

# FORT DYNAMIC

**“QUALITY AT A  
REASONABLE PRICE”**

PRIVATE AND CONFIDENTIAL

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# Introduction

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## Our Journey

- 2014** ● Established Fort Capital - Investment Advisory
- 2014** ● Launched Fort Enhance advisory
- 2017** ● Obtained first PMS license
- 2018** ● Launched Fort Value PMS Scheme
- 2024** ● Launched Fort Dynamic PMS Scheme

# Introduction

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## Fort Capital – promoter background

Promoter group with a history of over 8 decades in capital markets

Successfully launched and exited fintech start-ups - Wealthdesk & Quantech Capital to PhonePe (Walmart)

High commitment to quality and integrity

Focus on knowledge, research, experience and transparency

Headquartered at Mumbai and holding a fund licence in DIFC (Dubai) for global client expansion

Promoter group participation in funds

# Key features

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## Investment objective

- To deliver superior risk adjusted returns exceeding the stated benchmark by constructing a diversified, very actively managed portfolio that capitalises on fundamental and tactical opportunities

## Investment philosophy

- Quality at a reasonable price. Invest in quality businesses much below their intrinsic value

## Investment style

- Top down, bottom up and broad based approach. Sector and market cap agnostic

## Diversified approach

- At most 15% in a single stock. No single sector accounts for more than 45% of the portfolio

## Cash management

- On an average 5-10%, enables us to seize promising opportunities when they arise. However, the actual cash balance may go below or above the stated range during extreme market movements

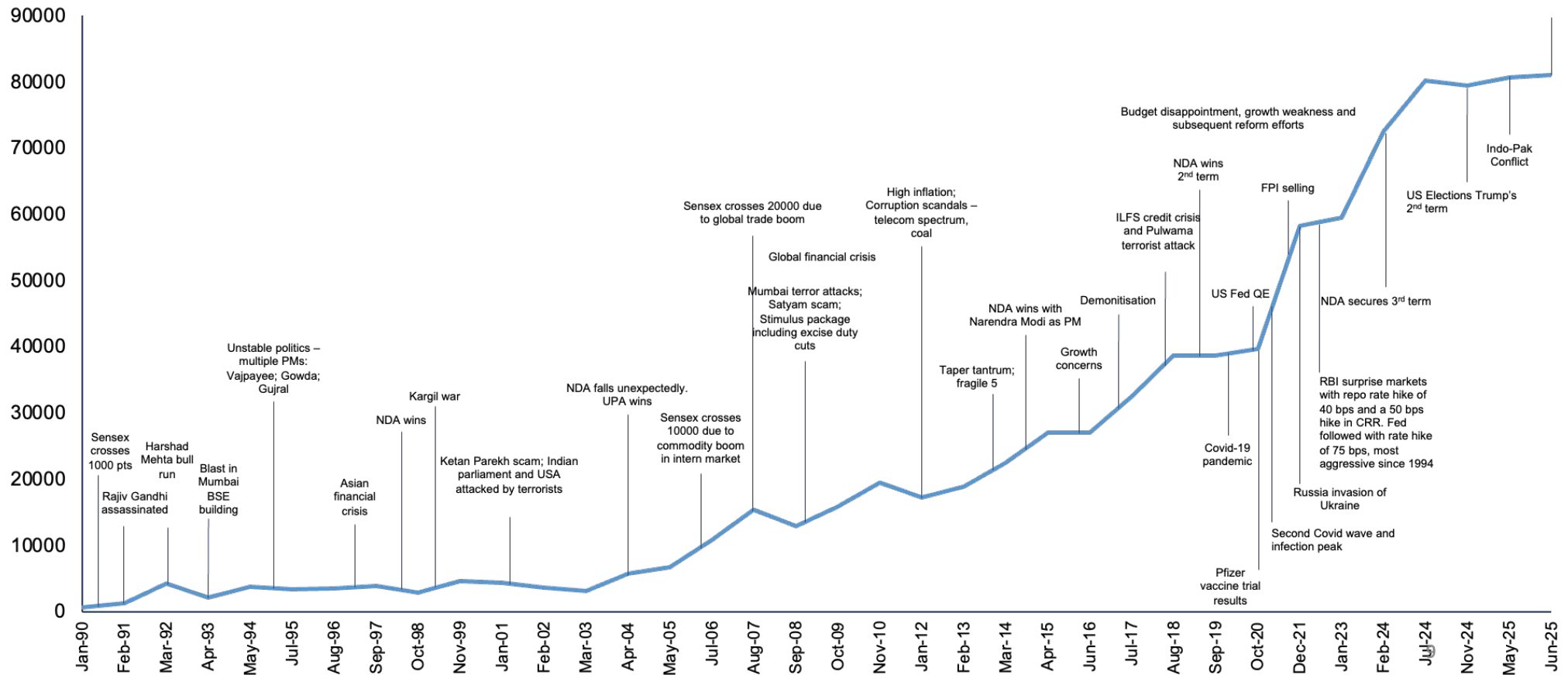
### Target return

**5-7%**

Alpha over the benchmark  
(NIFTY50 TRI)



# The India Story



Source: BSE India

# The India Story

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## India's Relative Resilience – Silver Linings Amidst the Storm

Low inflation –  
room for Central  
Bank to cut rates

Low current  
account and  
fiscal deficit

Low oil  
prices

Low corporate  
debt to GDP

Under-leverages  
corporates

Healthy banking  
balance sheets

Low trade with the US \$80  
Billion ( approx. 2.5% of  
India's GDP)

Higher dependence on  
domestic demand driven  
sectors

Resilient economy and GDP forecast of 6.5%

Indian companies have started optimising their cost structure to align with the new reality (e.g. Tata Steel)

# The India Story

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## Strong tailwinds



### Improving regulatory frameworks

Implementation of insolvency and bankruptcy code, real estate authority and Good and Services Tax



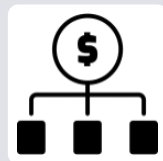
### Ease of doing business – Stable government

India ranks 51st as per the Economic Intelligence Unit (EIU)  
A stable and conducive political environment



### Consumption led economic growth

USD 5.5 Trillion GDP by 2028  
4th Largest economy



### FDI inflows

Increased FDI inflows

# The India Story

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## Strong tailwinds



### Demographic advantage

611 million under 25 years; 45% of the total population



### New approach to new India

Make in India; Digital India – JAM Trinity; PLI schemes



### Domestic inflows

Strong domestic investments have supported Indian markets. We believe that it will continue with monthly inflow of INR 40k crores

‘FIIs and FPIs may come and go but today the Indian retail investors have proven that any shock that may come in is now taken care of because of the shock-absorbing capacity the Indian retailer has brought into the Indian market’ – Nirmala Sitharaman

# Investment Philosophy

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**Proven management teams** which are ethical, aligned with minority shareholders in terms of value creation and have shown excellent execution and capital allocation track record.

We **avoid capital guzzlers**, rather, we invest in cash flow generators. Most of the portfolio companies shall be net debt free. Focus on companies with Net Debt/EBITDA of less than 3.5x

Companies that **generate clean operating cash flows** without working capital leakage

**Capital efficient companies**, i.e. companies with healthy return ratios (12 %+ ) across cycles

**Preference for companies with strong sustainable moats**; companies have moats in the form of technology or very strong brands. Also, there should be no threat of technology disruption

**Terminal value investing**; opportunity size to grow should be such that the company can easily grow at double digits for long period

Overriding philosophy is buy **good companies during bad times and quality at a reasonable price.**

# Investment Process

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## **Desk Research**

Analyse financials; cash flows; ratios; industry trends; relative positioning and valuation

## **Meeting with Companies**

Meet company management for a detailed discussion on various aspects of the business

## **Independent checks**

Visit company plants, interact with dealers, distributors, customers and competitors of the company for obtaining an objective view

## **Monitoring and rebalancing**

Continuous interaction with company management, closely track results, attend earnings call

# Investment Framework And Approach

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- Stocks overreact to short term noise and underreact to long term structural changes
- Valuation a key metric of investment decision
- Opportunistic approach to capture price dislocation
- Actively managed portfolio
- High focus on generating alpha; which may result in shorter holding periods and churn
- Key to re-balancing portfolio : strong buy and sell rationale
- Re-balancing cash positions for opportunities and uncertainties



# Investment Framework And Approach

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Fundamental and tactical ideas can achieve capital preservation and wealth creation

	<b>How will they add value</b>	<b>Why will this work?</b>
<b>Fundamental ideas</b>	Focus on companies with strong balance sheets, scalable business models and clean corporate governance	Market fails to price long term structural growth trends
<b>Tactical ideas</b>	Acquire quality stocks going through sudden correction due to a stock/sector event or special situation	Market overreacts to short term news (stock/sector specific)

# Investment Rationale

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Buying discipline helps in achieving capital protection and selling discipline helps in maximizing and protecting returns.

## Buying rationale

- Market price at a discount to the intrinsic value of the business
- Temporary earning compression; bottom of earning cycle
- Change in management
- Change in macros, industry specific factors and regulatory policy
- Temporary market correction triggered by news flows related to domestic/global markets

## When do we exit?

- Valuation concerns, which could limit further upside
- Change in business dynamics
- Change in management
- Change in macros, industry specific factors and regulatory policy
- Availability of alternative investment opportunities
- Market euphoria before the outcome of unpredictable events (e.g. Elections, budget etc.)

# Fund Performance

## RETURNS

Returns (TWRR)	1-Month	3-Month	6-Month	12-Month	Since Inception (Absolute)	Since Inception (Annualised)
Fort Dynamic	<b>9.6%</b>	<b>-1.6%</b>	<b>-5.3%</b>	<b>10.0%</b>	<b>42.3%</b>	<b>16.3%</b>
Benchmark	<b>7.5%</b>	<b>-5.2%</b>	<b>-6.5%</b>	<b>-0.3%</b>	<b>13.6%</b>	<b>5.6%</b>
Alpha	<b>2.1%</b>	<b>3.6%</b>	<b>1.2%</b>	<b>10.3%</b>	<b>28.7%</b>	<b>10.7%</b>

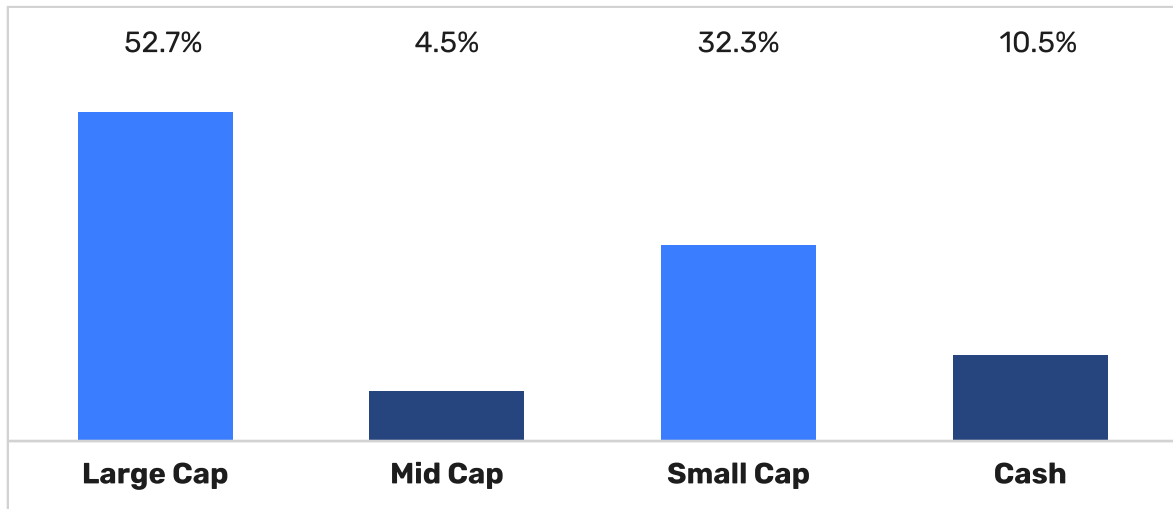
Returns (TWRR)	FY 2025	FY 2026	CY 2024	CY 2025	CY 2026 YTD
Fort Dynamic	<b>19.5%</b>	<b>1.7%</b>	<b>29.5%</b>	<b>17.9%</b>	<b>-6.8%</b>
Benchmark	<b>6.6%</b>	<b>-4.0%</b>	<b>10.4%</b>	<b>11.9%</b>	<b>-8.0%</b>
Alpha	<b>12.8%</b>	<b>5.7%</b>	<b>19.0%</b>	<b>6.1%</b>	<b>1.2%</b>

## KEY RATIOS

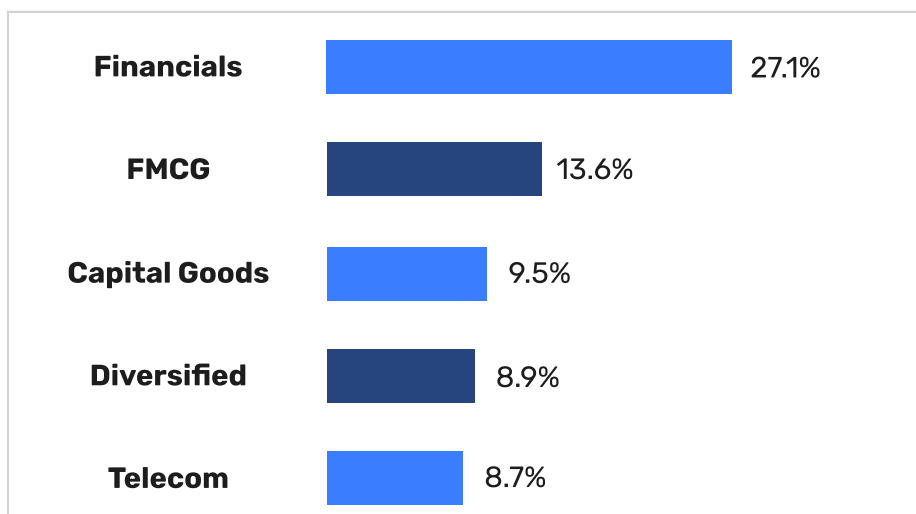
Beta	<b>0.87</b>
Standard Deviation	<b>4.68%</b>
Sharpe Ratio	<b>0.91</b>

# Fund Performance

## MARKET CAP ALLOCATION



## TOP SECTORS



# Key Terms

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Management Fee  
(Charged quarterly)

**1.25%** p.a.

Minimum Investment  
**INR 50 Lacs**

**10%** Hurdle Rate

**15%** Performance Fees (Only above Hurdle Rate)

Benchmark **Nifty-50 TRI**

# Key Members

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## Mr. Parag Thakkar

Head Of Fund Management

- ★ Managed Funds At ICICI Prudential MF And Anvil Wealth Management, Consistently Delivering 5–6% Alpha Over Benchmarks.
- ★ Brings Over 20 Years Of Experience In Fund Management And Institutional Equities.
- ★ Honoured By Mr. S. Naren, CIO Of ICICI Prudential MF, For Outstanding Performance During His 5+ Year Tenure Leading PMS And Managing Mutual Fund Schemes.
- ★ Instrumental In Launching PIPE And Contra Funds, Now Among The Most Preferred Choices For Investors.
- ★ At Anvil, Oversaw PMS, AIF, And Investments For Norges Fund, One Of The World's Largest Sovereign Funds With \$1.7 Trillion AUM.

# Key Members

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## **Mr. Darshan Shah**

Fund Manager

- ★ Has Diversified Experience Of Over 30 Years In Capital Markets, Institutional Equities, And Valuation Of Different Financial Products.
- ★ Worked In The U.S. For A Big Four Firm Where He Was Responsible For Working With Banks, Private Equity And Hedge Funds For Valuation Of Privately Held Investments, Intangible Asset And Debt Instruments.
- ★ Worked Extensively In The Indian Institutional Equity Markets With Firms Such As HDFC Securities And Haitong India.
- ★ Is A Chartered Accountant, CFA And Holds A MBA Degree In Finance

# Key Members

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## **Mr. Swapnil Shah**

Director And CIO

- ★ Has Over 15 Years Of Experience In Research And Investments.
- ★ Advised Numerous Indian Businesses Across Sectors On Capital Market Transactions.
- ★ A Chartered Accountant With A Strong Background In Working Closely With Mutual Funds And Broking Firms In Various Roles.
- ★ Built And Leads A High-Performing Fundamental Research Team.
- ★ Regularly Features On Top Business Channels And Contributes Expert Market Views In Leading Indian Newspapers.
- ★ Known For A Consistent Track Record Of High Performance And Leadership Across Multiple Functions And Businesses.

# Key Members

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## **Mr. Yuvraj Thakker**

Group Advisor


- ★ Masters Of Science (Finance) From Bentley University, Boston
- ★ A Third-Generation Managing Director With A Strong Legacy In Financial Services.
- ★ Specializes In Managing Large Portfolios Using Both Fundamental And High-Frequency Algorithmic Strategies.
- ★ Believes In Long-Term Investing Backed By Perseverance And Intellectual Discipline.
- ★ Aims To Provide Clients Of Fort Capital Access To The Strategies, Tools, And Techniques Used By Professional Traders.

# Get in Touch

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## Investment Inquiries

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# Disclosures & Disclaimers

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Potential investors should refer to the fund documentation before considering any investment and read the relevant risk sections within such documentation.

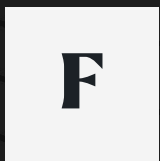
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# Fort Capital

Wealth Through Discipline



[www.fortcapital.in](http://www.fortcapital.in)

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