

An ode to the teachings of the market

*Important learnings from thirty years I wish to share
Almost all of them have accompanied the visit of the bear
The lessons he teaches are like a scar from a burn
But he's not the cause, 'tis our quest for the highest return*

*Clients, whose wealth needs a lot of upkeep
It's not sky-high returns they seek, but a peaceful night's sleep
Almost always they seek the avoidance of major flaws
And they're happy with a decent return, without a permanent loss*

*During such times, when we're driven by greed
It's easy to forget that a flower is outgrown by a weed
When companies, strictly also-rans, run so fast
'Tis a sure sign that the party won't last*

*Of all the traps, let's just be wary of the inveigle
It's time to be careful when someone claims to soar like an eagle
The truth usually is that they're not much bigger than a crow
The lesson? Let's not expect any company to be much better than what they have to show*

*A government may be stronger with a larger number
But in the stock market, facts matter more, let's always remember
An investor really would do well to ignore the tripe
And that increases proportionately with increasing hype*

*There are people here whom we see rise to the top just with spiel,
But as the saying goes, the market is a ferris wheel
When we begin to think that something has a following en masse
Is really when we should remind ourselves - "this too shall pass"*

*Since days of old, we've been taught of the yin and yang
These are better for the portfolio, much more than a big bang
A bull market tempts us to act with nonchalance
In the end, what matters, really, is a good balance.*

Dear Investor, this is an attempt to summarize the important learnings from the past thirty-odd years in the form of verse. By the way, these learnings have guided us while constructing and managing the Core Value portfolio.

With warm regards,

Yours sincerely,

(E A Sundaram)

Chief Investment Officer and Portfolio Manager

A TRIBUTE

As we write this newsletter, we have news of the sad passing of Dr. M.S. Swaminathan, the eminent agricultural scientist. We pay tribute to one of the architects of India's Green Revolution. His contribution to this country becoming self-sufficient in foodgrain production has been enormous. This nation owes him a debt of gratitude.

Investment Objective:

The investment objective is to achieve capital appreciation through investment in a diversified portfolio of high-quality companies, purchased at reasonable valuation.

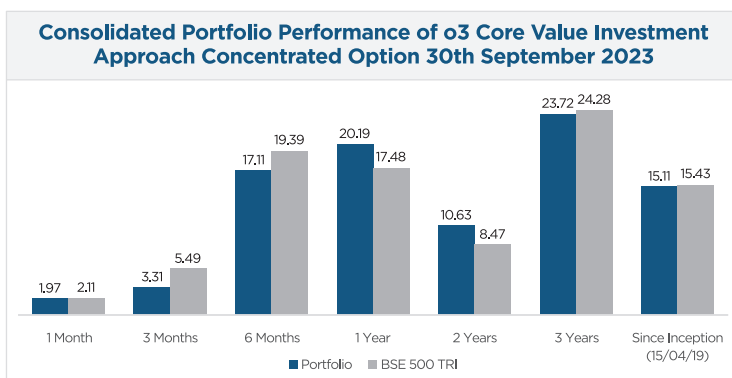
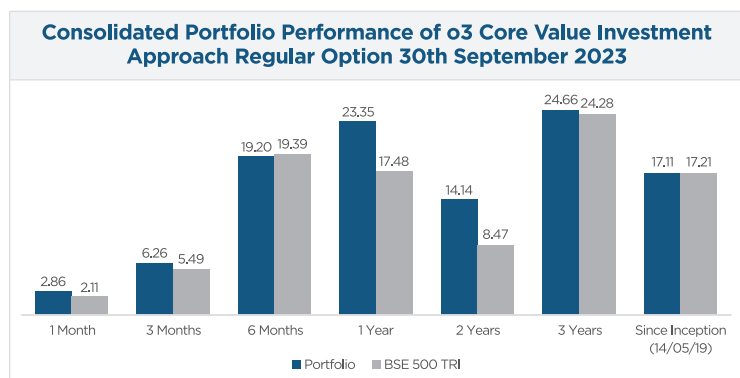
o3 Core Value Investment Approach		
Name	GICS Sector	Weight
HDFC Bank Ltd	Financials	6.48%
ITC Ltd	Consumer Staples	5.12%
Infosys Ltd	Information Technology	4.08%
Maruti Suzuki India Ltd	Consumer Discretionary	3.94%
Multi Commodity Exchange	Financials	3.89%
Indraprastha Gas Ltd	Utilities	3.69%
Thermax Ltd	Industrials	3.63%
Titan Company Ltd	Consumer Discretionary	3.60%
Sun Pharmaceutical Industries Ltd	Health Care	3.58%
Larsen & Toubro Ltd	Industrialst	3.57%
		41.58%

Overweight/Underweight of Model Portfolio Compared to Benchmark	
	Underweight Overweight
Consumer Discretionary	8.71%
Information Technology	5.61%
Industrials	5.61%
Utilities	3.39%
Real Estate	2.54%
Health Care	-2.52%
Materials	-2.65%
Communication Services	-2.76%
Consumer Staples	-3.63%
Energy	-7.92%
Financials	-16.89%

Performance Description	Regular	Concentrated	BSE 500 TRI
Largest Monthly Gain	12.51	11.41	14.63
Largest Monthly Loss	-20.53	-19.19	-23.85
Beta of Portfolio	0.76	0.73	
Standard Deviation (Annualised)	15.58	15.24	
Correlation	0.93	0.91	

- Large Cap
- Midcap
- Small Cap
- Cash

Regular Model Portfolio Composition	
Weighted Average ROCE	22.15%
Portfolio PE (1 year forward PE, based on FY25)	24.43
Portfolio Dividend Yield	1.54%
Average Age of companies	53 Years
Overlap with BSE 500 TRI	23.62%
Total Debt/Equity	0.26
Debt/Equity (Excluding Financial Stocks)	0.14
Sales Growth	20.27%
EPS Growth (FY25 over FY23)	14.85%



- Benchmark is BSE 500 TRI, the portfolio is spread across different market capitalization, hence BSE 500 TRI is chosen as benchmark.
- Since inception date stated is considered to be the date on which the first active client investment was made under the investment approach.
- All the above data are as of 30th September 2023.
- Source: Internal, BSE, Bloomberg & Ace Equity.

Disclaimer: Performance depicted is based on all the client portfolios existing as on such date, using Time Weighted Rate of Return (TWRR) of each client for the overall investment approach. Past performance is no guarantee of future returns. The above portfolio performance is after charging expenses. The above performance related information provided here is not verified by SEBI nor has SEBI certified the accuracy or adequacy of the contents of this Document. Beta, Standard Deviation & Correlation are from Since Inception period.

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