



**SHAPE A TOMORROW  
THAT GOES BEYOND  
YOUR VISION.**

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# Executive Summary

Unifi Capital is a discretionary, long-only India centric fund manager, specialising in event-oriented top-down themes and a bottom-up focus on “growth with value”.

## Objective

Focus on identifying unique investment opportunities that consistently generate superior (risk adjusted) returns with due emphasis on capital preservation.

## Performance- Apr 23

Investment Approach	Year of Inception	TWRR 3 Years	TWRR Since Inception	Correlation	Ann. Standard Deviation
Blended- Rangoli	2017	38.03%	20.02%	0.88	23.02%
BCAD	2018	26.75%	13.31%	0.86	20.17%
Insider Shadow Strategy*	2010	36.46%	14.43%	0.84	21.60%
Holdco Strategy*	2014	27.65%	20.43%	0.78	27.50%
APJ 20*	2015	44.41%	20.69%	0.86	24.16%
Green Strategy*	2017	45.02%	15.19%	0.87	24.98%

The following Investment Approaches have been redeemed/being redeemed

Spin Off*	2014	11.34%	17.43%	0.85	28.97%
DVD*	2013	14.15%	24.96%	0.89	22.97%
Delisting*	2009	-	43.00%	0.62	14.54%
Sector Trends Large Cap*	2011	2.42%	10.80%	0.88	17.90%

\*Closed for subscription

TWRR – Time Weighted Rate of Return

## Advisory Team

The core group of 14 professionals, headed by K Sarath Reddy, having considerable experience in Indian capital markets.

## Portfolio Risk Controls

Comprehensive risk management framework including in-depth stock reviews, exposure limits and marketable liquidity assessment.

Robust risk monitoring mechanisms comprising of daily MTM and liquidity assessment combined with real-time tracking of corporate events and performance.

## Operational Risk Control

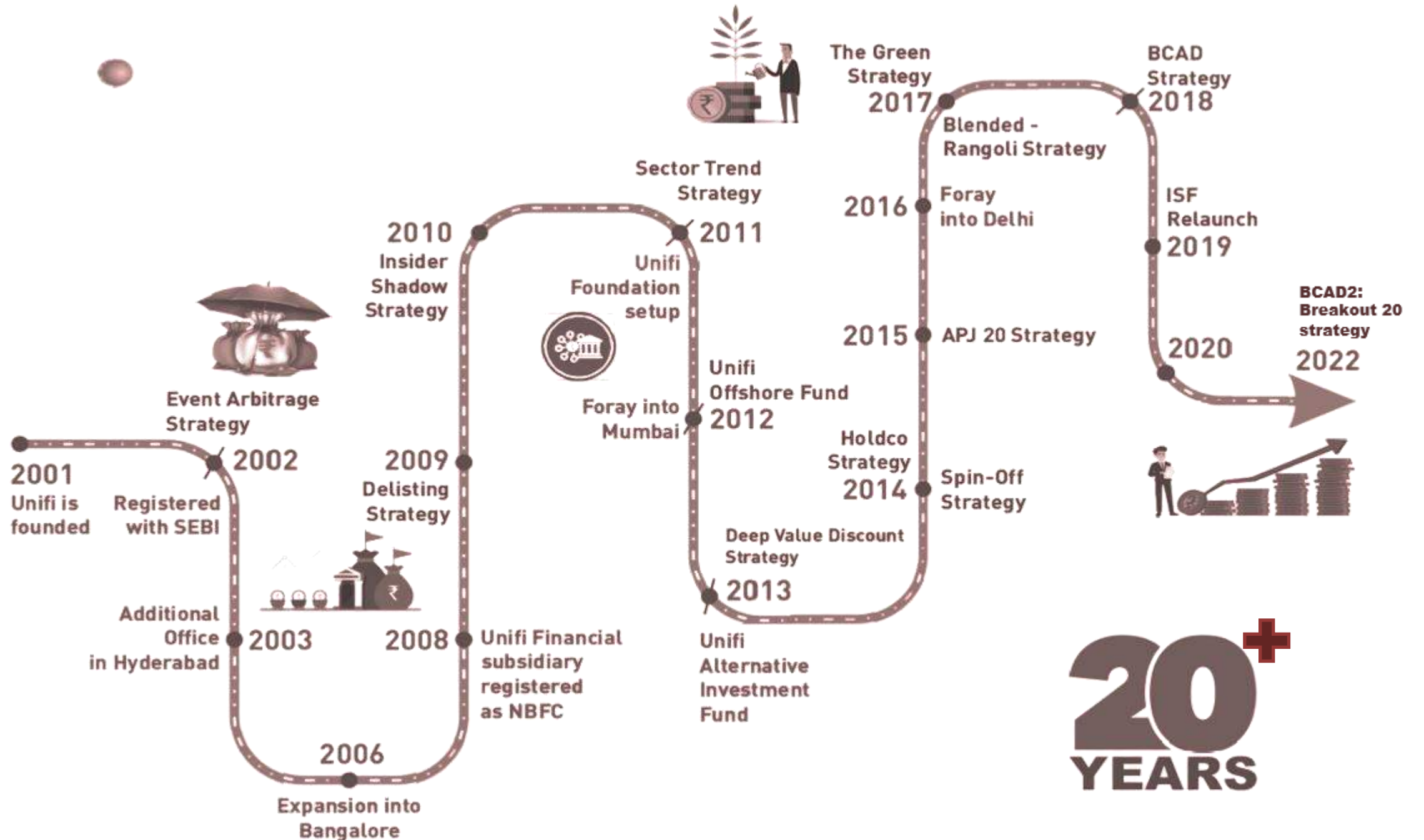
Best-in-class prime broker, custodian and counterparties.

## About Unifi

- ✓ Unifi focuses on long-only investment approaches as well as event arbitrage, focused on Indian equities, with a strong in-house research team, offering high levels of service.
- ✓ The core team of four experienced capital market professionals co-founded the company in 2001.
- ✓ Unifi has a successful 20-year performance record, evidenced by every strategy having performed better than its benchmark. The current (Apr 23) AUM is Rs 15,700 Crs (USD 1,920 million)
- ✓ Unifi is headquartered in Chennai with offices in Bangalore, Hyderabad, Mumbai, Kolkata and Delhi with a total team size of 103 professionals.

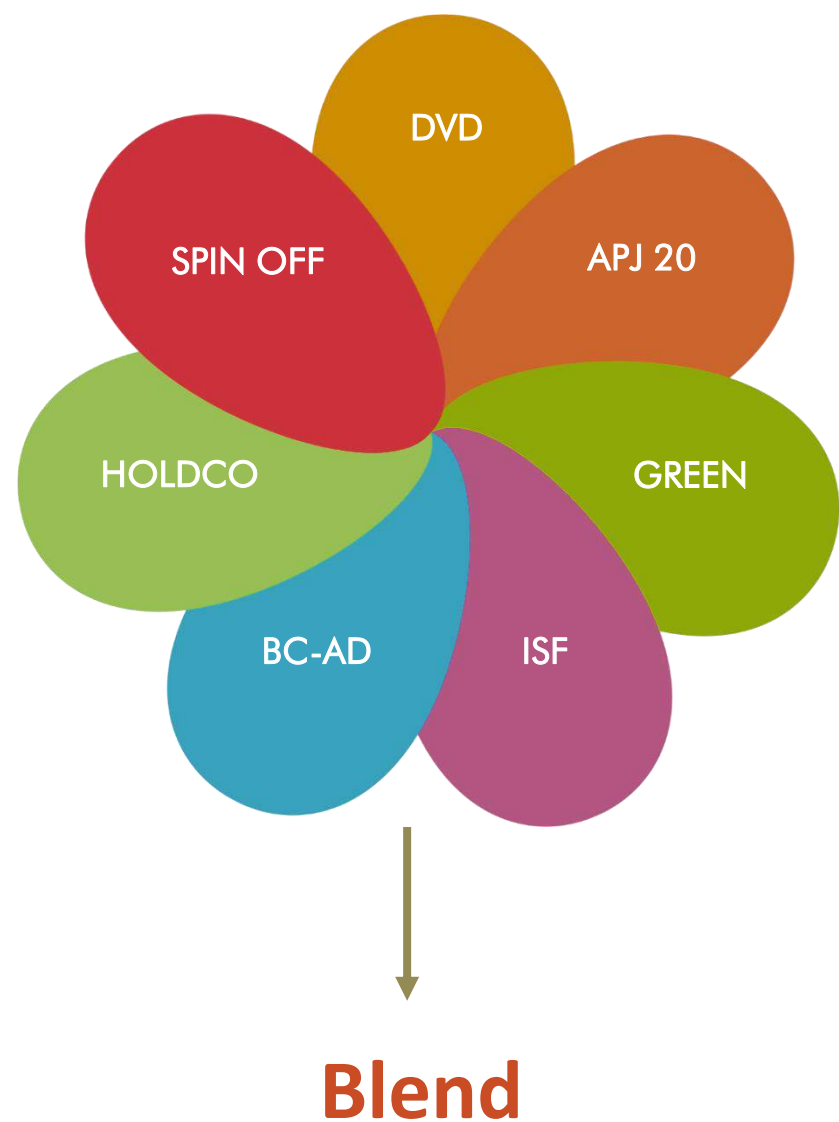
# Unifi: Historical Timeline

Unifi was established in 2001 as a competitive and performance-oriented asset manager, using innovative investment strategies to achieve superior risk-adjusted returns





## Investment Strategy



Blend Theme cherry picks  
Investments from all 7 distinct  
strategies managed by Unifi.

## Distinctive Themes managed by Unifi

**Spin Off:** In a single corporate structure with multiple businesses, the sum of the value of the separate parts is often less than that of the whole. A de-merger of disparate businesses, unlocks the financial and management bandwidth required for the respective businesses to grow. Spin off strategy invests in situations that offer great scope for the businesses to realise their full growth potential and attract commensurate market valuation.

**DVD:** Few segments of the market tend to be mispriced in spite of visible growth prospects, resulting in such stocks trading at a deep discount to their intrinsic value. Reasons could vary from inadequate understanding of a business by most analysts, low relative market cap and liquidity or the lack of correlation to benchmark indices. DVD invests in such businesses and exploits market inefficiencies.

**HoldCo:** Many holding companies are run as group holding companies rather than strategic investment companies. This results in a perennial discount in their valuations but such discounts are not a constant. The Holdco strategy identifies strong underlying businesses and looks for massive valuation discounts that are likely to recover as promoters feel the heat of change in the regulatory landscape; meantime benefiting from value convergence in a rising market.

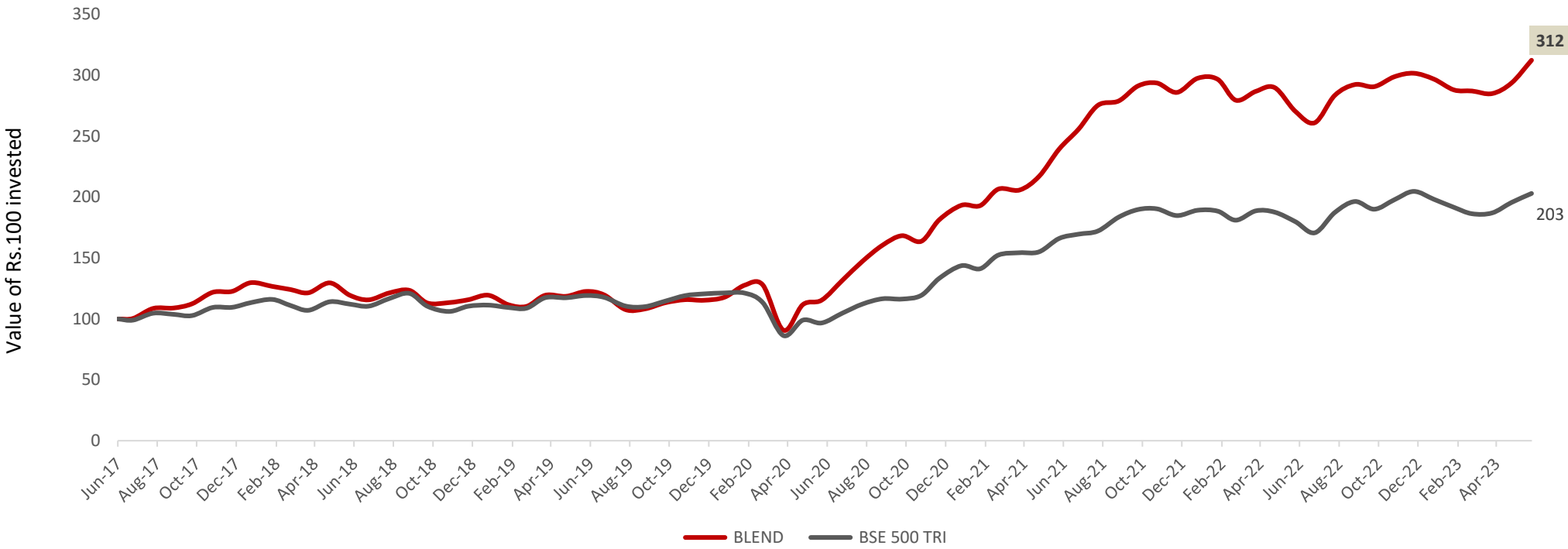
**APJ 20:** As always, markets fancy few sectors that have done well in the past ignoring the rest. Of the sectors which are less understood, few like specialist chemicals, agri, precision manufacturing have become globally competitive and are privy to an expanding market opportunity. APJ20 invests in firms that have evolved and are in a ripe position to benefit from such growth prospects.

**Green Strategy:** The investment focus of the green strategy is on companies which provide products and services that help in reducing the carbon footprint in the environment and/or result in more efficient use of natural resources. Within the context of this strategy, the sectors that have been identified for creating the portfolio are - emission control, energy efficiency, water management and waste management.

**Insider Shadow Strategy:** The theme invests in companies which have repurchased their own shares or where its promoters' have acquired additional shares at market prices. Such an action demonstrates their conviction on company's growth prospects or inherent value not captured in stock price at that point. The proposition is to gain from the eventual balancing of the value-price mismatch in the market.

**BCAD:** India is a USD 2.6 Trillion economy and will double to USD 5 Trillion in a decade from now. Supporting this massive scale are certain social, legal and tax changes that have powerful repercussions for various sectors. The unintended consequences of these changes are impacting the competitive ability and in some cases the very survival of unorganised businesses, thus leading to a disruptive shift favouring organised businesses.

# Blended-Rangoli Strategy (PMS) - Performance



## Portfolio Parameters

Blend Rangoli	FY 23	FY 24 E*
Earnings Growth	21.0%	22.0%
P/E	24	20
ROE	22%	22%
D/E	0.1	0.1
PEG	1.1	0.9

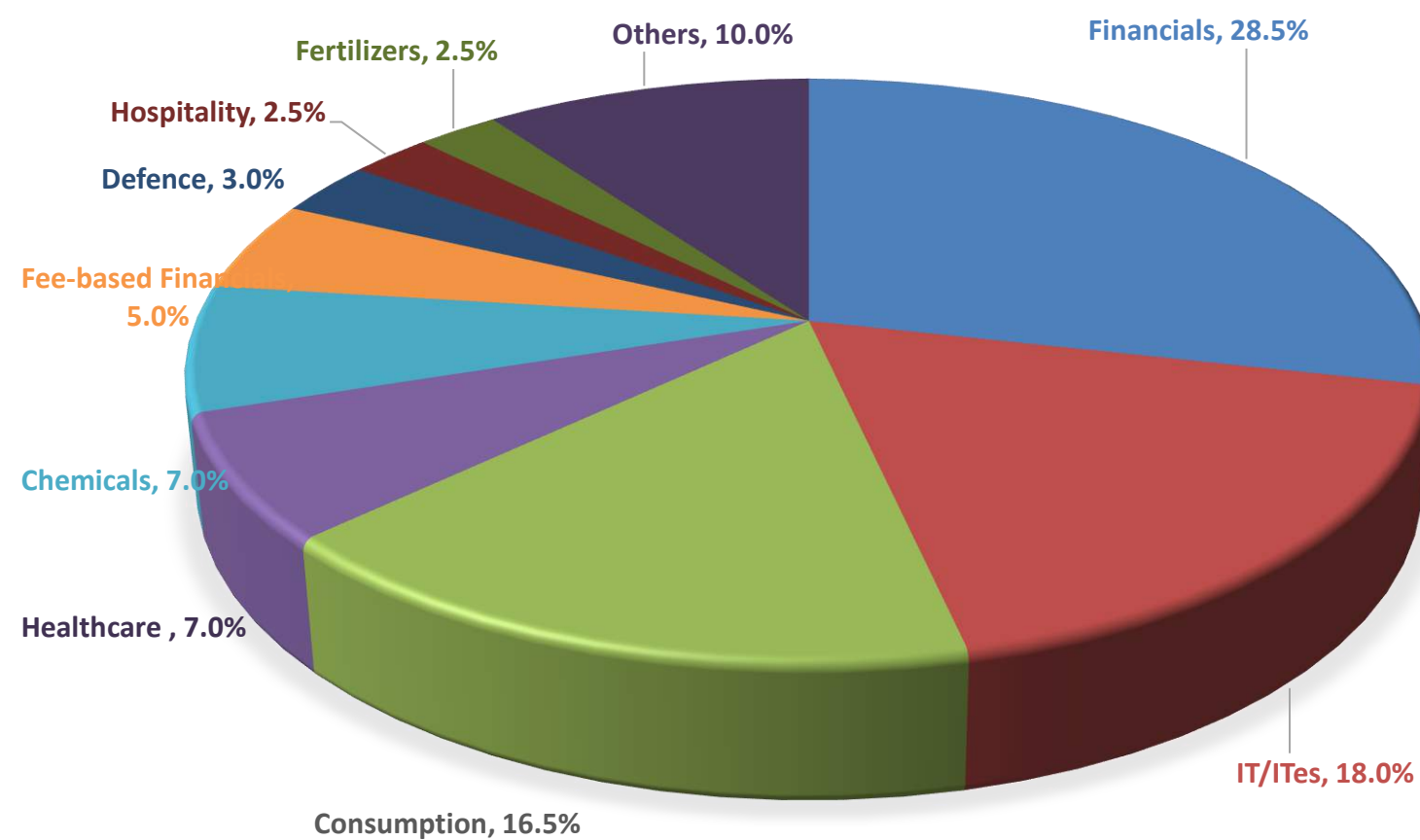
\* FY 24 data is estimated based on assumptions and expectations considering currently available information and they involve risks, variables and uncertainties.

TWRR	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	FYTD
FY 18			0.43%	8.17%	0.29%	3.17%	8.41%	0.62%	5.83%	-2.35%	-2.02%	-2.16%	21.47%
FY 19	6.69%	-7.85%	-3.13%	4.91%	1.75%	-8.45%	0.31%	2.07%	3.19%	-6.51%	-1.22%	8.29%	-1.66%
FY 20	-0.74%	3.37%	-2.33%	-10.06%	0.55%	4.63%	2.24%	-0.41%	2.18%	8.34%	0.23%	-29.09%	-23.98%
FY 21	23.16%	3.26%	14.06%	11.87%	8.96%	4.88%	-2.72%	10.84%	6.5%	-0.15%	7.02%	-0.35%	126.76%
FY 22	5.43%	10.30%	6.82%	7.68%	1.28%	4.43%	0.82%	-2.63%	4.06%	-0.28%	-5.79%	2.61%	39.38%
FY 23	1.07%	-6.72%	-3.46%	8.61%	3.12%	-0.58%	2.79%	0.96%	-1.59%	-2.99%	-0.31%	-0.74	-0.64%
FY 24	3.04%	6.37%											9.61%

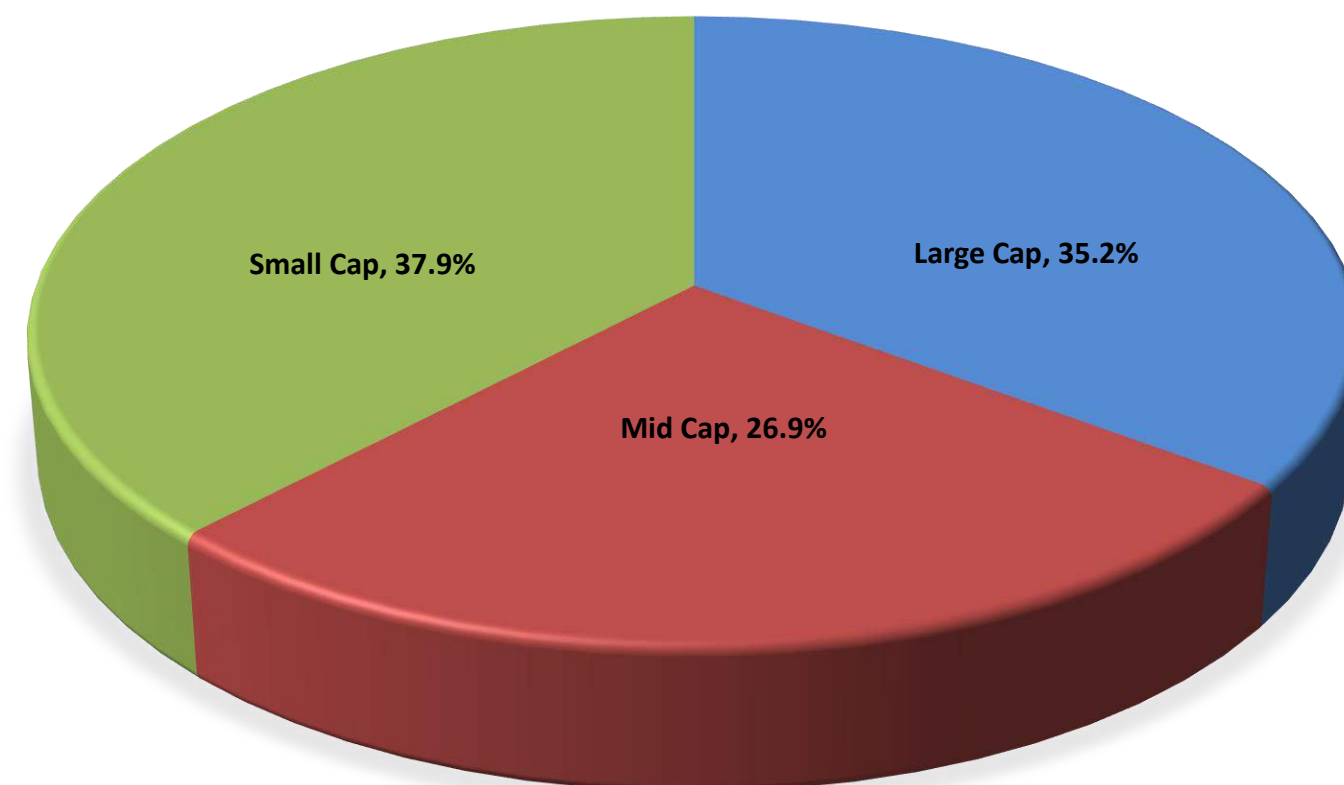
As of 31st May'23

## BLENDED RANGOLI - CHARACTERISTICS

## Sector Exposure



## Mcap Exposure

As of 30<sup>th</sup> Apr'23



# Performance as of May 2023

Performance as of 31 May 2023												
Investment Approaches	1 Month	3 Months	6 Months	1 Year	2 Years	3 Years	5 Years	FYTD	Date of Inception	Since Inception Investment Approaches	Since Inception Benchmark®	Since Inception Nifty Index - for reference
Type	TWRR	TWRR	TWRR	TWRR	TWRR	TWRR	TWRR			TWRR	TWRR	TWRR
PMS <sup>#</sup>												
Unifi Blended - Rangoli	6.37%	8.79%	3.53%	15.51%	14.27%	39.40%	21.36%	9.61%	Jun-17	20.96%	12.55%	11.50%
Unifi BCAD	7.64%	9.90%	3.05%	19.70%	14.65%	29.93%	15.01%	11.82%	Apr-18	14.72%	12.08%	11.40%
Unifi BCAD2: Breakout 20	6.89%	9.06%	2.52%	19.78%	NA	NA	NA	10.40%	Jan-22	11.60%	1.66%	1.11%
Unifi Insider Shadow*	7.54%	6.97%	0.49%	8.31%	11.18%	39.42%	17.91%	11.27%	May-10	14.97%	^	10.45%
Unifi Holding Co*	3.21%	10.10%	1.36%	15.86%	8.04%	30.30%	6.79%	12.37%	May-14	20.64%	13.22%	10.91%
Unifi APJ 20*	7.96%	12.98%	9.63%	24.88%	14.18%	46.07%	20.09%	13.41%	Sep-15	21.64%	13.57%	11.85%
Unifi Green Fund*	7.35%	12.79%	10.67%	25.02%	19.19%	47.47%	15.35%	12.86%	Jan-17	16.26%	14.57%	13.28%
Nifty (for reference)	2.60%	7.11%	-1.19%	11.76%	9.07%	24.62%	11.54%	6.77%				
S&P BSE 500TRI	3.78%	8.92%	-0.83%	12.85%	10.56%	28.03%	12.59%	8.53%				
S&P BSE Midcap	6.31%	12.18%	4.43%	17.09%	11.61%	31.80%	11.10%	12.61%				
S&P BSE Smallcap	5.56%	11.64%	3.41%	15.75%	13.75%	41.02%	12.09%	13.24%				
S&P BSE Sensex	2.47%	6.21%	-0.76%	12.70%	9.81%	24.55%	12.14%	6.15%				

^will be updated by 12th June 23

#Performance data disclosed hereabove is net of Management and Performance fees.

\* Investment approaches closed for subscription

Returns over 1 year period are annualized. TWRR - Time Weighted Rate of Return.

Returns are adjusted for inflows/outflows

Pursuant to SEBI Circular ref. SEBI/HO/IMD/IMD-PoD-2/P/CIR/2022/172 dated Dec 16, 2022, with effect from April 2023, the benchmark for Equity Strategy and Debt have been changed to "BSE 500" and "CRISIL Credit Index" respectively.

# Salient Features / Strategy Structure

Strategy Structure	<ul style="list-style-type: none"> <li>Discretionary PMS – Open Ended</li> </ul>	Redemptions	<ul style="list-style-type: none"> <li>The tenure of the strategy is 5 years or 200% absolute return, whichever is earlier. Since the structure is PMS , there is no lock-in of funds. The redemption is processed within 7 working days.</li> </ul>
Benchmark	<ul style="list-style-type: none"> <li>BSE 500 TRI</li> </ul>	Fee Calculation	<ul style="list-style-type: none"> <li>Management Fee applicable will be charged on a monthly basis computed on each day end value. Applicable performance fee will be charged at the closure of the strategy</li> </ul>
Custodian & D-Mat	<ul style="list-style-type: none"> <li>HDFC Bank Ltd.</li> </ul>	Tax implications	<ul style="list-style-type: none"> <li>The tax is paid by the client combining his other investments thus the returns to the client in PMS are on pre tax basis. Profits in the PMS are taxed at applicable capital gains tax rates.</li> </ul>
Minimum Investment	<ul style="list-style-type: none"> <li>Rs 50 L</li> </ul>	Reporting structure	<ul style="list-style-type: none"> <li>MIS - monthly</li> <li>Strategy Newsletter - Quarterly</li> <li>Performance review webinars- Half yearly</li> <li>Tax reporting- Quarterly for advance tax and Yearly for year end tax</li> </ul>
Subscriptions and New Investments	<ul style="list-style-type: none"> <li>This is open ended fund with no entry and exit loads</li> </ul>		

# Commercials

## ***ONLY FIXED FEE***

- Management fee of 2% p.a. of the AUM will be charged on a monthly basis computed on each day end value.

**OR**

## ***PROFIT SHARE***

### ***Option 1 (With Management fee offset benefit):***

- Management Fee of 1.50 % p.a. of the AUM will be charged on a monthly basis computed on each day end value.
- Performance Fees of 20% of profits above hurdle rate of 10% p.a. with management fee offset benefit The performance fee is charged at end of the 5 Years or 200% return whichever is earlier.
- In case of pre closure, the hurdle rate will be reduced from 10% p.a. to 8% p.a. and the fee offset benefit of Management Fees will not be available.

### ***Option 2 (Without Management fee offset benefit):***

- Management Fee of 1.50 % p.a. of the AUM will be charged on a monthly basis computed on each day end value.
- Performance fees of 10% of profits above a hurdle rate of 10% p.a. The performance fee is charged at end of the 5 Years or 200% return whichever is earlier.
- In case of pre-closure, the hurdle rate will be reduced from 10% p.a. to 8% p.a.%

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