

SAMPURNA INVESTMENT STRATEGY

“To build a multi-cap, sector agnostic portfolio of stocks based on a proprietary quantitative model which selects stocks with strong fundamentals, showing early recovery from drawdowns, are net cash and offer opportunities for delivering better returns.”



Rahul Rathi - Chairman

Rahul Rathi holds a Masters degree in Administration from Carnegie Mellon university, USA and has extensive research and implementation experience of over 15 years in India and overseas. He has led and groomed the Research team over the years and has actively shaped Purnartha's investment philosophy aimed at wealth creation.

Hemant Vispute - Managing Director

A Masters in Computer Science and an MBA, he has over 20 years of experience in strategic planning, consulting and operations in India and abroad. Hemant has spearheaded Purnartha's business growth, expansion of the branch footprint across India and widening of product offerings across domestic, NRI and Institutional clients.

Prof Raghu Sundaram - Co-founder

An IIM graduate with a PhD from Cornell University, Raghu Sundaram is Dean, New York University's Stern School of Business. He has worked with major Wall Street firms and possesses an incomparable background in derivatives and credit research. He is the author of two books and has been an extensive contributor to various publications.

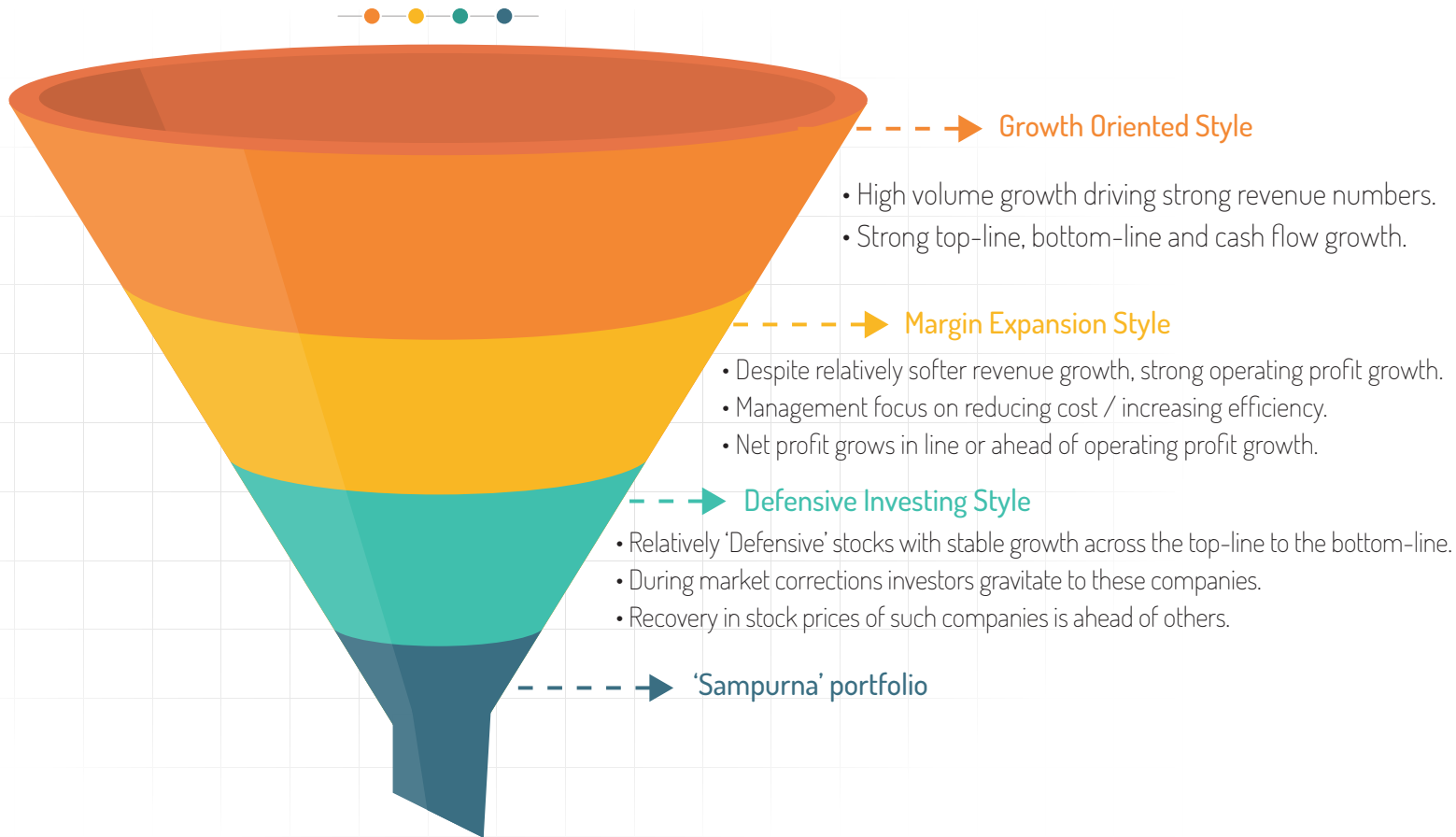
Devendra Phadke - Principal Officer, Investment advisory

Devendra Phadke is a Chartered Accountant with over 18 years of experience in Equity Research and analysis spanning markets in India and abroad. He has been instrumental in building the proprietary quantitative model for stock selection and has used his experience to test data with a view to elects the most suitable stocks for the Purnartha Sampurna portfolio.

[INVESTMENT PHILOSOPHY]

- Stocks that meet the guidelines of Purnartha's robust and selective proprietary algorithm based quantitative model that endeavours to select stocks that display a balance of good returns with an acceptable level of risk.
- Companies that display margin expansion and net profit growth across cycles
- Net Cash companies (zero net debt) i.e. growth funded by clients & internal accruals rather than debt
- Companies with lower drawdowns and potential to recover quick
- Companies that have shown strong fundamentals over a 10 year period and have potential to witness robust growth in revenue.

[PORTFOLIO DEVELOPED BY COMBINING THE BEST OF DIFFERENT INVESTING STYLES]



[THE 'SAMPURNA' RESEARCH PROCESS]

Endeavour to combining the best: Quantitative model and Fundamental research

Robust algorithm based proprietary quant model

- Lower drawdown during market lows.
- Faster recovery from market downturns, compared to the relevant benchmark index.
- Robust stock performance/return.
- Number of occasions that the stock has made new 52 week highs.
- Number of days that the stock has closed above the previous day's closing price.

Strong fundamental research capabilities

- TTM* revenue growth.
- TTM Operating Profit growth
 - TTM Net Profit growth
 - TTM cash flow growth
- Net Cash Companies

*Trailing 12 months

Quantitative model + Fundamental research = 'SAMPURNA'

[THE RISK VS REWARD QUESTION]

'Sampurna' aims to mitigate RISK

How 'Sampurna' stocks aim at GOOD RETURNS



By selecting stocks :

- from a universe of 'net cash' companies only
- that have shown an early recovery from drawdowns
- that have shown lower drawdowns during market lows, relative to the benchmark indices

By picking stocks :

- that demonstrate returns growth over a 10 year period out performing the benchmark indices
- that show a consistent TTM revenue growth
- That demonstrate TTM net profit growth
- That show robust TTM cash flow growth.

AIMING TO GET A GOOD BALANCE OF RISK AND REWARD

[DYNAMIC PORTFOLIO CONSTRUCT]

The instances shown below clearly indicate that the sectors do not always perform along the same lines as the benchmark indices like the Nifty 50 and Nifty Midcap 100 index. It is hence essential that the sectoral weightages are aligned at appropriate times to generate better returns within a acceptable level of risk.

We believe the proprietary quantitative model would be able to refine and manage the changes in the sectoral weightages on an ongoing basis to obtain a good balance between risk and reward from the invested stocks.

Benchmark Indices	Period		Benchmark Index	Nifty Midcap 100	NIFTY 50
	From	To	CAGR	CAGR	CAGR
S&P BSE Fast moving consumer goods index	01-Jan-09	30-Jun-17	21.54%	20.11%	14.74%
	01-Jul-17	31-Mar-20	-0.61%	-14.02%	-3.64%
S&P Consumer Durables Index	01-Jan-08	30-Sep-19	11.82%	4.84%	5.47%
	01-Oct-19	31-Mar-21	17.21%	29.81%	17.93%
NSE IT	01-Apr-09	30-Jun-16	24.13%	21.29%	14.93%
	01-Jul-16	31-Mar-20	3.74%	-4.33%	0.98%

[STOCKS THAT ARE PART OF THE CURRENT SAMPURNA PORTFOLIO CONSTRUCT]

Stock 1: is part of 'Sampurna' as it has shown an increase in CAGR across financial indicators

	Mar-15	Mar-16	Mar-20	Mar-21	5 year CAGR pre- Covid	5 year CAGR including Covid
Revenue (Rs. cr.)	1,410	1,678	2,578	3,176	13%	14%
Operating Profit (Rs. cr.)	168	207	441	638	21%	25%
Profit after tax (Rs. cr.)	76	101	248	404	27%	32%
Stock performance					21.77%	46.68%
Nifty 50 performance					0.26%	13.94%

- A strong manufacturing company with a global presence, focussed on the chemical and pharmaceutical industries.
- Revenue CAGR of 8% with revenue split equally between India and overseas markets.
- The company has been able to expand margin from 15% in Mar 15 to 25% in Mar 21.
- Strong balance sheet and cash flow leading to recovery of stock in 94 days post Covid compared to 158 days for the markets.
- Healthy 30% and 37% CAGR pre Covid and post Covid respectively compared to Market returns of 1% and 14% respectively.
- Consistent return performer pre Covid and post Covid.

Stock 2: a compelling inclusion in the portfolio due to margin expansion story

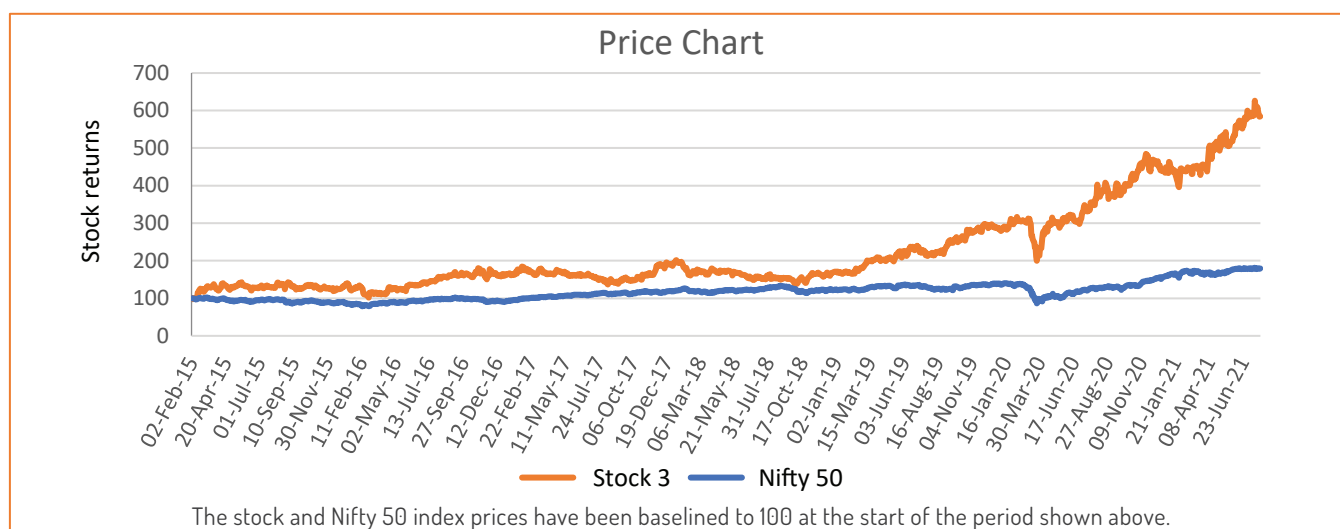
	Mar-15	Mar-16	Mar-20	Mar-21	5 year CAGR pre- Covid	5 year CAGR including Covid
Revenue (Rs. cr.)	2,637	2,595	4,093	3,731	9%	8%
Operating Profit (Rs. cr.)	401	460	902	917	18%	15%
Profit after tax (Rs. cr.)	241	274	666	656	23%	19%
Operating profit margin	15%	18%	22%	25%		
Net profit margin	9%	11%	16%	18%		
Stock performance					30.10%	37.20%
Nifty 50 performance					0.26%	13.94%

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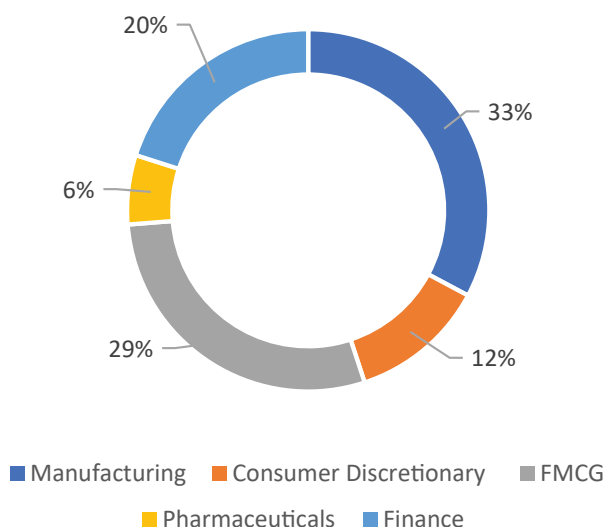
Stock 3: a stock inclusion in 'Sampurna' that has seen in-line drawdown during market lows with a recovery ahead of the benchmark indices.

	CAGR	Beta	Max drawdown	Recovery days	52 week high
PI Industries post Covid*	26%	0.6499	31%	109	25.00
Nifty 50 pre Covid*	5.88%	1.00	22.52%	257	20.00
PI Industries post Covid**	38%	0.67	37%	47	33.00
Nifty 50 post Covid**	14.74%	1.00	38.44%	158	25.00

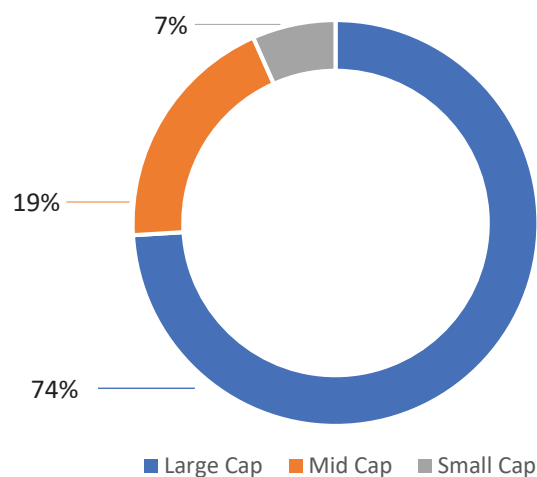
- An export oriented player in the agro chemical sector.
- A stable ROE of 15+% , and steady operating and net profit margins and increasing cash flow from operations.
- 5 year CAGR growth of 17%+ in revenue, operating profit and PAT.
- Drawdown at 37% during Covid was in line with the market.
- * pre-Covid from 1st Feb 2015 to 1st Feb 2020.
- ** Including Covid from 1st April 2016 to 30th June 2021.



Sectoral allocation



Market cap allocation



PURNARTHA SAMPURNA

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