

“If I have seen further, it is by standing on the shoulders of giants” - Sir Isaac Newton

Dear Investor,

There are benefits that we derive from our interactions with persons who are more eminent than us. They shape and influence our thinking and performance for the better. In this newsletter, we remember three such legends.

The month of August saw the sad passing of one of India’s greatest investors Rakesh Jhunjhunwala. A larger-than-life figure, he was an inspiration for a generation of investment professionals, and one who built a fortune through his stock picking skills.

Rakesh Jhunjhunwala was unique in many ways. Blessed with an extremely sharp mind, and an instinct to spot and home-in on opportunities when he saw one (but where others did not). Also, he was one of the very few people who succeeded both as a long-term investor and as a trader. His bets in the companies such as Titan, Crisil etc. are legendary, and he has held these for many years. It is remarkable that a person who was so successful in decadal bets like these also could be so successful as a trader, but he managed it.

Many things have been said about his eternal optimism about India, and about his forthright views on various aspects of investing. What is also well known is his generosity in helping those who were not as successful as he was.

I have had the good fortune of meeting him and interacting with him on a few occasions. He was always generous in sharing his views and ideas and never shied away from stating his opinion bluntly. The investment community will sorely miss Rakesh Jhunjhunwala. Rest in peace!!

We like to believe that he would now be having an animated conversation with two other investment legends – Parag Parikh and Chandrakant Sampat.

Parag did more for the field of Behavioural Investing than most others. More importantly, he ran his company on the same principles. Conversations with Parag were highly enriching. His ability to simplify the issue to its brass tacks and provide a sound, logical and commonsensical solution has personally helped me on several occasions.

Parag’s book “Value Investing and behavioural finance – insights into Indian stock market realities” is a wonderful book and is a must-read for all those serious about a career in investing.

Parag Parikh also organized the “October Quest”, an annual gathering of value investors, where insightful presentations and discussions are held. It is a great tribute to his legacy that this wonderful initiative is being continued every year.

The other legend that I wish to write about was Chandrakant Sampat. He is, rightly, considered the “Bhishma Pitamah” of Indian investing. If one were to describe a perfect temperament for long-term investing, it was his. His hallmarks were:

- He never invested in any business outside his circle of understanding
- When he found an opportunity, he bought big, and held for many years
- He did not bother about how much money someone else made

Chandrakantbhai was someone we could all look up to – not just as an investor, but as a human being. Very disciplined in his physical exercises and food habits (he probably was the only person who could call out masala dosa as “junk food”!!

He was also very generous in helping younger investors. His homilies on investing, human behaviour and business cycles were what helped us keep our sanity during the mad times of 1999-2000 during the Tech boom, and during 2007 during the infrastructure/real estate boom.

India’s Investment horizon is certainly poorer without these three legends. The best tribute that we can pay them is to make use of the abundance of advice they have left behind. Our investing results will be much better if we do that.

Warm regards

Yours sincerely,

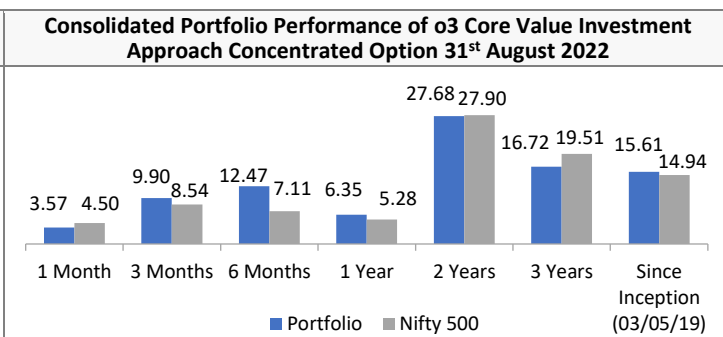
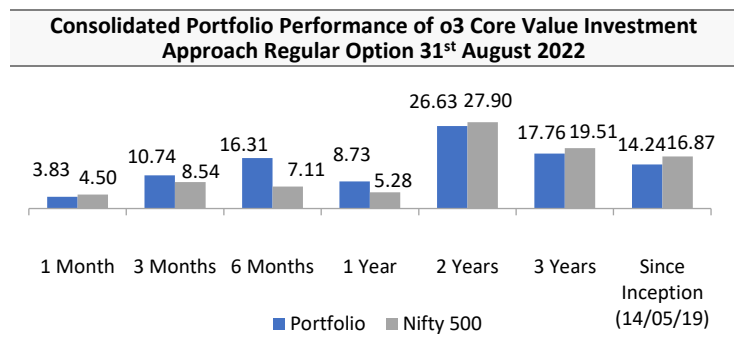
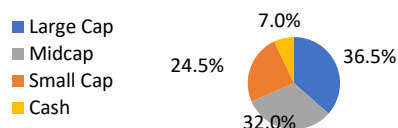
E A Sundaram

Chief Investment Officer and Portfolio Manager

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			Regular Model Portfolio Data	
Name	GICS Sector	Weight	Underweight	Overweight
ITC	Consumer Staples	6.79%		15.90%
HDFC Ltd	Financials	4.88%		6.03%
Bosch Ltd	Consumer Discretionary	4.68%		3.43%
Cummins India	Industrials	4.50%		3.17%
Indraprastha Gas Ltd	Utilities	4.44%		2.06%
Asian Paints Ltd	Materials	4.34%	(0.05%)	
Titan Company Ltd	Consumer Discretionary	3.98%	(0.84%)	
Blue Dart Express Ltd	Industrials	3.96%	(2.73%)	
Thermax Ltd	Industrials	3.70%	(9.47%)	
Larsen & Toubro Ltd	Industrials	3.68%	(9.86%)	
		44.95%	Financials(14.65%)	

Performance Description	Regular	Concentrated	Nifty 500	Regular Model Portfolio Composition	
Largest Monthly Gain	12.51	11.41	14.52	Weighted Average ROCE	22.89%
Largest Monthly Loss	(20.53)	(19.19)	(24.25)	Portfolio PE (1 year forward PE, based on FY24)	24.41
Beta of Portfolio	0.76	0.74		Portfolio Dividend Yield	2.06%
Standard Deviation (Annualised)	17.26	16.79		Average Age of companies	59 Years
Correlation	0.93	0.92		Overlap with Nifty 500	17.16%
				Total Debt/Equity	0.41
				Debt/Equity (Excluding Financial Stocks)	0.09
				Sales Growth	11.48%
				EPS Growth (FY24 over FY22)	17.89%



- Benchmark is Nifty 500, the portfolio is spread across different market capitalization, hence Nifty 500 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
- Industry Classification as recommended by AMFI, all the above data are as of 31st August 2022

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 and then computing arithmetic average for the overall investment approach. Past performance is no guarantee of future returns. The above portfolio performance is after charging of expenses. The 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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