Ist March' 2017

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FOR PRIVATE CIRCULATION

M O N T H L Y V I E W

FROM THE FUND MANAGER DESK

The Budget Puzzle

Budget numbers reveal that there is some semblance of "Big Picture" behind the seemingly boring one.

For long-time budget watchers, few things are fairly straight. One, budget is progressively becoming a non-event, notwithstanding the boisterous media buzz ahead of the event and second, the responses from various constituencies are far more predictable. Pressure to be politically right (in their response) outweighs the urge to be out-spoken. Hence, much of the responses are guarded and sugar-coated. This budget was no exception. Media got tizzy around the budget, only to get disappointed with a drowsy one. Much expected cut in corporate tax and personal tax (across the spectrum) did not materialize. Usual hyperbolic statements-of-intent on various rural and infra schemes with throw-in here and throw-out there, dominated much of the budget speech.

Certainly, the budget was a disappointing one (for the immediate short-term at least), given the huge expectations. Beyond the regular ritual, is there a big picture that is popping? Buried deep, some budget numbers, on closer look, offer hope of a structural shift, if not a grand design.

Central Theme: Broadening the Base by Operation Cleanup and GST

- The spurt in income tax (personal) numbers over already a high base of last year, seen in conjunction with the upcoming GST, may have clues to the widening tax net in the coming years that will lead to higher fiscal space over time, pointing to structural downward shift in inflation/interest rates and hence changing the structural capacity of economy for higher growth.

- To understand this, let us start with the basic budget assumptions. The underlying GDP growth assumption in the budget hardly inspires. Govt. expects growth to suffer in FY18 on two counts. First, the lingering effect of DeMon will keep a lid on growth for a while. Second, hiccups in GST implementation can hurt growth in the short-term. Hardly a surprise that the budget has assumed a

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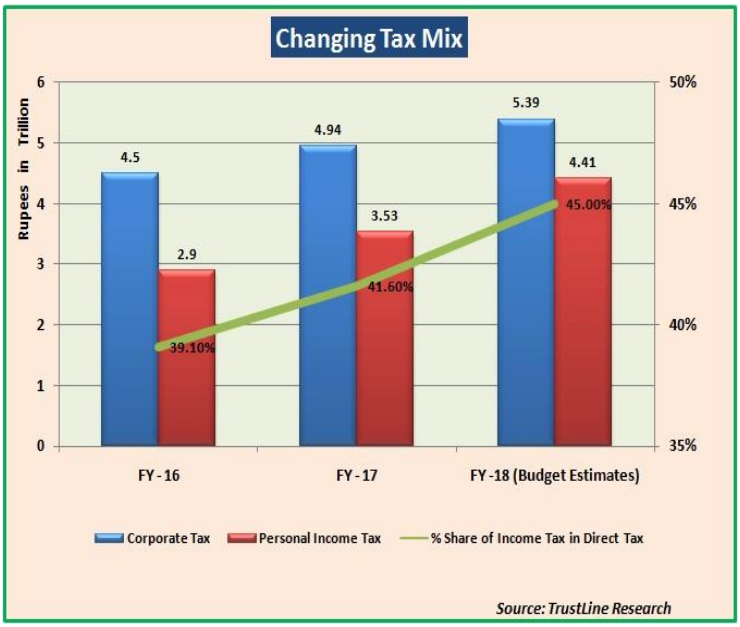
muted growth of around 6.75% for FY18, much less than RBI's forecast.

- With such a sluggish sub-7% growth assumption, subdued tax numbers have been subsumed in the tax arithmetic in the budget, be it excise, service or corporate tax, but with one exception.

- That exception is on the personal tax numbers. Govt. has assumed a robust 25%+ growth over a high base of last year, in which the personal income tax is likely to have grown over 21%+. Much of this is expected to flow directly from the effects of ***Operation Cleanup*** that will be rolled out using DeMon data mining. This would add up to over 50%+ surge in Income tax over two year period of FY17-FY18. Ref below chart that captures the changing tax mix brilliantly.



- Add to this the rollout of GST, it is not difficult to decipher that the central thrust for this year is, widening the tax net on both direct and indirect taxes. Former from operation cleanup (DeMon data drive) and later from GST that is likely to galvanize tax compliance from the expected shift from unorganized to organized, gradually though. Proposed limits on cash transactions in the budget will further accelerate this shift from informal to formal economy.

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- Now, let us move forward by one year to FY19. This is when things will turn interesting. Economy would have come out of the clutches of DeMon and would be ready to leap-frog on stabilizing GST implementation. With much delayed capex recovery (private investment) in place by then, growth will gyrate to near 8% level and much more in the subsequent years. Precisely then, widening tax base will work wonder, boosting tax buoyancy and tax-GDP ratio. With huge headroom in fiscal space, macro will move into a much stronger position with inflation and interest rates trending structurally lower.

In summary, the dual reforms of this Govt. (DeMon and GST), when they play out over next few years, have the potential to have a dramatic multiplier effect to push the economy structurally into a higher growth-orbit, leave alone the potential political gains for the current administration on fiscal windfalls (thro' seductive schemes for poor like the universal income scheme etc). Exciting times ahead for India macro!

ArunaGiri. N

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CORPORATE NEWS

- Sanitaryware major **HSIL Ltd** has launched a line of air coolers with changeable colourful front panels under their brand **Hindware Snowcrest**. The air coolers range bolsters the Consumer Products Division of HSIL, which offers water heaters, air and water purifiers, exhaust fans and kitchen equipment.

- **TCS** informed the stock exchanges that its board of directors had approved proposed **buyback at Rs 2,850 per share**, which was at a premium of around 18% to its closing price of Rs 2,407 per share.

- **IDFC Bank** picked up a 5 percent stake in financial services major **IIFL Holdings** for over Rs 5.02 bn through an open market transaction. The shares were offloaded by **Copthall Mauritius Investment Ltd**.

- **Tata Motors** is rebooting its passenger vehicle segment by taking a start-up and platforms approach. It has created a new sub-brand called **Tamo**, a new vertical within Tata Motors which will work as a start-up, collaborating with technology companies across the world and bringing out sports luxury vehicles - a segment Tata Motors has no presence in so far.

- **Dishman Pharmaceuticals and Chemicals Ltd** has informed that the Company's Bavla facility was successfully inspected by the **US FDA** in July, 2016, has received the **Establishment Inspection Report (EIR)** from the US FDA for this facility on February 01, 2017.

- The Cabinet has approved the **merger of five associate banks** with the **State Bank of India (SBI)**; the five associate banks are State Bank of Bikaner and Jaipur, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala and State Bank of Travancore.

- **Tata Steel** agreed to sell its U.K. speciality steel business to **Liberty House Group** for £100 million. The speciality division

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covers assets in Yorkshire, and services centres in Britain and China, and focuses on steel for the aerospace, automotive and oil and gas industries.

- **Punjab National Bank** may look at selling stake in **PNB Housing Finance and PNB Gilts** in the next financial year, to shore up its capital base.

MACRO NEWS

- **The Centre** approved construction of over 90,000 more affordable houses for the urban poor under **Pradhan Mantri Awas Yojana** (Urban) with an investment of Rs 55.9 bn. The central assistance for construction of these houses would be to the tune of Rs 11.88 bn. So far, construction of 16,51,687 affordable houses for the benefit of urban poor has been sanctioned under PMAY (Urban) with total investment of Rs 890.72 bn and central assistance of Rs 258.19 bn.

- The government plans to **divest Rs 110 bn** worth of stake in **public sector unit (PSU) general insurance companies** to meet the steep disinvestment target of Rs725 bn next fiscal. Recently, the cabinet approved the reduction of a stake in five state-owned general insurance companies to 75% by listing them on the bourses.

- **The Reserve Bank of India (RBI)** has kept the repo rate unchanged at 6.25% in its **monetary policy review**, citing inflation concerns after the first quarter of the next financial year, once the base effect vanishes.

- In a bid to insulate the country from volatility in global oil market, the **Government** will build two more **underground crude oil storages** in Odisha and Rajasthan.

- **Solar tariffs** have crashed to record levels of less than Rs. 3 a kWhr in the auctions for 750 MW of solar projects in Rewa, Madhya Pradesh. Around 20 solar power developers submitted an initial bid last month for three blocks of 250 MW each and the

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lowest quote - Rs. 3.64 - became the benchmark for further bidding.

- Drawing strict timelines for **listing of profitable PSUs**, the government has mandated launch of initial public offer (IPO) within five-and-half months of a nod from the ministry concerned. Within two weeks of the Budget announcement of listing all profitable central public sector enterprises, the **Department of Investment and Public Asset Management (DIPAM)** has issued guidelines detailing the mechanism and procedure for time-bound listing of CPSEs on Stock Exchanges.

FUNDS FLOW DATA

Data as on 23rd Feb 2017		
FUNDS FLOW DATA (Rs in Cr)		
Category	***MTD***	***YTD***
FII	8908	8862
Mutual Funds	(910)	4323
Total	**7998**	**13185**

DEBT & FOREX MARKET

Data as on 23rd Feb 2017			
Debt / Forex Market			
Category	***Day***	***1 Mnth***	***3 Mnths***
10 Yr Yield	6.9	6.5	6.3
Re/ US $	66.8	68.2	68.6

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MARKET VIEW*.

Reward-less Risk?

Market faces a distinct dichotomy. On one side, it faces elusive earning upgrades and on the other hand, it has to deal with the deluge of domestic liquidity. In such times, typically, valuations get stretched while corporate report cards continue to be listless. Risk-reward turns very unfavorable as a result. Market is going thro' one such mis-priced (on the upside) times where valuations are factoring-in rosy projections far ahead. As is the case always, when liquidity acts less pricey, market runs much ahead of fundamentals and turns more lavish.

Complication doesn't stop here. Divergence in flows (between FIIs and domestic money) has dented the allure of large caps in favor of small and mid caps. With muted FII flows, large caps lack the massive momentum that small and mid caps seem to be enjoying on gushing domestic flows. Domestic money dares to dabble in small and midcaps, unlike the FIIs who fancy the larger cousins. This has clearly fuelled a fierce rally in broader markets and led to frothy valuation in small and mid caps. Going by the outlook for domestic flows, deluge will continue to dazzle and is unlikely to dwindle anytime soon. Enamored by rewarding relative returns amid reduced choices for savings (on falling interest rates and weakening real estate), Indian households are expected to move much of their savings into equities in the coming weeks and months. Given this trend, elevated valuations in equities are here to stay, even if it is going to be punctuated with not-so protracted pauses or intercepted by intermittent, but swift corrections.

Having said that, it is going to be much less rewarding for the incremental risk one takes at this level, esp. in small and midcap space, with paltry upside potential from here-on. Though there are certain pockets of undervaluation that continue to exist for bottom-up stock picking, they are fading faster in this frothy market. In that sense, these are challenging times for value investors. Conserving cash on selective pruning is critical to create the safety cushion for the rainy days. Interesting times ahead!

We stay away from giving market outlook (except reporting the consensus view) as we believe that the short-term market movements are function of innumerable rational and irrational parameters and hence any attempt to predict the next market move would be a futile exercise. Hence, we would like to qualify the above consensus view on outlook with a clear caution that TrustLine does not have any specific view on the outlook and does not necessarily subscribe to that.

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VALUE EXTRACTS

- In this section of the newsletter, we attach an extract/write-up that we believe can add value to the readers from the "***VALUE INVESTMENT***" point of view or others that offer interesting perspective.

- Enclosed section carries an interesting article titled ***"Some Highlights from Warren Buffett's Annual Letter 2016"*** from ***gurufocus.com***

We worry top-down, but we invest bottom-up.

- Seth Klarman

Some Highlights From Warren Buffett's Annual Letter 2016

On what Berkshire Hathaway wants to accomplish:

"Charlie Munger, Berkshire's Vice Chairman and my partner, and I expect Berkshire's normalized earning power per share to increase every year. Actual earnings, of course, will sometimes decline because of periodic weakness in the U.S. economy. In addition, insurance mega-catastrophes or other industry-specific events may occasionally reduce earnings at Berkshire, even when most American businesses are doing well.

"It's our job, though, to over time deliver significant growth, bumpy or not. After all, as stewards of your capital, Berkshire directors have opted to retain all earnings. Indeed, in both 2015 and 2016 Berkshire ranked first among American businesses in the dollar volume of earnings retained, in each year reinvesting many billions of dollars more than did the runner-up. Those reinvested dollars must earn their keep."

"Our expectation is that investment gains will continue to be substantial – though totally random as to timing – and that these will supply significant funds for business purchases. Concurrently,

Berkshire's superb corps of operating CEOs will focus on increasing earnings at the individual businesses they manage, sometimes helping them to grow by making bolt-on acquisitions. By our avoiding the issuance of Berkshire stock, any improvement in earnings will translate into equivalent per-share gains."

On America

"Our efforts to materially increase the normalized earnings of Berkshire will be aided – as they have been throughout our managerial tenure – by America's economic dynamism. One word sums up our country's achievements: miraculous. From a standing start 240 years ago – a span of time less than triple my days on earth – Americans have combined human ingenuity, a market system, a tide of talented and ambitious immigrants, and the rule of law to deliver abundance beyond any dreams of our forefathers.

"Early Americans, we should emphasize, were neither smarter nor more hard working than those people who toiled century after century before them. But those venturesome pioneers crafted a system that unleashed human potential, and their successors built upon it.

This economic creation will deliver increasing wealth to our progeny far into the future. Yes, the build-up of wealth will be interrupted for short periods from time to time. It will not, however, be stopped. I'll repeat what I've both said in the past and expect to say in future years: Babies born in America today are the luckiest crop in history."

On market bears

"American business – and consequently a basket of stocks – is virtually certain to be worth far more in the years ahead. Innovation, productivity gains, entrepreneurial spirit and an abundance of capital will see to that. Ever-present naysayers may prosper by marketing their gloomy forecasts. But heaven help them if they act on the nonsense they peddle.

"Many companies, of course, will fall behind, and some will fail. Winnowing of that sort is a product of market dynamism. Moreover, the years ahead will occasionally deliver major market declines – even panics – that will affect virtually all stocks. No one can tell you when these traumas will occur – not me, not Charlie, not economists,

not the media. Meg McConnell of the New York Fed aptly described the reality of panics: 'We spend a lot of time looking for systemic risk; in truth, however, it tends to find us.'

"During such scary periods, you should never forget two things: First, widespread fear is your friend as an investor, because it serves up bargain purchases. Second, personal fear is your enemy. It will also be unwarranted. Investors who avoid high and unnecessary costs and simply sit for an extended period with a collection of large, conservatively-financed American businesses will almost certainly do well.

"As for Berkshire, our size precludes a brilliant result: Prospective returns fall as assets increase. Nonetheless, Berkshire's collection of good businesses, along with the company's impregnable financial strength and owner-oriented culture, should deliver decent results. We won't be satisfied with less."

On share repurchases

"From the standpoint of existing shareholders, repurchases are always a plus. Though the day-to-day impact of these purchases is usually minuscule, it's always better for a seller to have an additional buyer in the market.

"For continuing shareholders, however, repurchases only make sense if the shares are bought at a price below intrinsic value. When that rule is followed, the remaining shares experience an immediate gain in intrinsic value. Consider a simple analogy: If there are three equal partners in a business worth $3,000 and one is bought out by the partnership for $900, each of the remaining partners realizes an immediate gain of $50. If the exiting partner is paid $1,100, however, the continuing partners each suffer a loss of $50. The same math applies with corporations and their shareholders. Ergo, the question of whether a repurchase action is value-enhancing or value-destroying for continuing shareholders is entirely purchase-price dependent."

"When CEOs or boards are buying a small part of their own company, though, they all too often seem oblivious to price. Would they behave similarly if they were managing a private company with just a few owners and were evaluating the wisdom of buying out one of them? Of course not.

My suggestion: Before even discussing repurchases, a CEO and his or her Board should stand, join hands and in unison declare, "What is smart at one price is stupid at another."

On interest coverage ratio

"Our definition of coverage is the ratio of earnings before interest and taxes to interest, not EBITDA/interest, a commonly-used measure we view as seriously flawed."

On insurance float

"Berkshire Hathaway had a total float of $91.6 billion in 2016 compared to $87.7 billion in 2015."

On cash and cash equivalents and cash repatriation overseas (for other companies)

"It's important for you to understand that 95% of the $86 billion of "cash and equivalents" (which in my mind includes U.S. Treasury Bills) shown on our balance sheet are held by entities in the United States and, consequently, is not subject to any repatriation tax. Moreover, repatriation of the remaining funds would trigger only minor taxes because much of that money has been earned in countries that themselves impose meaningful corporate taxes. Those payments become an offset to U.S. tax when money is brought home.

"These explanations are important because many cash-rich American companies hold a large portion of their funds in jurisdictions imposing very low taxes. Such companies hope – and may well be proved right – that the tax levied for bringing these funds to America will soon be materially reduced. In the meantime, these companies are limited as to how they can use that cash. In other words, off-shore cash is simply not worth as much as cash held at home.

"Berkshire has a partial offset to the favorable geographical location of its cash, which is that much of it is held in our insurance subsidiaries. Though we have many alternatives for investing this cash, we do not have the unlimited choices that we would enjoy if the cash were held by the parent company, Berkshire. We do have an ability annually to distribute large amounts of cash from our insurers to the parent – though here, too, there are limits. Overall, cash held at

our insurers is a very valuable asset, but one slightly less valuable to us than is cash held at the parent level."

On Berkshire Hathaway Energy ("BHE"), a 90%-owned utility business, and Green Energy

"Bargain-basement electric rates carry second-order benefits with them. Iowa has attracted large high-tech installations, both because of its low prices for electricity (which data centers use in huge quantities) and because most tech CEOs are enthusiastic about using renewable energy. When it comes to wind energy, Iowa is the Saudi Arabia of America."

On manufacturing, service and retailing operations

"This collection of businesses is truly a motley crew. Some operations, measured by earnings on unleveraged net tangible assets, enjoy terrific returns that, in a couple of instances, exceed 100%. Most are solid businesses generating good returns in the area of 12% to 20%."

"… Absent a recession, earnings from the group will likely grow in 2017, in part because Duracell and Precision Castparts (both bought in 2016) will for the first time contribute a full year's earnings to this group. Additionally, Duracell incurred significant transitional costs in 2016 that will not recur.

"We have far too many companies in this group to comment on them individually. Moreover, their competitors – both current and potential – read this report. In a few of our businesses, we might be disadvantaged if outsiders knew our numbers. Therefore, in certain of our operations that are not of a size material to an evaluation of Berkshire, we only disclose what is required. You can nevertheless find a good bit of detail about many of our operations on pages 90 - 94. Be aware, though, that it's the growth of the Berkshire forest that counts. It would be foolish to focus over-intently on any single tree."

On GAAP-prescribed depreciation charges (BNSF in particular)

"... The inevitable result is that reported earnings throughout the railroad industry are considerably higher than true economic earnings.

"At BNSF, to get down to particulars, our GAAP depreciation charge last year was $2.1 billion. But were we to spend that sum and no more annually, our railroad would soon deteriorate and become less competitive. The reality is that – simply to hold our own – we need to spend far more than the cost we show for depreciation. Moreover, a wide disparity will prevail for decades."

On managements and adjusted per-share earnings

"Too many managements – and the number seems to grow every year – are looking for any means to report, and indeed feature, "adjusted earnings" that are higher than their company's GAAP earnings. There are many ways for practitioners to perform this legerdemain. Two of their favorites are the omission of 'restructuring costs' and "stock-based compensation" as expenses.

"Charlie and I want managements, in their commentary, to describe unusual items – good or bad – that affect the GAAP numbers. After all, the reason we look at these numbers of the past is to make estimates of the future. But a management that regularly attempts to wave away very real costs by highlighting 'adjusted per-share earnings' makes us nervous. That's because bad behavior is contagious: CEOs who overtly look for ways to report high numbers tend to foster a culture in which subordinates strive to be 'helpful' as well. Goals like that can lead, for example, to insurers underestimating their loss reserves, a practice that has destroyed many industry participants."

On stock-based compensation

"To say 'stock-based compensation' is not an expense is even more cavalier. CEOs who go down that road are, in effect, saying to shareholders, 'If you pay me a bundle in options or restricted stock, don't worry about its effect on earnings. I'll "adjust" it away."

"... If CEOs want to leave out stock-based compensation in reporting earnings, they should be required to affirm to their owners one of two propositions: why items of value used to pay employees are not a cost or why a payroll cost should be excluded when calculating earnings. During the accounting nonsense that flourished during the 1960s, the story was told of a CEO who, as his company revved up to go public, asked prospective auditors, 'What is two plus two?' The

answer that won the assignment, of course, was, 'What number do you have in mind?'"

On Investments

Shares*	Company	Percentage of Company Owned	12/31/16 Cost**	Market
			(in millions)	
151,610,700	American Express Company	16.8	$ 1,287	$ 11,231
61,242,652	Apple Inc.	1.1	6,747	7,093
6,789,054	Charter Communications, Inc.	2.5	1,210	1,955
400,000,000	The Coca-Cola Company	9.3	1,299	16,584
54,934,718	Delta Airlines Inc.	7.5	2,299	2,702
11,390,582	The Goldman Sachs Group, Inc.	2.9	654	2,727
81,232,303	International Business Machines Corp.	8.5	13,815	13,484
24,669,778	Moody's Corporation	12.9	248	2,326
74,587,892	Phillips 66	14.4	5,841	6,445
22,169,930	Sanofi	1.7	1,692	1,791
43,203,775	Southwest Airlines Co.	7.0	1,757	2,153
101,859,335	U.S. Bancorp	6.0	3,239	5,233
26,620,184	United Continental Holdings Inc.	8.4	1,477	1,940
43,387,980	USG Corp.	29.7	836	1,253
500,000,000	Wells Fargo & Company	10.0	12,730	27,555
	Others		10,697	17,560
	Total Common Stocks Carried at Market		$ 65,828	$ 122,032

* Excludes shares held by pension funds of Berkshire subsidiaries.

** This is our actual purchase price and also our tax basis; GAAP "cost" differs in a few cases because of write-downs that have been required under GAAP rules.

(Berkshire Hathaway Annual Letter 2016)

"Berkshire Hathaway's fifteen common stock investments that at yearend had the largest market value.

"Berkshire Hathaway excluded its Kraft Heinz holding because Berkshire is part of a control group and therefore must account for this investment on the 'equity' method. The 325,442,152 shares Berkshire owns of Kraft Heinz are carried on our balance sheet at a GAAP figure of $15.3 billion and had a yearend market value of $28.4 billion. The firm's cost basis for the shares is $9.8 billion."

On Bank of America investment

"Excluded from the table – but important – is our ownership of $5 billion of preferred stock issued by Bank of America. This stock, which pays us $300 million per year, also carries with it a valuable warrant allowing Berkshire to purchase 700 million common shares of Bank of America for $5 billion at any time before September 2, 2021. At yearend, that privilege would have delivered us a profit of

$10.5 billion. If it wishes, Berkshire can use its preferred shares to satisfy the $5 billion cost of exercising the warrant.

"If the dividend rate on Bank of America common stock – now 30 cents annually – should rise above 44 cents before 2021, we would anticipate making a cashless exchange of our preferred into common. If the common dividend remains below 44 cents, it is highly probable that we will exercise the warrant immediately before it expires."

On "forever"

"Sometimes the comments of shareholders or media imply that we will own certain stocks 'forever.' It is true that we own some stocks that I have no intention of selling for as far as the eye can see (and we're talking 20/20 vision). But we have made no commitment that Berkshire will hold any of its marketable securities forever.

"Confusion about this point may have resulted from a too-casual reading of Economic Principle 11 on pages 110 - 111, which has been included in our annual reports since 1983. That principle covers controlled businesses, not marketable securities. This year I've added a final sentence to #11 to ensure that our owners understand that we regard any marketable security as available for sale, however unlikely such a sale now seems."

On dividends and capital gains

"... Berkshire, like most corporations, nets considerably more from a dollar of dividends than it reaps from a dollar of capital gains. That will probably surprise those of our shareholders who are accustomed to thinking of capital gains as the route to tax-favored returns.

"But here's the corporate math. Every $1 of capital gains that a corporation realizes carries with it 35 cents of federal income tax (and often state income tax as well). The tax on dividends received from domestic corporations, however, is consistently lower, though rates vary depending on the status of the recipient.

"For a non-insurance company – which describes Berkshire Hathaway, the parent – the federal tax rate is effectively 10 1⁄2 cents per $1 of dividends received. Furthermore, a non-insurance company that owns more than 20% of an investee owes taxes of only 7 cents per $1 of dividends. That rate applies, for example, to the substantial

dividends we receive from our 27% ownership of Kraft Heinz, all of it held by the parent company. (The rationale for the low corporate taxes on dividends is that the dividend-paying investee has already paid its own corporate tax on the earnings being distributed.)

"Berkshire's insurance subsidiaries pay a tax rate on dividends that is somewhat higher than that applying to non-insurance companies, though the rate is still well below the 35% hitting capital gains. Property/casualty companies owe about 14% in taxes on most dividends they receive. Their tax rate falls, though, to about 11% if they own more than 20% of a U.S.-based investee."

On "The Bet"

Won't spoil the reader on this. Please go to pages 20-24 in the Berkshire Hathaway Annual Letter.

On investors

"When trillions of dollars are managed by Wall Streeters charging high fees, it will usually be the managers who reap outsized profits, not the clients. Both large and small investors should stick with low-cost index funds."

On Jack Bogle

"If a statue is ever erected to honor the person who has done the most for American investors, the handsdown choice should be Jack Bogle. For decades, Jack has urged investors to invest in ultra-low-cost index funds. In his crusade, he amassed only a tiny percentage of the wealth that has typically flowed to managers who have promised their investors large rewards while delivering them nothing – or, as in our bet, less than nothing – of added value.

"In his early years, Jack was frequently mocked by the investment-management industry. Today, however, he has the satisfaction of knowing that he helped millions of investors realize far better returns on their savings than they otherwise would have earned. He is a hero to them and to me."

Source: *Berkshire Hathaway Annual Letter*

Ist March' 2017

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About TrustLine

At TrustLine, we run a specialized PMS fund (Portfolio Management) for exclusive set of high net-worth clients (long only value based fund). We are a company with a single mission- to deliver superior long-term returns to our clients. We are managing over Rs.200+ crores of AUM for over 300+ highly satisfied clients. This makes us among the top 20 discretionary portfolio managers in India, with industry leading performance.

Over the years we, at TrustLine, have gained rich domain expertise by focusing and specializing in Portfolio Management Services (PMS).Unlike our competition, we are a unique firm focused only on PMS. This sets us apart and gives us a competitive advantage in the PMS space. At TrustLine we believe, the quality of "Research" is fundamental to delivering out-sized returns. When research is complemented by contrarian investment approach, the rewards can be dis-proportional. This forms the foundation of our investment choices and stock selection in our core PMS business. Our disciplined practice of this "Value Investment" principle has enabled us to deliver superior risk adjusted returns with significant out-performance over bench-mark indices.

With a client retention rate in excess of 99%+, we have grown as an organization through strong references, primarily driven by solid track record of building wealth across good and bad market cycles, through focused and disciplined approach to investing.

TrustLine products include:

- ***Intrinsic*** (Deep Value fund)
- ***Intrinsic*** Floater (Arbitrage Fund)

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