

February 2021 (Data as on 31<sup>st</sup> January 2021. Inception date – 03<sup>rd</sup> August 2007)

## INVESTMENT APPROACH

**Strategy Name:** Next Trillion Dollar Opportunity Strategy

**Investment Objective:** Next Trillion Dollar Opportunity Strategy Investment Objective: The Strategy aims to deliver superior returns by investing in stocks from sectors that can benefit from the Next Trillion Dollar GDP growth. It aims to invest in stocks across market capitalisation with a focus on identifying potential winners that would participate in successive phases of GDP growth.

**Description of types of securities:** Listed Equity Types of securities selected as part of the investment approach: Diversified: A mix of Large, Midcap and Small cap

**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 50 TRI

**Indicative tenure or investment horizon:** Medium to Long term  
Other salient features: Focus on Sectors and Companies which promise a higher than average growth. Concentration on emerging Themes. "Buy & Hold" strategy

## KEY FEATURES & PORTFOLIO ATTRIBUTES

A multi-cap strategy focused on identifying businesses benefitting from India's growing GDP

12+ years track record with consistent outperformance over benchmark across market cycles (10 out of 12 calendar years)

High quality concentrated portfolio of 27 stocks

Buy and Hold strategy with 14 stocks held for more than 5 years (Page Industries held since inception) resulting in wealth creation for investors

Index agnostic: ~86% away from benchmark Nifty 50

Key sector allocation is to Banking, Consumer Discretionary, Software

## PORTFOLIO ACTIONS IN LAST 6 MONTHS

**Companies Added:** Larsen & Toubro Infotech Ltd.,

Gland Pharma Ltd., Tata Consultancy Services, Birla Corporation,

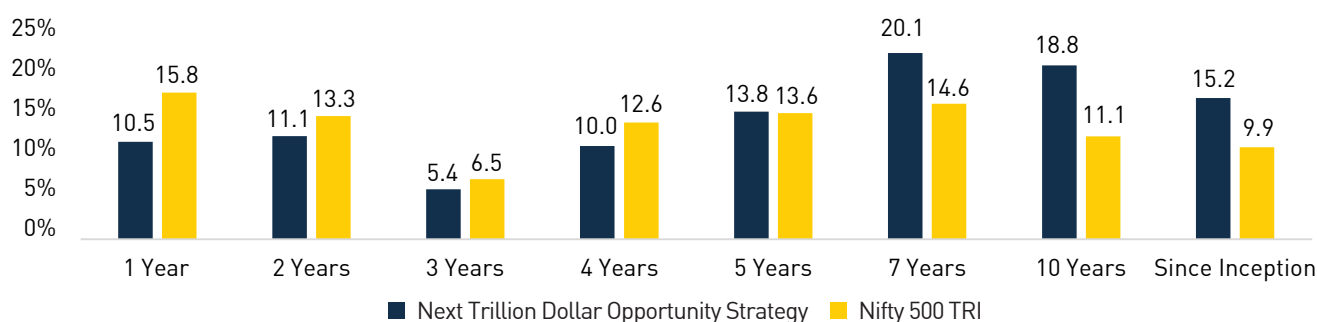
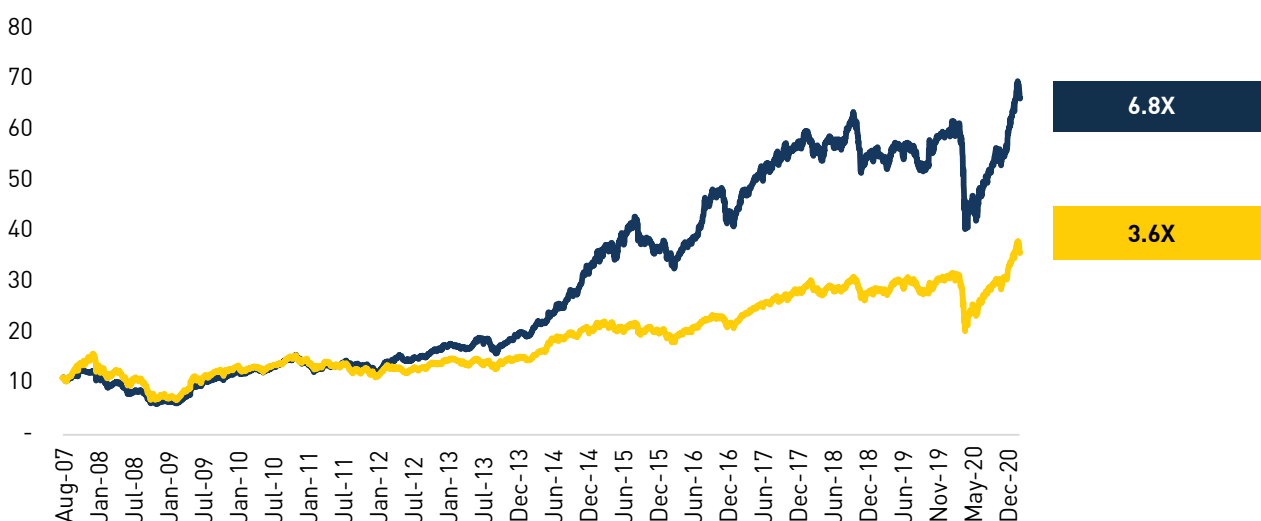
ITC, Larsen & Toubro

**Companies Exited:** Hindustan Unilever, Federal Bank, Engineers India

## PERFORMANCE SINCE INCEPTION

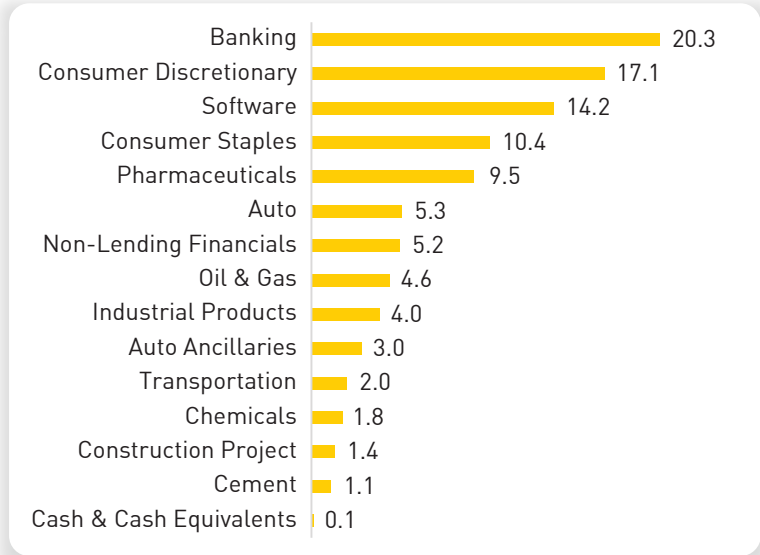
One lac invested in the strategy on 3<sup>rd</sup> Aug 2007 would have grown to Rs. ~7 lacs today against ~4 lacs invested in Benchmark

Next Trillion Dollar Opportunity Strategy Nifty 500 TRI



## TOP 10 HOLDINGS & SECTORAL ALLOCATION

Scrip Name	(%) of Holding
Voltas Ltd.	12.5
Kotak Mahindra Bank Ltd.	10.9
ICICI Bank Ltd.	6.3
L&T Technology Services Ltd.	5.9
Eicher Motors Ltd.	5.3
Max Financial Services Ltd.	5.2
Page Industries Ltd.	4.7
Ipca Laboratories Ltd.	4.2
Tech Mahindra Ltd.	4.1
Gland Pharma Ltd.	3.8



## STRATEGY CONTRIBUTORS (3 Year Trailing 31<sup>st</sup> Jan 2021)

Top 5	Contribution
Kotak Mahindra Bank Ltd.	6.1%
Ipca Laboratories Ltd.	5.7%
Voltas Ltd.	5.1%
Bajaj Finance Ltd.	4.9%
L&T Technology Services Ltd.	3.3%

Bottom 5	Contribution
Hindustan Petroleum Corpn. Ltd.	-1.9%
Federal Bank Ltd.	-1.6%
Godrej Industries Ltd.	-1.4%
Bosch Ltd.	-1.1%
Jammu & Kashmir Bank Ltd.	-1.1%

## RISK RATIOS

3 Year Data	Strategy	Benchmark
Churn Ratio	14.3%	-
Standard Deviation	20.2%	20.5%
Beta	0.91	1
Sharpe Ratio	-0.6	-0.4

## PORTFOLIO FUNDAMENTALS & MARKET CAP

Market Cap	Weightage
Large Cap	47.07%
Mid Cap	49.04%
Small Cap	3.76%
Cash & Equivalents	0.13%

	TTM
PAT Growth	-13%
RoE	15%
PE	33

## HOW BUY RIGHT : SIT TIGHT WORKS

Company	Initial Purchase Date	Market Cap (Initial Purchase date)*	Market Cap (31st Jan 2021)*	Absolute Growth	CAGR (%)
Kotak Mahindra Bank	Sep-10	30,324	339,433	11.2X	26%
Ipca Laboratories	Nov-12	5,907	23,508	4.0X	18%
Hindustan Petroleum Corporation	Aug-14	13,633	32,801	2.4X	14%

\*Market cap in crores

**Disclaimers and Risk Factors:** NTDOP Strategy Inception Date: 3rd Aug 2007; Data as on 31st January 2021; Data Source: MOAMC Internal Research; RFR: 7.25%; \*Earnings as of Sept 2020 quarter and market price as on 31st January 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 and Execution risk. 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)