




PERSISTENCE CAPITAL



Persistence Capital is a Category III Alternative Investment Fund ("CAT III AIF") focused on Indian equities. Our goal is to be the best in the business of picking stocks, and not the best in building a business around stock-picking.

# Agenda

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## Strategy

Persistence Capital invests at inflection points by buying uncertainty at a discount and selling clarity at a premium. We want to generate compelling returns by building a portfolio of quality, mispriced listed businesses.



## Track record

Before launching Persistence Capital, Siddhant Bhandari generated ~33% annualized INR<sup>(1)</sup> returns from Sep 2019 – Apr 2024 (~12 p.p. above NSE 500) while managing the India portfolio for Highwest Global. At Persistence Capital, the fund has generated ~15% returns since inception from Sep 2024 – Dec 2025 (~13 p.p. above NSE 500)



## Background



SEQUOIA



## Skin in the game

>50% of our net worth is invested in the fund. The management company has three years of runway assuming zero fee income to avoid performance-chasing or raising assets at unfavorable terms.

(1) Highwest Global India reported performance in USD terms for its offshore LP base. These returns are post-taxes but pre-fees. For easier comparability with domestic benchmarks, these results are shown on an INR-equivalent basis by excluding the ~3.6% annual INR depreciation against USD.

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Strategy

## Buy uncertainty at a discount...

- ✓ Messy historical financials
- ✓ Under-owned and unloved
- ✓ Underappreciated business quality

✓ Circumstances which led to historical underperformance have changed but do not reflect in the numbers just yet – **crucial to avoiding value traps**



## ... sell clarity at a premium

- ✓ Attractive financial profile on a forward-looking basis
- ✓ Step function jump in institutional ownership
- ✓ Trades at an “India” premium
- ✓ Clean story where industry structure, business quality, management capability reflect in headline financials



✓ Market cap typically between INR 500 cr – INR 50,000 cr

✓ High insider ownership or CEO has significant skin in the game

✓ Limited sell-side coverage

✓ Financials typically screen poorly

## Investment criteria - each position must generate >20% IRR



✓ Earnings can grow >25% annually for the next three years

× No turnarounds

✓ Incremental RoIC >20% without over-earning

× No dogfights with VC or conglomerate-backed businesses

✓ Available at significant discount to intrinsic value

✓ Management capable of creating optionality by seeding new business verticals

✓ Management is open to making changes that drive re-rating

# Five questions that need to be answered for each stock in the portfolio



Is this a good business?	<ul style="list-style-type: none"><li>• Long-term track record</li><li>• Capital efficiency, unit economics</li><li>• Growth outlook</li><li>• Industry structure</li></ul>	<ul style="list-style-type: none"><li>• Corporate governance</li><li>• Insider buying</li><li>• Shareholding structure</li><li>• Valuation dislocation (if any)</li></ul>
Is this a two to five-year story?	<ul style="list-style-type: none"><li>• Suppliers</li><li>• Competitors</li><li>• Customers</li><li>• Shareholders</li><li>• Employees</li></ul>	<ul style="list-style-type: none"><li>• Regulators</li><li>• Management</li></ul>
Is the risk-reward favorable?	<ul style="list-style-type: none"><li>• Financial forecasts</li><li>• Tail risks</li><li>• Sizing</li></ul>	<ul style="list-style-type: none"><li>• Exit scenarios</li><li>• Impact on portfolio level factor risk</li><li>• Position tracking framework</li></ul>
Is management open to change?	<ul style="list-style-type: none"><li>• Fundraising</li><li>• Restructuring, spin-offs</li><li>• Help with investor relations</li><li>• Capital allocation</li></ul>	<p>Engagement is not critical to our process. We will routinely make investments without even speaking to management.</p>
Is >20% incremental IRR possible?	<ul style="list-style-type: none"><li>• Evolving industry structure</li><li>• Future outlook</li><li>• Corporate governance</li><li>• Valuation dislocation (if any)</li></ul>	



## Number of positions

Longs: 15 – 35 positions  
Top 10 positions >50% of NAV (at cost)



## Sizing (% of NAV)

Longs: 2.5 – 10% of NAV (at cost)



## Sector exposure

30% of NAV (at cost)



## Trading

Avoid tracker positions



## Liquidity

Monitor historical averages, troughs in liquidity and incorporate into sizing



## Stop loss heuristics

Size to avoid loss >2% of NAV per position



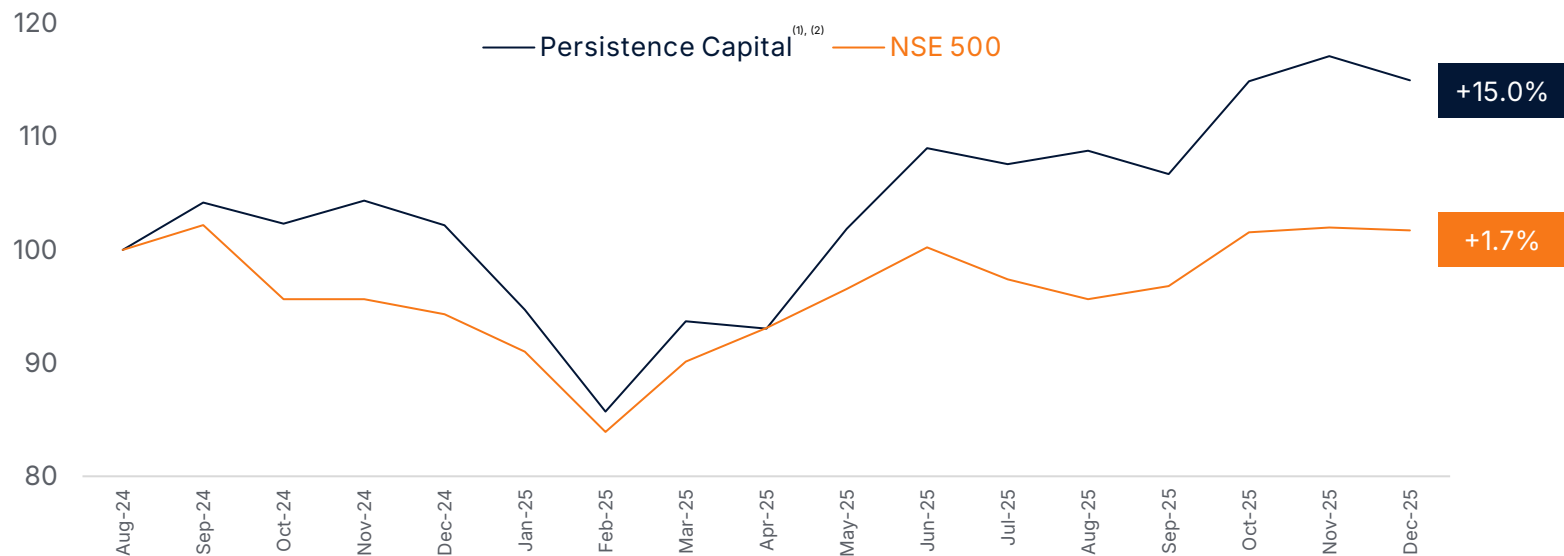
## Price targets

Focus on 2-year and 5-year business outcomes

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Track record

# Track record – Sep '24 to Dec '25 (since launch of Persistence Capital)



**+15.0%**

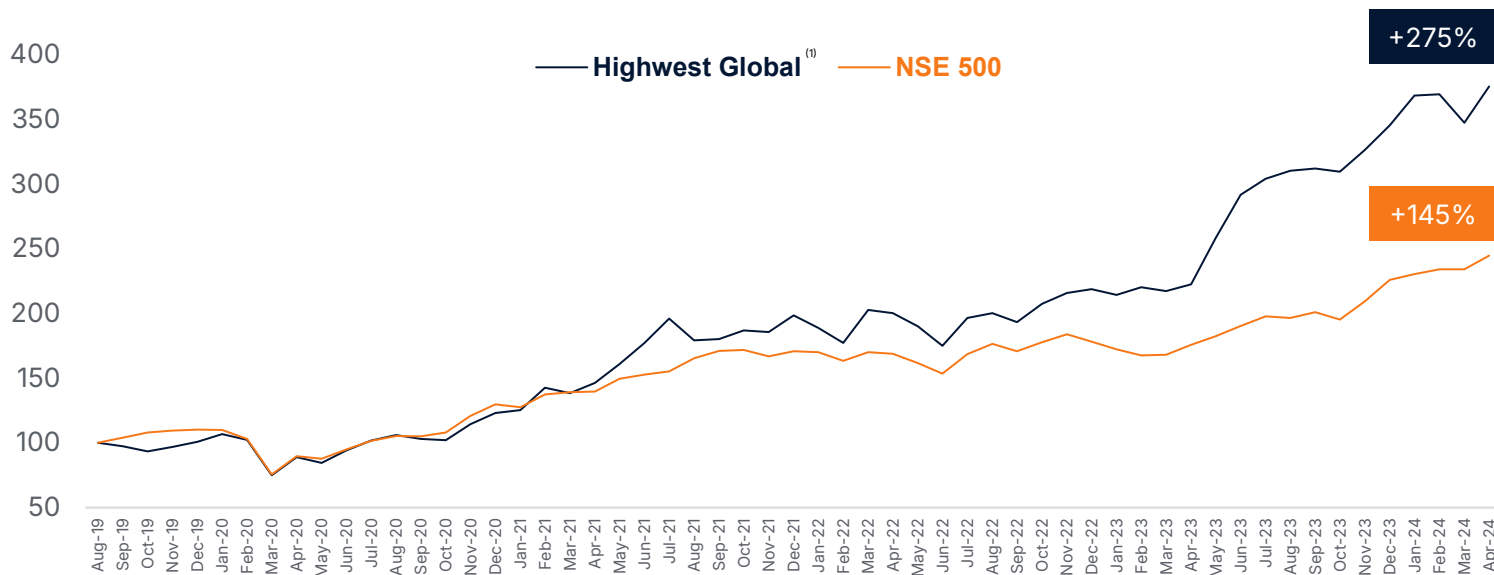
**+1.7%**

At the 16-month mark – the fund is performing ~13 p.p. above benchmark (pre-tax and net of fees, highest fee share class)

INR₹ performance	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	ITD
Persistence Capital	+4.2%	-1.8%	+2.0%	-2.1%	-7.3%	-9.5%	+9.3%	-0.7%	+9.5%	+7.0%	-1.3%	+1.1%	-1.9%	+7.7%	+1.9%	-1.8%	+15.0%
NSE 500	+2.2%	-6.4%	0.0%	-1.4%	-3.5%	-7.8%	+7.4%	+3.3%	+3.7%	+3.8%	-2.8%	-1.8%	+1.2%	+4.9%	+0.4%	-0.3%	+1.7%

(1) Persistence Capital returns represented are pre-tax and net of expenses and fees, highest fee share class.  
 (2) Our AIF is currently ineligible for benchmarking. Benchmarking data will be provided by the relevant benchmarking agencies once we submit data post completion of one full financial year of performance.

# Track record – Sep '19 to Apr '24 (before launching Persistence Capital)



INR₹ performance	4MCY19	CY20	CY21	CY22	CY23	4MCY24	Annualized
Highest Global	+1%	+22%	+61%	+10%	+58%	+2%	+33%
NSE 500	+10%	+18%	+31%	+3%	+27%	+8%	+21%

(1) Highest Global India reported performance in USD terms for its offshore LP base. These returns are post-taxes but pre-fees. For easier comparability with domestic benchmarks, these results are shown on an INR-equivalent basis by excluding the ~3.6% annual INR depreciation against USD.

## Track record – Sept '19 to Apr '24 (before launching Persistence Capital)

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78%

Win-loss ratio on 23 long positions initiated in India over the last 5 years

>10%

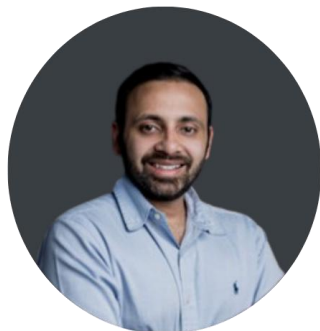
No realized loss >10% from purchase price despite witnessing multiple >20% drawdowns

>25%

No position accounts for >25% of total P&L generated since inception

0

Calendar years when fund has generated negative USD returns since inception



**Siddhant Bhandari**  
Co-founder & Portfolio Manager

Siddhant Bhandari serves as the Portfolio Manager at Persistence Capital.

He previously managed the India exposure at Highwest Global, having joined pre-launch in 2019. He has investing experience across the business lifecycle in India – ranging from Series A start-ups at Sequoia Capital to unlisted and listed businesses at Capital Group and Highwest Global.

Born and raised in India, Siddhant graduated with a BS in Civil Engineering from Stanford University in 2013.



**Ishmohit Arora**  
Co-founder

Ishmohit co-founded the School of Intrinsic Compounding (SOIC) at the age of 24.

The SOIC platform consists of: 1) a YouTube channel with ~480k subscribers, ~42m cumulative views and; 2) a SEBI-regulated research desk with ~3,000 paying subscribers.

Through a maniacal focus on deep, thoughtful research, Ishmohit bootstrapped SoIC into a premier destination for investors, founders, and business owners who want to learn about stock-picking and fundamental analysis in India.



Fund name	Persistence Capital Fund I
Strategy	Actively managed
Investment manager	Persistence Long Term Value LLP
Fund manager	Siddhant Bhandari
Minimum contribution	INR 1 cr
Minimum SIP	INR 1 lakh
Fee structure	Fixed fee or fixed fee with profit sharing on a hurdle rate
Exit load	Up to 2.5% if redemption occurs within 12 months of date of issuance of units
Benchmark	NSE 500
Custodian	Nuvama Custodial Services Limited
Taxation	LTCG / STCG at fund level



	Option 1: Fixed	Option 2: Hybrid
< INR 2.5 crores	2% management fee	1.5% management fee 10% carried interest on 10% annual hurdle rate
INR 2.5 – 5 crores	1.75% management fee	1.25% management fee 10% carried interest on 10% annual hurdle rate
> 5 crores	1.5% management fee	1% management fee 10% carried interest on 10% annual hurdle rate

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Disclaimer

# Disclaimer

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