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THE WORD **EQUITY**”

ORIGINATES FROM THE
LATIN WORD AEQUITAS

A E Q U I T A S

Aequitas is the Roman goddess of equity and fairness, often depicted holding a pair of scales. At times, she is shown also holding a cornucopia, which symbolises abundance and wealth. At Aequitas, we strive to conduct ourselves in a fair and equitable manner.





WHO ARE WE ?



A boutique investment fund specializing in smallcap equities



Firm AUM of ~INR 5000 Crs; (significantly outperforming markets since inception)



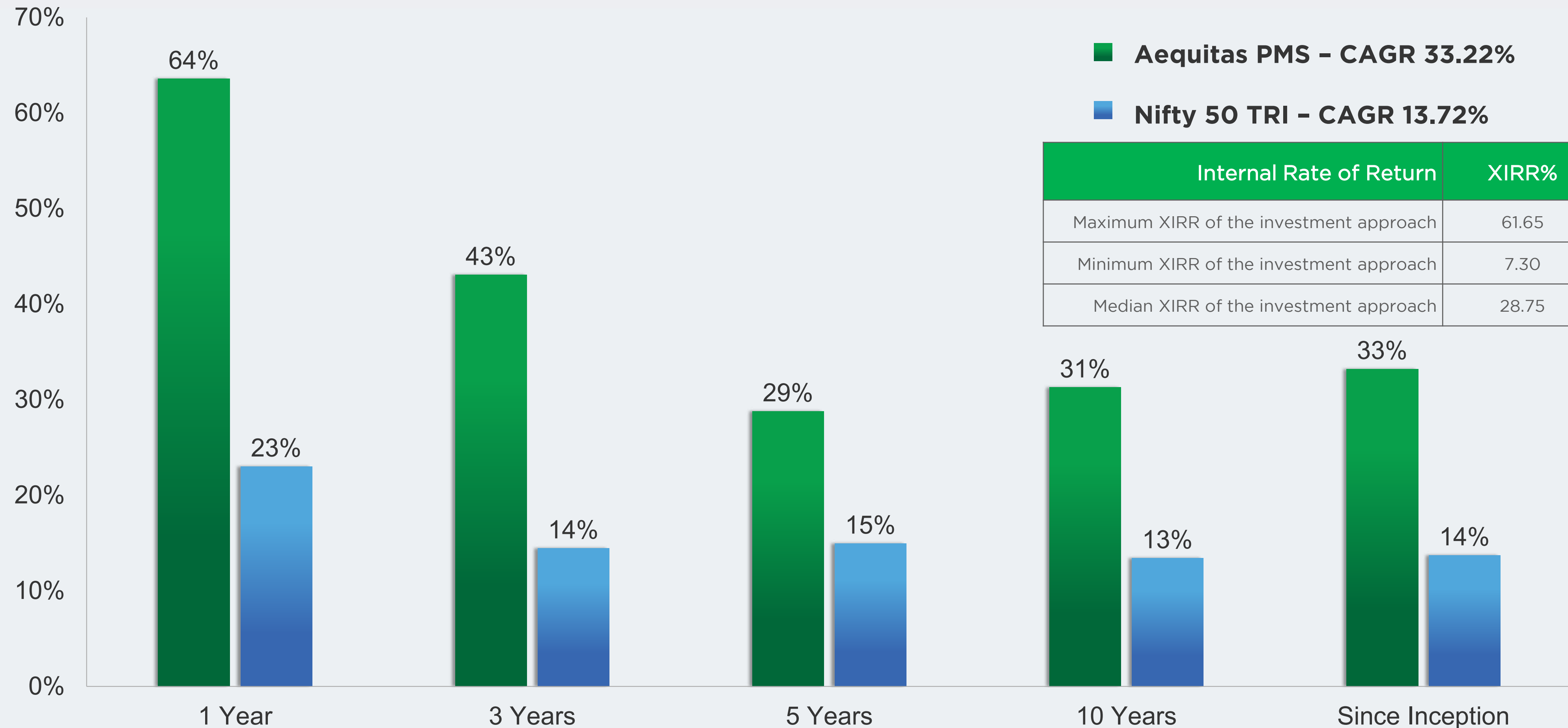
We work with UHNIs; select family offices and foreign institutions



Our Products:
Domestic - PMS, AIF and FPI Fund
International - Far East Fund



OUR PMS PERFORMANCE



Internal Rate of Return		XIRR%
Maximum XIRR of the investment approach		61.65
Minimum XIRR of the investment approach		7.30
Median XIRR of the investment approach		28.75

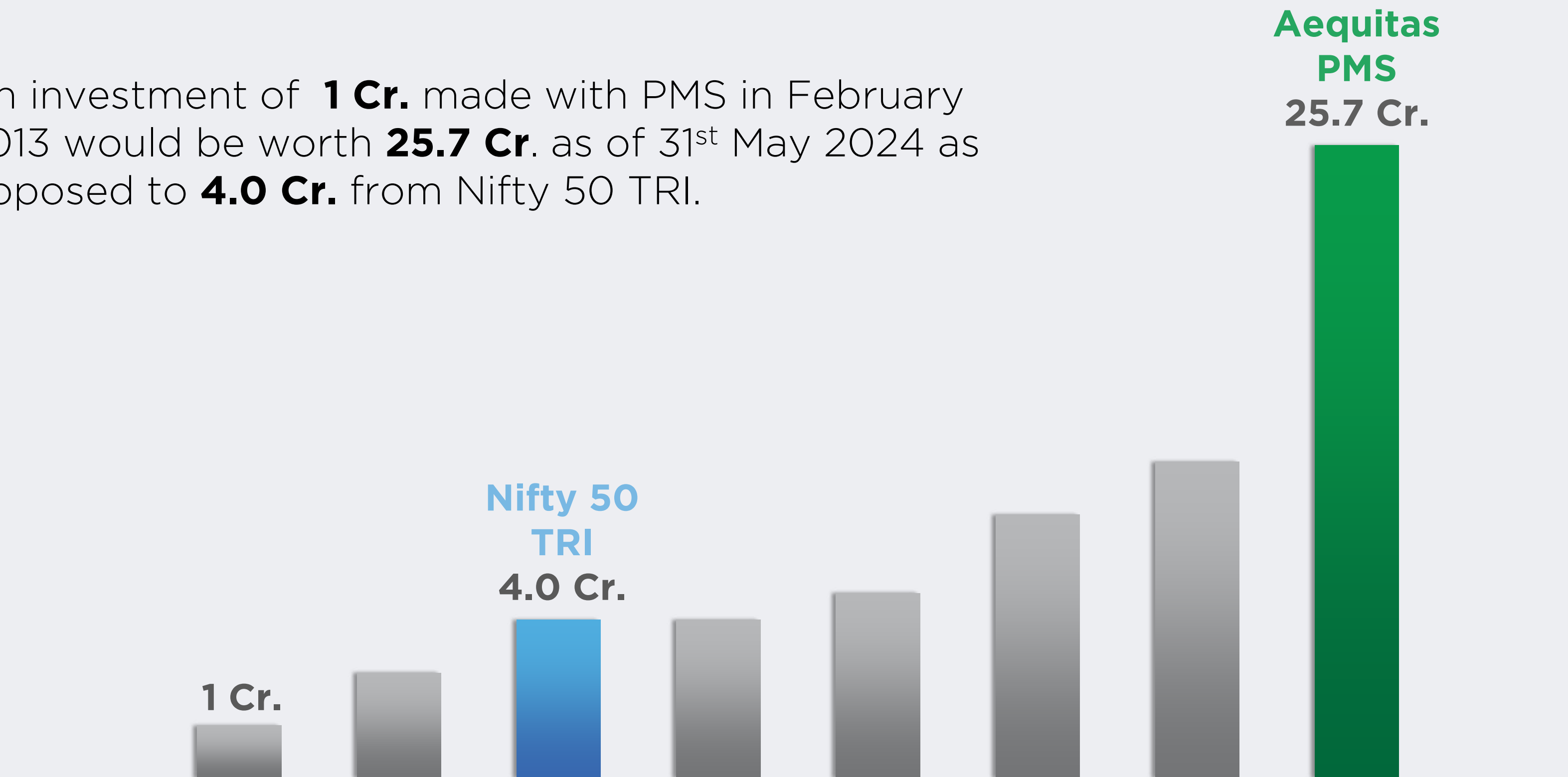
- Returns over 1 year period are on a compounded annual basis; returns are adjusted for inflows/outflows and are after expenses as of 31st May 2024
- Please note that the performance of an individual portfolio may vary from that of other investors and that generated by the Investment Approach across all investors because of
 - The timing of inflows and outflows of funds
 - Differences in the portfolio composition because of restrictions and other constraints. Absolute XIRR return is computed for clients completing less than 1 year from the reporting date.
- Performance-related information provided herein is not verified by the regulator

Peer comparison link: <https://www.apmiindia.org/apmi/IACompare.htm?action=iacomaprepage>



OUR PMS PERFORMANCE

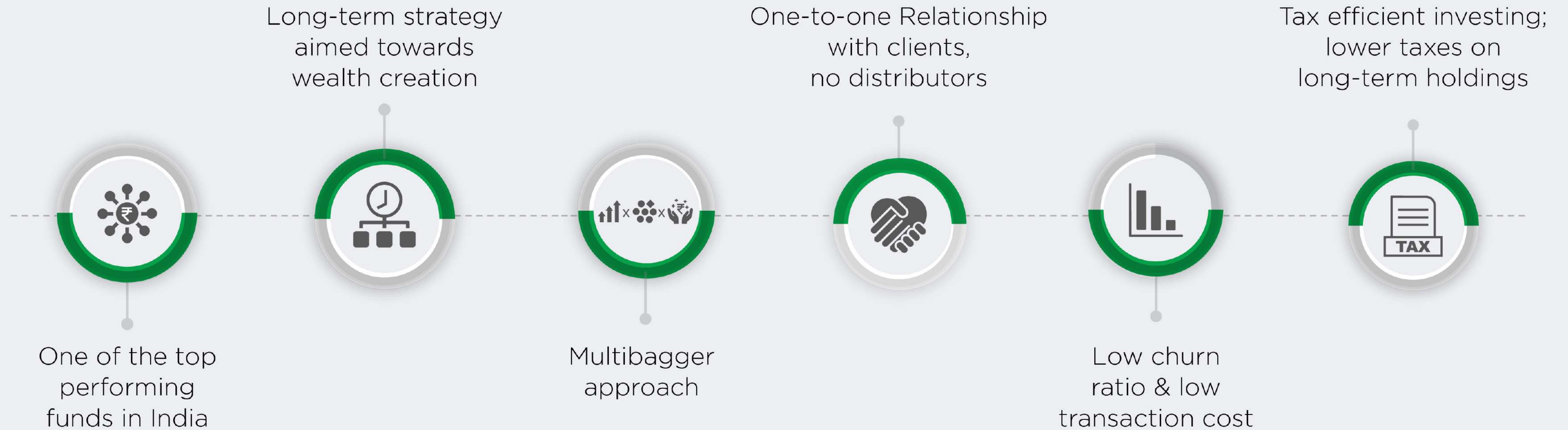
An investment of **1 Cr.** made with PMS in February 2013 would be worth **25.7 Cr.** as of 31st May 2024 as opposed to **4.0 Cr.** from Nifty 50 TRI.



The chart depicts Absolute Values over time since inception; returns are adjusted for inflows/outflows and are after expenses; 31st May 2024



WHY CHOOSE AEQUITAS ?





WHAT SETS US APART?



- Direct relationships with clients
- Bespoke portfolios, not off-the-rack model portfolios
- Based on a multibagger approach, we pursue a single investment strategy, which has consistently outperformed the markets



OUR FORTE





INVESTMENT PHILOSOPHY



FOCUS AND PROFESSIONAL DISCIPLINE

MULTIBAGGER APPROACH

PROCESS FLOW

PORTFOLIO CONSTRUCTION

WHY SMALL CAPS

SELECTION CRITERION

RISKS



FOCUS AND PROFESSIONAL DISCIPLINE

WE AVOID

- Impulsive decisions
- Being influenced by financial news channels and platforms
- Acting on market movements
- Chasing winners or hot stocks
- Trading and short-term investments
- Derivatives

RED FLAGS

- Low promoter holdings
- Poor corporate governance
- High institutional ownership
- Leverage
- Fad / hot sectors
- Expensive valuations
- IPOs
- QIPs / Secondary equity sales

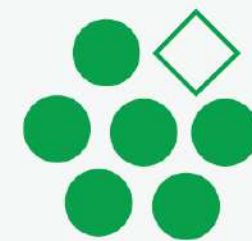


MULTIBAGGER APPROACH



GROWTH

The company has to be a growth company with above-average growth potential for the next 3-5 years. Markets reward a higher PE multiple for growth companies.



CONTRARIAN

Contrarian approach does not mean doing the opposite of others, rather, it means doing things differently. Buying in popular names will not provide multibagger returns.



VALUE

The valuation has to be reasonable. This is important because there has to be potential for re-rating. A combination of EPS growth and PE re-rating leads to multibagger returns.



PROCESS FLOW



SCREENERS

- Sales growth, PAT growth, capacity utilisation
- Valuation dislocation
EV/Sales, PE ratio,
EV/EBITDA
- Debt
- Dividend track record
- Promoter ownership
- Insider Buying
- Industry Leadership
- Credit rating
- Long term track record



RESEARCH

- Annual report
- Quarterly results
- Industry & company news
- Management interviews
- Third party research
- Management meetings
- Press releases
- Conference calls /
Analyst meets



PORTFOLIO CONSTRUCTION

- around 20 stocks
- Balance across sectors
- Catalyst for stock re-rating



ONGOING RESEARCH



PORTFOLIO CONSTRUCTION

We invest in quality companies with a focus on small and Mid cap growth companies.

Most market participants focus on price; we focus on company fundamentals.

We aim to construct a portfolio of around 20 stocks across various sectors.

Invest with a 3-5 year horizon with a focus on low churn rate.

A value can remain a value for a long time. We actively look for catalysts that can lead to stock re-rating.

Multibaggers Know No Size

01 Busting Myths: Small vs Large Caps

02 Most Small Caps are junk

03 Capitalization is stupid Matrix

04 Large Companies + Small Mcap = Multibaggers

Large caps which have become small caps

Companies	Peak Price	Current Price	Erosion
RCom	792	2	-100%
Reliance Power	275	19	-93%
DLF	1194	529	-56%
Jet Airways	1324	68	-95%
Yes Bank	393	17	-96%
Suzlon	398	29	-93%
Unitech	521	2	-100%

Small caps which have become Large caps

Companies	Price in 2002	Current Price	Multiple
Kotak	9	1742	202X
HDFC	37	1540	41X
ICICI	16	941	60X
Axis	9	1006	112X
Sun Pharma	13	1128	84X
IPCA	9	933	103X
Airtel	11	925	81X



SELECTION CRITERION

INDUSTRY LEADERS

Most of the companies in our portfolio are industry leaders with a strong sustainable competitive advantage

LOW DEBT

Companies need to have very low debt levels and some of the companies are in fact net cash positive

MANAGEMENT

A good dividend paying record, corporate governance practices & a sound long-term performance record is a must.

VALUATIONS

The portfolio PE ratio is lesser than market PE ratios (adjusted for cyclicity in earnings).

CREEPING ACQUISITION / BUYBACKS

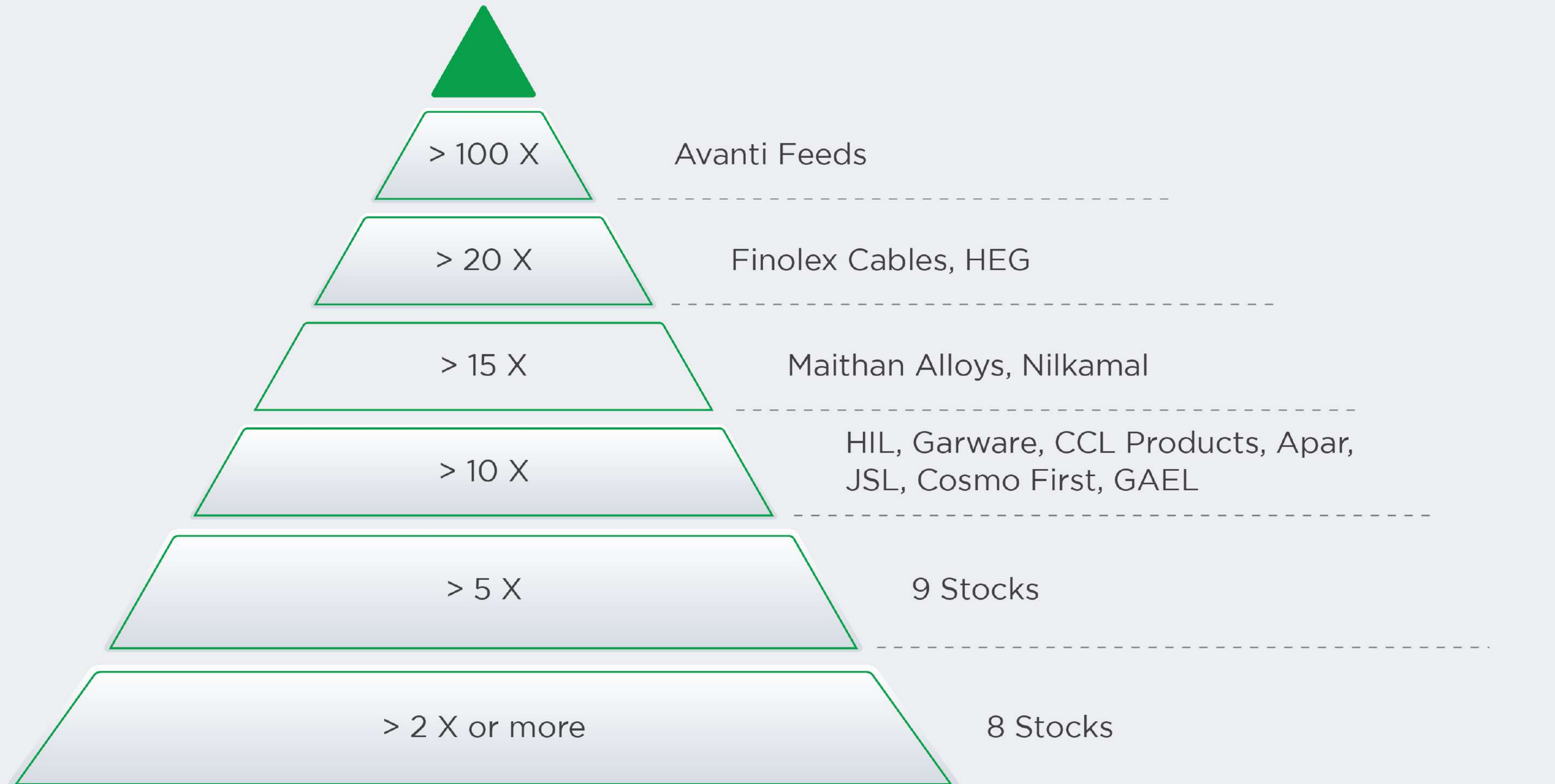
Majority of our companies have done buy-back / creeping acquisition in the 12 months prior to our initial acquisition.

CASH FLOW

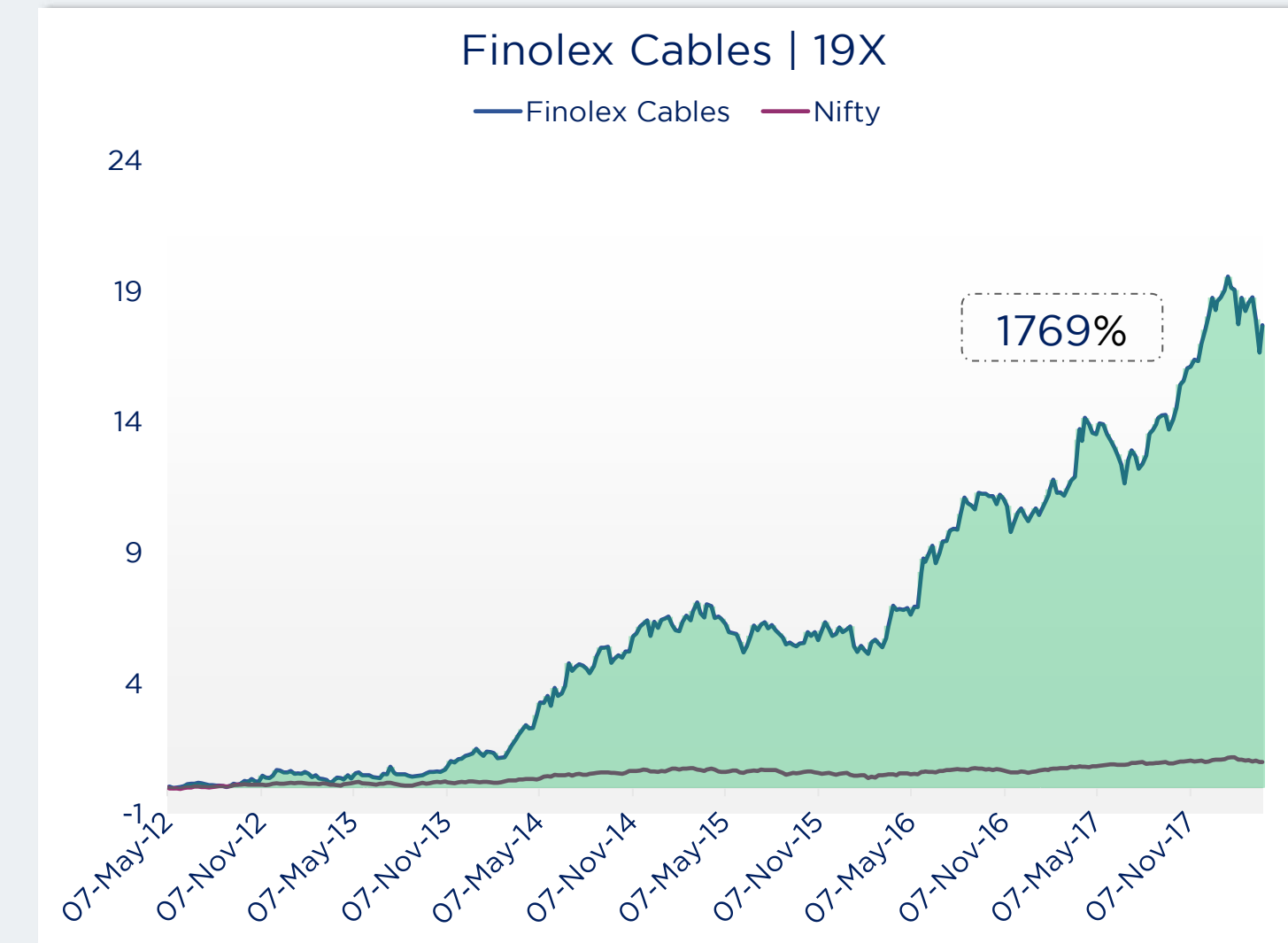
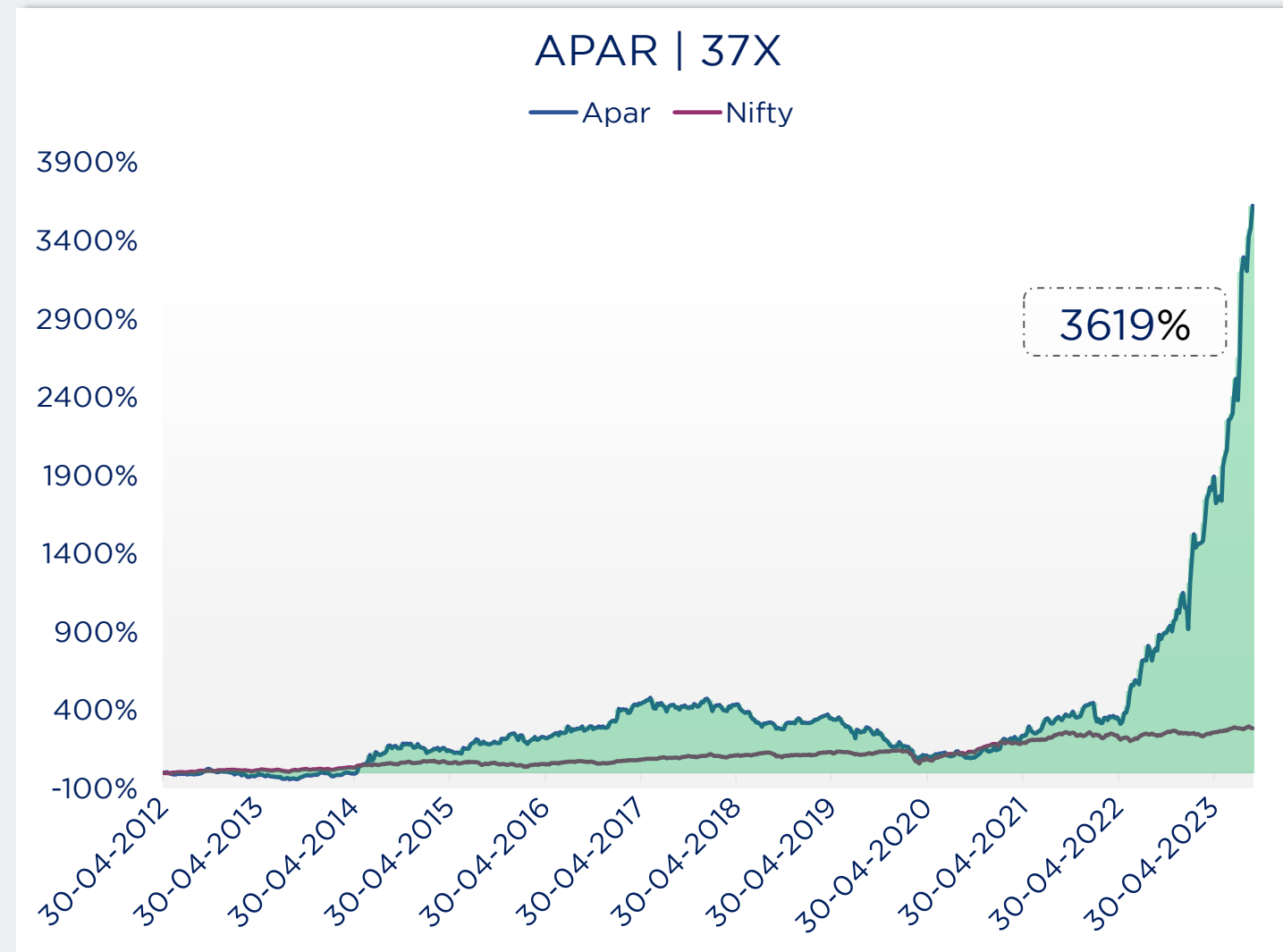
Our portfolio includes companies with strong and consistent cash flow generation.



OUR MULTIBAGGER PICKS



Case Studies



Industry Leadership



When did we buy?

323

Market Capitalization (In Cr)

493

3589

Revenue (In Cr)

2064

4.4

Price to Earnings Ratio

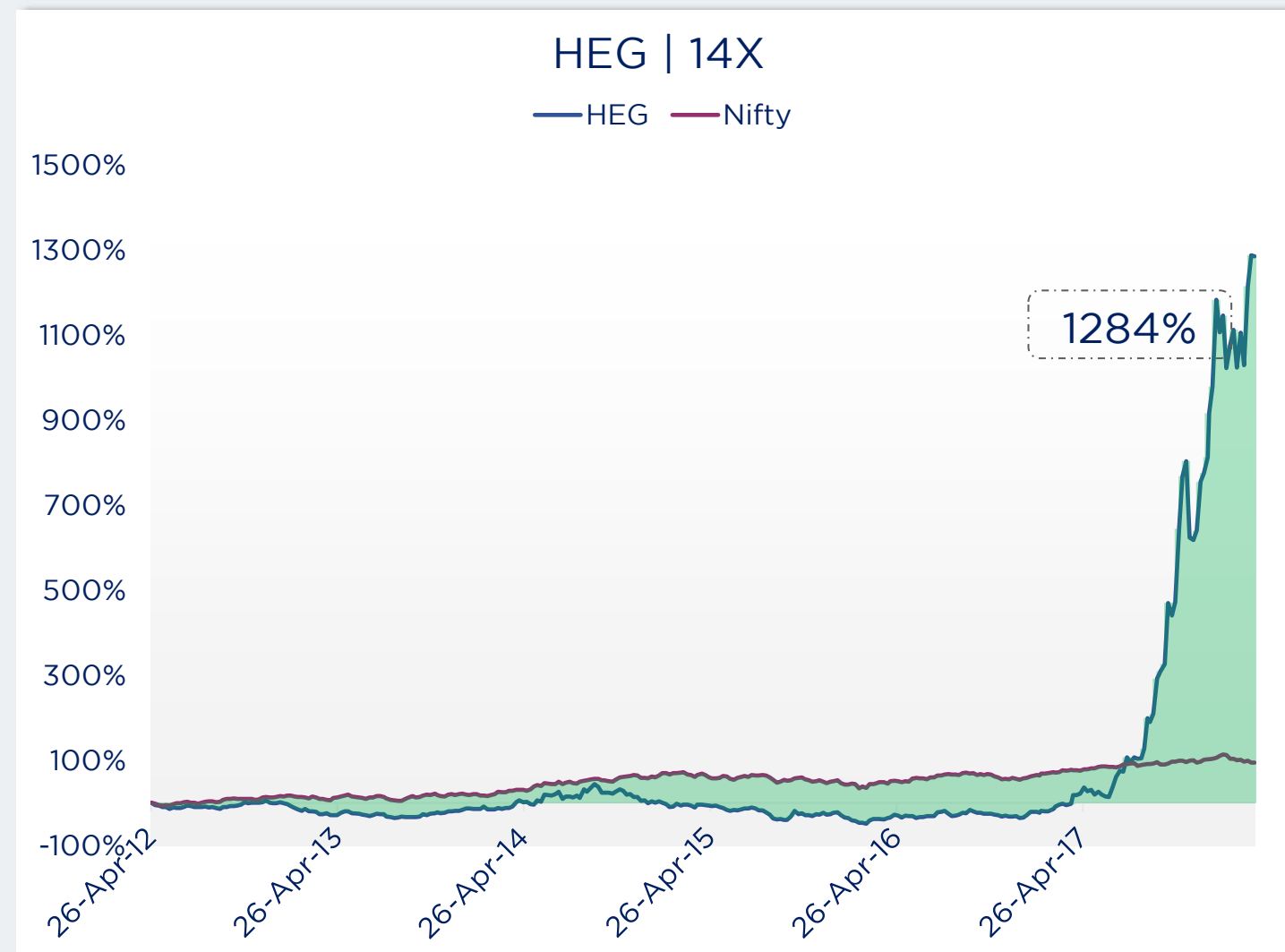
5.0

0.1

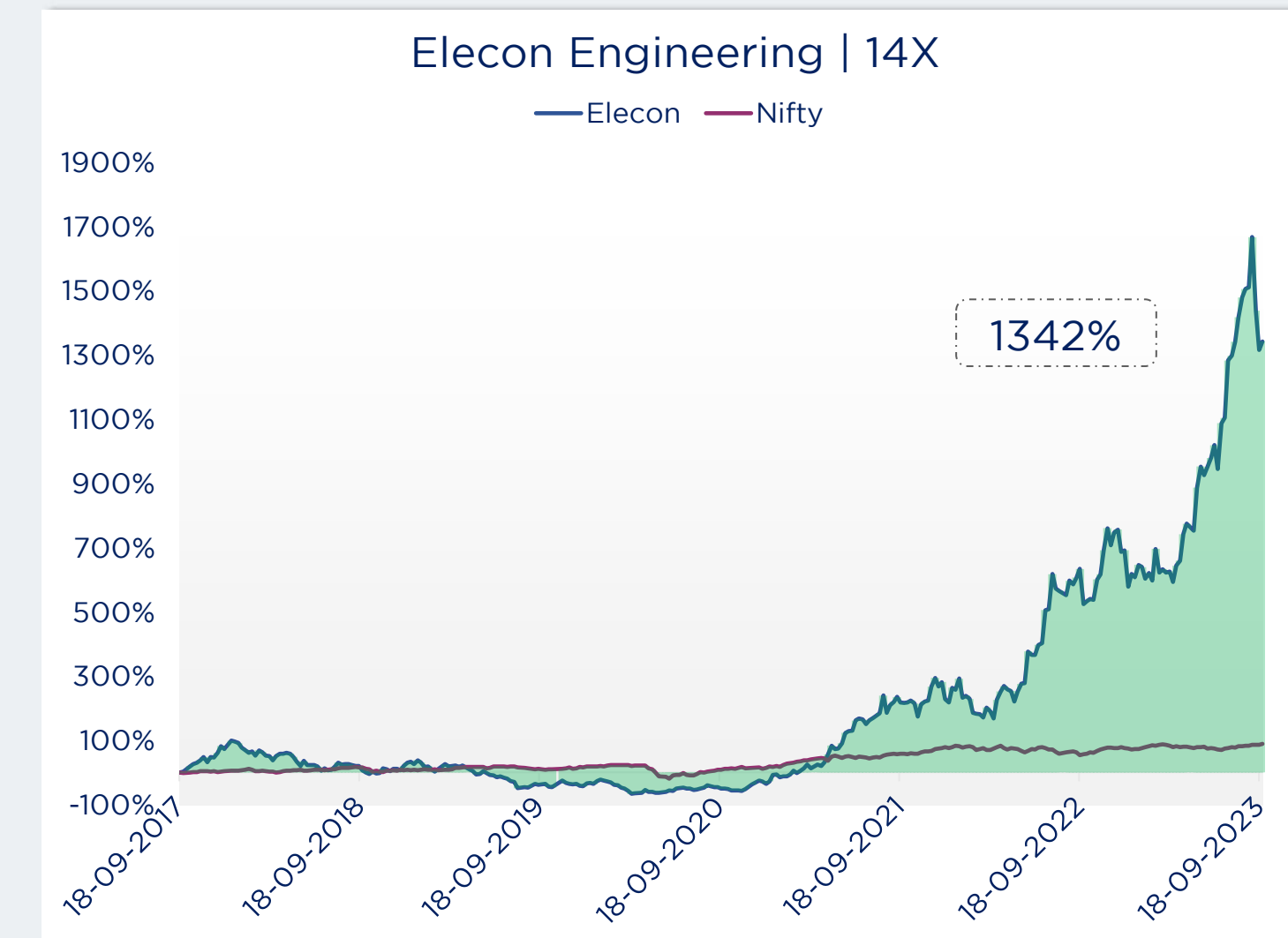
Price to Sales

0.2

Case Studies



Industry Leadership



When did we buy?

888

Market Capitalization (In Cr)

589

1417

Revenue (In Cr)

1044

15.6

Price to Earnings Ratio

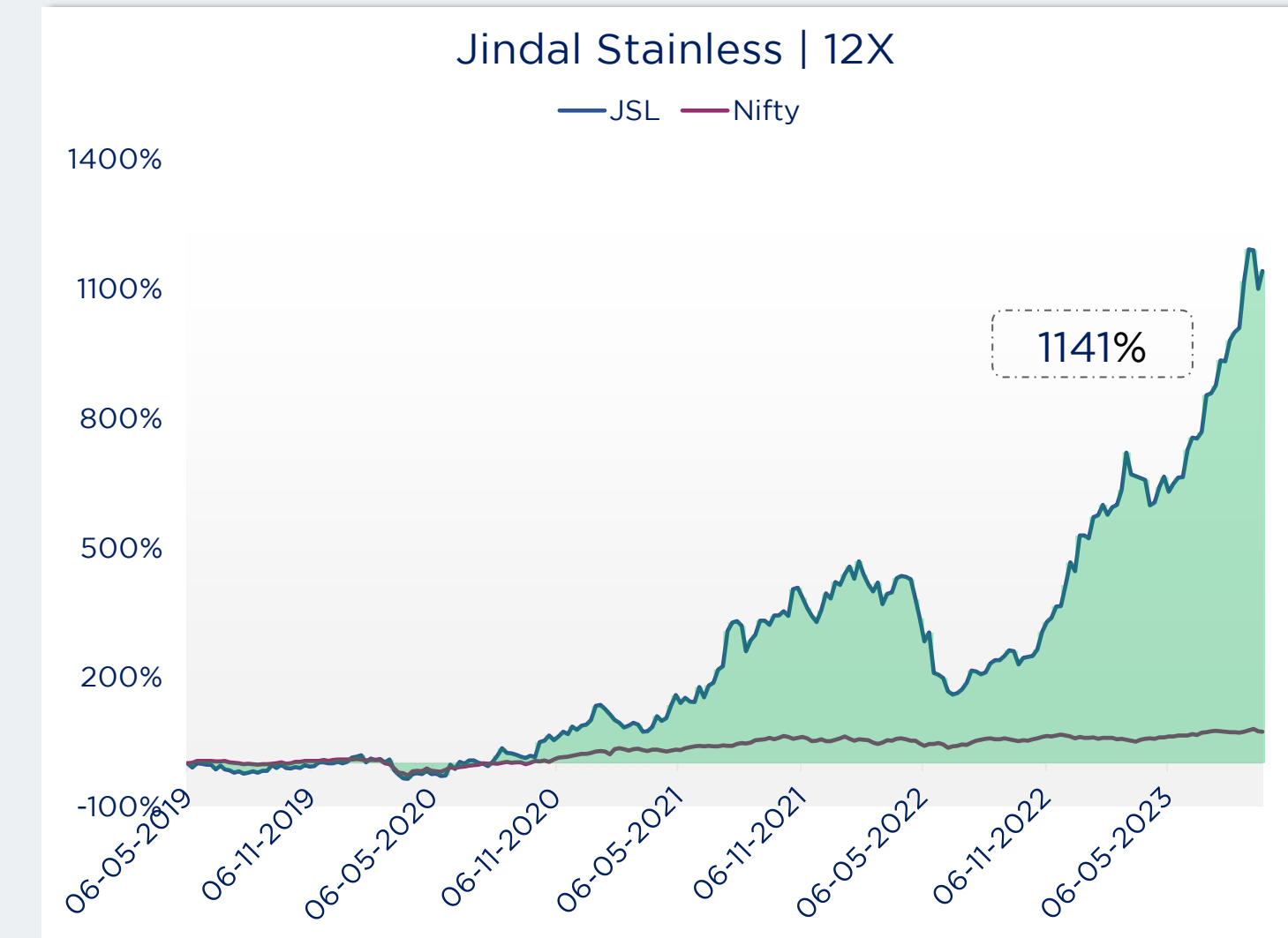
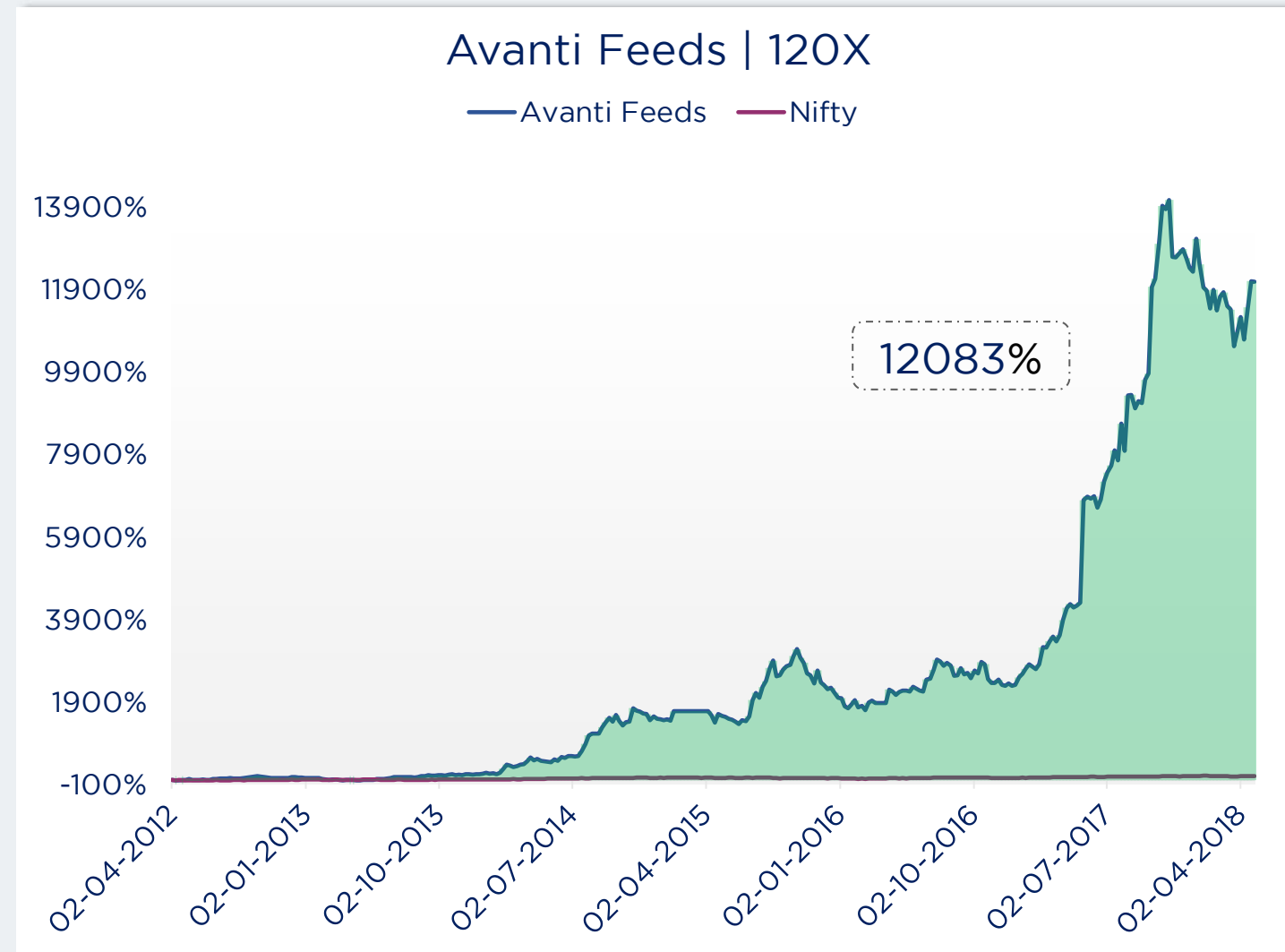
NA

0.6

Price to Sales

0.6

Case Studies



Industry Leadership



When did we buy?

96

Market Capitalization (In Cr)

1901

383

Revenue (In Cr)

13557

3.4

Price to Earnings Ratio

13.1

0.2

Price to Sales

0.1



RISK

Risk is not a number, rather, it is a concept or notion.
Risk equates to what Ben Graham called a “permanent loss of capital”.



VALUATION RISK

Risk of buying stocks dear without adequate margin of safety. Reasonable valuation is the corner stone of all our investment decisions.



EARNINGS RISK

Risk that current earnings could decline due to technological changes, economic changes or deterioration in management.



BALANCE SHEET RISK

The risk of an overleveraged balance sheet which is ignored during good times in favour of the cyclic high and unsustainable earnings.





KEY PERSONNEL



SIDDHARTHA BHAIYA

Managing Director & Fund Manager

- Founded Aequitas in 2012
- A qualified Chartered Accountant
- Has consistently outperformed the markets.
- Delivered industry-beating CAGR returns
- Headed PMS division at Reliance Mutual Fund
- Expert at finding multibaggers with his contrarian approach



NEERAV SHAH

Director - Operations

- Co-Founder at Aequitas
- 18+ year's experience in market operations
- A qualified Chartered Accountant
- Previously with Reliance Capital Asset Management and Birla Sun Life
- Handled operations, funds accounting and dealing functions



PRITHIPAL SINGH

Director and Head (Business Development)

- Amongst the renowned in the Mutual Fund industry
- 15+ years of experience in the finance sector
- Has led Marketing & Sales teams at leading firms
- Disciplined personality, Military school background

RESEARCH TEAM



PRATIKSHA DAFTARI
Co - Fund Manager

With an experience of 9.5 years, Pratiksha Daftari specialises in the analysis of investee companies including industry trends, finding new investment opportunities, understanding of macro-economic scenario and its bearing on markets at large. A qualified Chartered Accountant, her MBA qualification from Indian School of Business, combined with her proactive thought process, patience and passion elevates the quality of her work as an Assistant Vice President of Research at Aequitas.



SUBHAM AGARWAL
Co - Fund Manager

After a successful kickstart to career post Chartered Accountancy course as an Investment Banker, Subham Agarwal wanted to pursue his career in Equity Investment in listed space. Having worked at Edelweiss and Investec for over 4 years, he joined investment team of Aequitas with deep understanding of varied sectors and valuations. With his entrepreneurial stint as Founder of Prep CA, he is valued in the team for his fresh and rounded perspective about business challenges and processes.



NISHITH SHAH
Co - Fund Manager

After working at MultiAct for a year, along with 2 years of running his own business, Nishith decided to follow his inspiration, Warren Buffet and take a plunge into the industry by joining Aequitas as a Research Analyst. He overlooks portfolio of companies and works at identifying new opportunities in his current role. He brings more than 9 years of experience of investing into equities and is driven by the process of finding Multibagger opportunities. His hobbies include playing cricket, swimming and reading.

RESEARCH TEAM



RIYA MEHTA
Research Analyst

A Chartered Accountant by profession, who is also a chartered holder under CFA (USA) and has mastered Actuarial Science (3 levels) at the age of 25 years. Riya Mehta is an experienced Research Analyst on our team. Having worked at institutions like Anand Rathi and IIFL Securities in the past, she is well-versed with macro and company specific research when it comes to building an investment thesis. Hardworking and persistent, she loves to travel, dance, and dabble in Mandala art in the after-hours.



NIHARIKA JAIN
Research Analyst

With 8+ years of experience at a big-4 audit firm and large listed manufacturing company, Niharika Jain is a Fellow Chartered Accountant & has cleared all 3 levels CFA (US). She is skilled at in-depth sector and company research and her strengths include quick adaptability, diversified experience, micro-analytical skills, and data crunching. Being inspired by her father at a young age, she loves to paint, read, and travel to new destinations on her days off.



BEST-IN-CLASS PRACTICES

WORKING WITH LEADING SERVICE PROVIDERS TO ENSURE
THE BEST-IN-CLASS SERVICES TO CLIENTS



A SEBI registered
portfolio management firm.



Tie-up with HDFC Bank
for banking services.



Tie-up with top
institutional brokers
for broking services



Tie-up with Axis Bank for
providing custodian and
fund accounting services.

REPORTING

- Monthly Performance appraisal statement
- Regular Intervals Portfolio appraisal statement
- Audited statements at end of financial year
- Monthly transaction statement
- Monthly bank book



INVESTMENT FEATURES AND FEE STRUCTURE

PMS

MINIMUM INVESTMENTS

₹ 25 Crs.
US \$3mn (NRIs)

SUITABLE TIME FRAME

3 - 5 years

MODE OF INFLOW

Cash or stock transfer

FEES

2% p.a. of daily average AUM charged monthly

PERFORMANCE SHARING

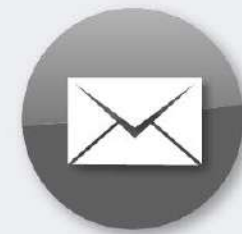
10% profit sharing with high-water marking charged annually at the end of the financial year



CONTACT DETAILS



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