

## 1. Fund Manager's Commentary

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The Girik Multicap Growth Equity Strategy is inspired by the CANSLIM philosophy of stock picking developed by American investor William J. O'Neil. The goal of this strategy is to identify leading companies from leading industry groups that show sharp acceleration in earnings, newness in products or change in management and suggests buying them at the right price with enough margin of safety ahead of the company's major stock price advance.

CANSLIM stands for one of the seven chief characteristics of winning stocks at their early developing stages. In today's letter, we would like to once again highlight the concept of "Newness" represented by the "N" factor in CANSLIM and explain the relevance of it to our style of management.

"**Newness**" can emerge in a variety of compelling forms, which include:

- **Newer Companies**
- **New Products**
- **New Management**
- **New Listings/Initial Public Offerings (IPOs)**
- **New Price Highs**

At Girik, our approach involves thorough research and analysis to identify "Newness" among potential investments. We aim to identify those companies that not only demonstrate strong earnings acceleration and innovation but also exhibit potential to stand out as leaders with substantial competitive advantages.








Below is an example of how we evaluate "**Newness**" at Girik (using Zomato Ltd. as a case study)

- Leading the food delivery and quick commerce business, still at a nascent stage with a long runway for growth
- After building the food delivery platform, Zomato started to focus on its quick commerce foray – Blinkit
- Blinkit's GOV has grown from Rs.2,760 cr./quarter from when we purchased the stock, to Rs.4,923 cr./quarter in the most recent quarter; this should double in the coming 2-3 years
- We purchased the stock at ~Rs.100 in August 2023, the market price as on 30th Sept'24 was ~Rs.273
- The "Newness" / undiscovered element / factor here was:
  - (i) Blinkit- Leader in quick commerce with trailblazing growth
  - (ii) Visible path to profitability; the street believed was a loss-making venture
  - (iii) Outright leadership in both businesses, with visible earnings acceleration in the near future

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## 1. Fund Manager’s Commentary (contd...)

Another aspect of newness can be demonstrated by leading “New”, under researched businesses that tap the IPO market. Many of these businesses, which we believe are "Leaders" with "Accelerating Earnings", bring an element of "Newness" or "Freshness" to potential investors. We believe tracking such New Business Leaders is important - some of these have the cocktail of elements that can make them large and outsized future winners in the stock market! Below are recent IPO stocks in our portfolio which focus on “Newness”.

Security	Description	Year of Purchase	Newness 'N'	Leadership 'L'	Earnings Acceleration 'C' & 'A'
	Fastest growing domestic pharma company at scale	Jun'23	●	●	◐
	India’s leading food delivery & E-commerce / E-retail platform	Aug'23	●	●	●
	Niche developer & manufacturer of fermentation-based API and formulations	Aug'23	◐	◐	◐
	Leading digital-first beauty and personal care (BPC) brand in India	Nov'23	●	◐	◐
	Largest health insurance third-party administrator (TPA) in India	Feb'24	●	●	◐
	Flexible workspace providers	Jul'24	●	◐	◐
	Digital full-stack insurer and the fastest-growing private non-life insurer	Sep'24	●	◐	◐