

The background features a light gray gradient with several realistic water droplets of various sizes scattered across the frame. A faint, circular, textured pattern is visible in the upper center, resembling a ripple or a lens flare.

INVESTMENT JOURNEY

YOGESH SANE

VP CONFERENCE, GOA JUNE 28 – JULY 2 2017

JOURNEY SO FAR – 1999-2017

FOUNDATION Phase (1999-2002)

- ‘Bench’ time during dot.com crash provided ample time to study investing.
- RESULT: 10% learning, 50% loss.

REALIZATION Phase (2002-2007)

- Realized that economics is my most favorite subject.
- Realized that industrialization and capitalism is the way to prosperity for India.
- Realized that after 1991 reforms, capital markets in India will grow.
- Realized that unstructured learning from investment books is incomplete and enrolled in CFA course.
- RESULT – 100% learning, 15% CAGR (in USD).

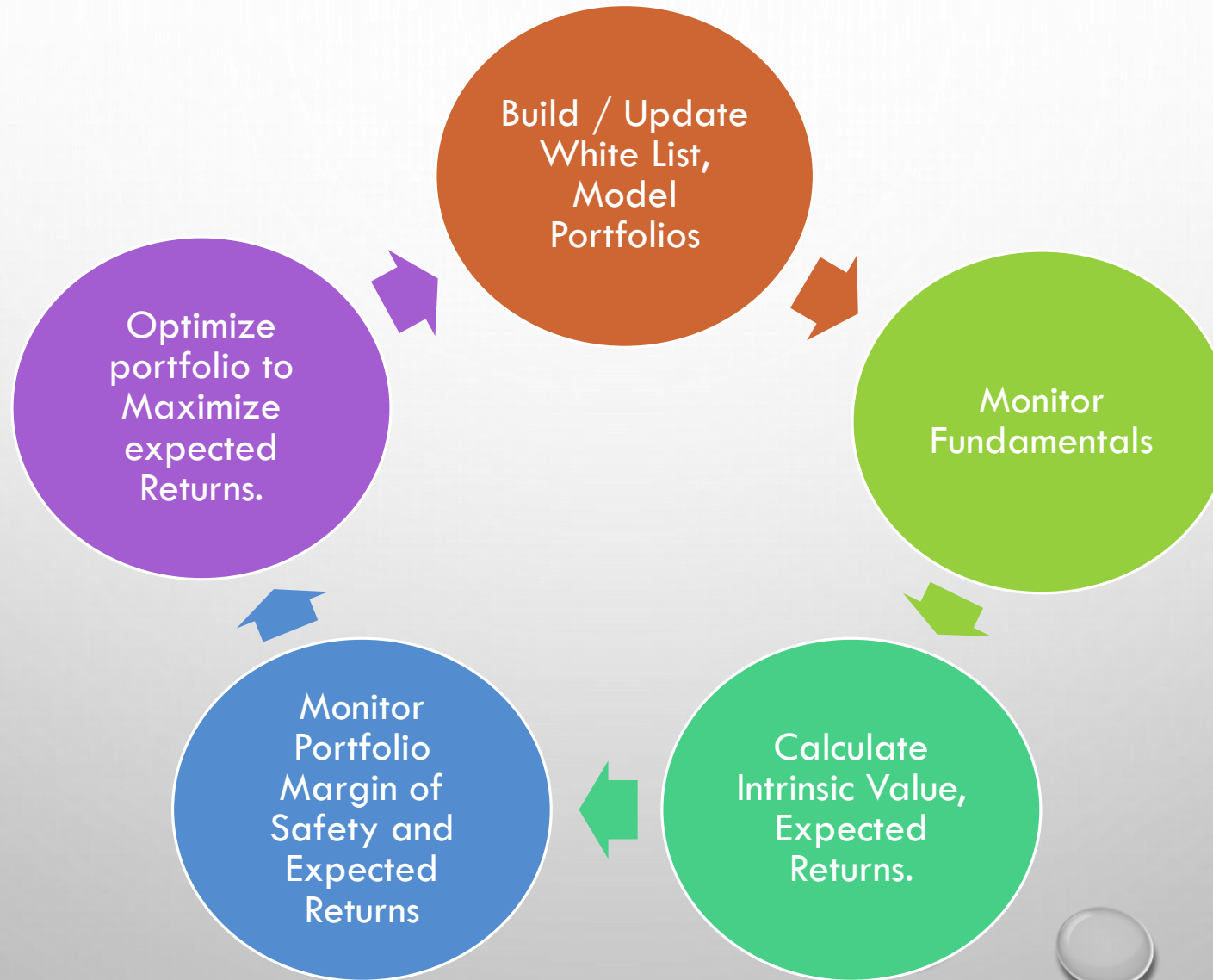
IMPLEMENTATION Phase (2008-2015)

- Started applying CFA course learning by building IT systems.
- Built white lists, valuation models, stock charts, financials charts, dashboards and a diversified portfolio. Strong emphasis on performance monitoring.
- Tried few ‘GURU’ styles. Most failed. Evolved ‘My Style’.
- RESULT – 25% CAGR (In INR).

CONCENTRATION Phase (2016-17)

- Increased depth of analysis by studying IR presentations, con-calls, VP etc.
- Moved from diversified portfolio to concentrated portfolio style.
- RESULT – 40% CAGR

PORTFOLIO MANAGEMENT PROCESS



PERSONALITY TRAITS

Think Long Term Act Short Term.

Accept Mistake Quickly. Don't Live in Denial.

Rely on Models and Systems to Overcome Human Biases.

Seek Multi Bagger Portfolio, Not Multi Bagger Stocks.

Reject an Idea in 2 Minutes or Less.

Be Impatient. Time is Money.

Avoid Waiting for Market to Realize Stock's Potential.

Look for Winning Pattern of Large Opportunity Size, Good Fundamentals.

Change Opinion When Facts Change.

Put a Price Tag on All Bullish and Bearish Arguments

Make Decisions Based on Change in Information Not Change in Sentiments

Have a Reasonable Basis for All Decisions.

EXCITED BY/MUST HAVES/IGNORABLES

Excited By

- Large Opportunity Size
- First Generation Entrepreneurs
- Low Market Share
- IPOs, SME IPOs

Must Haves

- High ROE, Low Debt, Low Receivables
- Consistent Operating History
- Not Overvalued
- Short Term Visibility

Ignorables

- Institutional/Celebrity Investor Ownership
- Deep Value Stocks
- Turnaround and cyclicals

BUY/SELL DECISION

BUY Decision

- Growth Stock at Reasonable Cost
- Market has Began to Realize the Potential
- Stock is Off Recent High

SELL Decision

- Future Growth is Priced In.
- Everything Looks Overvalued in White List
- Portfolio Begins to Underperform
- I Start Spending Too Much Time Counting Profits.
- I Begin to Get Jittery About Valuations.

JOURNEY AHEAD...

