

# Desai Research Associates

## Facts and Figures

Markets	India and US
No. of Indices Maintained	18
Indian Indices	13
US Indices	5
Methodology of Construction	Fundamentals based Price Weighted
Calculation Frequency	Everyday at end-of-day
Review	Annual
Index Watch	Quarterly Reports
Benchmark Constituents	50
Style Index Constituents	Between 20 & 30
Thematic Index Constituents (FINDX Infra40)	40
Best Performer India*	DR-FINDX MNC (India) -16.67%
Best Performer US*	DR-FINDX All Stars (US) -28.48%
Benchmark India Performance*	-32.01%
FINDX-India Alpha (Benchmark—Sensex)	0.0285
FINDX-India Beta	0.9061
R-Squared	0.9538
Sharpe Ratio	1.626
FINDX-US Alpha (Benchmark—S&P500)	0.0388
FINDX-US Beta	0.9233
R-Squared	0.9597

\* All index returns and statistical information refers to the period 31st March 2008 to 31st March 2009



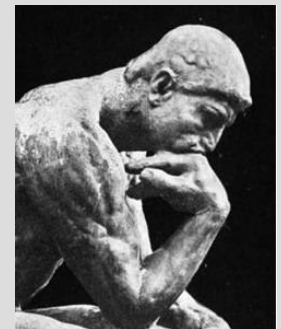
**Desai Research Associates** is a firm operating in the areas of Economic and Financial Research, with a strong current focus on stock market indices. Our unique Index Calculation Methodology has led us to compute **financial performance based indices for the stock market**. This computing works on using right blend of fundamental parameters for stock selection. The family of these indices strives to provide more value to discerning investing community in the stock market space. With proven results through rigorous back-testing, the

indices are poised to give a new way to track the markets as well as to enable investors to generate better returns from their portfolio investments as compared to other benchmark indices in vogue.

For more information about these indices, additional data, index licensing and report subscription, please pay a visit to [www.desairesearch.com](http://www.desairesearch.com) or simply mail to [info@desairesearch.com](mailto:info@desairesearch.com)

## Indexing Philosophy

Many times it is strongly felt that the Market-Capitalization based indices do not represent true weight of the underlying constituents, though they may represent true value. Many times it becomes misleading for a common investor to benchmark his/her portfolio with these indices due to their deceptive nature. Also time & again it has been proved that Market-capitalization based indices do not generate optimal returns on investment as empirical studies show. Lastly, assumption of a perfectly efficient markets is required for these indices to provide maximum returns, which is highly difficult to achieve.

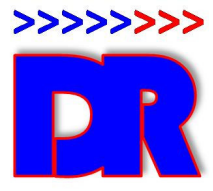


Thus a need is felt to constitute a type of index, which will be dependent on proven, non-fudge-able performance parameters, which can include fundamentals such as revenue, operating profit, cash flow and other similar globally accepted performance parameters.

Also, as the economies of the world keep behaving differently, owing to different sets of issues, it becomes important to track the organizations which are significant contributors to an economy through financial involvement. Ultimately, collective performance of all these organizations reflects on the nation's economy itself and thus it becomes quite important to track the economy itself by studying and investing in the underlying stocks which are significant contributors to it.

This has led us to develop and compute FINDX series of indices, which track companies contributing largest to the economic movement and their financial performance. This type of index, as representative of this family of indices based on the proprietary methodology developed for this purpose, attempts to empower the investors with information helping them to take better informed decisions about their investments.

This family of indices can also find itself useful in the space of secondary investment instruments such as index funds, ETFs, different types of derivatives etc. and would try to enhance returns on investment through principled approach of indexing.



# Desai Research Associates

## Business Activities

**FINDX series of Indices—Data Subscription:** We develop indices based on the proprietary index calculation methodology and computes their daily values in their base currency as well as eight different currencies every day. The detailed index data such as constituent weightages, sectoral distribution, returns statement is available through subscription. More information can be found on our website.



**Index Licensing:** After proving that all 18 indices computed have almost always outperformed their similar counterparts in the preceding year, and having a rigorous back-testing carried out for more than 3 years, FINDX indices provide an ideal vehicle to launch new Index Funds, Index ETFs and different derivative products based on them. We shall be happy to provide FINDX indices to be used as underlying

index for an instrument being launched by any Asset Management Company. The index constituents are selected based on their financial performance and also filtered on their overall liquidity in the stock market, which makes it quite easy to own and hold an index portfolio and earn better returns.

### Private Indexing and Tracking:

**Portfolio Tracker Index:** We offers index construction service for any privately-held portfolio using our proprietary index calculation methodology. Supplementary to index building, we shall also track the index on daily basis and provide our clients detailed information about movement of the constituents and changes in their weights, not to mention information-rich monthly statistical reports. With multiple trials using these indices clearly proving to yield more returns, this indexing can assist the Fund/Portfolio manager in optimizing returns.

**Market Tracker Index:** The Market Tracker Indexing service shall help large financial houses and exchanges to publish different indices to track the markets based on Fundamentals in addition to their current offerings. Having proven their performance time and again over the benchmarks, the FINDX based Market Tracker Indices shall definitely provide more insight to its users and followers.

**Portfolio Assessment Service:** For any small or large portfolio investor, to constantly track the portfolio investments to ensure optimum returns is a necessity. We provide the facility to assess the equity portfolio and guide the client about re-balancing the portfolio to improve yields, wherever possible, based on our research.



**Specific Research:** We undertake independent research work and portfolio construction as per requirements. With strong focus on choosing stocks with better fundamentals, the value this research can bring to our clients is immense.

**Desai Research Associates is one of very few independent stock indexing organizations in the world and First in India.**

**The premise of the business is to actively use own index calculation methodology and provide investors an option for better returns from their portfolio investments. Market participants such as Mutual Funds, Institutional Investors, Foreign Institutions, Wealth managers, High Net Worth Individuals and even common investor can benefit from the FINDX series of indices.**

## Contact Us

Desai Research Associates  
B-2/101,  
Dahanukar Regency,  
Dahanukar Colony,  
Kothrud  
Pune 411038 India

Phone: 91-20-25396501  
Cell: 91-98237-07907  
Mail: info@desairesearch.com  
Web: www.desairesearch.com

## Mission Statement

" To diligently work towards providing better analytical products to investing community while continuing enhancement of Value Proposition "