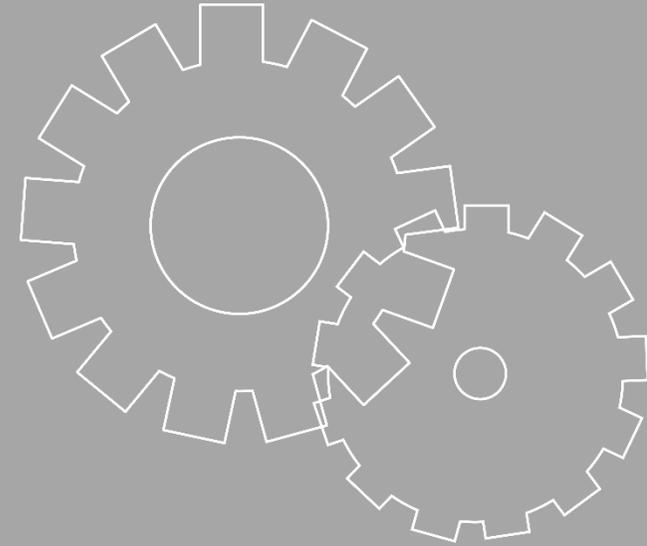
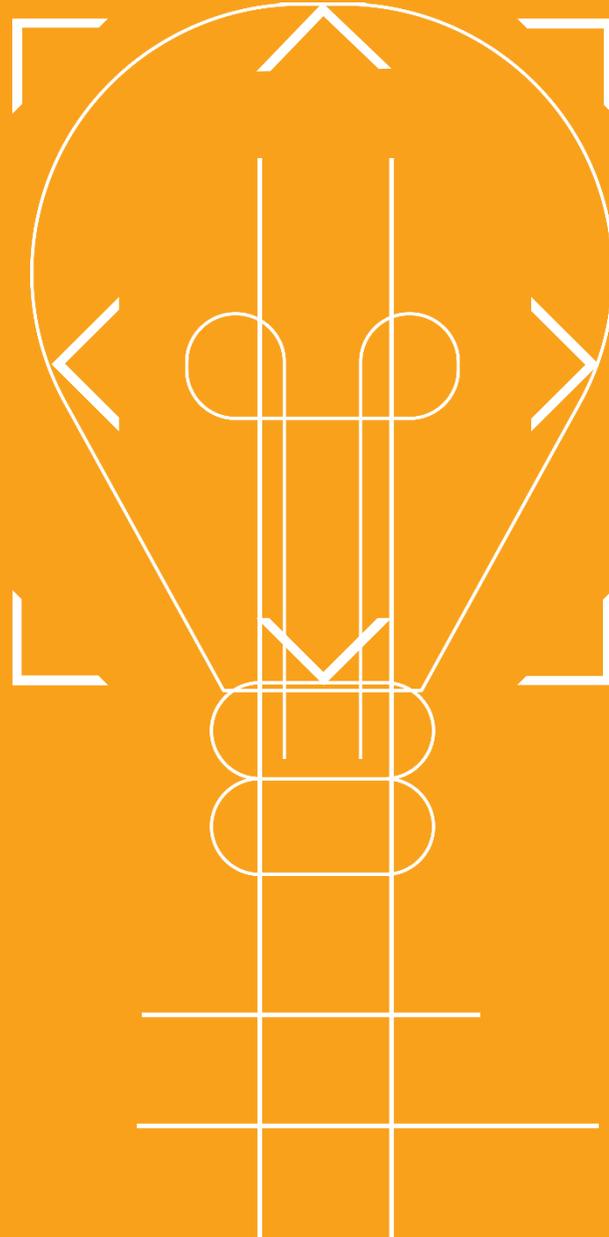


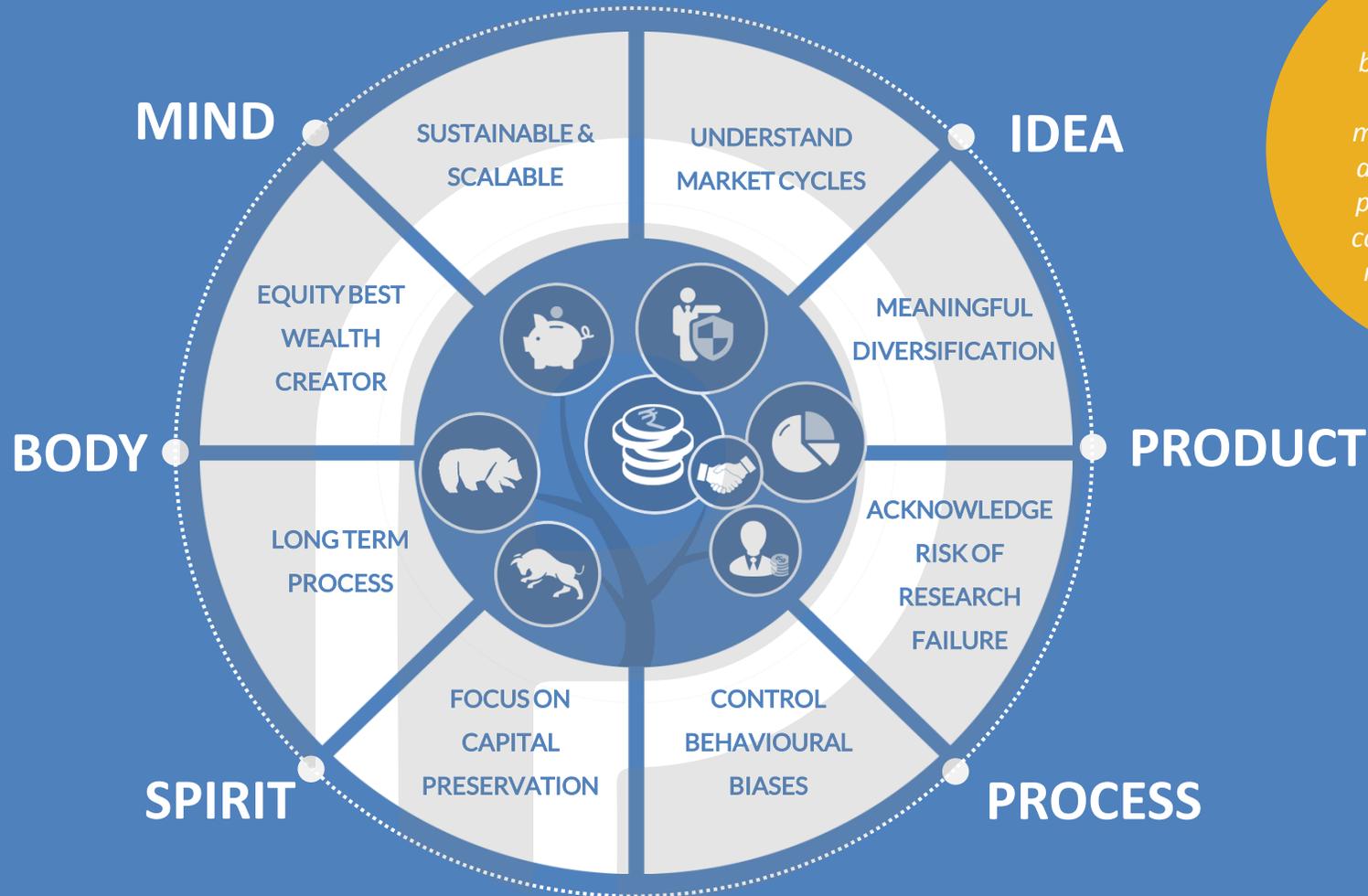


Product Presentation



PELICAN
PE FUND

INVESTMENT philosophy



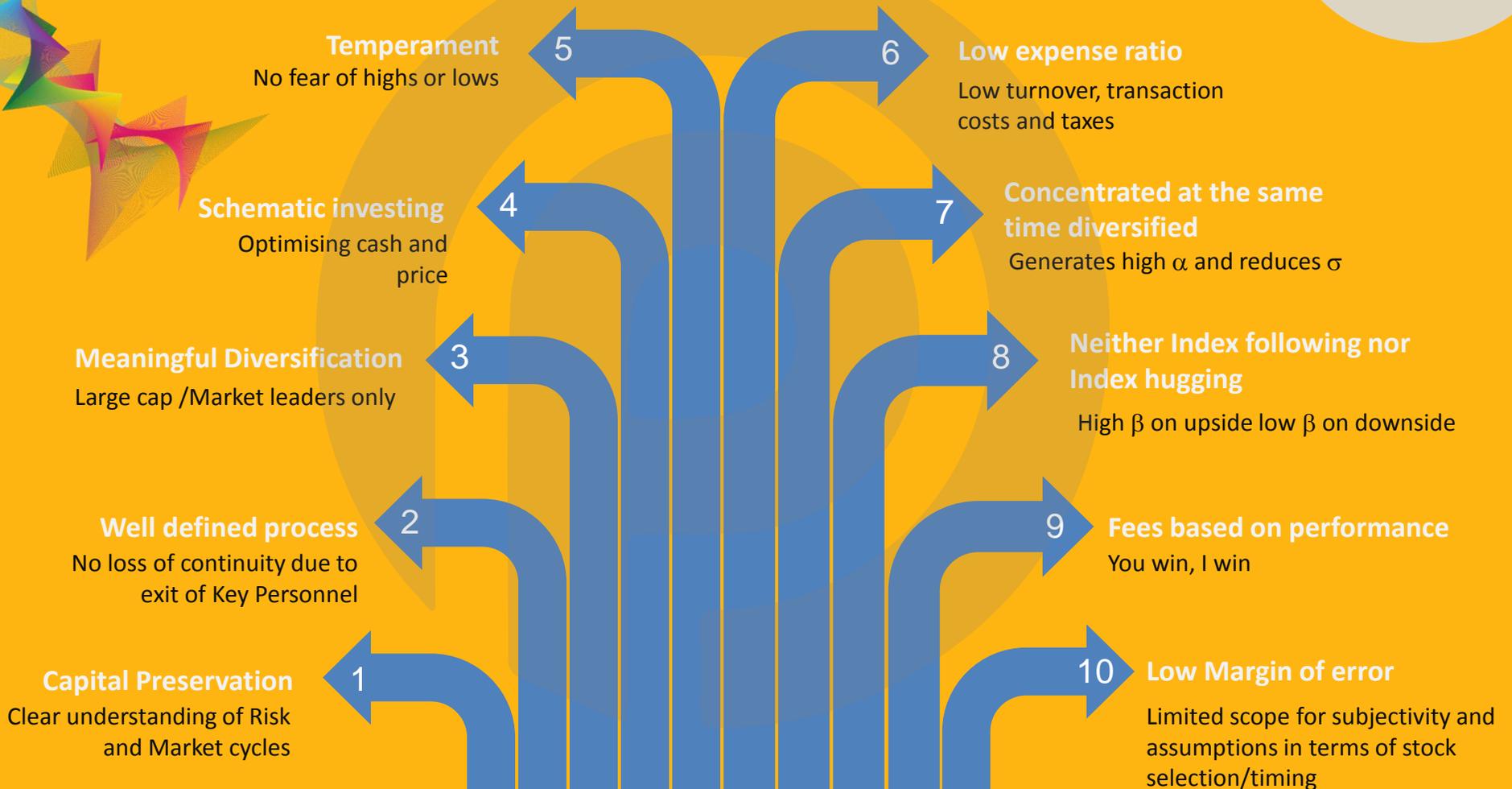
THE PREMISE

When you want a beautiful rose, focus on seed selection, mud, fertilizer, water, air, placement of the pot, that is what you can control. Beautiful rose is an outcome.

Isha

PRODUCT characteristics

OUR USP



RISK - RETURN positioning

Returns

High

Government
bonds

Corporate
Deposits

Balanced
Funds

Large Cap
equity Funds

Small/Mid
Cap Funds

PE Fund

LEVITATE

● Fixed Income

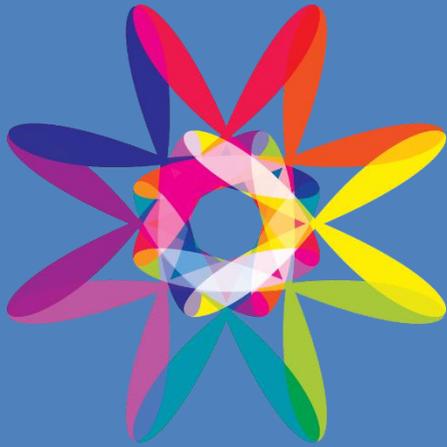
● Equity

Low

High

Risk





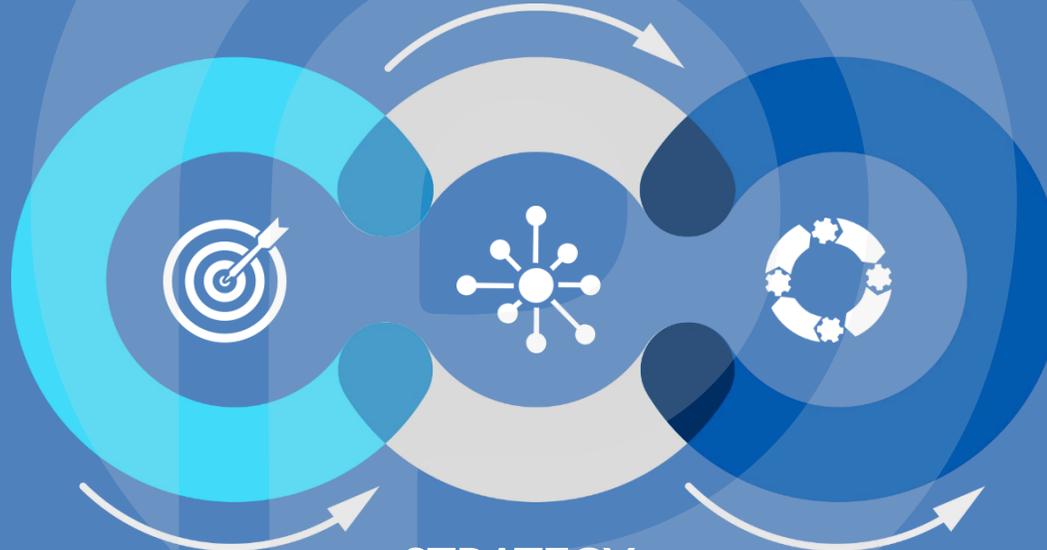
INVESTMENT approach

FAIR WINDS
AND
FOLLOWING
SEAS

*We sway, the
markets way...
Market decides
what we buy,
when we buy
and how much
we buy*

OBJECTIVES

- Capital preservation
- Returns > 3x inflation
- Keep it Simple



STRATEGY

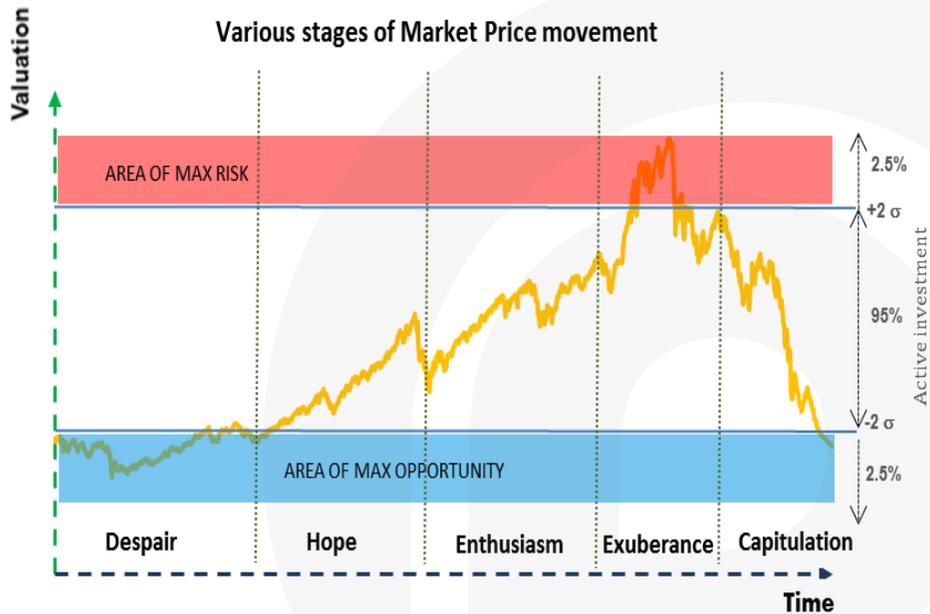
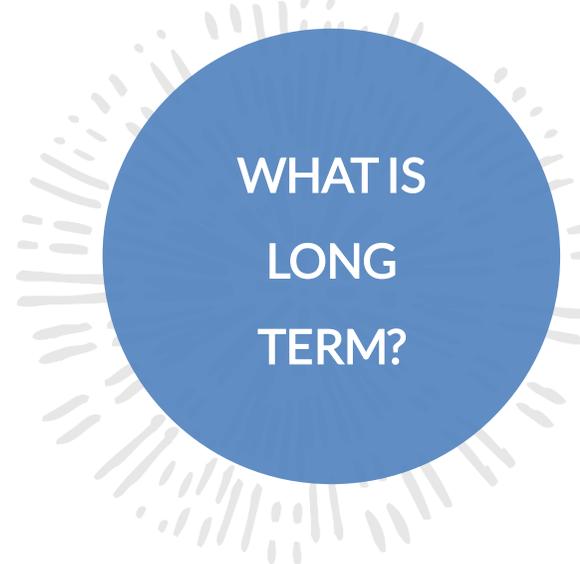
- Quality/Large cap/Market leaders
- Focus on Growth & Margin of Safety
- Provide cost effective after tax returns

PROCESS

- Select market leaders
- Increase/decrease exposure depending on overall market valuation
- Optimize acquisition cost and cash, by spacing out buying
- Park unused funds in liquid schemes

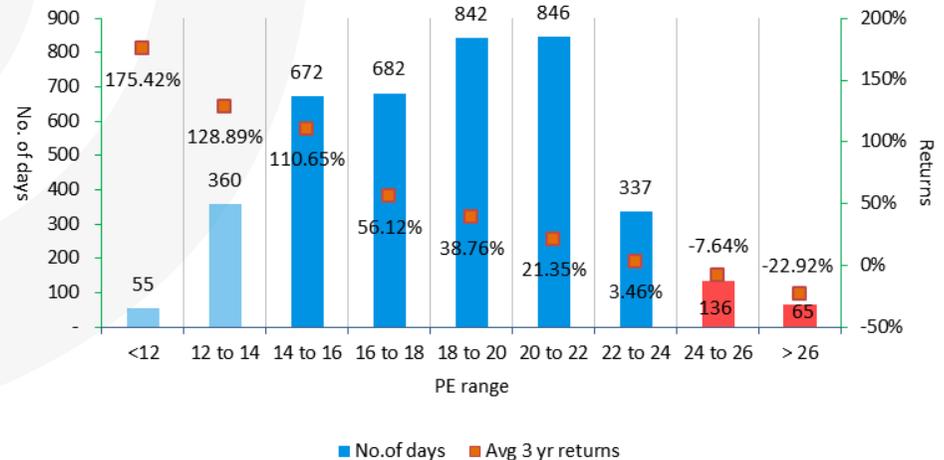


UNDERSTANDING equity life cycle



- Price to Earnings (PE) is a good indicator to gauge the market scenario and arrive at investment decisions.
- Understanding the Equity Life Cycle and factors affecting PE are imperative in building a robust investment strategy rather than predicting absolute Price levels and timelines.

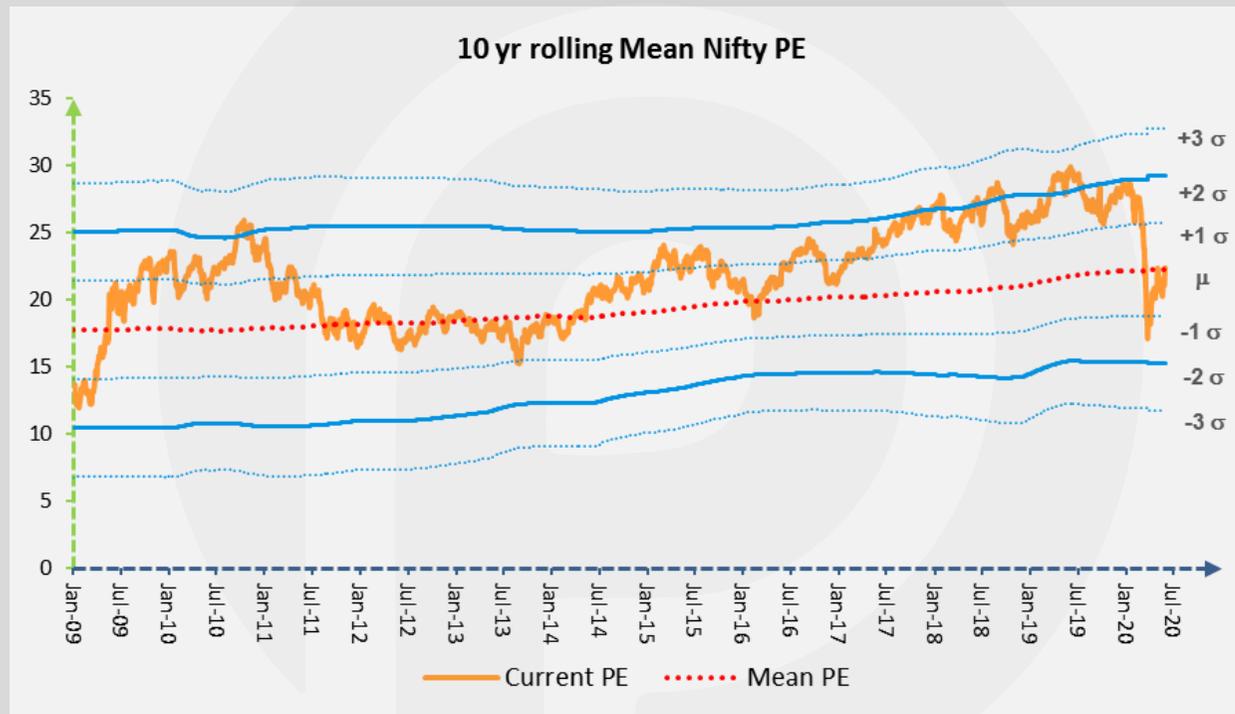
3 yr avg Nifty returns based on PE levels



CONCEPT OF DYNAMIC mean reversion

The market is not efficient, price meets value randomly, like time meets a dead clock

WHAT DO YOU MEAN?

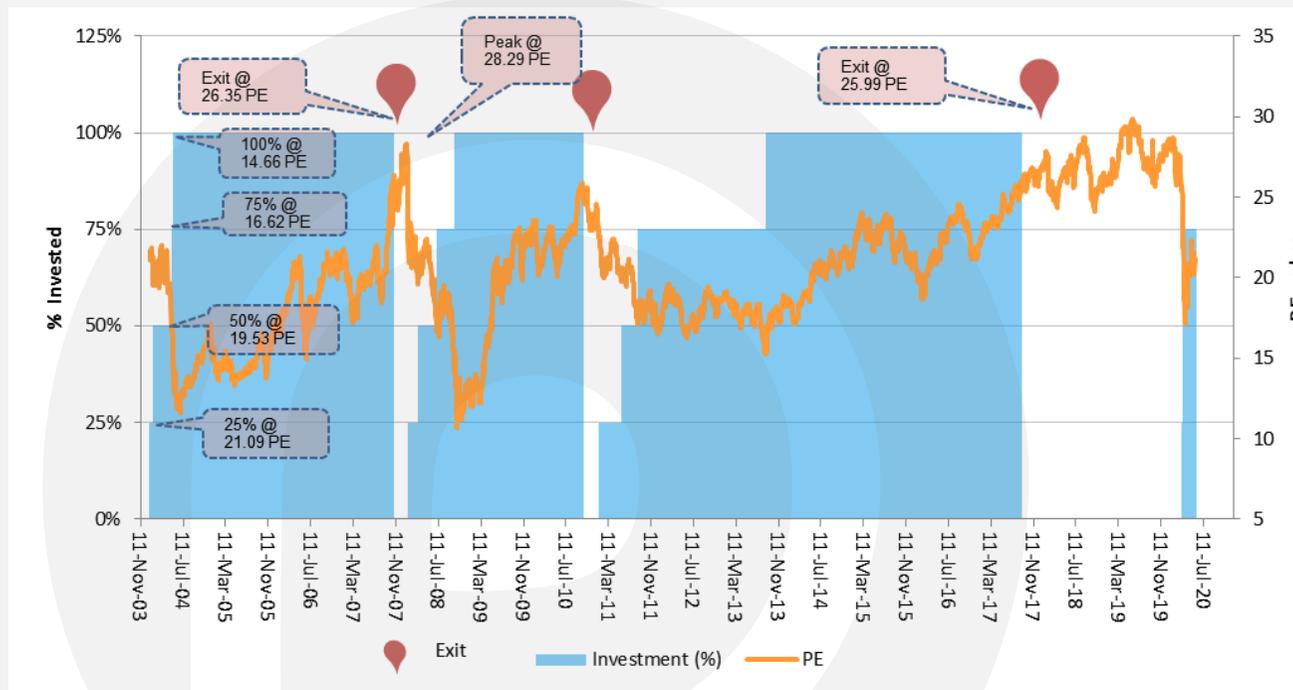


- The reversion to the DYNAMIC MEAN PE will happen across the EQUITY LIFE CYCLE, the timeline of which is unpredictable.
- There are drivers of Intrinsic value (or) EARNINGS (cash flow, growth, quality) and there are drivers of PRICE (risk appetite, momentum, liquidity, information).

SCHEMATIC investing

WHEN TO INVEST?

*Based on illustration and past performance only



1 Identify the potential top (2σ)

2 Schematic investment on the downside 

3 Exit or euphoria ($> 2\sigma$) 

4 Repeat 

| Investment Cycle | 25% | 50% | 75% | 100% | Exit | Returns | Invested Days | CAGR |
|------------------|-------|-------|-------|-------|-------|---------|---------------|-------|
| First Cycle | 21.09 | 19.53 | 16.62 | 14.66 | 26.35 | 374% | 1,397 | 50.2% |
| Second Cycle | 22.33 | 19.72 | 17.28 | 15.10 | 25.91 | 80% | 996 | 24.0% |
| Third Cycle | 22.50 | 19.72 | 17.14 | 15.24 | 25.99 | 381% | 2,422 | 26.7% |
| Fourth Cycle | 25.61 | 21.83 | 18.63 | | | | | |

*Data updated from Jan 04-May20





STOCK selection

WHERE
TO
INVEST?



- Diversified Index like Nifty is the best measure of **Systemic Risk** as it cancels out features unique to stock & sector.
- Large caps give better entry and exit during high and low risk scenarios. Investing in these high quality large cap provides the best opportunity for long term, sustainable wealth creation.
- Mid-Small cap companies might offer higher returns at the cost of higher / undefined risks. *We are not into the game of stock picking such "HIDDEN GEMS"!* We prefer participating in the mid cap stocks via broad based Mid cap Index.

CASE STUDY illustration

NO
BRAINER!

| | Model Portfolio | Sector | Percentage |
|----|------------------|--------------------|-------------|
| 1 | HDFC Bank | Banking | 12.5% |
| 2 | Maruti | Auto | 12.5% |
| 3 | Bajaj Finance | NBFC | 7.5% |
| 4 | Hero MotoCorp | Auto | 7.5% |
| 5 | L&T | Infrastructure | 7.5% |
| 6 | Ultratech Cement | Cement | 7.5% |
| 7 | Asian Paints | FMCG | 7.5% |
| 8 | Reliance | Petroleum Products | 7.5% |
| 9 | Nifty Index | Nifty ETF | 10% |
| 10 | Mid cap Index | Midcap ETF | 20% |
| | | Total | 100% |



BUY

- Market Leadership
- Steady Revenue & Profit Growth
- ROE 2 to 3 times inflation
- Low debt/equity
- Narrative ties with past & current numbers
- Attractive price to earnings
- Secular growth as against turnaround



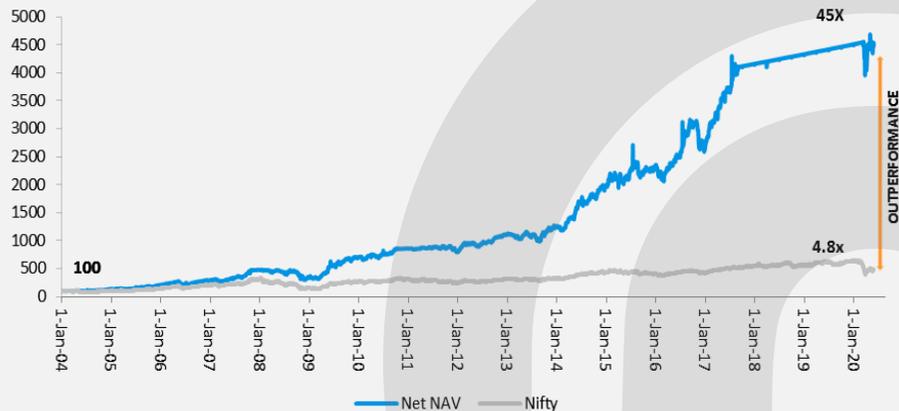
AVOID

- Commodity, Generic Pharma, PSU
- High debt, Capex
- Manufacturing with high non-India capex, acquisitions
- New Companies
- Major change in line of business, merger, demerger, acquisition

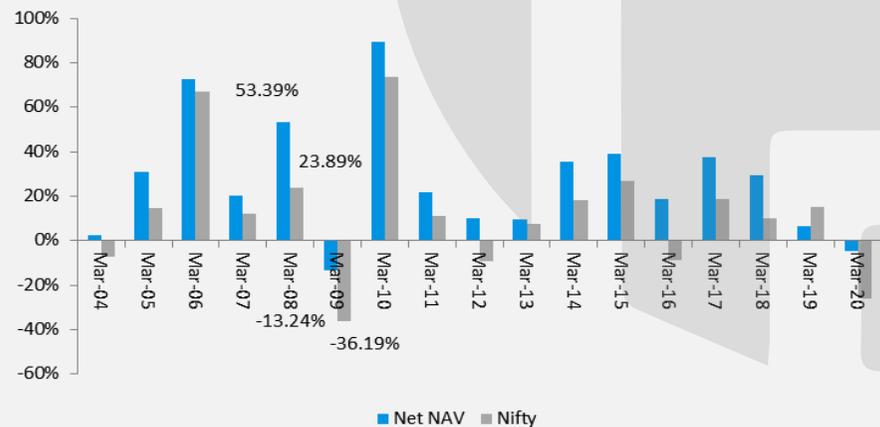
PERFORMANCE comparison

DOES THIS
REALLY
WORK?

Time Series Performance- Nifty vs NAV



YoY performance comparison Nifty vs NAV



PORTFOLIO SCORECARD for Model Portfolio

| Performance Metrics | NAV | NIFTY | Out performance |
|---------------------------|---------|--------|-----------------|
| Absolute return | 4052.4% | 349.6% | 3702.8% |
| CAGR (04-20) | 26.2% | 9.9% | 16.4% |
| Simple Return (04-18) | 249.3% | 21.5% | 227.8% |
| Standard deviation | 37.6% | 36.5% | 1.1% |
| Sharpe Ratio | 0.54 | 0.11 | 43.3% |
| Maximum Drawdown | -36.7% | -59.9% | 23.2% |
| Beta | 0.66 | | |
| Avg. yearly port turnover | 1.10 | | |

Cost structure

| | | | |
|-----------------|--------------|--|--|
| Management fee | 1.5% of AUM | | |
| Performance fee | 15% over 10% | | |

| | 1yr | 3yr | 5yr | 10yr | Full Period |
|-------|--------|-------|-------|-------|-------------|
| NAV | -4.7% | 9.4% | 16.4% | 19.4% | 26.2% |
| NIFTY | -26.0% | -2.1% | 0.3% | 5.1% | 9.9% |

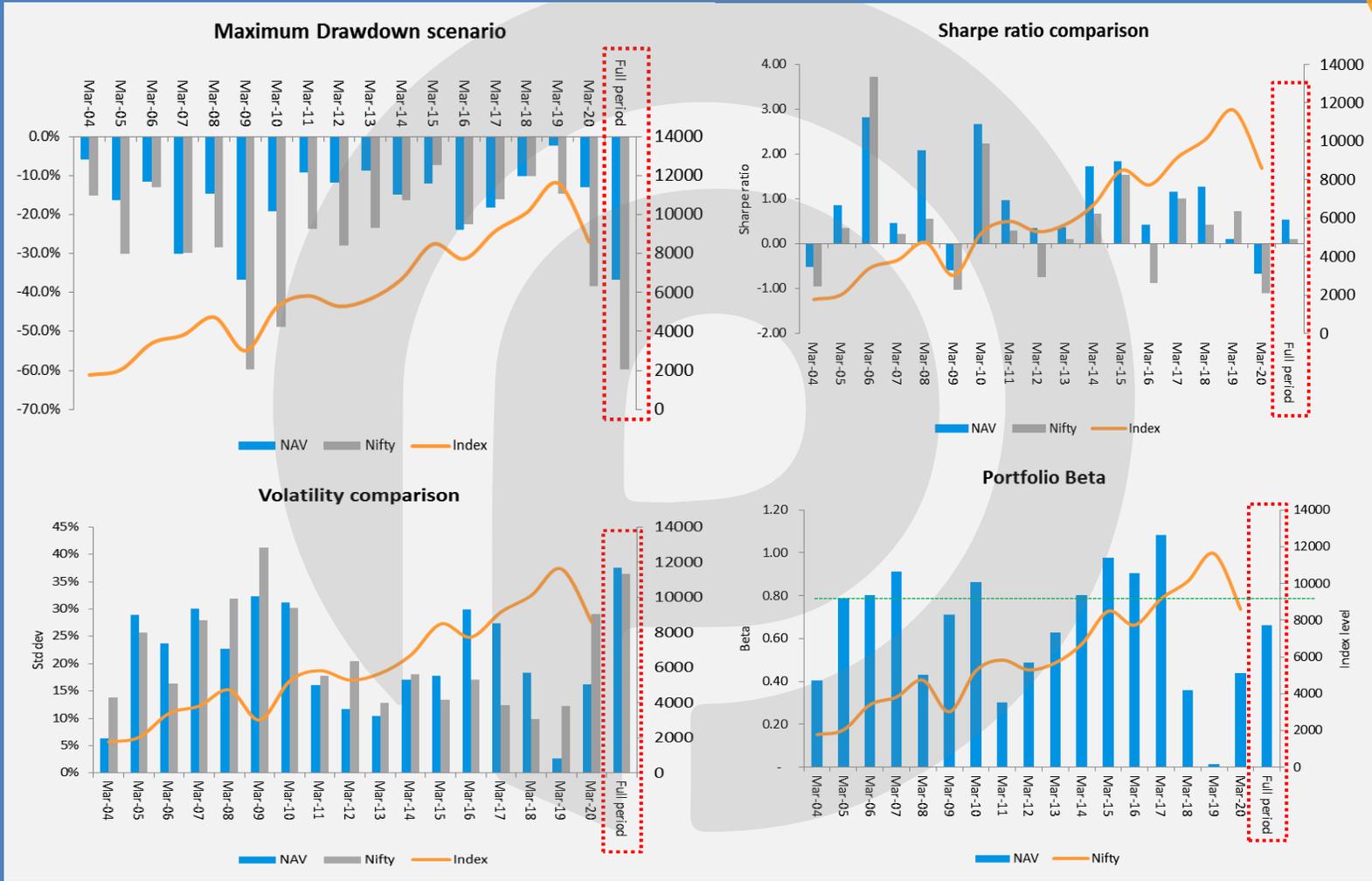
*Based on illustration and past performance only

*Data updated from Jan 04-May20

RISK metrics

WHAT ABOUT RISK?

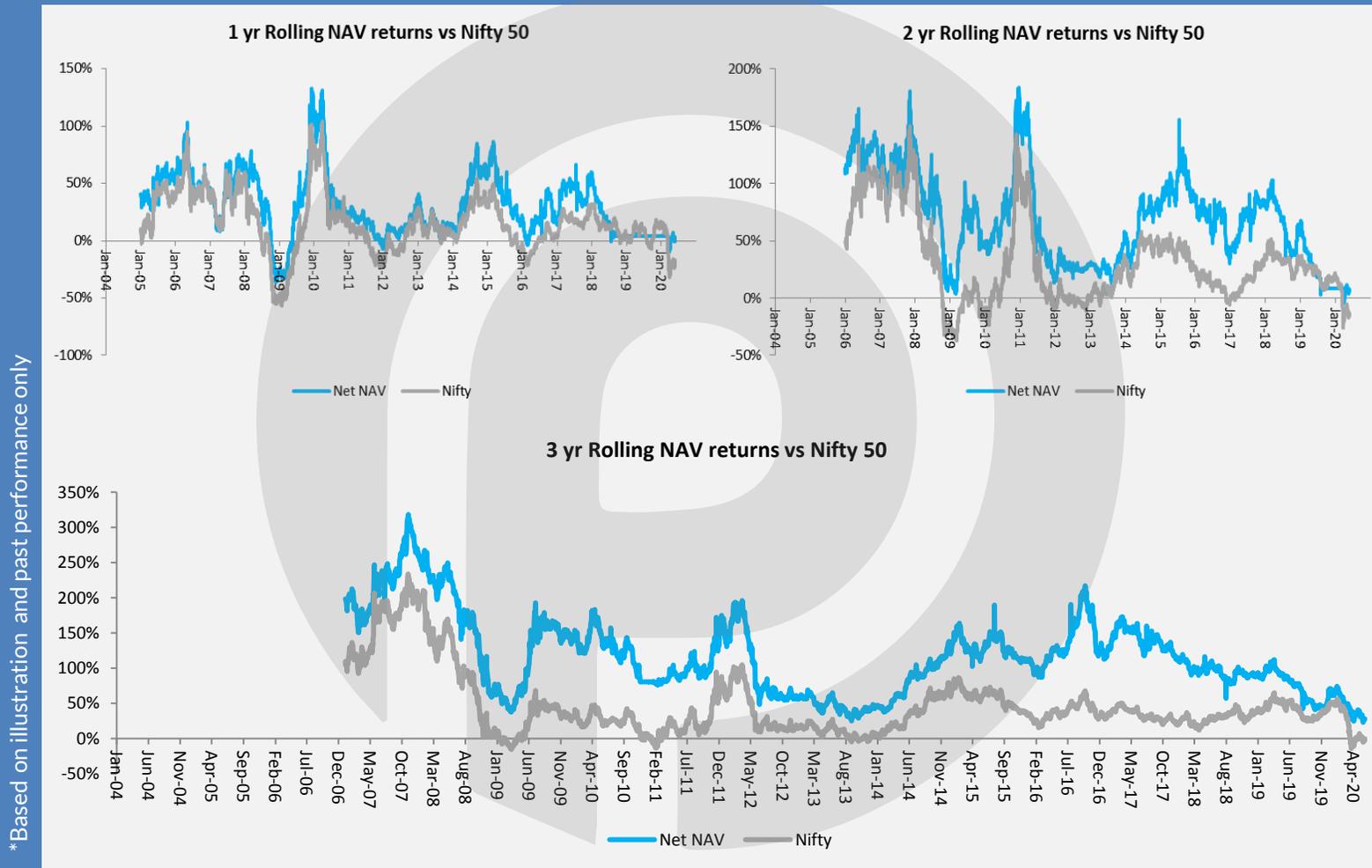
*Based on illustration and past performance only



*Data updated from Jan 04-May20

Rolling Returns

Holding period



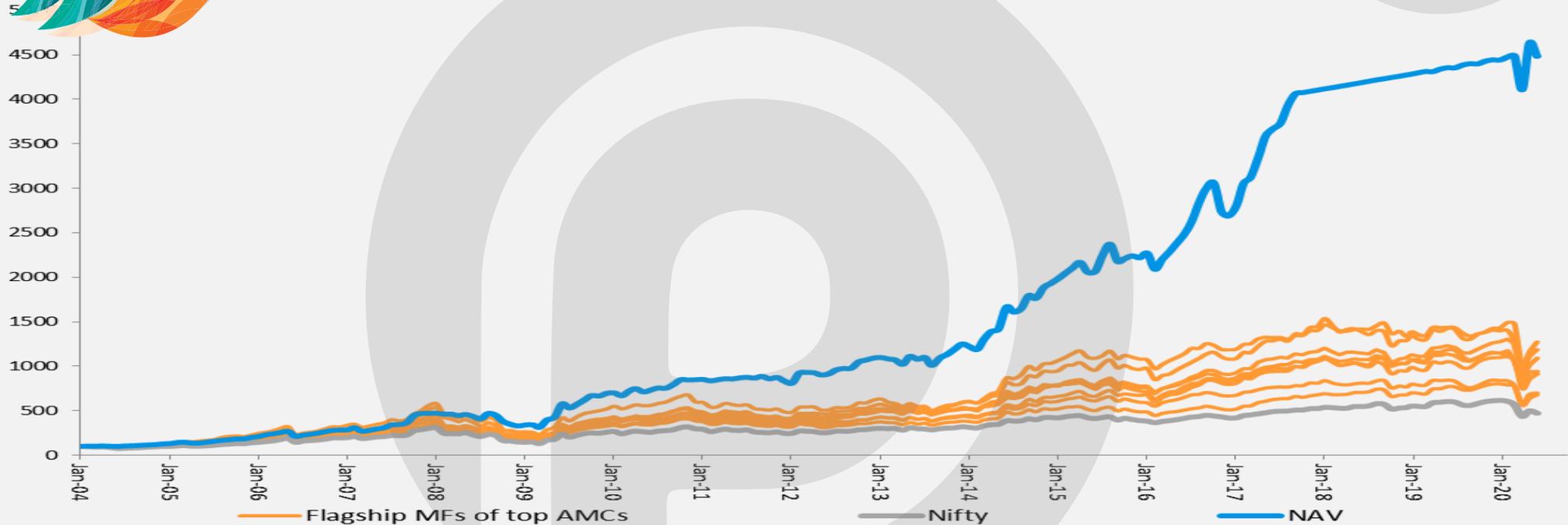
*Based on illustration and past performance only

*Data updated from Jan 04-May20

RELATIVE performance

HOW ABOUT OTHERS?

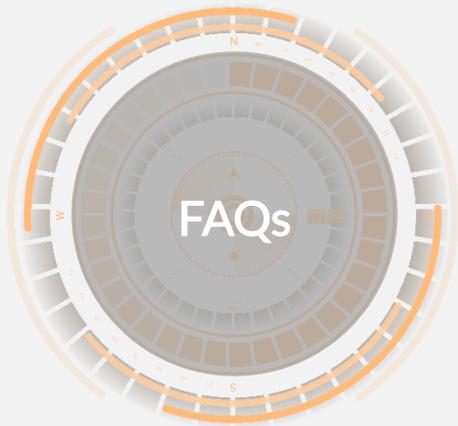
Mutual funds vs PE Fund performance



*Data updated from Jan 04-May20

Criteria for selecting Mutual Funds (MF) for comparison

- **Size:** MFs should be flagship funds of the top AMCs with an AUM size of above Rs.1000cr.
- **Track record:** The selected fund should have a history of over 13years.
- **Type:** They should be conventional equity funds investing primarily in large cap stocks.



TERM sheet

Client Documentation process

CVL-KRA/ CKYC

PELICAN PMS Application form

PELICAN PMS agreement

Depository account with Axis Bank

Fee structure

1.5% management fee

15% profit share over 10% hurdle rate

No entry load and exit load

Fund details

| | |
|--------------------|--------------------|
| Fund Name | Pelican PE Fund |
| Fund type | Long only equity |
| Investment horizon | Long term (3-5yrs) |
| Benchmark | Nifty 50 Index |

Operations

| | |
|-----------------|--|
| Demat Account | Axis Bank (Individual A/Cs for clients) |
| Broking Account | JM Financial (Common Pool A/Cs for all clients, except NRIs) |
| Bank Account | Axis BANK managed by Axis Custody |
| Custody | Axis Bank Custody Services |
| Fund Accounting | Axis Bank Fund Accounting Services |
| PMS | PELICAN HOLDINGS PRIVATE LTD |



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Thank you!