

## Investment Approach

**Strategy Name:** ValueStrategy

**Investment Objective:** The 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.

**Description of types of securities:** Listed Equity

**Basis of selection of such types of securities as part of the investment approach:** value based stock selection strategy

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

**Benchmark:** Nifty 50 TRI

**Indicative tenure or investment horizon:** Medium to Long term

## Key Features & Portfolio Attributes

1. Large cap oriented portfolio with ~67% weightage
2. 17+ years track record with annualized return of 19% since inception (an alpha of 2.9% over Nifty 50 TRI)
3. Concentrated portfolio of 24 stocks with high earnings growth
4. Each of the portfolio companies are market leaders in their respective segments
5. Index agnostic: ~65% away from benchmark Nifty 50
6. The portfolio delivered returns of ~21.6% in CY19- an alpha of ~8.1% over Nifty 50 TRI for the same period

## Portfolio Actions in last 6 months

**Companies Added:** Hindustan Unilever, Muthoot Finance, JubilantFoodworks, HCL Technologies, SBI Cards and Payments

**Companies Exited:** Eicher Motors, Qness Corp

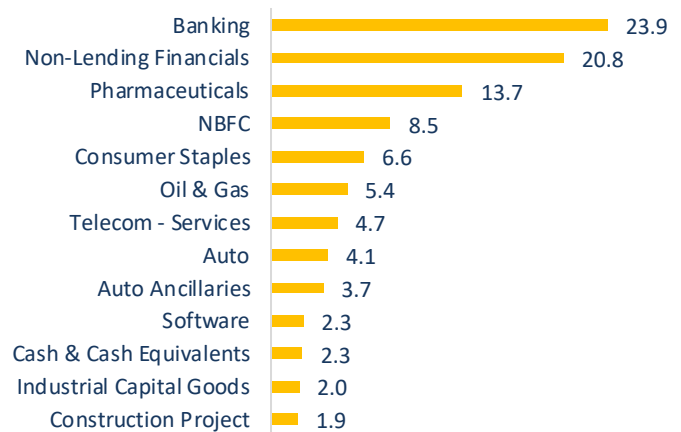
## How Buy Right : Sit Tight works

Company	Initial Purchase Date	Market Cap Rs. Crores (Initial Purchase Date)	Market Cap Rs. Crores (31st Oct 20)	Absolute Growth	CAGR (%)
HDFC Bank	Jul-08	40,986	651,573	15.9X	25%
HDFC Life Insurance Company	Nov-17	69,159	119,156	1.7X	20%
Ipca Laboratories	May-18	9,208	29,336	3.2X	59%

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

## Top 10 Holdings & Sectoral Allocation

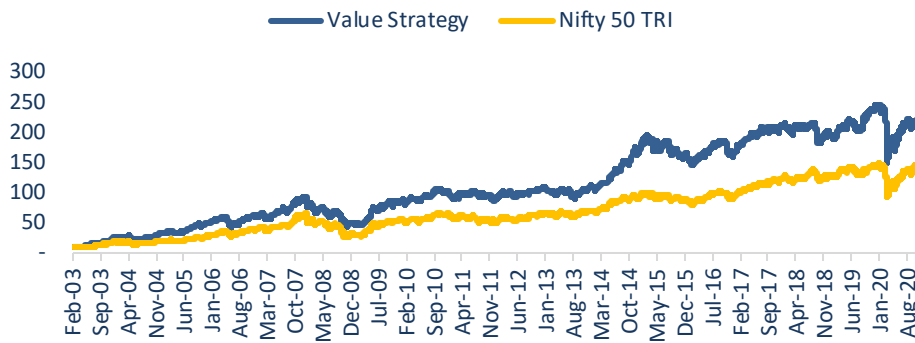
Scrip Name	% Holding
MAX Financial Services Ltd.	11.9
ICICI Bank Ltd.	9.1
HDFC Life Insurance Company Ltd	9.0
HDFC Bank Ltd.	7.8
Dr. Reddy's Laboratories Ltd.	6.1
Bharti Airtel Ltd.	4.7
Ipca Lab Ltd.	4.3
Maruti Suzuki India Ltd.	4.1
Kotak Mahindra Bank Ltd.	3.9
Tube Investment of India Ltd.	3.7



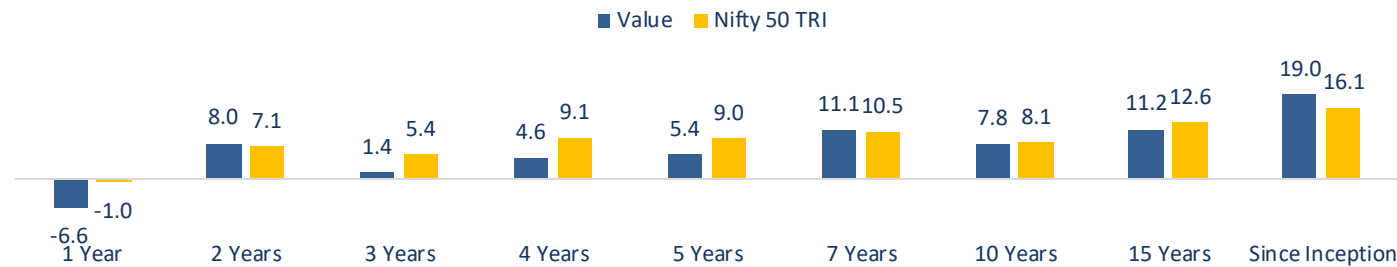
## Disclaimers and Risk Factors

Value Strategy Inception Date: 18<sup>th</sup> Feb 2003; Data as on 31<sup>st</sup> October 2020; Data Source: MOAMC Internal Research; RFR: 7.25%; \*Earnings as of June 2020 quarter and market price as on 31<sup>st</sup> October 2020; 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.

## Performance Since Inception



Value Strategy has delivered a CAGR of 19.0% vs. Nifty 50 TRI returns of 16.1%, an outperformance of 2.9% (CAGR) since inception (18<sup>th</sup> February 2003)



Disclaimer: Performance related information is not verified by SEBI

## Strategy Contributors (3 Year Trailing 31<sup>st</sup> Oct 2020)

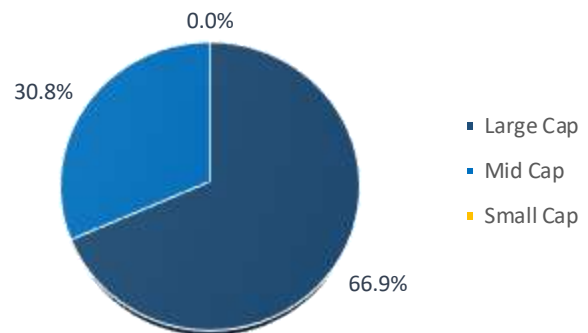
Top 5	Contribution
Ipca Laboratories Limited	5.7%
HDFC Life Insurance Co. Ltd.	4.8%
Max Financial Services Ltd.	3.7%
ICICI Lombard General Insurance Co. Ltd.	3.2%
Dr. ReddyS Laboratories Limited	3.0%

Bottom 5	Contribution
Larsen & Toubro Limited	-1.2%
Qess Corp Ltd.	-1.7%
Bharat Petroleum Corpn. Limited	-2.9%
Eicher Motors Limited	-3.2%
Bharat Forge Limited	-3.7%

## \*Portfolio Fundamentals

	TTM
PAT Growth	5%
RoE	13%
PE	25

## Market Capitalization



## Risk Ratios

3 Year Data	Strategy	Benchmark
Churn Ratio	29.9%	-
Standard Deviation	21.3%	21.0%
Beta	0.94	1
Sharpe Ratio	-1.4	-0.7

Weighted Average Market Cap Rs. 1,66,630 Crs

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

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