

ALCHEMY EMERGING LEADERS OF TOMORROW⁺

#The investment objective of the Fund is to carry on the activities of a category III AIF as permissible under the AIF Regulations and generate long-term capital appreciation by investing in such opportunities including investing in, (i) listed Indian equities comprising of Largecap stocks and about 65% in Mid and Smallcap, and (ii) about 10% in IPO opportunities or any other instruments allowed under Applicable Laws. It is hereby clarified that the investment allocations provided above are indicative and may vary as determined by the Investment Manager in the best interests of the Contributors.

THE RIGHT CONFLUENCE OF FACTORS



Exciting investment opportunities across range of sectors



Right macro environment in India supportive of broad-based growth



Reasonable risk-reward



Our Team with proven expertise in choosing winners



Stress-tested management teams who have executed well

WHY INVEST IN MID & SMALLCAPS?

Attractive opportunities in sub-sectors with high growth and profitability potential

New sectors and opportunities from new listings/regulatory changes

Corporate action which can unlock value

Every cycle, new teams, and leaders drive growth

Opportunities beyond the domestic arena

KEY MANAGEMENT ATTRIBUTES WE LOOK FOR

Capabilities

- Feedback from customers, ex-employees, and competitors
- Ability to attract high quality talent and retain the same

Hunger for Growth

- Focused on a differentiated strategy
- Quality of relationships with clients
- Entry into new markets or adjacent categories
- Pipeline of products and services



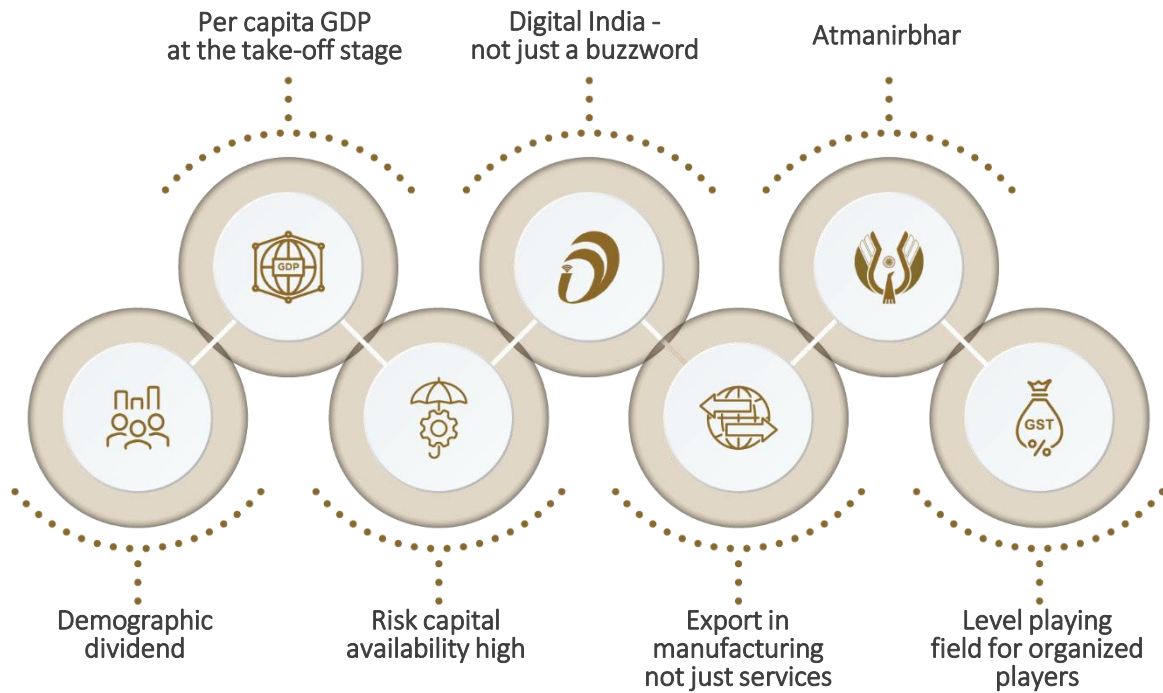
Ethics/Corporate Governance

- Based on the feedback from industry sources and expert networks

Capital Allocation

- Acquisition strategy
- Strategy behind investments into new markets, services, or product lines
- Maintain conservative leverage

WHY INVEST IN MID & SMALLCAPS NOW?



**FUND'S INVESTMENT CRITERIA

Quantitative metrics

- Above market growth rates
- ~15-20% RoCE over a company's earning cycle
- High cash conversion – OCF/EBITDA of at least 40-50%
- Low leverage <1X
- Decent free cash flow generation over cycle
- Limited equity dilution < 10% over 2 years

Qualitative metrics

- Opportunity size of the market and how much the market can grow
- Market share and trend of increase in market share
- Diversified customer base
- Key competitive advantages such as low-cost structure, branding, distribution and technology
- Markets with low government intervention

What we will avoid

- Weak corporate governance
- Low return on capital
- High leverage
- Global cyclical
- Sectors with high regulatory interference

ALCHEMY EMERGING LEADERS OF TOMORROW – KEY FUND DETAILS*

Scheme Name:	Alchemy Emerging Leaders of Tomorrow			
Investment Manager:	Alchemy Capital Management Pvt. Ltd.			
Investment Tenure:	4 years from the date of final closing (extendable by 1 year with the requisite consent of the Contributors)			
Investment in type of securities:	Equity up to 100% - Listed Stocks- Large cap, Midcap, Small cap IPO Preference Shares Warrants			
Units of other AIFs:	Up to 25%			
Investment Options:	Lump Sum: 100% at the time of investment Tranches: 1. For investments made between 03 Oct 2022 to 31st Dec 2022, 4 tranches of 25% each with a gap of 2 months period from the last tranche 2. For investments made from 15 Jan 2023 onwards, 2 tranches of 50% each with a gap of 3 months period from the last tranche			
Investment Horizon:	3 to 5 years			
Initial Contribution:	Minimum Rs 1 Cr			
Risk Appetite:	High Risk			
Subscription Period:	The first subscription period closed on 30 Sep 2022 followed by subsequent closing on fortnightly basis, or such other date as decided by the Investment Manager			
Eligible Investors:	Resident Indians, NRI, HNI, Hindu undivided Family (HUF), Banks, Bodies Corporate, Partnership Firm, Accredited Investors & Trusts			
Redemption Windows:	24 months Lock in from Final Closing Date (Thereafter monthly redemption with prior notice of 15 days subject to exit charges, mentioned below) • After 24 months from the Final Closing but up to 36 months from the Final Closing: 3% of NAV • After 36 months from the Final Closing but up to 48 months from the Final Closing: 2% of NAV			
Fees:		Management Fee (p.a)		Performance Fee
	Investment Amount	1 Cr < 3 Cr	3 Cr < 5 Cr	>= 5 Cr
	Management Fee Plan	2.50%	2.25%	2.00%
	Performance Fee Plan	1.50%	1.25%	1.00%
				15% of returns charged at the end of the term or the date of redemption (whichever is earlier) with the hurdle rate of 10% compounded annually

Fund Managers:

Hiren Ved - Fund Manager

Hiren Ved is an equity market veteran. He joined Alchemy in the year 1999 to spearhead the firm's asset management business and has built a long-term track record of generating significant alpha over the last 20 years. Known for his bottom-up research and stock picking skills, he has deep knowledge across sectors.

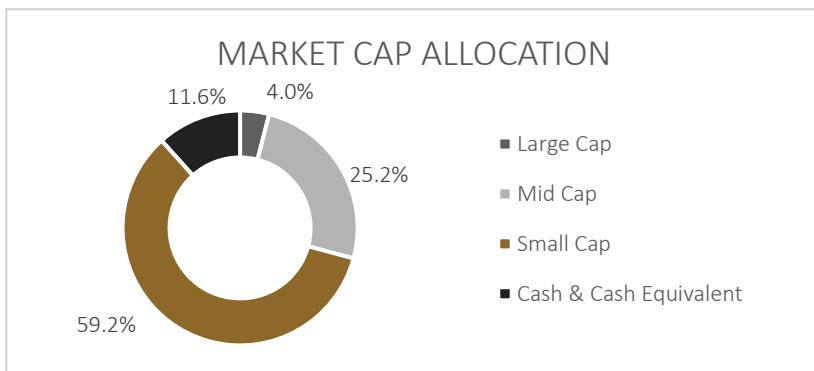
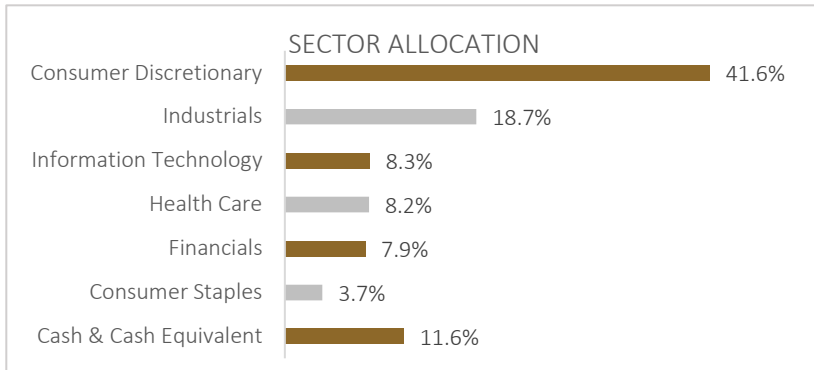
Mythili Balakrishnan - Co-Fund Manager

Mythili Balakrishnan has over 19 years of experience in Finance and Markets, primarily in equity research and fund management. She was working with New Mark Capital where she was a midcap analyst. She has also worked with Motilal Oswal AMC, Avendus PE, and JP Morgan.

PORTFOLIO PERFORMANCE AND COMPOSITION

PERIOD	PORTFOLIO RETURNS*	S&P BSE 400 Mid Small Cap
1 Month	-0.4%	-2.1%
3 Months	-3.3%	-1.5%
Since Inception	-3.6%	0.3%

PORTFOLIO HOLDINGS	WEIGHT (%)
KPIT Technologies Ltd	5.6%
Triveni Turbine Ltd	5.2%
Zyodus Lifesciences Ltd	5.0%
Safari Industries India Ltd	4.8%
Home First Finance Co India Ltd	4.4%
Vmart Retail Ltd	4.3%
Eureka Forbes Ltd	4.1%
Symphony Ltd	4.0%
Bharat Dynamics Ltd	4.0%
Larsen & Toubro Ltd	4.0%
Ethos Ltd	3.8%
Arvind Fashions Ltd	3.7%
Mrs. Bectors Food Specialties Ltd	3.7%
Go Fashion India Ltd	3.5%
Max Financial Services Ltd	3.5%
Ajanta Pharma Ltd	3.2%
Balkrishna Industries Ltd	3.1%
Vedant Fashions Ltd	3.1%
Sundram Fasteners Ltd	2.9%
Eclerx Services Ltd	2.7%
Barbeque Nation Hospitality Ltd	2.6%
Radiant Cash Management Services Ltd	2.0%
Timken India Ltd	2.0%
Mahindra CIE Automotive Ltd	1.7%
Garden Reach Shipbuilders Ltd	1.5%



*Performance figures are as of 31 January 2023 | Inception Date – 3rd October 2022 | Returns are shown as net of all fees, expenses and provision for taxes
Past Performance is not indicative of future performance | Source of Market Cap Allocation - AMFI | Source of Sector Allocation - Bloomberg

**To know more about Alchemy Emerging Leaders of Tomorrow
write to us at contactus@alchemycapital.com**

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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.

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