

F35 – Looking ahead

Ready, set and grow!

August 2021

Flexi Cap ... in just one minute

➤ **QGLP based Stock Picking**

India growth story on; Documented investment philosophy; Alpha across products

➤ **Consistent track record of performance**

Healthy returns & alpha generated

➤ **Strike Rate and Multibaggers**

High strike rate in positive returns and outperformance; multibagger stock picking

➤ **Portfolio strategy in place**

High conviction portfolio and interesting themes

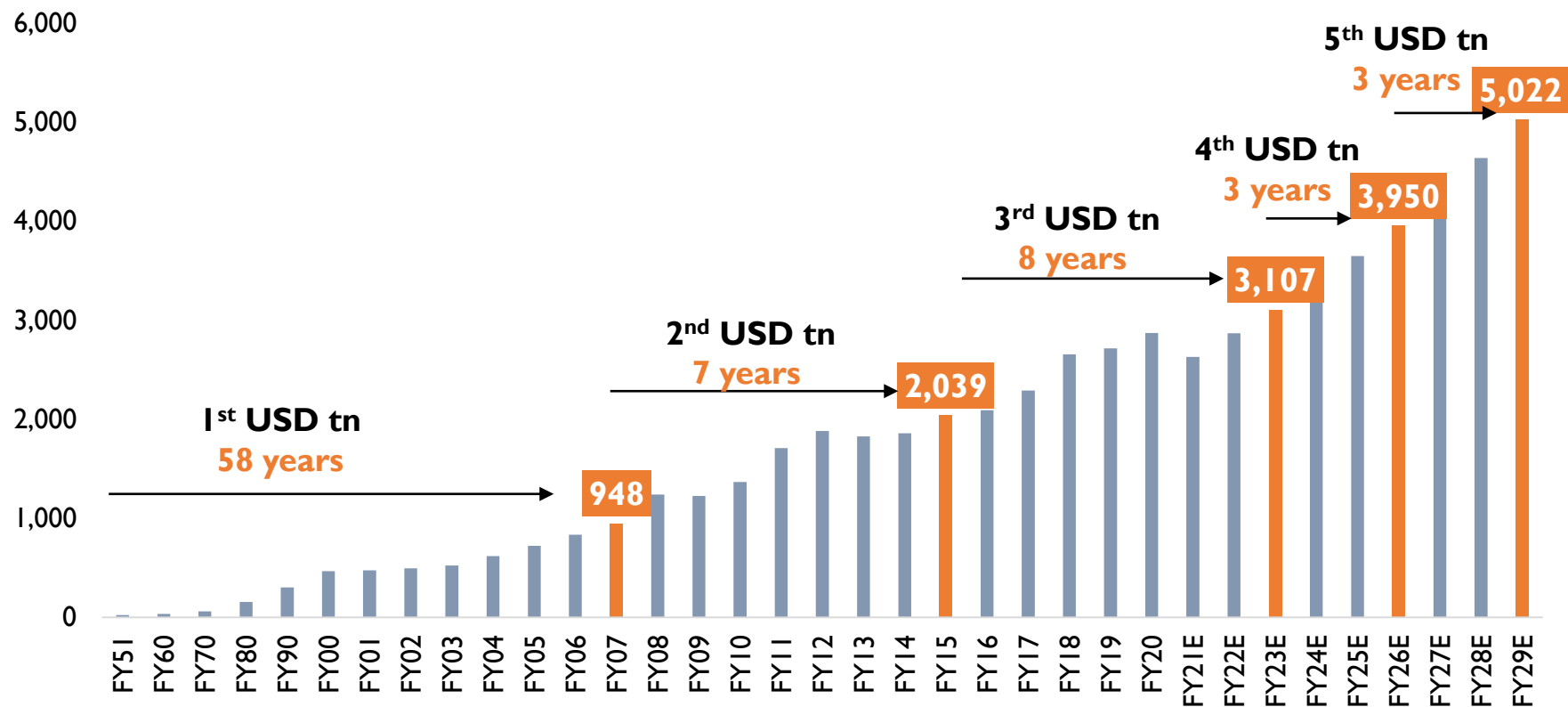
➤ **Cheaper valuations compared to the benchmark**

Expected portfolio earnings growth* of 31% in FY21-FY23 with fair valuations

*Based on Bloomberg forward estimates

India growth story is on ...

The next trillion dollar opportunity India's GDP trend in USD bn



- 60 years for first trillion dollar of GDP
- Every NTD (next trillion dollar) in successively few years

Source: MOAMC Internal Research

Disclaimer: The above graph/data is used to explain the concept and is for illustration purpose only. 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 performance may or may not be sustained in future.

QGLP in a nutshell

Fund house with a documented investment philosophy

Quality of business x Quality of management

- Stable business, preferably consumer facing
- Huge business opportunity
- Sustainable competitive advantage
- Competent management team
- Healthy financials & ratios

Q

G

Growth in earnings

- Volume growth
- Price growth
- Mix change
- Operating leverage
- Financial leverage

Longevity – of both Q & G

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

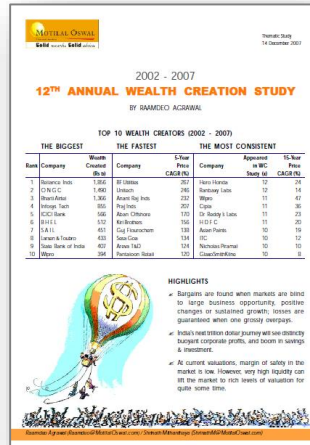
L

P

Price

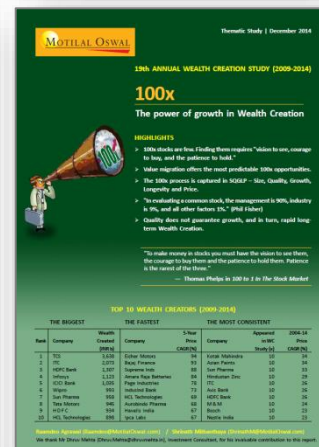
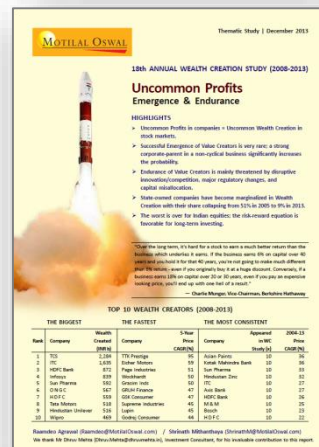
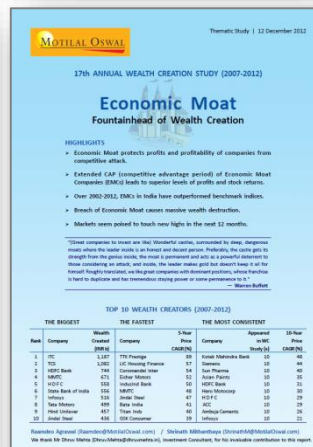
- Reasonable valuation, relative to quality & growth prospects
- High margin of safety

24 years of Wealth Creation Studies



Powerful Investment Frameworks

- Porter's 5 Forces
- Value Migration
- Great, Good, Gruesome
- Emergence & Endurance
- Next Trillion Dollar Opportunity
- Winner Categories, Category Winners
- Management – 90% rule of investing
- Long-term power of compounding
- Payback ratio – Market Cap ÷ Next 5 years PAT
- PEG – Trailing P/E to Forward earnings CAGR



A successful track record



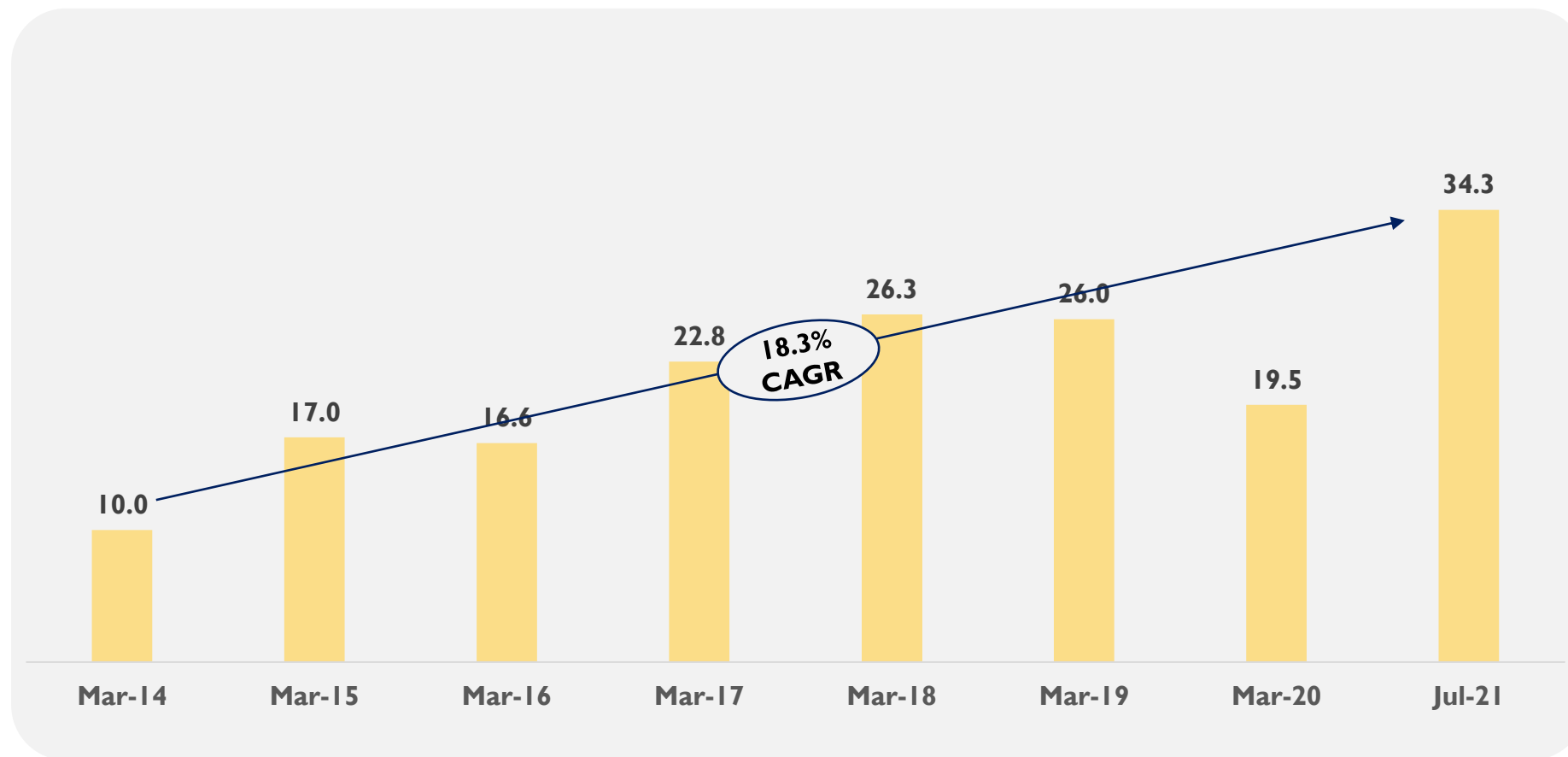
Robust Returns

α

Alpha

Consistent wealth creation for the investors

Steady rise in NAV from April 2014 to July 2021

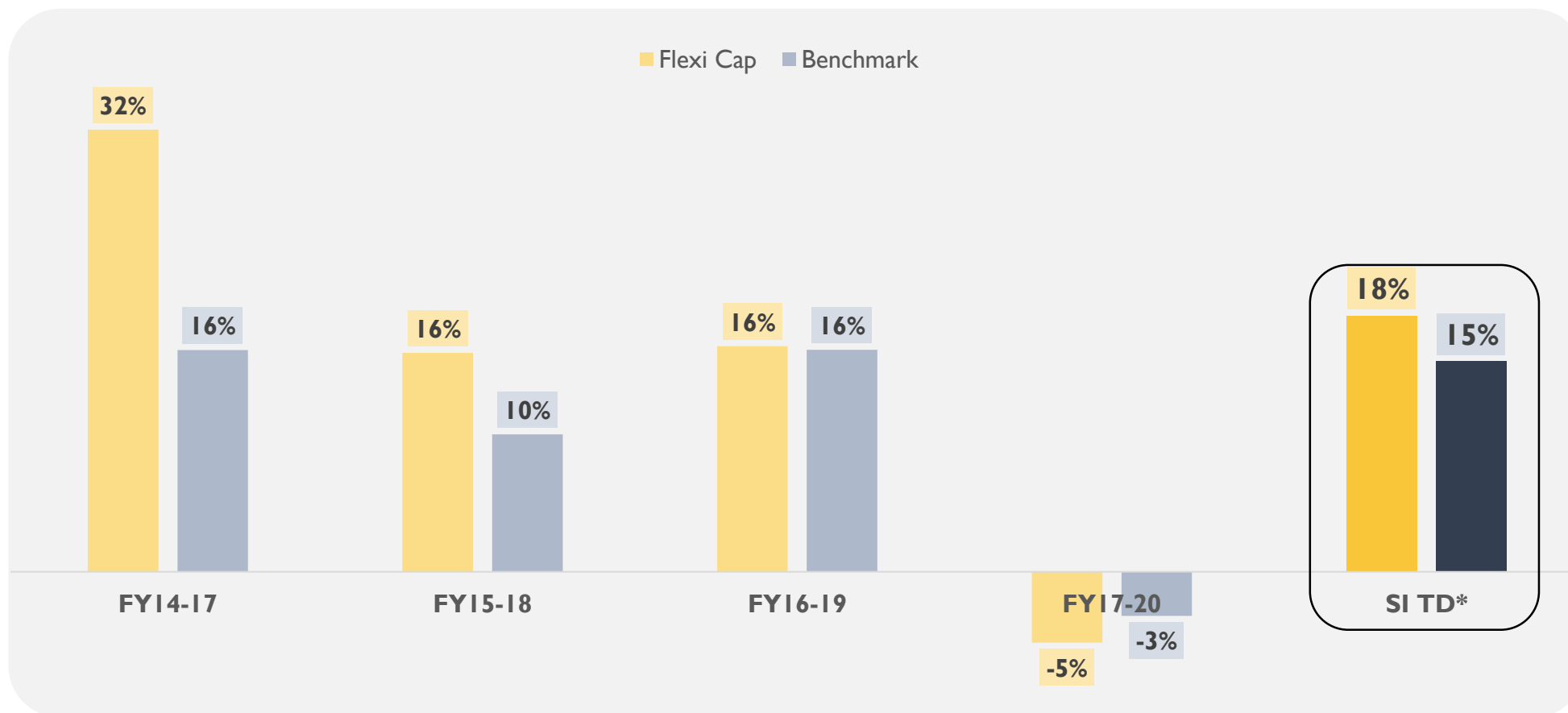


F35	3.4x
Benchmark	2.8x
Post Fees Excess	0.6x

SI Returns (CAGR)	
F35	18%
Benchmark	15%
Alpha	3%

Robust returns and outperformance

3 year rolling returns of portfolio and benchmark



**Since Inception
returns of 18%
&
Alpha of 3%**

Source: MOAMC Internal Research, Data as on July 31,, 2021

Disclaimer: Past performance may or may not be sustained in future. The above graph is used to explain the concept and is for illustration purpose only and should not used for development or implementation of an investment strategy.

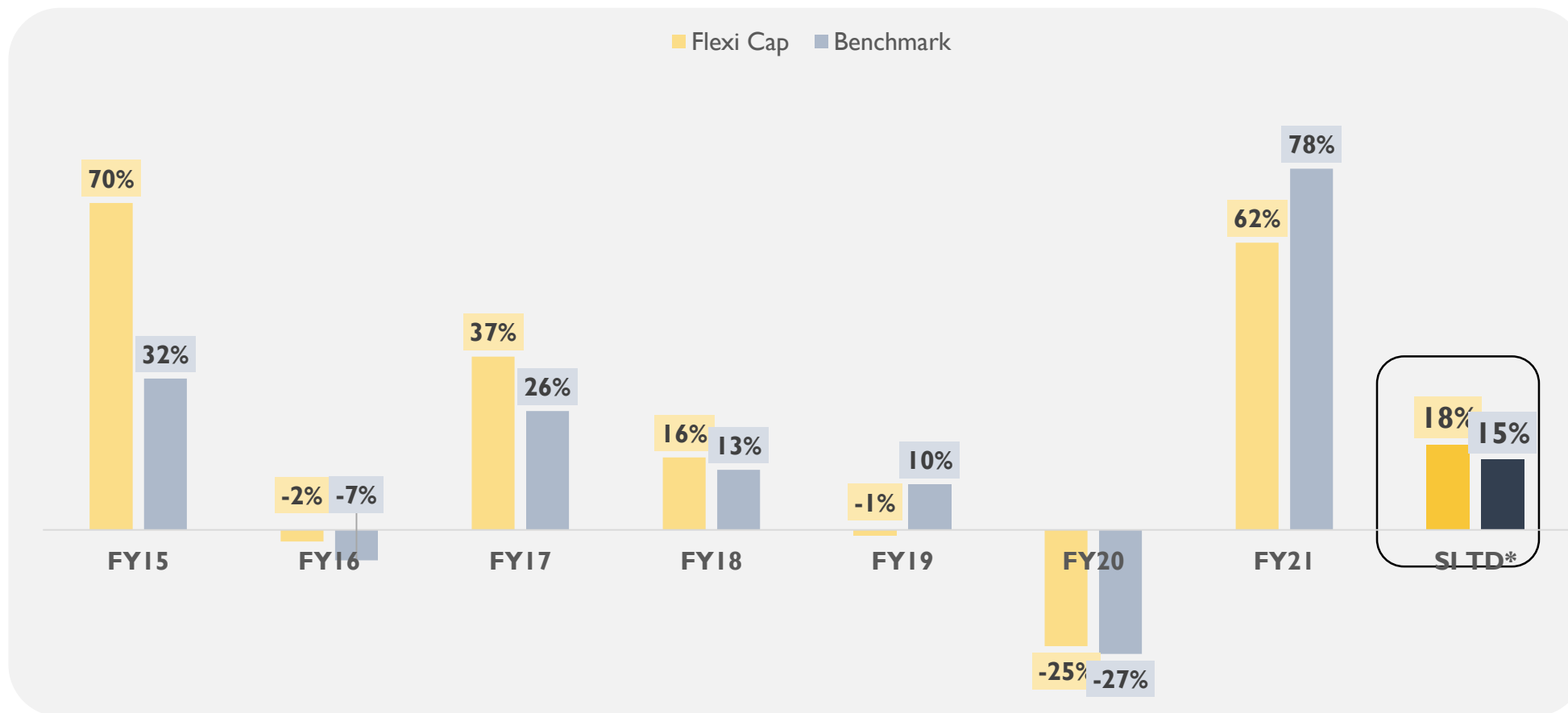
THINK EQUITY
THINK MOTILAL OSWAL

MOTILAL OSWAL
ASSET MANAGEMENT

BUY RIGHT
SIT TIGHT

Outperformed the benchmark in 5 of 7 years

Annual returns of portfolio and benchmark



**Outperformed
the benchmark in
5 of 7 years**

*SI TD returns are from inception to 31-Jul-2021

Source: MOAMC Internal Research, Data as on 31 July 2021

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THINK EQUITY
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ASSET MANAGEMENT

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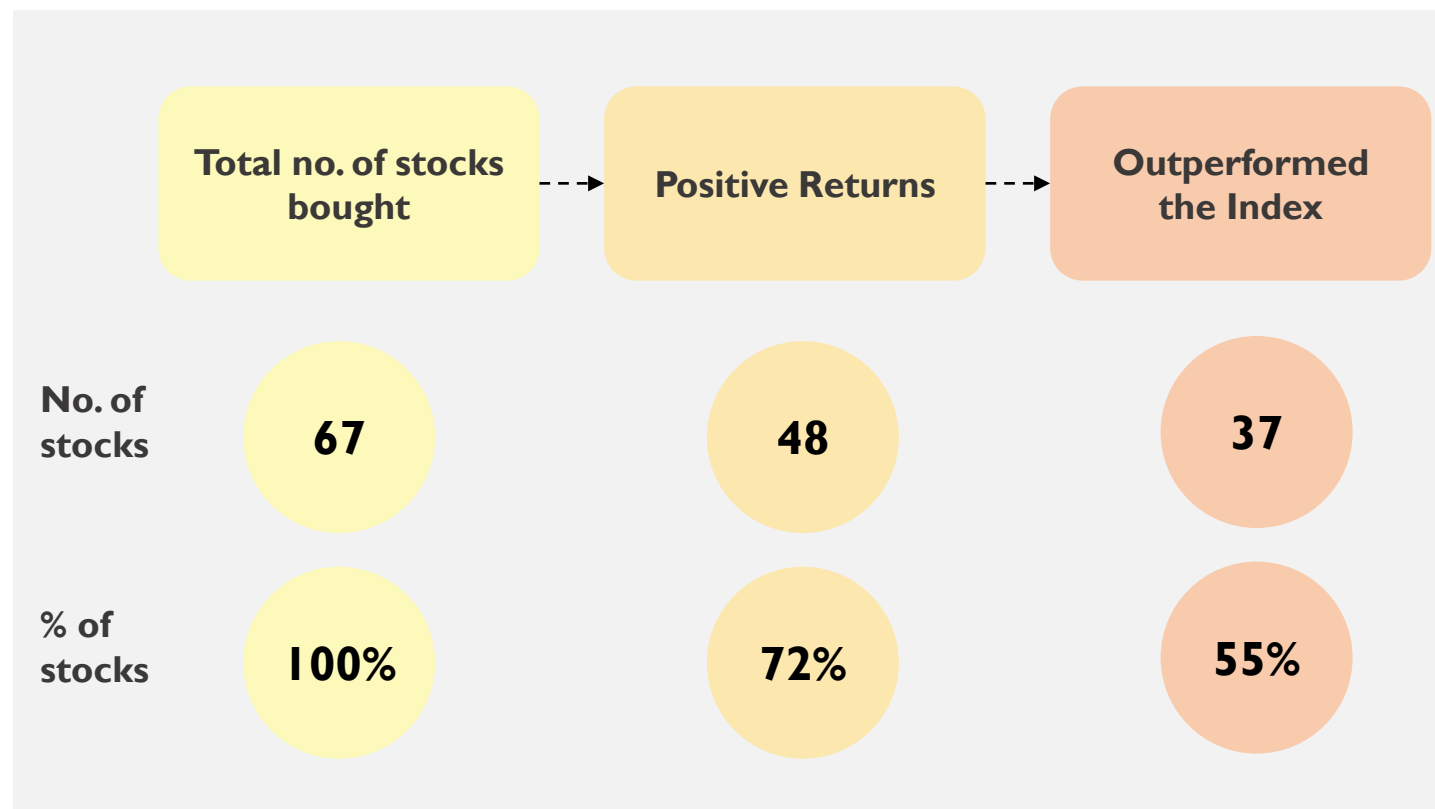
Strike rate of stock picking & Portfolio Multi-baggers

More number of outperformance versus benchmark

67 stocks purchased

72% delivered positive returns

55% outperformed the benchmark



Note – Returns are calculated based on first purchase price till the time they were held in the portfolio.

Source: MOAMC Internal Research, Data as on 30th June, 2020

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Portfolio multi-baggers: Since date of first purchase

	Above average RoE	Strong PAT CAGR	Stock Price CAGR	Alpha CAGR
Bajaj Finance	20%	42%	38%	32%
HDFC Life	24%	8%	19%	29%
ICICI Lombard	21%	18%	21%	29%
Britannia Inds	39%	15%	22%	21%
Vaibhav Global	25%	36%	138%	128%

Source: MOAMC internal research. The Stocks/Sectors mentioned above are used to explain the concept and is for illustration purpose only and should not be used for development or implementation of any investment strategy. It should not be construed as investment advice to any party. The stocks may or may not be part of our portfolio/strategy/ schemes. Past performance may or may not be sustained in future

Portfolio Strategy



High conviction portfolio



Themes and Ideas

Survivors in a tough cycle = Winners of tomorrow

Competitive positioning of portfolio companies

~ 60% of the portfolio consists of market leaders in their respective segment



- Focused on investing in industry leaders, positioned to benefit from market consolidation
- Identifying companies with competitive advantages that can enable sustained profitability

Source: MOAMC internal research. Data as on July 31, 2021

A portfolio well positioned to identify market leaders across market capitalization and sector.

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The leader ‘full’ portfolio – concentrated among market leaders

Identifying market leaders across sectors and market capitalization

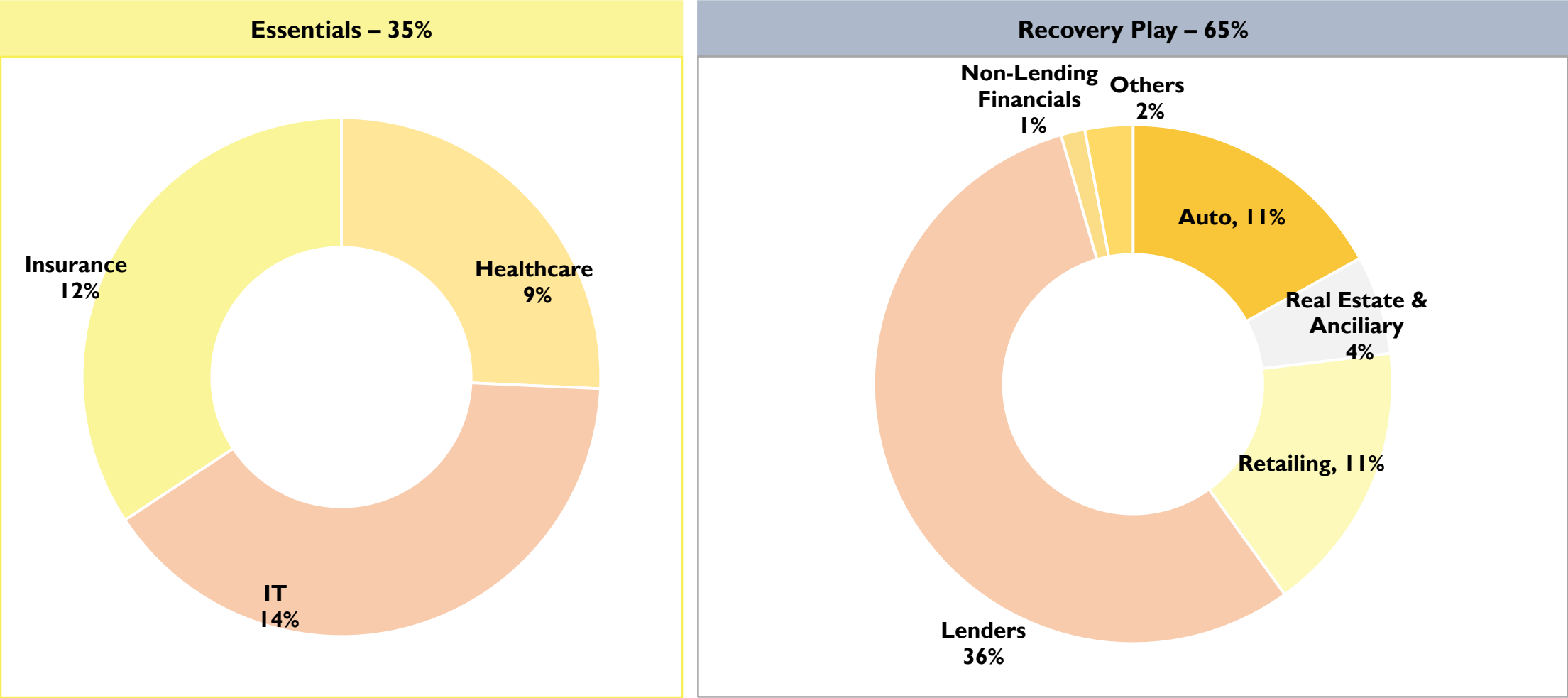
SBI	AU Small Finance	Bajaj Finance	HDFC	Ultra Tech	Vaibhav Global	TCS
Coromandel	Eicher Motors	HDFC AMC	Zomato Limited	HDFC Life Insurance.	Muthoot Finance	Maruti Suzuki
ICICI Lombard.						

15 out of 27 stocks enjoy competitive leadership in their respective fields

Alkem Labs	Kotak Mahindra Bank Limited	Infosys Ltd
Max Financial Services	SBI Cards & Payment	HCL Technologies Ltd.
ICICI Bank	SBI Life Insurance	Gland Pharma
Bajaj Auto	HDFC Bank	L&T

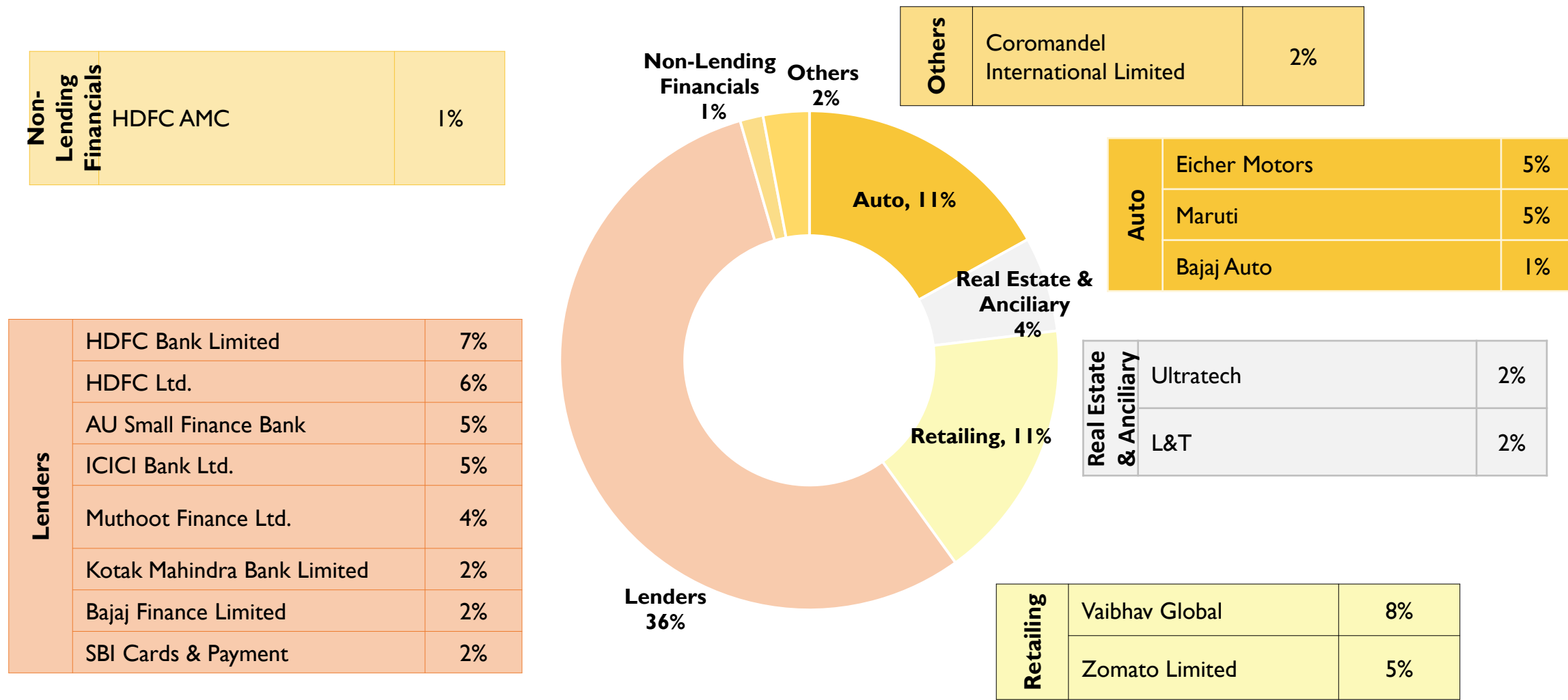
12 out of 27 stocks feature in the top 5 competitive position in their respective fields

Focused on Economic Recovery, balanced by Essentials



Data as on 31st July ,2021
Source: MOAMC internal research. The Stocks/Sectors mentioned above are used to explain the concept and is for illustration purpose only and should not be used for development or implementation of any investment strategy. It should not be construed as investment advice to any party. The stocks may or may not be part of our portfolio/strategy/ schemes. Past performance may or may not be sustained in future

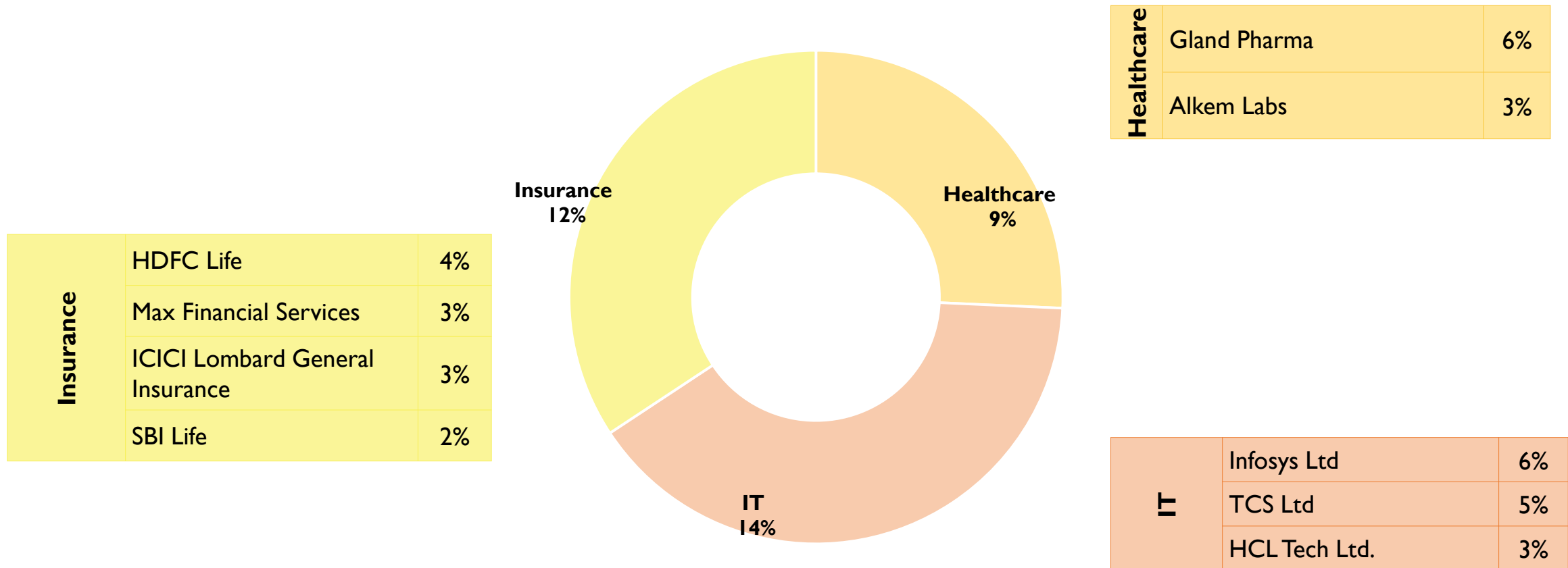
65% of the portfolio is allocated towards beneficiaries of economic recovery



Data as on 31st July 2021

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While 35% of the portfolio remains invested in essentials



Data as on 31st July 2021

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Portfolio Themes

Value Migration

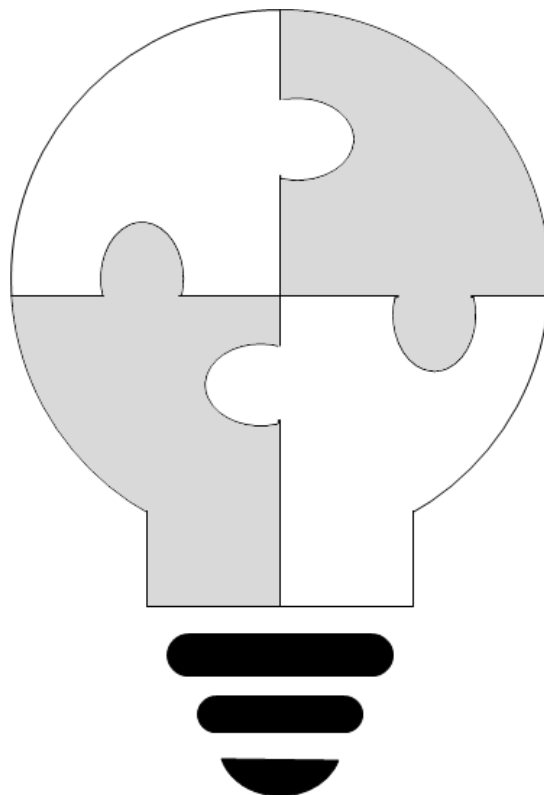
Private sector to gain market share from public sector

Kotak Bank, HDFC Bank, ICICI Lombard

Demographic / Lifestyle

Growth from urbanization and changing consumer trends

Eicher Motors, Bajaj Auto



Financialization of Savings

Greater allocation to financial assets over real assets

HDFC Life, HDFC AMC, Max Life

Reforms – GST, RERA, IBC

Business migration from Unorganized to Organized

Bajaj Finance, HDFC AMC

The proof of the pudding is in the eating

Key Ratios

19%

RoE

28%

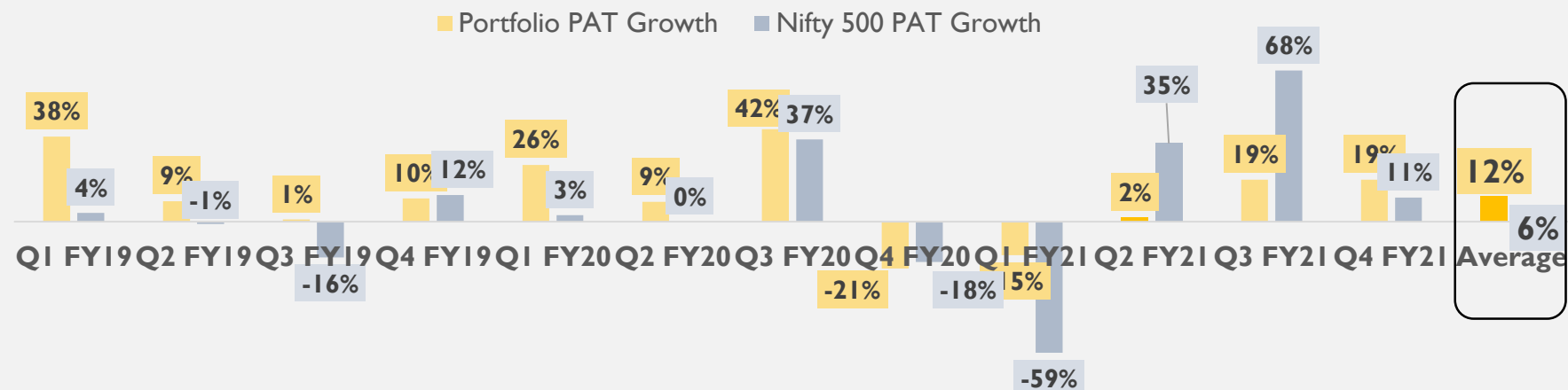
RoCE*

0.0

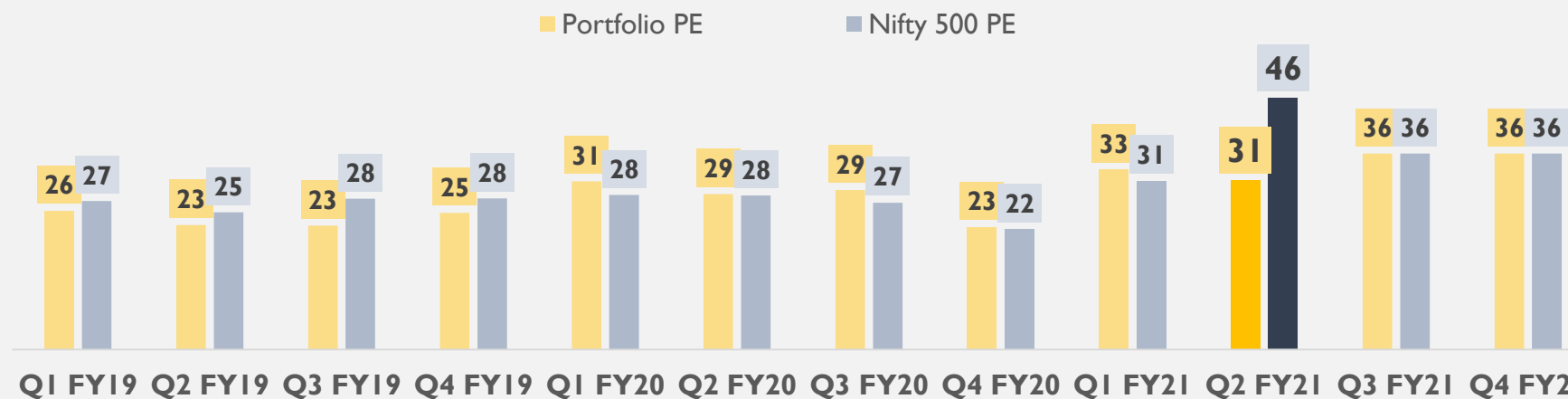
Debt / Equity*

* BFSI companies are excluded

Portfolio earnings growth outstrip the benchmark by 10% on average



Cheaper valuations compared to the benchmark^



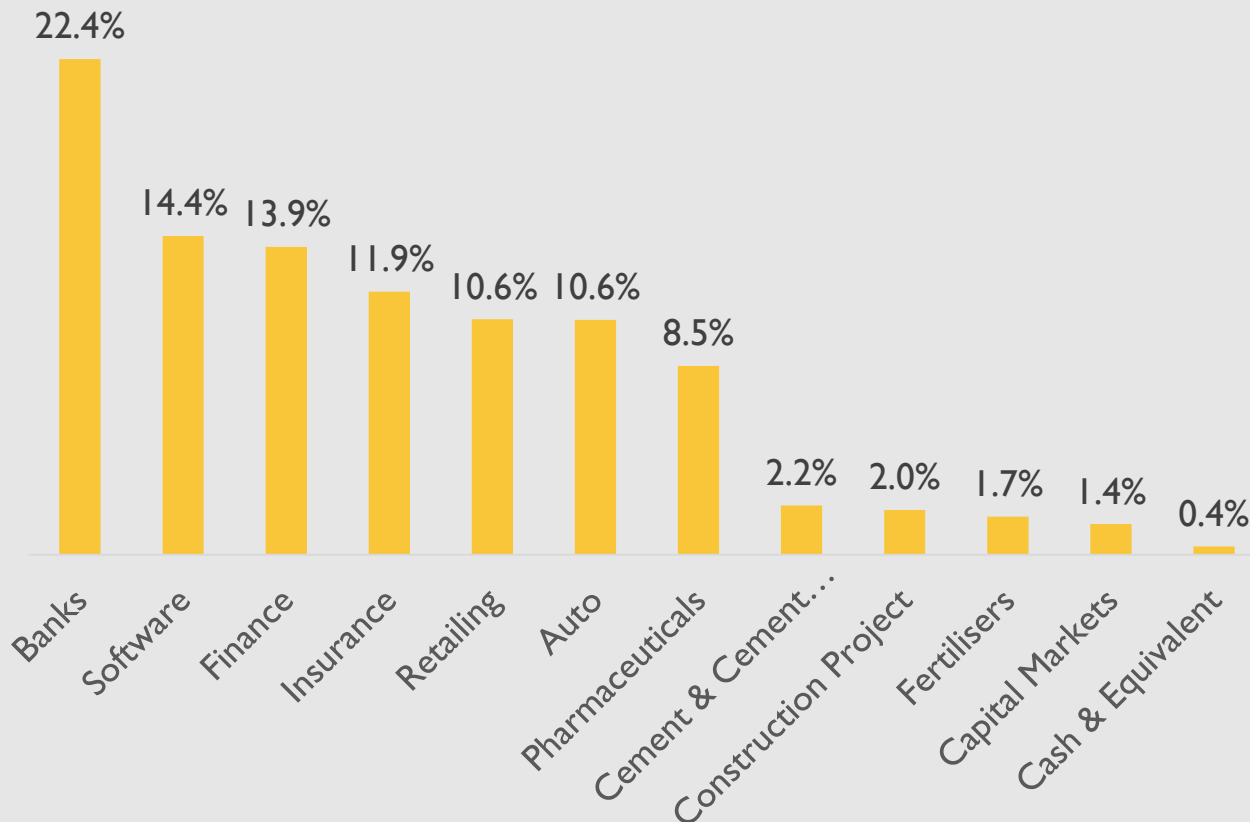
^ Weightages and prices are as on last date of the quarter. Loss making companies are excluded

Continue legacy of consistent compounding

Ready for the returns of Quality Investing

What are the fund holdings?

Industry Allocation



Industry classification as recommended by AMFI

Portfolio Ratios

Beta	1.0
Portfolio Turnover Ratio	0.4
Standard Deviation	22.2
Sharpe Ratio#*	0.2

Data as on July 31, 2021

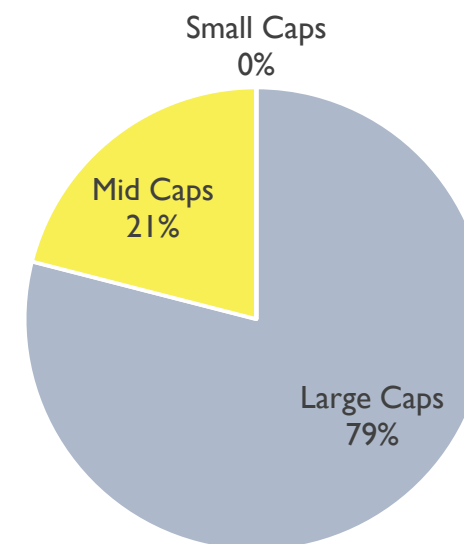
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What are the fund holdings?

Top 10 Gross Equity Holdings

Script	Weightage (%)
Vaibhav Global Limited	7.8%
HDFC Bank Limited	6.6%
Infosys Limited	6.4%
Gland Pharma Limited	5.9%
Housing Development Finance Corporation Limited	5.7%
AU Small Finance Bank Limited	5.1%
ICICI Bank Limited	4.9%
Tata Consultancy Services Limited	4.8%
Maruti Suzuki India Limited	4.8%
HDFC Life Insurance Company Limited	4.4%
Total	56.1%

Market Capitalization



Data as on July 31, 2021

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How has the fund performed?

Point to Point Returns (%)	1 Year		3 years		5 years		Since Inception	
	CAGR (%)	Rs. 10000	CAGR (%)	Rs. 10000	CAGR (%)	Rs. 10000	CAGR (%)	Rs. 10000
Motilal Oswal Flexi cap Fund (F35)	37.6	13,752	8.2	12,657	11.7	17,372	18.5	34,264
Nifty 500 TRI (Benchmark)	53.1	15,289	13.6	14,643	14.6	19,767	15.2	27,971
Nifty 50 TRI (Additional Index)	44.3	14,416	12.9	14,391	14.2	19,419	13.8	25,587

SIP Performance (%)	1 Year			3 years			5 Years			Since Inception		
	F35	Benchmark	Additional Benchmark	F35	Benchmark	Additional Benchmark	F35	Benchmark	Additional Benchmark	F35	Benchmark	Additional Benchmark
Investment Amount	120,000			360,000			600,000			870,000		
Market Value	142,534	149,042	143,246	474,017	519,638	497,091	822,982	932,820	914,031	1,425,836	1,535,159	1,489,071
Returns (CAGR)%	36.9	48.2	38.1	18.8	25.4	22.2	12.6	17.7	16.9	13.4	15.4	14.5

Data as on July 31, 2021

Date of inception: 28-Apr-2014. In case, the start/end date of the concerned period is non business date (NBD), the NAV of the previous date is considered for computation of returns. The NAV per unit shown in the table is as on the start date of the said period. Past performance may or may not be sustained in the future.

Mr. Siddharth Bothra for equity component with effect from 19-May-2020. Mr. Abhiroop Mukherjee is the Fund Manager for debt component since inception. Mr. Herin Visaria is the Fund Manager for foreign securities component with effect from 26-July-2019

Kindly refer to the factsheet for performance of other schemes managed by the fund managers: <https://www.motilaloswalmf.com/downloads/mutual-fund/Factsheet>

Fund Managers



For Equity Component: Mr. Siddharth Bothra

- **Rich Experience:** Mr Siddharth Bothra has an experience of more than 13 years in the field of research and investments
- **Experience across sectors:** Prior to joining Motilal Oswal AMC he had an extensive stint with Motilal Oswal Securities Ltd. as a senior analyst in the institutional equities division covering various sectors
- **Awards won:** During his stint with Motilal Oswal Securities Ltd. Mr. Bothra won various recognitions such as the ZEE Business TV - India's Best Analyst Awards 2009 Infrastructure, ET Reuters Starmine Awards No.1 Earnings Estimator 2009 Real Estate & No. 2 Stock Picker 2010 Real Estate
- **Excellent academic background:** Honors degree of MBA (Post Graduate Program) from ISB (Indian School of Business, Hyderabad), MBA International Student Exchange NYU Stern School of Business (New York) and B.Com (Honors)
- **Funds managed:** Motilal Oswal Focused 25 Fund, Motilal Oswal Equity Hybrid Fund, Motilal Oswal Multi Asset Fund, Motilal Oswal Flexi Cap Fund and Motilal Oswal Dynamic Fund

Fund Managers



For Debt Component: **Mr. Abhiroop Mukherjee**

- **Rich Experience:** Over 11 years of experience in the Debt and Money Market Instruments Securities trading and fund management
- **Prestigious past experience:** His past experience includes stint at PNG Gilts as AVP-WDM dealer
- **Excellent academic background:** B.Com (Honours) and PGDM (Finance)
- **Funds managed:**
 - Fund Manager - Motilal Oswal Ultra Short Term Fund and Motilal Oswal Liquid Fund
 - Fund Manager for Debt Component Motilal Oswal Focused 25 Fund, Motilal Oswal Midcap 30 Fund, Motilal Oswal Multicap 35 Fund, Motilal Oswal Long Term Equity Fund, Motilal Oswal Dynamic Fund, Motilal Oswal Nasdaq Fund of Fund, Motilal Oswal S&P 500 Fund, Motilal Oswal Large and Midcap Fund, Motilal Oswal Multi Asset Fund, Motilal Oswal Equity Hybrid Fund, Motilal Oswal 5 Year G-sec Fund, Motilal Oswal Asset Allocation Passive Fund of Fund – Conservative and Motilal Oswal Asset Allocation Passive Fund of Fund - Aggressive

Fund Facts

Type of the Scheme	Flexi cap Fund - An open ended equity scheme investing across large cap, mid cap, small cap stocks																				
Category of the Scheme	Flexi cap																				
Investment Objective	The investment objective of the Scheme is to achieve long term capital appreciation by primarily investing in a maximum of 35 equity & equity related instruments across sectors and market-capitalization levels.																				
Benchmark	Nifty 500 TRI																				
Entry / Exit Load	Entry : Nil Exit : 1% - - If redeemed on or before 15 days from the date of allotment. Nil - If redeemed after 15 days from the date of allotment. A switch-out or a withdrawal shall also be subjected to the Exit Load like any Redemption. No Exit Load applies for switch between MOF25, MOF30, MOMAF, MOFEH & MOFDYNAMIC. No Load for switch between Options within the Scheme. Further, it is clarified that there will be no exit load charged on a switch-out from Regular to Direct plan within the same scheme.																				
Asset Allocation	<table border="1"> <thead> <tr> <th rowspan="2">Instrument</th><th colspan="2">Indicative Asset Allocation (% of Total Assets)</th><th rowspan="2">Risk Profile</th></tr> <tr> <th>Minimum</th><th>Maximum</th></tr> </thead> <tbody> <tr> <td>Equity and equity related instruments</td><td>65</td><td>100</td><td>High</td></tr> <tr> <td>Equity Derivatives</td><td>0</td><td>35</td><td>Low to Medium</td></tr> <tr> <td>Debt Instruments, Money Market Instruments, G-Sec, Cash and Cash at Call, etc.</td><td>0</td><td>35</td><td>Low to Medium</td></tr> </tbody> </table>			Instrument	Indicative Asset Allocation (% of Total Assets)		Risk Profile	Minimum	Maximum	Equity and equity related instruments	65	100	High	Equity Derivatives	0	35	Low to Medium	Debt Instruments, Money Market Instruments, G-Sec, Cash and Cash at Call, etc.	0	35	Low to Medium
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Fund Facts

Plans	Regular Plan and Direct Plan		
Options (Under each plan):	Dividend (Payout and Reinvestment) and Growth		
Minimum Application Amount:	Rs. 500/- and in multiples of Re. 1/- thereafter		
Additional Application Amount:	Rs. 500/- and in multiples of Re. 1/- thereafter		
Systematic Investment Plan (SIP)	Weekly SIP	Rs. 500 and in multiples of Re.1/- thereafter (Minimum installment – 12)	
	Fortnightly SIP		
	Monthly SIP		
	Quarterly SIP	Rs. 1,500 and in multiples of Re.1/- thereafter (Minimum Installment – 4)	
	Annual SIP	Rs. 6,000 and in multiples of Re. 1/- thereaer (Minimum Installment – 1)	
	The Dates of Auto Debit Facility shall be on the 1st , 7 th , 14 th ,21st or 28 th of every month.		
Minimum Redemption Amount	Rs. 500/- and in multiples of Re. 1/- thereafter or account balance, whichever is lower		
Fund Manager	For Equity Component:	For Foreign Securities:	Fund Manager - Debt Component
	Mr.Akash Singhania	Mr. Herin Vesaria	Mr.Abhiroop Mukherjee
	Experience: 14 years	Experience: 11 years	Experience: 11 years

Disclaimer

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Mutual fund investments are subject to market risks, read all scheme related documents carefully.

For any Mutual Fund queries, please call us on +91 81086 22222 /+91 22 40548002 (Press 1) or write to mfservice@molaloswal.com

Product Labelling

Name of the scheme	This product is suitable for investors who are seeking*	Riskometer
Motilal Oswal Flexi Cap (MOF35) Fund - An open ended dynamic equity scheme investing across large cap, mid cap, small cap stocks	<ul style="list-style-type: none">• Long-term capital growth• Investment in a maximum of 35 equity and equity related instruments across sectors and market capitalization levels	 <p>The Riskometer is a semi-circular gauge with five segments labeled from left to right: Low, Low to Moderate, Moderate, Moderately High, and High. Below the gauge, the needle points to the 'Very High' risk level, which is indicated by a label on the right side of the gauge. The text 'Investors understand that their principal will be at Very High risk' is written below the gauge.</p>

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Thank You!