



Multi-Act Private Equity Investment Trust

(Investment Manager: Multi-Act Equity Consultancy Private Limited)

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Dear Investor,

It is our pleasure to send you our first newsletter for the AIF. Through the newsletter, we shall cover:

1. Multi-Act AIF's progress for the previous year
2. The Fund's quantitative updates
3. Updates for the Portfolio companies

Key fund updates from FY21-22

During FY21-22, Multi-Act AIF made two private equity investments. The first investment was a follow-on investment of ₹8.8 Crore in our portfolio company Orbis Financial. Orbis is a profit-making company with a good track record of execution since the last few years.

Our second investment of ₹7 Crore was in Gradatim. Gradatim is in the Insurtech sector and delivers digital insurance policy administration solutions to key insurance carriers in India including Aditya Birla Sun Life Insurance, New India Assurance, National Insurance, and the insurance behemoth LIC. With the onboarding of LIC as a client, Gradatim expects to accelerate its growth trajectory. We believe that our investment at this juncture shall aid Gradatim to capitalize on this break-out opportunity. The accelerated adoption of digitization in core insurance processes due to the Covid pandemic is also expected to give tailwinds to Gradatim's business.

The AIF undertook another transaction with regards to Orbis Financial. With the existing investment exposure of the AIF in Orbis Financial reaching our prudential limits, the AIF could not participate in the Rights Issue of Orbis and took the requisite steps to derive value out of its Rights Share Entitlement. The Rights Entitlement was renounced to another shareholder of Orbis Financial which resulted in an income of ₹28.7 Lakhs for the AIF.

During the year, the Investment Committee of the AIF was also expanded to include three experienced industry veterans Mahesh Vaidya, Harish Prabhu, and Vikram Desai. The three new independent IC members along with existing IC members Prashant Trivedi and Umesh Kudalkar comprise the committee. We believe that the new IC members' guidance and network shall be an asset to the AIF team's efforts towards sourcing, evaluating, and executing new deals.

Fund Finance Information

Particulars (in ₹, wherever relevant)	Class A	Class B
Committed Capital	400,000,000	600,000,000
Drawn Capital	400,000,000	108,000,000
Uncalled Committed Capital	-	492,000,000
Net Units Issued	3960	866.21
Unrealised Fair Market Value as at March 2022	745,990,749	152,717,304
NAV Per Unit as at March 2022	188,381.60	176,304.21

Portfolio Performance Snapshot

Portfolio Companies	Month of Investment	Current Month	Holding Period (years)	Stake (%)	Investment at Cost	Current Value	Annualized Notional IRR
					(₹ Cr)		
Orbis							
Tranche 1	Mar-19	Mar-22	3.0	6.01%	8.5	22.94*	38.6%
Tranche 2	Oct-21	Mar-22	0.4	3.72%	8.77	14.21*	216.0%
Origa	Mar-19	Mar-22	3.0	2.45%	1.3	5.03**	56.0%
Aureus	Jan-19	Mar-22	3.2	11.52%	7.87	7.87	0.0%
NSE	Apr-20	Mar-22	1.9	0.01%	6.5	13.3 [#]	44.6%
Rupeeseed	Dec-20	Mar-22	1.3	12.5%	7	7	0.0%
Raise Fintech	Feb-21	Mar-22	1.1	1.11%	1.75	10.33 [^]	408.5%
Gradatim	Jan-22	Mar-22	0.2	11.86%	7	7	0.0%
				Total	48.69	87.68	

*This valuation corresponds to ₹40.5 per share which was the Fair Value adopted by Orbis for the Rights Issue in March 2022.

**Origa concluded a ₹5 Crore fund raise in March 2022 at a pre-money valuation of ₹200 Crore.

#NSE's valuation has been taken at ₹2,200 per share which is Multi-Act Research's assessment of fair value. During March 2022, we saw the largest transactions happening at around ₹2,800.

[^]Raise concluded a Series A round of \$22 Million at a post-money valuation of \$125 Million.

Fund's overall IRR, DPI, RVPI and TVPI

Particulars	March 2022
(₹ Cr)	
Total fund corpus	100.0
Paid-in capital called by the fund	50.8
Distributions*	0.0
Notional fair value of the holdings	89.3
Distributions to paid-in capital (DPI)	0.0x
Residual value to paid-in capital (RVPI)	1.8x
Total value to paid-in capital (TVPI)	1.8x
Overall Notional Gross IRR**	36.3%

*From the sale of stake in a portfolio company alone. These distributions do not include dividends received from the companies and other cash flows passed on to the fund investors.

**Calculated with outflows based on investment costs and inflows as the notional fair value of the holdings.

Updates on the Portfolio Companies

Orbis Financial

Business

Fintech – Custodial and Depository Participant services as well as other ancillary services.

Website

<https://www.orbisfinancial.in/>

Services

- Core Custody and Depository services
- Derivative Clearing
- Designated Depository services
- Registrar and Transfer Agent services
- Trustee Services
- Fund Accounting and Customer Reporting
- Foreign Exchange Execution

Updates

The Company has achieved 91.0% and 81.8% of FY20-21 revenue and PAT respectively, in the H1 of FY21-22 itself.

Particulars (₹ Cr.)	Year Ended 31.03.2022	Half Year Ended 30.09.2021	Year Ended 31.03.2021	Year Ended 31.03.2020
Revenue	*	77.9**	85.6	43.9
PAT	*	12.6**	15.4	11.5
*FY21-22 results are yet to be released **Unaudited				

Origa Lease Finance

Business

LeaseTech – A fintech platform providing asset leasing solutions for medical/manufacturing equipment.

Website

<http://origaleasing.com/>

Updates

Origa's lease book & revenues has also seen consistent growth over the past 2 years.

Particulars (₹ Cr.)	Year Ended 31.03.2022	Year Ended 31.03.2021	Year Ended 31.03.2020
Revenue	10.5*	8.87	4.64
Lease Book	60.0	41.3	37.0
*Unaudited			

Origa has built partnerships with two large NBFCs Tata Capital and U Gro Capital for co-lending and co-leasing opportunities. Origa' disbursements for the year amount to ~₹22.3 Cr out of which they leased ~₹16.2 Crore via the co-leasing partnerships.

Origa is working towards developing a marketplace for equipment from manufacturing and healthcare verticals. It is also developing a platform for lease syndication.

Quote from the founders

“Origa plans to become India's 1st digital leasing platform where not only would Origa act as a lessor but also syndicate leases by facilitating business between leasing companies and customers. It endeavors to become the only one-stop platform for all types of leasing solutions.”

Aureus Analytics

Business

Insurtech - Artificial Intelligence SaaS Solutions for the Insurance Industry

Website

<https://www.aureusanalytics.com/en-in/>

Products

1. DONNA: An Artificial Intelligence and Data Analytics Platform for Independent Agencies. Helps clients to improve customer retention and cross-selling.
2. CRUX: This product offers Predictive Analytics, Real-Time Insights, Claims & Fraud Analytics. Helps insurance companies to cross-sell and up-sell their products.
3. SentiMeter®: It is a real-time sentiment analytics tool that uses artificial intelligence (AI) to calculate a score based upon various events across the customer's journey such as policy events, transaction events and interactions.

Key Clients

India: Aditya Birla, Bajaj Allianz, SBI Life, Bharti Axa, Aegon Life, Tata AIA Life, Kotak Life

US: Paradiso Insurance, Telamon Insurance Network, Insuritas, Quantum Assurance International, CoVerica Insurance, Indium insurance network, SIAA insurance network, Hanover.

Updates

Over the past 2 years, Aureus has focused its efforts on expanding in the US.

Particulars (\$ Million)	Year Ended	Year Ended	Year Ended
	31.12.2021	31.12.2020	31.12.2019
Annually Recurring Revenue (ARR)	1.082	0.893	0.462

With regards to key new clients, Aureus recently onboarded SIAA, an independent agency network with approximately 5,000 insurance agencies out of the ~36,000 agencies across the US. During the year, it also on-boarded another insurance agency network called Indium with about 300 agencies. Aureus is also in the process of renewing their contract with the insurance carrier Grange, another major client.

As recently as April 2022 end, Aureus also succeeded in onboarding Hanover, an insurance carrier with ~900 agencies.

Management expects a revenue of about \$1.5 to 2 Million per year from SIAA and ~\$3+ Million per year from Hanover. Thus, onboarding SIAA and Hanover is expected to help Aureus conservatively reach an ARR of ~\$5 Million over the next few years from just over \$1 Million currently.

Quote from the founders

“There are close to 36,000 Independent Agencies in the US alone. This traditionally run segment is now seeing a massive shift which is mainly driven by rise in technology adoption and M&A. This presents a \$2B+ opportunity for Aureus. In the past 24 months alone more than 100+ agencies have adopted our platform DONNNA which translates to more than \$2B of policy premium.”

Rupeeseed Technology Ventures

Business

Trading and Mobility Software Provider

Website

<https://www.rupeeseed.com/>

Products

1. A cutting-edge trading software with market leading features, strong analytics tools, and intuitive UI/UX for web and smartphones
2. Wealth Management product
3. Managed Services including hardware set-up, bandwidth, and information analytics
4. eKYC platform

Key Clients

ICICI Securities, Mirae Asset, INDmoney, NSE, Reliance Securities, Axis Securities, Paytm Money, Tata Securities, Cholamandalam Securities, Anand Rathi, Upstox, Fyers, Ventura Securities, Century Financial (UAE), Mona Financial (Dhaka), etc.

Updates

Rupeeseed has been growing consistently and is PAT positive.

Particulars (₹ Cr.)	Year Ended 31.03.2022	Year Ended 31.03.2021	Year Ended 31.03.2020
Revenue	20.0*	13.1	8.4
PAT	2.5*	2.1	1.3
*Unaudited			

Rupeeseed has a good mix of traditional and discount brokers as clients. The key clients on-boarded in FY21-22 include Cholamandalam Securities, RK Global, Anand Rathi (new app), ITI Securities Broking, RKS SV Securities (Upstox), Ventura Securities, INDmoney, etc. Rupeeseed's eKYC subsidiary Innodigital performed well over the year, raking over 20+ clients at financial year end.

Rupeeseed is expanding abroad acquiring clients from various Asian countries like Philippines and Bangladesh as well as the Middle East.

Quote from the founders

"The overall outlook for the industry looks very positive and encouraging. There are quite a lot of new players entering Indian capital market and Rupeeseed is positioned strongly to cater to their need for platform. We are also expanding beyond Indian geography, and we expect that this can ensure good revenue in 1-2 years."

Raise FinTech Ventures (Brand: Dhan)

Business

Raise is a pre-revenue seed stage financial services startup which plans to introduce user friendly products across Financing, Insurance, Investments, Payments, and Wealth segments.

Raise has introduced its discount broking product called 'Dhan' in 2021.

Website

<https://dhan.co/>

Updates

Raise consummated a Series A round of \$22 MM at a post-money valuation of \$125 MM during FY21-22. Key investors in the round were BEENEXT Venture Fund, 3One4 Capital, Rocketship VC, Vidit Aatrey and Sanjeev Barnwal of Meesho.

After becoming live last year, Raise's discount broking platform Dhan is increasing its traction. Dhan has acquired 100,000 plus active users in less than 4 months from product launch all through organic acquisition. The team is focused on building a strong client base of investors and traders.

In February 2022, Raise launched DhanHQ, a suite of fast Trading & Investing APIs for Traders, Algo Platforms, Banks, Fintechs, Portfolio Managers and Stock Brokers. DhanHQ APIs are for Dhan users, FinTech Partners as well as early platforms like TradingView, Tradetron etc. These APIs provide seamless and fast integration capabilities and come with comprehensive API documentation.

Quote from the founders

“The Broking Industry is now more digitized than ever before. Earlier, the key growth lever for traditional brokers was the offline channel. Later, bank-based brokers used their branch network to reach out to more and more investors. Now, technology enabled brokers are bringing technology benefits to the investors/traders who are increasingly looking for easy to use, hassle free technology platforms for trading and investing purpose and leading the ‘Democratisation of wealth creation in India’. As the industry landscape is now technology driven, technology is on its way to get commoditised, and only a great product and super customer service will stand out in this already over-crowded market. We at Dhan, are super excited to lead the digital transformation journey in the industry and are focused to provide our users with great service and product experience.”

Gradatim IT Ventures**Business**

Insurtech – Insurance policy administration software and allied services. Gradatim also offers a Core Banking Solution.

Website

<https://www.gradatim.co.in/>

Products

1. MFInsure: A SaaS Insurance platform with a focus on insurance policy administration
2. MFResolve: A digital banking platform

Key Clients

LIC of India, Aditya Birla Sun Life Insurance, New India Assurance, National Insurance, Bank of Uganda, Deposit Insurance & Credit Guarantee Corporation

Updates

Gradatim’s FY21-22 revenue of ₹6.5 Crore showed a growth of ~32% growth over ₹4.9 Crore last year. This performance is pre-financing. We expect Gradatim to grow more rapidly with the infusion and subsequent deployment of a total of ₹14 Crore investment in the latest round. Gradatim has been marginally PAT positive in the last three financial years (unaudited for FY21-22).

Particulars (₹ Cr.)	Year Ended 31.03.2022	Year Ended 31.03.2021	Year Ended 31.03.2020
Revenue	6.5*	4.9	3.9
*Unaudited			

Gross revenues of Gradatim’s key clients like Aditya Birla and New India Assurance have grown by 90% and 40% respectively year-on year. Both clients amounted to ~₹4 Crore in gross revenue combined during this fiscal. All existing clients have grown by 20%. New clients added in Q4 FY21-22 include Aditya Birla Health Insurance company and Dubai National Insurance & Reinsurance P.S.C. along with addition of Fund business from Aditya Birla Sun Life Insurance and new product launch from LIC of India.

Gradatim is working to develop and convert opportunities in the South-East Asian and Middle East markets through a Joint Venture partnership with a company based out of UAE focused on the Middle Eastern markets.

Quote from the founders

“Insurers are beginning to commit to speed, driven entirely by consumers who are moving at exceptional rates. There is a clear realization that standard middle-ware solutions will not bring about the transformational change that is required by Insurers. The need to transform core processes is thus a top priority. Gradatim will see substantial growth opportunity as Insurers embrace core process transformation. We are excited to be part of the disruptor journey – with new products, services, and business models.”

Concluding Remarks

The AIF team values the investors’ continued patronage, commitment, and support for the fund. We would welcome any references that could complement our efforts for deal sourcing.

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