

July 3, 2017

Re: Quarterly Report of Fund Manager – Q1 – FY 17-18.

Dear Sir/Madam,

I am happy to share with you all that this month i.e. on 28th July we are completing 8 years in Wealth Management. It has been a great journey where we had the privilege to manage your money and trust during this period. When we started, we had little experience, no infrastructure, and no track record but had the passion, courage, vision and your blessings to make a difference. Today we have build experience, infrastructure and a reasonable good track record. **We have developed a deep understanding and insight for the stocks we own and the one which are in our radar.** We are managing highest corpus in our history of 8 years. To give you an example we have now a team of dedicated 3 research analyst along with 3 trainees who help me in finding new ideas and track the existing stocks both in Legend and Marvel portfolio. We have a special dedicated office only for research. I invite you to visit our office and meet our research team at your convenience. We are very well organized to take up bigger corpus and deliver long term consistent performance.

We are upgrading ourselves every single day and are constantly learning. I quote Charlie Munger's saying that "I constantly see people rise in life that are not the smartest – sometimes not the most diligent. But they are learning machines; they go to the bed every night a little wiser than when they got up. And boy does that habit help, particularly when you have a long run ahead of you".

Every Fund Manager will have rough days in his career and so do I, but the faith which you have kept in me and my company is something which is beyond words and I really thank you for that. **At CONCEPT, every minute of my team is dedicated in enhancing value and we always want our investors to get the best returns alongside taking care of the associated risk.**

Our investment philosophy is to always buy quality at a reasonable price and we have stuck to it religiously. We have never diverged even when market was not favoring this theme and was inclined towards non-quality and cyclical stocks. Talking about markets, as of now what I see is that low hanging fruits have already been plucked and now the market is moving from cheap valuation to execution capability. In last 2 years we have seen low quality companies outperforming quality companies because of cheap valuation but from now on execution is going to be the key for stock performance and good quality companies have higher chances of doing it. The era of Men separated from Boys is coming. Market breadth should collapse going forward and I feel that days of easy money making is over and now is the time where experience will win over amateur behavior.

The new government of Mr. Modi which has completed 3 years in office is changing the face of India with some hard core reforms like GST which to my understanding is a game changer for Indian economy of course in long term. Renowned entrepreneur Mr. Adi Godrej has predicted GDP growth to move up 1 to 1.5% in next 2 years. In short term GST will create some teething problem but it is definitely going to help organized and tax compliant players. Under GST the cost of tax evasion will be more than tax compliance. GST will help transfer market share from unorganized to organized sector. In a recent interview ace investor Rakesh Jhunjhunwala said that "India is at an inflection point and all the ground work done today will start bearing fruits by 2020."

CONCEPT WEALTH PLUS (PMS) PERFORMANCE						
PMS Funds	Concept Legend (Inception : 28th July, 2009)	BSE 200 Return	Sensex Return	Concept Marvel (Inception : 12th Oct, 2009)	BSE 200 Return	BSE Midcap Return
Return Since Inception	206.18%	120.28%	101.68%	188.11%	97.63%	129.59%
Annualized	15.16%	10.47%	9.25%	14.69%	9.22%	11.37%
Last 5 Year	18.86%	14.18%	12.15%	22.00%	14.18%	18.93%
Last 3 Year	13.52%	9.92%	6.76%	17.79%	9.92%	16.01%
Last 1 Year	13.00%	18.08%	14.53%	25.16%	18.08%	24.98%

*Returns as on 30th June, 2017 and are post expenses.

*Past performance may or may not be sustained in future.

Where is our Economy heading in medium to long term? `INDIA in 2025' is the subject of 8th sequel of `Creation of Wealth' series scheduled on Sunday the 23rd July 2017. We would like to give perspective on `How India is likely to grow over next 8 years? How will this growth translate into returns for different Asset Classes? These are the subjects of deliberation at this event. There will be Panel Discussion on the subjects by expert Panellists. Every year we do such good programme for interested investors. You will get invitation soon.

You should add to your corpus if you believe in India story and have patience for long term investment. I am committed to increasing your prosperity.

Yours truly,

(Siddharth B. Mandalaywala)
 Fund Manager.