A black and white photograph of a modern interior space. The background features a wall made of dark, rectangular tiles. In the center, there is a white, multi-tiered bookshelf with a central white cabinet door. The shelves are filled with books and decorative items. In the foreground, two dark-colored armchairs with cushions are positioned on either side of the bookshelf. To the right, there are several potted plants. The overall atmosphere is clean and contemporary.

We are an independent, partner-centric
Investment Management firm investing in
Indian public equities.

TOPICS

About us	Summary approach	Track record	Right for you?	
Company selection	Approach to valuation	Portfolio construction	Risk Mgmt.	When to sell?
Fees and other expenses	Team			

ABOUT US

About us

- Boutique firm, ~1800 Cr AUM, ~200 families
- Private, independent ownership (CIO and close friends)
- Team incentivized as owners - 25% of PBT shared with team

Desired outcome

- Seeking 15% IRRs post fee every rolling 5 years +1.5% Alpha over BSE500 TRI, under assumption of 11% nominal GDP growth (no guarantees)
- Profits with Purpose
- Never risk ruin despite promise of very high upside

OUR GUIDING PRINCIPLES

1. Be mission driven. Profits with purpose.
2. Disciplined process that focuses on superior long-term outcomes
3. Path to long term outcomes via resilience over speed
4. Priority → Partners. Team. Shareholders.
5. Culture that emphasizes radical candour and accepts mistakes. No hierarchy in the conference room.

THERE ARE MULTIPLE WAYS TO INVEST

Compounding stories at a fair price which we are willing to hold for long time horizons



“At the right price, everything is “AAA”.

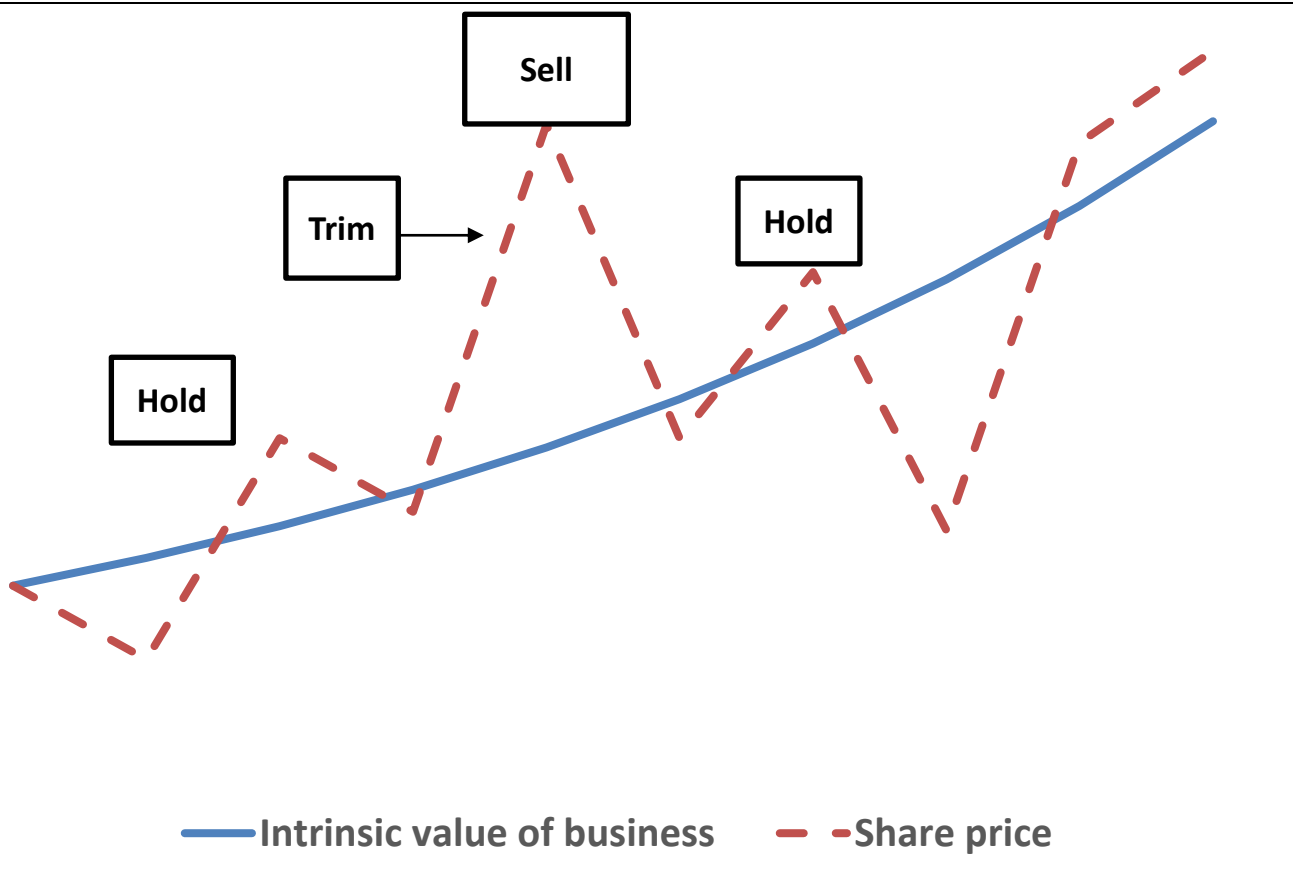
Long term is 5- 10 years



Long term is 1 yr

BUT. We need to choose. Cannot be both. Genius is rare.

WE SEEK HIGH PROBABILITY EPS COMPOUNDING WITH LOW CHURN

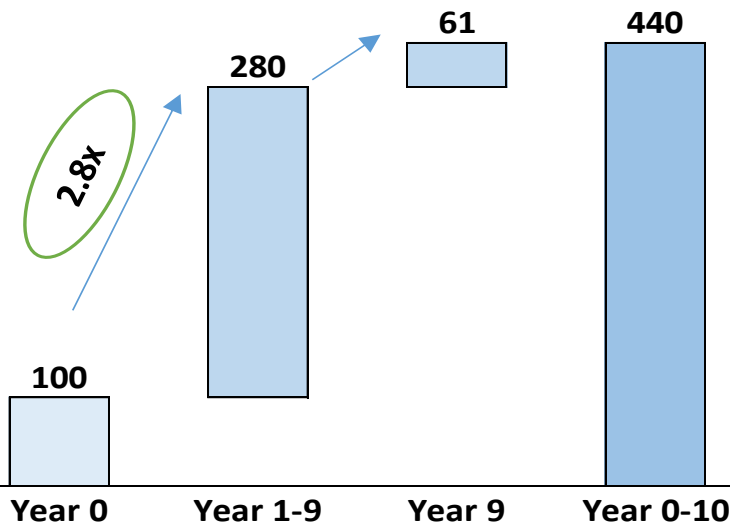


Over the long term, stock prices are slaves to earnings.

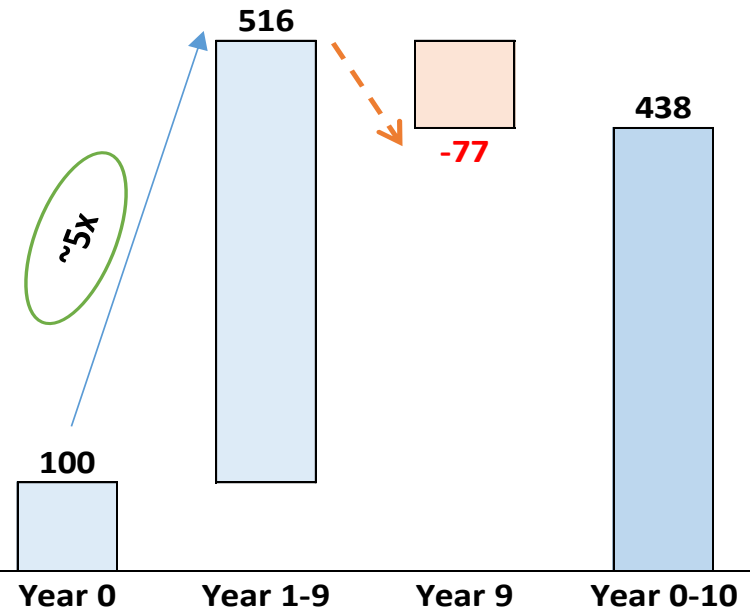
Hence, we aim to buy resilient growth stories that can compound earnings for long periods of time, at a broadly fair entry price

WE ARE LOOKING FOR RESILIENT BUSINESSES THAT CAN COMPOUND EARNINGS FOR LONG PERIODS OF TIME

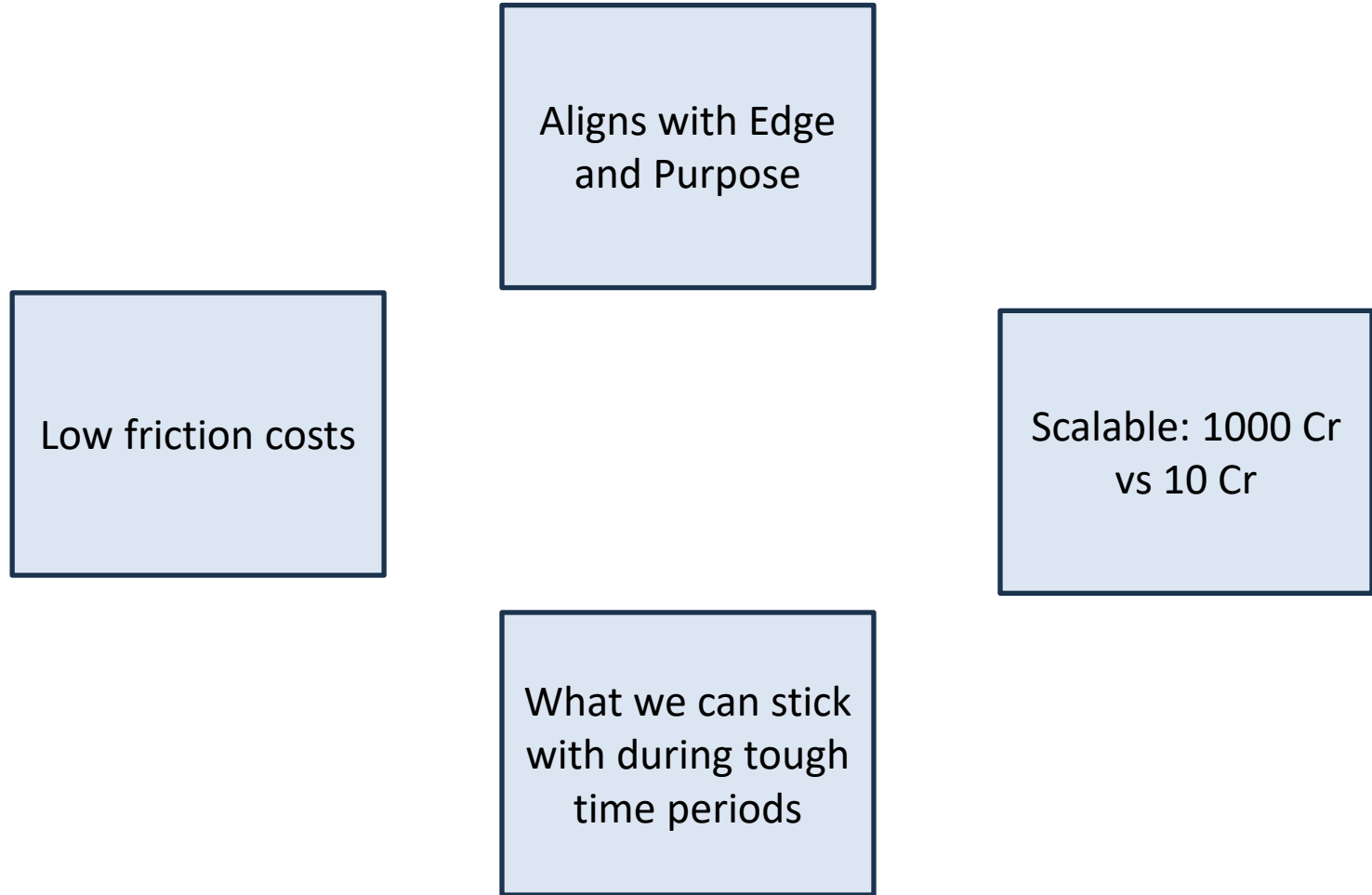
Option 1: 16% IRR linearly over 10 years



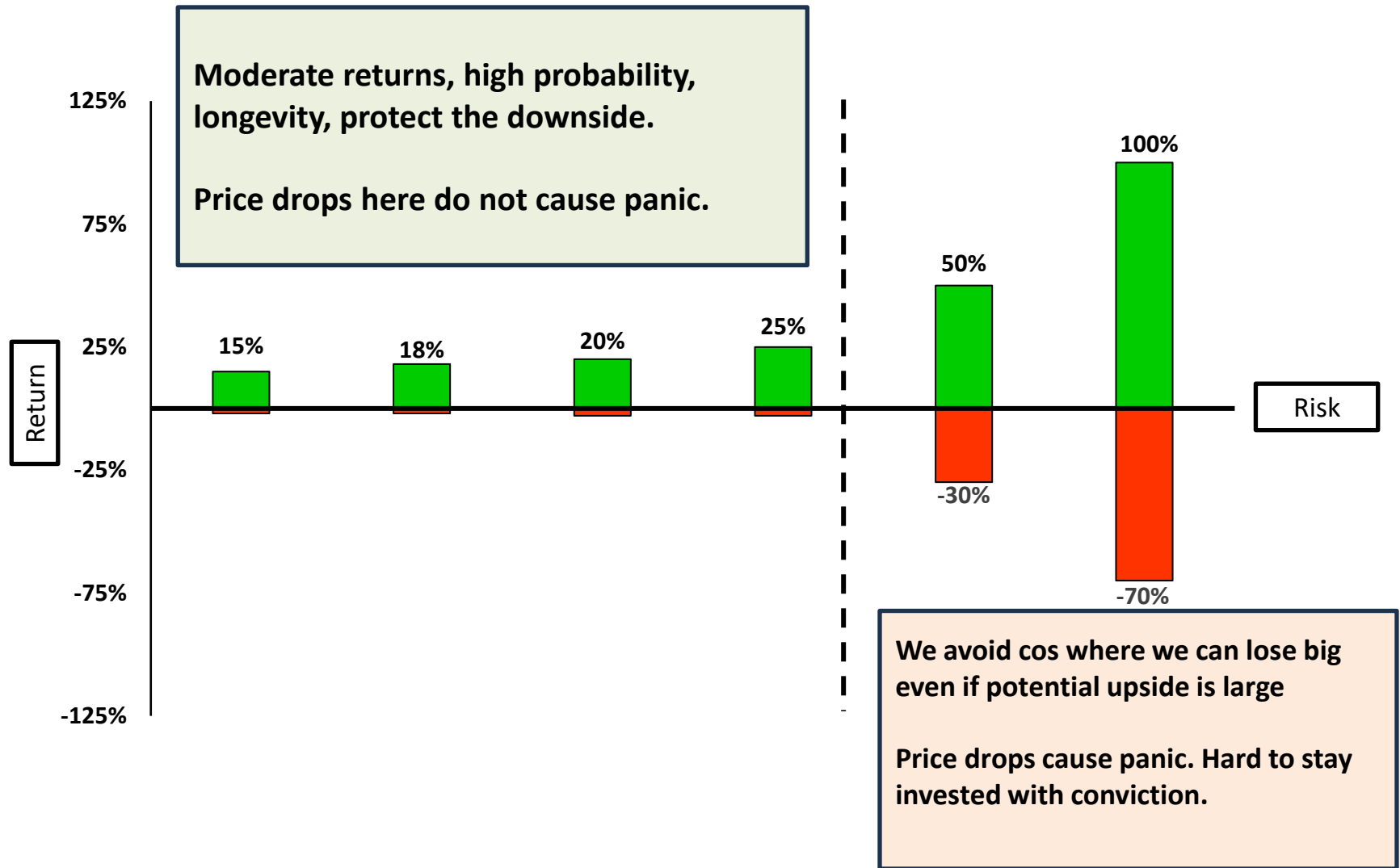
Option 2: 20% IRR over 9 years, -15% in year 10



WE ARE LOOKING FOR RESILIENT BUSINESSES THAT CAN COMPOUND EARNINGS FOR LONG PERIODS OF TIME



WE WILL NEVER RISK RUIN FOR PROMISE OF HIGH RETURNS



PORTFOLIO CONSTRUCTION STRATEGY

**GROWTH WITH
STABILITY**

**GROWTH WITH
LONGEVITY**

**GROWTH WITH
POSSIBILITY OF
ASYMMETRIC
OUTCOMES**

PATIENCE

STABILITY+ LONGEVITY + ASSYMETRIC UPSIDE + PATIENCE (1)

Growth with Stability

- Leader, but more mature in growth life cycle
- Strong market position
- Robust business model and Balance Sheet
- Stable earnings growth

- 15% IRRs, high probability

• 35-50% allocation

Growth with Longevity

- Leader in growing market
- Early in growth life cycle
- Strong prospects for earnings growth

- 18-20% IRRs, long periods of time, medium probability

• 35-50% allocation

Growth with potential Asymmetric upsides

- Untracked companies with low liquidity
- Large opportunity + great leadership
- Potential for exponential earnings growth

- 25%+IRR, medium probability

30-40% allocation

PERFORMANCE HISTORY

Aggregate across all partner accounts					
Performance (in TWRR)	1 Year	2 Year	3 Year	5 Year	Since Inception^
SOLIDARITY- PRUDENCE	21.1%	14.9%	8.5%	19.5%	18.1%
BSE500TRI	27.0%	20.0%	16.9%	19.6%	16.9%

Data as of 30 Nov 2024
 ^ From 11 MAY 2016 -Start date of scheme
 Solidarity performance is net of all fees & expenses
 Performance data provided in the above table is not verified by SEBI

Aggregate across all partner accounts					
Performance (in TWRR)	1 Year	2 Year	3 Year	5 Year	Since Inception^
SOLIDARITY- EMERGING LEADERS	25.0%	0.0%	0.0%	0.0%	21.8%
BSE500TRI	27.0%	0.0%	0.0%	0.0%	30.7%

Data as of 30 Nov 2024
 ^ From 26 APR 2023 -Start date of scheme
 Solidarity performance is net of all fees & expenses
 Performance data provided in the above table is not verified by SEBI

PROCESS HAS WORKED LONG TERM

Anchor partner

Period	Solidarity Anchor client performance %	BSE500TRI performance %	Alpha % over BSE500TRI
FY15*	67.2%	34.1%	33.1%
FY16	0.8%	-6.4%	7.2%
FY17	20.0%	25.5%	-5.6%
FY18	17.1%	13.2%	3.9%
FY19	6.3%	9.7%	-3.4%
FY20	-15.7%	-26.5%	10.7%
FY21	96.5%	78.6%	17.9%
FY22	27.6%	22.3%	5.3%
FY23	-8.6%	-0.9%	-7.7%
FY24	22.2%	40.2%	-18.0%
FY25 YTD	18.9%	12.5%	6.4%
Last 5 years	19.8%	19.6%	0.3%
Since Inception	20.3%	16.2%	4.0%
* From 2 May 2014- Start date of Anchor client			
Data as of 30 Nov 2024			
Return is in TWRR, net of all fees & expenses			
Performance data provided in the above table is not verified by SEBI			

We do well during times of tough market conditions e.g. FY 20, Covid.

Performance is mean reverting. Strong performance followed by underperformance... as is expected in a low churn approach.

Performance impacted in FY23 due to some errors

ARE WE RIGHT FOR YOU ?

Definition of success: 1.5% Alpha over BSE 500 TRI over 5 years. We expect to lag markets in a raging bull market. We will not compromise on governance to chase higher returns.

We think very long term – you must be willing to think 5 years at a minimum.

We will embrace some illiquidity. If you choose to withdraw prematurely, exit may be at discounted prices.

Minimum 2.5 Cr investment size per family.

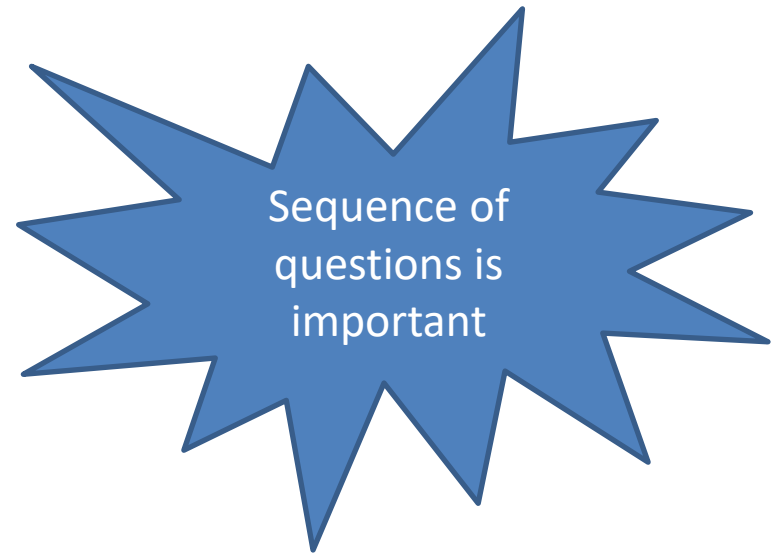
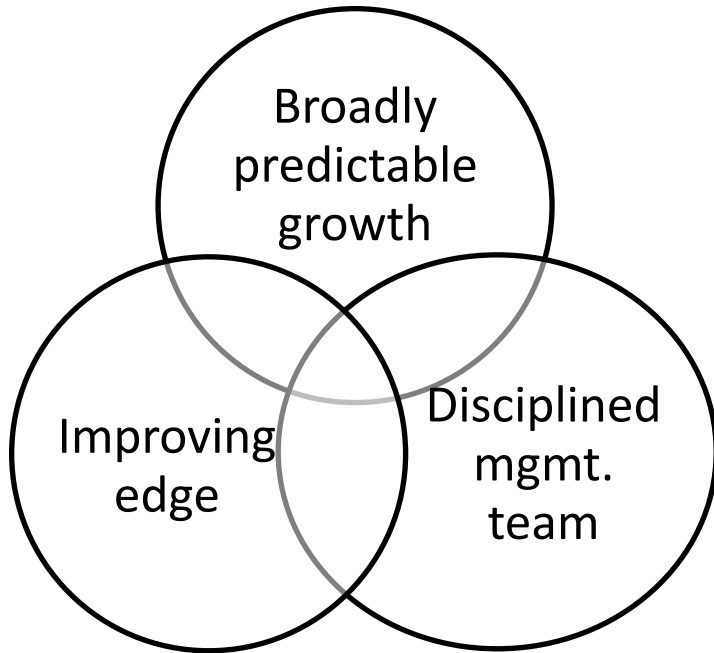
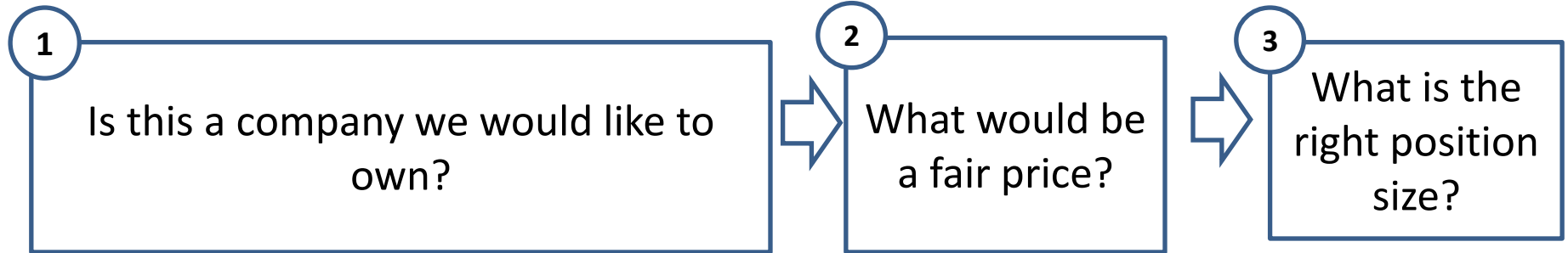
A PMS has “time value of money” tax disadvantages over a MF. It has advantages of smaller size, customization, less stress during times of market turmoil.

We are right for you if you are looking for consistent, stable returns over long periods of time

TOPICS

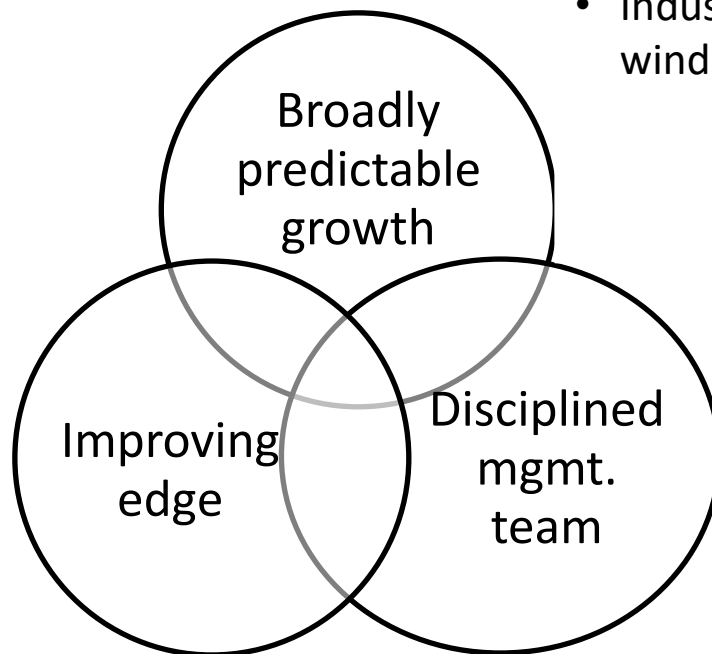
About us	Summary approach	Track record	Right for you?	
Company selection	Approach to valuation	Portfolio construction	Risk Mgmt.	When to sell?
Fees and other expenses	Team			

OUR PROCESS (1)



IS THIS A COMPANY WE WOULD LIKE TO OWN ?

- Favourable industry structure
- Sector/niche Leadership
- Edge/competitive differentiation
- Ability to re-invest for growth (ROE > 15%)



- Large addressable opportunity
- Industry with structural tail winds of growth

- Vision backed with granularity in thinking and “feet on the ground”
- Team depth beyond promoter
- Focus on few business lines
- Disciplined on Capital Allocation
- Prudent use of leverage

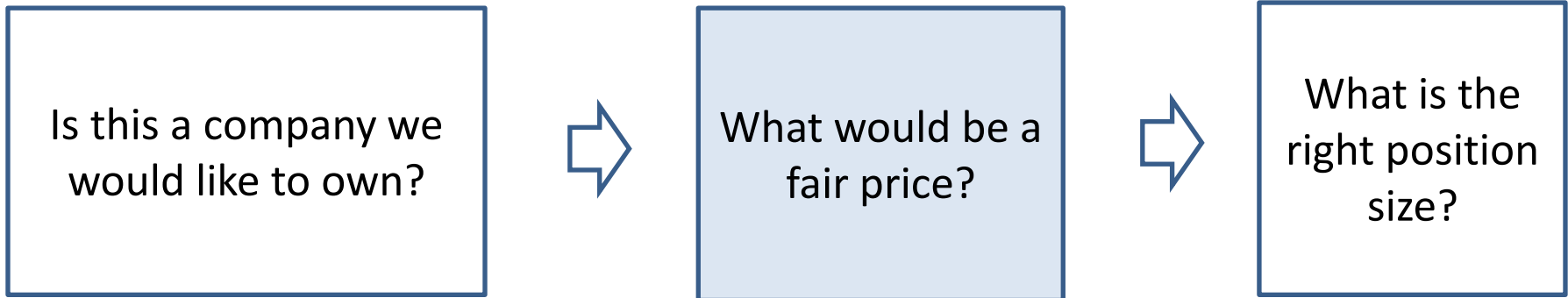
COMPOUNDING REQUIRES A LARGE AND GROWING OPPORTUNITY

	Secular Themes of interest to us
1	Opportunity to gain market share in global supply chains: Manufacturing/Services
2	Pvt Sector Banks who will gain market share
3	Life Insurance: trusted brands, strong distribution
4	General Insurance with preference for adoption of Health Insurance
5	Digital Business Models and enablers of Digital
6	Mitigation of inequality
7	Discretionary consumption – “Affordable luxury”
8	Financialisation of Savings
9	Formalization of the economy
10	Thrust on Clean Energy

WE PREFER SECTOR LEADERS OR COS THAT DOMINATE A NICHE



OUR PROCESS (2)

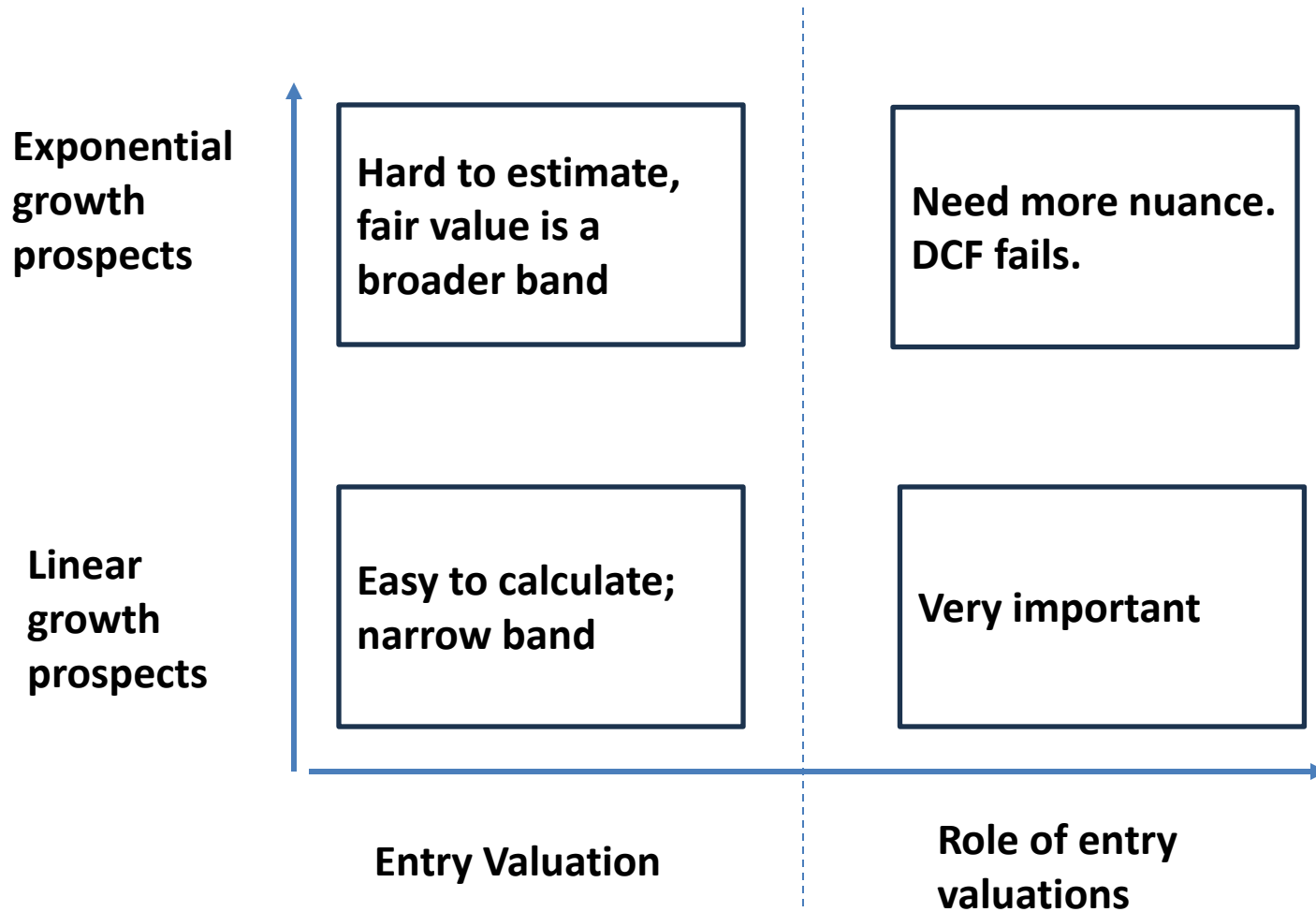


Valuation is both art and science. We believe in being broadly correct, rather than aim for precision

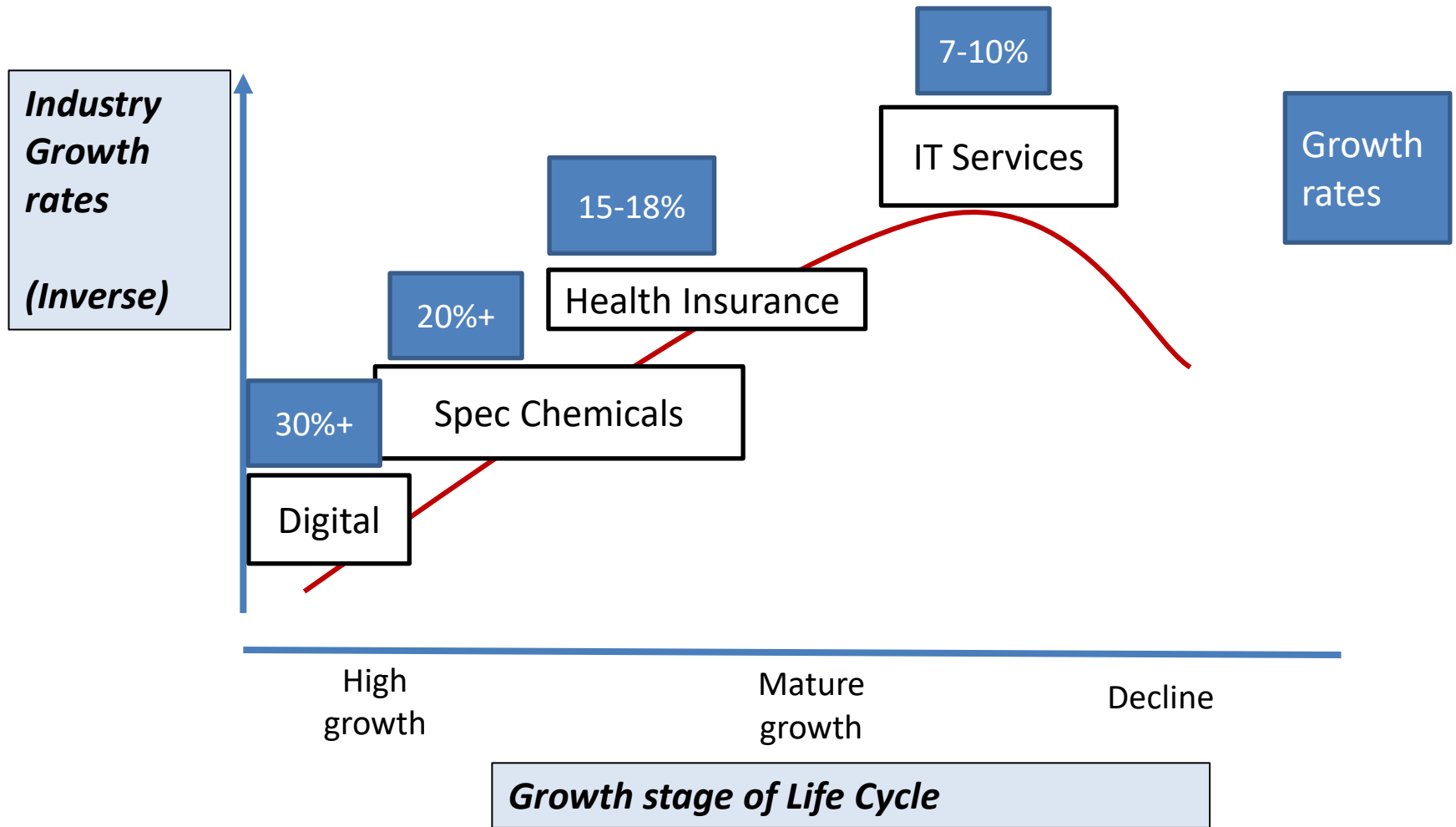
Tools used

- Qualitative: where are in the growth life cycle, Optionality/longevity in business model, behavioural cycle?
- Quantitative: DCF– Cost of Capital, Growth, ROE, longevity
- Wisdom of crowds

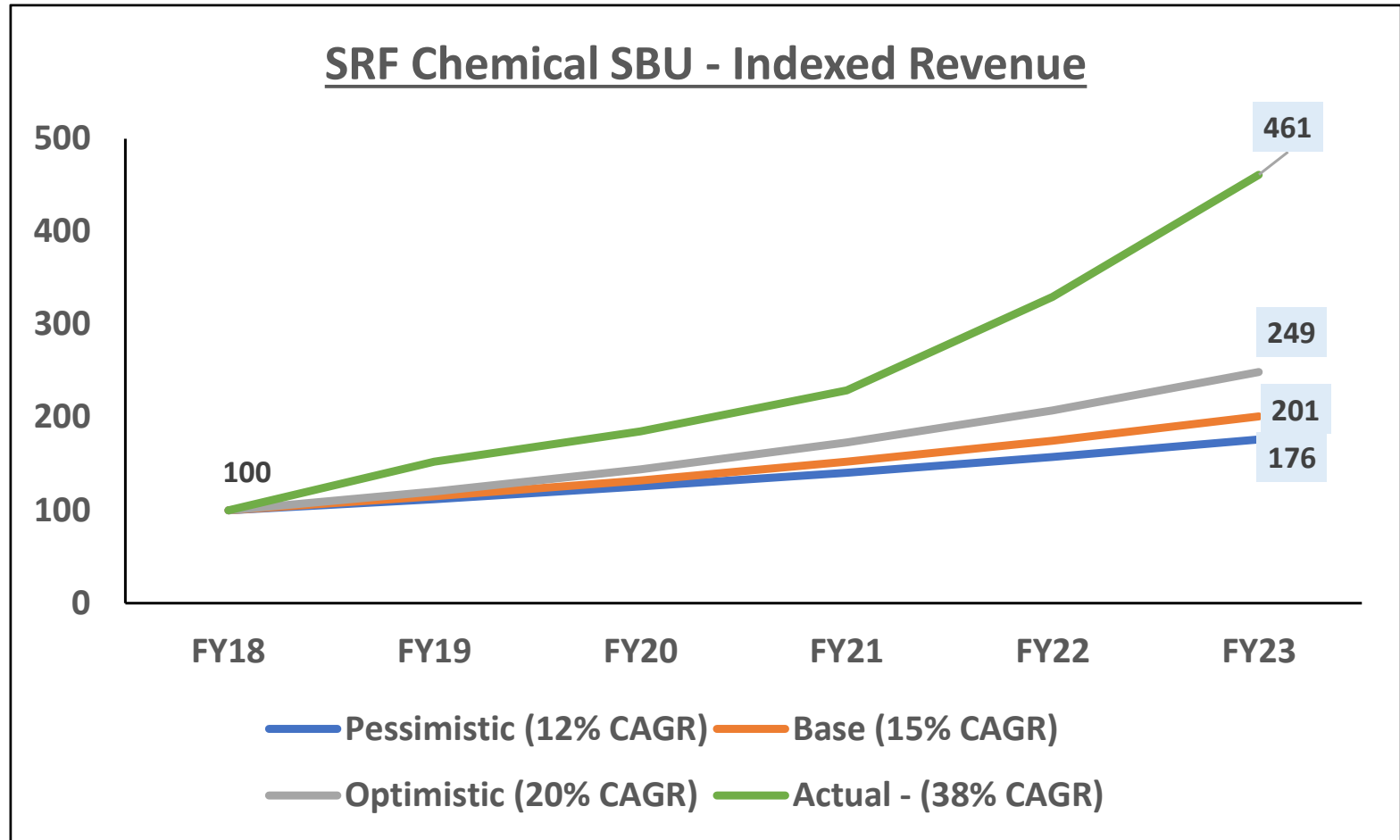
FAIR VALUE IS VERY CONTEXTUAL



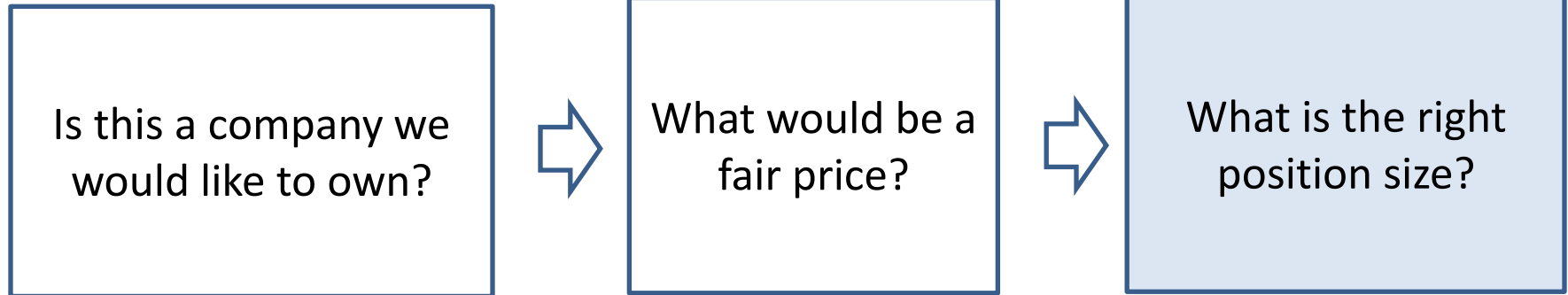
VALUATIONS VERY SENSITIVE TO WHERE IS THE SECTOR IN THE GROWTH LIFE CYCLE?



EXPONENTIAL GROWTH PROSPECTS NEED MORE LEE WAY IN VALUATION BANDS



OUR PROCESS (3)



- What bucket?
 - Clear Leader
 - Emerging Leader
 - Special Situations
- Liquidity
- Initial position size
- When to add

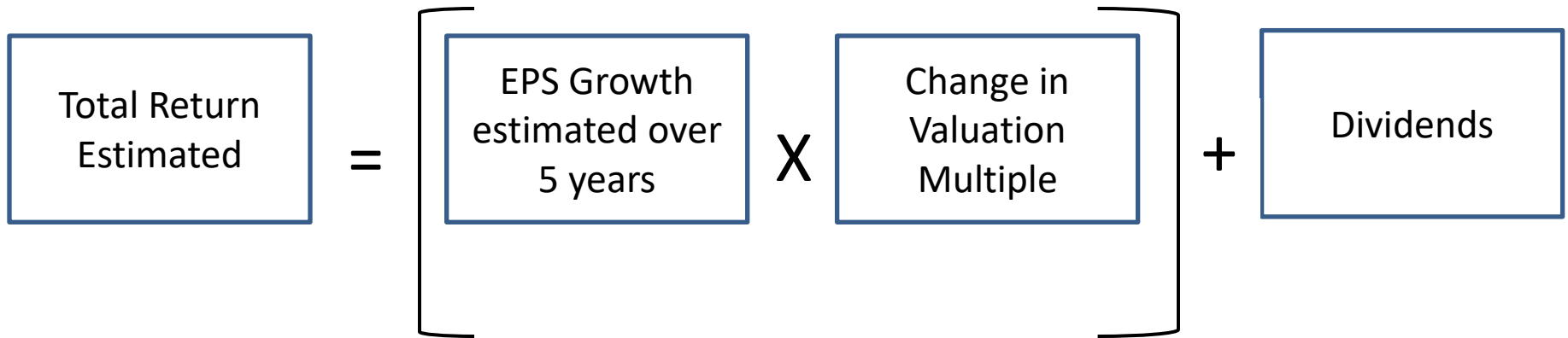
POSITION SIZING: WHERE IS THE COMPANY ON ITS EVOLUTION ?

Exponential growth/Kicker

Longevity/Stability

	Phase 1	Phase 2	Phase 3	Phase 4
Stage of company evolution	Promise. But no clear edge	Deepening foundations Widening the moat	De-risked business model Depth in leadership Resilience	Flywheel starts spinning.
Position sizing in aggregate	<10%	15-20%	40-50%	35-40%
Good liquidity	5%	5%	6-8%	10-12%
Poor liquidity	3%	3%	4-5%	8%

PORTFOLIO CONSTRUCTION: EXECUTING THE IDEA



Can we see, with reasonable confidence, a path to our desired return over 5 years ?

What is the variance perception we have over the market? What do we see that the market does not? What are we willing to do that the market is not?

RISK MANAGEMENT

Buying Right

- Don't invest in what we don't understand
- Avoid complexity and poor governance
- Use check lists
- Position sizing - Increase size of bet with conviction and liquidity

Constant Vigil

- Track progress of Financial and Operating variables
- Track capital allocation decisions of surplus cash flow
- Track valuations

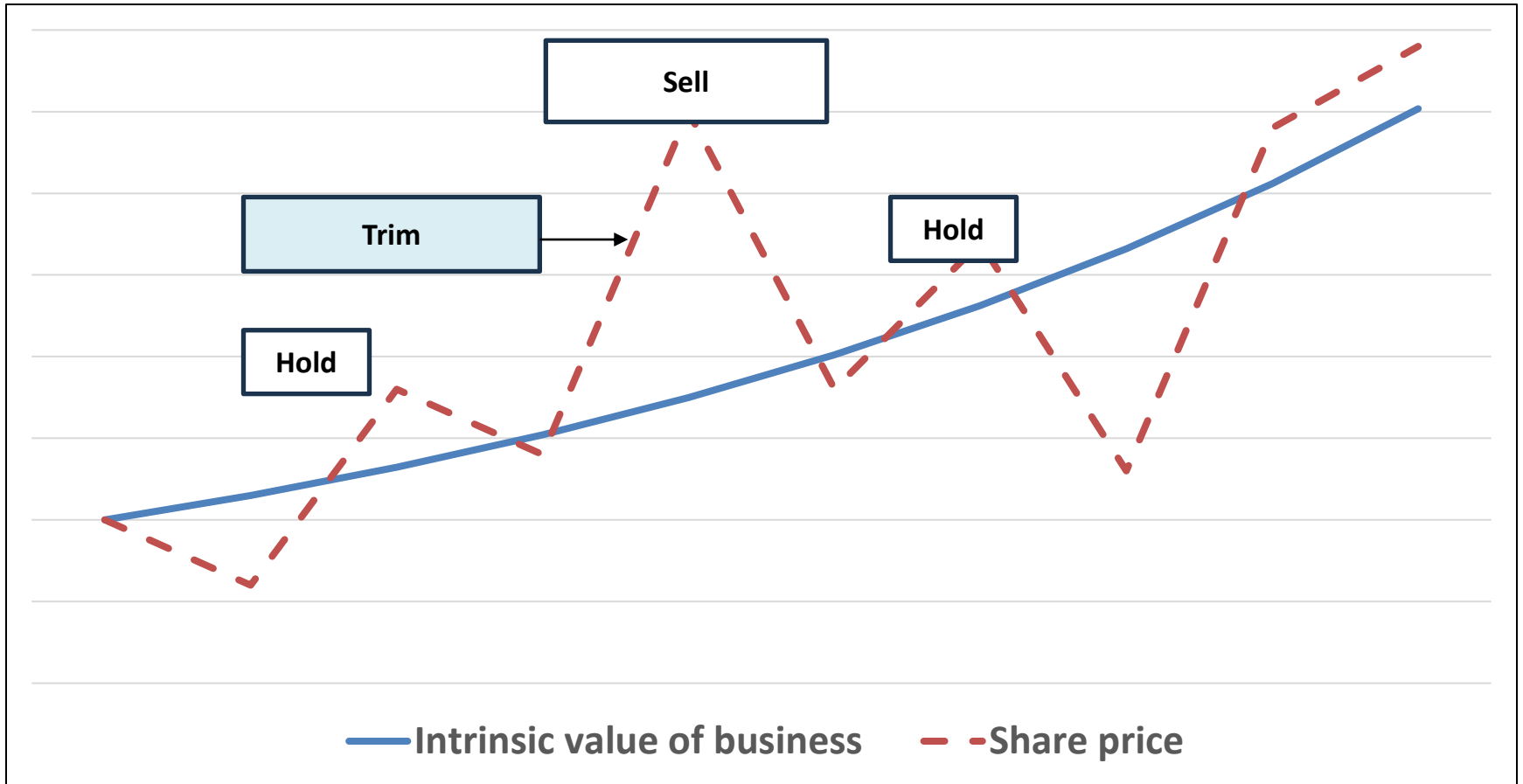
Selling Right

- When facts change that requires us to change our views
- When we encounter evidence that our analysis is wrong
- Exit/trim during euphoria – Bull case IRR falls below NIFTY returns estimate
- Ability to re-allocate capital to a significantly better opportunity

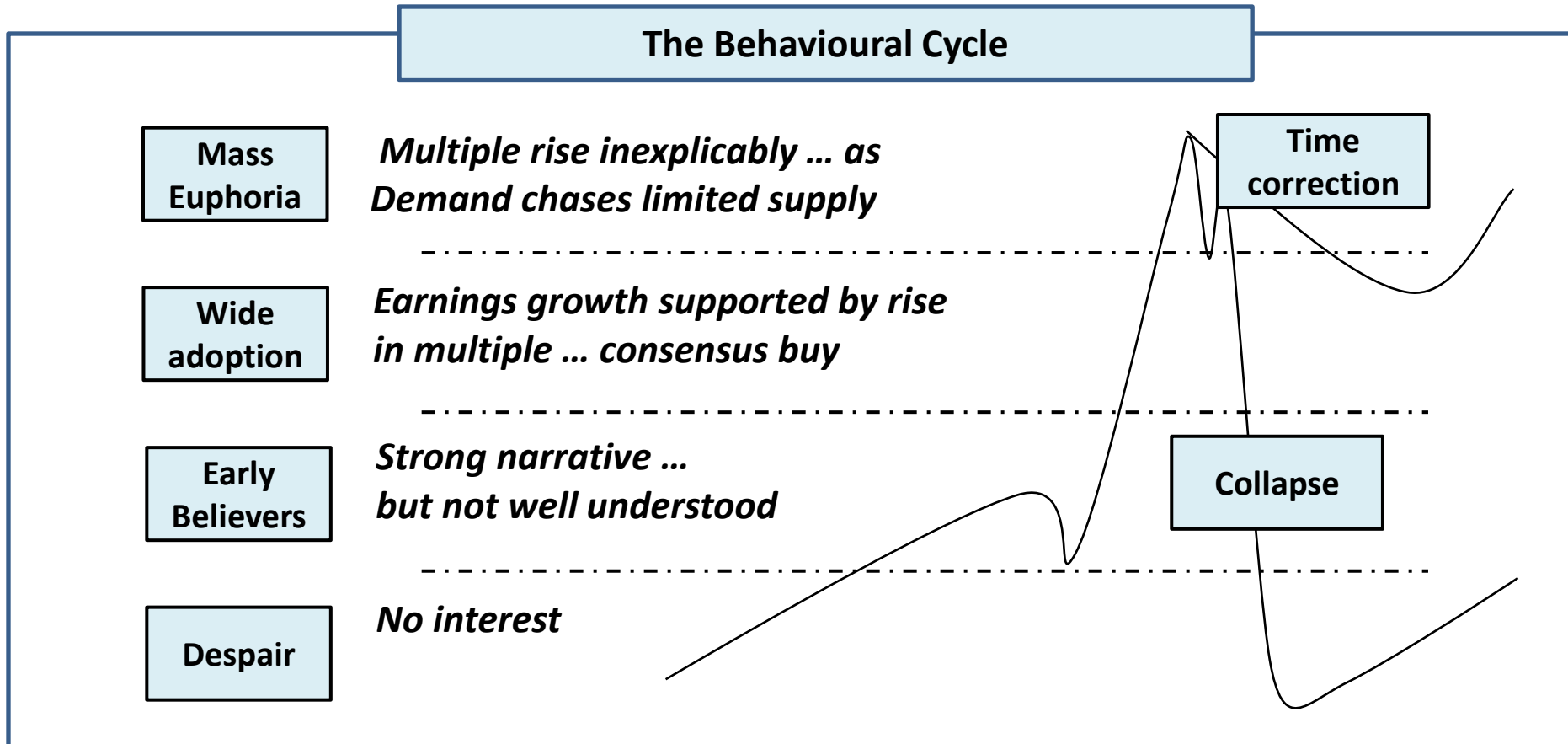
RISK MANAGEMENT: INVESTMENT CHECK LIST

GROWTH	<ul style="list-style-type: none"> • Large and growing opportunity + Benefitting from secular tailwinds • No threat from disruption 		
EDGE	<ul style="list-style-type: none"> • Favourable industry structure and eco system • Right to win. Leadership or domination of a niche. Relative market share • Scarcity, permanence, dependability • Reflected in high ROCE • High OCF generation – Capital light or can self finance growth 		
MANAGEMENT	<ul style="list-style-type: none"> • Long term orientation on a focused business definition • Capital allocation discipline. Balance sheet discipline • Past governance record + Direction of travel 		
VALUATION	<ul style="list-style-type: none"> • Growth + Exit multiple = targeted IRRs. Time to close gap • Longevity of growth; durability of franchise, predictability of growth 		
RISK MGMT.	<ul style="list-style-type: none"> • Understand sources of fragility • Invest in what we understand + Position sizing 		
EXIT STRATEGY	<ul style="list-style-type: none"> • Hold through corrections, Exit during euphoria 		
Desk research	Field visits	Mentorship from domain experts	Management meetings

WE TOLERATE SLIGHT OVERVALUATION FOR OUR COMPOUNDERS



ENTRY AND EXIT DECISIONS MUST LOOK AT WHERE COMPANIES ARE IN THE BEHAVIOURAL CYCLE



A disciplined approach could underperform in short term if one does not participate in euphoria

TOPICS

About us	Summary approach	Track record	Right for you?	
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Fees and other expenses	Team			

FEE OPTIONS- PRUDENCE SCHEME

Principal infused		2.5 to 5 Cr	5 to 10 Cr	10 to 25 Cr	25 to 50 Cr
Fixed	On NAV	2%	1.75%	1.5%	1.25%
Semi Variable (profit share drawn after 3 yrs.)	Fixed fee on NAV	1%	1%	1%	1%
	Hurdle rate pre tax	12%	12%	12%	12%
	Profit share above hurdle rate	20%	17.5%	15%	12%
Variable (profit share drawn after 3 yrs.)	Fixed fee	0%	0%	0%	0%
	Hurdle rate pre-tax	8%	8%	8%	8%
	Profit share above hurdle rate	20%	20%	20%	17%
Brokerage/GST at actuals. Additional 2bps for Custody & Fund accounting					

WE HAVE TWO SCHEMES WITH SAME STRATEGY THAT DIFFER ON LIQUIDITY AND CONCENTRATION RISK

Market Cap (In crs)	Prudence (as of today)	Market Cap (In crs)	Emerging Leaders (new launch)
>100000	42%	>100000	
25000-100000	12%	25000-100000	
10000-25000	9%	10000-25000	
5000-10000	12%	5000-10000	20%
2500-5000	7%	2500-5000	80%
<2500	17%	<2500	
	100%		100%

Only for existing partners (closed at present for new inflows)

FEE OPTION- EMERGING LEADERS SCHEME

Principal infused		2 Cr & above
Semi Variable (profit share drawn after 3 yrs)	Fixed fee on NAV	1%
	Hurdle rate pre tax	12.5%
	Profit share above hurdle rate	20%
Unlike Prudence, exit loads apply.		
Brokerage/GST at actuals. Additional 2bps for Custody & Fund accounting		

OUR PROMISE TO PARTNERS

Prudent risk taking + Ruthless long-term thinking.

Controlled pace of Solidarity growth to not lose focus on existing clients and start deploying capital at any price.

100% CIO skin in the game – complete alignment of positions

Customized portfolios for prices at time we accept capital.

Transparency

- Detailed Q Letters
- Blogs on relevant topics
- Quarterly review calls (group)

OUR TEAM

Member	Title	CV	Investing experience	Time with Solidarity
Manish Gupta	Founder and CIO	MBA IIM Ahmedabad BCG (7 years)	15+ years	9+ years
Manjeet Buaria	Partner	CA, CFA	10+ years	9+ years
Anirudh Shetty	Partner	CA, CFA	6+ years	8+ years
Naarah Pereira	Partner	BBA, MCOM	NA	9+ years
Don Thadeuse	COO	MBA, ex Quantum Advisors	NA	< 1 yr
Aman Thadani	Analyst	CFA	4+ years	2+ years
Pratik Jain	Analyst	MBA	NA	2+ years
Dinesh Gianchandani	Manager - Operations	CA	NA	2+ years
Prachi Sawant	Office Manager	PGDFM, BCOM	NA	>4 years

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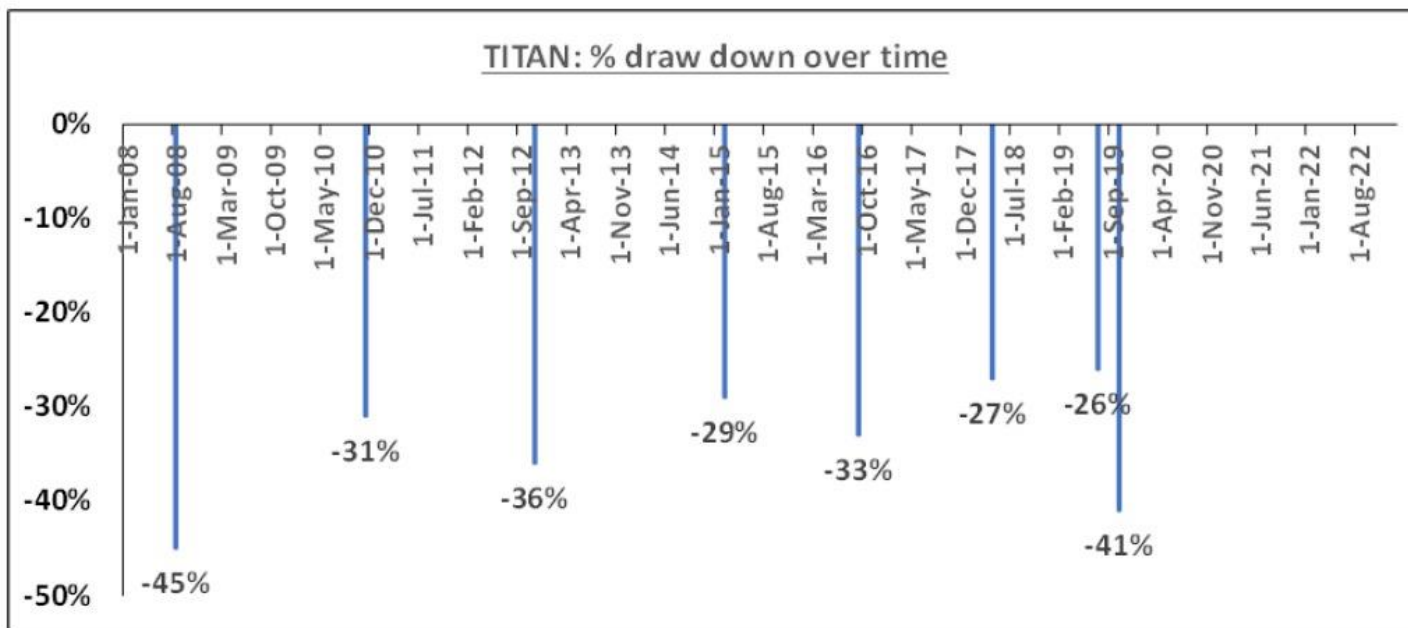
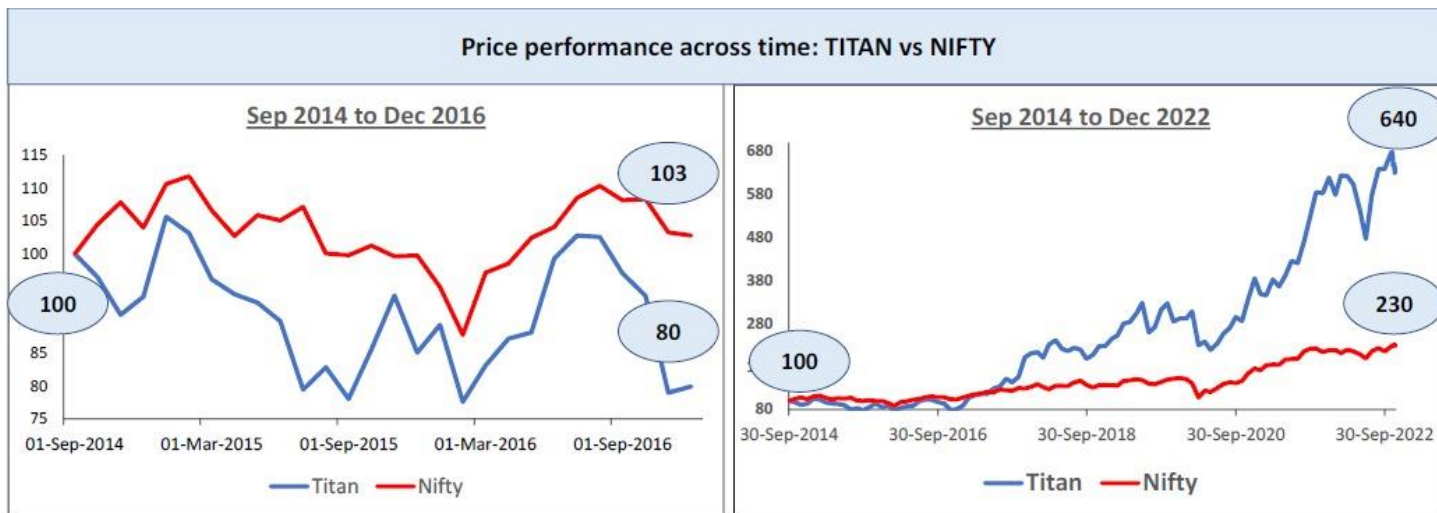
np@solidarity.in

STABILITY + LONGEVITY + ASSYMETRIC PAY-OFFS + PATIENCE (2)

Scenario A				Scenario B			
Position	Initial Capital	IRR	Closing Capital	Position	Initial Capital	IRR	Closing Capital
1	100	11%	284	1	100	-2%	82
2	100	11%	284	2	100	-2%	82
3	100	11%	284	3	100	11%	284
4	100	11%	284	4	100	11%	284
5	100	11%	284	5	100	11%	284
6	100	11%	284	6	100	15%	405
7	100	11%	284	7	100	15%	405
8	100	11%	284	8	100	15%	405
9	100	15%	405	9	100	30%	1379
10	100	30%	1379	10	100	30%	1379
			1000				4986
Compounding Time period (yrs)			10	Compounding Time period (yrs)			10
XIRR			15.0%	XIRR			17.4%
Market			11.0%	Market			11.0%
Alpha			4.0%	Alpha			6.4%

The very few investments that deliver Asymmetric outcomes influence results

STABILITY+ LONGEVITY + ASSYMETRIC UPSIDE + PATIENCE (3)



OUR APPROACH

- Quality: *Ensures survival. Ensures we don't panic during market dislocations. Better business 5 yrs out vs today.*
- Time. *Think 5-10 years, not 1-3 years*
- Concentration. *15-20 best ideas*
- Valuation. *Price paid matters. However, for companies at inflection points, fair value is hard to determine. Don't be greedy for the first 3% weight.*
- Conviction. *Do not hug the Index*
- Use size to advantage. *Be willing to embrace some illiquidity*
- Discipline. *Stay true to process when things not working. Trust in mean reversion.*
- Exit: *No foolish loyalty, but high bar for churn due to valuations. No ego if we are wrong.*

CORE INVESTMENT PRINCIPLES

- Buy “Quality”: ~18%+ sustainable ROE, a promoter that thinks long term, willing to re-invest in growth, “win-win” mindset, prioritizes resilience over speed.
- We want to be in businesses that will be better in 5-10 years vs today: benefiting from secular growth, leaders of their industry/dominate niches, with an expanding moat/edge at a broadly fair entry price. This will result in a high probability of long-term uninterrupted earnings
- Our choices may differ considerably from the Index with implications for short-term performance.
- We will be willing to embrace some illiquidity in the portfolio to take advantage of our size and fish where larger firms cannot.
- We will not chase the wrong risks to boost returns irrespective of how attractive valuations are. We will always have 100% alignment in interests.
- High bar for churn, but no foolish consistency