

Veda Global LP

January 1, 2026

	Veda Global LP (Net Return in USD)	MSCI India (INDA)
2021	-3%	4%
2022	-7%	-3%
2023	32%	17%
2024	69%	12%
2025	6%	3%
Annualized	18%	6%
Total Return	116%	30%

Dear Partners,

We are pleased to provide updated Veda Global LP returns above.

Veda Global LP is a long only, fundamental research fund focused on Indian equities.

Strategy

Veda Global was established in 2021 and has outperformed its benchmark since inception. The strategy initially focused on buying India listed credit rating agencies. We have since bought positions in other financial monopolies. The goal is to buy businesses that have high ROE, high margins and growth.

We also opportunistically buy special situations or deep value stocks.

One example was our purchase of NSE stock at 660 INR per share (12x PE) for a duopoly stock exchange business with 90%+ market share and 80%+ margins. The stock of NSE has since traded up to 2000 INR per share.

Portfolio

The current portfolio consists of NSE, Crisil, ICRA, Care Ratings and a few other smaller positions.

New Special Situation

We are evaluating a new special situation stock in India with a 2026 catalyst. More details to come but we will also set up a side pocket for this investment if interest arises. This situation reminds us of the NSE special situation which was a 3x+ return in less than 2 years. We welcome inbound interest from current or new LPs for this side pocket or the fund. Our current return projection is 2-3x in 1 year and 5-7x over 3-5 years on this stock.

Businesses – The Great, the Good and the Gruesome

In the Berkshire Hathaway 2007 letter, Warren Buffett writes about The Great, The Good and the Gruesome. I have included the full text in the appendix to this letter.

Below is a table that summarizes Buffett's philosophy. This also mirrors the approach of both Veda Global and Columbia Heights Partners.

In Veda Global, we currently own NSE, Crisil Ratings, Care Ratings and ICRA Ratings.

I believe they all fall in the category of Great Businesses based on their ROE, oligopoly position in the market, growth prospects and valuations when we entered the names.

	ROE	Examples
Great	>50%	See's Candies, NSE, Crisil, Care Ratings, ICRA, PM, MO, SPGI, FICO, MSCI, V, MA
Good	15-25%	HDFC Bank, FlightSafety, Kotak Bank
Gruesome	<10%	Deckers Shoes, GM, Ford

India Macro

India Macro remains robust with the country contributing meaningfully to global GDP growth. India will soon be a top 3 Global GDP. I believe that global institutional investors are under allocated to India compared to their allocations to Japan, Germany and the UK.

Thank you for your support and we welcome new LPs to the strategy.

Kind Regards,
Gorav Khanna

DISCLAIMER:

Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product made reference to directly or indirectly in this fact sheet, will be profitable, equal any corresponding indicated historical performance level(s), or be suitable for your portfolio. Due to various factors, including changing market conditions, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained in this fact sheet serves as the receipt of, or as a substitute for, personalized investment advice from Veda Global. To the extent that a reader has any questions regarding the applicability of any specific issue discussed above to his/her individual situation, he/she is encouraged to consult with the professional advisor of his/her choosing. A copy of our current written disclosure statement discussing our advisory services and fees is available for review upon request.

Appendix (Buffett 2007 Letter Excerpt)

Businesses – The Great, the Good and the Gruesome

Let's take a look at what kind of businesses turn us on. And while we're at it, let's also discuss what we wish to avoid.

Charlie and I look for companies that have a) a business we understand; b) favorable long-term economics; c) able and trustworthy management; and d) a sensible price tag. We like to buy the whole business or, if management is our partner, at least 80%. When control-type purchases of quality aren't available, though, we are also happy to simply buy small portions of great businesses by way of stock-market purchases. It's better to have a part interest in the Hope Diamond than to own all of a rhinestone.

A truly great business must have an enduring "moat" that protects excellent returns on invested capital. The dynamics of capitalism guarantee that competitors will repeatedly assault any business "castle" that is earning high returns. Therefore a formidable barrier such as a company's being the low-cost producer (GEICO, Costco) or possessing a powerful world-wide brand (Coca-Cola, Gillette, American Express) is essential for sustained success. Business history is filled with "Roman Candles," companies whose moats proved illusory and were soon crossed.

Our criterion of "enduring" causes us to rule out companies in industries prone to rapid and continuous change. Though capitalism's "creative destruction" is highly beneficial for society, it precludes investment certainty. A moat that must be continuously rebuilt will eventually be no moat at all.

Additionally, this criterion eliminates the business whose success *depends* on having a great manager. Of course, a terrific CEO is a huge asset for any enterprise, and at Berkshire we have an abundance of these managers. Their abilities have created billions of dollars of value that would never have materialized if typical CEOs had been running their businesses.

But if a business *requires* a superstar to produce great results, the business itself cannot be deemed great. A medical partnership led by your area's premier brain surgeon may enjoy outsized and growing earnings, but that tells little about its future. The partnership's moat will go when the surgeon goes. You can count, though, on the moat of the Mayo Clinic to endure, even though you can't name its CEO.

Long-term competitive advantage in a stable industry is what we seek in a business. If that comes with rapid organic growth, great. But even without organic growth, such a business is rewarding. We will simply take the lush earnings of the business and use them to buy similar businesses elsewhere. There's no rule that you have to invest money where you've earned it. Indeed, it's often a mistake to do so: Truly great

businesses, earning huge returns on tangible assets, *can't* for any extended period reinvest a large portion of their earnings internally at high rates of return.

Let's look at the prototype of a dream business, our own See's Candy. The boxed-chocolates industry in which it operates is unexciting: Per-capita consumption in the U.S. is extremely low and doesn't grow. Many once-important brands have disappeared, and only three companies have earned more than token profits over the last forty years. Indeed, I believe that See's, though it obtains the bulk of its revenues from only a few states, accounts for nearly half of the entire industry's earnings.

At See's, annual sales were 16 million pounds of candy when Blue Chip Stamps purchased the company in 1972. (Charlie and I controlled Blue Chip at the time and later merged it into Berkshire.) Last year See's sold 31 million pounds, a growth rate of only 2% annually. Yet its durable competitive advantage, built by the See's family over a 50-year period, and strengthened subsequently by Chuck Huggins and Brad Kinstler, has produced extraordinary results for Berkshire.

We bought See's for \$25 million when its sales were \$30 million and pre-tax earnings were less than \$5 million. The capital then required to conduct the business was \$8 million. (Modest seasonal debt was also needed for a few months each year.) Consequently, the company was earning 60% pre-tax on invested capital. Two factors helped to minimize the funds required for operations. First, the product was sold for cash, and that eliminated accounts receivable. Second, the production and distribution cycle was short, which minimized inventories.

Last year See's sales were \$383 million, and pre-tax profits were \$82 million. The capital now required to run the business is \$40 million. This means we have had to reinvest only \$32 million since 1972 to handle the modest physical growth – and somewhat immodest financial growth – of the business. In the meantime pre-tax earnings have totaled \$1.35 billion. *All of that*, except for the \$32 million, has been sent to Berkshire (or, in the early years, to Blue Chip). After paying corporate taxes on the profits, we have used the rest to buy other attractive businesses. Just as Adam and Eve kick-started an activity that led to six billion humans, See's has given birth to multiple new streams of cash for us. (The biblical command to “be fruitful and multiply” is one we take seriously at Berkshire.)

There aren't many See's in Corporate America. Typically, companies that increase their earnings from \$5 million to \$82 million require, say, \$400 million or so of capital investment to finance their growth. That's because growing businesses have both working capital needs that increase in proportion to sales growth and significant requirements for fixed asset investments.

A company that needs large increases in capital to engender its growth may well prove to be a satisfactory investment. There is, to follow through on our example, nothing shabby about earning \$82 million pre-tax on \$400 million of net tangible assets. But

that equation for the owner is vastly different from the See's situation. It's far better to have an ever-increasing stream of earnings with virtually no major capital requirements. Ask Microsoft or Google.

One example of good, but far from sensational, business economics is our own FlightSafety. This company delivers benefits to its customers that are the equal of those delivered by any business that I know of. It also possesses a durable competitive advantage: Going to any other flight-training provider than the best is like taking the low bid on a surgical procedure.

Nevertheless, this business requires a significant reinvestment of earnings if it is to grow. When we purchased FlightSafety in 1996, its pre-tax operating earnings were \$111 million, and its net investment in fixed assets was \$570 million. Since our purchase, depreciation charges have totaled \$923 million. But capital expenditures have totaled \$1.635 billion, most of that for simulators to match the new airplane models that are constantly being introduced. (A simulator can cost us more than \$12 million, and we have 273 of them.) Our fixed assets, after depreciation, now amount to \$1.079 billion. Pre-tax operating earnings in 2007 were \$270 million, a gain of \$159 million since 1996. That gain gave us a good, but far from See's-like, return on our incremental investment of \$509 million.

Consequently, if measured only by economic returns, FlightSafety is an excellent but not extraordinary business. Its put-up-more-to-earn-more experience is that faced by most corporations. For example, our large investment in regulated utilities falls squarely in this category. We will earn considerably more money in this business ten years from now, but we will invest many billions to make it.

Now let's move to the gruesome. The worst sort of business is one that grows rapidly, requires significant capital to engender the growth, and then earns little or no money. Think airlines. Here a *durable* competitive advantage has proven elusive ever since the days of the Wright Brothers. Indeed, if a farsighted capitalist had been present at Kitty Hawk, he would have done his successors a huge favor by shooting Orville down.

The airline industry's demand for capital ever since that first flight has been insatiable. Investors have poured money into a bottomless pit, attracted by growth when they should have been repelled by it. And I, to my shame, participated in this foolishness when I had Berkshire buy U.S. Air preferred stock in 1989. As the ink was drying on our check, the company went into a tailspin, and before long our preferred dividend was no longer being paid. But we then got very lucky. In one of the recurrent, but always misguided, bursts of optimism for airlines, we were actually able to sell our shares in 1998 for a hefty gain. In the decade following our sale, the company went bankrupt. Twice.

To sum up, think of three types of "savings accounts." The great one pays an extraordinarily high interest rate that will rise as the years pass. The good one pays an

attractive rate of interest that will be earned also on deposits that are added. Finally, the gruesome account both pays an inadequate interest rate and requires you to keep adding money at those disappointing returns.