



Portfolio Management Services

Managing Money is our Forte

'Be Fearful When Others Are Greedy and Greedy When Others Are Fearful' - Warren Buffet

'It's bad to go to bed thinking about the price of a stock. We think about value and company results; the stock market is there to serve and not to instruct' - Benjamin Graham

“Associate with FINCOS to Secure your Portfolio, Investment and Growth”



Fincos Technology Solutions Private Limited

WHO WE ARE?

FINCOS has highly skilled and experience team, firmly believe that our success is dependent on the success of our clients. We achieve this by understanding our clients' objectives through grasp of their business, their industry and by building trustworthy relationships with them.

FINCOS always use international benchmark and proven finance strategies designed to meet your risk tolerance and stand up against market volatility. And you can count on unbiased recommendations and impartial guidance based directly on your needs and goals.



Our Investment Objective

Wealth creation is our core motive

The objective of FINCOS is to provide long term capital appreciation by strategically investing in Equities. Our goal is to create robust growth while ensuring to safeguard the investors capital in various market scenario and provide consistent and superior returns over a period of time. Our experienced investment teams follow rigorous processes which enables us to identify opportunities that have the potential to generate superior risk adjusted returns consistent with fund objectives.

Our Philosophy

FINCOS Philosophy is based on core principles of value investing & growth investing. We seek to benefit from inefficiencies of the stock market by following a disciplined and process driven approach. A calm patient and rational temperament coupled with strong research is key to execute this philosophy.

Process and philosophy are the most important ingredients of a PMS



Our Investment Approach

“Successful Investing professionals are disciplined and consistent and they think a great deal about what they do and how they do it.” Benjamin Graham

FINCOS approach fosters discipline and avoids behavioral biases. We believe to create wealth of the investors through diversified portfolio.

Right Asset Allocation –Our investment approach of allocation of clients funds to such asset class which has potential to enhance returns and reduce volatility. Considering the cyclical nature of the stock market, we shift allocations from time to time other than equity such as bonds, liquid funds, ETF based on market conditions and expected returns.

Create a Foundation Portfolio- we believe Client portfolio should design in such way which has a bone of a strong foundation with robust growth, stable and diversified.

Add the right mix of opportunistic ideas-Opportunistic ideas are narrower in focus and shorter term. They are used to add income, diversify or to take advantage of short term moves in market.

Growth and Value- Growth seek companies that offer strong growth while value seek stock that appear to be undervalued in market places.

FINCOS Basic Investment Strategy

A mix of Bottom Up & Top Down approach utilizing both Value & Growth investment styles

An emphasis will be placed on capital preservation with a view on growing capital over the medium to long term

Value

- Trade below/above estimated Fair Value or Intrinsic Value of the company
- The estimated fair value or Intrinsic value of a company may be judged by various quantitative valuation parameters including, but not limited to :
 - Price to earnings
 - Price to book value
 - EBITA/PAT
 - Free Cash flow
 - Margin of Safety
 - sum-of-part valuation etc.
 - Replacement Cost
- Companies that are undervalued / overvalued have the potential of being re-rated as the markets begin to realize the extent of their under-valuation / overvaluation

Growth

- Growth at reasonable price (GARP)
- Companies with growth in earnings considerably higher than that of all companies in an index put together
- Companies with consistency and better visibility of future growth
- Companies with sufficient diversification in revenues streams
- Companies with high ROI compared to its cost of capital
- Companies with lesser need for raising capital
- Companies with adequate capitalization to carry out organic and in-organic growth
- Companies gaining market share

Basic Investment Philosophy

Growth in Earnings reflected in EPS

Sensitivity to Macro – Economic factors like interest rates

Participating in Infrastructure / Capex spending

Participating in Domestic / Global Consumption

Emerging Niche sectors having unique product

Special Situation opportunities arising out of Corporate restructuring in current stressed markets

India vision of 5 Trillion Economy –Emerging business entering into next business upcycle

Investment Process

Research Parameter's

Financials

Industry

**Macro Economics &
Interest Rate policies**

**Marketability of
Product**

**Corporate
Governance**

**Promoter's &
Management**

**Qualitative and
Quantitative Modeling**

Moats

Market Leaders

The Trend Setters

**Portfolio Manager's
Recommendation**

for

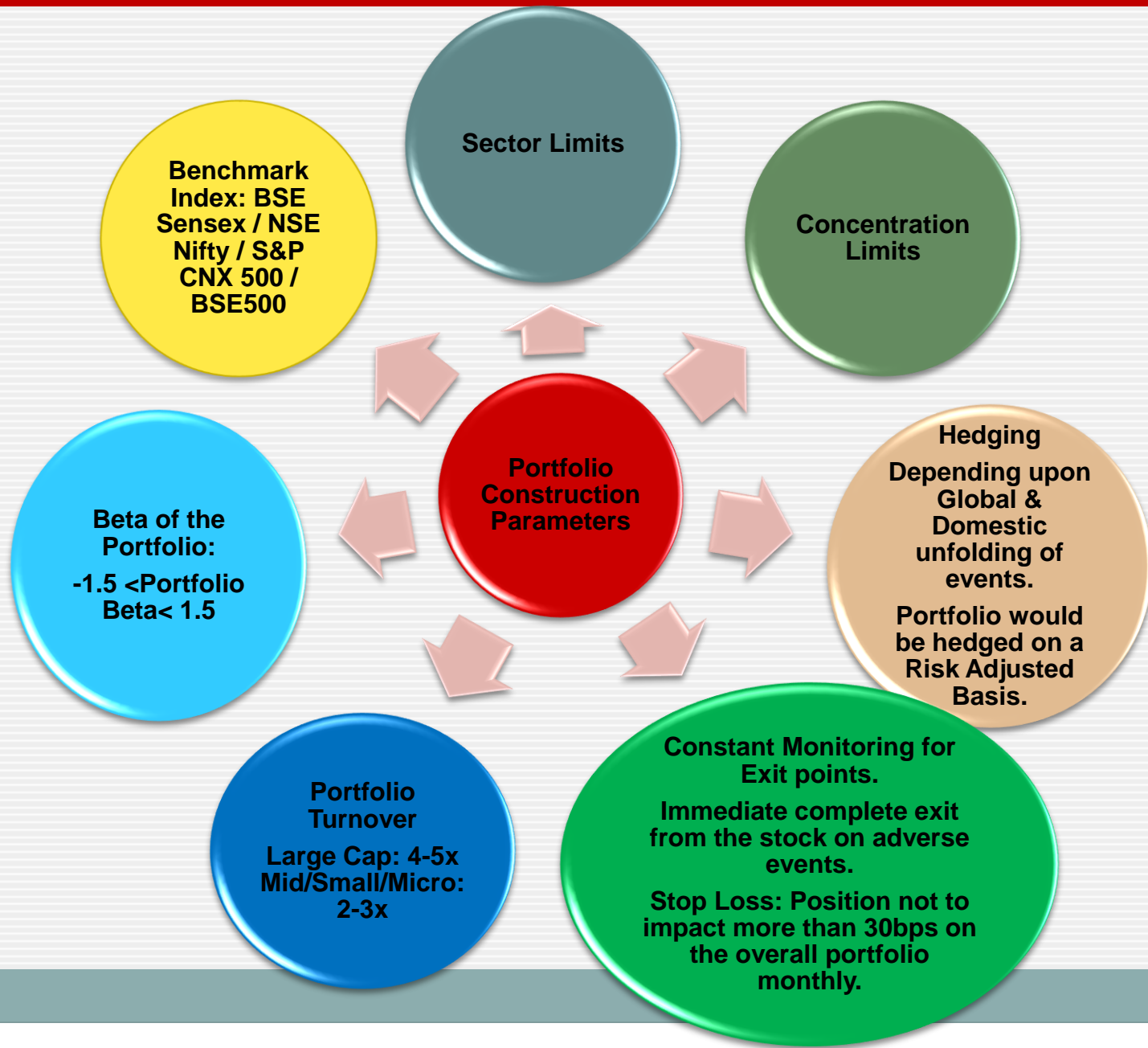
**Investment to
Investment /Risk
Committee**

**Investment /Risk
Committee Review 's
and Approval**

Investment /Risk Management Committee Function

- Monitor Approved List
- Approve addition's to the Approved List
- Review restrictions, suspensions, and removals
- Monitor holdings that fall outside of investment parameters
- Set and monitor aggregate exposure limits

Portfolio Construction Parameters



1

Risk Analysis

1. Global Risks
2. India Specific Risks
3. Sector Specific Risks
4. Company Specific Risks

2

These would serve as our future red flag indicators as well as performance monitors for our portfolio holding

1. The best way to manage risk is to buy assets at a discount to their intrinsic value.
2. Allocation across diversified businesses and investing not more than 15% in single stock and 25% in single industry.
3. Investment of a portion of the portfolio in special situations where returns have lesser correlation to market movements.

Strategy -
Depending on our evaluation of the above risks we then put in place requisite hedges.
A combination of our experience, analysis and judgment is the biggest risk management tool.

4

3

Investment Monitoring Process

The fund manager would work within parameters set by the investment & risk Committee



Integrated Compliance & Control



- **Portfolio Manager determines investment decision compliance with investment committee guidelines – stock and sector limits**



- **Weekly review of portfolio allocation limits set by investment & risk management committee – guided by future outlook on positions and the market**



- **Formal Monthly review by Investment & Risk Management Committee to report any deviation and evolve future guidance**

Our PMS Products

Fincos Emerging India Fund:

Strategy:

Value Strategy

Unique Product

Special Situation

Potential to become large Cap

Quality Stock at Discount

Promoters

The aim is to provide medium to high return by investing in equity instruments. The scheme is not restricted to any cap sizes and is flexible enough to switch from one scrip to another whenever find opportunity in the market. This is our core equity portfolio strategy that has a mix of mostly small-cap and mid-cap stocks along with a select large-cap stocks, special situations and fixed income securities. The objective is to provide high absolute rate of return over a business cycle while minimizing risk of capital loss. The strategy is to buy businesses run with strong management team at valuations below intrinsic value that are likely to result in substantial gain over a three to five years period.

Advisory Services

- 1) **FINCOS** provide Advisory Services to the clients allowed under the SEBI (Portfolio Manager) Regulation, 2020 as amended from time to time.
- 2) **FINCOS** also provide free evaluation of your existing portfolio and actionable steps to optimize your portfolio return and growth.
- 3) **FINCOS** advise on restructuring of portfolio with suitable strategy as per risk profile of the clients, as an agreed terms & fee structure.
- 4) **FINCOS** Investment Advisory with respect to:
 - a. Stocks (Fundamental & Technical)
 - b. Mutual Funds- Equity and Debt
 - c. Index and ETF
 - d. Sovereign Gold Bonds
 - e. Debt Securities including Government
 - f. REITs
 - g. InVits

Management Fee

We Charge fees linked to returns delivered to the Client. One of very few PMS in India that who give weightage to performance based fee structure. Our fee structure is transparent and genuine.

Plan A

| | |
|-----------------------------|---|
| Fixed Fees | NIL |
| Performance Fees | 20% of Profits net of Expenses |
| Hurdle Rate | NIL |
| Min Investment | 50 Lacs |
| Exit load | Upto 1 st Year - 2% on Net amount Upto 2 nd Year - 1% on Net Amount 3 rd year onwards- NIL |
| *Other Charges | On Actual basis |
| Min Top up 2 lacs and above | |

Plan B

| | |
|-----------------------------|--|
| Fixed Fees | 1 st year - 2% 2 nd Year- 1.5% 3 rd year onwards- 1% |
| Performance Fees | 20% of Profits net of Expenses above hurdle rate. Hurdle rate for 1 st year 8% Hurdle rate for 2 nd year 8.5% Hurdle rate for 3 rd year and above 9% |
| Min Investment | 50 Lacs |
| Exit load | Upto 1 st year- 2% on Net Amount Upto 2 nd year- 1% on Net Amount 3 rd year onwards -NIL |
| *Other Charges | On Actual basis |
| Min Top up 2 lacs and above | |

*Other Expense like transaction charges, custodian charges and demat charges are on actual basis.

Disclaimer

- Prospective Clients are expected to take into consideration all the risk factors including financial conditions, Risk-Return profile, tax consequences, etc.
- Prospective Clients understand that the past performance or name of the portfolio or any similar product do not in any manner indicate surety of performance of such product or portfolio in the future.
- Prospective Clients further understand that all such products are subject to various Market Risks, Settlement Risks, Economical Risks, Political Risks, Business Risks, and Financial Risks etc. Prospective Clients are expected to thoroughly go through the terms of the arrangements / agreements and understand in detail the Risk-Return profile of any security or product of FINCOS or any other service provider before making any investment.
- Prospective Clients should also take professional / legal /tax advice before making any decision of investing or disinvesting.
- FINCOS does not guarantee the future performance or any level of performance relating to any products of FINCOS or any other third party service provider. Investment in any product including mutual fund or in the product of third party service provider does not provide any assurance or guarantee that the objectives of the product are specifically achieved. FINCOS shall not be liable to client for any losses that clients may suffer on account of any investment or disinvestment decision based on the communication or information or recommendation received from FINCOS on any product. Further FINCOS shall not be liable for any loss which may have arisen by wrong or misleading instructions given by clients whether orally or in writing.
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