Cognito Factsheet
March 2013

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.

We sincerely believe that creating wealth overnight is easier said than done and consequently all our actions are geared towards results which will lead to wealth creation in the long-term. Of course, that may often mean steering clear of some of the current hot favourites, as they would not be meeting our stringent investment selection parameters. Also, while we do glance at the quarterly numbers, we do not get overly perturbed about "negative earnings surprises" of a few decimal points, as long as the underlying investment rationale is intact.

We are also oblivious to what other investment managers are doing in their portfolios, not necessarily because we believe we are superior to them, but because their style is often markedly different from ours. We aim to better the performance of general market indices without taking undue risk in the long term.

The following are the principles, which Cognito follows in its "core" equity investments:

- The company is in a business with good economic characteristics and has a long-term competitive advantage.
- The management of the company is very competent and works genuinely in the shareholders interest.
- The shares of the company are available at reasonable valuations.

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.

Parag Parikh Financial Advisory Services Limited | SEBI PMS Registration No: INP000000241
Corporate Office: Great Western Building, 1st Floor, 130/132, S B S Marg, Fort, Mumbai - 400 001
Tel: 91 22 6140 6555, Fax: 91 22 2284 6553 | Email: equity@ppfas.com, Website: www.ppfas.com

PPFAS
There's only one right way©

Cognito Factsheet
March 2013

Performance of Equity PMS

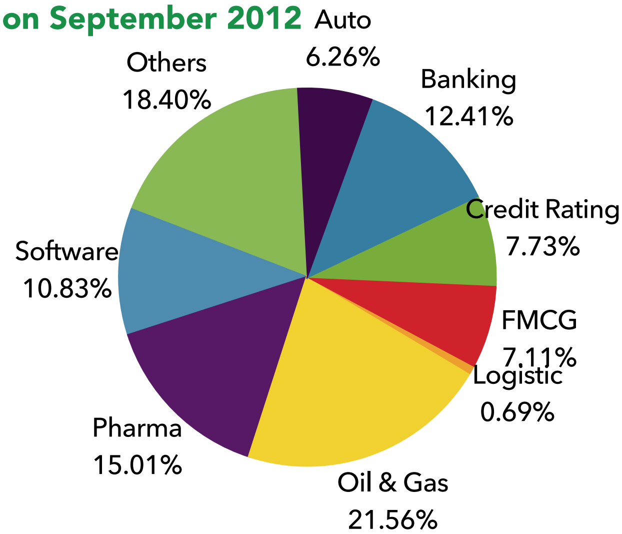
Particulars (%)	PMS Return	Sensex Return	Nifty Return
November 1996 (Inception) to March 2013 (Annualised)	15.94	13.23	13.06
Last 1 Year	-1.02	8.50	7.60
Last 3 Years	4.39	2.55	2.81
Last 5 Years	13.66	4.48	4.59

Stocks in Client's Portfolio as on September 2012

Auto	Mah Scooter	**Logistic**	Container Corp
Banking	Axis Bank, Standard Chartered IDR	**Pharma**	Wyeth, Novartis, FulFord (India), Piramal Enterprise*
FMCG	VST Industries	**Credit Rating Agencies**	ICRA
Oil & Gas	Gujarat Gas, IGL, Petronet LNG, Selan Exploration	**Software**	Mphasis BFL, Polaris Software
Others	IL&FS Investment, Zicom Electronics, NESCO, Noida Toll Bridge		

Note: 1. We do not disclose the latest portfolio in the factsheet. It is disclosed with a lag only. **2.** *Formerly Piramal Healthcare Limited

Sectoral Allocation as on September 2012



Parag Parikh Financial Advisory Services Limited | SEBI PMS Registration No: INP000000241
Corporate Office: Great Western Building, 1st Floor, 130/132, S B S Marg, Fort, Mumbai - 400 001
Tel: 91 22 6140 6555, Fax: 91 22 2284 6553 | Email: equity@ppfas.com, Website: www.ppfas.com