RH SUPERVALUE

RIGHT HORIZONS

Right Horizons Portfolio Management Services (RH PMS)

RH PMS is a SEBI registered PMS for segregated accounts

WHO ARE WE?

A boutique Investment firm specialising in bottoms-up stock picking

AUM :
~1,500 Cr under PMS
AUA :
~3500 Cr under RH Group

We work with UHNIs- select Family Offices & Foreign Investors we have ~650 Clients currently

3 Core PMS Offering:

- Large Cap- RH IBL
- Multi Cap- RH Flexi Cap
- Mid Cap- RH Super Value

RH FUND HOUSE INVESTMENT PHILOSOPHY

WE STRIVE TO DELIVER .....

- Superior Risk adjusted return *through a robust*
- Risk Management methodology *using a*
- Structured Investment Process *and an in-depth*
- Fundamental and Quantitative framework

RH MULTIBAGGER FRAMEWORK

GROWTH

Businesses should double earnings over the next three to five years

X

VALUE

Valuation should be reasonable, which leaves the potential for Multiple rerating as EPS compounds

=

MULTI BAGGER RETURNS

Above Industry growth characterized by higher topline and bottom-line growth

Valuation discount compared to industry leaders narrows once the market becomes cognizant of the earnings growth of emerging leaders

Superior returns come from buying growth businesses at reasonable valuation

INVESTMENT PROCESS

GARV

Growth at Reasonable Valuation

PROCESS DRIVEN

Comprehensive research approach

MOATS

Business with strong Competitive advantages

GUARD RAILS

Valuation and High margin of safety

INVESTMENT PROCESS

- Bottom-up stock selection approach
- Early mover advantage through mid/small companies
- Opportunity in weak market sentiment due to temporary mispricing
- Investing in Emerging profitable businesses in an innovative, dynamic world not available in large caps
- Investing in higher growth mid and small-cap companies
- Under-researched opportunity providing attractive valuations

PORTFOLIO MANAGEMENT PROCESS

RH SCREENER

- 3 Year CAGR of Net Sales
- 3 Year Avg ROCE
- Latest D/E
- 3 Yrs CAGR Earnings
- Growth
- Promoter Holding and Pledging

RH SCORE CARD

- EV to EBITDA
- EV to Sales
- TTM P/E
- Total Debt to Equity
- Loans & Advances to Book Value
- TTM Interest Coverage

RH RISK RADAR

- Corporate Governance – Forensic Check
- Business Moat
- Modelling Future Cash Flows
- Revisit investment thesis when stock falls below threshold level

RH PENDULUM

- Factors directly impacting the company -
- Changes in Macro & Underlying Parameters
- Fundamental levels
- Guard Rails: Buy and Sell Zone
- Continuous Research

RISKS

BUSINESS RISK

- Unpredictability in earnings
- Uncertainty in future growth prospects
- Eroding Competitive Advantages

VALUATION RISK

- Valuation not justified by growth
- Low Margin of Safety

CORPORATE GOVERNANCE RISK

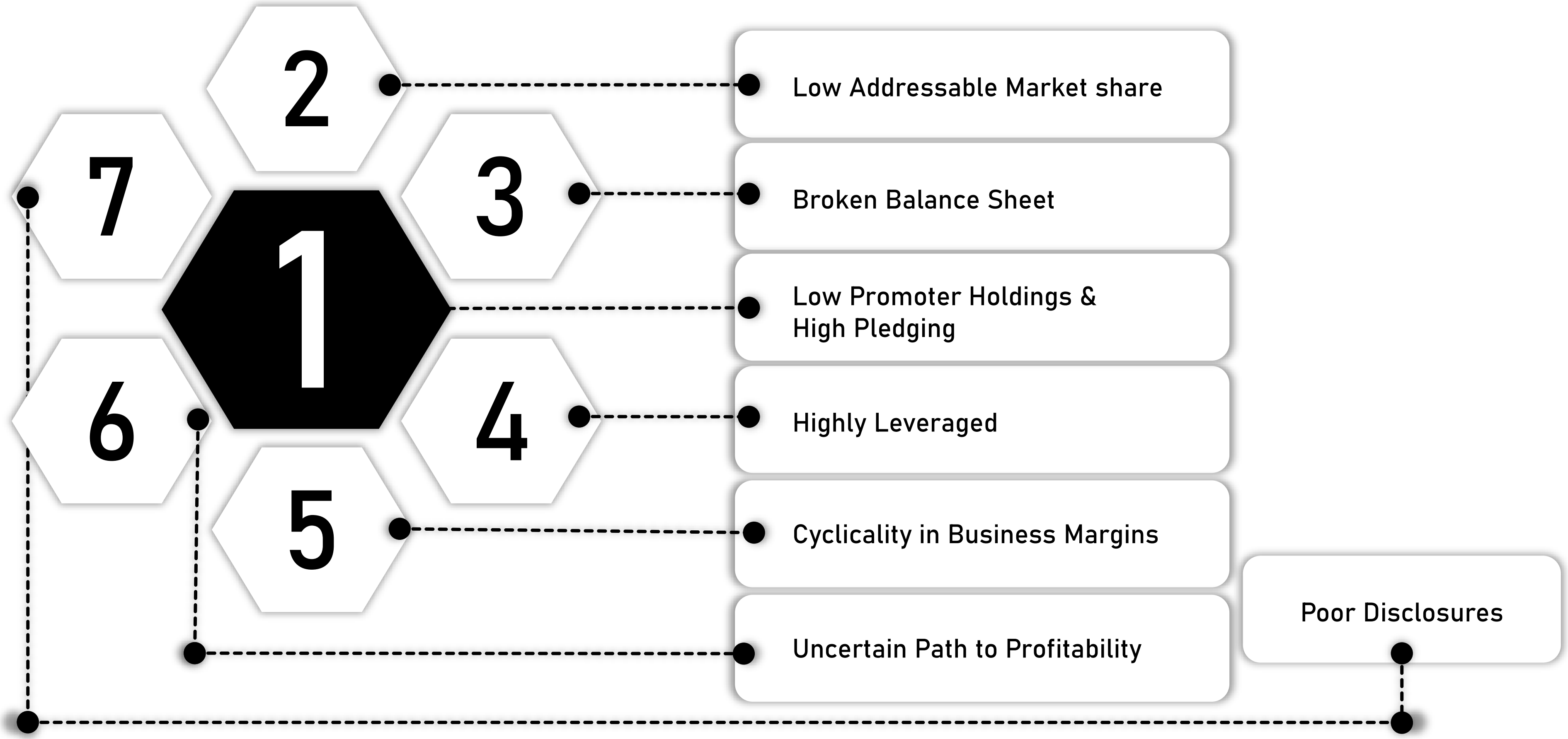
- Miss-allocation of capital leading to lower capital efficiency
- Not Investor friendly Management
- Poor Transparency and Disclosures

"Risk comes from not knowing what you're doing"

- Warren Buffett

RISKS

WE DON'T INVEST IN COMPANIES WITH THESE CHARACTERISTICS



PORTFOLIO CHARECTERISTICS

Invest in emerging leaders from Mid and Small Cap segment

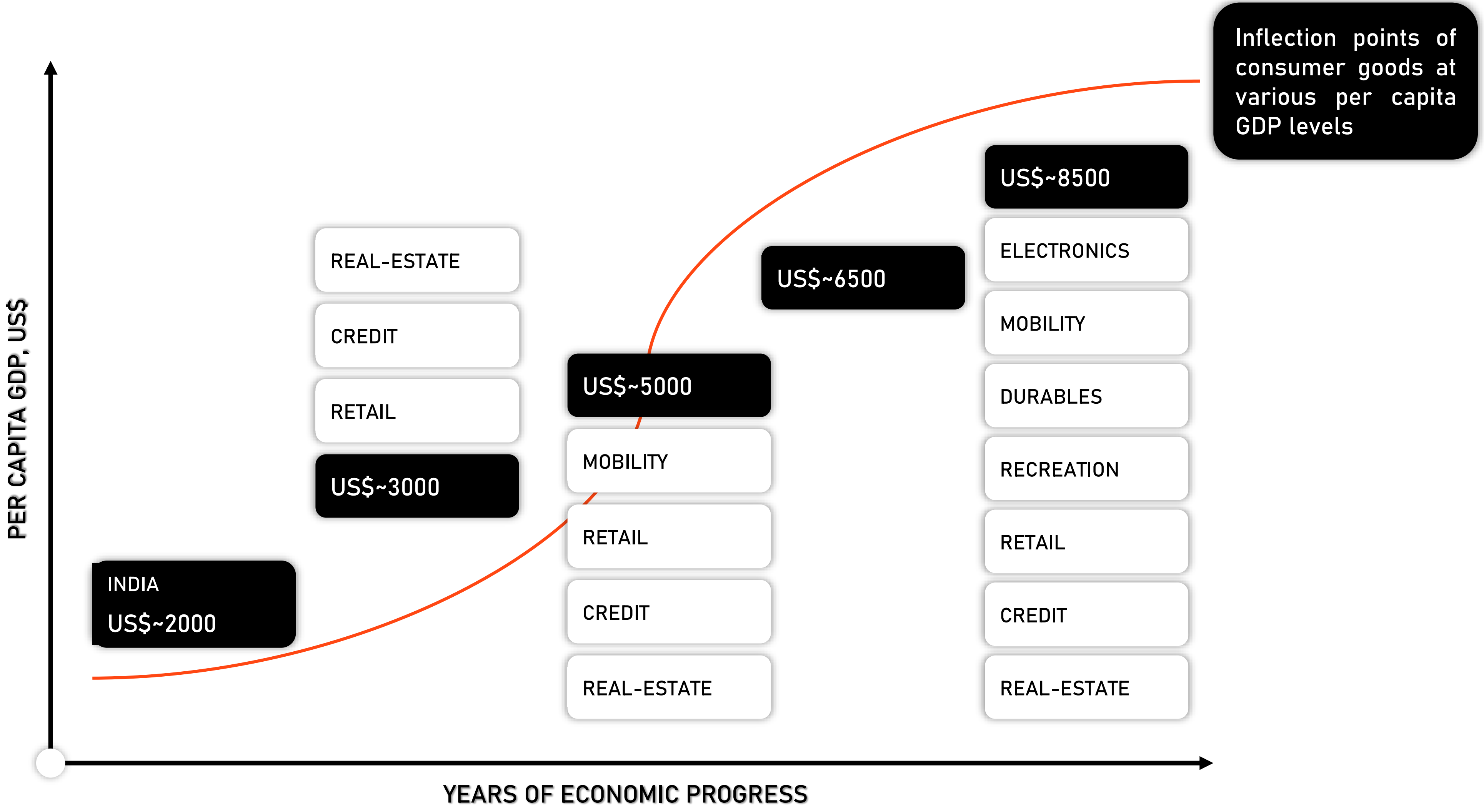
We seek over 20% compounded growth from each business that we buy

Clean corporate Governance and minority investor-friendly management

We buy such businesses at reasonable valuation

15 to 20 stocks with an investment horizon of 3 to 5 years with low portfolio churn

CONSUMPTION INCREASES AS PER CAPITA INCOME RISES



CASE STUDY:
EARNINGS GROWTH + MULTIPLE RE-RATING = WEALTH CREATION

SECURITY	INITIAL PE	EXIT PE	EARNINGS GROWTH	RETURN FROM MULTIPLE RE-RATING	ABSOLUTE RETURNS
IRCTC	35	105	2X	3X	6x
NEOGEN CHEMICALS	30	75	2X	2.5X	5X
KEI INDUSTRIES	18	36	2X	2X	4X
DIXON TECHNOLOGIES	35	105	2X	3X	6X
APL APOLLO TUBES	20	50	2.5X	2.5X	6X
GMM PFAUDLER	35	90	1.5X	2.5X	4X

*Data is an approximation and used for illustrative purposes

**Earnings growth is Normalised for covid impact

PORTFOLIO THEMES FOR THE NEXT BULL CYCLE (NEXT 5 YEARS)

Stock Industry	VALUATION MATRIX	CURRENT MULTIPLE	SECTOR MULTIPLE	DISCOUNT	EXPECTED EARNINGS GROWTH	EXPECTED RETURN
Paints	PE	40	79	50%	2 - 2.5X	2.0X*2X=4X
Wires & Cables	PE	32	45	30%	2 - 2.5X	1.5x*2x=3X
Electronics Retail	EV/EBITDA	15	45	66%	2 - 2.5X	3.0X*2X= 6X
Steel Pipes	PE	20	50	60%	2 - 2.5X	2.5X*2X=5X
Fashion Retail	EV/EBITDA	24	33	30%	2 - 2.5X	1.5X*2X=3X
NBFC	PB	2.5	5.0	50%	2 - 2.5X	2.0X*2X=4X

*Data is an approximation and used for illustrative purposes

**Earnings growth is Normalised for covid impact

RH SUPERVALUE

DELIVERING ALPHA

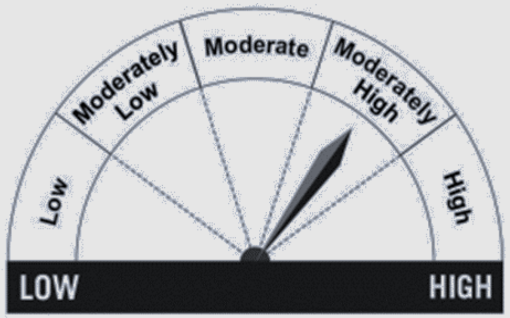
INVESTMENT APPROACH

Investment objective is to achieve long-term capital appreciation by investing high growth Mid & Small cap ‘listed securities’ in India through a bottom-up stock selection approach Investment philosophy is to deliver superior risk-adjusted return by investing in Turnaround stories, Potential Disruptors, and businesses with Moats & Emerging Leaders using a structured investment process that filters businesses with solid fundamentals from the listed universe.

INVESTMENT SUITABILITY

Ideal for investors looking for a Mid & Small Cap focused portfolio. Suitable only for moderate to high-risk appetite investors who are willing to be invested in the scheme for a minimum of three to five years

RISK-O-METER



SCHEME MATRIX

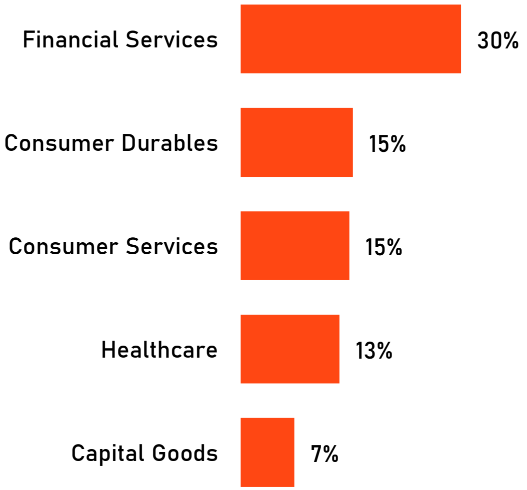
	GROWTH	BLEND	VALUE
Large			
Medium		✓	
Small		✓	

RH SUPERVALUE

TOP 5 HOLDINGS

SECURITY	WEIGHTS
V2 Retail Ltd	12.86%
Nuvama Wealth Management Ltd	9.00%
Sky Gold And Diamonds Ltd	7.25%
360 ONE WAM Ltd	6.63%
Yatharth Hospital & Trauma Care Services Ltd	5.74%

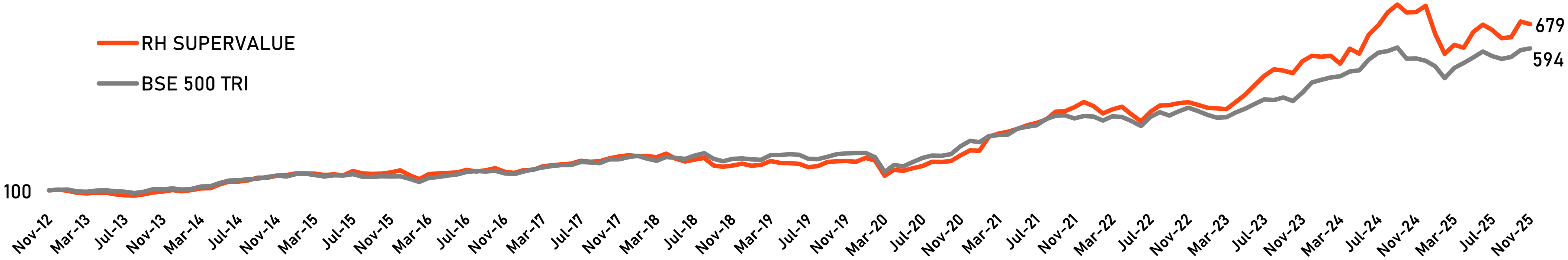
TOP 5 SECTOR



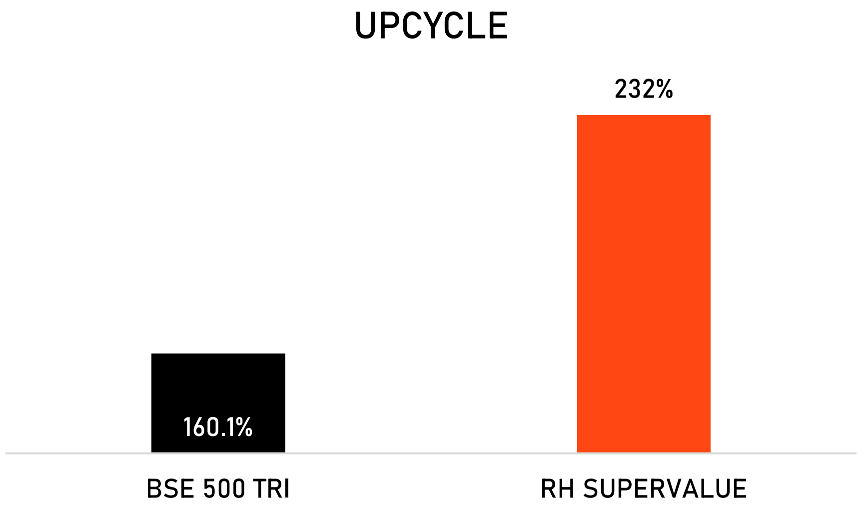
PERFORMANCE

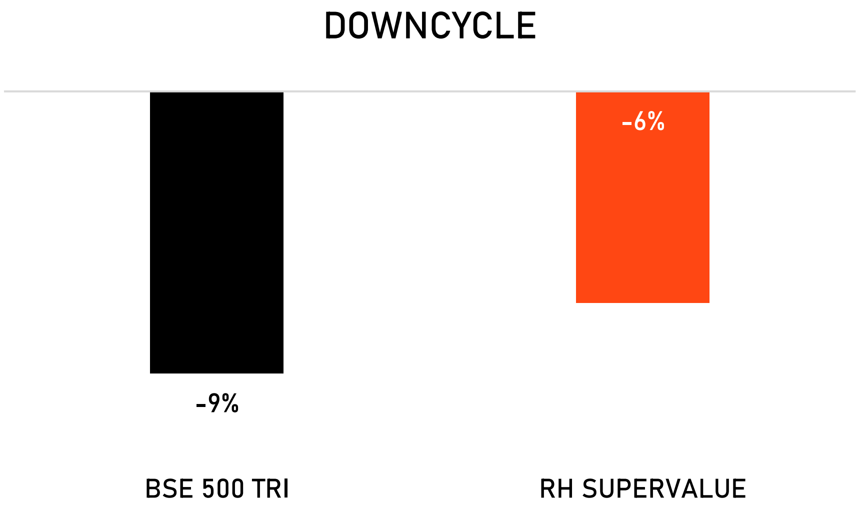
PERIOD	RH SUPERVALUE	BSE 500 TRI
6 Months	4.07%	5.62%
1 Year	-5.94%	6.27%
3 Year	18.57%	15.26%
5 Year	25.04%	18.62%
10 Year	15.40%	14.91%
Since Inception of Scheme (Nov'12)	15.86%	15.06%

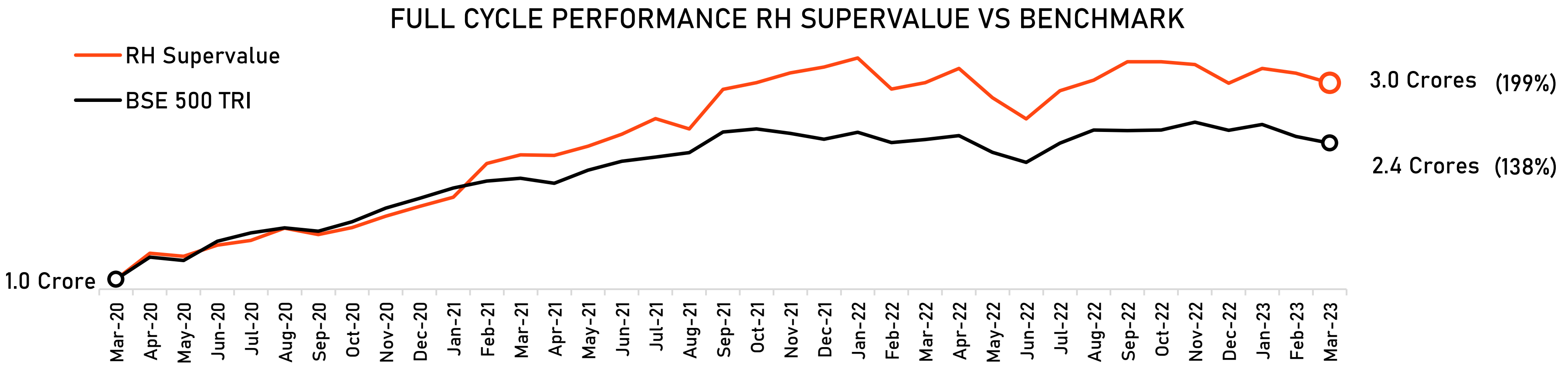
RH SUPERVALUE NAV SINCE INCEPTION



RH SUPERVALUE PERFORMANCE DURING MARKET CYCLES







NOTE-UPCYCLE: 23-03-20 to 18-10-2021, DOWNCYCLE: 18-10-2021 to 27-03-2023 & FULLCYCLE: 23-03-2020 to 27-03-2023

FUND MANAGEMENT TEAM

Anil Rego

Strategist, Speaker, Personal Finance Expert, Author & Philanthropist

HTTPS://IN.LINKEDIN.COM/IN/ANILREGO

- Chartered Financial Analyst & MBA from ICFAI
- Corporate Experience in Business Planning, Corporate Finance, Mergers & Acquisition with Wipro Technologies
- A Regular & Featured Speaker on Business Television Channels and a regular Contributor to Articles in Print and Online media.
- Guest Faculty & Panelist at various International Conferences, Seminars, Symposiums and Global Events

Prabhat Ranjan, CFA

Co- Fund Manager

Prabhat Ranjan, CFA | LinkedIn

- CFA Charter holder from CFAI, USA
- B.Tech from BVP, Pune and MBA from Delhi School of Economics
- Over seven years of experience in equity and investment research
- Covers Manufacturing, Cement, Chemicals and Automotive among other sectors at Right Horizons

Vijay Chauhan

Co-Fund Manager

Vijay Chauhan | LinkedIn

- B.Tech from IIT and MBA from IIM
- Avid researcher in the Mid & Small cap space
- Covers Financial Services, Pharma, IT and Consumer, amongst other sectors.

INVESTMENT APPROACH

TERM SHEET	
Strategy	RH Supervalue
Benchmark	BSE 500 TRI
Minimum portfolio size	INR 5 Million
Recommended holding horizon	36 Months +
Risk level	Moderately High
Set Up Fees	Nil
Management Fees	**Option 1 (Variable):** 1.25% p.a. calculated using monthly average balance plus variable fees. **Option 2 (Fixed):** 2.5% annual, calculated using monthly average account balance **Option 3 Performance:** 18% (Hurdle 0%)
Variable Fee	15% profit share over hurdle rate of 10% (Applicable only for option 1)
Exit Load	2% & 1% for year 1 & 2, respectively, No exit load after 3rd Year

TRANSACTION COSTS	
Transaction Charges (A)	0.02% on the settlement value subject to a minimum of Rs.50/- per transaction & a maximum of Rs.100/- per transaction
Custodian Fees (B)	0.035% P.A. on average AUM
Fund Accounting Fees (C)	0.035% P.A. on average AUM
Audit Statement Charges (INR) (D)	885
Total Account Charges (A+B+C+D)	0.09% to 0.12% on average AUM (for AUM of Rs 1 cr or more)

RH GROUP

- Right Horizons is a 21+ year young organization with clientele spread across the world.
- The Right Horizons Group is focused across the investment advisory, asset management, risk management and distribution value chain.
- RH manages an AUA of Rs 5,000+ Cr across 7 branches, supported by a team of 85+ professionals.
- Right Horizons is one of the Top 5 Leading Financial Advisory Companies with 95%+ retention rate reflecting a satisfied client base.

21+ Years in Business

85+ Employees

5000+ Crores of AUA

Top Ranked PMS Schemes

1. RH Portfolio Management
2. RH Investment Advisory
3. RH Insurance Broking
4. Distribution Services
5. RH Foundation

FOUNDER, MD & CIO

Mr. Anil Rego

CIO, Strategist, Speaker, Personal Finance Expert, Author & Philanthropist

- A seasoned Investor for over 3 decades, following a contrarian style
- Chartered Financial Analyst & MBA from ICFAI
- Corporate Experience in Business Planning, Corporate Finance, Mergers & Acquisition with Wipro Technologies.
- A Regular & Featured Speaker on Business Television Channels and a regular Contributor to Articles in Print and Online media.
- Guest Faculty at Leading Management Institutions.
- A Panelist at various International Conferences, Seminars, Symposiums and Global Events.
- Author having Penned his own Experiences which is a Bestseller “Honey, I Lost All Our Money!”
- Philanthropist making a difference to the Underprivileged
- Had a Dream of Retiring from corporate life at the Age of 30; on a mission to help others dream Big and achieve their goals

RH PMS BOARD

Rachna Rego

Promoter & Director

- 10 year in Right Horizons on Research, financial planning, Training, Compliance, Quality, Process and IT implementations, Heads Sales
- Visiting faculty in Business Schools in the areas of Information Technology and Human Behaviors
- 14 years experience in Wipro and Infosys on Delivery Management

Shankar Jaganthan

Director

- Author, Economic historian, Business Advisor & Guest Faculty
- Founder & CEO at Cimplyfive Corporate
- 18 years in Wipro; Corporate Treasurer
- Author of books “Corporate Disclosures”; “The Wisdom of Ants”
- Head Academics and Technology Initiatives at Azim Premji Foundation

DISCLAIMER

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in India and globally, changes in domestic and foreign laws and regulations. The Portfolio Manager/ the RHPMS takes no responsibility of updating any data/information. The Portfolio Manager and the RHPMS (including its affiliates), and any of its officer's directors, personnel and employees, shall not be liable for any loss, damage of any nature, including but not limited to direct, indirect, punitive, exemplary, consequential, as also any loss of profit in any way arising from the use of this material in any manner.