in a duopoly market with industry growing at 10-15%. New capacity and introduction of derivative products will help the company grow at a brisk pace for foreseeable future.

Management

- We believe that Alkyl Amines Management has taken all the correct decisions to sustain long term competitive edge of the business even at the cost of short term pain
- The business earns high margins; With focused capital deployment including debt the business earns respectable RoE's

Regulation

- No major regulatory interference
- It is a tough for a new player to get environmental clearances

Valuation

- The shares of the company should be reasonably priced that offers us margin of safety
- We acquired the shares of Alkyl Amines at 15 times FY18E earnings. With new capacity coming online in FY19 we believe this acquisition offers enough room for earnings growth and PE multiple expansion

Competitive Advantage

- Business should have sources of competitive advantage
- Alkyl Amines
 - Long term client relationships in based on a track record of consistent product quality in a duopoly industry
 - Entry barriers: High capital requirement, environment clearances are difficult, Technical knowhow
 - Low cost producer due to scale economies and better proximity to suppliers, customers and ports

Financials

- Last 5 years Sales CAGR: 15.8%
- Last 5 years PAT CAGR: 34.9%
- Last 5 years RoCE Average: 29.9%
- Latest D:E : 0.16
- Last 5 years Share Price CAGR: 57.57%

Note: Financial data as of May 30, 2020, share price data is as of Oct 31, 2020

Case Study: Avanti Feeds Ltd (Five Pillars of Investing) - Exited

Industry Opportunity Size

- Industry opportunity size should be large enough so that the investee company has long run ahead of it
- Avanti Feeds: Market leader in an industry of US\$ 750mn growing at 12% CAGR. Current penetration is less than 12%. Industry offers atleast 15–20 years of growth

Management

- We believe that Avanti Feeds Management has taken all the correct decisions to sustain long term competitive edge of the business even at the cost of short term pain
- The business has the margin in the industry at the highest assets turns leading to very high ROE's

Regulation

- Shrimp feed business is regulated by Marine Products Export Development Authority (MPEDA) under the authority of defense ministry
- It is a tough for a new player to get approvals

Valuation

- The shares of the company should be reasonably priced that offers us margin of safety
- We acquired the shares of Avanti Feeds Ltd at 14 times FY17E earnings. We believe this acquisition offers enough room for earnings growth and PE multiple expansion

Competitive Advantage

- Business should have sources of competitive advantage
- Avanti Feeds
 - Largest distribution network in the industry
 - Best feed conversion ratio
 - Strong brand recognition with the farmer
 - Technical support from worlds largest company Thai Union Foods

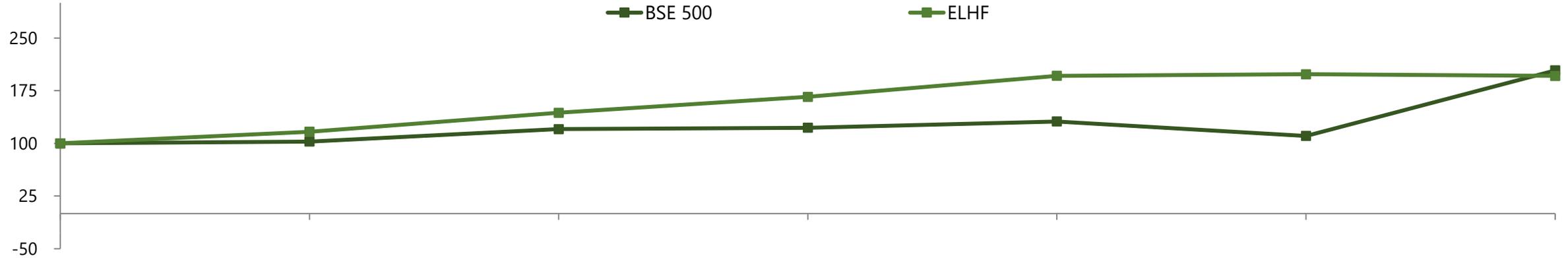
Financials

- Last 5 years Sales CAGR: 39%
- Last 5 years PAT CAGR: 71%
- Last 5 years RoCE Average: 62.08%
- Latest D:E : 0.01
- Last 5 years Share Price CAGR: 108.2%

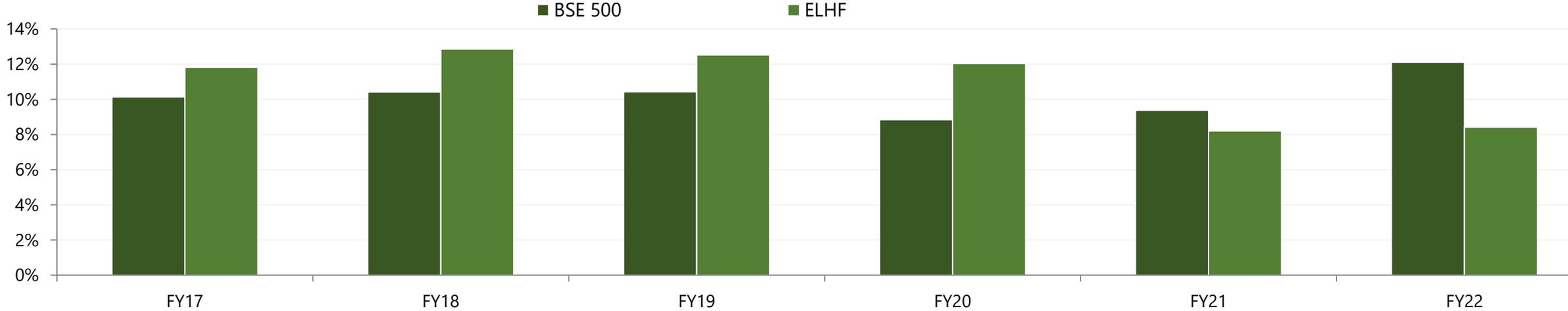
Note: Financial data as per May 30, 2017 filings except share price data which is as of Aug 31, 2018

Portfolio's Financial Metrics

Cumulative Portfolio Earnings



Portfolio RoE



Does not include a special situation investment
 Source: : Bloomberg, BSE, NSE

Current Portfolio Characteristics

Number of businesses: 20 companies

Current cash position: 9.65%

Last 3 years average earnings growth: 12.6%

Latest portfolio ROE: 11.4%

Current Portfolio PE (TTM): 22.2x

Acquisition Portfolio PE (TTM): 13.8x

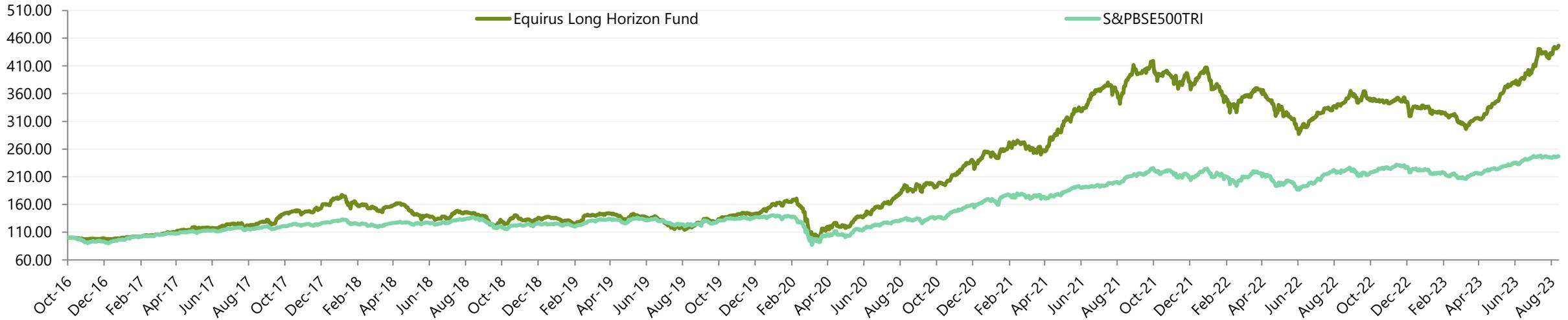
Churn: 17% per annum (Excluding the buying/selling of Liquid Mutual Funds, stocks given to us by our investors and capital redemption by the investors)

Note: Portfolio characteristics are as of Aug 31, 2023

PAST PERFORMANCE

Comparative performance of Equirus Long Horizon Fund vs. benchmark

	FY 16-17								
	(From oct'20, 2016	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	YTD	Since Inception
Equirus Long Horizon Fund	6.9%	36.8%	-3.2%	-26.8%	144.2%	39.9%	-14.4%	47.47%	346.73%
S&P BSE 500 (TR)	6.8%	13.2%	9.7%	-26.5%	78.6%	22.3%	-0.9%	16.93%	146.72%



<https://www.apmiindia.org/apmi/welcomeiaperformance.htm?action=PMSmenu>

Note: Return figures are post fees and as of Aug 31st, 2023. Return data disclosed above in the table is TWRR.

Disclaimer: Return data is net of fees and is calculated as per TWRR method as specified in the SEBI regulations. TWRR is calculated based on daily valuation of all the clients. This may differ from individual client return as return of Investment Approach is combined for all the clients. Performance related information provided herein is not verified by SEBI. Trading and investments in equities are subject to market risk, there is no assurance or guarantee of the returns, it will be purely a target return rather than guaranteed return. Please read the Disclosure Document carefully before investing.

AWARDS AND RECOGNITION

Best Performing PMS

Our PMS is India's one of the best performing PMS out of 35 PMS providers operating for more than 3 years across the whole country and who have an AUM greater than 300 Cr.



3 Year Rolling Return Analysis

ELHF has outperformed index 98% of the times.

Performance	Count	% of total
Outperformance	944	98.1%
Underperformance	18	1.9%
Total	962	

~67% of times the outperformance is greater than 30%.

Outperformance Range	Count	% of total
Upto 30%	317	33%
30% to 50%	114	12%
50% to 75%	160	17%
Above 75%	371	39%
Total	962	

Comparison of actual returns of ELHF and benchmark

- a. Out of 962 observations, ELHF has given negative returns only on 13 observations (1.4% of total) as compared to 48 by the benchmark (5.0%).
- b. ELHF has returned above 10% CAGR returns for 857 observations (89% of total) whereas the benchmark has just done it for 720 observations (75%).

Performance Range	ELHF	% of total	Benchmark	% of total
Less than 0%	13	1.4%	48	5.0%
0% to 10%	92	10%	194	20%
10% to 20%	258	27%	494	51%
20% to 30%	86	9%	216	22%
Above 30%	513	53%	10	1%
Total	962		962	

<https://www.apmiindia.org/apmi/welcomeiaperformance.htm?action=PMSmenu>

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PMS Terms

Key Terms	Particulars
Scheme	Equirus Long Horizon Fund
Subscription	On Monthly Basis
Management Fee	2.5% per annum charged on monthly basis based on average AUM of the month (i.e. Average of starting and ending AUM of the month)
Exit Load	2% in Year 1, 1% in Year 2
Redemption Notice	At least 30 days
NAV Calculation	Monthly, on the Valuation Day (last Business Day of each month)
Reporting	Monthly account statement, monthly fact sheet, quarterly letter, Semi annual audit
PMS Administrator	Orbis Financial Corporation Ltd.
PMS Auditor	M/s Aneel Lasod and Associated - Chartered Accountants



For any other queries write to us at pmsops@equirus.com

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Equirus Securities Pvt. Ltd.

21st Floor, A Wing, A-2102, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai - 400013

3rd floor, House No. 9, Magnet Corporate Park, Near Zydus Hospital, B/H Intas, Sola Bridge, S.G. Highway, Ahmedabad - 380 054

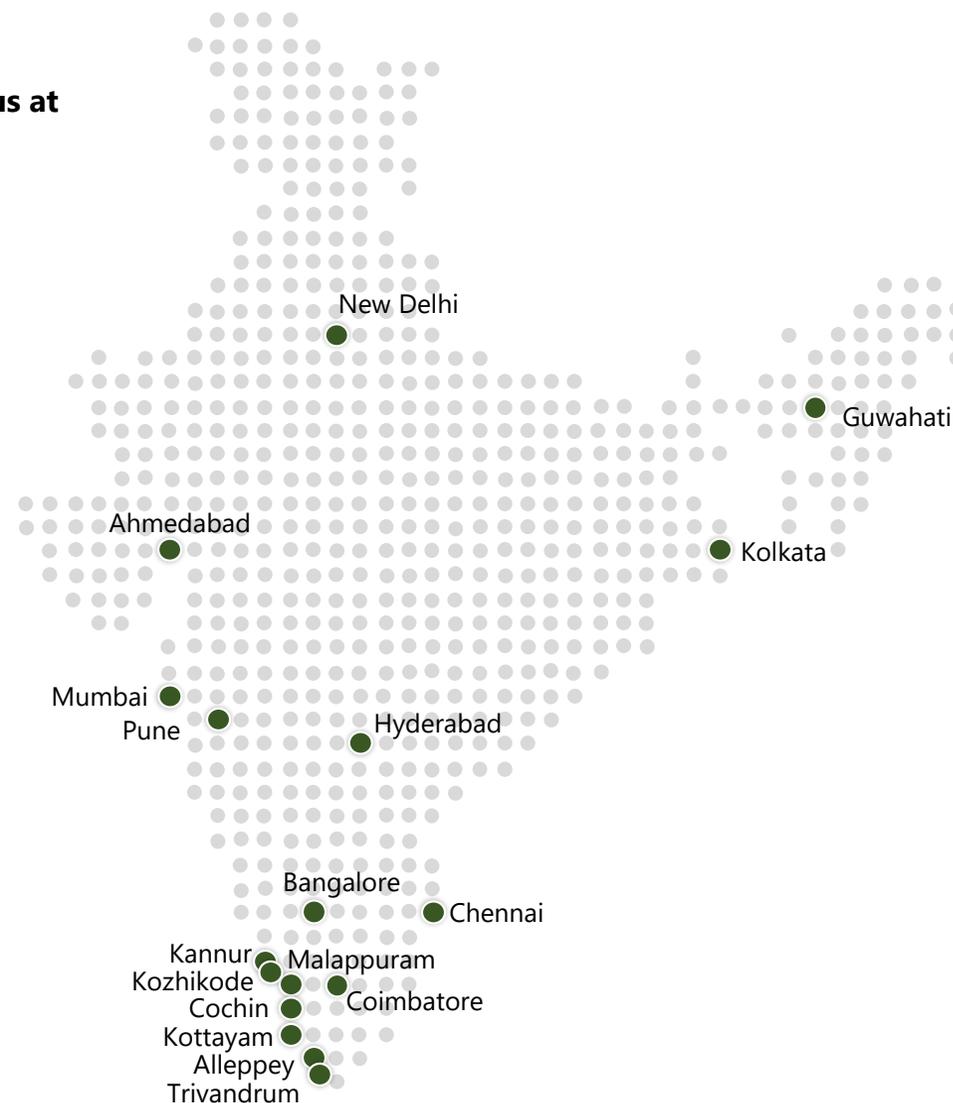
Equirus Wealth Pvt. Ltd.

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3/F, House 9, Magnet Corporate Park, Near Zydus Hospital, S.G. Highway, Ahmedabad - 380 054

Equirus Insurance Broking Pvt. Ltd.

21st Floor, A Wing, A-2102, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai - 400013



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