

# Cognito Factsheet

## September 2023

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The investment philosophy of “**Cognito**”, the flagship Portfolio Management scheme from **PPFAS** is based on one overriding natural principle viz. The Law of the Farm, which states that a seed does not blossom into a plant overnight.

The investment objective of **PPFAS** as a portfolio manager is to optimise the annualized return on the funds placed with **PPFAS** through a judicious deployment in capital/money market instruments, mutual fund units or derivatives based on a professional, detailed assessment and evaluation of all relevant macro and micro factors pertaining to the economy and industry and to generate long term\* capital growth from an actively managed portfolio while at the same time evaluating the risk associated with the investments.

Buying securities at a discount to intrinsic value will help to create value for investors. We aim to avail of such opportunities, whenever available. We also intend to hold every constituent in our portfolio for several years, unless certain circumstances dictate otherwise. This will automatically reduce the churn in the portfolio, thereby resulting in a more tax-efficient investment for you.

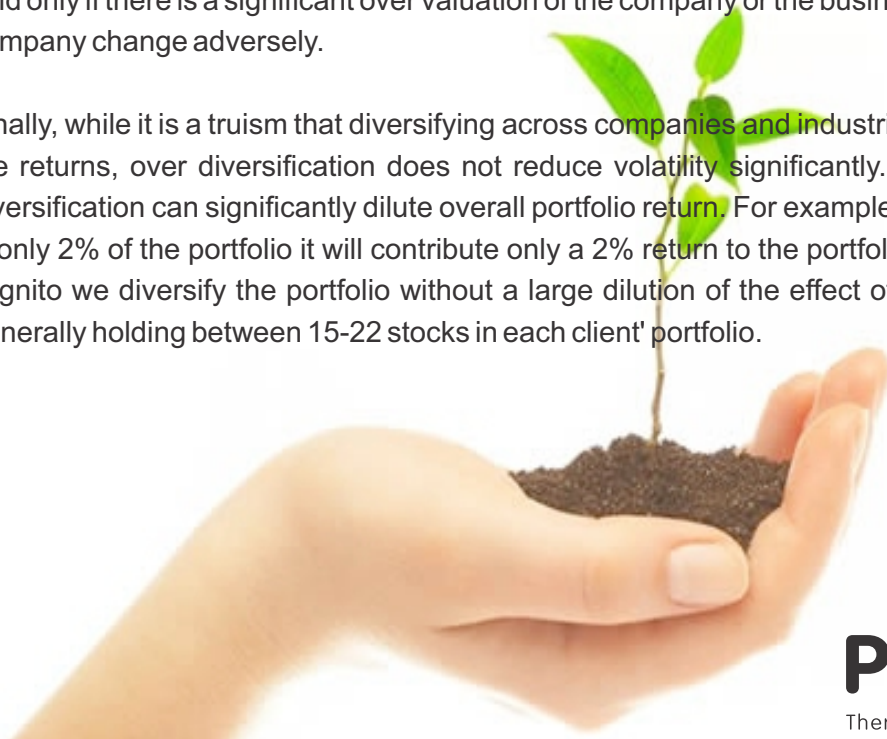
\* Long Term refers to an investment horizon of 5 years and more.

### **FOUR STEP INVESTMENT PROCESS:**

- Identifying Investments
- Fundamental Research
- Valuation Study
- Portfolio Construction

These core holdings of clients are generally held for a long period of time. These holdings are sold only if there is a significant over valuation of the company or the business fundamentals of the company change adversely.

Finally, while it is a truism that diversifying across companies and industries results in lower volatility of the returns, over diversification does not reduce volatility significantly. On the other hand, random diversification can significantly dilute overall portfolio return. For example if one's best investment idea is only 2% of the portfolio it will contribute only a 2% return to the portfolio return even if it doubles. In cognito we diversify the portfolio without a large dilution of the effect of our best ideas. This means generally holding between 15-22 stocks in each client' portfolio.



# Cognito Factsheet: September 2023

## Performance of Equity PMS (TWRR)

Particulars (%)	Discretionary	S&P Sensex 500
November 1996 (Inception) to September 2023 (Annualised)	18.37%	NA
Last 1 Year	20.57%	17.48%
Last 3 Years	26.92%	24.26%
Last 5 Years	21.09%	15.11%
Last 10 Years	21.09%	16.06%

## Performance of Equity PMS (XIRR)

Particulars (%)	Discretionary	MIN	MEDIAN	MAX
November 1996 (Inception) to Sept. 2023 (Annualised)	15.17%	13.00%	16.96%	19.97%
Last 1 Year	21.26%	19.56%	20.80%	24.24%
Last 3 Years	24.71%	25.67%	27.68%	31.95%
Last 5 Years	19.99%	20.29%	21.26%	23.12%
Last 10 Years	28.13%	19.36%	22.46%	25.80%

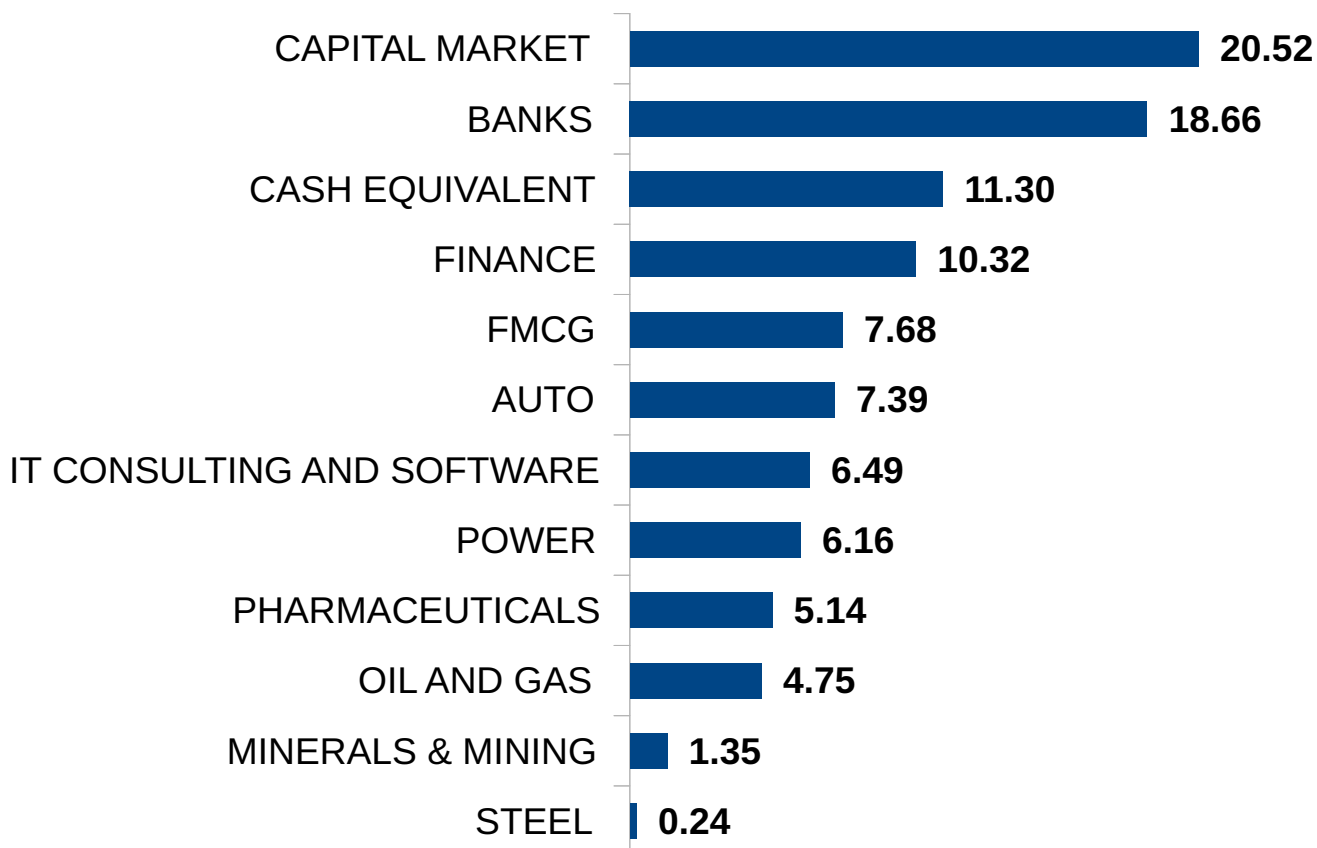
Note: Performance of your portfolio may vary from that of other investors and that generated by the Investment Approach across all investors because of

- 1) the timing of inflows and outflows of funds
- 2) differences in the portfolio composition because of restrictions and other constraints.

## Stocks in Client's Portfolio as on September 2023

<b>Automobile</b>	Hero MotoCorp Ltd, Maruti Suzuki India Ltd.	<b>Auto Ancillaries</b>	Balkrishna Industries Limited.
<b>Banks</b>	Axis Bank Ltd, HDFC Bank Ltd, ICICI Bank Ltd, Kotak Mahindra Bank Ltd.	<b>FMCG</b>	ITC Limited
<b>Finance</b>	Bajaj Holdings & Invest Ltd, Maharashtra Scooters Limited.	<b>Software</b>	Infosys Technologies Ltd, HCL Technologies Ltd,
<b>Power</b>	Power Grid Corporation of India Limited	<b>Pharmaceutical</b>	Dr. Reddy's Laboratories Ltd, IPCA Laboratories Ltd, Cipla Ltd, Sun Pharmaceutical Industries Ltd, Zydus Lifesciences Limited
<b>Capital Market</b>	Central Depository Services (I) Ltd, ICRA Ltd, Indian Energy Exchange Limited, Motilal Oswal Financial Services Ltd, Multi Commodity Exchange of India Ltd, UTI Asset Management Company Ltd.	<b>Oil And Gas</b>	Coal India Ltd,
<b>Steel</b>	NMDC Steel Limited	<b>Minerals &amp; Mining</b>	NMDC Limited.

## Sectoral Allocation as on September 2023



Note: Please note that the above classification is break up of total equity and is classified as per the AMFI guidelines

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