



Swyom India Alpha Fund CAT III AIF

Fund Overview

By Swyom Advisors Limited

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Global Economy Facing Headwinds, Albeit with Multiple Silver Linings



Headwinds

- SVB crisis and its impact on wider banking sector
- Weak housing market
- High headline inflation
- High treasury yields



- Impact of SVB crisis and UBS/CS merger on wider banking sector
- High headline inflation
- Further estimated rate hike
- Impact of Ukraine war on commodity prices and trade disruptions



- China still recovering from covid crisis
- Challenges faced by China housing market with issues like oversupply
- 4-decade high inflation in Japan, driven by high energy prices

Tailwinds

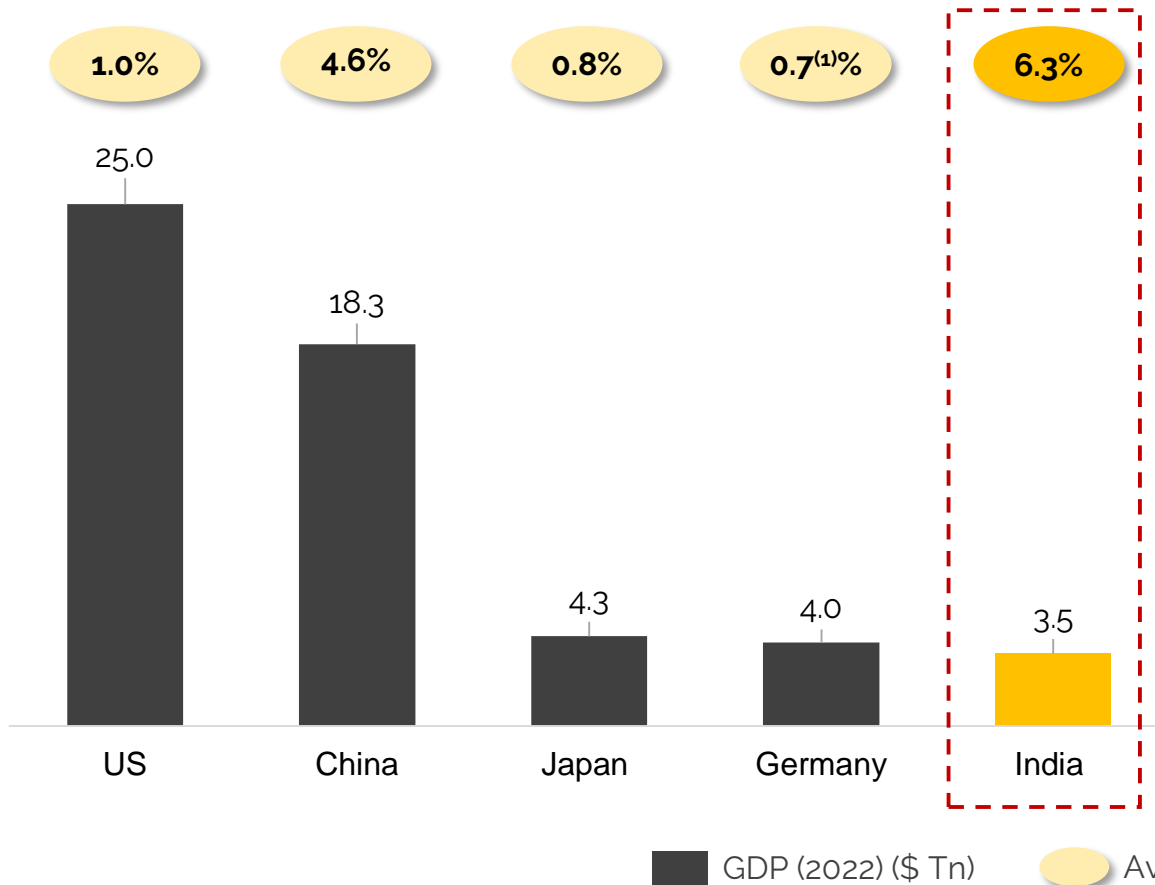
- Encouraging growth in jobs market and rising wages
- Fed stepping down rate hikes (25 bps rate hikes compared to hawkish 50 bps rate hikes in FY 22)

- Lowering energy prices has reduced the downturn in sentiment
- Lower inflation projections due to fiscal tightening
- Fiscal stimulus measures by multiple countries to sustain economic growth

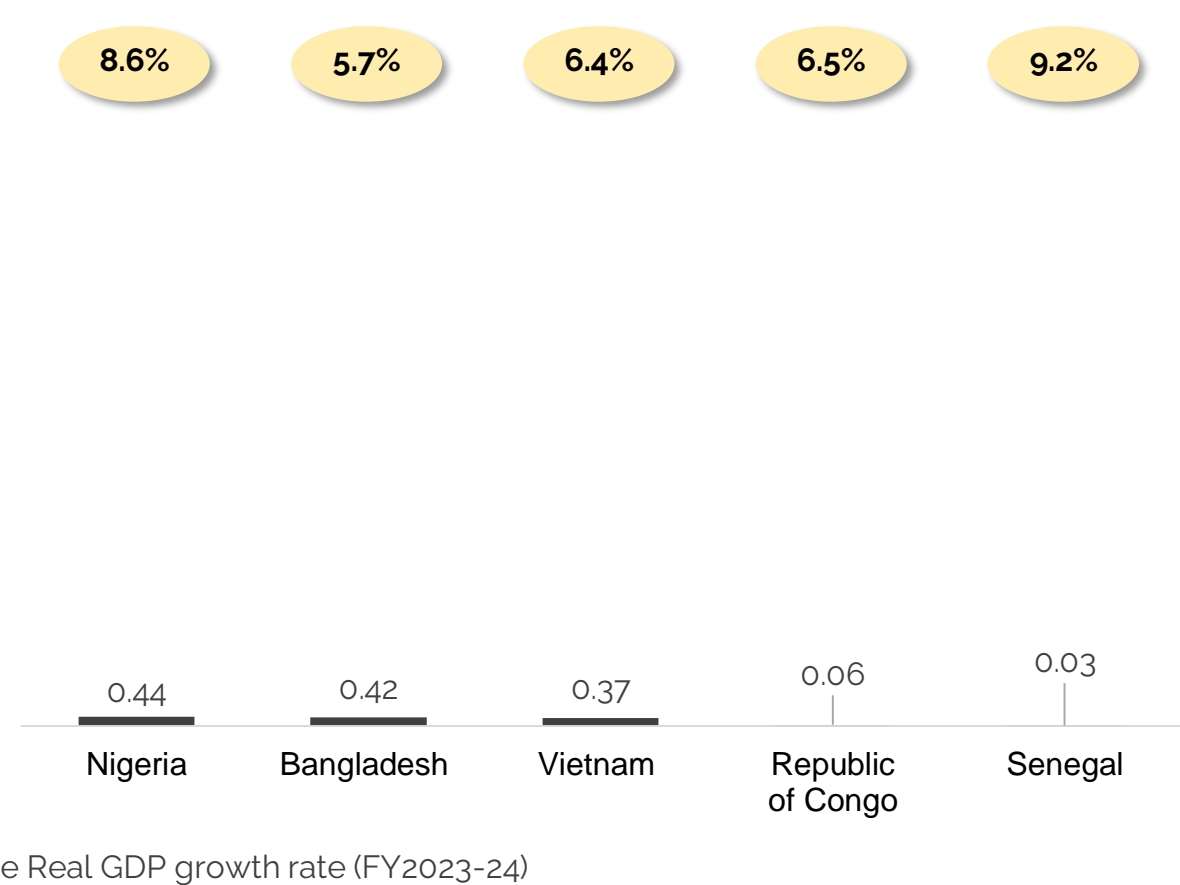
- Growing fiscal spending of China
- Positive growth across key indicators in India
- Inflation rate across key Asian economies peaking out

India Remains Resilient: Large Cap Economy Growing at a Small Cap Pace

GDP and growth rate of top 5 Economies (Large Cap)

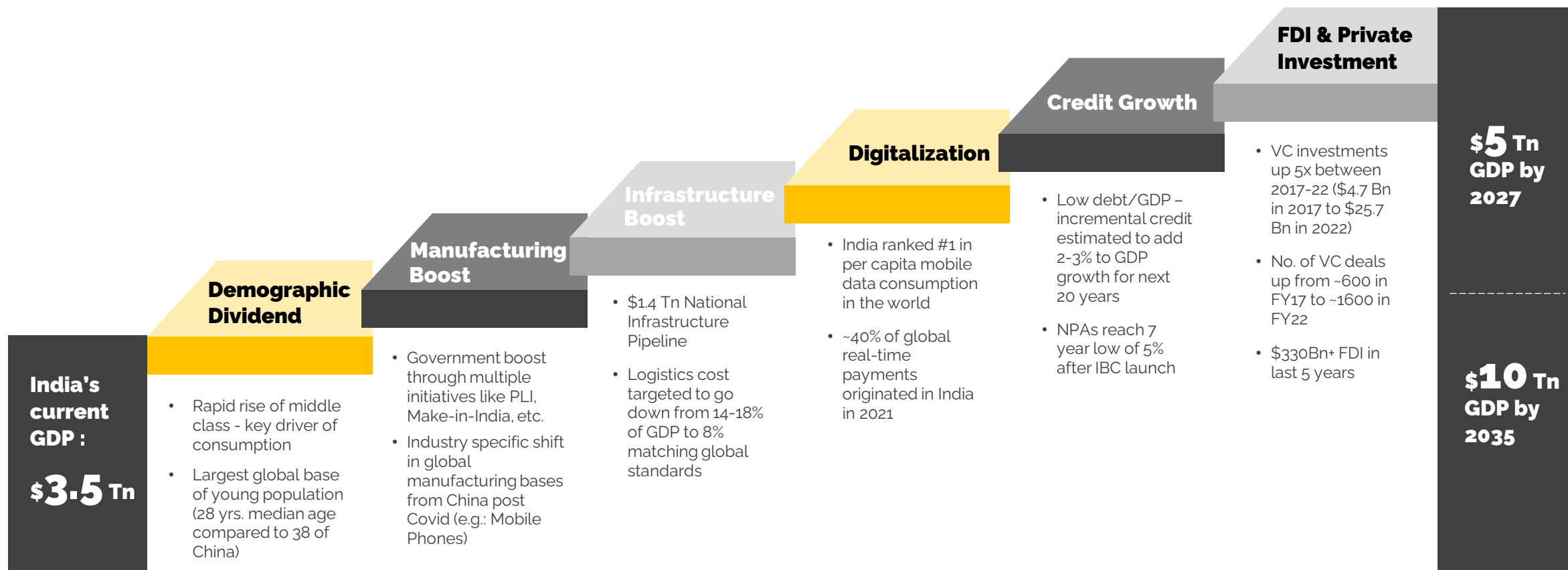


GDP and High Growth Economies (Small Cap)



India's strong structural drivers and positive macro indicators create immense potential for sustained rapid growth of 2-3X over its peers

India's Structural Growth Drivers in Place to Achieve \$5 Tn GDP



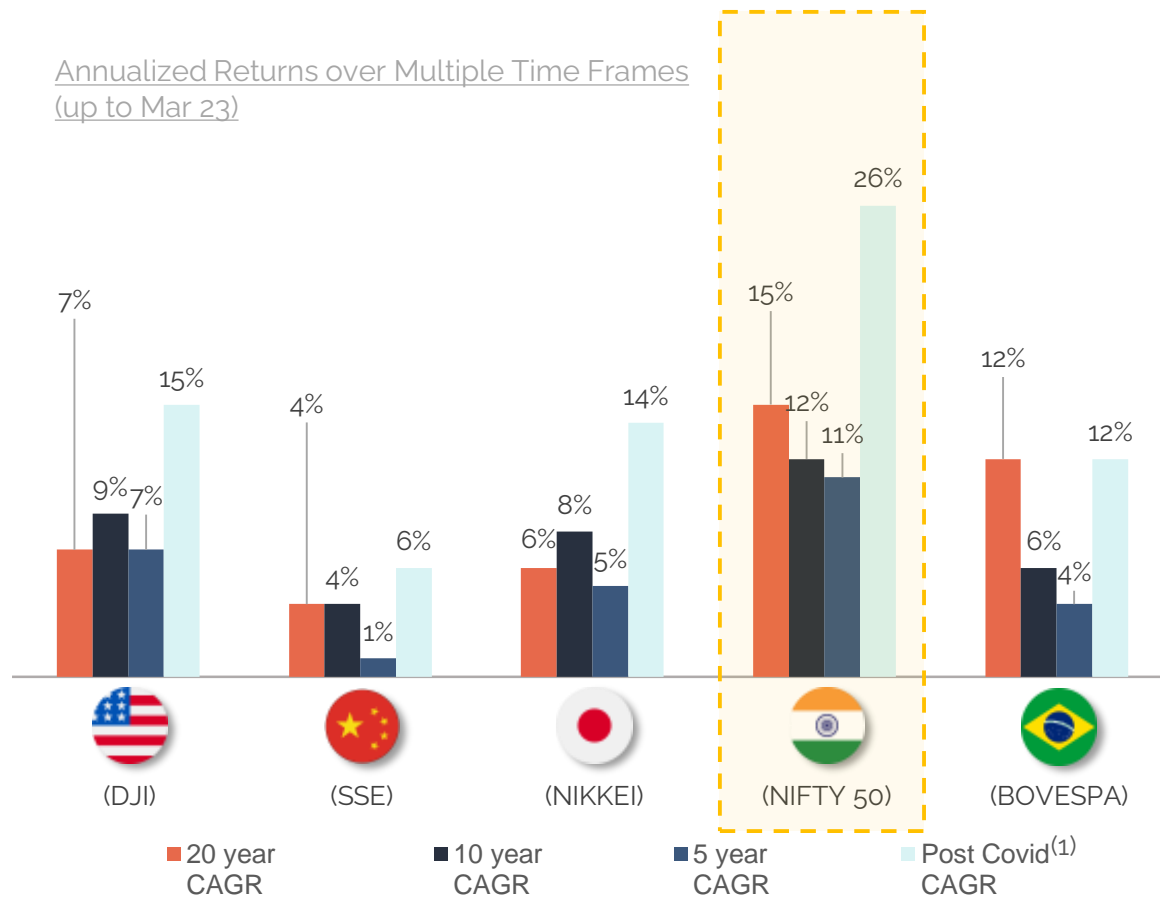
Source : IMF, World Bank, EY, Bain Capital Report, News Research

India's young and growing population, expanding middle class and technological advancements make it a shining spot in a globally uncertain economic environment

Indian Equity Markets Generate Consistent Returns

A Consistently strong returns across different time frames..

Annualized Returns over Multiple Time Frames
(up to Mar 23)



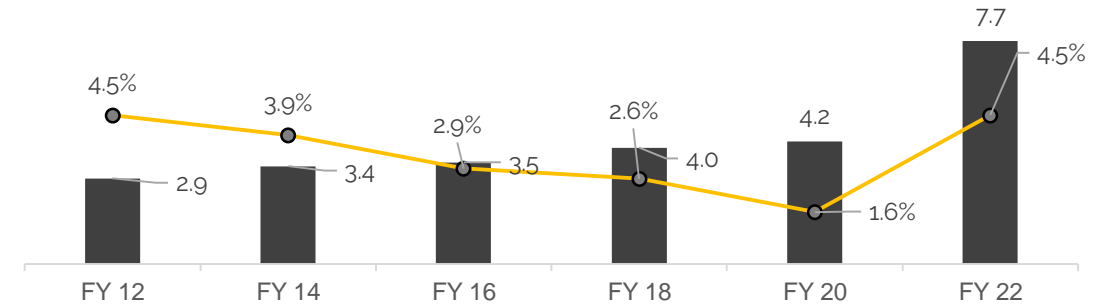
Source : Investing.com

Notes : 1. Post covid returns are calculated after March 20

2. Only listed companies' profits has been considered for Corporate earnings and Net profit to GDP ratio computation

3. PE as calculated by NSE. Historical monthly PE is the average for the month. PE until March 2021 considers standalone, trailing 4-quarter earnings. PE considers consolidated earnings from April 2021 and onwards. Current month PE is as on the last traded date for the month

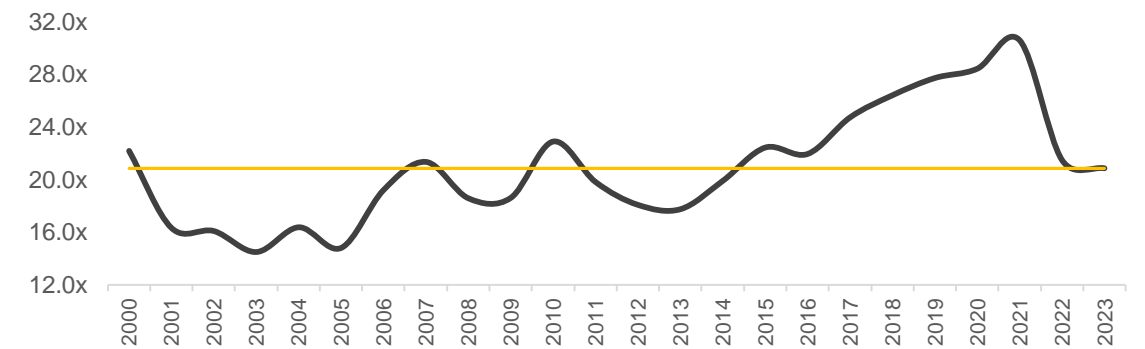
B ..Driven by rising corporate earnings



Source : Independent data company

■ Total Corporate profits (INR Tn) ● Net Profit to GDP ratio (%)⁽²⁾

C Valuations near long term average



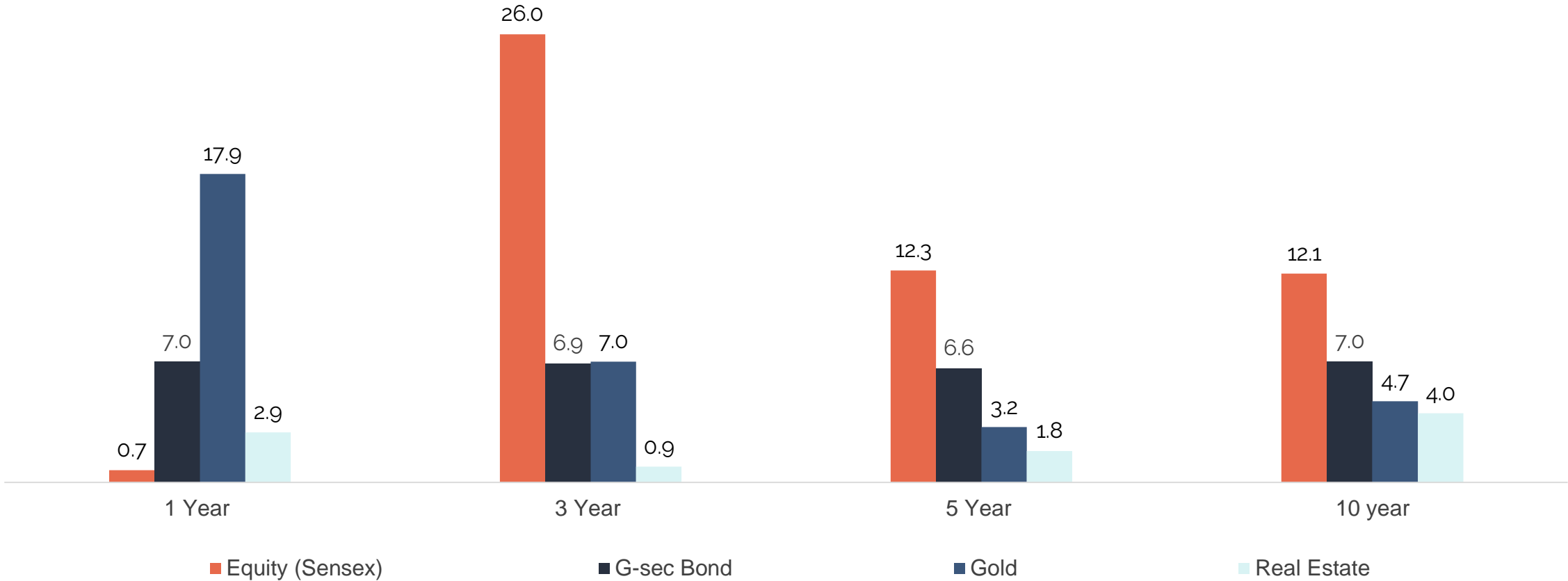
Source : Independent data company, NSE

— Historical 12 months Nifty P/E⁽³⁾ — Long Term Average (22 yrs)

Equity has Consistently Outshined Other Asset Classes

Performance of various asset classes

(%) (Up to Mar 23)



Source: Value research, Industry , World Government Bonds, BSE Website)

Why Invest in India ?

1

India resilient as Global Economy Faces Headwinds

India has shown stability and resilience in key macroeconomic parameters like inflation, fiscal deficit, employment, etc. – compared to the challenging global environment negatively impacting many economies

2

Highest Projected GDP Growth Rates Amongst Large Cap Economies

India's GDP expected to grow at ~6.3% average during FY23-24, compared to China - 4.6%, USA – 1% and Germany 0.7%

3

India's Macros Structural Drivers in Place to Reach \$5Tn GDP

- Macroeconomic stability with positive government reforms
- Largest global base of young population (28 yrs. median age compared to 38 of China)
- Leaders in Digitization (Highest per capita data consumption / 40% real-time payments originated in India)
- Low Debt / GDP = room for significant growth
- Increasing FDI / PE & VC investments

4

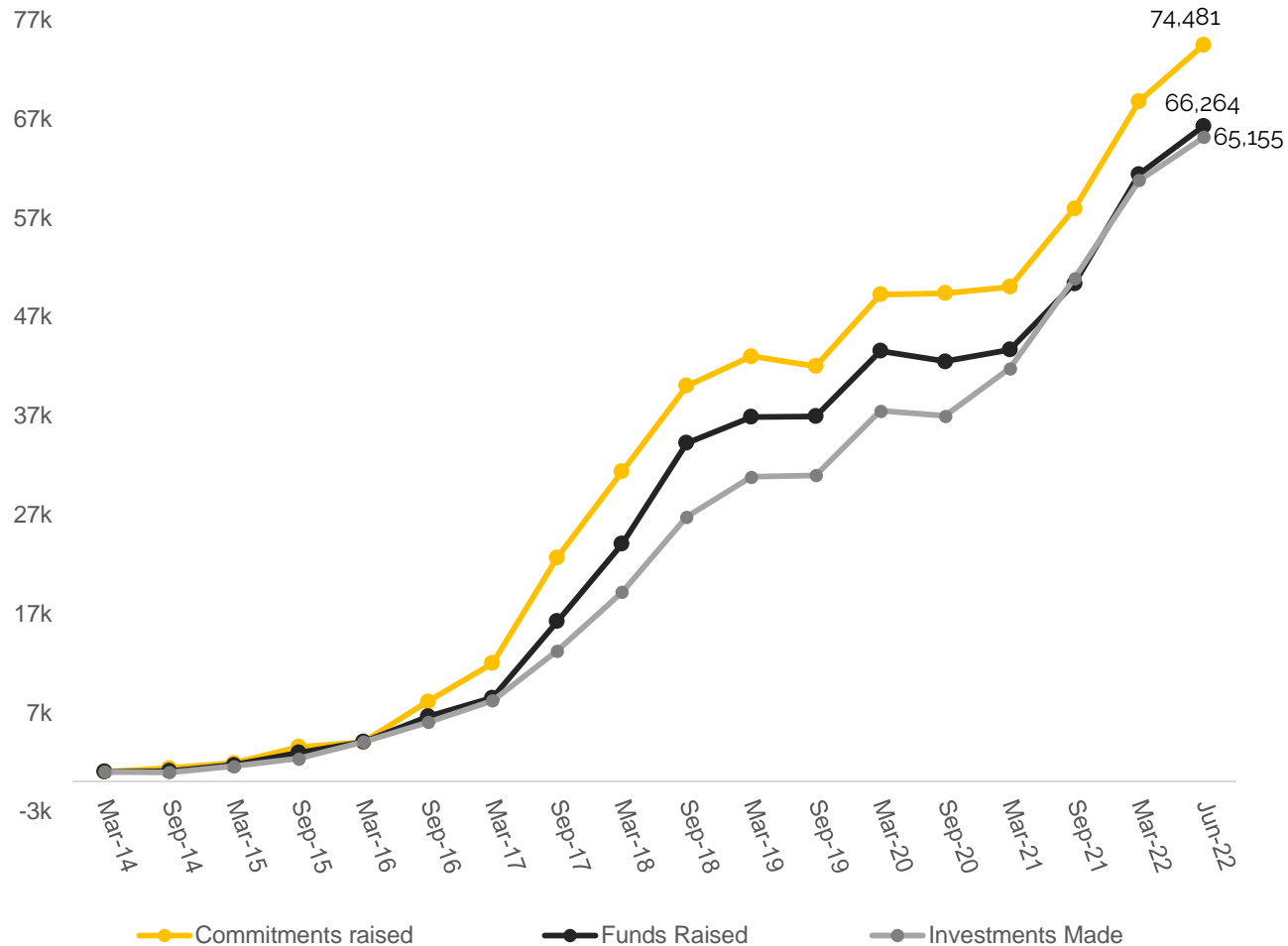
India's Equity Markets Have Generated Consistent Returns Over Multiple Time Frames

- India is an outlier amongst emerging markets and developed economies in equity market performance with returns beating comparable economies like USA, China, Japan, Brazil over last 5/10/20 years

Structured Investment Solutions - Category III AIFs

~9x growth in last 6 years in CAT-III AIF commitments

(INR crores)



Source: SEBI statistics

Why AIF structure is preferred by investors

Better Diversification Possibilities

Invest in much wider asset classes including unlisted equity, debt, derivatives – providing better risk management possibilities

Leverage

Can be leveraged up to 2X for better risk adjusted returns

Professional Management

Active investment decisions based on thorough business understanding

Taxability

Tax is assessed and paid at AIF Scheme level

Better Governance

Comprehensive SEBI regulations, offering transparency and better investor protection

Swyom Advisors Limited: Your Growth Catalyst

Swyom Advisors Ltd is a SEBI registered Alternative Investment Fund Manager, Registered Investment Adviser and Portfolio Management Service provider, committed to serving you and your financial future

Our Key Services

- AIF (Swyom India Alpha Fund)
- PMS (Swyom India Opportunity Fund)
- Wealth Advisory
- Corporate Advisory

Our USP and Driving Philosophy

- Inspired by successfully driven corporates with strong value creation history
- Founders' deep experience in Asian Paints and Pidilite helping understand the underlying DNA of consistently compounding businesses
- Passion for equity markets with deep understanding of fundamentals and proprietary models to evaluate and spot resilient businesses early

Passionate Founder with Strong Hands-on Management Experience



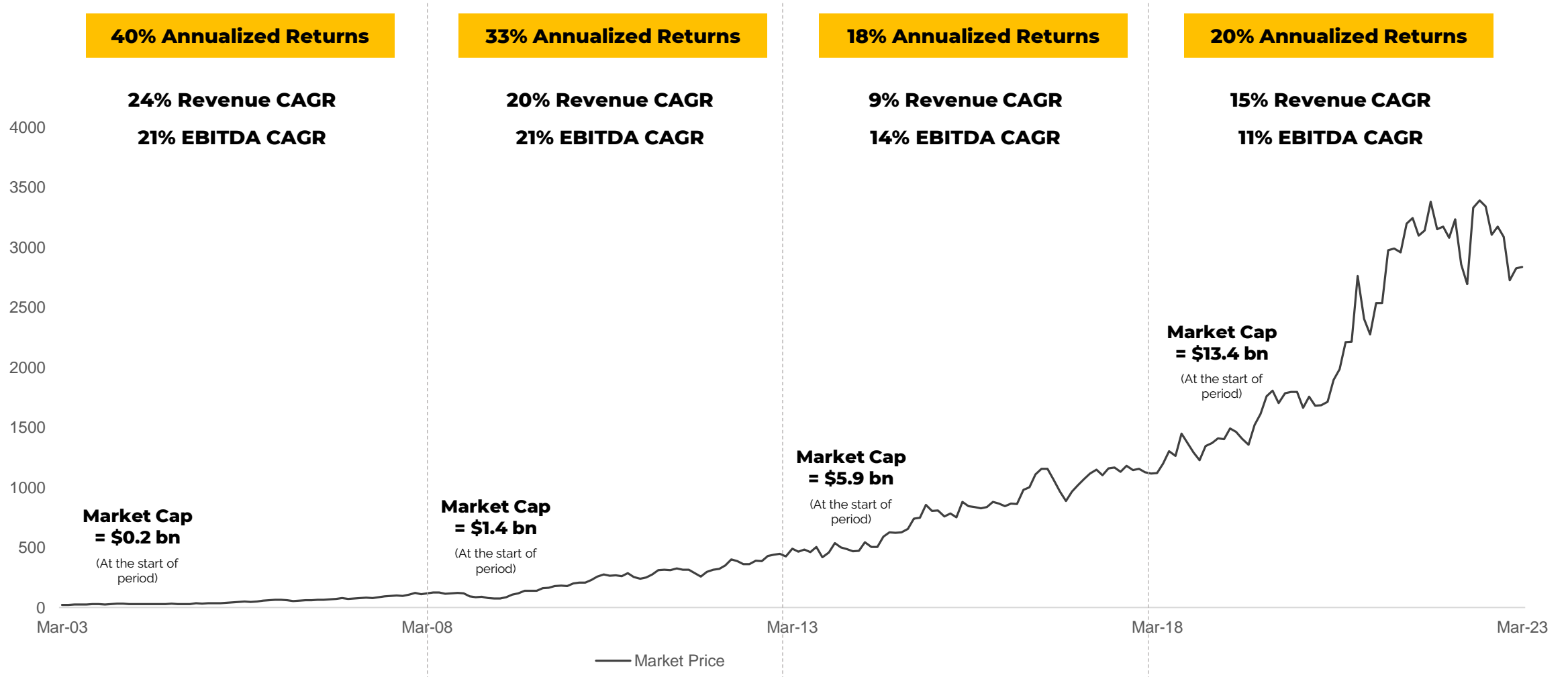
Mr. Radha Raman Agarwal

MD & CEO

- Raman is a rank holder CA and a commerce graduate from St. Xavier's College with 20+ years of strong experience in various areas of finance.
- His experience with Asian Paints & Pidilite over the past two decades enabled him to develop a strong grip and understanding of high performing businesses.
- In his enduring tenure, Raman closely witnessed the growth, expansion & peak phases of these strong businesses. So, he accurately understands what it takes to become one and which companies are in the running.
- Raman has founded Swyom with a vision of creating value for stakeholders through his deep frontline experience at successfully driven corporates and his lifelong passion for equity markets.
- Under his mastership, Swyom has designed a robust proprietary framework for identification of compounder stocks at an early stage-given his own exposure underneath such highly growth oriented corporate giants.

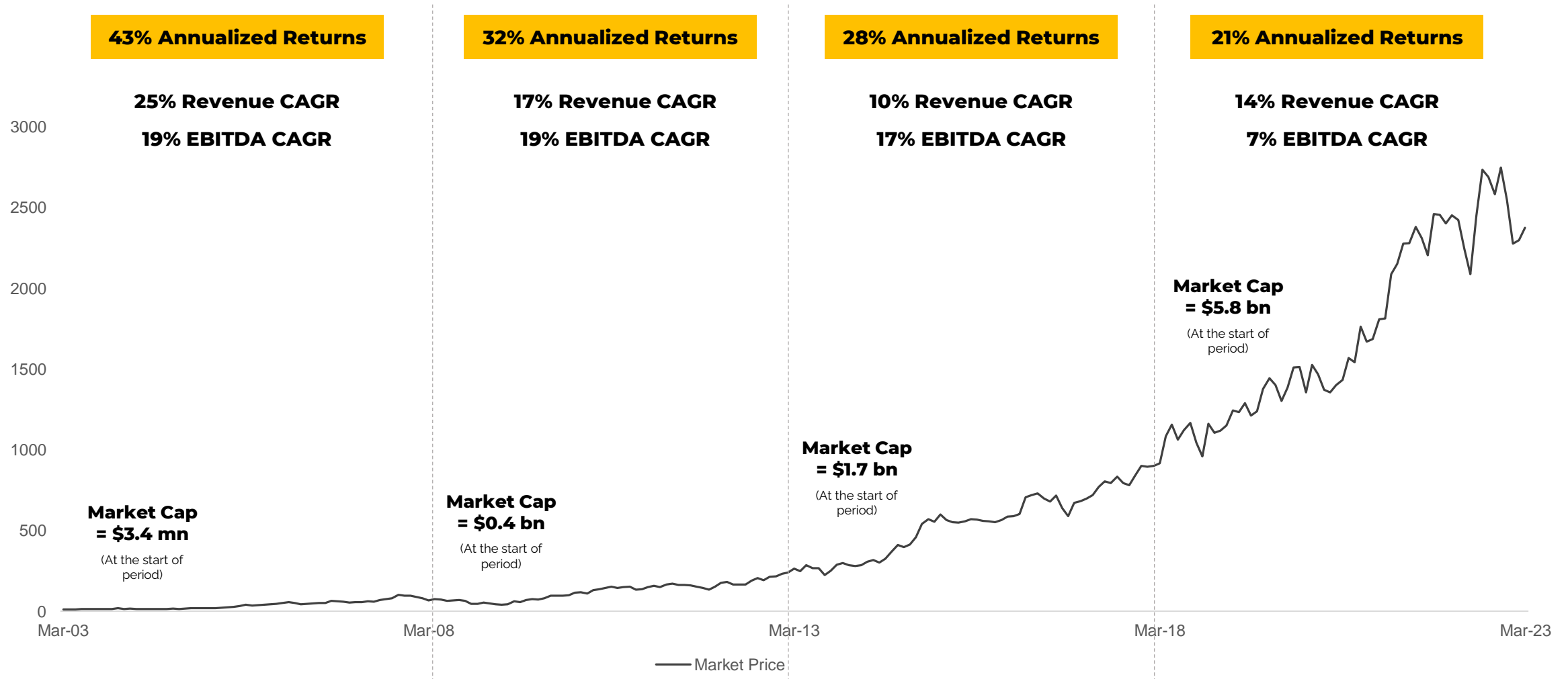
Our founders' core experience in fundamentally strong & value creating businesses over last 2 decades allows us to create proprietary frameworks for early identification of such businesses

Case Study #1 of Consistently Performing Compounders: Asian Paints



Over the last ~20 years Asian Paints' share price has grown ~130x, consistently compounding over multiple time frames and economic cycles – creating one of the strongest value creation story

Case Study #2 of Consistently Performing Compounders: Pidilite Industries



Similarly, over the last ~20 years Pidilite's share price has grown ~216x, giving strong returns over multiple commodity cycles and creating significant shareholder value

Driven by an Equally Passionate & Experienced Management Team



**Sweta
Agarwal**
Director

- B.Com graduate with 15+ years of valued experience in equity markets and investments
- Has served as an equity research analyst in Gangour Investments Ltd
- At Swyom, she is assisting HNI/retail clients in their end-to-end journey of wealth creation
- Has deep understanding of Technical and Fundamental analysis



**Abhinandan
Bandyopadhyay**
Head – Research &
Investment

- 18+ years of working experience in the finance industry of delivering value to investors
- Has worked at senior positions in leading financial institutions like Indiabulls, Religare, Nirmal Bang and MNCs like ABN AMRO
- Learned and well versed in the areas of Equity & Portfolio Analysis & Wealth Management



**Aditi
Kedia**
Director

- MBA finance professional with 5+ years of relevant industry experience
- Has expertise in Comprehensive Wealth Management Solutions, Financial & Retiral Planning and has successfully handled portfolios of HNIs, UHNIs & Family Offices.
- Specializes in managing NRI portfolios

Our Investment Style and Philosophy

Our Guiding Principles

1. **Focus on consistent and reliable returns**
2. **Seek long term outperformance over short term market irrationality**
3. **Exploiting alpha generating inefficiencies in market**
4. **Being contrarian when risk-reward is compelling**
5. **Focus on Patient Investing**

Investment Style: Strong Focus on Compounders

Unique mix of Long and short term

- A unique mix of fundamental long equities
- Short-term plays (event based/ corporate action /hedging etc.)

Proprietary Models

- Use financial and qualitative analysis tools along with market scuttlebutt to evaluate the quality of a business and its promoters

Diversification or Concentration?

- We prefer concentrated bets over too diversified portfolios
- When we force rank companies within a sector, we tend to not pick more than 2 – 3 companies in a sector

Sectors we invest in?

- Sector agnostic
- Healthy mix of compounding stories and opportunistic bets

"The best investments are those that not only provide a return on capital, but also make capital returnable." - Warren Buffett

Our Robust 360° Investment Strategy is Designed to Maximize Alpha for Investors



1. Long Term Investing (F-U-M-C Framework)

- The strategy involves stock analysis basis on four different perspectives giving equal weightage to each parameter
- Stringent screening criteria based on our proprietary Z- score assessment



2. Short Term Investing (Event Driven)

- Opportunistic strategy that aims at investing in companies or assets that are likely to be affected by significant corporate events
- Deep understanding of the relevant industries and markets to capitalize on market inefficiencies



3. Hedging

- Hedging is a defensive strategy used to offset potential losses from investments
- Hedging strategies are used to manage risk and potentially profit from the market movements

Strategy 1: Long Strategy Driven by Our Proprietary F-U-M-C Framework



Fundamentally strong companies with high ROCE/ROE, EBITDA, CAGR and Quality management

Event driven opportunities created by M&A deals, earning releases, promoters' participation in fund raise, quarterly result variance, etc.

Value unlocking potential by picking relatively under valued companies providing a margin of safety

Management quality assessment through corporate governance evaluation, promoters share pledge history, shareholding pattern, etc.

Stocks picked using F-U-M-C framework undergo stringent holistic analysis followed by a deep dive into our Z- score assessment model

Z- Score Assessment: Deep Dive



Our proprietary scoring framework has stringent screening parameters, helping us identify hidden potential compounders

Strategy 2: Short Term Event Based Strategy

Focus on Key Corporate events

- It is the strategy via which absolute returns are generated by tracking and investing when significant corporate events take place, supplemented by other opportunities that exhibit similar risk, return and time horizon characteristics

Following are the key corporate events we focus on:



Mergers and Acquisitions



Share Buyback



Earnings Announcements



Bonus Issues



Litigation Outcomes

Our Goal

- The goal of event-driven investing is to identify mispricing in the market caused by the event and to capitalize on them

Strategy Execution

- Under this strategy an extensive research on the event and the companies involved is conducted and is analyzed to determine the potential impact on their stock prices, to hedge their positions or enhance their returns

Strong Expertise

- This strategy is generally considered to be more complex and therefore requires expert knowledge and involves continuous monitoring and evaluation

Strategy 3: Hedging



SIAF aims to deploy hedging strategies to manage risk / volatility

Our Holistic and Well Crafted Investment Framework

Sectors

- Overall sector agnostic
- Concentrated bets on high potential companies with strong corporate governance
- Healthy mix of compounding stories and opportunistic bets

Size

- Multi-cap with optimal mix of large, mid and small caps

Concentration

- Long Term: 15-20 holdings
- Short term (event driven): 4-10 holdings
- Hedging : 5-15 holdings

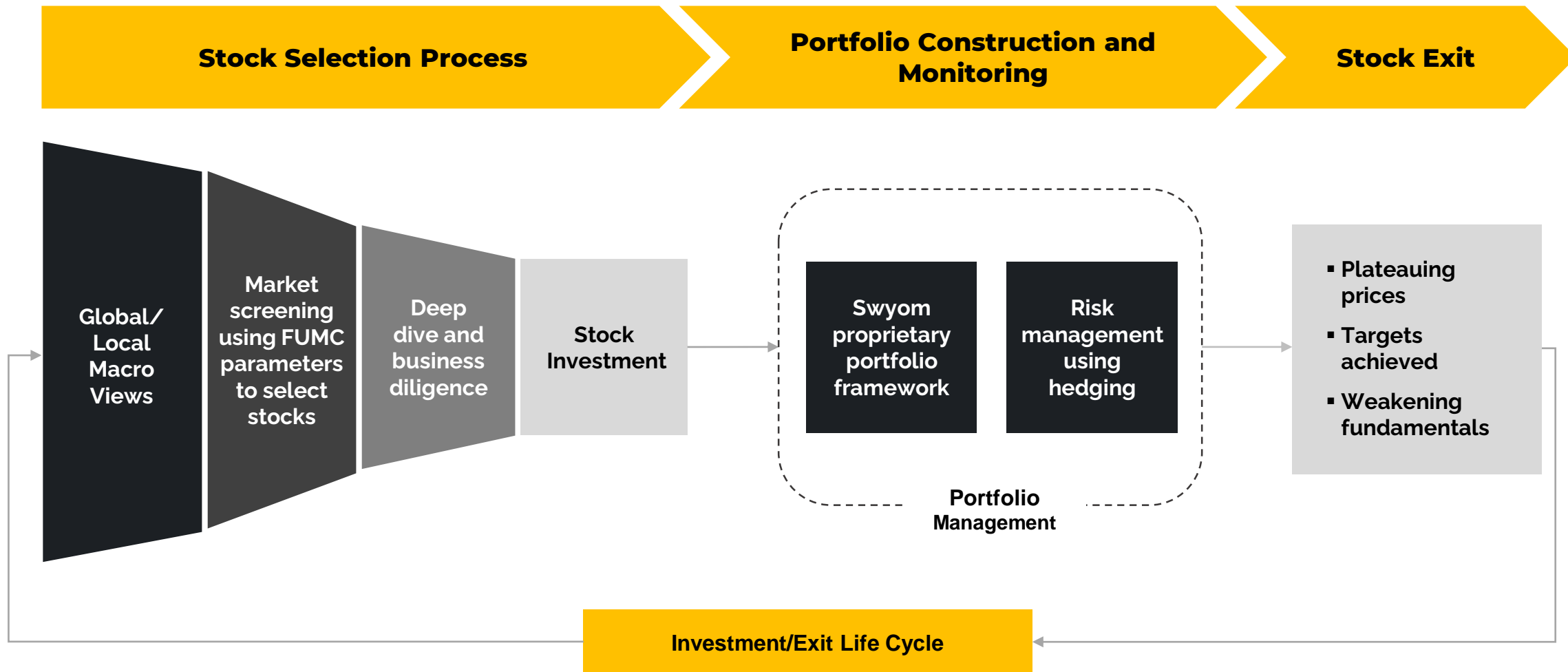
Holding Period

- Long Term: 2+ years
- Short term (event driven): 1-12 months
- Hedging : 1-12 months

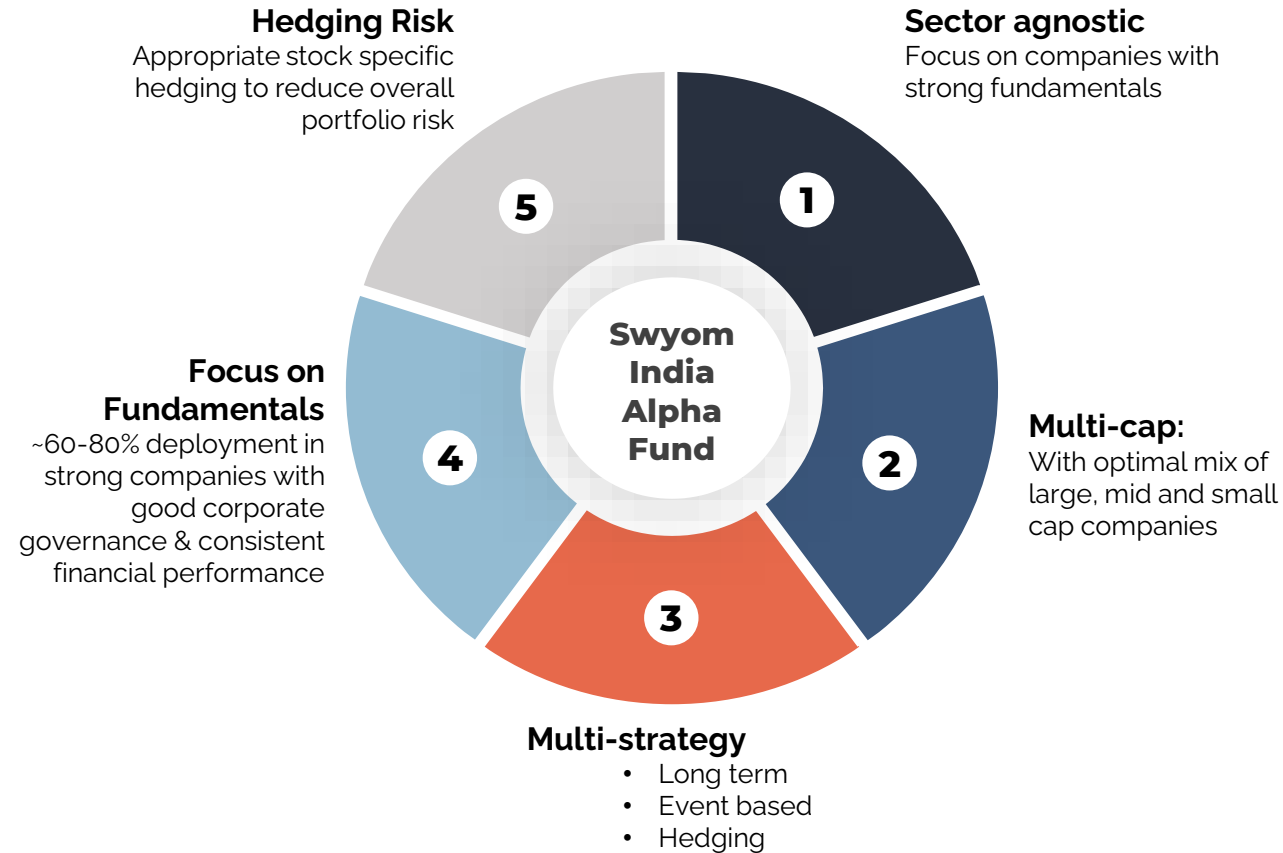
Portfolio Weightage

- Long Term: 60-80%
- Short term (event driven): 10-30%
- Hedging : 10-30%

Active Investment Process with Clearly Defined Criteria Across All Phases



Why Invest in Us?



Swyom India Alpha Fund is a SEBI registered category III AIF, focused on a mix of long and short-term strategies to maximize investor returns

Fund Facts

| | |
|--|---|
| AIF | Swyom Advisors Alternative Investment Trust |
| Scheme | Swyom India Alpha Fund |
| Investment Manager | Swyom Advisors Limited |
| Sponsor | Swyom Advisors Limited |
| Sponsor Commitment | 5% of fund's corpus or 10 Cr whichever is lower |
| Nature of Fund | AIF Category III, Open Ended Fund |
| Exit Load | Within 1 year – 3% Within 2 years – 2% Within 3 years – 1% After 3 years – Nil |
| Leverage | 2x AUM of the Fund |
| Hurdle Rate | 10% (pre-tax) |
| Profit Sharing ⁽¹⁾ | 20% |
| Management Fee | 1.50% |
| Administrative Expenses ⁽²⁾ | 0.25% |
| Setup Fees | 1% |

| Class of Units | Minimum Capital Contribution |
|----------------|---|
| Class A units | INR 1 crore (Rupees One crore) - without the intermediation of a placement agent or a distributor |
| Class B units | INR 1 crore (Rupees One crore) – with the intermediation of a placement agent or a distributor |
| Class C units | 5% (Five percent) of the Fund's corpus or INR 10 crores (Indian Rupees Ten crores), whichever is lower, for the Sponsor towards Mandatory Sponsor Commitment |
| Class D units | INR 25 lakhs (Indian Rupees Twenty five lakhs) for Investment Manager and/or its Affiliates and/or their respective directors, officers and employees and/or such other person designated by the Investment Manager |

Notes : 1. Subject to high watermark

2. As per PPM filed with SEBI, administrative charges up to 1% can be levied as per the actuals.

Tax Treatment

The fund has been set up as Determinate Trust. Also, as per Section 10 (23 FBC) of Income Tax Act, any income from a specified fund or on any transfer of units in a specified fund is exempt in the hands of the investor/unit-holder



**Dividend/
Interest Income**

Dividend and Interest income would be taxed at minimum marginal rate at the Fund Level i.e. @ **42.74%**



**Long Term
Capital Gains**

Long Term Capital Gains would be taxed at **11.96%**



**Short Term
Capital Gains**

Short Term Capital Gains would be taxed at **17.94%**



**Business
Income**

Income from derivatives would be taxed at **42.74 %**

Disclaimer

Investments in the Securities Market are subject to Market Risk. Please read the Private Placement Memorandum (PPM) and Scheme related documents carefully before investing. Past Performance is not an indication of future returns. This document has been prepared by Swyom Advisors Limited, Investment Managers of Swyom India Alpha Fund- an Open- Ended Scheme of Swyom Advisors Alternative Investment Trust (SEBI Reg. No. IN/AIF3/22-23/1170) registered as a Category III Alternative Investment Fund (AIF). This Document is strictly confidential and is intended for the use by recipient only and may not be circulated, redistributed, retransmitted or disclosed, in whole or in part, or in any form or manner, without the express written consent of Swyom Advisors Limited. The information set forth has been obtained from sources believed by Swyom Advisors Limited to be reliable. However, Swyom Advisors Limited does not make any warranty as to the information's accuracy or completeness. 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All funds committed should be purely risk capital. The portfolio risk management process includes an effort to monitor and manage risk but should not be confused with and does not imply low risk.

Thank You

For further details please reach out on connect@swyom.com