MOTILAL OSWAL ASSET MANAGEMENT

BUY RIGHT SIT TIGHT

Next Trillion Dollar Opportunities Portfolio

Linear GDP growth = Exponential opportunities

May 2021

Next Trillion dollar opportunity is on, QGLP works

India growth story on

Documented Investment Philosophy

Alpha across products

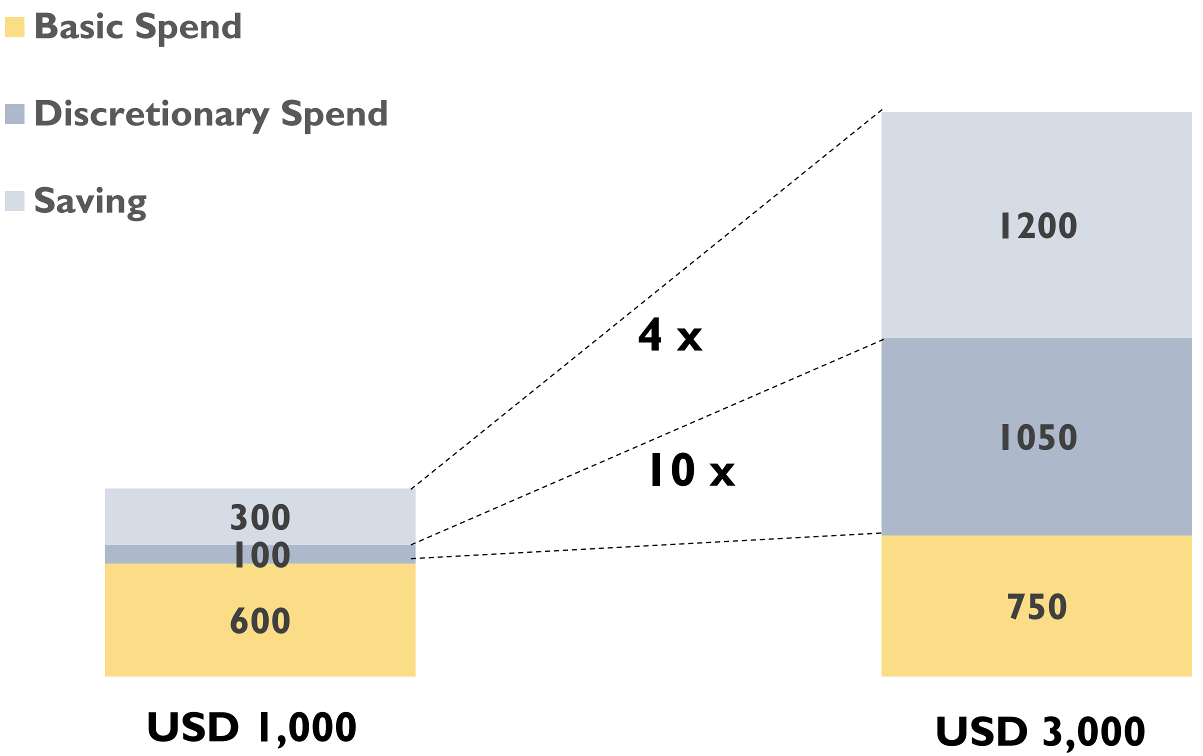
India growth story is on …

- 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.

NTD Framework : Linear growth, Exponential opportunities



Doubling of per capita GDP leads to 10x opportunity in discretionary categories

- Housing
- Consumer Durables
- Autos
- Entertainment
- Travel
- Premium Wear

Higher savings also mean opportunities in:

- Capital Goods
- Infrastructure

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

Our well 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

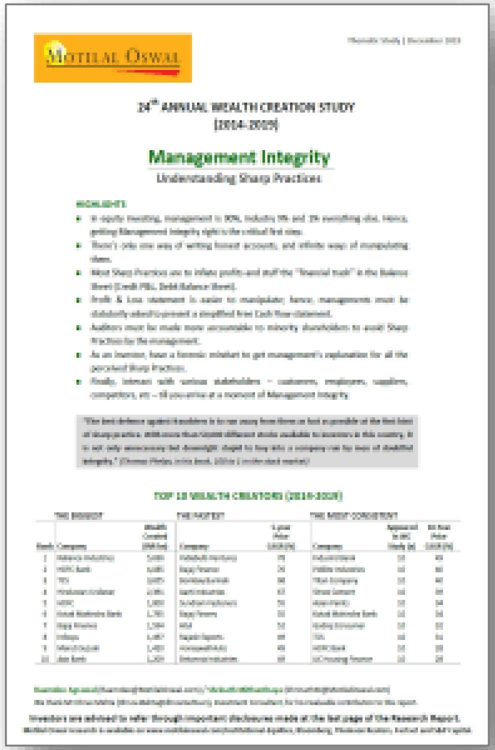
- Long-term relevance of business
- Extending competitive advantage period
- Sustenance of growth momentum

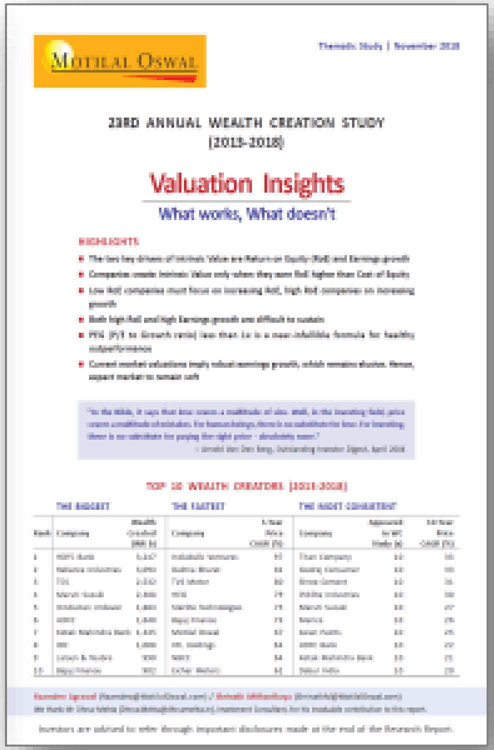
L **P**

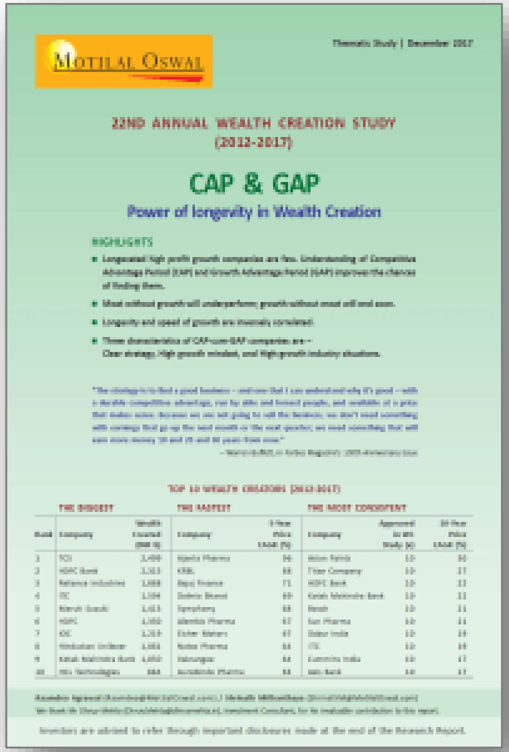
Price

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

25 years of Wealth Creation Studies



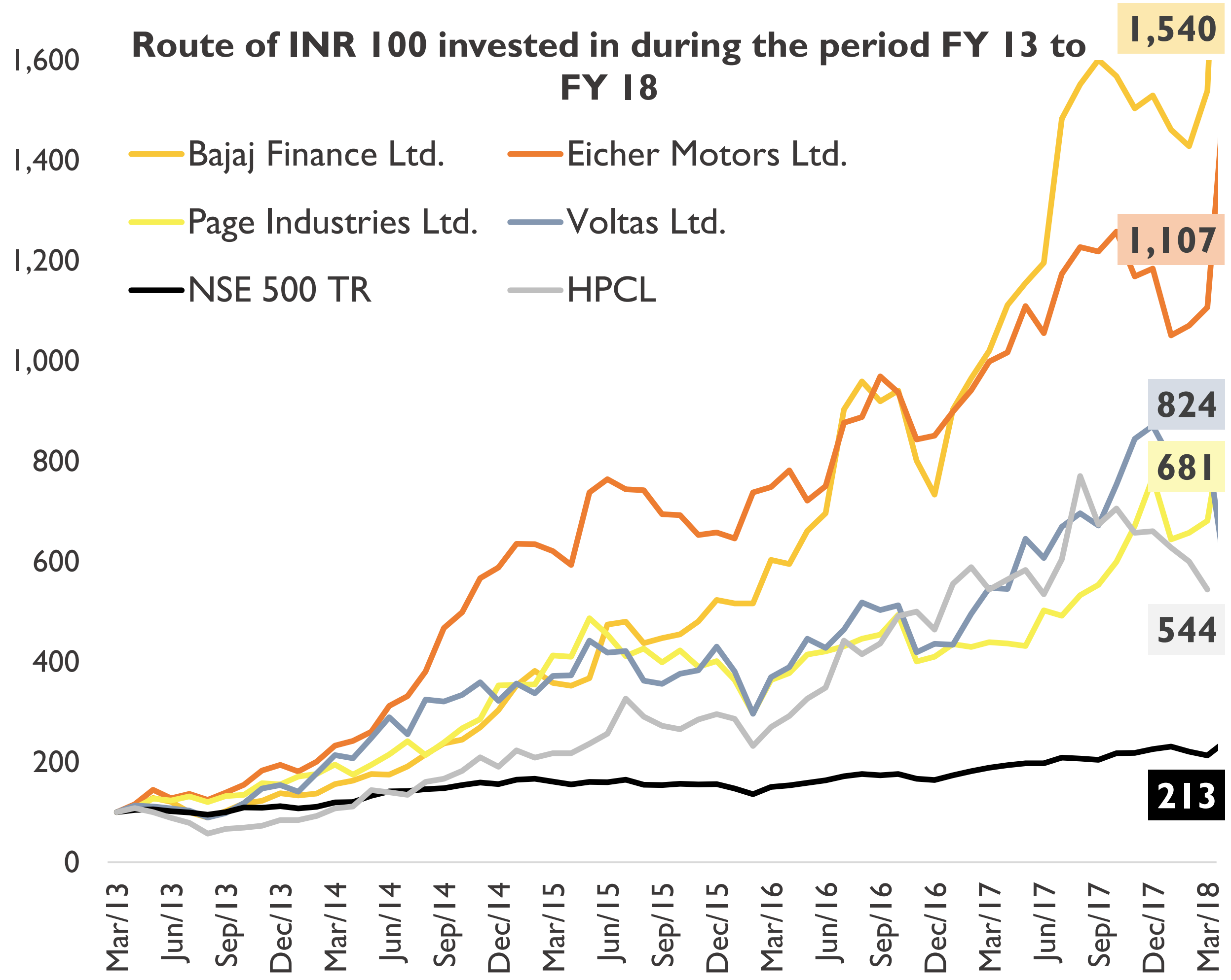




- **Management Integrity – Understanding Sharp practices**
- **Valuation Insights – What Works, What Dosen't**
- **Cap & Gap – Power of Longevity in wealth creation**
- Porter's 5 Forces
- Value Migration
- Great, Good, Gruesome
- Emergence & Endurance
- Next Trillion Dollar Opportunity
- Winner Categories, Category Winners
- Management – 90% rule of investing
- Payback ratio – Market Cap ÷ Next 5 years PAT
- PEG – Trailing P/E to Forward earnings CAGR

NTDOP- Portfolio which has identified multibaggers

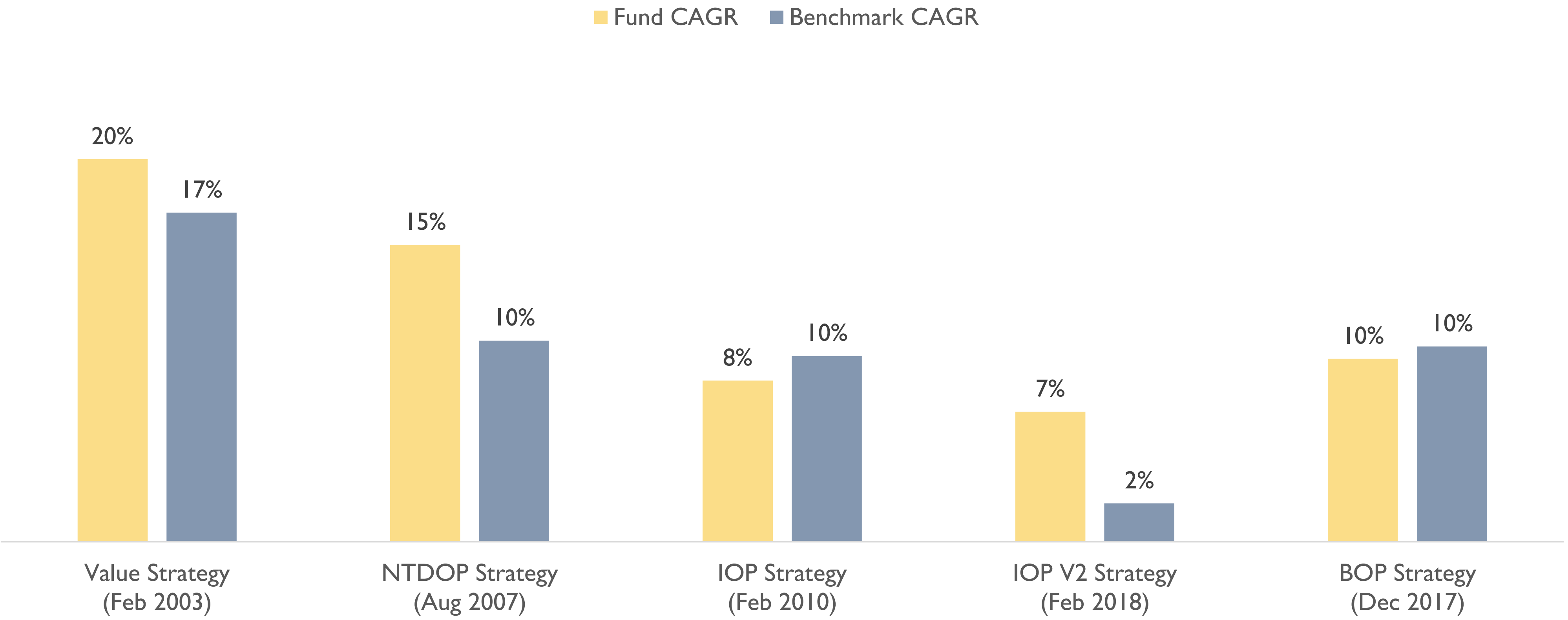
	Above average RoE	Strong PAT CAGR	Price CAGR
Eicher Motors	30%	43%	62%
Page Industries	53%	25%	24%
Bajaj Finance	20%	33%	73%
Voltas	15%	22%	40%
HPCL	21%	70%	40%



Disclaimer: The above chart is used to explain the concept and is for illustration purpose only. The stocks may or may not be part of our portfolio/ strategy/ schemes. 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 works – Healthy Returns across all products since inception

Date of inception in brackets

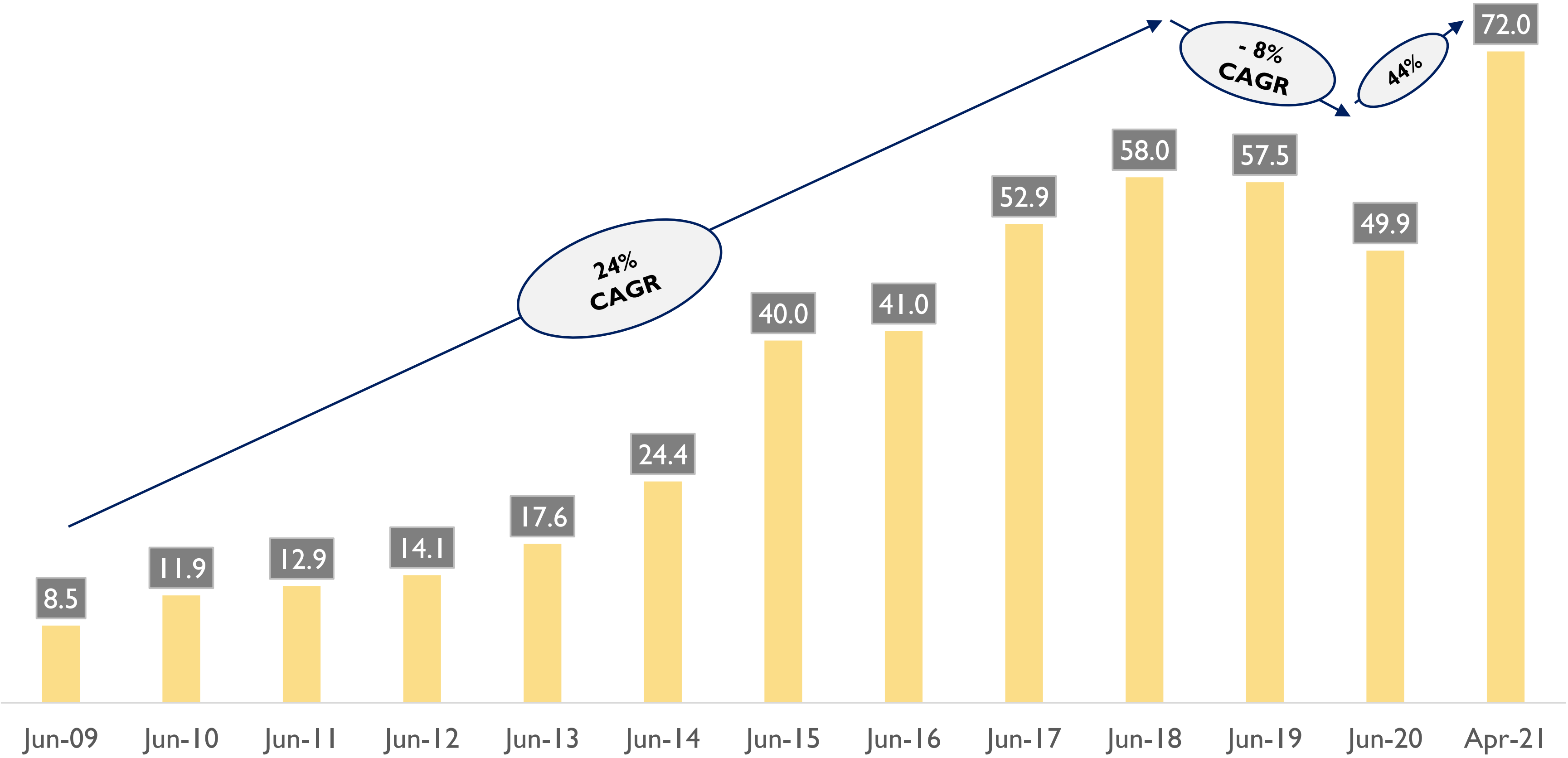


Source: MOAMC Internal Research Data as on 30th Apr 2021

Disclaimer: The above graph/data is used to explain the concept and is for illustration purpose only. The sector 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.

Robust Long Term Compounder – 24% CAGR for 9yrs; 19% for 11.5yrs

- Delivered 24% return CAGR for 9yrs (upto June 2018), followed by 2 yrs of drawdown
- Not a single year of annual NAV drawdown from June 2008 to June 2018.



NTDOP	**7.2x**
Nifty 500 TRI	**3.9x**
Post Fees Excess	**3.4x**

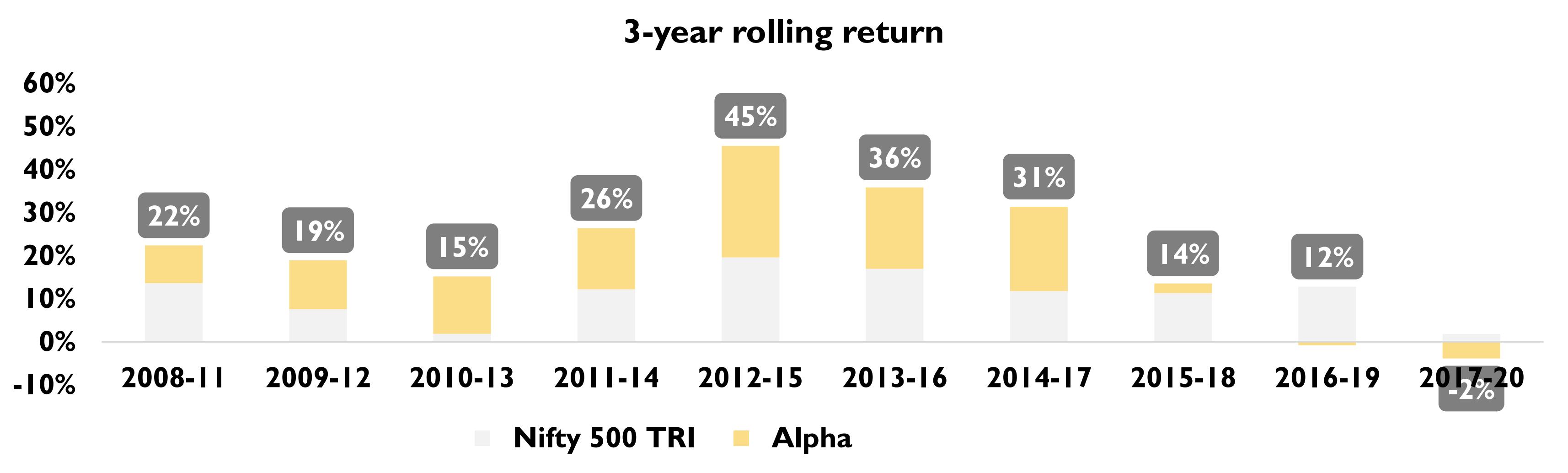
SI Returns (CAGR)	
NTDOP	**15%**
Nifty 500	**10%**
Alpha	**5%**

Source: MOAMC Internal Research, Data as on 30th Apr 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.

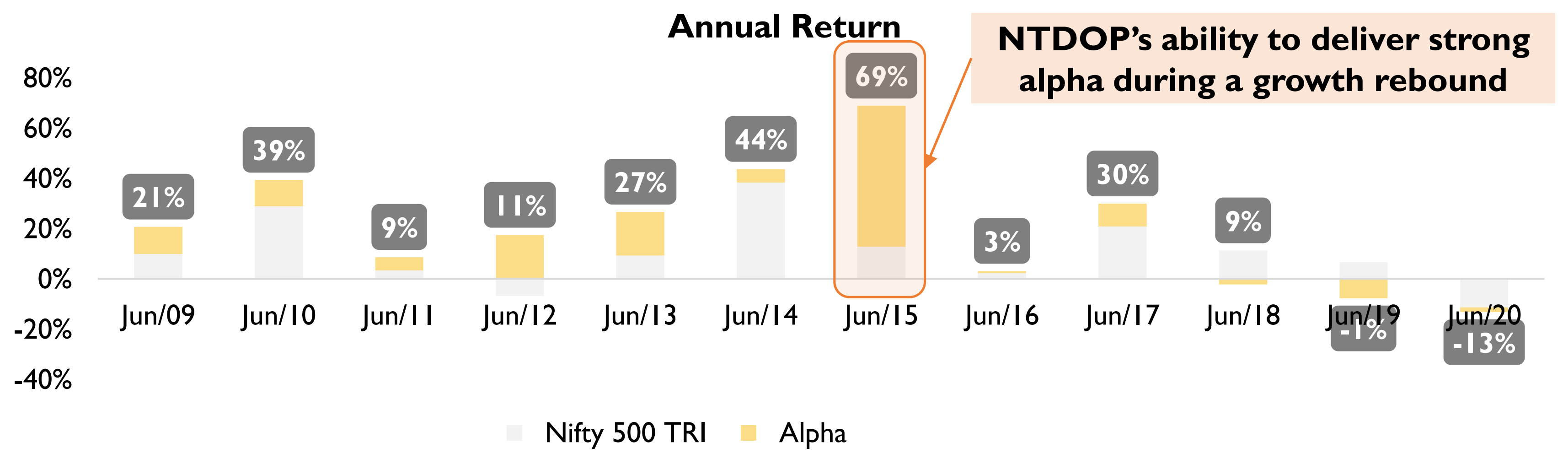
Robust returns with significant outperformance…same manager since inception

12-year return of 19%, Alpha of 9%

Unbroken positive 3-year rolling returns till as recent as June 2019



Positive annual alpha till June-2017

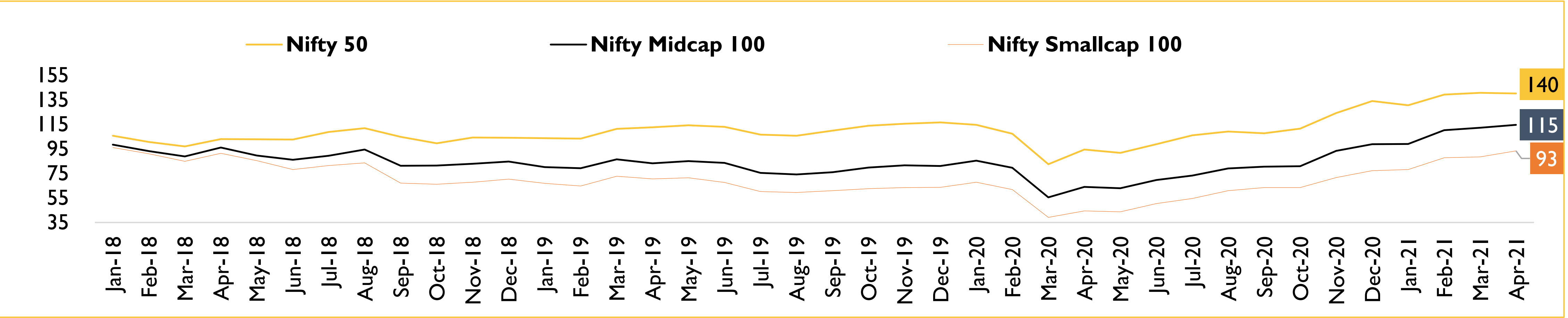


Source: MOAMC Internal Research

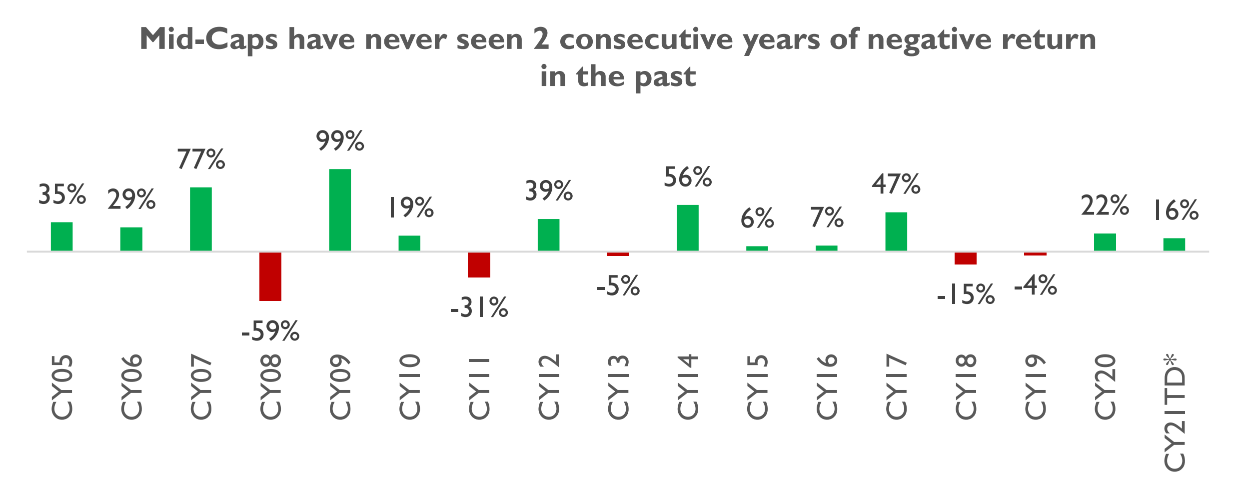
Disclaimer: Past performance may or may not be sustained in future. The above graph is used to explain the concept and is for illustration purpose only and should not used for development or implementation of an investment strategy.

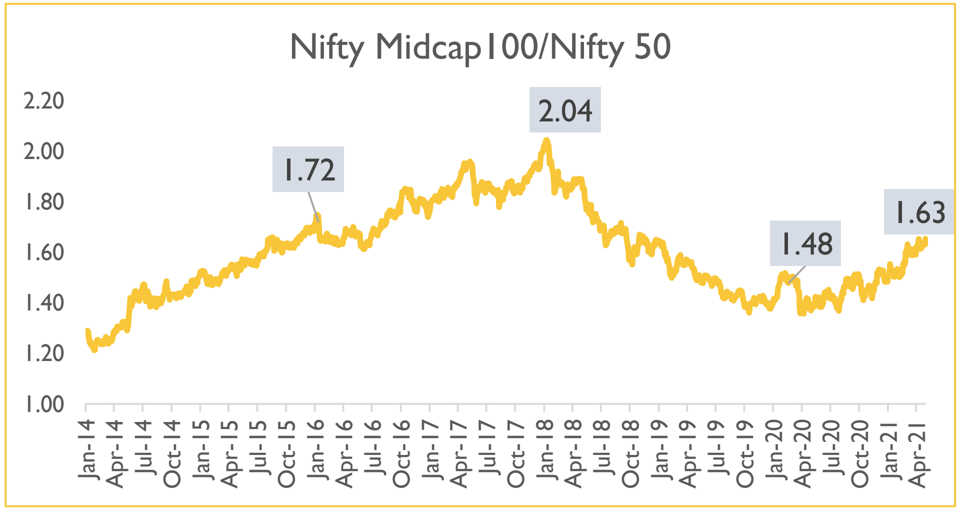
Why Now? - Expect midcaps to bounce back with economic recovery

Large caps have been outperforming small and midcaps for 2 years now …



Midcaps recovered in CY20 post consecutive falls





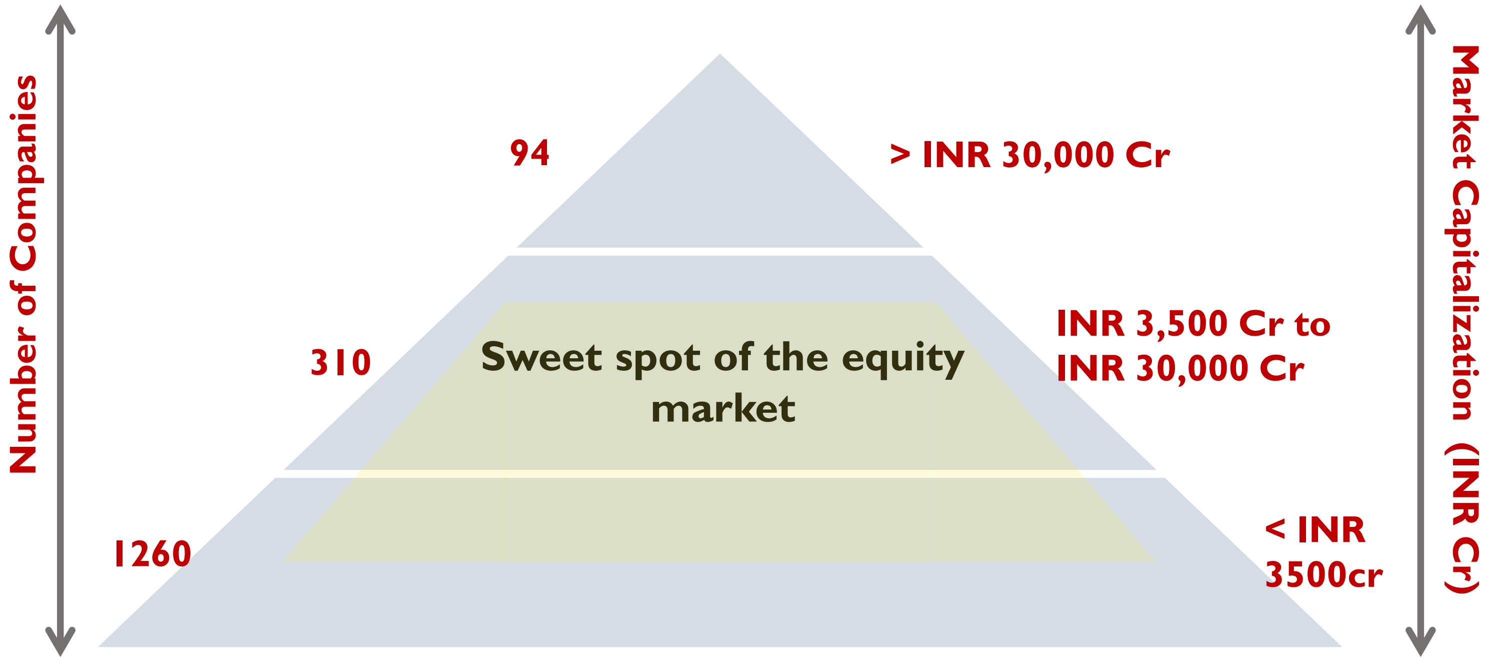
Source: MOAMC Internal Research, Data as on 30th Apr 2021

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.

Why now? – Entering the sweet spot of the market

We believe that INR 3,500 Cr – INR 30,000 Cr market cap is the sweet spot for Indian equities

They can provide excellent balance between strong growth and a demonstrated history of management success



- Extensively researched
- Moderate growth
- High institutional holding

- Under-researched,
- Under- owned
- High growth
- Demonstrated management history

- Many fail at pre-emergence stage
- Business models not established

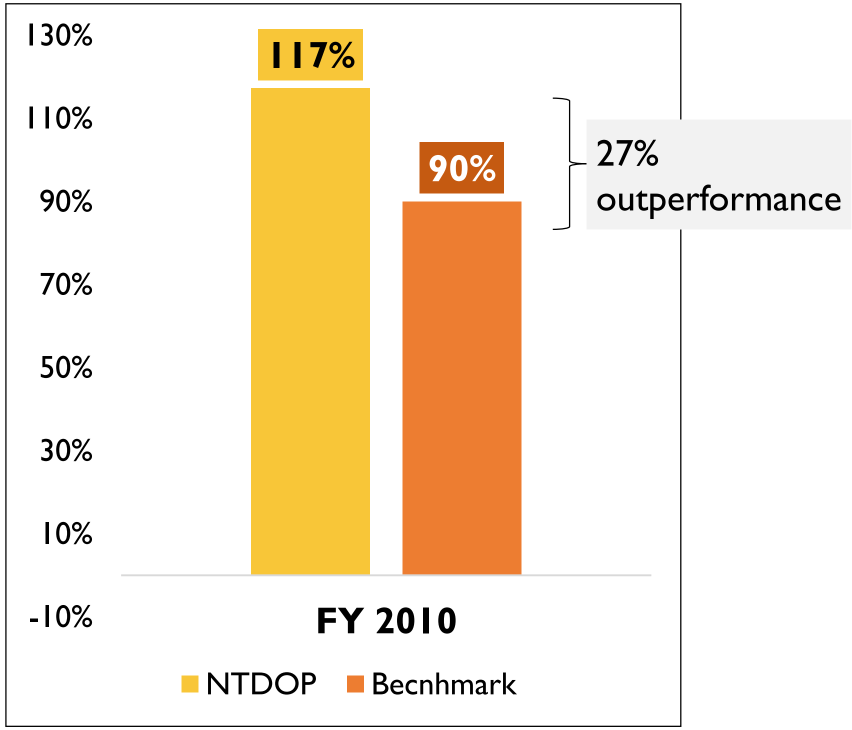
Source: NSEIndia, data as on December 31, 2020

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.

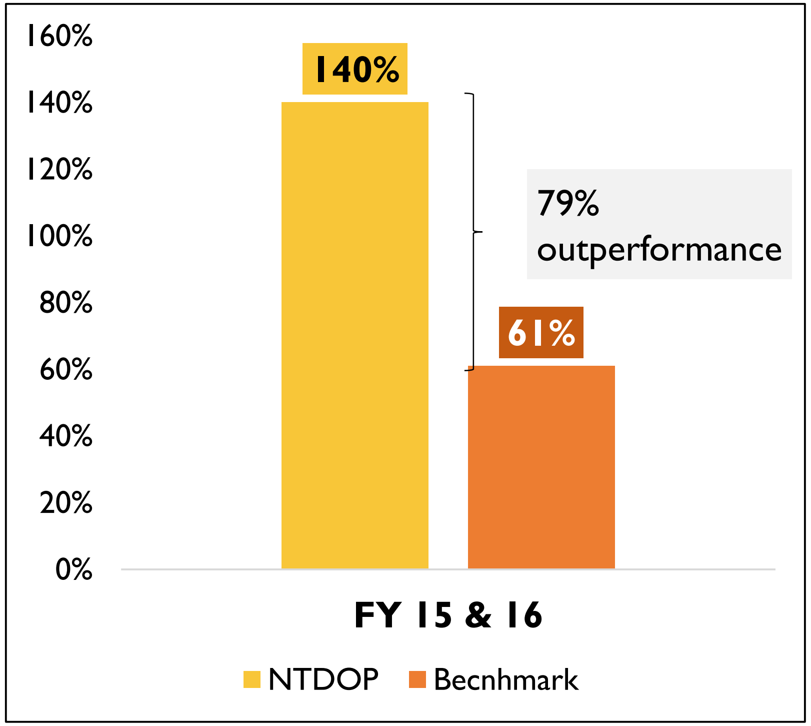
Why Now? – History of outperformance after every downturn

Portfolio construct allows for a big bounce back during periods of growth rebound:

Post GFC



Post Taper Tantrum



Post Covid ??

Source: MOAMC Internal Research, NSE India

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.

Why NTDOP should be a part of every Portfolio?

Key themes and stocks

Alpha of 4.9% CAGR Since Inception

Valuations attractive

15 Years Legacy of Identifying Multi-Baggers

Stocks	Portfolio	Initial Purchase Date	CAGR %	Multiple of Cost	Holding Status
Ipca Labs	Value	May-18	43%	2.9	Current Holding
Bajaj Finance Ltd.	NTDOP	Nov-10	50%	45.5	Exited*
Page Industries Ltd.	NTDOP	Dec-07	38%	72.6	Current Holding
Eicher Motors Ltd.	NTDOP	Dec-10	34%	20.8	Current Holding
Astral Poly Technik	F30	Aug-17	47%	4.3	Current Holding
Britannia Industries	F35	Feb-15	23%	3.7	Current Holding
Kotak Mahindra Bank	NTDOP	Sep-10	26%	11.4	Current Holding
HDFC Bank Ltd.	Value	Jul-08	26%	19.0	Current Holding
Voltas	F30	Aug-14	27%	5.0	Current Holding
ICICI Lombard General Insurance	LTEF	Sep-17	23%	2.1	Current Holding
Dr Lal Pathlabs Ltd.	IOP	Aug-16	26%	2.9	Current Holding
HDFC Standard Life Insurance Company Limited	Value	Nov-17	21%	1.9	Current Holding
L&T Technology Services Ltd.	NTDOP	Oct-16	30%	3.3	Current Holding
AU Small Finance Bank	Value	Jul-17	21%	2.1	Current Holding
ICICI Bank	Value	Oct-17	27%	2.3	Current Holding
Aegis Logistics Ltd.	IOP	Aug-16	23%	2.6	Current Holding
Alkem Laboratories Ltd.	IOP	Jan-17	12%	1.7	Current Holding

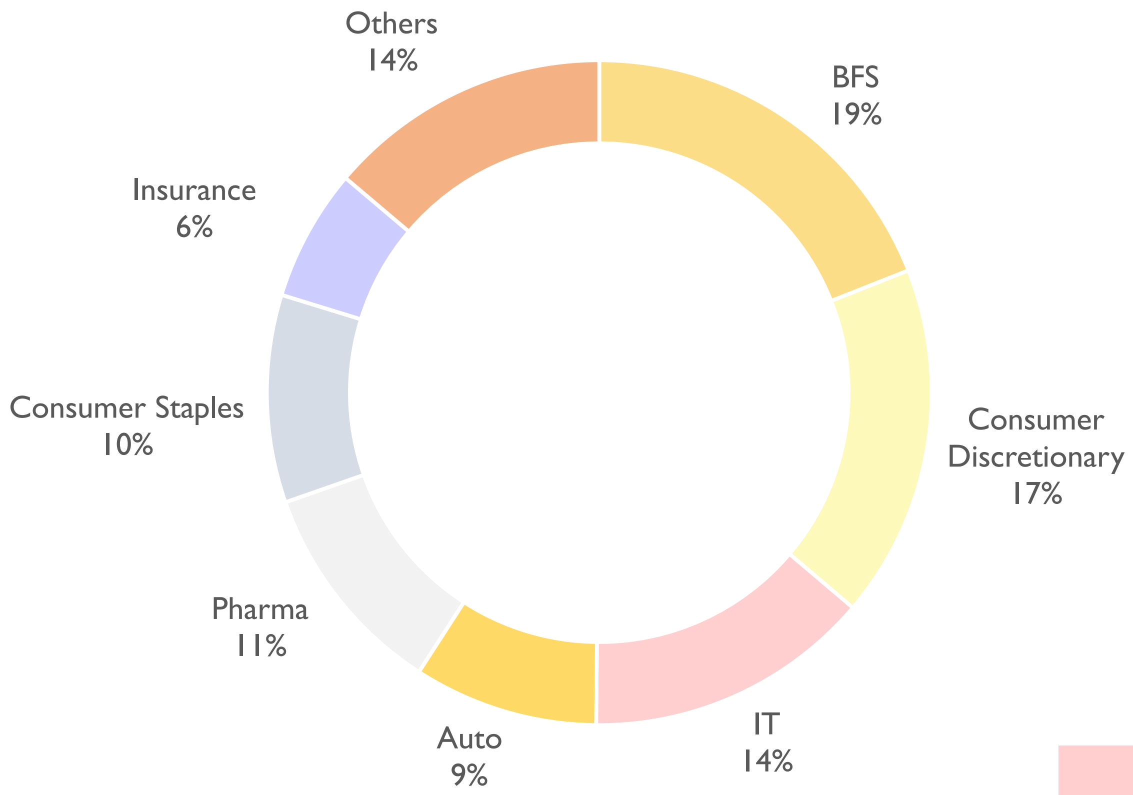
Source: MOAMC Internal, Data as on 30th Apr 2021
* Exited Bajaj Finance in April, 2020

Portfolio Mix at glance

Others
Aegis Logistics
Container Corporation
HPCL
Bayer Cropscience
Cummins India
Godrej Industries
L&T Ltd
Birla Corporation

Insurance
Max Financial Services

Consumer Staples
Colgate Palmolive
Emami Limited
ITC



Banking Financial Services
Kotak Mahindra Bank
ICICI Bank
SBI

Consumer Discretionary
Voltas
Page Industries

Pharma
Ipca Laboratories
Gland Pharma
Alkem Laboratories

Auto & Auto Ancillaries
Eicher
Bosch
Bharat Forge

IT
L&T Technology Services
Tech Mahindra
Tata Consultancy Services.
L&T Infotech

Data as on April 30, 2021
Disclaimer: The above chart is used to explain the concept and is for illustration purpose only. The stocks may or may not be part of our portfolio/ strategy/ schemes. 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.

Portfolio Positioning

- Underweight on Financials
- Equal weight on Consumer Staples
- Higher allocation to industrials, select privatization beneficiaries
- Overweight on Consumer discretionary, healthcare & technology
- Averse towards commodity business, global cyclicals, leveraged businesses

Note: Active weight mentioned are against the domestic index (NSE 500)

Portfolio Positioning

1
High quality lenders
- ICICI Bank : 6.6%
- Kotak Bank:9.9%
- SBI: 2.5%

2
Higher Allocation to Mid and Smallcap
- Large Cap 47%
- Mid Cap 49%
- Small Cap 4%

3
Higher weight to Discretionary
- Voltas : 12.4%
- Page Industries: 4.8%
- Autos: 9%

4
Exposure to Investment theme and PLI
- Bharat Forge: 2.1%
- Cummins: 2.2%
- Voltas:12.4%
- Pharma:11%

Portfolio Positioning

5

Exposure to Privatization theme

HPCL : 2.0%	Concor : 2.6%

6

Capex Recovery plays

Cummins : 2.2%	L&T : 1.3%

7

Insurance- An underpenetrated market

Max Financials : 6.4%

Portfolio Positioning

1	High quality lenders	Consolidation in lending space and value migration is evident
2	Higher Allocation to Mid and Smallcap	Expect Mid and Small caps to recover with the impending Economic Recovery
3	Higher weight to Discretionary	V-Shaped recovery across sectors 9% allocation towards Autos – Bottom of the cycle and starting to recover
4	Economic Recovery led Investment theme and Positive impact of PLI	Recent government initiatives on PLI's have begun reflecting in new projects and expect this trend to only gather pace as PLI's are finalized for Auto Sector (including ancillaries) and Pharma sectors over the next few months.

Portfolio Positioning

5	Exposure to Privatization theme	Decisive moves from the government towards privatization to benefit portfolio stocks
6	Capex Recovery plays	Beneficiaries of a turnaround in the investment cycle Private sector capex cycle should revive as growth impulses take root
7	Insurance – an underpenetrated market	An underpenetrated market with Multi-decadal growth opportunity. With little or no risk on the asset side and with Deeply moated brand, insurance is a capital efficient business

A fund manager is appraised with hindsight,

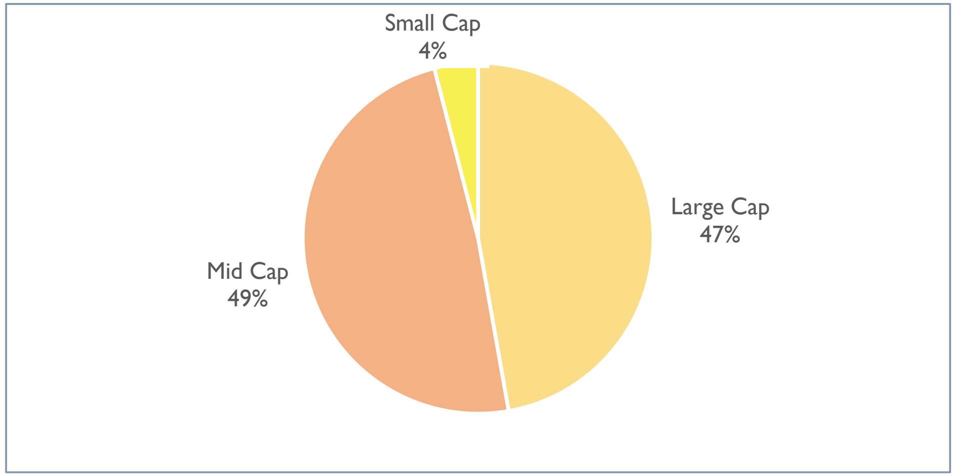
but money has to be managed with foresight

- Thomas Phelps

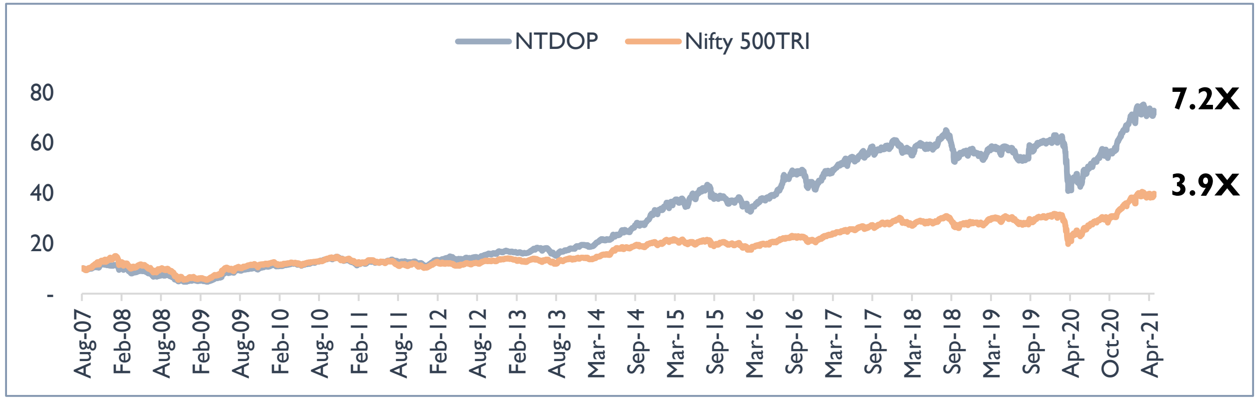
Portfolio composition and performance at a glance

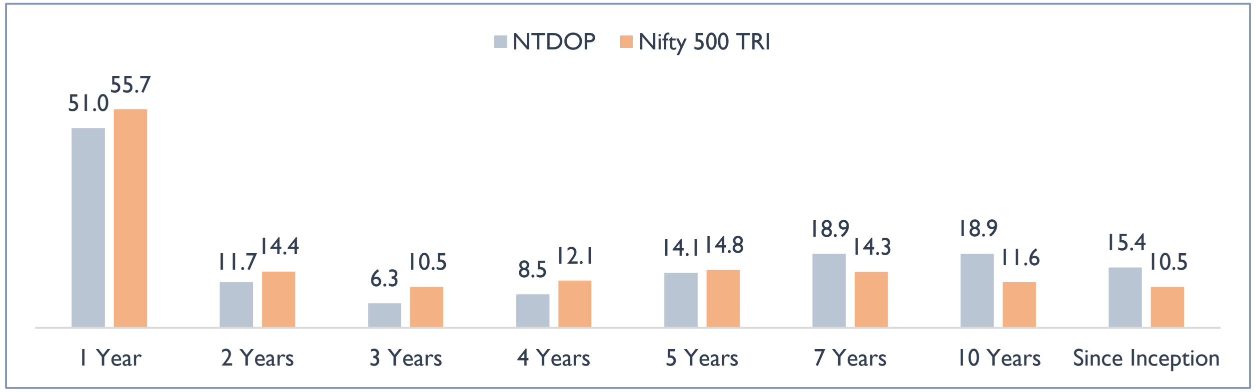
Top 10 Holdings & Market Capitalization

Scrip Name	% Holding
Voltas Ltd.	12.4
Kotak Mahindra Bank Ltd.	9.9
ICICI Bank Ltd.	6.6
Max Financial Services Ltd.	6.4
L&T Technology Services Ltd.	6.2
Page Industries Ltd.	4.8
Gland Pharma Ltd.	4.8
Ipca Laboratories Ltd.	4.5
Eicher Motors Ltd.	4.4
Tech Mahindra Ltd.	3.9



Alpha of **4.9% CAGR** since inception





NTDOP Strategy Inception Date: 3rd Aug 2007; Data as on 30th April 2021; Data Source: MOAMC Internal Research; RFR: 7.25%; ***Earnings as of Dec 2020 quarter and market price as on 30th April 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.

Q

G

HIGH CONVICTION STOCK IDEAS

L

P

IDENTIFYING COMPOUNDING IDEAS

PORTFOLIO WEIGHT: 12.4%

1

VOLTAS

ACs: Most promising consumer category for the next 1-2 decades	India sells 7m ACs annually vs 90 million in China. This despite the fact that the weather in India is warmer; affordability is catching up with enablers like financing. We see a potential J-curve in this consumer category.
Voltas: the market leader	Voltas is the market leader with ~25% market share with strong brand and distribution moats. Voltas has consistently gained market share despite active presence of global majors like Samsung, LG, Hitachi, Daikin in the RAC market.
Voltas Beko JV an option value	Addressable market significantly expanded to the full range of consumer durables, less competitive than ACs.
High ROCE, strong FCF	Voltas generates ~550 cr of PAT, 400 cr of FCF with hardly 1,800 cr of capital employed; signifying the strength of its capital efficient business model.

PORTFOLIO WEIGHT: 9.9%

2

KOTAK MAHINDRA BANK

Best owner-operator	Kotak Bank under the ownership and leadership of Mr Uday Kotak; is a classic display of owner-operator model with 100% skin in the game. Mr Kotak has showcased a track record of saying 'NO' when most said 'YES'.
Significant value creation in subsidiaries	Kotak Bank other than the stellar track record in building a robust liability franchise in banking (55% CASA); has created significant value in subsidiaries with 100% stakes in each and every subsidiary.
Solid financials	Capital adequacy amongst the highest in the Indian banking sector, 17% vs the regulatory requirement of 8.5%. Asset quality is amongst the best given the conservativeness with which Mr Kotak has built the asset book.
Steady compounder	We expect Kotak Bank to be a consistent compounder; stock trades at a slightly premium valuation of ~33x FY22 P/E which should sustain given the past track record and quality of the book.

PORTFOLIO WEIGHT: 4.5%

3

IPCA LABS

India going Chronic	Share of chronic has risen significantly from 35% in FY18 to 50% now. With no MR addition for next 2 years, and new divisions (derma, women's healthcare), margins should rise to 30% from 26%.
US is an option value	After remedial actions over the past 5 years, Ipca has now offered all the affected US facilities for re-inspection.
Expect 20% earnings CAGR with higher RoCE/RoE	This will be led by INR120 cr of fixed cost getting unlocked by higher US and anti-malaria business.
Reasonable valuations	Ipca trades at a multiple of 23x FY21E PE; which is reasonable in the context of 23% RoE; medium term growth prospects.

PORTFOLIO WEIGHT: 6.4%

4

MAX FINANCIALS

Strong underlying insurance business	With best in class metrics (20%+ VNB Margins, 20% RoEVs) and growth track record (20%+ EV compounding).
Axis Bank overhang on verge of resolution	Axis Bank emerging as the single largest shareholder with 18% stake, subject to regulatory approvals.
Holdco structure to collapse	Expect Max Life shares to be listed in the next 12-18 months.
Attractively valued	Max is at 15x EVOP v/s 35x for HDFC Life, despite business metrics and growth being quite similar.

PORTFOLIO WEIGHT: 4.4%

EICHER MOTORS

Passionate owner + New CEO; the right mix of innovation and execution	Siddhartha Lal, the owner at Eicher Motors is deeply passionate about its key product, Royal Enfield motor-cycles. Add to it the execution muscle brought in through recent hiring of Mr Vinod Dasari as CEO.
Product launches, export opportunity and low penetration suggests long growth runway	Eicher has a robust new product pipeline (1 new launch every quarter for the next 8 quarters!). With < 2% penetration in India, and a very large export opportunity, RE has a long ride ahead!
Strong financials	Asset light business model; with RoEs of ~25% and core RoIC at over 100% (excluding excess cash on books and other income associated with it).
Expanding distribution reach	Eicher has over the last 12 months embarked on a new, enhanced distribution model for its RE product range; called Studio stores. We positively as distribution growth and market share tend to go hand in hand. We see this spurring demand from new pockets.

PORTFOLIO WEIGHT: 6.2%

6

L&T TECHONOLOGY SERVICES

Offshoring a secular driver	Engineering services are under-exposed to offshoring services; we believe this should be a secular trend which should benefit leading players like LTTS
Benefits from L&T group's parentage; deep engineering domain	L&T group's expertise in areas like plant engineering, construction and building automation benefit LTTS. These capabilities are not easy for many standalone competitors to get exposure to and hence difficult to replicate. Also, L&T group provides access to LTTS to several Fortune 500 clients.
Diversified business model	Breadth of clients and vertical expertise (ranging from autos, manufacturing, hi-tech, healthcare, etc) unlike most peers which have concentrated exposures to single verticals like autos.
Attractive valuations	P/E at 31x FY22

GLAND PHARMA

Unique Business Model	100% focus on injectable across different formats, High backward integration, No Front end and own pipeline of molecules : A win win for both partners and suppliers. High Longevity
Favourable Economics	Injectables forms 40% share of the global Pharma market of ~USD 1tn, the demand for which is growing at 10% annually in USD terms globally and 13% annually in the US itself. Supply is unable to match the pace of demand
Exemplary Financial and Operational Excellence	Zero US FDA notifications across its facilities over the last 2 decades reflects the culture of the firm and strong focus on quality parameters. This positions them to be a preferred supplier for their partners

Continued legacy of identifying multi-baggers within the QGLP framework

Pioneers of quality investing

Chairman – Investment Committee

Raamdeo Agrawal
Chairman, MOFSL

- Raamdeo Agrawal is the Co-Founder of Motilal Oswal Financial Services Limited (MOFSL).
- As Chairman of Motilal Oswal Asset Management Company, he has been instrumental in evolving the investment management philosophy and framework.
- He is on the National Committee on Capital Markets of the Confederation of Indian Industry (CII), and is the recipient of "Rashtriya Samman Patra" awarded by the Government of India.
- He has also featured on 'Wizards of Dalal Street' on CNBC. Research and stock-picking are his passions which are reflected in the book "Corporate Numbers Game" that he co-authored in 1986 along with Ram K Piparia.
- He has also authored the Art of Wealth Creation, that compiles insights from 21 years of his Annual 'Wealth Creation Studies'.
- Raamdeo Agrawal is an Associate of Institute of Chartered Accountants of India.

Portfolio Manager

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).

Disclaimer

Disclaimer: This presentation has been prepared and issued on the basis of internal data, publicly available information and other sources believed to be reliable. The information contained in this document is for general purposes only and not a complete disclosure of every material fact and terms and conditions. The information / data herein alone is not sufficient and shouldn't be used for the development or implementation of an investment strategy. It should not be construed as investment advice to any party. All opinions, figures, charts/graphs, estimates and data included in this presentation are as on date and are subject to change without notice. While utmost care has been exercised while preparing this document, Motilal Oswal Asset Management Company Limited does not warrant the completeness or accuracy of the information and disclaims all liabilities, losses and damages arising out of the use of this information. The statements contained herein may include statements of future expectations and other forward-looking statements that are based on our current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Readers shall be fully responsible /liable for any decision taken on the basis of this presentation. No part of this document may be duplicated in whole or in part in any form and/or redistributed without prior written consent of the Motilal Oswal Asset Management Company Limited. Readers should before investing in the Scheme make their own investigation and seek appropriate professional advice. • Investments in Securities are 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. • Clients under Portfolio Management Services are not being offered any guaranteed/assured returns. • Past performance of the Portfolio Manager does not indicate the future performance of any of the strategies. • The name of the Strategies do not in any manner indicate their prospects or return. • The investments may not be suited to all categories of investors. • The material is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. • Neither Motilal Oswal Asset Management Company Ltd. (MOAMC), nor any person connected with it, accepts any liability arising from the use of this material. The recipient of this material should rely on their investigations and take their own professional advice. • Opinions, if any, expressed are our opinions as of the date of appearing on this material only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so. • The Portfolio Manager is not responsible for any loss or shortfall resulting from the operation of the strategy. • Recipient shall understand that the aforementioned statements cannot disclose all the risks and characteristics. The recipient is requested to take into consideration all the risk factors including their financial condition, suitability to risk return, etc. and take professional advice before investing. As with any investment in securities, the Value of the portfolio under management may go up or down depending on the various factors and forces affecting the capital market. Disclosure Document shall be obtained and read carefully before executing the PMS agreement. • Prospective investors and others are cautioned that any forward - looking statements are not predictions and may be subject to change without notice. • For tax consequences, each investor is advised to consult his / her own professional tax advisor. • This document is not for public distribution and has been furnished solely for information and must not be reproduced or redistributed to any other person. Persons into whose possession this document may come are required to observe these restrictions. No part of this material may be duplicated in any form and/or redistributed without 'MOAMCs prior written consent. • Distribution Restrictions – This material should not be circulated in countries where restrictions exist on soliciting business from potential clients residing in such countries. Recipients of this material should inform themselves about and observe any such restrictions. Recipients shall be solely liable for any liability incurred by them in this regard and will indemnify MOAMC for any liability it may incur in this respect.

Custodian: Deutsche Bank A.G. | Auditor: Aneja & Associates | Depository: Central Depositary Services Ltd Portfolio Manager: Motilal Oswal Asset Management Company Ltd. (MOAMC) | SEBI Registration No. : INP 000000670 THINK EQUITY THINK MOTILAL OSWAL For any PMS queries please call us on +91 81086 22222 / 022-4054 8002 (press 2 for PMS) or write to pmsquery@motilaloswal.com or visit www.motilaloswalmf.com

Thank You!