

Celebrating 14 Years of Success in Value Investing!

Dear Investors,

Equity Intelligence has achieved an important milestone – Rs.1000 Cr Assets Under Management (AUM). I thank you on this momentous occasion for your patronage and confidence in Equity Intelligence.

'Team-EQ' is proud of the impressive performance during FY16-17, 46.98% returns on an average. We are humbled and burdened at the same time with a responsibility to out-perform!

Future looks interesting and exciting as Indian economy is steadily and surely undergoing transformational changes in its landscape. Political management of economy both at Centre and the States is being oriented towards mega development and radical progress. Besides increase in per capita income, improving health and education, we see host of reforms leading to "one big pattern of eventual migration of economy". Migration from "Black to White economy", "Informal way of doing business to Formal", "Cash to Digital", "Nepotism to Meritocracy", "Inefficient to Efficient". This in general is excellent news for listed Indian equities and minority shareholders. Another noteworthy and significant trend we envisage is rise in share of equity investment in total gross domestic savings. Despite being one of the highest savers in the World at around 32% GDP; barely 1% Indians invest in equities seriously. This is about to change; as equities will soon be preferred asset class as compared to Gold, Real Estate and FDs.

We have been stock-picking in Indian markets for past 14 years; following sound philosophy, principles and process of value investing. Key feature of our approach is that we keep our process focused and simple, ignore short term market gyrations and try not to follow crowd in their irrational greed and fear. We promise you to keep doing the same going forward too.

Equity Intelligence launches new product – AIF

I am delighted to share with you that we have received SEBI license for launching Category III AIF (Alternative Investment Fund), which is broadly the Indian equivalent of Hedge Funds abroad. AIF can invest in listed or unlisted companies and derivatives. It provides Fund Manager the freedom to pool funds and employ diverse investment strategies, use leverage, subscribe to preferential allotment, institutional placements etc. Minimum investment under AIF is Rs.1 Cr as per SEBI guidelines.

AIF is neither superior nor inferior to PMS – it's simply different especially with regard to operations. If you are interested in details of AIF do let us know, would be happy to provide complete information.

Let us continue to learn, explore and value invest – India is a paradise for stock-picking!

Best regards,

Porinju Veliyath
Portfolio Manager

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