

RAJEEV AGRAWAL, CFA



**FUND MANAGER & MANAGING PARTNER
DOORDARSHI INDIA FUND**

FOR

VALUEX VAIL 2022





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AGENDA

- Background
- Idea – Fairfax India
 - Overview
 - Investment Thesis
 - Risks



FUND MANAGER

RAJEEV AGRAWAL, CFA

Entrepreneurial Journey: 2016 – Present

- Fund Manager, Managing Partner – **DoorDarshi India Fund**
 - US (Delaware) based fund investing in Indian equities
- Top ranked analyst on Sumzero

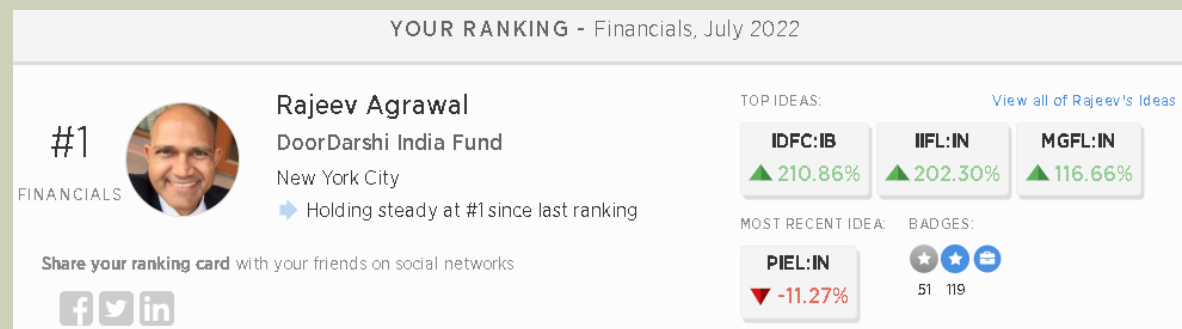


Corporate Journey: Pre 2016

- IHS Markit: Managing Director
- Goldman Sachs: Regional head, Risk Tech
- Bank of America: Head, Market Risk Tech
- JP Morgan

Educational background

- CFA Charter holder
- MBA, IIM Calcutta
- B. Tech, IIT Bombay



FAIRFAX INDIA HOLDINGS CORP

FFXDF, FIH.U





FAIRFAX INDIA BACKGROUND

- An investment holding company listed on Toronto exchange
- Prem Watsa has been bullish on opportunities in India and setup FIH to take advantage of those
- IPO on 01/30/2015 raising \$1,067MM at \$10/sh
- FPO on 01/13/2017 raising \$500MM at \$11.75/sh
- Invests in public and private equity securities and debt instruments of Indian businesses
- Controlled by Fairfax Financial which has 41.9% economic interest (Dec 21 ownership was 37.5%) and 95% voting interest.
- Management fee of 1.5% on deployed capital and 0.5% on undeployed capital
- Performance fee of 20% over 5% hurdle is payable by FFXDF to Fairfax Financial in cash or shares.



FAIRFAX INDIA

THESIS

- Fairfax India is selling for \$11/sh (MV: \$1.5 Bn) as compared to BV/sh of \$19.8 (as of Mar 2022)
- BV is a good proxy for intrinsic value
- Trades at a discount of 44% to its book value
- Management is actively buying back stock
 - Bought 14.4MM shares (~9% of the total outstanding) for \$190MM in the last 4 years – \$13.26/sh
 - Bought 1.9MM shares for \$24MM in Q1 2022 – \$12.65/sh
 - Parent acquired 5.4MM shares for \$65MM in Q1 2022 - \$12/sh
 - Parent takes performance fee in shares
- Portfolio holdings have long runway for growth with good return on capital
- Management has significant ownership – Prem Watsa owns 320K shares of FXFDF and 1.5MM of parent



FAIRFAX INDIA

HISTORICAL PERFORMANCE

	2021	2020	2019	2018	2017	2016	2015
Book value per share	19.65	16.37	16.89	13.86	14.46	10.25	9.50
Investments per share	25.33	20.51	21.21	17.63	18.04	12.02	9.34
Common shareholders' equity (\$ billions)	2.8	2.4	2.6	2.1	2.1	1.1	1.0
Total cash and investments (\$ billions)	3.6	3.1	3.2	2.7	2.7	1.3	1.0
Shares outstanding (millions)	141	150	153	153	147	105	107
Stock Price (Year-end)	12.6	9.6	12.8	13.1	15.0	11.6	10.1
Price to BV	-36%	-41%	-24%	-5%	4%	13%	6%
Parent economic interest Mar 31 2022 – 41.9%	37.5%	34.5%	33.8%	33.7%	30.2%	29.4%	28.1%



FAIRFAX INDIA

HISTORICAL PERFORMANCE

Fairfax India BVPS ⁽¹⁾	+10.3%
US\$ S&P BSE Sensex 30	+7.6%

- Over the last 7 years, Fairfax India book value has compounded at a better rate than the index
- Invested in 11 companies and exited 1 so far
- 42.5% of the book value comes from publicly traded investments



FAIRFAX INDIA

INVESTMENTS SUMMARY

FAIRFAX INDIA

Fairfax Financial Holdings Limited holds a 41.9% equity interest and 95.0% voting interest in Fairfax India

US\$ 3.6 Billion Investments

US\$693m
4 separately-listed Cos:



- Wealth and asset management
- 13.6% ownership



- Diversified financial services and products
- 27.9% ownership



- NBFC – loans & mortgages
- 22.3% ownership



- Discount digital broker
- 26.1% ownership



US\$1,372m

- India's 3rd largest airport
- Monopoly asset
- Real estate assets

- 54% FIH ownership
- Private



US\$421m

- PVC and caustic soda producer

- 43% FIH ownership
- Private



US\$84m

- Warehousing
- Collateral management of agri commodities
- NBFC

- 89% FIH ownership
- 10-yr convertible debentures
- Private



US\$228m

- Private sector bank with 559 branches and 410 ATMs across India

- 50% FIH ownership
- Listed



US\$155m

- Oleo chemicals and nutraceuticals

- 53% FIH ownership
- Listed



US\$106m

- Ocean-going tankers

- 49% FIH ownership
- Private



US\$47m

- Container freight station
- 51% ownership



US\$30m

- Aluminum die casting
- 51.0% ownership



US\$33m

- Electrical connectors and assemblies
- 70% ownership

US\$441m other
 - \$229 cash and gov't bonds
 - \$70m liquid public equities
 - \$142m private equities (NSE and India Housing Fund)

+ Sold 9.8% of IIFL Wealth for \$191MM in Q1 2022



FAIRFAX INDIA INVESTMENTS SUMMARY

<i>(\$ millions)</i>	Date of Initial Investment	Ownership	Amount Invested	Fair Value at Dec 31, 2021	Annualized Return*
Bangalore International Airport	March 2017	54%	653	1,372	17.7%
IIFL companies**	December 2015		312	693	19.3%
Sanmar Chemicals Group	April 2016	43%	199	421	17.7%
CSB Bank	October 2018	50%	170	228	11.0%
Seven Islands Shipping	March 2019	49%	84	106	9.1%
NCML	August 2015	89%	188	84	(13.2%)
Fairchem Organics	February 2016	53%	30	155	45.9%
National Stock Exchange	July 2016	1%	27	111	33.4%
Saurashtra Freight	February 2017	51%	30	47	10.3%
Maxop Engineering	November 2021	51%	30	30	0.0%
Other Indian Investments			72	101	24.9%
Total Indian investments			1,795	3,348	17.0%
Cash and government bonds			230	229	
Total cash and investments at December 31, 2021			2,024	3,577	
Jaynix Engineering	February 2022	70%	33	33	



FAIRFAX INDIA

INVESTMENTS SUMMARY – Q1 2022

March 31, 2022
December 31, 2021

	Quoted prices (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value of assets	Total fair value of assets in Indian rupees (in millions)	Quoted prices (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total fair value of assets	Total fair value of assets in Indian rupees (in millions)
Cash and cash equivalents	23,941	—	—	23,941	1,814	30,376	—	—	30,376	2,258
Short term investments:										
Government of India ⁽¹⁾	—	—	—	—	—	—	6,151	—	6,151	457
Bonds:										
Government of India ⁽¹⁾	—	132,811	—	132,811	10,064	—	192,385	—	192,385	14,301
Other Indian Fixed Income	—	—	21,756	21,756	1,649	—	—	22,083	22,083	1,642
	—	132,811	21,756	154,567	11,713	—	192,385	22,083	214,468	15,943
Common stocks:										
IIFL Finance	317,454	—	—	317,454	24,055	318,136	—	—	318,136	23,649
IIFL Wealth	265,228	—	—	265,228	20,098	230,111	—	—	230,111	17,105
IIFL Securities	99,191	—	—	99,191	7,516	103,217	—	—	103,217	7,673
CSB Bank ⁽²⁾	47,017	—	154,479	201,496	15,268	53,282	—	174,367	227,649	16,922
Fairchem Organics	135,830	—	—	135,830	10,293	155,020	—	—	155,020	11,524
5paisa ⁽³⁾	30,745	—	3,659	34,404	2,607	36,824	—	4,408	41,232	3,065
Privi Speciality	—	—	—	—	—	79	—	—	79	6
Other	69,859	—	—	69,859	5,294	69,612	—	—	69,612	5,175
BIAL	—	—	1,344,377	1,344,377	101,870	—	—	1,372,170	1,372,170	102,001
Sanmar	—	—	461,859	461,859	34,997	—	—	421,153	421,153	31,307
Seven Islands	—	—	104,214	104,214	7,897	—	—	105,926	105,926	7,874
NCML	—	—	69,899	69,899	5,297	—	—	69,578	69,578	5,172
Saurashtra	—	—	47,653	47,653	3,611	—	—	47,157	47,157	3,506
Jaynix	—	—	32,334	32,334	2,450	—	—	—	—	—
Maxop	—	—	29,277	29,277	2,218	—	—	29,844	29,844	2,218
NSE	—	—	127,010	127,010	9,624	—	—	111,216	111,216	8,267
IH Fund	—	—	22,197	22,197	1,682	—	—	23,613	23,613	1,755
	965,324	—	2,396,958	3,362,282	254,777	966,281	—	2,359,432	3,325,713	247,219
Total cash and investments	989,265	132,811	2,418,714	3,540,790	268,304	996,657	198,536	2,381,515	3,576,708	265,877
	27.9 %	3.8 %	68.3 %	100.0 %	100.0 %	27.9 %	5.6 %	66.5 %	100.0 %	100.0 %



FAIRFAX INDIA

BANGALORE INTERNATIONAL AIRPORT (BIAL)

Bangalore International Airport Limited (BIAL)

Ownership %	54.0%
Initial investment date	Mar 2017
Amount invested	\$653
Fair value - Dec 31, 2021	\$1,372
Annual rate of return	17.7%
Multiple of net investment	2.1x



(Rs billions - IGAAP/Ind-As)	Twelve months ended			Compound Annual Growth
	Mar 31, 2017	Dec 31, 2020	Dec 31, 2021	
Total assets	49.1	106.9	124.8	
Shareholders' equity	17.0	29.2	24.5	8%
Revenue	13.6	6.0	7.6	
Net earnings (loss)	5.5	(5.3)	(4.7)	
Return on equity	32.2%	-18.3%	-19.2%	7% *



FAIRFAX INDIA

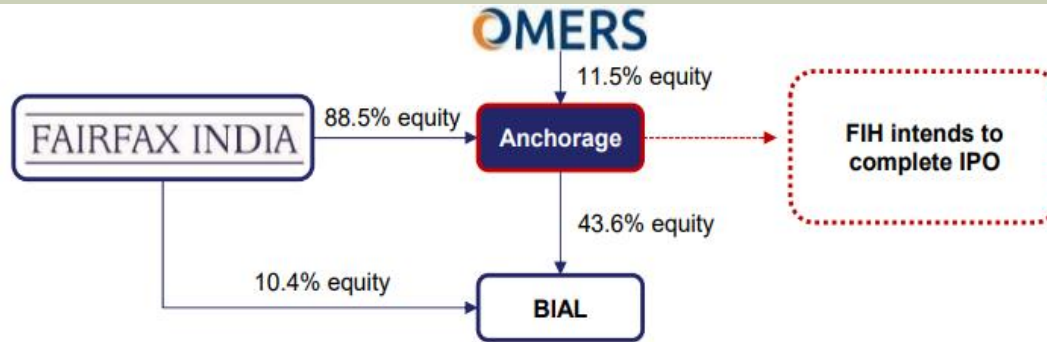
BANGALORE INTERNATIONAL AIRPORT (BIAL)

- Private Public Partnership under concession agreement with GOI until 2068
- BIAL is the 3rd largest airport in India in Bangalore
- BIAL is a quasi monopoly. Regulators set aeronautical revenue to allow the business to earn a 16% ROE.
- Highly resilient asset. Despite Covid, BIAL will earn average ROE of 13.7% from 2016-21 and ROE of 16.3% over 2011-21
- Expansion underway to expand capacity from 20MM passengers to 50 MM passengers
 - Serviced 32MM passengers in 2018
- Further expansion to 90MM passengers by 2034
- Additional revenue opportunity from non-aero revenue and monetization of land
- BIAL has 460 acres of land to monetize adjoining the airport
 - Plan underway for 176 acres through a SPV – BACL



FAIRFAX INDIA

BIAL VALUE UNLOCK



- Fairfax India created Anchorage Infrastructure Investment Holdings ('Anchorage') in 2019, which will be its flagship vehicle for airport and other infrastructure investments in India
- In September 2021 Fairfax India transferred a 43.6% interest in BIAL to Anchorage and sold an 11.5% interest in Anchorage to OMERS for \$129 million, valuing BIAL at \$2.6 billion
 - Fairfax India has a 49.0% effective interest in BIAL following the transaction
 - Fairfax India's remaining 10.4% direct interest will eventually be transferred to Anchorage
- Fairfax India intends to complete an IPO of Anchorage at a valuation in excess of \$1.2 billion
- Once Anchorage is listed, proportion of public securities in Fairfax India's portfolio will increase from the current 43% to over 80%



FAIRFAX INDIA

SANMAR CHEMICALS GROUP

Ownership %	42.9%
Initial investment date	Apr 2016
Amount invested	\$199
Fair value - Dec 31, 2021	\$421
Annual rate of return	17.7%
Multiple of net investment	1.7x



<i>(Rs billions - Ind-As)</i>	<i>Twelve months ended</i>			Compound Annual Growth
	Mar 31, 2017	Dec 31, 2020	Dec 31, 2021	
Total assets	96.7	157.0	162.9	
Shareholders' equity (deficit)	(12.6)	(1.3)	31.2	
Revenue	38.6	51.2	96.0	21%
Net earnings (loss)	(7.5)	(10.6)	7.6	



FAIRFAX INDIA

SANMAR CHEMICALS GROUP

Sanmar had an outstanding year in 2021

- Revenue grew 88% to \$1.3 billion, EBITDA grew 123% to \$276 million and pre-tax profit was \$92 million compared to a loss in 2020
- Results were driven by strong PVC demand and record prices, high capacity utilization and reduced interest expense
- Completed an IPO of Chemplast Sanmar (CSL) raising \$519 million (valuing 100% of CSL at \$1.15 billion) and deleveraged the holding company and CSL's balance sheet
- TCI (Egypt) had its best ever operating and financial results and reduced interest costs by restructuring its \$785 million term debt
 - Converted \$118 million of debt to a 13.9% equity share – implying a post money valuation of \$848 million for 100% of TCI
 - Restructured \$118 million of debt as non-convertible debentures with an interest rate of 0.01% per annum, with no principal repayments until 2036
 - Extended the maturity of the remaining \$550 million of debt by two years, with back-ended principal payments
- CRISIL Ratings upgraded the long-term ratings of CSL and CCVL to AA- from A+

■ Sanmar Chemplast equity value = 55% of \$1Bn = \$550MM

■ TCI Egypt equity value = 86.1% of \$848 = \$730MM

■ 42.9% of above (\$550 + \$730) = \$549MM



FAIRFAX INDIA

CSB BANK

Ownership %	49.7%
Initial investment date	Oct 2018
Amount invested	\$170
Fair value - Dec 31, 2021	\$228
Annual rate of return	11.0%
Multiple of net investment	1.3x



<i>(Rs billions - IGAAP)</i>	<i>Twelve months ended</i>			Compound Annual Growth
	Mar 31, 2017	Dec 31, 2020	Dec 31, 2021	
Total assets	162.2	215.0	237.1	
Shareholders' equity	10.0	21.4	25.1	21%
Net revenue	5.9	12.0	14.2	20%
Net earnings (loss)	0.0	1.2	3.7	
Return on equity	0.2%	5.4%	14.7%	



FAIRFAX INDIA

CSB BANK

- 2021 was the best year ever for CSB
 - Revenue increased 22% to \$195 million and net profit increased 63% to \$66 million
 - Loan advances grew 11% and deposits grew 7%
 - Net interest income grew by 37%, with an industry leading net interest margin of 5.3%
 - Capital adequacy ratio stable at 21%
- C.V.R. Rajendran retired in March 2022, with Pralay Mondal now the Deputy Managing Director and taking charge as interim CEO
 - Pralay has over 30 years of banking experience in senior roles at some of India's leading banks – Axis Bank, Yes Bank and HDFC Bank
 - Mr. Paresh Sukthankar, former deputy managing director of HDFC Bank, continues to guide us as an advisor



FAIRFAX INDIA

IIFL FINANCE

Ownership %	22.3%
Initial investment date	Dec 2015
Amount invested	\$0
Fair value - Dec 31, 2021	\$318
Annual rate of return	19.3% ⁽¹⁾
Multiple of net investment	2.6x ⁽¹⁾



<i>(Rs billions - IGAAP/Ind-As)</i>	<i>Twelve months ended</i>			Compound Annual Growth
	Mar 31, 2017	Dec 31, 2020	Dec 31, 2021	
Total assets	235.2	371.6	429.7	
Shareholders' equity	35.5	52.3	62.6	13%
Net revenue	13.8	31.3	38.4	24%
Net earnings	4.2	5.7	11.2	23%
Return on equity	11.9%	10.9%	17.8%	15% ⁽²⁾



FAIRFAX INDIA

IIFL FINANCE

- AUM of \$6.3Bn across Home, Gold, SME, MFI and construction loans
- Strong liquidity position for future growth
- Revenue grew 22% to \$519 million and net profit grew 95% to \$151 million, generating an 18% return on equity
- Assets under management grew 11% to \$6.3 billion
- Well positioned to benefit from post-pandemic economic recovery:
 - Added over 650 new branches and 7,800 employees and investing heavily in brand building and technology
 - A diversified asset portfolio of which 92% is retail in nature, with very conservative loan to value (just over 70% for home and gold loans and mid-40's% for business, construction and real estate)
 - Capital adequacy ratio of 25% and net interest margins at an all-time high of 7%



FAIRFAX INDIA

FAIRCHEM ORGANICS

Ownership %	52.8%
Initial investment date	Feb 2016
Amount invested	\$30
Fair value - Dec 31, 2021	\$155
Annual rate of return	45.9%
Multiple of net investment	5.4x



<i>(Rs millions - IGAAP/Ind-As)</i>	<i>Twelve months ended</i>			Compound Annual Growth
	Mar 31, 2017	Dec 31, 2020	Dec 31, 2021	
Total assets	1,538	2,573	2,948	
Shareholders' equity	720	1,503	2,209	27%
Revenue	2,039	3,259	6,239	27%
Net earnings	91	348	750	56%
Return on equity	12.6%	23.1%	34.0%	24% *



FAIRFAX INDIA

FAIRCHEM ORGANICS

- Manufactures oleochemicals – used in paints, inks and adhesives; intermediate nutraceutical and health products
- Converts waste generated during the production of soya, sunflower and corn oils.
- India is one of the largest consumers of soft oils which provides company with easy access to the raw materials
- 2021 was a record year for Fairchem – the product of efforts made over the past three years to cost-effectively expand production capacity
 - Revenue grew 92% to \$85 million and net earnings grew 108% to \$10 million, generating a return on equity of 33%
 - Share price increased by 167%
- Fairfax India sold 14% of Fairchem for \$46 million in November 2021, recouping more than its entire investment, while still owning 53% valued at \$155 million at year end 2021



FAIRFAX INDIA

THESIS SUMMARY

- Fairfax India is selling for \$11/sh (MV: \$1.5 Bn) as compared to BV/sh of \$19.8 (as of Mar 2022)
- Trades at a discount of 44% to its book value
- Elimination of discount will give an upside of 80%
- In the past, stock has traded at a premium to BV
- Underlying holdings will continue to grow well thus increasing the IV while we wait
- Parent has 41.9% economic interest and has been taking performance fee in the form of shares
 - \$114MM fee was paid as 7.7MM shares @14.93/sh for 2015-17
 - \$5MM fee was paid as 546K shares @9.5/sh for 2018-20



FAIRFAX INDIA

WHY WILL DISCOUNT TO BV CLOSE?

- Parent get paid for growing BV – incentives!
- Buying back stock below BV is the easiest way to grow BV
- Management is aggressively buying back stock
 - Bought 3.2MM shares for \$29MM in 2020 – \$9.1/sh
 - Bought 8.8MM shares for \$127MM in 2021 – \$14.45/sh
 - Bought 1.9MM shares for \$24MM in Q1 2022 – \$12.65/sh
 - Parent acquired 5.4MM shares for \$65MM in Q1 2022 - \$12/sh
- Since stock has limited liquidity, management is using normal course issuer bid and automatic share purchase plan to buyback a meaningful amount



FAIRFAX INDIA

WHY IS MARKET PRICING IT CHEAPLY?

Possible reasons why the opportunity exists

- Stock hasn't delivered returns in the last 7 years
 - Previous stock owners are disappointed and tired
- Market cap of \$1.5Bn with limited float prevents institutional investors from investing
- Participants don't like special shares which allows parent to control without owning majority of shares
- Participants don't like the fee structure
- Equity prices have fallen as interest rate increases
- Risk-off sentiment towards emerging markets is causing prices of all EM assets to come down



FAIRFAX INDIA

POTENTIAL RISKS WITH THESIS

- **Book Value will come down in Q2 due to FX headwinds and prices compressing for listed entities**
- **Slowdown in the economy and Covid could impact most of their businesses especially Bangalore airport (the biggest holding)**
 - **Early Q2 results indicate that credit has grown strongly**
 - **PMI reading indicates strong demand for goods and services in India**
- **Limited liquidity in the stock causes stock to be volatile**



CONTACT DETAILS

We look forward to hearing from you. Please reach out at

- Email: rajeev.agrawal@doordarshiadvisors.com
- Phone/WhatsApp: +1 646-966-3604
- LinkedIn: <https://www.linkedin.com/in/rajeevagrwal/>
- Twitter: [@rajeev_agr](https://twitter.com/rajeev_agr)
- Website: <https://www.doordarshiadvisors.com>



FAIRFAX INDIA

IIFL SECURITIES

Ownership %	27.9%
Initial investment date	May 2019
Amount invested	\$91
Fair value - Dec 31, 2021	\$103
Annual rate of return	19.3% ⁽¹⁾
Multiple of net investment	2.6x ⁽¹⁾



<i>(Rs billions - IGAAP/Ind-As)</i>	<i>Twelve months ended</i>			Compound Annual Growth
	Mar 31, 2017	Dec 31, 2020	Dec 31, 2021	
Total assets	24.4	30.4	51.6	
Shareholders' equity	4.1	10.2	12.0	25%
Revenue	7.3	8.2	12.1	11%
Net earnings	1.1	1.8	3.0	23%
Return on equity	27.6%	17.6%	25.3%	24% ⁽²⁾



FAIRFAX INDIA

IIFL SECURITIES

- Capital market player with presence in broking, investment banking and financial products distribution
- Revenue grew 47% to \$164 million and pre-tax profit grew 59% to \$53 million, generating a 25% return on equity
- Retail broking and investment banking divisions benefitting from buoyant equity and IPO markets in India
- Despite share price nearly doubling in 2021, still trades at a discount to peers at only approximately 9x earnings and 2.2x book value



FAIRFAX INDIA

SEVEN ISLANDS SHIPPING

- 2nd largest private sector tanker shipping company in India
- Acquires vessels from the international market and deploys those with India's largest oil and gas companies.
- Transports liquid and gas cargo along the Indian coast as well as in international waters
- Owned 22 vessels as of 31st Mar 2022, including 2 gas carriers, with a total deadweight capacity of approximately 1.3 million metric tons
- Valued using DCF with after-tax discount rate of 11.3% and long-term growth rate of 3.0%



FAIRFAX INDIA

NATIONAL COMMODITIES MANAGEMENT SERVICES LTD

- Private agri commodities storage company
- Offers end-to-end solutions in grain procurement, storage and preservation, testing and certification, collateral management, and commodity and weather intelligence.
- NCML's wholly-owned subsidiary, NCML Finance Private Ltd, focuses on rural and agri-business finance.
- Valued using DCF with after-tax discount rate of 11.3-11.9% and long-term growth rate of 2.4-6.0%



FAIRFAX INDIA

SAURASHTRA FREIGHT

- Operates one of the largest container freight stations ("CFS") at Mundra port (Gujarat).
- Largest CFS at Mundra with a 15% market share in terms of total throughput
- CFS Services include transportation of containers to and from the port, stuffing and de-stuffing of containers, cargo storage, transportation of cargo to the end customer, and the storage, maintenance and repair of empty containers.
- Saurashtra's subsidiary, Fairfreight Lines, focuses on services for container shipping, offering integrated logistics solutions to its customers by providing containers, which are leased by Saurashtra, to importers and exporters to transport cargo.
- Valued using DCF with after-tax discount rate of 18.0-19.9% and long-term growth rate of 4.0-5.0%



FAIRFAX INDIA

JAYNIX ENGINEERING

- **Manufacturer of non-ferrous electrical connectors and electrical assemblies**
- **Critical Tier 1 supplier to major electrical original equipment manufacturers such as Schneider, Eaton and Siemens in North America and Europe**
- **On February 11, 2022 the company invested cash consideration of \$32.5 MM (approximately 2.5 billion Indian rupees) for a 70.0% equity interest in Jaynix.**
- **Founded in 2008 by two brothers – Nikhil and Ninad Diwakar**



FAIRFAX INDIA

MAXOP ENGINEERING

- A precision aluminum diecasting and machining solution provider for customers in the automotive and industrial sectors.
- Customers are leading auto and industrial manufacturers across India, America and Europe – Honda, Maruti, Hutchinson and Regal
- Founded in 2003 by Shailesh Arora
- Over 50% of its revenue is comprised of exports
- Acquired 51% for \$29.5 MM in Sept, 2021
- Will acquire an additional 16% for \$9-35 MM in 2022 based on the financial performance
- Change in value in Q1 is related to unrealized fx impact



FAIRFAX INDIA

NATIONAL STOCK EXCHANGE

- Operates India's largest stock exchange.
- Provides a platform for exchange-traded financial products in India.
- NSE enjoys dominant market share positions
 - 93% market share in the equity trading segment
 - 100% market share in the equity derivatives trading segment
 - 70% and 95% market share in the foreign exchange futures and options markets, respectively.
- In 2021 NSE is the world's largest exchange in derivatives trading volumes for the third straight year.
- NSE's flagship index, Nifty50, is used extensively by investors in India and around the world as a barometer of the Indian capital markets.
- Estimated fair value of \$127 MM is based on recent third party transactions completed in the first quarter of 2022



FAIRFAX INDIA

INDIA HOUSING FUND

- Closed-ended fund of IIFL Private Equity Fund (the "Trust") registered as a Category II Alternative Investment Fund ("AIF")
- Investing in India's real estate sector by investing in equity, debt and equity-linked instruments of real estate and construction companies
- Invested \$194 MM at period end exchange rates (approximately 15 billion Indian rupees) in 10 real estate sector investments
- Fair value based on the net asset value provided by the third party fund manager



DOORDARSHI INDIA FUND

GUIDING PRINCIPLES

INVESTMENT OBJECTIVE

Seek superior long-term capital appreciation by investing in compelling opportunities in Indian equities



INVESTMENT PHILOSOPHY

Fund follows Value Investing philosophy:

- 1) Buy with significant Margin of Safety
- 2) To increase Return reduce Risk
- 3) Growth is a significant part of value



INVESTMENT APPROACH

Key tenets of our approach

- 1) Long-term orientation
- 2) Management and business quality
- 3) Invest where we have a competitive advantage
- 4) Stock Market is there to serve us, not guide us





PAST RETURNS (INR)¹

AUDITED BY BDO

SUMMARY OF RETURN CALCULATION

Returns Years	Return on Portfolio	Market Returns				
		Nifty 50	Sensex	Nifty Mid Cap 100	Nifty Small Cap 100	Nifty 500
2014	100.16%	30.98%	29.58%	55.91%	54.95%	61.48%
2015	45.84%	-4.06%	-5.03%	6.46%	7.21%	-0.72%
2016	21.27%	3.01%	1.95%	7.13%	2.26%	3.84%
2017	66.44%	28.65%	27.91%	47.26%	57.30%	35.91%
2018	0.08%	3.15%	5.91%	-15.42%	-29.08%	-3.38%
2019	-7.59%	12.02%	14.38%	-4.32%	-9.53%	7.66%
2020	58.07%	14.90%	15.75%	21.87%	21.47%	16.67%
CAGR	36.02%	12.00%	12.28%	14.51%	11.05%	15.52%

Notes: The Fund Manager's return has been calculated considering all the accounts as a single portfolio.

¹ Portfolio returns are in **INR** for the Portfolio manager's portfolio. They may not be a good predictor of the future performance.





PAST RETURNS (\$)

DERIVED FROM AUDITED RETURNS BY BDO

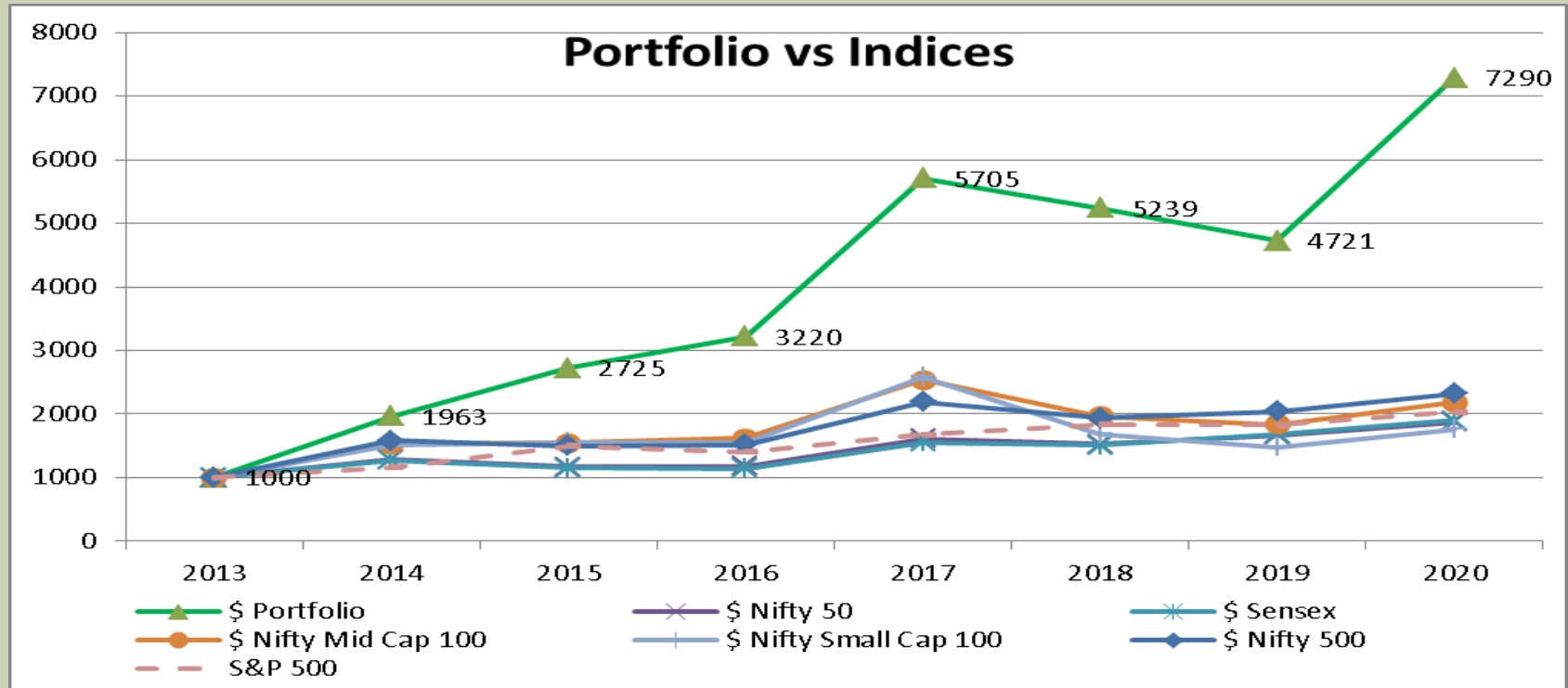
Year / Returns	INR Portfolio Returns ¹	INR Impact	\$ Portfolio Returns ²	S&P 500	\$ Nifty 500
2014	100.2%	-1.95%	96.3%	15.9%	58.3%
2015	45.8%	-4.79%	38.9%	29.2%	-5.5%
2016	21.3%	-2.58%	18.2%	-6.2%	1.2%
2017	66.4%	6.45%	77.2%	19.4%	44.7%
2018	0.1%	-8.24%	-8.2%	9.5%	-11.3%
2019	-7.6%	-2.49%	-9.9%	-0.7%	5.0%
2020	58.1%	-2.31%	54.4%	11.4%	14.0%
CAGR (2014-2020)	36.0%	-2.4%	32.8%	11.3%	12.8%
Cumulative (2014-2020)	761.4%	-15.4%	629.0%	117.5%	132.4%

1 INR Portfolio Returns are audited by BDO (previous slide)

2 \$ portfolio returns have been derived from the INR audited returns by BDO and applying \$/INR movement during the year



PAST RETURNS (\$) COMPARED TO INDIAN INDICES AND S&P 500



- 1 Portfolio Returns and Indian Indices returns are provided by BDO (2 slides back). \$/INR movement was applied on them
- 2 S&P returns have been retrieved from market databases
- 3 Portfolio and Indices start from initial value of 1000 at the end of 2013.



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