

CANSLIM-esque
Efficiently managed growing companies experiencing positive momentum, screened using CANSLIM methodology

Index Value **646.83**
CAGR **31.61%**
since March 3, 2014

Moderate Risk

smallcase rationale

CANSLIM is an investment model of specific criterion set out by William O'Neil, an American stock broker and investor.

- CANSLIM model revolves around seven criteria - current earnings, annual earnings, the new factor, supply and demand, leader vs laggard, institutional ownership and market direction. These criteria have been modified for the Indian stock markets
- This smallcase consists of companies that have recorded greater than 10% earnings per share growth over the previous 2 years and also have high return on equity. High EPS growth in tandem with high ROE indicates that the company is making money at a fast pace while managing capital efficiently
- Future expectations regarding earnings growth have also been taken into account
- Additionally, only stocks that have been showing strong upward price movement and have performed better than 75% of all stocks over the previous 1 year are included

Created by	SEBI Reg. Number	Subscription Type
Windmill Capital	INH200007645	Free

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Methodology



Defining the universe

All publicly traded companies on the National Stock Exchange of India, covering 90% market capitalization, are included in the universe



Research

The Windmill Capital team studies research papers and documented investment philosophies and strategies. Ideas and strategies are then adapted for the Indian markets, with which a criteria for stock screening is finalized



Stock Screening

- Proprietary liquidity filters are applied to remove ill-liquid stocks from the universe
- A special check is applied to remove stocks, where a significant part of the promoter holdings are pledged, to define the investable universe
- The model criteria identified in the previous step is applied on the investable universe to select qualifying stocks



Weighting

This list of selected stocks is equal weighted



Historical back-testing

All model based smallcases are checked for historical outperformance to ensure that only consistently outperforming models are selected



Rebalance

This smallcase has a quarterly rebalance schedule. Once every quarter, the research team reviews this smallcase and drops stocks which do not meet the model criteria and adds new stocks

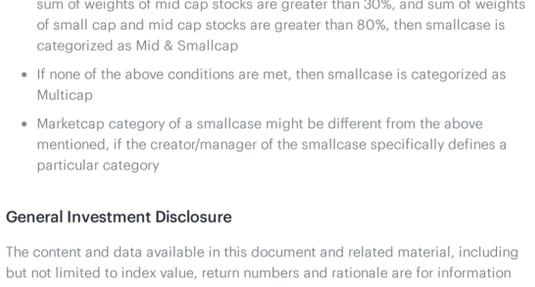
Ratios

Ratio	smallcase	Equity Mid & Small Cap
PE Ratio	31.47	31.00
PB Ratio	6.21	3.19
Sharpe Ratio	1.54	1.08
Dividend Yield (%)	0.50	1.70

Important Fields

Inception Date	Launch Date	Marketcap Category
March 3, 2014	March 6, 2017	Equity Mid & Small Cap
Review Frequency	Last Reviewed	Next Review On
Quarterly	December 16, 2020	March 16, 2021

Market Cap Distribution



Past Performance Comparison with Equity Mid & Small Cap

● CANSLIM-esque with ● Equity Mid & Small Cap



Returns over various periods

3M Returns	6M Returns	1Y Returns	3Y Returns
smallcase 7.54%	smallcase 24.99%	smallcase 23.54%	smallcase 15.89%
Equity Mid... 25.31%	Equity Mid... 41.58%	Equity Mid... 20.35%	Equity Mid... 3.45%

How to invest



Definitions and Disclosures

Index Value

Index value for all smallcases start from 100 since their inception and helps investors easily calculate the returns generated since inception or between two specific dates. For example, if the current index value of the smallcase is 150, it means it has generated 50% since its inception. If the index value of a smallcase was 215 last month and the current index value if 245, it means it has generated (245/215)-1 = 13.9% return in last one month

CAGR

CAGR (compounded annual growth rate) is a useful measure of growth or performance of a portfolio. It represents the growth/return rate that gets you to the current value of the investment, starting from the initial investment value and assuming that investment has been compounding at the fixed growth/return rate for the period. In simple words, it indicates the annual return generated by the smallcase from the date of inception

Risk Label

Change in value of your investment, due to changing prices of stocks on a daily basis is called the Risk. If the daily change in the investment value of portfolio is too drastic, it means prices of stocks in the portfolio are changing very rapidly. Such portfolios have High Risk. Every smallcase is categorized into one of the three risk buckets - High Risk, Moderate Risk and Low Risk. This is done by comparing the volatility of the smallcase with market volatility since inception. Investing in High Risk smallcases means that change in your investment values can be very sudden and drastic.

Segment

Stocks/ETFs belonging to a smallcase are categorized under different segments. Weightage of a segment is calculated as sum of weights of all stocks belonging to that segment. Suppose 4 stocks, with each having a weight of 10%, belong to the Food Products segment. Then the weight of the Food Product segment in the smallcase will be 40% (4*10)

Review

Rebalancing is the process of periodically reviewing and updating the constituents of a smallcase. This is done to ensure that stocks & weights in the smallcase continue to reflect the underlying theme or strategy

Market Cap Categorization of Stocks

All the stocks listed on NSE(National Stock Exchange) are arranged in decreasing order of Market Cap, so that the stock with the largest market cap gets 1st Rank. Stocks ranked equal to or below 100 are categorized as Large Cap. Stocks ranked below or equal to 250, but ranked above 100 are categorized as Mid Cap stocks. Stocks ranked above 250 are categorized as smallcap

Market Cap Categorization of smallcases

- If the sum of weights of constituent large cap stocks is greater than 50%, then smallcase is categorized as Largecap
- If the sum of weights of constituent mid cap stocks is greater than 50%, then smallcase is categorized as Midcap
- If the sum of weights of constituent small cap stocks is greater than 50%, then smallcase is categorized as Smallcap
- If the sum of weights of constituent large cap stocks is greater than 30%, sum of weights of mid cap stocks are greater than 30%, and sum of weights of large cap and mid cap stocks are greater than 80%, then smallcase is categorized as Large & Midcap
- If the sum of weights of constituent small cap stocks is greater than 30%, sum of weights of mid cap stocks are greater than 30%, and sum of weights of small cap and mid cap stocks are greater than 80%, then smallcase is categorized as Mid & Smallcap
- If none of the above conditions are met, then smallcase is categorized as Multicap
- Marketcap category of a smallcase might be different from the above mentioned, if the creator/manager of the smallcase specifically defines a particular category

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