

# ALCHEMY SELECT STOCK

Prized by all. Reserved for a select few.

Fund Manager: Hiren Ved

# ALCHEMY SELECT STOCK

## Investment Objective\*\*

To generate long-term returns by investing in equities and equity related instruments, across all market capitalizations.



### Combination of top-down & bottom-up stock picking and High Conviction

A demonstrable long-term track record of finding winners with a deep understanding of the businesses and the drivers of long-term sustainable performance in companies, which may then translate into long-term return performance.

### Over diversification dilutes returns

A well-diversified portfolio is essential to capture a wide variety of businesses, too much diversification tends to dilute returns. A concentrated portfolio helps to focus more on individual stock performance and returns.

### A differentiated strategy for UHNI, Family Offices & Large allocators

A slice of the capital allocated to a concentrated strategy makes eminent sense as the investors are already diversified, and a differentiated strategy can help generate differentiated returns.

\*\* The investment objective are indicative and there are no assurances that it will be achieved. Investors are advisable to take independent tax, legal, risk, financial and other professional advice.

# ALCHEMY SELECT STOCK (SS)\* - PRODUCT HIGHLIGHTS

- **Philosophy:** The philosophy behind growth investing is based on the assumption that India is a high growth economy with a strong entrepreneurial culture. Our endeavor is to identify and invest in growth companies through a combination of top-down and bottom up fundamental research to enable long term wealth creation. A typical Portfolio may generally consist of between 8-14 stocks across sectors. We may construct such concentrated portfolios as per the clients need and understanding.
- **Strategy\*\*:** Invest in companies across the market capitalization range, which have high growth potential and potential to deliver long-term capital appreciation.
- **Fund Manager:** Hiren Ved
- **Description of types of securities:** Equity | **Investment horizon:** 3 to 5 Years
- **Risk associated with Product/Investment approach^^:** High Risk
- **Allocation of Portfolio across types of securities:** Upto 100% in equity(cash portion may be deployed in liquid funds/ debt securities).
- **Allocation across Market Cap:** Since portfolio is concentrated, focus is more on stock selection than on market cap allocation.

*\*Inception Date: Dec 19, 2008*

*\*\* The investment objectives, strategy and 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.*

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

## ALCHEMY SELECT STOCK – PRODUCT HIGHLIGHTS

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- **Basis of selection of types of securities as part of the Product/Investment Approach:**
  1. **Relevant Universe:** We have identified a relevant universe of about 500 companies based on market capitalisation (above 1,000 crores preferably), qualitative governance filters, long term attractiveness and ROE profile of business amongst other parameters.
  2. **Investible Universe:** From this relevant universe, an investible universe of companies is created based on assessment of past and future fundamental variables like revenue and EBIDTA growth, cash flow conversion efficiency and core ROE of the business amongst several other relevant variables which may be unique to a business. In addition to objective fundamental parameters and assessment of qualitative management capabilities, governance standards and competitive ability of the business is also carried out. A comprehensive valuation exercise is also carried out based on one and/or combination of valuation parameters like P/E, P/B, EV/EBIDTA, DCF etc to arrive at an acceptable valuation range for investing in the security.
  3. **Portfolio Construction:** The Portfolio Manager managing the strategy is then free to construct the Clients Portfolio from within the investible universe at its discretion.
- **Benchmark:** BSE 500 TRI \*
- **Basis for choice of benchmark:** As per APMI Circular APMI/2022-23/02 dated March 23, 2023



# PERFORMANCE HIGHLIGHTS

# ALCHEMY SELECT STOCK – OCTOBER 2024



Group AUM  
is over  
USD 1.4 billion\*



INR 1 crore invested in  
Dec 2008 in Alchemy Select  
Stock could have grown to over  
INR 21.5 crores\*



Outperformed its  
Benchmark (BSE  
500 TRI \*\*) 10 out of 16  
calendar years#



Generated a net  
annualized alpha of  
392 bps#  
(INR returns)

*\*All data as on September 30, 2024*

*\*\* To meet regulatory requirements, we have changed benchmark of the product from BSE 500 to BSE 500 TRI, effective 1 Apr 2023*

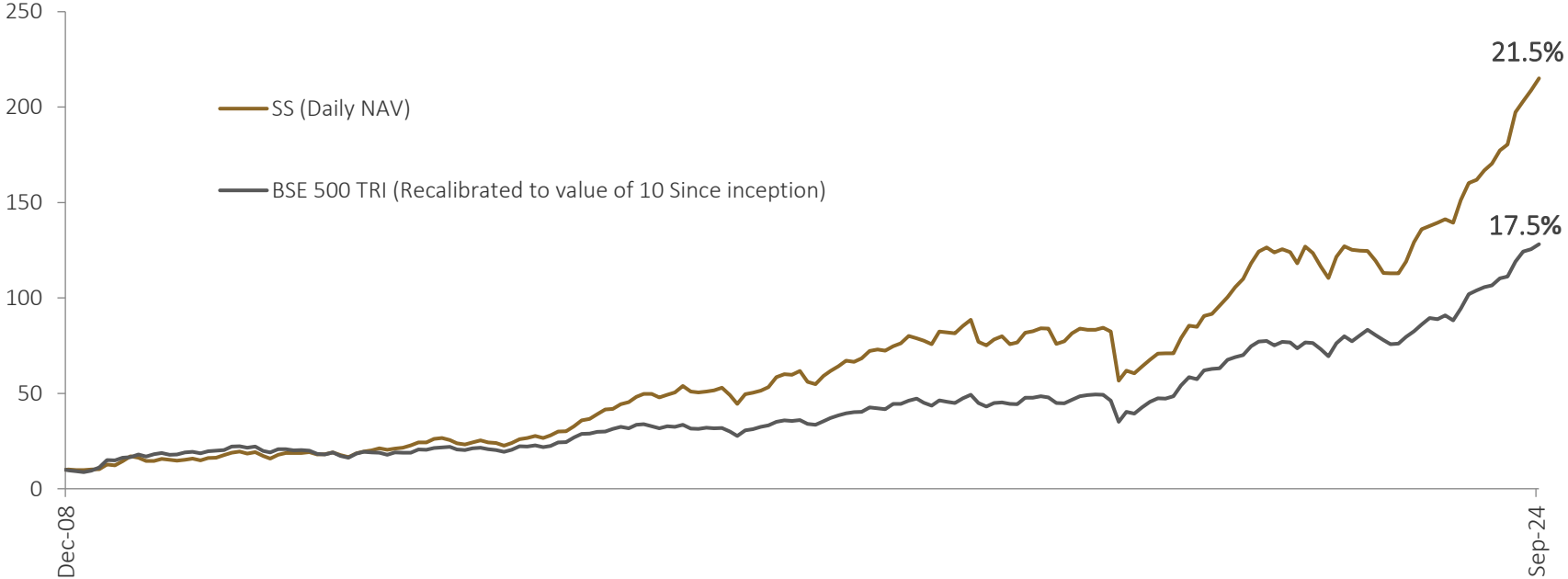
**# Performance related information provided herein is not verified by SEBI**

*#Returns are net of fees, expenses & taxes (if applicable). Returns less than 365 days: Absolute, greater than 365 days: CAGR (Computed using TWRR method). Past performance is not indicative of future performance. The above performance figures are aggregate of all discretionary clients; the investor's actual portfolio may differ. Please follow the given link for viewing Performance relative to other portfolio managers: <https://www.apmiindia.org/apmi/welcomeiaperformance.htm?action=PMSmenu>*

# ALCHEMY SELECT STOCK (SS) - PERFORMANCE HIGHLIGHTS



## NAV-based Performance#



Returns shown in above graph are CAGR

## Periodic Returns

Period	% Returns SS#	% Returns BSE 500 TRI
1 Month	3.0%	2.1%
3 Months	8.9%	7.6%
6 Months	26.2%	20.2%
1 Year	52.2%	41.1%
3 Years	20.0%	18.4%
5 Years	21.4%	22.4%
10 Years	17.8%	15.6%
Since Inception^	21.5%	17.5%

^Inception Date: Dec 19, 2008  
 All data as on September 30, 2024

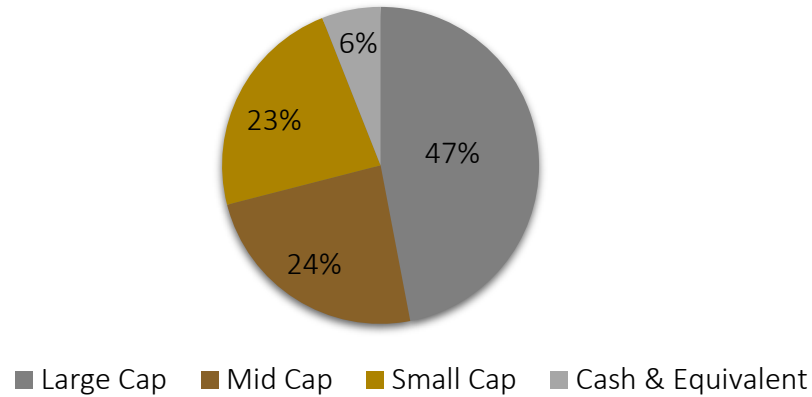
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# PORTFOLIO COMPOSITION & ANALYSIS\*

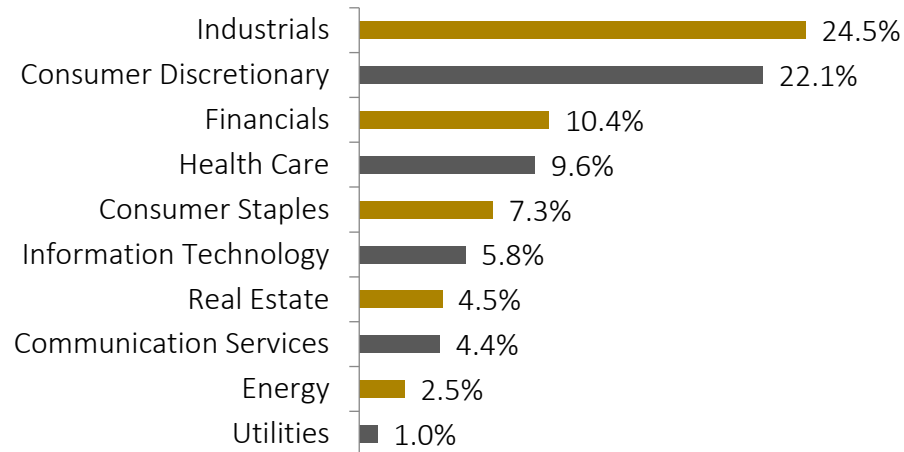
Market Cap Allocation^



Ratio Analysis

Parameter	Alchemy Select Stock (Since Inception)**	Benchmark (Since Inception)**
Std. Dev.	15.1%	17.8%
Sharpe~	0.7	0.5
Beta	0.8	1.0

GICS Sector Allocation (%) †



Top Holdings

Top 10 Stocks by Weight	% Weight
Dixon Technologies India Ltd	6.8%
Zomato Ltd	4.9%
Multi Commodity Exchange of India Ltd	4.9%
United Spirits Ltd	4.8%
Trent Ltd	4.4%
DLF Ltd	4.3%
Info Edge India Ltd	4.3%
Hitachi Energy India Ltd	4.1%
Dynamatic Technologies Ltd	4.0%
Sun Pharmaceutical Industries Ltd	3.7%

\* All data as on September 30, 2024, | \*\* Inception Date: Dec 19, 2008

^ Source - AMFI | † Source :Bloomberg, except for Dynamatic Technologies which is classified under industrials instead of Consumer Discretionary based on Alchemy's investment thesis.

~ Sharpe Ratio is calculated as Daily average Excess Return ÷ Standard Deviation of Excess Returns. The 10-Year Gsec Yield is considered as risk free rate.



STANDING TALL  
ALCHEMY CAPITAL MANAGEMENT

## ALCHEMY CAPITAL MANAGEMENT

Alchemy Capital Management is one of the pioneers in providing bespoke Portfolio Management Services in India. The company is registered with the Securities and Exchange Board of India (SEBI) as a Portfolio Manager and based out of Mumbai.



One of the few Portfolio Managers in India to have been in existence since 2002



Pioneers in bottom-up stock picking skills with a long-term investing approach



With an experienced team of investment professionals at the helm, there is a strong emphasis on Compliance and Risk Management



Managing/advising AUM of USD 1.4 billion\*, we have earned the trust of institutional investors, sovereign funds, ultra HNIs and family offices.

## OUR INVESTMENT PHILOSOPHY

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- 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 opportunities, 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 that 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 also tactically invest in deep value opportunities and special situations that may appear due to and during market cycles.

# INVESTMENT TEAM



**Hiren Ved**  
 Director & CIO  
 Experience: 30+ Y

## INVESTMENT



**Alok Agarwal**  
 Head - Quant & Fund Manager  
 Experience: 22 Y



**Himani Shah**  
 Co-Fund Manager  
 Experience: 20 Y



**Mythili Balakrishnan**  
 Co-Fund Manager  
 Experience: 22 Y



**Deven Ved**  
 Co-Fund Manager, Quant  
 Experience: 17 Y



**Jagpreet Chhabra**  
 VP – Quant Research Analyst  
 Experience: 22 Y



**Rishabha Doshi**  
 Quant Analyst  
 Experience: 3 Y



**Gayathree T V**  
 Quant Research Analyst  
 Experience: Fresher

## RESEARCH



**Amaresh Mishra**  
 SVP - Research Analyst  
 Experience: 19 Y



**Vimal Gohil**  
 Research Analyst  
 Experience: 13 Y



**Hareesh Kapoor**  
 Research Analyst  
 Experience: 12 Y

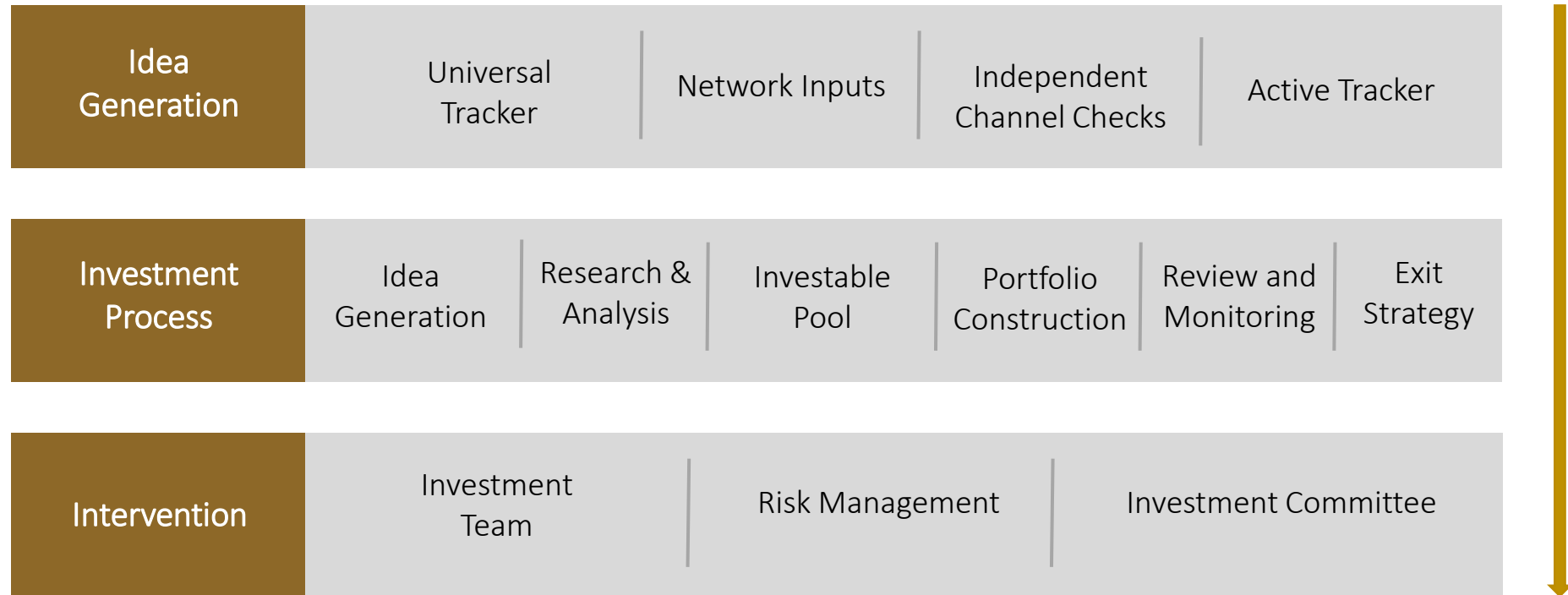


**Ruchika Bhatia**  
 Research Analyst  
 Experience: 9 Y

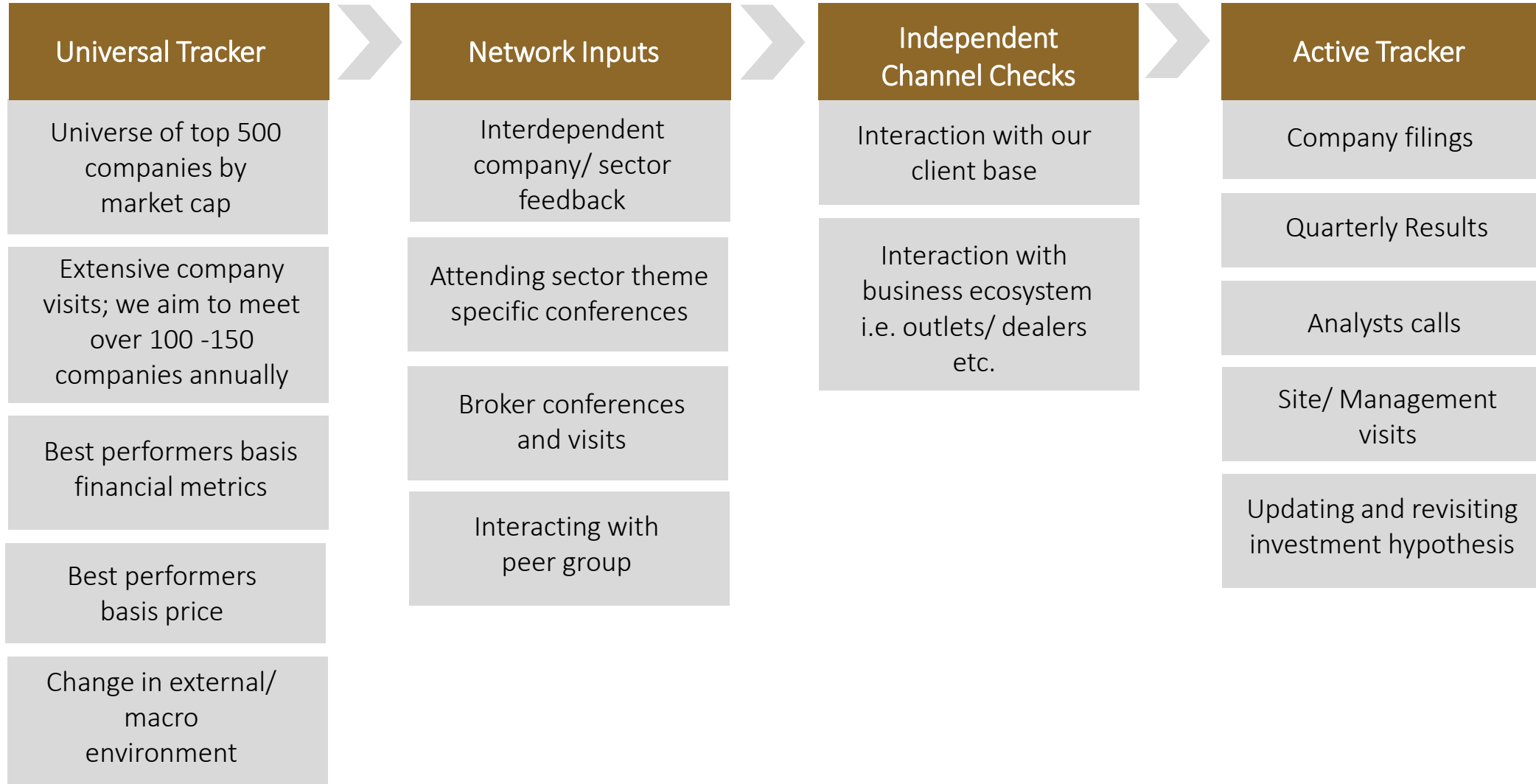


**Hrushikesh Shah**  
 Research Analyst  
 Experience: 1 Y

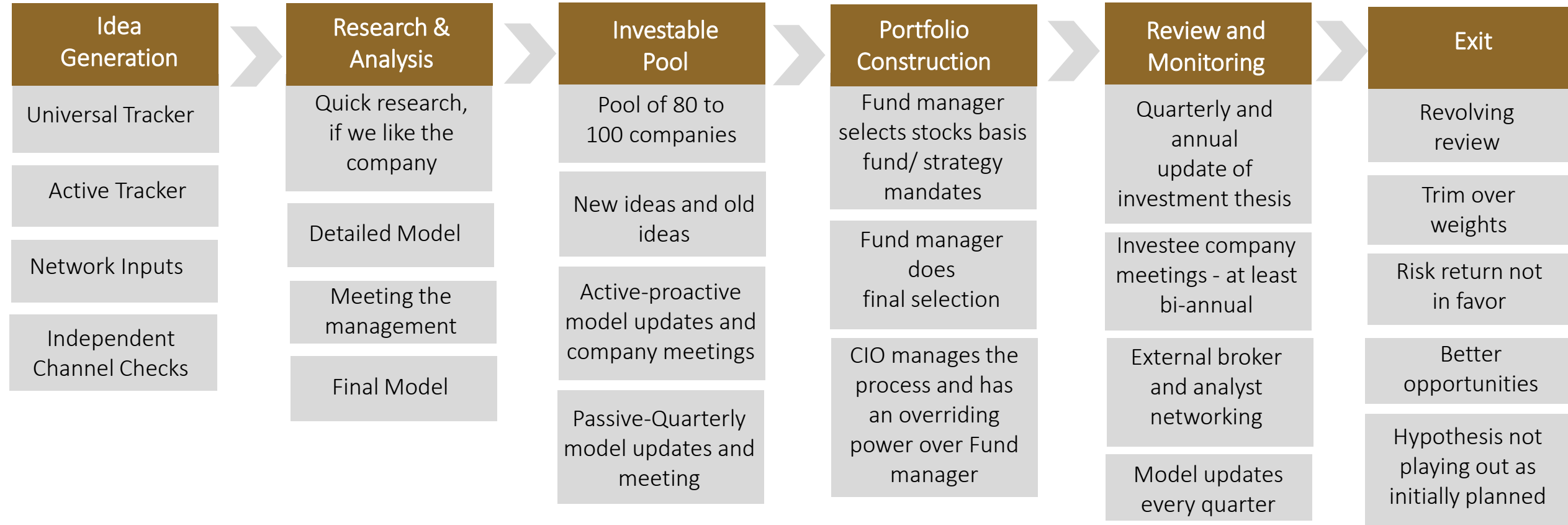
## 3 I MATRIX: IDEA, INVESTMENT, INTERVENTION



## IDEA GENERATION

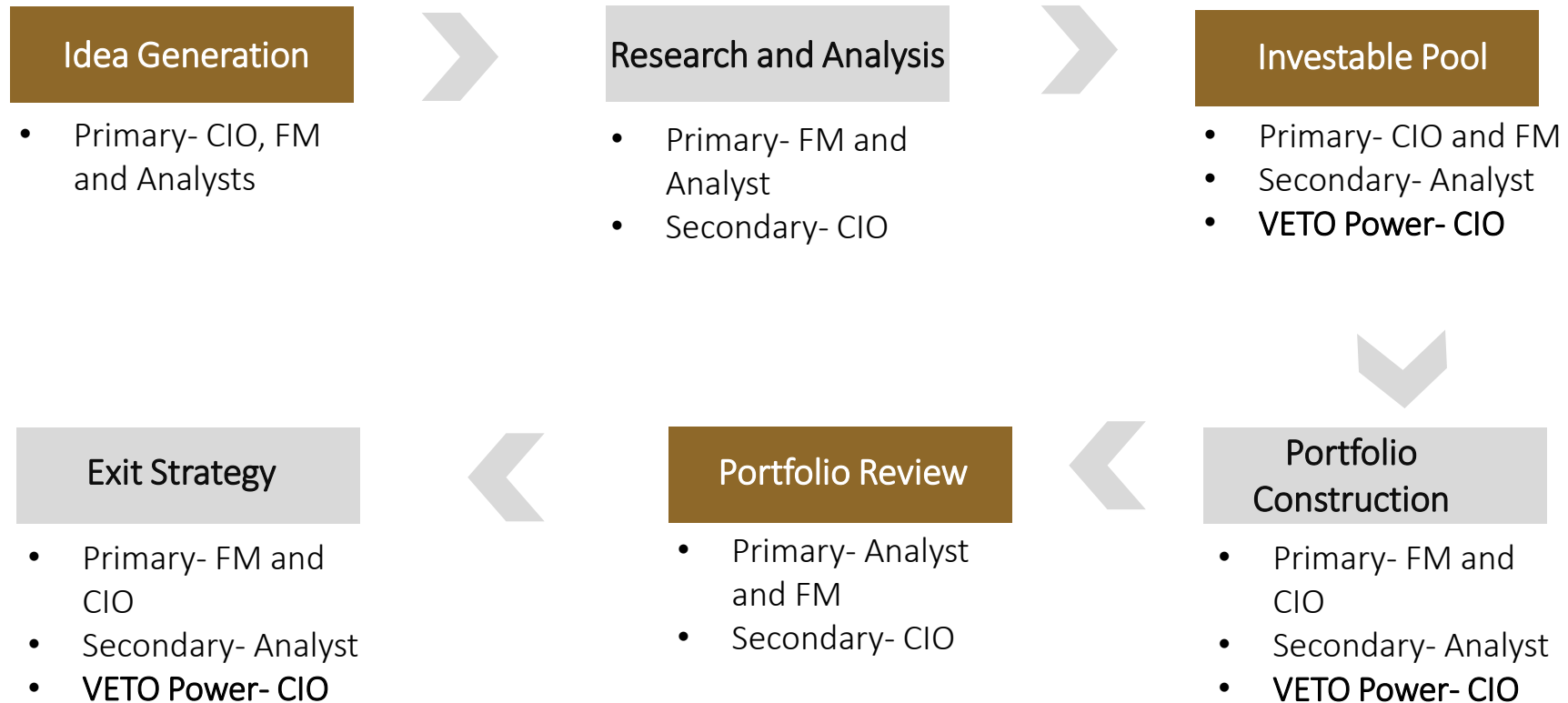


# INVESTMENT PROCESS

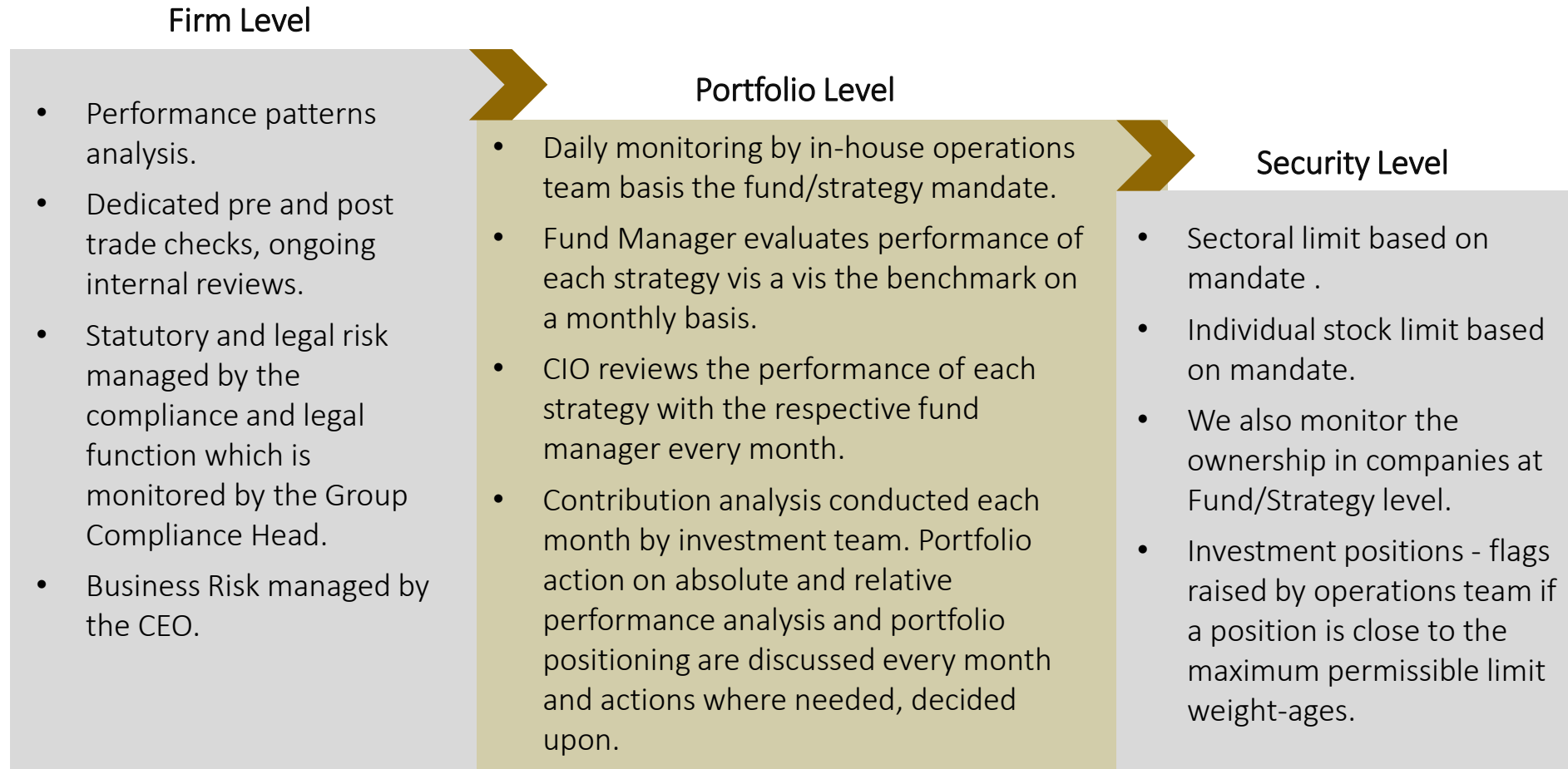




# INTERVENTION: INVESTMENT TEAM



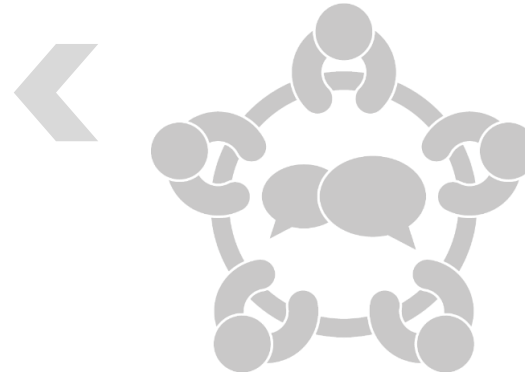
## INTERVENTION: RISK MANAGEMENT



# INTERVENTION: INVESTMENT COMMITTEE

## INVESTMENT COMMITTEE INTERVENTION

CEO, CIO, COO,  
Fund Managers,  
Business Heads and  
Head of Research



## MONTHLY REVIEWS

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 in macro & micro variables and what can be expected in future.
Fund Performance	Performance of all funds/products 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 underperforming positions, triggers of events are defined. If these triggers are not achieved, then relevant actions to be taken/already taken and discussed.
Risk Monitoring	An in-depth contribution analysis is presented to understand under-performers, out-performance and plan of action for the same.

# GENERAL DISCLAIMER

## General Risk Factors:

- All products / investment approach attract various kinds of risks. Please read the relevant Disclosure Document/ Client Agreement/ Offer Documents (includes Private Placement Memorandum and Contribution Agreement) carefully before investing.

## General Disclaimers:

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## Regulatory Disclosures:

- All clients have an option to invest in the above products / investment approach directly, without intermediation of persons engaged in distribution services.
- This document, its contents, especially the Performance related information, is not verified by SEBI or any regulator.

**Alchemy Capital Management Pvt. Ltd.**

B-4, Amerchand Mansion, 16 Madame Cama Road, Mumbai 400 001

Phone: +91-22-66171700 | Email: [contactus@alchemycapital.com](mailto:contactus@alchemycapital.com) | Website: [www.alchemycapital.com](http://www.alchemycapital.com)

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