



  
**ALCHEMY**  
CAPITAL MANAGEMENT

**December 2019**

# About Alchemy



- Alchemy Capital Management Pvt Ltd. (Alchemy India) is registered as a Portfolio Manager with SEBI and started its asset management business in 2002.
- The group (including Alchemy India's Singapore subsidiary) has over 17 years of consistent track record
- The group AUM is over USD 1.09 billion\*\*
- The group has a very stable and experienced team of investment professionals with experience of managing funds through bull and bear cycles.
- Alchemy High Growth, the flagship strategy of Alchemy India, has out performed its benchmark^ 14 out of 17 calendar years generating a net annualized alpha of +708 bps^^ (INR returns)
- The investment team is well supported by an experienced Risk management, Compliance and Operations team.

\*\*As of 30th Nov 2019

^S&P BSE500 index

^^As of 30th Nov 2019, Past performance is not indicative of future performance

^^ Returns shown are net of all fees and expenses

# The Investment Philosophy



We believe that consistent and superior long term absolute returns can be made across market cycles by investing in growth companies with good management teams.

- We like businesses which address large and growing external opportunity, have a competitive advantage in effectively exploiting those opportunities and have a scalable business model with higher than average Return on Capital Employed (ROCE) over the Investment horizon.
- We believe management teams are key to business success. We look for managements which have aggression, are aligned to business outcomes while simultaneously having respect for governance and capital allocation

While growth companies form the core of our portfolio, we tactically also invest in deep value opportunities and special situations that may appear due to market cycles



# Our Offerings

  
**ALCHEMY**  
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## Capturing the Opportunity

### Investment Objective\*

- » The strategy aims at generating long term returns by investing in equities across market capitalizations, with a Mid cap bias and concentrated portfolio of between 8 - 12 stocks

### Investment Suitability

- » Suitable for an investor who is looking to participate in India growth story through equities
- » Long term investment horizon, Ideal investment horizon is 3 to 5 years (Minimum 3 years)
- » High Risk : High return strategy

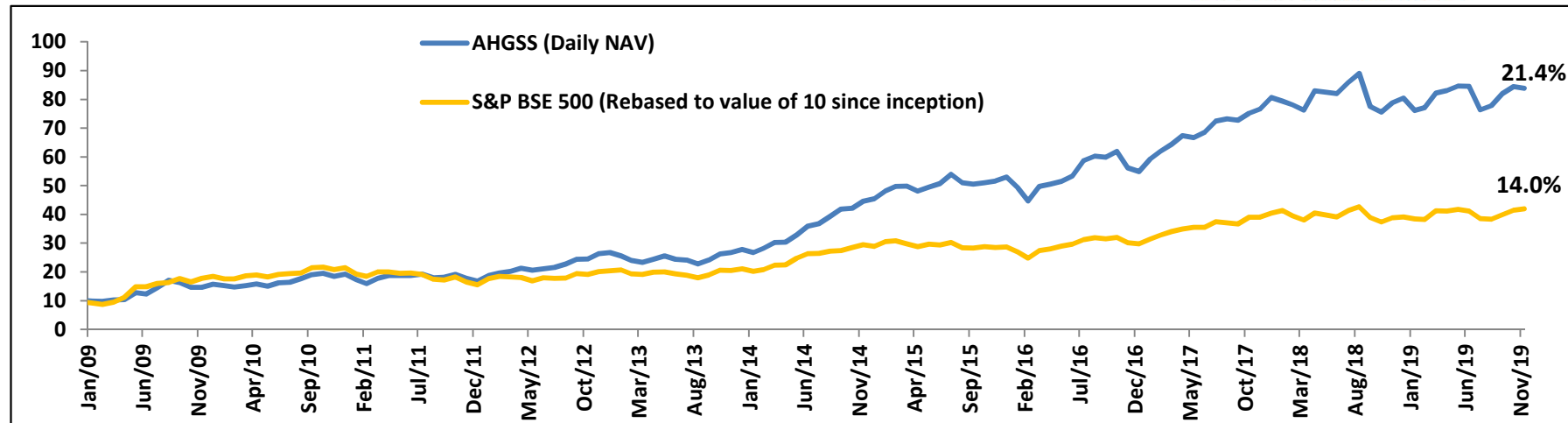
### Allocation across Market Cap

- » Since portfolio is concentrated, focus is more on stock selection than on market cap allocation

The investment objectives, allocation are indicative and there are no assurances that it will be achieved.

\*Investors are advised to take independent tax, legal, risk, financial and other professional advice.

# Investment Credentials- Alchemy High Growth Select Stock



Period	1 Year	2 Years	3 Years	5 Years	10 Years	Since Inception
% Returns Select Stock <sup>#</sup>	6.5%	4.6%	14.2%	13.5%	19.1%	21.4%
% Benchmark S&P BSE 500	7.9%	3.6%	11.6%	7.3%	9.0%	14.0%

It has generated 21.4% CAGR since its inception (19<sup>th</sup> Dec 2008) as compared to 14.0% generated by S&P BSE 500.

The strategy has created substantial wealth since its inception\*. Rs 1 Cr invested on 19<sup>th</sup> Dec 2008 would have grown to Rs 8.4 Cr v/s Rs 4.2 Cr in S&P BSE 500.

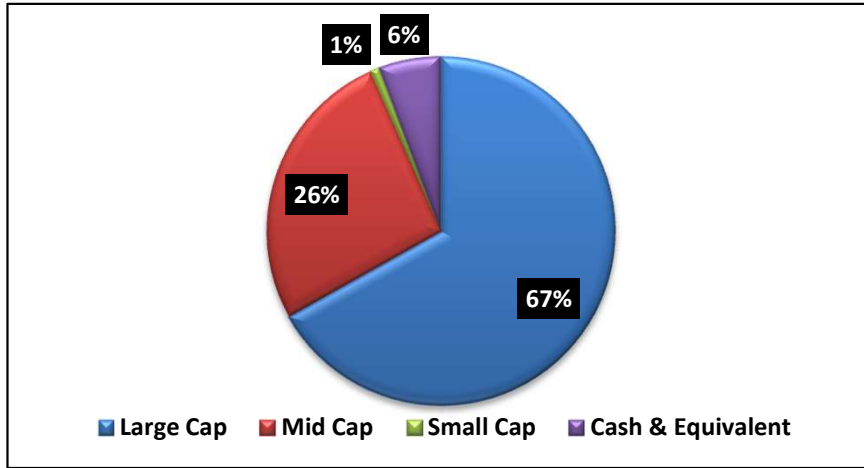
As on 30th Nov 2019

\*From inception of the Product – High Growth Select Stock- 19th Dec 2008

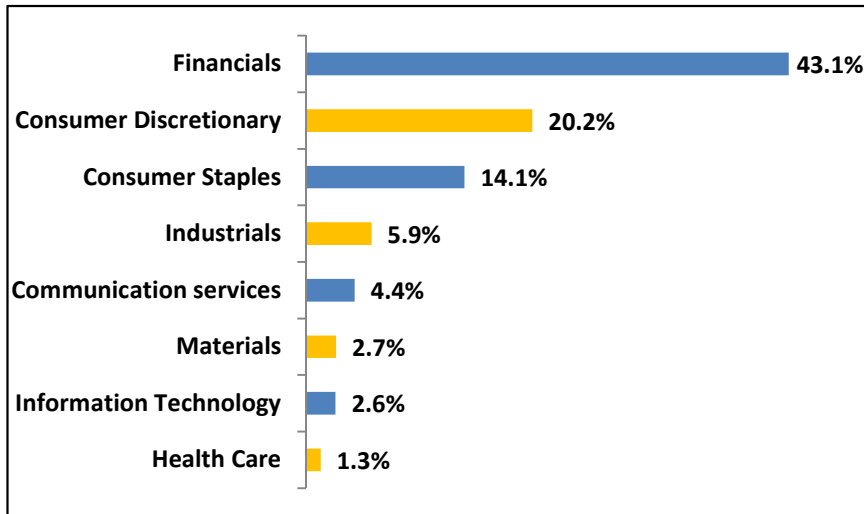
<sup>#</sup>Returns are shown as net of all fees and expenses. <sup>#</sup>Returns 1yr: Absolute, greater than 1yr: Compounded Annualized

<sup>#</sup>Past Performance is not indicative of future performance

# Alchemy High Growth Select Stock – Portfolio Composition & Analytics



Parameter	Alchemy High Growth Select Stock	Benchmark (S&P BSE 500)
	(Since Inception)*	(Since Inception) *
<b>Std. Dev.</b>	15.5%	17.8%
<b>Sharpe</b>	1.0	0.4
<b>Beta</b>	0.8	1.0



Scripts	Weight
BAJAJ FINANCE	15.5%
BANDHAN BANK	6.9%
BAJAJ FINSERV	5.8%
AXIS BANK	5.3%
HDFC BANK	4.7%
UNITED SPIRITS	4.4%
ZEE ENTERTAINMENT ENTERPRISES	4.1%
ICICI BANK	3.7%
TITAN COMPANY	3.6%
DELTA CORP	3.2%

As on 30<sup>th</sup> Nov 2019

\*From inception of the Product – High Growth Select Stock- 19th Dec 2008

# Investment Manager - Investment Team

## Hiren Ved

CIO

Experience: 25 years

Year of Joining Alchemy: 1999



## Vikas Kumar

Portfolio Manager

Experience : 19 years

Year of Joining Alchemy: 2016



## Seshadri Sen

Head of Research

Experience: 25 years

Year of joining Alchemy: 2018



## Amit Nadekar

Portfolio Manager

Experience : 16years

Year of Joining Alchemy: 2005



## Darshan Engineer

Analyst

Experience: 8 years

Year of joining Alchemy: 2011



For Further Details Visit <https://www.alchemycapital.com/people-and-culture.aspx>



## **Founders and Investment Team**

- » Bring over 100 years of cumulative Indian equity market experience.
- » Have excellent market standing built on integrity.
- » Co-founder, Hiren Ved, as Chief Investment Officer brings investment philosophy consistency.
- » Have a stable and experienced team of investment professionals who have stayed and imbibed the firms investment philosophy.

## **Disciplined Investment Process**

- » Pioneers in Bottom Up stock picking.
- » Ability to pick trends early.
- » Focus on Primary Research.
- » Long term approach to investing in listed companies with continuous review.
- » Consistent performance track record since inception in 2002.
- » Bespoke approach to individual client's portfolio.

## Track Record

- » 17 years of Investment management track record.
- » INR 1 crore invested in May 2002 in Alchemy High Growth could have grown to over 36.5 crores today\*
- » Alchemy High Growth , the flagship strategy of Alchemy India, has been managed through bull and bear cycles and out performed its benchmark 14 out of 17 calendar years.

## Vintage & Size

- » One of the few Portfolio Managers in India to have been in existence since 2002.
- » Manages/advices over USD 1.09 billion of assets onshore and offshore as on 30<sup>th</sup> Nov 2019.

## Strong Emphasis on Compliance and Risk Management

- » With an ethical Code of Conduct in place.
- » With transparency in business, client service and reporting.

## Quality of Clients

- » Sophisticated Institutional investors, Sovereign funds.
- » Ultra HNIs (Limited universe of over 1000 exclusive families and includes eminent individuals across businesses families and professionals)

\*As on 30<sup>th</sup> Nov 2019

Past performance data is not indicative of future performance

# Founders

## **Rakesh Jhunjunwala**

Co-Founder

Experience: Over 30 years



## **Ashwin Kedia**

Co-Founder

Experience: Over two decades



## **Lashit Sanghvi**

Co-Founder, CEO

Experience: Over two decades



## **Hiren Ved**

Co-Founder, CIO

Experience: Over two decades



# Directors

## Lashit Sanghvi

Co-Founder, CEO

Experience: Over two decades



## Hiren Ved

Co-Founder, CIO

Experience: Over two decades



## Neeraj Roy

Neeraj leads a vibrant team that is a part of the Hungama group, one of Asia's largest Digital Media Entertainment conglomerates.



## Manu Parpia

Founder, Managing Director & CEO of Geometric Ltd. and Chairman of 3DPLM Software Solutions Ltd.



## Rajiv Agarwal

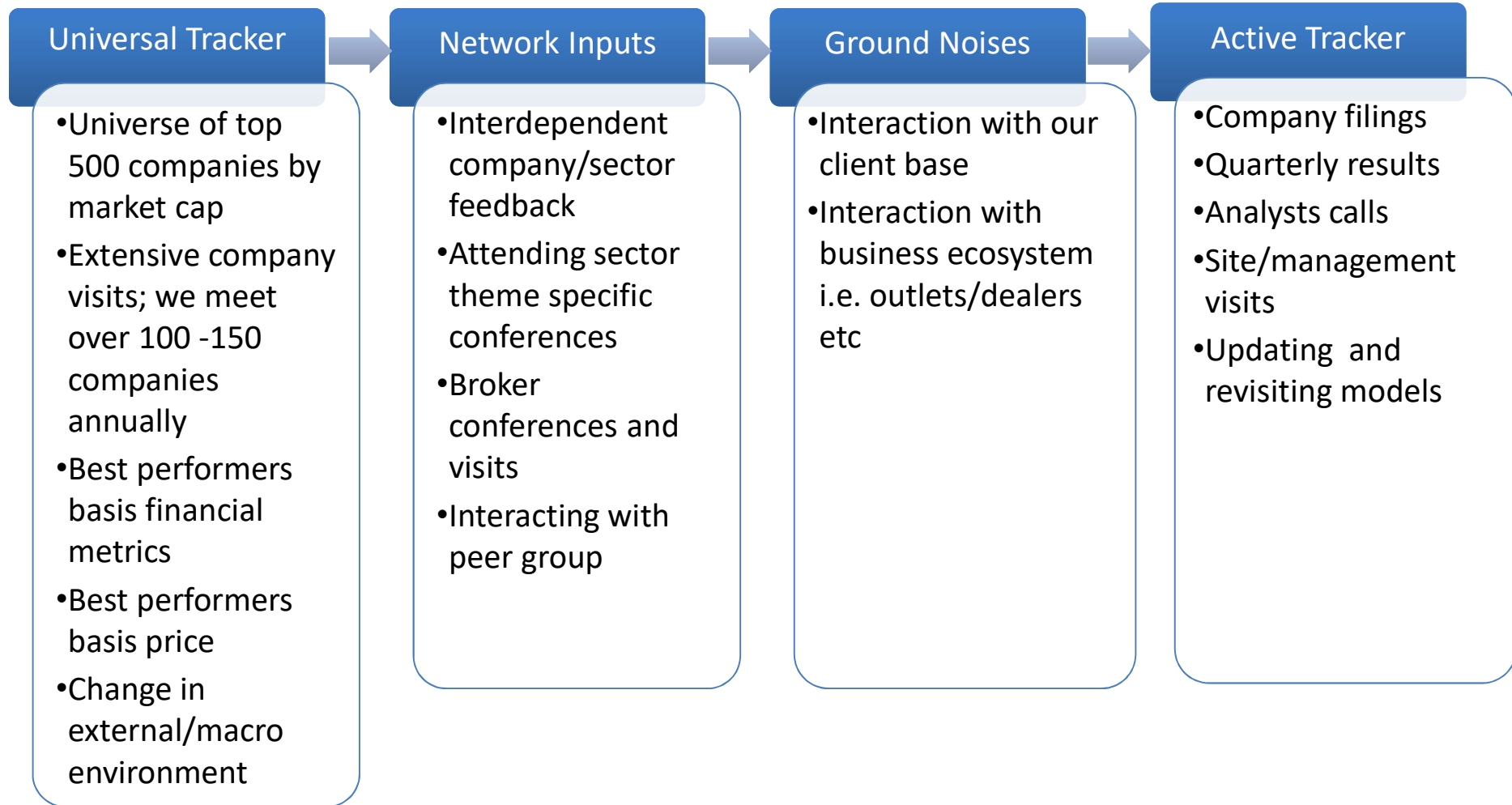
Mr. Rajiv Agarwal works for RaRe Enterprises where he is responsible for the firm's PE investments.



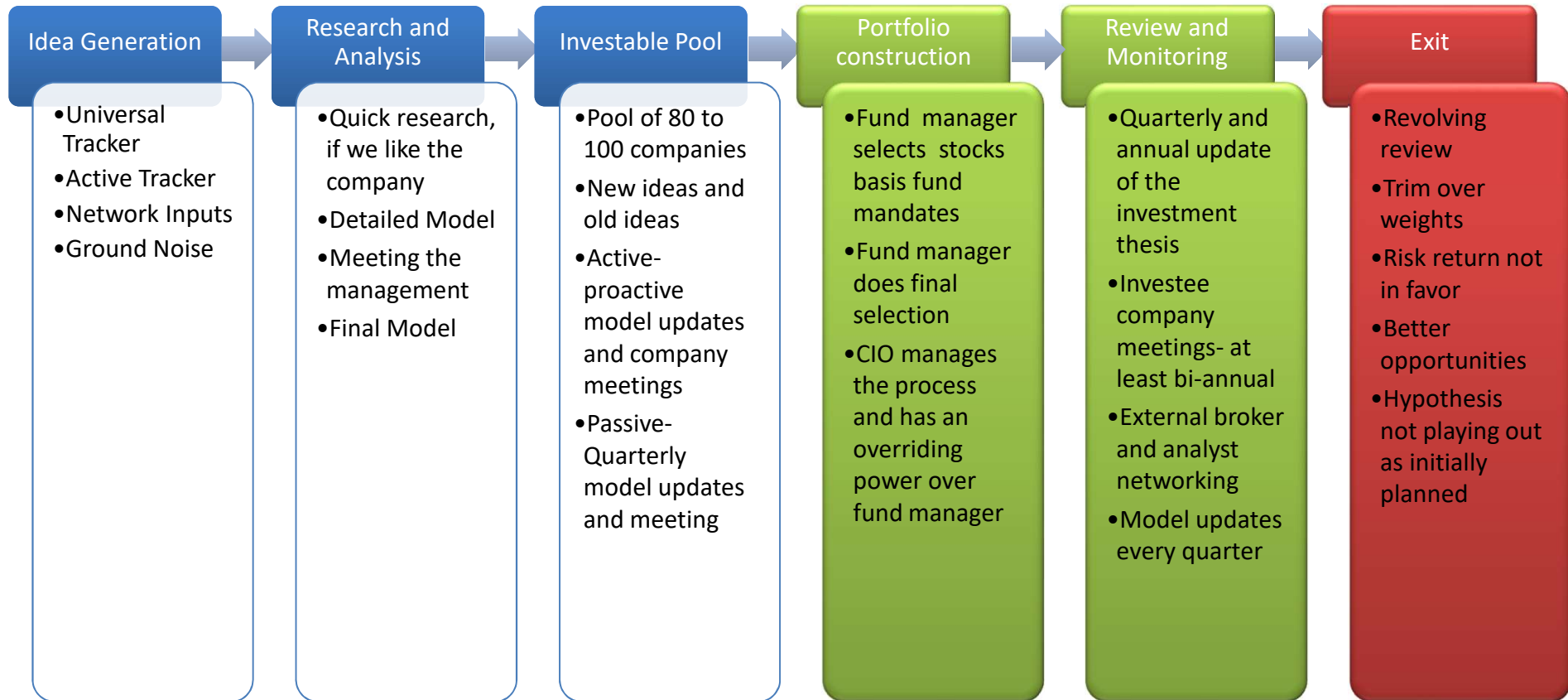
# Investment Process

# 3 I- Matrix



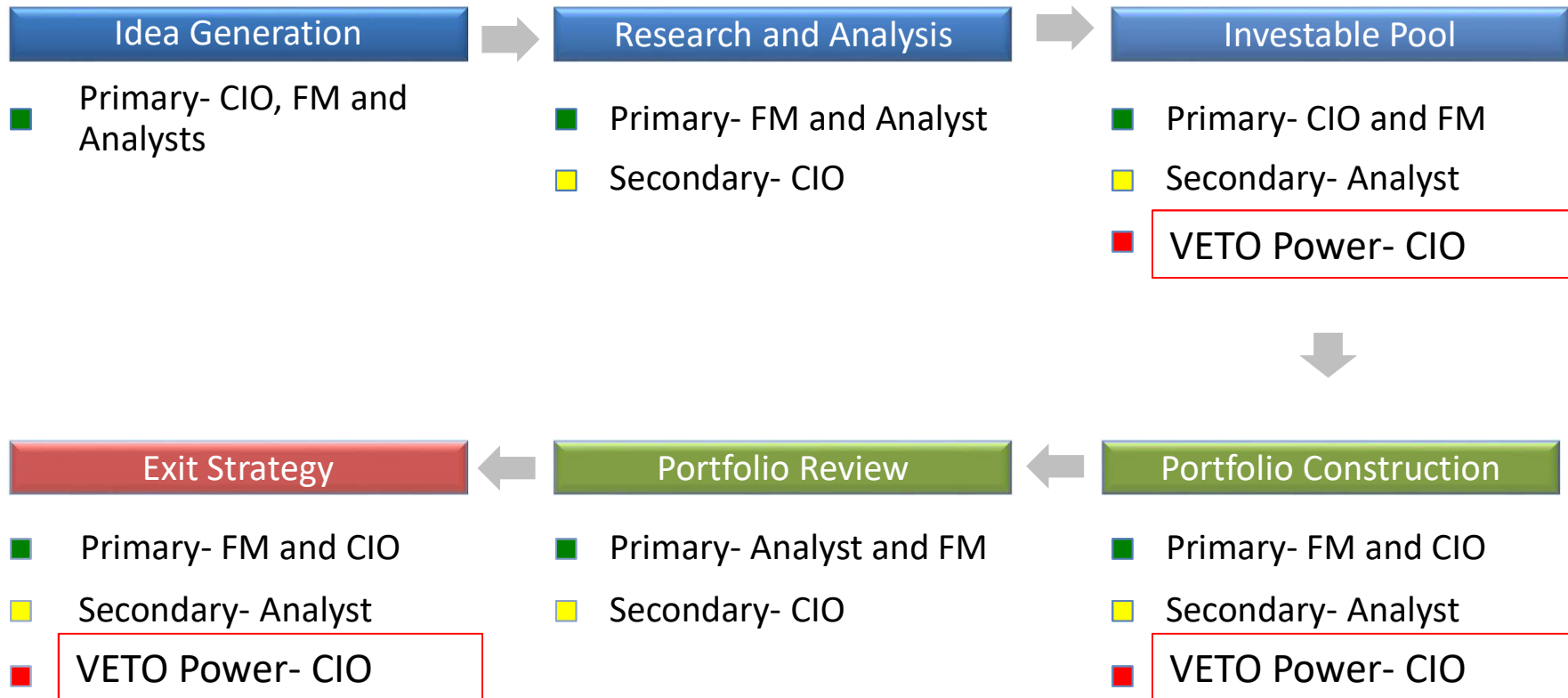


# Investment Process





# Intervention-Investment Team



# Intervention-Risk Management

## Firm Level

- Performance patterns analysis
- Dedicated pre and post trade checks, ongoing internal reviews
- Statutory and legal risk managed by the compliance and legal function which is monitored by the Group Compliance Head.
- Business Risk managed by the Group CEO.

## Portfolio Level

- Daily monitoring by in-house operations team basis the fund mandate
- Fund Manager evaluates performance of each strategy vis a vis the benchmark on a monthly basis
- CIO reviews the performance of each strategy with the respective fund manager every month.
- Contribution analysis conducted each month by investment team. Portfolio action on absolute and relative performance analysis and portfolio positioning are discussed every month

## Security Level

- Sectoral limit based on mandate
- Individual stock limit based on mandate
- We also monitor the ownership in companies at Fund/Strategy level
- Investment positions - flags raised by operations team if a position is close to the maximum permissible limit weight-ages



CIO,CEO and COO  
Fund Managers  
Business Heads



Forming and reviewing macro view,  
Performance Tracking,  
Contribution Analysis,  
Outlier Management and decisions  
Exception Reporting and Priority Actions

## Major topics discussed in the Investment Committee meet

- » Macro view: the investment team presents their view on the changes global macro variables and what can be expected in future.
- » Fund performance: Performance of all funds is analyzed. Each fund manager has to present his portfolio positioning and the impact of change in macro and micro variables that have affected or may affect the portfolio in the future. In case of consistently under performing positions, triggers of events are defined. If these triggers are not achieved, then the position is revised by the investment committee.
- » Risk monitoring: An in-depth contribution analysis is presented to understand under-performers and out-performance and plan of action for the same.

# Disclaimer



## **General Risk factors**

All investment products attract various kinds of risks. Please read the relevant Disclosure Document/ Client Agreement carefully before investing.

## **General Disclaimers**

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