



GREEN
LANTERN
CAPITAL
LLP

PORTFOLIO
MANAGEMENT
SERVICES

Who are we? - We live, eat and breathe Equities



“The stock market is a device for transferring money from the impatient to the patient.” - Warren Buffett

We are a team of highly experienced investment professionals with passion for investing. Green Lantern Capital is our endeavour to create long term value for all stakeholders by practicing disciplined approach to investment.

Team: 80+ Years of Cumulative Experience

Head or Tails. It's the right team that makes the win.



Nilesh Doshi:

CEO & Managing Partner



B.Tech. Chemical Engineering, IIT Bombay

30+ years of industry and equity market experience

Worked with prestigious institutions like Pidilite, Praxair, Floatglass (I) and Edelweiss Financial Services.

Distinguished track record of stock picking, with his investment ideas generating 5 - 10x returns.

Abhishek Bhardwaj:

Managing Partner & Principal Officer



Chartered Accountant

20+ years of equity market experience

Worked with institutions like Care Ratings, Reliance MF, Monsoon Capital, Heritage Capital.

Last assignment as Head Equity at Star Union Daiichi Life Insurance, managing US\$ 300 mn AUM.

Abhishek has exposure to International best practices in Fund Management.

The Heritage Fund was nominated among the top 5 Hedge funds in India in 2010 by Eureka Hedge.

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Pradeep Gokhale: Partner Investments



Chartered Accountant, CFA - USA

25+ years of equity market experience

Worked with institutions like TATA MF, ITI MF, CARE Ratings.

Last assignment as Head Equity Head of Equity at ITI AMC for 4 years.

Prior to ITI, he was at Tata MF for 15 years, Pradeep managed a broad spectrum of schemes across large-cap (Tata Large Cap Fund), multi-cap (Tata Large and Midcap Fund, Tata India Tax Savings Fund, and the equity portion of Tata Hybrid Equity Fund), offshore fund (Tata India Offshore Opportunities Fund), and thematic funds (Tata Ethical Fund) with assets under management exceeding Rs. 5,000 crores.

Nitin Pandey:

Partner Investments



PGDBA

20+ years of equity market experience

Worked with institutions like Reliance Capital AMC and Edelweiss Financial.

Last assignment as Investment Manager at Miras Investments (USD 2 Bn. Investment firm, based out of Oman)

What to expect from us?



Do's

- ▼ Margin of Safety and capital preservation
- ▼ Disciplined approach
- ▼ Rigorous research and due diligence
- ▼ Long term focus
- ▼ Skin in the game
- ▼ Transparency & regular communication

Don'ts

- ▼ Chasing expensive valuations
- ▼ Speculation
- ▼ Compromise with quality
- ▼ Investing for the sake of investing
- ▼ Benchmark hugging

Investment Approach: Rigor of Buying a Business



Business Selection:

Our starting point of any investment is to study and understand the business thready as we are business investors, which means investment to us is like buying a business. We invest in quality businesses that we understand well and which are likely to generate improvement in earnings and cash flows in the foreseeable future and avoid ones facing headwinds.

Judgement of Business cycles:

Our understanding of global macroeconomics along with the judgement of economic and business cycles helps us to endeavour to remain ahead of the curve in our investments. We may be a bit early in our investment and may have to wait for the businesses to bear fruit but have generally found them to be very rewarding with higher IRRs.

Margin of Safety:

Being early in identifying themes/stocks allows us the 'Margin of Safety' that we require before we invest. This entails that we will not shy away from being contrarian provided we are able to identify triggers for improvement in earnings and/or rerating of sector/stocks.

Thus, Investing in quality, growing businesses with desired margin of safety ensures capital protection, lower volatility and generates superior returns over a period of time.

Investment Approach



Quality companies in growth markets:

- Strong franchises + good/ethical managements
- Large market opportunities, strong competitive characteristics and high ROE
- Industry leaders
- Hunger for growth

Risk conscious approach:

- Valuation Risk
- Earnings Risk
- Balance Sheet Risk
- Over-ownership risk

Deep Research & Flexibility

Our investment principles:

- Absolute return mindset
- Asymmetric risk return approach
- Undiscovered/underperformed
- Disciplined approach to selling

Flexible Approach:

- Combine top down and bottom up approach
- Capitalising on occasional tactical opportunities
- Ability to use cash as a hedge

Our Investment Approach helps us focus on...



- ▶ Asymmetric risk : reward
- ▶ Earning inflection points
- ▶ High margin of safety
- ▶ Growth and earning tailwinds
- ▶ Disciplined selling: the most crucial and difficult part of investing
 - Run up in stocks & valuations getting rich
 - Significant change in investment rationale

Our Products



Small & Mid Cap Fund

Green Lantern Capital Growth Fund

The fund strategy endeavors to generate superior risk adjusted returns, in varying market conditions, by investing in Mid & Small Cap companies .

Ideal long-term investment (3-5 year Horizon) option for investors where we build a portfolio of companies that are Industry leaders, have potential to generate healthy ROE, and are trading at high margin of safety.

- ▶ Portfolio Structure
 - Large Cap - 0 - 30%
 - Mid & small Cap - 70 -100%
- ▶ Number of stocks: 20 - 25
- ▶ Cash: Default Position
- ▶ Benchmark: S&P BSE 500 TRI

Large & Mid Cap Fund

Green Lantern Capital Alpha Fund

The fund strategy endeavors to generate superior risk adjusted returns, in varying market conditions, by investing in large Mid Caps within a broad Multi Cap allocation strategy.

Ideal long-term investment (2-3 years) option for investors to build a portfolio of market leaders with strong balance sheets, superior earnings growth and steady free cash flow generation.

- ▶ Portfolio Structure
 - Large Cap - 0-60%
 - Mid Cap - 20-60%
 - Small-cap - 0-40%
- ▶ Number of stocks: 20 - 25
- ▶ Cash: Default Position
- ▶ Benchmark: S&P BSE 500 TRI

Our Performance



Small & Mid Cap Fund				Large & Mid Cap Fund			
Green Lantern Capital Growth Fund				Green Lantern Capital Alpha Fund			
30/09/2023	Portfolio	BSE 500 TR	O/P	30/09/2023	Portfolio	BSE 500 TR	O/P
1 Month	7.8%	2.1%	5.7%	1 Month	5.4%	2.1%	3.3%
3 Months	25.8%	5.5%	20.3%	3 Months	18.0%	5.5%	12.6%
6 Months	55.7%	19.4%	36.3%	6 Months	40.2%	19.4%	20.8%
1 year	58.7%	17.5%	41.2%	1 year	43.8%	17.5%	26.3%
2 years	36.2%	8.5%	27.7%	2 years	25.4%	8.5%	16.9%
3 years	63.5%	24.3%	39.2%	3 years	41.4%	24.3%	17.1%
5 years	31.4%	15.1%	16.2%				
Since Inception	21.0%	13.2%	7.8%	Since Inception	36.2%	17.7%	18.5%

Returns over 1 year period are annualized and adjusted for inflows/outflows.
Report Options : After Expenses , TWRR - Daily Valuation

Media coverage



297 SCHEMES TOGETHER GIVE AVERAGE RETURNS OF -0.1%

Over half of PMS schemes underperform Nifty in FY23

ASHLEY COUTINHO
Mumbai, April 11

THE MAJORITY OF the portfolio management services (PMS) schemes underperformed the Nifty50 in FY23 amid sustained market volatility. As many as 56%, or 165 of the 297 PMS schemes were not able to beat the returns generated by the benchmark.

The 297 schemes collectively delivered average returns of -0.1%, slightly higher than the -0.6% given by the benchmark. Twenty-two schemes delivered double-digit returns during the year.

This means a typical investor with four-six schemes in his portfolio probably would have not been able to beat Nifty returns in the last year.

Among individual categories, large-cap PMS schemes (average returns of -0.1%), multi-cap schemes (-0.0%) and small cap PMS schemes (0.2%) outperformed their respective benchmarks. Mid-cap ones (-0.04%) underperformed benchmark Nifty Midcap 100 (1.13%). Most PMS schemes tend to adopt concentrated portfolios, which can work both ways.

If few of the calls go wrong, it can hit overall performance, said experts. Hen Securities' India Rising SME Stars, a small-cap strategy, was the top performer for FY23 with returns of 34.3%, followed by Molec-

FINANCIAL EXPRESS TOP PMS PERFORMERS LAST FISCAL

AMC	Strategy	1-Yr Returns (%)
HEN SECURITIES	India Rising Sme Stars	34.32
MOLECULE VENTURES	Growth	28.83
GREEN LANTERN CAPITAL	Growth Fund	22.15
FRAC TAL CAPITAL INVESTMENTS	Wealth Builder	21.11
UNIQUE ASSET MANAGEMENT	Strategic Fund	20.28
AEGUIUS INVESTMENT CONSULTANCY	India Opportunities Product	19.89
AVES THA FUND MANAGEMENT	Growth	19.19
COUNTER CYCLICAL INVESTMENTS	Diversified Long Term Value	18.33
GREEN LANTERN CAPITAL	Alpha Fund	13.34
GARNELIAN ASSET ADVISORS	YNG Strategy	13.01

Source: PMS Bazaar



cule Ventures' Growth strategy (28.8%) and Green Lantern Capital's Growth Fund (22.1%).

Basant Maheshwari Wealth Adviser's Equity Fund was the worst performer with returns of -26.2%, followed by Turtle Wealth's 21.2* Growth Mantra (-24.4%) and Lake Water Advisors' India Growth strategy (-20.9%). Three Motilal Oswal strategies — Focused Midcap, IOP and IOP V2 — were among the 10 worst performers.

In 2018-19, a number of wealthy individuals migrated from mutual funds to PMS in search of alpha. Many schemes, barring top performing ones, have not delivered alpha. "A more meaningful picture will emerge once the respective bench-

marks for different PMS categories come into play. To get a better idea of which schemes are performing, they need to get broken down further into specific buckets," said Sameer Kamdar, founder & CEO, Smart Money.

The Association of Portfolio Managers in India has fixed benchmarks for equity, debt, hybrid and multi-asset PMS strategies, which will be effective from April 1.

PMS investors are at a little disadvantage vis a vis mutual funds on the taxation and fees front. Investors have to pay an additional tax of 0.6-0.8% on PMS schemes vis a vis equity MFs since all transactions happen on their respective trading accounts. In certain cases, they have to shell out profit share to the manager if returns

are over a certain hurdle rate.

According to experts, quality and growth kind of strategies have particularly suffered in the past year with value stocks gaining the spotlight. PSUs, banks and industrials have done better than quality and growth names in the FMCG and IT space, where stocks have become pricey. IT shares, for instance, rose substantially post-Covid, but corrected in the past year on rich valuations and on realisation that some of the growth assumptions during the pandemic may not materialise going forward.

PMS schemes managed ₹22.9 trillion under the discretionary portfolio, ₹1.7 trillion under non-discretionary, and ₹2.2 trillion under advisory, latest regulatory data showed.

77% of 273 PMS schemes outshone Nifty in April

Seventy seven per cent, or 211 of the 273, portfolio management services (PMS) schemes outperformed the Nifty50 in April. The schemes returned minus 0.15 per cent on average, better than the minus 2.1 per cent given by the benchmark.

Schemes that gave the most returns include Avestha Fund Management (0.6 per cent), followed by Equitree Capital Advisors (9 per cent) and HEM Securities (8.9 per cent), reveals the data from PMS Bazaar.

Large-cap PMS schemes (average returns of minus 1.53 per cent), multi-cap schemes (minus 0.47 per cent), and small-cap schemes (2.75 per cent) outperformed their respective categories, while mid-cap

schemes (0.2 per cent) underperformed the Nifty Midcap 100 Index.

On a one-year basis, Green Portfolio's Super 30 (146.3 per cent), Counter-Cyclical Investments' Long-Term Value (107.7 per cent), and Right Horizon's Minerva India Underserved (96.3 per cent) were the top performers. Returns were calculated on a time-weighted rate of return basis for schemes under consideration.

PMS schemes managed ₹20.3 trillion under discretionary portfolio, ₹1.7 trillion under non-discretionary, and ₹2.1 trillion under advisory, shows the latest data from the Securities and Exchange Board of India.

ASHLEY COUTINHO

TOP PMS PERFORMERS IN THE MONTH OF APRIL

Asset Management Company	Strategy	Category	1-mth	1-year
Avestha Fund Management	Growth	Multi-cap	10.65	40.64
Equitree Capital Advisors	Emerging opportunities	Small-cap	9.04	39.23
HEM Securities	India rising SME stars	Small-cap	8.96	NA
Green Portfolio	Super 30	Thematic	7.01	146.30
Green Portfolio	Dividend yield	Thematic	6.77	43.06
Green Lantern Capital LLP	Growth fund	Small & mid-cap	6.69	46.20
AniHant AMC	Electrum laureate portfolio	Small & mid-cap	6.58	53.05
Green Portfolio	Special	Multi-cap	6.38	35.04
Aequitas Investment Consultancy	India opportunities product	Small-cap	6.27	61.20
Asit C Mehta Investment Intermediates	Ace mid-cap	Mid-cap	5.42	27.60

TOP 10 PERFORMERS - JUNE 2022

AMC	STRATEGY NAME	CATEGORY	June Month returns (%)
GREEN LANTERN CAPITAL LLP	GROWTH FUND	SMALL & MIDCAP	2.84%
EQUITREE CAPITAL ADVISORS	EMERGING OPPORTUNITIES	SMALL CAP	1.16%
KARVY CAPITAL	EXCEL	DEBT	0.85%
SCIENT CAPITAL	ARIES MID YIELD	DEBT	0.82%
KARVY CAPITAL	DEMETER	DEBT	0.48%

Business Standard

Most PMS plans beat Nifty

ASHLEY COUTINHO
Mumbai, 16 August

July was a good month for PMS (portfolio management service) schemes with 252 of the 261 schemes under consideration outperforming the Nifty50. These schemes returned 4.5 per cent on average, better than the 0.3 per cent given by the benchmark.

Better performing strategies in July included Right Horizon's Minerva India Underserved (22.9 per cent), Aequitas Investment Consultancy's India Opportunities Product (14.9 per cent), and Green Lantern Capital's Growth Fund (14.6 per cent), the data from PMS Bazaar showed. Large-cap PMS schemes (average returns of 2.5 per cent), mid-cap schemes (4.7 per cent), multi-cap schemes (4.5 per cent), and small-cap (9.1 per cent) outperformed their respective benchmark Nifty.

On a one-year basis, Negen Capital's Emerging Opportunities Fund (171.8 per cent), Nine Rivers Capital's Aurum Small Cap Opportunity (147 per cent),

TOP PERFORMERS IN JULY

AMC	Strategy	Category	1-mth	1-year
Right Horizons	Minerva India Under-Served	Small Cap	23.0	104.0
Consultancy	Product	Small Cap	15.0	146.1
Green Lantern Capital	Growth Fund	Small Cap	14.6	146.8
Bonanza	Value	Multi Cap	14.4	117.5
Icici Pru	Pipe	Small Cap	13.3	103.5
Care Portfolio Managers	Growth Plus Value	S & Mcap	13.2	134.1
Agreya Capital Advisors	Agreya Concentrated Value Discovery Strategy	Multi Cap	11.9	88.0
Centrum Pms	Micro	Small Cap	11.6	125.6
Qed Capital Advisors	Alphabets	Large Cap	10.5	42.0
Abakus Asset Managers	Abakus Emerging Opportunities Fund	S & Mcap	10.5	NA

Source: PMS Bazaar

and Green Lantern Capital's Growth Fund (146.8 per cent) were the top performers.

Returns were calculated on a time-weighted rate of return basis for the schemes. The time-weighted rate of return eliminates the effects of inflows and withdrawals from the schemes to get a clearer sense of the fund manager's performance.

According to the latest regulatory data from Sebi, PMS schemes managed ₹17.97 trillion under discretionary portfolio, ₹1.4 trillion under non-discretionary portfolio, and ₹1.91 trillion under advisory.

The PMS segment invests money on behalf of well-off individuals. The minimum investment that regulations allow is ₹50 lakh.



Year ahead

Global Economy - Living in interesting times!!



- ▶ Fastest and sharpest interest rate increase by Central Banks in CY22 to tame inflation.
 - US Fed: Increased Interest rates from 0.25% to 5.5%
 - RBI: Increased Interest rates from 4% to 6.5%
- ▶ Global liquidity tightening after a decade of expansionary policies
- ▶ Rising Geo political risks on account of
 - Ongoing war in Ukraine/Russia and Sanctions
 - Trade war with China
 - Beginning of bilateral trade among few countries bypassing USD swift system
- ▶ Inflation moderating globally, from a peak in Sept/Oct 22
- ▶ Global supply chain issues easing, further normalisation as China opening up
- ▶ FED and other major Central banks including RBI to pause raising rates sooner.
- ▶ However, metal, energy and food likely to remain higher vs pre covid levels.
- ▶ Overall world GDP growth may remain weak with higher inflation..

Global Economy - Living in interesting times!!



- ▶ Geopolitical risks to continue
- ▶ Trade war to intensify
- ▶ Bilateral trade among countries bypassing US\$ likely, especially among developing countries
- ▶ Deglobalisation & re-industrialisation to increase, especially in the areas of
 - Energy
 - Food
 - Healthcare & Pharmaceuticals
 - Electronics (ex chips, lithium etc.)
- ▶ Technological transformation to gather speed in areas of
 - Batteries
 - EVs
 - Hydrogen
 - AI/Robotics/Automation
 - Renewable energy
 - Lab made food ex meat, milk etc.

Indian Macro - Stable in a difficult world



- ▶ Domestic macro economic indicators are stable
- ▶ Outsourcing from India driven by China+1, in engineering goods, auto components, steel products, textile etc to gather pace.
- ▶ Rise in energy cost in Europe to drive outsourcing of products from India, Indian manufacturers to get increased share of business from OEMs.
- ▶ Outsourcing of pharmaceuticals, chemicals, IT/ITES to continue but at lower pace.
- ▶ Capex to increase in many areas due to PLI schemes as well as increased outsourcing and make in India/self reliance agenda.
 - Defence/Aerospace
 - Special metal alloys
 - Semiconductor & electronics
 - Engineering goods
 - Chemicals/APIs
- ▶ Infrastructure capex to increase substantially
- ▶ Capex towards Renewable energy (Wind + Solar), Green hydrogen to unfold in big way in the coming decade.

Equity Outlook - Stock picking to create value...



- ▶ Expect market volatility to continue through the year CY2023.
- ▶ More retail participation towards trading activities rather than investing.
- ▶ ETFs and passive investments may be less rewarding vs stock picking, active management and Mid & Small caps.
- ▶ Key is to identify good businesses with likelihood of improvement in earnings at attractive valuations and with higher margin of safety.
- ▶ Very important to know “what you own & why you own it!!”
- ▶ Risk management becomes paramount
 - Position sizing
 - Margin of safety for capital protection
 - diversification
- ▶ Finally, need to moderate return expectations in CY2023.

Contact Us



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