

Your key to

India's Next Trillion Dollar of GDP Growth



NEXT

Trillion Dollar
Opportunity Strategy

April 2020

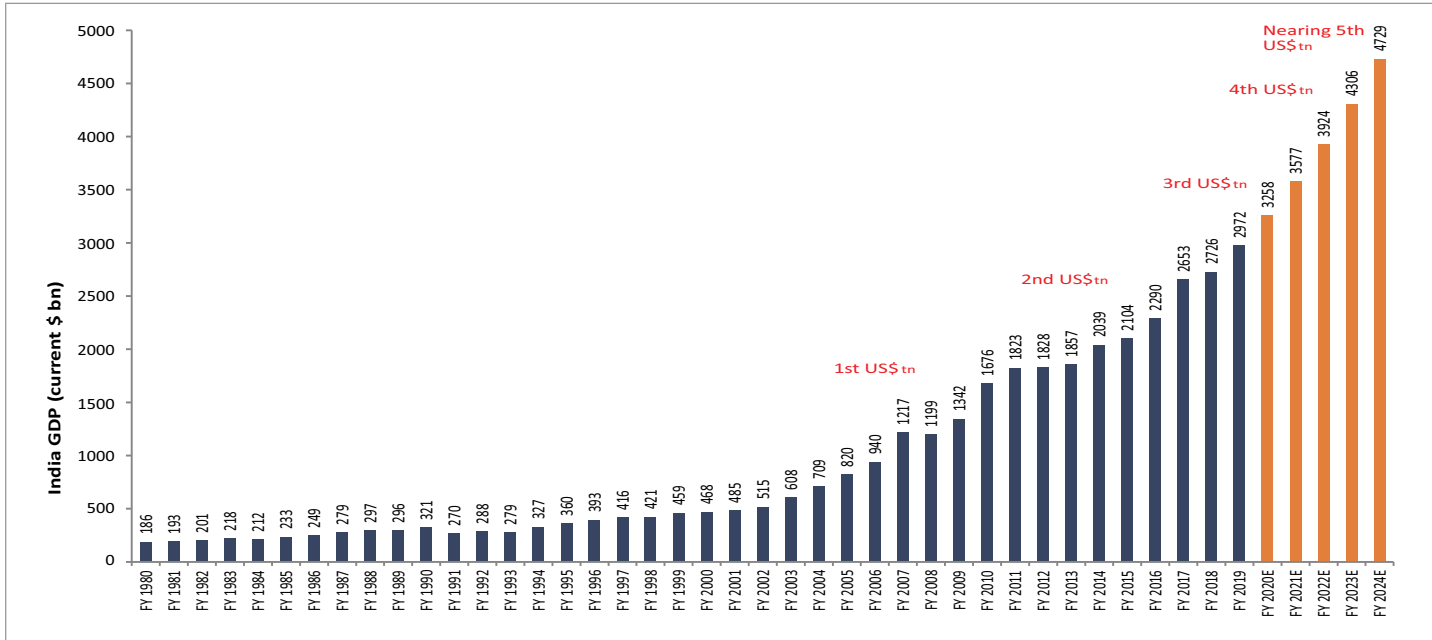
About the Strategy

- NTDOP is a multi-cap strategy investing across market capitalization
- Investing in businesses that benefit from the Next Trillion Dollar GDP growth of India
- 12+ years track record with consistent outperformance vis-à-vis benchmark across market cycles (10 out of 12 calendar years)
- Concentrated portfolio of 25 stocks with 16 companies held for over 5 years: a truly 'Buy and Hold' strategy
- Index agnostic: ~87% away from benchmark Nifty 500

Investment Manager

- Motilal Oswal AMC is the pioneer of PMS business in India with over 16 years of track record
- One of the co-founders, Mr. Raamdeo Agrawal is one of the most honored and trusted names in the investing world
- It has a unique positioning of being "Equity only AMC" with defined "Investment Philosophy"
- Trusted by over 42,000 HNI investors and with around Rs. 12,000 Crs of assets as on 31st March 2020

India's GDP Growth Opportunity



- According to World Bank data, India has now become the world's sixth-largest economy
- India is one of the fastest growing among major economies

Source: statisticstimes.com

Past performance may or may not sustain and does not guarantee future performance

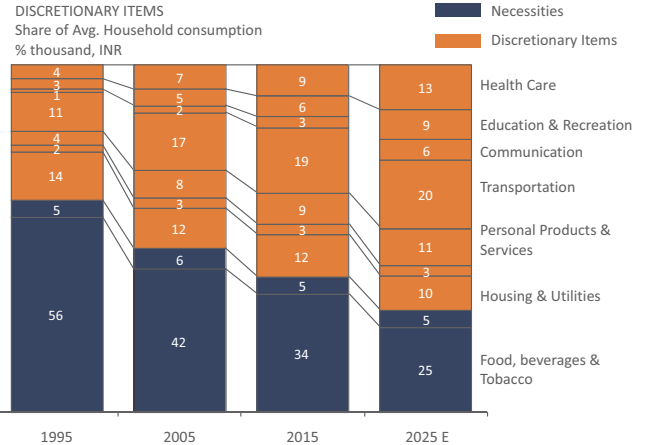
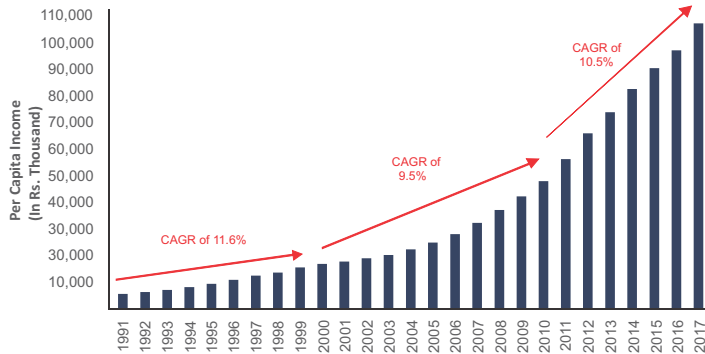
Note - Above forward looking statements are based on external current views and assumptions and involve known and unknown risks and uncertainties that could affect actual results.

Investments are subject to market risk. The above graph is used for illustration purpose only and should not be used for development or implementation of an investment strategy.

Rising Discretionary Spending

Discretionary spending is expected to increase disproportionately going forward

Discretionary spending will rise from 52% in 2005 to 70% in 2025



Above forward-looking graphs/statements are based on external current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results.

Source: data.gov.in & Motilal Oswal Financial Services Ltd

Some Themes that Benefit from GDP Growth

Consumption

- Consumer Discretionary
- Retailing
- Consumer Durables
- Passenger Vehicles
- Utility Services

Banking and Financial Services

- Banks
- Capital Markets
- Insurance
- NBFCs

Government Spending

- Power
- Cement
- Capital Goods
- Construction
- Engineering

These are illustrative in nature and can change from time to time based on the outlook of the portfolio manager.

Benefits of Multicap



Large Cap

- Leaders in respective sectors
- Stability and less volatile



Mid Cap


- High growth
- Potential of tomorrow's large caps



Small Cap

- Emerging businesses
- Offer potential to scale

Investing in Multicaps Reduces Extremes



	CY2013	CY2014	CY2015	CY2016	CY2017	CY2018	CY2019
Top	Large Cap [8.1%]	Small Cap [71.1%]	Mid Cap [8.7%]	Mid Cap [9.3%]	Small Cap [60.8%]	Large Cap [3.7%]	Large Cap [12.2%]
	Multicap [6.1%]	Mid Cap [56.9%]	Small Cap [7.7%]	Multicap [5.4%]	Mid Cap [49.9%]	Multicap [0.8%]	Multicap [10.4%]
	Mid Cap [-4.0%]	Multicap [37.4%]	Multicap [-0.2%]	Large Cap [4.7%]	Multicap [35.0%]	Mid Cap [-12.5%]	Mid Cap [-2.1%]
Bottom	Small Cap [-9.7%]	Large Cap [33.3%]	Large Cap [-2.7%]	Small Cap [2.7%]	Large Cap [31.6%]	Small Cap [-22.8%]	Small Cap [-5.9%]

Diversification offers flexibility to invest across sectors/ themes and may perform well in different market conditions with relatively low risk

Multicap Index – S&P BSE 200 TRI ; Large Cap – S&P BSE Large Cap TRI; Mid Cap - S&P BSE Mid Cap TRI; Small Cap - S&P BSE Small Cap TRI.

Source: ICRA MFI Explorer. Performance shown above is CAGR (%) and is for the Calendar Year. The above graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

Our Investment Philosophy

At Motilal Oswal Asset Management Company (MOAMC), our investment philosophy is centered on 'Buy Right: Sit Tight' principle.

Buy Right

QGLP

- **'Q'uality** denotes quality of the business and management
- **'G'rowth** denotes growth in earnings and sustained RoE
- **'L'ongevity** denotes longevity of the competitive advantage or economic moat of the business
- **'P'rice** denotes our approach of buying a good business for a fair price rather than buying a fair business for a good price

Sit Tight

- **Buy and Hold:** We are strictly buy and hold investors and believe that picking the right business needs skill and holding onto these businesses to enable our investors to benefit from the entire growth cycle needs even more skill.
- **Focus:** Our portfolios are high conviction portfolios with 25 to 30 stocks being our ideal number. We believe in adequate diversification but over-diversification results in diluting returns for our investors and adding market risk

Wealth Creators - Buy and Hold Strategy

Stock	Initial Purchase Date	Market Cap Rs. Crores (Purchase Date)	Market Cap Rs. Crores 31-Mar-20	Absolute Growth	CAGR (%)
Bajaj Finance	Nov-10	2,923	1,33,322	45.6X	50%
City Union Bank	Mar-13	3,026	9,515	3.1X	18%
GSK Consumer Healthcare	May-11	10,053	41,952	4.2X	17%
IPCA Laboratories	Nov-12	5,922	17,591	3.0X	16%

No. of Scrips	Holding Period
2	Since Inception (10+ Years)
14	>5 Years
7	> 2 Years but <5 Years
2	<2 Years

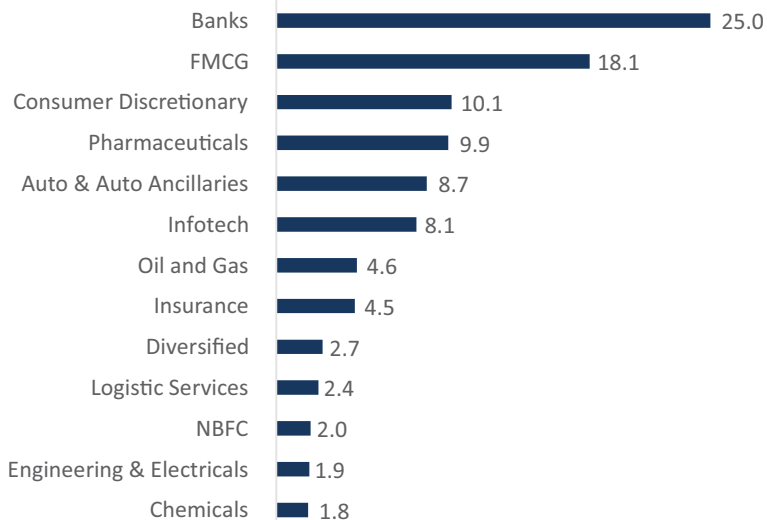
- Buy and Hold strategy with > 60% stocks held for more than 5 years (Page Industries held since inception) and 10% of stocks held for 10+ years resulting in wealth creation for investors
- The average holding period for stocks held under NTDOP Strategy is over 6 years 9 months

Source: MOAMC Internal Analysis

Please Note: The given stocks are part of portfolio of a model client of NTDOP Strategy as on 31st March 2020. The stocks forming part of the existing portfolio under NTDOP Strategy may or may not be bought for new client. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. The Company mentioned above is only for the purpose of explaining the concept and should not be construed as recommendations from MOAMC.

Portfolio Allocation

Sectoral Allocation

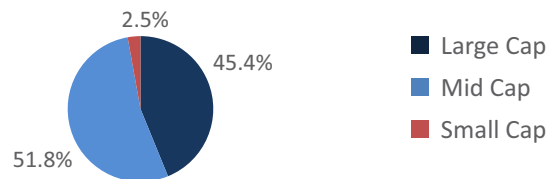


Please Note: Data as on 31st March 2020. The stocks mentioned are a part of existing NTDOP Strategy clients and may or may not be bought for new clients. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. The strategy may or may not have any future holdings in these stocks and should not be construed as recommendations from MOAMC.

Top 10 Holdings

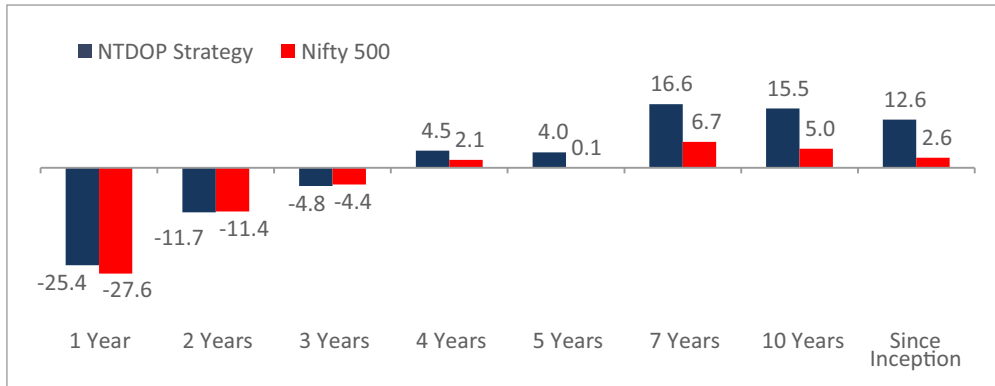
Script Name	% Holding
Kotak Mahindra Bank	13.8
Voltas	10.1
Page Industries	8.4
IpcaLaboratories	6.2
ICICI Bank	5.8
GlaxosmithklineConsumer Healthcare	4.9
Max Financial Services	4.5
L&T Technology Services	4.3
City Union Bank	3.9
Eicher Motors	3.9

Market Capitalization



Weighted Average Market Cap Rs. 65,758 Crs

Performance Snapshot

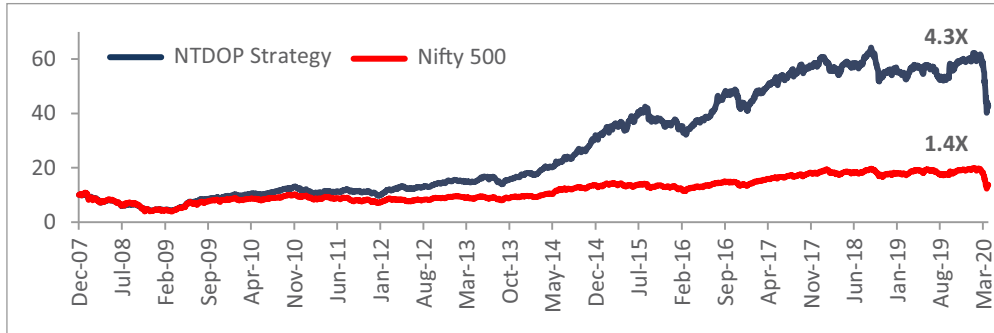


NTDOP Strategy has delivered a CAGR of 12.6% vs. Nifty 500 returns of 2.6%, an outperformance of 9.9% (CAGR) since inception (5th December 2007)

*Strategy Inception Date: 11th December 2007.

Please Note: The Above strategy returns are of a Model Client as on 31st 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.

Performance Snapshot



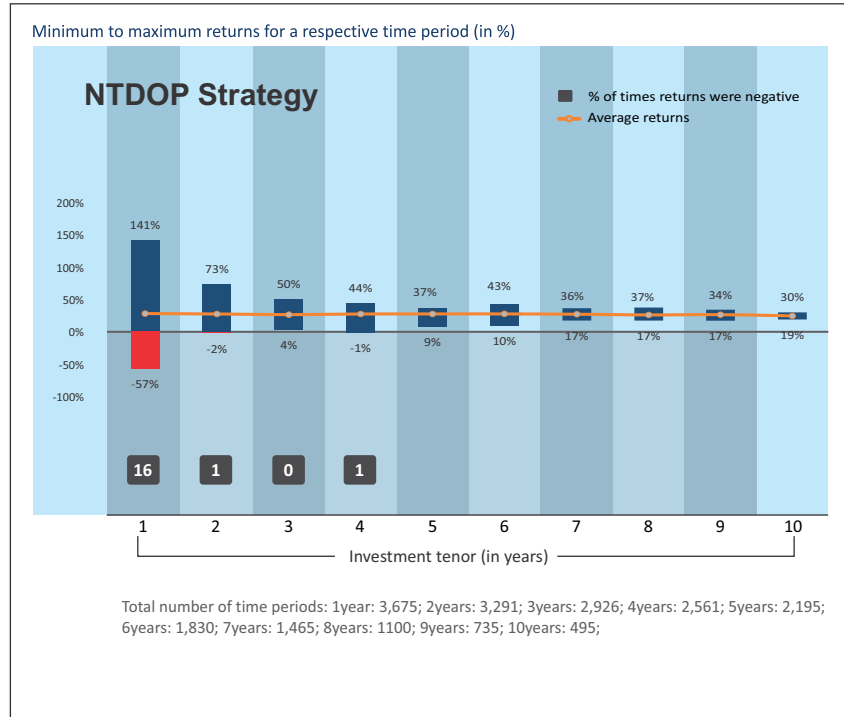
Rs. 1 crore invested in NTDOP Strategy at inception is worth Rs. 4.3 cr as on 31st March 2020. For the same period Rs. 1 cr invested in Nifty 500 Index is now worth Rs. 1.4 cr.

*Strategy Inception Date: 11th December 2007.

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Performance - Rolling Returns

- The data shows rolling returns of the NTDOP Strategy over various time frames.
- It is worth noting that on 1 year rolling basis, the returns are in a very wide range. The best return made by the Strategy is 141% and the worst return is -57%.
- As we increase the time horizon, the outcomes narrow significantly from the average.
- For instance, if we consider the 5 year time frame, historically the best return (CAGR) is 37%, least return is 9% and average return is 27%.
- It may also be noteworthy that the negative returns above 2 years rolling periods are zero, barring 4 years rolling returns which is only 1%.



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Fund Manager



Manish Sonthalia

- Manish has been managing the Strategy since inception and also serves as the Director of the Motilal Oswal India Fund, Mauritius.
- He has over 25 years of experience in equity research and fund management, with over 14 years with Motilal Oswal PMS.
- He has been the guiding pillar in the PMS investment process and has been managing various PMS strategies and AIFs at MOAMC.
- Manish holds various post graduate degrees including an MBA in Finance, FCA, Company Secretaryship (CS) and Cost & Works Accountancy (CWA).

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Portfolio Manager: Motilal Oswal Asset Management Company Ltd. (MOAMC) | **SEBI Registration No. :** INP 000000670

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