

Wealth Discovery

Transforming Knowledge into Wealth

COMPLETE WEALTH MANAGEMENT SOLUTIONS !



Wealth Discovery Portfolios

September 2015

Portfolio Investment Objective

These portfolios are developed with the primary investment objective of generating long term capital appreciation for the investors. The portfolios have equity as the only asset class, covering small, mid and large cap companies traded in the Indian equity markets. From time to time, the portfolio manager will be open to adding other assets classes or companies which do not fit into our market cap definition but offer very good risk reward opportunities.

For Small Cap and Mid Cap companies the ideal period for investment is considered as **minimum of three years** to get the benefit of capital appreciation. For large cap companies **minimum one year of investment time** is considered ideal to get the benefit of price momentum in the equity. During the investment period the Portfolio Manager would exit from any stock if the underlying fundamental of the particular company has changed dramatically or the growth opportunities have shrunk significantly.

Portfolio Construction Approach:

Our approach is driven entirely by our strategy of constructing **bottom-up portfolios**, by selecting companies demonstrating strong fundamentals and management quality, medium-term to long-term growth prospects and available at reasonable valuations. Our portfolio construction methodology does not adhere to the **top-down approach** where we give a specific weightage to a particular economic sector for our allocations.

We believe in the Investment Philosophy

“Buy Right ! Sit Tight !”

A good business needs to be given time to grow and hence investors need to be patient to realize the full potential

Investment Philosophy – Stock Selection Basis

Strong Earning Visibility

- Clear earning predictability for next 3-5 years
- Ease in understanding business
- Impact of technology, obsolesce of technology

Moat around the business

- Differentiated business Model
- Sustainable competitive advantage
- High barriers to entry

Financial Strengths

- Growth in revenue
- Sustainable ROE/ROCE
- Healthy Cash Flow
- Financial comparison with peer companies

Strong Management Credentials

- Professional management
- Track record of past decisions
- Comments v/s deliverable
- Management succession plans

Opportunity Size

- How big the sector can grow (3x, 4x...)
- Is there a saturation in the Industry

Corporate Governance

- Management background
- Accounting policies
- Corporate policies
- Business with Related Parties

Leadership Position

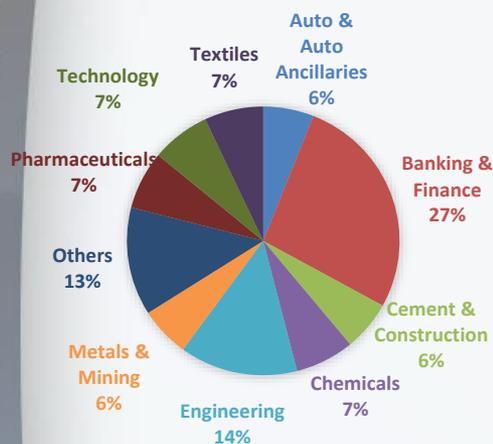
- Market Share, Fragmented Industry
- Bargaining power of the Industry
- Consistent leadership

Business should not be

- Subsidy driven
- Non self sustaining
- Govt. interference in profit making

Model Portfolio – Conservative

SECTOR ALLOCATION



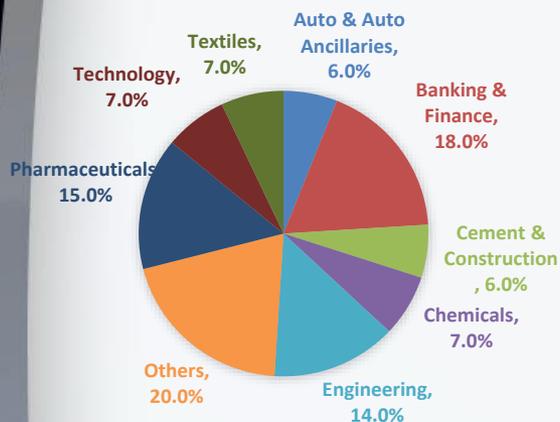
Portfolio Composition - Conservative

Small Cap	0.0%
Mid Cap	50.0%
Large Cap	50.0%
TOTAL	100.0%

Sector	Industry	Company	Reco Price	Wt. (%)
Auto & Auto Ancillaries				
	Auto - 2 & 3 Wheelers	TVS Motor	233	6.0%
Banking & Finance				
	Finance - Leasing & Hire P	Cholamandalam Investment and Finance	619	5.0%
	Banks	DCB Bank	129	6.0%
	Banks	ICICI Bank	267	8.0%
	Banks	State Bank Of India	230	8.0%
Cement & Construction				
	Ceramics & Granite	Kajaria Ceramics	703	6.0%
Chemicals				
	Specialty Chemicals	Vinati Organics	469	7.0%
Engineering				
	Engines	Cummins India	1108	8.0%
	Electric Equipment	Havells India	259	6.0%
Metals & Mining				
	Mining & Minerals	Coal India	334	6.0%
Others				
	Plastic Products	Supreme Industries	586	5.0%
	Transport & Logistics	Container Corporation Of India	1483	8.0%
Pharmaceuticals				
	Pharmaceuticals	Granules India	117	7.0%
Technology				
	Computers - Software	Vakrangee	110	7.0%
Textiles				
	Textiles - Spinning - Cotton	Indo Count Industries	915	7.0%
Total				100.0%

Model Portfolio – Moderate

SECTOR ALLOCATION



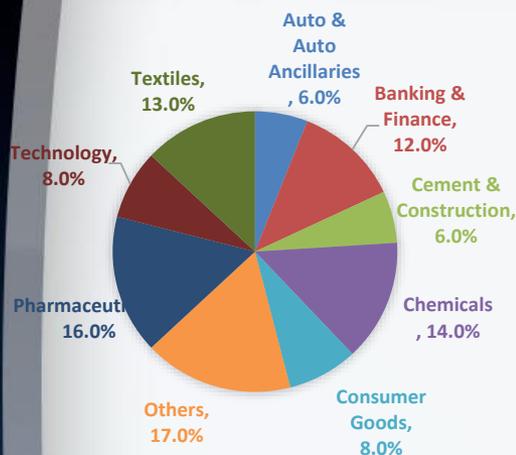
Portfolio Composition – Moderate

Small Cap	20.0%
Mid Cap	50.0%
Large Cap	30.0%
TOTAL	100.0%

Sector	Industry	Company	Reco Price	Wt. (%)
Auto & Auto Ancillaries				6.0%
	Auto - 2 & 3 Wheelers	Atul Auto	396	6.0%
Banking & Finance				18.0%
	Finance - Leasing & Hire P	Cholamandalam Investment and Finance	619	4.0%
	Banks	DCB Bank	129	6.0%
	Banks	ICICI Bank	267	8.0%
Cement & Construction				6.0%
	Ceramics & Granite	Kajaria Ceramics	703	6.0%
Chemicals				7.0%
	Specialty Chemicals	Vinati Organics	469	7.0%
Engineering				14.0%
	Engines	Cummins India	1108	8.0%
	Electric Equipment	Havells India	259	6.0%
Others				20.0%
	Forest Products	Century Plyboards	159	6.0%
	Transport & Logistics	Container Corporation Of India	1483	8.0%
	Auto Tyres & Rubber	Indag Rubber	172	6.0%
Pharmaceuticals				15.0%
	Pharmaceuticals	Granules India	117	7.0%
	Pharmaceuticals	Aarti Drugs	552	8.0%
Technology				7.0%
	Computers - Software	Vakrangee	110	7.0%
Textiles				7.0%
	Textiles - Spinning - Cotton	Indo Count Industries	915	7.0%
Total				100.0%

Model Portfolio – Aggressive

SECTOR ALLOCATION



Portfolio Composition – Aggressive

Category	Allocation (%)
Small Cap	30.0%
Mid Cap	70.0%
Large Cap	0.0%
TOTAL	100.0%

Sector	Industry	Company	Reco Price	Wt. (%)
Auto & Auto Ancillaries				
	Auto - 2 & 3 Wheelers	Atul Auto	396	6.0%
Banking & Finance				
	Finance - Leasing & Hire P	Cholamandalam Investment and Finance	619	6.0%
	Banks	DCB Bank	129	6.0%
Cement & Construction				
	Ceramics & Granite	Kajaria Ceramics	703	6.0%
Chemicals				
	Specialty Chemicals	Vinati Organics	469	8.0%
	Commodity Chemicals	Aarti Ind	414	6.0%
Consumer Goods				
	Cons Non-Durable-Footwear	Relaxo Footwear	536	8.0%
Others				
	Forest Products	Century Plyboards	159	6.0%
	Education	MT Educare	123	5.0%
	Auto Tyres & Rubber	Indag Rubber	172	6.0%
Pharmaceuticals				
	Pharmaceuticals	Granules India	117	8.0%
		Aarti Drugs	552	8.0%
Technology				
	Computers - Software	Vakrangee	110	8.0%
Textiles				
	Textiles - Spinning - Cotton	Indo Count Industries	915	8.0%
	Textiles-Plastics	Mayur Uniquoters	419	5.0%
Total				
				100.0%

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Optimising returns...

Wealth Discovery Securities Pvt. Ltd.

Head Office:

1206, 12th Floor, Kailash Building K.G. Marg, Connaught Place
New Delhi-110001

Telephone :

91 +11-43444-666 ; 91 +11-43444-623

Email :

info@wealthdiscovery.in

Website:

<http://www.wealthdiscovery.in/>