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HI-QUALITY HI-GROWTH BENEFIT FROM BOTH

Motilal Oswal's investing process builds Hi-Quality & Hi-Growth portfolios.

Disclaimer: The usage of the terms Hi-Quality and Hi- Growth Portfolios purely depicts Motilal Oswal AMC's internal fund management strategy/ process which is based on qualitative and quantitative research parameters. However, it does not offer any guarantee on returns.

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Motilal Oswal Mid to Mega Strategy

Formerly known as Motilal Oswal Focused Midcap Strategy

What Is Mid To Mega: Mid And Small Caps as Potential Large Caps Of The Future

- Based on Mr. Raamdeo Agrawal's 20th Annual Wealth Creation Study, Mid to Mega stands for a company's stock crossing over from the Mid to the Mega category (i.e. top 100).
- This marks a significant crossover for any company, both in terms of achieving critical mass and scale in its operations, and recognition of the same by the stock markets.

3 Types of crossovers:

- Mini to Mega (Very Low Probability)
- Mini to Mid (Low Probability)
- Mid to Mega (Low to Medium Probability)

The plausible crossover

- Industry leader (growth, size or market share leader)
- Industry Tailwinds (Bedrock of India's corporate sector)
- Value migration beneficiaries (Difficult to dislodge)

Historical data from the study shows that the Probability that a mid will become mega in 5 years is as high as ~14% compared to less than 1% probability of a mini to mega/mid transition.

Source: Mid to Mega Wealth Creation study.

The above data is used to explain the concept and is for illustration purpose only further it shall not in any way to be construed as investment advice. The data mentioned herein are for general and comparison purpose only and not a complete disclosure of every material fact. and should not used for development or implementation of an investment strategy. Past data does not indicate or guarantee future performance.

Why Mid? – Entering the Constructive Part of the Market

We believe that Market cap 101-400 is an area of focus for Indian equities

They can provide balance between potential and a demonstrated history of management success

Mini - Ideation Phase

< INR 10,000cr

4600 Companies by

Market Cap : 400+

- Many fail at pre-emergence stage
- Business models not fully established

Mid - Expansion Phase

~INR 10,000 to INR 65,000 Cr

300 Companies by

Market Cap : 101 to 400

- Under-researched
- Under- owned
- High growth potential
- Demonstrated management history

Mega - Mature Phase

> INR 65,000 Cr

100 Companies by

Market Cap: Top 100

- Extensively researched
- Moderate growth Potential
- High institutional holding

Source: NSEIndia, data as on December 31, 2023

The above study is done based on Mid to Mega Wealth Creation study. The wealth creation study considers Mid as 101-300 companies. We shall be taking 101-400 as our major Mid universe and the same may change without any prior intimation.

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Mid To Mega Study: Visible In 2018-2023

Transition		% of Companies Transitioning	Average Performance of these companies (%)
From	To		
Mini	Mega	0.0%	NA
	Mid	0.9%	48.1%
	Mini	99.1%	14.1%
Mid	Mega	13.5%	37.6%
	Mid	52.1%	18.1%
	Mini	34.4%	0.4%
Mega	Mega	67.4%	16.3%
	Mid	30.6%	2.8%
	Mini	2.0%	-30.4%

Source : AMFI, CapitalIQ. Data as on 31st Dec 2023.

The above study is done based on Mid to Mega Wealth Creation study. The wealth creation study considers Mid as 101-300 companies. We shall be taking 101-400 as our major Mid universe

Disclaimer: Above chart is for illustration purpose only and shall not in any way to be construed as investment advice. Past performance may not be sustained in the future. Historical performance indications and financial market scenarios are not reliable indicators of current or future performance.

MQGLP: Characteristics of Mid-to-Mega Companies

M

Midsize

- Benefit of low-base
- Well-established track record

Q

Quality

Quality of business x Quality of management

- Stable business, preferably consumer facing
- Increasing Business opportunities
- Sustainable competitive advantage
- Healthy financials & ratios

G

Growth

- Revenue growth and market share gains
- Growth in margin & profitability
- Reliable high growth flows

P

Price

- Reasonable valuation, relative to growth prospects
- High margin of safety

L

Longevity

- Long-term relevance of business
- Extending competitive advantage period
- Sustenance of growth momentum

Disclaimer: above is an investment strategy theme of the manager and it should not be used for development or implementation of any investment strategy. Further It should not be construed as investment advice to any party.

The Journey So Far: Tailwinds

•Mid and Small Cap Rally

- Mid and small-cap companies, which are often more sensitive to domestic economic conditions, have performed well over CY23. From Sep 2022, the fund has recorded returns above the benchmark in the past.
- This was on the backdrop of mid and small-cap stocks, which benefited from the positive market sentiment and risk appetite among investors

•Sectoral Rotation

- The fund manager actively changed allocation of the portfolio towards sectors based on the house themes
- The companies in such sectors as consumer discretionary, financials, and healthcare, witnessed investor interest.

•Low Turnover

- Since its inception, the fund manager has maintained a lower churn ratio in the portfolio which implies higher conviction in the investee companies
- 8 out of the top 10 multi-baggers still form a part of the portfolio.
- This investment process in managing the portfolio, aims to support potential growth in the portfolio

Source: MOAMC Internal Research Data as on April, 2024

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The Journey So Far: Hi Quality Hi Growth Sectors Investment Framework

- Since the arrival of Mr. Prateek Agrawal, there have been a few significant changes brought about in the investment process
- We have introduced a framework to invest in “Hi-Quality Hi-Growth Themes” which aims to participate in sectors supporting the growth of the Indian economy

MOAMC Identified House Theme	Sector
Financialization	Capital Markets, NBFC, Insurance
Healthcare	Diagnostics, Pharma
Tech & Tech Services	Domestic IT, Consumer Services, Telecom
Luxury Consumption	Consumer Durables
China + 1	Specialty Chemical, EMS
Make in India	Capital Goods, Defence
Power	Renewable Energy

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Portfolio Positioning: MQGLP Classification

	M	Q	G	L			P		
NAME	Mcap	ROE	PAT Growth	Size	Growth	Market Share	Industry Participants	PEG	Count
TRENT LTD		Yes	Yes	Yes	Yes	Yes	Yes		3
GLOBAL HEALTH LIMITED	Yes		Yes	Yes		Yes	Yes		3
BSE LIMITED	Yes	Yes	Yes			Yes	Yes	Yes	5
TVS MOTOR LTD		Yes	Yes		Yes		Yes		3
INDIAN BANK	Yes							Yes	2
KALYAN JEWELLERS INDIA LTD	Yes	Yes	Yes			Yes	Yes	Yes	5
IDFC FIRST BANK LIMITED	Yes		Yes		Yes		Yes	Yes	4
PERSISTENT SYSTEMS LTD	Yes	Yes	Yes			Yes	Yes		4
APL APOLLO TUBES LTD	Yes	Yes	Yes	Yes		Yes	Yes	Yes	5
KEI INDUSTRIES LTD	Yes	Yes	Yes			Yes	Yes		4
APAR INDUSTRIES LTD	Yes	Yes		Yes			Yes		3
ANGEL ONE LTD	Yes	Yes		Yes		Yes	Yes	Yes	4
POLYCAB INDIA LTD		Yes		Yes		Yes	Yes		2
SUZLON ENERGY LTD	Yes	Yes	Yes	Yes			Yes	Yes	5
CYIENT LIMITED	Yes	Yes	Yes					Yes	4
KPIT TECHLOGIES LTD	Yes	Yes	Yes	Yes	Yes		Yes		4
GARDEN REACH SHIPBUILDERS		Yes					Yes	Yes	3
AMBER ENTERPRISES INDIA LTD			Yes	Yes			Yes	Yes	3
EMUDHRA LIMITED		Yes	Yes					Yes	3
MASTEK LTD			Yes					Yes	2
PIRAMAL ENTERPRISES LIMITED	Yes		Yes					Yes	3
PURAVANKARA LTD		Yes	Yes	Yes	Yes		Yes	Yes	4

Source: Factset, Bloomberg, AMFI, MOAMC Internal Research. Data as on May, 2024

Count is based on the 5 factors (MQGLP). Companies satisfying at least 3 of the 5 categories would be eligible in our investment thesis.

Disclaimer: The Stocks mentioned above are used for explanatory purpose about investment strategy theme of the manager and it should not be used for development or implementation of any investment strategy. Further It should not be construed as investment advice to any party. The stocks mentioned herein may or may not be part of our future holdings. Past performance does not guarantee future returns.

Why Mid To Mega: The Portfolio Construct



Primary Investment universe – 101-400 stock as per market capitalisation with some allocation in Large Caps to be measured by weighted average market cap at the portfolio level



Maintaining Positions in companies with relatively less/low leverage



Lower Turnover explains higher conviction in the portfolio.



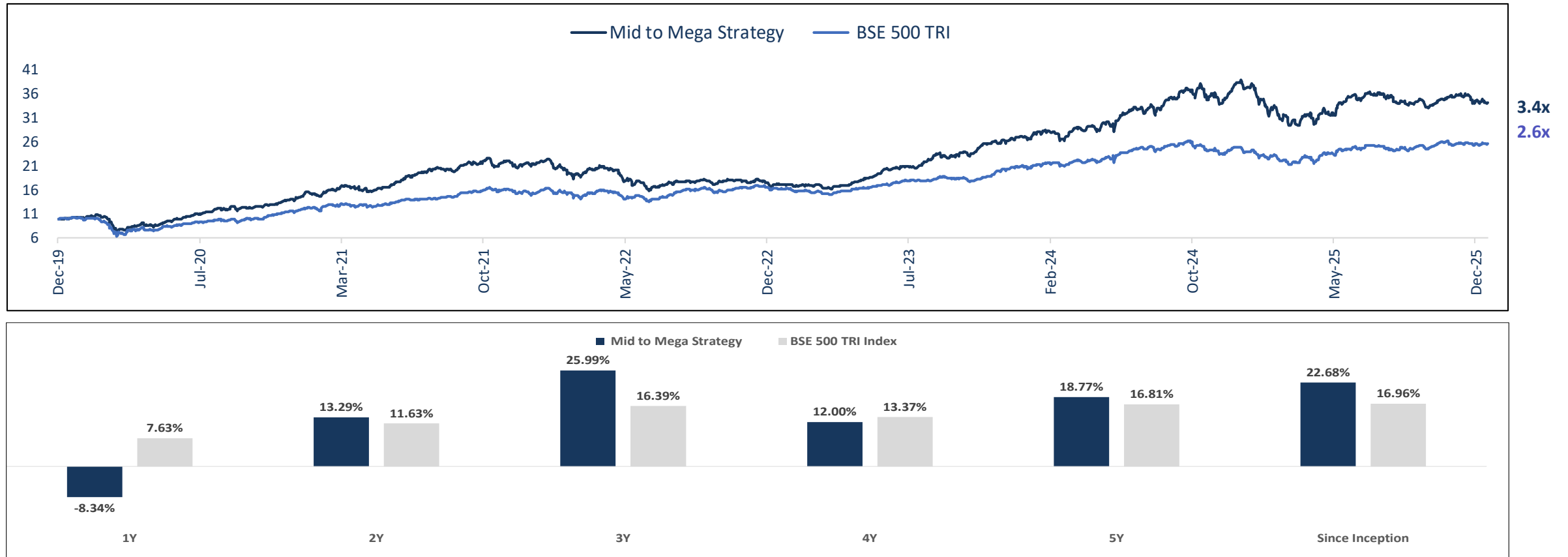
Identifying Multi-baggers – Identifying potential multi-baggers across the broader markets



Sector agnostic – little or no allocations to Commodities and global cyclicals

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Performance Update - PMS



Mid to Mega Strategy Inception Date: 24th Dec 2019; Data as on 31-Dec-25; Data Source: MOAMC Internal Research; ; Source: Capitaline and Internal Analysis; Please Note: Returns up to 1 year are absolute & over 1 year are Compounded Annualized. Returns calculated using Time Weighted Rate of Return (TWRR) at an aggregate strategy level. The performance related information is not verified by SEBI. For the relative performance of a particular Investment Approach to other Portfolio Managers within the selected strategy, please refer APMI website (click here). Under PMS Provider Name, please select Motilal Oswal Asset Management Company and select your Investment Approach Name for viewing the stated disclosure. The data for the previous month is usually available on the APMI portal on or after the 7th business day of the current month. All portfolio related holdings and sector data provided above is for model portfolio. Returns & Portfolio of client may vary vis-à-vis as compared to Investment Approach aggregate level returns due to various factors viz. timing of investment/ additional investment, timing of withdrawals, specific client mandates, variation of expenses charged & dividend income. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.

Portfolio update – PMS

Make in India - Capital Goods &	27.7
Polycab India	7.0
Hitachi Energy	6.9
MTAR Technologie	4.9
TD Power Systems	4.5
Bharat Heavy Electricals Ltd.	4.4
Financialization	19.0
Multi Commodity Exchange	5.7
Shriram Finance	4.9
Five-Star Business Finance	4.9
CreditAccess Grameen	3.6
Urbanization	18.9
Radico Khaitan	7.2
Aditya Birla Real Estate	3.5
Ethos	3.1
Kalyan Jewellers	3.1
InterGlobe Aviation	2.0

MC-Bands	%
>= 1Lakh Cr	25.5
>= 75K Crs	6.9
>= 50K Crs	15.5
>= 25K Crs	18.9
>= 10K Crs	23.2
>= 5K Crs	8.0
< 5K Crs	0.0
Long Only Equity Total	97.9

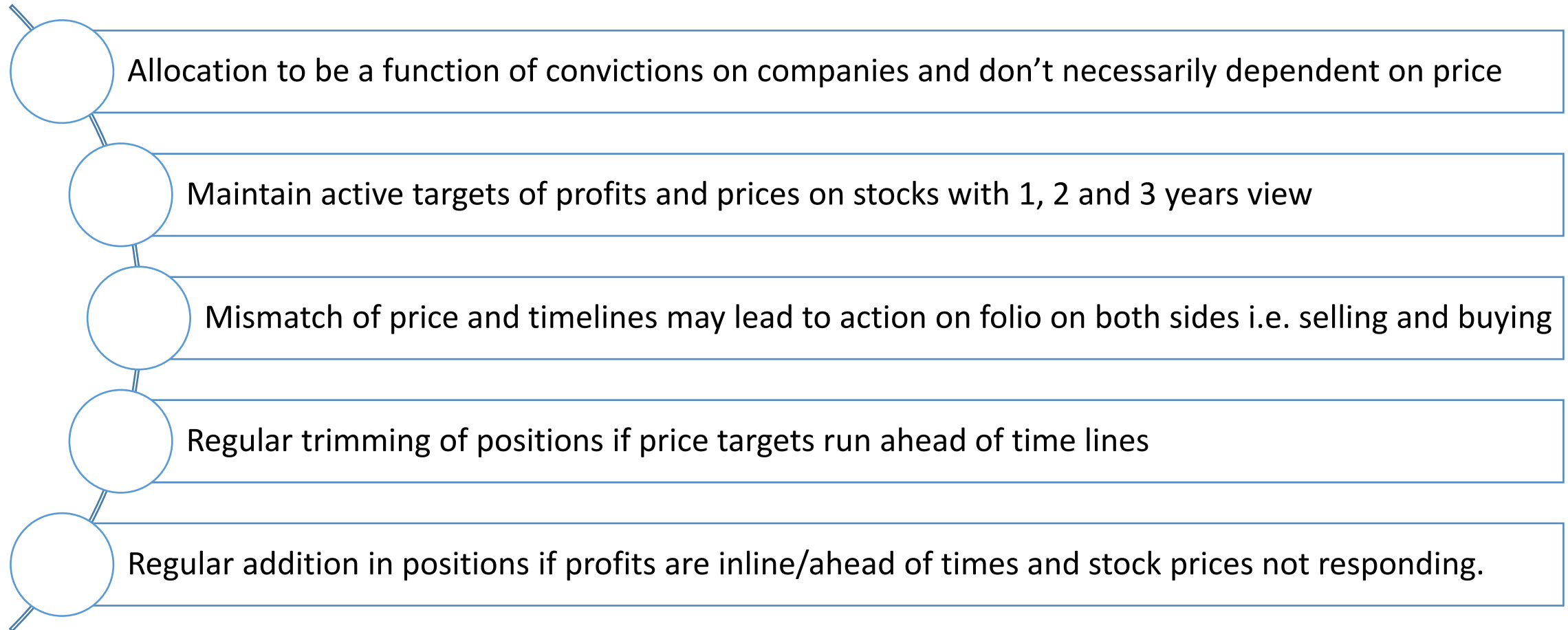
Market Cap Breakup	%
Large Cap	19.25
Mid Cap	41.54
Small Cap	37.14
Others	2.1
Long Only Equity Total	97.9

Tech & Tech Services	12.3
Coforge	6.7
Physicswallah Ltd.	3.7
Swiggy	1.9
Make in India - Manufacturing/Capex	6.0
Navin Fluo.Intl.	6.0
Make in India - Auto + EV	5.3
TVS Motor	5.3
TVS MOTOR COMPANY LTD. PREF SHARES	0.0
Make in India - Electronic Goods Manufacturing	5.0
Amber Enterprises	3.1
Kaynes Technology	2.0
Healthcare Ecosystem	3.8
Neuland Labs.	3.8

Data as on 31-Dec-25

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Discipline Over Discretion



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Fund Managers



Madangopal Ramu

(Fund Managers)

- ❖ Mr. Ramu brings with him an experience of more than 20+ years, having worked with organizations like Murugappa Group, Power Finance Corporation, and Centrum Broking.
- ❖ His last stint was with Sundaram Alternates as Head of Equities and Fund Manager – PMS and AIF.
- ❖ He has completed his MBA from Bharathidasan Institute of Management, Chennai.



Vaibhav Agrawal

(CIO-Alternates)

- ❖ Vaibhav Agrawal is currently managing Alternates products at Motilal Oswal AMC
- ❖ He has prior experience in managing PMS and brings more than ten years of exposure to equity markets and portfolio construction.
- ❖ He has worked as a ratings analyst at CRISIL and investment analyst at Motilal Oswal AMC.
- ❖ He holds a bachelors in Computer Science from the University of Pennsylvania and an MBA from London Business School.

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Please read Disclosure document carefully.

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Thank You