



## WEALTH MANAGEMENT BY AND FOR PRACTITIONERS

“Never settle for anything less than what you deserve. It’s not pride, it’s self respect.”  
- Chanakya

# Purpose



We at Chanakya work to enable our investors to accomplish financial prosperity in their life.

# Investment Philosophy



To partner with INNOVATIVE companies for creating wealth for our investors

Innovations have many forms – PRODUCT INNOVATION, ORGANISATIONAL INNOVATION .....

The most meaningful and lasting innovation centers around trust, among customers and employees, in the long – term future of the company. We, in Chanakya, make money for our investors by having a deep understanding of the quotient of trust and process of innovation in our investee companies.

# The Chanakya Capital Advantage



- We are a leading portfolio management service (PMS) known for consistent performance track record and commitment to excellence.
  - Founders have over 40+ years experience advising Institutions in India & globally
  - Managing Investments in Chanakya since August 2018
- Our commitment to excellence, integrity, and client satisfaction sets us apart.

# Seasoned Core Team

Wealth of Experience



## **Rajesh Tiwari - CIO & Principal Officer**

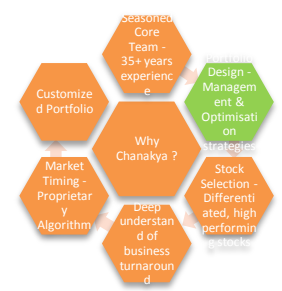
- With three decades in banking, equity, and debt investments, he founded CCSPL in 2008 and advised Ruane Cunniff & Goldfarb.
- During his 7 years stint as President (Credit) at Axis Bank, he expanded corporate credit to INR 32,000 crs. and reduced NPAs from 6.50% to 0.30%
- At UTI from 1992 to 2001, he led equity research, transforming the India Fund into a top quartile Indian offshore fund.
- Holds PGDM (IIM-A) and Ph. D (Finance) from the University of North Texas

## **Gautami Desai - Fund Manager & COO**

- With two decades in equity investments, Gautami brings extensive experience from 10 years at UTI, focusing on credit research and fund management.
- As advisor to Ruane Cunniff & Goldfarb from 2009 to 2017, she managed an INR 3,500 crore equity portfolio across five funds, achieving top ratings from Crisil, Lipper, and Value Research.
- Known for her thorough company research. Ever heard of a fund manager walking on the ramp just to know branding / marketing of a large consumer company?
- Holds BE (Electronics) and has completed Masters in Management Studies from the Mumbai University.

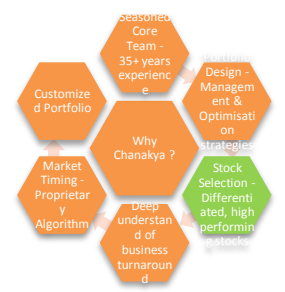
## **Varsha Valecha, SVP - Investments**

- With over 30 years' experience in Investment Banking and Indian Equities, has managed Fund Raising Mandates and Mergers & Acquisitions for prominent organizations like Infosys, Hindalco, and HCL Technologies. She is also associated with Enam, Royal Bank of Scotland, and Edelweiss.
- Her expertise spans diverse industries, reflecting her deep understanding of corporate landscapes and her commitment to social initiatives.
- Holds B com and has completed Masters in Management Studies from the Mumbai University.



# Portfolio Design : First Principles

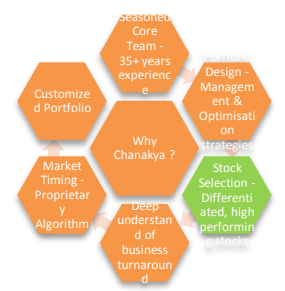
- We value a stock based on the first principles of:
  - ✓ Quality of ownership and Management
  - ✓ Value system and Vision
  - ✓ Business Model and Long-term competitiveness
- Never invest in a company which short-change minority investors or made other financial / governance transgressions
- DCF valuation based on estimate of future cash flows over a very long-term
- We use maths to analyze past investment data to evaluate and continuously refine investment parameters



# Portfolio Design - Performance over time

## Portfolio Performance as on July 5, 2024 – ( % CAGR over 1 year are annualized)

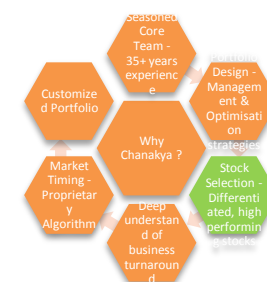
Period	Portfolio (In %)	Nifty 50 TRI (In %)
1 Month	11.84	7.68
3 Months	16.44	8.65
6 Months	16.60	12.87
1 Year	41.02	26.95
2 Years	41.83	25.44
3 Years	25.98	16.76
5 Years	22.27	16.93
Since Inception (13.08.2018)	18.67	15.02



# Stock Selection - Investment Process

- We are students of the mind of the management. Our **focus is on cash flow of companies** – weaving qualitative aspects of business into discounted cash flow valuation.
- We **do not invest in a company** if there is **insufficient margin of safety** no matter how much ‘great’ it seems on the outside
- We offer our investors a **balanced mix of good businesses** with **quality management** and turn-around companies available at a great value
- Return on our investment portfolio **comes from:**
  - ✓ Depth of research and thorough methodology of arriving at our **investment decisions**
  - ✓ Hard research-based conviction when market is yet to discover the true potential of a stock
  - ✓ Our strong focus on **ground research ensures** we get **360-degree view of the company** and thereby minimize judgment errors
- **Skin in the game** - high percentage of the Chanakya fund managers’ net worth is invested along with them
- **Customized individual portfolios** - every portfolio does not have to mirror model portfolio
- **Easy liquidity** - no exit load

# Stock Selection- “BLUECHIP” stocks, “Turnaround” returns, Conservative risk



## PORTFOLIO COMPOSITION

We create very concentrated portfolio with top 15 companies comprising 80% of the portfolio as we invest only after complete clarity and based on assumptions we feel convinced about

Portfolio Composition	As on May 31, 2024 (In %)
Large Cap	43.6
Holding Companies*	17.03
Mid Cap	10.92
Small Cap	26.97
Cash	1.48

Portfolio weight accounted by Top 15 holdings account is 85%

\* Underlying assets are shares of large cap companies – available at 50-80% discount to NAV

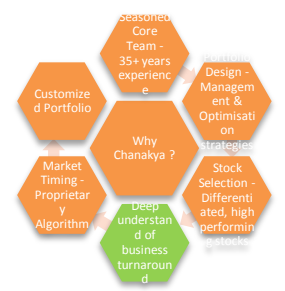
## Conservative Risk Parameters Overall

Financial Metric	
Average Market Cap (in Rs. crores)	2,04,062.27
Average P/E	18.43
Weighted average margin of safety – Chanakya’s estimate (%)	250

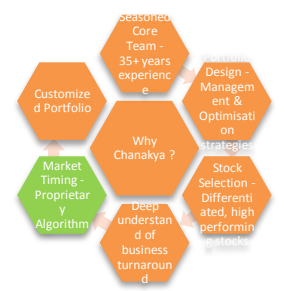
In light of return measures like absolute return or risk-adjusted “Active Return”, our numbers place us in the top league of AMCs in INDIA. (Source: PMSBAZAAR)



# Understanding organizational and business transformations

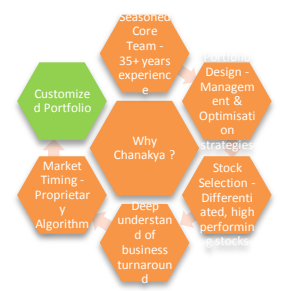


- Over three decades of learning, in a career spanning SBI, IDBI, UTI and Axis Bank, provided deep insight and hands-on experience of financing over 1000 Indian firms
- Over 100 of these companies turned around out of stressed conditions. Quite a few have attained market leadership position in their respective businesses
- Ability to identify turn-arounds and companies shifting orbits
- Understand innovation of products/services through ground research combined with business analysis
- Rigorous research process where every company must be observed closely for at least 2 years before investing
- We create very concentrated portfolio with top 15 companies comprising 80% of the portfolio as we invest only after complete clarity and based on assumptions we feel convinced about



# Market Timing - Proprietary Algorithm

- Our empirical algorithm helps mitigate the challenges of market timing
  - By timing the market with our proprietary order management
  - Enhancing our ability to capitalize on market volatility
  - Ensuring better pricing by investing gradually
  - Stands the test of time in choppy market conditions



# Customised Portfolio

- Tailormade Portfolios
  - Personalised approach, understanding your unique financial goals and
  - Basis your risk tolerance
- Fee structure - fair and transparent
  - Aligns with the performance and returns you make on your investment.
  - Performance fee – linked to absolute return
- We invite you to partner with us and experience the benefits of working with a trusted, high-performing investment manager

# THANK YOU!

Reach out to us on:



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