

Focused Investment Ideas



AIF - Performing Credit

InCred Credit Opportunities Fund II



Tenure: 5.75 years

- The fund targets to create compelling risk-reward by taking thoughtful secured credit positions in flexible financing transactions to cater to the growth capital requirement of Indian Corporates with a balance between cash flows and strong collateral.
- Indicative 20+ transactions; striving to achieve a granularity of ~5% (single deal exposure)
- Target gross IRR of 16%+ (with monthly payout)
- Weighted average loan tenure will be between 36 to 42 months
- Focuses on regular coupons and principal amortization
- End use of funds will be capital for asset creation, working capital, capex, acquisition financing and other business needs
- Senior secured debt construct with security in the form of fixed assets, Brand IP, Share Pledge, Personal and Corporate Guarantee"

Northern Arc Finserv Fund - Debt (CAT II AIF)



Tenure: 4 years

- CAT II Debt AIF targets higher risk-adjusted returns and regular investor cashflows by investing in a diversified pool of debt securities of financial institutions
- AIF largely targets Agri business financing, Small Business Loans, Vehicle Finance, Microfinance, Consumer Finance, FinTech sub-sectors
- Nature of instruments: Secured & unsecured NCDs, Unsecured bonds, Redeemable preference shares, PTCs, MLDs, Debt funds
- 4 years fund tenure from first close of June 2024. Targeted Gross Yield: 14.50% pa XIRR, Quarterly coupon payment, Bullet principle repayment
- Earlier investment examples: Fusion Microfinance (Microfinance), EarlySalary Services(Consumer finance), Kogta Financial (Vehicle Finance)
- Client profile & suitability: Stable risk profile (RS S 6 & above)

AIF - Private Credit

Franklin India Credit AIF - Scheme I



Tenure: 4 years

- Financial Services focused Private Credit AIF (Cat II)
- 10-15% Yielding segment -> Develop the credit market for this segment through a disciplined investing approach
- Minimize liquidity drag on investor returns through predictable and time bound capital calls
- Periodic payments through quarterly coupons/amortization
- Participate in India's secular growth trajectory through investing in financial services sector
- Product positioned like a credit FMP. Structure would be like a Credit MF with Quick deployment (under 3 months), regular cashflows (quarterly) and payback on exact maturity (no re-investments)
- Targeted IRR: 12-13%, investments 10-12 opportunities

AIF - PE Fund

InCred Growth Partners Fund - I



Tenure: 6 years

- Conducive investment environment for private equity investment - unlisted universe is large & widespread (~6000 pvt owned cos vs 1500 listed cos) and Investing during consolidation phase improves margin of safety with better potential of alpha generation.
- Fund will have a Mix of Growing Stars (Series B/C - high growth companies) and Glowing Stars (Series D+ - established companies)
- Focus on sectors such as Consumer, Financials, Technology, Enterprise/Others
- Fund would focus on companies that (i) have a dominant industry sway, (ii) are profitable atleast at CM3 level, (iii) are available at reasonable valuation multiples
- Fund Manager, Vivek Singla brings more than 18 years of investment experience. Joined InCred in June 2023. Demonstrated track record of delivering healthy returns. Few examples - lenskart (MOIC of 3.8x), Dailyhunt (MOIC of 3.2x), SMS Finance / Luminous (MOIC of 2.4x)

Nippon India Digital Innovation Fund IIA (NIDI- II A)

 Tenure: 9 years

- NIDI-II A is a 'Multi Managers Winners' Fund which invests in highly curated growth stage technology start-ups (Cat II AIF)
- Fund would invest in 8-12 opportunities with a Large funnel of ~330 startups to select from NIDI Fund I exposure. These opportunities are primarily in Growth stage (Series B & C)
- Portfolio construction plan is to invest 20-30% each in following key sectors: Enterprise SaaS, B2B Models, D2C Brands, ConsumerTech, Fintech
- Fund is managed by Nippon India AIF Management Limited (NIAIF) is a subsidiary of NAM India (NAM India is 75% owned by Nippon Life Insurance Company [NLI Japan]). NLI Japan is the largest private life insurer & one of the largest in the world
- NIDI funds are backed by marquee Japanese institutions & corporates ecosystem for future financing and market access for its portfolio start-ups in India
- Fund Target Size: Rs 500 Cr, Targeted IRR: 32% - 37%, Commitment period: 5 years from first close

AIF - Long Short

InCred DEAR Fund

 Tenure: > 18 - 24 months

- InCred Dynamic Equity Asymmetric Returns (DEAR) Fund - Cat III AIF which targets consistent Alpha over benchmark amid superior risk-returns profile
- AIF seeks to beat the benchmark consistently on a 2-years Rolling basis with much superior risk-adjusted returns compared to the benchmark amid similar volatility
- DEAR fund has the flexibility to capture higher upside in an up-trending market and aims to half index losses during downturns. This helps in avoiding psychological biases and deliver consistent alpha irrespective of market conditions
- On back-tested data, DEAR fund has delivered a CAGR of 27.24% over 13 years investment period vs 12.7% CAGR of BSE 100 TRI index amid much better risk adjusted returns
- Other Salient Features include Open ended nature of AIF, Twice a month subscriptions and monthly redemptions

Equity MF

Nippon India Banking & Financial Services Fund



Tenure: > 3 years

- Fund provides Sectoral/Thematic opportunity in Banking & Financial Services sector
- Key drivers for positive outlook on BFSI Sector: 1. Improvement in Asset Quality 2. Resurgence in profits and 3. Monetary policy easing cycle to favor upgrades
- Currently, asset are allocate to the following sub-sectors: Banks (66%), Finance (16%), Insurance (9.9%), Capital Markets (5.7%), Fintech (1%)
- Top 5 holdings include: HDFC Bank: 20.6%, ICICI Bank: 15.8%, Axis Bank: 8.3%, IndusInd Bank: 4.8%, KMB: 4.8%
- Segment Allocation: Largecap: 73.2%, Midcap: 11.4%, Smallcap: 13.6%, Cash : 1.8%
- Allocation in BFSI Sector can be ~5-8% of overall equity allocation in clients' portfolios with an investment timeframe of 2-3 years. While the overall BFSI sector might see bouts of volatility and near term consolidation(around 6 months or so) inline Monetary Policy Easing cycle by major central banks, we believe the risk-reward currently favours relatively undervalued BFSI segment

Axis Greater China Equity FoF (Overseas FoF)



Tenure: > 2 year

- Fund of Fund provides a tactical opportunity to take exposure in Greater China.
- With underlying fund as 'Schroder International Selection Fund Greater China Fund', fund primarily invests in Mega & Large-caps of Peoples Republic of China, Taiwan and Hong Kong companies
- Fund Size: \$ 2.5 Bn | Underlying benchmark: MSCI Golden Dragon | Fund management: Schroder Investment Management (Europe)
- Top 10 Holdings: Tencent,Taiwan Semicon, Alibaba, AIA Group, MediaTek, Shenzhou, Meituan, Hong Kong Exchanges
- Geographical exposure: China 61%, Taiwan 25%, Hong Kong: 11%, Cash: 1.4%, Australia: 14%
- Sectoral exposure: IT: 26.6%, Consumer Discretionary: 21.3%, Communication Serv: 12.7%, Financials: 9.1%, Industrials: 7.9%
- Regional exposure: Emerging market :85%, Pacific:10.2%, Americas: 1.4%, Europe:0.6%, Cash: 1.8%, Others: 0.9%
- Tactical allocation: ~5-8% of overall equity allocation in an already well diversified clients' portfolios

PMS Multi Cap

InCred Multicap PMS

 Tenure: > 3 years

- InCred Multicap strategy, managed by Mr. Aditya Sood, adopts a balance across Large Cap, Mid Cap and Small Cap
- Benchmark agnostic bottom-up stock picking, High conviction portfolio of around 30 stocks
- Investment Framework: Buy 'Great' businesses at fair value, Buy 'Good' businesses at a discount and Avoid 'Bad' businesses

PMS Mid & Small Cap

InCred Small & Midcap PMS

 Tenure: > 3 years

- InCred Mid & Smallcap strategy, managed by Mr Aditya Sood, adopts a midcap and small cap centric approach with Growth oriented focus
- Benchmark agnostic bottom-up stock picking, High conviction portfolio of around 30 stocks
- Investment Framework: Buy 'Great' businesses at fair value, Buy 'Good' businesses at a discount and Avoid 'Bad' businesses

PMS Healthcare

InCred Healthcare PMS

 Tenure: > 3 years

- InCred Healthcare strategy, managed by Mr Aditya Khemka, will invest at least 65% in healthcare segment including pharmaceuticals, hospitals, diagnostic, insurance etc.
- Multicap strategy is balanced across Large cap, Midcap and Small cap
- Benchmark agnostic bottom-up stock picking, High conviction portfolio of around 15 stocks
- Investment Framework: Buy 'Great' businesses at fair value, Buy 'Good' businesses at a discount and Avoid 'Bad' businesses

MLD

InCred Equity MLD Idea - Nov'24 Issuance

 Tenure: 48 - 51 months

- Underlying Index: Nifty 50
- Participation Rate and Range 1: 150% PR from 5% to 20% NP
- Participation Rate and Range 2: 300% PR from 20% to 30% NP
- Participation Rate and Range 3: 450% PR from 30% to 35% NP
- Max Coupon: 75.00%
- Observation: 4 Months Avg. In, 4 Months Avg. Out
- Principal Protected up to -20% Nifty Fall at maturity, beyond which as per Nifty Performance

InCred Wealth and Investment Services Private Limited ("InCred Wealth"), is engaged in the business of distribution of third party financial products or acts as a referral agent of third party financial products and services ("Investment Products"). InCred Wealth may earn fees, commissions from the manufacturers of Investment Products.

InCred Wealth does NOT provide investment advisory services in any manner or form. InCred Wealth is AMFI registered Mutual Fund Distributor.

InCred Wealth may discuss with you ("Client/investor") about investment products that are in line with your risk profile rating as maintained with us. Investment products are referred/distributed by InCred Wealth on a non discretionary and non participation basis. Such discussion would be a service without any consideration by InCred Wealth to the Investor and the final investment decision shall always exclusively remain with the investor. Clients/ Investors should independently evaluate the investment, risks and carry out the required due diligence prior to making any investment decision. Investment products are subject to market risks and are not guaranteed by InCred Wealth. Investment products are subject to investment risks, including the possible loss of the principal amount invested. Past performance is not indicative of future results, investments are subject to market risks which may result in appreciation or depreciation. There is no assurance or guarantee that the objectives of investment will be achieved. The risks associated with the Investment products are mentioned in the product documentation supplied by the manufacturer of the products. Please read the relevant disclosure documents or Term Sheet or investment agreement or offer documents or prospectus or scheme information document as applicable carefully before investing. Information and opinions contained in this report/presentation have been obtained from sources believed to be reliable, but no representation or warranty, expressed or implied, is made that such information is accurate or complete. This document has been prepared in good faith and provided to you by InCred Wealth for informational purposes only, is intended for your use only and may not be quoted, circulated or otherwise referred to without InCred Wealth's expressed consent. This document is not a research report or a research recommendation and does not constitute a personal recommendation. The information and opinions are not and should not be construed as an offer or solicitation to buy or sell any securities or make any investments. The financial instrument discussed, and opinions expressed in this presentation/note may not be suitable for all investors, who must make their own investment decisions, based on their own investment objective, financial positions and respective needs. This presentation /note should not be taken in substitution for the exercise of independent judgement by any recipient. The recipient should independently evaluate the investment, risks and carry out the required due diligence. The client is solely responsible for consulting his/her/its own independent advisors as to the legal, tax, accounting and related matters concerning investments and nothing in this document or in any communication shall constitute such legal, tax or accounting advice. As a condition for providing this information, the client agrees that InCred Wealth makes no representation and shall have no liability in any way arising to them or any other entity for any loss or damage, direct or indirect, arising from the use of this information. All third party trademarks (including logos and icons) referenced here are for illustration purposes only and remain the property of their respective owners and constitute neither an endorsement nor a recommendation of those organizations/owners and not intended to imply, directly or indirectly, that those organizations endorse or have any affiliation with InCred Wealth.

InCred Wealth and Investment Services Private Limited

A Mutual Fund distributor registered with AMFI.

Registered Office and Corporate Office Address: Unit No 1203, 12th Floor, B Wing, The Capital, C 70, B Block, BKC, Bandra (E), Mumbai 400051; Phone: +91 22 68446100;

website: www.incredwealth.com ; CIN: U67190MH2020PTC350270.