

## Investment Objective

Value strategy aims to benefit from the long term compounding effect on investments done in good businesses, run by great business managers for superior wealth creation

## Key Features

1. Large cap oriented portfolio with ~65% weightage
2. 17+ years track record with annualized return of 20.7% since inception (an alpha of 4.2% over Nifty 50 TRI)
3. Concentrated portfolio of 23 stocks with high earnings growth
4. Each of the portfolio companies are market leaders in their respective segments

## Portfolio Attributes

1. Index agnostic: ~65% away from benchmark Nifty 50
2. The portfolio delivered returns of ~21.5% in CY19- an alpha of ~8% over Nifty 50 TRI for the same period

## Portfolio Actions in last 6 months

- **Companies Added:**-Bharti Airtel, Hindustan Unilever, Muthoot Finance, Jubilant Foodworks
- **Companies Exited:** Bharat Forge, Eicher Motors, Qness Corp

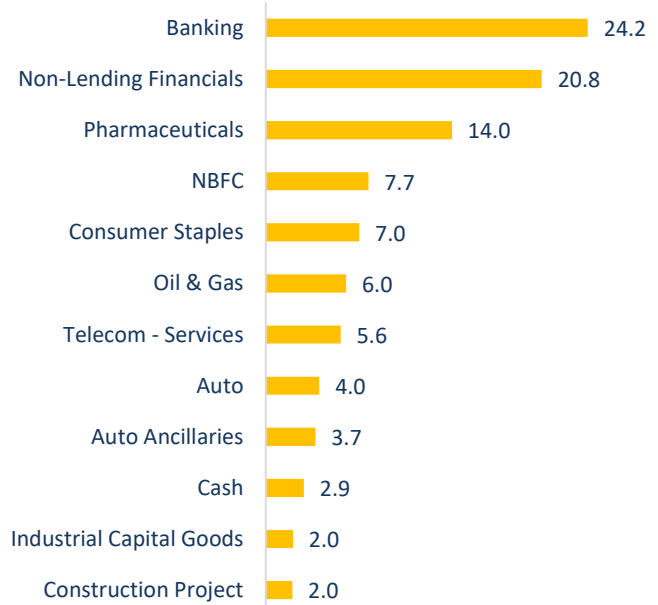
## How Buy Right : Sit Tight works

Company	Initial Purchase Date	Market Cap Rs. Crores (Initial Purchase Date)	Market Cap Rs. Crores (31 <sup>st</sup> August 20)	Absolute Growth	CAGR (%)
HDFC Bank	Jul-08	40,986	614,066	15.0X	25%
HDFC Life Insurance Company	Nov-17	69,159	116,102	1.7X	20%
Ipca Laboratories	May-18	9,208	23,713	2.6X	50%

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

## Top 10 Holdings & Sectoral Allocation

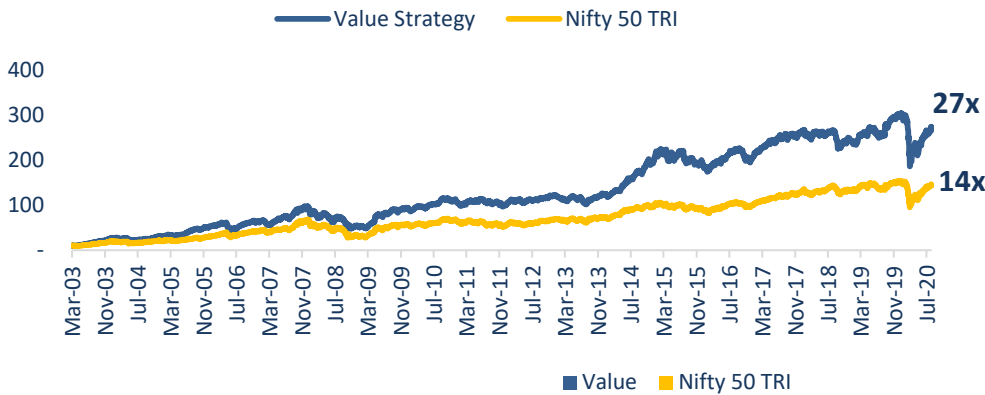
Scrip Name	% Holding
Max Financial Services Ltd.	11.9
ICICI Bank Ltd.	9.2
HDFC Life Insurance Company Ltd.	8.8
HDFC Bank Ltd.	8.4
Bharti Airtel Ltd.	5.6
Dr. Reddy's Laboratories Ltd.	5.4
Ipca Laboratories Ltd.	5.1
Maruti Suzuki India Ltd.	4.0
Hindustan Unilever Ltd.	3.7
Tube Investments of India Ltd.	3.7



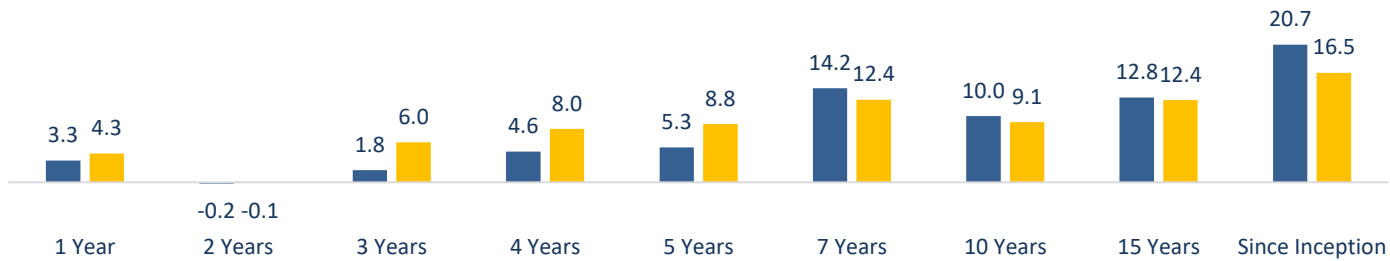
## Disclaimers and Risk Factors

Value Strategy Inception Date: 25<sup>th</sup> Mar 2003; Data as on 31<sup>st</sup> August 2020; Data Source: MOAMC Internal Research; RFR: 7.25%; \*Earnings as of June 2020 quarter and market price as on 31<sup>st</sup> August 2020; Source: Capitaline and Internal Analysis; Please Note: The above strategy returns are of a Model Client as on 31<sup>st</sup> August 2020. Returns of individual clients may differ depending on time of entry in the Strategy. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Returns below 1 year are absolute and above 1 year are annualized. Strategy returns shown above are post fees & expenses. The stocks forming part of the existing portfolio under Value Strategy may or may not be bought for new client. Name of the PMS Strategy does not in any manner indicate its future prospects and returns. The Company names mentioned above is only for the purpose of explaining the concept and should not be construed as recommendations from MOAMC.

## Performance Since Inception



Value Strategy has delivered a CAGR of 20.7% vs. Nifty 50 TRI returns of 16.5%, an outperformance of 4.2% (CAGR) since inception (25<sup>th</sup> March 2003)



## Strategy Contributors (3 Year Trailing 31<sup>st</sup> August 2020)

Top 5	Contribution
HDFC Life Insurance Co. Ltd.	4.7%
Ipca Laboratories Limited	4.6%
Max Financial Services Ltd.	3.8%
ICICI Lombard General Insurance Co. Ltd.	3.2%
Kotak Mahindra Bank Limited	2.9%

Bottom 5	Contribution
Hero Motocorp Limited	-1.3%
Quess Corp Ltd.	-1.7%
Bharat Petroleum Corpn. Limited	-2.1%
Bharat Forge Limited	-2.6%
Eicher Motors Limited	-2.9%

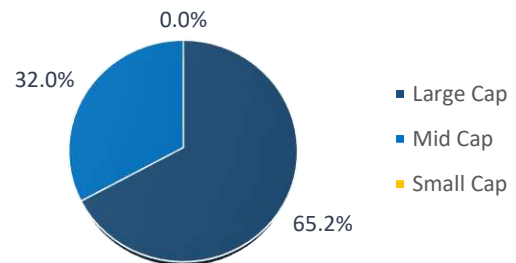
## Ageing

Number of Scripts	Holding Period
2	> 10 Years
1	> 5 Years but < 10 Years
10	> 2 Years but < 5 Years
9	< 2 Years

The average holding period for stocks held under Value Strategy is about 3 years and 3 months

\*The Portfolio has been repositioned towards high growth companies over the past 2.5 years: 14 stocks have been bought into the portfolio since November 2017

## Market Capitalization



Weighted Average Market Cap Rs.1,66,912 Crs

## \*Portfolio Fundamentals & Risk Ratios

	TTM	3 Year Data	Strategy	Benchmark
PAT Growth	8%	Churn Ratio	30.4%	-
RoE	12%	Standard Deviation	21.0%	20.8%
PE	25	Beta	0.94	1
		Sharpe Ratio	-1.2	-0.5

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