

Investment Philosophy: We invest in businesses which are scalable, generate higher returns, have technological edge, are market leaders and have strong and ethical management team with good governance. We perceive buying of equities only as a medium to buy great businesses. Investment will be long term, multi- sector and multi-cap, purely based on bottom-up approach. Investments will be based on In-house research, defining investible universe which qualify the above rigorous test.

Investment Objective

This scheme is for high-risk investors who by nature are long-term but are dynamic in their approach. They have a higher appetite for both risk and return and obsess for higher IRR on a small portion of their overall capital. This scheme gives an opportunity to otherwise conversant investors to test their hypothesis, play cycles, sectors, and macro & micro events.

This scheme is recommended for the informed investors who understand the basic premise of financial markets where risk and returns move in tandem, and we assume the investor understands and is capable of choosing a point on isoquant curve (risk reward graph).

Basis of selection of Investee Companies

The philosophy revolves around identifying mispriced stocks triggered by business cycles, sudden regulatory changes, collateral damage, temporary setback in global socio-political environment, any kind of short-term disruption and several other factors.

Benchmark and basis for choice of benchmark

Benchmark: S&P BSE 500 TRI Portfolio strategy is multi-sector and multi-cap fund.

Benchmark - S&P BSE 500 TRI is the most resemble index vis-à-vis investment approach.

Indicative Investment Horizon

The ideal investment horizon for any equity investment is long term but since in this scheme we are playing market mispricing and inefficiencies it would be unwise to think that market forces won't react and bring them to equilibrium in the long run.

Hence, while we expect our clients to be long term (invest for longer period) and informed, our approach will be short to medium term when it comes to generating returns, ideas, and execution. We believe mispricing is an ongoing activity due to uncertain micro, macro, natural calamities, and socio-political developments, the instruments keep changing in short to medium term.

The minimum horizon expected is 3 years.

Key Investment Themes

The fund would be a multi-cap fund comprising maximum allocation to mispriced stocks in mid and small cap segment with exit being a subset of either time or targeted returns and balance in large cap serving as quasi cash awaiting opportunity.

NOTE: Inception Date of Sowilo Multicap Fund is 26-June-2023. Performance figures are net of all fees and expenses. Sowilo Portfolio returns are composite returns of all the portfolios aligned to the investment approach as on August 31st, 2024. Returns for individual client may differ due to the timing of inflows and outflows of funds and differences in the portfolio composition because of restrictions and other constraints. Past performance may or may not be sustained in future and should not be used as basis for comparison with other investments. Returns for 1 year or lesser time horizon are absolute returns, while more than 1 year are CAGR. Returns have been calculated using Time Weighted Rate of Return method (TWRR) as prescribed by the SEBI.

SOURCE: Market Cap is according to AMFI Classification which happens half yearly. Classification as on 30th June 2024. As per SEBI regulatory requirement, the benchmark for this investment approach is BSE 500 TRI.

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