



CARNELIAN CONTRA PORTFOLIO STRATEGY

Investing beyond consensus...

Company overview

- Founded in 2019 as a boutique investment management firm by three passionate capital market professionals with a strong track record of building leadership businesses in the capital market domain and enduring research platform
- *Purpose is to build a world class asset management platform known for its values, expertise and best practices*
- Currently managing ~USD 1.6bn in Indian equities for the country's leading HNI's, family offices, institutions & partners' own capital
- Offerings include PMS - domestic; AIF - domestic/offshore through GIFT IFSC
- 100% founder owned
- Supported by a team of 95 professionals across 10 locations and growing
- Technology, risk, compliance and process driven DNA
- *Known for our unique, differentiated and proprietary investment & risk (including forensic) framework*
- Won several accolades for best theme identification and absolute returns in 2021 and 2023



We believe in investing in “quality growth at a reasonable price” and “risk diversification through forensic analysis

Founder's profiles



VIKAS KHEMANI
(CA, CFA, CS)

- Vikas Khemani, with 28 years of extensive experience in capital markets, is the founder of Carnelian Asset Management & Advisors. Established in 2019, this boutique investment management and advisory firm, based in India, manages USD 1.6bn across various portfolios.
- Prior to founding Carnelian, Mr. Khemani served as the CEO of Edelweiss Securities Ltd. for 17 years. During his tenure, he successfully incubated and developed several businesses into market leaders, including institutional equities, investment banking, and equity research.
- Mr. Khemani is recognized for his strong business acumen and profound understanding of capital markets, earning him a distinguished reputation within Corporate India.
- In 2014, he was honored with the Young Professional Achievers Award for the service sector by the Institute of Chartered Accountants of India.



MANOJ BAHETY
(CA, CFA)

- With ~28 years of financial services experience, Manoj Bahety currently serves as the fund manager of Carnelian Asset Management & Advisors. He is a distinguished financial professional known for his innovative approach to forensic research and portfolio management.
- Before co-founding Carnelian along with Vikas in 2019, Manoj held key roles at Edelweiss Securities, including Deputy Head of Institutional Equity Research, Head of Forensic Research, and Head of Thematic & Mid Cap Research. He is renowned for his non-consensus research approach and pioneering differentiated forensic research, famously known as "Analysis Beyond Consensus" (ABC Research).
- ABC Research has been instrumental in aiding global investors to make informed investment decisions based on accurate data rather than reported figures, thereby helping them "avoid pitfalls"—a core virtue of Carnelian
- In addition to his professional accomplishments, Manoj has actively contributed to the CFA Institute, serving on several committees, including as Chairperson of the India Advocacy Committee and as a member of the Global Capital Markets Policy Council (CDPC) based in the USA.



SWATI KHEMANI
(CA)

- With 24 years of financial experience, Swati exemplifies the important role of the Indian modern professional and empowered woman. Her professional journey has taken her to leading roles in equity research, institutional sales, investment banking, client relationships and human capital management, all this, while raising a family and being an entrepreneur.
- Along with Vikas Khemani and Manoj Bahety, she founded Carnelian Asset Management where she currently holds the key position of managing the overall business and capital management. Her mentoring skills have been instrumental to lay the foundation of a strong, cohesive and winning investment management team. She enjoys a good relationship with the investor & corporate community



Founders have strong complementary skill sets & deep experience of capital markets & businesses

Carnelian competitive advantage

- Independent, entrepreneurial boutique with a reputed board of advisors
- Long-term approach with high active share (differentiated portfolio)
- Concentrated **QGARP** portfolio - **Quality Growth companies (Business & Management) at a Reasonable Price**
- Offers a unique blend of companies with accelerated and sustainable growth
- Proprietary forensic analysis
- Known for identifying larger themes, trends /stocks early



PEOPLE

- Founders are industry veterans with strong complementary skill sets
- Deep understanding of capital markets & businesses
- Strong relations with corporate India/industry
- Team of 95 passionate/driven professionals
- 100% founder owned - skin in the game



PROCESS

- Unique forensic framework - **"CLEAR"**
- Focus on quality
- Screen for red flags
- Disciplined investment process
- Differentiated approach to risk management
- Processes driven by core values...

Unique approach,
unique insights.

Current market environment seems like 2022...

Launched YNG Strategy

2022

- Escalation of Russia-Ukraine war, energy crisis, 40-yr high inflation hits the West
- Elevated market conditions - stretched valuations, low yields, rising interest rates, inflationary pressures persist
- **Launched - "Carnelian Yield n Growth Strategy" (CYnG) - contrary to consensus!**
- Focused on undervalued, yield generating assets likely to benefit from inflationary environment - **expected CAGR ~12-15%**

Closed for subscription

- **Mid-2023** : stopped accepting new flows - significant price appreciation coupled with fewer lucrative dividend/FCF yield opportunities.
- **Delivered ~34.2% CAGR with alpha of 20%** - *amongst best performing strategies in 2024*

Re-opening as Contra Portfolio Strategy

2025

- *Geopolitical uncertainty* marked by Trump administration - tariff wars, currency devaluations & changing global interest rate environment
- Temporary dislocation in valuation as investors react emotionally to uncertainty



We believe this vintage will create wealth just like 2022-2024 as we see interesting/favorable risk-reward opportunities

Reopening - Carnelian Contra Portfolio Strategy...

- **Objective** - generate superior risk adjusted return by following a **contrarian absolute return approach**
- **Strategy** - multi-cap with 60% large cap bias, sector agnostic portfolio designed to capture

Structural growth story with temporary dislocation



e.g. Infosys post Vishal Sikka exit, Divis Labs during US FDA issues in 2016-17

Businesses facing unfavourable cycle



e.g. ER&D during Covid, Pharma companies in US pharma down cycle

Deep value stocks with good dividends



e.g. Coal India, PFC(2019-20), ITC available at single digit valuations due to ESG concerns

Special situations like demerger, open offer, acquisitions etc



e.g. KPIT, Nuvama, LTI+Mindtree, Crompton Greaves Consumer Electricals, CG Power

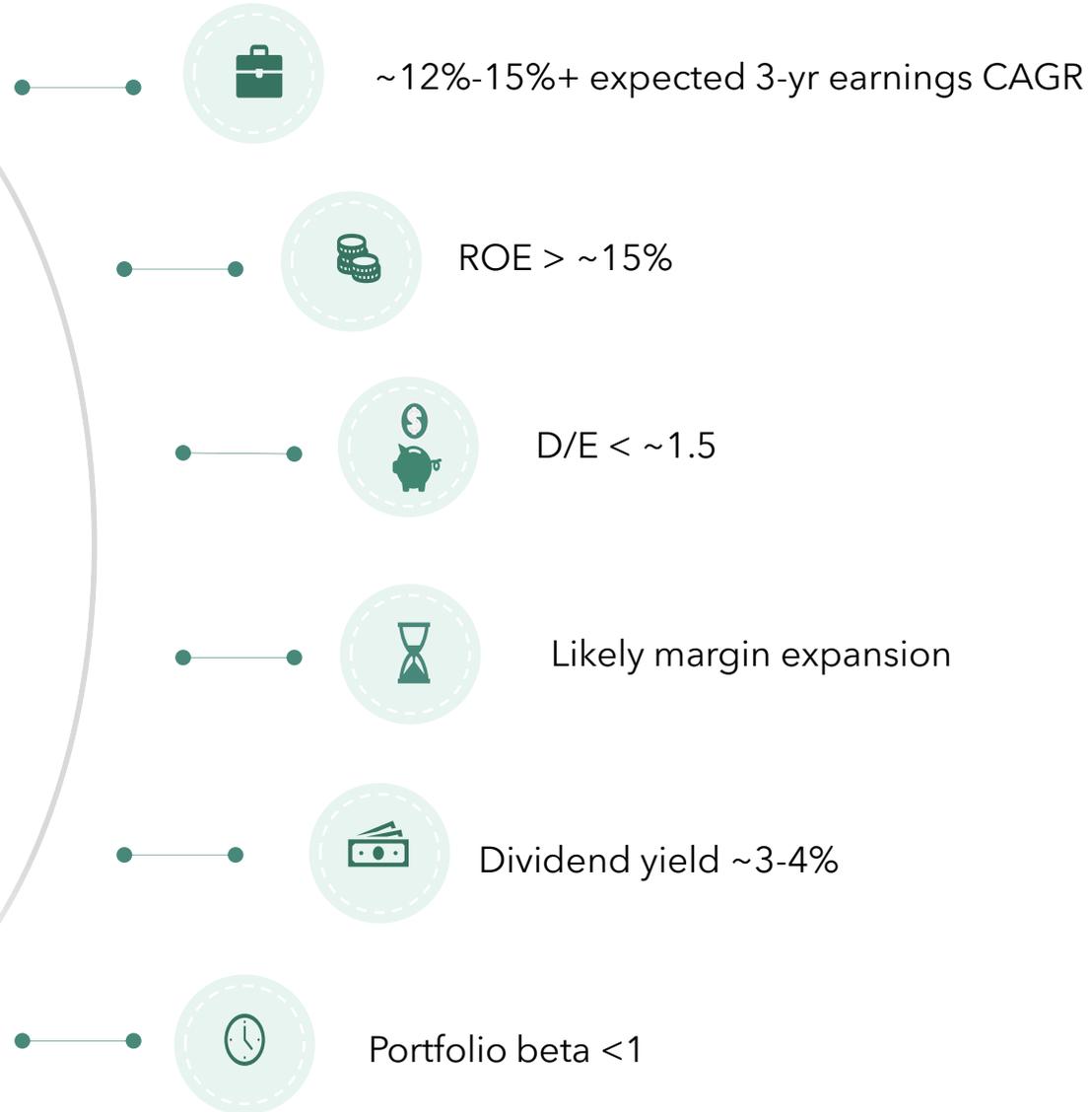
- Portfolio of 20-25 stocks filtered through carnelian forensic lens; benchmarked against BSE 500 TRI
- Actively managed portfolio with long term approach



A well diversified portfolio of ideas beyond consensus comprising best of businesses facing temporary dislocation

A curated portfolio which offers ...

CARNELIAN CONTRA PORTFOLIO STRATEGY

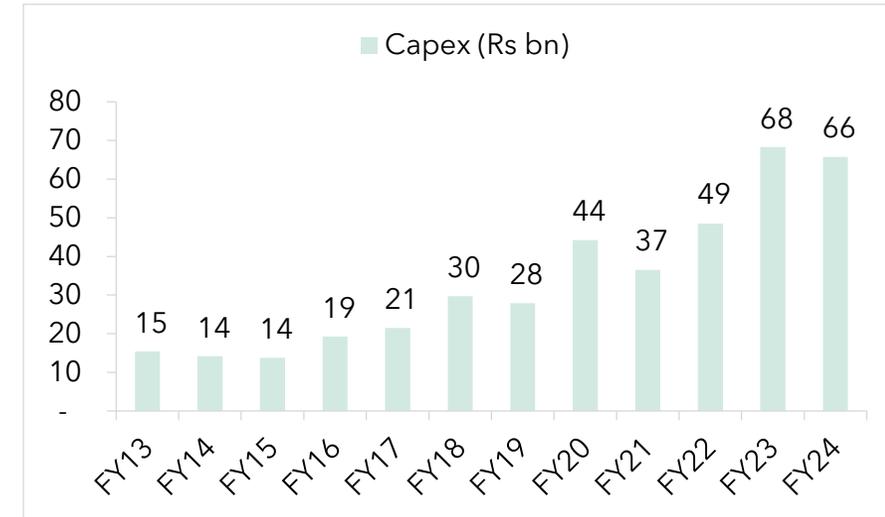


Combination of top down &
bottom-up approach

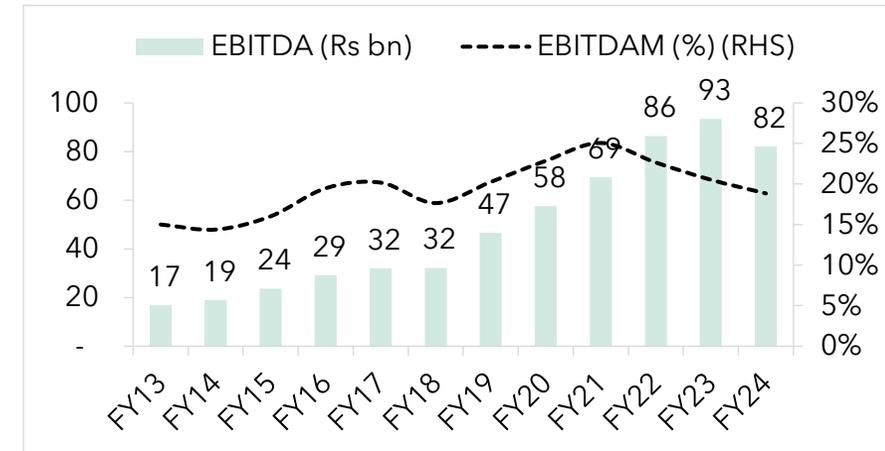
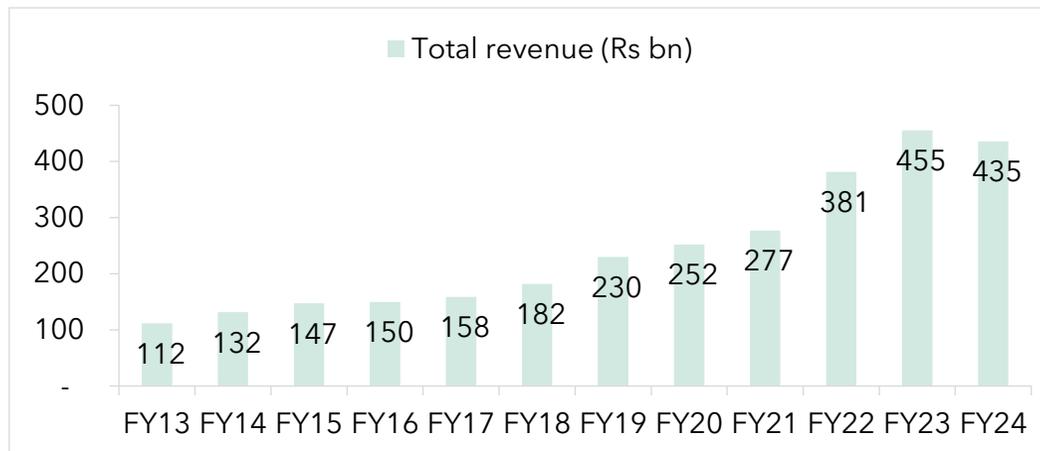
Interesting opportunities we see...

Chemicals - capex to come onstream

- Revenue remain muted for last 3 years & margins have gone down
- Raw material price remained volatile, global slowdown in demand - weakness in key export markets (Europe, US), dumping from China & Inventory destocking cycle hurting the sector
- Domestic capex cycle in play - capex numbers will come onstream & operating leverage will play out.
- Sector has already seen a deep correction, and valuations pricing in the worst.



Continued capex in the sector



Source - Carnelian research

Volume growth & uptick in margins to coincide, leading to significant operating leverage

Interesting opportunities we see...

Banks - well capitalised facing temporary liquidity challenges

- RBI announced liquidity injection into the market, totalling INR 600bn and covering ~20% of the total liquidity shortage of INR 2.9tn.
- FY25 a year of temporary halt - FY26 will see good credit growth and NIM inching upwards

Year	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	9MFY25
Credit growth	6.9%	2.8%	7.8%	10.6%	6.5%	4.9%	13.0%	17.3%	19.7%	11.3%
Deposit growth	7.0%	10.1%	6.1%	9.3%	8.4%	11.5%	10.3%	11.0%	14.0%	11.4%
NII	6.9%	5.6%	7.5%	16.6%	13.2%	12.6%	10.0%	22.9%	15.8%	0.2%
PPOP growth	5.5%	17.2%	1.7%	4.3%	21.9%	11.9%	3.6%	18.2%	16.0%	5.3%
PAT growth	-61.7%	28.6%	-173.9%	-27.6%	-146.5%	1018.1%	49.2%	44.6%	32.8%	6.5%
CAR	13.3%	13.7%	13.8%	14.3%	14.7%	16.3%	16.8%	16.3%	16.8%	16.7%
ROA	0.3%	0.3%	-0.2%	-0.1%	0.1%	0.6%	0.9%	1.1%	1.3%	1.4%
ROE	3.6%	4.2%	-2.8%	-1.9%	0.8%	7.7%	10.1%	12.9%	14.6%	14.1%
NIM	2.7%	2.7%	2.7%	2.9%	3.0%	3.2%	3.1%	3.4%	3.5%	3.5%
GNPA	7.5%	9.3%	11.2%	9.1%	8.2%	7.3%	5.8%	3.9%	2.7%	2.6%

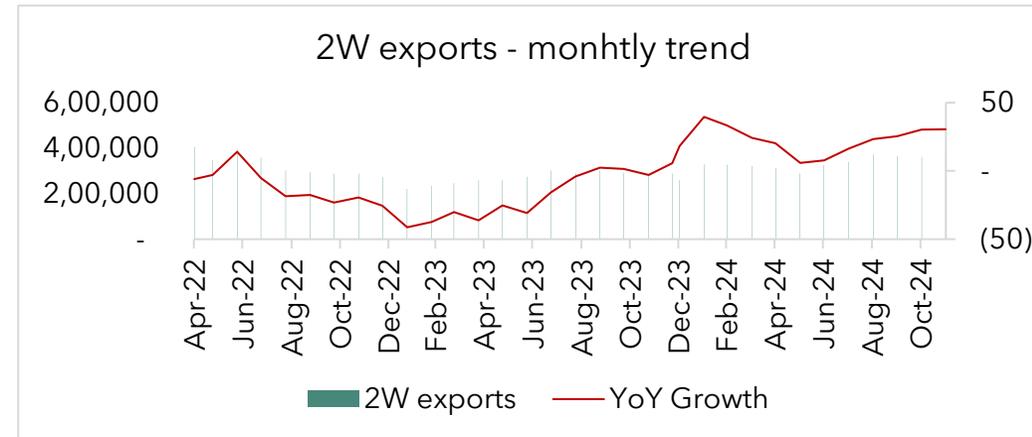
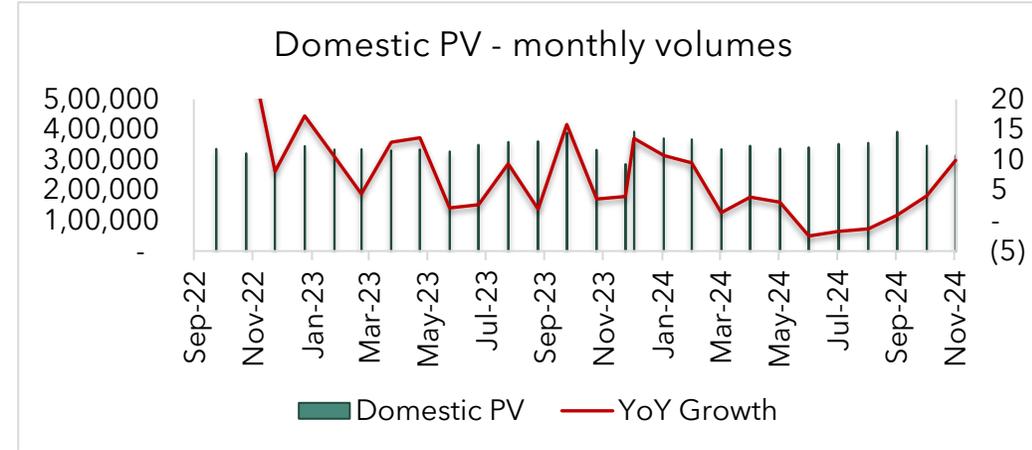


Liquidity improvement → credit growth + NIM improvement → Operating profit growth

Interesting opportunities we see...

Autos - at the cusp of reversal

- PV - Industry is going through a mild downturn & there are initial signs of recovery.
- 2Ws - domestic recovery will continue.
- Exports - post a tepid period of ~1.5 years, exports has started recovering from CY24. This will lead to dual engine of growth for 2W players and export focused players will experience faster growth for next 1-2 years.
- Tractors - With good monsoon, low base, and rural economy recovery, tractor volumes are reviving and well placed for a upcycle for next 1-2 years.
- Valuations are appealing and market perception of stress for auto sector is not as bad as feared.



Year	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
2W exports	23,36,234	28,14,934	32,80,399	35,20,055	32,82,786	44,43,131	36,52,122	34,58,416
YoY Growth		20.5	16.5	7.3	(6.7)	35.3	(17.8)	(5.3)

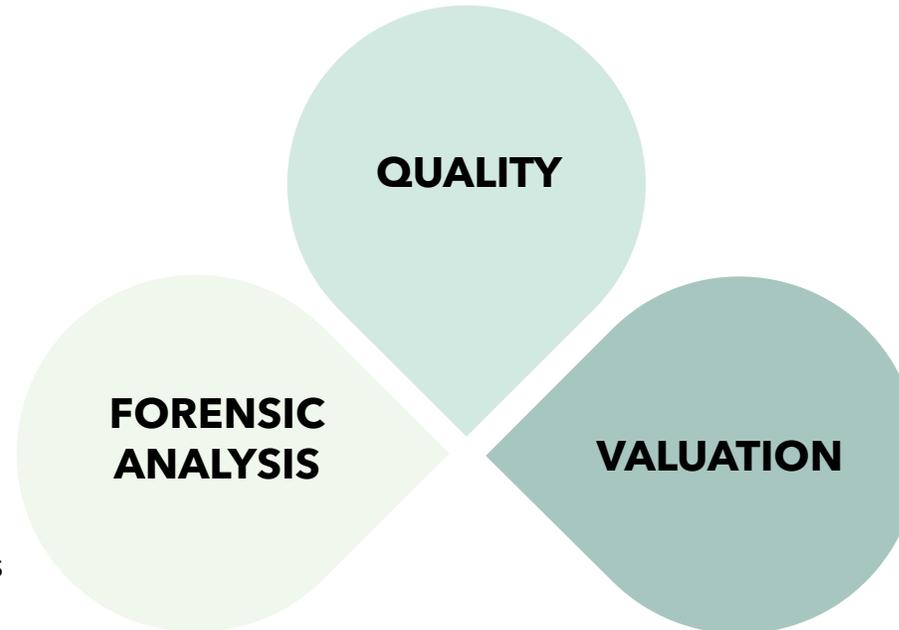
“ Beginning to see early indications of a cyclical reversal

Investment framework

Forensic Analysis - CLEAR

- Cash flow analysis
- Liability analysis
- Earnings quality analysis
- Asset quality analysis
- Related party & governance issues

Quality
Good business with temporary dislocation,
Good Management



Valuation
Deep value relative to
growth

Deep value relative to
growth

Risk factors

- Reversal of business cycle taking longer than expected
- Re-rating of deep value stocks taking longer
- Temporary dislocation in business may later become permanent dislocation
- Periods of underperformance:
 - Absolute return-oriented approach may lead to under performance with benchmark



Markets are subject to risk

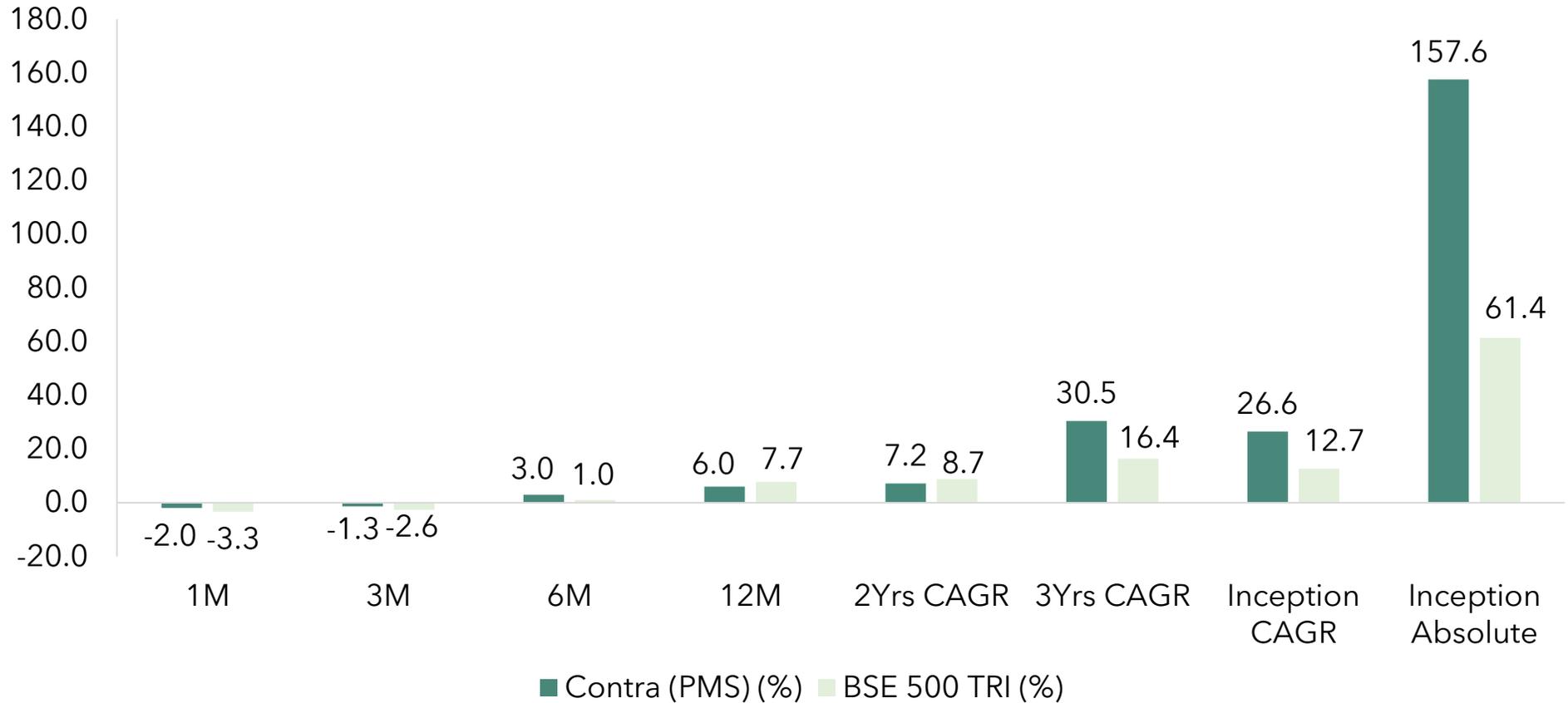


Carnelian Contra Portfolio Strategy

Strategy details	
Strategy Name	Carnelian Contra Portfolio Strategy
Objective	Generate superior risk adjusted return by following a contrarian absolute return approach
Strategy	Multi-cap with 60% large cap bias
Stock universe	~25 stocks
Benchmark	BSE 500 TRI
Min. investment amount	INR 50 Lakhs
Exit load	1% if redeemed within 1 year

“
Features of Carnelian
Contra Portfolio Strategy

Carnelian Contra Portfolio Strategy



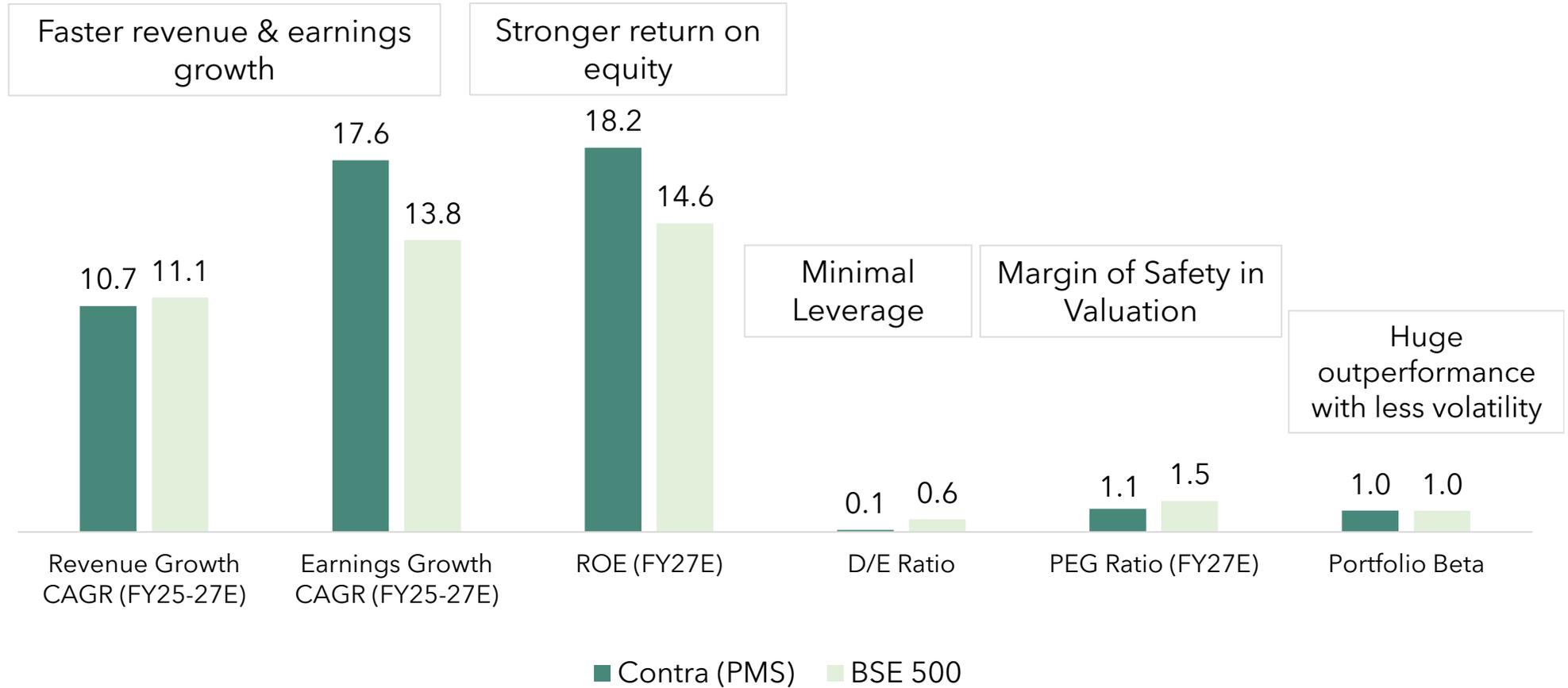
Note - Inception Date - 27th January 2022. Benchmark - BSE 500 TRI

**Changed from 'Carnelian YnG Strategy' w.e.f. Feb 5, 2025 to reflect evolved investment objective to include contra plays such as businesses facing temporary headwinds, deep value plays, special situation etc.*

Disclaimer: Investments are subject to market risk. Past performance figures is not verified by SEBI. Past performances are not indicative of future performance. Please refer risk associated with investment as published on our website. Above information should not be regarded as an official opinion or recommendation of any kind.

Performance as on
31st January 2026

Carnelian Contra Portfolio Strategy



Note - Inception Date - 27th January 2022

Disclaimer: Investments are subject to market risk. Past performance figures is not verified by SEBI. Past performances are not indicative of future performance. Please refer risk associated with investment as published on our website. Above information should not be regarded as an official opinion or recommendation of any kind.

FASTER, STRONGER,
CHEAPER

Awards and recognition



“

Recognition by
independent industry
platforms



Client Testimonials

What our investors say...



Farah Malik Bhanji, MD - Metro Brands

Vikas, Swati and the Carnelian team have done an excellent job managing our money. They have been one of the top performing funds in our portfolio for the year. Having been invested with them since inception, we have seen their strategy play out through the Covid period with great success. Carnelian's clarity and fidelity to their thesis and process inspires a lot of confidence and the results speak for themselves.



Gopal Srinivasan, Chairman & Managing Director - TVS Capital Funds

Find a great manager like Vikas. I have invested in his funds and I think give people like him money because this requires a very strong navigation, break, clutch, acceleration and steering system to manage so that would be my advise to most people that there is alpha in the market and alpha can be best sought out in the hands of professionals like Vikas.



Abhishek Dalmia, Chairman - Renaissance Group

In investing, big money is made by being a contrarian. It is rare to find someone who has the conviction to stand apart from the crowd and is willing to bet money on his conviction. Vikas is that sort of guy. He bet on revival of Indian manufacturing at the peak of the first covid lockdown when he launched the Shift Strategy. The performance of the fund demonstrates that he got it right.



Chaitanya Desai, MD - Apar Industries

Carnelian tries to achieve an absolute long term consistent return with substantial alpha keeping in mind the risk reward ratio. They are pretty much modern in their investments but also traditional when it comes to capital protection utilising their expertise in Forensic Accounts.



Vikas Poddar, Founder Ashirwad Pipes

As a family office, we were looking for a new age fund manager who is in sync with India's growth story. And this is how we discovered that Carnelian, led by Mr. Vikas Khemani, will be a great choice. We have had several interactions with him and his team, which has given us immense comfort and reiterated our confidence in the Indian economy. Their performance has been a stellar.



Our real success is our investors' trust and opinion

What our investors say...



Apurva Parekh, Executive Director - Pidilite Industries

I am impressed by the fund's vision, investment philosophy, diligence process and So, approach. He has deep domain knowledge and sound understanding of Indian businesses and economy. This has allowed Vikas to consistently identify superior businesses and trends ahead of the market.



Russell Mehta, MD - Rosy Blue India

Have known Vikas for many years now and I love/admire his enthusiasm, passion and aggression to invest which is very well and equally balanced with deep and meaningful research, level headedness and receptiveness. He has canny ability to foresee trends!



Yogesh Agrawal, MD - Ajanta Pharma

I was confident of Vikas' s ground up experience in investing which earned him sharp acumen in spotting the businesses that have potential to provide above index returns. Today, I can confidently say that Carnelian has lived up to the promise and delivered me sound and much above index returns so far.



Pankaj Keswani, Founder - Alufit (India)

Ever since we got introduced, I have this feeling that here's a guy I can trust. He's like a first-generation entrepreneur. So, he knows the value of money and what it takes to build it, to create it, and save it. And if someone might say, he is who under-promises and over delivers.



Yogesh Mahansaria, MD - Mahansaria Tyres India

Vikas and his team have a great passion for investing, clarity of thinking, and deep research capabilities - all of this gave us lot of confidence to be an early investor in Carnelian Funds. Their performance over time has validated our confidence, leading us to enhance our investments with them over time; one of the best performing funds in our portfolio.



Sohil Chand, Senior Advisor, NVP India

I have known Vikas for a while & been an investor since early days. It has been the best performing PMS in my portfolio over 20 PMSes!



Our real success is our investors' trust and opinion



Contact us

Carnelian Asset Management & Advisors Private Limited

1205/06, One Lodha Place,
Senapati Bapat Marg, Lower Parel,
Mumbai - 400013

Telephone - 022- 6937 4100

Website - www.carneliancapital.co.in

For any queries, email us as sales@carneliancapital.co.in



Always at your service



Disclaimer

This document has been prepared by Carnelian Asset Management & Advisors Private Limited (“Carnelian”) and is provided to you for information only. This document does not constitute a prospectus, offer, invitation or solicitation and is not intended to provide the sole basis for any evaluation of the investment product or any other matters discussed in this document. This document is made available to you because Carnelian believes that you have sufficient knowledge, experience and/or professional advice to understand and make your own independent evaluation of the risks and rewards of the investments and/or other matters discussed in this document and to make your own independent decision whether to implement the same. Any view expressed in the document is generic and not a personal recommendation and/or advice. It does not consider your risk tolerance, financial situation, knowledge and experience. Please discuss with your investment advisor if you seek advice on whether the proposed investment product are appropriate for you. The investments discussed in this document may not be suitable for all investors. Investments are subject to market risk. There can be no assurance or guarantee that any investment will achieve any specific return. Unless expressly stated, product performances are not guaranteed by Carnelian or their affiliates or any government entity. Past performance is not necessarily an indicator of future performance. Actual results may vary significantly from the forward-looking statements contained in this presentation due to various risks and uncertainties, including the effect of economic and political conditions in India and outside India, volatility in interest rates and the securities market, new regulations and government policies that may impact the business of Carnelian as well as its ability to implement the strategy. The information contained in this document has been obtained from sources that Carnelian believes are reliable, but Carnelian does not represent or warrant that it is accurate or complete, and such information may be incomplete or condensed. Neither Carnelian, nor any affiliate, nor any of their respective officers, directors, partners, or employees accepts any liability whatsoever for any direct or consequential loss arising from any upon this document or its contents, or for any omission. The views in this document are generally those of Carnelian and are subject to change without notice, and Carnelian has no obligation to update its views or the information in this document. Carnelian or its affiliates may have acted upon or have made use of material in this document prior to its publication. Carnelian does not provide legal or tax advice and should you deem it necessary to obtain such advice, you should approach independent professional tax or legal advisors to obtain the same. This document is confidential and may not be reproduced or disclosed (in whole or part) to any other person without our prior written permission. The manner of distribution of this document and the availability of the products may be restricted by law or regulation in certain countries and persons who come into possession of this document are required to inform themselves of and observe such restrictions. This document is not directed to, nor intended for distribution or use by, any person or entity in any jurisdiction or country where the publication or availability of this document or such distribution or use would be contrary to local law or regulation, including for the avoidance of doubt the US. The contents of this document have not been reviewed by any regulatory authority in India or in any other jurisdiction. If you have any doubt about any of the contents of this document, you should obtain independent professional advice. The name of the strategy does not in any manner indicate the quality of the strategy, its future prospects or returns. The product strategies mentioned in the document may change depending upon the market conditions and the same may not be relevant in future. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any recommendation of the same and the strategy may or may not have any future position in these sector(s)/stock(s)/issuer(s). This strategy and this presentation have been prepared for potential investors in India and may not be published or distributed in the United States. This strategy does not constitute an offer of units for sale or the solicitation of any offer to buy Units in any jurisdiction, including the United States.



Read all portfolio related documents carefully