



August 25, 2015

Dear Investors,

Global slow down is for real; the symptoms have been there for quite sometime! Chinese currency devaluation and market volatility has triggered a sell-off in global equities, commodities and EM currencies.

Though India too witnessed massive sell-off by Hedge Funds and leveraged traders, we are comfortable from a macro perspective. Lower global commodity prices and declining subsidies are very important to contain inflation, reduce interest rates and improve fiscal health.

Looking at the big picture, Indian economy is too small at \$2 trillion, thanks to our politicians who failed to manage it progressively for the last many decades! It is natural that China will struggle to grow from the huge base of \$10 Trillion today!

India is in a 'sweet spot' today, aspiring to be \$5 trillion economy in next 6-7 years, which is imperative to take care of our 1.3 billion people. In the process, equity investors have an opportunity to create enormous wealth by disciplined value investing – that's exactly what we are doing.

It is important to consider that Equity Intelligence has delivered a CAGR of 32.98% for 12 years despite bigger panics and market crashes. This performance is the average of all clients who completed 12 years as on June 2015.

I am confident we are experiencing just a correction of the bull market started in 2013. It is nothing but an opportunity for our kind of stock pickers 😊

We welcome more long-term funds at this point of time, for bargain hunting!

Cheers!

Porinju Veliyath
Portfolio Manager

Equity Investments are subject to market risk. Past performance is not indicative of future returns.