

VR CAPITAL

Client Prospectus

Investment Advisory Services

November 2025

"Patience. Conviction. Compounding."

Delhi, India

Executive Summary

VR Capital is a boutique investment advisory firm serving discerning investors who seek long-term wealth creation through disciplined equity investing. We provide personalised portfolio management services built on rigorous fundamental research, concentrated positioning, and patient capital deployment.

Our approach is deliberately contrarian. While the investment industry has industrialised around asset gathering, benchmark hugging, and quarterly performance theatre, we operate as owner-operators of capital. We think in decades, invest with conviction, and measure success by absolute wealth creation rather than relative outperformance against arbitrary indices.

This prospectus outlines our investment philosophy, service offering, fee structure, and the principles that govern our client relationships. We encourage prospective clients to read this document carefully and engage with us directly to assess whether our approach aligns with their investment objectives.

Who We Are

VR Capital was founded on a simple premise: that intelligent, patient capital allocation conducted with discipline and transparency can generate substantial wealth over meaningful time horizons. We are not a product factory. We do not manufacture schemes, chase fads, or optimise for assets under management. We are investors first, advisors second.

Our firm is led by investors with deep expertise in financial statement analysis, business valuation, and capital markets. This foundation in accounting rigour understanding how businesses actually create and destroy value informs every investment decision we make. We read annual reports, not analyst reports. We study business models, not price charts.

We maintain deliberately limited client relationships to ensure the quality of attention each portfolio receives. We are not building an empire; we are building a track record of compounding wealth for a select group of partners who share our investment temperament.

Investment Philosophy

"We exploit the gap between market sentiment and business reality."

Core Beliefs

Markets are efficient most of the time, but spectacularly inefficient some of the time. Academic theories of market efficiency hold in aggregate but fail at the individual

security level during periods of fear, greed, or neglect. These inefficiencies are our hunting ground.

Business quality matters more than purchase price. A mediocre business purchased cheaply remains a mediocre business. We seek to own structurally advantaged companies with durable competitive positions, purchased at prices that provide margin of safety. Quality compounds; cheapness does not.

Time is the friend of the wonderful business. The investment industry's obsession with short-term performance destroys more wealth than it creates. We construct portfolios designed to compound over five to ten year horizons, not calendar quarters.

Concentrated portfolios outperform diversified mediocrity. Diversification is protection against ignorance. We prefer to concentrate capital in our highest-conviction ideas, where our research provides genuine informational advantage.

What We Look For

Every position in our portfolios meets rigorous criteria across four dimensions. First, we assess business quality: does the company possess sustainable competitive advantages that protect returns on capital? Second, we evaluate management integrity: does leadership allocate capital intelligently and treat minority shareholders as partners? Third, we examine valuation: does the current price provide adequate margin of safety against our base case? Fourth, we identify catalysts: what specific events or developments will cause the market to recognise the value we perceive?

We invest across a barbell of opportunities. On one end, we hold turnaround situations and special situations where temporary distress has created substantial mispricings. On the other end, we hold quality compounders with long reinvestment runways. This structure provides both optionality and stability.

Our Services

Portfolio Advisory

Our core offering is discretionary portfolio advisory for high-net-worth individuals and families. We construct and manage concentrated equity portfolios tailored to each client's risk tolerance, liquidity requirements, and investment horizon. Assets remain in the client's own demat and trading accounts, ensuring complete transparency and control.

The advisory mandate encompasses security selection, position sizing, portfolio rebalancing, and exit decisions. We communicate our investment rationale transparently, providing detailed thesis documentation for every holding. Clients understand not just what they own, but why they own it.

Research & Consultation

For investors who prefer to manage their own portfolios but seek high-quality research inputs, we offer bespoke research services. This includes detailed company analysis, valuation models, and investment thesis documentation on specific securities of interest. Research engagements are priced on a project basis.

Family Office Services

For families with multi-generational wealth, we provide comprehensive investment oversight that extends beyond public equities. This includes asset allocation guidance across equity, debt, real estate, and alternative investments; coordination with tax and estate planning advisors; and consolidated reporting across family holdings. Our role is to serve as a trusted steward of family capital across market cycles and generations.

Investment Process

Our investment process is designed to be rigorous, repeatable, and resistant to behavioural biases that destroy wealth.

Idea Generation

Investment ideas emerge from multiple sources: systematic screening for statistical cheapness, tracking of institutional capital flows, monitoring of insider buying patterns, and on-ground scuttlebutt from industry contacts. We cast a wide net but maintain strict discipline in what passes through to detailed analysis.

Fundamental Research

Every potential investment undergoes exhaustive fundamental analysis. We study historical financial statements going back a decade or more. We map industry structure and competitive dynamics. We assess management quality through capital allocation decisions rather than conference call rhetoric. We construct detailed financial models projecting multiple scenarios. Only ideas that survive this scrutiny proceed to portfolio consideration.

Pre-Mortem Analysis

Before committing capital, we conduct a rigorous pre-mortem: assuming the investment fails, what would have caused the failure? This exercise forces us to articulate our key assumptions and identify the specific conditions under which our thesis would be invalidated. Every position carries documented exit triggers established before purchase.

Portfolio Construction

Position sizing reflects conviction level, risk-reward asymmetry, and portfolio correlation. We typically hold fifteen to twenty positions, with our highest-conviction ideas receiving meaningful allocations. We do not hold positions for diversification's sake; every holding must earn its place through independent investment merit.

Ongoing Monitoring

Holdings are reviewed quarterly against their original investment thesis. We track key operating metrics, competitive developments, and thesis validation progress. When exit triggers are violated, we act decisively. When thesis remains intact despite price volatility, we hold with conviction—or add to positions opportunistically.

Fee Structure

Our fee structure is designed to align our economic interests with yours. We succeed when you succeed.

Fee Component	Description
Management Fee	1.00% per annum on assets under advisory, calculated on opening portfolio value and charged quarterly in advance. This covers research infrastructure, operational costs, and ongoing portfolio monitoring.
Performance Fee	10.00% of net profits above previous high water mark, calculated and charged annually. We participate in gains only when your portfolio reaches new peaks. This ensures we are rewarded for genuine wealth creation, not mere recovery from drawdowns.
Minimum Investment	₹50 Lakhs for Portfolio Advisory services. Lower minimums may be considered for research and consultation engagements.

Transaction costs, brokerage, taxes, and custodian charges are borne directly by the client and are separate from advisory fees. We do not receive any commission, referral fees, or soft dollar benefits from brokers or product manufacturers. Our only source of revenue is fees paid directly by clients.

What We Expect From Clients

A successful advisory relationship requires alignment of expectations. We are selective about the clients we accept because misaligned expectations destroy relationships and wealth.

Long-Term Orientation

We seek clients who understand that wealth creation is a marathon, not a sprint. Our investment approach requires patience through periods of underperformance, volatility, and market pessimism. Clients who expect consistent quarterly outperformance or who will lose conviction during drawdowns are not suited to our approach.

Defined Investment Horizon

Capital committed to our advisory should have a minimum investment horizon of five years. Short-term capital creates pressure for short-term decisions, which destroys long-term returns. We encourage clients to allocate only capital that will not be needed for near-term liquidity requirements.

Comfort with Concentration

Our portfolios are concentrated by design. Individual positions may represent meaningful percentages of total portfolio value. This concentration is a feature, not a bug—it is how we

generate returns that differ meaningfully from benchmark indices. Clients who require broad diversification should consider index funds.

Trust in Process

We communicate transparently about our holdings and rationale, but we do not seek client approval for individual investment decisions. The advisory relationship works best when clients trust our process and judgment, understanding that we are as invested in outcomes as they are—both financially and reputationally.

What Clients Can Expect From Us

Radical Transparency

We communicate with complete candour about our thinking, our mistakes, and our learnings. Every holding comes with detailed thesis documentation. Quarterly letters provide honest assessment of portfolio performance, thesis progress, and market outlook. We do not hide behind benchmark-relative performance or market conditions when results disappoint.

Aligned Incentives

Our fee structure ensures we make meaningful money only when you make meaningful money. The high water mark provision means we do not benefit from volatility—only from genuine wealth creation. Additionally, our personal and family capital is invested alongside client capital in the same securities. We eat our own cooking.

Accessibility

We maintain deliberately limited client relationships specifically so that we can provide meaningful attention to each. Clients have direct access to the investment team for questions, discussions, or concerns. We do not hide behind client service representatives or automated responses.

Disciplined Execution

We will hold when conviction is warranted, even through painful drawdowns. We will exit when thesis is violated, even at a loss. We will add to positions when prices become more attractive, even when sentiment is negative. We will sit on our hands when opportunities are scarce, even when inactivity feels uncomfortable. Discipline, not activity, generates returns.

Risk Disclosures

Investing in equity securities involves substantial risk, including the potential loss of principal. Past performance is not indicative of future results. The following risks, among others, should be carefully considered:

Market Risk. Equity markets are subject to volatility driven by economic conditions, geopolitical events, and investor sentiment. Portfolio values may decline significantly during market downturns.

Concentration Risk. Our concentrated portfolio approach means that adverse developments affecting a single holding can have material impact on overall portfolio performance.

Liquidity Risk. Some portfolio holdings may trade with limited liquidity, potentially making it difficult to exit positions at desired prices, particularly during market stress.

Business Risk. Individual companies may experience operational failures, competitive disruption, regulatory challenges, or management failures that impair their value regardless of broader market conditions.

Advisory Risk. Investment decisions are based on judgments that may prove incorrect. Our analysis may fail to identify material risks, or catalysts we anticipate may fail to materialise within expected timeframes.

Next Steps

If our philosophy and approach resonate with your investment objectives, we invite you to initiate a conversation. The onboarding process typically proceeds as follows:

Initial Consultation. A candid discussion to understand your financial situation, investment objectives, risk tolerance, and time horizon. This conversation is equally about assessing mutual fit—whether our approach aligns with your temperament and expectations.

Investment Policy Development. For clients who proceed, we develop a customised Investment Policy Statement documenting agreed-upon objectives, constraints, and guidelines that will govern the advisory relationship.

Account Setup. Assets remain in your personal demat and trading accounts. We assist with establishing necessary account access and documentation for advisory execution.

Portfolio Construction. Capital deployment proceeds thoughtfully over a period of weeks to months, depending on market conditions and available opportunities. We do not rush to be fully invested.

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Important Disclosures

This document is provided for informational purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities or investment products. The information contained herein is not intended to provide, and should not be relied upon for, investment, legal, tax, or accounting advice.

VR Capital is an investment advisory firm. Advisory services are provided on a discretionary basis pursuant to a written advisory agreement. Prospective clients should carefully review all documentation and disclosures before engaging advisory services.

Past performance is not indicative of future results. Investing involves risk, including the possible loss of principal. The value of investments may fluctuate, and investors may receive back less than they invested. There can be no assurance that investment objectives will be achieved.

The investment strategies described herein are speculative and involve a high degree of risk. They are suitable only for sophisticated investors who can bear the economic risk of losing their entire investment.

This document contains forward-looking statements based on current expectations, estimates, and projections. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied. VR Capital undertakes no obligation to update or revise forward-looking statements.

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