

Investment Approach

**Strategy Name:** Business Opportunity Portfolio Strategy

**Investment Objective:** The investment objective of the Strategy is to achieve long term capital appreciation by primarily investing in equity & equity related across market capitalization.

**Description of types of securities:** Equity

**Types of securities selected as part of the investment approach:** Investing across high quality Indian equities in growth oriented themes across market capitalisation through a high conviction portfolio

**Allocation of portfolio across types of securities:** The strategy has the mandate to invest in Equity and Equity-related instruments across the entire market capitalization spectrum of Large cap, Midcap and Small cap companies

**Benchmark:** Nifty 500 TRI

**Investment Horizon:** Medium to Long term

Key Features & Portfolio Attributes

1. BOP is a multi-cap strategy with a balanced mix of Large Cap, Mid Cap and Small Cap allocation
2. Newly ideated portfolio in 2018 amidst difficult market cycle, yet the portfolio has delivered alpha over its benchmark in both the CYs
3. Concentrated portfolio of 15 stocks with high earnings growth
4. Multiple portfolio changes have been done in the past 6-8 months to enhance the overall quality of the portfolio. While the economy is still going through a downturn, the portfolio has been positioned in well-chosen themes: primarily select consumer and financial services businesses which are expected to perform relatively better in a tough economic environment.

Portfolio Actions in last 6 months

- **Companies Added:** Tata Consultancy Services
- **Companies Exited:** Tata Consumer products, Godrej Agrovert, Contrainer Corpn., Exide industries, ITC Ltd.

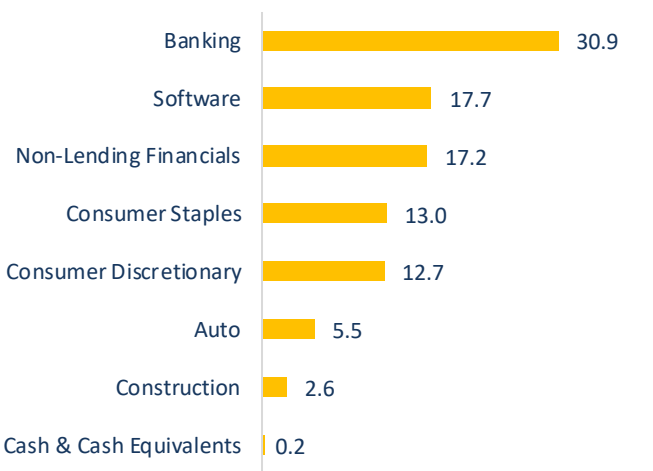
How Buy Right : Sit Tight works

Company	Initial Purchase Date	Market Cap Rs. Crores (Initial Purchase Date)	Market Cap Rs. Crores (31st Oct 20)	Absolute Growth	CAGR (%)
Bata India	Jan-18	9,359	16,874	1.8X	24%
Hindustan Unilever	Jan-18	298,979	486,899	1.6X	19%

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

Top 10 Holdings & Sectoral Allocation

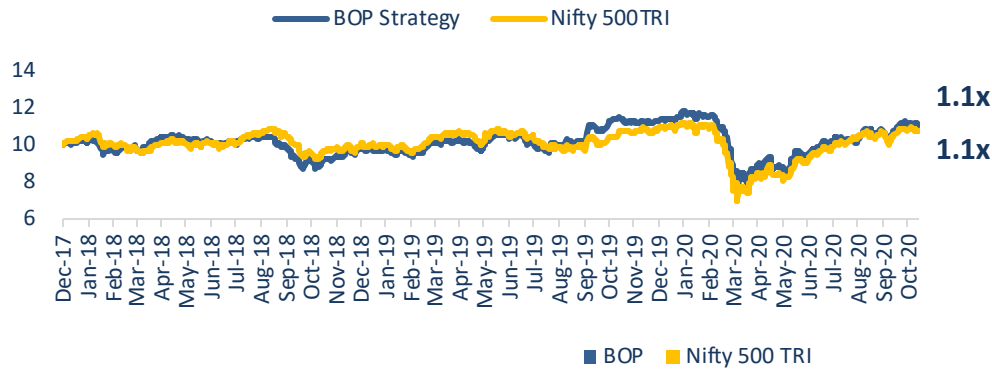
Scrip Name	% Holding
Max Financial Services Ltd.	12.0
Tata Consultancy Services Ltd.	11.2
HDFC Bank Ltd.	10.7
Kotak Mahindra Bank Ltd.	10.4
ICICI Bank Ltd.	9.8
Bata India Ltd.	6.5
Larsen & Toubro Infotech Ltd.	6.5
Eicher Motors Ltd.	5.5
HDFC Life Insurance Company Ltd.	5.2
Britannia Industries Ltd.	5.0



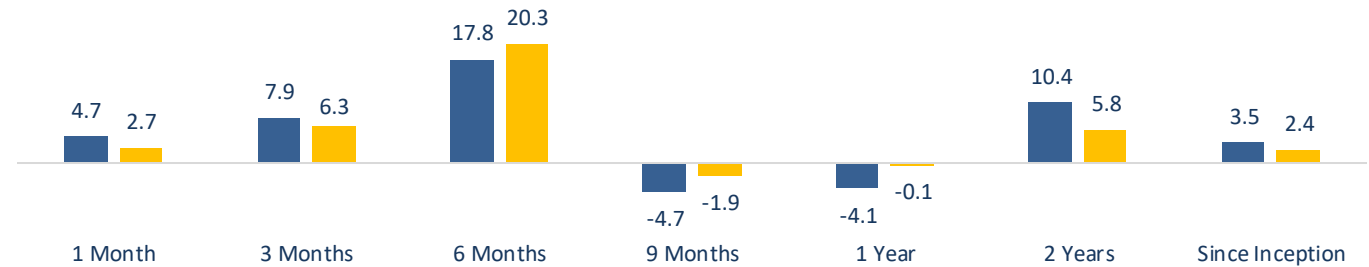
Disclaimers and Risk Factors

BOP Strategy Inception Date: 16<sup>th</sup> Jan 2018; 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 Compound 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



BOP Strategy has delivered a CAGR of 3.5% vs. Nifty 500 TRI returns of 2.4%, an outperformance of 1.1% (CAGR) since inception (16<sup>th</sup> January 2018)



Disclaimer: Performance related information is not verified by SEBI

Strategy Contributors (1 Year Trailing 31<sup>st</sup> Oct 2020)

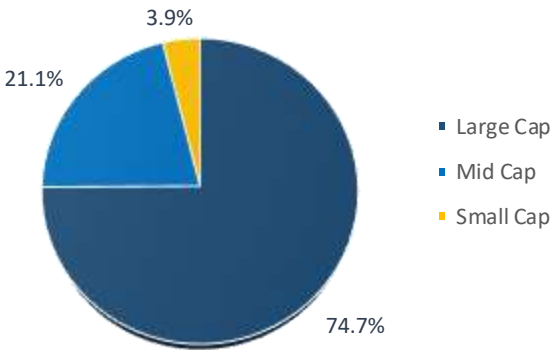
Top 5	Contribution
Max Financial Services Ltd.	3.2%
Tata Consultancy Services Limited	3.1%
Larsen & Toubro Infotech Ltd.	3.1%
Eicher Motors Limited	1.8%
Hindustan Unilever Limited	1.0%

Bottom 5	Contribution
Container Corpn. Of India Limited	-1.6%
Blue Star Limited	-1.7%
I C I C I Bank Limited	-2.0%
Bata India Limited	-2.5%
Future Lifestyle Fashions Ltd.	-2.7%

\*Portfolio Fundamentals

	TTM
PAT Growth	-3%
RoE	18%
PE	29

Market Capitalization



Risk Ratios

1 Year Data	Strategy	Benchmark
Churn Ratio	67.8%	-
Standard Deviation	29.0%	29.0%
Beta	0.95	1
Sharpe Ratio	-3.7	-2.3

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

Weighted Average Market Cap Rs. 2,89,898 Crs

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