

Ambit Good & Clean PMS

Investment manager

Ambit Capital Private Limited (ACPL).

Investment philosophy

To generate long term equity returns by investing in firms which are:

- (a) Good- Basis capital allocation track record and quality of improvement in financial metrics; and
- (b) Clean- Based on the quality of their accounts and corporate governance.

The focus on 'good' helps generate upside while not compromising on 'clean' reduces downside risk. Essentially, while our objective is to generate returns, the even bigger goal is to better manage drawdowns because we believe doing the latter successfully is critically vital in achieving the former.

Ambit's proprietary 'forensic accounting' framework helps weed out firms with poor quality accounts while our proprietary 'greatness' framework helps identify efficient capital allocators with a holistic approach to consistent growth.

Fund details

General Information

Fund Type	PMS
Fund Tenure	Open ended
Benchmark	BSE 500
Inception date	12th Mar 2015

Fees

	Option – I	Option – II
Management Fee	2.5 % p.a.	Nil
Performance Fee	NIL	20% of profits subject to hurdle rate
Exit Load	1% if redeemed before 1 year	2% if redeemed before 1 year; 1% if redeemed before 2 years
Hurdle Rate	NIL	Hurdle Rate of 12% p.a with catch up; high water mark applicable

Performance

Returns (%) *	Aug 2015	Since inception (Mar 12, 2015)
G&C PMS	-0.91	-1.21
BSE 500	-6.21	-7.66

* Represents time weighted return of the entire AUM; performance is post brokerage and other statutory charges but before fees. Benchmark returns are calculated on a point to point basis.

'Forensic accounting' framework

The framework uses 11 financial ratios across the following four categories of checks:

- (a) P&L misstatement checks,
- (b) Balance sheet misstatement checks,
- (c) Cash pilferage checks, and
- (d) Audit quality checks.

'Greatness' framework

The 'greatness' framework helps identify firms that have been able to relentlessly and consistently:

- (a) Invest capital;
- (b) Turn investment into sales;
- (c) Turn sales into profit;
- (d) Turn profit into balance sheet strength;
- (e) Turn all of that into free cash flow; and
- (f) Invest free cash flows again.

Portfolio manager

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