

## Investment Objective

Value strategy aims to benefit from the long term compounding effect on investments done in good businesses, run by great business managers for superior wealth creation

## Key Features

1. Large cap oriented portfolio with ~68% weightage
2. 16+ years track record with annualized return of 19.5% since inception (an alpha of 6.1% over Nifty 50)
3. Concentrated portfolio of 22 stocks with high earnings growth
4. Each of the portfolio companies are market leaders in their respective segments

## Portfolio Attributes

1. Index agnostic: ~64% away from benchmark Nifty 50
2. Key sector allocation in Banks and Insurance which are poised to be major beneficiaries of economic growth
3. Insurance is one segment with high growth potential and the strategy has allocation of around 23%. This has no representation in Nifty 50 index and thus emphasizes on our bottom-up stock picking process
4. The portfolio has delivered returns of ~21.5% in CY19- an alpha of ~9.5% over Nifty 50 for the same period.

## Portfolio Actions in last 6 months

- **Companies Added:** Tube Investments of India, GlaxoSmithKline Pharma, LIC Housing Finance
- **Companies Exited:** ICICI Lombard General Insurance, Tech Mahindra

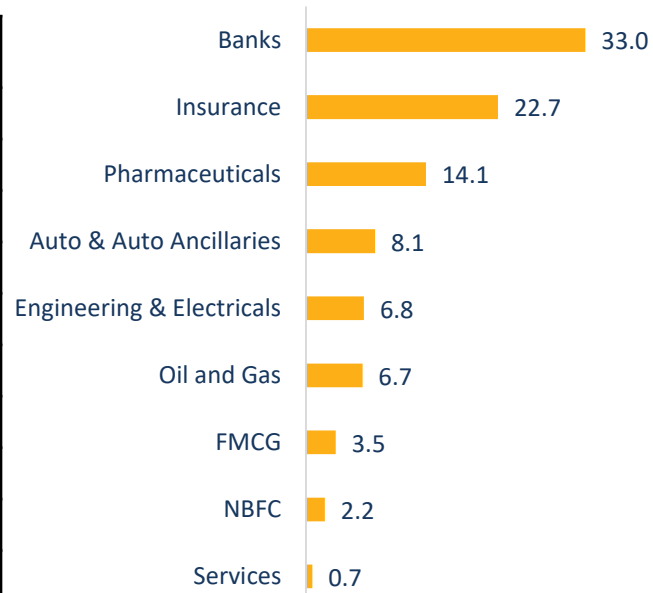
## How Buy Right : Sit Tight works

Company	Initial Purchase Date	Market Cap Rs. Crores (Purchase Date)	Market Cap Rs. Crores (31 <sup>st</sup> Mar 20)	Absolute Growth	CAGR (%)
HDFC Bank	Jul-08	40,986	4,72,604	11.5X	23%
Kotak Mahindra Bank	Jul-15	1,28,554	2,47,939	1.9X	15%
Ipca Laboratories	May-18	9,239	17,591	1.9X	40%

Wealth creation is achieved through holding quality companies for a long period of time

## Top 10 Holdings & Sectoral Allocation

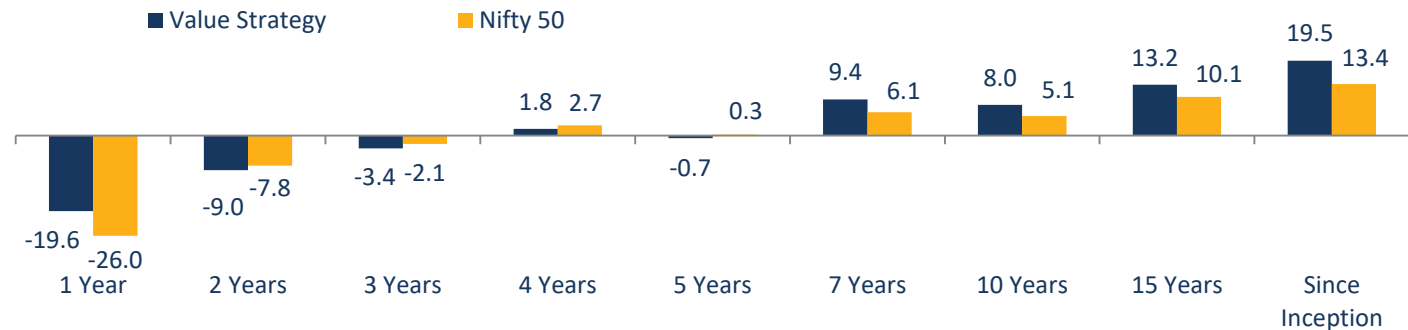
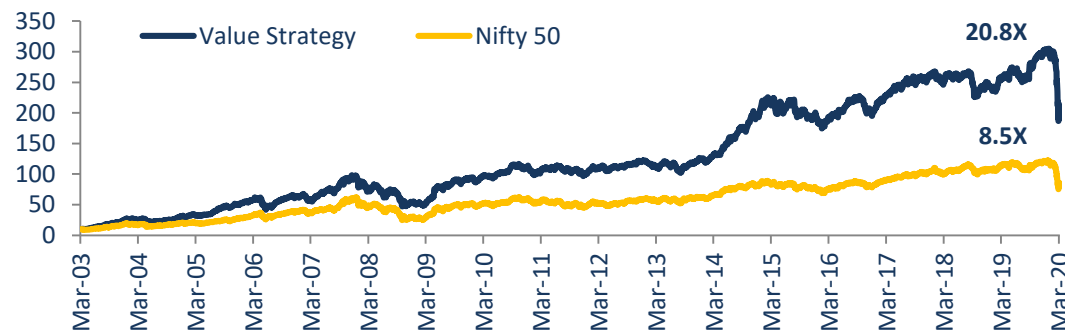
Scrip Names	% Holding
HDFC Bank	10.8
Max Financial Services	9.8
ICICI Bank	9.6
HDFC Life Insurance Company	9.6
Kotak Mahindra Bank	7.7
Ipca Laboratories	6.5
Dr Reddy's Laboratories	5.1
Larsen & Toubro	4.3
Bharat Petroleum Corporation	4.2
ITC	3.5



## Disclaimers and Risk Factors

Value Strategy Inception Date: 25<sup>th</sup> Mar 2003; Data as on 31<sup>st</sup> March 2020; Data Source: MOAMC Internal Research; RFR: 7.25%; \*Earnings as of December 2019 quarter and market price as on 31<sup>st</sup> March 2020; Source: Bloomberg consensus, Capitaline and Internal Analysis; Please Note: The above strategy returns are of a Model Client as on 31<sup>st</sup> March 2020. Returns of individual clients may differ depending on time of entry in the Strategy. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Returns below 1 year are absolute and above 1 year are annualized. Strategy returns shown above are post fees & expenses. The stocks forming part of the existing portfolio under Value Strategy may or may not be bought for new client. Name of the PMS Strategy does not in any manner indicate its future prospects and returns. The Company names mentioned above is only for the purpose of explaining the concept and should not be construed as recommendations from MOAMC.

## Performance Since Inception



## Fund Contributors (1 Year Trailing 31<sup>st</sup> March 2020)

Top 5	Contribution
HDFC Life Insurance Company	1.5%
Ipca Laboratories	1.4%
ICICI Lombard General Insurance Company	0.7%
Dr Reddy's Laboratories	0.3%
Interglobe Aviation	0.2%

Bottom 5	Contribution
Axis Bank	-1.7%
Bharat Forge	-1.8%
ICICI Bank	-2.0%
Larsen & Toubro	-2.1%
HDFC Bank	-2.7%

## \*Portfolio Fundamentals

	TTM	FY20E	FY21E
<b>PAT Growth</b>	47%	35%	29%
<b>RoE</b>	16%	15%	17%
<b>PE</b>	26	25	20

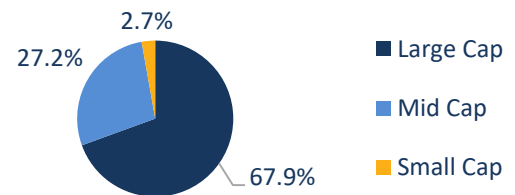
## Ageing

Number of Scrips	Holding Period
2	> 10 Years
2	> 5 Years but < 10 Years
9	> 2 Years but < 5 Years
9	< 2 Years

The average holding period for stocks held under Value Strategy is about 3 years and 3 months

\* The Portfolio has been repositioned towards high growth companies in the past 2 years: 13 stocks have been bought into the portfolio since November 2017

## Market Capitalization



Weighted Average Market Cap Rs. 1,31,151 Crs

## Risk Ratios

3 Year Data	Strategy	Benchmark
<b>Churn Ratio</b>	33.9%	-
<b>Standard Deviation</b>	19.0%	18.3%
<b>Beta</b>	0.9	1.0
<b>Sharpe Ratio</b>	-2.2	-1.8

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