



Dear Investors:

We might sound like a broken timepiece by now, but we remain thoroughly unconvinced with where headline India (across small, mid, and large capitalizations) trades, and we have remained (disturbingly!) so for a while now. Unlike in material science textbooks however, the proverbial fracture point in assets gets decided by liquidity and its naïve to assume that current indiscriminate liquidity¹ can continue unabated. Such valuations wait for excuses (not necessarily sound reasons) to correct.

While street has spray-painted a very broad small cap landscape as 'rich', it's critical to stress that India's headline smallcaps have been the bigger beneficiaries of liquidity surge, vs. names beyond *BSE 500*. This was in contrast to what we have observed in prior sharp runs – While it's typical for names beyond the 500th security to see relative multiple contraction (vs. headline smallcaps) during flat or declining periods for smallcaps, these names typically see their multiples relatively expand during sharp up-moves. However, as unprecedented retail liquidity chased equities in India in C2023, price-to-book expansions at the biggest 50 smallcaps outpaced expansions at 500th-1000 stocks by >12%. While smallcap headline street darlings in India remain in precarious territory, the same can't be stated for everything small. Spray paint at your own peril.

In C2Q24, *Minerva India Under-served* was up **+13.4%** (net; in INR), vs. **+11.3%** (gross; in INR) gain in *BSE 500* and **+20.8%** (gross; in INR) gain in *BSE Smallcap*. Over the past 36 months, *Minerva India Under-served* was up **+31%** annualized (net; in INR), vs. **+18%** annualized (gross; in INR) gain in *BSE 500* and **+27%** annualized (gross; in INR) gain in *BSE Smallcap*. Over >13 years of deployment, *Minerva India Under-served* is up **+19%** annualized (net; in INR terms), vs. **+12%** and **+14%** annualized gains (gross; in INR terms) in *BSE 500* and *BSE Smallcap* respectively. Importantly, this decade-plus alpha wasn't driven by skewed asset-class driven prints in 2014, 2017, 2021, or 2023. To see how our return streams capture alpha vs beta (often used by discerning allocators as a tool to identify long-term performance repeatability², click [here](#)).

We ended C2Q24 with about 75% net exposure, which was our lowest level in nearly a decade (and this can drag us if the current "feast" continues). As previously communicated, this is simply a reflection of 1. Risk-management induced selling in our highest conviction names where security and/or industry-related thresholds were breached or came close to getting breached and therefore had to be remedied, and 2. Valuation related position resizing because of run-ups. Even though, given our institutional under-owned/orphaned positioning, we aren't typical beneficiaries of indiscriminate multiple expansions, we aren't fully insulated from the 'India shining bandwagon' effect that tends to envelop the street and accordingly do see occasional froth in our tail positions. To that extent, certain size cuts occurred in select such names because the trade-off of maintaining the size wasn't as asymmetrical as we would typically prefer.

More than 3/4th of our holdings gained in C2Q24, with our biggest holding gaining just under 70% for the quarter. This sharp gain however comes after the stock inexplicably lost a fifth of its value in C1Q, in what was a sharp departure from the global forestry pack. In our [April investor letter](#), we had detailed why this name should be the most favored 'long' in a potential global forestry pair trade. Our second biggest gainer during the quarter (+57%) was a packaging name that was coming off of a 20% decline in C2023. Our third biggest gainer (+35%) was an apparel name, which was the only new exposure we had initiated over the past year. Our two worst laggards in C2Q were our amusement park holding (-8%), which was handily our best performing name in C2023, and a traditional media broadcasting name (-6%).

¹ Nearly 90% of active brokerage accounts in India have never seen a full calendar year of *Nifty50* pain in their history.

² *BSE 500* was used as the benchmark



We remain unflinchingly aligned with finding value in uncrowded places. If underlying idiosyncrasies drive accretive change in growth and/or operating returns of businesses and such changes only gradually represent themselves in security price action, a machine optimized portfolio would struggle to include these. This is because algos attempt to optimize portfolios by anchoring themselves in past security price action. It therefore stands to reason that conservatively valued idiosyncrasies in uncrowded spaces are likely to be a formidable opponent to machine optimized books. We believe that our low skewness, higher tracking errors, and superior risk-adjusted attributes are planked upon **1.** (Principally) capitalizing upon such mispriced idiosyncrasies, **AND 2.** (Secondarily) tilting our books towards arguable crowd apathy (which ensures that the book is almost always skewed towards holdings that have almost inexplicably de-rated). Inevitably then, multiple contraction in these holdings is mostly temporary (but broad-based panic that typically drives such contractions are expectedly welcomed by us, as long as we have the gun powder, which we now do, to capitalize on such indiscriminate sentiments).

The street is now almost habituated to capitalize unsustainable earnings run-rates at extremely rich multiples, setting them up for a highly likely one-two gut punch at some point. India's perma-bulls have completely flipped the valuation script that 'elevated but unsustainable earnings need to be capitalized at depressed multiples'. Essentially, near-term growth (don't bother debating its sustainability) is now getting exorbitantly priced. Cases in point include residential real-estate names, where nearly entire earnings growth in the near term has been driven by extremely high levels of speculative activity, and yet such earnings at several of these names are getting capitalized at twice or more their pre-pandemic averages.

Our recent Delhi NCR residential RE transaction activity checks threw particularly concerning observations: **1.** Investors (overwhelmingly speculative) are now accounting for 80% or more of all transactions³ in developer projects, and **2.** Every fourth investor seems desperate to sell out. These desperate investors are now willing to accept a 25-30% cut on their appreciated capital. This isn't surprising because more than a third of investors on the payment plan are currently struggling to pay subsequent tranches. And it's easy to wrongly conclude at this time that certain legacy non-NCR names are relatively safe - We note that one of the richest names in the real-estate pack in India today is incidentally a legacy MMR focused name, but more than half of its project launches in F2024 (Mar) came from NCR⁴. It's ludicrous that the residential real estate speculative mania of past year has been broadly labeled as a "new real-estate cycle" on Dalal street. As we see it, there is absolutely nothing secular about this. It's speculation on steroids, with entitled speculators using payment plans (think of an option buyer's payoff, sans the premium) to get highly levered quick upsides. This can't end well.

Elsewhere, and bizarrely so, even within situations where headwinds are clearly established (already somewhat penciled in street estimates), valuations still remain disconnected with realities. Consider the case of a large oleochemical based additives manufacturer, where F2025E (Mar) estimates have been cut by 10-15% over the last year and earnings are now expected to compound at maybe 5-7% (!!) over the next few years. It's also not particularly challenging to identify growing (and very apparent) competitive intensity in this case⁵, or easily write off any material cost tailwinds⁶. Yet, such names today trade at nearly 35x distant

³ Since Mumbai metropolitan area is relatively supply constrained (less room for project launches), investors account for about 30% of transactions there.

⁴ Over F2019-24, this developer's launches in NCR outpaced its overall launch rate by more than 10 pps annually

⁵ European players have been increasingly shifting their manufacturing bases towards Asia

⁶ Aggressive focus by Indonesia on B35 (35% bio-fuel blending; blending was 25% in Dec 2018 and 30% in Jan 2020) drove up palm oil consumption by 7 MT, or about 44% of incremental consumption of edible oils over the past 4 years). Increased blending can likely further increase palm oil prices, which is a key input in this case.



(F2026E) earnings and are thoroughly irreconcilable with even the most sanguine distant earnings run-rate. Incoming retail liquidity (assuming it continues), alongside elevated fund-level cash, should act like little more than ‘barrage dams’ to provide temporary support to likely draw-downs in such cases. These cases, in our view, are now set up for lower highs and lower lows in a painful shuffle mode.

We view investment-grade credits and Chinese equities as ‘value’ show-stealers, and don’t expect discerning allocators to jettison China. Other than entitled momentum chasers, it’s hard for us to imagine investors making a beeline for headline India at this time, which we believe is one of the least attractive parts of the listed EM landscape today. We thoroughly disagree with any narrative that views any part of headline India equity as reasonably priced. It’s in fact different shades of ‘very unreasonable’! As we write this investor letter, *MSCI India* is nearing almost 150% premium over *MSCI EM* peers⁷. Meanwhile, despite all the hullabaloo around residential real estate, headline Chinese earnings have seen consistent broad-based beats for 8 straight quarters. For context, median earnings beat for *MSCI China* components (ex-financials) was nearly +8% again in the March quarter⁸. We note that Chinese equities received more than a third of the rather muted equity capital inflows into emerging markets equities in the first half of the current calendar⁹. In the absence of a tail event, we suspect that interest in Chinese equities should only expand from current levels and this, along with appealing long duration investment grade credits, could likely be the favored assets for cross-border allocations in the near term.

Unlike headline India, we aren’t remotely positioned in frothy pockets. The only two 3-yr periods in our history when today’s *Nifty Smallcap100* began the period trading at an even higher premium over our current book than today were the periods that began at the end of F2020 (Mar) and F2021 (Mar). These 3-yr periods ended with annualized alphas of +15% and +6% respectively for our book. To read more about our current book’s value positioning¹⁰, and how such positioning drove subsequent historical returns of this book, click [here](#).

Intrinsically, nearly our entire book deserves significant premiums over their domestic, EM-based, and DM-based peer sets. Regardless of which peer set we juxtapose against, underlying growth (nearly always), more efficient allocation of capital (mostly; be it on expansion or working capital), and profitability (mostly) for our holdings are the primary drivers that can (but still don’t!) support significant intrinsic premiums for our holdings vs. comparable global peers. Today, *Minerva India Under-served* owns several names that trade at significant discounts to their global and EM peers, often with no justification whatsoever.

Exhibit 1 on next page compares intrinsic premiums/discounts¹¹ for our top holdings¹² vs. comparable peer sets in India, Emerging Markets (EM), and Developed Markets (DM), and identifies sources of these premiums/discounts. While taxes expectedly are often a value drag for Indian names, most other value drivers for our holdings tend to support large intrinsic premiums vs. global and domestic peers, even as these names aren’t currently afforded such premiums. By our estimates, our holdings should intrinsically

⁷ *MSCI Emerging Markets*, excluding India (which now makes nearly a fifth of the index, and therefore adds a large skew). Industry-wise comparisons look even worse for headline Indian names.

⁸ This follows about +7% median beat in the prior 3 quarters

⁹ This however is less than what they received in the last calendar. All flows data is extracted from *IIF* capital flows tracker.

¹⁰ At the end of C2Q24, *Minerva India Under-served* (ex-financials) was trading at barely 9.3x F2025E (Mar) EBITDA (or almost 10% discount vs. this book’s own pre-pandemic history), vs. 19.6x for *Nifty50* and 19.4x for *Nifty Smallcap50* (implying highly elevated ~110% premium for the benchmarks), despite materially better earnings traction for us on any meaningful timeframe. Our discounts were even steeper in terms of operating cash flows. We were trading at 2.6x F2024A (Mar) book, while our median was an even lower 2.4x.

¹¹ What they should be, as suggested by our absolute value models

¹² These accounted for 85% of our long book at the end of C2Q. Please let us know if you want to see this exhibit for all holdings.

command a median 20%, 63%, and 77% premium over their domestic, EM, and DM peers respectively. This stands in stark contrast to headline India, which is now home to the most richly valued stocks globally (with headline premiums running well ahead of where they can be intrinsically supported), almost regardless of which industry one looks at.

Exhibit 1 – Intrinsic premium/discount estimation for our top holdings (vs. domestic, EM, and DM peers)

	Industry	Revenue Growth	Cash cycle	Capital Efficiency	Taxes	Profitability	Estimated Intrinsic Premium/Discount
Vs. Domestic peers	Forestry (Paper)						Insignificant
	Auto Parts (Chassis)						120%
	Auto Parts (Lighting)						20%
	Theatrical Exhibition						NA
	Amusement Parks						16%
	Apparel						63%
	Spirits						-13%
	Median						20%
Vs. EM peers	Forestry (Paper)						137%
	Auto Parts (Chassis)						51%
	Auto Parts (Lighting)						184%
	Theatrical Exhibition						11%
	Amusement Parks						NA
	Apparel						68%
	Spirits						58%
	Median						63%
Vs. DM peers	Forestry (Paper)						119%
	Auto Parts (Chassis)						77%
	Auto Parts (Lighting)						150%
	Theatrical Exhibition						81%
	Amusement Parks						15%
	Apparel						-9%
	Spirits						42%
	Median						77%

Premium driver
Neutral driver
Discount driver

Notes: 'EM' stands for emerging market peers and 'DM' refers to developed market peers; All premiums/discounts are on Enterprise Value to FCFF; Premiums/Discounts are based off of 'intrinsic' multiples, and not 'current' multiples; At least 2 peers were required for making a comparable peer set; Our forestry holding's profitability is artificially depressed in the current fiscal (because of the elevated fiber cost, which should reverse by the end of F2025E); Conservatively, we have used the same terminal multiples for all peer sets.

Sources: S&P Global Market Intelligence; Company reports; Internal estimates



Over the course of the second calendar quarter, our exposure declined from 81% to 75%, which incidentally is our lowest exposure in nearly a decade. This was driven by cuts in 3 positions, including 2 of our top-6 holdings – An amusement park holding, a software services name, and a paper packaging name. We did not initiate any new exposure in C2Q. Here are some recent thoughts on some of our key holdings:

Despite the recent run-up, our forestry holding remains not only among the cheapest forestry names one can own globally, but profitability turnaround in F2026E also remains completely unpriced. In the first half of this calendar, hardwood pulp imports in China were up in high single digits, driven by strong uncoated wood-free consumption (+7%)¹³. European consumption was strong too. BHK (hardwood pulp) prices delivered in China meanwhile were up about +15%, but were still about 10-15% below 2022-end levels. Given reported high backlogs at South American pulp producers, lack of excess stock at ports¹⁴, and high operating rates¹⁵ at paper mills, we think it's unlikely that prices would retract much from here. That said, Chinese buyers have recently exhibited somewhat reluctance to import¹⁶ now at \$740-750 per tonne. On the overall weight of evidence, we believe that pulp price action would likely remain somewhat supportive of uncoated paper pricing in general, and cut-sized grades (office paper) in particular, and this coupled with a likely reversal in cost of wood (next year), coal (this fiscal), and caustic soda (this fiscal), could potentially create a higher steady-state profitability environment for our holding towards the end of this fiscal. In the interim, we expect global hardwood pulp prices to take a breather at current levels.

Despite the run-up in C2Q, NA and EU forestry comps still inexplicably trade at >50% premium to our holding, with neither absolute profitability, even if its temporarily depressed, nor incremental margin tailwinds in the next calendar to match.

June sales update for our key auto parts holding was noisy with fleeting one-off tailwinds. Shipping line congestion in the Red Sea drove a headline pullback in exports, but early July trends were reportedly better. We note continued traction in the fledgling aluminum steering knuckles space. As communicated, our holding would begin shipments to *Mahindra & Mahindra* in July/August, and begin supplies to *Tata Motors* in the last quarter of this calendar. At about 8x F2025E (Mar) very achievable EBITDA, valuation here bizarrely remains 15-20% below pre-pandemic levels, even as the underlying business has changed meaningfully (significantly more higher-margin exports and alloy in the mix now).

Nearly a fourth of revenue growth in this holding over the next 5 years could come the fledgling steering knuckles piece. Accordingly, more than a fourth of EBITDA growth over this period could come from here. In our view, not only are these expectations grounded, but the concomitant impact on operating returns would also drive what we believe is a highly probable re-rating situation.

¹³ This compares with about +3% annualized growth over the last 4 years

¹⁴ In May, stocks at European ports stood at 1.3 million tons, below the historic average for the past 5 years (1.5Mt). In China, pulp stocks stood at 1.7 million tons in June 2024, also below the historical average for the past 5 years (1.8Mt).

¹⁵ Given continued closures and steady end-demand, operating rates for uncoated freesheet capacity in both EU and NA were in the 90% range in the first half of C2024. We expect Asian imports to continue to gain share in these markets as domestic supply cuts continue and prices remain favorable.

¹⁶ Customers expect a somewhat pullback because 1. Buyers had significantly pre-paid for summer requirements, and 2. Imminent startup of *Suzano's* 2.5 MT Cerrado project in Brazil and *Liansheng Pulp & Paper's* 1.2 MT line in China.



Apparel inventory drawdowns continued in C1Q24, further improving visibility for vendors. With the exception of *PVH*, most of our apparel holding's clients reported sales growth in the March quarter. Importantly, this came alongside a 10% inventory cut vs. last year. The clear exception on inventory drawdown trend was *American Eagle*, but about a third of the +9% yoy increase in inventory there was on account of carrying more 'clearance' vs. previously selling-off to third parties. Several labels have confirmed that they are very comfortable with the age of current inventory, suggesting that the base has likely been formed and we can see gradual replenishment as a clear tailwind.

Elections weren't the dominant drag for box-office. The real culprit remains Hollywood's WGA and actors union strike from last year. There was a sharp decline in domestic tentpole theatrical releases in the last quarter¹⁷, driving a rather unusual mid-single digit decline in comparable ticket pricing vs. last year. To be clear though, this wasn't on account of headline price cuts. Instead, the propensity to pay the 'ask' and head out of home in the post-pandemic world is now driven by content that is decidedly made for theatrical consumption (more VFX content, more grand visuals etc.). With Hollywood releases pushed into the next calendar because of the strike, and Indian tentpoles pushed out because of the elections, effective ticket prices in C2Q ended up showing a decline.

Premium formats meanwhile continued to do well, with domestic *IMAX* collections increasing >40% last quarter. Even as movies such as *Maidaan* and *Bade Miyan Chote Miyan* underwhelmed overall, *IMAX* collections accounted for about a tenth and a fifth respectively of their domestic gross collections, punching well above their proverbial screen weight. Even overall (not just at multiplexes), excluding the impact of Hollywood content¹⁸, domestic gross box office collections would have actually increased a bit vs. C2Q23. Malayalam, in particular, has now had 2 extremely solid back-to-back quarters, and made a fifth of all domestic box office collections in C2Q. At this time, we have no reason to believe that there is any incremental structural adverse shift away from theatrical consumption, beyond whatever we had already observed since post-pandemic reopening.

Debating the new-normal for a media holding: Our terrestrial radio holding has nearly doubled over the past year, but we expect at least an incremental +25% re-rating to reconcile with even our base case. Our broadcasting holding has about 1,000 employees on rolls, with nearly a third of them in 'creative and content'. As always, content ideation and communication aren't dependent on 'a medium' and accordingly this holding of ours has swiftly moved away from traditional broadcasting over the years, even as investor mindset arguably hasn't. In F2025E (Mar), non-FCT (i.e. ex-traditional broadcasting) revenues will account for 40-45% of this business¹⁹, vs. ~30% in F2024A (Mar), and this accretive mix continues to shift away from FCT.

Non-FCT piece includes events and multimedia deals, among certain other pieces. On the 'events' side, our holding's mandates could include evaluating media fit for the clients and bring in sponsors, while taking 15-30% share of such sponsorships. The biggest piece however is 'multimedia deals'. About 2/3rd of their multimedia deal revenues are 'local', and most of these are outside the top-8 markets. Essentially, our holding doubles up as media strategist and buyer for small local businesses in Tier-2 markets. There is predictably lesser competition from national media agencies in this part of the market. This is also the most

¹⁷ Collections from movies that made more than INR 1 billion in gross domestic box office declined nearly 60% yoy in C2Q24

¹⁸ English domestic gross collections were down 31% yoy in C2Q24, even as they improved meaningfully after 2 muted strike-impacted quarters.

¹⁹ Majority of EBITDA would be coming from non-FCT as well



profitable part of the non-FCT piece today, with EBITDA margins exceeding mid-30s. We note that there is 70-80% client overlap between FCT and multimedia deals. Accordingly, significant overhead absorption here²⁰ will likely continue to drive margins higher. We would accentuate 2 facets of the non-FCT piece that accentuate the continued decoupling from the FCT business:

1. The dependence of multimedia deals on radio continues to decline sharply. Today, radio component accounts for about half of all multimedia deals at our holding, vs. about 90% in F2017, and this could likely be insignificant in next 6-7 years.
2. In contrast to traditional broadcasting, outlook for the ‘Events’ piece looks solid at this time, with nearly 80% of marketers planning to increase spends²¹ on events over the next few years, with particular strength outside the top-8 markets²². Overall, industry-wide spends on events are now projected to grow in the high-teens through C2026E, or nearly 2x growth in overall advertising spends.

In F2025E (Mar), for the non-FCT piece (excluding the music streaming platform), we expect our holding to post 15-20% revenue growth, and at least +30% EBITDA growth. This business when capitalized at 10x (please refer to **Exhibit 2** for marketing agencies comps in emerging Asia) would value this piece alone at INR 5.5 bil, or about 2/3rd of June-end enterprise value. With about INR 4 bil in net cash, the profitable growth piece of this business and cash alone are close to INR 10 bil, or >80% of the current price. Essentially, the money-spinner here (i.e. the FCT piece) is a giveaway - By our estimate, the FCT piece today has a base-case unlevered free cash flow run-rate of INR 800-850 mil, which can be reasonably capitalized at 7x²³.

We are ascribing no value to the music streaming business at this time, and expect this piece to be an INR 1-1.2 Bil EBITDA drag²⁴ over the next 4 years, and neutral to our holding beyond that. Any change in our thesis here can only be favorable.

We strongly believe that the ‘non-fashionable’ broadcasting piece here detracts momentum seekers from what is otherwise one of the most asymmetric value situations in our book today.

Exhibit 2 - Marketing agency comparables in Emerging Asia

Name	Country	Enterprise Value	C2023-C2026E EBITDA Growth	EV / C2024E EBITDA	Net Cash	Net Cash / Market Cap	Notes
Easy Click Worldwide	China	CNY 4,770	28%	10.2x	CNY 2,061	30%	~90% of sales come from outside China
Three's Company Media	China	CNY 5,300	15%	7.5x	-CNY 186	-4%	Ad agency and digital mktg have an equal split
Bluefocus Intelligent Comm	China	CNY 11,490	46%	14.9x	CNY 1,420	11%	>70% of the business is ex-China
Plan B Media	Thailand	THB 34,870	7%	8.4x	-THB 3,700	-12%	OOH advertising; entire business comes from Thailand
Median			15%	10.2x		-4%	
Our holding	India	INR 8,399	18%	6.9x	INR 3,811	31%	

Notes: We didn't select Cheil in the above peer list because majority of its revenues come outside emerging Asia.

Sources: S&P Global Market Intelligence; Internal estimates

²⁰ Nearly all salaries get accounted under the FCT piece because of the client overlap

²¹ Industry-wide spends on ‘events’ grew +20% in C2023, exceeding pre-pandemic run-rate and handily outpacing +15% growth in digital advertising.

²² Post Covid, 2/3rd of event related revenues for our holding come from ticketing, and only a third come from advertising

²³ Using global comps in Australia, Mexico, and Philippines

²⁴ We expect paid subscribers at our holding's streaming platform to grow at close to 25% annualized pace between now and C2026E, somewhat mimicking the industry-wide pace. Over the next 2 fiscals, investments in this streaming platform would lead to an annual INR 350 mil drag on EBITDA. As things stand, they need to grow their subscriber by 2.5x and double the ARPU to breakeven on the operating line.



An amusement park holding and a packaging name led most of our C2Q liquidation activity. Collectively, these 2 positions made just under a fifth of our book at the beginning of C2Q, and this was pared down to 8.4% collective exposure by the end of the quarter. These cuts were largely influenced by somewhat fullish valuation at this time, and our instinct to raise liquidity levels in anticipation of broad-based indiscriminate sell-off. Critically, our theses on these holdings remain unaltered, and in nearly any other scenario other than what we see today, we wouldn't have blinked.

These two names ended C2Q trading at between 10-40% premiums vs. their pre-pandemic levels. This however is justifiable in the case of at least our amusement park holding, where operating returns have been structurally elevated in recent years²⁵. In a more institutionalized marketplace however, farcical valuations elsewhere wouldn't have influenced our selling decision in these names. That said, given where retail mob activity currently stands, we believe that it isn't unlikely that indiscriminate cheers swiftly retreat into an indiscriminate fright at some point. In distant memory, we haven't valued 'cash' as dearly as we do today, and this has necessitated an increase in our liquidity.

Please let us know if you have any questions.

Thanks,

Piyush Sharma

Minerva India Under-served

Minerva Asset Advisors Pvt Ltd.

Tower B, 10th Floor,

Unitech Cyber Park,

Sector 39, Gurugram,

Haryana 122003, India

²⁵ Our amusement park holding saw its average revenue per footfall increase by >30% in the post-pandemic period, chiefly driven by a >40% increase in non-ticket revenues. Concomitantly, cash cycles have also shortened for this park operator.



Performance benchmarking

	Minerva India Under-served	Nifty 50	S&P BSE 500	S&P BSE Midcap	S&P BSE Smallcap	Eurekahedge India	India-focused CE Funds*
Trailing 1 year	26%	25%	37%	60%	60%	24%	29%
Trailing 3 yr CAGR	31%	16%	18%	27%	27%	10%	11%
Since inception CAGR	19%	12%	12%	15%	14%	8%	9%
2024 YTD	6%	10%	16%	25%	22%	10%	13%
2023	28%	22%	25%	46%	48%	20%	26%
2022	18%	6%	3%	1%	-2%	-7%	-2%
2021	92%	23%	30%	39%	63%	25%	20%
2020	18%	15%	17%	20%	32%	20%	12%
2019	-10%	12%	8%	-3%	-7%	1%	3%
2018	-6%	3%	-3%	-13%	-22%	-7%	-5%
2017	17%	29%	36%	48%	60%	29%	31%
2016	9%	3%	4%	8%	2%	3%	1%
2015	22%	-4%	-1%	7%	7%	6%	-1%
2014	34%	31%	37%	55%	69%	39%	49%
2013	21%	7%	3%	-6%	-11%	-6%	6%
2012	39%	28%	31%	38%	33%	14%	28%
2011	-11%	-25%	-27%	-34%	-43%	-25%	-31%
Annualized Volatility	21%	16%	17%	20%	23%	12%	16%
Annualized Volatility (+ve)	14%	11%	11%	12%	14%	7%	9%
Annualized Volatility (-ve)	15%	12%	12%	15%	17%	9%	12%
Sharpe Ratio	0.8	0.5	0.5	0.6	0.5	0.3	0.4

Source: BSE, NSE, EurekaHedge, Bloomberg

Note: Returns are until the end of June 2024; Our performance is net of execution charges and mgmt. fees, but before incentive fees; Our management fees are accrued monthly for reporting purposes. Since the fee is actually charged and calculated quarterly, compounding of the fee charge leads to us conservatively reporting slightly lower returns vs. client actuals; Sharpe was calculated by using since-inception monthly returns and is based on an Rf of 5%. Sortino was 1.11.

*US-based close-ended funds, with returns adjusted for INR/USD movements.

Strategy Snapshot

Characteristic	Notes	
Top 5 positions as % of book	55%	
Avg. weighted market cap of book (mil)	\$688	>> Median holding's market cap is \$404 mil
Avg. weighted institutional ownership	13%	>> Median institutional ownership of current holdings is 11%
Avg. weighted free float of book	40%	>> Median free float is 42%
Net Exposure	75%	
Avg. weighted F2025E (Mar) EV/EBITDA	9.3x	>> vs. 19.4x (Nifty Smallcap 50), and 19.6x (Nifty 50)
Avg. weighted current P/B	2.6x	>> Median P/B was 2.4x
# of positions	13	

Note: Characteristics are as at the end of June 2024



Meet your investment manager

Piyush Sharma, born and raised in India, has been running the Minerva India Under-served strategy across offshore and onshore structures since early 2011. The strategy focuses on investing in uncrowded and institutionally under-owned/orphaned situations within Indian smaller smallcaps. Essentially, strategy's focus is to capitalize upon flawed overly-generalized narratives within poor price discovery pockets. Having spent time with Citigroup and Bombay Stock Exchange in India, he moved to United States in early 2000s, where he covered stocks within Business Services, Autos, Consumer Products and Financials with Sanford Bernstein, Longbow Research, and Avondale Partners, working in teams that received accolades from leading institutional research arbiters, including Institutional Investor (II) and Greenwich Associates. Piyush received an MBA from University of North Carolina at Chapel Hill, MS from MNNIT, and BS in Accounting from University of Allahabad.

 @ps_tarheel

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CONTACT US:

Piyush Sharma	piyush.sharma@minervaassetadvisors.com
Arpit Khunteta	arpit.khunteta@minervaassetadvisors.com
Devchandra Ramani	devchandra.ramani@minervaassetadvisors.com
Sourav Dutta	sourav.dutta@minervaassetadvisors.com
Kunal Kapoor	kunal.kapoor@minervaassetadvisors.com
Siddhant Chhabra	siddhant.chhabra@minervaassetadvisors.com
Vedant Bhasin	vedant.bhasin@minervaassetadvisors.com
Yati Chauhan	yati.chauhan@minervaassetadvisors.com
CS Raju	raju.cs@righthorizons.com

Minerva Asset Advisors Pvt Ltd.
Tower B, 10th Floor,
Unitech Cyber Park,
Sector 39, Gurugram,
Haryana 122003, India

+1-919-360-0359 [United States]
+91-9910944277 [Gurgaon]
+91-9739010590 [Bangalore]



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