

**UNIFI** CAPITAL

**SHAPE A TOMORROW  
THAT GOES BEYOND  
YOUR VISION.**

[www.unificap.com](http://www.unificap.com)



**June 2024**

Unifi Capital is a discretionary, long-only India centric fund manager, specialising in event-oriented top-down themes and a bottom-up focus on “growth with value”.

## Performance

Investment Approach	Year of Inception	TWRR 3 Years	TWRR Since Inception	Correlation	Ann. Standard Deviation
Blended- Rangoli	2017	18.71%	22.82%	0.88	21.68%
BCAD	2018	18.71%	17.71%	0.86	19.27%
BCAD2: Breakout 20	2022	NA	20.98%	0.85	13.07%
Insider Shadow Strategy*	2010	14.81%	16.09%	0.84	21.09%
APJ 20*	2015	21.35%	23.90%	0.85	23.25%

The following Investment Approaches have been redeemed

Spin Off*	2014	11.34%	17.43%	0.85	28.97%
DVD*	2013	14.15%	24.96%	0.89	22.97%
Green Strategy*	2017	53.31%	14.47%	0.94	25.10%
Holdco Strategy*	2014	18.74%	21.76%	0.77	26.47%
Delisting*	2009	-	43.00%	0.62	14.54%
Sector Trends Large Cap*	2011	2.42%	10.80%	0.88	17.90%

"For relative performance of particular Investment Approach to other Portfolio Managers within the selected strategy, please refer APMI website ([click here](#)).

Under PMS Provider Name, please select Unifi Capital and select your Investment Approach Name for viewing the stated disclosure. The data for the previous month is usually available on the APMI portal on or after the 7<sup>th</sup> business day of the current month."

## Objective

Focus on identifying unique investment opportunities that consistently generate superior (risk adjusted) returns with due emphasis on capital preservation.

## Advisory Team

The core group of 14 professionals, headed by K Sarath Reddy, having considerable experience in Indian capital markets.

## Portfolio Risk Controls

Comprehensive risk management framework including in-depth stock reviews, exposure limits and marketable liquidity assessment.

Robust risk monitoring mechanisms comprising of daily MTM and liquidity assessment combined with real-time tracking of corporate events and performance.

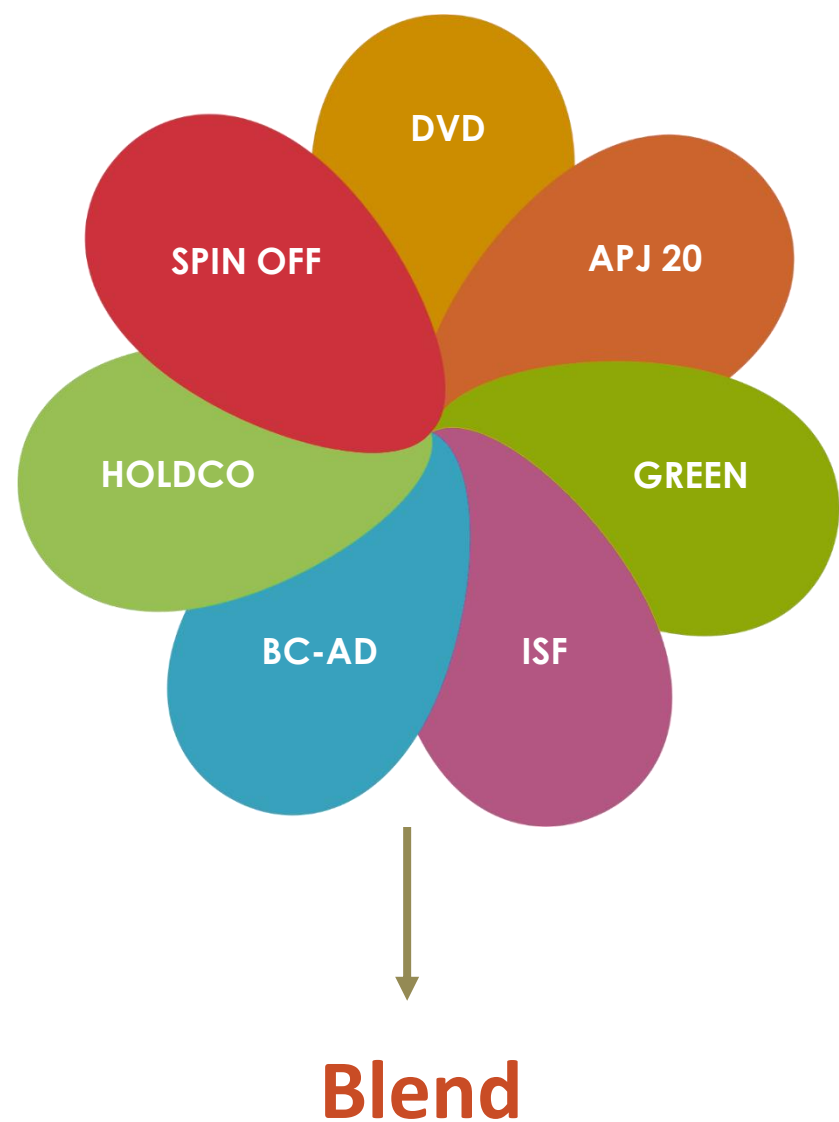
## Operational Risk Control

Best-in-class prime broker, custodian and counterparties.

## About Unifi

- ✓ Unifi focuses on long-only investment approaches as well as event arbitrage, focused on Indian equities, with a strong in-house research team, offering high levels of service.
- ✓ The core team of four experienced capital market professionals co-founded the company in 2001.
- ✓ Unifi has a successful 20-year performance record, evidenced by every strategy having performed better than its benchmark. The current AUM is Rs 26,000 Crs (USD 3,116 million)
- ✓ Unifi is headquartered in Chennai with offices in Bangalore, Hyderabad, Mumbai, Kolkata, Delhi & Ahmedabad with a total team size of 136 professionals.

# Investment Strategy



Blend Theme cherry picks  
Investments from all 7 distinct  
strategies managed by Unifi.

## Distinctive Themes managed by Unifi

**Spin Off:** In a single corporate structure with multiple businesses, the sum of the value of the separate parts is often less than that of the whole. A de-merger of disparate businesses, unlocks the financial and management bandwidth required for the respective businesses to grow. Spin off strategy invests in situations that offer great scope for the businesses to realise their full growth potential and attract commensurate market valuation.

**DVD:** Few segments of the market tend to be mispriced in spite of visible growth prospects, resulting in such stocks trading at a deep discount to their intrinsic value. Reasons could vary from inadequate understanding of a business by most analysts, low relative market cap and liquidity or the lack of correlation to benchmark indices. DVD invests in such businesses and exploits market inefficiencies.

**Holdco:** Many holding companies are run as group holding companies rather than strategic investment companies. This results in a perennial discount in their valuations, but such discounts are not a constant. The Holdco strategy identifies strong underlying businesses and looks for massive valuation discounts that are likely to recover as promoters feel the heat of change in the regulatory landscape; meantime benefiting from value convergence in a rising market.

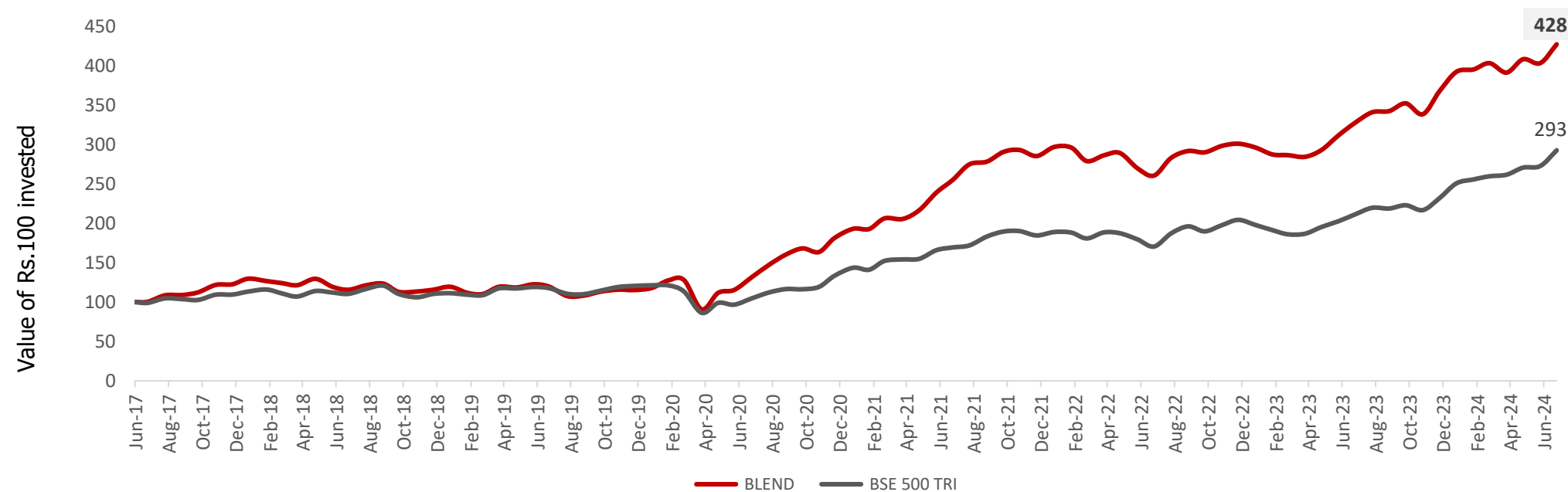
**APJ 20:** As always, markets fancy few sectors that have done well in the past ignoring the rest. Of the sectors which are less understood, few like specialist chemicals, agri, precision manufacturing have become globally competitive and are privy to an expanding market opportunity. APJ20 invests in firms that have evolved and are in a ripe position to benefit from such growth prospects.

**Green Strategy:** The investment focus of the green strategy is on companies which provide products and services that help in reducing the carbon footprint in the environment and/or result in more efficient use of natural resources. Within the context of this strategy, the sectors that have been identified for creating the portfolio are - emission control, energy efficiency, water management and waste management.

**Insider Shadow Strategy:** The theme invests in companies which have repurchased their own shares or where its promoters' have acquired additional shares at market prices. Such an action demonstrates their conviction on company's growth prospects or inherent value not captured in stock price at that point. The proposition is to gain from the eventual balancing of the value-price mismatch in the market.

**BCAD:** India is a USD 2.6 Trillion economy and will double to USD 5 Trillion in a decade from now. Supporting this massive scale are certain social, legal and tax changes that have powerful repercussions for various sectors. The unintended consequences of these changes are impacting the competitive ability and, in some cases, the very survival of unorganized businesses, thus leading to a disruptive shift favoring organized businesses.

# Blended-Rangoli Strategy (PMS) - Performance



## Portfolio Parameters

Blend Rangoli	FY 24	FY 25E*
Earnings Growth	18.7%	16.9%
P/E	26.7	23.0
ROE	21.7%	22.4%
D/E	0.06	0.04
PEG	1.4	1.4

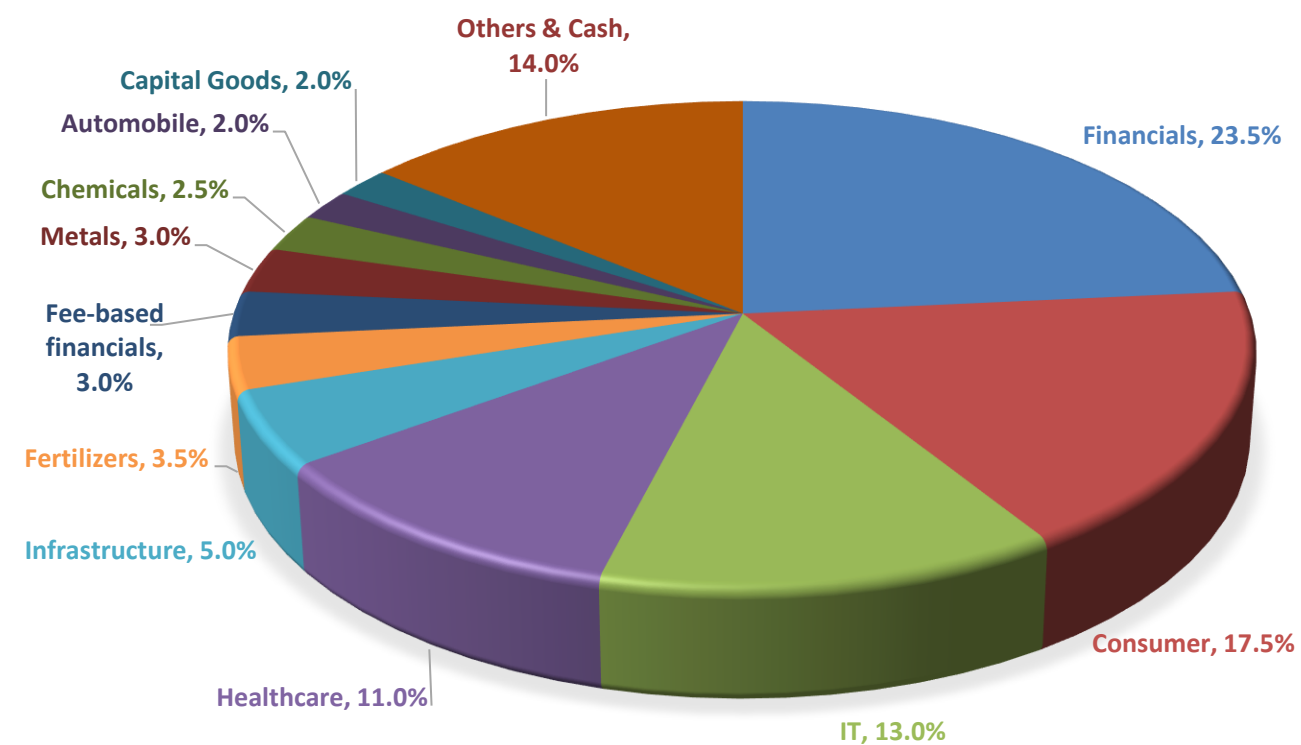
\* FY 25 data is estimated based on assumptions and expectations considering currently available information and they involve risks, variables and uncertainties.

TWRR	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	FYTD
<b>FY 18</b>			0.43%	8.17%	0.29%	3.17%	8.41%	0.62%	5.83%	-2.35%	-2.02%	-2.16%	<b>21.47%</b>
<b>FY 19</b>	6.69%	-7.85%	-3.13%	4.91%	1.75%	-8.45%	0.31%	2.07%	3.19%	-6.51%	-1.22%	8.29%	<b>-1.66%</b>
<b>FY 20</b>	-0.74%	3.37%	-2.33%	-10.06%	0.55%	4.63%	2.24%	-0.41%	2.18%	8.34%	0.23%	-29.09%	<b>-23.98%</b>
<b>FY 21</b>	23.16%	3.26%	14.06%	11.87%	8.96%	4.88%	-2.72%	10.84%	6.5%	-0.15%	7.02%	-0.35%	<b>126.76%</b>
<b>FY 22</b>	5.43%	10.30%	6.82%	7.68%	1.28%	4.43%	0.82%	-2.63%	4.06%	-0.28%	-5.79%	2.61%	<b>39.38%</b>
<b>FY 23</b>	1.07%	-6.72%	-3.46%	8.61%	3.12%	-0.58%	2.79%	0.96%	-1.59%	-2.99%	-0.31%	-0.74	<b>-0.64%</b>
<b>FY 24</b>	3.04%	6.37%	5.11%	4.08%	0.45%	2.86%	-3.95%	8.69%	6.65%	0.68%	2.19%	-2.98%	<b>37.75%</b>
<b>FY 25</b>	4.33%	-1.32%	5.90%										<b>9.03%</b>

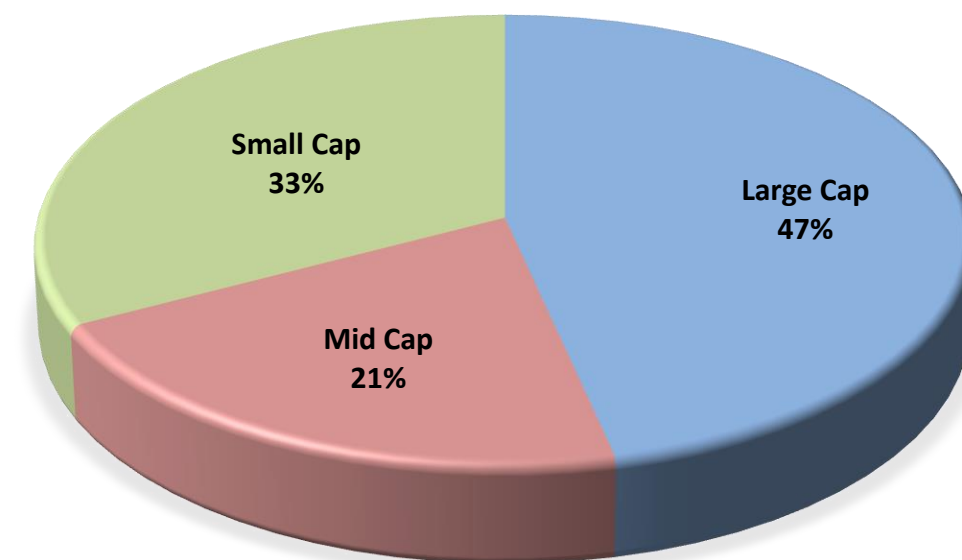
As of 30<sup>th</sup> June'24

# BLENDED RANGOLI - CHARACTERISTICS

## Sector Exposure



## Mcap Exposure



As of 31<sup>st</sup> May'24

# Salient Features / Strategy Structure

<p>Strategy Structure</p>	<ul style="list-style-type: none"> <li>Discretionary PMS</li> </ul>	<p>Redemptions</p>	<ul style="list-style-type: none"> <li>Recommended time horizon for effective portfolio returns as envisaged by the portfolio manager is minimum 5 years or 200% absolute return, whichever is earlier. Since the structure is PMS, there is no lock-in of funds. The redemption is processed within T+7 days.</li> </ul>
<p>Benchmark</p>	<ul style="list-style-type: none"> <li>S&amp;P BSE 500 TRI</li> </ul>	<p>Fee Structure</p>	<ul style="list-style-type: none"> <li>Management Fee applicable will be charged on a monthly basis computed on each day end value. Applicable performance fee will be charged at the end of 5 years or on achieving 200% absolute return, whichever is earlier or at the closure of the strategy.</li> </ul>
<p>Custodian &amp; D-Mat</p>	<ul style="list-style-type: none"> <li>HDFC Bank Ltd, ICICI Bank Ltd, Axis Bank Ltd, Kotak Mahindra Bank Ltd.</li> </ul>	<p>Tax implications</p>	<ul style="list-style-type: none"> <li>The tax is paid by the client combining his other investments thus the returns to the client in PMS are on pre tax basis. Profits in the PMS are taxed at applicable capital gains tax rates.</li> </ul>
<p>Minimum Investment</p>	<ul style="list-style-type: none"> <li>Rs 50 L</li> </ul>	<p>Reporting structure</p>	<ul style="list-style-type: none"> <li>MIS - monthly</li> <li>Investor Report &amp; Strategy Newsletter - Quarterly</li> <li>Performance review webinars- Half yearly</li> <li>Tax reporting- Quarterly for advance tax and Yearly for year end tax</li> </ul>
<p>Subscriptions and New Investments</p>	<ul style="list-style-type: none"> <li>This is open ended fund with no entry and exit loads</li> </ul>		

*For more detailed terms and conditions, please refer to our Disclosure Document and PMS Application form (including agreement)*



For further information visit:  
[www.unificap.com](http://www.unificap.com)

UNIFI CAPITAL

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# THANK YOU!

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**The investor has the option of enrolling with the company either Directly or through a Distributor or through a Registered Investment Advisor (RIA)**

**DISCLAIMER**

Securities, investments are subject to market risks and there can be no assurance or guarantee that the objectives will be achieved. As with any investment in securities, the value of the portfolio under management may go up or down, depending on the various factors and forces affecting the capital market. Past performance of the Portfolio Managers is not an indication of the future performance of the Portfolio Managers. Investors in the fund are not being offered any guaranteed/assured returns. This information has been compiled from sources we believe to be reliable, but we do not hold ourselves responsible for its completeness or accuracy. References to actions of specific companies have been made as a matter of fact but the comments on such actions represent only our judgment and analysis and not that of the specific companies. This material is not an offer to sell or a solicitation to buy any securities or any financial instruments mentioned in the report. Unifi Capital Pvt. Ltd. and their officers and employees may or may not have a position with respect to the securities / other financial instruments mentioned herein. Unifi Capital Pvt. Ltd. may from time to time, have a consulting relationship with a company being reported upon. All opinions and estimations included in this report constitute our judgment as of this date and are subject to change without notice.

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