

# ALCHEMY HIGH GROWTH ( AHG )\*

December 2019



## BRIEF OBJECTIVE\*\*

Alchemy High Growth Diversified aims at generating long term returns by investing in equities and equity related instruments across market capitalizations, with a Mid cap bias.

## INVESTMENT SUITABILITY

- Suitable for an investor who is looking to participate in India growth story through equities
- Seeking High Risk-High return portfolio
- Ideal investment horizon is 3 to 5 years

## THE ALCHEMY ADVANTAGE

|   |  |
|---|--|
| <p><b>Founders and Investment Team</b></p> <ul style="list-style-type: none"> <li>• Bring over 100 years of cumulative Indian equity market experience</li> <li>• Have excellent market standing built on integrity</li> <li>• Co-founder, Hiren Ved, as Chief Investment Officer brings long experience and consistency in investment philosophy</li> <li>• Have a stable and experienced team of investment professionals who have stayed and imbibed the firm's investment philosophy</li> </ul> | <p><b>Vintage &amp; Size</b></p> <ul style="list-style-type: none"> <li>• One of the few Portfolio Managers in India to have been in existence since 2002</li> <li>• Manages/advises over USD 1.09 billion of assets onshore and offshore as on 30th Nov'19</li> </ul> <p><b>Strong Emphasis on Compliance and Risk Management</b></p> <ul style="list-style-type: none"> <li>• With an ethical Code of Conduct in place</li> <li>• With transparency in business, client service and reporting</li> </ul> |
| <p><b>Disciplined Investment Process</b></p> <ul style="list-style-type: none"> <li>• Pioneers in Bottom Up stock picking</li> <li>• Ability to pick trends early</li> <li>• Focus on Primary Research</li> <li>• Long term approach to investing in listed companies with continuous review</li> <li>• Consistent performance track record since inception in 2002</li> <li>• Bespoke approach to individual clients' portfolio</li> </ul>   | <p><b>Offshore Asset Management Capability</b></p> <ul style="list-style-type: none"> <li>• First Offshore mandate in 2005.</li> <li>• Ongoing Offshore equity strategies with AUM of USD 153.5 million as on 30th Nov'19.</li> <li>• Was an Investment manager to a GCC based Sovereign Fund with AUM of over USD 83.6 million</li> </ul>   |
| <p><b>Track record</b></p> <ul style="list-style-type: none"> <li>• 17 years of Investment management track record</li> <li>• INR 1 crore invested in May 2002 in the Alchemy High Growth Product could have grown to over 36.5 Crs as on 30th Nov'19</li> <li>• Alchemy High Growth, the flagship strategy of Alchemy has been managed through bull and bear cycles and outperformed its benchmark 14 out of 17 calendar years</li> </ul>  | <p><b>Quality of clients</b></p> <ul style="list-style-type: none"> <li>• Sophisticated Institutional investors</li> <li>• Sovereign funds</li> <li>• Ultra HNIs (Limited universe of over 1000 exclusive families and includes eminent individuals across businesses families and professionals )</li> </ul>  |

## ABOUT THE STRATEGY\*\*:-

- A Multi-cap approach which allows Flexibility in stock Selection.
- Diversified Portfolio which generally may consist of maximum 25 stock ideas with the option of being overweight in certain stocks.
- Ensure a minimum 25% allocation to large cap Companies
- A Mid Cap biased portfolio to take advantage of high growth due to scale up of business.
- Alchemy Investment Philosophy is "Growth at Reasonable Price". The approach is rooted in the hypothesis that India is a high growth economy and the best way to play this is to identify and invest in companies which are best equipped to take advantage of emerging domestic and global opportunities.
- Invest for long term: - We primarily evaluate stocks for the long – term Investment Perspective as it serves the twin objectives of reducing the impact of short – term volatility as well as helps us to capture a substantial part of the value accretion during the life cycle of a growth stock .Compounding is at the heart of wealth creation. Endeavour to seed the appropriate investment ideas and watch them grow into realising full value is what our passion is, Expect for a specific securities ,we do not trade in and out of investments to capture short term volatility.

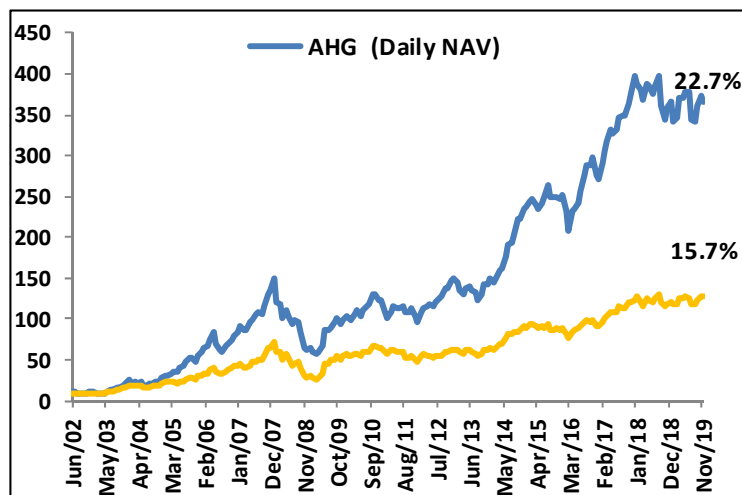
|                                     | Equity By Market Cap | Weight in Portfolio | Current Allocation | Definition  | Cut off for CY 2019         |
|-------------------------------------|----------------------|---------------------|--------------------|---|-----------------------------|
| <b>Allocation across Market Cap</b> | Large Cap            | 25-100%             | 65%                | Market capitalization of 100 <sup>th</sup> stock in S&P BSE 500 is the cut off for large cap                          | Rs.26294 Crs and above      |
|                                     | Mid Cap              | 0-75%               | 25%                | Market capitalization between 101 <sup>st</sup> and 400 <sup>th</sup> stock in S&P BSE 500 is the cut off for Mid cap | Rs.3109 Crs to Rs.26294 Crs |
|                                     | Small cap            | 0-20%               | 0%                 | Market capitalization below 400 <sup>th</sup> in S&P BSE 500  | Below Rs.3109 Crs           |

### KEY TERMS\*\*\*

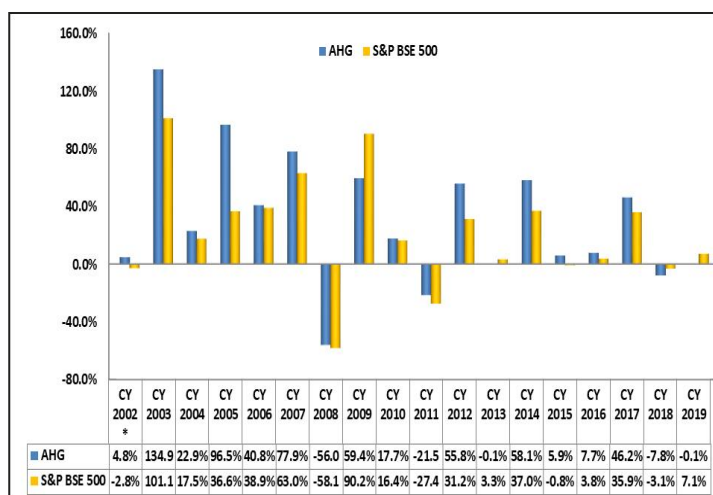
|                          |                           |  |
|--------------------------|---------------------------|--|
| <b>Investment Amount</b> | <b>Minimum Investment</b> | Rs 25 lacs   |
| <b>Tenure</b>            | <b>Time period</b>        | Open ended   |
| <b>Pricing</b>           | <b>Upfront Fee</b>        | 1.25% of the initial and subsequent investment amount(s)   |
|                          | <b>Fixed Fee</b>          | 2.50% p.a. (Charged Quarterly)   |
| <b>Exit</b>              | <b>Exit Charge</b>        | 2.5% of the redemption amount(s) if redeemed within 12 month, 1.5% if redeemed between 13-24 months, and Nil thereafter. |

\*\*\*These are not the complete terms, please refer the Disclosure Document and the Client Agreement for complete details.

### NAV BASED PERFORMANCE#



### PERIOD WISE PERFORMANCE#



### STATISTICAL ANALYSIS

| Parameter              | Alchemy High Growth<br>(Since inception)* | Benchmark S&P BSE500<br>(Since inception)* |
|------------------------|---|--|
| <b>Returns (CAGR)#</b> | 22.7%                                     | 15.7%                                      |
| <b>Std. Dev.</b>       | 18.8%                                     | 22.0%                                      |
| <b>Sharpe</b>          | 0.9                                       | 0.4  |
| <b>Beta</b>            | 0.8                                       | 1.0  |

Data as on 30th Nov 2019.

\* Inception Date : 08th May 2002

# Past Performance is no assurance for future returns

# Returns presented are net of fees and expenses.

# The above performance figures are aggregate of all clients; the investor's actual portfolio may differ.

### TOP HOLDINGS

| Scripts           | % Weight |
|-------------------|----------|
| Bajaj Finance     | 8.3%     |
| Bajaj Finserv     | 6.8%     |
| HDFC Bank         | 6.5%     |
| Avenue Supermarts | 5.9%     |
| Info Edge (India) | 5.4%     |
| Bandhan Bank      | 5.4%     |
| Varun Beverages   | 4.7%     |
| Sundram Fasteners | 4.5%     |
| Axis Bank         | 3.7%     |
| Titan Company     | 3.6%     |

### 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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