



CARNELIAN CONTRA PORTFOLIO STRATEGY

Investing beyond consensus...

Contents



<u>Carnelian - India's boutique investment management firm</u>	3	<u>Risk factors</u>	12
<u>Founding team</u>	4	<u>Features of Carnelian Contra Portfolio Strategy</u>	13
<u>Current market environment seems like 2022</u>	5	<u>Performance as on 30th September 2026</u>	14
<u>Reopening - Carnelian Contra Portfolio Strategy</u>	6	<u>Faster, stronger, cheaper</u>	15
<u>A curated portfolio which offers</u>	7	<u>Carnelian Funds</u>	16
<u>Interesting opportunities we see</u>	8	<u>What our investors say</u>	17
<u>Investment framework</u>	11	<u>Contact us</u>	19



Carnelian - India's boutique investment management firm

Founded by industry leaders with a single aspiration: to build the best-in-class asset management platform defined by **values, expertise, and best practices**

~INR 21k

Crore AUM

11k+

Client accounts

22.7%

Inception TWRR

2019

Inception year

11+

Locations present

160+

Strong team

920+

Partners (September 2026)

100%

Founder owned

Accolades for
theme identification
(2021) &
absolute returns
(2021, 2023 & 2025)

Performance as on 30th September 2026. Returns are calculated on a TWRR basis, net of applicable fees and expenses. Returns more than 1 year are annualised. Performance represents the aggregate of all portfolios managed by the Portfolio Manager. Performance figures are not verified by SEBI. Investments are subject to market risks. Past performance is not indicative of future results. Please refer to the risk disclosures available on our website. This material is for information purposes only and does not constitute investment advice or a recommendation.

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Boutique investment firm
known for its values and
expertise

Founding team



Vikas Khemani

CA, CFA, CS

Experience - 28 years

Prior - Edelweiss Securities

Known for - incubating & developing several businesses into market leaders, identifying structural themes ahead of consensus, combining entrepreneurial execution with disciplined, long-term investing



Manoj Bahety

CA, CFA

Experience - 28 years

Prior - Edelweiss Securities

Known for - non-consensus research approach & pioneering differentiated forensic research, known as "Analysis Beyond Consensus" (ABC Research).



Swati Khemani

CA

Experience - 24 years

Prior - Edelweiss Securities

Known for - scaling Carnelian into one of the fastest-growing asset managers; responsible for the overall business, building strong client relationships, and shaping a cohesive, high-performing team through her leadership.

“

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

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 annualized ~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% annualized 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

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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

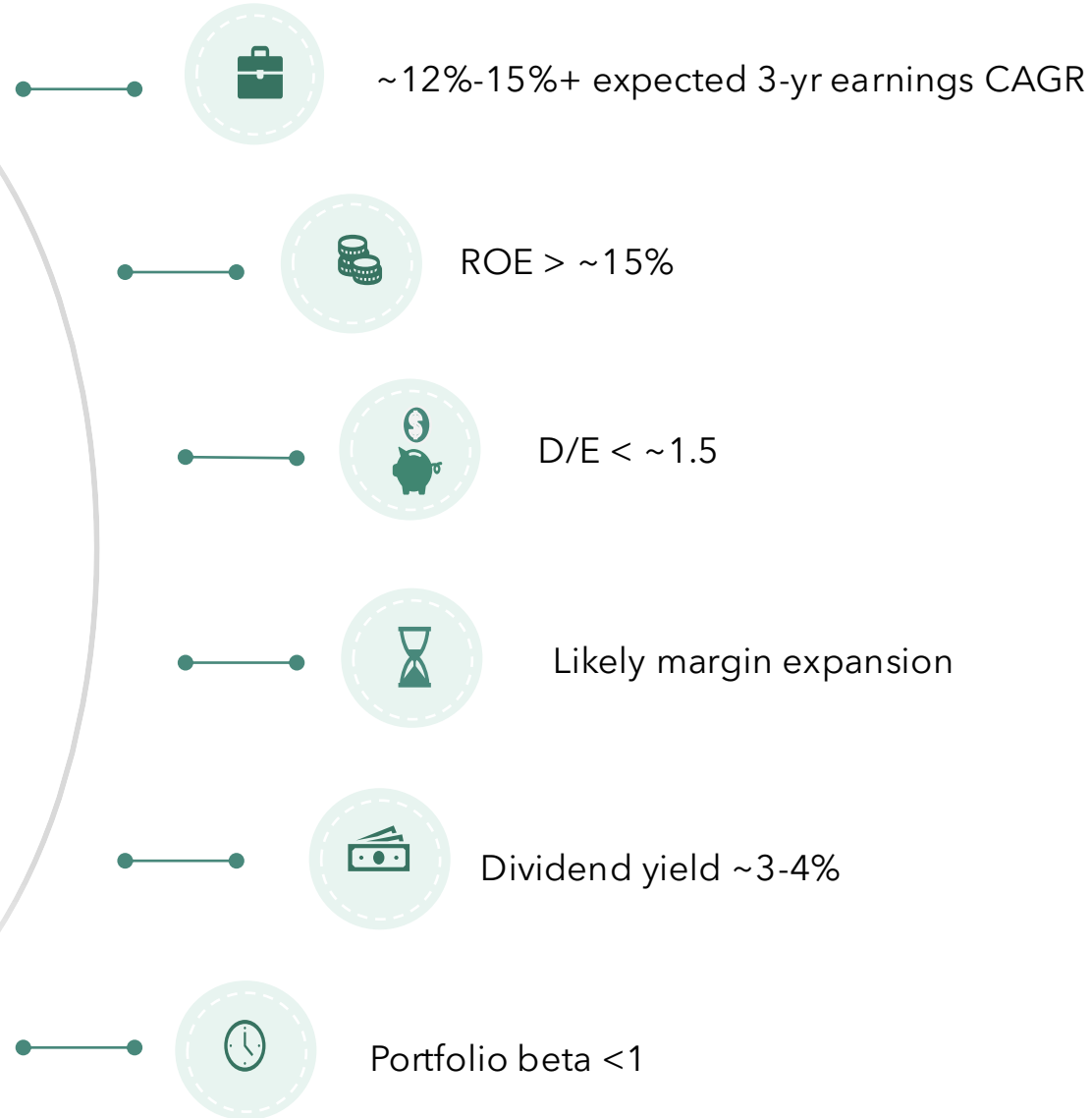
- Actively managed portfolio with long term approach
- Portfolio of 20-25 stocks filtered through carnelian forensic lens; benchmarked against BSE 500 TRI

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

A curated portfolio which offers ...

CARNELIAN CONTRA PORTFOLIO STRATEGY



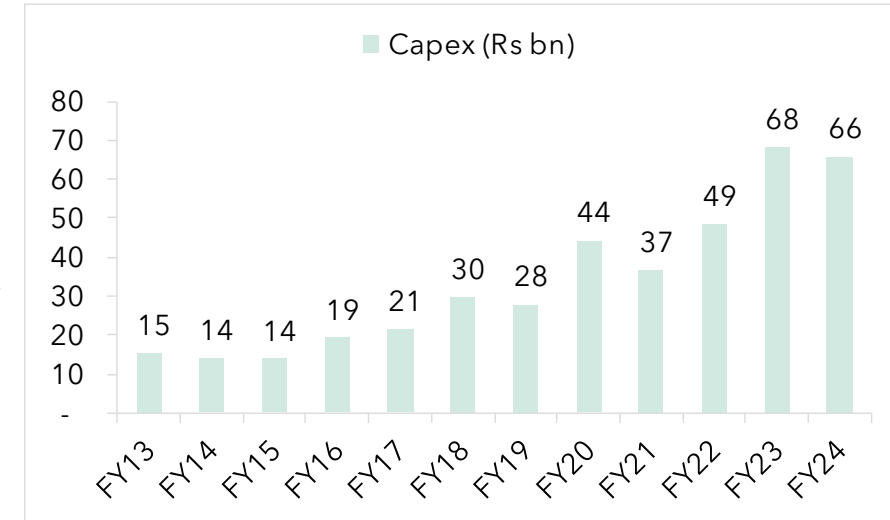
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Combination of top down &
bottom-up approach

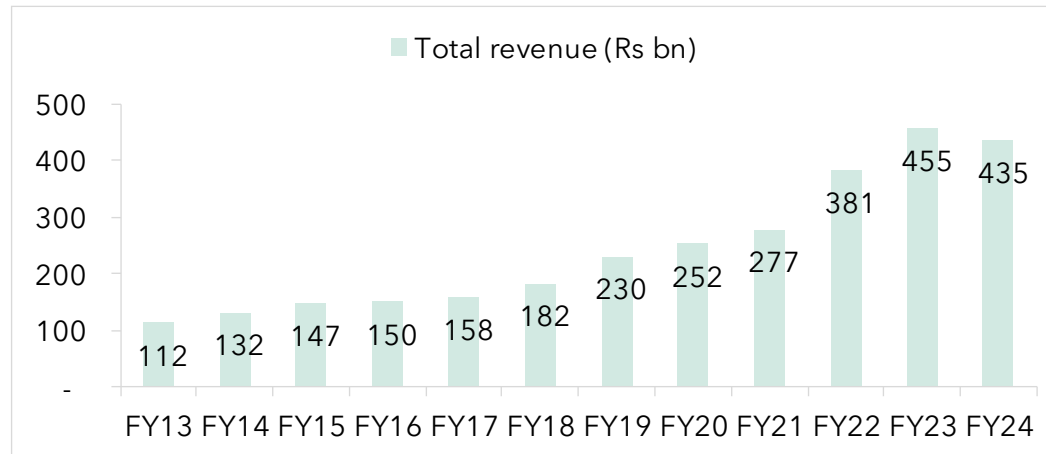
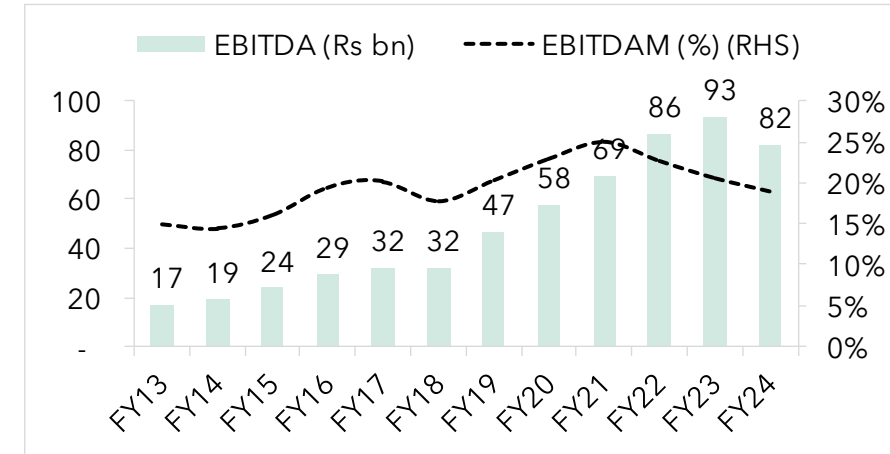
Interesting opportunities we see...

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... (contd.)

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%

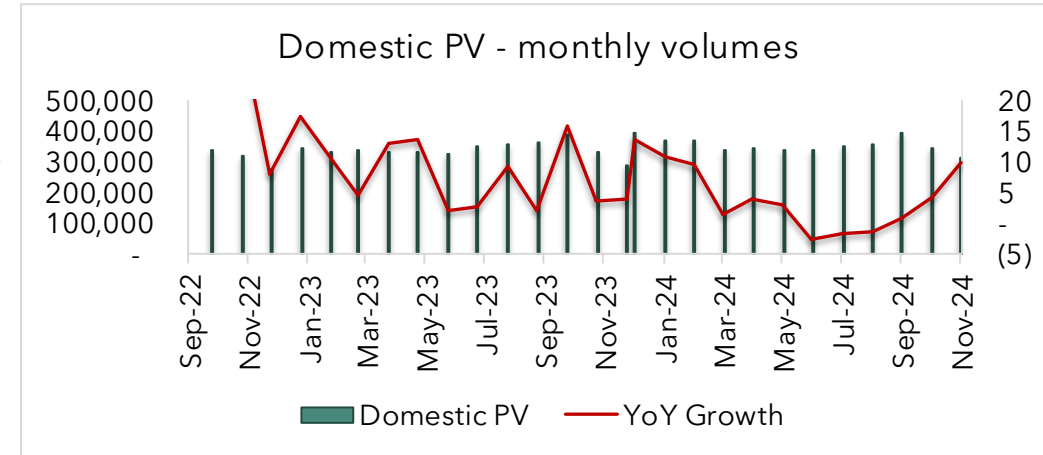
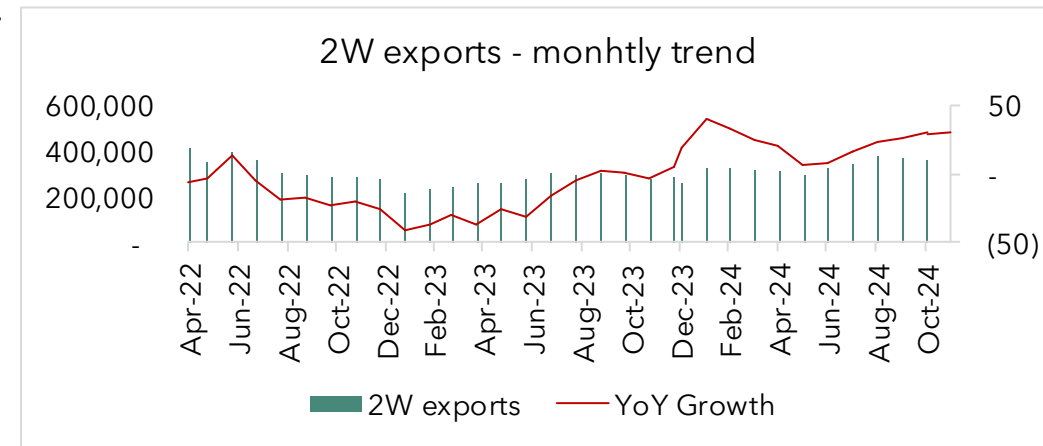
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Liquidity improvement →
credit growth + NIM
improvement → Operating
profit growth

Interesting opportunities we see... (contd. 2)

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)

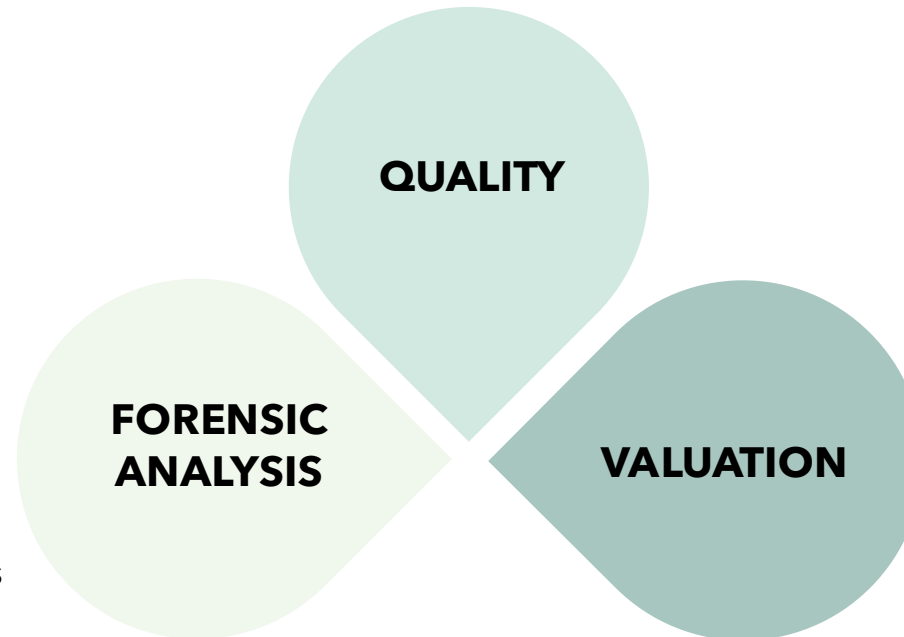
Beginning to see early indications of a cyclical reversal

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

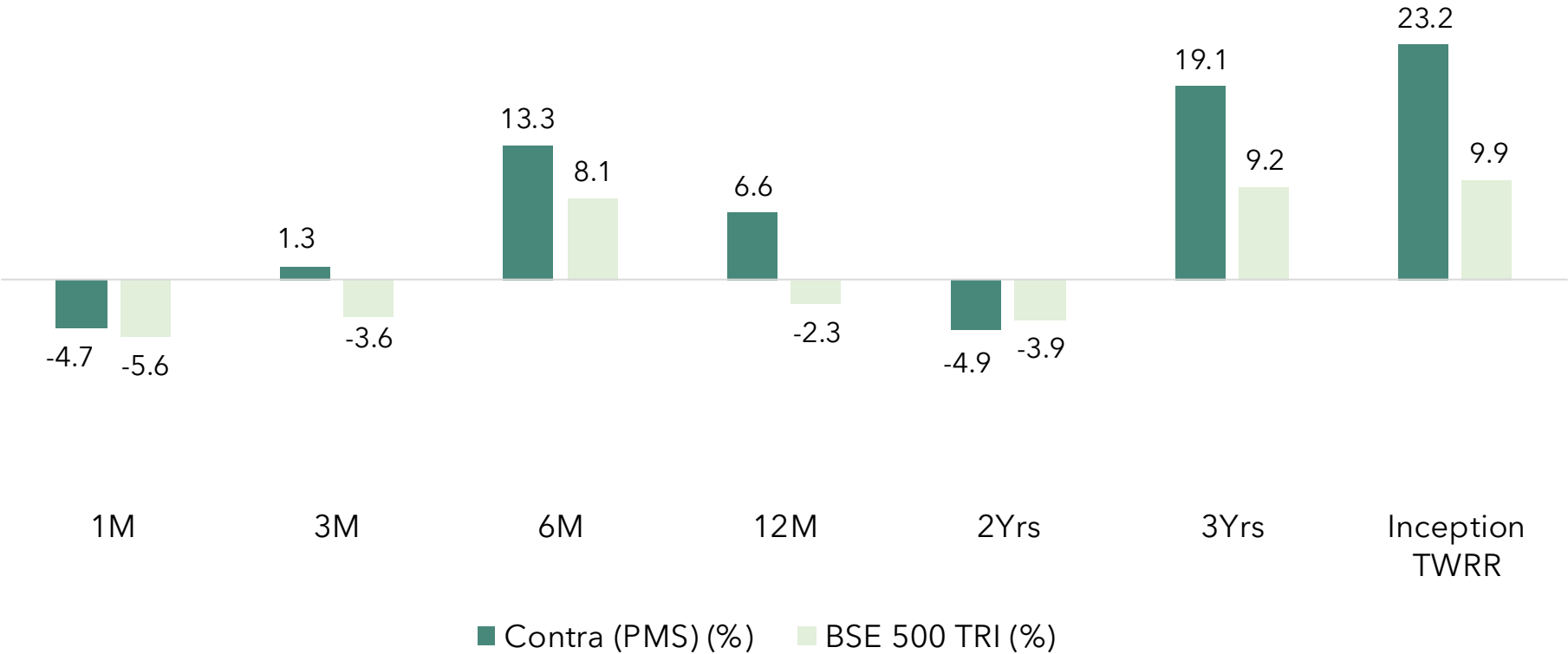
Carnelian Contra Portfolio Strategy (contd.)

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 (contd. 2)



Note - Inception Date - 27th January 2022. Performance is calculated on TWRR basis, at strategy level & net of all expenses. Above 1year returns are annualized.

**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.

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Performance as on
30th September 2026

Carnelian Contra Portfolio Strategy (contd. 3)

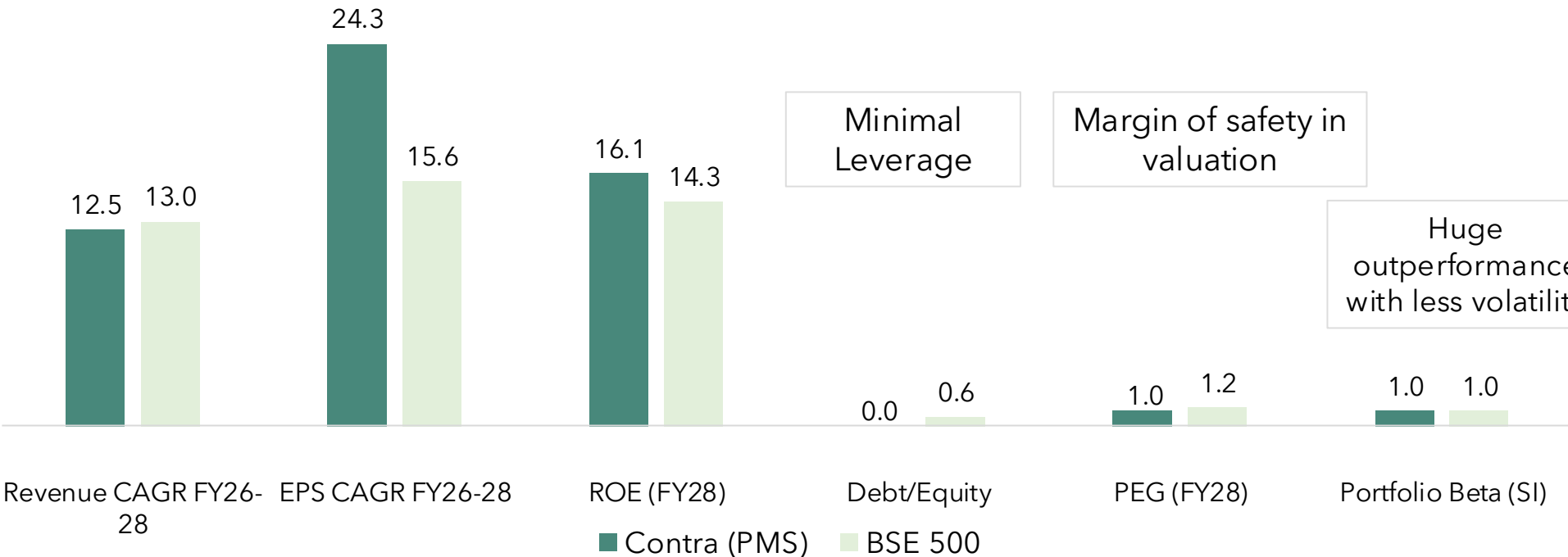
Faster revenue & earnings growth

Stronger return on equity

Minimal Leverage

Margin of safety in valuation

Huge outperformance with less volatility



Note - Inception Date - 27th January 2022

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FASTER, STRONGER,
CHEAPER



Carnelian Funds

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... (contd.)



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

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Always at your service