

April 2021 (Data as on 31<sup>st</sup> March 2021. Inception date - 05<sup>th</sup> February 2018)



## INVESTMENT APPROACH

**Strategy Name:** India Opportunity Portfolio Strategy - V2

**Investment Objective:** The Strategy aims to deliver superior returns by investing in stocks from sectors that can benefit from India's emerging businesses. It aims to predominantly invest in Small and Midcap stocks with a focus on identifying potential winners. Focus on Sectors and Companies which promise a higher than average growth.

**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

**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 Horizon:** Medium to Long term



## KEY FEATURES & PORTFOLIO ATTRIBUTES

Small cap oriented concentrated portfolio of 21 stocks investing in companies with high growth profile

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

Newly ideated portfolio in 2018 amidst difficult market conditions, yet giving an outperformance of 5.2% (CAGR) over the benchmark

Index agnostic: ~ 90% away from benchmark Nifty Smallcap 100

The portfolio is a play on the Consumer Discretionary, NBFC and Software



## PORTFOLIO ACTIONS IN LAST 6 MONTHS

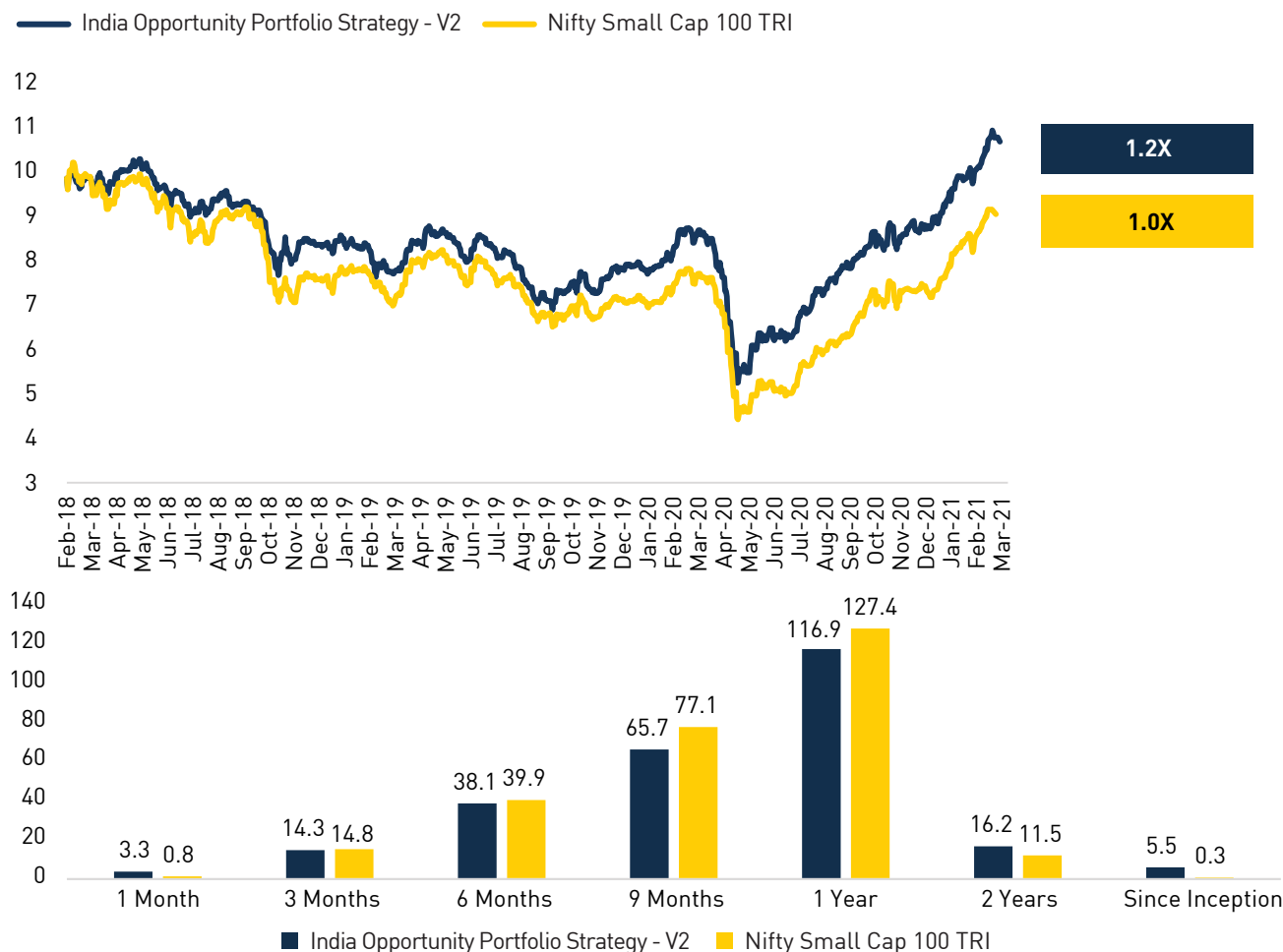
**Companies Added:** Kajaria Ceramics Ltd., V I P Industries Ltd., Bluedart Express Ltd.

**Companies Exited:** Reliance Industries Ltd., Bajaj Electricals Ltd.



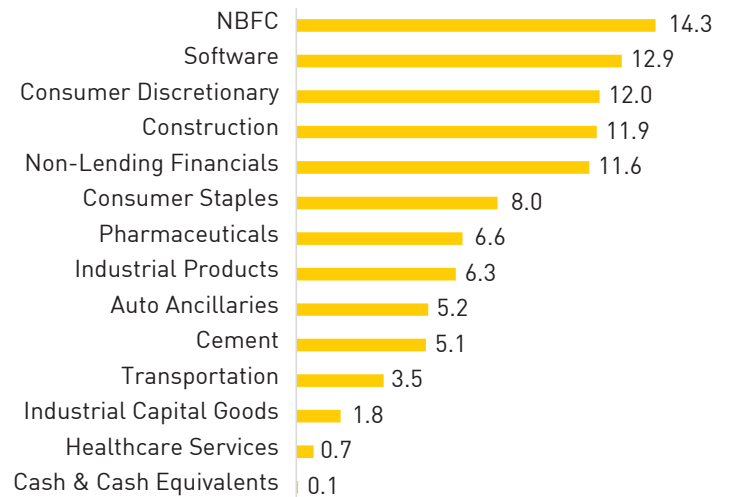
## PERFORMANCE SINCE INCEPTION

One lac invested in the strategy on 5th Feb 2018 would have grown to ₹ ~1.2 lacs today against ~1 lacs invested in Benchmark



## TOP 10 HOLDINGS & SECTORAL ALLOCATION

Scrip Name	(%) of Holding
Larsen & Toubro Infotech Ltd.	11.9
Cholamandalam Investment and Finance Co. Ltd.	11.7
Central Depository Services (India) Ltd.	8.3
Kajaria Ceramics Ltd.	7.1
Ipca Laboratories Ltd.	6.6
Sundram Fasteners Ltd.	5.2
JK Lakshmi Cement Ltd.	5.1
Godrej Agrovet Ltd.	5.0
Century Plyboards (India) Ltd.	4.9
Sobha Ltd.	4.8



## STRATEGY CONTRIBUTORS (1 Year Trailing 31<sup>st</sup> Mar 2021)

Top 5	Contribution
Larsen & Toubro Infotech Ltd.	18.1%
Cholamandalam Investment & Finance Co. Ltd.	16.3%
Central Depository Services (India) Ltd.	12.3%
Bajaj Electricals Ltd.	12.1%
Reliance Industries Ltd.	10.3%

Bottom 5	Contribution
Coffee Day Enterprises Ltd.	-0.4%
VIP Industries Ltd.	-0.3%
Accelya Solutions India Ltd.	0.3%
Blue Dart Express Ltd.	0.9%
Shalby Ltd.	1.0%

## RISK RATIOS

1 Year Data	Strategy	Benchmark
Churn Ratio	18.3%	-
Standard Deviation	20.9%	21.6%
Beta	0.84	1
Sharpe Ratio	5.10	5.92

## PORTFOLIO FUNDAMENTALS & MARKET CAP

Market Cap	Weightage
Large Cap	11.93%
Mid Cap	34.67%
Small Cap	53.34%
Cash & Equivalents	0.07%

	TTM
PAT Growth	9%
RoE	17%
PE	32

## HOW BUY RIGHT : SIT TIGHT WORKS

Company	Initial Purchase Date	Market Cap (Initial Purchase date)*	Market Cap (31 <sup>st</sup> Mar 2021)*	Absolute Growth	CAGR (%)
Bata India	Feb-18	8,780	18,054	2.1X	26%
IPCA Laboratories	Feb-18	7,008	24,133	3.4X	48%

\*Market cap in crores

**Disclaimers and Risk Factors:** IOP V2 Strategy Inception Date: 5th Feb 2018; Data as on 31st March 2021; Data Source: MOAMC Internal Research; RFR: 7.25%; \*Earnings as of Dec 2020 quarter and market price as on 31st March 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)

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