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# KUVERA CAPITAL PARTNERS PROPOSAL

Kuvera Capital Partners: an alternative investment manager est. 2004.  
**India Long-Short**

KCP is authorized and regulated by the Financial Conduct Authority (FCA) in the UK  
Kuvera Capital LLP is a limited liability partnership registered in England and Wales under no OC307036  
Kuvera Capital Partners LLP, Suite 11, Blake Tower, 2 Fann Steet, London EC2Y 8AF

# PRESENTATION SUMMARY



# OUR PROPOSITION AWARDS & ON BLOOMBERG TV

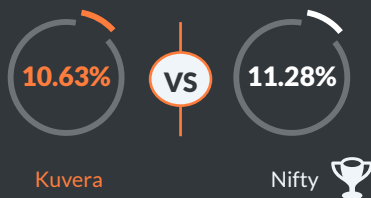
Our key awards and recognition for performance



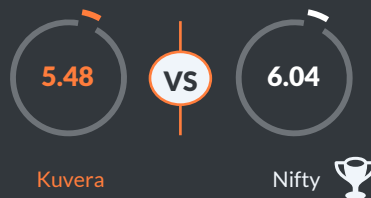
# OUR PROPOSITION **RISK & RETURN**

Performance in line with Nifty **BUT** with much lower risk - (inception to April 2021)

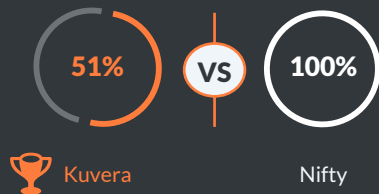
## ANNUALIZED RETURN



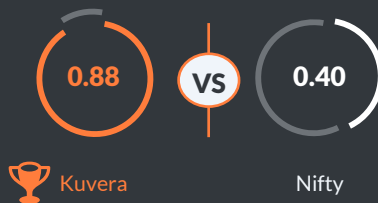
## GROWTH \$1



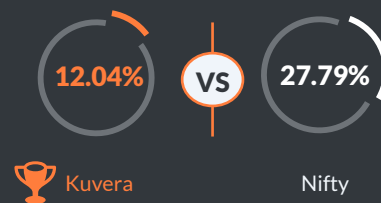
## AVERAGE NET EXPOSURE



## SHARPE RATIO



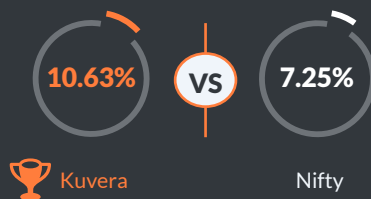
## STANDARD DEVIATION



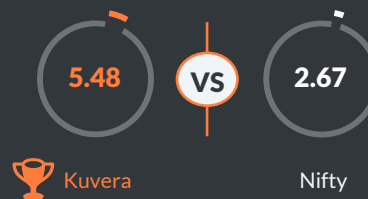
# OUR PROPOSITION **RISK & RETURN (EXC. NIFTY BEST 2)**

Kuvera SIGNIFICANTLY outperforms the Nifty if the Nifty's best two months are excluded (inception to April 2021)

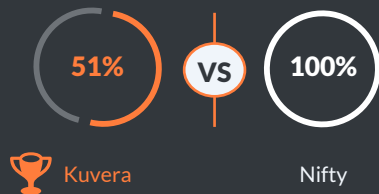
## ANNUALIZED RETURN



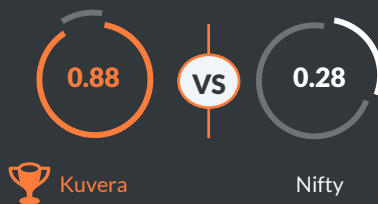
## GROWTH \$1



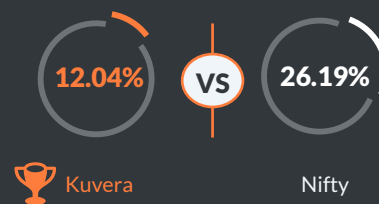
## AVERAGE NET EXPOSURE



## SHARPE RATIO



## STANDARD DEVIATION



# PROPOSITION **KEY MESSAGE**

To achieve a Nifty return you must:

01

## STAY FULLY INVESTED LONG

Total return FALLS by 40% if best two monthly returns are missed

02

## ACCEPT HIGH VOLATILITY

28% volatility

03

## ACCEPT HIGH MONTHLY DRAWDOWNS

Monthly drawdowns of 15-30%.

04

## SHARPE RATIO

0.40

VS

....compared to the Kuvera Fund return, which offers:

01

## SMOOTHER RETURNS

Can stay continuously invested and benefit from India growth story

02

## LOWER VOLATILITY

12% volatility

03

## LOWER MONTHLY DRAWDOWNS

Monthly drawdowns of 6%-9%

04

## SHARPE RATIO

0.88

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# PROCESS RESEARCH & RISK MANAGEMENT

The key pillars of our primary research and risk construction are:



## DETAILED KNOWLEDGE OF OUR UNIVERSE

Top 250 names are continuously monitored



## PORTFOLIO SIZING & CONSTRUCTION

Based on conviction, risk and incremental portfolio risk. Controls on liquidity and concentration



## PROPRIETARY INTERNAL RESEARCH

Internal research of themes, catalysts and price points



## ACTIVE SHORT BOOK

Actively hedge out excess stock and sector risk with active short book to limit overall risk



## OVERLAY OF MACRO VS. GLOBAL THEMES

Continuously evaluating our position against global trends for fund optimization



## RESIDUAL MARKET RISK

Systematic and continuous hedge of residual market risk with options

# PROCESS RISK MANAGEMENT

Our approach to managing five key risk aspects

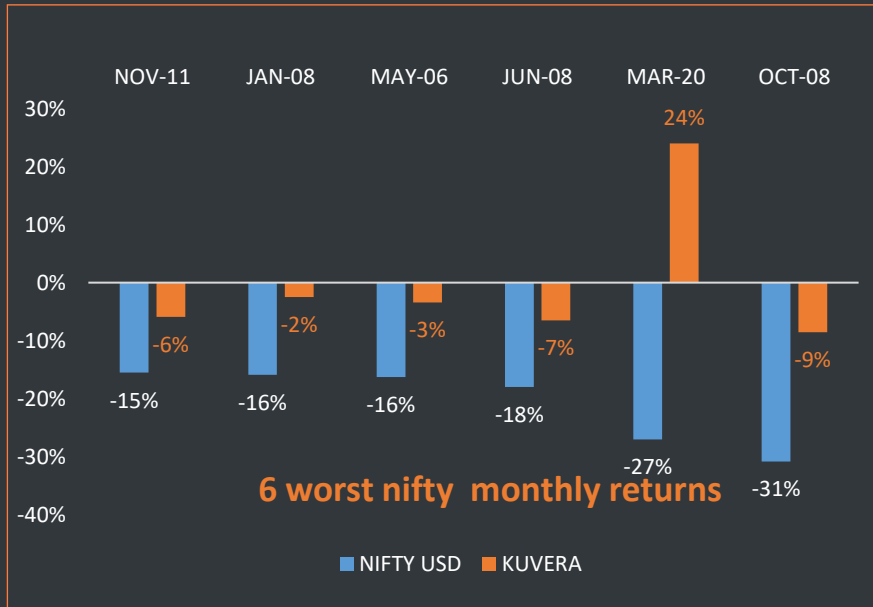




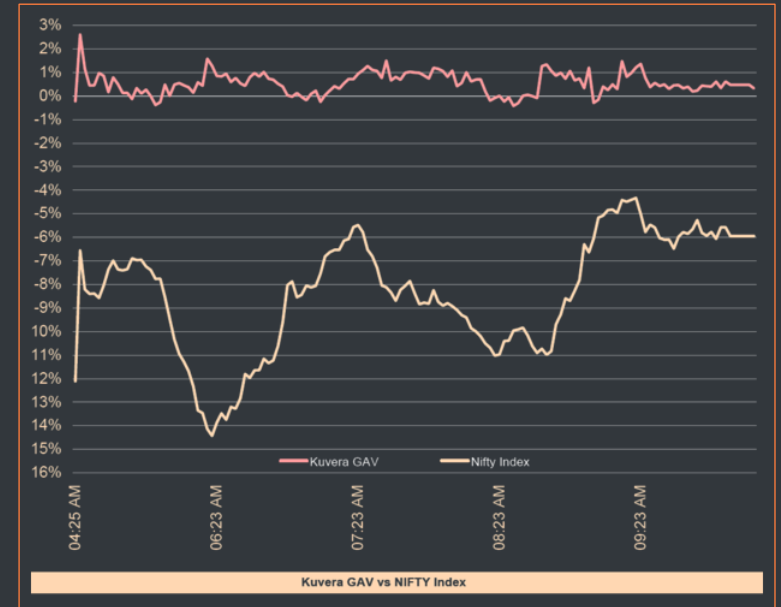
# PROCESS MARKET HEDGE EXAMPLES

By hedging, the drawdowns are limited – you can stay invested longer

## NEGATIVE MONTHS PROVED SUCCESS OF PORTFOLIO HEDGE



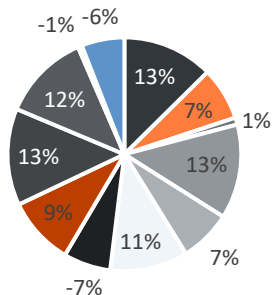
## INTRADAY VOLATILITY – 22 JANUARY 2008



# PROCESS TYPICAL PORTFOLIO

NET EXPOSURE: +70%

## Net Exposure +70%



- AUTOS      ■ BANK      ■ CAP GOODS   ■ CEMENT
- FMCG      ■ IT           ■ METALS      ■ OIL AND GAS
- Govt Reform   ■ PHARMA   ■ REAL ESTATE   ■ TELECOM

LONGS

42

SHORTS

16

AVG. GROSS

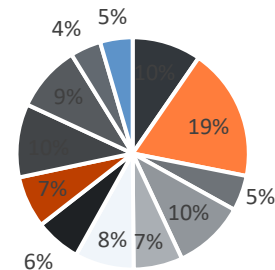
101%

AVG. NET

42%

GROSS EXPOSURE: +125%

## Gross Exposure +125%



- AUTOS      ■ BANK      ■ CAP GOODS   ■ CEMENT
- FMCG      ■ IT           ■ METALS      ■ OIL AND GAS
- Govt Reform   ■ PHARMA   ■ REAL ESTATE   ■ TELECOM

# KUVERA OPERATIONS & PROCESS

Auditing and accountability overview

## FULL AUDIT TRAIL OF EVERY TRANSACTION

Beauchamp Fund Manager software used for accounting and portfolio record-keeping

## NAV VALUE

Daily NAV calculated in-house



## IN-HOUSE I.T.

IT Management & Infrastructure managed internally

## BACK UP

Offsite Disaster Recovery is accessible remotely worldwide

## DAILY POSITION AND CASH RECONCILIATION

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# INDIA: THE GROWTH STORY

A summary of key trends that typifies the Indian market

During the next four decades, Indian GDP is expected to grow at an annualized average of 8%, making it potentially the world's fastest-growing major economy until 2050

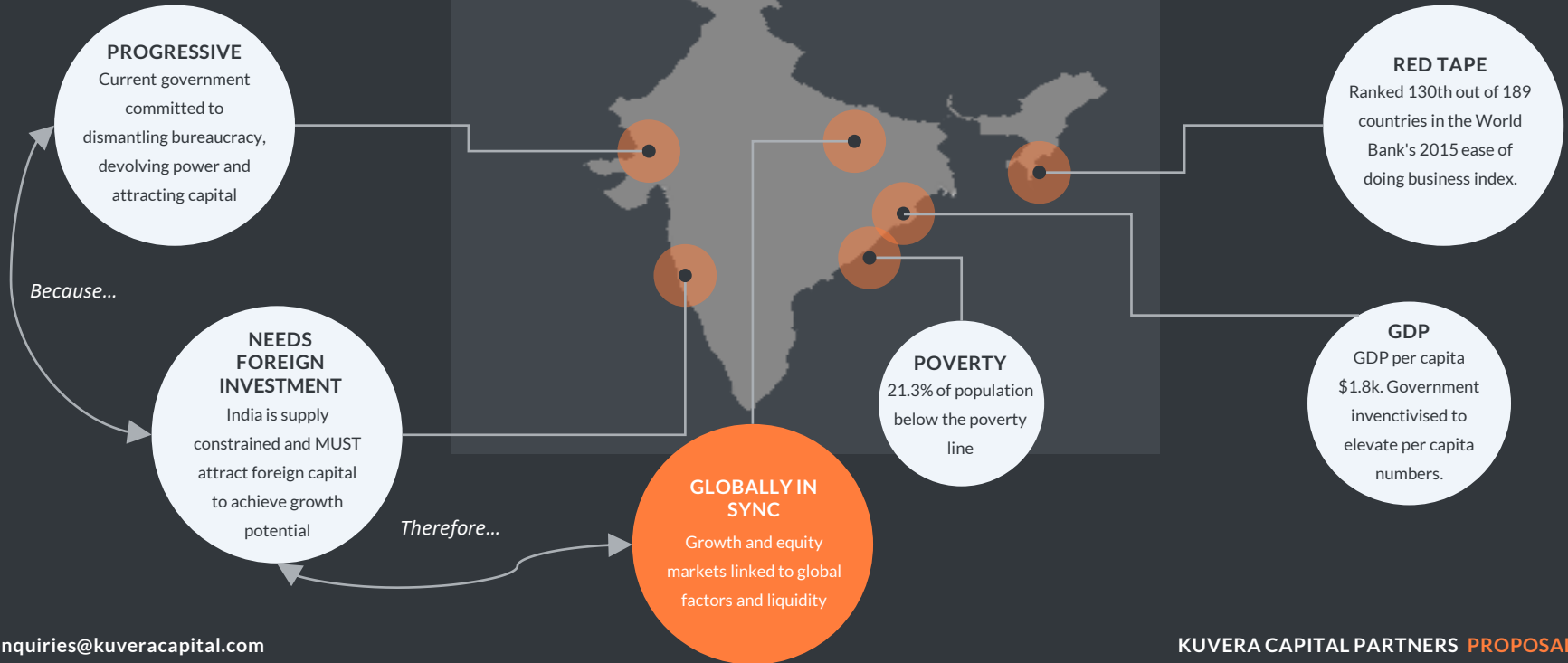
*“As a market economy India is poised to overtake the US in GDP by 2045” - PWC*

Young and rapidly growing working-age population; growth in the manufacturing sector because of rising education and engineering skill levels; and sustained growth of the consumer market driven by a rapidly growing middle class

- ‘A bright spot’ Topped World banks growth outlook for 15-16 – (7.6%)
- Indian automobile industry is one of the largest in the world: annual production 22m
- The Indian retail market is estimated to be worth USD 600 billions and one of the top five retail markets in the world and fastest growing
- India's consumer market, the world's eleventh-largest, is expected to become fifth-largest by 2030
- 7th largest economy in the world (3rd on a PPP)
- Home to 104 Billionaires ( 5<sup>th</sup> in the world - 2019)

# INDIA THE OPPORTUNITIES & CHALLENGES

Kuvera has a bullish view too, but acknowledges the risks in getting there



# INDIA KEY FACTS

Geopolitical overview of India's evolution

## STAGNATION 1948

The License Raj responsible for stagnation and Hindu rate of growth. Encouraged red tape bureaucracy & corruption



## PRIME MINISTER MODI WIN 2014

Reforms look encouraging and market friendly by devolving power to the states to encourage inward investment... a long way to go to dismantle 60 years of bureaucracy & corruption

*"Make in India. Sell anywhere but manufacture here. We have the skill and talent for it"*  
- Modi Current Prime Minister

## 1947 INDIAN INDEPENDENCE

Indian Independence. Economy modeled along Soviet socialist model with centralized command economy

*"Profit is a dirty word" - Nehru India's First Prime Minister*

## 1990 GULF WAR

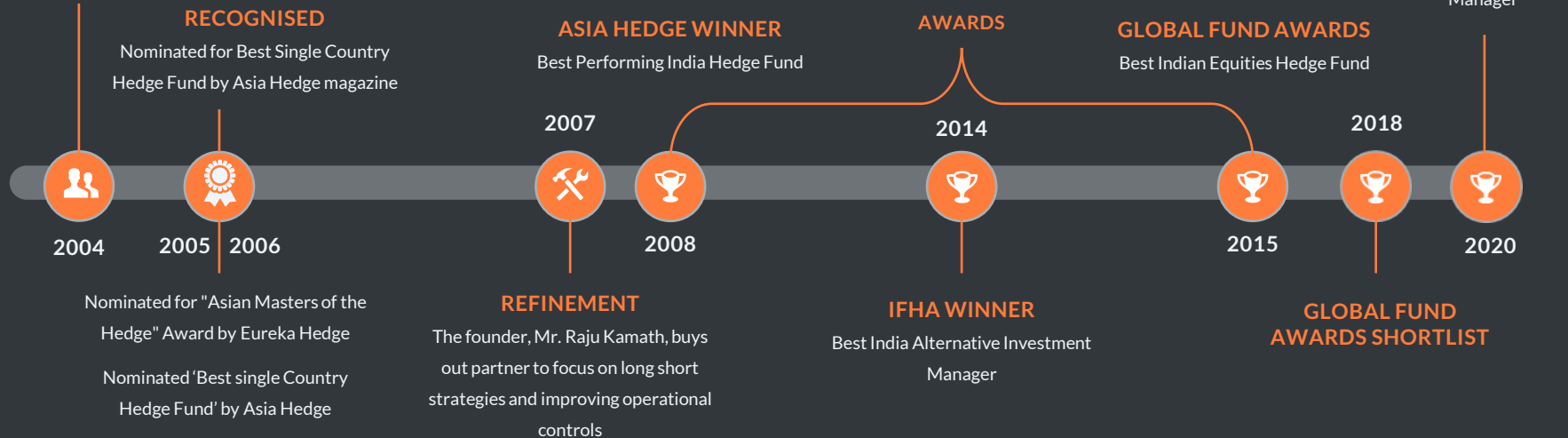
FX reserves depleted to 3 weeks of imports  
INR significant depreciation  
IMF bails out with USD 2.2 billion loan pledging gold reserves  
Rao Government FORCED into economic reforms  
Subsequent reforms continue at a pedestrian pace

# A BRIEF COMPANY HISTORY OF KUVERA

Key milestones along our journey

## \$20M ESTABLISHMENT

Kuvera Fund launch with \$20m seeding from Marshall Wace



# KEY PEOPLE **KUVERA**



**RAJU KAMATH**

Founder, CEO & Head of Investments

Prior to founding Kuvera, Raju spent 10 years with Dimensional Fund Advisors, where he developed and managed emerging markets equity and derivatives portfolios. Assets managed totalled \$1bn, invested across 19 markets. His track record at Dimensional (31 Mar 2003): Morningstar ranked his Emerging Market Fund as the 2nd best performer (out of 107 funds), on a 5-year basis and 3rd best (out of 173 funds), on a 1-year basis. The UK Fund ranked 7th (out of 123 funds) on a 3-year basis and 10th (out of 69 funds) on a 1-year basis. He has an MBA (Finance) from Cass Business School, City University.



**WILSON HUDKINS CÁ CERES**

COO

Wilson is the Chief Operating Officer of the Kuvera Fund. He is responsible for overseeing multiple business functions and assists in the development of the firm's long-range business plan. Previously, he was a Partner at Sigrun Partners as well as Managing Director at Fortis Bank (Now BNP PARIBAS FORTIS). Wilson has held senior positions at Abn Amro Bank, ACF Corporacion and other international and regional financial institutions. He is a Chartered Financial Analyst (CFA) as well as a Professional Risk Manager (PRM). He holds an MBA as well as a BBA.



**ROHIT SHAH**

CFO

Previously Rohit was with BP Oil Trading for 15 years in London and South Africa. His responsibilities included the automation and improvement of both back and front office processes as well as development of risk management systems for European Oil Trading. He subsequently founded an IT business. At Kuvera, Rohit is responsible for improving the efficiency of operational controls and automation of both back and front office processes. He is an IT specialist and a qualified accountant.



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# SERVICE PROVIDERS

Our key service providers

Prime Broker

Edelweiss Prime Brokers

Administrator

Intercontinental Trust

Auditor

BDO & Co

Compliance Advisors

City Capital Consulting

Indian Tax Advisors

Deloitte

Legal Advisors

Simmons & Simmons (English Law)

Nishith Desai (Indian Law)