

LC SageOne Select Stock Portfolio



A Long-Only Equity Fund

An open-ended fund comprising of 12-20 best-in-class businesses poised for strong, long-term growth.



Confidential Discussion Document. See important legal information inside.

Important Legal Information

This presentation is a general overview of SageOne Investment Managers LLP's (SageOne or Manager) PMS offering and SageOne is the sole manager of the PMS which is registered with SEBI. This overview is being furnished on a confidential basis solely to a limited number of sophisticated prospective investors considering the investment in PMS. Any reproduction or distribution of this overview, in whole or in part, or the disclosure of its contents, without the prior written consent of the Manager, is prohibited.

This document is being provided to you solely for your convenience. However, it is not intended to be, nor shall it be construed as, an offer, or a solicitation of an offer, to buy or sell an interest in the Funds. Nothing in this document constitutes accounting, legal, regulatory, tax or other advice. Any decision to subscribe for interests in the PMS must be made solely on the basis of information contained in the respective Information Memorandums, which information may be different from the information contained in this document. The information contained in this document, including any data, projections and underlying assumptions are based upon certain assumptions, management forecasts and analysis of information available as at the date of this document and reflects prevailing conditions and our views as of the date of the document, all of which are accordingly subject to change at any time without notice and the PMS and the Manager are under no obligation to notify you of any of these changes. In preparing this document, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources or which was otherwise reviewed by us. While the information provided herein is believed to be reliable, the PMS and the Manager make no representation or warranty whether express or implied, and accept no responsibility for its completeness or accuracy or reliability. The performance related data has not been verified by SEBI.

The information contained herein relating to the performance of portfolios is for historical information only. You should note that past performances are not indicative of future performance.

Executive Summary : **LC SageOne Select Stock Portfolio**

- **India dedicated long-only** equities strategy launched in June, 2020
- Focus is on companies with a **high structural growth, high profitability & quality management**
- **High conviction portfolio** of 12-20 high growth stocks across multiple sectors
- Derived from SageOne's flagship core and small/micro cap offering (SCP & SSP)
- Multi-cap portfolio with primary focus on **INR 500cr – INR 40,000cr market cap** range
- **Buy & hold** discipline based on multi-year view – repeatable investment process, low turnover
- **Proven track record** of outperformance with lower downside risk[^]

[^] Based on performance of SageOne Core Portfolio since inception in April 2009 versus Nifty Index

Investment Team : SageOne Investment Managers

FOUNDER & CIO



Samit Vartak, CFA

Samit Vartak is the Founding Partner and Chief Investment Officer of SageOne Investment Advisors LLP. Samit has been investing in the equity markets since 1999 and has experienced and studied many bull and bear cycles over the last two decades. Samit's focus is on building long term wealth for the clients even if it means sacrificing short term money making. He believes in risk management not by seeking extreme diversification or buying sub-par businesses at low multiples, but by building a reasonably diversified portfolio of high quality businesses having long term competitive advantages in attractive and high growth industries.

Samit returned to India in 2006 after spending a decade in the USA working initially in corporate strategy with Gap Inc. and PwC Consulting, and then with Deloitte and Ernst & Young advising companies on business valuation and M&A. This experience forms the backbone that helps him better understand businesses and their fair value. Samit is a CFA® charter holder, an MBA from Olin School of Business, Washington University, US and holds a Bachelor of Engineering degree with Honors from Sardar Patel College of Engineering (SPCE), Mumbai University.

Samit actively shares his knowledge through investor newsletters, lectures at CFA society/industry forums and media interviews.

INVESTMENT TEAM



Parin Gala,

VP – Research &
Fund Accounting



Pratik Singhania,

VP - Research



Neha Agarwal

VP – Research &
Business Development



Dushyant Mishra,

Research Analyst

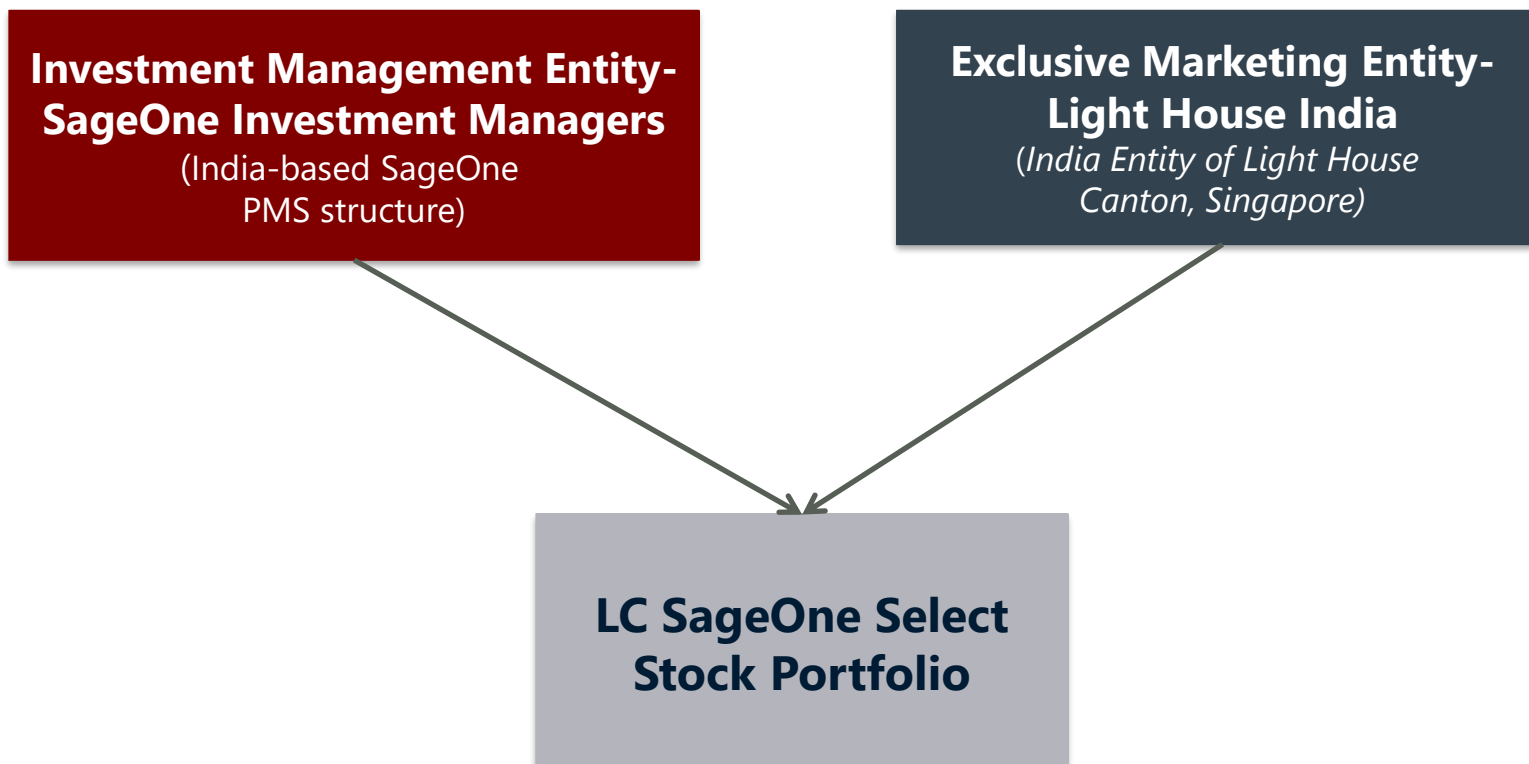


Yog Rajani

Research Associate

*Detailed bio of Investment Team in the Appendix below

Fund : Structure



WHY SAGEONE?

Key Strengths

Timely Entry

- Proven track record of identifying multi-baggers
 - Bajaj Finance, PI Industries, Maharashtra Scooters, Apl Apollo Tubes, Deepak Nitrite, Godrej Properties, Aarti Industries, Amara Raja, La Opala etc

Successful Exits

- Successful more often than not at timely exits
 - Kaveri Seeds, Page, SPARC, Amara Raja, Sundaram Finance, Cera, Repco, Exide etc

In-Depth Understanding

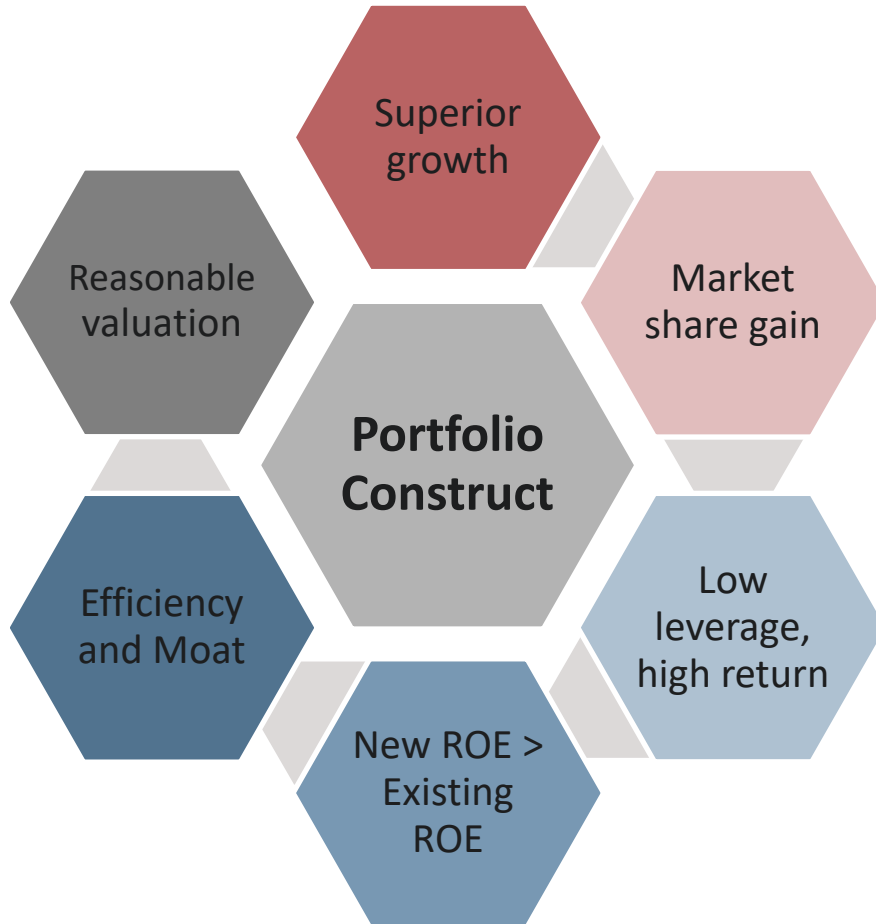
- Understanding of emerging economic trends, businesses and their competitiveness
- Strong network enabling robust ground checks
- Ability to identify companies that grow at significantly higher rate than the industry
 - Last seven year's portfolio weighted average earnings growth of 30% (CAGR)

Investment Management Team & Process

- Team with collective 50+ years of experience and across several cycles
- Bottoms-up research supported by scientific screening process for shortlisting right sectors & stocks
- Extremely replicable process with proper back-end quantitative & qualitative research

Investment Philosophy : **Filters for Selection**

Objective : Build and maintain a **portfolio in high conviction growth ideas available at prices at or below fair value**



Businesses that offer minimum **20% compounded earnings growth at individual level and 25% at the portfolio level**

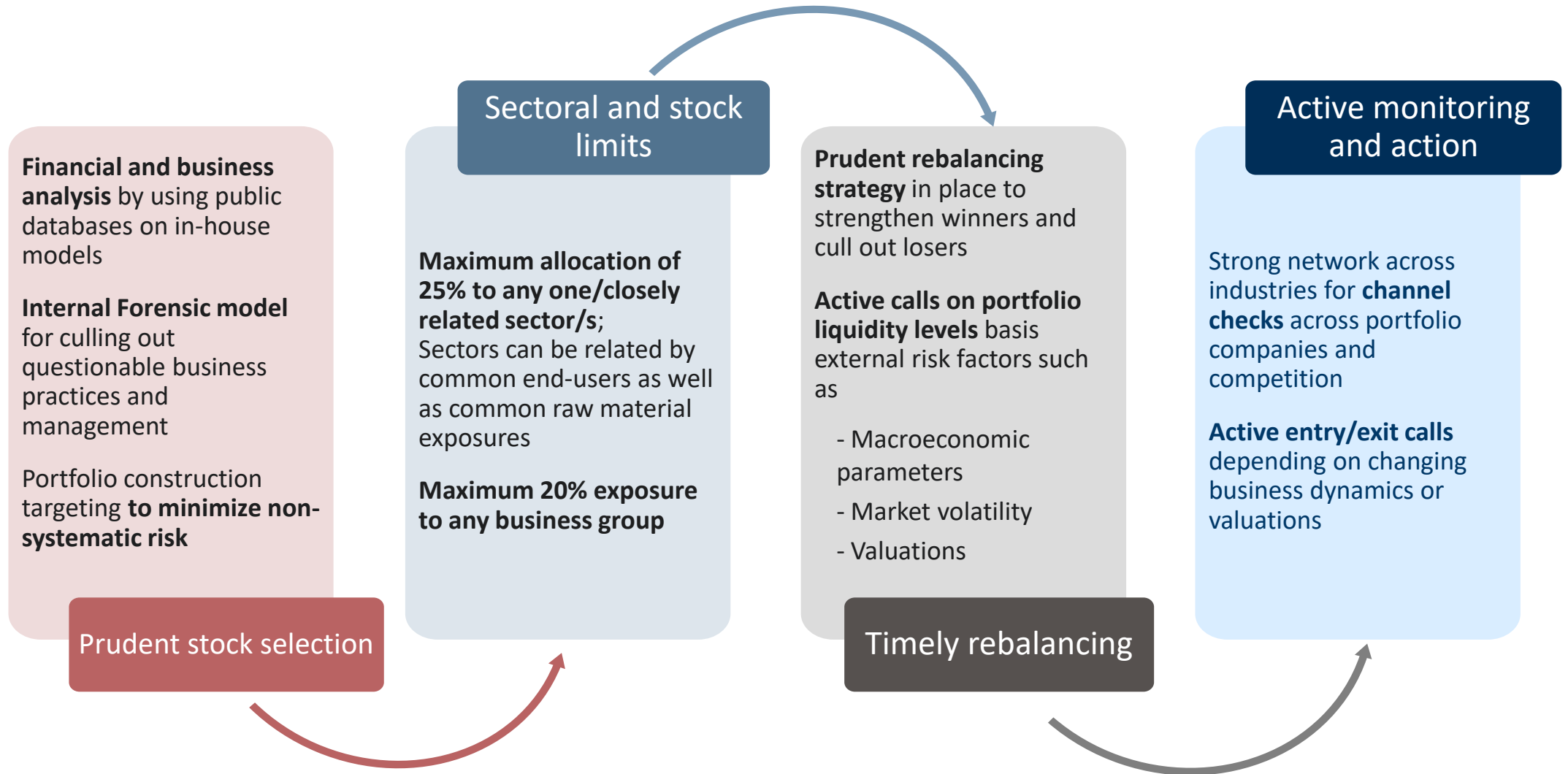
Businesses that **gain market share** which contributes significant portion of their **earnings growth**

Businesses that are strong and **profitable with ROE > 20%** to fund this growth internally

Businesses with **incremental ROE that is higher than existing ROE** and which generally result in increasing margins and valuation multiples

Most **efficient players in industries we like; leaders** or expected to be **leaders** due to their superior strategy and positioning

Risk Management Framework



Proven Track Record : Consistent Outperformance

Period (Apr 1 - Mar 31)	SCP	NIFTY 50 TRI	NSE Midcap 100 TRI	NSE Smallcap 100 TRI	BSE 500	Validation/Review	
FY 2022 (YTD June'21)	23.9%	7.5%	14.0%	20.1%	9.5%	SEBI Filed - PMS	PMS
FY 2021	114.7%	72.5%	103.9%	127.4%	76.6%	SEBI Filed - PMS	
FY 2020	-25.4%	-25.02%	-35.06%	-45.30%	-27.5%	SEBI Filed - PMS	
FY 2019	-9.8%	16.45%	-1.86%	-13.52%	8.3%	SEBI Filed - PMS	
FY 2018	31.2%	11.76%	10.25%	12.52%	11.8%	SEBI Filed - PMS	
FY 2017	28.5%	18.9%	35.5%	43.2%	24.0%	KPMG - IA	Investment Advisory (KPMG Reviewed)
FY 2016	-7.3%	-8.9%	-1.9%	-13.1%	-7.8%	KPMG - IA	
FY 2015	111.0%	26.7%	51.0%	52.3%	33.2%	KPMG - IA	
FY 2014	68.0%	18.0%	16.4%	17.8%	17.1%	KPMG - IA	
FY 2013	26.0%	7.3%	-4.0%	-7.5%	4.8%	KPMG - IA	
FY 2012	11.4%	-9.2%	-4.1%	-5.5%	-9.1%	KPMG - IA	CIO's Personal Portfolio (KPMG Reviewed)
FY 2011	31.4%	11.1%	4.4%	-1.0%	7.5%	KPMG - IA	
FY 2010	175.3%	73.8%	126.1%	129.4%	96.4%	KPMG - IA	
Annualized Returns	37.7%	14.9%	18.8%	16.4%	15.9%		
Cumulative Returns	4928.8%	451.1%	728.4%	544.9%	509.1%		
% Positive Months	66.7%	57.8%	61.9%	61.2%	59.9%		
Annualized Stdev	35.3%	19.6%	24.2%	29.4%	20.6%		
Sharpe (RFR 6%)	0.90	0.46	0.53	0.35	0.48		

Performance/Return numbers mentioned are net of fees and costs. For period up to Feb 2017, portfolio returns and benchmark returns are excluding dividends; post Feb 2017, portfolio returns and benchmark returns (TRI - Total Return Index) are including dividends. Performance numbers are based on KPMG's report for financial years ended 31st Mar 2010 to 31st Mar 2017. Post Mar'17 they are based on SEBI PMS filings calculated using 'Time Weighted Rate of Return' method in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020. Past performance is not an indication or promise of future performance. The performance related data has not been verified by SEBI.; Source: SOIA estimates, ACE Equity.

From Stock Picking to Disciplined Portfolio (Net Returns in INR)

Period (Apr'12 - June'21)	SCP	Nifty TRI	NSE Midcap 100 TRI	NSE Smallcap 100 TRI	BSE 500
Latest 9 Years 3 months	31.4%	13.2%	15.1%	12.6%	13.3%
Cumulative Returns	1147.7%	214.4%	266.1%	200.5%	217.5%
% Positive Months	67.6%	58.6%	62.2%	60.4%	60.4%
Annualized Stdev	22.3%	16.8%	21.8%	26.8%	17.4%
Sharpe (RFR 6%)	1.14	0.43	0.42	0.25	0.42

**Latest 9 Years 3 Months
(Formal funds management)**

Period (Apr '09 - Mar '12)	SCP	Nifty	NSE Midcap 100	NSE Small cap 100	BSE 500
First 3 Years	59.1%	20.6%	31.3%	29.0%	24.3%
Cumulative Returns	303.1%	75.3%	126.3%	114.6%	91.8%
% Positive Months	63.9%	55.6%	61.1%	63.9%	58.3%
Annualized Stdev.	59.6%	26.7%	30.6%	36.4%	28.5%
Sharpe (RFR 6.0%)	0.89	0.55	0.83	0.63	0.64

**First 3 Years
(Proprietary funds only)**

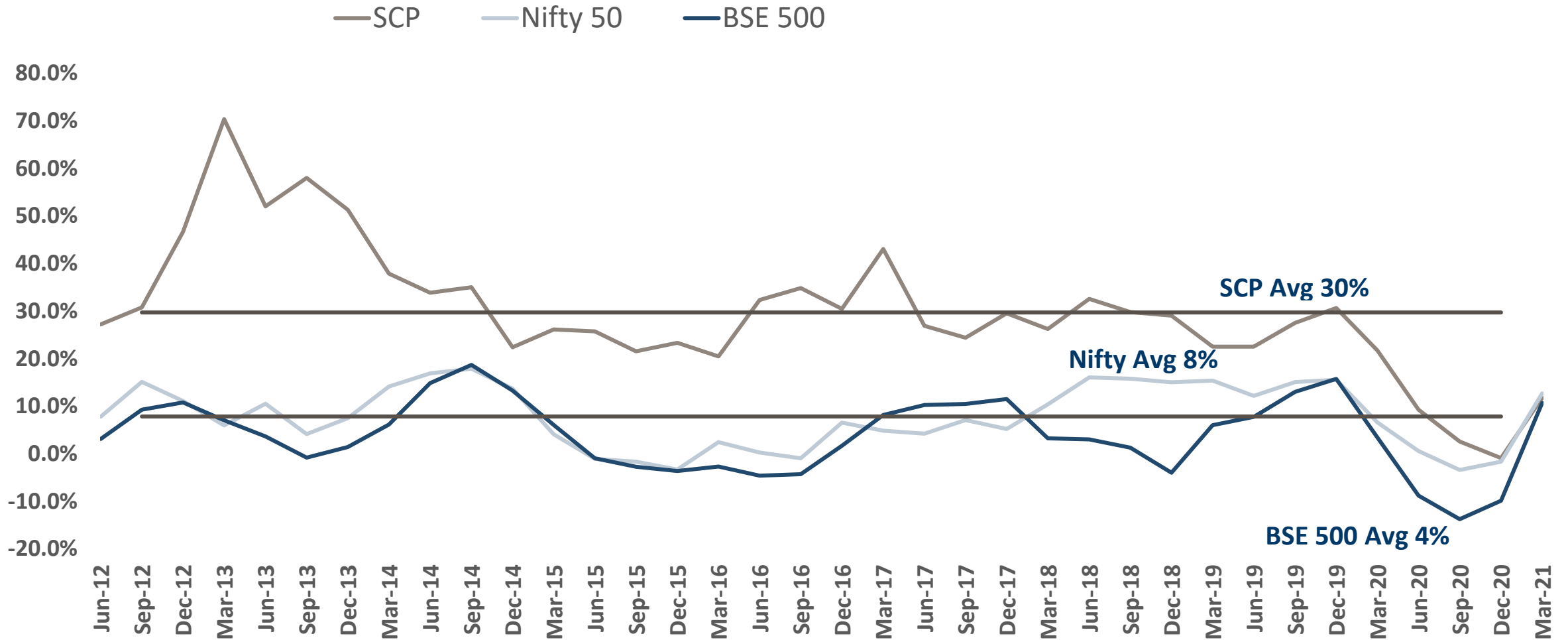
The performance related data has not been verified by SEBI.
Please refer to the notes on the previous page.

From Stock Picking to Disciplined Portfolio (Net Returns in INR)

Period (as of June 30, 2021)	Absolute returns			Annualised Returns				
	1 month	3 months	6 months	1-year	2-year	3-year	5-year	Since Inception (Apr 2009)
SageOne Core Portfolio (SCP)	8.8%	23.9%	39.2%	112.3%	39.8%	24.2%	21.6%	37.7%
SageOne Small/Micro Cap Portfolio (SSP)	5.4%	24.6%	48.2%	129.4%	55.8%	NA	NA	49.0% (Apr'19)
NSE Mid-cap 100 TRI	4.7%	14.0%	29.9%	52.1%	24.9%	15.2%	15.4%	18.8%
NSE Small-cap 100 TRI	5.1%	20.1%	37.8%	45.0%	26.7%	11.9%	11.8%	16.4%
BSE 500	1.9%	9.5%	17.3%	37.0%	18.5%	13.9%	14.2%	15.9%

The performance related data has not been verified by SEBI.
Please refer to the notes on the previous page.

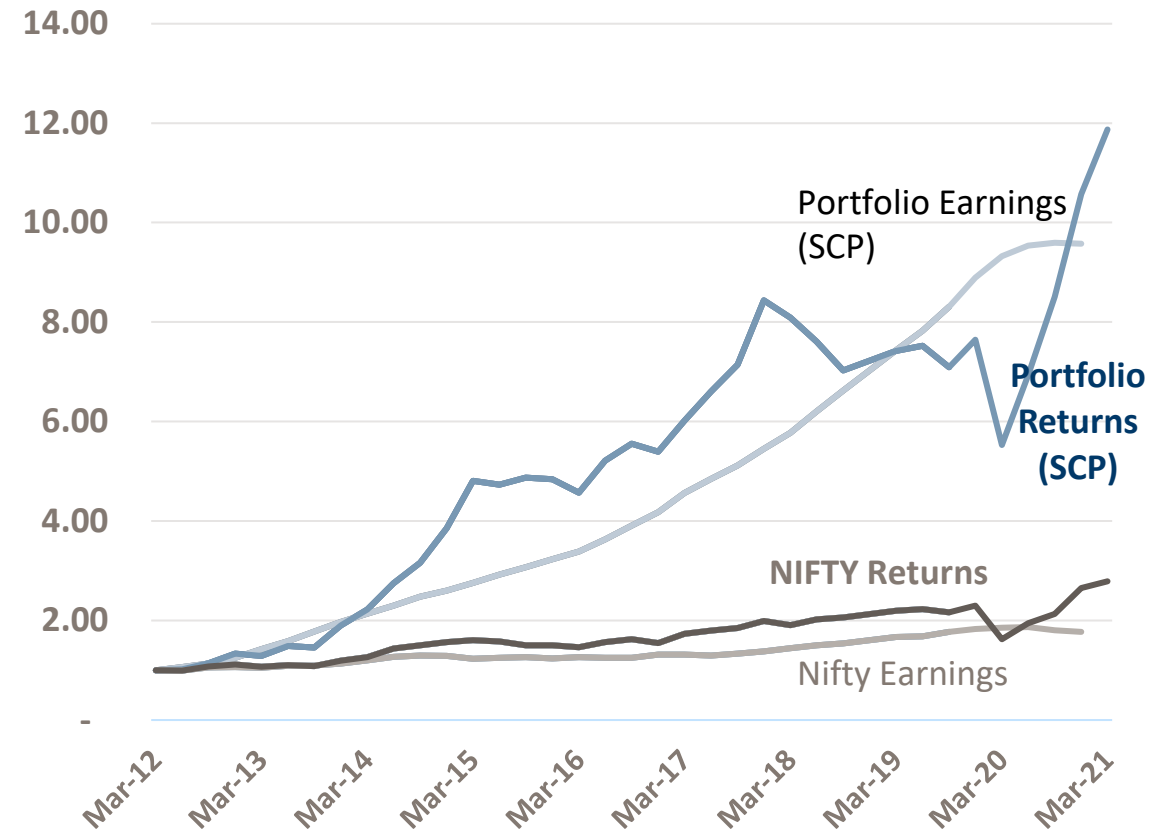
Quality Portfolio : Consistently High Earnings Growth



Source: SOIA estimates

Historical Returns Driven by Earnings Growth Unlike the Market

- **SCP returns** have been consistent with the weighted average earnings growth of the portfolio companies
- **Nifty returns** have been well ahead of the earnings growth of the constituents
- Returns driven by valuation rerating (expansion) is very difficult to replicate compared to return driven by earnings growth



Growth in amount invested and earnings over 8 years assuming starting at the same base of 1.0 as of March 31, 2012

Source: SOIA estimates and Bloomberg

CURRENT OPPORTUNITY

Where are We Finding Attractive Opportunities

- Majority of institutional holding is in the top 100 stocks which are quite fairly priced
- The size of these companies is large and hence **>20% earnings growth on sustainable basis very difficult**
- Given our targeted growth and requirement of attractive valuations, our hunting ground is generally beyond the top 100 cos

Indian Listed Market Breakup

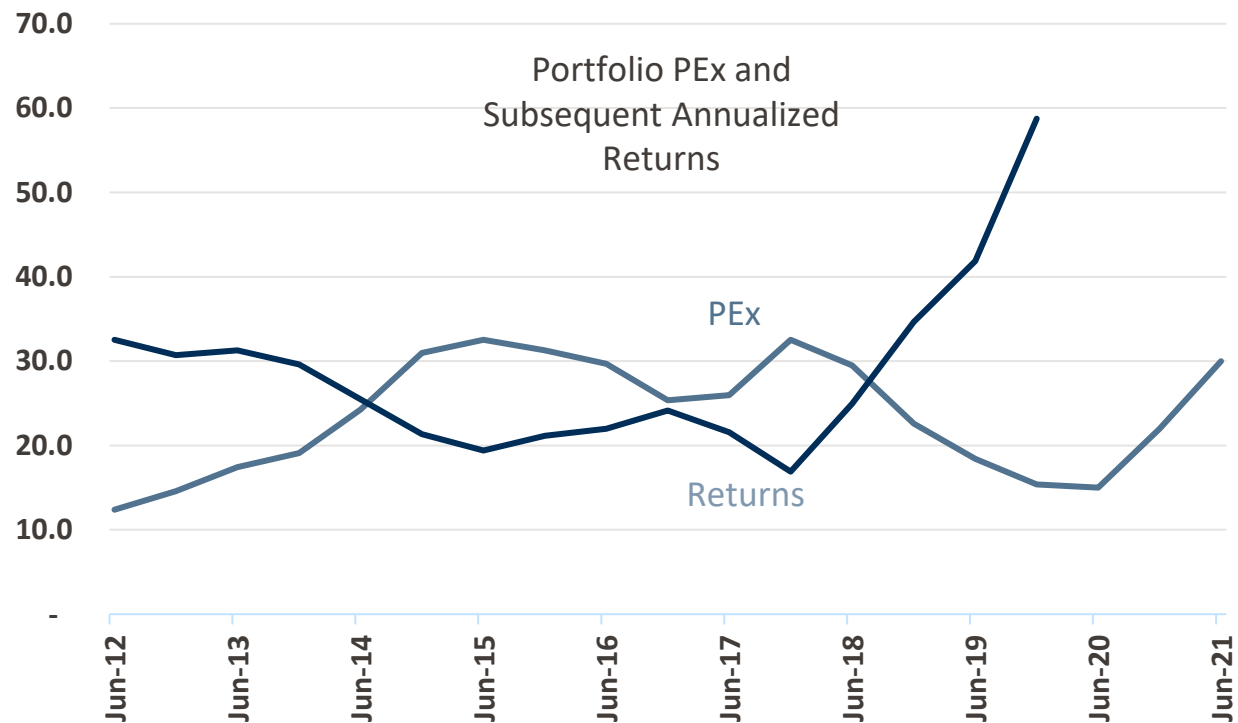
Cos. by Mcap (As of June 30, 2021)	Mcap Range (INR cr)	Median PEx
Top 100	>43.1K	37.3
101 - 200	19.4K-42.5K	35.3
201 -300	10.4K-19.3K	35.3
301 - 400	6.1K-10.3K	30.0
401 - 500	3.8K-6.1K	26.0
501 - 600	2.5K-3.8K	23.9
601 - 700	1.8K-2.5K	22.1

**Our
Hunting
Ground at
Entry**

Source: SOIA, Ace Equity Database

Quality Portfolio : SCP Valuation across Time Periods

Investments at all times across different valuation levels have delivered reasonable returns over medium to long term



Source: SOIA, Ace Equity Database

Period	TTM PEx of the Portfolio	Annualised Returns till May, 2021
June-21	34.0	??
Dec-20	22.0	39.2
Jun-20	15.0	112.3
Dec-19	15.4	58.7
Jun-19	18.4	41.9
Dec-18	22.6	34.6
Jun-18	29.5	24.9
Dec-17	32.5	16.9
Jun-17	26.0	21.6
Dec-16	25.4	24.2
Jun-16	29.7	22.0
Dec-15	31.3	21.2
Jun-15	32.5	19.4
Dec-14	31.0	21.3
Jun-14	24.3	25.5
Dec-13	19.1	29.6
Jun-13	17.4	31.3
Dec-12	14.6	30.7
Jun-12	12.4	32.5

PMS Closed for New Subscriptions

Source: SOIA estimates and ACE Equity

Fund Structure & Terms

	Terms
Name	LC SageOne Select Stock Portfolio (LCSP)
Strategy Type	Active long-only strategy in listed Indian equities
Investment Manager	SageOne Investment Managers LLP
Fund Manager	Mr. Samit Vartak, CFA
Minimum Contribution	INR 1 cr
Exit Load	No Exit Load
Benchmark	Avg of NSE Mid cap 100 TRI & NSE Small cap 100 TRI
Custodian	Edelweiss Capital Services Limited
Taxation	LTCG/STCG at individual level

Our Fee Structure

Slab	Capital Commitment	Fixed Management Fees*	Variable Management Fees**
1	INR 1 cr to < INR 5 cr	2.50%	Nil
2	INR 5 cr to < INR 10 cr	2.25%	Nil
3	INR 10 cr to < INR 15 cr	2.00%	Nil
4	INR 15 cr and above	1.75%	Nil
1	INR 1 cr to < INR 5 cr	1.00%	15% sharing above 10% hurdle
2	INR 5 cr to < INR 10 cr	0.75%	15% sharing above 10% hurdle
3	INR 10 cr to < INR 15 cr	0.50%	15% sharing above 10% hurdle
4	INR 15 cr and above	0.25%	15% sharing above 10% hurdle

No Catch-up

* Charged on a quarterly basis; Plus GST and all statutory levies as applicable

** Variable fees for PMS strategies will be charged annually

Higher water-mark applicable

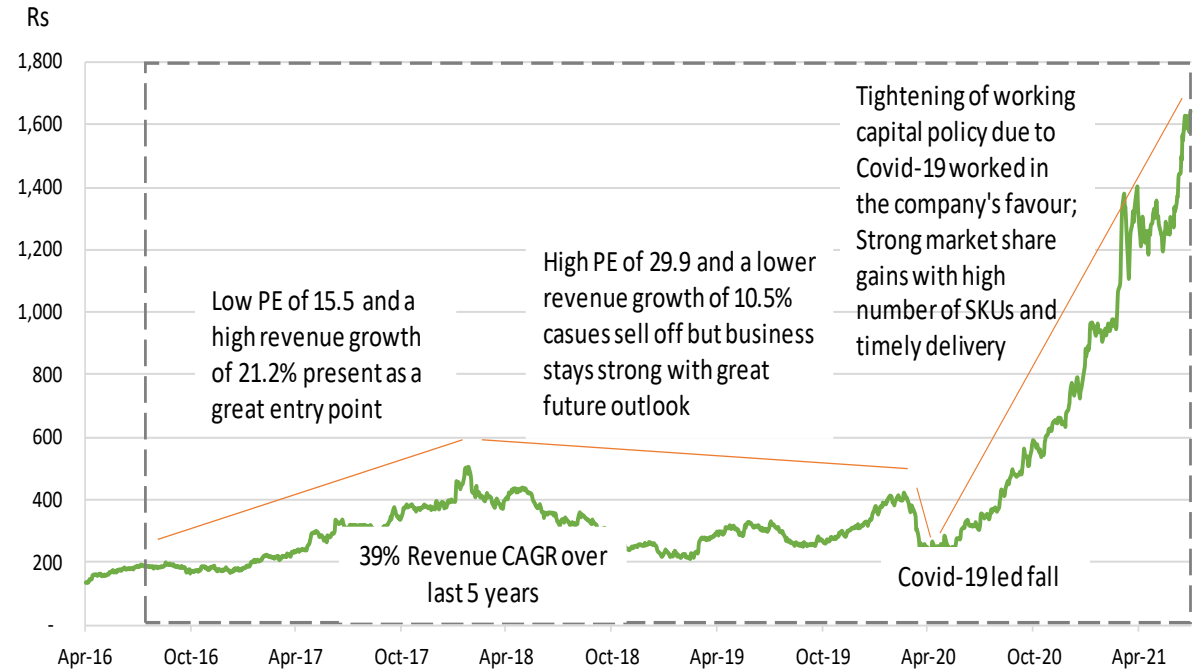
Case Study: **APL Apollo**

Entry: INR 946 (USD 14) ; Market Cap INR 2,230 cr (USD 330m) in July 2016

Investment Hypothesis:

- Pan India capacity expansion and improved utilizations
- Focus on brand building and deeper penetration of its distribution network
- Economies of scale providing it with a cost advantage in a highly fragmented market
- Insulation from imports
- Planned capacity expansion in the Middle east to boost exports
- Wide range of product portfolio and new product initiatives

APL APOLLO TUBES LIMITED - SHARE PRICE MOVEMENT



 indicates holding period

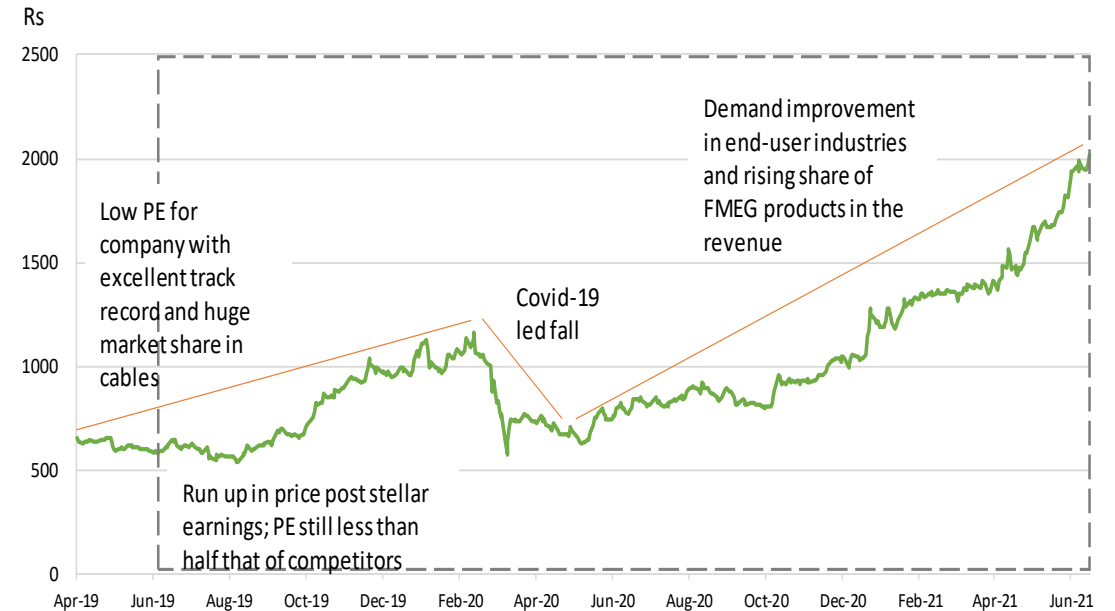
Case Study: Polycab India

Entry: INR 615 (USD 9) ; Market Cap INR 10,500 cr (USD 1.5bn) in June 2019

Investment Hypothesis:

- 18% market share in the organized cable and wire and 12% overall, which is significantly higher than any other player.
- Strong distribution model with 3100 authorized dealers delivering to 100,000 retail outlets.
- Sectoral tailwinds like Housing for All scheme and rural electrification present as opportunities for expansion in the market share.

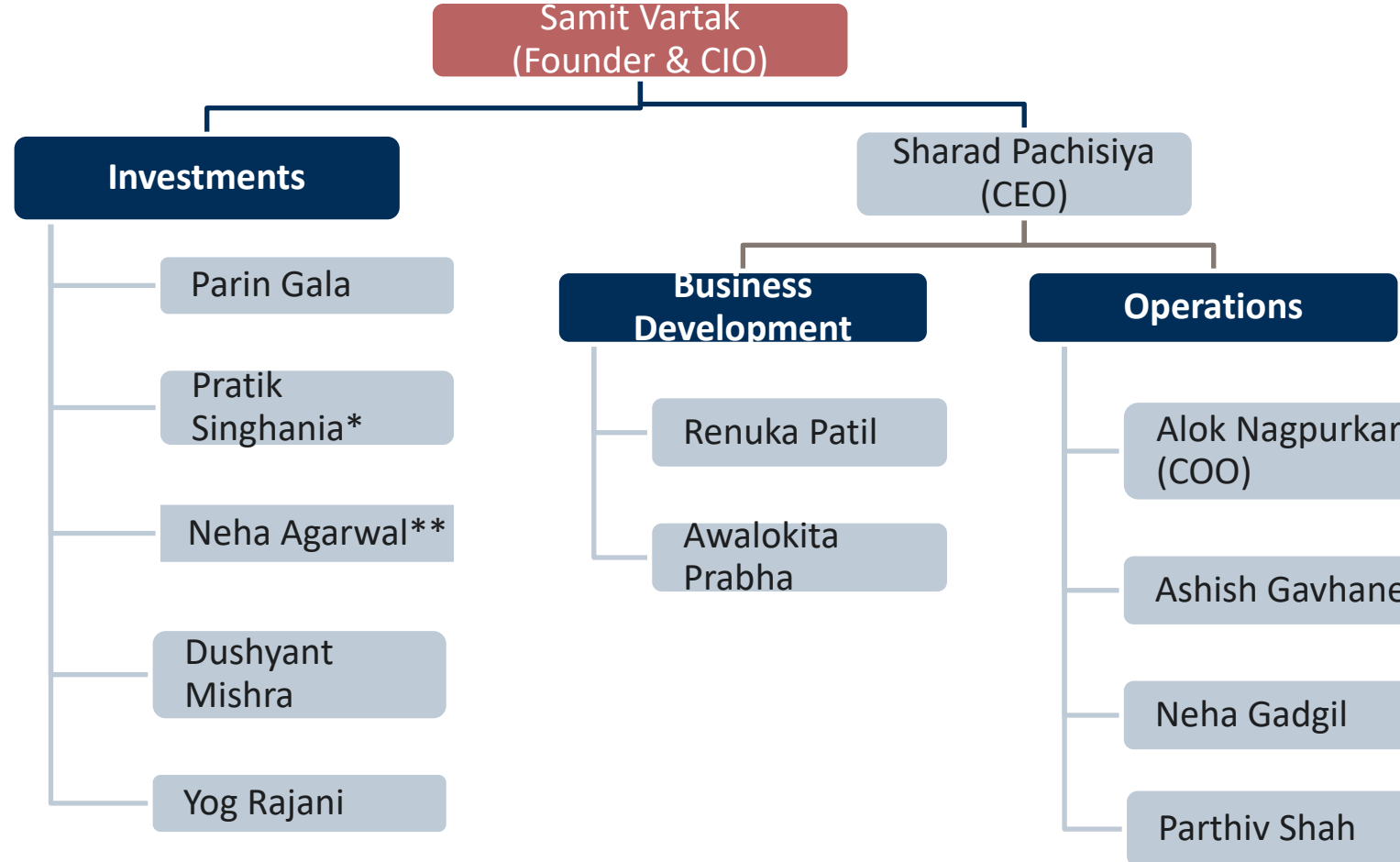
POLYCAB INDIA-SHARE PRICE MOVEMENT



indicates holding period

APPENDIX

SageOne Investment Advisors – Organisational Chart



* Pratik devotes some time to taxation planning and structuring for the organisation;

** Neha spends some time on BD reporting to the CEO

Contact Details



ADDRESS

LC Capital India Pvt Ltd.
Ground floor, Cowrks,
Worldmark 1,
Aerocity.
New Delhi 110037

EMAIL

service@lighthouse-canton.in

TELEPHONE

Office: +91 96504 73961

Disclaimer

The contents of this document are confidential and are meant for intended recipient only. If you are not the intended recipient, please delete all copies of this document and notify the sender immediately.

This document provides a general overview of SageOne Investment Advisors LLP's (SageOne or Manager)) PMS offering and is not to be construed as an offer to sell or solicit an offer to buy any financial instruments in any jurisdiction.

Information contained herein is qualified in its entirety by reference to the Memorandum, Associated Documents and Subscription Agreement relating to the purchase of interests in the fund, and these documents should be reviewed carefully prior to taking any investment decision(s). It may include any data and projections based on underlying assumptions, management forecasts, information analysis and views of the author(s), which are subjected to change. LC Capital India Private Limited is under no obligation to update you on any changes made to this document.

This document is based on information from sources which are reliable, but has not been independently verified by LC Capital India Private Limited ("LCIL"). LCIL has taken reasonable steps to verify the contents of this document and accept no liability for any loss arising from the use of any information contained herein. Please also note that past performances are not indicative of future performance.

This document is distributed by LC Capital India Private Limited ("LCIL") which is incorporated in India and is an Association of Mutual Funds in India ("AMFI") registered Mutual Fund Distributor (License No. ARN 171014). The contents of this document may not be reproduced or referenced, either in part or in full, without prior written permission of LCIL.

LC Capital India Private Limited ("LCIL") is not affiliated to Lighthouse Canton Pte Ltd ("LCPL"), Singapore, and any views and/or advice provided by LCIL does not represent nor constitute as the views held by LCPL. Lighthouse-Canton brand and logo are owned by Lighthouse Canton Investment Holdings Pte Ltd ("LCIH") and have been granted for use to LCIL and LCPL by means of Licensing agreements.

Risk Factors: Investments in securities are subject to market risks. The value of the Portfolios can go up or down depending on various market factors. Past performance of the Portfolio Manager does not indicate the future performance of the Products or any other future Products of the Portfolio Manager. There are no assurances or guarantees that the objectives of any of the financial product(s) / instrument(s) will be achieved.

The investments may not be suited to all categories of investors. Investors are not being offered any guaranteed or indicative returns through any of the products/recommendations. The names of the Products do not in any manner indicate their prospects or returns. The performance of the Products may be adversely affected by the performance of individual issuer companies, changes in the market conditions, micro and macro factors and forces affecting capital markets in particular like interest rate risk, credit risk, liquidity risk and reinvestment risk. Derivative/future and options products are affected by various risks including but not limited to counter party risk, market risk, valuation risk, liquidity risk, basis risk and other risk.

Please read the Disclosure Document of the proposed investment before investing.

LC Capital India Private Limited

CIN: U74999TG2020PTC139228

Regd off: Building 9000, Plot No 7, SY No 542, MN Park, Phase-II, Hyderabad, 500078, Telangana (India)

Corp. Off: Ground Floor, Co-works, Worldmark 1, Aerocity, New Delhi, 1100037, Delhi (India)

Email: service@lighthouse-canton.in Website: www.lighthouse-canton.in