

Fident India Builder Equity Portfolio (FIBER)



**FIDENT ASSET
MANAGEMENT**

28 Feb 2025



Founder & CIO



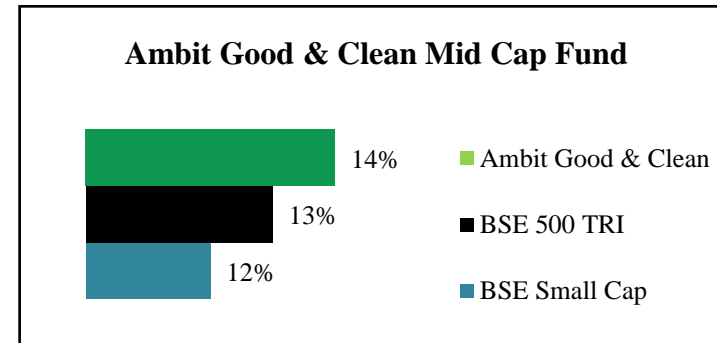
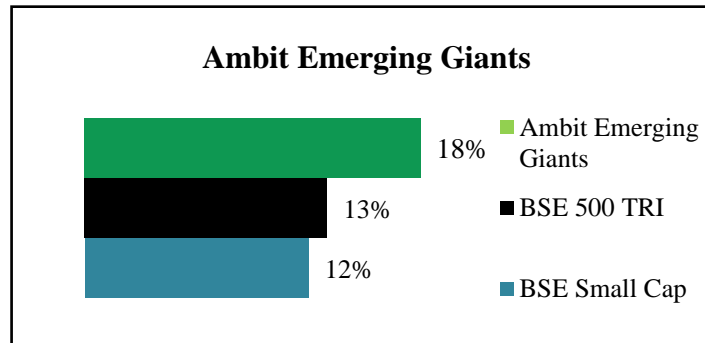
Aishvarya Dadheech

CA, CFA, MBA



- Aishvarya brings a wealth of investment experience spanning **18** years
- Prior to founding **Fident**, he served as **Director and Equity Fund Manager** for **Ambit Asset Management's** PMS Strategies from April 2017 to May 2023
- He was associated with **Reliance Life Insurance** as **Equity Fund Manager** from July 2010 to March 2017
- Additionally, he worked as an **Equity Research Analyst** at **Crisil Limited** from June 2007 to July 2010

Performance Track Record



(5 year returns as on May 2023, AUM 2800 Cr.)



Founder & CEO



Bhavin Jatania

PGDM (MDI Gurgaon),
CFA L3 Candidate



- Bhavin has over **18** years of experience across asset and wealth management, advisory and distribution
- He has worked across diverse areas such as product structuring, asset allocation, investment advisory, strategy and business development
- Prior to founding **Fident**, Bhavin was part of the start up team at **360 One Asset Management**
- During his 7 year stint at 360 One asset, he worked on product innovation, structuring, strategy and business development across multiple asset classes and platforms across including AIFs, PMS, and mutual funds
- Prior to joining 360 One Asset, Bhavin spent more than a **decade** working across wealth management and advisory at **IDFC Bank**, **Edelweiss wealth management** and **ICICI Bank**
- Bhavin holds a Post Graduate Diploma in Business Management from MDI, Gurgaon, and is a CFA Level III candidate



Our Investment Team



Pavan Kumar

MBA (IIMA), B. Tech (IITM), CFA



- **Pavan** has more than **12 years of experience** across banking, portfolio management and equity research
- Prior to joining Fident, he worked with **IIFL Capital, Singapore** and IIFL Asset Management, Mumbai for more than 8 years and with **Standard Chartered Bank** in India and Singapore for more than 3 years.
- He completed post graduation in management from IIM Ahmedabad and is a graduate in mechanical engineering from IIT Madras. He has also cleared all 3 levels of CFA examination.



Mihir Damania

Chartered Accountant



- **Mihir** has over **4 years of experience** across equity research and financial due diligence.
- Prior to joining Fident, he was at **Ambit Investment Advisors** as an equity research analyst.
- Additionally, he's worked at **Deloitte Haskins and Sells LLP** as an assistant manager.



Our Investment Team



Nikhil Purohit

BBA (NMIMS), CFA L3 Candidate



- **Nikhil** has completed his bachelors in business administration from **NMIMS**, specializing in finance, in June 2022.
- Prior to joining Fident, he worked at **Felix Advisory** as a Transaction Advisory Intern and underwent equity research and portfolio management training in an internship cum live project at Finlatics.
- He is a CFA Level III candidate.



Varun Gandhi

MSc (Bayes Business School),

CFA L3 Candidate



- **Varun** has over 2 years of experience in equity research and investment analysis.
- Prior to joining Fident, he worked as an equity research associate at **Choice Institutional Equities** in Mumbai and interned at **Amakor Capital** in London.
- He holds an MSc in Investment Management from Bayes Business School, London, and a B.Com in Accounting & Finance from NM College, Mumbai.
- He is a CFA Level III candidate.





Our Values

It's the

F CLIENT
FIRST

I NTEGRITY

D ISCIPLINE

E NTREPRENEURAL

N URTURE TALENT

T EAM WORK

Way!



Our Investment Philosophy



4 PILLARS OF INVESTMENT

Capital efficiency

- Strong moat/
competitive
advantages
- Leading to higher
ROCE/ROE

Management competence

- Focus on integrity
and capabilities
- Track record of
minority
shareholder
treatment

Long growth runway

- Sectors with high
growth potential
- Growth translating
to earnings and cash
flows

Valuation comfort

- Favorable risk-
reward
 - Reasonable
valuations based on
long term averages
& growth adjusted
basis
-





Investment Thesis

- *Over the past decade, the government has placed a strong emphasis on reforms across key sectors*
- *This resulted in notable growth and progress across these priority sectors*
- *We expect the same pattern of reforms to continue, if political stability prevails.*

RENEWABLES

India EV policy to encourage local production of premium electric cars: Audi official



cnbctv18

Road ministry confident of achieving 13,814 km highway construction target in FY24

Budget 2024: Govt proposes housing scheme for middle class, 2 crore rural houses to get backing

Economy

India's defence exports skyrocket to ₹21,000 crore

Commerce & Industry

PLI schemes attract over Rs 95,000 crore investment till September this year

RENEWABLES

India to achieve 500 GW renewables target before 2030 deadline: RK Singh



Government Reforms (2014-24)

DIGITISATION



MANUFACTURING



PLI 15% Tax Rate



INFRASTRUCTURE



PRODUCTIVITY

GST #startupindia

EASE OF DOING BUSINESS



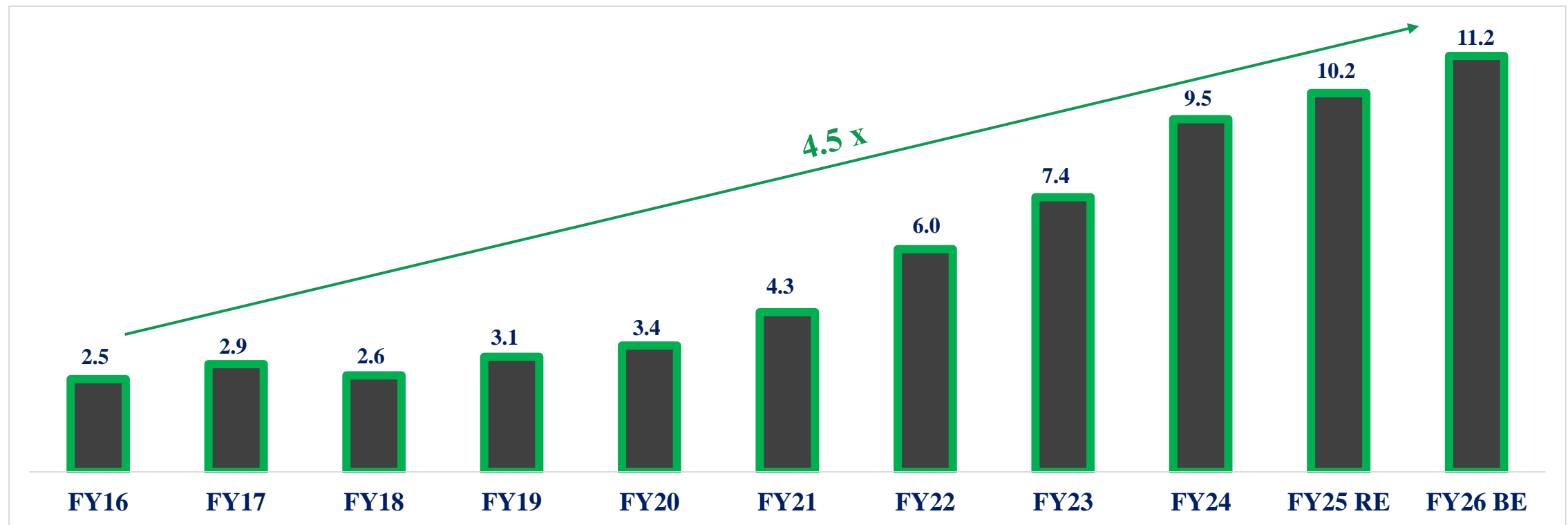
REDUCTION IN SUBSIDIES



Significant Rise in Government Capex

- Paradigm shift in Government spending from revenue expenditure to productive capital expenditure
- Govt has communicated willingness to continue high capex investments
- Unprecedented & far-reaching impact for generations to come

Government Capex (INR tn)





Beneficiaries of Government Reforms: Case Studies



Case Study 1: Defence



Atmanirbhar Bharat
Encourage domestic production;
reduce imports



Positive Indigenisation Lists (PIL's)
Restriction list of defence equipment



SRIJAN Portal
An online platform highlighting current imports in defence

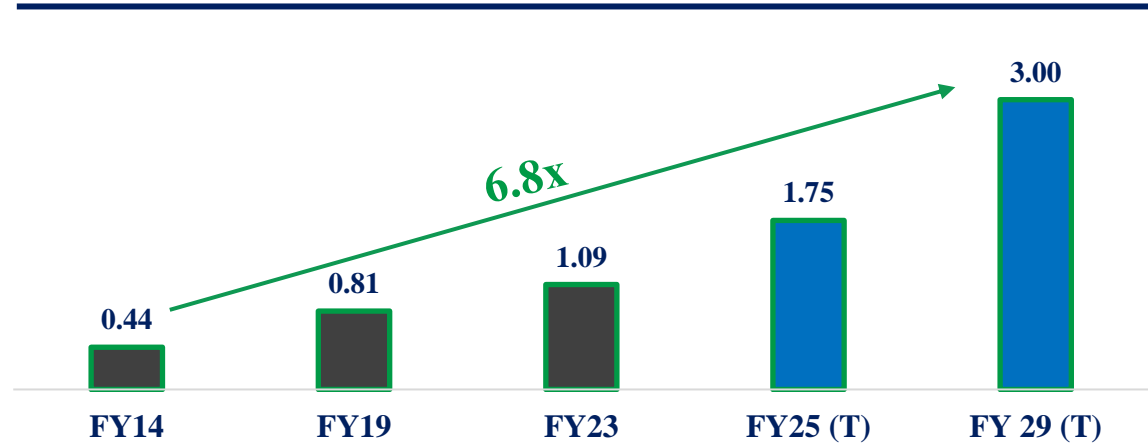


Dedicated Defence Industrial Corridor
2 dedicated zones in UP & Tamil Nadu

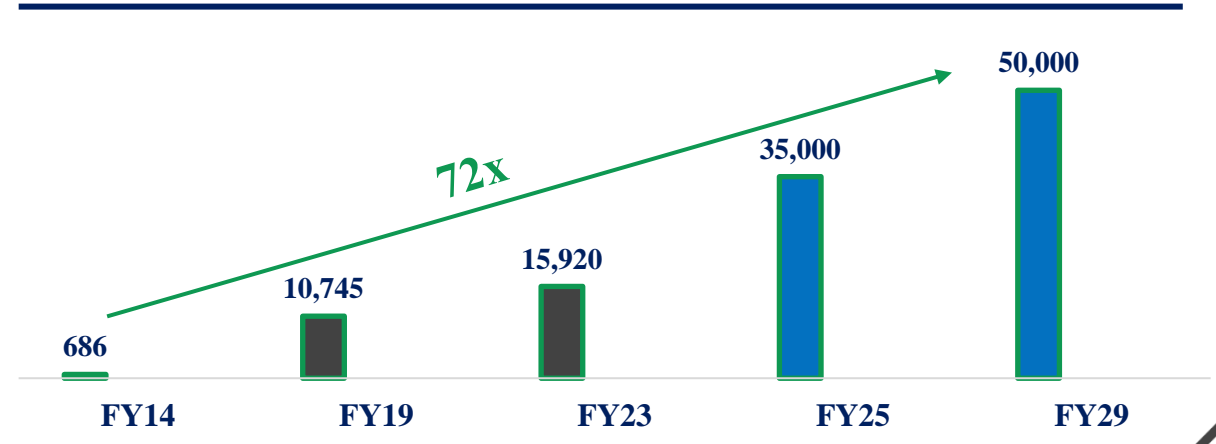


Foreign Direct Investment
Allows 74% FDI under automatic route

Defence Production (in INR Lakh crores)



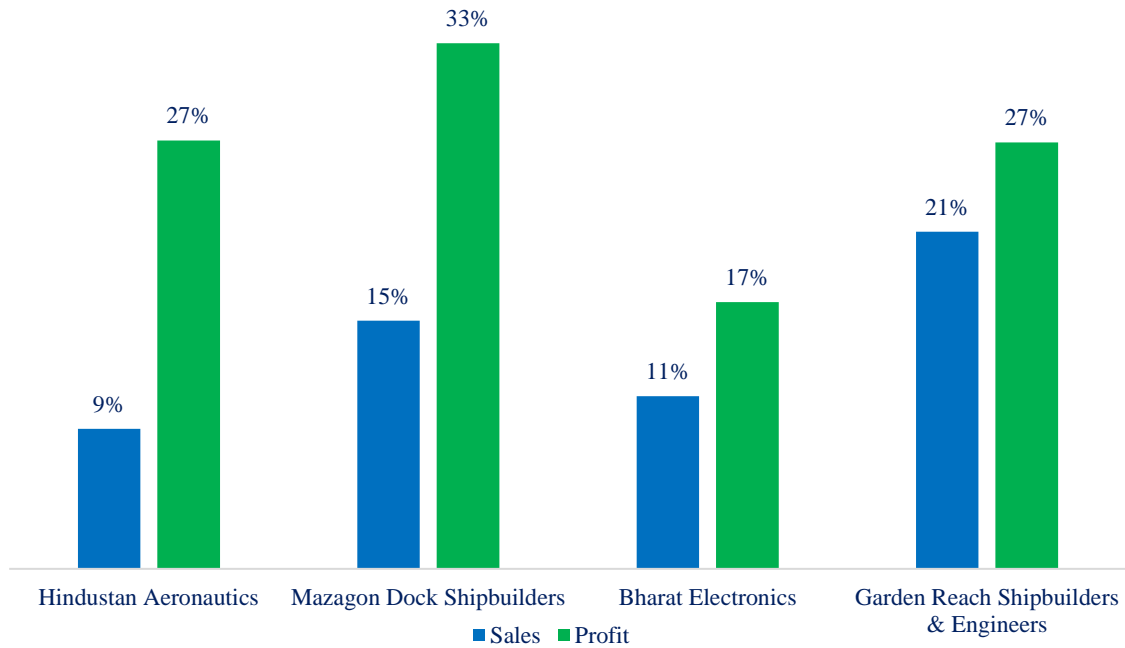
Significant rise in Exports (in INR crores)



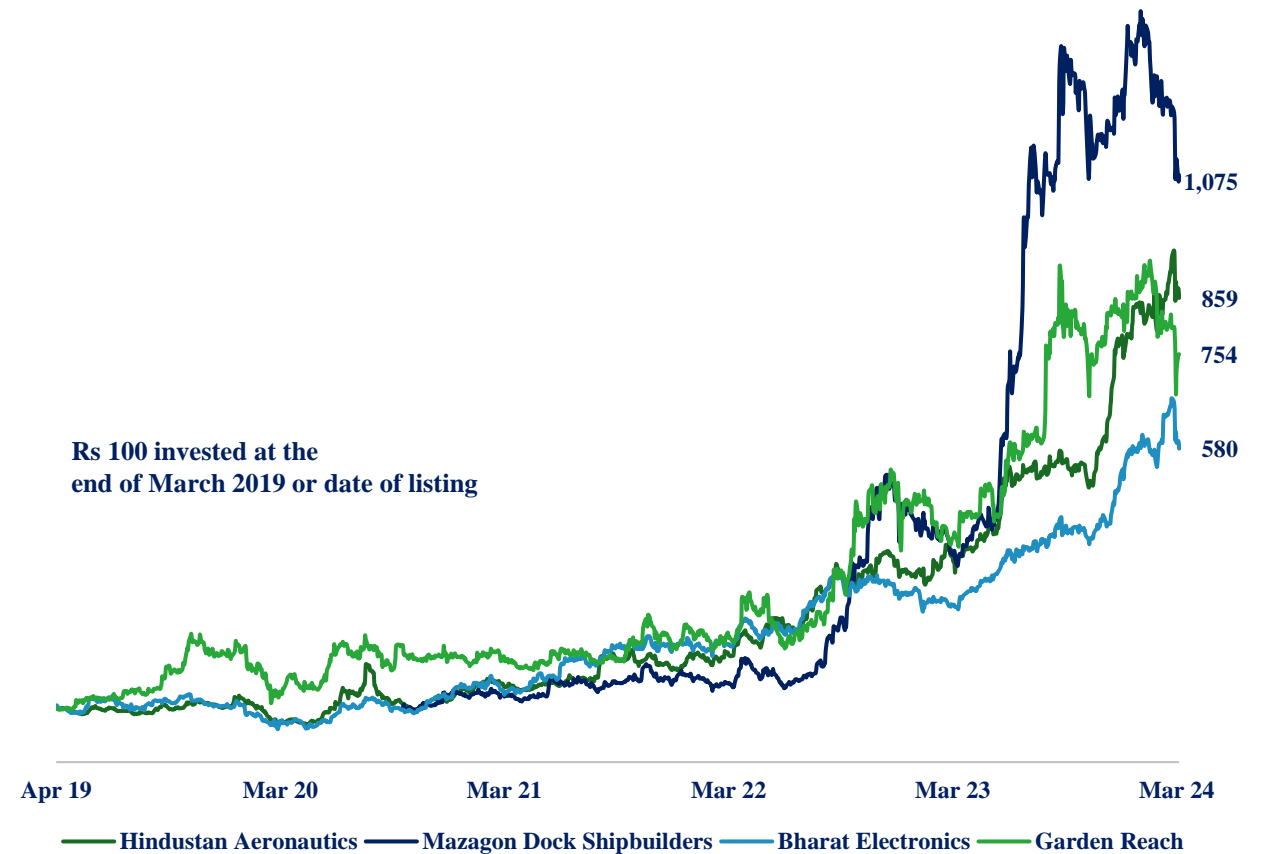
Key Beneficiaries & Performance

Sales and Profit CAGR

(FY 19-24)



Share price performance




Case Study 2: Railways



VANDE BHARAT

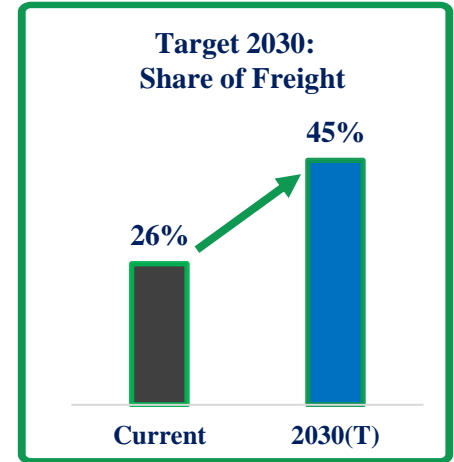
Vande Bharat Trains
High-speed trains of up to 160km



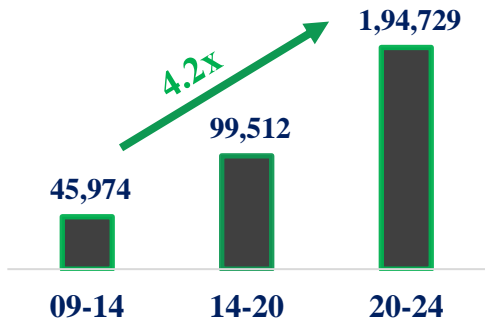
Dedicated Freight Corridor (DFC)
Dedicated tracks for freight movement



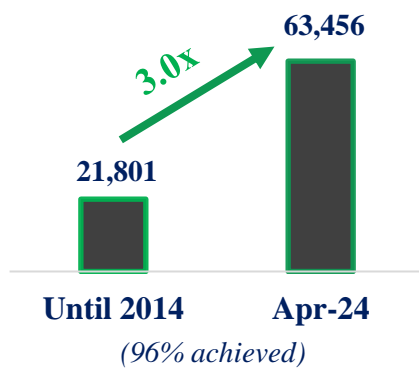
Gati Shakti Cargo Terminal
Multi-modal cargo terminals for seamless goods movement



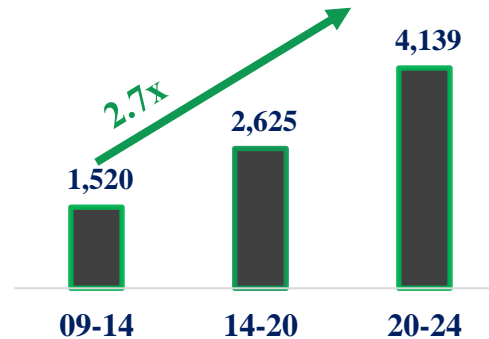
Average annual capex (Rs Cr)



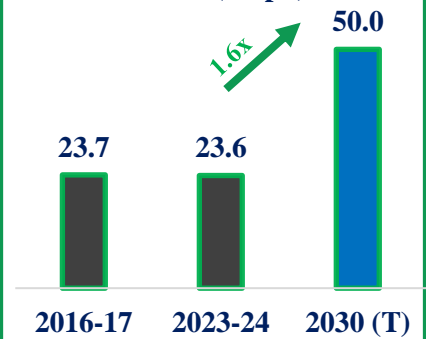
Electrification (in km)



Average new lines constructed (km)



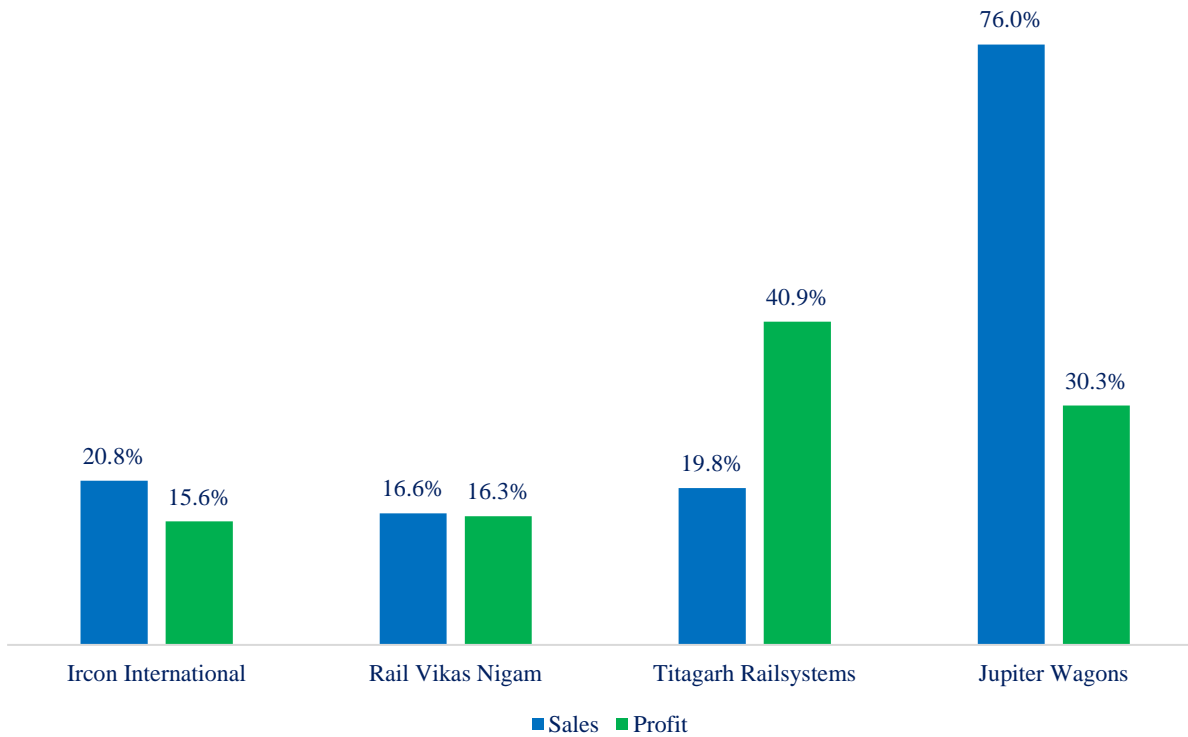
Target 2030: Speed of Freight Trains (kmph)



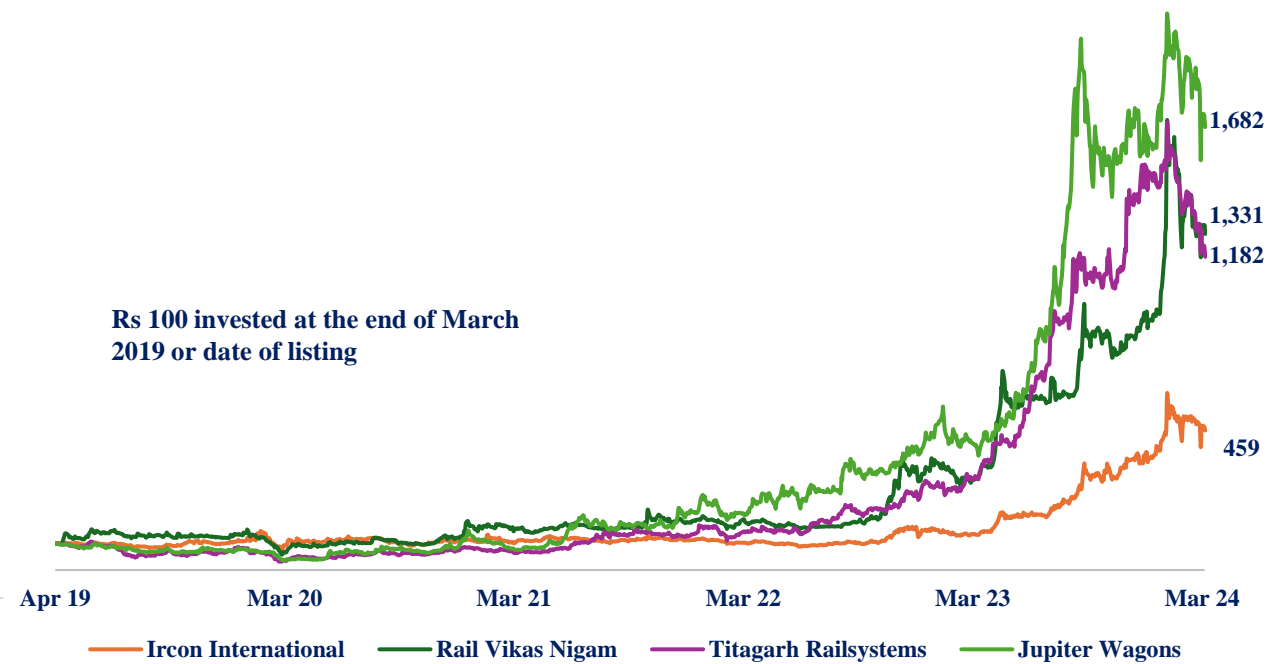
Key Beneficiaries & Performance

Sales and Profit CAGR

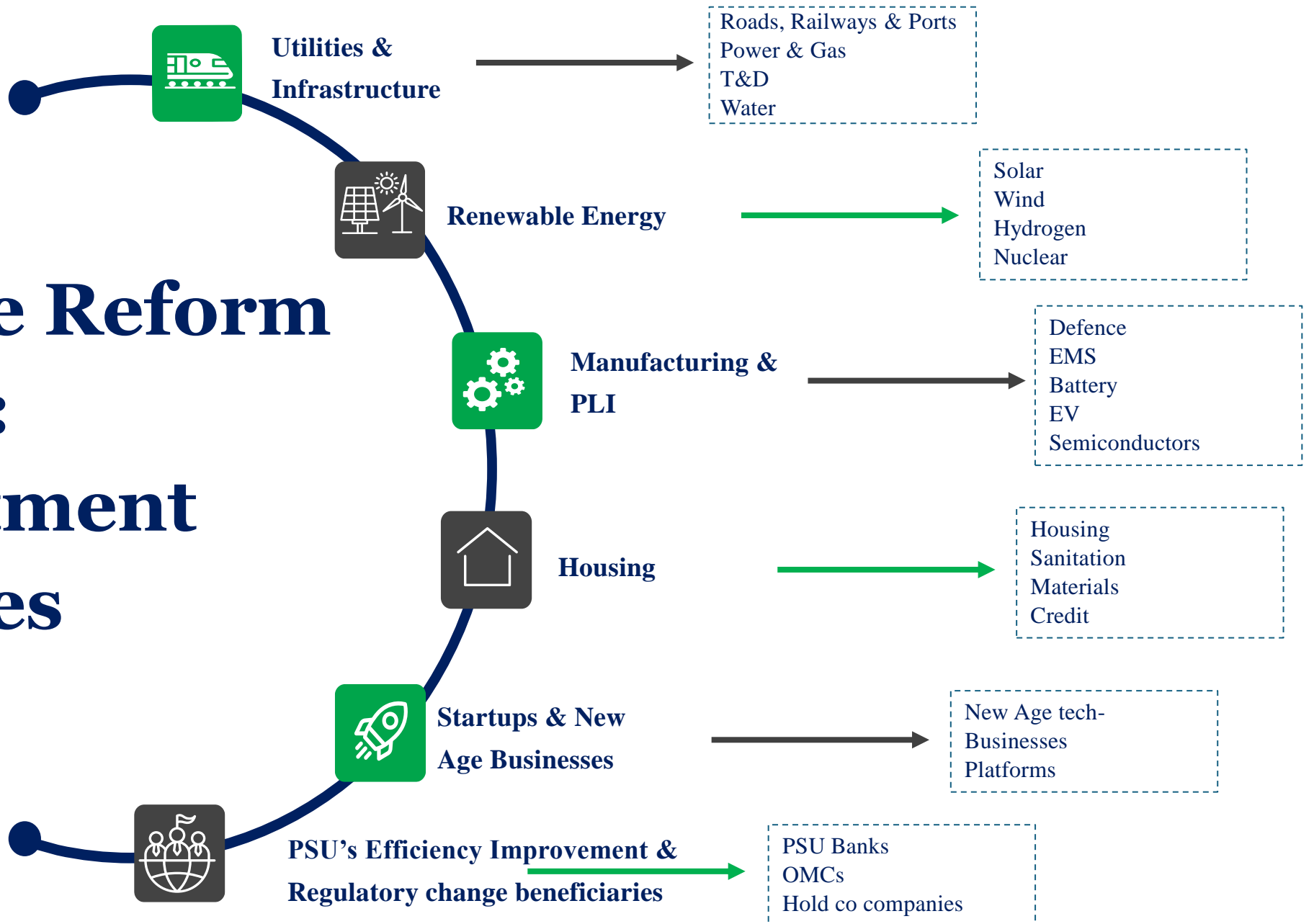
(FY 19-24)



Share price performance



Future Reform Areas: Investment Themes



National Highways : Growth, Initiatives & Targets



BHARATMALA
ROAD TO PROSPERITY

Bharatmala Pariyojna

Improving efficiency of existing highway network & extending highway network



Multi-Modal Logistic Parks

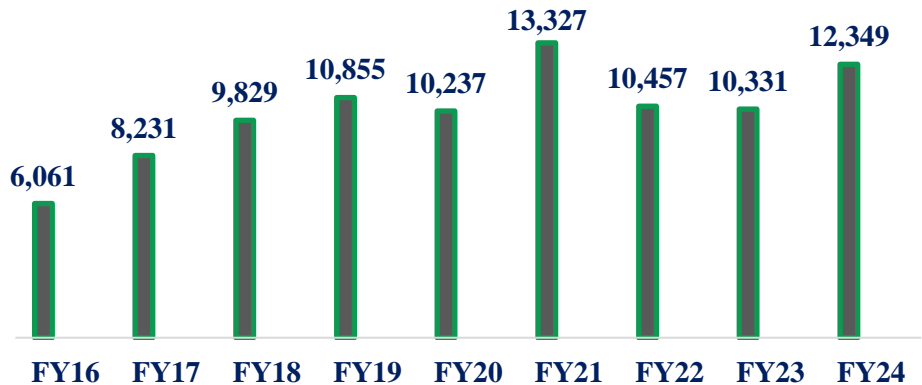
Strategic hubs with seamless connectivity between different transport modes

PM Gati Shakti
National Master Plan for Multi-Modal Connectivity

PM Gati Shakti

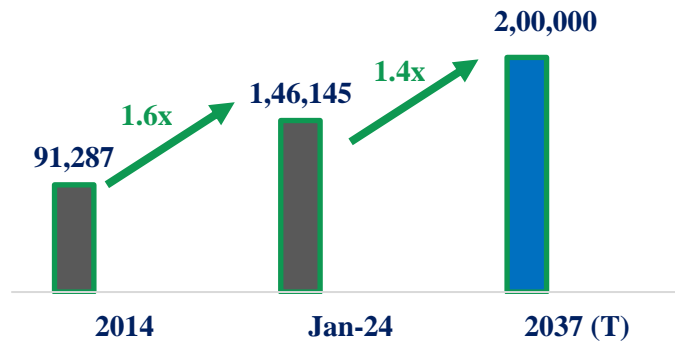
Digital platform facilitating integrated planning & coordinated project implementation across 16 ministries

Length Constructed (in km)

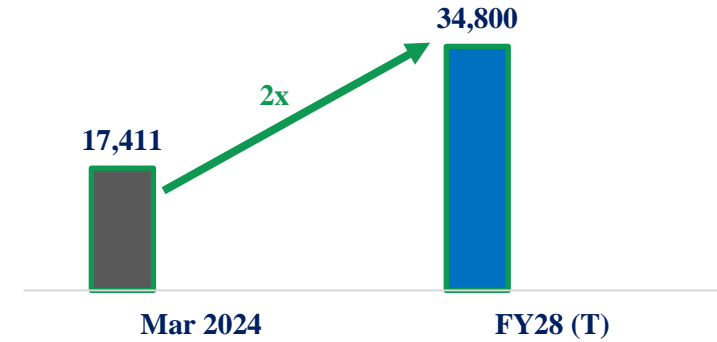


Road construction per day rose from 12 km/day in FY15 to 34 km/day in FY 24

Length of National Highways (in km)



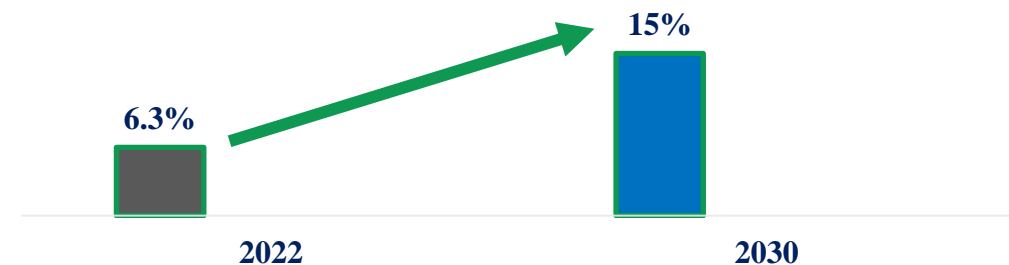
Bharat Mala Pariyojana : Phase 1



Gas Sector Growth, Initiatives & Targets

Parameters	2014	2024
Natural Gas Pipelines (km)	15,340	24,945
No. of City Gas Distribution Networks	53	307
Piped Natural Gas Connections	25.4 lakhs	1.36 crores
CNG Stations	738	6,088
City Gas Distribution Coverage (area wise)	5.6%	100.0%
LNG Terminals	4	7
LPG Connections	14.5 cr	32.8 cr

Natural Gas Share Target



SATAT Initiative

Establish an ecosystem for production and utilization of Compressed Bio Gas (CBG)



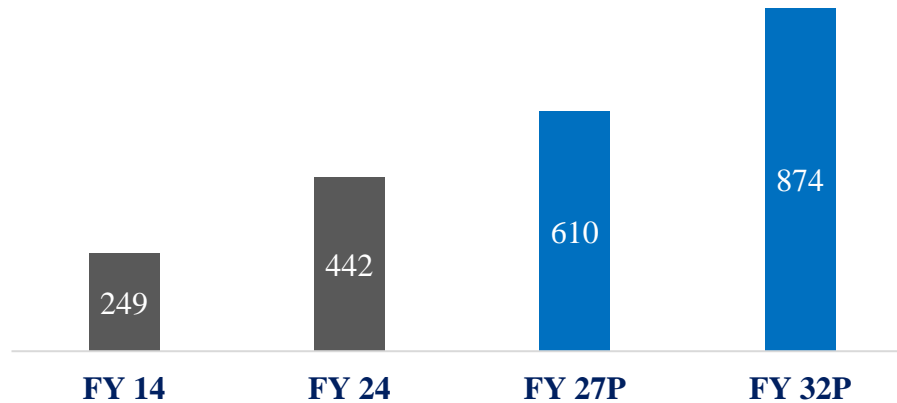
HELP

Streamline exploration and licensing procedures to attract investments in the sector



Renewable Energy

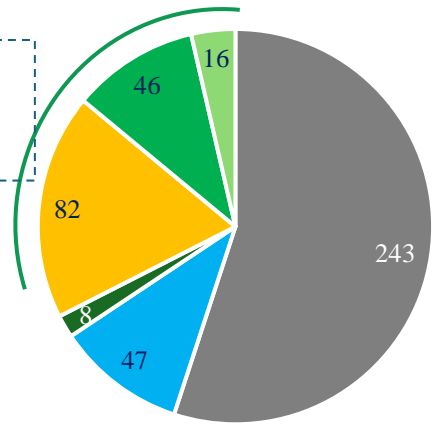
Power Generation Capacity (GW)



- Majority capacity growth is targeted from renewables with **Solar capacity targeted to grow to 4.4x at 365 GW and wind capacity targeted to grow approximately 2.7x at 122 GW by FY 2032**
- Total investment of **Rs. 33.6 lakh crore (USD 400 bn)** with 3.78 mn power professionals requirement by 2032

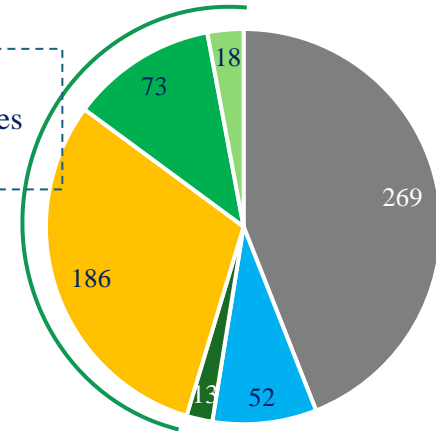
FY24 Capacity – 442 GW

Share of renewables
33%



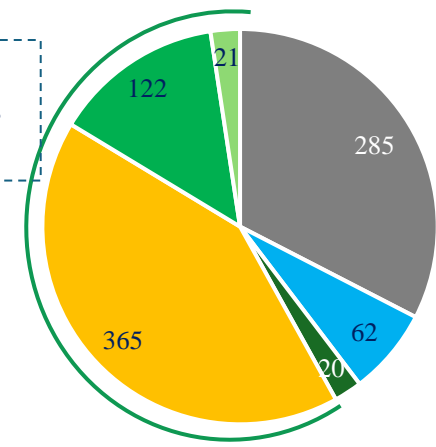
FY27 Projected Capacity – 610 GW

Share of renewables
45%



FY32 Projected Capacity – 874 GW

Share of renewables
58%



■ Thermal ■ Hydro ■ Nuclear ■ Solar ■ Wind ■ Other RE

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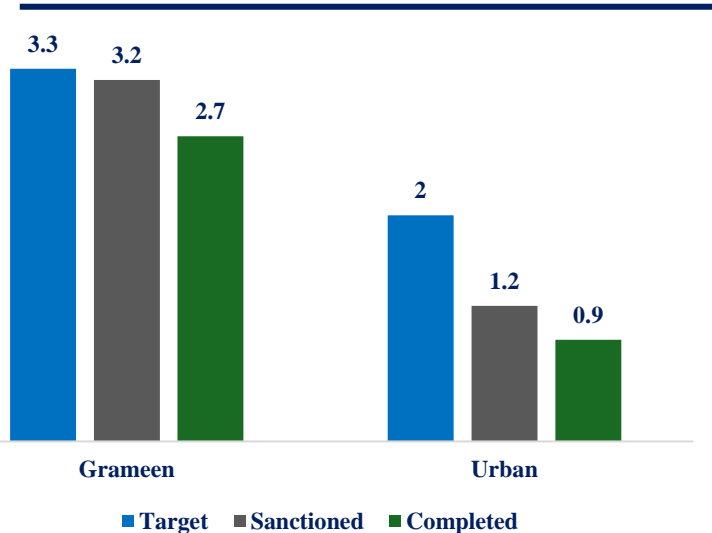
■ Thermal ■ Hydro ■ Nuclear ■ Solar ■ Wind ■ Other RE



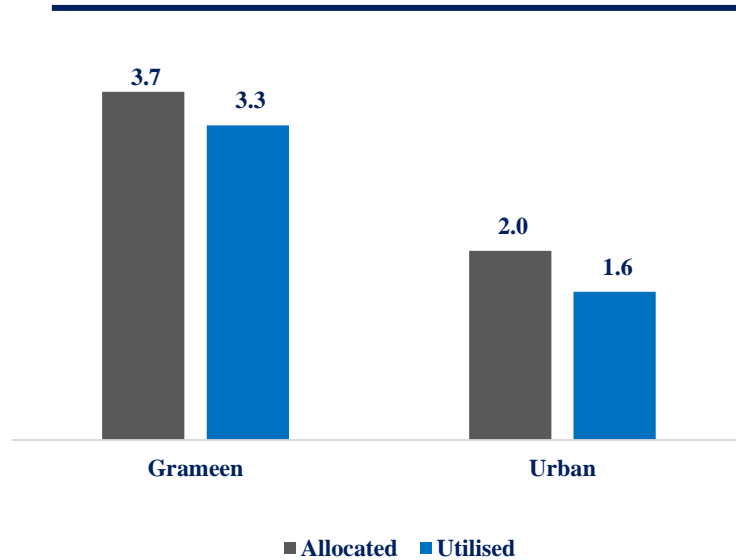
Housing for All

- Pradhan Mantri Awaas Yojana: Enabling all weather pucca housing to eligible beneficiaries
- Sanctioned 4.15 crores of houses against target of 4.95 cr and spent Rs 2.88 lakh crore
- Budget FY25 provided for additional target of constructing 2 cr houses under PMAY Gramin with support of Rs 2.4 lakh crores

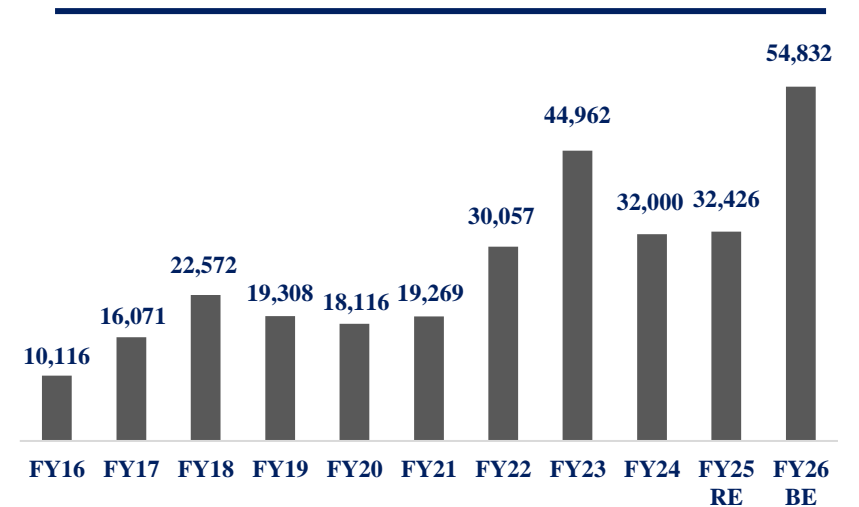
Construction of Houses (# Crores)



Financial Progress (Rs Lakh Crores)

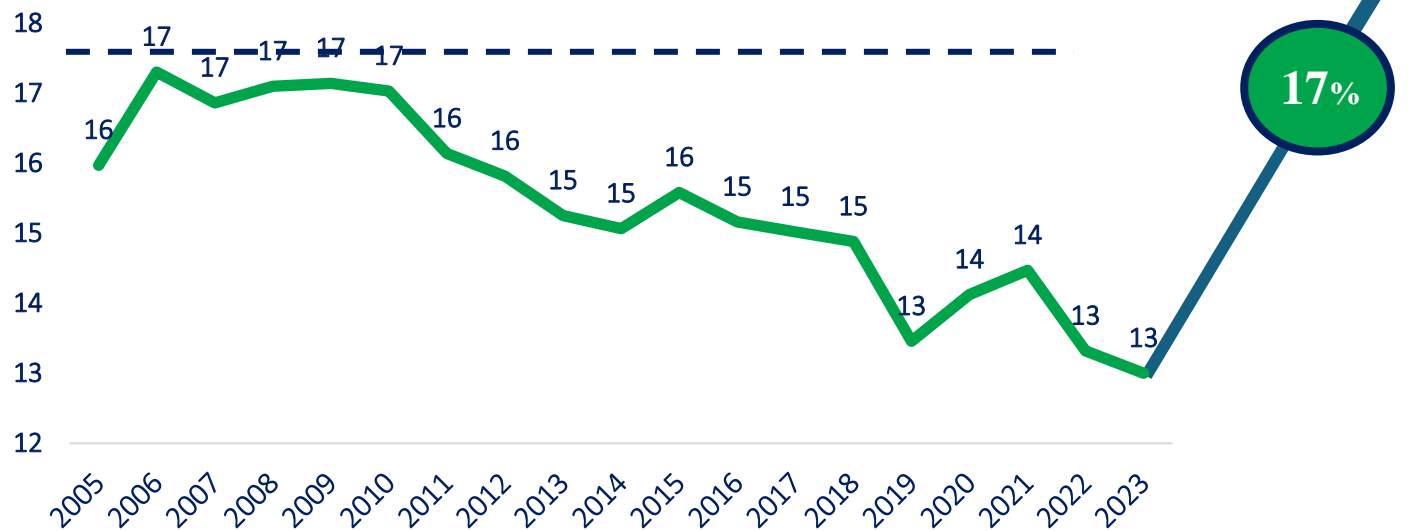


Budgetary Allocation to PMAY Gramin (Rs Cr)



India's Manufacturing to boost

Manufacturing (value added) as a % of GDP



We expect India's manufacturing to reach its historical levels

1. Govt Initiatives

- Production Linked Incentives
- Make in India
- Ease of doing business reforms
- Huge capex investment

2. Favorable Demographics

- Large & young workforce
- Rising domestic demand

3. Global Shifts

- China + 1 Strategy

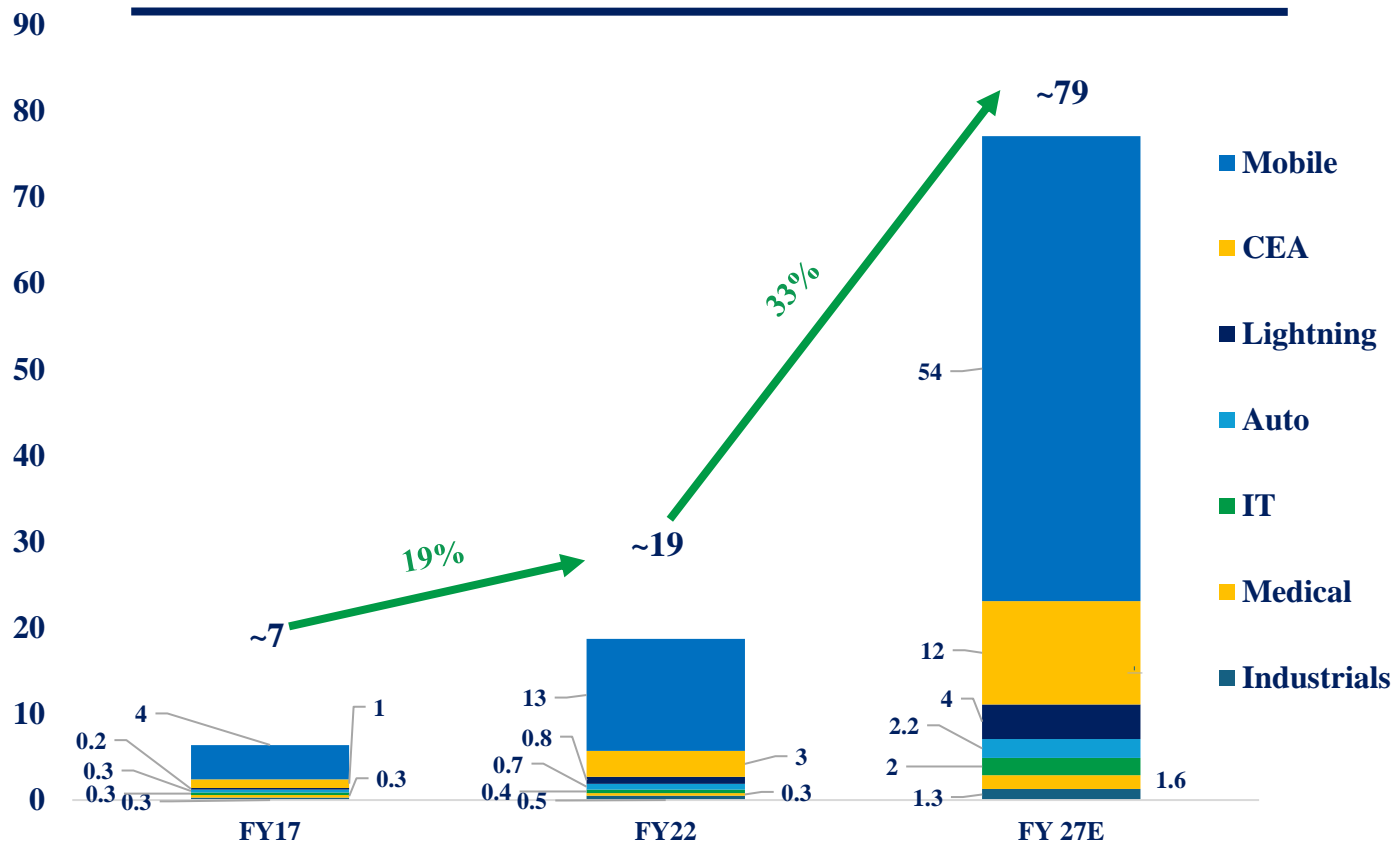
4. Revival of Private Capex



EMS market

Indian EMS market is expected to reach \$ 80 bn by 2027

India's EMS Market (USD Bn)



Growth Drivers

1. Domestic Ecosystem Development

PLI Scheme to increase accessibility to components and other services

2. China + 1

Global outsourced EMS to shift to India as players look to diversify supply chain

3. Increase in source of outsourcing

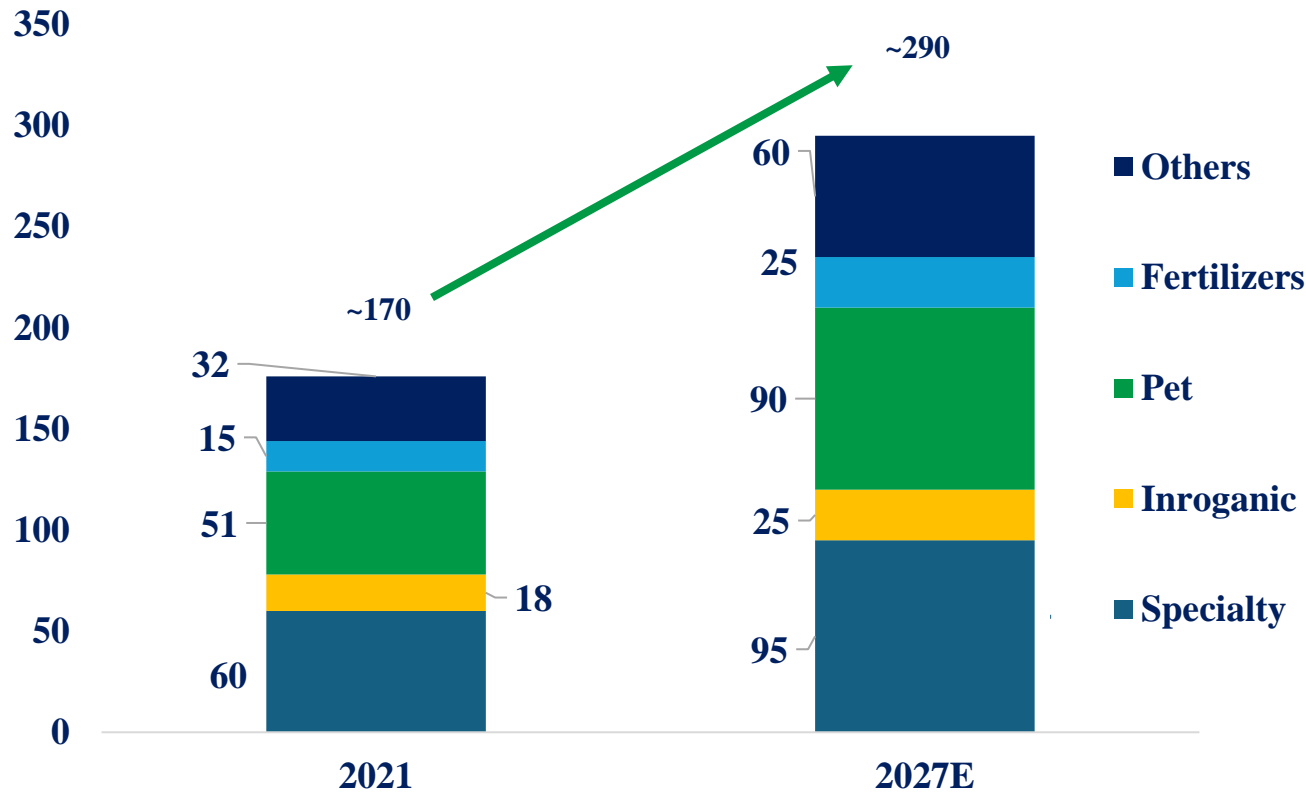
OEMs to outsource more to domestic EMS players as they have started offering complete design apart from contract manufacturing



Chemical market

Indian chemical market is expected to become \$ 290-310 bn. by 2027

India's Chemical Market (USD Bn)



Growth Drivers

1. Domestic Consumption

India is expected to account for more than 20 percent of incremental global consumption of chemicals over the next two decades.

2. Changing Consumer Preferences

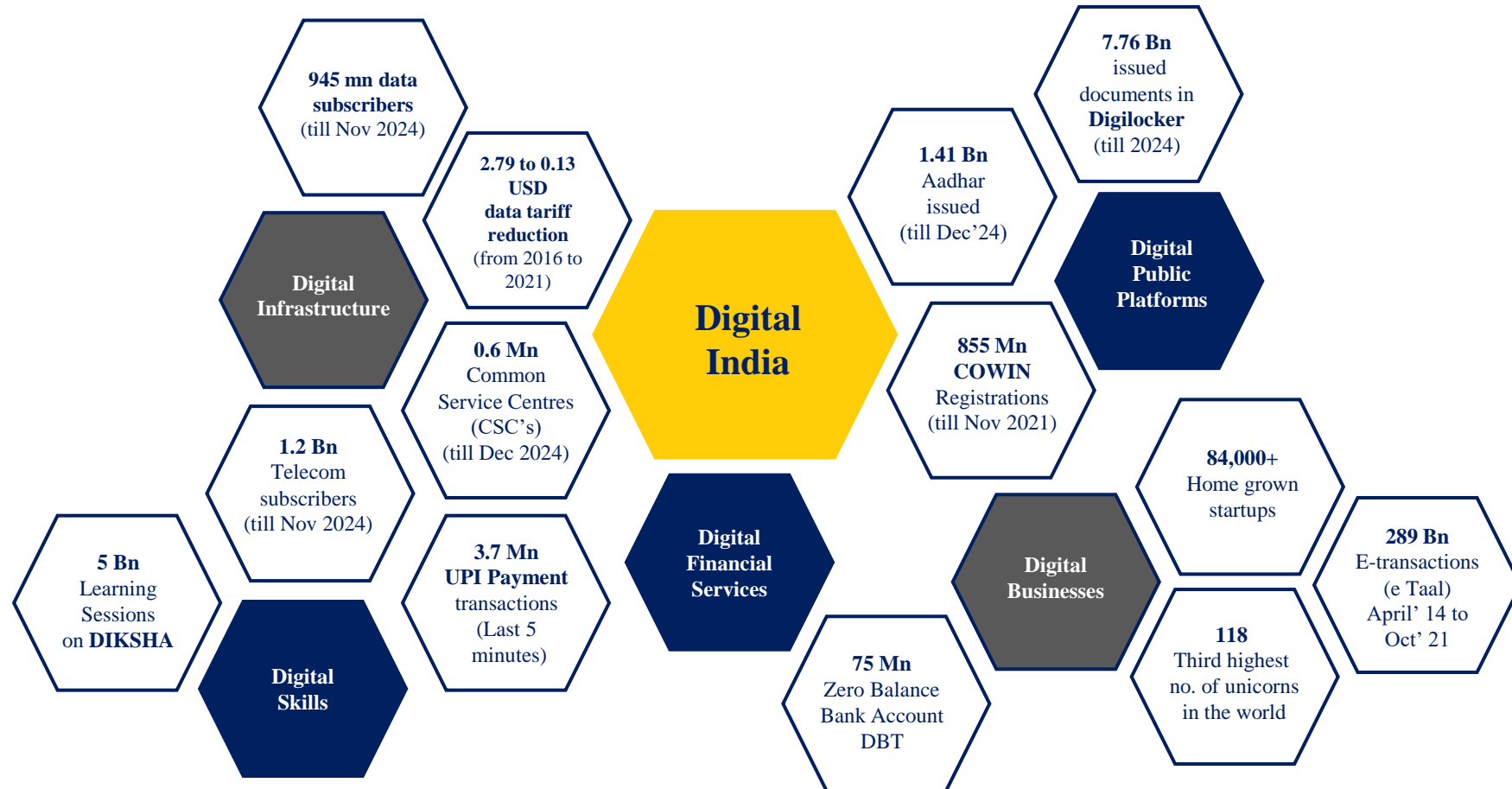
The growing demand for biofriendly products globally could benefit India, as it is among the leading producers of many chemicals that are used in such products.

3. Shifting Supply Chains

Triggered by the evolving geopolitical scenario and the trend to diversify from the existing core manufacturing markets, firms are seeking to make their supply chains more resilient.



Rapid Digitalisation



Rapid digitization creates a supportive ecosystem for business, service sector and the overall economy

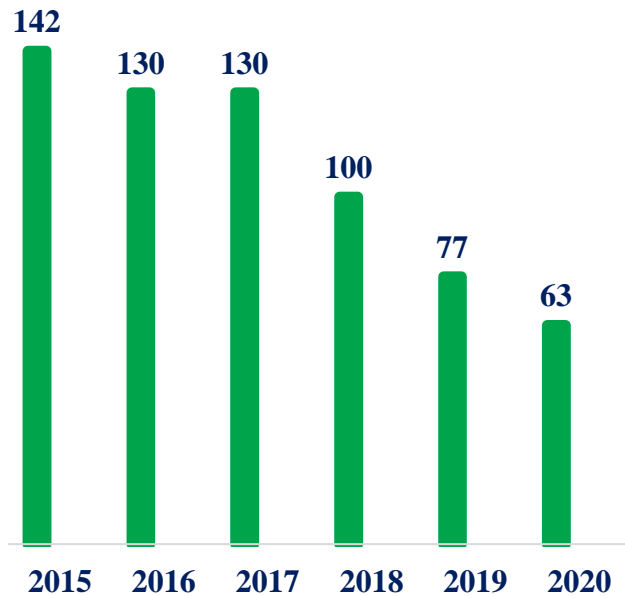
- Reduction in operational costs & inefficiencies. expansion of market reach & access to talent
- Promotion of cashless transactions & financial inclusion
- Facilitation of data driven decision making and innovation



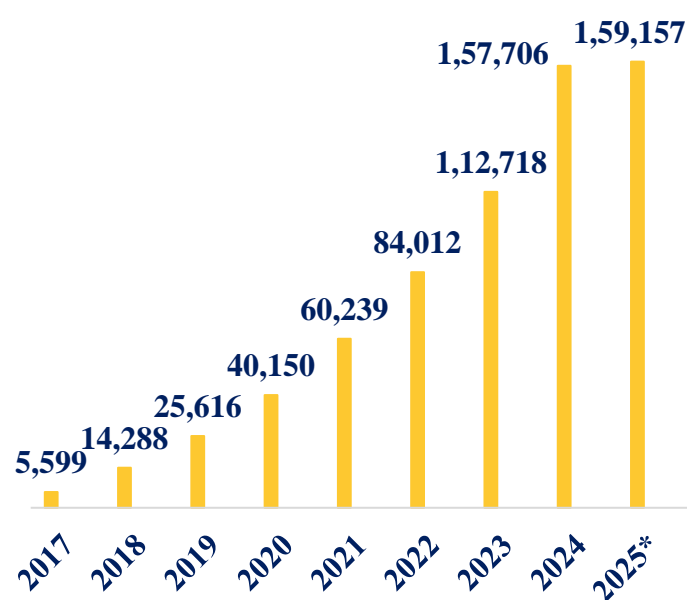
Growing Entrepreneurial Mindset

- Increasing acceptance of risk-taking, improving ease of doing business coupled with enablers such as smartphone penetration, and digital payments are driving India's startup culture
- Relevant use cases, vast consumer pool and stable political environment have made Indian startups darlings of global PE, VCs resulting in more than 100 start ups with greater than \$1bn valuation

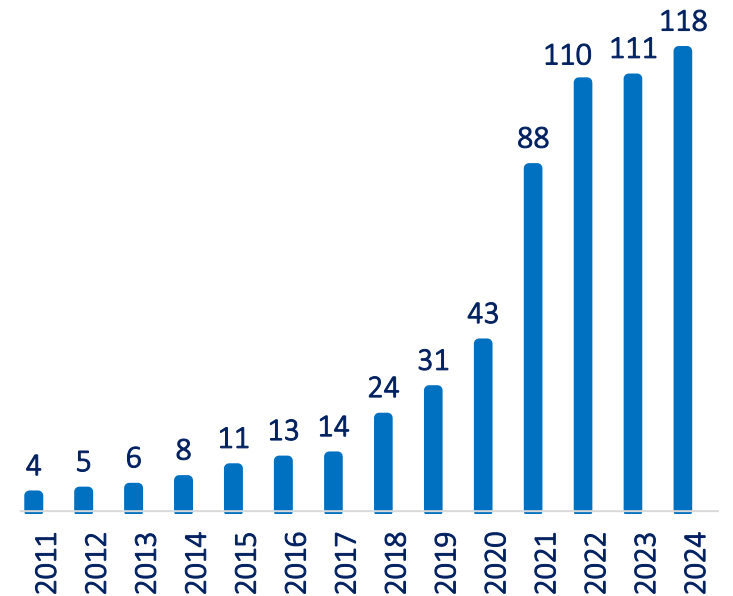
Ease of doing business ranking



Number of recognized startups



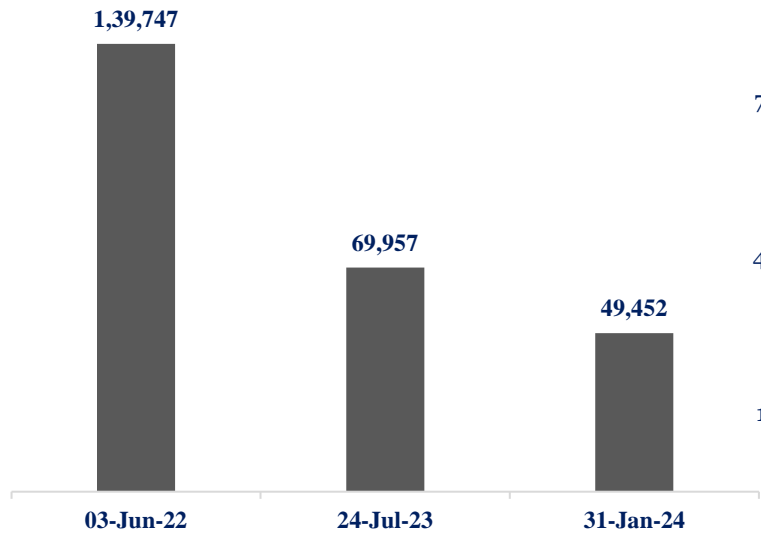
Number of unicorns



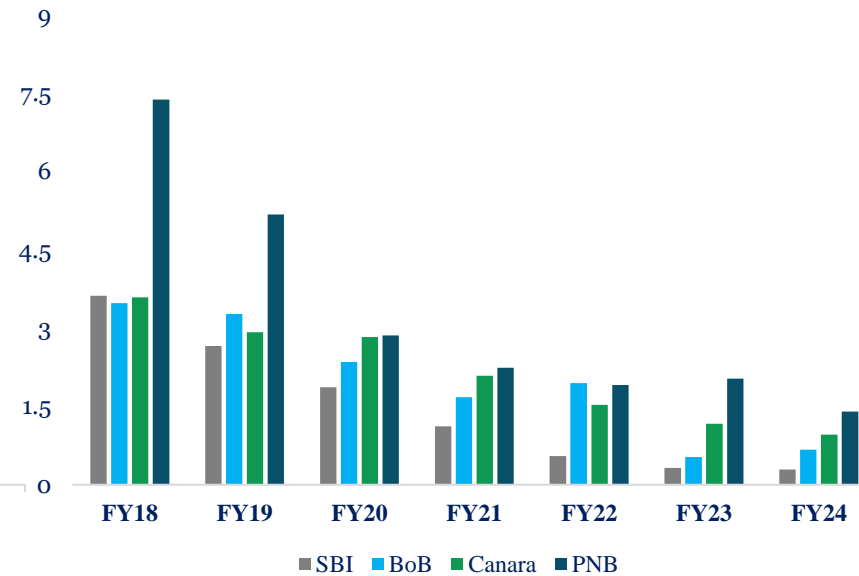
PSU Efficiency

- *Electricity (Late Payment Surcharge and Related Matters) Rules 2022: total unpaid bills have reduced from around Rs. 1.4 lakh crores in June 2022 to around Rs.49,450 crores in Jan 2024*
- *Insolvency and Bankruptcy Code, 2016 (IBC): Credit cost of PSU banks has come down from 2-7% range in FY17-FY20 period to 1-4% in FY21-FY24 period.*
- *Divestments: Successfully generated more than Rs 4 lakh crores through divestments from FY16 till date.*

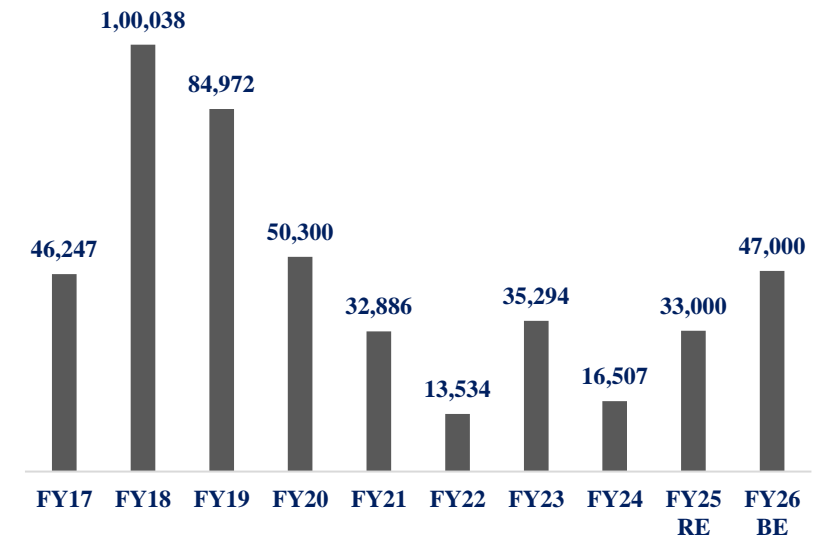
Total outstanding dues of power distribution companies (Rs Cr)



Credit cost of public sector banks (% of AAUM)



Divestment (Rs Cr)



Our Risk Management Approach

We perceive risk as **permanent capital impairment** and adhere to the following approach to safeguard against such occurrences, prioritizing effective risk management.

1. Portfolio Construction

- Approach: theme driven & bottom up
- Max allocation to a theme: 40%
- Min allocation to a theme: nil

2. Effective Liquidity Management

No more than 10% of the portfolio will take more than 10 days to liquidate



3. Balanced Diversification Strategy

Target portfolio of ~15-30 stocks

4. Limits on Stocks and Sectors

- Market cap agnostic
- Single stock exposure : 10%

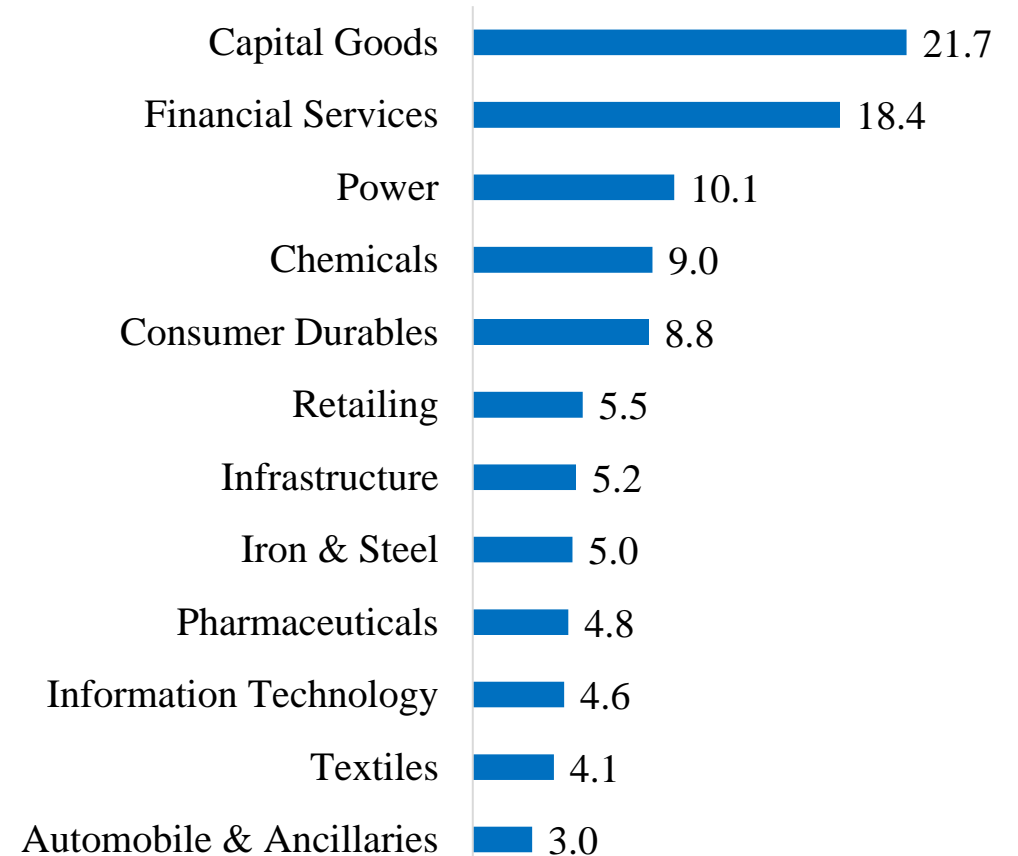


FIBER Portfolio

Top 10 Holdings

Company	Weight (%)
Home First Finance Company India Ltd.	7.0%
Zomato Ltd	5.3%
Interarch Building Products Ltd.	5.0%
Venus Pipes & Tubes Ltd.	4.8%
Neogen Chemicals Ltd.	4.7%
Laurus Labs Ltd	4.6%
Dixon Technologies (India) Ltd.	4.4%
Mastek Ltd	4.4%
Tata Power Co. Ltd.	4.2%
Bharat Electronics Ltd.	4.1%

Sector Allocation (%)



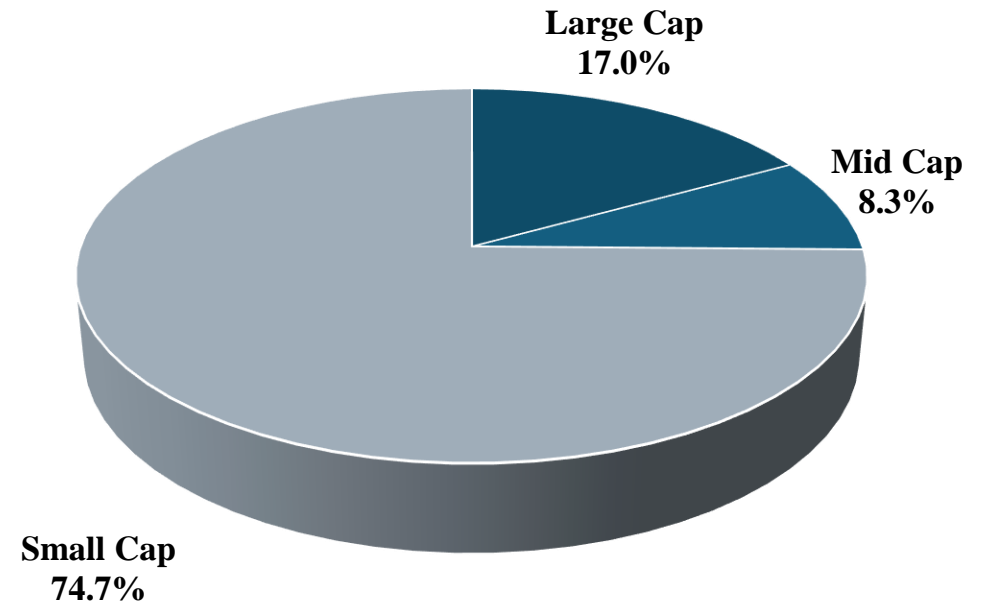
FIBER Portfolio Quants

Portfolio Quants

Metrics	Portfolio	Benchmark
PAT Growth (FY21-24)	36.8%	25.0%
PE (FY26 E)	23.8*	21.3
EPS Growth (FY24-26 E)	29.9%	13.7%
PEG (FY26 E)	0.8	1.6
RoE (FY25 E)	19.1%	15.1%
Net Debt/Equity Ex-Financials	0.1	0.3

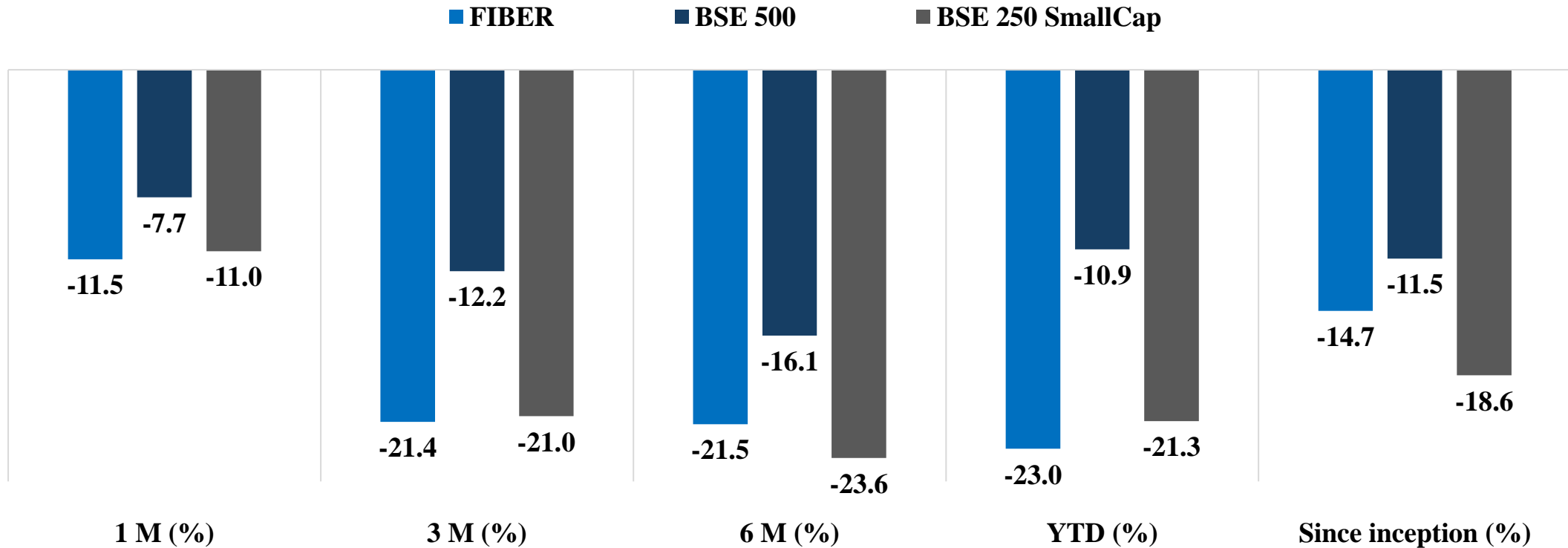
***Median value**; Weighted average PE is 39.9x, which is higher due to outliers

Market Cap Segmentation



Performance at a glance

Portfolio Performance



FIBER Strategy Inception Date: **28 June 2024**; Data as on **28 Feb 2025**; All indices are Net Total Return in INR. Since inception performance shown since 28 June, 2024 as client monies were managed from this date. Performance is net of all fees and expenses. Returns have been calculated using Time Weighted Rate of Return (TWRR) method as prescribed by SEBI. Performance related information provided herein is not verified by SEBI. Past performance is not a reliable indicator of future results. Please note that performance of your portfolio may vary from that of other investors and that generated by the Investment Approach across all investors because of 1) the timing of inflows and outflows of funds; and 2) differences in the portfolio composition because of restrictions and other constraints. Performance relative to other Portfolio Managers within the selected Strategy: [Click Here](#)





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Thank You

28 Feb 2025