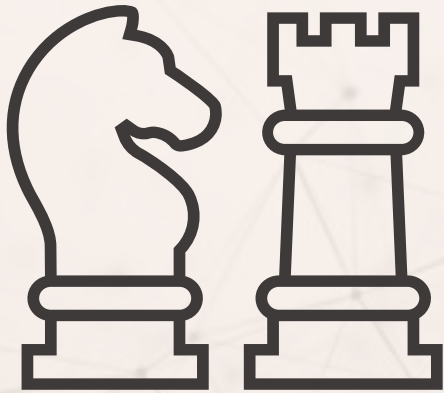


**RATIONAL
EQUITY**

INDIA EQUITY FUND

INDEX



- Who Are We & Team
- Our performance
- Our journey
- The “*Rational*” investment process
- Current portfolio
- Stock “buy-hold-sell” process
- Stock selection criteria
- Risk management

WHO ARE WE



A boutique fund
aiming to provide high
returns &
create long term wealth
for our investor partners



We offer
highly favourable
terms for our
investors vs other AIFs



We have **high skin in the game** –
Our personal net worth
is tied to the fund and
the same stocks

OUR TEAM



Vivek Iyer

Chief Investment Officer of Rational, manages ~Rs.200 Cr. AUM
MBA from IIM, Ahmedabad & B.Tech from IIT Bombay



Vikram Advani

Chief Business Officer of Rational, 30 years exp in asset management including ING, Aditya Birla Capital, Old Bridge Asset Management. MBA from Edith Cowen



Vishal Iyer

Fund Manager with ~12 years of investing experience with JP Morgan & RBC BlueBay in buy and sell-side; both in London



Krish Iyer

40 years exp in retail, banking & finance. Ex-CEO Walmart India, Watsons across multiple Asian countries. CA & CS by training



Akshat Rohatgi

Analyst with 4 years experience in investment and quant research. Gold Medalist in Economics from Delhi University




Jaba Misra

ex-Strategy consultant & macroeconomist with BCG, World Bank. MBA from ISB, Mphil Economics from Cambridge

FUND PERFORMANCE



<p>Page 1 of 7</p>									
<p>Rational Equity Trust - Rational Equity Flagship Fund I### CAT III - LONG ONLY</p>									
<p>Inception: Mar 2023(1 Yrs, 0 Months) AUM in Cr 73.5</p>									
	-3.54%	6.83%	29.11%	97.75%	NA	NA	NA	NA	100.51%
Benchmark	0%	3.6%	16.5%	39.3%					42.7%
	1 M	3 M	6 M	1 Y	2 Y	3 Y	5 Y	10 Y	Since Inception
<p>Ampersand Capital Trust - Growth Opportunities Fund Scheme - I *** CAT III - LONG ONLY</p>									
<p>Inception: Sep 2017(6 Yrs, 6 Months) AUM in Cr 535.20</p>									
	-0.30%	11.40%	29.00%	70.80%	31.31%	32.10%		NA	22.10%
	1 M	3 M	6 M	1 Y	2 Y	3 Y		10 Y	Since Inception



PMS AIF WORLD

6,186 followers

23h •

+ Follow

Here are the Top 10 Long Only CAT III AIF Performers of FY'24

Rational Equity Partners | Vivek Iyer
Prudent Equity | Siddharth Oberoi
First Water | Arun Chulani
Samvitti Capital Private Limited | Prabhakar Kudva
Ampersand Capital LLP | Arun Subrahmanyam
Sameeksha Capital | Bhavin Shah
Girik Capital | Charandeep Singh
Motilal Oswal Asset Management Company Ltd. | Motilal Oswal
Carnelian Asset Management and Advisors Pvt Ltd | Vikas Khemani
SageOne Investment Managers | Samit Vartak, CFA

To view the entire report, please click here: <https://lnkd.in/g/AJZs4s>

#alpha #aif #wealthcreation #finance #wealthmanagement #alternates

This report is generated by PMS AIF WORLD based on data received by respective AMCs.

Disclaimer: This post is for educational purposes only.

CAT III AIF - Long Only	Inception Date	FY'24 Returns
Rational Equity Flagship Fund I	Mar-23	97.7%
Prudent Equity ACE Fund	Dec-22	93.8%
First Water Capital Fund	Aug-20	90.6%
Samvitti Capital Alpha Fund	Nov-15	83.2%
Ampersand Growth Opportunities	Sep-17	70.8%
Sameeksha India Equity Fund	Feb-22	66.7%
Girik Multicap Growth Equity Fund II	Jan-22	66.1%
Motilal Oswal Growth Anchors Fund	Feb-23	65.1%
Carnelian Compounder Fund - 1	May-19	64.9%
SageOne Flagship Growth 2 Fund	Aug-21	63.3%

THE ECONOMIC TIMES Markets

English Edition | Today's ePaper

AIF Performance: Rational Equity, Prudent Equity almost double investors' wealth in FY24; nearly 30 funds rose more than 50%

FUND PERFORMANCE

India Long-Only Equity Fund

	FY24	FY25	YTD FY26	Cumulative Return Since Inception	Annualised Return Since Inception
Rational Equity	79%	11.3%	2.2%	106.3%	29.1%
Benchmark	40.5%	6.4%	9.1%	67%	19.8%
Outperformance	38.5%	4.9%	-6.9%	39.3%	9.3%

Global Gold & Silver Miners' Fund

	1 month	3 months	6 months	Since Inception
Rational	9.3%	35%	105.1%	92%
GDXJ	9.1%	32.5%	93.2%	90%

1. NIFTY 500 Total Returns Index is the benchmark. We invest with a market capitalisation agnostic philosophy across companies in Large, Mid & Small cap & hence the appropriate benchmark is NIFTY 500 Total return Index.
2. Inception date for REFF I is 27th March 2023. Inception date for Gold and Silver Miners' Fund is 31st May 2025.
3. Returns as on 31st January 2026

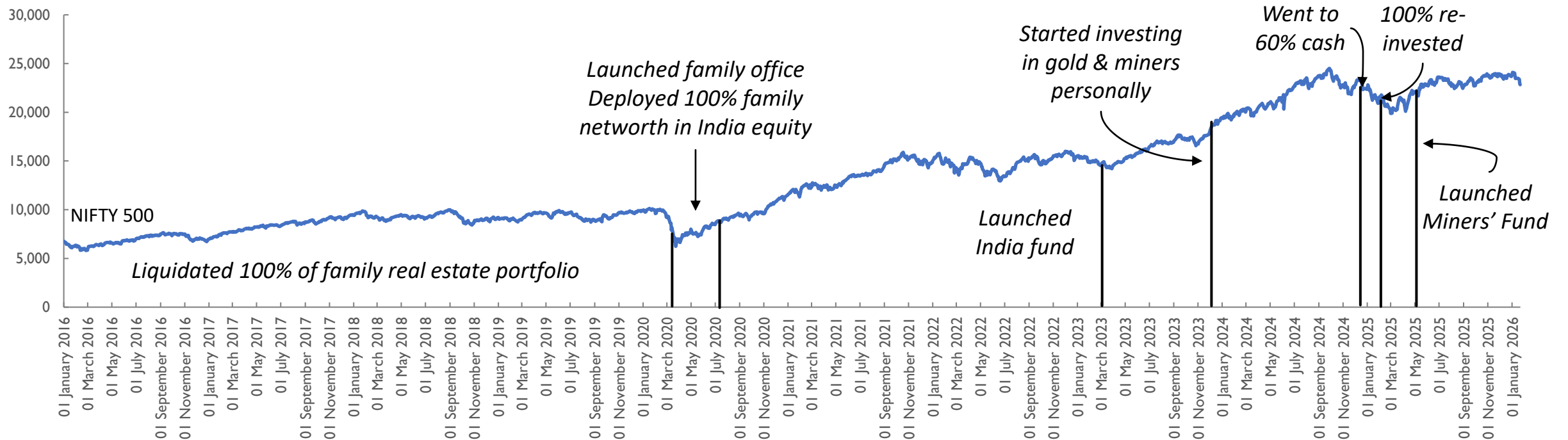
OUR JOURNEY

Making the correct wealth allocation decision at the right time

Learning Phase

Earning Phase

Preserving Phase



OUR JOURNEY

1. Developed and refined personal investment philosophy

- Valuation is everything
- Keeping margin of safety for ultimate alpha generation
- No moon-shots : don't invest in the hope of growth
- Sell for the correct reasons

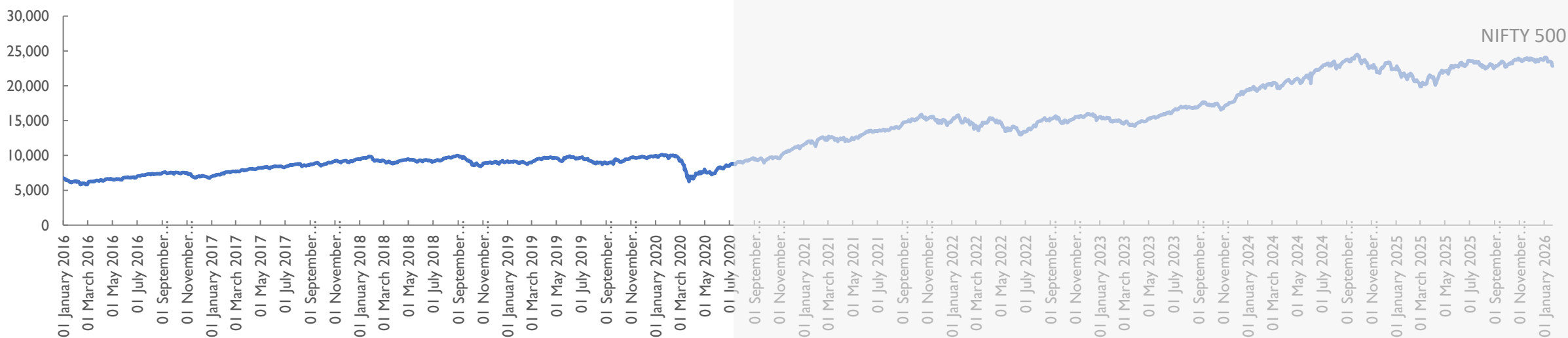
2. Built a proprietary framework for investment

- FAST (Fundamental / Analytical/ Sentimental / Technical) Framework
- Special Situations

Learning Phase

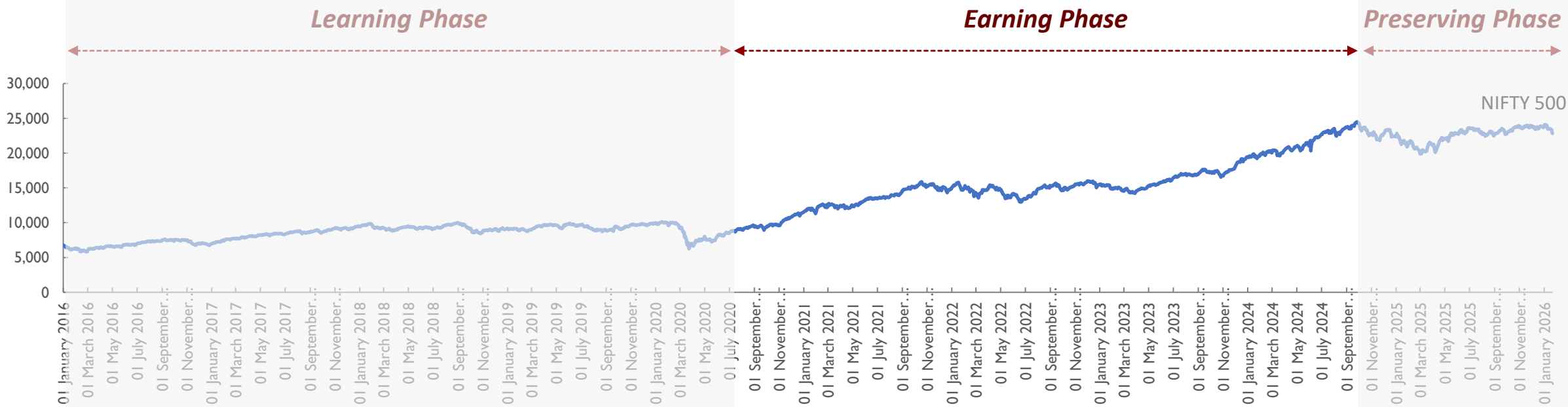
Earning Phase

Preserving Phase

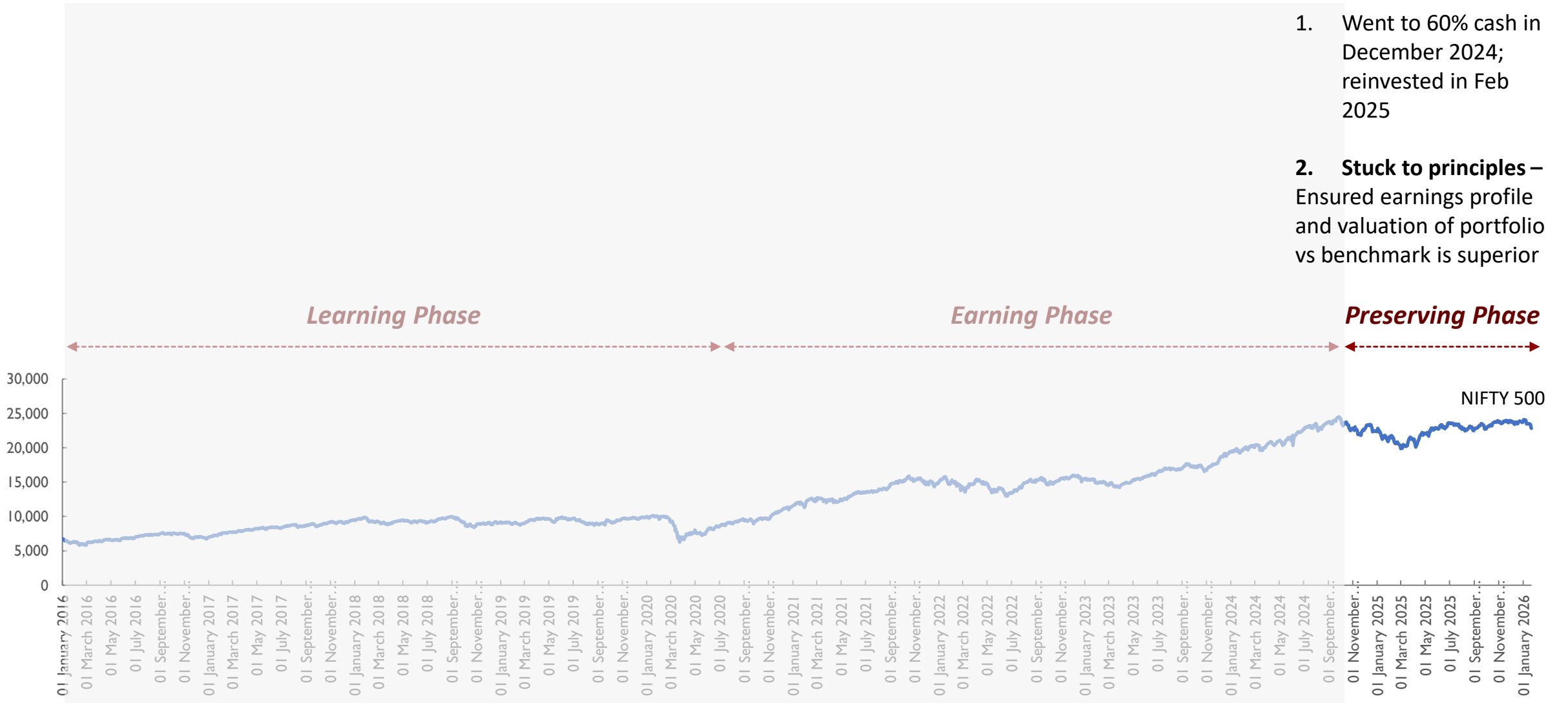


OUR JOURNEY

1. Moved from 100% real estate to 100% equity in family
2. Invested 100% family NW in public equity markets b/w Feb & Aug 2020
3. Launched India fund & deployed 100% capital on the date which was the lowest of the small mid market in the last 2 years
4. Devoted large share of personal NW to gold and miners



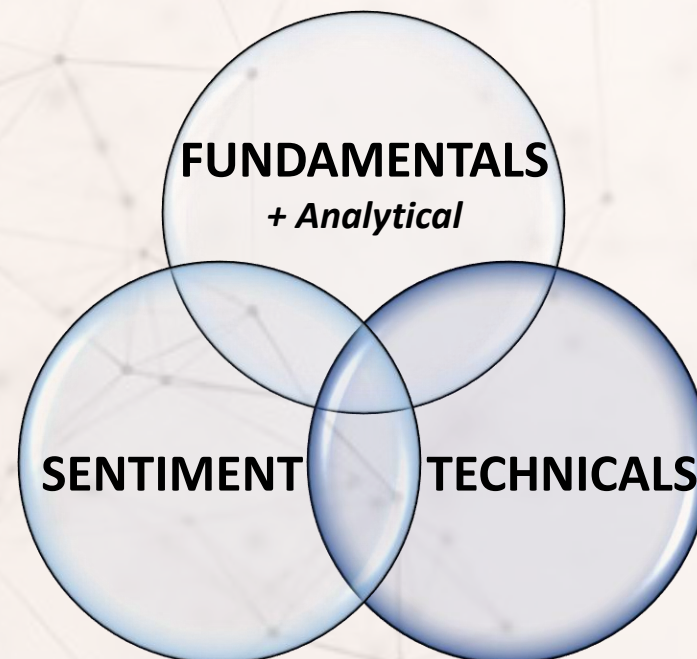
OUR JOURNEY



THE “RATIONAL” INVESTMENT PROCESS

MARRYING FUNDAMENTALS, SENTIMENT & TECHNICALS

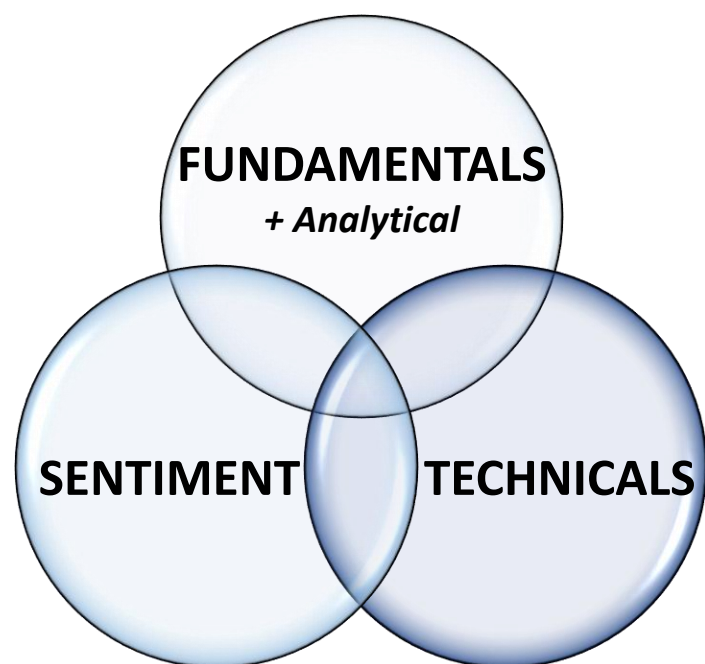
Ability to apply value – based research & deep insight to identify undervalued securities



Ability to maximise chances of portfolio outperformance basis the use of proprietary sentimental indices

Ability to identify price action movement minimize time sinks

3 PRONGED APPROACH LEADING TO 2 BUCKETS OF PICKS



2 buckets of stocks

Thematic

- Top-down investing based on megatrends

Bottom-up

- Investing through deep insight into competitive advantages of companies
- Usually would have tracked company & capital allocation by management over years

THEMES

Natural Gas

- Strategically placed as a bridge between traditional fossil fuels & renewables
- Gas consumption expected to rise supported by expansion in city gas distribution through expansion of gas grid, industry power, transportation sectors and LNG imports to meet rising energy needs



**Time Technoplast
Welcorp**

Defence

- High demand for domestically manufactured defence equipment
- Increase in exports which unlocks premium valuations



**High Energy
AxiScades**

Oil

- Major source of India's primary energy consumption
- High demand for crude



**ONGC
Oil India**

Infrastructure

- Major government push
- Broad capex cycle



Ador Welding

Electrification

- Major government push
- Broad capex cycle



**Voltamp Transformers
Shilchar Tech**

OUR CURRENT PORTFOLIO

	Holding %	Market Cap (Rs. Cr.)	
Ador Welding Ltd	6%	1874	Thematic
Avt Natural Products Ltd	4%	1043	Bottom-Up
Dynemic Products Ltd	3%	313	Bottom-Up
Fairchem Organics Ltd	2%	832	Bottom-Up
Flair Writing Industries Ltd	6%	3183	Bottom-Up
High Energy Batteries India Ltd	3%	528	Thematic
Infobeans Technologies Ltd	11%	2019	Bottom-Up
International Conveyors Ltd	4%	495	Bottom-Up
Nitta Gelatin India Ltd	6%	751	Bottom-Up
Oil And Natural Gas Corporation Ltd	3%	338976	Thematic
Oil India Ltd	3%	79403	Thematic
Onward Technologies Ltd	4%	736	Thematic
S Chand And Company Ltd	4%	575	Bottom-Up
Saksoft Ltd	3%	2194	Bottom-Up
Sarla Performance Fibers Ltd	2%	672	Bottom-Up
Sharda Motor Industries Ltd	3%	5155	Bottom-Up
Shilchar Technologies Ltd	6%	4631	Thematic
Tanla Platforms Ltd	8%	6538	Bottom-Up
Time Technoplast Ltd	3%	9354	Thematic
Voltamp Transformers Ltd	4%	8265	Thematic
Welspun Corp Ltd	7%	21740	Thematic
Wonderla Holidays Ltd	5%	3365	Bottom-Up

Sector	Weight (%)
Industrial Manufacturing	22%
Chemical, Plastic and Rubber Materials	16%
Software and Consulting	14%
Consumer	10%
Telecommunications	8%
Mining and Mineral Products	7%
Oil & Gas	7%
Manufactured Products	5%
Media and Publishing Services	4%
Consumer Vehicles and Parts	3%
Dyes	3%

OUR CURRENT PORTFOLIO

The following is the comparison of out portfolio vs benchmark for Q2FY26

Metrics	REFF 1	REFF 2	NIFTY 500	NIFTY SMALLCAP 250
PE Multiple	26.1	18.3	24.3	28.5
Sales Growth	10.40%	12.40%	6.00%	10.60%
Profit Growth	29.30%	38.30%	10.20%	33.00%
Return on Equity	13.20%	13.90%	15.20%	12.70%
Returns since 30th June, 2025	-3.70%	-2.40%	0.90%	-4.00%

BUY – SELL – HOLD PROCESS



Screens on Screens

Quantitative & qualitative gating basis combination of metrics

- **Financial metrics** e.g. Profit, Top-line revenue, growth, expense ratios, leverage, debt repayment
- **Valuation metrics** – Market cap, P/E, EV/Sales or EBITDA
- **Promoter metrics** – ownership, track record, ethical practices, pledging of shares
- **Market share & industry prospective**



Research

- Annual reports
- Investor presentations
- Investor conference calls
- Investment forum discussions
- News & Media discussions
- Press releases
- Analyst research notes



Immersion

- In-depth moat analysis
- Company & industry expert calls
- Management meetings
- Mystery shopping
- Customer/ supplier/ value chain stakeholder shadowing, surveys & interviews



Portfolio Creation

1. “Intelligent fanatics”
2. Valuation
3. Debt & repayment
4. “Spikes”
5. High profit industry
6. Predators
7. Cashflows
8. Bargaining power



Monitoring

- On-going monitoring through:
 - Quarterly reports
 - Concalls
 - News & Media
 - Investment forums
- Re-evaluation post multiple quarters of poor performance or exponential valuation growth

STOCK SELECTION CRITERIA

1

"Intelligent Fanatics"

- We believe in cos which are run by "intelligent fanatics"
- exceptional promoters with skin in the game, people who do what they say & have shown demonstrated history of great performance in their businesses.
- Excellent capital allocators

2

Valuation

- Cos which have low or reasonable valuations and high potential to grow
- We don't believe in overpaying for a company in the hope it will justify its valuation in the future through high growth

3

Debt & repayment

- We like companies which have low debt or those that have lowered leverage over time

4

"Spikes"

- We look for the "McKinsey Spike" – one thing in the track record of the company's performance that makes it stand-out.
- "Not everyone does everything brilliantly, that's fine. Everyone should have something that they do the best, that's their thing, that's their spike"

5

High profitability industry

- We look for cos in high profitability industries or industries with tailwinds; not necessarily leaders in the industry

8

Bargaining Power

- Cos where a major value unlocker for valuation growth comes from being critical to a stakeholder which leads to acquiring bargaining power
- Criticality comes from either becoming an essential brand or providing an essential product

7

Cashflows

- We believe that companies which have strong and sustainable cash flows are the best bets for high returns

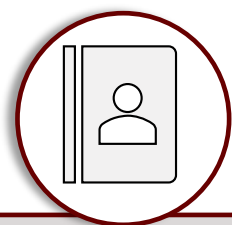
6

Predators

- We don't have a single-minded focus on investing in industry leaders
- Look out for "Predators" – cos in a low profitability industries capturing market share

SELECTION CRITERIA

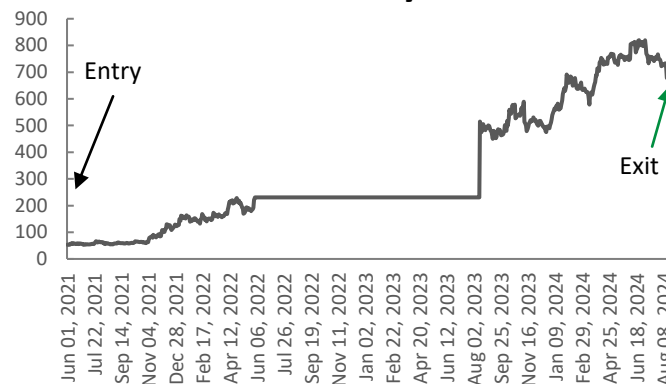
THE “RATIONAL” INVESTMENT PROCESS - FUNDAMENTAL ANALYSIS



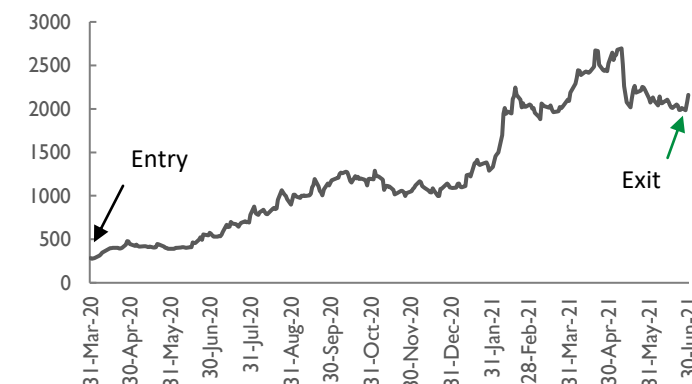
Fundamental

- Unique ability to straddle growth & value strategies as per market conditions
- Look for High growth/ ROCE companies with strong moats
- Identify companies with low valuation

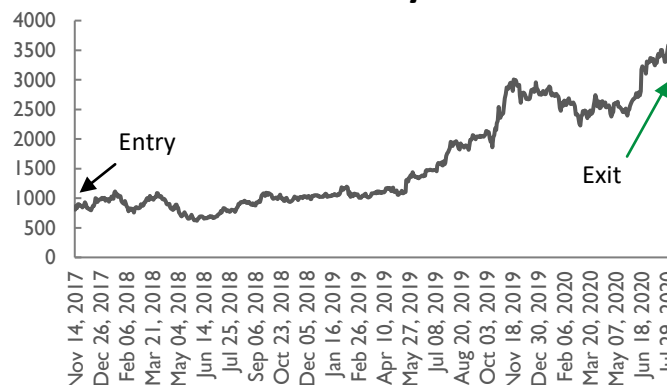
Red Tape
12X in 3 yrs



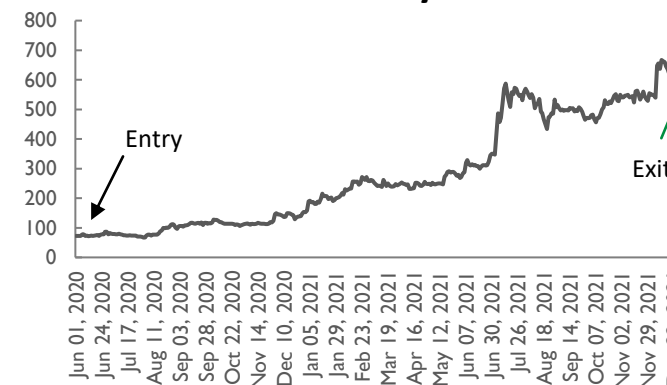
Neuland Labs
7X in ~1 yr



KDDL
3X in 2.5 yrs



RACL Geartech
6X in 1.5 yrs



CASE STUDY : REDTAPE – A HERO’S JOURNEY

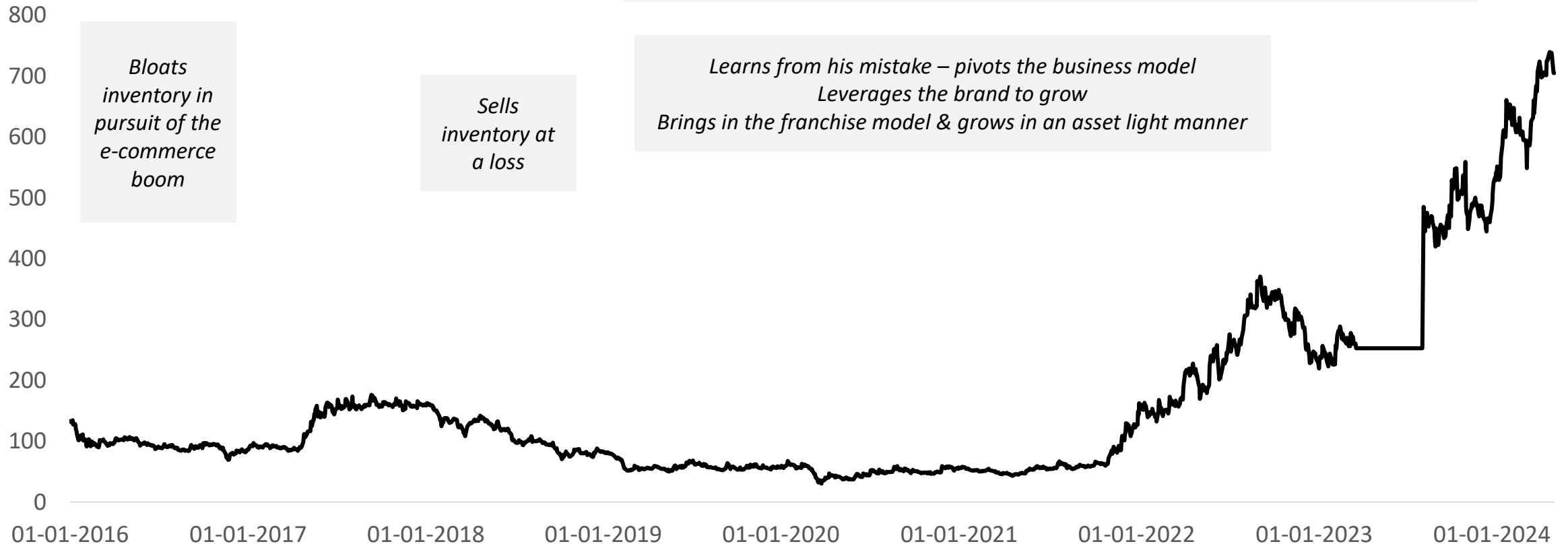
Shuja Mirza joins Red Tape as Marketing Manager

Launches apparel as a new category – grew to contributing 50% to sales in 2023

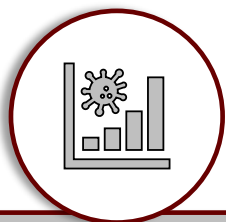
Bloats inventory in pursuit of the e-commerce boom

Sells inventory at a loss

*Learns from his mistake – pivots the business model
Leverages the brand to grow
Brings in the franchise model & grows in an asset light manner*

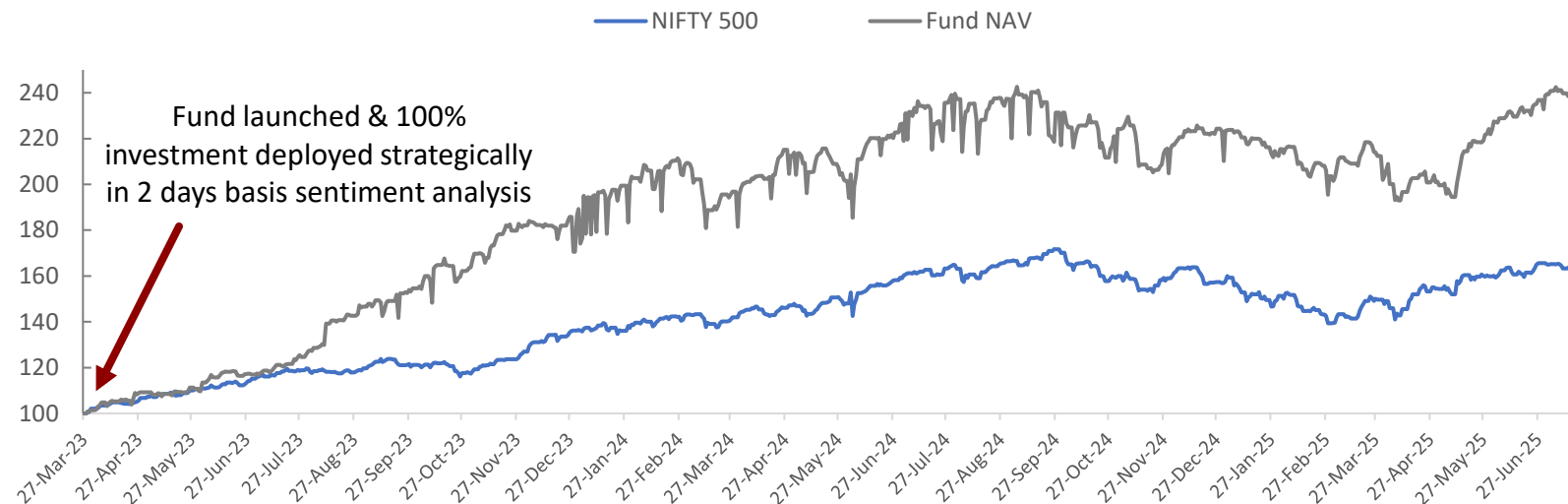


THE “RATIONAL” INVESTMENT PROCESS – SENTIMENT ANALYSIS



Sentiment

- **Proprietary index** of 4-5 indicators indicates how “*smart money*” views the market
- **Fear - Greed index** allows to load up heavily when market signals fear amongst market participants & trim overvalued positions when greed is high



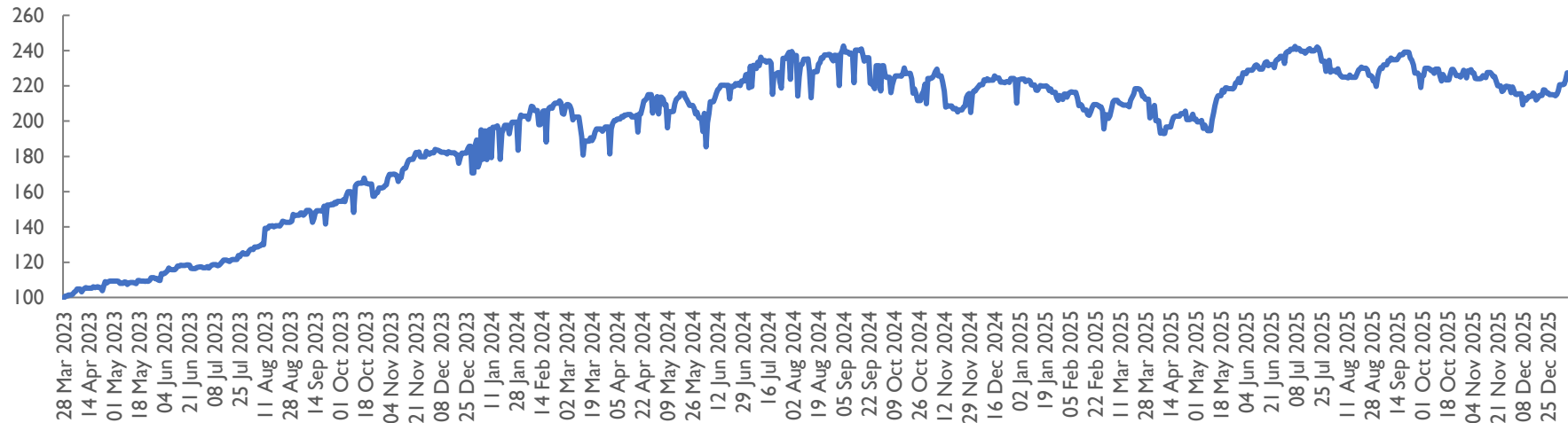
Proprietary Indicator – I



Proprietary Indicator – II



WHERE IS THE MARKET TODAY



Proprietary Indicator – I



Proprietary Indicator – II



PRODUCT AND TERMS

Parameters	Rational Asset Management IFSC LLP		
Investment vehicle type	<ul style="list-style-type: none"> Category III AIF Long Only Open – ended 		
Who can invest	<ul style="list-style-type: none"> Foreign citizens and NRIs (Retail), Institutions through foreign denominated currency Resident Indian Individuals 		
Fee structure		DIRECT	REGULAR
	Management Fee	0%	0.5% 1%
	Hurdle Rate (p.a.)	6%	8% 10%
	Performance Fee	20%	20% 20%
Lock-in periods	<ul style="list-style-type: none"> Performance fee charged <u>only at the time of redemption</u> GST is additional 		
	<ul style="list-style-type: none"> <u>No lock-in</u> Redemption allowed every quarter No Exit Load 		