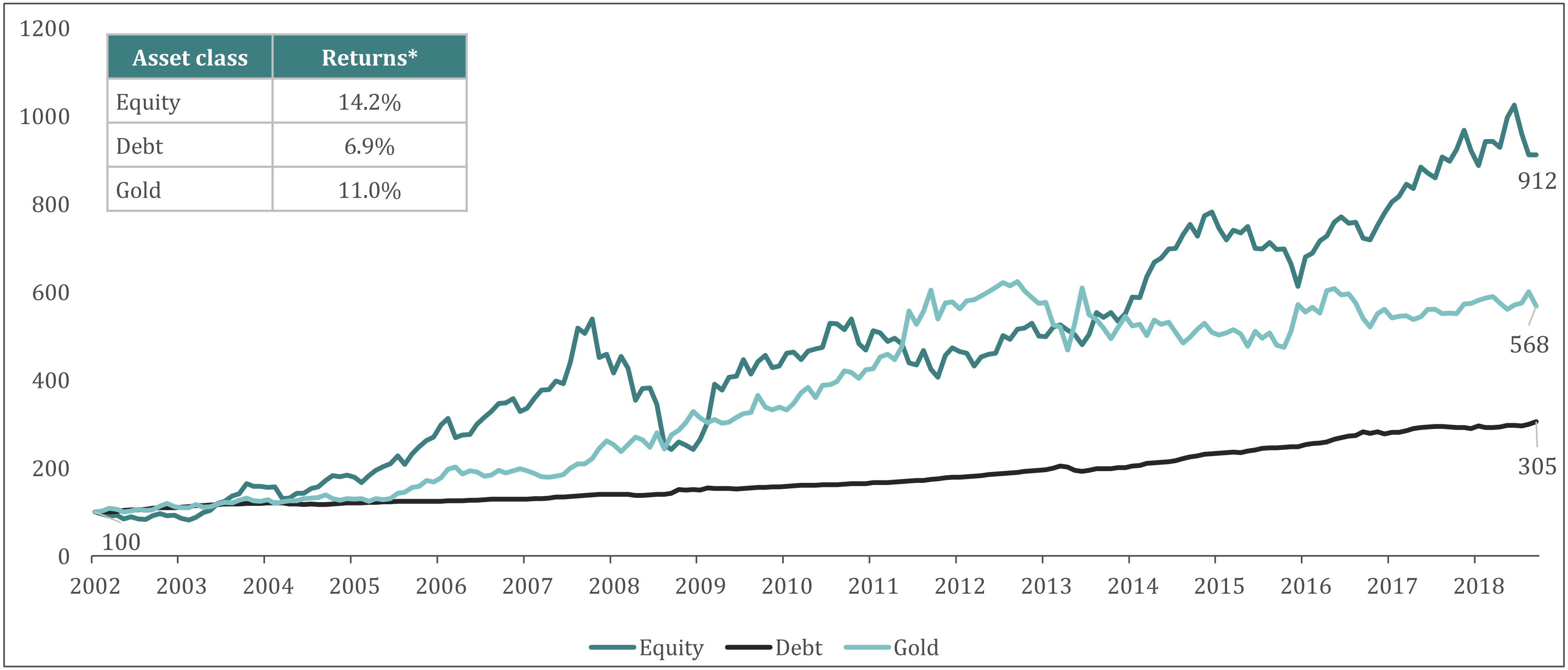
IIFL MULTICAP PMS

IIFL
INVESTMENT MANAGERS
ASSET MANAGEMENT

EQUITY VS OTHER ASSET CLASSES

Long Term Wealth creation through Equity Investment



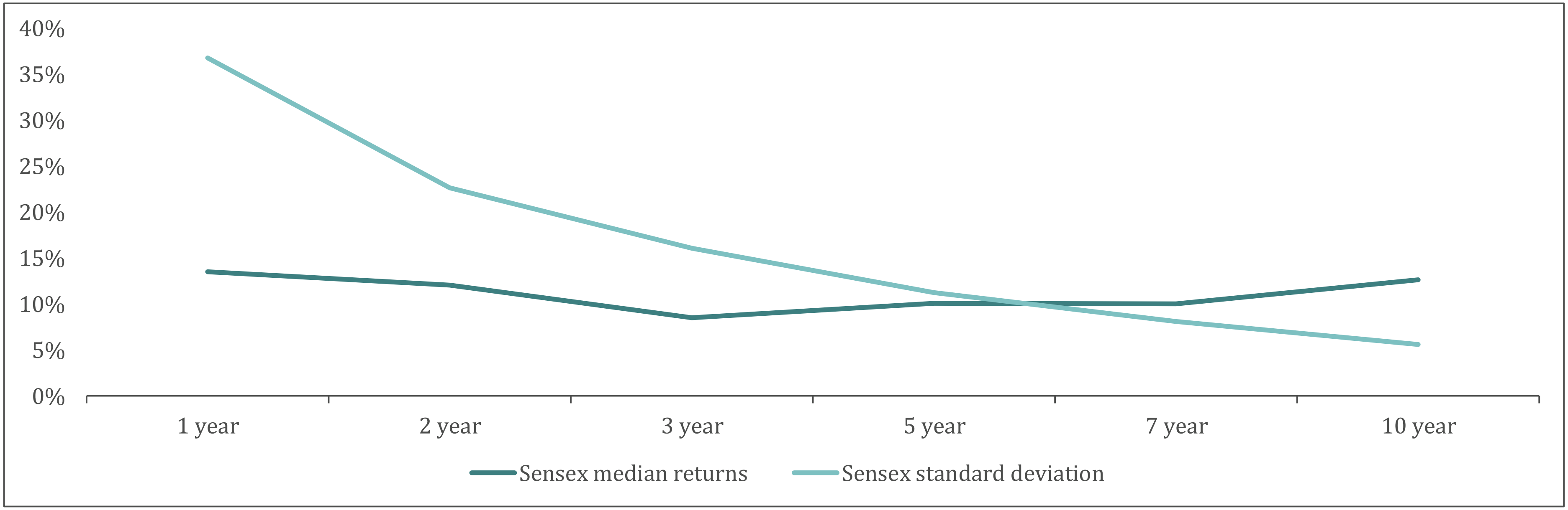
Asset class	Returns*
Equity	14.2%
Debt	6.9%
Gold	11.0%

Source: Bloomberg.
Note: The above chart shows the month end values of Nifty 50 Index (for equity),
Crisil Composite Bond Fund Index (for debt) and Gold prices in INR per troy ounce traded rebased to 100. Data since 31 Mar 2002 till 30 Nov 2018 has been used for this exhibit.
* Returns refers to CAGR returns from 2002-2018

- Equities have outperformed other asset classes over long term

IIFL INVESTMENT MANAGERS
ASSET MANAGEMENT

CORRELATION- TIME, VOLATILITY AND RETURNS

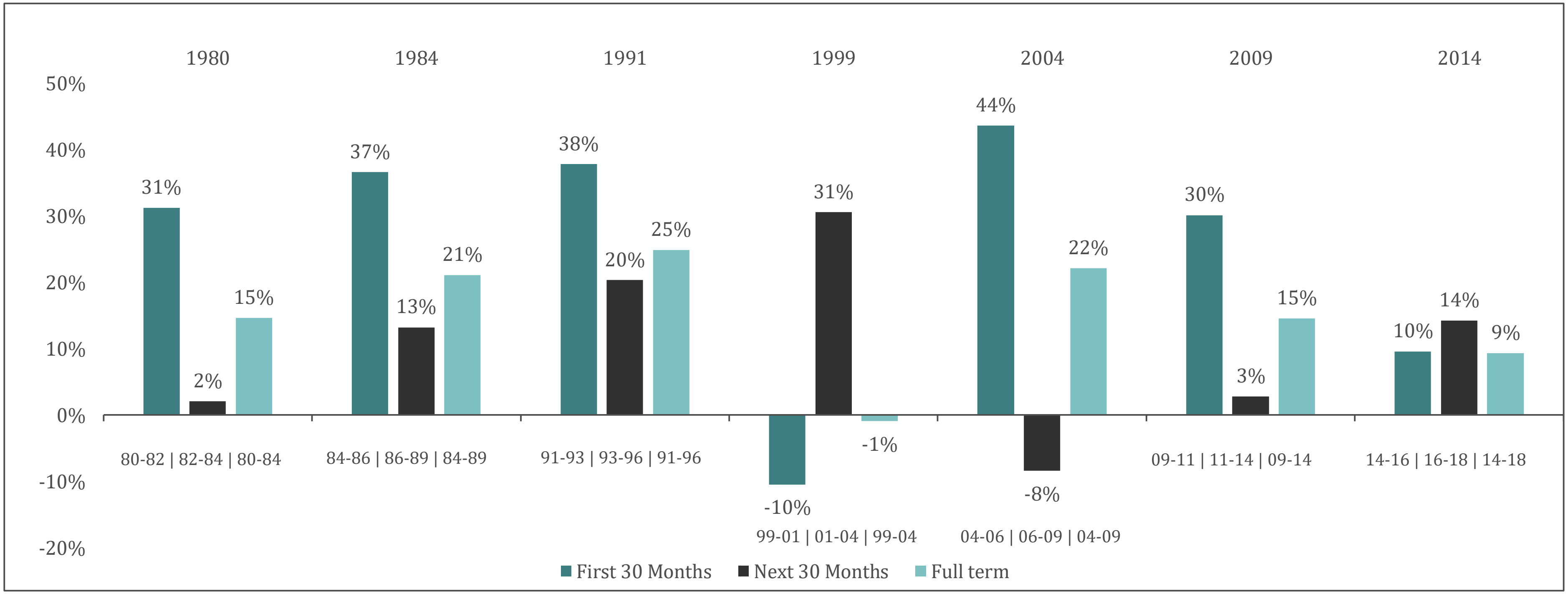


Source: Bloomberg.
Note: The above chart shows the rolling 1yr, 2yr, 3yr, 5yr, 7yr and 10yr returns for Sensex and the volatility in these returns.
Volatility has been calculated as the Standard deviation of these returns (dispersion from the mean returns).
Data since 02 Jan 1990 till 28 Sep 2018 has been used for this exhibit.

- Median equity returns across periods are broadly similar ~12-15%
- Volatility is high across 1-4 year period & reduces significantly over 5years and more period
- Ideal investment horizon– > 5 years(returns>volatility)

EQUITY ALLOCATION IN VOLATILE MARKETS

Return analysis – pre vs post election

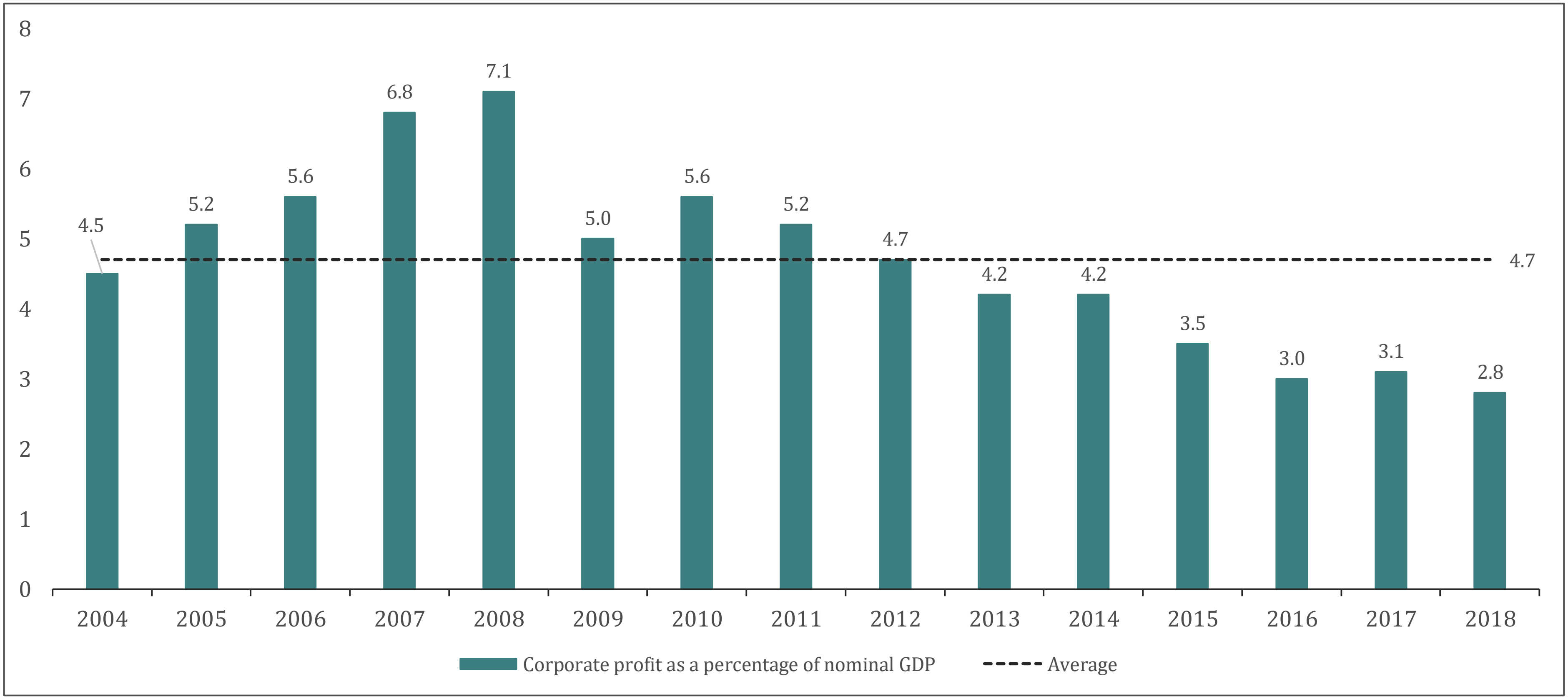


Source: Bloomberg.
Returns for BSE SENSEX Index.
All returns are CAGR and calculated for Lok Sabha Election dates. Data as on 30th November 2018

- Tenor between elections broken into 2 equal periods (2.5 years each)
  - 6 months prior to event – 2 years post election
  - 2 years post election – 6 months before next election
- Returns have been higher for pre election investments, irrespective of the election outcome
- We are currently in a pre-election stage…

IIFL INVESTMENT MANAGERS ASSET MANAGEMENT

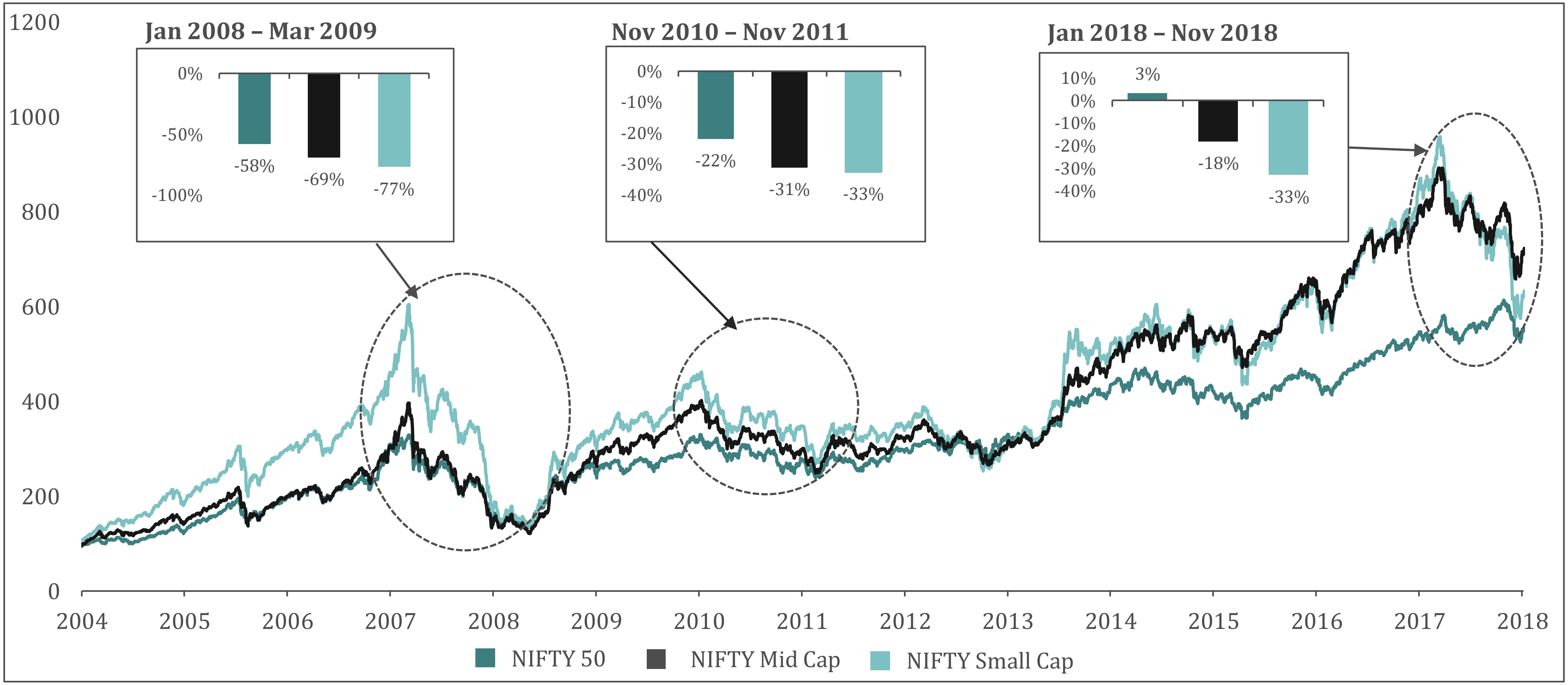
CORPORATE PROFITS VS GDP



Source: Bloomberg, CLSA, ACE Equity database.
Fiscal year ending 31st March; Corporate Profits are of all BSE 500 index constituents

- Corporate profits to GDP at multi year lows, likely to revert to long term averages in the future
- Indicate higher earnings growth to "catch up" across segments

MARKET CAP ALLOCATION VS VOLATILITY

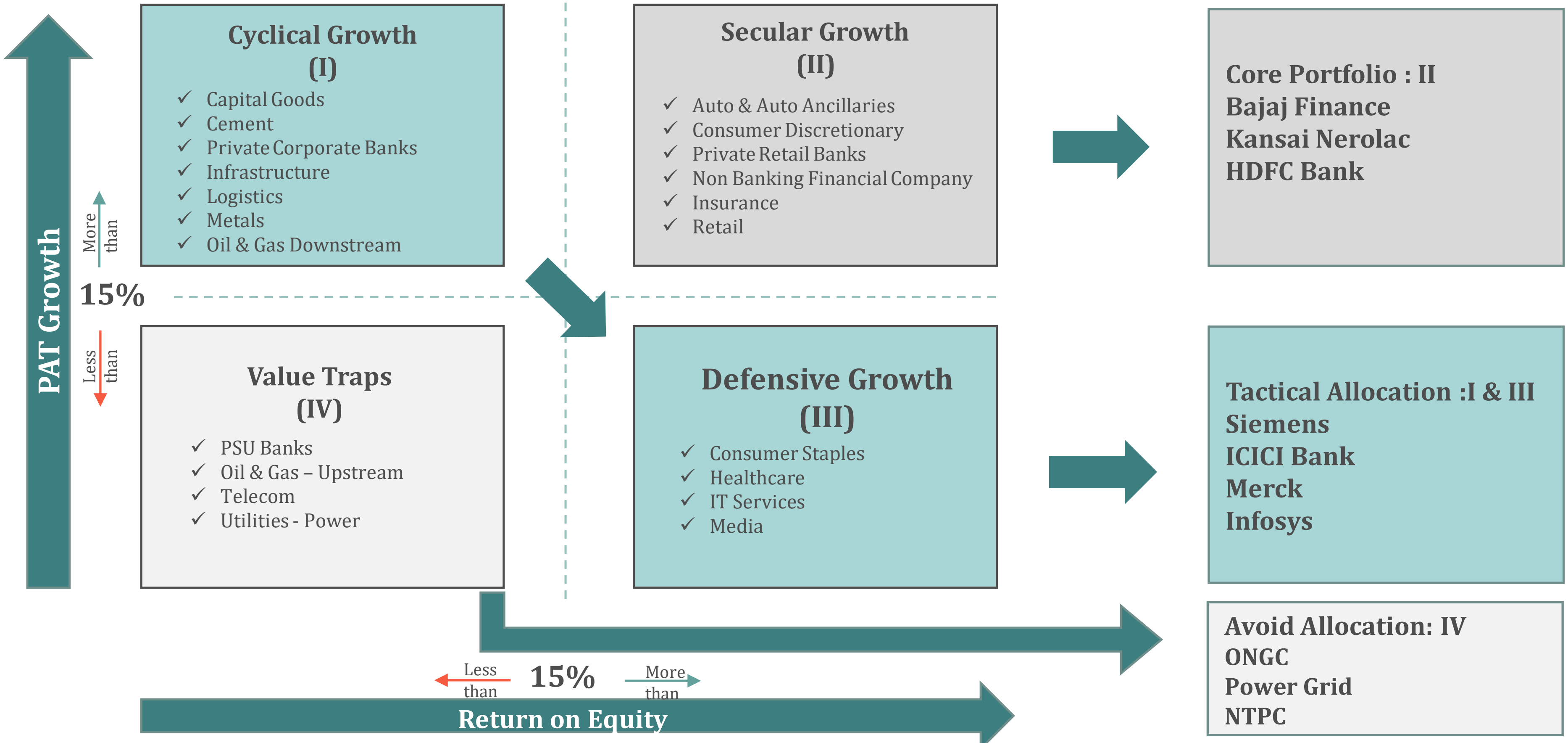


Source: Bloomberg. Data as on 30th Nov 2018

- During periods of higher volatility, large caps have outperformed mid and small cap stocks

INVESTMENT PHILOSOPHY & PROCESS

INVESTMENT PHILOSOPHY & FRAMEWORK - 4 SEGMENTS



- **Cyclical (PAT>15%, ROE <15%)** –Companies/ Sectors that show high growth but are affected by market cycles hence need to be timed for entry and exit
- **Secular (PAT>15%, ROE >15%)** – High growth companies / sectors which show consistent growth across market cycles
- **Defensive (PAT<15%, ROE >15%)** – Companies / sectors that show consistent stable growth across market cycles
- **Value Trap (PAT<15%, ROE <15%)** – Companies/ sectors that are at attractive valuation but do not show commensurate growth.

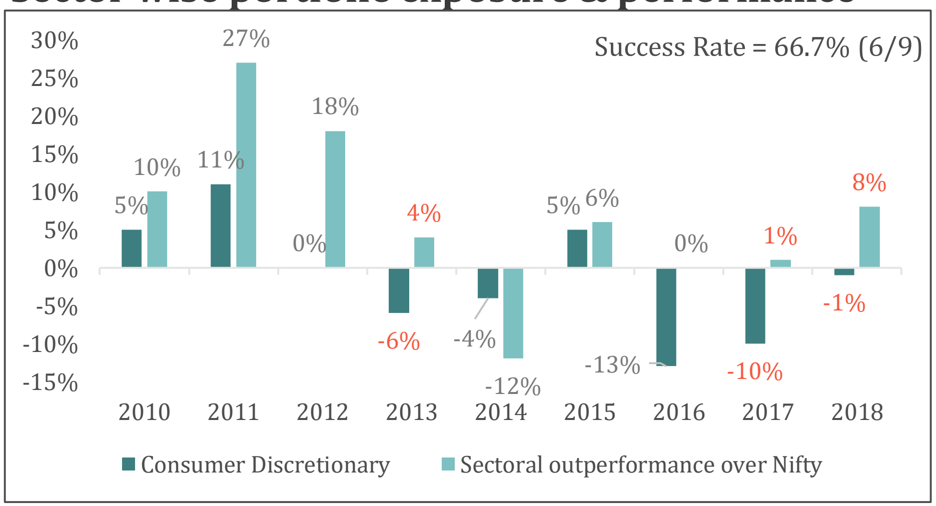
Note: The companies mentioned above are for illustration purpose only does not construe to be an offer or solicitation of an offer to buy/sell any securities or research analysis. The strategy may or may not be hold the same in its portfolio. Past performance may or may not sustained in future.

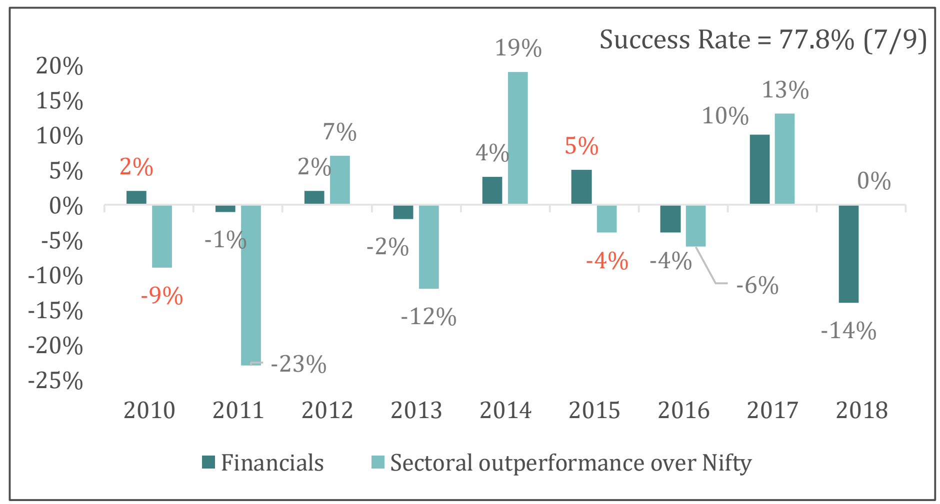
DYNAMIC SECTOR SELECTION*

2009	Increased exposure to cyclicals (auto, banking, utilities etc) (Jindal Steel & Power)
2010	Reduced beta, lowered allocation to infrastructure and mid caps, replaced by defensives like FMCG
2011	Zero exposure to mid caps and infrastructure
2012	Cautious, reduced exposure to commodity space, increased exposure to defensives (pharma)
2013	Increased allocation to cyclical sectors like capital goods, infra, banking, autos
2015	Reduced exposure to pharma sector as US FDA visits increased. Also reduced PSU Banks exposure to zero due to higher NPAs
2016	Added NBFCs and small finance banks
2017-18	Added exposure to defensives (IT and pharma)

*Till 2013, the above mentioned strategy was adopted by the investment team as part of the strategies managed under IIFL Wealth Management Limited, the holding company. Same strategy has been continued by the investment team, under IIFL Asset Management Limited.

Sector wise portfolio exposure & performance





The exposures in the above graphs are relative to Nifty 50 index

IIFL INVESTMENT MANAGERS ASSET MANAGEMENT

INVESTMENT TEAM & KEY TERMS

ORGANISATIONAL STRUCTURE

Anup Maheshwari (24)

(Joint CEO & CIO – IIFL AMC)

Investment Team

- Mayur Patel (14)

- Mehul Jani (14)

- Aniruddha Sarkar (12)

(Strategy Manager – IIFL multicap & IIFL multicap advantage PMS)

Research

Mitul Patel (11)

Head of Research

- Sunesh Khanna (10)
- Rahul Salvi (6)
- Haresh Kapoor (5)
- Anish Goenka (5)
- Rohit Vaidyanathan (3)

Years in brackets ( ) is years of investment or investment-related experience

IIFL INVESTMENT MANAGERS ASSET MANAGEMENT

KEY TERMS

TYPE OF STRATEGY	Discretionary Portfolio Management Services - Equity
PORTFOLIO MANAGER	IIFL Asset Management Ltd. (IIFL AMC)
BASIC THEME	The objective of the strategy is to generate long term capital appreciation for investors from a portfolio of equity and equity related securities
STRATEGY	The investment strategy is to invest in companies & sectors that are available at significant discount to their intrinsic value and provide earnings visibility. The strategy takes a concentrated position in stocks and sectors and endeavours to strategically change allocation between sectors depending on changes in the business cycle • Equity Investment - up to 100% • Liquid schemes of Mutual funds and other securities as per discretion of Portfolio Manager
RECOMMENDED TIME HORIZON	Recommended time horizon for effective portfolio returns as envisaged by the portfolio manager is 36 months and above
MINIMUM INVESTMENT AMOUNT	INR 25 Lakhs
MANAGEMENT FEE	2.50% per annum. Management fee will be computed on Daily NAV (charged monthly)
PLACEMENT / ENTRY FEE	Up to 2.00% of Invested Amount
BENCHMARK	BSE 200 TRI
BROKERAGE	0.12% of transaction value (plus applicable statutory levies)
OTHER CHARGES	Statutory/Other charges as applicable (STT/Demat/Custodial Charges/Service Tax etc.)
EXIT FEES	Exit Fees will be calculated basis the initial date of investment by the Client in the Portfolio on FIFO Basis as follows; Less than 9 months – 4% of amount withdrawn 9 months or more but less than 18 months – 3% of amount withdrawn 18 months or more but less than 24 months – 2% of amount withdrawn 24 months or more but before 36 months – 1% of amount withdrawn**

**Exit load shall be calculated on the redemption value of the portfolio on the date of redemption

CONTACT US

Location	Address	Contact no	E-Mail ID
Mumbai	**Savita Sahay** IIFL Asset Management Ltd, 8th Floor, IIFL Centre, Kamla Mills Compound, Senapati Bapat Road, Lower Parel (W), Mumbai – 400013	022 39585600 Extn 5896 / 5172	amcsaleswest@iiflw.com
Delhi	**Naveen Bareja** IIFL Asset Management Ltd, 2nd Floor, GYS Platinum, D-3, P-3B, Saket District Centre New Delhi 110 017.	011 4369 3000 Extn 3090	amcsalesnorth@iiflw.com
Bangalore	**Mamatha J** IIFL Asset Management Ltd, Level 3,Prestige Nebula-1,8-12,Cubbon road, FMC Cariappa Colony, Shivanchetti Gardens,Bangalore-560001	080 22536400 Extn 6465/67	amcsalessouth@iiflw.com
Kolkata	**Sharmistha Dey** IIFL Asset Management Ltd, Unit 3, Level 3, Camac Square,24, Camac Street, Kolkata - 700 016	033 44035800 Extn 5820	amcsaleseast@iiflw.com

DISCLAIMER

THANK YOU.

IIFL INVESTMENT MANAGERS

ASSET MANAGEMENT