

## 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

1. Small cap oriented concentrated portfolio of 20 stocks investing in companies with high growth profile
2. Identifying companies in their early stages which have the potential to become midcap or large cap, thus resulting in wealth creation
3. Newly ideated portfolio in 2018 amidst difficult market conditions, yet giving an outperformance of 5.9% (CAGR) over the benchmark
4. Index agnostic: ~ 93% away from benchmark Nifty Smallcap 100
5. The portfolio is a play on the Consumer Discretionary, Non-Lending financials and Software

## Portfolio Actions in last 6 months

- **Companies Exited:** Coffee Day Enterprises

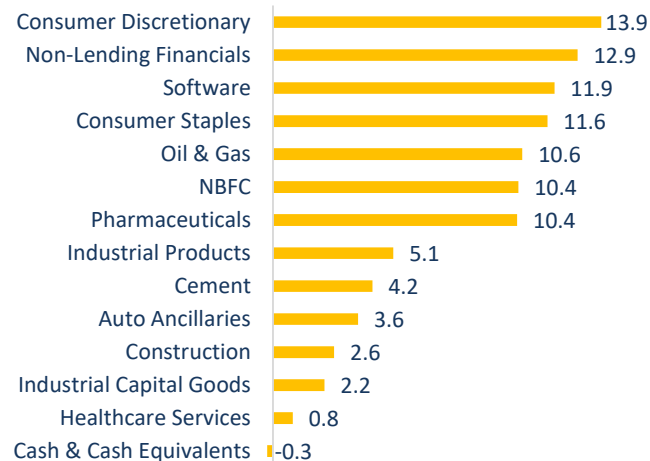
## How Buy Right : Sit Tight works

Company	Initial Purchase Date	Market Cap Rs. Crores (Initial Purchase Date)	Market Cap Rs. Crores (30th Sep 20)	Absolute Growth	CAGR (%)
Bata India	Feb-18	8,780	16,940	1.9X	28%
IPCA Laboratories	Feb-18	7,008	27,373	3.9X	67%

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

## Top 10 Holdings & Sectoral Allocation

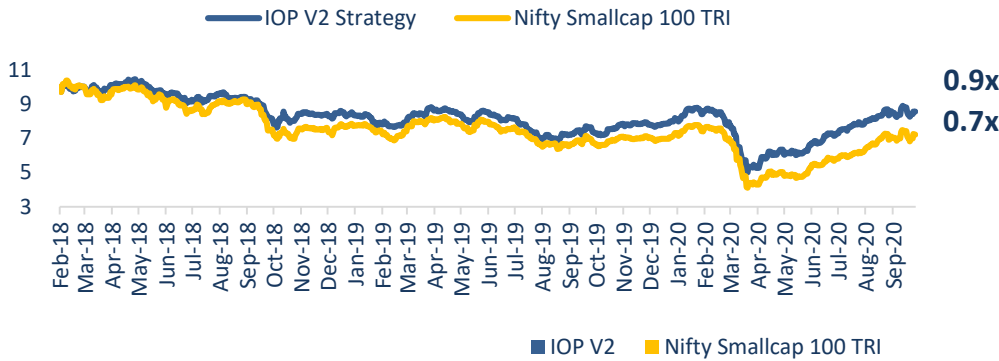
Scrip Name	% Holding
Reliance Industries Ltd.	10.6
Ipca Laboratories Ltd.	10.4
Larsen & Toubro Infotech Ltd.	10.3
Central Depository Services (India) Ltd.	8.4
Cholamandalam Investment and Finance	7.2
Bajaj Electricals Ltd.	6.9
Godrej Agrovet Ltd.	6.7
Avanti Feeds Ltd.	4.9
ICICI Securities Ltd.	4.6
JK Lakshmi Cement Ltd.	4.2



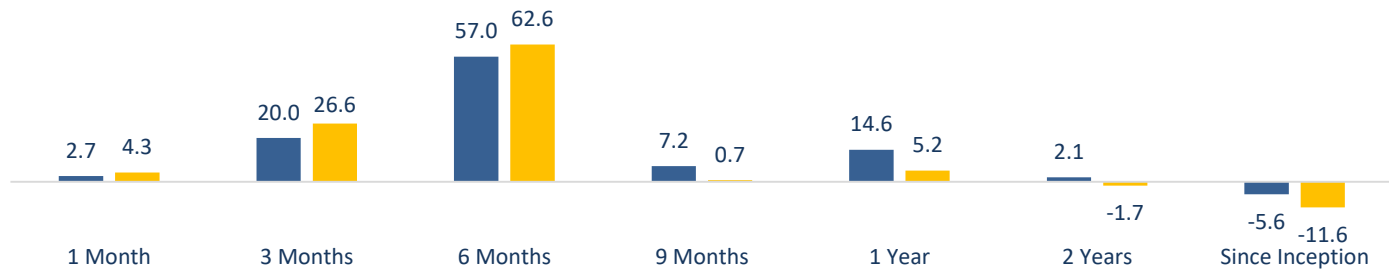
## Disclaimers and Risk Factors

IOP V2 Strategy Inception Date: 5<sup>th</sup> Feb 2018; Data as on 30<sup>th</sup> September 2020; Data Source: MOAMC Internal Research; RFR: 7.25%; \*Earnings as of June 2020 quarter and market price as on 30<sup>th</sup> September 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



IOP V2 Strategy has delivered a CAGR of -5.6% vs. Nifty Smallcap 100 TRI returns of -11.6%, an outperformance of 5.9% (CAGR) since inception (5<sup>th</sup> February 2018)



Disclaimer: Performance related information is not verified by SEBI

## Strategy Contributors (1 Year Trailing 30<sup>th</sup> Sep 2020)

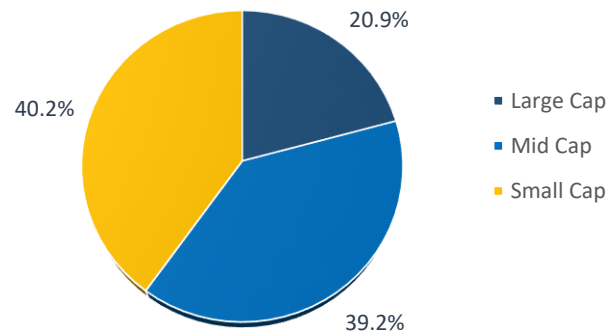
Top 5	Contribution
Ipca Laboratories Limited	7.2%
Reliance Industries Limited	6.3%
Central Depository Services (India) Ltd.	5.7%
Larsen & Toubro Infotech Ltd.	5.1%
ICICI Securities Ltd.	2.2%

Bottom 5	Contribution
J K Lakshmi Cement Limited	-1.2%
Bata India Limited	-1.6%
Kei Industries	-2.3%
Cholamandalam Investment & Finance	-3.2%
Sobha Developers Limited	-3.8%

## \*Portfolio Fundamentals

	TTM
PAT Growth	-37%
RoE	13%
PE	21

## Market Capitalization



## Risk Ratios

1 Year Data	Strategy	Benchmark
Churn Ratio	9.4%	-
Standard Deviation	28.4%	29.9%
Beta	0.89	1
Sharpe Ratio	0.14	-1.44

Weighted Average Market Cap Rs. 1,63,041 Crs

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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