

February 2021 (Data as on 31<sup>st</sup> January 2021. Inception date – 03<sup>rd</sup> August 2007) - For Prospective Investors



## INVESTMENT APPROACH

**Strategy Name:** India Opportunity Portfolio Strategy

**Investment Objective:** The Strategy aims to generate long term capital appreciation by creating a focused portfolio of high growth stocks having the potential to grow more than the nominal GDP for next 5-7 years across market capitalization and which are available at reasonable market prices.

**Description of types of securities:** Equity Types of securities selected as part of the investment approach: Focus on Sectors and Companies which promise a higher than average growth. Concentration on emerging Themes. 15-20 high conviction stock portfolio.

**Allocation of portfolio across types of securities:** The strategy seeks to primarily invest in Equity and Equity-related instruments of small cap and mid cap companies. However, the strategy has the flexibility to invest in companies across the entire market capitalization spectrum

**Benchmark:** Nifty Small Cap 100 TRI

**Investment Approach:** "Buy & Hold" Strategy

**Indicative tenure or investment horizon:** Long Term



## KEY FEATURES & PORTFOLIO ATTRIBUTES

Small cap oriented portfolio which invests in companies with high earnings growth.

Identifying companies in early stages which have the potential to become midcap or large cap resulting in wealth creation

10+ years track record across market cycles. IOP has delivered outperformance over the benchmark in 4 of the last 5 FYs

High quality concentrated portfolio of 23 stocks

Index agnostic: ~93% away from benchmark Nifty Smallcap 100

Key sector allocation is to Consumer-oriented businesses, Pharmaceuticals and Construction



## PORTFOLIO ACTIONS IN LAST 6 MONTHS

**Companies Added:** Max Financial Services, Sun Pharmaceutical Inds.,

Cipla, Gland Pharma, Engineers India, Emami

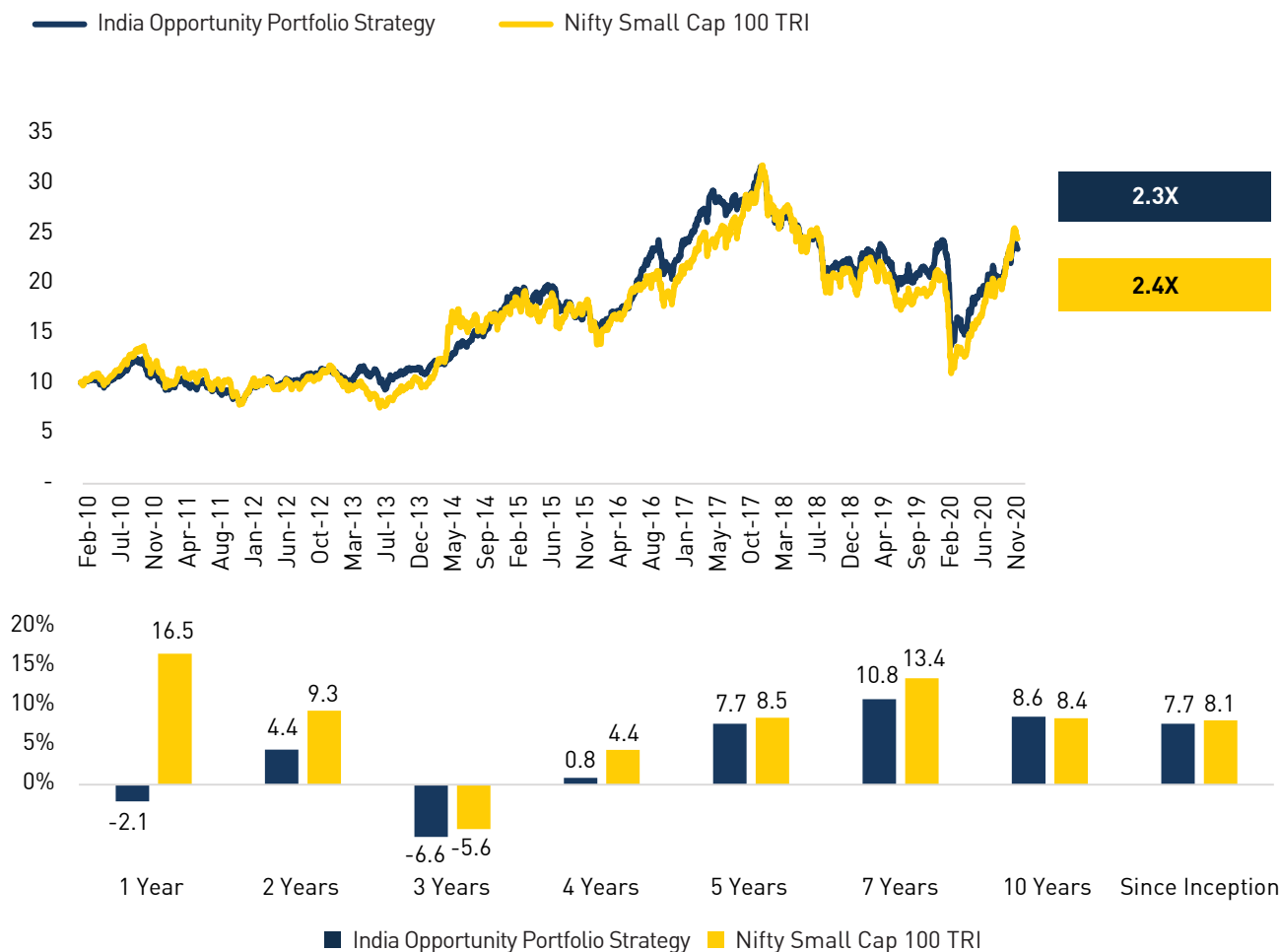
**Companies Exited:** Reliance Industries, Dr. Lal PathLabs,

Hindustan Unilever, Sun Pharmaceutical Inds., AU Small Finance Bank, Development Credit Bank



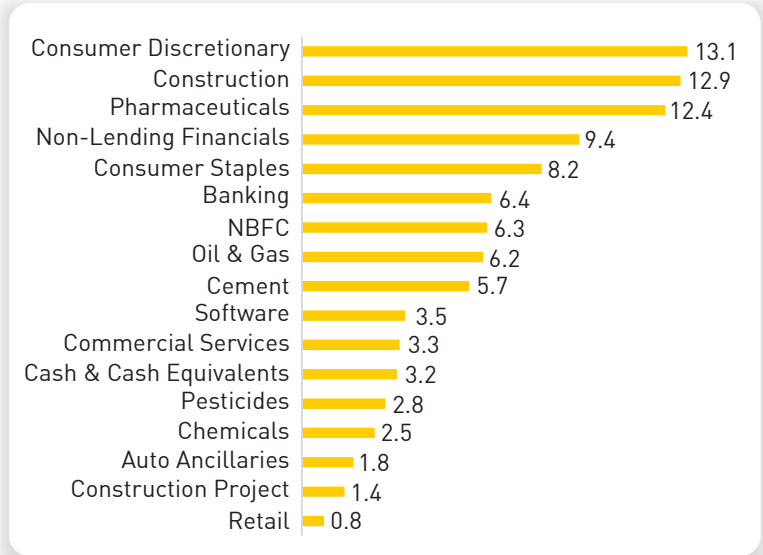
## PERFORMANCE SINCE INCEPTION

One lac invested in the strategy on 15th Feb 2010 would have grown to Rs. ~2 lacs today against ~2 lacs invested in Benchmark



## TOP 10 HOLDINGS & SECTORAL ALLOCATION

Scrip Name	(%) of Holding
Kajaria Ceramics Ltd.	11.5
Alkem Laboratories Ltd.	8.0
ITC Ltd.	7.0
ICICI Bank Ltd.	6.4
Can Fin Homes Ltd.	6.3
Mahanagar Gas Ltd.	6.2
Birla Corporation Ltd.	5.7
ICICI Securities Ltd.	5.6
Blue Star Ltd.	5.0
TTK Prestige Ltd.	4.8



## STRATEGY CONTRIBUTORS (3 Year Trailing 31<sup>st</sup> Jan 2021)

Top 5	Contribution
Dr. Lal PathLabs Ltd.	4.1%
Kajaria Ceramics Ltd.	3.0%
Alkem Laboratories Ltd.	2.4%
Aegis Logistics Ltd.	1.5%
Larsen & Toubro Infotech Ltd.	1.4%

Bottom 5	Contribution
Development Credit Bank Ltd.	-6.0%
Dishman Carbogen Amcis Ltd.	-4.9%
Lakshmi Vilas Bank Ltd.	-4.5%
Birla Corporation Ltd.	-3.6%
IIFL Finance Ltd.	-3.0%

## RISK RATIOS

3 Year Data	Strategy	Benchmark
Churn Ratio	14.1%	-
Standard Deviation	20.9%	24.0%
Beta	0.76	1
Sharpe Ratio	-3.4	-3.5

## PORTFOLIO FUNDAMENTALS & MARKET CAP

Market Cap	Weightage
Large Cap	29.30%
Mid Cap	19.31%
Small Cap	48.15%
Cash & Equivalents	3.23%

	TTM
PAT Growth	3%
RoE	16%
PE	27

## HOW BUY RIGHT : SIT TIGHT WORKS

Company	Initial Purchase Date	Market Cap (Initial Purchase date)*	Market Cap (31st Jan 2021)*	Absolute Growth	CAGR (%)
Mahanagar Gas	Aug-16	5,059	10,231	2.0X	17%
Alkem Laboratories	Jan-17	19,845	35,914	1.8X	16%

\*Market cap in crores

**Disclaimers and Risk Factors:** IOP Strategy Inception Date: 15th Feb 2010; Data as on 31st January 2021; Data Source: MOAMC Internal Research; RFR: 7.25%; \*Earnings as of Sept 2020 quarter and market price as on 31st January 2021; 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. 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. The Portfolio Manager manages allocations in all client portfolios by way of a model portfolio which is in line with investment objectives of the portfolio strategy/ investment approach. Unless there are specific exclusion instructions by individual clients, all clients' portfolios are aligned to a model portfolio; which means replication and alignment of all clients' portfolios in terms of scrip and allocation. New clients entering the strategy/ investment approach as of a particular date are also aligned to the model portfolio. It must be noted that there are certain circumstances in which clients' portfolio may deviate or differ from the model portfolios to a material extent. This may happen due to factors like liquidity and free floating consideration in some stocks, organization level exposure norms and related risk management, potential exit of a stock from the model portfolio thereby precluding it from buying in new client portfolios. The reasons quoted here are indicative but not exhaustive and the portfolio manager reserves the right to deviate from model portfolio for groups of clients depending on timing of their entry, market conditions and model portfolio construct at the time of their entry. . Risk factors associated with the investment approach are Equity risk, Systematic risk, Concentration risk, Model portfolio risk, Mismatch risk, Execution risk, Low liquidity and Less dividends. To know more about the risk factors, please refer disclosure document at [motilaloswalmf.com](http://motilaloswalmf.com) .Investment in securities is subject to market and other risks, and there is no assurance or guarantee that the objectives of any of the strategies of the Portfolio Management Services will be achieved. Please read Disclosure document carefully before investing.

Our PMS services are available in direct mode, to know more, write to us at [pmsquery@motilaloswal.com](mailto:pmsquery@motilaloswal.com)