

YourNest Capital Advisors

Performance Report

September 30, 2022

This Benchmark Report has been provided for the sole purpose of comparing the fund/scheme's performance with CRISIL AIF Benchmarks for reporting to the existing investors.

Research

Performance Report¹

Category-I

1. YourNest India VC Fund II

Vintage year	No. of schemes in benchmark*	Metric	INR		USD	
			Scheme	Peer Benchmark	Scheme	Peer Benchmark
		Pooled IRR (%)	45.09	23.68	38.50	18.65
FY17	29	DPI	0.04	0.31	0.04	0.29
		RVPI	2.62	1.76	2.33	1.51
		TVPI	2.66	2.07	2.37	1.80

Values as on September 30, 2022

DPI: Distributions to paid-in capital, RVPI: Residual Value to paid-in capital, TVPI: Total Value to paid-in capital

Schemes that have completed at least one year since their first close as on September 30, 2022, have been considered for the benchmark

Returns and ratios refer to post-expense, pre-carry, pre-tax values

Only those vintage years have been considered that have at least 3 schemes available. FY denotes financial year; for example, FY14 refers to period between April 2013 and March 2014

* Category I and II AIFs with first close in FY 2017 funds have been considered to create the peer group. Real estate and debt funds have been excluded from this peer group. Please refer to the annexure for details

Quartile analysis (INR)

Vintage year	No. of schemes	Scheme	Scheme Quartile Rank	IRR (%)		
				1st Quartile (Threshold for top 25%)	Median	3rd Quartile (Threshold for top 75%)
FY17	29	45.09	Top Quartile	33.41	25.16	8.51

Quartile analysis (USD)

Vintage year	No. of schemes	Scheme	Scheme Quartile Rank	IRR (%)		
				1st Quartile (Threshold for top 25%)	Median	3rd Quartile (Threshold for top 75%)
FY17	29	38.50	Top Quartile	27.94	18.93	5.74

First and third quartiles are the return thresholds for the top 25% and 75% schemes, respectively based on the individual scheme IRRs in each vintage year. Please refer to the annexure for details

¹A separate Benchmark Report has been provided to YourNest Capital Advisors Pvt. Ltd. comparing funds' performance with the respective categories.

Decile analysis

	INR	USD
Vintage	FY17	FY17
No of schemes	29	29
Fund IRR	45.09	38.50
Fund decile rank	Second Decile	Second Decile
1st Decile cut-off (threshold for top 10% funds)	46.04	39.51
2nd Decile cut-off (threshold for top 20% funds)	37.22	32.04
3rd Decile cut-off (threshold for top 30% funds)	31.99	26.99
4th Decile cut-off (threshold for top 40% funds)	27.69	23.90
Median	25.16	18.93
6th Decile cut-off (threshold for top 60% funds)	18.05	12.98
7th Decile cut-off (threshold for top 70% funds)	12.88	8.57
8nd Decile cut-off (threshold for top 80% funds)	6.91	2.42
9th Decile cut-off (threshold for top 90% funds)	-0.80	-4.26

The above values are the return thresholds for the respective deciles, based on the individual scheme IRRs in each vintage year. For example, 3rd decile would be the threshold for top 30% funds and hence if the fund's returns fall between the 2nd and 3rd decile, it will be among the top 30% funds and hence in the third decile. Please refer to the annexure for details

Fund IRR (INR) rank

Based on IRR (INR), the fund ranked 4th out of 29 funds that were considered as a peer group for analysis, as of September 2022.

Category-II

2. YourNest Innovative Products VC Fund III

Vintage year	No. of schemes in benchmark*	Metric	INR		USD	
			Scheme	Peer Benchmark	Scheme	Peer Benchmark
FY22 [^]	33	Pooled IRR (%)	58.48	2.90	41.79	-7.12
		DPI	0.00	0.00	0.00	0.00
		RVPI	1.32	1.02	1.24	0.94
		TVPI	1.32	1.02	1.24	0.95

Values as on September 30, 2022

DPI: Distributions to paid-in capital, RVPI: Residual Value to paid-in capital, TVPI: Total Value to paid-in capital

Schemes that have completed at least one year since their first close as on September 30, 2022, have been considered for the benchmark

Returns and ratios refer to post-expense, pre-carry, pre-tax values

Only those vintage years have been considered that have at least 3 schemes available. FY denotes financial year; for example, FY14 refers to period between April 2013 and March 2014

*Category I and II AIFs with first close in FY 2022 funds have been considered to create the peer group. Real estate and debt funds have been excluded from this peer group. Please refer to the annexure for details

[^] Data pertains to the first half of the year, i.e., only those schemes that had their first close between April and September 2021

Quartile analysis (INR)

Vintage year	No. of schemes	Scheme	Scheme Quartile Rank	IRR (%)		
				1st Quartile (Threshold for top 25%)	Median	3rd Quartile (Threshold for top 75%)
FY22 [^]	33	58.48	Top Quartile	13.94	7.24	-6.23

Quartile analysis (USD)

Vintage year	No. of schemes	Scheme	Scheme Quartile Rank	IRR (%)		
				1st Quartile (Threshold for top 25%)	Median	3rd Quartile (Threshold for top 75%)
FY22 [^]	33	41.79	Top Quartile	3.27	-3.97	-16.05

First and third quartiles are the return thresholds for the top 25% and 75% schemes, respectively based on the individual scheme IRRs in each vintage year. Please refer to the annexure for details

[^] Data pertains to the first half of the year, i.e., only those schemes that had their first close between April and September 2021

Decile analysis

	INR	USD
Vintage	FY22 [^]	FY22 [^]
No of schemes	33	33
Fund IRR	58.48	41.79
Fund decile rank	Top Decile	Top Decile
1st Decile cut-off (threshold for top 10% funds)	23.57	10.48
2nd Decile cut-off (threshold for top 20% funds)	15.40	3.32
3rd Decile cut-off (threshold for top 30% funds)	13.44	3.18
4th Decile cut-off (threshold for top 40% funds)	9.97	-0.58
Median	7.24	-3.97
6th Decile cut-off (threshold for top 60% funds)	-0.81	-10.05
7th Decile cut-off (threshold for top 70% funds)	-4.16	-13.86
8nd Decile cut-off (threshold for top 80% funds)	-9.08	-17.47
9th Decile cut-off (threshold for top 90% funds)	-20.38	-30.75

The above values are the return thresholds for the respective deciles, based on the individual scheme IRRs in each vintage year. For example, 3rd decile would be the threshold for top 30% funds and hence if the fund's returns fall between the 2nd and 3rd decile, it will be among the top 30% funds and hence in the third decile. Please refer to the annexure for details

[^] Data pertains to the first half of the year, i.e., only those schemes that had their first close between April and September 2021

Fund IRR (INR) rank

Based on IRR (INR), the fund ranked 3rd out of 33 funds that were considered as a peer group for analysis, as of September 2022.

Annexure

Methodology, definitions, and eligibility criteria

Selection of peer group

The customised peer group for the above performance report was created based on suggestion by YourNest Capital Advisors. The peer group consists of all Category I and II funds that had their first close in the financial year corresponding to the vintage of the YourNest funds. Real estate and debt funds have been excluded from this peer group.

Based on the above criteria a peer set of 29 AIFs was created for YourNest India VC Fund II and 33 AIFs was created for YourNest Innovative Products VC Fund III.

Vintage year

Benchmarks for Category I and II are calculated based on their vintage years. Vintage year is defined as the financial year in which the scheme had its first close, i.e., the vintage year of a fund will be FY14 if it had its first close between April 1, 2013, and March 31, 2014.

Only those vintage years are considered that have at least three schemes available; those with less than three schemes have been excluded.

Calculation metrics

The benchmarks for Category I and II are based on the following metrics:

Pooled internal rate of return (IRR)

Pooled IRR denotes the IRR calculated at an aggregate level by pooling all the cash flows that have occurred within all the schemes belonging to the category and the vintage year. Here the cash flows are considered according to the date on which they have occurred and the valuation as on the last day is considered as the terminal value for the calculation.

Investment multiples and ratios

Three types of ratios are considered for calculation of benchmarks – distributions to paid-in capital (DPI), residual value to paid-in capital (RVPI) and total value to paid-in capital (TVPI). All the three are calculated for each applicable vintage year.

DPI: It is the ratio of the total distributions made to the paid-in capital. DPI is also called 'realisation multiple'.

RVPI: It is the ratio of the residual value of all investments remaining in the fund after distributions to paid-in capital. The residual value refers to the valuation of the scheme as on the date for which the benchmarks have been calculated.

TVPI: It is the ratio of the sum of total distributions and residual value, to the total paid-in capital. It is also called 'investment multiple'.

Quartile analysis

For understanding the distribution of IRR across the peer set, the returns for all the individual funds are calculated. First quartile, median and third quartile thresholds are reported. First and third quartiles are the return thresholds for the top 25% and 75% schemes, respectively, based on the individual scheme IRRs in each vintage year. Thus, any fund with an IRR value above first quartile threshold belongs to the top quartile, similarly a fund with IRR value between first quartile and median belongs to the second quartile, and so on. Funds with returns below the third quartile belongs to the bottom quartile.

For Category III funds, quartile analysis is based on the individual fund's trailing returns for various timeframes. Those funds have been considered that have been in existence as of September 30, 2022, and present for the whole time period.

For quartile analysis, only those vintage years have been considered where at least eight schemes are available.

Public market equivalent

Public market equivalent (PME+) as a metric helps in comparing the performance of an AIF against any public index. The PME+ method tries to replicate the cash flows of the AIF to a public index. The cash flows, depending on whether it is an inflow or outflow, are invested and distributed to and from the public index on the same dates as that of the AIF. The distributions are adjusted using a scaling factor to avoid a situation where the public index is oversold and results in the negative terminal value.

The benchmark for Category III is based on the following metric:

Asset-weighted index

For Category III schemes, an asset-weighted index at the category level is created based on the quarterly returns of each scheme and the respective assets under management for those schemes.

The index is created from the quarter in which at least three schemes were available, i.e. June 2013.

Eligibility criteria

- All AIFs registered with SEBI under the SEBI (Alternative Investment Funds) Regulations, 2012, are considered for the calculation of benchmarks provided they fulfil the following criteria:
 - The scheme has completed one year from its first close as on the date for which the benchmarks are calculated. For example, AIF benchmark calculated for the period ending September 30, 2022, will have funds that had their first close on or before September 30, 2021
 - Data is provided by the AIF in the required format within the specified deadline
- The following are excluded from calculation of benchmarks:
 - Angel funds registered under sub-category VCF under Category I-AIF
 - Fund of funds
 - Any scheme that has not had any transactions or investments anytime in the past
 - Any scheme that has not completed one year since its first close as on the date for which the benchmarks are calculated, i.e., September 30, 2022
 - Any scheme that has not provided complete data or that has not provided data in the required format
- Schemes are divided based on their vintage years as described in the previous section. Only those vintage years are considered that have at least three funds available. Thus, schemes that belong to vintage years in which less than three schemes were available are excluded
- For quartile analysis, only those vintage years have been considered where at least eight schemes are available

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