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Sample Report for Turtle's Investors Only | Not an Investment Recommendation

SCORECARD

| SCORES | COMPANY | REPLACED BY |
|--------|-----------------------|----------------|
| 0 | Micro Finance Company | Not Applicable |

*For detailed score review, refer the 2nd page.

STOCK PERFORMANCE

| | BUY* | SELL* | GAIN/LOSS** |
|-------|----------|------------|-------------|
| DATE | 18/12/23 | 14/08/2024 | - |
| PRICE | 1,465.73 | 1,259.17 | -13.41% |

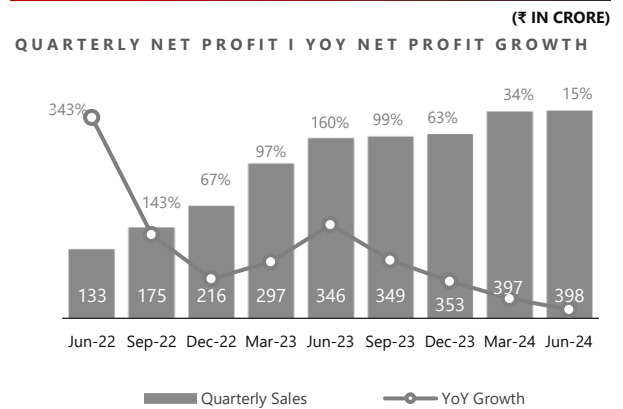
| | |
|-------------------------|------------------|
| Total Dividend Received | INR 10 Per Share |
| XIRR | -19.68% |

| | |
|---------------------|--------|
| Impact on Portfolio | -0.54% |
| Initial Allocation | 4% |

*Buy price pertain to the first client with brokerage without tax. Average sell price is taken as it's done in parts.

**Dividend included in Gain/Loss.

FINANCIAL SUMMARY (PROFITS)



EXIT RATIONALE

- The company reported an NPA ratio of 6.2%, up from 5% in the previous quarter. An increase in NPAs indicates rising credit risk, which can lead to higher provisioning requirements and lower profitability.
- The company has lowered its earnings growth forecast for the next fiscal year by 15%, projecting a growth rate of only 8% compared to the previously expected 23%. This reduction indicates weaker future prospects.
- New regulatory measures impacting microfinance institutions, including stricter capital adequacy requirements and increased compliance cost. New regulatory requirements have led to a 12% increase in compliance costs, rising from ₹18 crore to ₹20.16 crore. Higher compliance costs can erode profit margins.
- In accordance with our PPP strategy, pricing plays a crucial role in our exit strategy. The company has broken below the long-term trend represented by the Turtle Exit Price, signaling its entry into a underperformance phase. Given the profitability and pricing, the company aligns with our process as a clear candidate for an exit.

PRICE



In alignment with our Exit Strategy, we reached our predetermined exit point due to consistent underperformance relative to the benchmark index. Following extensive evaluation, we've opted to divest to redirect our resources towards more promising prospects.

Rohan Mehta,
Portfolio Manager

KEY LEARNINGS

We all learn from our decisions. Mistakes teach us how to improve, leading to better outcomes. This section highlights lessons from our investment decisions, focusing on what we've learned and how we'll improve going forward.

"In hindsight, the company didn't perform as expected because we used a shorter consolidation period on the ATH Breakout. To address this, we've established a rule requiring a consolidation period of more than 5 years. Additionally, the value was lower than the price we paid. Moving forward, we will invest in companies where the value exceeds the price by at least 50% to 100%."

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SCORING METHODOLOGY

| SCORES | ACTION | CRITERIA |
|--------|----------------|---|
| 3 | HOLD | Meet All of the following criteria <ul style="list-style-type: none"> ➤ ATH Profit ➤ Outperformance relative to BSE 500 ➤ Stock Above Turtle Exit Price. |
| 2 | REVIEW | Meet any 2 of the following criteria <ul style="list-style-type: none"> ➤ ATH Profit ➤ Outperformance relative to BSE 500 ➤ Stock Above Turtle Exit Price |
| 1 | REPLACE | Meet One of the following criteria <ul style="list-style-type: none"> ➤ ATH Profit ➤ Outperformance relative to BSE 500 ➤ Stock Above Turtle Exit Price |
| 0 | EXIT | Meet None of the following Criteria: <ul style="list-style-type: none"> ➤ ATH Profit ➤ Outperformance relative to BSE 500 ➤ Stock Above Turtle Exit Price |

DISCLAIMER

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